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PROCEEDINGS AND DEBATES OF THE 83d CONGRESS, FIRST SESSION

SENATE

THURSDAY, JUNE 25, 1953

(Legislative day of Monday, June 8, 1953)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Rev. Hirl A. Kester, minister, Waugh Methodist Church, Washington, D. C., offered the following prayer:

O God, our help in ages past, our hope in days to come, our ever-present help in the time of trouble, we come to Thee because Thou art good, and Thy mercy endureth forever. We come because we recognize that every good, true, and perfect gift cometh from above. We come because we know that Thou hast made us a great Nation, and not we ourselves.

We pray that Thou wilt give us strength, courage, and faith to keep us a great Nation.

We pray that Thou wilt bless the Senate this day. May everything Senators say and do be for Thy name's honor and glory. We pray that Thou wilt bless our President and all who are in places of authority throughout our great country.

May this be a day marked by the presence of Thy Holy Spirit.

These favors we ask in Christ's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, June 24, 1953, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 3203) to amend the Interstate Commerce Act, with respect to the authority of the Interstate Commerce Commission to regulate the use by motor carriers (under leases, contracts, or other arrangements) of motor vehicles not owned by them in the furnishing of transportation of property, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the following concurrent resolution (H. Con. Res. 92), in which it requested the concurrence of the Senate:

Whereas the year 1953 is the 50th anniversary year of the first successful controlled powered flight by Wilbur and Orville Wright in a heavier-than-air craft at Kitty Hawk, N. C., on December 17, 1903; and

Whereas in the 50 years which have passed since that great event the women of America have made substantial contribution to the development of aviation; and

Whereas the women of America now are assumirg an increasingly important role in the field of aviation; and

Whereas the many opportunities which exist for women in the field of aviation are constantly increasing; and

Whereas the organization of women pilots, generally known as the Ninety-Nines, Inc., symbolizes the participation of women in the development of aviation; and

Whereas in tribute to the accomplishment of Wilbur and Orville Wright and to the swift progress which has been made in the field of aviation in the past 50 years, such organization has sponsored a transcontinental air race on July 3, 1953, from Lawrence, Mass., to Long Beach, Calif., in which more than 50 women pilots will participate; and

Whereas such transcontinental air race is the first east-west flight competition by resourceful and courageous women who are following the great tradition of Amelia Earhart; and

Whereas such transcontinental air race in the year of the 50th anniversary of the first successful controlled powered flight symbolizes the important role of women in the field of aviation: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That, in this 50th anniversary year of the first successful controlled powered flight in heavier-than-air craft by Wilbur and Orville Wright, at Kitty Hawk, N. C., on December 17, 1903, the Congress hereby—

(1) expresses its high esteem of and great regard for the important part played by women in the development of aviation in the past 50 years;

(2) expresses the hope that women will continue to take an increasingly important part in the field of aviation in the future; and

(3) extends its best wishes for the success of the first east-west transcontinental air race on July 3, 1953, from Lawrence, Mass., to Long Beach, Calif., under the sponsorship of the organization of women pilots generally known as the Ninety-Nines, Inc., in commemoration of the 50th anniversary of the first succesful controlled powered flight in heavier-than-air craft.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore.

H. R. 2313. An act to continue the effectiveness of the act of March 27, 1942, as extended, relating to the inspection and audit of plants, books, and records of defense contractors, for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter;

H. R. 2557. An act to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941; and

H. R. 4126. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, relating to war-risk hazard and detention benefits, until July 1, 1954.

COMMITTEE MEETINGS DURING SENATE SESSIONS

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Agriculture and Forestry was authorized to meet during the session of the Senate today.

On request of Mr. KNOWLAND, and by unanimous consent, the Internal Security Subcommittee of the Committee on the Judiciary was authorized to meet today during the session of the Senate.

On request of Mr. WATKINS, and by unanimous consent, the Subcommittee on Immigration of the Committee on the Judiciary was authorized to meet this week during sessions of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, it is the proposal of the acting majority leader that there not be a morning hour today until the Senate has completed action on the submerged lands bill.

I ask unanimous consent that following final action on the bill, there be the usual morning hour, for the purpose of permitting Senators to introduce bills and joint resolutions and to make insertions in the RECORD, and transact other routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

JURISDICTION OVER SUBMERGED LANDS OF THE OUTER CONTINENTAL SHELF

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1901) to provide for the jurisdiction of the United States over the submerged lands of the outer Continental Shelf, and to authorize the Secretary of the Interior to lease such lands for certain purposes.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. JOHNSON of Texas. Under the unanimous-consent agreement entered into last evening, each side is allotted

1½ hours on the bill. My inquiry is whether it is in order to yield any of that 1½ hours prior to action on a pending amendment.

The PRESIDENT pro tempore. Will the Senator from Texas restate the last part of his question?

Mr. JOHNSON of Texas. Is it in order to yield any of the time allocated to each side for discussion of the bill, prior to action on a pending amendment?

The PRESIDENT pro tempore. So far as the Chair is aware, under the unanimous-consent agreement there would be no objection to doing that.

Mr. JOHNSON of Texas. I thank the Chair.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. LONG. Mr. President, I call up my amendment designated "6-23-53," and ask that it be stated.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. LONG. Mr. President, I call up my amendments designated "6-23-53-C."

The PRESIDENT pro tempore. The amendments will be stated.

The LEGISLATIVE CLERK. On page 30, after line 6, it is proposed to insert the following:

SEC. 15, Report by Secretary: As soon as practicable after the end of each fiscal year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives a report detailing the amounts of all moneys received and expended in connection with the administration of this act during the preceding fiscal year.

On page 30, line 7, it is proposed to change "15" to "16."

On page 30, line 10, it is proposed to change "16" to "17."

Mr. LONG. Mr. President, the purpose of these amendments is to cause the Secretary to report to the Congress each year the amount of money that is being realized from operations on the Continental Shelf. It seems to the junior Senator from Louisiana that the Congress is entitled to know just how much money is involved in this operation. There have been wide discrepancies in the estimates, as between those of us who say that there may be a few million dollars of revenue initially, and that the greatest amount to be generated is perhaps $40 million or $50 million a year, while on the other hand there are those who say that $300 billion would be realized from the resources in this area. I believe it would be well for the Congress to know, year by year, the amount of money actually being realized from operations on the Continental Shelf. If the House should refuse to agree to the Senate amendment which would provide that the money shall be split up among the various States for education, the Congress would not know that a certain amount of revenue was being produced.

Mr. President, I believe there should be no objection to these amendments. I hope the distinguished acting chairman of the committee [Mr. CORDON] is willing to take the amendments to conference. I see no reason why they should not be agreed to.

Mr. CORDON. Mr. President, had these amendments been offered in committee I am sure they would have been agreed to. I think they present a sound approach to the overall problem. In my opinion, the amendments would be in the interest of further enlightenment of Congress with respect to the resources of the seabed and subsoil of the outer Continental Shelf. I have no objection to the amendments.

The PRESIDENT pro tempore. The question is on agreeing to the amendments offered by the Senator from Louisiana [Mr. LONG].

The amendments were agreed to.

Mr. ELLENDER. Mr. President, I should like to ask my good friend, the minority leader [Mr. JOHNSON of Texas], for some time on the bill before I present my amendment.

Mr. JOHNSON of Texas. Mr. President, I yield to the senior Senator from Louisiana 45 minutes at this time, and will yield more time later if he needs it.

The PRESIDENT pro tempore. The minority leader yields 45 minutes to the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. Mr. President, before presenting my amendment, I desire to discuss the bill to some extent, particularly with reference to previous acquisition of lands by the United States—how those lands were acquired, and how they were thereafter disposed of.

There are four methods by which land was formerly acquired by the Government—first, by cession; second, by purchase; third, by conquest; and, fourth, by annexation, as in the case of Texas.

Mr. President, I should like to place in the RECORD at this point, as a part of my remarks, a summary of the various methods whereby our Nation has acquired territory in the past. This summary is contained in Hibbard's A History of the Public Land Policies, at page 28. The summary shows how we have acquired lands in the past, where, the prices paid, and the disposition made of them.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

The idea of a public domain was firmly fixed in the minds of the colonists, particularly those living in colonies with a claim to extensive territory. This sense of proprietorship over unoccupied land very promptly extended to the Confederacy, even antedating any tangible claim to the backlands. A controversy between the colonies and the new National Government regarding jurisdiction was inevitable. The colonies having claims to western land, no matter how flimsy the claim, were not disposed to give them up without something in the semblance of compensation. The principle on which the dispute was settled was at least clear, even though not altogether logical; the western land was obtained by common sacrifices, hence should be common property. Such a principle might have been applied so as to have cut down the claim to a great deal of unsettled land within the boundaries of the new States as they were later established. Just what were the logical territorial limits of such States as Virginia and Georgia there was no way of saying. Maryland claimed a share in the western lands, but just what western lands were nobody knew. Like many other disputes a settlement was more important than the basis on which it was made. The States, even before they were properly called States, in order to form the confederation, beginning with New York, 1781, and ending with Georgia, 13 years after the adoption of the Constitution, ceded their western claims. Thus was formed a great public domain.

In 1803 by the purchase of Louisiana almost a third of the present area of the United States was added. The payment was $15 million plus enough more eventually to make $27 million. Florida in 1819 with 72,000 square miles, cost $5 million plus another million and a half. Texas, annexed in 1845, added 389,000 square miles. Oregon, with 287,000 square miles, though at one time believed to be a part of the Louisiana Purchase, was acquired by treaty in 1846. By conquest, California, in 1848, with a half a million square miles, was added. The Gadsden Purchase added a mere trifle, about the size of South Carolina, in 1853. This completes the acquisitions, outside of Alaska, of continental territory. From the gross amount of land ceded to, or purchased by, the United States must be subtracted 34,600,000 acres of private claims. The total extent of public domain acquired by the Government was approximately 1,400,000,000 acres of land. The cost in money payment, including interest, was $59,758,000, or about 4¼ cents an acre.

Mr. ELLENDER. Today we find ourselves in an entirely new field, insofar as the acquisition of property is concerned. Various theories are advanced as to why and how we have obtained the lands comprising the outer Continental Shelf, lying in that area of the coastal waters located beyond the historical seaward boundaries of the coastal States.

At this time I should like to present to the Senate a summary, consisting of a portion of a decision printed in the International Comparative Law Quarterly, in a case entitled "In the Matter of an Arbitration Between Petroleum Development (Trucial Coast) Ltd., and the Sheikh of Abu Dhabi," and which appears in the Senate Interior Committee's hearings on the pending bill, showing how and under what theory this land is being claimed by the Federal Government. As the hearings will show, there is some conflict of view, as to whether title to this land was acquired by accretion, or was acquired because it is contiguous to our Nation's shores. Other theories are advanced in the summary, which I ask to have printed in the RECORD at this point as a part of my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

(d) The doctrine of the Continental Shelf, its substance and history: The expression "Continental Shelf" was first used by a geographer in 1898. The legal doctrine which later gathered round this geographical term was possibly foreshadowed when in 1942 England and Venezuela concluded a treaty about the Gulf of Paria providing for spheres of influence in respect of areas covered by the high seas and followed by certain annexations coincident with these spheres.

The doctrine was perhaps first explicitly asserted as a legal doctrine (in a very exaggerated form) in a proclamation by the Argentine Republic in 1944, but its classical enunciation in the form in which it has mainly to be considered in this case was the well-known proclamation by President Truman of September 28, 1945.

The substance of the doctrine then proclaimed, as I understand it, was this: A coastal power is not surrounded, even at low water, by a precipice leading vertically to the bottom of the ocean, perhaps 2 miles below. As a rule the seabed shelves very gently outward and downward for a considerable distance, a distance generally (but not invariably) exceeding the 3-mile territorial limit. Again, not always but very often, where the sea reaches a depth of about 100 fathoms or (what is much the same thing) 200 meters, the edge of this shelf is reached and there is a more or less abrupt plunge of the land mass down to the ocean floor. The doctrine of the "shelf" as proclaimed in the Truman Declaration of 1945 arrogated to the United States jurisdiction and control over the resources of the American Continental Shelf which was described as appertaining to the United States.

The resources referred to were those of the subsoil of that zone of the seabed which lies between the limit of the territorial waters and the point at which its gently shelving character gives place to an abrupt descent.

Several other states followed roughly on the same course as the United States. For instance, Great Britain (not quite on the same lines) in respect of Jamaica and of the Bahamas, and Saudi Arabia in respect of parts of the Persian Gulf. Other states weighed in with similar claims. These other states fall into two groups: I, Mexico and the Latin and Central American Republic; and II, the states which are most directly relevant in this arbitration, states bordering on the Persian Gulf other than Saudi Arabia.

In almost every case the claim was embodied in a decree or proclamation. Most often, though not invariably, the proclamation was in a declaratory form, that is in a form asserting or implying that the proclamation was not constitutive of a new right but merely recorded in the existence of a preexisting one.

I. The claims of the Latin and Central American Republics were often far more ambitious than those of this country, the United States and Saudi Arabia; inasmuch as on the one hand the former claims were often claims to actual sovereignty over the shelf and its subsoil and on the other hand, and this is more important, the claims were often not limited to the shelf as a geological entity or even to the area ending where the depth of the sea began to exceed 100 fathoms, but sometimes extended to a zone 200 nautical miles from the mainland; an area quite unrelated to the width of the physical shelf. In these exorbitant forms the claims met with protest and resistance; but in the more modest form in which they were advanced by the United States, the United Kingdom, and Saudi Arabia, they were acquiesced in by the generality of powers, or at least not actively gainsaid by them.

II. The British-Persian Gulf proclamations: The proclamation of Saudi Arabia was followed in 1949 by proclamations issued by the Sheikhs of the trucial states (or on their behalf by the Government of the United Kingdom qua protecting power), including the Shiekh of Abu Dhabi. All of these last proclamations conform broadly in their terms to the Truman proclamation. They mostly contain recitals on the following lines: "Whereas it is just that the seabed and subsoil extending to a reasonable distance from the coast should appertain to and be controlled by the littoral State to which it is adjacent." The Abu Dhabi proclamation of June 10, 1949, provides in its operative part "We, Shakhbut Bin Sultan Bin Za'id, Ruler of Abu Dhabi, hereby declare that the seabed and subsoil lying beneath the high seas in the Persian Gulf contiguous to the territorial waters of Abu Dhabi and extending seaward to boundaries to be determined more precisely as occasion arises on equitable principles by us after consultation with the neighboring states appertain to the land of Abu Dhabi and are subject to its exclusive jurisdiction and control."

(e) Is the doctrine in any of its forms part and parcel of international law? The preceding section calls attention not only to the recent origin of the doctrine but to the great variety of forms which in its short life it has assumed. Some states claim sovereignty over the shelf. Others pointedly avoid doing so, claiming only "jurisdiction" or "control," "appurtenance," and the like. Whatever the scope of the rights claimed, some states assert those rights by declaratory proclamations implying their preexistence; others issue proclamations which are on the face of them a new departure and designed to be constitutive of title. What is the seaward limit of the shelf? Here again the answers given differ. Some states say, "its geological or geographical limit, its edge, or its crop." Others (whether because their particular shelf has got no edge and has got no drop, or for other reasons), say, "the point at which the sea becomes 100 fathoms or 200 meters deep"; while yet others say, "a line drawn parallel to the coast of the contiguous power and 200 nautical miles from it." The 200-mile claim seems to be more or less universally discredited. The other two criteria seem on their face much more reasonable. But what is the position where as in the Persian Gulf itself, both of these more reasonable criteria fail us, because the shelf not only has no edge, but extends continuously across a sea whose waters never attain a depth of as much as 100 fathoms? Is it to extend outward to a "reasonable distance" from the coast—the expression used in the recital of the Abu Dhabi proclamation? If so, what is a "reasonable distance"? Where states are grouped, as in this case, round a more or less cylindrical gulf, is the principle usque ad medium filum applicable? How could it possibly be applied in the case of comparably shallow seas of completely irregular configuration, such as the North Sea? Again, how are rights of whatever character to the subsoil of the shelf acquired? Can they indeed be acquired at all? Or would their existence inevitably conflict with the freedom of the high seas?

Before the doctrine of the shelf was promulgated, I think the general answer might well have been that they cannot be acquired at all—that the shelf is as inappropriable as the high seas that roll or repose above it: subject to this reservation, that the seabed (not the subsoil) of the submarine area, is in certain rare cases, subject to a customary right vested in certain states to conduct sedentary fisheries in such seabed. For instance, the right to fish for sponges, coral, oysters, pearls, and chank. Indeed, the shallow seas of the Persian Gulf are subject to mutual pearling rights by subjects of the various littoral states. If, however, the submarine area is capable not merely of being the subject matter of these limited occupational rights over the seabed, and pro tanto a res nullius, is its subsoil as a whole res nullius?

That is to say, something in which right can be acquired, but only by effective occupation? Or is the position as the claimants' main argument maintains, that the rights in the subsoil of the shelf adhere (and must be taken always to have adhered) ipso jure—occupation or no occupation—to the contiguous coastal power? Or failing that, if occupation be indeed necessary; in cases where it is almost impracticable, may proclamations, or similar acts be treated as a constructive or symbolic or inchoate occupation (the claimants' alternative contention under this head)?

Conclusion as to doctrine of the Continental Shelf: Neither the practice of nations nor the pronouncements of learned jurists give any certain or consistent answer to many—perhaps most—of these questions. I am of opinion that there are in this field so many ragged ends and unfilled blanks, so much that is merely tentative and exploratory, that in no form can the doctrine claim as yet to have assumed hitherto the hard lineaments or the definitive status of an established rule of international law.

Whether there ought to exist a rule giving effect to the doctrine in one or other and, if so, which of its forms is another question and one which, if I had to answer it, I should answer in the affirmative. There seems to me much cogency on the arguments of those who advocate the ipso jure variant of the doctrine. In particular: (1) it is extremely desirable that someone, in what threatens to become an oil-starved world, should have the right to exploit the subsoil of the submarine area outside the territorial limit; (2) the contiguous coastal power seems the most appropriate and convenient agency for this purpose. It is in the best position to exercise effective control, and the alternatives teem with disadvantages; (3) there is no reason in principle why the subsoil of the high seas should, like the high seas themselves, be incapable of being the subject of exclusive rights in any one. The main reasons why this status is attributed to the high seas is (i) that they are the great highways between nations and navigation of these highways should be unobstructed. (ii) That fishing in the high seas should be unrestricted (a policy approved by this country ever since Magna Carta abolished "several" fisheries). The subsoil, however, of the submarine area is not a highway between nations and the installations necessary to exploit it (even though sunk from the surface into the subsoil rather than tunnelled laterally) need hardly constitute an appreciable obstacle to free navigation; nor does the subsoil contain fish. (4) To treat this subsoil as res nullius—fair game for the first occupier—entails obvious and grave dangers so far as occupation is possible at all. It invites a perilous scramble. The doctrine that occupation is vital in the case of a res nullius has in any case worn thin since the east Greenland arbitration and more especially since that relating to Clipperton Island. But leaving that aside, it is difficult to imagine any arrangement more calculated to produce international friction than one which entitles nation A, it may be thousands of miles from nation B, to stake out claims in the Continental Shelf contiguous to nation B by "squatting" on B's doorstep—at some point just outside nation B's territorial water limit.

Mr. ELLENDER. Mr. President, I should like to read the last paragraph of the summary:

Whether there ought to exist a rule giving effect to the doctrine in one or other and, if so, which of its forms is another question and one which, if I had to answer it, I should answer in the affirmative.

That relates to the contiguity of these lands to our shores.

There seems to me much cogency on the arguments of those who advocate the ipso jure variant of the doctrine. In particular: (1) it is extremely desirable that someone, in what threatens to become an oil-starved world, should have the right to exploit the subsoil of the submarine area outside the territorial limit; (2) the contiguous coastal power seems the most appropriate and convenient agency for this purpose. It is in the best position to exercise effective control, and the alternatives teem with disadvantages; (3) there is no reason in principle

why the subsoil of the high seas should, like the high seas themselves, be incapable of being the subject of exclusive rights in any one. The main reasons why this status is attributed to the high seas is (i) that they are the great highways between nations and navigation of these highways should be unobstructed. (ii) That fishing in the high seas should be unrestricted (a policy approved by this country ever since Magna Carta abolished several fisheries). The subsoil, however, of the submarine area is not a highway between nations and the installations necessary to exploit it (even though sunk from the surface into the subsoil rather than tunnelled laterally) need hardly constitute an appreciable obstacle to free navigation; nor does the subsoil contain fish. (4) To treat this subsoil as res nullius—fair game for the first occupier—entails obvious and grave dangers so far as occupation is possible at all. It invites a perilous scramble. The doctrine that occupation is vital in the case of a res nullius has in any case worn thin since the east Greenland arbitration and more especially since that relating to Clipperton Island. But leaving that aside, it is difficult to imagine any arrangement more calculated to produce international friction than one which entitles nation A, it may be thousands of miles from nation B, to stake out claims in the Continental Shelf contiguous to nation B by squatting on B's doorstep—at some point just outside nation B's territorial water limit.

In other words, the theory in international law under which we claim this body of land is that it is contiguous to our shoreline.

This theory has been in actual practice for many years, and was used by several of the countries in Europe in order to obtain title and sovereignty to the subsoil of the sea. But in all cases, and as provided in the pending measure, the rights of freedom of the seas which cover these lands have been preserved.

Some nations, however, hold to the theory of first occupancy, and although this is a minority view among members of the United Nations, it has strong support.

The Supreme Court of the United States in the Louisiana case recognized that the use and occupancy on the part of Louisiana of this outer Continental Shelf area may be of great value to our country in the event any question should ever be raised under International Law as to our ownership and right to the subsoil of the Continental Shelf. For that reason alone the rights of the coastal States should be recognized and maintained, and perpetuated, for these rights, these possessory actions, bolster and reinforce the Federal claim to the submerged lands. It strikes me that the dual system of Federal-State sovereignty, which has made our country great, should continue to exist in these offshore areas.

For years, on the coast of Louisiana, fishermen have occupied the coast—have used the waters and plied them with their boats. Many of them have spent virtually all of their lives there. Since 1938 active exploration for oil and gas has been conducted there. We have been in actual possession of the subsoil of the sea located on the Louisiana coast. In 1938, Louisiana extended its boundaries out to 27 miles from its coastline. That fact in time may be Exhibit No. 1 in our claim to national sovereignty over these areas in the event a dispute involving them should be presented to an international court for arbitration.

I should like to refer at this point to a case which was adjudicated in Europe in 1951—the Anglo-Norwegian Fisheries case. A digest of the case appears on page 373 of the Modern Law Review.

That litigation involved a claim between England and Norway as to the right to fish in the waters located within 4 or 5 miles, as I recall, of the Norwegian coast. The Norwegians claimed exclusive jurisdiction of this area. The case went before the International Court and was decided in Norway's favor because the Norwegians were able to show, and to demonstrate, that their people had been fishing there for centuries and that the fishing grounds were an integral part of the Norwegian economy. Because of those facts, Norway was recognized as having exclusive jurisdiction over these waters.

I should like to read one sentence from the Law Review comment on this decision, appearing at page 375 of the Modern Law Review for July, 1952:

> Nevertheless, the court had no difficulty in holding that Norway had over a long period virtually enjoyed sovereignty over the disputed areas and that the title had been acquiesced in by foreign States.

Mr. President, by the same token we must be able to present evidence of usage and acquiesence in the event any effort is ever made by a foreign government to dispute American title to any of the subsoil beneath our coastal waters. In order to substantiate our claim, and in order to make it more secure in the event such a situation should ever occur, it is my conviction as a lawyer that we should not repudiate the rights of the coastal States in the Continental Shelf area. It seems to me that the coastal States should be permitted to continue an occupancy the right to which has been theirs from time immemorial. We should not place these bodies of land under the exclusive jurisdiction of the Federal Government, without preserving the very basis of that Federal claim—the prior possession of the coastal States.

Other theories have been advanced in regard to this question, but it is not my purpose to go into great and lengthy detail with respect to them. I should like at this point to place in the RECORD, in order to complete the picture, an excerpt from volume I of Chancellor Kent's Commentaries on American Law, published in 1826 with reference to the seaward lines. I quote from Kent's Commentaries, at page 38:

> Considering the great extent of the line of the American coasts, we have a right to claim, for fiscal and defensive regulations, a liberal extension of maritime jurisdiction; and it would not be unreasonable, as I apprehend, to assume, for domestic purposes connected with our safety and welfare, the contro[1] of the waters on our coasts, though included within lines stretching from quite distant headlands, as, for instance, from Cape Ann to Cape Cod, and from Nantucket to Montauk Point, and from that point to the capes of the Delaware, and from the south cape of Florida to the Mississippi. It is certain that our Government would be disposed to view with some uneasiness and sensibility, in the case of war between other maritime powers, the use of the waters of our coasts, far beyond the reach of cannonshot, as cruising ground for belligerent purposes. In 1793, our Government thought they were entitled, in reason, to as broad a margin of protected navigation as any nation whatever, though at that time they did not positively insist beyond the distance of a marine league from the seashore; (a) and, in 1806, our Government thought it would not be unreasonable, considering the extent of the United States, the shoalness of their coast and the natural indication furnished by the well-defined path of the Gulf Stream, to expect an immunity from belligerent warfare, for the space between that limit and the American shore. It ought, at least, to be insisted that the extent of the neutral immunity should correspond with the claims maintained by Great Britain around her own territory, and that no belligerent right should be exercised within the chambers formed by headlands, or anywhere at sea within the distance of four leagues, or from a right line from one headland to another. (b) In the case of the *Little Belt*, which was cruising many miles from the shore between Cape Henry and Cape Hatteras, our Government laid stress on the circumstance that she was hovering on our coasts; and it was contended on the part of the United States that they had a right to know the national character of armed ships in such a situation, and that it was a right immediately connected with our tranquility and peace. It was further observed, that all nations exercise the right, and none with more rigor or at a greater distance from the coast than Great Britain, and none on more justifiable ground than the United States. (a) There can be but little doubt that, as the United States advance in commerce and naval strength, our Government will be disposed more and more to feel and acknowledge the justice and policy of the British claim to supremacy over the narrow seas adjacent to the British Isles, because we shall stand in need of similar accommodation and means of security.

What I am trying to do, Mr. President, is to outline for the Senate the processes by which our country has acquired additional lands, the precedents for such acquisitions, and to show that the Continental Shelf should be treated in the same manner as any other public land is treated.

I should also like to point out that under our jurisprudence, and under the Constitution itself, it was never intended that our Government should acquire land and should hold it as a colony in perpetuity. The intent of our Founding Fathers was to limit acquisition of land to the ultimate end of making either a State, or a self-governing Territory of it, or incorporating such lands into some existing State.

When Chief Justice Holmes was a member of the Supreme Court of Massachusetts, he wrote:

> There is no belt of land under the sea adjacent to the coast which is the property of the United States and not the property of the adjacent States.

That quotation appears on page 185 of the hearings.

The same principle was recognized by the Supreme Court of the United States in an opinion written by Chief Justice Taney, in the famous Dred Scott decision—19 Howard 393, 446. Mr. President, I should like to read an excerpt from page 446 of that decision:

> This brings us to examine by what provision of the Constitution the present Federal Government, under its delegated and

restricted powers, is authorized to acquire territory outside of the original limits of the United States, and what powers it may exercise therein over the person or property of a citizen of the United States, while it remains a Territory, and until it shall be admitted as one of the States of the Union.

There is certainly no power given by the Constitution to the Federal Government to establish or maintain colonies bordering on the United States or at a distance, to be ruled and governed at its own pleasure; nor to enlarge its territorial limits in any way, except by the admission of new States. That power is plainly given; and if a new State is admitted, it needs no further legislation by Congress, because the Constitution itself defines the relative rights and powers and duties of the State, and the citizens of the State, and the Federal Government. But no power is given to acquire a territory to be held and governed permanently in that character.

Mr. ELLENDER. Mr. President, I should like to emphasize one passage from that decision:

There is certainly no power given by the Constitution to the Federal Government to establish or maintain colonies bordering on the United States or at a distance, to be ruled and governed at its own pleasure; nor to enlarge its territorial limits in any way, except by the admission of new States * * * no power is given to acquire a territory to be held and governed permanently in that character.

Mr. President, as I understand the pending bill, that is exactly what the Senate would do in this instance. Whether we call this land a territory, or a land mass, or whatnot, it is property of the United States that is to be forever governed from Washington—something which never was intended by the Constitution. From the excerpt I have just read from the famous Dred Scott decision, it is obvious that our Government was never intended to acquire lands, except in the expectation that in the future they would be admitted as a State, administered as a Territory, under the laws governing Territories, or incorporated into existing States.

In this case we are not dealing with a Territory or distant island possessions. Instead, we are dealing with a part of the land mass of the adjacent coastal States. What the Senate committee calls horizontal jurisdiction over the subsoil and seabed of the Continental Shelf is being claimed by the United States under the provisions of the pending bill. Technically, this bill would not extend the boundaries of the United States but would only extend the jurisdiction and control of the United States over the resources and subsoil of the seabed.

Mr. President, some difference of opinion was expressed among the members of the Committee on Interior and Insular Affairs on the question of whether jurisdiction and control, as extended in the bill, were different from sovereignty. In that connection I refer to a colloquy which occurred between the distinguished junior Senator from Texas [Mr. DANIEL] and Mr. Jack B. Tate, legal adviser of the Department of State. If the testimony which now appears in the committee hearings is read, I believe it will convince anyone that our extension of jurisdiction and control over the seabed and subsoil of this area really means an extension of sovereignty over the seabed and subsoil.

Mr. President, I ask unanimous consent that the following testimony which took place during the hearings on S. 1901, held by the Senate Interior and Insular Affairs Committee, be incorporated into my remarks at this point in the RECORD.

There being no objection, the testimony referred to was ordered to be printed, as follows:

Senator DANIEL. I certainly agree with you that it is. And I think it makes our problem a whole lot easier for this committee if we not necessarily use the word "sovereignty" but if we have a clear understanding that as far as the domestic rights of this Nation are concerned, we can apply the domestic law over this area just as though it were part of our land territory.

Mr. TATE. I believe that is correct, Senator. I am glad you say "whether you use the word 'sovereignty' or not." We do not, of course, agree with the position that the British took, and there are a number of other nations that do not agree. Belgium, for example. They feel, and maybe I am laboring the point too much, that when you talk about jurisdiction and control of the seabed and subsoil, it is clear that you mean something that is less than full sovereignty, which would include supra-adjacent waters and the air.

Senator DANIEL. We certainly could agree with you on that.

Mr. TATE. We can get into a semantic argument that wouldn't be profitable for either of us. I think that jurisdiction and control, as set forth in the proclamation and as now used in S. 1901, gives you, as far as I can see right now, everything that you would want by use of the word "sovereignty" with the qualification that you did not refer to the waters above.

Senator DANIEL. I thank you. That is exactly what I was trying to bring out. For all practical purposes, our Nation has the same rights as if we had used the word "sovereignty."

Now, in the interpretation of the President's proclamation, which is limited to mineral resources of the ground, it seems that both the Secretary of State in the concurrent press release, the Attorney General of the United States in his lawsuits against Texas and Louisiana, and the Supreme Court in its decrees, have treated the proclamation as though it covered the land itself, all of the area of the seabed and subsoil of the Continental Shelf. Is that not correct?

Mr. TATE. That is correct.

Senator DANIEL. And for all practical purposes, when we claim exclusive jurisdiction and control over the natural resources of the seabed and subsoil, have we not asserted exclusive jurisdiction over the seabed and subsoil itself?

Mr. TATE. For all practical purposes that I can think of, sir.

Senator DANIEL. We have?

Mr. TATE. Yes, sir.

Mr. ELLENDER. Mr. President, on page 573 of the hearings there occurred this discussion between the junior Senator from Texas [Mr. DANIEL] and Mr. Tate of the State Department:

Senator DANIEL. In other words, we can legislate with reference to our seabed and subsoil, just as completely and as effectively as the countries that use the word "annexation" or "boundaries" or "sovereignty" in speaking of their seabed and subsoil?

Mr. TATE. Well, I don't know that I am prepared to say what every other country can do under its claim. I would say that they can do what we can do, and that what we can do is exercise full jurisdiction, full control, over this area.

Senator CORDON. That is, the land itself.

Mr. TATE. The land itself.

Senator DANIEL. We can treat it as though it was annexed or a part of the territory of the United States. Is that not correct?

Mr. TATE. As I said earlier, I don't see what the practical difference would be.

So, Mr. President, as I understand the testimony, it makes no difference that the Federal Government is not claiming jurisdiction and control over the water above the seabed and the air above the water; in any case, in my opinion, this land should be treated in the same manner as is treated any other land that has been acquired in the past by the Federal Government, by the various methods I have mentioned.

At this time, Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, excerpts from an article by R. S. Trigg, published in the University of Pennsylvania Law Review. The article is entitled "National Sovereignty Over Maritime Resources."

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

The United States claims only jurisdiction and control of the resources of the subsoil and seabed of the contiguous Continental Shelf. Thus in two ways the claim may be minimized in argument. It has been suggested that the jurisdiction includes only the resources in the subsoil, and not the subsoil itself. This, of course, is mere sophistry; one may as logically claim the maple syrup of the wood while denying any interest in the tree. But the other argument has more force. "Jurisdiction and control," * * * is far different from "sovereignty"; and though international law does not tolerate sovereignty outside the territorial belt, it has in many cases accepted claims of jurisdiction for certain purposes. This is, however, a distinction without a difference.

Mr. ELLENDER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an excerpt from an article entitled "The Continental Shelf," written by F. A. Valett, and published in the British Year Book of 1946. It was referred to in the colloquy to which I have just referred between the distinguished junior Senator from Texas [Mr. DANIEL] and Mr. Tate.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

It is difficult to see what distinction there is between control over the natural resources and control over the subsoil and seabed itself. Anything of value might be included in natural resources, and any use or interference with the subsoil or seabed might equally be regarded as an interference with the use of their natural resources. Therefore it does not seem that the use of this expression imparts any real limitation, and the claim may be taken as relating to the subsoil and seabed themselves.

Indeed, the contemporaneous press release spoke simply of jurisdiction over the Continental Shelf. Moreover, jurisdiction and control are tantamount to sovereignty. Thus, notwithstanding the restrained language of the proclamation, it does appear to amount to a declaration that the Government of the United States regards the sovereignty over the Continental Shelf as belonging to the United States. (From The Continental Shelf, by F. A. Valett.)

Mr. LONG. Mr. President, will my colleague yield to me?

The PRESIDING OFFICER (Mr. BARRETT in the chair). Does the Senator from Louisiana yield to his colleague?

Mr. ELLENDER. I yield.

Mr. LONG. Does my colleague know that most of the nations which have considered this problem have claimed their land in just the way the Senator is now suggesting?

Mr. ELLENDER. That is the next point I wish to call to the attention of the Senate. I shall not discuss this point in detail; but what my distinguished colleague has just said is correct, namely, that the submerged lands of the Continental Shelf bordering on Trinidad and Tobago, the Bahamas, British Honduras, the Falkland Islands, and Pakistan were acquired under the same theory, namely, under the doctrine of contiguity, but instead of claiming them by extending jurisdiction over the natural resources, as was done by President Truman in his 1945 proclamation, claim was asserted by either extension of boundaries or by annexation.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, excerpts from the hearings indicating how those various bodies of seabed surrounding the islands and territories I have just mentioned have been acquired.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Senator DANIEL. Now, Mr. Tate, I would like for us to look at the British practice with respect to the Continental Shelf a little bit, since the United States has not objected to it.

First, looking at the United Kingdom's annexation of the submarine areas off the shores of Tobago and Trinidad: By order of August 6, 1942, the United Kingdom said:

"Whereas, it is expedient that the rest of the submarine areas of the Gulf of Paria should be annexed to and form part of His Majesty's dominions and should be attached to the colony of Trinidad and Tobago for administrative purposes: Now, therefore, His Majesty is pleased, by and with the advice of his Privy Council, to order, and it is hereby ordered"—

And it goes on to describe the area out into the middle of the Gulf of Paria, and says "shall be annexed to and form part of His Majesty's dominions and shall be attached to the colony of Trinidad and Tobago for administration purposes, and the said submarine areas are annexed and attached accordingly."

* * * * *

Senator DANIEL. The Bahamas, order in council, November 26, 1948, says this:

"The boundaries of the colony of the Bahamas are hereby extended to include the area of the Continental Shelf which lies beneath the sea contiguous to the coasts of the Bahamas." And it goes on to say that "nothing in this order shall be deemed to affect the character as high seas of any waters above the Continental Shelf and outside the limit of territorial waters."

* * * * *

Senator DANIEL. Now, back to the British practice: I believe I was about to take up with you the case of British Honduras. By order in council, October 9, 1950, the boundaries of British Honduras were altered, according to the terms used, and the order provides as follows:

"The boundaries of the colony of British Honduras are hereby extended to include the area of the Continental Shelf which lies beneath the sea contiguous to the coast of British Honduras. Nothing in this order shall be deemed to affect the character as high seas of any waters outside the Continental Shelf and beyond the limits of territorial waters."

* * * * *

Senator DANIEL. I would like, for the benefit of the committee, to read exactly how the United Kingdom handled the Falkland Islands case, reading only one sentence, and I quote from the order in council of the United Kingdom, December 21, 1950:

"The boundaries of the colony of the Falkland Islands are hereby extended to include the area of the Continental Shelf, being the seabed and its subsoil contiguous to the coasts of the Falkland Islands."

And thereafter follows the same declaration—that it does not affect the high seas.

The same language, or practically the same, is used with reference to the Union of South Africa, and I would like to call attention to different language used by Pakistan. By declaration of the Governor General, March 9, 1950, the Governor General of Pakistan says that he hereby declares, in pursuance of clause (b) of subsection (1) of section 5 of the Government of India Act, 1935—"that the seabed along the coast of Pakistan, extending to the 100-fathom contour in the open sea, shall, with effect from the date of this declaration, be included in the territories of Pakistan."

Mr. ELLENDER. Mr. President, a colloquy occurred among other members of the committee and various witnesses, particularly with representatives of the State Department, on the question of whether jurisdiction and control over the seabed and subsoil are actually different from sovereignty. I believe the testimony adduced shows convincingly that even the State Department finds no difference between jurisdiction and control over the seabed, as extended in this bill, and sovereignty, with respect to our rights to the resources of the seabed and subsoil, and our right to apply domestic law, either Federal or joint State and Federal.

As I previously pointed out, and as the junior Senator from Texas so admirably emphasized in his questioning of Mr. Tate of the State Department, it does not make any difference how the jurisdiction and control over this area is applied, just so the seas above the submerged lands remain open and free to all nations. This is a practice which has often been followed with respect to structures erected in the sea by various nations, particularly lighthouses. In the case of lighthouses, the constructing nation acquires sovereignty over the structure, and the seabed or island upon which it is located. As a matter of fact, some 15 to 18 miles off the coast of my own parish of Terrebonne in the State of Louisiana there is a United States lighthouse known as Ship Shoal Light, which is built upon a submerged shell reef, and I am not aware of any foreign nation protesting our right to jurisdiction over it.

As I indicated previously, Mr. President, Congress is, in this measure, dealing with an entirely new field of law, and is considering a theory which strikes at the very heart of our basic republican system of dual State and Federal sovereignty. Are we going to continue this dual philosophy of government which, conceived by our Founding Fathers, has made us so great? I believe we must, Mr. President, and the purpose of my amendment is to maintain this dual sovereignty, by extending to the States the right to administer civil and criminal laws in the area dealt with in the pending bill.

Mr. President, in this instance the Continental Shelf will add thousands of square miles of territory to the area of our Nation—territory which has, for years, been administered by the States bordering on the coast under laws enacted by those States. And this is only proper. Let us take, for example, the State of Massachusetts. As I recall, the land area around the State which will be taken over by the Federal Government is two and one-half times the present size of Massachusetts. If we are to judge by the past history of our Nation, the civil laws of Massachusetts should be followed in the administration of this area; and yet, what is now proposed? It is proposed that there be created a new area, unconnected with the State of Massachusetts, adjacent to its coast, over twice its size, yet governed by the Federal Government. In Louisiana, the land area to be added by virtue of the declaration of the President in 1945, and which is recognized in the pending measure, equals one-third of the present size of my State. Every coastal State of the Union that heretofore has had jurisdiction over these areas will find that jurisdiction removed from State hands, taken over by the Federal Government, and administered from Washington under what is admittedly a new concept of jurisprudence.

Admitting for the sake of argument that, as set forth in the Supreme Court's opinions in the California, Texas, and Louisiana cases, the resources of the Continental Shelf are the property of the Federal Government, it must be borne in mind that the States are, in this bill, surrendering to the Federal Government all rights of political jurisdiction, including the power to police and tax the areas, as many of them have been doing in the past.

Mr. President, I ask permission to place in the RECORD at this point an excerpt from a statement made by Dr. Harold F. Clark, professor in charge of educational economics at Columbia University, which statement appears on pages 206 and 207 of the hearings. This statement emphasizes the point which I have just discussed as to the additional area that is being acquired by the Federal Government, erected as a new and hiterto-unknown variety of territory, and to be administered as no land in our history has been administered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana?

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Dr. CLARK (continuing). I think probably the best thing to do is to turn the maps of the States, if you will just turn to them, and we will run through the States very hurriedly.

Take the first one, Alabama. The territory in black shows the amount of territory that would be added to the State of Alabama, approximately one-eighth additional territory.

The next State is the State of California, which adds approximately 20,000 miles to the State of California.

The next State is Delaware, which adds just a little less than its present land territory.

Then I would like to stop a moment on Florida, if I may.

I have a large map here showing the counties of Florida.

Incidentally, I would not want to defend the legality of this. I am talking of the substance of it. I am talking of the economic substance.

This, in my opinion, is Florida [indicating]. The committee can say it is the law this year but, gentlemen, if I may say so, if you do not, the next Congress or some other one will. You have no alternative. That is Florida [indicating]. As you can see, the new Florida has about one and a third the amount of the old land territory.

The next State is Georgia, which adds approximately one-eighth of the land area.

* * * * *

The next State is Maine. It is an interesting thing that you have almost two Maines there. The ocean Maine is almost the same shape and size as the land State. That is figure 8.

The next is Maryland, which adds some one-third or one-fourth of the present land area.

Massachusetts is one of the oddest States of the Union. As all of you know, many of my good friends in New England think New England has an economic problem. It does have. They have been kind enough to invite me to come up and discuss with them some of their economic problems, and I have told them rather definitely that much of the greatness of New England was built from the sea. They have the greatest economic resource in the world. Massachusetts has 2½ times her land area, but they are not developing it.

New England has the resources. That is not a problem in New England. New England has the opportunity. There it is. It is just a case of whether you go out there and develop it.

The next State, Mississippi, which has approximately an eighth additional area on the Continental Shelf.

New Hampshire is a very odd case. It has a thin strip sticking out between Massachusetts and Maine. Some of my friends in New Jersey have told me, "New Jersey has no interest in this problem," but actually there is more of New Jersey which lies east of the coastline than west of it. The greatest area of economic development in New Jersey lies east of the coastline, if they see it. It is just up to the people in New Jersey whether they want to develop it.

New York is a curious situation.

North Carolina, fairly straightforward.

Oregon adds some 10,000 or 12,000 square miles.

Interesting little Rhode Island gets substantially more ocean than she has land.

South Carolina adds some 40 percent to her area.

Texas adds approximately 10 percent to her area.

Virginia, about an eighth.

Washington adds about 10,000 or 11,000 square miles.

Mr. ELLENDER. Mr. President, here is a factor these other coastal States might do well to consider. I ask Senators to remember that if this bill, as reported by the committee, becomes the law of our land, the coastal States will have surrendered to the Federal Government all police power over their Continental Shelf areas; they will have given up all power of taxation over them.

It is my considered judgment that future generations, the future inhabitants of these States, will judge such action as extremely shortsighted. These lands may well be immensely more rich in natural resources than the present land area of the coastal States involved. For example, Dr. Clark, to whom I have referred previously, made the following prediction in his statement, which is printed in the hearings on this bill:

> The land involved in our own ocean resources is probably more important to the future of the country than was the Louisiana Purchase to the Nation at that period.
>
> * * * * *
>
> All the main mineral elements of the world have been discovered in the ocean. Some major processing plants have been established for obtaining minerals from the ocean. Much of our bromine and iodine are extracted from the ocean. A very large fraction of all the magnesium currently used in the United States comes from a single plant extracting the mineral from the ocean. There are 6 million tons in a single cubic mile of ocean. For practical purposes, these supplies are unlimited. Every country in the world that has access to the ocean has an almost unlimited supply of magnesium.
>
> All practical steps should be taken to further the procuring of more minerals from the ocean. There are many reasons to think, given time, money, and adequate encouragement to private initiative, that the results will be substantial. But surely the States are in a better position to do this than the Federal Government would be. If you allow the Federal Government to take all these economic resources, it will wind up in almost complete control of the economic life of the country. Inevitably, Washington will become the dictator of almost all our economic policies. There are very few Americans who want that result.

Mr. President, continuing scientific developments and the accelerated rate of depletion of our natural resources point to the fact that before many years we will be searching out and developing the mineral resources of the Continental Shelf which, as of today, are virtually untapped. And I should like to remind Senators again, that not just Louisiana, Texas, California, and Florida have Continental Shelf areas. Every coastal State in our Union is bordered by Continental Shelf lands. True, there has not been any oil found off the coast of Rhode Island as yet. But what would prevent other valuable and important mineral deposits from being found there, and perhaps in quantities infinitely more vast than the petroleum resources of the Gulf or Pacific Ocean? I say none, Mr. President, and I believe Senators should think this problem through very carefully before relinquishing the birthrights of their citizens to an already vast and powerful Federal Government.

I cannot help but remember, Mr. President, that 25 years ago the possibility of obtaining oil from the Continental Shelf was considered to be far-fetched—the scheme of an impractical dreamer. Today, there are producing wells many miles out into the open sea. Oil and gas are not the only resources found in the submerged lands. For example, I recall vividly back in the late 1920's when a deposit of sulfur was discovered in my own parish of Terrebonne, La., in the Bay St. Elaine area. This deposit was located in the marshes, just a few miles from the Gulf of Mexico. Everyone thought at that time it would be impossible to mine the sulfur because of lack of fresh water and because of other physical obstacles. But today, the Bay St. Elaine dome is producing sulfur and helping alleviate the world shortage of that essential mineral, and our sulfur companies today are casting their eyes in the direction of the Continental Shelf.

It is only logical, Mr. President, that as our reserves of natural resources on the land areas of continental United States dwindle, the search for new sources inevitably will lead to the ocean beds that surround us. This is not a visionary scheme, by any means, Mr. President. It is already being done, and the efforts are not limited to the Gulf of Mexico or the Pacific Ocean off of California. Mr. President, I ask unanimous consent to have inserted at this point in my remarks a memorandum hastily prepared for me by the Library of Congress indicating some of the places where minerals are already being recovered from beneath the seabed and some of the methods used.

There being no objection, the memorandum referred to was ordered to be printed, as follows:

RECOVERY OF MINERALS FROM UNDER THE SEA

1. Alaska: Gold—Treadwell mine. Feldspar—Douglas I, near Juneau (opposite); down to 2,400 feet.

2. Nova Scotia—Sidney: Coal—several mines; actual production out to 1½ miles; exploration tunnels out to 3 miles.

3. Chile: Coal—Schwager mine, gulf of Aranco, 20 miles from Concepcion; nearly 2,000 feet down, up to 2 miles out.

4. Scotland—Firth of Clyde: Coal has been mined for 150 years; recent extensive new explorations.

5. Newfoundland: Dominion Wabana Ore, Ltd.; iron—operates 4 mines tunneling from Bell Island out into Conception Bay. Producing about 1½ million tons per year; 1 mine 2,100 feet below sea level.

BY DREDGING BEYOND HIGH-TIDE MARK OR OTHER MEANS

1. United States—Florida: Monazite sands, by dredging.

2. India: Monazite sands, by dredging.

3. Philippines—Luzon Island: Gold and tin, by dredging around Paracale Bay.

4. United States: Sulfur, by drilling from Louisiana tidal marshes and seaward from there.

5. United States: Dow Chemical Co., Corpus Christi, Tex.: Magnesium from seawater by electrolysis.

6. England—Cornwall: Coal and tin, for hundreds of years, still being mined.

Mr. ELLENDER. Mr. President, I mentioned the acute shortage of vital natural resources facing our Nation, and I indicated that this shortage is going to force us to seek hitherto unexplored sources of these minerals. I ask unanimous consent to have printed at this point in my remarks an excerpt from the report of the President's Materials Policy Committee, rendered in June of 1952, which calls attention to the alarming dissipation of our natural resources and the need for new sources of supply.

There being no objection, the excerpt referred to was ordered to be printed, as follows:

THE ROAD WE HAVE TRAVELED

The decade of the 1940's marked a crucial turning point in the long-range materials position of the United States. Historical

trends long in the making finally came to a climax when the national economy moved just prior to the war from a long period of depression into a period, still continuing, of high employment and production. By the midpoint of the 20th century we had entered an era of new relationships between our needs and resources; our national economy had not merely grown up to its resource base, but in many important respects had outgrown it. We had completed our slow transition from a raw materials surplus Nation to a raw materials deficit Nation.

The symptoms of this changed materials position are today numerous; we have become the world's largest importers of copper, lead, and zinc, whereas once we were huge exporters. We have begun to meet from foreign sources a sizable and growing portion of our needs for petroleum and iron ore, which long were hallmarks of United States self-sufficiency. We have shifted from net exporter to net importer of lumber. There are today only two metals, magnesium and molybdenum, for which we are not partially dependent on foreign supplies.

The United States has never been completely self-sufficient in raw materials; had we insisted on being so, our economic output and living standards today would be considerably lower than they are. We began as an underdeveloped Nation with rich resources but a shortage of manpower and capital, and little industry. For a long time we were predominantly agrarian; as late as 1870, we had three farmers for every manufacturing worker. It made good sense for us then, as it does for many less developed countries today, to concentrate on the export of raw materials and agricultural products as the best means of acquiring purchasing power abroad with which to support better living standards and economic growth.

With the growth of manufacturing, United States foreign trade burgeoned, and its composition underwent drastic change. As a seller in world markets, we shifted emphasis from raw materials to manufactured goods; as a buyer, we shifted emphasis from finished goods to raw materials. As a result of these shifts, crude materials fell from over 60 percent of our merchandise exports in 1820 to less than 15 percent by 1946–50; conversely, finished manufactured goods rose from less than 6 percent of our exports in 1820 to 52 percent by 1946–50. Opposite changes occurred in our pattern of imports.

The inevitable has now come to pass. Whereas for many decades the United States economy produced more raw materials than it consumed and thus had a net outflow of materials to the rest of the world, we seem now to have settled solidly into the position of consuming more materials than we produce.

Mr. ELLENDER. I call these factors to the attention of Senators from the other coastal States, because I sincerely believe that they have been overlooked in what appears to me to be a mad rush to get this bill rammed through the Congress and onto the President's desk for signature.

Can any Senator tell me that he conscientiously believes that this legislation affecting the Continental Shelf beyond the boundaries of the States, has received full and adequate consideration, in the light of the immensity and complexity of the issues involved? I say "No," Mr. President, and I should like for the RECORD to show that the distinguished chairman of the Senate Committee on Interior and Insular Affairs [Mr. CORDON] has admitted that the hearings were conducted and the bill reported in a race against time—in just a bit over 2 weeks. I read now from the CONGRESSIONAL RECORD for June 22, 1953, page 6962, at which point the chairman of the committee [Mr. CORDON] made the following statement:

I am mindful of the fact that at that time I said that within 2 weeks after the enactment of the submerged lands joint resolution, the committee would have before the Senate a bill providing for the administration of the area of the outer Continental Shelf seaward of State boundaries.

ADDITIONAL VIEWS FROM EXECUTIVE AGENCIES REQUIRED

The measure I am now discussing was reported on June 15, missing the deadline by several days. I apologize for the delay but by way of extenuation, I plead—

With respect to the amendment covering sulfur, the chairman admitted that the committee did not have time to go into the subject at sufficient length to reach "a sound, considered, and advised conclusion." The chairman stated, and this is found on page 6965 of the June 22 RECORD, as follows:

That may be the correct percentage; but because the committee did not have the time to go into the subject at sufficient length to reach a sound, considered, and advised conclusion, it set the minimum royalty at 10 percent. In its report, it requests the Secretary of the Interior to make a continuous study of the question and, after he has reached conclusions, to submit them to the committee so that corrective action may be taken, if necessary.

Mr. ELLENDER. Mr. President, there is no question that the pending bill is extremely complicated. Frankly, within the short period of time I have had in which to study it, I have been unable to ferret out all its implications. It is something new, and that fact has been admitted on many occasions by witnesses who appeared before the committee, as well as by committee members themselves.

At this point, I should like to place in the RECORD an excerpt from the report of the Senate Committee on Interior and Insular Affairs on the pending measure, which reiterates the statement made by that committee when it reported Senate Joint Resolution 13, known as the first tidelands bill, in which it is stated that the issues presented are extremely complex, and that in all our legal and political experience there are no precedents to guide us. Yet with all that, with the little study that has actually been given by that committee, we are being asked, in a short space of time, to enact this legislation.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

The complexity of the problem presented by the assumption by the United States of jurisdiction and control over the subsoil and seabed of the outer Continental Shelf is immediately apparent from even a cursory examination of the Presidential proclamation. [Id est, proclamation No. 2667, issued September 28, 1945; the text is set forth in the appendix.] The declaration is limited to jurisdiction and control of the resources of the land mass; as stated in the proclamation—"the character as high seas of the waters above the Continental Shelf and the right to their free and unimpeded navigation are in no way thus affected."

Clearly, we have here neither absolute sovereignty nor absolute ownership.

It must follow that the interest of the United States is, from a national and an international standpoint, politically and legally, sui generis. What Federal laws are applicable, what should apply? In what court, where situated, does jurisdiction lie or where should it be placed? Should new Federal law be enacted where existing statutes are wholly inadequate, or should the laws of abutting States be made applicable? The necessity for answering these questions is clear when we take note of the fact that the full developments of the estimated values in the shelf area will require the efforts and the physical presence of thousands of workers on fixed structures in the shelf area. Industrial accidents, accidental death, peace and order—these and many other problems and situations need and must have legislative attention.

Mr. ELLENDER. Mr. President, as I said, the pending bill takes us very far into an entirely new field of law. Yet, it is a bill which has been considered, not by the Judiciary Committee—which deals with matters concerning changes in our system of laws—but by the Senate Committee on Interior and Insular Affairs. It occurs to me that the legal problems involved in the pending bill are so complex that the bill should have received the attention and study of the Judiciary Committee; and, before I conclude, I propose to show why that consideration was—and as far as I am concerned—still is necessary. However, for the time being, before offering my amendment, I desire to show how the application of laws to the lands which have in the past been acquired by the Federal Government, was heretofore handled.

In the amendment the junior Senator from Louisiana [Mr. LONG] and I propose to offer, we do not ask for any part of the revenues that are to be collected by the Federal Government. We are not advocating a law similar to the one which we now have on the statute books with respect to the distribution of revenues derived from public lands. However, I should like to point out to the Senate what the various States of the Union are receiving from public lands under a policy which gives the States a share of the revenues from Federal lands located within their respective borders—a policy which I assert has set the precedent for the administration of the submerged lands here in question; yet under the pending bill the coastal States are being denied the right to participate in the revenues from these marginal areas. Mr. President, I am not now questioning the decision of the Supreme Court of the United States in which it has ruled that the Federal Government has paramount rights over the property in question, and the States have no claim to the underlying resources.

The Congress, in the enactment of Senate Joint Resolution 13, which is now the law, has stated that the States are recognized as the owners of the submerged lands up to their historic bound-

aries, and that beyond those historic boundaries the ownership is in the United States Government.

I honestly believe that State boundaries should be extended, or the States should be given the right to extend their jurisdiction over these lands in the same manner as the Federal Government is extending its jurisdiction under this bill. Instead, the Federal Government has asserted full jurisdiction and control and seeks to exclude the Coastal States entirely, without even permitting them to participate in the revenues in the same manner as revenues are now being distributed among the States of the Union which contain federally owned lands.

Be that as it may, while I believe such participation in revenues would be only justice, I am not asking for that, Mr. President. If I should present such an amendment I know how many votes it would receive, so I am not requesting it at this time. I merely want to point out the injustice of the situation. The Senators who have been most vociferous against our requests for a share of the revenue from the newly acquired lands, represent States which are receiving millions of dollars annually from federally owned land.

Mr. President, under the Mineral Leasing Act of 1920 the State of Louisiana, which has some federally owned property, contributes, through the reclamation fund, over 52 percent of the revenues derived from such property to the great State of California, to the State of Arizona, and to the 15 other Reclamation States. Money derived from federally owned property is being taken from the State of Louisiana and used in 17 other States, to develop these States and to increase their wealth. It is true that the State of Louisiana receives 37½ percent of those funds, but 52½ percent is distributed among the 17 reclamation States.

Mr. President, funds from federally owned property are obtained in many ways; these moneys are derived from many sources, including grazing-land receipts; revenues from the Boulder Canyon project; Coos Bay wagon road grant fund; mineral lands leasing receipts; Alaska school land receipts, which are paid to Alaska; national forest receipts; fines for setting fire to timber; public lands receipts; receipts from lease of mineral deposits on acquired lands; receipts under the Migratory Bird Act.

Mr. President, I ask unanimous consent that brief summaries of the various acts governing such receipts be printed at this point in the RECORD as a part of my remarks.

There being no objection, the summaries were ordered to be printed in the RECORD, as follows:

GRAZING-LAND RECEIPTS

The Taylor Grazing Act of June 28, 1934, amended by acts of June 26, 1936, August 6, 1947, and June 19, 1948, provides that 12½ percent of grazing fees collected under section 3 of the act and 50 percent of moneys collected under section 15 is to be paid to the States in which the districts or lands producing the moneys are located, for the benefit of the local counties, and when appropriated by Congress, 33½ percent of grazing fees received from each grazing district on Indian lands ceded to the United States is to be paid to the States in which the lands are located, for the benefit of schools and roads in the local counties. This act is administered by the Department of the Interior (48 Stat. 1273, secs. 10, 11; 49 Stat. 1978, sec. 4; 61 Stat. 791, ch. 507; 62 Stat. 533, ch. 548; U. S. Code 43: 315i, 315j).

REVENUES FROM BOULDER CANYON PROJECT

The Boulder Canyon Project Act of December 21, 1928, amended by the Boulder Canyon Project Adjustment Act of July 19, 1940, and an act of May 14, 1948, provides that the Secretary of the Interior is to pay $300,000 a year until May 31, 1987, to both Arizona and Nevada from revenues from the Boulder Canyon project, the Colorado River Dam fund (instead of 18¾ percent of excess revenues formerly paid), but provides that in the event Arizona or Nevada or any taxing political subdivision thereof levies taxes upon the project, etc., payments to the States are to be reduced by an amount equivalent to the taxes collected.

The amending act of May 18, 1948, made the Colorado River Dam fund available also for annual appropriation for the fiscal years 1948, 1949, 1950, and 1951 for payments to the Boulder City School District, as reimbursement for actual cost of instruction of pupils who were dependents of employees of the United States living in or near Boulder City, such reimbursement not to exceed $65 per semester per pupil (45 Stat. 1059, sec. 4 (b); 54 Stat. 774–779; 60 Stat. 368, ch. 529; 62 Stat. 235, ch. 292; U. S. Code 43: 317c, 618–618c).

COOS BAY WAGON ROAD GRANT FUND

Section 5 of an act of February 26, 1919, provided for reconveyance of certain lands in Oregon, known as the Coos Bay Wagon Road grant, to the United States. There is a provision that separate accounts of receipts from sale of revested lands and timber within each of the two counties of Coos and Douglas are to be kept, and after receipts amount to the sum of accrued taxes on the lands and $2.50 an acre for the land revested, 25 percent of receipts are to be paid to the county in which the lands sold, etc., are located, for common schools, roads, highways, bridges, and port terminals, such payments to be made upon order of the Secretary of the Interior (40 Sta. 1180–1181, ch. 45, sec. 5).

An amending act of May 24, 1939, provides that 75 percent of receipts derived in any year from the Coos Bay Wagon Road grant lands is to be paid annually, in lieu of taxes, to the treasurers of Coos and Douglas Counties to be used for the purposes mentioned in the act of February 26, 1919, except that only 50 percent of the amount which would otherwise be paid to Douglas County is to be paid, until the fund is fully reimbursed by Douglas County as provided in section 5 of the earlier act (53 Stat. 753, ch. 144).

MINERAL LANDS LEASING RECEIPTS, ETC.

An act of October 2, 1917, provided that 50 percent of potassium royalties and rents was to be paid to the States within which the leased lands or deposits were located, to be used for roads or schools (40 Stat. 300, secs. 10, 11). This act was repealed by an act of February 7, 1927, below.

Section 1 and section 35 of the Mineral Lands Leasing Act of February 25, 1920, as amended or supplemented, provides that 37½ percent of the amounts derived from bonuses, royalties, and rentals from lease of certain public lands containing coal, phosphate, sodium, potassium, oil, oil shale, gas, sulfur, gold, silver, and quicksilver is to be paid to the State, or Alaska, within the boundaries of which the leased lands or deposits are located, for public roads, public schools, or public educational institutions. These acts are administered by the Department of the Interior (Feb. 25, 1920, 41 Stat. 437–438, sec. 1; 450, sec. 35; April 17, 1926, 44 Stat. 302, ch. 158, sec. 5; June 8, 1926, 44 Stat. 710, sec. 2; Feb. 7, 1927, 44 Stat. 1058, sec. 5; Aug. 8, 1946, 60 Stat. 950–951, ch. 916, sec. 1, 957 sec. 11; May 27, 1947, 61 Stat. 119 ch. 83; June 1, 1948, 62 Stat. 279 ch. 356; Aug. 3, 1950, 64 Stat. 402, ch. 527, Pub. Law 645, 81st Cong.; United States Code and United States Code Supp. 30: 181, 191, 275, 285, 292).

An act of March 1, 1933, authorizes the payment of 37½ percent of royalties from oil or gas produced in the Navajo Indian Reservation to the State of Utah for tuition of Indian children and for road (47 Stat. 1418, ch. 160).

PAYMENTS TO ALASKA FROM ALASKA SCHOOL LAND RECEIPTS

An act of March 4, 1915, amended by an act of March 5, 1952, provides that proceeds or income derived from lands reserved under this act (for support of common schools and a Territorial agricultural college and school of mines) are appropriated and set apart as separate and permanent funds in the Territorial treasury (38 Stat. 1215, ch. 181; 66 Stat. 14, ch. 80, Public Law 270, 82d Cong.).

NATIONAL FOREST RECEIPTS

Acts of June 30, 1906, and March 4, 1907, provided that 10 percent of receipts from forest reserves were to be paid to the local State for schools and roads in the local county in which the forest reserve was located, but not to exceed 40 percent of the total county income from other sources.

These acts are superseded by an act of May 23, 1908, amended by an act of September 21, 1944, which provides that 25 percent of national forest receipts are to be paid to the local State or Territory for schools and roads in the local county in which the forest reserve is located and omits the proviso limiting payments to 40 percent of county income from other sources (35 Stat. 260; 58 Stat. 737, ch. 412, sec. 212; U. S. Code 16,500).

The Weeks Act of March 1, 1911, as amended provides that 25 percent of the receipts from national forest acquired under the provisions of this act is to be paid to the local State for schools and roads in the local county where the forests are located (Mar. 1, 1911, 36 Stat. 963, sec. 13; June 30, 1914, 38 Stat. 441; Sept. 21, 1944, 58 Stat. 737, ch., 412, sec. 212; Apr. 24, 1950, 64 Stat. 87 ch. 97, sec. 17 (b); U. S. Code and U. S. Code Supp. 16: 500).

An act of June 20, 1910, provides that a certain portion of receipts from national forests within New Mexico and Arizona is to be paid to those States annually for schools (36 Stat. 562, sec. 6, 573, sec. 24).

Acts of August 9, 1916 and March 4, 1917, amended by Reorganization Plan No. 3 of May 16, 1946, provide that money received on account of charges in connection with the utilization, etc., of mineral resources of the forest lands acquired under the Weeks law are to be disposed of as is provided by law for disposition of receipts from national forests (39 Stat. 462; 39 Stat. 1150; 60 Stat. 1099, sec. 402; U. S. Code 16: 520).

All of these acts were administered by the Department of Agriculture, but the functions of the Secretary of Agriculture with respect to uses of mineral deposits were transferred to the Secretary of the Interior under section 402 of Reorganization Plan No. 3 of May 16, 1946.

An act of June 30, 1950, which authorizes the Secretary of the Interior to permit prospecting for minerals within national forests in Minnesota, provides that all receipts derived from permits or leases under this act are to be paid into the same funds and are to be distributed in the same manner as prescribed for national forest revenue by 16 U. S. Code 499, 500 and 501 (64 Stat. 311–312,

ch. 430; Public Law 594, 81st Cong.; U. S. Code 16: 508b).

FINES FOR SETTING FIRE TO TIMBER, ETC., ON PUBLIC LANDS

Acts of February 24, 1897, May 5, 1900, and November 15, 1941, incorporated in the Criminal Code of March 4, 1909, provided that fines collected from persons setting fire to timber, etc., on public lands, etc., are to be paid into the public school fund of the county in which the lands where the offense was committed are situated. These acts have been repealed and the same provisions incorporated in title 18 of the United States Code, enacted on June 25, 1948 (62 Stat. 788, 840, ch. 645, secs. 1855–1856, 3613).

PUBLIC-LANDS RECEIPTS

Various acts dating from March 3, 1803, to June 20, 1910, provide for payment of 3 or 5 percent of proceeds from the sale of public lands in specified States to the local State for roads, schools, canals, irrigation and levees, internal improvements, or improving the navigation of rivers. These acts are administered by the Department of the Interior (2 Stat. 226, sec. 2, 643, sec. 5; 3 Stat. 290, sec. 6, 349, sec. 5, 424, ch. 49, 430, sec. 6, 491, sec. 6, 547, sec. 6, 610, ch. 2, 674, ch. 46; 5 Stat. 58, ch. 120, 60, ch. 121, 116, sec. 63, 457, sec. 16, 17, 788, sec. 1, 790, ch. 76; 9 Stat. 58, sec. 7, 179, sec. 3, 349 ch. 78; 11 Stat. 167, sec. 5, 270, sec. 1, 384, sec. 4, 388, ch. 65; 12 Stat. 127, sec. 3; 13 Stat. 32, sec. 10, 34, sec. 10, 49, sec. 12; 18 Stat. 476, sec. 12; 25 Stat. 680, sec. 13; 26 Stat. 216, sec. 7, 223, sec. 7; 28 Stat. 110, sec. 9; 34 Stat. 274, sec. 11, 518, ch. 3557; 36 Stat. 563, sec. 9, 574, sec. 27).

RECEIPTS FROM LEASE OF MINERAL DEPOSITS ON ACQUIRED LANDS

The Mineral Leasing Act for Acquired Lands of August 7, 1947, authorizes the Secretary of the Interior to lease deposits of minerals owned by the United States in lands acquired by the United States, to which the mineral-leasing laws have not been extended. Receipts derived from leases are to be paid into the same funds or accounts and be distributed in the same manner as other receipts from the lands affected by the lease, except receipts from Indian lands (61 Stat. 913–915, ch. 513; U. S. C. Supp. 30: 351–359).

RECEIPTS UNDER THE MIGRATORY BIRD ACT

An act of June 15, 1935, as amended by Reorganization Plan No. 2 of May 9, 1939, provides that 25 percent of moneys received from sale of surplus wildlife, timber, etc., from wildlife refuges, is to be paid to the counties in which the refuges are situated, for the benefit of schools and roads. This act is administered by the Department of the Interior (49 Stat. 383, sec. 401; 53 Stat. 1433 (f); U. S. C. 16: 715s).

Mr. ELLENDER. Mr. President, these are revenues which are collected by the Federal Government from Federal lands within the various States. As is provided by the applicable act, a percentage of the collections remain in the States. For what purpose? To pay for schools, for roads, and for other activities which the States undertake for the benefit of their inhabitants.

Are we of Louisiana and the other coastal States asking for that under my proposed amendment? No. We are not asking for a dime of that money, although I believe we are as much entitled to it as are the States in which there is federally owned land from which the States collect 37½ percent from all the minerals produced. In addition, 17 of our States have a most-favored status, for 52½ percent of the mineral revenues derived from all States is accumulated and distributed among the 17 reclamation States of the Union.

If the pending bill accords just and fair treatment to the coastal States, I do not know what those words mean. Yet, Mr. President, under my amendment the coastal States do not ask for any of that money. All we are asking in the amendment is the privilege of taxing those who develop the natural resources which are located on the submerged lands adjacent to the coastal States. We ask only the right to impose State severance or production taxes on the amount of oil, gas, or other natural resource recovered by the lessees. That portion which goes to the Federal Government would not be taxed. In other words, Mr. President, what my amendment undertakes to do is simply permit the coastal States to impose the same kind of tax that is now being paid, for example, by all who produce oil, gas, and other minerals from lands located in my own State. We are not asking for any portion of the Federal revenues from these newly found lands. The bill will remain as written. There is a clause in the bill which provides, in effect, that even if the State laws are extended to this newly found territory, that extension shall in no manner give to the States the right to obtain any portion of the revenues from the natural resources therein.

On page 4 of the bill it is provided as follows:

(3) The provisions of this section for adoption of State law as the law of the United States shall never be interpreted as a basis for claiming any interest in or jurisdiction on behalf of any State for any purpose over the seabed and subsoil of the outer Continental Shelf, or the property and natural resources thereof or the revenues therefrom.

That language, Mr. President, remains in the bill.

I repeat, that all I am asking for by my amendment is the right to impose the same kind of severance tax that is now being collected by my State from producers of oil, gas, and other natural resources within its boundaries.

I even go a step further, Mr. President. My amendment would fix the rate of the tax at its present level——

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I now offer the amendment.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Louisiana.

The LEGISLATIVE CLERK. On page 10, between lines 13 and 14, it is proposed to insert the following:

(h) (1) Each adjacent State may extend its jurisdiction and laws (except as provided in paragraph (4) of this subsection and to the extent that such laws are inconsistent with the laws of the United States heretofore or hereafter enacted or with the rules and regulations of the Secretary issued in pursuance to the provisions of this act) to that portion of the subsoil and seabed of the outer Continental Shelf, and artificial islands and fixed structures erected thereon for the purpose of exploring for, developing, removing, and transporting resources therefrom, within the area defined with respect to such State under subsection (a) (2). No State shall exercise its jurisdiction over such area so as to interfere with the jurisdiction, control, and power of disposition vested in the United States by this act.

(2) When a State has so extended its jurisdiction and laws—

(A) the provisions of subsection (a) of this section shall no longer apply to such portion of the subsoil and seabed or to such artificial islands and fixed structures;

(B) the Constitution and laws and civil and political jurisdiction of the United States shall extend thereto to the same extent as in the case of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act and artificial islands and fixed structures erected thereon; and

(C) mineral leases on the outer Continental Shelf shall continue to be maintained or issued only under the provisions of this act.

(3) Any State which extends its jurisdiction and laws pursuant to the provisions of this section shall furnish a certified copy of the act so providing within 30 days of its passage to the Secretary, who shall publish it in the Federal Register.

(4) Except in the case of any law in effect on the date of the enactment of this act in any such State which provides for a production, severance, or similar tax on the production of metals or minerals (including oil and gas), no law providing for the raising of revenue shall be extended under the provisions of this subsection. Any law providing for such a production, severance, or similar tax may be so extended except that—

(A) it shall not be applicable to any portion of such production paid to the United States under the provisions of this act;

(B) The rates of such tax under such extension shall not be greater than those in effect within such State on the date of the enactment of this act; and

(C) such rates shall not be increased after such extension without the consent of Congress.

On page 16, beginning with the comma in line 20, strike out all to the semicolon in line 2 on page 17.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Louisiana.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KUCHEL. Is my understanding correct that the Senate is now operating under the unanimous-consent agreement which provides that time on any amendment is limited to 20 minutes to each Senator?

The PRESIDING OFFICER. The Senator is correct. The time is limited to 20 minutes to each Senator on each amendment.

Mr. ELLENDER. Mr. President, as I stated just before the reading of my amendment, the coastal States are not asking for a copper cent from any portion of the revenues that would be derived by the Federal Government from the resources which may be developed. Those revenues will be retained by the Federal Government. However, at this point, Mr. President, I wish to point out what other States have been receiving under almost similar circumstances. We are not asking for any of the revenues, but I merely cite these revenues to show the injustice of what is sought to be done here today to the coastal States, which have had jurisdiction over the coastal waters from time immemorial.

Payments to States under the Mineral Leasing Act, which I mentioned a while ago, are only one of the examples. The amount paid to States since the Mineral Leasing Act has been on the statute books is $114,136,809.46. That amount has been derived from 37½ percent of the revenues collected by the Federal Government from the development of oil, gas, and other mineral resources on federally owned property.

In presenting my amendment I am not asking for such payments. All I am asking for is the right of the State to impose a severance or production tax. I desire only that all operators producing oil, gas, and other resources within my State shall be placed on the same footing as those who operate in the Gulf of Mexico beyond the historic boundary. We are not asking for one cent of the revenues that would be collected by the Federal Government.

What the States would do in return for this tax would be to take care of all the personnel of the operating companies. We would give them access to our courts, both criminal and civil, the use of our roads, and the benefit of our schools, and various other institutions which are now being operated for the benefit of the people of the State of Louisiana.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a list indicating some of the benefits the State of Louisiana will provide those persons and their families who come to reside in our State by virtue of their employment in development of the lands of the outer Continental Shelf.

There being no objection, the list was ordered to be printed, as follows:

Free public schools.
Free textbooks and bus transportation to school.
Free school lunches.
Highways and streets.
Hospitals for the indigent sick; tuberculosis and mental disease hospitals.
State-financed medical schools and institutions of higher learning.
Police protection.
Public health and sanitation supervision.
Old-age pensions.
Court facilities.
State unemployment compensation.
Homestead exemptions.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the distribution of funds accruing under the mineral leasing acts among the various States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Receipts and payments to States under mineral leasing acts

State	Amount received [1]	Amount paid to States [2]
Alabama	$217,101.11	$79,555.08
Alaska	400,645.59	4,136.25
Arizona	375,080.52	83,166.35
Arkansas	32,518.08	2,006.67
California	109,977,333.30	32,215,463.00

[1] Mineral Leasing Act, public laws, acts of Feb. 25, 1920 (41 Stat. 437); Aug. 7, 1947 (61 Stat. 913); Oct. 20, 1914 (38 Stat. 741); Oct. 2, 1917 (40 Stat. 297); Feb. 7, 1927 (44 Stat. 1057); May 9, 1942 (56 Stat. 273); Mar. 4, 1923 (42 Stat. 1448); June 26, 1926 (44 Stat. 1261). Brief resume of act—provisions and applicability. Brief background—why enacted, etc.

[2] Acts of Feb. 25, 1920 (41 Stat. 437); Oct. 2, 1917 (40 Stat. 297); Feb. 7, 1927 (44 Stat. 1057).

Receipts and payments to States under mineral leasing acts—Continued

State	Amount received [1]	Amount paid to States [2]
Colorado	28,572,528.48	8,361,615.73
Florida	37,122.04	90.06
Georgia	4,443.96	
Idaho	633,213.72	195,322.64
Illinois	130,866.60	22.50
Indiana	3,197.50	
Kansas	458,745.46	139,622.54
Kentucky	1,791.05	
Louisiana	7,065,768.48	309,044.49
Maine	37.24	
Maryland	295.00	
Michigan	100,562.06	8,280.83
Minnesota	140.50	
Mississippi	604,417.58	3,018.09
Missouri	9,614.26	
Montana	12,695,246.40	3,904,056.02
Nebraska	671,955.64	5,213.11
Nevada	2,190,837.18	470,220.15
New Hampshire	32.24	
New Mexico	47,274,444.43	14,682,202.99
North Carolina	3,537.98	
North Dakota	1,061,110.44	318,187.64
Ohio	240,115.66	
Oklahoma	2,529,396.15	74,241.57
Oregon	62,236.90	10,686.97
South Carolina	428.03	
South Dakota	406,033.56	75,085.22
Tennessee	323.50	
Texas	449,346.33	
Utah	10,716,123.86	2,934,589.45
Virginia	34,290.24	
West Virginia	16,898.50	
Washington	99,523.88	33,332.78
Wyoming	130,474,566.82	50,166,109.39
Total	372,152,870.27	114,136,809.46

Mr. ELLENDER. Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a table indicating the amounts received by States under the Taylor Grazing Act.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Payments to States under Federal Grazing Act (Act of June 28, 1934 (48 Stat. 1269—H. R. 6462, 73d Cong., 2d sess.))

State	Payments		Total [1]
	Section 3 [1]	Section 15 [1]	
Arizona	$220,658	$200,215	$420,909
Arkansas		192	192
California	134,751	156,109	290,860
Colorado	295,421	77,656	373,077
Idaho	464,922	59,320	524,242
Kansas		128	128
Louisiana		6	6
Minnesota		32	32
Montana	266,354	196,762	463,216
Nebraska		2,471	2,471
Nevada	744,353	264	744,617
New Mexico	722,664	61,275	783,939
North Dakota		6,407	6,407
Oklahoma		948	948
Oregon	348,406	46,428	394,834
South Dakota		31,331	31,331
Utah	852,482		852,482
Washington		33,715	33,715
Wyoming	648,877	611,072	1,259,949
Total [2]	4,704,888	1,484,368	6,189,256

[1] Provisions of act: Sec. 3—Lands in grazing districts. Sec. 15—Lands not in grazing districts. Sec. 10—Disposition of receipts: 25 percent to range improvements, 50 percent to State in which revenue accrue. Sec. 11—When appropriated by Congress; revenues from grazing on Indian lands: 25 percent to range improvements, 25 percent to States, and 50 percent to credit of Indians.

[2] Figures rounded—totals will not add.

Mr. ELLENDER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table showing the payments to States from the sale of public lands.

There being no objection, the table referred to was ordered to be printed in the RECORD, as follows:

Payments to States out of receipts from sales of public lands

	Total
Alabama	$1,086,193.92
Arizona	53,241.28
Arkansas	346,067.92
California	1,205,638.79
Colorado	531,348.85
Florida	177,212.68
Idaho	320,047.24
Illinois	1,187,970.09
Indiana	1,040,255.26
Iowa	633,647.87
Kansas	1,128,250.21
Louisiana	471,212.68
Michigan	590,539.15
Minnesota	595,991.47
Mississippi	1,075,178.67
Missouri	1,061,280.87
Montana	598,930.70
Nebraska	577,387.30
Nevada	52,886.44
New Mexico	154,603.74
North Dakota	540,783.33
Ohio	999,353.01
Oklahoma	67,943.95
Oregon	803,510.81
South Dakota	349,669.48
Utah	188,992.20
Washington	460,298.03
Wisconsin	589,571.19
Wyoming	329,072.43
Total	17,217,078.96

Mr. ELLENDER. Mr. President, receipts under the Mineral Leasing Acts are one source of revenue. The money distributed to the States under those acts represents 37½ percent of the revenues obtained by the Federal Government. That amount is paid to the States in lieu of taxes. My amendment does not ask for such a benefit as that. I repeat, all we are asking for is the privilege of imposing the same kind of tax on those who operate on the submerged lands as is imposed on those who operate on dry land. My amendment would freeze the severance or production tax at the present rate, and would not require the Federal Government to pay to the States any portion of the oil or other resource that may be obtained. If States should desire to increase the tax, they would be required to obtain the consent of Congress. I do not know of anything fairer than that. My purpose in offering the amendment is to continue the dual system of sovereignty that has made the United States of America so great, and to eliminate the myriad hardships the pending bill will create.

Mr. President, I pointed out a moment ago the amount of money accruing from federally owned property that has been received by various States in lieu of taxes. Now I shall proceed to show what the 17 reclamation States have obtained from a fund created by taking 52½ percent of the proceeds of all the minerals that have been found on federally owned land. This fund has been dedicated by the Congress for reclamation purposes.

As I have said, there are 17 States in the reclamation group. Up to June 30, 1950, the total amount accruing to the reclamation fund, as proceeds from oil and other resources was $286,162,499.61.

Louisiana, which is not one of the reclamation States, has paid $446,940.17 to bring the benefits of reclamation to the 17 reclamation States.

Mr. President, I ask unanimous consent that the table to which I have referred, indicating accretions to the reclamation fund by States, which is printed in the Annual Report of the Commissioner of the Bureau of Reclamation, be inserted at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 18.—*Accretions to reclamation fund by States, fiscal year 1952*

State	Sale of public land		Proceeds from Oil Leasing Act		Total to June 30, 1952
	Fiscal year 1952	To June 30, 1952	Fiscal year 1952	To June 30, 1952	
Alabama		$4,372.65	$1,881.07	$200,973.42	$205,346.07
Arizona	$19,099.93	2,898,965.62	59,784.44	135,348.46	3,034,334.08
Arkansas			216.30	2,999.38	2,999.38
California	416,918.89	9,257,961.19	4,693,138.07	47,286,659.65	56,544,960.84
Colorado	88,580.08	10,640,358.69	3,156,044.14	13,273,939.30	23,914,297.99
Florida			15.75	141.75	141.75
Idaho	113,483.13	7,408,029.29	89,699.11	306,338.98	7,714,368.27
Illinois			10.50	31.50	31.50
Kansas	16.78	1,089,932.91	57,603.69	211,093.06	1,251,025.97
Louisiana			22,323.17	446,940.17	446,940.17
Michigan			950.01	12,045.99	12,045.99
Mississippi			924.65	4,573.75	4,573.75
Montana	72,405.98	15,694,931.66	801,281.72	5,963,685.91	21,658,617.57
Nebraska	1,994.70	2,158,545.64	1,025.06	7,833.86	2,166,379.50
Nevada	11,908.22	1,117,828.04	249,522.90	703,785.23	1,821,613.27
New Mexico	38,222.56	6,957,440.46	3,119,319.39	18,963,715.08	25,921,155.54
North Dakota	16,410.45	12,262,399.90	60,153.23	462,954.93	12,725,354.83
Oklahoma	9,929.69	5,961,000.91	29,240.08	118,078.57	6,079,079.48
Oregon	600,345.72	13,195,111.41	7,547.62	18,098.08	13,213,209.49
South Dakota	6,150.70	7,753,219.75	16,189.00	113,863.28	7,867,083.03
Utah	50,712.95	4,770,957.09	1,437,956.28	4,981,002.06	9,571,959.15
Washington	183,915.93	8,058,292.27	1,176.30	51,603.66	8,109,892.93
Wyoming	35,540.81	9,144,315.02	6,952,767.24	74,752,813.85	83,896,928.87
Total	1,665,706.47	118,143,609.59	20,088,779.72	168,018,830.02	286,162,490.61
Proceeds, Federal water-power licenses					[1] 1,282,714.92
Proceeds, potassium royalties and rentals					[2] 5,885,762.16
Receipts from Naval petroleum reserves, 1920-38, act of May 9, 1938					20,778,300.23
Proceeds from rights-of-way over withdrawn lands, act of July 19, 1919					[3] 10,978.25
Lease of lands					[4] 51,898.02
Town lot sales					[5] 724,645.77
Timber sales and other miscellaneous items					[6] 191,223.33
Grand total					323,788,022.29

[1] Proceeds for fiscal year	$116,817.42
[2] Proceeds for fiscal year	1,027,542.16
[3] Proceeds for fiscal year	427.61
[4] Proceeds for fiscal year	19,917.63
[5] Proceeds for fiscal year	1,100.04
[6] Proceeds for fiscal year	32,526.60
Total	1,198,333.46

Mr. ELLENDER. Mr. President, in Bossier Parish, La., the Federal Government has recently made a big oil leasing deal with respect to an airport at Barksdale Field. Barksdale Field is an area of 30,000 acres of land, donated to our Government by people in and around Bossier Parish and Shreveport, La., for national-defense purposes. The land is owned by the Federal Government, and a large oilfield was recently discovered there. What is happening? The proceeds from the oilfield—which is found on land donated by the people of that area—to the extent of 52½ percent, are being made available to the 17 reclamation States, including the great State of Oregon, represented so ably by my good friend from Oregon [Mr. CORDON]. That is all right with me. I am not complaining about it. I am simply presenting these facts to indicate to the Senate the injustice which is sought to be done to the coastal States.

The submerged land is land which was under State jurisdiction for hundreds of years before it was taken over by the Federal Government; and yet when this bill is passed, such a condition will be created there that if there is an infraction of law in that area, the accused may not be tried in Louisiana. He may be tried in Texas, if the area is nearer the State of Texas than it is to Louisiana. That is what will happen. That is the condition which would be created by the passage of this bill.

If the bill is enacted, I am wondering what will happen with respect to the enforcement of criminal law. As I see it, the bill does not extend jurisdiction to any of the Federal judicial districts. This area is separate and apart from the State. It is there by itself. Yet the sixth amendment to the Constitution provides that—

> In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed—

How would that be accomplished under the provisions of the bill, if a crime were committed on any of the artificial islands created along the coast for the purpose of developing these natural resources? Where would the accused be tried? The area is no part of any judicial district. It is not the home of the possible defendant. Yet the sixth amendment provides that—

> In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed—

That is only one of the many defects which I am sure would be found by a complete study of this measure. I do not like to have the Senate go haywire on a matter as important as this. The bill should receive the study of the Judiciary Committee, with a view toward clarifying and simplifying its administration. The bill should be referred to the Judiciary Committee with instructions that the status quo be preserved insofar as the administration of the civil and criminal laws is concerned. Otherwise we shall do violence to the citizens of Louisiana and to the citizens of every other coastal State. That is what will happen. I do not believe the Senate wants to do that.

My amendment is very simple and it would clarify a multiplicity of problems which are bound to arise. It would give coastal States the right to extend their jurisdiction to these lands. For what purpose? Merely for the purpose of administering the criminal and civil laws which may pertain to that area. As I pointed out a while ago, we leave in the bill that part which provides that, although the State has jurisdiction over the criminal and civil laws in that area, the bill shall in no wise be construed to give the States the right to any portion of these resources.

Mr. President, the whole Nation is talking about balancing the budget. I am curiously awaiting information as to the amount which is to be requested to administer the mineral development off the coast of Louisiana. I am waiting to hear how much that will be. I am satisfied that my great State would gladly use its own officials, under the supervision of the Federal Government, through the Interior Department, to administer these areas free of charge to the Federal Government, without having the Federal Government, pay a single solitary dime, and that the State would be willing to turn over to the Federal Government every cent of revenue which comes as its share, including bonuses, royalties and everything else. All of this would be accomplished—and all the coastal States ask is the right to tax the operators—just as we now tax the operators who explore for oil just across the line from where the Federal Government's land is located.

As I have said, all this would be done by the States without cost to the Federal Government. The conservation laws of my State are of the best. Those in Texas are second to none. Here is an opportunity for the Federal Government to have these Continental Shelf resources administered without having to pay out a single solitary dime in direct administrative expenses. The bill could be written so as to do no violence to the many inhabitants of the coastal States who have been under the jurisdiction of those States from the time of their creation. The great natural resource could be watched over, and leases for their development could be made by the State under the supervision of the Interior Department.

The conservation laws which now exist in the States, coupled with some that may be provided by the Department of the Interior, could be administered by State officials under the supervision of the Federal Government, without costing the United States Treasury so much as a dime, except as it may be necessary

to pay the persons who would supervise the work done by the State of Louisiana.

Mr. President, I cannot understand why the committee has seen fit to take the course it has taken with respect to administration of the lands dealt with in the pending measure.

They have made it difficult, whereas it could have been made quite simple. The fact that law and order will be hard to administer, and the fact that legal procedure will be complicated is due entirely to the course taken by the committee in writing the bill. It could have been made simple. So far as I am concerned, I would invite placing in the measure any language that may be suggested in order to make it certain that the coastal States would have the right to tax for the purpose of providing for schools, roads, and administration of laws in the area, and to stop there; and to provide that the Federal Government shall receive free of charge all the revenues that may be collected from those waters.

Mr. President, I see that my time has expired. I am hopeful that Senators will take heed of what I have said and restudy the question in the light of the facts I have presented, because I know, if enacted, the bill will create many hardships for the people who have lived in Louisiana and the other coastal States all their lives, and who, as I understand, could be tried elsewhere, if charged with a crime. Of course they would have the right to demand the protection of the Constitution, but this involves costly court procedure, so why impose this burden upon them? Why should violence be done to our traditional and constitutional guaranty that no citizen of the United States may be deprived of life, liberty, or property without due process of law?

Mr. President, again I appeal to the Senate to adopt this amendment.

The PRESIDING OFFICER. The time of the senior Senator from Louisiana has expired.

Mr. LONG. Mr. President, I support the amendment offered by my distinguished senior colleague, on behalf of the two of us. It seems to the junior Senator from Louisiana, when efforts are made to develop the outer Continental Shelf, that those who receive the benefits of State services should be willing to contribute to the support of such services.

In this instance the Federal Government proposes to take possession of the Continental Shelf and develop it. It is unquestionably true that in doing so it will receive the benefits of certain State services. The persons working on the outer Continental Shelf will be entitled to the use of the roads and highways of the State, and the oil companies working in that area will also be entitled to the use of the State's roads and highways. The evidence shows that the large trucks of the oil companies do a great deal of damage, and they will do particularly great damage to the roads in the swamp areas of my State. Some consideration should be given to the enormous damage that will occur to the highways and roads of my State by reason of such use.

It is also true that in order to drill wells on the outer Continental Shelf workers will have to build enormous platforms for the drilling operations. To support that type of operation it will be necessary to create a large shore base costing as much as $2 million. All the people working in that area, and in drilling the wells on the outer Continental Shelf, would have their children going to schools supported by the State. The State, in other words, would provide education, and the cost of it would be largely borne by the State of Louisiana.

The principal source of revenue received by the State is derived from the severance tax. The oil industry within our boundaries would be bearing the burden of that support for education, while the companies engaged on the outer Continental Shelf would not be bearing their fair share of such cost. There is no reason why these companies should not pay their share.

Another major expense which the State would face would be in connection with providing hospital facilities, and services that would be available to the workers on the outer Continental Shelf. Nevertheless, the State would not receive any reimbursement from the industry developing the outer Continental Shelf because of affording such facilities and services.

Furthermore, the State must provide police protection and sanitation services, and similar services.

The State would also have to provide for the support of the aged. That item is becoming one of major expense.

Making provision for education, for hospitalization, for the aged, and for orphaned children is one of the greatest expenses which a State government must assume.

For those reasons the burdens placed on a coastal State, by reason of operations conducted on the outer Continental Shelf, are just as heavy as if those properties were located within the State boundaries. Therefore, my colleague is entirely correct in arguing that the State should be permitted to collect the severance tax, which the State now collects from the same industry located within its boundaries, and which it now collects whether the property is privately owned or Government owned, or in whatever way the property may be owned. That argument is entirely valid in this instance.

It is interesting to note, Mr. President, that in some cases the Federal Government is making payments in lieu of taxes where it has undertaken projects of various kinds in a State in order to confer benefits on its people. For example, in Tennessee, where the Federal Government has constructed vast dams, in connection with the Tennessee Valley Authority, the Federal Government has provided, in the first instance, for reimbursing the State for taxes which the State could not collect by virtue of the fact that the State had lost land from its tax rolls because the land was covered by water.

The Federal Government has provided for payments in lieu of taxes on power-development equipment purchased for the distribution of electricity generated by those dams.

Moreover, the Federal Government has made provision for payments in lieu of taxes to make up for loss of taxes because a State could no longer collect taxes on the profits and general operations of the private companies engaged in generating and distributing electric power.

Those are areas where the Federal Government is paying millions of dollars to a State for the privilege of conferring benefits on a State.

Here is an operation where the State will supply services which will make it possible for the Federal Government to develop vast reserves on the outer Continental Shelf. It seems only fair that the Federal Government should be willing to make some arrangement with the coastal States whereby the benefits and the services which the Government receives, as well as the benefits which private corporations and individuals receive, in developing the area, would be compensated for insofar as the States are concerned.

The most equitable and fair method, in the opinion of the junior Senator from Louisiana, would be for the State to collect the severance tax.

Therefore, Mr. President, I am happy to join my distinguished senior colleague in urging the adoption of the amendment we have offered.

Mr. CORDON. Mr. President, I am speaking on the amendment. I rise to oppose it. The issue is most complex and difficult. The committee spent many days—and nights—running into weeks considering the question here presented before S. 1901 was reported.

The issue is whether an area which is entirely outside the boundaries of a State in an area of exclusive Federal jurisdiction shall, in effect, be placed within the boundaries of an abutting State. The committee felt that the boundaries of the coastal States should not be so extended. I believe the Senate entertains the same view.

Mr. President, I see no need to add more to the record which has been made in the course of the debate on the pending measure and in the course of the much more extended debate on substantially the same subject in the Submerged Lands Act which was before the Senate as Senate Joint Resolution 13.

Mr. ELLENDER. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. PURTELL in the chair). Does the Senator from Oregon yield to the Senator from Louisiana?

Mr. CORDON. I am glad to yield.

Mr. ELLENDER. Will the distinguished Senator from Oregon give us the benefit of his opinion on the following situation: Suppose a murder is committed on one of the islands. Who will have jurisdiction? Where will the accused be tried? How does this bill conform to the requirements of the sixth amendment to the Constitution?

Mr. CORDON. First, Mr. President, I suggest that the proper person to make answer to those questions is either the Senator from Washington [Mr. JACKSON] or the Senator from Texas [Mr. DANIEL] who supported the amendment which is now a part of the bill.

However, I am perfectly willing to venture an answer on my own. The bill provides for jurisdiction by the district courts of the United States. So in the

instance referred to by the Senator from Louisiana, jurisdiction would be either in the district court of the district in which the defendant was found or in the district court of the district nearest where the act occurred; and either represents jurisdiction within the meaning of the law and the Constitution.

Mr. ELLENDER. How would that conform to the requirements of the sixth amendment to the Constitution, which states that—

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed—

The crime would not have been committed in a district of Texas or in an existing Territory, but would have been committed in new territory.

Under the law, as I understand it, if a criminal were apprehended in Massachusetts even though the crime was committed in Louisiana, he could be tried in Massachusetts.

Mr. CORDON. That is correct.

Mr. ELLENDER. In that connection, what would be the effect of the sixth amendment, which gives the accused "the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed."

Mr. CORDON. The Senator is aware that a defendant charged with commission of a crime can be tried in the district in which he is found or in the district into which he is first brought.

Mr. ELLENDER. That may be true under maritime law, but——

Mr. CORDON. The Senator was discussing only the constitutional question. If the constitutional amendment to which he has referred forbids the kind of procedure in this case, it would forbid the procedure with reference to maritime law.

Mr. ELLENDER. But, Mr. President, we are dealing here not with offenses committed on the high seas outside the territorial limits of the United States, where maritime laws prevail, but instead with an area where domestic law, including the Federal Constitution, is to apply, and——

The PRESIDING OFFICER. The Senator from Oregon has the floor. Does he yield to the Senator from Louisiana for a question?

Mr. CORDON. Mr. President, so far as I am concerned, I have finished.

Mr. ELLENDER. Will the Senator from Oregon permit me to have sufficient time in which to answer?

Mr. CORDON. I do not have time that I can yield.

Mr. ELLENDER. Mr. President——

The PRESIDING OFFICER. The time of the Senator from Louisiana on the amendment has expired.

The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, it appears that we shall have difficulty in obtaining a quorum. I, therefore, ask unanimous consent that the order for a quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LONG. Mr. President, I desire to call up my amendment identified as "6-23-53—D."

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed, on page 2, beginning with line 13, to strike out all through line 18 and insert in lieu thereof the following:

SEC. 3. Jurisdiction over outer Continental Shelf: (a) It is hereby declared that the seabed and subsoil of the outer Continental Shelf, the natural resources therein contained, and any structures which are erected on such subsoil or seabed for the purpose of exploring for, developing, removing, and transporting the natural resources of such subsoil or seabed, are within the territory of the United States.

On page 3, beginning with line 11, to strike out all through line 13 on page 10 and insert in lieu thereof the following:

SEC. 4. Extension of State boundaries to seaward extremity of outer Continental Shelf: (a) The Congress hereby consents, subject to the condition set forth in subsection (d) of this section, to the action of any coastal State in extending its seaward boundary to the seaward extremity of the outer Continental Shelf, so as to include within its boundaries the seabed and subsoil of the outer Continental Shelf, the natural resources therein contained, and any structures of the type described in section 3 (a): *Provided*, That such action be taken pursuant to legislative statute or constitutional provision.

(b) Subject to the provisions of subsection (d) of this section, the extension of its seaward boundaries under the provisions of this section shall have the effect of making the laws of such State applicable to the newly acquired area, and shall have the effect of empowering the officials of such State to enforce the laws of the State in the newly acquired area.

(c) The consent of Congress is hereby given to the coastal States to negotiate and enter into compacts providing for the location of mutual boundaries on the outer Continental Shelf. Whenever two or more States are about to enter into such negotiations, they shall notify the President of their intentions, and the President shall appoint a person with suitable qualifications, whose duty it shall be to participate in said negotiations as the representative of the United States and to make a report to Congress of the proceedings and of any compact entered into. No such compact shall be binding or obligatory upon any of the parties thereto unless and until the same shall have been ratified by the legislatures of each of the States which are parties thereto and approved by the Congress of the United States: *Provided*, That the validity of a State's extension of its seaward boundary shall not be dependent upon the approval of any such compact.

(d) The consent of Congress under subsection (a) of this section to the extension of the seaward boundary of any coastal State is given upon condition that no laws of such State heretofore or hereafter enacted for the principal purpose of raising revenue shall apply to the area added to the territory of such State by such extension, except as provided herein or hereafter.

(e) Nothing contained in this section shall be interpreted so as to deprive the Federal Government of its proprietary rights on the outer Continental Shelf.

And on page 10, beginning with line 19, to strike out all through line 24 on page 13.

Mr. LONG. Mr. President, this amendment provides for the administration of the Continental Shelf in pursuance of the traditional concept of State and Federal Government. The amendment would extend the boundaries of the United States and the boundaries of the coastal States to include the seabed and subsoil of the outer Continental Shelf. The amendment does not give the States any revenue whatsoever; it reserves that question without prejudice. However, it does provide that the form of government under which all of us have lived for our entire lifetime would apply to the seabed, the subsoil, and all structures erected upon the seabed and subsoil on the outer Continental Shelf.

This amendment is in keeping with the better recognized practice of international law of extending the boundaries of a littoral nation to include the seabed and subsoil of the outer Continental Shelf. Thus far Great Britain and the other nations of the British Empire are among the 18 nations of this world that pursue the concept that a nation should extend its boundary to include the seabed and subsoil on the Continental Shelf without affecting the rights of navigation or fishing in the waters above the seabed.

Thus this amendment does not impair the freedom of the seas. It protects the use of the sea for purposes of navigation and fishing and it respects the character of the waters as high seas. It does not provide any marginal belt around any fixed structures, but merely treats them as a part of this Nation when they are erected upon the subsoil which is here declared to be part of this Nation.

Authorities in international law could see no serious objection to extension of national boundaries to include the seabed and subsoil. Insofar as any foreign nation is concerned, it amounted to a distinction without a difference whether we claimed the seabed and subsoil to be within our boundary or whether we declared the seabed and subsoil to be subject to the jurisdiction and control of the United States.

The representatives of the oil companies stated affirmatively that they preferred that the United States should affirmatively claim title to the seabed and subsoil rather than pursuing the more nebulous concept that this property did not belong to the United States, but rather was subject to its paramount rights.

Mr. Clayton Orn, an able attorney who represented the offshore lessees, stated that any attorney familiar with the

Anglo-Saxon concept of property law would prefer to have a lease on property to which the lessor had title rather than a lease based on some more nebulous concept. Obviously any good attorney would have to take such a position.

The major distinction between the proposal of my amendment and the terms of the bill before the Senate is domestic in character. The testimony of Mr. Jack Tate, who appeared for the Department of State, was to the effect that it was of no concern to a foreign power whether we applied the traditional Federal-State concept of government applicable in the United States of America, or pursued the theory of exclusive Federal powers proposed in the pending bill. Obviously those who have no respect for the right of a State to administer the needs of its people and to regulate the administrative relations among them would be against my amendment, but I submit that those who firmly believe in the American traditions as they apply on the mainland of the United States will find themselves in a very inconsistent position when they vote to exclude the States from exercising the traditional responsibilities that they owe to their citizens.

Mr. McCARRAN. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I shall be happy to yield to the distinguished Senator from Nevada.

Mr. McCARRAN. Addressing myself to the commission of a crime committed in the region where the Senator now seeks to have State jurisdiction, under present laws how would the case be tried?

Mr. LONG. Under the proposal which we have before us?

Mr. McCARRAN. Under the present laws, the case would be tried under maritime law, would it not?

Mr. LONG. If there were some Federal law applicable, the case would be tried under Federal law.

Mr. McCARRAN. In the case of a crime committed on the high seas?

Mr. LONG. Yes. If we could find no Federal law applicable, we would use the law of the abutting States; but there would not be State jurisdiction.

Mr. McCARRAN. If I catch the Senator's point, it is proposed to load upon the adjacent State the expense of taking care of the trial.

Mr. LONG. Yes.

Mr. McCARRAN. Yet there is no compensation applicable to that State.

Mr. LONG. That is correct. I submit to the distinguished Senator that so far as the State is concerned, it will be happy to administer its laws for the benefit of its own citizens. Under the amendment I am proposing, the structures erected upon the subsoil would be treated as though they were erected on Federal lands located within the State. The Senator from Nevada is thoroughly familiar with Federal lands in the States, because the Federal Government owns most of the land of the great State of Nevada. When a crime is committed, the local sheriff can arrest the culprit, bring him back to the local district and incarcerate him there, and trial can be had in a State court before a jury of his peers. Otherwise, it is a matter of exclusive Federal jurisdiction, and it would be necessary to take the culprit to a Federal district court. Likewise, any dispute arising among citizens would have to be settled in a Federal district court.

My amendment respects the rights of the States to agree among themselves to the precise locations of the boundaries between them. It sets up machinery to enable the States to agree upon their boundaries by the usual compacts among States rather than the method proposed in the bill of having the President of the United States attempt to draw lines into the sea without any consultation with the States.

Senators may look at pages 211 through 223 of the hearings to see the manner in which a learned university professor indicated that State boundaries should be extended. Obviously these recommendations are merely suggestive, but they indicate the manner in which the boundaries of coastal States would be enlarged to include the subsoil and seabed of the Continental Shelf. Hereafter when fixed structures are erected in this area, the law of the State would apply upon such fixed structures. Likewise, the conservation regulations and programs of the State would be applicable.

The Federal Government would continue to be the landlord of this submerged land in the same respect that it is today the proprietor of approximately 23 percent of the land within the continental United States. Nevertheless, the States would discharge their responsibilities just as they do with regard to Federal lands lying within their boundaries.

I point out that the Federal Government has found by study after study that it was a wise policy to permit the States to administer conservation practices, and the Government has been extremely well satisfied with the services which States have performed in administering conservation regulations. My amendment permits the Government to avail itself of the services already present which the States are performing in the area.

Again, I stress the fact that this amendment does not provide any revenue for the States. It is merely a proposal to respect the functions of State and local government rather than to progressively limit and destroy them as has too often been the case during recent years.

I prefer that Senators should vote on this amendment without feeling the least commitment—moral, logical, or otherwise—to support any proposal to permit the States to collect or to share any revenue to be realized from the development of this vast area. Senators owe it to themselves to determine whether they wish to uphold the concept of American Government that has made this Nation great.

It is well to note that such a concept has always applied with the marginal belt of the United States, namely, within the 3-mile limit, even before the passage of the so-called quitclaim bill to restore to the States their title to submerged lands within their historic boundaries. Thus, even before the passage of the Submerged Lands Act of this year, States had always had, and at that time had, the right to regulate the conservation of natural resources and the conduct of their citizens within the 3-mile belt or the 10-mile zone off certain States by virtue of the fact that such property was within their boundaries, although the Federal Government had the paramount rights thereto.

The practical effect of my amendment would be to establish a State-Federal relationship similar to that which existed within the marginal belt insofar as the subsurface, seabed, and structures erected upon the subsurface and the seabed are concerned.

I particularly wish to stress for the information of other Senators that there are more States than Louisiana and Texas here involved. There are 20 States who have a substantial interest in demanding that a policy be adopted consistent with our American form of government. Those States are Alabama, Delaware, Massachusetts, California, Florida, Louisiana, North Carolina, Maine, Maryland, Georgia, New York, Mississippi, Virginia, New Hampshire, Washington, New Jersey, Oregon, Rhode Island, South Carolina, and Texas.

Mr. DANIEL. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. DANIEL. Mr. President, I compliment the Senator from Louisiana on his remarks and join with him in support of his amendment.

I should like to ask if it is not strange to see the administration advocating the annexation of the Hawaiian Islands, 2,000 miles out in the Pacific Ocean, some of which are nearly a thousand miles apart, and opposing the annexation of this contiguous area of submerged land which adjoins the 21 coastal States?

Mr. LONG. Mr. President, it is more than I can understand. The administration insists that we include the island of Palmyra within the Territory of Hawaii, although it is a thousand miles away. No one lives on that island. It consists of a few acres, a narrow strip of land. Thousands of little atolls in the Pacific would be regarded as parts of the new State of Hawaii. They extend a thousand miles in the other direction. Respecting the traditional State-Federal relationship of administration, the administration proposes to take into the Territory of Hawaii uninhabited areas which are more than a thousand miles distant, yet in Texas there will be thousands of persons working on structures in the sea who will not have the benefit of State government and State jurisdiction insofar as the States are able to supply services. It is difficult for me to understand the situation.

Mr. DANIEL. Is it not true that the United Kingdom, in the case of colonies such as British Honduras, Jamaica, Tobago, and Trinidad has annexed the adjacent continental shelves of those colonies and turned the area over to the colonies for administrative purposes?

Mr. LONG. That is completely correct. Even the administration which sought to deprive the States of their

land within their historic boundaries, namely, the Truman administration, had a spokesman who testified before the committee and consistently stated that the States should have police power in this area, just as I am advocating. It remains for the present administration to send a spokesman for the Department of Justice in the person of Mr. Rankin, who had had no more than 2 months' experience in this field when he came to testify, to hold that there should not be any State police power or any State administration in this area, even so far as the State's own citizens are concerned.

In that respect, the present administration sent spokesmen to the committee to advocate something different, so far as exclusive Federal jurisdiction was concerned, ignoring the various relationships among the people and the interests of the people. They went far beyond anything the Truman administration had ever proposed. In fact, Mr. Perlman, who testified for the Truman administration before our committee last year, and again this year, stated that the States should have police power, as this amendment recommends. He testified last year to the same effect.

Secretary Chapman testified this year, and he also said that the States definitely should have police power in the area of the submerged lands. This amendment would accomplish that objective.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. DANIEL. Does not the Senator think the United States Government should apply as much local self-government to this area as the United Kingdom applies to its colonies out in the ocean, and as Pakistan applies to its Provinces?

Does the Senator know that Pakistan, in taking jurisdiction of its Continental Shelf, left with its Provinces the administration and conduct of governmental functions, and gives its Provinces 75 percent of the revenues?

The Senator from Louisiana is not asking for any of the revenues for the coastal States; all he is asking is that the Federal Government give to the sovereign States along the coast the same governmental powers over the area that the United Kingdom and Pakistan have been willing to give to their colonies and Provinces. Is not that correct?

Mr. LONG. The Senator is correct. Eighteen nations agree that the laws of their states shall be extended over the subsurface and seabed. So far as I can determine, all those nations apply the concept which this amendment would apply.

The United States is 1 of 3 nations that apply the concept that paramount rights should be asserted, rather than to bring the land within the boundaries and the government of the States. But even this Nation, up until the present administration took power, always recognized that the States should have police power in these areas.

I believe the amendment is very much in the interest of the Federal Government, of the States, and of the people who work in the area concerned. Therefore, I hope very much that the Senate will agree to the amendment.

I wish to emphasize that this amendment does not relate to revenue. Mr. Rankin, who testified for the Department of Justice, answered evasively the first three questions I asked him on this subject. I asked him if State courts should not be able to handle disputes between State citizens, or if citizens should not be able to avail themselves of State services. His answers were always evasive. He would always say, in effect, "That does not mean that the States should receive any revenue."

This amendment asks only for State police power. The question of revenue has been submitted by my colleague, the senior Senator from Louisiana, in which I joined with him. The Senate voted against us on that issue. Whether the States receive any revenue or not, I submit that they should have concurrent jurisdiction and police power in the area concerned. Therefore, I hope the Senate will agree to the amendment.

Mr. CORDON. Mr. President, I rise in opposition to the pending amendment, because it is substantially the amendment just offered by the senior Senator from Louisiana [Mr. ELLENDER], with some slight changes with respect to a procedure for agreement between States as to the dividing line between areas on the Continental Shelf, and provides for a little more latitude in connection with the right of States to levy a severance tax or a production tax on minerals obtained from the area.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CORDON. I yield for a question.

Mr. LONG. I hope the Senator from Oregon is not confused. I have two amendments at the desk. The amendment under consideration does not provide for revenue in any respect.

Mr. CORDON. Did not the Senator identify his amendment as "6-23-53—E"?

Mr. LONG. No; it is 6-23-53—D.

Mr. CORDON. The amendment designated as 6-23-53—D does not have in it a provision with reference to the right of the abutting States to levy taxes in the area outside of their State boundaries. However, it provides for an extension of States boundaries to the outer Continental Shelf and incorporates the areas of the outer Continental Shelf opposite the States into the coastal States.

Again, that is the heart of the problem before the Senate—one we have discussed over and over again. The issue is simple. Either the outer Continental Shelf is territory where the sole jurisdiction, control, and right to tax in any form is in the United States, or it is not.

I oppose the adoption of the amendment.

Mr. ELLENDER. Mr. President, as my distinguished colleague, the junior Senator from Louisiana, has just said, the amendment has the same effect as the one I previously introduced, which was defeated, with one exception: This amendment does not provide for taxing power; it merely extends State laws to the area of the Continental Shelf, so that the adjoining States shall have the right to administer the civil and criminal laws appertaining.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. KEFAUVER. I should like to have the Senator make clear whether in the area involved there are any islands or substantial bodies of land that would thereby come under State control, or whether the amendment would simply apply to employees who might be engaged in working on facilities on the Continental Shelf?

Mr. ELLENDER. There are no islands whatsoever, except those artificially created by the building of derricks or foundations for derricks, living quarters, and the like, and on which substantial numbers of workers would be employed, boarded, and lodged.

Mr. KEFAUVER. May I ask further if State jurisdiction, both civil and criminal, is not extended to the workmen when they are actually working beyond the 3-mile limit, or, with respect to Texas or Florida, beyond whatever limit might be established? Under what jurisdiction would they come if this amendment were not agreed to?

Mr. ELLENDER. That is a question I cannot answer. We are here recognizing and literally erecting a new body of land. It is not recognized as territory. It is a body of land, not heretofore claimed by the Federal Government; the land is completely covered by water, but upon it drilling structures—referred to in the bill as "artificial islands"—have been erected in the area adjacent to the Louisiana coastline, and whose number will be substantially increased as mineral developments progress.

As my distinguished colleague may know, resources beneath the subsoil are obtained by the anchoring on the sea bottom, foundations for derricks. These are usually of steel pipe. The base of the foundation may be 40, 50, or 100 feet square. The foundations may protrude above water from 30 to 40 feet. The derricks and living quarters are erected on top of the foundations. Many persons live on one of these rigs and operate the machinery that is utilized in order to explore for oil and other resources.

Mr. LONG. Mr. President, will my colleague yield?

Mr. ELLENDER. I yield.

Mr. LONG. It is even more important that State law should apply on the artificial islands than on natural islands, because many of the natural islands are not inhabited. Probably there would be as many as 4,000 persons working on rigs out in the sea, and there might be more than that during some periods of time. There may be persons working on a rig 4 or 5 miles south of Grand Isle. The local courts would have jurisdiction. Local officials on Grand Isle would administer the needs of those persons, if my amendment should be agreed to.

On the other hand, if the amendment fails of adoption, with respect to any disputes which may arise or with respect to violations of law, those accused or involved would have to be taken 100 miles away to the Federal district court at New Orleans, La.

Mr. ELLENDER. A while ago I raised the question that such action

would not be in accord with the Constitution. The sixth amendment to the Constitution provides that—

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed—

This area is in no judicial district. It is in territory, as described in the report, wherein the Federal Government has "horizontal jurisdiction," whatever that may mean. I should like to know what it means. This area is not part of any State. It is not part of any created judicial district.

The sixth amendment to the Constitution continues—

which district shall have been previously ascertained by law.

It is my belief—and it has not yet been cogently contradicted—that the islands created by the erection of platforms will form no part of any Federal judicial district within the United States. What the amendment of my distinguished colleague seeks to do is to extend State jurisdiction to such areas, so that both State and Federal laws may apply. No doubt the areas contiguous to Louisiana would be made a part of the western or eastern Federal judicial district of my State.

Mr. KEFAUVER. Mr. President, will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. KEFAUVER. I notice that in section 4 (c) of the amendment offered by the distinguished junior Senator from Louisiana it is provided that—

Nothing contained in this section shall be interpreted so as to deprive the Federal Government of its proprietary rights on the outer Continental Shelf.

I take it that the Senator would assure us that there is nothing in this amendment which would either directly or indirectly in any way deprive the Federal Government of any of the revenue it is supposed to get from oil or gas or any other natural resources in the outer Continental Shelf.

Mr. ELLENDER. I give the Senator such assurance. There is a provision on page 4 of the bill which would remain in the bill. It reads as follows:

(3) The provisions of this section for adoption of State law as the law of the United States shall never be interpreted as a basis for claiming any interest in or jurisdiction on behalf of any State for any purpose over the seabed and subsoil of the outer Continental Shelf, or the property and natural resources thereof or the revenues therefrom.

That language can be amplified if the Senator is not satisfied with it.

Mr. KEFAUVER. I ask the Senator if he does not feel that, at least until the Federal Government adopts some means of determining just what it is going to do about workmen who may be operating in this territory, which at present is an unknown land, this amendment would be a very good way to handle the problem.

Mr. ELLENDER. There can be no doubt about that. Let me point out to my distinguished friend that when the bill was first introduced, it contemplated having our maritime laws apply. In section 4, the laws applicable to the outer Continental Shelf were to be the same as those which apply to a ship. It was sought to treat the platforms or artificial islands created in the water as ships, thereby applying to those islands the same jurisdiction, so far as Federal laws are concerned, as in the case of ships, so that in the event a crime were committed on one of these artificial islands, the Federal Government would have jurisdiction under our maritime laws. However, in the course of the hearings, and when the bill was redrafted, that approach was discarded. These islands are made subject to our domestic law, to be administered exclusively through the Federal courts, rather than treating them as ships. They are treated just as though they were islands created by nature, insofar as the application of our domestic laws is concerned.

It is my belief that since this bill does not create or extend any judicial districts to include that area, if any crime is committed there and the accused hauled into a Federal district court in Louisiana, Massachusetts, or Pennsylvania—because under this bill he can be taken into court wherever he is apprehended—it would do violence to the sixth amendment to the Constitution, which I read again:

In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed, which district shall have been previously ascertained by law.

In this case there is no judicial district. What this amendment does is simply to extend jurisdiction to the coastal States. As I pointed out during the course of this debate, from time immemorial our people have been working on the coast. They have been tried in State courts for violations of State laws. Under the provisions of this bill it would be possible for a Louisiana citizen to commit a crime on one of the derricks, and because the derrick happened to be nearer a judicial district in Texas he would have to be tried in Texas rather than in Louisiana, and be tried in a Federal court to boot.

Mr. KEFAUVER. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. CASE in the chair). Does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. ELLENDER. I yield.

Mr. KEFAUVER. I should like to ask the Senator about another section of the amendment. I refer to section 4 (c). That provision contemplates that the States will enter into compacts to decide just where the line is to be out in the ocean. I should like to ask either the senior Senator from Louisiana or the junior Senator from Louisiana a question with respect to the intention in connection with section 4 (c) of the amendment. I can conceive that there might be a dispute between two States as to just where the boundary is off the coast. I take it that this provision is included in the amendment so as to allow the States to decide among themselves as to the extension of the line out either 3 miles or 10½ miles, as the case may be. Is that the purpose?

Mr. LONG. That is correct. This amendment would permit the States to agree among themselves on the direction in which the boundary line should be extended. It would empower the President to appoint a person with suitable qualifications to participate in the negotiations between the States as a representative of the United States. I believe the States would agree among themselves on a formula to be used in agreeing upon the extended State boundary lines. As between Louisiana and Texas, in agreeing upon what their boundary line should be, they would undoubtedly wish to know what Mississippi thought. For the most part each State adjoins more than one other State.

I believe my amendment offers a better way to determine upon the line than to have the President determine it without any requirement that he consult or come into agreement with the States.

Mr. KEFAUVER. I think it would help the bill considerably to have some method of determining the boundaries, as set forth in section 4 (c) of the Senator's amendment. As to the question of jurisdiction, until these questions are later decided and some Federal policy determined, it would seem to me to be commonsense to give the civil and criminal jurisdiction to the States.

Mr. ELLENDER. I am glad to have the expression just made by my distinguished friend from Tennessee. The amendment would take nothing from the Federal Government. On the other hand, the bill will impose a great deal of expense on the State of Louisiana and a great deal of work on its courts, because of the workers and their families who will come there. We will have to provide additional schools, and perhaps enlarge the eleemosynary institutions which are maintained by the State.

The amendment which I offered a while ago would have permitted the State to impose a severance tax, so as to take care of such expenses. Under the pending amendment, no tax would be collected, but the State would act at its own expense. The Federal Government would be put to no expense whatever insofar as the trial of cases is concerned in connection with crimes that may be committed on the artificial islands.

Mr. President, under the pending bill, unless the amendment is agreed to, and provided, of course, that an accused person did not invoke the sixth amendment, the District courts would have to try every little misdemeanor that occurred in the area, because section 4 (2) of the bill provides that all such applicable laws—that is, State laws, Federal laws, and rules and regulations that may be made by the Secretary of the Interior—shall be administered and enforced by the appropriate officers and courts of the United States. It excludes the State courts entirely.

Mr. President, as I stated previously, the bill, without the amendment, would do violence, and cause a great deal of injustice, to the people who inhabit those areas off the shores of the coastal States.

I am hopeful the Senate will accept the amendment.

The PRESIDING OFFICER. (Mr. PAYNE in the chair). The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG. [Putting the question.]

Mr. ELLENDER. Mr. President, I ask for a division.

On a division, the amendment was rejected.

Mr. CASE. Mr. President, I desire to call up the amendment which is identified as 6-24-53-B.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to insert the following new section:

SEC. 17. Nothing contained in this act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or to prescribe any requirements with respect to, any school, or any State educational institution or agency, with respect to which any funds have been or may be made available or expended pursuant to this act, nor shall any term or condition of any agreement or any other action taken under this act, whether by agreement or otherwise, relating to any contribution made under this act to or on behalf of any school, or any State educational institution or agency, or any limitation or provision in any appropriation made pursuant to this act, seek to control in any manner, or prescribe requirements with respect to or authorize any department, agency, officer, or employee of the United States to direct, supervise, or control in any manner, or prescribe any requirements with respect to, the administration, the personnel, the curriculum, the instruction, the methods of instruction, or the materials of instructions, nor shall any provision of this act be interpreted or construed to imply or require any change in any State constitution prerequisite to any State sharing the benefits of this act.

Mr. CASE. Mr. President the amendment offered by me is the amendment to which attention was drawn during the debate yesterday by the Senator from Arkansas [Mr. MCCLELLAN]. Actually, as I understand, the amendment was originally written by the Senator from Arkansas. It has twice been approved by the Senate in previous measures passed by the Senate. It attempts to say, as firmly as language can say, that when Federal aid is given to the States for the purpose of education, as proposed in the amendment of the Senator from Alabama [Mr. HILL], in which he was joined by many other Senators, and which amendment was adopted by the Senate yesterday, such aid shall not be accompanied by dictates to the States with regard to schools or educational institutions, or the curriculum, or anything related to it.

It is designed to assure, as nearly as language can, that the Federal Government will not exercise control over education when it makes contributions to the support of education.

Mr. President, I discussed the amendment last evening with the Senator from Alabama [Mr. HILL]. He told me he would personally favor the adoption of the amendment. I hope the Senator from Oregon [Mr. CORDON], who is in charge of the bill, will also make a statement about it.

However, before he makes a statement, perhaps I should yield to the Senator from Arkansas [Mr. MCCLELLAN], who joins me in the presentation of the amendment.

Mr. MCCLELLAN. Mr. President, I am very happy to join as a cosponsor of the amendment with the Senator from South Dakota. I offered this same amendment yesterday to the amendment of the distinguished Senator from South Dakota on behalf of himself and Senator HENDRICKSON. It was accepted by him and adopted as an amendment to his amendment. However, the amendment, as amended, was then rejected by the Senate.

I am very happy that the Senator from South Dakota has offered it now as an amendment to the bill. The Senate has twice passed a general Federal aid to education bill during the past 8 or 10 years—I believe the first one was passed in 1944 and the second one in 1949, and the provision of this amendment was section 2 of both of those bills—which was intended to declare, as the able Senator from South Dakota has stated, in words as strong as language will permit, the policy and intent of the Senate, that in enacting a law providing Federal aid to schools it is not the intent of Congress—and certainly not the intent of the Senate—to confer powers upon the Federal Government in any way to control, dominate, or interfere in any way with the educational systems of the several States.

I may say that since we are for the first time in the history of Congress actually impounding a specific revenue, or a source of revenue to this Government, for aid to schools, it is most appropriate that in this legislation the Senate again reiterate that policy by adopting the pending amendment to this bill. Not that any funds are now being distributed, because the formula has not yet been agreed to, but at the very time of impounding the funds and setting aside and directing that certain revenues to become available in the future for this purpose, the Senate should again reiterate this policy, namely, that it is not intended now and that it will not be the policy hereafter, so far as the Senate is concerned, to granting any control, power, or authority to the Federal Government to in any way regulate or interfere with the school systems of the several States of this Nation.

I believe it is a policy provision which we should reiterate and should carry forward whenever we take any step toward the ultimate goal of providing some Federal aid for the schools of this country. I hope the amendment will be accepted and agreed to unanimously, so there will be no mistake as to the sentiment and feeling of this body with reference to preventing any Federal control or the exercise of any Federal authority whatsoever over the public-school systems of the States.

Mr. HILL. Mr. President, will the Senator from South Dakota yield to me for a moment at this time?

Mr. CASE. I am glad to yield to the distinguished Senator from Alabama.

Mr. HILL. Let me say to the distinguished Senator from Arkansas [Mr. MCCLELLAN] that I fully share his feeling that the policy should be that there should be no Federal control of or Federal interference in any way with the administration of the schools by the States.

This language was first offered as I recall, to the first Federal-aid-to-education bill which the Senate passed providing aid to elementary and secondary schools. The provision was afterward carried in the Taft Federal-aid-to-education bill.

I think all of us are in full accord regarding the purpose and policy declared in the amendment. This language was written having in mind only Federal aid for secondary and elementary schools. The Senator will recall that on yesterday I spoke about the National Science Foundation. It might be that there would be a desire and in the national interest to have some of these funds used for instance through the National Science Foundation. It might be that, with that thought in mind, when the amendment is considered by the conferees, some changes should be made in it.

Mr. MCCLELLAN. I do not believe adoption of this amendment would preclude the use of some of these funds for that purpose.

Mr. HILL. I think that is entirely correct. I do not think adoption of the amendment would preclude the use of some of the funds for the National Science Foundation or for a similar agency or a similar purpose, and I do not believe adoption of the amendment would adversely affect the carrying out of the purpose we had in mind in passing the bill establishing the National Science Foundation which provides for the granting of scholarships.

In conference, the conferees will have an opportunity to keep in mind, in connection with the amendment, the work now being done by or through the National Science Foundation or contemplated to be done by or through it. I cite it as one illustration of how the funds under our amendment may be used. And, of course, before the funds can be allocated or distributed, Congress must pass subsequent legislation.

Mr. MCCLELLAN. Mr. President, if the Senator from South Dakota will yield further to me for a moment or two, I should like to say that I recall that this particular provision was unanimously agreed upon on the previous occasions when it was offered; and so far as I know, it has always been the sense of the Senate that this policy should be followed in relation to any proposal or enactment providing Federal aid to education.

Mr. HILL. In other words, when the Federal Aid to Education bills were passed, it was never contemplated that there would be any Federal interference in the administration of the schools.

Mr. MCCLELLAN. Mr. President, I thank the Senator from South Dakota for yielding this time to me.

Mr. CASE. Mr. President, at this time I yield to the Senator from Oregon [Mr. CORDON].

Mr. CORDON. Mr. President, although this amendment has not had consideration by the committee, it is clearly one step forward toward the imple-

mentation which must be made of the so-called Hill amendment before it can have any effect whatever. So I would have no objection to adoption of the amendment, for consideration by the conferees.

Mr. CASE. I thank the Senator from Oregon.

Mr. President, I ask for a vote on the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE].

The amendment was agreed to.

Mr. LONG. Mr. President, I call up my amendment identified as "6-24-53—E."

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 30, between lines 6 and 7, it is proposed to insert the following:

SEC. 15. Reimbursement of States for certain expenses: (a) It is hereby declared to be the policy of the United States to reimburse the States adjacent to the area of the outer Continental Shelf for expenses incurred by such States in furnishing services of State and local government to (1) individuals who are employed in connection with operations described in section 4 (b) of this act and who reside in such States, (2) families of such individuals, and (3) persons or companies engaged in such operations who establish shore bases and carry on other activities within such States in support of such operations. It is the intent of Congress that legislation providing for such reimbursement shall be enacted as soon as possible after the committee established under subsection (b) of this section has made recommendations required by subsection (b) (2) hereof.

(b) (1) There is hereby established a Joint Committee on the Outer Continental Shelf (hereinafter referred to as the "joint committee"), which shall be composed of 6 Members of the Senate to be appointed by the President of the Senate and 6 Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The joint committee shall select a chairman from among its members. Any vacancy in the joint committee occurring after all the original appointments are made shall not affect the power of the remaining members to execute the functions of the joint committee and shall be filled in the same manner as the original selection. A majority of the members of the joint committee shall constitute a quorum for the transaction of business. However, the joint committee may make its own rules to provide for the number necessary to constitute a quorum of any subcommittee thereof.

(2) The joint committee shall make a full and complete investigation and study for the purpose of determining (A) the amount of reimbursement which should be made to such adjacent States in order to carry out the policy established under subsection (a) of this section, and (B) the most practical method of making such reimbursement. Upon completion of its investigation and study, the joint committee shall make a report of its findings and recommendations to the President and to the Congress. After the submission of such report, the joint committee shall cease to exist.

(3) The joint committee, or any duly authorized subcommittee thereof, is authorized (A) to hold such hearings; (B) to sit and act at such places and times; (C) to procure such printing and binding; and (D) to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 40 cents per hundred words.

(4) The joint committee is authorized to appoint and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. Such compensation shall not be in excess of the maximum rate payable in the case of employees of standing committees of the Congress.

On page 30, line 7, strike out "SEC. 15." and insert in lieu thereof "SEC. 16."

On page 30, line 10, strike out "SEC. 16." and insert in lieu thereof "SEC. 17."

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for a quorum call be vacated and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I yield to the distinguished junior Senator from Missouri [Mr. SYMINGTON] 45 minutes.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

PROPOSED REDUCTION IN DEFENSE APPROPRIATIONS—EFFECT ON AIR POWER

Mr. SYMINGTON. Mr. President, I had planned not to speak on the floor of the Senate during this my first year as a Member, but because of recent further reductions, and postponements, in our defense strength, I now desire to discuss the tragic implications of these reductions.

There are two facts which stand out in the testimony about the cuts in airpower.

The first is that budget reduction—money—was the primary consideration, instead of national security.

The second is that the reductions were the decision of the new and inexperienced civilian heads, without the concurrence of a single top military expert.

Mr. President, I now ask the Senate to consider two developments which have changed the world.

The first is the jet engine, and along with it the breaking of the sound barrier, to the point where planes may soon fly at speeds not dreamed of a few years ago.

The second, and by far the more important, is the development of atomic weapons.

Since VJ-Day further development of these two war instruments has been progressing with unprecedented speed, to the point where now the greatest mistake this country could make would be to design its Armed Forces on the basis of the nature of the fighting in World War II—or on that of the local war now being fought in Korea.

At the end of World War II warfare on the ground moved at the pace of a truck, or about 40 miles per hour; on the sea at the pace of a ship or about 30 knots; and in the air at the pace of a B-17 bomber or about 190 miles per hour.

Today, only 8 years later, warfare on the ground still moves at the 40-mile-per-hour pace of a truck, on the sea at the 30-knot pace of a ship—but in the air it is already moving at the speed of sound, nearly 700 miles per hour—and this pace is steadily increasing.

Prior to the two atomic explosions at the end of World War II, the strongest punch of firepower was around 10 tons of TNT. Today the strongest thrust is millions of tons of TNT; and the firepower of the hydrogen bomb is presumably limitless.

As a result of these two technological revolutions, the United States began the postwar years with virtually no modern airpower. General Spaatz once testified before a congressional committee that because of these conditions, plus the rapid postwar demobilization, he had almost no combat-worthy wings when he was Chief of Staff of the Air Force.

The principal national defense problem facing this country since V-J Day has been effort to keep pace with these changes in the nature of warfare.

We have not kept pace, because while the Air Force and naval air were trying to cope with the speed of sound and the atomic bomb, there has been unprecedented confusion resulting from so much reprograming; the latter the result of constant budget changes.

Mr. MAYBANK. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield.

Mr. MAYBANK. The Senator has referred to General Spaatz, who testified before the Armed Services Committee. I wish to pay my respects to the distinguished Senator from Missouri who testified that we should not reduce the number of wings needed.

Mr. SYMINGTON. I thank the Senator.

Under the plans of the previous administration, adequate air defense, based on that minimum stated as necessary by the Joint Chiefs in 1951, and restated in March 1953, would not have been in being until 1956.

But under the plans of the present administration, there is now no date in the foreseeable future when the United States will have reasonable security against atomic attack by the great and growing Soviet Air Force and submarine fleet.

Incidentally, in recent days Captain Rickover, our greatest expert in the construction of nuclear-powered submarines, has testified before a Senate committee that six of the Russian new-type snorkel submarines would be sufficient to destroy all merchant shipping in the Atlantic.

How many of this type submarines our authorities estimate they now have is a classified matter, but the figure is many, many times six.

This is why it is misleading to assert that current budgetary action with respect to the Air Force does not cut any part of existing or future United States combat airpower.

Mr. HENNINGS. Mr. President, will the Senator from Missouri, my distinguished colleague, yield for a question?

Mr. SYMINGTON. I yield.

Mr. HENNINGS. What, in the Senator's opinion, is the basic fallacy of the position of the Department of Defense in recommending cuts in the Air Force?

Mr. SYMINGTON. The basic fallacy, in my opinion, is the constant assertion that the Air Force is not being reduced and that its strength is not being affected. Actually, however, what is being reduced is the planned speed of acceleration and the ultimate goal.

Mr. HENNINGS. Which, I assume, if the Senator will yield further, means greatly diminished strength of our air power in the years to come, and particularly in the immediate future.

Mr. SYMINGTON. There can be no question about that.

Mr. McCLELLAN. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I yield to the distinguished Senator from Arkansas.

Mr. McCLELLAN. As the Senator knows, I have been with him in hearings of the Armed Services Subcommittee which heard both the Secretary of Defense and the Chief of Staff of the Air Force. The point which has disturbed me, from the testimony we have so far heard, is that apparently, or at least, possibly, the Defense Department is now undertaking to gear its program to 120 wings instead of to 143 wings. They have not said they have abandoned the 143 wings, but they are insisting that the necessity for the other 23 wings is being reviewed. The budget as recommended by the Defense Secretary is geared to a 120-wing Air Force instead of a 143-wing Air Force. Although the decision to abandon 143 wings has not been definitely made, so far as its practical effect is concerned in asking for appropriations, they have abandoned it at least for the next fiscal year.

Mr. SYMINGTON. I thank the Senator. I believe he is entirely correct. At first they did abandon the 143-wing program. Now they have decided to buy planes for a 143-wing program, but they have decided not to ask for the necessary personnel. It is very difficult, in the light of the contradictory testimony which has come from the Department, to know exactly what the program is.

But I believe they have said they were going to buy the planes for 143 wings and then decide later whether they will have 143 wings or 120 wings; or, as the Secretary of Defense said to the distinguished senior Senator from Alabama, "any old thing."

Mr. McCLELLAN. Mr. President, will the Senator from Missouri yield further?

Mr. SYMINGTON. I yield.

Mr. McCLELLAN. That is what confused me. I am unable to tell whether they have made a definite decision with respect to a 143-wing Air Force. It appears to me that, obviously, the Defense Secretary's present budget is based on 120 wings.

Mr. JACKSON. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I shall be glad to yield to the Senator from Washington for a question.

Mr. JACKSON. Has anyone testified that 120 wings will give the American Air Force either equality with or superiority over the Russian Air Force?

Mr. SYMINGTON. To the best of my knowledge, no military expert has testified to that effect. Not even one of the new civilian experts has ever testified to that effect.

Mr. JACKSON. Is it not a fact that the real issue, leaving aside the question of the number of wings, is whether we are going to have an Air Force in the United States that will give us equality or superiority over the Russians? Is not that the real issue?

Mr. SYMINGTON. That should be the real issue.

Mr. JACKSON. Is it not a fact that the retiring Chief of Staff of the Air Force, General Vandenberg, and his successor, General Twining, together with the present Joint Chiefs of Staff, have all stated that 143 wings are necessary for the security of the United States?

Mr. SYMINGTON. That is correct.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. MAYBANK. Is it not a fact that in the reduction from 143 wings to 120 wings, the personnel of the Air Force, as General Vandenberg stated in New York, would be so materially reduced that it would not be effective?

Mr. SYMINGTON. That is correct.

Mr. MAYBANK. May I ask the distinguished Senator from Missouri, the former Secretary of the Air Force, how the Air Force could be operated without sufficient personnel?

Mr. SYMINGTON. I do not see how an airplane intended to be operated by a pilot could fly without a pilot.

Mr. MAYBANK. One of the main points that has been made is that the personnel would be materially reduced.

Mr. SYMINGTON. That is correct.

Mr. HILL. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield,

Mr. HILL. Is it not true that the Secretary of Defense testified that after he had ordered a reduction of some $5 billion in defense expenditures, he was surprised to learn that practically all the reduction came out of the Air Force?

Mr. SYMINGTON. The Senator from Alabama is entirely correct. If I remember correctly the words of the Secretary of Defense, although he assured the committee that he had weighed security as against money, nevertheless he said he was surprised at the statistical result which developed after he had made the reduction.

Mr. HILL. Is it not also true that when he was pressed as to what the goal was for the Air Force program, he finally said that it might be 120 wings or, and I quote him, "It might be any old thing."

Mr. SYMINGTON. The Senator is correct. The Secretary of Defense said that it might be 120 wings or "It might be any old thing."

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I yield.

Mr. JACKSON. At this time I think it is not only appropriate to remind Senators that the junior Senator from Missouri had a long and distinguished record as the first Secretary of the Air Force, but I can say of my own personal knowledge, as one who served as a member of the Joint Committee on Atomic Energy in the House of Representatives, that he has been right—dead right—about the question of air power in the United States. Without divulging any secrets, I can state that had the recommendations which he made long prior to Korea been carried out, the United States would be in a much stronger position today.

I wish to commend the Senator for the fine and able speech he is making today on the floor of the Senate. I will rely on recommendations made by the junior Senator from Missouri before I will rely on those of the Johnny-come-latelys who are trying to suggest that there is some easy way out of providing the kind of air power necessary for the defense of America and the free world.

May I ask the junior Senator from Missouri if it is not a fact that it is rather ridiculous to expand our atomic stockpile, as we are doing, and then not to provide the means to deliver atomic bombs in the defense of America and the free world?

Mr. SYMINGTON. I would answer the distinguished Senator from Washington by saying that I do not believe we could count as a valuable asset for the security of the United States an atomic bomb that is in a cave and cannot be delivered against a target.

Mr. JACKSON. To consider a hypothetical situation, suppose the Soviet Union has only 10 atomic bombs and the United States has 100 such bombs. Then suppose it develops that because of the Soviet has better deliverability, they can deliver all 10 of their atomic bombs, but we can deliver only 8 of ours. Is it not a fact that in such a situation we would have reduced our potential strength?

Mr. SYMINGTON. I thank the Senator for his question. I shall reach a discussion of it in a moment.

In this connection, for several years all our top military experts have estimated that not later than mid-1954, 12 months from now, the Soviet will have both the long-range bombers and the atomic bombs capable of seriously crippling the United States in an all-out atomic attack.

When they might make this attack, only the Kremlin knows. But when we should be ready with defense, surely we should know. We know they have the bombers today. Many authorities believe they also have the bombs.

A recent study, presided over by the head of one of the world's great scientific organizations, made at the request of the Department of Defense, states that if a major portion of the bombs were properly placed, attack would result in the destruction of at least one-third of our industrial capacity, and the mass killing of an estimated 13 million people.

This study also states that our capability to stop these bombs runs from a high of 20 percent under ideal conditions, to a low of less than one-tenth of 1 percent at low altitude or at night. I should point out that that does not even take into consideration bad weather.

Therefore, as of now, the security of the United States from atomic attack rests on—

First. Such peaceful tendencies as may be held by the rulers of the Kremlin.

Second. The capacity of the United States for instant devastating retaliation.

Despite these facts, the Secretary of Defense is now attempting to engineer through the Congress a reduction in the overall capability, including offensive strength, of the Air Force—and none of his specious talk before committees can get away from that fact.

Worse than the action itself, however, is the effort now to sell the American people the idea that the Air Force will be stronger if he gets away with his plans for making it weaker.

As our former very able Secretary of Defense, Robert Lovett, said last week, the alternatives before America are to continue the full program as planned, in order to gain security described as minimum by the Joint Chiefs of Staff, or go for the harder dollar. But it is nonsense to say that we are doing both.

Mr. KERR. Mr. President, will the Senator from Missouri yield for a question?

Mr. SYMINGTON. I yield to the Senator from Oklahoma.

Mr. KERR. Is there not abundant evidence of the fact that the hard-dollar policy of the administration was more influential in the decision made by the Secretary of Defense than an appropriate understanding of the necessities for the Nation's defense?

Mr. SYMINGTON. I believe the distinguished Senator from Oklahoma is entirely correct. I base that opinion on the quoted testimony of the Secretary of Defense himself, to which I shall refer later in my remarks.

Mr. KERR. That is corroborative of the general proposition; actually it does not stand alone as being the only evidence available on that point.

Mr. SYMINGTON. I should think that would be correct.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield.

Mr. MAYBANK. We might as well be frank and say that it is the President who sets those policies.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. SYMINGTON. I am glad to yield.

Mr. KERR. In view of the statement made by our great colleague, the Senator from South Carolina, I am persuaded to ask if one of the things that might give people concern is evidence that policies perhaps are being fixed for the President, or in spite of what he may wish to have as the situation, rather than that there is positive evidence that the President himself has imposed these policies upon his official family.

Mr. SYMINGTON. I believe the Senator from Oklahoma is correct. It is my understanding that there is considerable delegation of responsibility with respect to the policy of the Department of Defense today. I believe the record will show that the President of the United States did not have anything to do with the Defense budget until after the cut had been planned.

Mr. MAYBANK. Mr. President, will the Senator further yield?

Mr. SYMINGTON. I yield.

Mr. MAYBANK. I thoroughly agree with what the Senator from Missouri has said. The President recommended a certain sum of money for public roads. That amount was greatly reduced by the House. I was not suggesting that the President was responsible for reducing these appropriations. I was only pointing out that, as the distinguished Senator from Oklahoma [Mr. KERR] so well said, some people are trying to put words in the President's mouth.

Mr. SYMINGTON. In his testimony before the committee Mr. Wilson expressed little approval of the past civilian and military heads of the armed services.

But the statements and implications made to justify that opinion are not supported by the facts.

It is the system in the Pentagon that is wrong, not the people; and all of us share some responsibility for that system.

The business managers of the Air Force have been the Under Secretaries: Roswell Gilpatric, outstanding New York lawyer; John McCone, one of the country's most successful industrialists; and Arthur Barrows, formerly president of Sears, Roebuck & Co., a man who probably knows more about procurement than anyone who ever came into Government.

It was Barrows who said many times that no company in private business could operate properly if forced to function as required of the Air Force; because the constant budget, and therefore, fiscal changes inflicted upon that service guarantees waste and inefficiency.

Mr. Wilson obviously has no use for the opinion of these civilian heads, or our current military leaders, including the Chairman of the Joint Chiefs of Staff, Gen. Omar Bradley, whose record of success with troops in France and Germany has already become an immortal part of American military history.

Mr. HENNINGS. Mr. President, will my able and distinguished colleague yield to me?

Mr. SYMINGTON. I yield.

Mr. HENNINGS. The interrogation by the distinguished senior Senator from Arkansas [Mr. MCCLELLAN] recalls to my mind that, as the request of the able Senator from Arkansas, General Vandenberg furnished certain figures to the Senate Appropriations Committee. Is that the case?

Mr. SYMINGTON. The Senator is correct.

Mr. HENNINGS. Do I correctly understand that Secretary Wilson then undertook to make some analysis or evaluation and to refute, in substance, the figures which had been furnished by General Vandenberg?

Mr. SYMINGTON. The Senator is correct.

Mr. HENNINGS. I ask my colleague if he would care at this time to comment upon that situation, if he can do so without interrupting or disturbing the continuity of his excellent address.

Mr. SYMINGTON. I shall be glad to do so.

Mr. HENNINGS. The Senator speaks with a background of familiarity, experience, and understanding of these matters which, to many Members of the Senate, are so complex, and so much in the realm of expertness and specialization that we must take the word of someone.

Mr. SYMINGTON. I should like to comment, since my distinguished colleague the senior Senator from Missouri, is interested in the point, that it is very difficult to follow the statements made by the Department of Defense in connection with its overall general policy of criticizing the Air Force. I believe that the statement to which the Senator refers is misleading in fact and misleading in implications. I intend, in a brief talk to the Senate next week, to give the truth in detail with respect to the points brought up. But if the Senator will bear with me, I shall read several paragraphs which have to do with the point he makes.

Mr. MCCLELLAN. Mr. President, will the Senator yield to me before he moves on?

Mr. SYMINGTON. I am glad to yield.

Mr. MCCLELLAN. I have compared the statement which General Vandenberg submitted in giving what he conceived to be the minimum amounts for five separate items which he thought were absolutely necessary to be restored, over and above the defense budget estimate, with the argument of the opposition, submitted by the distinguished Secretary of Defense. I have not yet conferred with the chairman of the subcommittee, but it is my thought that it would be well for the subcommittee to have both General Vandenberg and Secretary Wilson before it again, and afford us an opportunity to cross examine both of them.

This is a vital question. I am not concerned with personalities. I wish to effect every economy that is consistent with national safety and security, but I am unwilling to sacrifice safety and security for economy. To me this is not a matter of a clash of personalities. An issue is posed which the Congress must take the final responsibility for resolving. I want the best information we can get. Personally, I should like to have both of these distinguished men back before our committee for cross examination upon the remaining conflicts between their conclusions and recommendations to the Congress.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. FERGUSON. If I may reply to the distinguished Senator from Arkansas, as chairman of the Defense Subcommittee of the Appropriations Committee let me say that there will be full hearings, and that we intend to cover all the items to which reference has been made.

Mr. MCCLELLAN. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. MCCLELLAN. Let me say to the distinguished chairman of the subcommittee that there was no thought on my part that there would not be hearings. I think the Senator from Michigan shares my view that this subject is so important that we should not merely take the word of either party to the dispute. We should go into the subject

thoroughly and satisfy ourselves, because the final decision rests upon us. It may be a vital decision.

Mr. FERGUSON. I thought the RECORD should show that complete hearings will be held on this subject.

Mr. GORE. Mr. President, will the Senator from Missouri yield to me for the purpose of suggesting the absence of a quorum?

The PRESIDING OFFICER (Mr. BEALL in the chair). Does the Senator from Missouri yield to the Senator from Tennessee for the purpose of suggesting the absence of a quorum?

Mr. SYMINGTON. I yield, provided I do not lose the floor.

The PRESIDING OFFICER. The time for the quorum call must come out of the time of the Senator from Missouri.

Mr. MAYBANK. Mr. President, I ask unanimous consent that the time consumed by the quorum call shall not be deducted from the time of the Senator from Missouri.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. GORE. I suggest the absence of quorum.

Mr. SYMINGTON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SYMINGTON. Do I correctly understand that the time required for the quorum call will come out of the time allotted to me?

Mr. MAYBANK. Mr. President, I asked and obtained the unanimous consent that the time consumed by the quorum call should not come out of the time of the Senator from Missouri.

Mr. GORE. I make the point of order that a quorum is not present.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Maybank
Anderson	Green	McCarran
Barrett	Griswold	McClellan
Beall	Hayden	Millikin
Bennett	Hendrickson	Monroney
Bricker	Hennings	Mundt
Bridges	Hickenlooper	Murray
Bush	Hill	Neely
Butler, Md.	Hoey	Pastore
Butler, Nebr.	Holland	Payne
Byrd	Hunt	Purtell
Capehart	Jackson	Robertson
Carlson	Jenner	Russell
Case	Johnson, Colo.	Saltonstall
Chavez	Johnson, Tex.	Schoeppel
Clements	Johnston, S. C.	Smathers
Cooper	Kefauver	Smith, Maine
Cordon	Kennedy	Smith, N. J.
Daniel	Kerr	Sparkman
Dirksen	Kilgore	Stennis
Douglas	Knowland	Symington
Dworshak	Kuchel	Taft
Eastland	Langer	Thye
Ellender	Lehman	Watkins
Ferguson	Long	Welker
Flanders	Magnuson	Wiley
Frear	Malone	Williams
George	Mansfield	Young
Gillette	Martin	

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. DUFF], the Senator from Arizona [Mr. GOLDWATER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

The Senator from Michigan [Mr. POTTER] is absent on official committee business.

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Arkansas [Mr. FULBRIGHT] is absent by leave of the Senate.

The Senator from Minnesota [Mr. HUMPHREY] is absent on official business.

The Senator from North Carolina [Mr. SMITH] is absent because of illness.

The PRESIDING OFFICER (Mr. HICKENLOOPER in the chair). A quorum is present.

Mr. SYMINGTON. Mr. President, in order to enable me to complete my remarks within the time available, I ask my colleagues not to request me to yield until I complete my speech.

When Gen. Hoyt Vandenberg would not agree to the wisdom of these reductions, the fact he was the most outstanding leader of tactical aircraft in World War II meant little to the new defense leaders, as they ridiculed his line of reasoning before the Senate. But even more astonishing than Mr. Wilson's general criticism of previous civilian and military Pentagon people is the manner in which he went out of his way to attack both the ability and integrity of his predecessor, Robert Lovett.

I have known Bob Lovett a long time, before either he or I came into Government service. After 12 years' association with the Government, if I had to make a choice as to who, in my opinion, had been the outstanding public servant on the executive side during that period, I might well pick Bob Lovett. He is a true American patriot—intelligent, experienced, and hard working.

Nevertheless, Mr. Wilson volunteered in his testimony that Mr. Lovett would have submitted a much lower budget last year if he had not been tired—and very fond of his old friends. Mr. Lovett states this accusation is false. Mr. Wilson also asserted in his testimony that, whereas he was now being honest, the past administration was not honest last January in its story to the people about the Air Force cut. Mr. Lovett replies that also is false.

In the recent hearings, Department of Defense officials illustrated Air Force waste by referring to the high cost of the C–119 plane, as produced by one of the two manufacturers. These comments were volunteered. They were not in reply to any questions.

I sit on the subcommittee investigating this matter; the chairman is the distinguished senior Senator from New Hampshire [Mr. BRIDGES]. Any implication that the high production cost of this plane is primarily the fault of the Air Force is not true. The cost is primarily the responsibility of the producer. In this case the manufacturer has done a poor job; and the records of the hearings so prove.

Two major investigations have been conducted by the Senate Armed Services Committee this year. Let us note that the first had to do with not moving fast enough on ammunition; and the second, for moving too fast on airplanes. The facts turned up by these commendable investigations show that the chief reason for waste and inefficiency has to do with the constant replanning and reprograming, and has little to do with the ability, or lack of ability, of people.

In making these criticisms of the Air Force, Mr. Wilson and his associates apparently forget that General Motors has also had troubles common to other corporations. Nobody did a finer job than General Motors on much of its war production. Some of its executives are my close friends, and have been for many years; and my affection for the late Bill Knudsen included respect to the point of reverence. There was a real shop man. But just because a company is big and has a lot of influence, does not mean it automatically functions better than smaller corporations.

Over and over again in his testimony, Mr. Wilson criticized slippages in Air Force production schedules, and emphasized that, from here on out, he intended to see that all schedules were met by all manufacturers.

If schedules are so important, why did not Mr. Wilson do something about it when he was president of General Motors just a few months ago? His own company, General Motors, was one of the chief contributors to the slippages in Air Force plane schedules, because of its failure to deliver aircraft engines on time.

Mr. Wilson did not tell the committee about the long weeks, months, and years it took for one of his subsidiaries, Allison Motors, to produce the Wright liquid-cooled engines during World War II. More recently, Allison has been causing further delay in aircraft schedules because of troubles it has had in the production of aircraft engines.

Nor did Mr. Wilson tell the committee that on one order his company took during the war for 25,000 airplanes, 8 were built, and thereupon the entire order was canceled because of poor performance, at very heavy cost to the American taxpayer.

Anyone with executive experience knows that proper allocation of responsibility is essential. Therefore, one of the more astonishing innovations now current in the Pentagon is the lengthy secret interviews given to carefully chosen newspapermen by the Defense Department Comptroller, Assistant Secretary McNeil. Mr. McNeil reads from brochures marked "Top Secret," but he will not let the favored reporters take notes.

The first part of the briefings, as reported to us by several newsmen, has to do with McNeil's advancing the idea that the Air Force still has more money than it can handle; also, that the Air Force has done nothing to reduce the lead time on plane procurement. Later, the apparent real reason for the briefings comes out. Mr. McNeil develops his opinion that, in effect, the Air Force is useless. He does this by emphasizing that the Air Force must rely on fixed bases, whereas naval air is always a

floating reservoir of power. He states with great emphasis that Air Force wings are tied down, with no elasticity for specific functions, whereas naval air has mobility and elasticity.

Nobody realizes more than I the importance to our security of a naval air force second to none, and as long as I am in the Senate I intend to promote that great branch of our Military Establishment. How can it be even the semblance of good organization, however, to have the Comptroller, the money man of the Department of Defense, expounding at secret briefings, theories of strategic military planning exactly opposite, not only to the expressed opinions about air power of the Joint Chiefs of Staff, but also contrary to the views of President Eisenhower, himself?

There are two theories as to how far the present Armed Forces budget represents the views of the administration. The first theory is that the President made a careful review and balancing of our military effort, determined with great care the strategic needs of national defense on the basis of his wide professional experience and intimate knowledge of military realities, calculated with care the risks that are involved in a cutback or slowdown of our military effort, and came up with the answer which this budget represents. This has come to be known as the "father knows best" theory.

Of course, the reasoning that went into this careful process, if it took place, cannot be disclosed because, first, no one can question the President of the United States; without approval, he cannot even be quoted directly; and second, secrecy is demanded with respect to practically all of the factors in this intricate equation.

Secretary Wilson's public statements, so far as they are prepared in carefully worded sentences in advance, seek to give the impression that this careful process of computation of forces is what actually happened, and that the budget is merely a reflection of President Eisenhower's personal strategic judgment.

The second theory is that the money men in the Treasury and the Bureau of the Budget came to the conclusion that at least $5 billion had to be cut from the Department of Defense budget; that Secretary Wilson, new at the job, told his money man, Assistant Secretary McNeil, that a $5 billion cut had to be made, and told him to make it; that Mr. McNeil promptly imposed practically the whole cut upon the Air Force; that Secretary Wilson then swallowed this, hook, line, and sinker, knowing only vaguely what he was swallowing; and that now the administration is stuck with the choice of supporting Wilson, right or wrong, or repudiating him. At this stage of the proceedings apparently it is felt that the latter choice is politically impossible. So this second theory as to what has actually happened and what part the administration played in it is known as the "What else can I do?" theory.

If the $5 billion cut in the Air Force budget, and all the administrative restrictions that have been imposed upon the planned build-up of the Air Force, are the results of a careful, considered personal study by the President, that is a matter deserving of most serious consideration by the Congress.

If, on the other hand, the President's support of Mr. Wilson is a measure of his unwillingness to repudiate at this stage a policy of Secretary Wilson's, reached by the money men on fiscal grounds and without reference to strategic considerations, then the President's support of the program is quite another matter.

So let us examine the record to determine the facts. It is unnecessary to rely upon hearsay or rumor, or even upon reporters and columnists whose sources are generally reliable, because Mr. Wilson's own words are quite sufficient to enable any reasonable man to come to a conclusion.

In answer to a question by the Senator from Alabama [Mr. HILL] as to who was responsible for the budget cut of the Air Force, Secretary Wilson replied, "I think I had the greatest responsibility for it, to be honest with that. The two men that had the most to do with it are waiting on either side of me."

The two men who were sitting beside Secretary Wilson at the time were Assistant Secretary McNeil, the Defense Department money man, and Deputy Secretary Kyes.

Did the President have a significant part in imposing the $5 billion cut on the Air Force? Again, let us hear Mr. Wilson. Here is what he says:

> Before I left [for Europe] I had a conference with the President, and I told him what I thought we could do. I did not divide it up between how much the cut would be for the Air Force or the Army or anything else. We had a whole bunch of figures, and we were working day and night on them, and Mr. McNeil, here, has been through it so many times that he is really not so bad on the figures in getting them together. I do not know how he does it like he does.

That is what happened before Mr. Wilson left for Europe to attend the NATO conferences in Paris.

Let us now hear him describe what happened when he came back, having left Mr. McNeil to "get together the figures." Here is what Mr. Wilson says:

> I went to Europe. When I came back I found some figures. I went over them quickly. They were satisfactory to me * * * the thing is a sound program.

Did Mr. Wilson and Mr. Kyes realize the strategic implications of imposing nearly the whole cut upon the Air Force? Once again, let us let Mr. Wilson speak for himself. He said:

> After we got the things together we added them up. Much to Mr. Kyes' surprise and mine most of the cuts seemed to show up in the Air Force program. We did not say "That is what we are going to do: we are going to take $5 billion out of the Air."

Then Deputy Secretary Kyes added his confirmation of this episode by saying:

> I did not realize it until Secretary of the Air Force Talbott called the statistical result to my attention.

So let us briefly summarize:

The budget now before the Congress was conceived in a determination to cut at least $5 billion from the total Armed Forces budget. This was a decision by money men of the Treasury and the Bureau of the Budget. When that decision had been made, the problem was turned over to the money man of the Department of Defense. At no point is there any indication that the effect of this cut on the military strategy of this Nation, and hence upon its national security, was thoughtfully considered.

It is an amazing thing that a cut of such magnitude appears to have been made without the concurrence of one single military leader in this country. In all the days and days of hearings that have taken place, no military leader—none of the bad old Chiefs of Staff or the good new Chiefs of Staff, none at all—has testified that the strategic needs of the country are any less, or that the cuts will not impose an unacceptable military risk. All of the military evidence is to the contrary.

And what of the President? Did he really decide this budget as a military matter, or did he merely decide that he was going to have to back up the Secretary of Defense.

The record shows that the father-knows-best theory will not stand up—and that the administration is now faced with a question it considers unanswerable, namely, "What else can I do?"

There is much background about the history of the military budgets of this country which the people ought to know if they want to understand what is going on now.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. LONG. Mr. President——

The PRESIDING OFFICER. Of course, the Senator from Missouri has a right to speak for 20 minutes on the amendment offered by the Senator from Louisiana.

Mr. LONG. Mr. President, I yield that time to the Senator from Missouri.

Mr. SYMINGTON. I thank the Senator from Louisiana.

For example, Mr. President, from V–J Day in 1945 up to 1951, there never was a military budget that even pretended to be based on the defense needs of the country.

That is an extraordinary statement, but it is true.

The postwar budgets all started out with a dollar figure, fixed not on the basis of what the country needed for defense, but what it was considered expedient for the country to spend.

I opposed that method of fixing a defense budget then, and I oppose it now.

True economy demands that you determine what your requirements are, and then find the most efficient way of getting them. That is how to achieve the greatest amount of defense per dollar of expenditure.

That is what the taxpayer has a right to expect, and that is what he is not getting now.

There is no exercise of production genius in the arbitrary ordering of ill-considered reductions in the military program.

One would think that after the explosion of an atomic bomb by the Soviet Union, this type of thing could no longer happen in our country.

As a matter of fact, it was the explosion of that Soviet bomb which began to wake

the country up. That happened in September 1949, 2½ years before any responsible authority had thought it possible.

It was plain that this occurrence created an entirely new situation. So the President called upon the National Security Council to analyze the effect of this devastating fact upon the security of this country.

This was done in a document, known as NSC 68, started in January 1950 and finally approved by the President in the fall of that year, months after the start of the Korean war.

This paper, representing the best thinking of the State Department, the Joint Chiefs of Staff, the Secretary of Defense, and the other members of the National Security Council, declared that it would be an unacceptable risk to the security of this country if we did not have by 1954 an Army, Navy, and Air Force of a certain size.

As a result of the principles established in NSC 68, the Joint Chiefs of Staff reached a tentative agreement as to what forces would be required to meet the needs of national security.

Then a full-scale study was begun which resulted in a final determination by the Joint Chiefs of Staff on October 1, 1951.

After full and complete study, the Air Force believed that a force of 163 wings was necessary to do the jobs which had to be done to assure the survival of this country in the event of an attack against it.

The Army and Navy did not agree to that figure; but, after discussion, an agreement on 143 wings was reached—to be built and ready by June 30, 1954.

This figure was approved by the President. And by that act, for the first time since VJ-Day, national policy was established as to the minimum needs of our national defense.

Now the new civilian heads ridicule the 143-wing figure, in statement and testimony.

The new detractors of the Air Force have testified there is no magic in the number 143. That is true. Nor was there any magic in the number 42, approved as the right number of groups less than 3 months before the start of the Korean war—and there would seem even less magic in Mr. Wilson's arbitrary number of 120.

If we had gone ahead and built the 70 Regular Air Force groups, along with the 27 National Guard groups, as recommended by all air military experts in 1948 as essential for minimum peacetime security and also recommended by the President's Commission and the Congress—there might well have been no Korea.

If today we follow the military experts instead of the budgeteers and the "figures before forces" people, we may be able to avoid a far bigger war than Korea.

We should also remember that the 143-wing program is a cut-down figure that was traded out in the JCS. Senator Henry Cabot Lodge, now our Ambassador at the United Nations, believed that the correct number should be 150 combat wings plus 25 troop carrier wings, or a total of 175.

The distinguished former chairman of the Armed Services Committee of the House of Representatives, the Honorable CARL VINSON, a man who has been closer to the military affairs of this country for a longer period than has any man alive, introduced a bill to authorize 150 combat wings in accordance with Senator Lodge's views.

Here let me pause to point out that there are no partisan politics in this subject. Democratic Representative VINSON and Republican Senator Lodge had their shoulders to the same wheel.

When there was a Democratic President in the White House I was saying the same things I am saying now that a Republican is in the White House.

But there was this to be said for the budget of the previous administration: It reflected the importance of airpower in modern war, and recognized the basic fact that the Army and the Navy have practically attained their authorized strength, but that the Air Force was building up to what is required for the country's defense.

This early January budget provided $41 billion for national defense, and of this amount gave 16.7 billions to the Air Force—40 percent of the total.

In this it reflected the published opinions of three prominent men who have reason to know a great deal about this subject. The first opinion is:

> For good or ill air mastery is today the supreme expression of military power, and fleets and armies, however necessary, must accept a subordinate rank.

That was Winston Churchill speaking.

The second statement is:

> I would just like to say a word about air forces. You see, the dominant factor in war today is airpower. And your air forces are the main striking weapon that you have after the beginning of the war. They are the main striking weapon at once. And therefore the necessary air forces have got to be kept at a high state of readiness and efficiency in peacetime. They must. And if they are not, they are no good.

That was Field Marshal Montgomery speaking.

The third statement was that of the then Supreme Commander of the Allied Powers in Europe, President Eisenhower, when he said:

> Airpower is the dominant factor in war today. It cannot win a war alone, but without it, no war can be won. Our goal is to create air strength capable of answering immediately the onslaught of an aggressor and covering at the same time, the mobilization of reserve forces. Since we cannot predict when an attack might be launched, air forces must be operationally ready at all times.

Despite these statements, on May 7, 1953, the present administration submitted its amendment of the defense budget.

Over $5 billion was taken from the Air Force. Of this amount $3 billion came directly out of the construction and purchase of aircraft.

The Air Force lost approximately one-third of its already trimmed budget. It finally ended up with $11.7 billion out of a total appropriation of $36 billion—just 33 percent.

It is said that this is a businessman's budget, by a businessman's administration. That is not true. No military budget is a businesslike budget which does not tailor the purchase of equipment and the training of people to fit the job to be done.

In an effort to allay mounting criticism of this "figures before forces" policy, the Secretary of Defense now says the new Chiefs will look over the situation.

But anybody with knowledge of how military budgets are formulated knows that such a policy can only mean additional long delay. The new Chairman does not take office until mid-August. By then the budget we are talking about, the fiscal year 1954 budget, will have been in operation for many weeks: and the fiscal year 1955 budget will have been in the making for some time.

Recently it has been spread around that when General Vandenberg stated the Air Force could now only spend properly $1.4 billion during the coming fiscal year which starts next week, he only proved the Air Force never needed the $5 billion cut by Mr. Wilson.

There is no justification whatever for that story.

The additional $5 billion was needed when the buildup of the Air Force was in full swing. That was last January.

Since then Mr. Wilson put heavy brakes on the Air Force—stopped construction of bases, compelled people to be fired, officers to be dismissed, recruiting to be held back.

To put it in terms of automobiles—which anyone can understand—he took off one of the tires, smashed the carburetor and then said, "See, it won't run. You don't need so much gasoline."

The additional $1½ billion is now needed to operate the Air Force program after it recovers from the wrecking job which has been done on it during the past 5 months.

The Chief of Staff testified that these actions have further delayed by 6 months the date when the country can have a modern 143-wing Air Force.

I want expenses to go down. I want taxes reduced. But I am not prepared to buy these advantages at the cost of losing a war.

The success of these "budgeteers" in nullifying the wishes of Congress for adequate air power has long been a matter of record.

When I went with the Air Force in January 1946, the first job given me was to cut down its size as rapidly as possible, both in this country and across the seas.

Our Government was sold on the friendliness of the Soviet Communists. All was right with the world.

And so, under orders, we heavily reduced our magnificent air power, from 273 groups in 1945 to 38 in 1947.

By 1947, however, skepticism began to grow in some quarters about the sincerity and friendliness of the Russian Communists.

Accordingly, during that year the President was persuaded to appoint a commission called the "President's Air Policy Commission," chaired by a subsequent Secretary of the Air Force, Thomas K. Finletter.

That Commission reported in January 1948. It recommended the 70 group Air Force program as the minimum peacetime requirement for the security of the United States; and it should be emphasized that this 70-group program consisted of 27 National Guard groups in addition to the 70 regular Air Force groups.

Simultaneously with this Presidential Commission report came another report, that of the Joint Congressional Aviation Policy Board of the 80th Congress, composed of Members of both the Senate and the House of Representatives.

The Congress at that time was Republican controlled; and those of us who believed in the findings of the President's Commission were apprehensive lest this congressional report would be at variance. But the congressional report not only approved the 70-group program—it went even further in its recommendations for more air power.

Any optimism generated by these two reports was short-lived, however, because the same fiscal people sold the same idea then they are selling today; namely, that figures are more important than forces, and accordingly much of the money appropriated by the Congress for more air power was impounded, and never spent—and in 2 years we had Korea.

The summer of next year may be the most important time in the history of the United States. It is the time estimated back in 1951 by our top military experts as when the Soviet will have enough long-range planes, submarines, and atomic bombs, to seriously cripple, if not destroy, the United States in an all-out air and submarine atomic attack against this country.

This grim estimate of the threat to our survival was reiterated by the Joint Chiefs of Staff, and transmitted to the Secretary of Defense, as late as March 23 of this year.

Gen. Omar Bradley testified before the House Foreign Affairs Committee as follows:

> I know of no intelligence which reveals any change in attitude on the part of the Soviet Union or which would give us any reason to diminish or slow down or stretch out our preparedness effort.

The same day General Bradley so testified, the administration submitted to Congress this new defense budget which, if approved, would sharply cut the programed strength of the United States Air Force.

Since 1949, when the Soviet set off its first atomic explosion, United States grand strategy has been based on the proposition that the best way to prevent or to meet a Soviet atomic attack is to build up United States air power with particular emphasis on a strong retaliatory force; that is, the Strategic Air Command.

The new defense budget, by striking sharply at plans for the Air Force buildup, seemed to imply either: first, some reservations about that strategic concept, or second, a decision that while the concept is right, its execution is unrealistic.

The decision to cut back air power would be militarily justified, for instance, by solid evidence that the Soviet threat had never been great enough to warrant a 143-wing Air Force as soon as possible, or that it had diminished. The administration offered no such explanation.

The defense goals set by the past administration, said Defense Secretary Wilson, "could not be attained within the time contemplated and within the concept of a reasonable balance between Federal expenditures and revenue."

Just a few weeks before the Soviet struck in Korea, we cut our Air Force strength back to about the level arrived at after the full demobilization demanded following V–J Day—and this despite the acknowledged great and growing air strength of the Kremlin.

All during the critical years in which these reductions in American airpower have been made, the Soviets have been adopting exactly the reverse policy, by subverting their entire economy to the creation of the greatest modern jet air force—fighters and bombers—the world has ever known.

After the Chinese Communists crossed the Yalu in the fall of 1950, even the layman in the street knew that this country was facing the most dangerous enemy in its history. That enemy, with its magnificent air force, was the Kremlin.

Apparently the idea now is to meet with a firmly balanced budget, possible waves of the new Russian bombers streaming across the polar wastes to attack our industrial heartland.

It is becoming more and more clear we now have two Secretaries of the Treasury. But what has happened to the Secretary of Defense?

Any real sense of urgency has now gone out the window; and other things have come in which are not pleasant.

When a reduction in Federal expenditure is demanded, it has always been a simple matter for the fiscal experts to show how savings can be made if only airpower is reduced.

But the truth is that such replanning and reprograming in itself incident to such fiscal manipulation has been by far the most wasteful of all Pentagon policies.

As a former businessman, I know that business only succeeds because of the skill of the people who plan its policies. Likewise no country has a chance for value in its defense dollar unless its leaders plan skillfully.

I now desire to present a chart which illustrates how American air power has been planned since V–J Day. This chart does not show good planning or poor planning; it shows no planning.

At the time of Pearl Harbor the Air Force had 64 groups. We then went to 273 groups. We dropped to 38 groups in 1947.

Upon the urging of Congress for 70 groups, the Air Force went to 59. The money was impounded. The Air Force went to 48. Then we went to 42.

Then came Korea. We jumped to 46. We then threw into action our very old planes, of which there were a great many and we called upon National Guard and reserve units, and increased the number of our groups to 87.

In 1951 it was agreed that what was more important than anything else for the future of the United States was to have a 143-wing Air Force as soon as possible. It was decided that that goal could be reached in 1954. That was the Air Force goal that was set.

I point out on the chart the new projection which we have from the Secretary of Defense.

Mr. President, I submit that on this basis a hamburger stand could not be run properly, because every time one of these programs is reprogramed, every man in the Air Force, whether on logistic or operational duty has to write many letters; and this means many millions of sheets of paper, and endless man-hours in order to complete the reprograming. That is enough to bankrupt any business, and it is the chief reason for the waste in the Air Force that is being talked about today.

I am sorry to say that many times persons leave important jobs in private business to come in at the top of the services, acquiesce in the reprograming, leave, and then blame the military for any waste involved.

Any efficiency in the purchase of such units as airplanes, engines, and so forth, requires a plan over a period of years. The trick constantly used by the fiscal experts to cut defense expenditures eliminates the very concept of long-range planning, because its basis is fallacious manipulation of lead time on purchased items.

Let me put it in simple terms. A "period of years" program is essential for efficient planning and programing of aircraft procurement.

Picture the chaos which would result if many times in 1 year a farmer changed his mind about what he would grow in his field. We know that such a policy would mean a one-way ticket to bankruptcy. But that is exactly what we have been doing with our Air Force, as these new and inexperienced defense leaders attempt to prove that the way to become stronger is to plan to become weaker. Leading authorities doubt that the fiscal juggling of our defense during recent weeks will result in the production of a single combat plane 6 months sooner.

Many months ago, as a member of the Armed Services Committee, before this budget controversy came up, and with the approval of Chairman SALTONSTALL, I submitted to the Secretary of Defense for information various questions with respect to our military strength.

Mr. Wilson brushed off answering these questions on the ground the answers would affect security. Accordingly, in an effort to find answers to some of them, I have obtained from leading aviation authorities outside the Pentagon facts as they know them with respect to our Air Force power as compared to that of the Soviet.

It should be remembered that the military strength per se of our country is not important. What is important is our strength in relation to the strength of a possible enemy.

According to these sources, our Air Force has a current inventory of around 20,000 planes; our Navy an inventory of around 14,000 planes.

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

(At this point, Mr. LONG withdrew his pending amendment and offered another, on which Mr. SYMINGTON was recognized for 20 minutes. The proceedings incident to this action appear at the conclusion of Mr. SYMINGTON's speech.)

Mr. SYMINGTON. The bulk of these aircraft, however, are obsolete World War II types, such as P–51 and Corsair fighters, B–25, B–26, and B–29 bombers, C–47, C–46, and C–45 transports. These totals also include trainers, liaison planes, and helicopters.

The numbers of modern first-line aircraft, capable of matching the best the Russians now have in the air are pitifully few.

The F–86 Sabre is the only fighter this side of the Iron Curtain capable of handling the Russian MIG–15. Yet United States factories have built hardly more than a thousand Sabres equipped with the latest modifications which make them superior to the MIG–15.

More than 500 earlier model Sabres, with inferior performance to the MIG–15, are now good for little more than training planes.

Canada has built some 600 later model Sabres, for the British Royal Air Force and the Canadian Air Force.

These are the only fighters our allies have which can effectively tackle the MIG–15.

So thin has the line of Sabres been stretched that at one point it was necessary to strip all Sabres from the air defense of the United States to put 125 Sabres in Korea to battle some 500 MIG's.

Later the United States had to borrow 60 Canadian-built Sabres to keep up its Sabre strength in Korea.

Against this total of less than 2,000 United States and Canadian-built Sabres, the Russians have been able to furnish their Chinese ally some 1,400 MIG–15's since the beginning of the Korean war, equip their Polish and Czech satellites with MIG–15's, and still maintain a very large force of Red air force MIG's in East Germany and Russia.

The count of MIG–15's in Manchuria has been steadily rising for 2 years despite heavy combat losses.

Neither our Air Force nor our Navy has a light jet bomber in combat service.

Our intelligence has publicly reported some 300 to 400 twin jet Russian bombers in the Far East alone, with about 100 now based in Manchuria.

In addition, this Soviet jet bomber, plus a still newer jet bomber, have been widely reported in service at East German airfields.

These two bombers are not long range. The newer one does have considerable more range, however; and in any case we now have the technique of refueling.

In the large jet-bomber category, the United States has only flown prototypes of the B–52 heavy bomber, with quantity production a long way off. This is the bomber planned to take the place of the B–36.

In the medium-bomber category, today we have but 3 Strategic Air Command groups equipped with B–47's; and none of them could be classed as truly combat ready.

A great amount of the delay in our jet-fighter and jet-bomber production readiness has been caused by constant changes in programing, in turn caused by changes in appropriations. This includes constant heavy variations in money allowed for research and development. As mentioned, this variance in money available is by far the greatest cause for waste in our defense program.

Today, we have more long-range bombers than the Soviet. But the Soviet now have more than enough long-range bombers to deliver an all-out atomic attack against this country; and the United States has no adequate defense against such an attack.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. SYMINGTON. I would rather finish, if the Senator will permit me, so that I may complete within my time.

Returning to the question of plane availability, the increasing efficiency of bombers attacking in darkness and bad weather have made the all-weather fighter an item of paramount importance.

F–94C Starfires, our best short-range night fighter, have just begun to be delivered to combat squadrons.

The F–89 Scorpion, our long-range night fighter, has been grounded and out of service for 6 months, due to extensive wing modifications required by unexpected problems of high speed flight; and is only now being returned to operation.

The F–86D, another short-range night fighter, is just beginning to get to combat units.

The Air Force stock of modern aircraft is so low at present that National Guard squadrons returning from Federal service are being equipped with World War II piston engined Mustang fighters and Texan trainers; and they have not nearly enough of those.

There are neither jet fighters or trainers available.

Most of these squadron members flew jet aircraft during their Federal service. Many of them were in Korean combat.

To meet the challenge of the next generation of Russian fighters, the Air Force has three new types under development: The F–100, F–101, and F–102. But none of these is beyond the early stages of development. None is in production.

The normal time from first prototype flight to combat service is at least 2 years.

In the supersonic bomber field we are still largely in the drawing-board stage.

For more than 2 years our Navy has not had a single fighter in Korea capable of meeting the MIG–15 on equal terms. This is due primarily to cuts in research and development funds imposed during the economy wave of 1948. The prototypes that were scrapped or delayed in 1948 would have been the Navy's fighting planes in 1952.

The Navy is just now getting deliveries on a carrier-based version of the Sabre, also a hastily revised Grumman design; both capable of performing with the MIG.

The Navy still has to rely on piston-powered Skyraiders to do its bombing. Its jet and turboprop bombers are still in the prototype development stage, years away from combat readiness.

It has taken the aircraft industry, plus its licensees and subcontractors, about 3 years since the beginning of the Korean war to build up to a production rate now just beginning to make a dent in our basic lack of modern combat aircraft.

At the current rate of effort, it will take at least another 3 years to develop and produce the next generation of supersonic combat aircraft.

Perhaps the most dangerous of all aspects of this reduction in our air build-up is taking place in the field of research and development.

Programs for improving the quality of our aircraft and guided missiles of 1956, 1957, and beyond have suffered costly delay in these past few months.

This is because the services, while their requested level of development funds is being acted on by the Congress, have been advised by the office of the Secretary of Defense that a considerable portion of those funds, even if legislated by the Congress, will be withheld from the services by the office of the Secretary of Defense pending further review.

There is no question that the research and development programs of the Army, Navy, and Air Force could be better integrated, and any effort to do so is noteworthy. However, a review such as is proposed would take precious months.

During these months the aircraft and missiles eventually concluded vital will be delayed a long time.

Please bear in mind that months of delay this year in development of a defense weapon can mean years of delay in its eventual entry into the actual defense force.

It is just such false concepts of economy which resulted in our fliers facing a superior airplane in superior quantities when we started defending the free world in Korea.

As a further illustration, back in 1946 while I was Assistant Secretary of War for Air, and General LeMay, now head of the Strategic Air Command, was in charge of Research and Development, LeMay said:

> I just want to report that because of the constant reprograming and replanning of the research and development program this year, we have accomplished nothing whatever in research and development. All we have done is put our personnel on reprograming and replanning, as the changed figures have been made available.

That is the way it was 7 years ago. Based on this newly announced policy, that is the way it is today.

All of this cutting of production and delay in development adds up to the fact that America is a long way from achieving truly modern air power.

There are too many categories in which we are still second best; and General H. H. "Hap" Arnold's classic remark still stands, namely, that a second best air force has exactly the value of the second best poker hand.

Meanwhile, despite the constant talk by air power detractors about how much money the Air Force has been getting, it is a fact that more money has been ap-

propriated for the Army during the past 5 years than for the Air Force.

I am not saying the Army appropriations are wrong. I support, and always have supported, the Army. I am saying, however, that the Soviet must be delighted at the expense they have forced on our economy, in a ground war thousands of miles away from Moscow and the Soviet industrial heartland; a war which, except for the loss of some equipment in Korea, is not disturbing their all-out effort to obtain a supreme air force. And Korea is an ideal training school for their pilots.

In discussing the slow-down of our airpower build-up, I have this afternoon touched primarily on the organization and programs of men, money, and machines which comprise our air power for national defense.

May I now dwell for a moment on our national policy for the use of that air power?

Presumably there is a plan for the deployment of the naval air and Air Force wings for which we are spending billions.

Such a plan should, of course, not be discussed publicly in detail; nor is it my intention to do so here.

I would raise the question, however, as to how thoroughly our national policy has been developed for the use of the air power we are buying.

As example, what is our air power policy in regard to NATO?

I have noted several recently published reports by the top NATO commanders to the effect that their planned air cover is insufficient to protect the ground forces of NATO. But I note no increase in tactical air in this new budget. In fact there is a decrease in the program for medium bombers.

As to Korea, I have questioned for 3 years a policy which spends billions for air power, but does not use that air power to its fullest measure in a war we are actually fighting.

Will we continue to restrict our air power in the face of further Soviet aggression?

In other words, in case of further war, will we continue to restrict the air power we have; and if so, is that the reason for this recent reduction in air power?

If not, do we have, or are we building, the air power we need?

I have presented this afternoon my view of the record—the sad and disgraceful record—of how during the years since World War II the people of the United States, despite their great sacrifices, have now come to a point where another country can deliver against us a sudden all-out atomic attack, against which this country has neither the weapons nor the capacity to adequately defend itself.

Nor have we the capacity to properly retaliate.

Our position in these early fifties therefore is quite comparable to that of the British in the late thirties, as the latter waited for the onslaughts of the Nazis.

Those brave British people, however, had one great advantage which we can never have. Behind them they had the spiritual strength and production potential of America; and later the bravery of our fighting youth.

We too have allies in front of us—and we hope all of them will be with us in case the present war spreads.

But I ask you, who is behind us as we were behind Britain?

These are the reasons why I believe we should add the $1.4 billion for the Air Force defense budget.

Every top air military expert, as well as the Chief of Staff of the Army and the Chief of Naval Operations are on the record that this country, to have adequate defense, should have 143 wings as soon as possible.

This addition is less than 1 percent of the $186 billion we have appropriated for national defense during the past 5 years. It is necessary for the most rapid progress to a 143-wing Air Force.

We must have at least that Air Force, and as soon as possible—else, when this country is attacked, we may be the ones responsible for losing the world.

Mr. President, my distinguished senior colleague [Mr. HENNINGS] asked me a question with reference to the latest communication from the Secretary of Defense, Mr. Wilson, before the Committee on Appropriations, in reply to the request made by the Senator from Arkansas [Mr. MCCLELLAN]. In answer to that question, I should like to comment very briefly. General Vandenberg has stated that after this wrecking job, all the Air Force could properly use in the coming fiscal year, which starts next week, is this $1.4 billion.

In his latest criticism of the Air Force, however, Mr. Wilson promptly rejected this figure; and once more we have the usual snowfall of figures from the comptroller in Mr. Wilson's office; and once again the Secretary of Defense has put his signature to a series of charges and innuendoes against everyone connected with the Air Force, past or present.

This technique of publicly denouncing one's predecessors and subordinates, and all their works, is a new invention in Government administration; and I daresay that Mr. Wilson and his associates will have an undisputed patent upon it for some time to come.

In the course of the hearings Mr. Wilson was forced from one indefensible position after another. He started out talking about 120 wings as his interim goal. He has ended up admitting that he wished he had 143 wings right now, and that there is no evidence that 143 wings are not needed. He was originally going to buy the planes for only 120 wings, but now he is going to buy all the combat planes for 143 wings—and faster, he says, than they would have been obtained before. He was originally cutting the Air Force to 915,000 men, but has now eased this cut by putting the figure at 960,000.

Yet there is one thing that always remains the same—the $5 billion cut in the budget. Whether there are to be 120 wings or 143, whether the men are to be numbered at 915,000 or 960,000, the Secretary of Defense clings to that $5 billion cut like grim death. He turns the new wing figures and plane figures and manpower figures over to his comptroller; and the comptroller comes out with a new sheet of computations which, by some miracle, always add up to the $5 billion cut.

Does this really make sense? Does anyone think he can pay and train and equip and feed 960,000 men for the same price as 915,000? Does anyone think he can get more planes for the same or less money?

Is it not obvious that figures are coming before forces; that, regardless of consequences to the Air Force, America, and the free world, Mr. Wilson intends to see that $5 billion is going to come out of the Air Force budget, and that's that?

Mr. HILL. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am very happy to yield to the distinguished Senator from Alabama.

Mr. HILL. Mr. President, I wish to commend and congratulate the distinguished Senator from Missouri for the service he has rendered the country in his very able and informative and challenging presentation of the compelling reasons for 143 air wings. No one could speak with greater authority on the subject than the Senator from Missouri. He knows the subject from experience, background, knowledge, and first-hand intimacy with it. He has, indeed, presented the challenge that confronts our country today, namely, to make sure that we get the 143 air wings.

Mr. SYMINGTON. I thank the Senator.

Mr. LEHMAN. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am happy to yield to my distinguished colleague from New York.

Mr. LEHMAN. Mr. President, I congratulate the Senator from Missouri and thank him wholeheartedly for what I consider to be a noteworthy contribution to the security of our country. I have intently listened to his remarks this afternoon, and I have discussed the subject with him many times in the past several months. I am in full agreement with the analysis he has made. I want him to know that I stand back of him in his thinking and in any legislative action which may be proposed.

I would hope that we could restore more than the $1.4 billion. I believe that we should restore most of the $5 billion which it is proposed to cut from the Air Force appropriation. To me it is the height of folly at this time, in a great period of stress and strain, to allow ourselves to become weaker in relation to those who seek to destroy us and the rest of the free world. We should not be willing to accept the defeatism which has, by an edict issued by the Director of the Budget, cut the budget by $5 billion. I believe we should exert every possible effort and use every possible resource to make ourselves stronger in order to meet what is undoubtedly a very real threat which is confronting our country, our allies, and the whole free world.

Instead of doing that we appear to be shortsighted enough actually to weaken ourselves in our ability successfully to combat aggression.

Mr. SYMINGTON. I thank the Senator from New York.

Mr. ANDERSON. Mr. President, will the Senator from Missouri yield to me?

Mr. SYMINGTON. I am glad to yield to my distinguished colleague the Senator from New Mexico.

Mr. ANDERSON. I should like to add my thanks to the Senator from Missouri for drawing upon his vast experience and his great talents to give us this very fine presentation today.

Mr. SYMINGTON. I thank the Senator from New Mexico.

The PRESIDING OFFICER. The time yielded to the Senator from Missouri has expired.

During the delivery of Mr. SYMINGTON's speech,

The PRESIDING OFFICER. The time of the Senator from Missouri has expired.

Mr. LONG. Mr. President, I withdraw my amendment and call up instead my amendment designated "6–24–53–E." I ask unanimous consent that the reading of the amendment be dispensed with.

I withdraw the previous amendment for two reasons: First, there are three Senators who are in support of the amendment who at the present time are at the White House. They will return shortly. The second reason I withdraw it is that I know that Senators present are intensely interested in the speech of the distinguished Senator from Missouri, which was interrupted by the expiration of his time under the unanimous-consent agreement. I know that Senators very much desire to hear the Senator from Missouri through, and I hope the Chair will recognize him in order that he may continue his speech.

The PRESIDING OFFICER. The Senator's amendment is withdrawn.

Mr. LONG. I now offer the amendment to which I have referred, designated "6–24–53–E."

The PRESIDING OFFICER. The Senator from Louisiana asks unanimous consent that the reading of the amendment be dispensed with. Without objection, it is so ordered.

Without objection, the amendment will be printed in the RECORD at this point.

The amendment was, on page 30, between lines 6 and 7, to insert the following:

SEC. 15. Reimbursement of States for certain expenses: (a) It is hereby declared to be the policy of the United States to reimburse the States adjacent to the area of the outer Continental Shelf for expenses incurred by such States in furnishing services of State and local government to (1) individuals who are employed in connection with operations described in section 4 (b) of this act and who reside in such States, (2) families of such individuals, and (3) persons or companies engaged in such operations who establish shore bases and carry on other activities within such States in support of such operations. It is the intent of Congress that legislation providing for such reimbursement shall be enacted as soon as possible after the committee established under subsection (b) of this section has made recommendations required by subsection (b) (2) hereof.

(b) (1) There is hereby established a Joint Committee on the Outer Continental Shelf (hereinafter referred to as the "joint committee"), which shall be composed of six Members of the Senate to be appointed by the President of the Senate and six Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The joint committee shall select a chairman from among its members. Any vacancy in the joint committee occurring after all the original appointments are made shall not affect the power of the remaining members to execute the functions of the joint committee and shall be filled in the same manner as the original selection. A majority of the members of the joint committee shall constitute a quorum for the transaction of business. However, the joint committee may make its own rules to provide for the number necessary to constitute a quorum of any subcommittee thereof.

(2) The joint committee shall make a full and complete investigation and study for the purpose of determining (A) the amount of reimbursement which should be made to such adjacent States in order to carry out the policy established under subsection (a) of this section, and (B) the most practical method of making such reimbursement. Upon completion of its investigation and study, the joint committee shall make a report of its findings and recommendations to the President and to the Congress. After the submission of such report, the joint committee shall cease to exist.

(3) The joint committee, or any duly authorized subcommittee thereof, is authorized (A) to hold such hearings; (B) to sit and act at such places and times; (C) to procure such printing and binding; and (D) to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 40 cents per hundred words.

(4) The joint committee is authorized to appoint and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. Such compensation shall not be in excess of the maximum rate payable in the case of employees of standing committees of the Congress.

On page 30, line 7, strike out "SEC. 15." and insert in lieu thereof "SEC. 16."

On page 30, line 10, strike out "SEC. 16." and insert in lieu thereof "SEC. 17."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG].

Does the Senator from Missouri desire recognition?

Mr. SYMINGTON. I do, Mr. President.

The PRESIDING OFFICER. The Senator from Missouri is recognized for 20 minutes.

JURISDICTION OVER SUBMERGED LANDS OF THE OUTER CONTINENTAL SHELF

The Senate resumed the consideration of the bill (S. 1901) to provide for the jurisdiction of the United States over the submerged lands of the outer Continental Shelf, and to authorize the Secretary of the Interior to lease such lands for certain purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana, numbered "6–24–53–E."

Mr. FERGUSON. Mr. President, I wish to speak indirectly on the pending amendment.

The PRESIDING OFFICER. The Senator from Michigan is recognized for 20 minutes.

Mr. HENDRICKSON. Mr. President, will the Senator from Michigan yield to me?

Mr. FERGUSON. Yes, provided I may do so without losing the floor.

Mr. HENDRICKSON. I ask unanimous consent that the Senator from Michigan may yield to me, without losing the floor, in order that I may suggest the absence of a quorum.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. FERGUSON. Mr. President, I do not wish the time required for the calling of the roll to be taken out of the 20 minutes available to me. I ask unanimous consent that the time required for the calling of the roll be charged to general overhead. [Laughter.]

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan that the time required for the calling of the roll not be charged to either side? Without objection, it is so ordered.

Mr. HENDRICKSON. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HENDRICKSON. Mr. President, at this time I ask unanimous consent that the order for the calling of the roll be rescinded, and that my suggestion of the absence of a quorum may be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from Louisiana, numbered "6–24–53–E."

The Senator from Michigan has been recognized for 20 minutes.

ACTION OF THE FEDERAL RESERVE BOARD TO EXPAND BANK LOANS

Mr. BUSH. Mr. President, will the Senator from Michigan yield to me at this time?

Mr. FERGUSON. I yield, provided that I may do so without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. Mr. President, because of the important action taken yesterday by the Federal Reserve Board, I now ask unanimous consent to have printed in the body of the RECORD, as a part of my remarks, a dispatch on this subject by the Associated Press. The dispatch also contains a statement by the Secretary of the Treasury himself, in commenting upon this important action.

The PRESIDING OFFICER. Without objection——

Mr. LANGER. Mr. President, reserving the right to object, let me inquire whether the article is very brief.

Mr. BUSH. I exhibit it to the Senator from North Dakota; I do not know whether the article would be considered short or long. I do not think it is long for the RECORD.

Mr. LANGER. Mr. President, I have no objection. However, cannot the article be read by the clerk? I understand from the distinguished Senator from Connecticut that this matter is very important.

The PRESIDING OFFICER. Does the Senator from Michigan yield for that purpose? The time required will be taken out of the time available to him.

Mr. FERGUSON. Mr. President, I decline to yield if the time required is to be

taken out of the time available to me, for in that event I would have little or no time remaining.

Mr. LANGER. Mr. President, I withdraw my request.

Mr. BUSH. Mr. President, I think it is important for the Members of Congress generally and for all who read the RECORD to know about and to understand the action taken by the Federal Reserve Board.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RESERVE ACTS TO EXPAND BANK LOANS BY SIX BILLIONS

WASHINGTON, June 24.—The Federal Reserve Board tonight eased its money brakes on the economy in a move designed to keep production and employment high and help the Government meet its borrowing needs.

The Board did so by reducing the amount of money it requires its member banks to hold in reserve. The reduction was comparatively slight, but was enough to increase bank lending power by nearly $6 billion.

The move to make more money available was in seeming contrast with the administration's hard-money policy. However, Secretary of the Treasury George M. Humphrey said it was "entirely consistent" with the administration's anti-inflation stand.

He said in a statement: "The Federal Reserve Board acted on its own responsibility but after full consultation with the Treasury.

"Its action is an orderly continuation of the standing policy of providing the reserves needed for the seasonal demands of business and finance and for necessary Treasury financing. The action is entirely consistent with the policy of restraint of inflation without too drastic credit restrictions."

The Reserve Board, in its action tonight, dropped its reserve requirements for country banks from 14 percent to 13 percent of their net demand deposits, effective July 1. Effective July 9 the requirement for reserve city banks will decrease from 20 to 19 percent, and for central reserve city banks from 24 to 22 percent.

Overall, the action did not make a big change in the reserve requirements, which now average 20 percent.

However, the Reserve Board announcement said the small percentage decrease in reserve requirements would release an estimated $1,156,000,000 of reserves. Since banks, on the average, will still be able to lend five times the amount of their available reserves, release of this amount would enable them to increase their loans by $5,780,000,000.

A Treasury spokesman disclosed that the Treasury is standing by to pick up virtually all of the new credit. The spokesman said the Treasury now estimates it will have to borrow between five and six billion dollars new money in the next 3 months, and will announce next week how it will do so.

The Federal Reserve's relaxation of reserve requirements—which regulate how much member banks can lend—may make it possible for the Treasury to borrow these huge sums without forcing already high interest rates much higher.

Also, the Reserve's action means that Treasury borrowing can be met from new lending power in the hands of the Nation's commercial banks and therefore will not necessarily collide with business and individual credit demands. Such a collision might create serious economic difficulties.

The Board's action will allow the Government to raise the new credit it needs without—

1. Snatching away money wanted by business for its regular operations and big expansion plans. If business found it impossible to borrow the large amounts it needs, the grounds might be laid for a business slowdown and possible recession.

2. Draining the banks and other investment sources of money wanted by individuals for home, car, and other purchases. Shortage of credit for such purposes might slow up business.

Release of reserves makes new credit available because Federal Reserve member banks can lend only up to limits set by the Reserve Board. The Board requires that a percentage of all demand deposits at member banks be placed in reserve accounts with the Reserve Board and allows banks to lend proportionately to these reserves.

On Capitol Hill, Senator PRESCOTT BUSH, Republican, Connecticut, said he had absolute faith in the judgment of the Federal Reserve Board. The action shows Government policy can be flexible and move to meet any situation, he said.

Senator JOHN J. SPARKMAN, Democrat, Alabama, said "The administration must have realized the previous policies were deflationary." Increases in interest rates under impetus of Government decisions had gone "too far, too fast," he said, and produced a situation where some increase in the credit pool was necessary.

The Board's action came as a surprise to bank circles in New York, but they heartily supported it. An official of the Bankers Trust Co. said: "Supplying additional (lendable) reserves to the system was necessary and timely in view of the forthcoming Treasury financing and anticipated seasonal increases in the requirements of the economy."

Mr. BUSH. Mr. President, in connection with the article relating to the recent action taken by the Federal Reserve Board, I now ask unanimous consent to have printed in the RECORD an editorial entitled "Monetary Flexibility," which was published in the Washington Post on June 24.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

Mr. KERR. Reserving the right to object, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Oklahoma for the purpose of addressing a question to the Senator from Connecticut?

Mr. FERGUSON. I ask unanimous consent that I may yield for that purpose, without the time being charged to me.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. BUSH. I am glad to yield to the Senator from Oklahoma for a question.

Mr. KERR. I was quite anxious to have the Senator read what the Secretary of the Treasury had said in regard to this action by the Federal Reserve Board.

Mr. BUSH. Will the Senator permit me to read it?

Mr. KERR. I should be delighted if the Senator would do so.

Mr. BUSH. It is very brief. In a statement released yesterday, the Secretary of the Treasury said:

The Federal Reserve Board acted on its own responsibility but after full consultation with the Treasury.

Its action is an orderly continuation of the standing policy of providing the reserves needed for the seasonal demands of business and finance and for necessary Treasury financing. The action is entirely consistent with the policy of restraint of inflation without too drastic credit restrictions.

Mr. KERR. If the Senator will permit me to ask a question, as I understand, the policy of the Federal Reserve Board in order to restrain inflation heretofore has been just the opposite to the action they now take, and with reference to which the Secretary says the object is to restrain inflation. Is it possible that I am correct in that?

Mr. BUSH. I do not know whether the Senator is correct or not. That is an opinion which he has stated.

Mr. KERR. Does the Senator have an opinion on it?

Mr. BUSH. Mr. President, this is the first time the Federal Reserve Board has taken any action with respect to bank reserves this year; and I do not believe they took any such action last year.

Mr. KERR. Is it a fact that their omission heretofore to take action calculated to expand the credit available to anybody, especially the Treasury, is the opposite of the positive action which they now take, which is to expand credit and to make it available to the Treasury?

Mr. BUSH. Mr. President, I am sorry. That is such an involved question that I became lost in the middle of it. I am very sorry.

Mr. KERR. I am certain that my friend has been lost. [Laughter.] I did not expect him to acknowledge it. But I shall try to simplify the question.

Mr. BUSH. I thank the Senator.

Mr. KERR. The present action is one whereby credit is expanded. Is that correct?

Mr. BUSH. It will have that effect; yes.

Mr. KERR. My distinguished colleague from Connecticut, as I understood him, just said that they had taken no such action heretofore since the first of the year.

Mr. BUSH. That is my belief, yes.

Mr. KERR. Then, would the positive action they have taken to expand the credit limit by from $6 billion to $8 billion be opposite, in effect, to their failure to take such action heretofore?

Mr. BUSH. Not necessarily. Perhaps the Senator would like to explain why he thinks so. I am not prepared to agree with him on that point.

Mr. KERR. I appreciate my distinguished colleague's telling me, first, that he does not know what I mean, and, second, that he is not prepared to agree with me, regardless of what I mean. [Laughter.] But I will explain it to him.

Mr. BUSH. Mr. President, if the Senator will yield, perhaps he will state what action the Federal Reserve Board has taken this year which appears to be in conflict with their recent action.

Mr. KERR. The Senator from Oklahoma has made the statement that their failure to take action in the presence of the expanding need for greater credit is in reality a policy opposite to the positive action they now take, which results in making greater credit available to the Treasury and to the country. Does that make it clear to my distinguished friend?

Mr. BUSH. Mr. President, I asked the Senator whether he would state what positive action the Federal Reserve Board had taken this year that was in conflict with the action which it took yesterday.

Mr. KERR. The Senator from Oklahoma said that their failure to act in the presence of the need for expanded credit was a negative action, and the effect of it is opposite to the positive action they now take. My distinguished friend is himself a great banker.

Mr. BUSH. The Senator's statement is exaggerated. Nevertheless, I thank him.

Mr. KERR. I ask the Senator whether he is not aware of the fact that the failure of the Federal Reserve Board to extend credit or make it available is a policy opposite to a positive action whereby they expanded their ability to give credit and make it available to the public.

Mr. BUSH. Mr. President, I can only say that, if the Senator wants to draw that conclusion for his own satisfaction, I shall not object. I do not myself subscribe to his reasoning in this matter, as I have failed thus far to subscribe to his reasoning in connection with all other matters relating to Federal Reserve policies. It seems to me it is quite impossible for the Federal Reserve to do anything the Senator from Oklahoma likes, so that it is perfectly all right for him to hold his own opinion. For myself, I say I do not think the action taken yesterday is necessarily inconsistent with the attitude of the Federal Reserve Board this year. I think they have taken a very cautious, watchful-waiting attitude, and did not move on the question of reserves until they thought they had to. Speaking only for myself, my surmise as to the reason why they may have deferred action is that the inflationary forces have been very extensive and very powerful. As I have pointed out repeatedly to the Senate, credit has been at an alltime high, the use of credit has been enormous, indeed, almost unprecedented in our history, and, naturally, they have been very cautious.

Mr. KERR. Mr. President, will the Senator yield for a further question?

Mr. BUSH. In a moment. However, the situation that has developed has made it seem necessary to them—and I believe they are correct—to decrease the reserve requirements in order to give some expansion of credit, so as to meet, as they say, the seasonal needs of business and of the general economy of the country, and the possible need for further credit from the Treasury of the United States, which I am sure the Senator realizes inherited a very substantially difficult proposition at the beginning of this year.

Mr. KERR. The Senator is aware of the fact that that problem was not forced upon his party, is he not?

Mr. BUSH. I beg the Senator's pardon.

Mr. KERR. The Senator is aware of the fact that his party sought the responsibility for handling that problem, is he not?

Mr. BUSH. I think it was a mandate of the people. Let us put it that way.

Mr. KERR. Was the Senator's party unwilling to acquiesce in that mandate?

Mr. BUSH. No; the party of the Senator from Connecticut certainly was willing to take up the burden—and a heavy burden it was. In the interest of survival, the Senator's party was willing to assume the burden.

Mr. KERR. Would the Senator tell us, in the interest of whose survival?

Mr. BUSH. In the interest of the survival of the country.

Mr. KERR. The Senator has told us that the policy of his party had been to stop inflation and curtail expansion. Is that what the Senator said?

Mr. BUSH. To stop inflation—and what?

Mr. FERGUSON. Mr. President, I hesitate to interrupt the discussion, for which I yielded, even though the time is not being charged to me. I have an Appropriations Committee meeting, at which many members of the Air Corps are waiting for my return.

Mr. KERR. Mr. President, I ask unanimous consent that the Senator from Michigan be given permission to return to his committee.

The PRESIDING OFFICER. The Senator from Michigan has the floor. Is there objection?

Mr. BUSH. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BUSH. I object on the ground that my friend across the aisle I am sure realizes it was not my intention to engage in a debate on this point, and thus to infringe upon the privilege given me by the Senator from Michigan to answer questions.

The PRESIDING OFFICER. Does the Senator from Michigan demand the regular order?

Mr. FERGUSON. I ask for the regular order.

Mr. KERR. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. I understood the Senator from Michigan had requested and had received unanimous consent for this colloquy to take place without its being charged to his time. Am I correct in that understanding?

The PRESIDING OFFICER. The Senator is correct.

Mr. KERR. Then, Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. KERR. Does the Senator from Michigan have power to withdraw that unanimous-consent request at this time?

Mr. BUSH. Mr. President, I yield the floor.

Mr. KERR. Mr. President, I do not blame the Senator.

There being no objection, the editorial from the Washington Post presented by Mr. BUSH was ordered to be printed in the RECORD, as follows:

MONETARY FLEXIBILITY

The Federal Reserve Board has wisely recognized that it cannot allow the supply of credit to become overly restricted, despite its main interest at the moment of trying to stamp out inflation. It has, therefore, reentered the market after a long absence and, since May 17, has purchased $522 million of Treasury bills and certificates. The effect of the action on the banking system is to create roughly $2½ billion in new money. Although it would have been more desirable to restrict applications for new credit—as Secretary Humphrey recently suggested—the Government has no such power; the Reserve thus acted to prevent credit from becoming dangerously tight.

This new money will make it easier both for the Treasury and for industry and local governments to raise funds. By the same token, the Reserve action has strengthened the bond market somewhat. In this way, the Reserve Board has shown that it is not tied to a rigid or doctrinaire policy of complete nonparticipation in times of inflation; instead, it has demonstrated that it recognizes its responsibility as the money manager. This should reassure the business community that an adequate supply of credit will be available.

If the Federal Reserve made credit too freely available by its purchases of Government securities, it would create new inflationary pressures. It is clearly trying, on the other hand, to exert a moderating influence without putting on the brakes too hard. Its policy is the sensible one of trying to keep the money supply adequate but not inflationary. This is not a pegging operation. But it is of help to the Treasury at a critical time when it must borrow large sums of money to finance the Federal deficit. And it puts the Federal Reserve in the positive role it should assume as the central agency in the control of money and credit.

The PRESIDING OFFICER. The Senator from Michigan has 18 minutes.

APPROPRIATIONS FOR THE AIR FORCE

Mr. FERGUSON. Mr. President, I came to the floor in order to make a few remarks, as the Senator in charge of the Defense appropriations bill, in view of the fact that the distinguished Senator from Missouri [Mr. SYMINGTON] has made remarks in relation to a particular matter which is now being heard by a subcommittee of the Appropriations Committee. I hope the distinguished Senator from Missouri and the other Senators will read the record which is being made by the committee. The subject is of great importance and is receiving the very careful attention of the Appropriations Committee.

I shall not attempt to review all the distinguished Senator from Missouri has said on the floor today.

I read from page 28 of the statement of the Senator from Missouri, as follows:

I have presented this afternoon my view of the record—the sad and disgraceful record—of how during the years since World War II the people of the United States, despite their great sacrifices, have now come to a point where another country can deliver against us a sudden all-out atomic attack, against which this country has neither the weapons nor the capacity to adequately defend itself.

Mr. President, I know of no one who could speak with more authority on that record. The distinguished Senator from Missouri, on February 1, 1946, was appointed Assistant Secretary of War for Air. He occupied that position until September 18, 1947. That was when the Air Corps was a part of the Army. He

was appointed Secretary of the Air Force on September 18, 1947. He was, in fact, the first Secretary of the Air Force.

He resigned as Secretary of the Air Force on April 24, 1950.

He has spoken in glowing terms of those who followed him, and yet he told us today that the record which has been made is a sad and disgraceful one. He has been able to give to the Senate today facts which I should have thought, for security reasons, would have been better left unsaid, namely, with reference to the weakness of the American Air Force in the past 7 or 8 years, and the condition in which we find it today. That is a part of the record; that is a part of the sad and disgraceful record which the Senator described so eloquently on the floor of the Senate.

The point is made of the shortage of F-86—Sabre jets—fighters.

Why is it not brought out that the number of Sabre jets on the revised schedule is greater than those programed on the A-19 schedule with which Lovett and Vandenberg were perfectly satisfied last December and January?

With reference to the statement that no light jet bombers are in service, one wonders whose fault it is that they have not been developed with all the money Congress has provided in the last 3 years.

Other items mentioned in this part of his statement would seem to indicate that the Air Force has achieved little combat capability in terms of modern aircraft. We should remember that this failure in the last several years was not the responsibility of the present administration or the present Secretary of Defense.

Mr. President, I have some figures before me. I cannot go behind those figures, because the Air Force was a part of the Army in 1948, and I have not had the time to separate the Air Force from the Army, but I should like to give these figures for the RECORD.

In 1948 the Congress of the United States appropriated for the Air Force $2,596,000,000. In that year the Air Force expended $2,460,000,000, leaving a carryover in unexpended funds of $136 million.

In 1949 the Congress appropriated $4,798,000,000 for the Air Force. The Air Force was able to expend only $3,600,000,000, and in that year there was a carryover of $1,198,000,000.

In 1950 Congress appropriated for the Air Force $4,596,000,000. The Air Force expended $3,600,000,000, thereby increasing unexpended balances by $996 million.

In 1951 Congress appropriated for the Air Force $15,896,000,000. The Air Force expended $6,349,000,000, and there was a carryover in 1951 of $9,547,000,000.

In 1952 Congress appropriated $22,265 million. The Air Force expended $12,711 million, and carried over $9,544 million.

In 1953 Congress appropriated $20,338 million. The Air Force expended $14,600 million, and there is a carryover this year of $5,738 million. Of course, expenditures in any 1 year are not directly related to the appropriation of that year; but the cumulative effect of the excesses in appropriations over expenditures in the years listed produce a total carryover of approximately $28 billion.

Mr. President, the Senator from Missouri laid great stress upon the necessity for research. An examination of the record will show that the Congress has appropriated much money for research. I am satisfied that Senators believed that when Congress appropriates money for research for the Air Force, they are going to use it to make research in connection with the development of planes and the means wherewith they can be operated.

Mr. President, in yesterday's session we found that $225,000 was appropriated for fiscal 1953 to make an analysis of the Soviet social system by Harvard University.

I find another item, Mr. President, which shows that there is a request for $550 million to be included in the Air Force budget of 1954, which the present Secretary of Defense wants in order to have an analysis made. He is holding up some of the funds. It is project 670, and it is a so-called interindustry analysis, or an input-output analysis of business.

Mr. President, I can see exactly why the record since the war is a very sad one, and it has been properly described by the Senator from Missouri.

There are many other items——

Mr. LONG. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. In a moment.

I should like to call certain questions to the attention of Members of the Senate in order that they may be thinking about them, and so that we may consider the future.

I see displayed on the floor of the Senate a chart which is entitled "How To Waste the Taxpayer's Dollar." Mr. President, that chart shows the situation from the end of the war until this time, not from now on into the future. That is why great care must be taken in the consideration of a chart that is brought before the Senate to show that in the last 8 years the taxpayers' money was wasted. The chart does show how we wasted the taxpayers' dollars.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. FERGUSON. I cannot yield at this time.

The chart states that this year, in this very month, there were to be 106 wings. That is not a fact. We do not have 106 wings now, but 93. Ten of those wings have been activated, which means they have nothing but cardboard in them. They are nothing but cardboard wings. There are no airplanes, but the personnel is provided—officers and men and pilots.

There remains the necessity for reopening the whole program and going into it. That is what the President of the United States, Dwight D. Eisenhower, has in mind.

The statement was made that we should remember that cuts were made only in the Air Force. As a matter of fact, reductions were made in all the services, and additions were made to provide for combat depletion in Korea. Nothing along that line had been charted or placed in the last budget.

Is it not true that Mr. Wilson's statement that he was primarily responsible was the mark of a responsible executive? He has stated the facts to the committee. We all know that the basis of his decisions was information supplied by the National Security Council, with the approval of the President, and that the budget dollar figures were a result, not a cause. Therefore, Mr. Wilson has shown that he is a responsible executive. In other words, he did not try to pass the buck or abdicate responsibility; he assumed the responsibility which was given to him by the President.

I am surprised that the distinguished Senator from Missouri quoted from the secret National Security Council document, NSC 68. However, he should have quoted correctly NSC 68, approved September 21, 1950, after the Korean war started, which called for only a 95-wing Air Force. Even 1 year later, in August 1951, a later NSC study, NSC 114/2, called for only 95 wings. Not until October 12, 1951, did NSC 114/2 call for 143 wings.

It is interesting to note that desirable Air Force goals as presented since the beginning of the Korean war have had a wide range, namely, 54 wings, 68, 70, 84, 95, 163, 155, and finally 143 wings.

As I understand, the chart that has been presented attempts to show that there is now the capacity and plenty of funds with which to produce 120 real wings, not activated cardboard wings. Let us not be deluded by the magic words "143 wings." It was not possible to produce them, and all the money of all the taxpayers in the United States could not have obtained them this year under the present budget. That is what a study of the facts thus far presented shows. If there are any other facts, they should be presented to the committee.

The question now is, Do we want 120 real, modernized wings, or do we want magic wings, with a lack of Sabrejets, as the record clearly indicates is the situation today? Do we want 120 modernized wings, or do we want just the magic goal of 143 wings? That is a question that will be presented by the record, and I hope the Senate will withhold judgment on the question of the amount of money necessary to produce a real defense for America, not an imaginary defense. We cannot defend our country with a mythical number of planes.

If in years to come real planes, for real defense, are not produced, it will be a sad day for America. But let us not prejudge the situation until we have all the facts.

Mr. SALTONSTALL. Mr. President, I desire to make a brief statement in my own time.

The PRESIDING OFFICER. The Senator from Massachusetts has 20 minutes.

Mr. SALTONSTALL. As chairman of the Committee on Armed Services, and as a member of the Subcommittee on

Armed Services of the Committe on Appropriations, I have listened at length to discussions on Air Force appropriations. I shall not make lengthy comments this afternoon. I have read the speech of the distinguished junior Senator from Missouri [Mr. SYMINGTON]. I wish I could have heard it delivered.

I desire to point out certain facts in addition to what the distinguished chairman of the Subcommittee on Armed Services of the Committee on Appropriations [Mr. FERGUSON] has stated. He has been very faithful in his attendance at committee hearings and in attempting to get facts. What we must get are facts. We do not have all the facts to date, and the Senator from Missouri has given us no new facts in his speech today on which to base an opinion.

However, there are one or two facts that are coming out in the testimony before the Armed Services Committee of the Appropriations Committee. During the fiscal year 1954 one thing appears to be clear: The United States will have more modern, more efficient planes. We shall have better planes in the Air Force and the Navy with which to defend our country. There will be more planes in the Air Force than there are at present, and they will be modern ones.

So far as the Navy is concerned, the facts have been made public, and I may say on the floor of the Senate that there will be the same number of planes in or on order for the Navy at the end of fiscal 1954 under the so-called Eisenhower budget as there would have been under the so-called Truman budget. There will be an overall active force of approximately 10,000 planes. Of those 10,000, 3,000 will be new planes, built with money already available.

In addition, there will be built up an additional reserve of more than 1,000 planes to supplement planes that are available, active, and operating.

The chart we see on the floor of the Senate shows a goal of 143 wings. Allegedly, the attainment of that goal has been slowed up by the Eisenhower budget. But the chart does not show the slippage in goals that are estimated on the chart. The Senator from Michigan and I have heard, in open sessions, evidence of a slippage of production goals that has continued from month to month during the past 2 or 3 years. Each time there was a slippage in a goal, a new goal would be set. When that goal had slipped, another new goal was set.

Secretary of Defense Wilson told the committee in open session that the expenditures for aircraft and related procurement for 1953 and 1954 as estimated by the Air Force last September were $17.7 billion, yet 4 months later the January budget request gave the estimate as $13 billion or $4.7 billion less. This shows either heavy slippage or loose estimating. Again Mr. Wilson told us the aircraft production schedule approved last October showed by June an overall slippage of 12 percent with a slippage of 22 percent for combat aircraft.

The reduction in the aircraft program alone in the so-called Eisenhower budget for the procurement of airplanes is $3,095,000,000. In other words, there was a slippage or change for bad estimates in 4 months of an amount greater than the present proposed reduction in the program.

What we must do is to get facts. We must know how much money we can use, and properly use, in order to provide the Nation with more and better aircraft and to assure a trained personnel with which to fly the planes.

We have had long discussions in our meetings as to the number of new men being trained each year. That number has been cut down under the new plan, but so far as we know at the present time, there will be a sufficient number of men trained to take care of all the planes which will come off the line. If there are not, we should train more men.

There is an argument over alleged insufficiency of bases. Many of the bases constructed in the past 2 or 3 years have been built in an exceedingly expensive manner and very badly. What we want to do in building new bases is to plan carefully as we proceed.

Those are some of the essential facts which we are trying to obtain. Like the Senator from Michigan [Mr. FERGUSON], who has been so attentive to this subject, I say that I hope we shall listen to the facts when we are able to have the facts produced in the Appropriations Committee. It is extremely difficult to get them. Certainly we want to get them in order to know the amount of money which we should properly appropriate.

The Air Force will have $40 billion to spend this year. Approximately $28.5 billion is old money, and $11.5 billion is new money. The question is, Can more than $40 billion be properly spent or obligated in the coming fiscal year in building up and operating our Air Force? If it can, we want to know the facts and act accordingly. But even the strongest proponents of a large Air Force point out that the Air Force cannot spend properly all the money that was originally asked for on any practical and functional basis.

The distinguished Senator from Missouri points out the danger of atomic attack. Of course there is danger of atomic attack, and there will always be. But when we make the appropriations this year, taking into consideration those who are to operate and maintain the Air Force and plan expenditures and spend the money we appropriate, there will be less danger from atomic attack, and there will be a better defense against an atomic attack a year from now than there is at the present time.

What we want to do is to build up our defenses, but to build them up practically. We must not waste our money. We must not put more men in our Armed Forces than can properly be used. We should cut down the number of bands in the Air Force from something over 100 to approximately 40. We should cut out the waste of manpower in all our Armed Forces.

I hope we shall all try to get at the facts on which the requests for stupendous appropriations are based. When we do we can properly debate, and then appropriate the nevessary funds. I hope that when our distinguished friend from Missouri [Mr. SYMINGTON], for whom I have respect and friendship, and others discuss this subject they will go into the facts, know the facts, and present the facts so that the rest of us may determine in our own judgment how those facts should be translated into appropriations, which is our responsibility.

Mr. FLANDERS. Mr. President, I have not been able to attend all the meetings of the Defense Subcommittee of the Appropriations Committee. As Senators know, this is a time of conflicting meetings. I have spent all the time I was able to get at meetings of the defense subcommittee. I have come away so far with certain conclusions which nothing that has been said publicly seems to me to controvert in any particular.

One of those conclusions is that we—and I say "we" I join together the Congress and the administration, whichever administration may have been in power while the program was in progress—have been guilty of going up and going down, and going up and going down. The time has come, beginning with the new Congress and the new administration, to change that wavering policy, with regard not merely to the number of paper wings, but with regard to the number of real wings. It seems to me that in our present program we have something that we can attain and maintain. The word "maintain" is the more important of the two.

It has been very evident that we have appropriated beyond our ability to build without going on a wartime basis. We must not do that.

There is another thing we must not do. At the present moment they are having trouble on the other side of the Iron Curtain. The peace dove of the Soviet Government is cooing gently instead of going bang—and it is capable of doing either. That must not cause us at this moment to begin to soften our program. In the face of some sudden emergency—unless it be an outright shooting war—we must neither raise the program beyond our ability to provide planes, or lower it below our ability to maintain maximum production in a peacetime economy.

I am well satisfied, from what I have heard, that in the defense appropriation bill we are on the basis of the maximum of production that we can maintain year in and year out, and produce real planes, not imaginary or paper planes.

I am for maintaining that production month after month, year after year, through one session of Congress into another, and through one Congress into another, until world conditions are fundamentally changed, without paying attention to sudden shorttime crises or to the occasional cooings of the peace dove. From this point on let us abandon the record on that chart, and from this time on let us show continuous attention, continuous appropriation, and continuous production at the maximum we can maintain under a peacetime economy.

Mr. BARRETT. Mr. President, what is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG], designated "6-23-53-E."

Mr. LONG. Mr. President, I wish to withdraw that amendment and to call up, instead, my amendment designated "6-24-53-E."

The PRESIDING OFFICER. The amendment has previously been offered. It is in order.

Mr. LONG. This amendment was offered previously, and I withdrew it because at that time certain Senators who were interested in the amendment were not present.

The PRESIDING OFFICER. Without objection, the amendment will be printed at this point in the RECORD.

Mr. LONG's amendment was, on page 20, between lines 6 and 7, to insert the following:

SEC. 15. Reimbursement of States for certain expenses: (a) It is hereby declared to be the policy of the United States to reimburse the States adjacent to the area of the outer Continental Shelf for expenses incurred by such States in furnishing services of State and local government to (1) individuals who are employed in connection with operations described in section 4 (b) of this act and who reside in such States, (2) families of such individuals, and (3) persons or companies engaged in such operations who establish shore bases and carry on other activities within such States in support of such operations. It is the intent of Congress that legislation providing for such reimbursement shall be enacted as soon as possible after the committee established under subsection (b) of this section has made recommendations required by subsection (b) (2) hereof.

(b) (1) There is hereby established a Joint Committee on the Outer Continental Shelf (hereinafter referred to as the joint committee), which shall be composed of six Members of the Senate to be appointed by the President of the Senate and six Members of the House of Representatives to be appointed by the Speaker of the House of Representatives. The joint committee shall select a chairman from among its members. Any vacancy in the joint committee occurring after all the original appointments are made shall not affect the power of the remaining members to execute the functions of the joint committee and shall be filled in the same manner as the original selection. A majority of the members of the joint committee shall constitute a quorum for the transaction of business. However, the joint committee may make its own rules to provide for the number necessary to constitute a quorum of any subcommittee thereof.

(2) The joint committee shall make a full and complete investigation and study for the purpose of determining (A) the amount of reimbursement which should be made to such adjacent States in order to carry out the policy established under subsection (a) of this section, and (B) the most practical method of making such reimbursement. Upon completion of its investigation and study, the joint committee shall make a report of its findings and recommendations to the President and to the Congress. After the submission of such report, the joint committee shall cease to exist.

(3) The joint committee, or any duly authorized subcommittee thereof, is authorized (A) to hold such hearings; (B) to sit and act at such places and times; (C) to procure such printing and binding; and (D) to make such expenditures, as it deems advisable. The cost of stenographic services to report such hearings shall not exceed 40 cents per hundred words.

(4) The joint committee is authorized to appoint and fix the compensation of such personnel as it deems necessary to assist it in the performance of its functions. Such compensation shall not be in excess of the maximum rate payable in the case of employees of standing committees of the Congress.

On page 30, line 7, strike out "SEC. 15." and insert in lieu thereof "SEC. 16."

On page 30, line 10, strike out "SEC. 16." and insert in lieu thereof "SEC. 17."

Mr. LONG. Mr. President, this amendment calls for reimbursement of the States for certain services. The Senate has declined, by a voice vote, to permit the States to collect a severance tax in connection with these resources, even though the States provide many services which support the operations on the Continental Shelf. This amendment does not provide any revenue for the States. However, it does recognize the principle that the States do many things to support those operations. For example, they supply services to those who work in this area. They protect the property on shore of all corporations which have shore bases; and, by and large, the record shows that investments in shore bases are far greater than investments in drilling platforms in the sea.

The States provide for the education of all the children of the workers who are employed on the rigs in the sea. Likewise, the States provide hospitalization for the workers, in the event they are injured or taken ill or misfortune befalls them or their families. The States provide the highways which the oil companies use, and those who are familiar with the coastal areas of Louisiana and Texas, where the development will take place, know all too well that the enormous trucks of the oil companies, in moving back and forth across the highways, hauling steel tubing and other equipment used in erecting the platforms in the sea, practically destroy the roads in the coastal and marsh areas. The States must rebuild those roads and provide for their maintenance.

The amendment recognizes the principle that some reimbursement is due the States for the service they perform in support of operations on Federal territory which bring a vast revenue to the Federal Government.

It is only justice, Mr. President. As a matter of fact, the record shows that the interior States, for the same services of Government on all public lands owned by the Federal Government within the States, the States receive 37½ percent of the revenue derived from such lands.

The record also shows that the Federal Government provides some reimbursement where it takes property off the tax rolls.

Only last year the Congress passed a law recognizing the fact that where it had established defense bases and thus created additional educational problems in such areas, some reimbursement should be made to the various communities which must provide for the education of the additional children.

This amendment follows the same principle, but it would apply where the Federal Government receives revenue, rather than areas where the Federal Government spends money. The Federal Government will make a great deal of money out of the operations. It is only fair that in making money the Federal Government should be willing to recognize the principle that some reimbursement should be paid to the States, in order to compensate them for the additional burdens placed upon the States for the services which the States perform in making possible the realization of the revenue.

I know Senators will agree that any person who develops State lands should pay the Federal Government some taxes, and that if he does not pay the Federal taxes some arrangement should be made whereby he will not be exempt from paying his fair share.

I believe the Federal Government has recognized the principle time and time again, and consistently, that where the States perform services for the Federal Government, or where such services place a burden on the States, some remuneration and some compensation should be paid to the States.

The amendment provides merely a recognition of that principle. It provides further that a joint committee shall be established to make a study of the subject and to recommend to Congress what type of reimbursement should be provided for the services performed by the States.

The States would receive nothing whatever unless Congress saw fit to implement the committee's recommendation by passing subsequent legislation to provide a fair and just remuneration for the services the States perform in making possible the development of the vast resources on the Continental Shelf.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. LONG. I am glad to yield to the Senator from Texas for a question.

Mr. DANIEL. Is it not true that this amendment would merely provide for a study of how much a State should receive in compensation for services rendered on the shore to those engaged in operations on the outer Continental Shelf.

Mr. LONG. That is completely correct.

Mr. DANIEL. Is it not correct that the House of Representatives, in its bill on the outer Continental Shelf, has provided that the States shall be paid compensation for services actually rendered?

Mr. LONG. That is correct. The House bill makes some provision for it. I believe the House provision, which is not in the Senate bill, is not nearly so good as the proposal now before the Senate, because the House provision contains no requirement for a study. The proposal under consideration provides that there shall be a study made to determine what compensation should be paid to the States. It provides that the study shall include a look at what services the States provide on the shore as well as on the sea.

Mr. DANIEL. Is it not correct that in the bill as now written the taxes which the States have been collecting in the past on leases now in existence are turned over to the Federal Government as an additional royalty, and that under the bill, if it is passed in its present form, the Federal Government would be collecting what amounts to State taxes but would not be rendering the

services, because the States would have to continue to render such services?

Mr. LONG. That is correct. The oil companies are now paying severance taxes to the States on leases beyond the States' historic boundaries, and those taxes are justified on the basis that the companies receive the benefit of the States' services on the shore. If the bill passes without an arrangement such as I am recommending in the amendment, there will be no way for the States to receive reimbursement for the services which they perform.

Mr. President, I shall ask for the yeas and nays on the amendment. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	Mansfield
Anderson	Gillette	Martin
Barrett	Gore	Maybank
Beall	Green	McCarran
Bennett	Griswold	McClellan
Bricker	Hayden	Millikin
Bridges	Hendrickson	Monroney
Bush	Hennings	Mundt
Butler, Md.	Hickenlooper	Murray
Butler, Nebr.	Hill	Neely
Byrd	Hoey	Pastore
Capehart	Holland	Payne
Carlson	Hunt	Purtell
Case	Jackson	Robertson
Chavez	Jenner	Russell
Clements	Johnson, Colo.	Saltonstall
Cooper	Johnson, Tex.	Schoeppel
Cordon	Johnston, S. C.	Smathers
Daniel	Kefauver	Smith, Maine
Dirksen	Kerr	Sparkman
Douglas	Kilgore	Stennis
Duff	Knowland	Symington
Dworshak	Kuchel	Thye
Eastland	Langer	Watkins
Ellender	Lehman	Welker
Ferguson	Long	Wiley
Flanders	Magnuson	Williams
Frear	Malone	Young

The PRESIDING OFFICER (Mr. CAPEHART in the chair). A quorum is present.

The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG], numbered "6-24-53-E."

Mr. LONG. Mr. President, on the question of agreeing to this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HOLLAND. Mr. President, I strongly hope the Senate will adopt this amendment.

The amendment would do two things: It would recognize the principle that the States which adjoin the comparatively large Federal areas which are to be added to the productive areas of the Nation, will have to bear certain governmental burdens out of proportion to those borne by other States of the Nation. The reason for this is, of course, that the homes of the personnel and the base office operations and all the other domestic and industrial operations, except the actual fixing of the platforms, the conduct of the operations upon those platforms and the communications activities will take place on shore, and will call for the serving of the people there by the ordinary governmental facilities and services by the States and communities.

We do not know whether the cost of those services will be large or small. For that reason, I have been unwilling to go along with the Senators from the two States which are so vitally affected, either in recognizing their right of taxation or in agreeing that they should be allowed to have a fixed proportion of the revenue, in lieu of taxes, because I think none of us knows at this time what kind of allowance should be made in order to reimburse fairly the States and communities for the expenses they will undergo.

Mr. President, I do not believe I need remind the Senate that throughout the debate on this subject, not just this year, but in every previous year since I have been a Member of the Senate, I have taken the position, to which I still adhere, that the area outside the State lines should be developed by the Federal Government, that the powers of the Federal Government must be exercised there, that a Federal propritorship should be recognized there, and that the profits accruing from the resources obtained there should be recognized as Federal Government revenue.

I still adhere to that position, and I have adhered to it not only in connection with the passage of the previous measure of this year, which already has become law, but in connection with the consideration of the pending bill which I strongly support. We have insisted that the assets obtained from areas outside State boundaries, and extending out into the Continental Shelf, shall be regarded as purely and wholly Federal assets, and that the profits obtained therefrom shall be regarded as profits belonging to the Federal Government and as revenue of the Federal Government.

Mr. President, at this time we have before us a question of equity. I believe we must treat the Federal Government fairly, and I think we do so throughout this bill, and the States also, except in this one regard, namely, that I think up to this time we have failed to make allowance for the fact that there will be these heavy local expenses incident to providing the daily public services and furnishing the public facilities to the number of persons—and we believe there will be many of them—who will be engaged in the production of the resources from the offshore areas beyond the State boundaries. We do not know how many persons will thus be involved, but we do know that nine-tenths of the total Continental Shelf lies in the new Federal area which we are recognizing under this bill; and we know that the United States Geological Survey, which I believe to be the most authoritative source existing, states that at least five-sixths of the oil and gas resources of the Continental Shelf will be found in this outside area.

The chances are that there will be a great many thousands of people employed as workers out in this newly productive area, which will add much, we think, to the productive strength and the power and wealth of the Nation.

Mr. President, as a question of equity, is it not just and right to recognize that the States bordering upon this area will have peculiar burdens placed upon them, and to set up a study group which will report back to the Congress, so that we shall be able properly to reimburse—not go beyond reimbursement, simply make fair repayment to the States—that which they will have paid out by way of the expenditure of public money raised from other sources, to supply public services to the personnel whom I have mentioned? We are cutting off their taxing power in this outer area; and, I think, properly so. We do not allow them to tax the plants that will be constructed in these areas. The ad valorem tax potential there will be very great. We do not allow them to levy any production tax or severance tax against the assets that will be produced there; and I think that is right, because I think those assets are Federal assets.

Mr. President, I do not believe that any Senator who looks this matter squarely in the face will come to any other conclusion than that the States bordering upon these great, new Federal areas of wealth production are going to have to pay out considerable sums of money from their tax revenues raised in other directions in order to carry the public expense and to furnish the public services and facilities to the people whom I have in mind.

So far as the Senator from Florida is concerned, he has no desire to see any part of this money ever go back to these States, except that which will reimburse them; and he wants the Congress to be the judge of what is fair. But he does not want to see this principle go unrecognized at the time of the passage of this bill, nor to see us fail to set up machinery designed to discover what is the fair measure of reimbursement, in order that fairness and justice may be done when we have the facts before us.

Mr. President, every one of us knows that in regard to this matter we have been proceeding in a field of unique legislation. The able words that have been spoken by the distinguished Senator from Oregon, who has so ably led, both in the hearings and in the discussion and analysis of the pending measure on the floor, have made it abundantly clear that we are dealing with something that is unique in the way of public assets and their development; and we have dealt with the question very firmly insofar as preserving and protecting the Federal right is concerned. I am glad we have done so. There were those who, when we were discussing the earlier bill, feared that we who, by a great majority of the Senate, were supporting that bill to protect the maritime States in the ownership of assets within their boundaries, would be found trying to deny the Federal ownership of the outer Continental Shelf and cut off from the Federal proprietorship of that area some valuable interest, or cut down the exclusive Federal control which this pending bill so carefully and so properly recognizes. We have shown very clearly that no such apprehension was justified.

But I do not think that fact should ever so becloud our minds that we should shut our eyes to another fact, namely, that the States are going to have these extra expenses, that there are ample precedents under which the Federal Government is reimbursing States which have unusual expenses because of their rendition of services to Federal employees and to Federal activities, and that we should recognize the principle that we here have another such case, in a little different sort of field, and that

we should set up a study group or body to make a report to us as to what is the fair measure of reimbursement.

Mr. President, I personally think we are, many of us, prone to forget that while there are but two States involved now in this particular problem the problem may soon extend itself; and there is not a person here who lives in a coastal State, I may say, who is not hoping that it will extend itself into his State. It may extend itself into perhaps 21 or 22 States all told, and it will redound greatly to the protection of the people of those States and to the doing of justice and fairness on the part of the Federal Government to those States, few or many, that may eventually become involved in this problem, to have the search immediately under way for a fair program to determine how this problem of reimbursement can best be handled.

Mr. KUCHEL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from California?

Mr. HOLLAND. I yield.

Mr. KUCHEL. I should like to ask the Senator to answer a question on the basis of policy. I could agree that the matter which the Senator presents and which is implicit in the amendment offered by the distinguished Senator from Louisiana ought to be the subject of study by appropriate committees of the two Houses of Congress. I, for one, if I continue to serve on the Committee on Interior and Insular Affairs, shall be most interested in requiring into whatever additional impact upon the services which the abutting States would provide could be measured. But I want to ask the Senator what comment could he make concerning the policy of writing into legislation a suggestion such as that which is part of the amendment now before us? In other words, what precedents have been established in our legislative hsitory to indicate that committees may be set up as a part of substantive legislation? Would we not be embarking upon something about which we have no prior knowledge?

Mr. HOLLAND. I would say to the Senator, certainly there is no objection, at least in my opinon, to the setting up of a study group. My recollection is that in connection with the Marshall plan, in connection with the antisubversive bill, and in connection with the so-called McCarran Immigration Act, and perhaps other acts, we have done something of that sort. I believe a precedent is also to be found in the Taft-Hartley Act. One of the Senators sitting on this side of the aisle has suggested this, and I believe he is correct. Certainly we are never going to be able to escape certain kinds of legislation in which we realize that our field of knowledge is necessarily limited, and in which we require more information before we can work out the details. I think this is a perfect case of that kind, because nobody knows how much of the five-sixths of the oil which is stated to be outside the State boundaries, five-sixths of that which lies in the whole Continental Shelf, we are going to be able to produce. No one knows what will be the number of individuals who will be used in that great effort. No one knows what burdens will be thrown upon the communities along shore. But we know they are going to be rather heavy burdens. I want to call the attention of the distinguished Senator from California to the fact that there are two belts involved here, the belt within State boundaries, going out generally 3 sea miles, and the belt going out from the State boundaries to the Continental Shelf. As to the belt within State boundaries, there will be a certain number of persons working. Their families will be living on shore. The States, as to those, however, will be more than able to carry the expenses; and we think it will be not only easy for them to do so, but we believe their participation there should be profitable, because they are going to have not only the rentals, not only the bonuses, not only the royalties; but they are also going to have the severance tax, and, in some instances, no doubt, they will also have ad valorem taxes upon the expensive platforms and equipment which will be placed within that area.

But the chances are that a very much greater group of persons will be involved in the development of the outer belt, so that we shall find, once we recognize this principle which I think is very clear, the States protected in the financing of the activities of that outer group who are engaged in exactly the same work. These two groups of persons will be working in adjoining fields.

Mr. BUTLER of Nebraska. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. BUTLER of Nebraska. May I inquire whether the text of the amendment now before us provides that the Interior Committee of each House shall be the group that will establish a study?

Mr. HOLLAND. The amendment before us provides that 6 Members of the Senate and 6 Members of the House shall constitute a joint commission which will be given ample power and personnel to study the question, because the question is peculiarly a joint one. I would say that I would expect the appointing power, both here and in the House, certainly to give first recognition to the members of the Interior Committees; but there may be other committees which may very properly be given recognition. For instance, the Appropriations Committee might have personnel on the joint commission, and the committee on Government operations might want to have some representation on that commission. It is a peculiarly difficult question of Federal-State relations and of policy to be followed as we produce these important new resources which have been made available more by the initiative of the adjoining States than from any other source.

It seems a pity to think about passing a bill which, while it recognizes the dominant Federal interest, as I believe it should, nevertheless does not allow for such an obvious fact as that the States will have to serve and furnish facilities to the personnel involved, and to their families. Surely, Mr. President, when we are doing so many things in the field of defense, not only defense production but in connection with military installations, and in forests, national parks, and the like; when we are doing things that help to contribute to the revenue of the local communities so they can be reimbursed in whole or in part for their government expenses, surely it is not a new idea to recognize that the same principle will have to apply here and that we should establish machinery to discover a fair rule and standard under which we can reimburse the States and the local communities for their expenses.

Mr. BUTLER of Nebraska. Mr. President, will the Senator from Florida yield further?

Mr. HOLLAND. I yield.

Mr. BUTLER of Nebraska. Without the provision as suggested by the proposed amendment, does the Senator feel that we would get the experience, anyhow, and that in the course of time legislation would naturally come from that experience?

Mr. HOLLAND. That would be quite possible. I would say that that experience would certainly be acquired. Whether it would be as soon or as clearly available to the Congress is another question. But we would have failed to recognize what I think is a very clear principle involved, that these people have got to live somewhere. They are not going to live out on the platforms and have schools and hospitals there, at a distance up to 120 miles out from the shore. The families will be on the shore. There is a stronger case for helping to carry the expenses of local governments than there is in many cases where we now help, as in the case of allowing a large portion of the revenue from the national forests to go to the communities involved.

Mr. LONG. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. LONG. I wonder if the Senator realizes that there has been some effort to try to get the Committee on Interior and Insular Affairs to study the question. The Governor of the State offered to arrange for the expenses of the committee to come down and look at the operation but Senators were too busy. Senators have been too busy with the pressure of legislation in connection with the statehood bills to go and take a look at Hawaii when a motion was made that we have a look at that situation. This provision would make it possible for both Houses to appoint representatives to look at the matter.

The PRESIDING OFFICER. The time of the Senator has expired. The yeas and nays have been ordered.

Mr. ELLENDER. Mr. President, this is our third attempt to try to obtain recognition of an reimbursement for some of the costs and hardships that will be imposed on the people of the coastal States. The first effort was an amendment which I proposed, wherein I attempted to obtain the consent of Congress to permit the States to impose a severance tax to take care of the situation. That proposal failed.

The next attempt was an amendment offered by my distinguished colleague, which sought to extend State laws to

these newly found lands. That also failed.

The pending amendment does not authorize the payment of any money to the States, but simply calls for a study to be made of what the expenses are, and a report on that study to the Congress.

The sole purpose of this amendment is to discover, to what extent, the development of the Federal submerged lands is affecting the governmental economy of an abutting State. It authorizes the appointment of a congressional committee to study the problem, to ascertain if any hardship is being worked on the taxpayers of the coastal States, and if such is found, to recommend ways and means of compensating the State governments for the attendant expenses. This amendment would authorize the expenditure of no money; it would grant not one single cent of Federal funds to any State whatsoever. It, rather, represents a reasonable and just attempt to work equity between the Federal and State governments. I ask the Senate to consider what the pending amendment embodies. Briefly, it states that if any expenses are incurred by coastal States in furnishing services of State and local governments to persons residing in the respective States by virtue of their employment on the submerged Federal lands then—and only then—it is the policy of the United States to reimburse the adjacent States. I ask Senators: Is this not reasonable? Is this not sensible? Is this not equitable? And, lastly, is this not necessary? I do not see how any reasonable person could possibly object to a congressional policy directly solely towards preventing the working of a hardship on one particular segment of our population.

Not a dollar would be expended until after the commission makes its study, reports to the Congress, and the Congress passes upon the recommendations submitted.

I hope Senators will vote for this amendment.

SEVERAL SENATORS. Vote! Vote!

Mr. CORDON. Mr. President, I have approximately 20 minutes left. If the pending amendment be adopted, the good faith of the Congress of the United States will be pledged to "reimburse the States adjacent to the area of the outer Continental Shelf for expenses incurred by such States in furnishing services of State and local government to (1) individuals who are employed in connection with operations described in section 4 (b) of this act and who reside in such States, (2) families of such individuals, and (3) persons or companies engaged in such operations who establish shore bases and carry on other activities within such States in support of such operations."

Mr. President, I was one of those who stood foursquare through the years for the basic proposition that submerged lands within the boundaries of the maritime and Great Lakes States should belong to those States. As acting chairman of the Senate Interim Committee, I reported a measure for that purpose on behalf of the committee this year, and that measure has been passed and signed into law as Public Law 31. Under that measure, the right, title, and ownership of the maritime States to all the natural resources within their seaward boundaries was "recognized, confirmed, established, vested in, and assigned to" the several States. This action by the Congress of the United States was one of simple equity, in the opinion of the Senator from Oregon.

AREAS BEYOND STATE BOUNDARIES

However, Mr. President, there comes a time when we must stop and take a look. So when the call comes to go beyond those submerged lands within State boundaries into the area outside of those States and make a payment, then, in my opinion, the time has come to take the long look.

It has been said that there will be many services performed for the people who work on the structures in the outer Continental Shelf, and that those services are governmental services performed by the States. There will be such services performed, but, Mr. President, most of the dollars these workers will receive as wages—and those wages will be high—will be spent in abutting coastal States where most of them will live and maintain their families. They will buy food and clothing there; pay for medical and legal services; go to local theaters and restaurants; buy automobiles and gasoline. On much of these goods and services they will pay direct taxes. All of their expenditures will increase the prosperity of the community and the State.

CONTRIBUTIONS TO STATES' PROSPERITY

Many of the workers engaged in offshore operations will own their own homes in the abutting States. They will do everything other citizens of the State do there; they will pay their taxes there.

The companies holding the leases will have to build and maintain very substantial shore installations within the abutting States, and such shore installations will be subject to local taxes. If a State does not have a system of taxation by which the capital investment within the State can be reached, certainly it can provide such a system. This is the ordinary ad valorem tax system that is in operation in virtually all States of the Union, so far as I am advised.

The corporations holding leases will be spending very substantial sums for equipment and supplies in the nearby coastal States. I estimate that 80 cents out of every dollar of overhead expended in operations on the Continental Shelf will be spent in the adjoining States.

If the principle set forth in the amendment is to be adopted, then let the same principle be carried throughout the Federal code. Where is there any difference between reimbursing a State for services to its citizens who happen to be working outside its borders, and reimbursing a State for services to families of its citizens who serve on board our merchant vessels? Is there any difference? Where can it be found?

Yet every maritime State seeks to build up the merchant marine, because it represents a very definite economic asset to the State. When the commercial life of a State is built up, the prosperity of the State increases. The more employment, the greater the tax revenues.

COMPARISON WITH FEDERAL AREAS WITHIN STATE

A comparison has been made between the area on the outer Continental Shelf and federally owned lands within States. The difference lies in the fact that the area of the Continental Shelf is not within States; it is an area outside the States. It is an area subject to the jurisdiction and control of the United States of America.

Mr. LONG. Mr. President, will the Senator yield?

Mr. CORDON. I have only a few minutes. I hope the Senator from Louisiana will allow me to finish. Then if I have any time remaining, I shall be happy to yield to him.

The propounding of this amendment is simply chapter III in the attempt of the States along the gulf to get some portion of the receipts from the areas outside of their boundaries. Call them reimbursements; call them local taxes or call them severance taxes, or what have you; what is desired is some portion of the receipts from Federal resources in the area outside those States.

Mr. President, so far as I am concerned, if I did not stand on my feet and oppose this amendment, I would feel I was guilty of bad faith to the United States Senate. I do not believe there is a Senator who did not understand, when we passed the submerged lands bill, that we were excluding from its operation any interest on the part of those States in an area outside their boundaries. I intend to stand unequivocally upon that principle as it was enunciated here, at least by the acting chairman of the committee, when the submerged lands bill, Senate Joint Resolution 13, was before the Senate.

POSITION OF THE PRESIDENT

I am speaking for the President of the United States when I say he is in opposition to the diversion of any money whatsoever derived from Federal resources on the outer Continental Shelf to the abutting States, just as strongly as he was in favor of the principles of the Submerged Lands Act.

Mr. President, if I have any time remaining, I yield to the Senator from Louisiana.

Mr. LONG. Is the Senator from Oregon of the opinion that the only reason why his State receives 37½ percent of all the revenues from minerals produced on federally-owned land is by virtue of the fact that that land is situated within the boundaries of his State, or is he of the opinion that it is by virtue of the services provided by his State, such as police power and other activities related to the operation of that land?

Mr. CORDON. The State of the senior Senator from Oregon does not receive 37½ percent of the revenues from minerals, because there are no minerals in Oregon royalties of that kind are received. The minerals in my State are those which any individual can go out and mine for himself. There is no tax on them.

However, with respect to the States which do receive such a percentage of income, the only basis for it is that those States have reserved from private ownership vast areas of public domain. The

Senator's State of Louisiana and all the eastern States, on the other hand, derive the full value from all land and natural resources within their boundaries.

STATES SHARE REVENUES FROM LANDS WITHIN BOUNDARIES

The State of the Senator from Oregon has 52 percent of its total area withheld by the Government of the United States. That is one reason why Oregon might expect some small share in the revenues from those Federal lands within its boundaries. Under those circumstances, 37½ percent would be little enough. But the 37½ percent received by the States from revenues from those areas is paid because the areas are within the State.

Mr. LONG. I am certain that the Senator from Oregon intends to be accurate. Is the Senator familiar with the fact that in the State of Louisiana there are vast Federal holdings, such as Kisatchie National Forest? Yet of the revenues from oil, gas, and timber, 25 percent goes to the State.

Mr. CORDON. I assume the Senator is also aware of the fact that there would not be one acre of that land in a national forest had not the State of Louisiana consented to its acquisition by the Federal government. In the case of Oregon, that State had not a word to say. Oregon would like to have its public lands, but it does not get them.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CORDON. I yield if I have time.

Mr. AIKEN. If Congress should approve the pending amendment, is there any reason why the Federal Government should not also assume responsibility for the families of men who leave the many ports of the United States in the fishing fleets?

Mr. CORDON. That is exactly the point I suggested with respect to sailors in the merchant fleet.

Mr. AIKEN. Would not the same principle apply so long as the home base was on land, and the work was on water?

Mr. CORDON. It would seem to me that exactly the same principle would be involved.

Mr. President, I regret to have to oppose the amendment, but it seems to me to be diametrically opposed to the whole philosophy of the legislation that has been presented, and also to the declaration that appears in one of the final paragraphs, section 9, of the Submerged Lands Act.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. LONG] designated "6-24-53-E." On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Vermont [Mr. FLANDERS], the Senator from Michigan [Mr. POTTER], the Senator from New Jersey [Mr. SMITH], the Senator from Ohio [Mr. TAFT], and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

If present and voting, the Senator from Vermont [Mr. FLANDERS], the Senator from Michigan [Mr. POTTER], the Senator from New Jersey [Mr. SMITH], and the Senator from Wisconsin [Mr. WILEY] would each vote "nay."

I also announce that the Senator from Arizona [Mr. GOLDWATER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Oregon [Mr. MORSE] are necessarily absent.

If present and voting, the Senator from Arizona [Mr. GOLDWATER], the Senator from Wisconsin [Mr. MCCARTHY], and the Senator from Oregon [Mr. MORSE] would each vote "nay."

I further announce that the Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate.

If present and voting, the Senator from New Hampshire [Mr. TOBEY] would vote "nay."

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT] is absent by leave of the Senate.

The Senator from North Carolina [Mr. SMITH] is absent because of illness.

The result was announced—yeas 18, nays 61, as follows:

YEAS—18

Byrd	Holland	Maybank
Daniel	Johnson, Tex.	McCarran
Eastland	Johnston, S. C.	McClellan
Ellender	Kerr	Russell
George	Long	Smathers
Hoey	Malone	Stennis

NAYS—61

Aiken	Frear	Martin
Anderson	Gillette	Millikin
Barrett	Green	Monroney
Beall	Griswold	Mundt
Bennett	Hayden	Murray
Bricker	Hendrickson	Neely
Bridges	Hennings	Pastore
Bush	Hickenlooper	Payne
Butler, Md.	Hill	Purtell
Butler, Nebr.	Hunt	Saltonstall
Capehart	Jackson	Schoeppel
Carlson	Jenner	Smith, Maine
Case	Johnson, Colo.	Sparkman
Clements	Kefauver	Symington
Cooper	Kilgore	Thye
Cordon	Knowland	Watkins
Dirksen	Kuchel	Welker
Douglas	Langer	Williams
Duff	Lehman	Young
Dworshak	Magnuson	
Ferguson	Mansfield	

NOT VOTING—17

Chavez	Ives	Smith, N. J.
Flanders	Kennedy	Smith, N. C.
Fulbright	McCarthy	Taft
Goldwater	Morse	Tobey
Gore	Potter	Wiley
Humphrey	Robertson	

So Mr. LONG's amendment designated "6-24-53—E" was rejected.

Mr. BARRETT. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Wyoming will be stated.

The LEGISLATIVE CLERK. On page 23, line 25, after the word "bid", it is proposed to insert the words "by sealed bids".

Mr. BARRETT. Mr. President, the purpose of this amendment is to require that bids for sulfur leases be on a sealed-bid basis the same as required for bids for oil and gas leases. Mr. President, I wish now to speak for a few moments on the royalty provisions for sulfur development.

I am very much concerned about the provision on page 24 for a minimum royalty of 10 percent on sulfur leases. My information is that it would be impossible for any operator on the outer Continental Shelf to carry on sulfur operations and pay a minimum royalty of 10 percent.

Sulfur is an indispensable and a vital material for our national security. Before World War II we had a tremendous surplus of sulfur, but since then it has become increasingly scarce in our economy. New chemical discoveries have resulted in a terrific increase in the demand for sulfur. Our farmers need it for fertilizers. We must have it for newsprint, tires, oil refining, in steel manufacturing, and in the making of munitions.

About 90 percent of all the sulfur in the world is produced from shallow domes on the coastal plains of Texas and Louisiana of from 200 to 2,000 acres. The average size of a dome is 1,000 acres.

In order to develop the domes in that area it is necessary to drill about 20 wells around the perimeter of the dome, which is in the nature of an inverted saucer, and it costs about $500,000 to prove whether a structure is commercially feasible. It is not a small operation to prove or disprove a producing and feasible dome.

When one goes out on the Continental Shelf it costs about 5 times as much to prove the feasibility of a dome. So it will cost in the neighborhood of $2½ million to prove whether a structure is going to be commercially feasible.

It seems to me that a royalty of 10 percent, which is twice the flat royalty in my State for sulfur operations, or 3 times the rate which the State of Louisiana is collecting for some of its sulfur leases at the present time, or about 2½ times the rate paid to private owners in that area, will make it almost impossible to get any production or any sulfur development on the outer Continental Shelf.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. BARRETT. I am glad to yield to the distinguished Senator from Colorado.

Mr. MILLIKIN. Does the Senator from Wyoming know of any public leases granted by States which provide for a royalty as high as 10 percent?

Mr. BARRETT. I know of none.

Mr. MILLIKIN. I mean where they are getting 10 percent, as distinguished from a figure in a lease.

Mr. BARRETT. I know of none where sulfur is being produced, I will say to the distinguished Senator from Colorado. I believe in the State of Louisiana there are three operating sulfur leases at the present time in which the royalty is 75 cents a long ton, which, at the present price of sulfur, amounts to a 3-percent royalty.

Mr. MILLIKIN. I have received information that although some leases contain a higher figure, there are no producing leases which pay as much as 10 percent in royalty. Does the Senator from Wyoming have any information to the contrary?

Mr. BARRETT. I may say that I do not have any information to the contrary. I believe the Senator from Colorado is exactly correct about the matter and that it will be impossible to obtain operators willing and able to pay a 10-percent royalty.

Mr. MILLIKIN. Mr. President, will the Senator from Wyoming permit me, by unanimous consent, to ask a question of the Senators from Texas and Louisiana on that subject?

Mr. BARRETT. I shall be delighted to do so.

Mr. MILLIKIN. I should like to ask the distinguished Senator from Louisiana [Mr. LONG] what royalty is paid on sulfur in Louisiana. I refer to the effective royalty. By effective I mean the rate which the State of Louisiana is actually getting from production.

Mr. LONG. I believe some affidavits were put in the RECORD yesterday by the Senator from Utah [Mr. WATKINS] which detail that information. On actual sulfur production, most of it has had a royalty of 75 cents a long ton, and a long ton sells for about $26. If the Senator makes the calculation he will find that perhaps about 3 percent is the amount of royalty being received on the leases.

Of course, I want to make it clear that some Louisiana leases do provide for higher sulfur payments, but no sulfur is being produced. In fact, for the most part those are mostly gas leases, in which the person taking the lease seeks the production of oil and gas, and if he produces sulfur—which, of course, he does not produce—he would pay the higher percentage on sulfur. So far as can be determined, no one is paying 10 percent, or anything like 10 percent.

Mr. MILLIKIN. That is exactly the distinction I was trying to develop. May I ask the distinguished Senator from Texas the same question?

Mr. BARRETT. I am delighted to yield for that purpose.

Mr. MILLIKIN. I am trying to develop what the States actually get in the way of royalty, as distinct from any provisions in leases.

Mr. DANIEL. The Texas statute as to sulfur provides for a royalty of 12½ percent. However, the land commissioner of Texas has given to the committee, at the request of some of the committee members, a statement showing that no leases have been developed and no production has ever been obtained on leases requiring that much royalty. I believe the only production of sulfur on State lands was under a lease calling for something around 6 percent. It is true that at one time oil, gas, and sulfur were leased under the same leases, calling for 12½ percent. At this time in Texas it is required that oil and gas be leased separately from the sulfur. The leases thus far, of course, are for operations on dry land, or under inland waters. Actually, so far as any drilling or production in the open sea is concerned, there has been none with respect to sulfur.

Mr. MILLIKIN. Would it not be fair to assume that the operation of sulfur wells on the high seas would be a very much more expensive process than on dry land?

Mr. DANIEL. That is evident.

Mr. MILLIKIN. Mr. President, will the Senator from Wyoming yield further?

Mr. BARRETT. I am delighted to yield to the Senator from Colorado.

Mr. MILLIKIN. What royalty provision is the Senator from Wyoming proposing?

Mr. BARRETT. I had not offered an amendment to change the royalty, I will say to the distinguished Senator from Colorado. I brought up the subject for the purpose of calling attention of the committee to this excessive royalty and to request that the committee consider reducing the figure to 5 percent when the bill is in conference. The House provision sets no minimum royalty. It leaves it entirely to the discretion of the Secretary. If the minimum were set at not less than 5 percent the Secretary could get 10 percent or 20 percent if any would be willing to pay such a figure. The question that was raised by the Senator's colloquy with the Senators from Texas and Louisiana makes it clear that the cost of drilling a dome out on the Continental Shelf will be five times as much as drilling on land in Texas and Louisiana.

In addition to that, geologists estimate that only 1 out of every 20 domes that are drilled out in submerged lands of the outer Continental Shelf will ever prove commercially feasible, whereas 1 out of 10 domes on land in Texas and Louisiana have proved commercially feasible. That is because the expense of the recovery of the sulfur will be tremendous. They will have to install expensive steam plants in order to heat water up to a temperature of 300 degrees Fahrenheit for pumping into the well for the purpose of melting the sulfur and bringing it out in a liquid solution. After the sulfur is brought up, heated barges will have to be used to convey the sulfur solution to the coast. It is a very expensive operation. It seems to me that it is very unwise to set in the bill a figure for royalty on sulfur much higher than is prevalent where sulfur is produced under far more favorable and less expensive operations on land. The result will be to make it difficult, if not impossible, to develop the sulfur deposits in the outer Continental Shelf.

Mr. MILLIKIN. In the opinion of the Senator from Wyoming, would a royalty of 10 percent be a discouraging one, so far as the discovery and production of sulfur are concerned?

Mr. BARRETT. Most assuredly it would be.

Mr. MILLIKIN. If the minimum royalty established were less, let us say, than that actually collected by the States of Louisiana and Texas, it would be only a minimum, and could be adjusted upward if experience indicated a need to do so. Is not that correct?

Mr. BARRETT. That is correct.

Mr. MILLIKIN. I should like to identify myself with the suggestion of the distinguished Senator from Wyoming that the matter be kept in mind by the conferees and be worked out in conference, if possible.

Mr. BARRETT. I thank the Senator from Colorado.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. BARRETT].

Mr. ANDERSON. Mr. President, I should like to have the amendment stated again.

The PRESIDING OFFICER. The amendment will be restated.

The CHIEF CLERK. On page 23, in line 25, after the word "bid", it is proposed to insert "by sealed bids."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming.

Mr. CORDON. Mr. President, I have no particular objection to the amendment of the Senator from Wyoming. The question is simply whether the Secretary shall have discretion to offer the lease on an open-auction basis or by sealed bids. Ordinarily I assume a sealed bid might be preferable. It makes no difference to me, and it cannot make very much difference in the bill. Perhaps the approach proposed by the amendment might be a sounder one.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wyoming [Mr. BARRETT].

The amendment was agreed to.

Mr. DANIEL. Mr. President, I call up my amendment numbered 6-24-53-C, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 11, between lines 1 and 2, it is proposed to insert the following:

> In the enforcement of conservation laws, rules, and regulations the Secretary is authorized to cooperate with the conservation agencies of the adjacent States, and, if he deems it advisable, the Secretary is authorized to make use of such State agencies, facilities, and employees as may be made available to him.

Mr. DANIEL. Mr. President, this amendment simply authorizes the Secretary to cooperate with the State conservation officials of the adjacent States. The Secretary will not be required to do anything in that connection; but this amendment will give him authority to cooperate and to use any State facilities which might be made available to him. This could result in saving the United States Government considerable money. It has been estimated that it will cost $500,000 to duplicate the State conservation agencies, by means of a separate Federal agency.

The Secretary may find it necessary to establish a separate Federal agency. On the other hand, this amendment would permit him to see whether he can cooperate with the State officials, to the extent of using their facilities and employees and thereby integrate the conservation programs of the adjacent State and Federal areas. This will work to the advantage of both governments and will

save both of them from considerable duplication of expenses.

Mr. CORDON. Mr. President, will the Senator from Texas yield to me?

Mr. DANIEL. I yield.

Mr. CORDON. There would be no particular objection to authorizing cooperation between the Secretary and the conservation agencies of the adjacent States, although I believe such an authorization is unnecessary. In my opinion, the Secretary could cooperate without such an authorization, and would do so; and in the report the committee itself urged such cooperation. However, in addition to such authorization, there is in the amendment the following:

> To make use of such State agencies, facilities, and employees as may be made available to him.

Is it contemplated by the Senator from Texas, as the author and sponsor of the amendment, that there will be any reimbursement for any services which might be rendered pursuant to that authorization?

Mr. DANIEL. No, there is not. It seems that the Senate has crossed that bridge, and that, regardless of what the States may do to help the Federal Government in this area, they will not be paid any compensation under this bill.

My amendment simply provides that the States which are willing to cooperate without reimbursement may do so, and that if the Secretary deems it advisable he may take advantage of their services and may cooperate with them.

As the committee pointed out, we must have cooperation if we are to have a conservation system that will be proper for both the State areas and the Federal area.

Mr. CORDON. I am certain that such cooperation is needed and must be had, and I am reasonably certain that it will be had in any event.

If it be understood that this amendment does not contemplate any obligation of a financial nature on the part of the Federal Government in connection with such cooperation or use of the State agencies, I would feel that, although probably the amendment is unnecessary, certainly it will in no wise interfere with proper operations.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas [Mr. DANIEL].

Mr. MONRONEY. Mr. President, since the conservation agencies of the individual States are largely in control of the allowable oil runs, I wish to ask if there is any intention, in connection with the amendment, to transfer the Federal allowables to the tideland States, and thereby increase their proportionate share in supplying the United States oil market. Thus, the amendment, if adopted, might offer to the tideland States a greater share of the total allowables than they otherwise would have without cooperation of the State conservation agencies.

Mr. DANIEL. No; not at all. The amendment would not change in any degree whatever the situation which exists today.

Mr. MONRONEY. Do I correctly understand that the amendment does not mean and could not be construed to mean that any portion of allowable oil runs which might be available to the Federal Government from the offshore area could be diverted to the use and benefit of the tideland States?

Mr. DANIEL. Not at all. There will be a separate set of allowables for the States, as there is today; and then the Federal Government will set up its system of allowables in this area of the Continental Shelf. However, the State and Federal agencies must cooperate in fixing allowables for their respective areas if we are to preserve a real conservation program.

Mr. MONRONEY. I merely wish to clarify that matter, so that the Federal allowables could not be transferred to the adjacent States allowables, thereby depriving the inland States of their share of the national quotas.

Mr. DANIEL. Correct.

Mr. ANDERSON. Mr. President, the question asked by the Senator from Oregon clears up this matter completely in my mind. These areas are extensions of the land mass, and the adjoining States have a great knowledge of the porosity of the soil and the nature of the oil development. I think they could be useful.

Inasmuch as the question of expense has been cleared up by the Senator from Oregon, I see no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas [Mr. DANIEL].

The amendment was agreed to.

Mr. LONG. Mr. President, I offer the following amendment: On page 5, in line 5, after the words "judicial district", insert the words "of the adjacent State."

The PRESIDING OFFICER. Has the amendment been printed?

Mr. LONG. No, Mr. President; but I offer it at this time, namely, that after the words "judicial district", the words "of the adjacent State" be added, on page 5 of the bill, in line 5.

I shall state the purpose of the amendment. Inasmuch as Congress has decided in favor of exclusive Federal jurisdiction when some case or controversy may arise on the outer Continental Shelf, it should be made clear that the judicial district in which the case will be tried will be the judicial district which would be within the extended State lines, if the lines were to be extended under that section.

In other words, the section provides that when the Federal law is silent, the State law will apply to any case or controversy which may arise, and that the President of the United States may provide for extension of State lines, in order that it may be known what State law would be applicable in these various areas.

This amendment would simply make clear that those cases would be tried within one of the Federal districts within the State within the adjacent State.

Mr. CORDON. Mr. President, will the Senator from Louisiana yield to me?

Mr. LONG. I yield.

Mr. CORDON. I desire to state that I am in agreement with the Senator from Louisiana in connection with this matter; and that the committee, at the time when it authorized the bill to be reported, also authorized the Senator from Texas, the Senator from Louisiana, and the Senator from Oregon, the acting chairman, to work out appropriate language which would do what this amendment will do for insertion in the bill at this point.

So I have no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. LONG].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. LONG. Mr. President, I have offered a further amendment, which I will not insist upon, since the distinguished acting chairman is opposed to it. It relates to the same section, on page 4, starting with line 18, where I proposed to strike out the words "Except for such matters as are prescribed by law to be within the exclusive jurisdiction of the United States Customs Court and the United States Court of Customs and Patent Appeals." It is my impression that those words are unnecessary.

Mr. CORDON. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield to the Senator from Oregon.

Mr. CORDON. That particular language was placed in the bill at the request of the Department of the Treasury, for the purpose of safeguarding the special jurisdiction of the courts named. The Senator from Oregon hopes the Senator from Louisiana will not insist upon his amendment.

Mr. LONG. As I stated, Mr. President, if the Senator feels that that language is necessary, I shall have no objection to it. I therefore withdraw the amendment.

The PRESIDING OFFICER. The Senator from Louisiana withdraws his amendment. The bill is open to further amendment.

Mr. DANIEL. Mr. President, I send to the desk an amendment, and I ask unanimous consent that it be not read.

The PRESIDING OFFICER. Is the Senator from Texas asking unanimous consent that the amendment be printed in the RECORD, but not read?

Mr. DANIEL. I so request.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

> On page 17, line 2, after the word "Act", insert a colon and add the following: "*Provided*, That such sums collected in lieu of State taxes shall be deposited in a special fund in the Treasury of the United States to be disposed of as the Congress may direct after the Congress has determined if the adjacent States are entitled to receive any portion thereof as compensation for public services rendered on the shore to those engaged in exploring for and developing the natural resources of the outer Continental Shelf."

Mr. DANIEL. Mr. President, the enactment of the pending bill will rank

high among the important events in the history of our Nation. By this act, Congress will add to the territory of the United States an area of approximately 235,892 square miles.

The subsoil and seabed of the Continental Shelf adjacent to our Nation comprises a land area more than half the size of the Original Thirteen States and almost one-third as large as the Louisiana Purchases.

For many years I have advocated that the Congress should officially extend the jurisdiction of the United States over this vast area of submerged land and that the coastal States should extend their jurisdiction for local purposes. Two of our coastal States led the way in this venture. Long before any official of the United States asserted a claim for the Nation, Louisiana, in 1938, extended its jurisdiction out on the Continental Shelf for a distance of 27 miles. Texas took similar action in 1941, and further extended its jurisdiction to the edge of the shelf in 1945. Both States began to lease and develop the area. Although their title to the land was denied by the Supreme Court of the United States in 1950, it was recognized by the Court that the actions of Louisiana and Texas inured to the benefit of the Nation and strengthened the claim of our Nation to the outer Continental Shelf. With special reference to Louisiana, the Supreme Court said:

> Louisiana's enlargement of her boundary emphasizes the strength of the claim of the United States to this part of the ocean and the resources of the soil under that area, including oil. (339 U. S. 699.)

The first assertion of the Nation's rights in the subsoil and seabed of the outer Continental Shelf was made by Presidential proclamation on September 28, 1945. The President asserted that:

> The Government of the United States regards the natural resources of the subsoil and seabed of the Continental Shelf beneath the high seas but contiguous to the coast of the United States as appertaining to the United States, and subject to its jurisdiction and control.

Soon thereafter many other nations began asserting similar claims. These now include Argentina, Brazil, Chile, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Pakistan, Panama, Peru, the Philippines, Saudi Arabia, colonies of the United Kingdom, various Arab states under the protection of the United Kingdom, and the Union of South Africa.

In view of these actions by leading nations of the world and the acceptance of the Continental Shelf doctrine by the leading authorities and organizations concerned with international law, it is now safe to say that the theory first advanced by two States of the American Union has grown into general acceptance as a principle of international law. The theory is that the Continental Shelf is merely an extension of the land mass of the coastal State or nation; that its usefulness is dependent upon cooperation from the shore; and that these considerations entitle the littoral state or nation to exclusive jurisdiction and control over the area and its resources.

This theory has been approved by the United Nations Commission on International Law and the International Law Association. I had the honor of presenting a paper on the subject and defending the claims of the United States at the meeting of the International Law Association in Copenhagen, Denmark, in 1950.

It should be noted that all of these developments on behalf of the United States and in the councils of international law occurred without any official action by the United States Congress until its enactment this year of Senate Joint Resolution 13—the Submerged Lands Act, Public Law 31, 83d Congress. In section 9 of that act the Congress first confirmed the jurisdiction and control of the United States over the natural resources of the subsoil and seabed of the outer Continental Shelf.

Even with all of these developments it has remained for the pending bill to extend territorial jurisdiction over the outer shelf. It is this bill which will first extend the Constitution and laws of the United States and of the adjacent States to the area. It is this bill which will make it clear that the rights of the United States extend to the entire seabed and subsoil of the outer shelf rather than merely to its natural resources.

Heretofore, it has been contended by some that the Presidential proclamation of 1945 was intentionally limited to natural resources, and that the United States has not proceeded as far as the other countries, which annexed the entire subsoil and seabed of their continental shelves. On the other hand, many distinguished writers, including M. W. Mouton, Sir Cecil Hurst, F. A. Vallet, George Cohn, Richard Young, Henry Holland, and L. C. Green, contend that the Presidential proclamation asserted claims tantamount to sovereignty over the entire subsoil and seabed.

Whatever may have been said about the effect of the proclamation, this bill will settle the issue. The words of possible limitation, natural resources, have been dropped in the present draft of S. 1901, and our claims are asserted to the entire subsoil and seabed of the outer Continental Shelf. Although the words "sovereignty" and "territory" are not used, there is no question that our assertion of jurisdiction and control will amount to sovereignty over the seabed and subsoil that the area will become territory of the United States. This was conceded in the testimony of the Assistant Attorney General of the United States, Mr. J. Lee Rankin, and the Deputy Legal Adviser of the Department of State, Mr. Jack B. Tate. This is one of the most important features of S. 1901, and it is the approach for which I have contended as the best means of securing our claims against any opposing claims that might be made by other nations.

No other nations have yet opposed the claims of the United States, but there is a small and vocal group of international lawyers who have consistently argued that the outer shelf belongs to the family of nations and that it should be developed and controlled by the United Nations or some other international organization for the benefit of all the nations of the world. This group has not been able to prevail even in this era of internationalism, and the passage of this bill will do much toward lessening the effect of their arguments. This act will place the United States along side the many other nations which have without hesitation included their adjacent seabed and subsoil as "territory." Most of them have employed terms of "sovereignty," "boundaries," or "annexation."

There are many other provisions of S. 1901 which I heartily endorse and approve. For instance, in my opinion, the Committee on Interior and Insular Affairs, under the acting chairmanship of the distinguished Senator from Oregon, has made a wise decision in applying Federal and State laws to the area the same as they are now applicable to land territory, rather than applying maritime law as was once contemplated. Also, section 6 will render justice and equity to those lessees who purchased leases in good faith from the States and will permit them to continue their operations. Section 8 will permit the Secretary of the Interior to make new leases of oil, gas, and other minerals so that development of essential natural resources may soon proceed in the interest of the Nation.

The amendment just adopted will authorize cooperation with the States in conservation matters. That will help both the Nation and the States.

Because of what this bill will accomplish for our Nation and because of the many days and hours which the junior Senator from Texas has spent in working on various parts of the legislation, I wish it were possible for me to vote for the measure. However, there are certain omissions and basic inadequacies which I cannot approve. These deal primarily with the bill's failure to apply the historic policy of the Nation with reference to our dual system of State and Federal powers of Government. They are inadequacies which I hope will be remedied by future legislation, and for that purpose as well as by way of explanation of my vote against the bill, I refer to them now.

By failing to extend concurrent State jurisdiction for local governmental purposes, the bill (1) disregards the necessity of cooperation from the shore for successful development of the outer shelf, and (2) it fails to compensate the adjacent States for the public services which they render on shore to the companies and individuals engaged in operations on the adjacent outer shelf.

It will be noted that I am referring to services rendered by the States on shore, not on the outer shelf itself. All of the evidence before our committee showed that the outer shelf operations are amphibious in nature. They begin on shore where the companies have their bases and supplies, and where the laborers live and enjoy the police protection and general services of government rendered by the adjacent States. The heavy trucks and other equipment use State highways and roads; the employees' children attend State schools; the products from the outer shelf are piped or barged back to shore where they are stored or trans-

ported in pipelines on State lands or on private property subject to condemnation under State laws. Every State service is rendered to the companies and employees engaged in outer-shelf operations that is rendered to those engaged in drilling on shore, and the States should at least be permitted to continue to receive the taxes levied upon private lessees the same as they have been in the past.

Failure to recognize and provide for cooperation with and concurrent jurisdiction of the States in local matters will not only result in unnecessary expenses and losses on the part of the Federal Government, but it will ignore our basic concept that the jurisdiction of the States should be coextensive with that of the United States on this continent. Indeed, there is considerable doubt that the Nation has the right to extend its jurisdiction over territory adjacent to the States without permitting their concurrent extension of jurisdiction. This was first indicated by the Supreme Court of the United States in the case of *Harcourt* v. *Gaillard* (12 Wheat. 523 (1827)), in the following words:

> There is no territory within the United States that was claimed in any other right than that of some one of the Confederate States; therefore, there could be no acquisition of territory made by the United States, distinguished from, or independent of, some one of the States.

Again the Supreme Court said in *Scott* v. *Sanford* (19 How. 393, 446 (1856)):

> There is certainly no power given by the Constitution to the Federal Government to establish or maintain colonies bordering on the United States or at a distance, to be ruled and governed at its own pleasure; nor to enlarge its territorial limits in any way, except by the admission of new States. • • • no power is given to acquire a territory to be held and governed permanently in that character.

With specific reference to submarine areas adjacent to the coastal States, the Supreme Court of Massachusetts, which then included Mr. Justice Holmes and Mr. Justice Field, said in *Commonwealth* v. *Manchester* (25 N. E. 113 (1890)):

> There is no belt of land under the sea adjacent to the coast which is the property of the United States and not the property of the adjacent States.

In affirming the Manchester case, the Supreme Court of the United States said in *Manchester* v. *Massachusetts* (139 U. S. 240):

> The extent of the territorial jurisdiction of Massachusetts over the sea adjacent to its coast is that of an independent nation; and, except so far as any right of control over this territory has been granted to the United States, this control remains with the State. • • • Within what are generally recognized as the territorial limits of States by the law of nations, a state can define its boundaries on the sea.

Clearly, it would appear from these cases that for State purposes, the coastal States have the right under our dual system of sovereignties to extend their jurisdiction over the seabed and subsoil concurrently with the Federal jurisdiction. This is even more apparent when we look to the basis upon which the Nation claims the right to extend its jurisdiction over the adjacent seabed and subsoil.

Mr. President, I think it would be of interest to the Members of the Senate who are present to discuss the theory upon which the rights of the Nation are said to rest.

According to the Presidential Proclamation of 1945, the rights of the Nation are said to depend upon the fact that:

> The effectiveness of measures to utilize or conserve these resources would be contingent upon cooperation and protection from the shore, since the Continental Shelf may be regarded as an extension of the land mass of the coastal nation and thus naturally appurtenant to it, since these resources frequently form a seaward extension of a pool or deposit lying within the territory.

In other words, because it is adjacent and appurtenant, and because its development requires cooperation from the shore, our Nation is entitled to exclusive jurisdiction rather than sharing it with some foreign nation or with the family of nations. Where do the States come in under our dual system of sovereignties? Certainly, if it is an extension of the continental land mass of the Nation, it is an extension of the land mass of the coastal States.

Cooperation and protection from the shore are furnished by the State governments. The Continental Shelf cannot be an extension of the land mass of our Nation without also being an extension of the land mass of one of the coastal States. It is naturally appurtenant to a coastal State if it is appurtenant to the United States. And, as said in the proclamation, the resources of the outer shelf frequently form a seaward extension of a pool or deposit lying within the historic boundaries of the coastal States. Therefore, every condition which warrants extension of national jurisdiction over the area also warrants extension of State jurisdiction. This is a natural consequence of our dual system of sovereignties. Under our system, there is no need for conflict, because Federal ownership of the land and Federal laws can exist concurrently with State jurisdiction for local purposes the same in this area as in any other area within or contiguous to the States of our Nation.

Lest someone should say that this is an argument for State ownership of the lands of the outer shelf, it should be said that since the Supreme Court decision of 1950 the States have not claimed to own any of the lands beyond their historic seaward boundaries, and their officials have not proposed that this bill or any other bill should award to the States the ownership of any of the property. The Federal Government owns 24 percent of all the land within continental United States, and it is scattered throughout the 48 States. The States exercise their local governmental powers in the area where the land is located without owning the land; they administer their conservation laws, criminal laws, workmen's compensation laws; and they collect occupation taxes from private lessees engaged in producing resources from federally owned lands without interfering in any manner with the Federal ownership or management of the property. That is the type of jurisdiction which the States are entitled to exercise in the outer shelf. They do not need a share of the proceeds received by the Federal Government from the lands, although such division of proceeds is made on other federally owned lands and should be made here, if the States are permitted to levy their regular occupation taxes to pay for the cooperation and services that they will necessarily render on the shore to those engaged in operations on the outer shelf.

S. 1901 wisely applies State laws in all fields not covered by Federal law, but says that they shall be enforced by Federal officials instead of State officials. Why should this duplication of expense be necessary? For instance, in the field of conservation, as shown by the committee report, page 3, the States have excellent conservation laws and practices, and the evidence shows that State officials and employees can administer conservation on the outer shelf in cooperation with the Federal landlord without any substantial increase in expense to the States. On the other hand, it will cost the Federal Government a minimum of $500,000 per year to set up a duplicate corps of employees to administer the same conservation laws and regulations in this contiguous area.

Instead of permitting the States to have jurisdiction for the purpose of taxing private lessees engaged in operations on the outer shelf, S. 1901 takes away the State taxes heretofore levied on existing leases and collects the equivalent sum as an added royalty for the Federal Government—section 6 (a) (9), page 16. Will the Federal Government furnish the services for which these taxes have been collected in the past? Certainly not. These taxes have been used for highways and roads, schools, pensions, and other State services which the States will continue to render to outer shelf operators and their employees who live upon and work from the shore.

S. 1901 provides for no taxes or additional royalties in lieu of taxes on future leases. This is a windfall for the oil lessees on the outer shelf. On one side of the line marking the historic seaward boundaries of the States the companies will be paying occupation taxes to the States and on the other side of the line they will be completely free of such payments. Such a situation is of itself unfair to the States and to their lessees, some of whom will be operating in the same field or deposit which is bisected by the historic boundary line between the State and the outer shelf. This field of taxation is one in which the States can obtain their compensation for onshore services without any cost or loss to the Federal Government.

I hope that as time passes this body will correct the error of omitting concurrent jurisdiction of the States, because it is an omission which will cost the Federal Government as much as it will cost the States.

Even if we disregard the coextensive rights of the States in our system of dual sovereignties and treat the outer shelf as newly acquired territory in the sea adjacent to the States, the historic policy of our Nation is to include it within the

jurisdiction of the adjacent States. This has been done with respect to all islands adjacent to but beyond historic seaward boundaries. The jurisdiction of the original 13 States included all islands within 20 leagues, approximately 66 miles, from shore in the Atlantic Ocean, as provided in the Treaty of Paris. Alabama and Mississippi have jurisdiction over all islands within 6 leagues, approximately 20 miles, from shore in the Gulf of Mexico. California's jurisdiction extends to several islands in the Pacific which are from 20 to 40 miles from shore. Other examples of this historic national policy are as follows:

First. Before admission of the Great Lakes States, the United States had jurisdiction over the beds of the Great Lakes as far as the international boundaries between the United States and Canada. When the Great Lakes States were formed and admitted to the Union, their seaward boundaries did not stop at the 3-mile limit. Instead, the State boundaries were fixed conterminously with the boundaries of the Nation. Thus, we find the boundaries of the State of Michigan running as far as 75 miles into Lake Superior. We find the boundaries of Ohio running as far as 25 miles into Lake Erie and the boundaries of New York running as far as 30 miles into Lake Ontario.

Second. By the Louisiana Purchase the United States acquired all of the Sabine River and Sabine Pass, all the way to the west banks of the river and the pass. When Louisiana was admitted to the Union, its western boundaries were fixed in the middle of the Sabine River and the middle of Sabine Pass. This left the west half of the entire Sabine River and Sabine Pass within the jurisdiction of the United States but not within the boundaries of either Texas or Louisiana. However, on July 5, 1848, the Congress of the United States passed an act which permitted the State of Texas to extend its eastern boundaries to include the west half of the Sabine River and Sabine Pass.

Third. By international agreement with Mexico, the United States acquired certain lands along the Rio Grande which had been cut off from Mexico by evulsive changes in the river. These lands, referred to as "Bancos," were added to the jurisdiction of the United States, but they were not within the boundaries of the State of Texas. Following this Nation's historic policy, the United States Congress on January 27, 1922 (42 Stat. 359), provided that all of such Banco land heretofore or hereafter acquired by the United States lying adjacent to the State of Texas shall become a part of that State and subject to its jurisdiction.

Even now the present administration is advocating the annexation of the Hawaiian Islands as a State. It seems inconsistent that an administration which proposes to annex islands nearly 2,000 miles from the continent, some of which are 1,000 miles apart, should oppose the annexation of the adjacent outer shelf which is contiguous to our existing coastal States and which forms an extension of their land mass, and the development of which requires their cooperation from shore.

Other nations which are not as securely wed to local self-government and the dual system of sovereignties have taken advantage of our system in providing for governmental powers in their adjacent continental shelves. For instance, the United Kingdom annexed the continental shelves adjacent to the colonies of Tobago and Trinidad and attached them to those colonies for administrative purposes.

The central government of the United Kingdom allows the colonies to administer their continental shelves. The British Information Office at the Embassy in Washington advises that the local governments of the Bahamas, British Honduras, and Jamaica also administer their adjacent continental shelves and receive the revenues therefrom. Pakistan permits its coastal Provinces to share in the administration and governmental powers over its adjacent continental shelf and gives the Provinces 75 percent of the revenues.

Think of it. Pakistan gives its Provinces governmental powers, instead of having the central government control the continental shelf, and shares with the local Provinces the revenues from the continental shelf.

Today the coastal States of the American Union which pioneered the Continental Shelf doctrine and helped secure this land for the Nation are asking not for as much power or revenue as the United Kingdom gives its colonies, or as Pakistan gives its Provinces. All we ask is that the United States Government continue its system of dual sovereignties by following its historic policy of extending State jurisdiction to adjacent areas whenever Federal jurisdiction is extended.

No one has advanced any good reason why this historic American policy should be abandoned with reference to the outer shelf. The only reason I have heard is that some are afraid that the States will get some of the proceeds. However, throughout the argument, we have said that for the good of the States and the good of the Nation, the States are willing to exercise their governmental functions without any money from the Federal Government if the Congress is determined not to compensate the States.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. DANIEL. Mr. President, I ask unanimous consent that I may be granted 3 additional minutes.

The PRESIDING OFFICER. Is there objection?

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KNOWLAND. I wonder if the Senator from Oregon [Mr. CORDON] would be willing to yield 3 minutes of his time to the Senator from Texas, rather than have 3 additional minutes granted.

Mr. CORDON. I am happy to yield 3 minutes or even 4 to the Senator from Texas.

Mr. DANIEL. I thank the Senator from Oregon.

Many witnesses have testified concerning the benefits which will accrue to the Nation, as well as to the States, by application of the policy under which our country has prospered throughout the years.

Mr. President, I am certain that the pending bill will be passed. I approve and support many of its provisions, but because of its failure to preserve and apply the system of Federal-State relations which has been so important and essential to the development and prosperity of our Nation, I am compelled to vote against it.

The House bill, although not meeting all the objections I have raised, does apply State laws and concurrent State jurisdiction. Also, it provides for compensation to the States for services rendered to those engaged in operations on the adjacent outer shelf. It is hoped that the conference committee will agree upon application of the principles and equities which are ignored in S. 1901, so that it will be possible for the junior Senator from Texas to vote for the final enactment of outer-shelf legislation. If not, it is my hope that after a few years of practical operations the omissions and inadequacies which I have mentioned will be corrected in future legislation.

Again I compliment the senior Senator from Oregon [Mr. CORDON] and the committee for their patient and exhaustive work on the proposed legislation. The fact that I do not concur in some of the omissions is no criticism of them or of the sincerity of their judgment.

Mr. President, I ask unanimous consent that I may withdraw the amendment.

The PRESIDING OFFICER. Without objection, the amendment will be withdrawn.

The bill is open to further amendment.

Mr. LONG. Mr. President, may I inquire how much time remains for discussion of the bill itself?

The PRESIDING OFFICER. The Senator from Oregon has 87 minutes.

Mr. LONG. Will the Senator from Oregon yield 25 minutes to me? I might be able to make my speech in less time.

Mr. CORDON. I yield to the junior Senator from Louisiana 25 minutes or as much time as he may require.

Mr. LONG. Mr. President, today I have offered amendment after amendment to try to perfect the bill, in order to make it the type of legislation I believe the Senate should enact. The major amendments I offered were rejected, and only a few clarifying perfecting amendments were agreed to by the Senate. Therefore, the objections I originally had to the bill still remain.

I am opposed to S. 1901 because in my opinion it does great violence to our traditional concept of dual sovereignty in American government and will, insofar as law and order are concerned, create a virtual dictatorship which will impose its heavy hand at will on the administration of justice to many thousands of American citizens.

The bill, by denying the States any powers of taxation and refusing them

any portion of the revenues which might be derived from the outer Continental Shelf, fails to recognize the tremendous financial burdens which operations in the area will place upon the States concerned.

I also object to the provisions of the bill which provide exclusive Federal administration of the area. Nevertheless, it is fair to observe that the committee amendments in this connection are a vast improvement over the original proposal to apply admiralty and maritime law to structures which are now located in the outer Continental Shelf or may be built there.

While the committee held hearings of considerable length and allowed the presentation of a great deal of evidence from the State officials concerned, I do not believe this bill has received the calm and deliberate consideration which such important legislation deserves. Any act which has as its purpose the establishment of a system of law and a means of administering justice should be considered on a plan free of the ordinary political and economic currents which, unfortunately, are present in the instant case. This is no reflection on the sincerity of the majority of the committee who have done perhaps the best they could under a rigid timetable designed for the purpose of obtaining legislation by a time certain.

Careful delineation must be made between the area with which this bill deals and the area involved in the Submerged Lands Act recently enacted. In the prior legislation, title to the lands within the original boundaries of the States—lands which had been claimed without contest by the States for 150 years—was confirmed in the States. Those lands, until the Supreme Court had applied to them a new concept of paramount rights in the Federal Government, always had been within the limits both of the Nation and of the respective States and had been subject to our traditional concepts of dual sovereignty.

When we look upon the Continental Shelf and the resources thereof in its true light, we do not find it to have been an asset historically possessed by the United States. Rather we find that area to be in a sense a vast new strip of territory of major value which this Nation has the fortunate power to take by virtue of the fact that it was closer than any other power of the world to the area. It is important to note that in acquiring this vast resource, the United States found that the States of Louisiana and Texas had already laid claim upon certain parts of it. These claims on behalf of Louisiana and Texas had certain validity. It gave those States the right to extract resources and retain all revenue derived from them until such time as the Federal Government itself asserted its rights. The effects of the claim of paramount rights to such resources by President Truman in 1945 and the congressional claim this year were not only that of acquiring such resources for the United States but of ousting the States of their interest in this area.

There is no truly analogous situation in property law. Logic and reason, however, would compel the Federal Government, in taking such resources from the States, to permit the States to share in the revenues produced in some equitable fashion. Especially is this true when we consider the fact that the Federal Govment is receiving the benefit of State services for the support of all activities on shore which are of a large scope and a greater expense than the actual drilling operation in the sea. Thus we find here a source of wealth, first discovered and developed by the States at considerable expense, and which cannot be fully exploited or developed without the benefit of State services from the mainland. Under this bill a few States will bear a heavy financial burden while all the States—most of which will neither contribute to the development nor bear any of the costs—will reap the benefits.

Many thousands of Louisiana and Texas citizens who live under a long established and well understood system of both Federal and State law—enforced as the case might be by both Federal and State officials—under the provisions of this bill, will perform their labors in an area governed by a curious and complex mixture of Federal and State laws, administered only by Federal officials, with power in the Secretary of Interior to abrogate State laws by regulation. A resident of Morgan City, La., who might become a party to litigation arising in the outer Continental Shelf, will bear the expense of having his rights litigated—no matter how insignificant they might be—in a Federal court many miles removed from his domicile, rather than in his nearby parish courthouse. His rights and privileges can vary from day to day at the discretion of a department head at the seat of government in Washington, many hundreds of miles removed from the area. Insofar as the place of his employment is concerned, his rights as an American citizen will be even less secure and certain than those of the people of the Territories of Alaska and Hawaii. His suffrage will not provide him the customary relief to be expected under our Constitution and all of the great principles upon which American Government is founded.

Many circumstances point directly to the fact that operations in the outer Continental Shelf will greatly increase the cost of State and local government and yet the committee ignores this fact. The Senate has ignored it, and even defeated a last-resort proposal I offered to reimburse the adjacent States for these services to the extent of a mere one-half of the taxes we now collect in the area.

A typical individual employed in operations in the shelf area will maintain his family in one of our coastal parishes; he will own or be buying his house and an automobile there. His children will attend Louisiana schools. If either he or a member of his family becomes ill, he will be cared for by a Louisiana doctor in a Louisiana hospital, many of which the State owns. After his employment in the shelf ends, he will continue to live in Louisiana and will spend his old age there.

The children of these employees will attend a free public school, and be provided with free schoolbooks, supplies, lunches, and transportation. Our highways and streets will be traveled by both employer and employee. The State provides charity hospitals for the indigent sick. Care for those stricken with tuberculosis or mental diseases is provided by State-operated hospitals. A State-financed medical school now provides many of the doctors who will minister unto these people. The worker's person and property will be protected by our police. He will be protected from disease and sickness by our public health and sanitation officers. His elderly parents are likely to be receiving a pension during their period of nonproductivity.

Louisiana and Texas provide a system of courts in which the employee will litigate many of his claims.

Many of these same services will be provided for the oil company whose base of operations will be necessarily on Louisiana or Texas soil. The company will use our highways, will benefit from police protection, and make use of our courts.

None can deny that the furnishing of such services to the thousands of shelf workers, their families, and the companies for which they work will be a heavy financial burden on the State and its subdivisions.

Ordinarily a large percentage of the increased cost of providing such service would be met by increasing the taxes on present sources of revenue. Such action would be grossly unfair in this instance. Yet there will be no alternative if the employers of these workers are subject neither to the State's severance tax, property tax, nor the tax on corporate profits. It is a basic principle in the field of government that the provision of government services to the business enterprise and its employees is made possible largely through the taxation of property and profits of such enterprise. Usually no difficulty is encountered in the application of this principle, since the industry and its employees are located in the same State. Usually, we derive our revenues from such industry by virtue of a severance tax on the resources. However, in this instance the industies are beyond the reach of the State.

No oil company holding a lease in the area protested to the committee against paying the severance tax. I have heard of no such protest being made publicly anywhere else by any of the companies. Since the tax is not applicable to the public royalty interest, its collection would in nowise affect the revenues which will be derived by the Federal Government. Its collection could be allowed, therefore, without any cost to the United States. But rather than deal fairly with the States, the Federal Government has chosen, through the "windfall" provision in this bill, to extract the last ounce of flesh by adding the amount of the States' tax to the royalty to which the Federal Government is otherwise entitled under the validated States' leases.

The policy of sharing revenues with local units of government is so firmly imbedded in our governmental system that it is shocking even to contemplate that it be ignored here. Not only has

this system been part of the warp and woof of Federal-State relationships for many years, but it has more and more extended itself into State-municipal affairs; in many States, State and Federal Governments have so completely preempted the sources of taxation that only by sharing in certain revenues with the State government are the municipalities able to continue their operation.

Before citing examples of this Federal policy as they are applicable in the instant situation, let me make it perfectly plain that I do not object to any of these devices. Insofar as I can determine, each of them is entirely justified, and the Congress was exercising excellent judgment when it provided for them. What I cannot understand is why, after all these years, the Congress should determine to abandon this historic policy. Why should the States which abut the Continental Shelf be subjected to this discrimination? For what are we being punished? What strained definition of fairness would permit such grave injustice? Certainly the people of Louisiana cannot, and perhaps never will, understand what grievious wrong they have committed which results in their being treated as no other State or Territory has been treated in like circumstances.

Let us first look at what has been done in the great public-lands States of the West. Almost the full income from all these public lands, exceeding 200 million acres, goes to the States in which the lands are located. Where such lands are sold outright, 5 percent of the proceeds of sale goes to the State. The other 95 percent goes into the reclamation fund. Where mineral royalties are realized, 37½ percent of the return goes directly to the State, 52½ percent into the reclamation fund, and 10 percent to the Federal Government as administrative expense.

Thus far, from these sources the reclamation fund has received about $600 million. This money, quite properly, has been utilized to finance our great reclamation projects, all of which are located in the States from which the bulk of the revenues are derived. The net effect, therefore, is that not only do the State governments receive monetary consideration for the services they must render but almost the full fruits of the resources developed remain in the area from which the resources are taken. These fruits are not distributed to all the States or all the people, nor should they be.

These public lands are not treated thus on the basis of their having been federally acquired and thereby removed from the tax rolls. The idea was and is to make it possible for State and local government to exist. In the absence of such an arrangement, it might have been impossible ever to establish and support States in areas where vast acreages had been unclaimed. In effect, it has been a subsidy, albeit a worthy one. I can well understand the position of some of the Western States that even this arrangement is not responsive to their needs and that they need and are entitled to a greater share of the revenues. I merely observe that it is far better treatment than is proposed in this bill for the coastal States of the Nation.

In the Southeast there has been over the past 20 years a considerable Federal activity in the form of the Tennessee Valley Authority. Here the treatment rendered to State and local government is perhaps the high-water mark in Federal generosity. During fiscal year 1952 the TVA paid to State and local governments in the area $3,036,207 as in lieu of tax payments. The manner in which the philosophy of "in lieu" payments has been applied here is extremely interesting.

In this connection it is interesting to note that not only is the State of Tennessee reimbursed for the lands located beneath the reservoirs, which lands have been taken off the tax rolls, but it is also reimbursed for the taxes which were previously received from the corporations which were located within that State and doing business there prior to the time the lands were purchased by the Federal Government. In the first place, there is reimbursement for the reservoir lands which were bought by TVA and thereby removed from local tax rolls. That portion of the payments is commonly understood. But in TVA, the concept has been taken a step farther. There also is reimbursement for taxes lost by virtue of sale because of TVA activities of the private power companies which formerly operated in the area. It should be remembered too, that those receiving the payments also receive the benefits of the enterprise—power and navigation. These benefits are provided by the tax dollars of all the people and the Federal Government, despite the protests of the TVA advocates, will never receive sufficient revenues from the operations to reimburse its cost. It seems to me that it does not become those from the TVA territory—an area which actually is being paid to receive benefits—to array themselves with those who would deny my State even reimbursement for its services in providing revenues to the Federal Treasury, let alone deny us any participation in these revenues because we had the courage to first claim the area, the foresight to develop it, and the patriotism to acquiesce to an overriding Federal claim. Here in TVA we see the bounty of the Federal Government in full flower and at its generous best.

There also is a provision in our flood-control law for reimbursement to local government for tax losses and for additional burden. Although amended several times, the law now provides that 75 percent of revenues derived from leases of reservoir lands shall be returned to the counties in which the lands are located. Just recently—within 10 days—we amended the law to allow these funds to be used for general purposes of government. Prior to that amendment the moneys had to be used for schools and roads. Bearing in mind that the areas in and above a reservoir receive little or no benefit from the project, it may be that this arrangement is not too generous—certainly not as generous as the TVA practice. Nevertheless, it is another illustration of the adherence by Congress to the broad policy of reimbursing the States for any burden placed upon them by a Federal activity.

Over the past four decades the Federal Government has acquired millions of acres of land and placed them in national forests. Particularly in the southeastern States, it has been a meritorious and highly successful program. In my own State of Louisiana there is a fine national forest where our great timber tracts of days gone by are being restored by careful conservation practices. It is a program that is well justified in the public and in the national interest.

These lands, however, have been acquired lands for the most part. Certainly in the southeastern States they are, since there were no public lands to be used for this purpose. This means, then, that the acreages in the forests have been removed from the tax rolls, and therefore produce no revenues for local governmental purposes. Yet persons live in and around the areas, work in them, and must be provided with schools, roads, and other governmental services commonly furnished at the State and local levels. In some parishes of Louisiana nearly one-half the land within the parish is included within the forest. I am sure that the same situation applies in some counties in Mississippi and Arkansas, and perhaps other States.

In 1908, the Congress recognized that local government must have revenues to meet the burdens still imposed upon it and yet was faced with substantial loss of taxable property from which the revenues could be derived. Congress, therefore, by act of May 23 of that year, provided for the counties in which the lands were located to share in the revenues from the national forests. At present, 25 percent of the timber and mineral leasing revenues in the forests are returned to the counties for school and road purposes. Somewhat recent changes in mineral leasing procedures have substantially reduced receipts in some areas, particularly in Louisiana and Mississippi where there has been considerable oil and gas activity so that the present arrangement may not be as good as it should be. But the policy—the historic national policy—has been applied and no doubt could, if necessary, be improved upon in its application. What a contrast with what is proposed in this legislation.

Last, I want to call attention to a field in which this traditional Federal policy has been generously applied even though the Federal activity involved is not producing revenue as will be the Continental Shelf. This has to do with educational activities in areas where substantial Federal activity has increased the burden on local government for provision of school services. I particularly want the Senate to observe the statement of policy contained in the basic act and I then would welcome any Senator rising to his feet and attempting to reconcile this law with what we propose to do here. I do not believe my friend, the Senator from Oregon [Mr. CORDON]

with all his mental agility and legal ability can do it.

Now listen to what we said—this Senate and this Congress—when we adopted the present act in 1950. Here it is as found in section 236, title 20, of the United States Code:

In recognition of the responsibility of the United States for the impact which certain Federal activities have on the local educational agencies in the areas in which such activities are carried on, the Congress declares it to be the policy of the United States to provide financial assistance (as set forth in this chapter) for those local educational agencies upon which the United States has placed financial burdens by reason of the fact that—

1. The revenues available to such agencies from local sources have been reduced as the result of the acquisition of real property by the United States; or

2. Such agencies provide education for children residing on Federal property; or

3. Such agencies provide education for children whose parents are employed on Federal property; or

4. There has been a sudden and substantial increase in school attendance as the result of Federal activities.

At least I am glad it is the law because we in Louisiana and Texas will have substantial claims to make under it. But how much more simple it would be to let us go ahead and collect our taxes and provide the services rather than to do what is now proposed. Bear in mind that there are substantial differences between the property involved here and that at Keesler Field, Miss., as an example. This Federal activity will produce revenue and the cost of the service required should be charged directly against the activity. It could be done readily and cheaply by allowing the States to collect their taxes which could not be done on an airfield or a training base.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the third reading of the bill.

Mr. HOLLAND. Mr. President, will the Senator from Oregon allow me 2 or 3 minutes?

Mr. CORDON. I shall yield the Senator such time as he desires to use, up to 15 minutes.

Mr. HOLLAND. I thank the Senator from Oregon. Mr. President, first I wish to give high praise to the distinguished Senator from Oregon and to every other Senator who sat so long and under such great difficulties in considering the terms of the pending outer Continental Shelf bill before it was reported to the Senate. I doubt that Senators who did not participate in the consideration of this bill realize the complexity of the subject, or the fact that it involved a completely new problem, raising many questions which had never before been answered in all the history of our Nation, and that such questions had to be answered before the bill could be reported, bringing out constructive legislation which would deal effectively with those questions.

Insofar as it was humanly possible to deal with the vast field involved—much of it is still unknown—by bringing out an original bill which makes a sound beginning and lays a sound foundation for the development of resources, believed to be immense in their impact upon our Nation, its prosperity and power, the distinguished Senator from Oregon and his associates have rendered a very great service, which will be more and more realized and recognized as years pass and as the development of these great offshore areas proceeds.

Mr. President, I wish to make two points, and those very briefly.

First. The subject is one in which exclusive Federal jurisdiction obtains and in which the jurisdiction of Congress will remain to deal with the numerous aspects of those problems which must come up from time to time and require clarification, or modification, or amendment, or supplementation of the basic law which we are now passing.

It is because of that fact that I believe no Senator who votes for the bill—and I shall not only vote for it but I support it strongly and warmly—needs to feel apprehension because of the fact that there are questions still unexplored and still not wholly clear, such as the one mentioned by some Senators a little while ago, when we felt that a certain amendment might be properly added to the bill.

We do have assurance that the jurisdiction of Congress continues. Its responsibility will continue to exist, not only to work out the great problem in a way which is fair to the Nation, but also in a way which is fair to every State, every community, and every affected citizen and industry.

Secondly, I wish to ask the attention of those Senators who had apprehensions as to what would be the views of those of us who insisted so strongly upon the protection of State's rights, within State boundaries, and insisted that the States be allowed again to claim and clearly hold ownership of assets within their boundaries, as they had believed they had owned such assets for 150 years, and as they had used them and enjoyed them for all that period of time without question. Some of the Senators feared that we who supported the States rights bill, Senate Joint Resolution 13, would be found later opposing a bill which would recognize title in the Federal Government to that greater area, 9 times as great, outside the State boundaries, with assets estimated to be 5 times as great in the outer belt. I call to the attention of the Senators who felt that such apprehension may have been justified, that, not only have Senators, who in committee helped to bring out the other submerged-lands bill, also helped to bring out the pending bill, as well as insisted on its passage on the floor, but that many Senators who do not have the honor of serving on the committee, have taken exactly the same position.

Therefore, it ought to be abundantly clear that Senators who vote to protect their States when they believe the rights of their States are jeopardized, and when sound principles of government are threatened to be upset, also feel just as strongly, and are just as ready to stand for the Federal Government in a field where its interest is predominant, as they have done on this bill.

I hope the cavilling of those ultraliberal columnists and commentators who threw out repeated warnings to the effect that the Senators who stood for States rights would later, on this issue, seek to take from the Federal Government what belonged to it, has been rather fully answered. We who passed the earlier bill to protect the States, within their boundaries, have given strong support to the pending measure, which is of such great importance to our Nation, not only in the assets which it makes available, but in that it takes a step outside into uncharted depths and uncharted values and uncharted developments, which we think will add much to the power and prestige and wealth of this great Federal Union, which we are sworn to uphold in its own field, just as many of us still feel we are sworn to uphold the rights, powers, and prerogatives of our States in their fields, believing that by so doing we support the dual system of sovereignty under which this Nation has grown great—the system whose collapse would doom much of that greatness to destruction and decay.

I warmly compliment and thank the distinguished Senator from Oregon.

Mr. CORDON. Mr. President, I am deeply appreciative of the generous compliments paid to me. I wish to say that this was not a one-man job. It had been a record of cooperation, helpfulness, and hard work on the part of the members of the committee and the Members of the Senate who worked closely with the committee, and an able and devoted staff which worked long days and very often far into the nights.

I am not too proud of what has been born of all these great efforts, but I believe we have set up the means whereby the development of the mineral resources of the outer Continental Shelf can be undertaken. We can correct this measure as deficiencies appear from time to time without the chaos that would exist had we attempted merely to validate the good-faith State-issued leases and authorize new leasing. We have in S. 1091 a legislative structure which will carry our responsibilities to the people and the companies who will perform the work of developing the outer shelf.

Mr. CLEMENTS. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. Not at the moment. I should like to conclude my statement.

Some question has been raised as to criminal jurisdiction in the area. I answered an inquiry from the Senator from Louisiana [Mr. ELLENDER], and I should like now to call his attention and the attention of the other Members of the Senate to a section of the Federal Code pertaining to that subject. As the Members of the Senate know, section 18 of the United States Code—The Criminal Code and Procedure—has been enacted into positive law. Section 3238 of title 18, entitled "Offenses Not Committed in Any District," reads:

The trial of all offenses begun or committed upon the high seas, or elsewhere out of the jurisdiction of any particular State or district, shall be in the district where the offender is found, or into which he is first brought.

Mr. President, for the benefit of any who may be interested in following up this matter, I suggest that attention be given to the annotations found in United States Code annotated, immediately after that section.

The Supreme Court of the United States has construed the section. It appears to the acting chairman of the committee and, I am sure, to others who have investigated the matter, that we are on sound ground so far as the jurisdictional question is concerned.

Mr. CLEMENTS rose.

Mr. CORDON. I yield to the Senator from Kentucky.

Mr. CLEMENTS. Mr. President, I wish to associate myself with the Senator from Oregon in reference to the fine work the Senate Interior Committee staff has done on this bill.

I also suggest to the Senate that no measure that has been passed by this body has had more faithful leadership or finer leadership than that which has been given to this measure by the acting chairman of the committee, the senior Senator from Oregon [Mr. CORDON].

Mr. CORDON. I thank the Senator from Kentucky.

Mr. DANIEL. Mr. President, will the Senator from Oregon yield for a question?

Mr. CORDON. I yield.

Mr. DANIEL. First, let me say that I have already praised the Senator from Oregon and have expressed my appreciation of the fine work he has done.

Mr. CORDON. The Senator from Texas has done so too generously.

Mr. DANIEL. I join in the remarks just made by the Senator from Kentucky.

Mr. President, I ask the Senator from Oregon please to refer to section 5, on page 10, of the bill. That section is entitled "Administration of Leasing of the Outer Continental Shelf."

Since we have applied State laws in the fields which are not covered by Federal laws or by regulations of the Secretary of the Interior, I should like to ask the Senator from Oregon whether he understands that State laws relating to conservation will apply in this area until and unless the Secretary of the Interior writes some rule or regulation to the contrary.

Mr. CORDON. There can be no question about that; the Senator's statement is correct. The language clearly adopts State law as Federal law where it is not inconsistent with existing Federal law or with the rules and regulations of the Secretary of the Interior; and, of necessity, the inconsistency with respect to rules and regulations of the Secretary of the Interior must be in the case of those rules and regulations which it is within the power of the Secretary of the Interior to adopt.

When he has adopted them, those rules and regulations must be inconsistent with or in conflict with the conservation laws of the States, which are then the conservation laws of the United States with respect to that particular area, or else the laws of the States, having been adopted by the United States, apply to the area. There can be no question about it.

Mr. DANIEL. I am sure the Senator from Oregon realizes why the question has risen. Beginning on line 24, in referring to the powers of the Secretary of the Interior to make rules and regulations, we find the following:

> Notwithstanding any other provisions herein, such rules and regulations shall apply to all operations conducted under a lease issued or maintained under the provisions of this act.

I wanted to be sure I understood the matter correctly; and I wish to make it clear, by means of these questions, that the provision I have just quoted does not mean that conservation matters are to be handled exclusively by rules and regulations of the Secretary of the Interior, but that the State laws will be the laws of the United States as to conservation matters, so long as the Secretary of the Interior has not issued rules and regulations which conflict with or are inconsistent with the State laws.

Mr. CORDON. I say to the Senator from Texas that the language of section 4 to which he has referred and the language of section 5, read as pari materia, give effect to both; and the effect is as indicated by the Senator from Texas, and as concurred in by the Senator from Oregon.

Mr. DANIEL. I thank the Senator from Oregon.

Mr. DWORSHAK. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I yield for a question.

Mr. DWORSHAK. I desire to join my colleagues who, as members of the committee, have observed the outstanding leadership displayed by the senior Senator from Oregon [Mr. CORDON] during the consideration of this measure. This was particularly true because during the same period the Senator from Oregon also had the duty of serving as chairman of the appropriations subcommittee dealing with the Interior Department appropriations bill at the time when the hearings on that bill were being held.

I am sure there is full appreciation of the distinguished service rendered by the senior Senator from Oregon.

Mr. CORDON. Mr. President, I am appreciative of the Senator's generous statement.

Mr. BUTLER of Nebraska. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I yield to my chairman.

Mr. BUTLER of Nebraska. Mr. President, as chairman of the Committee on Interior and Insular Affairs, I discovered, fortunately or unfortunately, rather early in the session that it would be impossible for me, from a physical standpoint, to handle the measure we are passing on today, and also the one on which we debated and adopted last month, that is, the Submerged Lands Act.

So I asked the senior Senator from Oregon [Mr. CORDON] to substitute for me. As a result, he has served as acting chairman of the committee during the time when I was in the Bethesda Hospital and during the time, thereafter, when I have been recuperating.

It would be very unkind on my part if I did not make a public statement of my appreciation of the fine work he has done, at my request, in handling the work of the Committee on Interior and Insular Affairs during the last 2 or 3 months.

I hope that from now on I shall be able to relieve him of some of that burden, because, as the Senator from Idaho has just stated, I know of the hard work the Senator from Oregon does as a member of the Appropriations Committee. The committee holds meetings late at night and begins its meetings early in the morning.

I doubt that there is another Senate committee which has done as much hard work as has the Interior and Insular Affairs Committee and its staff, under the able leadership of the senior Senator from Oregon [Mr. CORDON] as acting chairman.

It has been my pleasure and honor to be a member of that committee from the time when I first came to the Senate in January 1941, back in the days when the committee was known as the Committee on Irrigation and Reclamation. I have never had more loyalty or better service in any capacity than I have received not only from the acting chairman of the committee, the senior Senator from Oregon [Mr. CORDON], but also from all other members of the committee on both sides of the aisle and from the committee staff. I think the committee is really one of the best working committees of the Senate, and I am proud of it.

Mr. CORDON. Mr. President, I appreciate the opportunity I have had to work with the Senator from Nebraska on the committee. I wish him to know it was a pleasure to me to render what service I could.

Mr. President, I now move that the Senate proceed to the consideration of House bill 5134, amending the Submerged Lands Act.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5134) to amend the Submerged Lands Act.

Mr. CORDON. Mr. President, I now move that all after the enacting clause of H. R. 5134 be stricken out, and that in lieu thereof there be substituted the text of Senate bill 1901, as it has been amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Mr. LONG. Mr. President, on this vote I desire to have the RECORD show that I shall vote "no."

Mr. ELLENDER. I do, too, Mr. President.

The PRESIDING OFFICER. The question is, Shall the bill pass?

The bill (H. R. 5134) was passed.

The title was amended so as to read: "A bill to provide for the jurisdiction of the United States over the submerged lands of the outer Continental Shelf, and to authorize the Secretary of the Interior to lease such lands for certain purposes."

Mr. ELLENDER. Mr. President, I wish the RECORD to show that on the vote just taken, I voted a loud "no."

Mr. LONG. Mr. President, I wish the RECORD to show that on this vote I also voted "no."

The PRESIDING OFFICER. The RECORD will so show.

Mr. CORDON. Mr. President, I now move that the Senate insist upon its amendment, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. BUTLER of Nebraska, Mr. MILLIKIN, Mr. CORDON, Mr. MURRAY, and Mr. ANDERSON conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, Senate bill 1901 is indefinitely postponed.

Mr. HENDRICKSON. Mr. President, as I have indicated, I was necessarily absent yesterday when my amendment to the submerged-lands bill was acted upon. The able Senator from South Dakota [Mr. CASE] took over in my behalf, and, of course, in his own behalf as well, as a cosponsor of the amendment. He made a very able presentation of the issues involved in my amendment. I wish to take this opportunity to thank the distinguished Senator from South Dakota for the great favor he did the junior Senator from New Jersey.

INTERIOR DEPARTMENT APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 4828, Calendar 445, making appropriations for the Department of the Interior.

Mr. MAGNUSON. Mr. President, I wish to ask a question of the Senator from California. Having been a member of the subcommittee, I may say I know of no amendments of major importance from a dollars-and-cents standpoint that will be proposed to the bill, but there are 3 or 4 Senators who will have something to say regarding certain parts of the language of the report, on the broad general question of power policy, as it relates to this appropriation bill.

I may say to the Senator from California that I realize that he gave notice that he would bring up the Interior appropriation bill following the Continental Shelf bill, but the Senator from Tennessee, the Senator from Montana, the Senator from Alabama, and myself had been preparing statements we desired to make during the consideration of the bill. Unfortunately, however, rightly or wrongly, we assumed that, the Continental Shelf bill having been before the Senate so long, consideration of the Interior appropriations bill would not be pressed. We therefore do not have our statements ready at this time. Of course, I can make a statement, but I am wondering whether the Senator from California, in order to save time, might be willing to take up the bill and proceed with the consideration of the committee amendments, reserving the question of final passage of the bill until the Senate meets tomorrow, in order that we may have an opportunity to present briefly our general statements.

Mr. KNOWLAND. I may say to the distinguished Senator from Washington that the acting majority leader gave notice several days ago that the Senate would be in session each evening this week. I am trying to get the program of the Senate moved along, in order that it may not be in session during the Fourth of July period, by which I mean not only on the Fourth, but also on Friday, July 3. We shall be unable to reach that goal unless we can make substantial progress.

The acting majority leader was very hopeful that the Senate might proceed with the civil-functions bill today. If we can dispose of both appropriation bills, I would then hope we would not find it necessary to hold a Saturday session. I did not propose that the Senate be held in session beyond 9 o'clock tonight, but I did feel that, under all the circumstances, in order to meet the desires of many Senators who do not care to be faced with the necessity of a Saturday session, by proceeding now we could make what I would hope would be considerable progress on this bill.

I know the distinguished Senator from Washington is well versed in the problems involved, as are the other Senators to whom he has referred. Having a great knowledge of the power problem, and of other problems affected by the bill, I am quite sure the Senator could effectively present his views without a manuscript on the subject.

Under the circumstances, and since I had given notice, I was hopeful we might proceed with the bill.

I may say to the Senator that, under the unanimous-consent agreement entered into early today, it was my intention to have a morning hour for the insertion of matters into the RECORD, and for the introduction of bills, and so forth, with the usual limitation of 2 minutes for speeches. The distinguished Senator from Colorado had a bill he desired to call up merely for the purpose of getting action on an amendment, after which it would resume its place on the calendar. There are several noncontroversial matters I have taken up with the minority leader. There is a housing bill with a June 30 expiration date, the consideration of which I am sure is not likely to require much time, and we would then resume the consideration of the Interior Department appropriation bill and make as much progress on it as possible this evening.

Mr. MAGNUSON. I am sure I speak for the other Senators I have mentioned when I say that insofar as the Interior Department appropriation bill is concerned, we could proceed to the consideration of the bill, reserving a short time for us to present our views later. I know of no major amendments, from the standpoint of dollars and cents. If my suggestion should be followed, the Senators would have their statements ready, and it would not take very much time to complete action on the bill.

Mr. KNOWLAND. I wonder whether the Senator would be willing to let us proceed at this time, to see how much progress we can make on the appropriation bill.

Mr. MAGNUSON. I am agreeable to that.

Mr. KNOWLAND. I am sure the Senator agrees with me that if we could finish with the Interior Department bill and with the civil functions bill, it would not then be necessary to hold a Saturday session; and I should like to accommodate Senators, if it is possible to do so.

Mr. MAGNUSON. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California that the Senate proceed to the consideration of House bill 4828.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

BROADCASTING OR TELECASTING OF PROFESSIONAL BASEBALL EXHIBITIONS

Mr. KNOWLAND. Mr. President, I understand that the Senator from Colorado had a bill on the calendar he desired to call up, merely for the purpose of having an amendment considered; after which the bill would be returned to the calendar.

Mr. JOHNSON of Colorado. That is correct. I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Senate bill 1396, calendar No. 389, for the purpose of getting action on the committee amendment, and also of adopting a clarifying amendment which I have offered; and without precluding the offering of any other amendments which Senators may desire to submit at some later time. I would ask that a clean-cut print of the bill be made, after it is amended, for the reason that there is a great deal of misunderstanding in regard to the provisions of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. KNOWLAND. So the record will be straight, I understand the Senator is requesting that the amendments be adopted so that there will be a clean bill, and that the bill then be treated as an

original bill, but that the Senate would not thereby be precluded from the consideration of further amendments. Is that correct?

Mr. JOHNSON of Colorado. That is correct.

Mr. KNOWLAND. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado?

There being no objection, the Senate proceeded to consider the bill (S. 1396) to authorize the adoption of certain rules with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce with amendments on page 2, after line 15, to strike out:

(f) the term "home territory," when used in relation to any baseball club, means the geographical area within the circumference of a circle having its center at the baseball park operated by such club and a radius of 50 miles.

In line 20, to reletter the subsection from "(g)" to "(f)"; on page 3, line 11, to reletter the subsection from "(h)" to "(g)"; in line 15, to reletter the subsection from "(i)" to "(h)"; after line 24, to strike out:

(a) for any baseball league composed of major or minor league clubs, and any baseball club which is a member of any such league, to propose, accept, adopt, carry into effect, or enforce any rule of such league prohibiting any baseball club which is a member thereof from authorizing or giving its consent to the broadcast of any baseball game participated in by its baseball team through the facilities of any radio station situated outside the home territory of such baseball club and within the home territory of any other major or minor league club without first obtaining the consent of such other baseball club; and

(b) for any baseball league, or any association of baseball leagues, to enter into an agreement with any other such league or association for the proposal, adoption, or enforcement by any such league or association of any such rule with respect to baseball clubs which are members of any such league or of any league which is a member of such association.

And on page 4, after line 17, to insert:

(a) for any major or minor league club, any baseball league composed of either major league clubs or minor league clubs, or any association composed of either such major or minor baseball leagues to (A) propose, accept, adopt, carry into effect, or enforce, or (B) enter into an agreement with any other such club, league, or association for the proposal, adoption, or enforcement by any such club, league, or association, of a rule with respect to the conduct and operation of all baseball clubs which are members of such league or of all leagues which are members of such association, in the following terms:

"(1) Each club may broadcast or telecast its games (both home and away from home) from a station located within its home territory.

"(2) No club shall consent to or authorize a broadcast or telecast (including rebroadcast or network broadcast) of any of its games to be made from a station outside of its home territory and within the home territory of any other baseball club, major or minor, without the consent of such other baseball club.

"The words 'home territory' shall mean and include, with respect to any baseball club, the territory included within the circumference of a circle having a radius of fifty (50) miles, with its center at the baseball park of such baseball club."

(b) for any baseball league composed of major league clubs or any association composed of such major baseball leagues to enter into any agreement with any baseball league composed of minor league clubs or any association composed of such minor baseball leagues for the proposal, adoption, or enforcement of a rule in the terms set forth in subsection (a) of this section.

So as to make the bill read:

Be it enacted, etc., That, as used in this act—

(a) the term "person" includes any individual, partnership, corporation, association, or other entity;

(b) the term "baseball club" means a person regularly engaged in the operation for profit of a baseball team, composed of salaried members or players, through the participation of such team in regularly scheduled public baseball exhibitions or contests with baseball teams of other such clubs;

(c) the term "baseball league" means an association composed of two or more major or minor league clubs which by agreement have accepted rules promulgated by such association for the conduct of such clubs and the regulation of exhibitions or contests in which they participate regularly;

(d) the term "major league club" means a baseball club which is a party to the Major League Agreement in effect between the National League of Professional Baseball Clubs and the American League of Professional Baseball Clubs;

(e) the term "minor league club" means a baseball club which is a member of a baseball league having membership in the National Association of Professional Baseball Leagues;

(f) the term "baseball game" means any regularly scheduled exhibition or contest in which two major or minor league clubs participate, but does not include (1) any so-called world series game between the team of a major league club representing the National League of Professional Baseball Clubs and the team of a major league club representing the American League of Professional Baseball Clubs, (2) the so-called all star game customarily played annually in the month of July by two teams composed of outstanding players selected from teams of major league clubs of the American League of Professional Baseball Clubs and the National League of Professional Baseball Clubs, respectively, or (3) any baseball game in which the team of any major or minor league club participates if all net proceeds of the revenues of such game are to be distributed to one or more recognized charitable objects;

(g) the terms "radio communications" and "radio station" shall have the same meaning as when those terms are used in the Communications Act of 1934, as amended (48 Stat. 1064, as amended; 47 U. S. C. 151); and

(h) the term "broadcast" means any dissemination of radio communications intended to be received by the public, directly or by the intermediary of relay stations, and when used in relation to any baseball game includes any rebroadcast, network broadcast, or re-creation of such game intended for reception by radio or televison receiving equipment.

SEC. 2. Notwithstanding any provision of law for the protection or regulation of the interstate or foreign commerce of the United States, it shall be lawful—

(a) for any major or minor league club, any baseball league composed of either major league clubs or minor league clubs, or any association composed of either such major or minor baseball leagues to (A) propose, accept, adopt, carry into effect, or enforce, or (B) enter into an agreement with any other such club, league, or assocation for the proposal, adoption, or enforcement by any such club, league, or association, of a rule with respect to the conduct and operation of all baseball clubs which are members of such league or of all leagues which are members of such association, in the following terms:

"(1) Each club may broadcast or telecast its games (both home and away from home) from a station located within its 'home territory'.

"(2) No club shall consent to or authorize a broadcast or telecast (including rebroadcast or network broadcast) of any of its games to be made from a station outside of its 'home territory' and within the 'home territory' of any other baseball club, major or minor, without the consent of such other baseball club.

"The words 'home territory' shall mean and include, with respect to any baseball club, the territory included within the circumference of a circle having a radius of fifty (50) miles, with its center at the baseball park of such baseball club."

(b) for any baseball league composed of major league clubs or any association composed of such major baseball leagues to enter into any agreement with any baseball league composed of minor league clubs or any association composed of such minor baseball leagues for the proposal, adoption, or enforcement of a rule in the terms set forth in subsection (a) of this section.

The amendments were agreed to.

Mr. JOHNSON of Colorado. Mr. President, I have an amendment at the desk, in the nature of a clarifying amendment, which I desire to call up.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, line 21, after the word "equipment," it is proposed, strike out the period and insert a comma and the words "but does not include any broadcast, rebroadcast, network broadcast or re-creation of any baseball game on any sustaining program."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON].

Mr. KNOWLAND. Mr. President, I suggest that after this amendment is agreed to, it be included in the bill, so that it would be subject to amendment along with the committee amendments.

Mr. JOHNSON of Colorado. That is agreeable.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado.

The amendment was agreed to.

Mr. JOHNSON of Colorado. I offer a second amendment, on the same page.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, after line 21, it is proposed to insert:

(i) the term "sustaining program" means any program which is neither paid for directly or indirectly, to the licensee by any sponsor nor interrupted by any spot announcement; and

(j) the term "spot announcement" includes any announcement made for remuneration and any other announcement except (1) a station identification announcement of the call letters, location, identification of the licensee, and network affiliation of such station, (2) an announcement devoted exclusively to a noncommercial and nonprofit cause or activity, or (3) a promotional announcement of a sustaining program.

The amendment was agreed to.

The PRESIDING OFFICER. The bill will be reprinted as amended and returned to the calendar.

AMENDMENT OF NATIONAL HOUSING AND LAWS RELATING TO HOUSING

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Senate bill 2103, Calendar No. 457, which is the housing bill, with a June 30 expiration date.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2103) to amend the National Housing Act and other laws relating to housing.

The PRESIDING OFFICER. Is there objection to the consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2103) to amend the National Housing Act and other laws relating to housing, which had been reported from the Committee on Banking and Currency with an amendment, to strike out all after the enacting clause and insert:

That this act may be cited as the "Housing Amendments of 1953."

SEC. 2. Section 8 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $5,700, and not to exceed 95 percent of the appraised value, as of the date the mortgage is accepted for insurance, of a property upon which there is located a dwelling designed principally for a single-family residence, and which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition in cash or its equivalent, or shall be the builder constructing the dwelling, in which case the principal obligation shall not exceed 85 percent of the appraised value of the property or $5,100: *Provided further*, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas: *And provided further*, That, where the mortgagor is the owner and occupant of the property and establishes (to the satisfaction of the Commissioner) that his home, which he occupied as an owner or as a tenant, was destroyed or damaged to such an extent that reconstruction is required as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe, which the President, pursuant to section 2 (a) of the act entitled 'An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes' (Public Law 875, 81st Cong., approved September 30, 1950), has determined to be a major disaster, such maximum dollar limitation may be increased by the Commissioner from $5,700 to $7,000, and the percentage limitation may be increased by the Commissioner from 95 percent to 100 percent of the appraised value;".

SEC. 3. Section 203 of said act, as amended, is hereby amended by adding the following new subsection at the end thereof:

"(g) Notwithstanding any other provisions of this section, a mortgage otherwise eligible for insurance hereunder and covering property upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction, may have such higher ratio of loan to value and such longer maturity than otherwise provided as the President may determine to be in the public interest, taking into account the general effect of such higher ratio or longer maturity, as the case may be, upon conditions in the building industry and upon the national economy: *Provided*, That the principal obligation of any such mortgage shall not exceed $12,000 and the maturity thereof shall not exceed 30 years: *And provided further*, That with respect to any such mortgage the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition in cash or its equivalent."

SEC. 4. Section 205 (c) of the National Housing Act, as amended, is hereby amended to read as follows:

"(c) The Commissioner shall, except as to group accounts terminated as of a date prior to July 1, 1953 transfer from each of the several group accounts to the general reinsurance account, beginning as of July 1, 1953, and as of the beginning of each semiannual period thereafter, an amount which, in the case of the initial transfer, shall equal 10 percent of the total premium charges theretofore credited to such group accounts, and, in the case of subsequent transfers, shall equal the amount of any adjusted premium charges collected by the Commissioner in connection with the payment in full of insured mortgages prior to maturity on or after July 1, 1953, and an amount which shall in no event be less than 10 percent nor more than 35 percent of all other premium charges credited to such group accounts during the preceding semiannual period. The Commissioner shall terminate the insurance as to any group of mortgages (1) when he shall determine that the amounts to be distributed, as hereinafter set forth, to each mortgagee under an outstanding mortgage assigned to such group are sufficient to pay off the unpaid principal of each such mortgage, or (2) when all the outstanding mortgages in any group have been paid. In addition to the amounts transferred as herein provided, the Commissioner shall, upon such termination, charge to the group account the estimated losses arising from transactions relating to that group, and shall distribute to the mortgagees for the benefit and account of the mortgagors of the mortgages assigned to such group the balance remaining in such group account, less any amount by which such balance exceeds the aggregate scheduled annual premiums of such mortgagors to the year of termination of the insurance: *Provided*, That any undistributed balance in the group account at termination shall be transferred to the general reinsurance account. And such distribution to mortgagees shall be made equitably and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any distribution to a mortgagor or for the account of a mortgagor under any provision of this section exceed his aggregate scheduled annual premiums to the year of termination of the insurance."

SEC. 5. (a) Section 207 (c) of said act, as amended, is hereby amended—

(1) by striking out of paragraph No. (2), "the sum of (i) 90 percent of that portion of the estimated value of the property or project attributable to dwelling use (when the proposed improvements are completed) which does not exceed $7,000 per family unit and (ii) 60 percent of such estimated value in excess of $7,000 and not in excess of $10,000 per family unit and (iii) 90 percent of the estimated value of such part of such property or project as may be attributable to nondwelling use" and inserting "80 percent of the estimated value of the property or project (when the proposed improvements are completed)";

(2) by amending paragraph No. (3) to read as follows:

"(3) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,000 per room (or $7,200 per family unit if the number of rooms in such property or project does not equal or exceed four per family unit) and not in excess of $10,000 per family unit."; and

(3) by inserting after paragraph No. (3) the following new paragraph:

"Notwithstanding any of the limitations contained in paragraphs No. (2) and (3) of this subsection (c), if the number of bedrooms in such property or project is equal to or exceeds two per family unit, and the principal obligation of the mortgage does not exceed $7,200 per family unit for such part of such property as may be attributable to dwelling use, the mortgage may involve a principal obligation not in excess of 90 percent of the estimated value of the property or project (when the proposed improvements are completed)."

(b) Section 207 (i) of the National Housing Act, as amended, is hereby amended by striking out of the second sentence thereof the word "twenty" and inserting in lieu thereof the word "fifteen."

SEC. 6. Section 217 of the National Housing Act, as amended, is hereby amended by striking out of the second proviso "$1,900,000,000" and inserting "$3,400,000,000."

SEC. 7. Title II of said act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 219. Notwithstanding limitations contained in any other sections of this act as to the use of moneys credited to the title I housing insurance fund, the housing insurance fund, the war housing insurance fund, the housing investment insurance fund, the military housing insurance fund, or the defense housing insurance fund, the Commissioner is hereby authorized to transfer funds from any one or more of such insurance funds to any other such fund in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such funds, separately and jointly, to carry out effectively the insurance programs for which such funds were established."

SEC. 8. Title V of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 516. The following funds shall be deemed an indebtedness to the United States of the particular insurance fund involved, and the Commissioner is authorized and directed to pay the amount of such indebtedness to the Secretary of the Treasury, with simple interest thereon from the date the funds were advanced to the date of final payment at a rate determined by the Secretary of the Treasury, taking into consideration the average rate on outstanding marketable obligations of the United States from the date the funds were advanced until the date of final payment—

"(1) funds made available to the Commissioner pursuant to the provisions of sections 4 and 202, exclusive of amounts heretofore refunded, (a) for carrying out title II with respect to mortgages insured under section 203 where such funds were credited to the general reinsurance account in the mutual mortgage insurance fund, and (b) for the payment of salaries and expenses with respect to mortgage insurance under sections 207 and 210 where such funds were credited to the housing insurance fund;

"(2) funds made available to the Commissioner pursuant to sections 602 and 802; and

"(3) funds made available to the Commissioner by the Secretary of the Treasury pursuant to section 710.

"Payments to the Secretary of the Treasury under this section shall be made in such amounts and at such times as the Commissioner determines, after consultation with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the funds involved. All payments made pursuant to this section shall be covered into the Treasury as miscellaneous receipts."

SEC. 9. Section 803 (a) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954."

SEC. 10. Subparagraph (E) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended—

(1) by striking "unpaid principal balance thereof" and inserting "principal amount to be paid therefor";

(2) by striking "aggregate amount" and inserting "aggregate principal amount"; and

(3) by striking everything after the colon and inserting: "*Provided*, That the foregoing clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G): *Provided further*, That, in lieu of or in conjunction with the other requirements with respect to mortgages covered by the aforesaid clause (2), and also with respect to any defense or disaster mortgages as defined in subparagraph (G), the association may (in the discretion of its Board of Directors, and notwithstanding the provisions of subparagraph (G) issue a purchase contract (which shall not be assignable or transferable except with the consent of the Association) in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder thereof to sell to the Association mortgages in the amount of the contract, upon such terms and conditions as the Association may prescribe: *And provided further*, That the authority of the Association to issue purchase contracts hereunder shall expire July 1, 1954; and."

SEC. 11. (a) The first sentence of subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954."

(b) The first sentence of section 302 of the National Housing Act, as amended, is hereby amended by changing the colon to a period, and by deleting the proviso.

SEC. 12. Public Law 243, 82d Congress, is hereby amended by striking "1051" and inserting "1953."

SEC. 13. Section 101 (a) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking ", III, or IV" and inserting "or III".

SEC. 14. Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking out "1953" in the first place where it appears in said section and inserting "1954"; by striking out clause (c) thereof; and by relettering clause (d) thereof as clause (c).

SEC. 15. Section 305 (c) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking "June 30, 1953" and inserting "June 30, 1954."

SEC. 16. Title IV of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby repealed.

SEC. 17. Section 717 (c) of the Defense Production Act of 1950, as amended, is hereby amended by inserting the following new paragraph at the end thereof:

"Notwithstanding any other provision of this act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into pursuant to, or under the authority of, section 602 or section 605 of this act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense-housing area pursuant to law."

SEC. 18. (a) The Home Owners' Loan Corporation created pursuant to section 4 of the Home Owners' Loan Act of 1933, as amended (referred to in this section as the "Corporation"), shall cease to exist and shall for all purposes be considered dissolved and abolished, except as otherwise provided in this section, 180 days after the date the Home Loan Bank Board publishes in the Federal Register a notice to that effect, which shall also contain information as to the time for, and manner of, filing claims against the Corporation. The period of time prescribed for the filing of such claims shall be the 90 days immediately following the date of publication of the notice, and all creditors and claimants who have not presented their claims or demands within that period shall be forever barred from presenting or prosecuting the same, and any creditor or claimant who has not instituted suit within 60 days from the date his claim or demand is rejected by the Corporation shall be forever barred.

(b) With respect to any action, suit, or other legal proceeding commenced against the Corporation prior to the date of its dissolution, the Corporation shall continue a body corporate for the purpose of defending such suit and for no other purpose, and service of subpena or other process in such proceeding may be made upon the Corporation by serving the same on the Secretary to the Home Loan Bank Board.

(c) Effective as of the date of the dissolution of the Corporation, (1) the title to any and all real property remaining in the Corporation on such date is transferred to the United States of America, (2) authority is given to the Home Loan Bank Board to sell and convey such property in the name of the United States of America for such cash consideration as such Board shall deem reasonable, and (3) all powers of the Corporation with respect to the execution of any instruments or documents affecting title to real estate or with respect to authorizing satisfactions of judgments are transferred to such Board. Any such instruments or documents executed by the Secretary or an Assistant Secretary to such Board on behalf of the Board shall be as effective as if the same had been executed by the Corporation prior to its dissolution. Subject to the approval of the Director of the Bureau of the Budget, such Board may transfer to any other department or agency of the United States, with the consent of such department or agency, all the powers and functions vested in such Board by this subsection (c). All liens held by the Corporation upon real or personal property on account of judgments rendered in its favor, except judgments for mortgage debts which have been assigned by the Corporation, and all claims now held by the Corporation arising out of its mortgage or real-estate operations, whether for rent or otherwise, are hereby released and discharged in full.

(d) The authority to appropriate for any functions relating to the Corporation may continue to be exercised after its dissolution for the purpose of making appropriations to any department or agency carrying out the provisions of this section.

SEC. 19. Subsection (e) of section 106 of the Housing Act of 1949 (42 U. S. C. 1456 (e)), is amended by inserting before the period at the end thereof a colon and the following: "Provided, That the Administrator, without regard to such limitation, may enter into contracts for capital grants aggregating not to exceed $35 million (subject to the total authorization provided in section 103 (b) of this title) with local public agencies in States where more than two-thirds of the maximum capital grants permitted in the respective State under this subsection has been obligated."

SEC. 20. The Servicemen's Readjustment Act of 1944, as amended, is hereby amended—

(1) by striking out of clause (C) of section 512 (b) "June 30, 1953" and inserting in lieu thereof "June 30, 1954";

(2) by striking out of section 512 (d) "to any private lending institution evidencing ability to service loans" and inserting in lieu thereof "to any person or entity approved for such purpose by the Administrator";

(3) by striking out of the first sentence of section 513 (a) "June 30, 1953" and inserting in lieu thereof "June 30, 1954";

(4) by striking out of the third sentence of section 513 (c) "June 30, 1954" and inserting in lieu thereof "June 30, 1955";

(5) by striking out of the first sentence of section 513 (d) "June 30, 1953" and inserting in lieu thereof "June 30, 1954"; and

(6) by striking out of section 513 (d) in each place where it appears therein the sum "$25,000,000" and inserting in lieu thereof the sum "$50,000,000."

SEC. 21. (a) The first sentence of paragraph (g) of section 110 of the Housing Act of 1949, as amended, is hereby amended to read as follows: "'Going Federal rate' means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month perid (beginning with the 6-month period ending December 31, 1953) during which the contract for loan or advance is made, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the 1st day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent."

(b) The third sentence of section 401 (a) of the Housing Act of 1950, as amended, is hereby amended to read as follows: "A loan to an educational institution may be in an amount not exceeding the total development cost of the housing, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding 40 years, as may be determined by him; and, with respect to loan contracts entered into after the first minimum annual rate has been specified as provided herein, shall bear interest at a rate determined by the Administrator which shall be not less than the minimum annual rate which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for the loan is made: *Provided*, That such minimum annual rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent.".

(c) Section 2, paragraph 10, of the United States Housing Act of 1937, as amended, is hereby amended by inserting the following after the words "*Provided*, That": ", with

respect to any loans or annual contributions made pursuant to a contract approved by the President after the first annual rate has been specified as provided in this proviso, the term 'going Federal rate' means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract is approved by the President, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the 1st day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent: *And provided further*, That."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the committee report on this bill may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report (No. 455) was ordered to be printed in the RECORD, as follows:

The Committee on Banking and Currency to whom was referred the bill (S. 2103) having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

INTRODUCTION

An opportunity for every American to enjoy a decent home is a goal toward which much progress has been made. It is essential that this progress not be interrupted but accelerated. Not only is better housing a requisite for an improved standard of living in America; it is a basic factor in our ability to maintain a healthy and expanding economy.

Your committee's work and recommendations in the development of the Federal housing program since the end of World War II has contributed much toward the progress already achieved. There are many problems still to be solved and a tremendous job still lies ahead. It is not possible at this moment, however, for your committee to make any major recommendations with respect to them. Your committee is therefore limiting its recommendations at this time to those amendments to the housing acts which are urgently needed and which will aid and facilitate the maintenance of a high level of residential construction.

The Housing Administrator has informed your committee that he has undertaken a comprehensive review of all Federal housing laws and programs and that he will present to the Congress, during the early part of the second session, his recommendations with respect to improving and making more effective the large body of housing legislation which has gradually come into being over a period of many years.

The bill to which your committee now unanimously recommends is limited to amendments continuing those programs which are expiring because of time limitation or insufficient authorization, to noncontroversial amendments to the National Housing Act intended to strengthen the FHA insurance funds, to repayment of moneys to the Treasury, to amendments designed to help stabilize the current difficult mortgage situation and continue the orderly production of needed housing for both our veterans and nonveterans.

BRIEF SUMMARY OF BILL

Section 1: Title.

Section 2: Amends title I, section 8 insurance provisions (low-cost sale housing that is not required to meet regular FHA neighborhood, completion, etc., requirements) by raising the existing mortgage ceilings from $4,750 to $5,700. Mortgages are insured at 95 percent of the value and this should encourage the construction of houses priced at $6,000 or less, requiring a downpayment of $300 or less. The present mortgage ceiling is too low in terms of existing cost, and not much housing has been built under the program.

Section 3: Authorizes the President to change existing downpayment requirements on FHA single-family sale housing where the mortgage amount does not exceed $12,000 to not less than 5 percent of the value. He also is authorized to change the maturity on such loans not to exceed 30 years. The President would only order such changes after he took into account the effect such changes would have on the conditions in the building industry and upon the national economy.

Section 4: Amends and strengthens the mutual mortgage insurance fund by authorizing a transfer to the general reinsurance fund of up to 35 percent rather than 10 percent, as now provided, of the premiums collected by individual group accounts, by requiring a semiannual transfer rather than transfer at maturity, as now provided, of premiums from individual accounts to the reinsurance account, and by providing for a transfer of all prepayment premiums rather than 10 percent, as now provided. It also would limit the dividends paid to mortgagors to the amount of paid-in premiums.

Section 5 (a): Amends section 207 (multifamily rental housing) so as to encourage the construction of more low rent and moderately priced rental housing with larger sized units. It authorizes a 90-percent loan on units not exceeding $8,000 in value, provided the number of bedrooms equal or exceed 2. It also permits a maximum mortgage loan of $2,000 per room (up to $10,000) not exceeding 80 percent in value, providing the number of rooms equal or exceed 4.

Section 5 (b): Decreases the maximum term of the FHA debentures on section 207 mortgages from 20 years to 15 years. It is intended to make the loans more attractive to the investor.

Section 6: Increases the FHA insurance authorization by $1.5 billion.

Section 7: Authorizes the FHA Commissioner to transfer money from any FHA insurance fund to any other such fund except moneys in the title I fund and the title II mutual mortgage insurance fund.

Section 8: Authorizes the FHA to repay the Treasury all moneys advanced to start the FHA insurance program. It is estimated at $57 million.

Section 9: Extends FHA military housing insurance title for 1 year until July 1, 1954.

Section 10: Authorizes the FNMA to put into effect a "1-for-1" sale and purchase program. It will assist the FNMA program to revolve its available authorization and at the same time facilitate mortgage financing.

Section 11 (a): Extends FNMA advance commitment authority for 1 year (July 1, 1954) for programed defense, military, and disaster housing.

Section 11 (b): Frees that portion of the advance commitment funds now limited for defense, military, and disaster housing which will not be needed, and makes it available for over-the-counter purchases of other VA and FHA mortgages when FHA and VA resumes its over-the-counter purchase program which was suspended in April of this year. It is estimated the amount that can be made available is $200 million.

Section 12: Makes approximately $17½ million unused FNMA advance commitment authority under Public Law 243, 82d Congress, available for the purchase of additional FHA-insured cooperative housing mortgages, if a commitment to insure or a statement of eligibility for insurance has been issued prior to June 29, 1953. Not more than $3½ million is available for such commitments in any one State.

Section 13 through section 15: Extends title III community facilities aid, public defense housing aid and title IX, FHA defense housing in critical defense areas for 1 year until June 30, 1954. Permits prefabricated housing loan authority under title V to expire on June 30, 1953.

Section 16: Repeals title IV, aid for acquiring sites in isolated areas.

Section 17: Technical-savings provision to retain obligations of builders to hold defense housing for defense workers at rentals and sales prices agreed upon. This is deemed necessary because of the termination of credit-control provisions of Defense Production Act.

Section 18: Dissolves Home Owners' Loan Corporation.

Section 19: Amends section 106 (e) of the Housing Act of 1949 which limits the amount of Federal grants for slum clearance in any one State to 10 percent of the $500 million capital-grant authorization. The amendment would make available $35 million (out of the present authorized $500 million) for contracts for capital grants which could be entered into without regard to the 10-percent limitation. However, the bill would also provide that no State would be eligible for any share of this $35 million unless contracts have been entered into with local public agencies in that State which call for capital grants exceeding two-thirds of the amount which the law presently permits for that State.

Section 20: Extends the veterans' direct-loan program for 1 year, until June 30, 1954, and authorizes an additional $50 million per calendar quarter to the revolving fund. It also authorizes the sale by VA of any mortgages in its direct-loan portfolio to any person or entity, such as a pension or trust fund approved for such purpose by the Veterans' Administrator.

Section 21: Provides for payment of higher interest rates to the Treasury on money advanced by it for title I slum clearance, college housing, and public housing. The law now ties these interest rates to the interest rates paid by the Government on its long-term obligations. This was intended to compensate the Government for the payment of interest on these obligations which it must issue to get the money to furnish to these programs. However, this does not fully compensate the Government because bonds are selling at less than par. The real cost to the Treasury must take into account the annual yield of United States bonds. Section 21 would remedy this situation regarding the interest rates on these three programs by tying them to annual yield of long-term Government obligations.

GENERAL STATEMENT

I. Federal Housing Administration amendments

A. FHA Mortgage Terms

Several of the provisions in the bill affect FHA mortgage terms. One of them would change the basic maximum mortgage amount under the FHA section 8 program which provides mortgage insurance for low-cost homes in outlying and suburban areas. The present maximum mortgage where the mortgagor is the owner-occupant is $4,750, not exceeding 95 percent of value. This would be changed by the bill to $5,700, not exceeding 95 percent of value. Thus, under the bill, the favorable section 8 terms (which may include a 30-year maturity) would be available to houses valued up to $6,000, instead of $5,000. An equivalent change (from $4,250 and 85 percent of value to $5,100 and 85 percent of value) would be made where

the builder is the mortgagor. It is your committee's intention in making this upward adjustment in the mortgage ceiling that the construction of sound and satisfactory housing at prices which people in the income bracket of approximately $3,500 a year and less can afford should be encouraged in places where the application of the regular FHA property requirements in themselves are not likely to be detrimental to their long-term value. In many rural and outlying areas in the United States it is your committee's judgment such low-priced housing will provide much more adequate housing than is now available in these areas.

Another provision which affects FHA mortgage terms concerns section 203 of the National Housing Act. That section now provides for mortgage insurance on new and existing 1- to 4-family homes. In the case of single-family new homes where the mortgagor is the owner-occupant, mortgage terms are now permitted as follows:

1. Thirty-year maturities and 95 percent of value are permitted where the mortgage amount is $6,650 or under for a 1- or 2-bedroom house, $7,600 for a 3-bedroom house, and $8,550 for a 4-bedroom house. These mortgage amounts are available where a 2-, 3-, or 4-bedroom house is valued, respectively, at $7,000, $8,000, or $9,000.

2. Twenty-five-year maturities and 95 percent of the first $7,000 of value, plus 70 percent of the next $4,000 of value, are other available terms, thus permitting a maximum mortgage of $9,450 for an $11,000 house.

3. Twenty-five-year maturities and an 80-percent loan-value ratio are available in all other cases, with the maximum mortgage amount being $16,000 (80 percent of the value of a $20,000 house).

Your committee received testimony and many communications urging that maximum mortgage ceilings be increased and downpayments on FHA-insured housing selling at prices up to $25,000 be reduced. Your committee felt that such a proposal should be given much more careful and extensive consideration than was possible at this time. It was the kind of a proposal which the Housing Administrator, in the study he is undertaking referred to above, will undoubtedly thoroughly explore. Your committee did feel, however, there was considerable merit in giving the President discretionary authority to lower downpayments or lengthen maturities in the event he determined it to be in the public interest, taking into account the general effect of such action upon conditions in the building industry and upon the national economy. Your committee, cognizant as it is of the rapid changes that can occur in the building industry, particularly, and in the general economy, and recognizing that no further action on this subject would probably be taken for another 9 months at least, felt that it was justified in authorizing limited discretion on the part of the President to lower downpayments to not less than 5 percent on housing selling in the middle-income class. Accordingly the bill amends section 203 by authorizing the President to allow more liberal loan-to-value ratios and longer maturities for single-family new homes where the mortgagor is the owner-occupant.

While the volume of sale housing, in your committee's judgment, has been satisfactory over the past few years, it is not satisfied that the volume of moderate and lower priced rental housing is at all sufficient to meet the demand. In fact, your committee feels that the problem of providing moderate and lower priced rental housing, particularly in urban areas, is one of our most pressing problems in the field of housing. Your committee, concerned as it is over this problem, and realizing that this problem as much as any other should receive the most intensive consideration by the Housing Administrator in his study, felt that it, at this time, could encourage some moderate and lower priced rental housing by liberalizing the provisions of section 207. By taking into account the changes in the cost of construction and by providing more liberal terms for the construction of two-bedroom units, your committee is hopeful that it will encourage a greater volume of the most needed type of rental accommodations. It is also your committee's desire that the building industry and the Federal agencies concerned will do their utmost in providing more and better rental housing for those in the minority groups in our population where the problem is particularly acute.

The bill thus provides that the maximum mortgage amount under that section shall be $2,000 per room (up to $10,000) not exceeding 80 percent of value. Since dollar limit would be $7,200 per family unit if the number of rooms in the project does not equal or exceed 4 per family unit. However, if the number of bedrooms in the project is equal to or exceeds 2 per family unit and the mortgage does not exceed $7,200 per family unit, the mortgage may be in an amount not exceeding 90 percent of value. This new formula is in place of the existing limitation of $8,100 per family unit (or $7,200 if the number of rooms is less than 4 per family unit) and 90 percent of the value of the property up to $7,000 and 60 percent of the value over $7,000 up to $10,000.

B. FHA Mutual Mortgage Insurance Fund

Title II of the National Housing Act provides the basic authority for the regular, permanent mortgage insurance programs of the Federal Housing Administration. One- to four-family home mortgages insured under section 203 of this title are administered in connection with the mutual mortgage insurance fund, the first of the mortgage insurance funds created by the National Housing Act, as enacted in 1934.

The fund consists of separate group accounts, and of the general reinsurance account. Depending upon the underwriting ratings and the maturities of the insurance contracts, mortgages which are endorsed for insurance under section 203 in any calendar year are assigned to 1 of 10 possible group accounts which are established at the beginning of each calendar year. Each group account is credited with the fee and premium income from the mortgage assigned to it, and is charged with the expenses and insurance losses incurred on account of those mortgages.

The general reinsurance account is a secondary reserve to the individual group accounts, providing basic support for the insurance system and furnishing to the Federal Government its major protection against financial loss. Its purpose is to cover any deficits in individual group accounts whose resources are insufficient to meet their own expenses and insurance losses at the maturity of the accounts. The general reinsurance account derives its resources from the individual group accounts. Under the present law 10 percent of the premiums collected by a group account must be earmarked for transfer to the general reinsurance account at the maturity of the group account.

The fund is mutual in the sense that mortgagors whose mortgages are assigned to a particular group account participate in a distributive share of the funds of that group account. Participating shares are payable to mortgagors when a group account is terminated. Insurance for any group account is terminated when (1) the available amounts in the group account are sufficient to pay off the remaining unpaid principal and interest of each mortgage assigned to such group account or (2) when all outstanding mortgages in the group have been paid. Upon such termination, (a) the estimated losses arising from transactions relating to the particular group are charged to that account, (b) an amount equal to 10 percent of the total premium charges theretofore credited to such group account is transferred to the general reinsurance account, and (c) the balance is paid out to the mortgagees for the benefit and account of the mortgagors.

When the mutual mortgage insurance fund first was established almost 18 years ago, the FHA system of mortgage insurance was entirely new. Your committee believes, pending the study of the basic theory and operation of the mutual fund discussed below, the resources of the fund should immediately be strengthened, and its operations improved in the several ways provided in this bill. The bill makes these improvements by providing statutory authority for increasing the resources of the general reinsurance account and by providing a better basis for the distribution of participating shares to mortgagors through the following changes:

First. The Federal Housing Commissioner is authorized to establish a rate for the transfer to the general reinsurance account of not less than 10 percent nor more than 35 percent of the premiums collected hereafter by an individual group account. The section now provides for 10 percent to be so transferred at the maturity of the group account. If the general reinsurance account is to accumulate sufficient resources to cover future possible deficits among individual group accounts, the rate for the transfer of premiums should, within limits, be flexible. With such flexibility, the Commissioner would have the authority to raise the present 10-percent transfer rate in order to increase the resources of the general reinsurance account.

Second. The Commissioner is required to transfer that portion of future premiums which is earmarked for the general reinsurance account semiannually after their receipt. With respect to past premiums, the amendment provides for a transfer, as of July 1, 1953, of 10 percent of the premiums theretofore credited to the group accounts. The law now provides for the transfer to take place at the maturity of the group account. The proposed earlier periodic transfers of premiums would serve to increase the resources of the general reinsurance account not only by making these premiums available sooner but also by crediting to the reinsurance account, rather than to the group accounts, the income from their investment. The average mortgage insured under section 203 has a maturity in excess of 20 years. Thus, under the present law, there is a delay of many years before funds earmarked for the general reinsurance account are actually made available to it.

Third. The Commissioner is required to transfer to the general reinsurance account all premium charges which are collected on account of the prepayment of mortgages, instead of 10 percent of such charges as is now provided. At present, the balance of these prepayment charges is retained in the individual group account and has become available for distribution to terminating mortgagors as part of their participating shares. Thus, prepayment charges paid by mortgagors terminating earlier are in part distributed, more or less as a "windfall," to mortgagors terminating later. This factor, together with the fact that all income derived from the investment of fees and premiums is now credited to the group accounts, is largely responsible for the participating shares distributed to terminating mortgagors being often substantially in excess of the total insurance premiums paid by them. By transferring all the prepayment charges to the general reinsurance account, these inequities would be eliminated. The proposed transfer of the prepayment fees to the general reinsurance account would make them available for the benefit of the entire home mortgage insurance system under section 203 of the National Housing Act.

Fourth. The Commissioner is required under the provisions of the pending bill to limit the shares distributed to mortgagors so that they would never, under any circum-

stances, exceed the sum of the premiums paid by them. Any amounts in excess of this proposed statutory limit would be transferred to the general reinsurance account at the maturity of the individual group account.

Your committee wishes to emphasize that it feels it is urgently necessary to strengthen the section 203 mortgage insurance fund immediately. The changes which are made by this bill will improve the mechanics for husbanding the fund's resources and will furnish additional protection to the Federal Government against financial loss. Accordingly, your committee is convinced that the changes made by the bill as reported represent minimum changes which must be made now. It has reservations as to the desirability of continuing the mutuality feature of the section 203 mortgage insurance fund and is of the further opinion that the continuation of the present system of maintaining individual groups accounts should be terminated. Your committee has been assured that the agency, during the period prior to the convening of the next session of the Congress, will examine thoroughly into both of these questions and will be prepared to make the results of such study and its recommendations available to your committee for our further examination into these questions.

C. Increases in General Mortgage Insurance Authorization

The bill provides for an increase of $1½ billion in the FHA's general insurance authorization for allocation, from time to time, by the President as needed for operations of the several FHA mortgage insurance programs. Your committee has been informed that this increase will be ample to provide for uninterrupted FHA mortgage insurance operations until about April of next year. This would permit sufficient time for the Congress to again consider the authorization during the second session.

D. Repayment of Treasury Investments in FHA

The initial capital required to establish some of the FHA mortgage insurance funds was furnished by the Treasury, as also were some of the funds required, during the early years, for administrative expenses. The bill establishes this as a debt of the FHA, to be repaid to the Treasury with simple interest thereon at the rate determined by the Secretary of the Treasury, as rapidly as this can be done without impairing the solvency of the several insurance funds involved. The principal sum to be thus repaid to the Treasury amounts to about $57 million.

E. Flexibility in Use of FHA Insurance Funds

The bill authorizes the Federal Housing Commissioner to transfer moneys among the various FHA insurance funds, except the title I fund which serves the repair and improvement loan insurance program, and the title II mutual mortgage insurance fund. This authority would expedite the repayment to the Treasury of moneys held by some of the insurance funds (see D, above). It would also permit temporary transfers from one fund with a strong cash position to provide moneys to pay maturing debentures payable from another fund temporarily short of cash.

F. Extension of Maybank-Wherry Act Military Housing Insurance

The bill extends for 1 year, until June 30, 1954, the special authority of the FHA to insure mortgages on privately financed housing for military and civilian personnel assigned to duty at military installations. This mortgage-insurance program may, under the law, involve a somewhat higher risk than the regular FHA rental housing mortgage insurance program. However, the title VIII housing serves military installations which are certified by the Secretary of Defense as deemed to be a permanent part of the Military Establishment. This title also permits the FHA to insure mortgages on privately financed housing at installations of the Atomic Energy Commission.

G. FHA Section 207 Debentures

Where there is a default on a rental-housing mortgage insured by the FHA under section 207 of the National Housing Act (the regular FHA mortgage-insurance program for rental housing), the insurance claim is paid by the issuance to the mortgagee of FHA's debentures, which are guaranteed as to principal and interest by the United States. These debentures bear an interest rate which is determined when the mortgage is insured, but which cannot exceed 3 percent annually. Under the present provisions of the law, these debentures mature 20 years from the date of their issuance. This period of time is available to the FHA for the purpose of continuing to build up reserves and for the orderly liquidation of real property acquired by it as a result of mortgage defaults. However, testimony was presented to your committee to the effect that the 20-year maturity is excessive and that this tends to deter lending institutions from making rental-housing loans. In order to encourage the construction of needed rental housing, the bill reduces the term of these FHA debentures from 20 years to 15 years.

H. Study of Proposals Not Covered in Bill

As explained in the introduction to this report, a comprehensive review of all Federal housing laws and programs with recommendations for legislation will be presented by the Housing Administrator to the Congress early next year, and this bill is accordingly limited to urgently needed housing amendments. It is the desire of your committee that this comprehensive review include a thorough study of two proposals relating to FHA operations, in addition to other subjects previously discussed. The first proposal is that a builder's warranty be required on the construction of all sales housing built with the assistance of FHA-insured or VA-guaranteed mortgages. Proposals on this matter have been made from time to time to the Congress but no specific legislation has been recommended by the executive branch and no final action has been taken by the Congress on the problem. At the same time, investigations by committees of the Congress have revealed the need for additional steps to prevent cases of shoddy construction under the VA and FHA programs. Although these cases have been relatively few in relation to the programs as a whole, they have nevertheless been substantial in number and have caused great harm to many veterans and other home purchasers.

Your committee believes that serious study should also be given to the scope of FHA operations with respect to sales housing. A proposal in this regard made to the committee by one of its members would have amended S. 2103 to limit all FHA mortgage insurance on sales housing to homes selling for $15,000 or less as a means of restricting such insurance to homes which can be purchased by families of low or moderate incomes. Your committee believes that careful consideration should be given to this specific proposal.

II. Federal National Mortgage Association

The bill provides the necessary authority for the Federal National Mortgage Association to put into effect the so-called 1-for-1 plan, which has been under discussion among representatives of the homebuilding and financing industry for more than a year. Under this authority the Board of Directors of FNMA could issue purchase contracts to institutions which bought mortgages from FNMA. Such purchase contracts would authorize the holder to sell to FNMA, within 1 year's time, an amount of eligible mortgages not exceeding the amount of those which were purchased. Your committee believes that the plan should be tried because it might afford a means of revolving FNMA's available authorization. The authority to issue the purchase contracts would expire July 1, 1954.

The bill also extends the FNMA's advance commitment authority for 1 year (to July 1, 1954) in the case of programed defense housing, disaster housing, and Maybank-Wherry Act military housing.

The Housing Act of 1952 increased the total FNMA authorization by $900 million and limited that additional authorization to defense, military and disaster mortgages. A portion of that additional authorization probably will not be needed for such mortgages. The bill would therefore free this portion (now estimated at $200 million) for over-the-counter purchases of other VA and FHA mortgages when FNMA resumes its over-the-counter purchase program which was suspended in April of this year. The total FNMA authorization is not increased by this change. The actual amount which could thus be freed would be determined by the Board of Directors of FNMA in the light of estimated requirements for advance commitments for defense, military and disaster housing. Since FNMA now has about $180 million available for over-the-counter purchases, this change in the present law could make it possible for FNMA to have a total of about $400 million available for over-the-counter purchases.

Public Law 243, 82d Congress, authorized the Federal National Mortgage Association to enter into advance commitments to purchase FHA section 213 mortgages financing cooperative housing with respect to which the Federal Housing Commissioner had issued, prior to June 29, 1951, a commitment to insure or a statement of eligibility for insurance. Section 12 of this bill amends Public Law 243 to change the deadline date for making section 213 mortgages eligible for advance commitments from "June 29, 1951" to "June 29, 1953." This will make additional FHA section 213 cooperative housing mortgages, with respect to which the FHA has issued a commitment to insure or a statement of eligibility for insurance, eligible for advance commitments to purchase by the Federal National Mortgage Association.

The amount of advance purchase commitments which the Federal National Mortgage Association was authorized to make under Public Law 243 for section 213 mortgages is limited to $30 million outstanding at any one time. The law further provides that not more than $3½ million of this authorization is available for such commitments in any one State. Approximately $17½ million of the authorization under Public Law 243 is unused and would be available for the additional cooperative housing mortgages made eligible by this section of the bill.

This amendment with respect to cooperative housing is recommended by your committee in recognition of the need for encouraging this means of obtaining moderate cost housing and in recognition of the special problems which arise in obtaining financing for this form of housing. Cooperative housing insured under section 213 generally provides lower monthly housing costs than the usual types of rental housing. Your committee also believes that the FNMA, in issuing commitments for cooperative housing, should take into consideration the need for low- or moderate-cost housing and should also give a preference in processing to minority housing, a field where the backlog of need is greatest.

III. Defense housing and community facilities

For the purpose of permitting the orderly completion of the defense housing and community facilities program which was authorized in September 1951, the bill extends for 1 year, until June 30, 1954, the authority, which is limited to critical defense

areas, for FHA title IX mortgage insurance for private defense housing; for a limited amount of public defense housing; and for aid in providing community facilities which are needed because of a defense impact on the local community.

IV. Veterans' Administration direct home loan program

The bill amends title III of the Servicemen's Readjustment Act of 1944 to extend for 1 year, to June 30, 1954, the Veterans' Administration's program of direct home loans to veterans. The revolving fund for that program would be increased by an additional $200 million, to be made available at the maximum rate of $50 million per calendar year.

The Servicemen's Readjustment Act of 1944 now authorizes the VA to sell mortgage loans from its direct loan portfolio to any private lending institution evidencing ability to service loans. The bill authorizes sales to any person or entity (which could include a pension fund or trust fund as well as a lending institution) approved for such purpose by the Administrator of Veterans' Affairs.

V. Miscellaneous provisions

Other provisions of the bill relate to the dissolution of the HOLC, the availability of Federal capital grants for slum clearance and urban redevelopment, and the method of computing interest rates on certain Federal housing and slum clearance and redevelopment loans. These provisions are explained in the section-by-section summary which follows.

SECTION-BY-SECTION SUMMARY

Section 1: Short title.

Housing amendments of 1953.

FEDERAL HOUSING ADMINISTRATION

Section 2: Maximum mortgage amounts under section 8 (FHA mortgage insurance for low-cost homes, particularly in outlying areas).

This section amends section 8 (b) (2) of the National Housing Act to provide the following changes in maximum mortgage amounts for housing under the section 8 program:

1. The basic maximum mortgage amount (where the mortgagor is the owner-occupant) is changed from $4,750, not exceeding 95 percent of value, to $5,700, not exceeding 95 percent of value. The maximum now permitted in the law for high-cost areas ($5,600, or $8,000 where also a disaster area) is deleted.

2. The present maximum mortgage amount where the builder is the mortgagor is changed from $4,250, not exceeding 85 percent of value, to $5,100, not exceeding 85 percent of value.

3. Section 8 of the act now provides that, in order to take advantage of the amounts permitted for an owner-occupant mortgage, the mortgagor must have paid on account of the property at least 5 percent of its value in cash or its equivalent. Section 2 of the bill changes this percentage to 5 percent of the Federal Housing Commissioner's estimate of the cost of acquisition of the property. This amendment would not result in costs being used as a factor in determining maximum mortgage amounts. The amendment is designed to eliminate inequities in certain cases where higher valuation on one of several properties with the same sales prices cause a higher cash payment and therefore a lower mortgage amount than on the other parcels of less value.

Section 3: Discretionary Presidential authority to liberalize FHA section 203 mortgage terms for low or moderate cost homes.

Present law: Section 203 of the National Housing Act provides for FHA mortgage insurance on new and existing one- to four-family homes. In the case of single-family new homes where the mortgagor is the owner-occupant, mortgage terms are now permitted as follows:

1. Thirty-year maturities and 95 percent of value are permitted where the mortgage amount is $6,650 or under, for a 1- or 2-bedroom house, $7,600 for a three-bedroom house, and $8,550 for a 4-bedroom house. These mortgage amounts are available where a 2-, 3-, or 4-bedroom house is valued, respectively, at $7,000, $8,000, or $9,000.

2. Twenty-five year maturities and 95 percent of the first $7,000 of value, plus 70 percent of the next $4,000 of value are other available terms, thus permitting a maximum mortgage of $9,450 for an $11,000 house.

3. Twenty-five year maturities and an 80 percent loan-value ratio are available in all other cases, with the maximum mortgage amount being $16,000 (80 percent of the value of a $20,000 house).

Proposed amendment to present law: Section 3 of the bill adds a new subsection (g) to section 203 of the National Housing Act to authorize the President to allow more liberal loan-to-value ratios and longer maturities for mortgages insured by the FHA to finance single-family, new homes where the mortgagor is the owner-occupant. The time, and extent of any liberalization would be determined by the President as being in the public interest, taking into account the general effect of the action upon conditions in the building industry and upon the national economy. However, the more liberal terms permitted by the President under this authority may not provide for a mortgage in excess of $12,000 or a maturity exceeding 30 years, and a down payment of at least 5 percent would be required.

Section 4: Amendment relating to mutual mortgage insurance fund.

This section amends section 205 (c) of the National Housing Act to provide for the following changes in the operation of the mutual mortgage insurance fund:

1. The Federal Housing Commissioner is authorized to establish a rate for the transfer to the general reinsurance account of not less than 10 percent nor more than 35 percent of the premiums collected hereafter by an individual-group account. The law now provides for 10 percent to be so transferred.

2. The Commissioner is required to transfer future premiums earmarked for the general reinsurance account semiannually after their receipt. Section 205 now provides for the transfers to take place at the maturity of the group account. The proposed earlier periodic transfers of premiums would serve to increase the resources of the general reinsurance account not only by making these premiums available sooner but also by crediting the reinsurance account, rather than group accounts, with the income from their investment. With respect to past premiums, the amendment provides for a transfer as of July 1, 1953, of 10 percent of the premiums theretofore credited to the group accounts.

3. The Commissioner is required to transfer to the general reinsurance account all premium charges which are collected on account of the prepayment of mortgages, instead of 10 percent of such charges as is now provided. At present the balance of these prepayment charges is retained in the individual group account and has become available for distribution to terminating mortgagors as part of their participating shares. Thus, prepayment charges paid by mortgagors terminating earlier are in part distributed to mortgagors terminating later. This is in part responsible for participating shares distributed to terminating morgagors being often substantially in excess of the total insurance premiums paid by them.

4. Finally the Commissioner is required by the proposed new section to limit the shares distributed to terminating mortgagors so that they would never exceed the sum of the premiums paid by them. Any amounts in excess of this proposed statutory limit would be transferred to the general reinsurance account at the maturity of the individual group account.

Section 5 (a): Maximum mortgage amounts under section 207 (regular FHA mortgage insurance for rental housing).

Subsection 5 (a) of the bill amends section 207 (c) of the National Housing Act to provide that the maximum amount of mortgages insured by the FHA under section 207 shall be $2,000 per room (up to $10,000) not exceeding 80 percent of value. Such dollar limit would be $7,200 per family unit if the number of rooms in the project does not equal or exceed 4 per family unit. However, if the number of bedrooms in the project is equal to or exceeds 2 per family unit and the mortgage does not exceed $7,200 per family unit, the mortgage may be in an amount not exceeding 90 percent of value.

This new formula would be in place of the existing limitation of $8,100 per family unit (or $7,200 if the number of rooms is less than 4 per family unit) and 90 percent of the value of the property up to $7,000 and 60 percent of the value over $7,000 up to $10,000.

Section 5 (b): Maturity of FHA section 207 debentures issued to mortgages in payment of claims arising from mortgage defaults.

Where there is a default on a rental housing mortgage insured by the FHA under section 207 of the National Housing Act (the regular FHA mortgage insurance program for rental housing), the insurance claim is paid by the issuance to the mortgagee of FHA's debentures, which are guaranteed as to principal and interest by the United States. These debentures bear an interest rate which is determined when the mortgage is insured, but which cannot exceed 3 percent annually. Under the present provisions of the law, these debentures mature 20 years from the date of their issuance. This period of time is available to the FHA for the purpose of continuing to build up reserves and for the orderly liquidation of real property acquired by it as a result of mortgage defaults. However, the 20-year maturity appears excessive and this tends to deter lending institutions from making rental housing loans. Accordingly, subsection 5 (b) of the bill amends section 207 (i) of the National Housing Act to reduce the term of these FHA debentures from 20 to 15 years.

Section 6: Increase in FHA mortgage insurance authorization.

This section of the bill amends section 217 of the National Housing Act to increase by $1,500 million the amount available to the President for FHA insurance authorizations other than property improvement loan insurance.

Section 7: Flexibility in use of certain FHA insurance funds.

This section authorizes the Federal Housing Commissioner to transfer moneys among the various FHA insurance funds, except the title I fund which serves the repair and improvement loan insurance program and the title II mutual mortgage insurance fund. This authority would expedite the repayment to the Treasury of moneys held by some of the insurance funds (see section 8 infra). It would also permit temporary transfers from one fund with a strong cash position to provide moneys to pay maturing debentures payable from another fund temporarily short of cash.

Section 8: Repayment of FHA funds to Treasury.

Section 8 provides for the eventual repayment, with interest, of moneys contributed to the several FHA insurance funds by the Treasury either directly or indirectly through the RFC. These moneys would be declared to be an indebtedness to the Treasury and would be repaid by the FHA in such amounts and at such times as the FHA Commissioner determines, after consultation with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the FHA-insurance funds involved. Simple interest

would be calculated from the date the moneys were originally received by the FHA at a rate determined by the Secretary of the Treasury, taking into consideration the average rate paid by the Treasury on its outstanding obligations during the time the moneys were held by the FHA.

Section 9: Extension of FHA title VIII military housing authorization.

This section extends title VIII of the National Housing Act, the FHA military housing insurance title, from June 30, 1953, to June 30, 1954.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

Section 10: FNMA 1-for-1 sale and purchase provision.

This section makes three changes in section 301 (a) (1) (E) of the National Housing Act. The first two amendments are purely technical and are designed to make it clear that the computation of the 50-percent purchase restriction would be based upon the principal amount of the mortgage paid by the FNMA, which would exclude any minor adjustments in the purchase price resulting from accrued interest and service charges. The third amendment provides express statutory authorization to the FNMA to enter into contracts, in connection with the sale of its mortgages, to purchase mortgages in amounts not exceeding the amounts being sold. The purchase contracts would not be transferable without the approval of the FNMA. The authority of the FNMA to issue purchase contracts under this section would expire July 1, 1954.

The legislation makes 2 basic changes in the 1-for-1 plan previously adopted by the FNMA without express statutory provisions. Under the nonstatutory plan the FNMA undertaking to purchase mortgages in the future was not a binding legal contract, and also, the purchases were necessarily subject to the 50-percent statutory limitation. Under the proposed statutory 1-for-1 plan, the purchase agreement can be made legally binding, and the 50-percent limitation can be waived by the FNMA.

Section 11 (a): FNMA advance commitments.

Subsection 11 (a) of the bill extends the FNMA's advance commitment authority for 1 year (to July 1, 1954) in the case of programed defense housing, disaster housing, and Maybank-Wherry Act military housing.

Section 11 (b): FNMA over-the-counter purchase authority.

The Housing Act of 1952 increased the total FNMA authorization by $900 million and limited that additional authorization to defense, military, and disaster mortgages. The limitation appears in the proviso to the first sentence of section 302 of the National Housing Act. A portion of that additional authorization probably will not be needed for defense, military, or disaster mortgages. Subsection 11 (b) of the bill repeals the proviso, thereby freeing some of this $900 million advance commitment authorization for over-the-counter purchases of other VA and FHA mortgages. The total FNMA authorization is not increased by this change.

Section 12: FNMA advance commitments for FHA cooperative housing mortgages.

Public Law 243, 82d Congress, authorized the Federal National Mortgage Association to enter into advance commitments to purchase FHA section 213 mortgages financing cooperative housing with respect to which the Federal Housing Commissioner had issued, prior to June 29, 1951, a commitment to insure or a statement of eligibility for insurance. Section 12 of this bill amends Public Law 243 to change the deadline date for making section 213 mortgages eligible for advance commitments from "June 29, 1951" to "June 29, 1953." This will make additional FHA section 213 cooperative housing mortgages with respect to which the FHA has issued a commitment to insure or a statement of eligibility for insurance eligible for advance commitments to purchase by the Federal National Mortgage Association.

The amount of advance purchase commitments which the Federal National Mortgage Association was authorized to make under Public Law 243 for section 213 mortgages is limited to $30 million outstanding at any one time. The law further provides that not more than $3½ million of this authorization is available for such commitments in any one State. Approximately $17½ million of the authorization under Public Law 243 is unused and would be available for the additional cooperative housing mortgages made eligible by this section of the bill.

DEFENSE HOUSING AND COMMUNITY FACILITIES

Sections 13–17: Defense housing and community facilities.

Sections 13 and 15 are purely technical amendments made necessary by section 14.

Section 14 amends section 104 of the Defense Housing and Community Facilities and Services Act of 1951 to accomplish the following:

1. Extends for 1 year (until June 30, 1954) FHA title IX mortgage-insurance authority for private defense housing in critical defense areas.

2. Extends for 1 year (until June 30, 1954) the community facilities aids authorized by title III of the 1951 act for critical defense areas.

3. Extends for 1 year (until June 30, 1954) authority under title III of the 1951 act for public defense housing construction in critical defense areas.

4. Permits prefabricated housing aids under title V of the 1951 act to expire on June 30, 1953.

5. Eliminates a reference to title IV of the 1951 act since this reference would be obsolete if section 16 of the bill is enacted.

Section 16 repeals title IV of the Defense Housing and Community Facilities and Services Act of 1951 which deals with the provision of sites for housing and community facilities needed to serve new defense installations in isolated areas.

Section 17 is a technical amendment to the Defense Production Act of 1950 to preserve obligations of builders of programed defense housing. All existing authority under title VI of that act will terminate June 30, 1953, as expressly provided in the Defense Production Act amendments now in the committee of conference. Under that authority (secs. 602 and 605 of the Defense Production Act), builders of programed defense housing agreed and became obligated, because of special assistance made available to them, including the waiver of credit controls, to hold defense housing for rental or sale at specified rentals or amounts to in-migrant defense workers and military personnel for stated periods (varying with the circumstances) of from 2 to 4 years. While the enforcement of these obligations is authorized by section 603 of the Defense Production Act, there is no provision in the act which would preserve this enforcement authority beyond the termination date. The proposed amendment would preserve these obligations already incurred by the builders of defense housing.

It may be pointed out that section 717 (c) of the Defense Production Act would preserve contractual obligations after the terms of title VI of that act, but that section could properly be construed by the courts as applying only to obligations of the United States. In any event, however, that section obviously does not attempt to preserve the enforcement authority of section 603, which is a penalty provision. It is a clearly established rule of law that penalties cannot be imposed unless there is specific and clear statutory authority. Section 17 of the bill is therefore necessary if this enforcement authority is to continue. There is certainly no intention on the part of the Congress to withdraw or terminate the power of the Government to require the builders of private defense housing to hold it for sale or rent to eligible defense workers—particularly in view of the fact that in S. 2103 the Congress is extending the defense housing assistance under FHA's title IX for another year. Your committee therefore believes that section 17 of the bill is clearly necessary and desirable.

HOME OWNERS' LOAN CORPORATION

Section 18: Dissolution of the Home Owners' Loan Corporation.

This section provides for the termination of the corporate existence of the HOLC.

Subsection (a) of this section provides that the corporate existence of the HOLC shall terminate 180 days after the Home Loan Bank Board publishes a notice to that effect in the Federal Register. Such notice would have to contain information as to the time for, and the manner of, filing claims against the Corporation. Claims would be barred unless filed within 90 days of publication of the notice, and suits on disallowed claims would be barred unless filed within 60 days of disallowance.

Subsection (b) provides that in the event any legal proceeding is commenced against the Corporation before the date of its dissolution, the corporate existence of the Corporation would continue for the purpose of defending such proceeding, but for no other purpose, and would provide a method for service of process. This paragraph would facilitate the handling of any litigation instituted against the Corporation prior to its dissolution.

Subsection (c) provides that on the date of the dissolution of the Corporation:

1. Any interest of the Corporation in real estate shall be transferred to the United States (this would apply to cases where there may possibly still be some Corporation-owned property which, through errors in surveys or otherwise, has not been accounted for);

2. The Home Loan Bank Board shall have authority to sell and convey any such property for such cash consideration as it deems reasonable; and

3. All powers of the Corporation with respect to the execution of documents affecting real estate or with respect to authorizing satisfactions of judgments shall be transferred to the Home Loan Bank Board. (This would provide a means for executing duplicate instruments, particularly mortgage releases. Record titles to many properties upon which the Corporation held mortgages are clouded by mortgage liens, releases of which were never recorded and have been lost by the former mortgagors. There is no feasible way to clear these titles by a blanket release.)

Subsection (c) would also provide that the Home Loan Bank Board could transfer any of its functions under this subsection to another agency of the Federal Government, with the consent of that agency and the Bureau of the Budget.

Under this subsection all liens of the Corporation on account of judgments and all present claims of the Corporation arising out of its real-estate operations are released, except judgments for mortgage debts already assigned by the Corporation. (During its operations the Corporation had set up on its books the amounts of deficiency and other judgments secured by it. Uncollected amounts due on these judgments and claims were charged off from time to time when investigation revealed that they were uncollectible or that the cost of attempted collection would probably exceed the amount collectible. All uncollected judgments and claims had been so charged off prior to the liquidation of the Corporation. Many of the judgments are barred by statutes of limitations, although some title examiners insist that they nevertheless constitute clouds on titles.)

Subsection (d): This subsection authorizes necessary appropriations to any agency carrying out any of these minor functions relating to the Corporation after its dissolution.

SLUM CLEARANCE AND REDEVELOPMENT

Section 19: Capital grants for slum clearance and urban redevelopment.

Subsection 106 (e) of the Housing Act of 1949 now contains a provision that not more than 10 percent of the Federal grants for slum clearance and urban redevelopment authorized under title I of the Housing Act of 1949 shall be expended in any one State. The total capital grant authorization under that title is $500 million so that contracts for capital grants entered into with local communities in any one State may not aggregate over $50 million.

Section 19 makes available $35 million (out of the presently authorized $500 million) for contracts for capital grants which could be entered into without regard to the 10-percent limitation. However, the section also provides that no State would be eligible for any share of this $35 million unless contracts have been entered into with local public agencies in that State which call for capital grants exceeding two-thirds of the amount which the law presently permits for that State.

VETERANS' ADMINISTRATION

Section 20: Veterans' Administration direct home loan program.

Section 20 of the bill amends title III of the Servicemen's Readjustment Act of 1944 to extend for 1 year, to June 30, 1954, the Veterans' Administration program of direct home loans to veterans. The revolving fund for that program would be increased by an additional $200 million, to be made available at the maximum rate of $50 million per calendar quarter.

The Servicemen's Readjustment Act of 1944 now authorizes the VA to sell mortgage loans from its direct loan portfolio to any private lending institution evidencing ability to service loans. Section 20 of the bill authorizes sales to any person or entity (which could include a pension fund or trust fund as well as a lending institution) approved for such purpose by the Administrator of Veterans' Affairs.

FEDERAL LOAN INTEREST RATES

Section 21: Interest rates charged for Federal slum clearance and urban redevelopment loans, college housing loans, and low-rent public housing loans.

Title I of the Housing Act of 1949, as amended, provides for Federal aid in the form of loans and grants to local communities for slum clearance and urban redevelopment. Title IV of the Housing Act of 1950, as amended, provides for Federal loans to colleges for the construction of college housing. The United States Housing Act of 1937, as amended, provides for Federal aid in the form of loans and annual contributions to local communities for low-rent public housing. In the slum clearance and urban redevelopment program and in the low-rent housing program the interest rate on the Federal loans may not be lower than the annual rate of interest specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more. In the college housing program, the rate is fixed by law at the annual rate of interest specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, plus one-fourth of 1 percent.

Section 21 would tie the interest rate in each of the three Housing Agency programs to a minimum base rate which—

1. Would reflect market yields, instead of interest rates specified in the bonds when issued;

2. Would reflect the yield on obligations of the United States having 15 years or more to run to their maturity, instead of the rate on a bond which could have a maturity as low as 10 years;

3. Would reflect the average yield during a full 1-month period on all outstanding obligations of the United States having 15 years or more to run to their maturity instead of the rate on a single recent issue of bonds;

4. Would retain the base rate, once it was specified by the Secretary of the Treasury, for a 6-month period, instead of varying from month to month as new bonds are issued (the section would thus avoid frequent changes in the applicable interest rate between the time housing or slum clearance loan contracts are first negotiated and the time they are approved); and

5. Would be adjusted to the nearest one-eighth of 1 percent.

These changes would be made by having the Secretary of the Treasury determine the minimum base rate for these lending programs by estimating the average yield to maturity based on daily closing market bid quotations during the month of May on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from May 1, and by adjusting the average annual yield (upward or downward) to the nearest one-eighth of 1 percent. This determination would be made early in June and would become the minimum rate for these programs on all loan contracts approved during the following half-year period, from July 1 through December 31. A similar determination would be made by the Secretary of the Treasury early each December, based on market quotations during November. The base rate so determined would become the minimum rate for the three programs on all loan contracts approved during the following half-year period, from January 1 through June 30. Except for loan contracts approved before the first minimum rate is specified by the Secretary of the Treasury, the section, if enacted, would first be effective during the period July 1 to December 31, 1953.

CHANGES IN EXISTING LAW IN COMPLIANCE WITH THE CORDON RULE

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

NATIONAL HOUSING ACT, AS AMENDED

* * * * *

SEC. 8. (a) To assist in providing adequate housing for families of low and moderate income, particularly in suburban and outlying areas, * * *

* * * * *

(b) To be eligible for insurance under this section, a mortgage shall—

* * * * *

[(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $4,750, except that the Commissioner may by regulation increase this amount to not to exceed $5,600 in any geographical area where he finds that cost levels so require, and not to exceed 95 percent of the appraised value, as of the date the mortgage is accepted for insurance, of a property, urban, suburban, or rural upon which there is located a dwelling designed principally for a single-family residence, the construction or reconstruction of which is begun after the date of enactment of the Housing Act of 1950, and which is approved for mortgage insurance prior to the beginning of construction or reconstruction: *Provided*, That the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the appraised value in cash or its equivalent, or shall be the builder constructing the dwelling, in which case the principal obligation shall not exceed $4,250, except that the Commissioner may by regulation increase this amount to not to exceed $5,000 in any geographical area where he finds that cost levels so require, and shall not exceed 85 percent of the appraised value of the property: *And provided further*, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas: *And provided further*, That, where the mortgagor is the owner and occupant of the property and establishes (to the satisfaction of the Commissioner) that his home, which he occupied as an owner or as a tenant, was destroyed or damaged to such an extent that reconstruction is required as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe, which the President pursuant to section 2 (a) of the act entitled "An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes" (Public Law 875, 81st Cong., approved September 30, 1950), has determined to be a major disaster, such maximum dollar limitations may be increased by the Commissioner from $4,750 to $7,000, and from $5,600 to $8,000, respectively, and the percentage limitation may be increased by the Commissioner from 95 percent to 100 percent of the appraised value.]

(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $5,700, and not to exceed 95 percent of the apraised value, as of the date the mortgage is accepted for insurance, of a property upon which there is located a dwelling designated principally for a single-family residence, and which is approved for mortgage insurance prior to the beginning of construction: Provided, That the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition in cash or its equivalent, or shall be the builder constructing the dwelling, in which case the principal obligation shall not exceed 85 percent of the appraised value of the property or $5,100: Provided further, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas: And provided further, That, where the mortgagor is the owner and occuptant of the property and establishes (to the satisfaction of the Commissioner) that his home, which he occupied as an owner or as a tenant, was destroyed or damaged to such an extent that reconstruction is required as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe, which the President, pursuant to section 2 (a) of the act entitled "An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes" (Public Law 875, 81st Congress, approved September 30, 1950), has determined to be a major disaster, such maximum dollar limitation may be increased by the Commissioner from $5,700 to $7,000, and the percentage limitation may be increased by the Commissioner from 95 percent to 100 percent of the apraised value;

* * * * *

Title II—Mortgage insurance

* * * * *

SEC. 203. (a) The Commissioner is authorized, upon application by the mortgagee, to insure as hereinafter provided any mortgage offered to him which is eligible for insurance as hereinafter provided. * * *

* * * * *

(g) Notwithstanding any other provisions of this section, a mortgage otherwise eligible for insurance hereunder and covering prop-

erty upon which there is located a dwelling designed principally for a single-family residence, which is approved for mortgage insurance prior to the beginning of construction and is owned and occupied by the mortgagor at the time of insurance, may have such higher ratio of loan to value and such longer maturity than otherwise provided as the President may determine to be in the public interest, taking into account the general effect of such higher ratio or longer maturity, as the case may be, upon conditions in the building industry and upon the national economy: Provided, That the principal obligation of any such mortgage shall not exceed $12,000 and the maturity thereof shall not exceed 30 years: And provided further, That with respect to any such mortgage the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition or its equivalent.

* * * * *

CLASSIFICATION OF MORTGAGES AND REINSURANCE FUND

SEC. 205. (a) Mortgages accepted for insurance under section 203 shall be classified into groups in accordance with sound actuarial practice and risk characteristics. Premium charges, adjusted premium charges, and appraisal and other fees received on account of the insurance of any such mortgage, the receipts derived from the property covered by the mortgage and claims assigned to the Commissioner in connection therewith and all earnings on the assets of the group account shall be credited to the account of the group to which the mortgage is assigned. The principal of and interest paid and to be paid on debentures issued in exchange for property conveyed to the Commissioner under section 204 in connection with mortgages insured under section 203, payments made or to be made to the mortgagee and the mortgagor as provided in section 204, and expenses incurred in the handling of the property covered by the mortgage and in the collection of claims assigned to the Commissioner in connection therewith, shall be charged to the account of the group to which such mortgage is assigned.

(b) The Commissioner shall also provide, in addition to the several group accounts, a general reinsurance account, the credit in which shall be available to cover charges against such group accounts where the amounts credited to such accounts are insufficient to cover such charges. General expenses of operation of the Federal Housing Administration under this title with respect to mortgages insured under section 203 may be allocated in the discretion of the Commissioner among the several group accounts or charged to the general reinsurance account, and the amount allocated to the fund under section 202 shall be credited to the general reinsurance account; except that any expenses incurred prior to July 1, 1939, with respect to mortgages described in section 203 (b) (2) (B) shall be charged to the general reinsurance account.

[(c) The Commissioner shall terminate the insurance as to any group of mortgages (1) when he shall determine that the amounts to be distributed as hereinafter set forth to each mortgagee under an outstanding mortgage assigned to such group are sufficient to pay off the unpaid principal of each such mortgage, or (2) when all the outstanding mortgages in any group have been paid. Upon such termination the Commissioner shall charge to the group account the estimated losses arising from transactions relating to that group, shall transfer to the general reinsurance account an amount equal to 10 percent of the total premium charges theretofore credited to such group account, and shall distribute to the mortgagees for the benefit and account of the mortgagors of the mortgages assigned to such group the balance remaining in such group account. Any such distribution to mortgagees shall be made equitably and in accordance with sound actuarial and accounting practice.**]**

(c) The Commissioner shall, except as to group accounts terminated as of a date prior to July 1, 1953, transfer from each of the several group accounts to the general reinsurance account, beginning as of July 1, 1953, and as of the beginning of each semiannual period thereafter, an amount which, in the case of the initial transfer, shall equal 10 percent of the total premium charges theretofore credited to such group accounts, and, in the case of subsequent transfers, shall equal the amount of any adjusted premium charges collected by the Commissioner in connection with the payment in full of insured mortgages prior to maturity on or after July 1, 1953, and an amount which shall in no event be less than 10 percent nor more than 35 percent of all other premium charges credited to such group accounts during the preceding semiannual period. The Commissioner shall terminate the insurance as to any group of mortgages (1) when he shall determine that the amounts to be distributed, as hereinafter set forth, to each mortgagee under an outstanding mortgage assigned to such group are sufficient to pay off the unpaid principal of each such mortgage, or (2) when all the outstanding mortgages in any group have been paid. In addition to the amounts transferred as herein provided, the Commissioner shall, upon such termination, charge to the group account the estimated losses arising from transactions relating to that group, and shall distribute to the mortgagees for the benefit and account of mortgagors of the mortgages assigned to such group the balance remaining in such group account less any amount by which such balance exceeds the aggregate scheduled annual premiums of such mortgagors to the year of termination of the insurance: Provided, That any undistributed balance in the group account at termination shall be transferred to the general reinsurance account. Any such distribution to mortgagees shall be made equitably and in accordance with sound actuarial and accounting practice: Provided, That in no event shall any distribution to a mortgagor or for the account of a mortgagor under any provision of this section exceed his aggregate scheduled annual premiums to the year of termination of the insurance.

* * * * *

Rental Housing Insurance

SEC. 207. * * *

* * * * * *

(c) To be eligible for insurance under this section a mortgage on any property or project shall involve a principal obligation in an amount—

(1) not to exceed $5 million, or, if executed by a mortgagor coming within the provisions of paragraph numbered (b) (1) of this section, not to exceed $50 million;

(2) not to exceed **[**the sum of (i) 90 percent of that portion of the estimated value of the property or project attributable to dwelling use (when the proposed improvements are completed) which does not exceed $7,000 per family unit and (ii) 60 percent of such estimated value in excess of $7,000 and not in excess of $10,000 per family unit and (iii) 90 percent of the estimated value of such part of such property or project as may be attributable to nondwelling use**]** *80 percent of the estimated value of the property or project (when the proposed improvements are completed): Provided,* That except with respect to a mortgage executed by a mortgagor coming within the provisions of paragraph numbered (b) (1) of this section, such mortgage shall not exceed the amount which the Commissioner estimates will be the cost of the completed physical improvements on the property or project exclusive of public utilities and streets and organization and legal expenses: *And provided further,* That the above limitations in this paragraph (2) shall not apply to mortgages on housing in the Territory of Alaska, but such a mortgage may involve a principal obligation in an amount not to exceed 90 percent of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the value of the property or project as such term is used in this paragraph may include the land, the proposed physical improvements, utilities within the boundaries of the property or project, architect's fees, taxes, and interest accruing during construction, and other miscellaneous charges incident to construction and approved by the Commissioner; and

[(3) not to exceed $8,100 per family unit (or $7,200 per family unit if the number of rooms in such property or project does not equal or exceed four per family unit) for such part of such property or project as may be attributable to dwelling use.**]**

(3) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,000 per room (or $7,200 per family unit if the number of rooms in such property or project does not equal or exceed four per family unit) and not in excess of $10,000 per family unit.

Notwithstanding any of the limitations contained in paragraphs numbered (2) and (3) of this subsection (c), if the number of bedrooms in such property or project is equal to or exceeds two per family unit, and the principal obligation of the mortgage does not exceed $7,200 per family unit for such part of such property as may be attributable to dwelling use, the mortgage may involve a principal obligation not in excess of 90 percent of the estimated value of the property or project (when the proposed improvements are completed).

* * * * *

(i) Debentures issued under this section shall be executed in the name of the Housing Insurance Fund as obligor, shall be signed by the Commissioner, by either his written or engraved signature, shall be negotiable, and shall be dated as of the date of default as determined in subsection (g) of this section and shall bear interest from such date. They shall bear interest at a rate determined by the Commissioner, with the approval of the Secretary of the Treasury, at the time the mortgage was insured, but not to exceed 3 percent per annum payable semiannually on the 1st day of January and the 1st day of July of each year, and shall mature **[**twenty years**]** *fifteen* after the date thereof.

* * * * *

General mortgage insurance authorization

SEC. 217. Notwithstanding limitations contained in any other section of this act on the aggregate amount of principal obligations of mortgages or loans which may be insured (or insured and outstanding at any one time) and on the aggregate amount of contingent liabilities which may be outstanding at any one time under insurance contracts, or commitments to insure, pursuant to any section or title of this act, any such aggregate amount shall, with respect to any section or title of this act (except sec. 2), be prescribed by the President from time to time taking into consideration the needs of national defense and the effect of additional insurance authorizations upon conditions in the building industry and upon the national economy: *Provided,* That the dollar amount of the insurance authorization prescribed by the President at any time with respect to any provision of title VI shall not be greater than authorized by provisions of that title: *And provided further,* That, at any time, the aggregate dollar

amount of the mortgage insurance authorization prescribed by the President with respect to title IX of this act, plus the aggregate dollar amount of all increases in insurance authorizations under other titles of this act prescribed by the President pursuant to authority contained in this section, less the aggregate dollar amount of all decreases in insurance authorizations under this act prescribed by the President pursuant to authority contained in this section shall not exceed [$1,900,000,000] *$3,400,000,000: And provided further,* That $400,000,000 of said sum shall be available only for the insurance of mortgages for which no insurance contract or commitment to insure under this Act was outstanding on June 30, 1952, and which mortgages (1) cover defense housing programmed by the Housing and Home Finance Agency in an area determined by the President or his designee to be a critical defense housing area, or (2) are insured under title VIII of this act, or (3) cover housing intended to be made available primarily for families who are victims of a catastrophe which the President has determined to be a major disaster.

* * * * *

Sec. 219. Notwithstanding limitations contained in any other sections of this act as to the use of moneys credited to the Title I Housing Insurance Fund, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Military Housing Insurance Fund, or the Defense Housing Insurance Fund, the Commissioner is hereby authorized to transfer funds from any one or more of such insurance funds to any other such fund in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such funds, separately and jointly to carry out effectively the insurance programs for which such funds were established.

Title III—Federal National Mortgage Association

Creation and Powers of the Federal National Mortgage Association

SEC. 301. (a) * * *

* * * * *

(E) no mortgage shall be offered to the association for purchase by any one mortgagee (1) unless such mortgage is secured by property used, or designed to be used, for residential purposes and (2) if the [unpaid principal balance thereof] *principal amount to be paid therefor,* when added to the [aggregate amount] *aggregate principal amount* paid for all mortgages purchased by the association from such mortgagee after February 29, 1952, pursuant to authority contained herein, exceeds 50 percent of the original principal amount of all mortgage loans made by such mortgagee that are insured or guaranteed after February 29, 1952, which, except for this subparagraph (E), meet the requirements of this section: [*Provided,* That this clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G); and] *Provided, That the foregoing clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G): Provided further, That, in lieu of or in conjunction with the other requirements with respect to mortgages covered by the aforesaid clause (2), and also with respect to any defense or disaster mortgages as defined in subparagraph (G), the association may (in the discretion of its board of directors, and notwithstanding the provisions of subparagraph (G)) issue a purchase contract (which shall not be assignable or transferable except with the consent of the association) in an amount not exceeding the amount of the sale of mortgages purchased from the association, entitling the holder thereof to sell to the association mortgages in the amount of the contract, upon such terms and conditions as the association may prescribe: And provided further, That the authority of the association to issue purchase contracts hereunder shall expire July 1, 1954; and*

* * * * *

(G) The Association after the effective date of this subparagraph may contract to purchase only those eligible mortgages which are guaranteed or insured at the time of the contract: *Provided,* That this subparagraph shall not apply to (i) commitments made pursuant to Public Law 243, 82d Congress, or (ii) commitments made by the Association on or after September 1, 1951, and prior to July 1, [1953] *1954,* which do not exceed $1,152,000,000 outstanding at any one time, if such commitments of the Association relate to defense or disaster mortgages. * * *

* * * * *

SEC. 302. The total amount of investments, loans, purchases, and commitments made by the Association shall not exceed $3,650,000,000 outstanding at any one time. [: *Provided,* That not more than $2,750,000,000 of such total amount outstanding at any one time shall relate to mortgages other than defense or disaster mortgages as defined in section 301 (a) (1) (G).] * * *

* * * * *

TITLE V—MISCELLANEOUS

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Sec. 516. The following funds shall be deemed an indebtedness to the United States of the particular insurance fund involved, and the Commissioner is authorized and directed to pay the amount of such indebtedness to the Secretary of the Treasury, with simple interest thereon from the date the funds were advanced to the date of final payment at a rate determined by the Secretary of the Treasury, taking into consideration the average rate on outstanding marketable obligations of the United States from the date the funds were advanced until the date of final payment—

(1) funds made available to the Commissioner pursuant to the provisions of sections 4 and 202, exclusive of amounts heretofore refunded, (a) for carrying out title II with respect to mortgages insured under section 203 where such funds were credited to the general reinsurance account in the Mutual Mortgage Insurance Fund pursuant to section 205 (b), and (b) for the payment of salaries and expenses with respect to mortgage insurance under sections 207 and 210 where such funds were credited to the Housing Insurance Fund; and

(2) funds made available to the Commissioner pursuant to sections 602 and 802; and

(3) funds made available to the Commissioner by the Secretary of the Treasury pursuant to section 710.

Payments to the Secretary of the Treasury under this section shall be made in such amounts and at such times as the Commissioner determines, after consultation with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the funds involved. All payments made pursuant to this section shall be covered into the Treasury as miscellaneous receipts.

* * * * *

Title VIII—Military housing insurance

* * * * *

SEC. 803. (a) In order to assist in relieving the acute shortage of housing which now exists at or in areas adjacent to military installations because of uncertainty as to the permanency of such installations and to increase the supply of rental housing accommodations available to military and civilian personnel at such installations, the Commissioner is authorized, upon application of the mortgagee, to insure mortgages (including advances on such mortgages during construction) which are eligible for insurance as hereinafter provided, and, upon such terms as the Commissioner may prescribe, to make commitments for so insuring such mortgages prior to the date of their execution or disbursement thereon: *Provided,* That the aggregate amount of principal obligations of all mortgages insured under this title shall not exceed $500 million except that with the approval of the President such aggregate amount may be increased to not to exceed $1 billion: *And provided further,* That no mortgage shall be insured under this title after July 1 [1953] *1954* except (A) pursuant to a commitment to insure issued on or before such date, or (B) a mortgage given to refinance an existing mortgage insured under this title and which does not exceed the original principal amount and unexpired term of such existing mortgage.

* * * * *

DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951, AS AMENDED

* * * * *

Title I—Critical defense housing areas, procedures for exercise of authority, and expiration date

SEC. 101. (a) Notwithstanding any other provisions of this act, the authority contained in titles II [, III, or IV] *or III* of this act shall not be exercised in any area unless the President shall have determined that such area is a critical defense housing area.

* * * * *

SEC. 104. After June 30, [1953] *1954,* (a) no mortgage may be insured under title IX of the National Housing Act, as amended (except (i), pursuant to a commitment to insure issued on or before such date, or (ii) a mortgage given to refinance an existing mortgage insured under that title and which does not exceed the original principal amount and unexpired term of such existing mortgage), (b) no agreement may be made to extend assistance for the provision of community facilities or services under title III of this Act, and no construction of housing or community facilities by the United States may be begun under such title, [(c) no land may be acquired by the Housing and Home Finance Administrator under title IV of this Act,] and [(d)] *(c)* no loan may be made or obligations purchased by the Housing and Home Finance Administrator under section 102a of the Housing Act of 1948, as amended (except pursuant to a commitment issued on or before June 30, 1953, or to refinance an existing loan or existing obligations held under such section by said Administrator on June 30, 1953).

* * * * *

Title III—Provision of defense housing and community facilities and services

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SEC. 305. (a) * * *

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(c) If any real property acquired under this title or title IV is retained after June 30, [1953] *1954,* without having been used for the purposes of this act, the Administrator shall, if the original owner desires the property and pays the fair value therefor, return such property to the owner. * * *

* * * * *

[*Title IV—Provision of sites for necessary development in connection with isolated defense installations*

SEC. 401. Subject to the provisions and limitations of title I hereof and subject to the provisions and limitations of this title, upon a finding by the President that in connection with a defense installation (as defined by him) developed or to be developed in an isolated or relatively isolated area (1) housing or community facilities needed for such installation would not otherwise be provided when and where required, or (2) there would otherwise be speculation or uneconomic use of land resources which would impair the efficiency of defense activities at such installation, the Housing and Home Finance Administrator (hereinafter referred to as the "Administrator") is au-

thorized to make general plans for the development of necessary housing and community facilities in connection with such defense installations; to acquire, by purchase, condemnation, or otherwise, the necessary improved or unimproved land or interests therein; to clear land; to install, construct, or reconstruct streets, utilities, and other site improvements essential to the preparation of the land for use in accordance with said general plans; and to dispose of such land or interests therein for use in accordance with such plans and subject to such terms and conditions as he shall deem advisable and in the public interest. For the purposes of this title, the Administrator may exercise the powers granted to him in title III for the purposes thereof: *Provided*, That no funds made available under this title shall be used for the erection of dwellings or other buildings, and funds representing the fair value, as determined by the Administrator, of any property acquired under this title and used as sites for dwellings or other buildings or facilities under title III shall be transferred from funds appropriated thereunder and made available for purposes of this title IV: *And provided further*, That the provisions of section 301 shall be applicable to site development work under this title.

SEC. 402. Upon a finding by the President that it is necessary or desirable in the public interest that land shall be acquired by the Administrator not only for the purposes of section 401 hereof but for the defense installation to be served thereby, the Administrator is authorized to acquire improved or unimproved land for such defense installation and, in connection therewith, to exercise any powers granted under this title. The Administrator may transfer such property to the appropriate Federal, State, local or private agency, person, or corporation upon such terms and conditions as he shall determine to be in the public interest.

SEC. 403. With respect to any real property acquired and held by the Administrator pursuant to this title and with respect to any defense installation owned by the Federal Government in connection with which such property is acquired, the Administrator may pay annual sums in lieu of taxes to the appropriate State and local taxing authorities: *Provided*, That, in making any such payments, the Administrator shall take into consideration other payments by the Federal Government to the State and local taxing authorities, the value of services furnished by such taxing authorities in connection with the property or installation, and the value of any services provided by the Federal Government. There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this section.

SEC. 404. The Administrator is authorized to obtain money from the Treasury of the United States for use in the performance of the functions, powers, and duties granted to him by this title, not to exceed a total of $10,000,000, outstanding at any one time. For this purpose appropriations not to exceed $10,000,000 are hereby authorized to be made to a revolving fund in the Treasury. Advances shall be made to the Administrator from the revolving fund when requested by the Administrator. As the Administrator repays the amounts thus obtained from the Treasury, the repayments shall be made to the revolving fund. The Administrator shall pay into the Treasury as miscellaneous receipts interest on the outstanding advances from the Treasury provided for by this section. The Secretary of the Treasury shall determine the interest rate annually in advance, such rate to be calculated to reimburse the Treasury for its cost, taking into consideration the current average interest rate which the Treasury pays upon its marketable obligations.

SEC. 405. In any city or in two contiguous cities in which, on March 1, 1951, there were in one of such cities more than twelve thousand temporary housing units held by the United States of America, the powers authorized by this title may be exercised for the acquisition of land for the provision of improved sites for privately financed defense housing: *Provided*, That acquisitions pursuant to this section shall be limited to not exceeding 300 acres of land in the general area in which approximately one thousand five hundred units of such temporary housing here unoccupied on said date.

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DEFENSE PRODUCTION ACT OF 1950, AS AMENDED

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Title VII—General provisions

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SEC. 717. (a) * * *

* * * * * * *

(c) The termination of any section of this act, or of any agency or corporation utilized under this act, shall not affect the disbursement of funds under, or the carrying out of, any contract, guarantee, commitment or other obligation entered into pursuant to this act prior to the date of such termination, or the taking of any action necessary to preserve or protect the interests of the United States in any amounts advanced or paid out in carrying on operations under this act.

Notwithstanding any other provision of this act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into pursuant to, or under the authority of, section 602 or section 605 of this act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law.

HOUSING ACT OF 1949, AS AMENDED

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Title I—Slum clearance and community development and redevelopment

* * * * * * *

General Provisions

SEC. 106. (a) * * *

* * * * * * *

(e) Not more than 10 per centum of the funds provided for in this title, either in the form of loans or grants, shall be expended in any one State: *Provided, That the Administrator, without regard to such limitation, may enter into contracts for capital grants aggregating not to exceed $35,000,000 (subject to the total authorization provided in section 103 (b) of this title) with local public agencies in States where more than two-thirds of the maximum capital grants permitted in the respective State under this subsection has been obligated.*

* * * * * * *

Definitions

SEC. 110. The following terms shall have the meanings, respectively, ascribed to them below, * * *

* * * * * * *

(g) [“Going Federal rate” means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined at the date the contract for advance of funds or for loan is made.] *“Going Federal rate” means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for loan or advance is made, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent.”*

HOUSING ACT OF 1950, AS AMENDED

* * * * * * *

Title IV—Housing for educational institutions

Federal Loans

SEC. 401. * * * [A loan to an educational institution may be in an amount not exceeding the total development cost, as determined by the Administrator of the housing; shall bear interest at the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having maturity of 10 years or more, determined at the date the contract for the loan is made, plus one-fourth of 1 percent per annum; and shall be secured in such manner and be repaid within such period, not exceeding 40 years, as may be determined by the Administrator.] *A loan to an educational institution may be in an amount not exceeding the total development cost of the housing, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding 40 years, as may be determined by him; and, with respect to loan contracts entered into after the first minimum annual rate has been specified as provided herein, shall bear interest at a rate determined by the Administrator which shall be not less than the minimum annual rate which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for the loan is made: Provided, That such minimum annual rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield upward or downward to the nearest one-eighth of 1 percent.”*

UNITED STATES HOUSING ACT OF 1937, AS AMENDED

* * * * * * *

Definitions

SEC. 2. When used in this act—

* * * * * * *

(10) The term “going Federal rate” means the annual rate of interest (or, if there shall be two or more such rates of interest, the highest thereof) specified in the most recently issued bonds of the Federal Government having a maturity of 10 years or more, determined, in the case of loans or annual contributions, respectively, at the date of Presidential approval of the contract pursuant to which such loans or contributions are made: *Provided*, That *with respect to any loans or annual contributions made pursuant to a contract approved by the President after the first annual rate has been specified as provided in this proviso, the term “going Federal rate” means the annual rate of interest which the Secretary of*

the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract is approved by the President, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield upward or downward to the nearest one-eighth of 1 percent: And provided further, That for the purposes of this act, the going Federal rate shall be deemed to be not less than 2½ percent.

PUBLIC LAW 243—82D CONGRESS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, the Federal National Mortgage Association is authorized to enter into advance commitment contracts which do not exceed $30 million outstanding at any one time, if such commitments relate to mortgages with respect to which the Federal Housing Commissioner has issued, prior to June 29, [1951] *1953*, pursuant to section 213 of the National Housing Act, as amended, either a commitment to insure or a statement of eligibility: *And provided further,* That not to exceed $3,500,000 of said authorization shall be available for such commitments in any one State.

SERVICEMEN'S READJUSTMENT ACT OF 1944, AS AMENDED

* * * * *

Title III—Loans for the purchase or construction of homes, farms, and business property

Chapter V—General Provisions for Loans

* * * * *

Supplemental direct loans to veterans

SEC. 512. (a) * * *

* * * * *

(b) * * *

(C) the authority to make loans under this section shall expire [June 30, 1953] *June 30, 1954*, except that if a commitment to make such a loan was issued by the Administrator prior to that date the loan may be completed subsequent to such date.

* * * * *

(d) The Administrator is authorized to sell, and shall offer for sale, [to any private lending institution evidencing ability to service loans] *to any person or entity approved for such purpose by the Administrator*, any loan made under this section at a price not less than par; that is, the unpaid balance plus accrued interest, and may guarantee any loan thus sold subject to the same conditions, terms, and limitations which would be applicable were the loan guaranteed under section 501 (b) of this title.

* * * * *

SEC. 513. (a) For the purpose of section 512 of this title, the Secretary of the Treasury is hereby authorized and directed to make available to the Administrator such sums not in excess of $150 million (plus the amount of any funds which may have been deposited to the credit of miscellaneous receipts under subsections (a) and (c) hereof), as the Administrator shall request from time to time except that no sums may be made available after [June 30, 1953] *June 30, 1954.* * * *

* * * * *

(c) * * * Except as otherwise provided in subsection (a) of this section, the Administrator shall from time to time cause to be deposited into the Treasury of the United States, to the credit of miscellaneous receipts, such of the funds in said account as in his judgment are not needed for the purposes for which they were provided, including the proceeds of the sale of any loans, and not later than [June 30, 1954] *June 30, 1955*, he shall cause to be so deposited all sums in said account and all moneys received thereafter in repayment of outstanding obligations, or otherwise, except so much thereof as he may determine to be necessary for purposes of liquidation. * * *

(d) For the purposes of further augmenting the revolving fund established in subsection (a) hereof the Secretary of the Treasury is authorized and directed between the effective date of this subsection and July 1, 1952, to make available to the Administrator such additional sums not in excess of [$25,000,000] *$50,000,000* as the Administrator may request, and is authorized and directed to advance from time to time thereafter until [June 30, 1953] *June 30, 1954*, such additional sums as the Administrator may request, provided that the aggregate so advanced in any one quarter annual period shall not exceed the sum of [$25,000,000] *$50,000,000* less that amount which had been returned to the revolving fund during the preceding quarter annual period from the sale of loans pursuant to section 512 (d) of this title.

Mr. CAPEHART subsequently said: Mr. President, the senior Senator from California [Mr. KNOWLAND] obtained unanimous consent to have printed in the body of the RECORD the committee report on the housing bill, Senate bill 2103. I ask unanimous consent that following the committee report there be printed a brief summary of the bill.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY OF BILL S. 2103, BY MR. CAPEHART

Section 1: Title.

Section 2: Amends title I, section 8 insurance provisions (low-cost sale housing that is not required to meet regular FHA neighborhood, completion, etc., requirements) by raising the existing mortgage ceilings from $4,750 to $5,700. Mortgages are insured at 95 percent of the value and this should encourage the construction of houses priced at $6,000 or less, requiring a downpayment of $300 or less. The present mortgage ceiling is too low in terms of existing cost, and not much housing has been built under the program.

Section 3: Authorizes the President to change existing downpayment requirements on FHA single-family sale housing where the mortgage amount does not exceed $12,000 to not less than 5 percent of the value. He also is authorized to change the maturity on such loans not to exceed 30 years. The President would only order such changes after he took into account the effect such changes would have on the conditions in the building industry and upon the national economy.

Section 4: Amends and strengthens the mutual mortgage insurance fund by authorizing a transfer to the general reinsurance fund of up to 35 precent rather than 10 percent, as now provided, of the premiums collected by individual group accounts, by requiring a semiannual transfer rather than transfer at maturity, as now provided, of premiums from individual accounts to the reinsurance account, and by providing for a transfer of all prepayment premiums rather than 10 percent, as now provided. It also would limit the dividends paid to mortgagors to the amount of paid-in premiums.

Section 5 (a): Amends section 207 (multifamily rental housing) so as to encourage the construction of more low rent and moderately priced rental housing with larger-sized units. It authorizes a 90-percent loan on units not exceeding $8,000 in value, provided the number of bedrooms equal or exceed two. It also permits a maximum mortgage loan of $2,000 per room (up to $10,000) not exceeding 80 percent in value, providing the number of rooms equal or exceed four.

Section 5 (b): Decreases the maximum term of the FHA debentures on section 207 mortgages from 20 years to 15 years. It is intended to make the loans more attractive to the investor.

Section 6: Increases the FHA insurance authorization by $1.5 billion.

Section 7: Authorizes the FHA Commissioner to transfer money from any FHA insurance fund to any other such fund except moneys in the title I fund and the title II mutual mortgage insurance fund.

Section 8: Authorizes the FHA to repay the Treasury all moneys advanced to start the FHA insurance programs. It is estimated at $57 million.

Section 9: Extends FHA military housing insurance title for 1 year until July 1, 1954.

Section 10: Authorizes the FNMA to put into effect a "1-for-1" sale and purchase program. It will assist the FNMA program to revolve its available authorization and at the same time facilitate mortgage financing.

Section 11 (a): Extends FNMA advance commitment authority for 1 year (July 1, 1954) for programed defense, military, and disaster housing.

Section 11 (b): Frees that portion of the advance commitment funds now limited for defense, military, and disaster housing which will not be needed, and makes it available for over-the-counter purchases of other VA and FHA mortgages when FHA and VA resumes its over-the-counter purchase program which was suspended in April of this year. It is estimated the amount that can be made available is $200 million.

Section 12: Makes approximately $17½ million unused FNMA advance commitment authority under Public Law 243, 82d Congress, available for the purchase of additional FHA-insured cooperative housing mortgages, if a commitment to insure or a statement of eligibility for insurance has been issued prior to June 29, 1953. Not more than $3½ million is available for such commitments in any one State.

Section 13 through section 15: Extends title III, community facilities aid, public defense housing aid and title IX, FHA defense housing in critical defense areas for 1 year until June 30, 1954. Permits prefabricated housing loan authority under title V to expire on June 30, 1953.

Section 16: Repeals title IV, aid for acquiring sites in isolated areas.

Section 17: Technical-savings provision to retain obligations of builders to hold defense housing for defense workers at rentals and sales prices agreed upon. This is deemed necessary because of the termination of credit-control provisions of Defense Production Act.

Section 18: Dissolves Home Owners' Loan Corporation.

Section 19: Amends section 106 (e) of the Housing Act of 1949 which limits the amount of Federal grants for slum clearance in any one State to 10 percent of the $500 million capital-grant authorization. The amendment would make available $35 million (out of the presently authorized $500 million) for contracts for capital grants which could be entered into without regard to the 10-percent limitation. However, the bill would also provide that no State would be eligible for any share of this $35 million unless contracts have been entered into with local public agencies in that State which call for capital grants exceeding two-thirds of the amount which the law presently permits for that State.

Section 20: Extends to the veterans' direct-loan program for 1 year, until June 30, 1954, and authorizes an additional $50 million per calendar quarter to the revolving fund. It also authorizes the sale by VA of any mort-

gages in its direct-loan portfolio to any person or entity, such as a pension or trust fund approved for such purpose by the Veterans' Administrator.

Section 21: Provides for payment of higher interest rates to the Treasury on money advanced by it for title I slum clearance, college housing, and public housing. The law now ties these interest rates to the interest rates paid by the Government on its long-term obligations. This was intended to compensate the Government for the payment of interest on these obligations which it must issue to get the money to furnish to these programs. However, this does not fully compensate the Government because bonds are selling at less than par. The real cost to the Treasury must take into account the "annual yield" of United States bonds. Section 21 would remedy this situation regarding the interest rates on these three programs by tying them to "annual yield" of long-term Government obligations.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. DOUGLAS. Mr. President, I send to the desk an amendment to the committee amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. At the end of the bill, it is proposed to insert the following:

SEC. 22. (a) Section 2 (b) of Public Law 52, 81st Congress, is hereby amended by inserting the figure "(1)" immediately prior to the words "may be offered to the Federal National Mortgage Association" and by adding the following before the period at the end of section 2 (b): ", and (2) may be offered to the Federal National Mortgage Association for purchase if such loans are secured by property located in Guam and insured under any of the provisions of the National Housing Act, as amended."

(b) Section 214 of the National Housing Act, as amended, is hereby amended—

(1) by striking from the last sentence of said section the words "Upon application by the mortgagee," and inserting in lieu thereof the words: "Upon application by the mortgagee (1) where the mortgagor is regulated or restricted pursuant to the last sentence of this section or (2)"; and

(2) by adding the following new sentence at the end of said section: "Without limiting the authority of the Commissioner under any other provision of law, the Commissioner is hereby authorized, with respect to any mortgagor in such case (except where the Alaska Housing Authority is the mortgagor or mortgagee), to require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such an extent and in such manner as the Commissioner determines advisable to provide reasonable rentals and sales prices and a reasonable return on the investment."

Mr. KNOWLAND. Mr. President, may we have a brief explanation of the purpose of the amendment?

Mr. DOUGLAS. Mr. President, I understand this amendment is satisfactory to the distinguished Senator from Indiana [Mr. CAPEHART] the chairman of the committee. It is identical in nature to Senate Joint Resolution 71 which was reported unannmously by the committee and passed by the Senate on the call of the calendar on May 6, of this year.

The House bill did not include any amendment on the subject of raising the $10,000 limit for the island of Guam. I understand there was some difficulty in approving the amendment in the House, not because there was any opposition to the language I have just offered, but because of objections to a related amendment on the same subject with reference to Hawaii and Puerto Rico. Because of the urgent need for housing in Guam I feel we should, at least, send the amendment to conference to see if the House will give favorable consideration to raising the limit for Guam, though they will not do so for Hawaii, and, I think, possibly not for Puerto Rico.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of the amendment which has just been agreed to.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

The amendment which I just sent to the desk is identical in language to Senate Joint Resolution 71, which was reported unanimously by our committee and was passed by the Senate on calendar call, May 6, 1953. The House in H. R. 5667 which was reported yesterday did not include any amendment on this subject as was expected. I understand that there was some difficulty in approving this amendment in the House, not because there was any opposition to the language which I have just offered but because of a related amendment on the same subject for Hawaii and Puerto Rico. Because of the urgent need for housing in Guam I feel that we should at least have the right to bring the amendment to conference in order to see if the House will give favorable consideration to it at that time.

The purpose of the amendment is to extend to the Territory of Guam the special Federal National Mortgage Association authority contained in the Alaska Housing Act, as amended. It would permit the FNMA to make prior commitments and purchase FHA mortgages exceeding $10,000 in amount for family or dwelling units located in Guam.

In a bill which we enacted last session providing higher FHA mortgage limits for Guam, the committee failed to make provision for FNMA prior commitment authority for Guam.

This omission, as a practical matter, has made the provision of FHA mortgage insurance for that island completely ineffective. This results from the fact that private funds are available for investment in FHA-insured mortgages in Guam only if authority is granted for their repurchase by FNMA. That is, the lending bank must have firm assurance of a takeout, and none is available from private sources.

Two large construction firms have taken steps to build homes for Navy personnel in Guam. One of these firms, planning to build 200 rental units and from 150 to 175 sales units, has proceeded so far as to buy 49 acres of land with adjoining utilities and has imported skilled workers and most of the labor necessary for the construction. The lack of financing has prevented further action in this case and the enactment of this amendment would permit the financing to be arranged. Since a serious question was raised about the comparatively higher cost of construction in areas outside continental United States, we directed our committee staff to make a further study of the costs of construction in Guam to determine if the higher FHA ceilings and special FNMA provisions were, in fact, justified. On the basis of secondary information available to the staff in Washington we are satisfied that costs of construction are higher in Guam and do justify the provisions in this amendment. However, the staff study is not sufficiently exhaustive to determine with any exactitude the comparative cost of constructing adequate residental housing accommodations in Guam.

The amendment would also permit private lenders in Alaska to make certain FHA-insured loans on terms equal to those of similar loans made by the Alaska Housing Authority pursuant to the Alaska Housing Act (Public Law 52, 81st Cong.).

Mr. DOUGLAS. Mr. President, I offer another amendment to the committee amendment which I send to the desk and ask to have stated. In this case also I have discussed the amendment with the distinguished chairman of the committee, and I understand it is satisfactory to him.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois to the committee amendment.

The LEGISLATIVE CLERK. On page 20, after line 5, in the committee amendment, it is proposed to strike out:

SEC. 12. Public Law 243, 82d Congress, is hereby amended by striking "1951" and inserting "1953."

And in lieu thereof, to insert the following:

SEC. 12. Public Law 243, 82d Congress, is hereby amended by (1) adding after the words "provisions of" the following: "subparagraph (C) of section 301 (a) (1) of the National Housing Act, as amended, with respect to mortgages where the number of rooms in the project equals or exceeds 6 per family unit and where the number of bedrooms equals or exceeds 3 per family unit, and notwithstanding the provisions of"; and (2) striking "June 29, 1951" and inserting "September 30, 1953."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois to the committee amendment.

The amendment to the amendment was agreed to.

Mr. DOUGLAS. Mr. President, I ask unanimous consent that an explanation of the amendment just approved be printed in the RECORD at this point.

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF PROPOSED AMENDMENT TO SECTION 213 OF S. 2103

The proposed amendment is designed to carry out the purposes of section 213 of the National Housing Act (the cooperative housing section) in two respects:

First, by removing the $10,000 ceiling on cooperative home mortgages that may be purchased by FNMA (Federal National Mortgage Association) in cases where such family units have 6 or more rooms or have 3 or more bedrooms; and

Second, by extending to September 30, 1953, instead of the impracticable June 29, 1953, date fixed in the bill as reported the deadline before which commitments must be secured from the Federal Housing Commissioner.

This amendment will apply to the remaining, unused balance of about $17,500,000 of the original sum of $30 million on which FNMA was authorized in 1951 to make such advance commitments.

Without it, the aim of this bill to assist the section 213 projects will be unavailing.

(1) for the larger home units for larger families will be unable to qualify under the FNMA rules, even though they are eligible for FHA insurance, and (2) in view of the recent practice of FHA in refusing to grant commitments to insure or certificates of eligibility until financing is secured, the June 29, 1953, deadline as now in the bill would cut off these projects before they could possibly secure the necessary action from FHA.

Let me explain these two points that would be remedied by this amendment in just a little more detail:

1. With respect to the first part of the amendment, it would carry out the policy of section 213 of the National Housing Act to encourage larger homes for larger families. A number of the applications now pending with FHA for cooperative housing projects involve homes with 6 or more rooms and 3 or more bedrooms. Under the terms of section 213, the amount of mortgage permitted on a veterans' project involving 6 rooms with 3 bedrooms, is $11,400 and on a nonveterans' project, $10,800. For each additional room, an allowance is made of $1,900 in the case of veterans' projects and $1,800 in the case of nonveterans' projects. Under the terms of the present law applicable to the Federal National Mortgage Association, mortgages cannot be purchased where the loan exceeds $10,000 per family residence. The purpose of this amendment is to make it possible for FNMA to use part of the remaining available funds under Public Law 243 to purchase the mortgages on the larger size family units where the amount of mortgage is necessarily higher than $10,000 by reason of the larger number of rooms provided to meet the needs of larger families.

2. With respect to the second part of the amendment, to allow purchase of mortgages where the statements of eligibility are issued prior to September 30, 1953, instead of June 29, 1953, this provision is necessary in order to give this amendment some practical effect. For over a year, the FHA rule has been that it will not issue either a statement of eligibility or commitment unless the cooperative has a commitment for its financing. If it has such commitment, it would not need to sell the mortgage to FNMA. However, there are a number of cooperative projects pending where the cooperative has not been able to get a commitment on permanent financing, but under present FHA rules, these cooperatives cannot get a statement of eligibility or commitment. Consequently, in order to give section 12 any practical effect, it is necessary to allow a period of 3 months so that FHA can issue statements of eligibility to such cooperatives which have not been able to obtain financing commitments. This would make section 12 workable as it would make FNMA funds available to such cooperatives who have been unable to get financing from other sources. The second change, involving a later date, is applicable to projects regardless of the number of rooms.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment and third reading of the bill.

The bill (S. 2103) was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. DOUGLAS. Mr. President, I should like to pay tribute to the distinguished chairman of the Banking and Currency Committee. The bill which the Senate has just passed contained a number of very difficult, technical problems, and I want to say that we all admired the skill and fairness with which the distinguished Senator from Indiana ironed out the difficulties and disagreements and produced a bill which, while it is not major in its nature, removes a number of impediments to the development of our housing programs. We on the minority side want to pay tribute to him for his excellent work.

Mr. FREAR. Mr. President, I should like to associate myself with the remarks made by the able Senator from Illinois regarding the very fine and distinguished chairman of the Banking and Currency Committee.

PROHIBITION OF DISPLAY OF FLAGS OF INTERNATIONAL ORGANIZATIONS OR OTHER NATIONS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 694) to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes, which was to strike out all after the enacting clause and insert:

That section 3 (c) of the joint resolution entitled "Joint resolution to codify and emphasize existing rules and customs pertaining to the display and use of the flag of the United States of America," approved June 22, 1942, as amended (36 U. S. C., sec. 175 (c)), is amended by adding at the end thereof the following new sentence: "No person shall display the flag of the United Nations or any other national or international flag equal, above, or in a position of superior prominence or honor to, or in place of, the flag of the United States at any place within the United States or any Territory or possession thereof: *Provided*, That nothing in this section shall make unlawful the continuance of the practice heretofore followed of displaying the flag of the United Nations in a position of superior prominence or honor, and other national flags in positions of equal prominence or honor, with that of the flag of the United States at the headquarters of the United Nations."

Mr. KNOWLAND. Mr. President, I have some questions which I should like to ask of the distinguished Senator from Pennsylvania [Mr. MARTIN].

Would this bill require that the American flag be flown at a higher elevation or be of a larger size than any foreign or international flag?

Mr. MARTIN. No. Senate bill 694 would not require that the American flag be flown higher or be of a larger size. It simply requires that no foreign flag shall be flown in a position of equal or superior prominence or honor to the American flag.

Mr. KNOWLAND. The existing law, the act of June 22, 1942, title 36 of the United States Code, section 175 (c), specifies that "international usage forbids the display of the flag of one nation above that of another nation in time of peace." Would this bill be in conflict with that section?

Mr. MARTIN. No. This bill adds a section to that act which reinforces the provisions of that act by requiring that the American flag be given the customary place of prominence and honor when flown with foreign or international flags on United States soil.

Mr. KNOWLAND. Would this bill require that the American flag be flown in the place of prominence and honor at the United Nations Headquarters?

Mr. MARTIN. This bill has a specific proviso which authorizes "the continuance of the practice heretofore followed of displaying the flag of the United Nations in a position of superior prominence or honor at the headquarters of the United Nations." This is because of the special agreement we have with the United Nations under the Headquarters Agreement.

I move that the Senate concur in the House amendment.

The motion was agreed to.

Mr. MARTIN. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an additional statement I have prepared relative to what is known as the flag bill, and also an article entitled "Reverence for Flag Is Held a Part of Good Citizenship," written by David Lawrence, and published in the New York Herald Tribune of recent date.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MARTIN REGARDING FLAG DAY AND THE PASSAGE OF THE FLAG BILL, S. 694

On June 14 we celebrated one of our most cherished national anniversaries—Flag Day.

It was on June 14, 176 years ago that the Continental Congress accepted the original Stars and Stripes as the official symbol of the newly-born Republic.

Over the past weekend, editorials, radio programs, and speeches have resounded in practically every town and hamlet in the country—giving honor to our beloved flag, whose colors grow brighter with the passage of the years.

I thank God, Mr. President, that the pledge of allegiance to the flag is stil a morning ceremony in every schoolroom throughout the land. It is in itself a prayer because of the close tie between our national emblem, and the hopes and aspirations of our people.

Embodied in those Stars and Stripes is not just brilliant color, or the silk or bunting of which it is made, but an integral part of every American, living or dead, who has fought the good fight to uphold our national honor, at home and abroad.

It personifies to us so many events and so many emotions that they can seldom be expressed, adequately.

It means home, honor, love, faith, courage, sacrifice.

It means Valley Forge and Yorktown.

It means Manila Bay and San Juan Hill.

It means Gettysburg, St. Mihiel and the Argonne, the Battle of the Bulge, and the beaches of Anzio, Wake Island, Corregidor, and Mount Suribachi, and Heartbreak Ridge in Korea.

Whether we see it flying from the top of the Capitol Building, on the mast of a ship at sea, or draped sedately beside our altars, a love of country wells up within us at the sight of it and a sense of unity and purpose pervades our hearts.

In commemorating Flag Day, Mr. President, I would like to take note of the pas-

sage of legislation in both the Senate and the House in recent days.

This legislation has been made necessary by repeated attempts to lower the flag of the United States—to diffuse its stars and stripes—and replace it with the blue-and-white flag of the United Nations.

I refer to S. 694, introduced by the senior Senator from Pennsylvania, which passed the Senate on June 1 and was acted upon in the House of Representatives on June 11.

S. 694 is good Flag Day material, Mr. President.

It provides that no flag shall be flown in a position equal to or superior to the flag of the United States anywhere in the United States, its Territories, or possessions. If the flag of the United States is displayed in conjunction with the flags of other nations, our flag shall be given the superior position of honor. This does not necessarily mean that the flag of the United States must be larger in size or flown at a greater height on all occasions.

One exception is made. It shall not be unlawful for the flag of the United Nations to be flown in a superior position at one location only—the headquarters of the United Nations—with all other flags being equal.

Some of my colleagues may remember that it was not too long ago, in the first flush of the United Nations organization, that American schoolchildren were urged to make copies of the United Nations flag, and housewives were urged to sew United Nations flags, as part of a U. N. propaganda scheme.

It was only a few days ago that I listened to a radio program put out by the United Nations Organization in New York, which was undoubtedly intended as indirect propaganda against congressional action on the flag bill. It began with a great buildup of the United Nations flag. Then the narrator, who is Chief Security Officer of the United Nations, was asked this question:

"Mr. Begley, in no way does the United Nations flag detract from national allegiance or anything of that sort?"

And Mr. Begley answered:

"On the contrary, I think that it has never really been raised except by some misinformed people. As an American, I certainly see no reason to bring up the subject."

I am glad to be classed with those whom Mr. Begley calls "misinformed." I have rendered years of service in the fight to defend and protect the flag of the United States, and I think there is good reason to bring up the subject now.

And the Congress has by its action indicated that it feels that the American position should be made clear. I do not believe that any of us particularly appreciate American tax dollars being spent for propaganda against legislation pending in the Congress of the United States.

Arguments came up at the outbreak of the war in Korea as to whether our men should move into battle under a world banner.

This was seriously considered—although there is no such thing as a United Nations police force—no such thing as a United Nations authority to order men into battle—and our sacrifice in Korea has been guided by the impulses which have made our Nation a refuge for the oppressed—and our flag the symbol of freedom wherever it is raised.

There is not much doubt about the source of such ideas, because the same influence made itself felt when the senior Senator from Pennsylvania first introduced the flag bill in the 82d Congress—and opposition has continued to make itself felt in the 83d Congress, though I am glad to say with less success.

The original flag bill was introduced on August 22, 1951. It was favorably reported upon by the Senate Judiciary Committee and passed by the Senate on October 19, 1951, on a calendar call.

After passage of the bill on that date, and before completion of the calendar call, the former junior Senator from Connecticut, Mr. Benton moved for reconsideration of the Senate vote. The senior Senator from Pennsylvania was not on the floor when the motion to reconsider was made.

As a result, the original bill, S. 2039, was tabled and action upon it delayed from October 19, 1951, until April 16, 1952, at which date it was too late in the session to get action in the House.

The former Senator Benton's reason for his tabling motion was that he had received a memorandum from the State Department opposing the bill, and he wanted members of the Senate Foreign Relations Committee to consider what the State Department had to say.

The senior Senator from Pennsylvania has never seen this memorandum—and it was never, so far as I know, presented to the proper committee. Former Senator Benton's objection to S. 2039 was removed on April 16, 1952—with the comment that the reasons he believed were an impediment to the bill had been removed.

The real reason for removing the objection was that the organization of the Daughters of American Revolution, the American Legion and other patriotic organizations in the State of Connecticut had persuaded the former junior Senator from Connecticut to see the light of day.

These same vague objections began to make themselves evident when the senior Senator from Pennsylvania reintroduced the flag bill in the 83d Congress.

Letters were received by some of my colleagues from the Division of International Conferences in the State Department, to the effect that the bill would cause complications in international conferences, where the flags of all nations are placed equally. It was suggested to the Division of International Conferences that it had the privilege of testifying before the Senate Judiciary Committee, if the State Department wished to express its doubts about the legislation.

When the second bill, S. 694, was again reported favorably to the Senate, and was reached on the calendar call of May 21, 1953—another objection was lodged against it. Again, some request from the State Department was made through a member of the Foreign Relations Committee.

This time, I might say the objection was found to be as vague as in the previous year—and was removed. With the cooperation of the acting majority leader, S. 694 was brought up and passed by the Senate, without a dissenting vote, on June 1.

I have recounted these details only to demonstrate to what extent we have followed the will-o'-the-wisp of international cooperation—without regard to the hazards to our national life and honor that lie in wait at every turn. In the glow of our own generosity and eagerness, we permit the truths of our national vigor and sovereignty to become obscured.

It took 2 years in the United States Senate to get through a bill which merely states that we shall have the right to display our own country's flag in a superior position in our own land and on our own possessions.

It was necessary to reaffirm that the Stars and Stripes is our national flag—and may not be superseded by any conglomeration of other flags—or the flag of any political organization.

On June 2, the day after the passage of the flag bill in the Senate, the Washington Post carried an editorial referring to the bill as a piece of chauvinism—inferring that the stated purpose of the bill, "to protect and uphold the dignity and honor of the flag," was old-fashioned and provincial.

To my way of thinking, editorial comments of this sort by the Washington Post do not warrant the dignity of a reply.

In refreshing contrast is an article by David Lawrence, in his syndicated column, Today in Washington, which appeared on June 4 in a number of newspapers throughout the country.

Mr. Lawrence states in part:

"What so many cynics of these times overlook is that fighting spirit is itself closely related to national spirit and that decadence in the military forces sets in and the morale of a people begins to deteriorate when the symbols of national pride no longer stir the hearts of the citizens."

Our strength lies in national spirit—in faith in the American way of life. Whether we join with other nations for our own security, or for the protection of others less strong than ourselves, we must not permit our national institutions and our national sovereignty to be undermined by an ideology of universalism.

TODAY IN WASHINGTON

(By David Lawrence)

REVERENCE FOR FLAG IS HELD A PART OF GOOD CITIZENSHIP

WASHINGTON, June 3.—All the world and a goodly section of the American press recognized in the British coronation ceremony this week a deep-seated, patriotic devotion on the part of the British people to their ancient tradition. No voices were raised here to disparage the celebration as a piece of chauvinism or excessive pride in the symbols of a nation.

Yet this week when the Senate passed and sent to the House for action a bill which would forbid the display of the United Nations flag in a position superior or equal to the flag of the United States, one important newspaper hereabouts called it a piece of chauvinism and wondered whether the dignity and honor of the American flag came from such manifestations or from the valor of men who carried that flag on the field of battle.

This is a misconception which seems to have become widespread in certain circles in recent years in America—that it is somehow overly patriotic to show reverence for the American flag and that the United Nations is some kind of superstate to which the American people and, indeed, their troops must pay an allegiance higher than that given to the United States itself.

NO WORLD GOVERNMENT

It crops out in many ways. Lately some American employees of the U. N., with the support of some legal opinions by U. N. doctrinaires, have taken the position that once these employees become a part of the U. N., they are no longer responsible to any national jurisdiction as citizens.

There seems to have grown up an idea, too, that the United Nations is a world government instead of a union of sovereign governments. In the Senate a proposal by Senator BRICKER to amend the Federal Constitution has developed a controversy as to whether agreements of a legislative character made under the treaty by which the United States entered the U. N. will supersede the laws of the United States. At one time the present Secretary of State, John Foster Dulles, in a public address expressed apprehension concerning this possibility.

Many of the misunderstandings concerning the true role of the U. N. arise from an overselling of the U. N. as an instrument that supposedly enforces peace. There are people in America who think of the U. N. as a governmental structure that is over and above individual governments. But their fanaticism blindly overlooks the realistic fact that today one set of members of the U. N. is arming against another set and also

that the U. N. has declared Red China an aggressor and another member of the U. N.—Soviet Russia—publicly admits sending munitions of war to help the aggressor in Korea.

The spirit of a nation, indeed the morale of its fighting army, is directly related to the reverence and devotion given to a national symbol—its flag. School children are taught in the American schools to pledge allegiance to the flag. American troops pay tribute to the flag by their daily salute at sundown. The Nation's anthem is dedicated to a star-spangled banner.

What so many cynics of these times overlook is that fighting spirit is itself closely related to national spirit and that decadence in the military forces sets in and the morale of a people begins to deteriorate when the symbols of national pride no longer stir the hearts of the citizens. Just a year ago this correspondent, when in Europe, chatted one day with a high British military officer associated with NATO, and the latter expressed privately his belief that a European defense army with a single uniform would never be as soul-stirring as national divisions wearing distinctive uniforms and insignia.

TRADITION HARD TO BREAK

It is, of course, true that the theme of Germany's song, Deutschland Uber Alles, came under Hitler to typify an abuse of nationalism—a menace to the peace of other countries. But it will be noted that recently, when it came to choosing a national anthem, all political parties in West Germany insisted on legalizing that same song under which German troops had been called to battle before. Tradition is hard to break, if indeed it is wise to attempt for any reason to break the spirit of a people's patriotism.

The placing of the U. N. flag above the American flag, it might be contended, would be a harmless courtesy, but in the present atmosphere—where the tendency is to exalt a strange kind of internationalism which definitely seeks to disparage all national feelings as isolationism or mistaken nationalism—it is not amiss to strengthen rather than weaken faith in the symbols of the United States and especially in its flag.

The Communists, to be sure, have an international ideology. Some of the French Communists say they are for communism above all else and above even allegiance to the French flag. A union of free nations, whether it be in the U. N. or a military alliance like NATO, will be stronger when each component member has a truly national spirit than if regard for a nation's flag is insidiously undermined by an ideology of universalism.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for the purpose of acting on the nomination under the heading of "New Report."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. CAPEHART in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawing the nomination of Tom Lyon, of Utah, to be Director of the Bureau of Mines, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. SMITH of New Jersey, from the Committee on Labor and Public Welfare:

Lee Mohrmann Thurston, of Michigan, to be United States Commissioner of Education.

EXECUTIVE REPORTS OF NOMINATIONS FROM COMMITTEE ON ARMED SERVICES

Mr. SALTONSTALL. Mr. President, from the Committee on Armed Services, I report favorably seven nominations of general rank in the Army and flag rank in the Navy, and ask that they be placed on the Executive Calendar.

Also, from the Committee on Armed Services, I report favorably 174 nominations in the grades of lieutenant junior grade and ensign in the Navy, 988 nominations in the grade of colonel and below in the Marine Corps, and 194 nominations in the grade of major and below in the Air Force.

In order to save the expense of printing this large list of names on the Executive Calendar, and inasmuch as they have already appeared once in the RECORD, I request that they lie on the Vice President's desk for inspection by any Senator, prior to their confirmation.

The PRESIDING OFFICER. Is there objection to the requests of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

The nominations ordered to be placed on the calendar are as follows:

Lt. Gen. Earle Everard Partridge, 33A (major general, Regular Air Force), United States Air Force, to be Deputy Chief of Staff, Operations, United States Air Force, with rank of lieutenant general, and as lieutenant general in the United States Air Force, under the provisions of section 504 and 515, Officer Personnel Act of 1947;

Lt. Gen. Leon William Johnson, 88A (major general, Regular Air Force), to be senior Air Force member, Military Staff Committee, United Nations, with the rank of lieutenant general, and as lieutenant general in the United States Air Force, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947;

Brig. Gen. Alvin Roubal Luedecke, 1486A (colonel, Regular Air Force), United States Air Force, for appointment as temporary major general in the United States Air Force, under the provisions of section 515 of the Officer Personnel Act of 1947;

Adm. William Morrow Fechteler, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as commander in chief, Allied Forces, Southern Europe;

Vice Adm. Felix B. Stump, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as commander in chief, Pacific, and commander in chief, United States Pacific Fleet;

Rear Adm. Thomas S. Combs, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as a fleet commander; and

Rear Adm. Apollo Soucek, United States Navy, to be Chief of the Bureau of Aeronautics in the Department of the Navy for a term of 4 years.

The PRESIDING OFFICER. If there be no further reports of committees the nomination under the heading "New Reports" will be stated.

COLLECTOR OF CUSTOMS

The legislative clerk read the nomination of George F. Jameson to be collector of customs in customs collection district No. 29, with headquarters at Portland, Oreg.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be notified forthwith of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith of the confirmation of the nomination.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

AMENDMENT OF NATIONAL HOUSING ACT AND SERVICEMEN'S READJUSTMENT ACT OF 1944, RELATING TO INTEREST RATES

Mr. KNOWLAND. Mr. President, I ask that the unfinished business be temporarily laid aside and that the Senate consider S. 1993, calendar No. 390.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (S. 1993) to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

Mr. KNOWLAND. I have discussed this matter with both the chairman of the committee and also with the ranking minority member of the committee and the acting minority leader.

Senate bill 1993, which was introduced by the Senator from Indiana [Mr. CAPEHART], is another bill relating to the National Housing Act. I understand it ties in with legislation which has just been passed and with other legislation having a June 30 expiration date. Is my understanding correct?

Mr. SPARKMAN. The Senator is correct. The bill before the Senate is really supplemental of the bill just passed.

Mr. KNOWLAND. Was the bill reported unanimously by the committee?

Mr. SPARKMAN. The bill was reported unanimously by the committee.

Mr. LANGER. Mr. President, I desire to ask a question about the bill before it is passed. Does the bill provide for the issuance of bonds?

Mr. SPARKMAN. No, it does not provide for the issuance of bonds. The bill continues beyond June 30 certain housing programs that would have expired. The bill also gives authority to the Director of Loans in the Veterans' Administration and also to the Administrator of FHA loans to lower the rate of interest if conditions ever reach the point where they should be lowered.

Mr. LANGER. Does it not provide that bonds shall be issued for a 10-year period?

Mr. SPARKMAN. The Senator is referring to debentures. No; if I remember, that provision is contained in the bill already passed; it is not contained in S. 1993.

Mr. LANGER. I have no objection.

The PRESIDING OFFICER. The amendments have been heretofore agreed to.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and read the third time, and passed.

The title was amended so as to read: "A bill to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, the veterans' direct home-loan program, and for other purposes."

TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. In accordance with the unanimous consent agreement of this morning, I now ask that the usual routine business may be transacted.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on today, June 25, 1953, the President had approved and signed the act (S. 2112) to provide for the transfer of price-support wheat to Pakistan.

TEMPORARY ECONOMIC CONTROLS—CHANGE IN CONFEREE

The PRESIDING OFFICER (Mr. CAPEHART in the chair). The Chair appoints the Senator from Alabama [Mr. SPARKMAN] a conferee on the part of the Senate on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1081) to provide authority for temporary economic controls, and for other purposes, in place of the Senator from Arkansas [Mr. FULBRIGHT], who is absent by leave of the Senate.

INDEMNITIES FOR BANG'S DISEASE AND TUBERCULOSIS CONTROL—LETTER

Mr. WILEY. Mr. President, I have received an exceedingly important letter signed by five key experts in Wisconsin agriculture regarding appropriations for indemnities for Bang's Disease and T-B control.

These livestock diseases have cost the farmers of my State of Wisconsin and of other dairy States fantastic damage. I am deeply interested in doing everything I can to alleviate this problem.

An all-out effort must be made in opposition to these disease scourges.

I present the letter and ask unanimous consent that it be printed at this point in the RECORD, and appropriately referred.

There being no objection, the letter was referred to the Committee on Appropriations and ordered to be printed in the RECORD, as follows:

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: It has been brought to our attention that there will be considerable pressure to prevent specific earmarking of funds for the United States Department of Agriculture. Our particular concern is for appropriations for indemnities for Bang's disease and tuberculosis control. It is our feeling that funds left open could easily be shifted to other departments.

It is our contention that indemnities are an indispensable tool in the eradication of these diseases. The history of disease eradication in this and other countries certainly substantiates this contention. We must give more consideration to contagious disease eradication rather than control. We have, in the past, considered living with disease instead of eradicating the scourge. Traditional indemnity payments are needed to encourage livestockmen to rid their herds of diseased animals.

The only other means of eradicating these diseases is by the forcible elimination of the diseased animals. We all know that compulsion is one of the basic dangers we have been fighting.

With these facts in mind, we trust that you will give every consideration to this matter.

Sincerely yours,

ELSMER BERG,
Brownsville, Wis., President, Wisconsin Holstein-Friesian Association.

SAM C. STANCHFIELD,
Fond du Lac, Wis., President, Wisconsin Purebred Dairy Cattle Association.

KENNETH RHEIN,
Oakfield, Wis., Farm Legislative Representative, Wisconsin State Grange.

ERNEST FREUND,
Fond du Lac, Wis., President, Association of Wisconsin Auctioneers.

PAUL L. CHRISTOPH,
Chilton, Wis., Secretary, Fox River Valley Holstein-Friesian Association.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. SALTONSTALL, from the Committee on Armed Services:

S. 1422. A bill to continue the effect of the statutory provisions relating to the deposit of savings for members of the Army and Air Force, and for other purposes; without amendment (Rept. No. 458);

S. 1999. A bill to provide for the recovery, care, and disposition of the remains of members of the uniformed services and certain other personnel, and for other purposes; without amendment (Rept. No. 459);

S. 2000. A bill to authorize the retirement of non-Regular officers of the Army and Air Force having more than 30 years' active Federal service under the same conditions presently provided for such officers having less than 30 years' service, and for other purposes; without amendment (Rept. No. 461); and

S. 2079. A bill to provide for the use of the American National Red Cross in aid of the Armed Forces, and for other purposes; with an amendment (Rept. No. 460).

ACTIVE-DUTY STATUS FOR ALL UNITED STATES PROPERTY AND FISCAL OFFICERS—REPORT OF A COMMITTEE

Mr. HUNT. Mr. President, from the Committee on Armed Services, I report favorably an original bill to amend section 67 of the National Defense Act, as amended, to provide for an active-duty status for all United States property and fiscal officers, and I submit a report (No. 462) thereon.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2217) to amend section 67 of the National Defense Act, as amended, to provide for an active-duty status for all United States property and fiscal officers, reported by Mr. HUNT from the Committee on Armed Services, was read twice by its title and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. HUNT:

S. 2217. A bill to amend section 67 of the National Defense Act, as amended, to provide for an active-duty status for all United States property and fiscal officers; placed on the calendar.

(See the remarks of Mr. HUNT when he reported the above bill from the Committee on Armed Services, which appear under a separate heading.)

By Mr. WILEY (by request):

S. 2218. A bill to amend the Labor-Management Relations Act, 1947, with respect to the applicability of State labor-relations laws to controversies within the scope of such act; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. BRIDGES:

S. 2219. A bill for the relief of Vasilios Demetriou Kretsos and his wife, Chryssa Thomaidou Kretsos; to the Committee on the Judiciary.

By Mr. BUTLER of Nebraska (for himself and Mr. ANDERSON):

S. 2220. A bill to amend section 28 of the act of February 25, 1920, as amended, so as to provide certain exemptions from the requirement that pipelines having rights-of-way over public lands must be operated as common carriers; to the Committee on Interior and Insular Affairs.

By Mr. DOUGLAS:

S. 2221. A bill for the relief of Dr. Brant Bonner; and

S. 2222. A bill for the relief of Lucia Mezilgoglou; to the Committee on the Judiciary.

By Mr. WILLIAMS:

S. 2223. A bill to amend the Mineral Leasing Act for acquired lands to require competitive bidding for leases of deposits of oil and gas not within any known geological structure of a producing oil or gas field; to the Committee on Interior and Insular Affairs.

By Mrs. SMITH of Maine:

S. 2224. A bill to amend the War Claims Act of 1948, as amended, to confer benefits upon certain American citizens interned, and members of the Armed Forces held as prisoners of war, by any hostile force with which

the United States has been engaged in armed conflict subsequent to June 25, 1950; to the Committee on the Judiciary.

AMENDMENT OF LABOR-MANAGEMENT RELATIONS ACT RELATING TO APPLICABILITY OF STATE LABOR-RELATIONS LAWS

Mr. WILEY. Mr. President, I have received from the Association of State Attorneys General an extremely important suggestion to assure optimum State jurisdiction in labor disputes.

The proposed amendment was forwarded to me by the office of Vernon W. Thomson, attorney general of the State of Wisconsin.

I have had extensive contact with him, and with Assistant Attorney General Beatrice Lampert on this extremely important question of making sure that our State employment relations boards are not elbowed out of labor cases which they could far better, far more expeditiously, far more efficiently handle than at the overcrowded, overburdened Federal level.

Therefore, by request, I introduce for appropriate reference, a bill to amend the Labor-Management Relations Act, 1947, with respect to the applicability of State labor-relations laws to controversies within the scope of such act and ask unanimous consent that it be printed in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, will be printed in the RECORD.

The bill (S. 2218) to amend the Labor-Management Relations Act, 1947, with respect to the applicability of State labor-relations laws to controversies within the scope of such act, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That title V of the Labor-Management Relations Act, 1947, is amended by adding at the end thereof a new section, as follows:

"SEC. 504. Nothing herein shall be deemed to deprive States of jurisdiction to enforce laws and regulations not inconsistent with this law unless jurisdiction of the same controversy involving the same parties and issues shall have been undertaken by the National Labor Relations Board or other Federal agency designated in this act."

AMENDMENT OF DISTRICT FIRE AND CASUALTY ACT—CORRECTION IN REENROLLMENT OF BILL

Mr. CASE. Mr. President, on June 23, 1953, the Senate concurred in an amendment of the House of Representatives to the bill (S. 1839) to amend section 32 of the Fire and Casualty Act, so as to provide that an agent or solicitor may secure a license to solicit accident and health insurance in the District of Columbia under that act without taking the prescribed examination, if he is licensed under the Life Insurance Act. However, we are now informed there was a typographical error in the amendment of the House, with the result that the engrossed amendment called for striking out section 2 of a certain act, although it should have called for striking out section 3 of the act.

I submit a concurrent resolution, which has for its purpose the correction of the error, and ask unanimous consent for its immediate consideration.

There being no objection, the concurrent resolution (S. Con. Res. 35) was considered and agreed to, as follows:

Resolved by the Senate (the House of Representatives concurring), That the action of the Speaker of the House of Representatives and the President of the Senate in signing the enrolled bill (S. 1839) to amend section 32 of the Fire and Casualty Act, so as to provide that an agent or solicitor may secure a license to solicit accident and health insurance in the District of Columbia under that act without taking the prescribed examination, if he is licensed under the Life Insurance Act, be, and the same is hereby, rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed to reenroll the bill with the following change, namely: In line 1 of the House engrossed amendment strike out the words "Section 2 of such act" and insert in lieu thereof: "Section 3 of such act."

HOUSE BILL REFERRED

The bill (H. R. 3203) to amend the Interstate Commerce Act, with respect to the authority of the Interstate Commerce Commission to regulate the use by motor carriers (under leases, contracts, or other arrangements) of motor vehicles not owned by them, in the furnishing of transportation of property, was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 92) to express the sense of the Congress with respect to the important role of women in the development of aviation, and for other purposes, was referred to the Committee on Interstate and Foreign Commerce.

REPRINTING OF DOCUMENT ENTITLED "ENACTMENT OF A LAW" (S. DOC. NO. 55)

Mr. JENNER. Mr. President, I ask unanimous consent that Senate Document No. 155, 73d Congress, 2d session, entitled "Enactment of a Law," being a history of the legislative proceedings of Congress in connection with the passage of a Senate bill from its introduction through the various parliamentary stages until its enactment into law, be revised and reprinted as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Indiana? The Chair hears none, and it is so ordered.

NOTICE OF CONSIDERATION OF CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. WILEY. Mr. President, the Senate received today the following nominations: Philip K. Crowe, of Maryland, to be Ambassador of the United States to Ceylon; Roy Tasco Davis, of Maryland, to be Ambassador of the United States to Haiti. I give notice that the nominations will be considered by the Committee on Foreign Relations after 6 days have expired, under the rule of the committee.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. HENDRICKSON:

Address delivered by him at Vineland, N. J., at an anniversary dinner commemorating the incorporation of the city of Vineland.

By Mr. WILEY:

Statement of grassroots reactions from Wisconsin regarding Senator WILEY's stand on the Bricker amendment.

By Mr. JENNER:

Article entitled "Solon for Equal Loans on Housing," published in the Washington Afro-American of June 23, 1953.

By Mr. MAGNUSON:

Article by Mike Masaoka in tribute to Dillon S. Myer for his direction of the War Relocation Authority program.

Essay entitled "What the American Merchant Marine Means to My Community," written by Tim Goodrich, of Tacoma, Wash.

Article entitled "Suppressed Report Favors Hells Canyon," published in the Wenatchee (Wash.) Daily World of June 8, 1953.

By Mr. BRICKER:

Article entitled "The Philosophy of Restraints," published in the Wall Street Journal of June 23, 1953.

By Mr. SCHOEPPEL:

Article entitled "U. N. Also Guilty of Treachery," written by David Lawrence and published in the Washington Evening Star of June 24, 1953.

By Mr. HILL:

An editorial entitled "Prosperous Business Requires Prosperous Customers," by Dr. Clarence Poe, editor and publisher of the Progressive Farmer.

By Mr. KEFAUVER:

Article relating to needs of private utilities, written by De Witt Morrill and published in the Wall Street Journal of June 17, 1953.

Editorial entitled "TVA Versus Socialism," published in the New York Times on June 19, 1953.

By Mr. MURRAY:

Article entitled "Morality in Government," written by Claude Pepper and published in the Journal of Public Law of the Emory University Law School.

By Mr. BUTLER of Maryland:

Editorial entitled "Ridding Unions of Reds," published in the June 23, 1953, issue of the Boston Post.

SECRETARY DULLES' LETTER TO PRESIDENT RHEE

Mr. SMITH of New Jersey. Mr. President, I have just been in conference.

I have just read the letter from Secretary Dulles to President Syngman Rhee which has been delivered probably some time today to President Rhee by the Honorable Walter Robertson, Assistant Secretary of State.

As a member of the Foreign Relations Committee of the United States Senate, and a personal friend of Dr. Rhee, through my visits to Korea in 1949 and again in 1951, I feel that it is appropriate for me to join fully in the spirit of the heartwarming letter that Secretary

Dulles has sent, and to express my own eagerness to participate in any way that I can in bringing about the complete unification of Korea.

I am one of those who is deeply sympathetic with Dr. Rhee's aspirations to unite and free his country and I feel a real inspiration as I review his noble life of patriotic devotion to a great cause. But it is my considered judgment that the fighting must cease and that we must seek our objectives through peaceful means.

I am aware that there are problems involved in the pending truce negotiations and that there may be further delay and even temporary stalemates. I feel, however, that a stalemated truce is to be preferred to a stalemated war where our boys are being killed.

If we remain united in our common purposes at this time we can win this ideological war for the freedom and independence of Korea and for the freedom and independence of all of Asia.

I join with President Eisenhower, Secretary Dulles and the many friends and admirers of Dr. Rhee in urging that he and his people join with us at this critical time.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Barlett, one of its clerks, announced that the House had agreed to the amendment of the Senate to the bill (H. R. 3425) to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes," approved May 21, 1951.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 35) providing for the reenrollment of Senate bill 1839, amending the District Fire and Casualty Act.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes.

Mr. CORDON. Mr. President, so far as I am now advised, there have been but a few proposed amendments to the pending measure filed with the clerk. Of course, I realize that a number of amendments may be offered as the bill is proceeded with.

It occurs to me that the consideration of the bill might be expedited if the procedure followed in the submerged-land bill just passed could be adopted with respect to the bill before the Senate, H. R. 4828. Therefore, I ask unanimous consent that the bill as amended by the committee be deemed a clean bill, or as an original bill, and that, as such, Senators may offer amendments and raise points of order with respect to any language which may be deemed to be of a legislative character on an appropriation bill. It occurs to me that that might expedite the handling and consideration of the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered. The amendments of the committee are, therefore, agreed to en bloc.

The amendments agreed to en bloc are as follows:

Under the heading "Title I—Department of the Interior—Office of the Secretary—Enforcement of Connally Hot Oil Act", on page 2, line 1, after "(15 U. S. C. 715)", to insert "including purchase of not to exceed two passenger motor vehicles for replacement only", and in line 2, after the amendment just above stated, to strike out "$150,000" and insert "$175,000".

Under the subhead "Operation and Maintenance, Southeastern Power Administration", on page 2, line 9, after the word "area", to strike out "$1,060,000" and insert "$1,080,000".

On page 2, after line 14, to insert:

The Secretary of the Interior is hereby authorized to negotiate a disposition of all real and personal property acquired by contract or otherwise out of or by color of appropriations in either the 1952 or 1953 Interior Department Appropriation Acts under the heading "Construction, Southeastern Power Administration" for the Clark Hill-Greenwood transmission facility to the Greenwood County Electric Power Commission, a public agency of the State of South Carolina, having first completed payments due on property so acquired. The disposition of such property shall be on such terms as will reimburse the United States and the proceeds therefrom shall be deposited in the Treasury as miscellaneous receipts.

On page 3, after line 2, to insert:

When said disposition has been effected the unexpended balance of the appropriation made in the Interior Department Appropriation Act, 1952 (65 Stat. 248), under the heading "Construction, Southeastern Power Administration", and the unexpended balance of the appropriation made in the Interior Department Appropriation Act, 1953 (66 Stat. 445), under the same heading for the Clark Hill-Greenwood facilities, shall be covered into the Treasury as miscellaneous receipts.

Under the subhead "Operation and Maintenance, Southwestern Power Administration", on page 3, line 17, after the word "area", to strike out "$1,500,000" and insert "$1,700,000".

Under the subhead "Continuing Fund, Southwestern Power Administration", on page 3, line 21, after the word "exceed", to strike out "$150,000" and insert "$2,000,000".

Under the subhead "Commission on Fine Arts—Salaries and Expenses", on page 4, line 14, after the word "Commission", to strike out, "$20,000" and insert "$26,400".

Under the subhead "Bonneville Power Administration—Construction", on page 4, line 19, after the word "expended", to strike out "$38,300,000" and insert "$44,193,000".

Under the subhead "Operation and Maintenance", on page 4, line 24, after the word "energy", to strike out "$5,000,000" and insert "$7,000,000".

Under the subhead "Administrative Provisions", on page 5, line 4, after the word "law", to insert "including the purchase of not to exceed eleven passenger motor vehicles for replacement only".

Under the subhead "Bureau of Land Management—Management of Lands and Resources", on page 5, at the beginning of line 24, to strike out "$11,000,000" and insert "$11,746,000".

Under the subhead "Administrative Provisions", on page 6, line 21, after the word "for" to insert "purchase of not to exceed fifteen passenger motor vehicles for replacement only and".

Under the subhead "Bureau of Indian Affairs—Health, Education, and Welfare Services", on page 8, at the beginning of line 13, to strike out "$52,000,000 and insert "$52,300,000".

Under the subhead "Resources Management", on page 8, line 22, after the word "law", to strike out "$12,500,000" and insert "$13,253,760".

Under the subhead "Construction", on page 9, line 11, after the word "reservations", to insert a colon and "Provided further, That no part of this appropriation shall be used for the acquisition of land or water rights within the States of Nevada, Oregon, and Washington either inside or outside the boundaries of existing reservations".

On page 9, line 20, after the word "completed", insert a colon and the following additional provisos:

Provided further, That the Secretary may transfer without exchange of funds to the Devils Lake Sioux Tribe of the Fort Totten Reservation, the East Side and Crow Hill day schools together with the lands on which they are situated whenever it is determined they are no longer needed for Bureau purposes: Provided further, That the Secretary is authorized to purchase, without regard to the prohibition against the purchase of land from appropriations for Construction, Bureau of Indian Affairs, contained in this or any other Act, not to exceed fifteen hundred acres of nonreservation lands in Arizona, and necessary rights-of-way and easements required for the enlargement of the Picacho Reservoir of the San Carlos Indian irrigation project, and approximately five acres of allotted Indian lands within the Yakima Indian Reservation, Washington, for use of the Wapato irrigation project.

Under the subhead "General Administrative Expenses", on page 10, line 17, after the word "offices", to strike out "$3,000,000" and insert "$3,060,000".

Under the subhead "Administrative Provisions", on page 10, line 21, after the word "exhibits" to insert "purchase of not to exceed sixty-two passenger motor vehicles for replacement only, which may be used for the transportation of Indians;".

Under the subhead "Tribal Funds", on page 12, line 5, after the word "Secretary", to insert a colon and the following proviso:

Provided however, That no part of this appropriation or other tribal funds shall be used for the acquisition of land or water rights subject to local taxation within the States of Nevada, Oregon, Washington, and Wyoming, either inside or outside the boundaries of existing Indian Reservations.

Under the subhead "Bureau of Reclamation—General Investigations", on page 13, line 4, after the word "expended", to strike out "$2,000,000" and insert "$3,500,000", and at the beginning of line 5, to strike out "$1,400,000" and insert "$2,900,000".

Under the subhead "Construction and Rehabilitation", on page 13, line 20, after

the word "expended", to strike out "$108,396,675" and insert "$123,589,450"; in line 21, after the word "which", to strike out "$49,706,500" and insert "$53,130,542"; in line 22, after the word "That" to insert "not to exceed $268,000 shall be available toward the emergency rehabilitation of the Dalton Gardens Irrigation Project, Idaho to be repaid in full under conditions satisfactory to the Secretary of the Interior: Provided further, That not to exceed $222,000 shall be available toward the emergency rehabilitation of the Avondale Irrigation Project, Idaho to be repaid in full under conditions satisfactory to the Secretary of the Interior: Provided further, That not to exceed $1,000,000 of the amount appropriated herein for the Missouri River Basin Project shall be nonreimbursable representing that portion of the cost of Pactola Dam allocated to furnishing a water supply for the Rapid City Air Base: Provided further, That", and on page 15, line 23, after the word "irrigation" to insert "or (b) that the successful irrigability of those lands and their susceptibility to sustained production of agricultural crops by means of irrigation has been demonstrated in practice".

Under the subhead "Operation and Maintenance", on page 16, line 13, after the word "law" to strike out "$18,000,000" and insert "$21,040,000"; in the same line, after the word "which" to strike out "$14,016,290" and insert "$16,215,290", and in line 25, after the word "year" to insert a colon and "Provided further, that not to exceed $400,000 of this appropriation may be transferred to the Department of Agriculture for agricultural services, conducted pursuant to law, in connection with reclamation projects".

Under the subhead "General Administrative Expenses", on page 17, line 9, after the word "Reclamation" to strike out "$4,250,000" and insert "$4,750,000".

Under the subhead "Emergency Fund", on page 17, at the beginning of line 18, to strike out "$500,000" and insert "$400,000".

Under the subhead "Administrative Provisions", on page 18, line 13, after the word "for" to insert "purchase of not to exceed two hundred passenger vehicles for replacement only;".

Under the subhead "Geological Survey—Surveys, Investigations, and Research", on page 21, line 23, after the word "activities", to strike out "$27,750,000" and insert "$26,380,000", and in line 24, after the word "which", to strike out "$3,700,000" and insert "$3,600,000".

Under the subhead "Administrative Provisions", on page 22, line 9, after the word "available" to insert "for purchase of not to exceed sixty-nine passenger motor vehicles for replacement only;".

Under the subhead "Bureau of Mines—Conservation and Development of Mineral Resources", on page 23, line 17, after the word "owner" to strike out "$13,395,918" and insert "$15,928,180".

Under the subhead "General Administrative Expenses", on page 24, line 15, after the word "offices", to strike out "$1,086,300" and insert "$1,325,000".

Under the subhead "Administrative Provisions", on page 24, line 18, after the word "for" to insert "purchase of not to exceed fifty passenger motor vehicles for replacement only;".

Under the subhead "National Park Service—Management and Protection", on page 26, after line 14, to insert:

The Secretary of the Interior shall review all existing concession leases and contracts, and hereafter all new concession leases and contracts and all renewals of such leases and contracts shall be reviewed by the Secretary of the Interior and shall be entered into with qualified persons on the basis of competitive bids: *Provided*, That hereafter all awards of concession leases and contracts shall be reported by the Secretary of the Interior to the President of the Senate and the Speaker of the House of Representatives for transmission to the appropriate committees.

Under the subhead "Maintenance and Rehabilitation of Physical Facilities", on page 27, line 8, after the word "Service", to strike out "$8,000,000" and insert "$8,600,000".

Under the subhead "Construction", on page 27, line 16, after the word "expended", to strike out "$13,435,000" and insert "$13,916,300".

Under the subhead "General Administrative Expenses", on page 27, line 25, after the word "offices", to strike out "$1,250,000" and insert "$1,268,000".

Under the subhead "Administrative Provisions", on page 28, line 3, after the word "for" to insert "for purchase of not to exceed forty-five passenger motor vehicles for replacement only;".

Under the subhead "Fish and Wildlife Service—Management of Resources", on page 28, line 18, after "(16 U. S. C. 695–695c)", to insert "'leasing and management of lands for the protection of the Florida Key deer;".

Under the subhead "Investigations of Resources", on page 29, line 12, after the word "law", to strike out "$3,000,000" and insert "$4,260,000".

Under the subhead "Construction", on page 29, line 19, after the word "expended", to strike out "$435,600" and insert "$313,000".

Under the subhead "Administrative Provisions", on page 30, line 9, after the word "for" to insert "purchase of not to exceed one hundred and seven passenger motor vehicles, for replacement only; purchase of not to exceed six aircraft, for replacement only;".

On page 32, after line 8, to insert:

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of The Pacific Islands pursuant to the Trusteeship Agreement approved by Public Law 204; Eightieth Congress, including the Expenses of the High Commissioner of the Trust Territory of the Pacific Islands; compensation and expenses of the judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands in addition to local revenues, for support of governmental functions; $4,000,000: *Provided*, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 34): *Provided further*, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration: *Provided further*, That appropriations available for the Administration of the Trust Territory of the Pacific Islands, may be expended for the purchase, charter, maintenance, and operation of aircraft and surface vessels for official purposes and for commercial transportation purposes found by the Secretary to be necessary in carrying out the provisions of article 6 (2) of the Trusteeship agreement approved by Public Law 204, Eightieth Congress: *Provided further*, That the succession of the Island Trading Company is hereby extended to December 31, 1956, and the time within which the amount of the reserve for Navy subsidies shall be paid into the Treasury as miscellaneous receipts, as required by the Interior Department Appropriation Act, 1953, is hereby extended to the said date.

Under the subhead "Alaska Public Works", on page 33, at the beginning of line 21, to strike out "$14,325,000" and insert "$10,000,000".

Under the subhead "Construction of Roads, Alaska", on page 34, line 2, after the word "otherwise", to strike out "$10,000,000" and insert "$14,600,000".

Under the subhead "Administrative Provisions", on page 34, line 13, after the word "exceed", to strike out "15" and insert "20".

Under the subhead "Construction, Alaska Railroad", on page 34, line 20, after the word "expended", to strike out "$2,715,000" and insert "$8,250,000".

Under the subhead "Administration, Department of the Interior—Salaries and Expenses", on page 36, line 2, after the word "service" to strike out the comma and "and not to exceed $100,000 for services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a)".

Under the subhead "General Provisions", on page 37, line 22, after the word "for" to insert "services as authorized by section 15 of the Act of August 2, 1946 (5 U. S. C. 55a) when authorized by the Secretary, at rates not to exceed $50 per diem for individuals;".

On page 38, after line 9, to strike out:

SEC. 107. The Secretary is authorized to make such transfers of motor vehicles, between bureaus and offices, without transfer of funds, as may be required in carrying out the operations of the Department.

On page 38, line 14, to change the section number from "108" to "107", and in the same line, after the word "exceed", to strike out "$100,000" and insert "$250,000".

Under the heading "Title II—Virgin Islands Corporation—Revolving Fund", on page 39, line 23, after the word "law" to strike out "$753,000" and insert "$1,375,000".

Under the subhead "Grants", on page 40, line 1, after the word "law", to strike out "$150,000" and insert "$1,080,000".

Under the subhead "Administrative Expenses", on page 40, at the beginning of line 11, to strike out "$100,000" and insert "$130,000".

Under the heading "Title III—Federal Coal Mine Safety Board of Review—Salaries and Expenses", on page 40, line 20, after "(5 U. S. C. 55a)", to strike out "$85,000" and insert "$75,000".

Under the heading "Title V—Reductions in Appropriations—Office of the Secretary", on page 42, line 20, after the word "Construction", to strike out

"Southwest" and insert "Southwestern", and in line 21, after the word "Administration", to strike out "$1,447,800" and insert "$1,264,300".

The PRESIDING OFFICER. The bill is open to amendment.

Mr. CORDON. The first page of the report is a summary of what was done dollarwise by the committee.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. CORDON. I yield to the Senator from California.

Mr. KNOWLAND. A number of Senators have expressed the desire that when the Department of the Interior appropriation bill is under consideration, there might be a quorum call. For that reason, and with the consent of the Senator from Oregon, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CORDON. Mr. President, on the first page of the committee report is a summary of the Interior Department appropriation bill as it passed the House and as it comes before the Senate this evening from the Appropriations Committee. The summary is as follows:

The amount of the bill passed by the House was $406,130,343. The net amount recommended to be added by the Senate Appropriations Committee is $45,126,597.

The total of the bill as reported to the Senate from the Senate committee is $451,256,940.

The amounts of the 1954 budget estimates are as follows:

The original budget estimates were $607,336,400. The revised budget estimates were $491,119,200.

The amount of the 1953 appropriations, including the Supplemental Appropriation Act for 1953 and the Second Supplemental Appropriation Act for 1953 was $542,737,501.

The bill as reported to the Senate, therefore, is under the original budget estimates for 1954 by $156,079,460; under the revised budget estimates for 1954, by $39,862,260; under appropriations for the fiscal year 1953 by $91,480,561.

Mr. President, there are numerous amendments recommended by the Appropriations Committee of the Senate. Most of them are minor in amount. However, I believe that it would be well to call the attention of the Senate to the major increases in the bill recommended to the Senate.

One of the items was the Southwestern Power Administration's continuing fund. For this purpose the House allowed $150,000. The Senate committee recommended $2 million, or an increase of $1,850,000. The committee feels that the sum of $2 million is necessary in order that the Southwestern Power Administration may perfo m its service of delivery of Federal po er to preferred customers in its service area.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CORDON. I am happy to yield to the Senator from Vermont.

Mr. AIKEN. I would not interrupt the Senator at this time except that I must leave the Chamber, and I should like to ask 2 or 3 questions before I leave.

The first question is, Did the committee consider the language of the House committee, which strongly recommended that the provision which prevails for marketing of power at the Hoover Dam, I believe, should apply to other Federal power projects?

Mr. CORDON. The committee gave consideration to that recommendation.

Mr. AIKEN. But the committee did not agree with the recommendation of the House committee in that respect?

Mr. CORDON. The Senate committee—particularly the subcommittee, because that is the portion of the full committee which gave immediate and close attention to the preparation of the bill—took the view that its obligation was not to make substantive law, but to take the substantive law as it found it and implement it with funds to the extent it felt was necessary. Whether some other policy, advanced by the House committee, is sound, is, of course, a matter of judgment for the two Houses. The present law very definitely places certain responsibilities on the Secretary of the Interior. One of those responsibilities is to serve the preferential customers of the power, and to provide the construction where necessary—and only where necessary—of major transmission lines for that purpose; and the committee operated under that mandate in the law.

Mr. AIKEN. Does the Senator interpret the House recommendation to mean that the power from public development would be sold only to those who are able to build lines to the dam to get the power?

Mr. CORDON. That interpretation could be placed on the language. On the other hand—and the Senator from Oregon now speaks only for himself—the view of the Senator from Oregon is that the language might also be construed as advancing the view that the Government should not build transmission lines for the purpose of carrying Federal power to the public preferred bodies if the power could be carried there, by contract, by private transmission lines.

Mr. AIKEN. Does the Senator from Oregon believe that the House language is consistent with the established Federal power policy, which states that preference in the marketing of power should be given to cooperatives and to public power bodies?

Mr. CORDON. The interpretation which the Senator has placed on the language—and one to which the language is susceptible—would indicate that the House took the view that the obligation of the Government, so far as the delivery of the power was concerned, was concluded when it generated the power at the busbar. To that extent the view is not in accord with the existing law. The Senate committee takes the view that its obligation is what is printed in the law, and it endeavors to fulfill that obligation.

Mr. AIKEN. It is a fact, is it not, that in the case of the Hoover Dam only two large corporations, the largest municipal system in the world, and one State power authority, are able to get their power from Hoover Dam, and that the small operators are unable to get any of that power?

Mr. CORDON. I cannot answer specifically, because the extent to which the power is preempted by the two major customers is a matter with which I am not fully familiar.

Mr. AIKEN. It is a matter of having the means to build transmission lines to the dam to get the power. In the case of Los Angeles, it has ample means. However, in the case of small cooperatives and small municipalities, they do not have the means to build expensive transmission lines.

Mr. CORDON. I think there would be no question about it.

Mr. AIKEN. It was not the intention of the committee, was it, to preclude the construction of lines by the Government where necessary to get the power to the users who would deserve it in accordance with the existing Federal power policy?

Mr. CORDON. The Senator has stated the view of the subcommittee precisely.

Mr. AIKEN. Would the Senator go so far as to say that it is not the function of an Appropriations Committee to rewrite the established Federal power policy without the appropriate legislative committee thoroughly considering the subject, permitting people to testify at hearings and giving the whole Congress an opportunity to consider such changes?

Mr. CORDON. The Senator from Oregon does not want to criticize his colleagues on the other side of the Capitol.

Mr. AIKEN. I will not ask for criticism. I will ask the Senator from Oregon if he believes it would be a function of his committee.

Mr. CORDON. The Senator from Oregon is happy to state that it is clearly the function of an Appropriations Committee to pass upon the appropriation of funds, and not upon substantive law, because the rules of the Senate expressly provide that in any instance where the Appropriations Committee introduces substantive law it is subject to a point of order, which would seem to be a conclusive answer in favor of the position which the Senator from Vermont takes.

Mr. AIKEN. I thank the Senator from Oregon. I believe the Senator from Oregon has made the position of his committee amply clear.

Mr. CORDON. I am sure the Senator from Vermont will find that the provisions of the bill as recommended to the Senate are equally clear.

Recurring to the major increases recommended by the committee, I have just called attention to the Southwestern Power Administration, in the item for which an increase of $1,850,000 is recommended by the committee. I have just stated that that amount was the amount believed by the subcommittee to be necessary and was adopted by the full committee as being necessary in order

that the Southwestern Power Administration might execute its responsibility in the southwestern area in the delivery of power to the preferred customers in its service area.

I wish to make it entirely clear, so that there can be no question about the position the committee took, that the Committee on Appropriations, so far as I know, has consistently at all times taken the position with respect to appropriating money for transmission lines—and I believe it is a position which it was entitled to take under the language of the Federal Act of 1944—that no money should be appropriated for the building of transmission lines by the Government in any case where the Government could secure a comparable wheeling contract from existing transmission lines or lines to be constructed which were operated by private industry. Always in the recommendations made in that field the committee has taken the position that the obligation of the Secretary of the Interior was to secure those contracts if possible, and, if not possible, to build the necessary backbone or mainline transmission lines. Money has been furnished by Congress for that purpose and under those directions.

When the committee went into the Southwestern Power Administration situation it found—and there was no question about the facts—that, pursuant to insistent recommendations of both the House and Senate in prior years, the Administrator of the Southwestern Power Administration, one Douglas Wright, had negotiated, with a group of private utilities in the southwestern service area a contract in the nature of a wheeling contract, which would have made unnecessary the building of a major portion of the proposed transmission lines in that service area. The testimony both from Mr. Wright and from representatives of the company and others was that the contract was agreed upon by the companies and by Mr. Wright, himself an electrical engineer, and in the opinion of the Senator from Oregon a very competent electrical engineer and expert in the field. The contract negotiated by Mr. Wright and as described by Mr. Wright to the committee this year was a sound, operable, and profitable contract from the standpoint of the Government and the preferred customers.

According to the undisputed testimony, the contract was presented to the then Secretary of the Interior, Mr. Chapman, in December 1951. No action was taken on the contract through that year or through 1952, but just before Mr. Chapman's term expired he rejected the contract. When the new Secretary of the Interior took office—and of course he was wholly unacquainted in that field—he found that the contract had been rejected, for no reason, so far as I have been advised, except that the contract was unsatisfactory to the former Secretary, although eminently satisfactory to the Administrator, Mr. Wright.

Thereafter, according to the testimony adduced before the committee, three conferences with respect to the matter were held in the Department of the Interior. At those conferences appeared representatives of the Southwestern Power Administration, representatives of the utility companies in the area, and, I believe, representatives of preferred customer groups.

As a result of those conferences, the companies thereafter submitted a proposed contract which would be different from a wheeling contract in that it would apply the principle of purchase by the companies of the power from the dams, with all its interruptible characteristics, and the delivery of firm power to the former customers of the Government, who then would become customers of the utilities; but the price of electricity to them was to be determined in a contract between the transmission utilities and the Federal Government, and the public bodies were to be guaranteed the type of preference provided in the act and the lowest possible price for the firm power delivered to them. That was the way the contract was described to the committee.

The new Secretary had not had time to make a study either of the proposed new contract or of the former contract which had been rejected.

The committee, following the precedent with respect to policy set by Congress ever since 1944, I believe—I cannot remember when any other view was taken—made its recommendation that sufficient funds be provided to the Southwestern Power Administration to permit it to operate without any changes in its methods for a period of 8 months, not 12 months. That would bring it up to the first of March 1954. At the same time the committee recommended that the Secretary proceed to secure the wheeling contracts, if it was possible to secure them.

The committee felt that this plan would, first, require action, because of the inability, due to a lack of funds, to continue beyond the set period of 8 months; and, on the other hand, if there could not be negotiated a sound contract that would carry out the principle involved in section 5 of the Flood Control Act of 1944, there then would be time, after the Congress convened at the first of the year, to make such further appropriation as might be necessary to meet the eventuality as of that time, which of course would be that of carrying out the contract for the remainder of the year.

It was in that circumstance that the committee voted to increase the allowance from $150,000 to $2,000,000.

Mr. CASE. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I yield.

Mr. CASE. I notice that the report, after containing a discussion of the Southwestern Power Administration, deals with the research program in the utilization of saline waters. If the Senator from Oregon will permit me to do so, I should like to express my personal appreciation of the courtesy the chairman showed at the meeting of the committee at the time when the hearing on that item was conducted, and also my appreciation for the allowance of the item by the budget and by the House of Representatives.

I notice that the committee enters its disagreement with that paragraph in the House report, and then states:

> The committee feels that the officials responsible for administering this program should be allowed broad discretion in the disbursement of the money allowed so as to derive the greatest possible benefit from the program. The committee advises the officials responsible for administering this program that it expects a detailed report as to how this money was spent, and what has been accomplished when requests are considered for funds for fiscal year 1955.

I believe it appropriate at this point to say that the difference of opinion, as expressed in the House committee report and the Senate committee report, grew out of some very interesting presentations made before the Appropriations subcommittee handling this matter for the Senate, by scientists who are being used as consultants in the development of the program.

The Senator from Oregon will recall that I initially expressed some sympathy with the point of view set forth in the House committee report. I think both the Senator from Oregon and myself were convinced that since this is a research program, the contracts for research, if let to reputable research companies and research institutions, would work out better if the research agencies were allowed to determine how they would proceed, rather than if the committee were to attempt to say to them, "Get this result." In other words, we felt that inasmuch as this program of research relates to a relatively new field, at least in the early stages of the research the maximum results will be obtained if the scientists are not told what they are expected to find, but, instead, are encouraged to develop their research.

I was very much encouraged by some of the scientists who appeared before the committee that evening. Incidentally, I know that the committee headed by the distinguished Senator from Oregon worked at night, because that particular hearing lasted until 10:30 or 11 o'clock that night, as I recall. Yet the members of the subcommittee were there, listening to the testimony of the scientists in regard to what might be done in making salt water available for use in cities along the coast and possibly even for irrigation purposes, eventually, but initially more particularly for use in cities, and to make available for use in the inland areas of the country, water that at present is too saline or brackish for use.

The program is an excellent one, and I desire to express my appreciation of the courtesy of the committee and of the action taken by it in recommending the allowance of this item.

Mr. CORDON. I thank the Senator from South Dakota.

Mr. President, the Senator has stated the matter as well as it can be stated. In the first instance I held the view which has just been expressed by the Senator from South Dakota. It seemed to me that we should not "shotgun" our appropriation of the money, but should aim at a given target, and should spend the money on 1, 2, or, at most, 3 processes aimed at successful use of the procedures.

However, after listening to persons who are expert in the field, I was convinced, as were the Senator from South Dakota and the other members of the subcommittee—as they expressed themselves—that in this new field there is available at the moment too little knowledge to enable us to say with respect to what little work has been done, "Either this, this, or this is the answer."

No one yet knows the answer.

Those who were in charge of the work and their advisory committee were of the opinion, as one expressed it, that every scientist who had an idea that was a little more than a gleam in his eye should be encouraged to pursue it at least until there was an opportunity to evaluate the thought or thoughts he had. It was with that idea in mind that the position of the committee was taken.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I should like to inquire of the Senator from Oregon what, if anything, is provided in the pending bill in regard to the transmission line between Clark's Hill Dam and Greenwood, S. C.?

Mr. CORDON. There is language written into the bill as a recommendation by the committee. The language is substantive matter, and is subject to a point of order; but the language is there for such consideration as the Senate feels should be given to it.

The committee recommends that the Secretary of the Interior be authorized to negotiate and to dispose of the real and personal property represented by the incomplete transmission line, which would be a line running from Clark's Hill Dam to Greenwood, in South Carolina, to the Greenwood County Electric Power Commission, a public agency of the State of South Carolina.

The recommendation further provides that the Secretary shall have opportunity, first, to complete payments due on the property so acquired. The recommendation then provides that such disposition shall be on such terms as will reimburse the United States, and that the proceeds therefrom shall be deposited in the Treasury as miscellaneous receipts. The recommendation then provides that any unexpended funds at that time, including the proceeds, shall be rescinded as an appropriation, and shall be returned to the Treasury as miscellaneous receipts.

Mr. JOHNSTON of South Carolina. My reason for inquiring is that we have had quite a fight in the State of South Carolina in regard to this particular transmission line, as the Senator knows; and there has also been a fight regarding it on the floor of the Senate.

Mr. CORDON. I recall the matter.

Mr. JOHNSTON of South Carolina. My only desire is to see to it that the power developed at Clark's Hill can get to Greenwood; and I want to be assured that that will take place. I think it will be possible, if the Government continues to act, and I merely wanted to know whether the situation was properly safeguarded.

Mr. CORDON. I shall be happy to state the view of the committee. The Senator will recall that this was a case in which, when the appropriation was made 2 years ago, the same recommendation that I have mentioned was made with respect to endeavoring to get wheeling contracts, not spending the money until afterward. An overzealous servant of the Government was unwilling to carry out that recommendation, and some money was expended. Last year a further appropriation was made, but it was written into the bill that it could not be expended if the wheeling contracts could be obtained.

Mr. JOHNSTON of South Carolina. Does the Senator recall that the money was carried in the appropriation bill 2 years ago?

Mr. CORDON. That is correct.

Mr. JOHNSTON of South Carolina. The junior Senator from South Carolina took issue with the Senator from North Carolina, because the two matters were tied up together at that time. Of course, we were interested in the matter of security.

Mr. CORDON. That is correct.

Mr. JOHNSTON of South Carolina. I do not want to jeopardize that in any way at this time, and I do not want to raise any question in connection with the bill. But I will do so, if I have to, in order to protect the interests of my people in South Carolina.

Mr. CORDON. I want the Senator from South Carolina to understand exactly what was in the mind of the subcommittee when we discused the matter. The Senator will probably recall that the Comptroller General advised the Secretary of the Interior that the conditions provided in the act had not been complied with, when he started to spend the money again last fall, and that therefore the matter was taken into the courts of South Carolina, and finally moved from the State court into the United States district court, where a temporary injunction was issued with bond. That was the situation when the new administration came in.

Mr. JOHNSTON of South Carolina. Is it the purpose of the bill to stop the building of any transmission lines?

Mr. CORDON. Oh, no. In view of the position taken by the General Accounting Office with respect to this particular matter, the only purpose to be subserved now is to attempt to salvage what exists and what can be used if the property can be salvaged now and the line completed without delay. The committee has taken the view that, if the contractor who had started the work could continue it, if the materials scattered along the right-of-way could be used where they are, and not have to be picked up for salvage, and if the right-of-way now under condemnation, or at least that for which judgment has not yet been paid, can be paid for and secured, and the project taken up at this time and carried forward to completion, there will be (1) no material loss to the Government, and (2) value to the local cooperative which initially would have been glad to build the line.

For that reason, let me say very frankly, the committee went further than an appropriations committee ought to go, and made the recommendation contained in the bill, feeling that it was necessary that we shortcut the ordinary processes, which would result in this uncompleted property being delivered by the Secretary of the Interior to the General Services Administration, and by the General Services Administration sold as surplus. The procedure would be long, and it would be complicated. There would be no real realization of values.

The Greenwood County Electric Power Commission indicated to the Senator from Oregon and to the Secretary of the Interior that it was interested in the purchase and completion of the line, and the committee felt that that was the sound way out in that particular case. So far as I can see, it does not represent anything but the adoption of a policy with respect to salvaging the most that can be salvaged out of a situation that never should have existed in the first place.

Mr. JOHNSTON of South Carolina. I notice the contract is signed by the Government but not signed by the Greenwood County Electric Power Co. Why is it not signed by them, if it is a contract with that company?

Mr. CORDON. This recommendation does not rest upon any contract, for the reason that a contract, or a form of contract, was presented to the committee and in that form of contract there was provision that the Government should absorb a loss of approximately $10,000. The committee felt that the fault did not rest with the Government of the United States, but rested with agents of the United States, and that the United States as such should not suffer the loss.

We, therefore, wrote into the bill our recommendation, which differed, in that respect, from the proposed or suggested contract which was presented to us. We ask only that the money invested by the United States be returned to the United States in full and that then there be a complete quittance, and, so far as the United States is concerned, a complete title vested in the Greenwood County Power Commission.

Mr. JOHNSTON of South Carolina. Is it the Senator's belief that this will in anywise jeopardize the continuation of the line which runs to Greenwood?

Mr. CORDON. The purpose is to complete the line. I cannot say whether it will be prejudiced in the end, but this bill will not prejudice it, because I have been advised by the commission that they have the money to complete the line if they take it over.

Mr. JOHNSTON of South Carolina. If the electric power line does not go through with the contract, does that mean that the Government can pull out?

Mr. CORDON. If the Greenwood Power Commission does not complete the contract, this recommendation utterly fails, and the Government will have to do something else with respect to an uncompleted line. There is no provision in this bill for that "something else."

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. BENNETT in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gillette	Mansfield
Anderson	Gore	Martin
Barrett	Green	Maybank
Beall	Griswold	McCarran
Bennett	Hayden	McClellan
Bricker	Hendrickson	Millikin
Bridges	Hennings	Monroney
Bush	Hickenlooper	Mundt
Butler, Md.	Hill	Murray
Butler, Nebr.	Hoey	Neely
Byrd	Holland	Pastore
Capehart	Hunt	Payne
Carlson	Jackson	Purtell
Case	Jenner	Russell
Clements	Johnson, Colo.	Saltonstall
Cooper	Johnson, Tex.	Schoeppel
Cordon	Johnston, S. C.	Smathers
Daniel	Kefauver	Smith, Maine
Dirksen	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Duff	Knowland	Stennis
Dworshak	Kuchel	Symington
Eastland	Langer	Thye
Ellender	Lehman	Watkins
Ferguson	Long	Welker
Frear	Magnuson	Williams
George	Malone	Young

The PRESIDING OFFICER (Mr. BENNETT in the chair). A quorum is present.

ORDER FOR A RECESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its business this evening, it recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. YOUNG. Mr. President, on behalf of the senior Senator from North Dakota [Mr. LANGER] and myself, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment offered by the Senator from North Dakota for himself and the senior Senator from North Dakota will be stated.

The LEGISLATIVE CLERK. On page 14, line 9, after the word "Base", it is proposed to insert the following:

Provided, That, since certain property acquired by the Bureau of Reclamation in connection with the construction of Heart Butte Reservoir is no longer required for the original purposes, the Secretary of the Interior is authorized to consent to the inclusion of said lands within the corporate limits of the city of Glen Ullin, N. Dak.; to survey, subdivide, and sell said lands with improvements at public auction at not less than the appraised price and credit receipts from same to construction costs of the Heart Butte unit, Missouri River Basin project; and to transfer to the city of Glen Ullin, N. Dak., the water and sewer systems constructed by the United States on condition that the United States shall be permitted to use same without cost or liability so long as title to the property served remains in the United States.

Mr. YOUNG. Mr. President, it will require only a moment to explain the amendment. It is one which will save the Federal Government some money.

The construction of the Heart Butte Dam in North Dakota was completed about 3 years ago. In connection with the construction of this dam the Bureau of Reclamation built 28 or 30 houses on the east side of the city of Glen Ullin, N. Dak., together with a sewer and water system. The Bureau has not disposed of the houses since that time because the houses were of little value to anyone, and would sell for only a small amount, unless a determination were made with respect to the sewer and water system. The Bureau of Reclamation places no value upon the sewer and water system, as its resale value would be practically nothing. However, if the sewer and water system were turned over to the city of Glen Ullin, as provided in my amendment, the Bureau could dispose of its houses and the land in connection therewith to the highest bidder, based upon an appraisal by the Bureau of Reclamation. The Bureau of Reclamation then would be able to dispose of the houses at a fair value, and the money would be returned to the United States.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from North Dakota [Mr. YOUNG] for himself and the senior Senator from North Dakota [Mr. LANGER].

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I should like to ask a couple of questions of the Senator in charge of the bill, the Senator from Oregon [Mr. CORDON].

I appeared before the committee in behalf of the Canyon Ferry project, for which the committee very kindly allowed funds, and I appreciate it. At that time I presented the request of the Broadwater County Chamber of Commerce, in which it raised the question of the height of the dam, and suggested that something be done, either by the committee, or through representation, to consider the low-level operation. I quote from the letter of the Broadwater County Chamber of Commerce:

We fail to see why this dam cannot be operated at the low level of 3,766 feet, which would make a difference of approximately $400,000 per year in gross revenue between high-level operation and low-level operation. The production of the land to be inundated would far exceed the $400,000.

Mr. President, I was wondering if anything had been done to accede to the wishes of the Broadwater County Chamber of Commerce, either by committee action or by requesting someone from the Bureau of Reclamation to take the matter up with the citizens of that county.

Mr. CORDON. Mr. President, I answer by saying that the committee has done neither. It was my understanding, from the letter which I received from the Senator, that those interested asked for a hearing on the matter in the area where the project is located.

Mr. MANSFIELD. That is correct.

Mr. CORDON. That request has been relayed to the legislative committee handling reclamation matters, namely, the Committee on Interior and Insular Affairs. Of course, at the present time that committee cannot know when or whether it could hold a hearing there. I suggest to the Senator that it might be well for him to make inquiry through the Bureau of Reclamation to determine what its views are. Of course, in due time, the Committee on Interior and Insular Affairs will be able to inquire into the subject. However, the Senator might inform himself at this time. The Senator from Oregon will be more than happy to cooperate with him in any way he can. The Senator from Montana realizes that, the Appropriations Committee having made its report, it becomes, as it were, functus officio until next year, and could not follow up the subject.

Mr. MANSFIELD. I appreciate the comments of the senior Senator from Oregon, and I thank him very much.

I should like to ask one further question. I also appeared before the committee in behalf of a $35,000 item to relocate the Glendive-Williston 150-kilovolt line around the west end of Sidney Airport. Can the Senator from Oregon tell me what has been done with respect to that request?

Mr. CORDON. My memory is that that item is provided for in the bill. The House action in that respect was approved. Of course, the item cannot be identified as an individual item. It is included in a comprehensive program.

Mr. MANSFIELD. I thank the Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I have an amendment which I should like to offer and have read. It proposes to reduce by $12 million the sums appropriated for irrigation and water-use purposes.

It would effect a cut in the amount appropriated for irrigation and water use of about 20 percent. I send the amendment to the desk and ask that it be read.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 16, line 1, after colon, it is proposed to insert the following:

Provided further, That sums appropriated under this heading are hereby reduced by $12 million and the remainder shall not be available for construction contemplated by the Bureau of Reclamation for purposes of irrigation and water use in excess of 80 percent of the total amounts planned by the Bureau of Reclamation for such construction during the fiscal year 1953–54.

Mr. DOUGLAS. Mr. President, I have altered the form of the amendment from the form in which it was printed in order to make it explicitly clear that the amendment is directed solely at the irrigation features of the pending bill.

As students of the bill know, the amounts are listed in the report by projects, but in the report of the very able committee there is no allocation between the sums which are to be charged to power and the sums to be charged to irrigation, or in certain cases the amounts to be charged to other water-use purposes.

So the appropriation which is before us, of approximately $123 million, is a lump-sum appropriation. However, if we go back to the House hearings, we will find, by going over the projects, that $60.8 million are devoted to irrigation.

I should like to insert in the RECORD at this point a tabulation which I have made, listing the major projects, containing water-use features, the total amount proposed, and the amount which is to be spent for water use, as distinguished from power and other uses.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Summary of possible reductions in water-use features of projects included in construction funds for Bureau of Reclamation, H. R. 4828

Project	Total amount proposed (millions)	Amount for water-use (millions)	Savings by slowing construction of water-use features	
			50 percent reduction (millions)	20 percent reduction (millions)
Gila, Ariz	$4.5	$4.5	$2.3	$0.9
Cachuma, Calif	6.5	6.5	3.3	1.3
Central Valley, Calif	24.0	3.0	1.5	.6
Solano, Calif [1]	2.1	2.1	1.0	.4
Colorado-Big Thompson, Colo	5.4	3.5	1.8	.7
Weber Basin, Utah [1]	5.8	5.8	2.9	1.2
Columbia Basin, Wash	20.6	20.0	10.0	4.0
Yakima, Kennewick division, Washington [1]	3.9	3.9	2.0	.8
Missouri River Basin:				
Bostwick division, Nebraska-Kansas	4.2	4.2	2.1	.8
Frenchman-Cambridge division, Nebraska	4.5	3.1	1.5	.6
Rapid Valley unit, South Dakota [1]	4.2	4.2	2.1	.8
Total		60.8	30.5	12.1

[1] Essentially a new start.

Mr. DOUGLAS. Mr. President, I think it is time that the country consider the high costs of the irrigation projects which we are carrying through. I have been able to go over the House hearings and have computed the acreage costs. They run quite high. I may say that I have of course merely charged as acreage costs the amounts of the dams and the lateral canals and the main canals which have been specifically set aside for irrigation, and divided these totals by the number of acres to be irrigated. The acreage costs I shall mention do not include the costs allocable to power and other purposes.

I find that in the Gila project in Arizona the Federal investment for irrigation, excluding the amount of the main dam allocated to power, will be $436 an acre.

In the Cachuma project in California, which is purely an irrigation and water-use project, with no power involved, the Federal investment per acre for irrigation is to be $827. Included in this project is a supplemental water supply for the city of Santa Barbara.

In the Central Valley project of California, the Federal investment per acre for irrigation purposes is $302.

In the Colorado-Big Thompson project the acreage costs for irrigation alone amount to only $162 per acre.

In the Weber Basin project, Utah, the Federal investment per acre for irrigation is $527.

In the Columbia Basin project, for irrigation alone, the cost is $523 per acre.

In the Yakima project, Kennewick division, Washington, the cost is $454 per acre for irrigation.

In the Bostwick division, Nebraska-Kansas, the Federal investment per acre for irrigation is $599.

In the Frenchman-Cambridge division, Nebraska, the Federal investment is $786 per acre for irrigation.

In the Rapid Valley unit, South Dakota, the Federal investment is $375 per acre for irrigation.

This raises a very serious question of public policy. I think it will be found that for a very large percentage of the projects, perhaps the major portion of them, the total cost for irrigation will exceed the added value created by irrigation.

The part is covered up, as we all know, by the fact that the power revenues are used not only to pay for the amounts allocated to power in the main dams, but also to carry to a very large proportion of the irrigation costs themselves.

So the revenues from power bear not only the costs of the investment for power, which is proper, but they also bear a very large fraction of the cost of the irrigation.

I think I can make that clear by going over some of the projects.

Let us take the Central Valley project, where the Federal investment per acre irrigated is $302. The power revenues are to carry $78 per acre, and the municipal water supply $24 per acre. The revenues from irrigation carry only $200 of the investment cost. However, I may say this is quite a high percentage of the cost being borne by irrigation.

If we take the Colorado-Big Thompson project, although the total cost per acre is moderate as compared with the other projects, namely, $162, only $47 per acre of this is to be charged to irrigation, and power will have to carry $115 per acre.

In the Weber project, in Utah, according to my figures, of the total cost of $527 per acre, $177 will be borne by the municipal water systems, and $350 by irrigation.

In the Columbia Basin project, we have a truly extraordinary situation. The Federal investment for irrigation purposes, as I have said, is $523 per acre. However, irrigation is to pay only $85 per acre of this sum, and power $438, or five-sixths of the cost is to be borne by the power revenues. Does the Senator from Utah have a question?

Mr. WATKINS. I should like to call the Senator's attention to the fact that there is no power in the Weber Basin project in Utah.

Mr. DOUGLAS. I understand, and so stated. But it also furnishes municipal water.

Mr. WATKINS. Yes; municipal water. However, the municipalities cannot stand a much higher cost for water. Contracts have already been signed to repay the cost. I cannot understand why there should be so much objection, if we are going to pay back the cost. I may say that the land is very valuable, it is some of the finest land in the entire State of Utah.

Mr. DOUGLAS. I am merely trying to point out that a very large fraction of the irrigation costs are being charged to sources of income other than irrigation, and as a general rule, it is power that bears not only its own load, but a very large fraction of the irrigation load. In this case it is municipal water. In the case of the Weber project, it is the municipal water systems, not the power systems, which bear not only their own construction costs, but also approximately one-third of the irrigation costs. That is all I am trying to say.

Mr. WATKINS. Let me call attention to the fact that those who use irrigation water are also residents of cities and towns. It was as the result of their votes that they agreed to undertake the additional expense, because they benefit through irrigation and also as a result of the water which is supplied to the cities and towns. In that situation, every dollar of the money spent will be paid back. It is an investment.

Mr. DOUGLAS. Does the Senator from Utah say the citizens of Utah are willing to make an exception and to pay interest on the irrigation grants?

Mr. WATKINS. Not on the irrigation grants.

Mr. DOUGLAS. That is just the point.

Mr. WATKINS. But interest is paid on the municipal water phases of the projects.

Mr. DOUGLAS. Is it not true that the irrigation costs in the case of the Weber project will amount to $39,500,000?

Mr. WATKINS. Probably so, in the end. But let me say that the irrigation projects do far better than the flood-control projects. The latter pay back neither principal nor interest.

Mr. DOUGLAS. Mr. President, I now come to my second point, which is that a large part of the capital outlay for irrigation projects is not borne by irrigation revenues, but is generally borne by other revenues. In the case of the Weber project, the capital outlay is charged to water. Second, in the case of the capital amounts advanced for irrigation, the Government receives no interest payments whatever. Thus, the advance which is made is interest free.

Finally, when these capital sums are repaid, they are not repaid into the Federal Treasury, but they are used for further irrigation grants. In short, they are gone forever.

Mr. WATKINS. Mr. President, will the Senator from Illinois yield to me at this point?

Mr. DOUGLAS. Certainly.

Mr. WATKINS. I call the Senator's attention to the fact that the water used in these projects belongs to the people of the Western States where the water is situated.

Mr. DOUGLAS. And the money which is used to develop the projects comes from the eastern and central sections of the country.

Mr. WATKINS. A great deal of the money comes from the West, out of the reclamation fund which is built up as the result of payments on oil leases and on other leases of various kinds, which payments go into the reclamation fund.

The power is developed as a byproduct from the falling water which belongs to these people.

Mr. DOUGLAS. But there is no power development in the case of the Weber project. That is the point on which the Senator from Utah has been trying to score off me.

Mr. WATKINS. Mr. President, will the Senator from Illinois permit me to make my statement?

Mr. DOUGLAS. Certainly.

Mr. WATKINS. Usually power projects are built in connection with irrigation projects.

Mr. DOUGLAS. But that is not true in the case of the Weber project.

Mr. WATKINS. There is some power in connection with the Weber project, as the Senator from Illinois will find if he makes an investigation. However, there is no excess power there, except that which will be used in the irrigation system itself—whatever amount of power that may be.

The point is that in the case of these river systems, the water of which belongs to the people, the people are entitled to have whatever they can get out of the power and out of the irrigation, the cost elements of which are added on one side of the ledger; and then the assets are listed on the other side. If a river system is used by the people who purchase the power as well as own the water, then they are entitled to have that money distributed in any way they please, so long as they pay back the cost of the captial outlay.

Mr. DOUGLAS. Mr. President, I am surprised by the attitude of my friend from Utah. I thought he was interested in attempting to balance the budget. Therefore, my proposal is to reduce the expenditures, in the case of this item, by $12 million—a modest contribution toward balancing the budget, but, I hope, an appreciable one.

Mr. WATKINS. Mr. President, I have heard the statement made time and time again by those on the other side of the aisle that we are threatened with another depression. On the other hand, if we follow the plan of the President of the United States, we shall have projects of this kind ready to be proceeded with, and construction will be taking place. We cannot completely stop all construction simply because someone says we must balance the budget. Millions of dollars come into the Treasury every year from the projects which already have been built. Those payments come into the Treasury under the repayment program.

If the rest of the country would do as well in the case of flood-control projects as we do in the case of reclamation projects, there would be great savings and much more money with which to balance the budget.

Mr. DOUGLAS. Mr. President, I am delighted to give the Senator from Utah time in which to make his excellent speech.

Mr. WATKINS. I thank the Senator from Illinois.

Mr. DOUGLAS. Certainly; I have been delighted to do so.

I quite agree with the Senator from Utah that the flood-control projects should pay a portion of their costs. Of course they do not always do so now, but I agree that they should.

However, the bill dealing with flood-control projects is not now before us. At this time we have before us the Interior Department appropriation bill, and at the moment we are considering the part of that bill which relates to appropriations for reclamation projects.

I have been trying to establish—and the Senator from Utah does not controvert my statement of fact—that a large portion of the capital costs for irrigation are met by applying to them the power revenues, so that the power features of the projects bear their own load, in the case of the capital costs, and also pay or bear a portion of the irrigation load. In some cases, as in that of the Weber project, the municipal water systems bear a portion of the load.

Furthermore, when the sums advanced are repaid, they are not repaid with interest. However, interest is certainly a valid cost in a free-enterprise society; and the community loses the use of the money during this period and the taxpayers lose the use of the money which otherwise would be paid as interest.

Mr. MILLIKIN. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. Now, Mr. President, the big guns are wheeling into action. The atomic-energy gun has just come on the scene. [Laughter.] I shall yield after making 1 or 2 further statements.

Mr. President, when the capital sums are repaid, do the taxpayers of the East and the Middle West get them back? Not at all, Mr. President. Those sums then go into a further fund for irrigation. So every fresh dollar we appropriate for this purpose never comes back to the sections of the country which pay the major portion of the taxes. These additional dollars go permanently into the development of the semiarid States. I am well aware of the terrific political power of the semiarid States. There are 17 States, which have within their borders large regions which are semiarid. I realize that the ground there is thirsty for water, and that many of the political elements in those States are thirsty for appropriations. I know it seems ungrateful to deny this flow of water to those who are in the desert, waiting for this abundant supply. Certainly, irrigation projects are good, but during the present period of financial strain, when we are trying to balance the budget, we can easily slow down somewhat and save the taxpayers some money.

Now, I yield to the Senator from Colorado. I really feel that I have flushed out the big birds when he takes the floor. [Laughter.]

Mr. MILLIKIN. Mr. President, the distinguished Senator from Illinois speaks of the hunger and thirst of our lands for water. I wish to assure him that his words do not supply the water, and that, even after he speaks, the need remains the same.

Let me also suggest to the distinguished Senator from Illinois that he is making a serious error if he thinks the Federal Government is losing money and that the communities are losing money because the irrigation features of these projects do not carry interest. There is a multiplier there which pays the Federal Government dozens or perhaps hundreds of times, in the end, the amount of the cost the Federal Government bears as a result of the loss of such interest.

It has been the policy of Congress ever since the reclamation system was established—recognizing the usefulness of reclamation, with its multiplying factor in creating wealth—to have such interest absorbed as part of the national welfare.

What is the result? In the case of Colorado, if we did not have irrigation in our State—and I venture to say that perhaps 85 percent of it has been developed privately—ours would be a grazing State. We are now paying more than $500 million a year into the Federal Treasury—several times more than if irrigated farmlands were not the backbone of our economy.

It is that money which comes into the Federal Treasury, due to the multiple developments which come to a State from establishing a sound backbone of agriculture, that pays the Federal Government over and over again for its interest loss in financing the irrigation part of these projects. It is that multiplier factor which the distinguished Senator from Illinois overlooks.

Mr. DOUGLAS. Mr. President——

Mr. MILLIKIN. Mr. President, I should like to have the Senator from Illinois to permit me to finish.

Mr. DOUGLAS. Certainly.

Mr. MILLIKIN. The distinguished Senator from Illinois speaks as though he had unearthed a novel fact; namely, that no interest is paid in the case of the reclamation parts of these projects.

Mr. DOUGLAS. It is not novel, but it is not always realized by those who pay the bills.

Mr. MILLIKIN. The Senator from Illinois shows as much exuberance of discovery over that fact as does a new born babe when he first sticks his big toe into his mouth. [Laughter.]

Mr. President, there is nothing new about this. It is the policy of Congress—and a good one—and I daresay it will continue to be a policy of Congress.

Mr. DOUGLAS. I daresay it will continue to be a policy of Congress; yes. At least, it will for the present. A great many nonessential expenditures will continue, despite my protests. But enough of my proposals for economy have been adopted to give me faith in the worthwhileness of continuing them.

Mr. MILLIKIN. Then why does the Senator from Illinois waste his words?

Mr. DOUGLAS. Mr. President, will the Senator from Colorado permit me to continue now, please?

Mr. MILLIKIN. I beg the Senator's pardon.

Mr. DOUGLAS. As I was saying, Mr. President, I daresay the policy will continue to be a policy of Congress for the present because of the political power of the 17 semiarid States, which can command 34 votes in the Senate, and in view of the arrangements they can make with other sections of the country which also wish to have their backs scratched, so to speak, in the case of other projects. But I am surprised that the Senator from Colorado should turn to follow the theories of John Maynard Keynes and the French physiocrats, on this theory, because it was the French physiocrats and Mr. Keynes who introduced the concept of the multipliers; and I am surprised that the Senator from Colorado, who is a sound-money man and a hard-money man should turn to these unorthodox theories. The truth of the matter is that industries in the cities also have a multiplying effect, jus as much as agriculture has a multiplying effect. Put people to work anywhere, let them produce, then with the goods and the purchasing power they can buy other products. That is not exclusively true of the soil. It is true generally for manufacturing as well as farming. For the production of goods creates a demand for other goods.

Mr. MILLIKIN. Mr. President, will the distinguished Senator yield?

Mr. DOUGLAS, Certainly.

Mr. MILLIKIN. The Senator accuses me of being a physiocrat.

Mr. DOUGLAS. I said "following the physiocrats."

Mr. MILLIKIN. It sounds very nasty. I do not know exactly what it means when the Senator calls me a physiocrat.

Mr. DOUGLAS. I did not call the Senator a bureaucrat.

Mr. MILLIKIN. The Senator from Illinois is a courteous man, and I assume he intends no insult. But when it comes to following Mr. Keynes, I understand that the distinguished senior Senator from Illinois is one of the prime followers of Mr. Keynes.

Mr. DOUGLAS. Only in——

Mr. MILLIKIN. Mr. Keynes came to him as a light came to Saul of Tarsus, and the senior Senator from Illinois embraced his doctrine and is one of the prime promulgators of it. I never have been. So the Senator should apply the doctrine of Keynes, if he was wise enough to see the wisdom of reclamation, rather than repudiate it.

Mr. DOUGLAS. Mr. President, let us turn from these amusing remarks to the issue at stake. It is always a pleasure to discuss these matters with this genial Senator from Colorado; but there is a real question of national policy which is involved. Take the Nebraska-Kansas projects, the Bostwick division, with a cost of $599 per acre. The water users will pay only $160 an acre, the power users, $439. In the Frenchman-Cambridge division, the water users will pay $136 an acre, the power users, $650 an acre. In the Rapid Valley unit of South Dakota—listen to this—the water users will pay only $21 an acre, and the power users, $354 an acre. It is just a very real question of how far we should go in these matters.

My State has rich agricultural lands, probably as rich farmland as there is in the country, with the possible exception of certain counties in Iowa. Its richest farmland last year, before the election, was selling for about $550 an acre. Since November the price has fallen very appreciably, so that now the price of this richest farmland in the country is very much less than the cost of irrigating arid land or semiarid land. That is, the cost price of this fertile corn belt land is less than the cost of irrigating the semiarid land—much less, and I think it is a real question as to how fast and how far we should go in the field of irrigation. I am not introducing any radical proposal.

I am merely proposing that we slow up our rate of construction by one-fifth. This cut is not directed at the dams, it is not directed at power, but it is directed at the main canals and the lateral canals which carry the water from the reservoirs onto the semiarid areas.

The amounts to be appropriated for these purposes are approximately $60 million. My proposal for a minimum cut of $12 million would be a saving of 20 percent. It would simply mean a slackening, and, if the very genial Senator from Colorado has become a convert to the compensatory theory of business cycles—which, incidentally, I advanced before Mr. Keynes did—if he has now become a convert to that point, we can slow it down in the present, and then accelerate the construction in the future when the real hard times engendered since last November 4 begin to hit us.

Mr. MILLIKIN. Mr. President, will the distinguished Senator from Illinois yield?

Mr. DOUGLAS. Yes; I am glad to yield.

Mr. MILLIKIN. I repeat that since he has been one of the leading apostles of Keynesian theories, which I could demonstrate very easily, I think he should follow them, if they are consistent with the doctrines I am expounding, rather than to have me abandon them. Does that make sense?

Mr. DOUGLAS. No; it does not make any sense. [Laughter.]

It is an obscure witticism which can only cause confusion.

Mr. MILLIKIN. Will the distinguished Senator from Illinois yield further?

Mr. DOUGLAS. I yield.

Mr. MILLIKIN. The Senator speaks of a reduction of how many millions?

Mr. DOUGLAS. Twelve million dollars.

Mr. MILLIKIN. Twelve million dollars?

Mr. DOUGLAS. Yes.

Mr. MILLIKIN. The Senator from Illinois is modest tonight.

Mr. DOUGLAS. The Senator from Colorado will remember the statement of Warren Hastings, that he was surprised at his own moderation.

Mr. MILLIKIN. Why does the Senator yield to a weakness of that kind?

Mr. DOUGLAS. Because I thought this was probably the greatest amount of saving which I could possibly effect, in view of the political power of the semiarid States.

Mr. MILLIKIN. The distinguished Senator recognizes a power which exists.

Mr. DOUGLAS. Oh, yes.

Mr. MILLIKIN. And which should exist. I am glad the Senator has an understanding of that.

Mr. DOUGLAS. I recognize the facts of life.

Mr. MILLIKIN. I am glad he continues to hold the understanding of that in his mind, because, to the extent that it exists, it is a just power.

Mr. DOUGLAS. No, not necessarily at all. It was put into the Constitution by the small States.

Mr. MILLIKIN. Now the Senator wants to abolish the Constitution; and I am not surprised. [Laughter.]

Mr. DOUGLAS. No, I accept it.

Mr. MILLIKIN. But the Senator from Illinois has undertaken now to demonstrate a theory that he will find it more difficult to demonstrate than the $12 million reduction.

Mr. DOUGLAS. What is that, please?

Mr. MILLIKIN. The Senator is now attacking the Constitution of the United States.

Mr. DOUGLAS. No; I certainly am not. I am accepting the Constitution. I accept the Constitution, just as Margaret Fuller said she accepted the universe.

Mr. MILLIKIN. I am glad.

Mr. DOUGLAS. The provision for equal representation in the Senate is fastened into the Constitution, and, believe me, the semiarid States make the large States pay for their political power. We in the large States are the subject peoples of this country. We are taxed, taxed, and taxed, but we get very little in appropriations.

Mr. MILLIKIN. Where does the wealth of the West go? It goes to the large States. That is what has made them large. If those large States, misguided by misguided Representatives, think they are going to make a hinterland out of the Western States, they are making another fatal error. Our wealth pours into those great States, and makes them rich and wealthy, and they should not want to convert us into hinterland States.

Mr. DOUGLAS. In the main we get our prosperity from our own soil and our own industries.

Mr. MILLIKIN. But the Constitution gave us equal rights, and I suggest we are going to keep them.

Mr. DOUGLAS. The theory of the colonial empire may have been true in the years past, in the case of the few New York banks which controlled the mines of Colorado and the politics of Colorado, but it has never been true that the State of Illinois has controlled Colorado.

Mr. MILLIKIN. The Constitution still stands, still is as good today as it was in the beginning, and I hope it will continue to stand. If it continues to stand, Colorado and all the other semiarid States will each continue to have two Senators, who, I believe, measure up

to the Senators from any other section of the country.

Mr. DOUGLAS. They are ornaments of this body.

Mr. MILLIKIN. And they deserve the influence, which I hope they have, and will always have in this body.

Mr. DOUGLAS. They have great influence, and they are not unmindful of local interests. Does the Senator remember the phrase from Shakespeare, "O! It is excellent to have a giant's strength; but it is tyrannous to use it like a giant"?

Mr. MILLIKIN. Why does it bother the Senator, that 17 States have 2 Senators each? He admits that they play a responsible role in the Senate. I think the Senator admits that they discharge their duties well. Why does he begrude them that representation?

Mr. DOUGLAS. Oh, I do not begrudge them that representation.

Mr. MILLIKIN. Does he want all the political power to come from Illinois or Chicago?

Mr. DOUGLAS. The Senator from Colorado is an expert in the art of drawing a red herring across a discussion. I do not begrudge——

Mr. MILLIKIN. I wish the Senator would not say "red herring"— say some other kind of color.

Mr. DOUGLAS. Then let me say a pink herring.

It is always a delight to meet with the representatives from the powerful though semiarid States and to have fellowship with them. I simply want to say that we who pay the major portion of the taxes of the country from our industry and our agriculture are well aware of what is happening. We are being milked for the benefit of States with little population but with great political power.

Mr. MILLIKIN. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. I yield.

Mr. MILLIKIN. If there is anything to that line of argument, I would reverse it and say that the semiarid States of the West are being milked by the larger States of the Union. I do not make that argument, but I am entitled to make it.

Mr. DOUGLAS. Does the Senator have in mind that the mining industry and the railroads are owned in the East?

Mr. MILLIKIN. Where go the products of our mines? They go to the State of Illinois and to other large States. Where goes our wool? It goes to Boston——

Mr. DOUGLAS. And we pay a very high price for it.

Mr. MILLIKIN. Where do the larger States get the wealth out of which they pay taxes? They do not get it by cannibalizing themselves. They get it from the rest of the country; and when they cease to get it from the rest of the country, they will not be paying any taxes.

Mr. DOUGLAS. The Senator from Colorado tempts me to make a truthful but somewhat unkind remark. If it were not for the tribute which the semiarid States extract from the rest of the country, not only in the form of irrigation projects, but in the form also of bounties on sugar, on wool, and on silver—if it were not for the sums which the rest of the country pours into the semiarid States, the population of those States would shrink to about one-half of what it is.

Mr. MILLIKIN. The population of those States might shrink even to half of what it is, and the wealth of the larger States which they draw from the semiarid States would also shrink. The Senator from Illinois is an expert on economics; he understands the reciprocal contributions of our system. He is not talking facts according to a great economist from the State of Illinois by the name of Dr. DOUGLAS. He is talking a species of—I should not say it in connection with the distinguished Senator from Illinois—a species of geographic bigotry that does not become him and does not become his economics and does not become Senate debate, and will not be adopted in the Senate.

Mr. DOUGLAS. The Senator may be correct in regard to the last point. His group is so powerful that I am afraid it will not be adopted.

Mrs. SMITH of Maine. Mr. President, will the Senator from Illinois yield?

Mr. DOUGLAS. I shall be delighted to yield. I hope the discussion will now take a much more gentle turn.

Mrs. SMITH of Maine. May I clear up one point in this discussion?

Mr. DOUGLAS. Certainly.

Mrs. SMITH of Maine. For the edification of those of us in the Senate with a limited vocabulary, and so we may better understand the vital issue in the colloquy between the Senator from Illinois and the Senator from Colorado, I should like to read into the RECORD a definition from Webster's International Dictionary of the word "physiocrat." Perhaps I should begin by spelling it: P-h-y-s-i-o-c-r-a-t.

I read the definition:

> One of the followers of Quesnay, a Frenchman who, in the 18th century, founded a system of political and economic doctrines based on the supremacy of natural order. The physiocrats emphasized the powers of nature as the source of public wealth and national prosperity and the only proper source of public revenue, and the necessity for governing so as not to interfere with the natural laws affecting the relations and processes of society and industry.

I think perhaps it would be well for us to know that before we vote on this question. [Laughter.]

Mr. MILLIKIN. Mr. President, I am very glad to have that definition inserted by the distinguished Senator from Maine. It sounds pretty good to me.

Mr. DOUGLAS. I may say to my good friend from Colorado that one of the original physiocrats, a gentleman by the name of du Pont de Nemours, also believed that all wealth came from the soil, and was a devotee of the French Revolution, but he was exiled by it and was protected by Thomas Jefferson, the founder of the Democratic Party. Then when the Federalists, as the progenitors of the Republican Party, launched an antialien campaign and passed the Alien Act in 1798 or 1799, one of the purposes of that act was to exile du Pont de Nemours and send him back to France.

Mr. MILLIKIN. But the rest of the family stayed in this country and did pretty well. [Laughter.]

Mr. DOUGLAS. Mr. President, this has all been very amusing to me, and I am sure we have all enjoyed ourselves. Sometimes grave issues can be made more palatable by being wrapped in a little good-natured fun.

There is an issue, however, as to how much further we shall go and with what speed in carrying on our expenditures for irrigation. I suppose our friends from the West want to get everything they can get, and I suppose they have the votes to do that.

Years ago western irrigation projects were an extremely valuable undertaking. For relatively small outlays great improvements could be made, and fertile though arid lands placed into cultivation. As the years have gone by we have constructed such projects where it could be done economically. The ones now being constructed, however, are not nearly so economically justified, however, as is indicated by the tremendous costs per acre which I have cited.

I do not insist that even these be stopped, however. All I am suggesting is that we slow down the rate at which they are being built, so that the budget can be balanced and the taxpayer have some of his burdens lifted.

It may be that we shall not be able to get a rollcall on this amendment. It may be that Senators will sit on their hands. But there is a real question involved as to how much of our resources should be used for such purposes.

Mr. MILLIKIN. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. I yield.

Mr. MILLIKIN. Let me suggest that the real question is not, Have we appropriated too much? The question is, Have we appropriated too little? For how many years since World War I have we been using up our resources in wars and emergencies? The appropriations about which we are talking are restoring wealth to the country and are affording some measure of compensation for the wealth we have lost. I suggest that the Senator give that some thought.

Mr. DOUGLAS. Since the Senator from Colorado is so solicitous about my mental health, may I make a suggestion to him. I remember seeing a brochure written about irrigation projects in 1949 which showed thousands of acres being brought into production of potatoes at a time when we were dumping and destroying potatoes.

Mr. MILLIKIN. That was not a semiarid State venture. The focal point was in the Northeast.

Mr. DOUGLAS. We are faced with huge food surpluses, and it is worrying us all. It is certainly worrying members of the majority party, and worrying the Secretary of Agriculture who comes from Utah and wants some of these irrigation projects. We do not know what to do about it. We are paying subsidies to take land out of production, and we still pay subsidies to put more land under production. We are paying large sums of money to put more land into production——

Mr. MILLIKIN. Mr. President, will the Senator from Illinois yield further?

Mr. DOUGLAS. I shall yield when I finish my sentence.

It would seem that we could slow down a little bit on putting new acres into production, especially when we have huge surpluses of food and big deficits in the budget.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. MILLIKIN. I have also sounded the theme that perhaps we should give a little more attention to restoring wealth which has been lost. The Senator would be a great deal more worried if we did not have surpluses——

Mr. DOUGLAS. Is the Senator from Colorado not worried about the surpluses?

Mr. MILLIKIN. I did not say I was not worried about them, but the Senator from Illinois is worried about surpluses, and he would be a whole lot more worried if our lands were not producing surpluses.

Mr. DOUGLAS. Mr. President, this is all very pleasant, but other Members of the Senate have business to transact, and I yield the floor.

Mr. THYE. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. An amendment is pending.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I ask for the yeas and nays. I hope that my friends will be willing to raise their hands, and that my suspicion that they would sit on their hands will not be borne out.

The PRESIDING OFFICER. The yeas and nays are not ordered.

Mr. DOUGLAS. That is what I feared.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. THYE. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 13, line 21, it is proposed to strike out "$123,589,450" and insert in lieu thereof "$124,889,450."

Mr. THYE. The amendment which I have proposed would increase the amount for construction and rehabilitation of authorized reclamation projects, including power-transmission facilities, from $123,589,450 to $124,889,450.

The Senate Committee on Appropriations has provided in the pending bill $700,000 for the completion of plans and specifications for a 230-kilovolt line from Big Bend, S. Dak., to Watertown, to Granite Falls, to Benson, to Fergus Falls, Minn., in order to make Missouri River Basin power available in western Minnesota.

My amendment seeks to increase the appropriation for the transmission division of the Missouri River Basin projects by $1,300,000 to allow a total of $2 million for the planning, specifications, and initiation of construction of the Big Bend to Watertown to Granite Falls to Benson to Fergus Falls 230-kilovolt transmission line and substations.

The bill now contains a stipulation in Senate Report No. 445 that available funds are to be used for planning only. If the amount is increased as proposed by my amendment, it would also include initiation of construction.

The REA's and public utilities in my State of Minnesota have looked forward to the time when they would be able to buy power from the power developments on the Missouri River.

To this end 20 REA cooperatives and 3 private utility companies worked out a plan that was agreeable to all parties concerned and at the same time provided the most economical means of getting power from the Missouri River Basin project.

That is a plan agreed to by power-utility companies and REA cooperatives. Thus there is no difference of opinion. They are not fighting one another. They say that the transmission line would serve the State of Minnesota in the most economical way possible, so there is no split opinion in that respect. All parties favor the transmission line.

The plan I propose, which presents a progressive pattern of cooperation in utilizing the services of all agencies, public, cooperative, and private, was presented to the Bureau of Reclamation on December 4, 1951, and was signed by all the power companies and the utilities in the area.

The Watertown-Granite Falls-Benson-Fergus Falls transmission line is an essential portion of the plan, and, together with the Oahe-Huron-Watertown facilities, will provide a source of power to western Minnesota.

The problem of getting an adequate, reliable, and economical source of power to the farms and communities of my great State of Minnesota is of great concern to the farmers and to the power-consuming public.

Initial power from the Missouri River Basin project will be available in November of this year, just a few short months away, and additional power will become available at approximately 3-month intervals for the next 2 years.

Therefore, if Minnesota is to receive power from this great development, it is essential that these transmission lines for which I am requesting construction funds be put under construction at the earliest possible date. They should be under construction today.

I wish to call attention to the fact that last year, following a recommendation by the Senate Committee on Appropriations, the Senate twice voted to include in appropriations for the Department of Interior an item of $2,913,600 to initiate the building of the 230-kilovolt transmission line into Minnesota.

When this measure first went to conference, however, it was impossible to obtain the agreement of the House conferees inasmuch as the House of Representatives had not approved the item when the appropriation was there originally.

Thereupon, I offered an amendment to the supplemental appropriations bill and the Senate again approved, but the conference struck out the amendment to provide funds for the construction of Minnesota transmission lines.

Nevertheless, the following statement was inserted in the report by the House managers:

> The item has been stricken from the bill with the understanding that it will be given very careful consideration if it is proposed in the budget for 1954.

Unfortunately, it was not so proposed in the revised budget, notwithstanding the time element which is involved in getting this project under way.

It is my understanding that the action which was taken last year in conference was the result of a conclusion that a year's delay would not seriously hamper the objectives.

In that connection I must again emphasize that the power will now be available in a matter of months and that these facilities should not be further delayed.

To do so could well result in a waste of power and a failure by a large number of people to share in the benefits which are anticipated from the power resources of the Missouri River Basin.

The immediate construction of these transmission lines and their associated substations will permit the farmers in my State to make use of this electricity in the production of food.

Adoption of this amendment now will save 12 to 18 months of construction time. It will provide rural electrification cooperatives, private utility companies, and municipal plants a needed source of power, in the development of which these various agencies in Minnesota have worked out a pattern of cooperation that should be an example to the entire Nation.

It will do this in a businesslike way, and I believe that it deserves the endorsement of Congress at this time by the adoption of the amendment which I am offering.

The reason why I endeavored to get REA cooperatives and power companies together back in 1951 was that the REA has excellent generating stations or units in Minnesota. The Northern States Power Co. has steam plants at Mankato, Sioux Falls, and other cities in Minnesota.

The hydroelectric generating units that are to be used in conjunction with flood-control dams will not be much more than nicely completed when we shall be confronted with the question of firming up hydroelectric power generated at these various sites. That will require the construction of steam plants. We have seen that happen in TVA and elsewhere.

My hope is that the transmission lines from Garrison Dam, Fort Randall, and Gavins Point can be tied together, but in the tieup there will be steam plants that are now in the hands of REA and power companies in my State. High water will provide electricity that can be fed into the whole system; but when low water occurs and power must be firmed, there is a source of firm power upon which to draw, in the existing power plants, whether they be in the REA, in the Northern States, or any other utility. That combination represents an economical system for furnishing power to consumers, in which not

only private but public utilities, as well as hydroelectric units on the rivers operate as one unit in flood-control measures, and in the service of humankind in the Northwest area. For that reason I pleaded for this item in connection with last year's appropriation. The Senate apprcved it, but the House rejected it, because certain House Members could not agree as to where the transmission line should enter Minnesota.

Last year we endeavored to bring the line down through Sioux Falls, S. Dak, and then into Minnesota. That was objected to. This year the House Members agreed that the transmission line should come from Big Bend, S. Dak., to Huron and Watertown, and then down to Granite Falls, Minn.

Four hundred thousand dollars was appropriated for planning. The Senate committee added $300,000, making a total of $700,000. That is only for planning; but we should initiate construction now. Otherwise the transmission lines will not be there to wheel the current when the current is made available at the various generating units on the river at Garrison and at other points.

So I think this is an entirely sound and economical proposal, because if my amendment is adopted, construction will be initiated. If it is not adopted, $700,000 will be made available for no other purpose than to find out, through planning, what should be the next step. The next step will be too late in coming if we wait until next year to take it. So I hope I may have the support of the Senate for this proposal.

Mr. CORDON. Mr. President, I rise in opposition to the amendment. I feel that I have an obligation as chairman of the subcommittee, and speaking for the Committee on Appropriations, to present the views of the committee.

In this instance the committee added, in the full committee, the sum of $300,000 to carry on planning from Watertown to Fergus Falls. This is the extension of the line for which there was no planning money provided originally.

The construction item was eliminated in the revised budget. The present administration has had no opportunity to go into the subject, to understand the situation, or to reach any conclusions in the field. The planning money, if available, will do everything other than initiate the construction itself in the area. This money will furnish all the information that is essential with respect to the physical facilities, the proper location, overall costs, and so forth.

As I recall, the original estimate for the construction of this line was some $47 million. Certainly before the Congress is committed to such an expenditure we should have some authoritative word from the department which will be charged with the expenditure of the funds and with the justification for their appropriation. I believe this matter should not be included in the present appropriation bill, but should await full consideration by the Appropriations Committee and by the affected department of the executive branch of Government.

Mr. THYE. Mr. President, there is no man in whom I have greater confidence when it comes to appropriation matters than the Senator from Oregon. He knows his figures. He knows every item in the appropriation bill. Therefore I am reluctant even to suggest that I might differ with him. My only reason for differing with him in this instance is that I should like to send the subject to conference. The question as to where this line should enter Minnesota has always been quite a serious question among certain House Members. I thought that if the chairman of the subcommittee, one of the most distinguished members of the Appropriations Committee, were to see fit to accept this item it could be carried to conference, where we would have an opportunity to discuss it with the House Members.

If the House Members should not agree to the item, we could strike it out in conference. However, we would develop a greater understanding of what the problems are so far as the House and Senate Members are concerned. That is what I had hoped for.

As I say—and I repeat it, even though this proposal may be rejected—the Senator from Oregon is one of the most able men serving on the Appropriations Committee. I say that knowing full well that many of the senior members of the Committee on Appropriations are well qualified to serve the Senate and the Nation. The Senator from Oregon is one of the best qualified members of the Committee on Appropriations.

I should like to see this item go to conference, for the reason that then we could discuss it in conference with the House Members. If it should be the decision of the conferees not to accept it, I would have no criticism; but I think we could develop a better understanding of what is involved, which would probably enable us to go through with it in the 1954 appropriation, for 1955.

So, if the Senator from Oregon will agree to take this item to conference, I shall be very happy to have that done.

Mr. CORDON. Mr. President, the generosity of the distinguished Senator from Minnesota makes it doubly difficult for me to discharge my duty. Nevertheless, under the circumstances I shall accept the will of the Senate and take the item to conference if it is the will of the Senate that it should go to conference. However, I cannot agree to accept the item on my own responsibility.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE].

The amendment was rejected.

Mr. DIRKSEN. Mr. President, on behalf of the Senator from Michigan [Mr. POTTER] I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois on behalf of the Senator from Michigan will be stated.

The CHIEF CLERK. On page 29, line 13, it is proposed to strike out "$4,260,000" and insert in lieu thereof "$4,460,000."

Mr. DIRKSEN. Mr. President, the Senator from Michigan [Mr. POTTER] is unavoidably absent. Late this evening his office asked that I present this amendment in his behalf.

Originally the amendment was prepared to propose an increase of $400,000 in this item, rather than $200,000, but I have taken the liberty of modifying the amendment so as to propose an increase of $200,000 for the control of the sea lamprey, a parasite-like eel which destroys fish in the Great Lakes.

My understanding is that Lake Ontario is one of the native habitats of the sea lamprey, and that as early as 1931 this parasite got into Lake Huron and Lake Superior.

Its effect can be demonstrated by the fact that in previous years the commercial fishermen were taking about $7½ million worth of fish from Lake Huron alone, and that last year the commercial catch amounted to exactly nothing.

This little parasite threatens the entire commercial fishing industry in the Great Lakes. It has gotten into Lake Superior and into Lake Michigan. By dint of excellent research an electrical device has been developed by the scientists in the Fish and Wildlife Service which is an effective gadget for the destruction of lampreys as they come up the stream to spawn.

It would probably require a great deal of money to restore the fishing industry in the Great Lakes, and also to rid the lakes of this very devastating parasite.

The subject was discussed in the full committee. I think there was a sympathetic response on the part of most Members, and an increase was made in the funds for sea lamprey control. The Senator from Michigan [Mr. POTTER], however, felt that the amount provided was not sufficient, and that is the reason for presenting the amendment.

I believe I could well concur in the sentiment expressed by the amendment. I know the Senator from Michigan [Mr. FERGUSON], has a very abiding interest in the control work of this character because it affects a tremendous fishing investment in the whole Great Lakes area.

So I commend the amendment to the chairman of the subcommittee, and hope that it will find favor and grace with him.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I am glad to yield.

Mr. FERGUSON. Naturally I am greatly interested in the matter, and before the committee, being a member of the committee, I explained what was needed, but felt that under the circumstances the $200,000 appropriation would be adequate for this year.

Since then, I must say on the floor of the Senate, I have been advised by the experts that the requirement of $400,000 is a minimum, because electrical machines must be constructed for the purpose of electrocuting the lampreys. The electrical machines are fitted with prongs, which are charged with a high-voltage electric current. When the eels go between the prongs, they are electrocuted. At places where rivers come into the lake, it is necessary to install special generating plants, which cost anywhere from $2,000 to $10,000 for one stream.

I do not know the number of eggs the eels lay, but it is an enormous number. If one stream is missed, the eels can go out into the lake and pollute the whole lake system.

I was hoping that we could increase the amount, and expected in conference to do all I could to get the amount increased, so that the electrical machines could be made available. I am told that the machines actually kill the eels beyond the question of a doubt.

The solution has been found. The next step is to build the electrocution devices.

Mr. DIRKSEN. Mr. President, I am advised that a single lamprey will destroy as much as 20 pounds of fish in a single season.

Mr. FERGUSON. I have the same figure.

Mr. DIRKSEN. Lampreys in the fourth generation are now being found in some cases. If that be true—and it is a statement made by the Fish and Wildlife Research Agency—lampreys constitute a menace of great proportions to the fishing industry in the future.

Mr. FERGUSON. Unfortunately the eels stay up in the streams, in the beds, in the mud, for about 5 years. Therefore it is quite a problem to catch and actually destroy them. The idea was to try to kill them at least in Lake Superior, and to do the very best that could be done in the lakes to the south.

The problem exists also in other States. It exists in Wisconsin, Illinois, and Indiana.

I will say that the record shows that the problem does not seem to exist in Lake Erie. There is something about the streams which prevents the lampreys from spawning there.

Mr. DIRKSEN. My understanding is that the water of Lake Erie is too warm.

Mr. FERGUSON. It is too warm for the lampreys. Therefore the problem does not exist in Lake Erie.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. THYE. I am very happy that the amendment was offered by the distinguished Senator from Illinois. The Senator from Michigan [Mr. POTTER] had spoken to me about it when he found it was necessary to be away today and when he understood that the bill would be taken up today.

There is much concern among men engaged in fishing on Lake Superior. Of course, there is a very large fishing industry on that lake. The problem has been recognized as a very serious one. The leeches attach themselves to the side of a fish, or underneath the fish, and destroy the fish the minute they attach themselves to it, because they suck the lifeblood out of the fish.

It has been a great source of worry to the fishing industry in Minnesota.

I am very happy that the Senator from Illinois made mention of the fact and has brought it to the attention of the Senate. The amendment should be adopted.

Mr. HAYDEN. Mr. President, I merely wish to say, as a member of the Committee on Appropriations, that when the facts are developed I vote in accordance with the facts. For the past 2 years I have paid close attention to the lamprey situation in Lake Superior and elsewhere. There is no question that it is a serious menace. There is no question as to what the facts are. Therefore, I want to support the appropriation.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KILGORE. Inasmuch as the question of the temperature of the water has been raised, I should like to inquire whether Canada is doing anything with respect to the control of the problem in its streams?

Mr. DIRKSEN. I am not advised whether Canada is doing anything about it.

Mr. KILGORE. It seems to me that would be a fertile field of investigation also, if the lampreys breed better in cold water.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN], for the Senator from Michigan [Mr. POTTER].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CASE. Mr. President, on page 14, line 9, reference is made to the Rapid City Air Base. I think it is clearly identifiable, but about a month ago the name of the air base was changed to the Elsworth Air Force Base, and the President dedicated it on his recent trip to South Dakota.

Therefore, in order that there may be no misunderstanding and that the reference will be correct in the allocation of the funds for the portion of the water supply to the air base, I ask that on page 14, line 9, the words "Rapid City Air Base" be stricken and that there be inserted in lieu thereof the words "Elsworth Air Force Base."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. DOUGLAS. Mr. President, I send to the desk an amendment, which I ask to have read.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 28, line 22, after "$7,000,000", insert a comma and the following: "of which $500,000 shall be made available to the Secretary of the Department of Health, Education, and Welfare to defray the cost of studies of problems affecting the education of children of migratory workers and to assist localities in their education and health care."

Mr. DOUGLAS. The amendment I am now offering is similar to an amendment which I introduced last year. It proposes to transfer from the $7 million, which we are now spending for the care of migratory birds out of annual and permanent appropriations, the sum of $500,000 for the health care and education of migratory children.

I am greatly pleased that we are caring so tenderly for migratory birds. They have long flights north in the spring and south in the fall. They become wearied and exhausted, and it is proper that we should set up a national system of well-spaced bird refuges where tired and exhausted birds may rest, where they may be fed from our bird lunch program, and where, if sick or disabled, they may receive medical care.

Since individual States could not be expected to deal adequately with the program, because birds are here today and gone tomorrow, national, and, indeed, international action was necessary.

Therefore, the International Migratory Treaty was negotiated in 1916, whereby Canada and the United States bound themselves to take care of the birds which crossed their borders.

Incidentally it was apparently the decision of the United States Supreme Court arising out of that treaty, in the case of Missouri against Holland, which has given rise to the so-called Bricker amendment. A similar treaty has been negotiated between the United States and Mexico.

I wish to make it clear that I believe that after birds fly so many thousands of miles, they need protection against the elements and they should be provided with an integrated set of landing fields—a program which cannot be carried out if the States act alone.

Therefore I am happy to support this measure, and I am not deterred by the fact that it is an extension of the welfare state into the field of feathered vertebrates.

Mr. LONG. Mr. President, will the Senator from Illinois yield for a question?

Mr. DOUGLAS. Yes, for a question, but not for a point of order.

Mr. LONG. Is the Senator from Illinois proposing that this money be spent for children, or for additional bureaucracy? The amendment I have before me, which is marked as intended to be submitted by the Senator from Illinois, reads in part as follows: "To defray the cost of studies of problems affecting the education of children of migratory workers."

Mr. DOUGLAS. I am sorry; I think the Senator from Louisiana was not in the Chamber when the modified form of the amendment was read. In its modified form, the amendment provides that the money shall not only be spent for this purpose, but also should be spent to assist the localities in the education and health care of migratory children.

Mr. LONG. Mr. President, will the Senator from Illinois inform me whether Congress has authorized such a program as this?

Mr. DOUGLAS. Mr. President, I am sure the Senator from Louisiana does not intend to raise a point of order against the amendment. I am sure his natural benevolence is such that he will permit this issue to be considered on its merits.

Mr. President, I think it should be recognized that not all the migratory birds are American birds. Some of them come from Mexico, and fly north. Yet we provide adequate transient camps for them and, indeed, food for them, although they do not remain in the United States, but merely treat the United States as a passage point, as they move from Mexico into Canada.

Similarly, we do not bar birds of Canadian origin from being adequately treated in these bird refuges. We do not insist upon 100-percent Americanism in the case of birds, and we do not bar them, even if some of them may leave the country of their origin and enter the United States without a visa. [Laughter.]

All I am proposing, Mr. President, is that we should extend some of these privileges to children of migratory workers.

In recent years, probably a million migratory workers have moved over the United States, following the seasons and the crops. Many of them have been Spanish-Americans or Negroes. Many are Mexicans. This year there probably will be almost 2 million Mexicans coming illegally across the border, because the articles in the New York Times written by Mr. Gladwin Hill, coming from the Rio Grande, have indicated that in the month of May, 93,883 were captured along the Mexican border alone; and Mr. Hill indicated that at least twice that number effected illegal entry into the United States in that one month. An article which appeared last Sunday in the New York Times states that the Arizona jails are full, as a result of the drive to reduce the flow of wetbacks.

Of course, Mr. President, the migratory workers are not exclusively of Mexican origin. The Spanish-Americans from the Southwest and the Negroes from the South are also migratory workers.

The extraordinary thing about this matter is that we provide excellent care for migratory birds, but little or nothing for migratory children.

I have before me some descriptions of the fate of migratory children. I shall read now, from the magazine "School Life" of January 1953, an authentic letter from a 17-year-old boy by the name of Pablo Luis Sender, sent by him to the Office of Education Committee on Migrants. The letter which Pablo wrote under date of August 1, 1952, reads as follows:

AUGUST 1, 1952.

DEAR SIRS: Well, your letter was a surprise. It's just about the first time I've been asked to help out on something really important. So I've talked around with some of the others all the way from the mothers and fathers and children to our crew leader. And they gave me some good ideas to put with my own. I've made a list of them:

1. We move too soon to get settled in a school.

2. As I said before, some parents would rather have their children work than go to school.

3. Sometimes school isn't very interesting to stay in all day long.

4. If you feel sick or hungry it's not fun to go to school—or do anything.

5. In school the rooms are crowded and everyone gets in everyone's way.

6. It's not easy to talk to teachers if you don't know English very well.

7. To go to school you need better clothes and other things that cost money.

8. The teachers have trouble finding out what we know and where we have been to school. (My sister, Maria, had a card from one school but she lost it already.)

9. It's hard to catch on to what they are talking about in school when you are new.

10. Along that line we don't ever have any books or anything from school to take along with us.

11. Usually Maria (that's my sister again) has to stay home lots of days to take care of Sam. He's only 2. Other kids do the same thing while their parents work.

12. There's a law about going to school instead of working during school hours if you're under 16. We get mixed up on that.

13. The places we have to live in make you want to move in a hurry sometimes.

14. Not much to do that's fun during evenings.

15. Maybe you're not interested in big people but my own dad said he wished people his age had a chance to learn things.

Well, that's quite a list. Since you have been talking about migrants at your meetings I guess you have thought of most of them.

Maybe I could have helped more by telling some of the things some of the kids liked about school once in a while. It isn't all bad. But this is enough for now.

And, yes, I do want a copy of your report if it isn't too much trouble.

Your friend,

PABLO.

Mr. President, I also have before me an article from the National Humane Review of May 1952. I should like to read some parts of it:

Take the case of Jose.

Jose is dead.

He died in 1950 at the age of 9 years for the following reasons.

Jose, his parents, and two older sisters and a brother emigrated legally from Mexico to the United States. They came in search of work. A great many farmers and labor contractors were glad that they came, although it cannot be said that they welcomed them. Jose was 5 years old at the time.

In San Antonio a labor contractor signed up the entire family to go to work immediately in the Colorado bean fields. The contractor arranged free transportation to Colorado. The transport vehicle was a 1½-ton stake truck with a ragged tarpaulin cover. It had temporary benches along the two sides. Another family of five persons rode in the same truck. Children slept on household baggage. The truck stopped on the way only for gas, oil, water, and occasionally to permit the driver to snatch meals in cheap diners and the two families to do meager shopping in roadside groceries.

Temperatures on the Texas and Colorado highways averaged over 90 degrees in daytime and at several times went over 100 degrees.

When Jose and his family arrived at the fields where they were to begin work, they were assigned free housing. The quarters consisted of a one-room shack, sheathed with tattered tar paper, on the edge of a camp of about 25 such buildings. The whole camp sat in a sun-baked field, without grass or shade. One water faucet provided all the water available to the 31 families housed in the 25 buildings. An open ditch drained away waste water. Garbage was piled in a rotting heap at the edge of the camp. Two pit latrines were the only sanitary facilities. Beds were flat wooden bunks, without mattresses.

On the morning after arrival the entire family went to work in the fields.

Jose went to work, too.

Hour after hour, coaxed by his mother, threatened by his father, watched by the foreman, Jose picked beans. All beans picked by the family were weighed together and Jose's father was paid by the pound for the family production. Jose's parents felt that they had to keep the children working in order to get enough money for food and for the inevitable time, not far distant, when they would again be compelled to travel, perhaps a thousand or 2,000 miles, in quest of more work.

The story of Jose could be long and elaborate. We will cut it short. After all, Jose's life was short.

Jose worked that first summer in the United States in bean fields, beet fields, and strawberry fields. In the autumn the family trekked to Oregon to pick apples. In succeeding years they picked cotton in California, worked back through the Colorado beet fields, went north and east to the Michigan pickle fields. Two more babies came, one born in a tent and the other in a tar-paper shack like the first home in Colorado.

Jose never went to school.

In the first place, Jose had to work. In the second place, he never learned enough English to learn much from an English-speaking teacher in the kind of rural schools that were the only schools ever available to him. In the third place, neither the school authorities nor the school children in communities where he and his family briefly paused, wanted him. The teachers thought and called him stupid. The children laughed at him for his alien queerness and his ragged clothes.

And, besides, Jose was so often ill. He was always underweight. He had thin, bent bones. He caught colds easily, he had frequent fevers, he coughed almost continuously.

In his ninth year he had an attack of dysentery. Since diarrhea was a very common ailment of denizens of the migrant camps, no one even considered calling a doctor. Most doctors would visit migrant camps only in extreme emergencies, anyway.

And so Jose died.

He died of cruelty. The laws and courts of almost every State of the Union have clearly defined almost everything that ever happened to Jose as cruelty or criminal neglect. Jose was malnourished, exploited as labor, deprived of any chance at even elementary education, exposed constantly to debilitating heat and cold, inadequately clothed, left without medical attention when ill.

Mr. President, there are thousands and tens of thousands of cases such as that one. The children of migratory farmworkers are, without exception and without question, the most educationally neglected group in the United States. Many of them never go to school. Many of them go to school for only 3 or 4 months in a year. There is great retardation in the education of such children. They drop out of school at the age of 10 or 11 or 12 years. There is a high degree of illiteracy among them. Reports indicate that there are probably few migrant boys who could qualify to serve in the Army.

Mr. President, I have a vast mass of statistical material, which I shall not take time to present now; but I should like to have it included at this point in the RECORD, as a part of my remarks. I now ask unanimous consent for that purpose, Mr. President.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

STATEMENT TO THE SENATE SUBCOMMITTEE ON LABOR AND LABOR MANAGEMENT BY GERTRUDE FOLKS ZIMAND, GENERAL SECRETARY, NATIONAL CHILD LABOR COMMITTEE, NEW YORK, N. Y., FEBRUARY 27, 1952

The National Child Labor Committee is a voluntary organization founded in 1904 and incorporated by act of Congress in 1907. It has concerned itself with the children of farm migrants and rural child welfare generally almost since its inception. A list of its many studies in this field is attached as an indication of its background and knowledge of migrant problems.

The National Child Labor Committee is gratified that your subcommittee is holding these hearings. It gives us hope that the

Congress will recognize the gravity of the migrant farm labor problem and that at long last steps will be taken to give this most neglected group of our population the standards of living, of employment, and of education that this country seeks to provide for all within its borders.

I shall comment briefly on some subjects covered by committee print bills, but the major portion of my testimony will be on the conditions under which migrant children are growing up with specific suggestions for Federal action.

I

One of the committee print bills deals with housing. In our studies in many States we have seen migrant housing that is fit only for animals. I could give documented and photographic corroboration of this, but I know you have had ample testimony on this point. I would, however, like to read an excerpt from a letter written to her mother by a college student who worked in a fellowship group in Colorado in 1950:

"We spent some time nailing on a roof of a new Methodist camp, spoke before Rotary, led an evening of recreation among church youth, then spent a day traveling around the valley, stopped at a migrant camp and spent some time with the kids, etc. The reaction of the Czech girl who went with us to the migrant labor camp (they—migrant workers—were living in the stalls of a barn, all the kids had watery eyes, many pockmarks, and deformed bone growth) was that she hadn't seen anything like this since the concentration camp and didn't realize it existed in America."

II

We are especially interested in the bill to regulate the activities of employment agencies and labor contractors. We regret that this proposed regulation is limited to those whose operations are interstate. We would raise the question as to whether, under the interstate-commerce power, Federal regulation could be extended to all those who contract for labor that is employed on commodities that are shipped in interstate commerce, even if the workers recruited do not themselves cross State lines. The independent contractor is the most vicious element in the migrant picture. He is responsible to no one and his practices are utterly unscrupulous. Catholic and Protestant clergymen, welfare workers, teachers, and merchants in Colorado referred to him as a racketeer, an exploiter of human misfortunes, a thief, a robber baron.

We found in Colorado that private contractors often had grossly misrepresented conditions, especially when the head-hunting method of recruitment was used, i. e., the recruiter is paid on a per capita basis for each worker delivered to Colorado. He is in reality a 20th-century slave trader.

One of many such victims interviewed was a young man persuaded by a recruiter to leave a maintenance job in a Texas city for beet work in Colorado. He was promised factory work at high wages in Wyoming from the middle of July to the first of October, between the peak periods of beet work. His wife was expecting her first baby and had been assured that Colorado provided full maternity care for wives of beet workers. There proved to be no factory work in Wyoming. The baby was delivered in a tent, without any medical care. When interviewed the man was feeling desperate as to how he was going to make enough money to get home, find a new job in Texas, and keep his family alive in the interim period.

These racketeer contractors are so desperate to get workers to sign up with them that they lie about the State employment service. Migrants told our investigator tales, obviously malicious and untrue, about what the employment service would do if they went to it for jobs.

It is not without significance that in our Colorado study, where the fieldwork covered a 4-month period, the only threats made to migrants who talked with interviewers came from labor contractors. And the only persons who refused to talk with interviewers were labor contractors.

We earnestly hope Congress will take immediate steps to stop this trafficking in human misery.

III

Your committee has also under consideration the question of a minimum wage for migrant-farm workers which we strongly favor.

You have already had documented testimony on incredibly low wage rates in many migrant areas. The principle of a minimum wage has long been accepted for industrial workers. Men and women who work in agriculture are the same kind of human beings. They too must eat, clothe themselves, and take care of their children. Migrants must pay cash for all these things. They can't raise their own produce for, even if they have homes, they are not there during the growing season. They are absolutely dependent on their cash wages.

But in supporting a minimum wage, we would point out that a minimum wage is not, of itself, a cure for the poverty of migrants. A wage of $1 an hour doesn't mean much if a person averages only 2 or 3 days work a week. Many factors, other than the wage scale, push down the migrants income. He is not paid during the period of transportation to and from his home base to the State he works—sometimes over 1,000 miles, as from Texas to Michigan. He is not paid for the time he spends going from one job to another in a State. A public welfare official in Colorado said:

"Many times in 1 day workers will have to work in Otero County, Crowley County, and Pueblo County. No consideration in wages is given for the time lost from going from job to job. This last year some of our laborers, who live in Rocky Ford, worked at Granada which is about 90 miles away. They would get up at 3 or 4 o'clock in the morning, be transported to their work and return home not earlier than 9 or 9:30 in the evening, but were paid only for the time spent on the job."

Nor are they paid when the weather makes work impossible or when a crop is not ready as soon as the grower anticipated. And, of course, they aren't paid when they are out of work—and it may be a long period between jobs.

In Colorado the average annual family income from all sources for 252 families was $1,424. This averaged $530 a year per worker.

The average size of the migrant family in Colorado was 5.7—so the average income per person was about $250. (Even the Federal income tax allows $600 per capita exemption.)

Forty families with 6 members averaged $1,030 a year—$171 per person.

Twenty-three families with 8 members averaged $1,324 a year—$147 per person.

The irregularity of employment makes all the more essential a minimum wage for the work migrants do have. But this Committee—or some agency of the Federal Government—must face the fact that methods must be devised to provide a steady year-round income for migrant workers. That could well be a major first task for the Federal Committee on Migratory Farm Labor, which is proposed in another Committee print bill.

IV

We strongly favor the appointment of such a Federal Committee and especially the inclusion of public representatives. * * *

I would now like to discuss another phase of the situation and to suggest legislation which we believe should have high priority in any Federal program—the conditions under which migrant children are growing up. It is obvious that there are many aspects of migrant life that are not wholesome for children—the constant moving about with no roots in a community, the congested housing that makes impossible normal or even decent homelife, the unspeakable sanitary conditions, inadequate income, poor diet, lack of medical care; the infant-mortality rate among migrant families in Colorado was nearly twice as high as that for the State of Colorado. However, I am going to speak on three other points directly related to child welfare and basic to improvement, on which we urge immediate action: (1) The care of young children whose mothers are working, (2) child labor, and (3) education.

I. CHILD CARE

It is an economic necessity for migrant mothers to work in the fields. Their children are taken care of in whatever manner their mothers can devise. In Colorado 100 mothers with children under 10 years arranged it as follows: 41 took their young children to the fields; 26 left them with older children; 12 left them with elderly people; 11 left them with neighbors or relatives; 8 left them at home unattended; 2 placed them in day nurseries.

At most, 25 percent could be considered to have adequate care—those left with elderly people, neighbors, or relatives—and 2 in day nurseries.

The "older children" who took care of the younger ones were often themselves only 10 or 11. Some of the children left unattended were locked in cars. This was not hearsay—our field staff saw several instances. No day-care provision was found anywhere except at the Palisade and Fort Lupton camps—both former Federal camps which have child-care centers operated by the Home Missions council.

Only last week I heard of a practice among Indian workers in Arizona. The Indian mothers, unwilling to leave their babies alone, took them to the fields and laid them on the ground. The color of Indian babies is not unlike that of Mother Earth, so when the farm machines came along a man would walk ahead of the machine and pick up the children.

Last year Congress authorized Federal funds for day-care centers for the children of working mothers in defense areas (Public Law 139.) However it refused to appropriate any money for this. It is doubtful, even if funds are appropriated this year, that day-care centers in migrant farm areas would be qualified under this law. Under title V of the Social Security Act funds for child welfare services are available to States for day-care centers. However, this appropriation is not large and the regulations prescribed seem to be adapted to urban communities. Probably no migrant area could meet them.

We therefore recommend that legislation be enacted granting Federal funds for the establishment of day care centers in migrant areas—these funds to be administered by the Children's Bureau, with recognition in the law that the requirements to be met by States requesting funds shall take into account the paucity of social welfare services in such areas.

II. CHILD LABOR

It is not surprising, in view of the poverty of migrant families, that children become part of the labor force as soon as they are old enough to pick a bean. Of 205 working children under 16 years in Colorado, 88—nearly 43 percent—had started work before they were 10 years old. Forty-six children started their work career as full-time workers during school hours. Nearly two-thirds of the children worked more than 8 hours a day; 37 percent worked more than 10 hours a day.

Congress has already taken one important step toward eliminating child labor abuses by its adoption in 1949 of an amendment to the Fair Labor Standards Act setting a 16-year minimum age for work on commercial farms while schools are in session. Strong

efforts are being made by the Labor Department to enforce this law, but great opposition has developed especially in the cotton regions of the Southwest. Many devices are adopted to circumvent it. Schools are closed while migrants are in a district so that the migrant children may legally be employed. We heard of one district with migrant workers (Minnesota) which closed its schools and then sent its resident children by bus to a school in another district.

In another place (Texas) a school for migrants was opened at 4 o'clock in the afternoon. The children, after their full day's work, did not attend the school, but it was claimed that since "their" school did not open until 4, it was legal for them to work until 4 o'clock. Some areas, we understand, are considering redistricting, so that migrant children will be in a separate school district from resident children and the district with the migrants can close its schools without interfering with the schooling of resident children.

Even more serious is the fact that 9 bills are now in the House Committee on Education and Labor to weaken this law, especially in its application to migrant children. We hope the members of this subcommittee will be on the alert to prevent any such action.

There still remains, even with this Federal law, the fact that, except in 2 or 3 States, there is no minimum age whatever for the employment of children on farmwork outside of school hours. They may, and do, work at any age—and for any number of hours. We believe the Fair Labor Standards Act should regulate this—but we are not suggesting immediate introduction of such legislation. We believe this should be deferred until the minimum age for work during school hours is more firmly established.

III. EDUCATION

The children of migratory agricultural workers without question constitute the most educationally neglected group in this country. Every study of migrant labor has revealed a lack of schooling that is shocking—children who never go to school, many who go only 3 or 4 months a year, great retardation, dropping out of school at 10 or 12 years, a high degree of illiteracy. There are probably few migrant boys who could qualify to serve in the Army.

The findings in Colorado are cited merely as one illustration of an almost incredible situation. Among 354 school-age children (7–16 years) in 262 migrant families: 8 percent had never been in school—nearly a third of them were over 10 years; 26 percent had left school permanently; most of the children who had left school, including the 14-, 15-, and 16-year-olds, had not gone beyond the first or second grades. Only 4 had completed 4 or more grades—the test of functional literacy; 82 percent of all school-age children were retarded from 1 to 8 years; practically all children 11 years of age and over were retarded 3 years or more.

Attached to this statement is further data from the Colorado report and highlights from studies in several other States. All are similar in their findings.

No one knows how many migrant children there are. Estimates vary from 250,000 to nearly half a million. But whatever the exact figure may be, the important fact is that many thousands of our boys and girls are growing up with practically no education. Both for their own sakes as children growing up in this land which cherishes the individual, and for the sake of the Nation whose adult citizens they soon will be, these little crop nomads should be given the oportunities for education which America seeks to give to all within its borders.

Many of these children are interstate and therefore a special concern of the Federal Government. In Colorado all but 40 of the 262 families had come from other States—more than half from Texas.

Congress has already expressed its intent that the children of migrant workers should be in school by barring their employment under 16 years on commercial farms when schools are in session. It cannot require their attendance at school but it has removed the chief cause for nonattendance. This law is making local communities aware of their responsibility for the schooling of the children whose families have come temporarily into their districts to help harvest the crops on which the economy of the area depends. But school authorities, while beginning to recognize their responsibilities, are increasingly concerned about the financial burden of providing schooling for large numbers of children who are only temporarily in their districts.

We, therefore, urge that consideration be given at this session of Congress to provision of Federal funds to the States for the education of migrant children.

This has been discussed at various times but has always bogged down because no one knows how many such children there are, how large an appropriation is needed, or how it should be apportioned.

We do not believe the difficulties are unsurmountable and are suggesting the outline of a simple bill. Its main points would be:

(1) An appropriation of $10 million. If this amount is too high, the unexpended moneys would revert to the Treasury. This sum of $10 million is based on an estimate of 200,000 migrant children 6 through 15 years and an allowance of $50 per migrant child. Fifty dollars is, roughly, one-fourth of the average per capita expenditures for schools in the United States. It is assumed that States will meet part of the cost through regular school funds and also that migrant children are in a community for only part of the school year.

(2) Ninety-six percent of the appropriation would be for the reimbursement of State departments of education at the rate of $1 per day for each migrant child in attendance.

(3) The distribution of funds within the State would be in accordance with a plan submitted by the State education department and approved by the United States Office of Education. This would permit freedom in State planning, for the problem is very different in different communities. In some States a per capita distribution to districts with migrant children might be desirable. Other States might wish to consider the establishment of State-operated mobile schools that would travel with the children.

(4) The use of such funds in the State should not be restricted. The money should be available for, but not limited to, the employment of additional teachers and other personnel; provision for additional classroom space; equipment, supplies, and textbooks; transportation; institutes, and special training for teachers, etc.

(5) Two percent of the appropriation should go to State departments of education for administration of the funds, consultant service to local systems, and promotion of interstate agreements on record transfers, uniform textbooks, a core curriculum, etc., that would give greater continuity in the education of migrant children.

(6) Two percent of the appropriation should be allotted to the United States Office of Education for administration of the act, for research, and for consultant services to State and local school systems on special problems connected with the education of migrant children.

We are aware that the President's budget has recommended an appropriation to the Office of Education of $181,000 to study and help develop programs for the education of migrant children. We do not believe this in any way lessens the need for Federal aid to the States for migrant education. If anything it increases the need. For the Office of Education, in its work in the various States, will have much more support for its recommendation and can plan on a much sounder basis, if it knows, and if the States and local districts know, that there will be Federal funds to help them carry out programs.

In closing we again urge priority in your planning for measures that will immediately and directly help migrant children. They cannot wait. They will soon be leaving their childhood—and, unless something is done quickly, they will carry into adulthood the bitterness and resentments of a cheated childhood—they will remember lonesome days instead of their mothers' care, they will remember working when other children played, and working when other children went to school.

We know the migrant problem must be attacked from many angles but we believe none is more important than to give migrant children a different life and a chance to escape from migrant life. Now it is a vicious circle, migrancy, poverty, child labor, retardation, school-leaving, illiteracy, back to migrancy again.

Migrant farm labor may play an important part in America's agricultural production, but migrancy, as it exists today, has no part in the American way of life. People learn through experience, and if we want our vast migrant population to remain true to our democratic concepts we must see that they learn, through their own experience, from childhood on, the meaning of democracy, equal opportunities for all.

MAJOR STUDIES PUBLISHED BY THE NATIONAL CHILD LABOR COMMITTEE ON CHILD LABOR, EDUCATION, AND WELFARE AMONG CHILDREN OF FARM WORKERS

1909: Child Labor in Rural Kentucky.

1914: People Who Go to Tomatoes (a study of 400 Maryland families).

1916: Child Labor in the Sugar-Beet Fields of Colorado.

1917: Farmwork and Schools in Kentucky.

1918: Farm Children in Oklahoma.

1919: People Who Go to Beets (Michigan).

1920: California the Golden; Farm Labor versus School Attendance.

1921: Child Labor and Rural Tenancy; Rural Child Welfare (West Virginia).

1923: Child Labor in the Sugar Beet Fields of Michigan.

1924: Children Working in the Sugar Beet Fields of the North Platte Valley of Nebraska.

1925: Child Labor Among Cotton Growers of Texas; Children Working on Farms in Certain Section of the Western Slope of Colorado; Denver and Farm Labor Families.

1926: Children Working in the Sugar Beet Fields of Certain Districts of the South Platte Valley, Colorado.

1928: Children Working on Farms in Certain Sections of Northern Colorado.

1929: Child Labor in Agriculture and Farm Life in the Arkansas Valley of Colorado.

1936: Pick for Your Supper (a study of child labor among migrants on the Pacific coast); A Summer in the Country (New Jersey).

1940: Children in Strawberries (Mississippi Valley).

1941: Two Weeks in Berrien County (Michigan).

1942: Children Who Work on the Nation's Crops.

1943: Cotton or School (Missouri).

1951: Migrant Farm Labor in Colorado.

HIGHLIGHTS FROM OTHER STUDIES

I

A study by the National Child Labor Committee in 1940 among white migrant strawberry pickers in Arkansas and Kentucky showed that 36 percent of the children 7 through 15 years of age had not been to school a single day during the year preceding the inquiry. Those who had gone to school had attended an average of 66 days—

a little over 4 months. Among the children 12 through 15 years of age, one-third had completed the second grade or less; one-half had completed the third grade or less. If the nonattendance record continued, these children would receive less schooling than their parents for the parents of these young strawberry pickers had achieved a median grade of 4.4. (Children in Strawberries, National Child Labor Committee, 1940.)

II

Among 487 migrant children 6 through 15 years working in the winter harvest in Hidalgo County, Tex., in 1940–41, 224 were not enrolled in school.

	Number	Not enrolled	Percent
6 and 7 years	79	50	63.3
8 and 9 years	86	21	24.4
10 and 11 years	101	18	17.8
12 and 13 years	108	45	41.7
14 and 15 years	113	90	79.7
Total	487	224	

Sixty-nine percent of the migrant children who were enrolled did not enter school until after March 15; 32 percent withdrew before the first of April. (The Work and Welfare of Children of Agricultural Laborers in Hidalgo County, Tex., U. S. Children's Bureau, 1943.)

III

"The education of the Texas-Mexican adult is extremely inadequate according to the sample studied in Wisconsin. About two-fifths had no education whatever. Only 26 of a total of 184 adults from whom this information was obtained had had more than 4 years of schooling, which is usually considered to be the dividing line between literacy and illiteracy. It is imperative that the children of these people be provided with a starting point more equal to other children than their parents had in their generation. Most of the family heads and their wives are, by standard classification, illiterate." (Migratory Agricultural Workers in Wisconsin, Governor's Commission on Human Rights, Madison, June 1950.)

IV

A study of 246 fourth-, fifth-, and sixth-grade children of seasonal agricultural workers in the San Joaquin Valley revealed that "their educational status is distinctly below the level of other elementary-school children throughout the State. In general, the children are overage for their grades. Teachers report that many children have scholastic and social adjustment problems. Few records are available of children's educational history or of their physical and social development. Many children are new to the community and new to the State, and thus few children have had a continuous educational program in one school. (Agricultural Labor in the San Joaquin Valley, the Governor's Committee To Survey the Agricultural Labor Resources of the San Joaquin Valley, Sacramento, Calif., March 1951.)

V

"In this setting (migrant farm labor) where—according to numerous surveys—only a minority is literate (that is, have finished the fourth grade), where many have not finished the second grade, and some report that whenever they do enroll they are always put into the first grade, it is exciting to witness the response to the few schools run by church groups. Children who do not have to work or to take care of younger brothers or sisters eagerly attend school. In many instances parents whose need of the added income that their children might contribute is desperate will still encourage these children to attend school rather than to work in the fields. But why should the Federal Government, the State government and the county school systems leave this job to the limited efforts of church groups Granted, they do get in this way some needed and welcome interpretation of things religious. Yet, this does not excuse a policy that perpetuates an illiterate migrant population, or even—according to some studies—causes its retrogression." (Minnesota and Her Migratory Workers, published by the Migrant Committee of the Minnesota Council of Churches and the Home Missions Council of North America, 1950.)

VI

A study of the age and grade level of 157 children among 58 migrant beet workers' families revealed that 56 percent of the children of school age were retarded and that 1 child out of 3 was retarded 3 years or more. For children over 9 years retardation was even greater, and among the 15-year olds, 87 were retarded. (The Education of Children of Spanish-Speaking Migrants in Michigan by Edgar G. Johnston, University of Michigan, 1946.)

VII

A study of 214 migrant children in New York—Southern Negroes who come up from Florida—indicated that 5 percent had not attended school at all during the school year 1948–49, and an additional 18 percent had been in school for less than 5 months during this period. (A study on the Educational Status of Migrant Children in Labor Camps of New York State During the Summer of 1949, by Prof. Howard E. Thomas, Department of Rural Sociology, Cornell University.)

EXCERPTS FROM THE UNEDUCATED

(By Eli Ginzberg and Douglas W. Bray)

(Report of a research project by the conservation of human-resources group, established by General Eisenhower in 1950 in the Graduate School of Business of Columbia University)

These large-scale rejections for military service refer to the resident Spanish-American population—the majority of whom were born in the United States—and not to the recent immigrants, most of whom entered the United States illegally. How does it happen, therefore, that these native-born Americans failed to acquire even a minimum literacy in English? Certain detailed information is available about Hidalgo County in the extreme southern part of Texas. This county had a very high rejection rate—just under 40 percent. However, almost three-fourths of the population is Spanish-speaking. A sample study reveals that more than half of the Spanish-speaking population had no schooling whatever, that 80 percent had less than 5 years of schooling, and 90 percent had less than 7 years. Of those who had no schooling whatever and were over 21 years of age at the time of the survey in 1949–50, it was found that 7 out of 10 had been born in Mexico. Perhaps the most important statistic is the average daily school attendance which was only 28 percent of those enrolled. The explanation for this very low rate must be found in the heavy seasonal migration of this population. In each 2-year period 1 out of every 2 families moves north. Apparently, they are dispossessed by the illegal immigrant who comes over the border at harvest time. (Pp. 174, 175.)

* * * * *

MIGRATORY LABORERS

It is estimated that there are currently about a million migratory agricultural workers within the United States. Except for those of Mexican descent, native whites are an insignificant proportion of the total. In addition to a few West Indians and Puerto Ricans, the migratory laboring group is composed of two major subgroups. The first are the Negroes, whose base of operations is Florida and who follow the harvests up the coast as far as Maine. Most of the members of this group are former sharecroppers who have been displaced as southern agriculture has become increasingly mechanized. The other, and probably the larger, group consists of Spanish Americans, both natives of the United States and legal and illegal immigrants from Mexico. Their main base is Texas, from which they spread out during the harvest seasons as far as Washington and Michigan. For the most part the illegal immigrants work close to the border, but, as we have noted earlier, their presence in the southwest exerts pressure on others—legal immigrants and native-born Spanish Americans—to search for employment elsewhere.

Today's migrants are almost exclusively agricultural workers. This contrasts quite radically with the situation which prevailed at the outbreak of World War II when, it is estimated, as many as 4 million persons who had been cast loose by the depression had not yet established new roots. Unlike today's migrants who have reasonable assurance of finding work as they follow the seasonal route, these earlier migrants were true wanderers, perpetually in search of work. In assessing the military rejection experience of World War II, it is important to recognize that the children of these earlier migrants had few educational opportunities. Most States, hard pressed to find revenues to educate their own children, revised their residency laws to deny the migrants most of the rights of citizenship, including the right to send their children to a free school. It is probable that the majority of the children of these earlier migrants did not complete five grades of schooling.

The migratory workers today, aside from the immigrants from Mexico, come from the most handicapped rural areas of the country and have had the least advantages in preparing themselves for life. They are truly marginal, unable to make a living in the areas where they were born and grew up and unable to gain a secure foothold in business or industry. The technological revolution which is preceding apace in agriculture has made them surplus. In 1949 agricultural production was 27 percent greater than in 1940 with a labor force 8 percent smaller.

During the past two decades, except for the period of the war, the farmworker has found it increasingly difficult to obtain a full year's work. At the present time, of the more than 4 million farm wage-earners more than 2 million have less than 150 days work per year. Here is the reservoir from which the migratory farm labor force is recruited. Closely related to this decline in agricultural employment opportunities is the increasing seasonality of farmwork. In the early 1930's some Southern States offered to farmworkers in the lowest month of the year only three-eighths as much employment as in the highest month. At the end of the 1940's employment opportunities in the low month were reduced to only one-ninth of the peak. The explanation for this change is probably to be found in the replacement of animal powers by tractors, which eliminates the necessity of caring for stock during the winter, and the intensified mechanization in the preparation of crops. Manpower is required primarily for harvesting.

In 1949 the typical migratory worker had 70 days employment on the farm and 30 days of casual nonfarm work, for which he earned a total of a little more than $500. The migratory worker and his family were usually away from home for a period of 4 to 6 months in the year. When work is available, child labor is the rule; youngsters of 5 or 6 work. In 1949 there were as many migratory boys 17 years old or younger working for farm wages as there were men older than 44. Women and children account for more than half of the total days of migratory farm employment. When mothers work in the fields, the preschool child must be left alone in the shack or brought along to the fields.

The obstacles to school attendance for these children are almost insurmountable. The migrant family leaves home before the end of the school year and returns after the beginning. Even if children were to attend school while the family is away from home, travel time and the constant changing of schools would have a serious effect upon the efficacy of instruction. In any case, they rarely attend school when outside of their home State, and frequently are absent when at home. While most States and localities no longer specifically exclude the children of migrants, few make any serious effort to compel school attendance. The determining factor is the attitudes of parents and children toward education. The need for the wages of the children, the general poverty of the family which prevents the purchase of adequate clothing and food supplies, the reluctance of the children to attend classes in which they are older than the others, and the social ostracism that usually meets the migrant—all contribute to the obvious result. On the basis of sample studies, it appears that only a small percentage of the school-age children of migrants actually attend school when they are outside of their home State, and those who do are usually between 2 to 5 years behind the resident children. It is indeed questionable whether the educational problem posed by the children of migrants can be resolved short of a successful attack on the problem of migratory labor itself. (Pp. 176–178.)

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One of the other major areas where illiteracy is bred is among the children of migratory farm workers who, as we noted earlier, can be subdivided into two groups: A Negro group based primarily in Florida, which moves north along the Atlantic seaboard; and the Spanish-American group based in Texas, which fans out toward the north and west. Since these families cross many States, and are, in fact, only nominal residents of any State, the responsibility of the Federal Government is clear. What may not be clear is how the Government can discharge it effectively. Money is surely not a solution for everything, but it is not comforting to realize that the Federal Government spends many times as much on assistance to migratory birds as on assistance to the children of migratory families. It may well be that the only basic solution to the problem of educating these children will be found in the eventual disappearance of the institution of migratory labor. However, this is not likely to occur overnight. Temporizing and partial solutions are, therefore, very important. It goes beyond the province of this chapter to recommend the detailed measures which the Federal Government should take, in collaboration with the States which reap the benefit of this migratory labor, to insure that the children of these parents do not become handicapped for life. It is very important for the Federal Government to develop a realistic social accounting system as a basis for action which would take cognizance not only of the economic contribution which the adult migrants make to the agriculture of today but also to enter the large debit figure which would reflect the impairment of their children's prospect to earn a livelihood and participate fully in the responsibilities of citizenship tomorrow. (Pp. 238, 239.)

[From the February 1953 issue of Labor Information Bulletin, U. S. Department of Labor]

OVER 5,000 CHILD-LABOR FARM VIOLATIONS REPORTED DURING 1952

Over 5,000 child-labor violations on farms were reported during fiscal year 1952 by investigators of the Department of Labor's Wage and Hour and Public Contracts Divisions.

Investigators found 5,414 children under 16 working during school hours on 2,218 farms in 42 States.

Congress amended the Federal Wage-Hour law in 1949 to extend child-labor protection to employment in agriculture. The Department is responsible for enforcement of this law in the production of goods for interstate commerce.

Results of the Department's agricultural investigations are shown below:

Year	Number farms in violation	Number minors illegally employed	Number of States where violations found
Fiscal year 1950	234	728	9
Fiscal year 1951	1,233	3,465	34
Fiscal year 1952	2,218	5,414	42

These figures, the divisions point out, do not mean that more children are at work on farms during school hours than during the previous 2 years, but do reflect the divisions' progress in extending investigations over wider agricultural areas.

Although machinery is being used increasingly in some types of agriculture, investigators find that many farmers are still relying on children under 16 to meet the large seasonal demand for hand labor, particularly in cotton, potato, tomato, strawberry, green bean, onion, and sugar beet operations.

Over half of all the children found working illegally in agriculture performed cotton operations in the South and Southwest. Many of them were extremely young. Statistics taken from investigation reports show that 21 percent of 2,888 children working on cotton farms were only 8 years old or younger.

A comparison of percentages, by age group, of children working on farms while they should be in school was made for fiscal years 1951 and 1952. It shows an increase in the number of minors 9 years old and under, a decrease for those 14 and 15, and no change for those 10 to 13. Those in the latter group comprised 51 percent of the total.

The children at work illegally were of various racial extraction. The 53-percent recorded as members of the white race included many Spanish-American children. The nonwhite group, although composed principally of Negroes, included Indians, 2 Japanese, and 1 Moor.

School officials are more and more viewing enforcement of the wage-hour law as the most effective way to meet the problems of poor attendance and low educational attainment among some of the students who work on farms during school hours.

Those schools which have vacations to harvest crops report that the presence of investigators in the areas help keep the children in school until the harvest vacation starts and encourages their prompt return to classes.

Attention is being focused on the educational needs of migrant children, and, in a few areas, local schools are making provisions for them. This, however, is not yet a widespread practice, and much still remains to be done to assure these youngsters an opportunity to attend school for the full term, the divisions emphasize.

Investigators report increased cooperation from farmers as they become aware of the provisions of the law as it applies to child labor in agriculture. Reports from some areas show that many farmers who employed young workers during the summer months went through their fields the week before school opened and told children and their parents that no minor under 16 would be permitted to work while school was in session. Other farmers made arrangements with parents to employ children on a part-time basis after school hours and on Saturdays. One farmer suggested that the best way to eliminate illegal employment of minors was to assure that full and accurate information about the child-labor law reach employment agencies, labor contractors, food processors, packing shed operators, and truckers who furnish labor to farmers.

During the last 3 years, the divisions have used a variety of informational channels to focus attention on the child-labor provisions of the wage-hour law as it applies to agriculture. Radios, newspapers, bulletins, as well as pamphlets published by the Department, have publicized the 16-year minimum.

Although investigators find that the number of violations is still high in agriculture, reports show that farms which are visited for the second time are almost always in compliance with the provisions of the law. This means progress is being made.

[From the April 1953 issue of Labor Information Bulletin, United States Department of Labor]

WHEN FARMWORK HINDERS SCHOOLING—WAGE-HOUR INVESTIGATORS COLLECT AGE AND EDUCATIONAL DATA FROM WORKING MINORS

We have all heard successful persons say, "I worked when I was a kid and it didn't hurt me." But how often have we stopped to consider that it is the exceptional individual speaking and not one of the run-of-the-mill variety?

Certain kinds of work are good for young people, but work which interferes with school is harmful. Studies which have been made indicate that thousands of children doing agricultural work are not in school for all or a significant part of the school year according to the Department of Labor's Wage and Hour and Public Contract Divisions.

The question whether children who do not attend school regularly are able to make normal educational progress has been discussed many times in connection with the need for section 13 (c) of the Fair Labor Standards Act. This is the section of the act which prohibits the employment of minors under 16 years of age in agriculture during hours school is in session in the district where they are living. In order to have current factual information on the educational attainment of children who work in agriculture during school hours, it was decided to obtain school-grade completion information from minors found working on farms by wage-hour investigators during regular employee interviews. Some youngsters interviewed were working on more than one farm so they may have been counted more than once.

This report is limited to those children found on farms in investigations closed between July 1 and December 31, 1952. Local boys and girls made up 54 percent of the 4,251 children found working and migrant youngsters, 46 percent. Children who returned to their permanent homes at the end of each day's work are classified as local and all others as migrant. The majority of these young workers were under 14 years of age, in fact 68 percent of them were under 14, and 32 percent were 14 and 15 years old.

There are omitted from the accompanying table 245 minors who were too young to be expected to have completed a school grade, and 217 for whom no school information was available.

BELOW AVERAGE PROGRESS

The table clearly indicates that many of these working youngsters have made less progress in school than average. A child of 8 years should normally have completed the 1st grade of school, one of 9, the 2d or 3d, and one of 10 the 3d or 4th, and so forth, with completion of 1 grade each year. The source of normal attainment used was the retardation chart (age-grade) based on the United States Office of Education pamphlet 83, dated April 11, 1941.

The table shows that 46 percent of the children were below normal in grade completion. This 46 percent below normal is

over 3 times as great as the 15 percent shown in the age-grade distribution of rural school children of the United States in the latest available study by the United States Office of Education. (The study was made back in 1927.)

It must be remembered that the school-grade information was obtained from the children themselves during informal interviews. The grades they claimed as completed were accepted as correct.

A comparison of the data for the local youngsters and for the migrant ones indicates a lower educational attainment for migrant than for local children. Fifty-one percent of the migrant children were in grades below normal for their ages as compared with 42 percent of the local children who showed retardation. The percentage of minors in grades below normal for their ages indicates that differences are particularly large in certain age groups. At 10 years, 43 percent of the migrant boys and girls are below normal grades in school compared with 31 percent of the local children; at age 12, it is 56 percent for the migrant children and 41 percent for the local youngsters, and at 15 years of age the percentage below normal is the greatest, 75 for migrant and 56 for local children.

The table shows that 60 boys and girls, ages 8 to 15 inclusive, had not completed even one school grade. Of these, 28 were local and 32 migrant children. Twelve of the 28 local children had never enrolled in any school. Of the 32 migrant children who had not completed a grade, 18 had never attended school and 13 of these 18 were 10 years of age or over.

The children under 16 who worked instead of attending classes helped in the cultivation and harvesting of a great variety of crops. The largest numbers, 92 percent of the young workers, were found on farms which grew cotton, tomatoes, potatoes, green beans, onions, and strawberries.

MORE WORKED ON COTTON

More children worked on cotton than on any other crop. The figures for all the States where cotton investigations were made show 83 percent of these youngsters found working had their permanent homes in the same area where they worked and only 17 percent were migrant children. These statistics are weighted by the large number of cotton investigations made in Alabama, Arkansas, Mississippi, and North Carolina, where local labor is used in the fields. In Texas the cotton investigations show a different picture from the national one. In this State, 75 percent of the children who pulled cotton were migrant workers.

These facts, the divisions conclude, emphasize the need to keep young people out of growers' fields when they should be in school.

Age and school grade completed of children found working in agriculture cases closed between July 1 and Dec. 31, 1952 [1]

Age	Below normal grade for age [2]		Total all grades	Grade completed										
	Number	Percent		0	1	2	3	4	5	6	7	8	9	10
Total all ages	1,755	46	3,794	60	214	431	549	606	599	534	401	275	99	26
8 years	18	9	206	18	82	69	27	10						
9 years	55	18	300	10	45	100	104	39	2					
10 years	155	37	420	9	36	110	119	101	38	7				
11 years	184	40	465	5	15	51	113	141	103	34	3			
12 years	280	49	576	8	16	48	80	128	149	103	37	7		
13 years	292	51	569	4	5	27	41	88	127	133	108	31	5	
14 years	367	58	635	3	10	16	34	62	97	145	130	99	33	6
15 years	404	65	623	3	5	10	31	37	83	112	123	138	61	20

[1] 462 minors were omitted for the following reasons:
(a) 217 for whom no school information was available.
(b) 245 because they were too young to be expected to have completed a school grade.
[2] The figures between heavy lines in the table under "grade completed" indicate normal school attainment for that age child. Based on the usual standard of measurement, developed by the U. S. Office of Education, 7 or 8 is considered normal for completion of the first grade, 8 or 9 for the second grade, etc., with completion of one grade each year.

SCHOOL ATTENDANCE AND EDUCATION OF MIGRANT CHILDREN—EXCERPT FROM MIGRANT FARM LABOR IN COLORADO, A STUDY OF MIGRATORY FAMILIES PUBLISHED BY NATIONAL CHILD LABOR COMMISSION

SCHOOL ATTENDANCE

There were 336 children of legal school age, i. e., between the ages of 7 and 16 years, in the 262 families interviewed. The distribution by age was remarkably uniform. Distribution by sex showed a majority of males—90 females for each 100 males.

Since some of the information sought, such as school attendance, school leaving, and grade achievement, would be pertinent to the 16-year-olds, some of whom had been under 16 years during the school year just completed, it was decided to include them in the analysis of these factors. This added 41 children, making a total of 377 children 7 through 16 years of age.

Information on how many of these children were attending school was obtained by age for 354 of the 377 children. It was found that 236 were attending school and that 118 had left, or had never attended school. Among the 118 children out of school, there were 27 who had never been in school. These 27 children included 19 under 10 years of age and 8 who were 10 years of age or over. The 19 children under 10 years of age indicated they would like to go to school, as did 21 others among the nonattenders. Twenty-three of the 38 children in the 16-year age group were out of school; 22 of the 23 had gone no further than the second grade.

TABLE 47.—*School attendance by age of children 7 through 16 years*

Age	Children		
	Total	Attending school	Not attending school
7	37	29	8
8	33	26	7
9	30	26	4
10	33	26	7
11	30	22	8
12	38	26	12
13	30	20	10
14	51	30	21
15	34	16	18
16	38	15	23
Total	354	236	118

Data regarding ages at which children had first entered school were available for 354 children. These showed that about 75 percent had entered school before their eighth birthday. Fifteen percent of the youngsters did not enter until they were 8 or 9 years of age, and about 2½ percent were 10 or 11 years old when they first began school. Seventy-five of the children interviewed reported that they were not allowed in Texas schools under 8 years of age.

TABLE 48—*Ages at which children 7 through 16 years began attending school*

Age at beginning school	Children	
	Number	Percent
Never attended	27	7.6
6 years	90	25.4
7 years	175	49.4
8 years	42	11.9
9 years	12	3.4
10 years	7	2.0
11 years	1	.3
Total	354	100.0

EXTENT OF RETARDATION

When the data for 372 children, 7 through 16 years of age, were analyzed by age and last grade completed (table 49), it was found that none of them, regardless of age, had gone beyond the fifth grade; that only 8 had completed the fifth grade; 9, the fourth grade; and 24, the third grade. The great majority of children 10 through 16 years had not gone further than the first or second grade, and there were 24 children, 8 years and over, who had completed no grades.

In determining how many of these children of migrant families were of normal academic age and the extent of retardation among the remainder, a slight modification was made in the usual standard of measurement which assumes entry in the first grade at 7 years of age with promotion each year. Some States (including Colorado) do not require school attendance under 8 years; and, where the required or permitted age is 7 years, children frequently reach their seventh birthday too late in the school year for admission. Therefore, to allow for these factors, both 7 and 8 years were considered normal for the first grade; both 8 and 9 years, for the second grade; and so on.

Table 49 indicates that, of 372 children, 7 through 16 years of age, only forty-six 7- and 8-year-olds, two 9-year-olds, and one 10-year-old had completed the grades normal for their age. One child, 1 in 372, was advanced beyond his years by 1 grade. This child was from an Anglo family which happened to be found in the sampling because his parents started "on our vacation. We heard about peaches, so we decided to stop and work a while to help with expenses and to get fruit for canning."

All the remaining children except for 17 7-year-olds who had either not entered school or had not completed the first grade were retarded academically from 1 to 8 years—a total of 306 retarded children, or 82 percent. Retardation started with the 9-year-olds and became more marked in each higher age group as the years of retardation accumulated for the large majority who failed to progress beyond the first or second grade. All but 4 of the 229 children 11 years of age and over were retarded 3 or more years.

These findings indicate with finality that practically the only children in Colorado migrant families who were not retarded in 1950 were the 7- and 8-year-olds in the first grade. This does not mean that these migrant children are less able to learn than other American children because of ethnic or geographic origin which makes them different, as the prejudiced frequently claim. It simply means that no children can make normal educational progress unless they can attend school regularly and are given the opportunity, if they are second-generation Americans, to learn the language, the customs, and the culture of the country of which they are citizens.

TABLE 49.—*Distribution of children 7 through 16 years of age and last grade completed*

Age	Last grade completed									Total
	0	1	2	3	4	5	6	7	8	
7 years	17	24	0	---	---	---	---	---	---	41
8 years	11	22	0	1	---	---	---	---	---	34
9 years	3	27	2	0	0	---	---	---	---	32
10 years	3	32	1	1	0	0	---	---	---	37
11 years	---	28	3	0	0	0	---	---	---	31
12 years	---	26	13	1	0	0	---	---	---	40
13 years	1	16	11	3	0	0	---	---	---	31
14 years	2	21	17	9	2	0	---	---	---	51
15 years	4	13	6	6	2	3	---	---	---	34
16 years	---	18	10	3	5	5	---	---	---	41
Total	---	---	---	---	---	---	---	---	---	372

CHILDREN PERMANENTLY OUT OF SCHOOL

Data on year of school leaving by grade achievement and by age were obtained for children who had left school permanently (tables 50, 51). The evidence in the previous section that migrant children have serious educational handicaps as a result of irregular school attendance, language difficulties, and other factors is confirmed by the fact that 82 out of 89 children, whose grade achievement could be determined, had completed 2 grades or less, most of them less, when they left school. A large number of them were 14-, 15-, and 16-year-old children. Only 7 children had completed 3 to 5 grades and none had completed more than 5 grades. Eleven children could not give the year when they had last attended school but reported that they had completed no grades.

For 78 children who had left school permanently data were obtained showing distribution by age in 1950 and by year of school last attended. More than half had left school recently, during the years 1949–50, but it is evident from the findings in table 51 that 32 children (40 percent) had left school before they were 12 years old.

TABLE 50.—*Distribution of children who had left school by year last attended and grade achieved*

Last year attended	Highest grade achieved										Total
	0	1	2	3	4	5	6	7	8	9	
Year unknown	11	---	---	---	---	---	---	---	---	---	11
1950	1	7	1	1	---	---	---	---	---	---	10
1949	1	13	6	---	1	---	---	---	---	---	21
1948	---	17	5	2	2	1	---	---	---	---	27
1947	1	6	2	---	---	---	---	---	---	---	9
1946	---	4	---	---	---	---	---	---	---	---	4
1945	---	4	---	---	---	---	---	---	---	---	4
1944	---	2	---	---	---	---	---	---	---	---	2
1943	---	---	---	---	---	---	---	---	---	---	---
1942	---	1	---	---	---	---	---	---	---	---	1
Total	14	54	14	3	3	1	---	---	---	---	89

TABLE 51.—*Distribution of children 10 through 16 years who had left school by age in 1950 and year last attended*

Last year attended	Age of children in 1950							Total
	10	11	12	13	14	15	16	
1950	2	2	1	1	1	1	2	10
1949	---	1	6	1	7	4	2	21
1948	2	2	1	3	6	4	10	27
1947	---	---	1	1	1	3	3	9
1946	---	---	---	---	1	2	1	4
1945	---	---	---	---	1	1	2	4
1944	---	---	---	---	---	---	2	2
1943	---	---	---	---	---	---	---	---
1942	---	---	---	---	---	---	1	1
Total	4	5	9	6	16	15	23	78

TIME OF SCHOOL ENTRY IN 1949–50 SCHOOL YEAR

Information in the following sections on time of school entry in the fall of 1949, time of departure from school in the spring of 1950, absence during the school year 1949–50, and number of schools attended in 1949–50 was obtained for children 7 to 16 years of age who were reported to be school attendants. This group included 221 children. The replies indicated that slightly over half of these children entered school in Colorado before October 1, 1949. The proportion of these early starters who dropped out quickly because the family left Colorado was indeterminable. It was estimated by truant officers, school principals, and teachers that half would be a conservative estimate. Moreover, the remaining proportion would have had to leave the first school entered by early or mid November when the families who had remained for the beet harvest returned home.

Few children entered school during the latter part of October. Parents indicated that "unless they begin at first, they (the children) get behind and drop out." This was also reported to be the case by superintendents of schools interviewed. "The general pattern is they enter school late, get behind, attend irregularly, and finally drop out altogether."

By November 15 many families were in places where they would reside for the winter and at this late date—between November 1 and November 15—nearly 1 in 5 children entered for the first time for a new year. Six children entered the latter part of November and 22 (10 percent of all children attending school) did not enter until after the first of December.

The finding, based on interviews, that over half of the children entered school before October 1, 1949, was questioned by some informed persons. One of the labor officials of a large sugar company, when asked about the time of departure of family groups, said: "Between 80 and 85 percent of recruited labor leaves before harvest. Our Spanish-American workers tend to start for home shortly after August in order to get back for cotton." This statement was supported by officials of other sugar companies and of the Employment Service.

TIME OF LEAVING SCHOOL IN 1949–50 SCHOOL YEAR

To obtain a more complete picture of time lost at either end of the 1949–50 school year, the school-leaving dates were correlated with the school-entry dates. All of the 220 children for whom this information was obtained stopped going to school before May 30, and 177 of them before April 15. From this correlation (table 52) it is clear that many of the early leavers in 1950 were also late starters in 1949. For example, of the 159 children who stopped school attendance between April 1 and 15, 1950, there were 67 who had not entered school until after October 1, 1949, and 46 of these had not entered until November or December. Nobody can deny that children who enter school from 1 to 3 months late in the fall and whose school finishes by April 15 have a very short school year by American standards of education and that normal school progress is impossible under such abnormal conditions. The 57 percent reported to be in school before October 1 is open to question in the opinion of the field staff. In addition to the statements by sugar-company officials regarding early departure of families, grounds for doubt were the number of children seen in the fields after schools were open, the fears voiced by parents of legal action against them based on data given to the field staff, and opinions of truant officers, other school, health, and welfare officials, and community leaders.

TABLE 52.—*Distribution of children by time of school entry in 1949 and time of leaving school in 1950*

Time of school entry in fall of 1949	Time of leaving school in 1950					Total	
	Mar. 1–14	Mar. 15–31	Apr. 1–14	Apr. 15–30	May 1–29	Number	Percent
	Number	*Number*	*Number*	*Number*	*Number*		
Before Oct. 1	5	10	92	4	15	126	57.3
Oct. 1–14	1	---	21	---	---	22	10.0
Oct. 15–31	---	---	---	3	1	4	1.8
Nov. 1–14	1	1	24	2	12	40	18.2
Nov. 15–30	---	---	5	---	1	6	2.7
Dec. 1–30	---	---	17	---	5	22	10.0
Total	7	11	159	9	34	220	100.0

NUMBER OF DAYS CHILDREN WERE ABSENT DURING 1949–50 SCHOOL YEAR

Fifteen percent of the children reported they had missed no school during their period of enrollment in 1949–50. These children were found in the San Luis Valley and in the Grand Junction area where the families did not move far between home and work. Most (30 of them) were from Anglo families and the remainder were from Spanish-American homes.

About 60 percent of the children were absent for periods of less than 15 days.

About 14 percent missed between 15 and 35 days, and slightly over 10 percent missed over 35 days. These absences were for the period of enrollment and did not include time lost for late entry in the fall or early leaving in the spring.

REASONS GIVEN FOR ABSENCES

Two-thirds of all children reporting absences gave sickness as the cause. One in five frankly stated that he had to work. The remainder of the group had a wide range of reasons. The "sickness" seemed to be a "stock" excuse for absence in Colorado as many children who were found in the fields during late September and the first part of October by the field staff gave "sickness" as their excuse for not being in school. Several reported to the Spanish-American staff members that they "had been told" to report sicknesses as the cause of nonattendance at school.

TABLE 53.—*Number of days children 7 to 16 were absent during their period of enrollment, 1949–50 school year*

Days absent	Children	
	Number	Percent
None	[1] 33	15.0
Less than 15 days	135	61.0
Over 15 but less than 25	17	7.7
Over 25 but less than 35	13	5.9
Over 35 but less than 45	5	2.3
Over 45 but less than 55	7	3.2
Over 55 days	11	5.0
Total	221	100.0

[1] Residents of Colorado or neighboring States.

TABLE 54.—*Reasons given for absence from school*

Reasons for absence	Children	
	Number	Percent
Sickness	[1] 125	[1] 66.5
Had to work	38	20.2
Had to remain home and care for children while parents worked	4	2.1
Went on vacation	4	2.1
Family moved	3	1.6
School too crowded	3	1.6
Other	11	5.9
Total	188	100.0

[1] Figures probably too high since "sickness" was stock excuse for nonattendance given by children found in fields in September and October.

Mobility was undoubtedly an important factor in absence. Though slightly over half the children reported attendance at only 1 school during the school year, about 29 percent had attended 2 schools and 16 percent had been in 3, 4, or 5 different schools (table 55).

The effect of frequent transfers from one school to another on a child's emotional life, as well as on his educational progress, seemed to be either ignored or not even considered by some of the professional people interviewed. A number of superintendents, principals of schools, truant officers, and teachers, when questioned about this, doubted that constantly making new adjustments was a factor in nonattendance. Other professionals, however, were quick to point to mobility as a significant factor in causing migrant children to lose interest in attending school.

Other factors mentioned by Spanish-American parents who were willing to talk freely were differences of dress, manners of speech, and food habits, and limited skills in school games. Migrant children who had experienced the jibes and jeers of resident children because they were different probably felt like José, "I would rather stay home than go to that school."

TABLE 55.—*Number of schools attended by children 7 to 16 during 1949–50 school year*

Schools attended	Children	
	Number	Percent
1 school	122	55.2
2 schools	63	28.5
3 schools	20	9.0
4 schools	14	6.3
5 schools	2	1.0
Total	221	100.0

SCHOOL ATTENDANCE IN COLORADO

What parents said

When parents were asked whether their children attended school in Colorado certain stock replies were usually given at first as reasons why children were not in school. According to these replies, children "had to stay home to take care of younger children," or their "earnings were needed" or they "didn't speak English," or they would "start back home." One frequent reply, "You don't need education to be a best worker," suggested coaching by contractors or crew leaders.

Nothing said in these first replies indicated that any parents had tried to send their children to school. It was not until the confidence of some parents was won by the Spanish-American staff members during interviews that a different picture of nonattendance emerged which was generally somewhat on the order of the following: "Our children were sent to school. If the schools were not too crowded or if the children were not sent home for other reasons, they would come home crying and begging us not to send them back. Why? Because the other children made them feel that they are different. Their clothes are not so clean. Sometimes the shoes are too big or worn out, and the other children laugh at them. Our food is not like the food of the Anglos and that makes the other children laugh at what our boys and girls have to eat. When the children have money to buy their meals at the school cafeteria, they do not know how to buy the food or maybe they do not know how to eat as the other children do. Then everybody laughs at the children. Often the food does not taste well to the children and when they have money with which to buy, they will not do so. But that is not all. Everybody laughs at them because they speak so funny. Then because they cannot understand easily, they are thought to be stupid. When this is told to the children, they are hurt and they cry. Our children do not play the Anglo games well. They stand by the side and are called names and made to feel ashamed. Even the Spanish children who live here all year around do as the Anglos and talk to our children as the children of the Anglos talk.

"Juan is the biggest boy in his class. Even the teacher thinks he is dumb. But believe me, he has never had a chance to go to school. So you see, we keep our children home, not to make them work, but because it is not so bad as seeing them come home crying."

What truant officers said

Unfortunately, what parents gave as reasons, whether excuses or real, for nonattendance of children at school is only part of the total situation. Truant officers had other explanations.

To assume that the problem is identical in each school district would be naive. However, there tended to be common characteristics everywhere. One of the first of these, pointed out by 10 truant officers in various school districts, was the difficulty of enforcing attendance in third-class districts, rural districts, in which children of migrants are found in greatest numbers during the periods when school is in operation.

Some of the statements regarding enforcement

"In third-class districts truant officers are a luxury that budgets do not allow. Consequently, most school boards rely on a volunteer board member to do the enforcement job. Nonattendance of local children is generally solved by a phone call or by a 'passing visit' when 'I will speak to Joe next time I see him about his kids being absent'."

"Attendance laws are not represented by generally known types of officers. That is, these people know the sheriff, or constable, or State police, but they never heard of a truant officer and don't give a damn for him."

"The teachers or district superintendents do not feel it is their duty to act as law-enforcement personnel so they do little about reporting who among the migrant children miss school."

"Neither communities nor farmers feel any great responsibility to see that the kids of migrants are in school. In fact many people in the district would not appreciate our making those kids attend school. There is some feeling against the migrants. The farmers feel that their own children are corrupted and degraded by the contact with the migrant kids. Many of the people direct their resentment against the big companies and farmers who they charge are ruining the community by importing migrant workers."

"If we were to force those kids to attend school, we would have to do it in opposition to the community, our friends, and the workers themselves. We are not prepared to force the community to take sides on this issue. It would be better if a program were set up to educate the parents and the community in the value of school attendance before enforcement is begun.

"We are not prepared to handle the problem which would ensue if we were to lock up the parents of migrant kids who do not go to school. Who would then take care of their families, for instance?

"Most of these families come to Colorado with the idea of working the entire family. If they cannot do it, they will no longer come and they are needed here. Put pressure on them and they are off.

"More problems are created by bringing these migrants into school than by leaving them out. The tendency is to leave them alone and to maintain the status quo. It is difficult in rural areas to do otherwise, as the whole community is against the man who tries to do something more for his migrant kids than others are doing."

It was the conclusion of the field staff that most of the truant officers reflected community sentiment regarding the question of school attendance of migrant children. Where the community felt that "migrants are dirty and undesirable citizens who have a lot of illegitimate children" or "did not know whether they are worth saving and wondered if we ought to let nature take its course," truant officers tended to give the problem as little attention as possible. However, in a few places where the community felt, "These people are a part of the American people and it is our obligation to improve their opportunities since they do for our State what we won't do for it ourselves," then the attitude of the truant officers was to "do our best to get and keep those kids in school."

What superintendents of schools said

Superintendents saw this complex situation from a slightly different viewpoint, that of the administrator. The comments of 13 superintendents were joined in presenting the following picture:

"The children are from 1 to 3 years behind in grade placement, as determined by standard tests. Most of our schools are not equipped to handle retarded youth. Most of the migrants of school age come to us for the several months in the fall giving no evidence of ever having been in school. This makes for difficult grade placement. With overcrowded facilities, overloads for teachers, irregular attendance, and confusion of enrollment and attendance records, you will appreciate our hesitancy in requesting they be made to attend.

"Our compulsory education laws are difficult to enforce. Actually there are no teeth in them and those on the books are not for this day and age. When the things mentioned above are operative, the kids no not have a ghost of a chance; so they drop out early each year. Also, there is no State money to take care of extra attendance loads in the fall as our State general fund is distributed on the basis of the school census which is taken in the spring.

"What happens in a school suddenly confronted by twice as many students as are normally enrolled, you can well imagine." (Some superintendents stated that migrant children could attend rural schools as they were not overcrowded, that overcrowding was a problem mainly in nonrural centers.)

One superintendent frankly stated that it was his studied conclusion that "children of these Mexican beet workers are not the mental equals of our children. Their presence in the schools would retard all the other children and lower the mental progress of our own children."

In general, however, the field staffs were impressed by the grasp most superintendents had of this confusing situation and their concern that steps should be taken to improve it. Though there were some who put the primary blame for irregular attendance on parents and whose idea of a compulsory education law with teeth in it was one that

would have a stiff penalty for parents whose children were not in school as "these Spanish laborers should learn that they must follow our American way," the majority saw the problem in much broader terms than penalties for parents. There was general agreement that a stronger compulsory education law and attendance officers in all districts were basic needs, but beyond this was the problem of how to provide enough space and enough teachers for a seasonal overload and how to make short periods of attendance profitable for children who are retarded and constantly on the move.

Some of the suggestions made to meet the educational needs of migrant children were: (1) State aid for areas where there are migrants; (2) specialized curriculum and specialized teachers for retarded migrant children; (3) teachers that will migrate with children within the State; (4) curriculum reciprocity with Texas, New Mexico, and Oklahoma to provide uniform instruction in basic courses and permit normal grade placement and progress as children move from State to State. "Use of social welfare to build better home environment" and "better pay for parent workers and no child labor" were also among the suggestions.

A few superintendents expressed no interest in positive action. They were a small minority but probably reflected community attitudes. They were mainly concerned with the trouble migrant children cause when they come to school. "It is necessary," said one of these superintendents, "to lower the requirements to keep up the interest of the stragglers, the children of migrant families who are kept out of school to work in the fields." "Children of Mexican best workers come to us without any educational background. Often they don't speak English and sometimes whole families will be in the first grade," said another superintendent. "The teachers in the grade schools have to make an extra class and in the rural schools it is a mess."

Mr. DOUGLAS. Mr. President, to emphasize what I have been saying, let me point out that the conditions of migratory children in the United States are terrible, and yet we do nothing about them, at the same time that we are spending about $7 million for the care of migratory birds.

Now, I have nothing against birds; I am for birds. But I like children, too. I was talking this matter over with a friend of mine the other night—I am afraid a rather cynical friend—and as I was telling him about what I intended to do, he said, "Well, do you remember the essay which Dean Jonathan Swift wrote in 1729, when he was in Ireland, and there was a terrific famine in Ireland, and people were starving to death? Swift made an appeal to the consciences of England through the weapon of satire. What he proposed was that, of the 120,000 children who were born each year in Ireland, only 20,000 should be allowed to live, and the other 100,000 should be sold for meat."

Then he proceeded to read some passages from Swift's essay, which the author entitled, "A Modest Proposal for Preventing the Children of Poor People From Being a Burthen to Their Parents or Country and for Making Them Beneficial to the Publick"; and which read as follows:

I am assured by our mechants, that a boy or a girl, before 12 years old, is no saleable commodity, and even when they come to this age, they will not yield above three pounds, or three pounds and half-a-crown at most on the exchange, which cannot turn to account either to the parents or the kingdom, the charge of nutriment and rags having been at least four times that value.

I shall now, therefore, humbly propose my own thoughts, which I hope will not be liable to the least objection.

I have been assured by a very knowing American of my acquaintance in London, that a young, healthy child well nursed is at a year old a most delicious, nourishing, and wholesome food, whether stewed, roasted, baked, or boiled, and I make no doubt that it will equally serve in a fricasse, or a ragout.

I do therefore humbly offer it to public consideration, that of the 120,000 children, already computed, 20,000 may be reserved for breed, whereof only one-fourth part to be males, which is more than we allow to sheep, black cattle, or swine, and my reason is that these children are seldom the fruits of marriage, a circumstance not much regarded by our savages, therefore 1 male will be sufficient to serve 4 females. That the remaining 100,000 many at a year old be offered in sale to the persons of quality, and fortune, through the kingdom, always advising the mother to let them suck plentifully in the last month, so as to render them plump, and fat for a good table. A child will make two dishes at an entertainment for friends, and when the family dines alone, the fore or hind quarter will make a reasonable dish, and seasoned with a little pepper or salt will be very good boiled on the fourth day, especially in winter.

The author goes on in somewhat grizzly details with his so-called modest proposal during the famine in Ireland. When my cynical friend reminded me of Swift, I said, "We cannot do that in this country." He said, "That is just the trouble. The children are not an economic asset." "Furthermore," he said, "do you know why we have bird refuges? Not because we love the birds, but because it enables the hunters to shoot more geese and ducks. If you give them landing fields and give them some protection, they will not be killed off as rapidly, and in the long run you can kill more birds and eat more birds, and if you could only do this for children," he said, "then possibly you could get your amendment passed by Congress."

Well, I decline to make any appeal on that basis, because it would imply a certain degree of hardheartedness among my colleagues which I know they do not possess. I have heard it suggested that, if good care were taken of them, since there is a shortage of foxes, the children of immigrants might be farmed out to the hunt club on Long Island, or in Westchester County, or in other countries, and they could take the place of the foxes, so that they might be hunted by the hounds and by the men on horseback. But this would violate our sense of kindness and equity, so I am not seriously proposing it, any more than I am seriously proposing what Dean Swift suggested.

I would suggest, however, that possibly it is necessary to have healthy migratory children, so that they can feed the migratory birds. If the children are not healthy, the migratory birds may not have proper care taken of them. Or if the migratory children are not properly cared for, it is impossible to get much work out of them. So that in the long run I believe caring for them would be an economic investment.

Lest it be thought that I am too radical about this, I am not proposing to transfer even half of the money from migratory birds to migratory children. I am proposing a transfer of only $500,000 out of the $7 million. I do not go so far as to say that the Congress should pay as much attention to migratory children as to migratory birds. I know that would lay me open to grave charges of not having a proper sense of values. So I desist from that, and I merely propose that we devote one-fourteenth as much money to the care of migratory children as we do for migratory birds. I hope no one will raise a point of order against the proposal.

Mr. CORDON. Mr. President, the Senator is in error as to the appropriation of $7 million for the Wildlife Service. The money is appropriated for these different purposes: administration of fish and game laws, propagation and distribution of food fishes, mammal and bird reservations, river basin studies, control of predatory animals and injurious rodents, and soil and moisture conservation.

The figure of $7 million was arrived at after considerable hearings. The committee has given serious consideration to this matter, and has reached the conclusion that this is the amount of money that should be appropriated for the several purposes.

In view of the fact that the purpose for which the Senator seeks to divert the $500,000 is a purpose for which such an amount may be included when the bill carrying that appropriation reaches the floor, having in mind the circumstances, I am constrained to and do raise the point of order that the amendment is not in order, as being legislation on an appropriation bill.

Mr. DOUGLAS. Mr. President——

The PRESIDING OFFICER. The point of order is not debatable. The Chair rules——

Mr. DOUGLAS. Mr. President, would the Senator from Oregon withhold the point of order until I can correct one of his statements? May I at least have that opportunity?

Mr. CORDON. The Senator from Oregon withholds the point of order.

Mr. DOUGLAS. I appreciate the courtesy of the Senator.

I understood the Senator from Oregon to say that the $7 million sum I have mentioned is not be expended for bird refuges and the care of migratory birds. I hold in my hand a letter written on April 9, 1952, by Mr. M. E. Corbin, Acting Director of the Fish and Wildlife Service, describing how the Service was to spend some $6½ million in a prior year, from both permanent and annual appropriations. I would like to have permission to include that letter in the RECORD. Since the annual appropriation for the Service in this bill is roughly the same as for prior years, I have assumed that the level of total expenditures for the benefit of birds would not vary markedly from the $6½ million total set forth in the letter of the Acting Director. I ask unanimous consent that the letter be inserted at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
FISH AND WILDLIFE SERVICE,
Washington, D. C., April 9, 1952.

Mr. SOL. MARKOFF,
Brooklyn, N. Y.

DEAR MR. MARKOFF: Your letter dated March 28 addressed to the United States Department of the Interior inquiring as to the services the Department of the Interior provides in connection with migratory birds has been referred to this Service for reply.

This Service has a permanent indefinite appropriation which is made up of receipts from the sale of Federal hunting stamps. These receipts are set aside in the migratory bird conservation fund. Fifteen percent of the fund is used for enforcing the Migratory Waterfowl Hunting Stamp and Migratory Bird Treaty Acts and 85 percent is used for the acquisition and administration of migratory waterfowl. It is anticipated that the expenditures from this fund in the current fiscal year for the benefit of migratory waterfowl will approximate $3,722,000, of which $2,342,000 represent anticipated expenditures for the development and maintenance of migratory bird refuges. Other major expenditures under this fund which are anticipated the $500,000 for the acquisition of refuge lands for migratory waterfowl; $305,700 for enforcement activities, $201,500 for migratory waterfowl management investigations.

The Service also has other appropriations which are expanded in part for the benefit of migratory waterfowl. The Service expects to spend in the current fiscal year from its appropriation for management of resources approximately $2,065,000 for the benefit of migratory waterfowl. Of this amount, $1,316,000 is earmarked for expenditure for management of wildlife refuges maintained for the benefit of migratory waterfowl; $320,000 for administration of Migratory Bird Acts; $250,000 for acquisition of migratory waterfowl management areas in the State of California, and the balance for other miscellaneous services.

From other appropriations available the Service expects to spend during the current fiscal year approximately $761,000 for the benefit of migratory waterfowl. Major items included in this total are $367,000 for construction of refuge facilities; $150,000 for refuge maintenance activities; $50,000 for population studies of migratory waterfowl; and $50,000 for studies to improve migratory wildlife management methods.

I trust that the foregoing information will satisfactorily answer your inquiry.

Sincerely yours,

W. E. CORBIN,
Acting Director.

Mr. DOUGLAS. Mr. President, in connection with the $7 million figure I have used, it is assumed the Service would use approximately the same fund this year that Mr. Corbin's letter describes for that prior year.

Mr. CORDON. I have read from the justification filed by the committee, and I call attention to the fact that the migratory bird conservation account is another item, but represents a permanent appropriation under a special act of Congress.

Mr. President, I now renew my point of order.

The PRESIDING OFFICER. Under the amendment the sum of $500,000 shall be made available to the Secretary of the Department for the purpose stated in the amendment. This constitutes an affirmative direction to an executive, it restricts his discretion in the performance of his duties, and, further, it imposes upon him additional duties not now authorized by existing law. The Chair therefore sustains the point of order.

Mr. KNOWLAND. Mr. President, after consultation with the acting minority leader and with Senators on both sides of the aisle, I should like to propound a unanimous-consent request and remind the Senate that we have already, under an agreement, planned to meet tomorrow morning at 10 o'clock.

The unanimous-consent request is as follows:

Ordered, That during the further consideration of H. R. 4828, the Interior Department Appropriation Act, 1954, no Senator shall speak longer than 15 minutes on any amendment, motion, or appeal, and that debate upon the bill shall be limited to 3 hours, to be equally divided and controlled by the Senator from Oregon [Mr. CORDON] and the Senator from Texas [Mr. JOHNSON].

That is similar to the agreement we entered into in connection with the Agriculture Department appropriation bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

RECESS

Mr. KNOWLAND. Mr. President, unless there be further business, I move that the Senate now stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 8 o'clock and 51 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Friday, June 26, 1953, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate June 25 (legislative day of June 8), 1953:

DIPLOMATIC AND FOREIGN SERVICE

Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ceylon.

Roy Tasco Davis, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

FARMERS' HOME ADMINISTRATION

Robert B. McLeaish, of Texas, to be Administrator of the Farmers' Home Administration.

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Leonard P. Walsh, of the District of Columbia, to be chief judge of the municipal court for the District of Columbia, vice George P. Barse, term expired.

Edward A. Beard, of the District of Columbia, to be an associate judge of the municipal court for the District of Columbia, vice Walter J. Casey, deceased.

Mildred Emily Reeves, of the District of Columbia, to be an associate judge of the municipal court for the District of Columbia, vice Ellen K. Raedy, deceased.

UNITED STATES MARSHAL

Richard A. Simpson, of Virginia, to be United States marshal for the eastern district of Virginia.

CONFIRMATION

Executive nomination confirmed by the Senate June 25 (legislative day of June 8), 1953:

COLLECTOR OF CUSTOMS

George F. Jameson to be collector of customs for customs collection district No. 29, with headquarters at Portland, Oreg.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 25 (legislative day of June 8), 1953:

DIRECTOR, BUREAU OF MINES

Tom Lyon, of Utah.

HOUSE OF REPRESENTATIVES

THURSDAY, JUNE 25, 1953

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, in our prayer at this morning hour, may we center all our petitions upon our individual self, for each needs Thee so greatly.

It is daily becoming increasingly clear that we cannot hope to build a better world unless we begin with our own life, striving to make it victorious over everything that undermines our character and defiles and corrupts our spirits and harms our fellow men.

We are not asking Thee that we may be better than someone else but that we may be better than ourselves and that our personal life may be transformed from what it is to what it ought to be.

Give us now, through Jesus Christ our Lord and Saviour, the assurance of forgiveness and that peace which comes from pardon. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 3853. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to continuing the effectiveness of certain statutory provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950.

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 35. Concurrent resolution providing for the reenrollment of Senate bill 1839 amending the District Fire and Casualty Act.

DISPOSAL OF GOVERNMENT-OWNED RUBBER-PRODUCING FACILITIES

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 298 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5728) to authorize the disposal of the Government-owned rubber-producing facilities, and for other purposes, and all points of order against said bill or any provisions contained in said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Illinois is recognized for 1 hour.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require. I note, Mr. Speaker, there is no member of the Rules Committee on the minority side and I dislike very much to start the consideration of this rule in their absence.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 65]

Broyhill	Hale	Philbin
Buckley	Hinshaw	Phillips
Busbey	Hoffman, Ill.	Priest
Bush	Lantaff	Rayburn
Carrigg	Lucas	Regan
Chatham	McVey	Roosevelt
Coudert	Mack, Ill.	Secrest
Dawson, Ill.	Miller, Calif.	Shelley
Dies	Miller, N. Y.	Stringfellow
Dingell	Morgan	Taylor
Dolliver	Morrison	Thompson, La.
Dondero	Moulder	Thornberry
Fogarty	Norblad	Wigglesworth
Gamble	O'Konski	Yates
Green	Patterson	

The SPEAKER. Three hundred and eighty-two Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative business of the day and any special orders heretofore granted.

DISPOSAL OF GOVERNMENT-OWNED RUBBER-PRODUCING FACILITIES

Mr. ALLEN of Illinois. Mr. Speaker, at the time the point of no quorum was made I had called up House Resolution 298, a resolution from the Committee on Rules making in order the bill (H. R. 5728) to authorize the disposal of the Government-owned rubber-producing facilities. That bill passed the Armed Services Committee unanimously, and the rule was granted unanimously.

This is an open rule. It waives points of order, and it provides for 2 hours of general debate, the bill then to be open for amendment under the 5-minute rule. It may be true, Mr. Speaker, that there are some on this side who are not in sympathy with the bill, although I know of no one. May I say also that I know of no one who is opposed to the rule.

Mr. Speaker, I yield 30 minutes of my time to the gentleman from Virginia [Mr. SMITH].

Mr. SMITH of Virginia. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. WHEELER].

Mr. WHEELER. Mr. Speaker, I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WHEELER. Mr. Speaker, I was very greatly impressed last fall with the promise made by the current majority party to the effect that they proposed to bring about very great economies in the operation of the Government. Since the advent of this administration, I have seen through reading the newspapers that they have gone so far as to call for new examinations for the filling of certain Federal positions on the pretext that they are seeking more "superior personnel" for these jobs. Along that line, of course, they insisted that they were going to reduce the number of Federal employees in the service. So I have kept a very close check of the newspapers in an attempt to see just how far they have gone in accomplishing this purpose.

In my experience, if I have something to buy or something to sell, I usually advertise such fact in the classified section of the newspaper. I have such a classified section in my hand which comes from the Nashville (Ga.) Herald under date of June 18, 1953. I think it would be of interest to note the method they are using in recruiting these so-called superior personnel. Advertising in the the classified section I find the following:

Notice to public: For Government positions see J. H. Anderson, county chairman, and A. C. Tucker, Ocilla, Ga., patronage committeeman for Eighth Congressional District.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield?

Mr. WHEELER. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. Did that advertisement quote the prices?

Mr. WHEELER. Prices are not quoted. This is of special interest since very recently in my district Federal court indictments were obtained for six either old-line Republicans or Republicans who have claimed that affiliation since November 4 last. Those six Republicans are now under Federal indictment in my district. I can very well understand how they got indicted if this is the method they are using in recruiting Federal personnel.

I hope that you accomplish your purpose of reducing the number of personnel, economizing in that field, and securing superior personnel. I am just very much interested in the method that you are using to accomplish those things.

The so-called fair-play faction of the Republican Party in Georgia was certified at the last convention as the recognized spokesmen for the party. If the fair-play faction uses the classified-advertisement approach to the problem of recruiting people for Federal jobs, then I wonder what could have been expected of the opposing faction. Have we become so tolerant in this country that we unashamedly advertise Federal jobs in a manner that so obviously implies a job to the highest-bidder basis?

Mr. SMITH of Virginia. Mr. Speaker, I yield 10 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include certain statements.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

POSSIBLY NEED THE FACILITIES AGAIN

Mr. PATMAN. Mr. Speaker, I am opposed to this rule and to the bill. The first reason why I am opposed to this rule and to the bill is because it is possible we will need these facilities again and we should not have them in hands where they will be out of our control. We have been embarrassed in the past by reason of the lack of production of rubber. We should not again place ourselves in a vulnerable position.

No. 2. The big rubber companies or a few of them—there are just a few—would like to have these facilities disposed of now in this tight-money, hard-money, policy. No one will be able to bid on these facilities except the big rubber companies. The committee has been rather generous in its bill in that it does not require a deposit of more than 10 percent on a bid, or more than $500,000 per bid. But, the little fellows cannot put up that kind of money.

LITTLE FELLOWS WILL SUFFER

Now, the people who will suffer under this proposal, when the big rubber companies buy these plants, are the little fellows, and under this proposal and under the present situation they cannot go any other place except to the large rubber companies. The small independent producer and fabricator of goods using rubber as a basic material will be dependent upon these large companies as a source of supply. Well, these large companies have similar fabricating facilities which they own, and naturally the large companies are not going to be very sympathetic and generous to the little fellows across the street from their own facilities in allocating rubber from their

plants. This is a serious proposition. It will destroy the little rubber fabricators throughout the United States except those who will live by sufferance, because the big fellows will own them.

NO CREDIT AVAILABLE TO BUY

Now, people cannot bid on these facilities unless they have credit and money, and now there is a hard-money policy, tight-money policy, money hard to get. The interest rates are high, but that is not the important thing. The interest rate does not mean so much as the inability to get money at all; that is the main thing. So, in this hard-money policy it is doubly hard for the little fellows to make any kind of bid on these facilities. The fact is, they will be out; they will not have a chance.

Now, on this hard-money policy, since it is important in connection with this bill, because credit has got to be reasonably easy, or no one except a few of the big rubber companies can bid on these projects, let me discuss that briefly. On yesterday the Board of Governors of the Federal Reserve System lowered the reserve requirement of the member banks.

Now, let us spell that out and see what it means. It means giving the banks in New York $840 million excess reserves in addition to what they would be entitled to if they were under the maximum of 26 percent which the law sets as a maximum. The reserve city banks under the order will get less than that; they will get about $345 million more than they have under the 20-percent reserve requirement—a reduction of 1 percent is given them—and the country banks, with a reduction of 1 percent from the maximum of 14 percent, will get $312 million additional. In other words, this order yesterday is nothing more or less than permitting the banks, principally the New York banks—at least a large number of them would be in New York, although they say New York and Chicago are the central banks—to have this windfall. Five-sixths of the excess reserves created by this order is in New York. Do not overlook that. Now, I am not against it because it is New York, not at all, but I am against favoring any particular section of the country and discriminating against the other sections of the country. When you spell this out in simple language it means that these banks will be able to go to the Bureau of Engraving and Printing and cart off more than $6 billion in money and carry it to their banks and lend that money over the counter at interest rates that they fix, and continue to draw interest on, and keep the money outstanding. The money is an obligation of the United States Government. That is what the order means.

If anybody else had proposed that except the Board of Governors of the Federal Reserve System they would have called it "funny money," they would have called it, as the majority leader did one time in referring to a bill, "rubber dollars." or they would call it "flat money." But coming from them it is all right.

Let me tell you the bad part about that. The Board of Governors has taken an about-face there. They have turned around completely. They have reversed their former attitude absolutely 100 percent.

Mr. McCORMACK. Yes, but the damage has been done.

Mr. PATMAN. The damage has been done, and they are doing further damage.

If they wanted to take an about-face, why did they not support the Government bonds at par? They are down to 91 now. If they would support the Government bonds at par, it would not be near as inflationary as this. It would get the job done that they claim they want done, and it would help everybody, not just a few, it would help everybody, and stabilize our Government bond market and give everybody a chance, and any speculation would be above par. But they prefer to manufacture this money through the process of using ink on the books, bookkeeping transactions, and letting the banks profit by it, and not permitting the people to profit by being able to sell their bonds for 100 cents on the dollar.

The Federal Reserve Board has backed up another way. They claim they do not want to support the Government security market, but the last 3 weeks they have been supporting it; but they are supporting it at 91, not 100. If they are going to support it at 91, why not support it at 100? It would not cost them a penny in the world, it would not cost the Government a penny. It would not cost anybody a penny. It would stabilize our security market and help everybody. It is absolutely wrong for people to buy bonds on the strength and promise of the highest Government officials in our Nation that those bonds will not go below par. That is what they have said for more than a decade, they will not go below par; and then for the Federal Reserve System to permit those bonds to go below par and down to 89, I think it is absolutely a disgrace.

One word of warning I have for the Federal Reserve Board. They have caused half a dozen major and minor depressions in this country. They are very insecure. Another depression, and the Board of Governors and the Federal Reserve System are both gone. They are out, because people are tired of their going in and causing depressions at every opportunity they have. They have started now to plan a depression. They had better stop it, and they had better use some weapons and vehicles a little bit different from the ones that they are using to help a selfish few.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I notice on page 6, paragraph (e), with relation to the payment of the purchase price, that they can take a purchase-money mortgage in an amount not to exceed 75 percent of the purchase price, and that the rate of interest is 3 percent. We are paying 3¼ percent ourselves on the last long-term bond issue.

Mr. PATMAN. That is right.

Mr. McCORMACK. They ought to pay at least 4 percent, it would seem to me.

Mr. PATMAN. That will be of help to the little big rubber companies. The little big rubber companies are the only ones that can bid on this. Look at the testimony. Look who testified for this. The big rubber companies. They want it done, of course. Get it out in the open, and they are going to buy. When they buy, they can punish every competitor they have in the business. They can withdraw the supplies from the competitors of their subsidiaries. They cannot do it now, but they will be able to do it when they buy. As the distinguished acting minority leader just pointed out, they will have an interest rate of 3 percent. The Government bond going rate is 3¼ percent on a 30-year term right now. Of course, that is a small matter, but it just goes to show the opportunity that is given to them. I am not impugning anybody's motives in doing it—it just happens that way. But the big companies are the only ones that can buy these facilities. Now is not the time to sell them. Let us kill this rule and kill this bill.

CRITICISM OF ACTION OF FEDERAL RESERVE BOARD OF YESTERDAY

On the action of the Board of Governors of the Federal Reserve System on yesterday, I desire to state:

First, the Federal Reserve System is favoring the bankers against the public interest, and particularly eastern bankers; that

Second, Congress should reexamine, reevaluate, and rewrite the Federal Reserve Act to relieve it of eastern banker control and domination so it can serve the public interest; and that

Third, I will tomorrow commence action to force consideration of House Concurrent Resolution 98, calling on the Federal Reserve System to support Government bonds at par.

The Board of Governors of the Federal Reserve Banking System in its action on yesterday in lowering the reserve requirements of banks to favor the New York banks and discriminate against the banks in other areas shows clearly that the System is now working under the control and domination of the eastern banks and not in the interest of the people.

REVERSAL OF BOARD'S STAND

The action taken is a reversal of the Board's stand, but instead of renewing its support of Government bonds at par which would have helped everybody and accomplished as much in the direction claimed as the action taken, the Board elected to legalize the issuance immediately of more than $6 billion in money by the commercial banks without putting up one extra dollar of security or collateral. If this proposal had come from any other source, it would have been labeled immediately funny money, rubber money, or flat money.

It is my considered opinion that Congress should immediately reexamine, reevaluate, and rewrite the Federal Reserve Act so it will serve the interest of the people.

BANKERS FIRST OPPOSED FEDERAL RESERVE SYSTEM

When the act was put upon the statute books in 1913, it was opposed by the

bankers; they have gradually embraced it, and now the eastern bankers have taken it over lock, stock, and barrel.

Our economy can never be safe from depressions and panics as long as the Federal Reserve banking system is on the loose in the hands of selfish interests as at present.

FORCE BOARD TO SUPPORT GOVERNMENT SECURITIES

Tomorrow, House Concurrent Resolution 98, which I introduced and which is sponsored by Democratic Leader SAM RAYBURN, Democratic Assistant Leader and Whip JOHN W. MCCORMACK, and a majority of the Democratic members of the Banking and Currency Committee of the House of Representatives, will be eligible to be placed on the Clerk's desk with a discharge petition to be signed by a majority of the Members of the House to force its consideration. The petition will be filed tomorrow and an effort made to secure sufficient signatures.

The Board of Governors has seen fit the past 3 weeks to support the Government security market to the extent that long-term bonds are supported at 91 although they went down to 89. The actions of the Board in this respect are being kept in the dark, hidden from the public, permitting insiders to profit by the changes; in other words, it is a windfall for the speculators, whereas, if a definite policy is adopted of supporting bonds at par, everybody would know and all speculation would be above par which would be all right.

It is contended that supporting Government bonds at par would be inflationary. It certainly would not be as inflationary as pumping the more than $6 billion additional new fountain-pen, bookkeeping money into the stream of distribution and trade. Furthermore, during the most dangerous inflationary period in history, for more than a decade preceding 1951, the Board of Governors supported Government bonds at par. It is rather late for the Board to claim that it is too inflationary to do so now, especially when the Board says we need to inflate the currency by more than $6 billion now.

The effect of the Board of Governors' action on yesterday reduced reserve requirements as follows:

First. Under the law which governs the Federal Reserve System, fractional reserve requirements can be increased by the Board to 26 percent on central reserve banks—New York and Chicago—to 20 percent on Reserve city banks—about 85 other large cities—and 14 percent on country banks—all other banks.

Second. The Board reduced the requirements to 22 percent on central bank cities. The amount was 24 percent before the reductions, as the limit of 20 percent was not being imposed on the central cities like it had the others, to 19 percent from the 20 percent on the Reserve cities and to 13 percent from the 14 percent on country banks.

Third. This enables central cities to have $1 billion more reserves than they would have under the maximum ceiling. In the increase of excess reserves for the central Reserve cities by this recent order, five-sixths of the increase is for New York and one-sixth for Chicago. The Reserve cities will have $345 million additional reserves under the new order and the country banks $312 million additional.

Fourth. This will enable these banks to make loans on their books, create money with ink to the amount of over $6 billion. When the money is created by a bookkeeping transaction, if the customer wants the money, it is obtained from the Bureau of Engraving and Printing here in Washington and delivered to them.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. SMITH of Virginia. Mr. Speaker, I have no further requests for time on this side.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

Mr. SHORT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5728) to authorize the disposal of the Government-owned rubber-producing facilities, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Illinois [Mr. ALLEN].

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5728, with Mr. HESELTON in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SHORT. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I shall take only a brief time to make a general statement. I think we all realize in order to win a modern, mechanized war, you have to have three things—indispensable materials—steel, rubber, and oil. I want to remind the Members of the House that immediately following the fall of Malaya when the Japanese sank two British battleships off Singapore we came dangerously near losing World War II when the chief source of supply of natural rubber was cut off from the United States.

The administration at that time immediately got busy and set to work to develop synthetic rubber plants. It was not until the late and lamented Big Bill Jeffers, president of the Union Pacific Railroad was brought to Washington that we brought some order out of chaos. We spent $700 million of the taxpayers' money in developing our great synthetic rubber industry. That saved our necks because America is a nation on wheels both in time of peace and in time of war.

By the time World War II ended, we were actually producing at an annual rate of almost a million tons of synthetic rubber in this country. Now, instead of letting these plants deteriorate and go to pieces and losing this large investment, the Congress very wisely in 1948, when the Republicans controlled the House, under the very able chairmanship of the gentleman from Michigan [Mr. SHAFER], passed the Rubber Act of 1948 which required the Government to maintain most of these synthetic rubber plants in operation, to keep others in a standby condition, and to dispose of those plants that had become obsolescent or would soon become obsolete.

At the same time, we required the industry in this country to consume 222,000 tons of synthetic rubber annually; and by 1950, shortly before Korea, we were actually consuming 450,000 tons of synthetic rubber. It merely goes to show how fast this industry was built up. It is still expanding.

You will recall that a rubber tire was perhaps the only thing you could buy as cheaply, or more cheaply, at the end of World War II—and a better tire, I might say—than you could purchase before World War II. So it was a wise investment that saved our Government and our consumers millions of dollars and though the then President of the United States, Mr. Truman, in 1950, recommended the sale or disposal of these plants, the Congress thought it was wise to continue them under Government ownership, supervision, allocations, and requirements for at least another 2 years.

We extended the law, the 1948 act, from 1950 to 1952. Then in 1952, after the Korean crisis, when the consumption of both synthetic and natural rubber enormously increased because of the demand, we extended the act a second time, until March 31, 1954.

We now feel, however, those of us who have lived with this problem and have studied it for years, as President Truman believed in 1950, and as President Eisenhower believes today, that we should dispose of these plants at a time when we can get the largest price for them.

In writing this bill we had three definite and specific things in mind. First, that the Government must be assured of a full, fair value for these rubber plants. Secondly, that the public, the consumer public, must be assured of fair treatment, and the sale of these facilities made possible to both large and small rubber fabricators, in free competition, making it clear that no monopoly could be developed, that no antitrust law could be violated by these large rubber companies, because it must receive the approval of the Attorney General and then come to the Congress before the sale is made.

Then, thirdly, and more important, was to make sure that these facilities, if sold, would be made available for the Government to produce synthetic rubber in time of war or emergency.

Those three points conform to the three points laid down in the President's message.

I do not want to trespass further upon the time and patience of this Committee, because I think if there is one man in the country who understands this synthetic-rubber industry it is the gentleman from Michigan [Mr. SHAFER], who has lived intimately and closely with it ever since we wrote the original law; and especially because of the valuable and untiring assistance that has been given him by our counsel, Mr. Blandford. Both of these gentlemen were recently invited by our

State Department to spend 2 weeks at the International Rubber Conference in Copenhagen, Denmark.

Since their return, the Shafer subcommittee, those gentlemen on both sides of the aisle who worked so long and hard with him, and with the able assistance of our counsel, Mr. Blandford, brought this bill before our full Committee on Armed Services by a unanimous report. I know of no piece of legislation that has had more thorough, exhaustive hearings or consideration than that which is before you today. The report is one of the best I ever have read.

We spent a whole week reading this bill, paragraph by paragraph, line by line, and word for word, with a sectional analysis of the bill. I am happy to tell you that the bill was unanimously reported by our full Committee on Armed Services.

It is hard for me to believe that after labor in this country, industry in this country—I mean the big rubber manufacturers and the little rubber manufacturers of both synthetic and native rubber—the petroleum industry, after every department of government concerned, after the public that has come before us, and all have approved this measure, it is difficult for me to believe that my good friend the gentleman from Texas, WRIGHT PATMAN, has read the bill or the report. If he has, he certainly has utterly failed to understand English. He started out discussing synthetic rubber, but as always in every speech he makes, he got into a discussion of money; and anybody who thinks constantly of money gets just a little "batty." Sometimes I think if the gentleman from Texas should see a beautiful girl walk down the street he would start discussing with you the Federal Reserve System, bonds, and the value of the dollar. Now that is all right but let us confine our discussion to this particular bill.

Because of the time spent, because of the hard, painstaking, thorough study, and untiring energy of the gentleman from Michigan, on this bill, Mr. Chairman, I am going to designate the gentleman from Michigan [Mr. SHAFER] to allot the rest of the time on our side on this specific measure.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield.

Mr. McCORMACK. I notice in connection with the mortgage obligation—and this is a matter of concern to the Government in terms of dollars—that the interest rate is 3 percent. We are now paying 3¼ percent.

Mr. SHORT. I heard the gentleman make the point a moment ago. If he will just listen to the gentleman from Michigan who is going to cover every portion of this bill, he will get an explanation.

Mr. SHAFER. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, answering the inquiry of the gentleman from Massachusetts concerning the 3 percent interest rate that has been placed in there so that the so-called little fellow can come in and make some of these purchases and will know what the interest rate will be when he makes his bid. However, I am sure the committee would amend this bill to authorize the Commission to set the interest rate when bids are asked.

Mr. Chairman, in 1948 I stood in the well of the House and urged the enactment of a bill which eventually became the Rubber Act of 1948. At that time we were concerned about the future of our tremendous Government-owned synthetic-rubber industry. We were fearful that the production and consumption of synthetic rubber would fall by the wayside unless we required its consumption and unless we gave the Government the right to authorize allocation, specification, and inventory controls over natural and synthetic rubber. We did not think that was the time to sell the facilities to private industry. At that time we were building up a stockpile of natural rubber, and following so close after our narrow escape during World War II because of the shortage of rubber, we were extremely conscious of the importance of rubber to the Nation's economy.

Since that time, the situation with respect to rubber has undergone a tremendous change.

We have now reached a point where our stockpile of natural rubber has been virtually achieved and in the event of war that stockpile, together with our capacity to produce synthetic rubber, could satisfy the Nation's rubber needs without any difficulty. The justification for the Government continuing in the synthetic-rubber business no longer exists. And when Government can no longer justify engaging in what should be private business, it is time for Government to get out. We in the Armed Services Committee believe that time is now.

Now we are not alone in our views on this subject. The President, in a message to the Congress, dated April 14, 1953, also urged the sale of our synthetic rubber industry to private industry. And I might also mention that former President Truman, in 1950, likewise urged the sale of these plants to private industry.

In the President's message of April 14, 1953, he indicated that national security was the most important single element to be considered. But the President also stated that the legislation should accomplish three other objectives: First, a return to the taxpayers of the full fair value of the facilities; second, the creation of a competitive pattern which would assure a source of rubber to both small and large consumers alike; and, third, assurances that the plants if sold to private industry, would be readily available for the production of synthetic rubber in the event of an emergency.

The bill H. R. 5728, in our opinion, accomplishes all of those objectives.

You will find, in the report on this measure, a complete analysis of each provision in the bill. What I propose to do here is to give you a brief explanation of the bill with the hope that that, coupled with the very complete report, will convince you of the fairness of the proposed legislation.

The first matter of importance is the creation of a disposal commission, to consist of three persons to be appointed by the President. The commissioners will come from civilian life and will receive $50 per day, plus expenses, while actually engaged in the business of the Government.

Now synthetic rubber is a chemical product made in most instances from petroleum sources, so there are three major industries primarily interested in the manufacture and consumption of synthetic rubber. These are the petroleum, chemical, and rubber industries. The bill thus provides that no member of the Commission may be employed in or receive a substantial part of his income from the rubber or petroleum industry or that part of the chemical industry which supplies or is capable of supplying feedstocks for the manufacture of synthetic rubber. I want to particularly emphasize the proposed Commission because the committee is of the opinion that it is extremely important that these facilities be sold fairly, efficiently, and as rapidly as good judgment dictates. That is the reason why we did not put this disposal program in a Government agency or a combination of Government agencies.

It will be the duty of the Commission to take bids on the facilities and recommend prospective purchasers to the Congress. In effect, this means that the Commission will advertise for bids. After the date for the termination of the bids has passed, the Commission will negotiate for the sale of the plants using as the basis for the negotiation the highest bona fide bid submitted for each facility. There is a 4-month negotiation period provided in the bill, although this may be extended by the President for to not exceed 90 days. Forty-five days prior to the completion of the negotiation period the Commission will submit the proposed contracts of sale to the Attorney General and will consult and obtain the advice of the Attorney General as to whether the proposed sales would tend to create or maintain a situation inconsistent with the antitrust laws.

After the Attorney General's advice has been sought, the Commission will submit the report to the Congress and for 30 days of continuous session, either House will have the right to reject the sales by adopting a resolution disapproving the report.

That, in essence, is the heart of the bill. A Commission to take the bids and negotiate the sale contracts and final review by the Congress.

Now in negotiating these contracts and in taking these bids the proposed legislation establishes certain requirements which must be met. In the first place the bidders must identify themselves together with their business affiliations. Then the bidders must indicate their plans, formally or informally, for the supply of feedstocks to and the disposition of the end products of the facilities proposed to be purchased. Each sale will contain a national security clause having terms, conditions, restrictions, and reservations which will assure the prompt availability for the production of synthetic rubber for a period of 10 years from the date of the contracts. These terms and conditions will be those proposed by the Commission so long as they accomplish the objective sought by the legislation, namely, that the facilities be readily available for the production of synthetic rubber when they are needed.

The Commission is authorized to employ professional, clerical, and stenographic assistance and likewise they are authorized to request the assistance of other Government employees. No member of the Commission and no person engaged in negotiating the sales contracts or actually participating in the negotiations may be employed by any purchaser of a facility or any subsidiary thereof for a period of 2 years following his employment with the Commission. Violation of this provision carries with it a severe penalty. This is an additional safeguard to remove any possible collusion between employees of the Commission and prospective purchasers.

Each bid will be accompanied by a deposit of cash or Government bonds equal to 10 percent of the gross bid but not exceeding $500,000 for each facility. Successful purchasers will be required to make a down payment of 25 percent of the sales price and may finance the remainder of the purchase price on a purchase money mortgage to run for a period of not more than 10 years at an interest rate of 3 percent. The purpose of this is to make the down payment sufficiently high to assure that the purchaser will stay in the rubber business and to make the interest rate low enough to attract bidders for the facilities.

It is our hope that the plants will be transferred to private industry not later than June 1, 1954, and the bill so provides. It may be necessary for us to appear before this body next spring and ask for a short extension of that date, but we are attempting to establish a target date for the sale of the facilities and June 1, 1954, is the date.

After the plants have been transferred, the Government will go out of the rubber business except for the sale of synthetic rubber and feedstocks then on hand.

It is quite possible that not all of the plants will not be sold and since private industry does not want to compete with Government in this business the plants not sold will be placed in standby and maintained by the General Services Administration. They may not be sold thereafter for a period of 3 years, and they may not be operated for Government account without further Act of Congress. This is a guarantee to industry that they need have no fear of competition from the Government. No facility may be leased for operation as a synthetic rubber facility except the two Government-owned alcohol-butadiene facilities.

We have made an exception in the case of these two alcohol butadiene facilities because it is quite possible that there will be no bidders for these two facilities. Alcohol butadiene is more expensive than petroleum butadiene and cannot compete under normal conditions with petroleum butadiene. However, we do permit these facilities to be leased, either for the production of alcohol-butadiene or for any other purpose, for not less than 1 year nor more than 3 years. It is possible that there may be a temporary demand for alcohol-butadiene in spite of its higher cost, which would encourage a prospective lessee to operate one of these facilities for the purpose of manufacturing alcohol-butadiene. Or in the alternative, prospective lessees may be interested in operating an alcohol-butadiene facility for some other purpose. Since it would be a great saving to the Government to have these facilities maintained by private industry rather than have them maintained in standby by the Government, it would be to the Government's advantage to enter into such a lease. But because of the extreme importance of these facilities, in time of war or national emergency, any lease of an alcohol-butadiene facility must contain a recapture clause, and provisions with respect to the reconversion of the facilities to the manufacture of alcohol-butadiene in a short period of time.

All of the facilities are for sale except the Government Evaluation Laboratory at Akron, Ohio. We feel that it would be better for the Government to retain ownership of this laboratory because there may still be fields for testing which are peculiar to military needs which may not attract private industry. Thus this facility is not for sale.

Section 17 of the proposed legislation is extremely important for it establishes the principles which will guide the Commission in arriving at the prospective contracts of sale. This section requires that the prospective purchaser possess the technical competence necessary to operate a rubber-producing facility but we were careful to say that prior operating experience of a rubber-producing facility would not be required as a basis for determining whether a purchaser has that technical competence. To do otherwise might limit the bidders to the present operators, which consist of rubber, chemical, and petroleum companies.

Paragraph 2 of section 17 is very important. This provides that the prospective contracts of sale must contain adequate provision that will assure that no person by purchasing a facility or facilities will possess unreasonable control over the manufacture of synthetic rubber or its component materials. This is an additional safeguard, particularly for the small consumer, and is intended to assist the Commission in establishing a competitive pattern. It is intended to avoid undue concentration in the hands of one purchaser, and likewise means something less than a monopoly, for that is covered in the antitrust provisions of the bill.

The Commission must be convinced that the prospective purchaser actually intends to operate the facility or facilities for the purpose of manufacturing synthetic rubber. Likewise, the Commission must be satisfied that fair value for the facilities will be received by the Government and that national security will be strengthened by sale of the facilities.

And lastly, but of extreme importance, is the requirement that no sales will be recommended to the Congress unless the purchasers of the facilities, together, will be capable of annually producing not less than 500,000 long tons of general purpose synthetic rubber and not less than 43,000 long tons of butyl rubber.

Now just to give you an example of other safeguards which are contained in the bill, I would like to call your attention to section 15 which provides that the Commission, after the bids have been received, must report to the Congress monthly on the amount of funds which have been obligated or expended by the Reconstruction Finance Corporation for the repair, replacement, or maintenance of the facilities for which bids have been received. This provision is to remove any possible temptation that might be in the minds of a present operator who feels that he will be the successful purchaser of the facility involved, and who might otherwise be inclined to recommend extensive repairs to his facility prior to the transfer to private ownership.

Mr. Chairman, there are many other provisions in this bill which are important and which, in my opinion, make it the soundest and fairest disposal program ever contemplated by the Congress.

I would like to ask you to bear in mind two things: The disposal will be handled by a Commission of outstanding men who will be concerned only with a fair return to the Government, protection for the small consumer of rubber and the continuing availability of these facilities for the manufacture of synthetic rubber in the event of war or national emergency. They will act with dispatch and without any thought of future employment with one of the successful purchasers. The second point that I hope you will remember is that when all the sales contracts have been written and the negotiations have been completed, the entire report will be submitted to the Congress and either House will receive the right to reject the plan in its entirety. I know of no disposal program in which the Government has ever participated which has more safeguards.

Before I close, I would like to call your attention to the fact that not one witness who appeared before the committee opposed the sale of these facilities. It has the support of Government, labor, industry, and the unanimous approval of the House Committee on Armed Services.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Will the gentleman state what small fellows would be able to bid on these plants?

Mr. SHAFER. There are 680 small consumers of rubber in this country, manufacturers. Many of these plan to band together and bid on these facilities. But we want to make sure that those industries are given an opportunity to do just that. You could place this higher. We originally started out with a deposit of $1 million and a higher rate of interest. The gentleman from New York [Mr. CELLER] came before our committee, and we followed his reasoning on this. He helped to write the bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I am not going to talk about money.

Mr. PATMAN. I am sure the gentleman would not object to that at the right time. However, he mentioned that there

are 680 consumers. Does he mean that there are only that many prefabricating plants that buy the raw rubber?

Mr. SHAFER. There are probably more than that, not including the large industries. There are 680 small consumers, according to the RFC report.

Mr. PATMAN. I think the gentleman is mistaken about that. I thought there were many thousands of them.

Mr. SHAFER. That could be possible, but we have it in our committee testimony that there are 680, and I am going by that testimony.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield.

Mr. BONNER. What is the estimated value of the plants at the present time? I have read the financial statement of the plants, and it is certainly a splendid statement as to the management and earnings. The plants must have a present market value. I think a financial statement of the plants, which is placed before the Congress, should contain that information.

Mr. SHAFER. That is a very difficult question to answer. We cannot tell you what the value of the plants are today. We know what we paid for them. We know how much we owe on those plants today. We know how much the operating deficit is and so forth.

Mr. BONNER. What did the Government pay for them? What does the Government owe? What has been the net income?

Mr. SHAFER. The total operating deficit is some $411 million or $460 million. We paid $750 million for them in the first place, but these plants are fast becoming obsolete. They are on the downgrade. They were developed in the first place for a lifetime of only 10 years. New methods of production are coming in, and they are coming in fast. Unless we get out of the Government business now and sell those plants to private industry, we will not get anything for them.

Mr. BONNER. The gentleman will certainly understand that I am in no way attempting to criticise him.

Mr. SHAFER. If we continue in the business, we will be required to spend millions of dollars to build new plants and expand the old plants.

Mr. BONNER. I notice here that about $70 million or $80 million has been charged off for depreciation. Then there is an item for maintenance of the plants. Therefore, there must be some estimated value of the present day facilities.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield? I believe I have the answer to the gentleman's question.

Mr. SHAFER. I yield.

Mr. CUNNINGHAM. I hold in my hand a book put out by the Reconstruction Finance Corporation on Government-owned rubber-producing facilities, dated March 1, 1953. In this book, there are listed 28 plants proposed to be sold under the pending bill. The total cost of these plants to the Government was $518,347,000. The depreciation on December 31, 1952, on these same plants was $550,757,000. The book value on that same date according to the Reconstruction Finance Corporation was $167,590,000. According to the testimony adduced before the subcommittee, which held the hearings, it is the belief of the members of the committee that we can probably realize in the neighborhood of $250 million or $300 million, after they are sold, or more than the book value, after deducting the depreciation.

Mr. BONNER. That is the information I wanted to have in the RECORD.

Mr. SHAFER. I thank the gentleman from Iowa [Mr. CUNNINGHAM]. Aside from that, let me point out to the gentleman from North Carolina [Mr. BONNER] that after these facilities are in the hands of private industry, we will have an annual income from these facilities in taxes instead of paying out taxes. The Government will be a tax collector on these plants. It is difficult to say how much those taxes the Government will collect will amount to, but we can estimate that it will be between $40 million to $60 million a year. Thus, we will be getting more money back in taxes than we could possibly make in the continued operation of these plants.

Mr. BONNER. Then the Government will have recovered all that it has invested in these plants, is that not correct?

Mr. SHAFER. Yes.

Mr. BONNER. That is in accord with the statement that was read previously and your own statement.

Mr. SHAFER. I am sorry that I misunderstood the gentleman's question at first.

Mr. BONNER. And further the Government will make a profit on them.

Mr. SHAFER. That is right. The Government will do better than we are doing now while we are operating them.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I am glad to yield to the gentleman.

Mr. WALTER. In section 6, on page 6, provision is made for the amortization of the mortgage over a period of 10 years. Does not the gentleman feel that 10 years is a short period of time in which to amortize the payment of such very expensive facilities?

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield to me?

Mr. SHAFER. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I believe the answer to the question of the gentleman from Pennsylvania [Mr. WALTER] is contained also in the hearings. There are two reasons for it. One is the life of the plant is 10 years; and the second is the amount of the downpayment, which, according to the bill, is substantial.

Mr. SHAFER. These plants deteriorate 10 percent a year.

Mr. WALTER. If the gentleman will yield further, the point is, you are going to limit, under this language, the possibility of acquisition, so that there will be only a few people able to take advantage of this proposed law.

Mr. SHAFER. No, I do not think that is true. We will have plenty of bidders for these plants.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. EVINS. Mr. Chairman, I ask unanimous consent that the gentleman be granted 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. SHAFER. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman stated earlier that these plants were in a bad state of obsolescence, that they were depreciating very rapidly.

Mr. SHAFER. Due to developments that have been made in the synthetic-rubber industry and from the nature of the business.

Mr. EVINS. On page 4 of the report it is stated that the present facilities are operating at maximum efficiency, that they are good facilities, and have a high value.

Mr. SHAFER. They are good facilities, but there have been so many developments in the field, once the Government gets out of competition—we just cannot talk about it.

Mr. BAILEY. Mr. Chairman, will the gentleman yield for a question?

Mr. SHAFER. I yield to the gentleman from West Virginia.

Mr. BAILEY. Addressing the distinguished gentleman from Iowa [Mr. CUNNINGHAM], since he has given some very valuable statistics, may I say that we disposed of some 30 or 32 of these rubber plants in the last 2 or 3 years. And I heard the clerk there state that we realized $57 million from the sale of them. I would like the RECORD to show what those plants cost originally, to give us some idea as to how much we might realize from the present plants.

Mr CUNNINGHAM. The figure is approximately $165 million, and instead of there being 33, there were only 23.

Mr. BAILEY. I thank the gentleman.

Mr. SHAFER. All the facilities we have left are for sale with the exception of two alcohol butadiene plants, which the Government is authorized to lease under this legislation.

Mr. BONNER. Mr. Chairman, will the gentleman yield for one more question?

Mr. SHAFER. I yield to the gentleman from North Carolina.

Mr. BONNER. I would like to know why a commission is being set up in lieu of General Services. They have handled all surplus Government property.

Mr. SHAFER. I will be glad to go into that; because we never get anything done speedily under General Services, or under Government agencies. This would go on for years and years and years under a Government agency disposal. It is because of the bad record that GSA, War Assets, and other agencies have had in disposing of Government facilities in the past. I inserted one instance of that in the RECORD this morning—you will find it in the Appendix of today's RECORD, and there are many more. That is one reason for it. And we do not want anybody to build any dynasties. We want

to get rid of this problem and give private industry a chance.

Mr. BONNER. I thought you cleaned up General Services and that it was operating now on an efficient basis.

Mr. SHAFER. I believe there has been a great improvement, but I am not convinced that we can trust this disposal to any Government agency. That is the reason for the Commission.

Mr. SHORT. Mr. Chairman, how much time have we consumed?

The CHAIRMAN. The gentleman from Missouri has consumed 10 minutes and the gentleman from Michigan 29.

Mr. DURHAM. Mr. Chairman I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, I appeared before the Armed Services subcommittee presided over by the gentleman from Michigan [Mr. SHAFER], and I pointed out that I felt that the bill as originally presented was not strong enough to set up proper safeguards, antitrustwise. After my appearance where I pointed out certain inadequacies in the bill the subcommittee saw fit to strengthen the bill, and as it is now written I can with every degree of assurance tell the membership that there are proper safeguards now rooted in this bill, so we need have no apprehension whatsoever that there will be developed undue concentration of economic power in any of these rubber companies that may be enabled under the provisions of the bill to secure one or more of these synthetic-rubber plants.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. EVINS. According to the report it is stated that the Commission will secure the advice of the Attorney General on the disposal of these plants. Is there anything mandatory in the legislation which would require the Attorney General's recommendation to be adopted?

Mr. CELLER. Yes; there are a number of compulsory provisions, I think, in four different places where there is reference to free and open competition; and by proper provisions the Attorney General must be embraced in the negotiations. For example, at the bottom of the first page the bill speaks of the development within the United States of a free, competitive, synthetic-rubber industry. Turn to page 10 and you will find the following: That the recommendations of the Commission must be consistent with the Attorney General's advice and counsel.

Subdivision 4 speaks as follows:

To the extent requested by the Attorney General the report shall transmit his advice concerning the sales which are proposed.

Turning over to page 12 we have the following subdivision (f):

(f) Notwithstanding any other provisions of this act, the Commission may, subject to the provisions of this act, and after securing the advice of the Attorney General as to whether the proposed lease would tend to create or maintain a situation inconsistent with the antitrust laws, enter into contracts of lease for the alcohol-butadiene facilities.

I take it that as a condition precedent for effectuating the sale the advice and counsel of the Attorney General must be taken and must be considered before there can be a sale.

Furthermore, on page 15, we have the following:

(2) That adequate provisions in the prospective contracts of sale will assure that no person, by purchasing a facility or facilities, will possess unreasonable control over the manufacture of synthetic rubber or its component materials.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Tennessee.

Mr. EVINS. In view of the fact that the committee report states, "We recognize this is a very complicated business," and it also states that rather substantial capital will be necessary, what assurance do we have there will not be unreasonable control in the hands of one buyer or a group of buyers? We declare as a policy against that, but what assurance do we have, in view of the fact it is a complicated business and large capital is needed, that we will not have unreasonable control?

Mr. CELLER. The Commission must make reports to the Congress of all projected sales and must make periodic reports as to what it is doing. We can, therefore, exercise some measure of control.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from North Carolina.

Mr. DURHAM. They are subject to all the antitrust laws that any other business is.

Mr. CELLER. I do not know what more you could put in the bill to insure protection along the lines that the gentleman related. I tried to get as many as I could in and I think the committee was very receptive to my ideas. In addition, they reduced the initial down payment from $1 million to $500,000. I had recommended $250,000. I presume in their wisdom they felt the compromise was sound.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. DURHAM. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. CELLER. Mr. Chairman, we had some bad experiences heretofore in the disposal of surplus plants; for example, when the Government disposed of the so-called Geneva plant to United States Steel. That was indeed a bad bargain for the Government. It was bad antitrustwise. That increased the United States Steel capacity from 17.3 percent to 39 percent on the Pacific Coast and the Mountain area, and also increased the ingot capacity of United States Steel to 51 percent. "Once bitten, twice shy." Because we did not put proper precautionary safeguards in previous legislation we had this bad experience with United States Steel.

Mr. DURHAM. That is exactly why we put these provisions in the bill. It comes back here and the Congress has to approve within 30 days any contract made by any person who purchases one of these plants.

Mr. CELLER. I agree with the gentleman.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Michigan.

Mr. RABAUT. I would like to ask the gentleman two questions. There are two points in the bill I do not like and perhaps they have not been fully explained. One is the interest rate which is less than the rate we are paying for long-term money by the Government and the other is the 10-year period which makes the annual payments per year quite high. I do not see how it could attract anybody except those with tremendous capital.

Mr. DURHAM. We put this on the basis of the general going mortgage money rate. What else could you base it on, because it is in that classification. That is about 3 percent around the country.

Mr. RABAUT. That is the interest rate?

Mr. DURHAM. Yes.

Mr. RABAUT. What does the gentleman have to say about the 10-year period requiring tremendous payments annually?

Mr. DURHAM. If the gentleman has ever visited one of these plants he would find that all of them deteriorate rapidly. They are set up on a different basis from what manufacturing plants or textiles are set up, which is 20 or 25 years. It is a unique process. Your piping is almost completely in the building and it deteriorates very fast. The Copolymer, or the GR–S process or the butadiene process, every one of them use a considerable amount of acid and liquid and that deteriorates the plants very rapidly.

Mr. RABAUT. The gentleman figures then it is wise to provide this 10-year period, because the plant would be very much depreciated in that time and it should be paid for by that time?

Mr. DURHAM. Yes; it would not be worth anything at the end of 10 years. A fellow might say, "Take it back. It is not worth anything anyway."

Mr. CELLER. I want to call attention to the fact that we have in control of the rubber industry today an oligarchy of four big companies: Goodyear, Firestone, United States Rubber, and Goodrich. They control about 97 percent of all the original equipment. They are in complete control of the tire and rubber products markets in this country. Also they are knee deep in antitrust violations. As of 1951, there was a complaint pending under section 1 of the Sherman Act charging that the United States Rubber Co. and other defendants had formed a worldwide pool of patents relating to the processing of latex, had divided territories, agreed not to compete, and engaged in other illegal cartel agreements—*United States* v. *United States Rubber Company* (Civil 50–564, Southern District of New York).

Another case now pending against the du Pont Co. is based on the claim that the latter has gained control of General Motors and United States Rubber and obtained illegal preferences by virtue thereof—*United States* v. *E. I. du Pont de Nemours and Company* (Civil 49C–1071, N. D., Ill.).

Subsidiaries of Firestone, Goodyear, had recently come under investigation in Canada for their activities in that country. Only last year, the Canadian

Combines Commissioner indicated that these companies had participated in activities restricting competition in Canada and indicated that in the Dominion the public never obtained the results of thoroughgoing competition.

With respect to tires, the Commissioner concluded as follows:

The evidence indicates that at the time this investigation commenced (1947) all the manufacturers in Canada of tires and tubes and one distributing company were parties to arrangements for preventing or lessening competition and fixing common prices in the field of replacement tires and tubes; i. e., those sold through dealers or otherwise to consumers as replacements, and to some extent in the field of original equipment; i. e., tires and tubes sold for placing on new vehicles and machines. The arrangements embraced passenger, bus (?) truck, implement and tractor tires and tubes. (Rubber Products, Report of Commissioner, Combines Investigation Act (1952), p. 686).

The United States Government has itself been injured by the activities of certain of the large tire producers. In *United States* v. *Cooper* (312 U. S. 600 (1941)), the United States brought a treble-damage action against 17 companies because of the following facts. For the half year ending March 31, 1937, 18 companies submitted to the Procurement Division of the Treasury Department bids identical to the penny on 82 different sizes of tires and tubes.

The same thing occurred in the next half-year period, but with substantially higher prices than for the preceding period.

When identical bids were again submitted for the third half-year period—October 1, 1937, to March 31, 1938—the Procurement Division, upon the advice of the Attorney General, rejected the bids and invited new ones.

The new bids were identical to those rejected. Determining that a public exigency existed, the Treasury Department negotiated a contract with Sears, Roebuck Co.

In its next invitation to submit bids, the Government required bidders to warrant that the prices bid were not the result of agreement among bidders, with the result that the bids submitted were substantially lower than the prior ones.

By comparing these bids with the earlier noncompetitive bids, it was ascertained that the United States had been injured to the extent of $351,158.21 in the three 6-month periods during which it had been unable to buy on a competitive market. The Government's suit was dismissed, not on the merits, but on the grounds that the United States technically was not a person under the Sherman and Clayton Acts and therefore could not bring a suit for treble damages. These defects in the law is soon to be changed. Bills for that effect are pending.

Thus we must be on the alert, and the Commission to be set up must be on the alert, and the Attorney General must be on the alert. We are forewarned. Let us be on our guard.

I am happy to note that we have the proper restraint in the bill. Now it is up to the Attorney General and the Commission to implement with appropriate action the warnings that we sound here this morning.

I have just been handed a newspaper clipping, which I include in my remarks. It concerns a plea of guilt to antitrust charges made against certain rubber companies in the suit I referred to in Canada. The account is as follows:

FIVE RUBBER COMPANIES PLEAD GUILTY TO CHARGE OF OPERATING COMBINE

TORONTO.—Five rubber companies accused of operating a combine in restraint of trade pleaded guilty before Justice W. R. Treleaven of the Ontario Supreme Court.

"There is nothing left for me to do but impose sentence," said his lordship.

However, Thomas Phelan, crown prosecutor, asked permission to review the cases before sentence was imposed.

The companies are the Goodyear Tire & Rubber Co. of Canada, Dominion Rubber Co., Dunlop Tire, Gutta Percha Rubber Co., Ltd., and B. F. Goodrich Rubber Co.

Mr. Phelan said evidence would prove the companies fixed prices to the detriment of the public. He said they also concealed the price fixing and conspired to control materials and the offering of tenders.

The case concerned only what is technically described as "mechanical rubber goods," including hose, belting, and miscellaneous rubber products.

Mr. CUNNINGHAM. Mr. Chairman, I yield 1 minute to the gentleman from Illinois [Mr. ALLEN].

Mr. ALLEN of Illinois. Mr. Chairman, I take this means of announcing that at 2:30 there is going to be a meeting of the Committee on Rules in regard to the extension of the excess-profits tax. It is going to be an open meeting. I personally invited the chairman of the committee, the gentleman from New York [Mr. REED], and the gentleman from Ohio [Mr. JENKINS], as well as the gentleman from Tennessee [Mr. COOPER] and the gentleman from Arkansas [Mr. MILLS] to be present. We will be glad to hear them or anyone else in regard to the extension of the excess-profits tax.

Mr. SEELY-BROWN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. SEELY-BROWN. Mr. Chairman, if we are to maintain a sound economy and provide jobs for our increasing population, small business must be encouraged to develop and expand. This in turn requires a source of additional working capital.

In the past, funds for the expansion of small business were obtained largely as a result of the accumulation of earnings. Outside sources, such as the security markets and institutional lenders, are not generally available to small business.

The impact of Federal taxation on the earnings of small business is thus the determining factor in the ability of such concerns to expand and provide the necessary additional employment. The existing Federal tax structure undoubtedly acts as a deterrent to the continued growth and expansion of small business.

The Sadlak bill, H. R. 5899, introduced by my colleague, Congressman at Large SADLAK, of Connecticut, is, in my opinion, worthy of support.

Under present law the first $25,000 earned by a corporate business is subject to a normal tax of 30 percent. Any additional earnings will be subject to a surtax of 22 percent, and, at least until January 1, may also be subject to an excess-profits tax of 30 percent. The combined rate on corporate earnings in excess of $25,000 may thus reach a maximum of 82 percent. At such a rate it is practically impossible for the small-business man to accumulate funds for the expansion of his business and thus provide additional employment opportunities for the people in his community.

The Sadlak bill, by increasing the minimum excess-profits tax credit from $25,000 to $100,000, provides much needed help to the small-business community.

Mr. DURHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, I know that the committee worked long and hard on trying to get safeguarding provisions in this bill, and I commend the committee for the fine work that they did in many respects, but I do doubt that they have actually plugged up all the loopholes. I would only have time to refer to 1 or 2.

The gentleman from Michigan [Mr. SHAFER], a while ago, seemed to be proud of the fact—and I am sure that he was, he thought it was the right thing—that these bids must disclose exactly who the bids are for and everything about the affiliation of the people with the bidder. Now offhand that sounds very fine; you say that is in the public interest, but in truth and in fact it is intimidation and will restrain the little fellows from bidding. This committee discloses that almost two-thirds of the rubber-producing business is now in the hands of 4 big rubber companies—63 percent. The 680 companies that have been buying rubber from the Government synthetic plants, who have processed and fabricated it, have got to continue in that business if they survive. Who will they get their supplies from? From the people who buy these plants.

Mr. DURHAM. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. DURHAM. Not necessarily. They can go out and build plants of their own if they can finance them.

Mr. PATMAN. With all due respect to the gentleman, that is not of any effect now because there is no place to get the financing. There is no Reconstruction Finance Corporation. There is no place they can get the financing. Heretofore the gentleman would have been right, but they cannot get that kind of money now at all.

Mr. DURHAM. Does the gentleman mean to say that the four large rubber plants have no credit they can borrow money on?

Mr. PATMAN. The big rubber companies will not borrow money from the little fellow. They borrow it for themselves if they borrow at all. These 680 are intimidated on this. They cannot afford to go in and pool their little resources and offer a bid, because the big fellow would know it. When this big fellow buys the plant, and he will buy it, these little fellows will not have a chance of getting a square deal from him.

They have to get their supplies, and they will find themselves in direct competition with the fabricating concern across the street that is owned by the big man. Do you think the big man is going to favor his own processing plant or this little fellow who opposed him on purchasing the plant? That is the story exactly. You are intimidating these little fellows. They cannot possibly go in together. They cannot oppose the big fellow. They will have their heads cut off.

Another reason the little fellows cannot come in is because they have no credit now. Back in 1950 when Mr. Truman recommended this, the Reconstruction Finance Corporation was standing ready to advance any amount of money that was necessary to enable the little fellows to go in together, to put up a reasonable amount of money themselves and buy a plant.

Mr. DURHAM. There is nothing in this act or any other act which prevents 10 of these small companies or 2 or 3 of them from getting together and making a bid. For instance, now the Seiberling Co., and several others, own the copolymer process, which is the No. 1 process in synthetic rubber. They themselves are not giants.

Mr. PATMAN. It is all right to say that these firms must be American citizens, and you can require any kind of anti-Communist or anti-Fascist or anti-anything affidavit; that is all right, but when you put in the bill that they have to disclose their identity when they are putting in a bid through another person, that means they are not going to put in a bid because they do not want their heads chopped off.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. DOYLE. With reference to the gentleman's observation that the small companies would not bid, the testimony of the small companies, so-called, before the committee was that they already had plans to bid.

Mr. PATMAN. That is fine. I hope they do.

Mr. DOYLE. The testimony of the small companies in several instances was that they were prepared to bid and would be prepared to bid.

Mr. PATMAN. It is possible that there will be that intention on the part of a few, but not many of them. They will be worried about their future. You do not want to antagonize the man who will be your supplier. That does not make good commonsense to me.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. CUNNINGHAM. I wish to correct the gentleman. I do not believe he has read the bill thoroughly. The bidders are not required to disclose it to competitive bidders or to the public.

Mr. PATMAN. Let me refer to the bill, which on page 5, line 6, reads: "identification in whose behalf the bid is submitted, including the business affiliations of such person."

Mr. CUNNINGHAM. That goes to the Commission, and it is one of the requirements of the bid, but it is not made public and the competitive bidders do not get it unless the Commission is dishonest. Read the language at the top of page 6.

Mr. PATMAN. I am not so naive as to believe it will not be made public to the big rubber companies. It will, and the gentleman probably knows that, too. They will know it. Later on they will know who was trying to block them.

There is talk that the Congress has the right to pass on it. When the contract is made they submit it to the Congress. Congress has 30 days in which to disapprove it. Well, whenever you do things that fast in Congress, you are doing it awfully fast, whenever you can disapprove anything in 30 days. If the Congress does not take affirmative action and disapprove it in 30 days, then they can go ahead with it. You know it does not take much opposition in the Congress to delay anything longer than 30 days. If Congress had to affirmatively approve it instead of affirmatively disapprove it, I think we would have a great deal more protection. I wish the committee would seriously consider changing it so that the Congress would have to affirmatively approve these contracts so that the public would be protected in the future.

Mr. DURHAM. Mr. Chairman, I yield myself such time as I may require.

Mr. LANE. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. LANE. May I say to the gentleman who has worked so diligently on this subcommittee on this bill that the chairman of the subcommittee, the gentleman from Michigan [Mr. SHAFER], made a very excellent statement in explaining the new bill, H. R. 5728, to us. I think it is much better than the original bill, H. R. 5425. But, I have some correspondence from at least one of these small rubber plants in my district. I know they were represented before the subcommittee. I wonder if the gentleman for whom I have the greatest admiration and who I know over the years has made a study of these problems and put much time and effort into these matters concerning the rubber industry will be kind enough to explain two matters which are of great interest to these small industries. First, they were interested in a minimum production of 750,000 long tons per year for the general purposes of synthetic rubber. I notice in the bill on page 16, in section 6, that the committee has seen fit to make that amount 500,000 long tons. Consequently, if the gentleman would be kind enough to advise me concerning this question which they are interested in, can he tell us whether the smaller rubber companies who will not be the purchasers of the plants will be guaranteed an adequate supply of synthetic rubber?

Mr. DURHAM. Of course, there is a difference of opinion as to the amount we put into the proviso which required the production of 500,000 long tons. Last year we consumed about 650,000 long tons. This year we will probably use 850,000 tons. With that production, I think these people can be assured a guaranteed production of 500,000 tons, and are going to receive an adequate supply. The difficulty in the interim until we get these plants over into the hands of private industry, you see, will probably cause a little disruption, and we hope to avoid that if possible by stockpiling synthetic rubber to have on hand which we can let flow into the smaller companies. I know the gentleman is concerned about this because in these 680 operations of small producers or processors of synthetic rubber, approximately some 60,000 or 70,000 people are employed, which, of course, is quite important to the districts throughout the country. We are trying to avoid unemployment, if it is possible, and I think we can if this matter is properly administered by this Commission. There is no reason in the world, if this Commission functions properly, such a thing should happen.

Mr. LANE. I thank the gentleman for his explanation.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. BAILEY. During the 79th Congress, at the end of World War II, I happened to be a member of the Patents Committee. We were extremely careful at that time to see that certain secret formulas such as formulas for the production of synthetic fuel from coal and possibly the synthetic rubber formulas did not fall into the hands of private individuals and that they would be kept in the hands of the Government. I ask the gentleman, and I would like the record here to be clear, to show that we are not selling any formula when we sell these plants—we are not selling any formula that the Government could not afford to dispose of and which might be of greater value than the plant that we sell.

Mr. DURHAM. I can assure the gentleman from West Virginia the first discovery or process with reference to synthetic rubber was a chemical process in Germany. We, in this country, were fortunate that our rubber companies improved on that process and developed other processes which were patented. In 1940, they came before the old Committee on Military Affairs and volunteered as private citizens to turn over and pool all the patents. Congress at that time, of course, felt under obligation to keep our transportation system going, and also to carry out the national defense needs. So we passed the Rubber Act, as the gentleman recalls. They produced synthetic rubber for the entire transportation needs of this country and nobody suffered very much inconvenience. Also, it met our defense needs. I think private industry can be congratulated on this one thing, that we have never had any trouble. They owned the patents. The Government never owned them. So they go back to the private companies. Some of those processes have been improved upon, and there have been new processes that will come into the production of synthetic rubber, which we hope will lower the cost of it to the producer, if we can return them to private industry.

Mr. BAILEY. The formula actually belongs to the people who are in the rubber industry at the present time?

Mr. DURHAM. That is correct.

Mr. BAILEY. I want to thank the gentleman from North Carolina [Mr. DURHAM]. As I said, as an individual Member, if this legislation is desirable, I shall feel much safer knowing that what the gentleman has just put in the RECORD are the facts.

Mr. DURHAM. I thank the gentleman.

Mr. Chairman, obviously, the synthetic-rubber business is here to stay. Your committee, which has reported this bill unanimously, can find very little reason for the Government to stay in the synthetic-rubber business at the present time.

When we go back to 1940 and 1941—especially in 1941, when the Japanese entered the war—we were cut off from our rubber supply and we had to do something. The Congress acted and acted wisely. We developed a program then, with the cooperation of private enterprise in this country, and nobody can say that they did not do an excellent job, because today tires are cheaper than they were; they are cheaper than at any time in the history of our country. Synthetic rubber made that possible. The Government invested, as has been pointed out on the floor today, some $700 million. Today it is difficult to determine the worth of these plants.

We do not care to put a price tag on them, because that will be up to this Commission which is going to be appointed under this measure by the President. And they should have the right to negotiate the matter and get as high a price for them as they possibly can, because the American taxpayer is interested.

We have met the stockpile objective today. I cannot disclose the figures, but the report has been sent up here, under Public Law 520, every 6 months. A copy is available if any Member of the House cares to see it.

That stockpile consists of raw rubber; not GRS, or butyl or butadine, or any synthetic rubber, because that does not stock well. Therefore, we have got to have some kind of program that will keep these plants in readiness and in a standby condition; so if we do need them or if we have to have them to continue to supply our defense needs, they will be ready for production, and also our civilian needs. We have put them in a position in this bill, if passed, where we can have them if necessary for national defense. That is exactly what your committee has tried to do, and I believe we have done a good job.

Mr. EVINS. Mr. Chairman, will the gentleman yield to me?

Mr. DURHAM. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman knows of my very high regard for him and the members of the great Committee on Armed Services. We all recognize that this synthetic rubber business was started because of emergency conditions, to supply our military needs. We are still in an emergency condition today. What situation exists today that did not exist at the time we went into this synthetic rubber business?

Mr. DURHAM. I would say to the gentleman that we did not have a pound in the stockpile. Today we have—I do not care to disclose the figures, because they are secret, but if the gentleman cares to look at them they are available—but we have met our stockpile objective.

Mr. EVINS. The gentleman spoke of the price of rubber tires coming down. What assurance can we have that after those plants are disposed of, the price of rubber to the Department of Defense and to the Government will not be increased?

Mr. DURHAM. I am sure the gentleman believes in private enterprise. They have always been on a very keen competitive basis, and have always been able to establish a price that the consumer in this country was willing to pay.

Mr. AYRES. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. AYRES. I will say to the gentleman from North Carolina since I come from Akron, the rubber capital of the world, that there is not a more competitive industry in the whole operation on a worldwide basis than the rubber industry.

Mr. DURHAM. And I think this measure recognizes that and will continue it in the same position.

Mr. Chairman I am heartily in favor of the bill H. R. 5728 which would authorize the disposal of the Government-owned rubber-producing facilities. I can find no reason whatsoever which would justify the continuation of the Government in this business.

I doubt very much whether conditions predicted for 1954 with regard to the demand and consumption for both synthetic and natural rubber will ever again be as favorable for disposal. Thus, I am firmly of the opinion that final disposal in 1954 will result in a maximum return of the fair value of the facilities to the Government and in my opinion will strengthen national security.

I would like to discuss for a moment our stockpile situation with regard to rubber. Throughout the hearings, and particularly with regard to the witness who appeared from the Department of Defense, I made inquiry concerning the status of our stockpile in natural rubber. I am now satisfied that our stockpile of natural rubber, coupled with our productive capacity for synthetic rubber, will assure this Nation of an adequate supply of new rubber in the event of war or in the event that our natural-rubber sources are shut off for any protracted period of time.

Now there is another source of rubber which is often overlooked which I would like to call to your attention. This is the rubber that is put back into the channels of trade through the reclaiming process. This rubber is not inconsequential. Last year the United States consumed over 280,000 tons of reclaimed rubber. I think it is important that we keep this industry in mind when we discuss rubber. For any disposal program which would jeopardize the reclaimed rubber industry would, in my opinion, also jeopardize our national security.

Then there is another stockpile of rubber in this Nation which must not be forgotten, and that is the rubber that is now in tires that are on automobiles throughout the Nation. I think I would be safe in saying that this amount of rubber may well exceed 1 million tons.

From a national security viewpoint, we can take considerable comfort from the fact that we have, for practical purposes, achieved a stockpile of natural rubber in Government warehouses that is sufficient to say the least. Security reasons prevent me from disclosing the amount but I can assure you that it is a very large quantity. On top of that we have the reclaimed rubber industry. Added to that is our stockpile in the hands of private owners of automobiles and added to all of this is our capacity to produce substantial quantities of synthetic rubber. I wish the Nation were as secure in all of its strategic world requirements as it is in rubber.

The bill, H. R. 5728, has a considerable number of safeguards with respect to our synthetic rubber industry. Perhaps it has too many. It is just possible that it is surrounded with so many safeguards and requirements that we will not get enough purchasers to satisfy the productive capacity that must be sold before any of the facilities can be transferred to private ownership.

You will note that the bill establishes as one of the criteria for the Commission to follow in arriving at its recommendation for sale that the "purchasers of the facilities will be capable of annually producing not less than 500,000 long tons of general purpose synthetic rubber and its component materials, and not less than 43,000 long tons of butyl rubber." This requirement means that a substantial portion of the copolymer facilities and 1 of the 2 butyl plants must be sold or no report will be submitted to the Congress and the Rubber Act will be extended until 1956.

In addition, I am somewhat concerned, although I recognize its justification, about that part of section 6 which precludes employees of the Commission engaged in actually negotiating the sales from being employed by any purchaser of the facilities for 2 years. This might prevent the employment of outstanding engineers who might not want to accept employment with the Commission, and thus put themselves in the position of declining future employment, for a period of 2 years, with companies engaged in 3 basic industries.

There is no doubt that this recommended disposal program will be the most carefully considered sales the Government has ever entered into.

Now, just a word about research in rubber. The bill permits the Commission to recommend a research program in rubber to be continued during the fiscal year following the fiscal year in which the transfer terminates. Provision is made for the use of funds from the disposal program to be used for this purpose. I think this is a wise provision, for there may well be fields of research in rubber peculiar to the military which might not be of interest to private industry. But I think you will be interested to learn that up to June 30, 1952, the Reconstruction Finance Corporation, in connection with the synthetic

rubber program, expended over $40 million in research. This seems like a large sum, but I am also advised that during this current year a conservative estimate of the amount of money to be expended by the rubber industry in research and development will be in excess of $50 million. Thus it is my opinion that, if private industry is willing to spend $50 million a year on research in rubber, the amount expended by the Government for matters in which only the military is concerned should be considerably less.

Mr. Chairman, as the ranking minority member of the subcommittee that conducted the hearing on this bill, I do not hesitate to recommend its enactment by this body. I am particularly enthusiastic with regard to the creation of a commission and with the requirement that Congress has the final authority to review and if necessary reject all the recommended sales. I agree with the distinguished chairman of our subcommittee [Mr. SHAFER] in his statement to the effect that speed in the sale of these facilities will be of great benefit to the taxpayers. These facilities that will be offered for sale will not come as a surprise to those interested in purchasing the facilities. They have been watching this program since the end of World War II. If we were dealing with a very diversified group of facilities, it might be necessary to give longer time to negotiate the sale. But I am quite sure that those who are interested in purchasing these facilities have discussed the possibilities and are aware of this legislation and in their own minds have some idea of what they are willing to pay for them. The capital necessary to buy and operate one of these facilities is not small and the production of chemically made rubber is not something that any company can engage in and expect to make a profit. I am satisfied that this disposal program will result in a return to the taxpayers of the fair value of the facilities and that to the greatest extent possible a competitive pattern assuring a source of synthetic rubber to large and small consumers alike will be established.

I urge the House to support this measure.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Has the gentleman any views on the interest rate? Here we have Congress freezing an absolute interest rate. Suppose later on in connection with the applications a higher rate of interest such as the prevailing rate should apply, we are tying the hands of the negotiators and they cannot do anything except give a 3-percent rate. Has the gentleman any views on that?

Mr. DURHAM. The committee, of course, took as its criteria the 3 percent, which is the general going mortgage rate.

Mr. McCORMACK. We can get mortgage loans at 3 percent now?

Mr. DURHAM. In large amounts you can.

Mr. McCORMACK. Will the gentleman tell me where you can? I would like to have some of my friends in Massachusetts know where they can get that.

Mr. DURHAM. I am not in position to answer that positively. The committee found that this was the general going rate on large mortgages.

Mr. McCORMACK. Does the gentleman feel that this should be an absolute rate determined by the Congress? Certainly if it should become 3½ or 3¾ we want the Government to get the benefit of it. I do not want to give a big bonanza here.

Mr. CUNNINGHAM. May I say to the gentleman that I am going to touch on that fully in just a moment.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I would like to say to the gentleman that we have been having hearings before the House Banking and Currency Committee for a number of days and there has been no testimony that you can get mortgage money at any place approaching 3 percent.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. CUNNINGHAM. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I hesitate to take time on this bill after it has been so well explained by the chairman of the committee, the gentleman from Missouri [Mr. SHORT], the chairman of the subcommittee, the gentleman from Michigan [Mr. SHAFER], the gentleman from New York [Mr. CELLER], the gentleman from North Carolina [Mr. DURHAM]. However, there are a few questions that have been asked, and probably I can assist in answering them; probably not.

First, I would like to clear up the discrepancy in the colloquy between the gentleman from Texas [Mr. PATMAN] and the gentleman from Michigan [Mr. SHAFER].

The gentleman from Texas [Mr. PATMAN] said he believed that the number of firms in the rubber business were several times the amount given by the gentleman from Michigan as 680. I am reading from the report of the RFC as of December 31, 1952. The report was published March 1, 1953:

> In 1952 the Corporation had about 700 synthetic-rubber customers. Of these 20 were large companies; the remaining 680 were small companies.

I would like to go now directly to the question asked by the gentleman from Massachusetts [Mr. McCORMACK] about interest. The bill as it originally came before the subcommittee provided for an interest rate of 3½ percent, a down payment of 10 percent, and the balance of 90 percent to be amortized over a period of 10 years at 3½ percent. There was some objection raised, and I was one of the objectors, and the gentleman from California [Mr. DOYLE], I recall, joined with me, to sell these plants at a mere 10 percent down payment; in other words, selling them on a shoestring. We wanted the plants sold with a sufficient downpayment that would be a real sale, and not encourage speculators and others to come along and form sort of a dummy company to come in and bid on a piece of Government property paying only 10 percent down and run the risk of making a success of it, and if not, walk out and leave it, and all they would lose would be the 10 percent. Therefore we felt that the amount should be increased. There was some discussion as to whether it should be 10, 15, 20, or 25 percent or more. After considerable discussion the committee agreed upon 25 percent as being a fair amount to require as a downpayment in order to guarantee a sale for the Government.

Then the next question that came up was, if we required such a large downpayment instead of a small downpayment, should the Government not offer a little inducement in the way of a lower interest rate? After some discussion we agreed to lower the interest rate from 3½ percent to 3 percent on the theory that if we left it at 3½ percent and required a 25-percent downpayment, the sales resistance might be so great that the Government would lose many millions more in attempting to get that extra 3½ percent than they would if it were lowered to 3 percent; in other words, that you would get more in a competitive market for the total purchase price, which would offset that one-half of 1 percent interest, and we felt, in view of the requirement of such a large downpayment, that there should be a little inducement.

That is the reason, I will say to the gentleman from Massachusetts, why the interest rate was reduced from the original figure of 3½ percent to 3 percent. We did not consider the prevailing rate or anything else. Now, that may be wrong. If the gentleman has a better proposition, I would like to hear it.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. The gentleman is aware that the interest provision of the RFC and the Export-Import Bank is different than this. There is no absolute freeze. There is discretion that can be exercised.

Mr. CUNNINGHAM. I will say this to the gentleman: Remember, these plants are not yet sold. If the plants were sold, and then there was a question of what would be the interest rate on the unpaid portion of the purchase price, that would be a different proposition. But we are in the position of advertising for bids, and if we have that interest rate, with what we have as the downpayment, we will have sales resistance and it will end up with the Government losing more money than with the higher interest rate.

Mr. McCORMACK. I think the gentleman has made a statement that any objective mind could not resist considering. I have no disagreement with my friend on this. However, who are the small fellows that might be able to purchase these facilities?

Mr. CUNNINGHAM. I do not have their names.

Mr. McCORMACK. You have the interest rate at 3 percent to induce these small fellows to bid. Who are they? There must be evidence. I am sure you had some, but I have not heard any yet.

Mr. CUNNINGHAM. I cannot give the gentleman the names of the small companies. This report shows that there is a total of about 700 companies. Six hundred and eighty are classified as small and twenty as large. The difficulty with the small bidder is that he probably would suffer more by the larger downpayment. He probably would much prefer a smaller downpayment and a higher rate of interest, yet we want a purchaser to have enough money to start with, so that it will be a valid sale and he will go ahead, and then give the small man the encouragement of the lower rate of interest.

Mr. McCORMACK. I do not know what would be regarded as a small man in this particular field. I know what it is in many other fields, but I imagine that none of these plants will be sold for less than some millions of dollars.

Mr. CUNNINGHAM. It is hoped that the 28 plants will bring somewhere between two and three hundred million dollars. We hope the Commission will get high enough bids to sell them for more than the present book value as fixed by the Reconstruction Finance Corporation.

Mr. McCORMACK. The thing I am disturbed about is the interest rate. My mind is open on the bill itself.

Mr. CUNNINGHAM. What would the gentleman suggest for the interest rate? I have great regard for his opinion.

Mr. McCORMACK. I was going to suggest an interest rate of not less than 3 percent. That will give discretion in setting the rate.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Michigan.

Mr. SHAFER. I want to point out that a bidder must know what his interest rate is going to be if he is going to make an intelligent bid. That is the purpose of it. If the Congress wants to make it 4 percent, that is all right, but we must have the interest rate in there, some interest rate, so the bidder will know on what to bid.

Mr. McCORMACK. This is not a minor matter; it involves a quarter of a billion dollars, and a quarter of 1 percent or one-half of 1 percent might make a big difference in money. I recognize the power of the argument made by the gentleman. The little fellow in this business means a pretty big fellow in some other business. I recognize that.

Mr. CUNNINGHAM. I recognize also the power of the suggestion made by the gentleman, and it might be good to make it not less than 3 percent. However, let us look at another angle if we do that. The minute we do that, then the company with more money, the powerful company, can say, "I will bid $10 million on a plant, with 5 percent interest." The little fellow bids $11 million at 3 percent interest. What is the Commission going to do?

Mr. McCORMACK. The interest is not a matter of competitive situation. The Commission determines the interest.

Mr. CUNNINGHAM. Does the gentleman mean to say that, if we make it not less than 3 percent, it would not become competitive? It certainly would.

Mr. McCORMACK. Those charged with the administration of this law could then determine what rate of interest would be paid, not less than 3 percent.

Mr. CUNNINGHAM. In other words, in the advertising for the bids if the Commission felt that it should be more than 3 percent they could advertise for more?

Mr. McCORMACK. Yes. If they wanted to take care of the so-called little fellow—I assume that all the plants cannot be sold to the little fellows—they might give them a lower rate on some particular bid than they would in cases in which they knew only the big companies could be interested.

Mr. CUNNINGHAM. Is the gentleman going to offer that as an amendment? I would rather not yield any more time at the present because I have some other things to cover.

Mr. McCORMACK. I do not know whether or not I am going to offer it, but if 3 percent stays in the bill I am going to vote against the bill, and I will offer a motion to recommit. I am not going to vote on an absolute 3 percent rate of interest when they should have charged 3½ or 3¾ percent, with the big companies buying the plants, and having a scandal, and then their coming back and saying, "We had no discretion. Congress did it."

Mr. CUNNINGHAM. I think the gentleman should offer an amendment at the appropriate time, and I am sure the committee will be glad to consider and debate it. I see merit in the gentleman's argument, but I also see difficulty. I would like very much to thrash the question out, but I am sorry I cannot yield more time.

Mr. Chairman, I would like briefly to touch on some of the objectives of the bill:

. First. To take the Government out of the rubber business and restore it to private industry.

Second. To recover for the Government of the United States and put into the Treasury of the United States the sale price of these plants which we hope will be several hundred million dollars.

Third. To assure the continuous flow of supplies of rubber for our country in both peacetime and wartime.

Fourth. To see that the plants are sold on such terms and at such rates of interest as to assure the sale.

Fifth. To see that they are sold under conditions which will prevent a monopoly. I believe those provisions are well spelled out in the bill.

Sixth. To create a commission to govern the sale for a limited time, until the entire matter is disposed of.

I would like to reply to the questions that have been raised regarding guaranteed production and guaranteed availability of synthetic rubber for so-called small consumers.

It seems to me that if we are going to guarantee the production of synthetic rubber and guarantee its availability by requiring in law that it must be produced and sold at a fixed price, then we might just as well reenact the Rubber Act and keep the Government in business.

Every witness who testified before our committee favored the sale of these plants. Most of the witnesses expressed satisfaction and confidence in the private competitive system and felt that competition would assure the availability of synthetic rubber. Those who want guaranteed production and guaranteed availability, by law, are merely saying in another way that free enterprise is a great institution, but not for them.

The whole issue here is whether or not we have faith in the competitive system. The bill itself provides so many safeguards that I do not see how anyone can object on the grounds that there will not be private competition. The Attorney General must find that the sale of these plants will not create a monopoly situation, the Commission is charged with the responsibility of making sure that no purchaser of a facility or facilities can capture unreasonable control over the production of synthetic rubber, and no plants will be sold unless a capacity to produce 543,000 tons of synthetic rubber will be in existence in the Nation. Finally, none of these sales contracts will become effective until Congress has had an opportunity for 30 days to reject the proposed sales. Either House can block the sale of these facilities.

Thus, it is inconceivable to me that anyone can contend that this bill will permit the sale of these facilities to just the Big Four in the rubber business. If we cannot establish a competitive pattern by the sale of these facilities, we will not sell them and the Rubber Act will automatically be extended until 1956. If we go beyond this not only will we not sell the plants but the Government will assume the obligation of expanding its own facilities at considerable cost to the taxpayers.

In conclusion, Mr. Chairman, I wish to say in the consideration of any and all amendments regarding interest rates or down payment, we must not overlook the fact that we want to sell these plants and we must not have amendments which will make their sale much more difficult.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield.

Mr. EVINS. What assurance do we have that the Commission will accept the highest bid? The bill says that they may receive bids and then negotiate for the sale.

Mr. CUNNINGHAM. That is correct.

Mr. EVINS. What assurance do we have that they will accept the highest bids?

Mr. CUNNINGHAM. Of course, we would have to depend on the integrity of the Commission. I think when they read the law and the hearings, they will understand they are supposed to take the highest bid. However, there is another explanation of that, and we now get into a question of small business which has not been brought up. Here is the advantage to the small-business man. It will increase the opportunity for the small-business man and make the sales by the Government easier. Any bidder can bid on more than one plant. He can bid on as many as 3, although he only intends to purchase 1, and afterward he can take his choice.

Mr. EVINS. So the Commission, if it deems it advisable to do so, may reject all bids?

Mr. CUNNINGHAM. No; the Commission will have to accept the bid of the highest bidder.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. CUNNINGHAM. I yield myself an additional minute.

The bidder may bid on more than one plant, and then he makes a selection, and if he is the highest bidder on the plant he selects he gets it. The Commission has to let him have it. Then the Commission is in a position to negotiate on the other plants, where there is another bid that may be accepted. This is one of the ways to establish the basis for a bid. I think it is one of the wisest provisions in the bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Iowa.

Mr. GROSS. Do I understand that it is mandatory these sales contracts come to the House for approval before they become effective?

Mr. CUNNINGHAM. The sale of all of the 28 plants must come here for approval in 1 block before the sale is completed.

Mr. DURHAM. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, I think I should make this observation about the work of this subcommittee, which I have had the pleasure of serving on all the way through.

First, I wish to say that I not only enjoyed it but I profited personally by it, through an accumulation of information which is very important to our country.

Secondly, I wish to say that our subcommittee chairman, Mr. SHAFER, of Michigan, has been most courteous and hard working and cooperative with every member of the committee.

It has not been mentioned yet that this subcommittee traveled to three States in our preliminary study of the problem referred to us and long before we began several days of open hearings. We traveled to Ohio, Louisiana, and Texas and we personally observed the physical condition of several of these plants which are concerned in this proposal. At each plant that we visited, we had the benefit of being able to sit down and ask questions of management, both large and small; questions pertinent to our investigation and study of this subject. That was of great benefit to the committee, because we were getting information right at the grassroots of the operation of these synthetic-rubber plants.

I wish to call the attention of the committee also to the fact that I have in my hand three committee bills that the subcommittee wrote: first, the bill of May 27, which was improved upon by the bill of June 15, and then finally the bill of June 17 which is the bill before us today. That, I think, is an indication of the fact that the subcommittee was diligent, in fact very diligent, in trying to arrive at some sound, fair basis to report to the whole House.

May I make it crystal clear, however, that because today I support this bill, I want it understood that nevertheless, if any report comes back from the Disposal Commission which I feel does not fully and in utmost good faith and strictly carry out the objectives stated by the President of the United States, and is also not in strict accordance with the fundamental requirements of this bill then I want the RECORD now to show that I intend to then vigorously oppose any sale that is void of these fundamental requirements. I shall oppose such sale proposal just as vigorously as I now support the bill.

First, I wish to say that all the objectives stated by the President of the United States are incorporated in this bill, and its plans and procedures. I wish also to call the attention of the committee to the fact that the President of the United States as Commander in Chief I think assumed his great responsibility, and one that he properly should assume, when he stated in his message to us recommending the disposal of these plants to private industry as follow:

> I am in hearty accord with the policy determination of the Congress that the security interests of the Nation will best be served by the development within the United States of a free, competitive, synthetic rubber industry, and I believe that now is the time to undertake plant disposal. * * *
>
> The Nation's security in its rubber supply is, of course, of paramount importance in any consideration of the disposal of these facilities. For such security, two things are essential; namely, an adequate stockpile of natural rubber and a healthy, progressive synthetic rubber industry. Our stockpiling objectives are adequate and have been virtually achieved and, from the economic and technological data available to me, I am confident that if the Government-owned synthetic rubber facilities are sold as recommended, competitive private industry will amply, efficiently, and economically, supply our synthetic rubber requirements.

The record will show that in the hearings I asked the representative of the Defense Department this question, reading from page 998, of Mr. Bates, and I may say it is not my distinguished colleague from Massachusetts [Mr. BATES], but a different Mr. Bates representing the Department of Defense:

> Mr. DOYLE. Mr. Chairman, may I ask the representative of the Department of Defense a question?
>
> Mr. SHAFER. Mr. DOYLE.
>
> Mr. DOYLE. As I see it, the burden is on your Department and the other departments interested and responsible for our national defense, to justify Congress in now being willing to sell these plants. Would you agree with me, that the burden is on the Department of Defense to justify the change in policy to Congress?
>
> Mr. BATES. I think certainly that the Department of Defense should be questioned on that subject, yes, sir.
>
> Mr. DOYLE. Well, I am stating to you I believe it is the burden of the Department of Defense to justify to Congress a change in policy, because our national security is involved.
>
> Mr. BATES. Yes, sir.

I approached my work on this subcommittee with a mind wide open, to ascertain what the facts were and then and not until then, to decide. I kept my mind wide open to receive the fullest factual information possible; as a member of a jury would, before I came to the conclusion which I now believe justified, which was that these 28 rubber plants should now be sold to private industry. And, of course, my thinking as to whether or not these plants should be so disposed of, and whether or not now is the time to do so was, naturally clarified a good deal by the communication to us by the President of the United States as Commander in Chief of our Army and Navy, as well as President of the United States; in his message to us of several weeks ago wherein he said, among other things, "That the security interest of the Nation will best be served by the development within the United States of a free competitive synthetic rubber industry, and I believe that now is the time to undertake plant disposal." On the point then of whether or not our national security and our national defense would be jeopardized or endangered or made insecure by reason of the disposal at this time of these Government-owned plants to private industry, we have the specific, clear as crystal declaration by our President, and also by the Department of Defense, of which he is the Commander in Chief.

If you will read the hearings, you will there find that several highly thought of, experienced, and patriotic American citizens likewise gave a like opinion in answer to this same question.

So, having such evidence before me on that first and most important point, I then proceeded to do my full part to see that any bill submitted by the committee was clearly and fully in line and accord with the other two requirements which are that the taxpayers of the United States should receive their full fair value, and that these synthetic rubber plants and facilities must only be sold on such terms as would guarantee their ready availability for the production of synthetic rubber in time of emergency.

May I say that, relating to the discussion a few minutes ago between the distinguished assistant minority leader from Massachusetts [Mr. MCCORMACK] and my committee colleague [Mr. CUNNINGHAM], that I am attracted to Mr. MCCORMACK's suggestion that the bill should be amended so as to provide that the interest on the unpaid balance on the purchase price mortgage should be not less than 3 percent instead of a fixed 3 percent fixed rate. We adopted the 3 percent fixed rate, believing that thereby so-called small concerns desiring to purchase competitively with the larger or major concerns, would, if successful, be thus enabled to keep more of their capital in operations, instead of paying in into higher interests rates on the mortgage. It was definitely thought this lower interest rate would aid and assist some business concerns in their bidding possibilities.

But I wish in that connection to say that if that is done, the offer of bids sent out by the Commission must certainly state the rate of interest which will be charged on the unpaid balance of the purchase price mortgages. I am now directing your attention to page 7, subdivision 6, of this bill, which deals with the relationship of the Attorney General to this whole program. In committee meetings I also raised the point that the Attorney General's office should be kept very, very close to the whole program from the very beginning. While the subdivision (g), on page 7 of the bill,

does not expressly so provide, it is clearly advisable that the Attorney General's office must begin at the beginning and follow clear through with the whole disposal program. I wish to state now that it is imperative that he be part of the disposal program and that the Attorney General's office be called in at the beginning and be kept as close as possible to the whole program.

The Attorney General is the determining person under the express terms of this bill, as to whether or not any proposed sale or disposition either tends to create or maintain a situation inconsistent with the antitrust laws. Section (g) on page 7 expressly provides that the Commission in no event less than 45 days prior to the completion of these negotiations shall consult with and obtain the advice of the Attorney General as to whether or not he can determine this fact from the data given him by the Commission to express a legal opinion thereon. And, of course, gentlemen, if the Attorney General does not have good and sufficient time to adequately and fully advise the Commission, then that is not beneficial to the ultimate result. Furthermore, even though the Commission by express provision, has authority to employ a professional staff, which I assume includes necessary attorneys, I also assume that the Commission will not, under any circumstances, look upon with favor or accept the advice of any of its own employed attorneys in these negotiations, on the point as to whether or not the proposed sale would create or maintain any situation inconsistent with the antitrust laws. In other words, my belief is that the Commission, almost from the very day it begins work needs and must depend upon the Attorney General in all such matters as possibly could later necessarily or properly be referred to him for legal guidance. I am frank to say as one Member of this great legislative body if the report of the disposal commission coming back to Congress for final decision does not clearly show that the Attorney General was thus relied upon and thus gives as clear-cut an opinion as possible, that the proposed disposal would not tend to create a monopoly or present a situation inconsistent with the antitrust laws, then I again reserve the right to vigorously oppose the approval of the disposal program, at that time. Clearly the attorneys employed by the Commission for whatever work shall be assigned to them by the Commission does not include, or the Commission allowing them to take the responsibility specifically given to the Attorney General of the United States by this bill. There must be no chance for conflict of opinion.

Furthermore, on page 15, subdivision 2, as one of the criteria which is required to be used by the Commission in arriving at its recommendations for disposal is as follows:

(2) That adequate provisions in the prospective contracts of sale will assure that no person, by purchasing a facility or facilities, will possess unreasonable control over the manufacture of synthetic rubber or its component materials.

And finally in this connection, I call your attention to the printed hearings before our committee beginning at page 1010 thereof setting forth a discussion I had with Hon. Judge Barnes, former distinguished jurist of Los Angeles County, Calif., recently selected as head of the Antitrust Division of the Department of Justice wherein I referred to testimony before our committee by Mr. Cravens, the Administrator of RFC. The discussion was in part as follows:

Mr. DOYLE. On yesterday, Judge Barnes, Mr. Cravens, the Administrator of RFC, on page 2 of his statement—I don't know as you have had the benefit of seeing it.

But what concerns me amongst other things in that connection is, as I stated yesterday: I hesitated to anticipate that the Antitrust Division, Department of Justice, might in any manner be asked to be allowed to be put in the position where it was giving a prior opinion previous to the consummation of a deal for the purchase of any plant whereby they would be asked to assure a prospective bidder or a bidder that they would not be prosecuted under the Antitrust Act.

Mr. BARNES. Well, very obviously, the Department, although I haven't had an opportunity to know of all of its policies, become familiar with all its policies, is very careful, very chary of giving any blanket endorsement, prior to the consummation of any act, that it will not constitute a violation of the antitrust law.

I think that it would be within the policy of the Antitrust Division of the Department of Justice to express an opinion as to an individual proposed sale without, of course, committing myself in any manner as to how the business were operated subsequent to the time of sale.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Iowa.

Mr. GROSS. Is it not true that in the disposition of the 22 plants previously disposed of the big companies or their subsidiaries got a large share of those plants?

Mr. DOYLE. I am not sure what the facts are in those cases because I am not familiar with the facts. But I will say that these plants must bring a fair return; they must bring a fair price or they must not be sold. I hope the RECORD will show that the attitude of the committee is that, unless the Commission is able to return a fair price by report to the United States Congress, these plants will not be disposed of.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DURHAM. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. DOYLE. Mr. Chairman, I take the position very firmly that this must not in any sense be a "giveaway" program. These plants are worth real money, they have real dollar value, nor is the dollar value of them on sale by the Government limited by the estimates made by the possible dollar return to this Government this date made in this debate. But they have more value, in my judgment, to private industry than they do to the Government at this time. Nevertheless, the Government has made over $16 million net profit in 1952. This shows in the RFC comparative statement of operations of these plants as set forth on page 19 of the committee's report in support of this bill. So it is not a money-losing proposition entirely so far as net return is concerned. But it is readily conceivable that in private ownership the tax income to the Government from these plants as private property would far exceed this net income. Unless the considerable volume of testimony before our committee develops to be diametrically opposite to the actual experience to be had, then I am satisfied from the testimony before our committee that there will be competitive bidding by big business and also some little business for these plants. May I say to the gentleman from Massachusetts, the distinguished assistant minority leader, in reply to his question about the identity of the so-called small companies interested in bidding, that if he will turn to page 5 of our committee report he will find there a list of the names of some comparatively small companies which frankly testified in public hearings that they expect to bid, if possible, to purchase some of these plants. They testified that they were actively joining their forces cooperatively as small concerns and that they are already actively creating their own legal organizations competent and able and well qualified to bid on some of these plants.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman has stated that he has visited a number of these plants in Texas, Ohio, and at other places. Does he think from a firsthand observation of these plants that they are deteriorating to the extent of $40 million in the last year?

Mr. DOYLE. If the gentleman will make allowance for the fact I am a lawyer and not an engineer or a chemist or a technician of any sort in the field of these industrial plants, then my judgment is nonexpert from what I personally observed, that there is great deterioration in these plants. Certainly some material portions of them are becoming obsolete and antique because of the rapid technological improvements and developments in the field of synthetic rubber. There is no question, in my judgment, further answering the gentleman's inquiry, but that if the Government continues to own these plants and operate them there must be many, many millions of dollars spent in improvements and modernization, and replacements even, of parts of these plants.

Mr. EVINS. The committee report indicates the total income from all operations of these facilities last year, 1952, was $416,558,169.

Mr. DOYLE. But that is the gross income.

Mr. EVINS. That is the income from all operations. The net operating expenses for all plants was $394,475,765, or a profit of more than $22 million. Included in that figure is a depreciation of $40 million.

Mr. DOYLE. I will say to the gentleman, first, that it is a matter of national policy involved.

I am one of those American citizens who is not afraid of my great Government being active in fields and areas of proper Government activities; and there are such areas from time to time. The

building and financing of these synthetic rubber plants, for instance, to protect our national security in the last war, is one of the concrete evidences of what I refer to. At the time of the said war, private industry did not wish to take the quick risk of investing its capital to build these necessary plants. So the American taxpayers, through our Government, said that "we will build the plant because we need that rubber for our national defense." Then private industry, already owning and possessing certain valuable processes and patents, came forward and patriotically pooled their patents for the benefit of national defense. Thus Government and private industry joined forces for national defense. Government has had the use of these privately owned patents, but they are still private property.

Another point, please, is that the Government of the United States now owns these synthetic rubber plants; but they are operated under contract by private industry, which is paid a reasonable sum for its services. It is by contract that the United States Government, as the operating owner of these plants, is furnished the "know how" and the scientific information.

My information is, that if these plants are now turned to private industry on some "fair and square" basis to the taxpayers and so as not to permit any trend toward monopoly, that then there will be greater advancement in the field of synthetic rubber than under Government operation. But illegal or greedy monopoly must never get a foothold in this industry so necessary to our national defense. I believe our bill protects that; provided, that the Department of Justice is so equipped as to enforce the antitrust law. I am opposed to excessive profits to anyone as a result of war. All America should sacrifice straight across the board when war comes. It should not make millionaries. Patriotic devotion calls for patriotic self-sacrifice.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. Directing attention to page 13 of this bill, section (f) thereof deals with the provision of "securing the advice of the Attorney General as to whether the proposed lease would tend to create or maintain a situation inconsistent with the antitrust laws, enter into contracts of lease" and so on. What I want to know is, if the Attorney General should determine that the lease in this instance is in violation of the antitrust laws, is the Commission then authorized to continue and execute the lease?

Mr. DOYLE. Certainly not. The Commission is not authorized, naturally, to approve any deal which the Attorney General says is or would be logically in violation of the antitrust laws.

Mr. ROGERS of Colorado. That is just exactly the reason I asked the question, because after reciting from line 3 down to the words "antitrust laws" on line 7, it reads "enter into contracts of lease for a period of not less than 1 year nor more than 3 years." Now it just asks his advice.

Mr. DOYLE. If you read other sections of the bill that I do not now have time to call your attention to, you will find the whole basis of the sale depends on the Attorney General of the United States giving a bona fide opinion to the Commission that none of the deals are in violation of the antitrust provisions. Certainly, unless the United States Attorney General so reports to the Commission and the Commmission reports this to us, the Congress is not going to approve the report of the Commission on this disposal.

Mr. ROGERS of Colorado. I thank the gentleman.

Mr. Chairman, I repeat that nothing in this disposal should be an attempt to give away anything. The taxpayers are legally and morally entitled to a fair and just price. If private industry does not want them at such price, then the bill expressly provides Government shall operate and own them another 2 years under the Rubber Act of 1948. Also, every bidder must come with clean hands. The bill provides a fair procedure to bidders. It is strict. But, why not?

Finally, the bill expressly provides that no Commission employee shall, for a period of 2 years after the disposal is consummated, be employed by any purchaser or subsidiary. This is a further plan to prevent collusion or fraud or favoritism.

If any ugly heads appear in this transaction opposed to the best interests of the American taxpayer and our national defense, I reserve the right to be one to join my colleagues in killing the proposal.

Mr. DURHAM. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Chairman, as a member of the committee which studied the synthetic rubber industry with respect to this legislation, may I say that I shall vote for this bill. I take this occasion to commend the distinguished chairman of the committee [Mr. SHAFER] on the manner in which the hearings were conducted. I do not think I have ever served on a committee where such exhaustive, careful study was given to a subject as was done in this case.

I think we all realize the great contribution free enterprise has made to the development of synthetic rubber in this country during the past 6 or 8 years. It has really been a phenomenal thing. It has been done by private enterprise in contract with the Federal Government in a number of the plants with which we are dealing in this legislation.

Of course, the Government has no business in any enterprise which can be and should be carried on by competitive, private enterprise. Therefore, the time has come, since all the experimental stages have been passed, when these industries should be sold to private concerns and then carried on under normal competitive methods under the traditional American system of private enterprise.

I know the committee has given great care and attention to an effort to protect the American taxpayers and protect the interests of the Government in getting all that can properly be obtained from the sale of these plants and at the same time protect against possible monopolies resulting from the sale.

I think all in all the bill has had the sort of attention that must be given to have good legislation. The bill, in my judgment, is fair and protects the Government's interests. It should be enacted and enable the Commission to proceed with the sale of all these facilities to private industry. Let us get the Government out of this business.

Mr. CUNNINGHAM. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I want to compliment the committee on the bill they have brought forward. I expect to vote for the bill.

I should like to obtain clarification of my understanding of sections 16 and 17 of the bill, which deal with the criteria the Commission shall use in arriving at its recommendations.

In my opinion, the success of this bill hinges on sections 16 and 17. They are by far the most important sections and will determine whether or not this is going to be a success.

It is my understanding, and I will direct these questions to both the ranking minority member and the acting chairman of this subcommittee, that the criteria set forth in sections 15 and 16 are very important, but are not controlling, and that they are to be used together with the criteria set forth in section 17 and, in addition, in certain instances they may be overridden by other criteria in section 17. Am I right on that?

Mr. CUNNINGHAM. The gentleman is correct in everything he has said up to the moment.

Mr. SPRINGER. Question 2: It is my understanding that the Commission in arriving at its recommendations for disposal will negotiate from the outset of the negotiation period not only with the highest bidder but with all the bidders for a particular facility.

Mr. CUNNINGHAM. They will deal with the highest bidder, all other things being equal.

Mr. SPRINGER. In other words, they will deal only with the highest bidder at the outset of these negotiations?

Mr. SHAFER. If the gentleman will yield, so long as it does not interfere with the competitive pattern being set up or be in violation of any antitrust act.

Mr. SPRINGER. Question 3: As long as it fits the criteria in sections 16 and 17 you are going to deal only with the highest bidder?

Mr. CUNNINGHAM. That is correct.

Mr. SPRINGER. In negotiating with bidders other than the highest bidder, the Disposal Commission shall negotiate with the other bidders on the basis of the highest bid that is submitted?

Mr. CUNNINGHAM. That is correct.

Mr. SPRINGER: Question 4: In such negotiations where you are negotiating with other than the highest bidder, the Commission may succeed in getting lower bidders to meet the highest bid, if it could be so negotiated.

Mr. CUNNINGHAM. The gentleman is right in that also.

Mr. SPRINGER. Question 5: In the event, however, that the Commission rec-

ommends a sale to other than the highest, then the Commission in its report to the Congress next time must make a full statement of why it has accepted any other bid than the highest bid?

Mr. CUNNINGHAM. The gentleman is exactly correct.

Mr. SPRINGER. Question 6: In other words, the Disposal Commission may accept bids and enter into contracts with other than the highest bidder?

Mr. CUNNINGHAM. That is correct.

Mr. SPRINGER. There is something that disturbs me a little bit in reading this section 17. Suppose you enter into negotiations with the Disposal Commission with 3 or 4 who have submitted bids. I understand from the hearings before the committee, the testimony was that there are at least several hundred rubber companies, large and small. Am I right on that?

Mr. CUNNINGHAM. The gentleman is right. There are 680 small and 20 classified as large.

Mr. SPRINGER. Question 7: I take it then that under this bill the Commission cannot negotiate with any company other than those who actually bid upon these particular plants, is that not correct?

Mr. CUNNINGHAM. Certainly, they have to bid in order to negotiate with the Disposal Commission.

Mr. SPRINGER. Have you considered any language similar to this: "In the event the Commission considers that those who have bid are not qualified, in accordance with sections 16 and 17, the Disposal Commission may negotiate with those who have submitted bids for other facilities."

Mr. CUNNINGHAM. We have not considered that because the committee did not think it was possible for such a contingency to arise.

Mr. SPRINGER. The Disposal Commission cannot consider negotiating with people who had not bid, but were actually qualified to do this work?

Mr. CUNNINGHAM. It would destroy the whole purpose of the bill and the objective of the committee, and the attempt to get rid of these plants and getting them into the hands of private industry under the proper conditions. Also, the testimony of the witnesses before the committee indicated that such a provision would not be necessary.

Mr. SPRINGER. In looking at this map, which is the Reconstruction Finance Corporation program for the disposal to private industry of Government-owned rubber-producing facilities of March 1, 1953, I notice these plants are considerably spread over the country.

Mr. CUNNINGHAM. We certainly hope so, and that they will be located where they now are. That is the only purpose of it—to keep rubber flowing through a diversification throughout the entire United States as part of our defense program.

Mr. SPRINGER. I have read the bill through, I believe. Is there any provision in the bill about their ability to produce rubber over a period of years in these plants?

Mr. CUNNINGHAM. That is the whole purpose of the bill.

Mr. SPRINGER. What is the period of time, sir?

Mr. CUNNINGHAM. Ten years.

Mr. SPRINGER. I will now yield to the gentleman from California, if he has a question.

Mr. DOYLE. I have no questions, the gentleman has answered them.

Mr. SPRINGER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. SPRINGER] has expired.

Mr. DAWSON of Utah. Mr. Chairman, I cannot contain myself any longer. It ill behooves any member of the party whose record in the executive branch is replete with instance after instance of downright theft of the taxpayers' money to attempt to brand this measure a giveaway.

I feel I have a particularly good example of the results of turning these Government plants over to private industry in my home State. The Defense Plant Administration constructed during World War II a modern steel plant at Geneva, Utah. After the war the question of what to do with the plant arose. I suppose many of the same arguments used against turning this plant back to private industry as are being made today were made at that time.

Let me tell Members of this Congress that if the Government had kept that plant I suspect it would still be idle. Bureaucrats still would be arguing as to which agency should be in charge of operating it. Politicians whose steelmaking wisdom is measured by their contribution to party coffers would still be vying among themselves for executive positions at the plant.

Fortunately, the "let the Government do it" arguments did not prevail. As a consequence, the Nation's steel output is increased by the efficient operation of one of the Nation's most modern mills operated by a company whose production know-how has helped make this Nation the greatest in the world. Instead of draining taxes from the pockets of our people, this plant now has more than 1,000 workers on its payroll; new schools have been built from the property taxes it pays our State; our institutions are supported by corporation- and sales-tax revenue it pays to our State.

And as an operation of private industry it expands to meet demands, not to satisfy politicians. Its payroll is an asset to the country, not a drain on the country's resources. The same arguments and advantages will accrue to the Nation from the private operation of synthetic rubber plants.

Mr. DURHAM. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act shall be known as the Rubber Producing Facilities Disposal Act of 1953.

SEC. 2. It is hereby determined that disposal of the Government-owned rubber-producing facilities pursuant to the provisions of this act is consistent with national security and will further effectuate the policy set forth in section 2 of the Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App. 1921), as amended, with respect to the development within the United States of a free, competitive, synthetic rubber industry.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask for this particular time to discuss the provision of this bill with reference to returning this matter to the Congress for a 30-day perusal of the plan proposed, and of the essential requirements of that proposed plan before the title to these plants is finally vested in the prospective purchaser.

I should say beforehand that I am supporting the bill. I voted for it in committee. I am a little doubtful as to the propriety of that particular provision, however. I am a little doubtful as to the efficacy of the provision, and whether or not it will do any good. I am a little afraid that that provision will raise false hopes in the minds of the people of the country, and perhaps of the Congress, that we really have an adequate and final check on the disposition of these plants that are worth multiplied millions of dollars.

Mr. Chairman, I do not think that provision does exactly that. I think the fundamental responsibility is going to be in the executive department of the Government to work out the proper plan and to work out the proper terms for the sale of these plants.

I do not think that by putting this provision in the bill you are going to bring the responsibility back to Congress. I do not think Congress is set up in such a way that it can assume that responsibility. It is not an executive agency. There is nothing in this particular paragraph of the bill that sets up facilities by which Congress, in that limited 30-day period, can check the plan presented to it after a year's study by this specially appointed Commission which, undoubtedly, will be familiar with the whole problem before the members are appointed.

Mr. Chairman, I go further and say this. If you will turn to page 16 of the bill, section 17, you will find the criteria which are going to be used by the Commission in arriving at its recommendations for the disposal of the plants.

I find, for instance, that No. 1 criterium is that the prospective purchaser "has technical competence necessary to operate a rubber-producing facility," and so forth. Of course, Congress is not going to be in a position in 30 days to check that.

Then, No. 2: that adequate provisions in the prospective contracts of sale will assure that no person by purchasing a facility or facilities will possess unreasonable control over the manufacture of synthetic rubber or its component materials.

Undoubtedly we have good, competent experts on our committee, and I am cooperating with them and giving them great praise. They will work 24 hours a day, if necessary, to meet a situation and dig into these proposed plans, or this proposed plan, if there is one plan submitted to the Congress. I do not think, even if they put in full time, that we can assume here in the House of Representatives that we are going to be able in 30 days to give the plan adequate check and to take the responsibility

which this section seems to impose on the Congress.

Then there is subsection 4, which puts on the Congress the burden of establishing that the fair value of this facility, or facilities, will be received by the Government.

This differs, Mr. Chairman, a great deal from the plan to reorganize the Government of the United States. That is all right. I go along with a program which says that the executive department shall reorganize a portion of the Government and submit the plan to the Congress, and if there is no objection in 30 days, then the plan goes into effect. But that is entirely different, Mr. Chairman, from the program to send to us a plan for the disposition of multiplied millions of dollars' worth of property and expect us to establish or, at least, to satisfy our own minds regarding the fair value of that property in a 30-day period. I do not think Congress can or is supposed to make that particular determination, and I do not think it can be done, even with the able experts that we have, being 4 in number, within the 30-day period.

Mr. CUNNINGHAM. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Louisiana. I yield.

Mr. CUNNINGHAM. That is exactly what the bill does; that is what the gentleman says—if no action is taken within 30 days, it becomes effective—and it is not several billions of dollars; the maximum of anything the committee anticipates would be about $300 million.

The gentleman from Louisiana, I am sure, has been a member of the Armed Services Committee much longer than the gentleman from Iowa, and the gentleman has plenty of confidence in that committee. The committee would look the report of the Commission over and make a recommendation to the House. We have a subcommittee now investigating all sales and purchases of the Armed Services of the country; every one is looked over carefully.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

(By unanimous consent, Mr. BROOKS of Louisiana was allowed to proceed for 5 additional minutes.)

Mr. BROOKS of Louisiana. My thought is merely this: As I say again, I do not think in this particular instance Congress has any right to assume or hold out to the country that we are going to be in a position to check over in 30 days plans approved by the executive department and submitted to us for approval as meeting the tests laid down on page 15 of the bill, section 17, all these criteria that are mentioned—I have not mentioned all of them; there is a fifth criterion, "that the national security will be strengthened by the sale of the facility or facilities to the purchaser." I think in that instance the Congress has a real genuine interest in checking up from the viewpoint of national security. But that is a far cry, in my judgment, from checking up the value of the plants—the dollars—whether or not a plant is worth $150 million or $50 million. Then there is subsection 6, that the "purchasers of the facilities will be capable of annually producing 500,000 long tons of general-purpose synthetic rubber." I daresay that, although the plan will be submitted to Congress and will give us assurance that not less than 500,000 long tons of general-purpose synthetic rubber will be produced under the plan, there is not a Member of Congress who would be able adequately to check on that in 30 days' time to give competent assurance to the people of the United States that that is the fact. In saying that I pay high tribute to the chairman and members of this subcommittee; I think they are hardworking, sincere, honest, conscientious, able people, but I question whether it is proper for the Congress to go along with this type of program and expect the people of the United States to think they were safeguarding their interests in a 30-day perusal of a plan of this size covering the disposition of such facilities to private individuals.

Are you not, in fact, holding out false hopes and false assurance to the people of the United States? I mention that question. As I say, I voted for the bill in the committee, but I question the wisdom of saying to the executive department: "You make a mistake; that is all right; Congress will backstop you and we will catch your mistakes and we will correct everything in a 30-day period of time." That is an executive function; it is not a legislative function. We are attempting to assume an executive function.

The Clerk read as follows:

SEC. 3. (a) There is hereby created a Rubber Producing Facilities Disposal Commission, hereafter referred to as the Commission, to be composed of three persons, to be appointed by the President. Members of the Commission shall be appointed from civilian life and shall receive compensation at the rate of $50 per diem for each day engaged in the business of the Commission, and shall be allowed transportation and a per diem of $9 while away from their homes or places of business pursuant to such business. No person who is employed in or receives a substantial part of his income from the rubber or petroleum industry, or in that part of the chemical industry which supplies, or is capable of supplying, feedstocks for the manufacture of synthetic rubber, shall serve as a Commissioner.

(b) It shall be the duty of the Commission to recommend to the Congress prospective purchasers of the Government-owned rubber-producing facilities. The Commission is authorized to enter into contracts for the sale of the facilities, which contracts, upon presentation of the report as provided in section 9 (a) of this act, shall be binding upon the Government and the prospective purchaser, subject only to the other provisions of this act. In order to arrive at the full fair value of each facility, the Commission is authorized to take bids on each facility, and thereafter negotiate for the sale of the facilities in a manner which will best effectuate the provisions of this act.

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. On page 2 there are 2 lines 23; there are 2 lines numbered 14; 2 lines numbered 24.

Mr. Chairman, I do not know at what line to offer my amendment. I ask unanimous consent that the line numbers on page 2 be properly renumbered and that I be permitted to offer my amendment at the proper place as the numbers are corrected.

The CHAIRMAN. The error was one made in the Printing Office.

Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 2, line 10, after the word "or", strike out the remainder of the line, and page 2, line 11, strike out the words "his income" and insert the following in lines 10 and 11: "receives no part of his income whatever."

Mr. GROSS. Mr. Chairman, if Members of the House have the bill in front of them, this amendment applies to line 23, the first line 23 on page 2, and strikes out the first 2 words of line 24, the first line 24 on page 2, and would make the sentence read as follows:

No person who is employed in or receives any income whatever from the rubber or petroleum industry, or in that part of the chemical industry which supplies, or is capable of supplying, feed stocks for the manufacture of synthetic rubber, shall serve as a Commissioner.

In other words, I strike out "a substantial part of his income."

What is substantial income? I do not know. Can some member of the committee define to me what substantial income means? No one seems to want to give me a definition. Not long ago a Secretary of Defense was told he could have no stock in any corporation doing business with the military as long as he served as Secretary of Defense. That was under a law passed by Congress, and the same mandatory provision should apply to this bill. A president of a motor corporation who could be appointed as one of the Commissioners under this bill might receive $200,000 or $300,000 a year in salary. He might also have an income of $25,000 a year in dividends from stocks in some rubber company or subsidiary which wanted to buy and did buy one of these plants. Would the $25,000 received in dividends be considered substantial or less than substantial income in relation to the $200,000 or $300,00 salary?

So I offer this amendment in all seriousness. I think anyone who becomes a Commissioner under this act should have no financial interest whatever in any rubber company or any subsidiary thereof.

I urge the adoption of the amendment.

Mr. CUNNINGHAM. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Iowa [Mr. GROSS] for the following reasons: The Commission is to be appointed by the President of the United States. I believe we have confidence in the President that he will appoint Commissioners who will not in any way be influenced by the relationship of these individuals with other business in connection with the proposition of these plants which are to be sold to the highest bidder. If we

restrict the bill as the amendment offered by the gentleman from Iowa [Mr. GROSS] would do, it would seriously cripple it, and, as has been pointed out already by others, we had this matter up for discussion in committee for hours. We could get scarcely anyone competent to handle this kind of work. He might own some shares or have some interest in industry. Such an amendment would make the impracticability of the bill certain.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CUNNINGHAM. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman is well aware of the fact that the President also appointed the Secretary of Defense.

Mr. CUNNINGHAM. Oh, yes, we all know that. We read that in the newspapers.

Mr. GROSS. The gentleman is also aware of the fact that the Secretary of Defense can hold no stock?

Mr. CUNNINGHAM. That is right; I recall that.

Mr. GROSS. Is that not true?

Mr. CUNNINGHAM. We are making the bill here impractical from the standpoint of accomplishing the purpose that the Congress intends when it adopts the gentleman's amendment.

Mr. GROSS. Will the gentleman say why it is impractical?

Mr. CUNNINGHAM. Yes. I just said so. You cannot get anyone with knowledge of the industry that the members of this Commission should have who does not have some minor interest and it would be unfair to ask them to comply with the gentleman's amendment. If we want to ruin the whole purpose of the bill, we should adopt the gentleman's amendment. Later in the bill there is a provision that no Commission member nor anyone employed by the Commission may accept employment with any purchaser for a period of 2 years from the date the sale is completed. I trust that answers the gentleman's question and will make his amendment unnecessary. Otherwise his amendment would be meritorious.

Mr. GROSS. That is no answer at all. The fact that no member of the Commission can accept employment with one of these companies for a period of 2 years is a good provision but it does not relate to the provision in the bill to which my amendment is directed, and the gentleman knows it.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Iowa [Mr. GROSS] and I would like to answer first the argument of the gentleman who says that this hinges on the confidence we have in the President and in his appointments. I have confidence in the President, but he cannot personally know the qualifications of everybody he appoints, and that certainly was brought clearly to light yesterday when he was forced into a humiliating position of having to withdraw the nominee of the head of the Bureau of Mines that had been recommended to him; a man, when he was examined in the Senate, admitted that he was getting a $5,000 pension from a mining company which was revocable, if you please, at their option; a man who said he was against the Federal Mine Safety law; a man who said that the reason miners are killed is because of their own carelessness, which is in direct conflict with the testimony of the head of the M. A. Hanna Mining Co., Secretary Humphrey's company, who said in testimony right here last year before a committee of this Congress that 95 percent of the people who are killed in the coal mining industry need not have been killed if the Government had followed the recommendation of the Bureau of Mines; further than that Mr. Lyons said that human life is very cheap. Now, he was a nominee, so you cannot say that the President did not get some bad advice there.

I want to say right in this connection that there has been in my mind a race between Secretary Weeks and Secretary McKay about who is going to be the biggest boob in this administration, and I think McKay is away out in front as the result of the nomination of this Lyons, and he forced the President to humiliate himself by having to withdraw the nomination.

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. The gentleman surely knows that Mr. Lyons, whom he was speaking about, was an employee of the New Deal administration for 29 months, and that question was never raised.

Mr. HAYS of Ohio. As far as I am concerned, that is one of the sorriest spots on the New Deal Administration. I am glad that some of the so-called New Deal Senators had the foresight to prevent the Eisenhower administration from keeping this fellow on the payroll. It was a mistake he was ever there in the first place.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 19, noes 49.

So the amendment was rejected.

The Clerk read as follows:

SEC. 4. The Commission shall, immediately following its appointment by the President, upon request, be furnished with all available information concerning the Government-owned rubber-producing facilities in the possession of any department, agency, officer, Government corporation, or instrumentality of the United States concerned with Government-owned rubber-producing facilities.

SEC. 5. The Commission shall proceed as promptly as practicable, conducting such hearings as may be necessary, with the disposal of the rubber-producing facilities in compliance with the provisions of this act.

SEC. 6. Without regard to the civil-service laws or the Classification Act of 1949, the Commission shall be authorized to employ clerical and stenographic assistance, and shall be further authorized to request and receive the assistance of any employee of any department, agency, officer, Government corporation or instrumentality of the United States concerned with the Government-owned rubber-producing facilities.

With the following committee amendment:

Page 3, line 15, strike out all of section 6 and insert the following:

"SEC. 6. (a) Without regard to the civil-service laws or the Classification Act of 1949, the Commission shall be authorized to employ professional, clerical, and stenographic assistance, and shall be further authorized to request and receive the assistance of any employee of any department, agency, officer, Government corporation, or instrumentality of the United States concerned with the Government-owned rubber-producing facilities: *Provided*, That rates of pay for personnel employed by the Commission shall be in accordance with the Classification Act of 1949.

"(b) No member of the Commission and no person employed by the Commission in connection with any matter involving the disposal of the Government-owned rubber-producing facilities, shall, during the period he is engaged in such employment, or for a period of 2 years after such employment shall cease, be employed in any capacity by any purchaser, or subsidiary thereof. Any person violating the provisions of this subsection shall be fined not more than $10,000 or imprisoned not more than 1 year, or both."

The committee amendment was agreed to.

Mr. SHAFER. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The remainder of the bill is as follows:

SEC. 7. (a) The Commission shall invite, upon adequate notice and advertisement, bids for the purchase of the Government-owned rubber-producing facilities, hereafter referred to as the facilities. The period for the receipt of bids shall be determined and publicly announced by the Commission, and in no event shall be less than 45 days, nor more than 90 days, after the first day for which bids have been advertised. All data concerning such facilities which in the judgment of the Commission may be reasonably required for the bona fide submission of a bid shall be furnished by the Commission upon request of the bidder.

(b) Bids shall be in writing, and shall contain, among other things—

(1) identification of the person in whose behalf the bid is submitted, including the business affiliations of such person;

(2) the facility or facilities which are proposed to be purchased, and the order of preference if more than one facility is proposed to be purchased, or the order of preference if bids are submitted on more than one facility, if only one facility is proposed to be purchased;

(3) the arrangements or plans, formal or informal, for the supply of feedstock to, and the disposition of the end products of, the respective facilities proposed to be purchased;

(4) the amount proposed to be paid for each of the facilities, and, if such amount is not to be paid in cash, then the principal terms of the financing arrangement proposed;

(5) and such other information as the Commission may request in the notice and advertisement for bids, including the terms, conditions, restrictions, and reservations contained in subsection (h).

(c) Should it become necessary to the effective prosecution of the disposal program, the Commission may, after the termination of the period for the entry of bids provided for in subsection (a) of this section disclose

the contents of the bids at such time, in such manner, and to such extent as it deems appropriate.

(d) Bids shall be accompanied by a deposit of cash or United States Government bonds equal to 10 percent of the gross bid, but not exceeding $500,000 for each facility. Except in the case of successful bidders, deposits made hereunder shall be refunded without interest and not later than upon the termination of the period for congressional review as provided in section 9 of this act. In the case of successful bidders, deposits made hereunder shall be applied, without interest, to the purchase price.

(e) Payment of the purchase price may be made in part by a first lien purchase-money mortgage, in an amount not to exceed 75 percent of the purchase price. The terms of any such mortgage obligation, to be determined by negotiation, shall provide among other things for a maturity of not more than 10 years, periodic amortization, and an interest rate of 3 percent per annum.

(f) Promptly after the termination of the period for the receipt of bids, pursuant to subsection (a) of this section, and for such period thereafter not to exceed 4 months as may be determined and publicly announced by the Commission, it shall negotiate with bidders for the purpose of entering into definitive contracts of sale which shall be binding and effective as to the Government and the bidders, subject only to the other provisions of this act: *Provided*, That the President may, upon a finding that further time for negotiation is desirable, extend such period for an additional period, not to exceed 90 days.

(g) In conducting these negotiations, the Commission shall, within a reasonable time, but in no event less than 45 days, prior to the completion of these negotiations, consult with and obtain the advice of the Attorney General whether, insofar as the Attorney General can determine, the proposed sales would tend to create or maintain a situation inconsistent with the antitrust laws. At any time during the negotiation period the Attorney General may request, and it shall be the duty of the Commission to furnish, such information concerning the prospective purchasers and the prospective contracts of sale as may be in the possession of the Commission.

(h) All contracts of sale and instruments in execution thereof shall contain a national-security clause having terms, conditions, restrictions, and reservations which will assure the prompt availability of the rubber-producing facilities for the production of synthetic rubber and the component materials thereof for a period of 10 years from the date of the contract.

(i) All contracts of sale shall become fully effective upon the expiration of the period for congressional review provided for in section 9 of this act, and the transfer of possession of all of the rubber-producing facilities to be sold shall be made as promptly as is practicable after the effective date, in accordance with the terms of the contracts, but in any event within a uniform, reasonable transfer period, but in no event beyond June 1, 1954.

(j) Upon termination of the transfer period, as provided in subsection (i) of this section, the department, agency, officer, Government corporation, or instrumentality of the United States designated from time to time by the President pursuant to subsection (a) of section 7 of Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App. 1921), as amended, shall make no further sales of synthetic rubber and its component materials except as otherwise provided in this act.

(k) Following the termination of the transfer period, the department, agency, officer, Government corporation, or instrumentality of the United States designated from time to time by the President pursuant to subsection (a) of section 7 of the Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App. 1921), as amended, shall offer for sale to prior consumers on a pro rata basis determined by previous purchases during calendar 1953, at the rate existing immediately prior to the termination of the transfer period, synthetic rubber held by such department, agency, officer, Government corporation, or instrumentality of the United States herein referred to. Synthetic rubber not disposed of at the end of 1 year following the termination of the transfer period shall be transferred to the Government stockpile, pursuant to the provisions of Public Law 520, 79th Congress, without cost. Component materials held by such department, agency, officer, Government corporation, or instrumentality of the United States herein referred to, shall be offered for sale to purchasers of the facilities on a bid basis.

SEC. 8. (a) Upon the termination of the transfer period the rubber-producing facilities which shall not have been sold shall be taken out of production and placed in adequate standby condition as promptly as practicable consistent with sound operating procedures. At any time after the termination of production, such facilities may be transferred without reimbursement or transfer of funds to the General Services Administration and administered in accordance with the provisions of sections 6, 7, and 8 of the National Industrial Reserve Act of 1948 (62 Stat. 1227, 50 U. S. C. 456-458), amended, or to such other agency as the President may designate for administration in such manner as he may direct, except that (1) no such facility shall thereafter be operated as a rubber-producing facility for the account of the Government except pursuant to further act of Congress; (2) no such facility, other than alcohol-butadiene facilities, shall be leased for operation as a rubber-producing facility at any time; and (3) no such facility shall be disposed of by sale within a period of 3 years from the termination of the transfer period, and in any subsequent sales, the Government agency acting under authority of this section shall within a reasonable time and in no event less than 45 days prior to the sale or sales secure the advice of the Attorney General as to whether the proposed sale would tend to create a situation inconsistent with the antitrust laws.

(b) Whenever any transfer to any Government agency is made pursuant to this section, all unexpended funds budgeted as provided in subsection (e) of section 9 for standby and maintenance in such condition shall also be transferred.

SEC. 9. (a) Not later than 30 days after the termination of the negotiating period provided in section 7 of this act, the Commission shall prepare and submit to the Congress a report setting forth—

(1) the steps taken to elicit bids and the bids which have been received;

(2) the principal terms of all sales contracted for and the Commission's recommendations in respect thereto;

(3) in the event that there may have been a financially more advantageous bid for any rubber-producing facility than the sale recommended, a statement of the reasons why such sale is nevertheless proposed;

(4) to the extent requested by the Attorney General the report shall transmit his advice concerning the sales which are proposed;

(5) the program to be followed to place in standby condition the rubber-producing facilities not sold;

(6) an inventory report concerning the Government's current stocks of synthetic rubber and its component materials;

(7) a program for the continuance, to the extent it deems necessary, during the fiscal year following the fiscal year in which the transfer period terminates, of the research program on synthetic rubber and its component materials then being carried on, by the department, agency, officer, Government corporation, or instrumentality of the United States designated from time to time by the President pursuant to subsection (a) of section 7 of the Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App. 1921), as amended.

(b) The report shall be submitted to both Houses of Congress on the same day. Upon the expiration of 30 days of continuous session of the Congress following the date upon which the report is submitted to it, the Commission shall proceed to carry out the contracts and proposals, as outlined in its report, unless the report is disapproved by either House of Congress by a resolution within the 30-day period.

(c) For the purposes of subsection (b) of this section—

(1) continuity of session shall be considered as broken only by an adjournment of the Congress sine die; but

(2) in the computation of the 30-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain.

(d) No rubber-producing facility shall be sold or leased except in accordance with this act, or in accordance with subsection 7 (d) (4) of the Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App. 1921), as amended.

(e) Such sums as may be required for the foregoing purposes may be provided out of the proceeds of disposal, and annual budgets for the expenses necessary for such purposes shall be submitted in accordance with the Government Corporation Control Act of 1945 (59 Stat. 597, 31 U. S. C. 841, as amended).

(f) Notwithstanding any other provisions of this act, the Commission may, subject to the provisions of this act, and after securing the advice of the Attorney General as to whether the proposed lease would tend to create or maintain a situation inconsistent with the antitrust laws, enter into contracts of lease for the alcohol-butadiene facilities for a period of not less than 1 year, nor more than 3 years: *Provided*, That any such contract shall contain among other things (1) a national-security clause, and (2) provisions for the recapture of such facilities by the Government and the termination of the lease, if the President determines that the national interest so requires.

SEC. 10. At the expiration of 1 year after the transfer period or as soon thereafter as the Congress is in session, the President shall report to the Congress concerning the Nation's rubber requirements and resources.

SEC. 11. The term "rubber-producing facilities" as used in this act shall not include the Government-owned evaluation laboratory at Akron, Ohio.

SEC. 12. All final net proceeds from disposal of the rubber-producing facilities shall be covered into the Treasury as miscellaneous receipts.

SEC. 13. The sales, leases, or other dispositions made prior to the enactment of this act, pursuant to subsection (b) of section 9 of the Rubber Act of 1948 (62 Stat. 101), as amended, shall not be affected by this act.

SEC. 14. If no report is submitted by the Commission, or if the report submitted by the Commission pursuant to section 9 of this act is disapproved by either House of the Congress, as provided in this act, then the Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App. 1921), as amended, shall be extended until March 31, 1956: *Provided*, That, notwithstanding the provisions of the foregoing section or section 22 of this act, if the Commission submits a report and it is not disapproved by the Congress, the Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App. 1921), as amended, shall terminate at the end of 30 days after the expiration of the period for congressional review as provided in subsection (b) of section (9) of this act.

SEC. 15. Thirty days following the receipt of bids, as provided in section 7 of this act, the Commission shall submit to the Congress a report stating the amount of funds expended by or obligated by the department,

agency, officer, Government corporation, or instrumentality of the United States designated from time to time by the President pursuant to subsection (a) of section 7 of the Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App. 1921), as amended, for the repair, replacement, or maintenance of each synthetic rubber-producing facility for which bids have been submitted. Thereafter reports shall be made monthly until such time as the Congress shall have approved or disapproved the disposal recommended by the Commission.

SEC. 16. In arriving at its recommendations for the disposal of the facilities, the Commission shall use, as the basis for negotiating the sale of each facility the highest bid submitted for each facility, if, in the opinion of the Commission, the high bid submitted was a bona fide bid and was submitted by a person competent to operate a rubber-producing facility: *Provided*, That the words "competent to operate a rubber-producing facility" shall not be interpreted so as to require prior experience in the operation of a rubber-producing facility.

SEC. 17. The following criteria among others shall be used by the Commission in arriving at its recommendations for disposal:

(1) That the prospective purchaser has the technical competence necessary to operate a rubber-producing facility, except that prior experience in operating a rubber-producing facility shall not be required as a basis for determining whether a prospective purchaser has the technical competence necessary to operate a rubber-producing facility.

(2) That adequate provisions in the prospective contracts of sale will assure that no person, by purchasing a facility or facilities, will possess unreasonable control over the manufacture of synthetic rubber or its component materials.

(3) That the prospective purchaser is acting in good faith, and actually intends to operate the facility or facilities for the purpose of manufacturing synthetic rubber or component materials for the manufacture of synthetic rubber.

(4) That fair value for the facility or facilities will be received by the Government.

(5) That national security will be strengthened by sale of the facility or facilities to the purchaser.

(6) That the purchasers of the facilities will be capable of annually producing not less than 500,000 long tons of general-purpose synthetic rubber, and its component materials, and not less than 43,000 long tons annually of butyl rubber.

SEC. 18. Unless otherwise provided in this act, the disposal of the Government-owned rubber-producing facilities shall be authorized notwithstanding the provisions of the Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App 1921), as amended.

SEC. 19. Unless otherwise provided in this act, all costs incurred by the Commission or any other department, agency, officer, Government corporation, or instrumentality of the United States pursuant to the provisions of this act shall, so long as synthetic rubber is produced for the account of the Government in the Government-owned rubber-producing facilities, be charged against the operating costs of the Government-owned synthetic rubber program, administered by the department, agency, officer, Goverment corporation, or instrumentality of the United States designated from time to time by the President pursuant to subsection (a) of section 7 of the Rubber Act of 1948 (62 Stat. 101, 50 U. S. C. App. 1921), as amended.

SEC. 20. The Commission shall cease to exist on June 30, 1954, but nothing contained herein shall be construed in any way so as to abrogate, modify, or adversely affect any contract of sale made for the purchase of the Government-owned rubber-producing facilities pursuant to this act.

SEC. 21. (a) The term "synthetic rubber" means any product of chemical synthesis similar in general properties and applications to natural rubber, and specifically capable of vulcanization, produced in the United States, not including reclaimed synthetic rubber.

(b) The term "general-purpose synthetic rubber" means a synthetic rubber of the butadiene-styrene type generally suitable for use in the manufacture of transportation items such as tires or camelback, as well as any other type of synthetic rubber equally or better suited for use in the manufacture of transportation items such as tires or camelback as determined from time to time by the President.

(c) The term "rubber-producing facilities" means facilities, in whole or in part, for the manufacture of synthetic rubber, and the component materials thereof, including, but not limited to, buildings and land in which or on which such facilities may be located and all machinery and utilities associated therewith.

(d) The term "component materials" means the material, raw, semifinished, and finished, necessary for the manufacture of synthetic rubber.

(e) The term "standby condition" means the condition in which rubber-producing facilities, in whole or in part, are placed if not sold or leased in accordance with this act, but are maintained so as to be readily available for the production of synthetic rubber or component materials.

(f) The term "person" means any individual, firm, copartnership, business trust, corporation, or any organized group of persons whether incorporated or not.

SEC. 22. Section 20 of the Synthetic Rubber Act of 1948 (60 Stat. 101, 50 U. S. C. App. 1921), as amended, is further amended as follows: In lieu of the date "March 31, 1954," insert the date "June 30, 1954."

With the following committee amendment:

Page 9, line 2, strike out "rate" and insert "price."

Mr. SHAFER. Mr. Chairman, that is just a technical amendment, to conform with some of the objections on the other side.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 18, line 20, strike out "Synthetic."

Mr. SHAFER. That is just a technical amendment, Mr. Chairman.

The committee amendment was agreed to.

Mr. SHAFER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAFER: Page 5, line 25, after "subsection (h)" strike out the period and insert a comma and the following: "and the interest rate to be charged on the purchase money mortgage referred to in subsection (e)."

Mr. SHAFER. Mr. Chairman, that is the amendment of the gentleman from Massachusetts [Mr. MCCORMACK]. That makes the interest rate not less than 3 percent. It gives the Commission the right and authority to establish the criteria so the bidders may know what the interest rate will be.

Mr. DURHAM. If the gentleman will yield, I am in agreement with the amendment. I believe it improves the bill. The minority is willing to accept it.

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

Mr. SHAFER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SHAFER: On page 6, line 22, after "rate", strike out "of 3 percent per annum" and insert in lieu thereof "to be determined by the Commission prior to the advertisement for bids, provided that such interest rate shall not be less than 3 percent per annum."

Mr. SHAFER. Mr. Chairman, this amendment is necessary to conform with the amendment which has just been adopted.

Mr. DURHAM. Mr. Chairman, we on the minority side accept this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. SHAFER].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HESELTON, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5728) to authorize the disposal of the Government-owned rubber-producing facilities, and for other purposes, pursuant to House Resolution 298, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. PATMAN. Mr. Speaker, I move to recommit the bill.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. PATMAN. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. PATMAN moves to recommit the bill, H. R. 5728, to the Committee on Armed Services.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. WIER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. HAYS of Ohio) there were—ayes 13, noes 84.

Mr. WIER. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER. Obviously, a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 58, nays 316, not voting 56, as follows:

[Roll No. 66]

YEAS—58

Addonizio	Gubser	Moss
Bailey	Hagen, Calif.	Multer
Barrett	Hart	O'Brien, Ill.
Buchanan	Hays, Ohio	O'Hara, Ill.
Byrd	Holifield	Patman
Byrne, Pa.	Howell	Perkins
Chudoff	Karsten, Mo.	Powell
Condon	Kee	Rhodes, Pa.
Crosser	Kelley, Pa.	Rodino
Dawson, Ill.	Kelly, P.	Rooney
Delaney	King, Calif.	Shelley
Dingell	Kirwan	Sheppard
Eberharter	Kluczynski	Sieminski
Evins	Lanham	Staggers
Feighan	Machrowicz	Sullivan
Forand	Madden	Wier
Garmatz	Marshall	Yorty
Gordon	Metcalf	Zablocki
Granahan	Miller, Kans.	
Gross	Mollohan	

NAYS—316

Abbitt	Clevenger	Hébert
Abernethy	Cole, Mo.	Heriong
Adair	Colmer	Heselton
Albert	Coon	Hess
Alexander	Cooper	Hiestand
Allen, Calif.	Corbett	Hill
Allen, Ill.	Cotton	Hillelson
Andersen, H. Carl	Cretella	Hillings
	Crumpacker	Himshaw
Andresen, August H.	Cunningham	Hoeven
	Curtis, Mass.	Hoffman, Mich.
Andrews	Curtis, Mo.	Holmes
Angell	Curtis, Nebr.	Holt
Arends	Dague	Horan
Ashmore	Davis, Ga.	Hosmer
Aspinall	Davis, Tenn.	Hruska
Auchincloss	Davis, Wis.	Hunter
Ayres	Dawson, Utah	Ikard
Baker	Deane	Jackson
Barden	Dempsey	James
Bates	Derounian	Jarman
Battle	Devereux	Jenkins
Beamer	D'Ewart	Jensen
Becker	Dodd	Johnson
Belcher	Donohue	Jonas, Ill.
Bender	Donovan	Jonas, N. C.
Bennett, Fla.	Dorn, N. Y.	Jones, Ala.
Bennett, Mich.	Dorn, S. C.	Jones, Mo.
Bentley	Dowdy	Jones, N. C.
Bentsen	Doyle	Kean
Berry	Durham	Kearney
Betts	Edmondson	Kearns
Bishop	Elliott	Keating
Boggs	Ellsworth	Kersten, Wis.
Boland	Engle	Kilburn
Bolling	Fallon	Kilday
Bolton, Frances P.	Fenton	King, Pa.
	Fernandez	Knox
Bolton, Oliver P.	Fino	Krueger
	Fisher	Laird
Bonin	Ford	Landrum
Bonner	Forrester	Lane
Bosch	Fountain	Latham
Bow	Frazier	LeCompte
Boykin	Frelinghuysen	Lesinski
Bramblett	Friedel	Long
Bray	Fulton	Lovre
Brooks, La.	Gary	Lyle
Brooks, Tex.	Gathings	McCarthy
Brown, Ga.	Gavin	McCormack
Brown, Ohio	Gentry	McCulloch
Brownson	George	McDonough
Broyhill	Golden	McGregor
Budge	Goodwin	McIntire
Burleson	Graham	McMillan
Byrnes, Wis.	Grant	Mack, Wash.
Camp	Gregory	Magnuson
Campbell	Gwinn	Mahon
Canfield	Hagen, Minn.	Maillard
Cannon	Haley	Martin, Iowa
Carlyle	Halleck	Matthews
Carnahan	Hand	Meader
Case	Harden	Merrill
Cederberg	Hardy	Merrow
Celler	Harris	Miller, Md.
Chelf	Harrison, Nebr.	Miller, Nebr.
Chenoweth	Harrison, Va.	Mills
Chiperfield	Harrison, Wyo.	Morano
Church	Harvey	Moulder
Ciardy	Hays, Ark.	Mumma
Murray	Roberts	Thompson, Mich.
Neal	Robeson, Va.	Thompson, Tex.
Nelson	Robsion, Ky.	Tollefson
Nicholson	Rogers, Colo.	Trimble
Norblad	Rogers, Fla.	Tuck
Norrell	Rogers, Mass.	Utt
Oakman	Rogers, Tex.	Van Pelt
O'Brien, Mich.	Sadlak	Van Zandt
O'Brien, N. Y.	St. George	Velde
O'Hara, Minn.	Saylor	Vinson
O'Neill	Schenck	Vorys
Osmers	Scherer	Vursell
Ostertag	Scott	Wainwright
Passman	Scrivner	Walter
Patten	Scudder	Wampler
Pelly	Seely-Brown	Warburton
Pfost	Selden	Watts
Pilcher	Shafer	Weichel
Pillion	Sheehan	Westland
Poage	Short	Wharton
Poff	Shuford	Wheeler
Preston	Sikes	Whitten
Price	Simpson, Ill.	Wickersham
Prouty	Simpson, Pa.	Widnall
Rabaut	Small	Williams, Miss.
Radwan	Smith, Kans.	Williams, N. Y.
Rains	Smith, Miss.	Willis
Ray	Smith, Va.	Wilson, Calif.
Reams	Smith, Wis.	Wilson, Ind.
Reece, Tenn.	Spence	Wilson, Tex.
Reed, Ill.	Springer	Winstead
Rees, Kans.	Stauffer	Withrow
Rhodes, Ariz.	Steed	Wolcott
Richards	Sutton	Wolverton
Riehlman	Taber	Young
Riley	Talle	Younger
Rivers	Thomas	

NOT VOTING—56

Blatnik	Heller	O'Konski
Buckley	Hoffman, Ill.	Patterson
Burdick	Holtzman	Philbin
Busbey	Hope	Phillips
Bush	Hyde	Polk
Carrigg	Javits	Priest
Chatham	Judd	Rayburn
Cole, N. Y.	Keogh	Reed, N. Y.
Cooley	Klein	Regan
Coudert	Lantaff	Roosevelt
Dies	Lucas	Secrest
Dollinger	McConnell	Stringfellow
Dolliver	McVey	Taylor
Dondero	Mack, Ill.	Teague
Fine	Mason	Thompson, La.
Fogarty	Miller, Calif.	Thornberry
Gamble	Miller, N. Y.	Wigglesworth
Green	Morgan	Yates
Hale	Morrison	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Blatnik for, with Mr. Taylor against.

Mr. Roosevelt for, with Mr. Coudert against.

Mr. Klein for, with Mr. Dondero against.

Mr. Dollinger for, with Mr. Carrigg against.

Mr. Green for, with Mr. Morrison against.

Mr. Buckley for, with Mr. Lantaff against.

Mr. Keogh for, with Mr. Dies against.

Mr. Heller for, with Mr. Cooley against.

Mr. Holtzman for, with Mr. Chatham against.

Mr. Fogarty for, with Mr. Javits against.

Mr. Morgan for, with Mr. Judd against.

Mr. Miller of California for, with Mr. Hyde against.

Mr. Fine for, with Mr. Priest against.

Mr. Yates for, with Mr. Philbin against.

Until further notice:

Mr. Busbey with Mr. Thompson of Louisiana.

Mr. Bush with Mr. Teague.

Mr. McVey with Mr. Polk.

Mr. Dolliver with Mr. Secrest.

Mr. Miller of New York with Mr. Mack of Illinois.

Mr. Keating with Mr. Lucas.

Mr. McConnell with Mr. Regan.

Mr. REAMS changed his vote from "yea" to "nay."

Mr. COLMER changed his vote from "yea" to "nay."

Mr. ADDONIZIO changed his vote from "nay" to "yea."

Mr. MULTER changed his vote from "nay" to "yea."

Mr. GEORGE changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

DIRECTOR OF DISTRICT CIVIL DEFENSE

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill H. R. 3425, an act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes," with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Page 8, line 10, strike out "Numbered" and insert "Number."

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

SUBCOMMITTEE OF COMMITTEE ON PUBLIC LANDS

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Public Lands may meet tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

WEARING OF UNIFORM OF ARMED FORCES BY PERSONS HONORABLY DISCHARGED

Mr. JOHNSON submitted a conference report and statement on the bill (S. 1550) to authorize the President to prescribe the occasions upon which the uniform of the Armed Forces may be worn by persons honorably discharged therefrom.

ESTABLISHMENT OF AN INVENTIVE CONTRIBUTIONS AWARDS BOARD

Mr. REED of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be discharged from the further consideration of the bill (H. R. 5889) to authorize the establishment of an Inventive Contributions

Awards Board within the Department of Defense, and for other purposes, and that the bill be rereferred to the Committee on the Judiciary.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

WHEAT MARKETING QUOTAS

Mr. ARENDS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 273 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5451) to amend the wheat-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ARENDS. Under the rule, Mr. Speaker, I grant 30 minutes to the gentleman from Massachusetts [Mr. McCORMACK]. I know of no objection to the adoption of this rule, and have no requests for time on this side.

I reserve the remainder of my time, Mr. Speaker.

Mr. McCORMACK. Mr. Speaker, I have no requests for time on this side, and I yield back the remainder of my time.

Mr. ARENDS. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5451, with Mr. MILLER of Nebraska in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is entitled to 30 minutes, and the gentleman from North Carolina [Mr. COOLEY] is entitled to 30 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I regret that the chairman of our committee [Mr. HOPE] was called away. He will be back shortly.

This bill simply sets into operation certain acreage allotment figures in connection with anticipated control over wheat production for the 1954 crop. It is not estimated that the supply of wheat on hand after this harvest of the 1953 crop will be approximately 1,700,000,000 bushels. This is far in excess of any amount of wheat that can be used in this country or exported during the next 12 months.

Under the Marketing Allotment Act which was passed in 1938, when certain supplies in wheat are reached in this country, automatic marketing control and acreage allotments go into operation. The amount anticipated to be on hand July 1 will be far in excess of the supplies that should be on hand to avoid acreage allotment and marketing control. Under the law the supply permitted to be planted and allocated would be around 55 million acres of wheat. The present wheat acreage for this year is around 77 million. This bill, which is introduced by the chairman and reported by the Committee on Agriculture, fixes the acreage that is to be allocated at 66 million for the 1954 crop.

Unless this bill is passed the acreage allotment under existing law will be 55 million, a drop of 22 million acres or more from the 77 million acres of wheat planted this year. It is felt this is too great a drop to secure cooperation under any allocation of wheat program.

The bill further provides for a minimum acreage that a farmer can plant without having penalties imposed upon him. The present law provides that a farmer may plant 15 acres or raise 200 bushels of wheat without having a penalty imposed upon him. The bill before us provides for 25 acres or 400 bushels of production without having penalty imposed upon him. I favor that particular provision because it takes care of the small farmers who of necessity are forced to change their farming plans. They want to raise wheat, and they can raise 25 acres of wheat or 400 bushels without having any penalty imposed upon them.

About 15 years ago I opposed crop control if marketing quotas are approved by the producers. I am still against crop control, but due to the program that has been in operation since 1938 necessity forces me to recognize that we have arrived at a situation where we must have some control as long as we have a price support program for wheat and other commodities.

It is estimated that we will have a good wheat crop this year in spite of the drought that exists in some sections of the country. We do not have the foreign market to which to ship our surpluses, although here a few days ago we gave 37 million bushels of wheat to Pakistan. That is just a drop in the bucket when you figure that our carryover will be close to 600 million on July 1, which is but a few days away, and that the farmers in certain areas of the country are getting ready to put in their winter wheat crop. Action must be had at this time if the new crop is to have an acreage base of 66 million acres instead of 55 million acres. I favor the 66 million figure. It is advisable to have that reduction in acres, which is about 11 million acres from this year's figure, otherwise we will pile up so much wheat in this country under the support program that there will be a huge surplus. Therefore, I urge the passage of this bill so that it can be put into operation for the 1954 wheat crop.

Mr. LOVRE. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from South Dakota.

Mr. LOVRE. Is it not a fact that this bill actually reduces the acreage planted to wheat approximately 15 percent, so that this bill is a reduction in wheat acreage rather than an increase?

Mr. AUGUST H. ANDRESEN. It is approximately that figure in acreage compared with what was planted to this year's crop. It reduces it around 11 million acres.

Mr. LOVRE. Is it not also a fact that for the past few years the average annual acreage planted to wheat was roughly in the neighborhood of 78 million acres and this brings that down to 66 million acres?

Mr. AUGUST H. ANDRESEN. That is correct.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. What will be the total wheat acreage under the allotment of 66 million acres?

Mr. AUGUST H. ANDRESEN. Of course, for the acreage that goes into a wheat crop we must have moisture and rain. If the drought of the Southwest extends up farther north it may be a blessing that we have a big surplus on hand to take care of the needs of the American people. Assuming that we have good crop-growing conditions it would bring the production down to approximately 900 million bushels for 1954.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. POAGE. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, I yield myself this time in order to express to the House the view of the minority on the committee which was to the effect that this bill is basically a sound, proper piece of legislation and one deserving of the support of the membership of the House.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Tennessee.

Mr. SUTTON. Was this bill recommended by the Secretary of Agriculture to the Committee on Agriculture?

Mr. POAGE. Frankly, I cannot say what the Secretary of Agriculture recommended, but I listened to the testimony of witnesses who discussed the bill before the committee and tried to make up my mind on the basis of what I thought was sound for the country without regard to what the Secretary of

Agriculture recommended. The testimony before the committee convinced me, as it obviously convinced other members of the committee, that we do need this type of legislation.

There is no question but what if we make the kind of cut that probably would be made in wheat acreage if we do not pass this bill, we would bring about a complete disaster in many of the wheat-growing sections of the country because it will result in a cut of more than 35 percent.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. As I recollect it, the Secretary recommended 62 million acres but had no objection to the 66 million acres.

Mr. POAGE. I believe the gentleman is correct.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Tennessee.

Mr. SUTTON. I realize the gentleman does not vote on legislation according to the way the Secretary of any particular agency requests that the legislation be brought about. It was approved by the Secretary of Agriculture which is the agency that has to administer this law.

Mr. POAGE. I think the gentleman from Minnesota is correct in saying that the Secretary recommended 62 million acres, but said that he had no objection if we made it 66 million. The committee did take the figure 66 million acres as the minimum acreage for wheat production in the United States.

I recognize some will say, "Well, you ought to bring the minimum acreage down low enough to bring your prospective production in line with your prospective consumption and not to build up any surplus." I think that is a good, sound basis, but when you go too far you have not only the question of what will happen to the farmers who are left without enough land to make a living, but you also have the problem of what are you going to do with the unused acreage. When you abandon or transfer out of wheat some 20 million acres, as we probably would without this legislation, the question immediately arises, Where does that 20 million acres go? In what crops can you put that 20 million? It is perfectly obvious if you are going to create that large a volume of unused acres, in attempting to solve one problem you will but create a new problem that is even more difficult. So it seems to me that the bill is helpful in that respect or, at least, highly desirable.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. For the purpose of clarification, this only applies to the coming year, due to the fact that we did have a large acreage last year, and we are trying to soften the jolt for another year and take another look.

Mr. POAGE. That is right. Last year we grew a lot of wheat because we thought we would need it; we had a big acreage because our national economy required it and we were planting it in the interest of the public. Now, it is sound to bring this acreage down, step by step. This bill will mean that next year the wheat acreage will not get quite as big a cut as it would otherwise. Next year it will allow a greater cut.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Is it not correct that whatever marketing quotas and acreage allotments go into operation, the farmers themselves, who are eligible to vote, will be given an opportunity to vote?

Mr. POAGE. That is right. Two-thirds of the farmers will have to vote in the affirmative before we will have any marketing quotas. I trust that quotas will get the two-thirds vote; that is a reasonable assumption. But quotas will not go into effect without a two-thirds vote of the farmers who are eligible.

This bill does another thing. It eliminates from control a large group of small producers. At the present time any producer who grows less than 15 acres or less than 200 bushels of wheat is eliminated from controls, and this bill would raise that exemption to 25 acres or 400 bushels of wheat. That means that the small producers of wheat, largely those in the eastern section who grow wheat somewhat as a side line, would not be subject to marketing quotas and, of course, would not participate in the program one way or the other. They will, of course, get the benefit of the program without making any sacrifice because, obviously, you cannot support the price of this grower's wheat and not raise the price of this man's wheat on the market. The market is fixed by the price at which you are supporting the great bulk of the crop. Therefore, the man whose price is not supported actually gains through the support of the market. At the same time no burden is placed on that small producer. We felt since there were so many of these small producers, and they grow such a small proportion of the wheat, that we could afford to do this.

In the case of cotton, where we have had some similar requests, we find a different situation because there we have a large part of the cotton crop grown by small producers. In the case of wheat only about 20 percent of the total wheat production is grown by these small producers.

Mr. LOVRE. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from South Dakota.

Mr. LOVRE. Is it not true that those small farmers who raise not to exceed 25 acres can also participate in the support program provided they do not plant beyond their allotment?

Mr. POAGE. That is correct. But, those small producers have no burdens placed on them by this bill. This bill does not interfere with them in the least, and I can see no reason for any of that group being in opposition to this bill.

Mr. LOVRE. They get the benefit of the support program.

Mr. POAGE. That is what I tried to make clear. They do get the benefit of the support program through the increased price in the market. I think this bill should be passed. It was the opinion of the minority members of the committee that the bill should be passed. I trust there will not be any serious objection to the bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. COON].

Mr. COON. Mr. Chairman, this law is needed by wheat farmers. Its purpose is to make it a little easier for the Department of Agriculture and the farmers to work under the Agricultural Adjustment Act of 1938. It is intended to prevent a sudden and drastic readjustment of production, which would be required under the provisions of the present law.

A good many Congressmen, and good many farm organizations, and a good many of the farmers and voters of the country would like to see a law go onto the books that would in many ways be different from the act of 1938. But this is the law that is on the books now, and this is the law we will have to work with until we have time to figure out a better one.

House bill 5451 sets up reserves in both the National and State allotments to allow for adjustments in wheat production. It raises the number of acres and bushels per farm that can be exempted from the program so that farmers who do not need supports and controls do not have to worry about them. It sets up a workable penalty that will give teeth to the controls; and it avoids a cut in production that would be too drastic the first year.

I believe this bill is needed and should be passed.

Mr. E. J. Bell, administrator of the Oregon Wheat Commission, testified at the hearings for this bill that it is essential for farmers to have full and complete information on a control program before they vote on marketing quotas. This vote must be held, under provisions of section 336 of the act of 1938, before July 25, 1953. The Department of Agriculture must prepare information and instructions and get it into the hands of all wheat growers in ample time for them to study it and decide how they want to vote in the referendum. Farmers will need to know whether or not they are eligible to vote, how much of an adjustment will be required of them, and what the effect will be upon their 1954 price-support program. It is necessary for the Department to know what action Congress is going to take on the proposed amendments before farmers can be furnished with the specific information they must have in order to vote intelligently.

For these reasons, immediate action on this bill is imperative.

The provision that 25 instead of 15 acres, and 400 instead of 200 bushels per farm can be exempt from the program, means that a little over 64 percent of the growers of wheat will be free from restrictions if they do not want to have them. According to the statement of the Department of Agriculture made at the hearings, a great majority of these small operators use wheat in crop rotation systems, and do not raise it as a cash crop. The Department states that

it feels that exempting these small producers would have no significant effect on the total quantity of wheat produced for market, but it would result in administrative economies and give greater freedom of choice to the small operator.

If that is what the Department believes, then I am in favor of taking the Department's recommendation. After all it is the Department of Agriculture that is going to have to run this program.

The Department of Agriculture also takes the position that sudden and violent changes in a farmer's acreage of wheat should be avoided, because they disrupt operations and cause noncompliance with the allotments. If the present law is enforced without amendment, farmers would be required to reduce production by 30 percent in 1 year. In any man's business it is usually wise to make changes gradually. I believe that 30 percent is too much to cut the producers of wheat in one year.

It is too soon now to try to pass a new stabilization law for wheat. Now is the time to make the old law work better. But it is not too soon to begin thinking about a better law. We need a program that will encourage a maximum of self-help for the farmers, and give a maximum of freedom to the market. We must study every proposal, not only from the viewpoint of the farmers but from the viewpoint of all the people.

The Oregon Wheat League was one of the first, and is one of the best organizations in the country working for wheat farmers. For some time the League has been urging the adoption of a two-price program for wheat. I would like to endorse the principle of this program. Under a two-price system, as I understand it, wheat for domestic human consumption would be assured of a parity price, but wheat for animal feed or foreign commerce would be left free to find its own price on a world market, and production would therefore follow the world price, without restriction by the Government of any kind.

Mr. Frank K. Woolley, of the American Farm Bureau Federation, made a very important point at the committee hearings the other day when he said:

> We should not lose sight of the fact that marketing is our real problem and anything else we do may be merely treating the symptoms and not the real disease. We can build up the carryover in the hands of the Government, but sooner or later we must come down to the basic proposition of marketing wheat.
>
> I believe this idea also is basic in setting up a future wheat program. In particular I feel we must work to develop foreign outlets for wheat.

To conclude, Mr. Chairman, I think it would be appropriate to quote the words of Mr. J. T. Sanders, the legislative counsel of the National Grange, who said at the hearings on this bill:

> We would prefer not to find it necessary to have to support improvements to a program of restriction, but since we find it necessary to live with such a law for the time being, we are certainly in favor of introducing the desired flexibility and adjustments which are carried in the currently considered law.

I urge that the Congress pass this law now, while giving thought to a program for the future that will give increased responsibility and freedom to the farmer, and also develop foreign markets as a means of selling our surplus wheat.

Mr. SUTTON. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Chairman, I am opposed to this bill because, in the first place, it is a stopgap measure which does not recognize any of the basic problems that face us in dealing with the agricultural situation. In the second place, it is a method to give the big wheat farmers of this country a chance to plant 11 million more acres of wheat and get $2.18½ a bushel for that wheat, if he puts it in storage at the expense of the taxpayers.

I heard a lot of arguments around here a couple of days ago on the Pakistan wheat bill about how wheat was running out of our ears. You have a program that is supposed to control such things. When you get an unmanageable surplus, we are supposed to have acreage allotments. If the acreage allotments are going into effect, some of the Wheat Belt want some relief—naturally, that is what they call it. I have seen articles in the magazines about the wheat farmers. They are not satisfied with two Cadillacs. They want to get three. I saw a picture of one fellow who was using a Cadillac for a truck to haul seed out to the field. Why wouldn't he, if he can get $2.18½ a bushel for all that he can raise. I want to show you why else it is bad. The farmers who produce meat and milk have to pay high prices for the feed which is made from wheat and corn and other grains that the farmer does not grow enough of. So you have the Government out there artificially keeping the price high and putting the grain in storage or giving it away to Pakistan or letting the weevils have it or what have you so that you have the price of milk and butter so high that the dairyman has to get a subsidy in the form of price support on butter. We have butter in storage spoiling. The whole thing is simply a vicious circle. If we are ever going to face up to it, now is the time to do it. Oh, yes, they say, let us put it off until we have time to study it. Well, this has become the studyingest administration in the history of the United States. They have not faced the problem yet—they just study it and put it over until next year. Next year they are going to study it some more and then put it off until the year after that. They say the Democrats made a lot of mistakes, and I heard a great deal in the campaign about this farm program being a terrific mistake. So the Republicans are going to adopt the mistake and nourish it and let it grow bigger. I happen to be a farmer. I happen to know a little of some of these problems, but how do some of these responsible farm organizations feel? I do not hold this as any reason why the House should vote one way or the other. I do not always vote the Farm Bureau's advice, but they are a responsible farm organization—one of the largest. I have a telegram here where they say that this seriously violates the fundamental principle of the farmers' responsibility for keeping supplies in line with demand. They further say that the passage of this bill in its present form has grave implications not readily apparent.

But they are apparent to me and I have tried to outline a few of them. The implications are that we are going to put a crutch under these wheat farmers this year, next year, and from now on. We are never going to get supplies back in line with demand. If they do not have a famine in Pakistan, then I do not know what we are going to do with the wheat, because even with a famine we cannot store all the surplus.

The Farm Bureau says it is against this. They are against the increase in exemption; they are against raising the minimum national allotment from 55 million to 66 million acres. In fact, they say, in view of the wheat supply situation, they believe that a national allotment above 60 million acres is economically unsound. And it certainly is.

Right now you have the Committee on Rules meeting upstairs—this very minute—figuring out ways and means to bypass the Committee on Ways and Means, and to bring in here a tax that every Member, practically, on the Republican side has called iniquitous. And why do we have to have that tax? Well, as I figure it, roughly it is going to take all the money that that tax will bring in for the next six months to pay for the extra wheat that this bill will cause to be grown.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. I yield the gentleman 2 additional minutes.

Mr. HAYS of Ohio. I am glad to yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to ask the gentleman what his solution is, if he has any to offer to the present wheat surplus problem. Before the gentleman answers, I would like to point out the fact that the committee has taken this matter under very careful consideration, and we believe that without legislation of this type we probably will not have any control over the production of wheat in the next year. And if we have no control, everybody will come to grief and the price of wheat will be demoralized; we will have even more wheat than we have now. Then just what will be our situation?

Mr. HAYS of Ohio. I will answer the gentleman's question by saying, in the first place, yes, I have a solution; and, secondly, by asking him a question: Does he have a solution for it?

Mr. COOLEY. This is the solution we have to offer.

Mr. HAYS of Ohio. And the gentleman will agree that this is certainly a stop-gap solution and an expensive one, will he not?

Mr. COOLEY. Oh, no; I do not agree with that.

Mr. HAYS of Ohio. It will not cost much?

Mr. COOLEY. I think it is a solution. I do not think it is a stop-gap solution. I think without the limitations provided

in this bill we probably will not have any control over wheat production in the next year.

Mr. HAYS of Ohio. The gentleman believes that, and the gentleman has a right to believe that, and he may be right; but it is quite a serious penalty to pay, if they do not decide voluntarily to have some control over it, because the support price goes away down if there is no acreage allotment—is that right?

Mr. COOLEY. That is right. But still that does not do away with the surplus.

Mr. HAYS of Ohio. No, that does not do away with the surplus. But the point that I am making is this: You have heard a lot from this administration, and I might say from some Democrats, that the farmers have got to assume some responsibility. The farmers must assume some responsibility for marketing their surplus and controlling their surplus. But you are inviting them to abandon that responsibility and go ahead and produce.

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I am somewhat surprised at the statements that have just been made by my distinguished friend from Ohio [Mr. HAYS]. Coming as they do from a man who usually shows good judgment and a very good knowledge of what he is talking about, I am convinced that he has not thoroughly studied this legislation. There are several matters with which this legislation deals, but there are two principal things that I want to mention—most of the others are matters of detail with reference to the making of allotments and that sort of thing—

These two principal points are: First, an increase for 1 year of the minimum acreage allotment from 55 million acres to 66 million; and, second, an increase in the acreage which may be produced on a wheat farm without being subject to quotas.

Under the present law, if your production of wheat is no more than 15 acres or 200 bushels you are not subject to marketing quotas, although you are subject to acreage allotments if you desire to secure the benefits of the price-support program. This bill increases the size of that acreage from 15 acres to 25, and this change permits about 250,000 additional wheat farms to be free from the application of marketing quotas. I think that is a very good thing from every standpoint. Primarily it is good because the farmer who produces less than 25 acres of wheat is not a big factor as far as the marketing and commercial production of wheat is concerned. He generally produces wheat as part of his crop rotation, he feeds some of it on his farm. He can hold it off the market if he does not like the price. The fact is there are about 1,200,000 out of the 1,900,000 farmers producing wheat who have less than 25 acres. The total amount they produce is only about 20 percent of all the wheat produced; in other words, if this bill is adopted, almost two-thirds of the wheat producers in this country will not be subject to marketing quotas. But that exemption will apply to only about 20 percent of the wheat production.

It will not materially interfere with the control program, and at the same time it makes the control program much easier to apply and administer, because about two-thirds of the wheat farms of the country will not be subject to supervision. At the same time any farmer who wants the benefits of the price support program will have to stay within the acreage allotment that is given the farm. The provision will be particularly beneficial to the farmers in States like Ohio, and other States east of the Mississippi River, because it will exclude a very large proportion of the wheat growers in those States from the marketing quota program.

The reason for selecting a minimum acreage of 66 million was not anything arbitrary; the figure was not just plucked out of the air, but it was felt by the committee after careful study of the situation that a reduction from the present acreage of over 77 million acres down to about 66 million was about as much as wheat farmers could take in 1 year. It may be necessary in a subsequent year to have further reductions, but we are up against this situation: If we make wheat farmers reduce more than 15 percent it is going to mean a radical change in their farming operations. Speaking directly to my friend from Ohio, who is a dairy farmer, and who I know does not feel that there should be any more competition in the dairy business, I would like to say that if we make a 25 or 30 percent reduction in wheat acreage this year and make it apply to the small farms as well as the large farms it is bound to result in an increase in dairy feed and in dairy production. There would be a shift of more than 20 million acres into other crops if we do not pass this legislation. I am sure we do not want to see a shift of more than 20 million acres of land into crops that would increase the dairy production of this country and thus create an even greater surplus of dairy products than we have at the present time. So there is no one who should be more anxious, it seems to me, to see this legislation adopted than the gentleman from Ohio, who is a dairy farmer.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Oklahoma.

Mr. ALBERT. May I ask the gentleman if it is not a fact that the Department of Agriculture at no time suggested even that the cutback go as far as would be absolutely necessary, if we went as far as 55 million acres.

Mr. HOPE. That is correct.

Mr. ALBERT. Did we not follow the suggestion that probably a 3 or 4 million acre cut farther than that recommended in the bill might be in order but in view of the fact it would require too sharp a reduction, they did not have any figure at which the committee arrived?

Mr. HOPE. That is correct. The statement made by Mr. Gordon, Administrator of the Production and Marketing Administration, was that if the committee felt that an acreage allotment of less than 66 million acres would be inconsistent with a policy of orderly adjustments the Department would interpose no objections to its inclusion in the law for 1 year.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. The gentleman mentioned the fact I did not want any more competition. I will pass that over by saying I do not mind competition. Will the gentleman tell me how you are going to get too much additional competition in the dairy industry right away? The gentleman knows as well as I do you just cannot go out and create cows. You can go out and buy somebody's cow somewhere, but if you buy that from a fellow then he is out of production. You do not snap your finger and create a cow. It takes 2 or 3 years to develop them.

Mr. HOPE. The gentleman is a dairyman, he is a good dairyman, and he knows that the matter of dairy production is a matter of feed.

Mr. HAYS of Ohio. Yes. There is another question I want to ask the gentleman.

Mr. HOPE. Let me finish my statement. This land that is going out of wheat production will go into something else. The easiest thing to put it into, and the one thing it will go into in most cases will be either grass, the legumes, or feed grains, which will produce more dairy feed and result in more dairy production.

Mr. HAYS of Ohio. Maybe lower prices, too, I hope. The gentleman has made an issue here of the small farmer. Just how is the small fellow going to be penalized? I see the report says it is going to throw his rotation out of gear. They use the figure of 28 acres of wheat. How many who are producing 28 acres of wheat ever avail themselves of price supports anyway?

Mr. HOPE. The Department of Agriculture tells me a very considerable number of them do, and that a very considerable number of them, even when the marketing-quota provision was down to 15 acres, still availed themselves of the price-support program. I am giving that as a statement made before the committee by Mr. Gordon, Administrator of the PMA.

Mr. HAYS of Ohio. Out in my area they do not as a general rule, because, as the report says, the wheat is consumed on the farm, so there is no use of going through all of that redtape. Is this not a prelude to what will come in sometime for peanuts, tobacco, and rice? Are we going to make any attempt to solve this problem, or are we going to extend and extend and extend?

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I yield myself 2 additional minutes in order to answer the gentleman's question, which is certainly a proper one and one that I will be glad to answer. The best answer to it is that we have had these programs in effect now since 1938, 15 years. We have not had this kind of legislation

coming in and the only occasion for it this year is the fact that we have an unusual situation in that farmers producing wheat have been requested by the Department of Agriculture for the last 3 or 4 years to reach certain rather high goals. I am not criticizing anybody, because farmers were urged to plant up to certain goals. We had a war on. We had certain obligations that we were attempting to carry out under the International Wheat Agreement, and we have been using wheat to a certain extent, as part of our foreign policy in this country. It was felt by the Department of Agriculture that we should keep our acreage and our production up to a point where we would not be caught with a carryover which was too small for these purposes. It happened that last year we produced the second largest wheat crop we have had in our history, and this year we will produce a larger than average wheat crop. The Korean war and inflation have ceased to be a factor insofar as farm exports are concerned, and the result is that partly because of the efforts of farmers to reach the goals requested by the Secretary of Agriculture, we find ourselves with a supply of wheat at this time which, if we apply the formula in the law, would result in a cut in wheat acreage so severe as to seriously effect our entire agricultural production. It is not the wheat farmer alone who would suffer from this; it is going to be the dairy farmer and the producers of all other agricultural commodities, because if you have a 25-million or 30-million acre reduction in wheat that acreage will go into something else. It was felt by our committee that under all the circumstances and taking into consideration the entire picture of agriculture in this country, that the soundest thing and the safest thing that we could do would be to limit this reduction this year to approximately 15 percent, by providing for a minimum acreage allotment of 66 million acres.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Does the gentleman have any plan in mind? If this surplus keeps on, what are we going to do with it? We have been bailed out by two wars now and we hope we will not be bailed out by another one, and if we are not, we are going to have to do something about it. We cannot go on producing at this rate.

Mr. HOPE. The gentleman has asked a good question tand I have not time to develop it right now, except to say I am in favor personally, and I think there is a growing sentiment in this country, for a two-price system as far as wheat is concerned: A price-support program based on parity for that part we consume domestically as human food and then letting the remainder go into the export market at the world price.

Mr. HAYS of Ohio. Now I think the gentleman is getting somewhere. We ought to be doing that right now.

Mr. HOPE. We cannot do it all in one jump.

Mr. HAYS of Ohio. I realize that.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SUTTON. Mr. Chairman, I yield 5 minutes to the gentleman from Kansas [Mr. MILLER].

Mr. MILLER of Kansas. Mr. Chairman, I can speak somewhat from experience. I am sorry I have only 5 minutes' time, because I have had more than 5 minutes' experience on this issue.

My memory goes back to the time when there was no farm program. The gentleman from Ohio seems to be very anxious that we do away with this problem altogether; that it is the easiest thing in the world just to abandon it and go back to the condition that existed before there was any farm program. It has not been too long ago, in the early campaigns, that I heard that very thing advocated.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Kansas. I yield.

Mr. HAYS of Ohio. I do not want the gentleman to put words in my mouth. I did not advocate the abandonment of the farm program.

Mr. MILLER of Kansas. Pardon me if I misquoted the gentleman. I understood, at least from what he said, that he wanted this problem solved, and I was going to say that is the way to solve it, and that is the only way to solve it, just to abandon the program.

I can remember when I hauled wheat off to the market at 28 cents a bushel, and I have seen the best corn that was ever grown sell for 8 cents a bushel at public sale.

I converted a lot of wheat and corn into hogs. I saw hogs get so cheap they got down to $1.75 a hundred, and you could make about 100 percent profit feeding your corn into hogs, but you had to have a thousand hogs to make any money, and I never could raise a thousand hogs. So we got into a vicious circle. The cheaper the wheat the more hogs you had to raise, and the more hogs you raised the cheaper the hogs, and there you were.

You remember the International Harvester Co., and Alexander Legee, chairman of the board of the International Harvester Co. Some of you men are old enough to remember when he was going to tell us farmers how to solve this problem. He was employed by the Government. It was in a Republican administration, I believe. He went down South and told the cotton farmers to plow up a percentage of their cotton. He told us corn farmers to plow up a part of our corn, and he said the same to us wheat farmers. He told us to raise fewer hogs and cattle. But we had no program. We did not have any board of directors of 6 or 8 or 10 men to go out and say, "Do this," and it would be done. When you are going to regulate the actions of 10 or 15 million farmers it has to be done through the agency of the Government, and that is what we are trying to do here today.

I am very happy to find out that the people on the left, as good friends of mine, I believe, as the people on the right, have come to realize that now, since the shoe is on the other foot, this farm program is not to be thrown overboard—it is just simply to be carried on in the best way possible.

I have read this bill very carefully. I know it provides for a reduction of something like 10 or 15 million acres below what we grew last year. Some ask why it provides for the seeding of 66 million acres greater rather than the minimum of 55 million.

The reason is this: A prime factor in the growing of the wheat is the weather. We farmers cannot regulate our weather. Wonderful to relate, I suppose you people who come from the cities and the towns can do that, or maybe it does not make any difference, but, with us, we watch the weather from day to day. We might plant 66 million acres of wheat this fall, and we might have a very short crop next year. That is in the hands of another power. That is why it is much safer to advocate the planting of a few more acres than we might need than to have a few less. It is better to err on the side of too much than it is too little.

In answer to the question as to how we are going to solve this problem, if we just carry on as we are doing—and nobody is hurt too much—if we just carry it on a few years, these young men and women who are producing all these babies—3 millions, is it, every year?—will solve the problem. This problem is going to reverse itself before we know it.

To be sure, we may need marketing quotas. Why not, with the assistance of the National Government, regulate our production as other industries regulate their production to meet the probable demand. We cannot regulate the weather, to be sure, but we can make estimates based on the history of the past. We have done it before, and it worked. We can do it again. That is just what this bill proposes—that the farmers be given an opportunity to vote on the question whether or not they want market quotas.

Now, I wish to go into one other matter that has been brought up here today. That is in regard to the so-called subsidizing of farmers. Call it price-support subsidy, if you want to, but I will tell the Members of Congress this, and more especially those representing other lines of business, this price support means just as much to the manufacturer, the wage earner, the service people, yes, and the white-collar people, too, as it does to the farmer.

Take away that agricultural price support and see what will happen. Who will buy all your output of tractors, automobiles, trucks, farm machinery, your cotton and woolen goods? The farmer is by far the heaviest consumer of goods in this country. Lay a burden upon the back of the farmer and you hang a heavier burden upon every occupation in the Nation.

We simply must continue the program of parity for agriculture, which, after all, means nothing more than equal justice.

While I am on the subject, I take this opportunity to remind the Members of this Congress that the farmer is not alone in receiving benefits at the hand of the Federal Government—a benefit in which all join and to which all, including the farmer himself, contribute.

Let me ask you: How about subsidies to airlines? How about subsidies to shipping lines? How about protective tariff that the farmer paid for a hundred years on many articles and still pays? And, lest I forget, how about subsidies to banks? What is the difference between pegging the price of corn and wheat and pegging the price of Goveriment bonds? Mr. Chairman, this is one of the most important bills to come before the House. I cannot think of one more important to all the people unless it would be a kindred bill providing a program to save the soil, to produce the crops, to feed the people.

Mr. COOLEY. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman, I hardly anticipated that any opposition would be heard in connection with this pending measure, and I am somewhat surprised that the only opposition thus far has come from the Democratic side. I do not think that the opposition is very logical or reasonable.

I think those of us who have studied this problem through the years realize that unless we furnish the machinery which enables farmers to keep production in line with reasonable consumer demand we always come to grief, prices are demoralized, farm purchasing power is destroyed, and the impact on the Nation is always very severe.

No one questions the fact that we now have a tremendous surplus of wheat on hand, and no one familiar with the situation can fail to know that unless we enable the farmers to exercise control over next year's production we will in the absence of some national tragedy have even larger production than we have ever had before, because our farmers have been schooled in the techniques of intensified production.

Our farmers have mechanized and the per unit yields have tremendously increased year after year. This legislation is not stopgap legislation even though it may be regarded by some as stopgap legislation. Actually, but for the passage of this law, which raises the minimum in a reasonable way, the indications are that the farmers probably would reject wheat quotas outright. That means they would not have the benefit of the high price support program. It means we would have a tremendous surplus, and we would find ourselves again with a surplus of wheat in a hungry world. There would be other great demands upon us to give away the products of our farms at the cost of the taxpayers of the Nation. This is a reasonable adjustment in the production of wheat. It is an adjustment which will not adversely affect small wheat farmers. As has been pointed out by my distinguished colleague from Kansas, the chairman of our committee [Mr. HOPE], the reduction would be brought about in that part of the country where wheat production has been mechanized and commercialized and the reduction will be made by the large farmers and not by the little, noncommercial farmers who produce less than 25 acres of wheat. By increasing the minimum from 15 acres to 25 acres, we eliminate a great deal of the administrative costs which necessarily would be involved.

Time is of the essence at the moment because, if you will notice the report, the Secretary on July 1, which is next Wednesday, issues his proclamation. On July 15, he must announce the acreage allotments and marketing quotas, and on July 24, he must conduct a referendum. This legislation should be passed without opposition, and its passage in the other body should be expedited. It should be signed by the President so that the present Secretary of Agriculture will know just what the Congress wants to be done before July 15 rolls around and he announces the quotas. If, after he announces the quotas, it is necessary for him to change his order in accordance with the provisions of this act, then other expenses will be incurred. I think that this legislation should be adopted, and I think these provisions are in all respects reasonable. Perhaps the law would have been changed long ago, but for the fact that we have had no necessity for a control program on the production of wheat in the past 12 years, but all of us know something about the blessings and benefits of these adjustment programs, and I think the producers of basic agricultural commodities know something of the blessings and benefits of this program, and they are willing to bear some of the burdens of the program. I do not believe that unlimited production is in the interest of the consumer any more than it is in the interest of the producer.

What happens if this bill is not passed? July 1 comes next Wednesday, and the Secretary issues the proclamation. July 15 comes around and he issues the acreage allotments and marketing quotas. July 24 comes around and the farmers are unwilling to approve quotas which result in such a drastic reduction, and in such a drastic change in the pattern of their farming and quotas are repudiated in the referendum on July 24. Then the wheat farmers of the Nation are at the mercy of the merchants. Their only support program will be 52 percent of parity. So it means that the little farmer is the one who will suffer most of all because he is not in a position to produce a great volume, whereas the mechanized farmer in the great wheat area who has mechanized his farm would increase his planting in an effort to grow a great volume so as to minimize his loss. So in the ultimate end the little wheat farmer would be the one that would bear the burden.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. MARSHALL. Does the gentleman have any information that would give the House any assurance that the present administration and the Department of Agriculture will present the facts to the farmers so that they can act intelligently upon the referendum when they are called to vote upon it?

Mr. COOLEY. I have every reason to believe that the present Secretary of Agriculture would present the facts. I have every reason to beleve that the Members of Congress from the wheat-growing areas will see to it that accurate information is furnished to the wheat farmers of their districts.

Mr. MARSHALL. I would agree with the distinguished gentleman, and I would also hope that that would be true. But it seems to me that the present Department is a little slow in getting out information, and the farmers will be called upon to vote upon this within a month. And this is a highly important matter. It does mean that they must have the facts in order to vote intelligently upon something that means so much to them and their welfare.

Mr. COOLEY. The gentleman emphasizes my very first point, and that is that we should pass this legislation as expeditiously as possible.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I might advise my colleague from Minnesota [Mr. MARSHALL] that it is the same officials who are administering this as have been handling it during the past 10 years.

Mr. COOLEY. The gentleman means that this is one change that Republicans have not made?

Mr. AUGUST H. ANDRESEN. No. We have not make any changes down there except at the top. But Mr. Walker and some of the others down there have been runnnig this control program for many years.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. It seems to me that the gentleman said that the small wheat farmer is the one who would suffer from not putting this into effect. Do you suppose, when you reduce the purchasing power of the farmers of the United States nobody else is going to suffer?

Mr. COOLEY. No. I was making a comparison between the commercial, mechanized farm and the farm of the small man who cultivates less than 25 acres. The man with great machines and large fields can produce more economically and he can produce in greater volume and he can sell at a lower price than can the man who cannot mechanize his farm and make up in volume what he loses in value.

Mr. McCARTHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. McCARTHY. I want to point out, on the basis of what the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has said, it may be that the present administration is fulfilling one of their campaign promises, that they were going to use the best brains in the United States in order to carry out their program.

Mr. COOLEY. The gentleman means by keeping those who were in charge of the program last year?

Mr. McCARTHY. That appears to be the case. They are still running on Democratic brains.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman know how much wheat the United States expects to buy from Canada this year to pile on our surplus so that we can continue to help the Canadians balance their budget and reduce taxes?

Mr. COOLEY. No. The gentleman might refer that to the Department of Agriculture. We are not in control down there at the present time. Certainly Democrats cannot be charged with any unholy things which might hereafter occur. If wheat comes in from Canada please do not complain to us—take it up with your own bureaucrats and see what you can do about it.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Chairman, I am happy to announce to the House that the President of the United States about an hour ago signed the bill providing a grant of 1 million long tons of wheat for Pakistan; and that the first shipload will leave for Pakistan tomorrow from Baltimore. I want to pay tribute to the Committee on Agriculture of this House for its expeditiousness and success in handling this Foreign Affairs bill. This project took form only a little over a month ago when several of us returned from a visit to Pakistan, and the job is already done and the wheat is on its way.

Mr. COOLEY. On behalf of the Democrats on that committee, I accept the gentleman's compliment and good wishes, and I want to say that I think the gentleman from Minnesota [Mr. JUDD] is just about the best ambassador that Pakistan has ever had.

Mr. JUDD. I judge from the vote of more than 4 to 1 for the bill, that a great many Members of both parties, particularly those in the belt that grows wheat, were in favor of having this piece of legislation on the books.

I really rose to state for the record that because the chairman of the committee, the gentleman from Kansas [Mr. HOPE], the gentleman from North Carolina [Mr. COOLEY], the gentleman from New York [Mr. JAVITS], and myself were down at the signing, we were obliged to miss the rollcall on the motion to recommit the bill H. R. 5728, authorizing disposal of rubber-producting plants.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield for a question?

Mr. HOPE. Mr. Chairman, I yield myself 2 minutes for the purpose of yielding to the gentleman from Oklahoma.

Mr. WICKERSHAM. I know some Members are fearful about having too much wheat. I should like to call attention to the fact that this is the year of the 17-year locusts which is usually accompanied by a 7-year drought. We have a terrific drought in many sections of the country, and the Republicans are in control. There is an old saying down my way that whenever the Republicans are in control we are always unfortunate in that we have some national disaster. We have the drought now. I doubt very seriously, considering the rapid increase in population and the condition of starving people in many lands; the possibility of export, that we are going to have too much surplus of wheat. May I further remind you of the old Biblical story that when you have 7 years of plenty it is usually followed by 7 years of drought. So do not get too worried about a tremendous surplus.

I believe that the committee should consider the possibility of swapping of cotton and wheat allotments at the country level in the areas where the Cotton and Wheat Belts overlap, including Oklahoma and the Plains States.

Mr. AUGUST H. ANDRESEN. If the gentleman will yield, we hope we will not have any wars in the Republican administration. I hope we can effectively settle the peace we would like to have.

Mr. HOPE. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Chairman, I propose to support this legislation as a solution of the surplus-wheat problem. I represent a huge wheat-producing area in eastern Montana. We are large commercial growers; we recognize this surplus situation in wheat and understand that it has to be met, and I believe this committee has met it in the most equitable way possible. I am sure the farmers of my area will support this solution in the hope that it will solve the problem and make it possible to receive the benefits that will accrue because of the carrying out of the present wheat program. The proposal makes possible the reduction in wheat acreage for next year from 78 million acres to 66 million acres, or 15 percent. The measure is not applicable to the small grower of 25 acres or less or one who grows less than 400 bushels.

I believe the measure is necessary to meet surplus-wheat production in this country if we are to continue to have the benefits of the wheat program.

The CHAIRMAN. All time for debate has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 301 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) By striking out in paragraph (8) the language "during the 10 calendar years in the case of wheat, and during the 5 calendar years in the case of cotton," and inserting in lieu thereof the language "during the 5 calendar years"; and by deleting the language "and, in the case of wheat, but not in the case of cotton, for trends in yields."

(b) By striking out in paragraph (13) (A) the language "per acre of corn or wheat" and inserting in lieu thereof the language "per acre of the commodity"; by inserting in the first sentence immediately after the language "10 calendar years" the language "in the case of corn, and 5 calendar years in the case of wheat,"; by inserting in the first sentence immediately after the language "weather conditions and" the language "in the case of corn, but not in the case of wheat, for"; by striking out in the second sentence the language "10 calendar years" and inserting in lieu thereof the language "10 or 5 calendar years, as the case may be,"; and by striking out in the second sentence the language "10 years" and inserting in lieu thereof the language "10 or 5 years."

(c) By striking out in paragraph (13) (E) the language "and wheat, but not in the case of cotton or peanuts" and inserting in lieu thereof the language ", but not in the case of cotton, wheat, or peanuts;" and striking out the language "and wheat, and 5-calendar years in the case of cotton or peanuts" and inserting in lieu thereof the language "and 5 calendar years in the case of cotton, wheat, or peanuts."

With the following committee amendment:

Page 1, line 3, after the word "that", strike out all the rest of section 1.

The committee amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have no intention of taking 5 minutes, but in connection with the remarks of the gentleman from Minnesota [Mr. JUDD] a few minutes ago, and the business of giving $100,000,000 worth of wheat to Pakistan, I would call to your mind that 3 years ago today, Washington time, the war in Korea got under way. I telephoned the Defense Department today and ascertained that their latest figures show 146,708 American casualties in Truman's Korean police action, with 24,338 Americans dead. I hope that as a result of this wheat now going to Pakistan the gentleman from Minnesota, being the great Ambassador to Pakistan that he is reputed to be, can somehow induce the Pakistan Government to send at least a few combat soldiers to Korea to give us a little assistance. They have sent not a single one thus far as this war goes into the fourth year.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I ask unanimous consent to speak out of order on Reorganization Plan No. 6, to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

REORGANIZATION PLAN NO. 6 OF 1953

Mr. HOFFMAN of Michigan. Mr. Chairman, tomorrow before the House for consideration will come the President's Reorganization Plan No. 6 of 1953. The purpose of this plan is to reorganize the Department of Defense.

While there are several comparatively minor objections to the plan, the main objection is based on the provisions of subsections (c) and (d) of section 1.

These two sections provide that the Chairman of the Joint Chiefs of Staff shall have authority to direct the activities of the Joint Staff, and they also provide that the selection of the members of the Joint Staff is subject to his approval and hold office at his pleasure.

Inasmuch as the Joint Chiefs of Staff must act upon information prepared by others and as, from the nature of the reorganization proposed and from the present organization of the armed services, that information naturally must come from the Joint Staff, the authority to determine who shall serve upon the Joint Staff carries with it the power to determine the volume and the kind of information that will be permitted to reach those who formulate policy and direct the carrying out of the policy adopted.

In the opinion of many well-informed and experienced individuals—Hon. Herbert Hoover, Mr. Ferdinand Eberstadt, Maj. Gen. Merritt A. Edson, United States Marine Corps, retired, Gen. Robert W. Johnson, and others—vesting the Chairman with the power indicated opens the door to a dictatorship, to the establishment of a Prussianized general staff.

This tendency was clearly recognized by the task force of the Hoover Commission, headed by Mr. Eberstadt.

The task force on which he served held hearings for 150 days—hearings, 99.

Mr. Eberstadt testified that the task force "without any question at all would have disapproved subsections (c) and (d)." He added, "There is a great deal to indicate that the minority group would have approved it, but not the Commission."

The minority group was the Acheson group—see chart, exhibit A, page 151, introduced at the hearings. Then, because there had been some misunderstanding as to the views held by former President Herbert Hoover, Mr. Hoover wrote a letter which reads as follows:

JUNE 19, 1953.

Hon. CLARE E. HOFFMAN,
Chairman, Committee on Government Operations, House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: I had intended to take no part in the division of opinion upon reorganization of the Department of Defense Plan No. 6, but a misunderstanding regarding a telephone conversation seems to require that I do so. I therefore wish to state that I am in full agreement with the plan except for the point raised in the presentation of Mr. Ferdinand Eberstadt, with whom I fully agree.

Yours faithfully,

HERBERT HOOVER.

That the issue which will be before us tomorrow is broader than this question of reorganization is well indicated by an article by David Lawrence published in today's issue of the New York Herald Tribune, which reads as follows:

"PRUSSIAN" DEFENSE DEBATE SEEN HIDING GRAVER ISSUES

(By David Lawrence)

WASHINGTON, June 24.—Something more is involved in the pending debate on the proposed plan for reorganization of the Department of Defense than the question of whether a Prussianized general staff system shall be introduced in America. It is, fundamentally, whether Congress will ever again permit the Chief Executive to submit departmental reorganization plans that are not subject to amendment by Congress itself.

When President Eisenhower came into office, there was opposition to an extension of the law which had authorized the submission of reorganization plans, and only after House and Senate leaders intervened was the power which had been given to Mr. Truman similarly granted to the new President. But at that time murmurs were heard about the absolutism of the reorganization plan technique. Congress, however, did not have enough evidence of how such a law can be abused to warrant a fight.

Mr. Eisenhower, therefore, has more at stake than the plan for reorganizing the Department of Defense itself. His failure to allow his spokesmen in Congress to agree to an amendment of the plan means that, if Congress goes along again this time, it will confirm its own abdication of the legislative function on matters of governmental organization. No President hereafter will seek amendments of basic law if he feels he can get away with a single package of amendments of his own choosing by simply calling it a "reorganization plan."

PRINCIPLE VERSUS PERSONALITY

The plan for the Department of Defense is in the main acceptable to all factions, especially those provisions which relate to procurement of materials and equipment and administrative procedure generally. But the provision which has aroused widespread protest is the one that would set up the equivalent of a Prussian general staff with a single military man at its head. This comes about because the Chairman of the Joint Chiefs of Staff is no longer to be merely a presiding officer over the chiefs of the three armed services when they get together to formulate military policy. Under the plan, he would become the boss of the Joint Chiefs, and he would be authorized to gather around him a complete staff of officers of his own choosing without regard to the wishes of the heads of the three armed services or their recommendations as to which officers are fit to represent their respective services on the all-important "joint staff."

The administration thought that, by naming so popular and sensible an officer as Admiral Radford to be Chairman, the opposition would evaporate. But the principle is more important than the personality of the individual who happens for 2 years only to occupy the post. Once the system is imbedded, it will be interpreted in any way any future Chairman chooses.

The vice of the current Defense Department plan is that it puts one man next to the Secretary of Defense enabling him not only to influence the latter with respect to his own views, but also to support them by recommendations from a staff of "yes men" who can be chosen by the Chairman of the Joint Chiefs over the protests of the Joint Chiefs themselves.

The scheme introduces an unprecedented grant of power to one man. It means that the heads of the three armed services are relegated to a subordinate role and, while the law speaks of them as the "principal military advisers" to the Secretary of Defense and to the President, they can be ignored or their views set aside by a powerful Chairman of the Joint Chiefs who will be able to have direct access constantly to both the Secretary of Defense and the President.

The argument has been advanced that, if the scheme doesn't work, it can be amended by future law. It is the principle, however, which will become imbedded in the Defense Department and eventually a bigger bureaucracy will be built under the Chairman of the Joint Chiefs.

PRESENT SITUATION CITED

Worst of all, the present situation in the House illustrates how the Executive can force the repeal or amendment of basic laws without affording Congress an opportunity to modify a single phrase or to delete a single paragraph without voting down the whole thing. The House Committee on Government Operations has attempted to strike out a single paragraph, but there are parliamentarians of experience who say it cannot be done lawfully.

So Congress is confronted with the necessity of killing an entire plan, which it may not wish to do, in order to force a change in a single provision. This gives the Executive far-reaching control over existing laws and can lead to fundamental changes that will be difficult for the Congress to remedy by subsequent legislation, especially since the President by his veto can kill any such proposal unless it happens to be supported by a two-thirds vote in both houses. Through the reorganization law, the President legislates, and neither House can amend his laws, but must take them or leave them as a single entity.

The new plan for the Defense Department will produce dissension that will impair the spirit of unity so essential if the armed services are to be integrated. The reorganization plan isn't fully understood by many Members of the House, but some day not far distant, when there is a fight on extension of the President's reorganization powers, the shoe will be on the other foot and the administration will lose out. This is too high a price to pay for the pressuring through Congress of a plan that could easily have been modified by the Executive before being sent to Congress.

EXHIBIT A

Comparative analysis of views regarding (1) Chief of Staff for the Armed Services and (2) a Chairman of the Joint Chiefs of Staff

Issue	Hoover Commission majority [1]	Hoover Commission (Eberstadt) Task Force on National Security	Dean Acheson minority of Hoover Commission	Present status and powers of JCS Chairman under law	Powers and status of JCS Chairman, after reorganization Plan No. 6	Comments
Chief of Staff of armed services	No [2]	No	Yes	No	Yes	Hoover Commission terminology accepted; JCS Chairman to have nearly all powers recommended for a Chief of Staff by Acheson minority.
JCS Chairman	Yes	Yes	Opposed "temporizing" title of "Chairman."	Yes	Yes	Hoover Commission terminology accepted.

[1] Mr. Hoover testified before HASC, 1949 hearings on National Security Act amendments: "Our recommendations were that there be an independent Chairman of the Joint Chiefs of Staff and that he was to serve *only* as a presiding officer and report decisions or disagreements to the Secretary of Defense. But, that he was to have no decision powers and not vote or *any other authority*." [Emphasis added.]

[2] Position of Hoover Commission indicated by its general concurrence with the report of its (Eberstadt) Task Force on National Security and by its rejection of the Acheson minority proposal.

EXHIBIT A—Continued

Comparative analysis of views regarding (1) Chief of Staff for the Armed Services and (2) a Chairman of the Joint Chiefs of Staff—Con.

Issue	Hoover Commission majority [1]	Hoover Commission (Eberstadt) Task Force on National Security	Dean Acheson minority of Hoover Commission	Present status and powers of JCS Chairman under law	Powers and status of JCS Chairman, after reorganization Plan No. 6	Comments
Highest rank in armed services	Opposed by Mr. Hoover in 1949 HASC testimony; said it was contrary to Commission view.	Opposed by Mr. Eberstadt in 1949 HASC hearings.	Yes	Yes	Yes	In accordance with Acheson minority of Hoover Commission.
Preside over JCS	Yes	Yes	Yes	Yes	Yes	No conflict between Hoover majority and Acheson minority.
Intermediary between President, Secretary of Defense, and JCS	Yes	Yes	Yes	Yes	Yes	Do.
Chairman is member of JCS, additional to 3 service Chiefs	No	No	Yes	Yes	Yes	In accordance with Acheson minority of Hoover Commission.
Control of Joint Staff	No	No	Yes	No	Yes	Do.
To have a military staff of his own?	No	No	Yes (the Joint Staff to be subordinate to him).	No	Yes (the Joint Staff will be subordinate to him).	Do.
Power to initiate and terminate JCS discussion	No	No	Yes	No	No (however, control of the Joint Staff will give the JCS Chairman increased influence over JCS planning).	Acheson minority view not accepted. Proposed control over Joint Staff together with present power of JCS Chairman to prepare JCS agenda is trend toward Acheson minority position.

The Clerk read as follows:

SEC. 2. Section 334 of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

(a) By inserting in subsection (a) after the words "The national acreage allotment for wheat" the language ", less a reserve of not to exceed 1 percent thereof for apportionment as provided in this subsection,".

(b) By adding at the end of subsection (a) a new sentence to read as follows: "The reserve acreage set aside herein for apportionment by the Secretary shall be used to make allotments to counties, in addition to the county allotments made under subsection (b) of this section, on the basis of the relative needs of countries for additional allotment because of reclamation and other new areas coming into the production of wheat during the 5 calendar years immediately preceding the calendar year in which the national acreage allotment is proclaimed.

(c) By striking out in subsections (a) and (b) the word "ten" wherever it appears and inserting in lieu thereof the word "five."

(d) By inserting in subsection (b) after the words "The State acreage allotment for wheat" the language ", less a reserve of not to exceed 3 percent thereof for apportionment as provided in subsection (c) of this section,".

(e) By inserting in the first sentence of subsection (c) after the words "on the basis of" the language "past acreage of wheat,".

(f) By striking out in the second sentence of subsection (c) the words "such county" and inserting in lieu thereof the words "the State."

(g) By striking out in subsection (d) the figure "1940" and inserting in lieu thereof the figure "1950."

With the following committee amendments:

Page 3, line 1, strike out "Sec. 2. Section" and insert "section."

Page 3, line 5, strike out "1" and insert "one."

Page 3, line 14, strike out "five" and insert "ten."

Page 3, strike out lines 17, 18, and 19.

Page 3, line 20, strike out "(d)" and insert "(c)."

Page 3, line 24, strike out "(e)" and insert "(d)."

Page 4, line 3, strike out "(f)" and insert "(e)."

Page 4, line 6, strike out "(g)" and insert "(f)."

The committee amendments were agreed to.

Mr. HILL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to call the attention of the members of the committee to a map which I hold in my hand. It could solve all of the difficulties concerning the production of wheat.

You will notice the 1952 dry areas down in the Southwest and, from what you may see from where you sit, in 1953, this year, you will appreciate how far north the drought has extended. I might also add that as far as percentage is concerned it has almost doubled in 2 years. That drought area could take care of all of the surplus of wheat we have produced.

I have another map here which influenced me to a considerable extent in my conclusion as to what I was going to do today in this bill. This is from the Bureau of Agricultural Economics. Here is the line of the hard red winter wheat from 1920 to 1953 and I call your attention to how even they run on production.

Let us not be too excited this afternoon about our surplus wheat. I happen to have been raised by a family who always insisted that you must not throw away any bread, that somehow or other there was a curse placed on your head if you wasted bread because of its food value and the universal use of wheat as a food to relieve starvation. On this map you can see very clearly that there has not been any radical movement up or down in wheat production.

Here in the next line, which is spring wheat. It is almost a straight line from 1920 to 1953.

The next line is the soft red winter wheat. If anything, it has gone down and the Northwest has stayed practically even throughout the years from 1920 to 1953.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. And during that same period of time the population of the United States has nearly doubled?

Mr. HILL. Yes. I have in my hand another map entitled "Wheat Prices and Parity." I would like to have the attention of those who think that wheat prices have been out of line.

This starts in 1910 and runs to 1950. Now, there is an increase and decrease in the price of wheat. You will find in 1920 and in 1951 and 1952 the top price of wheat was relatively the same, and there was no such thing as parity price of wheat in 1920. You will notice the dipping of the wheat price, which I do not think we need concern ourselves with.

Another thing I would like to mention in the short time I have is this: The farm organizations support this bill, including the Farm Bureau. Let me read you just a little first from the Grange. When they appeared before our committee, Mr. Sanders, representing the Grange, said:

Present situations in wheat production cannot be handled in the best interest of farmers and the Nation with the law as at present written. Under these conditions it is necessary for us to support the amendments to the 1938 Agricultural Adjustment Act provided for in H. R. 5451.

This bill will give a greater flexibility of controls and an adjustment in production more favorable to those areas most adapted to economically sound wheat production. This flexibility is highly desirable in any system of control of agricultural production.

Mr. Patton, president of the National Farmers Union said this:

I appear in support of H. R. 5451. In my opinion the provisions of this bill are the minimum that we should do immediately to revise wheat acreage allotment and marketing quota legislation in the interest of national security.

A staff study made for the Senate Agricultural Committee and published as document No. 130 of the 82d Congress and a similar study made by Dr. Murray Benedict for the agricultural committee of the National Planning Association are agreed that reserves of 450 to 500 million bushels of wheat and 900 million to a billion bushels of corn would be required to offset year to year variations in yields. This would be required to make ordinary prudent provision for normal safety reserves. These estimates do not include provision for the extraordinary needs that may arise at any time from the unsettled world situation. Assuming these figures to be correct, and I consider them to be so, they mean that for the Nation to be definitely certain that the free world will not be caught dangerously short of grain, the United States should maintain a safety reserve somewhat larger than the normal safety reserve requirements I have just enumerated.

Here is the American Farm Bureau Federation. This is what they told us:

In 1942 the harvested acres of wheat in the United States was about 53 million. In 1945, at the conclusion of hostilities of World War II, the harvested acres of wheat was approximately 69 million. In 1952 the harvested acres of wheat was over 77½ million. By the continuation of this wartime measure producers have been encouraged to grow wheat in excess of any genuine market demand.

That is positive proof that the farmers of the United States increased their acreage of wheat at the request of the Secretary of Agriculture, and he made the request because he understood the problems and the necessity of having a sufficient supply of wheat for food. So, I say frankly, we should pass this bill without a single vote in opposition.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman from Colorado has pointed out the position of some of the farm organizations on this legislation. I do not believe that he mentioned the National Association of Wheat Growers, the secretary of which appeared before the committee and endorsed the legislation. In that connection I would also like to state that I have a letter from the president of the Missouri Farmers Association, which is one of the largest independent farm organizations in the country, in which he says that "the Missouri Farmers Association strongly believes that H. R. 5451, which would revise the wheat marketing quota law should be adopted."

Mr. HILL. I thank my chairman very much indeed.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The only farm organization from which we heard that was opposed to the full 66 million acres was the American Farm Bureau Federation.

Mr. HILL. Yes. I might say to the gentleman from Oklahoma that I am not going to get into any argument about the 66 million acres. We might find ourselves in 2 years short of wheat reserves we have now in this country. We might be sorely in need of a full reserve of wheat supply.

Mr. LOVRE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the chairman of our committee, the Honorable CLIFFORD R. HOPE, of Kansas, is to be commended for introducing and bringing to the floor this bill. It is evidence of his desire to guard against overproduction, and to bring into balance as far as is humanly possible, the law of supply and demand for this basic food. It is also in line with the spirit and intent of our support program under which we have been operating for many years—a program to produce enough food to take care of our domestic and export requirements and to provide a reasonable carryover to meet all future emergencies.

Contrary to the belief of a few, this bill does not increase our present planted wheat acreage, but in fact, reduces the present acreage by approximately 12 million acres, or a 15-percent reduction for our present total planted acreage of 78 million acres.

It will be said that this bill is increasing the statutory minimum limitation by 11 million acres. That is true, but I call your attention to the fact that this increase is a paper increase only, and not actual. The law we are attempting to amend provides for a floor of 55 million acres of wheat, but in the 14 years since this law was enacted, the actual planted acreage of wheat has been well over the 55 million acre minimum. For the past several years, the actual planted acreage has been in the neighborhood of 78 million. If this bill is adopted, the actual planted acreage will be reduced to 66 million acres.

In considering this bill, we must remember that since 1939, when the present marketing-quota law was passed, we have gone through two major wars. During this period, our Government has asked for increased production in all lines, including agriculture. Food is vital to winning a war—just as vital as guns and tanks and planes. When our farmers were asked to produce more food for our men in uniform and for our allies, they did not fail in their responsibility as loyal and patriotic Americans. They produced the food that was necessary to meet all the needs of our Government, both at home and abroad. The fact that rationing of flour was not necessary during this period is ample proof that our farmers met their responsibility well.

When our Government asked our farmers to produce more food, the Government did not make concessions to the farmers as it did to other segments of our economy. The Government did not provide more land, more machinery and more help for the farmers to assist in meeting the demand for increased production. Our farmers were not provided with tax amortization incentives to increase production, which were provided for many other industries during this period. Our farmers went ahead on their own power and on their own initiative, and invested their own money in larger plants and equipment to meet the Government's demands. This cannot be said for many other industries.

The only encouragement the Government gave to our farmers in this period of increased production was the promise that it would support prices at 90 percent of parity, and that is all. Now, what is parity? Does parity guarantee a profit to our farmers? Not at all—it is simply a price that is determined by law to be fair to producer and consumer, alike, in relation to the cost of the articles which the farmer must buy. Is this unfair to anyone? Of course not.

To meet the demands of the Government, the farmers of our country were compelled to increase their acreage of wheat to roughly 78 million acres. Yes, it is true that now, after the crisis is over, we do have a surplus of wheat of about 500 million bushels—but is this too much at a time like this, when we do not know what will happen next? I don't think so. We should thank God we have this food supply.

If nothing else, the past wars in which we have been engaged should have taught us that in the dangerous world in which we live, this Nation cannot run the risk of having too little food in reserve when need arises. What would have happened to our country if we had been caught short of food during the past number of years? What would have happened if our farmers had failed to measure up to their responsibility for increased food production? No responsible citizen can, in the face of the grave peril presented by militant and aggressive communism, advocate a farm program which would weaken the Nation's ability to meet whatever crisis might arise in the future. Certainly, a reasonable carryover of 500 million bushels of wheat is a slight price to pay for the life-saving strength and security which this reserve gives to our Nation in times like this.

Mr. Chairman, all this bill does is to provide the machinery whereby our country can continue to meet its food demands, both at home and abroad, and to provide for a safe and reasonable carryover to meet future emergencies. To do this, it is the opinion of our chairman and his committee that it is necessary to increase the statutory minimum limitation which was passed back in 1939, and which is now obsolete in view of the conditions we now face, by 11 million acres. But, as I pointed out in the beginning, this bill in fact reduces the present actual planted acreage by 12 million acres, or a 15-percent reduction to guard against any unreasonable carryover.

Mr. Chairman, I earnestly urge the members of this committee to support this legislation as proposed, in the interests of our own security.

Mr. HAGEN of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to ask the chairman of the Committee on Agriculture about certain language in the report. On page 5, under the title "Analysis of the Bill," the statement is made:

This reserve is needed primarily because of the short history of many farms in reclamation and other new areas where the production of wheat has expanded rapidly in recent years.

Is that provision of the law which that refers to a recognition that new areas in the production of wheat are entitled to recognition under a quota program?

Mr. HOPE. Let me reply to the gentleman by saying that this is the situation: We have had in wheat just as we have had in cotton and other commodities some shifts in production. There have been some States, particularly in the West, where irrigation has advanced in recent years and where some irrigated land has been used for wheat, certain areas which have not been able to apply a wheat acreage allotment history. It is the purpose of the reserve, which is a national reserve, to be used mainly to take care of those areas where there has been some recent development particularly through irrigation in the expansion of wheat acreage. Otherwise the acreage, not having any history, could not go into the program, and you would have a considerable amount of acreage which might not be under any program, which might be outside the program, and thus not be subject to the price-support provisions of the law.

Mr. HAGEN of California. You want to treat the most recent acreage fairly along with all the other acreage?

Mr. HOPE. Yes. The purpose of it is to enable that acreage to be brought into the picture in an orderly way. While in the main these programs are based upon history and upon the record of the State and the farm in the past in the production of wheat, we do not want to freeze that production on some past period of time because we know agriculture is a growing, expanding, live, and vital industry. We do not want to freeze any part of it in an absolute pattern of the past. So we have this provision which does permit an orderly expansion but still permits that increased acreage to participate in the program.

Mr. HAGEN of California. I thank the gentleman. Now, down below on the same page, reference is made to subsection (d) which adds the past acreage of wheat as an additional factor to be considered in establishing farm wheat allotments. Is that language also a recognition of the principle that no undue hardship shall be done to any given area?

Mr. HOPE. That provision was placed in the bill at the suggestion of the Department of Agriculture. They say they have been considering past acreage of wheat as a factor and feel it should be considered. But, specifically, it has not been included in the law heretofore. That is one of several factors which is used so far as the farm is concerned in making the allotment to the farm. It has always been considered, as far as the allotment to the States and to the counties is concerned, and by implication it has been considered as applying to allotments to the farm, but it has never actually been in the law before.

Mr. HAGEN of California. May I ask the gentleman one more question, please. Would it not be a fair statement to say that the reason, or one of the reasons at least, for the increasing of the minimum acreage from 55 million to 66 million is the fact that the Congress had no desire to impose a severe cutback on this particular segment of the agricultural economy in any 1 year? In other words, it is an easing of the blow for 1954 and it is a recognition of the necessity for easing the blow.

Mr. HOPE. That is true. It was felt that a 15-percent reduction in 1 year was probably as much as could be made in a crop which covers as large an acreage as wheat. As I said awhile ago, we not only took into consideration the effect that it might have on the wheat acreage, but we took into consideration the effect this large acreage going out of wheat might have upon other crops and other phases of the agricultural economy.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GOLDEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to develop a little further the suggestion of the gentleman from Colorado concerning the very severe drought in the South and the Southwest today. Today, the Committee on Agriculture began hearings on that distressed area, and it has been shown that over a very extensive area in Texas and also to some extent in Oklahoma, there was not sufficient grain or hay to maintain the cattle, and that possibly there would be a draft upon the great surpluses we have of wheat, corn, and hay in order to relieve that situation. The evidence which we heard today showed that there had been no rain in certain parts of Texas and Oklahoma for a period of about 5 months, and that that drought situation was extending north and west. We do not know just how extensive it will be. Surpluses which we have now in wheat are not any more than about a third of what some of the people who are supposed to know about world conditions, say that we should have. If this bill is not enacted into a law, there will be a very radical reduction in 1 year of the acreage that we have been planting to wheat. As has been often said here, it will be such a blow that it can hardly be absorbed by the many farmers who have been growing wheat, and it will throw something like 23 million acres into the production of other crops. This bill provides a medium ground or a middle ground between the 78 million acres and the 55 million acres. In my opinion, it is a wise thing and should be enacted into law at once. The farmers themselves will have the right and privilege of voting on acre reduction and the bill is not Socialist as has been claimed. It is necessary for the farmers and wheat growers and will be beneficial to everybody concerned.

Mr. McCORMACK. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, it was not my intention to speak on this bill, because I think it is a very fair one. The committee considered it well. Certainly, to have a ceiling back to the prewar condition of 52 million acres, when we asked the farmers to produce all that they possibly could during the war, would represent a drastic impact upon agriculture and the farmers of the country, particularly from the economic angle.

But I was interested in the remark of one of my colleagues, that the American Farm Bureau Federation was in favor of this bill. I received a telegram not so long ago, and I assume other Members received the same telegram, dated June 15, 1953, that specifically shows, according to my interpretation of it, that as of that date the American Farm Bureau was opposed to this bill.

My only purpose in rising was to see that the RECORD was clear. I do not agree with the position of the American Farm Bureau as stated in this telegram. But I certainly do not think that the RECORD should show that the American Farm Bureau favors this bill when, as of June 15, only a few days ago, the telegram clearly shows that they are opposed to the bill, particularly the exemption from 15 to 25 acres, from 200 to 400 bushels, and raising the minimum national allotment from 55 million to 66 million acres, saying, "In view of the wheat supply, we believe a national allotment above 60 million economically unsound."

It seems to me that that is the heart of the problem. My only purpose is to express myself in the RECORD as being in favor of the bill and to compliment the committee for the very fair way they handled a difficult and practical situation that affects the economic life of a powerful segment of our country, that the position of the American Farm Bureau should be clearly stated, the telegram being signed by Frank W. Woolley, legislative counsel of the American Farm Bureau Federation.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HAYS of Ohio. I want to say to the gentleman that before he came on the floor a few minutes ago, I made substantially the greater part of that telegram a part of the RECORD. The Farm Bureau especially is opposed to the figure of 66 million acres. They think a more equitable figure would be 60 million acres.

In all fairness I pointed out that I do not follow the Farm Bureau; they do not set policy for me. As a matter of fact, I have disagreed with them on occasion. But in all fairness to them, they realize that we have got to start meeting this problem sometime, regardless of all the fine things you might hear said. I just heard a comment that we ought to have three times the surplus of wheat that we have, for purposes of carryover. That would be wonderful, if we just had some place to put it. But right now they are putting wheat out on the ground and, if anybody will remember, 2 days ago they were arguing here that we ought to give it to Pakistan in order to keep it from spoiling. So there is a matter of practical storage problem involved here, as well as just saying that it would be nice to have that carryover in case we suffered a drought.

Of course, the whole matter hinges again on the fact that everybody admits that they do not have a solution to the problem. They hope either a war or a drought will bail us out, so that we will not have that surplus any more.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I might state to the gentleman that there was no misunderstanding on the part of

the members of the committee as to the opposition of the Farm Bureau to the bill in its present form. Mr. Woolley appeared before our committee and testified; and, notwithstanding his testimony, the committee reported the bill in its present form, feeling that it was for the best interests of the country. So that I think that my colleague from Colorado [Mr. HILL] perhaps may have been misunderstood when someone thought that he might have said that the Farm Bureau favored the bill.

Mr. McCORMACK. In justice to the American Farm Bureau, and for the information of hundreds of thousands of farmers throughout the country, I wanted the record to be clear. I am very glad, however, in trying to clarify the record, to congratulate the committee, because I think they met a very difficult problem in a very just and practical manner.

Mr. KING of Pennsylvania. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, once caught in the tentacles of socialism it is very difficult to wiggle out; very few instances have we ever had in history where once caught you got out. I think it must be very apparent to everyone that that segment of the economy made up by the basic crops of this country under support prices are caught in a vicious type of socialism with a free economy completely destroyed, and now we are trying here today to wiggle out, at least trying to wiggle, trying to make very sure that we do not get out.

This bill, a very simple one, which provides for the extension of that law which, of course, becomes necessary if we are going to support prices and it says that you will guarantee the farmers high prices, but if they plant too much we will have to step in with Federal Government controls—that, of course, is socialism; and now we are trying to determine just how stringent the controls will be, and we do not want to get the controls too stringent, that is, to hold the acreage down to 60 million, because the farmers with such drastic reductions might fail to vote two-thirds to take the money, and then the whole support program would be destroyed.

Then, too, we are trying to support the small ones, which is always a good political move, by increasing the exempted acres from 15 to 25.

The question as to how much wheat we shall grow really should be settled by what you think it takes in the form of reduction to take the Government off the hook. The Government is in the barrel, so to speak, now for more than half or a full year's wheat crop. Theoretically if we reduced the acreage next year by 50 percent we would still have plenty of wheat; but, of course, I do not believe in being too drastic myself. I think, however, that we might consider that the Secretary of Agriculture has pretty good judgment about these things and has studied all the figures. He says the figure in this bill should not be above 62 million acres, in his opinion. I think that is only because he does not feel that it is necessary to get the Government off the hook in this matter quite so rapidly. You will probably find that the following year the acreage will have to be reduced still more.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield I would just like to ask the gentleman as to whether or not he is opposed to the acreage allotment and marketing quota program generally speaking. It is difficult for me to understand whether he is opposed to this particular bill because of its form and substance or whether he is opposed to the whole program.

Mr. KING of Pennsylvania. I shall answer. I grew up out in the wheat country, most of my relatives still live there, and I followed an agricultural economy all my life. I am against the whole support program. I feel it will wreck the agriculture of this country within a period of 10 years and in the meantime cost the taxpayers and consumers an extremely large amount of money which they should not have to pay.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. COOLEY, and by unanimous consent, Mr. KING of Pennsylvania was given 2 additional minutes.)

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman says he is against the entire price support program, so I assume he is likewise opposed to the acreage allotment and marketing quota law that we now have.

Mr. KING of Pennsylvania. As long as you are going to have supports, yes. I agree that the acreage allotment and marketing quota system is necessary. That is the other part of the socialistic scheme that becomes a necessary evil.

Mr. COOLEY. According to the gentleman's idea, the whole scheme is socialistic?

Mr. KING of Pennsylvania. Certainly. The gentleman would not say that agriculture so far as the 5 basic crops are concerned are now operating under a free economy would he?

Mr. COOLEY. I certainly do. They are operating in a free economy and under reasonable laws and regulations which themselves have to be approved by a two-thirds vote before they can have acreage allotments imposed upon them.

Mr. KING of Pennsylvania. Is not the law of supply and demand one of the important features of a free economy?

Mr. COOLEY. The law of supply and demand in our modern day and life is a cruel law so far as the American farmers are concerned. We learned our lessons before we had this.

Mr. KING of Pennsylvania. That is one of the socialistic doctrines.

Mr. COOLEY. Socialistic or not socialistic, it has served the farmers of the Nation and all of the people of the Nation, not only the producers but the consumers. Let me ask the gentleman another question: How did the gentleman vote on the Maryland tobacco law?

Mr. KING of Pennsylvania. I voted against it.

Mr. COOLEY. In committee and on the floor of the House?

Mr. KING of Pennsylvania. Yes, if I voted in committee on it.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Oklahoma.

Mr. ALBERT. The gentleman in stating that the Department of Agriculture recommended 62 million wants to give a complete statement, I know, and say that they did state to the committee they thought that was too great a reduction in 1 year, though they had no objection to the figure in the bill; is that not the gentleman's recollection?

Mr. KING of Pennsylvania. That is true. He simply said he believed that 62 million was the acreage that should be set but he would yield to the committee.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. GROSS, and by unanimous consent, Mr. KING of Pennsylvania was given 1 additional minute.)

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman says he believes in the law of supply and demand as a solution for the farmers' problems. Does the gentleman remember 1932 when the farmers produced an abundance and could not sell what they produced? Does he remember the number of people who were hungry in 1932 and yet could not buy the products of the farms?

Mr. KING of Pennsylvania. Yes.

Mr. GROSS. You had both supply and demand and the theory did not work, did it?

Mr. KING of Pennsylvania. It would have worked, but this country did not let it work. This country has never let the law of supply and demand work in the field of agriculture. Our history for 50 years has been one of overstimulation by the Government for the overproduction of more food than we can possibly eat.

Mr. GROSS. That is right only to a degree. The law of supply and demand did not work in 1932 because the medium of exchange was in too few hands.

Mr. KING of Pennsylvania. That has kept the farmers in a poor bargaining position all along.

Mr. GROSS. The law of supply and demand has seldom worked for the farmers.

Mr. KING of Pennsylvania. Let us keep the Government out of it and it will work, and in a way that will put the farmers in a better position than this socialistic program will ever put them in.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I wonder if the gentleman can give us any idea what disposition is going to be made of the $3 billion worth of foodstuffs that we now have on hand? I have listened with interest to the gentleman's statement. We talk

about the law of supply and demand. We have an overproduction, the Government is buying it and the American people are paying for it. What are we going to do with it?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(On request of Mr. GAVIN, and by unanimous consent, Mr. KING of Pennsylvania was given 2 additional minutes.)

Mr. GAVIN. Has the gentleman any idea what disposition is going to be made of what we are still accumulating and still piling up more of? I would like to have an expression of opinion on that.

Mr. KING of Pennsylvania. The only thing we can do with the surplus is to give it away or exercise the right of any socialistic government in prohibiting production until the law of supply and demand is adjusted. Actually, the law of supply and demand is inevitable. No government can completely obviate it. It can only delay the adjustment that is always inevitable.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. I would like to point out that this 66 million acres instead of the 60 million that the Farm Bureau recommends will probably cost somewhere in the neighborhood of a half billion dollars additional to price support the wheat.

Mr. KING of Pennsylvania. Well, you figure out for yourself what you think it would take to make the adjustment when we have in Government hands more than half a year's crop.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. McCARTHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to commend my colleague, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] for taking this firm stand against the Farm Bureau again today. As I remember the stand he took against section 104 just a week or so ago was also in opposition. Of course, I do not believe that these actions will jeopardize his support by the Farm Bureau back in Minnesota.

Hearing the gentleman from Pennsylvania here brought back memories of Republican statements I heard in Minnesota during the campaign. They spoke of tearing up the regulations, as you know, of setting the farmers free. One farmer was reported as worrying about what he was really going to do with all the freedom he would have if the Republicans were successful in the campaign. He may have an answer to that now. In Minnesota the Republican campaign was directed principally against two things: One was the foreign policy of the Democratic administration and the other the farm program. We have seen within the last week, if we have not seen it earlier, that the present administration and the Republican Congress has adopted and is carrying on the Democratic foreign policy. Republicans in the House gave that foreign policy even stronger support this year than they have given it under Democratic administrations.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield to the gentleman from Ohio.

Mr. HAYS of Ohio. Do not forget, whatever you say about the plank for revision in taxes—and of course, that goes back to three things, foreign policy, farm program, and the reduction of taxes—you could salve all of your statements easier then than you can now.

Mr. McCARTHY. There were strong statements made out our way about the Republicans were going to give the farmers 100 percent of parity in the market place. The Democrats never promised 100 percent; they promised 90 percent. But, if you will look at the parity index of recent years you will find that the farmers were receiving 100 percent or better in the market place under the Democrats. The Republicans promised 100 percent, and the farmer is getting about 93 percent.

I would like to recount for you some of the steps the Republicans have taken in restating their support of the Democratic program which they denounced last fall. The question of 90 percent support for tobacco came up about a month ago. The Republicans were not only in favor of 90 percent but they wanted to make it retroactive. They were for the Democratic program one step advanced. The Secretary of Agriculture has chosen to support perishable dairy products at 90 percent of parity. That was a continuation of the Democratic program, a policy which was much criticized by the Republicans, and particularly by the Republican press. Soil conservation funds have been voted for annual conservation practices. The Republicans have found section 22 rather a good provision and adequate in many respects to meet some of the problems of the farmer. They are here today saying that acreage allotments are not such a bad thing. In addition, I have learned recently that the present administration has approved and has begun on a program of purchasing about 50 million bushels of storage for agricultural commodities. You may remember how in the 1948 campaign that was an issue, and you may remember that even after the election some Republicans came back and said that all of these commodities should be stored in facilities which are owned privately.

I am not as much worried about creeping socialism as some Republicans seem to be, but if the farm program is socialism, as the gentleman from Pennsylvania has stated, then I think it is clear that Republicans are advocating socialism of some variety, either static, creeping or galloping.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on this section close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Chairman, far be it from me to pose as a farmer, but these various legislative proposals to help the farmer have sort of gotten me confused. I have listened to these various programs that are presented here from time to time to help the farmer and I am unable to determine whether they help him or hinder him. We have brought in the Republicans' position on farm policy, and you talk about Republican foreign policy, and now you are talking about the overall policy of the Republican administration. I think it is about time that we look this whole farm program over. The minute Secretary of Agriculture Benson attempts to secure any legislation that will give him any flexibility to determine what is best for the farmer and what is best for the people as a whole. there is a great hue and cry, "We cannot do this and we cannot do that," and legislation is enacted to hog-tie him. Why not give him a chance? He is a practical realist with good sound common sense and I know he will do a good job if given the opportunity. What I am concerned about is that we have $3 billion worth of foodstuffs stored in warehouses and bins scattered far and wide all over the country. These commodities are depreciating and deteriorating and ultimately somebody will have to pay the bill. Who is going to pay the bill? The American people are going to pay the bill. Why fool ourselves about that. You think you can continue these programs, over produce, have the Government buy up the overproduction and not pay the bill. It just does not make sense.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. I decline to yield to my very good and very able friend whom I greatly admire as my time is limited.

I remember when I was requested to talk to a group several years ago and I was called to task for voting against the subsidy programs at that time. "You are against subsidies." I said, "Yes, I am against subsidies, and I will tell you why I am against subsidies." This was a group of about 175 people. and it was back in 1946, shortly after the war.

I said, "We spent five or six billion dollars in the last couple of years for subsidies and we did not pay our bill. We did not pay for the subsidy programs as we went along. We put them on an already overburdened debt, to pay later." I said, "I want to tell you gentlemen here who have charged me with voting against subsidies that during the war you were at home, you had good jobs, you were getting good wages, you were not going in on the beachhead at Anzio, or Salerno, or Normandy to get your insides punched out; you weren't getting blasted out of the air in an airplane, and you weren't being cooped up in a submarine. You had good jobs, you were at work at good wages and above all you had security. But you didn't pay your bill for the subsidy. You put the bill off to pay later"—an accumulation on this national debt which is now $267 billion. I said, "That is why I am against subsidies. You did not pay for the subsidies as you went along. You put it off to pay later, and let the boys who were over there

doing the fighting for you come back home, take off their coats, and go out, find a job and earn the money to pay the taxes to pay for your subsidies, the privileges that you enjoyed, while you had security here at home and they were over there doing the fighting."

All of these programs are costing us money. How long can we continue with these programs to accumulate tremendous and vast surpluses that remain unused, and that are disposed of at terrific losses to the American taxpayer? It is a fallacy. We are only kidding ourselves. Do you think a continuation of these programs are a help to the American farmer and taxpayer? The farmer pays his share along with the rest of us.

You say it is help for the farmer and it is help for the consumer, high prices to the farmer, low prices to the consumer. But I wonder if anybody ever thinks of who is going to pay the bill? The consumer does not have any voice here. I never hear anybody talk about the people that pay the bill. Continuation of some of these programs will wreck the economy of the country, the farmer included. You priced butter out of the market. You have millions of pounds you do not know what to do with. The American people are anxious to buy it if you would put it at a price within reason so that they could buy it. Sell to the people at a price they can afford to pay. Dispose of it rather than have it in storage to spoil—take the loss and try to work out some programs that make sense.

But continue with your parity payments and your subsidy payments and your acreage allotments and all the rest of this confusion piled upon confusion and you will make plenty of trouble for the people of the Nation. I extend my deepest sympathy to Secretary of Agriculture Benson; he has a tough assignment. Why not let him alone, give him a reasonable chance to carefully analyze this situation and these programs and see if he cannot develop some program that will benefit not alone the farmer but the American people, and give him an opportunity to put these foodstuffs into the stomaches of hungry people, without making the American people pay a tax to put these commodities into the warehouses and store them up to deteriorate, rot, and go to waste.

The whole thing does not make sense to me. I know you gentlemen are thinking you are being helpful in looking after the best interests of your respective districts; Kansas, wheat; Iowa, corn; Minnesota, butter, eggs, and cheese; Nebraska, wool; California, citrus fruits; Texas, Alabama, Mississippi, and Louisiana, cotton; Georgia, peanuts and cotton; North Carolina, South Carolina, and Virginia, tobacco.

It is going to be difficult to work out programs that will satisfy all the demands of the various States, satisfy the farmer, satisfy the consumer, effect economies, balance the budget and reduce the national debt. We have had these programs for many years and the results have been unsatisfactory and confusing. I am of the opinion that it is about time we let Secretary Benson see what he can do for the next few years without restricting him and hog-tying him to such an extent that he cannot do anything but yet is charged with the responsibility of developing the agricultural interests of the Nation.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired. All time has expired.

The Clerk will read.

The Clerk read as follows:

SEC. 3. Section 335 (d) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the figure "200" and inserting in lieu thereof the figure "400."

Committee amendments: Page 4, line 8, strike out "3" and insert "2."

Page 4, line 10, strike out "figure '200' " and insert "words 'two hundred'."

The committee amendments were agreed to.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am sorry my good friend the gentleman from Pennsylvania [Mr. GAVIN] did not have time to yield to me, because I wanted to point out while he was talking about $3 billion that we have in perishable surplus commodities now, this bill would add about a half billion dollars or so more to that.

Mr. Chairman, I propose to offer a motion to recommit this bill at the proper time with instructions to change the figure of the acreage allotment from sixty-six million to sixty-two million in line with the recommendation of the Secretary of Agriculture. I do that knowing we are going to have to have some kind of acreage allotment. There have been some statements made that I was out of sympathy with the program. I am not out of sympathy with the program. I realize it is the best program that anybody has come up with yet. But I also realize that if we are going to support the price of wheat at $2.18½ a bushel with the taxpayers' money, we cannot say to the wheat growers, "Just produce as much wheat as you can without any restrictions at all." The bill now contains the figure 66 million acres, and somebody said that is a reduction from 78 million acres. That is true but I want to try to clear up a little more confusion. If the present law was allowed to stay on the books without this amending bill, it would be mandatory on the Secretary of Agriculture to reduce the acreage to about 55 million. So what this really is is an extension—a permissible extension of the present law from 55 million to 66 million.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield.

Mr. BELCHER. I think the gentleman is mistaken for this reason, that 55 million acres is a minimum.

Mr. HAYS of Ohio. That is right.

Mr. BELCHER. The Secretary of Agriculture could make an allotment of 77 million under the present law.

Mr. HAYS of Ohio. If the gentleman will permit me to proceed, if the gentleman thought the Secretary would do that and if he was not fearful, and if a lot more people were not fearful that the Secretary would do that, there would not be any need for this bill. What they are doing is putting a ceiling on it so that his arithmetic under the old law will not let him go down to the permissible minimum, and they are not saying anything about the permissible minimum, which is 11 million acres above the permissible limit at the present time and which, if the 11 million acres were planted, and they will be, and if they have a normal yield, could cost the taxpayers of this country in the neighborhood of a billion dollars next year. So I am only proposing a cut in the permissible minimum of 4 million acres. I apologize when I tell you that it will only bring about a saving of $250 million. But I think we have got to take steps in that direction, and I have no apology for offering the motion.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman realizes, of course, that during the last 12 years we have not had acreage allotments and marketing quotas.

Mr. HAYS of Ohio. I realize that just as well as the gentleman.

Mr. COOLEY. Therefore we have not made adjustments of production which probably should have been made; and perhaps as a result of that situation we now have such a tremendous surplus of wheat; that to bring the surplus in line with consumer demand, the cut on the farm would be so drastic that the farmers of the Nation probably would resent that cut and would repudiate both.

Mr. HAYS of Ohio. May I say to the gentleman that I am in substantial agreement with him; I think what he said is exactly right. The difference is that I just happened to think that we can stand a little more reduction than the gentleman feels we can stand.

Mr. COOLEY. I am not going to argue that with the gentleman.

Mr. HAYS of Ohio. I may be right and I may be wrong; the gentleman may be right. But I say we have got to take steps in that direction, and I want to take a little more drastic step than the gentleman wants to take.

Mr. COOLEY. The gentleman may be right and I may be wrong, but this is the considered judgment of the members of our committee.

Mr. HAYS of Ohio. I appreciate that.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 4. Public Law 74, 77th Congress (55 Stat. 203), as amended, is amended as follows:

(a) By striking out in the second sentence of paragraph (2) the language "50 percent of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the act and this resolution," and inserting in lieu thereof the language "50 percent of the parity price per bushel of the commodity, as of August 1 and May 1, respectively, of the calendar year in which the crop is harvested."

(b) By striking out in paragraph (7) the figure "15" wherever it appears therein and inserting in lieu thereof the figure "25."

With the following committee amendments:

Page 4, line 12, strike out "4" and insert "3."

Page 4, line 15, after "language" insert "'shall be."

Page 4, line 18, strike out "'50" and insert "on wheat shall be 45."

On page 4, line 20, strike out "the commodity," and insert "wheat", and strike out "August 1 and May 1, respectively," and insert "May 1."

On page 4, line 23, strike out "figure '15'" and insert "word 'fifteen'."

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 5. Notwithstanding any other provision of law, the national acreage allotment for the 1954 crop of wheat shall not be less than 66 million acres.

With the following committee amendment:

Page 5, line 1, strike out "5" and insert "4."

The committee amendment was agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 5, line 1, change section 4 to read: "Notwithstanding any other provision of law—(a) the national acreage allotment for the 1954 crop of wheat shall not be less than 66 million acres; and (b) the referendum with respect to the 1954 crop of wheat may be held as late as August 15, 1953."

Mr. HOPE. Mr. Chairman, this is not offered as a committee amendment. However, I have discussed the matter with some members of the committee, particularly those from the wheat-growing sections, and all of them have agreed that the amendment should be offered and are supporting the amendment.

The only thing that this amendment does, the only change it makes in the bill, is to provide that the referendum, when the farmers will vote upon marketing quotas, may be held as late as August 15 instead of not later than July 25. Under existing law, the Secretary must call for a referendum and set the time for the vote not later than July 25.

Time is short. This legislation has not become a law. It will not become a law for a few days. The Secretary cannot give the acreage allotments to the States or to the counties until it is known what the national acreage allotment will be.

The law further provides that each farmer must have his farm acreage allotment before the vote is held on marketing quotas. You can see that the time is very short within which to make these allotments to the States, to the counties, and to the farms.

Furthermore, someone a while ago raised the question about an educational campaign, which is certainly necessary in order to explain the situation to the farmers who will vote on the marketing quota program. There is very little time left to carry out that program.

In reply to the question asked as to whether there would be an educational campaign, I am very glad to say that I know the Department is making preparations for such a campaign through the Extension Service and other agencies of the Government. But it is going to take time to do it. So the sole purpose of the amendment is to enable the allotments to be made to the farms and an educational plan to be carried out before the vote on marketing quotas takes place.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I am glad to yield to the gentleman from Minnesota.

Mr. MARSHALL. I would like to concur in the statements that the distinguished chairman of the Committee on Agriculture is making. It is a tremendous task to carry out the information required so that farmers may have facts upon which to base their opinions in a referendum, and I think it is highly desirable that the Department with a certain number of men of experience have additional time in order to get their statements so the farmers may have the facts.

Mr. HOPE. I thank the gentleman for his statement, because he is so unusually well informed on agricultural matters I know that he realizes the serious conditions that confront us if we do not adopt this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE].

The amendment was agreed to.

The Clerk read as follows:

SEC. 6. Sections 1, 2, 3, and 4 of this act shall become effective with respect to the 1954 and subsequent crops of wheat.

With the following committee amendments:

Page 5, line 4, strike out "6" and insert "5"; strike out "Sections 1, 2, 3, and 4" and insert "Sections 1, 2, and 3."

The committee amendments were agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. HOPE: Page 5, line 7 insert:

"SEC. 6. Section 301 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof a new subsection (d) to read as follows:

"'(d) In making any determination under this act or under the Agricultural Act of 1949 with respect to the carryover of any agricultural commodity, the Secretary shall exclude from such determination the stocks of any commodity acquired pursuant to, or under the authority of, the Strategic and Critical Materials Stock Piling Act (60 Stat. 596)'."

Mr. HOPE. Mr. Chairman, this amendment is general in form and general in its application; and, as you have noted from the reading, it provides that in making any determination with respect to the carryover of any agricultural commodity the Secretary shall exclude from that determination the stocks of any commodity which have been acquired pursuant to or under the authority of the Strategic and Critical Materials Stockpiling Act.

At the present time this amendment would apply to only one commodity, long-staple cotton. In the classification of commodities, long-staple cotton is classified as a different commodity from cotton.

The situation with respect to long-staple cotton is as follows: Under the Strategic and Critical Materials Act, we have acquired a considerable supply of long-staple cotton. I do not know how much it is; it is a military secret, and the figures cannot be divulged; but the supply is so large that if it were used in determining the total supply of long-staple cotton, the result would be that we would have marketing quotas on long-staple cotton at all times and the supply would further be so large that if the formula of the law were applied that there could be no quota. In other words, in the case of long-staple cotton, unless we pass this legislation, then we could not produce any long-staple cotton without subjecting the same to the penalties imposed by law upon growers who produce in excess of their marketing quotas. Long-staple cotton is produced in this country in only one State, Arizona. This amendment is a vital matter to the producers of long-staple cotton in that State. It has been carefully considered by the Committee on Agriculture, and I have been instructed to offer it as a committee amendment.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to my distinguished friend from Minnesota.

Mr. AUGUST H. ANDRESEN. This amendment involves only long-staple cotton, and cotton is not involved in any other part of this bill.

Mr. HOPE. That is correct.

Mr. AUGUST H. ANDRESEN. So that when it comes to marketing quotas in the original bill without this amendment the application is only to wheat, and there is nothing in here that would determine any quotas or otherwise for cotton.

Mr. HOPE. That is true. There is nothing in the bill that applies to cotton as the term is used in the Agricultural Adjustment Act at all. The remainder of the bill applies solely to wheat. In the case of this particular section it applies solely to long-staple cotton.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kansas [Mr. HOPE].

The amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MILLER of Nebraska, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, pursuant to House Resolution 273, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. HAYS of Ohio. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. HAYS of Ohio. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. HAYS of Ohio moves to recommit the bill to the Committee on Agriculture with instructions to report the bill back forthwith with the following amendment: On page 5, line 3, strike out "66,000,000" and insert "62,000,000."

The SPEAKER. The question is on the motion to recommit.

Mr. HAYS of Ohio. Mr. Speaker, on that I ask for a division.

The House divided; and there were—ayes 34, noes 116.

Mr. HAYS of Ohio. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order a quorum is not present.

The SPEAKER. The Chair will count.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, the gentleman made his point of order after the Chair had announced that the motion had not prevailed.

The SPEAKER. The Chair is obliged to overrule the gentleman. The gentleman from Ohio raised the point of order at the proper time.

The Chair will count.

Mr. HAYS of Ohio. Mr. Speaker, I withdraw my point of order that a quorum is not present.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

AMEND SECTION 32 OF THE FIRE AND CASUALTY ACT

Mr. SIMPSON of Illinois. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 35.

The Clerk read the resolution, as follows:

Resolved, That the action of the Speaker of the House of Representatives and the President of the Senate in signing the enrolled bill (S. 1839) to amend section 32 of the Fire and Casualty Act, so as to provide that an agent or solicitor may secure a license to solicit accident and health insurance in the District of Columbia under that act without taking the prescribed examination, if he is licensed under the Life Insurance Act, be, and the same is hereby, rescinded; and that the Secretary of the Senate be, and he is hereby, authorized and directed to reenroll the bill with the following change, namely: In line 1 of the House engrossed amendment strike out the words "section 2 of such act" and insert in lieu thereof "section 3 of such act."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate concurrent resolution was concurred in, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

COMMITTEE ON RULES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE NEW SOVIET THREAT IS ECONOMIC

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. JAVITS] is recognized for 30 minutes.

Mr. JAVITS. Mr. Speaker, there appears to be a new orientation of Russian policy in the cold war. This is intended to concentrate heavily upon an economic and trade war. That this is the new line in the Soviet Union's cold war is confirmed by its own economic buildup, by its ruthless integration of the economies of the satellite countries with its own and by its recent offers of trade, particularly to the United Kingdom, Italy, France, West Germany, and Japan.

Under these circumstances the objective of the free world must be to integrate itself, first to enable it to resist the attractions of Communist bloc trade, and, second, to build up its strength economically to the maximum for the coming showdown in the economic cold war. Accordingly, an active policy of economic integration of the free world is vital. This means a renewed effort to facilitate trade; to reduce and eliminate barriers and obstructions to world trade; to increase overseas private investment and economic and technical assistance in order to develop new sources of wealth, particularly in the underdeveloped areas and to rehabilitate the plants and equipment of the industrialized nations. Rather than pulling in our programs for international cooperation, this is the moment for expansion. Yet, majority congressional opinion appears to be moving in exactly the opposite direction; hence the reason for this speech, that much congressional opinion on this subject needs to change in the security interests of the United States and of the free world. Such a change to a vigorous free world trade and economic-development drive should be the basis of the new foreign policy of the new administration.

Discontent has broken out violently in Czechoslovakia over the currency reform and the striking out in one blow of workers' savings and signalling a drive to exact harder work from the labor force and in East Germany where the Soviet Union's relaxation of communization of the economy has only opened the floodgates to the feelings of the people against the communization which has already taken place. There are no more sensitive areas among the Soviet satellites than these two. A strong free world trade and economic development drive now has a good chance to detach these two satellites next.

The Soviet Union and the Communist bloc are ruthlessly establishing economic power which is likely to prove a greater threat to the free world than even the enormous military strength and apparatus of subversion which the Soviet Union and its satellites have amassed. This economic exploitation of the satellites gives us a great opportunity. It must be significant to us that the greatest blow which the Communist bloc has yet suffered, the defection of Yugoslavia, was attributable to the efforts of the Soviet Union to bleed Yugoslavia economically and that Yugoslavia's overtures for some form of support from the Western world was for economic support. The opportunity to detach other satellites by economic means which, in the final analysis, will mean the end of the Soviet challenge, is therefore very real and we cannot afford to overlook it. On the other hand, the attraction which the Soviet Union can exercise upon free powers, especially Western powers like France and Italy with huge Communist parties already established in those countries, will more and more depend upon its economic power.

The buildup of the Communist bloc's industrial power is really a serious threat to the free world. As reported by the United Nations Economic Commission for Europe in its recent report, we find a great increase in Russian industrial production—in their case, war potential—as compared with 1940. Their production of coal is up from 166 million tons a year to 301 million tons; steel up from 18 million tons to 35 million tons; oil from 31 million tons to 47 million tons; and in electric power they have gone up from generating 48 billion kilowatt-hours a year to generating 117 billion kilowatt-hours a year. According to the same source, similar increases are also shown in the satellite countries. Electric power generated there has nearly doubled. There have been major increases in the production of steel, coal, and crude oil. There has been a vast expansion of the chemical industry and of the building industry in Poland, East Germany, and Rumania. These are figures with serious implications for the free world.

Western Europe is a population block about the equal of the Soviet Union and it outproduces the Soviet Union about 2 to 1 in such major industrial items as coal, steel, and electric power. There is still a great gap between the two, but the danger is in the intensity of the Russian drive to narrow this gap; for example, in steel production the Western European nations have added 12 million tons of new steel production to their economy since the war and the Russians, having added about twice that amount in the same period, are planning to double their present capacity in the next 10 years.

Now, when we look at the trade situation we again have reason to be very seriously alarmed. The recent Moscow

conference attracted even United States businessmen and the actions of the representatives of the Soviet Union in the recent session of the United Nations Economic Commission for Europe in both cases seeking actively to do business with the West are certainly indications of Moscow's trade drive. In addition, we are seeing stories in the newspapers of Communist China offering western industrialists, principally those of Western Europe, as much as $2 billion to $2,250,000,000 worth of business a year in manufactured items. This is undoubtedly mostly propaganda but it certainly attracts a lot of attention and interest.

We must recognize that there is very great danger in this situation for us because Western Europe as a bloc used to do about 39 percent of its total exports and get 28 percent of its total imports before World War II in business with what is now the Communist bloc of Eastern Europe. For example, most of Western Europe's wheat, coal, sugar, and timber came from what is now the Communist bloc. This trade has now fallen to 5 percent of Western Europe's exports and imports as an element of the free world's seeking to defend itself against communism. Now it is very much to our interest to see that trade in strategic goods is eliminated and the Western World's dependence upon the Soviet orbit is kept at a minimum, but obviously we cannot expect that Western Europe will go on at that rate unless there is some other outlet for its energies and for its exports because it must export in order to live and in order to buy the things it needs to feed, clothe, and house its peoples. Also, Japan did a vast business with what is now Communist China and is in urgent need of markets elsewhere to replace our direct and indirect Korean war expenditures of close to $1 billion when they come to an end.

The subordination of seven Eastern European countries to Soviet power has netted the U. S. S. R. material profits, expanded the realm of the Communist system, and increased the Kremlin's political and military power in the world. Conversely, the controlled countries have suffered material losses, have had their social structures revolutionized against the majority will, and have lost their sovereignty in all but name.

The Kremlin appears to have two broad economic goals in eastern Europe: First, to rebuild the satellite economies on the Soviet pattern; and, second, to utilize them to the limit for its own strategic and economic purposes. For a tool to assist in accomplishing these goals Moscow created the Council of Economic Mutual Aid—CEMA—in January 1949. This was to be the Communist answer to the Marshall plan. It was supposedly to represent a group of sovereign countries, namely the U. S. S. R. and its Eastern European assosciates, but equality among the members was highly improbable from the very beginning. In practice it has been totally dominated by the Soviet Union and its every effort has been directed toward making the region serve Moscow's political and economic goals.

In setting up CEMA the Soviet Union did not intend to match the Marshall plan with a program of grants to its satellites. Instead, its program has been the redistribution of resources through trade in the interest and for the immediate enrichment of the U. S. S. R. CEMA was the instrument for integrating the satellite countries into the Soviet economy.

The result of these activities has been to turn the satellites into workshops devoted to building up the military potential of the Soviet Union. The U. S. S. R. has been able to make the mechanical and chemical industries of East Germany, the electrical and machinery industries of Hungary, the coalfields of Poland, the uranium mines of Czechoslovakia, and the iron and steel industries of the latter two countries its private preserve. Looking at steel, which is a good index of the preparedness of countries, satellite production of 11 million metric tons in 1952 added no less than one-third to the Soviet domestic steel output—35 million metric tons at most.

The second function of CEMA has been the preparation of a Soviet bloc exchange program of ever-increasing magnitude. An article in Kommunist—formerly Bolshevik—No. 5, 1953, shows the revolution that has taken place in the trade of the area. According to its figures, prewar exchanges between the countries now composing the Soviet bloc accounted for only 12 percent of their total trade. Today, an average of 83 percent of their total trade is confined to the Soviet bloc.

Percent of Soviet bloc trade to total trade turnover

	1937	1948	1949	1950	1951	1952
Albania	5	28	100	100	100	100
Bulgaria	12	78	82	89	92	89
Czechoslovakia	11	32	45	55	69	71
Hungary	12	34	46	61	67	71
Poland	7	41	43	59	58	67
Rumania	18	71	82	83	80	85

Percentage from Kommunist, No. 5, March 1953.

The principal thing to remember is that the program in which the satellites are participating is Soviet-imposed, and as such, has ignored national aspirations. Thus while backward countries in the sphere may benefit by a certain amount of rational industrialization, more advanced ones are suffering by becoming unwilling contributors to this development on the terms dictated by the U. S. S. R. and by being forced to shape their economies to accomplish a goal which is not in their self-interest. Similarly, while a goal of greater industrial output might be attractive to a given country, it might not on its own choose to penalize and pinch its population, even temporarily, in the way that the U. S. S. R. has insisted be done. Furthermore, it might be inclined to view its economic viability in terms of a broader market than the Soviet empire.

The fact is that the eastern European countries were given no choice. East European postwar economic planning is characterized by the total subordination of national interests to Soviet-sponsored programs, whose only criteria is making the maximum contribution to the economic strength of the U. S. S. R.

In forcing its plans on its satellites, the Kremlin lays down its own division of labor. In this the Soviet aim is political as well as economic: Moscow wants the satellites to be dependent on the U. S. S. R. and is cleverly exploiting and intensifying rivalries between them. It prefers bilateral trade agreements with them instead of a tight network of multilateral economic relations, since dissatisfaction with Soviet orders are easier to deal with on an individual country basis rather than with all satellites combined.

Czechoslovakia offers a good example of the process of forced division of labor. Moscow wanted concentration of heavy industry in Czechoslovakia, but with emphasis on semifinished products, such as steel plates for tanks or parts of big machines. Before the Communist coup the Czechs had hoped to take over Germany's role as a producer of manufactured goods, particularly before the Germans would have time to recover from the setback during and after the war. The Czechs were ordered to send their semifinished goods instead to the U. S. S. R. to be finally processed. To make certain that the Czechs fell into line with such a plan, the Soviets simply removed existing plants from the country. In 1951, for instance, they dismantled the machinery for the production of quality steel in the Diadur plant at Kladno and sent it to the U. S. S. R. The Kremlin was very shrewd in manipulating this transfer. It suddenly stopped supplying the Diadur works with cobalt and wolfram; the result was a work stoppage, and in the end the transfer of the whole industry. In Pilsen valuable machine tools for armament production were simply crated up and sent to the U. S. S. R.

As to the production of glassware, ceramics, leather, and leather products, for which Czechoslovakia was famous before the war, the Kremlin decided that these should now be produced by Poland. It insisted that Czechoslovakia furnish Poland with the necessary machines to produce these products.

The predominance of Soviet interest over the national interests of its satellites is even more evident in the field of foreign trade. Because of its political domination of the area, the U. S. S. R. has been in a position to dictate the terms of trade not only of its own trade agreements with each satellite country but also largely of those of the satellites with each other.

Soviet bargaining superiority is brutally asserted in its trade negotiations with its satellites. The U. S. S. R. demands the best quality at prices below those in the world markets, at times even below cost. The goods furnished by the U. S. S. R. in return are frequently of a type unwanted by the importing country, of poor quality, highly priced, and late in delivery. Frequently, goods supplied by eastern European countries to the U. S. S. R. at low prices are reexported by the latter at a handsome profit to countries outside the Soviet

bloc—sometimes in competition with the originating country.

The economies of the satellites and the U. S. S. R. are largely noncomplementary. Prior to the war their exports and their import requirements were similar. Because of wartime dislocations and the expansion of its industrial and military potential, the U. S. S. R. has been able to absorb some of the traditional satellite export commodities which it formerly exported itself. It has not, however, been able to meet the need of its orbit for certain raw materials or, most important, for industrial and manufactured products, particularly capital equipment. Instead, it has compelled the satellites to export goods, often to the injury of their domestic economies, since Soviet demands frequently are for commodities needed domestically—and Soviet needs take precedence over those of the satellites. This has been true not only with respect to raw materials and industrial products, but also in the case of consumers' goods, of which large quantities are shipped to the U. S. S. R. regardless of their short supply domestically.

The industrialization plans of the East European nations have given prominence to heavy industry, power stations, steel mills, and armament industries. With the exception of some minor Soviet loans, industrialization has to be financed entirely from internal resources by allocating an excessively high proportion of national income to investment. This means that the production of consumers' items has had to be held to a minimum. All energies—national resources as well as labor—are harnessed to the output of those items needed to increase the industrial and military potential of the Soviet empire. The program has spelled austerity and sacrifices for the populations.

The forced reorientation of economic relations and the complete subservience to the U. S. S. R. has constituted a severe burden to the countries within the Soviet sphere. For political reasons they have been denied access to economic aid such as the European recovery program; the major part of their exportable surpluses and of many commodities needed domestically by the satellites have been absorbed by the U. S. S. R. The resulting curtailment of imports from the non-Soviet areas and the inability or unwillingness of the U. S. S. R. to supply its satellites with needed raw materials and industrial items all have made recovery possible only at great sacrifice and by lowering the standard of living of the peoples of Eastern Europe.

As I see it, this leads to two conclusions. First, we must address ourselves without delay to meeting this Communist economic challenge.

Second. Our principal weapon must be the economic integration of the Western World, heretofore heavily dependent upon trade with what is now the Communist bloc and under the necessity of reorienting its trade and economic patterns so that the Western World—the free world—can be a reasonably self-contained unit. We must recognize that we are not operating in a vacuum and that we cannot just try to integrate our economies as it might suit our convenience. We must recognize that we are engaged in active and deadly competition with the Communist economic system. There is a time limit upon how long we can take to integrate the free world and to orient it economically away from countries now in the Communist bloc with which it used to do business.

Unless we are pessimistic enough to believe that the struggle between the free world and the slave Communist world will be determined by war and atomic weapons, we must conclude that this struggle will be determined by the success of the respective systems, especially their economic success. We have the productive power and the technical skills; we have the markets; we have the training and the opportunity; and we can integrate our economic system to infinitely greater effect than can the Communist bloc.

Stalin said in October 1952 in his last public pronouncement that the Western Allies, he thought, would war not with the Soviet Union but among themselves and that they would fall out over economic matters, and these dictators have a way of speaking their plans so openly that they are considered to be the greatest secret because we do not believe them when they say it. This is what he said:

> Consequently, the struggle of the capitalist countries for markets and their desire to crush their competitors proved in practice to be stronger than the contradictions between the capitalist camp and the Socialist camp. * * * But it follows from this that the inevitability of wars between capitalist countries remains in force.

The purpose of this address is to alert my colleagues in the Congress to what may prove to be the greatest of all the Russian dangers—the buildup of Soviet economic power and the Soviet trade drive, a threat as great as the false propaganda, the subversion, the infiltration of spies, agitators, and saboteurs, and the powerful Communist military organization which seems to be designed for aggression and which has already launched aggression. So that we all recognize that while our present economic superiority over the Communist bloc is overwhelming, the thing to do is to take advantage of it now. We should be reducing, not increasing, as some would have us do in extending the Reciprocal Trade Agreements Act, barriers to trade all over the world. We should be increasing materially overseas private investment for development purposes and the utilization of international financing agencies like the International Bank and the International Monetary Fund. We should be working hard for regional integration signaled in Europe by the marked success of the European coal and steel community under the Schuman plan. We should be endeavoring to effectuate the same objectives by regional organization in other areas of the world. We should be expanding, not contracting, overseas technical assistance and economic development efforts.

That is why I say the new Soviet threat is economic and urge that we act to meet it vigorously and firmly.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield.

Mr. GROSS. The gentleman knows that Soviet Russia and even Communist China and Manchuria as well as Poland and nearly all of the satellite countries are exporting commodities into this country today and have been to the tune of millions of dollars.

Mr. JAVITS. Of course, what we are taking from the Soviet Union and its satellites in this country is only what we feel we get of advantage in this trade picture. That is, we are taking bristles and similar products which we feel we get to advantage. Certainly we are not trading with the Soviet Union and the Communist satellites to their advantage.

Mr. GROSS. But we are dealing with China and Manchuria, while fighting a war with them. We are permitting them, as well as Soviet Russia, to import products into this country. Is that not true and it certainly is to their advantage?

Mr. JAVITS. We are permitting them to do so only when it suits us. We think we are fighting the war even better when we take those products from them. That is the reasoning of our State Department.

Mr. GROSS. Mr. Speaker, will the gentlemen yield for another question?

Mr. JAVITS. Certainly.

Mr. GROSS. Is Russian caviar necessary to our conduct of the war?

Mr. JAVITS. I certainly do not think so. And I understand that the caviar comes from Iran.

Mr. GROSS. I can furnish the gentleman reports from the Department of Commerce showing the Russians are shipping us caviar for which they are obviously paid in American dollars.

Mr. JAVITS. If the gentleman will show me those figures, I should be glad.

Mr. GROSS. I shall be delighted to.

Mr. JAVITS. I would say to the gentleman that I would thoroughly agree that we certainly should not help the Russian economy with any dollar income for caviar. As a matter of fact, the whole purpose of my speech here today is to indicate that if we want to take trade away from the whole Communist bloc and concentrate it in the free world we have got to integrate the free world, including ourselves, so that we are able to do it.

I think it is very important that those of us who express most alarm about any trade with the Communist bloc, by ourselves and other nations, recognize that we have got to have other channels of trade and that therefore it is a liberal, rather than an illiberal, policy on matters like the Reciprocal Trade Agreements Act, which is vital to the policy of this country.

Mr. KERSTEN of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. The gentleman has just given a very excellent analysis of the situation so far as the Soviet Union is concerned, and very well pointed out the buildup of the economic strength of the Soviet Union. As the

gentleman always does on matters of that kind, he did an excellent job, and I wish to compliment him.

I wish to ask the gentleman this question: With the progression of the forces and the efforts of the Soviet Union, as the gentleman has so well pointed out, what does he foresee as to the ultimate outcome between this Soviet Communist world buildup as it is and the western non-Communist world built up as it is, or as we are, and supposing that we take the steps the gentleman recommends. What does the gentleman foresee as to the ultimate outcome between these two camps, economically and also militarily?

Mr. JAVITS. I thank the gentleman for his kind words about this analysis which is to the credit of work done up in the Foreign Affairs Committee far more than it is to me.

It seems to me that we are at the fork in the road. If we assume that the only defense we have against communism is military then we dedicate ourselves to an ultimate military conflict. It is an axiom that an arms race leads to war. I do not think this axiom is invalid in this case if we dedicate ourselves solely to the arms race. I hope very much we will not and I do not believe we will. I believe the whole feeling of our people and of the people of the free world is against it.

The question is then, How quickly can we make the turn from the major emphasis on our military operations, which are simply a shield, to releasing our economic and trade offensive and our effort to improve the standards of living in the underdeveloped areas of the free world, using our tremendous industrial power and that which we lead and which is so overwhelmingly superior to the whole Communist bloc?

If we make that turn we will be able more and more to wean the Russian satellites away from them by the magnetic attraction of economics. We will be able to wean away every satellite, including Communist China, if we pursue this economic cold war in the magnitude of which we are capable. When we have weaned away the satellites from the Soviet Union, and the Soviet Union stands alone, I do not think any of us much cares what kind of government the Russian people wish to impose upon themselves. If they do wish to carry the yoke of communism, as the gentleman has so well described it heretofore, then they will carry it. If they do not they will shake it off. But if we wean away the satellites, the world will be free of this overhanging menace which has depressed the whole world and all its people and has been keeping them in constant fear of war.

Mr. KERSTEN of Wisconsin. In weaning away the satellites, does the gentleman have in mind weaning them away through their present or similar dictators, say, a la Tito, or does the gentleman have in mind the possibility of the people of those various satellite countries regaining their independence?

Mr. JAVITS. I would certainly hope that the people of those countries would regain their independence and rise against their masters as they seem to show they have a mind to do in East Germany. The gentleman recognizes, because he is so skilled in these matters, as do I, that with the tremendous power of modern armament a relatively small army and a secret police organization can suppress millions. Yet we know, and we think we see it in Yugoslavia, that even if deliverance comes through the auspices of a Tito—and I have always urged that we be watchful and go very gradually there—this is yet a foundation, that the minute the door is open we are in sight of the ultimate goal of freedom if the people bestir themselves. In some cases it may happen through Titos; in other cases, I think, it will happen by the people themselves being aroused. I feel very deeply that the hold of the Soviet Union upon its satellites is shaky and weak; that it will not take too much to make a change. The fact that there are few regimes in the satellite countries which are as strong as Tito's and yet a change was made there, should be instructive to us. I feel we can do even better and get even more effective results with some of these other satellites.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. HOSMER in three instances and to include extraneous matter.

Mr. MUMMA and to include extraneous matter.

Mr. BRAY.

Mr. O'NEILL.

Mr. FORRESTER (at the request of Mr. LANDRUM) and include an editorial from the Columbus Ledger-Inquirer.

Mr. DORN of South Carolina and include an editorial which appeared this morning in the New York Tribune and the Washington-Times-Herald about foreign aid.

Mr. O'HARA of Illinois.

Mr. GROSS and to include extraneous matter.

Mr. MACHROWICZ and to include extraneous matter.

Mrs. ROGERS of Massachusetts in two instances, in one to include a release from the Veterans' Administration and in the other an article from the Boston Post.

Mr. FINO and to include extraneous matter.

Mr. FRELINGHUYSEN and to include an editorial.

Mr. BURDICK in two instances.

Mr. BENDER in five instances, in each to include extraneous matter.

Mr. THOMPSON of Louisiana (at the request of Mr. MAGNUSON) in two instances, in each to include extraneous matter.

Mr. MULTER and to include extraneous matter.

Mr. KERSTEN of Wisconsin in three instances and to include extraneous material.

Mr. DAVIS of Tennessee and to include extraneous material.

Mr. WALTER and to insert a letter from the Brooklyn Tablet.

Mr. ALLEN of California and to include extraneous matter.

Mr. HALE (at the request of Mr. McINTIRE) and to include an address delivered by the senior Senator from Maine.

Mr. GAVIN.

Mr. SAYLOR (at the request of Mr. D'EWART).

Mr. FULTON and to include an item appearing in the Pittsburgh Legal Journal.

Mr. MILLER of Kansas to revise and extend his remarks and include extraneous matter.

Mr. PRICE and Mr. DODD.

Mr. FRIEDEL (at the request of Mr. METCALF) and to include extraneous matter.

Mr. GWINN and to include a speech by Dr. Keesecker.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 2313. An act to continue the effectiveness of the act of March 27, 1942, as extended, relating to the inspection and audit of plants, books, and records of defense contractors, for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter;

H. R. 2557. An act to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941; and

H. R. 4126. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, relating to war-risk hazard and detention benefits, until July 1, 1954.

ADJOURNMENT

Mr. KERSTEN of Wisconsin. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 47 minutes p. m.) the House, under its previous order, adjourned until tomorrow, Friday, June 26, 1953, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

800. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1953 and prior years in the amount of $131,490.13 for the District of Columbia (H. Doc. No. 194); to the Committee on Appropriations and ordered to be printed.

801. A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1954 in the amount of $322,000 for the Department of the Interior (H. Doc. No. 195); to the Committee on Appropriations and ordered to be printed.

802. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1954 in the amount of $100,000 for the Treasury Department (H. Doc. No. 196); to the Committee on Appropriations and ordered to be printed.

803. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1954 in the amount of $250,000 for the Commission on Government Organization and Operations provided in S. 106, a bill now pending before the Congress (H. Doc. No. 197); to the Committee on Appropriations and ordered to be printed.

804. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1954 in the amount of $900,000 for the Department of Labor (H. Doc. No. 198); to the Committee on Appropriations and ordered to be printed.

805. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1954 in the amount of $500,000 for the Commission on Foreign Economic Policy (H. Doc. No. 199); to the Committee on Appropriations and ordered to be printed.

806. A letter from the Secretary of Agriculture, transmitting a draft of legislation entitled "A bill to amend the International Wheat Agreement Act of 1949"; to the Committee on Banking and Currency.

807. A letter from the Under Secretary of Agriculture, transmitting a draft of legislation entitled "A bill to amend the Housing Act of 1949, as amended"; to the Committee on Banking and Currency.

808. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1954 in the amount of $1 million for funds appropriation to the President (H. Doc. No. 200; to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. LANE: Committee on the Judiciary. H. R. 2977. A bill to further amend the act of July 3, 1943, entitled "An act to provide for the settlement of claims for damage to or loss or destruction of property or personal injury or death caused by military personnel or civilian employees, or otherwise incident to activities, of the War Department or of the Army" by removing certain limitations on the nature of personal injury and death claims; with amendment (Rept. No. 658). Referred to the Committee of the Whole House on the State of the Union.

Mr. CRUMPACKER: Committee on the Judiciary. S. 252. An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury; with amendment (Rept. No. 659). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 3191. A bill conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California; without amendment (Rept. No. 660). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 3685. A bill to amend the Servicemen's Readjustment Act of 1944, as amended, so as to authorize the Administrator of Veterans' Affairs to furnish space and facilities, if available, to State veteran agencies; without amendment (Rept. No. 661). Referred to the Committee of the Whole House on the State of the Union.

Mr. CRUMPACKER: Committee on the Judiciary. H. R. 4401. A bill to amend title 28, United States Code, so as to permit certain suits for the recovery of taxes to be brought in the district of the taxpayer's residence; with amendment (Rept. No. 662). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 5314. A bill to extend the coverage of the Servicemen's Indemnity Act to members of the Reserve Officers' Training Corps when ordered to active training duty for periods in excess of 14 days; without amendment (Rept. No. 663). Referred to the Committee of the Whole House on the State of the Union.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 5705. A bill to amend the existing law to provide for the automatic renewal of expiring 5-year-level-premium-term policies of United States Government and national service life insurance; without amendment (Rept. No. 664). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee of conference. S. 1550. An act to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom (Rept. No. 665). Ordered to be printed.

Mrs. ROGERS of Massachusetts: Committee on Veterans' Affairs. H. R. 5773. A bill to provide for the refund, under certain conditions, of money paid as premiums on United States Government life insurance or national service life insurance which is canceled for fraud; with amendment (Rept. No. 666). Referred to the Committee of the Whole House on the State of the Union.

Mr. WITHROW: Committee on Post Office and Civil Service. S. 971. An act to authorize films, and related material, for educational use to be transmitted through the mails at the rate provided for books; without amendment (Rept. No. 668). Referred to the Committee of the Whole House on the State of the Union.

Mr. RODINO: Committee on the Judiciary. H. R. 2750. A bill for the relief of the city and county of Denver, Colo.; without amendment (Rept. No. 671). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENTLEY: Committee on Foreign Affairs. H. R. 4302. A bill to revive and reenact the act entitled "An act authorizing the State of Michigan, acting through the International Bridge Authority of Michigan, to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the St. Marys River, from a point in or near the city of Sault Ste. Marie, Mich., to a point in the Province of Ontario, Canada," approved December 16, 1940; without amendment (Rept. No. 672). Referred to the House Calendar.

Mr. RICHARDS: Committee on Foreign Affairs. H. R. 4167. A bill to create a Commission to be known as the Corregidor Bataan Memorial Commission; without amendment (Rept. No. 673). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 304. Resolution for consideration of H. R. 5667. A bill to amend the National Housing Act and other laws relating to housing; without amendment (Rept. No. 674). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BURDICK: Committee on the Judiciary. S. 152. An act for the relief of Fred P. Hines; without amendment (Rept. No. 654). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. House Resolution 284. Resolution providing for sending to the United States Court of Claims the bill (H. R. 5683) for the relief of Willard L. Gleeson; without amendment (Rept. No. 655). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 4175. A bill for the relief of Charles R. Logan; with amendment (Rept. No. 656). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5210. A bill for the relief of Paul D. Banning, chief disbursing officer, and others; without amendment (Rept. No. 657). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 4919. A bill for the relief of Ralph S. Pearman, and others; without amendment (Rept. No. 667). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 975. A bill for the relief of Dr. Dudley A. Reekie; without amendment (Rept. No. 669). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 1329. A bill for the relief of Arthur Oppenheimer, Jr., and Mrs. Jane Oppenheimer; with amendment (Rept. No. 670). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CAMPBELL:

H. R. 5935. A bill authorizing a preliminary examination and survey to prevent the intrusion of salt water into Lake Tarpon, Fla.; to the Committee on Public Works.

By Mr. D'EWART:

H. R. 5936. A bill to amend the Railroad Retirement Act of 1937 to provide annuities for certain dependent sisters of unmarried retired railroad workers; to the Committee on Interstate and Foreign Commerce.

By Mr. McDONOUGH:

H. R. 5937. A bill permitting the State and local taxation of certain tangible personal property title to which is in the United States; to the Committee on Interior and Insular Affairs.

By Mr. REECE of Tennessee:

H. R. 5938. A bill authorizing a preliminary examination and survey to prevent the intrusion of salt water into Lake Tarpon, Fla.; to the Committee on Public Works.

By Mr. TEAGUE:

H. R. 5939. A bill to amend the District of Columbia Teachers' Salary Act of 1947; to the Committee on the District of Columbia.

By Mr. BROOKS of Louisiana:

H. R. 5940. A bill to provide for the establishment of a licensing system to facilitate the control of the manufacture, distribution, and sale of armored apparel in interstate commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. KING of California:

H. R. 5941. A bill to outlaw the Communist Party and similar subversive organizations; to the Committee on the Judiciary.

By Mr. PILLION:

H. R. 5942. A bill to amend the Railroad Retirement Act so as to eliminate the requirement that annuities and pensions be reduced in certain cases where the individual entitled thereto is also entitled to social

security benefits; to the Committee on Interstate and Foreign Commerce.

By Mr. REED of Illinois:

H. J. Res. 395. Joint resolution extending the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to effect the removal of mural paintings from the lobby of the Rincon Annex Post Office, San Francisco; to the Committee on Public Works.

Also, memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to respectfully urging prompt and favorable consideration of H. R. 116 introduced by Representative Church; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 5943. A bill for the relief of Alberto Dal Bello and Mrs. Dina Bristot Dal Bello; to the Committee on the Judiciary.

By Mr. BOGGS:

H. R. 5944. A bill for the relief of Alberto Ugo Landry; to the Committee on the Judiciary.

By Mr. CHENOWETH:

H. R. 5945. A bill conferring jurisdiction upon the United States District Court for the District of Colorado to hear, determine, and render judgment upon the claim of J. Don Alexander against the United States; to the Committee on the Judiciary.

By Mr. FALLON:

H. R. 5946. A bill for the relief of Panagiotes Roumeliotis; to the Committee on the Judiciary.

By Mr. MAILLIARD:

H. R. 5947. A bill for the relief of Lewis G. Carpenter, Jr.; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 5948. A bill for the relief of Rogers Kennedy, Mrs. Mary Sussock Kennedy, Jacollyn Fenny Maria Kennedy, and Beverly Gillian Kennedy; to the Committee on the Judiciary.

By Mr. NELSON:

H. R. 5949. A bill for the relief of Cou Lung Ng; to the Committee on the Judiciary.

By Mr. RAY:

H. R. 5950. A bill for the relief of Gattas E. Maloof; to the Committee on the Judiciary.

By Mr. YORTY:

H. R. 5951. A bill for the relief of Eveline Brigitte Barti (Eveline B. Hermann); to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

364. By the SPEAKER: Petition of the National Federation of Settlements and Neighborhood Centers, New York, N. Y., urging a thorough study of facts in any situation endangering the principle of freedom of speech and freedom of assembly; to the Committee on the Judiciary.

365. Also, petition of Cleveland Typographical Union, Cleveland, Ohio, requesting continuance of the excess-profits tax, in order to avert the repetition of a depression on an immensely augmented scale; to the Committee on Ways and Means.

366. Also, petition of Frank N. Quarles and others, St. Petersburg, Fla., requesting passage of H. R. 2446 and H. R. 2447, social-security legislation, known as the Townsend plan; to the Committee on Ways and Means.

367. Also, petition of William Tompkins and others, Clearwater, Fla., requesting passage of H. R. 2446 and H. R. 2447, social-security legislation, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

FRIDAY, JUNE 26, 1953

(Legislative day of Monday, June 8, 1953)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, in the abundance of Thy mercy another day is added to the record of the lengthening years: For the morrow and its needs, we do not pray; for the day which now bathes us in its returning light, give us courage, give us wisdom, and set Thou a seal upon our lips lest any words of ours shall needlessly hurt or discourage some pilgrim by our side. As lovers and servants of this dear land of freedom, make us worthy of the past and equal to the present.

We come in the sorrow of a poignant sense of loss as we remember with admiration and gratitude the honored Member of this body whose useful, earthly life has so suddenly ended. We thank Thee that his gentleness made him great and that his sanctified wisdom and pure humanity made his radiant personality as a candle of the Lord. In this Chamber where he served with such distinction and integrity we remember this hour the unstinted service he rendered to his State and to his Nation, and all the adornment he brought to the noble profession of the law, to his church, and in extending the mighty influence and ministry of his alma mater. We remember with joy that for him party loyalty was ever but an altar of consecration in the greater temple of his undefiled patriotism as, at home and abroad, he served his Nation with patient courage, gentle courtesy, and constant devotion to every trust committed to his hands. Vouchsafe unto his stricken loved ones Thy tenderest mercies and the consolations of Thy sustaining grace, as they face this devastating loss in the loving family circle.

In this hour of national and personal loss, through our tears we thank Thee that such have been, though they are here no more. We rejoice in the assurance of our faith that death is but the portal to another room in the Father's many-mansioned house. Amen.

THE JOURNAL

On request on Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, June 25, 1953, was dispensed with.

CALL OF THE ROLL

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 4828) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDENT pro tempore. The bill is open to further amendment.

Mr. BARRETT. Mr. President, I object to the language beginning in line 15 on page 26, and extending through line 24, on the ground that it is subject to a point of order, being legislation on an appropriation bill. The language reads as follows:

> The Secretary of the Interior shall review all existing concession leases and contracts, and hereafter all new concession leases and contracts and all renewals of such leases and contracts shall be reviewed by the Secretary of the Interior and shall be entered into with qualified persons on the basis of competitive bids: *Provided*, That hereafter all awards of concession leases and contracts shall be reported by the Secretary of the Interior to the President of the Senate and the Speaker of the House of Representatives for transmission to the appropriate committees.

The PRESIDENT pro tempore. This provision, of course, is legislation on an appropriation bill. Is the Senator making a point of order?

Mr. BARRETT. I make the point of order.

The PRESIDENT pro tempore. The point of order is sustained.

Mr. CORDON. Mr. President, pursuant to directions from the committee with respect to this amendment, I gave notice of an intention, in case a point of order should be made, to move to suspend the rule with reference to this amendment. I now move that paragraph 4 of rule XVI be suspended, in order that the amendment may be considered.

The PRESIDENT pro tempore. The motion to suspend the rule is in order.

The question is on agreeing to the motion of the Senator from Oregon [Mr. CORDON] to suspend paragraph 4 of rule XVI in order that the committee amendment on page 26, after line 14, may be considered.

Mr. BARRETT. Mr. President, I am opposed to this language. A few years ago the Public Lands Committee in the House, of which I was then a member, held extensive hearings on this matter. During the course of the hearings it became evident that the best interests of the people required that concessionaires in our national parks be given more security of tenure rather than less.

Mr. President, about $30 million of private money is invested in facilities and other improvements in our national parks, and it would be utterly impossible to get private investors to put further money into new concessions or improvements under such language as is here proposed. If the Senator from Oregon believes that this is wise legislation, it seems to me that he should take the matter up with the Committee on Interior and Insular Affairs, of which he is the ranking majority member, in order that the committee may hold hearings and give the people of the country an opportunity to be heard and present their arguments in favor of as well as their objections to the legislation. I am sure the Committee on Interior and Insular Affairs will find, as did the old Public Lands Committee in the House, that not only the officials of the Park Service, but the people of the country, will be opposed to any such legislation.

So I hope that the motion to suspend the rule will not prevail.

Mr. HUNT. Mr. President, I wish to join my colleague [Mr. BARRETT] in opposing the amendment. The method was tried and found wanting, and has been discarded. All of us are aware of the fact that the concessionaires are now the owners of all the facilities. I am particularly speaking of the parks in Utah and the parks in Wyoming, the largest of them being Yellowstone National Park. It is a self-evident fact that the ownership of the various structures is now in the concessionaires. Putting up for bid future concessions would naturally be to the advantage of those who now have the properties. However that may be, I am inclined to believe—and I have lived close to this problem for some 30 years and have observed it from all angles—that it would be a mistake to put these concessions up for bids.

I believe negotiated contracts and negotiated permits between the Park Service and the concessionaires would be a far better and more proper method of handling the concessions in the national parks.

I know that the Union Pacific Railroad has large investments in some of the parks, and operates magnificent establishments. There can be no criticism with respect to the service rendered in those cases, especially in the parks in Utah. It would be a bad mistake to change the method and let an irresponsible bidder come forward with a ridiculously low bid and, merely because he was the low bidder, get the concessions in the parks. The service would suffer seriously as a result.

I am hopeful that the Senate will not adopt the motion to suspend the rule.

Mr. CORDON. Mr. President, the amendment was adopted in the Committee on Appropriations, and the reason for its adoption was a very good one. It was due to the widespread belief by those of us who have gone into the subject at one time or another that there was not given the great care that should have been given to the interests of the Government when the awards were made with respect to the facilities operated in behalf of the public in the national parks. Hearings were held, to which the Senator from Wyoming [Mr. BARRETT] referred, which went into the subject quite extensively. A member of our committee indicated during the discussion of the subject that he had served on a committee which had been highly critical of the department, and the motion to require the letting of concession awards by competitive bidding was the result of those discussions in the committee.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. CORDON. I know the view the committee membership obtained with respect to the necessity of tightening up the present processes incident to granting awards of concessions whereby the granting may be done by negotiations and without any opportunity for competitive bidding, even in the case of a new concession.

I believe we all realize that over the years, as a result of the practice of awarding concessions and then continuing the award as the period of the concession expired, in many instances there have been heavy private investments made in facilities. Frankly, under such circumstances, I do not know how awards could well be made by competitive bids. I do not know what yardstick could be used to determine who was entitled to an award, for example, if one bidder had all the facilities and owned them, and another bidder was bidding to take the award himself, but if he got the award would not have the facilities with which to execute it, with resultant confusion which would almost reach chaos.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. HAYDEN. Another factor which entered into the discussion of the subject is I believe, worthy of consideration, and that is, the Federal Government was not recovering as much from the concessionaires as it cost the Government to administer and supervise the concessions. At least that charge was made. On second thought, it occurred to me that the better way to handle the matter, would be, rather than to have competitive bidding, for the Secretary of the Interior to ask the new officials who are in charge to go into the question of whether or not a concessionaire in a park should contribute more to pay the cost of supervision the Government must exercise over him.

Mr. HUNT. Mr. President, will the Senator yield?

Mr. CORDON. I first yield to the Senator's colleague.

Mr. BARRETT. Mr. President, did I understand correctly the distinguished senior Senator from Oregon to say that the Committee on Public Lands of the House had made the recommendation that the awards be made by competitive bids?

Mr. CORDON. No; the Senator misunderstood me. I did not make that statement.

Mr. BARRETT. I will say to the Senator from Oregon that the committee felt very definitely that such a provision would operate against the public interest, and he well knows that concessions in most of the national parks, at least in the West, are entirely inadequate at the present time, and that it is almost impossible to get private capital to invest the money to construct new facilities. In recent years it has been necessary for many people to sleep in their cars in Yellowstone National Park because sufficient accommodations are not available.

If the language contained in the committee amendment is adopted conditions will be infinitely worse, I will say to the Senator from Oregon. I hope the amendment will not be adopted by the Senate. It seems to me this is a subject that ought to be considered very carefully by the Committee on Interior and Insular Affairs, which has jurisdiction over matters of this character. I think it would be utter folly to write legislation of this character in an appropriation bill.

Mr. BRIDGES. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). Does the Senator from Oregon yield to the Senator from New Hampshire?

Mr. CORDON. I yield.

Mr. BRIDGES. Mr. President, let me say to the junior Senator from Wyoming, whom I respect and admire as a very capable and distinguished Member of this body, and to the other Senators who have been interested in the subject that there is more to this matter than appears on the surface.

I have information in my possession, as Chairman of the Committee on Appropriations, which bears on the subject. I do not say that every situation is bad, by any means, but I do say there are many bad situations, indeed, some that are rotten to the core.

So far as I am concerned, as chairman of the Committee on Appropriations, I am perfectly willing that some solution be worked out now, but I wish to say that the subject needs to be thoroughly investigated. There is no point to covering it up in any manner, shape, or form. What the Senator from Wyoming is talking about is something he is familiar with, something he knows about and believes to be good, and I respect his opinion.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. BRIDGES. I do not have the floor.

Mr. BARRETT. If the Senator from Oregon will yield so that I may ask the senior Senator from New Hampshire a question, I would appreciate it very much.

Mr. CORDON. I will yield to the Senator from Wyoming for that purpose.

Mr. BARRETT. I thank the Senator from Oregon.

The Senator from New Hampshire referred to the national parks in the West. I wish to say to the Senator that when the committee of the House had the subject matter under investigation I was a member of the committee and at one time or another we visited every national park in the West. So I am somewhat familiar with every national park in that area.

I agree that the Senator from New Hampshire is correct, in that there are a few bad situations in the national parks.

On the other hand, I believe it would be ridiculous to impose impossible conditions upon all the good concessionaires throughout the national park system, merely because of the fact that some bad situations exist.

Certainly the remarks of the Senator from New Hampshire indicate that the Committee on Interior and Insular Affairs should make a full and complete study of the matter. However, I still am very definitely of the opinion that it would not be wise to decide that old concessionaires who have done a good job should be required to engage in competitive bidding when their concessions expire.

Mr. BRIDGES. Mr. President, I know the Senator from Wyoming is very sincere, and I have great respect for his views.

Mr. BARRETT. I thank the Senator from New Hampshire.

Mr. BRIDGES. But, Mr. President, I know that the Government of the United States is not receiving sufficient payments from the concessionaires as a whole. I know that some ridiculously low contracts have been made. I know that complaints which show the existence of finagling have been received.

Therefore, the subcommittee headed by the distinguished senior Senator from Oregon [Mr. CORDON] agreed upon this amendment. Perhaps it is not the final answer to the problem; I admit that may be the case.

What the junior Senator from Wyoming [Mr. BARRETT] says regarding the investments which have been made by various concessionaires in various national parks no doubt should be taken into consideration. Our purpose is to have a closer check made, in order to make sure that the Government's rights are maintained, that the Government receives a proper return, and that no finagling occurs. That is what we seek to do.

I am sure the Senator from Wyoming will agree with me that, by and large, one of the ways to make a sound approach is by means of competitive bidding. On the other hand, I realize that when a concessionaire has made a private investment in a particular park, it is a little difficult to measure what his return should be, as compared with that which would be proper for another bidder. For that reason, obviously, the entire matter should be studied.

Of course, as members of the Appropriations Committee, we are concerned with appropriations for the Department of the Interior. So I join the Senator from Wyoming in saying that perhaps the Appropriations Committee and the Committee on Interior and Insular Affairs have a joint interest in this question.

Mr. BARRETT. Mr. President, will the Senator from Oregon yield further to me?

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Wyoming?

Mr. CORDON. I yield.

Mr. BARRETT. Let me say, Mr. President, that I quite agree that the Appropriations Committee is concerned, and rightly so, with the subject matter before us now since it is called upon to make appropriations for these parks. On the other hand, certainly the distinguished and able Senator from New Hampshire will admit that before such a drastic change is made in the substantive law, the people who are vitally affected, and certainly those who have invested $30 million, should be given an opportunity to be heard. Such is not the case.

As I said before, if the Appropriations Committee wishes to take over the legislative work of the Committee on Interior and Insular Affairs, it should hold hearings and should go into these matters before it attempts to write such legislative provisions. I am sure that if that were done, the committee would come to the conclusion that this language is not wise or proper.

Mr. HUNT. Mr. President——

Mr. CORDON. I yield to the senior Senator from Wyoming.

Mr. HUNT. I thank the distinguished Senator from Oregon.

Mr. President, this matter is one with which I think my colleague and I are very, very familiar. We have "lived in the same house with it," so to speak.

I freely admit what the distinguished chairman of the Appropriations Committee has said, namely, that situations in our national parks are not what they should be, by any rule or measure which might be used.

However, I wish to say to him that that is not altogether the fault of the concessionaires. Twenty years ago, approximately 150,000 persons went through Yellowstone Park each year. Last year, 1,331,000 persons went through Yellowstone Park. Yet, 20 years ago, believe it or not, there were almost exactly the same number of Federal Government employees in Yellowstone Park there are today. But in those days, they worked 7 days a week, whereas now the Federal Government employees there work 5 days a week. So today the Federal Government is contributing less, by far, to the proper management of the national parks than it contributed 20 years ago.

Let me say the concessionaires have done a better job than the Federal Government has done.

I believe there is a way to handle this matter which would greatly improve the situation. I should like to suggest to the distinguished chairman of the subcommittee and to the distinguished chairman of the full Appropriations Committee that we provide in this bill, by amendment to be adopted today, that the contracts of the concessionaires be approved by a congressional committee, regardless of whether that be the Committee on Interior and Insular Affairs or the Appropriations Committee. In any event, let us review the contracts, in all their details, including the life of the contracts and the payments to the Federal Government.

If the distinguished Senator from New Hampshire cares to do so, I would suggest that today he write such an amendment, to be adopted as part of the bill, because I believe it would help the situation.

Mr. BRIDGES. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I yield.

Mr. BRIDGES. I appreciate the comment the distinguished senior Senator from Wyoming has made. I believe that all the two Senators from Wyoming, as well as the Senator from Oregon and myself, are attempting to do in this case is to find an equitable solution of the problem.

I hold in my hand a statement of the annual income of the national park concessionaires, Mr. President.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. BRIDGES. Mr. President, may I take the floor on this amendment, and then yield to the Senator from Oregon?

Mr. CORDON. Mr. President, I yield the floor.

Mr. BRIDGES. Mr. President——

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. BRIDGES. I hold in my hand a statement of the income of the national park concessionaires. One concessionaire in one national park has a total gross income from all sources of $6,028,768.85. On the other hand, what does that concessionaire pay the Government of the United States? It pays the Government $7,550.90.

Mr. President, any person in the United States who can have a gross income of more than $6 million, while paying the Government of the United States $7,000 for it, is receiving the benefit of a fairly good arrangement, I should say.

So there are some situations which I should like to have examined; but I am perfectly willing to have this matter worked out.

I may say to the Senator from Wyoming that there is no idea on the part of the Appropriations Committee of usurping the functions of the Committee on Interior and Insular Affairs; but we are interested in this matter from the point of view of appropriations, and we should like to have it looked into.

Mr. BARRETT. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. BARRETT. The figures cited by the Senator from New Hampshire can be very misleading. Five years ago, hearings on this subject were held by the House committee, and the hearings showed that the return to the concessionaires as a whole, throughout the country, was 6 percent on their investment.

Mr. President, it is a notorious fact that at the present time and under existing conditions it is impossible to get experienced people to go into this business in the national parks. I may say that the facilities in Rainier National Park are in a dilapidated condition. I visited that park several years ago and, in my judgment, the buildings are wholly unfit. It is impossible to get anyone to invest money for the purpose of constructing new facilities. If a concession in that

park is such an inviting proposition, if it produces the money the senior Senator from New Hampshire thinks it does, certainly there would be people standing on the doorsteps of the Park Service, seeking an opportunity to go into business in the park. I believe a similar condition prevails in a good many other parks throughout the country.

Language such as that proposed would make it more difficult for the concessionaries to operate and would tend to make the situation worse rather than better, and the people of the country who visit the national parks would find it impossible to get adequate accommodations. I venture the statement that a good many thousand people visiting our national parks this year will not be able to obtain cabins or rooms, and it will be necessary for them to sleep in their automobiles. If I remember correctly the business year at Mount Rainier National Park is restricted to 7 weeks. That is as long as the concessionaires can operate.

Mr. KNOWLAND. Mr. President, will the Senator from New Hampshire yield, to permit me to ask the Senator from Wyoming a question?

Mr. BRIDGES. I am glad to yield to the Senator from California for that purpose.

Mr. KNOWLAND. Is it not also true that, unless an equitable arrangement is made with the concessionaires, the alternative will be for the Government to intervene, take over the concessions, and make a large capital investment in order to provide the facilities, without which the national parks are unable to serve the tremendously increased number of visitors, to which the Senator has referred?

Mr. BARRETT. The Senator from California is entirely correct. I may say the committee in the House came to the unanimous conclusion that it would be unwise and undesirable for the Government to go into this business. The House committee was definitely of the opinion that private industry could do a much better job of providing these services than the Government itself could possibly do.

Mr. BRIDGES. Mr. President, the only desire of the Appropriations Committee, and of the Senator from New Hampshire, as chairman of the committee, and, I think, of the chairman of the subcommittee, was to obtain a review of the subject in order that we might determine upon an equitable course to be followed.

The Senator from New Hampshire is not opposed to national parks and he is not against their proper handling. At the same time he observes that there are certain inequities in the situation. He has received reports indicating a certain amount of finagling, and he has also received certain other reports which he has read. The Senator from New Hampshire, therefore, cannot quite understand why, if there is a gross revenue from one park of $6 million, there should not be a franchise fee of more than $7,000. To me, it simply does not make sense.

Mr. HUNT. Mr. President, will the Senator yield for a question?

Mr. BRIDGES. I yield.

Mr. HUNT. Does the report which the Senator has show the net return to the operating company?

Mr BRIDGES. It does. It shows a net profit of $239,309.69.

Mr. HUNT. Let me suggest to the distinguished chairman of the Appropriations Committee that, because of the short season, because of the tremendous difficulty encountered by the concessionaires in assembling personnel, and because of the unusual and extraordinary cost of transportation, the parks in most instances being located in areas far removed from centers of population, it will be found, I am sure, that the net profits of the operations are not nearly so large as might be supposed from the gross receipts from the operations. That is not only true in the case of the National Parks, but it is also true of those who operate dude ranches and activities of that kind in the West, who have a year-round overhead of administrative expenses, who carry insurance the year around, and who have other costs that are inevitable. By reason of these conditions, and in view of the limited operating season, I am sure the net profits are not commensurate with the gross receipts.

Mr. BRIDGES. Let me say to the Senator from Wyoming that the Senator from New Hampshire is conscious of those problems, and is sympathetic toward them. But if the Senator from Wyoming, as a private citizen, or if the Senator from New Hampshire, as a private citizen, can lease from the Federal Government properties that yield a gross revenue of $6 million annually, and a net revenue of $239,000, or nearly a quarter of a million dollars, and pay a license fee of only $7,000, it represents a pretty good deal.

Mr. HUNT. Mr. President, will the Senator yield for a further observation?

Mr. BRIDGES. I am glad to yield.

Mr. HUNT. As I understand, the extensive properties in Yellowstone Park which are owned by the operating company represent an investment running into many millions of dollars.

Mr. CORDON. Mr. President, will the Senator from New Hampshire yield?

Mr. BRIDGES. I yield.

Mr. CORDON. Mr. President, I am one of those who believe that it is not good business to award contracts for the conduct of Government business, by means of a process of negotiation, or by private contract, without notice to all who may be interested, so that they may be afforded an opportunity to bid. I realize, however, that that is not practical, in this particular case. I realize that as the late President Cleveland said, we are face to face with a condition, and not a theory. In many of the parks large investments have been made by the concessionaries, and under those circumstances there is no yardstick by which to determine the right to an award on the basis of competitive bids. It seems to me, however, that there is an answer to the problem, and I desire to suggest it to the Senate.

As suggested by the senior Senator from Wyoming, if provision be made for notice, even though it be not notice to potentially competitive bidders, and even though it be not notice to the public, but notice to the Congress in advance of the making of the award that it is proposed that an award be made, there will then be at least an opportunity to make a check which does not now exist.

My thought is that an amendment to the bill, in substitution for the amendment now under discussion, might read:

That the Secretary of the Interior shall hereafter report in detail all proposed awards of concessions, leases, and contracts, including renewals thereof, 30 days before such awards are made, to the President of the Senate and the Speaker of the House of Representatives, for transmission to the appropriate committees.

I believe that the requirement of such notice to Congress would result in our obtaining knowledge in advance of the awarding of contracts. It would certainly result in more care and attention being given by the administrative officer in charge of awarding contracts, and would, I believe, answer the question that is here being discussed. If I may, I shall ask unanimous consent to substitute the language I have suggested for the language recommended by the committee; and if the Senator from New Hampshire is in agreement with me, and will yield for the purpose, I shall be happy to make the request.

Mr. BRIDGES. I will yield. We certainly desire to find a reasonable solution to the problem, and I believe what is suggested is a solution upon which we shall be able to agree, with the understanding, however, that the whole subject is to be reviewed, and that we shall have a report before a contract is made, not afterward.

Mr. CORDON. I agree with the Senator's statement.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CORDON. Is it in order now to ask unanimous consent that the language I have suggested be substituted for the language now in the bill, agreement to such unanimous consent to be considered tantamount to the acceptance of the substitute language?

The PRESIDING OFFICER. If the Senator from Oregon obtains unanimous consent to substitute the language of his proposal for the amendment now in the bill, to all intents and purposes the provision he proposes will be considered as being written into the bill.

Mr. CORDON. Mr. President, I ask unanimous consent that that be done, and that the substitute language be that which I have just read into the RECORD, a copy of which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment in the nature of a substitute.

The CHIEF CLERK. For the committee amendment on page 26, from lines 15 to 24, it is proposed to substitute the following:

The Secretary of the Interior shall hereafter report in detail all proposed awards of concessions, leases, and contracts, including renewals thereof, 30 days before such awards are made, to the President of the Senate and the Speaker of the House of Representatives, for the transmission to the appropriate committees.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. BRIDGES. I have no objection to the request. At the proper time I should like to ask the Senator from Oregon if he would consider modifying his amendment by substituting "60" for "30", making the time 60 days instead of 30 days.

Mr. CORDON. Mr. President, that is entirely satisfactory and I should like to say that the term "contracts" has to do with concessions, and does not refer to contracts for ordinary labor employed in necessary housekeeping operations.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON], as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. Without objection, the motion of the Senator from Oregon to suspend paragraph 4 of Rule XVI is withdrawn.

Mr. CORDON. Mr. President, I was advised after the pending measure had been reported to the Senate that there had been a conflagration in Whittier, Alaska, which resulted in the burning and complete destruction of the wharf and dock facilities in that city. As Senators probably know, Whittier is one of the key termini, at the seaboard, of the Alaska Railroad, which runs through the interior to Fairbanks. Whittier, as one of the two seaward termini of the railroad, has been taken over virtually entirely by the Department of Defense as its means of ingress and egress from the sea to the defense facilities in the Territory. As a result of the fire, there is nothing left of Whittier in the form of facilities for loading and unloading of cargo. The fire completely destroyed the wharves and docks, and the warehouses on the docks, and so forth. Fortunately, it did not destroy the terminal facilities of the railroad there.

In the pending bill, Mr. President, there are recommended to the Senate funds for the rehabilitation of the spur and the other railroad running down from Fairbanks toward the sea which has its terminus at Seward, Alaska.

The amount recommended, in addition to the amount for rehabilitation of the railroad in which at this time we are not interested, is $382,000, which is for engineering and planning in connection with the rehabilitation and additional construction of sea-terminal facilities, docks, wharves, warehouses, and the like, at Seward, Alaska.

It was the plan of the Interior Department to get that work done during the current fiscal year, and, next year, to ask for funds to commence construction of those facilities.

Seward is the civilian port of Fairbanks and the interior of Alaska since Whittier has been taken over substantially 100 percent by the armed services. However, the Whittier facilities are entirely destroyed, the facilities at Seward now must carry a double load, the civilian traffic in from the sea to the port, and thence by rail to the interior, and the military traffic also. The military intend to use some temporary floating docks at Whittier to aid in the handling of their cargoes to the interior, but it will not be an adequate arrangement to take care of all the military needs, and there could be no use of it, of course, for civilian needs.

So, Mr. President, I have been in touch with the Interior Department. I called that Department as soon as I received official notice of the fire at Whittier and asked them to report on the situation so that if it were necessary, the matter might be presented to the Senate by an amendment to the current appropriation bill. I have received a letter from Ralph A. Tudor, Under Secretary of the Department of the Interior, which I wish to read. I think it will fully advise the Senate with respect to the matter. The letter is as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., June 19, 1953.

Hon. GUY CORDON,
United States Senate,
Washington, D. C.

DEAR SENATOR CORDON: Pursuant to your request that the Department of Interior advise you with respect to the emergency created in port facilities in Alaska by the fire at Whittier, I am submitting the following report.

We have been advised by Mr. Manley, Acting Manager of the Alaska Railroad, that all dock facilities and the dock warehouses in Whittier were totally destroyed by fire on June 10. The powerplant, railroad station, and all rail facilities, except those on the dock, were unharmed. Replacement of this dock and supporting facilities will be a substantial undertaking, the responsibility for which rests with the Department of Defense.

We have discussed this matter at length with Defense Department officials in Washington and are coordinating with their offices in Seattle and Alaska to divert and expedite shipments largely through Seward and the railroad docks and tracks to Portage and thence north.

In accordance with your request for suggestions as to the minimum necessary funds to provide facilities at Seward to relieve Whittier during the period of reconstruction, we have conferred and propose the following plan. We have already sought the approval of Congress for an appropriation of $382,000 to complete plans and specifications for new dock facilities at Seward. This work can be expedited without loss and we estimate that contracts for the new docks can be awarded within 6 months after plans are started. We estimate that the construction costs of these docks and of pertinent facilities will be $4,116,000, and of this amount we can efficiently expend $1,500,000 during fiscal year 1954. This will leave a balance of $2,616,000 for expenditure during fiscal year 1955.

It is our recommendation that the Department be given authority to contract for the full amount of construction and that $1,500,000 be made available for expenditure during fiscal 1954.

The Department of the Army informally concurs with any measure which will insure the maximum capacity of Seward during the period necessary to restore Whittier on a high priority basis to its former capacity; and which will preserve the minimum requirement that two all-weather ports are necessary to the defense of Alaska.

Sincerely yours,

RALPH A. TUDOR,
Under Secretary.

I have been advised by the Executive Office of the President that this request meets with the approval of the Bureau of the Budget. Under the circumstances, and much as I regret doing so, I offer an amendment to the bill.

Mr. President, on page 34, line 20, I propose to strike out "$8,250,000" and insert in lieu thereof "$9,750,000." The increase of $1,500,000 represents the amount required to begin construction of dock facilities at Seward, Alaska.

The PRESIDING OFFICER. The amendment proposed by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 34, line 20, it is proposed to strike out "$8,250,000" and insert in lieu thereof "$9,750,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. JACKSON. Mr. President, I desire to speak with reference to a statement in the report pertaining to the Bonneville Power Administration appropriation. I have no objection to the amendment offered by the Senator from Oregon.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. JACKSON. Mr. President, the parliamentary situation is such that I believe that it would be appropriate for me to proceed at this time for about 10 minutes.

The PRESIDING OFFICER. Under the unanimous-consent agreement, the Senator from Washington is entitled to speak for 15 minutes on the amendment.

Mr. CORDON. Mr. President, will the Senator yield for a moment?

Mr. JACKSON. I yield to the Senator from Oregon.

Mr. CORDON. May we not first agree to the amendment? Then I shall be glad to yield 15 minutes from my own time to the Senator from Washington.

Mr. JACKSON. Very well.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

Mr. CORDON. Mr. President, I yield 15 minutes to the junior Senator from Washington [Mr. JACKSON].

Mr. JACKSON. I thank the distinguished Senator from Oregon for yielding me the time necessary to make a statement in connection with matter appearing in the report under the Bonneville appropriation item.

The report on the bill the Senate is now considering contains language on pages 8 and 9 which, in my judgment, constitutes legislation pursuant to a committee report. If this three-paragraph statement goes unchallenged, it will encourage the Bonneville Administrator to undertake transactions not presently authorized by the Bonneville Project Act.

The committee report expresses the view that the Bonneville Administrator may purchase power generated in private steam plants to firm up Bonneville's hydrogenerated power. According to the statement, the purchase could be made by the Administrator in the following manner: He would pay to private companies owning these steam plants approximately 2 kilowatts of hydropower for each kilowatt of steam power.

The net effect of the committee's declaration would be to transfer from private companies to Bonneville Power Administration, and hence to its customers, the costs of steam-generated power. For the information of Senators, Bonneville Power Administration owns no steam plants. Most of the steam-generating plants in the Northwest are owned by private power companies.

Most of these plants are old and inefficient. Most of them are located in the wrong places, so far as their overall contribution to the grid system of the Northwest is concerned. Because the plants are old and not well located, the cost of power generated in them is more than twice the cost of power generated at Federal dams from which Bonneville obtains its hydro.

With this in mind, let me present some figures which will indicate what this statement in the report would do for the private companies, and what additional costs would be loaded upon Bonneville.

According to testimony presented in committee hearings, private power companies in the Northwest normally spend $2,500,000 to $3,000,000 a year generating power from their steam plants. Last year, however, was a critical water year on the Columbia and its tributaries. It was necessary to curtail power loads all over the area. Private companies utilized their steam plants more intensely and for longer periods than they customarily would. In consequence, the excess costs, over an average year, were $7,000,000 to $7,500,000, according to company estimates.

The language I have referred to in the committee report proposes that this cost be switched to Bonneville. Thus the companies would be relieved of this charge.

Whereas no actual outlay of cash on the part of Bonneville would be required, nonetheless, as I indicated earlier, the Federal Government would be picking up the tab and paying for it on the basis of approximately 2 to 1—2 kilowatts of hydro for each kilowatt of steam power.

Mr. President, I shall not argue the equities of this type of transaction. My whole point is that I doubt such an arrangement is legal under the Bonneville Act, and I most emphatically feel that the question of legality should not be decided in three paragraphs of the committee report.

If such an arrangement is equitable and desirable, it is my conviction that the parties at interest should come before legislative committees of Congress to present their case. If the legislative committees concur, let us amend the Bonneville Act so as to authorize the Administrator to engage in this kind of transaction.

In the process, the legislative committees may decide, as I believe they should, that the Bonneville Administrator should be authorized by law to purchase surplus power from non-Federal agencies—not merely high cost steam power. The legislative committees might also decide to approve legislation which the senior Senator from Washington [Mr. MAGNUSON] and I have sponsored to authorize Federal construction of steam plants in the Northwest—not antiquated, geographically inefficient plants, but modern, up-to-date plants, located at points in the grid system where they can contribute most to our power requirements.

Again, I wish to restate my conviction that the committee language might encourage the Bonneville Power Administrator to engage in an illegal action; it might encourage him to undertake a program that his own attorneys, up to now, have advised him is not authorized by the statute.

I conclude by saying that my colleague, the senior Senator from Washington [Mr. MAGNUSON], joins with me in this statement.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CORDON. Mr. President, I yield myself 3 minutes on the main discussion of the bill.

I assure the junior Senator from Washington, with reference to the language to which he has just been referring, that the committee takes the view that the recommendation is a sound one. The committee heard testimony as to the equities involved. It heard testimony from the Administrator, and from representatives of public power agencies of the area, municipal, as well as cooperative and rural agencies, and of the companies and consumers, and reached the conclusion that this was a sound approach to a problem in the nature of an emergency situation in the area.

The committee made its recommendation predicated upon the equities involved, and upon the further consideration that the recommendation could be executed only if the Bonneville Act as it stands today may be interpreted and affirmed. Of course, the committee did not attempt to pass upon that matter, leaving it to the Department for determination.

I agree that if there is any question about the legal authority under the act to do what is proposed, the subject should go to the legislative committee. My personal view is that what is recommended can be done under the terms of the act.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. CORDON. I yield.

Mr. JACKSON. I take it that the report is merely an expression of opinion as to what the Bonneville Administrator should do in this situation, and does not attempt to impose any new legal authority upon the Bonneville Administrator that he did not have prior to the committee report.

Mr. CORDON. That is correct. It could only be a recommendation by the committee to the Secretary of the Interior. Its validity is for the Secretary to determine, both as to the wisdom and the legality.

Mr. JACKSON. If I may make an additional observation, both the Senator from Oregon and I come from the Northwest and realize what the situation is. I only wish to say that I think there are some real problems in connection with supplying to the area necessary steam generation. As the senior Senator from Oregon knows, I introduced, while I was in the House, as did the senior Senator from Washington [Mr. MAGNUSON] in the Senate, a bill to authorize construction of steam plants to firm up the hydro power. We should make certain that in the future provision will be made whereby there can be some new, efficient steam plant generation in the Northwest, so as to assure the most economical operation possible.

I am not unaware of the problems of the private utilities. But it occurs to me that we should deal with this problem in its entirety and in a legislative way, so that we can provide to the Bonneville Administrator the authority which, in my opinion, he does not have at the present time.

Mr. CORDON. I am in entire agreement with the Senator from Washington that a careful check of the Bonneville Act, in the light of the present necessities in the area, is indicated, and that it ought to be had without delay.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DWORSHAK. Mr. President, I should like to ask the Senator from Oregon a question.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired. Does he yield himself further time?

Mr. CORDON. Mr. President, I yield the Senator from Idaho 3 minutes to ask a question.

Mr. DWORSHAK. I was attending a meeting of the Senate Committee on Interior and Insular Affairs a few minutes ago and was absent when an amendment was adopted affecting the harbor at Seward. Will the Senator state briefly what that amendment involves?

Mr. CORDON. It involves $1,500,000 of additional funds to start work on the docks at Seward. As the result of a fire on the 18th of June, the port facilities at Whittier were completely destroyed.

Mr. DWORSHAK. Is it the plan of the Army engineers not to rebuild the port facilities at Whittier?

Mr. CORDON. They will have to rebuild the facilities at Whittier, too, but the building cannot go on concurrently. There was $382,000 in the bill to take care of planning at Seward.

Mr. DWORSHAK. How much will be required to complete the construction project at Seward?

Mr. CORDON. Two million five hundred and seventy-six thousand dollars, I believe, in addition to the $1,500,000.

Mr. DWORSHAK. The Army engineers had expended approximately $30 million in developing the port at Whittier for use of the armed services. Can the Senator state whether that was an entire loss?

Mr. CORDON. All the docks and warehouses were burned. The railroad facilities which did not run out onto the docks were saved, and the railroad station was saved, but everything on piling was burned.

Mr. DWORSHAK. Does the Senator know what caused the fire?

Mr. CORDON. No.

Mr. DWORSHAK. Mr. President, I should like to invite the attention of Senators to a compilation of figures dealing with Federal expenditures for civil public works in Alaska, during the fiscal years 1944 to 1953, inclusive,

showing a grand total of $317,747,180 expended on projects under the Department of the Interior, the Department of Commerce, and the Department of Health, Education, and Welfare.

I have also had the Appropriations Committee staff prepare a statement showing the total amount of money, approximating $1 billion, which was spent on public works in Alaska by the armed services. I presume some of this may be classified material, and I shall not insert it in the RECORD at this time. I call attention to these facts merely to show that while frequently claims are made that the Territory of Alaska is being sidetracked or ignored in the construction of public works, both for civil functions and for the armed services, the record shows that huge sums have been spent by the Federal Government.

Mr. President, I should like also to ask unanimous consent, in addition to the brief statement relating to civil projects, to have printed in the RECORD a brief statement showing Federal employment in the Territory of Alaska as of December 31, 1952. The statement shows a total of 14,022 employees.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Federal expenditures for civil public works in Alaska, fiscal years 1944–53, inclusive

Department of the Interior	$256,076,780
Department of Commerce	56,305,405
Department of Health, Education, and Welfare	5,364,995
Total	317,747,180
Department of the Interior:	
Bureau of Land Management, buildings	50,000
Bureau of Indian Affairs, major portion for hospitals and schools	13,460,140
Bureau of Reclamation, the Eklutna project	19,861,400
National Park Service, buildings, utilities, and minor roads in the national parks	1,405,740
Fish and Wildlife Service, buildings and other minor construction	896,600
Office of Territories:	
Alaska Railroad, rehabilitation and improvement of the Alaska Railroad	79,406,000
Alaska Road Commission, construction of main highway system	113,480,700
Alaska public works, public works program 50 percent reimbursable	27,516,200
Total, Department of the Interior	256,076,780
Department of Commerce:	
Bureau of Public Roads, construction of roads other than those constructed by the Alaska Road Commission	13,259,293
Civil Aeronautics Administration: construction of airports and related facilities	43,046,112
Total	56,305,405
Department of Health, Education, and Welfare:	
Public Law 815, school construction	3,364,995
Hill-Burton Act, hospital construction	2,000,000
Total	5,364,995

Federal employment in Alaska, Dec. 31, 1952

Agency	Total employees	Classification Act	Wage Board	Post Office	Other
Treasury	122	79	24		19
Department of Defense	6,559	3,228	3,323		8
Justice	142	142			
Post Office	659			659	
Interior	4,464	1,684	2,498		282
Agriculture	109	102	7		
Commerce	1,746	1,363	383		
Labor	8	8			
Civil Aeronautics Board	9	9			
Economic Stabilization Agency	29	29			
Federal Communications Commission	10	10			
Federal Security Agency	79	39			40
General Accounting Office	4	4			
Housing and Home Finance Agency	21	21			
Reconstruction Finance Corporation	2	2			
Selective Service System	9	4			5
Veterans Administration	50	48			2
Total	14,022	6,772	6,235	659	356

Prepared by U. S. Civil Service Commission, May 18, 1953.

The PRESIDING OFFICER. The time of the Senator has expired.

The bill is open to further amendment.

Mr. CARLSON. Mr. President, will the Senator from Oregon yield to me 2 or 3 minutes in order that I may ask a question?

Mr. CORDON. Mr. President, I yield to the Senator from Kansas such time as he may require to propound his inquiry.

Mr. CARLSON. Mr. President, I refer the Senator from Oregon to page 13 of the committee report, where reference is made to the Missouri River Basin project, under which is listed the Bostwick Division, Nebraska-Kansas. I note that the House allowed $4 million, and that the Senate committee is recommending $4,183,571.

I think the Senator from Oregon will remember that witnesses appeared from the State of Kansas. Among them was State Senator Chris Green, who testified with relation to this project, and made some inquiry as to how the funds might be divided between the States of Kansas and Nebraska for completion of the project. I wonder if the committee was furnished with any information on that subject.

Mr. CORDON. The only information the committee has is that the funds will be expended in accordance with the construction schedule of the Department. We do not have that schedule divided as between the two States.

Mr. CARLSON. I very much appreciate that information. The irrigation project in Kansas has been assigned for repayment. Contracts have been made, and we are hopeful that funds will be available to get that project under way in order that this section may not only get the benefit of the project, but begin repayment. It is essential that some of this money be spent in this area in order to complete the project.

Mr. CORDON. As of the moment funds are made available at least for the amount of work scheduled for the coming fiscal year. If there be a question of local participation, either through organization contracts, or otherwise, that is a matter which rests in the hands of the local authorities.

Mr. CARLSON. I very much appreciate the kindness of the Senator.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

Mr. CORDON. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CORDON, Mr. YOUNG, Mr. KNOWLAND, Mr. HAYDEN, and Mr. MCCARRAN conferees on the part of the Senate.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement prepared by me on Minnesota's needs in the Interior Department appropriation bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY ON MINNESOTA'S NEEDS IN DEPARTMENT OF INTERIOR APPROPRIATION BILL

Minnesota's power problems are not unfamiliar to the Senate. In past years you have heard our situation discussed at great length, with our needs fully documented and the desires of Minnesota people made amply clear.

For 4 years we in Minnesota have been fighting desperately to share in the benefits of low-cost hydroelectric power from the Missouri River dams.

It is a fight for development and progress in which our State is now united.

It is not a partisan fight. It is not even a fight involving the controversial question of public versus private power.

Instead, it is a determined effort on the part of elected representatives of the people of Minnesota from both political parties and spokesmen from both the private utilities of Minnesota and the great network of rural electric cooperatives in our State to make clear to the committees of the Congress and the Congress itself the urgent need for additional sources of power for Minnesota.

Minnesota is a growing State. We need more electric power. Our REA cooperatives are unable to fulfill all of the requests that come to them for expanded service. This continuing uncertainty as to whether or not we in Minnesota will be permitted to share in low-cost hydroelectric power has made it most difficult for our rural electric

cooperatives or our private utilities to plan intelligently for their future development programs.

We had endeavored to meet our needs by seeking advance construction of transmission lines, to be available when power from the Bureau of Reclamation's Missouri River Basin hydroelectric dams becomes available for us in Minnesota.

Twice the Senate has agreed that we should have access to this new source of power and voted in favor of funds for constructing the necessary high-voltage transmission line. Both times it has been lost in conference, however, with the most recent conference report last year indicating the desire that provision for constructing the lines be made in this year's budget.

Construction funds were included in the original budget estimates for this year—the Truman budget estimates.

But they were deleted in the revised recommendations of the new administration, making us victims of the economy wave.

The House concurred in that deletion, even though recognizing that Minnesota was entitled eventually to access to Missouri Valley power. It offered, as a palliative, $400,000 to complete plans and specifications for a line running from Big Bend, S. Dak., to Watertown, as the first step toward getting a line into Granite Falls, Minn.

They not only failed to provide for the badly needed construction—they ignored the combined judgment of power experts in our own State as to the route such transmission line should eventually take.

The Senate Appropriations Committee likewise recognized that Minnesota must eventually get access to Missouri Valley power, yet failed to adequately provide the means for us to get it.

The Senate committee went a step further than the House, however, in providing that an additional $300,000 be provided to prepare plans and specifications for extending a line from Watertown to Granite Falls to Benson to Fergus Falls.

I welcome such recognition of the fact that we should eventually get our transmission line. I question very strongly, however, the judgment of the committee in deferring favorable action on construction funds.

The time for surveys and studies is long past.

The supply of power for which we have been seeking this transmission line will be available by late this year, according to present schedules. There is no longer time for putting off definite action.

Yet that is just what the Congress is doing by failure to provide for construction of this line in the current budget.

The senior Senator from Oregon, explaining action of the subcommittee in omitting construction funds, laid the responsibility directly at the door of the Secretary of Interior, saying: "The present administration has had no opportunity to go into the subject, to understand the situation, or to reach any conclusions in the field. * * * Certainly before the Congress is committed to such an expenditure we should have some authoritative word from the department which will be charged with the expenditure of the funds, and with the justification for their appropriation."

I want the record to show that progress of our State is being delayed and set back, just because new people in our Government haven't had time—or taken time—to, and I quote the Senator from Oregon again, "understand the situation, or to reach any conclusions."

The entire record of Minnesota's fight for this project, the unity behind that fight, has apparently been ignored by the administration as any guide toward reaching a conclusion.

We have heard much in recent years about curbing "big government" and encouraging greater responsibility within the State governments. I submit that adverse action of the new Secretary of the Interior on this transmission line question is an example of arbitrary Federal action without due consideration of local people and local desires, upon which local people have agreed after long and arduous negotiations. It is a decision that will create serious problems for our rural electric cooperatives and private utilities alike.

Let me review briefly the growth of this great development project for a high-voltage transmission line bringing Missouri Basin power into western Minnesota.

Backed originally by the rural electric cooperatives of our State in a desperate effort to bring down power costs, it was at first opposed by the private power companies. I remember this clearly because I advocated the lines during the 81st Congress in the face of opposition from the power companies.

But the power shortage in our State has continued to grow. Our development leaders have recognized that united action is necessary to solve that problem. The demands upon the cooperatives, the municipal plants, and the private utilities for expanded service have continued to mount. As a result, Minnesota's power interests—private and public alike—have been united for more than a year in support of the transmission line as the most practical solution, and one that should not be longer delayed.

Spokesmen for 20 REA cooperatives from Minnesota and the engineers representing the three large private utilities of Minnesota appeared together before the Appropriations Committees to make clear that unified stand and to ask for the green light from Congress to get started on this badly needed transmission line.

They were keenly disappointed at deletion of this item from the revised budget by Secretary McKay, but understandably felt the Congress knew more about the history of the project, and would concur in Minnesota's claim that it was entitled to have this work undertaken without further delay.

Minnesota's right to share in the hydroelectric power of the Missouri Basin is recognized by both House and Senate committees in authorizing survey funds—yet our opportunity to share is again delayed and jeopardized entirely by failure to provide construction funds.

I believe the Congress should consider the accomplishment of Minnesota in working out a power-development program upon which rural cooperatives, private-power companies, and municipal systems are in accord. Such planning has been developed in the true tradition of a liberal free-enterprise system.

Minnesota is proud of the teamwork between its public and private interests working together to offer the State the best power service possible at the most reasonable costs that can be achieved. If it is the desire of the Congress to encourage such harmony between cooperative-power users and private-power distributors, rather than drive them into hostile camps, Minnesota's united request should have been heeded and the funds provided for bringing realization to the high-voltage-line project, upon which these groups have worked so closely together.

I have fought for this project from its inception, and shall go on fighting for it. When the Senate Appropriations Committee failed to heed our plea, however, it became obvious funds would not be provided by this Congress without the sanction of the administration itself—without the approval of the Secretary of the Interior.

The course the administration has chosen will be a setback to Minnesota. It will be a setback to the rural-electric cooperatives, to the private-power companies, and to the municipal-power systems. But even more important—it will be a setback to the ultimate power consumers in Minnesota, now confronted with power costs among the highest in the country.

I want the record to show this story of Minnesota's fight, despite adverse action against us—because that fight won't end until we get the consideration we are entitled to, from the Secretary of Interior and from the Congress.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5451. An act to amend the wheat-marketing-quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes; and

H. R. 5728. An act to authorize the disposal of the Government-owned rubber-producing facilities, and for other purposes.

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

PAN AMERICAN DAY—TELEGRAM FROM ACTING VICE PRESIDENT, ARGENTINE SENATE

The PRESIDENT pro tempore laid before the Senate a memorandum from Sherman Adams, Assistant to the President of the United States, transmitting a telegram from the Acting Vice President and Secretary of the Argentine Senate, expressing appreciation to the Senate for the cordial greetings transmitted by it on the occasion of Pan American Day; which, with the accompanying papers, was referred to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUTLER of Nebraska, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 163. A bill to provide for the conveyance of certain land in Monroe County, Ark., to the State of Arkansas (Rept. No. 463);

H. R. 490. A bill to authorize the use of the Sackets Harbor Military Cemetery for the burial of war and peacetime veterans of the Armed Forces of the United States (Rept. No. 464);

H. R. 1532. A bill to provide for the addition of certain Government lands to the Cape Hatteras national seashore recreational area project, and for other purposes (Rept. No. 465);

H. R. 3380. A bill to authorize the exchange of lands acquired by the United States for Prince William Forest Park, Prince William County, Va., for the purpose of consolidating Federal holdings therein, and for other purposes (Rept. No. 466);

H. R. 3411. A bill to direct the Secretary of the Army to reestablish and correct the boundaries of the Quincy National Cemetery by the exchange of Government-owned lands in the Quincy-Graceland Cemetery, Quincy, Ill. (Rept. No. 467); and

H. R. 4072. A bill relating to the disposition of certain former recreational demonstration project lands by the Commonwealth of Virginia to the School Board of Mecklenburg County, Va. (Rept. No. 468).

By Mr. BUTLER of Nebraska, from the Committee on Interior and Insular Affairs, with an amendment:

H. R. 1528. A bill to authorize the addition of land to the Appomattox Court House National Historical Monument, Va., and for other purposes (Rept. No. 469).

By Mr. BUTLER of Nebraska, from the Committee on Interior and Insular Affairs, with amendments:

S. 630. A bill to authorize the conveyance for public-school purposes of certain Federal land in Gettysburg National Military Park, and for other purposes (Rept. No. 470).

By Mr. DWORSHAK, from the Committee on Interior and Insular Affairs:

S. 122. A bill directing the conveyance of certain property to the city of Rupert, Idaho; with amendments (Rept. No. 471).

By Mr. MILLIKIN, from the Committee on Finance:

H. R. 5495. A bill to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; with amendments (Rept. No. 472).

BILL INTRODUCED

Mr. CORDON introduced a bill (S. 2225) relating to the administrative jurisdiction of certain public lands in the State of Oregon, and for other purposes, which was read twice by its title, and referred to the Committee on Interior and Insular Affairs.

CIVIL FUNCTIONS APPROPRIATIONS, 1954—AMENDMENT

Mr. KNOWLAND submitted an amendment intended to be proposed by him to the bill (H. R. 5376) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

HOUSE BILL REFERRED

The bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes, was read twice by its title and referred to the Committee on Agriculture and Forestry.

CIVIL FUNCTIONS APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, it is the intention of the acting majority leader that tomorrow the Senate shall meet at 10 o'clock in the morning for consideration of the civil functions appropriation bill. In a few moments I shall submit a proposed unanimous-consent agreement, reading as follows:

Ordered, That during the further consideration of H. R. 5376, the Civil Functions Appropriation Act, 1954, no Senator shall speaker longer than 15 minutes on any amendment, motion, or appeal, and that debate upon the bill be limited to 3 hours, to be equally divided and controlled by Mr. KNOWLAND and Mr. JOHNSON of Texas.

First, I move that the Senate proceed to the consideration of H. R. 5376, the civil functions appropriation bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 5376) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5376) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1954, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. KNOWLAND. I should like to propound the unanimous-consent request which I send to the desk. I understand the Senator from Washington reserves his right to object to it.

Mr. JACKSON. Mr. President, reserving the right to object, I understand a number of Senators in connection with the bill would like to make some speeches tomorrow in relation to the overall public power program. I understand that in almost every instance there will be involved the presentation of amendments. I have discussed the matter with the distinguished majority leader and with the distinguished minority leader, and I understand that there will be ample time available to Senators desiring to speak in connection with the bill on the subject of public power.

Mr. KNOWLAND. Mr. President, I will say to the distinguished Senator from Washington that the civil functions appropriation bill was reported unanimously to the full committee, and that all Democratic and Republican Senators joined in reporting it to the full committee. It was reported by the full committee with practically the entire membership present. I know of no controversy with respect to it. I would be very hopeful that the bill could be taken up tomorrow at 10 o'clock, when the Senate convenes. The actual debate on the bill will not be prolonged. I am sure that I do not intend to use an hour and a half. I have had no requests for time on the bill. I am sure that we could adjust the situation and provide any reasonable time Senators might require.

Mr. JOHNSON of Texas. Mr. President, the minority leader has had no requests for time except from the Senator from Washington [Mr. JACKSON]. So far as I am concerned, the Senators to whom the Senator from Washington has referred can have the entire hour and a half. Furthermore, so long as they have the energy to prepare amendments, they can speak for 15 minutes on each amendment. I hope we will not have the situation tomorrow we have today, with more time than Senators.

Mr. JACKSON. Mr. President, I wish to assure the acting majority leader of my desire to cooperate with him in expediting the business of the Senate in order to conclude consideration of the necessary legislation, much of which expires prior to June 30, next Tuesday. I am sure he will be fair, and I know the minority leader will also be fair. Under the circumstances, I withdraw my reservation to object.

Mr. KNOWLAND. Mr. President, I thank the Senator.

The PRESIDING OFFICER. The Senator from California asks unanimous consent that, during the further consideration of H. R. 5376, the Civil Functions Appropriation Act, 1954, no Senator shall speak longer than 15 minutes on any amendment, motion, or appeal, and that debate upon the bill be limited to 3 hours, to be equally divided and controlled by the Senator from California [Mr. KNOWLAND] and by the Senator from Texas [Mr. JOHNSON]. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be vacated and further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

EDWARD KEATING

Mr. NEELY. Mr. President, biographies of ordinary men and women seldom appear except on churchyard tombstones, overshadowed by solemn hemlocks, murmuring pines, and weeping willow trees. The legends on these melancholy monuments—

> As brief appendix wear
> As Tam o'Shanter's luckless mare.

They are commonly called epitaphs. They are usually limited to the factual statement that on a certain date the underlying sleeper was born and that on another date he died—only this, and nothing more. But there are others who because of notable service to their community, their country, or the world, are eulogized for many years before they set out upon their "farewell journey to the promised land." These enjoy the comforting realization that storied urns and animated busts will be erected to commemorate their memory after they have passed into the vast and voiceless empire of the dead, and that their praises will be sung long after they have become—

> Brothers to the insensible rock
> And to the sluggish clod, which the rude swain
> Turns with his share, and treads upon.

Of one of these I venture to speak today. He is a—

> Pioneer soul who has blazed his path
> Where highways never ran—
> Who has lived by the side of the road
> And loved and served his fellow man.

He is well known to the Members of this body. From him many Senators have received valuable support. Liberals throughout the country highly esteem him and dearly love him. His name is Edward Keating. Recently he

voluntarily retired as the editor of "Labor," the railroad workers' matchless and inimitable weekly newspaper.

It was my privilege and pleasure to become acquainted with Mr. Keating as a fellow member of the House of Representatives 40 years ago in the early days of the 63d Congress. The following 6 years we happily spent together in Congress Hall Hotel:

When all the world is young, lad,
And all the trees are green;
And every goose a swan, lad,
And every lass a queen.

Since the day of our first meeting the friendship between us has been as ardent as that between Jonathan and David or that between Damon and Pythias. It has been as constant as the Northern Star.

In a log house in Kansas on the 9th day of July 1875, Mr. Keating first opened his eyes upon a world in which "man's inhumanity to man makes countless thousands mourn"—a universal affliction, to the allevation of which, as we now know, the newcomer was destined to devote all but the early morning time of his life.

It is not recorded that his birth was signalized by the appearance of any new star, comet, or meteor, or that the heavens, in any other manner, blazed forth the glad tidings that an unusual babe had been born. So far as known, no generous leprechaun ever told young Ed where to find a gold mine. No amiable fairy ever waved a magic wand over his cradle. No learned Chiron, such as taught Achilles, ever helped him to acquire worldly wisdom.

In brief, Ed's birth and youth were similar to those of the average member of that innumerable throng which suggested the expression, "the short and simple annals of the poor."

When he was only 3 years old death, "the crowned phantom" that never slumbers nor sleeps, robbed him of his father. The bereaved mother was confronted with the heavy responsibility of providing care, comfort, and education for nine fatherless children, of whom Ed was the youngest. In worldly goods she was poor but in courage, faith, and hope she was "richer far than fancy ever feigned."

Suitable homes were soon found for the eight older children among relatives and friends. Then the energetic mother, after the manner of the Psalmist, lifted up her eyes unto the hills from whence cometh strength, and Colorado with its abundant hills, towering mountains, and snow-capped peaks beckoned her, and to Colorado she and the young child went. As a result of untiring maternal effort, Ed started through an excellent public school in Pueblo when he was 6 years old. By diligent application during the next 7 years he acquired a more thorough education than the average person acquires in a lifetime.

At the age of 14 he obtained employment as a copyholder in a Denver newspaper office, from which he soon rose to heights where faithful service was rewarded with fortune that rust could not corrupt and with fame that thieves could not break through and steal. Natural aptitude, unusual efficiency, and never-failing devotion to duty combined to win for him rapid promotions. At the age of 27 he became the managing editor of the leading daily newspaper in the intermountain West, and the youngest of all such editors of first-class newspapers in the United States. The publishers of that unique catalog of national celebrities entitled "Who's Who in America" promptly included Keating's name in their list of immortals, where it has ever since remained.

He served as auditor of the city of Denver from 1899 to 1901; as a member of the Denver Charter Convention in 1903; and as president of the Colorado State Board of Land Commissioners from 1911 to 1913. He was president of the Denver Press Club from 1905 to 1907. In the latter year he became the president of the International League of Press Clubs.

He discharged the duties of the various offices he held in such a thoroughly satisfactory manner that in 1912 the people elected him Congressman at large from Colorado. The immortal Woodrow Wilson convened the 63d Congress in extraordinary session on the 7th of April 1913, and on that day Congressman Keating began his brilliant congressional career of three successive terms. Immediately after taking his oath of office he entered upon the performance of his official duties with the vision of a prophet, the zeal of a crusader, and a mind as bold in promoting peace as Napoleon's was in fomenting war. He vigorously and constructively helped to enact some of the most important laws and to effectuate some of the most notable reforms ever recorded in the history of the Nation. He was not just another Congressman. During the entire period of his service in the House he was habitually outstanding among its most famous Members who, at that time, included such illustrious ones as Champ Clark, "Uncle Joe" Cannon, Alben W. Barkley, Oscar Underwood, James R. Mann, Cordell Hull, Carter Glass, John Nance Garner, and Sam Rayburn.

Keating became a member of the Labor Committee of the House and later chairman of the labor bloc of that body which was composed of Congressmen selected by the American Federation of Labor because of their demonstrated friendship for those who live by toil.

The following are typical illustrations of the many priceless services Keating rendered:

He sponsored and persuaded the House to adopt a resolution to investigate the Colorado coal strike, which raged from September 1913 till April 1915. Historically the miners lost their battle, but as a matter of fact before the strike ended practically every miner in southern Colorado had become a member of the United Mine Workers of America, and had thus obtained assurance of a higher standard of living and a greater reward for his hazardous labor than the miners of that region had ever before enjoyed.

Keating was the author of the first child-labor bill and of the first model minimum-wage bill for women and children that the Congress ever translated into law.

He was the youngest but nevertheless one of the most active and useful members of the important commission which devoted 13 months of exacting toil to the burdensome task of classifying, for the first time, the whole vast army of Government employees.

At the urgent request of the chieftains of the various railroad brotherhoods, Congressman Keating piloted through the House the Adamson bill which established the 8-hour day for railroad workers from coast to coast.

During his 6 years of congressional service he demonstrated surpassing ability as an orator and a debater. His able and eloquent address entitled, "The Courage of Woodrow Wilson," delivered in the House of Representatives in March 1914, is one of the few congressional speeches included in Albert Mason Harris' well-known volume Selected Orations.

In the year 1919 fifteen standard railroad labor organizations established a national weekly newspaper in Washington which was christened Labor. Its particular purpose was to provide railroad employees, their families, and their friends the truthful and unbiased news of the world. Its general purpose was to protect the defenseless many against exploitation by the powerful, greedy few, and promote the welfare of all the law-abiding in the land. Mr. Keating was unanimously chosen to manage this important enterprise. He was, by natural ability, education, and experience, ideally qualified for the undertaking. What the Bennetts were to the New York Herald, what Greeley was to the New York Tribune and what Grady was to the Atlanta Constitution Keating has been to Labor.

On the day of its first publication in 1919, the paper had a deficit of $35,000, and no subscribers. Largely as the result of Mr. Keating's 33 years of skillful management and able editorship, Labor now owns its own modern plant and office building. It has almost a million paying subscribers. It has a $5,000 cash reserve. It does not owe a cent.

In view of the foregoing, would it not be well for the statesmen who are now frantically but vainly striving to balance the Nation's budget to appeal to Mr. Keating and the railroad brotherhoods to help solve this important governmental problem?

To Ed Keating's everlasting fame, Labor is today the most widely read and the most influential labor publication in the Western Hemisphere. Its habitual veracity, its lofty ethical standards, its ceaseless crusade for the right, and its constant resistance to the wrong have endeared it to all the reading, thinking progressives in the Nation. For three decades Labor has uniformly, nonpartisanly, and effectually helped to elect liberal candidates to membership in the United States Senate and House of Representatives. It is one of the very few publications that has fully justified Henry Ward Beecher's assertion that "newspapers are the schoolmasters of the common people" and "our national glory." Labor's rapid progress from its lowly beginning to its present preeminence in the important matter of fairly reporting instead of unfairly distorting the news is an impressive, modern proof that—

Large streams from little fountains flow;
Tall oaks from little acorns grow.

Mr. Keating, by the exposition of his humanitarian philosophy through the columns of Labor, made himself the journalistic bright and morning star of the 20th century's most significant reformation for the working men and women of America.

Let us be forever grateful to the railroad brotherhoods for making Labor's invaluable, enlightening liberalism available to a million American families every week in the year. May this great newspaper live longer than Methuselah, flourish like the palm tree, and grow like a cedar in Lebanon. Our gratitude to Mr. Keating and to Labor's owners, officers and employees is so great that no painter could portray it, no pen could describe it, no trumpet could proclaim it. Therefore, we simply and sincerely say to these worthy ones:

Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with thee—are all with thee!

Justice requires recordation of the fact that credit for much of the driving inspiration for Congressman Keating's outstanding achievements during the past 11 years in helping to make democracy live, expand and multiply its blessings is due to his highly accomplished wife, the former Miss Eleanor Mary Connolly of Iowa, a sister of the brilliant Maurice Connolly who served with Mr. Keating in Congress. Those who enjoy the good fortune of knowing Mrs. Keating will never doubt that if she had lived in an earlier age, or Homer had lived in a later one, she instead of Helen, the Spartan queen, would have inspired the brilliant exclamation—

What winning graces! What majestic mien!
She moves a goddess, and she looks a queen.

It is my sincere hope that in Mr. Keating's retirement from burdensome managerial and editorial life he and Mrs. Keating will long be blessed with perfect health and peace and sweet content, and—

That joy and mirth,
And every good ideal,
Will ever be their glorious real;
Till God shall every creature bless
With His supremest blessing,
And hope be lost in happiness,
And wishing in possessing!

Mr. KNOWLAND. Mr. President, I wish to associate myself with the remarks just made by the distinguished Senator from West Virginia relative to Mr. Edward Keating.

POSTPONEMENT OF REPORT OF INDEPENDENT PARTY

Mr. MORSE. Mr. President, I had contemplated speaking at some length today in giving the weekly report of the Independent Party on a series of issues that have arisen since the last report; but I shall postpone those comments until Monday, or possibly until tomorrow, in view of the sadness of the hour and the subject to which we now turn with heavy hearts.

DEATH OF SENATOR SMITH OF NORTH CAROLINA

Mr. HOEY. Mr. President, it becomes my sad and painful duty to advise the Senate of the death of my friend of the years and my colleague in this body, Senator WILLIS SMITH, which occurred this morning about 5 o'clock in the Naval Hospital in Bethesda, after an illness of 3 days.

Senator SMITH was sworn in as a Member of this body on November 27, 1950, and therefore had been a Member of the Senate for 2 years and 7 months. That is a very brief space of time, yet it was long enough for him to have left an indelible impression upon his associates in the Senate and upon others who had an opportunity to contact him and to serve with him. Senator SMITH was robust in body and mind. He was vigorous and strong. He was the picture of health. He had a very healthful history. It was wholly unknown to him that he had heart trouble. A cardiogram which was made only about 10 days ago failed to reveal any heart affection of any kind. In the strength of his manhood and in the vigor of his service he was stricken down and his imperial spirit returned to the God who gave it.

Senator SMITH was 65 years of age and yet I think that anyone who knew him would hardly have imagined that he was that old. As I mentioned a moment ago, he had had a long, healthful career. But it is not the matter of his health or of his physical appearance of which I wish to speak for a moment; it is of the finer things of the mind and of the spirit.

Senator SMITH was genial; he was strong; he was patient; he was courteous. I do not know, if we come to add up the attributes of a man, that we could say that anyone possessed a greater degree of loyalty and courage or higher integrity or had more devoted interest in the service of his country.

During the time he served in the Senate, Senator SMITH formed many fine friendships, the memory of which will linger through the years with those who were privileged to know him well. It has been most gratifying to me, as I know it would be to his family, to hear the expressions made by Senators in private conversation during the days of his illness, followed by his death.

It is worthwhile to live the sort of life Senator SMITH lived. His example has been an inspiration to those who knew him and who have been associated with him. He belongs to that select company of men who, with Byron, could tell Death, that omnipotent tyrant, to his everlasting face that he possessed no sting, and challenge his sleepless handmaiden, the grave, to dare proclaim a victory.

He was a good man. He was good in the sense that he loved his fellow men and his God. He respected the rights of people, of individuals, and of nationalities. He believed in his fellow man. He had faith in America. He was a great North Carolinian, but he was a greater American. I know of no man who was more devoted to his country or more patriotic in its service than was Senator SMITH. There was never a time when he was not willing to go all the way for America, and for the ideals of our Republic. There was never a moment that he did not breathe the spirit of loyalty and devotion to the highest traditions of our land.

I have had the opportunity of knowing Senator SMITH well throughout his entire career. I am some 10 years older than he, but we have been friends through all the years of the past; and I shall miss him as a friend, as well as an associate and colleague and legislator.

I have had a rather sad experience in connection with my colleagues. This is the third death among my colleagues from North Carolina to occur even during my brief service in the Senate. Senator Josiah William Bailey died in 1946; Senator Joseph Melville Broughton died in 1949; and we now have on this date the death of Senator WILLIS SMITH. The passing of each of these great citizens has been a great loss to the people of North Carolina; but it is stunning and shocking to the whole citizenship of our State to learn of the suddenness of the going away of this masterful man and statesman.

Senator SMITH was big in body, in mind, in spirit, and in soul, and he fitted into a niche that made him a comrade of all his associates and friends. He had no enemies. He entertained no malice. He held no sort of ill feeling against anyone, but his was the open mind, the free conscience, the independent spirit coupled with love and service that marked the pathway of all of the activities of a busy life.

I am pleased to say that the leader of the Senate majority advised me that at an early date probably on Wednesday of next week he will set aside a time to afford an opportunity to Senators who may wish to pay tribute to Senator SMITH. I shall avail myself at that time of the privilege of making more extensive remarks about him.

I wish to send forward a resolution, though before I do so, I express for myself as I know I do for all Senators, the very deepest sympathy for the lovely wife of Senator SMITH, who has lived so beautifully with him through the years, and to his dutiful sons and daugher, all of whom were at his bedside at his passing. May the God of all the earth keep and preserve them.

To lose our colleague is shocking and painful and grievous; but, after all, death is not the tragedy of life, it is merely a supreme sadness, and there will be an answer to the immortal inquiry made by Job, "If a man die, shall he live again?" We shall find a fresh justification and a complete answer in the coming together of the spirit of WILLIS SMITH with all of the members of his family, comrades, and friends who have preceded him to the grave. It will be the meeting of great and immortal spirits.

Mr. President, I send forward a resolution, which I ask to have read.

The PRESIDING OFFICER. The resolution will be read.

The Chief Clerk read the resolution (S. Res. 122), as follows:

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. WILLIS SMITH, late a Senator from the State of North Carolina.

Resolved, That the President of the Senate and 25 Senators, the latter to be appointed by the Presiding Officer of the Senate, be constituted a committee to attend the funeral of the deceased.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Mr. JENNER. Mr. President, Senator WILLIS SMITH came to the Senate in 1950 after a long and very distinguished career in the law. In the few years he has been a Member of this body he has endeared himself to Democrats and Republicans alike for his warm and generous personality, his lofty idealism, and the mental clarity he has brought to every problem he considered.

We were especially happy to have WILLIS SMITH as a member of the Subcommittee on Internal Security, where his profound knowledge of our laws and deep respect for the spirit of the law have helped us immeasurably. I deeply feel his death as a personal loss, and I know the subcommittee will miss his wisdom and quiet courage for a long time to come.

The PRESIDING OFFICER. The question is on agreeing to the resolution submitted by the Senator from North Carolina.

The resolution was unanimously agreed to.

Under the second resolving clause the Presiding Officer appointed the following Senators as the committee on the part of the Senate to attend the funeral of the deceased Senator:

Mr. HOEY, Mr. JOHNSON of Texas, Mr. CLEMENTS, Mr. WILEY, Mr. GEORGE, Mr. LANGER, Mr. RUSSELL, Mr. BYRD, Mr. FERGUSON, Mr. MCCARRAN, Mr. JENNER, Mr. EASTLAND, Mr. WATKINS, Mr. MCCLELLAN, Mr. HENDRICKSON, Mr. JOHNSTON of South Carolina, Mr. BUTLER of Maryland, Mr. HOLLAND, Mr. DIRKSEN, Mr. STENNIS, Mr. WELKER, Mr. HUNT, Mr. BARRETT, Mr. HENNINGS, and Mr. PURTELL.

Mr. HOEY. Mr. President, as a further mark of respect to the memory of the deceased Senator, I move that the Senate do now adjourn until 10 o'clock tomorrow morning.

The motion was unanimously agreed to; and (at 11 o'clock and 51 minutes a. m.) the Senate adjourned until tomorrow, Saturday, June 27, 1953, at 10 o'clock a. m.

HOUSE OF REPRESENTATIVES

FRIDAY, JUNE 26, 1953

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou eternal God, in this moment of quietness, we are coming unto Thee with our prayer of supplication for we have many longings and needs which Thou alone canst satisfy.

Give us a more vivid sense of Thyself for if our vision of Thee is cloudy then nothing else is clear and we continue to walk in darkness and are baffled by the mystery and hard experiences of life.

Grant that we may also have a deeper appreciation and understanding of our responsibilities toward all the members of the human family whose lives are blighted by fear, beshadowed by sorrows, and broken by tragedies.

We penitently confess that we are often very forgetful of Thee and Thy goodness and very indifferent and callous in our attitude toward humanity in its struggle for a fuller life.

Inspire us with the spirit of our blessed Lord who gave Himself for the world in a ministry of dedication and devotion and in perfect obedience to Thy holy will.

Hear us in His name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5134. An act to amend the Submerged Lands Act.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BUTLER of Nebraska, Mr. MILLIKIN, Mr. CORDON, Mr. MURRAY, and Mr. ANDERSON to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 1993. An act to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, the veterans' direct home-loan program, and for other purposes; and

S. 2103. An act to amend the National Housing Act and other laws relating to housing.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 694. An act to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes.

CONTINUING THE EFFECTIVENESS OF CERTAIN STATUTORY PROVISIONS

Mr. KEATING. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3853) to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to continuing the effectiveness of certain statutory provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 6, after "333)," insert "as further amended by Public Law 12, 83d Congress."

Page 2, line 11, after "71)," insert "or such earlier date as may be prescribed by concurrent resolution of the Congress."

Page 2, line 11, strike out "of the kind giving" and insert "which would give."

Page 2, strike out lines 16 to 22, inclusive, and insert:

"'(b) Effective in each case for the period above provided for, title 18, United States Code, section 2151, is amended by inserting the words "or defense activities" immediately before the period at the end of the definition of "war material", and said sections 2153 and 2154 are amended by inserting the words "or defense activities" immediately after the words "carrying on the war" wherever they appear therein'."

Page 3, line 10, after "333)," insert "as further amended by Public Law 12, 83d Congress."

Page 3, line 15, after "71)," insert "or such earlier date as may be prescribed by concurrent resolution of the Congress."

Page 3, line 15, strike out "of the kind giving" and insert "which would give."

Page 4, line 8, after "333)," insert "as further amended by Public Law 12, 83d Congress."

Page 4, line 13, after "71)," insert "or such earlier date as may be prescribed by concurrent resolution of the Congress."

Page 4, line 13, strike out "of the kind giving" and insert "which would give."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

EXTENDING THE EFFECTIVENESS OF CERTAIN STATUTORY PROVISIONS

Mr. KEATING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 285) to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the Emergency Powers Continuation Act (66 Stat. 330), as amended, is hereby further amended by deleting the date "July 1, 1953" wherever it appears therein and by inserting in lieu thereof the date "August 1, 1953": *Provided*, That this amendment shall apply only with respect to the statutes referred to in sections 1 (a) (1), 1 (a) (4), 1 (a) (5), 1 (a) (6), 1 (a) (9), 1 (a) (10), 1 (a) (14), 1 (a) (23), 1 (a) (24), 1 (a) (32), 1 (b) (5), 1 (b) (6), 2 (b), and 2 (c) of the Emergency Powers Continuation Act.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMITTEE ON RULES

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules have until midnight tomorrow night to file any reports or resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative business of the day and the conclusion of special orders heretofore entered.

GERMANY SHOULD BE REARMED

Mr. SIKES. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, if America has never realized it before, she should realize now the necessity for rearming Germany. We should proceed to rearm Germany as rapidly as possible, whether or not the French like it, and whether or not the Russians like it. This is the time for action. We should let the world know we are alive to the stirrings of desperation behind the Iron Curtain. There East Germans have fought tanks with their bare hands. The rearming of Western Germany will show them help is on the way, and it will do much more—it will give to American forces a guaranty of allies who will fight. Germany offers the world a source of strength against communism. It is time to use that strength for today we may be dangerously alone. If world war III were to come now, it would be American troops who would have to try to stem the Red tide. We cannot defend Europe singlehandedly. But with German divisions in the line, all of Europe would take heart; regardless of what they say about it today.

THE LATE HARRY P. O'NEILL

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, it was with grief and shock that I learned of the passing of our former colleague and my personal friend of nearly 20 years, Harry P. O'Neill, of Scranton, Pa.

Harry was as sincere and steadfast in his personal friendships as he was in his warm and humanitarian feelings for all his fellow men. His devoted service in this body benefited greatly the people of his district and of the Nation and for this, as well as for his genial and lovable personality, he will long be remembered.

I extend to his devoted wife and family my deep sympathy in their loss of this beloved man.

ESTABLISHING FEDERAL AGENCY FOR THE HANDICAPPED

Mr. PERKINS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. PERKINS. Mr. Speaker, I am advised that hearings on bills to establish a Federal Agency for Handicapped will open before the House Education and Labor Committee on July 6.

As a sponsor of that bill, and a member of that committee, I congratulate Chairman MCCONNELL for holding these hearings.

We endlessly discuss, in Congress, the need for reorganization and coordination of our farflung governmental agencies, both in the interest of better administration and efficient dispensing of public moneys, as well as achieving greater results in the work of these agencies, in dealing with the various problems over which they have jurisdiction.

Here, in these bills, we have an effective plan of coordinating the work of the 35 Federal agencies which, each, have a piece of the handicapped program. I hasten to say that this bill is not for the purpose of throwing all of these agencies into one pot, because such action would only cause greater chaos. But it is an effort to make a start on a real coordinating program and fill in the gaps of the present Federal-State rehabilitation and employment of handicapped programs, so they may work and achieve greater efficiency in handling the problems of our 30 million physically handicapped.

Briefly, the bills provide—

First. Establishment of an independent Federal Agency for Handicapped, based, for housekeeping purposes, in the Department of Labor, and continuing the Federal-State program on a more adequate basis.

Second. Establishes the Advisory Council on Affairs of the Handicapped, composed of representatives of employers, labor, those qualified in public affairs, farmers, and stockraisers, and the handicapped themselves.

Third. Establishes the Federal Interagency Committee on Rehabilitation and Employment of Handicapped, to better coordinate the varied activities in this field.

Fourth. Provides a base for the present President's Committee on Employment of Handicapped, set up to promote National Employ the Physically Handicapped Week, established by Congress to set aside the first week in October of each year as a period in which to arouse public interest in and support for employment of handicapped.

Fifth. Establishes cooperative enterprises for handicapped, to apply, principally, to those bedbound, or confined to homes, or, from 60 percent to 100 percent physically disabled, and authorizes $10 million for this purpose. I believe this expenditure, in the long run, would do much to lessen demands for public assistance on the part of such handicapped.

Sixth. Provides a Federal grant of $60 per month, through States, which may add an additional amount, for aid to the totally disabled, unfeasible for rehabilitation.

Seventh. Provides an initial sum of $5 million to establish grants for training of homebound handicapped persons.

Eighth. Authorizes an expenditure of up to $10 million, to establish Federal services to handicapped revolving loan fund, from which States which have exhausted their funds for services to handicapped, may borrow, between sessions of their own legislatures. The purpose of this is, since States, for many years past, have exhausted funds for rehabilitation because of the great demand for these services, within a few months after such appropriations have been made, and are, therefore, broke almost half the time, and only have enough to barely pay administrative costs, but, nothing for actual services to handicapped, to provide a means whereby there will be no interruption of services essential to handicapped.

Ninth. Establishes a division for handicapped in the United States Civil Service Commission, to expedite examination, rating, and appointment of properly qualified, but otherwise physically handicapped applicants.

Tenth. Establishes an Office of Services to the blind, to coordinate and expand the varied services to blind.

Eleventh. Provides special services for handicapped in all offices of the Federal-State employment services.

Twelfth. Provides for promotion of public safety programs, to eliminate causes of disease and injury in Federal buildings, institutions, parks, and so forth, and promote erection or remodeling of buildings with ramps, in addition to stairs and/or elevators, to facilitate passage of the orthopedically and other handicapped who require such aids.

Thirteenth. Provides that all Federal agencies having a substantial part in this program, shall render reports to the agency.

Fourteenth. Provides special programs for the severely handicapped.

Fifteenth. Provides for establishment of rehabilitation centers throughout the United States and its possessions.

Sixteenth. Provides establishment of a Federal second-injury fund.

Seventeenth. Defines a physically handicapped person, as well as one totally disabled and unfeasible for rehabilitation.

In short, Mr. Speaker, this is a comprehensive, overall program. The American Federation of the Physically Handicapped, headed by president Paul A. Strachan, and secretary-treasurer Mildred Scott, well known to many of us, spent many years developing the genesis of this program, and I am sure that they, and the experts and specialists with whom they are constantly in association, have brought about a very fine program, the culmination of which is, the Federal agency for handicapped bills, and these deserve, on merit, the support of the Congress.

The president of the United Mine Workers of America, Mr. John L. Lewis, and Col. Robert S. Allen, syndicated columnist, along with many others, have also worked diligently for the enactment of this humanitarian legislation.

COMMEMORATIVE OBSERVANCE OF THE ADOPTION OF THE DECLARATION OF INDEPENDENCE

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent for the present consideration of the concurrent resolution (H. Con. Res. 85) to participate in Fourth of July 1953 observance at Independence Hall, Philadelphia, Pa.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States shall participate in the Fourth of July 1953 commemorative observance of the adoption of the Declaration of Independence at Independence Hall, Philadelphia, Pa., and the rededication of the Nation to the principles upon which the United States was founded. The Congress further requests the President of the United States and the Governors of the several States and Territories to be present on this occasion. Further, it is the hope of the Congress that this shall become an annual pilgrimage to the historic ground where our independence was proclaimed.

There is authorized to attend and participate on behalf of the Congress of the United States a Member from each State in the Senate and the House of Representatives, such Members to be selected on the basis of seniority. The necessary travel expenses of any Member of Congress incidental to the performance of duties and responsibilities hereunder shall be paid out of the contingent fund of the particular House of Congress of which such Member is a Member.

With the following committee amendments:

On page 1, line 7, strike out all after the period down to and including "proclaimed." on line 12.

On page 2, line 4, strike out "on the basis of seniority" and insert "by the President of the Senate and the Speaker of the House, respectively."

The committee amendments were agreed to.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. VAN PELT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 67]

Barden	Campbell	Dies
Blatnik	Carrigg	Dingell
Buckley	Case	Dollinger
Burdick	Celler	Dolliver
Busbey	Colmer	Dondero
Bush	Coudert	Fogarty
Gwinn	Machrowicz	Secrest
Hale	Miller, Calif.	Shelley
Hand	Miller, Md.	Small
Heller	Morrison	Stringfellow
Hillelson	Nelson	Taylor
Hoffman, Ill.	O'Konski	Teague
Horan	Patterson	Thompson, La.
Hyde	Philbin	Thornberry
Kearney	Phillips	Tuck
Kelly, N. Y.	Rayburn	Wier
King, Pa.	Reed, Ill.	Wigglesworth
Klein	Regan	Willis
Lucas	Richards	Wilson, Tex.
McVey	Roosevelt	Yates

The SPEAKER. On this rollcall, 368 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

PERSONAL ANNOUNCEMENT

Mr. POLK. Mr. Speaker, on yesterday I was unavoidably absent from the floor at the time the motion to recommit was made on the bill (H. R. 5728) relating to the disposal of the synthetic-rubber plants. Had I been present at that time, I would have voted "no" on the motion to recommit.

PARLIAMENTARY INQUIRY

Mr. McCORMACK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state the parliamentary inquiry.

Mr. McCORMACK. Mr. Speaker, in the consideration of the matter which is presently to be brought up, unless a time for limiting debate is agreed upon by unanimous consent, under the law, it is my understanding that there can be 10 hours of debate unless debate is exhausted prior to that time. Any agreement for a shorter period of time will have to be fixed by the House.

The SPEAKER. That is correct.

Mr. McCORMACK. A further inquiry, Mr. Speaker. Under the rules of the House, it is my understanding, it then rests with the Chair in accordance with the rules of procedure to recognize Members for 1 hour.

The SPEAKER. That is correct.

Mr. McCORMACK. So that the equal division of time, Mr. Speaker, which ordinarily obtains in general debate where a Member on each side controls and yields time does not exist in this particular case unless an agreement is entered into.

The SPEAKER. That is correct.

Mr. McCORMACK. And if a Member is recognized for 1 hour, during his hour he may yield to other Members; is that not correct?

The SPEAKER. Yes. If a Member is recognized for 1 hour and does not consume the entire hour, he can yield the remainder of the time back to the Committee of the Whole, and thus that remaining time would be available to any other Member.

Mr. McCORMACK. In other words, if a Member is recognized for 1 hour, and consumes 10 minutes and yields back the remaining 50 minutes, then the 50 minutes goes back into the pool?

The SPEAKER. That time will be in control of the Committee of the Whole and in control of the Chairman of the Committee of the Whole.

Mr. McCORMACK. Suppose the first Member is recognized for 1 hour and he consumes 10 minutes, would there still be 9 hours and 50 minutes remaining for debate?

The SPEAKER. There could be, if the Chairman of the Committee of the Whole recognizes other Members for that length of time.

Mr. BROWN of Ohio. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BROWN of Ohio. As I understand, Mr. Speaker, the matter to be brought before us is a House resolution. Will the House resolution be considered in the House?

The SPEAKER. It will be considered in Committee of the Whole House on the State of the Union.

Mr. BROWN of Ohio. Another parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. BROWN of Ohio. As I understand, the procedure will be under the provisions of the Reorganization Act, which allows 10 hours of general debate.

The SPEAKER. That is correct; if the House wants to use that much time.

Mr. BROWN of Ohio. That act also provides that the time shall be equally divided not between the ranking Member and the minority Member but instead between those who support and those who oppose the resolution.

The SPEAKER. That is correct.

Mr. BROWN of Ohio. And I presume under those conditions the Chair will see to it that the time is equally divided, which I believe the gentleman in charge of the resolution will do anyway; but there will be recognition on that basis?

The SPEAKER. The Chair is quite sure that the Chairman of the Committee of the Whole will see to that.

REORGANIZATION PLAN NO. 6

Mr. HOFFMAN of Michigan. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for immediate consideration of House Resolution 295; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 6 hours, the time to be equally divided and controlled by the gentleman from Illinois [Mr. DAWSON] and myself.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. HALLECK. Mr. Speaker, reserving the right to object, I am not undertaking to foreclose debate, but I am sure many Members of the House would appreciate concluding debate on this resolution as soon as possible. The gentleman from Michigan [Mr. HOFFMAN] has assured me that they want to do that.

In connection with this reservation, I might say that if this matter can be disposed of today the extension of the Housing Authority Act, for which I understand there is a unanimous report from the Committee on Banking and Currency, and as to which we have a deadline, could be gotten over to the other body this evening, and the confer-

ence report that the gentleman from Kansas [Mr. REES] has in charge may be disposed of, it would be my purpose to adjourn from this evening over until Monday.

Mr. DAWSON of Illinois. Mr. Speaker, reserving the right to object, in limiting debate to 6 hours, do I understand properly that the gentleman from Michigan [Mr. HOFFMAN] is going to control 3 hours and that the minority will control 3 hours?

Mr. HOFFMAN of Michigan. Within the discretion of the Speaker; that was my purpose.

Mr. DAWSON of Illinois. The gentleman so stated in his unanimous-consent request, that 3 hours' time be controlled by the minority.

The SPEAKER. The gentleman from Michigan [Mr. HOFFMAN] stated that in his unanimous-consent request.

Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

There was no objection.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 295, with Mr. ARENDS in the chair.

The Clerk read the resolution, as follows:

Resolved, That the House of Representatives does not favor the Reorganization Plan No. 6 transmitted to Congress by the President on April 30, 1953.

The CHAIRMAN. Under the agreement entered into, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 3 hours, and the gentleman from Illinois [Mr. DAWSON] will be recognized for 3 hours.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 15 minutes to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, as you all know, Reorganization Plan No. 6, like all the others, was referred, and properly so, to the Committee on Government Operations. Nevertheless, I believe that every member of that committee and all other Members of the House believe that this bill dealing with the Department of Defense, perhaps interests the Committee on the Armed Services which is the most vitally interested and responsible committee of the House dealing with this subject; and over on the other side of the Capitol, in the other body, the Committee on the Armed Services as well as the Committee on Government Operations is considering this plan.

I am deeply grateful to the gentleman from Michigan [Mr. HOFFMAN], in being so generous as to yield me 15 minutes time and I do crave the attention of the membership on this very vital piece of legislation that seriously affects the national defense and security of our Nation.

There is no doubt but that all Members, opponents as well as proponents of the plan, are agreed there are many good features in this bill particularly the civilian portions of it which if adopted I think will result in economy, savings and increased efficiency in our Department of Defense. The only fear that Members have is because of the increased powers granted to the Chairman of the Joint Chiefs of Staff. I want to remind the older Members and to inform the younger Members of this House that there is no single Member of this body who has fought harder at all times in and out of Congress against the concept of an imperial Prussian staff, than I.

When this plan was submitted to us I looked upon it with suspicion. I was most critical about it, and I shared some of the fears and apprehensions that some Members still entertain concerning it. But having served for a score of years on the old Military Affairs Committee and now as Chairman of the Committee on the Armed Services, and having lived with this problem since its inception, being present when we passed the National Security Act of 1947 and then amended it in 1949, after combing this thing with a fine-toothed comb, it is beyond my ability to imagine how much of a mountain has been made out of a molehill. Such a tempest in a teapot.

I think this plan should be adopted in its entirety without any modification whatever. Now let us see what the plan really does. It gives a little increased power to the Chairman of the Joint Chiefs of Staff which he should have in order to pinpoint responsibility. Along with responsibility should go authority. You can not divorce the two; they are one and inseparable. The Chairman of the Joint Chiefs of Staff is just one of four men. You have the Chief of Staff of the Army, the Air Force, and the Chief of Naval Operations. The Chairman of the Joint Chiefs, like the other three, is a 4-star general or admiral; he has no higher rank than the other joint chiefs; he receives no more pay, he does not even have the vote which the other three chiefs of staff have. He has no command over them. What is his position? He is simply the chairman who first draws up the agenda and second, presides over the meetings, and third, informs the Secretary of Defense or the President when the three joint chiefs cannot agree.

At the present time the Joint Staff—and let me say that too much importance has been attributed to the Joint Staff—is composed of or can be up to 70 members from each of the 3 branches of our armed services, a total of 210 officers; but at no time has there been more than 129 officers on the Joint Staff. I dare say there is not 1 out of 10 Members of this House, I doubt whether a majority of the members of our Committee on the Armed Services, can tell you who has been Director of the Joint Staff.

The Director, a three-star general or admiral but more or less in the background, hidden away, has had the authority up to now to hire or fire members of the Joint Staff or to report to his Chief of Staff of whatever branch of service it might be. Under the proposed legislation all the power that is given the Chairman of the Joint Chiefs of Staff is to approve or disapprove of some man put on the Joint Staff by his Chief of Staff. The fact of the matter is that even the Chiefs of Staff themselves do not select the members of the Joint Staff. Their personnel officers do that. The Chiefs of Staff are on a high-policy level, they have grave decisions to make, and they cannot be weighted down with infinite detail and minutia.

This plan simply gives the Chairman of the Joint Chiefs of Staff the power of veto, to remove some rotten egg out of the case or some rotten apple out of the barrel. You get a few rotten eggs and a few rotten apples in the Department of Defense where you have 3½ million men in the armed services. Sometimes you get them in your lodge, church, or even in Congress. The Director, because he has no specific authority or responsibility, a rather obscure position, could favor a friend or act against someone he did not like. But if there is a bad egg in the case or a rotten apple in the barrel, some officer, a hack or a hangover, who has been favored and who comes to his committee meeting at 10 o'clock in the morning and leaves at 2 in the afternoon after spending half of the time at the luncheon hour, the Chairman of the Joint Chiefs of Staff is given the authority and the responsibility to get rid of that man. If he fires any member of that Joint Staff without good reason, what would happen? That fellow on the Joint Staff fired could go to the Chief of Staff of the Army, the Air Force, or the Chief of Naval Operations, and say: "General" or "Admiral, your Chairman is going to fire me." Unless there was good cause for the man to be fired, his Chief of Staff would jump right down the throat of the Chairman. That Chief of Staff could even go to the Secretary of Defense or he could come to the Congress of the United States.

The Chairman of the Joint Chiefs of Staff works directly under the authority and direction—that is the law, "authority and direction"—of the Deputy Secretary of Defense and of the Secretary of Defense, both civilians. Of course, the Chairman of the Joint Chiefs of Staff is a military man of necessity and he presides over the group, he has only the same rank, he receives the same pay, he has no command over the Joint Chiefs of Staff, he has absolutely no vote. He acts more or less as a manager in order to get efficiency and economy and to relieve the Joint Chiefs of Staff of many of the details that they now have to handle.

What is the law? Listen to this, and I quote the National Security Act of 1947, section 262 (c) 6, as follows:

Section 202 (c) (6) has this provision:

"No provision of this act shall be so construed as to prevent a secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendation relating to the Department of Defense that he may deem proper."

And then some people are seeing ghosts and goblins. They do not exist. There is no substance to such wild and weird hallucinations.

The Chairman of the Joint Chiefs of Staff under this proposed plan is at all times directly responsible to the Secretary and Deputy Secretary of Defense,

both civilians. He is responsible to the President of the United States, his Commander in Chief, who is a civilian, and he is responsible to the Congress under our constant scrutiny. He is circumscribed, hemmed in, and nailed down.

Now, what Chairman of the Joint Chiefs of Staff, I do not care whether it is Admiral Radford or anyone else—is going to act rashly? Incidentally, I am going to take advantage of this minute to say that Arthur W. Radford is a fine, Christian gentleman, and in my honest judgment is about the ablest, noblest, and the most intelligent man I have ever met, either in or out of uniform. I know he is not going to abuse these powers, or anyone who succeeds him. No Chairman could under the law. Omar Bradley would not. One reason the Joint Chiefs of Staff have not functioned more efficiently is because of the lack of authority given to the Chairman of the Joint Chiefs of Staff.

I want to, in closing, take a minute to point out the difference between the Prussian General Staff versus the American General Staff.

First. International environment—A history of German distrust of democracy, of a central government at the mercy of the chief executive, of a national lust for battle, of figurehead ministers of war—heavily influenced the history and power of the Prussian staff system; our heritage is one of acute suspicion and distrust of the military, of a constitutional civilian commander in chief, of civilian secretaries with control over the military, of checks and balances in the Federal system virtually making impossible any serious inroad by one branch of the Government into another.

I studied a year in Heidelberg and a year in Berlin, and I have visited Germany, I think, a score of times in the past third of a century. I think I know what I am talking about. There is nothing in this Reorganization Plan No. 6 that is comparable to a single Chief of Staff or the Imperial German General Staff.

Second. A military elite—severely disciplined, intensely trained, examined, and selected, remaining in the general staff throughout a military career—was the heart of the Prussian staff system; ours has officers, not in a general staff corps, who are transferred in and out of staff duties, the most successful spending the minor part of their military careers in the General Staff.

Third. Operations officers in the Prussian general staff had dominance over all other staff divisions; these are coequal in the American staff system, which was adopted primarily from the French.

Fourth. The Prussian Chief of Staff had complete control over all military affairs; the American Army Chief of Staff has no command and functions only as the primary military to the civilian Secretary and President in whom the power is vested.

Fifth. Prussian general-staff officers in the field reported around their commanders to the chief of staff; our field commanders are supreme over all officers in their commands.

Sixth. The German Oberkommando under Hitler and under the Chief of Staff, Keitel was the Ministry for Defense and the advisory organ of the Fuhrer in the exercise of his personal command; no comparable military organization has ever existed in our country, nor have we had any military structure controlling all of our Armed Forces.

And remember that under the law the three civilian Secretaries of the Army, the Navy, and the Air Force, or any member of the Joint Chiefs of Staff, after going to the Secretary of Defense, is free to come on his own initiative to Congress and present any wrong that has been committed, or offer any suggestion that might be constructive.

Members of the House, this plan as submitted by the President should be approved in its entirety and without modification. It will increase the efficiency and reduce the costs of our Department of Defense. It will give more civilian control over the military. It will strengthen our national security. Let us vote down any resolution to reject or modify this plan in order that it can become the law of the land.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. CONDON].

Mr. CONDON. Mr. Chairman, obviously I am in no position to match understanding of the armed services with the distinguished gentleman who preceded me. However, I do feel that the matter that is before us is an extremely important one that should be considered dispassionately and upon its merits by the Members of this body.

Before going into those merits, however, I think a word about the parliamentary situation in which we find ourselves is worth while.

This plan is before this body because of the passage out by the Government Operations Committee, with the recommendation that the House do not approve, of House Resolution 295, which disapproves of the plan in its entirety.

I would like to tell you why that resolution became necessary.

The distinguished chairman of our committee, the gentleman from Michigan [Mr. HOFFMAN], introduced House Joint Resolution 264, which was an approving resolution of the entire plan with the exception of sections 1 (c) and 1 (d), the two sections which relate to the increased authority of the Joint Chiefs of Staff. That resolution was approved by the House Government Operations Committee by a vote of 14 to 12, and was passed over to the Rules Committee for a rule to come to the floor.

I might add that our deliberations in the committee up to that time had been strictly nonpartisan. We have not considered whether or not we were Democrats or Republicans. Several of the more prominent Democratic members of that committee were on the dissenting 12 against the chairman's Joint Resolution 264, and several of the Republican members of that committee were among the 14 who voted to send it over to the Rules Committee.

At the time House Joint Resolution 264, which was an approving resolution, was introduced, purporting to amend the plan by approving all but two sections of it, I had some doubt as to whether or not that was permissive under the Reorganization Act of 1949 as amended. I expressed that doubt to the chairman because I felt that perhaps the proper way to go forward would be to introduce specific legislation rather than purporting to approve part of the plan to do precisely the same thing, and with that to introduce a disapproving resolution. Accordingly, I introduced the bill H. R. 5845, which would enact into statute all of the plan as sent down to us by President Eisenhower except sections 1 (c) and 1 (d) of the plan. I also introduced House Resolution 295, which is before us today.

Our Committee on Government Operations by a vote of 12 to 11 also sent H. R. 5845 to the Rules Committee. It is my understanding that the Rules Committee does not desire to act upon either Mr. HOFFMAN'S resolution approving all but two sentences of the plan and it does not desire to act upon my bill enacting into law all of the plan as sent down by the President except these two sections.

When we keep talking about sections under Reorganization Plan No. 6, I think it would be well to read those sections because actually there are two sentences. Section 1 (c) of Reorganization Plan No. 6 reads as follows:

> The selection of the members of the Joint Staff by the Joint Chiefs of Staff, and their tenure, shall be subject to the approval of the Chairman of the Joint Chiefs of Staff.

Section 1 (d) reads:

> The functions of the Joint Chiefs of Staff with respect to managing the Joint Staff and the Director thereof are hereby transferred to the Chairman of the Joint Chiefs of Staff.

In other words, the part of the plan that we consider objectionable does two things. It gives the Chairman of the Joint Chiefs of Staff the right to disapprove or to discharge any one of the potential 210 officers who legally constitute the Joint Staff itself. In other words, he has the complete right of veto, and the complete right of approval which according to this general language, could be exercised, if he so desired, without even the consultation of the Joint Chief of Staff, representing the service in which that person serves whom the Chairman desires to eliminate.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. CONDON. I yield.

Mr. JOHNSON. When you say discharge, you just mean to remove the man from the Joint Chiefs of Staff.

Mr. CONDON. That is right.

Mr. JOHNSON. The man is still in the service; is that not correct?

Mr. CONDON. Yes; he is reassigned.

Mr. JOHNSON. The man goes back into his particular branch of the service.

Mr. CONDON. That is right. The Chairman has the right to keep him off of the Joint Staff and reassign him to some other part of his own service.

Under section 1 (d), the functions of the Joint Chiefs of Staff heretofore exercised by all four of them with respect to managing the Joint Staff and the di-

rector thereof are transferred to the Joint Chief, or the Chairman of the Joint Chiefs of Staff. This means, I presume, that the Chairman of the Joint Chiefs is given statutory authority by this bill to determine exactly what tasks the Joint Staff will consider in doing their top level strategic planning. It is as to the wisdom of centering in one man, who after all comes from one of the services, the right to control the work of this body which does our top level strategic planning. It is as to the wisdom of that, that many of us have raised a question. We have heard much about the fact that we are raising ghosts and goblins that do not exist, and that we are seeing dangers that are not real. We have confidence in President Eisenhower. We have confidence in the present Secretary of Defense. We have confidence in Admiral Radford who is going to be the next Chairman of the Joint Chiefs of Staff, and who will exercise these powers, if we give them to him. But, this is not something that we are just doing for the present incumbents. We are making changes in the law which will continue until such time as we change the laws. I can see a situation, which to me is very real.

At the present time, we have the world's outstanding military leader as the President of the United States, General Eisenhower. Obviously, no Chairman of the Joint Chiefs of Staff is going to be able to influence a man like President Eisenhower who is so completely conversant with the Department of Defense and with world problems. Such influence would be absolutely impossible under the existing situation. We know that. We who are in opposition to this can see that; but remember the time will come when we will have a President of the United States without that tremendous military background which President Eisenhower has brought to the job. We will have a President, a man from civilian life, a man who does not intimately know the strategy of high-level planning, and a man who is not intimately acquainted with the Department of Defense. If we place such a President in office, with a determined, strong-minded Chairman of the Joint Chiefs of Staff, I am quite sure we are moving despite what our learned friend, the gentleman from Missouri, said, in the direction of the single monolithic Prussian-type of general staff. We are going to have one man who controls the work of the strategy planning of the high strategy planning board. We are going to have one man who could, by his veto, get from all three branches of the service, men who follow his general line of thinking. Those of you who have been apprehensive, let us say, about the Air Force being somehow dominated by naval aircraft on the issue of who will carry the atomic weapons by air, I urge you to think of the situation, if you have a strategic planning staff which is dominated by a man who would favor one side or the other when every member of that staff keeps his job at the pleasure of that Chairman. And to have a member of the Joint Staff working on only those projects that that Chairman orders him to work upon. That is the one man who would be advising our civilian Secretary of Defense, and that is the one man who would be advising the President of the United States.

Mr. COLE of New York. Mr. Chairman will the gentleman yield?

Mr. CONDON. I yield.

Mr. COLE of New York. I think the gentleman should point out that under the law, the Chairman of the Joint Chiefs cannot serve for longer than a term of 2 years, with the possible exception of 1 additional term, except in wartime.

Mr. CONDON. That is perfectly true. I am not accusing, and none of the critics, those who have advanced criticism, are accusing this as establishing a Prussian general staff. We are merely saying that it is a step down that road. And it is a step that we do not think we should take without full consideration of what we are doing.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. CONDON. I yield to the gentleman from Michigan.

Mr. RABAUT. The gentleman from Missouri [Mr. SHORT] said, using his figure of speech, that if he found a rotten apple in the barrel, he would remove it. I want to know who removes that rotten apple today. How is it done now?

Mr. CONDON. It is done today by the action of all four. We had Admiral Davis, the former Director of the Joint Chiefs, before our committee, and we asked him, Was there ever an instance, when they wanted to remove somebody under the existing system and they could not do it; whether he could point one out to us? There was simply no reply. He could give us not one example of the rotten egg or the rotten apple on the Joint Staff that they should get rid of, that they wanted to get rid of, but that they did not get rid of.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. CONDON. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Is there anything that would prohibit the Chairman of the Joint Chiefs from removing an individual if he differed with him on policy grounds—is there anything in the resolution itself?

Mr. CONDON. The Chairman could remove a man if he disagreed with him on policy grounds. Admiral Davis used the words, "We want to be able to remove men who are incompetent or stubborn."

What does the word "stubborn" mean? It means someone who vigorously disagrees with my point of view. It is the so-called stubborn officer who is objecting.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. CONDON. I yield to the gentleman from Louisiana.

Mr. HÉBERT. Pursuing the thought of the gentleman that any member of the Joint Staff right now could be removed under present circumstances, while it was answered in the negative, that no one had been removed, is not the law to the effect that what is supposed to be accomplished under this Reorganization Act can, in fact, be accomplished right now, under existing law?

Mr. CONDON. I believe that to be true. And the testimony of Admiral Davis bears it out, that they have never had anybody stay that Admiral Davis, as Director, wanted to remove. They were moved by concurrence of the other Joint Chiefs.

Mr. SHAFER. Mr. Chairman, will the gentleman yield?

Mr. CONDON. I yield to the gentleman from Michigan.

Mr. SHAFER. Does not the Secretary of Defense have the determination in respect to removing these people, after the Joint Chiefs of Staff decide they are to go?

Mr. CONDON. I assume that the Secretary of Defense is over the Joint Chiefs, and if he wanted someone out, his decision would prevail over that of the Joint Chiefs themselves.

Mr. SHAFER. I thank the gentleman.

Mr. CONDON. Who are some of these people who have been referred to as seeing ghosts and goblins? It is certainly not just one freshman Democrat from California. I backed into this, and I am here before you today simply because I felt we might have to have the disapproving resolution in order to bring this matter to the attention of the entire House.

Mr. Ferdinand Eberstadt, who was the Chairman of the Hoover Commission on the Department of Defense, was one of the principal witnesses before our committee.

This is what Mr. Eberstadt said:

> My opposition to this part of the proposals is not based on any belief that putting them into effect would immediately create an all-powerful military Chief of Staff with a general staff who might be tempted to influence or even dominate the civilian life of the country. It would be ridiculous to say that the proposals, in and of themselves, go that far. It is true, however, that their trend is clearly toward the creation of a supreme military Chief of Staff with a general staff. My objections are based on this trend and on the dangerous possibilities inherent in the proposals from the point of view of the security of our Nation in the present precarious position of the world.

That is what Mr. Eberstadt, the head of the task force, that spent months in consideration of the Department of Defense, says about the trend that this proposal makes, the trend which we are trying to stop here on the floor.

The question of the opinion of President Hoover was brought up during the course of our hearings. References were made to the effect that he believed this or that. Finally, on Saturday, the last day of the hearings, we received the following letter, which is part of our record.

The letter is addressed to our chairman, the gentleman from Michigan [Mr. HOFFMAN], and from it I read the following statements:

> I had intended to take no part in the division of opinion upon the reorganization of the Department of Defense Plan No. 6, but a misunderstanding regarding a telephone conversation seems to require that I do so.
>
> I therefore wish to state—

This is a former President of the United States of America, who perhaps knows

more about reorganization of the executive department than any other person, whose influence on previous decisions on other plans has had extreme weight with this body, this is ex-President Hoover speaking:

I therefore wish to state that I am in full agreement with the plan except—

Except—

for the point raised in the presentation by Mr. Ferdinand Eberstadt with whom I fully agree.

In addition to Mr. Eberstadt and ex-President Hoover we had as witnesses before us raising the same doubts and taking practically the same position, such gentlemen as Gen. Robert Wood Johnson, retired brigadier general of the Army and chairman of the board of Johnson & Johnson; Thomas K. Finletter, former Secretary for Air; Adm. Charles M. Cooke, Gen. Merritt A. Edson, and others; representatives of the Army-Navy League, representatives of the Veterans of Foreign Wars. So this is not a fantasy; or, if it is a fantasy, if it is ghosts and goblins, men and organizations of tremendous substance see the same ghosts and see the same goblins.

Here is one thing that worries me, it is going to be said and it was said in our committee that 90 percent of the plan is good, only 10 percent is bad, so therefore because I believe in getting the 90 percent, although I do not like the 10 percent, I am going to vote to let the plan become effective. But that is not the only alternative; we do not have to take the part of the plan that is bad in order to get the part that is desirable.

If this resolution is adopted by the requisite number of votes, 218, and the plan itself is disapproved in its entirety, there is a bill before the Rules Committee right now which has received the approval of the subcommittee of the Committee on Government Operations, and that bill can be brought to the floor; there would be no objection to it. That bill would go on the Consent Calendar. That bill could be acted upon immediately, and we could get everything that is of substance and we could eliminate those things that we think have potential if not immediate actual dangers.

I want to emphasize my position very clearly in that respect by standing here and urging the adoption of my disapproving resolution. I do so because I intend to attempt to get to this floor a bill which will allow us to enact into law everything about which there is little or no criticism, everything about which we believe to be good; and I do not think anyone voting for my resolution of disapproval need feel that somehow it will be interpreted as a vote against the administration, as a vote against the other portions of the plan, because I want to emphasize and reemphasize that I am not against which some say is 90 percent, although I do not believe it is 90 percent; I am for the six Assistant Secretaries of Defense; I am for the abolition of the various boards that are being abolished by this plan and whatever I have just referred to as favorable. Let us act upon such legislation. It can be enacted by this body and will later be enacted by the other body.

Mr. Chairman, I yield back the balance of my time.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri [Mr. HILLELSON] be permitted to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HILLELSON. Mr. Chairman, I should like to point out that the prime reason for opposition to Reorganization Plan No. 6 seems to be the fact that this will create a general staff based on the old Prussian general staff plan. I take exception to this reasoning, and should like to point out first, the plan contains no provision that will give the Chairman of the Joint Chiefs of Staff any control whatsoever—any command—over the other members of the Joint Chiefs of Staff.

Second, the plan does not change the statutory provision that all four of the Joint Chiefs of Staff shall be the principal military advisers to the Secretary of Defense, the National Security Council, and the President.

Third, nothing in the plan would permit the Chairman to have a vote in the deliberations of the Joint Chiefs of Staff.

Fourth, no provision of the plan modifies in the slightest the statutory duties imposed upon all four of the Joint Chiefs of Staff by section 211 of the National Security Act.

Fifth, no provision in the plan enlarges the size or influence of the Joint Staff, or so weakens the service staff systems, or creates an Armed Forces General Staff Corps, so it cannot become the overall Armed Forces general staff which so many of us have fought to prevent.

In my judgment, if Congress will keep its eye on these five things and sees that the executive branch does not get authority to modify these various restrictions on the Joint Chiefs of Staff and the Joint Staff, we need not have any fear about a single commander of all the Armed Forces or an Armed Forces general staff.

I should like to go on record as being in favor of the Presidential Reorganization Plan No. 6 reorganizing the Department of Defense.

PLAN NO. 6 OF 1953

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, perhaps I am in what might be termed an unenviable position. If I understand the sentiment of my Republican colleagues on the Committee—and if I do not correctly state their position I am sure they will correct me—it seems I am the only Republican on the Committee who disapproves of this plan. It does not follow, however, that I think I have either all of the knowledge, the patriotism, or all any other good quality that is possessed by the majority members of the Committee. I come here in all humility. I protest because and only because the solution of the issue affects the constitutional powers of the Congress. In my judgment it opens the door to a military control of at least 75 percent of our expenditures. I cannot let a matter of this kind pass without challenge. I just cannot bring myself to turn my back on the Honorable Herbert Hoover, former President of the United States, in order to vote for a plan recommended, endorsed, and approved by Dean Acheson. More of that later.

But, as the debate goes on, please remember—please do not forget—that a chart showing the proposed plan was introduced in the record of the hearings and ordered printed. I have here an exact copy of it. On the desk lays the copy that went down to the printer. On page 251 of the hearings you will find what purports to be a copy of that chart. But from the copy as printed it is difficult to get a true picture of what the chart discloses. Why or how it got in the record in that way, in that form, I do not know, any more than I know—although it was offered and received in evidence and also read in the record—how what purports to be a copy of a letter from Herbert Hoover on page 260 of the hearings, got in the record in the form it did.

I only refer to those things to show you just how difficult it sometimes is to, on the printed page, portray the full meaning of an exhibit.

The most distinguished orator of the House—comparisons are hardly proper—a very distinguished orator of the House, our good colleague from Missouri [Mr. SHORT], stated a few things this morning which are not in accord with the record. Then he stated one thing which is misleading though he intended no such result. He said the Chairman of the Joint Chiefs of Staff has no vote, which is true. Neither has anyone else on the staff. There is no question of voting. If the members cannot agree, they go elsewhere for a solution.

He also referred, and this has been answered by the gentleman who just left the floor, to one bad apple in the barrel. Sure. Nobody wants to keep that apple in there. But is there a single Member of this body who thinks for one moment that on the staff as presently constituted any member could remain if the Joint Chiefs of Staff, the Secretary of Defense, or the President did not want him? Of course not. So there is nothing to that argument. The gentleman did not appear as a witness before our committee.

When this plan was first brought up and referred to our committee, the gentleman came to me in company with another member of his committee and suggested that we give consideration to the matter. He wanted to know if we would object if members of his committee came over to our hearings. Do you know what my proposition was? I said, "We will come over to the committee room over at the Armed Services and let you hold the hearings." Could anyone do any more?

Later on he advised me that he had been down to the White House at least three times; that the matter was very, very dear to the heart of the President. Finally, the day before the hearings closed, he wrote me a letter saying that he would like to testify the next morning. I immediately answered the letter, sent it over by special messenger, telling him we would be very glad to hear him.

The next morning he came over with a letter which he delivered in person saying he did not desire to appear. And I know he did not intend to create that impression, but do not let anyone lead you to believe that members of the committee on Armed Services did not have an opportunity to appear, if they desired, and testify. So much for that.

Before discussing the plan and the manner in which it comes up, and to in some slight degree advise you of the gravity of the situation, let me speak a little generally. Why have we a Congress? Why are we here today? We are here because our forefathers in their wisdom, having been oppressed and persecuted abroad, and having come to this country, a wilderness then, to escape persecution and oppression, to have freedom of action and liberty and to worship as they saw fit, established certain things by the Declaration of Independence. Remember. And then later on, some years, they wrote a Constitution. Over in the Library is a copy of it, maybe the document itself, I do not recall, but I do remember it is "Geo. Washington, President" the Delegate from Virginia who first signed. But, what was the Constitution for? It was to implement the desires expressed in the Declaration of Independence. It was to give us an outline of the principles which, if followed, would give our people freedom, prosperity, contentment, and happiness, the things which all people desire, and which we, as a people, from that day on, progressively have enjoyed to a greater degree than any other people anywhere at any time.

Why do I refer to that? Only because today we are taking another step on the downward road. I think the Scriptures had it the broad and easy road which leads to destruction, rather than the hard and narrow one which leads to the right end.

In that Constitution, in order that there might never be a dictator, to guard against the evils of government which existed in the Old World and from which they had escaped, they laid down certain principles. Because they knew that the power to issue orders and write laws, and interpret and execute those laws, if vested in one man, would destroy liberty, the very first thing they did in the first 15 words in the Constitution was to state that the legislative power was vested in a Congress. Recently, and again today, we are ignoring that provision; we are following a reorganization plan. While the Constitution vests the legislative power, the power to write laws, in the Congress, and while the Constitution states specifically that the only way a proposal can become law is after it has received a majority vote from each House of the Congress, today we are proceeding under a Reorganization Act which permits a President of the United States to write a law unless, within a specified time, either the House or the Senate vetoes it. We have reversed the constitutional process of legislation, and you cannot get away from it. Orders from the White House, no matter who is there, will never induce me to vote or go along with an unconstitutional proceeding.

Then what did the Founding Fathers do next? They established the office of the President, the Executive, the man who is to enforce the laws which the Congress writes. Then having in mind what they escaped from in the Old World, they went one step further and they provided a judicial department, which should have the authority and the duty of interpreting the laws or any administrative orders issued by the Executive, laws passed by Congress, executive orders issued by the President.

Washington and his colleagues, his associates of those early days, did all that man could do, so far as we know now, to protect us against our own follies, our own foolishness, our own lack of attention to our duties and our business.

Not a Member of this House came here and became a Member until he had held up his hand and had taken the oath administered by the Speaker to uphold and defend the constitutional processes. Added to that oath, do you remember, was the provision "without reservation."

That is how we got a Constitution and that is why I am here today, because from the bottom of my heart, from my own experience, and as I read history I am convinced that the Constitution is still the best guidance for any people under any government.

What have we done? We have yielded to pressure groups, have we not, farmers, laborers as represented by individuals or organizations, postal employees, veterans, oh, this group and that group, one after the other, a long parade. They come before Congress, and I do not object to their coming. I think it is well that they do come. It is their right. We are supposed to be a part of that Government and to follow the policies which our constituents desire us to follow. No; I do not object to lobbying. What I am talking about and what I am objecting to is the blind following that we as Members of Congress sometimes yield to those groups and hence get legislation designed to favor first this group and then that, leaving out of consideration always the overall welfare of our people.

But the strongest pressure group, the strongest pressure, the most effective pressure, comes not from the representatives of those special groups—oh, no; no, no—but from the administration. Have my Republican friends forgotten their words of condemnation all through the Roosevelt and the Truman administrations when our people referred to the Congress—and I came here when there were 89 Republicans, that was all. There was no struggle over committee assignments. We were begged to take this one, that one, and one more, please. Do you remember what we said, what our constituents said, what the people said? "Oh, that Roosevelt rubber-stamp Congress made up of yes men—yes men—yes men."

The CHAIRMAN. The gentleman from Michigan has consumed 15 minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, it took us so long, so long to get this bill before the House and the road was so hard and so difficult that I do not hesitate today to take all the time I think I might need, and further I am willing that anyone who desires to go to lunch or go out in the halls or visit or anything you want to do, may do so. You cannot talk to the galleries under the rules of the House, but if the galleries want to listen, I cannot prevent that.

Mr. Chairman, what else have we done. This is just general. I am just trying to bring us down to date. We have enslaved our people. First, we bankrupted the Nation; and then we enslave our people by imposing tax burdens that are burdensome. Then, we send the Republic's men to war in Korea. You say we did not? Well, we did not stop it. Today, as I stated before, we are on this road which leads, in my judgment, to a further surrender of the constitutional legislative power. Recently, we had an amendment to the reorganization bill, which, as I tried to explain before, reversed the legislative process. Still more recently, we had the Brown bill. What does it do? It creates a commission to study the present situation and guide the Congress as to what it should do with reference to legislation in the future. All right, well and good, but the implication that one of my constituents placed upon it is indicated by his question to me which was—why does not the Congress do that job itself instead of farming it out and paying someone else to do it?

Then we had the Halleck bill that was passed by the House. What does that bill do? That bill creates another commission. To do what? To take over the functions of the House Committee on Government Operations—a subcommittee of which has been studying that very issue for weeks. Again we shirk our responsibility. Do you get the point? Step by step this Congress—shall I say either because of a lack of ability or because we are indolent?—keeps passing these jobs to these special committees and commissions.

That is not the end of the story. The Constitution says that everyone shall have the right of petition. If I read the press right this morning, the great Committee on Ways and Means, on which my colleague the gentleman from New York has served with distinction for some thirty-odd years—a gentleman who certainly knows something about the past history and the present ways and means legislation, a man who introduced the first bill in this session—as I say, the great Committee on Ways and Means was rebuffed. His bill went over to the Committee on Rules. I do not know whether the Committee on Rules heard him or not, but, in any event, they did not give him the right to come to the floor, but the members of the Committee on Ways and Means should not feel badly about that. The Committee on Government Operations has been treated worse. Our committee, as the gentleman from California has told you, went to the Committee on Rules by means of a letter and we asked in substance, "Please, may we be heard on an application for a rule?" I was advised the next day—and they got the letter because I took the precaution of calling the clerk who ascertained whether our written request was

there, and it was—and I am not criticizing all the members of the Committee on Rules because I understand the chairman himself, the gentleman from Illinois [Mr. ALLEN], was the man who shoved it in his pocket. All right. So you have what? You have an administration which is telling two committees of the House—and the command is carried by our leadership down to the Committee on Rules—that two committees of the House just cannot be heard.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. HOFFMAN of Michigan. I yield myself 5 additional minutes, Mr. Chairman.

I am sorry, I will have indigestion for a month if I do not get this off my chest. The rest of you, on other committees, can sit back and smile, if you want to, but you may be next on the list.

What was the use of Washington and his associates writing a Declaration of Independence if now someone in the Presidential office—and I care not who he is—someone in that office says, "No, you cannot even be heard unless you do what I want."

I will put most of the rest of this into the RECORD, but let me get back now to the bill.

Do you know what the bill is? There are minor defects in this. Like all reorganization plans, it is not specific. And you will never get a reorganization plan that is, because it only asks for a grant of power to do what those in charge of that particular activity want to do now and what they think they may want to do in the future. That situation grows out of the very nature of the beast of reorganization—that plan of doing business.

This plan, in its overall aspect, was not objectionable to many, but there are two sections, subsections (c) and (d) of section 1, which are bad—which are bad.

The orator from Missouri, from the Ozarks, as he would put it, is absolutely wrong when he tries to convince you that the Chairman of the Joint Chiefs of Staff cannot do much of anything. The Chairman, under those two sections, has the right—let me put it this way. Under those two sections, the tenure of office, the appointment of office of all members of the Joint Staff, 210 of them, the men who formulate the policy, who supply the ammunition for the activities of the Defense Department, say what should be done and how it should be done—the Chairman of the Joint Chiefs of Staff has the authority to put the veto on the appointment of each and everyone of them.

You give me the power to say who shall be elected to the House and how long you shall serve—and that is the question in its simple form; that is the issue—you give me that power as we give it to the Chairman of the Joint Chiefs of Staff, and you are through, if I do not like the cut of your hair or the color of your necktie. And there is not any argument there, there cannot be any argument about it.

Whose plan is it? This plan was never written by the administration. I will tell you by whom it was written; or rather I will tell you who did not approve of it. I have it right here. I tried to get it before, but did not get it until this morning.

Something like this was submitted to the Joint Strategic Services Committee, serving on the Joint Chiefs of Staff organization. Do you get it? That is the subcommittee, you might say, of the overall Joint Chiefs of Staff organization. And I do not care what anyone says to the contrary, that is the record. They disapproved of this plan. And yet it is brought here with the intimation, if not with the direct statement, that it passed muster in the defense organization.

How do you like it? And who approves of it? This chart that I have shows that on nine propositions which came before the Eberstadt Task Force Committee—and, by the way, recommending this plan—is the Nelson Rockefeller Commission. We had their conclusions, we had their report, but when we asked for the record to show the facts on which that report was based they said "No"; and we never had them.

How many days did they meet? We do not know. The record shows here, and you will find it on page 100 of the hearings——

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 2 additional minutes.

The record shows on page 100 of the hearings that the Eberstadt Commission held hearings for 150 days, and they came up—here is Eberstadt's testimony, page 99, and I wish you would listen to this:

Mr. HOLTZMAN. Would you say, from your conversation with Mr. Hoover and your general knowledge of this particular problem, that the Commission, the Task Force of the Hoover Commission, was opposed to provisions (c) and (d) of section 1?

Mr. EBERSTADT. I think the Task Force of the Hoover Commission, without any question at all, would have disapproved subdivision (c) and (d) and I read you the Commission's recommendations on that subject and there is nothing in the report to indicate that the Commission would have approved it. There is a great deal to indicate that the minority group would have approved it, but not the Commission.

Minority group. There it is again. Nine propositions fundamental on this plan and on the nine Mr. Acheson disapproved, and the plan goes along with five in opposition to the Hoover Commission.

I say to my good friends who have been talking—the Hoover letter was read, I will read it once more. He is referring to this Eberstadt testimony:

I had intended to take no part in the division of opinion upon the reorganization of the Department of Defense Plan No. 6, but a misunderstanding—

Somebody misunderstood and misquoted—

regarding a telephone conversation seems to require that I do so.

He made the statement:

I am in full agreement with the plan except for the point raised in the presentation of Mr. Ferdinand Eberstadt with whom I fully agree.

Now I say to my good friends who have been going along with the Hoover Commission's recommendations, holding up the Hoover Commission and its task forces as the grounds for your approval of legislation, I ask you now, Are you going along? Are you going along with the Hoover Commission? Are you going along with Mr. Hoover who, because of newspaper reports, felt impelled to make this written statement?

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 10 additional minutes.

Mr. BROWN of Ohio. The gentleman by his glance and his attitude seems to be pointing his question to me and I would like to answer it. He asked the question whether I am going along with Mr. Hoover. I certainly am. I am going to support this plan which Mr. Hoover in his letter said he supported, because the only question we have before this House is whether or not we are going to adopt this plan in its entirety or reject it in its entirety; and the sections (c) and (d) are not here for debate or for amendment or change. This cannot be amended or changed.

The ex-President has said he favored the plan in its entirety, and I am going along with him and I hope the gentleman from Michigan will do likewise.

Mr. HOFFMAN of Michigan. Approved the plan in its entirety.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. No, not now, in just a minute. Did you hear that? Did you hear that? That ex-President Hoover said he favored the plan in its entirety.

In order that there may be no misunderstanding, what did he say?

I therefore wish to state I am in full accord with the plan except—

Does "except" mean anything to you? Except for what?—

except for the point raised in the presentation of Mr. Ferdinand Eberstadt, with whom I agree.

Mr. BROWN of Ohio. The exception is not before the House, as the gentleman well knows.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield at that point?

Mr. HOFFMAN of Michigan. Not yet; I want to correct the RECORD.

The first thing the gentleman from Ohio said was that by my glance—and I guess it was words, I am not sure about that—but by my glance, and I guess by my words he thought I was addressing my question to him. In all humility and with sincere apologies, let me say perhaps I looked that way, but I was looking at Republicans generally. I did not notice the gentleman, although that seems an impossible statement to make, and I was in no way referring to the gentleman from Ohio.

Mr. BROWN of Ohio. I appreciate the gentleman's remarks.

Mr. HOFFMAN of Michigan. Will the gentleman address the Chair?

The CHAIRMAN. The gentleman from Michigan will proceed.

Mr. HOFFMAN of Michigan. Mr. Chairman, I have no objection to the gentleman addressing the Chair and asking me to yield.

Do you see the situation? As a loyal, not original but ultimately Eisenhower man, our good friend from Ohio still says that Mr. Hoover endorses the plan. What do you think about it? You can think it over. You can read the RECORD. The intimation, the implication is, of course, that if Mr. Hoover were given the privilege of voting he would vote for it. Do you think he would with provisions (c) and (d) in it?

I leave the case here. I am not soliciting votes. I am fully aware of the ultimate result. I am only desiring to put in the RECORD for future Congressmen who may be more experienced and know more about the facts that here again today we are taking another step away from constitutional government.

Earlier this week, in a case which involved the rights of a soldier seized by military police in Pittsburgh and taken to the Far East for trial, in issuing a writ of habeas corpus commanding that the soldier be brought back to Pittsburgh, Judge Holtzoff said:

> One of the foundation stones of the Republic is that the civilian power shall at all times be superior to military power.

It is the duty of the Congress as well as of the court to preserve constitutional government.

Not a single witness appeared in defense of provisions (c) and (d) of section 1 of Reorganization Plan No. 6, which give additional arbitrary power to the Chairman of the Joint Chiefs of Staff, other than officials of the Executive Department, unless it be said that Admiral Leahy was such a witness.

Admiral Leahy's testimony—hearings, pages 207–225—was to the effect that, during World War I, no such power was exercised by any individual other than the President; that the procedure then followed proved to be effective; that two wars had been won while it was in effect; that the President and the Secretary of Defense now had all necessary authority to accomplish desired objectives, but that, if the President wanted the power, he, Admiral Leahy, would give it to him, even though he thought it unnecessary and might lead to disastrous results.

On the other hand, persons of national prominence, men of experience, who had demonstrated their ability, both in civilian life and during wartime, came at their own expense and because of their deep concern and fear of the danger inherent in subsections (c) and (d), to oppose those provisions.

Let me quote some of the testimony of these witnesses, who, judged by any standard, admittedly were competent, qualified, and knew whereof they spoke.

Ferdinand Eberstadt, who was Chairman of the Hoover Commission Task Force on the National Security Organization, said:

> I feel sure that some—possibly many—of those who conceived these proposals may not have thought their consequences through. The statement in the report of the Rockefeller committee that their recommendations "are consistent with the basic principles of the reports of the Commission on Organization of the Executive Branch (the Hoover Commission) and its Task Force on National Security Organization" confirms my opinion in this connection. If my analysis as to the effect of those paragraphs of the proposals with which I have dealt is correct, they conform more closely to the recommendation of a dissenting minority of the Commission headed by its Vice Chairman, the former Secretary of State, Dean Acheson, than to the recommendations of the majority, headed by its Chairman, President Hoover.

Mr. Eberstadt added that the substance of subsections (c) and (d) was "undesirable at any time and in any circumstances. At this time and in present circumstances, I regard it as extremely hazardous."

General Johnson asked the Congress to "see this issue in its proper historical perspective," Only by so doing, he said, could the Congress see "its true nature and danger." General Johnson told the committee that these provisions "would have the inescapable result of making the so-called Chairman"—of the Joint Chiefs of Staff—"a Chief of Staff." From a man of General Johnson's background and conservative reputation these words should cause a calloused Congressman to stop in his tracks.

Hearings on plan No. 6, page 44:

> Few indeed are those who realize the extent of the direct and indirect power of the military in our Nation today. Few are those who realize how determined, dangerous, and nearly successful was the military's effort to gain control of key areas of our economy in World War II.

Hearings on Plan No. 6, page 49:

> As one deeply concerned over our future national security, I cannot but observe that your committee is faced with a most grave and serious issue. You are being asked to do, by reorganization, that which I am certain Congress would never do by legislation. You are being asked to adopt the devices of totalitarianism which Congress, with its wisdom, has always resolutely opposed.
>
> You are being asked to adopt what the Hoover Commission and its task force on national security rejected as dangerous to America.
>
> You are being asked to adopt that which the Hoover Commission minority, consisting of Mr. Dean Acheson and others, recommended as a key feature of the power of the Chief of Staff of the armed services.

Former Secretary of the Air Force Finletter was seriously concerned. In his opinion, the proposed arrangement would "interfere with the proper presentation of the case of airpower."

Hanson W. Baldwin ranks as one of the best known of the Nation's military writers. Mr. Baldwin takes serious issue with this reorganization plan. According to Mr. Baldwin:

> The post of Chairman of the Joint Chiefs should, perhaps, be abolished, rather than strengthened. It has taken on duties and prerogatives and prestige never intended, and it has had little compensating countervalue.

Commentator David Lawrence writes:

> The provision—
>
> Subsections (c) and (d) of section 1 of the plan—
>
> is the one that would set up the equivalent of a Prussian general staff with a single military man at its head.

An article by David Lawrence, and published yesterday, a copy of which was inserted in the daily copy of the CONGRESSIONAL RECORD at page 7336, pointed out that by an approval of plan No. 6 the Congress—

> will confirm its own abdication of the legislative function on matters of governmental organization. No President hereafter will seek amendments of basic law if he feels he can get away with a single package of amendments of his own choosing by simply calling it a reorganization plan.
>
> • • • • •
>
> The vice of the current Defense Department plan is that it puts one man next to the Secretary of Defense, enabling him not only to influence the latter with respect to his own views but also to support them by recommendations from a staff of "yes men" who can be chosen by the Chairman of the Joint Chiefs over the protests of the Joint Chiefs themselves.
>
> • • • • •
>
> Worst of all, the present situation in the House illustrates how the Executive can force the repeal or amendment of basic laws without affording Congress an opportunity to modify a single phrase or to delete a single paragraph without voting down the whole thing.

The Veterans of Foreign Wars, officially communicating its position to the Congress, referred to this reorganization plan as "the methods that stimulated militarism, enslaved the"—German—"nation that tolerated them, and lost two great wars. They are methods that are, in practice and theory, un-American"—hearings, page 42.

Hearings, page 41:

> If the pertinent provisions of Reorganization Plan No. 6 go into effect, the JCS Chairman will have practically every power that would have been accorded a Chief of Staff of the armed services as proposed by the Dean Acheson minority of the Hoover Commission.
>
> In fact, a point-by-point analysis of the Acheson minority's recommendation will disclose how faithfully the development of the JCS Chairman's role has coincided with the Acheson proposal for a Chief of Staff of the armed services. It is most important to realize that the idea of making the Joint Staff subordinate to the senior military officer, who presides over the JCS, as proposed in Reorganization Plan No. 6, did not have its origin in the Rockefeller Commission report, but rather in the Acheson minority report to the Hoover Commission.

General Merritt A. Edson, one of the few general offices who holds the Congressional Medal of Honor, implored the Congress to "look upon the present proposal not as a complete entity but as a part of a yet uncompleted plan. It is one thing for Congress to reverse its stand of 1946 and to create a single commander of the Armed Forces and an overall National General Staff of the Prussian type, which it has steadfastly refused to do. It is something else again to suddenly become aware sometime in the future that it has reached the same end through its failure to recognize the importance of numerous and apparently isolated pieces of legislation such as the one now under consideration."

These men know that there exists extremely substantial grounds for their fears. We have only to refer to the Bureau of the Budget's own publication The

United States at War, page 129, with foreword by Harry S. Truman:

> As shown by the industrial mobilization plan, it was the doctrine of the Army that the military should take direct control of all elements of the economy needed for war, once war was declared. Under "total" war, this would include total control of the Nation, its manpower, its facilities, its economy.

None of these men—no, not one—has ever shown any symptoms of being subject to delusions, illusions, or hallucinations.

Each knows whereof he speaks. None is seeing ghosts, ghouls, goblins, as charged by our Ozark orator, or setting up a straw man, as intimated by the gentleman from Georgia [Mr. VINSON].

Each and every one is a realist. Each has been successful in his chosen profession.

Certainly neither the ability nor the patriotism of any one of them can be questioned.

The considered judgment of each, based upon his experience, his knowledge of public affairs, of the military service, is that the plan, so long as it carries subsections (c) and (d), opens the doors to "total control of the Nation, its manpower, its facilities, its economy."

The paragraph just quoted ends with this statement:

> The Army never gave up the effort to increase its control in these areas.

That purpose it still has today—June 26, 1953.

Having heard the witnesses, having read the stenographer's transcript of the testimony and the exhibits, I cannot, I will not, turn my back on my former President, Herbert Hoover, the Hoover Commission, the Eberstadt task force, Eberstadt himself and the opinions of such distinguished men as Gen. Robert W. Johnson, Thomas K. Finletter, Adm. Charles M. Cooke, Jr., Maj. Gen. Merritt A. Edson, Adm. Richard S. Edwards, Adm. Ernest J. King, and of the Veterans of Foreign Wars, in order to follow Dean Acheson.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, the position I take is as an individual. The Democratic Party, as far as I know, has taken no position on this particular matter. It is one for individual Members to vote upon in accordance with their own views and without regard to information on the position of the leadership. So, Mr. Chairman, I am speaking not as assistant minority leader or whip, but in my individual capacity as a Member of the House.

When I started to consider this reorganization plan I was in a sort of two states of mind. Naturally there is the presumption that runs in favor of any plan submitted by a President. Then I read in the newspapers about a Prussianized general staff and all those things, which caused my mind to become rather curious. The more I went into the hearings the more I became convinced I should vote for the plan.

I am not afraid of the power given to the Chairman of the Joint Chiefs of Staff. He certainly should have the power to prepare the agenda. There is no veto power, as I understand it. The power of approval will not be used arbitrarily. Those things come up through many avenues and in many ways. I am not at all afraid of the arbitrary use by the Chairman of the Joint Chiefs of Staff of any powers given to him by this plan.

Mr. CONDON. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. CONDON. As a matter of fact, under existing law without this plan, the Chairman approves the agenda, is that true?

Mr. McCORMACK. I suppose so.

Mr. CONDON. The gentleman states the power will not be used arbitrarily. It there anything in the plan offered here that puts any limitation on the powers we are giving him?

Mr. McCORMACK. I thoroughly understand and respect my friend's view; I just disagree with him. I have no disturbed feelings about this particular plan so far as sections (c) and (d) are concerned. If anyone else has, I thoroughly respect their views but disagree with them.

I think it is the proper thing to do. I think the Chairman of the Joint Chiefs of Staff should be put in a position of dignity and strength because the national interest in our country is involved in this and we have to have, particularly in the military field as well as the civilian field, some kind of direction and authority under the law.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from California.

Mr. HOLIFIELD. As a matter of fact, the members of the Joint Chiefs of Staff can propose any matter that they want to go on the agenda and the chairman must place that on the agenda because the chairman has no vote. And they do have the vote to put it on the agenda.

Mr. McCORMACK. That is my understanding.

Mr. DAWSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Illinois.

Mr. DAWSON of Illinois. Does not the gentleman know that the Joint Chiefs of Staff never decide a matter by vote; never take a vote by deciding together?

Mr. McCORMACK. I think that is exercising very good judgment; that there should be, on such an important matter, a matter of unanimity. Those things have been discussed before. We have the same problem here. The leadership of both parties has the same problem. There are consultations going on all the time. Views of Members are obtained and sought in human conduct with one another. We cannot take the Joint Chiefs of Staff and separate them from any other human conduct, and we realize that there is not only consultation among the Joint Chiefs of Staff, but other generals and other officers in all branches of the service.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that in dealing with matters involving the internal workings of the Joint Chiefs of Staff, under present arrangements they have to act unanimously or as a group; but when it comes to strategic plans and decisions, they maintain their independent positions if they are not in agreement, and one of the functions and duties of the chairman is to report to the President when it is impossible to get agreement on such issues among the three Joint Chiefs of Staff; is that not correct?

Mr. McCORMACK. That is my understanding.

So far as control by the Chairman of the Joint Chiefs of Staff is concerned, let me call your attention to a matter that happened only a few weeks ago. One of the Joint Chiefs of Staff is General Twining of the Air Force. General Twining appeared before the Senate Committee and he was asked his views on the 143 Air Force group, and he came out absolutely in favor of it. These men are not going to be subjected to domination. These men have given their whole careers to the service. They are men of strength and dignity and of character; they are men that are not going to have their views dominated by anyone if they have fixed views involving the national interest of this country. They are going to assert them. And, General Twining did only the other day before he was confirdmed.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Iowa.

Mr. GROSS. Will this reorganization plan give any better protection to an officer in the Armed Forces who wants to come before this Congress and testify? Will it give him any more protection than it gave to Admiral Denfeld when he was shanghaied out of the Navy?

Mr. McCORMACK. Take the case of Admiral Fechteler only a few weeks ago, when he was removed 15 or 18 months before the termination of his service on 12 hours notice. But, in answer to the gentleman, I do not think it will, but that is human conduct, unfortunately.

Mr. GROSS. But there is a provision in the Unification Act which provides that a member of the Joint Chiefs of Staff can come before Congress and testify.

Mr. McCORMACK. The gentleman asks me a question, and I am telling you I know all about it. I am saying in practical operation I do not think this will protect him any more than anything else, but I do not know what you can do to protect him any more than anything else. I was with Admiral Denfeld when he was removed.

Mr. GROSS. So was I.

Mr. McCORMACK. I was for him strong.

Mr. GROSS. So was I.

Mr. McCORMACK. I did not think it was right. I said so at the time; I say so now. We had the illustration of Admiral Fechteler only a few weeks ago under another administration. I do not

know how you are going to correct that, and this plan should not be confused with that, because that is another matter.

But, the principal question revolves around the general staff. I read it in the newspapers and I looked into it, and Mr. Eberstadt admitted in the questions I submitted to him that this plan does not establish a general staff. You will find it on page 92 of the hearings and on page 93. After a number of questions he admitted he feared it was a trend in that direction but he definitely said that it did not even establish a general staff. Even my good friend, former Secretary Finletter, whom I admire very much, and who led the fight for the 143 Air Force group—and I fought shoulder to shoulder with him and had it put through in the last Congress—opposed it, but he frankly admitted that this did not establish a general staff. I said to him:

Mr. McCORMACK. Mr. Secretary, I take it from your statement, expressing your views, that you are not presenting to this committee the argument or thought that this particular plan does produce in itself a single, monolithic establishment but, in connection with the past history, going back to the original Unification Act and the amendments thereto, that if this plan is put into operation you fear that it is a trend in that direction and that later on it might develop.

Mr. FINLETTER. I would put it this way, Mr. McCORMACK: I think it confirms the trend toward centralization of power in the Department of Defense and the diminution of the responsibilities of the several services.

Mr. McCORMACK. But it doesn't in itself——

Mr. FINLETTER. No.

Mr. McCORMACK. Produce a single, monolithic establishment?

Mr. FINLETTER. It does not; no.

It seems to me that that settles this question of a general staff or fear of a Prussianized general staff. I cannot conceive of that in America. We all remember that under Bismarck the general staff served a civilian, but when Bismarck died and they had weak civilian leaders, that is when the military took over; and they had a weak legislative body. But here we have not only the Secretary of Defense and the President but we have the Congress of the United States, a separate and independent branch of our Government. So we have many salutary controls over any arbitrary exercise of power.

While I thoroughly respect the views of my friends who differ with me, there is nothing about this that scares me. I think we ought to go along with the plan. After it goes into operation, then the responsibility for its administration rests, as we will all agree and you will all admit, upon President Eisenhower and the present administration.

I am for the plan.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. RIEHLMAN].

Mr. RIEHLMAN. Mr. Chairman, we have heard considerable heated debate about two sections of the reorganization plan which is before the House this afternoon for consideration.

First, may I say very humbly to the Members that I do not come here this afternoon as a great expert on military affairs.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. RIEHLMAN. I yield.

Mr. JONAS of Illinois. Do I correctly understand that the plan that has been submitted by the President cannot be amended on the floor of the House? We have to take it as is?

Mr. RIEHLMAN. That is correct. You have to vote it either up or down.

Mr. JONAS of Illinois. Then what is the purpose of House Resolution 295?

Mr. RIEHLMAN. As I understand, House Resolution 295 is a rejection resolution. If we vote for the resolution we will reject the plan. If we vote against the resolution we will be voting for the plan.

Mr. JONAS of Illinois. If we vote for House Resolution 295 we will reject the plan?

Mr. RIEHLMAN. We will be rejecting the plan; that is correct.

Mr. JONAS of Illinois. The plan the gentleman refers to is the reorganization plan as submitted by the President in its entirety?

Mr. RIEHLMAN. That is correct.

Mr. JONAS of Illinois. If we vote the other way, then the plan is adopted?

Mr. RIEHLMAN. The plan will become effective after the 29th of June 1953.

Mr. JONAS of Illinois. What is the number of votes required? If we reject the plan, does it require the vote of a majority of all the Members?

Mr. RIEHLMAN. To reject the plan, it requires a constitutional majority of the Members of the House, 218.

Mr. JONAS of Illinois. To approve it, it requires the same?

Mr. RIEHLMAN. No. We do not need a majority to approve it. This is a rejecting resolution.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. RIEHLMAN. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that our committee voted out this resolution to disapprove with the recommendation that it not be passed by the House?

Mr. RIEHLMAN. That is correct.

Mr. JUDD. It was voted out in order to bring the issue to the floor, with a maximum of 10 hours of debate, so the whole matter could be aired. The committee did not want to cover anything up. The committee recommended that the disapproving resolution do not pass.

Mr. RIEHLMAN. That is correct.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. RIEHLMAN. I yield to the gentleman from New York.

Mr. JAVITS. Is it not a fact that, if we vote this reorganization plan, the Congress nevertheless retains complete control over the Joint Chiefs of Staff and the Department of Defense? There is no power of Congress being given up on that.

Mr. RIEHLMAN. That is exactly true.

Mr. JAVITS. And is that not the nub of the argument?

Mr. RIEHLMAN. It certainly is so far as I am concerned.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. RIEHLMAN. I yield.

Mr. HOFFMAN of Michigan. It is also true, is it not, that if the plan is rejected today, the President on Monday could send it down to us again with sections C and D deleted?

Mr. RIEHLMAN. That is true.

Mr. Chairman, I think it would be wise and appropriate, after all the discussion we have had here this morning, that we calmly and quietly take a look at exactly what the Constitution provides for the Congress and for this Government of ours, and to examine carefully all the hysteria we have seen about the creation of a Chief of Staff and the general staff.

The opposition to Reorganization Plan No. 6, according to testimony at the hearings on the plan, is centered on paragraphs (c) and (d) of section 1. It is based on fears that those sections will accomplish the building up of a single Chief of Staff as a general staff.

It seems to me, however, that in falling victim to these fears, Members are failing to recognize two fundamental facts: First, the clear authority of the civilian control of our military establishment; and second, the clear intention of all of our Commanders in Chief since the birth of the Nation, to see that there is no ascendancy to a position of dominance of professional military personnel. The Constitution states that the President shall be the Commander in Chief of our Armed Forces and that the President shall have the power to appoint officers of the Armed Forces. Thus, in the President rests always the ultimate domination of a man selected by the people over the professional military group.

The Constitution also states that the Congress may establish certain rules for the government and regulation of the Armed Forces. Under that constitutional authority, the Congress established the Defense Department and created the post of Secretary of Defense. Then in 1949 the Congress took a most significant step when it amended the act of 1947 and stated that thereafter the Secretary of Defense should have authority, direction, and control over all aspects of the Department of Defense. On that day, when that bill was enacted, all residual power not given to him by the previous law in 1947 came to rest in the Secretary of Defense.

In giving this authority to the Secretary, the Congress makes him clearly the dominant force in the Department. He controls everything, and, controlling everything, he certainly controls, if he wishes, assignments and terms of duty on the Joint Staff.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. RIEHLMAN. I yield.

Mr. JOHNSON. Is it not a fact that the reason for the amendment in 1949 was that the Secretary of Defense, because the former statute failed to give him the power that he needed to carry out his duties, was just ineffective and we had to give him more power. Also, is it not true that the reason that the law was passed and the amendments made was to give the Secretary better

control of the administration of the very important office that he had.

Mr. RIEHLMAN. That is correct.

Mr. JOHNSON. And under Mr. Forrestal, you will remember, and he expressed this in our committee, all he was doing was presiding over a debating society. He asked for powers which the Congress did not give him, but his successors received the powers that Mr. Forrestal thought were essential to make the office successful and to help protect the security of the United States. In order to make the Secretary of Defense effective he must have the power to carry out the duties imposed on him. This law gives minor duties to the Chairman of the JCS as well as powers, which will make him more useful and effective.

Mr. RIEHLMAN. That is correct.

Let me go on to say that through this authority, he could arrange the method by which the Joint Staff could do their work and even under whom their work would be done. In other words, just as the gentleman from California [Mr. JOHNSON] has said, the law provides that the Secretary of Defense could remove any one of the members under and working with the Joint Chiefs of Staff. Through his authority he could arrange the method in which the Joint Staff would do their work, and even under whom their work would be done. In other words, by law the Secretary of Defense could move in personally and direct the accomplishment of that which the reorganization plan proposes in section 1 (c) and (d). He could direct the Joint Chiefs to permit the Chairman to have a veto power over appointments to the Joint Staff, and he also could require the Joint Chiefs to permit the Chairman to organize and manage the work of the Joint Staff. So why the great fuss over these two subsections? To me, while subsections (c) and (d) delineate in the law who can do what, there certainly is no change in the overriding civilian authority of the Secretary of Defense. So, to me, by giving this authority to the Chairman of the Joint Chiefs, we are giving him no more than the Secretary of Defense himself could give him, but we are laying it down clearly in the law.

It is always well, where we can, to make the law clear. So I feel that it is right and proper that we should have these changes written in the law, changes which first were suggested by the Rockefeller committee, a predominantly civilian committee, which stated that it hoped to increase the ability of the Joint Chiefs of Staff to serve as the top military planning and advisory group by clarifying the role of the Chairman, and then by improving the subordinate staff structure. Their recommendation was:

> The Chairman of the Joint Chiefs of Staff, without detracting from the function of the Joint Chiefs of Staff as a group to serve as the principal military advisers to the Secretary of Defense, should be given the authority and responsibility for organizing the subordinate structure of the Joint Chiefs of Staff and the Joint Staff in such a way as to help the Secretary of Defense to discharge his total responsibilities.

Let me repeat that important clause, "without detracting from the function of the Joint Chiefs of Staff as a group to serve as the principal military advisers to the Secretary of Defense." There is the key clause, and the key protection to the specific thing we wish continued—that is, we want joint study, joint plans, joint decisions, and joint advice. And those four important factors will be continued. There is no change in them.

In examining the problem of the working arrangements of the Joint Staff, the Joint Chiefs of Staff and the Chairman, it is well to remember the actual situation which exists today. There are 4 regular members of the Joint Chiefs of Staff, the Chairman, and the designated Chief of each of the 3 military services. Three of these individuals, the military chiefs, are partially absorbed in their responsibilities to their services, and do not have time to spend in the simple job of management of the Joint Staff. Additionally, each of these three individuals is physically located in the heart of his own organization, as he must be in order to exercise his functions of command. Conversely, the Chairman is physically located with the Director and with the Joint Staff, and is wholly and completely absorbed in the problems of national defense planning as are the Director and the Joint Staff, as distinguished from being involved in the problems of day-to-day operations of the individual services. Common logic and good management very reasonably dictate that this individual, already charged by the Congress in the National Security Act with the responsibility for providing the agenda for meetings of the Joint Chiefs of Staff and assisting the Joint Chiefs of Staff in the prosecution of their business as promptly as practicable, should certainly have at his disposal the simple right of management of the work of the Joint Staff to assist him in his vital role, so important to the Nation, and so different from the role of each of his 3 coequal colleagues.

It should also be remembered that the "man on horseback" certainly does not emerge under this plan. Here we have a chairman, established by law in 1949, but specifically deprived of a vote and specifically limited by the law to three specific statutory duties in addition to being a member coequal to other members of the Joint Chiefs. These statutory limitations were deliberately set lest there be a possibility that, by his position of eminence, he might be transformed into a Super Chief or a single Chief of Staff. The statute specifically deprives him of any command powers over any of the other members of the Joint Chiefs of Staff, either while they sit as members of the Joint Chiefs of Staff or while they act as the individual military chief of their respective services. Further, all of the functions for strategic planning vested by law in the Joint Chiefs of Staff continue to be vested equally in the four members of the Joint Chiefs of Staff, none of them are vested in the Chairman as an individual. Also, a most significant and important function—the function of being the principal military advisers to the Secretary of Defense, the National Security Council, and the President, continues to be vested equally in all members of the Joint Chiefs of Staff, and not in the Chairman individually. Thus the Chairman remains exactly the same entity the Congress created in 1949, a coequal member of the Joint Chiefs of Staff, but without vote, and now to be charged additionally only with the responsibility of managing the work of the Joint Staff for the Joint Chiefs of Staff, and given a veto power over assignments to the Joint Staff to assure that, regardless of service affiliation, a Joint Staff member will recognize that his planning assignment must be discharged to his country's interest first, his service second.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. RIEHLMAN. I yield.

Mr. JOHNSON. Did any witness whatever who came before the gentleman's committee claim that the present situation of the Chairman of the Joint Chiefs of Staff was a Prussian system?

Mr. RIEHLMAN. Not under the present situation, there was no question raised about this subject.

Mr. JOHNSON. Only that it "indicated a trend" in that direction.

Mr. RIEHLMAN. If paragraphs (c) and (d) under Section 1 should become law it would be approval of a trend that way.

Mr. JOHNSON. But no one specifically said it was such now.

Mr. RIEHLMAN. No.

Mr. JOHNSON. But they claimed that if paragraphs (c) and (d) were to become law that it might start such a trend.

Mr. RIEHLMAN. It was a fear and only a fear; and I refer to the statement by a distinguished member of the committee, the gentleman from Massachusetts, Mr. MCCORMACK, just before I took the floor of the House, in which he cited a colloquy between himself and Mr. Eberstadt and also Mr. Finletter in which both of them stated emphatically that the enactment of this reorganization plan would not bring it about; however, they had a fear that it might be a trend which would but not of itself bring that about.

Mr. JOHNSON. I heard that discussion; that is why I asked the question now to be sure I had the correct import of it.

Mr. RIEHLMAN. Further, another significant prerequisite to danger is absent under this plan. The Congress has never delegated to the Joint Chiefs of Staff any command function; it has never intended that the Joint Chiefs of Staff as such, or the Chairman thereof should have any military command function. There did develop administratively subsequent to 1948, when Secretary Forrestal negotiated the Key West and Newport agreements, a situation which caused some confusion as to lines of authority as between the military and civilian chiefs of the services. This, however, was not statutory confusion but was administrative and is being corrected administratively, further strengthening civilian control.

Summarizing, then, what do these two subsections do, and what do they not do.

They do permit the Chairman to manage the work of the Joint Staff, thus permitting him to present his agenda items to the Joint Chiefs in a workman-

like and proper manner, and the Joint Chiefs may add to or subtract items from this agenda. They do permit him to veto the appointment to the Joint Staff of anyone with whom he knows he cannot work. It is only these two things which were intended by the Rockefeller committee, and by the Secretary of Defense; it is only these two things intended by the President, and with all of the safeguards so painstakingly written into the law in 1947 and again in 1949 as regards the Joint Staff, the Joint Chiefs, and the Chairman thereof; it is only these two things which can result.

If it is these things and these alone which are done, what are the things which are not done? What are the dangers we are told will appear, which in fact do not exist and cannot develop? Let me summarize them:

First. The Chairman may not assert any command power, either over his own parent service, or over the Joint Chiefs. He had no such powers under the law; he gets none here.

Second. The Chairman moves to no new position of eminence on the Joint Chiefs. The 1949 law said he has no vote; he gets none here. His status remains that of a coequal member.

Third. There is no diminution of civilian control over him. He remains in exactly the same relationship to the Secretary, the Security Council and the President as the Congress established for him in the 1949 law.

Fourth. The plan does not transfer to the Chairman any of the statutory functions of the Joint Chiefs of Staff. They remain responsibilities of the Joint Chiefs, and his responsibility as regards them is as a coequal member only, no more.

Fifth. The plan in no way affects the basic statutory responsibility of the Joint Chiefs of Staff as a group to be the principal military advisers to the President.

Sixth. There is no enlargement of the size of the Joint Staff, set by law in 1949 at 210 members and remaining at that size under the plan; nor of added authority to select or choose members to the Joint Staff. All he can do is veto the selections presented to him.

Seventh. There is no change in the statutory safeguards to protect the historic combatant functions of our famous fighting units such as the Marine Corps and naval aviation.

Eighth. There is no change in the statutory requirement that the three military departments be separately administered.

In short, Reorganization Plan No. 6 as submitted by the President is a carefully worked out plan to make possible the improved management of two important segments of the great Defense Establishment. First, it proposes to permit the Secretary of Defense to streamline the internal business and managerial organization of the Department to achieve economy and efficiency, and, second, it is designed to permit improvement in the vital role of national defense planning by permitting the more efficient supervision and operation of the principal research and study arm of the Joint Chiefs of Staff. Members of the Committee, I urge you to defeat House Resolution 295.

Mr. DAWSON of Illinois. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. KELLEY].

Mr. KELLEY of Pennsylvania. Mr. Chairman, I cannot in conscience vote for Reorganization Plan No. 6 as long as it contains section 1, paragraphs (c) and (d).

These two paragraphs place in the hands of the chairman of the Joint Chiefs of Staff the selection of the staff and regulation of its tenure. To me, this places too much authority in the hands of one military man. He could relieve from duty anyone disagreeing with him. Also, he could enforce uniformity of opinion on the staff, thus depriving the Nation of the protection honest difference of opinion and debate provide.

This is another instance of the military grasping for power in the Government. This creeping militarism some day, if not stopped, will invade the constitutional rights of our people. It will result in a breakdown of the Republic. It is natural after 13 years of war and threats of war that the influence of the Military Establishment should assume large proportions in the affairs of the Nation. As years pass, more power is centered in their hands for the obvious purpose of protecting the Nation. Unless their authority is curbed by the Congress, it will never cease to grow.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 15 minutes to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I have asked the Department of Defense to bring up a chart showing the situation as it now exists in relation to the line of authority and the situation as it will exist after the plan goes into effect. To those who might question the use of this chart I refer them to page 241 of the hearings at which point I questioned Mr. Adams, counsel for the Secretary of Defense as follows:

> Mr. HOLIFIELD. I would like to ask this question, Mr. Adams: Has this been an attempt on the part of the Secretary of Defense and the White House to prepare by chart form the reorganization plans and structure and line of responsibility plans which are anticipated by the present provisions of the National Security Act and by the modification of the Key West agreement which has been ordered by the President and by the plan which has been put before us?
>
> Mr. ADAMS. Yes, sir; Mr. HOLIFIELD.
>
> Mr. HOLIFIELD. Yes. There is no attempt to engage in any deception on these charts by showing them, is there?

Mr. Adams said that the chart was prepared as a result of the President's request to portray the manner in which they were going to put plan No. 6 into effect and that it was a clear presentation of what they were going to do.

You will note on this line here that the Joint Chiefs of Staff and the staff below which comprise 129 may be raised to 210.

I will point out that at the time of the Koje-do Island riots, Mr. Frank Pace, Secretary of War, asked General Collins: "How did this happen without my knowing about it?" General Collins was the executive officer of the Joint Chiefs of Staff who had charge of the unified command in Korea. General Collins responded to the Secretary of the Army and said in effect that "It is none of your business. I am operating for the Chiefs of Staff and they are in charge of the unified command in Korea."

I call to your attention another incident when the ammunition shortage was reported to the Senate Committee on the Armed Services. Both Mr. Pace, Secretary of the Army, and Mr. Lovett, Secretary of Defense, said that they did not know anything about it because the Van Fleet cablegrams never came to their attention. Why? They went from Van Fleet in the field direct to the Joint Chiefs of Staff. They bypassed the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force and the Secretary of Defense and that was why that shortage of ammunition was not known to the Secretary of Defense or to any of the Secretaries of the Army, Navy, or Air Force.

Mr. CONDON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I would prefer to go ahead first.

Mr. CONDON. That does not have anything to do at all with the reorganization plan.

Mr. HOLIFIELD. Mr. Chairman, I refuse to yield to the gentleman.

The Joint Chiefs of Staff prepare the plans at this time for any kind of action in the field of war. They bring that military advice to the President, the National Security Council, and the Secretary of Defense. These men are civilians with the exception of a few who serve on the National Security Council, who are military men, but the majority of them, including the President, of course, and the Secretary of Defense, are civilians. The Secretary of Defense, in turn, brings the line of command directly to the Secretary of the Army or the Secretary of the Navy or the Secretary of the Air Force, whoever is chosen to be the executive in command in charge in the field. In Korea, for instance, at this time, General Ridgway would receive his orders from the Secretary of Defense; to the Secretary of the Army to General Ridgway. The line of command would go back there, not across to the Joint Chiefs of Staff. Now this plainly shows that in the place of strengthening the Joint Chiefs of Staff in a Prussian military way, you are interposing between the Joint Chiefs of Staff and the military action in the field the Secretary of Defense, the President, the National Security Council, 7 additional Secretaries of Defense who act as aides to the Secretary of Defense and the Secretaries of the 3 services.

Now you ask the question, "If there is a disagreement among the Joint Chiefs of Staff, what happens?" Well, here is exactly what happens.

If one of the Secretaries of the Army who sits on the Joint Chiefs of Staff wishes to appeal a decision of the chairman of the Board, he can go first to his own Secretary. Second, if it happens to be the Army, he goes to the Secretary of the Army. Third, he can go to the Secretary of Defense over the Chairman of the Joint Chiefs of Staff. Fourth, he

can go to the Armed Forces Policy Council which is composed of the service secretaries and the service chiefs and the Secretary of Defense. Fifth, he can go to the Joint Secretaries. Sixth, he can go direct to the President.

Now, all of these methods of appeal are statutory except the fifth which is provided by regulation, the appeal to the Joint Secretaries. And, seventh and last, but not least, he can go to the Congress of the United States through the Committee on Armed Services of either body. So, you see there is absolute protection for an appeal in case there is a division of judgment in the Joint Chiefs of Staff.

Mr. CONDON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. CONDON. I hate to differ with the gentleman, but you are not implying that those two charts, the before-and-after charts, have any relationship to the Reorganization Plan No. 6, are you?

Mr. HOLIFIELD. I am implying that and I am stating it, and if the gentleman will turn to page 241 he will see.

Mr. CONDON. May I read from the record at page 240?

Mr. HOLIFIELD. No, because on page 241 Mr. Adams testified that this chart was prepared as part of the implementation of the President's directive to put the plan into effect. Now it is not contained in the plan but is part of the implementation. I never said it was contained in the plan.

Mr. CONDON. That was supposed to be the result of what happened when they reached the Key West agreement.

Mr. HOLIFIELD. Exactly, and the President has said in his message that he has ordered a modification of the Key West agreement which is part and parcel and duties and responsibilities of the Joint Chiefs of Staff.

Mr. CONDON. But it is not part of plan No. 6 then?

Mr. HOLIFIELD. It is not part of plan No. 6 and I did not intend to convey that impression. It is part of the implementation of the President's directive to put plan No. 6 into effect, and it was so testified before our committee by Mr. Adams, the Assistant Counsel of Defense; that it was brought to the Committees on Armed Services of the House and Senate and to the two Government Operations Committees for the purpose of showing them the plan which the President had approved, the method, the organizational structure, by which the plan would be implemented, and it is in that light that I present it to the Committee of the Whole House.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Is there anything to prevent the President from putting into effect these provisions that are drawn up on the chart as of this moment?

Mr. HOLIFIELD. I cannot answer that question with authority. I can only say this much, that the President has requested that plan No. 6 be passed so as to convey to the Secretary of Defense certain responsibilities and certain statutory authority which he does not have at the present time. He has also asked that certain authority be put into the hands of the Chairman of the Joint Chiefs of Staff in the way of administrative authority over the Joint Staff below, the approval of members, and so forth, which does not now exist in statute. Therefore, it is part and parcel of the whole plan, in my opinion.

Mr. DEVEREUX. The gentleman will agree, however, that the President does have authority at the present moment to organize the Defense Department so that it will carry out this chain of command?

Mr. HOLIFIELD. I will neither agree nor disagree. I trust the gentleman's statement is right. However, that does not affect the logic of my argument, which is that this is a method of lining up responsibility along with power. Heretofore, it has been divorced, as is shown in the chart indicating its present status. The Joint Staff serves the Joint Chiefs of Staff who now have their line of command direct to the unified command in the field. They do not go through the civilian secretaries of the services.

Mr. DAWSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Illinois.

Mr. DAWSON of Illinois. Did I correctly understand the gentleman to say that what he was explaining was a directive already issued by the President?

Mr. HOLIFIELD. What I said was that the President in order to implement this plan has issued directives, and he said in his message to Congress that he would issue directives to implement the plan. Presidential directives are necessary.

Mr. DAWSON of Illinois. Then it follows that the President now has the power to issue the directives to make true what the gentleman has been explaining for the last 15 minutes.

Mr. HOLIFIELD. I will not agree or disagree, but I say it is not pertinent to the argument as to whether he can now or not. I am merely showing how the plan will be put into effect.

Mr. DAWSON of Illinois. Then why put it in as a part of the plan?

Mr. CONDON. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from California.

Mr. CONDON. Is it not true that Mr. Adams, the Deputy Counsel of the Department of Defense, came before our committee and said that the Key West agreement is now in the process of being modified?

Mr. HOLIFIELD. That is right, according to the President's directive. I just got through saying it.

Mr. CONDON. They expect to have it completed soon, and they can do that without Reorganization Plan No. 6?

Mr. HOLIFIELD. What does that have to do with it? I am showing the lines of authority.

Mr. CONDON. I will agree that most of what the gentleman has said about that, under the Key West agreement, has nothing to do with the argument here today.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. HOFFMAN of Michigan. I call the gentleman's attention to the statement of the gentleman from Missouri appearing in the RECORD at page 7175. He said—and it is the same as we heard in our hearings—that the President now has authority to do these things but he wanted to get the good will of Congress or find out what the Congress intended.

Mr. HOLIFIELD. The gentleman may take the responsibility for his own statement.

Mr. RIEHLMAN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. RIEHLMAN. He may have the authority, but is it not a fact that the main reason for wanting this change is to bring about a better working arrangement, where you can pinpoint authority and bring about efficiency?

Mr. HOLIFIELD. The President has said he wants to clear up the line of authority, to eliminate the confusion which existed before, when the Joint Staff, below the Joint Chiefs of Staff—that is, the Planning and Strategy Board—have had four people telling them what to do. He wants them now to have one person. That person will be the Director of the Joint Staff acting under the direction of the Chairman of the Joint Chiefs of Staff.

When I questioned Admiral Davis, who was a former director of the staff, he said it was desirable that the Chairman have that authority because in times past there had been been confusion of authority from the Joint Chiefs to the Joint Staff. Therefore, he asked for that authority. He explicitly approved sections C and D of plan No. 6.

In the few minutes I have left I would like, if I might, to explode this German Prussianized general staff idea.

Mr. HOFFMAN of Michigan. Before the gentleman gets onto that subject, inasmuch as the President now has the authority, will the gentleman tell me, in answer to the question of the gentleman from New York [Mr. RIEHLMAN], how he can do any more by our just saying "Yes"?

Mr. HOLIFIELD. The President has asked for additional authority and these directives go along with the additional authority he has asked for. In the composite whole it makes a workable arrangement. The joint chiefs of staff of the Prussian staff of the German nation was composed of men who were carefully selected — career men — and once they were chosen for the general staff, they served on it all of their lives, unless they were removed for cause. Very few of them were removed. It was a very tight little group. They served all their lives. They exercised not only advisory capacity but they exercised command capacity. The Joint Chiefs of Staff, as setup in this plan, is an advisory military body to the President and to the Secretary of Defense. They serve for a term of 2 years with the possibility of renomination for 2 additional years. Four years is the maximum which they can serve on the Joint Chiefs of Staff.

Therefore, they are constantly rotated back to command positions. Therefore, you have a very great difference between the American Joint Chiefs of Staff and the old Prussian general staff.

There is another great difference in America. We have a heritage of distrust and suspicion of the military. Therefore, we have provided there shall be between the military forces and the civilian people of the United States a civilian command of authority. This intervening civilian command and authority is placed in the President of the United States who is Commander in Chief and the Secretaries of the Army, Navy, and Air Force who also must be civilians. This condition did not exist in Germany. There were no civilians between the Prussian staff and the German armed forces, and therefore there was no intervening authority between the military forces and the German people. Mr. Chairman, I present at this point five paragraphs describing the differences between the Prussian general staff and our own Joint Chiefs of Staff:

DIFFERENCES BETWEEN PRUSSIAN GENERAL STAFF AND AMERICAN STAFF SYSTEM

First. The national environment—a history of German distrust of democracy, of a central government at the mercy of the chief executive, of a national lust for battle, of figurehead ministers of war—heavily influenced the history and power of the Prussian staff system; our heritage is one of acute suspicion and distrust of the military, of a constitutional civilian commander in chief with limited powers, of civilian secretaries with control over the military, of checks and balances in the Federal system virtually making impossible any serious inroad of one branch of the Government into the province of another.

Second. A military elite—severely disciplined, intensely trained, examined and selected, remaining in the general staff throughout a military career—was the heart of the Prussian staff system; ours had officers, not in a general staff corps, who are transferred in and out of staff duties, the most successful spending the minor part of their military careers in the general staff.

Third. Operations officers in the Prussian general staff had dominance over all other staff divisions; the staff divisions are co-equal in the American staff system, which was adopted from the French.

Fourth. The Prussian chief of staff had complete control over all military affairs; the American Army Chief of Staff has no command and functions only as the prime military adviser to the civilian secretary and the President, in whom all power over the military in the executive branch is vested.

Fifth. The German oberkommando under Hitler and his chief of staff, Keitel, was the ministry for defense as well as the advisory organ and executive arm of the Fuhrer in the exercise of his personal command; no comparable military organization has ever existed in our country, nor have we ever had any military structure commanding all branches of the Armed Forces. A civilian structure of organization has always exercised command over the military forces and I hope that this condition will always exist.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. DAWSON. Mr. Chairman, at this time I yield 15 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, one of the cardinal principles of our form of government in the United States is that the military shall always be subordinate to civilian authority and that they shall be subject to civilian control. That principle came into being when our Government and our Constitution were first formed; and it was provided that the President should be Commander in Chief of the Army and the Navy. As you know, I live on the southern border of the United States. I know what happens when the military gains ascendancy in any country. I know that the Republic soon disappears and forms of democracy do not last very long, and you are likely to have a dictatorship.

Your Committee on Armed Services, Mr. Chairman, has always been very careful to keep civilian control of the military. In all of the laws we have passed you will observe that we have seen to it that civilian control shall be maintained. If I thought for a moment that any portion of this plan minimized civilian control, I would be in opposition to the plan which has been submitted. A careful consideration of the plan shows that is not the case; in fact, the opposite is actually true. We have lost sight somewhat of the reorganization and the elimination of these overlapping boards, commissions, panels, and what not to provide authority within the Secretary and the delegation of it to the assistants to be carried out in a proper executive manner.

As you may know, the National Security Act of 1947 was written by the Committee on Expenditures in the Executive Departments, now the Committee on Government Operations. At that time the gentleman from Michigan [Mr. HOFFMAN] was chairman of the committee, it being the 80th Republican Congress. I believe that had it been possible at that time for your Committee on Armed Services to have written the bill we would have used some different nomenclature, and I am quite sure that nomenclature is one of the principal difficulties with which we are faced today. It was an unfortunate thing to refer to this committee of the Chiefs of Staff as the Joint Chiefs of Staff. Had it been called the Joint Committee on National Defense or anything else in the world except the Joint Chiefs of Staff, the suspicions that arise because of the fear of the Prussian concept of the general staff would never have existed.

Another place where there was a mistake in nomenclature was in calling the Joint Staff a staff. It is not in any sense a military staff. It is true it is a staff, in the sense that our secretaries constitute our staff, but in the military concept of staff it is not. A staff formulates policy. That policy is then sent down the line. It is delegated down the line for performance.

The Joint Staff are the spademen, they are the ones who do the pick-and-shovel work, in collecting information, coordinating it; not passing it down for observance, but passing it up to the Joint Chiefs of Staff for consideration, that they might formulate policy to be passed down.

It may be news to some of you that the gentleman from Missouri [Mr. SHORT] and I find ourselves in this case in complete agreement as to the nature of the Joint Staff. In my opinion, the gentlemen who take the position, here on the floor, that they fear the formation of a Prussian-type general staff, under the provisions of this plan, are sincere. On the other hand, I know some of those who first raised that question and first implanted it in the minds of sincere and conscientious people had another objective in view.

Back in 1947 the Air Force was very anxious to secure unification. And you see the type of unification which they secured. We united 2, the Army and the Navy, and we got 3, the Army, the Navy, and the Air Force. I thought marriage was the only legitimate relationship in the world in which you could unite 2 and get 3. But here the Congress of the United States found a way to do it, with the military.

The Air Force is no longer interested in unification. Why should they be? They have autonomy. As to the Navy and the Army, the Navy was always opposed to unification. The Army did not care. But we have three military services that are autonomous. They do not care anything about getting together.

Are we going to sit here and permit them to continue to provide that a Navy man shall wear one kind of undershirt and an Army man shall wear another kind of undershirt? Are we going to sit here and let them continue to say that when a soldier is in a hospital he shall have one type of blanket and a sailor another one and an airman another one? Are we going to continue triplification in all of the activities and functions of the armed services?

This plan tends to give the Secretary of Defense, whoever he may be, the power to knock heads together and make them carry out a true unification. Therein I think is one of the real objections of those who started the campaign against this plan. You will remember it ran on for weeks before there was anything said in Congress about opposing this plan, while they were devising strategy on the outside.

The next thing I think which is in the minds of those who oppose this plan are the charts that the gentleman from California [Mr. HOLIFIELD] had here a while ago. Here is what happened in that connection. After the act was passed in 1947, the three Chiefs of Staff could not agree on anything. The President took them down to Key West and told them to get together, away from the influences of Washington, and come to an understanding as to how they would work under the Security Act of 1947. That act gave the Secretary of Defense the power to fix roles and missions, and the understanding was that

if they came up with anything reasonable with reference to roles and missions that the Secretary of Defense would issue his directive for assigning roles and missions in accordance with the agreement made. At Key West these military men came up with this executive agent for unified commands, and the Secretary of Defense placed that in the directive assigning roles and missions. For the first time in the history of the United States anything approaching a Prussian-type General Staff came into our military under the Key West agreement. True, the President can change that by directive without the passage of any law. But that is only one portion of this reorganization plan. The other portions are of equal and vital importance, also, as the hassle that we have had here about the Prussianized staff indicates. The objections made by the military departments show that they are not impotent people; they are pretty powerful people, and any Executive needs to be backed up by the Congress of the United States when he attempts to do something such as the President is attempting here.

In that Key West agreement they came up with this executive agent for unified command. He was one of the Joint Chiefs, of course, and he reported back to the Joint Chiefs so that as the gentleman from California was relating with reference to ammunition shortage, and the Koje Island uprisings, of which the Secretary of the Army knew nothing and was told that the view of the Joint Chiefs of Staff was that the information did not come to him because the Chief of Staff of the Army was not acting as Chief of Staff of the Army but was acting as executive agent of the Joint Chiefs of Staff.

The great difficulty here, this thing about the right to fix the term or eliminate men from the Joint Staff is the vehicle by which it is attempted to avoid proper unification and to get within our military system the first appearance of a Prussian type of military system in the United States.

Let us not lose sight of this fact: In 1949 amendments to the act of 1947 were proposed. The bill came to the Committee on the Armed Services and at that time in order to safeguard the services from those things which it is stated here are feared under this reorganization plan we put in six definite limitations on the power of anybody in the Department of Defense in dealing with the Armed Forces of the United States. No one of these six is in anywise amended, altered, or weakened. If any one of them was I do not believe one member of the Committee on the Armed Services would support this plan.

Those six limitations are:

(c) (1) Notwithstanding any other provisions of this act, the combatant functions assigned to the military services by sections 205 (e), 206 (b), 206 (c), and 208 (f) hereof shall not be transferred, reassigned, abolished, or consolidated.

(2) Military personnel shall not be so detailed or assigned as to impair such combatant functions.

(3) The Secretary of Defense shall not direct the use and expenditure of funds of the Department of defense in such manner as to effect the results prohibited by paragraphs (1) and (2) of this subsection.

(4) The Departments of the Army, Navy, and Air Force shall be separately administered by their respective Secretaries under the direction, authority, and control of the Secretary of Defense.

(5) Subject to the provisions of paragraph (1) of this subsection no function which has been or is hereafter authorized by law to be performed by the Department of Defense shall be substantially transferred, reassigned, abolished or consolidated until after a report in regard to all pertinent details shall have been made by the Secretary of Defense to the Committees on Armed Services of the Congress.

(6) No provision of this act shall be so construed as to prevent a Secretary of a military department or a member of the Joint Chiefs of Staff from presenting to the Congress, on his own initiative, after first so informing the Secretary of Defense, any recommendation relating to the Department of Defense that he may deem proper.

All six of those limitations—and they are very substantial limitations upon the power of the Secretary of Defense or the Joint Chiefs of Staff—remain in effect if this reorganization plan is approved; so, therefore, it is not possible for the things it is stated are feared to transpire if this reorganization plan is adopted. On the other hand we strengthen the control of the civilian Secretary of Defense, we continue civilian control of the military and continue our traditional system and promote efficiency in the Department of Defense. I believe the plan should go into effect in the language in which it was submitted to the Congress by the President of the United States.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman has correctly stated the law that supposedly protected Admiral Denfeld in his right to come before the Congress and present his views. May I ask the gentleman this question: What happened to Admiral Denfeld when President Truman fired him? Did the Congress come to his defense and give him protection under the law?

Mr. KILDAY. My time is about to expire. I was present during the proceedings which resulted in the dismissal of Admiral Denfeld. The gentleman from Iowa was not. There were many things involved in the dismissal of Admiral Denfeld in addition to his appearance before the committee and the testimony which he gave. A question arose as to his future usefulness in connection with the then Secretary of the Navy. There were a number of things involved there. As the gentleman from Massachusetts stated, there is no way in which that can be changed. You cannot alter the mental attitudes of people and of executives. Admiral Fechteler was relieved, and I do not say that President Eisenhower did not have the absolute right to relieve him. I think he is entitled to have his own Chief of Staff and Chief of Naval Operations.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. JACKSON. Would the gentleman say that the same circumstance obtained in the case of one of our greatest Marine generals, winner of a Congressional Medal of Honor, Maj. Gen. Merritt Edson, who had the temerity to come to Congress, to come to a committee of Congress and ask that certain things be done or not be done which he felt were favorable or unfavorable to the future of the maintenance of the Marine Corps?

Mr. KILDAY. I am sorry, I am not familiar with the case of General Edson. It did not transpire before our committee. It may have transpired before some other committee.

Mr. JACKSON. I think I can say to the gentleman that because General Edson came to a committee of Congress to give his opinion, it cost him a great career in the Marine Corps and cost America a great general.

Mr. KILDAY. I do not subscribe to that sort of punishment against anyone who appears before Congress. I do not think you will find that is limited to one administration or limited to one department of Government.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 minutes to the gentlewoman from Indiana [Mrs. HARDEN].

Mrs. HARDEN. Mr. Chairman, I am for Reorganization Plan No. 6. I hope it will be adopted in its entirety.

Mr. Chairman, I ask unanimous consent that the balance of my time be allotted to the gentleman from Ohio [Mr. BROWN] and that such time be in addition to the time that will be allotted to the gentleman from Ohio.

Mr. HOFFMAN of Michigan. Mr. Chairman, I am constrained to object to that request. Those who favor the plan have already had or will have more than three times as much as those who are against the plan.

The CHAIRMAN. May the Chair say to the gentleman from Michigan that we will try as hard as possible to see that there is an equal division of time as between those who are for and those who are against.

Mr. HOFFMAN of Michigan. But, Mr. Chairman, I am objecting to this request.

Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, I am not here as a military expert. I do not claim to know all the answers, but I shall cite as my authority in support of Reorganization Plan No. 6 the greatest military expert of our time. The one man in the world who stands out as the great authority on military matters is our own President. If you want testimony for this plan, all you have to do is to come over here to the desk and obtain the hearings of the committee, and you will find in five pages his statement regarding this legislation. He wants it; he needs it; he is asking for it, and as a member of this committee I am all for giving it to him. It is his plan.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Louisiana.

Mr. HÉBERT. Is the gentleman referring to the President's letter to the gentleman from Illinois [Mr. ARENDS]?

Mr. BENDER. I am referring to the President's letter to the committee in regard to this plan.

Mr. HÉBERT. The gentleman means his submission.

Mr. BENDER. His letter in support of Reorganization Plan No. 6.

Mr. Chairman, no problem before the American people today is more important than the defense of our country. It is the one overriding issue on which there can be no partisanship, no concern for personalities, and no narrowness of outlook. There were many questions of fundamental policy before the voters of our country last November. This was by far the most important. The provision of the most effective defense for this Nation—and all the free nations of the world—was the crucial issue of the presidential and congressional campaigns. Men and women all over the world watched our voting. They watched it to see whether or not the people of this Republic were prepared to put first things first. There was no question about our choice. We picked Dwight D. Eisenhower overwhelmingly. The man who had laid the groundwork for a coalition of forces throughout the free world was chosen to head this Nation by the largest vote ever given to any candidate for the Presidency. He traveled throughout this country, as a living symbol of America's determination to defend freedom everywhere. Wherever he traveled, the Nation's defense was uppermost in America's mind.

Defense is still our primary concern. We are here considering a proposal to reorganize the Defense Department of the United States. In a larger sense, this proposal transcends the boundaries of our country. It concerns the entire free world. Upon the success or failure of our Military Establishment, may rest the future of western civilization.

The plan we are considering will vest in the Chairman of the Joint Chiefs of Staff the right to manage the Joint Staff of our defense system. It will abolish many boards and commissions now in operation. It will restate the lines of authority and vest responsibilities in clearly defined areas.

I cite these subordinate elements of the plan because they are the foundation of the entire program. Military operations do not permit the luxury of prolonged debate. Defense decisions cannot be channeled through the maze of intricate Government bureaus. If there is any one lesson we have learned in our investigations of Government operations to date, this is it. Responsibility and productivity are two sides of the same coin in the building of a defense system.

Congressional committees have already made this point clear. Every element of our preparedness program, from the purchase of rope to the delivery of ammunition, requires coordination in place of confusion. Decisions to be reached at the highest level of our chain of command cannot escape this requirement. There is no room in any effective governmental organization for a system where final authority and ultimate responsibility cannot be determined. Red tape, evasiveness, delays are the invariable guideposts to defeat. Military history is full of such examples. It was one of the factors in the Maginot Line thinking of World War II. It was responsible for much of the chaos in the early days of World War I.

Today, we as civilian legislators must know the facts of military life. There is no second clear chance for a modern military machine to regroup its forces. We have been told in published statements that the atomic bomb dropped at Hiroshima was the equal of 20,000 tons of TNT. The hydrogen bomb which recently obliterated a Pacific island had the destructive power of 5 million tons of dynamite. We cannot grasp this difference in any tangible way, but it must register day and night upon the conscience of every man and woman who sits in this Congress. In the terrible event of a third world war, which we pray to God will never occur, there will never be another miracle of Dunkerque.

Above and beyond every other man in our country, our President is the one man who knows the meaning of these facts. He was called to the Presidency precisely because he knows them. What he has proposed to the Congress in this plan to reorganize the Defense Department is the product of his experience. It is experience learned on the fields of battle, in the planning room, and through consultation with the greatest military and civilian minds of our generation. The objections which have been raised to the President's proposal are based on the fear that the head man in the arrangement may become a military dictator. Nothing could be further from the purpose of this plan. Every emphasis has been placed by this administration upon the civilian control of the Defense Establishment. Our Secretary of Defense was recruited from top-level industrial management. He was chosen to emphasize the need for strong civilian direction of our country's defense effort. He has been supported by the national administration in a manner which no man in a comparable position has been sustained for years. Does this indicate a disposition to establish a military leadership?

I speak from deep personal conviction when I say that this is an issue of public confidence. Our people want the assurance that their defense program is under direct and responsible authority. The President of the United States has made this program his primary concern. He has given to Congress a blueprint for our protection designed to prevent another Pearl Harbor. The man who commanded the greatest combined force in history is asking us to approve a plan on which he must be recognized as the greatest authority in the world.

I trust him. The people of America who gave him the greatest vote in the history of our country trust him. Our friends in every corner of the world trust him. Can this 83d Congress do less?

In closing I beg of you to read the expert testimony of the greatest military authority of our times in support of this program, the words of our own President, Dwight Eisenhower.

President Eisenhower says:

> By taking this action to provide clearer lines of responsibility and authority for the exercise of civilian control, I believe we will make significant progress toward increasing proper accountability in the top levels of the Department of Defense. Our second major is effectiveness with economy.

To all of which I say, amen.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. HÉBERT].

Mr. HÉBERT. Mr. Chairman, it is seldom and on very, very rare occasions that I ask the indulgence of the House, but I consider this proposed reorganization plan so important that I could not restrain myself from coming before you in the hope that I could contribute something to the discussion at hand.

I have no delusions as to the outcome. But I believe it is essential and important that the record may be made in this case so that those Congresses who come after us may look back at the things we have said and the things we have warned against.

There has been much confusion injected into this discussion. Confusion which is understandable. There has been a maximum of minimizing of the fears some of us entertain who oppose taking another step in the direction of a military man on horseback. The gentlemen who have spoken today would have you believe this is a new issue—this fear that we express. They fail to tell you, however, that that fear has been in the American people since 1903 when the concept of a general staff was first advanced to the American people. They fail to tell you that step by step, the things we predicted when this movement began are unfortunately coming to pass.

Immediately after World War II, this proposal of a general staff was made under the so-called Collins plan and was rejected emphatically by the Congress. Undaunted by this official failure, the proponents who have as their objective that military man on horseback, that Chief of Staff of a general staff, came before the Congress under the guise of the so-called Unification Act. There they gained for the first time the recognition of a general staff. At that time those who feared for the future warned that within the next year or two the same individuals, these same protagonists, would be back to make another step. Were we wrong? In 1949, they returned and nibbled away again. Having established the concept of the general staff, they then wanted a Chief of Staff of a Joint Chiefs of Staff. Failing in that, they did accomplish getting a Chairman of the Joint Chiefs of Staff. At that time, fear and apprehension was again expressed on this floor by some of the men, who perhaps know as much if not more about the military, as to the fears they entertained for the future. Here we see them back in 1953 nibbling away a little bit more, and seeking a little

bit more, but yet more daring power than ever before.

Why certainly we fear for the future. Nobody has said on this floor, and nobody has been so audacious as to express an opinion that this particular bill, this unprecedented power, given to an individual, constitutes the establishment of a Prussian chief of staff. Nobody has said that. Nobody contends it. But we do say it is another step in that direction. We do say unless you call a halt sometime, you will wake up and find yourselves with a Prussian chief of staff. Can anybody testify that when the camel gets his nose under the tent that the camel is entirely in the tent? Of course not, but there is certainly a justifiable fear that he will get in the tent eventually.

When you have a sore, are you justified in calling it a cancer? Certainly you are not. You are indeed justified in fearing that it might become a cancer, and unless you take steps to remedy and heal the sore you may have the cancer.

This is a nibbling job, a piecemeal job, step by step. The Chinese had what I think they called the water treatment, in which a drop of water was dripped, dripped, dripped on the head of an individual until he became insane and ultimately died. We are being given the water treatment, drip by drip, drip, drip, drip, and now is the time to call a halt.

I think it very interesting to refer back to things that happened the last time when this matter was before us, and why it is here now. It is interesting to note that when this proposal first came to the Congress in 1949 the Chairman of the Hoover Commission, ex-President Hoover, and the Chairman of his Task Force, Ferdinand Eberstadt, both rejected this plan of power to the Chairman of the Joint Chiefs of Staff. And, strangely enough, there was a gentleman who did advocate such a proposal as is now being advocated here today, and this gentleman submitted a minority report, as the vice chairman of that Task Force of the Hoover Commission, and this gentleman, speaking for the minority, said this:

> We cannot agree with the recommendations of the other members as to the Joint Chiefs of Staff—

Meaning the entire Commission, headed by Mr. Hoover, and the Task Force, headed by Mr. Eberstadt. These gentlemen said:

> We feel this Commission should go one step further and recommend to the Congress the creation of a single Chief of Staff over the Joint Chiefs of Staff.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from California.

Mr. JACKSON. Is the gentleman also aware that in his testimony on this very matter, that is of such great import to many of us today, that in 1949 General Bradley himself sought to allay concern that was expressed at that time by stating that the proper role of the Chairman of the Joint Chiefs of Staff could not possibly be construed as dangerous because he would not have a staff, and without a staff he could not become a single Chief of Staff. That, to me, is entirely inconsistent with what is happening today and certainly lends credence to the fears that many of us had in 1949.

Mr. HÉBERT. The gentleman has put his finger on it. I remember the testimony of General Bradley very well, and today we are told to advocate what General Bradley admitted would lead to the concept of the General Staff.

If I may continue, the gentleman who headed the committee in opposition to Mr. Hoover and Mr. Eberstadt further recommended:

> Accordingly we recommend the post of Chief of Staff for the armed services.

And further:

> The Joint Staff would be subordinate to him.

To whom? Subordinate to whom? Subordinate to the Chairman of the Joint Chiefs. And this gentleman further said this:

> He would be called the Chief of Staff and not Chairman, responsible head, principal adviser, or some other temporizing title.

It may be of interest to you that the gentleman who headed that opposition and recommended this type of government who so strongly recommended a Chief of Staff with vast power was a man named Dean Acheson.

Many weird and strange things have been happening in this House, in these halls, in the last few days. But I confess I never thought I would so soon see the Republican Party marching as a solid phalanx under the banner of Dean Acheson, especially after what has been said about him in the past from the Republican side of the aisle.

Mr. Chairman, I want to compliment and bring to testimony one individual in this House for whom I have perhaps the greatest admiration. He has been very kind to me since I came to this body 14 years ago. I have revered him, because he is a man of wisdom and judgment and knows our military. He is a man of vision. He is, indeed, a man of wisdom and a man of experience, and in 1949 this able man of vision easily foresaw what was going to happen when the distinguished gentleman from Georgia [Mr. VINSON] observed to then Secretary Johnson in the hearings on this particular bill:

> You polish up the Chairman—

Meaning the Joint Chief of Staff—

but as a matter of fact and in reality he becomes practically a chief of staff.

He also had this to say:

> What is worrying me, while we may put limitations on the Secretary of National Defense under this act saying that an overall Chief of Staff shall not be set up, yet in the reorganization plan that and many other things could be accomplished, nevertheless; and it would require 218 votes against it in the House or 49 votes in the Senate to keep from going through. I am worried about that.

And he had every reason to be worried about that. As the distinguished gentleman from Texas has told you, that last reorganization act was handled as a legislative bill. He failed to tell you, however, why it was handled as a legislative matter; he failed to tell you that the Armed Services Committee was so concerned over establishing this military man on horseback that it did not desire to act on any such legislation and acted only after they were informed that unless they did act the President's reorganization plan No. 8 would be put into effect.

Why, then, would we oppose this bill before us The Secretary of Defense, his deputy, Mr. Kyes, and undoubtedly the President of the United States have been sold a bill of goods they have been taken for a ride, and I quote from the Nelson Rockefeller report which says this:

> The recommendations embodied in a report submitted herewith are consistent with basic principles of the report of the Commission.

They all accepted this at face value; the President endorsed it, Mr. Wilson endorsed it, and Mr. Kyes appeared before our committee to give us a little briefing on why it should be approved. But to these gentleman who I believe are among our finest patriots and our finest citizens—I would say that all politics is not outside of the uniform; some of the best politics I have seen played in my time here has been in the uniform; and while those gentlemen, I agree, are giants in the industrial forest, I submit they are babes in the political woods, especially when there is a uniform behind each tree in those woods.

Much has been made of the fact that the individual would not abuse this power. The gentleman from Texas unwittingly admitted the danger when he referred to the gentleman from Massachusetts and saying in effect you cannot change human nature, and he referred to the case of Admiral Denfeld. I agree that you cannot change human nature, but why put a weapon in the hands of an individual for temptation when we recognize the weaknesses of human nature?

The argument has been made that Admiral Radford is a man of ability and integrity and can be trusted. I subscribe to that, but I wonder what inspired the unprecedented action of naming Admiral Radford 3 months prior to the time that he was to take this office. I will tell you why it was done: It was perfectly obvious that it was an attempt to evaporate into thin air the opposition which was coming from many of those who heretofore have opposed this plan; in fact, I was told, "You trust Radford, don't you?" "Why certainly I trust Admiral Radford; I think he is one of the finest and most courageous leaders in this country today; I think he is a man of honor, a good man, an able man, but I would not give my own brother such power and I would be fearful of myself with such power." I told Admiral Radford that on his last trip here. I had quite a talk with him because he knows that I am a devoted admirer of his. I said, "Raddie, I will trust you until the end, but I am not going to give you such power because after Radford, what then?"

Has the day come when we legislate for men and individuals? Has the day come when we have forgotten the concept of this Government—that this is

a government of law and not of men? Have we forgotten the admonition of the Founding Fathers and the Federalist papers which warned us not to legislate for individuals? I say to you, most emphatically, I trust Admiral Radford, but I cannot say that I will trust his successor. Nobody even knows who he will be?

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. DAWSON of Illinois. Mr. Chairman, I yield the gentleman 7 additional minutes.

Mr. HÉBERT. Mr. Chairman, I repeat I am devoted to Admiral Radford. I oppose this plan not that I am devoted to Admiral Radford less but that I am devoted to the concept that this is a Government of law instead of men more, and we should direct our steps to the proposition that we cannot come in here every time a new administration assumes power and write into law statutes for the satisfaction of present individuals that are binding in the future on individuals not yet named. We legislate for the good of all, we write laws for posterity and we protect the integrity of our liberty in the framework of a statutory Constitution. Will we today throw that concept of government out of the window. Today we hear the gentleman from Missouri very eloquently say, when he defends his position, that in a barrel of apples there might be 1 or 2 bad apples. Then we hear him ask whether we are going to refuse a man the power to pluck the bad apples from the barrel in order to save the good apples. I say to the gentleman from Missouri, Is that not what is being denied this House today? For the most part we are in agreement on the general plan, although I do not think it is too effective, and accept it without enthusiasm. What we object to is the bad apple in this barrel and we are being denied the right to remove the bad apple in the manner in which this bill is brought to the floor.

Nobody can be harmed by passing the rejection resolution because, as has been so aptly said, the President can send the reorganization plan back here on Monday without these obnoxious sections. The Rules Committee has an opportunity also to report a bill by which the House could express itself. The Rules Committee at the moment seems to be vigorous in its desire to have the majority of the House express its will.

No, Mr. Chairman, I refuse the cup of nectar because I fear the hemlock in it.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Maryland.

Mr. DEVEREUX. I should like to compliment the gentleman from Louisiana on his very clear and fine presentation of this matter. I desire to associate myself with the thoughts he has expressed so well.

Mr. HÉBERT. I thank the gentleman.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. I also want to compliment the gentleman from Louisiana, a member of the Committee on Armed Services. There is not a more able member of that committee than he is. I feel if nothing else was said here today, all of us could well afford to support this resolution which would nullify Reorganization Plan No. 6.

Mr. HÉBERT. I thank the gentleman.

Mr. JACKSON. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from California.

Mr. JACKSON. May I say to the gentleman that I had requested some time on this matter, but any time I might take or anything I may say would be just repetition of what the gentleman has so ably presented to the committee here today. I should like to associate myself with him in his opposition to this take-it-or-leave-it legislation. I sincerely trust there will at least be a representative voice in the House of Representatives in protesting the section and the subsections of the bill to which the gentleman has made able reference.

Mr. HÉBERT. I appreciate the gentleman's remarks.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. In the book "The United States at War—Development and Administration of the War Program by the Federal Government" put out by the Bureau of the Budget, referring to page 129, I would like to ask the gentleman if the Army and the economy under that paragraph states his views?

Mr. HÉBERT. Does the gentleman want me to read this?

Mr. HOFFMAN of Michigan. Yes.

Mr. HÉBERT. This is "The United States at War." On page 129 appears a title "The Army and the Economy" which reads as follows:

> As shown by the Industrial Mobilization Plan, it was the doctrine of the Army that the military should take direct control of all elements of the economy needed for war, once war was declared. Under "total" war, this would include total control of the Nation, its manpower, its facilities, its economy. Starting with this simple and "logical" concept, and being absolutely certain from 1939 on that war was coming, it was natural that the generals and colonels and majors, even those drawn from civilian life, were dissatisfied with the President's slow approach to war mobilization and with his reliance upon civilian personnel in all of the posts which were concerned with labor, industry, public opinion, and the economy. In spite of these decisions by the President, the Army never gave up the effort to increase its control in these areas.

I would say to the gentleman that in principle this is exactly the thing we are trying to defeat today. The concept of the general staff and all-out military control has been projected since 1903, and 50 years later they are still trying.

Mr. Chairman, I will avail myself of the remaining time to demonstrate that you just cannot casually throw this proposition off. This is no red herring. It is legitimate fear that we have. The section objected to reads:

> The selection of the members of the Joint Staff by the Joint Chiefs of Staff and their tenure shall be subject to the approval of the Chairman of the Joint Chiefs of Staff.

Now, could any language be plainer? You give me the veto power and I will play hell. You see what has happened so many times in the United Nations with the veto power, and you see in effect what is happening in Korea today with the potential power of veto on the part of one man. In substance it means this, that it would be just as logical for us to accept a statute whereby we say that the tenure and approval of the members of the staff in our congressional offices are subject to the approval of the Speaker of the House. That is what it amounts to. Under this concept you have one individual sitting over the commanders, the Chiefs of Staff of the Army, the Air Force, and the Navy, and in effect telling those individuals "You can or you cannot have such an individual on your staff." That is, indeed, absolute unification. It is dictatorship. It is a military man on horseback, and God forbid the day we should ever see that man riding in this country.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. HÉBERT. I yield to the gentleman from Minnesota.

Mr. JUDD. Well, the whole concept of the joint staff is that they are not staff members of the individual chiefs. Each of those chiefs has a staff from 1,000 to 1,500 in his department in the Pentagon.

Mr. HÉBERT. This is the elite staff which leads eventually to the Prussian system. There is no place in our American system of civilian dominance and control for one man in uniform, whether he be Air, Army, or Navy, to be vested with such military power on such a high level.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana [Mr. BROWNSON].

Mr. BROWNSON. Mr. Chairman, it is very difficult for a comparatively new Member of the House to follow in debate the distinguished gentleman from Louisiana, long-time member of the Committee on Armed Services who has studied military matters for so long and is so experienced in all the intricacies of the Military Establishment that he can sense the ambitions and desires of their personnel.

I rise in opposition to the resolution, House Resolution 295, and in favor of President Eisenhower's Reorganization No. 6 of 1953.

The term "general staff" has been bandied around rather freely in this debate today. In the armed services of the United States an officer who has demonstrated aptitude for staff work is singled out and detailed for a brief or prolonged period as an adviser to a general officer in a command function. He is then detailed to the General Staff Corps, if he is an Army officer, for instance, and temporarily lays aside his own insigne of the Infantry, Field Artillery, Signal Corps, or whatever his branch may be, and puts on the insigne of the General Staff Corps, a large silver

star with the great seal of the United States superimposed in the center. This is an entirely different concept than the sinister German General Staff idea of lifetime service in an exclusive elite corps.

Unfortunately, I have not had the years of contact with the armed services which make the gentleman from Louisiana who preceded such a recognized expert in this field. My only claim to knowledge of the military would have to be based on my brief experience as a Reserve Officer since 1935 and my 5 years of active duty with the Air Force and the Army during World War II.

Since the General Staff Corps is under such indiscriminate attack today, I feel that I must admit to you that I am a wartime graduate of the Command and General Staff School at Fort Leavenworth and that I was detailed for nearly 3 years to the General Staff Corps. I have served on the general staffs of Gen. Omar Bradley, Gen. Courtney Hodges, and Gen. Frank Milburn, and I must confess to you that I have yet to see any attempt on the part of any of our military leaders to propose or to work in any way for the domination of the military over the civilian in the United States.

I ask you in the name of God, are we being fair when we stand here and insinuate that every man that wears the uniform, more specifically our generals and admirals, is working and plotting toward a military dictatorship? Are we being reasonable when we even hint that a sizable minority of those in our Military Establishment have so far forgotten their obligation to defend the Constitution? Have we forgotten that they too have sons in Korea, that they too desire peace and have as much to lose from a military dictatorship as any of the rest of us?

I do not believe that any Member of the House really believes that any of the dire predictions made in this debate today will ever come to pass. I think there is a tendency to erect a gigantic strawman, a bugaboo, against which some can aim fierce speeches in an attempt to bring emotionalism to the front to replace reason in this discussion.

The gentleman who preceded me used several analogies and similes as he tried to develop a step-by-step progression toward military dictatorship. After his careful discussion of ancient Chinese torture, perhaps you will bear with me while I tell you the story of two distinguished explorers who feared to take a step in the right direction.

These two intrepid gentlemen were lost near the northern boundary of the great Sahara Desert. The younger of the two suggested that they follow their compass due north in order to save themselves. "We know we are not far from the northern edge of the desert," he said, "surely a short trip north will bring us to vegetation and water."

"Goodness no," his elder companion protested, "the North Pole is that way. My friends at the Explorers Club have told me men freeze to death up there. I refuse to take a step in the wrong direction." As far as I know, they are still on the Sahara debating the issue if they have not died of thirst.

Before we decide that Reorganization Plan No. 6 is even a step in the wrong direction, let us examine carefully some of the facts that prove the straw man, erected by the opponents of this plan, actually offers less danger to the security of our country than the confused lines of authority which exist today in the Department of Defense.

Yes; let us stop and think reasonably and maturely about what these steps are that we are being asked to take today.

During the past few weeks there has been a most important discussion concerning one aspect of President Eisenhower's Reorganization Plan No. 6, effecting certain important changes in the organization and administration of the Department of Defense. Distinguished citizens in private life, retired leaders of the military, and Members of the Congress have generally approved most of the provisions of that plan, but there is a difference of opinion about the items set forth in paragraphs (c) and (d) of section 1 dealing with the Chairman of the Joint Chiefs of Staff and his relationships to the Secretary of Defense, the Joint Chiefs of Staff, and the joint staff. A very large part of the testimony presented to the Committee on Government Operations within the past few days has related to this particular point.

A favorable statement of the opponents of paragraphs (c) and (d) is that these particular provisions will lead inevitably to the development in our American military system of what they refer to ominously as a Prussian-style general staff under a single, all-powerful chief of staff. The proponents of the reorganization plan have assured the committee with equal certainty that they, too, are opposed to the Prussian-type general staff and that nothing in the plan could possibly lead to its development. The arguments of neither of these groups of witnesses satisfied me completely and, within the limited time available, I have tried to find out for myself why there was such a marked disagreement between their respective evaluations.

My first conclusion is that the American people will do well to fear a Prussian type of General Staff, therefore we should consider whether or not Reorganization Plan No. 6 will result in such an all-powerful General Staff very carefully.

Obviously, there is nothing wrong with a military staff in itself. Such a group performs the same basic role in the military establishments of all nations. A staff is simply a group of military personnel who assist the commander of a military force. Even Persia, Greece, and Rome, with their military forces which seem very small and quite simply organized by modern standards, developed informal military staffs.

The great military monarch, Frederick the Great, in the 18th century, laid the foundations of the German staff. He, himself, instructed a number of young officer candidates; in 1765 he founded an academy of nobles for training in diplomacy and military art; and later he established a war academy and personally wrote its regulations and set forth its course of instruction. This was the foundation of the German general staff, as it was known in later years. The members were chosen when young as a kind of elite corps to form a national planning organization. They were carefully kept from battlefront command until middle age and never carried the kind of field responsibility by which we test the commanding officers of our own forces. The environment in which they, the German elitists, were raised is foreign to anything in the experience of an American officer.

I think it is not without significance that the first man to testify in the hearings that the proposal before us would endanger our form of government went on to say that when Germany introduced the great general staff plan it had the Reichstag, which he said was, at that time, one of the great parliamentary bodies of the world. This, to me, is an astonishing statement. The German general staff had at least a century start on the Reichstag, and the Reichstag never reached a stage of greatness. The Reichstag before the First World War is said by authorities on the subject to have been no more than a fifth wheel. After the First World War the Weimar Reichstag was flouted by any group in Germany that felt so inclined. To find punier legislators than they were, the members of the Reichstag would have to look eastward. The Congress of the United States had more muscles when it was born than the Reichstag was ever able to work up in the moments of its greatest virility.

The problem of Germany was not that of the form of its general staff. It is true that between von Scharnhorst's reorganization of the Prussian Army in 1807 and the years before World War I the German general staff system grew amazingly. But as Scharnhorst, von Gneisenau, and von Moltke built upon the work of Frederick the Great, they worked hand in hand with the absolute rulers of Prussia and Germany until their influence became dominant in the government, even outside the field of military affairs. No legislature had the power to represent civilian popular opinion, and the restraining hand of such a body as the Congress of the United States was entirely absent.

The social and economic systems of Prussia and Germany fortified the military system, creating a military caste of truly overawing prestige. The general staff in Berlin was able to control all the army commands, and they used their power effectively. This caste considered war to be a necessary and desirable national enterprise, and the making of war to be their monopoly. They became known for their arrogant and dictatorial methods, and finally they came to suborn the civilian aspects of government to their own militaristic purposes. Throughout more than a hundred years of war and peace, the Prussian government symbolized arbitrary, militaristic, and aristocratic power. It is notable that the two countries which imitated the Prussian system were Japan and Russia.

What has been the traditional American attitude toward a military staff? If

one had time to read the debates in the Constitutional Convention and in the State conventions called to ratify the new Constitution, he would realize how deeply rooted is the American fear of militarism and how firm the intention of our people to subordinate the military to the civilian arms of government. He would see clearly that any proposals to build any semblance of a Prussian type of organization would have received short shrift. From the beginning, the American distrust of military power and influence stood in marked contrast to the militarist caste that has always dominated Prussia.

In 1796 the Congress established a central staff to include one major general, a brigadier general, an adjutant general, a quartermaster general, and a paymaster general. By European standards, this was not a general staff. During the entire 19th century we had no general staff, even by our own standards. Each technical and administrative service chief was independent of his fellows. A general staff was proposed only after the Spanish-American War had revealed serious command weaknesses in the American Army.

Secretary of War Elihu Root persuaded the Congress to enact suitable legislation to create a general staff in 1903. Showing himself to be completely aware of the nature of popular concern over any growth of our Military Establishment, he said at that time:

> No one ever knew of the American Army seeking to make itself a political agent. No one ever knew of the American Army seeking to make itself a pretorian guard to set up a president or an emperor. No one ever knew of the American Army seeking to throw off the civil control of the military arm which our fathers inherited from England and which is ingrained in the desires, the prejudices and the instincts of the Anglo-Saxon race.

We can now look back over half a century of troubled times and find that he accurately judged some ingrained American traits.

Indeed, it can be said that only with great caution have we taken steps to make of the armed services a single hard-hitting unit. Only after the whole Nation became aware of the fact that one service frequently did not know what another was doing, and learned the tragically high cost in men and money, did we begin to batter down the walls of prejudice and suspicion, and move toward a unified Department of Defense. I say we moved toward that goal. Despite great efforts by strong and selfless men, we have not reached it.

Many of you are familiar with the results of last year's Bonner subcommittee and this year's Riehlman subcommittee hearings on waste and inefficiency in procurement and warehousing by the Armed Forces. It is ironical that the distinguished gentleman from Louisiana headed a subcommittee which likewise pointed out the terrible waste, duplication, and lack of coordination in the armed services, yet today, when a remedy is offered by our President, a man with vast experience in both administration and the military, he chooses to oppose this move toward economy and efficiency.

We are a long way from arriving at the kind of commonsense economy in military supply management demanded by the taxpayers. Even the top military men testifying before our committee agreed with me that what we really need is some way to bump Army, Navy, and Air Force heads together. I say that before we begin to worry about some evil military plot to take over the country we had better get the service to the point where they can cooperate to do their jobs, or the people may do some dictating. The people of this country might be a little surprised to find that this tempest is caused largely by the proposal to give the Chairman of the Joint Chiefs of Staff a little more administrative power at the working level in order to pinpoint authority and establish clearly drawn lines of responsibility.

I think it is noteworthy that Mr. Finletter thought this measure would strengthen civilian control. Mr. Eberstadt flatly denied any fear that the plan as it now appears before us would create a supreme military staff with a general staff. He was concerned about what he termed "a trend." More specifically, he feared what we might do in the future.

The Members of Congress who have compared the histories of Germany and the United States in the 20th century understand as well as I do that in the development of the relations between military and civilian agencies those two countries show quite opposite traits. Consistently and consciously, the United States has continued to declare for civilian supremacy; Germany for military supremacy. It is this basic fundamental difference, visible throughout their histories, which we must remember in evaluating our military organization and its future development.

In deciding the issue before us we must consider, not the tradition of a nation that is diametrically opposed to ours, but our own long tradition of civilian supremacy. This is the important point in the debate. No matter what the staff organization used in Prussia or Germany from the time of Frederick the Great to World War II, that staff would have become, in practice, something that would have revolted the people of this country. Contrariwise, officers trained in the Prussian tradition would find it intolerable to work in the offices of our present Joint Chiefs of Staff.

The central aims of Reorganization Plan No. 6 are to confirm and strengthen the powers of the civilian Secretary of Defense and to improve the administrative structure of his vast Department, not to Prussianize the Department. Indeed, they could not Prussianize the Department, even if they so desired. A civilian President—not a Kaiser—is the superior of the civilian Secretary of Defense. Immediately under him are the civilian Secretaries of Army, Navy, and Air Force, and the civilian Deputy Secretary. The Congress of the United States—by no means a figurehead legislature—is equally charged with the President to maintain the proper powers of the civilian Secretary and to perpetuate the provisions of our Constitution which guarantee civilian control over the Military Establishment. Back of these officers of the Government are the people of whom Lord Bryce said:

> In no country can a military despotism • • • be deemed less likely to arise—

Than in the United States.

> Caesarism is the last danger likely to menace America. In no nation is civil order more stable. None is more averse to the military spirit.

May I say, in conclusion, that every word of the message which that great soldier-turned-civilian, President Eisenhower, wrote to accompany Reorganization Plan No. 6 breathes this same strong belief in the essential character of our institutions. It is impossible to conceive that anyone who favored military domination in our national affairs would write in such terms. I advise that we dismiss fears of encroaching Prussianism and support the proposals in this plan without reservation.

The detailed explanation of proposed changes in organization and functions set forth in the plan convinces me that it will strengthen the civilian officers in the Department of Defense, and that the Joint Chiefs will be given better chance to do their technical job of strategic planning. I for one want that job done well. I would ask only that the nature of their organization reflect the most recent lessons of hard experience.

Unless the entire American tradition becomes altered to the point where our citizens, through their elected officials, express their preference for military rather than civilian control of their Government, we need not fear Prussianization. I think that no Member of this House will live to see such a revolution in the American tradition.

Mr. DAWSON. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Chairman, it is always a pleasure to listen to my distinguished colleague, the gentleman from Louisiana [Mr. HÉBERT], who served on the old Committee on Naval Affairs with me, and who is serving with me now as a member of the Committee on Armed Services. During that time one thing I have observed about my good friend, the gentleman from Louisiana, is that on occasion he is adroit in dropping bombs and disturbing thoughts here on the floor of the House. That is what we witnessed this afternoon in a very vivid fashion. He is a skillful debater. He knows how to put his finger on the sore spots. So he could think of no other line of attack than to bring in the name of Dean Acheson, and he was trying to get across to the committee that this is an Acheson plan. Let us see, let us see what the Acheson plan was. The gentleman from Louisiana was trying to tell you that if you followed this plan, you were going down the same road advocated by Dean Acheson. I might say I think I heard some word dropped along that line by the distinguished chairman of the committee. Perhaps my hearing might not be too keen, but I thought I heard him mention the name "Acheson."

Now, let us see. This is no Acheson plan.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. HOFFMAN of Michigan. The gentleman would not for one moment deprive a man of the opportunity of disapproving a plan?

Mr. VINSON. I would not for one moment deprive my distinguished friend from Michigan from trying to muddy the water as much as he possibly can, irrespective of the facts.

Mr. HOFFMAN of Michigan. Will the gentleman yield further?

Mr. VINSON. Not at this time. The gentleman has all the time.

Mr. HOFFMAN of Michigan. I will answer the gentleman, don't worry.

Mr. VINSON. So my good friend from Louisiana [Mr. HÉBERT] says: "Beware of this. This is the Acheson plan. You are following along the footsteps and the suggestions of Dean Acheson."

What are the facts? Mr. Acheson, Mr. Meade, Mr. Pollock, and Mr. Rowe were members of the Hoover Commission, and it is true that they filed a minority report. Here is what they said:

> Accordingly we recommend the post of Chief of Staff of the Armed Services. He would have staff functions only, not command functions. He would be staff adviser to the Secretary, who should make the decisions, and to the President, whenever the latter so requests. He would preside over the JCS, with the power to initiate and terminate discussions.

Now, let me quote further:

> The Joint Staff would be subordinate to him. He would be called the Chief of Staff and not "chairman," "responsible head," "principal adviser," or some other temporizing title. We would emphasize his importance by his rank. His would be the post to which every young professional soldier, able officer, and air man would aspire, instead of, as now, to be the head of a separate service.

So I want to say to my colleagues here that this plan proposed by this administration, which I am wholeheartedly supporting—I think I know something about the legislation in connection with the Joint Chiefs of Staff—is not in the slightest degree related to the plan proposed by Mr. Acheson and his subcommittee.

Now, Mr. Chairman, let us see what this plan does. If there ever was, in the years that I have served here, a case that warrants the statement that the mountain has labored and brought forth a mouse, it is the opposition to this proposal. Every kind of excuse and opposition and fear and apprehension has been brought forward in opposition to this plan. The sole objective of this plan is to get efficiency in the Joint Chiefs of Staff. I venture the assertion that there is more likelihood of there being a trend to a single Chief of Staff, if the Joint Chiefs of Staff are prohibited by the failure of Congress to give them the tools with which to do the work. If we continue on and let this matter run as it is, then you will hear a hue and cry that the Joint Chiefs of Staff system is not good; let us get one that is good and get one along the single Chief of Staff concept.

Let us see what this is all about.

As previously indicated it was my privilege, as chairman of the Committee on Armed Services in 1949 to present to the House a bill dealing with the structure of the Joint Chiefs of Staff—so I know something about the Joint Chiefs. I know the key points upon which the Joint Chiefs of Staff are built. It is important in this discussion to ascertain what the plan does. But let us first see what it does not do for when we get that out of the way then we can see what it does.

First, the plan contains no provision that would give the Chairman of the Joint Chiefs of Staff any control whatsoever, any command, over the other members of the Joint Chiefs of Staff.

Second, the plan does not change the statutory provision that the Joint Chiefs of Staff shall be the principal military advisers to the Secretary of Defense, the National Security Council, and the President.

Third, nothing in the plan will permit the chairman to have a vote in the deliberations of the Joint Chiefs of Staff.

Fourth, no provision of the plan modifies in the slightest the statutory duty imposed upon all four of the Joint Chiefs of Staff by section 211 of the National Security Act.

Fifth, no provision in the plan enlarges the Joint Staff so that it can become the overall armed force staff which so many of us have fought to prevent.

Mr. Chairman, these five items in my judgment provide the key to this problem of the Joint Chiefs of Staff. If the Congress will keep its eye on these five things and see that the Executive Branch does not get authority to modify these various restrictions on the Joint Chiefs of Staff and the Joint Staff, we need not today or tomorrow have any fear about a single commander or any Prussianized system.

Now that we know what the plan does not do to this Joint Chiefs' structure, let us take a look and see what it does do. There has not been very much talk here today about what it does, but I think I shall be able to shed some light on what it proposes to do. In the speeches thus far we have heard many generalities, but I want to let you know something specific as to exactly what the plan does.

First and most important is the relationship it sets up between the Chairman of the Joint Chiefs of Staff and the Joint Staff. The plan gives the management—now, listen—the management of the Joint Staff from the Joint Chiefs of Staff to the Chairman so that the Chairman manages this small staff on behalf of the Joint Chiefs of Staff of which he is a member.

The Chairman is permitted to do certain things, and this is what disturbs my good friend from Louisiana [Mr. HÉBERT], and the gentleman from Michigan [Mr. HOFFMAN]. What does it do?

The Chairman is permitted to disapprove the nomination of the three Chiefs of services of officers to the Joint Staff and can accomplish their removal. Here we set up a man as manager of the Joint Staff. The Joint Staff is composed of not more than 210 officers, 70 from each service; and we say by this proposal we will give you, as the Chairman, the management of it for the three members of the Joint Chiefs of Staff. What do we want this manager of the Joint Staff to accomplish? We want results, we want him to do the spade work, get up the data and the information, so that the Joint Chiefs of Staff can reach correct decisions. Now, he cannot get results unless he has some authority over the people who work for him.

How do they get there? Seventy come from the Navy Department. The Bureau of Naval Personnel gets an order to send over somebody to the Joint Chiefs of Staff. He is sent over there. They do not know whether he is a good man or a bad man, they do not know, as Admiral Davis testified, whether he is a drunk or whether he is lazy. So he comes over there. We want results from the man who is in charge of the management of it and he should be able to get results. You cannot get results unless you have the power to employ and the power to remove. That is the whole thing. But that is what the opposition is disturbed about.

Mr. HÉBERT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from Louisiana.

Mr. HÉBERT. Can he not do that under existing law without writing into the statute the power of veto and disapproval?

Mr. VINSON. In view of the fact the Secretary of Defense has direct authority and control over the whole Department, probably he could if he wanted to be arbitrary. But that is not the way to do things. The way to do things is to put the cards on the table and do it in an orderly fashion.

Mr. HÉBERT. But he could do it?

Mr. VINSON. Probably he could do it. He could not put the chairman there. He would have to keep the Director.

If the members of the committee will read what Admiral Davis says, and Admiral Davis has been one of the Directors trying to do this work, there would not be any hesitation in the mind of any single man in reference to supporting this proposition provided he wants an organization to deliver the goods. That is all there is to this whole matter. There is nothing else in it. We are disturbed here because, they say, the chairman should not have the right to remove from or to put a man on the Joint Staff. You are going to hold him responsible for the performance of the Joint Staff, yet you do not want to give him the tools with which to work. You are going to say: We will send them there, and we do not care whether they do a good job or a bad job.

That is all there is in this whole plan. There is no Prussian system in it, there is nothing to be apprehensive about. So I certainly hope the committee will agree to the plan.

Let me read one sentence. And I want to compliment the distinguished gentleman from Michigan for the thoroughness of this investigation. It is one of the best hearings I have read in a

long time. This answers completely, to my mind, the apprehension that it may be arbitrarily administered. I refer to page 67 of the hearings and to a letter from the President to his old friend General Johnson in which he states:

There is ready and immediate authority to curb arbitrary action taken by any person, military or civilian.

Do you not know that if the chairman of the Joint Chiefs of Staff became arbitrary, became domineering, he would have trouble on his hands because we wrote into the law that any chief of the service can come to the Congress. In fact, he would not have to come to the Congress, Congress would find it out, and Mr. HÉBERT's subcommittee would be on his neck before sundown because we watch those things very carefully.

But let me impress this one fact upon you. In another part of this letter from the President he said that the reorganization plan will unquestionably improve the efficiency of the Department of Defense and will make it possible for the Joint Chiefs of Staff to devote more of their time to fundamental problems and its grave responsibilities. We are merely taking away from the Joint Chiefs of Staff one duty, the management of the Joint Staff, and we are putting the Chairman there so you can get efficiency, so the Joint Chiefs of Staff can devote their entire time to what they are intended to do: Plans, logistics, and strategy.

Mr. Chairman, I certainly hope that this plan will be approved.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. VINSON. With much pleasure.

Mr. SHORT. Under existing law the Joint Chiefs of Staff can bypass the civilian Secretaries. That has been done, as the gentleman well knows, because these civilian Secretaries of the Army, the Navy, and the Air Force have been almost relegated to oblivion, but under this proposed plan we will restore some importance, some dignity and prestige to these various Secretaries of the three Departments in the defense setup which will give us more civilian control over the military.

Mr. VINSON. I thank the gentleman for his observation.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, for myself I care not at all, but I cannot understand—and I am speaking now, although he needs no counsel—in behalf of another Member of the House. Why was the gentleman from Georgia [Mr. VINSON] unable to argue this question which is before us without charging that because two Members of the House had used the name of Dean Acheson, they were injecting prejudice into the case.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Georgia.

Mr. VINSON. What was the purpose in using it?

Mr. HOFFMAN of Michigan. The purpose was to show as I attempted to show by the chart, and as I assume the gentleman from Louisiana [Mr. HÉBERT] attempted to show, that this plan, of 9 distinct propositions carried in the plan, 5 of them, 5 of the 9, were the recommendations of Dean Acheson who disapproved of the recommendations of the Hoover task force as presented by Mr. Eberstadt and adopted by the Hoover Commission itself, that is all. Must we, because this plan is the plan of Dean Acheson, not the one recommended by the task force, and adopted by the Hoover Commission, and because, as the gentleman intimates, the mentioning of the name of Acheson arouses some prejudice or opposition—must we forego giving the facts to the House? No, brother, not me. The House will get the facts as disclosed by the hearings. The plan before us today is the Acheson plan—not the plan of the Hoover Commission.

Now, let me show you what the gentleman from Georgia [Mr. VINSON] said in 1949. I read from the record:

The CHAIRMAN (Mr. VINSON). All right, we will go on. I think the next one we want to reach a decision on is in regard to a Chairman of the Joint Chiefs of Staff. * * * And the Secretary would look to him for advice. Now, after studying it and reading all the testimony and getting everybody's viewpoint, I concluded that the safest thing to do to remove any likelihood of an individual having the power of a single Chief of Staff was to make him a civilian.

He is afraid of the military. The gentleman from Missouri [Mr. SHORT] said, "We are afraid of the ghosts, the ghouls, and the goblins" and the gentleman from Georgia said, "We were raising up strawmen." But was the gentleman from Georgia afraid of a strawman when he was talking here in 1949. He said:

So I have had an amendment prepared that the Deputy or any other civilian can be appointed by the President and confirmed by the Senate. Of course, his duties are merely to expedite the work of the Joint Chiefs of Staff.

Then, on another occasion, at page 2837 of those hearings, he said:

A man with such limited duties as that can be a civilian just as well as he can be a military man.

Who is afraid of a military man? HOFFMAN of Michigan? VINSON of Georgia? The gentleman was fearful then. Why is he unafraid now? If he is not afraid—

The CHAIRMAN (Mr. VINSON). Well, I don't know what you are going to do. I don't know hardly where we are drifting. But we are drifting—

No rudder, no compass?—

as fast as time will permit, probably, to a single Chief of Staff of the armed services.

Another occasion:

The CHAIRMAN (Mr. VINSON). And while my viewpoint was the other way, I am perfectly willing, recognizing the tendency of the times and the tendency of the committee, to go along with this language. We will have to stand on guard if our minds don't change—and they seem to change very rapidly here—

They do—

in reference to the issue that General Vandenberg was so frank and candid in stating.

Get this:

There is just around the corner a single Chief of Staff. The country might just as well know it, and Congress might just as well know it.

There is the Moses of the House laying down the law to us.

Again, speaking about the Joint Chiefs of Staff, he said:

Here's the point I want particularly to put in the record. This is to be the first step.

Back there when they were creating the Chairman that was to be the first step. Let me continue:

This is to be the first step. Five years from now we will have a bill here to have a Chief of Staff.

You have got a Chairman. We acquired him from the Armed Services Committee in 1949. Five years?—1949, 1950, 1951, 1952, and now 1953—4 years. It came just a year too soon. A wise prophet and a great observer is the gentleman from Georgia [Mr. VINSON].

Mr. DAWSON of Illinois. Mr. Chairman, I yield 12 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Chairman, after so many able speakers have spoken on this subject, people who are probably very much more qualified than I to speak, I do hesitate to speak; nevertheless, I will.

One of the speakers just a few minutes ago referred to his background in the Army. Hence, I feel I should state my background. Although primarily I was a front line combat soldier, serving in World War II from private up to the rank of captain, I did have some little staff experience at times during the war, on a corps staff, also on a division staff, and for a time on a regimental staff. I do not think that this highly qualifies me to speak; but it qualifies me as much as it does the one who spoke a moment ago. I think it shows that we both have some knowledge of military affairs. I did have about 5 years in the infantry in World War II. In addition, I am a lawyer by profession, and I am very much interested in government, as every man here is, because of a feeling of dedication to do the very best job we can here today.

This is a really serious problem we have today, because we have just elected a President of the United States who is obviously a very able military man, a man who has a great deal of information, a great deal of training, a great deal of experience. It certainly makes anyone very hesitant to put his feelings up against the ideas of a man who is a good, Christian, able man, a good gentleman. His recommendations are certainly to be very heavily weighed.

My own conclusion in the matter is that I am very much opposed to subsections (c) and (d) despite the arguments which have been made here today, and maybe I should say partly on account of the arguments that have been made here today. I have just about come to the conclusion that the best position for a person of my feelings to take on this matter is though opposing (c) and (d), to vote for the proposal before us today, with the idea of getting legislation before us as promptly as possible to eliminate or modify (c) and (d), thus allowing the other and needed provisions to

be used as promptly as possible. I do hesitate to throw any roadblock in the way of a man who, I know, is trying to do the very best he can for the country, the present President of the United States. But with my very deep convictions on this subject I feel I should say something about how I feel about these subsections (c) and (d).

There have been many things said here today which have absolutely no pertinency to subsections (c) and (d). Actually, the other provisions of this plan No. 6 are not really in controversy. The great majority, in fact, I would suspect every Member of the House of Representatives, favors everything in this plan except subsections (c) and (d). Therefore, to say that someone is wrong who opposes subsections (c) and (d) because of some provision which is not even in them, such as this direct chain of command point which we would all like to see corrected because of what happened in Korea, is to talk beside the point. Such discussions would just waste our time here today. So I think our discussion should be centered on subsections (c) and (d).

What are those subsections? The first one, subsection (c), has been read here several times. It provides that the tenure and the appointment of the members of the Joint Staff shall be, by veto, in the control of the Chairman of the Joint Chiefs of Staff.

The other subsection, (d), says that the management of the Joint Staff shall be in the hands of this one man. That is a simple issue. There is nothing complicated about that. It merely means we will have one man in this country, one paramount military authority, who will control, manage, direct, and in every way influence and effect the results of the highest military planning in our country. He will do it to such an extent that he can fire those who are stubborn and those who do not agree with his ideas and those who may not meet with his approval as to their ideas expressed on that staff.

Let us just look for a minute at what that means to put all this power into the hands of one man—the Chairman of the Joint Chiefs of Staff. Is it an important power or is it a very slight power? That is the guts and the very essence of this whole discussion we are having here today. It seems to me when General Bradley was Chairman of the Joint Chiefs of Staff, he testified before a committee of the Congress. I hate to quote him exactly because I do not have his exact words before me, but I believe you all remember the statement attributed to him that implied that the time had now come when we would no longer have any more amphibious landings. Not so terribly many more months after that we had the Inchon landing. Who is going to say here on the floor of the House today that we will not have any further Inchon landings? Who is going to say we are not going to have further amphibious warfare? Now think of that for a moment and ponder the source who was one of history's greatest generals. Think about another man whom I consider to be one of the greatest military leaders of all times, General MacArthur, whose views I generally subscribe to. I also believe in the views of General Van Fleet. I believe this country should be fighting a war to win the war. I do not want too many diplomats telling this country what to do. The only way to have victory is to fight a war to victory. That is my personal opinion. But would you want to have General MacArthur as Chairman of this Joint Chiefs of Staff if such power as this rested in General MacArthur? Well, it would all be very well if you wanted to agree with everything that General MacArthur says. However, I will warrant you that any strong man, whether it is General Bradley, General Van Fleet, or General MacArthur, or whoever may be the head of this, will have the right under this legislation to make all the basic military decisions of this country.

With reference to this discussion about the German staff, I am not enough of an authority to speak about the German staff; but I can talk about just what this proposed law says and just what human fallibilities may bring about. I am worried, too, of course, about the possibility of military tyranny and a dictatorship; but that is not the real worry in this bill. The real worry in this bill is that it gives to one man the planning of all our military security and strength, and control over what we are going to do to save this country from annihilation.

Is there a man who has that ability? If you were going to choose him today—whom would you choose? I, personally, probably would choose General MacArthur, only I do not want him to have all those powers. But, if I had to choose the ablest military man in my day, I think I would choose him. That is my personal conviction. I think he knows how to fight and he did fight as a soldier. But if I were President of the United States, I would be very hesitant to put this kind of power into the hands of a man of that strength. Do you want a weak man to be chairman of the Joint Chiefs of Staff? What kind of man do you want to be chairman of the Joint Chiefs of Staff? What you really want is what we have right now, a presiding officer who can have the benefits of democratic deliberations which will save us from some particular man's predilections in some particular direction. Of course, it would be more efficient to have a powerful chairman of the Joint Chiefs of Staff. It might be more efficient in our country today if we had a benign monarchy with one man sitting in Washington, D. C., to make every decision for our country. That man could wipe out the OPS; and put on or take off price controls whenever he wanted to. He would not have to worry about whether the mothers were getting their children back from overseas. He would not have to worry about whether the excess-profits tax was pinching little business or big business. That might be the efficient way of running a government, to have a benign, infallible monarch. That would be splendid as far as efficiency alone is concerned. But what is your end result? Military tyranny is not safe, it is not secure, and neither is a benign monarch. It is not wise at any time in our country to place that kind of power in the hands of a few people. Human fallibilities then become too important.

Our forefathers, when they drew the Constitution, were well informed. I think they would be shocked if they were here today, and for two reasons. One, because we are really today not legislating but vetoing or not vetoing legislation coming from the White House. They never contemplated this, of course, because that is not in the Constitution.

Another thing, as to article II of the Constitution of the United States they would be scratching their heads and saying, "Did we ever put that section in or not?" I am referring to paragraph 1 of section 2 of article II of the Constitution concerning the powers of the President of the United States. Very, very few powers are enumerated, just a few; not even a handful of powers are given to the President of the United States.

There is outlined no question of whether he should take off price controls, or these other little dillydallies that we have recently given the President to do. They did not want to clutter him up with that kind of power. They wanted to give him the power of being the Commander in Chief of the Armed Forces of the United States, and they spelled it out, the Army and the Navy, and so forth.

So our forefathers, when they drew this Constitution, tried, with all of the ability that they had, in the few words that they used, to give many of these words to the very thought that we have before us today, this problem of who should be in control of the ultimate military decisions in the country. And they came to a very definite conclusion that that should be in the hands of the President of the United States, the highest elected civilian official of the United States.

As a practical matter, what is going to happen if you give the Chairman of the Joint Chiefs of Staff the powers provided in this legislation? As a practical matter, you are going to have this happen. As we have future military problems, the average President, in coming to a conclusion on a military matter, is going to be very slow, indeed, to overturn or push aside the decision of the Chairman of the Joint Chiefs of Staff as promulgated in this bill, because, if we pass this proposed legislation, we will at least have repudiated the spirit of the Constitution of the United States, and we will have given to a nonelective, high military official the power which, in my opinion, belongs under the Constitution to the President of the United States. And when he makes a decision on a matter, it is going to be final.

You may say that this man wants to be impartial. Certainly, he wants to be impartial. But he is going to have ideas in his mind as to how our country should be adequately protected. So he is going to pick his staff, who will be men of the same idea. They may be men who are for carrier bases; they may be men who are for the infantry soldier; they may be men who are against amphibious landings, or things of that kind. But they are going to be men who have ideas, which are not stubborn ideas, which are not contrary ideas.

Mr. RIEHLMAN. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from New York.

Mr. RIEHLMAN. I am sure that the gentleman would not want the Committee to understand that the Chairman would have the authority to pick the 70 men in the first instance. Those men are picked by the Chiefs themselves of the three different services. The only authority that the Chairman would have to be, if he found that they were not working out satisfactorily, to ask them to leave and to ask for another man to be nominated for that service, and if they did not suit him, he could reject them. But in the first instance he has no authority to pick the 70 men from the three services.

Mr. BENNETT of Florida. Of course, it does say that he controls the tenure and the approval of their appointment. You can put your connotation on that and I can put my connotation on it. This section has been read so many times before the House that I do not see how there could be any contradiction concerning the words. The words have been read on the floor of the House here today. If the gentleman wants to read them now, that is all right. It says the tenure and the approval of the appointment, shall be in the hands of the Chairman of the Joint Chiefs of Staff, but that is not the important section. Mr. VINSON inferred that it was the important section. To me, the important section is section (d), to which (c) is just ancillary, (d) gives him the power to control the management of the Joint Chiefs of Staff entirely.

There has been a great deal said about who approved this and who did not approve this matter.

I have in front of me a copy of the Reorganization News, a digest of the Hoover Commission's report, stating their position, and it has never varied. It says on page 2 that they do not approve this provision—I am quoting—"giving greater authority to the Chairman of the Joint Chiefs of Staff." And they say further that it "departs from the Commission's recommendation"; that is, from the Hoover Commission's report.

Regardless of whether you like this plan or not the Hoover Commission report is against subsections (c) and (d), as is ex-President Hoover.

I yield again to the gentleman from New York [Mr. RIEHLMAN].

Mr. RIEHLMAN. The gentleman refers to the Chairman and the authority he will have. He has no direct authority over the three Joint Chiefs of Staff and their activities. The authority given to him under this reorganization plan would allow him to set aside the agenda. Each member of the Joint Chiefs of Staff has a right to have on that agenda whatever project he has in mind. He may set it aside temporarily but he can never take it entirely from the agenda. Their problem will be studied at some time; and, of course, he has no authority over their activities as chiefs of their own services. He only has the housekeeping work of the Joint Staff.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. DAWSON of Illinois. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BENNETT of Florida. I think the gentleman implies that the Chairman of the Joint Chiefs of Staff has no control over the military situation. Maybe he does not control the Joint Chiefs, but he does control the Joint Staff, and the Joint Staff draws up the plans. He who controls the Joint Staff controls the plans and hence quite effectively controls the ultimate actions of the Joint Chiefs of Staff itself.

Mr. REAMS. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. REAMS. I compliment the gentleman on his fine statement but I want to ask him if he does not think it would be best to vote the plan down and then to have a bill brought in enacting the good parts of it and omitting those to which we object, the gentleman, myself, and a good many others.

Mr. BENNETT of Florida. Possibly it would, I may say to the gentleman from Ohio, and I will give that further consideration.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. ROGERS of Florida. I would just like to compliment my colleague for the able contribution he has made on this subject, but I do want to ask him: Do you believe that this reorganization plan as discussed by you, the Chairman of the Joint Chiefs would supplement the President of the United States as being the Commander-in-Chief of the Army and Navy?

Mr. BENNETT of Florida. He cannot of course legally supplant him because the Constitution is there; but I think from the standpoint of actual operations these provisions could have that effect if great care is not given to the matter.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield.

Mr. DEVEREUX. A great deal has been said about the chairman of the Joint Chiefs of Staff and the authority he might have over the various branches. However, after the plans are made by the Joint Staff and presented by the chairman of the Joint Chiefs, and those plans are approved, then the Secretary of Defense or the President will simply direct the various services to carry out those plans. If that is not control I do not know what would be control.

Mr. BENNETT of Florida. I certainly agree with the gentleman.

Mr. RIEHLMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I favor Reorganization Plan No. 6 and urge that House Resolution 295 be defeated.

Mr. Chairman, when I first became a Member of this body and continually thereafter, it was and has been one of my major objectives to strengthen the Congress and recapture that legislative authority which has been usurped from it by the Executive in the past two decades.

In discussing the Reorganization Act extension I favored permitting a simple majority of the House of Representatives to disapprove a plan rather than a constitutional majority, which is now the law. In the 82d Congress I introduced a bill to amend the Reorganization Act to accomplish that same purpose.

This measure is a measure of such far-reaching importance that it seems to me the House of Representatives should inform itself fully and express its will.

Article 1, section 8, of the Constitution of the United States vests in the Congress of the United States the power to raise and support armies, to provide and maintain a Navy, and to make rules for the government and regulation of the land and naval forces. The Constitution, therefore, puts squarely upon this body and the other body of the Congress the responsibility for the Defense Establishment of the United States.

I reiterate this measure is one of far-reaching importance. It is the equivalent of an amendment to the National Security Act of 1947. It deals with the largest department in our Government, having 3½ million uniformed personnel and about a million civilian personnel. Defense is by far the greatest item of expenditure of our Federal budget. We are here dealing with the protection of our country and our people.

This is not a minor matter of structural reorganization in the executive branch of the Government. This is a matter which is basic and fundamental.

It is my belief, and has been from the beginning, that this proposal should receive the consideration of the elected Representatives of the people. They are entitled to an opportunity to express themselves, to inform themselves on the details of this proposition, and then to vote as their consciences and their understanding of the wishes of their constituents lead them to vote.

This measure comes before us, however, not as a legislative proposal but as a reorganization plan. Because of that circumstance the authority we can exert with respect to this proposal is limited. We cannot amend this plan in any respect. We must vote it up or down in its entirety, as is. If we find parts of it objectionable, as some Members have already stated, we cannot remove those objectionable parts. Those finding objectionable provisions must balance the favorable with the unfavorable and decide as a matter of compromise whether they should vote for or against the plan.

Mr. DAWSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from Illinois.

Mr. DAWSON of Illinois. Is it not true that there is now pending before the Rules Committee two matters voted out by our committee, both of which will accomplish the desired result; that is, leave out sections (c) and (d). So that if this Committee today does not approve the plan, the Rules Committee at its next meeting could send down here to the House those two measures, either of which would accomplish the result obtained by this plan with the exception of including sections (c) and (d)?

Mr. MEADER. The gentleman is correct, except I happen to favor this plan as is and I do not think it is necessary for the Rules Committee to act.

A reorganization plan once it becomes law has greater permanence as a practical matter than a statute passed by both Houses of the Congress and approved by the President.

We may say, let us pass this plan, then tomorrow if we do not like it we can introduce legislation to alter it. That is illusory. Any legislation we pass on this subject, once this plan becomes effective, must be so strongly supported by the Members of the Congress that they can override a Presidential veto. The President, having proposed this plan, would not look with favor upon any change offered by the Congress and would be inclined to veto such legislation. Therefore a two-thirds vote of both Houses of Congress would be necessary to override the veto and alter a plan.

Under the Reorganization Act it was the duty of the Committee on Government Operations to study this plan and then report to the House of Representatives giving the House the benefit of its judgment and the hearings and evidence upon which they based their judgment. I was pleased to have the gentleman from Georgia [Mr. VINSON] compliment the committee on the thoroughness of its hearings.

One thing I tried to bring out during the hearings was the reason and necessity for the change. I sought to develop evidence of the failures and deficiencies resulting from the loose organization in the Defense Department which this plan would tighten up. I asked for examples of decisions delayed because of the present diffusion of authority from Roger Kyes, Undersecretary of the Defense Department. He gave three examples. He said the shortage of ammunition in Korea was, in part, due to delay in arriving at a decision because of the committee-type of consideration of the questions involved.

Both on the civilian side and the military side of the Defense Department this plan would clarify lines of authority and abolish boards and committees endlessly debating but never arriving at a decision. In that respect the plan in my judgment is a plan for which we should give praise to the President for having presented it. It will make more efficient and more effective the agency in our Government upon which we depend for the very existence of our Nation.

I obtained from the Defense Department 15 examples of delay and procrastination by committees within the Joint Chiefs of Staff, and part of this information is classified.

First of all what struck me about these 15 Joint Chiefs of Staff actions was that most of them appear to be trivial matters. I regret I cannot identify them. They are marked restricted, although I do not see why they should be. Here is one example where a decision was not reached until after 149 days of consideration. Here is another one of 25 days, another of 33 days, another of 85 days, one of 60 days, and so on.

Mr. CONDON. Mr. Chairman, will the gentleman yield?

Mr. MEADER. I yield to the gentleman from California.

Mr. CONDON. A few minutes ago the gentleman stated that he was for the plan as is. Is it not true that the gentleman from Michigan voted in the affirmative to send it over to the Committee on Rules, recommending that it be passed, for the proposal which eliminated sections (c) and (d)?

Mr. MEADER. I am glad the gentleman raised that point, because he knows that the parliamentary situation in our committee did not permit the votes to reveal the views of the members. I voted then, as I voted on this resolution to give the House of Representatives a chance to consider and pass judgment on this plan. I always have been opposed to the position that the gentleman takes. I voted as I did, and it was understood by everybody and should appear in the committee minutes, only to give the House of Representatives itself a chance to pass on this question.

Mr. CONDON. The gentleman did vote for H. R. 5845.

Mr. MEADER. In the sense that I said, I voted to bring those measures before the House. I opposed then, and oppose now, the deletion of sections 1 (c) and 1 (d) from the plan. My views are clearly set forth in my statement in the committee's report.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. IKARD]

Mr. IKARD. Mr. Chairman, in the beginning let me say I am not here today purporting in any way to be a military expert or to have the experience or background that approaches that of the distinguished gentlemen who have spoken here today, who have spent so many years studying and creating the very military system under which we now operate.

I have had the privilege during this session of serving as a member of the Military Operations Subcommittee under one of the ablest men in this body, the gentleman from New York [Mr. RIEHLMAN]. If I came out of those hearing with any one conclusion as we have tried to trace and find the waste and inefficiency that exists in the present Department of Defense, it is that we must have, we can no longer be without, some lines of management and responsibility in the Department of Defense.

We must realize that historically military dictators have come to power and countries have been subdued and controlled by the so-called Prussian military system when those countries have failed and gone to seed economically and morally.

The waste and the utter disorganization that exists in the Defense Department today leads me to the conclusion that we cannot with any degree of safety as far as our economy is concerned go on and let that disorganization and waste and inefficiency continue.

All of us in this body, in the other body, the President and everyone, have open season on those that are in the military services. We go the length and breadth of this country talking about the inefficiency and waste in our Military Establishment, and we take to task those people that are administering our military services. If we today deny to those people the tools to improve their job, then you and I have no right to criticize them for the waste and the inefficiency that will continue in that great Department.

Much has been said here today about the fact that we are creating some kind of a Prussian general staff system, but let me tell you this: I think in our passion and in our prejudice we may lose sight of what is actually happening. In this plan it is proposed that the Chairman of the Joint Chiefs of Staff will have the right only to approve those men that serve on the Joint Staff, and then he shall have the right of management of the affairs of the Joint Staff.

Where unification has to come in this country is at the level of the Joint Staff. If we are not willing to put unification into effect there and give somebody the power and the authority to say, "You men on this Joint Staff are going to work as a unit"—unless we do that, we might just as well here today admit that unification is a failure and do away with the luxury we now have and the unnecessary extravagance of the Department of Defense and go back to three military departments, one for Air, one for the Army, and one for the Navy, and forget all about unification. You cannot have it when your Joint Staff is working for different people, one-third of them working for a different man. There has to be coordination, there has to be unification, if that word means anything.

In conclusion, Mr. Chairman, may I say that it seems to me that this plan should be allowed to go into effect for the reason that, as vast as our resources are, as great as our economic strength is, we cannot longer afford the luxury of the lack of organization that now exists in the Defense Department.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am firmly convinced that sections (c) and (d) of section 1 in this bill are unusual, extraordinary, and absolutely unnecessary grants of power to the military. I shall support the resolution disapproving Reorganization Plan No. 6.

Mr. Chairman, I yield back the balance of my time.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Chairman, more than 40 years ago when I was reading law with an old country lawyer out in southern Ohio he gave me the same advice that many of you have heard given by preceptors of the law in the past to this extent: That when the evidence is against you, argue the law; when the law is against you, argue the evidence; and if both the law and the evidence is against you, then just give the opposition holy hades.

Mr. Chairman, that rule has been followed by many lawyers, and too often by too many legislators. But it does not avail much if you just find fault. So I think it is time we study the facts.

The facts are these, and most of them have already been well stated on this floor, the only question before this body

is whether to approve or disapprove of this plan. There is no way in the world that this House can at this time amend this reorganization plan. We are in the same position we so often find ourselves in on legislative bills, where we have to decide if there is more good than bad in a bill, or more bad than good in it, and vote accordingly. If we think this plan is good, or more good than bad, then we should vote for it. If we think it contains more bad than good, then we should vote against it.

The only question which has been raised on the floor, as I understand it, regarding this plan is in reference to paragraphs (c) and (d). But we cannot strike out paragraphs (c) and (d) by any action taken today. If any of you think paragraphs (c) and (d) are so bad and so terrible that the whole plan should be rejected, then you should vote for this resolution.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentleman from California.

Mr. HOLIFIELD. I think it should be pointed out that a "no" vote on the resolution is a vote in favor of the plan.

Mr. BROWN of Ohio. Yes. I wanted to point that out. So you have to decide whether you are for this Reorganization Plan or against it "as is." If you are for the plan you vote "No." If you are against the plan you vote "Yes," and thereby reject it.

There has been a great deal of talk about who knows the most about this plan and whether it is good or bad. Well, I do not care what you think about the President of the United States. I am honest and sincere when I make this statement: I am convinced there is no Member of this House, on either side of the aisle, who knows as much about the military services, or has had as much experience in military matters, as the President of the United States. It seems to me that we ought to follow his judgmen on this; and that is exactly what I expect to do.

Now, let us consider some other facts. There has been a great deal of talk here about the power given the Chairman of the Joint Chiefs of Staff, if you want to call him that. This plan does not create a Chairman or a Chief of the Joint Chiefs of Staff. That office was created by the Congress when it passed the National Security Act years ago. The Chief or the Chairman of the Joint Chiefs of Staff does not have permanent status. It is not anything at all like they had in Prussia, because the Chairman or Chief can be appointed only for a 2-year term. Then he can be reappointed for an additional 2-year term. Both of such appointments are subject to confirmation by the Senate, or to a veto, if you please, by the Senate, of the President's appointment. The only exception to that rule is in time of war.

President Roosevelt did have a personal Chief of Staff who represented him in an overall capacity, Admiral Leahy. And Admiral Leahy has said he was for this plan; do not forget that. The Hoover Commission—and I was a member of it, had a little something to do with it, and knew a little about what went on; as a matter of fact, I introduced the resolution creating the Hoover Commission—the Hoover Commission said it did not favor a Chief of Staff to the President. At the same time the Commission also came out with even stronger language in which it said there must be civilian control of the military. At the same time the Hoover Commission strongly recommended we must have a line of authority from the President down through the various departments.

All this plan does is to take away command functions from the Joint Chiefs of Staff. If you want civilian control, do not let the Joint Chiefs of Staff command the Army Air Force and Navy. Keep the staff in only an advisory capacity.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield briefly.

Mr. ALBERT. On page 3 of the report those listed as favoring the elimination of sections (c) and (d) include the name of Admiral Leahy.

Mr. BROWN of Ohio. May I say I was not responsible for writing the report. If you will read the testimony—the only hearings that are available are the ones on another resolution, not this resolution.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. HOFFMAN of Michigan. The only testimony taken is here. It was taken on another resolution, which raises the same issue.

Mr. BROWN of Ohio. But we had Admiral Leahy before us, and you know what he said, because in his answer to Representative PILCHER, who asked him one too many questions, and you know it and I know it, and remember this committee knows it, he said, "Of course I favor the plan. The President ought to have it the way he wants it." That was his final answer.

Do you want civilian control or do you not? That is the thing you have to decide.

If you want civilian control of the Armed Forces, of the military, in this country, you will vote against this resolution, you will vote "No," and for this plan, because it will permit the President to proceed to reorganize our Defense Department and along the Key West agreement and other subsidiary actions, take away the command control that now exists in the Joint Chiefs of Staff. Instead, as the gentleman from California [Mr. HOLIFIELD] showed you by his graph, the Joint Chiefs of Staff to serve only in an advisory capacity, and command will flow down from the President through the Secretary of Defense, to the civilian Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force as the case may be, before reaching the military.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield hurriedly.

Mr. GROSS. Does the gentleman recall, speaking of civilian control, that the Unification Act was amended for the sole purpose of making General Marshall Secretary of Defense? I voted against that.

Mr. BROWN of Ohio. Yes, I remember that, and in addition I remember how Congress turned around and voted to set aside the law and make him Secretary of State in direct violation of the act. But that is not in this plan.

There has been a lot of loose talk flowing around here about what was said by ex-President Hoover and where ex-President Hoover stands. I know President Hoover very well and I want to quote what I said about him in the committee, and it is in the official report. You can look on page 57 and find it. I said:

> Mr. BROWN. Well, I think it might be of interest to this committee to know I just talked with Mr. Hoover a moment ago, and he tells me the plan as submitted is a great improvement over what we have, and very much worth while—and I have great respect for his judgment. I think he has had some experience and some knowledge of it.

That is exactly what the record discloses; that is exactly what I said.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. BROWN of Ohio. Can I get 1 more minute from somebody, anybody?

Mr. HOFFMAN. I think probably I come under that designation, yes. I yield the gentleman 1 additional minute.

Mr. BROWN of Ohio. I did not know, but I thought maybe, because I was for the plan, that my friends over on the other side might be able to give me a minute or two, so I would not have to request so much of the time of the gentleman from Michigan.

What former President Hoover said in his letter to Mr. Hoffman has been quoted on the floor. He said that there had been some misunderstanding about his position. He never said he was for everything in the plan. But he did say to me it was a great improvement over the present setup. But my words were twisted and distorted around to make it appear that I had said he approved of everything in the plan. So let us read again what Mr. Hoover said in that letter.

> I therefore wish to state I am in full agreement with the plan except——

Mr. DAWSON of Illinois. Except?

Mr. BROWN of Ohio. Yes, except the provisions (c) and (d). Now, I think I know a little bit more about Mr. Hoover, and how he thinks and feels, and how he might vote on this resolution, than some other folks here. So I am going to give to you my opinion that if he were here on the floor today as a Member of Congress—yes, I am firmly convinced he would vote for this plan. Although he might not like two sections in it I have no doubt about how he would vote. He would vote to support this plan and the President of the United States, Dwight Eisenhower, the great military leader, a man who knows more about the military situation, in my opinion, than anyone in this country.

But, Mr. Chairman, I want to get back to some of the details of the reorganization plan before my time expires.

The opposition to Reorganization Plan No. 6 is centered on paragraphs (c) and

(d) of section 1 and, according to documentations I have read, on fears that those sections will accomplish the building up of a single Chief of Staff as a General Staff with all of the concomitant bugaboos of Prussianism with which we have become accustomed to associating those two terms.

It seems to me, however, that in falling victim to these fears, Members are failing to recognize two fundamental facts; first, the clear dominance of the civilian control of our Military Establishment, and second, the clear intention of all of our Commanders in Chief since the birth of the Nation, to see that there is no ascendancy to a position of dominance of professional military personnel. The Constitution states that the President shall be the Commander in Chief of our Armed Forces and that the President shall have the power to appoint officers of the Armed Forces. Thus, in the President rests always the ultimate domination of a man selected by the people over the professional military group.

The Constitution also states that the Congress may establish certain rules for the government and regulation of the Armed Forces. Under that constitutional authority, the Congress established the Defense Department and created the post of Secretary of Defense. Then in 1949 the Congress took a most significant step, it crossed the bridge which separates confederation from union, when it stated that thereafter the Secretary of Defense should have "authority, direction, and control" over all aspects of the Department of Defense. On that day, when that bill was enacted all residual power not given to him by the previous law in 1947 came to rest in the Secretary of Defense.

In giving this authority to the Secretary the Congress makes him clearly the dominant force in the Department. He controls everything, and, controlling everything, he certainly controls, if he wishes, assignments and terms of duty on the Joint Staff. Through his authority he could arrange the method in which the Joint Staff would do their work, and even under whom their work would be done. In other words, by law the Secretary of Defense could move in personally and direct the accomplishment of that which the reorganization plan proposes in section 1 (c) and (d). He could direct the Joint Chiefs to permit the Chairman to have a veto power over appointments to the Joint Staff, and he also could require the Joint Chiefs to permit the Chairman to organize and manage the work of the Joint Staff. So why the great fuss over these two subsections? To me, while subsections (c) and (d) delineate in the law who can do what, there certainly is no change in the overriding civilian authority of the Secretary of Defense. So, to me, by giving this authority to the Chairman of the Joint Chiefs, we are giving him no more than the Secretary of Defense himself could give him, but we are laying it down clearly in law under the rule-making power given to us by the Constitution.

It is always well where we can to make the law clear, so I feel that it is right and proper that we should have these changes written in the law, changes which first were suggested by the Rockefeller committee, who stated that they hoped to increase the ability of the Joint Chiefs of Staff to serve as the top military planning and advisory group by clarifying the role of the Chairman, and then by improving the subordinate staff structure. Their recommendation was:

> The Chairman of the Joint Chiefs of Staff, without detracting from the function of the Joint Chiefs of Staff as a group to serve as the principal military advisers to the Secretary of Defense, should be given the authority and responsibility for organizing the subordinate structure of the Joint Chiefs of Staff and the Joint Staff in such a way as to help the Secretary of Defense to discharge his total responsibilities.

Let me repeat again that important clause, "without detracting from the function of the Joint Chiefs of Staff as a group to serve as the principal military advisers to the Secretary of Defense." There is the key clause, and the key protection to the specific thing we wish continued—all of us do. We want joint study, joint plans, joint decisions, and joint advice. And those four important factors will be continued. There is no change in them.

In examining the problem of the working arrangements of the Joint Staff, the Joint Chiefs of Staff, and the Chairman, it is well to remember the actual situation which exists today. There are 4 regular members of the Joint Chiefs of Staff—the Chairman, and the designated Chief of each of the 3 military services. Three of these individuals, the military chiefs, are partially absorbed in their responsibilities to their services, and do not have time to spend in the simple job of management of the Joint Staff. Additionally, each of these three individuals is physically located in the heart of his own organization, as he must be in order to exercise his functions of command. Conversely, the Chairman is physically located with the Director and with the Joint Staff, and is wholly and completely absorbed in the problems of national defense planning as are the Director and the Joint Staff, as distinguished from being involved in the problems of day-to-day operations of the individual services. Common logic and good management very reasonably dictate that this individual, charged by the Congress with the responsibility for providing the agenda for meetings of the Joint Chiefs of Staff and assisting the Joint Chiefs of Staff in the prosecution of their business as promptly as practicable, should certainly have at his disposal the simple right of management of the work of the Joint Staff to assist him in his vital role, so important to the Nation, and so different from the role of each of his three coequal colleagues.

It should also be remembered that the "man on horseback" certainly does not emerge under this plan. Here we have a Chairman, established by law in 1949, but specifically deprived of a vote and specifically limited by the law to three specific statutory duties in addition to being a member coequal to the other members of the Joint Chiefs. These statutory limitations were deliberately set lest there be a possibility that, by his position of eminence, he might be transformed into Superchief or a single Chief of Staff. The statute specifically deprives him of any command powers over any of the other members of the Joint Chiefs of Staff, either while they sit as members of the Joint Chiefs of Staff or while they act as the individual military chief of their respective services. Further, all of the functions for strategic planning vested by law in the Joint Chiefs of Staff continue to be vested equally in the four members of the Joint Chiefs of Staff, none of them are vested in the Chairman as an individual. Also a most significant and important function—the function of being the principal military advisers to the Secretary of Defense, the National Security Council, and the President, continues to be vested equally in all members of the Joint Chiefs of Staff, and not in the Chairman individually. Thus the Chairman remains exactly the same entity the Congress created in 1949, a coequal member of the Joint Chiefs of Staff, but without vote, and now to be charged additionally only with the responsibility of managing the work of the Joint Staff for the Joint Chiefs of Staff, and given a veto power over assignments to the Joint Staff to assure that, regardless of service affiliation, a Joint Staff member will recognize that his planning assignment must be discharged to his country's interest first, his service second.

Further, another significant prerequisite to danger is absent under this plan. The Congress has never delegated to the Joint Chiefs of Staff any command function, it has never intended that the Joint Chiefs of Staff as such, or the Chairman thereof should have any military command function. There did develop administratively subsequent to 1948, when Secretary Forrestal negotiated the Key West and Newport agreements, a situation which caused some confusion as to lines of authority as between the military and civilian chiefs of the services. This, however, was not statutory confusion but was administrative and is being corrected administratively.

Summarizing, then, what do these two subsections do, and what do they not do.

They do permit the Chairman to manage the work of the Joint Staff, thus permitting him to present his agenda items to the Joint Chiefs in a workmanlike and proper manner, and they do permit him to veto the appointment to the Joint Staff of anyone with whom he knows he cannot work. It is only these 2 things which were intended by the Rockefeller committee, and by the Secretary of Defense; it is only these 2 things intended by the President, and with all of the safeguards so painstakingly written into the law in 1947 and again in 1949 as regards the Joint Staff, the Joint Chiefs, and the Chairman thereof, it is only these 2 things which can result.

If it is these things and these alone which are done, what are the things which are not done? What are the dangers we are told will appear, which, in fact, do not exist and cannot develop? Let me summarize them:

First. The Chairman may not assert any command power, either over his own parent service, or over the Joint Chiefs.

He had no such powers under the law, he gets none here.

Second. The Chairman moves to no new position of eminence on the Joint Chiefs. The 1949 law said he has no vote, he gets none here. His status remains that of a coequal member.

Third. There is no diminution of the umbrella of civilian control over him. He remains in exactly the same relationship to the Secretary, the Security Council, and the President as the Congress established for him in the 1949 law.

Fourth. The plan does not transfer to the Chairman any of the statutory functions of the Joint Chiefs of Staff. They remain responsibilities of the Joint Chiefs, and his responsibility as regards them is as a coequal member only—no more.

Fifth. The plan in no way affects the basic statutory responsibility of the Joint Chiefs of Staff as a group to be the principal military advisers to the President.

Sixth. There is no enlargement of the size of the Joint Staff, set by law in 1949 at 210 members and remaining at that size under the plan.

Seventh. There is no change in the statutory safeguards to protect the historic combatant functions of our famous fighting units such as the Marine Corps and naval aviation.

Eighth. There is no change in the statutory requirement that the three military departments be separately administered.

In short, Reorganization Plan No. 6 as submitted by the President is a carefully worked-out plan to make possible the improved management of two important segments of the great Defense Establishment. First, it proposes to permit the Secretary of Defense to streamline the internal business and managerial organization of the Department to achieve economy and efficiency, and, second, it is designed to permit improvement in the vital role of national-defense planning by permitting for the more efficient supervision and operation of the principal study arm of the Joint Chiefs of Staff.

Mr. DAWSON. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. DODD].

Mr. DODD. Mr. Chairman, the gentleman from Ohio has humorously suggested that sometimes when a lawyer has neither the facts nor the law on his side, he should give the opposition hades. From my observation in our committee, the gentleman from Ohio sometimes takes another course. In the present situation he did all that he could to prevent full discussion of this important matter on the floor of the House, so apparently his view is that when he has neither the law nor the facts on his side, the matter should not be discussed at all.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield? He has referred to me.

Mr. DODD. That is my understanding of the gentleman's view by his action in the committee.

Mr. BROWN of Ohio. The gentleman well knows that the gentleman from Ohio pointed out in the committee that if there is no action reporting this particular resolution back by our committee that there would be 1 hour of debate under the rule on the other resolution.

Mr. DODD. Yes, I am glad to agree to that—1 hour of debate and that was all.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. And unless this resolution or a similar resolution had been voted out by the committee, it would not even have had an hour's debate because of the date when the resolution came to us and the date when the plan becomes effective?

Mr. DODD. That is right.

Mr. BROWN of Ohio. That is not according to the calendar.

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. DODD. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. Anyone who can read a rule and who can count up to 10 will be able to determine that issue for himself.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. DODD. No; with due respect.

My interest in this problem predates for a considerable number of years my membership in this body, but since I have been a Member of this body, my interest in this matter has been further stimulated by a speech made on the floor of this House on the 11th day of March 1953. That speech by the gentleman from Michigan [Mr. SHAFER] was, as I thought then and as I believe now, most significant and relevant to this subject.

I am afraid it did not get the attention that it deserved at that time. Our colleague, the gentleman from Michigan, told us at that time that he feared that an effort was under way to set up, or advance the cause of, a general staff system in the United States of America. He made particular reference to a Prussian-type general staff system and he wanted us to be on the lookout. He said he could not understand why a new committee was being set up to consider reorganization of the Defense Department when the Hoover Commission had devoted 7 months of its time to this very same problem. And he went on to tell us in some detail how the Hoover Commission had dealt with this problem.

The subcommittee of the Hoover Commission which considered the reorganization of the Defense Department was headed by Mr. Ferdinand Eberstadt, and assisted by a military advisory committee of 9 distinguished, retired, senior officers representing land, sea, and air power; besides a total of 9 nationally prominent citizens served as consultants to the subcommittee. This subcommittee, after full consideration and after full investigation, submitted a report and rejected the very proposal that is before us today in subsections (c) and (d) of Reorganization Plan No. 6.

The so-called Rockefeller committee which was appointed by the administration was given only 60 days in which to make its report, and with respect to the matter under discussion and before us now, it came to a conclusion directly in opposition to that reached by the Hoover Commission. Furthermore, I believe it is significant that the Hoover Commission subcommittee published voluminous information which disclosed the basis for its decision, while the Rockefeller committee has not made public the information which it received in secret from unidentified persons. The Hoover Commission task force in its report on national security organization says:

> The appointment of a single military chief of staff as commander of our three military services might lead to a military party line with static concepts and enforced mental unification. The dangers of one-man military control of the armed forces of a nation are illustrated by history. The case of the Third Reich is a recent example of the hazards of unilateral strategy. When military differences completely disappear military progress will cease. (Appendix G, January 1949, pp. 53–54.)

I suggest that you ask yourselves why the carefully prepared recommendations of the Hoover Commission into which went 7 months of labor and thousands of dollars of public funds were ignominiously cast aside, and this special Rockefeller Committee set up to produce for the military what the Hoover Commission denied.

I fear power at all times. I am always concerned about grants of power, but I am particularly fearful about grants of power to the Military Establishment. Let me explain to you why I fear the grant of power to the military, and let us inquire as to whether or not there is any reason for this fear in our more or less recent history.

This is about the fourth time in the last several years that an effort has been made by a small clique of military people to get power over the American people that they do not need and which the American people do not want them to have. This small clique first tried, back in 1946, with what is known as the Collins plan. Former Secretary Forrestal has told us that it was the intent of the Collins plan to isolate civilian authority. This statement by Secretary Forrestal was read into the CONGRESSIONAL RECORD on April 3, 1951, and I think it is worth inserting at this time, I quote it:

> That's the background of what has always seemed to me to be two violently opposed sets of thinking about the military organization. It was expressed in the Collins plan which, as you know, did have a single civilian Secretary, had a Chief of Staff, and in my opinion would result in the isolation of the civilian charged with the responsibility for the running of the organization, which I also think was the Army's intent—in fact, Marshall quite frankly said so. (CONGRESSIONAL RECORD, vol. 97, pt. 3, p. 3232.)

The Collins plan did not succeed because the Congress said, "No, you cannot have that kind of power. We are not going to give it to you. It is out of line with the traditions, the customs, and the habits of the American people, and it is too dangerous a power to give you." But they came back again—this same small clique—in 1949, and made another reach for power in the disguise of the Unification Act, and again they were rebuffed.

Now they are attempting to sneak in under this reorganization proposal, under the disguise of necessary executive

reorganization of the Defense Department. Thus a long-sought objective of this small military clique appears about to be reached. The use of a reorganization plan for a proposal of this kind, in my opinion, does violence to the whole reorganization program, and it gives to those of us who generally favor reorganization cause to be fearful about the whole reorganization program.

These people know full well that a direct effort to establish a supreme military authority in one fell stroke would raise an uproar across this Nation. As a result of their experience with the Collins plan in 1946, which was in fact a barefaced attempt to impose military domination on the American people, they have learned that if they are to achieve their objectives they must move behind concealments and devices. They know very well that any bill submitted to this Congress which attempted to do what subsections (c) and (d) try to do in this plan would not even get out of committee.

Now this is the history in recent years, and these are some of the reasons why some of us are very much afraid. But the history of this sinister business goes back—far back—of recent history to the year of 1903 when Elihu Root, serving under Theodore Roosevelt, permitted this operation to get under way. Now I do not know what was in Mr. Root's mind or, indeed, what was in the mind of President Theodore Roosevelt, or what influences were brought to bear on either or both of them by the professional military men of that era, but parenthetically, let me remark that one of the vivid recollections of my youth is a picture of President Theodore Roosevelt astride a horse watching German military maneuvers at the side of the then Kaiser and Emperor of Germany. I do not know what influence, if any, that experience of Theodore Roosevelt's had on the decision that was made, but it would be an interesting field in which to do research if one had the time to dig into it. This was the first move for supreme military power in the pattern of the German General Staff in the United States of America.

The next move was made under Newton Baker in 1916 when he was serving under Woodrow Wilson as Secretary of War.

Secretary Baker gave the Chief of Staff a power which has been well described as "civilian capitulation to the Army General Staff." Thus was the civilian authority captured by the general staff just as it had been captured in Germany by the German General Staff, and thus was the second tragic mistake made along this road toward the domination of civilian life by the military of the United States of America. As I said a few moments ago, the Collins attempt was the third effort along this same path.

It has been suggested on this floor today that the proposals with which we are concerned have been exaggerated by the opponents of this plan. It has been asserted that this change does not constitute the setting up of a Prussian-type general staff. I am frank to agree with this claim, but I hurry to point out that those who seek the ultimate power for the military know very well that they cannot make their big grab at any one time. Understanding the American people and our system of government they are fully aware of the fact that they must do this deed by easy stages. Since 1903 they have come very far and if they get this power which is being sought today they will have made a real advance toward the last target. These programs never burst full bloom upon a nation. They all start under the disguise of mild and innocent measures, and if we are to avoid the fate of military dictatorship and control in this country it is our duty to resist these measures piecemeal as they are presented to us. The German General Staff is a story of military supremacy over civilian population reached by gradual taking of power and yet more power.

Now, I have been intrigued by the suggestions made, both before our committee and on the floor of this House today, to the effect that these changes which we are discussing could have been effected at any time within the Defense Department by administrative action on the part of the Secretary of Defense, and we have been told that administrative action in this direction was not taken only because the administration wanted to lay all of its cards on the table and wanted the Members of Congress to know exactly what it was trying to do—that it wanted to be frank with us and open and aboveboard.

I do not believe this story and I want to tell you why. I am not that naive and the history which I have outlined for you bolsters my disbelief. The people who are pushing for more control by the military know very well that administrative action within the Defense Department to make these changes could easily be changed again by administrative action at any hour of any day, and they are well aware that in order to solidify their position they must write this proposal into the law of the land. They must give the change the dignity of a statute and when once this has been done they know how difficult it will be for this Congress or for the American people to take back this power. If they succeed through this disguise which is before us at this time, they will have taken from you and your children something that some day our descendants will wish we had never given away. They want this change to be permanent.

Now, what is it that they tell us that they want under this reorganization plan, and particularly under subsections (c) and (d)? Why, they say they need this change so that one man can handle administrative details for the Joint Chiefs of Staff. Did you ever hear anything more silly than that? Can you imagine the top brass in the Pentagon unable to delegate responsibility for administrative details to subordinates of the Joint Staff? I do not purport to be an administrative genius, but I can tell them how to handle this problem of administrative details. All they need to do is to assign the problem to the Director of the Joint Staff, and they know that as well as I do.

Now, besides this exaggerated problem of where to put the problem of administrative detail, they also tell us that they want to give to the Chairman of the Joint Chiefs the veto power over membership of the Joint Staff and it is in this demand that they really lay bare their real purposes. For the officer who has the power to say who shall and who shall not sit on this most important staff has absolute power over the running of the staff.

If a man disagrees with the Chairman he can be removed. Perhaps these are the "stubborn" people to whom reference was made by a witness who appeared in behalf of this plan before our committee. They do not want any disagreement and of course in abolishing disagreement they give to themselves the kind of power that they should not have. The very strength of the Joint Staff lies in the opportunity for discussion and for disagreement, and that is why provision has been made which requires the Chairman of the Joint Chiefs to report to the President and the Commander in Chief when the Joint Chiefs are in disagreement. In this manner the President and the Commander in Chief can hear both sides of a proposition and he can exercise judgment in arriving at a decision. But this plan will stifle disagreement in the Joint Staff and ultimately in the Joint Chiefs of Staff, and finally a President of the United States and a Commander in Chief will never hear of disagreements and he will be simply provided with a plan and have no choice but to accept it.

Then the Chairman of the Joint Chiefs of Staff will become the very symbol of supreme military authority. He will have complete control over the appointment and tenure of the members of the Joint Staff. Experience teaches us that men with such absolute power choose underlings to concur in their thinking, with only slight inclination to express independent ideas. I can see a situation whereby the Joint Chiefs and the Staff merely serve to reenforce the preconceived notions of a supreme military authority. That will be a bad time for America.

Now let me address myself to the argument which has been made on this floor to the effect that the President is the greatest expert on military matters in this world, and that since he has recommended this plan to us we should therefore adopt it. I recognize the President to be a great military expert, but as I understand him I do not believe that he would want us to adopt this measure simply because he has asked us to do so. From what I know about him I think he wants us to hammer this matter out on the anvil of free discussion where we express our fears, our doubts, our concern and I think he wants us to vote as we really believe when the time comes to vote.

Besides, and with great respect for the President, I suggest that this is not a military problem at all and it is therefore not a problem about which the military expert should have great influence, for it is really a civilian problem. It is an administrative problem. It is a problem of how best to organize the Military Establishment so that it has all the power it needs but no more than it needs and no more than it should have. This type of problem is not for

the military mind. It is peculiarly a civilian problem. Again with all due respect, I suggest that there are many men in this Congress who have had more civilian administrative experience than has the present President of the United States.

Now this is not the first time that we have been called upon to resist the efforts of the military to dominate our affairs.

A great Senator from my State fought a great battle over in the other legislative body to take civilian control of atomic energy away from the military, and he won his fight, to his never-ending glory and honor. There were those who bitterly opposed him. They said only the military people could handle this very new and important force in the world; they said that atomic energy is such a terrible power that only a soldier can handle it. But Brien McMahon fought for civilian control and got it. And I have never heard a responsible person suggest that the civilian-controlled Atomic Energy Commission has not done an outstanding job. Moreover, I think it is significant and worth noting in passing that some of our secrets were stolen while the military were in charge. Not one has been stolen so far as we know since the civilians have been in charge.

Another great Senator from our State, former Admiral Thomas C. Hart, warned the Congress in 1946 that the steps toward the single service with a single head would deprive the Congress of evaluating the differing opinions by ranking members of the military service:

> Congress will be told what the Chief of Staff wants it to be told and nothing else.

As I have tried to point out in the time available to me, I earnestly believe that this grasp for power is unnecessary and unwise. No one has suggested, either before our committee or on this floor, that our Military Establishment has been unable to function properly without this power; no one has suggested that our Military Establishment has been hindered or crippled in its operations. As a matter of fact, as our record stands, under our present system we succeeded in winning two major wars without this grant of power and we won both wars against a nation which had already succumbed to the theory of military domination.

Finally, the history of civilizations for many centuries past demonstrates that militarism was by far the commonest cause of breakdown and disintegration. I would like to see the Defense Department reorganized, and I would like to see it reorganized generally on the lines suggested, but I think it is better for the American people that we forego some benefits, if necessary, to avoid the fate of military dictatorship and control. I ask you to vote down this proposal.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. JUDD].

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to the gentleman from Maryland.

Mr. HYDE. In all this debate there is one thing to which I have not received an answer. You talk about increasing the power of the military. What power as such does this plan give to the military that the military does not now have? Is there any such power?

Mr. JUDD. No; it does not give the military any additional power. On the contrary, under it certain powers that the military now have will be put back in the hands of civilians.

Regarding the Chairman of the Joint Chiefs of Staff, if the gentleman will refer to page 20 of the hearings he will find a series of limitations on the powers of that official. I want to read them, if I have time, at the end of my statement. Eight points are enumerated that would clear up most of this fog, if Members would examine them as listed by the civilian Deputy Secretary of Defense, Mr. Kyes.

Mr. Chairman, when this reorganization plan was first proposed by the President I assumed, of course, that I would support it because, having served for a good many years on the Committee on Government Operations and having participated in formulating the National Security Act of 1947, the so-called Unification Act, I was acutely aware of the overlapping, competition, inefficiency, needless waste, and so forth, in our Defense Establishment.

It was clear that the plan which the President sent down would accomplish many long-overdue streamlining changes in our Department of Defense. Furthermore, it definitely increases the power of the civilian Secretary of Defense, the civilian Secretary of the Army, the civilian Secretary of the Navy, and the civilian Secretary of the Air Force over their own Departments. It eliminates shortcuts whereby the military men have been able to evade the civilian Secretaries. I do not say they have done it deliberately—but in practice certain shortcuts to bypass the civilian heads of the Departments had developed. I was opposed to such shortcuts. Naturally, I favored the parts of the plan which gave clearer chains of command. However, as the hearings continued, some questions began to arise in my mind regarding what, under the plan, would actually happen in the Joint Chiefs of Staff. This was particularly the case during the testimony of the Deputy Secretary, Mr. Kyes, and his associates. If you read his testimony, you will find he described the new powers of the Chairman as authorizing him, in managing the Joint Staff, to "remove members who are serving unsatisfactorily." Well, what does "serving unsatisfactorily" mean? Does not that mean power to remove anybody who disagrees with him?

In another place, he said it authorized the Chairman to remove any individual from the General Staff "who may fail to work as a member of what is intended to be a planning staff composed of men able to put country first and partisan attitudes second." Just what is meant or intended by that language?

In another place, he said it would enable the Chairman of the Joint Chiefs to "remove those whose work is below the standard needed." What does that mean? Does it mean intention to remove from the Joint Staff anybody who is opposed to the Chairman's own views?

The more I asked such questions and did not get satisfactory answers at the outset, the more I became disturbed, because it is my conviction, as a basic principle of government, that no increase in power should ever be given to any official of the executive branch of the Government, whether civilian or military, unless there is an overriding reason for it. That applies particularly to military officials at a time like this when the military departments have such lopsided power and handle roughly two-thirds of our budget.

Furthermore, since this spectre, or at least question, had been raised—and I know that the President did not have any such thing in his mind—I felt it might be better all around to let this part of the plan go and eliminate subsections (c) and (d) rather than have any large body in Congress or in the country, fear there might be a sinister plot to get a man on horseback in charge of our affairs. I still think that might have been a wise and smart thing to do. Just as I believe, as a principle of government, that it ought to be possible to reject a reorganization plan by a majority vote of either House, like any other piece of legislation. I voted against the constitutional majority requirement in the Reorganization Act when it was before us at the beginning of this session, and spoke against it to the best of my ability. That was a greater grant of legislative power than I approved. But we were defeated. That is no longer the issue before us. The question now is whether the shift in power to manage the Joint Staff, from the Joint Chiefs to the Chairman, would merely lead to badly needed increase in efficiency, or to one-man control of our military planning. I did not get adequate answers during the hearings. But since then, I have been able to get explanations which reassure me. I understand better, I think, what the trouble has been in the past and what the provisions in subsection (c) and (d) are designed to do. I would like to pass on some of the things which reassured me and helped me to make up my own mind in good conscience. Maybe they will be of some benefit to other Members.

This Joint Staff is supposed to be different from the regular staffs of the individual Chiefs of Staff of the Army, Navy, and Air Force. Each of these departments has its own planning staff under its Chief of Staff. The Department's staff does its strategic and other planning for the roles and missions assigned that service. It has colonels and lieutenant colonels and majors, or their equivalent—a thousand to fifteen hundred of them—who do the basic work whereby that branch of our Military Establishment is built up in times of peace and operated in time of war.

Now the Joint Staff is set up for a different purpose. It is to serve the Joint Chiefs, as each Department's regular staff serves that Department's Chief. We have a Joint Chiefs of Staff in order to evolve overall plans for the whole military defense of our country. The Joint Chiefs have a Chairman to preside. To avoid his assuming undue

power, he is denied by statute the power to vote and the power to command. But for the Joint Chiefs to work effectively as the top advisory body to the President, it has to have a staff which will do that body's research and administrative and other work in developing unified plans for the United States. The Navy Chief comes in with the plans and recommendations of his thousand staff officers. The Army Chief comes in with his plans, ably supported by the brain work of his top-notch officers, some 1,500 of them. The Air Force Chief comes in with his plans, prepared by his Department's staff. Each Chief contends valiantly for his plan. Where they are not in agreement, who is going to work to put those plans together? Who is going to try to integrate them and get necessary adjustments and compromises so that our Defense Department can have one plan, not three, for the country's defense. Such a unified plan will probably not be quite what any one of the individual services wanted, but it ought to be a plan that is better for the whole.

That was the basic concept of the Joint Staff. The idea was that there would be up to 70 officers who understood and could present the Navy point of view, another 70 who understood and could present the Air Force point of view, and another 70 who understood and could present the Army point of view. But while they were serving for 2 years on the Joint Staff, they were to try to think in terms of putting their respective points of view together with those of the other services to get the best possible and best-balanced overall plan.

It was hoped the Joint Staff would do the Joint Chiefs' paper work, research, planning, and administrative work, in such a way that the Joint Chiefs' meetings instead of being a brawl between three different points of view, would in most cases be able to develop something that would then go up to the President as an integrated plan.

It was hoped that when these men were assigned to the Joint Staff for 2 years, in between other tours of duty—just as a naval officer is sent to sea for a while after duty in Washington—they would work for that 2-year period in terms of the whole country. At the end of that period they would then go back to their respective services, half being rotated each year.

It was testified by all who have worked with the Joint Staff that it frequently did not work out that way. Many officers did not cooperate to work for the Joint Staff in the spirit intended. Still it was hard for me to believe that it is necessary to give the Chairman power to remove such individuals. I asked Admiral Davis, who served for 2 years as Director of the Joint Staff, "If you had some officer sent up by the Army who was not satisfactory, couldn't you go to the Chief of Staff of the Army and say, 'Listen, Joe Dokes is lazy, or he drinks too much, or he talks too much, or he is too partisan, he will never do anything except recite the views of his particular service. Can't you transfer him and send up someone who is just as able, but who will work better with the team?'"

I said, "If you say that to the Chief of that service, surely he does not want to have his Department look ridiculous or be badly represented? Surely he will change that man and nominate somebody else."

Admiral Davis is a very able officer, but he said he could not always get such cooperation. But I did not get illustrative cases that seemed to me sufficiently convincing. No one would be communicative in a public meeting. But after I had opportunity to talk to other qualified persons in private, I found out that there have been two main difficulties which these two provisions in (c) and (d) are designed to help cure. Each service tends to do one or the other of two things: either nominate to the Joint Staff its own strongest partisans—its bitter-enders—who will never compromise in the slightest degree, and who defend to the death the position of their particular service; or it appoints its second-raters, while the Chief of Staff of that service keeps his best officers on his own staff. Every department has some mediocre men who have to be assigned to something. Why not let them serve 2 years on the Joint Staff?

The men who have served as Directors of the Staff and those who have been associated with them say that the sole reason for the proposed change is to enable the Chairman of the Joint Chiefs to effect transfers or changes of those men who come up, adamantly sticking for one position with a never-say-die attitude, regardless of what happens to the country; or of men who are second-rate, or less than the best that the Navy or the Air Force or the Army could and should send.

That is the purpose in summary—to get up to 70 men from each of the 3 services who for 2 years will try to contribute the views of their particular services and integrate them into a United States plan.

A moment ago the gentleman from Connecticut said, "Well, just give the authority to the Director of the Joint Staff and he can make these changes." It is not so.

The law provides that the Director has to be one grade lower rank than the Joint Chiefs. You know perfectly well that a 3-star officer does not tell a 4-star officer what to do. It is not possible for the Director to have real authority unless he is acting as the agent of the Chairman of the Joint Chiefs, who will be given the authority in subsection (c).

How serious is the problem? I realized that Admiral Davis could not describe individual cases, so I asked the committee to submit this question to him after our hearings had closed: "How many changes over and above those which were actually made would you as Director have made if the Chairman had possessed the authority sought, assuming the Chairman would have backed you up?"

He replied by letter, which came yesterday:

I would estimate that there were at least 50 to 75 changes that I would have made in officer assignments to the Joint Staff if the Chairman had possessed the authority now sought, assuming that the Chairman would have backed me up. I did not, however, have the authority or the backing to request replacements (other than those required at the conclusion of normal tours of duty) for officers whose only fault was that they were not material of the highest grade. Therefore, while I did not fail to obtain replacements in several extreme cases, replacements for others had to wait normal reassignment. This meant that improvement of the general level of competence in the Joint Staff was a slow process, and further, the results will never be as satisfactory as I think they will be if sections 1 (c) and 1 (d) of the reorganization plan are retained in the plan.

Mr. Chairman, if there are as many unsuitable appointments as 50 to 75 out of the 129 now serving on the Joint Staff—which, with rotation, means out of about 200 appointments in a 2-year period—it is clear why this grant of authority to the Chairman is necessary. Either abolish the staff or make it efficient. On the basis of such consideration, I decided to support the plan. Even if I still had doubts on this one score, I would support it because under the situation we face the 90 percent everyone wholly approves overrides the 10 percent which some disapprove.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. JUDD. I yield to my colleague from Minnesota.

Mr. AUGUST H. ANDRESEN. One thing that has disturbed me in this connection is this: Here you have 210 men who make up this Joint Staff. When the country is at war this staff decides we have got to go in and win that war; the Chairman of the Board decides that we have got to go in and win the war.

Mr. JUDD. No; he does not even vote.

Mr. AUGUST H. ANDRESEN. We will say he agrees with them that we have to go in and win the war. But the President of the United States, who is Commander in Chief of the Armed Forces, decides that we are not going to fight to win but are going to fight with some other objective in mind. Who is going to prevail? Does this bill decide that?

Mr. JUDD. No; that is decided by the Constitution of the United States. The President, as Commander in Chief, will prevail.

In conclusion, I wish you would all turn to page 20 of the hearings, for there you have the eight protections to which I referred at the outset. Let me read for your consideration:

1. The Chairman may not assert any command power, either over his own parent service or over the Joint Chiefs of Staff. He had no such powers under the law. He gets none here. There is a specific provision of law which says he cannot get them.

2. The Chairman moves to no new position of eminence on the Joint Chiefs. The 1949 law said he has no vote. He gets none here. His status remains that of a coequal member.

3. There is no diminution of the civilian control over him. He remains in exactly the same relationship to the Secretary, the National Security Council, the President, and the Congress, as the Congress established for him in the 1949 law.

4. The plan does not transfer to the Chairman any of the statutory functions of the Joint Chiefs of Staff. They remain responsibilities of all four of the Joint Chiefs, and his authority as regards those duties is as a coequal member only, no more.

5. The plan in no way affects the basic statutory responsibility of all four of the

Joint Chiefs of Staff—not just one of them—to be the principal military advisers to the President.

6. There is no enlargement of the size of the Joint Staff, set by law in 1949 at 210 members and remaining at that size under the plan.

7. There is no change in the statutory safeguards to protect the historic combatant functions of our famous fighting units, such as the Marine Corps and Naval Aviation.

8. There is no change in the statutory requirement that the three military departments be separately administered.

In short, I believe you will agree that the possible dangers involved in allowing this plan to go into effect are less from the standpoint of our overall security than the dangers involved in defeating the plan and allowing things to go along as they have been in the past. Therefore, I shall vote against the disapproving resolution.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. FOUNTAIN].

Mr. FOUNTAIN. Mr. Chairman, I would like to say at the outset that whatever may be the outcome of the debate on this particular resolution disapproving Reorganization Plan No. 6, I, for one, am happy that the committee saw fit to give the Members of this body the opportunity of debating and voting upon this far-reaching legislation. The chairman of the Committee on Armed Services admitted that it is legislation which affects the welfare of our Nation.

I would not be so presumptuous as to feel that in standing here at this moment I can influence any one of you; that is not my purpose. It so happened that as a Member of this body I was appointed to the Committee on Government Operations; and on that committee I had the opportunity, the privilege and the responsibility of serving as one of the jurors and one of the judges in listening to the evidence which was presented to us relative to reorganization plan No. 6, so that we in turn, individually and collectively might make our respective recommendations as to what we thought to be best. As someone has already said, I would not under any circumstances, after 6 months in Congress, attempt to pose as an expert on anything. I did not tell the people who elected me that I was an expert on anything. I would like to become one, however. They sent me here to do my duty as I see it and as I believe they see it; and I feel deeply about this grant of power to the military. I would like to say with reference to the charts which were presented here that I am oftentimes amused when I look at charts. For about 2 of the 4 years that I served in the Army I had the responsibility of supervising, passing upon and oftentimes preparing charts of functions and responsibilities. I say to you in practically all of those cases where we were reorganizing various military organizations, the major purpose of many of those who were participating in the reorganization process was to draw up an outline of functions and duties which would enable the military establishment in question to have more personnel, both civilian and military, and ultimately to enable men from top to bottom, especially top, to be promoted to higher grades and to have more power. That has frequently been the practice and the experience in military establishments and unfortunately, it seems to have been and is continuing to be the experience in civilian establishments of Government.

I have high respect for the members of the Armed Services Committee. I know that they have studied the problems relating to our Military Establishment and I know that any recommendations they make, either individually or collectively, they make in all sincerity. However, they, themselves, differ on the questions confronting us today. I also have a high regard for the Reorganization Act of 1949, its letter, its spirit, and its intent. I supported extension of the Reorganization Act of 1949. As a new Member of Congress, I did so believing that the President of the United States would submit something which we could study and pass upon in such a manner that if we did not like it, we could reject it, and say to the President: Mr. President, we do not like your plan or this particular provision of your plan. We know we cannot amend it, but we have rejected it so that you may have the privilege of submitting to us another plan, a new one, or one containing that which we do approve.

Unfortunately, it appears that the Reorganization Act is frequently a media by which whatever party may be in power has the opportunity to legislate and to legislate with ease and to take from us the responsibility which is ours.

I would like to reemphasize a couple of the provisions of this plan heretofore referred to as subsections (c) and (d) of section 1. This plan gives to the Secretary of Defense all of the authority he wants or needs, just as previous plans have given to other Secretaries all and more authority than they needed, without the enactment of subsections (c) and (d). The distinguished gentleman from Ohio [Mr. BROWN], a member of the Committee on Government Operations, said that we either reject the plan or we accept it. Is that what we are sent here for? Are we to swallow everything, hook, line, and sinker, because the President of the United States, for whom we all have high regard and respect, submits it to us? After all, he is a human being. He can make mistakes. The office is a sacred trust, but the man is a human being like each and every one of us here. The mere fact that we have been elected to Congress and he has been elected President of the United States does not mean that he is, or that we are, endowed with omnipotence and that regardless of what he submits we should accept it and accept it merely because the President submitted it.

Section (c) reads as follows:

> The selection of the members of the Joint Staff by the Joint Chiefs of Staff, and their tenure, shall be subject to the approval of the Chairman of the Joint Chiefs of Staff.

Practically every individual who appears before our committee and testified against sections (c) and (d) said that so far as they were concerned, to be able to hire and to fire means the ability to boss. The Chairman will be boss—a military boss.

The Joint Staff, Mr. Chairman, is the working group and planning group of the Joint Chiefs of Staff; yet by the provisions here indicated we are authorizing the Chairman of the Joint Chiefs of Staff to take out from under the Joint Chiefs of Staff and to manage their working group—the Joint Staff.

The next section, section (d), states:

> The functions of the Joint Chiefs of Staff with respect to managing the Joint Staff and the Director thereof are hereby transferred to the Chairman of the Joint Chiefs of Staff.

Much has been said as to what the word "manage" means. I would like to tell you what Webster's International Dictionary says about "manage." Among the generally accepted of many definitions, we have the following:

> To control and direct, to handle successfully or to cope with; to conduct, to guide, to administer, to work upon.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from California.

Mr. HOLIFIELD. I would say to the gentleman that a policy is decided upon by joint consultation between the Chiefs of Staff. Once that policy is decided upon it is up to the Chairman of the Joint Chiefs to carry that policy out, to see that it is carried out. He then refers that policy to the Joint Staff and instructs them to work together.

Mr. FOUNTAIN. If the gentleman will ask a question, I will be glad to answer it.

Mr. HOLIFIELD. Is it not true that the Chairman of the Joint Staff is the executive to carry out the wishes of the whole Joint Chiefs of Staff?

Mr. FOUNTAIN. I do not disagree with what you say, but I am saying, as has been said repeatedly on the floor today, by placing the Chairman in this position we are opening the door, we are laying the foundation for the Chairman to dictate military policy which may become dangerous to this Nation.

Let me continue with definitions of the word "manage": "to bring about by contriving; to contrive; to achieve one's purpose; to get on or along; to render and to keep one submissive."

Regardless of what the policy may be, these are some of the definitions of the word "manage." If I place one in charge of my business and he is given the authority to manage it, I believe I know what I have in mind and what you would have in mind.

Now, as I said, I sat as one of the jurors and judges on this committee. I listened to the evidence and I was impressed by the testimony of such outstanding men as Mr. Ferdinand Eberstadt, the former chairman of the Hoover Commission task force, one of the most brilliant men I ever heard testify, and who has studied and studied this plan thoroughly. He has been called upon repeatedly to study the Military Establishment of this Nation. When the gentleman from Massachusetts [Mr. MCCORMACK] asked him if

the President or the Secretary of Defense did not have the authority to remove a chairman, I turned and asked Mr. Eberstadt if it was not possible that the damage could be done before he was removed, and he said, "That is the thing I am afraid of."

I listened to such men as Gen. Robert Wood Johnson, Chairman of the Board of Johnson and Johnson; Thomas K. Finletter, former Secretary of Air; Adm. Charles M. Cooke, Jr., United States Navy, retired; Maj. Gen. Merritt A. Edson, United States Marine Corps, retired; Adm. Richard S. Edwards, United States Navy, retired; Omar B. Ketchum, director, national legislative service, Veterans of Foreign Wars of the United States; and Fleet Adm. William L. Leahy, President Roosevelt's Chief of Staff during World War II. All of them gave clear, cogent and convincing reasons why subsection (c) and (d) should not be adopted.

I listened to these people, and as a result of my own personal experience in the Army and my study of their testimony, which was far more convincing to me than the testimony of those who are playing on the team, I reached my conclusions.

Is there anything wrong in asking the President to send us another plan? Is there anything sacred about a proposal submitted by the President? Even assuming for purposes of argument that the plan in and of itself will not bring to pass the things which have been described here on this floor today, the results we fear, can you afford to take the chance when you can so easily pass this resolution thereby expressing disapproval of subsection (c) and (d), and permit the President to return to us—or to permit us by legislation—to enact everything else in the plan, which gives the Secretary of Defense all of the authority, and probably more than he needs, authority analogous to that which other secretaries now have? It seems to me that we are called upon to pass judgment upon a very important matter. I believe it is our duty as Members of this House to look upon this legislation not as something proposed by any person, but as legislation which may well affect the destiny and the future welfare of this Nation. I say to you, if from day to day we do our duty as we see it without regard to party affiliation, we may one day come to the time in the history of this Nation and of the world, when all governments will be sustained by law and regulated and supported by established constitutions and established systems of jurisprudence, and when reason shall strike from the hand of force the sword of hate and pluck from the heart of war the germ of greed; and when love, liberty, and justice will march up and down the nations of the earth, finding and building their places in the hearts of men, and when all tongues and all nations, awakened to hope by the inspiration of our example will follow with the march of years the luminous pathway that leads to a destiny, beyond the reach of vision, but within the providence of a God of love, a God of justice, and a God of understanding.

As I said about Reorganization Plan No. 2, relating to the Department of Agriculture, I say here about subsection (c) and (d) of section 1. They may not bring disaster, but it is about the last step necessary to enable would-be dictators of the future to bring such a result to pass. Continued centralization of power in the hands of a few people may well some day deliver us into the hands of a dictator.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. McDONOUGH].

Mr. McDONOUGH. Mr. Chairman, there has been so much said on both sides of this question that there is very little that can be added to it at this time, so much theory as to what will happen if the plan goes into effect, and so much discussion about the inefficiency of the present organization of the Department of Defense and the Joint Chiefs of Staff.

I think in the limited time I have I will read from the hearings some 8 points which I think describe the purpose and intention of the plan, the limitations on the new Chairman of the Joint Chiefs of Staff, and, to my mind, exactly what the plan will do:

1. The Chairman may not assert any command power, either over his own parent service or over the Joint Chiefs of Staff. He had no such powers under the law. He gets none here. There is a specific provision of law which says he cannot get them.

2. The Chairman moves to no new position of eminence on the Joint Chiefs. The 1949 law said he has no vote. He gets none here. His status remains that of a coequal member.

3. There is no diminution of the civilian control over him. He remains in exactly the same relationship to the Secretary, the National Security Council, the President, and the Congress, as the Congress established for him in the 1949 law.

4. The plan in no way affects the Chairman in any of the statutory functions of the Joint Chiefs of Staff. They remain responsibilities of all four of the Joint Chiefs, and his authority as regards these duties is as a coequal member only, and no more.

5. The plan in no way affects the basic statutory responsibility of all four of the Joint Chiefs of Staff—not just one of them—to be the principal military advisers to the President.

6. There is no enlargement of the size of the Joint Staff, set by law in 1949 at 210 members and remaining at that size under the plan.

7. There is no change in the statutory safeguards to protect the historic combatant functions of our famous fighting units, such as the Marine Corps and Naval Aviation.

8. There is no change in the statutory requirement that the three military departments be separately administered.

In short, Reorganization Plan No. 6 as submitted by the President is a carefully worked out plan to improve the management of two important segments of the great Defense Establishment. First, it proposes to permit the Secretary of Defense to streamline the internal business and managerial organization of the Department to achieve economy and efficiency—

I am sure we will all agree that that is necessary—

and, second, it is designed to improve vital national defense planning by removing administrative detail from the Joint Chiefs of Staff and permitting more efficient supervision and operation of the small staff assisting the Joint Chiefs of Staff.

I think if we read these 8 points as they are outlined in the hearings, if we study them, if we consider the arguments that have been made against this plan, that we may have an imperial German staff here, which is certainly ridiculous, for the reason that no such staff could be established in a democracy, we will decide that the plan should go into effect. Those things cannot happen in this country. There is no reason to believe it will happen under this plan, and I recommend the support of the plan. I believe that the 8 points on pages 20 and 21 of the hearings, if you will study them, will convince you that the plan should be supported.

We as Members of Congress know that if any Chairman of the Joint Chiefs of Staff attempted to misuse the limited authority in this plan it would be only a matter of days before a full-scale congressional investigation of such abuse of power would be started and corrected. The Congress is not abdicating its powers and authorities by adopting this Reorganization Plan No. 6; we still have control and if experience proves that it does not work out to the benefit of the best welfare and defense of the Nation, we can correct it. I urge the adoption of this plan as recommended by the President.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 10 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mr. DAWSON of Illinois. Mr. Chairman, may I call to the attention of the gentleman from Michigan that that consumes the time he has for those who are opposed to the plan.

The CHAIRMAN. Let the Chair state that that will make the 1 hour and 30 minutes for those who favor the plan or are against the resolution.

Mr. HOFFMAN of Michigan. Do I understand under that rule then, Mr. Chairman, that the gentlewoman from New York [Mrs. ST. GEORGE] may not speak?

The CHAIRMAN. The gentlewoman may proceed.

Mr. HOFFMAN of Michigan. I thank the chairman for his indulgence. I realize that those who favor the plan have consumed far more than their allotted time.

Mrs. ST. GEORGE. Mr. Chairman, I rise in support of Reorganization Plan No. 6. I do so for a variety of reasons. I was very glad it has been stated so clearly on the floor because it is absolutely true—that we heard exhaustive testimony for and against the plan in the Committee on Government Operations. It is also true, and has been well expressed, that this plan must be voted for in its entirety or rejected in its entirety. There is no other possibility or alternative. Nevertheless there are only two points at issue in the plan. They are subsections (c) and (d) which relate to the selection of a Chairman of the Joint Chiefs of Staff and his new powers. It seems to me a great deal has been made of the alleged dangers inherent in the appointment of such an official. I cannot see that we have too much to worry about. First of all, the idea has been sent down to us by experts in military affairs.

Certainly, I would not have the temerity to put my judgment against theirs. It seems to me the whole idea was to strengthen the unification plan which most of us will admit has not worked too well so far. When you have the Joint Chiefs, each representing the three different branches of the service, it seems very obvious that something must be done to coordinate and bring together those three branches of the service so that they may work as a unit. Therefore, this Chairman of the Joint Chiefs should do this very thing. As a matter of fact, it seems to me that he is not going to have power enough. His term of office will only be 2 years and certainly those of us who sit in the Halls of Congress know that a 2-year term is very short indeed to accomplish much. The Chairman is also only allowed one more term, therefore, he only has 4 years to accomplish the things that have been mentioned.

Mr. McDONOUGH. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield.

Mr. McDONOUGH. He can only be reappointed in the event of a national emergency or if we are at war. He cannot serve a second term.

Mrs. ST. GEORGE. I think he can be reappointed once; am I not correct?

Mr. JUDD. In time of war he could be reappointed indefinitely.

Mrs. ST. GEORGE. That is in time of war—the gentleman is quite correct—but in times of peace, to which I am alluding, he can be reappointed only once. In other words, he can serve for 4 years, which I think we will all agree is a very short time, indeed, and certainly not long enough to take over and build up a monolithic organization.

Mr. Chairman, a great deal has been said on the floor of the House about the German or Prussian general staff. I think perhaps we do not know too much about it. One thing, however, I would like to say: The Prussian or German general staff worked very well from a military angle. It did not work well for long and that was only for one reason. It failed for the first time in World War I and collapsed completely in World War II. The reason for that is that it was interfered with by civilians who were trying to play at military command. The first was Kaiser Wilhelm and the second was Adolf Hitler. The Prussian general staff system was inaugurated and was, in fact, the brain child of General von Moltke, who was born a Dane. He came into Prussia and organized their army, fought a victorious war against Austria in 1864, which began the rise of the Prussian power. After 1870 the first Hohenzollern was crowned Emperor of Germany in the Hall of Mirrors at Versailles. This was the final triumph and the greatest triumph of the German general staff. The reason they were able to accomplish these things at that time was that the then German Emperor did not interfere with them. He admitted that he was not a military man and that he was simply window dressing for them. After that things changed and the German general staff then collapsed.

Of course we could not have anything like it in this country at the present time, and of course no such thing is contemplated. But when we go back, as we have also done here today, and talk about our Founding Fathers and what they would say and think and worry about, I think a lot of water has gone under the bridge. Of course, the Founding Fathers never contemplated that this country would become the greatest military power the world has ever seen. All we have to do is to go upstairs in the armed services rooms and look at the maps of the world today and see that our Armed Forces are scattered all over the universe, far more so than has ever been done by any other power in history. Certainly they did not contemplate that. Nor did they contemplate that we would be spending most of our money and the largest proportion of our budget on the Defense Department and on the military. So we have got to change our sights, and change our ideals from the ideals of the founding fathers, who contemplated simply an agrarian republic, with a militia, where the gun was kept in the closet or over the mantelpiece, and in time of danger every man took his musket and went out to defend the country. Those conditions are over forever. The military today is a highly specialized thing. It is a job for experts all down the line, and I doubt very much if any Member of Congress, even though well versed in military affairs, knows enough to be able to set themselves up as an authority in such matters. I am a little afraid that here in this country of ours we have seen what civilian meddling in military affairs can do. I think that very recently we suffered from just such a thing when war was declared in Korea, without any consultation, by a man who certainly was not a military expert. I think after that the war in Korea went from bad to worse for the same reason, because one of our greatest military men, who believed that when you went to war you went to war to win, was pulled out of his command by a man who was not a military expert.

So it seems to me, Mr. Chairman, that now that we are this great military power, and now that we are fighting and seem likely to fight all over the world whether we will it or not, sometimes I believe that if we discovered the way to the planet Mars we would be fighting there.

It seems to me I would rather have my children and grandchildren go to war under military experts, under generals who have been trained and trained methodically from the ground up, under people who understand the scientific use of atomic energy and atomic weapons. It seems to me I would feel happier than to think they were going to war in an army that is run a little bit like a town meeting. No; the days for that are over and done with, and whether we like the military or not we are committed to being under the military for some time to come.

Finally, when we were discussing this plan before the committee, Admiral Leahy appeared, as you have been told; and Admiral Leahy I thought made one of the very best contributions. He had not studied the plan very carefully, that was quite obvious. But he said one thing, and it was the last thing he said; he said: "After all, we have a President who is a great military mastermind. All I have to say is if the President of the United States wants this plan he should have it." And in my book that is the answer. President Eisenhower does want this plan, and we should give it to him.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. STAGGERS].

Mr. STAGGERS. Mr. Chairman, I think the question resolves down to a simple one. I feel that most everyone in the Congress wants the reorganization plan; but like the other day someone said after I made a little talk that there had been some dust thrown in their eyes. It all evolves down to just one thing—and I have heard all the arguments, whether subsections (c) and (d) of this one paragraph should be in this plan, and as to what they mean.

I am for the reorganization plan, but after I have heard all the debate I am against these two subsections. It has been said, again, that it is a case of take it or leave it. It just is not like that; it can go back down and the President can send it up again and the Rules Committee can act and the Congress can express its will without these controversial subsections.

I believe, too, from what I have heard and from what I know that the commander in chief has the power to do the things that this would stipulate. It has been said by men who I believe know that he does have that power without setting it forth in the bill.

Again it has been intimated that any of us who talk against any portion of the bill are condemning the military. That is not true. I have a high regard for the military men of this country and I think the majority of the men who serve in this Congress have likewise served in the military forces of the country, and we should be proud that we have so served.

You have heard statements read to the effect that former President Hoover has said that he is for the plan with the exception of subparagraphs (c) and (d). I would like to read to you what the Chief of the Task Force, Mr. Eberstadt, said himself: That he believed that the plan would be better without subparagraphs (c) and (d). There you have the statements of two men who had a great deal to do with it.

Here is the thing that perturbs me a lot—I would like to read just one thing that Admiral Davis said in answer to a question:

> Well, in simpler terms, the stupid are stubborn; and there is no place for stubborn people here.

He was talking about the Pentagon. Have we got to the point in America in our military system where we cannot brook opposition? We have men in America today who are trying to control thought in the churches, the schools, and other places. If we are going to have it in the military it is time this Congress wake up and do something about it. I agree with the distinguished chairman of the committee that this resolution should be voted upon affirmatively.

These two issues, if they are as controversial as appears, should be taken out. I think it is very unfortunate that an admiral who has been Chief of Staff would make a statement that there is no place over there for men who disagree. What kind of a place are we coming to in America if we cannot disagree? I was glad when a great and famous general here, who is a colleague of ours, made the statement that he did in regard to these two paragraphs.

Mr. Chairman, sometimes the efficient way is not the safest way. As my colleague from Florida [Mr. BENNETT], said, in a dictatorship we have efficiency, yes, because one man can say what is to be done. But it is not always the safe way when we delegate powers to others. We were elected by the people to serve our districts of the Nation. This matter has been bypassed by 12 men on the Rules Committee, and I do not intend for the Rules Committee to take over the authority of my district at any time. I was elected by my people to serve them and to express my views and to take part in whatever matters may be brought up.

I was very much interested in the 8 points that the gentleman from California read. But who promulgated those 8 points? The Deputy Secretary of Defense. Who sent him over there? Who is he serving? The Secretary of Defense. Do you think he could come over there and promulgate any other except what the Secretary of Defense wanted? No, indeed. He would not have his job tomorrow. I have nothing against the military, not at all. I think they are doing a good job. But we have set up these safeguards in our country where civilians shall be in command and this Congress should be in command as is provided in the Constitution.

May I say in closing that the Citizens Committee for Reorganization of the Executive Branch of Government is against these two sections of the reorganization plan.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. ARENDS] be permitted to extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. ARENDS. Mr. Chairman, as a member of the Committee on Armed Services, I have devoted long hours, attended several meetings, and participated in many discussions on the pending Reorganization Plan No. 6, designed to place the Defense Department on an efficient, economical basis.

I have discussed it with the President, particularly that feature of the plan relating to the Joint Chiefs of Staff. In fact, that I might be able to convey to you the President's views on the very questions in the minds of some of us, I wrote him and he very graciously responded.

I will not take the time to read this correspondence, but I will make it a part of these remarks.

The Department of Defense is the largest single department of Government. Funds annually appropriated for it constitute the largest single item in the budget. In these days of grave international uncertainty, when our national security is at stake, the Department of Defense operations and activities are of vital importance.

On that I think we are all agreed. I think we are also agreed that there is a crying need for a complete reorganization of the Defense Department. On several occasions and in innumerable instances our Committee on Armed Services, and others, have called attention to the inefficiency, the waste, and the extravagance in the operations of the Defense Department. And it has been impossible to fix direct responsibility for it.

One of the most notable and shocking examples is the ammunition shortage in Korea. The Senate Armed Services Committee which investigated this found that there had been an ammunition shortage for 2 years. Not only that. The committee reported that there was no way to fix direct responsibility for this deplorable state. The committee report states:

> The budgetary structure of the Department of Defense and the Department of the Army is in an intolerable state and the procurement system under the ordnance department of the armed services indicated unconscionable inefficiency, waste, and unbelievable redtape.

It is just such conditions as this that the pending reorganization plan seeks to correct. And I am convinced it will do it. It fixes direct lines of responsibility that the Secretary of the Defense can get things done quickly, efficiently, and with a minimum of cost.

There seems to be general agreement in that respect, both as to the great need for this plan and as to its merits. The only feature of the plan about which there has been some question is that relating to the Joint Chiefs of Staff who do our military planning. I am frank to say that this feature concerned me, and I expressed this concern to the President personally and in writing. I have his emphatic assurances that the only purpose of vesting authority in the Chairman of the Joint Chiefs of Staff to remove from the Joint Staff, who serve under the Joint Chiefs, any officer he finds unsatisfactory for administrative management purposes.

Nonetheless, I can well understand the fears and anxieties that have been expressed on this feature. I personally would have preferred that this particular item not have been included in the plan. But I am only one individual Member of Congress and one individual member of the Armed Services Committee. Under the rules of the House, the Committee on Armed Services had no official jurisdiction over the plan. It was referred to the Committee on Government Operations. The chairman of our committee [Mr. SHORT], as well as the ranking minority member [Mr. VINSON], both of whom are experts on defense matters, have studied it and have expressed themselves as seeing no objection to the Joint Chiefs of Staff feature.

Because of this one feature being in the plan, I cannot vote to reject the whole plan. I cannot vote against something because it is only ninety-nine and forty-four one-hundredths-percent pure, so to speak. It embodies so many good and constructive necessary features. There is too great a need for the Defense Department overall reorganization that the plan would effectuate, that we may get a dollar's worth of defense for each dollar expended, for me to vote against reorganization in its entirety. I am, therefore, obliged to vote against the pending resolution to set the plan aside.

I am obliged to vote that the plan will go into effect. I want to add that, insofar as I personally am concerned, and I believe the entire membership of the Armed Services Committee will join me, there will be a continuing examination of just how the authority of the Chairman of the Joint Chiefs of Staff is exercised. Whenever anyone has reason to believe that the authority is being abused, our committee will, I can assure you, immediately look into the situation and take whatever corrective steps need be taken.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., May 20, 1953.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: From my personal discussions with you relative to the proposed reorganization of the Department of Defense, you know how deeply disturbed I have been with respect to section 1 of Reorganization Plan No. 6 of 1953, pertaining to the organization of the Joint Chiefs of Staff, particularly with respect to the authority to be vested in the Chairman.

I was greatly relieved to hear you state at the time of our weekly legislative conference that the item in question was solely for efficient management of the Joints Chiefs of Staff organization. I do find, however, some concern of it among some of my colleagues, particularly those serving with me on the Committee on Armed Services.

If you feel you can do so, it would be greatly appreciated by me if you would give me your view on the following questions. These are questions in the minds of a number of us.

Is it your belief that the proposed changes in the Joint Chiefs of Staff organization under the plan will contribute in any way toward a single military command—meaning by that a single chief of staff over all the Armed Forces?

Does the proposal in any way represent a step toward our having an overall Armed Forces General Staff comparable to the Prussian General Staff system?

Does the proposal contribute in any way toward diminishing the role of the chiefs of the respective services?

Does it weaken in any way the present statutory requirements for a separate administration of the respective military departments?

Does the proposed plan enable us to have more civilian or military control over our defense establishment?

Having your views on these points will mean much to me, and to some of my colleagues, toward making a proper evaluation of this feature of the plan.

Your selection of Admiral Radford to be Chairman of the Joint Chiefs of Staff impresses me as an outstanding choice. You may recall that I previously mentioned to you that I hoped he would be your choice for this assignment.

Sincerely yours,

L. C. ARENDS.

THE WHITE HOUSE,
Washington, May 25, 1953.

Hon. LESLIE C. ARENDS,
House of Representatives,
Washington, D. C.

DEAR LES: Thank you for your thoughtful letter. I have lived through most of the struggle for unification of the services and know, from firsthand experience, of the misgivings some Members of Congress have had in respect to service merger and its alleged concomitants, a single military chief over all the Armed Forces and an overall general staff system with command powers. I therefore welcome the opportunity to make clear just what is and is not intended by the new defense reorganization plan now awaiting congressional approval.

I suggest this initial thought to your colleagues, for it is basic to this entire problem.

The defense structure is wholly dominated—as indeed it should be—by civilian authority. This is a legal fact. It is also an administrative fact.

You will recall that under the law, as the Congress amended it 4 years ago, the Defense Secretary was given "direction, authority and control" over the entire organization, and specifically, "direction and authority" over the Joint Chiefs of Staff as a group and over their chairman individually. In addition, the Secretary of Defense, prohibited by law from being a military man, is designated by statute as the President's principal assistant on all matters relating to this Department of the Government.

Moreover, the President's relationship to all elements of the Department, military and civilian, is one of direct command, so that his control over the military, as that of the Secretary and superseding his, is untrammeled within the terms of the Constitution and the law.

I need hardly to add what the power of the Congress over the defense establishment, exercised through appropriations, statutes, investigations and congressional hearings, exists under our system at all times, and this certainly is not an idle, irresponsible thing easily subjected to the domination of the military or any other element of the executive branch.

Frankly, with such a panoply of civilian authority reigning over any would-be military chieftain in the Pentagon, there appears to me to be no reasonable ground for concern that any military person would be able to function in an arbitrary, violent manner, endangering the foundations of unification as firmly established by act of Congress, as conscientiously administered by the President and Secretary of Defense, operating at all times under the scrutiny of the Congress.

Even, however, were such an outcome a possibility despite these clear-cut civilian controls over all defense activities, I think any fair appraisal of the reorganization plan will quickly reveal that the plan cannot conceivably accomplish such an end. The plan does not give the Chairman of the Joint Chiefs of Staff command powers over the other three members of that body; it does not give him a vote in their proceedings; it does not equip him with a large general staff with command functions; it does not dilute the civilian authority over him; it does not arrogate to him the military planning duties vested by law in all four members of the Joint Chiefs of Staff; it does not make him alone the principal military adviser to the Secretary of Defense, the National Security Council and the President, this duty remaining in all four members of the Joint Chiefs of Staff as prescribed by law. Neither does the plan greatly enlarge the Joint Staff—the essential prerequisite to the establishment of the overall general staff (which is also specifically forbidden by the law) nor does the plan remove the statutory injunction that the three military departments be separately administered.

In short, just as not one of the prerequisites for the single military commander with a superstaff exists today, so none can exist or be established under the proposed reorganization. I wish to add that it is certainly not my intention that such occur. Neither, I assure you, is it contemplated by anyone in authority in the executive branch.

The Reorganization plan, in my judgment, will improve the efficiency of the Defense Department and will also make it possible for the Joint Chiefs of Staff to devote more of their time to their fundamental and grave responsibilities. For these reasons, I am very hopeful that Congress will soon approve it.

I well recall your strong endorsement of Admiral Radford for the post of Chairman of the Joint Chiefs of Staff and, of course, am gratified, as I am sure he will be, to know of your approval of his nomination.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. JACKSON].

Mr. JACKSON. Mr. Chairman, I had not intended to take any time and I still hesitate to do so at this late hour; however, I feel that in all justice I should express not only my own personal concern with respect to sections (c) and (d) of this bill but also express the concern of many people in my own district who have written in to urge me to oppose the pending measure.

I favor the plan in general and except for the two provisions which have been debated here at such great length today. However, I agree with the speakers who have deplored this practice of taking a legislative device in full or rejecting it in full, without an oportunity to amend it or change it in any way.

Whatever happens with respect to the measure, one thing is certain. This full and complete debate today is a healthy thing and will serve to reassure the people of this Nation and reassure the military authorities that the Congress of the United States is still determined upon civilian control of the military, as we have known it traditionally.

I should like to say also that in my opposition to the plan—and it is my intention to vote against it—I certainly would not want any implication to be drawn that I consider President Eisenhower to be a man on a white horse with pretensions to the seizure of added powers. I feel that in sending this plan to us he has offered it in sincerity and out of deep conviction. Neither do I feel that we have anything to fear from the military and naval men in whose hands this Nation's defense rests at the present time. I stress "at the present time." We are here debating a legislative measure for the future as well as for the present. We do not have the ability to look into the future and see what may occur in the years to come, and we must constantly be on the alert to insure that what is good for today will be equally sound in the future.

I cannot agree, and it is very seldom that I disagree, with the distinguished gentlewoman from New York [Mrs. ST. GEORGE] for whom I have tremendous admiration, in the idea that simply because the military says that a thing is right, that we, in the legislative branch, should therefore and thereafter cease to have any interest in it. If the military is always correct, then the first thing we can do is abolish the Subcommittees on Appropriations for the Armed Services and give the departments everything they want in the way of appropriations.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentlewoman from New York.

Mrs. ST. GEORGE. I did not mean that we should not take an interest, but I do say that we should submit, perhaps, some of our preconceived notions to the judgment of experts when it comes to judging a matter such as this. I certainly, for my part—and I am not speaking for anyone else—would not put my judgment up against the judgment of President Eisenhower in military matters. I would be glad to put it up against him in a great many political matters.

Mr. JACKSON. I will say to the gentlewoman that this House, following the recommendation of the representatives of the Joint Chiefs of Staff in June 1949, embarked upon a course of tragic consequence in Korea. I do not say, certainly, that any one of us is qualified to debate military tactics or military strategy with those whose profession is the art of battle. However, I do not feel that we should set aside our legislative prerogatives in any instance, even though it may involve a matter of overall general policy.

One other point I should like to make and that is the matter of military and naval officers coming to the Congress of the United States when their honest convictions have been overruled elsewhere. It has been said here today that they are entitled to take such action. But, we know what happens to military and naval officers who have the temerity to come before the Congress of the United States to give an opinion or express an honest conviction which may not conform to that generally held by their superiors. The first thing that happens, and that at the earliest possible moment is that the officer concerned finds his career finished and himself retired. Let us not feel that we are going to in the future receive any more objective opinions from the military than we have in the past. Where prescribed policy and personal convictions clash in the military man, conviction is more often than not the ultimate fatality.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Iowa.

Mr. GROSS. Did the Congress come to the defense and protection of Admiral Denfeld when he was rooted out of the Navy for coming to Congress and testifying?

Mr. JACKSON. I can say, in general, that since I have had the honor to be a Member of the House of Representatives, that I know of no occasion when the Congress has come to the defense of an officer of the Army or the Navy who, in good conscience, and out of deep conviction, has come before the House or

before a committee of the House to tell the House what he thought about some actions or failure to act which he considered inimical to the best interests of his country. I think that the House and the Congress has been derelict in not standing behind the men who have had the courage to tell us what they thought, and to suggest other and alternate courses of action for consideration and debate.

Mr. GROSS. I want to compliment the gentleman on his statement and say that it appears that one of our brass hats has to be retired before he can protect himself in his own right to testify before Congress.

Mr. JACKSON. I would say to the gentleman, if he reads the report on this measure he will find that those who appeared in opposition to this plan are all retired. It appears that only in retirement do military and naval officers of flag rank dare lift their voices in opposition to what has been previously decided upon as doctrine and policy. An honest difference of opinion, it would appear, takes on the aspect of conspiracy to mutiny. No one can blame the career officer who permits himself to be muzzled, but one can admire the courage of one brave enough to speak out in protest when silence on his part may well be measured in terms of human blood.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARENDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 295) declaring that the House of Representatives does not favor the Reorganization Plan No. 6 transmitted to Congress by the President on April 30, 1953, had come to no resolution thereon.

PERMISSION TO REVISE AND EXTEND REMARKS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that all Members who have spoken today on House Resolution 295 be permitted to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDERS GRANTED

Mr. SMITH of Wisconsin asked and was given permission to address the House for 30 minutes on Monday next, following the legislative program and any special orders heretofore entered.

Mr. PATMAN asked and was given permission to address the House for 15 minutes on Monday and Tuesday next, following the legislative program and any special orders heretofore entered.

PARLIAMENTARY INQUIRY

Mr. CONDON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONDON. Mr. Speaker, at what hour is it planned to take a vote on House Resolution 295?

The SPEAKER. When debate on the resolution is concluded.

Mr. CONDON. Will that be tomorrow?

The SPEAKER. Tomorrow.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed the following resolution (S. Res. 122):

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. Willis Smith, late a Senator from the State of North Carolina.

Resolved, That the President of the Senate and 25 Senators, the latter to be appointed by the Presiding Officer of the Senate, be constituted a committee to attend the funeral of the deceased.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit a copy thereof to the family of the deceased.

Resolved, That, as a further mark of respect to the memory of the deceased, the Senate do now adjourn until 10 o'clock antemeridian tomorrow.

PERSONAL ANNOUNCEMENT

Mr. BENDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BENDER. Mr. Speaker, I have made arrangements for an engagement out of town tomorrow. I was under the impression that we were going to vote on House Resolution 295 this evening. Under the circumstances, if I can arrange to cancel my engagement and be here tomorrow, I will do so. However, in the event that is impossible, I want to have the RECORD show that I am for Reorganization Plan No. 6 and against House Resolution 295.

LEGISLATIVE PROGRAM

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, I have asked for this time in order to ask the majority leader what the House might expect to come up for consideration tomorrow, after we finish consideration of this resolution.

Mr. HALLECK. May I say to the gentleman first of all in explanation of the present situation, I had hoped the debate on the reorganization plan resolution would be terminated earlier than this. But it was apparent there was about an hour's time left, and it was stated to me that a rollcall would be had on it. I had said earlier, we had hoped we could move along here so as to close at a reasonable hour, and if we were to complete the other business we contemplated taking care of if we were to go over until Monday. But the conference report which the gentleman from Kansas [Mr. REES] is handling would have to be disposed of. Likewise, there is a housing bill from the Committee on Banking and Currency to which I previously referred. The chairman of the committee now tells me he has another bill, H. R. 1376, which he hopes to get up tomorrow in respect to which he does not expect a great deal of controversy. Of course, everyone understands some Members have engagements for this evening and for tomorrow. I am sorry we cannot adjust to the convenience of everyone. The gentleman from Kansas [Mr. REES] is particularly disturbed that his conference report cannot be disposed of this afternoon. I do not know how long it would take. I had heard there might be two rollcalls and a great deal of controversy on it. But in any event, since it is apparent we are close to the end of the fiscal year and many of these deadlines are approaching, these matters must be disposed of.

Mr. PRIEST. May I ask the majority leader if it is planned to meet at an early hour tomorrow or at the regular time.

Mr. HALLECK. No; I do not think it is necessary to come in at an early hour.

Mr. PRIEST. Then we will proceed with the resolution on the armed services reorganization and then take up the conference report from the Committee on Post Office and Civil Service, and then the two bills from the Committee on Banking and Currency?

Mr. HALLECK. Yes; that is the bill which I originally mentioned and another bill.

Mr. PRIEST. May I inquire if it is contemplated there will be any further legislative program for today?

Mr. HALLECK. The gentleman from Kansas [Mr. REES] is seeking recognition.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. REES of Kansas. Of course, if the leadership of the House and the Speaker feel that we should not take up this conference report, there is nothing I can do except to acquiesce. I do have the feeling since we gave precedence to other legislation all day yesterday and all today, that we have been pushed aside with respect to this matter. Of course, I am going to comply. I must comply with the wishes of the leadership of the House.

I did have the hope and the feeling that we could dispose of this conference report yesterday.

Mr. HALLECK. Mr. Speaker, will the gentleman from Tennessee yield to me?

Mr. PRIEST. I am very glad to yield to the gentleman from Indiana.

Mr. HALLECK. Does the gentleman have any information on his side as to how much time would be needed in order to dispose of this conference report?

Mr. PRIEST. I am sorry, I am not able at this moment to answer that question; I shall seek to determine.

Mr. HALLECK. I wonder if the gentleman would undertake to find out. If it could be disposed of in a few minutes, the gentleman from Kansas [Mr. REES] has been pressing for action. It has

been nobody's fault that it has not been acted on. We have just had other matters that have pressed us for consideration.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. HOFFMAN of Michigan. To assist, perhaps, in formulating the legislative program for the coming week, I might call attention to the fact that Reorganization Plans 7 and 8 are being considered by a subcommittee of the Committee on Government Operations, under the leadership of Mr. BROWNSON. I understand from what the gentleman said today that he will have a report ready and that debate will be limited to the shortest possible time. I hope the leadership will remember that, so that we can get it out of the way and it will not be in their hair the rest of the session.

Mr. HALLECK. May I ask the gentleman, What is the deadline on those plans?

Mr. HOFFMAN of Michigan. I do not remember exactly.

Mr. PRIEST. While I still have the floor, may I say to the gentleman from Indiana, the Majority Leader, that I am unable to determine at this time how much time may be required on this side on the conference report; and, as reluctant as I am to suggest that it may go over, if the House is to be in session tomorrow, I feel that under the circumstances it might be just as well that we go over with that conference to tomorrow.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, since it is apparent that we will have to be in session tomorrow, and since the gentleman from Michigan [Mr. HOFFMAN] has made his suggestion about additional reorganization plans, I would like to say to him, and for the membership, with respect to the program for next week which will properly be announced tomorrow, that we do hope to start the consideration of the appropriation bill for the armed services on Wednesday, hoping to come in at 10 o'clock to start, and hoping, by coming in at 10 o'clock on Thursday, to conclude the consideration of that appropriation bill by Thursday evening of next week, that being the Thursday evening before the 4th of July, in which date many Members are interested. So, if those reorganization matters could come on after that week it would certainly facilitate the work in the House.

Mr. PRIEST. As we are talking about the program for next week, it is the intention, I understand, to bring up on Monday the excess-profits tax extension?

Mr. HALLECK. That is our present intention.

Mr. PRIEST. One further question, if I might ask it of the gentleman from Indiana at this time. Since it does appear that we will have a Saturday session, I feel that many Members would prefer to come in at an early hour in order to finish, since we have to be in session, and it would not interfere with committee meetings, because they are not scheduled for Saturday morning; I was just going to suggest to the gentleman the possibility of coming in at 10 or 11 o'clock, in order that we might get out earlier Saturday afternoon.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

The SPEAKER. Is there objection? There was no objection.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection? There was no objection.

Mr. HALLECK. I might say to the gentleman from Texas that the gentleman from Kansas would like to call up his conference report this evening if it could be disposed of in a little while, say 10 or 15 minutes at the outside. I know it would very much suit his convenience. Could the gentleman from Texas give us any idea about how much time it would take?

Mr. THOMAS. I may say to the majority leader that under the rule we have 1 hour on the conference report, and I think there will be the need for time in excess of the hour. I imagine there will be a record vote; so I would say it would take an hour and 45 minutes or an hour and 30 minutes.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. REES of Kansas. There have not been many requests for time that have come to my attention. The gentleman from Texas suggested that he would be through in 8 minutes and we do not have requests for much time on our side; we have some, of course, and we want to explain the conference report. Of course if the gentleman is going to insist on a rollcall that is a different matter. He certainly has that right, I understand that.

Mr. THOMAS. If it is sent back to conference on a teller vote, of course, I am not going to ask for a rollcall, but if it is not I am going to ask for one; and I say I am speaking I think for Members on both sides of the aisle; there is nothing partisan about the matter.

SPECIAL ORDER GRANTED AND EXTENSION OF REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the special order I have for today may be vacated except for half a minute and that I may be granted that time tomorrow following the legislative program and other special orders heretofore entered.

Then, Mr. Speaker, I would like to insert as part of my remarks either today or tomorrow a description of the tornado and the remarkable work that was done by civil defense and the people of Worcester and other towns in that area to clear up the devastation left by that storm.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. REED of New York in nine instances, and in each case to include telegrams and other extraneous matter.

Mr. KILBURN (at the request of Mr. ARENDS) and to include extraneous matter.

Mr. HOSMER and to include extraneous matter.

Mr. YOUNG and to include remarks.

Mr. HILLELSON and to include extraneous matter.

Mr. KERSTEN of Wisconsin and to include extraneous matter.

Mr. BENTLEY in two instances and to include extraneous matter.

Mr. MORANO in two instances and to include extraneous matter.

Mr. SMITH of Wisconsin in five instances and to include extraneous matter.

Mr. VAN PELT and to include extraneous matter.

Mrs. ROGERS of Massachusetts and to include an article from the Boston Post and to include extraneous matter for six successive days.

Mr. LANE in three instances and to include extraneous matter.

Mr. MOULDER in two instances.

Mr. BOGGS and to include an editorial.

Mr. PERKINS and to include an editorial from the Louisville Courier-Journal entitled "Behind the Story That Others Pay for Cheap TVA Power."

Mr. METCALF and to include an article.

Mr. RHODES of Pennsylvania and to include an article.

Mr. DEANE and to include an address by Mr. LANTAFF.

Mr. REAMS.

Mr. RHODES of Arizona and to include an editorial.

Mr. RIVERS and to include two newspaper articles.

Mr. LECOMPTE and to include a resolution adopted by the Disabled American Veterans of Iowa.

Mr. HELLER (at the request of Mr. GREEN) and to include extraneous matter.

Mr. LATHAM (at the request of Mr. HALLECK).

Mr. KEARNEY (at the request of Mr. RIEHLMAN) and to include an editorial.

Mr. HOLT in two instances and to include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. TEAGUE, until July 6, 1953, on account of official business.

Mr. SHAFER, for an indefinite period, on account of illness in family.

Mr. HILLELSON, for June 26 through July 1, 1953, on account of official business.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the

following title, which was thereupon signed by the Speaker:

H. R. 3425. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes," approved May 21, 1951.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 694. An act to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes; and

S. 1839. An act to amend section 32 of the Fire and Casualty Act, so as to provide that an agent or solicitor may secure a license to solicit accident and health insurance in the District of Columbia under that act without taking the prescribed examination, if he is licensed under the Life Insurance Act.

THE LATE HONORABLE WILLIS SMITH

Mr. COOLEY. Mr. Speaker, I have a very sad message for Members of the House. In the quiet hours of the morning, at the Naval Medical Center at Bethesda, my most distinguished constituent passed away. The great soul of the junior Senator from North Carolina, Hon. WILLIS SMITH, winged its way beyond the twilight's purple vale to dwell in that blessed land behind the stars. His sudden death reminds us that "the wings of man's life are plumed with the feathers of death."

A few short hours ago he lived and loved and labored in the strength and vigor of health. By the magnificence of his life and the accomplishments of his labors he has endeared himself to a multitude of friends in this and in other lands. Now in the golden hour of his great life and at the very pinnacle of his career, he has been taken from us. Our State has sustained a great loss and our Nation has lost a great citizen. The dignity of truth and the majesty of justice directed the course of his life. He was courageous and incorruptible and ever fearless in the performance of every public trust. In every one of his assignments he has acquitted himself ably and well and with honor and distinction. From an humble beginning he rose to the heights of his ancient profession and was elected president of the American Bar Association. In this assignment he served with outstanding ability; he also served in the legislature of his native State and became speaker of the house of representatives and then gracefully retired to the practice of law and became the senior member of one of the leading law firms of our State. As a distinguished Member of the United States Senate, he has applied himself diligently, honestly, and courageously to the discharge of all of the duties of that high position. No one can ever say that he has ever yielded to the insidious appeals of political pressure. He was a man of convictions. He was fair and forthright and made up his own mind. When he believed that he was right, he stood steadfast and true to the convictions of his own conscience. He was devoted to the traditions of our Government, and in public office he has rendered a magnificent public service. The people of our Commonwealth owe him a debt of gratitude.

Mr. Speaker, I know that I speak the sentiments of all of the Members of the North Carolina delegation in Congress when I say that the news we received this morning was distressing and heartbreaking indeed. On behalf of my colleagues and from the depths of my own heart, I express our tenderest sympathies to his lovely wife, Dollie, to his charming daughter, and to his fine and manly sons, and to all of the members of the family circle. May God bless them and keep them, and may the divine light of Heaven guide and direct them in this their greatest hour of sorrow. They may be comforted by the thought that their loved one was a great citizen and a distinguished statesman and a true American in the real sense and meaning of that word.

Mr. DURHAM. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from North Carolina.

Mr. DURHAM. Mr. Speaker, we are again reminded of the price one pays for public life. In the past 5 years 5 men have come from our State to serve in the Senate. Three of those have passed away in that period. With the coming of the next Senator from North Carolina there will have been 6 men from our State to serve in that body in the space of 6 years. It is proof of the heavy responsibility one carries here in Congress during this critical period of our history. We are reminded today, when we look at WILLIS SMITH's life, what can happen here in America in the way of climbing to a pinnacle of prominence. WILLIS SMITH was an orphan boy. He rose to prominence through public life in his own State and has demonstrated here in the Halls of that great deliberative body at the other end of the Capitol that he was well qualified to serve his State and Nation. As has been said by my colleague, he was a man of strong convictions, one who did not deter when he once took a position.

I extend to his wife and daughter and his sons my deepest love and sympathy. We will miss him very much here in the Halls of Congress. I have lost a personal friend. May God bless his good wife.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Speaker, it can truly be said of WILLIS SMITH that he was a great American statesman. He was anchored strong and fast to the Constitution of this great country. To know him was to admire him. I join in the splendid remarks that have been made by my distinguished colleague, the gentleman from North Carolina [Mr. COOLEY], in the tribute he paid to Senator SMITH and I, too, express my deep sympathy to the Senator's family.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Speaker, I should like, with the permission of my friend and colleague, to associate myself in the remarks he has made on this sad occasion. I, too, have known WILLIS SMITH for many years, and while we were affiliated with different political parties, both of us believed in the same principles. I do not think WILLIS SMITH ever yielded to political expediency in his life. He courageously fought for the things that he believed in.

I join with my colleague in the beautiful tribute that has been paid by him this afternoon to the memory of our departed friend. I should like also to join in expressing my sincere condolences to the members of the family, the wife he leaves behind, and his lovely daughter and his fine sons in this hour of their deep bereavement. They have lost a husband and a father, but North Carolina has lost one of her noble sons and this country one of its great men.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. SHUFORD].

Mr. SHUFORD. Mr. Speaker, the news of the sudden death of the junior Senator of North Carolina, Hon. WILLIS SMITH, has been a great shock to me. He was beloved in his native State, and respected and honored by his colleagues and associates. He was a real friend of mine and his passing to the great beyond leaves a vacancy that cannot be filled.

I have long known WILLIS SMITH. In public life he was courageous and spoke forth his convictions with force and clarity.

In private life he was a devoted husband and father, loyal and unselfish with his friends, and understanding of the rights of his fellowman. Truly he was a Christian.

We will miss WILLIS SMITH. Our lives have been enriched by our association with him. My deepest sympathy goes out to his lovely wife and fine children.

Mr. COOLEY. I yield to the gentleman from North Carolina [Mr. DEANE].

Mr. DEANE. Mr. Speaker, I join with the dean of our delegation, Mr. COOLEY, in the beautiful tribute he has paid to our late junior Senator from North Carolina, WILLIS SMITH. The passing of our fellow North Carolinian brings sadness to the hearts of the many citizens of the Old North State here in the Nation's Capital. We all knew that Willis was seriously ill but felt that his strong and vigorous stamina would pull him through. His passing is further evidence of the terrific strain under which Members of Congress serve. In a real sense it can be said that his homegoing represents a supreme sacrifice in public service.

I would most sincerely share with the beloved family in their great loss.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. CHATHAM].

Mr. CHATHAM. Mr. Speaker, I extend my sympathy and my respects to the family of Senator SMITH.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. JONES].

Mr. JONES of North Carolina. Mr. Speaker, we have heard with profound regret and with deep sorrow of the passing of our friend and colleague, Hon. WILLIS SMITH, junior Senator from the State of North Carolina. Truly it can be said that he gave his life in the service of his country. Since becoming a Member of the United States Senate some 3 years ago, he has worked unceasingly for the good of our country and no one who knows of his labors would seriously doubt that these arduous duties have cost him his life. Without regard to his own personal comforts and physical well-being, he fought long and hard to preserve our American way of life.

He has had a long and successful career in both private and public service to the people of North Carolina and our Nation. He was an eminent lawyer rising to the exalted position of president of the American Bar Association. As Speaker of the North Carolina House of Representatives and as the junior Senator from the State of North Carolina, he rendered outstanding and courageous service in these public capacities. He shall long be remembered in North Carolina as an ardent defender and advocate of our American way of life.

The North Carolina delegation will miss him in the Halls of Congress. North Carolina has lost a great citizen and Senator and the Nation has lost a real statesman.

To his widow and children I extend my heartfelt sympathy.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. FOUNTAIN].

Mr. FOUNTAIN. Mr. Speaker, I would like to associate myself with the splendid tribute paid by my distinguished colleague, the gentleman from North Carolina [Mr. COOLEY] to the junior Senator from North Carolina, WILLIS SMITH, whom God has seen fit to take from our midst.

Just 2 weeks ago Senator SMITH and I had a lengthy conference designed to obtain relief for a large number of farmers in my district who sustained great losses during a hail storm. At that time, casually, we had a brief conversation about death and the fact that it is no respecter of persons. He was apparently in the best of health. He gave evidence of having a strong constitution because he worked hard, long and faithfully in behalf of the people of North Carolina.

I was naturally terribly shocked to learn of his serious illness and more greatly shocked to learn this morning that he had "slept away" while in the hospital. I do not believe I have ever had the opportunity of knowing well a Member of Congress who was more sincerely devoted to duty and to performance of service in behalf of the people of his State and nation. WILLIS SMITH was a great thinker. He had exceptionally keen ability to analyze given situations. In a short time in the United States Senate he won the praise, the admiration and the respect of his colleagues. He was a man with deep convictions. While human like all of us, he was a man who did what he thought was right and called the shots as he saw them, without regard to personal consequences or political expediency.

As the junior Senator from North Carolina, he rendered loyal, faithful and efficient service to the people of his State and Nation. The State of North Carolina and our Nation have sustained a great loss in his tragic passing. My deepest sympathy, thoughts and prayers are with his wife, his children and his other loved ones in this their hour of sorrow.

Amid all of the sadness of his passing, I would like to say to his family, and to all who experience similar situations, that, after all, death is a day of victory. Death is a day when the spirit of man travels into the life beyond where peace, happiness, love and understanding abide. May God be with his family and his friends during their bereavement.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. ALEXANDER].

Mr. ALEXANDER. Mr. Speaker, I wish to join with my colleagues in paying tribute to our beloved late Senator WILLIS SMITH, whose untimely passing has saddened the entire Congress of the United States.

I extend my heartfelt sympathy to Mrs. Smith and to his entire family.

I have known Senator SMITH for many years and considered him one of my true and stanch friends. His great public service to North Carolina and the Nation is inestimable. His death only emphasizes this fact since it is undoubtedly attributable to his devotion to duty and loyalty to the cause of freedom and constitutional government.

It can truly be said that Senator SMITH was a great North Carolinian, a great American, and a great statesman. I never knew him to vote for political expediency. He was a man of deep conviction and great courage and had an undying faith in the American way of life and constitutional government. It has been a real honor to me to have had the privilege of associating with him as a colleague in the public service of our country.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Speaker, it was my pleasure to know Senator SMITH ever since he came to serve in the Senate. We associated together quite a bit while we were at the Wardman Park and also during the winter season. I believe it was the Senator's intention to acquire a home at Ft. Lauderdale, Fla., after he retired from the United States Senate, and to spend the rest of his days there.

I regarded the Senator as a man of courage and sound judgment. He was a real public servant. I join the North Carolina delegation in paying tribute to him, and I should like to include the remarks of the gentleman of North Carolina [Mr. COOLEY] as part of mine, for he certainly paid our departed colleague a fine tribute. I extend my sympathy to the members of his family.

Mr. COOLEY. Mr. Speaker, I yield to the gentleman from Iowa [Mr. LECOMPTE].

Mr. LECOMPTE. Mr. Speaker, WILLIS SMITH was one of the sweetest and noblest characters I have ever known. If I may refer to my personal relationship with him, I lived in the same hotel, in an apartment almost adjoining his. We became very close and intimate friends from the day he came to Congress. I think he was one of the finest statesmen I have known in my service in Congress. He possessed not only unusual intelligence and foresight and ability to analyze a problem but he had the courage to stand up and vote for what he believed to be right. I have never known a finer example of American statesmanship than was represented by WILLIS SMITH. My heartfelt sympathy goes to his charming wife and his dear children.

Mr. COOLEY. Mr. Speaker, I offer a resolution (H. Res. 305).

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. WILLIS SMITH, a Senator of the United States from the State of North Carolina.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

Resolved, That a committee of 12 Members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following Members on the part of the House to attend the funeral: Messrs. COOLEY, BARDEN, DURHAM, BONNER, DEANE, CARLYLE, CHATHAM, JONES of North Carolina, ALEXANDER, FOUNTAIN, JONAS of North Carolina, and SHUFORD.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent that all Members who desire to do so may extend their remarks on the life, character, and service of the late Honorable WILLIS SMITH.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The SPEAKER. The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That is a further mark of respect to the memory of the deceased the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 5 o'clock and 37 minutes p. m.), under its previous order, the House adjourned until tomorrow, Saturday, June 27, 1953, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

809. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the

fiscal year 1954 in the amount of $240,000 for the Department of State (H. Doc. No. 201); to the Committee on Appropriations and ordered to be printed.

810. A letter from the Acting General Counsel, Office of the Secretary of Defense, transmitting a draft of a bill entitled, "A bill to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations"; to the Committee on Armed Services.

811. A letter from the Comptroller General of the United States, transmitting a report on the audit of the Puerto Rico Reconstruction Administration, for the fiscal year ended June 30, 1952, pursuant to the Budget and Accounting Act, 1921 (31 U. S. C. 53, 54), and the Accounting and Auditing Act of 1950 (31 U. S. C. 65); to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 2982. A bill to provide for the admission of Alaska into the Union; with amendment (Rept. No. 675). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLE of New York: Joint Committee on Atomic Energy. H. R. 4905. A bill to amend the Atomic Energy Act of 1946, as amended; with amendment (Rept. No. 676). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEATING: Committee on the Judiciary. House Joint Resolution 285. Joint resolution to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953; without amendment (Rept. No. 677). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee on Armed Services. H. R. 5508. A bill to provide certain construction and other authority for the military departments in time of war or national emergency; with amendment (Rept. No. 678). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CROSSER:

H. R. 5952. A bill to amend section 32 of the Trading With the Enemy Act, as amended, with reference to the designation of organizations as successors in interest to deceased persons; to the Committee on Interstate and Foreign Commerce.

By Mr. HIESTAND:

H. R. 5953. A bill to amend the Internal Revenue Code to provide that gain or loss from the sale or exchange of certain real estate shall be treated as a capital gain or loss; to the Committee on Ways and Means.

By Mr. JUDD:

H. R. 5954. A bill to authorize the Commodity Credit Corporation to transfer certain surplus agricultural commodities to the Director for Mutual Security for sale to countries participating in the mutual security program; to the Committee on Agriculture.

By Mr. SADLAK:

H. R. 5955. A bill to exempt States and political subdivisions thereof from the tax on conveyances, and for other purposes; to the Committee on Ways and Means.

By Mr. SHORT:

H. R. 5956. A bill to authorize the loan of two submarines to the Government of Italy; to the Committee on Armed Services.

By Mr. WESTLAND:

H. R. 5957. A bill to provide that if the excess-profits tax is not extended beyond June 30, 1953, there shall be an increase of 2 percent in the corporation surtax rate for the 6-month period ending December 31, 1953; to the Committee on Ways and Means.

By Mr. ELLSWORTH:

H. R. 5958. A bill relating to the administrative jurisdiction of certain public lands in the State of Oregon and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. REES of Kansas:

H. R. 5959. A bill to exempt certain commissioned officers retired for disabilities caused by instrumentalities of war from the limitation prescribed by law with respect to the combined rate of retired pay and of compensation as civilian employees of the Government which retired officers may receive; to the Committee on Post Office and Civil Service.

By Mr. BENDER:

H. R. 5960. A bill to exempt persons arriving in or departing from the United States from or for Canada or Mexico by privately owned noncommercial aircraft from the requirement of paying the extra compensation for certain overtime services performed by immigration and customs inspectors and employees, and for other purposes; to the Committee on Ways and Means.

By Mr. BENTLEY:

H. J. Res. 286. Joint resolution providing that the United States Government should reexamine its policy if the Communist government of China is admitted to the United Nations or any of the specialized agencies; to the Committee on Foreign Affairs.

By Mr. JAVITS:

H. Con. Res. 122. Concurrent resolution expressing the condemnation of the people of the United States of religious and political persecutions behind the Iron Curtain; to the Committee on Foreign Affairs.

By Mrs. KELLY of New York:

H. Con. Res. 123. Concurrent resolution expressing the condemnation of the people of the United States of religious and political persecutions behind the Iron Curtain; to the Committee on Foreign Affairs.

By Mr. SMITH of Wisconsin:

H. Con. Res. 124. Concurrent resolution expressing the sense of Congress with respect to the heroic efforts of the German people in the Soviet zone of Germany to free themselves of the oppression and tyranny of the Union of Soviet Socialist Republics, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. SMITH of Wisconsin: Resolution on the subject of protecting the lead and zinc industries in Wisconsin, as adopted by the Wisconsin Senate and concurred in by the Wisconsin Assembly during the present legislative session; to the Committee on Ways and Means.

By Mr. GOODWIN: Memorial of the Massachusetts Legislature to Congress to enact legislation whereby the motor fuel excise taxes collected in Massachusetts be distributed to said State to be used solely for Federal highway purposes; to the Committee on Public Works.

By Mr. HESELTON: Resolutions of the General Court of the Commonwealth of Massachusetts memorializing Congress to enact legislation whereby the motor fuel excise taxes collected in Massachusetts be distributed to said State to be used solely for Federal highway purposes; to the Committee on Ways and Means.

By Mrs. ROGERS of Massachusetts: Memorial of the General Court of Massachusetts to enact legislation whereby the motor fuel excise taxes collected in Massachusetts be distributed to said State to be used solely for Federal highway purposes; to the Committee on Ways and Means.

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to enact legislation permitting the exchange of certain lands in the county of Hawaii and authorizing and directing the Commissioner of Public Lands to make such transfer upon the approval of the Congress; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H. R. 5961. A bill for the relief of Marianne Schuster Dawes; to the Committee on the Judiciary.

By Mr. DONOVAN:

H. R. 5962. A bill for the relief of Istvan Racz; to the Committee on the Judiciary.

By Mr. DOYLE:

H. R. 5963. A bill for the relief of Bruce Ralph; to the Committee on the Judiciary.

By Mr. GRANAHAN:

H. R. 5964. A bill for the relief of Sister Mary Berarda; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 5965. A bill for the relief of Eliasz, Chawa, and Moses Kraut; to the Committee on the Judiciary.

By Mr. SCRIVNER:

H. R. 5966. A bill for the relief of Velme Ramuscak; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 5967. A bill for the relief of Sime Ivan Karlick (also known as Sam Karlich); to the Committee on the Judiciary.

By Mr. SIEMINSKI:

H. R. 5968. A bill for the relief of Dr. Sau Fong Chang Chen; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

368. By Mr. BENTLEY: Resolution of Saginaw City Council, Saginaw, Mich., relative to adequate disaster relief training program and furnishing of equipment; to the Committee on Armed Services.

369. By the SPEAKER: Petition of Dr. M. T. Fritchle and others, Miami, Fla., requesting passage of H. R. 2446 and H. R. 2447, social-security legislation known as the Townsend plan; to the Committee on Ways and Means.

370. Also, petition of Baltic-American Committee of Chicago, Chicago, Ill., urging passage of H. R. 231, and also urging the admittance of an additional 240,000 DP's and refugees to America; to the Committee on Foreign Affairs.

371. Also, petition of H. Joseph Mahoney and 588 others, Brooklyn, N. Y., urging passage of S. 1468, S. 1482, House Joint Resolution 243, and H. R. 4308, which would authorize postal cancellation with the words "In God We Trust"; to the Committee on Post Office and Civil Service.

SENATE

SATURDAY, JUNE 27, 1953

The Senate met at 10 o'clock a. m.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, we bow in contrition at this wayside shrine, conscious that there is an altar within the temple of our spirit; there, even though forgotten and neglected, but ever reminding us of the needs and aspirations, the capacities and loyalties which lift us to our truest selves.

"Spirit of purity and grace,
Our weakness pitying see,
O make our hearts Thy dwelling place,
And worthier Thee."

In our hands Thou hast entrusted power and leadership that can make or break hopes of a better world. But, because the first responsibility of every man is to contribute to the world's good, his own life, strong, clean, honest, trustworthy, and serviceable, we pray for ourselves that we may not fail our generation or Thee. We ask it in the spirit and name of Christ. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, June 26, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 26, 1953, the President had approved and signed the following acts:

S. 639. An act to provide for the abandonment of a certain part of the Federal project for the Broadkill River in Delaware;

S. 712. An act for the relief of William R. Jackson; and

S. 1679. An act to repeal certain acts relating to cooperative agricultural extension work and to amend the Smith-Lever Act of May 8, 1914, to provide for cooperative agricultural extension work between the agricultural colleges in the several States, Territories, and possessions receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, communicated to the Senate the resolutions of the House unanimously adopted as a tribute to the memory of Hon. WILLIS SMITH, late a Senator from the State of North Carolina.

The message announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3853) to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to continuing the effectiveness of certain statutory provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950.

The message also announced that the House had passed a joint resolution (H. J. Res. 285) to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 85) to participate in Fourth of July 1953 observance at Independence Hall, Philadelphia, Pa., in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 694. An act to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes;

S. 1839. An act to amend section 32 of the Fire and Casualty Act, so as to provide that an agent or solicitor may secure a license to solicit accident and health insurance in the District of Columbia under that act without taking the prescribed examination, if he is licensed under the Life Insurance Act;

H. R. 3425. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes," approved May 21, 1951; and

H. R. 3853. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to continuing the effectiveness of certain statutory provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950.

LEAVE OF ABSENCE

On request of Mr. KNOWLAND, and by unanimous consent, Mr. BUSH was excused from attendance at the session of the Senate today in order that he might attend the funeral of his father-in-law.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. WATKINS, and by unanimous consent, the Committee on the Judiciary was authorized to meet next Monday during the session of the Senate.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business to act on nominations under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. SMITH of New Jersey, from the Committee on Foreign Relations:

Irving Salomon, of California, to be a representative of the United States of America to the second extraordinary session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization; and

Mrs. Elizabeth E. Heffelfinger, of Minnesota, to be the alternate representative of the United States of America to the second extraordinary session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization.

The VICE PRESIDENT. If there be no further reports of committees, the nominations on the Executive Calendar under the heading "New Reports" will be stated.

OFFICE OF EDUCATION

The legislative clerk read the nomination of Lee Mohrmann Thurston, of Michigan, to be United States Commissioner of Education.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES AIR FORCE

The legislative clerk proceeded to read sundry nominations in the Air Force.

Mr. KNOWLAND. Mr. President, I ask that the nominations in the Air Force be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Air Force are confirmed en bloc.

IN THE NAVY

The legislative clerk proceeded to read sundry nominations in the Navy.

Mr. KNOWLAND. Mr. President, I ask that the nominations in the Navy be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Navy are confirmed en bloc.

ARMED SERVICES

The legislative clerk proceeded to read sundry nominations in the armed services.

Mr. KNOWLAND. Mr. President, I ask that the nominations in the armed services be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the armed services are confirmed en bloc.

Mr. KNOWLAND. Mr. President, I ask that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate now resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF INTERNATIONAL WHEAT AGREEMENT ACT OF 1949

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the International Wheat Agreement Act of 1949 (with an accompanying paper); to the Committee on Foreign Relations.

AMENDMENT OF BANKHEAD-JONES FARM TENANT ACT AND AMENDMENT OF HOUSING ACT OF 1949

A letter from the Under Secretary of Agriculture, transmitting drafts of proposed legislation to amend the Bankhead-Jones Farm Tenant Act, as amended, and to amend the Housing Act of 1949, as amended (with accompanying papers); to the Committee on Agriculture and Forestry, and the Committee on Banking and Currency, respectively.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Senate of the State of California; to the Committee on Public Works:

"Senate Resolution 109

"Resolution relative to memorializing Congress to effect the removal of mural paintings from the lobby of the Rincon Annex Post Office, San Francisco

"Whereas the lobby of the Rincon Annex Post Office Building in San Francisco, Calif., is adorned with mural paintings which purport to depict scenes illustrative of the history of California; and

"Whereas the mural paintings are not only historically inaccurate, but also, by magnifying class struggle, racial hatred, and discrimination, labor strife, violence, and corruption far out of proportion to their true importance in the history of California, cast an unfavorable light on the character of the indomitable and courageous pioneers, who, with their hands and hearts, tamed a wilderness; and

"Whereas the mural paintings have been criticized by civic groups, veterans' organizations, patriotic and fraternal societies, newspapers, and many individuals as being offensive and misleading; and

"Whereas a respect for veracity and a devotion to the ideals of America require the removal of the mural paintings from the lobby of the Rincon Annex Post Office Building in San Francisco, Calif.: Now, therefore, be it

"Resolved by the Senate of the State of California, That the Senate of the State of California respectfully memorializes the Congress of the United States of America to effect the immediate removal of the mural paintings from the lobby of the Rincon Post Office Building, San Francisco, Calif.; and be it further

"Resolved, That the Secretary of the senate be, and hereby is directed to transmit copies of this resolution to the President of the Senate of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the Senate of the State of Illinois; to the Committee on the Judiciary:

"Senate Resolution 52

"Whereas the general assembly has just passed house bill No. 17, which tightens the Illinois fireworks law by prohibiting the sale or use of fireworks producing a visual effect as well as those producing an audible effect; and

"Whereas this law will be only partially effective as long as the interstate shipment of fireworks is permitted; and

"Whereas MARGUERITE STITT CHURCH, Representative in Congress from the 13th District of Illinois, has introduced a bill prohibiting the importation or transportation of fireworks in interstate or foreign commerce into any State or political subdivision thereof wherein the sale of such fireworks is prohibited by law, other than in continuous interstate commerce or use for public display; and

"Whereas this bill, H. R. 116, is now in the Judiciary Committee of the House of Representatives; and

"Whereas the enactment by Congress of this measure will greatly strengthen State fireworks legislation and will help protect the safety of thousands of citizens: Therefore be it

"Resolved by the Senate of the 68th General Assembly of the State of Illinois, That we respectfully urge the Congress of the United States to give prompt and favorable consideration to H. R. 116, introduced by Representative MARGUERITE STITT CHURCH, of Illinois; and be it further

"Resolved, That copies of this resolution be forwarded to the President of the United States Senate, to the Speaker of the United States House of Representatives, to the Honorable CHAUNCEY W. REED, chairman of the House Judiciary Committee, and to each United States Senator and Congressman from the State of Illinois, by the secretary of state."

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Finance:

"Resolutions memorializing Congress to enact legislation whereby the motor fuel excise taxes collected in Massachusetts be distributed to said State to be used solely for Federal highway purposes

"Whereas the Federal Government annually takes from the Massachusetts motorists millions of dollars in Federal motor vehicle and automotive excise taxes; and

"Whereas the amount of these taxes collected in Massachusetts greatly exceeds the amount contributed by the Federal Government for the construction and maintenance of Federal highways in Massachusetts; and

"Whereas the continued policy of draining automotive revenues from Massachusetts without a commensurate benefit to the people of the Commonwealth has seriously crippled our highway program: Therefore be it

"Resolved by the General Court of Massachusetts, That we respectfully request the Federal Government to return to the Commonwealth of Massachusetts all of the excise taxes collected in Massachusetts from automotive sources, including motor fuel and that these excise taxes be used exclusively for the construction and maintenance of Federal highways in Massachusetts; and be it further

"Resolved, That copies of these resolutions be sent by the secretary of the Commonwealth to the President of the United States, to the Presiding Officer of each branch of Congress and to each Member thereof from Massachusetts."

A joint resolution of the Legislature of the Territory of Hawaii; to the Committee on Appropriations:

"Joint resolution requesting the Congress of the United States of America to appropriate funds to complete the Port Allen breakWater, Kauai, T. H.

"Whereas the breakwater at Hanapepe Bay extends but half way out from the easterly shore of the bay; and

"Whereas a breakwater extending from the westerly shore of Hanapepe Bay is necessary to provide for adequate protection from beach erosion in the bay area, and to improve conditions that make for safety within the bay and around Port Allen Harbor: Now, therefore,

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to make an appropriation to be expended for the construction of a breakwater to extend from the westerly shore to a distance almost halfway out into Hanapepe Bay, so as to improve the safety around Port Allen Harbor and reduce beach erosion in the bay area.

"SEC. 2. Certified copies of this joint resolution shall be forwarded to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Interior, and to the Delegate to Congress from Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 12th day of June, A. D. 1953.

"SAMUEL WILDER KING,

"Governor of the Territory of Hawaii."

A joint resolution of the Legislature of the Territory of Hawaii; to the Committee on Finance:

"Joint resolution requesting the Congress of the United States to enact legislation to provide that the proceeds of sales of real property owned by estates, trusts, and individuals where owned by said estates, trusts, or individuals for 10 consecutive years prior to said sale or sales be taxed for Federal income-tax purposes as capital gains and not as ordinary income

"Whereas large tracts of land in the Territory of Hawaii are owned by estates and trusts, and individuals who may have inherited said lands; and

"Whereas it is to the best interests of this Territory that these lands be subdivided and sold in fee simple to the purchasers thereof; and

"Whereas the owners of said lands desire to cooperate with the Government housing programs and otherwise to make available said lands to small-home owners but are prevented from doing so in the majority of instances because the owners of said lands on subdivision and sale might be taxed on the proceeds thereof for Federal income tax as ordinary income: Now, therefore

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States of America is hereby requested to amend section 117 of the Internal Revenue Code, or by other appropriate legislation, to provide that where real property has been owned for a period of not less than 10 years

consecutively prior to any sale thereof by any estate, trust, or individual, that on any sale of said real property, whether by subdivision or otherwise, the proceeds of said sale or sales shall be taxable for Federal income-tax purposes as a capital gain, or gains, and not as ordinary income.

"SEC. 2. Certified copies of this joint resolution shall be sent to the President of the United States, to the President of the Senate and Speaker of the House of Representatives of the Congress of the United States, to the Secretary of the Treasury of the United States, and to the Delegate to Congress from Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 8th day of June, A. D. 1953.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

Three joint resolutions of the Legislature of the Territory of Hawaii; to the Committee on Interior and Insular Affairs:

"Joint resolution requesting the Congress of the United States to enact legislation permitting the exchange of certain lands in the county of Hawaii and authorizing and directing the Commissioner of Public Lands to make such transfer upon the approval of Congress

"Whereas the Territory of Hawaii is desirous of developing agricultural lands in the vicinity of Waimea, County of Hawaii; and

"Whereas a consolidation of public lands in that area would expedite the subdivision of said lands and facilitate their irrigation; and

"Whereas Richard Smart, doing business as the Parker Ranch and owner of lands contiguous to those of the Territory in the vicinity of Waimea, Hawaii, has expressed his willingness to accept some 288 acres of territorial land in exchange for some 307.93 acres of land held by the said ranch (described herein), to the end that his lands, as well as those of the Territory, may be consolidated for more economic management; and

"Whereas the lands to be exchanged are of somewhat similar quality, while those to be received by the Territory are more suitable for agricultural purposes and would form an area adaptable to irrigation as well as to subdivision into regularly shaped parcels; and

"Whereas said transfer of land, desired by this legislature as being in the public interest, requires the consent of Congress, since the acreage and value of the land to be exchanged exceeds the limits prescribed by section 73 (1) of the Hawaiian Organic Act as to exchanges of public lands which can be effected by the Territory upon its own authority: Now, therefore,

"Be it enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested to enact legislation permitting the Territory of Hawaii to exchange certain lands in the vicinity of Waimea, county of Hawaii, for lands of the Parker Ranch in the same vicinity (described herein), for the purpose of consolidating public holdings to facilitate their irrigation and use as agricultural lands. To make possible this consolidation, the Congress of the United States is hereby requested to enact a bill, substantially in the following form, to wit:

"'A bill permitting the exchange of certain public lands in the vicinity of Waimea, county of Hawaii, in the Territory of Hawaii

"'*Be it enacted, etc.*—

"'SECTION 1. The commissioner of public lands of the Territory of Hawaii, any provision of the Hawaiian Organic Act to the contrary notwithstanding, is hereby authorized to transfer to Richard Smart, doing business as the Parker Ranch, in exchange for the lands of said Richard Smart described in section 2, the public land described by the following metes and bounds, but subject to minor variations therein:

"'"Being a portion of the land of Lalamilo at Waimea, South Kohala, Hawaii.

"'"Beginning at a pipe at the southeast corner of this piece of land on the west side of Mamalahoa Highway and on the boundary between the lands of Lalamilo and Waikoloa, the coordinates of said point of beginning referred to Government Survey Triangulation Station 'PUC PA' being 7,907.51 feet north and 9,579.87 feet east, thence running by azimuths measured clockwise from true south:

"'"1. 61°19' 379.12 feet along the land of Waikoloa to a pipe at fence:

"'"2. 95°47' 449.04 feet along fence, along the remainder of the land of Lalamilo;

"'"3. 126°30' 2,104.59 feet along the remainder of the land of Lalamilo to a concrete post marked +;

"'"4. 126°30' 1,160.00 feet along the land of Lihue, grant 1157 to G. W. Macy and James Louzada to a concrete post marked +;

"'"5. 124°39'15" 1,937.06 feet along the remainder of the land of Lalamilo;

"'"6. 151°55' 2,665.00 feet more or less along the remainder of the land of Lalamilo to the south side of the Kamuela-Mahukona Road, Federal aid project No. E-11-A;

"'"7. 275°22' 110.00 feet along the south side of the Kamuela-Mahukona Road, Federal aid project E-11-A;

"'"8. 274°51' 267.20 feet along same;

"'"9. 4°51' 375.90 feet along Executive Order 1554 (Public Works Department Corporation yard);

"'"10. 274°51' 270.00 feet along Executive Order 1554 (Public Works Department Corporation yard);

"'"11. 184°51' 187.46 feet along Executive Order 1554 (Public Works Department Corporation Yard);

"'"12. 274°51' 693.50 feet along County Garage lot, Executive Order 1190;

"'"13. 184°51' 188.44 feet along same; thence along the south side of the Kamuela-Mahukona Road, Federal aid project No. E-11-A on a curve to the left with a radius of 6,030 feet, the chord azimuth and distance being,

"'"14. 274°29'34" 75.20 feet;

"'"15. 4°51' 78.20 feet along Grant 10307 to Wm. S. M. Lindsey et al.;

"'"16. 274°51' 213.60 feet along same;

"'"17. 184°51' 84.65 feet along same; thence along the south side of the Kamuela-Mahukona Road, Federal aid project No. E-11-A on a curve to the left with a radius of 6,030 feet, and the chord azimuth and distance being,

"'"18. 270°37'39" 310.95 feet;

"'"19. 269°09' 562.60 feet along the south side of the Kamuela-Mahukona Road, Federal Aid Project No. E-11-A;

"'"20. 359°09' 350.00 feet along Grant 11059, Apana 1 to A. W. Carter, trustee;

"'"21. 269°09' 894.40 feet along same;

"'"22. 179°09' 282.10 feet along same;

"'"23. 280°27' 228.40 feet along the south side of the Kamuela-Mahukona Road, Federal Aid Project No. E-11-A; thence still along the south side of the Kamuela-Mahukona Road, Federal Aid Project No. E-11-A on a curve to the right with a radius of 970 feet, the chord azimuth and distance being,

"'"24. 285°31' 171.30 feet;

"'"25. 290°35' 267.07 feet along the south side of the Kamuela-Mahukona Road, Federal Aid Project No. E-11-A;

"'"26. 33°12' 756.60 feet along the northwest side of the 40-foot road reservation and same extended to the north bank of the Waikoloa Stream; thence following along the north bank of the Waikoloa Stream in all its turns and windings, along General Lease No. 3365, the direct azimuth and distance being,

"'"27. 313°30'30" 799.50 feet;

"'"28. 319°30' 240.00 feet along General Lease No. 3381;

"'"29. 70°30' 157.55 feet along Grant 10171 to A. W. Carter, trustee, to a concrete post marked +;

"'"30. 65°31' 721.59 feet along L. C. Aw. 3202-B to Jose Bowers to a concrete post marked +;

"'"31. 338°57' 456.70 feet along same to a concrete post marked +;

"'"32. 58°05'30" 691.00 feet along L. C. Aw. 8513-B to Kuamoo Hoolulu to a concrete post marked +;

"'"33. 323°10' 396.00 feet along same to a concrete post marked +;

"'"34. 313°24' 865.00 feet along same to a concrete post marked +;

"'"35. 219°26' 798.50 feet along same to a concrete post marked +;

"'"36. 226°34'30" 323.30 feet along same to a concrete post marked +;

"'"37. 317°24'30" 797.30 feet along General Lease No. 3381;

"'"38. 308°40' 140.00 feet along same;

"'"39. 276°10' 700.00 feet along same;

"'"40. 250°30' 580.00 feet along same;

"'"41. 265°00' 200.00 feet along same;

"'"42. 290°50' 250.00 feet along same;

"'"43. 11°00' 97.20 feet along Mamalahoa Highway;

"'"44. 31°37' 442.35 feet along same;

"'"45. 77°00' 248.56 feet along the land of Waikoloa to a concrete post marked +;

"'"46. 347°06' 252.36 feet along the land of Waikoloa.

"'"47. 31°37' 255.94 feet along Mamalahoa Highway;

"'"48. 54°51' 131.43 feet along the land of Waikoloa to a concrete post marked +;

"'"49. 14°05' 83.80 feet along the land of Waikoloa to a concrete post marked +;

"'"50. 347°24' 47.88 feet along the land of Waikoloa; thence along the west side of Mamalahoa Highway on a curve to the left within a radius of 1,180.92 feet, the chord azimuth and distance being,

"'"51. 15°44'03" 399.33 feet;

"'"52. 6°00' 106.86 feet along the West side of Mamalahoa Highway to the point of beginning and containing a gross area of 292.50 acres and a net area of 288.00 acres after deducting therefrom L. C. Aw. 989 to John Davis (4.50 acres)."

"'SECTION 2. The public lands whose exchange is authorized by section 1, hereinabove, may be transferred in exchange for two parcels owned by Richard Smart, doing business as the Parker Ranch, county of Hawaii, Territory of Hawaii, described by the following metes and bounds, but subject to minor variations therein:

"'"PARCEL 1

"'"Being a portion of the land of Waikoloa situated on the west side of Mamalahoa Highway (Federal aid project No. 10-D) at Waimea, South Kohala, Hawaii.

"'"Beginning at a pipe at the northeast corner of this piece of land, on the west side of Mamalahoa Highway (80 feet wide) Federal aid project No. 10-D, the coordinates of said point of beginning referred to Government Survey Triangulation Station 'PUU PA' being 7,694.64 feet north and 9,552.47 feet east, thence running by azimuths measured clockwise from true south:

"'"1. 6°00' 1,798.44 feet along the west side of Mamalahoa Highway (80 feet wide) Federal aid project No. 10-D;

"'"2. 96°00' 2,400 feet along the remainder of the land at Waikoloa;

"'"3. 244°17' 1,448.44 feet along the land of Lalamilo to a concrete post marked +;

"'"4. 214°54' 343.30 feet along the land of Lalamilo to a concrete post marked +;

"'"5. 230°44' 508.10 feet along the land of Lalamilo to a concrete post marked +;

"'"6. 213°20' 204.60 feet along the land of Lalamilo to a concrete post marked +;

"'"7. 229°59' 99 feet along the land of Lalamilo to a concerete post marked +;

"'"8. 241°10' 212.90 feet along the land of Lalamilo to a pipe at fence;

"'"9. 275°47' 306.77 feet along fence, along the remainder of the land of Waikoloa to the point of beginning and containing an area of 49.93 acres.

"'"PARCEL II

"'"Being all of the land of Lihue Grant 1157 to G. W. Macy and James Louzada situated at Waimea, South Kohala, Hawaii.

"'"Beginning at a concrete post marked + at the most easterly corner of this piece of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station 'PUU PA' being 8359.31 feet north and 7238.68 feet east, thence running by azimuths measured clockwise from true south:

"'"1. 43°12' 3436.45 feet along the land of Lalamilo to a concrete post marked +;

"'"2.104°00'30" 1666.40 feet along the land of Lalamilo to a concrete post marked+; +;

"'"3. 184°47'10" 3706.80 feet along the land of Lalamilo to a concrete post marked

"'"4. 259°13' 1225.00 feet along the land of Lalamilo to middle of stonewall;

"'"5. 350°19' 925.00 feet along the middle of stonewall, along the land of Lalamilo to a pipe in the middle of stonewall, thence following up along the middle of stonewall along the land of Lalamilo, the direct azimuth and distance being,

"'"6.250°31' 1318.00 feet to a concrete post marked +;

"'"7. 306°30' 1160.00 feet along the land of Lalamilo to a concrete post marked +;

"'"8. 349°20' 675.00 feet along the land of Lalamilo to the point of beginning and containing an area of 258 acres more or less."

"'SEC. 3. The lands granted by the Territory in exchange shall contain in the grants reservations to the Territory of appropriate easements for pipelines and utilities.

"'SEC. 4. The exchange which is provided for in this act shall not be effected by the commissioner of public lands unless and until the values of the lands involved in the proposed exchange are first determined by appraisals to be made by three competent appraisers to be appointed by the governor of the Territory of Hawaii showing that the lands belonging to Richard Smart are of equal or greater value than the public lands above mentioned.

"'SEC. 5. This act shall take effect on and after the date of its approval.'

"SEC. 2. Upon its approval, authenticated copies of this joint resolution shall be transmitted to the President of the United States, to the President of the Senate and the Speaker of the House of Representatives of the United States, to the Delegate to Congress from Hawaii, to the Secretary of the Interior, and to the Commissioner of Public Lands of the Territory of Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 27th day of May, A. D. 1953.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

"Joint resolution requesting the Congress of the United States to enact legislation requiring Federal departments to deduct from the compensation paid to field civilian personnel of the Hawaii National Guard the employees' contribution to the annuity savings fund of the retirement system of the Territory on the same basis as Territorial departments

"Whereas under chapter 15 of the Revised Laws of Hawaii 1945, the laws of the Territory of Hawaii require each department of the Territory to deduct from the salary of each member of the retirement system for each and every payroll period the proportion of earnable compensation of each member computed by the actuary of the system to be equal, when accumulated at regular interest until the member reaches age 60, to the pension to which the member will then receive from the Territory; and

"Whereas field-civilian personnel of the Hawaii National Guard are full-time employees of the military department of the Territory paid wholly from Federal funds; and

"Whereas under its present laws, the United States does not require a payroll deduction on Federal payrolls as and for these employees' contribution into the territorial-retirement system for members of the system; and

"Whereas some 325 field-civilian personnel of the Hawaii National Guard do not enjoy the benefits of the territorial-retirement system by reason of the inability to obtain a payroll deduction of the contributions due from them into the annuity savings fund of the territorial-retirement system; and

"Whereas these field-civilian personnel wish to obtain and enjoy and would otherwise enjoy the benefits of the territorial-retirement system: Now, therefore,

"Be it enacted by the legislature of the Territory of Hawaii:

"SECTION 1. The Congress of the United States is hereby respectfully requested and urged to enact legislation which will require the various department of the Federal Government to deduct and pay over into the annuity savings fund of the retirement system of the Territory of Hawaii from the compensation paid to the field-civilian personnel of the Hawaii National Guard the contribution due from such employees into such fund.

"SEC. 2. Certified copies of this joint resolution shall be sent to the President of the United States, to the President of the Senate, to the Speaker of the House of Representatives of the Congress of the United States and to the Delegate to Congress from Hawaii.

"SEC. 3. This joint resolution shall take effect upon its approval.

"Approved this 29th day of May, A. D., 1953.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

"Joint resolution requesting the Congress of the United States to ratify and confirm Act 211 of the Session Laws of Hawaii 1953, authorizing the Territory to issue general obligation bonds, the proceeds thereof to be used for veterans' mortgages

"Whereas there has been in the Territory of Hawaii insufficient mortgage money available for the financing of veterans' homes and farms; and

"Whereas the Territory of Hawaii proposes to remedy such situation by the issuance of general obligation bonds, the proceeds thereof to be used for the purchase and making of veterans' mortgage paper; and

"Whereas the existing limitations on the bonded debt of the Territory preclude the Territory from embarking upon such a program of promoting the construction of homes for veterans; and

"Whereas such mortgage program is necessary and essential to the welfare of the veterans of the Territory of Hawaii: Now, therefore, be it

"Enacted by the Legislature of the Territory of Hawaii:

"SECTION 1. That the Congress of the United States be, and it is hereby, respectfully requested through the Delegate to Congress from the Territory of Hawaii, to enact legislation which will enable the Territory of Hawaii, any provisions of the Hawaiian Organic Act, of any laws of the Territory of Hawaii, or of any act of Congress to the contrary notwithstanding, to issue general obligation bonds in the amount of $20 million, such authorization to be over and above any limitation on the bonded debt of the Territory imposed by the Hawaiian Organic Act, the proceeds thereof to be used for the purchase and making of mortgages upon the homes and farms of veterans, and to that end the Congress of the United States of America is hereby respectfully requested, through said Delegate to Congress, to enact a bill in substantially the following form, to wit:

"'A bill to enable the Legislature of the Territory of Hawaii to authorize the issuance of general obligation bonds, the proceeds thereof to be used for veterans' mortgages

"'*Be it enacted, etc.,* That the Legislature of the Territory of Hawaii, any provision of the Hawaiian Organic Act, or any law of the Territory of Hawaii, or of any act of this Congress to the contrary notwithstanding, may authorize the issuance of general obligation bonds in the amount of $20 million, such authorization to be over and above any limitation on the bonded debt of the Territory imposed by the Hawaiian Organic Act, the proceeds thereof to be used for the purchase and making of mortgages on homes and farms of veterans within the Territory of Hawaii.

"'SEC. 2. The bonds issued under the authority of this act shall be serial bonds, payable in substantially equal installments, the first installment to mature not later than 5 years and the last installment to mature not later than 30 years from the date of such issue. Such bonds may be issued without the approval of the President of the United States.

"'SEC. 3. Act 211 of the Session Laws of Hawaii 1953, relating to the issuance of general obligation bonds, as authorized by this act, is hereby ratified and confirmed, subject however, to the provisions of this act.'

"SEC. 2. Certified copies of this joint resolution shall be transmitted to the President of the Senate and to the Speaker of the House of Representatives of the Congress of the United States of America, to the Secretary of the Interior, and to the Delegate to Congress from Hawaii.

"SEC. 3. This Joint Resolution shall take effect upon its approval.

"Approved this 8th day of June, A. D. 1953.

"SAMUEL WILDER KING,
"Governor of the Territory of Hawaii."

A resolution adopted by the city council of the city of El Cerrito, Calif., favoring the impounding of tolls on the San Francisco-Oakland Bay Bridge, in order to construct additional bay crossings; to the Committee on Public Works.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MARTIN, from the Committee on Public Works:

H. R. 4779. A bill to authorize the adoption of a report relating to seepage and drainage damages on the Illinois River, Illinois; without amendment (Rept. No. 473).

ADDITIONAL EXPENDITURES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS—REPORT OF A COMMITTEE

Mr. BUTLER of Nebraska, from the Committee on Interior and Insular Affairs reported an original resolution (S. Res. 123), which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Interior and Insular Affairs hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-third Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946 (60 Stat. 812, 831).

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 27, 1953, he presented to the President of the United States the following enrolled bills:

S. 604. An act to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes; and

S. 1639. An act to amend section 32 of the Fire and Casualty Act, so as to provide that an agent or solicitor may secure a license to solicit accident and health insurance in the District of Columbia under that act without taking the prescribed examination, if he is licensed under the Life Insurance Act.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TAFT:

S. 2226. A bill to provide relief for Clopay Corporation;

S. 2227. A bill for the relief of Richard M. Taylor and Lydia Taylor; and

S. 2228. A bill for the relief of Elizabeta Drugoci; to the Committee on the Judiciary.

By Mr. GILLETTE:

S. 2229. A bill to repeal the admissions tax on motion picture theaters; to the Committee on Finance.

By Mr. PURTELL:

S. 2230. A bill for the relief of Louis S. Thomas and D. Grace Thomas; to the Committee on the Judiciary.

By Mr. DIRKSEN:

S. 2231. A bill to amend the Trading With the Enemy Act relating to debt claims; to the Committee on the Judiciary.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER of Nebraska (by request):

S. 2232. A bill to amend the Act of Congress approved March 4, 1915 (38 Stat. 1214), as amended; to the Committee on Interior and Insular Affairs.

By Mr. CHAVEZ:

S. J. Res. 92. Joint Resolution to return property vested under the Trading With the Enemy Act as the property of Germany or German nationals, or in which they had any interest; to the Committee on the Judiciary.

(See the remarks of Mr. CHAVEZ when he introduced the above joint resolution, which appear under a separate heading.)

RETURN TO GERMANY OF CERTAIN PROPERTY HELD UNDER THE TRADING WITH THE ENEMY ACT

Mr. CHAVEZ. Mr. President, now that the time for the introduction of bills and joint resolutions has arrived, I wonder if the Senator from California [Mr. KNOWLAND] would permit me to make a brief statement with reference to a joint resolution I am introducing.

Mr. KNOWLAND. I understand that the statement is very brief.

Mr. CHAVEZ. That is correct.

Mr. KNOWLAND. I ask unanimous consent that the Senator from New Mexico may be permitted to make a statement.

The VICE PRESIDENT. Without objection, the Senator from New Mexico may proceed.

Mr. CHAVEZ. Mr. President, it is my sincere belief that peace in Europe cannot be obtained without the complete cooperation of the German people. In the war the full conquering of Germany occurred some 8 years ago. However, to this date, Germany is divided into two different zones—West Germany and East Germany. There is no reason whatsoever why they should not be just Germany, and not West Germany and East Germany. However, we know that West Germany, notwithstanding that they are allowed a certain amount of self-determination, the zone is occupied by American, English, and French military troops. It is my purpose to try to analyze that situation and see what can be done about it. Whether we like it or not, East Germany is occupied by troops from Soviet Russia and its satellites.

The recent strikes and riots in East Germany throw light on an important development in the world struggle against communism. They constitute proof that Russia has failed miserably in her effort to win the support of the German people. Even in Russia's own occupation zone, where the citizenry is subject to every form of coercion by secret police and propaganda, the German people have now spectacularly demonstrated the revulsion with which the Soviet system inspires them.

So far, however, the danger of Russian aggression against Western Europe has not been reduced much by this acute unrest behind the Iron Curtain. The outcry for freedom has been brutally silenced, and the Russian war machine remains just as strong as it was before.

Our Government has recently acted with wisdom and energy in allocating $50 million to strengthen west Berlin now, at what may ultimately prove to be a crucial turning point in the cold war. This action, which will be applauded throughout West Germany, constitutes further official recognition of the fact that the security of Western Europe depends largely upon the citizens of West Germany and if possible a united Germany. These millions of industrious and capable people occupy a position of immense strategic significance. Their contribution in manpower and productivity is indispensable to the success of our entire Western European defense system. Therefore, to win the enthusiastic support of the West German people, and if possible all German people, for the policies of ourselves and our allies should be a cardinal objective of United States foreign policy.

My purpose in speaking to you on this occasion is to point out how one illogical policy of ours continues to embitter our relationship with West Germany, and thus to jeopardize the safety of the whole free world.

Today, 8 years after the end of hostilities in World War II, our Government still holds hundreds of millions of dollars worth of West German property vested under the Trading With the Enemy Act. The prolonged retention of this property is inherently unjust, and has created serious problems for the United States.

First, and in my judgment most important, our retention of vested West German property is inconsistent with the whole trend of our postwar foreign policy, because it has largely nullified our intensive and costly efforts to win the good will of the people of Western Germany and Western Europe—so important to our whole European defense structure.

Secondly, it has caused our Government to engage in private business on a scale never foreseen or intended by Congress.

Thirdly, it has saddled the Government with a tremendous burden of administration and litigation.

Fourthly, it has in some instances resulted in the deterioration of vested properties, with a consequent loss in the economic vigor and productive capacity of the free world.

To solve all these problems, I will introduce a bill for the consideration of Congress, proposing complete return of all West German properties vested during World War II and, in consequence, the substantial liquidation of the Office of Alien Property.

To return this property now seems to me to be the course of justice as well as expediency. German property in the United States was quite properly seized by our Government during World War II, in order to prevent the German Government from using it to support its own war effort or to hinder ours. But—with the end of the war, the punishment of the Nazi war criminals and the establishment of a democratic West German government friendly to the United States—there is no longer any justification for our holding assets which rightfully belong to individual citizens of West Germany. To retain them is to impose a discriminatory and adventitious penalty on these individuals for their former enemy status, over and above any penalty meted out to the German people collectively.

Let me emphasize that it is not the purpose of the legislation which I will propose to permit the return of any property to individuals adjudged guilty of war crimes by allied occupation tribunals or by German denazification courts. Neither is the purpose of the proposed legislation to bring about the return of property to German nationals now residing in East Germany or elsewhere behind the Iron Curtain. If and when we have a united Germany, this country can then consider the return of individual German property to citizens of East Germany.

Since the proposed legislation would return to West Germany assets of very considerable value, I further propose that its enactment be accompanied by a sizable reduction of Mutual Security Agency funds or other aid funds now earmarked for Western Germany. The funds thus deducted should be made available to the War Claims Commission for payment of all war claims.

At this point I would like to examine in greater detail the most important disadvantage of our present policy of confiscation of German property: the fact that it actually conflicts with our overall foreign policy of strengthening Western Germany as a bulwark against Communist aggression.

Since the end of the actual war with Germany our policy toward that country has appeared to suffer from a split personality. We have been giving with the right hand, building good will, and taking away with the left, creating animosity. From the cessation of hostilities until December 31, 1952, the United States poured out around $3,891,000,000 to rebuild the West German economy and to transform West Germany into a reliable ally. During the same period of time, through the medium of the Office of Alien Property and the Trading With the Enemy Act, our Government continued to carry out a policy of confiscating private German property, apparently oblivious to the fact that such a policy was becoming increasingly unrealistic and disadvantageous to the United States. By indefinitely retaining vested German property, we have actually been making enemies of many of these people whose friendship we need so badly.

Our Government has even seized the property of American citizens because of their alleged business connection with German nationals; until recently the Office of Alien Property was confiscating proceeds of social security, life insurance, and other property of deceased Americans whose heirs are nationals of Germany. There have even been instances where the proceeds of life insurance and social security left by deceased American soldiers were seized because those veterans had one heir, a mother, in Germany. I think most Americans will agree with me that it is time, and more than time, to rectify such manifest injustices.

Our present alien property policy has antagonized many basically democratic and pro-American citizens of West Germany. Thus it is completely out of harmony with the basic objectives of our foreign policy.

The annual report of the Office of Alien Property shows that alien property vested between March 11, 1942, and June 30, 1951, had a total value of $384,869,000. True, this is only one-tenth of the sum of $3,891,000,000 which we have expended in Germany to rehabilitate and strengthen that country since the end of hostilities. Nevertheless, our retention of vested German property arouses resentment in West Germany on the ground that we are still treating this new and important ally of ours like a conquered enemy country. This resentment very probably counterbalances and at least seriously undermines the good will created by the billions we have laid out to rebuild West Germany from its shattered and prostrate postwar state.

The expenses of administering this vested property already amount to approximately $40 million. That is the cost of administering the funds by the Office of Alien Property. The cost of administering the war claims fund, which receives proceeds realized from vested property, amounts to $900,000 every year.

The Office of Alien Property is completely enmeshed in a net of complicated lawsuits. It is generally conceded that the prospect of finally closing out this office is nowhere in sight. Meanwhile, the War Claims Commission have very little funds left, and the Office of Alien Property is doubtful that it can advance any more funds at this time.

This Gordian knot of litigation and confusion can best be cut, in my judgment, by returning all vested West German property forthwith. As compensation for our past administrative expenses, we should levy a 20-percent custodial charge before returning the funds now in our hands. This charge is justified by precedent in this country after the First World War as an indemnity payment against the cost over the years of administering alien property.

To sum up, I recommend that we immediately enact legislation to pay off all remaining claims of prisoners of war and other beneficiaries of the War Claims Act, and to return all vested West German enterprises, property, and funds. This would follow the precedent established in our dealings with Germany after World War I, and confirmed after World War II by our return of property confiscated from Italian enemies. In other words we have returned all of the Italian alien property, but we have not returned 1 cent to West Germany.

Payments of war claims could be accomplished by deducting $250 million from funds appropriated for the Mutual Security Agency. These funds, turned over to the War Claims Commission, would more than suffice to pay all existing war claims and also to return to the Office of Alien Property the $155 million already advanced for the payment of war claims under the War Claims Act of 1948.

This proposal, if adopted by Congress, will substantially eliminate the troublesome task of administering vested alien property. Even more important, it will advance our foreign policy by giving West Germans a positive demonstration of the fact that we are sincere in our desire to rehabilitate their country and to work with them in the world struggle against communism.

I recognize that many of my distinguished colleagues, notably the members of the subcommittee headed by the Senator from Illinois [Mr. DIRKSEN], have an intimate and highly specialized knowledge of the alien property aspect of the legislation which I am proposing. It is therefore likely that improvements can be made to further the objectives of this proposed joint resolution.

The joint resolution (S. J. Res. 92) to return property vested under the Trading With the Enemy Act as the property of Germany or German nationals, or in which they had any interest, introduced by Mr. CHAVEZ, was received, read twice by its title, and referred to the Committee on the Judiciary.

AMENDMENT OF TRADING WITH THE ENEMY ACT RELATING TO DEBT CLAIMS

Mr. DIRKSEN. Mr. President, I ask unanimous consent that I may proceed for 1 minute.

The VICE PRESIDENT. Without objection, the Senator from Illinois may proceed.

Mr. DIRKSEN. Mr. President, I was very much interested in the statement made a moment ago by the Senator from New Mexico [Mr. CHAVEZ]. At a future time I shall have occasion to elaborate on it.

I may say that the Subcommittee on Investigation of the Trading With the Enemy Act, of which I have the honor to be chairman, has done a great deal of spade work; and today I am introducing the first of probably a series of bills dealing with this problem, so that we can diminish the number of claims.

Mr. President, rather than take more time of the Senate at this point, I introduce, for appropriate reference, the bill to which I have referred; and I ask that it be printed in the RECORD, together with a statement by way of an explanation of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 2231) to amend the Trading With the Enemy Act relating to debt claims, introduced by Mr. DIRKSEN, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the second sentence of subsection (a) of section 34 of the Trading With the Enemy Act of 1917 as amended, is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a comma and the following: "or if it is asserted against any foreign country (including its government or any political subdivision, agency or instrumentality thereof), and is not based upon an obligation within priority categories (1), (2), or (3) specified in subsection (g) of this section, or if it is based upon an obligation expressed or payable in any currency other than currency of the United States or the Philippine Islands."

The statement presented by Mr. DIRKSEN is as follows:

STATEMENT BY SENATOR DIRKSEN

This bill, which proposes the amendment of section 34 of the Trading With the Enemy Act, would have the effect of excluding from the provisions, providing a remedy to certain individual claimants against enemy assets seized by the United States, the following categories of debt claims: (1) those based on obligations asserted against foreign governments, their political subdivisions, agencies, or instrumentalities, except for such claims as are entitled to any of the first three priorities specified in subsection 34 (g) (namely, wage and salary claims not to exceed $600, certain claims in favor of the United States, and claims for services, rents, goods and materials); and (2) those based on foreign currency obligations.

Testimony taken before the subcommittee investigating the Trading With the Enemy Act, of which I am chairman, indicates that these two categories comprise approximately 32,000 of the 42,743 debt claims presently pending with the Office of Alien Property, or about 75 percent of such claims. Hearings by the subcommittee indicate that the ultimate disposition of these claims as hereinbefore set forth under the present law and procedure will require at least 10 additional years.

Elimination of the first category is consistent with the purpose for which section 34 was enacted, namely, the protection of American creditors who may have extended their credit in reliance upon the assets of

the debtor in the United States. These claimants should be protected in their claims through the assurance that the assets seized by this Government will adequately cover the value of such claims.

Recognizing the great majority of claims eliminated by my proposed legislation consist of bond claims asserted against the Governments of Germany and Japan and inasmuch as it has always been the policy of the United States courts to recognize sovereign immunity from suit, it is clear that when these claimants purchased their bonds they did not rely on assets of these foreign governments located within the United States for security of their investments. Of the 11,000 claims in this category, there are 4,794 debt claims in the face amount of $150 million filed against the Japanese Government and there is available for their payment before deduction of administrative expenses of the Office of Alien Property only $1,563,000 with respect to claims filed against German assets in this category. There are 3,443 claims in the face amount of $670 million filed against assets of only $1,500,000. Patently these claimants can hope to be paid at best only an infinitesimal fraction of their claims.

The Government of the United States under these circumstances should not be put to the administrative burden and expense of processing such claims and the War Claims Commission charged with the payment to ex-prisoners of war and other claimants under the jurisdiction of the War Claims Act should not be deprived of the revenues which would otherwise be required to be devoted to the purposes eliminated by this bill.

With respect to the second category of claims covered by the proposed amendment, testimony before the subcommittee indicates that there are now pending more than 21,000 debt claims based on obligations expressed in foreign currencies. Such claims amount to approximately 50 percent of the workload in the debt claims category in the Office of Alien Property.

This category of claims arises principally as the result of yen certificates of deposits (principally American citizens of Japanese ancestry or Japanese residents of the United States), who purchased for United States dollars certificates of deposit from Japanese branch banks in the United States which provide on their face value for payment in yen in Japan. Moreover, it appears that these certificates may be cashed today at their full yen value in Japan and that a number of depositors have so done.

The United States is not under any moral obligation to permit external enemy assets seized by the United States to be utilized for the payment of claims of persons who not only invested their money in a foreign economy but expressly agreed to be paid in a foreign currency in a foreign country.

This legislation is the first of a series of steps to be taken as a result of investigations conducted by the subcommittee investigating the Office of Alien Property designed to eliminate the functions of that Office as speedily as possible in conjunction with the policy of the President to remove the Government of the United States from private enterprises and from dealings with individuals' private property.

Mr. DIRKSEN. Mr. President, I simply wish to add that probably it is not too well known to the Members of Congress that there has been a complete change of philosophy in dealing with enemy property, as distinguished from the procedures in World War I and World War II. We have unearthed some rather interesting information in connection with that reorientation of viewpoint; and, as time passes, I shall deal with it and shall also deal with the entire problem.

Mr. CHAVEZ. Mr. President, I am sure the Senator from Illinois and his subcommittee will do that. I referred to that matter in the last part of my statement. The committee probably has much more information than does any individual Member of the Senate.

I still insist that proposed legislation of some type should be passed as soon as possible, so that the friendly country of West Germany may be maintained as such, and so that the friendly people of that country may at least receive the property which belongs to them.

Mr. DIRKSEN. Mr. President, I concur in that statement.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 85) to participate in Fourth of July 1953 observance at Independence Hall, Philadelphia, Pa., was referred to the Committee on the Judiciary, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States shall participate in the Fourth of July 1953 commemorative observance of the adoption of the Declaration of Independence at Independence Hall, Philadelphia, Pa., and the rededication of the Nation to the principles upon which the United States was founded.

There is authorized to attend and participate on behalf of the Congress of the United States a Member from each State in the Senate and the House of Representatives, such Members to be selected by the President of the Senate and the Speaker of the House, respectively. The necessary travel expenses of any Member of Congress incidental to the performance of duties and responsibilities hereunder shall be paid out of the contingent fund of the particular House of Congress of which such Member is a Member.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. TAFT:

Radio address entitled "Justice for Poland," delivered by him on March 1, 1953.

By Mr. CORDON:

Editorial entitled "Book Burning Issue," published in the Washington Daily News of June 27, 1953.

By Mr. KEFAUVER:

Article entitled "Nashville's Adopted Son," written by Dr. George S. Reuter, Jr., in tribute to his uncle, Dr. Edward Byron Reuter.

By Mr. SMATHERS:

Editorial entitled "Preparing for Public Service Careers," from the Tallahassee Democrat, of May 14, 1953.

Article entitled "Red Beachhead in Guatemala Causes Alarm," written by Ben F. Meyer, bureau chief of the Associated Press in Habana, Cuba.

Article entitled "Chips Are Down for United States Capital in Latin America," written by Charles Fernandez and published in a recent edition of the Miami Herald.

COMMISSION ON INTERGOVERNMENTAL RELATIONS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1514) to establish a Commission on Intergovernmental Relations which was to strike out all after the enacting clause and insert:

That—

DECLARATION OF PURPOSE

SECTION 1. Because any existing confusion and wasteful duplication of functions and administration pose a threat to the objectives of programs of the Federal Government shared in by the States, including their political subdivisions, because the activity of the Federal Government has been extended into many fields which, under our constitutional system, may be the primary interest and obligation of the several States and the subdivisions thereof, and because of the resulting complexity to intergovernmental relations, it is necessary to study the proper role of the Federal Government in relation to the States and their political subdivisions, with respect to such fields, to the end that these relations may be clearly defined and the functions concerned may be allocated to their proper jurisdiction. It is further necessary that intergovernmental fiscal relations be so adjusted that each level of government discharges the functions which belong within its jurisdiction in a sound and effective manner.

COMMISSION ON INTERGOVERNMENTAL RELATIONS

SEC. 2. (a) For the purpose of carrying out this act there is hereby established a commission to be known as the Commission on Intergovernmental Relations, hereinafter referred to as the "Commission."

(b) The Commission shall be composed of 25 members, as follows:

(1) Fifteen members appointed by the President of the United States, from among whom the President shall designate the Chairman and the Vice Chairman of the Commission: *Provided*, That 9 members shall be from the majority party, and 6 members shall be from the minority party;

(2) Five members appointed by the President of the Senate, 3 from the majority party, and 2 from the minority party; and

(3) Five members appointed by the Speaker of the House of Representatives, 3 from the majority party, and 2 from the minority party.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Thirteen members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

DUTIES OF THE COMMISSION

SEC. 3. (a) The Commission shall carry out the purposes of section 1 hereof.

(b) The Commission shall study and investigate all of the present activities in which Federal aid is extended to State and local governments, the interrelationships of the financing of this aid, and the sources of the financing of governmental programs. The Commission shall determine and report whether there is justification for Federal aid in the various fields in which Federal aid is extended; whether there are other fields in which Federal aid should be extended; whether Federal control with respect to these activities should be limited, and, if so, to what extent; whether Federal aid should be

limited to cases of need; and all other matters incident to such Federal aid, including the ability of the Federal Government and the States to finance activities of this nature.

(c) The Commission, not later than March 1, 1954, shall submit to the President for transmittal to the Congress its final report, including recommendations for legislative action; and the Commission may also from time to time make to the President such earlier reports as the President may request or as the Commission deems appropriate.

HEARINGS; OBTAINING INFORMATION

SEC. 4. (a) The Commission or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents, as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, of such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this act; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman or by the Vice Chairman when acting as Chairman.

APPROPRIATIONS, EXPENSES, AND PERSONNEL

SEC. 5. (a) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this act.

(b) Each member of the Commission shall receive $50 per diem when engaged in the performance of duties vested in the Commission, except that no compensation shall be paid by the United States, by reason of service as a member, to any member who is receiving other compensation from the Federal Government, or to any member who is receiving compensation from any State or local government.

(c) Each member of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(d) The Commission may appoint and fix the compensation of such employees as it deems advisable without regard to the provisions of the civil-service laws and the Classification Act of 1949, as amended.

(e) The Commission may procure, without regard to the civil-service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

(f) Without regard to the civil-service and classifications laws, the Commission may appoint and fix the compensation of a Director not exceeding $15,000, who shall perform such duties as the Commission shall prescribe.

TERMINATION OF THE COMMISSION

SEC. 6. Six months after the transmittal to the Congress of the final report provided for in section 3 of this act, the Commission shall cease to exist.

Mrs. SMITH of Maine. Mr. President, Senate bill 1514 was sponsored by the Senator from Ohio [Mr. TAFT], who I understand has an amendment to the House amendment which is agreeable to the committee.

Mr. TAFT. Mr. President, a number of minor amendments were made by the House to the bill dealing with intergovernmental relationship, most of which amendments are unimportant and entirely acceptable.

However, 1 amendment was made by the House which provided that of the 15 members appointed by the President 9 should be Republicans and 6 Democrats. That is a rather unusual provision. While we do not object to the general theory of a bipartisan Commission, the customary wording is a little different. What I propose is that the Senate accept the House amendment with an amendment which I understand will be acceptable to the House leadership, reading as follows:

Provided, That not more than nine of the members appointed by the President shall be members of the same political party.

Some of the 6 who are appointed may be independent, or some of the 9 may be independent, so far as that is concerned. A great many men who are well qualified are, in fact, independent. One of the men who was appointed, and who happens to be the mayor of a city, has always run as an Independent.

As I understand, the proposed amendment to the House amendment is satisfactory to the House leadership. I therefore move that the Senate concur in the amendment of the House of Representatives with the amendment which I have described, which I understand the House will probably accept without sending it to conference.

The VICE PRESIDENT. The amendment offered by the Senator from Ohio [Mr. TAFT] to the House amendment will be stated.

The CHIEF CLERK. In section 2 (b) (1) of the House amendment, it is proposed to amend the proviso to read as follows:

Provided, That not more than nine of the members appointed by the President shall be members of the same political party.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Ohio.

The motion was agreed to.

COMMISSION ON GOVERNMENTAL OPERATIONS

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 106) for the establishment of a Commission on Governmental Operations, which was, to strike out all after the enacting clause and insert:

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of Congress to promote economy, efficiency, and improved service in the transaction of the public business in the departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the executive branch branch of the Government by—

(1) recommending methods and procedures for reducing expenditures to the lowest amount consistent with the efficient performance of essential services, activities, and functions;

(2) eliminating duplication and overlapping of services, activities, and functions;

(3) consolidating services, activities, and functions of a similar nature;

(4) abolishing services, activities, and functions not necessary to the efficient conduct of government;

(5) eliminating nonessential services, functions, and activities which are competitive with private enterprise;

(6) defining responsibilities of officials; and

(7) relocating agencies now responsible directly to the President in departments or other agencies.

ESTABLISHMENT OF THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH

SEC. 2. (a) For the purpose of carrying out the policy set forth in section 1 of this Act, there is hereby established a commission to be known as the Commission on Organization of the Executive Branch of the Government (in this act referred to as the "Commission").

(b) Service of an individual as a member of the Commission or employment of an individual by the Commission as an attorney or expert in any business or professional field, on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of section 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U. S. C. 99).

MEMBERSHIP OF THE COMMISSION

SEC. 3 (a) Number and appointment: The Commission shall be composed of 12 members as follows:

(1) Four appointed by the President of the United States, two from the executive branch of the Government and two from private life;

(2) Four appointed by the President of the Senate, two from the Senate and two from private life; and

(3) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives and two from private life.

(b) Vacancies: Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

ORGANIZATION OF THE COMMISSION

SEC. 4. The Commission shall elect a Chairman and a vice chairman from among its members.

QUORUM

SEC. 5. Seven members of the Commission shall constitute a quorum.

COMPENSATION OF MEMBERS OF THE COMMISSION

SEC. 6 (a) Members of Congress: Members of Congress who are members of the Commission shall serve without compensation in addition to that received for their services as Members of Congress; but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(b) Members from the executive branch: The members of the Commission who are in executive branch of the Government shall serve without compensation in addition to that received for their services in the executive branch, but they shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of the duties vested in the Commission.

(c) Members from private life: The members from private life shall each receive $50 per diem when engaged in the actual per-

formance of duties vested in the Commission, plus reimbursement for travel, subsistence, and other necessary expenses incurred by them in the performance of such duties.

STAFF OF THE COMMISSION

SEC. 7. (a) The Commission shall have power to appoint and fix the compensation of such personnel as it deems advisable, without regard to the provisions of the civil service laws and the classification act of 1949, as amended.

(b) The Commission may procure, without regard to the civil-service laws and the classification laws, temporary and intermittent services to the same extent as is authorized for the departments by section 15 of the act of August 2, 1946 (60 Stat. 810), but at rates not to exceed $50 per diem for individuals.

EXPENSES OF THE COMMISSION

SEC. 8. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, so much as may be necessary to carry out the provisions of this act.

DUTIES OF THE COMMISSION

SEC. 9. (a) Investigation: The Commission shall study and investigate the present organization and methods of operation of all departments, bureaus, agencies, boards, commissions, offices, independent establishments, and instrumentalities of the Government except the judiciary and the Congress of the United States to determine what changes therein are necessary in their opinion to accomplish the purposes set forth in section 1 of this act.

(b) Report: The Commission shall submit interim reports at such time, or times, as the Commission deems necessary, shall submit a comprehensive report of its activities and the results of its studies to the Congress on or before December 31, 1954, and shall submit its final report not later than May 31, 1955, at which date the Commission shall cease to exist. The final report of the Commission may propose such constitutional amendments, legislative enactments, and administrative actions as in its judgment are necessary to carry out its recommendations.

POWERS OF THE COMMISSION

SEC. 10. (a) Hearings and sessions: The Commission, or, on the authorization of the Commission, any subcommittee or member thereof, may, for the purpose of carrying out the provisions of this act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee or member may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, of such subcommittee, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (U. S. C., title 2, secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) Obtaining official data: The Commission is authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics for the purpose of this act; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information, suggestions, estimates, and statistics directly to the Commission, upon request made by the Chairman or Vice Chairman.

Mrs. SMITH of Maine. I move that the Senate concur in the House amendment.

The motion was agreed to.

FEDERAL POWER POLICY

Mr. HENNINGS. Mr. President, I had prepared a statement concerning Federal power policy, particularly the question of the Southwestern Power Administration, which I had planned to make in connection during the consideration of the Interior Department appropriation bill. Since I was detained in my office and did not have the opportunity to make the statement yesterday, I ask unanimous consent to insert it at this point in the CONGRESSIONAL RECORD:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HENNINGS

I note that the report of the House Appropriations Committee on the Interior Department appropriation bill, H. R. 4828, calls for the junking of our country's Federal power policy and for substituting therefor a policy of its own which it chooses to call the Hoover Dam policy.

I also note that the report of the Senate Appropriations Committee on the Interior Department appropriation bill contains no language similar to that of the House report, and I congratulate the distinguished chairman and members of that committee upon their apparent unwillingness to go along with the House committee language. Let me read you the language to which I refer. I quote from page 2 of the House committee report:

"The Interior Department should be concerned with only those functions or activities which private enterprise cannot or will not undertake. * * *

"With respect to construction activities, essential and completely justified projects in the construction stage shall be carried to completion to avoid waste of Federal funds, but wherever possible, private enterprise shall be taken into partnership to build, own, and operate that part of each project that can be handled by private ownership. * * * In all future projects or new starts which include transmission lines, private enterprise shall be urged to take the initiative in constructing, owning, and operating such works before money is made available for Federal construction.

"The committee recognizes that this policy cannot be put fully into operation in the fiscal year 1954, but all interested parties are urged to keep this policy in mind and to plan accordingly.

"A careful review of the committee's actions on this bill will clearly indicate its adherence to the policy it has adopted."

I also note this language on page 12 of the House committee report, under the topic heading Policy on Power Production:

"The committee believes that the Hoover (Boulder) Dam is an outstanding example of how Government and private enterprise can work hand-in-hand to mutual advantage. Here the dam, with penstocks, was built from Federal funds. The surplus power * * * was, as provided by law, leased to private utility companies and municipalities which financed and built the transmission facilities. * * *

"Unquestionably in many additional cases, similar arrangements to those existing at Hoover Dam could be negotiated. Encouragement should be lent to such possibilities, with firm obligations undertaken, of course, to protect the power-consuming public."

In the first place, I would like to think that the House committee did not consider the full import of its actions and statements. It is the function of the Appropriations Committee of the House, as of the Senate, to appropriate funds for the carrying out of policies established by the whole Congress after thorough hearings by other committees charged with that responsibility. Our Federal power policies have been evolved by the Congress over a period of almost 50 years, and no major change has ever been made, so far as I know, without extensive hearings by committees charged with responsibility for basic legislation. For the House Appropriations Committee to overturn these long established policies through the appropriations channel and without full hearings is unsound. Such practice would soon usurp the functions of all other committees.

SPA CONTINUING FUND KILLED

A careful review of the House committee's actions on this bill clearly indicate its adherence to what it calls the Hoover Dam policy. The Hoover Dam policy would mean the end of transmission lines—self-liquidating transmission lines necessary to deliver the Federal power to load centers where it can be purchased by preference customers, including municipally owned systems, power districts, rural electric cooperatives, and commercial power companies. The Hoover Dam policy would mean bus bar sale of the Federal power at the dams. It is true that in the case of Hoover Dam a municipality in California, the city of Los Angeles, was able to build its own line to the dam and purchase part of the power, but the multipurpose projects are usually located in rugged, isolated areas and, therefore, the relatively small municipally owned systems and the electric cooperatives would not be able to build their own lines to the dams to purchase the power. In any event, that would not be the economical way to transport the power from the dams. It should be done with a few large lines, not a multitude of small ones.

It seems to me the House committee went even further than the Hoover Dam policy and actually tried to prevent the rural electric cooperatives, if not the municipalities, from being able to purchase power from the dams at all.

For instance, the Eisenhower budget requested a so-called continuing fund for the Southwestern Power Administration in the amount of $3,736,000 for the purpose of permitting SPA to carry out power sales and exchange agreements with commercial power companies, municipalities and the farmers' electric cooperatives. SPA, as you know, is the Department of the Interior's power marketing agency covering all or parts of the States of Missouri, Arkansas, Louisiana, Texas, Oklahoma and Kansas. The House committee recommended and the House approved an amount necessary for SPA to carry out its sales and exchange agreements with a few of the commercial power companies but killed that part of the fund necessary for SPA to carry out its sales, exchange and lease agreements with the electric co-ops. Some municipalities would also be affected. The House committee, according to its own report, based its action largely upon a letter dated April 6, 1953, which it received from the power companies. Now it should be noted that this letter was written after the House hearings on the Interior bill had closed on April 2, so that representatives of the rural electric systems were given no opportunity to reply to it—in fact, I understand they didn't even know about it until the House report came out. The House report on page 3 says:

"In a letter dated April 6, the committee was advised by the Chairman of the Executive Committee of the Southwestern Power System that the member companies in that system saw no need for the continuing fund

appropriation, and assured the committee that the deletion of such fund would not in any way result in the interruption or curtailment of service to any preference customer or other consumer on their systems."

The House committee report also says:

"In his reply dated April 14, the chairman of the subcommittee advised the member companies of the Southwestern Power System that if the committee took such action, it would be due in part to this commitment made by the member companies in their letter and at the time of their appearance before the subcommittee on March 31, 1953."

I call attention, also, to the fact that the power companies apparently did not indicate to the House committee that they could, by signing any wheeling contracts, obviate the necessity of the SPA agreements with the farmers' electric co-ops. The power companies apparently stated only that the continuing fund was not necessary to supply the power "to any preference customer or other consumer on their systems." But vast areas of Missouri are not on or near their systems. There are several counties in Missouri in which there is not one single commercial power company line of any size or description. There are other counties where, although there are some lines, they might be referred to as fringe lines; they are small and often inadequate for the loads they are presently carrying. The point I am making is that the rural electric systems, either through their local distribution cooperatives or through their generation and transmission cooperatives, have built and are building a great many lines through western and southern Missouri to supply themselves with electricity. Some of these are large, 154-kilovolts lines, built down through Missouri into the Missouri-Arkansas Ozarks where they connect with the SPA lines emanating from and connecting with the several multi-purpose dams. Therefore, no wheeling contracts that the commercial power companies might make with SPA could possibly eliminate the need for these co-op lines, already constructed, nor could they do away with the need for that part of the SPA continuing fund necessary for SPA to carry out its contracts with the farmers' cooperatives.

I am gratified with the action of the Senate committee in restoring $1,850,000 of the $3,736,000 Eisenhower budget request for the SPA continuing fund, even though it would be for a period of only 8 months. In other words, the Senate committee is recommending that the $150,000 SPA continuing fund item be raised to $2 million, so that SPA can carry out its power sales, exchange and lease agreements with the farmers' co-ops, for 8 months. I am happy to join with the Senate Appropriations Committee in asking the Senate to approve this item. I regret that the item was for only 8 months.

In this connection, the Senate committee report contains the following language:

"It is the desire of the committee that the Secretary, representatives of the cooperatives, and representatives of the power companies in the area immediately give consideration to making such arrangements that will not require the continued use of the continuing fund. The committee calls attention to the fact that within the last year two contracts have been offered by the power companies in the area. Noting this willingness on the part of the companies to negotiate, the committee urges all interested parties to resume negotiations immediately. With this view in mind the committee has approved the $2 million for the continuing fund for a period of 8 months."

It is my information that with the exception of one company in Texas and two companies in Oklahoma, the power companies have not been very stable in their willingness to negotiate wheeling contracts with SPA. It is also my understanding that several companies which for some time offered to enter into wheeling contracts with SPA, have now broken off negotiations for wheeling contracts and are demanding or have lately demanded that they be sold the Federal power either at the dams or along SPA's existing transmission grid. This would be the Hoover Dam policy.

It is my understanding that the companies are not now willing to enter into wheeling contracts. But whether they are or not, any contracts of any sort which the power companies enter into are not going to solve the problem of the 6 generation and transmission cooperatives in Missouri and Oklahoma which have power supply contracts with SPA. Every one of these generation and transmission cooperatives has its own connection directly with SPA either through Federal transmission lines or through its own transmission lines. In other words, there is no point in the power companies talking about wheeling power to these generation and transmission cooperatives because the G & T's are already connected directly with the Federal Government's lines.

I can appreciate that this whole power supply question is quite involved, especially in the Southwest, and it would be difficult for the House committee to be familiar with all of the details. I sincerely hope that both the House and Senate committees will again consider this matter of the SPA continuing fund as soon as the Congress meets in January and that they will recommend a sufficient supplemental authorization if and as it may be needed to carry out the Government's obligations to the farmers' electric cooperatives.

If SPA's contracts with the farmers' generation and transmission co-ops must be abrogated, as I understand would be the case if this continuing fund is not kept alive, then the Congress would be forcing upon the people of much of Missouri and Oklahoma and parts of Arkansas and Kansas this same Hoover Dam policy to which I have referred. The people in Missouri, I know, have registered their vigorous protest against such a policy.

The Senate committee in considering the SPA continuing fund may have been concerned about how any action that it took might be interpreted by the United States District Court for the District of Columbia in view of the fact that the 10 power companies of Missouri have had a suit pending since 1950 against certain officials of the Government pertaining to the SPA contracts with the co-ops. The case, among other things, sought (1) to prevent the farmers from borrowing REA funds for the purpose of building generating plants and transmission lines to serve themselves once they had obtained central station service through their electric co-ops or otherwise; and it sought (2) to invalidate the power contracts which the farmers, through their generation and transmission co-ops, had made with SPA.

I am happy to advise the Senate that on Monday, June 22, the United States District Court for the District of Columbia rendered its decision in that case and held for the Government and the farmers and against the plaintiff power companies on all counts. Therefore, that obstacle is now removed.

TABLE ROCK DAM

I might say to my colleagues in the Senate that this SPA continuing fund is all the more important also because of the fact that the rural electric cooperatives of the SPA area have within the last year lost one of their best sources of power. I refer to the fact that approximately a year ago the Federal Government virtually conscripted approximately 150,000 kilowatts of firm power which was to be produced at Bull Shoals Dam. Bull Shoals Dam is on the White River just south of the Missouri-Arkansas border. The farmers had contracted for the Bull Shoals power, but the Government took it away from them in order to supply power for a defense plant, an aluminum plant at Arkadelphia, Ark. It was agreed by many Government officials, including the President of the United States and the Secretary of Defense and several Senators and House Members, that it was vitally important to increase the available supply of power in that area by speeding up construction work on Table Rock Dam above Bull Shoals on the White River. (Of course the co-ops would still lose the power for the 4 or 5 years that it would take to build Table Rock. Everybody kept his word in this agreement.) The President declared Table Rock Dam necessary for our national defense effort, the Congress appropriated $3 million in construction funds, and the Army Engineers got construction underway last fall.

The Eisenhower budget did not include any funds to continue construction of Table Rock Dam and the House refused to approve such funds. However, I am happy to say that the Senate Appropriations Committee has approved $3,500,000 to continue Table Rock, and I sincerely hope that the Senate, and subsequently the House, will approve it. But I understand that even if this amount is appropriated—this is less than half what the Army engineers had requested for next fiscal year—there will be a delay of approximately a year in the time the dam can begin producing power.

I sincerely hope that in all its actions during the remainder of this session the Senate will remain conscious of the House committee attempt to substitute the Hoover Dam policy for our Federal power policy and that we will see to it that adequate funds are available to carry our water resources and rural electrification programs forward.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 88) to authorize the Secretary of Commerce to extend certain charters of vessels to citizens of the Republic of the Philippines, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the amendment of the House of Representatives to the bill (S. 1514) to establish a Commission on Intergovernmental Relations.

The message further announced that the House had passed the bill (S. 1993) to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, the veterans' direct home-loan program, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4654) to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4654) to provide for the exemption from the Annual and

Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes, and it was signed by the President pro tempore.

FEDERAL ASSISTANCE TO THE SOUTHWEST DROUGHT DISASTER AREA

Mr. THYE. Mr. President, I ask unanimous consent that I may speak for approximately 2 minutes. I make this request for the reason that I must soon attend a meeting of the Appropriations Committee.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and the Senator from Minnesota may proceed.

Mr. THYE. Mr. President, last evening and this morning I read that the President has declared Texas and other parts of the Southwest area a major disaster area because of the extreme drought conditions which exist there. I also know that the Secretary of Agriculture, Mr. Benson, was in Texas yesterday, and again today, checking the drought situation.

I speak of this situation today because Congress must recognize that an emergency exists there. The emergency presents two dangers to our economy. The immediate danger is that when the cattle must be moved from the drought-stricken area, inasmuch as under those circumstances the cattle are low in grade and quality for beef purposes, the effect is to demoralize the beef market, with the result that the consumers will not have available to them the normal amount of beef, because in that event the beef carcasses are light and unfinished, with very little meat on the carcasses.

The second danger facing our national economy as a result of this major drought disaster is that unless Congress takes immediate action and makes certain that the liquidation of these foundation herds is stopped, major damage will be done to future beef production in our country. In view of the ever-increasing population of the Nation, we shall need these foundation herds for the production of beef in the future, if the consuming public is to have an adequate supply of beef.

In reviewing what has been done in the past when the President has declared a given situation to be a national disaster, we should know what Congress has done and what Congress needs to do at this time in order to make certain that these fine foundation herds of beef cattle are not liquidated.

From the date of the enactment of Public Law 875, of the 81st Congress, to authorize Federal assistance to States and local governments in major disaster areas, the law was administered by the Housing and Home Finance Agency. Subsequently, by Executive order of January 16, 1953, the administration of the law was transferred to the Federal Civil Defense Administration. I hold in my hand a summary of appropriations, allocations, and unallocated balances up to the present time.

Mr. President, I believe we need to pay strict attention to what Congress and other branches of the Government have done in the past. The action taken has been highly advisable and has been most beneficial to our economy. Similar action needs to be taken today; in fact, we should be bold in the action we take, in order that the liquidation of these fine foundation herds may not occur.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. KNOWLAND. Mr. President, let me inquire how much additional time the Senator from Minnesota wishes to have.

Mr. THYE. Approximately 5 minutes, as a maximum.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senator from Minnesota may be permitted to proceed for 5 minutes more.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Minnesota may proceed for 5 minutes more.

Mr. THYE. I thank the distinguished acting majority leader for his assistance.

Mr. President, I now read the summary of appropriations, allocations, and unallocated balances up to the present time:

Total funds appropriated	$55,800,000
Total funds allocated	37,308,954
Unallocated balance	18,491,046

The President has at his command that unallocated balance of $18,491,046, and he can use it in any manner he deems advisable in the area which now has been declared to be a major disaster area.

I read further from the statement:

The following is a breakdown of funds allocated for disasters:

Housing and Home Finance Agency allocations, 1951

Oklahoma flood	$250,000
Kansas flood	10,543,000
Missouri flood	2,525,000
Temporary housing, Kansas	5,050,000
Total	18,368,000

Mr. President, in return for the total amount of $18,368,000 allocated for disasters, the United States Government has received many, many times what it has expended.

I read further from the statement:

Housing and Home Finance Agency allocations, 1952

Reimbursement to other agencies for work performed in Kansas-Missouri flood, 1951:	
Corps of Engineers	$2,710,864
Department of Agriculture	281,268
Federal Security Agency	104,002
South Dakota snowstorms	255,000
Eastern Montana snowstorms	90,000
North Dakota snowstorms	102,000
Nevada snowstorms	150,000
Arkansas tornado	700,000
South Dakota flood	250,000
Iowa flood	650,000
(Includes reimbursement to Department of Agriculture of $22,310)	
Minnesota flood	250,000
Nebraska flood	250,000
Missouri flood	650,000
Kansas flood	100,000
North Dakota flood	100,000
Wrangell, Alaska (fire)	50,000
Montana flood	550,000
Utah flood	563,570
Hopkins, Mo., tornado	20,000

Housing and Home Finance Agency allocations, 1952—Con.

Reimbursements to Department of Agriculture for unrecoverable portion of providing, transporting, distributing livestock feed in 1952 drought areas [1]	$8,000,000
Total	15,826,704

[1] Drought areas: Alabama, Tennessee, Mississippi, Georgia, Kentucky, Arkansas, Oklahoma, North Carolina (2 counties), Missouri, Louisiana, and Texas.

Housing and Home Finance Agency, 1953

Funds to complete 1952 drought program	$1,500,000

Federal Civil Defense Administration, 1953

Waco and San Antonio, Tex., Tornado	$365,000
Montana flood	250,000
Port Huron, Mich., tornado	40,000
Flint, Mich., tornado	127,250
Louisiana flood area	220,000
Massachusetts tornado	510,000
Iowa flood	102,000
Total	1,614,250

Mr. President, the figures I have read show that from time to time since the enactment of this law in the 81st Congress, substantial allocations have been made to the States from this fund, which was made available to the President in order to enable him to meet emergencies in disaster situations. As a result of the allocations which have been made, in each instance we were able to overcome the disaster with a minimum of hardship on the particular area affected and on the individuals within the area.

Mr. President, if we are sufficiently bold at this time, so that we make adequate funds available to the President, sufficient relief in the form of feed can be provided to the Southwest area, so as to make it possible to hold together the foundation herds until the drought is broken.

Mr. President, if a ton of hay is transported from Minnesota to Oklahoma, the charge for the transportation and handling of the hay is more than the price paid the producer of the hay at the place where the hay is purchased. I saw numberless carloads and truckloads of hay moving out of Minnesota last fall, the price paid for the hay being anywhere from $18 to $22 for the very finest quality of alfalfa hay. That same hay, to the producer in Oklahoma, was costing between $45 and $55 a ton. In Texas, where the hay would necessarily be trucked further, the trucking would cost more.

Therefore, Mr. President, I was indeed encouraged from the standpoint of the purchaser in the affected locality when the President declared it to be a disaster area, and I was also encouraged to know that the Secretary of Agriculture had gone to that area for a personal inspection. We in the Congress must recognize the emergency that exists and, if need be, make sums available to the disaster area.

We should also ascertain what further legislation may be necessary in order to deal with the situation over a long period of time, since we shall not be able during this year to offset the loss occasioned by the major drought which

has stricken the pasture lands of the Southwest this year.

I desired to bring this matter to the attention of the Congress, because we need to consider it and we need to act immediately if we are not to suffer the dire consequences of the loss of some of the finest herds that are to be found in the Southwest.

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that I may be permitted to speak for not to exceed 4 minutes with reference to the drought situation and the cattle situation in the Middle West as I see it.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas? The Chair hears none. The Senator may proceed.

Mr. SCHOEPPEL. Mr. President, the Senator from Minnesota [Mr. THYE] has drawn to the attention of the Senate a very serious situation. Last week I returned from my State of Kansas, and while there I had an opportunity to confer with men from 21 States regarding the very situation about which the Senator from Minnesota has been speaking.

I am, of course, pleased to note that the Secretary of Agriculture left yesterday to go to the great State of Texas, and that he expects to proceed northward to visit the entire drought-stricken area, in order that he may acquire first-hand information as to the conditions. I have no hesitation in saying to the Senate that the situation is very serious. I fully recognize that large cattle owners and cattle holders probably have access to sources of credit and can weather the storm, but I am thinking of the cattlemen who have 25, 50, 100, or 125 head of cattle, and who, because of the drought and the tightened credit situation, have almost exhausted their credit at the bank. The banks and other financial institutions of those areas do not have the ability, under the rules and regulations, to extend long-term credits. Therefore, I think it is the obligation of the Congress to consider the desirability of making available machinery through which some type of guaranteed loans on the part of agencies of the Government may be made available through local banking institutions. Such action would prevent the local institutions cutting down on credit, or foreclosing in the case of credit extensions and loans which they have made to the cattle owners and causing thousands and thousands of underweight cattle to be hauled to market.

The situation, because of the drought, is so serious that, if the requisite machinery is not available at this time, we should make it available in order that releases may be made to the cattlemen in the drought-stricken areas from our tremendously large stocks of proteins and corn.

I feel sure that would accomplish two things: It would assist the livestock people in these areas to carry their cattle through the present emergency and enable them to hold together their basic herds for future use and for the future economy within the agricultural area and it would also help deplete some of the stocks which we have on hand and some of which are deteriorating.

Of course, there is a tendency on the part of bankers who hold the cattle loans, by reason of declining cattle prices, to reduce in amount the paper so held. That means that farmers must go to the livestock markets with their cattle. Many of them have culled their herds to the absolute minimum. We must determine upon a course of action to meet the emergency, and, if necessary, give the President additional funds with which to meet the emergency.

Second, as I have said before, I think we must be sufficiently farsighted to make available some of the stocks of protein feeds we have on hand and held by CCC. We should also make available to stricken areas the opportunity to have feed transported at reduced rates.

This is an emergency which points to one thing, as the Senator from Minnesota has said—the total crippling of the agricultural industry and the cattle industry, unless we act. Unfortunately, time does not allow us to study this matter for several weeks. There is presented a situation in which we must act, and must act now. Last week I called this matter to the attention of authorities in the Department of Agriculture and to the Secretary of Agriculture. I thought it was just that serious.

If a program can be worked out that by extension of further credit—longer term credits—we can prevent the forced sales and stop this stampede to market, much stabilization in the livestock areas will be the result.

If we do not do it, chaotic conditions in this industry in these drought areas will be the result.

I am glad that the Secretary of Agriculture and the officials in his Department called in cattlemen and others from these areas to get suggestions and facts, and I am glad I was able to suggest a practical, well-informed cattleman from Kansas to help out, and I am hopeful that we can speedily act upon the suggestions given.

If we need broadened legislation to accomplish these objectives, I am sure that the appropriate committee of both Houses will cooperate fully.

ILLNESS OF PRIME MINISTER CHURCHILL

Mr. SMITH of New Jersey. Mr. President, I have just received, over the news ticker and also from the State Department, the distressing news of the illness of the British Prime Minister. As a personal friend of Mr. Churchill, with whom I conferred on my visits to England, I know I speak for my colleagues when I express regret to hear of his illness, and the hope that he will soon be restored to full health and strength in order that he may be able to go forward with the negotiations he contemplates carrying on with the President of the United States and with the Premier of France.

The PRESIDING OFFICER. The time has arrived for the introduction of concurrent resolutions. There being no resolutions coming over from the previous day, the morning business is declared closed.

CIVIL FUNCTIONS APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 5376, which is No. 459 on the calendar, and which is known as the civil functions appropriation bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 5376) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill which had been reported from the Committee on Appropriations, with amendments.

Mr. KNOWLAND. Mr. President, for the information of Senators who were not here, and who have not read the RECORD, let me say that the Senate is operating under a unanimous-consent agreement which provides for 15 minutes on any amendment, with 3 hours of general debate on the bill itself, one-half of the time to be controlled by the distinguished minority leader [Mr. JOHNSON of Texas], the other half to be controlled by me, as chairman of the civil functions subcommittee of the Appropriations Committee. Out of my own time on the general debate, I wish to say that the Senator from Iowa [Mr. HICKENLOOPER], who is Vice Chairman of the Joint Committee on Atomic Energy, has a report on the nomination of Mr. Lewis L. Strauss. This report has been approved unanimously, I believe, by the Senate members of the committee, both Democratic and Republican. It is not on the calendar today, but because of circumstances which the Senator from Iowa will point out, I desire to yield to the Senator from Iowa whatever time he feels is necessary in order that there may be action on this nomination. I believe he wants to ask unanimous consent that the nomination may be considered without going to the calendar.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa.

NOMINATION OF LEWIS L. STRAUSS TO BE A MEMBER OF THE ATOMIC ENERGY COMMISSION

Mr. HICKENLOOPER. Mr. President, as in executive session, I ask unanimous consent that I may file with the Senate the report on the nomination of Lewis L. Strauss, and that it be immediately considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Iowa? The Chair hears none, and it is so ordered.

Mr. HICKENLOOPER. I ask that the clerk state the nomination.

The PRESIDING OFFICER. The clerk will state the nomination.

The Chief Clerk read the nomination of Lewis L. Strauss, of Brandy Station, Va., to be a member of the Atomic En-

ergy Commission for a term of 5 years expiring June 30, 1958, vice Gordon Dean, term expiring.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to this nomination?

Mr. HICKENLOOPER. Mr. President, in fairness I think I should state that I have taken this matter up with the majority leader and the minority leader. The nomination has met with the unanimous approval of all members of the Senate committee and of the Joint Committee on Atomic Energy. Admiral Strauss served as one of the first members of the first Commission on Atomic Energy. He has a long and distinguished record of public service. He has at all times since the creation of the original Atomic Energy Commission been either a member or an adviser, and he is presently a special assistant to the President for advice on Atomic Energy Commission matters.

Admiral Strauss has a unique record. So far as I know, he is the best equipped layman, as distinguished from an atomic scientist, in the United States to handle atomic matters. I think it is rather good fortune that the President has been able to convince Mr. Strauss that he should accept this appointment and become the Chairman of the Commission upon the confirmation of his nomination.

I will say, in all fairness, to the Senate, that the reason for the urgency of this matter today is because the term of the present Chairman will expire next Tuesday. There was some delay in sending this nomination to the Senate, and it is desirable that there be no lapse or hiatus in the incumbency of the chairmanship of the Commission. Therefore, Mr. President, I think it is highly desirable that the Senate's advice and consent be given so that the necessary papers in connection with the appointment can be executed and other details disposed of, so that Mr. Strauss may take office as Chairman of the Commission next Wednesday when the term of the present Chairman expires.

The present Chairman, Mr. Gordon Dean, resigned on his own volition some months ago, desiring to be relieved, but he consented to serve the remainder of his term or until such time as a chairman was appointed.

I think Mr. Gordon Dean, the retiring Chairman of the Commission, has rendered extremely valuable, vigorous, and intelligent service to the United States, and I regret that we are losing his services on the Commission.

Mr. MAGNUSON. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield.

Mr. MAGNUSON. Mr. President, I merely wish to say that I do not know of any finer statesman in the United States than is Lewis L. Strauss. He is my personal friend.

Mr. HICKENLOOPER. I thank the Senator from Washington. I think every member of the committee, with one exception, has had long and satisfactory experience with Mr. Strauss in connection with atomic-energy questions. To indicate the degree of confidence which all have in him, there was not the slightest objection to his appointment; there was universal approval and a sincere desire to get him on the job and back into the service of the Government.

Therefore, Mr. President, I ask unanimous consent that the rule be suspended at this time and that, as in executive session, the Senate advise and consent to the nomination.

Mr. SMITH of New Jersey. Mr. President, I should like to say a word with reference to Mr. Lewis Strauss. I have had the privilege of knowing him since 1917, during the First World War. He was then secretary to Mr. Herbert Hoover, who was at that time head of the United States Food Administration. Down through the years since then I have been associated with Mr. Strauss in all the so-called Hoover enterprises, relief, and so forth, and I have seen Mr. Strauss move up to this important position which he is about to assume. During World Wars I and II he was very active in the service of his country. He was successful in business between those two wars. Throughout his life he has always had a sincere interest in rendering service to the United States.

I add this personal word of strongly endorsing his nomination.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Iowa? The Chair hears none, and the nomination is confirmed.

Mr. HICKENLOOPER. Mr. President, I ask unanimous consent that a brief statement of the background of Lewis L. Strauss be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Lewis L. Strauss was born in Charleston, W. Va., on January 31, 1896. His parents, Lewis and Rosa L. Strauss, both natives of Richmond, Va., are deceased. He is married and has one son.

His initial experience in Government (1917–19) was as secretary to Herbert Hoover in relief operations in Belgium and elsewhere overseas and in the United States Food Administration. From 1919 to 1946 he was associated with the banking firm of Kuhn, Loeb & Co., New York, and became a partner in 1929. He has been in the Naval Reserve for 27 years and on active duty from February 1941 to May 1946. He was successively promoted through the officer grades to the rank of rear admiral. His Navy assignments included: staff assistant to the Chief of the Bureau of Ordnance, 1941–43; Assistant Chief of Procurement and Material; Special Assistant to the Vice Chief of Naval Operations, 1943–44; Special Assistant to the Secretary of the Navy; and the Navy member of the Army-Navy Munitions Board. He also served as the Navy member of the Interdepartmental Committee on Atomic Energy.

He was awarded the Distinguished Service Medal and the Legion of Merit, the latter with gold star (Navy) in lieu of a second award, and an oak leaf cluster (from the Army) in lieu of a third award.

From 1946 to 1952 Mr. Strauss served as a member of the Naval Research Advisory Committee. The Office of Naval Research was established following his recommendation to Secretary Forrestal.

In 1946 he was appointed as a member of the first Atomic Energy Commission and served until April of 1950 when he resigned. After his resignation as Commissioner, he was appointed by the Joint Congressional Committee on Atomic Energy as its consultant.

Since 1950 Mr. Strauss has been consultant and financial adviser to the Messrs. Rockefeller. He has been a director of various business enterprises including the Radio Corporation of America, National Broadcasting Co., General American Transportation Corp., United States Rubber Co., Industrial Rayon Corp., Rockefeller Bros. Inc., Rockefeller Center, Inc., Merchants Fire Assurance Co., and so forth. He is president of the board of trustees of the Institute for Advanced Study and is a trustee of Sloan-Kettering Institute, Memorial Center for Cancer and Allied Diseases, the Brookings Institution, the Jewish Theological Seminary of America, and Congregation Emanu-El of the City of New York, of which latter he is past president.

Mr. Strauss is the recipient of a number of honorary degrees from colleges and universities among them the Medical College of Virginia, Case Institute, New York University, and the Jewish Theological Seminary of America, and holds decorations from the French, Belgian, and other allied governments.

Since 1950 Mr. Strauss has been called as an adviser on occasions by congressional and executive agencies and has studied and reported on both production and procurement problems for the Department of Defense. A report on hazardous duty and other special pays, requested by the Armed Services Committee of the Senate, was completed in March 1953. On March 9, 1953, he was appointed special assistant to the President.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, the President will be immediately so notified.

The Chair announces that the time for the discussion of the nomination will not be taken out of the time of any Senator, because it is executive business and is, therefore, privileged.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CIVIL FUNCTIONS APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5376) making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1954, and for other purposes.

Mr. KNOWLAND. Mr. President, I have a brief statement to make in opening the discussion of the bill, and I should like to be able to complete the statement and shall then be glad to yield to answer any questions.

The bill as reported to the Senate recommends an appropriation of $473,762,900 which is $209,614,200 below the original budget estimates, and $24,887,200 below the revised budget estimate. The bill as reported is $110,303,700 below the amount appropriated for the current fiscal year.

In my opinion, the bill as reported is a good bill. It is one that the committee can and will support. It is one that

the Senate can support. I do not suppose it would be possible to bring to the floor a bill of this type that meets the desires of the Members in every detail. It is therefore necessary to consider the bill in its entirety, and the objectives of the committee having the bill under consideration.

In the interest of economy the committee desired to make such reductions in the recommendations as were possible, without jeopardizing the programs which in the public interest should go forward at this time. The committee achieved this objective. It has reported a bill that is 5 percent below the revised budget estimate and 30.6 percent below the original estimates.

The committee desired to provide adequate funds to carry forward a realistic construction, planning and survey program for fiscal year 1954. The funds recommended when coupled with the unexpended funds available, will provide for efficient execution of the approved program of the Corps of Engineers for the fiscal year 1954.

The committee desired to provide for some new starts. This objective proved to be the most difficult one to handle in a completely satisfactory manner. The committee heard extensive testimony on many very worthy projects that really should be started. It was completely aware of the desirability of broadening the base of the civil works program of the Corps of Engineers. For example, in fiscal year 1949, the appropriations for the Civil Functions of the Corps was $425,518,200 and provided for construction work on 278 projects. By fiscal year 1951 the appropriations for these activities amounted to $455,008,650 for work on 152 projects. The revised budget estimate for the fiscal year 1954 amounted to $332,250,000 for work on 78 projects. On the other side of the picture, the Corps submitted their tentative requirements for the continuation of the projects now underway on an economical schedule. These estimates indicate that about $500 million will be required in fiscal year 1955 for the continuation of 72 projects. By 1956 about $372,500,000 would be required for the continuation of 47 projects. The committee therefore, in its consideration of the many worthy projects that were presented, had to consider not only the request for the current year but the effect of its action this year on the overall requirements in future years. I believe the committee has met this problem squarely.

For those projects that were under construction it tried to provide all the funds that with available balances would make a realistic program and could be efficiently spent in order that the benefits of the Federal investment could be realized as soon as possible. For example, on the Dalles Dam in Oregon, the committee recommended an increase of $4,750,000 in order to maintain the present construction schedule. The power revenues for 1 year from this project amount to $15 million. A restoration of this type is just good business. The committee recommended a number of new starts where the entire project could be completed with funds provided. It recommended the resumption of work on certain other projects where the Federal funds already expended cannot produce the benefits for which the funds were provided until useful units of work are completed. The remaining new starts recommended for fiscal year 1954 will not entail excessive commitments in future years.

Personally, I believe that considerable thought should be given in the coming months to the formulation of a long-range program which will permit the orderly planning and construction of these important resource development projects. It would seem desirable to include each year a limited number of new projects that could be completed with the funds appropriated. It would also be desirable to set aside a certain percentage of the budget estimate for medium size projects that would take from 2 to 3 years for completion. Then a certain percentage of the annual appropriation should be expended on the large multiple purpose projects. Funds for such projects should be provided in sufficient amounts to permit the most economical construction schedules to be followed. This will result in early returns on the Federal investment.

I realize that it is going to take several years to work the present program into this type of pattern, but it is a sound goal.

Mr. President, the committee gave very careful consideration to the features of planning and investigation. It was our judgment that in the long run it would be more economical for the Federal Government to increase the appropriation for planning and investigation, for several reasons: First, because there are a large number of authorized projects which may have been economically feasible when they were authorized, but which today may or may not be. The only way the Corps of Engineers can arrive at final determination, and Congress can use judgment based on facts, is to have the facts brought up to date. For that reason a larger amount has been allowed for planning and investigation.

Furthermore, I believe I am correct in saying that the committee felt it would be wise for Congress and the administration to have ready a number of additional projects as to which planning and preliminary work have been pretty well brought up to date, so that in the event there should be economic dislocations, the Federal Government would be in a position to proceed with sound projects on an accelerated basis, and not be delayed by the necessity of having plans and investigations made. For these reasons, the committee feels that it has proceeded soundly in the recommendations it has made.

Mr. MAGNUSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I will yield in a moment.

I found all members of the committee, from both sides of the aisle, very earnest and devoted in their work in the committee. We spent long days in hearings and held a number of night sessions, running to 10 or 11 o'clock in the evening. I found that Democratic members of the committee, as well as Republican members, were mindful of their obligations. They devoted their time and energy in trying to work out an equitable program which would meet both the needs of the Nation and, at the same time, would keep in mind that with the serious fiscal problems facing the country there was a need to keep a balance in the matter of additional appropriations.

The bill was reported to the full committee by unanimous vote of the subcommittee. I believe that with only 1 or 2 Senators absent, the full committee, after hearing the report of the subcommittee, and without any objection or any opposition, unanimously voted to report the bill to the Senate.

I believe the bill is one I can defend in all its particulars on behalf of the full Committee on Appropriations, as well as on behalf of the subcommittee. I believe enactment of the bill will help to preserve the resources of the Nation in the great Mississippi area, on the eastern seaboard of the Nation, in the great Middle West, and in the Far West. I believe the bill provides for carrying on a constructive program, and permits the development of programs in the future. It is a bill for which I earnestly seek the support of the Senate.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Washington.

Mr. MAGNUSON. In order to make the record clear, I think that when the Senator from California speaks about funds for planning, the record should show that the committee, over protests of some Members, not only did not vote for an appropriation to proceed with planning on one project, but eliminated the planning completely. I am referring to the proposed Libby Dam, in Montana.

Mr. KNOWLAND. Of course, when I made my general statement, I recognized that some Senators quite properly had a difference of opinion as to whether a particular project should be included. I was speaking of the general planning situation and of the overall planning funds which the committee allowed. They are considerably increased above the amount allotted by the House of Representatives.

Mr. MAGNUSON. But in this instance, the planning was eliminated.

Mr. KNOWLAND. Yes; and in that particular case the committee felt there was a valid reason for so doing. I admit that the distinguished Senator from Washington felt differently about that project, just as in both the subcommittee and the full committee there were many Senators who had hoped they might either add projects or perhaps obtain larger amounts. But when the overall picture is considered, I believe my statement is fair.

Mr. MAGNUSON. I should like to ask the Senator another question.

Mr. KNOWLAND. I shall be glad to reply.

Mr. MAGNUSON. I was quite interested in the Senator's general statement regarding what is apparently the Republican policy on publicy works.

Mr. KNOWLAND. If the Senator will permit me to say so, I was not declaring the Republican policy on public works; I was stating the views of the chairman,

and I believe, the views of the committee as to what seemed to us, at least, to be a constructive approach to the problem.

Mr. MAGNUSON. I was merely wondering if, in our great country, it is necessary to have a depression before proceeding with public works.

Mr. KNOWLAND. No. I do not either say or suggest such a thing. I do say that in addition to carrying on a program of development of public works, which I believe is important——

Mr. MAGNUSON. It is necessary to have a depression or a recession?

Mr. KNOWLAND. No; I did not say that, and the Senator knows I did not say it. I said that in addition to carrying on a sound program of civil functions, of reclamation, and the other great public works projects, there should be a reserve of additional projects which could be available for acceleration in the event there should be economic dislocation.

So far as I am concerned, if we are to preserve the soil of the Nation, if we are to preserve its resources and, if we are to proceed on an economic basis, through good years and bad years, we should carry on an intelligent, economically justifiable program and, in addition, should be prepared, in the event of any economic dislocations, to accelerate greatly a program based on sound planning and sound engineering.

Mr. McCLELLAN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. McCLELLAN. I may have misunderstood the Senator from California, or I may have an erroneous impression of the bill. My recollection is that after the full committee had determined the amount for each item and the total amount, there was a 7 percent reduction, rather than a 5-percent reduction, under the revised budget estimates.

Mr. KNOWLAND. It exceeds 5 percent; I do not think it is quite up to 7 percent.

Mr. McCLELLAN. I know that a goal was set, for the amount to be at least 5 percent below the revised budget estimates.

Mr. KNOWLAND. We did that, and it is not quite up to the 7 percent which we discussed in the committee.

Mr. McCLELLAN. I understood the Senator to say that the amount proposed to be appropriated was in some 30 percent under the original budget recommendation.

Mr. KNOWLAND. That is correct.

Mr. McCLELLAN. So we have applied the economy ax to this program very substantially with respect to the original budget estimate, and we have further applied it to the revised budget to the extent of a further reduction in excess of 5 percent.

Mr. KNOWLAND. I may say to the distinguished Senator from Arkansas, who is a very able and conscientious member of the committee, and who in years past served in the same capacity in which I now serve, that we applied economy. I would not say that we applied the ax, because that is a connotation that implies that the committee wielded an ax without perhaps giving due consideration to the matter. We have made substantial—and I believe justifiable—reductions under both the original budget and the revised budget, but I believe on a basis that can be amply supported.

Mr. McCLELLAN. That connotation is well understood throughout the country. The people want appropriations reduced wherever it is practicable and feasible to do so, and at the same time carry on the proper functions of the Government.

Mr. KNOWLAND. That is correct.

Mr. McCLELLAN. So I am supporting the Senator's position in his report to the Senate, that the committee has gone into the subject and into each project in the bill and endeavored to apply economics where it was practicable to do so, and at the same time not wreck or unreasonably retard a progressive and constructive program for the development and protection of the great natural resources of our important rivers and their fertile valleys.

Mr. KNOWLAND. The Senator is quite correct, and I thank him for his very fine supporting statement.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Tennessee.

The PRESIDING OFFICER. The Chair advises the Senator from California that the time consumed by these questions is being charged to the Senator from California.

Mr. KNOWLAND. I recognize that, and am prepared to yield to the Senator from Tennessee for an inquiry.

Mr. GORE. If the distinguished and able Senator from California will refer to page 11 of the report, he will find that the Old Hickory lock and dam project, which is estimated at an overall cost of $51,900,000, is now approximately half completed. The budget recommended by former President Truman provided $18 million for continuation of this project. The budget recommended by President Eisenhower suggested $12,600,000 for this project, which, according to my information, would delay completion of the project by 1 year.

The House of Representatives, realizing the severity of that reduction, allowed the full budget estimate. The Senator's committee has recommended a cut 5 percent below that amount. At the same time the distinguished Senator will note that the project ahead of Old Hickory lock and dam project in the report, namely, the Cheatham lock and dam project, has been allowed by his committee an additional $1 million above the amount provided by the House. That is desirable; but according to my advice from the Corps of Engineers in my State, and from others interested, if the Corps of Engineers must choose between the reduction of the Old Hickory project, which is a large power project, and an increase in the Cheatham lock and dam project, which is important, but less important as a power source, it might be that a transfer of funds would be desirable.

Mr. KNOWLAND. Let me say to the distinguished Senator from Tennessee that this matter was gone into as fully as the committee was able to do with the facts and figures presented. The committee made its recommendations based in considerable part, at least, on the carryover funds which were available, with which, together with the new funds, construction work would be carried on. The law provides—and the committee so states—that the engineers are allowed a certain degree of flexibility. If, for example, they should find, with respect to any one of the projects, that their progress was not so great as we had contemplated, and with respect to another project, they should find that they needed additional funds to carry on an economical rate of progress, they are allowed a certain degree of flexibility in transferring funds for that purpose. I am sure that the committee recognizes the importance of both these projects. We believe that with the flexibility, which is possible, in the use of funds and with the carryover which is available from the preceding year, the work can be carried on in both cases without doing any damage to either project.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. KNOWLAND. I yield.

Mr. GORE. I gather from the report and from the remarks of the able Senator from California that a transferability of funds is available to the Corps of Engineers, not only as between these two projects, but among a large category of projects, giving to the Corps of Engineers what, in the opinion of the chairman of the subcommittee, is ample flexibility to carry forward the program on the schedule approved by the Bureau of the Budget.

Mr. KNOWLAND. That is correct. There is a certain amount of flexibility with respect to the overall program. However, I invite the attention of the distinguished Senator from Tennessee, who I know is very much interested in these projects and in other projects of a public-works nature, to the fact that on page 6 of the committee report we say:

> In this connection it should be noted that the Chief of Engineers has authority to make temporary loans to meet the exigencies of actual construction operations.

So I am sure that there is sufficient flexibility to meet the situation in the event construction should be retarded and be placed on an uneconomical basis.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. KNOWLAND. I yield.

Mr. GORE. I should like to point out that the Old Hickory project is particularly important, because there is under construction now a large TVA steam plant, the reservoir for which is expected to be the water impounded by the Old Hickory Dam. The appropriation for the TVA steam plant has already been made. It is well underway. So unless the Old Hickory Dam is completed we shall have an expensive steam plant high and dry, away from the water which it must use, and unable to produce the power which the area must have, except by the use of expensive pumping equipment.

Mr. KNOWLAND. I will say to the Senator from Tennessee that the chairman of the Subcommittee on Civil Functions is familiar with the situation to which the Senator refers. As a matter of fact, the Senator from California

voted for the funds, and for the authorization to proceed with the steam plant. Having been in the valley of the Tennessee within 6 months of the time I came to the Senate at this session, I am somewhat familiar with the situation and the peculiar circumstances which I believe made necessary proceeding with the construction of that plant.

Mr. GORE. The people of Tennessee are aware of the visit of the distinguished senior Senator from California. They were pleased with his visit, and felt honored by it. They are particularly elated over the favorable impression which the Senator from California gained with respect to this development. The Senator from Tennessee wishes to express his personal appreciation for the visit, and for the action the Senator from California has taken in this connection.

Mr. President, will the Senator yield for one further question?

Mr. KNOWLAND. I am glad to yield to the Senator from Tennessee.

Mr. GORE. On pages 6 and 7 of the report I find that the committee has not allocated specific funds for the planning of the specific projects to which reference has already been made by the senior Senator from Washington [Mr. MAGNUSON]. I note that in the list of projects for which planning money is allocated is the Carthage Dam in Tennessee. Do I correctly understand?

Mr. KNOWLAND. I should like to read to the distinguished gentleman the language of the committee report, beginning near the bottom of page 6:

> The committee recommends $2,850,000 for advance engineering and design. While the committee has not allocated this amount to individual projects, it is expected that the corps will generally adhere to the budgeted items, except for Libby Dam and Reservoir, Mont. With respect to the Libby project, no new funds are provided. The committee does not desire that any planning funds be expended on Libby Dam until the conditions prescribed in the committee's report of last year have been fulfilled. However, it is not intended to completely foreclose planning on a nonbudgeted item if a situation arises where such planning is required to meet an unusual situation. The committee will expect a report from the corps next year as to the actual allocation of the funds appropriated. The projects for which planning funds were recommended in the budget, and the amounts allowed by the House are shown in the following table.

Therefore, while not tying the engineers to the point where they had no flexibility, we stated generally that we expected them to follow the budgeted items, but that they had flexibility to take additional projects if the conditions warranted.

Mr. GORE. I appreciate the courtesy of the senior Senator from California.

Mr. HICKENLOOPER. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. HICKENLOOPER. I will say to the Senator from California that one particular project in Iowa, the Floyd River project, requires about $55,000 for the completion of the survey in the upper Floyd River. The Floyd River, which runs through the city of Sioux City, went on a rampage about 2 weeks ago and caused approximately $60 million worth of damage, and an unestimated amount of damage is still being caused in the upper reaches of the river.

I understand that the construction work cannot be commenced on the upper reaches of the river until the survey is completed. We have been trying to get an appropriation of $55,000 with which to complete the survey. The allocation given to the city of Sioux City and to the upper reaches of the river will run into several hundred thousand dollars solely for emergency work, as a result of the very devastating flood. Probably $70 million or $80 million worth of damage has already been caused there during the past 3 weeks. I wonder whether the $55,000 to complete the survey of the upper basin of the Floyd River is included in the bill.

Mr. KNOWLAND. Not specifically. But, with the adjustments which the Senate committee made, if in the judgment of the Corps of Army Engineers it is an emergency condition, and if they feel it has the priority, because of the conditions to which the able Senator from Iowa has referred, I believe that under the increased amounts allowed, the Corps of Army Engineers would be able to take care of an emergent situation of that character.

Mr. HICKENLOOPER. Without doubt they have the right to take care of certain emergency situations such as the construction of a canal——

Mr. KNOWLAND. No; I am speaking about the planning, to which I believe the Senator has referred.

Mr. HICKENLOOPER. Yes; I understand. The $55,000 will be required for a survey of the upper basin, where the water collects and floods precipitously down the funnel and creates enormous damage.

Mr. KNOWLAND. I may say, in all candor, I cannot assure the Senator that the engineers will approve the allocation in that particular amount. But I do say that within the funds provided, if, in their judgment the flood conditions are such and the problems are such that the matter has the priority to which the able Senator from Iowa feels it is entitled, the engineers will have the necessary flexibility to make funds available.

Mr. HICKENLOOPER. I believe that is satisfactory, because the engineers consider it to be necessary to make the survey at the earliest possible date.

Mr. SCHOEPPEL. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. SCHOEPPEL. I wish to say to the distinguished Senator from California, who is in charge of the bill, that I have listened to his statement with reference to the overall proposal, and that with very much of it I am in agreement. It is commendable.

I desire to draw the Senator's attention to page 10 of the report, where is listed the Wichita and Valley Center project, the total estimated Federal cost of which is $14,139,000. Of that amount, $4,653,000 has already been appropriated.

The Senator from California knows that the Army engineers requested $2,950,000 for the fiscal year. The Budget Bureau cut the amount to $1,650,000. The House allowed $1 million.

The Senator from California is aware that the senior Senator from Kansas appeared before the committee and requested the amount asked for by the Army engineers. The Senate committee in its wisdom and judgment increased the appropriation by $500,000, which is approximately $100,000 short of what the Bureau of the Budget recommended.

The point to which I should like to draw the attention of the Senator from California is that in the city of Wichita there are housing projects in which the Federal Government has an interest to the extent of about $100 million, and that the city of Wichita and the county of Sedgwick, in which the project is located, have spent more than $6 million of their own money on the project.

When the appropriation bill goes to conference I hope the Senate conferees will insist on retaining in the bill the $500,000 increase recommended by the Senate committee.

Considering the flood conditions which exist in Wichita and the $6 million which the city and county have raised—and this project is already under construction—if the appropriation is limited to $1 million, I am told by competent engineers that, while not exactly useless, it will be a waste of money, because the terrible flood conditions can affect the $75 million or $100 million worth of Government investment in Government-guaranteed loans and buildings and properties which have been constructed there, right or wrong.

Mr. KNOWLAND. Mr. President, I will say to the distinguished Senator from Kansas—and the same answer applies to the valley of the Mississippi and the valley of the Tennessee, and to any other place in the country—I believe the committee, with perhaps new facts presented to it, or subsequent and additional figures which were presented to it after the House hearings had been held, had ample and very sound reasons for making the recommendations which it made. I say it without casting any reflection upon the action taken by the other House, because by the very nature of appropriation bills, the House acts on them considerably ahead of the Senate. The sums which the House makes available sometimes have to be changed because of construction work taking place, which affects unexpended balances, and so forth.

However, I would say to the Senator from Kansas that in the conference committee I expect to fight just as vigorously—and I am sure the other Senate members of the conference committee feel the same way—to uphold the action of the Senate in the case of this project, as in the case of any other project in the bill.

I am hopeful, in fact, that in the discussions we may be able to present such strong reasons for sustaining the Senate action that perhaps the conferees on the part of the House will be inclined to agree with us.

Of course in a Congress consisting of two Houses in many cases where the Members of the House feel there is an

honest difference of opinion as between their interpretation of the facts and our interpretation of the facts, the conference committee arrives at some position in between. Sometimes House conferees present facts which cause the Senate conferees to recede from their position, and vice versa.

I cannot assure the Senator from Kansas, as he well understands, that in this case the conference will finally decide on the exact amount the Senate provides, or on the exact amount the Senate provides in the case of any other item. However, I am thoroughly sold on the soundness of the position of the Senate committee on this item, and I hope we will be able to convince our friends and able colleagues in the House at least of the sound reasoning by which we made the adjustments in the bill.

I will say to the able Senator from Kansas that one reason the Senate subcommittee and the full committee did not go as high as the budget figure, although we did increase the amount provided by the House, is that the carryover, the unexpended funds in the project, as of the end of May—and of course there probably was something added since then—was $1,939,128. The unobligated funds as of that period were $502,172. So we felt that with the funds here provided, an economic rate of development of the project would be permitted.

Mr. SCHOEPPEL. Mr. President, I appreciate that explanation.

I wish to say to the Senator from California and his colleagues on the subcommittee that I think they have done an excellent job. I know the situation has been a troublesome one, and I hesitate very much to offer amendments to increase the funds for this project, since the Senate committee in its deliberations has seen fit to increase them another half million dollars, which I believe will be badly needed in this instance, as the work gets under way this year.

Mr. KNOWLAND. I thank the Senator from Kansas.

Mr. SPARKMAN. Mr. President, will the Senator from California yield to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from California yield to the Senator from Alabama?

Mr. KNOWLAND. I yield.

Mr. SPARKMAN. I was greatly disappointed that there was not included in the bill an appropriation in the modest amount requested for the commencement of work on the Warrior Dam. The distinguished acting majority leader and chairman of the subcommittee will remember that I appeared before the subcommittee and made a presentation of this matter.

I wonder whether the Senator from California will state the reasons, if he cares to do so, why that item was not included, or whether he could give me a good reason why I should not try to have it included by means of an amendment.

Mr. KNOWLAND. As I recall, there were three projects in the same category. I think the committee recognizes the problem to which the Senator from Alabama has referred.

Speaking only for myself—because, of course, I cannot bind the committee as to future action—let me say that I am very hopeful that not only in the case of the project the Senator from Alabama has mentioned but also in the case of other projects in a similar category, which relate primarily to replacement situations, work may be proceeded with during the next fiscal year.

I recognize the importance of the project the Senator from Alabama has mentioned and of the other projects which are in an exactly comparable situation.

In view of all the problems confronting us at this time, it was the judgment of the committee that those three items should not be included in the bill.

However, I am sure the Senator from Alabama can rest assured that the project to which he has referred will have the sympathetic consideration of the chairman of the subcommittee, if he is still chairman of the subcommittee next year, and I am sure the distinguished Senator from Alabama, who is properly very much interested in this matter, will appear before our committee next year and will make his presentation, at which time not only will he receive the usual courteous attention which I know he feels he does receive before the committee, but I hope by that time he will be able to receive the sympathetic and active help of the committee in meeting the problem.

Mr. SPARKMAN. Mr. President, if the Senator from California will yield further, let me say that naturally I appreciate his remarks and assurances, and certainly I always receive, as I know all others do who appear before the Senator's subcommittee, very courteous and kind treatment. As a matter of fact, the able Senator from California is so generous in his remarks that he makes it rather difficult for me to offer an amendment. However, I hope that when the bill is being considered for amendment I may offer an amendment to provide $1 million to start this project.

Let me say that the Chief of Engineers cautioned the committee that a serious risk is being taken in allowing these old, dilapidated, wornout dams to continue without improvement. They are in a terrible condition, and he said they might wash out at any time.

Mr. KNOWLAND. Of course, Mr. President, I must say, first, that life is full of risks. Other problems confront us, not only in this field of endeavor but in other fields. We must constantly take some risks.

I am not unmindful of the situation to which the able Senator from Alabama refers, and I am sure he will not consider that my great admiration and affection for him are diminished in any way if I am required, on behalf of the committee, to resist the adoption of an amendment adding for this purpose an appropriation of $1 million to the bill. I say in all seriousness that if we once begin to proceed on that basis the situation will get out of hand, for in various sections of the Nation there are many other projects for which additional amendments might equally well be proposed, and in that event it would become most difficult for us to maintain our position, either before the House of Representatives or elsewhere.

Mr. SPARKMAN. Of course, Mr. President, I appreciate the position the able Senator from California is in, and I also appreciate his never-failing spirit of cooperation.

Naturally, I wish very much that I might have his help in connection with this matter, but, of course, I know that as chairman of the subcommittee he must defend the committee's action.

I should like to remind the able Senator from California that there were only two specific projects in connection with which the Chief of Engineers cautioned the committee and the Congress that a severe risk is being taken in not proceeding with some work. With particular reference to the dam on the Warrior River, he said that because it is in such bad condition repair work on the dam has been stopped, as they realize that any work of that sort which is done must be replaced, in view of the fact that the dam may wash out at any time.

A few days after I appeared before the committee, a shoal condition developed in the lower part of the river; and in order to remove the shoals, it was necessary that dredging operations be conducted for 11 days. Those shoals developed because of the rapid flow of water following floods, with the result that sands washed in. Because of the shoals, the barge traffic had to be stopped; great tows of barges carrying large quantities of materials which are of great importance—for instance, tin, iron ore, oil, and similar commodities—had to be tied up for 11 days while the Army engineers spent I do not know how much money in clearing the channel below one of the dams.

I should also like to remind the distinguished Senator from California that this happens to be the only part of the Federal Barge Line operation which shows a profit. In fact, because of that profit last year the entire barge line operation was able to show a profit. So it seems to me we must pay close attention to this matter. I believe we may be indulging in false economy if we omit this appropriation, because if one of these dams washes out, the entire profitable operation of the Federal Barge Line system will go by the board until the dam is replaced.

Mr. KNOWLAND. Mr. President, I appreciate the presentation the able Senator from Alabama has made. I think he had had assurances, insofar as an individual Senator is permitted to give them that this matter is very much in the minds of the members of the committee.

After further consideration, I hope the Senator from Alabama will not feel that it is necessary to submit the amendment, because, frankly, I would not like to see such an amendment rejected by the Senate, in view of the possible future effect upon the committee.

Mr. SPARKMAN. Mr. President, will the Senator from California yield further to me?

Mr. KNOWLAND. I yield.

Mr. SPARKMAN. I hope the Senator from California understands my position, too. I wish the Senate to know

what the Chief of Engineers has said in regard to the only profitable operation of the inland waterway system of the Federal Government, so that if one of these dams washes out before the committee is able to act a year hence, at least I shall be able to say to my constituents that I warned the Senate of the situation.

So I wish the Senator from California to appreciate the position I am in.

Mr. KNOWLAND. Mr. President, I fully appreciate it, and I wish the Senator from Alabama to know that if I had been in a similar situation, I would have made a similar statement.

Mr. SPARKMAN. And would not the Senator from California also have offered such an amendment?

Mr. KNOWLAND. No; I do not say I would have done so; but I would have made clear that the Government is taking a calculated risk.

Of course, Mr. President, in many fields of endeavor we have to take certain calculated risks. We do not have available sufficient funds in order to be able to have perfect and absolute security—whether in the field of public works or in other fields of endeavor.

In the case of the particular field to which the Senator from Alabama has addressed himself, the members of the committee have perhaps a little advantage over the Senator from Alabama, because although of course he is thoroughly acquainted with this particular problem, as well as with a great many others, yet the committee has had to consider the problems presented by many other persons, equally sincere, who regard their problems as of equal importance.

In arriving at the overall decisions which were made after all the facts were available, and after the committee had given great consideration, as well, to the fiscal problems and all the other problems which must be considered in connection with these matters, it was the judgment of the committee that in this case and in the several comparable cases, the appropriations should be put over until next year.

The committee is entirely mindful of the testimony of the Army engineers, and the Senator from Alabama has made his own position very clear. I admit it is a responsibility which is a heavy one to take, but under all the circumstances, and with the facts before it, the committee took that responsibility. The Senator has made his position clear. I hope he will not find it necessary to force me to object.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The first amendment of the Committee on Appropriations was, under the heading "Civil Functions, Department of the Army—Cemeterial Expenses," on page 2, at the beginning of line 12, to strike out "$4,870,000" and insert "$5,307,400."

The amendment was agreed to.

The next amendment was, under the subhead "General Investigations," on page 3, line 20, after the word "expended," to strike out "$2,275,000" and insert "$3,440,000."

The amendment was agreed to.

The next amendment was, under the subhead "Construction, General," on page 4, line 2, after the word "exceed," to strike out "$1,250,000" and insert "$3,750,000."

The amendment was agreed to.

The next amendment was on page 4, in line 5, after the word "expended," to strike out "$254,123,000" and insert "$312,886,000."

The PRESIDING OFFICER. Without objection——

Mr. DOUGLAS. Mr. President, this is the most important committee amendment. I yield to no one in my respect and admiration for the members of the Appropriations Committee, and for the members who constituted the Subcommittee on Civil Functions. I appreciate the hard work and devotion to duty which they showed. Anything that I may have to say is in sense a personal criticism of them, but I think they gave themselves undue credit when they spoke of their economy efforts. For while it is true that this bill appropriates less money than was requested by the President, and while it is also true that it appropriates less money than was appropriated last year, it is equally true that it appropriates over $57 million more than was appropriated by the House. On this particular item it appropriates $58.8 million more than was appropriated by the House. It was the House which made the economies. It is the Senate Appropriations Committee which is proposing to increase the appropriation.

As we all know, a wag once said, "The reason why the Senate is sometimes called the 'Upper House' is because it generally ups the appropriations made by the House." This is the pattern which we seem to follow every year. We start out with a great economy drive in January and February. This continues for a time in the House as they take up the early bills, and then, as people get tired and become fatigued and the bills come over to the Senate, the increases are made here.

Mr. President, I do not intend to make a long speech on this subject. I merely want to point out a few very salient facts. This item provides for an increase of $58.8 million above the House appropriation. It adds money for 32 projects which were not included by the House. The 32 projects are located in 20 different States, and I recognize, therefore, that the additions have a rather broad basis of political support, distributed on both sides of the aisle and in a number of sections of the country.

I should like to point out that the Senate bill adds money for 15 projects which were not approved by the President, amounting for the year 1953–54 to $10 million.

I should like to point out that it provides money for 11 projects which are essentially new starts, and that while only $5 million in cash is appropriated for 1953–54 for these projects, this is simply, as usual, the come-on or the small initial appropriation designed to get us started. Then, once the projects are underway, we find ourselves committed to large ultimate appropriations. If my computations are correct, the 11 new projects that we are starting will ultimately cost $120 million.

So, Mr. President, I think we should weigh this whole situation very carefully. Unless we make economies we shall not be able to balance the budget. We shall have a budget deficit of $10 billion staring us in the face. We know that even with the economies which are being made there will be a reduction in tax receipts during the coming year because of the impending expiration of excess-profits taxes and the expiration of increases in corporate and individual income taxes. The struggle between the administration and recalcitrant sections of the Republican Party is simply as to when the decreases in taxes will go into effect and not over the question as to whether there will be decreases. So, therefore, we may look forward to a large decrease in revenues for 1953–54. Looking ahead to 1954–55, we shall probably have a decrease in revenues of approximately $8 billion.

So, Mr. President, the problem of getting a balanced budget is very difficult indeed. When we consider any individual appropriation bill we are naturally struck with the worthwhileness of the individual projects. I am not going to make an attack on any of the projects. It may well be that a good case can be made for each and every one of them, taken separately.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MAGNUSON. I am quite struck with the philosophy of the Senator from Illinois, regarding public works. I was sitting here, thinking to myself: If the Senator from Illinois will name for me one, just one "white elephant" in the list of dams and reclamation project, then I shall vote with him.

Mr. DOUGLAS. In previous years——

Mr. MAGNUSON. Does the Senator know of any such project?

Mr. DOUGLAS. Mr. President, will the Senator permit me to continue?

Mr. MAGNUSON. Yes.

Mr. DOUGLAS. In previous years I have called attention to many such projects, and I have criticized them individually. I do not know that it is necessary to fight those battles again. It would consume quite a good deal of time. I shall be glad to give the citations in the CONGRESSIONAL RECORD, if the Senator so desires.

Mr. MAGNUSON. There may be some such project, but I don't know of any, personally.

Mr. DOUGLAS. It so happens that we had a project in my State which was provided for in the days of Uncle Joe Cannon. It was a canal between the Mississippi and the Illinois Rivers. Enormous amounts of money were expended upon that project. It was said to be necessary for purposes of navigation. Virtually no traffic ever passed over it. I have crossed that canal many times, and have never even seen a canoe upon it. It was finally abandoned after World War II.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DOUGLAS. I shall be glad to yield, but I have only 15 minutes.

Mr. KNOWLAND. Mr. President, will the Senator yield in my time?

Mr. DOUGLAS. I am delighted to do so.

Mr. KNOWLAND. The Senator has gone back quite a way, when he goes back to the time when Uncle Joe Cannon was Speaker of the House.

Mr. DOUGLAS. That is correct.

Mr. KNOWLAND. I think his Speakership ended on March 3, 1911.

Mr. DOUGLAS. That is correct.

Mr. KNOWLAND. I cannot be responsible, nor can this Congress be responsible, for what may have been done 43 or 45 years ago. I do not say that there have not been such instances in the history of the country, but I do believe, with reference to the program which is here presented, that such is not the case. Nor do I know of any such instance within my relatively brief experience of 8 years in the Senate of the United States.

I should like to point out to the distinguished Senator from Illinois that, in the case of the construction program for river and harbor and flood-control projects, for the fiscal year 1949, the appropriation in dollar volume was $424,518,200; for fiscal 1950, it was $462,996,090; for fiscal 1951, it was $455,008,650; for fiscal 1952 the amount was $437,376,713, and for fiscal 1953 the amount was $404,106,600.

The revised budget figure for fiscal 1954, which is the year with which we are dealing, is $332,500,000.

I repeat, Mr. President, that is the revised budget figure.

The amount which the committee is recommending is $312,886,000.

So I say to the distinguished Senator that either all Congresses and all the Budget Directors in the past have been very negligent in connection with their responsibilities, or the Budget Directors and the Congresses have given reasonably diligent attention to the problems. While I quite readily admit there is always room for an honest difference of opinion as to how far we should go with public works—and the Senator from Illinois is certainly entitled to his opinion on that subject—I do not believe it would be fair to compare what may have been done half a century ago and then charge that that is now the general policy with reference to public works.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator on my time.

Mr. McCLELLAN. I thank the Senator.

The able Senator from Illinois takes us back to 40 years ago with reference to some project which he describes as unsound—

Mr. MAGNUSON. But it was not unsound.

Mr. McCLELLAN. The Senator from Illinois thinks it was unsound. We might single out one project in this bill and one project in another bill which has been adopted in connection with a program of building flood-control projects, river-and-harbor projects, and multiple-purpose dams, but that would not be sufficient, nor would it be sufficient to point out half a dozen projects, and condemn the entire program and simply destroy it by not appropriating money to carry it on. We can find many instances in connection with appropriations for defense in which money has probably been squandered or misspent because of miscalculation, but we would not condemn the whole defense program. There may have been unwise expenditures at times in the past.

I take it that the bill which is before the Senate today, on the basis of trying to effectuate some economies, is one of the most sound measures to come before this body in many years. I think substantially every item in the bill can be more than justified, even under conditions which prevail today, unless we are simply to abandon completely in this period the program of conserving our national resources and making progress toward the development of our great potential wealth in the river valleys of our Nation.

Mr. DOUGLAS. Mr. President, I anticipated that I would stir up a hornet's nest when I opposed this committee amendment. I did not want to criticize individual projects, although I have done so in the past. I would refer my distinguished colleague from Washington and other colleagues to previous remarks which I have made on individual projects, and can give the citations in the CONGRESSIONAL RECORD if they desire to make statements in contravention of my remarks. I refer them to the CONGRESSIONAL RECORD, volume 98, part 6, pages 7454 to 7456, which contains an analysis of the weaker projects in the bill for last year, at least 11 of those projects are in the bill before us.

But I should like to reiterate that it is not my intention to attack individual projects as such. I rest my case for opposing the committee amendment and saving 58 million on the need for reduced expenditures and a balanced budget.

We in the Middle West stand to gain nothing from the power projects in the Pacific Northwest. I have supported them because I felt that they were needed and because they were economically justified. I have done so even though it was extremely unwise, politically speaking, for me to take such a position. So I think it is somewhat ungracious for the Senator from Washington to make the remarks he has made. But I shall pass over that and say nothing more about it.

If we were to examine individual projects we might very well question whether we should have developed the upper and lower Missouri River for navigation purposes, to try to maintain a 9-foot channel there, when the volume of traffic on both the upper and lower Missouri River will undoubtedly be relatively small.

I do not wish to cause the Senator from Arkansas [Mr. McCLELLAN] to become angry with me, but I would remind him that so far as the Arkansas River projects are concerned, even the Army engineers, who are never conservative in stating benefits and who are always extremely conservative in stating costs, show a benefit to cost ratio of only 1.05. So, Mr. President, if I wanted to go into details as to individual projects, I could do so, but I shall not do that today. I merely raise the question of whether we should increase the amount provided by the House by some $58 million, in view of the budgetary situation.

Therefore, Mr. President, I hope the committee amendment will be defeated.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 4, line 5.

Mr. SPARKMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SPARKMAN. If I desire to offer an amendment to add a project to the bill, would it be proper for me to offer the amendment before a vote is had on the pending amendment?

The PRESIDING OFFICER. The proper time to offer the amendment would be before a vote is had on the committee amendment.

Mr. McCLELLAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McCLELLAN. Is there not a committee amendment now pending?

The PRESIDING OFFICER. There is.

Mr. SPARKMAN. Mr. President, on behalf of the Senator from Alabama [Mr. HILL] and myself I offer an amendment to change the figure in the committee amendment to $313,886,000. The additional sum of $1 million would be for the purpose of allowing construction to start on what is known as the Warrior Dam on the Warrior River in Alabama, and of replacing two old dams, and locks 8 and 9. The dams have been in operation for approximately 50 years; maybe a little more or less, but within a year or two one way or the other. The dams have been constantly in use since their construction. They are of the old type, with small locks. They are low dams, and hand-operated. I suppose there are very few of that type remaining. There are 17 locks and dams on the Warrior River in the 467 miles included in the entire navigation link of the river.

Four or five years ago a program was devised to replace those locks and dams with new and modern locks and dams. One has already been finished. One is within approximately a year of completion, and the others are planned to come along at different times.

I wish each Member of the Senate could see the picture which I hold in my hand. It is a picture of one of the dams which for the past several years has not been receiving any maintenance, because, as General Sturgis testified, it would be false economy to try to keep under repair and maintenance a dam such as that. Here is another picture of the dam, showing a hole underneath. There is a hole in the lock, evidencing the serious wear and erosion.

There was testimony before the committee that when that lock is filled with water, and a barge goes through, it pushes out; it is undermined.

General Sturgis, in testifying before the committee, pointed specifically to this project and said the dam might go

out at any time a flood condition occurred on the river. He warned the committee that a risk was being taken.

A few minutes ago I stated in an exchange with the distinguished chairman of the committee, that this is one of the best navigation projects in the United States. The river is relatively small, but a tremendous amount of traffic is carried on it, principally between Birmingham and Mobile, and thence into the commerce of the world. If one of the dams should go out, that commerce would be stopped, and the entire river would be closed to navigation.

This is the only part of the Federally operated barge-line system that has consistently shown a profit every year since the end of World War II. I do not have the figures of the business before that time, but I assume that the same conditions existed over many years. Last year the entire Federal Barge Line system showed a profit for the first time in many years, but it was due only to the heavy profit made by this particular line.

I shall not delay the Senate with a discussion of the amendment. I felt that the Senate was entitled to know of the risk that was being taken, a risk that was clearly pointed out to the committee on two different occasions by General Sturgis.

The point may be made that there is not a budget estimate for the project. That is true of the revised estimates, but the original estimates provided $1,900,000 for this particular project. For some reason, when the revised estimates were submitted, the project was omitted. I have a great deal of respect for budget estimates, but if I understand correctly the report of the committee several items are contained in it for which budget estimates were not submitted. If I am in error, I should like to have the distinguished chairman of the subcommittee correct me.

Mr. KNOWLAND. Mr. President, will the Senator yield for a statement to be made in my 15 minutes on the amendment?

Mr. SPARKMAN. I yield.

Mr. KNOWLAND. The position of the committee and the subcommittee was that great weight should be given to budget estimates, but that the committee, and Congress, for that matter, should not be foreclosed from considering facts over and beyond the budget. I believe that to be a perfectly sound position, because Congress, after all, has the responsibility of appropriating funds. But, by the same token, I believe great weight should be given to recommendations of the Director of the Budget.

Mr. SPARKMAN. I am in complete agreement with the able Senator from California. I think that is a sound position to take, because, after all, ultimate responsibility rests upon Congress as to the action that shall be taken.

We are speaking of economy. General Sturgis pointed out that the Corps of Engineers has had to stop maintaining and repairing these dams because it would be false economy to do so. I submit that if the dams and locks are to be left in such perilous condition in the river, without repairs, certainly it is false economy not to make a start on replacements, for which the funds have been eliminated.

I pointed out a few minutes ago that only recently the river was closed for 11 days, due to shallow water and shoals, resulting from the inadequacy of the dams. Great lines of barges, carrying valuable material, were tied up, while the engineers spent 11 days dredging the river channel so that the barges could proceed.

One of the greatest iron-ore deposits in the world is being developed in Venezuela. It is the plan of the United States Steel Corp. to bring a tremendous amount of that iron ore through the port of Mobile and up the Warrior River to Birmingham, to the Tennessee Coal & Iron Co., a subsidiary of United States Steel, for use there. That traffic will use this waterway, and undoubtedly the shipping on the river will be doubled, or even more greatly increased, provided navigation is allowed to continue.

If one dam goes out, the whole river will be closed, and one of the finest and most profitable transportation systems in the entire country will be unable to operate until the dam can be rebuilt. I think it is false economy to leave out an item such as this, which is so badly needed.

I have not asked for the full $1,900,000 that was contained in the original budget estimate. I have asked for $1 million. That would be sufficient to enable a fair start to be made. I say it would be a good investment, and would be in the cause of economy.

Mr. KNOWLAND. Mr. President, I desire to take time on the amendment.

Let me state the situation presented to the Senate. The distinguished Senator from Illinois [Mr. DOUGLAS] is opposed to the committee amendment because the amount recommended is too high. He proposes that the Senate revert to the House figure. Presumably if his position were supported, some $57 million or $58 million would be eliminated from the bill. The distinguished junior Senator from Alabama [Mr. SPARKMAN] would have the Senate add $1 million to the bill.

I do not intend to repeat my earlier statement as to the general policy of the committee, but this is only one of several projects with respect to which Senators could, with equal justification, make the same basic arguments the distinguished Senator from Alabama has made.

This item was not in the revised budget. The Senator has pointed out, and I have confirmed his view, that while great weight should be given to the recommendations of the Bureau of the Budget, I do not think their recommendations necessarily should be conclusive, or should tie the hands of Congress.

In this case, not only is there is no revised budget estimate, but neither the House committee nor the House itself has included the item. Again I say that that is not necessarily binding or conclusive, but it is at least a factor which I think the Senate should take into consideration, together with the fact that there is no revised budget estimate for the item.

The subcommittee and the full Committee on Appropriations, having before them all the facts that have been presented by the Senator from Alabama, with full knowledge of the conditions that exist, and having heard the testimony, now come to the Senate with the recommendation that the project not be included.

The fact is that this is $1 million of a $19 million project which Congress may ultimately determine should be started.

In addition to the Warrior River project, to which the Senator from Alabama has referred, there is the Hildebrand project, which would ultimately require $15,745,000. Another project is the Cumberland project, where there are locks that are about 45 years old. That project would cost $45,600,000.

Other projects exist elsewhere, the backers of which thought they had a case at least relatively as good as that presented by the Senator from Alabama. Undoubtedly, throughout the Nation there are many other projects.

I think that what is needed, and what I hope the engineers will attend to during the period of the next year, is a survey of projects which are in a somewhat comparable situation. The engineers could then come before Congress with a constructive program calling for a program of development and replacement over a period of years, giving us what, in their judgment, they feel should be priority projects.

I must resist the amendment offered by the Senator from Alabama for the reasons I have stated, and I hope the Senate will support the action of the Committee on Appropriations and not accept the amendment.

Mr. HILL rose.

Mr. KNOWLAND. I yield to the distinguished Senator from Alabama.

Mr. HILL. I appreciate the courtesy of the Senator from California, but I desire to obtain the floor in my own right.

The PRESIDING OFFICER. The Chair recognizes the senior Senator from Alabama.

Mr. HILL. Mr. President, I appreciate the sincerity of the Senator from California, but I am certain he does not realize the urgency and immediacy of the situation on the Warrior River in Alabama. The old dams on that river, built some 50 years ago, have become antiquated and dangerous as the pictures here demonstrate. They are in an intolerable condition. One of the dams has a big hole in it right now.

The waters are likely to rush through those dams and wash them out at any time. That may mean not only the destruction of a great deal of property, but the destruction of human life as well. If these dams are washed out, every dollar of investment the Federal Government has in that project will be absolutely worthless. Without these dams there could be no navigation on the river. It is just as though there were a broken link in a chain. A chain with a broken link is worth nothing.

The evidence of the Chief of Engineers, General Sturgis, was that these dams might wash out at any time. There can be no doubt that the dams must be replaced. Since it is inevi-

table that they must be replaced, Congress will replace them. Why should we take an unnecessary risk? Why invite danger? Why not act now? Why wait and invite some terrible catastrophe?

That is the situation. The evidence is undisputed as to the dangerous condition of these dams. General Sturgis made that very clear. The photographs of the dams themselves show the dangerous condition in which they are today. So I appeal to Members of the Senate—let us not delay that which we know must be done, and which will be done. Let us do it now, and void danger. Let us take steps now to insure that there will be no catastrophe. Let us adopt the pending amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. SPARKMAN] to the committee amendment on page 4, line 5. [Putting the question.]

Mr. HILL. I ask for a division.

On a division, the amendment to the amendment was rejected.

Mr. MARTIN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Pennsylvania will be stated.

The LEGISLATIVE CLERK. On page 4, line 5, in the committee amendment, it is proposed to strike out "$312,886,000" and insert in lieu thereof "313,256,000."

Mr. MARTIN. Mr. President, I appreciate very much the courtesy of the committee. Members of the committee have heard me in connection with several projects, and they have been very considerate. They have spent long hours and long days of faithful work on the bill, and I am most appreciative. Probably if I had been a little more diligent they might have accepted this amendment. But I have been concerned with other committee work.

This amendment would bring up to $400,000 the amount of money to be made available for flood protection at Johnsonburg, Elk County, Pa.

This project was first authorized as part of the comprehensive flood-control plan of 1944. It is part of the project known as the East Branch Clarion River Dam, which has now been completed—with an unused balance of over $400,000.

It was presumed that the second phase of the project—the widening and channeling and dredging of the river below the dam would be undertaken immediately.

However, instead of using the $400,000 left over from the Clarion River Dam for the Johnsonburg flood-control work—it has been reclaimed.

Up to date, $23,900 has been appropriated for the Johnsonburg flood-control work, for survey purposes. An additional $30,000 for advanced planning and design has been included in the present appropriation. In my opinion, this figure should be raised to the $400,000 necessary to begin actual construction—rather than to further delay a seriously needed flood-control work.

As the appropriation for advanced planning is included in the figure for general construction appearing on lines 5 and 6 on page 4 of the bill—my amendment would increase the overall figure by $370,000, making a total of $400,000 available for the Johnsonburg project.

Within the past several weeks the town of Johnsonburg was hit with heavy rains and again the floodwaters reached 5 or 6 feet in the west end of Johnsonburg and the town again suffered a terrific loss.

I might state further that Johnsonburg is the home of large paper mills. In fact, practically all the paper made for the Saturday Evening Post, the Ladies' Home Journal, and other publications of that nature is manufactured at Johnsonburg.

If this amendment is accepted—and it is my understanding that the Corps of Engineers and the Bureau of the Budget would not object to it—it will permit the work to go forward, and will afford relief to the people of Johnsonburg from these devastating, recurring floods.

Mr. President, I wish to emphasize that the Johnsonburg flood-control project is not a new approval—it was contemplated as part of the East Branch-Clarion River Dam project, which was approved in 1944 and upon which construction appropriations began in 1947.

The total Federal cost of the Johnsonburg flood-control work is relatively small—estimated at $583,000—and it is urgent that this construction be started at once.

I may say further that the Johnsonburg flood-control project has an economic ratio of 3 to 1, and that the local community has met its obligations with respect to the project. I sincerely hope that the distinguished chairman of the subcommittee [Mr. KNOWLAND] will accept this amendment and take it to conference.

Mr. KNOWLAND. Mr. President, I regret very much that I am unable to accept the amendment of the distinguished Senator from Pennsylvania. I assure him that as chairman of the subcommittee, I am not acting on any partisan basis. I could not accept the amendment of the Senator from Pennsylvania when I have just asked the Senate to reject the amendment of the Senator from Alabama [Mr. SPARKMAN].

I have no doubt that the project has merit. I merely call to the attention of the Senate the fact that there was no original budget estimate. There was no revised budget estimate. No funds were included in the bill by the House of Representatives. There was no recommendation for the project by the Senate subcommittee or the full committee. I believe that before we provide construction money projects should be fully planned, and the necessary preliminary work should be carried out. If the project is as meritorious as I am sure the distinguished Senator from Pennsylvania feels it is, I hope the Army Engineers and the Bureau of the Budget will give it their very careful attention, and that when they come to the Congress next year they will submit the necessary facts and data.

I know that the distinguished Senator from Pennsylvania has carried on very heavy work in his own committee, both as chairman of the Public Works Committee and as an able Member of the Senate Finance Committee. I have always found him, on our committee, on which he serves ex officio, to be very conscientious. I am sure he knows that there is nothing personal involved. However, I must ask that the Senate reject the amendment of the Senator from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Pennsylvania [Mr. MARTIN] to the committee amendment on page 4, line 5.

The amendment to the amendment was rejected.

Mr. MONRONEY. Mr. President, I ask unanimous consent that a statement regarding the appropriations contained in the Army civil-functions bill, prepared by the Senator from New York [Mr. LEHMAN], who is unavoidably absent from the Senate on official business, may be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN

After studying the appropriations items included in this civil-functions bill for flood-control and navigation projects, I would like to present to the Senate some facts in regard to the effect of this bill on my own State of New York. I am addressing myself specifically to the funds included in this bill for river and harbor and flood-control projects. I feel that the facts and figures which I am here presenting will demonstrate the inadequate nature of the sums which will be made available to my State for these Corps of Engineer projects, under the general construction item.

I want to emphasize that it is not my intention to offer any amendments to this bill. I will not do so at this time because of my feeling that the Senate Appropriations Committee was eminently fair in its desire to provide money for necessary projects while at the same time maintaining the total appropriations for this bill at a reasonably low level. But while I do not intend to offer amendments to these provisions of the civil-functions bill, I do want the Senate to know that there are important projects for flood-control and navigation purposes in New York State for which strong arguments could be made for fiscal 1954 funds.

New York's citizens, according to a recent memorandum issued by the Empire State Chamber of Commerce, "bore just under 15 percent of the Federal tax burden in 1952—about $9,699,430,000. This was almost identical to the burden borne by the people of 25 other States." Yet, in this bill, as it was reported by the House Appropriations Committee on May 23, out of a total of $251,496,000 recommended for construction of river and harbor and flood-control projects New York State would have received not one penny.

New York did fare better as the bill passed the House, only as a result of a flood amendment which inserted the figure of $400,000 for the Gowanus Creek Channel project Therefore, as the bill was sent to the Senate, New York State received out of a total of $254,123,000 for construction by the Corps of Engineers, a grand total of $400,000.

I must say that the Senate committee was substantially kinder to New York, since it inserted in the bill which is presently before the Senate an item of $600,000 for the Corning or Monkey Run project, although it did reduce the Gowanus Creek Channel item to $349,000.

I want to be completely fair in my presentation of these facts; therefore I will also mention the item which comes under New Jersey in the bill and for which the Senate Committee has recommended $1 million, for "New York and New Jersey Channels." Obviously, even though this is placed under a New Jersey heading in the bill, it is of importance to New York Harbor.

But adding these three river and harbor and flood control projects in or directly affecting New York, we obtain the figure of less than $2 million. Of course, as my colleagues know, the Senate Committee has increased the total House figure for construction throughout the Nation by $58½ million. Thus, even under the Senate Commitee increase for New York State, the State which bears a Federal tax burden far and above that of any other State will receive slightly more than half of 1 percent of the funds for construction of river and harbor and flood control projects.

I do not wish to leave the impression that I am unmindful of the fact that the need for river and harbor and flood control funds in other States is greater than that of New York State. I am not making this statement to criticize the amount which has been allocated to the other States for this important work. What I am attempting to show is that in this civil functions appropriation bill, New York State is receiving a mere pittance.

It may be assumed by some of my colleagues that New York State does not have sufficient river and harbor and flood control projects which would require the appropriation of Federal funds. In order to demonstrate that New York has a number of authorized projects, both for navigation purposes and for flood control, I recently requested the Office of the Chief of Engineers to prepare a list of these authorized projects for New York State.

At this point in my remarks I would like to include the letter which I received from Brig. Gen. C. H. Chorpening, Assistant Chief of Engineers for Civil Works, together with two lists prepared by his office. The first enumerates the authorized river and harbor and flood-control projects which have been under construction and for which previous expenditures have been made, most of them as recently as this past fiscal year. The second list shows those river and harbor and flood-control projects in New York State which have been authorized by Congress but which have not yet received an appropriation of funds for construction.

Many of these projects are of great importance to communities in my State, and some have direct effects on defense industries and for the protection of the citizens of these areas. Among these projects I would include Buffalo Harbor, Fire Island Inlet, Jones Inlet, and Wellsville, none of which is receiving any funds in this bill.

I hope that this statement will make clear to some of my colleagues the situation in which New York State finds itself in this bill. In this measure, as in all other legislation of benefit to the entire Nation, the State of New York will contribute much and will receive little. I hope that when other appropriation bills vitally affecting the health and welfare of all the American people come before this body, my colleagues will remember that they must think of the welfare of the Nation as a whole as well as of the welfare of their individual States.

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D. C., June 18, 1953.

Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR SENATOR LEHMAN: In accordance with your telephone request of June 16, 1953, I am pleased to enclose a listing of all active authorized river and harbor and flood-control projects of the Corps of Engineers in the State of New York which shows the present status of all projects for which construction funds have been appropriated by Congress. There is also included a separate listing of projects that have been authorized for construction but for which the actual initiation of work is dependent upon the appropriation of the necessary construction funds.

I trust that the information herewith meets your present needs. Should you desire additional information, I shall be pleased to furnish it upon receipt of your further request.

Sincerely yours,

C. H. CHORPENING,
Brigadier General, USA, Assistant Chief of Engineers for Civil Works.

Authorized river and harbor projects under construction in the State of New York

Name of project	Expenditures to June 30, 1952	Additional funds required to complete	Amount included in H. R. 5376 May 28, 1953	Last year funds were available for expenditure
Buffalo Harbor	$3,277,700	$11,638,000	----------	1953
Buttermilk Channel, New York Harbor	1,351,000	1,218,000	----------	1943
Cape Vincent Harbor	76,000	139,000	----------	1947
Gowanus Creek	----------	----------	$400,000	----------
Great Lakes to Hudson River waterway	22,755,000	7,486,000	----------	1951
Great South Bay	60,000	140,000	----------	1904
Hudson River	12,728,000	1,400,000	----------	1952
Jamaica Bay	2,231,000	404,000	----------	1933
Jones Inlet	----------	1,995,000	----------	1953
New York Harbor, entrance channels and anchorage areas	8,239,000	930,000	----------	1953
Oswego Harbor	800,100	1,431,900	----------	1949

Authorized flood-control projects under construction in the State of New York

Name of project	Expenditures to June 30, 1952	Additional funds required to complete	Amount included in H. R. 5376 May 28, 1953	Last year funds were available for expenditure
Almond Reservoir	$5,616,000	----------	----------	1953
Batavia	----------	$588,000	$20,000	1953
Binghamton	2,954,000	----------	----------	1953
Canisteo	976,000	----------	----------	1953
Corning	2,210,000	985,000	----------	1953
East Sidney Reservoir	5,920,000	----------	----------	1953
Elmira	6,815,000	----------	----------	1953
Hoosick Falls	1,100,000	----------	----------	1953
Hornell	4,260,000	----------	----------	1953
Montour Falls	1,715,000	----------	----------	1953
Mount Morris Reservoir	23,936,600	----------	----------	1953
Olean	3,220,000	----------	----------	1953
Owasco Inlet and Outlet	281,600	33,400	----------	1946
Portville	2,119,000	----------	----------	1953
Syracuse	3,407,000	----------	----------	1953

River and harbor projects in the State of New York authorized by Congress and awaiting the appropriation of construction funds

Name of project	Expenditures to June 30, 1952	Additional funds required to complete	Amount included in H. R. 5376 May 28, 1953	Last year funds were available for expenditure
Barcelona Harbor	$15,600	$916,400	----------	1947
Black Rock Channel and Tonawanda Harbor	9,800	1,075,200	----------	1949
East Chester Creek (Hutchinson River)	----------	664,000	----------	----------
Fire Island Inlet	----------	240,000	----------	----------
Great Lakes to Hudson River waterway	74,000	1,450,000	----------	1953
Huntington Harbor	----------	47,000	----------	----------
Jamaica Bay: 15 feet side channel	----------	433,000	----------	----------
Lake Mortauk Harbor	----------	414,000	----------	----------
Northport Harbor	----------	49,000	----------	----------
Orowoc Creek	----------	45,000	----------	----------
Oswego Harbor: East outer harbor	9,880,000	----------	----------	----------
Sacketts Harbor	5,000	328,000	----------	1947

Flood-control projects in the State of New York authorized by Congress and awaiting the appropriation of construction funds

Name of project	Expenditures to June 30, 1952	Additional funds required to complete	Amount included in H. R. 5376 May 28, 1953	Last year funds were available for expenditure
Allegheny	----------	$723,000	----------	----------
Caledonia	----------	40,000	----------	----------
Chittenango Creek	$12,500	505,000	----------	1948
Copes Corner Reservoir	101,000	12,519,000	----------	1953
Dansville	----------	212,000	----------	----------
Davenport Center Reservoir	324,400	9,966,600	----------	1953
Genegantalet Reservoir	216,000	6,659,000	----------	1953
Hammondsport	18,700	867,300	----------	1949
Ithaca	20,500	802,500	----------	1950
South Plymouth Reservoir	113,500	6,986,500	----------	1953
Watkins Glen	38,400	1,005,600	----------	1951
Wellsville	----------	771,000	----------	1953
West Oneonta Reservoir	188,900	10,536,100	----------	1948

Mr. MURRAY. Mr. President, I send to the desk an amendment which proposes to add $150,000 to the amount appearing on page 4, line 5, of the bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, line 5, in the committee amendment, it is proposed to strike out "$312,886,000" and to insert in lieu thereof "$313,036,000."

Mr. MURRAY. Mr. President, for the benefit of the Senate I should like to make a brief statement on the amendment and the justification for it.

The budget submitted by the Eisenhower administration contained an item of $150,000 for advanced engineering design on Libby Dam and Reservoir to be constructed on the Kootenai River in Montana. Libby Dam was authorized by the Congress in 1950 as a vital part of the comprehensive plan for development of the Columbia River and its tributaries. To date the corps of engineers has spent or allocated $285,000 on this project and, as I said a moment ago, the budget contained $150,000 to finance additional engineering and design activity.

The subcommittee headed by the distinguished senior Senator from California approved this item. It was deleted, however, when the subcommittee reported its recommendations to the full committee. I am urging the Senate to restore this amount.

Let me indicate very briefly the importance of this project.

It will provide 6½ million acre-feet of usable storage—storage vitally needed to control floods on the lower Columbia near Portland and Vancouver and vitally needed to firm up power output of downstream dams. Immediately Libby Dam is completed, over 1 million kilowatts will be added to the power supply of the Pacific Northwest. Of this amount, 364,000 kilowatts of firm power will be generated at the site—712,000 would be added to the output of downstream dams. Part of this firm power would be generated at Coulee, at Chief Joseph, at McNary, at The Dalles, and at Bonneville Dam. Libby is one of the best projects in the whole comprehensive plan for development.

Mr. President, I know the Great Northern Railroad has objected to construction of the project. Likewise, the J. Neils Lumber Co. of Montana, has registered objection. The corps of engineers may be able to overcome some of this controversy if it is permitted to go forward with its investigations of this particular stretch of the Kootenai River. If the Congress denies the corps of engineers this $150,000, they have no way of going into the area with additional studies to ascertain whether it is possible to find an alternate site.

To the best of my knowledge, Mr. President, all factions in the Pacific Northwest agree to the importance of this dam and are supporting it with the exception of the Great Northern Railroad and the J. Neils Lumber Co. The Spokane Chamber of Commerce has endorsed it, as have all other such associations of businessmen in the inland empire. I strongly urge adoption of this amendment.

A Mr. John H. Bishop, of Zonalite Mining Co., located near Libby, Mont., appeared before the Senate appropriations Committee to oppose funds for the dam. He is the only witness to appear—the only one to come out with open opposition.

The facts are that the Corps is considering an upstream site which—if proven practicable—would eliminate entirely any interference with this company's operations. It is ironical, therefore, that Mr. Bishop would oppose an appropriation of funds that will be utilized to ascertain whether it is possible to overcome his—Bishop's objections.

The Corps has never positively located the axis of Libby Dam. There are at least 2 or 3 sites that may be used and, as I have said before, either of the upstream locations would eliminate all interference with Zonalite's activities.

I move the adoption of the amendment.

Mr. KNOWLAND. Mr. President, I rise to oppose the amendment. I wish to call to the attention of the Senate the following statement in the report of the committee last year with respect to the Civil Functions bill, made by the then chairman of the committee, the former Senator from Tennessee, Mr. McKellar. The language appears at page 8 of last year's report, and reads:

> The committee has recommended $200,000 for the continuation of planning on Libby Dam in Montana, with the understanding that the funds will not be expended until the status of the necessary agreement for the storage of water on the Canadian side is considered satisfactory by the United States section of the International Joint Commission.

That satisfactory understanding has not as yet been forthcoming.

In the report of the committee this year, the Committee on Appropriations added the following language, and I repeat what I read once before:

> ADVANCED ENGINEERING AND DESIGN
>
> The committee recommends $2,850,000 for advance engineering and design. While the committee has not allocated this amount to individual projects, it is expected that the corps will generally adhere to the budgeted items, except for Libby Dam and Reservoir, Mont. With respect to the Libby project no news funds are provided. The committee does not desire that any planning funds be expended on Libby Dam until the conditions prescribed in the committee's report, of last year have been fulfilled.

I call the attention of the Senate to the fact that the action of the committee last year, under the able chairmanship of the former Senator from Tennessee, and the action taken by the full Appropriations Committee this year are consistent. I hope the Senate will not accept the amendment offered by the Senator from Montana, and I urge its rejection.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. CORDON. I wish to say to the chairman of the subcommittee in charge of the bill on the floor of the Senate, it is my understanding the funds that would be provided under the caption of Libby Dam would be funds to determine what might be done in the area to find the storage which would replace Libby Dam, if the conditions which the Senator has mentioned cannot be met, or if for other reasons—and there are other objections to the present damsite—those conditions cannot be met.

Would the Senator feel it would be proper for the committee on conference to look into the matter during the conference period, assuming that the Senator from Montana withdrew his amendment and left the matter as it is, in which case the question would be left open?

Mr. KNOWLAND. I will say to the Senator from Oregon that I would be glad, as one conferee, to examine any additional facts and to go into the problem which the Senator from Oregon has raised, as we sit in conference with the House.

Mr. CORDON. I hope with that understanding the Senator from Montana will withdraw his amendment.

Mr. MURRAY. With that understanding, Mr. President, I withdraw the amendment.

Mr. KNOWLAND. I thank the Senator very much.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a letter which I sent to the chairman of the Subcommittee on Civil Functions Appropriations with respect to Libby Dam.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MAY 11, 1953.

Hon. WILLIAM F. KNOWLAND,
Chairman, Subcommittee on Civil Functions Appropriations,
United States Senate.

DEAR SENATOR: Libby Dam on the Kootenai River in the Northwest is one of the most important projects, both for control of the Columbia in terms of storage, and for power production. Some controversy has arisen concerning the best location for this dam.

I understand the Great Northern Railroad, J. Neils Lumber Co., of Libby, and a mining concern in that vicinity have argued that a dam constructed some miles upstream would be less costly, in that it would necessitate less cost to the Government for relocation of right-of-way and acquisition of lands.

It is possible that there may be some merit to these allegations but, without a survey of the situation, it is impossible to come to a factual conclusion. I strongly believe the Corps of Engineers should be permitted to use funds that have already been allocated for surveys at Libby to reexamine the entire situation.

The obstacle in the way of such action is a paragraph that was inserted in the Senate report on H. R. 7268, the civil functions appropriations bill for fiscal year 1953. On page 8 of that report, there appears the following language:

"The committee has recommended $200,000 for the continuation of planning on Libby Dam in Montana with the understanding that the funds will not be expended until the status of the necessary agreement for the storage of water on the Canadian side is considered satisfactory by the United States section of the International Joint Commission."

You will note the reference to a "satisfactory" agreement between the Canadian and United States sections of the International Joint Commission. Recently the Libby project was withdrawn for an indefinite

period from further consideration by the Joint Commission. The $200,000 referred to in the committee report, therefore, will be frozen for an indefinite period unless your committee this year takes action to release these funds.

In my judgment, the importance of Libby Dam—or an alternate site—to the development of the Columbia River and its tributaries is so important that the corps should be permitted to proceed at once with its studies. Obviously, if Libby is to be put on ice, so to speak, the sensible thing is to take a new look at that stretch of the Kootenai River to ascertain whether some of the objections can be met or ameliorated.

I am hopeful you and your associates will agree with my contention and will include language in your report on civil functions appropriation for 1954, releasing the $200,000 for use by the engineers in the vicinity of the proposed Libby Dam.

Thanks for your consideration and kindest personal regards.

Sincerely,

WARREN G. MAGNUSON,
United States Senator.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 4, line 5.

Mr. DOUGLAS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	McClellan
Anderson	Hendrickson	Millikin
Barrett	Hennings	Monroney
Beall	Hickenlooper	Morse
Bennett	Hill	Mundt
Bridges	Hoey	Murray
Butler, Md.	Holland	Neely
Butler, Nebr.	Hunt	Payne
Capehart	Jackson	Potter
Case	Johnson, Colo.	Purtell
Chavez	Johnson, Tex.	Robertson
Clements	Johnston, S. C.	Russell
Cooper	Kefauver	Saltonstall
Cordon	Kerr	Schoeppel
Dirksen	Kilgore	Smathers
Douglas	Knowland	Smith, Maine
Duff	Kuchel	Smith, N. J.
Dworshak	Langer	Sparkman
Eastland	Long	Stennis
Ellender	Magnuson	Taft
Ferguson	Malone	Thye
George	Mansfield	Watkins
Gillette	Martin	Welker
Gore	Maybank	Young
Green	McCarran	
Griswold	McCarthy	

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from Kansas [Mr. CARLSON], the Senator from Vermont [Mr. FLANDERS], the Senator from Arizona [Mr. GOLDWATER], the Senator from Indiana [Mr. JENNER], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

The Senator from Connecticut [Mr. BUSH] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Texas [Mr. DANIEL], the Senator from Delaware [Mr. FREAR], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. LEHMAN], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Arkansas [Mr. FULBRIGHT] is absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the committee amendment on page 4, in line 5, striking out "$254,123,000" and inserting "$312,886,000."

Mr. DOUGLAS. Mr. President, on this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is the request for the yeas and nays sufficiently seconded?

Mr. MAGNUSON. Mr. President, I have two amendments to submit to this committee amendment on page 4.

I offer the first of the amendments, and send it to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 4, in line 5, it is proposed to strike out "$312,886,000" and insert "$315,886,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington to the committee amendment.

Mr. MAGNUSON. Mr. President, first of all I wish to say to the distinguished senior Senator from California [Mr. KNOWLAND], the acting majority leader, that I apologize to him for the situation which developed yesterday on the floor. There is no answer for it except that for some reason many of us assumed the session would begin at 12 o'clock. However, I was going to speak anyway; so we have not lost any time. I appreciate very much the Senator's courtesy.

Mr. President, both before the subcommittee, of which the distinguished senior Senator from California is chairman, and before the full committee, I submitted three items, but they were rejected. One of them involved an appropriation for the Libby Dam. The distinguished Senator from California has now agreed to take that item to conference.

I hope planning money will be provided in the bill, because it is vital to the comprehensive development of the system on the Columbia River that the question of sites at the Libby Dam be resolved, and I believe this amendment will care for that situation.

Another amendment dealt with the Ice Harbor Lock and Dam, which I submitted to the full committee, and which the committee rejected. The amendment I have now offered is on page 4, line 5, to add $3 million to the amount listed under the headline, "Construction, General." The amendment is designed to add $3 million to the total amount of construction funds in this bill, for Ice Harbor Lock and Dam on the Lower Snake River in the State of Washington. The item was included in the January budget in the sum of $4,900,000, with which to get this vitally needed project underway. The Eisenhower administration deleted it entirely.

I am suggesting the addition of $3 million rather than $4,900,000 because $3 million is the amount the Senate approved last year for this project.

Many Senators will recall the controversy we had on the closing day of the session last year over the conference report on the civil-functions bill. The House conferees, it will be remembered, insisted on deleting funds for Ice Harbor Dam on the Snake River and Hartwell Dam on the Savannah River, in consequence, my good friends, the Senators from South Carolina, myself, and other Senators were in a mood to hold the Congress in session until the funds were agreed to. I receded from my position after receiving assurance from the then chairman of the appropriations committee that this item would receive most sympathetic consideration in the present bill.

Of course, the former Senator from Tennessee, Mr. McKellar, is no longer with us. I feel very strongly, however, that I had a moral commitment from the Senate that what I am now proposing would be given favorable consideration.

Ice Harbor Dam is fully engineered. Construction could be started on it immediately. It is the only major dam in the Columbia River system that enjoys this status. It is a multipurpose project. It will produce 200,000 kilowatts of prime power. It will make possible the later irrigation of approximately 50,000 acres of land. In addition, it would provide open-river navigation to Lewiston, Idaho, for at least 6 months of the year. The total construction cost, at 1953 prices, is about $110 million.

There is another very important reason for getting the dam started immediately. The dam is located in the backyard, so to speak, of the great Atomic Energy plant. That plant needs an independent and dependable source of power.

One of the reasons the Senate approved funds for this project last year and the preceding year was the strong representations made by the Atomic Energy Commission that this dam is required.

Mr. President, no dam or other project in the comprehensive plan for development of the great Columbia River and its tributaries has ever been started by a Republican administration. I was therefore rather hopeful that the present Republican administration might inaugurate such a project, in order that it might serve for them as a monument. Of course, I realize that the opportunity of the Republicans during the past 20 years has been somewhat limited, but here is a chance to demonstrate that Republicans, in the Senate, at least, are stanchly behind a maximum development of water resources.

I say that only because earlier this morning, the distinguished Senator from California apparently announced the Republican policy in regard to public works when he said that they were going to have everything ready for a depression.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. KNOWLAND. Of course, the Senator from California did not make the statement in the way the Senator from Washington has expressed it.

Mr. MAGNUSON. Very well.

Mr. KNOWLAND. In support of that I submit the RECORD, and I appeal to any Senator who was present at the time. So, the Senator from Washington either misunderstood me or he is misstating the position I took. I submit the RECORD, and I challenge the statement of the Senator from Washington. I challenge the Senator to show that I made any such statement in the way or with the connotation he suggests.

I very clearly pointed out that I believe in public works. The committee has come before the Senate with a report which it believes carries forward a sound policy of public works. It believes that, in addition to carrying on a sound policy of public works during periods of great business activity and during periods of lesser business activity, in the event there were economic dislocations we should be prepared, whether the administration be a Republican or a Democratic administration, to have soundly conceived projects, properly engineered and planned for, which could be added to the other programs and carried forward.

Mr. MAGNUSON. Mr. President, I do not want to misinterpret the Senator from California. I know that he speaks only for himself. I think he has done a very able job on the pending bill, but I do think—and I repeat—the fact that there has been a pronouncement on many occasions within the past 10 days to the effect that there ought to be planning money available, and that public works projects should be in readiness, in case a depression occurred, indicates the existence of a policy; and the Senator from California today in his very able statement—with which I thoroughly agree—said that the members of the subcommittee and of the full committee had put into the bill a great deal of planning money for construction, if and when something happened; and I may say—though I do not quote the Senator—the present administration is well on its way to such a period.

Mr. JACKSON and Mr. DWORSHAK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Washington yield, and if so, to whom?

Mr. MAGNUSON. I yield first to my colleague, the junior Senator from Washington.

Mr. JACKSON. Mr. President, I am sure the senior Senator from California is desirous of having ample planning money in the bill with which to take care of the contingencies to which he has referred. However, in that connection, I should like to invite his attention to the fact that the money for the Libby Dam project in northern or northwestern Montana has been deleted.

Mr. MAGNUSON. Mr. President, if my colleague will permit, the Senator from California has very graciously agreed to take the matter to conference. I refer to the planning money for Libby Dam.

Mr. KNOWLAND. The senior Senator from Montana was going to submit an amendment. I resisted the amendment, but in the colloquy which ensued, participated in by the Senator from Oregon, the Senator from Montana, and myself, I said that so far as I individually was concerned, I would be glad to have a presentation of facts which we could discuss in conference. We did not accept the amendment of the Senator from Montana.

Mr. JACKSON. Mr. President, will the Senator yield at that point?

Mr. MAGNUSON. I yield.

Mr. JACKSON. I may say to the senior Senator from California that in connection with the Libby Dam project, there is complete unanimity and agreement in the Pacific Northwest. I know that the project has a tremendous appeal in the State of Idaho, where a real flood problem presents itself almost every year as a result of the flooding of the Kootenai River. Libby Dam would be located on the Kootenai River in Montana, and would provide for approximately 1 million kilowatts of power downstream, and approximately 600,000 kilowatts at the site of the dam.

I believe I can make the statement without any fear of successful contradiction, that both the public and private power interests in the Pacific Northwest are in agreement on this project. One of the foremost advocates of the Libby Dam happens to be the Spokesman-Review, of the city of Spokane, Wash., which is one of the leading Republican newspapers of the West, as well as one of the most conservative. I mention it at this time so that the senior Senator from California may be fully appraised of the factual situation which exists with reference to the project.

I hope planning money will be made available so that when the time comes, the project can be undertaken. It is one project of many in the Northwest with reference to which there is complete unanimity of agreement.

Mr. DWORSHAK. Mr. President, will the senior Senator from Washington yield for a question?

Mr. MAGNUSON. I yield.

Mr. DWORSHAK. I share the Senator's interest in the Ice Harbor project, and I regret that he has introduced a partisan note into his remarks. I am sure the Senator from Washington will recall that I joined him on three occasions in getting appropriations for Ice Harbor, and that subsequently the funds were deleted by the conferees. Is that not correct?

Mr. MAGNUSON. That is correct.

Mr. DWORSHAK. Certainly that would eliminate any political bias so far as the Ice Harbor project is concerned.

I should like to ask the Senator from Washington if it is not true that approximately 5 years ago, when construction was scheduled to begin on Ice Harbor some development took place whereby the Chief Joseph Dam in Washington received priority over Ice Harbor Dam, and, as a result, the Ice Harbor project was shelved in favor of Chief Joseph Dam. Is that not correct?

Mr. MAGNUSON. It is not quite correct. They were both submitted as good projects, but someone, I do not know who it was, suggested that only 1 instead of 2 projects should be built. Then the question arose as to which would be available to be proceeded with at greater speed, and the answer was the Chief Joseph project. The Senator and I agree that both should have gone forward.

I did not suggest anything of a partisan nature. I merely suggested that the project has been in the budget before, and the new administration cut it out of the budget.

Mr. DWORSHAK. That is only partially true, is it not? The Army engineers refused to request funds for Ice Harbor for next year. The Senator says the administration deleted funds. As a matter of fact, the Army engineers did not request funds on the basis that House conferees had rejected funds on three occasions, and, consequently the engineers felt there was no particular justification at this time.

Mr. MAGNUSON. The Senator from Idaho is not that naive. The Army engineers have been paying attention to their new bosses, and the new bosses told them not to request any funds for the project.

Mr. DWORSHAK. That was the Truman policy, was it not?

Mr. MAGNUSON. No. The request had been in the budget. The original budget recommended Ice Harbor very highly. It was recommended by the Atomic Energy Commission and on down through the Corps of Engineers. It is the one big item of public works which this administration cut out of the budget.

Mr. DWORSHAK. I am in accord with the sentiments of the Senator from Washington that probably the Army engineers should have requested funds for Ice Harbor.

Mr. MAGNUSON. They are very calm. They are not requesting much of anything.

Mr. DWORSHAK. I also want to point out that when Congress in the 82d Congress failed to provide funds for initiating construction of Ice Harbor, the Republican Party could not be held responsible for what the Democratic 82d Congress did.

Mr. MAGNUSON. No; I did not say that. I merely suggested that this might be a good place for the Republican Party to say it initiated one power project. It never has, but I think this would be one opportunity for it to do so.

Mr. DWORSHAK. Certainly, for 20 years the Democratic Party has been in control of the Government——

Mr. MAGNUSON. That is what I said, but here is a place where the present administration can follow through and do a good job in the Pacific Northwest. The Senator from Idaho has been a great supporter of the project.

Mr. DWORSHAK. I wanted to stress the fact that in the past the project has not been a partisan matter. It has had the support of the people of the Northwest and their representatives.

Mr. MAGNUSON. I said this was a place where the Republican Party could come forward and say, "We are going to do what we said last October we were going to do. We believe in the development of our natural resources."

Mr. DWORSHAK. The Senator would not expect us to do in a year what the Democratic Party did not do in 20 years.

The PRESIDING OFFICER (Mr. AIKEN in the chair). The time of the Senator from Washington has expired.

Mr. MAGNUSON. If my time has expired, I should like to submit another amendment. The Senator from Oregon [Mr. MORSE] wishes to speak.

The PRESIDING OFFICER. The Senator from Oregon can speak in his own time.

Mr. MORSE. Mr. President, I should like to use part of my time to query the Senator from Washington [Mr. MAGNUSON].

Is it not true that the Ice Harbor project is an important link in an integrated Columbia River Basin development?

Mr. MAGNUSON. Yes.

Mr. MORSE. Is it not true that the Army engineers have recommended funds for Ice Harbor?

Mr. MAGNUSON. Not only once, but on many occasions.

Mr. MORSE. Is it not true that there is a great power shortage in the Pacific Northwest?

Mr. MAGNUSON. That is correct.

The PRESIDING OFFICER. The Chair is advised that it requires unanimous consent for the Senator from Oregon to query the Senator from Washington at this time.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the Senator from Oregon be permitted to query the Senator from Washington.

Mr. KNOWLAND. Under the usual time limit?

Mr. MAGNUSON. Yes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator from Oregon may proceed.

Mr. MORSE. It is true, is it not, that the Republicans were in control of the 80th Congress?

Mr. MAGNUSON. That is correct.

Mr. MORSE. It is true, as the Senator from Washington has pointed out, that we in the Senate have been quite nonpartisan in regard to the development of the Columbia River Basin, and that Ice Harbor has been recognized—on how many occasions—as a vital link in the Columbia River Basin program?

Mr. MAGNUSON. Three times.

Mr. MORSE. Does the Senator from Washington see a relationship between the position taken on Ice Harbor and that taken on Oxbow?

Mr. MAGNUSON. Yes.

Mr. MORSE. Does the Senator from Washington agree with me that there is cause to believe that the apparent loss of interest by this administration in Ice Harbor at this time is because the Idaho Power Co. seems to be so much interested in Oxbow?

The development of the Idaho Power Co.'s scheme for Oxbow, if they get by with it, will, of course, be a serious blow to the development of the whole Columbia River Basin program of which Ice Harbor is an integral part, and once Hells Canyon Dam about which I am going to speak at greater length later today, after the pending bill is disposed of—is knocked out we will find the private utilities in a better position to discourage the further development of such projects as Ice Harbor.

Mr. MAGNUSON. The Senator is correct. The whole Snake River is put into a straitjacket by the decision of the Secretary of the Interior to withdraw public support for the project, despite public opposition to the application of the Idaho Power Co. to develop a small dam, called Oxbow, on the Snake River. It straitjackets and constricts the whole Snake River, including Ice Harbor, which the Senate has approved not once, but three times, and which the Army engineers have approved not once, but many times. I suppose there is testimony from the Corps of Engineers that is as thick as this book on the feasibility of Ice Harbor.

Mr. MORSE. Is it not true that the maximum potential power resource of Ice Harbor is dependent upon Hells Canyon Dam, in that the building of Hells Canyon Dam is essential for the integration of the maximum power that Ice Harbor can develop?

Mr. MAGNUSON. The Senator is correct.

Mr. MORSE. The evidence shows the relationship between Ice Harbor and Oxbow, does it not?

Mr. MAGNUSON. That is correct.

Mr. MORSE. Let us place the cards on the table. What we are dealing with today is a delaying tactic on the part of the Eisenhower administration, which knows full well that if it can get Ice Harbor postponed and set aside until it gets by with the scheme to support the Idaho Power Co. and thus get Oxbow built, which will destroy the Hells Canyon Dam site, a site that is essential for maximum development of the Columbia River basin, it will play right into the hands of the scheme to build up a private utility in the Pacific Northwest. Does not the Senator from Washington agree with me?

Mr. MAGNUSON. I agree entirely.

Mr. MORSE. It is an outrageous scheme. We are at grips with it right now.

I take the position in the Senate today that if we really want to develop the power resources of the Columbia River and the Snake River, we should serve notice on the administration that we are not going to go along with a scheme that will postpone development of Ice Harbor, because such a scheme is designed to give the Idaho Power Co. what it is looking for in regard to Oxbow. The date for the hearing on Oxbow has been set for July 7 or July 17. I think it is July 7. The administration is champing at the bit to get by with this giveaway program for the benefit of private utilities.

If we really wish to make it clear to the Eisenhower administration that we want development of the power resources of these rivers in keeping with the integrated Columbia River Basin and Snake River program the Army engineers have been recommending for years, we will adopt the amendment of the Senator from Washington. That is the best way to serve clear notice on the administration that we want these rivers developed for the people, not for a private utility monopoly.

Mr. HOLLAND. Mr. President, I regret deeply that any Senator has seen fit to inject into the debate on this bill or into the general subject matter a partisan discussion. It has been my duty, and a pleasant one, to serve on the Committee on Public Works during nearly all the time since I have been in the Senate, and I have never found a partisan spirit to prevail in that committee.

It happened that I presided over the hearing when the Ice Harbor Dam was recommended for authorization. I was for it then; I am still for it.

It happens that I have always recognized the great advantage in the Libby project. I do not recall whether that was actually authorized since I came to the Senate or prior to that time. But I am friendly to both those projects. I think every member of the Subcommittee on Civil Functions Appropriations, on which I have also served for several years, has been friendly to these projects.

We cannot, however, proceed with all projects at the same time, and we must use ordinary, nonpartisan common sense in trying to determine which projects are most important and which projects can go forward without violation of the sound concepts of engineering and of economic progress. We have tried to follow that policy on both sides of the aisle in our attitude toward both Libby and Ice Harbor.

It has already been mentioned in the debate that, so far as Libby is concerned, there are involved not only most serious expenses in connection with the relocation of a great railroad system, expenses which run into many millions of dollars, but also that a very serious international question is involved.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be glad to yield when I have finished my reference to Libby.

Every member of the committee this year, looking back at the situation which was found to exist last year, and in which most members of the committee this year participated last year, found that the situation was unchanged. We felt the project should not move ahead in the same way that some other projects could safely proceed.

So far as I am concerned, it must be stated that the distinguished chairman of the subcommittee did not in any sense take either a regional or a partisan position in his conduct or his attitude not only this year but also last year, when he was not serving in his present position. He has stated that he will take the question of planning money to conference in the hope that there can be some advancement of the Libby project.

I am now glad to yield to the Senator from Washington.

Mr. MAGNUSON. I simply wish to say that the Senator is probably mistaken in his reference to an international question. There is no international problem involved. What we are suffering from is a great apathy on the part of the International Joint Commission. I have said publicly and pri-

vately that it should be cleared out and some new members should be appointed.

Let me say with reference to Libby Dam——

Mr. HOLLAND. I will yield to the Senator for questions, but I do not desire to argue or contend with anyone who simply wishes to state his disapproval or inject a partisan note into the debate, because I do not think such a charge can be sustained.

If the Senator from Washington will allow me to complete my statement, I think he will then agree that his area has been the most generously treated of any area of the Nation in this particular bill. Every member of the subcommittee and of the full Committee on Appropriations felt that it was entitled to that generous treatment because of its tremendous importance to the Nation, and because it is important to the Nation that the power potential of the Columbia and its tributaries be developed.

If the Senator will allow me to complete my statement, I shall be very happy to yield for a question.

First, the bill shows that about $120 million out of the total amount is for work to be done upon the Columbia and its tributaries.

If Senators will refer to page 11 of the report, they will find listed, under the State of Oregon five projects, which I shall read into the RECORD:

Amazon Creek, $245,000.

Lookout Point Reservoir, $18 million.

McNary Lock and Dam, which is listed for both Oregon and Washington, $27,700,000.

The Dalles Dam, which also is listed for Oregon and Washington, $34 million.

Willamette River, bank protection, $310,000.

That is a total of $80,255,000.

If Senators will look at the bottom of the same page, and continue on the top of page 12, they will find a total of $25,700,000 recommended for the State of Washington. I have already remarked that the large projects in Oregon apply equally to Washington.

The projects listed for the State of Washington are:

Chief Joseph Dam, $23,750,000.

Local protection projects not requiring specific legislation, $950,000.

Emergency bank protection, $400,000.

Snagging and clearing, $609,000.

If Senators will go to the next item below, they will find the only large item in the bill for the Fish and Wildlife Service, an item of $3,750,000 for the Lower Columbia River fish sanctuary program.

If Senators will return to the list of projects for Idaho, on page 9, they will find two items listed, namely, the Albeni Falls Reservoir—which, by the way, applies as much to some of the other States as it does to Idaho—in the sum of $6,840,000, and the Lucky Peak Reservoir, $1,805,000.

The total of those items is nearly $120 million. If Senators will return to page 7 they will find that under the heading "Advance Engineering and Design," some of the most important projects, both in amount and in comparison with the total, are listed for this particular area. For example, under Idaho, there is $125,000 for the Columbia River local protection. Under Oregon is $25,000 for the Lower Columbia River, improvement to existing works; and under Washington, there is the Eagle Gorge Reservoir, $100,000.

When we come to multi-purpose projects, Senators will find listed the Libby Reservoir, at $150,000; the Hills Creek Reservoir, in Oregon, $100,000; and the Ice Harbor project in Washington, $75,000.

Senators will also find, if they wish to consider this program, that the Senate committee, in acting upon these great and very fine projects in the Columbia River area, has dealt with the area much more generously than did the House committee or the House of Representatives. The reason was that every member of the committee felt that this was the most important part of our Nation for the swift development of waterpower.

The Senator from Florida has not seen the slightest evidence of partisanship manifested in either of the two committees referred to, the Committee on Public Works or the Committee on Appropriations, in their labors in this field. He feels that it is a complete disservice to the program to inject a partisan issue, and he hopes his distinguished friends on both sides of the aisle will refrain from making that kind of an approach to a program which has been left in the classification of bipartisanship or nonpartisanship—under and approach which seeks to find what is best for the Nation on each project.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield to the Senator from California.

Mr. KNOWLAND. First I wish to express my appreciation to the distinguished and able Senator from Florida, who, by virtue of his position on the Public Works Committee, serves ex officio on the Appropriations Committee. I fully agree with him and subscribe to what he has said to the effect that there has been no partisanship up to this time in dealing with this kind of legislation, either in committee or elsewhere.

Moreover, I will say to the Senator that in connection with the bill handled by the distinguished senior Senator from Oregon [Mr. CORDON] who has performed constructive work in the Senate in helping to meet the great problems of reclamation, no partisanship has been shown. The same things which have been said about the great developments in the Pacific Northwest apply to the Interior Department appropriation bill. The fact of the matter is that, without regard to partisanship, Democrats and Republicans alike have joined in supporting sound projects, multiple purpose in character, in the development of various sections of the country.

I say to the distinguished Senator from Florida and to other Members of the Senate, Republicans, Democrats, and Independent alike, that no partisanship has been shown. No attempt has been made to do anything but carry out a constructive program in the field of reclamation, flood control, and the development of our multiple-purpose projects.

One of the greatest exponents of that approach in this body has been the distinguished senior Senator from Oregon [Mr. CORDON] who has given long hours to this subject in trying to work with Democrats and Republicans alike in the development of these great projects. I believe that such an attitude and such a spirit will accomplish far more, not only for his own area of the country, but for the remainder of the Nation as a whole, than will carping criticism, and the attempt to build up a strawman—an attitude which represents neither the point of view of the Republican Party nor that of the Democratic Party, nor that of the administration which is now in control of the executive branch of the Government.

Mr. HOLLAND. I thank the distinguished Senator from California. Before I conclude, let me say that I join with him in his expressions with reference to the distinguished senior Senator from Oregon [Mr. CORDON].

I should like also, before I conclude my remarks, to say that such a nonpartisan situation as exists now was just as truly found under Democratic leadership of the several full committees and subcommittee. The spirt of bipartisanship prevailed then, as it does now. It was true under the leadership of the distinguished Senator from New Mexico [Mr. CHAVEZ] who formerly served as chairman of the Public Works Committee. He approached public-works problems from a bipartisan or nonpartisan basis.

The distinguished former Senator from Tennessee, Senator McKellar, not only presided as chairman of the full Appropriations Committee for many years, but also claimed for himself the privilege of serving as chairman of the subcommittee in this field. He showed the finest spirit of nonpartisanship, impartiality, and willingness to recognize the claims of every region and every part of the Nation; and he always put foremost the claims of the Nation as a whole.

I hope that Senators will be patient with members of the subcommittees and the full committees which handle these subjects, and will always be willing to accord to us a recognition of the fact—and I believe it to be a fact—that we proceed in a nonpartisan manner to try to handle these important problems of public development which mean so much to the Nation as a whole, and can never be safely regarded as meaning a great deal only to the various areas in which the projects are located.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Idaho.

Mr. DWORSHAK. I commend the Senator from Florida for pointing out that extensive appropriations are contained in this bill for continuing the maximum development of the Columbia River Basin. Is not that evidence that any charge is false which would contend that any conspiracy is under way to permit the development of a private power monopoly in that area?

Mr. HOLLAND. All I can say is that in my labors upon the subcommittee and the full Committee on Appropriations,

and my labors upon both the Subcommittee on Rivers and Harbors and Flood Control of the Public Works Committee and on the full committee, I have seen not the slightest evidence of any such conspiracy or any such program or any such attitude, either on the part of Democratic Senators or Republican Senators. So far as the Senator from Florida is concerned, he has not noticed any difference in the attitude of Senators in dealing with this important field of public works, depending upon the party to which they belong.

Mr. MAGNUSON. Mr. President, will the Senator answer one simple question?

Mr. HOLLAND. I shall be glad to do so.

Mr. MAGNUSON. No one injected the question of partisan politics. I merely suggested, as the RECORD will show, that perhaps this might be an opportunity for the new administration to show that it intends to go ahead with feasible, recommended power projects. That is all I said. I did not say that there was any partisanship in the committee.

I wish the Senator would answer one simple question. Here is a project which has been recommended not merely once but on many occasions by the Army engineers. It has the unanimous approval of the people in the area. Its feasibility ratio is one of the highest of any recommended projects. The Senate has approved it twice—technically, three times. But suddenly we have a new administration and it cuts the project out of the budget. That happened in the past 90 days. I do not say that there is anything partisan about such action, but that is what has happened to us.

Mr. HOLLAND. If the Senator will allow me to comment, the Senator from Florida would not attempt either to justify or condemn the Bureau of the Budget for any program which has been discussed here.

Mr. MAGNUSON. This is the only one that was cut out.

Mr. HOLLAND. The Senator from Florida recalls that the ruling against new projects has been in effect several years. It was in effect under the former administration and it is in effect now. The Senator from Florida has had to bow to that policy in connection with important projects in his State which are badly needed. For example, I refer to the beginning of the authorized program for enlarging the harbor at Tampa.

Mr. MAGNUSON. I am for that.

Mr. HOLLAND. We simply cannot begin everything at once.

I invite the attention of the distinguished Senator to the fact that only a few minutes ago, in the debate on the bill, both able Senators from Alabama [Mr. HILL and Mr. SPARKMAN]—and, of course, they were right—advocated the beginning of an important dam-and-lock replacement program on the Warrior River. The fact of the matter is that we cannot begin everything at once.

We have already completed the replacement of one great series of dams in that chain by the building of the Tuscaloosa Dam. We are in process of completing another one in going ahead with the Demopolis Dam, and we will take them up as we can get to them. The senior Senator from Pennsylvania, whom I see present, in appearing before the committee, and as a member of the committee, urged with great strength and power—and, of course, we know he was right—that there are dams on the Ohio and Monongahela Rivers that must be replaced. We cannot get to all of them at once.

The problem which the Senator mentions is not peculiar to his great area; nor is it peculiar to the great Columbia Basin.

We do have so many important projects throughout the Nation that someone must exercise discretion—and I believe it is patriotic discretion—in determining how best we can move with respect to the various important projects. We must move on one project at a time. We are doing our very best to serve all areas of the Nation. Without finding any fault with anyone—and that is not the purpose of the Senator from Florida—he expresses the sincere hope that Senators will leave partisan charges out of this field. This field must be kept nonpolitical and nonpartisan, and Senators must work together in an effort to serve their Nation to the best of their ability.

Mr. KNOWLAND. Mr. President, I should like to call to the attention of the distinguished Senator from Florida, in again agreeing with the statements he has made, that of the $312,886,000 recommended by the committee, $229 million is for multipurpose projects. So no demonstration can be made, with any shred of fact backing it up, that there is any politics involved on the part either of Congress or either side of the aisle in the Senate, or the administration itself; and in all fairness I would say the same thing with respect to the past administration. There is nothing to support any such charge as that made by the member of the Independent Party in the Senate, that there has been any partisanship or any effort to hold back the development of multiple-purpose projects.

I repeat that the constructive efforts of the distinguished senior Senator from Oregon [Mr. CORDON] with respect to the Interior appropriation bill showed the same grasp of the overall situation in dealing on an entirely impartial and nonpartisan basis with reclamation projects which were before this body yesterday.

Mr. HOLLAND. Mr. President, in concluding, so far as the Senator from Florida is concerned, he no more makes criticism or adverse comment with respect to the distinguished member of the Independent Party than he does with respect to the distinguished member of his own party who represents the State of Washington so ably.

He is simply expressing the hope that partisanship be left completely out of the discussion, because if ever politics is allowed to control this important field, then projects which are important from the national standpoint will suffer, and the interests of the Nation as a whole will suffer.

So I hope there will be patience and confidence shown on the part of all Senators to the Senators who are assigned to work in this particular field, which is not an easy field, and we who are working in this field will do the very best job we can for the Nation as a whole.

The PRESIDING OFFICER (Mr. AIKEN in the chair). The Chair recognizes the Senator from Oregon [Mr. MORSE], and states that the Senator has 4 minutes remaining.

Mr. MORSE. Mr. President, I am always amused when by rebuttal the charge is made that an argument has been based on partisanship. I want to say that partisanship is neck deep in the bill on the part of its proponents. It represents a partisan coalition of reactionary forces in the Senate, and the following of a program under the one-party system that predominates in this country, whereby the Eisenhower administration can do the kind of job that is being done on Ice Harbor. As the Senator from Washington has pointed out, Ice Harbor is important to the maximum development of the Columbia River Basin. There is a relationship, as I brought out in my remarks, between Ice Harbor and the Oxbow hearings, which are about to take place, and which, in my judgment, are simply designed to carry out a scheme by the Eisenhower administration to promote a private utility grab at the cost of a sound public power program in the Pacific Northwest.

I wish to say I know of nothing that concerns me less than the charge of the Senator from Florida [Mr. HOLLAND] that the Senator from Washington [Mr. MAGNUSON] and the Senator from Oregon are engaging in partisan politics, when we are pleading, in the interests of the people of the Pacific Northwest, for the development of a public power program which will protect the people's interests.

I say the amendment of the Senator from Washington will do that.

I wish to say I am proud to be a partisan for the people. I have no intention of joining the ranks of the coalition in the Senate, which has demonstrated, by the appropriation bills, whose interests they are promoting. It is not the people's interests. It is the interests of a private utility monopoly in the Pacific Northwest, which wants to scuttle these great public power programs for their own selfish benefit.

The Ice Harbor elimination from the bill is a good example of what I mean.

Let me say that the representative of the Independent Party in the Senate is not going to be deterred in the slightest by the plea voiced by the Senator from Florida [Mr. HOLLAND] that he should not speak out as a partisan. I am a partisan in this fight for the people's interest.

Let me say to the Senator from Florida that I do not join with him in any of his proposals in the Senate for what I consider to be the giving away of the people's interests in the Nation's natural resources. I say we must protect the people's natural resources under the Eisenhower administration if we are going to protect the interests of the people. The Senator from Florida may call it partisanship until he is red in the face, if he wants to do so; but let me tell you, Mr. President, that I shall continue to

fight for appropriations which will forward the development of a sound public power program in the Pacific Northwest. I do not propose to leave on my record the stigma of a failure on my part to fight in partnership with the Senator from Washington for appropriations for Ice Harbor. A Senator who fights for the Ice Harbor program makes perfectly clear that he will not support the Idaho Power Co.'s scheme to scuttle the great remaining power sites in the Pacific Northwest, of which Ice Harbor is one, the development of which is necessary if we are to develop the maximum power potential of the Snake and Columbia Rivers. That is the issue.

Adjectives of the kind used by the Senator from Florida in relation to the Senator from Washington and the Senator from Oregon will not deter me one iota.

Mr. KNOWLAND. Mr. President, I am not going to take any additional time on the subject except to say that it is a very sad commentary on the Senate of the United States when the very strange doctrine is enunciated that only 1 man in a body of 96 Members has the interests of the people of the Nation at heart, and that everyone else is apparently subversive of the interests of this great Nation.

I say that the record of the Committee on Appropriations and the record of the Senate on both sides of the aisle show that the Members of the Senate generally are as devoted to the public interests as is the junior Senator from Oregon.

I am a little surprised that any Senator would rise on the floor of the Senate and try to wrap around himself the mantle of all virtue when it comes to protecting the public welfare of the Nation, when time after time Senators on this side of the aisle and Senators on the other side of the aisle have fought as hard as has the junior Senator from Oregon, and perhaps a little more effectively, for the great power developments in the Northwest; and perhaps they are greater friends of the great power development in the Northwest than the junior Senator from Oregon, who questions the motives of every other Member of the Senate on both sides of the aisle.

I say to him, as chairman of the subcommittee, that I resent the statements he has made. I have supported every power project in the great Northwest, as I have supported the building of the Tennessee project, and the building of other projects throughout the country. I believe every Senator, without regard to party, has a right to resent the Senator's questioning of their motives. They are certainly as devoted to the public service and as devoted to the public interest and as devoted to the welfare of the people and the development of our natural resources as is the junior Senator from Oregon. I have not found any Member of this body more devoted to the public welfare than have been the Senator from Florida and other Senators on the other side of the aisle who have spoken.

The Senator from Oregon speaks of a coalition. Yes; it is a coalition of Members who recognize that there are honest differences of opinion, but, when other Members differ, do not find it necessary to question their motives and actually to charge that those who differ with them are motivated by forces that might be subversive to the development of the great public-power projects and the great natural resources of the Nation.

I cannot let this moment pass without challenging the statements made by the Senator from Oregon, much as I dislike to do so, and friendly and close as we have been in the past in connection with matters of this kind. I would not feel that I was discharging my duty either as acting majority leader of the Senate or as chairman of the Appropriations Subcommittee if I allowed to go without answer the statements of the Senator from Oregon, which I do not believe can be borne out by the facts, and which I believe do a great injustice to Republican and Democratic Members alike of this great legislative body, in which all of us should be proud to serve, and in which we should serve without questioning the motives of our colleagues.

Mr. MORSE. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. MORSE. After the self-praising speech the Senator from California has made, I wonder whether he would like to make good his words, by joining with the Senator from Oregon and the Senator from Washington on this amendment, because it happens to be a test as to whether Senators will fish or will cut bait.

It is all very fine for a Member to praise himself on the floor of the Senate; but, the fact is, that the Senator from California is a party to a coalition which, in this instance, is seeking to prevent the construction of the one dam with which I think we must go forward immediately if we are to oppose the efforts of the private-utility groups in the great Northwest which seek to prevent the proper development in the public interest of the Nation's great natural resources. So the attitude of Senators regarding this amendment is the proof of the pudding.

The Senator from California can praise himself as much as he likes, and can admire himself as much as he pleases; and if he wishes me to do so, I will get him a mirror to use. But, Mr. President, no amount of self-praise will enable any of us to meet the test of protecting the public interest in Ice Harbor Dam. What we do on this requested appropriation for Ice Harbor will determine whether we shall permit the private-utility groups of the Pacific Northwest to prevent the development of this great public-power project.

Mr. KNOWLAND. Mr. President, I do not intend to support the amendment of the Senator from Washington. I shall resist it for the reasons heretofore stated in the debate.

The mere statement by the Senator from Oregon of his belief regarding the basis for the opposition to the amendment does not make his belief a fact. Mr. President, what he has stated as being the basis of the opposition is not the fact. The Senator from Oregon knows it is not the fact. The committee acted in conformity with sound fiscal procedures, and for the reasons which have been outlined on the floor; and the committee was not motivated in the slightest by anything the Senator from Oregon has stated.

Mr. MORSE. Mr. President, will the Senator from California yield for a question?

Mr. KNOWLAND. I yield.

Mr. MORSE. Is it not true that the Senator from California has voted, in times past, for the Ice Harbor project?

Mr. KNOWLAND. Yes, I believe I have; but——

Mr. MORSE. What has happened to change the opinion of the Senator from California?

Mr. KNOWLAND. What has happened to change the opinion is that both the Truman administration and the Eisenhower administration have, because of the great stringency of the national budget, carried out a policy of "no new starts." The present administration did not single out this particular project.

Mr. MAGNUSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I do not yield at the moment; I wish to finish my statement.

Mr. President, the general policy of "no new starts" was carried out by both administrations for perfectly sound fiscal reasons.

The fact is that on two other occasions the Senate has, as has been stated on this floor, included in the bill the Ice Harbor item. However, the conferees were not able to agree on it; and the committee, after considering all the facts—just as stated by the Senator from Florida and just as I have stated on this floor, and not for partisan reasons, not for the reason stated by the Senator from Oregon, but for what we regarded as good, sound, and sufficient reasons, as stated on this floor—did not include the item.

Mr. President, I shall resist the amendment offered by the Senator from Washington.

Mr. MAGNUSON. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. MAGNUSON. The Senator from California said this project was not singled out. The truth is that this project has been approved and authorized and has been recommended by the Senate on 2 or, technically speaking, 3 occasions. However, this is the one big dam, the one big hydroelectric project, which was singled out and was cut out of the budget. This is the one which has been treated in that way. I do not know why. I cannot understand why. That is why I am trying to have this item restored.

I do not say the action taken was partisan. All I know is what happened to this item. That is the best proof of the pudding. This was the one large project which was treated in that way.

Not only was the Libby Dam singled out, but the distinguished Chairman of the Committee on Public Works has introduced a bill—and an identical bill has been introduced in the House—to de-authorize the Libby Dam. If that is

not singling out this project, I do not know what the phrase "singling out" means.

The PRESIDING OFFICER. The Senator from California has the floor, and may yield only for a question.

Mr. MAGNUSON. Mr. President——

Mr. YOUNG. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield; and if so, to whom?

Mr. MAGNUSON. Mr. President, I did not say the action taken was partisan. All we know is what happened to this project.

Mr. YOUNG. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield to the Senator from North Dakota for a question.

Mr. YOUNG. I should like to say that the Libby Dam project and the Ice Harbor Dam project, as well as the project for the transmission system in Minnesota, the construction of which the people of that section of the country have desired for years were not singled out.

The PRESIDING OFFICER. The Senator from California has yielded for a question, not for a statement.

Mr. KNOWLAND. Mr. President, I yield, from the time available to me, whatever time the Senator from North Dakota may require.

The PRESIDING OFFICER. The Senator from North Dakota may proceed.

Mr. YOUNG. Mr. President, for 3 consecutive years the House Appropriations Committee turned down the transmission line project and turned down the Ice Harbor project; and I went along with that action. There is no use in our voting into the bill those items at this time, and trying to get them acted on favorably by the conferees. Under the circumstances, Senators who urge these items at this time are only jeopardizing their own case.

We wish to go along with those Senators in the future, and we will do so. But to raise this issue now, when other items have been omitted or stricken from the bill for very good reasons, I think is only hurting their case.

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Washington?

Mr. KNOWLAND. Mr. President, I do not yield any more time.

Mr. MAGNUSON. Mr. President, has the time available to me expired?

The PRESIDING OFFICER. The time of the senior Senator from Washington has expired.

Mr. JACKSON. Mr. President——

The PRESIDING OFFICER. The Chair recognizes the junior Senator from Washington.

Mr. JACKSON. Mr. President, I should like to speak today concerning the dissolution of the plan of development for the Pacific Northwest.

The past 20 years have indicated the philosophy of my party regarding the coordination and full utilization of the tremendous natural resources of the Pacific Northwest.

But what about the attitude of the new administration? I believe it can be summed up in the words of one of my constituents, who wrote to me—

We used to be doing good, but we ain't doing so good now.

Mr. President, since the people of the Pacific Northwest and, in fact, the people of the entire Nation know the position of the Pacific Northwest in regard to resource development, I wish to submit for the RECORD certain articles or editorials from Pacific Northwest newspapers which indicate how the people of the Pacific Northwest feel regarding the investment-type, revenue-producing power projects and dams which need to be constructed by the Federal Government.

Mr. President, in the course of the debate, mention has been made of certain partisan considerations and certain partisan statements. I shall not make a partisan statement. Instead, I wish to quote from one of the leading Republican newspapers, the Walla Walla Bulletin, the issue of May 10 of this year. I refer specifically to an editorial entitled "Disintegration of a Plan." I believe the editorial speaks for itself.

As I say, the editorial appeared in one of the leading Republican newspapers of the Pacific Northwest. I shall stand on this editorial, insofar as the planned resource development of the Pacific Northwest.

The editorial reads as follows:

DISINTEGRATION OF A PLAN

The people of the Pacific Northwest, in looking at the future of their region, have developed a feeling of complacency which appeared to be justified by the facts. Short of oil, coal, natural gas, and other fuel resources, they have been buoyed up by the comfortable knowledge that they possessed the Nation's greatest hydroelectric-power potential—a tremendous natural asset capable of delivering ultimately some 33 million kilowatts of low-cost electric energy, approximately 40 percent of the total for the entire country.

For the development of this water resource, the Federal Government a few years ago spent a large amount of money in the preparation of a comprehensive plan. This plan, known as the revised 308 report of the Corps of Engineers, represented the work of the best engineering and technical brains of the region under the supervision of Col. William Whipple, former Walla Walla district engineer, and has been hailed as a model for maximum beneficial utilization of a great watershed.

Progress toward the carrying out of this plan, during the past decade, has been slow, inadequate, and frequently fumbling. The region has experienced three successive winters of power shortages. But the development that has been carried on has been in accordance with the comprehensive plan, and the residents of this region have always been able to say to themselves that it was only the immediate present that presented power problems—the long-range future remained promising because of the apparent certainty that eventually the vast power potential would be realized.

In the minds of most people in the Northwest, this is still the attitude. Perhaps they are annoyed at the no-new-starts policies of the 1952 and 1953 Congresses. But they still look ahead with optimism that time will somehow bring an end to the problems.

Such complacency, in our opinion, is no longer justified. In the light of recent events, there must be grave doubts arising as to whether the Pacific Northwest can ever develop anything even remotely approaching the ultimate low-cost power capacity that exists on its rivers.

Almost unnoticed in recent weeks has been the start of disintegration of our comprehensive plan. Two of the most important storage projects in the system—key parts of the well-engineered program for maximum water utilization—appear likely to go down the drain. With them we may be seeing a fatal blow to all our brave dreams of the future.

Immediate objective of the comprehensive plan has been the so-called phase C–2 system, under which the major control dams of the Columbia and Snake River were to be constructed. This portion of the program, when completed, would have provided total installed capacity of 11,194,000 kilowatts in Federal projects and 733,000 in non-Federal plants, or a total of 11,927,000 kilowatts. More significant, it would have had total prime power—deliverable the year around, low water seasons as well as high—of 8,390,000 kilowatts, of which 7,854,000 was on the Federal main control system.

What must be realized however is that much of this generating capacity was dependent upon upstream storage, without which the total capability was reduced some 45 percent. And nearly one-half of this phase C–2 storage was to be provided by two dams—Libby and Hells Canyon.

Events of recent weeks are enough to give one pause in this regard. A bill has been introduced into Congress to cancel authorization for Libby Dam, which has been held up by inability to reach an agreement with Canada over damages. And now the Department of Interior has decided not to push for Hells Canyon Dam, leaving the field apparently wide open for the Idaho Power Company to build three smaller projects with less capacity and no downstream storage benefits.

Libby Dam, according to engineering reports, would have 244,000 kilowatts of prime power at the damsite and 1,020,000 kilowatts of prime power benefits downstream, through regulation of water going through all lower dams on the river system. Hells Canyon would have 688,000 kilowatts at the damsite and 742,000 kilowatts downstream. Total significance of the two projects to the system, then, comes to the staggering total of 2,694,000 kilowatts.

If one also eliminates the Lower Snake River dams, which have been under constant fire and which would probably face even more hazards in the absence of any upstream storage, one loses a total of 3,471,000 kilowatts of prime power—nearly 40 percent of the entire phase-2 potential.

Without Libby, Hells Canyon, and the Lower Snake projects, where will the Pacific Northwest be in assessing its future as the low-cost power empire of the United States?

After projects now under construction are completed in 4 or 5 years, there will remain 2 other major ones still to be built in the phase C–2 plan and a scattering of others of lesser importance. The two principal dams are John Day, which should be receiving immediate attention, and Priest Rapids, which is being considered as a non-Federal project to be built by the Grant County Public Utility District.

Beyond that there is the possibility of Rocky Reach project, on the Columbia between Rock Island and Chief Joseph Dams; the non-Federal Cowlitz and Pelton projects, which are apparently stymied indefinitely because of feared damage to migratory fish runs; and a number of smaller dams whose total power output would be limited and whose power costs would be considerably higher.

There would also, presumably, be the three Idaho Power Co. projects in the Hells Canyon stretch of the Snake River, which unfortunately would provide no power to Oregon or Washington and yield no benefits through

water storage or integration with the regional grid system.

It must not be supposed, from our review of what may seem to be rather dry statistics, that we are arguing for a giant Federal system of hydroelectric power generation.

It is not by any means essential that the Federal Government should build the dams in the comprehensive plan. It is not even essential that any single agency—State, regional, or otherwise—should build the projects, provided they are cooperatively operated on an integrated basis.

What is essential ,however, is that the development of the water power resource should be done according to some intelligent engineering plan designed to take maximum advantage of the potential for power. And the fact that the present plan, endorsed by the region and representing the best available thinking on the subject, should now be in the process of abandonment is what concerns us far more than the specific abandonment of Hells Canyon or Libby projects.

The Republican Congress and administration, with the apparent blessing of some of the utilities of the region, have begun to take apart the comprehensive program developed by the Corps of Engineers and other agencies—without any hint of anything to take its place. Because of a fear that the Federal Government was developing a huge socialistic power system in the Columbia River Basin, they have not only put on the construction brakes but they have threatened some fundamental props of the program, without offering any alternative, planned or otherwise.

In so doing, they should be fully aware of the consequences. Instead of a long-range potential of 33 million kilowatts, we may be talking instead about a potential of 10 to 15 million kilowatts, with all that such a readjustment in objective implies. And the fear we have is that this destruction of a dream may occur before the people of the region are fully awake to what is happening.

Conservation of natural resources has been a tradition and a goal of the Republican Party for a half century, since the days of Theodore Roosevelt and Gifford Pinchot. To our way of thinking, the conservation of a water resource is fully in accord with the present concepts of the party which we have consistently supported. Our message to Mr. Eisenhower, Secretary McKay, and the Congress is that they must not substitute a wasteful hodgepodge for maximum comprehensive multiple-use development of Columbia River and its tributaries.

Mr. President, as I said at the outset, I rest my position on the statement I have just read from one of the leading Republican newspapers of the Pacific Northwest, the Walla Walla Union Bulletin.

Mr. DWORSHAK. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. DWORSHAK. I know the Senator from Washington wants to be fair. I am sure he would not contend that after the Republican administration has been in power for only a few months, any newspaper editor is justified in prejudging what it may do concerning the development of the natural resources in the Columbia River Basin.

Mr. JACKSON. I am sure the editor of the Republican newspaper from which I have quoted, Mr. Miller, is a very intelligent and able man, one who understands the plan, and I would think his judgment is pretty sound. I should like to say to my distinguished friend from Idaho that the other project referred to in the editorial, the Libby Dam project, has the full support of the largest Republican newspaper in that area, namely, the Spokesman-Review of Spokane. The Senator from Idaho is aware of the fact that the Spokesman-Review is a conservative newspaper, and when it is alarmed and disturbed by the proposal to deauthorize the Libby Dam project, I think apparently those two Republican newspapers must be speaking the sentiments, at least, of the Republicans in that area. I am not myself making any partisan comment. The partisan comment came from the Republican newspaper editorials which I have read into the RECORD.

Mr. DWORSHAK. When charges are made——

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The time of the junior Senator from Washington has expired.

Mr. GORE. Mr. President, I yield 15 minutes additional to the Senator from Washington.

Mr. DWORSHAK. Mr. President, will the Senator from Washington further yield?

Mr. JACKSON. I yield.

Mr. DWORSHAK. I did not intend to inject myself into any argument the junior Senator from Washington or any other Senator wants to make as to any of the items. The RECORD shows that the senior Senator from Idaho has been consistent in his support of these projects, and I certainly regret that any effort should be made to deauthorize them.

Mr. JACKSON. Mr. President, I have a very high regard for the senior Senator from Idaho, and I am sure, if he followed my remarks, he is aware of the fact that I have not said anything of a partisan nature. I have merely quoted from what he knows to be a leading Republican newspaper which apparently has made some Republican partisan comment, pointing out the grave concern of the Republican Party in the Pacific Northwest as a result of the action which has been taken with reference to Libby and Hell's Canyon Dams.

Mr. DWORSHAK. The editorials constitute a timely warning, and I can assure the Senator that this is no time to prejudge or to judge the record of the Republican Party insofar as the Columbia River Basin is concerned. Certainly it would be unfair to take the record of the Republican Party for 4 or 5 months and place it alongside of the record of the Democratic Party, which has been in complete control of the executive branch of the Government for 20 years and, most of the time, in control of the legislative branch. I have supported the project before the Public Works Committee.

Mr. JACKSON. Mr. President, I merely want to add that apparently the Republican newspapers are pretty well satisfied, in a general way, with the job that the Democratic administration has been carrying on for the past 20 years in the resource-development field. I think the newspapers are greatly disturbed by the progress of events in connection with two key projects. Once again, I say that the partisanship, if any, comes from the Republican comments I have quoted. I was merely quoting from Republican editorials. I hope I shall not be accused of indulging in partisanship when I quote from leading Republican newspapers in the Northwest as authority.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. MANSFIELD. Mr. President, I listened to a part of the colloquy between the Senator from Washington and the Senator from Idaho, and I was very happy to note the remarks of my old friend with whom I have served in the House for many years. I had known the Senator had worked for the construction of the Libby Dam because he realized just what it means to northern Idaho when the Kootenai overflows its banks. I am delighted that he has used his influence with the chairman of the Public Works Committee in support of the Libby Dam. It is an important step in the development of the Northwest.

Mr. JACKSON. Mr. President, if I may have the attention of the senior Senator from California for a moment, I should like to say that I am fully aware of the cooperation that we in the Northwest have had in connection with power projects. So far as the Senator from California is concerned, I served on the Appropriations Committee in the House and I was a conferee with him on several projects. I have assisted him on the House side in connection with many of his projects in the Central Valley. I have the highest regard for the senior Senator from California, and I think that down through the years his record on public power has been a good one. I am merely making this record because I think the senior Senator from California would like to know the views of the people in that area with regard to the comprehensive plan which we are discussing, namely, the 308 report of the Army engineers.

The people in the Northwest are worried because the plan is going to disintegrate, because the Libby Dam on the Kootenai, which provides storage water for the Columbia River Valley, and Hells Canyon Dam, which will provide storage water for the Snake River Valley, are threatened.

With reference to this critical situation to which I address myself to the Senate today, let me say, with reference to Hells Canyon Dam, that if the Federal plan is not completed there will be a net loss of 594,000 kilowatts. Let us see what this means in jobs and industry.

I should like to quote from the testimony of William E. Dittmer, power manager of the Bonneville Power Administration, before the House Interior and Insular Affairs Committee, testifying on the Hells Canyon Dam:

> Experience from the sale of power from Grand Coulee and Bonneville Dams indicates the kinds of losses in benefits to be expected from a loss of 594,000 prime kilowatts. On the average, out of 594,000 kilowatts of prime power, about one-third would be utilized in diversified manufacturing, one-third in electroprocess industries, such as production of metals and phosphorus, and one-third in residential, farm, and commercial establishments. Such a usage would support an estimated 35,000 jobs in manufacturing, with an annual earning power of $140 million in

salaries and wages. Service industries would employ at least another 35,000 workers and add at least another $100 million in annual salaries, wages, and other income. The estimated manufactured product produced would be an annual average of about $700 million of industrial commodities of various sorts. This electric power would also stimulate estimated sales of residential, agricultural, and commercial electric appliances and equipment having an aggregate value of about $1 billion.

Furthermore, the Federal Government itself would obtain at least $45 million in income and excess-profits taxes annually.

This is a partial inventory of the annual economic loss incident to the proposal which the Idaho Power Co. and its adherents bring to this congressional committee in urging that Congress decree that the Pacific Northwest lose the annual economic advantages of 594,000 kilowatts of prime power.

These estimated economic losses are likewise an approximate indication of the extent to which private enterprise would be retarded in the region, including the State of Idaho.

Mr. Dittmer made no estimate of the amount lost in potential local real estate and sales taxes. If we forget property taxes and simply take 1 percent sales taxes on $700 million of manufactured products as a base, the loss to the local governments would be $7 million each and every year.

Let us look at the loss to the Nation if there is a 1-, 2-, 3-, or 4-million kilowatt shortage in our power requirements. The following table shows the losses: A slippage of 1 million kilowatts means the loss of 58,920 manufacturing jobs and a like number of service jobs; $404,040,000 payroll and $75,750,000 Federal taxes. A slippage of 2 million kilowatts means the loss of 117,840 manufacturing jobs and a like number of service jobs; $808,080,000 payroll and $151,500,000 Federal taxes. A slippage of 3 million kilowatts means the loss of 176,760 manufacturing jobs and a like number of service jobs; $1,212,120,000 payroll and $227,250,000 Federal taxes. A slippage of 4 million kilowatts means the loss of 235,680 manufacturing jobs and a like number of service jobs; $1,616,160,000 payroll and $303 million Federal taxes.

The total number of jobs involved in a slippage of 4 million kilowatts is 471,360, which is about 80 percent of the number of young men and women entering employment in these years.

I do not believe that we can let the Nation's defense needs and its employment needs be dictated by any private monopoly. We need to have a program of Government construction that will supplement the private utilities, and give the Nation a little breathing space, a little chance to grow without being choked by delays and slippages.

It is just possible that in the next few years there will be something of a recession in this country. We are probably all agreed that in a recession it is better to provide for constructive public work than to resort to public doles of food and fuel. We will need a Government construction program such as Grand Coulee and the TVA, which helped bring us out of the last depression. But dams need planning. Preparations and engineering have to be undertaken. When no plans have been completed, and no engineering has been done, we are at the mercy of a recession. We drop constructive work and fall back on doles. That is the significance of the elimination of funds for Ice Harbor in the civil functions bill, now before the Senate, and the elimination of planning funds for Libby Dam in Montana.

Every million kilowatts eliminated from the future of the Northwest means a loss to that area alone of a payroll of $404 million. They mean a loss to that area and to the businessmen in it of $1,178,450,000 each year of manufactured goods. If any Senator who voted for those cuts thinks he was helping free enterprise in that area, he can think about the figure of $1,178,450,000 in the long winter nights ahead.

In conclusion, Mr. President, I respectfully inquire what the power and resource development policy of this administration is. With unemployment increasing in the Pacific Northwest, whereas it is diminishing generally throughout the Nation, with admittedly a more severe power shortage than confronts any other area, I see no plans by the administration to meet this critical situation. No new dams are being started; those under construction are being stretched out so that their contribution to the shortage will be delayed. Efforts are even being made to deauthorize projects approved by Congress in prior years.

The dams mentioned before are integral parts of the comprehensive, intelligent, economical plan for the full utilization of our bountiful natural resources in the Northwest.

Mr. President, we are not stargazing into the future. This is an immediate, critical challenge this Congress must meet.

Mr. KERR. Mr. President, will the Senator from Washington yield?

Mr. JACKSON. I yield.

Mr. KERR. Mr. President, I ask unanimous consent to have placed in the RECORD at the conclusion of the remarks of the Senator from Washington an explanation which I prepared for delivery but which the rapid passage of time makes impossible my delivering orally.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERR's statement is as follows:

Mr. President, yesterday we passed the Interior Department appropriations bill with committee amendments which I favored. But in passing that bill we did not fully nullify an effort to reverse the Federal electric power policy of nearly 50 years standing—an effort to repeal not one law, but several laws, by the action of a House Committee alone.

In the Appropriations Committee Report on this appropriations bill we find this language:

"With respect to construction activities, essential and completely justified projects in the construction stage should be carried to completion to avoid waste of Federal funds, but wherever possible, private enterprise shall be taken into partnership to build, own and operate that part of each project that can be handled by private ownership under conditions that protect the interests of all the people. In all future projects or new starts which include transmission lines, private enterprise shall be urged to take the initiative in constructing, owning, and operating such works before money is made available for Federal construction.

"This committee recognizes that this policy cannot be fully put into operation in the fiscal year 1954, but all interested parties are urged to keep this policy in mind and to plan accordingly.

"A careful review of the committee's actions on this bill will clearly indicate its adherence to the policy it has adopted."

Mr. President, that paragraph is clearly intended as notice to the Interior Department and everyone else—to "all interested parties"—that this committee intends that the Reclamation Act of 1906, the Federal Dam Act of 1910, the Federal Power Act of 1920 and a half dozen other acts delineating Federal power policy, including the Flood Control Act of 1944—shall be ignored, repealed and set at naught.

At another point the committee tells us that the pattern at Hoover Dam, where the Government delivers power directly to the city of Los Angeles and the Pacific Gas & Electric Co., is cited as the correct pattern for future development—and as the theory of the House Appropriations.

I am delighted that the Senate Appropriations Committee has not followed the House doctrine in the bill it reported to the floor. It has ignored that doctrine by the inclusion of several transmission-line projects which the House omitted. It has authorized continued construction of the Table Rock Dam by making an appropriation for it—an item which the House left out entirely.

In my opinion, the courts, which look into the legislative history of any bill or issue brought to trial, will interpret the Senate committee actions in violation of the principle enunciated in the House bill as a disagreement with it and, therefore, a contradiction of any contention that the statement represents the will of the Congress.

I want to state for the record that the House Committee declaration of policy is contrary to my views and, in my informed judgment, contrary to the views of the great majority of Senators. If the proponents of turning power development in this Nation over to the privately owned utility interests disagree with that statement, let them bring in a repeal bill. Let them amend the laws by direct and forthright action. Let's have a brand-new power-policy bill, take a rollcall vote on it, and each of us stand up and be counted.

Involved in such a repeal bill would be the amendment and reversal of a body of law and policy which has been developing since 1890.

In 1890 the Congress enacted a bill which forbade the construction of obstructive dams or other structures in navigable waters without first getting the approval of its plans by the Chief of Engineers and the Secretary of War. In the Rivers and Harbors Act enacted that year there was an indication of Congress' intent to limit the time of occupancy of any power site. In a special bill enacted the same year authorizing the Secretary of War to grant leases for power sites in the Green and Barren Rivers, Congress specified that the leases were not to run for more than 20 years.

That was the begining of an awakening to the value of the public-power sites, and the first early indication that it would be the policy of the Congress to control those sites in the general public interest.

Positive legislation to protect the public-power sites was enacted on February 15, 1901. The act of 1901 authorized the Secretary of Interior to license use of the public lands for electrical plants, poles, and lines for the generation and distribution of electrical power leaving the conditions to the Cabinet officer. The law itself specified that such licenses, or rights, were revokable in the discretion of the Secretary.

A report of the Committee of the House on Public Lands (H. Rept. No. 16, 64th Cong., 1st sess., 1916) commented:

"Prior to the act of February 15, 1901, there was no legislation on the subject at all; water-power sites were patented unmolested, either as parts of homesteads or by purchase, and were given no Federal attention whatever. Under this procedure a large number of power sites on the public domain were frittered away and have passed into private ownership beyond regulation, beyond control. As we look back on this procedure it seems like criminal neglect. Many of the valuable water-power sites of the country passed as fast as eager private concerns and persons could grab them under the several laws then in existence. These are now forever, in part, to be enjoyed by the few who at will may practice extortion and monopoly upon the consuming public subject only to inadequate State regulation when the business is intrastate and with little or no regulation when the concern is doing an interstate business."

The next step in the development of Federal Power policy came in the Reclamation Act of 1906—an act for which the great and farseeing Republican President Theodore Roosevelt is still acclaimed.

The Reclamation Act of 1906 (34 Stat. 117) recognized that water stored for irrigation could also be used to produce power, and it therefore authorized the Secretary of the Interior to lease any surplus power or power privilege, giving preference to municipal purposes, thus evidencing an intention that the power benefits should be widespread, rather than monopolized by a private corporation. The act provided a 10-year limit on such leases.

During the same period, early in the century, acts were passed granting perpetual rights to private companies to construct hydroelectric projects on the Tennessee, Rainey, James White, and Coosa Rivers. But these acts were vetoed by two illustrious Republican Presidents, Presidents Theodore Roosevelt and William Howard Taft.

The President's Water Resources Policy Committee, at page 221 in its report, issued in 1950, comments:

"Three veto messages by President Theodore Roosevelt and two by President Taft, dealing with bills to permit private construction of power dams on the Tennessee, Rainey, James, White, and Coosa Rivers, played an important part in the development of Federal waterpower policy. In general they noted, among other observations, that natural resources should not be granted and held in an undeveloped condition; that a definite time limit should be fixed in grants, permitting the public to retain control; that charges for the privilege should be imposed; and that, in approving plans, maximum development of navigation and power should be assured."

The next positive development of Federal power policy came in 1910 when the General Dam Act was enacted, designed to protect the people's interest in waterpower resources. Grants to develop power on rivers subject to Federal jurisdiction were limited to 50 years, but with the right reserved for the Government to revoke such grants at any time for public use upon payment of a reasonable value for the works, exclusive of any value for the Federal grant.

The next important act in the evolution of our Federal waterpower policy was the Federal Water Power Act of 1920.

This bill has sometimes been described as a compromise between the private and the public power interests. The report of the Senate Committee on Commerce, submitting the act, said that there should be Government development, or private development, and that in order to encourage some sort of action "this bill proceeds on the theory of private development with ultimate public ownership possible."

The bill then provided that the Government had first preference to any waterpower sites, and that then the State and municipalities should be accorded a preference over any private applicant if their proposed projects could be made to equal the other.

There were other important aspects of that bill. It required that waterpower development be undertaken as a part of comprehensive, multiple-purpose plans for development and use of waterways and watersheds. It contained a series of provisions to assure the public low rates, even under private development. It limited license periods to 50 years. It provided public recapture at the end of license periods. It clearly provided for the evolution of a public power system.

The attempt of the act of 1920 to stimulate development did not prove fruitful. By 1925, the Federal Power Commission had issued only five licenses for construction of dams. The Congress again took a hand and directed the Federal Power Commission and Chief of Engineers to report to it on the cost of surveys to formulate plans for the improvement of navigable streams. The Commission and the Chief of Engineers did report in a document known to all of us—House Document 308, 69th Congress, 1st session.

After this report was submitted, Congress, in the Rivers and Harbors Act of 1927, authorized surveys in accordance with House Document 308. Since then, we have had about 200 of the 308 reports made to this Congress, all made at considerable expense and all in accordance with a policy of undertaking Federal development of our watersheds for their multiple values and purposes.

In intervening years, the Congress has authorized many multiple-purpose projects, almost invariably with the preference clause included in the enactment.

The Hoover Dam Act of 1928 provided that contracts for the use of energy should be let "in conformity with the policy expressed in the Federal Act as to conflicting applications"—which meant that State, city, county, irrigation districts, drainage district, or other division or agency of the State should have preference.

I desire to discuss the Hoover Dam situation more at a later time, but I point out here that the preference clause applied in relation to it.

In the sale of power from Tennessee Valley Authority projects, the Congress prescribed a preference to "States, counties, municipalities, and cooperative organizations of citizens or farmers" not doing business for profit but organized primarily for the purpose of supplying power to their members. That act passed May 18, 1933.

The Rural Electrification Act of May 20, 1936, provided that in making loans that agency should give preference to "States, Territories and subdivisions and agencies thereof, municipalities, peoples utility districts, and cooperatives, nonprofit, or limited dividend associations."

In 1937, the Bonneville Project Act provided a "priority in sale of energy to public bodies and cooperatives." A similar provision was in the Fort Peck law passed May 18, 1938.

A preference was prescribed in the sale of power in the Water Conservation and Utilization Act of 1940.

In 1944, in the Flood Control Act of that year, Congress prescribed generally that, in the marketing of power generated at reservoir projects under control of the Secretary of the Army, preference shall be given to public bodies and cooperatives.

That act was passed December 22, 1944.

The policy of protecting public power resources for public and cooperative agencies—for the great mass of people—has not only pervaded the laws of the last half century, in that period the Congress has seen to it that the right of the people, who compose the Government, to the benefits of the power which the Government develops, has been given real meaning; that the power is transported from the public projects to within reach of the public and cooperative, nonprofit distributors.

In the case of Hoover Dam, the large and wealthy city of Los Angeles, requiring both power and water, was able to go out nearly 300 miles and exercise its priorities there, transporting both its own power and its own water to the city. But it became obvious that there are few cities—possibly none—which could finance such great transmission projects alone; and that the rural electric cooperatives could not since they must devote their earnings to retirement of their Government loans. So the Congress for years has consistently followed the policy of authorizing, appropriating for, and having built public transmission lines which will get public power to the public and cooperative priority customers.

In the great Northwest area Bonneville Power Administration has done it, and brought about a tremendous economic expansion in that area.

In the Tennessee Valley, the TVA has, at Congress' direction, built a great grid system reaching priority customers.

In the Southwest, in the Missouri Basin, in the Central Valley of California—wherever public power is available—it has been the policy to give meaning to the priority provision by getting the power within reach of the customer.

In some instances arrangements have been made for private companies to "wheel" power over their lines for the Government to its customers.

I am for such arrangements where they are freely made by both parties—where the Government agency can go to a company and say, "We will contract with you to wheel power at a reasonable rate; but we'll build our own transmission line if you are not reasonable."

But I certainly am not for tying the Government agencies to a pole, their hands and legs immobilized, and making them beg the private companies to transmit at whatever price.

Neither do I favor yielding to what I understand is now the demand by many private companies that all power be sold to them at the bus bar—for them to resell to priority customers at their own rates.

I am not in favor of reversing a Federal power policy of 50 years by letting the report of a single congressional committee go into legislative history unchallenged.

I say to all interested parties that the power policy of the United States remains as outlined in the laws I have reviewed, and that such power policy should continue to guide them until this Congress, by the affirmative enactment of amendatory legislation, changes the policy.

I say further to administrative officials responsible for carrying out policy that, however much they may favor a change in the law, the policy is not theirs to change, nor can it be changed under cover of a committee report.

If the private power companies in America want the Federal power policy changed, let them propose to do it directly and out in the open. Let the roll be called here in the Senate and in the House of Representatives. Let's let the people of America see who has voted for the change and who helped to defeat it. And defeated it would be.

This committee report tactic probably would not have been used if there was an even chance of a forthright bill passing this 83d Congress.

Our Federal power policy has paid this Nation tremendous dividends.

The production of electricity in the Nation has increased by 820 percent—more than eight times—since the Federal Water Power Act of 1920 was passed. I insert in my remarks at this point a table showing electrical output by years since 1920 and

giving unofficial Federal Power Commission estimates of our 1955 and 1960 requirements:

Total United States electrical output by year, 1920–60

[Billions of kilowatt-hours]

1920	55.6
1921	53.1
1922	61.3
1923	71.4
1924	75.9
1925	84.7
1926	94.3
1927	101.4
1928	108.1
1929	116.7
1930	114.6
1931	109.4
1932	99.4
1933	102.7
1934	110.4
1935	118.9
1936	136.0
1937	146.5
1938	142.0
1939	161.3
1940	179.9
1941	208.3
1942	233.1
1943	267.5
1944	279.5
1945	271.3
1946	269.6
1947	307.4
1948	336.8
1949	345.1
1950	388.7
1951	433.3
1952	[1] 462.9
1953	------
1954	------
1955	[2] 600.0
1956	-----
1957	-----
1958	-----
1959	-----
1960	[2] 790.0

[1] 1952: Federal Power Commission estimate based on 11 months reports.

[2] 1955–60 Federal Power Commission unofficial estimates based on power marketing reports for class 1 utilities.

Source: Federal Power Commission. Includes industrial and utility output.

This table shows that total output, in kilowatt-hours, was 55.6 billions in 1920 and that it was 462.9 billion kilowatt-hours in 1952. We look forward to a nearly 50-percent increase by 1955 and a 790-billion-kilowatt-hour consumption in 1960.

Mr. President, such tremendous growth in the use of electrical energy would never have occurred if the private utilities had been granted a monopoly in the field. The great growth in industry and the productive capacity of this Nation could not have occurred without the great public-power developments.

The gentlemen of the private-power companies are properly profit-minded. For entirely understandable but excessively conservative reasons, they usually want customers in line before they build generating capacity. And they have always been skeptical about America's expansion and growth.

The Senator from Oregon [Mr. MORSE] recounted on the floor the other day that, when the Tennessee Valley Authority was proposed, the private companies said it would be a century before the power of that river could all be used—that it was folly to talk of complete development of the river. We know that within 20 years not only has all the power of the river been harnessed and put to work, but that steam plants are needed to meet the growing needs of the area. We know also that the whole Nation has benefitted from the industrial output of the area, from the increase in tax revenues from there, from the aluminum and atomic materials and scores of other products which TVA has made possible.

The Senator from Oregon said that out in the Bonneville area the propaganda was that there will be only jackrabbits for customers for the Bonneville power. But the dam was built. Other dams have been built. It is now a great industrial area seriously short of power.

They haven't energized a jackrabbit out there yet—enough so he can keep in gunshot of the Oklahoma variety.

Many private utilities have never seen any necessity for REA in the first place, or for any further expansion of REA down through the years it has reached out to America's farms. Mr. Grover C. Neff has been the outstanding private utility spokesman on rural electrification matters.

In 1935, Mr. Neff wrote the REA Administrator that there are very few farms requiring electricity for major farm operations that are not now served.

The census that year showed 10.9 percent of farms electrified.

Mr. Neff continued to see no need for further REA work down through the thirties and the forties, as REA gradually pushed out to 50, 60, 70, 80 and 85 percent of the farms. I insert here in my remarks a series of quotations from this utility spokesman and a brief table showing percentage of farms electrified when these statements were made:

"THAT OLD REFRAIN

"(By Grover C. Neff, president, Wisconsin Power & Light Co., president (1946–47), Edison Electric Institute)

"July 24, 1935: 'There are very few farms requiring electricity for major farm operations that are not now served.' (Letter to Morris L. Cooke, REA Administrator, written by committee of utility executives, including Mr. Neff.)

"August 11, 1945: 'There seems to be no necessity for additional allotments (to REA) at this time.' (Memorandum presented to Committee on Electric Service for Farmers.)

"October 17, 1945: 'The job of extending lines to farms and nonfarms will be practically over in 1948.' (Before a subcommittee of the House Committee on Interstate and Foreign Commerce.)

"December 20, 1945: 'The end of the big task of taking electric service to the great bulk of farms is now in sight.' (Article, Public Utilities Fortnightly.)

"June 5, 1946: 'The big job of extending electric lines to the farms of this country will be about completed on December 31, 1948. REA has plenty of money to carry on the above outlined construction program for the years 1946, 1947, and 1948, even if the Senate does not grant them the $250 million included in the 1947 appropriation bill.' (Inaugural address.)

"April 24, 1947: 'It is our opinion that REA does not need any additional loan authorizations by Congress to complete its job.' (Before subcommittee of the House Committee on Appropriations.)"

Percent of United States farms with central station electric service

1935	10.9
1940	30.4
1945	44.7
1946	52.9
1947	57.4

The job is not yet completed. There are more farms to be reached with lines, distribution lines must be made heavier to meet growing farm demand, and generating and transmission facilities must be built to provide power to meet that demand.

The extent of growth in the use of the new "electrical hired hand" on farms is indicated by a sample survey conducted by the Rural Electrification Administration.

In 1938 average use per farm was 32 kilowatt-hours per month. In 1951 average use per farm was 129 kilowatt-hours per month. In the 13-year period use had increased 40 times over. In the period 1945 to 1951 it had doubled.

I am advised that studies by State colleges indicate that average farm use is headed toward 300 to 400 kilowatt-hours per month on the basis of present available appliances and that it may go even higher as other applications of the "electrical hired hand" become available.

There is an electrical revolution under way in agriculture. It means better farming. It means less drudgery for the farmer and his wife. It means less isolation—a new and better way of life in all the rural areas of America.

Totally, Mr. President, the demand for electrical energy by REA borrowers has climbed from 153 million kilowatt-hours in 1939 to 11.2 billion kilowatt-hours in 1952. It is expected to be 19 billion kilowatt-hours in 1955.

I place in the RECORD at this point a table of power requirements of REA borrowers by year, 1936 to 1963, the latter years being estimates by the National Rural Electric Cooperative Association. Other years are based on REA annual reports.

Power requirements of REA borrowers by year, 1936–63

Year	Demand in kilowatt-hours	Percentage increase over preceding year
	Billions	*Percent*
1936		
1937		
1938		
1939	0.153	
1940	.406	165
1941	.735	81
1942	1.086	48
1943	1.680	55
1944	1.988	18
1945	2.237	13
1946	2.368	6
1947	3.082	30
1948	4.151	35
1949	5.536	33
1950	7.138	29
1951	8.975	28
1952	11.162	[1] 24
1953	14.5	30
1954	17.0	17
1955	19.0	12
1956		10.5
1957		9.5
1958		6.5
1959		6.1
1960		3.8
1961		3.7
1962		3.6
1963	30.0	[2] 3.4

[1] Percentage increase of 1952 over 1943 was 564 percent. Percentage increase of 1952 over 1948 was 269 percent.

[2] Percentages from 1954 through 1963 are estimated on assumption of a 76-percent increase in 9-year period.

Source: 1939–51, REA annual reports, Energy Purchased by REA Borrowers; 1952–55 REA estimates; 1963, NRECA estimate.

Data for chart VII.

There has been another effect of the public power program, Mr. President, that has been good for both the consumers and the private power companies. Rates have come down. The public power programs have demonstrated to the private companies that you can reduce rates and use of power will increase so much that there will be increase, not loss of net or gross revenue.

I would like to include in my remarks at this point a table from the Water Resources Policy Commission report showing the cost of wholesale electric power to rural electric cooperatives in Texas, Oklahoma, Colorado and the combined New England and northern shore States.

Cost of wholesale electric power to rural electric cooperatives

[Cents per kilowatt-hour]

Year	Texas [1]	Oklahoma [2]	Colorado [3]	Combined: Maine, New Hampshire, Vermont, New York, New Jersey, Delaware, Maryland [4]
1941	1.03	1.16	1.32	1.25
1942	.86	.95	1.22	1.19
1943	.85	.87	1.19	1.23
1944	.86	.94	1.25	1.34
1945	.80	.88	1.24	1.25
1946	.69	.76	1.25	1.22
1947	.66	.73	1.23	1.22
1948	.66	.71	1.20	1.28
1949	.63	.66	1.19	1.35
1950	.56	.58	1.32	1.47

[1] Reduction due to Brazos River Transmission Electric Cooperative and Southwestern Power Administration.
[2] Reduction due to Southwestern Power Administration and Grand River Dam Authority.
[3] No competition.
[4] No competition. No electric cooperatives in New York during first 3 years.
Source: Rural Electrification Administration.

The REA cooperatives in all these States in 1940 paid more than 1 cent per kilowatt-hour for wholesale power. In Oklahoma the rate in 1950 was down to 5.6 mills. In Texas it was down to 5.8 mills. We have the Southwest Power Administration and a few public dams. But in Colorado the rate remained stable at 1.32 cents and in the Northeastern States it has increased from 1.25 cents to 1.47 cents per kilowatt-hour. Those areas have yet to get the benefit of a public-power program.

The preference clause established in Theodore Roosevelt's day—an assertion of the right of the citizens of an area to power from their own dams through their own distributing system—has made this tremendous growth of power use and declining costs possible.

If there were an open attempt to reserve the Federal Power policy today, instead of a covert one—to pass a law openly requiring the sale of all Federal power production at the dam to private utilities—the protests you are hearing now would be nothing by comparison.

If bus-bar sales are enforced, we can anticipate that electric-power costs will start upward.

I must confess my astonishment at the demand of the private utility interests for a two-way monopoly in the electric power business.

They not only insist on the exclusive right to market power, they are now insisting on the exclusive right to buy it from Government projects. They want complete, monopolistic control at both ends. They ask for a monopoly of supply on a monopoly of market.

In my most imaginative moments I have never dreamed of anything better than a one-way monopoly. I have always thought a one-way monopoly was the pinnacle of business control. But I was wrong. We have now the two-way monopoly concept. These men want not only the exclusive right to supply power to the people of America, but also the exclusive right to bring in—or not bring in—the power supply.

Mr. President, this Nation has never made a better investment than we have made in our public-power program. No private utilities have been bankrupted or destroyed. A few have been bought out, and paid full value for their properties. The remainder have greater gross and net revenues than ever before; the Nation is being repaid its power investments. The Nation has profited enormously from the industrial expansion, the increased income taxes, the employment, and the better lives for citizens which the power program has produced.

Our appropriations for power development are not expenses; they are investments. And there are even greater benefits ahead for everyone if we continue to build, side by side with the private electric industry.

The President's Materials Policy Commission, in the so-called Paley report, tells us that this Nation must have all the generating capacity that both Government and private industry can build in the years ahead. There will be need for 260 percent more generating capacity by 1975, according to that study. Less than that amount of additional capacity will mean that we have not enough power to process the new light metals, essential farm fertilizers, and other electroprocess materials. It will mean fewer jobs, smaller national income—a less desirable level of living than we should attain.

I sincerely hope that in all the power issues which come before this Congress—the Interior appropriations bill, the civil functions bill, the TVA bill, and the St. Lawrence-Niagara bills—we will keep our public power programs on the track and keep this Nation a growing, a strong, and a vital nation.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON] to the committee amendment on page 4, line 5.

Mr. CORDON. Mr. President, for a few minutes I desire to address myself to the subject of Ice Harbor Dam. I shall not engage in shadow boxing. I wish to speak briefly about the facts.

The first committee I attended when I came to the Senate in 1944 was the Committee on Commerce. The only thing I accomplished was to add my voice to those of Senators who were in favor of constructing a sufficient number of dams in the Columbia and Snake Rivers to permit navigation up to Lewiston, Idaho. One of the dams was Ice Harbor Dam. Since then, as a member of the Committee on Appropriations, I believe I have become as intimately acquainted with this problem as has any other living person.

Let me say now that in all the time that has passed I have never heard any representative of a so-called private power monopoly or any representative of a private electrical utility, anytime or anywhere, raise any objection to the construction of Ice Harbor Dam. I have never yet heard such an objection. There have been objections to the construction of Ice Harbor Dam, and, in my opinion, wholly legitimate objections, but they were not made by power companies. As a matter of fact, so far as power companies of the Pacific Northwest are concerned, if we can continue to maintain the kind of working arrangement we have had in the Pacific Northwest, I know of no one who would benefit more from the construction of Ice Harbor Dam, considering the interests involved, than would private power companies. There is no reason for them to object, and they have not objected.

There has been objection, and it has come from commercial fishing people. At the mouth of the Columbia River is a pretty sizable community around the city of Astoria that makes its living commercially from either the fish in the sea or the fish that come into the Columbia River from the sea. The life of that community has depended solely upon the ability of the fish that come into the Columbia River to go upstream and spawn, and thus insure the continuance of the fishing industry at the mouth of the river.

Those people have strenuously fought the building of Ice Harbor Dam, on the grounds, first, that it would flood out the spawning area; and, second, that fish would be unable to get over another high dam, and that as a result there would be less spawning in the upper stretches of the river. Spawning would be affected in the Snake River, just as it has been affected in the Columbia above Grand Coulee.

Mr. President, that objection was a valid one. I listened sympathetically to it. I recognize that any time a community such as that in Clatsop County around Astoria loses a gross income of $10 million or $15 million it means something very real in the way of depriving thousands of people of an opportunity to live. They had a right to object. I listened to the objection, and for a time I did nothing—and publicly said so—to promote an Ice Harbor Dam.

When I found that there was need for electricity from Ice Harbor at Hanford, and it was insisted that an alternative, which would be power from McNary Dam, was not feasible, I went into the battle for Ice Harbor, and had something to do with putting Ice Harbor in the bill on the Senate side, certainly twice, and I think three times. I spent hours in the battle in conference to maintain Ice Harbor in the bill.

I agree with Senators who have said that the subject of public works is a nonpartisan public matter; but the reason Ice Harbor is not under construction today is that during the last administration an administration-controlled conference group from the House were adamant against it. The fact that they happened to be in an administration-controlled group had nothing whatever to do with it. Their views were such that they would not and could not support it. The main reason they did not support it was that those engaged in the fishing industry had made a sale on the House side, and the House was adamant. The result was that each time we took the item to conference we lost it.

Mr. President, I intend to vote for this amendment, because I voted for it in committee, and I presented in committee the case which I am now presenting. I have done it before. However, I want it clearly understood that the only opposition I have ever known to the building of Ice Harbor was a legitimate and sound opposition from people who were fighting to maintain the source of their bread and butter.

After we learned the situation at Hanford, and after I was completely advised as to the additions which were being made at Hanford, it seemed to me that we should go forward with that dam. I believe that today. If I were trying to set up a complete budget for the United States, and if I were trying to effect some economy, if I were trying to cut down somewhere in my program, under the existing circumstances the

dam which would be left out would be Ice Harbor. I would have left it out for the reason that I would know that if I put it in, based upon the record already made, it could not get through Congress.

That is the reason, and the only reason, it is left out today. I think the reason is not adequate. I think it is proper yet to make the battle. However, I can understand the views on the other side. There was a time when Ice Harbor should not have been in the appropriation bill, because we had to spend too much money in the Northwest to keep other big projects going.

I was one of those who at that time believed in that theory. I still believe in it. An incomplete dam is nothing but a dead weight. Only when it is completed can it achieve justification in doing the thing for which it was constructed. We have followed that program. I am proud to have been one of those who insisted upon following it. The dams which are being finished today—McNary, and Chief Joseph coming along behind it—are being finished because we have stood by that kind of program. Now we could include Ice Harbor, and it would fit such a program. We could have included it last year or the year before. However, then we were faced by a "no new starts" order. We were faced by an adamant House; and for no other reason in God's wide world than those reasons, we have not had an Ice Harbor Dam under construction. I should like to have a part of this RECORD today exemplify the facts.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Washington [Mr. MAGNUSON] to the committee amendment on page 4, line 5.

Mr. MAGNUSON. I ask for a division.

On a division the amendment to the amendment was rejected.

Mr. MAGNUSON. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Washington will be stated.

The LEGISLATIVE CLERK. On page 4, line 5, to the amount listed for "Construction, general," it is proposed to add "$100,000."

Mr. MAGNUSON. Mr. President, before I speak on this amendment I wish to make a few brief remarks.

I am a little regretful that the debate today took on what has been described as a partisan character. I surely did not inject it, except to suggest to a new administration that here was an opportunity to do what they said last October they were going to do, by going forward with hydroelectric development in the Pacific Northwest. But apparently that is not their feeling. Whether that be called a partisan approach or not, I cannot help it. That is the fact. No new dams have been started or suggested by the administration or by the Bureau of the Budget.

Ice Harbor was deliberately cut out. The Senator from Oregon [Mr. CORDON] is correct in his remarks about the original opposition, despite the fact that we are all now mainly in agreement as to this project.

I do not know whether this question bothers the Senator from Florida [Mr. HOLLAND] or not, but I want to tell him that it bothers us considerably. What we are talking about is not partisan. We are talking about the very economic lifeblood of our area. We are talking about a Federal power policy which, since January 20, has scuttled every proposal to go ahead with the comprehensive development of the Columbia River. Let the Senators call it partisan or not, as they choose.

That means something to me. It means something to my people. When the Secretary of the Interior withdrew his opposition to Hells Canyon Dam, it meant the difference between selling public power to the people of our area for $19.09 per kilowatt year, and the private utility selling it at $41.06, taking the cream off the river. That is what it means to us. It is not a Republican or a Democratic question. No one injected partisanship into this debate. All I said to the Republican side was that here is a chance, in connection with Ice Harbor, to do what they said they were going to do, and what they told the people of the Pacific Northwest last October they were going to do.

Instead Ice Harbor was singled out and cut out of the budget. Those are the facts. I do not care how they are characterized. That is what we are fighting for. I do not know whether this is Republican or Democratic policy but I say that about a month ago the Secretary of the Interior actually sold out the Snake River to the private power interests. That is what we are talking about.

Senators stand up and say, "Ice Harbor is a great project." Everyone is for it. The Army engineers are for it. The people in the area are for it. Everyone is in agreement but no one votes for it. Hells Canyon and the Snake River are gone to the people of our area so far as public-power development is concerned. What the Senator from Oregon [Mr. MORSE] said in that regard is correct. That is not partisanship. I may be called a Democrat, a Republican, an Independent, a Socialist, or whatever anyone chooses to call me. But we are talking about something real, just as the Senator from Florida [Mr. HOLLAND], in his able and persuasive way, talks about something real in his area.

We have argued here over an appropriation of $100 million for development of the resources of the Nation. That represents the cost of one battleship. I guarantee when the defense appropriation bill comes before the Senate within the next 2 or 3 weeks, no Senator will rise on the floor in righteous indignation and charge partisanship in the spending of approximately $40 billion. However, some Senators would take a little meat ax and use it on public works projects. Of course, there may have been some "white elephants" involved in these projects, but I do not know of any in the past 20 years. We are talking about projects which are paid back with interest. That may be partisan, Mr. President, but so far as I am concerned it is not partisan at all.

The Senator from California has been very fair about it. He presented the matter to the subcommittee, I suppose with all the testimony. No one is saying that it is the policy of any individual Republican, but I say it is the policy down the street. I have watched it for a long time. I know the power question. I can see the signs. I can see the handwriting on the wall in the Hells Canyon decision. That is what we are fighting about.

I wish to put into the RECORD an example of what we are fighting for. I have before me a letter from a group in Idaho, the Hells Canyon Association, which had contracted with a radio station to have a series of weekly broadcasts made with respect to the features of the Hells Canyon Dam and the feasibility of it. They were cut off the air by the station manager, because, he said, the Idaho Power Co. did not like the program. Here is the affidavit. The Idaho Power Co. has a right to not like the program. But what I am trying to say is that that is what we are fighting for. There is nothing partisan about it.

I think we can read the signs of the announced Republican policies. Since they have been in power they may have changed them; I do not know. The Senator from Washington and the Senator from Montana went to see the Secretary of the Interior a week ago to protest and to say, "Please do not sign 20-year contracts with the private power interests." They can determine what industries shall come into the area. I do not know how long I have tried to talk to him about these things. If I were a partisan, a real partisan, do Senators know what I would do? I would let the Republicans go ahead and do what they propose doing. That would certainly elect a great many Democrats in the Northwest.

That is what we are fighting about. The committee was very fair. It has done a good job. Everyone says he is in favor of Ice Harbor. But the Budget has cut it out.

I wish to close with one statement, which I hope will not be considered partisan. I remember that last September in Montana, at the dedication of the Hungry Horse Dam, a huge structure which is twice as high as the Capitol, a former President of the United States made the statement—I hope it will not come true, but I am afraid it will—to all those assembled there: "Take a look at this structure. Take a second look. Take a third look. This is the last one you will see if the Republicans come into power."

Apparently all signs indicate that no new dams have been authorized whatever. That is the fact. What I say is not partisan.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield. I am willing to yield the floor.

Mr. KNOWLAND. With reference to the statement made by a former President, I will say that he did not state a fact. The reclamation laws went into effect under a Republican administra-

tion, that of President Theodore Roosevelt. They were carried on under both Republican and Democratic administrations, and they are going to be carried on, in my judgment, in the future. There was no basis for the statement made by the former President to which the Senator from Washington has referred. It was as erroneous as was his earlier statement, a few days before the outbreak of the Korean war, that we were nearer to peace than we had ever been before.

Mr. MAGNUSON. I do not want to discuss the Korean war at this time. The former President's statement referred to the future. I am sure that if the Senator from California had his way—and he has great influence with the present administration—it would not happen. Nevertheless all I know is that that is what has happened in the appropriation bill and in the formal actions taken by the Secretary of the Interior.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MAGNUSON. Perhaps he will change his mind. If the Senator from California has any persuasiveness at all I hope that he will go to see the Secretary and try to change his mind.

Mr. KNOWLAND. The fact is that in the civil functions bill the States of Oregon and Washington——

Mr. MAGNUSON. I know that projects were started and are about 40 percent complete. I am a member of the committee. I am talking about new starts.

Mr. KNOWLAND. Mr. President, will the Senator from Washington let me finish? The RECORD shows that a total of $176 million is to be spent in the States of Oregon and Washington alone.

Mr. MAGNUSON. That is correct.

Mr. KNOWLAND. On projects which relate to power alone.

Mr. MAGNUSON. That is correct.

Mr. KNOWLAND. I say that on such a record no person can successfully maintain that there has been any policy followed in the Senate, or by the administration, or by past administrations, which would treat the subject on a partisan basis, or that the Pacific Northwest has not received ample and proper attention in the development of the power resources of the country.

Mr. MAGNUSON. I will say to the Senator from California that during the past 20 years we have developed very well. I am afraid that that policy is being reversed.

Mr. KNOWLAND. The Senator need not spend any sleepless nights on that point——

Mr. MAGNUSON. I hope the Senator's view will prevail.

Mr. KNOWLAND. Because the policies of the Republican Party with respect to reclamation projects, started under a Republican administration and carried on under Republican administrations, are going to be continued. The policies with respect to preserving our natural resources are going to be continued. I believe that when the Republican Party has been in power for 20 years, or as long as the Democratic Party has been in power, the able Senator from Washington will agree that the record is just as good, and perhaps even a little better.

Mr. MAGNUSON. I hope that is true. Of course I do not fool myself when I read the figures cited by the Senator from California. Those are appropriation figures for dams that are now under construction, in order to finish them. I am talking about the fact that the Republican administration completely denies any further new development of hydroelectric power. Why "kid" ourselves?

Mr. CASE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CASE. Mr. President, when the Senator referred to the statement of the former President in connection with the dedication of the Hungry Horse Dam last fall, I may say that I was in Montana on the day immediately after his speech, and spoke in Montana approximately 20 hours after the President had spoken.

Mr. MAGNUSON. The Senator was with the team that followed the President.

Mr. CASE. I was with the truth squad. We brought out the truth that in the 80th Congress, which had a Republican majority in both the Senate and the House, Congress appropriated about seven times as much money for the Hungry Horse Dam as had been appropriated by the 79th Congress, which had a Democratic majority. Furthermore, so far as new starts are concerned, new starts were made by the 80th Congress.

Mr. MAGNUSON. There were new starts made, but they fell down.

Mr. CASE. No; new starts were made on several dams during the 80th Congress. They were made in the face of the policy then announced by the Truman administration that there should be no new starts made in that year.

Mr. MAGNUSON. In the case of reclamation projects, that is correct.

Mr. CASE. New starts were also made on power projects.

Mr. MAGNUSON. There were none of those.

Mr. CASE. A certain dam in my State was started, which has a potential of 420,000 kilowatt-hours.

Mr. MAGNUSON. I have only 15 minutes in all, I remind the Senator from South Dakota.

Mr. CASE. The Senator from Washington must recognize the fact that it is a budgetary matter and not a policy matter, so far as new starts are concerned.

The PRESIDING OFFICER (Mr. BENNETT in the chair). The Senator from Washington has 5 minutes remaining.

Mr. CASE. Mr. President, I ask unanimous consent that the Senator's time may be extended by as much time as I have used.

Mr. MAGNUSON. I am glad to get all of these assurances.

Mr. GORE. Mr. President, I yield 5 additional minutes to the Senator from Washington.

Mr. MAGNUSON. Mr. President, I am glad to receive all these assurances from Senators on the other side of the aisle, and perhaps the situation is not so bad as it appears to me to be.

The trouble is that when the time for voting arrives, all those Senators vote "No."

If Senators will vote in accordance with what the Senator from South Dakota has so proudly claimed to have been the action taken by the 80th Congress, then the item for the Ice Harbor project will be included in the bill.

After all, the amount of money involved is not great. The amount required for the construction of one cruiser will take care of this project, which will return to the Federal Government ten or twenty times the amount of its cost.

Many Senators profess their allegiance to the cause of development of our natural resources, but they vote in just the opposite way.

Mr. President, this matter is not a partisan one. My complaint is as to the attitude taken in regard to both this project and similar projects in various parts of the country. I know what has happened to these projects in the past 2 months, and I hope it will not continue.

If the Senator from South Dakota and the Senator from California, who, I think, understand a great deal about the development of our natural resources, will be as persuasive with their colleagues and with others as they have indicated by their statements today, perhaps the minds of certain persons in the executive departments will be changed; but if that development is to occur, these Senators will have to do a tremendous "selling" job in order to persuade such persons to reverse the action they already have taken.

Mr. President, it is said that no report was made on the Hells Canyon project. However, I have before me not one report but three official and independent reports on it.

Mr. President, I know the private power people. I have been working on this situation for 25 years, ever since I was a youngster in the State legislature. I know how the private power people operate. I now state flatly that unless able men such as the Senator from California and the Senator from South Dakota, who understand these problems, exercise leadership in these matters, the private power people will run the Government, insofar as power policy matters are concerned. I make that flat statement because I believe I know the situation.

Mr. MORSE. Mr. President, will the Senator from Washington yield for a question?

Mr. MAGNUSON. I yield.

Mr. MORSE. Is it not true that the Cotton report was sent to the Department of the Interior on February 25, 1953?

Mr. MAGNUSON. Yes.

Mr. MORSE. Is it not true that that occurred before the Secretary of the Interior announced withdrawal from the Oxbow hearing?

Mr. MAGNUSON. Yes.

Mr. President, I have before me a reprint of Mr. Cotton's letter, together with a newspaper article on the same subject, which I send to the desk and ask to have printed in the RECORD at this point.

There being no objection, the article and letter were order to be printed in the RECORD, as follows:

SAN ANSELMO, CALIF.,
February 25, 1953.

To United States Department of the Interior, through the Administrator, Bonneville Power Administration, Portland, Oreg.

Attention Mr. Leon Jouroimon, Assistant General Counsel; Mr. J. D. Stevens, Chief, Branch of Power Resources.

GENTLEMEN: In accordance with our agreement dated October 20, 1952, I have compared the feasibility and desirability of the Hells Canyon multiple-purpose scheme proposed by the United States Bureau of Reclamation with its alternates, the five-plant run-of-river power scheme and the three-plant scheme, both proposed by the Idaho Power Co., and submit my report herewith.

It appears that the Hells Canyon multiple-purpose scheme, which would develop large storage and also large downstream benefits, in addition to full powerhead, would be superior to multiple-project schemes developing primarily powerhead. My studies show that this premise is correct and that the Hells Canyon multiple-purpose scheme is from all points of view superior to the schemes proposed by the Idaho Power Co.

Respectfully submitted.

JOHN S. COTTON.

SUPPRESSED REPORT FAVORS HELLS CANYON

A 91-page Government engineering report favoring the Hells Canyon multiple-purpose project for developing the Snake River came to light for the first time today in Wenatchee. It was discovered here today that the report has been suppressed from the public by the Department of Interior since its transmittal on February 25, 1953.

It was prepared by John S. Cotton, one of America's most eminent hydroelectric engineers, at the request and expense of the Federal Government.

"The Hells Canyon multiple-purpose-project plan is from all points of view superior to the schemes proposed by the Idaho Power Co. * * * The construction of the Federal project would provide nearly 600,000 additional low-cost firm kilowatts which otherwise would be lost to the region forever," the report said.

The Cotton report is the only complete engineering study of the relative benefits of the public versus private plans for the development of the resources of the mid-Snake River on the Oregon-Idaho border. It was made on behalf of the United States Department of Interior and submitted through the Bonneville Administration in a letter of transmittal dated February 25, over 3 months ago.

John S. Cotton, internationally famous as a consulting hydroelectric engineer, was Chief Engineer of the Federal Power Commission for 8 years in Washington, D. C. He is now in private practice in San Anselmo, Calif., and was employed by the Government under an agreement dated October 20, 1952, to make a complete study of this matter.

The basic conclusions of the Cotton report are:

1. "The five-plant scheme proposed by the Idaho Power Co. is not economically feasible.

2. "The 3-plant scheme of development proposed by the Idaho Power Co. is not economically feasible, but is much more attractive than the 5-project scheme. It is much less desirable from an economic standpoint than the Hells Canyon multiple-purpose scheme proposed by the Bureau of Reclamation.

3. "The Hells Canyon multiple-purpose scheme proposed by the Bureau of Reclamation is economically feasible, completely develops the power resources, and is the most attractive from all points of view. The construction of this scheme would provide some 600,000 additional low-cost firm kilowatts which otherwise would be lost forever. Furthermore, there are very substantial indirect and intangible benefits which would be realized, but cannot be evaluated in monetary terms. This scheme, as proposed, represents high design standards."

The report exhaustively analyzes additional projects on the lower Snake and Clearwater Rivers, and finds that none are at present possible of construction in the foreseeable future.

Secretary of the Interior McKay and Under Secretary Tudor have both suggested Mountain Sheep, Nez Perce, or Kooskia sites as alternates to the multiple-purpose Hells Canyon. In sharp contrast, the Cotton report does not mention the Mountain Sheep site in the light of even a remote possibility. It states that the Nez Perce site is in conflict with the upstream salmon run, and that the Kooskia is opposed by the citizens in the towns in the valley there and by Indian tribes. Construction of the Kooskia would also necessitate relocation of 183 miles of State highway and a branch of the Camas Prairie Railroad.

The Cotton report estimates the cost of Hells Canyon firm power at $19.09 per kilowatt year, as against $41.07 per kilowatt year for the Idaho Power Co. 3-plant scheme. This takes into consideration that the report also revised the power company's cost estimates substantially upwards from those the company now has before the Federal Power Commission in their request to build the Oxbow project.

The report states, "If the 3-plant scheme is constructed, the Federal Hells Canyon multiple purpose project could not be constructed and 575,600 kilowatts of low cost salable firm power, would be lost to the Northwest region forever. The annual loss to the region is then $20.33 x 575,600 kilowatts or $11,701,900.

"If the five run-of-river plants are constructed, the Federal Hells Canyon multiple purpose project could not be constructed, and 787,000 kilowatts of low cost salable firm power would be lost forever in the Northwest region. The annual loss to the region is then 787,900 kilowatts x $20.33/kilowatts yearly or $16,018,000.

"This permanent loss is taken into account on the basis that one of the proposed schemes will be constructed in the near future. It might be argued that possible future upstream developments would provide storage for the five project scheme equivalent to the Federal Hells Canyon multiple-purpose scheme. However, any future upstream storage would also benefit the Federal Hells Canyon scheme in the way of additional power production, flood control, etc. Any increase in power production or of other benefits in the 5-project scheme or Federal Hells Canyon scheme due to upstream storage is solely a credit to the upstream storage. It follows that any indicated reduction in power capability or of other benefits in a proposed scheme may be considered as a permanent loss to the Pacific Northwest region as far as comparison of the Federal Hells Canyon scheme and the 5-project scheme is concerned. This also applies to the proposed 3-project scheme of development."

A LOOK AT THE U. S. A. WITH WILFRED R. WOODS

WASHINGTON, D. C.—It is now several weeks since Secretary of Interior McKay held his now-famous press conference on Hells Canyon Dam. We were present when McKay announced the administration decision, withdrawing Interior Department's objections to the Idaho Power Co. dams.

We cannot help but recall that occasion. It was a turning point in Government policy, certain to affect the pattern of future development of the Northwest.

The Hells Canyon case has been before the public in some detail since that announcement. A number of things still remain unanswered in our mind, though.

We tried to get some of the answers at the Bueau of Reclamation headquarters in Washington. A news blackout had been imposed, however, against any discussion of the project. Reclamation people have been told not to talk about figures or data on Hells Canyon Dam.

What is our concern with all this? After all, this dam is a long way from us.

Hells Canyon is a long way from here. But it would be a part of the full development program for the whole Columbia watershed. Under Federal development it would aid every dam downstream, and we have a stake in that.

We have no way of knowing whether the Idaho Power Co. would ever build the three dams they proposed, or the five dams they originally proposed.

After all, the Idaho Power Co. has been telling everyone that it has plenty of power. Furthermore, if power could be delivered to the power pool, what would the consumers have to pay?

To us, it is the same kind of fight, waged by the same people, with many of the same arguments, as this area went through on Grand Coulee Dam.

Abuse and ridicule has descended on those advocates of Hells Canyon just as it did on those who backed Grand Coulee. The reports of the engineers were pooh-poohed then just as they are now.

There has been a deliberate attempt to discredit the studies made by some of the finest engineers in the country. One of witnesses against Hells Canyon was on the part of an employee of the State of Washington, Holland Houston. The Hells Canyon hearings of 1950 carry the Department of Interior's reply to his testimony, including the following words: "Mr. Houston's own computations are in error and are not in accord with accepted engineering and business practice."

There was some other phony business at the press conference.

Hells Canyon Dam was discounted at the conference because its power output would be reduced after full development of all the dams on the Columbia watershed. The difference between the Idaho Power Company's dams and Hells Canyon after full development would be 170,000 kilowatts, said McKay.

One justification for the abandoning of Hells Canyon, though, was because of the amount of money that would be needed. This would be difficult under the budgetary restrictions at present, said McKay.

Here's the phony business. The figures emphasized at the press conference were those after full development of the Columbia system, embracing a whole host of dams not now even being considered.

Yet Hells Canyon is abandoned because of cost, a project that is one of the steps in that full development. If the money can't be found for Hells Canyon, why go forward 50, 75, or 100 years to drag in figures on projects that will cost many times that of Hells Canyon in total?

That's phony figuring, I say.

Mr. MAGNUSON. Mr. President, I now ask unanimous consent to have printed at this point in the RECORD a letter, with an attached enclosure directed to the Federal Communications Commission, regarding the activities of the radio station at Boise, Idaho.

There being no objection, the letter and attached enclosure were ordered to be printed in the RECORD, as follows:

IDAHO-OREGON HELLS CANYON ASSOCIATION,
Boise, Idaho, June 19, 1953.

Senator WARREN G. MAGNUSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We have been bucking suppression and censorship for some time in

telling the Hells Canyon story in Idaho, but I believe the extent of the denial of free speech is best illustrated by the information contained in the enclosed complaint filed today with the Federal Communications Commission.

Our association has suffered along under these conditions for the past 2 years, but the pressure to deny free speech has increased in recent weeks as the fight for Hells Canyon has grown more intense.

You will note from the enclosed complaint that the Idaho Radio Station terminated our broadcasts without notice and without reason following the broadcast of a column written by Bernard DeVoto, contributing editor of Harper's magazine. The station denied us the right to resume the broadcasts for which we had been paying the station's established rates.

I hope you will assist us in making public the information contained in the complaint. This is not an attempt to single out one radio station for censure. It is a symbol of the kind of restraint on free speech which we have encountered in attempting to get the facts of the Hells Canyon story before the people of Idaho and the Nation.

I am sending copies of this complaint to Senator WAYNE MORSE and Representative GRACIE PFOST.

Cordially,

LLOYD TUPLING.

JUNE 19, 1953.

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D. C.

GENTLEMEN: The Idaho-Oregon Hells Canyon Association respectfully makes complaint against radio station KDSH, Boise, Idaho, for unlawful and discriminatory conduct not in the public interest, and requests that the station license of said station not be renewed by reason of such unlawful and discriminatory conduct.

In support of such complaint, the following facts are shown:

1. Pursuant to an oral contract, the Idaho-Oregon Hells Canyon Association began weekly broadcasts over station KDSH on February 4, 1953, the terms of the contract being that the broadcasts would be paid for at a per broadcast rate until 13 broadcasts should be completed, at which time, the difference between the per broadcast rate and the 13-weeks rate should be refunded; with a similar arrangement to be effected at the end of 26 weeks. This arrangement was executed, and refund was duly made at the end of the 13-weeks period.

2. On or about May 20, 1953, the secretary of this complaining association was informed by station officials, and particularly Mr. Earl Glade, Jr., station manager, that the Idaho Power Co. had objected to the broadcasts. On May 25, Mr. Glade requested this complaining association to submit its script for May 27, which was done that day. This script consisted of portions of an article written by Mr. Bernard DeVoto, contributing editor of Harpers magazine, a periodical of national circulation, and published in the May 1953 issue of that publication, beginning at page 57. Mr. DeVoto's permission for broadcast had been secured.

3. The opening and closing announcements were reviewed by Mr. Glade, and after changes suggested by him were made, were approved. Mr. Glade said again, however, that the Idaho Power Co. objected to the content of the programs.

4. On May 30, 1953, the association was informed that the broadcasts were terminated, without assignment of reason, and without advance notice of any kind.

5. In response to inquiry, Mr. Westerman Whillock, general manager, said in a letter of June 5, 1953, that the broadcasts failed to meet station policy because they were negative in character.

This association urges that the Federal Communications Commission will find, upon investigation, that in truth and in fact the station has utterly abdicated its responsibility to act in the public interest by airing conflicting views on matters of high public interest, and has submitted to censorship pressure from a private concern operating a monopoly under public utilities franchise; and that the script which immediately preceded the allegation by the manager to be not in accord with station policy as negative in character was taken verbatim from a highly reputable author in a highly reputable national publication.

The issues involved in the programs broadcast by the complaining association are of course controversial; they are political in a sense as well. But most certainly they are of vast interest to all the people of this region and of the United States. There never has been, nor can be, any charge that the broadcasts have transcended the bounds of good taste. Subject to that requirement only, we think that the public interest demands that radio stations which bow to pressure from enfranchised monopolies be denied renewal of their licenses.

In support of this complaint, the following documents are enclosed:

1. Letter from station KDSH of May 30.
2. Letter from G. H. R. Taylor to Westerman Whillock, of station KDSH, dated June 1, 1953.
3. Letter from Westerman Whillock to G. H. R. Taylor, dated June 5, 1953.
4. Letter from Bernard DeVoto.
5. Script of May 27, 1953.

This complaint is directed to the Commission's duties set forth in 47 United States Code Annotated, section 303, as outlined further in *McIntire* v. *William Penn Broadcasting Co.* (151 F. 2d 597, certiorari denied, 327 U. S. 779).

Very truly yours,

IDAHO-OREGON HELLS CANYON ASSOCIATION,
By GEORGE H. R. TAYLOR,
Secretary-Treasurer.

Mr. MAGNUSON. Mr. President, I apologize to the Senate for perhaps taking too much time on this matter, but it is important to me.

I have prepared an amendment to increase the construction fund to an extent sufficient to allow for the Green River flood-control project. This amendment was brought up in the committee, but was rejected. The amendment authorizes the appropriation of $100,000. If the authorization is made, the Government will be able to take advantage of $1,500,000 of matching funds, which will expire on January 1. This item has been before the Senate on several other occasions, and has been included in previous appropriation bills.

Mr. President, I shall ask for a standing vote on this amendment to the committee amendment on page 4, in line 5. My amendment calls for increasing by $100,000 the amount of the committee amendment at that point, in order to provide for the Green River flood-control project in western Washington, and, specifically, the Eagle Gorge Dam, the major feature of the project.

Mr. President, in connection with the amendment, I now ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, a statement in explanation of the amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EAGLE GORGE DAM FLOOD CONTROL ON GREEN RIVER—STATEMENT BY SENATOR MAGNUSON

I have submitted an amendment proposing that the amount listed for "Construction, general" on page 4, line 5, of the bill be increased by $100,000. The amendment relates to the Green River flood-control project in western Washington and specifically to Eagle Gorge Dam, which is the major feature of the project. If adopted, this amendment will provide $100,000 in construction funds and will save at least a full year in getting the project underway.

The Legislature of the State of Washington has appropriated $1,500,000 in matching funds. King County has set aside an additional $500,000. Thus, there is available at the moment $2 million as a local contribution.

The committee has provided $100,000 of planning money for Eagle Gorge. With an additional $200,000, planning can be completed. Engineers estimate that their planning and design work can be brought to a conclusion in the spring of 1954 and that approximately $450,000 could be used economically and efficiently on preliminary construction work.

As I said before, there is already $100,000 planning funds in the bill. Likewise, there is a local contribution of $2 million sitting out there ready to be used. The Corps of Engineers, however, will not accept the $2 million until Congress makes an appropriation specifically earmarked for construction. For this reason, I am proposing this additional $100,000 to the pending bill.

With this appropriation in hand the Corps can accept the $2 million local contribution and can use those local funds to complete the design work and finance the $450,000 of preconstruction work that could be done this coming spring.

The $100,000 amendment now requested will release $2 million. With these funds in hand, the corps can gain a full year's time for completion of the project.

The Green River flows through a narrow but very fertile valley, just south and west of Seattle. The lower end of the flood plain contains some of the best industrial sites in the whole region. Obviously, industries cannot locate in the flood plain and run the risk of being inundated.

Construction of Eagle Gorge Dam will completely remove the threat of floods—both to the farmers in the Green River Valley and to industries which will locate at the lower end of the flood plain.

This project has a definite relationship to our defense effort. Four continental railroads traverse the floor of this valley. In the center of the flood area is a big Army depot. Troops moving to the Seattle port of embarkation, along with their materiel, must move through this area. A flood occurring at the time such movements are under way could be extremely detrimental.

In recognition of this fact, the former President of the United States certified this as a defense-related project and made available $175,000 planning money.

I urge approval of my amendment.

Mr. MAGNUSON. Mr. President, I ask unanimous consent to have printed in the RECORD—I shall not burden the Senate by making an additional statement at this time, but I had a great deal more to say about the subject I have just discussed—a statement by me as to the fundamental principles which I believe Congress has enunciated in the Federal power policy—principles which I believe are being circumvented by Executive action. I also ask unanimous

consent to have printed as this point in the RECORD a statement by me regarding the general power situation.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

FEDERAL POWER POLICY—STATEMENT BY SENATOR MAGNUSON

I intend to make some brief remarks on our Federal power policy—a policy that is suffering attacks on many fronts by those who would like to give away our water resources.

I want to set forth for the benefit of the Senate, what the power policy of this Government is as spelled out in legislation dating back to 1906.

I might add that any attempt to change this policy should be done in the open and above board. The policy was set by legislation. It should be changed only by legislation—not by administrative actions, Executive appointments, and committee reports.

In simplest terms, I enunciate the fundamental principles which constitute this policy:

1. Federal dams shall, where feasible, include facilities for generating electrical energy.

2. Preference in power sales shall be given to public agencies and cooperatives.

3. Power disposal shall be for the particular benefit of domestic and rural consumers.

4. Power shall be sold at the lowest possible rates consistent with sound business principles.

5. Power disposal shall be such as to encourage widespread use and to prevent monopolization.

The following is a list of these principles—together with the many acts of Congress that support them—acts of Congress passed and sustained in Republican and Democratic administrations alike. These are the principles which are under attack today by devious and back-door methods.

FEDERAL POWER POLICY

1. Federal dams shall where feasible include facilities for generating electrical energy. (Reclamation Act of Apr. 16, 1906; act of July 25, 1912; the Tennessee Valley Authority Act of 1933; the Flood Control Acts of 1938, 1944, and 1945.)

2. Preference in power sales shall be given to public agencies and cooperatives. (Reclamation Act of Apr. 16, 1906; the Raker Act of Dec. 19, 1913; Federal Water Power Act of 1920; Boulder Canyon Act of 1928; Tennessee Valley Authority Act of 1933; Rural Electrification Act of 1936; Bonneville Act of 1937; Fort Peck Act of 1938; Reclamation Project Act of 1939; Flood Control Act of 1944.)

3. Power disposal shall be for the particular benefit of domestic and rural consumers. (Tennessee Valley Authority Act of 1933; Rural Electrification Act of 1936; Bonneville Act of 1937; Fort Peck Act of 1938).

4. Power shall be sold at the lowest possible rates consistent with sound business principles. (Tennessee Valley Authority Act of 1933; Bonneville Act of 1937; Fort Peck Act of 1938; Flood Control Act of 1944.)

5. Power disposal shall be such as to encourage widespread use and to prevent monopolization. (Tennessee Valley Authority Act of 1933; Rural Electrification Act of 1936; Bonneville Act of 1937; Fort Peck Act of 1938; Flood Control Act of 1944.)

These basic policies have been prescribed by Congress. Rightfully, Congress alone can change them.

STOPPING THE CLOCK—STATEMENT BY SENATOR MAGNUSON

The Republican administration and Republican Congress are trying to stop the clock on western progress and development.

Willfully and deliberately they are scuttling the Federal power policy that through the past 30 years has brought growth and prosperity to this great region.

By direct action, such as Interior Secretary McKay's Hells Canyon decision, and by formal statement as contained in House Report No. 314, Republicans have reverted to the stifling, monopolistic Republican policies of the twenties which turned over priceless water resources to favored corporations controlled by the East.

The Republican power plan was, is, and will be preclusive. If permitted to stand it will inflict irreparable damage to the West and South. It will throw the West back to the days of water grabs and land grabs; the South back to the so-called reconstruction era.

Eastern corporations under the new Republican scheme would be awarded exclusive rights to our richest power sites. On the basis of the past Republican record, these in the main will be left undeveloped.

In rare cases where construction does proceed, prior experience under Republican administration shows they will be developed on such a fragmentary and fractional scale that most of our water resources and power potential will be forever wasted.

It is a matter of record that if future power development is turned over to private monopoly, as Republicans plan, and proceeds at the rate private monopoly developed power sites under both Republican and Democratic administrations in the past third of a century, our major power sites will not fully be put to use for 2,500 years.

Two thousand, five hundred years is a long, long time for industry, agriculture, and homeowners of the South and West to wait for energy they need now.

The House Appropriations Committee, dominated by easterners and some midwesterners who long have looked with jaundiced eyes on southern and western progress, spelled out the new Republican power policy in a House report.

They headed their decree "Committee Policy," a rather unusual procedure in an appropriations report, and stated in part:

"The Interior Department should be concerned with only those functions or activities which private enterprise cannot or will not undertake."

Note the absence of any time element. It is conceivable that a monopolistic eastern corporation could proclaim that it can or will develop a power site or project 2,500 years from now, in which event Republicans under this declaration would have the Interior Department step aside.

Note the absence also of any yardstick or measure of functions or activities which private enterprise can or cannot, will or will not undertake in connection with any given project.

Nothing in the Republican policy declaration precludes private monopoly from stating that it can or will develop 5 percent, 10 percent, or perhaps only 2 percent of the project power potential and thus foreclose the Interior Department from any interest.

In the Hells Canyon case, of course, Secretary McKay, himself, foreclosed the Interior Department from any interest in the project, but we may not always have such an arbitrary Secretary, and in that event the Republican declaration still stands as Republican policy.

Let me read further from this House report that foredooms a creeping paralysis over water resource development in the South and West.

"With respect to construction activities," states the report, "essential and completely justified projects in the construction stage"—note in the construction stage—"shall be carried to completion to avoid waste of Federal funds, but"—and here's the gimmick—"wherever possible, private enterprise shall be taken into partnership to build, own, and operate that part of each project that can be handled by private ownership under conditions that protect the interest of all the people."

That last is an anomaly.

Under the Democratic program scuttled by the Republicans, all power features of Government projects were reimbursable. They added wealth and incomes in their areas that in turn added revenues to the Treasury. They made possible and paid for other benefits in the interest of all the people.

Under the new Republican policy the people may still pay for the dams, but monopolistic eastern corporations, the banks, and underwriters would skim the profit cream from every project.

Up to this point the authors of this amazing report have been talking about projects already started, such as McNary Dam, Chief Joseph, and The Dalles, still in the construction stage.

The Republican policy, as I read the House report, calls for admitting private monopolies into partnership of ownership and operation when completed, thus granting them profits they've never earned and which inevitably will increase power costs to the consumer.

Never has such a giveaway been contemplated since the western land frauds and land grabs engineered, as we know, by eastern freebooters under other Republican administrations.

It's more than a giveaway. Here we have an administration actually and actively conspiring with private monopolies to help them hijack resources owned by the people and developed by the people.

Nothing so brazen has occurred in this Nation for half a century.

Now we get on in the report to Republican policy on future resource development. Here partnership—and the controlling partnership—isn't enough for private monopoly.

The report reads: "In all future projects or new starts which include transmission lines, private enterprise shall be urged to take the initiative in constructing, owning, and operating such works before money is made available for Federal construction."

Full ownership, full control of operation, before, and I quote again: "money is made available for Federal construction."

As an afterthought, apparently, the report adds: "all interested parties are urged to keep this policy in mind and to plan according."

Who are the parties interested in such a policy? I can think of only one category, the private power monopolies which almost without exception are eastern owned and dominated.

There is your Republican power policy, a gift partnership to private monopoly of projects now under construction; a complete giveaway of future projects to these same special interests, with creeping paralysis of our western and southern economy the inevitable result.

The new Republican power policy under President Eisenhower's administration is more weighted in behalf of private monopoly by far than the Republican power policy of the Harding, Coolidge, and Hoover administrations.

The Federal Water Power Act of 1920 limited licenses to private applicants for power sites to 50 years, with the right of the Federal Government to recapture the project then upon payment of the net investment.

The Federal act of 1920 provided that the Federal Power Commission, in the event of competing applications between a private applicant and a State or municipality, give preference to the latter if the plans of the State or municipality were equally adapted to conserve or utilize the water resource in the public interest.

Contrast this with the new Republican committee policy to grant every preference to the private applicant for new projects without reference to use or conservation of the water resource.

Let me repeat what the House report states as its policy in such matters: "In all future projects or new starts," the report states, "which include transmission lines, private enterprise shall be urged to take the intiative in constructing, owning, and operating such works before money is made available for Federal construction."

I'm sure some very skillful attorney drafted that phraseology. A power project without transmission lines is like a locomotive with no rails to run on, a ship with no propeller, or a telephone with no connection, and whoever drafted the language in the report knew it.

In fact, contrasted with the new Republican power policy the Federal Water Power Act of 1920 was a broad and liberal document.

Section 7 provided that whenever in the judgment of the Commission the development of any project should be undertaken by the United States itself, the Commission should not approve any application for such project by any citizen, association, corporation, State, or municipality, but should make investigations and reports and submit its findings to Congress with such recommendations as the Commission might deem appropriate concerning the construction of such project.

This is extremely important. The new Republican policy completely reverses the Republican policy of 1920. To all effects the new Republican policy serves notice that the Commission shall approve any application by any private corporation or monopoly in preference to any application by a public group or body.

The prior right of the United States to construct such projects, as expressed in section 7 of the 1920 law, now becomes a prior right of the private power interests to do so, and the House report urges them to keep this policy in mind and to plan accordingly.

Liberal as section 7 of the Federal Power Act of 1920 may seem the Federal Power Commission throughout three Republican administrations never once assumed its power to declare that any project should be undertaken by the United States, in preference to a private applicant.

Thus private interests were given almost carte blanche to develop power projects throughout the United States. They were slow to act.

From 1920 to 1928 the Federal Power Commission issued 46 licenses for projects of 2,500 kilowatts or more, of which only 8 were for projects to be constructed.

In 1929 there were 2 licenses granted for projects of 2,500 kilowatts or more to be constructed, in 1930 5 licenses granted for projects to be constructed and 1 project constructed in 1931 none, in 1932 none, and in 1933 none.

There was, of course, in these latter Republican years a great depression, and one of the factors that in my opinion contributed to this depression was that the Nation was starved for power to turn the wheels of production, and the power they had was high cost.

I hope that the new Republican power policy doesn't breed another depression but the seeds are there.

By 1936 there were 5 more licensed constructed projects of 2,500 kilowatts or more, 1 project under construction, and 3 licensed by FPC to be constructed.

From 1936 to 1951, I am informed, the Commission issued 47 more licenses for projects of 2,500 kilowatts or more, 16 of them for projects to be constructed.

From enactment of the Federal Water Power Act until the end of fiscal 1951 the Commission issued 110 licenses for projects with capacities of 2,500 kilowatts or more, only 34 of these licenses for projects to be constructed, and only 18 of these 34 licenses to private power companies.

With more than 1,000 major power sites available in the United States the private power industry has been constructing an average of three-fifths of one project per year for the past 30 years, Republicans now want to turn over the entire job of meeting our Nation's power needs to them. I say they neither will or can do it.

Some 88 million kilowatts of power capacity are still undeveloped, capable of generating nearly 400 billion kilowatt-hours.

Fifty-five percent of this undeveloped water power, I am informed, is on the western slope, which the Republican policy makers would place at the mercy of predatory eastern interests such as the Idaho Power Co., a Maine corporation.

How well will these eastern-dominated interests serve our great regions of the South and West?

Their record of construction has, as we have previously detailed, been dismal.

For a third of a century they have had the opportunity to demonstrate they could meet the responsibility of providing power at a reasonable rate to the public, and I submit, they have utterly failed.

Instead of competing with Federal projects and showing ability by performance, they have resorted to an unremitting campaign of opposition to all Federal power resource undertakings.

When public clamor for low-cost power has overwhelmed this direct and outright opposition they have modified their propaganda, insisting only that the power developed at Federal dams be turned over to them, preferably at bus bar.

They have wanted both to possess America's power cake and eat it too.

The new Republican policy would permit them to do just that. Where Federal dams have been built at public expense Republicans would give them a controlling partnership. Where no dams have been built Republicans want to give them the power sites, to build or not build when and as they choose.

The Republican administration and Republican Congress supplemented this policy by action cutting back developments commenced under Democratic administration to benefit areas and their people, and by eliminating entirely funds for worthwhile projects already authorized.

Libby Dam in Montana, for example, was stripped of every penny, including $200,000 previously authorized.

Ice Harbor Dam, on the Snake River in Washington, which would provide supplemental power to the atomic works at Hanford, was blacklisted by the Republican majority.

Both the administration and the Republican Congress have butchered Interior Department funds with, apparently, acquiescense of the Interior Secretary.

The original 1954 budget transmitted to the Congress by the Truman administration was cut from $604 million to $488 million by the Eisenhower regime. The House chopped it further to $405 million. The Senate restored $43 million, but left it still $156 million below the Truman budget. Most of Interior's operations may I add, are in the South and West.

The Eisenhower administration chopped the $6,600,000 asked in the Truman budget for construction by the Southeastern Power Administration to a mere $100,000. Both House and Senate eliminated even that fragment leaving construction funds in this important area zero.

The Eisenhower regime chopped construction requests of $1,500,000 for the Southwestern Power Administration to $609,000 and the House slashed it further to $400,000 and the Senate has restored funds to $4,600 over the Eisenhower figure, with final decision to be made in conference.

Funds for Bonneville construction were whittled by the Eisenhower forces to $47,200,000 from the $55,200,000 asked by President Truman. The House pared the amount to $38,300,000 and the Senate to $44,193,000.

The Bureau of Reclamation, created by President Theodore Roosevelt in 1902 to aid in development of arid and semiarid regions of the West, has been a particular object of the Eisenhower administration's wrath.

This is the only bureau of government serving the entire West and limited in its functions to the 17 Western States.

Construction funds of $193,888,000 were asked in the Truman budget, were cut to $145,000,000 in the Eisenhower budget, were further reduced to $108,000,000 by the House, and have been left at $123,589,450 by the Senate committee, or $70 million less than President Truman asked for the West.

I could go on and on breaking down and detailing the cutbacks in projects for western and southern development. To me they point out one significant fact:

The Republican administration and Republican Congress have embarked on a program of deflation for the West—of depressing our economy, if you please—and contrawise on a program of inflation for private utilities and their Wall Street underwriters.

This isn't all.

The private power strategists who seem to exert such diabolic influence on the administration have now thought up a scheme to freeze the amount of energy being sold to major industries of the Northwest and to public bodies by the device of 20 year contracts with private companies.

This scheme, if carried out will slowly strangle the public utility district. It will preclude the expansion of existing industries in the West and prevent new industries from being started by barring them from access to adequate supplies of the low-cost power.

These would be 20-year blocks to western progress and development, and in my opinion they are planned that way and for that purpose.

President Eisenhower, in effect, conceded this in his press conference of June 17 as reported by the New York Times.

I quote from the Times:

"He," meaning President Eisenhower, "called for a reevaluation of what he termed the Socialistic theory whereby taxes from all the country were used to subsidize a particular region, then sought to draw business from other areas."

Of course when the President talks about subsidizing a region he is revealing his ignorance of the facts.

All Federal power projects are reimbursable. In other words they pay back the costs to the Nation's taxpayers, including those where the project is built, and with interest. If we did not have the projects constructed under Democratic administrations President Eisenhower would have today even a greater deficit to meet when he tries to balance the budget.

What President Eisenhower seemingly proposes is that the taxpayers of the West and South continue to pay their full burden of taxes, plus high prices to private monopolies for their electric power, without receiving the benefits of their own rich water resources.

The President not only wants to stop the clock—he wants to turn it back.

Let's analyze that phrase attributed to him that the areas where these projects have been built have "sought to draw business from other areas."

Picture our present President in the White House when the Cumberland Pike was built across our eastern mountains drawing people and business, I have no doubt, from the Atlantic seaboard.

Or picture him as our Chief Executive when Ohio, Indiana, and Illinois were opened to settlement with Government encouragement and support.

Or what would President Eisenhower have said had he been the White House occupant when Thomas Jefferson for $15 million made

his famous Louisiana Purchase, an act which indubitably drew business from other areas?

Had he been in the White House then would he have opposed the expansion of our Nation on the ground it would draw business from other areas? I would rather believe that in his press conference attack on Federal developments, in which I believe he used the term "creeping socialism" that he misspoke.

Certainly Washington, Jefferson, Polk, who settled the Oregon question, or Theodore Roosevelt were not "creeping Socialists."

Fortunately a good many Members of the Senate, and a good many Members of the House hold to the belief that what develops one area of the Nation benefits the entire Nation. That happens to be the way the Nation grew.

A good many Members of the Senate and the House think that the great Federal multipurpose developments in the West and South have not only increased national prosperity but have enhanced the Nation's security.

They were vital to the atomic works at Hanford and Oak Ridge, to the great aircraft manufacturies of California, to the production of Pacific Northwest aluminum that went into these plans. They are vital today to the development of new strategic weapons, including those of a nuclear nature, and they have brought an industrial parity.

They have enabled many industries to disperse their manufactures throughout the Nation, bringing their products closer to the area and regional markets with corresponding savings to consumers in costs.

In other words they have been good for the Nation, good for business, good for the people who last November entrusted their faith and fortunes to the President for 4 years.

The peoples interests in development of their resources must be protected. If the Republican administration fails this trust their one recourse is to the Congress.

Legislation will be offered shortly in the Congress to add new provisions to the Federal Power Act that will safeguard these interests; require by law the Federal Power Commission to proceed in the public interest despite the opposition of the administration.

Such legislation, in my opinion, is imperative not only as a check on any giveaway of our water resources by the administration but to set aside the disruptive policy on power projects expressed in the House Report on Interior Appropriations.

Mr. KNOWLAND. Mr. President, I call attention to the fact that the amendment proposing an appropriation for $100,000 for the construction of the project to which the Senator from Washington has referred is actually only the beginning of a $17 million project. This matter was before the committee. The able Senator from Washington there made his presentation in the way he so ably can. The committee heard the presentation, and rejected the project for the reasons I have stated. This item, as I have said, is but "the first bite" of a $17,880,000 project.

Therefore, I ask for a "No" vote on the amendment of the Senator from Washington to the committee amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON] to the committee amendment on page 4, in line 5. [Putting the question.]

The "noes" seem to have it; and the "noes" have it, and the amendment to the committee amendment is rejected.

The question is now on agreeing to the committee amendment on page 4, in line 5. [Putting the question.]

The amendment is agreed to.

Mr. KEFAUVER. Mr. President, I wished to offer an amendment to the committee amendment on page 4, line 5, particularly for the purpose of bringing to the attention of the acting majority leader a matter in line with the colloquy which was had earlier with my colleague, the junior Senator from Tennessee [Mr. GORE].

Mr. KNOWLAND. Does the Senator from Tennessee refer to the Old Hickory Dam?

Mr. KEFAUVER. Yes.

Mr. KNOWLAND. And also the Cheatham Dam?

Mr. KEFAUVER. Yes.

Mr. KNOWLAND. I do not know whether the senior Senator from Tennessee was in the Chamber when his able junior colleague [Mr. GORE] brought up the matter. We had quite an extensive colloquy about it. At that time the distinguished junior Senator from Tennessee raised the question of whether there was sufficient flexibility, so that if the economic construction and development of one of the projects was curtailed, the funds could be transferred to another project.

Acting as chairman of the Civil Functions Subcommitee of the Appropriations Committee, I pointed out that both in the law and in the committee report itself it is made abundantly clear that there can be such flexibility in the procedure of the engineers.

Mr. KEFAUVER. Mr. President, I was not present during the colloquy to which reference has been made, but I heard about it. I believe very good progress was made in reaching an understanding—for which all of us are grateful—relative to transfer of these funds.

My junior colleague from Tennessee testified before the Appropriations Committee, and I was glad he reached an understanding with the distinguished acting majority leader.

At this point I wish to say that it is my understanding that the district engineer contends that the deletion of the $700,000 item will delay completion of the Old Hickory Dam from March 1950 to November 1956. The result will be to cause the Government to lose a considerable amount of money in connection with the sale of electricity. It will also cost the Government additional sums of money, by reason of delay in the full functioning of the Gallatin steam plant, which is being built on the reservoir of that lake.

I wish to ask the acting majority leader if he will make a further concession in line with the colloquy had with my colleague; in short, if he does find that to be the situation, if he will consider agreeing in conference to include the additional $700,000 which was voted by the House of Representatives.

Mr. KNOWLAND. Mr. President, the statement which I believe the Senator from Tennessee attributes to the district engineer is based on the engineer's assumption—and, of course, in the case of all these projects, the engineers undoubtedly desire to have the full amounts provided—that the funds would not be available.

However, in view of the transferability to which I have referred, plus the larger transferability in the case of the overall sums which also are available to them, I believe satisfactory progress can be made on the projects to which the Senator from Tennessee refers.

At this time I cannot commit the Senate conferees—and in all fairness and in perfect frankness, I wish to say that I would not care to commit myself—as to the position to be taken regarding this matter.

However, I shall explore the situation further with the engineers, in order to make certain that my understanding, which I am quite sure is accurate, regarding the transferability is correct, and to consider any additional facts the Senator from Tennessee or any of his colleagues may care to present before the conferees meet.

Mr. KEFAUVER. Mr. President, in order that the matter may appear in the body of the RECORD, I ask unanimous consent to have printed at this point in my remarks a telegram sent by me to Hon. G. M. Dorland, Nashville district engineer, United States Corps of Engineers, Nashville, Tenn., under date of April 23, 1953, and his letter in reply to the telegram, which set forth his estimate as to what the reduction in the amount of this fund would mean.

There being no objection, the telegram and reply thereto were ordered to be printed in the RECORD, as follows:

APRIL 23, 1953.

Hon. G. M. DORLAND,
Nashville District Engineer,
United States Corps of Engineers,
Nashville, Tenn.:

Original request of $18 million requested for Old Hickory Dam, but budget recommended only $12,600,000. Will this slow up construction? If so, how much? Would appreciate your immediate advice.

ESTES KEFAUVER,
United States Senator.

CORPS OF ENGINEERS,
UNITED STATES ARMY,
OFFICE OF THE DISTRICT ENGINEER,
NASHVILLE DISTRICT,
Nashville, Tenn., April 23, 1953.

Hon. ESTES KEFAUVER,
United States Senate,
Washington, D. C.

DEAR SENATOR KEFAUVER: Reference is made to your telegram of April 23 concerning the effect of the Bureau of the Budget recommendation for $12,600,000 appropriation in fiscal year 1954 for the Old Hickory project in lieu of the $18 million previously considered.

Under the schedule envisaged when $18 million appeared to be the appropriation which would be available, the plans and specifications for the powerhouse, which, as you know, forms a part of the dam and actually is located in the stream bed of the river, were completed and advance notices were issued to bidders. This occurred in January, but at that time a stop order on any further expenditures was placed in effect, and the plans and specifications, although complete, have not been issued, and, under an appropriation of $12,600,000, will not be issued until about this time next year. This is brought about because certain contracts on turbines, generators, et cetera, are already underway and the contractors must be paid out of the reduced funds, thereby leaving a

rather small balance available for the construction of the actual powerhouse itself. Since the powerhouse contractor will not get underway until a year late, this will set the whole project back about 1 year. Some additional resultants from this setback include the deferral of certain clearing for at least 6 months.

Plans and specifications for the first-phase clearing were available and in the hands of contractors, but were withdrawn from bidders at the same time the powerhouse plans were withheld.

Manufacture of the turbines, main power transformers, powerhouse cranes, and generators has already been contracted for, and manufacture has progressed so far that it is now impracticable to defer or cancel the production of these items. It, therefore, becomes necessary to accept delivery of them on the schedule for which they were originally contracted and make arrangements to store these items. This office has issued invitations to bidders for the storage of these items at considerable expense.

Land acquisition, which originally was scheduled to take place so that practically all acquisition should have been completed prior to completion of fiscal year 1954, has been retarded because of lack of funds, and some persons who may have planned upon early disposal of their property to the Government and movement to their new properties will not be paid until the fiscal year 1955 appropriation becomes available.

Certain relocations of county roads are required before the reservoir is completely filled, and negotiations have been entered into with the counties in order to have this work accomplished by the counties. Curtailment of funds again will postpone much of the actual relocation work until fiscal year 1955, when funds may become available for this type of work.

Representatives of the Tennessee Valley Authority have stated that the construction of the Gallatin steam plant will require cooling water from the Old Hickory pool by an elevation 445 not later than November of 1955. Present schedule for Old Hickory under the appropriation of $12,600,000 will not provide for the elevation of the pool prior to March 1956. The Tennessee Valley Authority indicated that certain additional pumping capacity would have to be installed at the Gallatin plant in order to make up for this lack of availability of water at the designed elevation. In addition, water in the higher pool could be expected to be several degrees cooler, and this will have a noticeable effect upon the operating efficiency of the turbines in the Gallatin plant, since a cooler condensing water increases turbine efficiency.

In summarizing the net effect of an appropriation of $12,600,000, the operation of the plant can be expected to be delayed approximately 1 year. The estimated value of power generation for 1 year from the Old Hickory plant is placed at $3,460,000, based upon values established by the Federal Power Commission. This revised schedule, of course, is predicated upon the receipt in fiscal year 1955 of the funds necessary to carry on the program in accordance with sound economic engineering practices. Any additional funds which might be made available during fiscal year 1954 would be applied directly to the construction contract for the powerhouse, and would enable the contractor to get under way at an earlier date than that outlined above.

I trust this provides the information you desire. I am looking forward to seeing you in the near future.

Sincerely yours,

G. M. DORLAND,
Colonel, Corps of Engineers, District Engineer.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. DOUGLAS. Things sometimes happen in the Senate with great speed. I should like to inquire whether the Chair ruled that the committee amendment increasing appropriations from $254,123,000 to $312,886,000 was agreed to.

The PRESIDING OFFICER. The Chair put the question, and the "ayes" appeared to have it. The amendment was therefore agreed to.

Mr. DOUGLAS. Mr. President, it went through with such speed that I, for one, at least, was unaware that the question was being put. I ask unanimous consent that the vote by which the Senate agreed to the amendment be reconsidered, in order that the Senate may really have an opportunity to vote on this very large sum.

The PRESIDING OFFICER. Is there objection to the request of of the Senator from Illinois? The Chair hears none, and it is so ordered.

The question is on agreeing to the amendment.

Mr. DOUGLAS. I appreciate the courtesy of the majority leader.

Mr. KNOWLAND. Mr. President, may we proceed to a vote?

Mr. DOUGLAS. I ask for the yeas and nays on the amendment, because it involves an increase of $58,763,000 in the appropriation made by the House.

The yeas and nays were not ordered.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 4, in line 6, after the amendment just acted on, to strike out "of which not more than $250,123,000 shall be obligated during the fiscal year beginning July 1, 1953"; in line 7, after the amendment just above stated, to insert a colon and "*Provided*, That not more than $5,750 of the amount herein appropriated shall be available for expenditure, in addition to funds heretofore made available for the Garrison Dam and Reservoir project on the Missouri River, to pay to the lawful occupants of properties within the taking area of the project for their improvements which will be rendered useless by the construction of the project, but for which compensation may not be made under existing law because of the occupants' limited right of occupancy: *Provided further,*"; in line 21, after the word "appropriated", to strike out the colon and "*Provided*, That no part of these funds shall be used for the purchase of land in Cheatham County, Tenn.", and in line 23, after the amendment just above stated, to insert a colon and "*Provided further*, That funds appropriated herein may at the discretion and under the direction of the Chief of Engineers be used in payment to the accounts of the Confederated Tribes of the Yakima Reservation; the Confederated Tribes of the Warm Springs Reservation; the Confederated Tribes of the Umatilla Reservation; or other recognized Indian tribes, and those individual Indians not enrolled in any recognized tribe, but who through domicile at or in the immediate vicinity of the reservoir and through custom and usage are found to have an equitable interest in the fishery, all of whose fishing rights and interests will be impaired by the Government incident to the construction, operation, or maintenance of the Dalles Dam, Columbia River, Wash., and Oreg., and must be subordinated thereto by agreement or litigation."

The amendment was agreed to.

The next amendment was, under the subhead "Operation and maintenance, general," on page 5, line 21, after the word "exceed", to strike out "$600,000" and insert "$650,000"; and at the beginning of line 24, to strike out "$80,730,000" and insert "$77,565,000."

The amendment was agreed to.

The next amendment was, under the subhead "General expenses," on page 6, at the beginning of line 22, where it appears the first time, to strike out "$9,616,000" an insert "$9,816,000."

The amendment was agreed to.

The next amendment was, under the subhead "Flood control, Mississippi River and tributaries, on page 6, after line 23, where it appears the first time, to strike out:

CONSTRUCTION

For construction of flood-control works or parts thereof and for other related activities in accordance with the provisions of the Flood Control Act, approved May 15, 1928, as amended (33 U. S. C. 702a); to remain available until expended, $37,940,000.

The amendment was agreed to.

The next amendment was, on page 6, after line 17, where it appears to second time, to strike out:

MAINTENANCE

For expenses necessary for maintenance of flood control works or parts thereof, and rescue work, repair, restoration or maintenance of flood-control projects threatened or destroyed by flood, and other related activities in accordance with the provisions of the Floor Control Act, approved May 15, 1928, as amended (33 U. S. C. 702a); to remain available until expended, $14,600,000.

The amendment was agreed to.

The next amendment was, at the top of page 7, to insert:

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration or maintenance of flood-control projects threatened or destroyed by flood, as authorized by law (33 U. S. C. 702a, 702g-1), to remain available until expended, $51,433,000.

The amendment was agreed to.

The next amendment was, under the subhead "United States Soldiers' Home," on page 9, line 11, after the word "which", to strike out "$570,000" and insert "$529,000."

The amendment was agreed to.

The next amendment was, under the subhead "Canal Zone Government," on page 10, line 1, after the word "exceed", to strike out "one" and insert "four"; in line 9, after the word "Governor", to insert "including not to exceed $3,000 for entertainment, to be expended at his discretion"; at the beginning of line 16, to strike out "$12,237,500" and insert "$13,315,400"; and in line 21, after the word "by", to strike out "four" and insert "two."

The amendment was agreed to.

The next amendment was, under the subhead "Panama Canal Company," on page 11, at the beginning of line 16, to strike out "three" and insert "five"; and in line 19, after the word "by", to strike out "six" and insert "five."

The amendment was agreed to.

The next amendment was, under the subhead "Reductions in appropriations—Canal Zone Government," on page 12, line 7, after the word "to", to strike out "$4,049,983" and insert "$4,167,000."

The amendment was agreed to.

The next amendment was, under the subhead "General provisions," on page 14, line 21, after the word "plus", to strike out "10" and insert "25."

The amendment was agreed to.

The next amendment was, on page 15, line 13, after the word "and", to insert "amounts expended by the Canal Zone Government"; and in line 19, to strike out the words "by such agencies" and insert "or to the Canal Zone Government, as the case may be, by such other agencies."

The amendment was agreed to.

The next amendment was, on page 15, to strike out lines 21 to 25, both inclusive; and on page 16, to strike out lines 1 to 18, inclusive.

The amendment was agreed to.

The next amendment was, on page 16, line 19, to strike out the numeral "109" and insert "106."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. KNOWLAND. Mr. President, I send to the desk an amendment, which I ask to have read.

The CHIEF CLERK. On page 11, line 7, it is proposed to strike out "$3,300,000" and insert "$3,684,000."

Mr. KNOWLAND. Mr. President, this amendment does not involve an increase in the appropriation; it merely restores the revised budget estimate for the limitation on the administrative expenses of the Panama Canal Company. The House reduced the pay differential available to employees in the Canal Zone from 25 percent of the amount paid for comparable work in the United States to not to exceed 10 percent. Accordingly the limitation on administrative expenses was reduced by $300,000.

Since the Senate has restored the 25-percent differential for fiscal year 1954, the proposed amendment is necessary to permit payment of the increased differential to employees paid out of the administrative limitation. I might add that the committee report directed the Governor and the Board of Directors to have a study made of the compensation paid workers in the Canal Zone. The cost of this study, by law, must be paid out of the limitation on administrative expenses.

I ask that the amendment be adopted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. KNOWLAND].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. WATKINS. Mr. President, I desire to call the attention of the distinguished chairman of the subcommittee to the item of "General Investigations," appearing on page 3 of the bill. I had submitted to the committee a proposal to provide $25,000 for an examination and survey in connection with the Jordan River project. Surveys had been previously authorized, on July 24, 1936. I note that there is no mention of this Utah project in the bill itself, or in the report accompanying it. Is there a general fund under which this project would come, and could the funds necessary to have that work done be obtained now?

Mr. KNOWLAND. I may say to the Senator that I know he spoke to the subcommittee, and particularly to the chairman, relative to these matters. I conversed with him regarding their importance. The Senate has acted on the committee amendments, and is about to act on the bill itself. I call the Senator's attention to the fact that the pending bill increases the amount from $685,000, allowed by the House, to $1,400,000, in the general field to which the Senator refers. So there is considerable latitude which the engineers would have in the consideration of meritorious projects for investigative work of this character. I am not in the position, I wish to say in complete fairness to the Senator, to make a commitment to him that the particular projects to which he has called attention can be taken care of, any more than I could make a similar commitment to any other Senator. But I do say that if the facts are as the Senator believes them to be, and if in the presentation of those facts to the engineers they are convinced of the necessity of priority of consideration, there is sufficient latitude in the bill to take care of an item such as that the Senator has mentioned.

Mr. WATKINS. That is, the Army engineers would have the latitude within the bill to take a project of this kind and to spend some of the money on it?

Mr. KNOWLAND. That is correct.

Mr. WATKINS. I desire to call the Senator's attention to a construction item, on page 3 of the bill. I had submitted to the committee, for the Spanish Fork project in central Utah, an item of $20,000. The total estimated Federal cost of the project is $205,000. No funds have been appropriated or allotted to this project to date. However, there is a strong local support for the project, and the Corps of Engineers could use about $20,000 of planning funds in fiscal year 1954, if it were so directed by the Congress.

I may say to the Senator that there was a very serious condition in my State a year ago, which resulted in considerable damage. Utah has not had any of the general funds, except in the way of relief funds, in a good many years. The program of the Army engineers, so far as construction is concerned, is nonexistent in the State of Utah. I feel that the time has come when we should have included at least some of the projects in question.

I note on page 7 of the report under the heading "Advance Engineering and Design," that the committee recommended $2,850,000 for advance engineering and design.

Mr. KNOWLAND. I invite the attention of the Senator to the following page, after the Libby project, which does not refer to what the Senator has in mind, but the committee goes on to say:

> However, it is not intended to completely foreclose planning on a nonbudgeted item if a situation arises where such planning is required to meet an unusual situation. The committee will expect a report from the corps next year as to the actual allocation of the funds appropriated. The projects for which planning funds were recommended in the budget, and the amounts allowed by the House are shown in the following table.

So, the committee, while expecting the engineers will follow generally the budgeted items, nevertheless, both by the allocation which they made and by the language in the report, felt that the engineers should not be held in a straitjacket as to them, but could give consideration to a meritorious project and would have some flexibility in dealing with such problems.

Mr. WATKINS. A project such as the Spanish Fork River project, which has been duly authorized but has not been constructed could be included, could it not?

Mr. KNOWLAND. I would say, yes, under the same general outline of conditions which I indicated to the Senator.

Mr. WATKINS. There is then considerable flexibility left for the Army engineers to decide as to the expenditure of money in connection with the projects, even though they may not have been included in the Eisenhower budget or in the bill itself?

Mr. KNOWLAND. That is correct. The flexibility is there, and, of course, there are many projects which are undoubtedly meritorious. Even as to the funds allowed by the Senate committee, the engineers are limited to the extent that they could not consider all projects which might be presented to them, but would have to use some priority system.

Mr. WATKINS. I note on page 7 of the report, in a table under the heading "Advance Engineering and Design," a list of tentative allocations for the fiscal year 1954. In the next column headed "House Allowance," and in the following column headed "Senate Allowance," no sums are listed. Is it significant that the Army Engineers are not required to follow the table in making use of the funds?

Mr. KNOWLAND. No. I think the language is very clear that while the Senate did not pinpoint the situation as tightly as did the Budget Bureau or as tightly as the House recommendations do, they did expect the engineers generally to follow the budget item, but, nevertheless, did not want to put them into a straitjacket so that they could not consider meritorious projects.

Mr. WATKINS. I notice on page 7 of the report a statement as follows:

> The committee believes that funds must be provided for an adequate planning program in order to have a realistic backlog of economically sound and well designed projects for future use in the development of our natural resources.

Mr. KNOWLAND. That is correct, and that is the position of the committee. I think the Senator from Utah may have missed my opening remarks, but I pointed out at that time that we believe it is economically sound to go ahead with the planning and investigation so that we shall know what the facts are, and as we move ahead with the public works projects we shall have them as up-to-date as may be possible and know whether they are today as economically feasible as they were thought to be at the time they were authorized or proposed by various persons.

Mr. WATKINS. May I invite attention to the fact that the Spanish Fork River project was authorized a great many years ago and it has never had any money spent on it since that time so far as construction or advance planning is concerned? I hope the Army engineers, as well as the chairman of the committee, will look with sympathetic consideration on the request of Utah with regard to these projects.

Mr. KNOWLAND. My observation has been that the State of Utah is ably represented by her two distinguished Senators. I am sure the statement which the Senator has made on the floor will be duly noted, and I am sure that both he and his colleague will lose no time in reemphasizing to the engineers, by letter or otherwise, the substance of what has been stated on the floor.

Mr. WATKINS. I thank the Senator, but I want to say to him that that does not count very much when we try to get money for these projects unless there be some indication in the RECORD which would call the attention of the Army engineers to our needs, so they will put some of the money into projects as to which they have some elasticity in their choice.

Mr. WATKINS subsequently said: Mr. President, I ask unanmius consent to have placed in the RECORD, following the colloquy I had on the bill with the chairman of the Subcommittee on Appropriations, a letter I received from the Department of the Army dated May 12, 1953, signed by Brig. Gen. C. H. Chorpening, United States Army, Assistant Chief of Engineers for Civil Works.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D. C., May 12, 1953.

Hon. ARTHUR V. WATKINS,
United States Senate,
Washington, D. C.

DEAR SENATOR WATKINS: In accordance with the telephone request of Mr. James of your office today, I am pleased to furnish the following information concerning the authorized flood-control projects of the Corps of Engineers in the State of Utah:

(a) Jordan River project at Salt Lake City: The total estimated Federal cost of this project is $1,050,000. There has been spent about $42,400 for planning on this project, but the latest report from the responsible district engineer in the area indicates that local interests are not currently interested in proceeding with the construction of this authorized project.

(b) Little Valley Wash at Magna: The total estimated Federal cost of this project is $635,000. The local interests have indicated no high priority should be attached to this authorized project.

(c) Spanish Fork project: The total estimated Federal cost of this project is $205,000. There have been no funds appropriated or allotted for this project to date, however, there is strong local support for the project and the Corps of Engineers could use about $20,000 in planning funds in fiscal year 1954 if it were directed by the Congress.

In our examination and survey program, we have several uncompleted studies in your State only one of which is in position to move ahead if funds were to be provided by the Congress. The interim report on the Jordan River Basin authorized in the 1938 Flood Control Act is estimated to cost $75,000, of which about $10,000 has been provided to date. The district engineer informs me that $25,000 could be profitably expended on this interim report to advance it to approximately 45 percent completion by the end of fiscal year 1954.

Should you desire further information concerning any of these matters, I will be pleased to attempt to furnish it. In this connection, I am enclosing the most up-to-date copy of our booklet concerning the status of water resources development projects by the Corps of Engineers in your State.

Sincerely yours,

C. H. CHORPENING,
Brigadier General, United States Army, Assistant Chief of Engineers for Civil Works.

Mr. DIRKSEN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. DIRKSEN. The Senator from California will recall that I made a statement before the committee with respect to a railroad bridge. I think there was a misunderstanding on the part of some of those who were interested, because the overall cost is stated to be $4 million. It is to take care of two old bridges built long ago which are in rather a hazardous condition. Is my understanding correct that $2½ million must be appropriated at the very outset before the project can get under way?

Mr. KNOWLAND. The Senator is correct.

Mr. DIRKSEN. There was no budget estimate, but the Senator may remember the testimony of the Army engineers that they were very sympathetic to the project. I hope that whenever the fiscal situation permits, the project will get under way. I wish to resolve any doubt in the minds of the people that a small amount could be appropriated for a bridge under the provisions of the act.

Mr. KNOWLAND. I well recall the Senator's presentation before the committee.

Mr. LONG. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. LONG. I invite the Senator's attention to the committee amendment on page 3, line 20, of the bill, which increases the amount available for "general investigations."

In the State of Louisiana there has recently been a flood of such magnitude that the area has been declared a disaster area. One area which was particularly hard hit was in the vicinity of the Amite River. In that area there has been a survey under way for several years, but we have never been able to get the survey completed. Then along came an extremely heavy rain, with the result that some houses were under water right up to the top of the roofs.

We were hoping we might be able to get the survey completed in order that there might be some progress made in relieving drainage in the area.

Is that the type of survey that could be made under this increase in the survey fund?

Mr. KNOWLAND. Yes, on the same basis as that to which I referred in the colloquy with the Senator from Utah [Mr. WATKINS].

Mr. LONG. It would require only about $15,000 to have a completed survey, and then we would know what should be done about the trouble in that area.

Mr. KNOWLAND. I say to the Senator that it was for that very type of purpose that the committee wanted to allow some flexibility.

Mr. LONG. There is another item in which there is an increase from $100,000 to $125,000 recommended by the budget. The committee report, on page 5, indicates that the restoration of $25,000 contemplated beach erosion studies. The most thickly populated island off the Louisiana gulf coast is known as Grand Isle, and there the major State highway is in danger of being severed. There has been an effort to get the Federal Government to join with the State in some beach erosion prevention work there, to prevent the only highway on that island from being severed into two parts. If these funds are available, do I correctly understand that the State of Louisiana will be considered equally with other States on the basis of urgency of such assistance?

Mr. KNOWLAND. Yes. I call the Senator's attention to the language on page 3 of the appropriation bill, beginning in line 12, as follows:

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, preliminary examinations, surveys and studies (including cooperative beach erosion studies as authorized in Public Law No. 520, 71st Cong., approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, to remain available until expended, $3,440,000.

The $3,440,000 is in lieu of $2,275,000, which was the amount appropriated by the House.

Mr. LONG. I wish to compliment the able chairman of the subcommittee and also all members of the committee upon the work of the committee in trying to make funds available for use in the most practicable, economical way, so as to do as much as possible for the welfare of the Nation.

I believe the committee has worked hard to effect as much economy as possible, while at the same time endeavoring to proceed with a sound program of development of our resources.

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. KEFAUVER. Mr. President——

Mr. JOHNSON of Texas. I yield 15 minutes to the distinguished senior Senator from Tennessee.

Mr. DOUGLAS. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. I ask unanimous consent that a statement by the junior Senator from New York [Mr. LEHMAN] relative to the Niagara power development in connection with the civil functions bill be printed in the body of the RECORD preceding final passage of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR LEHMAN ON NIAGARA POWER DEVELOPMENT IN CONNECTION WITH THE CIVIL FUNCTIONS BILL (H. R. 5376)

The State of New York will be entitled to an infinitesimal amount of the total appropriations provided by this bill. It is a ridiculously small amount especially when considered in relation to the number of dollars which New York State annually pays into the Federal coffers.

However, I have not asked that any of the amounts allotted to New York State in the bill be increased and it is not my purpose to do so. There is, however, something upon which I cannot compromise and that is the question of whether the power potential at Niagara Falls shall be developed by private interests to enrich a comparatively few individuals or by a public agency in the public interest.

As the Members of the Senate may know, the original 1954 estimate for the item described in previous civil functions bills as Niagara power development was $989,000. The revised estimate for 1954 was $100,000. Both the House and the Senate committees have eliminated even this insignificant item to support the study and planning of certain remedial works at the Niagara. There is, as will be noted, a considerable difference between the original estimate of $989,000 and the revised estimate of $100,000. That difference seems to have come about as a result of the acceptance by the administration of the possibility that the Niagara will be developed by private interests. Hence the administration isn't even asking for further funds to study the Niagara power project itself.

While I have withdrawn and compromised on the issue of Federal funds for New York State, this last is a sticking point. I cannot and will not concede for 1 moment that the Niagara shall be developed by private interests. At this point I should like to insert from page 1981 of the Senate hearings on the Army civil functions bill, H. R. 5376, part II, the following colloquy:

"General CHORPENING. Since the budget was originally made up and then later revised, action has been taken by the administration, as indicated by the Bureau of the Budget, that the construction of Niagara power is not necessarily to be a Federal development. That being true, we have adequate funds available now to do what the Corps of Engineers must do in connection with the remedial works and any additional work that may be required, in working with the non-Federal agency, if that is the final decision. Therefore, these funds have not been allowed by the House and I am not requesting restoration of those funds by the committee.

"Senator ELLENDER. How much do you have on hand?

"General CHORPENING. We have, as I recall, about $90,000.

"Senator ELLENDER. That is out of $100,000 we gave you last year?

"General CHORPENING. Yes.

"Senator ELLENDER. And you have enough?

"General CHORPENING. We have enough to take care of it under the present situation."

The preceding statement is an indication that the word has gone out from the administration to the executive agencies that the Niagara may be given away to private interests.

Perhaps this should not shock us who have seen the administration support the giveaway of some of the public's offshore oil lands and increase by administrative action the interest rate to veterans and civilians on home mortgages. But this is a whole new field—that of public versus private power—and while this is not the first indication that the administration is willing to divest our citizens of their natural heritage, this indication is one of the most important in that Niagara is one of the largest and most economically profitable waterpower sites remaining in the United States today. According to the Federal Power Commission, this redevelopment of the power potential of the Niagara River will provide a net increase of 1,132,000 kilowatts and about 7.78 billion kilowatt-hours of annual energy. This output is equal to the combined output of Hoover, Bonneville, and Shasta Dams and is greater than the annual production of 6.3 billion kilowatt-hours which will be the United States share of the proposed St. Lawrence power project.

Although I do not seek to restore the item for development studies and surveys for the Niagara River to this bill, I do want to serve notice that my policy—and I am sure that of many of my colleagues—has not changed with regard to the Niagara development. For almost 30 years I have favored public development and operation of publicly owned hydroelectric sites and I shall continue to do so. On this I shall not compromise.

I hereby serve notice that regardless of the action taken on this or any other appropriation bill and regardless of the statements made by executive officers of the Government with reference to private development of Niagara, I cannot and will not accept any change in the Federal power policy which heretofore has been for public development in the public interest. I shall do my utmost to resist any change in that policy.

Mr. KNOWLAND. Mr. President, will the distinguished Senator from Tennessee yield briefly to me?

Mr. KEFAUVER. I yield.

Mr. KNOWLAND. I understand that the Senator has a brief statement he desires to make. I should like to ask the Senator if he would not permit the Senate to pass the appropriation bill, without losing his right to the floor, because otherwise Senators may have to remain in attendance late this afternoon. We have now reached the point of final passage. Would the Senator from Tennessee be willing to do that as a courtesy? I would ask unanimous consent that he not lose his right to the floor.

Mr. KEFAUVER. My remarks refer to the whole problem of public power, not merely to the pending bill. If it will be an accommodation to Members of the Senate, I will agree to the unanimous-consent request of the Senator from California.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments to the appropriation bill having been engrossed, and the bill read the third time, the question now is, shall the bill pass?

The bill (H. R. 5376) was passed.

Mr. KNOWLAND. Mr. President, I move that the Senate insist upon its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. KNOWLAND, Mr. YOUNG, Mr. CORDON, Mr. THYE, Mr. MARTIN, Mr. HAYDEN, Mr. RUSSELL, and Mr. ELLENDER conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed a joint resolution (H. J. Res. 287) making temporary appropriations for the fiscal year 1954, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL AND JOINT RESOLUTIONS REFERRED

The following bill and joint resolutions were each read twice by their titles, and referred as indicated:

H. R. 5728. An act to authorize the disposal of the Government-owned rubber-producing facilities, and for other purposes; to the Committee on Banking and Currency;

H. J. Res. 285. Joint resolution to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953; to the Committee on the Judiciary; and

H. J. Res. 287. Joint resolution making temporary appropriations for the fiscal year 1954, and for other purposes; to the Committee on Appropriations.

ORDER FOR RECESS

Mr. KNOWLAND. Mr. President, will the Senator from Tennessee yield for a unanimous-consent request and for two other matters?

Mr. KEFAUVER. I yield.

Mr. KNOWLAND. I ask unanimous consent that when the Senate completes its business today it recess until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 444, S. 2128, to amend the Mutual Security Act. It is not the intention of the acting majority leader to take up the bill today, but merely to have it made the unfinished business, so that it will be available for debate next week.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 2128) to further amend the Mutual Security Act of 1951, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes, which had been reported from the Committee on Armed Services with amendments.

PROGRAM FOR THE REMAINDER OF THE DAY

Mr. KNOWLAND. Mr. President, several Senators have asked me if it is the intention of the acting majority leader to have any further votes taken on proposed legislation or conference reports, or to enter into any other unanimous-consent agreements today. It is not my intention to seek the passage of any bills or to transact any other business than to permit insertions in the RECORD. So for the information of Senators who have made inquiry, that will be the general course that will be followed.

SEVENTY-THIRD BIRTHDAY OF HELEN KELLER

Mr. HICKENLOOPER. Mr. President, will the Senator from Tennessee yield briefly to me?

Mr. KEFAUVER. I yield.

Mr. HICKENLOOPER. I have a short statement with reference to the 73d birthday anniversary of Helen Keller which I should like to make at this time. Would the Senator from Tennessee be willing to yield to me for that purpose without his losing the floor?

Mr. KEFAUVER. I yield for that purpose.

Mr. HICKENLOOPER. Mr. President, today, June 27, is the 73d birthday of Hellen Keller, one of the most remarkable women of our time. In fact, she holds a remarkable place in the history of the world. All of us know under what tremendous handicaps she faced life, without hearing, power of speech, or sight; and how magnificently she has overcome them. Helen Keller has come to be a symbol of how the human spirit can liberate itself from what would seem to be a hopeless bondage of the flesh.

This indomitable woman has not only contributed to the progress of the blind, the deaf, and the dumb in our own country, helping to open the doors of sight and sound for them, but she has also carried her message of hope round the world to every continent. Her every visit of this kind has been a challenge to despair, a summons to life.

The most recent of these trips was to Latin America. Miss Keller returned earlier this week from a 2-months' tour, during which she visited Brazil, Peru, Chile, Panama, and Mexico. She was received everywhere with memorable demonstrations of good will and affection on the part of the general public, the press, and Government officials.

Incoming dispatches from our diplomatic missions testify to the great contribution she made in furthering inter-American friendship. Ultimas Noticias of Panama commented on June 15—translation:

None of the great political leaders who have passed through our greatest house of culture have brought the multitude which last night gathered in the auditorium.

Our Embassy in Brazil states that—

During the last 2 years, no other American visiting Sao Paulo has received such a warm reception.

According to a dispatch from Lima:

The 10-day official visit of Miss Helen Keller to Peru, as the guest of the Ministry of Education, was one of the most imporant public events of the past year. The large amount of favorable publicity generated by her visit will ultimately be as valuable to the United States as to Miss Keller herself.

On her Latin-American trip, Miss Keller received numerous honors and various decorations, among the latter the Order of the Southern Cross, conferred by President Vargas of Brazil.

Miss Keller is celebrating her 73d birthday today at Westport, Conn. It is an opportune moment to make grateful mention of her national and international prestige, her unselfish contribution toward enlarging horizons for the handicapped all over the world, and the immediate excellent results of her Latin-American tour. I know that all Members of the Senate join me in wishing her many happy returns, so that her selfless services for mankind may continue for long and fruitful years to come.

CONSIDERATION OF CERTAIN EXECUTIVE NOMINATIONS

Mr. KNOWLAND. Mr. President, will the Senator from Tennessee yield to me once more?

Mr. KEFAUVER. I yield.

Mr. KNOWLAND. Mr. President, the distinguished senior Senator from New Jersey [Mr. SMITH], ranking member of the Foreign Relations Committee, in the absence of the Senator from Wisconsin [Mr. WILEY] called to my attention today two nominations of representatives of the United States to the United Nations Educational, Scientific, and Cultural Organization, a meeting of which is to be held on July 1, I believe.

These nominations have been reported without opposition from the Foreign Relations Committee. The matter was discussed with the ranking Democratic member of that committee, the Senator from Georgia [Mr. GEORGE], as well as with the minority leader. I understand that there is no objection.

I therefore ask unanimous consent, as in executive session, for the present consideration of the nominations.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The clerk will state the nominations.

REPRESENTATIVES OF THE UNITED STATES TO UNITED NATIONS EDUCATIONAL, SCIENTIFIC, AND CULTURAL ORGANIZATION

The legislative clerk read the nomination of Irving Salomon to be a representative of the United States of America to the second extraordinary session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

The legislative clerk read the nomination of Mrs. Elizabeth E. Heffelfinger to be the alternate representative of the United States of America to the second extraordinary session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, the President will be notified forthwith.

AGREEMENT WITH FEDERAL REPUBLIC OF GERMANY CONCERNING APPLICATION OF TREATY OF FRIENDSHIP, COMMERCE, AND CONSULAR RIGHTS—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). The Chair lays before the Senate Executive N, 83d Congress, 1st session, an agreement between the United States of America and the Federal Republic of Germany, signed at Bonn on June 3, 1953, concerning the application of the treaty of friendship, commerce, and consular rights between the United States of America and Germany, signed at Washington on December 8, 1923, as amended. Without objection, the injunction of secrecy will be removed from the agreement, and the agreement, together with the President's message will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith an agreement between the United States of America and the Federal Republic of Germany, signed at Bonn on June 3, 1953, concerning the application of the treaty of friendship, commerce, and consular rights between the United States of America and Germany, signed at Washington on December 8, 1923, as amended.

I transmit also, for the information of the Senate the texts of related notes exchanged at Washington June 2, 1953, and the report by the Secretary of State with respect to the agreement and related notes.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 27, 1953.*

(Enclosures: (1) Report of the Secretary of State; (2) agreement concerning the application of the treaty of friendship, commerce, and consular rights between the United States and Germany, signed at Washington, December 8, 1923, as amended; (3) related notes dated June 2, 1953.)

TREATY OF FRIENDSHIP, COMMERCE, AND NAVIGATION WITH JAPAN—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER. The Chair lays before the Senate Executive G, 83d Congress, first session, a treaty

of friendship, commerce, and navigation between the United States of America and Japan, together with a protocol relating thereto, signed at Tokyo on April 2, 1953. Without objection, the injunction of secrecy is removed from the treaty, and the treaty, protocol, and message from the President will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a treaty of friendship, commerce, and navigation between the United States of America and Japan, together with a protocol relating thereto, signed at Tokyo on April 2, 1953.

I transmit also, for the information of the Senate, a report by the Secretary of State with respect to the treaty.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 27, 1953.*

(Enclosures: (1) Report of the Secretary of State; (2) treaty of friendship, commerce, and navigation, with protocol, signed at Tokyo April 2, 1953.)

PUBLIC-POWER DEVELOPMENTS

Mr. KEFAUVER. Mr. President, my remarks this afternoon will not have special reference to the bill which has just been passed, although they may relate to it in some particular.

I wish to address myself particularly to a philosophy which I am sure we all realize is being expressed in Washington and throughout the Nation today. I refer to the philosophy of crippling or delaying public-power developments.

The bill just passed and other bills which the Senate has considered, contain provisions for public-power projects in which every Member of the Senate has some interest, because they are located in every State. They have been approved by the Congress, because they are of value to the Nation. So I think it is important that Members of Congress and others who are interested in resource development in our Nation understand the philosophy and the propaganda being used by private-power forces in the United States today for the purpose of cutting down and crippling public-power projects all over the country. It is a further step in the direction of turning over the vast natural resources of the Nation to private persons to exploit for their private ends, while the public good is neglected.

Let me give some concrete examples and manifestations of the results of this propaganda effort by certain vested interest groups in the United States to cut down and whittle away public power projects such as those which have been considered in connection with the bill just passed, and other such projects which are before the Congress in connection with other bills.

We are all familiar with Secretary McKay's action in withdrawing opposition to the development of Hells Canyon by the Idaho Power Co. We understand what that means, in a sense derogatory to the best interests of the people in that section.

The St. Lawrence seaway project legislation now under consideration probably will leave any power development to the New York State Power Authority; but the Federal Power Commission has rendered a preliminary decision recommending against any stipulated preference for cooperatives and public bodies in the marketing of St. Lawrence power.

Even funds for planning for the Niagara Falls project are in jeopardy, while, of course, private power interests seek to develop this most widely known falls in the country.

The vital continuing fund of the Southwestern Power Administration has been cut 34 percent.

The Southeastern Power Administration construction fund was completely eliminated, putting the cooperatives at the mercy of private sources.

There have been some cuts, although not so great as in the case of other projects, in the Bonneville appropriations.

We know that the bill which the Senate has just passed involves a total installed capacity of dams provided for of approximately 5,490,000 kilowatts, when they are completed. Many of these projects have been eliminated or delayed. The cuts will be a serious blow to the electric-power capacity of rural cooperatives in many sections of the country.

What we are witnessing today is the greatest triumph of the private power interests we have seen for a long time. We are, in fact, about to turn back the clock not 20 years, as we Democrats used to say in the fervor of our campaign of last fall, but we are about to turn the clock back 47 years—almost half a century. It was 47 years ago that the preference clause in power contracts was written into law in the Reclamation Act of 1906. Let me say that this preference clause has been included in reclamation acts since that time. It was included in the Tennesee Valley Authority Act. It has been worked out by thoughtful legislators, both Republicans and Democrats. It represents the public policy of the Nation. That preference clause would be wiped out if the contract proposed between the Bonneville Administration and the private utilities should be signed. It would be wiped away if the development of the St. Lawrence were carried out as recommended by the Federal Power Commission.

The preference clause simply provides that public bodies—municipalities and cooperatives—shall have first call on public power produced by publicly owned dams. Now we are even toying with the idea that they shall not have first call, but that instead public power shall be sold to the private power interests. The public bodies may take their turn, or they may rebuy from the private interests at whatever rates the private interests desire to charge.

I think the proposed Bonneville contract substantially gives the private interests virtual veto power over the electric power which public bodies are to receive. It would not only do away with the preference clause, but it would be a repudiation of it.

Mr. President, it is seldom that we have an opportunity to trace a theme of propaganda from its inception to its eventual culmination, or near-culmination, in a national policy. We are fortunate, however, that we are able to do so in this instance. I have documents before me which show how the propaganda line of the private power interests was conceived and how it was nurtured, until it eventually emerged as a White House declaration the other day. It is a shocking, calculating, deliberate manipulation. Among those it has deceived, or may have played some part in deceiving, I am convinced, is the President of the United States. I think that he among others will be amazed when I trace the inception and show the development of this propaganda manipulation.

Mr. President, there has come into my possession a little booklet which was never intended for our eyes or for the eyes of any one who is interested in public power development. It was never intended for those who are interested in Bonneville or the Tennessee Valley Authority, or resource development all over the United States. The booklet was never intended for the eyes of any one except officials of the private power industry. It makes plain, better than anything I have seen, exactly how the private power interests wholly and calculatingly plan their propaganda line. It makes perfectly plain that they decided they could not attack public power projects, or the Tennessee Valley Authority, for instance, on their merits, because on their merits TVA and public power are too popular with the people, not only regionally, but nationally. So, being unable to make a frontal attack upon these agencies and developments, which have meant so much in building up the standard of living and increasing the fertility and productivity of the farms, and increasing the industrial output of the Nation, they have decided upon another method.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield to the Senator from Oregon for a question.

Mr. MORSE. I am delighted that the Senator from Tennessee is pointing out the scheme of the private utilities to misrepresent the whole power issue in the United States, as appears from the little propaganda bulletin, to which he refers. The Senator will recall that I discussed it a few weeks ago on the floor of the Senate. Is it not true that what the private utility association discovered, before it printed this booklet, was that when there was presented to the people of the Tennessee Valley, or, for that matter, to the people of the country as a whole, the issue as to whether they approve of the Tennessee Valley type program for the protection of the people's interests in the Nation's power potential, the answer was in the affirmative. It was: "We approve of the Government's following this course of action." Is that not true?

Mr. KEFAUVER. The distinguished Senator from Oregon is exactly right. Whenever the private power interests in-

quired of the people with respect to the merits and the facts of public power, such as the Bonneville or Tennessee Valley Authority, they found that the people approved.

So, in order to destroy that which the people approved of they decided they had to follow another line of attack. We have unrefuted documentary evidence that they maliciously and with the purpose of misleading the people adopted that method of trying to destroy agencies in which the people believe.

Mr. MORSE. Mr. President, will the Senator yield for a further question?

Mr. KEFAUVER. I yield to the Senator from Oregon for another question.

Mr. MORSE. Is it not true that after the private utility gang discovered that the people of the United States favored projects such as TVA, they then hit upon the idea of political soap salesmanship, and tried to connect such projects as TVA with the fear argument of socialism? Was that not their next step in their attempt to mislead the American people?

Mr. KEFAUVER. The Senator is exactly correct. They say it themselves. They admit it in this booklet.

Mr. MORSE. It is a booklet which was not intended for public consumption. Is that correct?

Mr. KEFAUVER. No; it was for the direction of the propaganda line to be followed by the private power trust.

Mr. MORSE. It was designed for the private consumption of the private utilities gang, which is seeking to propagandize the American people so as to cause them to feel that when the Government carries out Lincoln's great tenet, namely, to do for the people what they cannot do for themselves, and needs to be done in the public interest, then the Government is engaged in creeping socialism. All the propagandists need to do is to set up the scarecrow argument of calling some worthwhile project "creeping socialism," as Eisenhower called it the other day, and in that way stir up the fears of the American people. Actually those fears have nothing to do with the facts. That is why I stated on the floor of the Senate the other day that it is a shame that we have a President of the United States who will stoop to such tactics.

Mr. KEFAUVER. The Senator is correct in stating that, being unable to make a frontal attack against these projects, which the people approve, they have devised another means of trying to destroy them. In this booklet, which they themselves have prepared, and which we are not supposed to see, as I will read in a few minutes, they say so themselves. This is the inception of the misleading propaganda which, I must say, has had some effect in the United States. I want to continue to trace exactly what they did do. They decided they would attack TVA as socialistic, and would do so in all their advertising, much of which, I dare say, was of the institutional type, and therefore was financed by the Government, by way of income-tax deductions, to the extent of 100 percent. Most of the advertisements which they put out today attacking TVA and other organizations as socialistic, are being paid for by the Government itself, as institutional advertising, taken 100 percent from the income-tax deductions of the private-power companies.

This little booklet is entitled "The Public and You." In the foreword it states that in January 1949 the electric companies employed researchers, namely, the Opinion Research Corp., to go into the field and make a survey of public opinion as it affects "the business-managed electric light and power industry."

The booklet states that the complete survey is in the hands of all electric companies participating in the ECAP program. The initials ECAP stand for Electric Companies Advertising Program. However, they say they have digested the information in a handy reference form, to "stimulate frequent use of the survey and the wealth of pertinent information which it contains."

In other words, they say they want the private power companies to follow the propaganda line they set forth in this little pamphlet.

I should like to emphasize that in this instance the private power companies were really after the facts. They had accurate surveys made. They wanted to know what the people thought. Their comments on the facts, however, are very illuminating. Their researchers asked the people, for instance, what they thought of TVA.

On the page of the booklet which I have open before me—and the information was prepared by the ECAP—are contained the results.

In 1947, 67 percent of the people of the United States approved of the TVA. Only 8 percent disapproved. In 1949, 63 percent of the people approved of TVA. Only 10 percent disapproved. Twenty-seven percent had no opinion. The shocked comment of the power-company propagandists is revealing. This is what they say in their comment on these figures, the comment being printed at the bottom of the page:

> To us, the TVA is a symbol of socialism, Government competition, bureaucracy, and waste. To the majority of people, who have received much propaganda and little information on TVA, it is a symbol of progress. Fewer people in 1949 approved TVA than did in 1947, but still only 10 percent say that they disapprove.

Mr. President, that is an insulting comment, is it not? Of course, the truth is that these people saw the facts, but did not recognize them. So, the private-power propagandists, who think only in terms of propaganda, tried to charge the TVA with bureaucracy, Government competition, and waste. Mr. President, if ever there has been an organization that has not been wasteful, but has cooperated with the people and has worked with the people in a great section of the Nation, it is the Tennessee Valley Authority.

So we can see the dilemma in which the private-power interests then found themselves. They had the facts about public opinion and the facts were that, thus far, the propaganda issued by the private-power interests had failed to influence the people of the United States to dislike the TVA. But the private-power interests were ingenious, so they had their researchers ask the following question:

> Would socialism be a good or a bad thing for the United States?

Mr. President, the response to that question was as follows:

> Ten percent said socialism would be a good thing; 69 percent said it would be bad; 21 percent had no opinion.

So the propagandists had their cue. I read now from the comment in their own brochure on the socialism survey which they made when they saw that a direct attack against TVA would not work. I emphasize that this brochure was for the eyes of the private power officials only, not for the eyes of the general public. I read now from the brochure:

> From the preceding charts it is apparent that to link our fight to the TVA question would run us into a lot of opposition, most of it based on lack of knowledge. But to link our fight to socialism is something else again. The people do not want socialism.
>
> We're on favorable ground there. ECAP advertising in magazines and on the radio will stress the fight against the socialistic state more in the future. It should be stressed, too, on the local level—in speeches, radio talks, interviews, and other public expressions of management opinion.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield for a question?

Mr. KEFAUVER. I yield.

Mr. MORSE. I think the remarks being made today by the distinguished senior Senator from Tennessee are most important for the information and enlightenment of the American people. Therefore, if he does not object, I should like to help emphasize the point he has just made because here we see the incubator of the propagandists at work. This is the way they hatch their propaganda. The Senator from Tennessee is now disclosing how the incubator of the private-power interests has been used to hatch a slogan to mislead the people of the United States and to get them to oppose the TVA, namely, the use of the slogan "Socialism." In other words, the attempt is to scare the people by using the bogey slogan of "Socialism."

I say to the people of the United States that this is the way that the private-power propagandists proceed; this is the way this gang proposes to mislead the people; this is evidence of the scheme to mislead the American people for a political purpose. But I point out that such activities are not in the best interests of the people. The propagandists assert that TVA stands for socialism. Thus, they hope to frighten the people. That is a bogey argument, Mr. President.

Similarly the propagandists say that the Hells Canyon Dam represents socialism, but that is a bogey argument used in an attempt to frighten the people. The propagandists proceed along that line because they cannot meet the merits of the issue as set forth by the liberals in the Senate, who for many years have fought for sound programs such as the TVA. The liberals have had to face propaganda of the kind the private utilities are now using, and to which the President of the United States himself has already fallen victim.

The propagandists call these sound public-power programs "socialism." I compliment the Senator from Tennessee for pointing out again this scheme of the private utilities, by means of which they are attempting to frighten the people and to defeat a wise program designed to protect the public interest.

The propagandists attempt to use a "soap salesmanship" campaign, based on the kind of rot the Senator from Tennessee is reading from their own secret propaganda instructions. However, that pamphlet happened to get out and now is available to the American people.

The Senator from Tennessee is performing a great service in pointing out to the people how this gang manufactures its false propaganda.

Mr. KEFAUVER. I thank the Senator from Oregon. There can be no question that this pamphlet or brochure is the inception of the propaganda effort which is being made by the private Power Trust, who are trying to get the people of the Nation to turn against something that the survey proved the American people want. The survey showed that the American people believe this program is in their best interests.

The propagandists are trying, by means of charging that it is "socialism," to turn the people against that program. Here we have the inception of the malicious propaganda effort; we see it in this little booklet of the private power interests.

Mr. President, the private power group were even more shocked when they found that 45 percent of their own employees approved the TVA, while only 40 percent disapproved, and 15 percent had no opinion. That is shown in the booklet, which includes their own figures. After that finding they decided they had better begin to propagandize their own employees.

Mr. President, the private power group did not like it, either, when they found who approved and who disapproved the TVA. For instance, they found that in the case of the upper-income group 65 percent approved TVA, 16 percent disapproved.

Among Republicans, 55 percent approved, 17 percent disapproved.

Among editors and educators, 83 percent approved, 7 percent disapproved.

Among those identified as "free enterprisers," 53 percent approved, 23 percent disapproved.

Mr. President, I quote further from the propaganda booklet which gives, at this point, the comment of the private power group on the results of the survey, as I have just stated them:

This is a shocker.

Sixty-three percent of the people approve TVA. Are they Socialists? Liberals? Fuzzy-thinkers? Low income folks?

Apparently not.

These are people who read and get around and think, and supposedly recognize a fact when they see it. This chart gives very strong evidence that private industry's side of the TVA story has been buried in the rubble of bureaucratic propaganda.

They blame the result on "bureaucratic propaganda."

Mr. President, after seeing the widespread support of TVA among Republicans, the upper-income group, the free enterprise group, and the editors and educators—those of every political faith—the private power group decided that their attempt to oppose the Tennessee Valley Authority and other power developments was not supported by the facts. So they decided that, from then on, they would have to choose some gadget or name or word which would be obnoxious to the American people, and attach it to the TVA, in order to attempt to build up opposition to an agency of which the American people really approve. Having adopted that policy, the private power group proceeded to attempt to put it into effect.

Mr. President, I have before me some tear sheets from a number of magazines; these tear sheets contain advertisements which show how the private power groups subtly try to influence public opinion by harping on the same theme that public power development is "Socialistic." These tear sheets show advertisements which appeared in almost every magazine in the country. Similar statements were made on the radio and in speeches at meetings in various parts of the Nation. So we see how the private power group try to put into effect their propaganda line, upon which they decided when they found they could not make a successful direct attack upon public power and the Tennessee Valley Authority.

Here [indicating] is one published in Collier's. We have all seen these tear sheets. We see them every day when we read a magazine. The United States Government pays 100 percent of the cost of this advertising, to enable the private power trust to defeat something the people want and of which they have expressed their appoval, to enable the private power trust to try to take away from the people something the people feel would be of benefit to the Nation.

Here is a page from Collier's, which shows a little boy. Before him is a copy of the Holy Bible, and there are also a key, a pistol, and a ballot. It says here that they are symbols of freedom of worship, of safety against Government interference with freedom of speech, and freedom of the ballot. I read:

These symbols have no meaning in countries where the government controls everything, for there the individual man and woman has no freedom.

The advertisement so reads. I quote further:

But there are people who are trying to give the United States Government more and more control over American life. Let the Government start doing so by taking over certain industries and services, the doctors, the railroads, the electric light and power companies.

In the end, we are reminded, Mr. President, that—

We, the business-managed electric power companies, are battling this move toward socialistic government.

This is in bold type. It refers to those who publish the advertisement.

We, the business-managed electric companies, are battling this move toward socialistic government. We want to remind everybody how seriously it threatens every business and everybody's freedom.

That is signed by electric light and power companies, and it is institutional advertising.

Mr. President, is it not very easy to see a connection between the TVA, with only 10 percent of the people against it, with their own employees for it, and every segment of American people for it, and their propaganda line? They find that socialism is unpopular, so they use that to further their propaganda.

Let us examine some more specimens. It will be noted as I have said, that their advertisements appear in every magazine and newspaper that one reads. Here is one published in the U. S. News & World Report. It shows a group of happy boys watching a television program. They are watching a so-called western on the TV. One chap has a pistol. He is shooting the western figure that he sees on the television. It says:

It is so easy in the westerns. The bad guy always rides dark horses. The hero, or his pal, rides a white horse. You can tell him from the bad guy 'way down the canyon.

But let us see what the next line says.

Not so easy are the real problems the kids grow up to meet. Danger may ride the white horse and even do the singing 'round the campfire.

It then goes on to say that one of the real bad guys in the country is socialism and the public-power idea. It then concludes:

One socialistic development in America is Federal Government electric power. It has grown to a multi-billion-dollar giant, because people did not recognize it as socialism until recently. That is why this message is brought to you by more than 100 independent electric light and power companies of America.

Mr. President, that is the worst form of propaganda. It is the worst form of misleading propaganda. It is the worst form of unfair propaganda. It represents a sinister effort to do something in an indirect way which it had been found could not be done directly.

Let us observe another one. Here is one directed specifically at Niagara Falls. This one has a picture of Niagara Falls, and it discusses the question of who should build the new plant there. It implies that if it is not built by private companies it will be socialistic. It says:

Who do you think should build this new plant? Talk it over with your friends and neighbors. Congress is discussing it now. The plant proposed by those who want their Government to do the job is a long step toward socialized electricity, because only power construction is involved, and with no other purposes, such as flood control, to complicate the issue. That is why these facts are brought to you by America's electric light and power companies.

Of course, Mr. President, all of us have probably seen the television program, "You Are There," on CBS, and have heard "Meet Corliss Archer" on radio. They are both excellent programs, sponsored by the electric companies. The announcer always treats the audience to a little lecture in-between. He always tells how creeping socialism is threatening the power industry.

Mr. President, I say that this movement threatens to be translated into a national policy, because of the actions of

the Bureau of the Budget and of certain other governmental agencies and certain cuts in appropriations for power projects. I say it threatens to be translated into a national policy, because of the statements and actions of the Secretary of the Interior and, as I said a little while ago, because of the unfortunate statement made by President Eisenhower at a press conference on Wednesday, June 17, just as the House was considering the TVA bill. Even he may have been to some extent influenced by this misleading propaganda, which had its inception in the little pamphlet I have exhibited here this afternoon.

The President was asked for a specific example of what he meant by "creeping socialism." He gave as his answer, the TVA. He reiterated, of course, that he does not want to harm TVA. As a matter of fact, during the campaign he was an outspoken supporter of the Tennessee Valley Authority. But unknowingly, I think, even the President perhaps may have been affected by this propaganda, which cost the electric power companies an untold number of millions of dollars, and which is financed, to a substantial extent at least, by the United States Government.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the Senator from Kentucky.

Mr. COOPER. I have just returned to the Senate Chamber, and I heard the Senator's remarks about TVA and his comments upon the statement made by the President of the United States with reference to "creeping socialism." I know the Senator is interested in the great TVA authority and I know of his fight for it. I think he knows of my interest in it.

Mr. KEFAUVER. Yes, I do. I know the Senator from Kentucky has been one of the staunchest friends TVA has ever had.

Mr. COOPER. The Senator's State is greatly affected by the TVA program; my State is not so greatly affected by it. For several years I have been very much interested in the Tennessee Valley Authority. I supported TVA to the extent of my ability, when I was previously in the Senate, and I have done so this time. I read about the remark made by the President of the United States, and I have heard some of the conclusions which have been drawn from that remark.

I should merely like to say that facts speak louder than any words. The budget which the Director of the Budget sent to the Congress, which the President of the United States approved, provides one of its largest expenditures for TVA. It is approximately $200 million.

In the budget funds are provided for continuing the construction of nine steam plants started prior to the administration of President Eisenhower. Furthermore, President Eisenhower approved in the revised budget funds for two new steam plants for TVA. He also approved a program in which I believe and in which the Senator from Tennessee believes, but which has been controversial. It is the resource-development program, which requires an expenditure of more than $2 million.

That item was stricken by the House Appropriations Committee, but with that exception, everything the President of the United States approved is now before the Appropriations Committee. There is only one major item in the budget sent to the Congress by Mr. Truman, before he went out of office, which is not in the present budget. It is an item for the beginning of a new steam plant near Memphis, Tenn.

There may be differing opinions as to whether it should be started this year or next year. The President of the United States has the right, with his broader knowledge of budgetary conditions, to take a viewpoint which may be different from that of the Senator from Tennessee or of other ardent advocates of the TVA.

But there is no truth in the assertion that the President of the United States, in any action he has taken, desires to decrease the effectiveness of TVA.

Mr. KEFAUVER. Mr. President, my friend from Kentucky [Mr. COOPER] has been one of the most effective influences for the TVA in the United States Senate. When he was previously in the Senate, he argued against a point of order in connection with appropriations for building steam plants. Senator Vandenberg, who was the President pro tempore, ruled with the Senator from Kentucky on that proposition. I know the Senator's work for the TVA has been very outstanding.

I feel that if the President of the United States had all the facts about the Tennessee Valley Authority before him there would be no question in his mind about it, and that no such statement as was made could have come from the President. I know that when he was in Tennessee, he thought it was doing a good job. He said in his statement that he would not allow any great harm to come to the TVA. I hope that will be the case. I hope that any doubt the President may have about the Tennessee Valley Authority can be removed. I feel that if the President had heard the testimony which was given before the Senate Appropriations Committee yesterday, he would have realized that TVA is promoting private enterprise, that it is a great help to the Nation, and that without it the atomic-energy program could not have succeeded as it has.

It is very difficult for me to understand how the President happened to make such a statement. I hope it does not mean that he has any hostile attitude toward TVA. He has said he has not. I hope the administration will show its full support of the TVA by enabling us to get the resource development fund restored, and also to help get $30 million for the Fulton steam plant which further evidence shows is absolutely necessary for the atomic-energy program, for many manufacturing plants in the valley, and for farms and homes in the valley itself. I hope the Budget Bureau will reconsider and will join in recommending that $30 million be restored. It is true that there is a substantial appropriation. But I was trying to show how far this propaganda line has gone, and the tremendous influence it is having, and how it happened to get started on its sinister purpose.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. MORSE. Mr. President, I should like to speak with reference to the shocking and inexcusable comment made by the President of the United States. The Senator from Kentucky has given us a very interesting rationalization of the President's remarks. The fact is that the President made that statement and it has the effect of poisoning the minds of many persons.

The Senator from Kentucky rises on the floor of the Senate and argues that the President is again talking out of both corners of his mouth. The President made the statement, and the Senator from Kentucky cannot deny it. He comes forward and says that the fact that appropriations have been made proves that the President is not opposed to TVA. The fact that some appropriations have been made does not answer the charge that the President made a statement which he cannot justify, because he cannot go before any impartial jury of the American voters, as he will discover in the Tennessee Valley in 1954 if he wants to carry his argument there, and substantiate the statement that TVA constitutes creeping socialism. It happens to be the greatest boon to private enterprise that has ever occurred.

Mr. President, I am becoming a little sick and tired because of the rationalizations of Republicans in regard to the doubletalk of the President of the United States. Let us find out whether he means it when he says that the TVA constitutes creeping socialism. If he does, let him come forward with the proof. The Senator from Kentucky offers none when he refers to the budget. It was built up on the basis of representations made by the elected representatives of the American people in the Congress of the United States. I am not willing to assume that even the President of the United States has the slightest idea of the details of that budget.

Mr. COOPER. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. COOPER. Mr. President, I am prepared to refute some of the statements which the Senator from Oregon has made. First, the Senator has said that the President of the United States had no knowledge of matters contained in the budget for TVA or of the preparation of the budget. I know of my personal knowledge that his statement is not correct. The Senator from Tennessee, I think, knows that when the revised budget was being considered, I talked to persons in the Office of the Director of the Budget who were working on budget items for the Tennessee Valley Authority. I also prepared a memorandum and sent it to the President of the United States. I talked to the President of the United States about TVA appropriations. The Senator from Oregon has made his statement without any knowledge of the facts. The President of the United States met with the Director of the Budget on several occasions and discussed the tentative budget for the Tennessee Valley Authority. He did know about the TVA budget. He did know the

matters that were contained in the budget. When we examine the budget which was presented by President Truman and then examine the budget sent to Congress by President Eisenhower for the Tennessee Valley Authority, we find that, with one major exception, they are identical.

The budget provides a sum of more than $200 million for the Tennessee Valley Authority. We have just passed this afternoon the civil functions appropriation bill. The amount provided in that bill for the Nation is $473 million. I speak as a friend of the Tennessee Valley Authority. I live in a State adjoining its chief operations. I have spoken this year in Tennessee to groups of people interested in TVA about this very budget.

Several operations connected with the Tennessee Valley Authority have been called socialistic by some persons. One is the construction of steam plants. Another is the resource development fund for the area. Another is the principle of permitting the TVA to plow back a part of its receipts into structures for expansion. The TVA depends upon these operations. Did President Eisenhower deny a single one of these? Of course he did not. In sending his budget to Congress he recognized every one of these principles.

Of course, I know the Senator from Oregon is entitled to his conclusions as to what the President of the United States meant when he spoke as he did. I do not know what the President meant. I can only say that, upon the facts, he has done nothing since he has been in office which in any way has shown any antagonism or opposition to the Tennessee Valley Authority. On the other hand, he has confirmed its principles by the budget he has sent to Congress, and of which he had knowledge.

As a friend of TVA, I can speak my own opinion. I can understand that if an unlimited number of plants were built to supply the demand in States surrounding the Tennessee Valley area, it would reach a stage where the question would not be simply one of the maintenance of TVA, but the larger question as to whether the Federal Government should build steam plants solely for demand to supply other sections of the country. That might have been what the President had in mind. I am not here to say what he had in mind. But I could understand that viewpoint. I have always recognized that question.

Mr. President, I have made these remarks because I had knowledge of the facts about which I have spoken. With all due regard to my friend, the Senator from Oregon, I think that in this particular instance he did not have a knowledge of the facts connected with the preparation of the budget for TVA upon which to base the remarks he has made. I am not dealing in accusations, ridicule, abuse, or loose general statements; I am trying to present facts.

Mr. MORSE. Mr. President, as a matter of personal courtesy, would the Senator from Tennessee permit me to reply to the Senator from Kentucky, in view of the fact that the Senator from Kentucky has commented upon me?

The PRESIDING OFFICER. Does the Senator from Tennessee yield to the Senator from Oregon?

Mr. KEFAUVER. I desire to have an opportunity to complete my talk.

The PRESIDING OFFICER. The Senator from Tennessee declines to yield.

Mr. KEFAUVER. No; I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I say most respectfully to the Senator from Kentucky [Mr. COOPER] that he is grossly ignorant of the knowledge of the Senator from Oregon about the facts. The Senator from Kentucky can speak all he desires to about the knowledge the Senator from Kentucky possesses of the facts, but he simply engages in uncalled-for presumption when he seeks to tell the United States Senate about the knowledge of the facts on the part of the Senator from Oregon in regard to what is going on in the Bureau of the Budget, and in regard to everything else the Senator from Kentucky has said about the Senator from Oregon, because the Senator from Oregon happened to check into the facts before he made his statement on the floor of the Senate.

Mr. President, my checking with the Bureau of the Budget satisfies me that Dwight Eisenhower knows nothing, for example, about the facts in connection with fiscal problems related to the Pacific Northwest power program. I am satisfied that I know the limited extent to which Dwight Eisenhower knows anything about figures in the budget in regard to the Tennessee Valley Authority. He has followed a course of delegating these matters to his subordinates.

I say that if President Eisenhower were brought here and submitted to the kind of cross examination to which it would be necessary to submit anyone, in order to bear out what the Senator from Kentucky tried to proclaim was the knowledge of the President of the United States, the President would not be shown to know very much. He does not know very much, as it is.

The reply to me by the Senator from Kentucky misses the point I made as far as opposite poles could miss the point. I am saying that the President of the United States made this statement. He called the TVA creeping socialism. He called it a public monopoly. Apparently a private monopoly is all right. When people have to pay tribute to a private monopoly, that is all right. But if the people, through their Government, undertake to develop the power of a stream for public benefit, through a public organization, that is not all right; that is creeping socialism.

I say most respectfully to my friend, the Senator from Kentucky, that he cannot erase from the record, as apparently the Republicans would like to have done, the very unfortunate statement made by the President of the United States which has succeeded in poisoning the thinking of a great many Americans along the line of the propaganda rot the Senator from Tennessee [Mr. KEFAUVER] so clearly is bringing out in respect to the secret bulletins of private utilities in the United States.

This is a case of political soap salesmanship on the part of Republicans. They are not going to get by with it among the people of the United States, because the people are becoming wise to the political soap salesmanship of the Republican Party.

Mr. BEALL. Mr. President, may we have the regular order?

The PRESIDING OFFICER. The regular order is requested.

The Senator from Tennessee may proceed.

Mr. KEFAUVER. Mr. President, the distinguished Senator from Kentucky did go to the Bureau and talk with the Director of the Budget and also with the President of the United States about the Tennessee Valley Authority. I have no doubt that the visit of the Senator from Kentucky did much to prevent the Bureau of the Budget from reducing the TVA appropriation more than it was reduced.

I think it may be well to state just what the reductions were. President Truman's budget was reduced by approximately $63 million by the Eisenhower budget. Approximately $61 million was from the power program. Of that amount, $31 million was for transmission lines, units, and power installations, and other things which can be built later.

Thirty million dollars which was intended for the beginning of the Fulton steam plant near Memphis, was the remainder of the cut. This plant unquestionably is going to be needed to prevent a power shortage in 1956, as the record shows, and as was strongly indicated in the evidence presented yesterday on this subject.

As the Senator from Kentucky has said, President Eisenhower's budget did include $2,300,000 for resource development, which is the amount that TVA has for reforestation, agriculture, soil erosion prevention, prevention of stream pollution, and many other very necessary activities. The $2,300,000 for resource development was cut out by the House of Representatives. That is one of the items we are trying to get back.

So far as President Eisenhower is concerned, he has made two kinds of statements about the Tennessee Valley Authority. One was the unfortunate—and I hope thoughtless—statement made the other day at the White House. On other occasions he has been high in praise of the TVA. When he was down in Tennessee during the campaign he assured the people that TVA would be operated with the maximum efficiency. He said in a letter to the newspapers:

> Under the new administration, TVA will continue to serve and promote the prosperity of this great section of the United States.

So I am going to assume—and I hope the action of the Senate on the TVA appropriation will bear me out—that we shall go by the statement made in Tennessee, a statement about what a good thing the President thinks the TVA is. But I wish to point out that throughout the Nation today there is an insidious propaganda, which I have shown here this afternoon, based upon a survey made by the private power utilities. When

they saw that they could not direct a frontal attack at public power agencies, they cleverly decided to hang names on it, like "socialism," because they found that the people did not like socialism.

Anyone who doubts what the TVA has done for the United States or for this great section should have been at the hearings in the Senate committee yesterday, which showed that private power interests once owned the site upon which Norris Dam and Lake are now situated. The private power interests did nothing about it, however. Only about 3 percent of the farms of the valley had elecricity. Today the TVA owns that site, has built Norris Dam and Lake and more than 90 percent of the farms in the valley are electrified. I wish the people who have swapped kerosene lamps for electric lamps, the well-bucket for an electric pump, and grade C dairies for grade A dairies, could have an opportunity to express themselves as to what they think about the Tennessee Valley Authority. They would all disagree with any statement that it is socialism, or creeping socialism. They would agree with President Eisenhower's statement, that it was doing great things for the valley, and I am sure they would be unanimous in their agreement that they want to continue it at maximum efficiency.

Mr. President, I yield the floor.

THE CRISIS IN THE BEEF CATTLE INDUSTRY

Mr. JOHNSON of Texas. Mr. President within the past few weeks, drought conditions have brought my native Texas and the Southwest to the thin edge of economic disaster.

Unless relief can be found within a matter of days, almost the whole area will become a wasteland. It will take years to recover.

The headlines speak of the crisis in the beef cattle industry. It is a crisis—a crisis that threatens the whole industry in Texas and other areas, with virtual extinction.

But it is not cattle alone that is involved. All the agriculture in the drought area is feeling the squeeze. One of the Nation's major sources of food and fiber is threatened.

Just a few days ago, I talked to a friend who had just returned from Amarillo. He told a heart-rending tale of stockmen and farmers liquidating their assets at fantastic rates and fantastically low prices.

He saw some cattle selling on the auction block from 4 to 5 cents a pound. Good steers were running from 7 to 10 cents. One cow was auctioned for $38 that a year ago would have brought $225 without trouble.

"Unless something can be done and done within a few weeks, there just will not be any cattle in west Texas," he said. "But do not forget, the row crop farmers are hurting just as bad. They just have not got into the headlines yet."

This morning's New York Times confirms the dire conditions faced by our farmers and stockmen. At Fort Worth, one of the main markets in Texas, choice beef slumped to 16 cents on the hoof. Canner and cutter grades were down to 5 cents a pound.

For the stockmen this means disaster; for the Nation this means a temporary glut which may bring down the consumer's beef prices for a while, only to be followed by a scarcity which will send prices skyrocketing in another year or two.

The situation is desperate. Emergency measures are required to save the whole region from collapse. But emergency measures alone are not sufficient. The break in the market is merely the culmination of years of drought.

San Angelo—the center of the sheep and goat industry in Texas—has lived under drought conditions for the past several years. Uvalde has experienced continuous drought for 4 years.

At Laredo the mighty Rio Grande River has run dry—dry as the desert sands. A thin trickle of water can be found only when irrigation is halted completely upstream, but irrigation cannot be stopped indefinitely.

The whole Rio Grande Valley—one of the most fertile spots in America—needs water. Moisture is rapidly becoming a memory—a memory from the distant past.

Some emergency measures are already authorized under the law. Long-range, low-term credit can be authorized through the Farmers Home Administration. The President has declared the region to be a drought-disaster area.

Unfortunately, there is some doubt as to exactly what he can do under this declaration. His powers are now under study.

It is to be hoped that he can use his authority to rush feed to the stricken areas for sale to the stockmen at reasonable prices. If he does not have this authority, I have already prepared legislation which would grant him the power.

I am ready to introduce that legislation as soon as he indicates that it is needed.

Fundamentally, however, there can be no solution until beef and feed prices are brought into line. Feed prices are propped up by price supports. Beef prices are determined by the free market.

In the past this lack of balance has not been ruinous to either the stockmen or the farmers. But under the conditions now faced in the Southwest the economy is being crushed in an economic vise.

On the one hand, private banks are calling in credit. They are convinced they can no longer carry the stockmen on their books. On the other hand, feed prices are high and threaten to go even higher.

The stockman has no choice. He must rush his unfinished stock to market and take what he can get. Even his foundation herds must be sacrificed—although the sacrifice means that he will not have a firm base upon which to rebuild his herd when the emergency is over.

I discussed the situation personally with President Eisenhower early this week. I believe he is ready to act under any clear, legal powers that he possesses.

Secretary of Agriculture Benson is now in Texas for an on-the-spot survey of the situation. I hope the pleas of the cattlemen and the farmers will move him to immediate action.

The situation is one that affects far more than Texas and the Southwest. It could have a dire effect upon our whole national economy. It calls for the intelligent and concerted action of all our people.

And the action must be immediate. There is little time.

There must be long-term credit at low rates.

There must be steps to move feed into the stricken areas where it can be sold at reasonable prices.

There must be aid in refinancing the indebtedness of farmers and stockmen—helping them with debts they cannot meet through no fault of their own.

There must be a solution to the lack of balance between food and cattle prices.

I hope and pray that the administration will come to us immediately with a program of relief. Meanwhile, for the information of the Senate, I ask unanimous consent to have printed in the RECORD a few of the telegrams my office has received in the past few days.

There being no objection, the communications were ordered to be printed in the RECORD, as follows:

DEL RIO, TEX., *June 17, 1953.*

Hon. LYNDON B. JOHNSON,
Senate Office Building:

We urgently request that our entire ranching area of Texas be put on a disaster basis due to extreme drouth conditions and which has demoralized the sheep and cattle markets and that consideration be given to sale of excess cottonseed products and other feeds to livestock producers at a nominal figure. Ranchers' debts of $40 and $50 per head on sheep are common and unless relief is had promptly in some manner the sheep and cattle industry in west Texas is doomed.

DEL RIO WOOL AND MOHAIR CO.,
CHARLES E. LONG,
Manager and Secretary-Treasurer.

RAYMONDVILLE, TEX., *June 12, 1953.*

Senator LYNDON B. JOHNSON,
Washington, D. C.:

Crop condition Willacy, Cameron, and parts of Hidalgo are deplorable and absolute failure here in Willacy and Cameron as far as cotton is concerned farmers are unable to pay their crop loans and a great majority will be unable to make the coming crop. I wonder if you wouldn't lend your support to having this area declared a disaster area and eligible for Government disaster loans. These conditions are brought about wholly by the lack of water. Anything that you will do will personally be appreciated by me.

ASHLEY DOWNING GIN CO.

RAYMONDVILLE, TEX., *June 11, 1953.*

Hon. LYNDON B. JOHNSON,
United States Senator,
Washington, D. C.

DEAR SENATOR JOHNSON: I am sure that you have heard from various sources that the agricultural industry of Willacy County has suffered a severe blow due to two successive crop failures the past 2 years.

I have discussed this matter with Judge Gill and several of our leading farmers and they feel that an investigation will be justified to determine whether or not this county should be classified as disaster area.

I shall appreciate it if you will take this matter under advisement and let us know what can be done to help you in your investigation.

With kindest regards and best wishes, I remain

Yours very truly,

ROGER F. ROBINSON.

THE SENATE OF THE STATE OF TEXAS,
AUSTIN, *June 13, 1953.*

Hon. LYNDON B. JOHNSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: I wish to acknowledge and thank you for your kind letter of June 2, 1953, commenting upon my recent service in 53d legislature and offering assistance to me and the people of my district.

I am sure that you are cognisant of the extended drought condition that has existed in the Rio Grande Valley for the past 2 years. By reason of this drought many of our constituents are now faced with economic ruin unless they can receive some character of relief. Some of these farmers from Willacy County, which is a part of my district, have asked me to lend my support to having their area to be declared a "Major disaster" area. In response to that request I wired you on June 12, 1953. I have discussed the matter with the Governor and he is sympathetic but offered little encouragement.

I have explained to my friends in the valley that if they are to receive any substantial help it will have to come from the Federal Government, since we have no State funds available.

In a general way they are famaliar with the Federal program, it having been utilized when they had the severe freeze several years ago. They advise me that there is a small office in San Benito which has been administering the program as to the freeze. It is their opinion that additional facilities are needed in Raymondville.

If there is anything that can be done to make the Federal Government recognize Willacy County as major disaster area and to facilitate aid to the deserving farmers in that area, they and I will be forever grateful to you. Further, if there is anything that I can do at a State level, I would appreciate your advising me.

Respectfully yours,

WM. H. SHIREMAN.

COLLEGE STATION, TEX., *June 12, 1953.*

Senator LYNDON JOHNSON,
Congressman OLIN TEAGUE,
Congressman BOB POAGE.

GENTLEMEN: In order not to burden you with a lot of stuff, I am going to get to the point without delay and tell you what I know in a few words.

The ranch and farm people of the southwest part of Texas are in a desperate plight because of the prolonged drought and if something isn't done at a very early date to help them, they are going to be forced out of business; which will mean the loss to many of their life's savings.

There isn't another section of the country that wouldn't have long since hollered, had they suffered as these proud people have.

They are too proud to ask to be given something. You and I appreciate this attitude, but there is a point where pride must be momentarily forgotten—where the public welfare must be given consideration.

Possibly there is adequate machinery now in existence, but if there isn't there should be something created which can ease the credit situation, refinance or in some manner make it possible for these grand people to keep going. I visited with our mutual friend and a great Texas citizen, Horace K. Fawcett, only last week. He has fed his sheep 40 months with no prospect of rain, and you know that one can't go on forever like that.

There will be a few who will raise hell if something is done to help, but the rank and file of these good people will appreciate whatever might be done. This is a serious emergency and I know you will do everything at your command to see that something is done to help.

I am writing this as a friend of many of these people whom I consider the grandest folks in this country.

With kindest personal regards and best wishes, I am

Your friend,

P. G. HAINES.

CHAMBER OF COMMERCE,
Del Rio, Tex., June 18, 1953.

Senator LYNDON JOHNSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSON: The Del Rio Chamber of Commerce recommends and requests your consideration of the following three-point program to relieve the disastrous drought situation in this entire area and the demoralization of the cattle and sheep market.

First. We request that this entire area, where we are suffering the most prolonged and severe drought in recorded history, be declared a drought disaster area, and that we become eligible to buy the surplus cottonseed meal and other feeds presently held in storage by the United States Department of Agriculture.

Second. That the Government take the necessary steps to provide a system of credit for those engaged in agriculture in the drought disaster area to enable them to stay in business.

Third. That the United States Department of Agriculture initiate a program to purchase at least 2 million head of cows to can and store the meat for future use in school lunchrooms and similar programs. We feel this is necessary to prevent the complete demoralization of the cattle and sheep market.

Cordially yours,

R. L. WHEELER, *Manager.*

SABINAL, TEX., *June 18, 1953.*

Senator LYNDON JOHNSON,
Senate Office Building,
Washington, D. C.

DEAR SIR: The ranchers in Texas, both large and small, are facing a very serious situation.

For 3 years we have faced high feed prices and drought, plus falling prices on livestock. We cannot continue without financial aid (banks have cut ranchers off several months ago) and a subsidy price set on livestock.

I know other States have been placed on the disaster lists due to floods, tornadoes, etc. That is wonderful. But are we not in a disaster area, too?

The three generations of my family have owned and operated the same land in Uvalde and Medina Counties for a total of 93 years. Never before has the outlook been so black.

It is true that in the last 10 years livestock prices have been too high. Now they are falling with living costs still soaring.

Cattle producers in Texas are doomed without some help immediately. Therefore, for the continued future of Texas ranchers we are seeking help. And your influence on this matter may well break or make our future.

Sincerely,

MRS. LEWIS PARKER.

WELLINGTON, TEX., *June 16, 1953.*

Senator LYNDON B. JOHNSON,
Washington, D. C.

DEAR SENATOR: As you know, the Panhandle of west Texas and south Texas are suffering from one of the severest droughts we have had in many years. In our immediate vicinity, we depend upon cotton, feed, and acreage of wheat. The wheat harvest is over and production ranged from one to a high of 17 bushels per acre. The row crops are suffering and some of the small cotton is dying for the lack of water. The people generally are scared, and this is true throughout the Panhandle area of Texas. The banks have extended as much credit to the producers as they can, and in many instances, there has been overextended credit to those who have dealt in livestock. It looks like this portion of Texas ought to be declared a disaster area, and some provisions be made by the Government to provide loans to those who are unable to finance themselves by loans from the banks.

There is quite a lot of political talk in all the places I have been in this area, and many of those who thought last year that a change in Washington was absolutely necessary are now of the opinion that the Republicans are doing a worse job than the Democrats did. There is no doubt in my mind that this section of the State will be overwhelmingly Democratic next year, and this will be true regardless of what effort, if any, is made to relieve our present condition and provide proper supports of prices of agricultural commodities.

I note from the papers that effort is being put forth to provide credit through some Government agency to people of the drought-stricken sections, and looking at the situation from here, it appears that such is the proper course to pursue. People generally are expecting it.

If and when I may be of any service in this section, let me know and I shall be glad to do what I can.

With kindest personal regards, I am

Yours very truly,

S. B. OWEN, Jr.

P. S.—I would suggest that you place on your mailing list Dr. Tom R. Hunter, Wellington, Tex., and forward to him a copy of all data you mail out. Dr. Hunter was reared in the Lampasas area, a next-door neighbor to you.

LAREDO, TEX., *June 18, 1953.*

Hon. LYNDON JOHNSON,
United States Senate,
Washington, D. C.:

We recommend and request your consideration of the following three-point program to relieve the disastrous drought situation in the entire area and the demoralization of the cattle market. First, we request that the entire area where we are suffering the most prolonged and severe drought in recorded history be declared a drought disaster area. And that we become eligible to buy the surplus cotton seed meal and other feeds presently held in storage by the United States Department of Agriculture. Second, that the Government take the necessary steps to provide a syrtem of credit for those engaged in agriculture in the drought area to enable them to stay in business. Third, the United States Department of Agriculture initiate a program to purchase at least 2 million head of cows and can and storage the meat for future use in school lunch rooms and similar programs. We feel this is necessary to prevent the complete demoralization of the cattle market.

GEORGE B. PARR,
President, San Diego State Bank.

FALLS COUNTY FARM
BUREAU FEDERATION,
Marlin, Tex., June 15, 1953.

Hon. LYNDON JOHNSON,
United States Senate,
Washington, D. C.

DEAR SIR: At a recent meeting of the Falls County Farm Bureau extreme concern was expressed regarding the serious decline in the price of livestock as compared to cost of production and living expenses. The

membership expressed the view that although they were not advocating socialistic ideals, the decline in the livestock price structure in comparison, in many instances, in rising prices of the commodities which the livestock man must buy, has created an emergency that requires constructive action on the part of all authorities concerned.

It was further the opinion that the mere extension of credit is not the full solution. It was felt the only action to preserve a degree of financial security for the small cattleman would be some form of price protection to maintain a structure in line with cost of other commodities. If this means a parity price support, then the Falls County Farm Bureau favors a 100-percent parity on livestock.

Concern was also expressed over the future economy of Agriculture if price supports were permitted to expire the end of June 1954. Supported crops in Falls County during 1954 would not be harvested by the time price supports terminated.

The opinion was unanimously voiced that the views of the average cattleman was not expressed several months back when the heads of the American Farm Bureau Federation, of which we are a part, the Grange, and the Texas & Southwestern Cattlemen's Association, with contact of only a small segment of the membership, stated that the cattleman was not desirous of any congressional investigation or Federal intervention.

We urge an immediate on-the-spot investigation.

Respectfully,

GUY GARRETT, Jr., *President.*
J. R. POSTELE, *Secretary.*

BAIRD, TEX., *June 16, 1953.*

Senator LYNDON B. JOHNSON,
Senate Office Building,
Washington, D. C.:

Corn support prices are working hard against us ranchers. A change in this respect would seem in order.

LEA MCDONALD.

MORAN, TEX., *June 16, 1953.*

Senator LYNDON JOHNSON,
Washington, D. C.:

Cattlemen in our district need immediate relief. Feed scarce, market bad.

The MORAN NATIONAL BANK.

MORAN, TEX., *June 16, 1953.*

Senator LYNDON JOHNSON,
Washington, D. C.:

Do something about cattle. Either subsidize all agriculture or turn all loose.

L. SNYDER.

MORAN, TEX., *June 16, 1953.*

Senator LYNDON JOHNSON,
United States Senate,
Washington, D. C.:

Our cattlemen need immediate relief. Market bad, feed scarce.

FLOYD C. POOL.

BAIRD, TEX., *June 16, 1953.*

LYNDON B. JOHNSON,
Senate Office Building:

Due to extreme drought and other economic conditions cattle market is completely demoralized. Something must be done immediately to help prices to save ranchmen and farmers.

HOWARD E. FARMER,
Cashier, First National Bank.

BAIRD, TEX., *June 16, 1953.*

Hon. LYNDON B. JOHNSON,
Senate Office Building:

Due to extreme drought we have no market for our cattle. Imperative that something be done immediately to improve market for stocker and feeder cattle.

C. B. SNYDER, Jr.

GAIL, TEX., *June 26, 1953.*

Senator LYNDON JOHNSON,
Washington, D. C.:

We the farmers and ranchers of Borden County, urge that present law on cotton acreage be changed. Our recommended change is to use the 3 years 1951, 1952, and 1953 for figuring cotton acreage under the control allotment. We also recommend on the drought emergency loan that it be included to pay debts now owing. This would be most helpful as it would reduce interest rate on back debts. We recommend that CCC seed be made available to the farmers and ranchers at the same price as sold to foreign countries. We will certainly appreciate your consideration of the above recommendation.

HUBERT WALKER,
County Commissioner, Farmers and Ranchers, Borden County.

SAN ANTONIO, TEX., *June 26, 1953.*

Hon. LYNDON B. JOHNSON,
Senate Office Building,
Washington, D. C.:

We are extremely grateful to you for your splendid efforts toward establishing immediate drought relief for south Texas farmers and ranchers. Copies of your telegrams have gone forward to our board of directors numbering more than 100 south Texas business and agricultural leaders; also to chamber of commerce organizations in our area. We hope to have conference with Secretary Benson here Saturday night or Sunday on seriousness of situation in all sections of south Texas and seek inclusion of 52 counties we serve in drought disaster area. Regards.

H. E. NIX,
South Texas Chamber of Commerce.

WELLINGTON, TEX., *June 26, 1953.*

Senator LYNDON JOHNSON,
Senate Office Building,
Washington, D. C.:

Last night Collingsworth County Farm Bureau called emergency meeting on drought and cattle situation; 86 present, 55 cattlemen. Cattle raisers association bitterly condemned for opposition to price support for cattle. Resolution passed unanimously asking for minimum price support for cattle at 80 percent parity also long-term credit for farmers covering past, present, and future credit requirements. Also asked that there be no acreage allotments on cotton or wheat in disaster area. It was brought out that Dr. Krick's long-range weather forecast is that we will have no chance for beneficial rain before July 13. We had no wheat crop, have no prospect for cotton crop. And with cattle market gone, business is at standstill. Just thought you should know of these developments.

R. L. TEMPLETON,
County Judge.

JACKSBORO, TEX., *June 26, 1953.*

Senator LYNDON JOHNSON,
Washington, D. C.:

Jack County livestock producers in emergency meeting today request that Jack County, Tex., be placed in drought-disaster area under Public Law 875, and that four-point livestock program be established: (1) Government purchase program disposing of meats outside normal channels; (2) emergency feed loans and emergency refinancing on present livestock loans; (3) establish emergency hay and protein program; (4) pass legislation establishing parity program for livestock industry comparable to other agricultural commodities.

LIVESTOCK PRODUCERS EXECUTIVE COMMITTEE,
J. D. CRAFT, *Chairman.*
Mrs. LEE O. GOWDY.
H. J. RICHARDS.
T. D. WILLIAMS.
RALPH WOLFE.

NEW BRAUNFELS, TEX., *June 26, 1953.*

Hon. LYNDON B. JOHNSON,
Senate Office Building,
Washington, D. C.:

This organization, in regular session, assembled June 24, voted unanimously, and endorses, the telegram forwarded to you Monday, June 22, by the South Texas Chamber of Commerce, in which we plead for immediate aid to the livestock industry in this region of the drought disaster area.

NEW BRAUNFELS BOARD OF CITY DEVELOPMENT,
MARK V. FUCHS, *President.*
COMAL COUNTY CHAMBER OF COMMERCE,
A. D. NUHN, *Manager.*

JOHN CLAY & CO.,
San Antonio, Tex., June 18, 1953.

Hon. LYNDON JOHNSON,
Senator, Washington, D. C.

DEAR SIR: I am writing you in behalf of our thousands of livestock producers in Texas who are our customers and your constituents and asking that you do all in your power to see that some measures of an emergency nature are passed to assist them through this crisis.

As you know we are still in a serious drought, and this together with the decline in livestock prices, has just about ruined our industry financially. If something is not done very soon we are of the opinion that our whole economy will suffer as a result of it.

I have always admired the independence expressed by the livestock industry, and their desire to be free of Government control, but I do not believe this reflects the attitude of the average rancher and farmer, especially at this time. It is a case now of simply saving them from bankruptcy, and anything that you can do to assist them at this time will certainly be appreciated by them as well as by ourselves.

Yours very truly,

J. F. BOLES, *Manager.*

RIGHTS OF THE GERMAN PEOPLE

Mr. WATKINS. Mr. President, the press today carries a story which is shocking to all freemen everywhere. The headline is "Reds Deport Reich Rebels."

The story, published in the Washington Daily News of today, reads as follows:

BERLIN, June 27.—The Russians have begun mass deportation of anti-Communists arrested during last week's rebellion against Red rule in Soviet Germany, it was reported today.

At the same time, the West Berlin newspaper Telegraf reported the death of a 16-year-old German boy shot down by Soviet sentry in Red Berlin while he was watching Russian soldiers repair a tank.

Press reports, quoting recently arrived refugees, said a 125-car freight train apparently loaded with political prisoners was sighted in Red Germany this week, moving east toward Communist Poland. It's eventual destination was unknown.

APPEALS IGNORED

The West Berlin Morgenpost said more than 15,000 Germans were arrested during the rebellion. The newspaper said also Soviet martial law has been clamped on 18 German cities and 4 rural districts.

The official United States occupation newspaper Neue Zeitung said German Communist leaders have appealed repeatedly to Russian Maj. Gen. P. T. Dibrova to end military rule in Red Berlin, but that he refuses to do so until "peace, order and security" are fully restored."

RELIEF

Meanwhile, the Reds rushed action on their "desovietization" program in Soviet Germany, apparently hoping to enlist popular support for the Red regime that is now sustained only by the guns and tanks of some 300,0000 Russian soldiers.

The Red radio and the official Communist agency ADN reported today that the following measures have been ordered to appease the angry anti-Communist millions who rose last week against their Red rulers:

The release of anti-Communists imprisoned for fighting the sovietization of their homeland, and of farmers jailed for failure to meet crop quotas.

The return to their former owners of private enterprises nationalized by the Communists. Fourteen such businesses have been denationalized in Rostock alone, ADN said, and "a number of others will be returned soon."

The extension of loans to businessmen who had been brought to the brink of bankruptcy by tight credit controls. Such loans were reported running 40 percent above May levels in the city of Chemnitz, but no actual figures were given.

Dismissal of tax charges brought against businessmen and farmers as a means of confiscating their property. The dropping of 2,000 such cases were reported by ADN.

Reduction of train fares for workers effective July 1, and a promise of quick action to increase production of oleomargarine, which vanished from grocery shelves in Soviet Germany months ago.

Most if not all of these measures had been promised before the revolt erupted 10 days ago, but the Reds' quick action in putting them into effect was believed to be a measure of their uneasiness.

Mr. President, the American people have long accepted the basic principles set forth in our Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed, that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their safety and happiness.

The American people still stand for those principles, and this great Republic was built on those principles. It has extended its hand in recent times, as in other times, to help those who are being oppressed. The people of East Berlin and of East Germany have courageously demonstrated their sense of devotion to those principles of freedom and justice by their heroic resistance to the Soviet-controlled East German regime, and are mindful that the United States secured its freedom by popular revolt against tyranny. An encouraging word from us today would be very helpful at this time.

I ask unanimous consent, out of order, to submit a concurrent resolution, which I send to the desk.

The concurrent resolution (S. Con. Res. 36), submitted by Mr. WATKINS, was received and referred to the Committee on Foreign Relations, as follows:

Whereas the American people have long accepted the basic principles set forth in the American Declaration of Independence of 1776 in the following words: "That all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed. That whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organising its power in such form, as to them shall seem most likely to effect their safety and happiness"; and

Whereas the people of East Berlin and East Germany have so courageously demonstrated their strong devotion to these principles of freedom and justice by their heroic resistance to the Soviet-controlled East German regime and mindful that the United States secured its freedom by popular revolt against tyranny; and

Whereas the Soviet regime, being unable to win the allegiance of the people under its rule, knows no other method of achieving the compliance of the people to their dictatorship than by force of arms, terror, murder, imprisonment, reprisals, and mass deportation; and

Whereas the cause of freedom cannot be contained and will eventually triumph: Now, therefore, be it

Resolved by the Senate of the United States (the House of Representatives concurring), That the Congress of the United States in behalf of the American people hereby expresses the firm conviction that the people of East Germany are entitled to their basic, inalienable God-given rights and freedoms for which they are now struggling.

SEC. 2. It is further expressed to be the firm conviction of the American people that the people of Germany, now presently divided, have the right to be a unified nation governed by their own consent by the free expression of popular will in free elections.

SEC. 3. The Congress of the United States further expresses in behalf of the American people its friendship and sympathy with the people of East Germany, particularly those who have suffered at the hands of the Communists, because of their patriotic defiance of Communist tyranny, and denounces the action of the Communist regime in killing, imprisoning, and deporting those who have openly demonstrated their love of liberty and justice, and asserts that this sacrifice for freedom will aid the cause of freedom in all the Communist enslaved nations and will inspire freedom-loving people everywhere.

WITHDRAWAL OF NOMINATION OF TOM LYON

Mr. WATKINS. Mr. President, a recent occurrence has attracted considerable attention and has been a delightful subject for some columnists who want to tell only a part of the story in their comments. I am referring to the nomination of Tom Lyon, of Utah, to be Director of the Bureau of Mines.

Mr. Lyon is one of the outstanding citizens of the State of Utah. He has been serving in the Government, I am informed—and I believe reliably informed—for about 29 months. During 2 years of that time he served under the Truman administration.

He told the Committee on Interior and Insular Affairs the other day that his file in the Defense Materials Procurement Administration contained the statement about his pension, which caused so much trouble the other day and brought about a request from me and other Senators that his name be withdrawn.

That information was before the administration all the time he was working in that agency, in which hundreds of millions of dollars in contracts, some of them with mining companies, and possibly with companies he had worked for previously, were being considered and acted upon. Nothing was said about it.

When his name came to me from the mining association of my State, with the recommendation that I support him for the position, I had in mind the services he had rendered to the Government up to this time during the emergency.

Knowing of him only by reputation, and not knowing him personally, I sent the recommendation to the President and the Secretary of the Interior, for appointment as Director of the Bureau of Mines.

I would not be calling attention to the appointment except for the fact that some persons, particularly some of my friends in the Democratic Party, seem to get a great deal of glee out of it. I believe those persons ought to know that Mr. Lyon actually served in their administration for more than 2 years, with the full facts known and contained in his file, according to his testimony. There are other persons who are serving under the same conditions, having similar pensions coming to them from their companies.

I call attention to a newspaper account, printed in the Washington Star of Friday, June 26, in which this statement appears:

There was an echo to the incident in the House yesterday when Representative HAYS, Democrat, of Ohio, said he thinks "there is a race between Secretaries Weeks and McKay as to who is going to be the biggest 'boob' in the administration."

From the party which had employed this man, and had employed him for that length of time, it comes, to my way of thinking, with poor grace to criticize the Republican administration for submitting this man's nomination to the Senate for confirmation.

I had a conversation with some of my Democratic colleagues on the Committee on Interior and Insular Affairs, and they said to me, if my face was red, theirs should be three times as red, because, they said, "We had him for a long period of time, and apparently, according to his own testimony, his full record was in the file, and we should have known better."

I make this statement because of the fact that some of our friends in the other party are trying to make something out of the appointment.

Personally, ever since I have been in the Senate I have been opposed to such employment by the Government, not only with reference to this position, but in all positions where there would be a conflict of interest. I think my record is well known on that point. The moment I discovered that Mr. Lyon was in such a conflicting situation, I suggested to the Secretary of the Interior, through Assistant Secretary Wormser, that action should be taken. As soon as the offices were open in the morning on which the hearing was to be resumed, I urged that his name be withdrawn. It has been withdrawn.

I wish to say a few words about Mr. Lyon. He is a very able man. He is a

rugged type of individual, just as honest as can be. His answers before the committee were the type that one would expect from a good, honest, rugged individual. He did not try to hide anything. He said, "My record is in the file in the special agency having to do with the procurement of defense materials." He stated his views very frankly on the matter of the enforcement of the law. He was absolutely in favor of the enforcement of the law, although he personally did not believe it was a good law.

Under the circumstances, with that conflict of interest becoming known to me in the committee hearing, it seemed to me, there was only one honest and honorable thing to do, and the was to have his name withdrawn. Mr. Lyon himself agreed. He said, "I will ask the President, through the Secretary of the Interior, to withdraw my name. I do not want to embarrass anyone. I did not know that there would be any objection raised now, since I have been serving as long as I have in the Government."

We regard Tom Lyon very highly in our State. He had the endorsement of every mining association in the West.

Many endorsements came into the Secretary's office in support of his nomination. I talked to some close friends of mine, on whom I could rely, about Mr. Lyon and about his qualifications, and I was assured that he had severed all relations with mining companies and mining interests, and that he was free and able to go ahead and serve the Government without any conflict of interest.

I am sure they did not know about the particular pension arrangement he had, or they would have informed me.

The incident itself does not deserve that too much time be devoted to it. The President has withdrawn his name. The withdrawal was sent in yesterday. I wanted to clear up some circumstances concerning this appointment and its aftermath.

TEMPORARY APPROPRIATIONS, 1954—REPORT OF COMMITTEE ON APPROPRIATIONS

Mr. MORSE obtained the floor.

Mr. BRIDGES. Mr. President, will the Senator from Oregon yield to me to report a joint resolution making temporary appropriations, which should be acted on, and to which I am sure there is no objection?

Mr. MORSE. I yield.

Mr. BRIDGES. Mr. President, from the Committee on Appropriations I report favorably, without amendment, the joint resolution (H. J. Res. 287) making temporary appropriations for the fiscal year 1954, and for other purposes, and I submit a report (No. 474) thereon.

I might say that the House of Representatives has passed what is known as a continuing resolution for some years past. There have been 4 or 5 or 6 of them. I hope this year we shall have only 1, to carry over until July 31, and that we may adjourn at that time. The purpose of the joint resolution I am reporting is to continue the appropriation at the lowest figure, whether it be a House bill or a Senate bill. It is the same principle which has been followed in recent years.

If the Senator from Oregon will permit, I should like to have the joint resolution, which has been sent from the House, and has now been reported by the Committee on Appropriations, unanimously agreed to.

The PRESIDING OFFICER. The clerk will state the joint resolution by title for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 287) making temporary appropriations for the fiscal year 1954, and for other purposes.

The PRESIDING OFFICER. Is there objection to the consideration of the joint resolution?

Mr. MORSE. Mr. President, I personally have no objection, but since I am yielding to the Senator from New Hampshire, I wish to make clear to the present acting majority leader and the acting minority leader that the acting majority leader, the distinguished Senator from California [Mr. KNOWLAND], in a statement earlier this afternoon, gave assurance to the Senate that no further business would be transacted today. I have not the slightest idea whether any Senator would object to consideration of the joint resolution.

Mr. GORE. Mr. President, what is the request?

The PRESIDING OFFICER. The request is for consideration by the Senate of House Joint Resolution 287.

Mr. GORE. Reserving the right to object, in view of the understanding entered into earlier in the day, and in view of the fact that no notice of the proposed action was given to the minority, I am not in a position to give my consent to the consideration of the joint resolution at this time. Therefore, I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. BRIDGES. Mr. President, in order that the Senator from Tennessee may understand, I did not know of the agreement that no other business would be transacted today. I have been in attendance at a meeting of the Committee on Appropriations, working diligently to attain what I am seeking to have the Senate do. We were notified by the House that the joint resolution had been agreed to by unanimous action on the part of the House Committee and of the House of Representatives itself. It has been discussed and unanimously approved by all the minority and all the majority Members of the Senate Committee on Appropriations. No question has been raised about it.

However, if the Senator from Tennessee still feels that he should object, I will let the matter go over until the first of the week. I do not believe there could be possibly any objection to the consideration of the joint resolution, but if the Senator feels he should object, I shall withdraw my request.

Mr. GORE. If the Senator from New Hampshire would withhold his request until I could contact the minority leader and the ranking minority member of the Senate Committee on Appropriations, it might be that so far as the minority is concerned the joint resolution could go through without objection. It might be that other Senators also would need to be contacted.

Mr. BRIDGES. In that case I will withdraw my request for immediate consideration, because I do not wish to violate any agreement or any statement that has been made by the acting majority leader that no business would be transacted. I had no knowledge of such action. I know only that this is exactly the same procedure that has been followed previously for as long as I can remember, and the joint resolution has been handled in exactly the same way. It has received the unanimous approval of the House of Representatives and of the Senate Committee on Appropriations.

The action will have to be taken so that Government employees throughout the country can be paid. It should be done a day or two in advance of the first of the month, so that books and accounts can be set up. I suppose that consideration of the joint resolution on Monday would not make much difference.

Mr. GORE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

Mr. GORE. As the Senator from New Hampshire knows, it was my privilege to serve for many years on the House Committee on Appropriations and to be in conference with the distinguished Senator many times. I concur thoroughly in the necessity for this action. However, I do not believe it is absolutely imperative that the action be taken today; it can be taken on Monday. I appreciate the Senator temporarily withholding his request for action. In view of the statement made by the acting majority leader that no business would be taken up, it may be that the Senator will not wish to press his request.

Mr. BRIDGES. Mr. President, I withdraw my request.

The PRESIDING OFFICER. The joint resolution will be placed on the calendar.

Mr. MORSE. I knew that the Senator from New Hampshire did not know of the statement made by the acting majority leader. That is why I advised him of it. I thought he could then decide whether he wished to get in touch with the acting majority leader. I quite agree with the object of the joint resolution and shall support it on Monday.

Mr. BRIDGES. I appreciate the courtesy of the Senator in yielding. Certainly I do not wish to violate any agreement made in the Senate.

REPORT OF THE INDEPENDENT PARTY

Mr. MORSE. Mr. President, the representative of the Independent Party in the Senate proposes even though the hour is late, to make his weekly report on the series of issues which he considers to be of importance to the public welfare.

Before he does so, now that he has the floor in his own right, he wishes to express a comment to the acting majority leader, the junior Senator from Maryland [Mr. BEALL] who is relatively young in service in the Senate, and who apparently is unaware of the fact that on an afternoon like this, when the understanding is that no votes are to be taken, and when we are making our records on various issues, the acting majority leader

does not engage in the kind of discourtesy which the acting majority leader extended to me a few minutes ago, when, after the Senator from Tennessee [Mr. KEFAUVER] yielded to the Senator from Kentucky to express his views concerning the Senator from Oregon, and I asked the same courtesy, and was replying to the Senator from Kentucky, the acting majority leader saw fit to rise and ask for the regular order, as he technically had the right to do.

I wish to tell the Senator from Maryland that I do not appreciate his discourtesy, but it is typical of the fact that the Republicans cannot take it. When a Senator rises to reply to one of their Members who has made an argument, then the Senator sitting in the chair of the majority leader, simply because the Senator who wishes to reply does not have the floor in his own right, seeks to call that Senator to order through the device of asking for the regular order, although the Senator who had the floor was perfectly willing to have the comments made.

Mr. President, finally I got the floor in my own right; and now I shall finish my comments, no matter how long they may take, because that happens to be the privilege of a Senator when he obtains the floor in his own right.

I call attention to this matter because it is typical of the kind of treatment accorded by Senators on this side of the aisle to which the representative of the Independent Party has become accustomed at this session of Congress.

Mr. President, over a period of weeks I discussed the question of committee assignments in the Senate. During that time I pointed out that there was only one precedent in the whole history of the Senate, namely, one in 1871, in which a Senator with seniority in the Senate had been denied his seats on committees. Weeks passed, and my challenge stood.

When the day came when the final vote was to be taken the minority leader said there was another precedent, that of 1847 involving Senator John Hale. On that day I said that in my judgment that was not a precedent. I also said that when I got time to refer to the books I would discuss that matter.

I shall discuss it this afternoon. Of course, Mr. President, a precedent means a case on all fours; it means that the operating facts on the basis of which the argument is made are present in both cases. Of course, the Hale case is no precedent at all, because at that time Hale had no seniority in the Senate. That situation arose when Hale first came to the Senate. He had been elected as a Free Soiler, and he was refused assignment to committees. But that has nothing to do with my case, and it had nothing to do with the Sumner case of 1871.

The common operating fact in the Sumner case and in the Morse case is the fact that both Sumner and MORSE had seniority service in the Senate. Hale had none. Hale was a Free-Soiler. When he first came to the Senate he was denied a seat on committees. But at that time, as a freshman Senator, he had no claim on the basis of seniority. At that time he was subject to whatever assignments the Senate gave him. That is not the Sumner case or the Morse case. Of course, the Sumner case has been referred to by historians, ever since, as a clear violation of Sumner's rights in the Senate, insofar as seniority is concerned. I am willing to suggest most modestly today, Mr. President, that that is what historians will refer to, also, in regard to the Morse case, because both the Sumner case and the Morse case are on a par.

I repeat that the Sumner case of 1871 is the only precedent in the history of the Senate for denying a Senator who already had served in the Senate—as I had for 8 years—his seniority rights.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER [Mr. WATKINS in the chair]. Does the Senator from Oregon yield to the Senator from Maryland?

Mr. MORSE. I yield.

Mr. BUTLER of Maryland. The Senator from Oregon has unwittingly done my colleague, the junior Senator from Maryland [Mr. BEALL], an injustice. When I occupied the Chair a few minutes ago, during the colloquy between the Senator from Oregon and the Senator from Kentucky, I sent word to the then acting majority leader to call for the regular order. I did so for two reasons: first, that the hour was growing late; and second, because, occupying the Chair, I knew the Senator from Oregon would be the next speaker and in the course of his remarks, would speak on a kindred subject, as he had said earlier he would do, and, therefore, would have ample opportunity to answer the Senator from Kentucky.

It may have been wrong to do that. If it was, I most humbly beg the pardon of the Senator from Oregon. But it was done in the best of good faith. It was done to expedite the work of the Senate on a day when we had worked hard, and wished to go home.

I hope the Senator from Oregon will take no offense.

Mr. MORSE. Mr. President, I am sure my good friend, the Senator from Maryland, knows that in such a situation the best way to expedite the business of the Senate is to "let the boys get it out of their systems" at the time, for, after all, for the purpose of the RECORD, the time to reply to the Senator from Kentucky was then, in the interest of the continuity of the RECORD.

I am glad the senior Senator from Maryland has made his statement. I think both Senators from Maryland were wrong in the procedure they followed. I think the senior Senator from Maryland was wrong in his advice to the junior Senator from Maryland, and I think the junior Senator from Maryland was wrong in carrying it out.

But be that as it may, we have made the point.

Mr. BUTLER of Maryland. I did not wish the RECORD to stand as it did because the junior Senator from Maryland [Mr. BEALL] was not at fault in any way.

Mr. MORSE. Mr. President, I wish to say, further, that I think it is always wise—unless there is some reason of pressing business—to clear up misunderstandings at the time when they arise. Certainly the Senator from Kentucky and I were not of one mind on the subject matter, and it was obvious that my remarks on that point would be brief. So I wished to complete them.

But I understand the situation.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Oregon yield further?

Mr. MORSE. I yield.

Mr. BUTLER of Maryland. There was another reason for the procedure which was followed. The Senator from Oregon had said the Senator from Tennessee apparently was willing to have the colloquy continue. The Senator from Tennessee had stated on the floor as I think the RECORD will show, that he did not wish to yield. In my opinion the Senator from Oregon had sufficiently answered the Senator from Kentucky, and the point had been covered.

Mr. MORSE. In reply, let me say to my good friend, the Senator from Maryland, that I think the RECORD will show that the Senator from Tennessee simply said he wished to finish his speech. But he made very clear that because I was replying to a criticism which had been made of me, he was willing to yield for that purpose.

Again I say most respectfully that it was for me to decide whether the Senator from Kentucky had been sufficiently answered.

Mr. BUTLER of Maryland. I realize that.

Mr. MORSE. If I ever were to proceed in the Senate on the basis of what some of my colleagues might think was an adequate answer, I would not talk very much in the Senate.

Mr. BUTLER of Maryland. I appreciate that.

Mr. MORSE. But I have reached the point where I am not particularly concerned about the views of my colleagues. I propose to speak for the record for the benefit of the people, as I see the issues. All my colleagues can disagree with me; that will be all right.

The fact is that all 96 Senators have the solemn obligation of acting in accordance with their own best judgment regarding the position they should take in the Senate and what they should say in the Senate, in representing the people.

Mr. BEALL. Mr. President——

Mr. MORSE. I yield to the junior Senator from Maryland.

Mr. BEALL. Mr. President, I feel that I should apologize to the Senator from Oregon. I did not intend to cut him off. I regret that I may have interfered with something the Senator had to say. I thought the time belonged to the Senator from Tennessee.

Mr. MORSE. I may say to the Senator from Maryland, Do not worry about an apology. When we have little differences of opinion, I act on the theory that it is best to get them behind us, and pass on to the next issue.

Mr. BEALL. Very good.

Mr. MORSE. I want both the junior Senator from Maryland, as well as the senior Senator from Maryland, who has just come into the Chamber, to know that when we agree on something, I shall be fighting with them shoulder to shoulder, and, with me, these little differences are over with once I have expressed myself on them.

Mr. President, I believe that in the history of the Senate of the United States, this day will prove to be a very important one from the standpoint of the record that has been made on the issue of public power. I compliment both the senior Senator from Washington [Mr. MAGNUSON] and the junior Senator from Washington [Mr. JACKSON], as well as the Senator from Tennessee [Mr. KEFAUVER] and other Senators who joined in making the record today concerning the needs of the great Pacific Northwest for the development of certain projects which should be developed if we are to keep faith with ourselves, on the Columbia River and the Snake River. Those development programs, in my judgment, are essential if we are to develop in the Pacific Northwest, as we need to do, the great expansion of private enterprise through the economic benefits which will flow from multipurpose dams to be built by the taxpayers of the country. As a part of that record today, I wish now to make a few remarks concerning my interpretation of the Eisenhower power program.

I say, Mr. President, we must now get ready for giveaway No. II—the giveaway of the Nation's hydro resources. We have already started on that giveaway; we are proceeding with great speed.

There is one great problem in this giveaway No. II and that is that it is not necessary for the administration to do it all in one bill. They would not, of course, dare do it in one bill because the fallacious argument of States rights and dusty treaties is harder to bring into the power picture than it was into the tidelands oil picture. On the other hand, by a combination of administrative actions, appropriations, agency actions, and possibly substantive legislative actions, the power facilities of the Nation, the existing facilities, and those which are in the process of construction as well as those which can and should be placed under construction can be given away to the great private corporations that have found a home in the offices of the present administration.

It is our task here today and in the days to follow to tell the people of this Nation that they are being looted and robbed of their resource birthright by a series of devious tactics. How wonderful it would be if we could call up Paul Revere to light his lamps, "one if by land, two if by sea" to warn the people that the enemy is coming. I would not wish to deprecate the accomplishments of the revolutionary fathers, but I envy the simplicity of operations in those days—"one if by land, two if by sea." If Paul Revere had had to deal with the big business press of today, he would have had real difficulties. I do not doubt that the press would have attempted to tell the people of New England, first that there really was no enemy in sight, just a handful of redcoated, friendly tax-paying, business-managed, investor-owned British regulars who favored economy and fair treatment of the tea-tax collectors. Then if that had failed, such a press would have attempted to tell the people that where they thought they saw one light there were two, or vice versa.

Our task here is made infinitely more difficult because we find it so hard to communicate with the people. For weeks I have been sounding the warning that giveaway No. II was coming, but I am sure that many people of even my own State have never seen a fair synopsis of my remarks in print.

The interim appropriation bill and the Army civil functions bill, called upon us in the public interest to restore the slashed funds for the development of power and the transmission lines to carry it to the rural electric cooperatives and other preference customers. If we are to protect the public interest we should pass a series of bills to assure the people that the Federal Power Commission would never again be permitted to give away a rich resource like Roanoke Rapids Dam site and water flow to a private corporation monopoly like Virginia Power Co. We would provide that none of the people's priceless heritage could be ceded free to monopoly profit corporations. This would make certain that the avoidance of the responsibility of their positions by Secretaries Benson and McKay in withdrawing from the Hells Canyon case before the Federal Power Commission would not result in that resource being turned over to Idaho Power Co. by action of the Commission.

We would pass legislation providing for the public development of St. Lawrence, Niagara, Hells Canyon, Ice Harbor, and other great hydro projects. We would stop this looting expedition in its tracks by preempting every power site in America for development by the people for the people, where the site would serve a multipurpose dam. These are capital investments, not operating costs. It does not happen to be true that the Senator from Oregon takes the position that all dams should be built by the Federal Government. The Senator from Oregon has cooperated and will continue to cooperate in the development of low-head dams by private utilities at sites where the public interest is not impaired by the development of such dams.

It was only this week that I went to the Federal Power Commission with the vice president of a private utility in my State, who happens to be a very good friend, and who recognizes that I do not have the horns I am supposed to have with which to gore the interests of private utilities, but that I can be counted upon to fight to protect the legitimate interests of a private utility. Thus, I say, it was only this week that I went with the vice president of one of the private utilities in my State to the Federal Power Commission, in respect to a petition which that private utility has pending for authorization to go ahead with the construction of some private-utility facilities in Oregon that do not at all involve a multipurpose site or project.

But, Mr. President, I certainly will fight the private utilities, as I am fighting them in respect to the Hells Canyon Dam, when they seek to build a low-head dam at Oxbow that would destroy forever the availability of the Hells Canyon Dam site for a multiple-purpose dam and would prove costly, as the Senator from Washington pointed out this afternoon in a colloquy with me, in connection with obtaining the full potential of such dams as Ice Harbor, because so many dams are dependent upon an integration of the power developed by Hells Canyon Dam.

So I say, Mr. President, that even if our discussion here does not increase by one dollar the funds necessary to accelerate the development of hydro power, we still have a duty to perform. We must use this occasion fully lest there be no other occasion. We must use this opportunity to tell the American people what is going on since it was "time for a change." We must spread the full story of the scuttling that is under way on the record.

FIFTY YEARS OF PUBLIC PREFERENCE

For almost a half century this Congress and Federal administrators have taken the position that when the people's property was developed with the people's money that the power output from those projects was made available to nonprofit people's organizations in the form of municipal, State, and cooperative electric systems. This right to use of their own property is known as the "preference right," the right to first preference in the sale of power from Federal projects. This right in relation to electric power was first enunciated in Senate bill 87 in 1906; it passed the House on April 4, 1906, and the Senate on April 5, 1906. Section 5 of this bill stated:

> That whenever a development of power is necessary for the irrigation of lands under any project undertaken under the said Reclamation Act, or any opportunity is afforded for the development of power under any such project, the Secretary of Interior is authorized to lease for a period not exceeding 10 years, giving preference to municipal purposes, any surplus power or power privilege, and the moneys derived from such leases shall be covered into the reclamation fund and be placed to the credit of the project from which such power is derived.

Ten years is long enough, Mr. President. Ten years is all the contract ought to provide for, because we ought to have a review, in my judgment, at the end of every 10-year period. The Bonneville Act provides for 20 years. I would that it provided for 10 years. I am not in favor of making a great many exceptions to the original intent of the Congress.

That causes me to comment on the very interesting series of negotiations which have been conducted in recent years by the Department of the Interior for a contract with private utilities. On two other occasions I have discussed on the floor of the Senate the history of those negotiations, and I shall not review them in any detail this afternoon, except to say again, as I indicated very clearly in my speech in Portland, Oreg., the other night, when I had before me a copy of a draft of the proposed 20-year contract which the Bonneville Administration was discussing in negotiations with private utilities, that the responsibility for the negotiations rests squarely on the shoulders of the Secretary of the

Interior in spite of his propaganda answer to Drew Pearson in which he set forth that the contract was not being negotiated in Washington, but was being negotiated in Portland, Oreg., by the Bonneville Administration, leaving to the casual or unthinking reader the false impression that the responsibility for the contract was Bonneville's and not that of the Secretary of the Interior. He forgot to mention in his letter that he instructed Bonneville to go ahead with the negotiations. He forgot to point out to those who might read his letter that the first steps leading to the immediate negotiation of a contract were taken by the private utilities with the Secretary of the Interior, and the Bonneville Administration, being an agency of the Secretary of the Interior, who, under the law, has the responsibility to approve or disapprove a contract, went ahead in accordance with instructions. So it becomes apparent, Mr. President, that we must read the propaganda releases of the Secretary of the Interior very, very carefully.

It is my reasoned judgment that the final contract, if and when negotiated with the private utility, will be a far different contract than it would be if those of us who obtained a copy of an early proposal had not taken our case to the people.

Let me tell you, Mr. President, the reaction among the people of Oregon to this proposed contract was instant, critical, and in opposition to clause after clause of the first proposal which Drew Pearson and the Senator from Oregon disclosed. I shall await with great interest the final contract, in view of the public disclosures we have already made as to the scheme of the Secretary of the Interior in the field of contracts with private utilities.

Here, again, Mr. President, the record is clear. I have always said private utilities are entitled to reasonable contracts for reasonable quantities of power from multiple-purpose dams, getting the power not at the bus bar but from grid-back transmission lines carrying the power to load-center.

That is the way to protect the public yardstick in the competition for power, and without such a public yardstick we are at the mercy of the yardstick of a private monopoly.

So, because of that provision—and every private utility official in Oregon would have to so testify if he were asked his position on private utility rates—I shall insist that private utilities be given fair and reasonable contracts for power from multiple-purpose dams. We can go forward with a sound program for the development of multiple-purpose dams—we shall have plenty of power for our power contracts with private utilities—but if we do not go forward with such a program and continue the kind of pattern set in the past two appropriation bills in regard to transmission lines, we are headed for more brown-outs and a short supply of public power for other purposes, in order to develop a private utility program that does not seek a large quantity of cheap power, but a cream-skimming program for the benefit of private utilities and the development not of the maximum potential of the stream, but the development of a quantity of power far below the maximum, as we see it in the Idaho power program which I have been discussing in the Senate over a period of weeks.

Mr. President, continuing my discussion on the subject of preference rights, the preference right principle has been reiterated over and over again in the years since its adoption in 1906. I do not wish to take the time of the Senate to develop the entire history of the principle, but I do wish to submit certain illustrations.

I have collected a body of laws in regard to this general subject matter. I ask unanimous consent to have printed at this point in my remarks material quoting from existent legislation on the subject of preference rights.

The PRESIDING OFFICER (Mr. BUTLER of Maryland in the chair). Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

June 22, 1944: Committee on Commerce reported with amendments H. R. 4485 in Senate Report 1030. Amendment No. 6 authorized the Secretary of the Interior to dispose of electric power generated at reservoir projects under the control of the War Department. "The committee recognizes the desirability of granting preferences in the sale of such power and energy to public bodies and cooperatives when the power is generated at projects financed by the Federal Government."

[Public, No. 642, 70th Cong.]

H. R. 5773

An act to provide for the construction of works for the protection and development of the Colorado River Basin, for the approval of the Colorado River compact, and for other purposes

* * * * * *

SEC. 5. That the Secretary of the Interior is hereby authorized, under such general regulations as he may prescribe, to contract for the storage of water in said reservoir and for the delivery thereof at such points on the river and on said canal as may be agreed upon, for irrigation and domestic uses, and generation of electrical energy and delivery at the switchboard to States, municipal corporations, political subdivisions, and private corporations of electrical energy generated at said dam, upon charges that will provide revenue which, in addition to other revenue accruing under the reclamation law and under this act, will in his judgment cover all expenses of operation and maintenance incurred by the United States on account of works constructed under this act and the payments to the United States under subdivision (b) of section 4.

* * * * * *

(c) Contracts for the use of water and necessary privileges for the generation and distribution of hydroelectric energy or for the sale and delivery of electrical energy shall be made with responsible applicants therefor who will pay the price fixed by the said Secretary with a view to meeting the revenue requirements herein provided for. In the case of conflicting applications, if any, such conflicts shall be resolved by the said Secretary, after hearing, with due regard to the public interest, and in conformity with the policy expressed in the Federal Water Power Act as to conflicting applications for permits and licenses, except that preference to applicants for the use of water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy, or for delivery at the switchboard of a hydroelectric plant, shall be given, first, to a State for the generation or purchase of electric energy for use in the State, and the States of Arizona, California, and Nevada shall be given equal opportunity as such applicants.

The rights covered by such preference shall be contracted for by such State within 6 months after notice by the Secretary of the Interior and to be paid for on the same terms and conditions as may be provided in other similar contracts made by said Secretary: *Provided, however,* That no application of a State or a political subdivision for an allocation of water for power purposes or of electrical energy shall be denied, or another application in conflict therewith be granted on the ground that the bond issue of such State or political subdivision, necessary to enable the applicant to utilize such water and appurtenant works and privileges necessary for the generation and distribution of hydroelectric energy or the electrical energy applied for, has not been authorized or marketed, until after a reasonable time, to be determined by the said Secretary, has been given to such applicant to have such bond issue authorized and marketed.

(d) Any agency receiving a contract for electrical energy equivalent to 100,000 firm horsepower, or more, may, when deemed feasible by the said Secretary, from engineering and economic considerations and under general regulations prescribed by him, be required to permit any other agency having contracts hereunder for less than the equivalent of 25,000 firm horsepower, upon application to the Secretary of the Interior made within 60 days from the execution of the contract of the agency the use of whose transmisson line is applied for, to participate in the benefits and use of any main transmission line constructed or to be constructed by the former for carrying such energy (not exceeding, however, one-fourth the capacity of such line), upon payment by such other agencies of a reasonable share of the cost of construction, operation, and maintenance thereof.

The use is hereby authorized of such public and reserved lands of the United States as may be necessary or convenient for the construction, operation, and maintenance of main transmission lines to transmit said electrical energy.

SEC. 6. That the dam and reservoir provided for by section 1 hereof shall be used: First, for river regulation, improvement of navigation, and flood control; second, for irrigation and domestic uses and satisfaction of present perfected rights in pursuance of article VIII of said Colorado River compact; and third, for power. The title to said dam, reservoir, plant, and incidental works shall forever remain in the United States, and the United States shall, until otherwise provided by Congress, control, manage, and operate the same, except as herein otherwise provided: *Provided, however,* That the Secretary of the Interior may, in his discretion, enter into contracts of lease of a unit or units of any Government-built plant, with right to generate electrical energy, or, alternatively, to enter into contracts of lease for the use of water for the generation of electrical energy as herein provided, in either of which events the provisions of section 5 of this act relating to revenue, term, renewals, determination of conflicting applications, and joint use of transmission lines under contracts for the sale of electrical energy, shall apply.

[Public Law No. 17, 73d Cong.]
H. R. 5031

An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes

* * * * *

SEC. 10. The board is hereby empowered and authorized to sell the surplus power not used in its operations, and for operation of locks and other works generated by it, to States, counties, municipalities, corporations, partnerships, or individuals, according to the policies hereinafter set forth; and to carry out said authority, the board is authorized to enter into contracts for such sale for a term not exceeding 20 years, and in the sale of such current by the board it shall give preference to States, counties, municipalities, and cooperative organizations of citizens or farmers, not organized or doing business for profit, but primarily for the purpose of supplying electricity to its own citizens or members: *Provided*, That all contracts made with private companies or individuals for the sale of power, which power is to be resold for a profit, shall contain a provision authorizing the board to cancel said contract upon 5 years' notice in writing, if the board needs said power to supply the demands of States, counties, or municipalities. In order to promote and encourage the fullest possible use of electric light and power on farms within reasonable distance of any of its transmission lines the board and its discretion shall have power to construct transmission lines to farms and small villages that are not otherwise supplied with electricity at reasonable rates, and to make such rules and regulations governing such sale and distribution of such electric power as in its judgment may be just and equitable:

SEC. 11. It is hereby declared to be the policy of the Government so far as practical to distribute and sell the surplus power generated at Muscle Shoals equitably among the States, counties, and municipalities within transmission distance. This policy is further declared to be that the projects herein provided for shall be considered primarily as for the benefit of the people of the section as a whole and particularly the domestic and rural consumers to whom the power can economically be made available, and accordingly that sale to and use by industry shall be a secondary purpose, to be utilized principally to secure a sufficiently high load factor and revenue returns which will permit domestic and rural use at the lowest possible rates and in such manner as to encourage increased domestic and rural use of electricity.

SEC. 12. In order to place the board upon a fair basis for making such contracts and for receiving bids for the sale of such power, it is hereby expressly authorized, either from appropriations made by Congress or from funds secured from the sale of such power, or from funds secured by the sale of bonds hereafter provided for, to construct, lease, purchase, or authorize the construction of transmission lines within transmission distance from the place where generated, and to interconnect with other systems.

* * * * *

And provided further, That as to any surplus power not so sold as above provided to States, counties, municipalities, or other said organizations, before the board shall sell the same to any person or corporation engaged in the distribution and resale of electricity for profit, it shall require said person or corporation to agree that any resale of such electric power by said person or corporation shall be made to the ultimate consumer of such electric power at prices that shall not exceed a schedule fixed by the board from time to time as reasonable, just, and fair; and in case of any such sale, if an amount is charged the ultimate consumer which is in excess of the price so deemed to be just, reasonable, and fair by the board, the contract for such sale between the board and such distributor of electricity shall be voidable at the election of the board:

[Public, No. 329, 75th Cong.]
[Ch. 720, 1st sess.]
H. R. 7642

An act to authorize the completion, maintenance, and operation of Bonneville project for navigation, and for other purposes

* * * * *

SEC. 2. (a) The electric energy generated in the operation of the said Bonneville project shall be disposed of by the said administrator. * * * The administrator shall, as hereinafter provided, make all arrangements for the sale and disposition of electric energy generated at Booneville project not required for the operation of the dam and locks at such projects and the navigation facilities employed in connection therewith.

* * * * *

(b) In order to encourage the widest possible use of all electric energy that can be generated and marketed and to provide reasonable outlets therefor, and to prevent the monopolization thereof by limited groups, the administrator is authorized and directed to provide, construct, operate, maintain, and improve such electric transmission lines and substations, and facilities and structures appurtenant thereto, as he finds necessary, desirable, or appropriate for the purpose of transmitting electric energy, available for sale, from the Bonneville project to existing and potential markets, and, for the purpose of interchange of electric energy, to interconnect the Bonneville project with other Federal projects and publicly owned power systems now or hereafter constructed.

* * * * *

SEC. 3. As employed in this act, the term "public body," or "public bodies," means States, public power districts, counties, and municipalities, including agencies or subdivisions of any thereof.

As employed in this act, the term "cooperative," or "cooperatives," means any form of non-profit-making organization or organizations of citizens supplying, or which may be created to supply, members with any kind of goods, commodities, or services, as nearly as possible at cost.

SEC. 4. (a) In order to insure that the facilities for the generation of electric energy at the Bonneville project shall be operated for the benefit of the general public, and particularly of domestic and rural consumers, the Administrator shall at all times, in disposing of electric energy generated at said project, give preference and priority to public bodies and cooperatives.

(b) To preserve and protect the preferential rights and priorities of public bodies and cooperatives as provided in section (a) and to effectuate the intent and purpose of this act that at all times up to January 1, 1941, there shall be available for sale to public bodies and cooperatives not less than 50 percent of the electric energy produced at the Bonneville project, it shall be the duty of the Administrator in making contracts for the sale of such energy to so arrange such contracts as to make such 50 percent of such energy available to said public bodies and cooperatives until January 1, 1941: *Provided*, That the electric energy so reserved for but not actually purchased by and delivered to such public bodies and cooperatives prior to January 1, 1941, may be disposed of temporarily so long as such temporary disposition will not interfere with the purchase by and delivery to such public bodies and cooperatives at any time prior to January 1, 1941: *Provided further*, That nothing herein contained shall be construed to limit or impair the preferential and priority rights of such public bodies or cooperatives after January 1, 1941; and in the event that after such date there shall be conflicting or competing applications for an allocation of electric energy between any public body or cooperative on the one hand and a private agency of any character on the other, the application of such public body or cooperative shall be granted.

* * * * *

SEC. 5. (a) * * * (2) in the case of a contract with any purchaser engaged in the business of selling electric energy to the general public, the contract shall provide that the Administrator may cancel such contract upon 5 years' notice in writing if in the judgment of the Administrator any part of the electric energy purchased under such contract is likely to be needed to satisfy the requirements of the said public bodies or cooperatives referred to in this act, and that such cancellation may be with respect to all or any part of the electric energy so purchased under said contract to the end that the preferential rights and priorities accorded public bodies and cooperatives under this act shall at all times be preserved. Contracts entered into with any utility engaged in the sale of electric energy to the general public shall contain such terms and conditions, including among other things stipulations concerning resale and resale rates by any such utility, as the Administrator may deem necessary, desirable, or appropriate to effectuate the purposes of this act and to insure that resale by such utility to the ultimate consumer shall be at rates which are reasonable and nondiscriminatory. Such contract shall also require such utility to keep on file in the office of the Administrator a schedule of all its rates and charges to the public for electric energy and such alterations and changes therein as may be put into effect by such utility.

(b) The Administrator is authorized to enter into contracts with public or private power systems for the mutual exchange of unused excess power upon suitable exchange terms for the purpose of economical operation or of providing emergency or breakdown relief.

[Public No. 412, 74th Cong.]
H. R. 8632

An act to amend an act entitled "An act to improve the navigability and to provide for the flood control of the Tennessee River; to provide for reforestation and the proper use of marginal lands in the Tennessee Valley; to provide for the agricultural and industrial development of said valley; to provide for the national defense by the creation of a corporation for the operation of Government properties at and near Muscle Shoals in the State of Alabama, and for other purposes," approved May 18, 1933

* * * * *

SEC. 7. That said act be, and the same is hereby, further amended by adding a new section after section 12 of said act, as follows:

"SEC. 12a. In order (1) to facilitate the disposition of the surplus power of the Corporation according to the policies set forth in this act; (2) to give effect to the priority

herein accorded to States, counties, municipalities, and nonprofit organizations in the purchase of such power by enabling them to acquire facilities for the distribution of such power; and (3) at the same time to preserve existing distribution facilities as going concerns and avoid duplication of such facilities, the Board is authorized to advise and cooperate with and assist, by extending credit for a period of not exceeding 5 years, to States, counties, municipalities, and nonprofit organizations situated within transmission distance from any dam where such power is generated by the Corporation in acquiring, improving, and operating (a) existing distribution facilities and incidental works, including generating plants; and (b) interconnecting transmission lines; or in acquiring any interest in such facilities, incidental works, and lines."

Mr. MORSE. Mr. President, as a result of this legislation many non-profit organizations—consumer owned and operated—have been able to enjoy the benefits of public resources.

The private utility corporations have, of course, always fought the preference clause. This is natural because any profit-seeking group could reap a bonanza by security low-cost Federal power and selling it at high prices. But this was not the only reason the private utilities have fought the preference clause.

Referring to private utilities getting public power at low prices and then reselling it to consumers, one of the interesting provisions of the draft of a contract which came into my possession and which the Bonneville Power Administration was in process of negotiating and discussing with private utilities in the Pacific Northwest, was one that provided that if it were charged by Federal officials that a private utility was reselling its power contrary to the power policies of the Government, the Government would have to serve 4 years' notice on the private utility. In other words, the private utility was guaranteed, under this provision of the contract, the right to sin for 4 years more. Nothing could be done about it in the 4-year period.

There was also another nice little sleeper clause, whereby the private utility could not be stopped then. The Government would then have to proceed to take the utility into court and proceed up the long ladder of litigation. Of course, conceivably that would make it possible for a private utility to sin even during the period of litigation, unless a court, by mandamus, injunction, or otherwise, prevented it.

There is no limit to the appetite of selfish forces that seek to take advantage of the public interest. We have always known that to be true in the field of monopoly. That is why it has been necessary to have statutes providing regulations over monopoly, as it has been necessary to have analogous statutes in the whole field of antitrust regulation.

It is a great mistake to proceed on the assumption that when we are dealing with private monopolies, we are dealing with private enterprise. Private monopoly has nothing to do with private enterprise. Private monopoly lacks the great competitive test of private enterprise. But as a result of this policy of public preference, it has been possible to build up, for example, the great electrification program for the farms of America, through REA.

Mr. GORE. Mr. President, will the Senator yield?

Mr. MORSE. I yield for a question.

Mr. GORE. Does not the Senator agree that the electrical utility business, whether the system be owned publicly or privately, is in its essence monopolistic, if it is not to have uneconomic, duplicated transmission systems?

Mr. MORSE. I quite agree; and that is why I have made the record I have for 8 years in the Senate, with regard to the gridback transmission line system program.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. GORE. Does the Senator from Oregon agree with the junior Senator from Tennessee that it is unfair to condemn the TVA as being a public monopoly, when, as a matter of fact, the electrical utility systems of a private nature are also monopolistic in their distribution areas?

Mr. MORSE. The Senator is completely right. That is the position I have taken so many times in this series of speeches which I have been dedicating to George Norris, on the question of power development. This is my most recent speech on that subject.

The preference clause, in most instances, is actually an equality clause which assures public and cooperative bodies a share of Federal power. Were it not for such a clause, and were it not for careful administrative protection and enforcement of that clause, the power companies would almost invariably be able to build their lines into the dams and haul away all power. Their inability to do so as long as the preference clause is in effect, enables public bodies and cooperatives to secure low-cost power and pass the savings on to their consumers. This fact alone is enough to explain private utility opposition to the preference clause because the exercise of their rights under that clause enables cooperatives and public bodies, in conjunction with Federal generation and transmission, to serve as a yardstick and bring some element of competition into an otherwise wholly monopolistic field. That is what I have referred to so many times in this series of speeches as the public yardstick.

Any Member of this body, any citizen, who believes in competitive-free enterprise must be a supporter of the preference clause. There are many, of course, who pay lip service to free enterprise but who in their thoughts and actions champion the absolute opposite of free enterprise, private monopoly. Without competition there can be no free enterprise because the public is left at the mercy of profiteers. Without competition there can be only ineffective regulation or the collapse of free enterprise as we know it. Therefore, I urge those of you who sincerely believe in free enterprise—competitive-free enterprise—to join in insisting that the preference clause and the transmission lines which make that clause effective be protected and that funds be provided to make that clause operative.

Today there is a multi-pronged attack upon the preference rights of consumers, attempts to loot the people of their own power sources.

This attack comes to light in the Interior appropriation bill. In the report of the House committee on this bill, is the following language:

> The Interior Department should be concerned with only those functions or activities which private enterprise cannot or will not undertake. * * *
>
> With respect to construction activities essential and completely justified projects in the construction stage shall be carried to completion to avoid waste of Federal funds, but, wherever possible, private enterprise shall be taken into partnership to build, own, and operate that part of each project that can be handled by private ownership. * * * In all future projects or new starts which include transmission lines, private enterprise shall be urged to take the initiative in constructing, owning, and operating such works before money is made available for Federal construction.
>
> The committee recognizes that this policy cannot be put fully into operation in the fiscal year 1954 but all interested parties are urged to keep this policy in mind and to plan accordingly.
>
> A careful review of the committee's action on this bill will clearly indicate its adherence to the policy it has adopted.

Some suggestion was made on the floor of the Senate this afternoon about giving the Republicans time. It is said, "They have been in office for only 6 months. Just give them time on this matter of power development."

Mr. President, I can read. I can hear. I have been reading their program for 6 months, and listening to their arguments for 6 months. There it is in black and white. There is the report of the House committee, under a Republican administration. It tells us in cold, black type, that the program is to let the private utilities build the transmission lines. It says, in those instances in which the private utilities can build them; but there are not many instances in which they cannot, if they want to do so; and they will in every instance, when, by seeking to build the transmission line they are able to block a public distribution of public power from a multipurpose dam. That is the scheme. The report of the House committee might just as well say, "We hereby endorse bus-bar distribution of power." That is what the language means.

What do our opponents mean by asking that we give the Republicans time? Time for what? Time to complete their scuttling program? Not I. I propose to fight them. I propose to fight the program of the Eisenhower administration, which seeks, in effect, by one subterfuge or another, to turn the power from the people's dams over to the private utilities at the bus bar. That is what we do when we let them build the transmission lines in and take the power away. Once they get it on their transmission lines public bodies have to buy it from the private utilities, because it is the private utilities that have the conduit.

The difficulty with this whole power problem is its complexity, its many abstractions, and the lack of understanding on the part of the public as to how it operates. We must take the issue to the

floor of the Senate and the public platforms of America, state it, restate it, iterate it and reiterate it, in the hope that eventually, by constant repetition of the plans and of the facts in regard to the plans, the people will be awakened to what this administration seeks to do with the people's interest in the power program of the Nation.

I wish to thank the House committee for this public confession of the scheme of the Eisenhower administration. It is now available for reference in cold type.

Senators on the floor of the Senate this afternoon said that they wanted some proof of our criticisms of the Eisenhower administration in the field of power. There is some. Read it, I say to the Republicans. The proof is that they propose to turn transmission rights over to private utilities. When they do that, they turn the dams over to them.

Do Senators know what else they are counting on? They are counting on the fact that the average America citizen is so busy with so many other things in connection with his private economic problem that he is not going to take the time to catch up with the scuttlers until the scuttling has been completed. That is what they are counting on. I think the reason they are moving so fast is that they know they must raid very fast, because sooner or later the people are going to catch up with them. But if they make their economic clean-up in the meantime, they can take their loot and run when they are kicked out in the elections to come, beginning in the immediate future.

However, the fact that I am confident that in the long run they are going to be turned out will not stop me from doing everything I can in the meantime to awaken the American people to the dangers of the Eisenhower sell-out to the private utilities.

The language of the House committee report is broad—very broad but its meaning is not obscure. The committee calls upon the House and this body to turn over to private monopoly all of the power resources of this Nation which the utility corporations ask for. This is the type of social philosophy which led the Federal Power Commision to give Roanoke Rapids to VEPCO—Virginia Electric & Power Co.—and with it an estimated $700,000 a year subsidy arising from the waterflow regulation of John Kerr Dam, already constructed with Federal funds.

Mr. President, you and I constructed it. The American people constructed it, and paid for it, or will when it is finally built.

But the House committee goes further. There are many power projects which no corporation can or will develop. In these cases we are asked to put up Federal funds for that portion of the facilities which the corporation does not desire to construct, and then take the corporations "into partnership to build, own, and operate that part of each project that can be handled by private ownership."

In other words, once a project is built, turn over the power at the bus bar to private monopoly. The committee does not leave us to speculation or surmise. It adds:

> In all future projects or new starts which include transmission lines, private enterprise shall be urged to take the initiative in constructing, owning, and operating such works before money is made available for Federal construction.

Then the committee states that it is legislating to overturn a half century of Federal precedent. It reports:

> The committee recognizes that this policy cannot be put fully into operation in the fiscal year 1954 but all interested parties are urged to keep this policy in mind and to plan accordingly.

In other words, all Government agencies, farmers' cooperatives, municipalities, public power districts, and private monopolies in the electric industry are put on notice that the House committee has legislated in this appropriation bill and intends to implement its bias in the future through appropriations channels. Note the statement in the same report:

> A careful review of the committee's action on this bill will clearly indicate its adherence to the policy it has adopted.

How clear this is.

Mr. President, let me show you how they have adhered to it.

The House slashed all Southeastern Power Administration construction funds; it cut out Southwestern Power Administration's continuing fund except for that part needed to serve the private utilities. All over the Nation transmission and other projects were reduced or eliminated.

Never was an appropriation used more obviously to achieve legislative ends.

Under the heading "Policy on Power Production," the House report states:

> The committee believes that the Hoover (Boulder) Dam is an outstanding example of how Government and private enterprise can work hand in hand to mutual advantage. Here the dam, with penstocks, was built from Federal funds The surplus power * * * was, as provided by law, leased to private utility companies and municipalities which financed and built the transmission facilities * * * Unquestionably, in many cases, similar arrangements to those existing at Hoover Dam could be negotiated. Encouragement should be lent to such possibilities, with firm obligations undertaken, of course, to protect the power-consuming public.

This is an obvious effort to achieve bus bar sales; that is, abolition of the people's rights to first purchase of their own property by pointing to a precedent on the boulder project.

I would remind the Senate that Boulder Dam was prospected, and pushed to completion largely through the efforts of the city of Los Angeles. The city of Los Angeles owns its own electric facilities and purchases approximately 55 percent of Boulder Dam power output. There is no other municipally owned plant that I know of in this country which in terms of size, location, and other factors can be compared with that of the city of Los Angeles.

But, of course, the House committee did not point this out but left the House and the public to believe that the bus bar sale of power at Boulder was to private corporations.

According to the 1952 Moody's Public Utilities on page A50, Boulder Dam power was allocated as follows:

	Percent
City of Los Angeles	55
Southern California Edison Co	40
California Electric Power Co	5

The obvious intent of the House committee was to force busbar sale of Federal power. Where is the Los Angeles of the SEPA area? Where is the Los Angeles of the SPA area? Where is the Los Angeles of Minnesota to build transmission lines up from the Missouri Valley?

The Senate committee, reporting the interior bill, states:

> The committee reiterates its view that efforts should be made to secure wheeling contracts wherever possible, and that the Federal Government should build transmission lines only when such agreements cannot be negotiated at comparable costs to consumers; the only exception to this policy should be with respect to main lines for the purpose of connecting Federal hydro-electric plants.

At first blush this appears plausible, but actions speak louder than words. What does the Senate committee do in the southeast where Georgia power and other companies are refusing to wheel power to the farmers' cooperatives. Does the committee restore funds for constructing transmission lines to hasten the recalcitrant corporations? Indeed not.

In action, the Senate committee joins the House committee. In the southwest the committee gave the farmers' cooperatives through SPA working capital—continuing fund—for only 8 months. Why? Is this to give the farmers time to capitulate to the utility corporations? Is this to give the private utilities more time to file law suits such as those they won in Arkansas and lost before Judge McLaughlin's court recently.

> The committee recommends the allowance of $2 million for the continuing fund of Southwestern Power Administration for the purpose of the payment for the rental of facilities and the purchase of power. This amount is not an appropriation, but is a limitation upon the expenditure of receipts from the sale of power. This amount is to remain available through February of 1954, a period of 8 months.
>
> The committee recognizes that until other arrangements can be effected, existing facilities must be used to serve preferred customers.

Until other arrangements can be effected they are going to stay with the public preference policy.

The report continues:

> However, the action of the committee is not intended to prejudge the validity of the contracts between the Southwestern Power Administration and various rural electric cooperatives, nor deemed to be a congressional interpretation of the applicable law.
>
> It is the desire of the committee that the secretary, representatives of the cooperatives, and representatives of the power companies in the area immediately give consideration to making such arrangements that will not require the continued use of the continuing fund.

What the committee is really saying to the rural cooperatives is: "Enter into an arrangement with the private utilities."

The committee report continues:

The committee calls attention to the fact that within the last year two contracts have been offered by the power companies in the area. Noting this willingness on the part of the companies to negotiate, the committee urges all interested parties to resume negotiations immediately. With this view in mind the committee has approved the $2 million for the continuing fund for a period of 8 months.

Mr. President, the preference clause, as we can readily understand, can be destroyed in a number of ways. It can be stricken from the statutes governing sales of Federal power. That would be a major operation, even for this administration. Moreover, it would "tip their hand" even more clearly, if that is possible, as to what their designs on Federal power really are.

The preference clause—that is, free competition in the electric utility field—would be destroyed by the destruction of the ability of Department of the Interior agencies to market energy from Federal projects. Of course, Mr. President, it is much easier to destroy it by the kind of action the Senate Appropriations Committee has taken, when in one breath it says, "We will give you $2 million for 8 months for one section of the country," and then says, "But you should proceed with negotiations for the making of other arrangements."

What are the alternative arrangements? They are negotiations with the private utilities. For what purpose would those negotiations be had? They would be for the purpose of entering into contracts whereby they would agree to take the power from the private utilities, even though it was generated at federally built dams, and to take it at the rates the private utilities will be able to charge once they get the competition of the public-power yardstick out of the way.

Somehow we must get the American people to see that if the public-power yardstick is removed from the picture, it will be only a matter of time before the private utilities raise their rates. That is the history of private-utility power programs. They bring in many extra costs, to get their rates raised. The record is clear that, as I shall show soon by some statistics from private utilities which I shall place in the RECORD, cheap power is not obtained from private utilities. Instead, high-cost power is obtained from them. That is the record of private-utility power. Cheap power comes from the public-power program of the multipurpose dams. Cheap power has come from the privite utilities only when they have been forced to compete with the public-power yardstick.

Of course, the private utilities can produce cheap power, but their selfishness and greed for profits will not let them do so when they have a monopoly.

That is why I am fighting, with the little band of liberals now in the Senate, in support of the great program of the liberals who have preceded us in the Senate, particularly the program of the father of TVA, the great George W. Norris, of Nebraska. Let us study his record and see the number of times when in this body he pleaded for and fought for public preference.

Mr. President, the play is the same; only the actors are different. The problem is a continuing one. Let those of us in this little group of liberals in the Senate always remember that the fight for progress is never won; neither is it ever lost if the fight continues. It is a continuing fight, because throughout our history Senators representing the interests of the little people have had to fight the selfish groups who seek to exploit the economic welfare of the little people.

That was the kind of fight which was made by the great leader to whom I am dedicating this speech, along with the others in the series of speeches I have been giving in regard to the power issue—the great George W. Norris. He told it to us time and time again, in the course of the heroic and historic battle he made here during the years preceding the development of TVA, when he was fighting to prevent having Muscle Shoals grabbed by private interests.

As I have been studying in preparation of these speeches and as I have been rereading the record of George W. Norris and the great liberal supporters he had in the Senate, I have found that the same problem exists today; it is identical. They were successful, in time, in getting the American people to understand that their program was in the public interest.

Today we are in a deep trough of reaction. Momentarily the people seem to have forgotten their interest in this battle. By my confidence in them is such that I am convinced that once they come to understand the merits of the issue, they will give to this little band of liberals in the Senate the same support that Norris finally received from the American people, and to which the Senate and House of Representatives finally were forced politically to accede.

Of course, it is not easy at 25 minutes of 6 on a Saturday evening to make this record on the floor of the Senate. One is bound to be misunderstood, criticized, and abused for it. But what difference does that make, Mr. President, In my judgment, it happens to be the duty of the little band of liberals in the Senate to be perfectly willing to stand up and withstand the criticism which comes our way for making this fight on the public-power issue. This is not the last Saturday night I shall discuss it, if I can discuss it only on Saturday nights. I am perfectly willing to write another chapter in this fight, because I know that among the people of the Nation there is a growing interest in this battle. I know, from the responses I am receiving, that today the farmers of the Pacific Northwest are greatly aroused over what will happen to them under the proposed program of the Eisenhower administration in the field of power.

Before I conclude my remarks this evening, I shall have something to say regarding the program for the development of the great phosphate beds of the Pacific Northwest, for the development of which it is necessary to have cheap power. Private-utility power will not do that job, because at private-utility-power prices it is impossible to develop the great phosphate beds of the Pacific Northwest.

When I make the fight for the development of those phosphate beds, I am fighting not only for the farmers of Oregon, but for the one and one-half million farmers of the States of Iowa, Wisconsin, Illinois, and Indiana, which every agricultural expert will tell you, Mr. President, are sorely in need of a great increase in the supply of fertilizer. The greatest supply available to them happens to be the great phosphate beds of the Pacific Northwest, which are close to cheap power, if we will develop it. But if that power is wasted and if we follow a course of action that will result in destruction of the dam site at Hells Canyon, in favor of a low-head Idaho Power Co. dam at Ox Bow, it will be impossible to develop the fertilizer resources of the Pacific Northwest, for the benefit of the farmers of my State and of the Middle West.

Mr. President, in this fight the Senators from the agricultural States should be fighting shoulder to shoulder with me, in support of the Hells Canyon Dam, because Hells Canyon Dam offers the best source of power for the development of the latent fertilizer industry in the Pacific Northwest that is just waiting for cheap electricity with which to produce the fertilizer.

Mr. President, the Senator from Tennessee, who honors me with his presence as acting minority leader, knows very well that one of the first roles of TVA was the development of fertilizer plants in the Tennessee Valley; and the benefits of that fertilizer program to the farmers of Tennessee is almost incalculable. It has resulted in millions and millions and millions of dollars of benefit to the farmers of his area. There are farmers in other sections of the country who need similar assistance; indeed all farmers need it.

Let us not think of this in terms of a farmer's problem, but let us think of it in the terms of a food-supply problem for America, to which we had better be giving some thought.

Oh, I know, we are living in a particular period when we have a surplus-food problem, but we shall not always have it. If we can add, we know that we shall not always have it. A reading of research statistics of the population experts will disclose that we are not always going to have it. If we think ahead 100, 200, 300 years—and when we are building a multiple-purpose dam, we are thinking ahead—we are endeavoring to meet the challenge to statesmanship which faces us in the Senate, for we know that 100 or 300 years from now American boys and girls may be confronted with a food-shortage problem, not a food-surplus problem. We also know that with statistics showing a rising population around the world, the maintenance of the surplus food potential of America happens to be one of the most effective diplomatic instrumentalities we have in the entire field of foreign policy.

How are we to get the American people to see the importance of translating these great principles into action? I do not know, except to keep telling them about it. We should tell them that a program which would provide for all time the great maximum potential kilowatt power of the Snake River will be lost if we destroy the Hells Canyon Dam site by building Oxbow. It is not necessarily true that the American people are interested only in the present. They are acting and thinking in terms of the present, Mr. President, because too frequently they are not made to understand the direct relationship between what we do in our decade and what American boys and girls may be confronted with a hundred years from now as the result of what we do. What we do in the field of public power will be of direct importance to American boys and girls a hundred years from now. We all have an interest in it, but America of the future has a greater interest.

This power of Interior can be destroyed directly by substantive legislation. This, too, is unlikely, because it is so unsubtle. But the failure of this Congress to abolish Interior's obligation to market power to preference customers does not guarantee its enforcement and protection because most preference customers are small enterprises—they cannot build heavy transmission lines long distances to get power. They simply do not use enough power to do that. Moreover, if they tried to build such lines, in many States the private utilities would shout that they were duplicating existing lines and resort to their obliging State utility commissions and the courts to block such construction.

I know some think that the private utilities could be paid to wheel this power to preference customers, and that such an arrangement would be more economical. That is an attractive but unrealistic idea. For 2 years the rural electric cooperatives in Georgia have been trying to get Georgia Power Co. to wheel preference power to them, but Georgia Power insists that it wants to buy the power at the bus bar and then deliver it to the cooperatives. In other words, Georgia Power wants to abrogate the preference clause. It is all for the preference customers—but not the preference clause.

But this antiwheeling disease is spreading. The 12 private utilities in the Southwest have been urging the abolition of the continuing fund in the Southwestern Power Administration as unnecessary—they have been urging that for years. It was unnecessary, they urged, because they stood ready to sign wheeling contracts. Finally, upon the urging of Frank Wilkes, who is spokesman of the group, the House Committee on Interior obligingly wiped out the continuing fund. A few days after the House committee had performed this little act, Mr. Wilkes told the Senate Interior Committee that his group was no longer willing to contract to wheel power; instead, they want bus-bar sales of the kind enjoyed by Georgia Power.

And now, as a final climax to the contagion of antiwheeling fever, it is averred that Virginia Power Co., which signed a wheeling contract to carry power from Buggs Island—John Kerr—dam to the cooperatives has a letter which assures them that if a Georgia Power type contract is signed, they can reopen their contract and demand the same privileges.

On the basis of these developments, it should be recognized that wheeling contracts are passé, they are going out of the picture in the great utility drive to hog Federal power.

Without transmission lines preference customers must build their own lines and they are usually unable to do so because they are small enterprise. Without transmission lines preference customers must either have wheeling contracts or lose their preference rights. And the present strike—and a strike I say it is—against wheeling contracts means that wheeling contracts cannot be arranged. Therefore, transmission lines are the device which makes the preference clause a living reality. If you believe in the peoples' right to equal access to their own power, then you must support transmission lines. Opposition to transmission lines is a non-too-subtle means of destroying preference and competitive enterprise in the electric-power industry.

Yet, in the Interior appropriation bill, we find that not only the House, but the Senate committee has wiped out SEPA funds for transmission line construction. This should fool no one. The power companies that stand ready to contract for the power output of the dams in the Southeast have achieved a great victory and preference rights in the Southeast have been abrogated.

The fight on the Southwestern Power Administration's continuing fund is a variant of this picture. The preference customers in the Southwest stand to lose their rights. That is why I say, Mr. President, that we who are members of this little band of liberals in the Senate of the United States must continue to make this fight, as did Norris before us, in order to protect the public's interest in the transmission of power for the public benefit from the dam over public-built transmission lines within the control of the public.

Mr. President, I said earlier in my remarks that if we want cheap power we must look to public power. I have before me a map entitled "Average Cost per Kilowatt-Hour of Energy Purchased by REA Borrowers From All Suppliers (Private Power Companies, REA Co-op Borrowers, and Publicly Owned Suppliers), by States, Fiscal Year Ending June 30, 1952, (in Cents)."

It includes also a reference to the Alaska rate of 2.96 cents.

I ask unanimous consent, Mr. President, to have the figures which are on this map printed in the RECORD. I am aware that the map itself cannot be printed, and so I ask the favor of the Official Reporter simply to list the States and the figures shown on the map for those States, so as to have it appear in the RECORD as a chart rather than as a map.

The PRESIDING OFFICER. Without objection, it is so ordered.

The States and applicable figures on the map are as follows:

Alabama	0.56
Arizona	.66
Arkansas	.59
California	.71
Colorado	.86
Connecticut	(1)
Delaware	1.19
Florida	.97
Georgia	.64
Idaho	.45
Illinois	.85
Indiana	.87
Iowa	1.28
Kansas	.85
Kentucky	.79
Louisiana	.57
Maine	1.51
Maryland	1.00
Massachusetts	(1)
Michigan	1.27
Minnesota	1.36
Mississippi	.54
Missouri	.93
Montana	.53
Nebraska	.89
Nevada	.45
New Hampshire	1.14
New Jersey	1.37
New Mexico	.70
New York	1.12
North Carolina	.77
North Dakota	1.29
Ohio	.91
Oklahoma	.60
Oregon	.33
Pennsylvania	1.19
Rhode Island	(1)
South Carolina	.63
South Dakota	1.28
Tennessee	.49
Texas	.58
Utah	1.32
Vermont	1.26
Virginia	.74
Washington	.32
West Virginia	.90
Wisconsin	1.36
Wyoming	.79

[1] None.

Mr. MORSE. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD as a part of my remarks a letter dated June 22, 1953, addressed to me by the Oregon State Grange, together with a copy of a resolution on the question of transmission lines.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

OREGON STATE GRANGE,
Portland, Oreg., June 22, 1953.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: You will find enclosed a copy of a resolution adopted by the recent session of the Oregon State Grange.

We hope that you will give this matter your most earnest consideration.

Sincerely yours,

ELMER MCCLURE,
Master, Oregon State Grange.

TRANSMISSION LINES

Whereas the present administration is contemplating stopping the construction of

transmission lines already under construction; and

Whereas the future welfare of our Nation depends on the development of electrical power and this necessitates transmission lines; and

Whereas statistics show that the Bonneville power project has not been a liability upon the Government's Treasury and has been of inestimable value to the people of the Northwest and the Government alike; and

Whereas the more transmission lines we have the more secure the industries are to continue operations; and

Whereas our administration wants to be economical, but to discontinue the present construction of transmission lines that are nearing completion with all the material purchased and on the ground does not represent economy; and

Whereas the construction of transmission lines will supply power to areas that at present do not have electric power: Now, therefore, be it

Resolved, That the present administration reconsider the construction of transmission lines already started and contemplated, and that the policy of supplying transmission from Federal power dams should not be abandoned; and be it further

Resolved, That we voice our protest to any suggestion of cessation of work on the Bonneville powerline extension and urge that our Senators and Representatives in the Congress do all in their power to have Bonneville powerline extended as heretofore planned.

Mr. MORSE. Mr. President, from my desk in the Senate I wish to say to the Oregon State Grange that I deeply appreciate the support they have given me in this fight. I deeply appreciate the position which the Oregon Grange took at its recent meeting in my State. I pledge to them anew that I shall continue to make the fight I have been making in the Senate on the whole issue of power, because it is based upon principles for which the Oregon Grange also stands. As a granger myself, Mr. President, I am proud to give this pledge to my colleagues in the Grange. But I say to them, "Remember that the passing of a resolution such as you have sent me is not enough, important as such public pronouncements are." I say to every granger in the State of Oregon who agrees with me on the power issue to go work in the State and translate their opposition to the private-utility program into political action. I say to every granger in my State, "In 1954 and 1956 vote against the candidates for office in Oregon who have not been joining with us in this fight for public power. That is the only language politicians understand. Give it to them. That means, beat the Republicans."

It is the Republican program which is against the grange resolution which I have just introduced into the RECORD.

Mr. President, I have before me a speech delivered by Albert C. Ullman, chairman, Idaho-Oregon Hells Canyon Association. Many times in my speeches in the Senate I have referred to the data contained in this speech, but it is important that it be in the RECORD for reference.

Therefore, Mr. President, I wish to associate myself with Mr. Ullman's splendid speech and ask unanimous consent that at this point in the RECORD it be printed as a part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

HELLS CANYON DAM VERSUS OXBOW DAM

(By Albert C. Ullman, chairman, Idaho-Oregon Hells Canyon Association)

1. BACKGROUND

Hells Canyon Dam site lies on the Snake River between Oregon and Idaho, 90 miles north of Weiser, Idaho. Construction of the dam would create a reservoir 90 miles long to Weiser, storing 3,800,000 acre-feet of water and supporting 900,000 kilowatts installed at the dam. This proposed dam was found by the Army engineers to be essential to a total program of dams for comprehensive development of the Columbia River and tributaries. This program would yield at lowest cost the maximum benefits of power, flood control, and navigation. The Army engineers made this report in 1948, and it was published in 1952 and 1953 in 8 volumes. In 1952 the Army engineers reconsidered the question of Hells Canyon Dam and found no reason to change their views. (Hells Canyon Dam, House hearings on H. R. 5743, 1952, p. 477.)

On April 11, 1949, the Army engineers and the Bureau of Reclamation agreed to divide between themselves the dams of the comprehensive system. Those dams recommended for construction by the Army in the immediate program were then authorized by Congress in the Flood Control Act of 1950. Hells Canyon Dam was considered for the Army because it had only power, flood control, and navigation benefits and no irrigation. But it was assigned to the Bureau of Reclamation in order to provide from power sales the subsidies necessary to finance the proposed Mountain Home irrigation project in Idaho at over $1,000 per acre. The Bureau then sought an amendment to the Flood Control Act of 1950 that would have authorized Hells Canyon Dam and other projects tieing-power revenues to irrigation subsidies through a plan called the Columbia Basin account. The Senate rejected this plan. Thus Hells Canyon Dam was never passed upon solely on its merits. It was asserted then that if Hells Canyon Dam had been proposed for construction by the Army engineers, Congress would have authorized it.

Again in 1952, a bill to authorize Hells Canyon Dam was brought up, H. R. 5743, and hearings were held before a House subcommittee. The bill again linked Hells Canyon Dam with irrigation subsidies for the Mountain Home project, and was tabled in committee. Hells Canyon Dam was not judged solely on its merits in 1952.

The Army engineers considered low dams as an alternative to Hells Canyon Dam, as proposed by the Idaho Power Co. but found that the best plan always required Hells Canyon Dam. (Hells Canyon Dam, House hearings, 1952, p. 476.)

2. IDAHO POWER PROPOSALS

On December 15, 1950, the Idaho Power Co. applied to the Federal Power Commission for a license to build Oxbow Dam in the reservoir area of the proposed Hells Canyon Dam. The company asserted that four other dams were planned and that these were a comprehensive plan, and assured the full and economic utilization of the potential power resources of the Snake River (application, project 1971, exhibit Q). The 5 dams would have had a total installed capacity of 695,000 kilowatts without flood control or navigation benefits. The Oxbow Dam alone would have had an installed capacity of 140,000 kilowatts.

On October 28, 1952, the Idaho Power Co. amended its application and offered an alternative plan of 3 dams, including Oxbow and 1 dam with storage of 1,000,000 acre-feet at Brownlee. The revised 5-dam plan now totaled 714,000 kilowatts of installed capacity and the new 3-dam plan total 703,400 kilowatts of installed capacity. Again the company asserted that either plan was comprehensive and assured full and economic utilization of potential power resources of that section of the Snake River. The company stated it was conducting further investigations of the three-dam plan.

On May 19, 1953, it was announced that the company had applied to the Federal Power Commission for licenses to build the three dams.

The Idaho Power Co., it must be noted, is a Maine corporation, holds its annual stockholders meeting at Augusta, Maine. According to the annual report of the company to the Public Utilities Commissioner for Oregon for 1951, the 14 officers and directors, nearly all Idaho citizens, held 8,600 votes in common and preferred stock out of a total 1,775,000 votes of common and preferred stock. The largest stockholders were insurance companies and investment houses of New England and New York. Each of the large stockholders held more votes than all Idaho officers and directors combined. The interests of the stockholders of this company are obviously not concerned with the issues of comprehensive development of the Columbia River system in the Pacific Northwest. Likewise, the Idaho Power Co. does not represent local northwest interests.

3. THE BASIC CONFLICT

Ever since the 308 report of the Army engineers published in 1932 on the Columbia River system, the idea has grown in the Pacific Northwest that the expansion of industry and employment in this region depends heavily upon the fullest development of the Columbia River system. The idea has grown out of studies by the Army engineers, the Bureau of Reclamation, the Bonneville Power Administration, and by non-Government individuals and organizations, that only by reasonably complete programs for building dams can the most benefits be obtained at the lowest cost in power, irrigation, flood control, recreation, fisheries, new employment and new industry. The Army engineers report of 1948, and the agreement of the Army with the Bureau of Reclamation in 1949, brought forth the only recognized comprehensive plan for maximum development of the Columbia River system. This plan was designed to be better than any other conceivable plan, allowing for minor exceptions as further investigations would be made. Hells Canyon Dam was an essential part of this plan.

If the plan of the Idaho Power Co. with lesser benefits is adopted, what happens then to the comprehensive plan for the Northwest? If it is abandoned at one critical point on the Snake River, why shouldn't it be abandoned at other points where another utility, private or public, wishes to build less than the maximum type of development? How much resources will be lost forever to the people of the Northwest? How much will they lose in power, flood control, irrigation, employment, new industry? Should they accept such losses or fight them? These are the regional issues of Hells Canyon Dam versus Oxbow Dam.

But the issue is also national. The Northwest has contributed much from the Federal dams already built to the security of the United States—over one-third of aluminum production for the Air Force that won World War II; contributed plutonium for the atom bomb; and other critical materials. Back in the 1920's, the Washington Water Power Co. tried to block Grand Coulee Dam by proposing a small dam at Kettle Falls. Had the company won, the country would have lost Coulee Dam, the atom bomb, the aluminum

plants, and the Columbia Basin irrigation project on which many veterans are settling. The fullest development of the Columbia River means the greatest possible security and economic gain to the entire country.

4. COMPARISON OF PLANS

Hells Canyon Dam must be compared only with the three dams of the Idaho Power Co. and with no other dams. Suggestions to consider Kooskia on the Clearwater River of Idaho, or a low Mountain Sheep Dam on the Snake, or Libby Dam on the Kootenai in Montana, or other dams are irrelevant. They can all be built as well as Hells Canyon Dam. They are not substitutes.

The bare comparison given below is sufficient to indicate the highlights:

	Hells Canyon Dam	3 Idaho Power dams
Ultimate installed capacity at sites	900,000 kilowatts	783,400 kilowatts.
Total prime capacity contributed to entire Columbia River system of existing and authorized dams.	1,124,000 kilowatts	680,000 kilowatts.
Amount of firm power salable from prime capacity contributed to system.	1,460,000 kilowatts	885,000 kilowatts.
Cost of the dam alone	$357,000,000	$130,000,000.
Cost of the dam charged to power	$313,000,000	$130,000,000.
Cost of entire power development, including generation at other dams and transmission lines.	Over $500,000,000	Over $300,000,000.
Price at which firm power can be sold at wholesale to buyer	$25 per kilowatt-year, or 3 mills per kilowatt-hour.	$50 per kilowatt-year, or 6 mills per kilowatt-hour.
Storage	3,800,000 acre-feet	1,000,000 acre-feet.
Value of flood control, capitalized	$38,000,000	(?)
Value of navigation benefits, capitalized	$5,000,000	(?)
Will power investment be recovered from power revenues	Yes	Yes.
How long before the first power would be available	8 years	2 to 3 years.
How long to develop all related power	12 years	10 years.

5. SECRETARY M'KAY'S COMPARISON OF PLANS

Secretary of the Interior McKay stated on May 5, 1953, in withdrawing from the Oxbow case, that Hells Canyon Dam would have power advantages over the Idaho power three dams varying according to assumptions: 210,000 kilowatts of prime power if only dams now under construction are completed; 260,000 kilowatts of prime power if dams authorized but not yet financed by Congress are completed; 170,000 kilowatts of prime power if all projects proposed for the Columbia River system are built, including those not yet authorized by Congress.

Secretary McKay said even these figures could change if other modifications of assumptions were made.

6. POWER ADVANTAGE OF HELLS CANYON DAM

The best indication of economic benefits from Hells Canyon Dam is shown in the firm power that can be sold, based upon the prime power available. The advantage of Hells Canyon Dam is about 575,000 kilowatts, assuming completion of dams authorized by Congress.

Five hundred and seventy-five thousand firm kilowatts would support about 25,000 jobs in manufacturing; 25,000 more jobs in service industries; total new payrolls of $125 million per year; about $400 million per year in various products produced; Federal income- and excess-profits taxes of about $30 millions annually (computed from testimony in House hearings, Hells Canyon Dam, 1952, pp. 755–756).

The price at which power contributed by Hells Canyon Dam could be sold would be about half the price at which Idaho power would be sold. Witnesses for the Central Farmers Fertilizer Co. and the Pacific Cooperative Supply have testified in statements recently made for intervenors that with Hells Canyon power than can produce types of phosphate fertilizer and in quantities not possible with higher cost power. These products would be sold to 1,500,000 member farmers in over 15 States, saving them initially over $3 million per year in lower costs of fertilizer. After the initial development, using phosphate deposits already owned in southeastern Idaho, a development of 5 times or more is possible, saving farmers annually over $15 million per year.

7. MISLEADING ARGUMENTS ON THE CONTROVERSY

Argument: Private enterprise proposes to do the same thing as the Federal Government and should be allowed to go ahead.

Answer: The Idaho Power Co. proposal is not the same thing and yields much less in benefits. Even if the Idaho Power Co. proposed to build Hells Canyon Dam, the price it would charge for power would prevent the maximum development of fertilizer production, other industries, and employment.

Argument: Local interests should determine which development occurs, not the Federal Government.

Answer: The Idaho Power Co. represents stockholders who are not local interests. Again, the issue is comprehensive river development for the national as well as regional interest. Only the Federal agencies—the Army Engineers, the Bureau of Reclamation and Bonneville—have the technical information needed to determine maximum river development. If these agencies do not present their information, the public interest is not protected.

Argument: The Federal Power Commission is charged by law to determine which plan is comprehensive and best.

Answer: The Federal Power Commission may follow its interpretation of the election returns, or President Eisenhower's statement on May 18 that he does not favor Hells Canyon Dam.

The new Chairman of the Federal Power Commission is Mr. Jerome Kuykendall, recommended to President Eisenhower by Governor Arthur B. Langlie of Washington. Governor Langlie is an open opponent of Hells Canyon Dam. Mr. Kuykendall was in charge of the Washington Public Service Commission under Governor Langlie.

Also, the staff of the Federal Power Commission has already indicated its conclusions against Hells Canyon Dam. On December 30, 1952, at a public meeting of the Columbia Basin Interagency Committee at Portland, Oreg., Mr. Lesner Wing of the San Francisco office of the FPC, in charge of the Oxbow-Hells Canyon review, stated in the minutes regarding the Oxbow project: "This project would be part of the comprehensive development of the Snake River." He added that the Bureau of Reclamation is seeking authorization to build Hells Canyon Dam but he did not say it was part of any equal or superior comprehensive development scheme. Again, Mr. Wing's office in 1951 released a study of power needs for phosphate development in Idaho-Utah, which was used by the Boise, Idaho, Statesman on May 11, 1952, to show that Hells Canyon Dam would not help fertilizer production. Mr. Wing's report took a negative attitude toward power needs to serve farm organizations that his office knew were interested in producing fertilizer. His office underestimated power needs for phosphorous with the result that this justification for Hells Canyon Dam was eliminated.

The Army engineers and the Department of the Interior have in fact been made responsible by Congress for working out plans for the fullest development of the Columbia River. Also, the Department of the Interior is responsible under the Mineral Leasing Act for fostering maximum development of phosphate production from the public lands. These responsibilities carry an expert knowledge that the Federal Power Commission does not have.

Argument: The Pacific Northwest is short on power. The Idaho power dams can be built faster than Hells Canyon Dam.

Answer: Congress has just cut appropriations for Chief Joseph and the Dalles Dams under construction. Power can be obtained faster by appropriating enough money to build these dams on schedule.

Argument: The present Congress will not approve Hells Canyon Dam. It is better than to have the Idaho power dams.

Answer: This situation would be repeated from now on with every proposed Federal dam where opposition could block the development. In that case, the entire principle of full Columbia River development would be lost, and there would be a great waste of resources. The proper solution is for the President, the Secretary of the Interior and the Federal Power Commission to recommend to the Congress Hells Canyon Dam as most in accord with the public interest.

Argument: The few inches of flood control from Hells Canyon Dam are not important.

Answer: A complete system of dams is needed to give maximum flood control. Each dam can only contribute a portion, but each is needed.

Argument: Future irrigation in Idaho will reduce water flows in the Snake River and make Hells Canyon Dam unfeasible.

Answer: Outstanding water engineers, in and out of the Government, maintain that there will be enough water for both new irrigation in Idaho and for Hells Canyon Dam.

Argument: The Idaho power development would pay $3 million per year in property taxes. The Hells Canyon Dam would pay nothing.

Answer: The extra 575,000 kilowatts of firm power from Hells Canyon Dam would yield about $30 million each year in Federal taxes not available from the Idaho power proposals and caused by the greater economic development. The lower price of Hells Canyon power would save farmers initially $3 million per year in lower costs of phosphate fertilizer, and ultimately as much as $15 million per year. These advantages also are not present in the Idaho Power Company proposal.

Argument: Hells Canyon Dam should not be built to subsidize the mountain home irrigation project.

Answer: Hells Canyon Dam should be built independently of the question of the irrigation project.

Mr. MORSE. Mr. President, I have some other interesting documents. In fact, it is very interesting to see the record unfold as those of us who are fighting the administration's power program state facts for the RECORD which the administration has had before it all the time, but about which it has not said anything until we have pressed to bring them out of concealment.

The Senator from Washington had something to say earlier today about the Cotten report. I shall have more to say about it before I finish. But concerning the data, the evidence, and the

information, I desire to say the administration has had all that available to it these many months, and yet, in spite of the data, they went ahead and withdrew from the Oxbow hearing on the claim that they did not want to be special pleaders.

As I asked the other day, who is going to plead for the people of this country if their Government does not? The Secretary of the Interior said, as one of his alibis and rationalizations for withdrawing from the Oxbow hearing, that the Department of the Interior did not want to be a special pleader. He should have been there pleading the public interest, because that happens to be a trust and responsibility of the Department of the Interior. It is that Department which has jurisdiction over natural resources.

I ask unanimous consent to have printed at this point in the RECORD a piece of evidence entitled "Summary of Statements by Witnesses on the Subject of Phosphate Fertilizer," to which I referred a few minutes ago. These statements were made in a Federal Power Commission hearing involving Project No. 1971.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

IN THE MATTER OF IDAHO POWER CO.—FEDERAL POWER COMMISSION PROJECT NO. 1971

SUMMARY OF STATEMENTS BY WITNESSES ON THE SUBJECT OF PHOSPHATE FERTILIZER

1. John W. Sims

Mr. John W. Sims, Columbus, Ohio, is president of the Central Farmers Fertilizer Co. of Chicago and general manager of the Farm Bureau Cooperative Association, Inc., of Ohio. He has had a long career related to farming and fertilizer, including 15 years with the Ohio organization, 9 years with private industry, and service with Michigan State College in agricultural extension activities.

He states that the Farm Bureau Cooperative Association owns and operates five fertilizer plants in Ohio supplying approximately $6 million in fertilizer annually to farmers. He names 14 other organizations in 8 Midwestern States that are members of Central Farmers Fertilizer Co. and that engage in business similar to the Ohio organization.

He states that for the past 10 years his organization has not been able to obtain all the phosphatic materials it needs, and that it could have used about 20 percent more in 1952 had the materials been available. He sees no opportunity to obtain sufficient supplies in the next few years. For that reason, he wishes to see the Central Farmers Fertilizer Co. develop the Idaho phosphate deposits they own to produce materials higher in concentration than triple superphosphate. The higher concentration is necessary because of long freight hauls. He states that power will be needed to operate two or more electric furnaces and that the amount and price of power, as he understands it, would be more favorable from Hells Canyon Dam than from a group of small dams. He also believes that maximum power should be developed on the Snake River to foster industrial expansion and employment and to expand markets for farm products. He states that the effects already obtained from Grand Coulee and Bonneville Dams indicate a similar favorable development in the Hells Canyon area.

2. Glen W. Bunting

Mr. Glen W. Bunting, Chicago, Ill., is manager of the Central Farmers Fertilizer Co. of Chicago.

He states that this organization was incorporated in 1946 to provide fertilizer to its member organizations. It has acquired 2,500 acres of potential potash lands in New Mexico and 2,372 acres of phosphate land in Bear Lake and Caribou Counties, Idaho.

He names 15 member cooperative organizations serving 1,432,000 farmers, or 85 percent of the farms in 15 States. In 1951, Central Farmers sold $7,321,000 of fertilizer products including 88,395 tons of phosphate fertilizer valued at $4,188,000. All of the phosphate fertilizer was bought from the TVA. It has not been possible to buy substantial tonnages from other domestic or foreign sources. A deficiency has existed among the members for many years. In 1952, his organization could have used at least 150,000 tons of additional material.

He describes the steps taken by his organization to prepare the Idaho deposits for mining and states that the investment made and committed to date is $1,350,000. The ore deposits contain at least 10 million tons of high grade rock and 40 million tons of low grade shale. He states that his organization intends to mine both low and high grade phosphate ore and produce calcium metaphosphate derived from phosphorus. Calcium metaphosphate cannot be produced economically from sulfuric acid. He states that this product containing 65 percent P_2O_5 will save 41.3 percent on freight cost to midwestern farmers and will save storage and handling costs on the farm. He states that initial plant capacity would be 85,000 tons of P_2O_5 or 130,000 tons of calcium metaphosphate, and that by 1960 capacity would probably be doubled. He points out the importance of the costs of electric power in producing phosphorus. A difference in 1 mill per kilowatt-hour would mean a difference of $370,750 in annual operating costs of the plant. The initial power requirements would be between 45,000 and 50,000 kilowatts, and the ultimate requirement would be double.

His best present estimate is that 4 mills per kilowatt-hour is the highest price he can afford to pay for power to produce calcium metaphosphate. This price would have to be assured for a minimum of 15 years. He has been advised by the Bonneville Power Administration that power at 3 mills per kilowatt-hour or less could be delivered to the proposed plant near Georgetown, Idaho provided Hells Canyon Dam were built. The Utah Power and Light has offered a rate of 6.804 mills per kilowatt-hour subject to changes in taxes and the price of coal. Based on this rate, the annual power cost would initially be $1,138,830 higher than the cost of power if available from the Bonneville Power Administration. The Idaho Power Co. has advised that it does not have authority to sell power in the Georgetown area.

He estimates that the calcium metaphosphate program would immediately save farmers more than $3 million per year. The investment in mining and processing would amount to approximately $10 million in southeastern Idaho. Approximately 560 men would be employed.

3. Charles Baker

Mr. Charles Baker, Walla Walla, Wash, is general manager of the Pacific Supply Cooperative, an Oregon corporation, and vice president of the Western Fertilizer Association, a Utah corporation.

He states that Pacific Supply was incorporated in 1933 and began doing business in 1934. It produces and supplies a variety of products to farm cooperatives in the Pacific Northwest. It has 133 farm cooperative customers who are members and supplies an additional 70. All cooperatives served by Pacific in turn serve some 75,000 farmers in the States of Washington, Oregon, Idaho, Montana, and northern California. In the fiscal year ending June 30, 1952, the total volume of business was approximately $25 million, of which about $2 million was in fertilizer. Approximately $450,000 was in 11,000 tons of phosphate fertilizers.

He states that Western Fertilizer Association is owned by eight farm cooperatives in the States of Oregon, Washington, Idaho, and Utah. The largest ownership rests in Pacific Supply. It was incorporated in 1947 for the primary purpose of finding a source of phosphate fertilizer. It has leased some 1,400 acres of phosphate lands in southeastern Idaho near Soda Springs from the Department of the Interior. Until it is able to process its own rock, it has arranged to distribute whatever phosphate fertilizer it can obtain from the TVA. During the last calendar year the association handled $599,068 of fertilizer, almost entirely in TVA products.

He states that Pacific Supply would use a minimum of 25,000 tons of high analysis phosphate fertilizer per year at a competitive price, and possibly triple that amount in 10 years. For the past 12 years the organization has at no time been able to get all the phosphate fertilizer required by its members.

He states that Western Fertilizer has begun to develop its Idaho deposits for mining and has purchased a plant site to process the rock. If low-cost power can be obtained, they will in all probability make phosphorus and high-concentrate products. Otherwise they will be forced to use the sufuric acid method and limit their output to treble superphosphate. They might produce calcium metaphosphate through the electric furnace but could not do so with sulfuric acid.

The deposits they control are estimated to run 25 million tons of high grade and approximately 75 million tons of low grade. He states that the electric furnace method is more advantageous than the sulfuric acid process because the former process will permit the production of products not otherwise possible, and the utilization of all of the rock instead of only the higher grade.

The higher concentrated products possible with the electric furnace have the advantage of permitting longer distance shipments to market at a lower unit cost of transportation. In addition, the higher concentrated products save the farmers in costs of handling, hauling, and storage.

He states that his organization has made a number of surveys over a 5-year period of the processing of rock by the acid method and the furnace method. Among his conclusions he states that the furnace method has a definite advantage if low-cost power not exceeding 3 mills per kilowatt-hour can be brought to the phosphate rock deposits as compared to the prices quoted on sulfuric acid. He has not been able to obtain assurance of a sufficient quantity of acid at a price he can afford to pay.

He states that a price of slightly in excess of 5 mills per kilowatt-hour was discussed with the directors of Western Fertilizer Association by the president of Idaho Power Co. He states that discussions with the Bonneville Power Administration indicated that in the event Hells Canyon Dam were built and power integrated into the Federal grid and a transmission line were extended to the phosphate fields, power could be made available at a price not to exceed 3 mills per kilowatt-hour.

He states that if the acid process were used, only the higher grade rock could be used. Mining costs would probably be increased substantially, the price of the product would be higher, and consumption of fertilizer by farmers would be smaller. He states that between 7,000 and 8,000 kilowatts would be needed to produce 25,000 to 30,000 tons of concentrated superphosphate per year, but 12,500 kilowatts might be required if a larger furnace were used. The initial plant and mine development would probably cost between $3½ and $4½ million, and between $6 and $7 million in 10 years. About 150 men would be employed at first.

He also states the interest of the farmer customers in supporting Hells Canyon Dam rather than Owhow Dam in order to obtain maximum development of the water resources of the Columbia and Snake Rivers, particularly with respect to flood control, navigation, and power. Northwest farmers are interested in greater industrial development and larger home markets for farm products. The region will need the maximum amount of power that can be developed.

4. Roscoe E. Bell

Mr. Roscoe E. Bell, Portland, Oreg., is regional director in the Pacific Northwest of the Bureau of Land Management of the Department of the Interior. He has had 25 years of experience in soil science and fertilizer problems of the Western States.

He has taught in two western universities and served in a number of governmental agencies, dealing with problems of soil science, farm management, and agricultural economics. He managed the 30,000-acre agricultural project supporting about 10,000 Japanese relocated in Utah during World War II. In recent years he made studies for the Bonneville Power Administration of opportunities to expand the western phosphate fertilizer industry. He became coordinator of the phosphate program of the Department of the Interior, and represented the Department on an interdepartmental phosphorus research committee. He is the author of a number of technical papers.

He states the responsibilities placed upon him by the Mineral Leasing Act and regulations with respect to the development of the phosphate deposits on the western public domain. His responsibilities include the leasing of such lands so as to prevent monopoly and to insure the sale of phosphate products at reasonable prices.

He indicates that about 68 percent of the phosphate rock outcrops in Idaho occur on public lands subject to the Mineral Leasing Act, and that a similar proportion exists on public lands in other Western States. He states that about three-fourths of the western phosphate rock is low grade and usable in the electric-furnace process but not in the sulfuric-acid process. Lessees of public-land deposits are required to stockpile for later use the low-grade ores if they do not use them currently. Any development that would cause the use of both grades of ore would be favored by the Department of the Interior.

The number of phosphate fertilizer producers in the West are few at present, only four of considerable size. New producers are desirable in order to promote competition and to provide additional phosphate fertilizer to a million and a half farm families in Western and Midwestern States. New producers find it very difficult to obtain rock deposits in Florida and Tennessee but find large areas of western public lands available for lease.

He states that it is his duty under the Mineral Leasing Act to keep informed as to what is a reasonable price for fertilizer and as to ways for bringing about a reduction in price as public lands are developed. He concludes that the greatest opportunities for reducing the cost of fertilizer to the farmer lies in methods to produce high concentrated fertilizer in order to reduce the cost of transportation and handling of the product. Low-cost electric power is significant in the production of phosphorus by the electric-furnace method. This method has the advantage of producing more concentrated fertilizer products than the sulfuric-acid method.

He explains the limitations of an earlier study of which he is coauthor, comparing the electric furnace and sulfuric acid methods. Although his conclusion then was that the acid process was the most economical method for producing either phosphoric acid or concentrated superphosphate, he states that changed conditions can change these conclusions by affecting the assumptions. He states some of the changes that have occurred. He also points out that his conclusion had no bearing on the cost of producing calcium metaphosphate.

5. Roger Swanson

Mr. Roger Swanson, Spokane, Wash., is a geologist of the United States Geological Survey of the Department of the Interior. He is chief of the present project, surveying and reappraising the western phosphate deposits in Montana, Idaho, Wyoming, and Utah. This project has been under way for over 3 years and should be concluded around 1955 or 1956.

He states that the western phosphate deposits include about 50 percent of the total phosphate resources of the United States and he presents detailed statistics. He shows that the Western States have produced very little of the cumulative total of United States mined rock. In 1950 the western field contributed 6.9 percent of the P_2O_5 content of mined rock in the country.

He states the differences between low-grade furnace rock and high-grade acid rock and that the western reserves of these grades run about 3 to 1. He estimates that about 50 percent of the western resources lie in the Bear River region of southeastern Idaho and perhaps as much as 75 percent of the phosphate lands in this region are public lands.

He submits maps of the Western States showing the areas containing phosphate reserves.

6. W. A. Minor

Mr. W. A. Minor, Washington, D. C., is the assistant to the Secretary of Agriculture, responsible for fertilizer programs. Since 1944 he has been chairman of the Committee on National Fertilizer Policy of the Department. He also is cochairman of the Steering Committee of the joint program of the Department and the Land Grant Colleges for more efficient use of fertilizer and lime.

His statement reviews recent trends in the national use and needs for fertilizer, particularly phosphate fertilizer. He points to a need for a 55 percent increase in P_2O_5 fertilizer supplies between 1950 and 1955. By 1975 he states that the country will need more than 2½ times the plant nutrients used in 1950. He states that one reason for recent deficiencies in phosphate fertilizer has been the shortage of sulfur. Among the ways of meeting this problem in the long run is to use the electric furnace to produce phosphorus. He also states that one opportunity to lower the cost to the farmer of plant nutrients is to increase the concentration of fertilizers. He states that a greater usage of western phosphate rock is desirable to serve expanding markets, and that the availability of low-cost power for processing phosphate rock would contribute to this objective.

7. Charles E. Kellogg

Dr. Charles E. Kellogg, Washington, D. C., is Chief, United States Soil Survey of the Soil Conservation Service of the Department of Agriculture. He has had a long and distinguished career in soil science and is recognized nationally and internationally. His statement mentions his many publications and his work both in this country and abroad.

He explains why soil or crop needs for fertilizer are greater than the market demand. He points to a number of sections of the country where the actual use of phosphate fertilizer is well below what would be the optimum use, particularly in the Corn Belt of the Middle West, and the wheat lands of the Great Plains, and the irrigated soils of the West.

He asserts that we are not using nearly enough phosphatic fertilizer nationally to give us efficient production. He states that the estimated need of 55 percent more phosphate fertilizer in 1955 as against 1950 would be revised to 200 or 300 percent with the most efficient practices possible. He foresees a serious deterioration of the productivity of American agriculture and the quality of food and fiber unless the use of phosphate on farms is increased substantially.

To meet the greatly increasing needs, he observes, the aim should be to reduce freight charges. This can be done by judicial location of plants and by emphasis upon high analysis products. It is imperative that we develop the western phosphate deposits, especially by producing high analysis phosphates.

8. Kenneth D. Jacob

Mr. Kenneth D. Jacob, Beltsville, Md., is head of the Division of Fertilizer and Lime in the Agricultural Research Administration of the Department of Agriculture. He has been engaged in research on fertilizers, especially phosphatic materials, for 34 years.

His statement presents the growth in the consumption of fertilizer in the United States since 1930 and the trend toward the use of higher analysis products. He also shows how the consumption of phosphate fertilizer has expanded greatly in various regions, particularly in the north central and and western areas. He explains the causes of these trends, and indicates the expected increases in the future, particularly the outlook for higher consumption of the more concentrated phosphates. These trends would be favorably influenced if low cost electric power at 3 mills or less per kilowatt hour were available close to the western phosphate deposits for the production of phosphorus and other high-concentration materials provided the cost of such products, as delivered to the farmer, did not exceed the delivered cost of P_2O_5 in other materials.

He explains the advantages of producing phosphate fertilizers using the electric furnace in order to reduce the use of sulfuric acid, and the promising outlook for the highly concentrated product, calcium metaphosphate.

He shows how the western deposits have contributed little, thus far, to the fertilizer production. In 1951, 76.6 percent of the mined rock came from Florida, 12.8 percent from Tennessee, and only 10.6 percent from the Western States. On the other hand, the Western States have 60 percent of the phosphate rock reserves.

He shows the importance of transportation costs in phosphate fertilizers and the advantages of the high concentrates in reducing the cost of plant nutrients to the farmer, by as much as $20 a ton or more.

9. L. G. Porter

Mr. L. G. Porter, Washington, D. C., is Chief of the Fertilizer Staff, Production and Marketing Administration, Department of Agriculture. His responsibilies include appraising the needs for productive capacity.

He presents information on the location of phosphate fertilizer capacity by States and types of products, showing the large concentration in the south Atlantic region and the small capacity in the West. He compares expected additions to capacity with 1955 requirements, showing the greatest expected deficit to lie in the West North Central States. About four-fifths of phosphate fertilizer output is in the low concentrate form of ordinary superphosphate. Producers of this product may continue to expect to compete in certain areas but to lose out in markets requiring long freight hauls that may be more economically served with higher concentrated materials. While western phosphate rock has no technical advantage over Florida rock, a greater use of the western deposits appears desirable in the national interest.

10. Harry A. Curtis

Dr. Harry A. Curtis, Knoxville, Tenn., is a director of the Tennessee Valley Authority and an outstanding international authority on phosphorus and phosphatic materials. He has taught engineering at various universities and has engaged widely in industrial work. He has served with various departments of the Federal Government, is the author of some 75 articles in technical books and journals and holds some 25 United States patents, most of them on fertilizer processes and equipment. As chief chemical engineer for the TVA in 1933-38, he launched the TVA's fertilizer research and development program.

His statement shows the authority under the TVA Act giving the TVA a direct interest in the development of the western phosphate deposits. He reviews the TVA research program, the fact that the TVA has made many tests of western phosphate ores, and that TVA fertilizers are used in educational programs from coast to coast.

He explains the advantages of producing phosphate fertilizers through the electric furnace; that low-grade ore can be used, whereas, only the higher grades can be used with sulfuric acid; that several concentrated materials can be produced but only one with sulfuric acid; that there are locational advantages with the electric furnace; and also conservation advantages with respect to using more of the rock deposits and replacing the use of a nonrenewable resource, sulfur, with an inexhaustible resource, water power.

He concludes that cheap electric power in the West will promote utilization of western phosphates for chemical use and can aid some concerns in producing fertilizers. He shows the advantages of calcium metaphosphate which can be produced economically only through the electric furnace. He believes that the current trend toward the use of more concentrated fertilizers will continue and that the electric furnace method of producing such materials is technically superior to other methods. He shows how certain farm organizations can feasibly produce phosphate fertilizer. He expects production to increase by both the sulfuric acid process and the electric furnace method, and by the latter method particularly if power is available around 3 mills per kilowatt-hour in the western phosphate fields.

Mr. MORSE. Mr. President, the witnesses were John W. Sims, Glen W. Bunting, Charles Baker, Roscoe E. Bell, Roger Swanson, W. A. Minor, Charles E. Kellogg, Kenneth D. Jacob, L. G. Porter, and Harry A. Curtis.

What does this testimony show? It all goes to show that cheap public power is needed in the Pacific Northwest to develop phosphate beds. It shows that great farm organizations are behind the program for developing phosphate beds. It shows that they recognize that development cannot be had through private-utility, high-cost power.

Listen to Roscoe E. Bell, of Portland, Oreg., who is regional director in the Pacific Northwest of the Bureau of Land Management of the Department of the Interior, which is Mr. McKay's Department. Mr. Bell has had 25 years of experience in soil science and fertilizer problems of the Western States. He has taught in two western universities and has served in a number of governmental agencies, dealing with problems of soil science, farm management, and agricultural economics. He tells of the great accomplishments he has made in the field of soil management. He states the responsibilities placed upon him by the Mineral Leasing Act regulations with respect to the development of the phosphate deposits on the western public domain.

His responsibilities include the leasing of such lands so as to prevent monopoly and to insure the sale of phosphate products at reasonable prices. He indicates that about 68 percent of the phosphate rock outcrops in Idaho occur on public lands subject to the Mineral Leasing Act, and that a similar proportion exists on public lands in other Western States. He states that about three-fourths of the western phosphate rock is low grade and usable in the electric furnace process, but not in the sulfuric acid process. Lessees of public-land deposits are required to stockpile for later use the low-grade ores if they do not use them currently.

He states that it is his duty under the Mineral Leasing Act to keep informed as to what is a reasonable price for fertilizer, and as to ways for bringing about a reduction in prices as public lands are developed. He concludes that the greatest opportunities for reducing the cost of fertilizer to the farmer lie in methods to produce high concentrated fertilizer in order to reduce the cost of transportation and handling of the product. Low cost electric power is significant in the production of phosphate by the electric furnace method. This method has the advantage of producing more concentrated fertilizer products than the sulfuric acid method.

He explains the limitations of an earlier study of which he is coauthor, comparing the electric furnace and sulfuric acid methods. Although his conclusion then was that the acid process was the most economical method for producing either phosphoric acid or concentrated superphosphate, he states that changed conditions can alter these conclusions by affecting the assumptions. He states some of the changes that have occurred. He also points out that his conclusion had no bearing on the cost of producing phosphate products.

Mr. President, I say to the farmers of Oregon and the farmers of the Middle West that they will not get phosphate fertilizer without low-cost power. They will not get low-cost power without such projects as Hells Canyon Dam.

Now I shall refer to the Cotton report. As yet I have not been able to get a verbatim copy of the report, although I have been assured that one will be placed in my hands the first part of next week. Without taking time to read it, other than to summarize it, I call attention to a disclosure that was made in the Wenatchee, Wash., Daily World of June 8, 1953, in which there was printed a letter addressed to the Department of the Interior by John S. Cotton, dated February 25, 1953. The letter reads:

SAN ANSELMO, CALIF., *February 25, 1953.*

To: United States Department of the Interior, through the Administrator, Bonneville Power Administration, Portland, Oreg.

Attention: Mr. Leon Jouroimon, assistant general counsel; Mr. J. D. Stevens, Chief, Branch of Power Resources.

GENTLEMEN: In accordance with our agreement dated October 20, 1952, I have compared the feasibility and desirability of the Hells Canyon multiple-purpose scheme proposed by the United States Bureau of Reclamation, with its alternate—the five plant run-of-river power scheme and the 3-plant scheme both proposed by the Idaho Power Co., and submit my report herewith.

It appears that the Hells Canyon multiple-purpose scheme which would develop large storage and also large downstream benefits in addition to full powerhead would be superior to multiple-project schemes developing primarily powerhead. My studies show that this premise is correct and that the Hells Canyon multiple-purpoe scheme is from all points of view superior to the schemes proposed by the Idaho Power Co.

Respectfully submitted.

JOHN S. COTTON.

Mr. President, the Secretary of the Interior had that letter when he withdrew from the Oxbow hearing. I do not like to say it, because I do not like to say unpleasant things, but I shall speak the truth, even when it is unpleasant.

The fact is that when the Secretary of the Interior withdrew from the Oxbow hearing, and thereby, in effect, gave the Eisenhower administration's blessing to a private utility raid on the people's resources on the Snake River, he knew full well that his own experts in the Bureau of Reclamation, the experts in the Corps of Engineers, and the unquestioned, impartial, independent expert, John S. Cotton, had filed their reports with the Department of the Interior, leaving no room for doubt about the fact that the Hells Canyon Dam project is superior to either the 5-dam scheme or the 3-dam scheme of the Idaho Power Co.

One draws his own conclusions as to whom the Secretary of the Interior is serving when he has that kind of information on file at the time he follows a course of action which is not in the public interest. Obviously he is not serving the interests of the people; he is serving the interests of private utilities. The president of the private utilities association might just as well be sitting in the chair of the Secretary of the Interior as the man who is sitting there.

I shall read into the RECORD an editorial entitled "A Look at the U. S. A." written by Wilfred R. Woods, and published in the Wenatchee (Wash.) Daily World of June 8, 1953. The editorial reads as follows:

WASHINGTON, D. C.—It is now several weeks since Secretary of Interior McKay held his now-famous press conference on Hells Canyon Dam.

I digress from the editorial long enough to say that one of the interesting coincidences in this whole fight has been the repetition of the criticisms by the private utilities—criticisms which they made at the time the Grand Coulee fight was made. They said identically the same things then they are saying now. They engaged in the same misrepresentations of the facts as they are engaged in now.

The editorial continues:

We were present when McKay announced the administration decision, withdrawing Interior Department's objections to the Idaho Power Co. dams.

We cannot help but recall that occasion. It was a turning point in Government

policy, certain to affect the pattern of future development of the Northwest.

The Hells Canyon case has been before the public in some detail since that announcement. A number of things still remain unanswered in our mind, though.

We tried to get some of the answers at the Bureau of Reclamation headquarters in Washington. A news blackout had been imposed, however, against any discussion of the project. Reclamation people have been told not to talk about figures or data on Hells Canyon Dam.

What is our concern with all this? After all, this dam is a long way from us.

Hells Canyon is a long way from here. But it would be a part of the full development program for the whole Columbia watershed. Under Federal development, it would aid every dam downstream, and we have a stake in that.

We have no way of knowing whether the Idaho Power Co. would ever build the three dams they propose, or the five dams they originally proposed.

After all, the Idaho Power Co. has been telling everyone that it has plenty of power. Furthermore, if power could be delivered to the power pool, what would the consumers have to pay?

To us it is the same kind of fight, waged by the same people, with many of the same arguments as this area went through on Grand Coulee Dam.

Abuse and ridicule has descended on those advocates of Hells Canyon just as it did on those who backed Grand Coulee. The reports of the engineers were pooh-poohed then just as they are now.

There has been a deliberate attempt to discredit the studies made by some of the finest engineers in the country. One of the witnesses against Hells Canyon was on the part of an employee of the State of Washington, Holland Houston. The Hells Canyon hearings of 1950 carry the Department of Interior's reply to his testimony, including the following words: "Mr. Houston's own computations are in error and are not in accord with accepted engineering and business practice."

There was some other phony business at the press conference.

Hells Canyon Dam was discounted at the conference because its power output would be reduced after full development of all the dams on the Columbia watershed. The difference between the Idaho Power Co.'s dams and Hells Canyon after full development would be 170,000 kilowatts, said McKay.

One justification for the abandoning of Hells Canyon, though, was because of the amount of money that would be needed. This would be difficult under the budgetary restrictions at present, said McKay.

Here's the phony business. The figures emphasized at the press conference were those after full development of the Columbia system, embracing a whole host of dams not now even being considered.

Yet Hells Canyon is abandoned because of cost, a project that is one of the steps in that full development. If the money can't be found for Hells Canyon, why go forward 50, 75, or 100 years to drag in figures on projects that will cost many times that of Hells Canyon in total?

That's phony figuring, I say.

Let me say to the editor of the Wenatchee World that I agree with him. The entire position of the Department of the Interior on the Hells Canyon Dam issue is phony. It must be considered in the light of the fact that it is working shoulder to shoulder with the private utilities in trying to defeat the development of a great multiple-purpose electric power damsite, so sorely needed for the development of the maximum power of the Snake river for the benefit of all the people of the Nation.

Let Senators get it out of their heads if they think this is a Pacific Northwest problem. This is a national problem. The Nation needs this power.

Mr. President, I make reference at this point in my remarks to another story from the same issue of the Wenatchee Daily World. The story is entitled "Suppressed Report Favors Hells Canyon." I understand that it has already been offered for printing in the RECORD.

It is argued by the Department of the Interior that it did not suppress the report. No; it did not suppress it. It was studying it. It was analyzing it. But why so much secrecy about the study? Why were we not told about the report, when the program was announced? Why did we have to wait these many months, and bring so much pressure to bear on the Department to have the report released?

Let me tell the Senate who John S. Cotton, the consulting engineer, is. He was formerly at the head of the San Francisco office of the Federal Power Commission. He is considered both by Government engineers and private engineers as unsurpassed in America so far as expertness is concerned in the field of water resources and the development of power.

It is tough on the Department of the Interior, is it not, whose top Administrators, McKay and Tudor, are serving the interests of the private utilities, to have brought to light an independent engineer's report, made in behalf of the Government, on the comparative merits of the Hell's Canyon Dam program and the Idaho Power Co. program, and to find that it completely repudiates the position taken by the private utilities spokesmen at the head of the Department of the Interior?

I know that is tough, Mr. President, but it is true. I think that before it is too late the American people are going to see what the private utility representatives in the Department of the Interior are up to in connection with the looting program to which I referred at the beginning of my remarks. This is the next big grab or give-away program of the Eisenhower administration.

Some more people in the State of Oregon are behind me in this fight. I have the Farmers' Union behind me. I wish now to place in the RECORD a series of editorials which appeared in the Farmers' Union newspaper. The first is an editorial from the May, 1953, issue, entitled "The People Have Decided, Mr. Secretary." I shall not take the time to read it, but I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PEOPLE HAVE DECIDED, MR. SECRETARY

No one in Oregon will be fooled by Secretary McKay's fence straddling on the public power issue. One week he gives away Hells Canyon to a few stockholders in the Idaho Power Co.—a free gift of this vast natural resource, perhaps the greatest undeveloped natural resource remaining in the northwest. The next week he journeys to Boston and tells the American Public Power Association that he believes in public power and thinks the people affected should have the right to decide who should do the developing, public or private interests.

For the Secretary's information, the people immediately affected long ago decided against the Idaho Power Co. on Hells Canyon development. To refresh his memory, we would remind him of Senate bill 99 which passed the 1947 Oregon legislature and which was designed to make it easier for the Idaho Power Co. to build its proposed Oxbow Dam in Hells Canyon. Through the joint efforts of the Oregon Grange and the Oregon Farmers Union, Senate bill 99 was referred to the people and they reversed the Oregon legislature and handed a smashing defeat to the Idaho Power grab bill. This was as clear a referendum as could be asked for on the question at issue, do the people of Oregon want Hells Canyon developed by a private utility or by a public agency. The people of Oregon voted overwhelmingly against the private utility.

In a more recent referendum on the question, even more closely tied to Hells Canyon Dam, the people of Idaho's Second Congressional District, lying along the Snake River and including the site of the proposed dam, elected Mrs. GRACIE PFOST to Congress on a platform which endorsed Hells Canyon Dam. This was the big issue in the campaign. Her election was especially significant in view of the Eisenhower landslide. That she was able to buck the trend and win on the Hells Canyon issue is a clear indication of what the people of western Idaho want. And Washington's 23 PUD districts—covering most of that State—show what the people of Washington want. They have been busy for the last 20 years throwing out private power in favor of public generation and distribution.

So if Secretary McKay is really sincere in saying that he believes the people affected should decide the question, why doesn't he recommend to the Federal Power Commission that its permit be held up pending the holding of a referendum by the people of the three States. We are sure that Governor Patterson, Governor Langlie, and Governor Jordan—all fervent States rights advocates—would be glad to cooperate in making it possible for the people in these three States to render their advisory verdict on the question.

Mr. MORSE. Let me state in a single sentence what the editorial means. It means that the farmers do not agree with McKay. It means that they see through his scheme. It means that they recognize the importance of Hells Canyon dam to the farmers of Oregon.

I have before me another editorial from the May 1953 issue of the Farmers' Union newspaper, entitled "Oil Loses—People Win." It is an editorial in reverse. The writer means to point out that although the tidelands bill was got through the Congress, the effect of the fight by the little band of liberals in the United States Senate against the tidelands bill has been to arouse the people of Oregon to the losses they really suffered. The editorial says, in effect, that that is the victory the people can take from the fight, because at least the fight has aroused the people of Oregon to an understanding of the issues at stake. Those who were parties to the program will hear from the people in the elections ahead.

I ask unanimous consent to have this editorial printed in the RECORD, at this point, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OIL LOSES, PEOPLE WIN

The oil bill was lost, but in the long run the people may have won. They will win if they have been awakened by the long filibuster to the trend of events in Washington—to the fact that this administration is a giveaway administration, intent on plundering the natural resources for the benefit of a few. First, oil, then power, now grazing lands. Next will probably come timber and minerals.

The oil fight is not over. Now it moves to the courts. Several States have already announced that they plan to test the oil bill in the courts to ascertain whether the Congress has the right to give away national assets belonging to all States to the three States benefited—California, Louisiana, and Texas. Oregon's Attorney General Thornton should join this court battle. Oregon's share of the oil royalties is at least $100 million and may run as high as $600 million. There is a direct economic interest here which the Oregon attorney general should take steps to protect.

The newspapers attempted to ridicule Senator MORSE for his 22-hour marathon speech which broke all Senate records. But there was a real reason behind it—and instead of ridicule Senator MORSE deserves applause. The month-long filibuster—including his speech—was the only way to bring the facts to the American people. The newspapers had drawn an Iron Curtain on the oil controversy—and there seemed to be no other way, short of something dramatic like a 22-hour speech, to awaken the American people to the dangers of what was happening at Washington.

That purpose seems to have been accomplished. The tremendous turnout at Portland at the Hells Canyon conference is an indication of the fact that public opinion is gradually being mobilized for a counter-offensive. And when it comes—as it certainly will—a lot of the credit must go to Senator MORSE and the other valiant Senators who held the Senate floor for a month, saying more or less the same things over and over again, but finally making an impression on the voters.

We predict that many of the Senators who voted for this oil bill—Senator CORDON, for one—will have much to answer for when they come up for reelection in 1954.

Mr. MORSE. Mr. President, I have before me another article from the Farmer Union of Oregon, entitled "Exit Hells Canyon." Mr. President, do not assume that the title of the editorial means that the Farmer Union is reconciled to its first defeat on the Hells Canyon issue, as represented by the Secretary of the Interior's withdrawal from the case. What it really means is that these people are merely girding to take on the opponents of the Hells Canyon.

I ask unanimous consent that the editorial be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EXIT HELLS CANYON?

The Oregon Journal gleefully announces that Hells Canyon is a "dead duck."

The Journal has a right to its opinion, but it has no right as a responsible newspaper to base its reason on distorted facts. In this case, it gives as its principal reason for satisfaction with the McKay decision that the dam will cost a lot of money, and (2) that other sites are available which would do a better job cheaper.

This distortion propagated by Secretary McKay in his announcement turning down the dam, by others in the Eisenhower administration, and by their newspaper apologists.

The entire cost of that part of the dam devoted to producing power will be repaid by power users. This is true of all Federal power projects. Bonneville Administration is several years ahead of schedule in repaying to the Federal Treasury the costs of Bonneville and Grand Coulee dams allocated to power.

The taxpayers pay only for improvement to navigation and for flood control. In the case of Hells Canyon this amounts to $43 million. The cost of the entire power development will be something over $500 million, and all of this will be repaid by those who use power.

So the Journal's first argument falls flat. Of course, it costs a lot of money, just as will the Oxbow Dam of the Idaho Power Co. And in each case the power users will pay for it. The difference will be that Hells Canyon Dam power would cost about half as much to produce as Oxbow power, and would probably be sold to consumers and distributors for about a third of what the Idaho Power Co. would charge.

Does the Journal think this is good business? Does it run its own business by "saving" money and buying cheap machinery when by spending a little more on better machinery it could reduce its production costs? That kind of "saving" is not good for a newspaper, and it is not good for power users in the Northwest.

The cost to look at is not the capital investment but the cost of the kilowatt to the consumer.

By this test, Hells Canyon Dam wins hands down. The Journal knows this. So does Secretary McKay. By circulating stories about the "high cost" of Hells Canyon Dam, they are misleading the American people.

No. 2. The Journal says that "other sites would do as good or a better job cheaper."

This also is not true. Both the Army engineers and the Reclamation Bureau have agreed that Hells Canyon is the best site for producing power at the cheapest rate. In fact, it is one of the few remaining sites on the American continent where power can be produced at a rate comparable to the Bonneville rate.

COMMITTEE RECOMMENDATIONS

The committee on permanent organization headed by Vince Cleaveland recommended:

1. No compromise on a program for the maximum development of the river's resources, including hydroelectric power, irrigation, flood control, fish and wildlife, navigation, and recreation.

2. A high dam at Hells Canyon and no private dams at Oxbow or anyplace else in Hells Canyon.

3. The setting up of an executive committee consisting of one representative of each participating organization. Inasmuch as 56 organizations were represented, it was proposed that an immediate steering committee of 11 members be organized.

All of these recommendations were adopted.

It was emphasized that the campaign to save Hells Canyon for the people would be on a strictly nonpartisan basis. Also it will not be made a public versus private power fight. The cooperation of business interests who prefer private distribution will be sought. The emphasis will be on saving every kilowatt possible of potential Columbia-Snake energy in order to provide the cheapest and most attractive rate for future industrial development.

LETTER TO EISENHOWER

This same emphasis was stressed in a letter to President Eisenhower, submitted by the resolutions committee, and adopted unanimously. I asked the President to direct the Departments of Defense, Interior, and Agriculture to intervene in the Hells Canyon hearing, now scheduled for July 7.

Mr. MORSE. Mr. President, I have before me another interesting article. It was published in the Sacramento, Modesto, and Fresno Bees newspapers of California. It is entitled "Ike's 'Creeping Socialism' Is Galloping Prosperity." It means, of course, galloping prosperity for the selfish interests of the country, not for the people. I ask unanimous consent that it be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

IKE'S "CREEPING SOCIALISM" IS GALLOPING PROSPERITY

In a recent speech in Minneapolis President Dwight D. Eisenhower made some references to "creeping socialism," an overworked phrase which could have been supplied to him by the private power lobby.

Asked at a press conference last Wednesday to identify a case of "creeping socialism" the President cited the Tennessee Valley Authority.

Eisenhower scarcely could have picked a more inappropriate example. And moreover, his words must have been quite a shock to the chambers of commerce, the industrialists, and conservative bankers of the Tennessee Valley, who hardly can be regarded as champions of socialism in any form, but who will fight at the drop of any suggestion to wreck or hamstring the great TVA project.

For these bankers, industrialists, and chambers of commerce have seen the TVA transform one of the most backward areas of the United States into a thriving, prosperous region.

In 13 years more than 2,100 manufacturing establishments located in the TVA area because of an abundant supply of cheap power and the other advantages which the project offers.

These industries provided 288,600 new jobs, an increase in employment of 123 percent against 73 percent for the Nation as a whole.

Per capita income rose twice as fast as that for the country at large. Bank deposits per capita went up 268 percent, against 112 percent for the whole Nation.

The "creeping socialism" which the President mentioned thus becomes more a case of galloping prosperity.

The 2,100 manufacturing establishments, the myriad businesses which have sprung up in the valley, the reduction of farm tenancy from one of the highest rates in the Nation to one of the lowest in little more than a decade are illuminating and inspiring examples of free enterprise, certainly not of socialism.

And what is of equal significance is that the kilowatts which TVA generated made possible the development of the atomic bomb at the Oak Ridge plant. Without the power from TVA and from another Government power plant—Bonneville—the atomic bomb might never have been made and World War II prosecuted to a successful conclusion.

The President also said he is against the idea of taking the money from all the taxpayers to finance cheap power for one area. Surely Eisenhower could not have examined all the facts before making such a statement.

For one thing, the atomic bomb aided all the people of the United States by bringing a sudden end to the war with Japan.

And due to the increased employment and business in the TVA territory, the Federal Treasury has collected $2 billion more in income taxes from the area than it otherwise would have gotten—several times the cost of TVA.

Of the $379 million spent in materials and equipment to build TVA, $334 million was spent in States outside the area. Every State has profited from the additional commodities sold in the TVA territory. And, what is more, the Government's entire investment in TVA power facilities is being repaid to the Treasury—with interest.

In light of this amazing record, is it any wonder Senator ESTES KEFAUVER, of Tennessee, expressed regret that Eisenhower "displayed such an alarming lack of knowledge of TVA," adding:

"The facts will show that TVA has been the best friend private enterprise ever had in the Tennessee Valley. Furthermore, it has been a great boon to private enterprise generally."

Eisenhower's characterization of TVA as "creeping socialism" will not impress the people of the valley, who have witnessed a transformation which has attracted worldwide attention, any more than it did Senator KEFAUVER.

Surely these people who with the advent of TVA came into a better way of life, as exemplified by the fact they use 67 percent more electricity in their homes for washing machines, refrigerators, etc., than the average for the country as a whole, know a good thing when they experience it.

Ike displayed far better judgment when he told newspapermen he does not intend to destroy this big public power development project than he did in branding it as "creeping socialism," for if he were itching for a fight he would get one pronto and on many, many fronts should be more adversely against TVA.

Mr. MORSE. Mr. President, I close this part of my committee report today, before I take up the next subject, by saying that I think the record has been made here today by the liberals who have spoken out against the Eisenhower power program, and it is a record of factual information to which we can refer in the months ahead—and, if necessary, in the years immediately ahead—as our proof in support of the premises which we are defending in this historic battle in the Senate.

The Republicans are not going to answer it, as was attempted by one of their spokesmen this afternoon, by saying in effect that maybe Mr. Eisenhower does not mean it. I like to take men at their word. So my gratuitous advice to his advisers would be: "If you do not mean it do not call TVA creeping socialism. If you mean it, then come forward with the proof, because we are offering proof for the RECORD here today, with respect to TVA and other projects, which shows that the public interest is going to be greatly injured, if you follow the power program as represented by the committee reports of the House and of the Senate in the Interior Department and the Army civil functions appropriation bills."

Mr. President, I repeat that the fight for progress is never won; it is never lost. We must continue to carry this fight to the Eisenhower administration, hoping that we can either change the point of view of those now in office, so that they will support the public interest, or that we can at least get the voters to see that if they do not change their view the public interest calls for their retirement from public office.

WITHDRAWAL OF NOMINATION OF TOM LYON

I now turn my attention to a subject which my friend, the Senator from Utah [Mr. WATKINS], raised a short time ago, with respect to the Lyon appointment.

I am very glad the Senator from Utah commented on the Lyon appointment. I think he made very clear his attitude and his position in regard to it. About this appointment I want to say that Tom Lyon was not qualified, in my opinion, for the position. He was not qualified not only because of the interest he had in the position, as evidenced by the pension, as was brought out at the hearings, but obviously, in my judgment, he was not qualified because of the position he took in regard to our mining laws, in regard to the responsibility for mine accidents, and in regard to the principle of the social attitude he disclosed in his testimony. I think it was very wise that he withdrew.

Mr. President, I ask unanimous consent that there be printed at this point in the RECORD, as a part of my remarks, certain excerpts from the hearings in the Lyon case, as we find them in the report, adding, as I wish to do, the very interesting statement he made on page 107 of the testimony, in reply to a question asked by the Senator from Washington [Mr. JACKSON]:

Senator JACKSON. Well, if there is a disastrous situation, does not human life come before material matters, where life itself is involved?

Mr. LYON. You would think so, sir. But life apparently has become very cheap on the globe.

Mr. President, I think we are very fortunate that we got rid of at least this bad appointment before it was made, because I am willing to submit justification for the withdrawal of the appointment on the basis of what the record itself shows.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MORSE. Mr. President, I ask unanimous consent to have the excerpt from the testimony printed in the RECORD at this point, as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Senator JACKSON. I would like to say that the questions I put to you are not in any way for the purpose of indicating that I am for or against any particular position. I want to make the record as complete and clear as possible.

When you left the International Smelting & Refining Co., did you leave on a friendly basis?

Mr. LYON. Yes, sir.

Senator JACKSON. There was no discord there? The reason I asked that question: The record was a bit unclear, and I could not quite determine.

Mr. LYON. No.

Senator JACKSON. Did you receive a pension from the company?

Mr. LYON. Yes, sir.

Senator JACKSON. Are you receiving one now?

Mr. LYON. Yes, sir.

Senator JACKSON. How much is that pension?

Mr. LYON. $5,000 a year.

Senator JACKSON. Do you feel that the fact that you are getting a pension from the International Smelting & Refining Co. will in anywise affect your judgment in being fair and impartial in dealing with both individuals and other companies?

Mr. LYON. No, sir. It will not affect my judgment in any way.

Senator JACKSON. Is that a pension that is contributed primarily by the mining company, or is it one that you contributed to jointly?

Mr. LYON. No, sir. It is entirely by the mining company.

Senator JACKSON. Are you not in a bit of a difficult position here, receiving a $5,000 pension from a company that you might be required to take some strong action against?

Mr. LYON. In any action regarding the Anaconda Company, I have disqualified myself.

Senator JACKSON. Well, do you think you ought to be in a Bureau of Mines in a position where you cannot act in a field involving one of the biggest domestic producers of copper?

Mr. LYON. As a matter of fact, the Bureau of Mines has very little business to do with the Anaconda Company other than getting statistics from them and supplying them statistics. That is about all the business they do with any of these larger companies.

I discussed this whole matter with the Anaconda Company before I said that I would accept this job.

They said to me, "Now, listen. You have earned this. It belongs to you, and is the end of it. As far as we are concerned, there is no obligation whatever."

Senator JACKSON. Now, let me ask you this. When you were in the Defense Minerals Administration as Assistant Chief of the Copper Branch, and later Director of the Supply Division, and later with the Defense Materials Procurement Agency, as Director of the Domestic Expansion Division of that administration, did you have any dealings with the Anaconda Company?

Mr. LYON. There were some dealings with the Anaconda Company by the agency, but I never knew anything about them.

Senator JACKSON. Did you ever sign any papers or in any wise participate in the program?

Mr. LYON. No, sir.

Senator JACKSON. On these contract purchase agreements, did you sign any agreement or contracts with companies affecting the price on copper or lead or zinc that Anaconda might be affected by?

Mr. LYON. No, sir.

Senator JACKSON. Well, if you push the price upward for lead and zinc, would that not affect Anaconda?

Mr. LYON. To some extent; yes.

Senator JACKSON. Mr. Chairman, I think we are in a problem here. I am not questioning for one moment your integrity, you understand, Mr. Lyon, but I mean he is drawing a pension of $5,000 a year, which is more than owning stock in a company. The Anaconda people could cut you off of that pension if they wanted to, could they not?

Mr. LYON. Yes, sir.

Senator JACKSON. You mean you are not in sympathy with the mine inspection laws?

Mr. LYON. I think it should be handled by the States.

Senator CLEMENTS. Therefore you are opposed to it as a Federal matter?

Mr. LYONS. I am. I think the States should handle it, and I think the Bureau of Mines, which is organized to advise and experiment and suggest methods of safety, health, and accident protection, in which they did a very good job, should have it just the way it was.

Senator CLEMENTS. Mr. Lyon, if you were called upon to make a recommendation as the head of the Bureau of Mines on that subject, you would recommend against any Federal inspection act?

Mr. LYON. Yes, sir.

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Senator JACKSON. In other words, your philosophy is that you feel that the Federal Government should not engage in mine safety inspection work?

Mr. LYON. It is just that much more Federal control, and I don't like it.

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Senator JACKSON. Are your views shared by the Department of Interior generally on this question?

Mr. LYON. I haven't discussed it with the Department of Interior.

Senator JACKSON. They never asked you about your views on health and safety?

Mr. LYON. No, sir.

Senator JACKSON. I might ask Mr. Wormser: Did you know he was drawing a $5,000 pension from the Anaconda Copper Co.?

Mr. WORMSER. No, sir.

Senator JACKSON. Why did you not ask him? You know, that is a question I asked of you, and it is not one that is singled out for Mr. Lyon. I would not for one moment want anything inferred that I questioned his integrity by reason of the question. I asked the question simply because it was a routine question. But I am amazed that you have not gone into it and discussed his philosophy. Have you discussed this mine safety thing with him?

Mr. WORMSER. No, sir.

Senator JACKSON. Well, how are you appointing these people down there? He is under your division.

Mr. WORMSER. That is correct. But he has terrific endorsement. Of all the candidates that we had, Mr. Lyon had an overwhelming preponderance of endorsement from all elements of the mining industry, from people whose judgment I respect.

Senator JACKSON. Yes, but if you were running a company, and a man has been endorsed by all your friends, you would certainly want to ask him questions about his philosophy of management, what he is going to do, and so on, would you not? Has this been discussed with the Secretary?

Mr. WORMSER. So far as I personally am concerned? You mean discussing Mr. Lyon's personal philosophy? I haven't discussed that with the Secretary.

Mr. LYON. Ninety-nine percent of the accidents are caused by the individual employee.

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Senator JACKSON. You say 99 percent of the accidents are caused by the individual and not by a mistake on the part of the companies?

Mr. LYON. Certainly.

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Mr. LYON. Well, certainly. If you have got a Federal law, you have got to enforce it. But I can say that in my opinion you do not need a Federal law in metal mines.

Senator CLEMENTS. Well, you do not need it in metal mines?

Mr. LYON. No, sir.

Senator JACKSON. Do you need it in coal mines?

Mr. LYON. I am not sure.

Senator ANDERSON. May I just ask Mr. Wormser one question? Senator MALONE has spoken well of Mr. Forbes, and I thought very well of Mr. Forbes. What was the principal reason that led to the removal of Mr. Forbes?

Mr. WORMSER. I frankly don't know, Senator.

Senator ANDERSON. Did you remove him?

Mr. WORMSER. No, sir.

Senator ANDERSON. Who did remove him?

Mr. WORMSER. Secretary McKay.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. WATKINS. I believe in fairness to Mr. Lyon, it should be stated that questions were being fired at him one after another during his examination. I do not think for a moment that he meant to imply or did imply that he himself thought human life should be held cheaply. He was only referring to what was going on in the world, with respect to the way people were being destroyed and killed every day, and it did not reflect any of his views. He was talking about what had been going on, and his explanation, I feel, was not complete, because he was cut off with other questions that were being fired at him. He never did have a full opportunity to explain that part of his testimony. I think some wrong implications have been drawn from it.

I had not known Mr. Lyon, and I had only met him once prior to the hearing, and that was for a few minutes in the reception room. He had been recommended by friends, and I was given to understand that Mr. Lyon is an excellent man in many ways. He has worked in mines himself. As a boy he helped to work his way through college as a hard-rock miner in the West. He was also an inspector in mines, and he had to go all through mines. He knows what it means to incur danger. He is in favor of mine inspection, and he is in favor of carrying out the laws that have been enacted. However, when he was frankly asked if he believed in the Federal laws with respect to mine inspection he said he did not. He said he did not believe in the Federal Government making the inspections. I may say that when the law was passed providing for mine inspections on a Federal basis, there were many Senators who did not believe in it. They believed it to be a State function, and that the States could do it better. Mr. Lyon seemed to have that point of view, although I never heard a word about it. I had only seen him for a few minutes, and that question was not gone into at all with him. I was surprised at his attitude. As I said, I could not agree at all to the nomination after the man's statement that he had the pension and that it was a revocable pension. In other words, it was like being on the payroll of one of the mining companies.

But there are many persons who honestly and sincerely believe that the best coal-mine inspection will be done on the State level. I do not say that is my point of view, but I call attention to the fact that for a long time there has been a controversy over that point.

Mr. Lyon personally subscribes to the belief—at least it is his philosophy—that the States would do a much better job for themselves, as compared to the job which could be done by Federal inspectors.

In the course of the hearing, the appointee said to do a proper job, many more inspectors than had been allowed for that particular work in the Bureau of Mines—approximately 625, as I recall—would be required. He said that in the case of some mines it would take from 3 to 6 weeks to do the job, and that there would not be sufficient money for that purpose. He said that if his nomination were confirmed, he would do everything in his power to enforce the law.

Of course, there have been certain Presidents of the United States who were not in favor of some of the laws on the statute books. It is notorious, of course, that President Truman had no sympathy with or confidence in the Taft-Hartley Act. Yet he was sworn to uphold it. I would give him credit for trying to enforce that law, although a good many persons would not agree with me about that.

As a former judge, I know that at times a judge is called upon to rule or to make a decision in connection with upholding a certain law, for which, if he had been a member of the legislature at the time when the law was passed, he would not have voted. However, no one would say a judge would not uphold such a law simply because he would not have voted for it if he had been a member of the legislature at the time when the law was passed.

I take the position that those who are given jobs of enforcing and carrying out laws will do their best to enforce them. Under that philosophy, I think Mr. Lyon would have done very well. He is a highly trained and experienced man. He was trained at the Montana School of Mines, and he has worked virtually all his life with mines. He has been connected with mines ever since his youth.

So far as the metal mines of the country are concerned, from his experience with probably the most important mine in the Nation, Mr. Lyon is as well qualified as anyone we could find.

What impressed all of us in the committee was Mr. Lyon's utter frankness, sincerity, and inherent honesty. He was complimented by practically every Senator present on his stand. When the meeting was over, I told Mr. Wormser that I could not go along with the nomination because of Mr. Lyon's pension, which constituted a conflict of interest. I said that for that reason I could not support the nomination.

Mr. Lyon himself said that he understood my position; and he said that under the circumstances he believed his nomination should be withdrawn. He said he would ask the Secretary of the Interior to ask the President to withdraw it. Thereafter, the Secretary of the Interior went to the President and asked him to withdraw the nomination.

Of course, a great hullabaloo was raised over this matter, and some persons stated that the nomination never should have been made. Undoubtedly under the circumstances which developed, the nomination should have been withdrawn.

I had not previously known Mr. Lyon, but I regarded him highly on the basis of his reputation and ability. Undoubtedly he has great ability. The Truman administration appointed him to the Federal service, at a salary of $13,000 a year, almost as large a salary as the one he would have received if his nomination by the present administration had been confirmed. Under the Truman administration, Mr. Lyon served in a Government agency which had the duty of passing on contracts involving hundreds of millions of dollars. No doubt some of those contracts involved the International Mill & Smelting Co., which does a great deal of business throughout the United States. But during Mr. Lyon's service under the preceding administration, no question was raised. Mr. Lyon said he freely stated his various connections, and no question was raised. He said he was surprised to have the question raised now.

Mr. Lyon was in the Government service for a great many months. I do not think he should have been in the Government service; I do not believe that anyone who would have such a conflict of interest should hold public office.

I took the same position at the time of the Nimitz case. I said that such a conflict of interest should not be allowed to exist. At that time our Committee on the Judiciary turned down the proposal of the President to clear these persons. The committee took that position because of the conflict of interest.

We took the same position in the case of Mr. Ray Murdock, who was active in handling cases before the Court of Claims, and also was working for one of the Senate committees, and also was doing a certain amount of lobbying in favor of some labor clients he had in Alaska. I felt that should not be permitted. I had nothing against Mr. Murdock, for I believe he is a very able man.

Having taken that stand, I cannot change, because I am so constituted that I believe one cannot properly serve two masters. Admittedly Mr. Lyon is an honest man, but I do not think he should be placed in such a position.

Some have said it is improper for one to attempt to enforce a law in which he does not believe. In that connection, Mr. President, certainly no one has said that Mr. Lyon was not in favor of safety in the mines. Of course he does favor safety in the mines. A part of his job as assistant manager of the International Mill & Smelting Co. had been to work actively toward achieving safety in the mines.

Certainly the fact that Mr. Lyon was not in sympathy with having the Federal Government do that job, the fact that Mr. Lyon thought that was a poor way to get the job done, has no bearing on his honesty.

Let me say that I appreciate the courtesy of the Senator from Oregon in permitting me to make this statement. I wished to make the situation perfectly clear, because Mr. Lyon, after having served the Government for 29 months in his former position, no doubt is amazed to find suddenly someone has discovered that he is disqualified.

I would not have mentioned this matter except for the fact that some of my Democratic friends have attempted to poke fun at the Eisenhower administration for not having discovered the disqualification. I point out that the preceding administration had not discovered it, either. The information was in the files, but it was not known.

My Democratic friends seem to be very much concerned about this situation, and so am I. I do not think persons who receive revocable pensions from private companies—which practically amounts to being on their payrolls—should hold Government positions in which they pass on contracts in which their former employers are interested. Such a situation puts the administration of the law in disrepute, no matter how honest the persons concerned may be.

Some persons say, "This man has been honest in all business activities in which he has been engaged, and I would trust him anywhere." However, Mr. President, that is not the point. We must not have in public office men who are subject to criticism and suspicion because of conflicting interests.

Mr. MORSE. Mr. President, I am delighted to have the statement of the Senator from Utah in the RECORD at this point, in connection with my criticism of this appointment. There is no question about the fact that the Senator from Utah has made a good-faith and sincere statement of his position.

He and I have a difference of opinion regarding the advisability of the making of the appointment in the first instance, but I have no criticism whatever of the Senator from Utah. So far as having any responsibility in the matter is concerned, he was not under any obligation to ascertain the details regarding the appointee.

But I read the record very carefully before I decided to make these critical remarks this afternoon. I reached an interpretation of the record somewhat different from that reached by my friend, the Senator from Utah. I completely agree with him that the financial arrangement disqualified Mr. Lyon, from the standpoint of self-interest. However, two wrongs do not make a right. Because Mr. Lyon had served under a Democratic administration without having this financial arrangement discovered does not change the fact that the present administration should have ascertained it.

Of course there is a difference between the two jobs. The previous position which Mr. Lyon held—important as it was—was highly subordinate, as compared with the position of chief of Bureau of Mines, which is charged, among other things, with the duty of mine inspection.

Mr. WATKINS. Mr. President, will the Senator from Oregon yield further to me?

Mr. MORSE. I yield.

Mr. WATKINS. Does the Senator from Oregon realize that Mr. Lyon was acting director of a large procurement organization of the Government which dealt with many hundreds of millions of dollars' worth of materials?

Mr. MORSE. Yes. I admit that was a very important job, but I do not think it begins to compare in importance with the other job. The Bureau of Mines is a very important agency of the Department of the Interior.

I agree with the Senator from Utah that a matter of self-interest was involved. I have the additional viewpoint, which I judge from the remarks of the Senator from Utah he does not share——

Mr. WATKINS. What is it that the Senator from Oregon believes I do not share?

Mr. MORSE. I shall state it.

Mr. President, it is my view that the appointing authority should have ascertained whether the person proposed to be nominated to administer the agency was qualified or was not qualified. After all, as administrator of the agency, he would administer the mine-safety law, which was passed by unanimous consent by the Senate, following long hearings before a committee of which I was a member. As the record will show, at those hearings I cross-examined a great many persons on the question of the Federal mine-safety law. I came to the conclusion, as did the overwhelming majority of the committee that recommended the enactment of the statute, that we simply are not going to get mine safety in this country if we leave the matter to the States.

It is true that, all mine owners were not opposed. There were some coal operators before the committee who took the position that it was necessary to have the Federal law. But there was great opposition from the mining industry as a whole to the passage of Federal legislation. They wanted regulation left to the States. We came to the conclusion, however, that the safety of the miners of America was dependent upon a change in the jurisdiction over enforcement of the mine-safety code. We came to the conclusion it should be handled by the Federal Government, and we passed the law. If we made a mistake, let us repeal the law.

But, Mr. President, I cannot reconcile myself to the policy of appointing as administrator of an act of Congress a man who testifies under cross-examination that he is not in sympathy with the act. I say that is asking too much.

I have no question of the ability of the Senator from Utah as a judge, and I trust he will accord me the same point of view, because I have been in a position where I had tough cases that called for a decision on the record. I have no question about the ability of men placed in judicial position to make a judgment on the record. We do not form policies when we sit as judicial officers; we apply, for the most part, and in most cases, the preponderance-of-evidence rule to a record that is made before us, in accordance with the pleadings presented to us. There are procedures and rules that protect interested litigants, which rules in turn are very instrumental in producing impartiality on the part of the man who wears the robe. Judicial process is one thing, but the administrative process is quite a different thing, because in the administrative process one is dealing with the exercise of a wide discretion in determining administrative policy; and the first thing that should be ascertained in making an appointment is whether the applicant is in sympathy with the chief responsibility of his job as manifested by the law he will have to administer.

Whether one likes John L. Lewis or not, he nevertheless has a position of representation, and is it any wonder that he, representing the coal miners of America, was vigorously opposed to this appointment? He will state, if he is questioned, that he knew this man had no sympathy for the Federal safety law. I say that when such a man is appointed, there is created a lack of confidence on the part of those for whose benefit the law is to be applied and administered.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. WATKINS. Does the Senator realize that the actual carrying out of the policies of mine inspection, and even the ordering of mines closed, if they are found to be defective in their protective programs and facilities, is vested in the inspector himself; that he has the full power, and that such inspectors are under civil service and cannot be discharged except for gross neglect of duty, or something of that sort?

Mr. MORSE. Oh, surely.

Mr. WATKINS. All of that is involved in the question. In the case of Dr. Boyd, when he was challenged by Mr. Lewis, we found that Mr. Boyd intended to retain—and he did retain—Mr. Forbes, who was the head of the division of the Bureau of Mines that had to do with inspection, a man who had been recommended by the United Mine Workers, a man who carried a union card, or, at least, when he went into office the secretary of the union thought he still held a card. He was the choice of Mr. Lewis and his group for that particular position. Yet Mr. Lewis opposed Dr. Boyd, and said he would have full control over the mine inspectors, but was unsympathetic toward the law, and all that. Mr. Lewis challenged Dr. Boyd because he was not a coal man. He was not a man who would take his orders from Mr. Lewis. A man does not have to follow everything Mr. Lewis says in order to be qualified to enforce the law.

Mr. MORSE. That is not my argument.

Mr. WATKINS. It is not necessary, in order to find someone who will enforce the law and who will have initiative, to select a man who will follow everything Mr. Lewis says. I remember that in my younger days when I was a judge there was a sheriff in one of the large counties of the State who was a former saloonkeeper. He became the best prohibition enforcement officer in the State of Utah, or one of the very best. He did not believe the prohibition law was a good one, but he said, "I am here to enforce the law, and, so help me, I am going to enforce it." He did enforce it, and a great many of his friends became very much excited over the fact that a man who had been running a saloon would turn in his former friends who had gone into the business on illicit terms, and who were being arrested and prosecuted by him.

Some of the ablest men I have known in law enforcement have been those who probably had no sympathy whatever with the philosophy back of the law; but they would say, "We have taken an oath and this is our job," and they simply leaned over backward to do a good job. Let me say in conclusion, because I do not care to break in on the Senator's remarks longer.

Mr. MORSE. That is all right.

Mr. WATKINS. Had I known of Mr. Lyon's attitude on the mine-safety law, had I known what is now known, about his pension, I never would have recommended him. I did not have the opportunity of knowing about it.

Mr. MORSE. The Senator from Utah did not have the responsibility.

Mr. WATKINS. I had some responsibility, but——

Mr. MORSE. But not the determining responsibility.

Mr. WATKINS. I will tell the Senator one of the things that misled me into not going further into his history or acquaintance. He had been in the Government service for 29 months, and much had been learned about him. Much of the work he has been doing is classified. I thought that if those with whom he had been associated checked his record, there was no use in my going over it. I said to myself, "If the people at home, the people in the mining States, want this man to be placed in this important position, I certainly will go along, because his reputation is good."

I called his personal friends who knew him well, friends in whom I had the greatest confidence. They said, "He is all right. He has good connections." He disclosed his connections when he first went into the Government service. It was a complete surprise to me when I heard not only about the pension—an irrevocable pension, at that—but also about his views on the other matters. I imagine some of the people in the Bureau who had been in the Department of the Interior felt the same way. "Tom Lyon? Is he here? He has been around here for 29 months. Of course he is all right. Everybody accepts him." It is just one of those things that can get by.

Experience, I think, is one of the important matters to be considered in picking men for such offices. But I am taking my share of the responsibility. I should have looked into the case. I will admit I was a little upset when some of my Democratic colleagues began to jump on us about the situation, when they had had the same man in office and when they had had him there for 2 years, with full information about his record. There was the record; all they had to do was look. In fact, he said, and so testified, that there are others there in identically the same position that he is in, who labor under the same disqualifications; and they have been there for longer than he had been. It is just one of those cases we occasionally meet with. We run into such conflicts of interest and for years, it seems to me, they have been winked at. I was quite surprised when I heard that some other persons employed by the Government have dual interests, conflicting interests.

Mr. MORSE. Mr. President, again I wish to say I am glad to have the views of the Senator from Utah in this colloquy with me about the Lyon appointment. In fact, I think we are indebted to the Senator in that he brought out in the hearings the connection of Mr. Lyon with the pension, which in and of itself disqualified him. I am glad to hear the Senator from Utah say that, had he known of Lyon's position on the subject of mine safety legislation, it would have been another objection to him. That is the point I was discussing, and which I desire to emphasize, because I think this cause ought to be of some precedential value in enabling us to avoid similar mistakes in the future. I simply hold to the point of view that when it comes to the appointment of administrators with wide discretionary power we ought to appoint persons who are in sympathy with the law they are to administer, or we should change the law. I do not like to have legislation undermined by administrative discretion.

I have had sufficient experience in the field of Government administration, in the executive branch, to know that it is necessary constantly to check discretion, and that we are certainly going to run into danger if we have unfriendly administrators in charge of laws. That was the ground of my objection to the new Chairman of the Federal Trade Commission. It seems to me this administration has too frequently appointed persons who are out of sympathy with the very laws they are called upon to administer. I think there is danger in appointing men who are not sympathetic with the laws which they are to administer. Such a policy will not result in good administration.

Mines are closed down by the mine inspector, but under the act the head of the Bureau of Mines has great administrative discretion in administering the program of inspection. The mine inspector cannot issue an order to close down the mines, but he has a great deal to say about the order in which inspections are made. That is where the danger of favoritism and partiality can creep in, as well as at many other points.

I would have disapproved, so far as one Senator is concerned, the appointment even if the pension had not been discovered.

I also want to register my disapproval of McKay's statement when he said he felt that the appointment of Mr. Lyon would have been an excellent appointment; that he had served the Government in a position of great responsibility. I simply say that I think it would have been against the public interest for the reasons I have set forth here today.

Mr. WATKINS. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. WATKINS. This case illustrates the fact that there is some use in the constitutional system of checks and balances, particularly in connection with the confirmation of nominations.

If the appointing power were 100 percent perfect, we would never need to do anything about it. I have noticed that most of the committees have been very careful to see that the system works properly. What is bad about that? Personally, I think we are bound to have something of this kind occur and the constitutional fathers thought it was necessary to have the safeguard of advice and consent of the Senate.

Mr. MORSE. I commend the committee.

Mr. WATKINS. I think the committee's action was in line with our governmental system.

Mr. MORSE. I commend the committee, and I simply say, in conclusion, that, in addition to other reasons, I would have objected on the ground that Mr. Lyon was not sympathetic toward the law he would be called upon to administer.

Mr. WATKINS. I have been thinking about the former President of the United States and his attitude with reference to the Taft-Hartley Act. He was not in sympathy with it. He vetoed it, and blasted it time and time again. The Senator would not advocate that the law should be set aside because the President was not in sympathy with it, would he?

Mr. MORSE. Oh, no. But that is not a very good argument. The Senator from Utah knows the President of the United States is elected to a 4-year term. He has constitutional power to veto legislation which he thinks is bad, but it is his duty to execute the legislation.

Mr. WATKINS. Mr. Truman was not in sympathy with it at any time. Does the Senator think he would enforce it?

Mr. MORSE. He did.

Mr. WATKINS. There is a great deal of question about that.

Mr. MORSE. It was permissive legislation. He administered it. We made a mistake in the Senate in 1947 when some of us tried to secure mandatory provisions in the legislation relating to emergency diputes. I spoke against giving to the President of the United States permissive power in regard to emergency disputes, but the Congress gave him permissive power. When he followed the permissive power given him, we did not like it because he did not do what many people thought he should have done. But the law did not require him to do what they thought he ought to have done.

Mr. WATKINS. He was against the law from one end to the other.

Mr. MORSE. He was not the administrator of the law.

Mr. WATKINS. He was just as much the administrator of the law as Mr. Lyon would have been administrator of the mine safety law.

Mr. MORSE. No. The National Labor Relations Board was the administrator of the law. The President was the Executive officer above the administrator. I dissented from a report to the Senate some months ago. I would not sign the report because I think we should place squarely within the jurisdiction of the National Labor Relations Board the power to handle a case of communism in a union. We have ducked that issue. We ought to require in a case of communism in a union that the accusers come forward with a prima facie case, and give them a preliminary hearing, what we call a pretrial in Federal cases. If they can establish a prima facie case, the Board deals in connection with it.

I was for mandatory regulation in 1947. I was for tough legislation in connection with communism in unions. I was simply saying that the Board must take jurisdiction, and if it finds the charge can be substantiated, the union has no standing before the Board.

I do not think the question of appointing a man to a job who is out of sympathy with a piece of legislation has any analogous relationship at all to the situation of a President elected for 4 years, carrying out his Presidential functions, who may tell us that he does not like a certain law or is not in sympathy with a certain law.

Mr. President, I close my committee report today by announcing that come next Friday I have another major speech in the Norris series which I shall give. I have a series of other issues dealing with some foreign-policy matters, which time today did not permit me to cover, but which I think are deserving of at least the attention of the representative of the Independent Party in an official report to the Senate.

I yield the floor.

RECESS TO MONDAY

The PRESIDING OFFICER. Pursuant to the order previously entered, the Senate will stand in recess until 12 o'clock noon next Monday.

Thereupon (at 6 o'clock and 59 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Monday, June 29, 1953, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate June 27, 1953:

IN THE NAVY

The following-named women officers of the Navy for permanent appointment to the grade of lieutenant commander in the staff corps indicated, subject to qualification therefor as provided by law:

SUPPLY CORPS

Florence M. Smith
Bettie B. West

MEDICAL SERVICE CORPS

Margaret A. Stirewalt

CONFIRMATIONS

Executive nominations confirmed by the Senate June 27, 1953:

ATOMIC ENERGY COMMISSION

Lewis L. Strauss, of Branch Station, Va., to be a member of the Atomic Energy Commission for a term of 5 years expiring June 30, 1958.

UNITED NATIONS

Irving Salomon, of California, to be a representative of the United States of America to the second extraordinary session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization.

Mrs. Elizabeth E. Heffelfinger, of Minnesota, to be the alternate representative of the United States of America to the second extraordinary session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization.

OFFICE OF EDUCATION

Lee Mohrmann Thurston, of Michigan, to be United States Commissioner of Education.

UNITED STATES AIR FORCE

Lt. Gen. Earle Everard Partridge, 33A, to be Deputy Chief of Staff, Operations, United States Air Force, with rank of lieutenant general, and as lieutenant general in the United States Air Force, under the provisions of sections 504 and 515, Officer Personnel Act of 1947.

Lt. Gen. Leon William Johnson, 88A, to be senior Air Force member, Military Staff Committee, United Nations, with the rank of lieutenant general, and as lieutenant general in the United States Air Force, under the provisions of sections 504 and 55 of the Office Personnel Act of 1947.

Brig. Gen. Alvin Roubal Luedecke, 1486A (colonel, Regular Air Force), United States Air Force, to be temporary major general in the United States Air Force, under the provisions of section 55 of the Officer Personnel Act of 947.

REAPPOINTMENT IN THE REGULAR AIR FORCE

Reappointment to the active list of the Regular Air Force, in the grade of major from temporary disability list, under provisions of section 407, Public Law 351, 81st Congress (Career Compensation Act of 1949):

Jack L. McCluskey 3924A.

APPOINTMENT IN THE REGULAR AIR FORCE

The nominations of Lester S. Greider and 187 other persons for appointment in the Regular Air Force, which were confirmed today, were received by the Senate on June 24, 1953, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Lester S. Greider, which is shown on page 7170, and ending with the name of Joseph S. Stehlin, Jr., which appears on said page.

IN THE NAVY

Adm. William Morrow Fechteler, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as commander in chief, Allied Forces, Southern Europe.

Vice Adm. Felix B. Stump, United States Navy, to have the grade, rank, pay, and allowances of an admiral while serving as commander in chief, Pacific, and commander in chief, United States Pacific Fleet.

Rear Adm. Thomas S. Combs, United States Navy, to have the grade, rank, pay, and allowances of a vice admiral while serving as a fleet commander.

Rear Adm. Apollo Soucek, United States Navy, to be Chief of the Bureau of Aeronautics in the Department of the Navy for a term of 4 years.

The nominations of William A. Gureck and 281 other persons for appointment in the Navy or in the Marine Corps, which were confirmed today, were received by the Senate on June 18, 1953, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of William A. Gureck, which is shown on page 6827, and ending with the name of William C. Pinch, which is shown on page 6828.

IN THE MARINE CORPS

The nominations of Michael S. Currin and 800 other officers for permanent appointment in the Marine Corps, which were confirmed today, were received by the Senate on June 18, 1953, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Michael S. Currin, which is shown on page 6828, and ending with the name of Mary S. Mock, which is shown on page 6830.

HOUSE OF REPRESENTATIVES

SATURDAY, JUNE 27, 1953

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Almighty God, we are beseeching Thee to guide us by Thy divine spirit in these days when we need greater wisdom and skill in finding the right approach and the right solution to our many national and international problems.

Grant that in our deliberations we may never be guilty of the dogmatism of the closed mind but may we be willing to keep our minds and hearts open to new insights, new interpretations, and new ways and means.

Help us to do justly and love mercy and walk humbly with Thee and see how vitally necessary it is for the sake of peace and harmony to be gracious and great enough to try and adjust ourselves to others and not always attempt to adjust them to ourselves and our way of thinking and living.

May we strive earnestly for right human relationships but above everything else may we seek to be right with God, for if we are not right with Thee we cannot be right with our fellow men and right about the things in life which are really important.

In Christ's name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 4628. An act making appropriations for the Department of the Interior for the fiscal year ending June 30, 1954, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CORDON, Mr. YOUNG, Mr. KNOWLAND, Mr. HAYDEN, and Mr. MCCARRAN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 106. An act for the establishment of a Commission on Government Operations.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1514. An act to establish a Commission on Intergovernmental Relations, with an amendment in which the concurrence of the House is requested.

CALL OF THE HOUSE

Mr. CONDON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 68]

Abbitt	Heller	Powell
Bailey	Hillelson	Rayburn
Barden	Hoffman, Ill.	Reece, Tenn.
Becker	Ikard	Reed, Ill.
Blatnik	Javits	Regan
Bray	Jenkins	Richards
Buckley	Kean	Sadlak
Burdick	Kearney	Scudder
Burleson	Kelly, N. Y.	Secrest
Busbey	King, Pa.	Sheehan
Bush	Kirwan	Simpson, Pa.
Carrigg	Klein	Smith, Va.
Case	Kluczynski	Springer
Celler	Landrum	Staggers
Chiperfield	Lucas	Stringfellow
Colmer	McVey	Sutton
Curtis, Nebr.	Mack, Ill.	Taylor
Derounian	Mahon	Teague
Dies	Miller, Calif.	Thompson, La.
Dingell	Miller, Md.	Thornberry
Dollinger	Morano	Tuck
Dolliver	Morgan	Wainwright
Dondero	Morrison	Wampler
Eberharter	O'Brien, N. Y.	Widnall
Fine	O'Konski	Wier
Fogarty	Osmers	Wigglesworth
Frelinghuysen	Passman	Willis
Gamble	Philbin	Wilson, Ind.
Hale	Phillips	Wilson, Tex.
Hart	Pillion	Yates

The SPEAKER. On this rollcall 337 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

EXCESS-PROFITS TAX

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 306, Rept. No. 675), which was referred to the House Calendar and ordered to be printed:

Resolved, That notwithstanding the provisions of any other rule of the House immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 5899) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed 4 hours, to be equally divided and controlled by the author of said bill and the ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, and the previous question shall be considered as ordered on the bill to final passage without intervening motion, except one motion to recommit.

REORGANIZATION PLAN No. 6

Mr. HOFFMAN of Michigan. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of House Resolution 295.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of House Resolution 295, with Mr. ARENDS in the chair.

The Clerk read the title of the resolution.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Michigan [Mr. HOFFMAN] had 37 minutes remaining and the gentleman from Illinois [Mr. DAWSON] 29.

The gentleman from Michigan is recognized.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield to the gentleman from Maryland [Mr. DEVEREUX], the gentleman who conducted the defense of Wake Island, 10 minutes.

Mr. DEVEREUX. Mr. Chairman, it is with extreme reluctance that I take the well of the House today in opposition to the chairman of my committee and in opposition to the distinguished gentleman from Georgia. It is my firm conviction, however, that if any Member of this House feels he is in opposition he should speak out. I do not believe the people of the Second Congressional District of Maryland sent me here to represent them and simply be a yes-man.

The charming gentlewoman from New York yesterday presented a thought when she said she would follow the distinguished President of the United States in military matters. In that connection I thoroughly agree, but let me point out that this is not purely a military matter that we have before us today in this reorganization plan.

I am in general agreement with the reorganization plan and the doing away with many statutory boards that now exist, but let me point out that you will not necessarily do away with many of the committees if it is a question of discussion, for there will be informal committees continued in order to resolve matters.

Now to point out some of the dangers that exist in this reorganization plan and that could properly be changed perhaps by legislation after the reorganization plan is accepted, if it is; I refer, of course, to subparagraphs (c) and (d) of the reorganization plan. A great deal was said about civilian control. Actually subparagraph (c) takes away a certain amount of civilian control, for this subparagraph grants to the Chairman of the Joint Chiefs of Staff authority that is now vested in the Secretary of Defense.

That is the veto power as to who is going to serve on the Joint Staff. When we speak of the Joint Staff, it is recognized that they are the planners of the long-range planning for the defense of our country.

If you will get down to facts, you will realize that a committee of that sort, that Joint Staff, can do all of the planning and present all of the arguments that may be the reflection of a single person, the Chairman of the Joint Staff, who will then present his views to the Secretary of Defense, which give great weight to the decision of the Secretary of Defense or the President of the United States if he not be so well qualified as our present President. It is true that if some of the Joint Chiefs of Staff disagree with the decisions made by the Chairman they would go back to their own particular staff and work up a case in their favor. But I give you this thought, that they will have to present an extremely strong case in order to override the decision of the Chairman of the Joint Chiefs of Staff.

With respect to the operation or the conduct of the Joint Staff, heretofore under the Director, who is subordinate to the Joint Chiefs of Staff, and who acted for that corporate body presented to the Joint Staff such studies as were desired to be made by that body. It is possible under the reorganization plan for the chairman to present only such studies to the Joint Staff as he desires. I believe corrections could be made that would make those two provisions acceptable to most Members of this body.

First of all, in paragraph (c), designate the Secretary of Defense and give him power of veto over anybody who may serve on the Joint Staff. That will then reassert the civilian authority that we presently have. I believe it would also be wise to have the Chairman of the Joint Chiefs of Staff act for the corporate body of the Joint Chiefs of Staff. That would then allow studies to be made desired by an individual Chief of Staff. He would not have to go back to his own personal staff in order to have these studies made. I think it would create greater efficiency, which is one of

the things that we are trying to accomplish.

A great deal was said not long ago about the chain of command and how the Secretary of the Army had been bypassed in connection with ammunition. I refer you to the committee print from the other body which states that—

It will be understood, however, that for strategic directions and operational control of forces and for the conduct of combat operations the military chief of the designated military department will be authorized by the Secretary of Defense to receive and transmit reports and orders and to act for that department in its executive agency capacity. This arrangement will make it always possible to deal promptly with an emergency or wartime situation. The military chief will clearly be acting in the name of and by direction of the Secretary of Defense. And promulgated orders will state that fact.

What happens? The Secretary of Defense authorizes a particular military chief of a department to carry out an operation and reports relating thereto go back directly to the Secretary of Defense but bypasses the service Secretary. There is not even any provision in this setup for the military chief to give his own Secretary information copies of what is desired to be carried out.

Now, let us not fool ourselves about emergency actions that must be taken in time of war. These gentlemen are not in the field in actual command of combat troops where decisons must be made very often, and often very rapidly. These are people sitting back here in Washington, some of whom may be out riding horseback at one time or another when a decision has to be reached. So, do not let us becloud the issue as far as that is concerned. It is far better for people of that level to sit back and discuss a matter at some length in order to arrive at a proper decision and have the benefit of the views of many of the experts, than to make a snap judgment.

Mr. Chairman, I suppose this resolution will be defeated. However, I think that the discussion has been very timely, that the dangers have been pointed out, and we, the Congress, and the American people must be on the alert for the little nibbling that goes on time and time again by a great group in our military. I say that, and I say it with complete sincerity, and that does not represent the thoughts of all of the people in the military by a whole lot. Having many personal friends in all branches of the service, I have discussed some of these things with them. They will not come up and present their views directly to the Congress for the fears that have been expressed heretofore.

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield to the gentleman from New York.

Mr. COLE of New York. I do not want to unduly consume the gentleman's time, but because of the gentleman's knowledge of the subject and the fine war record he has, and that I am not able to get time on my own to explain my viewpoint, I wonder if the gentleman would give me an opportunity to discuss the matter with him?

Mr. DEVEREUX. Surely.

Mr. COLE of New York. First, is it not true that under the law a Chairman of the Joint Chiefs cannot serve for longer than 4 years, except under wartime?

Mr. DEVEREUX. Yes. May I make a point there? It is true under the proposed legislation that they would not serve more than 2 years, but I am sure the distinguished gentleman from New York realizes that if you have a certain group moving in——

Mr. COLE of New York. That is the next question. Now, is it not true that persons assigned to the Joint Staff are not assigned there of their own volition, in the normal course of things, but rather they are assigned to that post by their respective military service, and the period of their service on the Joint Staff is but 2 years in the normal course. So, you have this picture. The Chairman himself cannot serve longer than 4 years, and those serving on the Joint Staff, those persons who we are fearful might be molded to a certain type of military thinking which we all agree would be most injurious to our national security do not serve there for more than 2 years. So, I am not at all apprehensive about this plan.

Mr. DEVEREUX. I think all of us who have served a little bit and have been around Washington for some time realize that there are certain groups that will move in, and I can remember well—I speak of my own service—where we had a group known as the Haiti to Headquarters, Headquarters to Haiti group, people who served in the Headquarters Marine Corps, who moved down to Haiti for a 2-year tour, where they served, most of them in the gerdarmes down there, and came back to headquarters. The same thing can exist and has existed in the other branches of the service. I point that out to you, and it is something that we should be extremely watchful of.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. DAWSON of Illinois. Mr. Chairman, I yield such time as he may desire to the gentleman from Louisiana [Mr. BROOKS].

Mr. BROOKS of Louisiana. Mr. Chairman, I favor the reorganization proposal submitted to the Congress. Immediately after it was submitted to us for consideration, I studied this proposal and at that time made up my mind that I would favor it as it is today. I favor the proposal for the simple reason that it provides additional means of maintaining civilian control of the Military Establishment. As everyone in this Congress knows, I took a very active part in the unification program. When the first unification bill came before the Congress I was one of the few Members of the Congress who supported and worked actively in favor of its passage. Everyone at that time who understood the proposal knew the initial unification bill was a lukewarm, watered-down proposal which would not work properly, but it was the best in the way of a unification bill that could be obtained at that time.

Under this unification statute a great American, James V. Forrestal, was made the first Secretary of Defense. With no historic experience or background behind the position and with inadequate legislation, this brave American worked very long hours every day to make the unification program work. In fact, in my judgment, he gave his life to the cause of unification. Without adequate authority he fought in the Department those who opposed a workable unified system of national defense and up to the time of his death he made substantial progress in this direction.

His successor, Secretary Louis Johnson, entered the office finding the same difficulty. He attempted to economize, attempted to make the unified Department work but was not able to overcome the powerful forces of opposition which had been pitted against the very limited authority of the Secretary of Defense. As a result of this unequal fight, eventually Secretary Johnson retired and turned over the Defense Department to others who followed him.

This plan will give the Secretary of Defense, a civilian, more authority. It will give him Assistant Secretaries, likewise with authority, and will so arrange the Defense Department that civilian control over the military will be strengthened and supported. This is the principle under which our forefathers laid the foundations of our Government. It is the principle under which Congress has worked in the past and the principle under which we operate today.

Operating under this principle of civilian control, the Secretary of Defense will be able to cooperate in a more effective way with the three Departments; namely, Army, Navy, and Air Force. He will be able to guide them along the paths of unification—working together rearranging and reorganizing the Department, promoting more efficiency and, reducing personnel where permitted, and saving money for the taxpayer.

I do not care to go more fully at this time into detail explaining this program. I am satisfied, however, that the Reorganization Plan No. 6 does provide for greater civilian control and for better unification program; and with this in mind I am actively, aggressively, and earnestly supporting this plan.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. DURHAM].

Mr. COLE of New York. Mr. Chairman, will the gentleman yield?

Mr. DURHAM. I yield.

Mr. COLE of New York. May I point out that the people who serve on the Joint Staff are not beholden to the Chairman of the Joint Chiefs for their fitness reports. The Chairman of the Joint Chiefs does not make that report. The senior officer of the individual working level committees and groups are the ones who pass on the fitness reports of the persons on the Joint Staff, so at no time is any member of the Joint Staff obligated to the Chairman of the Joint Chiefs either to receive his initial assignment to the Staff or for favorable comment on his fitness report.

Mr. DURHAM. That is correct, as I understand it.

Mr. Chairman, I do not expect to get into a full discussion here on this reorganization plan with only 5 minutes available, but I do want to point out a few things that the Committee on Armed Services has been trying to do for the past several years.

In the first place, I do not believe anybody is going to go goosestepping down Pennsylvania Avenue as long as democracy stands in this country. This bugaboo that has been pulled out here on the floor of this House to me seems to be useless if anyone cares to look for facts as they exist. I have been fairly familiar with our military organization for many years, and I do not see today and I do not believe anybody could prove that the military are in any more danger of taking over this country today than 165 years ago when our Government was first established. If any Member can point out any facts that justify that fear to me, I would like for him to do it.

This year our military organization we are talking about has a carryover of about $63 billion. They are asking for new money of $36 billion, plus $1 billion for airports and things like that. We will spend a total of $98 billion. Just think of that.

Every one of you has gone out in your districts and said that we are going to save money. There is not a man here who has not made a speech on that subject. If there is such a Member here I would like him to stand up. I would like to see him. Evidently this is a fact as I see no one arise.

Where are you going to save this money? You are not going to save it on the floor of the House and you are not going to save it in the Budget Bureau. You are going to save it right here where it begins or you are not going to save it in large amount.

What has been going on down there? When we passed the National Security Act the House had practically what is in this plan today. Then it went to the Senate, and in the conference it was changed. I objected to it. You put the Munitions Board in a place where the State Department could call up and say, "Gentlemen, I want you to purchase a million dollars worth of stuff from some country. I want you to purchase $10 million worth from some other country." It is the most haphazard way of doing business any one has ever come across.

Last year I went to the President and appealed to him to do something about this. He issued two or three directives down there, but instead of getting better the situation got worse. It got so among the defense production people that anybody could pick up a telephone and tell the Munitions Board, "Here, we have got to have this." The same thing has been going on in regard to the Research and Development Board. You are spending over a billion dollars in research directed by this organization. They have no authority and all responsibility. It just is haphazard. They can call up and say, "Gentlemen, we have to have this research project." There was nothing else for him to do. He was almost directed to do it. The Army and Navy and Air Force could call up and say, "We want this research project." It has been going on like that in the Research and Development Board.

This puts the Research and Development Board in charge of an Assistant Secretary who can say no to these people and it also puts the Ammunition Board in the same position. That is what you have to do if you want to save any money. It is just as simple as that.

I could talk to you all day about this organization and the bugaboo that has been pulled out here about somebody who is going to make us all goosestep here in the next few years. It simply cannot happen in this country. I hope the House will adopt the plan in its entirety as President Eisenhower sent it to us. Last year the American people said, we are not afraid of a military man. Look at the majority he received. If there was any bugaboo about a military man, the American people decided that question at the last election. The American people said we are going to take him—we have confidence in him. Here is a man who has had military experience and has asked us for the plan to save money, expedite efficiency, and define authority. I hope you will adopt the plan in its entirety and vote down the resolution we have here before us today.

PARLIAMENTARY INQUIRY

Mr. COLE of New York. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COLE of New York. Mr. Chairman, I wonder if I may ask the assistance of the Chair in the predicament in which I find myself. This reorganization plan relates in a minor way to the Atomic Energy Act. I have sought the opportunity of discussing that minor phase in order that the record may be clear. Could the Chairman advise me whether I must qualify as an opponent or proponent of the resolution now before us so that I may get 3 minutes of time to discuss it?

The CHAIRMAN. It is very difficult for the Chair to answer such an inquiry. The time is available, of course, to the gentleman from Michigan and the gentleman from Illinois. It is hoped they will divide the time as fairly and as equitably as they possibly can.

Mr. COLE of New York. Is it the feeling of the Chairman that in the event I might, in order to obtain the time, be called upon to say that I am opposed to the plan, when in reality I am not; that I would be misleading any Member of the House or the Member having charge of the time if I were to couch my discussion in neutral language?

The CHAIRMAN. That is not within the province of the Chair to determine whether the gentleman is for or against the pending resolution. That, of course, lies with the gentlemen who have control of the time.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, while the Chair has just stated that the time is at the disposal of the ranking majority and minority members of the committee; in view of the fact that the law itself—not the rule, but the law, the Reorganization Act which this House so enthusiastically adopted, provides that debate on the resolution shall be limited to not exceeding 10 hours, which shall be equally divided between those favoring and those opposing the resolution, are not those in charge of the time obligated to divide that time between those opposing the resolution and those in favor of the resolution?

The CHAIRMAN. The Chair would think so and the gentleman will have to do the best job he can in dividing the time. That is not within the province of the Chair.

Mr. DAWSON of Illinois. Mr. Chairman, I yield myself 1 minute.

Could not the gentleman from Michigan yield the gentleman from Texas [Mr. BROOKS] 5 minutes and in that event I would be willing to yield 5 minutes to the gentleman from New York [Mr. COLE]?

Mr. HOFFMAN of Michigan. Mr. Chairman, I just decline to agree to that request.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. COLE of New York. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. COLE of New York moves that the Committee do now rise with the recommendation that the enacting clause be stricken.

Mr. HOFFMAN of Michigan. Mr. Chairman, I make the point of order that the motion is not in order.

The CHAIRMAN. The Chair is compelled to agree with the gentleman from Michigan. The resolution is not amendable and, therefore, the preferential motion is not in order.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. BROOKS].

Mr. BROOKS of Texas. Mr. Chairman, I believe that the President should have the power to initiate reorganization of the executive branch of the Government. I believe that the Reorganization Act is sound. I voted for its extension along with the administration. I followed the administration down the wheat trail to Pakistan and now, though I believe reorganization plan No. 6 is for the most part desirable, I cannot follow the administration on this step toward eventual military dictatorship.

The provisions of subsections (c) and (d) of section 1 of the plan, which grant additional power to the chairman of the Joint Chiefs of Staff while reducing the authority of the Joint Chiefs of Staff, impress me as indicative of a trend which should be carefully scrutinized by the people of the United States and by us, their Representatives in Congress. The people are entitled to know the dangers of the trend toward centralization of authority in one military office.

The proponents say that subsections (c) and (d) will not create an omniscient and omnipotent military Chief of Staff. These clauses are not very important, they claim. But every effort to remove them has met the steadfast opposition of every administration witness! (c)

and (d), creating an all powerful military dictator, are the cyanide, while the general reorganization of the civilian branches of the Defense Department is the chocolate coating—on this cyanide and chocolate pill.

The threat of undue influence and control of the military over the national economy and national policy is directly related to the percentage of the national income that is spent for defense. There are major military installations in every State of the Union except one. In my own State of Texas there are 55 such installations, each having the personnel and payroll of a good-sized business. Control of these installations, together with control of funds going to civilian contractors for procurement and maintenance, is control of a very substantial portion of the Nation's economy. It seems to me obvious that we should beware of any tendency to centralize power over this gigantic enterprise in a single military position.

Gen. Robert W. Johnson, chairman of the board of Johnson & Johnson, a retired Army general and former Vice Chairman of the War Production Board, stated in testimony before the Committee on Government Operations:

> With its control consolidated over the War Department, and using such consolidated power as a base for further extension of its authority, the Army General Staff has, since the end of World War II, continued a program of attempting to bring not only the entire Military Establishment but also areas of civilian activity of the Government within its sphere of authority. The means by which the Army General Staff seeks to so effect a supreme control is by the establishment of a national general staff headed by a single chief. This again is precisely the pattern and procedure followed by the great German general staff in becoming the primary influence over Germany.

General Johnson felt that Reorganization Plan No. 6 conforms to that pattern. He stated:

> It all fits together as the Army General Staff planned it should. The 1947 National Security Act created a Joint Staff. The 1949 amendments created the position of a Chairman. Therefore, you have two prime ingredients for a national general staff. All that was necessary, then, was to bring them together by placing the Joint Staff under the Chairman. Once that is done, the title of "Chairman" becomes but a euphemism. To give the highest-ranking officer of the armed services and all-service staff would have the inescapable result of making the so-called Chairman a "Chief of Staff."
>
> This is what subsections (c) and (d) of section 1 of Reorganization Plan No. 6 actually does. In other words, the Army General Staff will be able to accomplish, by a method of successive steps, the goal which Congress would not permit them to accomplish under a specific piece of legislation proposed in 1946. Thus, by the step-by-step method of both legislation and reorganization authority, the Army General Staff has persevered and is doing what Congress has always been determined would not be done.

Mr. Kyes and Mr. John Adams both denied repeatedly before the committee any knowledge of a study or report on how plan No. 6 would operate, yet, in reply to a written question which requested a specific answer and copies of a report or study, I finally received Thursday afternoon a statement that "several officers of the Joint Staff have initiated a study concerning operations of the Joint Staff under the plan." No copies were submitted to our committee. This is subterfuge. The officers of the Joint Staff have been working for weeks and weeks on such a study, and just because the final printed, edited, corrected document is not before the Secretary of Defense, they deny any knowledge of this vital study. In about 4 days this may become the law and certainly I would think the Secretary of Defense would by now have an idea of how this law will work. Surely they have a modus operandi by now. Congress is entitled to know how this plan is supposed to work, if it is.

You have heard former President Hoover's statement against (c) and (d), and I quote Mr. Ferdinand Eberstadt's views, as expressed to the Committee on Government Operations:

> Our system, in contrast with the Prussian system, is characterized by, and conducive to, flexibility and adaptability and encourages the use of all arms, weapons, and resources. In the life-and-death struggle of the Second World War the Joint Chiefs of Staff proved to be flexible, resourceful, and efficient. Its maneuvers were more than a match for the rigid plans and procedures of the German General Staff. We should think pretty carefully before we do anything to impair the value of this superb military machine forged and proved by the hammer blows of war on the anvil of bitter experience. Any measures that tend to place any of the three operational Joint Chiefs under the domination and control of the Chairman, who has no command or operational responsibility, to that extent weaken and impair our system. Giving the Chairman of the Joint Chiefs of Staff the right to veto the selection and tenure of members of the Joint Staff and the power to control the matters with which the Joint Staff occupies itself, puts the Chairman into a position to exercise a dominating influence over the plans and operations of the Joint Chiefs of Staff. His views and his convictions will tend to become controlling.
>
> I would regard such an arrangement as undesirable at any time and in any circumstances.

I believe that other portions of Reorganization Plan No. 6 are undoubtedly sound. It would seem to me, however, that, regardless of the merits or lack of them inherent in the Prussian general staff system, the President should refrain from submitting proposals with respect to this controversial subject as a part of a reorganization plan, in view of the constitutional responsibilities of the Congress and the interest which the Congress has taken in the matter in the past.

If this plan goes into effect, despite my opposition, I, for one, shall do all in my power to see to it that this plan has the limited effect claimed for it by its administration proponents and does not form a base from which to launch another and greater effort to magnify the power and influence of the Nation's highest military office.

Mr. DODD. Mr. Chairman, will the gentleman yield?

Mr. BROOKS of Texas. I yield to the gentleman from Connecticut.

Mr. DODD. Throughout the debate yesterday afternoon it was frequently suggested by the proponents of this plan that since the President is the greatest military expert in the world, and he has suggested this plan to us, that we should accept it. I suggest this to the gentleman and ask him whether it is not so? Is it not a fact that this is not at all a military problem? If it was, we would not have it before us. It is a civilian problem, and that is why we do have it before us. And, with due respect to the President, I think there are many Members of this body who have had vastly more civilian administrative experience than the President has had.

Mr. BROOKS of Texas. I thank the gentleman very much for his observation and heartily concur in what he has said.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. RIEHLMAN].

Mr. RIEHLMAN. Mr. Charman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. RIEHLMAN. Mr. Chairman, the argument is being advanced that the office-management functions granted to the Joints Chiefs of Staff Chairman in the reorganization plan are similar to or identical with, the minority report of the Hoover Commission on the National Security Organization—separate statement by Vice Chairman Acheson, Commissioners Mead, Pollock, and Rowe. Let us examine the validity of this argument.

The minority report recommended "the creation of a single Chief of Staff over the Joint Chiefs of Staff."

The reorganization plan does not give the Chairman power over the Joint Chiefs of Staff. In fact, the National Security Act, as amended, specifically provides "that the Chairman shall not exercise military command over the Joint Chiefs of Staff or over any of the military services." The reorganization plan does not change this in any way whatsoever.

The minority report recommended that a single Chief of Staff was necessary to give the Secretary of Defense technical staff assistance.

The law, however, states that the Secretary of Defense "shall not establish a military staff other than that provided for in the Joint Chiefs of Staff." The reorganization plan does not change this provision of the law—the Secretary of Defense is still prohibited from establishing the kind of military staff to which the Acheson recommendation referred.

The Acheson minority recommended that the post of Chief of Staff for the armed services be created. This Chief of Staff was to "preside over the Joint Chiefs of Staff, with the power to initiate and terminate discussions."

The law already provides that the Chairman shall preside over the meetings of the Joint Chiefs of Staff but that he shall have no vote. This situation would be unchanged under the Reorganization Plan. The Chairman does not now have, nor would he be given, the power to terminate discussions. Any member of the Joint Chiefs of Staff

may initiate a discussion, and if an agreement is not reached, it is neither the law nor the practice for the Chairman to force an agreement. Instead, the split views are taken to the Secretary of Defense, and if need be, to the President for decision.

The Acheson report states that—

> The Joint Staff would be subordinate to him. He would have such personal staff assistance as the Secretary would decide.

Opponents of the Reorganization Plan have seized upon this clause of the minority report in an attempt to prove that it is similar to section 1, (c) and (d) of the plan. This is a specious argument when we consider that the Joint Chiefs of Staff are still to select the members of the Joint Staff, as they do at present under the law; that the Joint Staff Director must be approved by the Secretary of Defense; and that the only functions given the Chairman by the Plan are directly in line with those given him already by the law. It is in the law that the Chairman takes "precedence over all other officers of the armed services"—it is in the law that he is to, first, serve as the presiding officer of the Joint Chiefs of Staff; second, provide agenda for meetings of the Joint Chiefs of Staff and assist the Joint Chiefs of Staff to prosecute their business as promptly as practicable; and third, inform the Secretary of Defense and, when appropriate as determined by the President or the Secretary of Defense, the President, of those issues upon which agreement among the Joint Chiefs of Staff has not been reached.

The new duties given the Joint Chiefs of Staff Chairman by the reorganization plan are in line with the responsibilities which have already been given him in the National Security Act, as amended. How is he to help the Joint Chiefs expedite their business unless he can assist with the day-by-day operation of the office? It has not been found practicable to have 4 people in charge of 210 officers. Three of them are busy as the heads of military operations in their departments. The Chairman is the only one who has the time for the routine business and who can see that the research and planning studies are moving along. It is precisely because there has been no way to expedite business that the proposal is made to improve the office arrangements.

The reason for giving the Chairman additional management functions is so that he will have the tools which will permit him to carry out the duties already given him by law. Another reason is to get competent, imaginative officers who are capable of assisting with strategic planning. It is difficult to see how these 210 officers could be subordinate to the Chairman when they are chosen in the first place by all the Joint Chiefs of Staff. The reorganization plan clearly does not make the Joint Staff subordinate to the Chairman—the implication being that there is no check upon the Chairman's activities. He is subject to the authority and control of the Secretary of Defense at all times, and he can be removed at any time by the President. In managing the activities of the Joint Staff, the Joint Chiefs of Staff are about the same as a board—they are in the same position as the Munitions Board or the Research and Development Board. These were found to be "rigid and unwieldy" and are to be replaced by single Assistant Secretaries. Everyone agrees that this will bring about more efficiency and economy. How can anyone be so illogical as to agree to the abolition of a board—with replacement by an Assistant Secretary—and not follow the same line of reasoning with respect to the Joint Chiefs of Staff?

Let us remember that the Acheson recommendation was differing from the majority report of the Hoover Commission, which stated:

> That there shall be Joint Chiefs of Staff representing the three services, appointed by the President and subject to confirmation by the Senate and that the Secretary of Defense, with the President's approval, shall appoint a Chairman to preside over the Joint Chiefs of Staff and to represent, and report to, the Secretary of Defense (p. 17).

As we know, this recommendation was made in February 1949, and the 1949 amendments to the National Security Act, signed by the President on August 10, 1949, differed in some ways. The post of Chairman of the Joint Chiefs of Staff was created, but the law provides that he be appointed by the President, not by the Secretary of Defense.

All these proposals were recommended and debated in 1949, with the result that Congress came to a decision on the matter. The JCS Chairman was established, he was given certain functions to perform, and we have in the intervening years had enough experience to indicate that the JCS organization could be run with more efficiency. The reorganization plan seeks to correct the deficiencies which have shown up. We must look to the future for which we are preparing and not to the past.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HINSHAW. Mr. Chairman, in connection with this reorganization plan let me tell you, and incidentally the President, how a great improvement could be made in the effectiveness of the General Staff and the Armed Forces. First, may I say that the President, the Secretaries, and the General Staff are limited by the fact that the armed services have gotten onto the statute books through this Congress a statement of the roles and missions assigned to each service. We might well repeal the statutory assignment of roles and missions and free the President and General Staff from those restrictions. In place of it we should have a board of civilian scientists and other competent men not connected with the services to study and set up evaluations of weapons and weapons systems.

It is the fact that roles and missions are statutory that at once is the authorization for weapons, and weapons systems, and the excuse for duplicating them. Repeal the statute setting up roles and missions and you make it possible to assign roles and missions and change them as circumstances dictate. Why should that be a function of the Congress?

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WINSTEAD], who, I understand, is opposed to the plan.

Mr. WINSTEAD. Mr. Chairman, I rise in support of the resolution to nullify Reorganization Plan No. 6. A lot was said here yesterday and also today about the confidence we have in General Eisenhower. I share that confidence. I was a member of the Committee on Military Affairs group that visited his headquarters in Europe in 1944. I was a member of the Armed Services Committee who has heard him since then.

I recall that in 1933 we also had a very popular President elected. President Roosevelt swept the country as President Eisenhower swept it this last election. I have heard ever since the cry from this Congress and from the public that we had given away the authority of Congress, that we had delegated the authority to the President and to the executive branch of the Government, to the bureaus and agencies. I am not only opposed to this plan but I also opposed the reorganization plan for the Federal Security Agency and for the Department of Agriculture. In my judgment this is a grant not to the present head of the Government or Department but to him and his successors. This Government was created with a system of checks and balances—three divisions—judiciary, legislative, and executive. Here we yield to the demand of the Executive: "Give us new power; give us new authority in order that we may clean up the situation."

If we do this the Congress is granting away a part of its authority and more important, avoiding a great share of its responsibility.

I say to you that the President of the United States and the military leaders today in my opinion have all the power and authority they need. If they want to save money they can do it if instead of requesting new laws and new power they would use the law and authority they have at the present time and get busy on the job. Then you would see great improvement. We do not have to grant this blanket authority which doubtless might be well used by the present military leaders but what of the future? As a member of the Armed Services Committee I will support them. For the past 11 years I have supported practically everything the military has asked for which I thought would strengthen our defense. I have largely followed the leadership of the gentleman from Georgia [Mr. VINSON] on my side, and the gentleman from Missouri [Mr. SHORT] on the other; and I say to you the way to do it is to come in here with whatever legislation is necessary and let the Congress take a look at it.

So far as this authority to President Eisenhower is concerned, I say again that I trust him, but this goes beyond President Eisenhower's administration, and I remind you Republicans who have

said so much and voted on so many occasions when the Democrats were in power, that I took the same stand when the Democrats were in power. So did my friend the gentleman from Louisiana [Mr. HÉBERT] who made one of the greatest speeches that has been made in support of this resolution and against the reorganization plan—and General DEVEREUX, who served with such distinction and who knows the generals, the admirals, the privates, and the colonels. His war record is outstanding. When a man like that bucks his own military organization, when he bucks his own leadership of the Armed Services Committee, and when he stands here today and points out to you the things he has I say to you it is high time that this Congress wake up. As for me I shall vote for no such delegation of blanket authority not only to the military but also to the President of the United States or any other Government agency.

Already under President Eisenhower's administration we have seen too much delegation of authority, to the executive branch, the very thing complained of under New Deal and Fair Deal policies. National defense, which our forefathers tried so hard to provide for, and militarism, the protection from which the framers of our Constitution tried so hard to provide, should be left to the Congress, representatives of the people.

Once you delegate this authority and power, never under the high heavens will the Congress be able to regain such authority over the veto of the executive department.

What the President intends to do, he can do through the legislative channels of the Congress. Let us vote for the pending resolution, thereby defeat this grant of authority and save the safeguards of the liberty of our people.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. THOMPSON].

Mr. THOMPSON of Texas. Mr. Chairman, there are several points I would like to present for the RECORD at this time. I follow in this program of speakers the very distinguished marine, General DEVEREUX, an old shipmate of mine, and another younger marine, the gentleman from Texas [Mr. BROOKS]. Someone has made the remark, perhaps in jest, perhaps seriously, that the Marines are opposed to this measure. I am very close to many men in the Military Establishment active today, I am very close to many marines; but I would like to tell you that none of them, no man in the armed services, has ever come to me and volunteered an opinion about any reorganization plan, particularly this one. They have told me nothing except when I have asked for information, as any of you would. So what I have to say to you comes from my heart, some of it from my own experience; it is not military but it is a civilian observation purely.

Mr. Chairman, I doubt very much if there are any undecided votes remaining in the committee this morning. Minds are probably closed and have been almost from the beginning.

I have voted for almost all of the other reorganization plans and I have voted, but very reluctantly, for the so-called unification plan. I didn't like it, and I still do not. I am not going to vote for this one. I do not like the way the controversial section is being rammed down our throats. When a measure will not stand up on its own merits, I would ordinarily be very skeptical of it. Whatever the merits of the controversial clause may be, the fact still remains that its proponents are doubtful enough of it to be unwilling to let it be considered separately. So, they follow the familiar legislative strategy of loading it onto an otherwise acceptable measure.

I do not question the sincerity of either side. I have heard men equally capable and equally sincere argue pro and con. I have truly tried to persuade myself that there is no danger in increasing the military control in our Government and I have not succeeded.

I am a little surprised that apparently nobody has seen a very significant factor which convinces me that the proponents of unification have taken one step which, above all others, proves that they are not trying to increase the power and the prestige of the civilian over the military in our armed services. You need only look at one of the first steps which was taken when unification was authorized by the Congress. The civilian head of each of the armed services was demoted. Where they had once been members of the Cabinet with rank accordingly, they have now been relegated to a position subordinate to the Under-Secretary of the Department of Defense. I would have thought that however much the powers-that-be may have wanted to elevate the military at the expense of the civilian, they would have avoided taking this particular step.

And, now, I ask you, while this was being done, did anyone ever hear of a military position in the upper brackets being lowered in rank? Am I not right in saying that every step that has been taken to increase the rank and prestige and now the power of some man in uniform. I wonder how many of you know that comparatively early in the life of the Department of Defense, a Secretary of Defense had an order ready for promulgation which would have made these civilian Secretaries subordinate to the Chiefs of Staff? Fortunately one of the high ranking military people saw the extreme danger of such a move and persuaded the Secretary that he should drop it.

I wonder how many of you know that there was once an order issued by a Defense Secretary which prohibited a post commander from inviting a Member of Congress to visit his establishment except with the permission of the Secretary of Defense. He could invite a member of our office staff, or visitors from our home town, members of the press, or anybody else but he was not permitted to invite a Member of Congress. That, too, was a short-lived order but you can see what the high-level thinking has been in the Department of Defense.

You may say this sort of thing is all very far back in the past but do not kid yourself. The Secretary of one of the armed services invited me to go with him to nearby post to watch some sort of a maneuver or demonstration. I planned to go until a member of the military came to me and said that the Secretary, being new, probably did not know that he could not invite me without clearing it with the Secretary of Defense. The post commander, however, could issue the invitation and they simply wanted me to know that they were going to handle it that way in order to save both me and the Secretary any embarrassment. Of course, I did not go because I would not take any chances on being the one who forced embarrassment on the Secretary. I used some excuse other than the actual reason—probably said that I had constitutents in town, as, I suppose some of you have from time to time.

I must say in justice to all concerned that it is still a moot question whether the basic order which brought about this mess was correctly interpreted. In any event there was an order which could be interpreted that way.

There is one last comment that I think should be made. I have heard some rather unfortunte reasons given why we should give the Chairman of the National General Staff some more power and I think one of the most unfortunate and one which I hope was not intended as it was said was that it would enable the Chiefs of Staff to get rid of officers who placed their personal opinions above the best interests of our country. If there is or has ever been a member of the Joint Staff or an officer in the Armed Forces who has been guilty of placing his own ideas ahead of the welfare of his country, I think there have always been and still are ample means of getting rid of them. If any Member of this body knows of any such, if he will tell me of a specific case he has in mind, I will tell him how to proceed.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. THOMPSON of Texas. I yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, I would like to make an observation. It has said here this morning that the Chairman of the Joint Chiefs of Staff would only serve 2 years. He could serve 4 years except when we are at war or in an emergency. We are at war now, and who knows but what we will be at war for the next 50 years. Do we want a Chairman for 50 years? That is the reason for bringing in the argument that he only serves 2 years, because in wartime he can serve as long as he is needed.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DAWSON of Illinois. Mr. Chairman, I yield 4 minutes to the gentleman from Missouri [Mr. JONES].

Mr. JONES of Missouri. Mr. Chairman, I have listened to this debate for approximately 5½ hours. We are considering here today a resolution which would disapprove Reorganization Plan No. 6 which has been sent down by President Eisenhower who is, admittedly, one of the greatest military authorities that we have. I think he is sincere when he says that he has no intention of creating a Prussian style armed force general staff. I might agree that he has no such intention. But, as the old saying goes, the streets of hell are paved with good intentions. Neither is it the intention of those who are here today supporting this

plan to do this, but again I say we cannot depend upon intentions, but we must rely upon what this plan would do. I say it is a step in that direction.

We have heard a lot in the past few months about creeping socialism, and I wonder if Reorganization Plan No. 6 could not be labeled creeping militarism and giving the military more authority? I say, Mr. Chairman, that we are here today with a plan in which there are only two areas of disagreement, section (c) and section (d).

We have heard the argument by the gentleman from North Carolina [Mr. DURHAM], in whom I think we all have a great deal of confidence, in which he tells some of the reasons why this plan should be adopted. I might agree with his reasons, but I say that it can be done by adopting this resolution, rejecting the plan in its entirely, and then adopting the bill that has been offered, H. R. 5845, which would put into effect all of the plan except sections (c) and (d) which are the only two areas of disagreement that have been mentioned here today. I think that the gentleman from Maryland, General DEVEREUX, is an authority on this subject, and I think that he is an example of those who have retired from places in high command who have spoken in opposition to the plan. And, I think it is understandable why those who are still in the service, in high places of authority, high brass, if you please, want this plan to go into effect so that their power would be increased, so that this Chief of Staff would be the top man, and thereby take away from the civilian authority.

I say it is understandable why those who are still in the military and under the domination of the high brass and subject to their orders are fearful to appear and offer objections to this plan, but I say it is significant that such men as Chairman Eberstadt, Gen. Robert Wood Johnson, Thomas K. Finletter, Admiral Cooke, General Edson, Admiral Edwards, Fleet Admiral Leahy, and others appeared before the committee to point out the dangers in this plan as it is presented to us today, without opportunity of amendment, except, and I repeat, except, by rejecting the plan as presented, and then adopting a bill incorporating all of the provisions with the exception of sections (c) and (d) which need amendment.

I say we can here today do a service to the civilian authority. All of us know that the military is the place where we are spending our money. It is the only place where we can bring about sufficient economy to result in any substantial savings. There is not a man or woman in this House who will not agree that the high brass has no regard at all for efficiency or economy. The whole philosophy of the military is to disregard any expense, to accomplish a goal without relation to what the cost is.

The military have done a fine job in time of war, but I must say that it is our civilian soldiers who have gone in there and who have furnished the power, the people who have brought to the service some intelligence, some thought of economy, and trying to preserve our economic position. I say that the very philosophy behind this plan is that of the military, who have never been taught to observe economy in anything they do. They have even disregarded efficiency in that sense.

I think General Eisenhower is of courage, a great military leader, and a man in whom we all have great confidence in most things, but I must say because of his training, his experience, and his associations during practically all of his life, he has not had the opportunity of having had a balanced experience, and it is only natural that he can see no danger in this plan which he is proposing, a plan which has been in the making for many years as has been pointed out on the floor during this debate, particularly by the gentleman from Louisiana [Mr. HÉBERT] in his remarks yesterday.

This resolution should be approved; the Reorganization Plan No. 6 should be disapproved.

Mr. COLE of New York. Mr. Chairman, in a minor way, Reorganization Plan No. 6 makes reference to the Military Liaison Committee created by the Atomic Energy Act of 1946 and, especially, with reference to the Chairman thereof. Directives issued by the Secretary of Defense have created a new position within the Department of Defense known as Assistant to the Secretary for Atomic Energy without any reference to the requirement that the individual so appointed would also be the chairman of the Military Liaison Committee. There also appeared to be some concern as to what extent, if any, the reorganization plan affects statutory powers and responsibilities of the Military Liaison Committee and the chairman.

Accordingly, as chairman of the Joint Committee on Atomic Energy, I directed a letter of inquiry to the President on the question of modification of the statutory authority of the Military Liaison Committee and the chairman to which I received a reply dated June 8 which, in substance, affirmed that the reorganization plan in no way enlarged or diminished the responsibilities, powers, and duties of the chairman of the Military Liaison Committee.

Subsequently and on June 11, I received a letter from Mr. Adams, Acting General Counsel of the Office of the Secretary of Defense, attaching a proposed statement of Mr. Rogers Kyes, Deputy Secretary of Defense, before the House Committee on Government Operations, which makes the unqualified assertion that in creating the position of Assistant to the Secretary of Defense on Atomic Energy, it is the intention that this individual and the chairman of the Military Liaison Committee shall at all times be one and the same person. With this understanding, the reorganization plan and the directives in implementation thereof are not objectionable. It would, however, be highly objectionable if at any time the Assistant to the Secretary for Atomic Energy were to be some person separate and distinct from the Chairman of the Military Liaison Committee.

The exchange of correspondence to which I have just referred is attached for the record and for possible future reference:

CONGRESS OF THE UNITED STATES,
JOINT COMMITTEE ON ATOMIC ENERGY,
June 2, 1953.

The PRESIDENT,
The White House.

DEAR MR. PRESIDENT: We would be grateful indeed if you could clarify certain questions that have arisen in our minds concerning Reorganization Plan No. 6 of 1953.

As you know, the plan contemplates establishing on a statutory basis the position of Assistant to the Secretary of Defense (Atomic Energy). A Department of Defense directive of April 13, 1953, states that, at the discretion of the Secretary of Defense, the Chairman of the Military Liaison Committee to the Atomic Energy Commission may also be appointed to serve as the Assistant to the Secretary (Atomic Energy).

The position of Chairman of the Military Liaison Committee was of course established by Public Law 585 (the Atomic Energy Act of 1946), as amended, and this same act defines his duties and responsibilities. It is therefore a matter of interest to the Joint Committee if Reorganization Plan No. 6 alters in any way the authority of the Military Liaison Committee Chairman as presently defined by statute.

We would accordingly welcome your assurance that the plan would neither abridge nor enlarge the responsibilities vested in the Military Liaison Committee Chairman under the Atomic Energy Act. We would further welcome your assurance that the plan, if adopted, would not prejudice the Military Liaison Committee Chairman in the discharge of his duties under Public Law 585.

Thank you very much for your attention to this matter.

Sincerely yours,

STERLING COLE,
Chairman.
CARL T. DURHAM,
Member of Congress.

THE WHITE HOUSE,
Washington, June 8, 1953.

The Honorable W. STERLING COLE,
Chairman, Joint Committee on Atomic Energy, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Thank you for your letter of June 2, cosigned by Representative DURHAM, inquiring as to the effect of the Defense Department reorganization plan upon the Military Liaison Committee. I assure you that this plan did not intend to, nor in my opinion does it, alter in any way the authority and responsibilities of the chairman of the Military Liaison Committee as prescribed in the Atomic Energy Act of 1946.

The provisions of the plan respecting the compensation of the chairman were necessary to preserve his compensation at the existing rate and to avoid any possible contention that his statutory compensation would disappear with the abolition of the position of Chairman of the Munitions Board.

The position of Assistant to the Secretary of Defense (Atomic Energy) is not mentioned in Reorganization Plan No. 6 and therefore will not be a statutory position. I understand, however, that a Department of Defense directive dated April 13, 1953, created this title and position and was intended to enhance the position of chairman of the Military Liaison Committee within the Department of Defense.

With kind regards,

Sincerely,

DWIGHT D. EISENHOWER.

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., June 11, 1953.

Hon. W. STERLING COLE,
House of Representatives,
New House Office Building,
Washington, D. C.

DEAR MR. COLE: I talked to Mr. Kyes this morning about the matter of the status of the chairman of the Military Liaison Committee in the Office of the Secretary of Defense, and he stated unequivocally that it is planned always to appoint the Military Liaison Committee chairman to the post of Assistant to the Secretary for Atomic Energy. In this regard, he asked me to incorporate such a statement into the prepared remarks which he is going to give to the Government Operations Committee of the House on the 17th. You may be interested in the attached extract from the latest draft of his prepared statement. It has been modified to reflect the point of view he expressed.

Sincerely yours,

JOHN G. ADAMS,
General Counsel, Acting.

EXTRACT FROM STATEMENT OF MR. KYES, DEPUTY SECRETARY OF DEFENSE, BEFORE HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

There presently is a chairman of the Military Liaison Committee to the Atomic Energy Commission. That position was established by the Atomic Energy Act of 1946. We propose in this plan no change in his rank, status or title, but have already designated that official as an Assistant to the Secretary for Atomic Energy, so that in addition to acting as chairman of this independent committee, he can feel that he also is on the staff of the Secretary of Defense. So that there can be no possibility of divided responsibility on these matters, it is our intention that this post of Assistant to the Secretary for Atomic Energy will always be filled by the same individual who holds the post of chairman of the Military Liaison Committee.

Mr. EVINS. Mr. Chairman, the proposed reorganization plan, although no doubt, presented with good intentions, contains elements of the old Prussian general staff system. We do not want a Prussian military staff in the United States of America. Even the suspicion of Prussian militarism is not to be tolerated in our country. There can be no doubt from an analysis of its proposal and the debate on this bill that some of these elements are present and that this suspicion exists. I feel that the plan should be given further study and amended and perfected.

Under the terms of this authorized reoganization plan, should the plan be adopted, six additional Assistant Secretaries of Defense and other civilian and military command appointments would be needed. In effect five separate Defense Departments would be established. They are, first the Army—responsible to the Secretary of the Army; second, the Navy—responsible to the Secretary of the Navy; third, the Air Force—responsible to the Secretary of the Air Force; fourth, the Joint Staff—responsible to the Chairman of the Joint Chiefs of Staff; and, fifth, the so-called Department of Defense—responsible to the Secretary of Defense. Each of these departments under the plan would have a substantial personnel and personnel increase. Authority would be widely diffused. The net effect of the plan proposed, as many view it, would be to create a "hodgepodge" of responsibilities and a dangerous diffusion of authority.

Furthermore, sections (c) and (d) of the proposed plan providing for a build-up of personnel and staffs under the direction of the Chairman of the Joint Chiefs of Staff would create unprecedented military authority. Sections (c) and (d) of the plan is opposed by the so-called Hoover Commission on Reorganization of the Government that has studied reorganization of the various agencies of the Government. The task force study on reorganization for the Defense Department reported that the substance of sections (c) and (d)—setting up the equivalent of a Prussian general staff with a single military man at its head would be undesirable at any time. Members of the study Commission reported that the plan was "extremely hazardous."

A few years ago the Congress passed the Armed Forces Unification Act designed to bring about unification of functions of the armed services. The plan here proposed is the reverse of that principle.

Instead of unification, I feel there would result a diffusion of authority and responsibility under the plan. In view of the dangers inherent in the proposal the elements and suspicion of Prussian military system being present—the plan should be defeated. Efficiency and economy are certainly to be desired. I have supported most reorganization proposals, but feel that this plan, in its present form, should not be adopted. This would be contrary to our traditional American principle of civilian control over the military.

Mr. DAWSON of Illinois. Mr. Chairman, I yield myself the remainder of the time on this side.

Mr. Chairman, to my mind it has been a long time since we have had a more important matter before us than this. I wonder if the Members of Congress realize the far-reaching effects of this reorganization plan. We have been hearing witnesses for quite some time before the committee on this plan. There appeared Roger Kyes, Deputy Secretary of Defense; Joseph M. Dodge, Director, Bureau of the Budget; Nelson Rockefeller, Chairman, Committee on Department of Defense Organization, as witnesses in favor of the House resolution.

We had the word of Herbert Hoover, personally written, that he agreed with the plan except for sections (c) and (d). If you make a canvass of those who oppose this plan you will find they are all in agreement with Herbert Hoover on sections (c) and (d).

There also appeared before us Gen. Robert Wood Johnson, chairman of the board of Johnson & Johnson, and whose military history we all know. Thomas K. Finletter, former Secretary of the Air Force, appeared against this plan. Admiral Cooke appeared against this plan. Gen. Merritt A. Edson, of the United States Marine Corps appeared against this plan. Congressman Bennett, Admiral Edwards, Omar B. Ketchum, of the national legislative service of the Veterans of Foreign Wars, and last but not least, Admiral Leahy, all appeared against this plan because of the provisions of sections (c) and (d).

Where are the men of the military now? Why are they not here appearing against this plan? Because no ranking officer in a military establishment would dare come in and speak for this plan against the wishes of a President of the United States, who is Commander in Chief of our Armed Forces, and against those who now control the Army, because it has been the history that when those in the military service had the temerity to appear on this Hill and give us their heartfelt feelings about any matter in opposition to the position of those in charge, they were disciplined for it. So we find the big brass, if you please, appearing here for the plan, but you will find those who have been in the military service, those who have given their service in time of war to preserve this Nation, coming up on this Hill—

No, I do not yield now, may I say to the gentleman from Ohio [Mr. BROWN]. You know I do not have the time. I do not yield now, so please, I do not yield.

You will find, as I was saying, those men coming up here and putting them—

The gentleman had far more time to talk on his own time, than I have.

Mr. ROONEY. Mr. Chairman, I demand the regular order. Members should be seated when a Member who has the floor is addressing the Committee.

Mr. DAWSON of Illinois. I listened to the testimony of a Member whom we all respect to the highest degree, the gentleman from Minnesota [Mr. JUDD].

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order. I asked that the rules be enforced and that all Members be required to take their seats while a Member is speaking.

The CHAIRMAN. The Committee will be in order. The gentleman from Illinois may proceed.

Mr. BROWN of Ohio. Mr. Chairman, I would like to be heard on the point of order long enough to point out that I had not asked the gentleman to yield. Inasmuch as he mentioned my name, I stood up for the purpose of telling him I was not asking him to yield but I was preparing to leave the Chamber.

Mr. DAWSON of Illinois. That is the tactic of the gentleman.

The CHAIRMAN. Does the gentleman from Ohio wish to ask the gentleman from Illinois to yield?

Mr. BROWN of Ohio. No, I did not ask the gentleman to yield, but he began to talk about me.

The CHAIRMAN. The gentleman from Illinois will proceed.

Mr. DAWSON of Illinois. As I was saying, to my mind there is no more able man in this country than the gentleman from Minnesota [Mr. JUDD]. We heard him and I read his testimony and his questioning of Mr. Kyes. He received no direct answers to the questions that he asked. I was sorry to hear him stand up on this floor and say that in secret, outside of the presence of the committee, he had been approached and had been told some secrets that had changed his mind.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. DAWSON of Illinois. I am compelled to yield to the gentleman from Minnesota.

Mr. JUDD. I was not approached. I went out and did some spade work.

Mr. DAWSON of Illinois. The gentleman went out and did some spade work apart from the committee, and then on the outside, of the presence of the committee, they told him some classified information that they could not give to anybody but him. I say to you that once again shows the attitude of the military toward this Congress. What is there classified in subsections (c) and (d)? They brought it to us; they were willing to defend it; but when they are in private they say, I will whisper it in your ear because they fear the very Congressmen, you and I, will get up on this floor and speak about the plan.

Mr. JUDD. I never used the word "classified."

Mr. DAWSON of Illinois. I cannot yield now.

Mr. JUDD. The gentleman is incorrect. I never used the word "classified."

Mr. DAWSON of Illinois. I cannot yield now. You said classified.

Mr. JUDD. No, I did not.

Mr. DAWSON of Illinois. I am trying to bring to your mind the danger in 1949.

Mr. JUDD. Mr. Chairman, I rise to a point of personal privilege. The gentleman insists that I said "classified," and I never used the word "classified" in referring to information I obtained.

Mr. DAWSON of Illinois. I think if you will get your testimony you will find that you did use the word "classified." If it is not there as written, I beg your pardon, but I understood you to say that, sir.

Mr. JUDD. I said that some of these officers were afraid to testify in public, just as the gentleman himself has said.

The regular order was demanded.

The CHAIRMAN. The gentleman from Illinois declines to yield. The gentleman from Illinois will proceed.

Mr. DAWSON of Illinois. In 1949 they got this out of you, to create a Deputy Secretary of Defense with a rank senior to that of the Secretaries of the services. Before we had the Secretaries of the services with Cabinet status. Now they are put back, and we got them put back behind the Deputy Administrator to convert the service department into a military department instead of executive departments. They have taken civilian control from you step by step to remove the service Secretaries from the National Security Council—always removing the civilian control as far as possible from the active control of our military service. Now they come here and tell you because this Joint Chiefs of Staff is overworked, then we will take from them that body that has been doing their work, the Joint Staff—the Joint Staff is a working and planning staff, and they are taking them away. They are taking them away from the Chiefs of Staff of the services and now giving them to this superduper man that they set up once more, the Chairman of that Board. No; he does not have any vote, but he has the rank over every man in the military service. He is a five-star general. What man under him is going to dare oppose him? When you give him the selection of the working staff, then what have you done? You have taken all of the power from your Joint Chiefs of Staff. You may claim that President Eisenhower as a soldier is the greatest soldier in all the world. I give it to him, but I say to you that the selection of President Eisenhower as a general to do the work was made by a civilian, the then President of the United States. He is the man who saw in him the military qualities that he possessed. Perhaps if he had selected Patton, or any other man, he might have measured up to the opportunities that were then before him as a military man. But we are not talking about that now. We are talking about the fact that you are setting up this superman.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

The gentleman from Michigan [Mr. HOFFMAN] is recognized for the remaining 21 minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. SHAFER], a member of the Armed Services Committee.

Mr. SHAFER. Mr. Chairman, this proposed reorganization of the Defense Department is desirable and essential. I am entirely in agreement with what the President gave as the objectives of Reorganization Plan No. 6. As a member of the Armed Services Committee and as one who has been in close touch with the Defense Department for a number of years I recognize the need of this reorganization plan.

The only question I have in connection with the President's recommendations has to do with the issue of whether we are getting away from civilian control of the armed services.

I do not believe that we would have even been called upon to consider this resolution today if the White House had displayed a willingness to compromise. What we are dealing with here today should be only a trivial issue, but we find ourselves confronted with what can be a major issue.

I want further to say that I earnestly desire to support the President and I do not want to be forced into a position of opposition. I have the highest respect for Secretary Wilson and for Roger Kyes and I do not take second place to any man in my regard for Admiral Radford and for the other new and retiring members of the Joint Chiefs of Staff. In the past, one of my best friends was Admiral Denfeld who was ruthlessly forced out of the post as Chief of Naval Operations.

I must say with all candor that the President could have allayed the fears of those who the gentleman from Missouri [Mr. SHORT] has described as persons "seeing ghosts, goblins, and ghouls." And he can still allay those fears.

If President Eisenhower would indicate his willingness to make two slight modifications in Reorganization Plan No. 6, I believe the matter can be resolved to the satisfaction of all concerned. The first modification is the substitution, in subsection c of section 1 of the words "Secretary of Defense" for the present reading of "Chairman of the Joint Chiefs of Staff." The second change is the substitution, in subsection d of section 1 of the words "shall be exercised through" for the present reading of "are hereby transferred to."

If, as has been insisted, there is no intent to increase the powers of the Chairman of the Joint Chiefs of Staff, and if there is no intent to lessen civilian control over the military, these minor changes should be readily acceptable by the President. Conversely, if there is an unwillingness to make these minor changes, there are strong grounds for questioning the validity of the protestations offered against the change.

It may well be, as the gentleman from Missouri [Mr. SHORT] says, that there is no lessening of civilian control and no dangerous increase of the powers of the Chairman of the Joint Chiefs of Staff in this plan, but that assurances are not present in black and white in the reorganization plan as submitted.

Make these proposed changes and you will reduce this controversy to a minor issue and clear the way for many of us who want to vote for this reorganization plan without fear of having taken the wrong step and without fear of having opened the door to grave abuses under some future administration.

Reject these proposed changes and you create a major issue on which we have no alternative but to stand firm.

Adoption by the President of the minor changes I have suggested will obviate all controversy. Rejection of those changes will confirm the validity of the criticism and will force us to meet a major and bitterly controversial issue.

The method is simple and clear for the sponsors of this reorganization plan to achieve the entire reorganization setup as they tell us they want it.

As it now stands, however, the way the sponsors of the plan are straining at gnats justifies the suspicion that it is not gnats but camels that we are dealing with.

Mr. HOFFMAN of Michigan. Mr. Chairman, I yield myself the remainder of the time.

Mr. Chairman, an apology is due the Committee, for the reason that under the law the time should have been equally divided between those who favored the plan and those who opposed the plan. Because of pressure from members of my own committee and who on other methods of legislating would be entitled to recognition—and I am not finding any fault with that pressure—I felt constrained, objection not having been made, to yield more time to those who favored the plan than I did to those who opposed it. However, that situation can now be remedied. I am opposed to the plan. I make that statement so there will be no misunderstanding on the part of those who were unable to obtain time.

One other thing, the report that we filed, the one which I wrote and which is House Report 652, on the first two pages takes away any confusion which might exist because of the form of the resolution.

If you want to vote "yes" in favor of the plan you vote "no" against the resolution.

It is the old, old situation. One thing that the debate here has demonstrated is that the House should by this time have had enough of trying to legislate through the sending up of reorganization plans which permit of no amendment, which must be taken or rejected as they come up.

That causes me to speculate and wonder as to how many of my Republican colleagues would have voted for this plan had it been sent up by former President Truman. Think it over, will you? Answer it in your own mind.

How many Republicans would have voted for this plan had it been sent up by former President Roosevelt? Or if it had been sent up by former President Truman? How many?

The situation which is before us here is just as clear as the noonday sun in a cloudless sky, if you want to understand it. If you do not, then, of course, it can be confused.

Yesterday, in my attempt to answer a simple question which was asked me by the gentleman from Georgia [Mr. VINSON], he said, and I quote his words—CONGRESSIONAL RECORD, page 7382:

I would not for 1 moment deprive my distinguished friend from Michigan from trying to muddy the water as much as he possibly can irrespective of the facts.

I value the gentleman's opinion, and I have been thinking it over. I will try to sift out the mud from any water which has gone over the dam or which is about to go over the dam. Will try to give the gentleman the facts—see CONGRESSIONAL RECORD, page 7303:

I have the greatest respect for my colleague from Missouri [Mr. SHORT], the orator from the Ozarks. Permit me to quote him as to the duties of the Chairman—CONGRESSIONAL RECORD, page 7173:

About this Chairman of the Joint Chiefs, just what is he under the law?

First, he is a military man. He holds four stars by virtue of this position. He gets the same pay as the other members of the Joint Chiefs of Staff, all of whom have the duty of strategic planning for our country.

We know that at first the Chairman was not to be a military man. In fact, when we wrote the unification act we did not have a Chairman. But they came along afterward and by amendment they created a Chairman and now he is a military man.

Second, he has precedence over the other members of the Joint Chiefs of Staff. And why? So he can walk in front of them and at official functions, take the lead. When we wrote this into the law in 1949 we did so because, mainly, the Chairman would have looked mighty peculiar following the others around and taking a back seat at this and that function—then going back to the Pentagon and presiding over their meetings.

We get this from our colleague as one of the reasons for legislation which is a grant of tremendous power in the Military Establishment to one individual. And why? "So he can walk in front of them and at social functions take the lead." How do you like that?

Now, I would not have any objection to that if they just wanted a front man and if he put on a swallowtail coat, or whatever it is, the State Department folk wear and a pair of striped pants, if the State Department wants him, and let him act for and with the State Department if social functions are the objective.

Third, he works under the Secretary and Deputy Secretary of Defense. The law says he is under their direction and authority. This means, if language means anything, that he is completely under their thumb. Also, as a member of the Joint Chiefs of Staff, he is also under the Secretary of Defense, for that body works under the Secretary.

No fault is found with that. But just how he can be kept under I do not know. So far no one has been able to keep the Pentagon in line, say nothing about under.

Fourth, he has three duties that we gave him in 1949.

He writes up the agenda for the Joint Chiefs of Staff.

He presides over their meetings.

He advises the Defense Secretary and the President when the Joint Chiefs cannot agree.

These duties are in addition to his function as serving as a member of the Joint Chiefs of Staff.

Again that part of it is all right.

But now what do they propose doing? They propose, and they do give by subsections (c) and (d), the Chairman of the Joint Chiefs of Staff the authority to write the program for the defense organization.

The man who controls the selection of and the tenure of office of 210 men who write the plans and program is in effect a Chief of the Staff.

This plan No. 6 gives the military the Chief of Staff, now called the Chairman, the Congress has always heretofore guarded against, as the gentleman from Georgia [Mr. VINSON] warned us. He is here, not on his way. When I pick a secretary, when I pick someone ta assist me, I choose the man who will help me do the things I want done, not to do something else. The Joint Staff, all 210 of them, will jump to the crack of the whip of the Chairman. A request from him will be an order.

Permit me to clarify the muddy waters, clear an uncertainty the gentlemen have injected into the debate. There is no question about what this plan does. The very distinguished gentleman from Ohio [Mr. BROWN], a member of the Hoover Commission, said we had to take this plan as it is or leave it. That is right. There is no question about that. But that is not the end of the road. Plan No. 6 can be rejected today and sent up next week with sections (c) and (d) deleted.

The orator from the Ozarks told us that the President had the authority to do the things which this plan would do. Then why was it sent to us? But, said our colleague, the President has such great concern for the Congress—these are not his words, but his thought—that he sent this plan up so that we might put on it a rubber stamp saying "Yes." Or, perhaps, just a ditto mark.

Let me ask my Republican colleagues this: If the President is so greatly concerned about going along with the Congress, why does he send up a plan like this? And when I say "the President," I want it understood I am not talking about President Eisenhower in person or as an individual. I am talking about whoever down there runs the show. I am talking about his advisers, his "spokesmen." I am talking about those who tell him what should be done. If the administration, as just described, bearing that in mind, is so deeply concerned and wants cooperation, why does it pursue this method? The policy of insisting upon trying to force us to do everything it wants done in just the way it wants it done.

If the Members of this House are to be permitted today to express their own opinion, their own judgment, then certainly we who oppose this plan are not subject to criticism. Those who tell us what the President wants and tell us "It is an order" may and probably will get a Democratic Congress.

If the President is so concerned about happy relations with the Congress, why not send up what he wants in the form of a legislative bill. Then it could have been discussed and amended? In my judgment, there would have been no votes cast against this plan if sections (c) and (d) had been stricken. A majority of this House does not want those two sections in the plan, but on a roll call many more than a majority will vote for it because the party whip has been and is being laid on their backs.

If this plan is rejected today there are three avenues open to the administration. The Rules Committee, if it receives the go-ahead signal and the green light from the White House, can meet and report out either the resolution offered by the gentleman from California [Mr. CONDON], or report out Resolution 264, either of which would accomplish the same purpose as will this plan except that sections (c) and (d) would be out. Or, if this plan is defeated today, the attitude of the House having been clearly expressed here, on tomorrow morning—no, tomorrow is Sunday, though that action would be a good deed on a good day—on Monday morning—no, he cannot do it on Monday either, because the Rules Committee has swept the Ways and Means Committee off the floor and it could not come then—but on Tuesday the President could send up a plan without sections (c) and (d) and we would accept it. Sure.

In the interest of harmony, good will, and all that, and to get all that they need, and the gentleman from Ozarks said they could get it down there anyway by Executive order—as long as they do not need it, why not just give us a pleasant gesture and send us a plan or accept legislation to which the Congress has no substantial objection? Let this go over and send it up sometime next week along that line and we will take it and take it gladly.

But no, like too many elected or appointed officials just come to power, taking pride in their new positions, flexing their official muscles, some of these gentlemen seem to still be suffering from a

childish disease which affects the heads of all of us.

The gentlemen who advise the administration want harmony, but they play the tune and the Congress dances to their tune.

The fear over the years has always been that we would get some sort of a military man as a dictator. The gentleman from Missouri [Mr. SHORT]—pardon me, the orator from the Ozarks—ridiculed that idea. He helped defeat the move—the Collins bill—he opposed it when Truman was in power but the sight of so much brass and the sweet strains of military music have dulled his sight just a little and he now can neither hear nor see the danger signals. That there may be no uncertainty as to the purpose of subsections (c) and (d) which is to give us an all-powerful Chief of Staff whose title for the moment is "Chairman," let me quote the statement of the gentleman from Georgia [Mr. VINSON] made during his committee hearings in 1949, and put in the RECORD yesterday. He then said this. Now listen, please:

> And while my viewpoint was the other way, I am perfectly willing, recognising the tendency of the times and the tendency of the committee, to go along with the language.

That is, they were trying to establish a civilian in the office of Chairman. Then further down:

> Here is the point I want. There is just around the corner a single Chief of Staff. The country might just as well know it and the Congress might just as well know it.

And here is the point I want to particularly put in the RECORD:

> This is to be the first step.

That was in 1949. A step toward an all powerful Chief of Staff. We killed the move in 1947 when we wrote the Unification Act. The Armed Services Committee dug it up, gave it just a little life shove forward in 1949.

Another quote from the gentleman from Georgia [Mr. VINSON] who warned of what was coming and now helps bring it about. He said:

> This is to be the first step. Five years from now we will have a bill here to have a Chief of Staff.

And today we have it, only the Chief of Staff is characterized and named as the Chairman. Let me quote again from my friend from Missouri—CONGRESSIONAL RECORD, page 7173:

> But, my friends, we are getting to the point where we are seeing ghosts, ghouls, and goblins in these matters. We are getting to where we are afraid to legislate. We are not afraid to legislate. We just take our legislation in capsules—horse size—and regardless of what is in them.

And our colleague, the gentleman from Georgia [Mr. VINSON] said we are setting up straw men, and somebody this morning said "gobbled"—what was it?—whatever it was, some name, some sort of a visible nightmare that is what those three gentlemen said we were seeing.

Am I? Well, I am a rather practical sort of a fellow. I do not usually see things that are not there. And, my colleague cited the names. Do you believe for one moment that those who appeared in opposition to this plan before our committee have delusions, hallucinations, illusions, any one of the three? Do you? I do not; I do not; is any of them seeing ghosts, oh, no. If there was ever a man who was characterized as a conservative, a sound-thinking man, accurate seeing man, as a man who knew what was going on and what this Government needed to have efficiency, to continue as the people's Government, that man was former President Herbert Hoover. We did not give the Hoover Commission $2 million because Mr. Hoover was seeing ghosts. We gave the Hoover Commission something like $2 million to tell us what to do. We created it and placed it under his direction because he was a man of ability, of experience, and knew what was needed. Our good friend, the gentleman from Ohio [Mr. BROWN] was on that Commission. You have heard him many, many times, express his admiration and respect for Mr. Hoover. Yet, what did the Hoover Commission tell us? Mr. Eberstadt was Chairman of the Task Force which wrote this part of the Hoover Plan. What did he say? He is against it. He testified:

> Mr. EBERSTADT. For my part, I feel that the President's objectives could be better attained by the elimination from the proposals of paragraphs (c) and (d) of section I, which are the portions that I have characterized as objectionable. I hope that a way may be found, acceptable and creditable to all, for putting the proposals into effect without these two paragraphs.

Mr. Eberstadt's service with the Armed Forces goes back to 1916 on the Mexican border. A memorandum he filed is carried in exhibit 1.

And, later only a few days ago Mr. Hoover wrote that letter saying that he was against provisions (c) and (d). Seeing ghosts, ghouls and goblins and setting up strawmen. You can take your choice; you can take your choice. Hoover and his task force or Acheson with his record of friendship with the Chinese Commies and his destructive policies.

And of Mr. Eberstadt's views Mr. Hoover wrote:

> NEW YORK, N. Y., *June 19, 1953.*
> The Honorable CLARE E. HOFFMAN,
> *Chairman, Committee on Government Operations, House of Representatives, Washington, D. C.*
>
> MY DEAR MR. CONGRESSMAN: I had intended to take no part in the division of opinion upon the reorganization of the Department of Defense, plan No. 6, but a misunderstanding regarding a telephone conversation seems to require that I do so.
>
> I, therefore, wish to state that I am in full agreement with the plan except for the point raised in the presentation of Mr. Ferdinand Eberstadt, with whom I fully agree.
>
> Yours faithfully,
>
> HERBERT HOOVER.

Does anyone have any doubt as to how Mr. Hoover, a determined man, would vote if he were a Member?

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield to the gentleman from Maryland, the hero of Wake, the great general of the Marines, the warrior who fought the good fight, who knows the military from the inside out.

Mr. DEVEREUX. The gentleman refers to ghosts and goblins. I would like to make an observation about something I heard not so long ago. We were speaking about General Van Fleet, and I was talking to a very high-ranking general in the United States Army. He made the observation that he did not understand how General Van Fleet ever succeeded to such a high command because he had never served on the General Staff in Washington. If that does not point up the thinking of some of the people who are in Washington today, I do not know what we are talking about. They are not ghosts and goblins, that we see. There is something there that is very, very real among certain groups downtown.

Mr. HOFFMAN of Michigan. I thank the gentleman. There you have it. The names of those who supported and opposed the plan are in the hearings of the committee. And here they are once more:

WITNESSES FOR

Roger M. Kyes, Deputy Secretary of Defense.

Joseph M. Dodge, Director, Bureau of the Budget.

Nelson Rockefeller, Chairman, Committee on Department of Defense Organization.

WITNESSES AGAINST

Hon. Herbert Hoover—you know his record.

Ferdinand Eberstadt, former Chairman, Hoover Commission Task Force on the National Security Organization. Was he qualified to speak—see exhibit 2.

Gen. Robert Wood Johnson, chairman of the board, Johnson & Johnson—see exhibit 3.

Thomas K. Finletter, former Secretary of Air—see exhibit 4 for addition to his testimony.

Adm. Charles M. Cooke, Jr., United States Navy, retired—see exhibit 5.

Maj. Gen. Merritt A. Edson, United States Marine Corps, retired—see exhibit 6.

Hon. CHARLES E. BENNETT, a Representative in Congress from the State of Florida.

Adm. Richard S. Edwards, United States Navy, retired.

Omar B. Ketchum, director, national legislative service, Veterans of Foreign Wars of the United States.

Fleet Adm. William D. Leahy, President Roosevelt's Chief of Staff during World War II.

Those who opposed are the gentlemen that our distinguished friend from Missouri, the orator from the Ozarks, said were seeing ghosts and ghouls and goblins. The gentleman from Georgia said these men were setting up strawmen. Do you believe it? Of course you do not. Of course you do not.

I say to my Republican colleagues, in all charity and all sincerity, the record shows beyond argument—the conclusion is there—that this plan is not the plan of the Hoover Commission. This plan in 5 out of 9 of its main provisions follows Dean Acheson. The Hoover group repudiated the thought of the Acheson outfit.

I remember when the demand was so strong on the Republican side when Acheson was Secretary of State that he be impeached. Some of you remember it. Republicans were all for kicking

Acheson cut then—pretty near all but 2 or 3. Now, follow Dean Acheson if you wish to. Turn your backs on Herbert Hoover. For myself, I am going along with his views and with the views of the experienced men who appeared in opposition to subsections (c) and (d). They are not seeing ghosts, ghouls, nor goblins.

EXHIBIT 1

Mr. EBERHARTER. I would be pleased if the memorandum were included as a part of my remarks, although I wouldn't wish to inflict it on the committee.

The CHAIRMAN. It will be included, unless there are objections.

(Memorandum referred to is as follows:)

"MEMORANDUM RE PRESIDENT EISENHOWER'S RECOMMENDATIONS FOR REORGANIZATION OF THE DEFENSE DEPARTMENT CONTAINED IN REORGANIZATION PLAN NO. 6 OF 1953

"On April 30, 1953, President Eisenhower sent Congress Reorganization Plan No. 6 of 1953 proposing certain statutory changes in the organization of the Department of Defense, together with a message explaining them and recommending their adoption by Congress. The President's message also dealt with some administrative changes in the Department of Defense not requiring congressional action. This is the third time, within the past 7½ years that a President has formally addressed Congress on these matters.

"Historical background

"The first of these messages to Congress was sent by President Truman on December 19, 1945, and was supplemented by a further communication from the President to Congress dated January 20, 1947. Amongst other things, he recommended the creation of a separate Department of the Air Force and the unification of the three military departments under a new Department of Defense, headed by a Secretary of Defense. President Truman's message followed some years of study and debate, often rather acrimonious, amongst the military services and on the Hill. With the exception of his recommendation of a military Chief of Staff, which Congress did not adopt, his proposals were quite generally concurred in even by those who had advocated opposing positions during the debate.

"After extended committee hearings in the Senate and the House, in July 1947 Congress passed the National Security Act of 1947 which went into effect in September of that year.

"The original conception, as expressed in the preamble to the National Security Act of 1947 was 'to provide three military departments, separately administered, for the operation and administration of the Army, the Navy * * * and the Air Force * * *; to provide for their authoritative coordination and unified direction under civilian control of the Secretary of Defense but not to merge them; * * *.'

"Under the guidance and direction of Secretary Forrestal, the Defense Department was established within the spirit and intent of the act. Fitting the feet of the old Army and Navy organizations and of the young Air Force into the new shoes was a bit painful. Forrestal believed in the evolutionary process. It did not lie in his nature to command or to dictate. Whether his authority was inadequate or not employed to its full extent is beside the point. The fact is that many service squabbles and rivalries were publicly aired and caused considerable concern, giving rise to a general feeling that the new unified military organization needed tightening up.

"In 1948 the Department of Defense was examined by the Hoover Commission. After study by its task force, the Commission made certain recommendations on the basis of which President Truman sent to Congress his next message on this subject on March 5, 1949. His proposals did no violence to the previous conception of the Defense Department or its structure. They were aimed at curing those defects which had become apparent during the process of putting the unification statute into effect and to which the Hoover Commission and its task force had called attention.

"The Armed Services Committees of the Senate and the House again held hearings and in due course Congress enacted the 1949 amendments to the National Security Act which conformed by and large, though not in all particulars, to the President's proposals and the recommendations of the Hoover Commission on which they were based.

"Generally speaking, these amendments were intended to clarify and strengthen the authority of the Secretary of Defense, to modernize the military budgeting and accounting systems, and to improve the operations of the Joint Chiefs of Staff by creating the office of Chairman of the Joint Chiefs of Staff.

"Considerable reserve with respect to the creation of such a Chairman was expressed at that time by many, who feared that it would prove to be a step toward the creation of a supreme military Chief of Staff.

"The progress toward effective unification made under Secretary Forrestal was continued under the secretaryship of Louis Johnson, who, in canceling the Navy's supercarrier, pretty well settled the mooted question of the adequacy of the Secretary of Defense's authority. While interservice rivalries still existed, they became less violent and, after outbursts following Louis Johnson's cancellation of the Navy's supercarrier had quieted down, there were few noisy public explosions.

"Under the secretaryships of General Marshall and, in turn, of Mr. Lovett, the stresses, strains, and storms of the Defense Department's early youth subsided as greater maturity was achieved. In recent years, at least from the outside, the Department appears to have been operating much more smoothly.

"As these earlier problems have receded, others have moved to the forefront. The new ones arise, not from the process of unification itself, but from the impact of world and national conditions on the unified Department of Defense. They relate to the ability of the Defense Department to formulate military plans adequate to protect our national security in the dangerous world of today and to fit such plans into our economic capabilities.

"Last fall, in response to President Truman's request, Secretary Lovett, under date of November 18, 1952, wrote a letter to the President, for the guidance of the incoming administration, setting forth his views, based on his experience as Secretary and Deputy Secretary, as to certain statutory and administrative changes that he thought should be made. At about the same time, Dr. Vannevar Bush, the distinguished head of the wartime Office of Research and Development, made a number of speeches indicating his own considerable concern as to the adequacy of our military plans, ascribing the deficiencies to organizational defects in the Defense Department, principally with relation to the organizational form and the operations of the Joint Chiefs of Staff.

"In the process of examining the organizations of the various executive departments, President Eisenhower's Reorganization Committee, consisting of Mr. Nelson Rockefeller, Chairman, Dr. Milton Eisenhower, and Dr. Arthur S. Flemming, supplemented by former Secretary of Defense Robert A. Lovett, Gen. David Sarnoff, Dr. Vannevar Bush, and General of the Army Omar N. Bradley, were requested 'to study and make recommendations * * * in regard to the best ways of improving the organization of the Department of Defense.' General of the Army George C. Marshall, Admiral of the Fleet Chester W. Nimitz, and General of the Air Force Carl Spaatz acted as senior military consultants to the Committee. During the months just past, the Committee conferred and held its session, heard 22 witnesses and, on April 11, 1953, transmitted a 17-page report of its findings and recommendations to the Secretary of Defense. This report constitutes the basis of President Eisenhower's reorganization proposals and message to Congress of April 30, 1953.

"President Eisenhower's proposals

"The formal proposals constituting Reorganization Plan No. 6 of 1953 are embodied in 6 short sections of less than 1 newspaper column in length. The simplicity and brevity of the language in which the proposals are couched is in marked contrast with their complexity, extent, and probable effect.

"The first two paragraphs of section 1, headed 'Transfers of functions,' would transfer certain functions directly to the Secretary of Defense. These include the present statutory functions of the Munitions Board, the Research and Development Board, the Defense Supply and Management Agency, and the Director of Installations, all of which are presently part of the Secretary's Office. Also, the selection by the Joint Chiefs of Staff of the Director of the Joint Staff and his tenure is to be made subject to the approval of the Secretary. No serious objection can be made to these two proposals.

"Transferring the functions of the Munitions Board, etc., to the Secretary of Defense would be largely formal since under the present statute these functions are performed subject to the Secretary's 'authority and direction.' The functions with which these boards and agencies are now charged by statute will have to be performed somehow and would probably be performed in much the same way as in the past. The duties of the present civilian heads of these boards and agencies are apparently to be distributed by the Secretary of Defense among six proposed new Assistant Secretaries whose creation is recommended in the proposals. Bearing in mind the tendency of Assistant Secretaries to build up their own staffs, exchanging 2 boards and 2 agencies for 6 Assistant Secretaries is not in itself a guaranty of greater economy. However, the proposed new system would certainly afford greater flexibility. Whether this is used to advantage or the reverse is a matter of men rather than of systems.

"Certainly no objection can be raised to subjecting the selection of the Director of the Joint Staff and his tenure to the approval of the Secretary of Defense.

"It is with respect to the last two paragraphs of section 1 that the most serious and controversial questions about the proposals will arise. These would transfer to the Chairman of the Joint Chiefs of Staff certain functions presently vested in the Joint Chiefs of Staff. Specifically, it is proposed that the functions of the Joint Chiefs of Staff with respect to managing their own staff, the Joint Staff (which by law is under the Joint Chiefs of Staff), and the Director thereof, are to be transferred to the Chairman of the Joint Chiefs of Staff, who is also to receive the right to approve or disapprove the selection by the Joint Chiefs of Staff of the members of the Joint Staff and their tenure.

"This proposed aggrandizement in the position, power, and authority of the Chairman of the Joint Chiefs of Staff seems objectionable on broad general grounds and also on specific organizational grounds when measured against the usual criteria of sound organization.

"The first and most potent objection is the danger of this step leading to a chief of staff-general staff setup which would be a major departure from the underlying principles of our present system of military organization and strategic planning under which we fought and won the Second World War.

"There are two basic patterns of military organization and strategic planning. One is the Prussian system under which major military and strategic planning is done by a general staff under the direction and control of a supreme military chief of staff, while a different group of military officers, who have not participated in the planning process and are thus not directly responsible for the soundness of the plans, is charged with putting them into operation. The other is our own and the British system under which the responsible operational commanders of the several military services themselves, as equal partners and directly subject to high civilian authority (in our own case to the Secretary of Defense and the President), without the intervention or control of a supreme military chief of staff, formulate major military and strategic plans and are, in turn, responsible for their proper and effective execution. The events of recent wars favors the latter pattern.

"Both patterns were presented to Congress at the time Congress held its hearings preceding the enactment of the National Security Act of 1947 and again when the 1949 amendments to the National Security Act were under consideration. Each pattern had its strong advocates. After full consideration, Congress both times rejected the Prussian chief of staff-general staff pattern and adopted that of the Joints Chiefs of Staff.

"Ever since the inception of the Department of Defense, however, pressures have continued toward the Prussian chief of staff-general staff setup, though no pronounced steps in this direction have been taken except, possibly, the creation in 1949 of the office of Chairman of the Joint Chiefs of Staff. When this office was created many expressed fears that it would in time develop into a chief of staff-general staff situation. The President's proposals would undoubtedly advance the trend in this direction.

"At present, the Joint Staff is by statute under the Joint Chiefs of Staff, who appoint its Director and personnel and assign its duties. The Joint Staff consists of approximately equal numbers of officers from each of the three services. Congress guarded against the possibility of the Joint Staff growing into a large general staff by limiting the size of the Joint Staff to 210 officers. At present the Chairman of the Joint Chiefs of Staff has no special jurisdiction over the personnel or operations of the Joint Staff. It is in no sense his own military staff. The reorganization proposals would change this system radically and greatly enhance the position and power of the Chairman at the expense of the Joint Chiefs of Staff.

"The net result of the above would be that the Joint Chiefs of Staff would no longer have control of the selection of the personnel who constitute their own staff nor of its Director, nor of the matters with which their staff and its Director are to occupy themselves. This is an organizational anomaly, which would, in effect, emasculate the Joint Chiefs of Staff and set up a duplicate and rival body. Though legally and in form the Joint Staff might continue to be under the Joint Chiefs of Staff, in fact and in substance, the Joint Staff would have been effectively removed from under the jurisdiction of the Joint Chiefs of Staff and placed squarely under the Chairman of the Joint Chiefs of Staff. He would thus become in fact, if not in formal title, a military Chief of Staff with the Joint Staff as his personally controlled military staff. He could impose such qualifications, reasonable or unreasonable, upon membership and tenure in the Joint Staff as he desired and thus, in effect, favor those principles of warfare and those weapons in which, through training or disposition, he had especial confidence.

"In the present state of the military art and of weapons development, the freest possible discussion and exchange of views on these matters by the Joint Chiefs of Staff should be encouraged. One can speculate, however, as to whether under the proposed setup an officer on the Joint Staff whose views differed substantially from those of the Chairman would long continue to remain a member of the Joint Staff. The case of the late Billy Mitchell comes to mind.

"There is general agreement on the part of all students of the problem that the Joint Chiefs of Staff are at present overburdened. The President refers to this and so does the Rockefeller committee's report. It was noted by the Hoover Commission and its task force committee. Yet it is difficult to see how the Joint Chiefs of Staff's burdens will be materially reduced by removing the Joint Staff, their working body, from their jurisdiction and management. Furthermore, the proposed setup looks like a clear duplication of military staffs; one, the Joint Chiefs of Staff, would be responsible for certain specific statutory functions—the other, the Joint Staff, would have a wide-open field to roam around in, limited only by the discretion of the Chairman of the Joint Chiefs of Staff. This situation seems to contravene in spirit, if not in form, the statutory provision prohibiting the Secretary of Defense from establishing a military staff other than the Joint Chiefs of Staff.

"One wonders what would happen if the Joint Chiefs of Staff, pursuant to their statutory duty, make one set of plans and advise one course, while their Chairman and the Joint Staff have other plans and give opposite advice. Our American conception of military planning through the Joint Chiefs of Staff consisting of the responsible operating heads of the military departments, would be severely impaired by any such arrangement, though perhaps not entirely abandoned. On the other hand, a diluted replica of the Prussian chief of staff and general staff system would be created through enhancing the position of the Chairman and putting the Joint Staff under him. Thus, while not wholly abandoning the principles of the Joint Chiefs of Staff setup, we would be partially accepting the pattern of the single military Chief of Staff with a General Staff, and instead of clearly having one system or the other, we would have a little of both. Whether this arrangement would be conducive to improvement in our military planning is open to question. In the very possible case of conflict between the two staffs, the unfortunate Secretary would be placed in a most difficult situation where he might have to ask for still a third military staff to arbitrate between the other two.

"Like most other recommendations for amendment of the act, President Eisenhower's proposals are made in the name of increasing civilian control. Civilian control is not a matter of law alone. Among other things, it calls for a close, direct and intimate relationship between the Secretary of Defense and the three departmental Secretaries on the one hand, and between the Secretary of Defense and the Joint Chiefs of Staff on the other. One suspects that the more authority the Chairman of the Joint Chiefs of Staff acquires, the more remote the Secretary will become from the Joint Chiefs of Staff and the more civilian control is diluted.

"To sum up the above proposals:

"1. They will aggrandize the position of the Chairman of the Joint Chiefs of Staff and tend to make him, both in form and in fact, a Chief of Staff with his own staff, the Joint Staff. Thus elevated, the Chairman might well undertake to decide questions which are properly matters for the Secretary or the President. This would be weakening, not strengthening, civilian control.

"2. They will lead to confusion (a) as to the relationship of the Joint Chiefs of Staff to its own staff, the Joint Staff; (b) as to the jurisdiction, if any, which the Joint Chiefs retain over their staff, the Director of their staff, and the work which their staff is to do, and (c) as to the functions which the Joint Chiefs of Staff are to perform.

"3. They will lead to a duplication of military staffs and of military advisers with every likelihood of conflicting military advice. The Joint Chiefs of Staff are by law the principal military advisers of the President, the Secretary of State, and the National Security Council. No change in this respect is recommended. But the proposals amount, in effect, to placing another military staff under the Chairman of the Joint Chiefs of Staff. The cure which in due time will probably be suggested for the confusion and conflicts likely to result from acceptance of these proposals will be concentrating even more military authority in the hands of a single military officer fortified by a General Staff. That would be the next step—and a logical one—to follow the adoption of these proposals.

"4. They are more likely to increase than to decrease the burdens of the Joint Chiefs of Staff. How, it may be asked, are they to perform their statutory functions lacking control over their working staff? Are their burdens to be relieved by having their staff removed from their control? How much support and assistance will they get from a staff whose personnel, director, and duties they do not control?

"Similar proposals have from time to time been made in Britain, which for years has followed the Joint Chiefs of Staff pattern of military organization and strategic planning. Apropos of one such suggestion, Winston Churchill says in his book The Hinge of Fate:

"'The establishment of a war planning directorate divorced from the service staffs responsible for action would have been vicious in principle, for it would have created two rival bodies, one responsible and one irresponsible * * *. It would have confronted ministers with the constant need to disregard the advice of one or the other of these bodies. It would have led at once to immediate and violent friction * * *. I was not * * * prepared to invite a disembodied Brains Trust to browse about among our secrets and add to the already immense volume of committees and reports * * *.'

"Section 16, page 5, of a document dated October 1946, presented by the British Prime Minister to Parliament deals with this subject as follows:

"'It has always been a cardinal principle of the British organization that alike in the chiefs of staff committee and in the joint staff it should be the men responsible in the service departments for carrying out the approved policies who are brought together in the central machine to formulate them. The soundness of this principle has been amply proven in practical experience in war.'

"Section 2 of the proposals headed 'Abolition of agencies and functions,' abolishes the boards and agency referred to above and the offices of their chairmen and directors and authorizes the Secretary of Defense to wind up their affairs. No comment in addition to what was said on this subject above is called for in this connection. If the functions of these boards and agencies are to be transferred to the Secretary, certainly there is no purpose in keeping them, as such, alive any longer.

"Section 3, entitled 'Assistant Secretaries of Defense,' would create six additional civilian Assistant Secretaries of Defense. The proposal does not assign particular functions or jurisdictions to any of them but provides that they shall perform such duties as the Secretary of Defense may from time to time prescribe. The Rockefeller report, however, indicates the probable assignment of their duties. According to this, the new Assistant Secretaries are, respectively, to be put in charge of research and development, applications engineering, supply and logistics, properties and installations, legislative affairs, and health and medical matters.

"Section 4, 'General Counsel,' appoints a General Counsel of the Department of De-

fense who shall be its chief legal adviser with rank equivalent to an Assistant Secretary of Defense.

"It is a far cry from the original act which gave the Secretary of Defense 3 special assistants but created no Assistant Secretaries of Defense, to the present proposals which would authorize 6 additional Assistant Secretaries of Defense and a General Counsel, who apparently is to assume the duties heretofore performed by an Assistant Secretary of Defense, in addition to the Deputy Secretary of Defense and 3 Assistant Secretaries of Defense authorized by the amendments of 1949. Thus, in the brief space of 7 years, the Secretary's office, which originally had neither a Deputy Secretary nor any Assistant Secretaries, is now to have a Deputy Secretary, 9 Assistant Secretaries and a General Counsel. Whether this will, in the long run, result in increased efficiency and economy and in reducing the present size of the Secretary's office, is open to question, although General Eisenhower says that the immediate effect will be 'a staff reduction of approximately 500 persons in that Office.'

"A pertinent point in this connection is the effect of the creation of this large number of Assistant Secretaries of Defense on the relationship of the Secretary of Defense to his three Departmental Secretaries; namely, the Secretary of the Army, the Secretary of the Navy, and the Secretary of the Air Force. President Eisenhower emphasizes the importance of their relationship. Injecting so large a number of Assistant Secretaries will not necessarily strengthen and fortify it. Experience indicates the possibility that these three gentlemen, with respect to many functions at least, will find themselves in practice the subordinates of various Assistant Secretaries with the result that their relations to the Secretary of Defense, instead of becoming clearer, will become more remote.

"Section 5, 'Performance of Functions,' confers upon the Secretary of Defense authority to make such provisions as he deems appropriate for the performance by any other officer, agency, or employee of any functions of the Secretary. If, as seems to be the case, this section refers only to those adjustments necessary to consummate the substantive proposals, it is appropriate, assuming, of course, that the substantive changes themselves are acceptable. But if it is intended to go further than that, some Members of Congress and particularly friends of the Marine Corps, will be interested since they have never acquiesced in a former President's view that the Marine Corps' principal functions were guards, police, and parade duty.

"The President seeks neither 'clarification' (a favorite word in this connection) nor increase in the Secretary's authority. A most scholarly and comprehensive opinion from legal counsel to the Rockefeller committee, of which a copy is attached to the committee's report, supports the clarity and adequacy of the Secretary's authority.

"Section 6, the last section, headed 'Miscellaneous provisions,' gives the Secretary of Defense authority to effect such transfers of records, property, and personnel affected by the reorganization plan, etc., as he deems necessary to carry out the provisions of the reorganization plan. This section has no significance apart from the proposals themselves.

"In addition to the reorganization plan proper, the President's message deals along very sound lines with improvements in certain administrative procedures within the Department. The President also refers to studies of the internal organizations of the Army, Navy, and Air Force Departments with a view to improvement in these organizations. This is long overdue. It is in the field of procedures rather than by changes in the statute, that the potentialities of the greatest measure of progress lie.

"Questions will arise as to the wisdom of the method employed in presenting these far-reaching proposals to Congress under the provisions of the reorganization statute, apparently without thorough advance discussion with the appropriate congressional committees. President Truman's message of December 19, 1945, was preceded and followed by long debate and discussion before Congress passed the requested legislation. Congressional hearings in both the Senate and the House followed transmission of President Truman's request for amendments to the National Security Act based on the Hoover Commission's proposals of March 5, 1949. To attempt to accomplish these changes through a reorganization plan puts the matter up to Congress on practically a "take it or leave it" basis. Under the law, Congress can accept or decline such proposals. It has no specific right of modification. This is putting Congress pretty much on the spot with respect to matters on which they have the most serious constitutional responsibilities at a time when considerations of national security are of the utmost importance. Most of the members of the Senate and the House Armed Services Committees have been over this ground many times and very thoroughly. They have an unusual grasp of these complex matters. It is unlikely that any disadvantage would have followed from thorough discussions with these committees prior to submission of the proposals. The confidence of Congress in the American Joint Chiefs of Staff system as opposed to the Prussian system involving a Chief of Staff with a General Staff is well known and is probably widely backed up by the concurring views of our people. Thus, Congress undoubtedly will scrutinize very carefully those provisions of the recommendations which threaten to impair the position of the Joint Chiefs of Staff while enhancing that of their Chairman. They may see in them a further step toward the Prussian system for which they have always heretofore expressed strong disapproval."

EXHIBIT 2

The CHAIRMAN. Of course, to aid the committee in determining the weight of the testimony to be given by any one witness, it is helpful if we have the background of the witness. You did not have very much to say about your own service with the Armed Forces. I wonder if you would give us a statement on that.

Mr. EBERSTADT. My service with the Armed Forces goes back initially to 1916 on the Mexican border.

The CHAIRMAN. Were you a graduate of one of the Academies?

Mr. EBERSTADT. No; I was not a graduate of the Academies. I was a member of the National Guard at that time, called into Federal service. Again, I served in the Army in the First World War, having gotten a commission at Plattsburg. I was commissioned a lieutenant and promoted to captain and retired as major, subsequently.

In 1941, about this time of the year in 1941, the machine tool situation was rather critical and the then Under Secretary Forrestal, and Under Secretary Patterson asked me if I would come down and study the matter of production and distribution of machine tools, which of course I did. I rendered a report to them. I think they followed most of it and I returned.

In August or September of that year they asked me if I would make a study of the Army and Navy Munitions Board. They had a feeling that perhaps it could be invigorated or reorganized so as to play a more important role in the mobilization program. I examined it and made a report and the chairmanship was tendered to me, which I declined.

I went back, but on the evening of the 7th of December they called me again and tendered the position and then I accepted it and was Chairman of the Army and Navy Munitions Board until September 1942, at which time I moved to the War Production Board, principally to put into effect a program called the controlled materials plan. There was some difficulty with respect to distribution of steel, copper, and aluminum, some problems with respect to priorities and allocations. I went over to the War Production Board and instituted the controlled materials plan. That having been instituted, I joined the long list of War Production Board casualties and disappeared from the Washington scene until 1945, 8 years ago tomorrow, when Secretary Forrestal asked me if I would make a study of the unification. The matter has come up before Congress about 28 different times in the last 30 or 40 years. The first report was made by a committee known as the Richardson committee, of which Admiral Cooke, who will testify, was one of the members.

As the war was drawing to a close in 1945, the matter of unification became a very active, interesting, and important question and Secretary Forrestal wanted a study to be made. That study I made and rendered a report in October 1945. Activities in that field continued off and on, I might say, up to the present day, with interruptions.

The result of the report was a good deal of discussion back and forth, and they were very sharp and there were differences of views but Congress resolved the differences in the National Security Act of 1947, which created the Department of Defense.

The Hoover Commission was appointed shortly after 1947 and I think had originally not intended to examine the Department of Defense, the Department being such a young department, but the Department proved itself to be a very lusty and a very vocal youngster. There were all sorts of cries and screams coming out of the Department; the fitting of the old feet into the new shoes proved rather painful, so that ex-President Hoover decided that the Department of Defense, or rather the National Security Organization—and I make a distinction there because the National Security Organization is more inclusive than simply the Department of Defense. The National Security Organization includes the National Security Council, the Central Intelligence Agency, what until recently was known as the National Security Resources Board, and the Defense Department.

Well, I was asked to act as chairman for a committee to examine this organization, which I did. Our committee convened in May of 1948 and had frequent meetings with the staff in constant session from then until the report was rendered in December 1948, and I think we heard something like 250 witnesses.

Since that time, I have followed the subject with a great deal of interest and occasionally made a speech about it and written an article or two.

EXHIBIT 3

ROBERT W. JOHNSON: QUALIFICATIONS AND EXPERIENCE WHICH JUSTIFY HIM AS APPEARING AS A WITNESS

Mr. JOHNSON. My name is Robert W. Johnson. My business is industrial management. At this time I am chairman of the board of Johnson & Johnson.

The CHAIRMAN. Will you first tell us what your experience is with the armed services?

Mr. JOHNSON. My experience with the armed services, Mr. Chairman, I come to in some detail.

The CHAIRMAN. All right.

Mr. JOHNSON. I do not appear before you as the result of a summons. I volunteered to be here.

My desire to testify regarding Reorganization Plan No. 6 stems from my profound conviction that our form of government is endangered. The danger is found in certain provisions of Reorganization Plan No. 6.

I think here it should be remembered that the President has had a long and very great Army career; that he is a product of West Point; that he has not in his experience until recent times operated in the civilian

field; and that he has not had business experience. His sincerity, however, is absolute.

I would also like to contradict certain testimony of yesterday as to Germany.

When Germany introduced the general-staff plan they did have civilian secretaries, by constitutional authority, in charge. When Germany introduced the great general-staff plan it had the Reichstag, and at that time one of the great parliamentary bodies of the world and, therefore, those who believe that this thing can be controlled by our Congress I think have many grounds for that belief, but I want to make it clear that these same conditions did exist in Germany.

Before addressing myself directly to the specific provisions of the proposed reorganization, I wish to discuss the reasons for my interest and tell you something of my experience that causes my alarm.

This concern is the result of long association with Government, both in civilian and military capacity. I am a brigadier general, Army of the United States, retired. In my civilian capacity I served as Vice Chairman of the War Production Board, and more recently as a member of the Sarnoff Commission.

When I refer to the effort of the military to gain ever expanding control of nonmilitary functions, it is not to imply criticism of all uniformed services. I refer specifically to the Army General Staff. Ever since its establishment, the Army General Staff has engaged in an unrelenting struggle for power. Once it had consolidated control over the Army, the Army General Staff launched a drive for greater authority over the other military services, and also over our Government and economy. For those who might doubt my statement as to Army interference with civilian economy, I refer them to the Army opposition to allocations of material for production of vitally important farm machinery, to efforts to impair freedom of the press by control of newsprint, to use propaganda against those who opposed Army dictates, and, finally, I refer to the Army determination to protect war production by deliberately creating pools of unemployment.

These are only a few examples.

Mr. Donald Nelson, who headed the War Production Board, stated the issue bluntly. He said:

"All this may seem far afield, but it ties in directly with the whole question of who should exercise control over the economy in time of war. The military men will exercise that control if they possibly can, and it is a job which falls outside their competence. I have no hesitation in saying that from 1942 onward the Army people, in order to gain control of our national economy, did their best to make an errand boy of the War Production Board."

Since the war, I have seen no evidence that the Army General Staff has renounced its determination to control, as Mr. Nelson puts it, "our national economy."

Our Army General Staff has ample precedent for its effort. That precedent is found in the vicious machinations of the great German General Staff which, under the driving fanaticism of Ludendorff, achieved economic dictatorship over the German economy.

This is what Mr. Donald Nelson fought to prevent in the United States in World War II. Our Nation must be protected against such a General Staff power drive today and in the future.

Parenthetically, I regret the necessity to criticise the Army and the General Staff who run it. I have many friends and pleasant associations as the result of my long—almost 30 years—association with the Army. However, that long association has also convinced me that the objectives and methods of the Army General Staff pose grave dangers to our Nation.

This proposal to enhance the position and power of the Joint Chiefs of Staff Chairman is no isolated organizational change. It is no mere administrative readjustment. Rather, it is a crucially important aspect of the Army General Staff's long-range struggle for power.

EXHIBIT 4

STATEMENT OF THOMAS K. FINLETTER, FORMER SECRETARY OF THE AIR FORCE

I am glad to have the opportunity to appear before this committee connection with the President's Reorganization Plan No. 6, Department of Defense.

There should be, I believe, a presumption in favor of any reorganization plan submitted by the President. The responsibility for the management of the executive branch is on the Chief Executive. As a general proposition, therefore, it would seem that the views of the Chief Executive as to the manner in which the executive branch should be organized should receive the very highest consideration.

Reorganization Plan No. 6, however, raises certain fundamental questions as to the future of the Defense Department and of the strength and quality of our military force in being, which are so important, that I shall venture to put forward to the committee certain criticisms of the principles upon which this reorganization plan is based.

Reorganization Plan No. 6 in itself is not radical in nature. The changes it would make are gradual. Nevertheless, it is part of a historical line of development of the Defense Department which, it seems to me, is lending that Department in a direction which is not for the best interests of the country. Reorganization Plan No. 6 would lead us one step further toward a single monolithic establishment, with one service in one uniform, and toward a diminution of civilian control over major military policies.

The provisions which have this effect are (1) the increase in the authority of the Chairman of the Joint Chiefs of Staff in section I, subsections (c) and (d); and (2) the increase in the number of assistant secretaries from 3 to 9 (sec. 3). Also, in the negative sense, the reorganization plan holds to the principle of concentration of the operations of the services in the Department of Defense which was started in the 1949 amendment to the Security Act.

The structure of the original National Security Act of 1947 was, I believe, sound. Its theory was coordination, rather than domination, of the operations of the services. It was expected that the Department of Defense would be small in numbers, self-denying with respect to the operations of the service departments, and would confine itself to matters of broad policy. Necessarily, the Secretary of Defense had to have the final authority—the power of decision; otherwise the coordination would not have been effective. But it was, I believe, the theory of the 1947 act that the basic control of operations and of specialized policy should be in the three service departments, and that the Department of Defense should not itself dominate the operations of the services.

In 1949 amendments to the act were made, the purpose of which was to strengthen the position of the Secretary of Defense. I believe that these amendments were ill-advised. Briefly, what they did was (1) to create a Deputy Secretary of Defense with rank senior to that of the service secretaries; (2) to convert the service departments into military departments instead of executive departments—a technical change which took away Cabinet status from the service secretaries; and (3) to remove the service secretaries from the National Security Council. This effort to strengthen the legal position of the Secretary of Defense, in fact, weakened it. It downgraded the position of his principal partners—the civilian secretaries—who should be his mainstays in exercising his authority over the three services.

But the principal effect of the 1949 amendments was to increase vastly the functions which the Department of Defense directly carried on, to make for a great increase in the number of personnel in the Department of Defense, and to work more and more toward the centralization within the Department of Defense of all major decisions relating to the three services.

The effect of Reorganization Plan No. 6 will be to increase this tendency toward a single service in a single uniform. I believe it is probably only a matter of time, with the present trend, before the Department of Defense reaches the position where there will be a single general staff directing the affairs of all three services, operating directly under the authority of a Secretary of Defense who will not be able to control the operation of such a unified department because of its very size. I believe also that the tendency of Reorganization Plan No. 6 will be to build up military control as opposed to civilian control within the Department.

Let me give the reasons why I believe that both of these tendencies are undesirable.

In the centralization of power in the Department of Defense we must, I believe, avoid two extremes—(1) having three service departments who would be too independent and over whose operations there would be insufficient control with resultant overlapping of functions and waste; and (2) the opposite of this—overcentralization of authority in one single department.

A single department running the whole Military Establishment would have two weaknesses: (1) It would be too big for efficient control by civilian authorities; and (2) it would be bad for air power.

The mere size of a single Department of Defense would be appalling. The proper organization of such a vast enterprise requires a large measure of decentralization. The best decentralization structure would be that which was set up in the 1947 act, namely, three civilian Secretaries each running his own Department, but under the overriding authority and broad policy control of the Secretary of Defense. By this I mean the Secretary of Defense himself directing, with a small staff, the lines of policy to be followed by the civilian Secretaries. I do not mean an establishment whereby the Department of Defense has a large number of Assistant Secretaries and one or more Deputy Secretaries who would operate not through the Secretaries of the services, but would deal directly with the subordinate officials of the three services; thus, in fact, tending to take over the detailed operations of the services.

The tendency of Reorganization Plan No. 6 will be to create a condition which will be unsatisfactory, because it will be neither one thing nor the other. It will be neither an independent administration of each of the three service departments by the civilian Secretary thereof, plus coordination by the Secretary of Defense, nor will it be complete domination of the three services by the office of the Secretary of Defense. It will, therefore, create a relationship which will demand the obvious solution—the putting of all power in the single Department of Defense of the creation of the single service with the single uniform.

But more serious yet, a single monolithic establishment would not produce the proper emphasis on air atomic power.

We are in the midst of the greatest technological revolution in armaments in history. Atomic power is the center of this revolution—its most important element. Atomic power is practically exclusively carried through and delivered from the air.

We are now in a phase in which the United States dominates in the air, atomic field. The Russians have not caught up with us and unless we slacken our effort, or misdirect it, they never will. But the Russians will soon reach a point where, although we may

be relatively stronger in air atomic power, they will be at what may be called an "absolute" point—the point where they can make a devastating air atomic blow on this country and other centers of the free world.

It is for this phase, when Russia has this great capability, that we must now plan and our plans must be entirely different from those of the past. We need a totally different policy for our military forces than that which we had before World War I and World War II. Then we relied on our industrial capacity; on the ability of our allies to hold out for a long time while we were getting ready; and on the eventual ability of our industry and manpower to turn the tide of battle. Now the decision may well be made in the first days of atomic air attack.

The new principle must be (1) to have forces in being capable of winning the battle for air atomic domination in the first few weeks of the war; and (2) of centering these forces in being on air atomic power, with the other elements ancillary to it.

The form of our Department of Defense will have a great deal to do with the question of whether or not we are going to have the right kind of force. At the moment the Department of Defense is not so organized as to encourage the planning and building of the right kind of force. On the contrary the present reorganization of the Defense Department works for compromise and for the looking to past methods as a basis for building our Military Establishment in the future.

Under the present form of organization air power is likely to be submerged in the vastness of the organization and because of the method of compromise which is natural to the present setup.

Reorganization Plan No. 6 will accentuate the present tendency of overconservative planning looking to the past, and will interfere with the proper presentation of the case of airpower.

We are, indeed, at this moment, I believe, seeing an example in the debate over the budget for the fiscal year 1954 of the failure to provide a proper mechanism for the presentation of the air-atomic point of view.

If we continue as we are, helped along the path by Reorganization Plan No. 6, we will see an accentuation of the principle of compromise in a three-way division of the defense budget, the neglect of the greater source of military strength of this country, namely, its air-atomic power, and the consequent failure of our country to have the kind of Military Establishment it needs.

The solution, I think, is to go back to the 1947 position in which airpower was much abler to present its views for final determination by the President than it is under the present arrangement.

I suggested also that Reorganization Plan No. 6 would make it more difficult than before to exercise civilian control over our military policies. I refer to the increased authority of the Chairman of the Joint Chiefs of Staff under subsection (c) of section 1 of the reorganization plan, giving the Chairman of the Joint Chiefs of Staff the right of approval of the members of the Joint Staff and their tenure, and to subsection (d) of section 1 transferring the functions of management of the Joint Staff and the Director from the Joint Chiefs of Staff to the Chairman of the Joint Chiefs of Staff.

The effect of this provision will be to increase very substantially the authority and prestige of the Chairman of the Joint Chiefs.

The tendency should, I believe, be in the opposite direction. The Chairman of the Joint Chiefs is a symbol of military authority, and with this increased power will become a more powerful symbol. Already there is a tendency to regard the Chairman of the Joint Chiefs as having authority beyond that of his military functions, and to call upon him for views of an economic and political nature. The effect of this tendency will be to further increase the prestige of the Chairman and to this extent to lessen the authority of the civilian heads.

Decisions of the Department of Defense rarely are purely military in nature. They are mixed, in that they contain large elements of economic and foreign policy as well as military policy.

The enhanced power of the Chairman of the Joint Chiefs of Staff will be likely to interfere with the prestige and authority of the four civilian Secretaries who should deal with these mixed military, political, and economic matters. Rather than build up the position of the Chairman of the Joint Chiefs of Staff it would be better again, to move in the opposite direction. The Department of Defense would operate better, and certainly with more civilian control, if the position of Chairman of the Joint Chiefs of Staff were abolished.

In summary, it seems to me that Reorganization Plan No. 6 is another step in the direction of a single monolithic establishment, the single service, single uniform setup, with a single general staff, the effect of which will be (1) to enhance military authority on matters which should be the responsibility of the civilian heads of the four Departments; and (2) to interfere seriously with the development of the kind of air-atomic force in being which is indispensable to the security of this country and to our hopes for preventing war.

EXHIBIT 5

QUALIFICATIONS AND EXPERIENCE OF ADM. CHARLES M. COOKE SHOWING HIS COMPETENCY AS A WITNESS

My experience including duty as chief planner to the Commander in Chief, United States Fleet, 1936 to 1938, as a principal adviser to the Chief of Naval Operations, 1938 to 1941, and as chief strategical adviser to Admiral King, 1942 to 1945, including Chief of Staff in the latter part of the war. During the war I attended all of the Joint Chiefs of Staff and Combined Staff meetings with the exception of a few in the beginning, and all of the heads of Government conferences.

I should add that in conjunction with General Wedemeyer I was directly associated with preparing during the war our joint planning organization which was the basis of the organization now in use.

EXHIBIT 6

QUALIFICATIONS AND EXPERIENCE OF MAJ. GEN. MERRITT A. EDSON SHOWING HIS COMPETENCY AS A WITNESS

General EDSON. Mr. Chairman and members of the committee, my name is Merritt A. Edson. I am a major general, United States Marine Corps, retired. I was commissioned in the Marine Corps in 1917 and retired in 1947 after completing more than 30 years of service. I retired at my own request.

Mr. HOFFMAN. Where was most of your service?

General EDSON. Mostly with troops. Perhaps as a best example; I spent 44 months in the Pacific during World War II, which I believe is the longest period of continuous service of any Marine officer. I had command of the troops which took Tulagi on August 7 and 8, 1942. I commanded the Fifth Marines a little later during the Guadalcanal campaign. I was chief of staff of the Second Marine Division at Tarawa and the assistant division commander of the Second Marine Division at Saipan and Tinian. In August 1944 I became chief of staff to the commanding general of the Fleet Marine Forces, Pacific, and finally ended my service during the war as commanding general of the Service of Supply of all the Marine forces in the Pacific.

Mr. HOFFMAN. You were awarded the Congressional Medal of Honor?

General EDSON. Yes, sir, for action in defense of Henderson Field on September 13 and 14, 1942.

Mr. BROOKS. You are one of the only few general officers who has received the Congressional Medal of Honor; is that not correct, General?

General EDSON. I am one of the few, I believe.

Mr. HOFFMAN. Your service has been in the active branch as distinguished from the Washington command?

General EDSON. It had up to that point. When I came back here on the 1st of January 1946 I was assigned duty in the Office of the Chief of Naval Operations as the senior Marine officer of his staff. It was during my tour of service there all throughout 1946 and to the time when I retired in 1947 that I came in close contact with the problem which is facing this committee today.

I am appearing here at the request of your committee to reaffirm the opinions which I expressed before you in 1947. I wish to state emphatically that the opinions I give reflect my own personal views and in no way represent those of the Naval Establishment.

Those views are well known to many members of this committee. I was the only officer of the Regular services on active duty who appeared before the Senate Armed Services Committee in May 1947 to testify in opposition to the proposed legislation which eventually was enacted as the National Security Act of 1947. I was the first officer of the Regular services on active duty to appear before the House Committee on Expenditures in the Executive Departments in opposition to the same legislation when it was considered in this body. In both instances the tenor of my testimony was that the proposed legislation was contrary to the best interests of this Nation, both militarywise and politicwise; that it would lay the foundation for the eventual establishment in this country of the Prussian-type, single-department, single military commander, and great national general staff military organization espoused by the Germans; and that it would foist upon an unsuspecting public a type of military organization which has never yet succeeded in winning a war of world proportions and which has inevitably resulted in the destruction of democratic forms of government wherever it has been adopted.

I still hold those views today. Everything which has occurred since the enactment of the National Security Act of 1947 has only served to confirm the fears I expressed and the testimony which I gave 6 years ago.

My testimony here will confine itself to subparagraphs (c) and (d) of paragraph 1 of the Reorganization Plan No. 6, since I am not qualified, in my opinion, to testify on the remainder of the plan.

With particular reference to subparagraphs (c) and (d) of paragraph 1 of Reorganization Plan No. 6, I stated before this committee in 1947, and I quote from page 458 of the record:

"In my opinion one of the most dangerous and least understood provisions in this entire legislation is that which sets up the Joint Staff. It must be understood from the outset that regardless of what it is called, this Joint Staff is in fact a national general staff, the Oberkommando of the Prussian military system. It is this body of permanent general staff officers which will formulate the policies of the Joint Chiefs of Staff and will be, in fact, the military advisers of the Secretary of the National Military Establishment.

"Congress should recognize this fact, and, as it has done in the past when dealing with the War Department General Staff, should carefully delineate and circumscribe its powers and functions. Also, in my opinion, Congress should limit the tenure of duty of its members, and provide for equitable rotation of the office of Director among all the services. Only by so doing can Congress prevent the growth of a military clique which

will inevitably extend its influence into every department of Government, civilian as well as military. We have only to search the records of history to realize the truth of this statement."

As the law was actually passed section 212 of the National Security Act of 1947, as amended, reads "Joint Staff" and further states that there shall be under the Joint Chiefs of Staff a Joint Staff to consist of not to exceed 210 officers, to be composed of approximately equal numbers of officers appointed by the Joint Chiefs from each of the three armed services; operating under a Director thereof appointed by the Joint Chiefs who shall perform such duties as may be directed by the Joint Chiefs and that the Director shall be an officer junior in grade to all members of the Joint Chiefs of Staff.

The two words which I would specifically like to call to your attention are "operating under a Director thereof." In other words, the Director was given the task of managing and operating the Joint Staff. The other portion which I would like to direct your attention to is that the Director shall be an officer junior in grade to all members.

The CHAIRMAN. The time of the gentleman from Michigan has expired. All time for debate on the resolution has expired.

The Clerk will read the resolution.

The Clerk read as follows:

Resolved, That the House of Representatives does not favor the Reorganization Plan No. 6 transmitted to Congress by the President on April 30, 1953.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House.

The CHAIRMAN. With what recommendation, if any?

Mr. HOFFMAN of Michigan. With the recommendation that they consider it; with the recommendation, of course, that is in the resolution.

Mr. JUDD. Mr. Chairman, the chairman of the committee knows that the committee reported this resolution out with the recommendation that it be not agreed to.

Mr. HOFFMAN of Michigan. That is correct, and if that is the parliamentary procedure, I shall move it.

The CHAIRMAN. That is correct.

The question is on the motion.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARENDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 295) declaring that the House of Representatives does not favor the reorganization plan No. 6 transmitted to Congress by the President on April 30, 1953, had directed him to report the resolution back to the House with the recommendation that it be not agreed to.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved, That the House of Representatives does not favor the Reorganization Plan No. 6 transmitted to Congress by the President on April 30, 1953.

Mr. CONDON. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CONDON. If a Member is in favor of the reorganization plan, his vote on this resolution should be a "no" vote?

The SPEAKER. The gentleman is correct. A vote of "no" is for the plan.

Mr. CONDON. If a Member is opposed to the plan, his vote on this resolution should be "aye"?

The SPEAKER. That is quite obvious. The question is on the resolution.

Mr. CONDON. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 108, nays 235, not voting 87, as follows:

[Roll No. 69]

YEAS—108

Abernethy	Granahan	Pilcher
Albert	Green	Poage
Alexander	Gross	Polk
Ashmore	Hagen, Calif.	Priest
Aspinall	Hardy	Rabaut
Barrett	Harris	Rains
Battle	Hays, Ohio	Reams
Bennett, Fla.	Hébert	Rhodes, Pa.
Bentsen	Hoffman, Mich.	Roberts
Boggs	Holtzman	Robeson, Va.
Brooks, Tex.	Howell	Roosevelt
Buchanan	Jackson	Saylor
Byrne, Pa.	Jones, Mo.	Selden
Camp	Kee	Shafer
Carnahan	Kelley, Pa.	Shelley
Chelf	Krueger	Sheppard
Chudoff	Lane	Sikes
Condon	Lanham	Spence
Cooley	Lesinski	Staggers
Crosser	McCarthy	Steed
Curtis, Mo.	Machrowicz	Sullivan
Davis, Ga.	Madden	Sutton
Dawson, Ill.	Magnuson	Thomas
Deane	Marshall	Thompson, Mich.
Devereux	Mason	Thompson, Tex.
Dodd	Metcalf	Walter
Donohue	Miller, Kans.	Watts
Donovan	Mollohan	Wheeler
Dowdy	Moss	Whitten
Edmondson	Moulder	Williams, Miss.
Evins	O'Brien, Ill.	Williams, N. Y.
Forand	O'Brien, Mich.	Winstead
Forrester	O'Hara, Ill.	Yorty
Fountain	Patman	Zablocki
Frazier	Patten	
Friedel	Perkins	
Gordon	Pfost	

NAYS—235

Adair	Budge	Feighan
Addonizio	Byrd	Fenton
Allen, Calif.	Byrnes, Wis.	Fernandez
Allen, Ill.	Campbell	Fisher
Andersen, H. Carl	Canfield	Ford
	Cannon	Fulton
Andresen, August H.	Carlyle	Garmatz
	Case	Gary
Andrews	Cederberg	Gathings
Angell	Chatham	Gavin
Arends	Chenoweth	Gentry
Auchincloss	Chiperfield	George
Ayres	Church	Golden
Baker	Clardy	Goodwin
Bates	Clevenger	Graham
Beamer	Cole, Mo.	Grant
Belcher	Cole, N. Y.	Gregory
Bender	Coon	Gubser
Bennett, Mich.	Cooper	Gwinn
Bentley	Corbett	Hagen, Minn.
Berry	Cotton	Haley
Betts	Coudert	Halleck
Bishop	Cretella	Hand
Blatnik	Crumpacker	Harden
Boland	Cunningham	Harrison, Nebr.
Bolton, Frances P.	Curtis, Mass.	Harrison, Va.
	Dague	Harrison, Wyo.
Bolton, Oliver P.	Davis, Tenn.	Hart
	Davis, Wis.	Harvey
Bonin	Dawson, Utah	Hays, Ark.
Bonner	Dempsey	Heriong
Bosch	D'Ewart	Heselton
Bow	Dorn, N. Y.	Hess
Boykin	Dorn, S. C.	Hiestand
Bramblett	Doyle	Hill
Brooks, La.	Durham	Hillings
Brown, Ga.	Elliott	Hinshaw
Brown, Ohio	Ellsworth	Hoeven
Brownson	Engle	Holifield
Broyhill	Fallon	Holmes
Holt	Meader	Schenck
Hope	Merrill	Scherer
Horan	Merrow	Scott
Hosmer	Miller, Md.	Scrivner
Hruska	Miller, Nebr.	Scudder
Hunter	Miller, N. Y.	Seely-Brown
Hyde	Mills	Short
James	Mumma	Shuford
Jarman	Murray	Sieminski
Javits	Neal	Simpson, Ill.
Jensen	Nelson	Small
Johnson	Nicholson	Smith, Kans.
Jonas, Ill.	Norblad	Smith, Miss.
Jonas, N. C.	Norrell	Smith, Wis.
Jones, Ala.	Oakman	Springer
Jones, N. C.	O'Hara, Minn.	Stauffer
Judd	O'Neill	Taber
Karsten, Mo.	Ostertag	Talle
Kearns	Patterson	Tollefson
Keating	Pelly	Trimble
Kersten, Wis.	Poff	Utt
Kilburn	Preston	Van Pelt
Kilday	Price	Van Zandt
King, Calif.	Prouty	Velde
Knox	Radwan	Vinson
Laird	Ray	Vorys
Lantaff	Reed, N. Y.	Vursell
LeCompte	Rees, Kans.	Warburton
Long	Rhodes, Ariz.	Weichel
Lovre	Richlman	Westland
McConnell	Riley	Wharton
McCulloch	Rivers	Wickersham
McDonough	Robsion, Ky.	Wilson, Calif.
McGregor	Rodino	Wilson, Ind.
McIntire	Rogers, Colo.	Withrow
McMillan	Rogers, Fla.	Wolcott
Mack, Wash.	Rogers, Mass.	Wolverton
Maillard	Rogers, Tex.	Young
Martin, Iowa	Rooney	Younger
Matthews	St. George	

NOT VOTING—87

Abbitt	Heller	Passman
Bailey	Hillelson	Philbin
Barden	Hoffman, Ill.	Phillips
Becker	Ikard	Pillion
Bolling	Jenkins	Powell
Bray	Kean	Rayburn
Buckley	Kearney	Reece, Tenn.
Burdick	Kelly, N. Y.	Reed, Ill.
Burleson	Keogh	Regan
Busbey	King, Pa.	Richards
Bush	Kirwan	Sadlak
Carrigg	Klein	Secrest
Celler	Kluczynski	Sheehan
Colmer	Landrum	Simpson, Pa.
Curtis, Nebr.	Latham	Smith, Va.
Delaney	Lucas	Stringfellow
Derounian	Lyle	Taylor
Dies	McCormack	Teague
Dingell	McVey	Thompson, La.
Dollinger	Mack, Ill.	Thornberry
Dolliver	Mahon	Tuck
Dondero	Miller, Calif.	Wainwright
Eberharter	Morano	Wampler
Fine	Morgan	Widnall
Fino	Morrison	Wier
Fogarty	Multer	Wigglesworth
Frelinghuysen	O'Brien, N. Y.	Willis
Gamble	O'Konski	Wilson, Tex.
Hale	Osmers	Yates

The SPEAKER. The resolution, not having received the affirmative vote of a majority of the authorized membership of the House, is not agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Bailey for, with Mr. McCormack against.

Until further notice:

Mr. Wigglesworth with Mr. Dies.

Mr. Stringfellow with Mr. Morrison.

Mr. Frelinghuysen, Jr., with Mr. Wilson of Texas.

Mr. Becker with Mr. Thompson of Louisiana.

Mr. Kean with Mr. Mahon.

Mr. Kearney with Mr. Ikard.

Mr. Widnall with Mr. Kirwan.

Mr. Taylor with Mr. Dingell.

Mr. Reece of Tennessee with Mr. Passman.

Mr. Sadlak with Mr. Fogarty.

Mr. Wainwright with Mr. Abbitt.

Mr. Simpson of Pennsylvania with Mr. Burleson.
Mr. Bray with Mr. Landrum.
Mr. Bunbey with Mr. Teague.
Mr. Bush with Mr. Yates.
Mr. Carrigg with Mr. Wier.
Mr. Derounian with Mr. Secrest.
Mr. Dondero with Mr. Miller of California.
Mr. Fino with Mr. Colmer.
Mr. Gamble with Mr. Smith of Virginia.
Mr. Hillelson with Mr. Bolling.
Mr. Hoffman of Illinois with Mr. Willis.
Mr. Curtis of Nebraska with Mr. Thornberry.
Mr. King of Pennsylvania with Mr. Regan.
Mr. Latham with Mr. Eberharter.
Mr. McVey with Mr. Philbin.
Mr. Morano with Mr. Celler.
Mr. Osmers with Mr. Keogh.
Mr. Reed of Illinois with Mr. Klein.
Mr. Wampler with Mr. Delaney.
Mr. Hale with Mr. O'Brien of New York.
Mr. Phillips with Mr. Multer.
Mr. Pillion with Mr. Dollinger.
Mr. Jenkins with Mr. Fine.
Mr. Dolliver with Mrs. Kelly of New York.
Mr. Burdick with Mr. Heller.
Mr. O'Konski with Mr. Buckley.
Mr. Sheehan with Mr. Powell.

The result of the vote was announced as above recorded.

DEPARTMENT OF DEFENSE APPROPRIATION BILL

Mr. SCRIVNER, from the Committee on Appropriations, reported the bill (H. R. 5969) making appropriations for the Department of Defense for the fiscal year ending June 30, 1954, and for other purposes (Rept. No. 680), which was read a first and second time, and with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. SHEPPARD reserved all points of order on the bill.

TEMPORARY APPROPRIATIONS FOR FISCAL YEAR 1954

Mr. TABER, from the Committee on Appropriations, reported the joint resolution (H. J. Res. 287) making temporary appropriations for the fiscal year 1954, and for other purposes (Rept. No. 681), which was read a first and second time, and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. Speaker, I ask unanimous consent that it may be in order at any time today to call up this joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. AYRES. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5456) to extend to June 30, 1954, the direct home and farmhouse loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to make additional funds available therefor, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. PRIEST. Mr. Speaker, reserving the right to object, and it is not my intention to object, but I would like to ask the gentleman from Ohio to explain briefly the provisions of the bill.

Mr. AYRES. The Subcommittee on Housing has held hearings for the last 3 months on and off. We had a full committee meeting, and it was the consensus of the committee that the direct-loan program should be extended for another year. I see that the gentleman from Tennessee [Mr. EVINS], who is the ranking minority member, is on the floor. He has been very active in connection with this matter. Perhaps he would like to add something to this discussion.

Mr. EVINS. Thank you, Mr. AYRES, Speaking for the minority membership of the Committee on Veterans' Affairs and for myself personally, I should like to state that I would much prefer that the bill be extended for 2 years rather than the 1-year period authorized. I am also in favor of authorizing the revolving fund in the extension of this program. I opposed the increase of the interest rate from 4 to 4½ percent in the committee and do not like this feature of the bill, but, in view of the action of the subcommittee and the action of the full committee in approving the measure and since the Veterans' Administrator already has authority to raise the interest rate and has done so, I shall not oppose this legislation at this time.

Mr. AYRES. The present bill expires on June 30, and that is the urgency for bringing it up today. There has been no opposition to the bill.

Mr. PRIEST. I withdraw my reservation of the right to object, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That title III of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended as follows:

(1) By striking out "4 percent per annum" from clause (C) of section 512 (a) and inserting in lieu thereof "the rate authorized for guaranteed home loans,";

(2) By striking out "of 4 percent per annum" from section 513 (b) and inserting "to be determined by the Administrator of Veterans' Affairs, not to exceed the rate authorized for guaranteed home loans, and in no event to exceed 4½ percent per annum";

(3) By striking out "June 30, 1953" from clause (C) of section 512 (b) and inserting "June 30, 1954" in lieu thereof;

(4) By striking out "June 30, 1953" from the first sentence of section 513 (a) and inserting "June 30, 1954" in lieu thereof;

(5) By striking out "June 30, 1954" from the third sentence of section 513 (c) and inserting "June 30, 1955" in lieu thereof; and

(6) By striking out "June 30, 1953" from the first sentence of section 513 (d) and inserting "June 30, 1954" in lieu thereof.

SEC. 2. The last proviso in section 500 (b), title III, of the Servicemen's Readjustment Act, as amended, is hereby amended to read as follows:

"*And provided further*, That the Administrator, with the approval of the Secretary of the Treasury, may prescribe by regulation from time to time such rate of interest, not in excess of 4½ percent per annum, as he may find the loan market demands."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

House Resolution 303 was laid on the table.

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Mr. Speaker, I believe that this is a very desirable measure. Home ownership by veterans is one of the great benefits of our free society. We should be careful to see that the assurance we wish veterans to have on this score is implemented by the availability of mortgage money to back the GI bill of rights in giving veterans the opportunity for home ownership. This is especially important at a time like this when we are trying to hold interest rates down and to facilitate home loans for veterans. The direct loan provision is a realistic measure to do the Government's full share in this field. I believe it is essential also to give similar consideration for direct loans in respect of other types of housing development such as that, for instance, provided under section 213 of the National Housing Act which provides for veterans cooperatives, where mortgage money is also very hard to come by at reasonable interest rates.

PROGRAM FOR NEXT WEEK—HOUR OF MEETING ON MONDAY NEXT

Mr. PRIEST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. PRIEST. Mr. Speaker, I take this time for the purpose of inquiring of the majority leader if he can give us at this time the legislative program for next week.

Mr. HALLECK. We propose to come in at 11 o'clock on Monday next and take up the rule and the bill known as the Sadlak bill, H. R. 5899, having to do with the excess-profits tax.

Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. On Tuesday we hope to take up and dispose of the bill H. R. 3884, with reference to the Veterans' Administration Office in the Philippines; H. R. 5302, providing for an additional Assistant Postmaster General; and House Joint Resolution 234, relative to the annual meeting of the Interparliamentary Union.

Tuesday is the end of the fiscal year. If conference reports are ready, we will of course expect to dispose of them on Tuesday.

Mr. PRIEST. It is my understanding that the gentleman from New York [Mr. TABER] may bring up later today a continuing resolution on some of the appropriations.

Mr. HALLECK. That is right. As to those that cannot be finally concluded by June 30, of necessity we will have to have a continuing resolution to take care of them today, but it might be possible that some of the others might be out of conference so that action could be had.

On Wednesday we expect to begin the consideration of the Defense Department appropriation bill for 1954. We hope to have the House come in at 10 o'clock on Wednesday, and continue the consideration of that bill on Thursday. May I say that we hope to complete action on the Defense Department appropriation bill on that day. If we do, then we shall adjourn over until the following Monday, because Saturday is the 4th of July and a great many Members want to get home for that occasion.

Of course, conference reports are in order at any time. If there is any further program, any other matters that need to be disposed of, I shall try to inform the membership as quickly as possible.

DIRECT-LOAN PROGRAM FOR VETERANS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. EDMONDSON. Mr. Speaker, I am glad to have this opportunity to join the gentleman from Ohio [Mr. AYRES] and the gentleman from Tennessee [Mr. EVINS] in urging passage of H. R. 5456, extending for 1 year the direct-loan program for veterans' housing.

This program, while not perfect in many particulars, has helped a great deal to meet a need for financing of GI homes in many of our smaller communities and rural areas where private financing has simply been unavailable.

In my own State of Oklahoma, more than 460 loans have been made to deserving veterans since this program started—252 by the Muskogee VA office and 209 by the Oklahoma City office. Not one foreclosure has resulted in the program.

In the hearings of our committee, we found no group which did not favor at least a 1-year extension of this measure. It is the only way any veterans' housing is possible in many parts of our country. I feel sure the Veterans' Affairs Committee is united in urging its approval by the House.

EXEMPTING CERTAIN GOVERNMENT OFFICIALS FROM ANNUAL AND SICK LEAVE ACT OF 1951

Mr. REES of Kansas. Mr. Speaker, I call up the conference report on the bill (H. R. 4564) to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 629)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4564) to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "That section 202 of the Annual and Sick Leave Act of 1951 is amended by adding a subsection (c) as follows:

"'(c) (1) This title shall not apply to the following officers in the executive branch of the Government and officers of the government of the District of Columbia, including officers of corporations wholly owned or controlled by the United States:

"'(A) persons appointed by the President by and with the advice and consent of the Senate, or by the President alone, whose rates of basic compensation exceed the maximum rate provided in the General Schedule of the Classification Act of 1949, as amended;

"'(B) persons who receive compensation in accordance with section 411 of the Foreign Service Act of 1946; and

"'(C) such other officers (except postmasters, United States attorneys, and United States marshals) as may be designated by the President.'

No officer in the executive branch of the Government and no officer of the government of the District of Columbia, including an officer of a corporation wholly owned or controlled by the United States, to whom this title applies shall be deemed to be entitled to the compensation attached to his office solely by virtue of his status as an officer.

"'(2) The President, in his discretion, may authorize leaves of absence to persons who are exempted from this title pursuant to subsection (c) (1) (B) for use in the United States and its Territories and possessions. Leaves of absence authorized under this subsection shall not constitute a leave system, and no such leave of absence which is not used shall be made the basis for any lump-sum payment.'

"SEC. 2. (a) The accumulated and current accrued annual leave to which any officer exempted from the Annual and Sick Leave Act of 1951 as a result of the enactment of this Act is entitled immediately prior to the date this Act becomes applicable to him shall be liquidated by a lump-sum payment in accordance with the Act of December 21, 1944 (5 U. S. C. 61b-61e) or the Act of August 2, 1950 (5 U. S. C. 61f-61k), except that payment under either such Act (1) shall be based upon the rate of compensation which he was receiving immediately prior to the date on which this Act became applicable to him, and (2) shall be made without regard to the limitations imposed by the amendments made by sections 4 and 5 of this Act with respect to the amounts of leave compensable under such Acts.

"(b) In the event any such exempted officer, without any break in the continuity of his service, again becomes subject to the Annual and Sick Leave Act of 1951 upon the completion of his service as an exempted officer, the unused annual and sick leave standing to his credit at the time he was exempted from the Annual and Sick Leave Act of 1951 shall be deemed to have remained to his credit.

"SEC. 3. (a) Section 203 (c) of the Annual and Sick Leave Act of 1951 is amended to read as follows:

"'(c) The annual leave provided for in this section, which is not used by an officer or employee, shall accumulate for use in succeeding years until it totals not to exceed thirty days at the beginning of the first complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, occurring in any year.'

"(b) So much of section 203 (d) of the Annual and Sick Leave Act of 1951 as precedes paragraph (1) thereof is amended to read as follows:

"'(d) Notwithstanding the provisions of subsection (c), a maximum accumulation not to exceed forty-five days at the beginning of the first complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in any year is authorized to the following categories of employees of the Federal Government, other than officers and employees in the Foreign Service of the United States under the Department of State, stationed outside the several States and the District of Columbia:'.

"(c) Section 208 (a) of the Annual and Sick Leave Act of 1951 is amended to read as follows:

"'SEC. 208. (a) In any case in which—

"'(1) the amount of accumulated annual leave to the credit of an officer or employee immediately following the end of the last complete biweekly pay period in the calendar year 1953, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, under the provisions of law then applicable to such officer or employee is in excess of the amount allowable under the applicable provisions of section 203, or

"'(2) the amount of accumulated annual leave to the credit of an officer or employee who is subject to the provisions of section 203 (d) and who becomes subject to the provisions of section 203 (c) is in excess of the amount allowable under section 203 (c),

such excess shall remain to the credit of such officer or employee until used, but the use during any leave year of an amount in excess of the aggregate amount which shall have accrued during such year shall automatically reduce the maximum allowable accumulation at the beginning of the first complete biweekly pay period, or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods, in the following leave year, until the accumulation of such officer or employee no longer exceeds the amount prescribed in the applicable provisions of section 203.'

"SEC. 4. (a) The second and third sentences of the first section of the Act of December 21, 1944, are amended to read as follows: 'Such lump-sum payment shall equal the compensation that such officer or employee would have received had he remained in the service until the expiration of the period of such annual or vacation leave, except that after August 31, 1953, no such lump-sum payment shall exceed compensation for any period of such leave in excess of thirty days or the number of days carried over to his credit at the beginning of the leave year in which entitlement to payment occurs, whichever is the greater. If such officer or employee is reemployed (other than in a position ex-

empted from the Annual and Sick Leave Act of 1951 under section 202 (b) (1) (B), (C), or (H) of such Act) in the Federal service or in or under the government of the District of Columbia prior to the expiration of the period covered by such leave payment, he shall refund to the employing agency an amount equal to the compensation covering the period between the date of reemployment and the expiration of such leave period. The leave represented by any such refund—

"'(1) in the case of an officer or employee reemployed under the same leave system, shall be recredited to him in the employing agency in an amount equal to the amount represented by the refund;

"'(2) in the case of an officer or employee reemployed under a different leave system, shall be recredited to him in the employing agency on an adjusted basis in accordance with regulations to be prescribed by the Civil Service Commission; and

"'(3) in the case of an officer or employee reemployed in an office or position exempted from the Annual and Sick Leave Act of 1951 under section 202 (c) (1) of such Act, shall be deemed, upon separation from service, death, or transfer to another office or position in the Government service, to have remained to the credit of such officer or employee.

Any amounts so refunded shall be deposited in the Treasury to the credit of the employing agency. The lump-sum payment herein authorized shall not be regarded, except for purposes of taxation, as salary or compensation and shall not be subject to retirement deductions.'

"(b) Section 205 of the Annual and Sick Leave Act of 1951 is amended by adding at the end thereof a new subsection to read as follows:

"'(e) In the case of transfer of an officer or employee between positions under different leave systems (other than transfers involving positions exempted under section 202 (b) (1) (B), (C), or (H)), without a break in service, the annual and sick leave to the credit of such officer or employee shall be transferred to his credit in the employing agency on an adjusted basis in accordance with regulations to be prescribed by the Civil Service Commission.'

"SEC. 5. Clause (6) of section 2 of the Act of August 3, 1950, is amended to read as follows: '(6) payment for all accumulated and current accrued annual or vacation leave equal to the compensation the decedent would have received had he remained in service until the expiration of the period of such annual or vacation leave, except that after August 31, 1953, no such lump-sum payment shall exceed compensation for any period of such leave in excess of thirty days or the number of days carried over to his credit at the beginning of the leave year in which entitlement to payment occurs, whichever is the greater;'.

"SEC. 6. The heads of the departments and agencies are authorized and directed to take such action as may be necessary to bring about reductions in the accumulated annual leave to the credit of officers and employees which is in excess of the amounts allowable under the applicable provisions of section 203 of the Annual and Sick Leave Act of 1951, as amended by this Act, within a reasonable period of years, consistent with the exigencies of the public business, and to make such reports with respect to the action taken as may be requested by the Civil Service Commission. The Civil Service Commission shall include in its annual report to the Congress a statement of the progress made in carrying out the purposes of this section.

"SEC. 7. (a) Section 401 of the Independent Offices Appropriation Act, 1953 (Public Law 455, Eighty-second Congress), is repealed, effective as of June 29, 1953.

"(b) Sections 3 and 4 of the Act of December 21, 1944, are hereby repealed.

"SEC. 8. The first section and section 2 of this Act shall take effect on the first day of the first pay period which begins after the date of enactment of this Act."

And the Senate agree to the same.

EDWARD H. REES,
ROBERT J. CORBETT,
KATHARINE ST. GEORGE,
TOM MURRAY,
JAMES C. DAVIS,
Managers on the Part of the House.

FRANK CARLSON,
JAMES H. DUFF,
WILLIAM E. JENNER,
OLIN D. JOHNSTON,
MATTHEW M. NEELY,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4654) to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment strikes out all of the House bill after the enacting clause. The committee of conference recommends that the House recede from its disagreement to the amendment of the Senate, with an amendment which is a substitute for both the House bill and the Senate amendment, and that the Senate agree to the same. The House bill, the Senate amendment, and the conference substitute are discussed below.

The first section of the House bill (1) exempts in all respects from the Annual and Sick Leave Act of 1951 those officers and employees in the executive branch of the Government (not including personnel of the Foreign Service of the United States) who are appointed either by the President alone, or by the President by and with the advice and consent of the Senate, and whose annual rates of basic compensation exceed the maximum annual rate contained in the General Schedule of the Classification Act of 1949, as amended, such maximum rate now being $14,800, and (2) exempts from the Annual and Sick Leave Act of 1951, except with respect to section 203 (f) thereof relating to home leave, chiefs of mission in the Foreign Service of the United States who receive compensation at one of the annual salary rates authorized in section 411 of the Foreign Service Act of 1946, such rates now being $25,000, $20,000, $17,500, and $15,000.

In conformity with the definition of the term "chief of mission" contained in section 121 (9) of the Foreign Service Act of 1946, the chiefs of mission so exempted by the House bill are those principal officers appointed by the President, by and with the advice and consent of the Senate, to be in charge of an embassy, legation, or other diplomatic mission of the United States and those officers assigned by the President under authority of section 501 (b) of such Act to serve as minister resident, chargé d'affaires, commissioner, or diplomatic agent for such period as the public interest may require, who are receiving compensation at one of the above-mentioned rates prescribed under section 411 of such Act for the four classes of positions occupied by chiefs of mission. This exemption does not include Foreign Service officers authorized to act as chargés d'affaires ad interim.

By continuing to make section 203 (f) of the Annual and Sick Leave Act of 1951 applicable to chiefs of mission in the Foreign Service, the first section of the House bill preserves for such chiefs of mission the special leave of absence—known as "home leave"—which is now authorized by section 203 (f) for officers and employees in the Foreign Service for use in the United States, its Territories and possessions. Section 203 (f) permits accumulation of such home leave without limitation but prohibits making any unused home leave the basis for any terminal leave or lump-sum payment.

The first section of the House bill also authorizes the President in his discretion to provide for leaves of absence with pay for any officers and employees (including chiefs of mission in the Foreign Service) who are exempted in whole or in part from the Annual and Sick Leave Act of 1951 as a result of the enactment of the bill. It is provided (1) that such leaves of absence shall not constitute a leave system, (2) that any such leave of absence remaining unused shall not be made the basis for any lump-sum payment, and (3) that the authority of the President to grant such leaves of absence shall not affect the home leave which may be granted to chiefs of mission in the Foreign Service under section 203 (f) of the Annual and Sick Leave Act of 1951.

The first section of the Senate amendment exempts the following personnel of the executive branch from all provisions of the Annual and Sick Leave Act of 1951:

First, persons appointed either by the President by and with the advice and consent of the Senate, or by the President alone, whose annual rates of basic compensation exceed the maximum annual rate (at present $14,800) contained in the General Schedule of the Classification Act of 1949, as amended. This exemption, which applies to approximately 225 persons, is in effect the same as the corresponding exemption contained in the first section of the House bill.

Second, persons who receive compensation at one of the annual salary rates (at present $25,000, $20,000, $17,500, and $15,000) authorized in section 411 of the Foreign Service Act of 1946. This exemption covers chiefs of mission in the Foreign Service of the United States (approximately 70 in number but not including chargés d'affaires ad interim) to the same extent as provided in the first section of the House bill and, in addition, covers all other persons comparable to chiefs of mission both in rank and pay. There are approximately 25 persons in this additional group, most of whom are in the Mutual Security Agency.

In addition to the foregoing exemptions, the first section of the Senate amendment exempts from the Annual and Sick Leave Act of 1951 such other officers in the executive branch (except postmasters, United States attorneys, and United States marshals) as the President may designate in his discretion. It is anticipated that approximately 100 officers will be exempted under this provision, including, for example, the Treasurer of the United States and United States members of international boundary and other commissions and organizations. This exemption is not contained in the House bill.

The purpose of both the House bill and the Senate amendment, in removing from the purview of the Annual and Sick Leave Act of 1951 the above-mentioned respective categories of high-ranking officials, is to prevent such officials in the future from earning and accumulating leave and receiving lump-sum payments for unused annual leave. The removal of such officials from the existing leave system is based on the theory that such officials are, by virtue of their respective offices and positions, actually on duty at all times, including periods of vacations or sickness. Moreover, since such officials now have complete freedom to absent themselves from duty as they see fit, it is incompatible with their offices and positions to make them subject to a leave system requiring the maintenance of attendance and leave records and to allow them lump-sum payments for unused annual leave. Both the House bill and the Senate amendment terminate the present advantage which high-ranking officials now have over other

officers and employees in being eligible to receive the benefits of a statutory leave system and, at the same time, being exempted, in effect, from the obligations of such leave system to the extent that by the nature of their offices and positions they have freedom to absent themselves from duty from time to time.

In addition, the first section of the Senate amendment amends section 202 of the Annual and Sick Leave Act of 1951 to provide that no officer in the executive branch to whom such Act applies "shall be deemed to be entitled to the compensation attached to his office solely by virtue of his status as an officer". Such provision is not contained in the House bill. The purpose of such provision is to establish a standard under which it can be determined which officers in the executive branch are entitled to the compensation attached to their respective offices solely by virtue of their respective statuses as officers and which officers in the executive branch are not so entitled. Hereafter, under the standard proposed by the Senate amendment, officers exempted from the Annual and Sick Leave Act of 1951 will retain their freedom to absent themselves from duty on their own volition but will not receive statutory leave or lump-sum payments for unused annual leave. Those officers not exempted from such Act will lose their present freedom to absent themselves from duty as they see fit but will retain their right to statutory leave benefits and be subject to the laws and regulations governing hours of work, leave of absence, and related matters.

The first section of the Senate amendment also adds a provision to section 202 of the Annual and Sick Leave Act of 1951 which authorizes the President in his discretion to grant leaves of absence specifically for use in the United States, its Territories and possessions—"home leave"—to chiefs of mission in the Foreign Service and other officers comparable to chiefs of mission in rank and pay. A similar provision is not contained in the House bill for the reason that the first section thereof continues the applicability of section 203 (f) of the Annual and Sick Leave Act of 1951, relating to home leave, to Foreign Service personnel exempted in all other respects from such Act by the House bill. Since the Senate amendment exempts such chiefs of mission and other comparable officers from all provisions of the Annual and Sick Leave Act of 1951, this provision of the Senate amendment is necessary to provide authority for the payment under the Foreign Service Act of 1946 of travel expenses related to home leave to those chiefs of mission and other comparable officers who are granted home leave by the President.

The first section of the Senate amendment contains no provision comparable to subsection (c) of the first section of the House bill, authorizing the President to provide leaves of absence with pay for any officers and employees exempted as a result of the enactment of the House bill from the Annual and Sick Leave Act of 1951. Such provision is unnecessary in the Senate amendment in the light of the standard provided by the Senate amendment to determine which officers are entitled to the compensation attached to their respective offices solely by virtue of their respective statuses as officers.

The first section of the conference substitute is, in effect, the same as the first section of the Senate amendment except for the following changes:

First, the conference substitute contains language which makes it clear that officials of the government of the District of Columbia and of corporations wholly owned or controlled by the United States are subject to the provisions of section 202 (c) of the Annual and Sick Leave Act of 1951 as contained in the first section of the conference substitute.

Second, the provision of the Senate amendment which exempts from the Annual and Sick Leave Act of 1951 chiefs of mission and other officers comparable to chiefs of mission in rank and pay who receive compensation "at one of the rates authorized in" section 411 of the Foreign Service Act of 1946 is changed to exempt chiefs of mission and other comparable officers who receive compensation "in accordance with" such section 411. The purpose of using the words "in accordance with" in lieu of the words "at one of the rates authorized in" is to make it clear that the officers so exempted who are comparable to chiefs of mission are only those officers who actually receive their compensation under authority of such section 411 and not those officers who receive compensation merely at rates which are equivalent to the rates prescribed in such section but which are paid under authority of some other provision of law.

Third, the provision of the Senate amendment which authorizes the President in his discretion to provide leaves of absence to chiefs of mission and other comparable officers for use in the United States, its Territories and possessions is qualified by additional language which provides that such leaves of absence so authorized shall not constitute a leave system and that any such leave of absence remaining unused shall not be made the basis for any lump-sum payment. This additional language, which is identical to the second sentence of subsection (c) of the first section of the House bill, is included in order to make it clear that, since the leaves of absence so authorized by the President are not statutory leaves of absence, they cannot, therefore, either constitute a leave system or be made the basis for any lump-sum leave payment.

Section 2 of the House bill contains provisions relating to the accumulated and current accrued annual and sick leave to which those officers and employees, who are exempted in whole or in part from the Annual and Sick Leave Act of 1951 as a result of the enactment of the House bill, are entitled immediately prior to their exemption from such Act.

Subsection (a) of section 2 prohibits the liquidation of such annual leave by lump-sum payment during the period of service of any person as an exempted officer or employee by providing that lump-sum payment for such annual leave shall be made only if, while he is within the class of such exempted officers and employees, he is separated from the service, dies, or is transferred out of his exempted position to a position under a leave system other than the leave system provided by the Annual and Sick Leave Act of 1951. Subsection (a) also provides that such lump-sum payment shall be at the rate of compensation which the exempted officer or employee was receiving immediately prior to his exemption from the Annual and Sick Leave of 1951.

Subsection (b) of section 2 provides that any such exempted officer or employee who, after the expiration of his period of exempted service again becomes subject to the Annual and Sick Leave Act of 1951 without any break in the continuity of his service, shall again be entitled to and be credited with the same amount of accumulated and current accrued annual and sick leave to which he was entitled immediately prior to the beginning of his period of exempted service, as if he had been continuously subject to the Annual and Sick Leave Act of 1951. Thereafter, any liquidation of such annual leave by lump-sum payment would be at the last rate of compensation which he received immediately prior to such lump-sum payment.

Subsection (c) of section 2 provides that any such exempted officer or employee who is separated from his exempted position in order to enter upon active service in the Armed Forces of the United States is granted the right to receive compensation in a lump-sum covering the accumulated and current accrued annual leave to which he was entitled immediately prior to his exemption from the Annual and Sick Leave Act of 1951 as a result of the enactment of the House bill or the right to have such annual leave remain to his credit until his return from active service in the Armed Forces, as he may elect.

Subsections (a) and (b) of section 2 of the Senate amendment contain provisions with respect to those officers who are exempted from the Annual and Sick Leave Act of 1951 by the Senate amendment which are similar to those contained in subsections (a) and (b) of section 2 of the House bill with respect to those officers and employees who are exempted from such Act by the House bill.

Subsection (c) of section 2 of the Senate amendment contains provisions with respect to those officers who are exempted from the Annual and Sick Leave Act of 1951 by the Senate amendment which are similar to those contained in subsection (c) of section 2 of the House bill with respect to those officers and employees who are exempted from such Act by the House bill, with one exception. Such subsection (c) of the Senate amendment provides that any such exempted officer who is separated from his exempted position to enter upon active service in the merchant marine of the United States shall be entitled to the same benefits as any such exempted officer who is separated from his exempted position to enter upon active service in the Armed Forces of the United States.

Subsection (a) of section 2 of the conference substitute provides for the liquidation by lump-sum payment in accordance with the act of December 21, 1944, or the act of August 3, 1950, of the accumulated and current accrued annual leave to which any officer exempted from the Annual and Sick Leave Act of 1951 under the first section of the conference substitute is entitled immediately prior to the date such section becomes applicable to him. The act of December 21, 1944, provides for lump-sum payments to Government officers and employees for accumulated and current accrued annual leave due upon their separation from the service or transfer to agencies in different leave systems. The Act of August 3, 1950, provides for payment for accumulated and current accrued annual leave to survivors of deceased officers and employees. Since the act of December 21, 1944, and the act of August 3, 1950, are amended by sections 4 and 5 of the conference substitute with respect to officers and employees generally, the operation of such Acts with respect to exempted officers is discussed in connection with sections 4 and 5 of the conference substitute. Payment of such exempted officers, however, is to be at the same rate of compensation provided in the House bill and the Senate amendment, and is to be made without regard to the limitations imposed by the amendments made by such sections with respect to the amounts of leave compensable under such Acts. Payments to exempted officers for leave accrued prior to the date the conference substitute becomes applicable to them can only be made when one of the conditions of the Act of December 21, 1944, or the Act of August 3, 1950, is met.

Since under the conference substitute the accumulated and current accrued annual leave of an exempted officer remains in a suspended status and the time of payment is contingent upon the happening of a future event, it is contemplated that payments for such leave will be made by the agency in which such officer is employed at the time of entitlement to payment and will be made from current appropriations for such agency.

Subsection (b) of section 2 of the conference substitute is, in effect, the same as subsection (b) of section 2 of both the House bill and the Senate amendment except that a change in language has been effected in order to make it clear that, during the period in which the entitlement of an exempted officer to lump-sum payment for accumulated annual leave is suspended, such officer does not lose his credit for annual and sick leave standing to his credit at the time he was exempted from the Annual and Sick Leave Act of 1951.

Subsections (a), (b), and (c) of section 3 of the Senate amendment amend sections 203 (c), 203 (d), and 208 (a) of the Annual and Sick Leave Act of 1951 to provide that the leave year for officers and employees subject to such Act shall commence and terminate early in January rather than in December just before Christmas, thus permitting the use of accumulated annual leave over the Christmas and New Year holidays, while maintaining the advantages of pay period accounting. This result is accomplished by changing the effective date of the maximum allowable leave accumulation from the end of the last complete biweekly pay period in the calendar year (for example, December 21 or 22) to the beginning of the first complete biweekly pay period in the calendar year (for example, January 6).

Subsections (a) and (b) of section 3 of the conference substitute amend section 203 (c) and (d) of the Annual and Sick Leave Act of 1951 in the following respects:

First, the same change is made in the beginning and termination of the leave year for officers and employees subject to the Annual and Sick Leave Act of 1951 as is made by section 3 (a) and (b) of the Senate amendment.

Second, the maximum allowable accumulation of annual leave of officers and employees stationed in the continental United States and officers and employees in the Foreign Service of the United States under the Department of State is reduced from 60 days to 30 days.

Third, the maximum allowable accumulation of annual leave of officers and employees stationed outside the continental United States (other than officers and employees in the Foreign Service of the United States) is reduced from 90 days to 45 days.

Subsection (c) of section 3 of the conference substitute amends section 208 (a) of the Annual and Sick Leave Act of 1951. Such section 208 (a), as so amended, contains the following provisions:

First, the same change is made in the beginning and termination of the leave year for officers and employees subject to the Annual and Sick Leave Act of 1951 as is made by section 3 (c) of the Senate amendment.

Second, in view of the reduction in leave accumulation limits, paragraph (1) of section 208 (a) provides that an officer or employee shall retain credit, until used, for accumulated annual leave standing to his credit immediately following the end of the last complete biweekly pay period in the calendar year 1952 (or corresponding period in the case of an officer or employee who is not paid on the basis of biweekly pay periods) under the provisions of law applicable to such officer or employee at such time which is in excess of the amount of such annual leave allowed him under subsection (c) or (d) of section 203, as the case may be, as such subsections are amended by the conference substitute.

The House bill contains no provisions comparable to section 3 of the Senate amendment or section 3 of the conference substitute.

Section 4 of the Senate amendment provides that (1) no officer or employee (except an officer or employee stationed outside the continental United States) shall be paid for any terminal leave in excess of 60 days, and (2) if such officer or employee is reemployed by the United States before the expiration of the period for which he was paid terminal leave, he shall refund to the United States an amount covering the period of accumulated leave unused.

Section 4 (a) of the conference substitute amends the first section of the act of December 21, 1944, in the following respects:

First, the lump-sum payment for unused accumulated annual leave which is to be paid an officer or employee upon his separation from the service or, if he so elects, upon his entrance into the Armed Forces of the United States or the merchant marine of the United States, shall not, after August 31, 1953, exceed compensation for any period of such leave in excess of 30 days or the number of days carried over to his credit at the beginning of the leave year in which entitlement to payment occurs, whichever is the greater.

Second, upon reemployment of such officer or employee (other than in a position exempted from the Annual and Sick Leave Act of 1951 under section 202 (b) (1) (B), (C), or (H), of such Act) prior to the expiration of the period covered by the leave payment, he is to refund to the employing agency an amount equal to the compensation covering the period between the date of reemployment and the expiration of such leave period.

Third, in the case of an officer or employee reemployed under the same leave system, the leave represented by such refund shall be recredited to him in the employing agency in an amount equal to the amount represented by the refund.

Fourth, in the case of an officer or employee reemployed under a different leave system, the leave represented by such refund shall be recredited to him in the employing agency on an adjusted basis pursuant to regulations prescribed by the Civil Service Commission.

Fifth, in the case of an officer or employee reemployed in an office or position exempted from the Annual and Sick Leave Act of 1951 under section 202 (c) (1) of such act, the leave represented by such refund shall be deemed to have remained to his credit upon his separation from service, death, or transfer to another office or position.

Sixth, any amounts so refunded are to be deposited in the Treasury to the credit of the employing agency. The present law provides that the amount so refunded shall be deposited in the Treasury as miscellaneous receipts. The crediting of the refund to the employing agency will enable such agency to pay the employee making the refund even though he is employed for only a short time.

Section 4 (b) of the conference substitute is made necessary by the repeal of section 3 of the act of December 21, 1944, by section 7 (b) of the conference substitute. Such section 3 provided that all accumulated and current accrued leave shall be liquidated by a lump-sum payment in case an officer or employee transfers to an agency under a different leave system. This practice has been widely criticized, and, therefore, the provision is repealed by the conference substitute. Section 4 (b) adds a subsection (e) to section 205 of the Annual and Sick Leave Act of 1951 to provide that the annual and sick leave to the credit of an officer or employee who transfers without a break in service between positions under different leave systems (none of which leave may hereafter be paid for) shall be transferred to his credit in the employing agency on an adjusted basis pursuant to regulations prescribed by the Civil Service Commission.

Section 5 of the conference substitute amends section 2 of the act of August 3, 1950, which provides, in part, for the lump-sum payment for all accumulated and current accrued annual leave to survivors of deceased officers and employees in an amount equal to the compensation that the decedent would have received if he had remained in the service until the expiration of the period of such annual leave. Such amendment provides that after August 31, 1953, no such lump-sum payment shall exceed compensation for any period of such leave in excess of 30 days or the number of days carried over to his credit at the beginning of the leave year in which entitlement to payment occurs, whichever is the greater. This amendment is in accord with the amendment made by section 4 (a) of the conference substitute to the first section of the act of December 21, 1944.

The House bill contains no provisions comparable to section 4 of the Senate amendment or sections 4 and 5 of the conference substitute.

Section 6 of the conference substitute requires the head of each department and agency to take such action as may be necessary to effect reductions in the accumulated annual leave which is to the credit of officers and employees therein who are subject to the Annual and Sick Leave Act of 1951 and which is in excess of the maximum allowable leave accumulations of 30 days and 45 days prescribed by section 203 (c) and (d) of such Act as amended by section 3 (a) and (b) of the conference substitute. Such reductions are to be effected within a reasonable period of years consistent with the exigencies of the public business. The head of each department and agency is required to make such reports to the Civil Service Commission with respect to the action taken by him for this purpose as the Commission may request. It is also provided that the Civil Service Commission shall include in its annual report to the Congress a statement of the progress made in carrying out the purposes of this section of the conference substitute.

The House bill and the Senate amendment contain no provisions comparable to section 6 of the conference substitute.

Section 6 of the Senate amendment repeals section 401 of the Independent Offices Appropriation Act, 1953 (Public Law 455, 82d Cong.)—the Thomas leave rider—such repeal to be effective on the date of enactment of the Senate amendment. Such section 401 prohibits the use of funds of or available for expenditure by any corporation or agency of the Federal Government (including the government of the District of Columbia) for payment of annual leave which is accumulated by a civilian officer or employee during any calendar year beginning on or after January 1, 1952, and which is unused at the close of business on June 30 of the next succeeding calendar year. Such section 401 also requires the head of any such Government corporation or agency to provide an opportunity for officers and employees to use their accumulated annual leave prior to June 30 of such succeeding calendar year. Such section 401 does not apply with respect to (1) officers and employees whose posts of duty are outside the continental United States and (2)

the payment of compensation for accumulated annual leave to officers and employees who leave their civilian positions in order to enter upon active military or naval service in the Armed Forces of the United States. The effect of such section 401 is to prevent the accumulation by officers and employees in the continental United States of annual leave accruing on and after January 1, 1952.

Section 7 (a) of the conference substitute repeals the Thomas leave rider in the same manner as section 6 of the Senate amendment, except that such repeal is to be effective on June 29, 1953, in order to make it clear that officers and employees will not lose any annual leave through the operation of the Thomas leave rider, in the event that the conference substitute becomes law after the close of business on June 30, 1953.

The House bill contains no provisions comparable to section 6 of the Senate amendment or section 7 (a) of the conference substitute.

Section 7 (b) of the conference substitute repeals sections 3 and 4 of the act of December 21, 1944. The repeal of section 3 has been discussed in connection with section 4 (b) of the conference substitute. Section 4 of such act of December 21, 1944, provided that the first two sections of such act shall not apply to officers and employees of the Panama Canal and Panama Railroad on the Isthmus of Panama.

The House bill and the Senate amendment contain no provisions comparable to section 7 (b) of the conference substitute.

Section 3 of the House bill, section 5 of the Senate amendment, and sections 7 (a) and 8 of the conference substitute relate to effective dates. All provisions of the House bill take effect on the first day of the first pay period beginning after the date of enactment of the House bill. All provisions of the Senate amendment take effect at the same time as provided in the House bill, except that the Thomas leave rider is repealed upon enactment of the Senate amendment. Under the conference substitute: (1) the first section and section 2 take effect on the first day of the first pay period beginning after the date of enactment, and (2) all other provisions take effect upon enactment, except that section 7 (a), which repeals the Thomas leave rider, takes effect as of June 29, 1953.

EDWARD H. REES,
ROBERT J. CORBETT,
KATHARINE ST. GEORGE,
TOM MURRAY,
JAMES C. DAVIS,
Managers on the Part of the House.

Mr. REES of Kansas. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, if I may have the attention of my colleagues for a brief period, I think I can give them the highlights of this conference report. This conference agreement removes Cabinet officers and officials appointed by the President, or by the President by and with the consent of the Senate, from the Annual and Sick Leave act of 1951. This prevents them in the future, from earning leave which may be the basis for lump-sum, cash, leave payments. It permits the President to remove other officials except Postmasters, United States marshals and United States attorneys from the Annual and Sick Leave Act of 1951. These officials may be paid for leave earned in the past, but not used when they leave the service.

With respect to employees generally, the conference agreement repeals the Appropriation Act rider which recognizes the leave earned in any calendar year must be used by January 30 of the following calendar year.

It preserves to the employees, leave which is presently to their credit and earned prior to December 31, 1952. This leave may be used or paid for in cash upon separation from the service, or to their estate in the event of death in the service. These employees who have more than 30 days leave to their credit, counting leave earned up to December 31, 1952, may not accrue any more leave in the future. They may be paid for this leave including leave due for the current year in cash on separation. After August 31 of this year, however, leave for the current year must be taken as leave. Those employees who have less than 30 days leave, may accrue up to 30 days leave, and be paid in cash upon separation from the service for leave accrued up to 30 days. After August 31, 1953, leave on the current year in excess of 30 days, when added to leave already accrued, must be taken as leave.

Employees outside the United States, except those in the Foreign Service of the State Department, will be affected in the same manner as those other employees, except that they may accrue 45 days leave instead of 30 days.

This conference report on H. R. 4654 which I have just summarized covers legislation which was approved by the House in a substantially different form than represented here in the agreement of the conferees.

As the bill passed the House, it was designed to remove from the leave system which covers Federal employees generally, members of the President's Cabinet and other high officials and employees in the executive branch of the Government who receive over $14,800 a year, and are appointed by the President alone, or by the President with the advice and consent of the Senate. By so doing, it will prevent earning and accrual of leave in the future by these officials, and they will not be paid for leave in lump sum payments such as recently aroused widespread public concern.

Because of testimony before our committee that these officials had a vested right to leave already accrued under existing law, those who will be exempted from the Annual and Sick Leave Act by this bill may receive a lump sum terminal leave payment for leave they have not taken but accrued up to this time. Payment for this leave, however, will be made only upon their leaving the Federal Service.

The Senate amendment contained the same provisions as the House bill, and authorized the President to exempt from the Annual and Sick Leave Act other officials, except postmasters, United States Attorneys, and United States Marshals. The addition made by the Senate was accepted by the conferees and is contained in this conference report.

The conference agreement permits the President to authorize leaves of absence for use in the United States for ambassadors and other high officers of the Foreign Service taken out of the Leave Act. Such leave, of course, could never be the basis for lump sum cash terminal leave payment.

The major change in this bill made by the Senate was the repeal of section 401 of Public Law 455 of the 82d Congress. This section restricted the accrual of leave by providing that leave of Federal employees earned in one calendar year which was not used by June 30 of the following calendar year would be lost to the employee concerned. This provision of the Senate bill had the effect of returning to the old authorized accrual of leave whereby employees in the United States could accrue 60 days' leave, and those outside of the United States could accrue 90 days of leave.

The conference agreement does not go as far as the Senate amendment. It leaves a restriction on the accrual of leave earned in the future to 30 days in the United States and 45 days outside of the United States, and also limits to 30 days the amount of future leave that can be paid for in lump sum terminal leave payments. Employees will be permitted to retain all leave which they have accumulated up to the end of the 1952 leave year and may be either paid for this leave in a lump sum when they leave the Federal Service or take it as leave during their employment.

Under the conference agreement, lump sum payments of leave when an employee transfers to another leave system are stopped and the employee concerned will have his leave transferred in terms of the leave system to which he transfers.

The conference agreement also provides that heads of departments and agencies are authorized and directed to take action to reduce the accumulated leave to the credit of officers and employees. The conferees were concerned about the large amount of leave that has been accumulated to the credit of employees as an obligation of the Federal Government. This obligation for accrued leave is variously estimated as between $580 million and $800 million. The heads of the departments and agencies must furnish to the Civil Service Commission such reports as the Commission may require in order to submit as a part of their annual report to Congress a statement covering the reduction of this large amount of accrued annual leave.

I should like to say to the Members that I offered a compromise which, in my judgment, was somewhat more liberal to most employees in the Federal service than the conference agreement. However, it was not accepted, based primarily, I believe, upon loud objections by high ranking officials who have accumulated the largest part of this leave liability of the Federal Government. My proposal would have eliminated the payment to anybody after January 1, 1956,

of more than 30 days in a lump-sum cash payment for terminal leave. Employees would have had 2½ years to either liquidate their leave by taking it in kind or recognize the fact that they could not receive more than 30 days cash payment for this leave.

A volume of testimony before our committee was directed to the fact that leave is to be used and is not intended to be saved for purposes of a lump-sum cash payment. The very officials who make this statement, however, when it applies to them and the large amount of leave they have accumulated, cry out the loudest. I should like to point out to the Members of the House that for the most part this leave has been earned by those employees in the lower grades and now must be paid off at possibly 2 or 3 times the salaries at which it was earned.

May I give an example of what I had in mind by pointing out how the former postmaster of New York City, who resigned while under investigation, received a payment for his terminal leave of over $10,000. It is clear that this man who had more than 40,000 employees under his jurisdiction could have arranged time to take his leave. The fact of the matter is that he did not want to take the leave but was saving it for a lump-sum cash payment, thus causing the Federal Government in effect to pay two people for doing the same job at the same time. This situation is the same with first, second, and many third-class postmasters who, when they take their leave, are not replaced by adding another person on the payroll. Since they can certify to their own leave and decide when and if they will take leave, they, of course, are permitting themselves to roll up a large amount of accrued leave for cash payments.

Under my proposal, employees would have been able to accrue 60 days here in the United States—including employees in the Foreign Service of the State Department—and 90 days outside the United States for vacation purposes. My only restriction was that they could not get paid for more than 30 days in a lump-sum terminal-leave payment. In this conference agreement, however, it is much more lenient with the high officials who want to keep their leave and get large lump-sum cash payments than it is with the average employees who have today less than 30 days' leave.

This agreement, by removing the right to accumulate more than 30 days, is placing a majority of all employees—those who have accumulated over 30 days—in a situation more restrictive than the present law. All employees having more than 30 days accrued leave will have to use their leave in the year earned or lose it. They will not even have the 6 months of the year following during which to use up their leave.

One of the main objections, I believe, to the lump sum payments—and the reason for the popularity for my bill, which the House approved without a dissenting vote—was that Congress understood these officials approve their own leave. They determined where they went on trips and when they went. This same situation surrounds the officials in the classified service in the higher grades, yet in this conference agreement we are giving them more consideration than the average employees in the lower grades. For example, the employees in the super grades average 70 days accumulated leave, and those in grade 5 and below have less than 30 days.

I signed the conference report and I am presenting it to the Congress because I felt that it was necessary to repeal present restrictions on last year's leave. Otherwise, employees would lose their unused 1952 leave as of June 30 of this year. I do, however, want to summarize my position with respect to leave accumulation and point out that the objection has been voiced to leave accumulation has been based primarily upon the lump sum leave payments.

I had hoped to work out a means to permit the accumulation of leave but limit the amount of lump sum cash payment. This conference agreement limits the lump sum cash payments but also restricts the accumulation of leave. In addition, it directs that administrative officials must make arrangements to liquidate this large leave liability to the Federal Government.

I hope that heads of departments and agencies will take effective action to cause employees to take their leave when they can be spared. When employees take leave at slack periods when replacements are not necessary, there is a real savings to the Government compared to paying for this leave in cash at the time of separation from the Federal Government.

May I emphasize that on this, the 27th of June, the most important issue is that employees will lose their 1952 leave on next Tuesday, June 30, if we turn down this conference report.

They expect we will keep faith with them—they had a right to expect it.

Mr. Speaker, I yield 5 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Speaker, it seems to me that this is a very important measure to pass at this time, because if, for some reason or other, it does not get through the House, the employees would be left without any of their accrued leave for the year 1952. This will work a very severe hardship on many of the employees.

The bill, as written now, or as the conference report brings it back, will allow these employees to carry over at least the 30 days' accrued leave which, of course, they understood they were getting at the time, and which it would be very unfair to deprive them of.

As I see it now, if this is not passed, the cutoff date comes at the end of June, and they will then be left with only the 30 days and not with the added 30 days that have been accrued.

From here on out, of course, we realize that the employees cannot accrue more than 30 days. But at least they will know ahead of time and be able to take measures accordingly.

I think we made necessary compromises with the Senate. Of course, no compromise is entirely acceptable. Still, it is only through this method of trial and error that we get any of our legislation through both Houses. And for that reason, I think we have done as good a job in this conference report as was possible.

I am one of those who did vote for the original Thomas rider. I thought at that time that it was a good thing, that it was correcting an abuse. I think it did bring our minds into focus on that very thing. It certainly highlighted the fact that many people in Government were getting huge accumulations of leave which they were taking in cash.

I think this is being put on a fair basis. We have at least removed all Cabinet officers and all those appointed by the President above a certain level and pay grade. All this is to the good. I think on the whole, as I said before, it is probably as good a measure as we could get at this time.

If this conference report is not agreed to, there is no question in my mind but that it will work a very severe and undeserved hardship upon the Government employees.

Mr. REES of Kansas. Mr. Speaker, I want the distinguished gentlewoman from New York [Mrs. ST. GEORGE] to know that I agree with her the conference report is not completely in accord with my views, but it is the very best we could do.

Mr. Speaker, I yield 8 minutes to the distinguished gentleman from Texas [Mr. THOMAS].

Mr. THOMAS. Mr. Speaker, I wonder if the House will reason with me for a few minutes. This conference report ought to be voted down; make no mistake about it. As a war measure this Congress passed a law, yes, giving a lump sum payment for annual leave—as a war measure. As war measures you passed rent control, wage control, price control, and the allocation of materials. Those controls have been repealed, and this leave accumulation has been repealed, but now we find the other body reinstating a war measure under circumstances which certainly are not warranted.

Three years ago the Bureau of the Budget estimated that your cash payments in lieu of annual leave cost the taxpayers of this country every year—how much money? Approximately $100 million. And I think the Bureau of the Budget was in error; I think it was nearer $125 million a year. Several years ago you had roughly 2 million employees; today you have approximately 2,500,000, so I think the figure of $125 million a year annual cost to the taxpayer is conservative.

Does industry do what our friends on the other side of the Capitol are asking us to do now?

Mrs. ST. GEORGE. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I cannot refrain from yielding to the gentlewoman from New York.

Mrs. ST. GEORGE. I just want to ask one question: Has a system——

Mr. THOMAS. Is there any excuse for this Government not following the same rule private industry does?

Mrs. ST. GEORGE. But we do not.

Mr. THOMAS. Who pay for this? It is your farmers, your grocery store clerks, your shoe store clerks. Why should you give to this group here something you would not dare go back into your district and advocate?

Mrs. ST. GEORGE. I beg the gentleman's pardon, but the big corporations take care of their employees; they give them separation allowances; they give them insurance that the Government does not give.

Mr. THOMAS. Oh, please—please let me make my little statement, then I will yield to the gentlewoman later. If the gentlewoman wants to do away with this awkward, uneconomical, and unprecedented procedure and do it in a business-like way in the form of terminal leave, I would go along with that, but if you let me get a report I have here—and I want to cite it to the gentlewoman, she should read it—you know we had a Congress around here several years ago called the 80th Congress and some called it the do-nothing Congress. I do not subscribe to that in the slightest; they did a lot of good things. Among other things the membership should get Senate Document 126 of that 80th Congress—and if there is anybody who has anything different I will yield to him to present it—in the other body in that 80th Congress, the Appropriations Committee attempted to act on this matter and the Legislative Committee in that 80th Congress tried to straighten it out but somehow it did not get straightened out.

As of September 30, 1947—now, get the dates—and since that time we have had a pay raise in fiscal 1947, 1949, 1950, 1952—4 pay raises—at the begining of that time we had only 2 million employees whereas today we have, roughly, 2,500,000, and in that 80th Congress in September of 1947 the gentlemen at the other end of the Capitol tried to act. Remember those four pay raises and that additional increase in pay. Your debt for accumulated annual leave is approximately $500 million. Of course, bringing this figure up to date it is nearer $900 million.

This good document goes a little bit further and says:

> The total annual days accumulated as of September 30, 1947, was 44,561,076 days.

Now, that is not up to date, either, because you have had 500,000 additional employees added to your rolls. Roughly, it is 55 million days. Will somebody tell me how much it costs the taxpayers every year for the bookkeeping alone to keep up to date 55 million days of accumulated leave, not this year or next year but every year, for 2,500,000 employees? Can someone hazard a guess? Is it 5 million or 10 million or 15 million? No one has ever taken the trouble to figure it out.

My distinguished friends on the legislative committee, and I refer to those on both sides of the aisle because there is nothing partisan in this, bring before them employee unions and the Civil Service Commission. They have never invited to my knowledge, certainly they have not appeared on this measure, anybody representing the consuming public, the farmers, the merchants or the working people of this country. Now, tell me how much it is going to cost to keep these records for the next 5, 10, 15, or 25 years in addition to paying them this cash?

What is a vacation for? It is to refresh and relieve a person of a duty so that he may perform it better in the future. Is that not good, common horse sense? It would be just as wise to say if they are not going to use this leave for that purpose to repeal it altogether, then when they retire 15, 20, or 25 years from now give it all to them then. Is that too much out of line?

Mr. Speaker, this is the most expensive and unnecessary thing I know of. If you want to put this $125 million burden on the backs of your taxpayers, that is your business. I humbly suggest that you vote this conference report down, let it go back for further conference and eliminate this provision from the bill.

Mr. REES of Kansas. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I would remind the gentlemar. from Texas that the Thomas leave rider did not do anything at all with respect to right to payment for accumulated leave provided in the 1944 act, which he supported and which was pretty well supported by the membership of the House. I want to say to him incidentally that this amendment that is before the House today is not so much different with regard to the problem as he thinks, excepting that we are not shutting these people off on June 30, 1953, from the leave they have accumulated in 1952. That is the main part of the issue.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Texas.

Mr. THOMAS. Of course, I voted for that act, like the gentleman did and everybody else, because it was a war measure. At that time we voted rent control, wage stabilization, and other war measures.

Mr. REES of Kansas. But we did not think there were high officials who were going to take away that much money. We did not know that at the time.

Mr. THOMAS. The gentleman knows it ought to be repealed. The business people of your district do not do it. Why should you do more for the people here in Washington and elsewhere than the taxpayers back home do for their own people?

Mr. REES of Kansas. That is what we are taking care of by this legislation.

Mr. THOMAS. We did not repeal anything that had to do with an accrued privilege. That would have been unconstitutional. When you do it in this act it will be unconstitutional and the gentleman knows that.

Mr. REES of Kansas. We are not doing it in this act. There is nothing unconstitutional about this act.

The SPEAKER pro tempore. The time of the gentleman from Kansas has expired.

Mr. REES of Kansas. Mr. Speaker, I yield 2 minutes to the gentleman from New Hampshire [Mr. COTTON].

Mr. COTTON. Mr. Speaker, I hope not to be compelled to use even the 2 minutes, but I take this time not only on behalf of myself, but on behalf of the chairman of the Subcommittee on Independent Offices, the distinguished gentleman from California [Mr. PHILLIPS], who is unable to be present here this afternoon, to associate ourselves with the gentleman from Texas [Mr. THOMAS] in his position in this matter. It is our feeling that the Committee on Post Office and Civil Service should be commended for their bill. We felt that the distinguished chairman and his associates passed through the House an excellent bill, and the slight liberalization of the Thomas rider was on a point that we felt improved it. We regret that they were compelled to yield to the Senate and surrender on the Thomas rider. We feel that in retreating on this matter and that we are here approving a system that was wasteful, a system which was open to all kinds of abuses, a system that was discriminatory, because the higher grades in the Government who could be away from their offices without technically taking leave will be allowed to collect for past leave.

Mr. Speaker, we are compelled to oppose the adoption of this conference report. We support our colleague, the gentleman from Texas [Mr. THOMAS] in his position.

Mr. REES of Kansas. Mr. Speaker, I yield to the gentleman from Tennessee [Mr. MURRAY], the minority ranking member of this committee, 6 minutes.

Mr. MURRAY. Mr. Speaker, this is a unanimous conference report. It is signed by the 5 managers on the part of the Senate and the 5 managers on the part of the House, and it has already been approved by the Senate.

Let us see what the situation is about this conference report. The House passed H. R. 4654, which exempts certain top executives in our Government, from members of the Cabinet down to assistant heads of departments and all officials who are drawing more than the maximum pay under the Civil Service Pay Schedule Act of $14,800 per year from the Annual and Sick Leave Act of 1951, thereby prohibiting lump-sum payments to them for accrued annual leave upon their retirement.

After the House passed this bill the Senate then struck out all language of the House bill and adopted an amendment which incorporated all of the House bill with reference to prohibiting these top officials, which numbered about 400,

from receiving lump-sum payments for accrued annual leave by exempting them from the Annual and Sick Leave Act of 1951. In addition the Senate inserted a provision that the President in his discretion could extend this bill to certain other top officials, which number about 100, and which includes members of various commissions, such as the Boundary Commissions. Then the Senate amendment went further and repealed section 401 of the Independent Offices appropriation bill of 1953. This section is known as the Thomas leave rider which requires that every employee must use his or her annual leave within the current year and 6 months thereafter and which permits no accumulation of leave from year to year.

We went to conference on this legislation and I requested that the provision striking out the Thomas leave rider be eliminated, because I felt it had no place in this legislation. The Senate conferees stood pat, and under no condition would they yield and agree to strike out the provision repealing the Thomas leave rider. They were adamant. Then the House conferees felt that they would have to make the best compromise they could with the Senate conferees. After all such a conference is a "give and take" affair with each side making certain concessions in order to reach a compromise agreement.

As the result of the insistence of the House conferees, this report provides that from January 1953 no employee can accumulate in the future a maximum of more than 30 days. What is the condition today, under the present law? Many employees can accumulate 60 days plus the accrued leave in the year in which they retire. In other words, an employee who has already built up a maximum of 60 days on January 1, 1952, and who is entitled to 26 days annual leave for the year 1952, could retire at the end of that year and be paid for 86 days, provided he used none of his current annual leave in 1952.

An employee in the Federal service outside the continental United States, under present law is entitled to 90 days plus the accrued leave of the year in which he retires. Thus a Federal employee outside the continental United States under present law could be paid for as much as 90 days plus 26 days, making a total of 116 days. The conference report provides a maximum accumulation of 45 days leave in the future for such employees outside the continental United States.

Under present leave law an employee who has been in service less than 3 years receives 13 days annual leave. If the employee has from 3 to 15 years service he then receives 20 days annual leave. If he has 15 years of service or more, he is entitled to the maximum of 26 days annual leave.

Of course, the conferees could not take away from an employee the leave which he had already legally and rightfully accumulated under existing law. That would have been an ex post facto law and unconstitutional, because these employees had legally acquired their leave under existing law and we could not disturb it. But there is one provision put in this conference report which I think will be very effective. This provision was insisted upon by the House conferees. It is section 6 of the conference report. It provides that the heads of the departments and agencies are authorized and directed to take such action as may be necessary to bring about reductions in the accumulated annual leave to the credit of the officers and employees which is in excess of the amounts allowable under the applicable provisions of section 203 of the Annual and Sick Leave Act of 1951 as amended by this act, within a reasonable period of years, consistent with the exigencies of public business, and to make such reports with respect to the action taken as may be requested by the Civil Service Commission.

It further provides the Civil Service Commission shall include in its annual report to the Congress a statement of the progress made in carrying out the purposes of this act.

So you can observe that by this conference report we are cutting down the accumulated leave of the employees in the future, which under existing law could be as much as 86 days, to 30 days, and we are also providing that the leave of employees in the Foreign Service shall be reduced from 90 days to 45 days.

There are great savings accomplished by this conference report. I am sure the employees are not entirely pleased with this conference report, because their accumulated leave is being restricted to a maximum of 30 days in the future. I do feel that these employees, especially those with only 13 days leave per year, should be allowed to accumulate up to 30 days. I usually agree with my friend the gentleman from Texas [Mr. THOMAS] but I think if he would read this report carefully he would admit that the House conferees have done a fine job, and that it is not in effect a total repeal of the Thomas rider; it is a modification of the rider by cutting down the cost of the present accumulated leave by making those who have already accumulated the maximum leave of 60 days reduce it over the years in the future to 30 days—and by limiting accumulated leave in the future to a maximum of 30 days to any employee of the Government who does not have the required 30 days.

If an employee has only 26 days leave accumulated up to the first of this year, then that employee can only accumulate 4 more days up to a maximum of 30 days and then he must use all leave currently in excess of 30 days. If an employee has 60 days leave accumulated on January 1, 1953 of this year and if that employee uses his current annual leave for 1953 and then takes in addition 10 days of the accumulated leave which he had at the first of the year then his accumulated leave would be reduced to 50 days and he could not build his leave up to 60 days in future years. If an employee had 60 days accumulated leave on January 1, 1953 and during the year used all of his current annual leave and in addition 30 days of his accumulated leave, his accumulated leave then would be only 30 days or he could not accumulate any more leave.

Mr. Speaker, this is a good conference report. I have seen my friend, the gentleman from Texas [Mr. THOMAS] who has been on many conference committees compromise time and again just as the House conferees have done on this report. Of course, we have to compromise in these conferences in order to reach a final agreement. That is the position your conferees were in. We made the best bargain possible, and I think we have done a good job. I hope you will approve this conference report.

Mr. REES of Kansas. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Speaker, we ought to have a real picture of what this situation is so that we may vote on it in the interest of the people of the United States, and at the same time be fair to the employees. A year or so ago, when the independent offices bill was before the House, the committee headed by the gentleman from Texas [Mr. THOMAS] brought in a provision which would do away with terminal leave which might accrue and that had accrued prior to that time, except as it might be used before the 30th of June, 1953—that is next Tuesday. Why was that done? Because of the terrific inequities which were in that provision for terminal leave. It worked like this. You gave terminal leave to these employees at the rate they were being paid when they retire. They might have earned $2,500 a year when the leave was accumulated, and they might have been earning $12,000 a year when they retired. They would not be paid at the rate they were earning at the time the leave accumulated, but they would be paid at the rate they were earning at the time they got through with their Government service.

This provision restores the terminal-leave provision and lets them carry it over, and carry it forward, until they are separated from the service. We have already provided that that leave shall be done away with on the 30th of June, if not used.

Mr. REES of Kansas. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. REES of Kansas. May I point out to the gentleman from New York that this legislation does not restore these lump-sum payments any more than they already have at the present time. Neither does the Thomas leave rider. It does not take these lump-sum payments away. That was in the law in 1944. I go along with the gentleman in what he says here, but this particular legislation does not restore anything that the gentleman has been talking about. The only thing it does really is that it does give these people who have this accumulation of leave in 1952, time to use their accumulation, but it says in substance, or rather it says in fact, no accumulation shall be for more than 30 days.

Mr. TABER. Yes, but it lets them carry forward all of that accumulation that had been made prior to that date.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. THOMAS. As the law stands today, the law is clear that in the future you cannot accumulate one day. You have got to use it. If you adopt this conference report you repeal that prohibition, and they can accumulate it and accumulate it and accumulate it. That is clear.

Mr. REES of Kansas. The gentleman is entirely mistaken, if he will read the report.

Mr. THOMAS. There is no misunderstanding. The gentleman knows very well that if you repeal this rider you will allow these employees to accumulate it beginning this year, and next year, and every year in the future. The gentleman knows that. That is what the fight is about.

Mr. MURRAY. Mr. Speaker, will the gentleman yield?

Mr. TABER. I do not have a great deal of time, but it does seem to me that we ought not to get into any more schemes to hand out money from the Treasury except to those that are absolutely meritorious. I can see nothing meritorious about the restoration of that situation.

Mr. REES of Kansas. Mr. Speaker, I yield 1 minute to the gentleman from Tennessee [Mr. MURRAY].

Mr. MURRAY. I might say that the Thomas rider does not take away any accumulated leave.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. THOMAS. Of course the rider does not take anything from it. It could not be retroactive. It would be unconstitutional; but you do let them accumulate, beginning now, and in the future, which the rider prohibited. That is the iniquitous thing about it.

Mr. MURRAY. But this accumulation of leave took place before the Thomas leave rider was enacted. It was not repealed by it. We cut it down to 30 days.

Mr. REES of Kansas. Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. TABER].

Mr. TABER. This rider provided that hereafter no part of the funds available for expenditure by any corporation or agency included in this or any other act, including the Government of the District of Columbia, shall be available to pay for the annual leave accumulated by any civilian officer or employee during any calendar year, if unused at the close of business June 30, the succeeding calendar year. That would wipe it out.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, the gentleman from Texas [Mr. THOMAS] stated that the cost to the Federal Government of permitting employees to accumulate leave is approximately $125 million a year, and that the total amount in dollars and cents of this accumulated leave on the books is somewhere between $500 and $900 million. Whether the gentleman intended it or not, that sounds to me like an implication that all of the leave accumulated by Federal employees is an additional cost to the Government. To me that sounds like a mathematical impossibility. If Federal employees are performing a day's work for every day they are on duty, it should not make any difference to the Federal Government, so far as cost is concerned, whether they take that leave or are permitted to accumulate it.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. BROYHILL. I yield.

Mr. THOMAS. Would the gentleman think that a high-ranking Government official, grade 14 or 15 or 16, after he has had 5 or 10 or 15 years in Government service and goes out and draws $2,000 to $4,000—does the gentleman think the bookkeeping was exactly correct in all respects?

Mr. BROYHILL. Mr. Speaker, in answer to the gentleman, the original bill I introduced precluded those earning salaries over Grade 15 from being permitted to accumulate any leave whatsoever. However, the conference report which we are acting on today prohibits those earning over the salary of Grade 18 from not only accumulating leave but removes them from the Leave Act of 1951.

But to continue, if these employees are not performing a day's duty so that the accumulation of leave is an additional cost to the Federal Government then that is a matter for the Committee on Government Operations to investigate and not to penalize the career or rank and file employees for mismanagement by department heads by attaching a rider to an appropriation bill.

During the past few weeks and months, we have heard a great deal of discussion, comments, and pros and cons on the proposed repeal of the Thomas leave rider. In recent weeks, we have held extensive hearings and debates in the Post Office and Civil Service Committee on this subject to the extent that I believe we all agree that the matter has been most thoroughly debated. During the hearings, not one witness appeared in opposition to the repeal of the Thomas leave rider. However, during the discussions in executive session there was some comment concerning the advantages of the Thomas leave rider. Therefore, in all due fairness to those who may oppose the repeal of the Thomas leave rider, I think that we should discuss their objections. Insofar as I have been able to determine, there are only two major objections to the repeal which are as follows:

First. Since the total amount of accumulated leave in dollars and cents amounts to approximately $500 million, it is thought or implied by the gentleman from Texas [Mr. THOMAS] that the accumulation of leave is a very costly item to the Federal Government. As I mentioned before, mathematically, it is difficult for me to see how it can cost the Federal Government more for Federal employees to accumulate leave rather than use it every year, particularly if the Federal employees on duty are rendering a full day's work for each day that they are on duty. This means if they take their annual leave, this work would not be performed or a replacement would have to be employed to perform the work. The net result being the same cost to the Government. If due to inefficient Government operation these employees are not doing a day's work, resulting in the accumulated leave being an additional cost to the Government, then I feel that this is a matter to be investigated by the Committee on Government Operations to improve operating practices and procedures in the Federal Government rather than by passing legislation that would penalize the rank and file of Federal employees for lack of proper supervision.

The other objection seems to be an apparent resentment or objection on the part of some of the Members of Congress to the amount of leave that the Federal employee is entitled to under the Leave Act of 1951. I believe that this objection should be taken care of by legislation to amend the Leave Act of 1951 rather than prohibit the employee from accumulating his leave. In other words, the amount of basic leave which an employee is entitled to should have no bearing on whether or not he is permitted to accumulate it. However, I do not feel that according to the Leave Act of 1951 the Federal employee is receiving more leave than that to which he is entitled and I would oppose any legislation to reduce this amount.

Now that we have discussed the objections that some of the Members have to the repeal of the Thomas leave rider, let us outline the reasons why the Thomas leave rider should be repealed. Some of these reasons may seem repetitious, but I feel that they should be repeated for emphasis and clarification.

First of all, the repeal of this rider would permit more flexibility in the operation of the Government. It is not always to the advantage of the Federal establishments for an employee to use his leave at the time he earns it. This was particularly true during the war and it is true at this time while we are trying to economize in Government operations in an effort to reduce many needless agencies and bureaus as well as putting these policies into effect. Those of you who have had experience in private industry as I have, know that in many instances it is to the advantage of an employer to have his employees take their leave in a year other than one in which they earned it. At this later period, their services might be temporarily dispensed with without as much

loss to the employer, thus giving the company flexibility in its operations because of the deferment of leave. The same situation is true in the Federal Government.

Secondly, many of our Federal employees are from States which are located a great distance from Washington, D. C., and generally find that 1 year's accumulation of leave does not give them sufficient time to travel the distance home and obtain the rest and relaxation for which the leave act was originally intended. Furthermore, some employees are unable to afford the cost of such a trip for a short period of time.

Thirdly, since there is a reduction-in-force program now being carried out, we find that in a great number of instances an employee's accumulation of leave serves as severance pay and/or unemployment compensation although it was not originally intended for that purpose. While I am not advocating unemployment compensation or severance pay for Federal employees, on the contrary, I feel that with a more efficient reduction-in-force procedure it would not be necessary for career employees to lose their jobs, we still must face reality and recognize that accumulated leave payments do serve indirectly as severance pay and unemployment compensation.

Fourth, and most important of all, the Thomas leave rider was a betrayal of faith which the Federal employees had in the Congress of the United States. They were promised in the Leave Act of 1951 that they would be permitted to accumulate up to 60 days' leave. If we are going to have economy and efficiency in the operation of the Federal Government, we must not ignore the morale of the individual Federal employee. By Congress being more concerned with the morale of the Federal employee and taking steps to strengthen it, we will obtain more efficiency in governmental operations, encourage more people to make employment in the Federal Government their career, and in the final analysis, obtain much more economical operation.

Therefore, I feel that the Thomas leave rider is punitive legislation which should be repealed. It is directed unfairly against the vast army of able and honorable Government workers. Experience has shown that it adversely affects the efficiency and morale of our Government employees, and that it operates against the best interests of the Federal Government. The sooner we get rid of this undesirable amendment, the better it will be for our country.

Actually this conference report which we will vote on today is a compromise of an original bill which I introduced calling for an outright repeal of this rider. When my bill was reported out of committee it was already amended by the committee before it went to conference and was amended again in conference. While I still favor permitting the Federal employee to accumulate leave in accordance with the Leave Act of 1951—60 and 90 days—I am willing to go along with the committee's and the conference compromise and believe that those of you who are opposed to the repeal should certainly be willing to meet us halfway and help correct the serious error made by Congress when this rider was attached to an appropriation bill.

Mr. REES of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. WITHROW].

Mr. WITHROW. Mr. Speaker, I listened with interest to the gentleman from Texas [Mr. THOMAS] when he said that accumulated leave would cost the Government probably a hundred to a hundred and twenty-five million dollars a year, and I am very much concerned about that, but the thing to which I think we should direct our attention is why this leave was accumulated. First of all, it was accumulated because the department heads of Government encouraged the accumulation of it; and, second, because the Government has no adequate method whereby Government employees are required to take their vacations. Compare it to private industry. The industry with which I was associated for so many years has a distinct yardstick whereby the employees are compelled to take their vacations; that is the railroad industry. They have more than 1 million employees, and throughout that industry at the beginning of the year there is a bulletin issued whereby there are 26 periods designated, and every employee must make 26 choices as to when he would rather have his vacation. The vacations are for 2 weeks. Then they all go in and according to seniority they are allocated their vacation period at the time specified by the company based upon their seniority. That is fair and people in the railroad industry are required to take their vacations, and the impact upon the industry is a steady and regular impact that can be handled. But we do not have anything like that in Government, and the result is that employees want to take their vacations at the same time, and it is not possible to let them take them at that time, with the result that they accumulate their leave, because in most cases they are obliged to accumulate it. You have got to do away with that situation or else, in all seriousness, you will have to let Government employees continue to accumulate their leave. Unless you do away with this hodgepodge, loosely drawn formula of having Government employees take their vacations you are going to have this problem with you.

The adoption of the conference report although it is not entirely satisfactory to me does repeal the Thomas rider which should never have been written into law.

I sincerely hope the conference report will be adopted.

Mr. REES of Kansas. Mr. Speaker, I yield 4 minutes to the gentleman from Georgia [Mr. DAVIS], a member of the conference committee.

Mr. DAVIS of Georgia. Mr. Speaker, I had not intended to have anything to say with reference to this conference report; however, several issues have been raised here which ought to be clarified some.

First, as to the cost of this terminal leave, it would be the same in salary dollars whether it is paid in lump-sum leave or whether it is taken year by year as the leave accrues. There is no way by which any enormous sum of money may be saved to the Government simply by voting down this conference report and leaving the matter as it is under present law.

The main issue and the main question to be decided by this vote here is whether the same amount of dollars shall be paid out by the United States Government in the form of lump-sum leave when the employee terminates his employment or it will be paid year by year as it accumulates. As the gentleman from Wisconsin [Mr. WITHROW] has pointed out, we do not have any system of social security for these Government employees, and many of them who have been entitled to this annual leave have not taken it because they wanted to accumulate what the law allowed them as a sort of cushion against unemployment if they should be separated from the service. That is certainly a meritorious desire, and one that no one could find fault with. Some of them under existing law have accumulated these allowable amounts.

If we had in this conference committee undertaken to wipe that out, as the gentleman from Tennessee [Mr. MURRAY] so ably pointed out, we would have been passing a law which would be unconstitutional, because it would be retroactive ex post facto. There is no doubt that the amount of money will be the same. There will be no saving to the taxpayer.

On the other hand, it is my opinion, and it is my considered opinion, that we will save money by letting them take this 30 days in a lump-sum payment because if we make them take it as annual leave and as vacation they will be accumulating leave on leave. If you make them take the 30 days which they have accumulated now and do not allow them to take it and take pay in a lump sum, as they take these 30-day vacations they will at the same time be accumulating leave on leave. So you can say that instead of costing the Government any additional money we would be saving at least the amount of money which would accrue as leave upon leave.

All of the conference committee members have told you that we did the best we could on this conference report. We met three times on this. If you insist on voting this report down, the net result is going to be that we will lose the bill which we started out to pass to prevent these high-bracket officials from taking lump-sum terminal leave as this large group did recently, they being responsible for this legislation being introduced in the first place.

That is the situation. If you want to vote this down the net result will be that we will lose the bill which we started out to pass.

Mr. REES of Kansas. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. BENNETT].

Mr. BENNETT of Florida. Mr. Speaker, adequate leave accumulation is needed in lieu of unemployment compensation for Federal employees. It would be a shame to deny this to our loyal Federal employees. It seems to me it would be a mistake to send this report back to the conference committee at this late hour. The results have already been explained by the gentleman from Georgia [Mr. DAVIS] as to what would happen if that occurred.

I have here a letter from the American Federation of Government Employees which I would like to read:

AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES,
Washington, D. C., June 26, 1953.

Hon. CHARLES E. BENNETT,
House of Representatives,
Washington, D. C.

DEAR CONGRESSMAN BENNETT: There are several points in conjunction with House Report No. 629, on H. R. 4654, which our federation desires to bring to your attention.

In view of the practical legislative situation we now face, the American Federation of Government Employees does not feel that the conference report should be rejected. Failure to accept the agreement would leave only the alternative of continuing the undesirable features of section 401 of the Independent Offices Appropriations Act of 1953 (the so-called Thomas leave rider).

In adopting this position, we express the earnest hope that action will be taken in the near future by the 83d Congress to eliminate the inequities resulting from House Report No. 629.

So that the record will be clear, it would be well for us to enumerate the inequitable features of the conferees' agreement.

We are convinced that the desirable objectives of annual-leave revision can be accomplished fully and simply by repealing the Thomas leave rider and changing the time limit on leave accumulation to the last day of the calendar year.

Despite the stated purpose of House and Senate conferees that no employee who has previously accumulated annual leave shall lose it, there are certain circumstances under which employees or their surviving wives and children will lose their annual leave because they do not have an opportunity to use it.

Furthermore, we can see no need for reducing maximum accumulations from 60 and 90 days to 30 and 45 days as the conference report requires. Federal agencies are now experiencing severe reductions in force. The requirement that these Federal employees not be paid for leave in excess of 30 or 45 days will work a serious economic hardship on them and their families at a time when they are without gainful employment.

Because of your interest in Federal employee problems in the past, I am certain you will give serious consideration to our views on House Conference Report No. 629.

Sincerely,

JAMES A. CAMPBELL,
National President.

Mr. Speaker, I urge that we approve the position of the American Federation of Government Employees that this matter not be sent back to conference, and that it be favorably acted upon at this time.

Mr. REES of Kansas. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I will say to the distinguished gentleman from Florida that I have also received similar letters. I quote from one of these letters:

Despite these and proposed lesser objections we feel that the conference report should be adopted because it is in any event an improvement over existing conditions in most respects.

Now, Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Speaker, I want to thank the gentleman from Kansas [Mr. REES], the chairman of our committee, as he has always been most gracious, considerate, and fair to the members of the committee, including those of us of the minority. I know he has given careful thought and consideration to this difficult question of accumulated leave. I personally would like to see the figure above the 30 days recommended in the report, but I accept the conference report because I think it is an improvement over the present law.

My main reason for requesting time was to seek an answer from our chairman on a couple of questions that were put to me by some of the employees.

First, an employee has accumulated the maximum 30 days' annual leave allowed at the beginning of the calendar year 1953. From January 1953 to October 1953 he accumulates an additional 20 days. On October 1, 1953, he is notified he will be laid off. The question is, Will he lose the 20 days earned in 1953?

Mr. REES of Kansas. I thank the gentleman concerning my fairness to members of our committee. This man you describe should receive his pay for the 50 days' leave. He ought to receive pay for 20 days of it as leave taken after his notice that he will be separated and prior to removing his name from the payroll, and 30 days of it he will be paid in a lump-sum cash payment.

Mr. RHODES of Pennsylvania. If the employee should die, would his wife and children lose the 20 days earned in 1953?

Mr. REES of Kansas. After August 31 his estate will receive pay for only 30 days' leave. Twenty days' current leave which must be taken as leave, cannot be paid for in that instance.

Mr. RHODES of Pennsylvania. One final question I would like to ask our chairman. Does the conference report contain a provision requiring heads of agencies to give an opportunity for employees to use any leave in excess of the maximum accumulated so that they will not lose it?

Mr. REES of Kansas. There is no specific provision in this regard but it is understood that the officials will give employees a chance to take their leave, and that is the best answer we have to it, I will say to the gentleman.

Incidentally, these questions are directed toward basic issues of this legislation. As usual the gentleman from Pennsylvania has shown his understanding of employees' problems.

Mr. RHODES of Pennsylvania. I thank the gentleman.

Mr. REES of Kansas. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS of North Carolina. Mr. Speaker, it is with considerable temerity that I inject myself into this controversy at all. I am not familiar with the legislative history, was not here when the Thomas rider was adopted, and, therefore, do not feel qualified to debate the subject on its merits.

I listened to the explanation of the conference report by the distinguished chairman and other members of the committee, and I am willing to accept their advice that the bill that is now before us contains many improvements over the existing system. I am not so fully convinced that the elimination of the Thomas rider will prove to be beneficial.

It is contended here that the Thomas rider would save the Government at least $125 million a year. That allegation has been denied by various Members. I do not feel qualified to discuss that point because of my lack of information on the subject. My only comment on that aspect is that it is bound to cost a lot of money to do the necessary bookkeeping to keep up with the annual-leave records of 2½ million Federal employees. Many of these records would not be necessary if the employees took the leave as it accrues, or within a reasonable period of time thereafter.

But I arose to suggest that we seem to be forgetting the original concept of annual leave. Much has been said here today about severance pay, unemployment compensation to tide employees over an interim between discharge and obtaining new positions, and about social-security benefits. I respectfully submit that neither of those matters has anything to do with annual leave. I think the question of leave should stand on its own feet and be decided on its merits. If an increase in pay for Federal employees is justified, or if a severance-pay program should be adopted, it seems to me that we should face those issues and decide them on their merits.

How did the concept of annual leave arise? Why is annual leave or vacation with pay provided? The answer is to give the worker an opportunity to refresh himself, to give him a little letup in the continued day-by-day grind on the job, and an opportunity to get out of town for a few days for rest, relaxation, or change of scenery, so that he will come back at the expiration of the leave period in better position to render more efficient service.

A Government employee who is conscientious and gives value in work for the compensation he receives—and I wish to say parenthetically that I am acquainted with many Government employees, and, by and large, I think they are efficient, hard working, loyal, and

earn their pay—needs to take the leave that the Government allows him because if he does take it he will not only benefit himself physically and mentally but he will benefit the Government by equipping himself to render more efficient service.

Mr. REES of Kansas. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Speaker, the repeal of the Thomas leave rider to me is one of the greatest things that can happen in this House, as far as Government operation is concerned, and I will tell you why in a very few words. It has been said it was passed during the last session of Congress that it would save the Government money. That is a lot of nonsense. They either are going to pay an employee today for what he is doing or pay him later on. As it stands, you either let an employee off and have to hire someone else to take his place or let him stay on and pay him upon separation from the service.

We have done one primary thing in this bill, we have allowed them 30 days accumulated leave, which to me is far from what it should be.

One thing the gentleman from Texas [Mr. THOMAS] has not pointed out in this bill is this: We either give the Federal employee the same thing the average worker gets in a plant, which is 26 weeks of social security, rather unemployment compensation, and as industry back home allow 2 weeks with pay in lieu of vacation.

In industry should the occasion arise that when the employer needs additional help in place of a regular employee, that is or is to go on his 2 weeks vacation, the employer will usually ask his regular employee to stay on and take his vacation pay in addition to his regular salary or wages. The employer would much rather at all times retain his regular workers for he knows what the regular employees can do.

The passage of this bill should be a must. Most Government employees do take their annual leave but if it is mandatory by law the department head has no alternative regardless whether it effects the efficiency of the department or not. The present law definitely ties the hands of the head of a department and does not allow sufficient elasticity in operating an efficient bureau.

There are many instances in Government as well as in private industry where a man cannot be easily replaced. For this primary reason this bill should be passed so that department heads can more effectively regulate leave requirements of his personnel.

Mr. REES of Kansas. Mr. Speaker, I yield the remainder of my time to the gentleman from Pennsylvania [Mr. CORBETT], a member of the committee of conference.

Mr. CORBETT. Mr. Speaker, I believe this measure is a very simple, understandable, and fair one. Because of certain sincere mistakes or misunderstandings, the issues may have become confused. Consequently, I am hopeful that here in a few minutes I can tell you exactly what the situation is, and I believe then you will agree that this conference report constitutes an excellent solution to a very difficult proposition.

To begin with, many of the employees of the Federal Government have accrued annual leave, which is an accrued liability of the Government of the United States. The conferees, in dealing with that subject, said, "All right, we are not going to take away from anybody that which is truly theirs." Let us keep in mind that we simply say in this report everybody shall get everything that is properly coming to them and which was promised to them, but that there shall be in the future a limitation upon the accrued liability which will rest on the Government. It was also agreed as regards this limitation that a fair compromise between the 90-day and the no-day proposition would be to permit a 30-day accumulation from the date of the passage of this act. There were reasons for allowing some accumulation in the future. These reasons are, first, the fact that the Federal employees have no unemployment compensation; second, the fact that they have no terminal leave pay; and, third, the fact that many of them would like to accumulate enough time to take a longer vacation.

Let us remember this, also: that in the last annual-leave bill we cut the annual leave for Federal employees down to 13 days a year for the beginners, and it takes 15 years of service to build up to the point where they can get 26 days of annual leave. So we made a big savings there. The other point, which it is well to remember, is that neither the Thomas leave rider nor any other provision of law of the United States ever made an attempt to reduce the accrued liability which has accumulated over the years until this conference report. The report, if anybody takes the occasion to read it, on page 4, mandates the heads of the agencies and departments to use every proper persuasion to get the people who have accrued annual leave to utilize that leave in actual time, and it further requires the Civil Service Commission to make a report of progress on how much of that leave is used by employees during a time when they would not have to employ substitutes. There is the hope of big savings in this conference report. So by giving the employees all the accrued leave they had in the past, we take care of our proper obligations. By putting a 30-day limitation on the future, we are prohibiting any future great accrued liability on the part of the Government. By instructing the agency to get the employees to use up all of their leave possible in time, we are trying to make large savings. It is because of that very sensible and logical approach to this proposition that I am here urging that the conference report be adopted.

Mr. THOMAS. Mr. Speaker, will the gentleman yield?

Mr. CORBETT. I yield.

Mr. THOMAS. My distinguished friend the gentleman from Pennsylvania very frankly stated awhile ago this, in part, is intended to cover severance pay. Why does not your great committee—and it is a good committee, composed of able men like yourself and your chairman—go through the front door and bring in that bill as it ought to be brought in? Why do you come in through this back door which is so expensive and unnecessary?

Mr. CORBETT. Mr. Speaker, I decline to yield further. I want to answer the gentleman's question.

Mr. THOMAS. I would be very happy to receive an answer to my question.

Mr. CORBETT. I think the gentleman has a very excellent point there. I want everyone to remember that on Tuesday, June 30, the leave which we promised to give the employees and which they had every reason to believe they would have on June 30——

Mr. THOMAS. No; you did not. The law says you shall take it. It is written in the law now.

Mr. CORBETT. Just a moment, the gentleman has not heard my answer yet.

Now, then, we promised these people. We were trying to do something to relieve the pressure of the June 30 date. I am going to say to the gentleman we have to get this report through to make good on those promises and commitments and to save the accrued leave for individuals and for their prospective heirs. If we pass this conference report, you will still have leave that has to be taken, and we will then have time to make improvements in separate legislation. I would agree with the gentleman's point of view that we can approach the subject frankly and I would be glad to promote legislation to that effect.

Mr. THOMAS. Ten years have passed and you have not done it.

Mr. CORBETT. I urge you to pass this conference report.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that all Members who have spoken on this conference report may revise and extend their remarks, and any other Members who desire to do so may extend their remarks on the conference report at this point in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

Mr. LANHAM. Mr. Speaker, I favor the conference report for two reasons. In the first place it corrects and partially at least, removes an injustice done by the so-called Thomas leave rider, to all Federal employees.

In the second place I am glad to vote for it because it repeals legislation enacted on an appropriation bill in violation of the rules of the House. Legislation on an appropriations bill is forbidden by the rules of the House, and is made possible only by connivance of the Rules Committee in granting a rule making it impossible for Members to protest against such riders by objecting to such riders as violations of the rules of the House which forbid legislation on an

appropriations bill. I shall vote for the conference committee report.

Mr. WILSON of California. Mr. Speaker, long before I came to Congress and met and came to know our colleague from Texas [Mr. THOMAS], author of the much-discussed Thomas leave rider, I had heard the gentleman spoken of unkindly by many of the Federal workers residing in my district, in San Diego, Calif. I must confess that I pictured him in my mind as possessing horns and a forked tail, breathing fire and smoke in the direction of all Government workers.

My personal acquaintance with the gentleman now shows the error of my first impression. He is a true gentleman and a very able, persuasive speaker, who believes sincerely and honestly in the rightness of his legislative rider, which prohibits the accumulation of leave by Federal employees, and forces them to use it or lose it within 6 months after the calendar year in which it is earned.

But gentlemanly and scholarly as he is, I feel that the gentleman from Texas [Mr. THOMAS] has invented a creature with a personality far different than his own. His leave rider is an iniquitous measure that ruthlessly deprives Federal workers of leave that they have honestly earned and deserved. It deprives them of the right to have, in lieu of severance pay, enough accumulated leave to give them some peace of mind and assurance that they can survive for a definite period in case their jobs are terminated suddenly and without notice. It purports to save the Government money, and yet no person can deny that every Federal worker who earns his leave is entitled to it. The Thomas rider merely attempts to force it down the throats of Government workers within a definite time or cause them to lose what they have rightfully earned.

The argument that it costs the Government more money is completely fallacious. For example, the problems created by forcing employees to take vacations at inappropriate times, perhaps during periods of peak workloads, merely add to the cost of an agency's operation.

I introduced a bill to flatly repeal the Thomas rider. This conference report calls for such a repeal, and I urge a favorable vote on the conference report as the best morale-building measure we have had the opportunity to vote on.

Mr. MILLER of Kansas. Mr. Speaker, I rise in support of the conference report.

It seems to me that in the interest of good service the employees of the Government should have the same or equal opportunity for recreation that has become a common practice in private industry. The present bill wisely provides that employees take advantage of such opportunity by limiting the amount of leave of absence which may be accumulated.

The conference report should be adopted.

Mr. REES of Kansas. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and on a division (demanded by Mr. THOMAS) there were—ayes 119, noes 57.

Mr. THOMAS. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and I make the point of order that a quorum is not present.

The SPEAKER (after counting). Two hundred and six Members are present; not a quorum.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 270, nays 65, not voting 95, as follows:

[Roll No. 70]

YEAS—270

Adair	Dorn, S. C.	Knox
Addonizio	Dowdy	Lane
Albert	Doyle	Lanham
Alexander	Durham	Lantaff
Allen, Calif.	Edmondson	LeCompte
Allen, Ill.	Elliott	Lesinski
Andresen, August H.	Ellsworth	Lovre
Angell	Engle	Lyle
Ashmore	Evins	McCarthy
Aspinall	Fallon	McConnell
Auchincloss	Feighan	McDonough
Ayres	Fenton	McGregor
Baker	Fernandez	McIntire
Barrett	Forand	McMillan
Bates	Forrester	Machrowicz
Battle	Fountain	Mack, Wash.
Beamer	Frazier	Madden
Belcher	Friedel	Magnuson
Bennett, Fla.	Fulton	Mailliard
Bennett, Mich.	Garmatz	Martin, Iowa
Bentsen	Gary	Matthews
Berry	Gavin	Meader
Betts	George	Merrill
Bishop	Goodwin	Merrow
Blatnik	Gordon	Metcalf
Boggs	Graham	Miller, Kans.
Boland	Granahan	Miller, N. Y.
Bolton, Frances P.	Grant	Mills
	Green	Mollohan
	Gregory	Moss
Bolton, Oliver P.	Gross	Moulder
	Gubser	Mumma
Bonin	Hagen, Calif.	Murray
Bonner	Hagen, Minn.	Neal
Bosch	Haley	Nelson
Bramblett	Halleck	Oakman
Brooks, La.	Harden	O'Brien, Ill.
Brooks, Tex.	Hardy	O'Brien, Mich.
Brown, Ga.	Harrison, Va.	O'Hara, Ill.
Brown, Ohio	Harrison, Wyo.	O'Hara, Minn.
Brownson	Hays, Ark.	O'Neill
Broyhill	Hays, Ohio	Ostertag
Buchanan	Heselton	Patman
Byrd	Hess	Patterson
Byrne, Pa.	Hiestand	Pelly
Canfield	Hill	Perkins
Carlyle	Hillings	Pfost
Carnahan	Hinshaw	Pilcher
Case	Hoeven	Poage
Chatham	Holifield	Poff
Chelf	Holmes	Polk
Chenoweth	Holt	Preston
Chiperfield	Holtzman	Price
Chudoff	Hope	Priest
Cole, Mo.	Hosmer	Prouty
Condon	Howell	Rabaut
Cooley	Hunter	Radwan
Cooper	Hyde	Rains
Corbett	James	Reams
Cretella	Jarman	Reed, N. Y.
Crosser	Javits	Rees, Kans.
Crumpacker	Johnson	Rhodes, Ariz.
Cunningham	Jonas, Ill.	Rhodes, Pa.
Curtis, Mass.	Jones, Ala.	Riehlman
Dague	Jones, N. C.	Riley
Davis, Ga.	Judd	Rivers
Davis, Tenn.	Karsten, Mo.	Roberts
Dawson, Utah	Kearns	Robeson, Va.
Deane	Keating	Robsion, Ky.
Devereux	Kee	Rodino
D'Ewart	Kelley, Pa.	Rogers, Colo.
Dodd	Kersten, Wis.	Rogers, Fla.
Donohue	Kilday	Rogers, Mass.
Dorn, N. Y.	King, Calif.	Rooney
Roosevelt	Smith, Miss.	Walter
St. George	Smith, Wis.	Watts
Saylor	Spence	Weichel
Schenck	Springer	Wharton
Scherer	Staggers	Wickersham
Scott	Stauffer	Williams, Miss.
Scudder	Steed	Williams, N. Y.
Seely-Brown	Sullivan	Wilson, Calif.
Selden	Talle	Wilson, Ind.
Shelley	Thompson, Tex.	Winstead
Sheppard	Tollefson	Withrow
Shuford	Trimble	Wolcott
Sieminski	Utt	Wolverton
Sikes	Van Zandt	Yorty
Simpson, Ill.	Velde	Young
Small	Vinson	Younger
Smith, Kans.	Vorys	Zablocki

NAYS—65

Abernethy	Fisher	Marshall
Andersen, H. Carl	Ford	Miller, Md.
	Gathings	Miller, Nebr.
Andrews	Gentry	Nicholson
Arends	Golden	Norblad
Bow	Gwinn	Norrell
Budge	Hand	Patten
Byrnes, Wis.	Harrison, Nebr.	Ray
Camp	Harvey	Rogers, Tex.
Cannon	Hébert	Scrivner
Cederberg	Herlong	Sutton
Church	Hoffman, Mich.	Taber
Clardy	Horan	Thomas
Clevenger	Hruska	Thompson, Mich.
Cole, N. Y.	Jackson	
Coon	Jensen	Van Pelt
Cotton	Jonas, N. C.	Vursell
Coudert	Jones, Mo.	Warburton
Curtis, Mo.	Kilburn	Westland
Curtis, Nebr.	Krueger	Wheeler
Davis, Wis.	Laird	Whitten
Dempsey	Long	
Donovan	McCulloch	

NOT VOTING—95

Abbitt	Hale	Passman
Bailey	Harris	Philbin
Barden	Hart	Phillips
Becker	Heller	Pillion
Bender	Hillelson	Powell
Bentley	Hoffman, Ill.	Rayburn
Bolling	Ikard	Reece, Tenn.
Boykin	Jenkins	Reed, Ill.
Bray	Kean	Regan
Buckley	Kearney	Richards
Burdick	Kelly, N. Y.	Sadlak
Burleson	Keogh	Secrest
Busbey	King, Pa.	Shafer
Bush	Kirwan	Sheehan
Campbell	Klein	Short
Carrigg	Kluczynski	Simpson, Pa.
Celler	Landrum	Smith, Va.
Colmer	Latham	Stringfellow
Dawson, Ill.	Lucas	Taylor
Delaney	McCormack	Teague
Derounian	McVey	Thompson, La.
Dies	Mack, Ill.	Thornberry
Dingell	Mahon	Tuck
Dollinger	Mason	Wainwright
Dolliver	Miller, Calif.	Wampler
Dondero	Morano	Widnall
Eberharter	Morgan	Wier
Fine	Morrison	Wigglesworth
Fino	Multer	Willis
Fogarty	O'Brien, N. Y.	Wilson, Tex.
Frelinghuysen	O'Konski	Yates
Gamble	Osmers	

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Wigglesworth with Mr. Dies.
Mr. Becker with Mr. Wilson of Texas.
Mr. Carrigg with Mr. Landrum.
Mr. King of Pennsylvania with Mr. Willis.
Mr. Kean with Mr. Thompson of Louisiana.
Mr. Jenkins with Mr. Thornberry.
Mr. Stringfellow with Mr. Mahon.
Mr. Taylor with Mr. Ikard.
Mr. Sadlak with Mr. Kirwan.
Mr. Wampler with Mr. Eberharter.
Mr. Dondero with Mr. Bailey.
Mr. Frelinghuysen, Jr., with Mr. Morrison.
Mr. Derounian with Mr. Regan.
Mr. McVey with Mr. Morgan.
Mr. Wainwright with Mr. Passman.
Mr. Mason with Mr. Dingell.
Mr. Osmers with Mr. Philbin.

Mr. Reece of Tennessee with Mr. Smith of Virginia.
Mr. Dolliver with Mr. Teague.
Mr. Bush with Mr. Wier.
Mr. Busbey with Mr. Yates.
Mr. Bray with Mr. McCormack.
Mr. Bentley with Mr. Campbell.
Mr. Hoffman of Illinois with Mr. Harris.
Mr. Hillelson with Mr. Keogh.
Mr. Kearney with Mr. Fino.
Mr. Latham with Mr. Klein.
Mr. Widnall with Mr. Dollinger.
Mr. Short with Mrs. Kelly of New York.
Mr. Shafer with Mr. Multer.
Mr. Sheehan with Mr. Delaney.
Mr. Bender with Mr. Powell.
Mr. Morano with Mr. Heller.
Mr. Gamble with Mr. Celler.
Mr. Reed of Illinois with Mr. Buckley.
Mr. Phillips with Mr. Abbitt.
Mr. Pillion with Mr. O'Brien of New York.
Mr. Fino with Mr. Miller of California.
Mr. Hale with Mr. Fogarty.
Mr. Burdick with Mr. Colmer.
Mr. O'Konski with Mr. Hart.

Mr. FERNANDEZ changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

EFFECT ON THE WEATHER OF CERTAIN ATOMIC BOMB EXPLOSIONS

Mr. WOLVERTON. Mr. Speaker, by direction of the Committee on Interstate and Foreign Commerce, I call up a privileged report on House Resolution 283 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That the Secretary of Commerce is hereby directed to furnish to the House of Representatives at the earliest practicable date full and complete information with respect to whether there is any connection between the tornadoes which have recently occurred in the United States and the recent explosions of atomic bombs in the United States.

Mr. WOLVERTON. Mr. Speaker, inasmuch as the information is contained in the report, I move that the resolution be laid on the table.

The SPEAKER. The question is on the motion.

The motion was agreed to.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the material contained in the report be printed in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

(The report referred to is as follows:)

INQUIRING INTO THE EFFECT ON THE WEATHER OF CERTAIN ATOMIC-BOMB EXPLOSIONS

Mr. WOLVERTON, from the Committee on Interstate and Foreign Commerce, submitted the following adverse report:

The Committee on Interstate and Foreign Commerce to whom was referred the resolution (H. Res. 283) directing the Secretary of Commerce to furnish to the House of Representatives full and complete information about the effect on the weather of certain atomic-bomb explosions, having considered the same, report unfavorably thereon without amendment and recommend that the resolution do not pass.

THE SECRETARY OF COMMERCE,
Washington, June 24, 1953.

Hon. CHARLES A. WOLVERTON,
Chairman, Committee on Interstate and Foreign Commerce,
House of Representatives,
Washington, D. C.

DEAR MR. CHAIRMAN: This letter is in reply to your request of June 12, 1953, for the views of this Department with respect to House Resolution 283, a resolution which calls upon the Secretary of Commerce to furnish complete information with respect to whether there is any connection between tornadoes and explosions of atomic bombs.

The Department has been in very close touch with discussions on this subject during the past few years and has been engaged with the Atomic Energy Commission and the military services in some aspects of the subject. There is attached a concise statement by Mr. F. W. Reichelderfer, Chief of the Weather Bureau of the Department, on the views of that Bureau on the relationship between atomic tests and weather.

We wish to state that the extensive studies already made on this subject by this Department has resulted in no evidence that there is any casual connection between the explosions of atomic bombs and general weather conditions or severe storms, such as tornadoes.

We have been advised by the Bureau of the Budget that it would interpose no objection to our submission of this letter.

If we can be of further assistance in this matter, please call on us.

Sincerely yours,

SINCLAIR WEEKS,
Secretary of Commerce.

UNITED STATES
DEPARTMENT OF COMMERCE,
WEATHER BUREAU,
June 22, 1953.

STATEMENT ON WEATHER AND ATOMIC BOMBS

Although the Weather Bureau has no objection to proposed House Resolution 283, the sugestion of a relationship between atomic bombs and weather is of such significance that the executive agencies directly concerned, being mindful of the public interest, would be glad to make available the complete results of studies with or without passage of a formal resolution. The principal conclusions are summarized briefly below.

Since the program for testing atomic weapons first began, the Weather Bureau and other agencies have been vitally interested in any possible meteorological results of the explosions. Detailed meteorological studies have been made and except for very local (i. e., within a few miles) effects immediately following the explosions, no meteorological effects were observed which could be considered the results of the explosions.

The fact that a near record number of tornadoes has been reported in the spring of 1953 should not, in our opinion, be attributed to the recent tests in Nevada; the tornado frequency in 1952 was much less although atomic tests were carried out in that year too. Scarcely a year goes by without some record of heavy rain, drought, severe storm, etc., being observed somewhere in the world and the coincidence of one of the meteorological events with some of man's activities does not mean that any influence was exercised by man.

Although all the details of the tornado formation are not known, meterologists for years have recognized the characteristics which the atmosphere must have in order for tornadoes to form; and it can be said with confidence that the broad weather conditions existing over the United States the past spring were unusually favorable for tornado occurrences. For example, in May 1953, 97 tornadoes were reported, but in May 1933, a month which was quite similar to May 1953 in overall weather pattern in the United States, 91 tornadoes were reported and this occurred long before the advent of the atomic bomb. In May 1952, when atomic tests were in progress, only 36 tornadoes were reported.

By comparing the energy released in an atomic explosion with the energy involved in normal atmospheric processes and by studying the probable effects of the contaminants added to the atmosphere, we are led further to believe that no significant effects should be expected. For example, the energy released by the explosion of 1 atomic bomb of the type used at Hiroshima is approximately equal to that of the sun's rays falling on an area of 2 square miles of ground during an average day. The dust added to the atmosphere by the explosion is much less than that picked up by winds in a small dust storm over the Great Plains; furthermore, particles normally present in great number in the atmosphere, such as sea salt, are more effective as condensation and sublimation nuclei than explosion-derived particles even if the latter do carry electrical charges.

F. W. REICHELDERFER,
Chief, Weather Bureau.

GENERAL LEAVE TO EXTEND REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill H. R. 5456, and that I may extend my own remarks.

The SPEAKER. Is there objection?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this bill seeks to extend the authority for the Veterans' Administration to make direct housing loans for 1 year or until June 30, 1954. And further, it would authorize $100 million additional for the revolving fund for the purpose of making such direct loans, to be made in increments of $25 million each quarter. This authorization would be decreased by whatever the amount VA receives from the sale of previously made loans.

The loan rate for these direct loans is set at the same as for guaranteed home loans which, as you know, is 4½ percent. Authority is also granted to reduce the rate with concurrence of the Secretary of the Treasury when the loan market demands.

The maximum amount of any loan that can be made is $10,000 and the general regulation of the Veterans' Administration on this subject is that the loans are made only in nonmetropolitan areas where private financing institutions are unwilling or unavailable to provide such loans. Approximately 30,000 loans have been made with a default rate of four-tenths of 1 percent. The average amount loaned is $6,700.

It should be stressed that the Veterans' Administration is empowered to make a direct loan only after it is determined that private capital is not available to

finance the loan. Actually, two attempts are made to obtain financing from private sources before the Veterans' Administration will approve the loan if it meets the credit risk criteria.

Two days of hearings were held on this subject and the losses to date have been at such a low rate that the committee feels that it is fully warranted in urging favorable action upon this bill. I am of the opinion that the program has worked well, that the default rate has been extremely low, and that the entire program has been administered in a conservative manner.

Direct loan program as of Apr. 30, 1953

Regional office	Fully disbursed loans		Terminated loans				Loans outstanding	Loans in default [1]			Applications in process, funds reserved	Applications awaiting processing and veterans on waiting list [2]
			Sold		Repaid in full	Foreclosed or voluntarily conveyed		Total	Three or more installments			
	Number	Average amount	Number	Percent of fully disbursed loans					Number	Percent of outstanding loans		
Total	90,505	$6,709	1,490	4.8	279	30	28,776	728	154	0.5	9,554	23,460
Alabama: Montgomery	1,406	7,085	0	0	10	1	1,395	38	9	.6	286	904
Alaska: Juneau	372	6,656	0	0	5	0	367	20	4	1.1	64	180
Arizona: Phoenix	97	6,382	3	3.1	0	0	94	2	0	0	83	226
Arkansas: Little Rock	658	6,177	19	2.9	4	0	635	10	2	.3	225	91
California:												
Los Angeles	113	7,857	11	9.8	1	0	100	2	0	0	73	8
San Diego	175	6,058	0	0	3	1	171	2	0	0	44	21
San Francisco	321	6,822	0	0	4	0	317	7	4	1.2	208	199
Colorado: Denver	466	6,962	19	4.1	7	2	438	14	6	1.3	98	319
Connecticut: Hartford [3]	None											
Delaware: Wilmington [3]	None											
District of Columbia: Washington [3]	None											
Florida:												
Miami	57	8,366	0	0	0	0	57	1	0	0	67	66
Pass-A-Grille	520	7,444	9	1.7	2	0	509	3	0	0	151	382
Georgia: Atlanta	1,223	6,569	3	.2	11	1	1,208	36	4	.3	349	1,875
Hawaii: Honolulu [3]	None											
Idaho: Boise	216	7,152	77	35.6	0	0	139	2	0	0	58	23
Illinois: Chicago	944	5,730	128	13.6	6	3	807	24	2	.3	621	1,280
Indiana: Indianapolis	1,253	5,745	142	11.3	8	0	1,103	20	6	.6	160	1,046
Iowa: Des Moines	629	6,168	32	5.1	9	0	589	7	1	.2	293	323
Kansas: Wichita	312	6,664	135	43.3	1	0	176	4	2	.6	84	242
Kentucky: Louisville	2,243	6,238	0	0	16	6	2,221	29	11	.5	370	850
Louisiana:												
New Orleans	709	7,184	0	0	6	0	703	0	0	0	144	488
Shreveport	473	6,828	0	0	4	1	468	9	0	0	120	288
Maine: Togus	308	5,170	84	27.3	4	1	219	2	1	.3	99	128
Maryland: Baltimore	382	7,369	29	8.2	4	0	349	7	1	.3	65	163
Massachusetts: Boston [3]	None											
Michigan: Detroit	430	6,887	0	0	1	0	429	4	0	0	466	244
Minnesota: St. Paul	500	6,532	4	.8	3	2	491	18	4	.8	211	608
Mississippi: Jackson	1,251	7,097	18	1.4	3	3	1,227	53	4	.3	307	812
Missouri:												
Kansas City	444	6,557	6	1.4	7	0	431	3	0	0	79	783
St. Louis	576	6,416	7	1.2	8	0	563	6	1	.2	258	485
Montana: Fort Harrison	737	6,909	35	4.7	14	0	688	9	1	.1	67	662
Nebraska: Lincoln	395	6,692	6	1.5	9	0	380	0	0	0	105	179
Nevada: Reno	168	7,889	0	0	1	0	165	3	0	0	42	364
New Hampshire: Manchester [3]	None											
New Jersey: Newark [3]	None											
New Mexico: Albuquerque	460	7,502	0	0	1	0	459	6	1	.2	57	384
New York:												
Albany	62	6,179	2	3.2	1	0	59	5	1	1.6	25	0
Buffalo	69	6,051	31	44.9	0	1	37	1	0	0	24	3
New York [3]	None											
Syracuse	49	5,954	34	69.4	0	0	15	1	0	0	11	3
North Carolina: Winston-Salem	1,011	6,802	9	.9	3	0	999	31	3	.3	722	714
North Dakota: Fargo	452	5,902	71	15.7	7	2	372	6	1	.2	140	45
Ohio:												
Cincinnati	534	6,664	75	14.0	6	6	453	24	9	1.7	290	183
Cleveland	539	6,996	19	3.5	8	0	516	16	2	.4	202	1,631
Oklahoma:												
Muskogee	252	5,915	0	0	3	0	249	7	1	.4	73	42
Oklahoma City	209	6,896	13	6.2	0	0	196	9	2	1.0	57	66
Oregon: Portland	191	6,634	21	11.0	2	0	168	8	0	0	90	66
Pennsylvania:												
Philadelphia [3]	None											
Pittsburgh	555	6,545	60	10.8	4	0	491	8	1	.2	228	187
Wilkes-Barre	632	6,479	66	7.9	16	0	550	36	8	1.6	172	30
Puerto Rico: San Juan	224	8,222	0	0	2	0	222	5	0	0	97	552
Rhode Island: Providence	None											
South Carolina: Columbia	581	6,779	18	3.1	2	0	561	34	3	.5	236	573
South Dakota: Sioux Falls	499	6,710	14	2.8	15	0	470	14	2	.4	85	353
Tennessee: Nashville	905	6,258	21	2.4	5	2	837	28	5	.6	369	465
Texas:												
Dallas	360	7,087	0	0	2	0	358	0	0	0	161	0
Houston	372	7,055	0	0	2	3	367	16	6	1.6	108	42
Lubbock	392	6,848	0	0	3	0	389	16	5	1.5	81	415
San Antonio	128	7,248	0	0	0	0	128	0	0	0	54	1
Waco	256	6,417	0	0	4	0	252	3	0	0	122	194
Utah: Salt Lake City	213	6,966	5	2.3	5	0	203	1	0	0	74	215
Vermont: White River Junction	88	4,866	21	23.9	0	0	67	0	0	0	32	10
Virginia: Roanoke	1,570	6,966	0	0	11	1	1,558	13	5	.3	281	1,728
Washington: Seattle	179	7,020	1	.6	4	0	174	3	1	.6	85	64
West Virginia: Huntington	1,147	6,293	0	0	5	0	1,142	56	18	1.6	311	934
Wisconsin: Milwaukee	862	6,734	137	15.2	21	0	684	35	13	1.5	153	617
Wyoming: Cheyenne	167	7,453	75	44.9	1	0	91	0	0	0	42	106

[1] As of end of month.

[2] Applications on hand awaiting preliminary clearance plus veterans waiting to file applications.

[3] No portion of region eligible for direct loans.

EFFECT ON WEATHER OF CERTAIN ATOMIC BOMB EXPLOSIONS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the report by the Civil Defense Committee be printed as a part of the RECORD. It was not a privileged resolution, so it does not have to come back to the House. But the material is valuable, and I ask unanimous consent that it be printed in the RECORD at this point.

The SPEAKER. Is there objection?

There was no objection.

(The matter referred to follows:)

INQUIRING INTO THE EFFECT ON THE WEATHER OF CERTAIN ATOMIC-BOMB EXPLOSIONS

Mr. SHORT, from the Committee on Armed Services, submitted the following adverse report:

The Committee on Armed Services, to whom was referred the resolution (H. Res. 380) directing the Federal Civil Defense Administrator to furnish to the House of Representatives full and complete information about the effect on the weather of certain atomic-bomb explosions, having considered the same, report unfavorably thereon without amendment and recommend that the resolution do not pass.

FEDERAL CIVIL DEFENSE ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR,
Washington, D. C., June 19, 1953.

Hon. DEWEY SHORT,
Chairman, Committee on Armed Services,
House of Representatives.

DEAR MR. CHAIRMAN: This is in reply to your letter of June 12, 1953, requesting a report on House Resolution 380, 83d Congress, the provisions of which read as follows:

"*Resolved*, That the Federal Civil Defense Administrator is hereby directed to furnish to the House of Representatives at the earliest practicable date full and complete information with respect to whether there is any connection between the tornadoes which have recently occurred in the United States and the recent explosions of atomic bombs in the United States."

The Federal Civil Defense Administration has no information which originated within the agency as to the effects, if any, of the recent atomic bomb explosions upon the weather in this country. However, under date of June 18, 1953, advice was received from the Chief of the United States Weather Bureau that—

"During the past few years the Weather Bureau has been in very close touch with the Atomic Energy Commission and the military services on the possible effects of atomic bombs on weather. From extensive studies made on this subject by the Weather Bureau, no evidence has been discovered to show casual connection between the explosion of atomic bombs and general weather conditions or severe storms like tornadoes."

Substantially similar information has been received from the Atomic Energy Commission.

Advice has been received from the Bureau of the Budget that there would be no objection to the submission of this report to your committee.

Sincerely,

VAL PETERSON.

COMMISSION ON INTERGOVERNMENTAL RELATIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1514) to establish a Commission on Intergovernmental Relations, with a Senate amendment to the House amendment, and agree to the Senate amendment to the House amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

That the Senate agree to the House amendment with an amendment as follows: In section 2 (b) (1) of the House amendment, amend the proviso to read as follows: "*Provided*, That not more than nine of the members appointed by the President shall be members of the same political party."

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

Mr. PRIEST. Mr. Speaker, reserving the right to object, as I understand it, this is a simple change made by the Senate in language that does not affect or change the personnel or political affiliations of the members of this Commission. As I understand it, as the bill passed the House, the language provided that 9 members shall be of the majority party and 6 of the minority party. This language in the amendment is more or less the language usually used in connection with matters of this sort, merely stating that not more than 9 shall be of one political party.

Is that the understanding of the gentleman from Indiana?

Mr. HALLECK. I might say that it is. I recognize the validity of certain suggestions that were made. However, in the Senate it was called to our attention that it was not the language generally used, and it might produce complications or questions. So, to eliminate that possibility, this language was substituted. I agree with the gentleman it is the language that is ordinarily used in matters of this sort.

Mr. PRIEST. Mr. Speaker, I withdraw my reservation of objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, reserving the right to object, did the bill go to conference? Or was that necessary?

Mr. HALLECK. No. It was not necessary to go to conference.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The Senate amendment to the House amendment was agreed to, and a motion to reconsider was laid on the table.

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations have until midnight tonight to file a report on the bill H. R. 5228.

The SPEAKER. Is there objection?

There was no objection.

CHARTER OF CERTAIN VESSELS IN THE PHILIPPINES

Mr. JUDD. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Joint Resolution 88, to authorize the Secretary of Commerce to extend certain charters of vessels to citizens of the Republic of the Philippines, and for other purposes.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

Mr. PRIEST. Mr. Speaker, reserving the right to object, and it is not my intention to object, I wish the gentleman from Minnesota would explain to the membership the provisions of this resolution.

Mr. JUDD. Mr. Speaker, this is exactly the same resolution the Congress has passed several times previously to extend for 1 year the right of certain shipping companies in the Philippines to charter surplus vessels that we left in the Philippines at the end of the war. Most of the interisland shipping was destroyed, and these eight vessels represent about half of the present interisland shipping. The charterers must come to us each year to get extension of the charters. They have hoped and still hope to buy the vessels, and our Government would prefer to sell them. But such sale requires an amendment of the Ship Sales Act, and that legislation has not been passed; so their only recourse is to have this extension for 1 year of the right to charter the vessels.

Mr. PRIEST. As I understand, this was reported unanimously by the gentleman's committee.

Mr. JUDD. That is correct; it is a unanimous report.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. PRIEST. I yield.

Mr. VORYS. Is it not a fact that here is one time where the Foreign Affairs Committee brings to the House a bill whereby the United States collects some money?

Mr. JUDD. That is correct; this is one time when a Foreign Affairs Committee bill brings some money into the Treasury.

Mr. HOFFMAN of Michigan. If the gentleman will yield, what happened? Did we lend them the money in the first place and now they are giving part of it back?

Mr. JUDD. No; that is not the case.

Mr. HOFFMAN of Michigan. That I would like to see.

Mr. PRIEST. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That, notwithstanding any other provisions of existing law, the Secretary of Commerce is authorized to extend and continue the present charters of vessels to citizens of the Republic of the Philippines, which charters were made and entered into under the terms of section 306 (a) of the act of April 30, 1946 (Public Law 370, 79th Cong.), and which charters were extended by the Secretary of Commerce under the

terms of a joint resolution, approved April 30, 1952 (Public Law 327, 82d Cong.). Such charters may be further extended for such periods of time and under such terms and conditions as the Secretary may, from time to time, determine to be required in the interest of the economy of the Philippines, but any such charter shall contain a provision requiring that the vessel shall be operated only in the interisland commerce in the Philippines. No such vessel shall be continued under charter, as authorized herein, beyond the completion of the first voyage terminating after June 30, 1954.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUSING AMENDMENTS OF 1953

Mr. CHENOWETH. Mr. Speaker, by direction of the Commitee on Rules I call up House Resolution 304 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5667) to amend the National Housing Act and other laws relating to housing. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from Colorado [Mr. CHENOWETH] is recognized for 1 hour.

Mr. CHENOWETH. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. LYLE] and yield myself such time as I may require.

The SPEAKER. The gentleman from Colorado is recognized.

Mr. CHENOWETH. Mr. Speaker, this rule makes in order the consideration of H. R. 5667, a bill to amend the National Housing Act and other laws relating to housing. This bill comes to the House from the Committee on Banking and Currency by a unanimous vote of that committee.

This is very important legislation as it deals with several separate laws relating to housing, and contains amendments to present housing acts.

The bill amends several provisions of the National Housing Act, the Defense Housing and Community Facilities and Services Act of 1951, the Housing Act of 1950, the Housing Act of 1949, and the United States Housing Act of 1937, makes a technical change in the Defense Production Act, and provides for formal dissolution of the Home Owners' Loan Corporation.

Mr. Speaker, it is my opinion that this bill will reactiviate the mortgage market. We all know how difficult the mortgage situation has been in recent months. There are provisions in this bill which will make money more readily available for the financing of mortgages.

I will not take the time to go into the details of this bill. It is a very complicated bill and covers many subjects. It is important to act on this measure promptly. I wish to call the attention of the House to one provision which extends Federal aid for community services and facilities in critical defense areas for a period of 1 year. The present law will expire on June 30 and I want to see this program continued for another year. I am sure that many other Members are also vitally interested in this section. The bill will be fully explained by the members of the committee.

This is an open rule providing for 2 hours general debate, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency.

Mr. WICKERSHAM. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, I have no direct interest in the real estate business or building, but many of my constituents and homeseekers do. Because of this I wish to include the following letter:

NATIONAL ASSOCIATION OF HOME BUILDERS OF THE UNITED STATES,
Washington, D. C., June 11, 1953.

Hon. VICTOR WICKERSHAM,
House of Representatives,
Washington, D. C.

DEAR MEMBER: Washington housing picture in miniature:

Housing amendments of 1953 introduced containing no FHA down payment modification.

Furore over May 18 VA directive prohibiting warehousing grows hotter.

Deadlock over public housing volume for fiscal 1954 soon to be resolved.

General money supply still tight. Government fiscal policy key factor.

May housing starts take downturn, bearing out industry predictions.

HOUSING LEGISLATION BEGINS TO MOVE

An anemic housing bill, S. 2103, devoid of the much-needed reductions in FHA down payments, was dropped in the congressional hopper yesterday by Senate Banking Committee Chairman CAPEHART. A companion bill, H. R. 5667, was immediately afterward given the nod by Chairman WOLCOTT, of the House committee. Hearings in the Senate are scheduled for 4 days beginning June 15. House hearings will be scheduled soon as the legislators drive to beat the expiration dates of certain housing law provisions on June 30, 1953.

Having canceled his westward speaking tour in anticipation of imminent legislative action, NAHB President Manny Spiegel will vigorously present the builders' case in full, including recommendations for amendments the industry deems essential to keep housing production flowing in the coming months.

WHAT THE BILL CONTAINS

FHA insurance: One and a half billion dollars in additional FHA insurance authorization would be made available (by administrative discretion) for all titles except title I remodelling.

Military housing: FHA title VIII military housing would be extended for 1 year.

Fannie May—one-for-one: Express statutory authorization would be given to FNMA to enter into purchase contracts in amounts not exceeding the amounts of sales of mortgages purchased from FNMA (generally known as the one-for-one plan). Terms and conditions of the transaction would be determined by the FNMA Board of Directors. Such contracts would be binding commitments (unlike previous agreements), would eliminate the previous portfolio limitations of 50 percent, but under the bill would be limited to $200 million and the authority would cease July 1, 1954. (This follows in limited fashion a recommendation long advocated by NAHB.)

Defense housing precommitments: FNMA advance commitment authority would be extended to July 1, 1954, in case of programed defense housing, disaster housing and Wherry military housing.

Defense housing and community facilities: Community facilities aids under title III of the Defense Housing Act will expire June 30, 1953, except as to assistance in accordance with pending applications made prior to June 1, 1953. Aids to prefabricated housing under the Defense Housing Act and for publicly constructed housing will expire June 30, 1953. There would be a 1-year extension in the case of temporary housing required for Atomic Energy Commission installations.

Authority to program additional defense housing for title IX mortgage insurance would expire on June 30, 1953, but mortgages could be insured under that title where previously programed. However, following June 30, 1954, no mortgages could be insured under title IX except under a commitment made prior to that date or for refinancing.

Aids for the provision of sites for defense housing would be repealed, but requirements on builders of programed defense housing with reference to holding for rental or sale to immigrant defense workers and military personnel for certain periods would be preserved beyond the termination date.

WHAT THE BILL DOES NOT CONTAIN

FHA downpayments: No change in the present FHA downpayments is provided.

Amortization: No change in present mortgage amortization terms is authorized.

Home-building industry recommendations had included the provision of a modernized sliding scale for FHA mortgage insurance beginning with 95 percent of the first $8,000 of value plus 80 percent on the next $7,000, plus 60 percent of the following $5,000. On valuations between $20,000 and $25,000, mortgage was recommended to be a straight 80 percent of value. Thus, if the industry recommendations had been accepted, the family purchasing a typical $12,000 house would pay 10 percent, or $1,200 down, instead of the present 20 percent, or $2,400 down. Similarly, the $15,000 home would carry an $1,800 downpayment tag as compared to $3,000 presently.

In addition, the industry recommended a maximum 30-year amortization in order to ease the monthly payments. It was also recommended that: Title I, section 8, low-income family housing be made feasible by raising the mortgage limits to $5,700; that a firm commitment be provided the builder under section 203 of 5 percentage points below that available to the owner-occupant; that, in the case of new-conditioned existing housing under the trade-in program, owner-occupants be allowed mortgage amounts 5 percentage points below those for new houses under the above formula.

These and other recommendations will be strongly urged by your association's repre-

sentatives before the Banking and Currency Committees in testimony next week.

A BACKGROUND OF CONFLICT

Endorsed by the two Republican chairmen, the bills impliedly bear the Eisenhower administration stamp of approval. However, it is known that it falls far short of the bill some segments of the administration would have preferred to see introduced.

As pointed out in a recent press article, both HHFA and FHA are understood to have recommended lowering of FHA downpayments, extension of some mortgage amortization terms and general modernization of the rental-housing provisions. In the process of clearing proposed legislation with the Bureau of the Budget, the Treasury, the Federal Reserve Board and others, this progressive view was effectively squelched by the fiscal policy agencies, who flatly declared such moves inflationary. It is no secret that all elements in the Eisenhower administration do not see eye to eye on whether we are in danger of inflation or are now actually experiencing a deflationary trend.

The Federal Reserve Board points to the rate of housing starts and visualizes an acceleration in production of dangerous inflationary character if downpayments are relaxed. (Of course, the same argument was used to urge the retention of regulation X credit control until Congress, taking matters into its own hands, paved the way for its elimination. Incidentally, the dire results darkly forecast by that Board did not materialize.)

The hard-money policy must be maintained, according to certain fiscal experts in Government. Making it possible for more lower-income families to own their own homes (saving their money to make necessary downpayments and meet monthly carrying charges) these monetary authorities argue would be inflationary. The 3 out of 5 prospective purchasers being denied homes of their choice within their monthly income means, according to NAHB's recently completed 1,500-builder survey in 46 States, might find it hard to understand why they are so inflationary.

CONGRESS TO DECIDE

The people's representatives in Congress will have a chance now to decide whether they should have those homes. The members of both Banking and Currency Committees heard the case within a week; before June is over the entire Congress will have the same opportunity.

HOUSING STARTS SHOW CONTRASEASONAL DOWNTURN

May housing starts of 107,000 may be the tipoff to future production this year. It is significant that for the first time since 1939 when monthly housing starts were published (except for war periods of 1941 and 1942), May starts have fallen below those of April—110,000. In other years May starts have climbed toward new peaks, but not in 1953. This is proof that the 6-point program as outlined by NAHB leaders is needed if housing is to be kept at normal levels and is to remain the basic economic prop for the Nation's prosperity.

CONGRESSIONAL HEARING ON MAY 18 VA REGULATION

The May 18 regulation issued by the Veterans' Administration prohibiting warehousing, repurchase agreements, regulating charges and fees and governing the sale of VA loans has virtually halted the flow of GI mortgage money under current market conditions. The regulation was issued before an effective market under the new VA 4½-percent interest rate could be established. The timing was particularly unfortunate due to the simultaneous firming of general interest rates caused in large measure by the issuance of 3¼-percent 30-year Government bonds.

Except for lenders making loans in small volume or to individual borrowers to be serviced out of their own offices, virtually no large blocks of GI mortgage money are presently available. The impact of this condition is especially acute for project operators and for builders operating in the scarce money markets of the West and Southwest.

Continued discussions with the Veterans' Administration have failed so far to produce any relief. Vigorous protests to Congress, and particularly to the Veterans' Affairs Committee, have resulted in the setting of a hearing June 18 and 19 before its Housing Subcommittee, headed by Congressman WILLIAM AYRES, Republican, of Ohio. Witnesses are expected to include representatives of VA, lending institutions, and builders. President Spiegel will head your association's delegation appearing before this committee.

MORTGAGE MONEY SITUATION REMAINS CRITICAL

The most immediate and pressing problem facing builders today remains the shortage of mortgage money. Although especially acute in the GI market, this stringency affects the other programs as well. As previously reported, however, the condition of the mortgage market reflects a similar shortage of credit throughout business and industry. In large measure the result of the current hard-money policy, it is also a product of unusually high demands for credit resulting from greatly accelerated industrial and commercial expansion now under way and Government refinancing requirements.

There are few in Washington or elsewhere who will attempt to predict the outcome of this situation. Highly placed administration officials differ among themselves over the degree to which the present monetary policy should be pressed. Some argue that the braking effect of recent money policies should be continued in spite of the dislocations which may result. Others are equally strong in urging modification.

The outlook, therefore, appears to be a continuing period of uncertainty until the effect of present policies can be more accurately determined. A cautious policy would seem to be indicated on new business ventures during this period. Firm written financial commitments should be sought prior to the start of projects.

EXECUTIVE COMMITTEE MEETS

President Spiegel called the executive committee and past presidents to Washington for a meeting Sunday and Monday, June 14 and 15 to advise with him, other officers and staff on the presentation of our case to the congressional committees as well as our representations to housing agencies and fiscal policy officials. This month of June is unquestionably the most critical 30-day period we have experienced in some time.

Sincerely yours,

JOHN M. DICKERMAN,
Executive Director, National Association of Home Builders of the United States.

Mr. LYLE. Mr. Speaker, I yield to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I expect to make in the Committee of the Whole this afternoon and to include therein certain statements and excerpts.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LYLE. Mr. Speaker, I have no requests for time. The gentleman from Colorado has very ably presented the terms of this resolution.

Mr. CHENOWETH. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SERVICEMEN'S READJUSTMENT ACT OF 1944

Mr. AYRES. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 1993) to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, the veterans' direct home-loan program, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio [Mr. AYRES]?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That the first sentence of section 213 (d) of the National Housing Act, as amended, is hereby amended by striking "4 percent per annum" and inserting "4½ percent per annum, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at not to exceed 5 percent per annum,".

SEC. 2. The first sentence of the last paragraph of sections 803 (b) and 908 (b) of said act, as amended, is hereby amended by striking out "4 percent" inserting "4½ percent."

SEC. 3. Title III of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended as follows:

(1) The last proviso of section 500 (b) is hereby amended to read as follows: "*And provided further*, That the Administrator shall from time to time, with the approval of the Secretary of the Treasury, prescribe by regulation the maximum rates of interest, not exceeding 4½ percent per annum, which may be charged on loans guaranteed under this title. Any rate or rates so prescribed may be varied if in the judgment of the Administrator such variation will be to the advantage of eligible veterans and will aid the achievement of the purposes of this title;".

(2) By striking "4 percent per annum" from clause (C) of section 512 (a) and inserting "the rate currently in effect from time to time pursuant to section 500 (b) of this title" in lieu thereof.

(3) By amending the language of section 512 (b) which precedes the proviso to read as follows: "Loans pursuant to commitments made after the effective date of this enactment shall bear interest at such rate as may be then prescribed for guaranteed home loans, and in no event to exceed 4½ percent per annum and shall be subject to such requirements or limitations prescribed for loans guaranteed under this title as may be applicable:".

(4) By striking out "June 30, 1953" from clause (C) of section 512 (b) and inserting "June 30, 1954" in lieu thereof.

(5) By striking out "June 30, 1953" from the first sentence of section 513 (a) and inserting "June 30, 1954" in lieu thereof.

(6) By striking out "June 30, 1954" from the third sentence of section 513 (c) and inserting "June 30, 1955" in lieu thereof.

(7) By striking out "June 30, 1953" from the first sentence of section 513 (d) and inserting "June 30, 1954" in lieu thereof.

Mr. AYRES. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AYRES: Strike out all after the enacting clause and insert

the following: "That title III of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended as follows:

"(1) By striking out '4 per centum per annum' from clause (C) of section 512 (a) and inserting in lieu thereof 'the rate authorized for guaranteed home loans,';

"(2) By striking out 'of 4 per centum per annum' from section 512 (b) and inserting 'to be determined by the Administrator of Veterans' Affairs, not to exceed the rate authorized for guaranteed home loans, and in no event to exceed 4½ per centum per annum';

"(3) By striking out 'June 30, 1953' from clause (C) of section 512 (b) and inserting 'June 30, 1954' in lieu thereof;

"(4) By striking out 'June 30, 1953' from the first sentence of section 513 (a) and inserting 'June 30, 1954' in lieu thereof;

"(5) By striking out 'June 30, 1954' from the third sentence of section 513 (c) and inserting 'June 30, 1955' in lieu thereof; and

"(6) By striking out 'June 30, 1953' from the first sentence of section 513 (d) and inserting 'June 30, 1954' in lieu thereof.

"SEC. 2. The last proviso in section 500 (b), title III, of the Servicemen's Readjustment Act, as amended, is hereby amended to read as follows: '*And provided further*, That the Administrator, with the approval of the Secretary of the Treasury, may prescribe by regulation from time to time such rate of interest, not in excess of 4½ per centum per annum, as he may find the loan market demands'."

Mr. AYRES. Mr. Speaker, after completing extensive hearings, the committee decided that if veterans in the rural areas were to continue to be able to share the benefits of the GI housing program, it would be advisable to extend the direct loan bill. The bill provides for $25 million each quarter for the coming fiscal year. It is my hope that the Veterans' Administration will make every effort to see that the fund revolves.

Since the loans are guaranteed and a 4½-percent interest rate is permitted there is no reason why private lenders should not be interested in the mortgages.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed.

The proceedings by which the bill (H. R. 5456) was passed were vacated and that bill laid on the table.

A motion to reconsider was laid on the table.

HOUSING AMENDMENTS OF 1953

Mr. WOLCOTT. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5667) to amend the National Housing Act, and other laws relating to housing.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5667, with Mr. CORBETT in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, may I say briefly that the material changes in the several acts involved are found in a short summary in the report starting on page 4 and continuing through page 5. They are set up in numerical order so that by a reading of that summary the members of the committee will get pretty much what the bill provides for.

There are certain provisions of the different acts which are amended which expire next Tuesday night, June 30. It is desirable that it become law previous to June 30.

Some of the provisions which expire on June 30 are the Wherry Act, under which there has been a great deal of construction at military and naval installations and in the periphery of those installations. That work is largely sponsored by the Defense Department. Then there is the provision with respect to community facilities. In the same act there is provision for temporary housing in connection with Atomic Energy installations. That would expire, and it is desirable to continue it. Then the authority for the Federal National Mortgage Association which you will recall is the secondary market for mortgages, and which we refer to frequently as Fannie May. To precommit for the purchase of defense, military, and disaster housing mortgages expires on the 30th, and that is continued. The Federal Housing Authority, FHA, that is, its insurance authorization, has been nearly, if not quite, exhausted. This bill continues that authority and continues the authorization. This is an insurance authorization, and involves no appropriation. The bill increases the insurance authorization of FHA by a billion and a half dollars.

One of the primary purposes of this bill is to thaw out the mortgage money market. I believe that most of us have been made conscious by the correspondence which we have had and the conferences which we have had with our constituents that the mortgage money market has been very, very tight. This bill should thaw out that market to make available the credits which are necessary to build the housing for which there might be a demand this year.

That thawing out process in this bill is done in several different ways. We reactivate Fannie May as a secondary market by providing that Fannie May moneys shall be henceforth used as a revolving fund. By doing that we not only obviate the necessity for creating new capital for Fannie May, but we make much more flexible the market, because there is an assurance that for legitimate transactions there is going to be a secondary market. By this action it is expected that the mortgage money market will be put in such shape that there will be no longer any justification for such a tightening of real estate credit as to interfere with adequate production.

Mr. PATMAN. Mr. Chairman, will the gentleman yield for a question on this one-for-one proposition?

Mr. WOLCOTT. I have not got to the one-for-one yet, but I will yield anyway.

Mr. PATMAN. Suppose some of these mortgages are sold to a purchaser who does not desire to avail himself of the opportunity of selling back some later on. Would somebody else have the right to sell an equal amount to the Federal National Mortgage Association?

Mr. WOLCOTT. That may be done under regulation of the Board and of the Administrator of the Housing and Home Finance Agency. I do not think it would make very much difference except in respect to the limitation on the amount, because if it is found desirable for FNMA to liquidate any part of its holdings it can do so at any time, to get the moneys back into the fund, and there would not be any interference with the revolving features of the fund, whether the credit was used or not.

Mr. PATMAN. May I make myself a little plainer. Suppose the $500 million stays in here, like the House provided for it, and $500 million in mortgages have been sold. There is about $2½ billion in mortgages, I understand, with FNMA. The other $2 billion, we will just say they are sold. Of course, I doubt if anything like that would happen. They could use that other $2 billion as a revolving fund?

Mr. WOLCOTT. That is my understanding.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Will the amendment the gentleman will offer later lower the monthly payments and lengthen the payment period?

Mr. WOLCOTT. Yes. We give the President under certain circumstances the authority to decrease the downpayment and extend the amortization period, if he thinks it is necessary because of the condition of our economy to give impetus to home construction.

Mr. WICKERSHAM. I think that is a good idea.

Mr. WOLCOTT. I think perhaps I should take a moment to explain what is meant by the 1-to-1 program. Maybe I will oversimplify it, but it runs about like this: A builder would interest a financing institution, which is an accredited institution set up to service FHA and Veterans' Administration housing loans, which usually has a certain amount of funds which they invest in real-estate mortgages and also have an interest in earning on new mortgages. They come to FNMA and they agree to purchase "X" amount of mortgages from FNMA; for the purpose of illustration we will say $1 million of mortgages from FNMA. By committing itself to buy a million dollars worth of mortgages from FNMA, that financing institution gets a sort of line of credit with FNMA by which FNMA commits itself to buy from that builder or financing institution an equivalent amount in dollar value of mortgages.

Perhaps I should modify that somewhat to state that under the regulations, probably, they will not be given a commitment to buy the whole million. They will probably be given a commitment to buy perhaps 80 percent of the amount of mortgages they buy from Fanny May. This is considered a very orderly procedure for the liquidation of Fanny May holdings, and it also gives assurance that Fanny May is always going to have sufficient moneys available or authority available with which to buy this paper as a secondary market. So when a small-finance institution, in a small lo-

cality, wanting to invest some of its money in real-estate mortgages, comes down to Fanny May, and buys a number of Fanny May existing mortgages, they get a commitment from Fanny May which enables them to sell to Fanny May perhaps 80 percent, in new mortgages, of the amount that they bought. Fanny May can sell their mortgages probably at 2 percent over the market price, so it is a good deal for Fanny May. It is a good deal for the financial institutions because it makes available to them credits which can be passed on to their borrowers with the assurance that, if necessary, they can always sell to Fanny May a certain percentage of their mortgage portfolio.

I think by the enactment of the bill and the amendments which will be offered we will not only thaw out the mortgage-money market but we would like to think we will have reactivated the veterans' housing program.

I might say, in closing, the bill was reported out of the Committee on Banking and Currency by unanimous vote. Most of the committee amendments in the bill were reported out by a large majority, if not a unanimous vote of the committee. I might say, in addition, that a similar bill has been passed in the other body, with about 3 minutes of debate. The bill should not be too controversial. The bill is important in that it will assure a continuation of the housing program and construction of sufficient units to meet the demand during the period in which it is in effect.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

PROPOSED AMENDMENTS

Mr. PATMAN. Mr. Chairman, there is little opposition to any part of this bill. It seems to be the best we can get. It will be disappointing to those who are suffering from the lack of mortgage funds. More could be said about what this bill does not do than what it does. There were offered and adopted in the committee several amendments. I do not think any of them will be contested by members of the committee. There is one point that has come up to which I want to invite your attention, and that is about the amount of a mortgage on an individual home which is financed. As it is, under this bill, the limit is $12,000. I desire to invite your attention to the fact that prior to World War II, a $6,000 home required a 10 percent down payment, resulting in a $600 down payment on the $6,000 home. Now it takes a home of the value of $12,000 or $15,000 to be comparable to the $6,000 home. This 20 percent requirement on a $12,000 home would require a $2,400 down payment. That is four times as much as was required before World War II on a house of comparable value. Therefore, I think that this should be reduced to 5 percent for the amount of the down payment.

Mr. WOLCOTT, the chairman of the committee, I understand, is going to offer an amendment which would reduce it to 5 percent, within the discretion of the President. Heretofore that has not been in the law. It has not been left up to the discretion of the President, because it is quite a burden to put on the President, to require him to pass on that. And it will be the identical language that is in the Senate bill, and we will not have anything to trade on if an amendment like that is adopted. So I propose to offer a substitute.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. JENSEN. In the event that a veteran already has a lot on which he expects to build a home, is the value of that lot considered as part of the 20 percent?

Mr. PATMAN. I understand it is. I do not know what the recent rules are, but I understand they have been doing that in the past. Concerning the veterans' loans, in the committee the gentleman from Alabama [Mr. RAINS] offered an amendment to make available $650 million immediately to finance veterans' loans. There was a tie vote, 12 to 12, and therefore it was lost and it will not come up here on the floor, because it has been determined that the amendment will not be in order. Therefore, it will not be presented on this bill. And if it is presented as an amendment, I am sorry to say it will be held out of order.

Knowing that, the only opportunity we have to make sure that we are going to have a low downpayment for veterans and others is to adopt an amendment making it specific and definite and that a 5 percent downpayment only will be required. The reason I urge that is this. There is no money now in the mortgage market. It is absolutely dried up. This will have a tendency to unfreeze it—the low downpayment. I think it should be adopted.

The amendment that I shall offer will be one to make the mortgage not to exceed $15,000. In the present bill it is $12,000; also, to make the maturity 30 years instead of 25 years, and the amount of the downpayment 5 percent. That is the amendment that I shall offer. If Mr. WOLCOTT offers his amendment—of course, he will have priority in recognition—I shall offer mine as a substitute, and I hope it will be adopted; because then we will know that not more than 5 percent will be required; that the amount of the mortgage may go up to $15,000 instead of $12,000 and it may run for 30 years instead of 25 years. These are safe provisions. They are advocated by people in the housing business who know what they are talking about, who have been in it for years and years, and even decades, who have had decades of experience. There will be no risk.

I do not want to take up the time of the Committee, because I know the Chairman is anxious to get this bill through so it can be considered in conference Monday the 29th. There is not much controversy about it. I want to cooperate with him; but I did want to advise the House about this amendment.

Mr. GROSS. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Iowa.

Mr. GROSS. I understand that this provides for an interest rate of 4½ percent.

Mr. PATMAN. I understand that it does.

Mr. GROSS. We passed a bill in the House a couple of days ago providing 3 percent interest rate on money owed the Government, in the sale of these rubber plants; is that correct?

Mr. PATMAN. That is right.

Mr. GROSS. The gentleman voted for that bill, I understand?

Mr. PATMAN. I voted against that bill. I made a motion to recommit the bill, and in order to be recognized I had to say that I was against it, and I was against it.

Mr. GROSS. This bill carries a 4½ percent interest rate and yet there is a 3 percent interest rate for those who were going to purchase the rubber plants.

Mr. PATMAN. I know it is inconsistent. I know if it were left to me there would not be 4½ percent in this bill but, I would support a market for these mortgages.

Mr. DOYLE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. DOYLE. Is not the fact however that the provisions of the rubber plants sale bill provided that the interest rate be not less than 3 percent?

Mr. GROSS. That was under some compulsion. I think everyone understands that the interest rate will be 3 percent.

Mr. PATMAN. Yes; it is written so it will be not less than 3 percent, but I think the gentleman has brought out a good point there.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from California.

Mr. McDONOUGH. The gentleman will admit that the amounts of money involved are somewhat different. In the sale of the rubber plants it will run into the millions while in this instance it will not exceed $15,000.

Mr. PATMAN. We have already 2½ billion in FNMA loans, so it will run much higher than the rubber business.

TESTIMONY OF AMERICAN BANKERS ASSOCIATION WITNESS

I desire to invite attention to the testimony of Mr. Burns, of the American Bankers Association, which covers some important matters including the following:

First. Policy of Federal Reserve System in refusing to support Government bond market at par, and the effect of the policy.

Second. The $100 million subsidy to the banks paid out of funds belonging to the Government, showing inconsistency of his testimony.

Third. How banks are subsidized by their depositors and by the Government, showing further inconsistency of his testimony.

Fourth. Incorrect testimony presented.

Excerpts from the testimony on the housing bill are as follows:

STATEMENT OF WENDELL T. BURNS, PRESIDENT, SAVINGS AND MORTGAGE DIVISION, AMERICAN BANKERS ASSOCIATION

The CHAIRMAN. Our next witness is Mr. Wendell T. Burns, president, savings and mortgage division, American Bankers Association.

You may proceed, Mr. Burns.

Mr. BURNS. Mr. Chairman and gentleman, I have a prepared statement I would like to read, and then I will try to answer such questions as you would like to ask me.

My name is Wendell T. Burns. I am senior vice president of the Northwestern National Bank of Minneapolis, and I am appearing today on behalf of the American Bankers Association as president of its savings and mortgage division.

* * * * *

BANKS BORROW 100 ON BONDS COSTING 91

Mr. PATMAN. I want to ask some questions, Mr. Chairman.

Mr. SPENCE. I would like to know who made that order that the banks can retain in their portfolios securities of the United States at par when they have gone to 90? What authority do they have to do that?

Mr. BURNS. I can't answer the specific question.

Mr. PATMAN. No authority. They just assumed the power.

Mr. BURNS. That undoubtedly is right, Mr. PATMAN. They had the power to issue the regulations, and they did. It has been in effect for many years.

Mr. MULTER. Will the gentleman yield at that point?

Mr. PATMAN. I yield.

Mr. MULTER. I would like to have you clarify this situation that was presented by Congressman DEANE.

You have told us about how they determine what the possible loss on his bonds would be if he bought them at a hundred and the market value is now 90, and he is trying to borrow money from a correspondent bank. But on what basis will the correspondent bank take that security, the market value or the amortized value?

Mr. BURNS. They will take it on the market value but most of these banks borrow from the Federal Reserve bank, and they take those bonds at par. They have been doing so.

Mr. MULTER. And the same thing would apply if a bank went out on the market and bought them at 90, then they could still borrow at a hundred from the Federal Reserve bank.

Mr. BURNS. That would be up to the Federal Reserve, but I think they could. But they have the authority to require what margin, if any, they wish, as I understand it, or refuse to make a loan to the bank. So the Federal Reserve has the authority to make such adjustments as it sees fit.

Mr. MULTER. But today what they are doing is they are taking the bonds and lending against them at par, whether they are bought under par or over.

Mr. BURNS. That is right, but, of course, as far as member banks are concerned, the Federal Reserve is not taking any undue risk.

Mr. MULTER. So at least to that extent the market is still pegged by the Federal Reserve, for the banks?

Mr. BURNS. I suppose you might call it that.

Mr. MULTER. Thank you.

Mr. PATMAN. Mr. Chairman.

The CHAIRMAN. Mr. PATMAN.

Mr. PATMAN. Mr. Chairman, this gentleman represents the great American Bankers Association, and I am going to ask him questions.

The CHAIRMAN. I hope you can confine your questions to the issue.

Mr. PATMAN. They will be confined to the issue, Mr. Chairman. I assure you the questions I ask him will be taken from his statement. But they will require some time.

The CHAIRMAN. You may go ahead as long as you want to.

Mr. PATMAN. All right.

Now, about the interest rates on these bonds——

The CHAIRMAN. I may say we have four other witnesses here today.

Mr. PATMAN. I can't help that Mr. Chairman. I have to ask these people questions, and I assure you I will not ask questions which are not material.

The CHAIRMAN. It has been the policy to allow you all the time you want, so we will go ahead. You may proceed.

Mr. PATMAN. About these 3¼ percent bonds, as compared to the long-term 2½ percent bonds. Isn't it a fact that if these 2½-percent bonds go down to where they compare favorably, as to interest earned, with the 3¼s, that they will have to go down to 88?

Mr. BURNS. Well, that presupposes, if I may say so, Mr. PATMAN, that the shorter 2½-percent bonds would sell on the same yield basis as the longer 3¼s. I haven't figured whether your 88 would be the exact figure or not.

Mr. PATMAN. That is the information I have received.

Mr. BURNS. But in line with the market, I think it is reasonable to suppose that these 3¼s have been out long enough now that those who hold the 2½s, or that the market on the 2½s is pretty well adjusted to the 3¼s right now. If the 3¼s go down more, then the 2½s will go down more. I am reasonably sure of that.

Mr. PATMAN. It is the policy of the banks to have a provision or clause in their contracts, or their notes with their customers, to the effect that if the rediscount rate of the Federal Reserve Bank goes up, that the interest rate on that obligation will go up?

Mr. BURNS. I doubt if that is so, Mr. PATMAN. I think that the banks, in their short-term loans, generally have either time loans or demand loans. If they are payable on demand and the rate goes up, then the banks can raise the rate immediately. If they are time loans, it runs at the same rate until the time is up.

There may be some cases, sir, on what we call term loans that run over a period of several years, there may be some provision of that sort, but those are very exceptional cases, I think it is fair to say.

Mr. PATMAN. They are exceptional, you say.

Now, these bonds that we were talking about, which have gone down to 90—they went down to 89, but they came back up to 91. If a bank wants money on those bonds it can go to the Federal Reserve Bank and get a hundred cents on the dollar in money, can't it?

Mr. BURNS. Not in money.

Mr. PATMAN. By paying the rediscount rate of 2 percent.

Mr. BURNS. You mean we could borrow against them.

Mr. PATMAN. What is that?

Mr. BURNS. We could borrow against them.

Mr. PATMAN. That is what I mean, the bank borrowing from the Federal Reserve.

Mr. BURNS. But the Federal Reserve has a right to require a margin if they wish or they can refuse to make the loan.

Mr. PATMAN. I know. But we are talking about under the existing rules and regulations.

Mr. BURNS. I think that is correct, as far as I know.

Mr. PATMAN. Suppose the gentleman from Kentucky here had $10,000 worth of bonds, and he sold them to the bank for $9,100. That is the market value today. Then the bank could turn right around and put those bonds up to the Federal Reserve and get $10,000 in new money for them, by paying 2 percent interest on that money; isn't that right?

Mr. BURNS. I think probably that is theoretically correct——

Mr. PATMAN. Well, it is either right or wrong. Which is it?

Mr. BURNS. Well, Mr. PATMAN, I will explain it this way, if I may.

Mr. PATMAN. Yes, sir.

Mr. BURNS. Banks don't hold many of those long-term bonds.

Mr. PATMAN. Well, you are getting clear off the subject. I asked you a definite question.

Mr. BURNS. All right, I am back to answer it.

Mr. PATMAN. You can answer it "Yes" or "No." My question is, if the gentleman from Kentucky bought $10,000 worth of 2½ percent bonds, and he paid $10,000 for them, and they went down to 91, where he takes the bonds and sells them to a bank, and the bank pays him $9,100 for them. That bank can take those bonds and put them up with the Federal Reserve, being a member of the Federal Reserve System, and receive back $10,000 in money for them, by paying 2 percent interest, can it not? Not in advance. Two percent interest on the obligation?

Mr. BURNS. I can't answer that question and give the right impression——

Mr. PATMAN. It is either right or wrong.

Mr. BURNS. Yes, but I can't give the right impression by answering "Yes" or "No." The answer is "Yes," but the Federal Reserve has the right to refuse a loan, it has the right to require a margin, and the great majority of the securities that are put up with the Federal Reserve are not those 2½s because the banks don't hold them, they are these short-term series, short-term bonds, and so forth.

Mr. PATMAN. The answer to my question is under existing rules and regulations and practices, the answer is "Yes," the bank can do that?

Mr. BURNS. That is correct, but I am sure if the Federal Reserve were getting any great amount of them as collateral they would begin to change their rules.

EXPANSIONS OF MONEY 16⅔ TO 1 ON SAVINGS

Mr. PATMAN. Yes. All right.

You represent the savings part of the American Bankers Association. What is the reserve required on savings now?

Mr. BURNS. Six percent.

Mr. PATMAN. That is clear across the board?

Mr. BURNS. For member banks.

Mr. PATMAN. Six percent?

Mr. BURNS. Correct.

Mr. PATMAN. Now, the fractional reserve on the other, the commercial banks, it varies from about 14 percent to about 26 percent, doesn't it?

Mr. BURNS. The regulations in effect are 14 percent for the country banks, 20 for the reserve cities, 24 for the central reserve cities, but the Federal Reserve could put it up to 26 for Chicago and New York.

Mr. PATMAN. They are talking about fighting inflation all the time, but they could increase the reserve requirements on the central banks, but they haven't done that; have they?

The CHAIRMAN. Chicago and New York?

Mr. PATMAN. That is right, but they are the two most powerful. Isn't that right?

Mr. BURNS. Well, not coming from a New York bank, far be it from me to put in a plea for them, but actually they are putting up a reserve now that is substantially higher than that of any other banks, 24 percent instead of 20.

Mr. PATMAN. Well, these proportional fractional reserves are traditional. They have come down over a long period of time, haven't they?

Mr. BURNS. That is correct.

Mr. PATMAN. And you are talking about a change now, aren't you? You are talking about changing the reserve requirements on the central banks?

Mr. BURNS. No, I wasn't.

Mr. PATMAN. I thought you were, excuse me.

Mr. BURNS. No, I didn't mean to refer to that.

EXPANSION OF MONEY 6 TO 1 ON RESERVES BEHIND DEMAND DEPOSITS

Mr. PATMAN. Now, then, the savings departments of the commercial banks last year, of those that belong to the Federal Reserve banking system, made loans and investments equal to about $30 billion, didn't they?

Mr. BURNS. Well, I don't know how to answer that question.

Mr. PATMAN. Well, I can assure you that that is approximately correct.

Mr. BURNS. In relation to the savings?

Mr. PATMAN. Yes, the savings part, about $30 billion, and the other about $120 billion, the commercial part of the banks.

Mr. BURNS. Well, that would include all resources of the commercial banks practically, if you take those figures.

Mr. PATMAN. That is right.

Mr. BURNS. That would be loans, Government bonds, everything.

Mr. PATMAN. In other words, there is about $150 billion, between commercial and savings, in loans, and the savings part was about $30 billion.

The exact amount, I asure you, is not too material, but the point is that on an investment of $30 billion, on Government bonds or anything else, you were only required to have on hand $1.8 billion weren't you?

Mr. BURNS. Six percent.

Mr. PATMAN. Six percent?

Mr. BURNS. That is right.

Mr. PATMAN. In other words, on that basis of $1.8 billion reserve you could buy Government bonds equal to $30 billion couldn't you?

Mr. BURNS. Accepting that figure, yes.

Mr. PATMAN. And continue to get interest on it?

Mr. BURNS. That is right.

Mr. PATMAN. And you have been doing it in the past, haven't you?

Mr. BURNS. That is right.

Mr. PATMAN. So just a little percent interest, when you multiply the 16⅔ times goes a long way, doesn't it?

Mr. BURNS. I think this is true, though, that you would find that the banks generally don't find their operations of their savings accounts particularly profitable.

Mr. PATMAN. Well, they ought to, lending the money 16⅔ times for every dollar they have, and you are advertising your savings accounts, aren't you?

Mr. BURNS. A great many banks are.

Mr. PATMAN. All right.

Let us turn to the commercial side of it. They make their loans equal to about $6 to every dollar on hand, on an average, don't they?

Mr. BURNS. That is right.

Mr. PATMAN. And you stated here that you are against subsidies of all kinds, and you are, aren't you?

Mr. BURNS. Yes.

Mr. PATMAN. Don't you think that you are being subsidized by the depositors of the country when the American Bankers Association got a provision written into law which has remained on the statute books, and has not been repealed, which denies a depositor any interest whatsoever when it is a demand deposit? Don't you think that is a subsidy from the depositors of this country?

Mr. BURNS. I don't know how that happened to be written in the law in the first place.

Mr. PATMAN. Well, it is there. You know it is there. My information is that the American Bankers Association sponsored it.

Mr. BURNS. It has been there since the thirties, I believe.

Mr. PATMAN. And you don't advocate its repeal, do you?

Mr. BURNS. If that were to be repealed, and interest were paid on demand deposits, undoubtedly interest rates would rise or otherwise banks wouldn't be able to exist.

Mr. PATMAN. Well, it is a good way to fight inflation, too, to induce people to keep their money there and not spend it and at the same time give the poor depositor a little bargaining power with the banks. If the banks were fighting for these deposits the depositors might not have to pay such high service charges, and they might get a little interest now and then instead of being compelled to furnish these deposits free of charge.

STRONG BELIEVER IN BANKS GETTING FAIR PROFIT

The commercial banks, under the law, get all their demand deposits, absolutely free, and the Government is one of the main losers in that, too. Over the years, the Government keeps a lot of money in these banks, and in the past the banks had to pay interest on those deposits. But now the Government does not get one penny out of it, and the banks get a subsidy from the Government that way.

Don't you admit that is a subsidy?

Mr. BURNS. May I put it this way, Mr. PATMAN: We believe in a strong banking system. We don't believe we can have a strong banking system in this country unless the banking system operates at a profit.

Now, the margin of profit the banks make upon their invested capital is not large in relation to other industries, so that, whether the system is set up by the Reserve system we have or some other system, if banks are going to perform their functions and be able to take care of their customers in their communities, they are going to have to be able to operate a sound basis, and that means they have got to operate at some margin of profit.

Mr. PATMAN. You won't have any difficulty with me on that. I am a strong believer in the competitive system, too. Do you believe that?

Mr. BURNS. Certainly.

Mr. PATMAN. Why aren't you in favor of these banks competing with other banks in getting these deposits, then?

Mr. BURNS. We think there is a lot of competition going on for deposits.

Mr. PATMAN. You can't pay interest on a demand deposit. How can you have competition?

Mr. BURNS. There are plenty of other ways.

Mr. PATMAN. What are other ways?

Mr. BURNS. Service.

Mr. PATMAN. Service?

Mr. BURNS. Yes, sir. Service and your ability and willingness to take care of your customers who are borrowing customers.

Mr. PATMAN. You charge people for keeping their deposits, unless they do so much business or keep so much on deposit, don't you?

Mr. BURNS. We try not to lose money on any account. And if the accounts are too small, or too active, it requires some small charge. Otherwise we are going to do a lot of bookkeeping for individuals at a loss to the bank, and if the bank is going to make a margin of profit it means that that loss has to come out of somebody, and the logical thing is for the person who is getting the benefit of the service to pay it.

WHAT ABOUT SUBSIDIES TO BANKS?

Mr. PATMAN. Another question on this subsidy business. You said you were opposed to subsidies. There are hundreds of billions of dollars worth of checks cleared annually, and they are cleared through the Federal Reserve Banking System.

Mr. BURNS. That is right.

Mr. PATMAN. And the other day on the floor of the House this question came up, and I made the statement that the Government was paying for the clearing of these checks, and the gentleman from Michigan, the distinguished chairman of this committee, took issue with me at first, and said that possibly I was wrong about that, that under the law, and he read me the law, and it is in section 16, subsection (14), I believe—that when these checks are cleared the Federal Reserve Bank shall require that people receiving the service to pay the cost of that service.

Well, I couldn't answer that right off, because I didn't know what the answer was, but since that time I have looked into it, and for his information, too—I haven't had an opportunity to talk with him since that time, and I know he will be interested in this—they did make the charge for a while, but all at once they stopped doing it, and now it is costing Uncle Sam—you, a taxpayer—they are going into your pocket and into the pockets of other taxpayers of this country and paying out nearly a hundred million dollars every year to clear your checks and the checks of other privately owned banks in the Nation.

Now that is a complete subsidy. Are you in favor of that?

Mr. BURNS. Offsetting that, the Federal Reserve has these reserves deposited with the Federal Reserve banks.

Mr. PATMAN. But they can't use them.

Mr. BURNS. They invest them in Government bonds.

Mr. PATMAN. You are mistaken about that. You are getting off now. That is not accurate. You can't invest reserves of the Federal Reserve banks in Government bonds. They have no reason to invest reserves.

Mr. BURNS. Well, we are getting quite a way from mortgages, but the Federal——

Mr. PATMAN. I know, but we are on subsidies. You mentioned the subsidy matter in your statement as being against all subsidies.

Mr. BURNS. All right. The Federal Reserve Board, however, does invest its surplus funds in United States Governments.

Mr. PATMAN. Oh, no; the Federal Reserve banks?

Mr. BURNS. Sure.

Mr. PATMAN. Why, of course not. They can't invest these reserves. They have got to be kept right there intact, and they have no power to invest them. None. You are wrong about that, my friend. The Federal Reserve banks trade printed money—Federal Reserve notes—for the Government bonds they buy. In other words the money is created by the Federal Reserve banks for that purpose. It is done under their power to create money.

You represent the great American Bankers Association, but they had better get you straight because you are wrong about that.

Mr. BURNS. No, Mr. PATMAN; I understand perfectly what you are talking about. The Federal Reserve banks are required to keep a reserve in gold certificates.

Mr. PATMAN. No; I am not talking about that at all.

Mr. BURNS. But beyond that reserve, they invest their funds in Government securities.

Mr. PATMAN. No; you are getting clear off. My question was a very simple one, and that question was that the United States Government is paying for clearing your checks. They are paying for shipping you money, and shipping money away from your place of business. They are paying the telegraph and telephone expenses, and for mailing charges, and for guards; and they are paying for the thousands of employees in these buildings, doing nothing except clearing your checks, the checks of the bankers of this country, and it is costing nearly a hundred million dollars a year. This is public money that is being used.

Now, the Federal Reserve banks require the Treasury, and the RFC, and all these other agencies, to pay the cost of this, but they are not requiring the commercial banks to pay a penny of it.

Now, that is a subsidy. Are you in favor of changing that?

Mr. BURNS. Well, I don't think I care to make any statement about that.

Mr. PATMAN. Well, I want the answer of the American Bankers' Association, so I am asking you now.

Mr. BURNS. That is a matter for the Federal Reserve Board to decide. They are the ones that put it in operation.

Mr. PATMAN. Oh, no; I am asking you now to give us an answer, for your association, as to whether you favor a continuance of that subsidy for clearing those checks. And do you, the American Bankers Association, favor a continuance of the policy of destroying the competitive and free enterprise system, if you please, in this country, by not permitting banks to compete for demand deposits. I want the answer of your great association to those two questions.

Mr. BURNS. Mr. PATMAN, there is competition for these deposits by banks.

Mr. PATMAN. Not in interest rates.

Mr. BURNS. No; and that is because the Congress passed a law providing for that.

Mr. PATMAN. Well there must be some favoritism then, and I am against secret discounts, you know, and secret ways of doing business.

The CHAIRMAN. I think the witness, Mr. Patman, should have an opportunity to answer your question. He has tried several times to answer.

Mr. PATMAN. Excuse me, Mr. Chairman. I appreciate the suggestion.

Mr. BURNS. Well, I was going to say, that I think that that provision about no interest—and I am not sure of this, Mr. PATMAN, but I think it went into operation in the thirties, at a time when there was considerable movement in the direction of lower interest rates——

Mr. PATMAN. Well, I don't think lower interest rates had anything to do with it. That is before we had guaranty of bank deposits, or it is about the same time, really, 1935, I think. I think it was in 1935.

At any rate, they claimed that the banks—they didn't say this but I will say it—that some of the banks were a little bit too weak in competition, that they would bid more than they should bid and jeopardize the assets of their respective banking institutions and they wanted to protect the bankers from themselves by denying the opportunity of paying interest on demand deposits so there would be no competition.

Mr. BURNS. That may be.

Mr. PATMAN. Now that sounded pretty good back then when you had no guaranty of bank deposits, but now, with the guaranty of bank deposits, that excuse is no longer any good, and why shouldn't you return to the private enterprise system? You bankers are always talking about competitive private enterprise. Why don't you return to competitive private enterprise?

Mr. BURNS. Mr. PATMAN, there is plenty of competition between banks for deposits.

Mr. PATMAN. Well——

Mr. BURNS. Let me add one thing.

Mr. PATMAN. All right.

Mr. BURNS. We can pay interest, you know, on deposits, if we want to issue certificates that run 3, 6, 9, and 12 months, and it is simply a matter of whether the banks, from a competitive point of view, think it is desirable to do that.

Mr. PATMAN. I am talking about demand deposits. How do you compete for those?

Mr. BURNS. Our customer can take his demand deposits, if the bank is willing to pay him interest and put it into a certificate that runs 3, 6, or 9 months.

Mr. PATMAN. Then it is no longer a demand deposit?

Mr. BURNS. The law doesn't prevent us from paying interest to corporate accounts.

Mr. PATMAN. I am talking about demand deposits. You say you compete for those. What you are talking about any bank can do. I am talking about how you can compete for demand deposits.

Mr. BURNS. I am telling you there is plenty of competition.

Mr. PATMAN. Tell me one way in which you compete.

Mr. BURNS. On the basis of service, and on the basis of your ability and willingness to make loans to your customers and take care of their requirements.

You, Mr. PATMAN, I think would rather do business with a bank, if you were in business and needed to borrow money from time to time, with a bank that you thought would be willing to take care of your requirements, would be helpful in suggestions, from a financial point of view, to your business.

Mr. PATMAN. Well, of course, all banks claim to do that.

Mr. BURNS. That is right; that is where the competition is.

Mr. PATMAN. All banks claim to do that.

Mr. BURNS. It is in service and ability and willingness to take care of your customers' requirements. And there is plenty of competition on that, I assure you.

* * * * *

ANSWER OF AMERICAN BANKERS ASSOCIATION WANTED

Mr. PATMAN. Well I want you to get me the answer to those two questions, and I will be sitting right here on the edge of my chair waiting for them.

Mr. BURNS. I thought I had answered pretty near everything you asked me but maybe I haven't.

Mr. PATMAN. I want to get the answer of the American Bankers Association about the continuation of this subsidy for clearing checks and also about continuing the policy of not paying interest at all on demand deposits.

Mr. BURNS. To that I would say that we can live within the framework of the type of legislation that Congress might wish to pass in that respect.

Mr. PATMAN. Beg pardon?

Mr. BURNS. As far as the charges for checks and that sort of thing are concerned, I have tried to point out that at the same time we are required to carry a very substantial portion of our deposits over at the Federal Reserve as a reserve.

Mr. PATMAN. But it doesn't help the Reserve bank any. There is the point.

Mr. BURNS. No, Mr. PATMAN, I think it does help them.

Mr. PATMAN. How does it help them? There is no money issued on the strength of it. There are no bonds bought on the strength of it.

ABSOLUTELY WRONG ABOUT USE OF RESERVES

Mr. BURNS. Yes, sir, bonds are bought on the strength of it. That is the point I am trying to make. Bonds are bought on the strength of it.

Mr. PATMAN. No bonds are bought on the strength of these reserves. If you didn't have the reserve in the Federal Reserve bank you would have to keep them in your own vaults or in somebody's vault and you couldn't loan them out.

Mr. BURNS. Well just for the sake of argument, if we were permitted to carry them in our own vaults and put them in United States Government bonds that would greatly increase our earnings, but instead we are required to put them over at the Federal Reserve bank and a substantial part of those are put in Government bonds.

Mr. PATMAN. You would have your reserves doing double duty that way.

Mr. BURNS. Well I come back to the point that the banking system has been set up on a basis where the banks are permitted, and are making, only a moderate return on their capital, and if they don't make it in one way or another, they can't exist.

Mr. PATMAN. Well I am all for that but if you will look at the books for last year, you will discover that they made a pretty good return. Capital stock is one, undivided profits is another.

Mr. BURNS. That is right.

Mr. PATMAN. And surplus is another.

Mr. BURNS. That is right.

Mr. PATMAN. But now, just capital, let's take that. Just the capital stock in the banks last year, I would suggest you would find that they made from 27 to 30 percent return on that capital stock. That is not bad in anybody's book.

Mr. BURNS. But, Mr. PATMAN, you have to take the total capital funds to arrive at a fair return.

Mr. PATMAN. All right. Even then you had a good return, around 8 percent, counting everything.

Mr. BURNS. But a return that would be less than the general run for business.

Mr. PATMAN. But just on the capital stock, that is the part that is tied up, for that institution. The undivided profits you can put that out at any time. But if you exclude undivided profits and surplus and just take it on the capital stock, it is from 27 to 30 percent return last year.

Mr. BURNS. But you recognize we ought to have a return on all of our capital, I am sure.

Mr. PATMAN. But why not put it in the capital stock? If you are entitled to a return on the——

Mr. BURNS. That is a matter of policy for the individual bank.

Mr. PATMAN. Don't you think it would be better for them to put it in as capital stock?

Mr. BURNS. Most of it is in capital or surplus, and for all practical purposes in the operation of a bank, it doesn't make much difference.

Mr. PATMAN. I want the banks to earn plenty of money; I want them to do well and be profitable; they have a great obligation to the people and they must always be ready to assume that obligation; they are very necessary and useful, indispensable institutions; I wouldn't do a think to harm them or destroy them, but I want them to recognize that they owe the public a little service, and that they owe a little service to their Government because they are subsidized by their Government. They have always rendered fine service to the Government in time of war as well as in time of peace, which we will not forget. At the same time the banks must not forget they possess valuable privileges and receive great benefits from the Federal Government and from the people.

Mr. BURNS. Mr. PATMAN, I think we will agree——

PRETTY GOOD BONUS

Mr. PATMAN. They are subsidized by both the Government and the depositors. The depositors subsidize them because they don't get any interest on demand deposits; the Government subsidizes them because they clear their checks for a hundred million dollars a year and let them buy bonds, $30 billion of the bonds for a billion eight hundred million dollars, and draw interest on that $30 billion. So that is a pretty good bonus.

Mr. BURNS. I think I would say just this one thing further. I am sure—and I can't speak for the American Bankers Association because I am only one individual—but I am sure that the banks of the country are perfectly willing to be competitive in their field and are competitive and are perfectly willing to pay such charges in the operation of the business that they should be charged.

Mr. PATMAN. That is all, Mr. Chairman.

(For statement of Hon. WRIGHT PATMAN, entitled "Why Law Refusing Payment of Interest on Demand Deposits Should Be Changed," see p. 205.)

Mr. MULTER. Mr. Chairman.

The CHAIRMAN. Mr. MULTER.

Mr. MULTER. Mr. Burns, you have been asked some questions with regard to what the Treasury did before it issued the 3¼-percent bond issue. I don't think it is quite fair to ask you to give their thinking of what they did, because you are not in that department, but I would like to ask

you to tell us, if you can, and name for us, if you can, a single bank, insurance company, or financial institution of the country that was approached by anybody on behalf of the Treasury Department, if you know, and asked whether or not they would take any part of the billion-dollar bond issue at 2¾, 2⅞, or 3, or 3¼ percent, before the Treasury issued the 3¼-percent bonds.

Mr. BURNS. Of my own knowledge I can't answer that question. By hearsay, I understand that they did check the market to see what they could do.

STATEMENT OF HON. WRIGHT PATMAN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS

WHY LAW REFUSING PAYMENT OF INTEREST ON DEMAND DEPOSITS SHOULD BE CHANGED

It is my suggestion that serious consideration should be given to changing this law and putting it back like it was so that banks can compete with one another in securing deposits from their customers.

Although I have not thought the question through as much as I would like to, I can enumerate some of the reasons that cause me to have that belief. They are as follows:

1. If depositors receive interest on their demand deposits in an inflationary period a person will come nearer keeping his money in the bank and not spending it than he would if he did not receive any interest.

2. A depositor could be induced to keep his money in the bank during an inflationary period by paying him a greater rate of interest.

3. A depositor during a deflationary period could be induced to put his money to work instead of keeping it on deposit by lowering the amount of interest paid to him as a depositor.

4. Depositors will be getting a fairer deal than at present when they are compelled to permit the use of their money free of charge and are not allowed to permit the beneficiary of the use of the money—the bank—to pay any sum whatsoever as compensation.

5. It will relieve the banks of what representatives of the banks have always contended on other matters is regimentation; thereby making them less vulnerable before congressional committees when they so vigorously oppose regimentation as it applies to others.

6. It will relieve the banks of the charge of being inconsistent when opposing subsidies and special privileges for others by taking the subsidies and special privileges they are now receiving from the Federal Government and depositors away from themselves.

7. The Federal Government, States, counties, cities, and political subdivisions will place their deposits according to contracts, openly agreed upon, which will prevent special privileges and favoritism as is possible at present.

RESERVES OF MEMBER BANKS NOT USED BY FEDERAL RESERVE BANK

In an address before the 69th annual convention of the Texas Bankers Association at Houston, Tex., May 26, 1953, Mr. R. R. Gilbert, president of the Federal Reserve Bank of Dallas, now a member of the open markets committee, made the following statement in connection with the use of the reserves of member banks:

"Another point on which there is considerable misunderstanding is the question as to the source of funds which enables the Federal Reserve banks to purchase Government securities in the open market and to make loans and advances to their member banks. There are some even within the banking fraternity who seem to be of the opinion that the Federal Reserve banks use the funds of their member banks, that is, member-bank reserves, for the purchase of securities or the making of loans and advances. I should like to emphasize that this is not so; the Federal Reserve banks do not use their member-bank reserves for the acquisition of assets.

* * * * *

"The funds (reserves of member banks deposited with the Federal Reserve banks) thus made available can ultimately be used for only three principal purposes, for example, (1) balances with Federal Reserve banks, (2) currency which can be issued by the Federal Reserve banks, and (3) gold to be shipped from the country to meet international payments. Thus, even though Federal Reserve banks held no member-bank reserve deposits, the Reserve banks could continue to acquire assets by issuing Federal Reserve notes."

In a hearing before the Subcommittee on General Credit Control and Debt Management of the Joint Committee on the Economic Report, of which I was chairman during the 82d Congress, on page 793, the following colloquy took place between me and one who is often referred to as the world's best expert on the Federal Reserve System, Dr. E. A. Goldenweiser. It is as follows:

"Representative PATMAN. The reason I ask you that question is that occasionally you will hear it said or see it in the press that the Federal Reserve banks are operating on the deposits of the commercial banks. Of course, that is certainly not true.

"Mr. GOLDENWEISER. That is correct, it is not true."

These statements dispute Mr. Burns' contention that the Federal Reserve Banks use the reserve of member banks.

COLLECTION OF CHECKS FOR FEDERAL RESERVE BANKS FOR COMMERCIAL BANKS COST TAXPAYERS ABOUT $100 MILLION A YEAR

In the Federal Reserve Act, section 16, paragraph 14 (12 U. S. C. 360), it is provided:

"The Board of Governors of the Federal Reserve System shall by rule fix * * * the charge which may be imposed for the service of clearing or collection rendered by the Federal Reserve banks."

For a few years there was a charge imposed which was a proper charge and in accordance with the Federal Reserve Act. It was finally discontinued altogether. The result is today there are fine Federal Reserve bank buildings all over the Nation used principally for the collection and clearance of checks for privately owned commercial banks. The services performed by the Federal Reserve banks for the privately owned commercial banks without any cost whatsoever include check collection comprising receiving, handling, and forwarding checks for collection and credit; supplying currency and coin, including shipping charges on currency and coin to and from member banks (this service alone last year was $14,600,000); and other services that are not reimbursable.

The Federal Reserve banks render services for the Government, but every year these Federal Reserve banks have consistently required the Government agencies to pay for these services.

During the year 1952 the total expenses of the 12 Federal Reserve banks were $126,171,030. These expenses were for all practical purposes paid out of the Treasury of the United States and resulted in a charge against the taxpayers for that amount. Although it is hidden and concealed by indirect transactions involving the trading of printed money which the 12 banks have access to for United States Government interest-bearing securities, holding the security, collecting and using the interest thereon it was paid out of public funds.

I am inserting herewith a statement concerning reimbursable expenses as furnished by the Board of Governors:

Detail of reimbursable expenses

Reimbursement from—	
Treasury Department—	
Public debt	$13,439,636
Withheld taxes	681,280
Other [1]	105,118
Subtotal	14,226,034
Post Office Department (handling money orders)	1,336,091
Other Government departments and agencies	1,123,665
Total fiscal agency reimbursable	16,685,790
Other reimbursements account of—	
Cafeteria receipts	1,279,137
Rent (tenants)	804,144
Wrapped coin	423,957
Interbank expenses (reimbursement to New York by other Federal Reserve banks for expenses of the retirement system office)	383,691
Foreign banks and governments	89,752
Miscellaneous [2]	720,468
Total	20,476,939

[1] Principally expenses incurred by Federal Reserve Bank of New York for activities performed in connection with the Stabilization Fund established by the Gold Reserve Act of 1934, as amended. Also includes expenses of the Treasury Department program of reporting unusual currency transactions.

[2] Includes charges for leased wire service, charges to nonmember banks and others in connection with currency and security shipments, sale of monthly letters, sale of waste paper, etc.

It will be noticed that the Treasury Department reimbursed the Federal Reserve banks by over $14 million last year; the Post Office Department by over a million dollars; and other Government Departments by over a million dollars. However, do not overlook the fact that while Government agencies were being charged for services rendered by these 12 Federal Reserve banks the privately owned commercial banks were not paying anything for that service at all.

In the item referred to as "other reimbursements account of—cafeteria receipts, $1,279,137," the report of the Federal Reserve Board fails to disclose a very important and significant fact concerning this transaction. The truth is during the year 1952, the cafeteria expenses, which, of course, include dining room, lunch room, and all other expenses in connection with the serving of meals in these Federal Reserve banks and their branches, amounted to $2,342,329. The reimbursement mentioned reduces the net expenses absorbed by the banks to $1,063,189. In other words, the taxpayers assumed and paid 45.4 percent of the cost of every meal served by these Federal Reserve banks and their branches during 1952.

This does not include a similar expense here in Washington, D. C., by the Board of Governors wherein the taxpayers assumed and paid 36.1 percent of the cost of all the meals served in the eating places of the Board of Governors here in Washington.

Certain questions should be asked about what duties the presidents of these 12 Federal Reserve banks and other officers performed for the Government. (Remember, this is not referring to the Board of Governors here in Washington; it is only referring to the 12 Federal Reserve banks and their branches. The presidents of these banks receive $25,000 a year—except in Chicago, $35,000; and in New York, $50,000—paid out of the same

fund that the cafeteria deficiency is paid and the same fund that the $100 million subsidy is paid to the privately owned commercial banks for clearing and collecting checks and related services.)

The principal powers of the Federal Reserve System are determining and fixing discount rates, open market operations, changing member banks reserve requirements, and adjusting margin requirements on security loans. These are the 4 principal powers of the Federal Reserve System; each of these powers is performed by the Board of Governors of the Federal Reserve System, and the local presidents and directors of the 12 regional Federal Reserve banks have no effective power or control over them whatsoever. (One power—the open markets operation—is performed by the Federal Open Markets Committee, but a majority of this committee is represented by the Board of Governors.)

So the question is, what do the 12 Federal bank officers do to earn their money?

NO AUDITS MADE PUBLIC IN 40 YEARS

Of course, we do not know all about the Federal Reserve System; it is a sort of a Kremlin of its own.

The Board of Governors had never had an independent audit during the almost 40 years of its existence until I raised the question less than 2 years ago.

The audit was made, but has been kept concealed. It has not been filed with the Banking and Currency Committee of either the House or Senate or any other place where it is subject to inspection by a Member of Congress.

The 12 Federal Reserve banks have been audited every year by auditors of their own choosing for the last 40 years. Even these auditors would, doubtless, make recommendations and offer criticisms which could conceivably be of help to the Congress in passing legislation concerning bank and monetary matters, but not one of these audits covering any one of these banks has ever been filed with the Banking and Currency Committee of either the House or Senate or filed at any place where a Member of Congress would have an opportunity to inspect it.

So for 40 years this has been a self-administered system. Any charges of misconduct, embezzlement, or any other misbehavior or unlawful acts, if committed, were handled and disposed of within the Federal Reserve System. None of them—if any occurred—have ever been made public. If the law of averages applies to the 20,000 officers and employees of the System, some act of misconduct evidently occurred. The point is—secrecy—tell Congress nothing.

DID AMERICAN BANKERS ASSOCIATION INTEND TO TRY TO DECEIVE AND MISLEAD CONGRESS?

Mr. Chairman, the representative of the American Bankers Association was either uninformed, misinformed, or he was attempting to fool or mislead Congress into believing that Federal Reserve banks use the reserves of member banks to purchase United States Government bonds, indicating that these 12 banks have an income from these reserves that is sufficient to pay the $100 million subsidy created by the cost to the System and the Federal Government of handling and clearing the billions of checks of the member banks annually, and related services.

I call upon the American Bankers Association to either repudiate this testimony of their chosen representative before a congressional committee or admit by their silence that the testimony was offered to deceive or mislead Congress.

FEDERAL RESERVE BANK OF NEW YORK PRAISES BURNS TESTIMONY

I am inserting herewith a statement issued by the Federal Reserve Bank of New York, June 23, 1953. It is as follows:

Competitive banking: The American Bankers Association met charges by Representative WRIGHT PATMAN that banking is not sufficiently competitive in seeking deposits, and receives subsidies from the taxpaying public in the clearance of checks by the Federal Reserve banks. Wendell T. Burns, president of the ABA savings and mortgage division, replied that there is plenty of competition and that it takes the form of vying to offer better and more attractive services to a bank's potential customers. Mr. PATMAN labeled as a $100 million subsidy the clearing of bank checks through the Federal Reserve banks, without a cost being charged back to the banks. Mr. Burns replied that the Reserve banks are repaid in many ways, chiefly by drawing interest on the investment of the bank's reserve funds. The question of money rates came up as several members of the House Banking and Currency Committee questioned Mr. Burns' testimony that "there appears to be no lack of mortgage funds." (American Banker, p. 1.)

Mr. SPENCE. Mr. Chairman, I yield 2 minutes to the gentleman from Mississippi [Mr. SMITH].

Mr. SMITH of Mississippi. Mr. Chairman, I asked for this time in order to make an inquiry of the chairman of the committee, the gentleman from Michigan. It is my understanding that the bill contains a provision which would terminate the title IX housing program. I wonder if the conferees were advised that there are pending under this title certain applications for housing that is essential to certain military installations, would it be possible to work out some provision with the Senate conferees whereby the bill provides a long enough extension to enable such emergencies to be taken care of?

Mr. WOLCOTT. I think I can give the gentleman from Mississippi reasonable assurance that if it is a project they are going ahead with and there is necessity for it that it would be within the discretion of the conferees to accept the gentleman's position in respect to it which, of course, would authorize the financing of the project.

Mr. SMITH of Mississippi. I thank the gentleman.

Mr. WOLCOTT. I can assure the gentleman that between now and the time we go to conference we will go into the matter a little further; and if the conferees can be assured that it is a project that is actually in the process of development we hope to work out language that would bring it within the terms of the conference report.

Mr. SMITH of Mississippi. I thank the gentleman.

Mr. SPENCE. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, as a member of the committee I am supporting this bill, but with no great sense of pride. It is a matter of choosing between inadequate housing legislation and no housing legislation at all.

I have great respect for the able chairman of our committee [Mr. WOLCOTT]. It is the good fortune of Banking and Currency to have the distinguished gentleman from Michigan [Mr. WOLCOTT] and the distinguished gentleman from Kentucky [Mr. SPENCE] alternating in the chairmanship with the rise and fall of partisan tides. Under leadership of statesmen of such quality, the committee's reputation is well established with the House, I am sure. No bill comes from Banking and Currency that has not been subject to the most scrutinizing analysis and the maximum in studious attention.

I doubt that any member of the committee would claim for this bill any more than that it contains about as much as there is any hope of getting the House to accept. I think that is the situation in a nutshell.

I will go a little further. The depression of the early thirties was hastened by the collapse of the construction industry in the late twenties. Conditions today are alarmingly similar to those when the storm clouds of 1929 were forming. This bill, inadequate as it is, will be of some help in needling the building industry at a time when it is showing signs of distress. If we have no housing legislation in 1953 we are certain to witness a rapid growth in construction decline. That could be the start of the depression we are seeking to avoid. I think every member of the committee was sensitive to this possible danger that might attend our failure to bring to the floor a housing bill that was likely to be passed.

That was my reason for voting in Committee to report the bill out. That is why I shall vote for its passage. It is a better bill, inadequate though it is, than might have been expected in the political atmosphere of the moment. I commend the vision of the majority in retaining in diminished measure but nevertheless to a flattering extent the basis of the housing program of preceding Democratic administrations. That is, what there is of the bill is a continuance of that which Democratic administrations wrote into the law and which resulted in the greatest period of home construction in the history of our country. What is left out will be the cause of disappointment to that segment of our population unable from family earnings to meet the cost of purchase or of rental of new home constructions.

STIMULUS TO BUSINESS

The bill most certainly will not provide homes for the great mass of American people in the low and middle income brackets. It is a bill that has as its chief objective the stimulation of real estate business rather than the development of housing for our veterans and others in our society who are so sorely in need of decent housing. I think that is a fair statement.

On the other hand, H. R. 5667 does continue certain programs which are scheduled to die on June 30 of this year. It would extend the military rental housing program authorized by the so-called Wherry Act for another year. While I always have had reservations about this program, it is clear that the civilian and

military personnel stationed at our great defense installations are acutely in need of housing, and the Wherry Act, with all of its defects, is obviously the only vehicle that we have for meeting this housing need.

The bill also provides an additional $1,500,000,000 in insurance authorization for all programs of the FHA.

As I have stated many times before, this program is not geared to provide decent adequate housing for the vast majority of the American people. The FHA does, however, get some housing built. We are not going to get anything better from this administration. Faced as we are with an acute housing shortage, I cannot in good conscience, therefore, vote against it.

Moreover, real estate is a large and important part of our economy. It is the source of livelihood of many persons, including, among others those engaged in the financial processing at the beginning and those of the building trades employed at the sites of construction. It directly affects the welfare of all our people, since by the term "real estate" in its urban application we mean in general the housing of people and of businesses. Private industry, giving it all due credit for its own contribution, depends upon the Government, operating through FHA, to such an extent that there would be a serious collapse in building activity were the additional insurance authorization denied.

TWO GOOD AMENDMENTS

I believe the Hays amendment adopted by the committee giving FNMA authority to make advance commitments on the purchase of FHA 213 cooperative housing mortgages will be of material assistance to minority groups in securing some small amount of decent housing.

Finally, I am wholeheartedly in favor of the Rains amendment providing for a warranty on FHA and VA 1- and 2-family houses. It is a step in the right direction. It is a step long overdue.

The amount of shoddy housing which has been constructed with FHA or VA assistance in this country is shocking. This was proved in the hearings conducted by the Rains Subcommittee on Housing throughout the United States. The warranty provision of H. R. 5667 should do much to correct this situation.

I am sure no one in this Chamber will defend real-estate racketeers who build shoddy houses and enrich themselves at the expense of the public.

In adopting the Rains amendment the Banking and Currency Committee has put into the law the requirement of a warranty that should protect the veterans and others in future transactions. Members of the committee, and I am safe in saying all the Members of this body, will be happy to report this action to the many constituents who have written their Congressmen of abuses of which they have been victims.

DECLARATION OF POLICY

Mr. Chairman, during the 81st Congress I had the honor of serving as one of the sponsors of the Housing Act of 1949. Some of you may recall that the declaration of policy in that act states that our national housing policy should have as its prime objectives: First, the production of housing of sound standards of design, construction, liveability and size for adequate family life; and, second, the stabilization of the housing industry at a high annual volume of residential construction. It is agreed that the latter is necessary for our national economic welfare. The policy statement in the Housing Act of 1949 is still the law of the land. It has not been repealed. I regard it as the cornerstone upon which any successful housing program must be erected.

Unfortunately, the measure before us does not meet either of the criteria set forth in that statement of policy. It most certainly will not aid the production of housing of sound standards of design, construction, liveability, and size for adequate family living. It will most certainly not clear slums in Chicago or any other large metropolitan city. It most certainly will not provide housing for those of moderate income, those who are unable to pay rents of $90 or more per month. Mr. Chairman, it will build houses either priced too high for the average person or too small for adequate family life.

This House has already wrecked the low-rent public housing program authorized by the Housing Act of 1949. President Truman in his budget requested that the Congress authorize the construction of 75,000 units under that program this year. The present administration reduced that request to 35,000 units, and this House entirely eliminated the program.

It has been proven time and time again that private enterprise is unable to provide housing to meet the needs of the lowest income group. It is this group which is served by the public housing program. Yet this House has refused to authorize the construction of a single unit of public housing during the coming fiscal year.

MIDDLE CLASS FORGOTTEN

Mr. Chairman, H. R. 5667 does not provide any relief for that forgotten group, those of middle income, those who, on the one hand are a little too well off to qualify for public housing but who cannot buy or rent the type of housing being constructed under the FHA. I should like to call the attention of the Committee to the fact that half of the American families still have incomes of less than $4,000 and can afford only homes costing from $8,000 to $9,000. Less than half of all American families can afford homes costing as much as $14,000. Less than 5 percent can afford homes costing $20,000 or more. Once again I wish to emphasize that H. R. 5667 does absolutely nothing to take care of the housing needs of those in the middle income bracket.

Now, Mr. Chairman, to what extent does this bill provide for the stabilization of the housing industry at a high annual volume of rental construction? As I have said earlier in my remarks, the collapse of the building boom in the late 1920's, served to usher in the great depression of 1929–33. I do not wish to be an alarmist, but in all honesty I must state the facts as I see them.

I am exceedingly troubled by some of the economic storm warnings which I have observed of late. For the first time since the end of World War II new housing starts, according to the Bureau of Labor Statistics, dropped from April to May. The highly unrealistic hard-money policy being pursued by the present Secretary of the Treasury has had the effect of drying up the mortgage money market. A few weeks ago we were told by the proponents of this policy that if the GI interest rate was raised to 4½ percent, it would bring forth a flood of mortgage money. They have been proven wrong. If anything the shortage of mortgage money is greater now than it was prior to the rise in the GI interest rate.

The GI home loan program is being sabotaged. It is being sabotaged because we are now on a merry-go-round of higher, higher, and ever higher interest rates. Yesterday lenders would not lend at 4 percent because they anticipated that today they would be able to get 4½ percent. Today they will not lend at 4½ percent because they hope that tomorrow they will be able to lend at 5 percent or 6 percent.

DIRECT LOANS TO VETERANS

There is only one way to break this vicious circle and that is to use the VA direct loan program as a means of establishing a yardstick for fair and reasonable interest rates. It was my understanding that the gentleman from Alabama [Mr. RAINS] intended to offer an amendment providing for the extension and expansion of the VA direct loan program, but the Rules Committee held such would not be in order. I supported the Rains amendment in committee and I had hoped for an opportunity with joining with the distinguished gentleman from Alabama in its advocacy on the floor.

Mr. Chairman, I shall not detain the committee much longer. We are meeting in Saturday session. We have been here since early morning and Members wish to leave as quickly as the business of the day will permit.

NEW APPROACH TO PROBLEM

In the public hearings of our committee in two Congresses I have listened to the representatives of the real-estate interests. I have listened to them with the respect to which they were entitled. I have not questioned their sincerity.

Even when we have disagreed on immediate policies, I have felt that time would prove that I had been their friend. It was that I had lived longer and had gone through the great depression. For many long weeks in 1934 mine was the only voice raised in a sea of hopelessness for countless thousands of good and decent men and women who had put their all into real estate and been washed out.

I had seen in the late 1920's exactly what I have been seeing in the early 1950's. Not one iota of difference. The cost of construction was high. But at the moment this was of small importance, since wages as now were on the scale of inflation and from those wages tenants could afford to pay high rents. The financing was done on that basis,

the mortgage payments geared to an uninterrupted continuance of high rental payments, which in turn were dependent upon continuing high wages.

Residential properties in the metropolitan centers were sold then as they are sold now on a valuation fixed by multiplying gross annual rentals by a figure differently arrived at in various communities. The base of valuation was the total gross rents.

I brought out in the examination of witnesses at our public hearings on rent control that the system of evaluating residential properties by multiplying total rents is still followed.

Here is how it worked out when wages were deflated in the early thirties: Equity owners who had purchased or built with maintenance costs and mortgage commitments dependent upon the receipt of the calculated rentals found themselves with tenants unable to pay. Deflated wages had destroyed the ability of honest tenants to pay. In turn, the equity owners were unable to meet their mortgage commitments, and there were foreclosures. Practically all of the equity owners were washed out completely. The mortgages were geared, too, on inflated values; no one then was buying real estate, and even at foreclosure sales there were no valid sales. Hence, little was realized on the mortgages. Most of the men and women who put a total of over $15 billion in real-estate mortgage bonds went to paupers' graves. Most of the large apartment buildings, hotels, and skyscrapers in the city of Chicago today were built with their money.

Do you wonder, Mr. Chairman, that I sat fidgety in the hearings of our committee when I heard over and over again how we were indebted to private industry for our housing? Private industry, operating on a legitimate basis and venturing its own money, did not build the luxurious hotels, the magnificent apartment houses, the sky-piercing office buildings that delight the eyes of visitors to the Chicago of today. The buildings are in the black now, but those who have taken them over put in very little, if any, of the money to build them. Impoverished, the original investors were forced to sell their holdings for a few cents on the dollar.

Why will no generation give heed to the lessons learned at devastating cost by a preceding generation? We are doing now what was done in the last twenties. As far as real estate is concerned, a repetition of the early thirties will be held off only as long as there is no material deflation in wages. That is so simple that any grade-school child should be able to figure it out. Real estate is the first to feel deflation, the last to recover. There will be no stability to real estate until we have removed it from the present foundation in speculation.

AMERICA'S NO. 1 PROBLEM

Housing remains America's No. 1 domestic problem. It is essential to efficiency as well as contentment that there should be available to all our people decent housing within their means. I cannot honestly say that we have made a start, with all the home construction we have had in recent years, since a majority of our population is without the means to own or to rent the new units. If it is a good thing to balance the national budget, it should be commendable in us to help people balance their family budgets by taking the item of housing (rents or installment payments) off balance.

Our approach to the problem of housing, which is America's No. 1 domestic problem, is entirely wrong. It is a hangover from earlier days when in succeeding periods of national optimism speculative fever led even some of the great leaders in our country to buy land in the manner and spirit of purchasing lottery tickets or bits of pasteboard at a race track. Always it was the lure of the gamble and always it was the vision of great development ahead, great cities springing up on farm acreage.

One of the men who made the Constitution of the United States, a member of that body which gave the world the most perfect document in government the world has ever known, speculated his all on real estate and went to prison for his debts.

The land upon which my home has stood for many years once was owned by the great Stephen A. Douglas. He owned the land for miles around. Some of it is still undeveloped. But Stephen A. Douglas never realized the dream of fabulous fortune, made from a lucky real-estate buy in the manner of drawing down the capital prize in a lottery.

Doubtless the development of our country owes much to the venturesome spirit of land speculation in those earlier periods. But the speculation was in land and not in homes built on the land.

Unfortunately, as our cities started to grow with the resultant housing shortages the same kind of speculation permeated the urban real-estate business. I am not blaming the subdividers, the builders, certainly not the legitimate real-estate men who went into the business as they found it. All of them would have preferred a field of greater stability. Who feels even a mild recession sooner than the men and women in activities associated with the real estate?

Real estate stability can be attained when we change our approach to the problem of housing to conform with modern conditions and with the thinking of the world of today. It must be a realistic approach. We cannot gamble with the shelter of people. It is not demagoguery to say that every American family is entitled to a decent roof within its means. That end can be attained if we make up our minds to it and try hard enough.

Insomuch as we are contenting ourselves with the passage of this bill, good enough as far as it goes, and stopping there I regret, Mr. Chairman, that the 83d Congress is again missing the boat.

Mr. SPENCE. Mr. Chairman, this is a continuation of the housing program of the last administration. Through trial and error and experience in operation we have found certain amendments that will make these laws more effective and I think they have been incorporated in the present bill.

Mr. Chairman, we have no further requests for time.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I think it is terribly unfortunate that a measure as important as this one comes up on Saturday which is a kind of a desultory day, but here we are, and we have got to do the best we can. This is an extremely important bill to anyone in the big cities. I cannot testify too much about the country areas, but the big cities are still plagued with very serious housing shortages.

Mr. Chairman, I would like to call attention to the findings in the other body, the report of the Banking and Currency Committee of the other body. The finding which they make, and I would like to read it, is as follows:

> In fact, your committee feels that the problem of providing moderate and low-price rental housing, particularly in urban areas, is one of our most pressing problems in the field of housing.

Mr. Chairman, I propose when this bill is read for amendment to offer some amendments to deal with that finding. The amendment which I have to offer primarily is to increase the amount of money which is available for prior commitments in the case of housing projects which are cooperatives, mainly patronized by veterans under section 213 of the National Housing Act under which they get a long-term mortgage at the lowest possible interest rate. Incidentally, the rate is being raised in this bill to 4½ percent, which is allowable under that section and this increase is very discouraging, to say the least.

There is a great shortage of mortgage money in the country for that purpose. This bill carries $17½ million in order to try to deal with that shortage, but there are a tremendous number of projects which are waiting on the availability of such money and $17½ million will not take care of many of the projects which are actually in being and have been waiting. This is a desirable way for the middle-income housing need to be satisfied and I shall offer an amendment to increase that amount to $200 million, which will mean an increase of $170 million, there being an authorization of $30 million, of which approximately $12,500,000 has already been used. I will back that up with the pertinent figures.

The other amendment I am going to offer has to do with a problem which affects tenants in projects under 608 and 207 which are also middle-income housing projects and deals with the question of what happens when an application is made to increase their rents. I will explain that later on, too.

Mr. Chairman, the point I wish to emphasize to the committee as a preliminary to the offering of the particular amendments which I shall concentrate upon with relation to middle-income housing is that with interest rates going up, and they are going up, which is extremely deplorable—I think everybody concerned with the housing picture is quite sick over that situation—we have at least got to facilitate the availability of mortgage money for these projects, especially veterans' cooperatives, which

is a real solution to the middle-income housing problem. I hope very much, despite the fact it is Saturday and we are anxious to get through with this bill, that we recognize the issue at stake and give the amendments the consideration and the interest which they deserve, considering the people they are designed to help.

Mr. WOLCOTT. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. CANFIELD].

Mr. CANFIELD. Mr. Chairman, I am glad to note that the committee has adopted an amendment to give the buyer of 1- or 2-family houses built with Federal assistance a warranty that the house has been built according to the specifications under which Federal assistance is rendered. I note that the committee report states:

> The committee amendment would carry out some of the recommendations resulting from last year's subcommittee's investigation of housing constructed under the VA and FHA programs. It would assist in correcting defective construction of housing aided under these two programs. Defective construction of homes under the FHA and VA programs was not sufficiently widespread or so serious as to raise any doubt at all as to the basic wisdom and success of the programs, but there were many instances of defective construction.

I know this last statement to be true, and I am glad that my colleague the gentleman from New Jersey [Mr. WIDNALL] fathered this investigation, and it was carried out under the able leadership of the gentleman from Alabama [Mr. RAINS]. It is good to note that the committee findings have resulted in this approach. It should protect veterans from some of the shoddy deals perpetrated in the past.

Mr. WOLCOTT. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Housing Amendments of 1953."

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 1, immediately following line 4, insert the following new section:

"SEC. 2. Section 203 of the National Housing Act, as amended, is hereby amended by adding the following new subsection at the end thereof:

"'(g) Notwithstanding any other provision of this section, a mortgage otherwise eligible for insurance hereunder and covering property upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction, may have such higher ratio of loan to value and such longer maturity than otherwise provided as the President may determine to be in the public interest, taking into account the general effect of such higher ratio or longer maturity, as the case may be, upon conditions in the building industry and upon the national economy: *Provided*, That the principal obligation of any such mortgage shall not exceed $12,000 and the maturity thereof shall not exceed 30 years: *And provided further*, That with respect to any such mortgage the mortgagor shall be the owner and occupant of the property at the time of the insurance and shall have paid on account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition in cash or its equivalent.'"

Mr. WOLCOTT. Mr. Chairman, I am not offering this as a committee amendment, but most all the members of the committee have been canvassed in respect to it, and there seems to be no objection to the principle. I think one Member had some reservation, but all of the others who were canvassed thought it was a good amendment. So, although I am not offering it as a committee amendment, I am offering it with the assurance that it has the approval of a majority of the committee members.

This, in substance, would give the President the authority to decrease the down payments when and if he found it was necessary and in the interest of the national economy and when it was necessary to bolster up the building industry, which might lag because of certain economic pressures or influences. He can only do it under those circumstances. It only applies to what we know as section 203 housing, and must be owner-occupied. This perhaps is more psychological in value than actual, because it gives assurance to the building industry that if people cannot get desirable homes because of the present downpayment, the President is authorized to reduce the downpayment, but at no time shall the downpayment be less than 5 percent. That is the way it works. He may also increase the period of amortization from the present 25 years to 30 years. This would operate primarily between homes costing $7,000 and $14,000. Where FHA would be otherwise justified in making a $7,000 loan, between that figure and $12,000 he could go up as high as 95 percent of insurance, which would of course mean about 5-percent down payment to the homeowner. Then with a $13,000 valuation the insurance could be 92.3 and the homeowner in that case would have to put up 7.7 percent. On a $14,000 home it runs down to 85.7, which would require the homeowner to put up 14.3 percent. At $15,000 it would drop back to the 80 percent.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from New York.

Mr. JAVITS. Is this not the same provision the Senate put in this bill? Therefore, this provision will not be in conference if we adopt it in this form?

Mr. WOLCOTT. The language is verbatim the language the Senate adopted in its bill.

Mr. JAVITS. I testified before the committee on this subject. It is not often that I quote the National Association of Home Builders, but they represent that this reduction in down payments is needed now, that there is no question of encouragement, they actually do need it. Will the gentleman give us his views on that subject?

Mr. WOLCOTT. I think the gentleman knows my position on this, that if the decrease was being done by legislation at the present time it would seem to me to be inconsistent with what we are trying to do to stabilize the mortgage money market, because there would be a recognition, by everyone involved that if the Congress was to legislate to lower down payments at this time it might be considered as doing the inconsistent thing of inflating on the one hand and stabilizing on the other.

I might say to the gentleman from New York that it was largely because of his testimony before the committee that we were able to get almost unanimous approval by the committee for this action. I think we should be grateful to the gentleman for clarifying thinking on this program to the point where we were able to come to this very understandable solution of it, so when the need is there the President can reduce the downpayments and increase the period of amortization. It was, I say again, partially if not fully due to the gentleman's testimony that we were convinced that it was necessary to have some provision such as this in the bill.

Mr. WESTLAND. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Washington.

Mr. WESTLAND. Do I understand that this will apply only to new construction, not to existing structures?

Mr. WOLCOTT. That is right.

Mr. WESTLAND. Therefore, anybody that wants to buy a home at the present time would still have to make a 20 percent downpayment under FHA terms?

Mr. WOLCOTT. But he would, anyway, of course, until the President had reduced it, and under the amendment the President has no authority to reduce it on old structures.

Mr. WESTLAND. Even if he did put this into effect on existing structures, the purchaser would have to make a 20 percent down payment?

Mr. WOLCOTT. That is right.

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. DEANE. I take this time to address this statement to the chairman of the committee. In response to the query by the gentleman from New York [Mr. JAVITS] did not the National Home Builders Association point this out, that regardless of the lessened down payment, it would not increase the number of housing starts.

Mr. WOLCOTT. I believe that was the testimony.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. JAVITS. As I understand it, they said that was the way to hold the forecast of the coming year of a million homes or better.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. PATMAN. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN as a substitute to the amendment offered by Mr. WOLCOTT: On page 1, line 4, add the following new section:

"Section 203 of the National Housing Act is hereby amended by adding the following new subsection at the end thereof:

"'(g) Notwithstanding any other provisions of this section, a mortgage otherwise eligible for insurance hereunder and covering property upon which there is located a dwelling designed principally for a single-family

residence and which is approved for mortgage insurance prior to the beginning of construction, shall have such higher ratio of loan to value and such longer maturity as may be prescribed by the Commissioner: *Provided*, That the principal obligation of any such mortgage shall not exceed $15,000 and the maturity thereof shall not exceed 30 years: *And provided further*, That with respect to any such mortgage the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition in cash or its equivalent'."

Mr. PATMAN. Mr. Chairman, this amendment is like the amendment of the gentleman from Michigan in one particular. The term is extended from 25 to 30 years, but my amendment provides for $15,000 mortgage instead of $12,000, as provided by the amendment offered by the gentleman from Michigan. My amendment provides that 5 percent shall be effective now. I think that is the most important part. There is no reason to have any delay by waiting for the Commissioner's decision or the President's decision. In fact, I do not think we should burden the President with something like this. It has never been done before. This is brand new so far as that provision is concerned. In other words, this Congress knows that there is a shortage of mortgage funds, a serious shortage. We know, too, that the high downpayment is one of the main obstacles to the selling of homes, and we know furthermore that prior to World War II a house which cost $12,000 or $15,000, and which requires the minimum of $2,400 down, cost then $6,000 and the downpayment was $600. The $6,000 home was comparable in value to the $12,000 or $15,000 home of today. This amendment will place this on a basis which compares favorably with that situation. I hope the committee will adopt it. If it is adopted, and if there is anything wrong about it, the bill will go to conference anyway, and it can be ironed out in conference. If we adopt the amendment offered by the gentleman from Michigan without any amendment, we are through with it entirely. It is out because there is nothing in the conference. It is exactly like the Senate amendment and there would be nothing to consider, but if we adopt the amendment I have introduced, and there should be some reason that it should be changed, it can easily be changed in conference. I urge you to adopt it for one particular reason, and that is on the 5-percent down now. That is urgent. It takes about a year for housing construction to commence after the enactment of a law.

If we make this possible now, it will be a year before it is reflected in actual housing starts. Anyone who knows anything about the construction industry knows that. In the meantime the Congress will have met again in January and if there is anything wrong we can change it.

Mr. DEANE. What I am interested in is this: Would your amendment or would Mr. WOLCOTT's amendment assure the financing that is needed for housing? I have not been convinced that either amendment would do that.

Mr. PATMAN. No, except it would make it easier to buy a home. A lot of Members are opposed to public housing. A lot of Members honestly believe that public housing is not a good thing. They say we should make it possible for these people to buy their homes. They can make the monthly payments but they cannot make the downpayment. Those who are against public housing certainly should support this amendment because it encourages the low-income people to buy their own homes and own their homes, which is the finest thing in the world. They cannot do it under the existing plan, where so much money is required as a downpayment. So all I am asking is that we go back where we were prior to World War II, on the downpayment; pay the same equivalent that was paid then on a house of comparable value.

I hope the amendment is adopted.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the substitute amendment.

We did away with title VI of the National Housing Act a few years ago because we all recognized that title VI was inflationary. Title VI provided only for a 5-percent down payment and 95-percent insurance.

The substitute amendment offered by the gentleman from Texas [Mr. PATMAN] would not only legislate a situation where we could not compel the home owner to pay more than 5 percent, but we would also provide, according to his amendment, that we would take all discretion away from the President in respect to the use of the flexible features of the amendment which I offered, to which the gentleman offered a substitute, and we legislate a condition which everybody agrees is highly inflationary.

Also we have the testimony of the Home Builders' Association, which has been mentioned here, that an immediate decrease in downpayment would not provide any more starts at the present time. It seems to me that the amendment offered by the gentleman from Texas would reflect an easy money policy, contrary to the general policy which this Congress has adopted in respect to balanced budgets, widening the area by which we might manipulate our economy to keep it stable, and so forth. All of the influences which have been brought about to stabilize our economy would be completely offset by this amendment.

I might say to the Committee we would be put in the position of not letting our right hand know what our left hand was doing.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. JENSEN. Of course I agree completely with the statement made by the chairman of the committee. It happens that I was in the building business for 24 years and I know a little bit about it. I discovered that when a young couple built a home that was beyond their means it became a terrible burden; it was not good for the family, not good for anyone including those who lent the money to the home builder. So I would be completely opposed to raising the amount to $15,000. I would be more inclined to favor reducing it from $12,000 to possibly $10,000, and I think we would be doing a good service to the people who build these homes.

Another thing, the 30-year extension provided in the amendment offered by the gentleman from Texas is not good because of this very fact: A young couple build a home under this plan and they say to themselves "Now we can pay this out in 20 years and about that time our children will be ready to go to college; we will have our home paid for and we can take the money that we have been paying on the home and use it to send our children to college." I know that to be a fact because that is exactly what has happened in many instances.

So I would say that I would be opposed to all the provisions in the Patman amendment just introduced including the 5-percent downpayment because that in itself is a burden to the young folks who build a home under this plan, because it simply makes their monthly payments greater and they do not have the interest in the home where they have paid down only 5 percent that they would have in a home on which they had paid down 20 percent original payment.

So, Mr. Chairman, I hope the Patman amendment does not prevail and that this bill will be adopted as written by the committee.

Mr. PATMAN. Mr. Chairman, I ask for recognition.

Mr. WOLCOTT. Has not the gentleman been recognized?

Mr. PATMAN. Yes, I have, but I want to answer the gentleman from Michigan. I think I am entitled to do that.

Mr. WOLCOTT. What is this, a debating society?

Mr. PATMAN. Certainly, as always.

The regular order was demanded.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman cannot amend his own amendment.

Mr. PATMAN. This is only a pro forma amendment.

Mr. WOLCOTT. Pro forma or not, it is an amendment.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

HARD MONEY, HIGH INTEREST, HARD TIMES MONEY POLICY

Mr. PATMAN. Mr. Chairman, in answer to the gentleman from Iowa about the 30-year provision, there is no difference between our amendments. The amendment offered by the gentleman from Michigan has a 30-year provision. So do not vote against my amendment on that account.

The gentleman from Michigan mentioned title VI, how bad he believes it turned out to be. That was for the huge housing projects, the apartment houses; it was not for the homeowners like this is. This is for the small-home owners; therefore, it is not a situation like that at all and 5 percent will be sufficient because these people have good jobs and

they can pay the monthly payments if they can make the downpayment. Like it is now they are stymied because they cannot make the enormous $2,400 downpayment.

If this is inflationary, and I do not think it is, but assume for the sake of argument that it is inflationary, it will not take effect for over a year because it usually takes that long for these laws to become effective. If it should evidence inflationary tendencies why we can change it, but if everything continues to go like it has in the recent past, we will need something like this to stimulate the building industry. We are experiencing a hard money, high interest, and hard times policy which is deflationary and not inflationary.

The main difference between my amendment and the one offered by the gentleman from Michigan [Mr. WOLCOTT] is that one provides $15,000 instead of $12,000 maximum and a 5-percent downpayment instead of making it optional with the Commissioner or the President to put into effect some time later. Mine would make it effective now. The gentleman that Mr. WOLCOTT referred to, I think, testified that a 5-percent downpayment would be very encouraging to the building industry.

Mr. MUMMA. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I have been very much interested in this proposition of lower downpayments on houses. For years in our county in Pennsylvania the prevailing rule was one-third down and 6-percent interest anually. So you can see we are a long way off from where we were.

I may have a little ax to grind here, not directly, though, because my son is about 1 of 25 or 30 people from whom you can buy building materials in my community. I have been up against the situation from time to time in the last 30 years I have been in business where there are a lot of nice people, people you like to associate with, who have ordinary jobs in the community, who want to build a house, but they cannot get over that downpayment of one-third I received information from one of these news letters banks where 3 out of 5 nonveterans were turned down for loans on housing on account of inability to meet the downpayment. So much for that.

I think a wise approach to this is needed right now. This bill is a little better than I had hoped for. It is too good in some respects. This matter of giving a fellow 30 years to pay for a house means that a lot of people can buy a house today and figure that if they have to move out, who is going to be ahead, the bank or them, when you figure out how much rent they would have to pay in the meantime. I say when you spread that over 30 years you are getting awfully near where the man can move out any time and the amount he has actually paid in is less than he would have paid in rent.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MUMMA. I yield to the gentleman from Texas.

Mr. PATMAN. Of course, the time could be shorter than 30 years. Some wanted 20, some 15, some 25.

Mr. MUMMA. I agree with the gentleman and that is the reason I do not like his amendments.

Mr. PATMAN. My amendment is not 30 years only.

Mr. MUMMA. Here it is discretionary. The last thing I want, even though I am in favor of low payments, is to have something that is inflationary. Goodness knows, we are up against another round of inflation whether anybody knows it or not.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. MUMMA. I yield to the gentleman from Tennessee.

Mr. BAKER. I want to compliment the gentleman upon making a very fine presentation here. I know that he is a man who has excellent knowledge and information on this subject.

Mr. MUMMA. I thank the gentleman.

Mr. Chairman, that is my story. I think the Wolcott amendment covers the point. I do not think that you need to be so optimistic about the downpayment. I just had a letter from the Secretary of our Housing Authority relative to this matter. We have the problem of a low-income group who are going to be moved out because of public improvements. It is a problem. At the same time he told me that they had over 100 people in this low-income group that had from $1,000 to $1,400 as a downpayment on a house, and that was the reason the other day in committee I got one of those dates extended a little to give our people an opportunity to participate in this cooperative housing, if they wanted to.

Mr. Chairman, I would certainly like to see the Wolcott amendment adopted. It is more optimistic than I had hoped for. Personally, I think 20 years is long enough. I believe you will find a lot of these people—maybe it is only the Pennsylvania Dutch—but a lot of these people do not like obligations hanging over their heads that long.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Texas [Mr. PATMAN].

The substitute was rejected.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN to the amendment offered by Mr. WOLCOTT: On page 1, after line 4, strike out the words "as the President may determine to be in the public interest, taking into account the general effect of such higher ratio or longer maturity, as the case may be, upon conditions in the building industry and upon the national economy."

Mr. PATMAN. Mr. Chairman, this strikes out the part that compels the President to pass on this. I think it is reasonable to ask that it be stricken out. It has never been in the law in the past, and I can see no reason why we should burden the President with it, nor do I see any reason why we should be delayed in getting the effective date.

Mr. Spiegel, president of the National Association of Home Builders, testified on that subject, which is very important. I will quote what he says on page 54 of the hearings:

Statistics of home-building starts and other indexes of production are a record of what has happened. They do not predict what is about to happen. In the home-building business the time lag between the first preliminary planning of a project, including land acquisition, engineering, and so forth, and the actual start of construction is approximately 1 year. It will be too late for effective remedy when statistics of starts confirm that a downtrend is definitely under way. We cannot predict with certainty what will happen in the next year or year and a half.

We know that during the month of May there were fewer housing starts—I will admit, only 3,000 fewer—than the month of April, but that was a record. That is the first time that has happened since 1945. Almost invariably in May they have more starts than during April, so that shows a trend downward. And, every Member of this House knows that the reports that he is getting now indicate that there is no housing money available. One of the reasons is because of this downpayment. They cannot get over that downpayment. All these would-be buyers want is an opportunity to make a downpayment that compares favorably with the downpayment they would make on the same value home prior to World War II. They can make the monthy payments. You can make homeowners out of these people. Why should we not give them that encouragement? We can do it without risk. We do not have to make them for 30 years, as the amendment offered by the gentleman from Michigan provides. They can make it 20 or 15 or 25 years. It makes no difference about that. But this can make it effective now as to that 5 percent.

The only thing involved in the amendment is to change the amendment offered by the gentleman from Michigan so it will not be up to the discretion of the Commissioner or the President or anyone else, but the Congress is saying, as it always has said, effective now. It has never been done this way before. I ask you to adopt this amendment or to at least give it consideration.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas to the amendment offered by the gentleman from Michigan.

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

The Clerk read as follows:

SEC. 2. Section 205 (c) of the National Housing Act, as amended, is hereby amended to read as follows:

"(c) The Commissioner shall, except as to group accounts terminated as of a date prior to July 1, 1953, transfer from each of the several group accounts to the general reinsurance account, beginning as of July 1, 1953, and as of the beginning of each semiannual period thereafter, an amount which, in the case of the initial transfer, shall equal 10 percent of the total premium charges theretofore credited to such group accounts, and, in the case of subsequent transfers, shall equal the amount of any adjusted premium

charges collected by the Commissioner in connection with the payment in full of insured mortgages prior to maturity on or after July 1, 1953, and an amount which shall in no event be less than 10 percent nor more than 35 percent of all other premiums charges credited to such group accounts during the preceding semiannual period. The Commissioner shall terminate the insurance as to any group of mortgages (1) when he shall determine that the amounts to be distributed, as hereinafter set forth, to each mortgagee under an outstanding mortgage assigned to such group are sufficient to pay off the unpaid principal of each such mortgage, or (2) when all the outstanding mortgages in any group have been paid. In addition to the amounts transferred as herein provided the Commissioner shall, upon such termination, charge to the group account the estimated losses arising from transactions relating to that group, and shall distribute to the mortgagees for the benefit and account of the mortgagors of the mortgages assigned to such group the balance remaining in such group account, less any amount by which such balance exceeds the aggregate scheduled annual premiums of such mortgagors to the year of termination of the insurance: *Provided*, That any undistributed balance in the group account at termination shall be transferred to the general reinsurance account. Any such distribution to mortgagees shall be made equitably and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any distribution to a mortgagor or for the account of a mortgagor under any provision of this section exceed his aggregate scheduled annual premiums to the year of termination of the insurance."

With the following committee amendments:

Page 2, line 11, insert a colon and the following: "*Provided*, That until such time as the Commissioner determines that the resources in the general reinsurance account are sufficient to cover all estimated future deficits among individual group accounts, 100 percent of all other premium charges credited to such group accounts during each such semiannual period shall be transferred as provided in this subsection."

Page 2, line 24, strike out "paid. In" and insert "paid. In."

Page 3, lien 18, insert the following:

"SEC. 2. Section 207 (1) of the National Housing Act, as amended, is hereby amended by striking out of the second sentence thereof the word 'twenty' and inserting in lieu thereof 'ten'."

The committee amendments were agreed to.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 3, line 21, insert the following new section:

"Notwithstanding the provisions of any other law, if the mortgage guarantee provides that rents on the property covered are regulated or restricted by the Commissioner pursuant to paragraph (2) of subsection (b) of section 207 or paragraph (1) of subsection (b) of section 608 of the National Housing Act, as amended, then upon any application to the Commissioner for an increase in rent, pursuant to rules and regulations promulgated by the Commissioner, the Commissioner shall require that such application and supporting data be submitted under oath, contain a certification that notice thereof has been given to each affected tenant and permit such affected tenant or his duly authorized representative to examine the application and supporting data and to file in writing under oath any answering data."

Mr. WOLCOTT. Mr. Chairman, I reserve a point of order against the amendment.

Mr. JAVITS. Mr. Chairman, I hope very much this amendment will be found acceptable both to the majority and to the minority sides, because it deals with a fundamental point which is quite unjust as it stands now.

Sections 207 and 608, which the Clerk referred to in reading the amendment, cover the building of so-called middle-income houses. Under the law, that type of housing is entitled to longer mortgage terms, more liberal mortgages, and various other privileges. In return for those privileges the Housing Commissioner is given authority, and I use the words of the statute, to "regulate or restrict rents." In pursuance of that power, he, of course, can permit the rents to be raised over what they were when the project was constructed and when he first approved them. What is happening in these situations is this. The owner of these properties will file an application for a rent increase with the Federal Housing Commissioner and the Commissioner believes according to the law the tenants of that particular project have no right to even see or even look at the figures which the landlord or the owner has filed. Hence, they can neither look at them nor depose any objecting data. I talked with the Commissioner about such projects in my district where the rents have been raised not once but twice, and where the tenants feel outraged that they cannot even see the figures upon which the owner depends. I talked with the Commissioner and he says he is very sorry but that is the law and that is the way he interprets it. I communicated with the new Federal Housing Commissioner, our former colleague, Hon. Albert Cole, and asked him about this. He replied saying that this is true, that under the law they have no authority to even show anybody the figures, and he says, and I quote from his letter, "There is lacking appropriated funds for the inauguration of the type of procedure suggested by you." What I had suggested to him, of course, was the whole panoply which we are accustomed to in these cases of notice and hearing, and so forth. And when he answered me as he did, that he did not feel they had money to do that, I confined my amendment solely to one thing—to give the tenants affected the right to see what the owner has filed and to give them the right under oath to file any answering data. That imposes no new obligations whatever on the Housing Commissioner except the incidental obligation of having a clerk available who will pull the material out of the files and show it to a person who calls, and who shows he is a tenant of the property. That certainly is not very much. There are too many of these properties where the tenants feel—I do not say or do not use this word loosely—where they feel this is just an un-American procedure that they cannot even see what the landlord claims.

The Housing and Home Finance Agency also states that they have all the basic figures on these properties, the cost of construction and so on. They do not need any help from the tenants in deciding when rents ought to be increased. Mortgage rates go up and taxes go up. The difficulty is that the rent increases are asked for on the basis of increased services in the building like a doorman or some kind of elevator operation or some kind of cleaning service. This obviously the FHA does not know anything about, and the tenants may not even be getting these services, and yet they have no opportunity to even examine the figures and put in any data in opposition.

As I say, it seems to me an elementary thing and very unjust. It is one of those things in the law which only experience shows up to be unjust. I would hope very much that both the majority and the minority side will see the justice of it, and at least let the tenants look at the figures and file anything they see that is in opposition to these figures with the Housing Commissioner so that at least he has the benefit of both stories without the necessity of hearing them or any complication which would cost more money and which he properly objected to, I think. I hope very much this will be done, and if the committee does not accept it, that the Committee of the Whole will accept it as an elementary measure of justice.

Mr. WOLCOTT. Mr. Chairman, I withdraw the point of order.

The CHAIRMAN. The point of order is withdrawn.

Mr. WOLCOTT. Mr. Chairman, I doubt whether very many members of the committee recall that there is any rent control in the projects other than what was established under the rent control law which we gave consideration to some weeks ago. But the matter has been brought up by the debate on the gentleman's amendment. So I think we should remind ourselves there is a certain degree of rent control with respect to all rental properties insured under FHA. But that rent control is not solely for the protection of the renter of the property. That rent control is in consequence of an amortization schedule—and probably it should not be designated as rent control. It has more to do with the schedule of income from the property, and it must be approved by the FHA, on the premise that the income of the property is adequate in order not to create a situation in which the Federal Government would have to take over a contingent liability in cases where there is insufficient income to a point where the mortgage would be in danger.

All this regulation of rent has to do in these properties is to assure that the indebtedness, which the owner has obligated himself to pay to a financing institution, which is insured by the Government, is going to be paid off. The primary purpose in the regulation of rent is to assure the FHA, the owner of the property, the financing institution a financing arrangement for the protection of the owner, for the protection of the financing institution, to protect the insurance on the mortgage as well as the mortgage itself.

The gentleman has said that there are not very many of these units. You will recall that all section 608 units built during the war, all section 207 units are rental properties and I believe there are something like 500,000 units—have been built under this program. The FHA is a preferred stockholder and it exercises the right to go in and have the books audited at any time, to determine that these financing arrangements continue on a sound basis.

The tenant has never been given any legal right to question the amount of the rental. The rental contract is not between the tenant and an agency of the Government; it is between the tenant and the owner of the property and applies as well to a minimum rent as well as to a maximum rent, to protect the FHA from having to pay off on its contingent insurance liability. In order to do what the gentleman suggests would be to invite such a multiplicity of suits as to endanger the financing arrangement under which the Government is protected.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the gentleman be allowed 1 additional minute, that I may ask him a question.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. JAVITS. Is the gentleman aware of the fact that the leases on these properties in New York City between the owners and the tenants carry a provision that the tenants' rent may be increased if the FHA approves it? That is the basis, in my view, that establishes the right in the tenant at least to see the figures, to have the law provide to that effect.

Mr. WOLCOTT. Of course, I assume that they would. That is a notice to the tenant that if the Government finds it is necessary to increase the rents for its protection, then the lease cannot be vitiated because of that action.

It does not deny the renter from finding other quarters, but the lease cannot be vitiated becauses of the adjustment of the rent. That is a protection to him as well as it is to the landlord. It is a protection. I am stressing the fact that those provisions in the contract itself, with the financing agency, the FHA, are for the primary protection of the taxpayers of this country and avoids a multiplicity of suits. As I say there are about 500,000 units at the present time under these programs and it might create a situation where the taxpayers of the United States would have to pay a great amount of money in contesting such suits.

Mr. JAVITS. I do not see how any suits could be created, if I may point out by the mere right to petition and to file answers. I do not see that it gives any right to sue.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

The Clerk read as follows:

SEC. 3. The first sentence of section 213 (d) of the National Housing Act, as amended, is hereby amended by striking "4 percent per annum" and inserting "4½ percent per annum, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at not to exceed 5 percent per annum,".

With the following committee amendment:

Page 3, line 22, strike out "3" and insert "4."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. Section 217 of the National Housing Act, as amended, is hereby amended by striking out of the second proviso "$1,900,000,000" and inserting "$3,400,000,000."

With the following committee amendment:

Page 4, line 4, strike out "4" and insert "5."

Page 4, line 7, insert the following:

"SEC. 6. Title II of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"'SEC. 219. Notwithstanding limitations contained in any other sections of this act as to the use of moneys credited to the Title I Housing Insurance Fund, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Military Housing Insurance Fund, or the Defense Housing Insurance Fund, the Commissioner is hereby authorized to transfer funds from any one or more of such insurance funds to any other such fund in such amounts and at such times as the Comissioner may determine, taking into consideration the requirements of such funds, separately and jointly to carry out effectively the insurance programs for which such funds were established.'"

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 5. Title V of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 516. The following funds shall be deemed an indebtedness to the United States of the particular insurance fund involved, and the Commissioner is authorized and directed to pay the amount of such indebtedness to the Secretary of the Treasury, with simple interest thereon from the date the funds were advanced to the date of final payment at a rate determined by the Secretary of the Treasury, taking into consideration the average rate on outstanding marketable obligations of the United States from the date the funds were advanced until the date of final payment:

"(1) Funds made available to the Commissioner pursuant to the provisions of sections 4 and 202, exclusive of amounts heretofore refunded, (a) for carrying out title II with respect to mortgages insured under section 203 where such funds were credited to the general reinsurance account in the Mutual Mortgage Insurance Fund pursuant to section 205 (b), and (b) for the payment of salaries and expenses with respect to mortgage insurance under sections 207 and 210 where such funds were credited to the Housing Insurance Fund.

"(2) Funds made available to the Commissioner pursuant to sections 602 and 802.

"Payments to the Secretary of the Treasury under this section shall be made in such amounts and at such times as the Commissioner determines, after consultation with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the funds involved. All payments made pursuant to this section shall be covered into the Treasury as miscellaneous receipts."

With the following committee amendments:

Page 4, line 22, strike out "5" and insert "7."

Page 5, line 16, strike out "pursuant to section 205 (b)."

Page 5, line 22, strike out "802." and insert "802; and."

"(3) Funds made available to the Commissioner by the Secretary of the Treasury pursuant to section 710."

The committee amendments were agreed to.

The Clerk read as follows:

SEC. 6. (a) Section 803 (a) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954."

With the following committee amendment:

Page 6, line 8, strike out "6" and insert "8."

Mr. SCHENCK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the chairman or some members of the committee a few questions about this. The House will recall that last year I raised some questions about a Wherry Housing Act construction project near Dayton, Ohio, which I felt was constructed poorly and which represented an improper investment of funds.

FHA has been established to do two things: One, to create confidence for the buyer and to create confidence for the investor. I notice that beginning here on page 5 in line 14 it indicates that there has been some perfecting language written into this bill. I am therefore wondering if the committee has taken steps in the first place to assure that proper construction has been assured, also in the first instance whether or not the housing itself is necessary.

Mr. WOLCOTT. The language of the amendment on page 6 starting in line 11—that amendment, of course, has not been offered yet, but I think I know what the gentleman has in mind.

The committee in its judgment wrote in some language here which is designed to correct certain practices which the gentleman has referred to and which seek to compel the builder to give a warranty that the property has been constructed according to plans and specifications. That, however, is found on page 6. It is a committee amendment on page 15, line 18. I think that is what the gentleman has in mind.

Mr. SCHENCK. One other question and that is: Has there been anything done by the committee to inquire into or establish reasons for the building of this type of housing? In other words, must the Defense Department justify its request for this type of housing?

Mr. WOLCOTT. The Wherry housing, the gentleman is referring to?

Mr. SCHENCK. Yes.

Mr. WOLCOTT. There was some testimony and they have to justify it. Anyway we continue the Wherry housing for only a year so that there might be a

revaluation of the program. Congress reserves the right to say whether it shall be further continued.

Mr. SCHENCK. I thank the gentleman.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 6, line 11, insert:

"(b) Section 803 (b) of the National Housing Act, as amended, is hereby amended by inserting immediately preceding the last paragraph thereof the following new paragraph:

"The mortgagor shall agree (i) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and/or organization and legal expenses) as the case may be, and (ii) to pay, within 60 days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. The Commissioner shall construe the term 'actual cost' in such a manner as to reduce same by the amount of any kickbacks, rebates ,and normal trade discounts received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therwith'."

The committee amendment was agreed to.

The Clerk read as follows:

(b) The first sentence of the last paragraph of sections 803 (b) and 908 (b) of the National Housing Act, as amended, is hereby amended by striking out "4 per centum" and inserting "4½ per centum."

Committee amendment: Page 7, line 10, strike out "(b)" and insert "(c)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 7, line 14, insert:

"SEC. 9. Section 903 (a) of the National Housing Act, as amended, is hereby amended by inserting the following proviso after the first proviso of said section: ': *Provided further*, That in the event the Commissioner has made a commitment to insure a mortgage under this title but subsequently determines that, because of changes in defense requirements or other circumstances, there does not appear to be a sufficient market for the dwelling unit or units in the property covered by such mortgage to avoid a default thereunder if the unit or units are completed and the mortgage insured, the Commissioner is hereby authorized, in the interest of conserving the National Defense Housing Insurance Fund, to make such cash payment from such fund to the mortgagor or the mortgagee, or both, in exchange for a release of the commitment, as the Commissioner shall determine to be necessary to reimburse the mortgagor or the mortgagee, or both, for monetary loss resulting from previous expenditures made or obligations incurred in reliance on such commitment'."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 7. Subparagraph (E) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended—

(1) by striking "unpaid principal balance thereof" and inserting "principal amount to be paid therefore";

(2) by striking "aggregate amount" and inserting "aggregate principal amount"; and

(3) by striking everything after the colon and inserting:

"*Provided*, That the foregoing clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G): *Provided further*, That, in lieu of or in conjunction with the other requirements with respect to mortgages covered by the aforesaid clause (2), and also with respect to any defense or disaster mortgages as defined in subparagraph (G), the Association may (in the discretion of its Board of Directors, and notwithstanding the provisions of subparagraph (G)) issue a purchase contract (which shall not be assignable or transferable except with consent of the Association) in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder thereof to sell to the Association mortgages in the amount of the contract, upon such terms and conditions as the Association may prescribe: *And provided further*, That the authority of the Association to issue purchase contracts hereunder shall expire July 1, 1954, and the aggregate amount of such purchase contracts issued shall not exceed $200 million; and."

Committee amendment: Page 8, line 7, strike out "7" and insert "10."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 9, line 8, strike out "$200,000,000" and insert "$500,000,000."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 8. The first sentence of subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954."

Committee amendment: Page 10, line 10, strike out "8" and insert "11."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 9. Section 101 (a) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking ", III, or IV" and inserting "or III."

Committee amendment: Page 9, line 13, strike out "9" and insert "12."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 10. Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended to read as follows:

"SEC. 104. After June 30, 1953, (a) no construction of community facilities by the United States may be begun under title III of this act and no agreement may be made to extend assistance for the provision of additional community facilities or services under that title (except as to assistance for which application was made prior to June 1, 1953), (b) no construction of housing may be begun under title III of this act except temporary housing which is otherwise authorized thereunder and required in connection with the operations and activities of the Atomic Energy Commission, (c) the Housing and Home Finance Administrator shall not authorize an additional number of dwelling units to be insured pursuant to title IX of the National Housing Act, and (d) no loan may be made or obligation purchased by the Housing and Home Finance Administrator under section 102a of the Housing Act of 1948, as amended (except pursuant to a commitment issued on or before June 30, 1953, or to refinance an existing loan or existing obligation held under such section by the Administrator on said date). After June 30, 1954, (a) no construction of housing may be begun under title III of this act, and (b) no mortgage may be insured under title IX of the National Housing Act, except (i) pursuant to a commitment to insure issued on or before such date, or (ii) a mortgage given to refinance an existing mortgage insured under that title and which does not exceed the original principal amount and unexpired terms of such existing mortgage."

Committee amendment: Page 9, line 17, strike out "10" and insert "13."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 9, line 20, after "1953," strike out the balance of line 20 and all of lines 21 to 24 inclusive and line 1 on page 10.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 2, strike out "(b)" and insert "(a)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 6, strike out "(c)" and insert "(b)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 9, after the word "act," insert "as amended."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 9, strike out "(d)" and insert "(c)."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 17, after "act," strike out "and."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 18, after "Act," insert "as amended."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 10, line 23, after the word "mortgage," insert "and (c) no construction of community facilities by the United States may be begun under title III of this act and no agreement may be made to extend assistance for the provision of additional community facilities or services under such title."

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 11. Section 906 (c) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking "June 30, 1953" and inserting "June 30, 1954."

Committee amendment: Page 11, line 3, strike out "11" and insert "14."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 11, line 7, insert the following:

"Sec. 15. Section 315 (e) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is amended by striking out the word 'or' immediately before '(3)', and by inserting before the period at the end thereof a comma and the following: 'or (4) the provision of community facilities or services necessary to the health, safety, or public welfare of the inhabitants of a town or community which has been relocated as a result of the acquisition (through eminent domain or purchase in lieu thereof) of its former site by or on behalf of the Atomic Energy Commission for national-defense activities'."

The committee amendment was agreed to.

The Clerk read as follows:

Sec. 12. Title IV of the Defense Housing and Community Facilities and Services Act of 1951, is hereby repealed.

Committee amendment: Page 11, line 16, strike out "12" and insert "16."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 11, line 19, after "1951," insert "as amended,"

The committee amendment was agreed to.

The Clerk read as follows:

Sec. 13. Section 717 (c) of the Defense Production Act of 1950, as amended, is hereby amended by inserting the following new paragraph at the end thereof:

"Notwithstanding any other provision of this act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into pursuant to, or under the authority of, section 602 or section 605 of this act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law."

Committee amendment: Page 11, line 21, strike out "13" and insert "17."

The committee amendment was agreed to.

The Clerk read as follows:

Sec. 14. (a) The Home Owners' Loan Corporation created pursuant to section 4 of the Home Owners' Loan Act of 1933, as amended (referred to in this section as the "Corporation"), shall cease to exist and shall for all purposes be considered dissolved and abolished, except as otherwise provided in this section, 180 days after the date the Home Loan Bank Board publishes in the Federal Register a notice to that effect, which shall also contain information as to the time for, and manner of, filing claims against the Corporation. The period of time prescribed for the filing of such claims shall be the 90 days immediately following the date of publication of the notice, and all creditors and claimants who have not presented their claims or demands within that period shall be forever barred from presenting or prosecuting the same, and any creditor or claimant who has not instituted suit within 60 days from the date his claim or demand is rejected by the Corporation shall be forever barred.

(b) With respect to any action, suit, or other legal proceeding commenced against the Corporation prior to the date of its dissolution, the Corporation shall continue a body corporate for the purpose of defending such suit and for no other purpose, and service of subpena or other process in such proceeding may be made upon the Corporation by serving the same on the Secretary to the Home Loan Bank Board.

(c) Effective as of the date of the dissolution of the Corporation, (1) the title to any and all real property remaining in the Corporation on such date is tranferred to the United States of America, (2) authority is given to the Home Loan Bank Board to sell and convey such property in the name of the United States of America for such cash consideration as such Board shall deem reasonable, and (3) all powers of the Corporation with respect to the execution of any instruments or documents affecting title to real estate or with respect to authorizing satisfactions of judgments are transferred to such Board. Any such instruments or documents executed by the Secretary or an Assistant Secretary to such Board on behalf of the Board shall be as effective as if the same had been executed by the Corporation prior to its dissolution. Subject to the approval of the Director of the Bureau of the Budget, such Board may transfer to any other department or agency of the United States, with the consent of such department or agency, all the powers and functions vested in such Board by this subsection (c). All liens held by the Corporation upon real or personal property on account of judgments rendered in its favor, except judgments for mortgage debts which have been assigned by the Corporation, and all claims now held by the Corporation arising out of its mortgage or real estate operations, whether for rent or otherwise, are hereby released and discharged in full.

(d) The authority to appropriate for any functions relating to the Corporation may continue to be exercised after its dissolution for the purpose of making appropriations to any department or agency carrying out the provisions of this section.

Committee amendment: Page 12, line 9, strike out "14" and insert "18."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 14, line 18, insert:

"Sec. 19. Section 504 of the Housing Act of 1950, as amended, is hereby amended to read as follows:

"'Sec. 504. With respect to housing built or sold with assistance provided under the National Housing Act, as amended, or title III of the Servicemen's Readjustment Act of 1944, as amended, the Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby specifically authorized and directed to issue such regulations, applicable uniformly to all classes of mortgagees, as they determine desirable for the purpose of limiting the charges and fees, which shall not be construed to include any loss suffered by an originating lender in the bona fide sale or pledge of or an agreement to sell the mortgage, imposed upon the builder or other seller, or the veteran or other purchaser in connection with the financing of the construction or sale of such housing, whether or not such charges were or are imposed in connection with the financing assisted by the Federal Government, and no loan shall be insured or guaranteed under such acts unless the mortgagee certifies that it has not imposed upon the builder or other seller, or the veteran or other purchaser any charges or fees in connection with the financing of the construction or sale of such housing in excess of the charges or fees permitted under such regulations for such purposes as are applicable to the housing involved.'

"Sec. 20. (a) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby authorized and directed to prepare suitable forms of contracts (which may vary for each of the several States and Territories) which shall be required to be used in connection with the sale or construction of houses containing not more than two family dwelling units built or sold with assistance provided under the National Housing Act, as amended, or title III of the Servicemen's Readjustment Act of 1944, as amended. Such contract forms shall provide for and establish a warranty by the seller or builder, and such other person as may be required by the said Commissioner or Administrator to become warrantor, that the dwelling is constructed in substantial conformity with the plans and specifications (including any amendments) on which the Federal Housing Administration or the Veterans' Administration based its valuation of the house in connection with any loan which it insured, guaranteed or made to finance the construction or purchase of the house: *Provided*, That such warranty shall apply only with respect to failures of performances as to which the purchaser or homeowner has given written notice to the warrantor within 1 year from the date of initial occupancy of the house. The provisions of this section shall not apply to houses on which construction was started prior to the enactment of this act nor to houses for which agreements or commitments to provide assistance have been entered into by the Federal Housing Commissioner or Administrator of Veterans' Affairs prior to 90 days after the date of approval of this act.

"(b) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are further directed to permit copies of the plans and specifications for houses in connection with which warranties are required by subsection (a) of this section to be made available in their appropriate local offices for inspection or for copying by any purchaser, homeowner, or warrantor during such hours or periods of time as the said Commissioner and Administrator may determine to be reasonable.

"Sec. 21. Public Law 243, 82d Congress, is hereby amended by striking out 'June 29, 1951,' and inserting 'September 1, 1953.'

"Sec. 22. (a) The first sentence of paragraph (g) of section 110 of the Housing Act of 1949, as amended, is hereby amended to read as follows: '"Going Federal rate" means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for loan or advance is made, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent.'"

"(b) The third sentence of section 401 (a) of the Housing Act of 1950, as amended, is hereby amended to read as follows: 'A loan to an educational institution may be in an amount not exceeding the total development cost of the housing, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding 40 years, as may be determined by him; and, with respect to loan contracts entered into after the first minimum annual rate has been specified as provided herein, shall bear interest at a rate determined by the Administrator which shall be not less than the minimum annual rate which the

Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for the loan is made: *Provided*, That such minimum annual rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent.'

"(c) Section 2, paragraph 10, of the United States Housing Act of 1937, as amended, is hereby amended by inserting after '*Provided*, That' the following: ', with respect to any loans or annual contributions made pursuant to a contract approved by the President after the first annual rate has been specified as provided in this proviso, the term "going Federal rate" means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1952) during which the contract is approved by the President, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent; *And provided further*, That'."

Mr. JAVITS. Mr. Chairman, I offer an amendment to the committee amendment:

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the committee amendment: On page 17, strike out lines 7 to 9 inclusive and insert the following new section:

"Notwithstanding the provisions of subparagraph (g) of section 301 (a) (1) of the National Housing Act, as amended, the Federal National Mortgage Association is authorized to enter into advance commitment contracts which do not exceed $300 million outstanding at any one time if such commitments relate to mortgages with respect to which the Federal Housing Commissioner has issued prior to April 1, 1954, pursuant to section 213 of the National Housing Act, as amended, either a commitment to insure or a statement of eligibility: *And provided*, That not to exceed $20 million of said authorization shall be available for such commitments in any 1 State: *And provided further*, That section 302 of such act, as amended, be further amended by adding the sum of $170 million to the total amount of investments, loans, purchases, and commitments authorized therein to be made by the association and to be outstanding at the same time."

Mr. JAVITS. Mr. Chairman, this is an extremely important amendment going to the heart of such housing shortages as exist in the country and is directly a matter which affects veterans. Section 213 provides that veterans' cooperatives may be financed on liberal terms through FHA guaranteed mortgages. I will not detain the committee with the fact of the liberality of these terms, they are a fact, and a great many veterans' co-ops have started up around the country. The difficulty they ran into is that they could not get mortgage money, and so the Congress a couple of years ago passed a law which enabled Fannie May, as we call the Federal National Mortgage Association—FNMA—here, to provide an aggregate of $30 million in advance commitment money for such projects, definitely evidencing its intention that such projects should be favored.

I might say in my city, in New York City, it represents one of the favorite methods by which veterans can get together and solve their middle-income housing problems to own their own apartments. It is a special scheme for helping veterans in home ownership, who are not looking for separate structures, single family homes, but apartments, and especially applicable to big city life.

The normal question would be if $30 million was provided roughly 2 years ago and only $12,500,000 of that were used, leaving a balance of $17,500,000 which this bill makes available for commitments up to September 1, 1953, why am I here seeking to increase the amount to $200 million? The reason is as follows: It has been the normal custom of the Congress to provide that only 10 percent of the amount provided in just such a situation as this should go to any one State, hence the amount under this particular law to which I have referred was limited to $3,500,000; in that case just a little more than 10 percent. The fact is that this particular section of the law, in this kind of housing, is very attractive in big States and is not so attractive in small States. Hence we have this situation: of the applications pending, $121 million out of $180 million are lively applications that could be acted upon.

Maryland accounts for $23 million and California accounts for $9,500,000. Therefore, if the $3,500,000 limitation for any one State were removed, something in excess of a figure of $100 million would be necessary to meet the total demand for advance commitments right now.

The FHA has addressed itself to this subject in a letter dated June 18, 1953, addressed to the Staff Director of the Banking and Currency Committee of the other body, in which they show that there are now eligibility statements outstanding under this particular section of the law and applications in process for 118 projects consisting of something like 19,000 units, and which will involve $180 million in mortgage money. I quote from the letter:

We also assume that permanent financing has been arranged for the 40 projects under "Eligibility statements outstanding." However, I have no means of knowing just what the conditions are with respect to delays, if any, in connection with these 40 projects moving from this classification into "Commitments outstanding."

The letter goes on to state that the mortgage money market is of such a character, and in view of limitations in the law with respect to FNMA which I have described of only $3,500,000 per State, that these very desirable projects which have been in preparation and planning for a long time by the veterans involved cannot participate because the mortgage money is not available.

Therefore I am seeking to increase the amount which is available for veterans' housing projects by $170 million over the amount which is provided in this bill and keep it available until April 1, 1954.

May I emphasize this one point. We all agree that home ownership is desirable. We all agree that middle-income housing represents the greatest lack which we have. We all agree that if there is anything in the world we want to do it is to help veterans. All of these things are joined in these section 213 projects. I am seeking today to facilitate them in a very actual way. These are actual projects in being and under way.

I emphasize this point, which I think is of the greatest importance. This does not represent inflation. When you build homes occupied by veterans, which they own on reasonable terms, you add to the wealth of the country, and you are substituting for money what is even more desirable than money, good living conditions for the veterans of all wars.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from New York.

Mr. HOLTZMAN. I want to join with the gentleman from New York and compliment him on the amendment. I shall support it. It is my firm belief that if we are to combat communism the best way to do it is at its source, giving people decent housing. The gentleman is to be complimented.

Mr. JAVITS. I thank the gentleman. The County of Queens, from which my colleague comes, is the center of this veterans' housing activity. It is not centered in my particular district. But I think it is critically important to the veterans of the country. They are interested in it. They want it. They have actually gone to work and put it together. I think the least we can do in the Congress is to facilitate it for them.

I emphasize this is not using our money, it is using credit, and credit backed by the best security in the world, apartments owned by the veterans themselves. I hope very much that the Committee of the Whole will approve this amendment. This will represent a real forward step for middle-income housing, for which we will have the universal thanks of the veterans of the country.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this has to do only with precommitments by FNMA to purchase the obligations of these cooperative groups which have been formed, as the gentleman suggests, out of minority and veteran groups for the purpose of building these apartment houses. It has to do only with the purchase of the mortgage. We originally provided $30 million in FNMA to be set aside for precommitment purposes, so that FNMA could make precommitments up to $30 million.

Because it was recognized as setting aside a different system for these groups which indulge in cooperative construction which might possibly prejudice the FNMA fund which was being used generally by all home builders and pur-

chasers, we felt that we had to put a limitation upon the time.

Up to the present time, as the gentleman from New York suggests, only $12.5 million of the $30 million has been committed, and no such projects are now eligible for FNMA commitments. With that knowledge, there has not been any great movement of the cooperatives to Fanny May to get precommitments. There are one or two projects, however, that are in the process of planning. They have gone so far that a short time may be required for them to perfect their plans. There are only a few of them throughout the United States which have been called to our attention. That is why we extended the period in which Fanny May may precommit for the purchase of mortgages incidental to the construction of these cooperatives to September 1 so that there would not be any arbitrary cut-off date which would prevent those which were in process of planning for construction at the present time to be cut off. But we do discriminate in this program against all other purchasers and we should not enlarge this program because the cost of construction to cooperatives is no more and no less than it is to others. As far as the members of the cooperatives are concerned, they do not benefit very much by this program and a practice, I am afraid, has grown up to use the cooperative provisions of this bill in the building industry to circumvent restrictions which might otherwise prevail. In other words, certain practices have been developed whereby they might take advantage of this discrimination in favor of cooperatives. For that reason, we do not think the program should be continued beyond September 1 of this year.

Mr. JAVITS. Mr. Chairman, will the gentleman yield? I want to point out to the gentleman there are actually pending, eligibility statements outstanding, on 40 projects with a total dollar volume of $62½ million. Applications in process, 78 projects—$118 million in total dollar volume. That certainly is not inconsiderable, and certainly represents far more than is involved in the extension provided in this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 16, noes 72.

So the amendment was rejected.

Mr. HAGEN of California. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. HAGEN of California to the committee amendment: Page 15, line 6, after the comma strike out the words "or the veteran or other purchaser."

Mr. HAGEN of California. Mr. Chairman, it is extremely difficult for me to follow this bill, because I am not entirely acquainted with all the different housing laws. However, I have some direct interest and some little knowledge of the veterans' housing program. This question has come before our veterans' committee, because recently, before the increase in the interest rate on veterans' loans, a discount practice was suggested as a remedy to the tightness in the veterans' housing loan market. Now that interest rate has occurred and we are here, as I understand it, endorsing a discount procedure in addition to the rise in the interest rate. According to my understanding, heretofore builders and financiers of housing projects designed for veterans have been assuming this discount themselves. In other words, that was a part of the cost of doing business. They have asked the Veterans' Administration in effect to legalize that practice, but as I read this language, this language goes beyond that. In other words, it permits a discount to be charged the veteran. It not only authorizes a discount to be absorbed by the builder—and many of them are willing to absorb it—but it authorizes a discount procedure to the veteran himself. In other words, it permits an increase in the cost of the house that the veteran purchases.

I am opposed to this liberalization of the law. If I am in error in my understanding, I hope the chairman will correct me, but on reading it, it seems to authorize a discount beyond the discount absorbed by the builder, and to permit a direct discount to be borne by the veteran. We raise the interest rate to the veteran, and now apparently seek to legalize the charging of a discount in addition to the rise in the interest rate. I think those who have supported us in protecting veterans' programs will vote for this amendment which I have offered today.

Mr. WOLCOTT. Mr. Chairman, I rise in opposition to the amendment only for the purpose of explaining to the gentleman that what we tried to do and what we are assured we have done is to reactivate the veterans' home-loan program, and to clarify the language of existing law, which makes possible, through misinterpretation of legislative intent, for the Veterans' Administration itself to freeze the market, as was done under its recent regulation.

The language which the gentleman seeks to strike out is in existing law. However, the amendment which the committee has suggested starts with line 3, if the gentleman or any other Member would like to follow me on it, after the word "fees." The new language is from the comma after the word "fees" in line 3 down to and including the comma in line 5 after the word "mortgage." So the language which the gentleman seeks to strike out is in existing law and we merely insert the following language in existing law: "which shall not be construed to include any loss suffered by an originating lender in the bona fide sale or pledge of or an agreement to sell the mortgage."

The Veterans' Administration apparently saw fit to place an interpretation upon this language which was never intended and which went way beyond the transaction between the veteran and the builder and the mortgagee, and set up a practice which in effect has made it impossible for financial institutions to market these mortgages at a discount, although it is not of any interest whatsoever to the original mortgagor because it does not affect his interest rate.

We have been living with this subject for a long time, and do not think for a minute that any member of our committee is going to do anything that is going to result in injury to the veteran. As a matter of fact, this language was put in here in order that the veteran might again enjoy the advantages of the GI bill of rights in respect of home construction. That is what we intended. I think the Veterans' Administration ought to know that that is what we are doing.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. Certainly.

Mr. HAGEN of California. I do not question the gentleman's good intentions towards the veteran; I am merely stating that by this language which may be in some segment of veteran law but certainly in conjunction with the preceding language you are inserting you are authorizing a direct discount charge to the veteran.

Mr. WOLCOTT. No; we are doing just the opposite of that.

Mr. HAGEN of California. All the building industry asked was that they be permitted to discount their loans; they would absorb that as part of the risk of doing business, but they would not pass it on to the veteran.

Mr. WOLCOTT. This is to clarify the situation in the case of mortgages. Let us have it definitely understood if there is any question or if there is to be any question in the mind of the Veterans' Administration, that this language is intended to prevent the practice of passing discounts on to the veteran in order in effect to increase his interest rate. It is intended to create a situation where those mortgages can flow as freely in the mortgage money market as possible. In other words, I do not think it is any business of the Veterans' Administration as to what happens to the mortgage after it leaves the original hands.

Mr. HAGEN of California. I agree with the gentleman.

Mr. WOLCOTT. If the mortgage holder wants to discount it, that is up to him so long as it does not interfere with the rate of interest which the veteran pays. That is what we are attempting to do here, and that is what I think we actually do under this provision.

I think that regulation which was instituted which froze up the veteran mortgage market was the most damaging thing that could be contemplated, and surely did not reflect the intent of Congress.

Mr. HAGEN of California. I agree with the gentleman; something has to be done, but look at this language. I think you could accomplish the purpose without that language being in there.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MATTHEWS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, the gentleman from Michigan [Mr. WOLCOTT] has written in his bill what I believe those of us on the Veterans' Affairs Committee wanted done and I have requested this time to ask him if he would permit me to ask him 1 or 2 questions. I know that the gentleman's committee has been

much concerned about this regulation issued by the Veterans' Administration and which in effect did as he said, froze the lending market for veterans' homes. I mentioned this problem the other day before the committee in connection with another bill under discussion.

There is a builder in my community of veterans' homes and he has told me he would be willing to take a 5 percent or 10 percent loss in his profit, but the Veterans' Administration has said: You have to get a loan at a certain amount of interest, not more than 4½ percent. In other words, you have to get this loan at 4½ percent and you cannot pay the lender any more than that 4½ percent. This builder would be glad to pay 5, 6, or 7 percent and he would be willing to let the Veterans' Administration say to him: You have got to give this veteran the kind of house he pays for; you cannot cheat him. We are going to make the veteran sign a notarized statement and say he is going to pay no more than he is supposed to pay. We are going to appraise it so that if it is a $10,000 house he is going to get a $10,000 house.

This builder says if he does all that, then he believes it is his business only how much interest he pays to get the loan. As I understand it the provision that the gentleman from Michigan [Mr. WOLCOTT], has in his amendment will enable this builder, if he wants to, to build a home for the veteran, to go to a lending institution and pay a little bit more than the 4½ percent interest but at the same time that there will be a guaranty that if it is supposed to be a $10,000 house which he builds for the veteran, it will be a $10,000 house. Do I understand that is the idea of the gentleman's amendment?

Mr. WOLCOTT. Yes; I may say to the gentleman not to exceed 4½ percent interest to the veteran. There are also other provisions in the bill here that have to do with a practice which is not general but it is to protect against the practice, where they up the mortgage to offset that because they have to come in and tell what the property actually cost. If it develops from these certificates that they have asked for a higher mortgage than they are entitled to, they do not get it. There are other provisions which I think will give protection to all home purchasers against some of the practices which, as I say, are not general.

I think the gentleman is correct in his analysis of what this does and what we intend to do. The veteran is not to be charged more than 4½ percent interest through any practice of upping the cost, passing on discounts, or any of those practices, which have been so pernicious and which we all deplore. We attempt to get this Veterans' Administration housing straightened out so that the veterans can get the benefit of those provisions which they have not been able to get for months, primarily because, I suppose, of a lower interest rate. Anyway, we have attempted to reactivate the Veterans' Administration program in respect to housing, and at the same time prevent by any means known to us an increase, directly or indirectly, of the interest rate which the veteran has been charged.

Mr. MATTHEWS. I thank the gentleman and I certainly agree with his analysis.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. HAYS of Ohio. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I sat through the biggest portion of the hearings on this bill in the committee and I went along with this provision in the bill somewhat reluctantly because of the fact that the mortgage market for veterans' housing seems to be frozen up. But I am just a little bit at a loss to understand the argument of the gentleman from Florida unless it is based on the story that I once heard about a fellow who did a great deal of business and seemingly made a lot of money, but he said, "No; the contrary is true." He said, "As a matter of fact, I lose money on every transaction; it is the volume that keeps me going."

Now, it just does not seem reasonable to me that a builder is going to go into the market and get money at a higher interest rate and give the veterans a lower interest rate and absorb the difference himself—give the veteran a full $10,000 or whatever price you may have, value for his money. I do not think anybody on this floor, if he stops for a moment and thinks it through, thinks that that is going to happen, either. I do not think that any builder or building corporation is an eleemosynary institution. I believe they are in business to make money. I do not anticipate that they are in business for charitable purposes or to do good or help out the veteran, and if they cannot market these mortgages at 4½ percent, then I do not think they ought to try to kid us or I do not think we ought to try to kid anybody. Let us just say this is a provision to raise the interest rate a little more and let the veteran or the buyer pay the freight because really that is just exactly what it amounts to.

Mr. MATTHEWS. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Florida.

Mr. MATTHEWS. I would like to say to the gentleman that I can give him the name of at least one builder who said he would be delighted to pay a little more interest rate just so that he can stay in business, and I certainly believe that he will do that. I do not believe the veteran is going to lose at all, because that is taken care of by the Veterans' Administration appraising that house at its proper value.

Mr. HAYS of Ohio. I do not doubt for 1 minute the gentleman's sincerity, and I do not doubt for 1 minute that he can give me the name of this builder, and I do not doubt for 1 minute that the builder wants to stay in business. But, I would like to take a look at his books to see if he is going to stay in business at a loss or at a profit, and he is not going to be too charitable if he is going to stay in business. Somebody is going to pay the profit.

Mr. MATTHEWS. I think the proposition in Florida is, instead of say, making $600 profit he is willing to make $550 profit. He is a good businessman. He is willing to make less profit and pay more for his money.

Mr. HAYS of Ohio. Make less profit? That is the easiest thing to do, you do not have to go through this devious approach.

Mr. MATTHEWS. I do not think the veteran will lose one bit.

Mr. HAYS of Ohio. Do you not agree that the way to do it, if he wants to make a little bit less profit, is to make a little less profit? He does not have to go through this round about routine, does he?

Mr. MATTHEWS. The proposition is, he has to borrow the money, and it is difficult to borrow money at 4½ percent some times, so he might be willing to pay a little more for it and make just a little bit less profit. I am talking about the builder.

Mr. HAYS of Ohio. I understand what the gentleman is talking about. It is a matter of indirection to make less money, and if he wants to make less money directly, I think I can give him some advice on that.

Mr. MUMMA. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Pennsylvania.

Mr. MUMMA. You know, this fellow may be anxious to get that money to use it in the buying of materials, if he can buy in big quantities. He is not borrowing this money for over 3 months down in Florida, and it does not take him much longer than that to build a house. So, I believe it is possible, in quantity buying, if a fellow has a certain limit, that he can go out and buy maybe a carload of shingles or sewer pipe and get a good price.

What is the legal rate of interest in Florida? Is it not a little higher than in most States?

Mr. HAYS of Ohio. It is higher than most States. I do not say it is impossible, but I think we are setting up a highly improbable case.

The question is on the amendment offered by the gentleman from California [Mr. HAGEN].

The amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Page 19, immediately following line 25, insert the following new section:

"SEC. 22. (a) Section 214 of the National Housing Act, as amended, is hereby amended by inserting the words 'or Hawaii' after the word 'Guam' in each place where it appears therein.

"(b) Section 2 (b) of Public Law 52, 81st Congress, is hereby amended by adding at the end thereof the following new paragraph:

"Notwithstanding the provisions of subparagraph (C) of section 301 (a) (1) of the National Housing Act, as amended, any mortgage loans may be offered to the Federal National Mortgage Association for purchase if such loans are secured by property located in Guam or Hawaii, and insured under any of the provisions of the National Housing Act, as amended."

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Texas.

Mr. PATMAN. I thought the committee looked with disfavor on a bill proposing this same thing. Am I mistaken about that?

Mr. WOLCOTT. No, this is not the precommitment authority. This has to do with increasing the maximum limits on the mortgages under FHA on account of high construction costs in Guam, most of which projects are built for armed service personnel, and in Hawaii. It does not involve the precommitment provision.

Mr. PATMAN. We had a hearing on that and refused to vote the bill out.

Mr. WOLCOTT. This does not involve that feature.

I guess in answer to the gentleman's question I have explained what this amendment is about. The construction costs in Guam and Hawaii are so high that the present limitations on the Mortgage Authority would almost prevent them from taking advantage of it. It takes a realistic attitude toward their problems.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, when we go back into the House I shall ask unanimous consent to introduce into the RECORD an exchange of correspondence which I have had with the Federal Housing Commissioner on the subject of the policy of the Federal Housing Administration in respect of segregation and discrimination practices on the ground of race, creed, or color in the administration of the law, in which he in practical effect says they are requiring in the certification that there be no restrictive covenants on properties covered by FHA mortgages, and that when FHA itself sells property it sells it without any limitation, requirement, or condition based upon race, creed, or color. I believe this should be part of the proceedings on this bill. This exchange of correspondence follows herewith:

JUNE 12, 1953.

Hon. GUY HOLLYDAY,
Administrator, Federal Housing Administration, Washington, D. C.

DEAR MR. HOLLYDAY: When the defense housing bill was before the House of Representatives in August 1951 (82d Cong.) there was considerable discussion as to the policy of the Federal Housing Administration with regard to racial segregation and discrimination in the projects with which it guaranteed mortgages. I would appreciate very much your advising me as to present FHA policy and any projected plans on policy regarding (1) guaranties on mortgages for projects in which segregation or discrimination in choosing buyers or tenants is practiced, and (2) properties disposed of by FHA in respect of segregation or discrimination in connection with such disposition or resulting private ownership.

Sincerely,

J. K. JAVITS,
Member of Congress.

FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., June 18, 1953.

Hon. J. K. JAVITS,
House of Representatives,
Washington, D. C.

DEAR MR. JAVITS: I am pleased to give you the information requested in your letter of June 12, 1953.

With respect to question No. (1) the mortgagor under a mortgage insured by this Administration may sell, or lease, or allow his property to be occupied in accordance with his own wishes. He must, however, certify that until the mortgage has been paid in full, or the contract of insurance otherwise terminated, he will not file for record any restriction upon the basis of race, color, or creed or execute any agreement, lease, or conveyance affecting the mortgaged property which imposes any such restriction upon its sale or occupancy. We have in the past and shall continue to insure rental properties the units of which are offered by the mortgagor on an open occupancy basis.

With respect to question No. (2) property acquired by this Administration is offered by the Commissioner for rent or sale without any limitations, requirements or conditions based upon race, color, or creed.

Sincerely,

GUY T. O. HOLLYDAY,
Commissioner.

(Mr. JAVITS asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. PRICE. Mr. Chairman, I urge the House today to approve an amendment to the legislation now under consideration which would provide for authority to lower the downpayment on home purchases under mortgage insured by the Federal Housing Administration. This would give to families in the middle and lower income brackets a fair chance to buy homes they want and need.

In my opinion if we do not act today to grant this authority, we may invite a crisis in the home building industry. Failure to adjust the FHA downpayment at this time could have great repercussions on the home building industry—and I would remind my colleagues in the House that the building industry is one of the major props in our national economy.

I would like to point to the decline in home building in recent months and call attention to the threat to the industry under the new Administration's hard-money policy.

If a serious building slump should occur after this session of Congress adjourns the Administration would be powerless to act in lowering FHA downpayments unless we place such legislation on the Statute books authorizing it to act.

I might point out, also, that for the first time since the end of World War II, the start of home construction for the month of May has dropped below that of April. Usually, home builders are at peak production in May.

I think Congress should be alert to this situation and I hope that my colleagues in the House today will approve an amendment to permit the lowering of FHA downpayments.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CORBETT, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5667) to amend the National Housing Act and other laws relating to housing, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en bloc.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers in the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

TEMPORARY APPROPRIATIONS FOR THE FISCAL YEAR 1954

Mr. TABER. Mr. Speaker, I call up the joint resolution (H. J. Res. 287) making temporary appropriations for the fiscal year 1954, and for other purposes, and ask unanimous consent that the joint resolution be considered in the House as in the Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the joint resolution be considered as read.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

(The joint resolution is as follows:)

Resolved, etc., That there are hereby appropriated, out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units in each branch of the Government—

(a) (1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution) which were conducted in the fiscal year 1953 and for which appropriations, funds, or other authority would be made available in both the House and Senate versions of the following appropriation acts:

First Independent Offices Appropriation Act, 1954;

Department of Agriculture Appropriation Act, 1954;

Departments of State, Justice, and Commerce Appropriation Act, 1954;

Interior Department Appropriation Act, 1954.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided for by the pertinent appropriation act: *Provided*, That in any case where the amount which would be made available or the authority which would be granted under such act as passed by the House is different from that which would be made available or granted under such act as passed by the Senate, the pertinent project or activity shall be carried out under the lesser amount or the more restrictive authority.

(b) (1) Such amounts as may be necessary for continuing projects or activities (not otherwise provided for in this joint resolution) which were conducted in the fiscal year 1953, and for which appropriations, funds, or other authority would be made available in the following appropriation acts:

Departments of Labor and Health, Education, and Welfare Appropriation Act, 1954;

Civil Functions Appropriation Act, 1954;

District of Columbia Appropriation Act, 1954;

Second Independent Offices Appropriation Act, 1954.

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided for by the pertinent appropriation act: *Provided*, That in any case where the amount which would be made available or the authority which would be granted under such act as passed by the House is different from that requested in the budget estimate for 1954, the pertinent project or activity shall be carried out under the lesser amount or the more restrictive authority.

(c) Such amounts, real property, and the use thereof), commodities and services, as may be necessary for continuing projects or activities which were conducted in the fiscal year 1953 and for which appropriations, funds, or other authority would be made available in the Department of Defense Appropriation Act, 1954 (H. R.), to the extent and in the manner which would be provided for by said H. R. as that bill was reported to the House on June 27, 1953.

(d) Such amounts as may be necessary for continuing projects or activities conducted in the fiscal year 1953 and listed in this subsection, at a rate for operations not in excess of the current rate or the rate permitted by the budget estimated or the amount specified herein, whichever is lowest:

Economic Adviser to the President (Council of Economic Advisers);

Committee on Retirement Policy for Federal Personnel;

Civil Service Commission: Investigations of United States citizens for employment by international organizations;

Export-Import Bank of Washington;

Federal Civil Defense Administration;

Reconstruction Finance Corporation;

Department of Commerce: Export control;

Department of Defense: Civil functions; Government and relief in occupied areas;

Defense Production Act activities: Executive Office of the President: Office of Defense Mobilization;

Independent Offices:

Defense transport activities;

Economic Stabilization Agency;

General Services Administration: Emergency operating expenses;

Department of Commerce: Office of the Secretary (not to exceed $875,000);

Department of the Interior: Office of the the Secretary.

(e) (1) Such amounts as may be necessary for continuing projects or activities which were conducted in the fiscal year 1953 and for which appropriations, funds, or other authority would be made available in the Legislative-Judiciary Appropriation Act, 1954, to the extent and in the manner which would be provided for in said act as passed by the House.

(2) Such amounts as may be necessary for continuing projects or activities of the Senate and of the Senate items under the Architect of the Capitol, to the extent and in the manner which would be provided for in the budget estimates for the fiscal year 1954.

(f) Such amounts as are respectively set forth herein for continuing projects or activities which were conducted in the fiscal year 1953, as follows:

Mutual Security Program, $245 million;

Department of State:

International Information Administration, $5,700,000;

Government in occupied areas, $3,500,000.

(g) Such amount as may be necessary for continuing projects or activities which were conducted in the fiscal year 1953 in the Trust Territory of the Pacific Islands and for which appropriations would be made available in the Interior Department Appropriation Act, 1954, to the extent and in the manner which would be provided for in said act as passed by the Senate.

SEC. 2. Except as otherwise herein provided, appropriations and funds made available and authority granted pursuant to this joint resolution shall be subject to the general provisions of chapter XIV of the Supplemental Appropriation Act, 1953, to the same extent as the comparable appropriations, funds, and authority were subject to such provisions in the fiscal year 1953.

SEC. 3. Appropriations and funds made available and authority granted pursuant to this joint resolution shall remain available until (a) enactment into law of an appropriation for any project or activity provided for herein, or (b) enactment of the applicable appropriation act by both Houses without any provision for such project or activity, or (c) July 31, 1953, whichever first occurs.

SEC. 4. Appropriations and funds made available and authority granted pursuant to this joint resolution may be used without regard to the time limitations set forth in subsection (d) (2) of section 3679, revised statutes, and expenditures therefrom shall be charged to any applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 5. Except as provided in subsection 1 (c) hereof, appropriations made and authority granted pursuant to this joint resolution, whether in specified or unspecified amounts, shall cover all obligations or expenditures incurred for the pertinent project or activity, including foreign currencies or credits owed to or owned by the United States which are used for such projects or activities: *Provided*, That foreign currencies or credits owed to or owned by the United States may be used without regard to this section for liquidation of obligations legally incurred against such credits prior to July 1, 1953.

SEC. 6. No appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity which was not being conducted during the fiscal year 1953.

Mr. TABER. Mr. Speaker, this is a joint resolution introduced for the purpose of providing appropriations which it has not been possible to enact into a law to keep the Departments and Agencies of the Government in operation for the month of July. We have provided that the lower amount adopted by either body shall govern where there is a difference, and both Houses have passed the bill. We have provided that where a bill has only passed one body, that the amount that the House has provided, the lower amount of the House provision or the budget, should govern. We have prohibited embarking upon new projects unless they are included in both bills.

Mr. Speaker, I believe that is all I care to say about the bill at this time.

Mr. CANNON. Mr. Speaker, this is the usual continuing resolution, and follows practically verbatim the stereotype form that has always been used and merely conforms to the situation as we find it. It conforms to the classification of bills which have passed one House, or both Houses, or neither. It is necessary to pass this joint resolution by midnight June 30 in order to keep the Government operating. The Committee on Appropriations has reported it out unanimously.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield.

Mr. JONES of Missouri. Does the gentleman think it would be possible if the House would stay in session 5 days a week, to get these bills passed before June 30?

Mr. TABER. No, not if the committee is to give the consideration to these bills that they should have.

Mr. JONES of Missouri. The gentleman does not think so?

Mr. TABER. I think it can be done next year because we will be starting earlier than we were able to start this year. With the start we had this year, we have not had the length of time we really should for the consideration of the bills by the subcommittees.

Mr. JONES of Missouri. Does the gentleman think that the Members staying here the rest of the week, instead of working from Tuesday to Thursday only, as we do most of the time, would have an effect on it?

Mr. TABER. Not the slightest.

Mr. JONES of Missouri. But the gentleman thinks that he can make us a promise to get these bills out earlier next year?

Mr. TABER. I know we can get them out earlier next year.

Mr. CANNON. Mr. Speaker, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Missouri.

Mr. CANNON. In response to the suggestion of the gentleman from Missouri [Mr. JONES] may I absolve the Committee on Appropriations from responsibility for much of the delay this year. We have not been operating more expeditiously because the Bureau of the Budget has been slow in sending up the estimates. The committee could hardly have reported these bills sooner, because they did not have the estimates on which to work.

Mr. TABER. Mr. Speaker, I ask unanimous consent that the resolution may be considered as read.

The SPEAKER. Is there objection?

There was no objection.

Mr. TABER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. TABER:

On page 2, after line 10, insert "Civil Functions Appropriation Act, 1954."

On page 3, strike out all of line 5.

Mr. CANNON. Mr. Speaker, as I understand it, this is made necessary by the action of the other body in passing within the hour one of the appropriation bills received from the House.

Mr. TABER. That is correct.

Mr. CANNON. As a result, the bill is reclassified and transferred from one paragraph to another.

Mr. TABER. That is correct. This will avoid the necessity of the Senate's passing an amendment to the bill along this line, and then having the bill come back here.

Mr. CANNON. Mr. Speaker, in this connection, attention might be drawn to a rather singular coincidence.

On Saturday—our traditional day of rest—the House met this morning at 10 o'clock, has been working steadily and is sitting late. The other body met this morning at 10 o'clock, has been working steadily, and is sitting late. It is a very happy augury of events to come.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the resolution.

The resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOUSING PREFERENCES TO KOREAN VETERANS UNDER THE LANHAM ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of S. 1376, an act to amend section 503 of the act entitled, "An act to expedite the provision of housing in connection with national defense, and for other purposes, approved October 14, 1940, as amended."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 503 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended, is further amended by inserting after the words "during the present war" the following: "and prior to such date thereafter as shall be determined by the President."

Mr. WOLCOTT. Mr. Speaker, this bill, as passed by the Senate and as reported out of the Committee on Banking and Currency, provides that the benefits and advantages in respect to the occupancy of Lanham Act houses which are now extended to World War II veterans will be extended to include all Korean veterans. That is about all it provides. These are in respect to the Lanham temporaries, and the law provides that the veterans shall be given priority and preference in the occupancy of those units.

Mr. SPENCE. Mr. Speaker, I join with my chairman in asking for the passage of this bill. There certainly can be no reason why all the privileges and rights that were extended to veterans of World War II should not be extended to the Korean veterans.

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Committee amendment offered by Mr. WOLCOTT: At the end of the bill add the following new sections:

"SEC. 2. Section 1 (b) (2) of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"'Any veteran (defined herein as a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who was discharged or released therefrom under conditions other than dishonorable) who intends to engage in farming as a principal occupation, and who meets the requirements of rules and regulations prescribed by the Secretary as to industry, experience, character, and other assurances of success as a farmer, shall be eligible for the benefits of this title and his application shall be entitled to preference over the applications of nonveterans.'

"SEC. 3. Section 507 of the Housing Act of 1949, as amended, is amended to read as follows:

"'As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a "veteran" shall mean a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who was discharged or released therefrom on conditions other than dishonorable. "Deceased servicemen" shall mean persons who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who died in service before the termination of such war or such period'."

Mr. WOLCOTT. Mr. Speaker, this amendment is in two sections, but it merely extends the benefits of the Bankhead Jones Act and title V of the Housing Act of 1949 which were extended to World War II veterans to the Korean veterans. That is all there is to it.

The SPEAKER. The question is on the amendment offered by the gentleman from Michigan.

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

By unanimous consent, House Resolution 299 was laid on the table.

AMENDING NATIONAL HOUSING ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the present consideration of the bill (S. 2103) to amend the National Housing Act and other laws relating to housing, and if this request is granted I shall move to substitute the provisions of H. R. 5667 for the Senate bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Housing Amendments of 1953."

SEC. 2. Section 8 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $5,700, and not to exceed 95 percent of the appraised value, as of the date the mortgage is accepted for insurance, of a property upon which there is located a dwelling designed principally for a single-family residence, and which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition in cash or its equivalent, or shall be the builder constructing the dwelling, in which case the principal obligation shall not exceed 85 percent of the appraised value of the property or $5,100: *Provided further*, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas: *And provided further*, That, where the mortgagor is the owner and occupant of the property and establishes (to the satisfaction of the Commissioner) that his home, which he occupied as an owner or as a tenant, was destroyed or damaged to such an extent that reconstruction is required as a result of a flood, fire, hurricane, earthquake, storm, or other catastrophe, which the President, pursuant to section 2 (a) of the act entitled 'An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes' (Public Law 875, 81st Cong., approved September 30, 1950), has determined to be a major disaster, such maximum dollar limitation may be increased by the Commissioner from $5,700 to $7,000, and the percentage limitation may be increased by the Commissioner from 95 percent to 100 percent of the appraised value;".

SEC. 3. Section 203 of said act, as amended, is hereby amended by adding the following new subsection at the end thereof:

"(g) Notwithstanding any other provisions of this section, a mortgage otherwise eligible for insurance hereunder and covering property upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction, may have such higher ratio of loan to value and such longer maturity than otherwise provided as the President may determine to be in the public interest, taking into account the general effect of such higher ratio or longer maturity, as the case may be, upon conditions in the building industry and upon the national economy: *Provided*, That the principal obligation of any such mortgage shall not exceed $12,000 and the maturity thereof shall not exceed 30 years: *And provided further*, That with respect to any such mortgage the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on

account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition in cash or its equivalent."

SEC. 4. Section 205 (c) of the National Housing Act, as amended, is hereby amended to read as follows:

"(c) The Commissioner shall, except as to group accounts terminated as of a date prior to July 1, 1953, transfer from each of the several group accounts to the general reinsurance account, beginning as of July 1, 1953, and as of the beginning of each semiannual period thereafter, an amount which, in the case of the initial transfer, shall equal 10 percent of the total premium charges theretofore credited to such group accounts, and, in the case of subsequent transfers, shall equal the amount of any adjusted premium charges collected by the Commissioner in connection with the payment in full of insured mortgages prior to maturity on or after July 1, 1953, and an amount which shall in no event be less than 10 percent nor more than 35 percent of all other premium charges credited to such group accounts during the preceding semiannual period. The Commissioner shall terminate the insurance as to any group of mortgages (1) when he shall determine that the amounts to be distributed, as hereinafter set forth, to each mortgagee under an outstanding mortgage assigned to such group are sufficient to pay off the unpaid principal of each such mortgage, or (2) when all the outstanding mortgages in any group have been paid. In addition to the amounts transferred as herein provided, the Commissioner shall, upon such termination, charge to the group account the estimated losses arising from transactions relating to that group, and shall distribute to the mortgagees for the benefit and account of the mortgagors of the mortgages assigned to such group the balance remaining in such group account, less any amount by which such balance exceeds the aggregate scheduled annual premiums of such mortgagors to the year of termination of the insurance: *Provided*, That any undistributed balance in the group account at termination shall be transferred to the general reinsurance account. Any such distribution to mortgagees shall be made equitably and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any distribution to a mortgagor or for the account of a mortgagor under any provision of this section exceed his aggregate scheduled annual premiums to the year of termination of the insurance."

SEC. 5. (a) Section 207 (c) of said act, as amended, is hereby amended—

(1) by striking out of paragraph No. (2), "the sum of (i) 90 percent of that portion of the estimated value of the property or project attributable to dwelling use (when the proposed improvements are completed) which does not exceed $7,000 per family unit and (ii) 60 percent of such estimated value in excess of $7,000 and not in excess of $10,000 per family unit and (iii) 90 percent of the estimated value of such part of such property or project as may be attributable to nondwelling use" and inserting "90 percent of the estimated value of the property or project when the proposed improvements are completed)";

(2) by amending paragraph No. (3) to read as follows:

"(3) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,000 per room (or $7,200 per family unit if the number of rooms in such property or project does not equal or exceed four per family unit) and not in excess of $10,000 per family unit."; and

(3) by inserting after paragraph No. (3) the following new paragraph:

"Notwithstanding any of the limitations contained in paragraphs numbered (2) and (3) of this subsection (c), if the number of bedrooms in such property or project is equal to or exceeds 2 per family unit, and the principal obligation of the mortgage does not exceed $7,200 per family unit for such part of such property as may be attributable to dwelling use, the mortgage may involve a principal obligation not in excess of 90 percent of the estimated value of the property or project (when the proposed improvements are completed).".

(b) Section 207 (i) of the National Housing Act, as amended, is hereby amended by striking out of the second sentence thereof the word "twenty" and inserting in lieu thereof the word "fifteen".

SEC. 6. Section 217 of the National Housing Act, as amended, is hereby amended by striking out of the second proviso "$1,900,000,000" and inserting "$3,400,000,000".

SEC. 7. Title II of said act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 219. Notwithstanding limitations contained in any other sections of this act as to the use of moneys credited to the title I Housing Insurance Fund, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Military Housing Insurance Fund, or the Defense Housing Insurance Fund, the Commissioner is hereby authorized to transfer funds from any one or more of such Insurance Funds to any other such Fund in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such Funds, separately and jointly to carry out effectively the insurance programs for which such Funds were established."

SEC. 8. Title V of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 516. The following funds shall be deemed an indebtedness to the United States of the particular insurance fund involved, and the Commissioner is authorized and directed to pay the amount of such indebtedness to the Secretary of the Treasury, with simple interest thereon from the date the funds were advanced to the date of final payment at a rate determined by the Secretary of the Treasury, taking into consideration the average rate on outstanding marketable obligations of the United States from the date the funds were advanced until the date of final payment—

"(1) funds made available to the Commissioner pursuant to the provisions of sections 4 and 202, exclusive of amounts heretofore refunded, (a) for carrying out title II with respect to mortgages insured under section 203 where such funds were credited to the general reinsurance account in the Mutual Mortgage Insurance Fund, and (b) for the payment of salaries and expenses with respect to mortgage insurance under sections 207 and 210 where such funds were credited to the Housing Insurance Fund;

"(2) funds made available to the Commissioner pursuant to sections 602 and 803; and

"(3) funds made available to the Commissioner by the Secretary of the Treasury pursuant to section 710.

"Payments to the Secretary of the Treasury under this section shall be made in such amounts and at such times as the Commissioner determines, after consultation with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the funds involved. All payments made pursuant to this section shall be covered into the Treasury as miscellaneous receipts."

SEC. 9. Section 803 (a) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954."

SEC. 10. Subparagraph (E) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended—

(1) by striking "unpaid principal balance thereof" and inserting "principal amount to be paid therefor";

(2) By striking "aggregate amount" and inserting "aggregate principal amount"; and

(3) by striking everything after the colon and inserting: "*Provided*, That the foregoing clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G): *Provided further*, That, in lieu of or in conjunction with the other requirements with respect to mortgages covered by the aforesaid clause (2), and also with respect to any defense or disaster mortgages as defined in subparagraph (G), the Association may (in the discretion of its Board of Directors, and notwithstanding the provisions of subparagraph (G)) issue a purchase contact (which shall not be assignable or transferable except with the consent of the Association) in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder thereof to sell to the Association mortgages in the amount of the contract, upon such terms and conditions as the Association may prescribe: *And provided further*, That the authority of the Association to issue purchase contracts hereunder shall expire July 1, 1954; and."

SEC. 11 (a) The first sentence of subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954."

(b) The first sentence of section 302 of the National Housing Act, as amended, is hereby amended by changing the colon to a period, and by deleting the proviso.

SEC. 12. Public Law 243, 82d Congress, is hereby amended by (1) adding after the words "provisions of" the following: "subparagraph (C) of section 301 (a) (1) of the National Housing Act, as amended, with respect to mortgages where the number of rooms in the project equals or exceeds 6 per family unit and where the number of bedrooms equals or exceeds 3 per family unit, and notwithstanding the provisions of"; and (2) striking "June 29, 1951" and inserting "September 30, 1953."

SEC. 13. Section 101 (a) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking ", III, or IV" and inserting "or III."

SEC. 14. Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking out "1953" in the first place where it appears in said section and inserting "1954"; by striking out clause (c) thereof; and by relettering clause (d) thereof as clause (c).

SEC. 15. Section 305 (c) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking "June 30, 1953" and inserting "June 30, 1954."

SEC. 16. Title IV of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby repealed.

SEC. 17. Section 717 (c) of the Defense Production Act of 1950, as amended, is hereby amended by inserting the following new paragraph at the end thereof:

"Notwithstanding any other provision of this act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into pursuant to, or under the authority of, section 602 or section 605 of this act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law."

SEC. 18. (a) The Home Owners' Loan Corporation created pursuant to section 4 of the Home Owners' Loan Act of 1933, as amended (referred to in this section as the "Corporation"), shall cease to exist and shall for all

purposes be considered dissolved and abolished, except as otherwise provided in this section, 180 days after the date the Home Loan Bank Board publishes in the Federal Register a notice to that effect, which shall also contain information as to the time for, and manner of, filing claims against the Corporation. The period of time prescribed for the filing of such claims shall be the 90 days immediately following the date of publication of the notice, and all creditors and claimants who have not presented their claims or demands within that period shall be forever barred from presenting or prosecuting the same, and any creditor or claimant who has not instituted suit within 60 days from the date his claim or demand is rejected by the Corporation shall be forever barred.

(b) With respect to any action, suit, or other legal proceeding commenced against the Corporation prior to the date of its dissolution, the Corporation shall continue a body corporate for the purpose of defending such suit and for no other purpose, and service of subpena or other process in such proceeding may be made upon the Corporation by serving the same on the Secretary to the Home Loan Bank Board.

(c) Effective as of the date of the dissolution of the Corporation, (1) the title to any and all real property remaining in the Corporation on such date is transferred to the United States of America, (2) authority is given to the Home Loan Bank Board to sell and convey such property in the name of the United States of America for such cash consideration as such Board shall deem reasonable, and (3) all powers of the Corporation with respect to the execution of any instruments or documents affecting title to real estate or with respect to authorizing satisfactions of judgments are transferred to such Board. Any such instruments or documents executed by the Secretary or an Assistant Secretary to such Board on behalf of the Board shall be as effective as if the same had been executed by the Corporation prior to its dissolution. Subject to the approval of the Director of the Bureau of the Budget, such Board may transfer to any other department or agency of the United States, with the consent of such department or agency, all the powers and functions vested in such Board by this subsection (c). All liens held by the Corporation upon real or personal property on account of judgments rendered in its favor, except judgments for mortgage debts which have been assigned by the Corporation, and all claims now held by the Corporation arising out of its mortgage or real-estate operations, whether for rent or otherwise, are hereby released and discharged in full.

(d) The authority to appropriate for any functions relating to the Corporation may continue to be exercised after its dissolution for the purpose of making appropriations to any department or agency carrying out the provisions of this section.

Sec. 19. Subsection (e) of section 106 of the Housing Act of 1949 (42 U. S. C. 1456 (e)), is amended by inserting before the period at the end thereof a colon and the following: "*Provided*, That the Administrator, without regard to such limitation, may enter into contracts for capital grants aggregating not to exceed $35 million (subject to the total authorization provided in sec. 103 (b) of this title) with local public agencies in States where more than two-thirds of the maximum capital grants permitted in the respective State under this subsection has been obligated".

Sec. 20. The Servicemen's Readjustment Act of 1944, as amended, is hereby amended—

(1) by striking out of clause (C) of section 512 (b) "June 30, 1953" and inserting in lieu thereof "June 30, 1954";

(2) by striking out of section 513 (d) "to any private lending institution evidencing ability to service loans" and inserting in lieu thereof "to any person or entity approved for such purpose by the administrator";

(3) by striking out of the first sentence of section 513 (a) "June 30, 1953" and inserting in lieu thereof "June 30, 1954";

(4) by striking out of the third sentence of section 513 (c) "June 30, 1954" and inserting in lieu thereof "June 30, 1955";

(5) by striking out of the first sentence of section 513 (d) "June 30, 1953", and inserting lieu thereof "June 30, 1954"; and

(6) by striking out of section 513 (d) in each place where it appears therein the sum "$25 million" and inserting in lieu thereof the sum "$50 million."

Sec. 21 (a) The first sentence of paragraph (g) of section 110 of the Housing Act of 1949, as amended, is hereby amended to read as follows: " 'Going Federal rate' means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for loan or advance is made, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent.".

(b) The third sentence of section 401 (a) of the Housing Act of 1950, as amended, is hereby amended to read as follows: "A loan to an educational institution may be in an amount not exceeding the total development cost of the housing, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding 40 years, as may be determined by him; and, with respect to loan contracts entered into after the first minimum annual rate has been specified as provided herein, shall bear interest at a rate determined by the Administrator which shall be not less than the minimum annual rate which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for the loan is made: *Provided*, That such minimum annual rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent.".

(c) Section 2, paragraph 10, of the United States Housing Act of 1937, as amended, is hereby amended by inserting the following after the words "*Provided*, That": ", with respect to any loans or annual contributions made pursuant to a contract approved by the President after the first annual rate has been specified as provided in this proviso, the term 'going Federal rate' means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract is approved by the President, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the 1st day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent: *And provided further*, That."

Sec. 22. (a) Section 2 (b) of Public Law 52, 81st Congress, is hereby amended by inserting the figure "(1)" immediately prior to the words "may be offered to the Federal National Mortgage Association" and by adding the following before the period at the end of section 2 (b): ", and (2) may be offered to the Federal National Mortgage Association for purchase if such loans are secured by property located in Guam and insured under any of the provisions of the National Housing Act, as amended."

(b) Section 214 of the National Housing Act, as amended, is hereby amended—

(1) by striking from the last sentence of said section the words "Upon application by the mortgagee," and inserting in lieu thereof the words: "Upon application by the mortgagee (1) where the mortgagor is regulated or restricted pursuant to the last sentence of this section or (2)"; and

(2) by adding the following new sentence at the end of said section: "Without limiting the authority of the Commissioner under any other provision of law, the Commissioner is hereby authorized, with respect to any mortgagor in such case (except where the Alaska Housing Authority is the mortgagor or mortgagee), to require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such an extent and in such manner as the Commissioner determines advisable to provide reasonable rentals and sales prices and a reasonable return on the investment."

Mr. WOLCOTT. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: Strike out all after the enacting clause and insert "That this act may be cited as the 'Housing Amendments of 1953.'

"Sec. 2. Section 203 of said act, as amended, is hereby amended by adding the following new subsection at the end thereof:

"'(g) Notwithstanding any other provisions of this section, a mortgage otherwise eligible for insurance hereunder and covering property upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction, may have such higher ratio of loan to value and such longer maturity than otherwise provided as the President may determine to be in the public interest, taking into account the general effect of such higher ratio or longer maturity, as the case may be, upon conditions in the building industry and upon the national economy: *Provided*, That the principal obligation of any such mortgage shall not exceed $12,000 and the maturity thereof shall not exceed 30 years: *And provided further*, That with respect to any such mortgage the mortgagor shall be the owner and occupant of the property at the time of the insurance and shall have paid on account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition in cash or its equivalent.'

"Sec. 3. Section 205 (c) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(c) The Commissioner shall, except as to group accounts terminated as of a date prior to July 1, 1953, transfer from each of the several group accounts to the general reinsurance account, beginning as of July 1,

1953, and as of the beginning of each semiannual period thereafter, an amount which, in the case of the initial transfer, shall equal 10 percent of the total premium charges theretofore credited to such group accounts, and, in the case of subsequent transfer, shall equal the amount of any adjusted premium charges collected by the Commissioner in connection with the payment in full of insured mortgages prior to maturity on or after July 1, 1953, and an amount which shall in no event be less than 10 percent nor more than 35 percent of all other premium charges credited to such group accounts during the preceding semiannual period: *Provided*, That, until such time as the Commissioner determines that the resources in the general reinsurance account are sufficient to cover all estimated future deficits among individual group accounts, 100 percent of all other premium charges credited to such group accounts during each such semiannual period shall be transferred as provided in this subsection. The Commissioner shall terminate the insurance as to any group of mortgages (1) when he shall determine that the amounts to be distributed, as hereinafter set forth, to each mortgagee under an outstanding mortgage assigned to such group are sufficient to pay off the unpaid principal of each such mortgage, or (2) when all the outstanding mortgages in any group have been paid. In addition to the amounts transferred as herein provided the Commissioner shall, upon such termination, charge to the group account the estimated losses arising from transactions relating to that group, and shall distribute to the mortgagees for the benefit and account of the mortgagors of the mortgages assigned to such group the balance remaining in such group account, less any amount by which such balance exceeds the aggregate scheduled annual premiums of such mortgagors to the year of termination of the issuance: *Provided*, That any undistributed balance in the group account at termination shall be transferred to the general reinsurance account. Any such distribution to mortgages shall be made equitably and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any distribution to a mortgagor or for the account of a mortgagor under any provision of this section exceed his aggregate scheduled annual premiums to the year of termination of the insurance.'

"SEC. 4. Section 207 (1) of the National Housing Act, as amended, is hereby amended by striking out of the second sentence thereof the word 'twenty' and inserting in lieu thereof 'ten.'

"SEC. 5. The first sentence of section 213 (d) of the National Housing Act, as amended, is hereby amended by striking '4 percent per annum' and inserting '4½ percent per annum, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at not to exceed 5 percent per annum.'

"SEC. 6. Section 217 of the National Housing Act, as amended, is hereby amended by striking out of the second proviso '$1,900,000,000' and inserting '$3,400,000,000.'

"SEC. 7. Title II of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"'SEC. 219. Notwithstanding limitations contained in any other sections of this act as to the use of money credited to the Title I Housing Insurance Fund, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Military Housing Insurance Fund, or the Defense Housing Insurance Fund, the Commissioner is hereby authorized to transfer funds from any one or more of such insurance funds to any other such fund in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such funds, separately and jointly to carry out effectively the insurance programs for which such funds were established.'

"SEC. 8. Title V of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"'SEC. 516. The following funds shall be deemed an indebtedness to the United States of the particular insurance fund involved, and the Commissioner is authorized and directed to pay the amount of such indebtedness to the Secretary of the Treasury, with simple interest thereon from the date the funds were advanced to the date of final payment at a rate determined by the Secretary of the Treasury, taking into consideration the average rate on outstanding marketable obligations of the United States from the date the funds were advanced until the date of final payment:

"'(1) Funds made available to the Commissioner pursuant to the provisions of sections 4 and 202, exclusive of amounts heretofore refunded, (a) for carrying out title II with respect to mortgages insured under section 203 where such funds were credited to the general reinsurance account in the Mutual Mortgage Insurance Fund, and (b) for the payment of salaries and expenses with respect to mortgage insurance under sections 207 and 210 where such funds were credited to the Housing Insurance Fund.

"'(2) Funds made available to the Commissioner pursuant to sections 602 and 802; and

"'(3) Funds made available to the Commissioner by the Secretary of the Treasury pursuant to section 710.

"'Payments to the Secretary of the Treasury under this section shall be made in such amounts and at such times as the Commissioner determines, after consultation with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the funds involved. All payments made pursuant to this section shall be covered into the Treasury as miscellaneous receipts.'

"SEC. 9. (a) Section 803 (a) of the National Housing Act, as amended, is hereby amended by striking '1953' and inserting '1954.'

"(b) Section 803 (b) of the National Housing Act, as amended, is hereby amended by inserting immediately preceding the last paragraph thereof the following new paragraph:

"'The mortgagor shall agree (1) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and/or organization and legal expenses) as the case may be, and (ii) to pay, within 60 days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. The Commissioner shall construe the term 'actual cost' in such a manner as to reduce same by the amount of any kickbacks, rebates, and normal trade discounts received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therewith.'

"(c) The first sentence of the last paragraph of sections 803 (b) and 908 (b) of the National Housing Act, as amended, is hereby amended by striking out '4 percent' and inserting '4½ percent.'

"SEC. 10. Section 903 (a) of the National Housing Act, as amended, is hereby amended by inserting the following proviso after the first proviso of said section: ': *Provided further*, That in the event the Commissioner has made a commitment to insure a mortgage under this title but subsequently determines that, because of changes in defense requirements or other circumstances, there does not appear to be a sufficient market for the dwelling unit or units in the property covered by such mortgage to avoid a default thereunder if the unit or units are completed and the mortgage insured, the Commissioner is hereby authorized, in the interest of conserving the National Defense Housing Insurance Fund, to make such cash payment from such Fund to the mortgagor or the mortgagee, or both, in exchange for a release of the commitment, as the Commissioner shall determine to be necessary to reimburse the mortgagor or the mortgagee, or both, for monetary loss resulting from previous expenditures made or obligations incurred in reliance on such commitment.'

"SEC. 11. Subparagraph (E) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended—

"(1) by striking 'unpaid principal balance thereof' and inserting 'principal amount to be paid therefor';

"(2) by striking 'aggregate amount' and inserting 'aggregate principal amount'; and

"(3) by striking everything after the colon and inserting:

"'*Provided*, That the foregoing clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G): *Provided further*, That, in lieu of or in conjunction with the other requirements with respect to mortgages covered by the aforesaid clause (2), and also with respect to any defense or disaster mortgages as defined in subparagraph (G), the association may (in the discretion of its board of directors, and notwithstanding the provisions of subparagraph (G)) issue a purchase contract (which shall not be assignable or transferable except with the consent of the association) in an amount not exceeding the amount of the sale of mortgages purchase from the association, entitling the holder thereof to sell to the association mortgages in the amount of the contract, upon such terms and conditions as the association may prescribe: *And provided further*, That the authority of the association to issue purchase contracts hereunder shall expire July 1, 1954, and the aggregate amount of such purchase contracts issued shall not exceed $500 million; and'.

"SEC. 12. The first sentence of subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by striking '1953' and inserting '1954'.

"SEC. 13. Section 101 (a) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking ', III, or IV' and inserting 'or III.'

"SEC. 14. Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended to read as follows:

"'SEC. 104. After June 30, 1953, (a) no construction of housing may be begun under title III of this act except temporary housing which is otherwise authorized thereunder and required in connection with the operations and activities of the Atomic Energy Commission, (b) the Housing and Home Finance Administrator shall not authorize an additional number of dwelling units to be insured pursuant to title IX of the National Housing Act, as amended, and (c) no loan may be made or obligation purchased by the Housing and Home Finance Administrator under section 102a of the Housing Act of 1948, as amended (except pursuant to a commitment issued on or before June 30, 1953, or to refinance an existing loan or existing obligation held under such section by the Administrator on said date). After June 30,

1954, (a) no construction of housing may be begun under title III of this act, (b) no mortgage may be insured under title IX of the National Housing Act, as amended, except (i) pursuant to a commitment to insure issued on or before such date, or (ii) a mortgage given to refinance an existing mortgage insured under that title and which does not exceed the original principal amount and unexpired term of such existing mortgage, and (c) no construction of community facilities by the United States may be begun under title III of this act and no agreement may be made to extend assistance for the provision of additional community facilities or services under such title'.

"SEC. 15. Section 305 (c) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking 'June 30, 1953' and inserting 'June 30, 1954'.

"SEC. 16. Section 313 (e) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is amended by striking out the word 'or' immediately before '(3)', and by inserting before the period at the end thereof a comma and the following: 'or (4) the provision of community facilities or services necessary to the health, safety, or public welfare of the inhabitants of a town or community which has been relocated as a result of the acquisition (through eminent domain or purchase in lieu thereof) of its former site by or on behalf of the Atomic Energy Commission for national-defense activities.'

"SEC. 17. Title IV of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby repealed.

"SEC. 18. Section 717 (c) of the Defense Production Act of 1950, as amended, is hereby amended by inserting the following new paragraph at the end thereof:

"'Notwithstanding any other provision of this act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into pursuant to, or under the authority of, section 602 or section 605 of this act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law.'

"SEC. 19. (a) The Home Owners' Loan Corporation created pursuant to section 4 of the Home Owners' Loan Act of 1933, as amended (referred to in this section as the 'Corporation'), shall cease to exist and shall for all purposes be considered dissolved and abolished, except as otherwise provided in this section, 180 days after the date the Home Loan Bank Board publishes in the Federal Register a notice to that effect, which shall also contain information as to the time for, and manner of, filing claims against the Corporation. The period of time prescribed for the filing of such claims shall be the 90 days immediately following the date of publication of the notice, and all creditors and claimants who have not presented their claims or demands within that period shall be forever barred from presenting or prosecuting the same, and any creditor or claimant who has not instituted suit within 90 days from the date his claim or demand is rejected by the Corporation shall be forever barred.

"(b) With respect to any action, suit, or other legal proceeding commenced against the Corporation prior to the date of its dissolution, the Corporation shall continue a body corporate for the purpose of defending such suit and for no other purpose, and service of subpena or other process in such proceeding may be made upon the Corporation by serving the same on the Secretary to the Home Loan Bank Board.

"(c) Effective as of the date of the dissolution of the Corporation, (1) the title to any and all real property remaining in the Corporation on such date is transferred to the United States of America, (2) authority is given to the Home Loan Bank Board to sell and convey such property in the name of the United States of America for such cash consideration as such Board shall deem reasonable, and (3) all powers of the Corporation with respect to the execution of any instruments or documents affecting title to real estate or with respect to authorizing satisfactions of judgments are transferred to such Board. Any such instruments or documents executed by the Secretary or an Assistant Secretary to such Board on behalf of the Board shall be as effective as if the same had been executed by the Corporation prior to its dissolution. Subject to the approval of the Director of the Bureau of the Budget, such Board may transfer to any other department or agency of the United States, with the consent of such department or agency, all the powers and functions vested in such Board by this subsection (c). All liens held by the Corporation upon real or personal property on account of judgments rendered in its favor, except judgments for mortgage debts which have been assigned by the Corporation, and all claims now held by the Corporation arising out of its mortgage or real estate operations, whether for rent or otherwise, are hereby released and discharged in full.

"(d) The authority to appropriate for any functions relating to the Corporation may continue to be exercised after its dissolution for the purpose of making appropriations to any department or agency carrying out the provisions of this section.

"SEC. 20. Section 504 of the Housing Act of 1950, as amended, is hereby amended to read as follows:

"'SEC. 504. With respect to housing built or sold with assistance provided under the National Housing Act, as amended, or title III of the Servicemen's Readjustment Act of 1944, as amended, the Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby specifically authorized and directed to issue such regulations, applicable uniformly to all classes of mortgagees, as they determine desirable for the purpose of limiting the charges and fees, which shall not be construed to include any loss suffered by an originating lender in the bona fide sale or pledge of or an agreement to sell the mortgage, imposed upon the builder or other seller, or the veteran or other purchaser in connection with the financing of the construction or sale of such housing, whether or not such charges were or are imposed in connection with the financing assisted by the Federal Government, and no loan shall be insured or guaranteed under such acts unless the mortgagee certifies that it has not imposed upon the builder or other seller, or the veteran or other purchaser any charges or fees in connection with the financing of the construction or sale of such housing in excess of the charges or fees permitted under such regulations for such purposes as are applicable to the housing involved'.

"SEC. 21. (a) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby authorized and directed to prepare suitable forms of contracts (which may vary for each of the several States and Territories) which shall be required to be used in connection with the sale or construction of houses containing not more than two family dwelling units built or sold with assistance provided under the National Housing Act, as amended, or title III of the Servicemen's Readjustment Act of 1944, as amended. Such contract forms shall provide for and establish a warranty by the seller or builder, and such other person as may be required by the said Commissioner or Administrator to become warrantor, that the dwelling is constructed in substantial conformity with the plans and specifications (including any amendments) on which the Federal Housing Administration or the Veterans' Administration based its valuation of the house in connection with any loan which it insured, guaranteed, or made to finance the construction or purchase of the house: *Provided*, That such warranty shall apply only with respect to failures of performances as to which the purchaser or homeowner has given written notice to the warrantor within 1 year from the date of initial occupancy of the house. The provisions of this section shall not apply to houses on which construction was started prior to the enactment of this act nor to houses for which agreements or commitments to provide assistance have been entered into by the Federal Housing Commissioner or Administrator of Veterans' Affairs prior to 90 days after the date of approval of this act.

"(b) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are further directed to permit copies of the plans and specifications for houses in connection with which warranties are required by subsection (a) of this section to be made available in their appropriate local offices for inspection or for copying by any purchaser, homeowner, or warrantor during such hours or periods of time as the said Commissioner and Administrator may determine to be reasonable.

"SEC. 22. Public Law 243, 82d Congress, is hereby amended by striking out 'June 29, 1951' and inserting 'September 1, 1953.'

"SEC. 23. (a) The first sentence of paragraph (g) of section 110 of the Housing Act of 1949, as amended, is hereby amended to read as follows: '"Going Federal rate" means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for loan or advance is made, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent'.

"(b) The third sentence of section 401 (a) of the Housing Act of 1950, as amended, is hereby amended to read as follows: 'A loan to an educational institution may be in an amount not exceeding the total development cost of the housing, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding 40 years, as may be determined by him; and, with respect to loan contracts entered into after the first minimum annual rate has been specified as provided herein, shall bear interest at a rate determined by the Administrator which shall be not less than the minimum annual rate which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for the loan is made: *Provided*, That such minimum annual rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such

estimated average annual yield to the nearest one-eighth of 1 percent.'

"(c) Section 2, paragraph 10, of the United States Housing Act of 1937, as amended, is hereby amended by inserting after 'Provided, That' the following: ', with respect to any loans or annual contributions made pursuant to a contract approved by the President after the first annual rate has been specified as provided in this proviso, the term 'going Federal rate' means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract is approved by the President, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market-bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent: and *provided further*, That.'

"SEC. 24. (a) Section 214 of the National Housing Act, as amended, is hereby amended by inserting the words 'or Hawaii' after the word 'Guam' in each place where it appears therein.

"(b) Section 2 (b) of Public Law 52, Eighty-first Congress, is hereby amended by adding at the end thereof the following new paragraph:

"'Notwithstanding the provisions of subparagraph (C) of section 301 (a) (1) of the National Housing Act, as amended, any mortgage loans may be offered to the Federal National Mortgage Association for purchase if such loans are secured by property located in Guam or Hawaii, and insured under any of the provisions of the National Housing Act, as amended'."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent the proceedings whereby the bill H. R. 5667 was passed were vacated and that bill was laid on the table.

AMEND WATER RESOURCES CONSERVATION ACT TO APPLY TO DROUGHT AREAS

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. GATHINGS. Mr. Speaker, a great people are suffering from the worst drought that they have encountered in many years. The intense heat and the dry-weather conditions confronting the farmers of the Midsouth areas is not only burning up the crops, but in many areas from 25 to 40 percent of the planted acres have not had sufficient moisture to bring the plant out of the ground. In 1952 our farmers were faced with excessive rainfall and floods in the spring and during the summer months a long dry spell; and, as a result, in certain areas the yields were reduced from 25 to 50 percent. Many of them were unable to pay their crop-production loans, making it necessary to resort to disaster loans in 1953 to produce the current crop.

There has not been a general rain over this vast section of the country for more than 5 weeks. During this 5-week period of time, the temperature has ranged from 95° to 110°. With the 2 calamitous years in a row, the lifetime savings of a vast number of producers of agricultural commodities is being wiped out.

Our people do not ask for Government grants or handouts. They only want an opportunity to remain in the business of farming. They need loans with which to purchase and install equipment to be used in the irrigation of their lands. Funds for such purposes are not available from private banks and other lending institutions.

In 1937 the Congress passed the Jones Act which was "an act to promote conservation in the arid and semiarid areas of the United States by aiding in the development of facilities for water storage and utilization and for other purposes." This act is applicable to only 17 States in the Nation. I am today introducing a bill to extend its provisions to include all of the 48 States. The Farmers Home Administration is now engaged in making loans under this 1937 act in the 17 arid and semiarid States. It is my hope that the Congress will see fit to extend the provisions of this act to cover any State which finds itself in need of irrigation facilities, or in such cases where an act of God or conditions over which the applicant has no control exists.

The Committeee on Agriculture of the House is now engaged in hearings with respect to the serious drought condition in the southwestern region of the country and its effect upon the cattle and livestock industries. I am asking Chairman HOPE to consider amending the Water Resources Conservation Act and bring relief to any section of the country that would suffer from such a catastrophe as now prevails in the States of Mississippi, Arkansas, Missouri, and western Tennessee.

Farming is a perilous undertaking since those who engage in this occupation subject themselves to the risk of all types of weather conditions. Should irrigation be made available, these risks and hazards would be greatly minimized. To make water available on farmlands during the dry months makes it easier for the farmer to obtain crop production loans from established private agencies. Irrigation methods on row crops have been resorted to in many Southern States in the past 2 years. The use of pasture irrigation is increasing faster than for any other crop. The use of water on farmlands when it is needed will revolutionize farming practices in the days that lie ahead.

To amend this water act to make it possible for a farmer to obtain loans from the Farmers Home Administration to irrigate his lands will relieve hundreds of producers in the drought stricken areas. I trust that immediate and favorable action on this legislation will be taken by this Congress.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. CLARDY, notwithstanding the fact the cost is estimated to be $210.

Mr. D'EWART in two instances and to include extraneous matter.

Mr. LANE. in two instances and to include extraneous matter.

Mr. BOLAND and to include an editorial.

Mr. PRIEST in two instances and to include an article from the Trades and Labor News.

Mr. STEED in two instances, in one to include an article, and in the second a speech by Gen. Hoyt Vandenberg.

Mr. VORYS and to include editorials.

Mr. COLE of New York to extend his remarks during the consideration of the resolution relating to reorganization plan No. 6 and to include certain correspondence.

Mr. POAGE and to include extraneous matter.

Mr. POLK and to include the "Beatitudes of Safety," from the State of Connecticut Monthly Labor Bulletin.

Mr. UTT and to include extraneous matter.

Mr. MCGREGOR and to include an article.

Mr. KERSTEN of Wisconsin in two instances and to include extraneous matter.

Mr. HOLIFIELD notwithstanding the estimated cost will be $224.

Mrs. ST. GEORGE and to include a letter.

Mr. CANFIELD and to include a newspaper article.

Mr. EVINS in the body of the RECORD in reference to Reorganization Plan No. 6.

Mr. LANE (at the request of Mr. PRIEST) and to include an article by the President of the American Bar Association, which is estimated by the Public Printer to cost $210.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 3853. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to continuing the effectiveness of certain statutory provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950; and

H. R. 4654. An act to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. LeCOMPTE, from the Committee on House Administration, reported that that committee did on June 25, 1953, present to the President for his approval bills of the House of the following titles:

H. R. 2313. An act to continue the effectiveness of the act of March 27, 1942, as extended, relating to the inspection and audit of plants, books, and records of defense contractors, for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter;

H. R. 2557. An act to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941; and

H. R. 4126. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, relating to war-risk hazard and detention benefits, until July 1, 1954.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. REED of Illinois (at the request of Mr. GRAHAM), indefinitely, on account of illness.

Mr. McVEY (at the request of Mr. ARENDS), indefinitely, on account of illness.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.), under its previous order, the House adjourned until Monday, June 29, 1953, at 11 o'clock a. m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 306. Resolution for consideration of H. R. 5969. A bill to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective; without amendment (Rept. No. 679). Referred to the House Calendar.

Mr. SCRIVNER: Committee on Appropriations. H. R. 5969. A bill making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes; without amendment (Rept. No. 680). Referred to the Committee of the Whole House on the State of the Union.

Mr. TABER: Committee on Appropriations. House Joint Resolution 287. Joint resolution making temporary appropriations for the fiscal year 1954, and for other purposes; without amendment (Rept. No. 681). Referred to the Committee of the Whole House on the State of the Union.

Mr. JUDD: Committee on Foreign Affairs. Senate Joint Resolution 88. Joint resolution to authorize the Secretary of Commerce to extend certain charters of vessels to citizens of the Republic of the Philippines, and for other purposes; without amendment (Rept. No. 683). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOFFMAN of Michigan: Committee on Government Operations. H. R. 5228. A bill to amend section 306 of the Budget and Accounting Act, 1921 (42 Stat. 23); with amendment (Rept. No. 684). Referred to the Committee of the Whole House on the State of the Union.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. House Resolution 263. Resolution directing the Secretary of Commerce to furnish to the House of Representatives full and complete information about the effect on the weather of certain atomic-bomb explosions (Rept. No. 682). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SCRIVNER:

H. R. 5969. A bill making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes; to the Committee on Appropriations.

By Mr. ALBERT:

H. R. 5970. A bill to provide for the purchase of canner, cutter, and utility grade cattle; to the Committee on Agriculture.

By Mr. AYRES:

H. R. 5971. A bill to amend section 106 (a) (6) of the Renegotiation Act of 1951; to the Committee on Ways and Means.

H. R. 5972. A bill to incorporate the Seabee Veterans of America; to the Committee on the Judiciary.

By Mr. BROYHILL:

H. R. 5973. A bill to authorize the Postmaster General to enter into negotiations with persons leasing property to the Post Office Department, for the purpose of effecting rental adjustments in certain cases where the rentals being paid are not in line with the general level of rentals in the area; to the Committee on Post Office and Civil Service.

By Mr. MAILLIARD:

H. R. 5974. A bill to repeal section 2 of the act of February 20, 1931 (Public Law 695, 71st Cong., 46 Stat. 1192); to the Committee on Public Works.

By Mr. GATHINGS:

H. R. 5975. A bill to make provisions of the act of August 28, 1937, relating to the conservation of water resources in the arid and semiarid areas of the United States, applicable to the entire United States; to the Committee on Agriculture.

By Mr. HINSHAW:

H. R. 5976. A bill to amend section 1 of the Natural Gas Act; to the Committee on Interstate and Foreign Commerce.

By Mr. TABER:

H. J. Res. 287. Joint resolution making temporary appropriations for the fiscal year 1954, and for other purposes; to the Committee on Appropriations.

By Mr. KERSTEN of Wisconsin:

H. Con. Res. 125. Concurrent resolution expressing the hopes of the American people for the early reunification of Germany by free elections and for the achievement by the people of East Germany of their basic human rights and freedoms; to the Committee on Foreign Affairs.

By Mr. BATTLE:

H. Res. 307. Resolution opposing the admission of Communist China to membership in the United Nations; to the Committee on Foreign Affairs.

By Mrs. CHURCH:

H. Res. 308. Resolution opposing the admission of Communist China to membership in the United Nations; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States relative to requesting the Secretary of Defense to maintain Fort Ord as an active training and replacement center; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BONIN:

H. R. 5977. A bill for the relief of Gino Filippelli; to the Committee on the Judiciary.

By Mr. HARDY:

H. R. 5978. A bill for the relief of Chung Pook Yee Chung; to the Committee on the Judiciary.

By Mr. HOLIFIELD:

H. R. 5979. A bill for the relief of Lam Jack Leong; to the Committee on the Judiciary.

By Mr. HORAN:

H. R. 5980. A bill for the relief of Micheal M. Y. Tsoi; to the Committee on the Judiciary.

H. R. 5981. A bill for the relief of Robert H. Tsow; to the Committee on the Judiciary.

By Mr. KEATING:

H. R. 5982. A bill for the relief of Eber Bros. Wine & Liquor Corp.; to the Committee on the Judiciary.

By Mr. LYLE:

H. R. 5983. A bill for the relief of Tomiko Sesoko; to the Committee on the Judiciary.

By Mr. ROBERTS:

H. R. 5984. A bill for the relief of William Franklin Rollins; to the Committee on the Judiciary.

By Mr. ROONEY:

H. R. 5985. A bill for the relief of Moishe David Piotrkovski and his wife, Chana; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 5986. A bill for the relief of Harold E. Wahlberg; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

372. By the SPEAKER: Petition of Wisconsin Pipe Trades Association, Milwaukee, Wis.,

objecting to a provision in Public Law 550, and asking that it be amended to permit an employment period of 6 months' apprenticeship before evaluation of this civilian and military experience in a given trade classification; to the Committee on Veterans' Affairs.

373. Also, petition of the Methodist Church, Shelton, Wash., recommending that clergymen be included on a voluntary basis in the Federal old-age and survivors law, providing it is done without weakening existing church pension systems; to the Committee on Ways and Means.

SENATE

MONDAY, JUNE 29, 1953

(Legislative day of Saturday, June 27, 1953)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

O Thou whose dwelling place is the light of setting suns and the round ocean and the living air, and the blue sky, and in the mind of man: Shine into our darkness by the light of Thy truth. Correct the dismal errors of our judgments and the false perspective of our narrow prejudices by the wisdom Thou dost wait to give liberally to all who ask of Thee and who with pure hearts wait patiently and obediently for Thy will and Thy word. Inspire and guide, we beseech Thee, with the spirit of understanding these Thy servants, the few among the many in a great and crucial day lifted by their fellows to high pedestals of power and influence. May their words and counsels so laden with possibilities to affect this stricken generation add to the world's store of good will and be for the healing of the nations. When great ideas whose day has come beckon us to be their servants, save us from giving ourselves to the dead past, rather than to the creative present and the living future. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, June 27, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 1376. An act to amend section 503 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes" approved October 14, 1940, as amended; and

S. 2103. An act to amend the National Housing Act and other laws relating to housing.

LEAVES OF ABSENCE

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following leaves of absence from the Senate were granted:

Mr. DANIEL and Mr. KEFAUVER, from sessions of the Senate this week.

Mr. LEHMAN, for the next few days.

Mr. HUMPHREY, for today.

COMMITTEE MEETING DURING SENATE SESSION

Mr. AIKEN. Mr. President, I ask unanimous consent that the Committee on Agriculture and Forestry be permitted to meet at 3 o'clock this afternoon to consider the nomination of Robert A. McLeish, to be Administrator of the Farmers' Home Administration. Ordinarily I would not make such a unanimous-consent request, but in view of the severe drought situation which exists throughout the Southwest it is unwise to have the Farmers' Home Administration without a head at this time.

The VICE PRESIDENT. Without objection, it is so ordered.

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet today during the session of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there be the usual morning hour, to permit Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual limitation on speeches of 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

THE LATE SENATOR WILLIS SMITH—RESOLUTION OF COMMITTEE ON THE JUDICIARY

Mr. LANGER. Mr. President, pursuant to action by the Committee on the Judiciary at today's meeting, I submit herewith a resolution unanimously adopted relative to the Honorable Willis Smith, late a Senator from the State of North Carolina. I request that it be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE COMMITTEE ON THE JUDICIARY OF THE UNITED STATES SENATE

Whereas the Honorable Willis Smith, late a Senator from the State of North Carolina, became a member of the Committee on the Judiciary on December 11, 1950; and

Whereas his fine character and his outstanding legal ability soon became evident to the members of this committee; and

Whereas by reason of his sincerity, honesty, and integrity, his devotion to public service, his willingness for work, and his profound knowledge of the law, he was considered one of the outstanding members of the committee, loved and respected by all; and

Whereas the committee is only too keenly aware of the great loss to the public generally, the citizens of North Carolina, the Congress of the United States, and the committee in particular, occasioned by the untimely demise of this fine legislator and gracious gentleman; and

Whereas the committee desires to express its deep feeling to the Senate of the United States and to the family of the Honorable Willis Smith, late a Senator of the United States from the State of North Carolina: Therefore be it

Resolved, That this resolution be spread upon the minutes of the Committee on the Judiciary and published in the CONGRESSIONAL RECORD; and be it further

Resolved, That we, the members of the Senate Committee on the Judiciary, do hereby voice to his loved ones our deep sense of sorrow at his passing and our heartfelt sympathy on the loss of a beloved husband and father; and that a copy of this resolution be transmitted to the family of the deceased.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS, LEGISLATIVE BRANCH (S. DOC. NO. 56)

A communication from the President of the United States, transmitting proposed supplemental appropriations, involving an increase of $11,750, for the legislative branch, fiscal year 1954, in the form of amendments to the budget for said fiscal year (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

AUDIT REPORT ON PUERTO RICO RECONSTRUCTION ADMINISTRATION

A letter from the Comptroller General, transmitting, pursuant to law, an audit report on the Puerto Rico Reconstruction Administration, for the fiscal year ended June 30, 1952 (with an accompanying paper); to the Committee on Government Operations.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Senate of the State of California; to the Committee on Armed Services:

"Senate Resolution 192

"Resolution relative to Fort Ord

"Whereas Fort Ord, a permanent training and replacement center located in Monterey

County, has been considered for deactivation by the Federal Government; and

"Whereas the terrain of Fort Ord is excellent for all types of military training, including artillery and amphibious training, and the temperate year-round weather is ideal for all training purposes; and

"Whereas Fort Ord is located along the Pacific coast, a region which is of vital importance to our national defense; and

"Whereas Government housing has been constructed in the area to provide adequately for the military personnel; and

"Whereas a language school and a Navy school are located in the area; and

"Whereas the value of Fort Ord as a permanent training and replacement center is shown by the fact that over 1 million men were trained at Fort Ord during World War II: Now, therefore, be it

"Resolved by the Senate of the State of California, That the Secretary of Defense is requested and urged to maintain Fort Ord as an active training and replacement center; and be it further

"Resolved, That the secretary of the senate is hereby directed to transmit copies of this resolution to the Secretary of Defense, to the President of the United States Senate, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution of the Senate of the State of California; to the Committee on the Judiciary:

"Senate Resolution 153

"Resolution relative to the commemoration of the Mare Island centennial

"Whereas the Pacific Ocean constitutes a strategic area of vital interest to our national security and to the economic welfare of the American people; and

"Whereas the United States Navy, the seaborne arm of our national defense, has faithfully and ably protected and advanced that interest since the beginning of our Republic; and

"Whereas the United States Navy played a significant and important role in the acquisition of the Territory of California, more than a century ago, and has since been closely identified with the historical and economic life of the State of California; and

"Whereas the site of the first naval establishment to be built on the Pacific coast was surveyed and recommended by Commodore John D. Sloat, United States Navy, in 1852, and was located on Mare Island, Vallejo, in Solano County; and

"Whereas the small navy yard on Mare Island was established on September 16, 1854, by Admiral (then Commander) David Glasgow Farragut, United States Navy, one of the country's immortal military figures; and

"Whereas during the intervening years Mare Island has expanded to become one of the largest naval establishments in the Pacific, embracing the multiple support facilities required by our forces afloat, and

"Whereas Mare Island, in consonance with its motto 'Our Sole Mission Is To Serve the Fleet,' has achieved an outstanding record as a major supporting establishment for the United States Pacific Fleet and as the building yard of 378 naval vessels, including the battleship *California*, and the heavy cruiser *San Francisco*, and has otherwise contributed greatly to American naval successes in two world wars; and

"Whereas the Mare Island naval activities will complete their first century of service to the Nation on September 16, 1954: Now, therefore, be it

"*Resolved*, That the senate, meeting in regular session in Sacramento does hereby proclaim its pride in the historical role of Mare Island and does authorize and request the Governor of the State of California to issue a proclamation designating the week of September 13 to 18, 1954, as 'Mare Island Centennial Week'; and be it further

"*Resolved*, That the committee on rules appoint a committee consisting of three members of the senate to act for and on behalf of the senate in connection with the Mare Island centennial celebration; and be it further

"*Resolved*, That copies of this resolution be presented to the President of the United States, the Vice President of the United States, to the United States Senators and Representatives from the State of California, to the Secretary of Defense, and to the Secretary of the Navy."

A resolution adopted by the National Association of Tax Administrators, Chicago, Ill., relating to the restriction on the taxing power of State and local governments with respect to the operations of private independent contractors with the Atomic Energy Commission; to the Joint Committee on Atomic Energy.

A letter in the nature of a petition from the Lieutenants Benevolent Association, New York Police Department, New York City, signed by Eugene D. Roussen, president, praying for the enactment of the bill (H. R. 1035) to amend the Internal Revenue Code, act of February 10, 1939, exempting certain retirement annuities; to the Committee on Finance.

A resolution adopted by the convention of the Wisconsin Pipe Trades Association, at Appleton, Wis., relating to the giving of credit for experience to veteran apprentices; to the Committee on Labor and Public Welfare.

The petition of Willie Belle Dixon, Washington, D. C., praying for the enactment of legislation to create the position Legislative Assistant for the Public; to the Committee on Labor and Public Welfare.

INCLUSION OF CLERGYMEN UNDER SOCIAL SECURITY LAW—RESOLUTION OF PRESBYTERIAN SYNOD OF MINNESOTA, MINNEAPOLIS, MINN.

Mr. THYE. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter from the clerk, Synod of Minnesota, Presbyterian Church of the U. S. A., Minneapolis, Minn., embodying a resolution adopted by that synod, favoring the enactment of legislation to include clergymen under the provisions of the social-security law, on a voluntary basis.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

THE SYNOD OF MINNESOTA,
PRESBYTERIAN CHURCH IN THE U. S. A.,
Minneapolis, Minn., June 17, 1953.

The Honorable EDWARD J. THYE,
The Senate, Washington, D. C.

MY DEAR MR. THYE: The Synod of Minnesota, meeting in its annual meeting in St. Paul, Minn., on June 10, and representing approximately 60,000 members, went on record adopting the following resolution:

"That the Synod of Minnesota memorialize the Congress of the United States to provide the benefits of social security to the clergy preferably on a voluntary basis, much as is expressed in the Cole amendment."

It is recognized that in accordance with the rights and privileges of the American system it will be highly desirable that participation on the part of clergymen be on a purely voluntary basis. It is recognized more and more by our clergymen that average church pension systems are not adequate to provide economic security and comfort during the age of retirement and therefore it becomes highly desirable that ministers have the privileges of the social-security program extended to them on a voluntary basis.

Your influence in making adequate legislation a reality will be very much appreciated.

Very sincerely yours,
VICTOR B. NELSON,
Stated Clerk, Synod of Minnesota.

CONSERVATION—RESOLUTIONS OF WISCONSIN CONSERVATION CONGRESS

Mr. WILEY. Mr. President, I have been pleased to hear from the Wisconsin Conservation Congress, consisting of the 3 delegates from each of the 71 counties of my State, on 2 important phases of the conservation problem.

The first relates to the maintenance of our national-forest resources in particular; the second, to the protection of the public lands.

I ask unanimous consent that the two resolutions which were forwarded to me by Lyle Kingston, secretary of the Wisconsin Conservation Congress, be appropriately referred, and printed at this point in the RECORD.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Agriculture and Forestry:

"Resolution 7

"Whereas under present Federal laws the Federal Forest Service does not have money available for the development and maintenance of recreational facilities in the national forests; and

"Whereas the International Association of Fish, Game, and Conservation Commissioners has recommended a proposal whereby 10 percent of the national forest receipts be set aside for recreational and wildlife administration; and

"Whereas at the present time lack of funds in the Federal Forest Service has resulted in expense to the Wisconsin conservation program, which has found it necessary to expend funds for recreational purposes in the Federal forests; and

"Whereas bill H. R. 2106 by Congressman OREN HARRIS contains such a proposal: Now, therefore, be it

"Resolved by the 18th Conservation Congress in convention assembled at Madison this 15th day of June 1953, That it does hereby support the principles involved in bill H. R. 2106 and recommends its passage; be it further

"Resolved, That copies of this resolution be sent to the Congressmen and Senators from Wisconsin, and to the appropriate committee of Congress before which the bill will be heard.

"RESOLUTIONS COMMITTEE,
"LARRY WHITTEN, *Chairman.*"

To the Committee on Interior and Insular Affairs:

"Resolution 8

"Whereas bill H. R. 4023 and companion bill S. 1491, known as the stockmen's grazing bill, introduced in the 82d Congress of the United States, tend toward private monopoly and exploitation of the great national domain represented in the national forest areas of the United States; and

"Whereas we as conservationists and co-owners of the public domain, are concerned with the wise use of land in the public interest: Now, therefore, be it

"*Resolved, by the 18th Conservation Congress in convention assembled at Madison this 15th day of June 1953*, That this body go on record as opposing bills H. R. 4023 and S. 1491; and be it further

"*Resolved*, That copies of this resolution be sent to each Member of the 83d Congress representing the State of Wisconsin, and to the respective chairmen of the committees to which these bills have been referred.

"RESOLUTIONS COMMITTEE,
"LARRY WHITTEN, *Chairman*."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MARTIN, from the Committee on Public Works:

S. 110. A bill to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma; without amendment (Rept. No. 475).

By Mr. THYE, from the Committee on Appropriations:

H. R. 5246. A bill making appropriations for the Department of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes; with amendments (Rept. No. 478).

LONG-TERM UTILITY CONTRACTS—REPORT OF A COMMITTEE

Mr. HICKENLOOPER, from the Joint Committee on Atomic Energy, reported an original bill (S. 2239) to amend the Atomic Energy Act of 1946, as amended, and submitted a report (No. 477) thereon, which was read twice by its title, and placed on the calendar.

EXTENSION OF EFFECTIVENESS OF CERTAIN STATUTORY PROVISIONS—REPORT OF A COMMITTEE

Mr. BUTLER of Maryland. Mr. President, from the Committee on the Judiciary, I report favorably with an amendment the joint resolution (H. J. Res. 285) to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953, and I submit a report (No. 476) thereon. I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. GEORGE. Mr. President, what is House Joint Resolution 285?

Mr. BUTLER of Maryland. Mr. President, the purpose of the joint resolution is to provide for the continuation until August 1, 1953, of 13 emergency powers heretofore continued by the Emergency Powers Continuation Act (66 Stat. 330), as further amended by Public Law 12, 83d Congress, first session.

Earlier in this year the Congress enacted Public Law 12, to provide for the temporary extension of the Emergency Powers Continuation Act, so as to enable the various committees of the Congress to consider individual proposals covering the various provisions affected by that act. It was then thought that a 3 months' extension would be ample for that purpose. However, the extended expiration date July 1, 1953, will soon pass, and the consideration of all of the individual proposals has not been completed.

The joint resolution will extend until August 1 the time for the consideration of certain emergency powers we have heretofore extended under the Emergency Powers Continuation Act. It will give committees of the Senate during that time an opportunity to study the proposals, as an individual proposal in each committee, and to recommend to the Senate what action should be taken. But in the meantime, if these powers are to remain in effect, this joint resolution must be passed by tomorrow.

Mr. THYE. Mr. President, which committee recommended the proposed legislation?

Mr. BUTLER of Maryland. The joint resolution was unanimously ordered reported by the Judiciary Committee this morning.

Mr. THYE. What agencies does it affect?

Mr. BUTLER of Maryland. It affects most particularly the Defense Department, and it has to do with certain war powers. They are all emergency powers.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 285) to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953, which had been reported from the Committee on the Judiciary, with an amendment, in line 11, after "1 (b) (6)", to strike out "2 (b)."

The amendment was agreed to.

The amendment was ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH — ADDITIONAL REPORT OF JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES

Mr. BYRD. Mr. President, as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, I submit an additional report on civilian employment in the executive branch of the Federal Government for the month of May 1953; and, in accordance with the practice of several years' standing, I request that the report be printed in the body of the RECORD as a part of my remarks, together with a statement by me.

There being no objection, the report and statement were ordered to be printed in the RECORD, as follows:

PERSONNEL AND PAY SUMMARY

(See table I)

According to monthly personnel reports for May 1953 submitted to the Joint Committee on Reduction of Nonessential Federal Expenditures:

Department or agency	Civilian personnel in executive branch			Payroll (in thousands) in executive branch		
	In May numbered—	In April numbered—	Increase (+) or decrease (−)	In April was—	In March was—	Increase (+) or decrease (−)
Total	2,478,903	2,500,772	−23,809	$887,821	$897,785	−$9,964
1. Agencies exclusive of Department of Defense	1,219,248	1,221,656	−2,408	475,072	477,605	−2,533
2. Department of Defense	1,259,715	1,281,116	−21,401	412,749	420,180	−7,431
Within the Department of Defense:						
Office of the Secretary of Defense	2,113	2,214	−101	1,096	1,113	−17
Department of the Army	505,087	514,017	−8,930	180,282	182,210	−1,928
Department of the Air Force	301,066	305,177	−4,111	98,636	99,309	−673
Department of the Navy	451,449	458,808	−7,359	162,735	167,548	−4,813

TABLE I.—*Consolidated table of Federal personnel inside and outside continental United States employed by the executive agencies during May 1953, and comparison with April 1953, and pay for April 1953, and comparison with March 1953*

Department or agency	Pay (in thousands of dollars)				Personnel			
	March	April	Increase	Decrease	April	May	Increase	Decrease
Executive departments (except National Military Establishment):								
Agriculture	22,295	22,676	381		73,065	74,760	1,695	
Commerce [1]	20,270	18,824		1,446	49,364	48,894		470
Health, Education, and Welfare [2] [4]	13,151	12,997		154	37,608	37,315		293
Interior	20,306	20,460	154		56,689	57,865	1,176	
Justice	12,352	12,239		113	30,317	30,146		171
Labor	2,534	2,480		54	5,945	5,949	4	
Post Office [4]	231,470	231,470			830,803	830,803		
State	11,170	11,039		131	32,145	31,574		571
Treasury	32,871	32,587		284	[5] 87,151	85,769		1,382
Executive Office of the President:								
White House Office	140	130		10	248	247		1
Bureau of the Budget	277	272		5	465	466	1	
Council of Economic Advisers	32			32				
Executive Mansion and Grounds	25	23		2	88	112	23	
National Security Council [3]	12	13	1		21	23	2	
National Security Resources Board	38	32		6	24			24
Office of Defense Mobilization	278	237		41	460	449		11
Office of the Director for Mutual Security	68	60		8	120	121	1	
President's Advisory Committee on Government Organization	2	2			8	8		
Emergency agencies:								
Defense Materials Procurement Agency	87	68		19	101	81		20
Defense Transport Administration	69	68		1	112	106		6
Economic Stabilization Agency	3,558	1,648		1,910	2,980	2,001		979
Federal Civil Defense Administration	423	417		6	780	781	1	
Mutual Security Agency	2,017	1,970		47	4,799	4,650		149
National Security Training Commission	3	1		2	1	1		
Renegotiation Board	308	407	9		749	771	22	
Small Defense Plants Administration	245	249	4		450	454	4	
Subversive Activities Control	15	19	4		25	28	3	
Postwar agencies:								
War Claims Commission	74	74			212	178		34
Independent agencies:								
American Battle Monuments Commission	90	99	9		469	468		1
Atomic Energy Commission	3,090	3,096	6		6,823	6,803		20
Civil Aeronautics Board	274	276	2		554	552		2
Civil Service Commission	1,920	1,883		37	5,037	4,913		124
Export-Import Bank of Washington	75	76	1		140	137		3
Federal Coal Mine Safety Board of Review	3	3			8	8		
Federal Communications Commission	524	521		3	1,085	1,074		11
Federal Deposit Insurance Corporation	449	440		9	1,041	1,076	35	
Federal Mediation and Conciliation Service	243	237		6	381	381		
Federal Power Commission	312	316	4		637	631		6
Federal Trade Commission	332	329		3	643	641		2
General Accounting Office	2,497	2,511	14		6,233	6,185		48
General Services Administration	9,010	9,069	59		29,080	29,020		60
Government Printing Office	2,830	2,907	77		7,380	7,380		200
Housing and Home Finance Agency	5,122	5,049		73	12,192	12,142		50
Indian Claims Commission	7	9	2		11	11		
Interstate Commerce Commission	919	905		14	1,946	1,933		13
National Advisory Committee for Aeronautics	1,736	2,874	1,148		7,150	7,114		36
National Capital Housing Authority	116	115		1	355	352		3
National Capital Planning Commission	2	2			4	4		
National Gallery of Art	92	93	1		312	312		
National Labor Relations Board	634	643	9		1,373	1,388	15	
National Mediation Board	71	62		9	104	104		
National Science Foundation	59	60	1		170	148		22
Panama Canal	3,543	3,819	276		19,072	18,795		277
Railroad Retirement Board	783	790	7		2,246	2,156		90
Reconstruction Finance Corporation	1,076	1,080	4		2,176	2,159		17
Securities and Exchange Commission	407	405		2	783	776		7
Selective Service System	1,786	1,784		2	7,870	7,815		55
Smithsonian Institution	183	187	4		641	629		12
Soldiers' Home	142	142			749	754	5	
Tariff Commission	102	102			196	194		2
Tax Court of the United States	68	67		1	132	130		2
Tennessee Valley Authority	9,405	9,313		92	21,943	22,082	139	
Veterans' Administration	55,532	55,346		187	177,889	177,529		360
Total, excluding National Military Establishment	477,605	475,072	2,177	4,710	1,221,656	1,219,248	3,126	5,534
Net decrease, excluding National Military Establishment			2,533				2,408	
National Military Establishment:								
Office of the Secretary of Defense [6]	1,113	1,096		17	2,214	2,113		101
Department of the Army:								
Inside continental United States	138,077	136,628		1,449	463,224	453,073		10,151
Outside continental United States	14,133	13,654		479	51,093	52,014	321	
Department of the Air Force:								
Inside continental United States	90,854	90,298		556	209,002	205,362		3,640
Outside continental United States	8,455	8,338		117	36,175	35,704		471
Department of the Navy:								
Inside continental United States	157,756	152,767		4,989	426,367	420,024		6,343
Outside continental United States	9,792	9,986	176		32,441	31,425		1,016
Total, National Military Establishment	420,180	412,749	176	7,607	1,221,116	1,200,715	321	21,722
Net decrease, National Military Establishment			7,431				21,401	
Grand total, including National Military Establishment	897,785	887,821	2,353	12,317	2,502,772	2,478,963	3,447	27,256
Net decrease, including National Military Establishment			9,964				23,809	

[1] May figure includes 1,375 employees of the National Production Authority, a decrease of 308 from the April figure of 1,683.

[2] May figure is exclusive of 6,749 seamen on the rolls of the Maritime Administration and their pay.

[3] Includes personnel and pay of Howard University and Columbia Institution for the Deaf.

[4] May figure includes 2,886 commissioned officers of the Public Health Service, a decrease of 7 from the April figure of 2,893.

[5] April and May report figures not available. See letter from Postmaster General, p. 11. January report figures used for comparative purposes.

[6] Revised on the basis of later information.

[7] Exclusive of personnel and pay of the Central Intelligence Agency.

[8] Includes 259 employees assigned to the Defense Supply Management Agency, and 42 employees assigned to the North Atlantic Treaty Organization.

TABLE II.—*Federal personnel inside continental United States employed by executive agencies during May 1953, and comparison with April 1953*

Department or agency	April	May	Increase	Decrease
Executive departments (except National Military Establishment):				
Agriculture	71,860	73,189	1,629	
Commerce [1] [2]	46,147	45,591		556
Health, Education, and Welfare [3] [4]	37,036	36,752		284
Interior	49,942	50,691	749	
Justice	29,783	29,675		108
Labor	5,811	5,797		14
Post Office [4]	518,520	518,520		
State	10,772	10,509		263
Treasury	[5] 86,126	84,753		1,373
Executive Office of the President:				
White House Office	248	247		1
Bureau of the Budget	465	466	1	
Executive Mansion and Grounds	89	112	23	
National Security Council [7]	21	23	2	
National Security Resources Board	24			24
Office of Defense Mobilization	460	449		11
Office of the Director for Mutual Security	120	121	1	
President's Advisory Committee on Government Organization	8	8		
Emergency agencies:				
Defense Materials Procurement Agency	97	77		20
Defense Transport Administration	112	106		6
Economic Stabilization Agency	2,953	1,975		978
Federal Civil Defense Administration	780	781	1	
Mutual Security Agency	1,064	1,060		4
National Security Training Commission	1	1		
Renegotiation Board	749	771	22	
Small Defense Plants Administration	450	454	4	
Subversive Activities Control Board	25	28	3	
Postwar agencies: War Claims Commission	179	173		6
Independent agencies:				
American Battle Monuments Commission	16	16		
Atomic Energy Commission	6,812	6,792		20
Civil Aeronautics Board	545	543		2
Civil Service Commission	5,027	4,906		121
Export-Import Bank of Washington	140	137		3
Federal Coal Mine Safety Board of Review	8	8		
Federal Communications Commission	1,059	1,049		10
Federal Deposit Insurance Corporation	1,040	1,075	35	
Federal Mediation and Conciliation Service	381	381		
Federal Power Commission	637	631		6
Federal Trade Commission	643	641		2
General Accounting Office	6,201	6,151		50
General Services Administration	28,973	28,913		60
Government Printing Office	7,580	7,380		200
Housing and Home Finance Agency	12,040	11,988		52
Indian Claims Commission	11	11		
Interstate Commerce Commission	1,946	1,933		13
National Advisory Committee for Aeronautics	7,150	7,114		36
National Capital Housing Authority	355	352		3
National Capital Planning Commission	4	4		
National Gallery of Art	312	312		
National Labor Relations Board	1,347	1,363	16	
National Mediation Board	104	104		
National Science Foundation	170	148		22
Panama Canal	529	526		3
Railroad Retirement Board	2,246	2,156		90
Reconstruction Finance Corporation	2,169	2,152		17
Securities and Exchange Commission	783	776		7
Selective Service System	7,654	7,601		53
Smithsonian Institution	539	527		12
Soldiers' Home	749	754	5	
Tariff Commission	196	194		2
Tax Court of the United States	132	130		2
Tennessee Valley Authority	21,943	22,082	139	
Veterans' Administration	176,658	176,315		343
Total, excluding Department of Defense	1,159,641	1,157,434	2,630	4,837
Net decrease, excluding Department of Defense			2,207	
Department of Defense:				
Office of the Secretary of Defense	2,162	2,064		98
Department of the Army	463,224	453,073		10,151
Department of the Air Force	269,002	265,362		3,640
Department of the Navy	426,367	420,024		6,343
Total, Department of Defense	1,160,755	1,140,523		20,232
Net decrease, Department of Defense			20,232	
Grand total, including Department of Defense	2,320,396	2,297,957	2,630	25,069
Net decrease, including Department of Defense			22,439	

[1] May figure includes 1,374 employees of the National Production Authority, a decrease of 307 from the April figure of 1,681.
[2] May figure is exclusive of 6,749 seamen on the rolls of the Maritime Administration.
[3] Includes personnel of Howard University and Columbia Institution for the Deaf.
[4] May figure includes 2,373 commissioned officers of the Public Health Service, an increase of 3 from the April figure of 2,370.
[5] April and May report figures not available. See letter from Postmaster General, p. 11. January report figures used for comparative purposes.
[6] Revised on the basis of later information.
[7] Exclusive of personnel of the Central Intelligence Agency.

TABLE III.—*Federal personnel outside continental United States employed by the executive agencies during May 1953, and comparison with April 1953*

Department or agency	April	May	Increase	Decrease
Executive departments (except National Military Establishment):				
Agriculture	1,805	1,871	66	
Commerce	3,217	3,303	86	
Health, Education, and Welfare	572	563		9
Interior	6,747	7,174	427	
Justice	534	531		3
Labor	134	152	18	
Post Office [1]	2,283	2,283		
State	21,373	21,065		308
Treasury	1,025	1,016		9
Emergency agencies:				
Defense Materials Procurement Agency	4	4		
Economic Stabilization Agency	27	28		1
Mutual Security Agency	3,735	3,590		145
Postwar agencies:				
War Claims Commission	33	5		28
Independent agencies:				
American Battle Monuments Commission	453	452		1
Atomic Energy Commission	11	11		
Civil Aeronautics Board	9	9		
Civil Service Commission	10	7		3
Federal Communications Commission	26	25		1
Federal Deposit Insurance Corporation	1	1		
General Accounting Office	32	34	2	
General Services Administration	107	107		
Housing and Home Finance Agency	152	154	2	
National Labor Relations Board	26	25		1
Panama Canal	18,543	18,269		274
Reconstruction Finance Corporation	7	7		
Selective Service System	216	214		2
Smithsonian Institution	2	2		
Veterans' Administration	1,231	1,214		17
Total, excluding Department of Defense	62,015	61,814	601	802
Net decrease, excluding Department of Defense			201	
Department of Defense:				
Office of the Secretary of Defense	52	49		3
Department of the Army	51,693	52,014	321	
Department of the Air Force	36,175	35,704		471
Department of the Navy	32,441	31,425		1,016
Total, Department of Defense	120,361	119,192	321	1,490
Net decrease, Department of Defense			1,169	
Grand total, including Department of Defense	182,376	181,006	922	2,292
Net decrease, including Department of Defense			1,370	

[1] April and May report figures not available. See letter from Postmaster General, p. 11. January report figures used for comparative purposes.

TABLE IV.—*Industrial employees of the Federal Government inside and outside continental United States employed by executive agencies during May 1953, and comparison with April 1953*

Department or agency	April	May	Increase	Decrease
Executive Departments (except Department of Defense):				
Commerce	399	447	48	
Interior	2,785	2,092	307	
State	152	139		13
Treasury	9,009	8,703		306
Independent agencies:				
Atomic Energy Commission	99	101	2	
Panama Canal	1,436	1,369		67
Tennessee Valley Authority	13,280	13,384	104	
Total, excluding Department of Defense	27,160	27,235	461	386
Net increase, excluding Department of Defense			75	
Department of Defense:				
Department of the Army:				
Inside continental United States	226,316	220,717		6,599
Outside continental United States	32,036	32,454	418	
Department of the Air Force:				
Inside continental United States	155,625	152,747		3,078
Outside continental United States	20,822	20,487		335
Department of the Navy:				
Inside continental United States	282,803	277,842		4,961
Outside continental United States	24,040	23,188		852
Total, Department of Defense	751,842	736,435	418	15,825
Net decrease, Department of Defense				15,407
Grand total, including Department of Defense	779,002	763,670	879	16,211
Net decrease, including Department of Defense				15,332

TABLE V.—*Federal employees assigned to Mutual Defense Assistance Program*

Department or agency	Payroll (in thousands)			Civilian personnel		
	In March was—	In April was—	Increase (+) or decrease (−)	In April numbered—	In May numbered—	Increase (+) or decrease (−)
Total	$11,539	$9,799	−$1,740	30,155	27,982	−2,173
State Department	123	125	+2	87	79	−8
Office of the Director of Mutual Security	11	14	+3	22	22	
Mutual Security Agency	9	11	+2	18	17	−1
Office of the Secretary of Defense	91	79	−12	167	157	−10
Department of the Army	7,713	7,160	−553	21,824	20,962	−862
Department of the Air Force	1,611	1,470	−141	4,096	3,895	−201
Department of the Navy	1,981	940	−1,041	3,941	2,850	−1,091

LETTER FROM THE POSTMASTER GENERAL, RELATIVE TO EMPLOYMENT IN THE POST OFFICE DEPARTMENT

POST OFFICE DEPARTMENT,
OFFICE OF THE POSTMASTER GENERAL,
Washington, D. C., June 26, 1953.

JOINT COMMITTEE ON REDUCTION OF NONESSENTIAL FEDERAL EXPENDITURES,
Senate Office Building,
Washington, D. C.

GENTLEMEN: Reference is made to my letter of April 3, 1953, concerning the personnel report covering departmental and field employees which the Post Office Department has been submitting to your committee each month.

Inasmuch as factual data has not been compiled it is requested that you use for the May report the same number of employees as were listed on the January report.

Let me once again assure you that concerted effort is being made to develop accurate data for these reports and that your committee will be furnished the information as soon as it has been compiled.

Sincerely yours,

CHARLES B. HOOK, Jr.,
Deputy Postmaster General.

STATEMENT BY SENATOR BYRD

Reports to the Joint Committee on Reduction of Nonessential Federal Expenditures compiled today show that civilian employment by executive agencies of the Federal Government during May was reduced by 23,809, bringing the total to 2,478,963.

In the 11 months of the current fiscal year, July 1952, through May 1953, the net reduction in civilian employment by Federal agencies has been 120,295. Since January 1953 the reduction has been 31,516. The record for the 11 months of fiscal year 1953 follows:

Month	Total employment	Increase	Decrease
1952—June	2,599,358		
July	2,601,803	2,445	
August	2,592,769		9,034
September	2,574,203		18,566
October	2,569,054		5,149
November	2,565,607		3,447
December	2,560,479		5,128
1953—January	2,554,824		5,655
February	2,546,954		7,870
March	2,526,819		20,135
April	2,502,772		24,047
May	2,478,963		23,809

Again in May, as in each month since January, the total reported employment is subject to revision upon receipt of actual figures by the Post Office Department which has not submitted a personnel report since that time, pending development of more accurate reporting procedures. During reorganization of its personnel reporting procedures, the Post Office Department is reporting January employment figures.

DECREASES

Civilian employment by the Department of Defense in May decreased for the sixth consecutive month. Total civilian employment of the Defense Department in May was reduced by 21,401, to a total of 1,259,715. All component agencies of the Department of Defense reported reductions for May in employment both inside and outside continental United States, except the Army which reported a slight increase in civilian employment overseas.

There was also a net reduction in civilian agency employment, from 1,221,656 in April to 1,219,248 in May. Major civilian agency decreases were reported by the Department of Commerce, Health, Welfare, and Education, Justice, State, and Treasury, along with the Economic Stabilization Agency, Mutual Security Agency, Civil Service Commission, Government Printing Office, Panama Canal, and Veterans' Administration.

There were net decreases during the month both in industrial employment and employment overseas. Industrial employment in May totaled 763,670, a reduction of 15,332 as compared with April. Civilian employment outside continental United States in May totaled 181,006, a reduction of 1,370 as compared with April.

INCREASES

Major increases were reported by the Departments of Agriculture and Interior, representing seasonal employment, and the Tennessee Valley Authority. Lesser increases were reported by the Renegotiation Board, Federal Deposit Insurance Corporation, and National Labor Relations Board.

UNEXPENDED BALANCES OF FEDERAL APPROPRIATIONS

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD a statement by me, on behalf of the Joint Committee on Reduction of Nonessential Federal Expenditures, relating to unexpended balances of Federal appropriations, and a table summarizing the information compiled in a

report on the same subject by the committee.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD

Federal agencies in the first three quarters of the fiscal year spent $53 billion, and they entered the final quarter with unexpended balances in appropriations previously made totaling $124.6 billion.

In the first 9 months of the year $25.9 billion was spent out of current year appropriations, and $27.1 billion was spent out of appropriations carried over from previous years.

Going into the final quarter, April 1, the Defense Department had unexpended balances in its accounts totaling $75.8 billion; unexpended balances in funds appropriated to the President, including foreign-aid appropriations, totaled $12.7 billion; unexpended balances in independent offices accounts totaled $14.4 billion; unexpended balances in Agriculture Department accounts totaled $6.1 billion; unexpended balances in Housing and Home Agency authorizations totaled $5.1 billion, and unexpended balances in General Services Administration accounts totaled $2.1 billion.

Funds available to all Federal agencies for fiscal year 1953, including carryovers from prior years, and current regular appropriations and supplementals totaled $177.6 billion. Funds carried over from prior appropriations last July 1 totaled $96.8 billion, and regular and supplemental appropriations enacted for fiscal year 1953 totaled $80.8 billion.

These figures were revealed today in a compilation by the Joint Committee on Reduction of Nonessential Federal Expenditures. In a previous committee report it was estimated that unexpended balances at the end of the 1953 fiscal year, June 30, would total more than $100 billion, about $80 billion in regular and special accounts, and about $20 billion in revolving and management funds.

Summary of appropriations and other authorizations, expenditures and unexpended balances, executive branch of the Federal Government,[1] showing appropriations and other authorizations by current and prior years; and 1953 expenditures from appropriations for the current year and appropriations enacted in prior years, and unexpended balances, as of Mar. 31, 1953

[In thousands of dollars]

Department or agency	Appropriations and authorizations					Expenditures (through Mar. 31, 1953)			Unexpended balances as of Mar. 31, 1953
	Prior-year appropriations and authorizations [2]	Current appropriations and authorizations fiscal year 1953 [3]	Total funds	Transfers [4]	Total after transfers	Out of prior-year appropriations and authorizations	Out of current appropriations and authorizations	Total [5]	
Executive Office of the President	2,995	8,165	11,160	+1,405	12,565	661	5,811	6,472	6,093
Funds appropriated to the President	10,360,374	5,885,643	16,255,017	−52,551	16,202,466	3,388,740	119,328	3,508,068	12,694,401
Independent Offices	10,379,457	9,963,577	20,343,034	+31,603	20,374,637	600,686	5,305,769	5,906,454	14,378,175
Federal Security Agency	567,253	1,703,190	2,270,443	−2	2,270,441	434,441	907,075	1,341,516	928,926
General Services Administration	2,631,891	385,513	3,017,404	+357	3,017,761	709,169	111,310	880,482	2,137,279
Housing and Home Finance Agency	4,339,650	1,257,869	5,597,519	−379	5,597,140	482,109	−4,976	477,133	5,120,007
Department of Agriculture	6,673,478	1,516,847	8,220,325	−66	8,220,259	1,620,964	462,376	2,083,343	6,136,914
Department of Commerce	291,989	1,001,218	1,293,207	−182	1,293,025	202,483	507,003	709,490	583,535
Department of Defense	57,977,089	49,913,670	107,890,759	−300,865	107,589,894	19,012,747	12,755,215	31,767,963	75,821,930
Department of the Interior	335,321	604,162	939,483	−18	939,465	267,822	190,384	458,212	481,253
Department of Justice	28,582	184,336	212,918	−14,146	198,772	19,089	114,371	133,461	65,311
Department of Labor	15,528	246,511	262,039		262,039	11,117	175,960	187,097	74,942
Department of the Post Office	10	666,000	666,010	−29,879	636,131	−29,869	512,855	482,986	153,145
Department of State	151,106	240,500	391,606	+985	392,591	79,045	138,699	217,745	174,936
Department of the Treasury [6]	3,095,767	7,228,104	10,263,871	+310,349	10,574,220	183,560	4,569,663	4,753,231	5,820,989
Total	*96,799,498	80,835,396	177,634,894	**−53,389	177,581,505	27,132,773	25,870,863	53,003,661	124,577,846

*Includes relatively small amounts for which time for obligation has expired, and time for transfer to surplus has not arrived.

**Represents largely transfers to surplus fund.

[1] Excluding trust and deposit fund accounts.

[2] Includes balances in 1951 and 1952 appropriation and other authorization accounts, and balances in no-year and multi-year appropriation and other authorization accounts.

[3] Includes all regular appropriations and all supplemental appropriations to date.

[4] Represents transfer of funds from one account to another within the same agency or among agencies; funds so transferred from parent accounts are merged with balances in recipient accounts, and all expenditures are charged against the recipient accounts and not against the parent accounts.

[5] Negative expenditures in these columns represent an excess of collections over disbursements, for example: credits in the expenditures of working funds represent advances to the funds and other accounts. Expenditures will be charged against these funds as work is performed or completed.

[6] Includes interest on the public debt. Excludes principal of refunds of receipts representing overpayment of taxes.

NOTE.—Figures are rounded and will not necessarily add to totals.

Source: Fiscal Service, Bureau of Accounts, Department of the Treasury. (The information in these tables is based upon (a) monthly accounts current of disbursing officers of the Government and (b) reports submitted to the Treasury Department, under Treasury Circular 868, by certain Government corporations and enterprises.)

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSON of Texas (for himself, Mr. MCCLELLAN, Mr. HILL, Mr. SPARKMAN, Mr. EASTLAND, Mr. STENNIS, Mr. CLEMENTS, Mr. DANIEL, Mr. MAYBANK, Mr. KERR, Mr. MONRONEY, Mr. LANGER, Mr. THYE, Mr. SCHOEPPEL, and Mr. CARLSON):

S. 2233. A bill to provide assistance to farmers and stockmen in areas where a production disaster caused by severe drought has occurred; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. JOHNSON of Texas when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 2234. A bill to exempt from income tax certain local civic improvement associations engaged in a trade or business the net earnings of which are devoted to charitable or educational purposes, or to the making of local civic improvements; to the Committee on Finance.

By Mr. SMITH of New Jersey:

S. 2235. A bill for the relief of Stanley Kielb; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 2236. A bill for the relief of Hideo Yamamoto; to the Committee on the Judiciary.

By Mr. WILEY:

S. 2237. A bill to provide for the payment of the balance of the compensation promised in connection with the requisition in 1941 of 40 Danish vessels; to the Committee on Foreign Relations.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER of Nebraska:

S. 2238. A bill to eliminate farm tractor fuel and certain other liquids from the manufacturers' excise tax on gasoline; to the Committee on Finance.

By Mr. HICKENLOOPER:

S. 2239. A bill to amend the Atomic Energy Act of 1946, as amended; placed on the calendar.

(The above bill was an original bill, reported from the Joint Committee on Atomic Energy.)

By Mr. MUNDT:

S. 2240. A bill for the relief of Mrs. Carl Dobratz; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2241. A bill to amend section 901 of the Merchant Marine Act, 1936, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. MAYBANK:

S. J. Res. 93. Joint resolution to amend and extend certain provisions of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

THE DROUGHT SITUATION IN THE SOUTHWEST

Mr. JOHNSON of Texas. Mr. President, the President of the United States has informed me that he is ready to use every legal authority and all legally available resources to rush aid to the drought stricken areas of the Southwest.

The Secretary of Agriculture, who has made a tour of Texas, has promised aid "within a matter of hours." I am glad he stressed the "matter of hours," for the situation is truly that desperate.

Unless action can be taken quickly, a whole section of our country is threatened with economic extinction. The whole Nation would feel the effects if the rich agricultural production of the Southwest were eliminated.

Unfortunately, there is considerable doubt as to the powers the President possesses to meet this grave emergency. I have consulted with a number of his

agencies and they do not know whether they have the authority to do the things that must be done.

I have been in constant touch with the ranchers and farmers in my area who are faced with the prospect of ruin. It is clear that three things must be done if they are to survive.

First, they must have long-term, low-interest credit to enable them to secure the physical facilities that are needed to bring them through the drought period.

Second, there must be some means for refinancing their indebtedness to bring them some relief from the economic squeeze.

Third, there must be provision for rushing reasonably priced feed, seed, and emergency equipment to the drought-stricken area.

There is, at present, some authority to extend long-term, low-interest credit to the victims of this disaster. It is administered through the Farmers' Home Administration which is now making loans.

However, the present administration of this act is somewhat cumbersome. Funds available are insufficient to meet the full scope of this emergency. Furthermore, the Agriculture Department is not now refinancing any loans.

There may or there may not be legal authority to rush reasonably priced feed to the drought areas. Legal opinion appears to be divided. I do not believe that we can permit needed relief to be blocked by legal technicalities.

Consequently, I and 14 of my colleagues are introducing a bill today to assure speedy relief.

It is a measure designed specifically to meet the drought situation. It combines various existing laws into one act and broadens and extends the powers now on the statute books.

It would permit long-term loans under an interest ceiling of 4 percent. These loans could be granted quickly and with a minimum of redtape. The measure would also grant specific authority for refinancing indebtedness.

This bill would give the President specific authority to secure feed, seed, emergency equipment, and other items in areas where they are plentiful. They could be rushed to the drought areas and sold at prices that are reasonable.

Finally, the bill would assure the availability of ample funds to meet the crisis.

The President of the United States is well aware of the gravity of this situation. I have just received a letter from him which I ask to have printed in the RECORD at this point, as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, June 25, 1953.

DEAR SENATOR JOHNSON: Thank you very much for your letter. I assure you that the situation of which you write has been much in the minds of my associates and myself. The Livestock Section of the Secretary of Agriculture's Advisory Board is now meeting with him, and Ezra Benson, himself, is starting a trip to Texas tomorrow.

The Secretary of Agriculture has been directed to use every existing legal authority and all legally available resources to relieve distress in the drought areas. Moreover, if it becomes clear that the present law is inadequate to the situation, I shall make appropriate recommendation to the Congress.

The frequency with which we have been called upon in late months to meet emergencies in various sections of the country clearly indicates the wisdom of establishing adequate funds.

I shall appreciate any further suggestion you may have to offer on the point.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. JOHNSON of Texas. Mr. President, this is a situation which will allow of no delay. I urge that this measure receive the speediest consideration. I sent forward the bill and ask that it be appropriately referred. I also ask that the bill be printed in the RECORD at this point as a part of my remarks.

There being no objection, the bill (S. 2233) to provide assistance to farmers and stockmen in areas where a production disaster caused by severe drought has occurred, introduced by Mr. JOHNSON of Texas for himself, Mr. MCCLELLAN, Mr. HILL, Mr. SPARKMAN, Mr. EASTLAND, Mr. STENNIS, Mr. CLEMENTS, Mr. DANIEL, Mr. MAYBANK, Mr. KERR, Mr. MONRONEY, Mr. LANGER, Mr. THYE, Mr. SCHOEPPEL, and Mr. CARLSON, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That this act may be cited as the "Drought Disaster Relief Act of 1953."

SEC. 2. Whenever the President shall find that a severe drought exists in any area which has destroyed crops and sources of grazing feed and has caused in such area a drought disaster he shall declare, upon the request of the Governor of the State in which such area is located, that such area is, for the purposes of the assistance provided for in this act, a drought disaster area.

SEC. 3. The Secretary of Agriculture is authorized and directed to make loans to farmers and stockmen for any agricultural purpose (including but not limited to loans for seed, feed, fertilizer, farm equipment, supplies, refinancing, and family subsistence) in any area declared by the President to be a drought disaster area. Such loans shall be made at such rates of interest, not exceeding 4 percent per annum, and on such general terms and conditions as the Secretary shall prescribe. Any collateral which is available to the borrower may be required as security for any such loan.

SEC. 4. In order to prevent the payment of exorbitant prices for, and to insure the availability of, urgently required agricultural commodities, materials, and supplies in the drought-stricken areas where there is an acute emergency shortage of such items, the President is authorized to utilize funds appropriated for the purposes of this act to procure in areas where they are readily available any of the commodities, materials, or supplies required for any agricultural purpose by farmers and stockmen in drought disaster areas designated pursuant to this act; to subsidize the costs of transporting such commodities, materials, and supplies to the drought-stricken areas; and to sell such commodities, materials, and supplies to farmers and stockmen in the drought-stricken areas at reasonable prices. Commodities, materials, and supplies as used in this section shall include but shall not be limited to, seed, stock feed, urgently required farm equipment, general farm supplies, and family subsistence items.

SEC. 5. The authority conferred upon the President and the Secretary of Agriculture by this act shall be in addition to the authority conferred upon them by any other act.

SEC. 6. Such sums as may be necessary to carry out the purposes of this act are hereby authorized to be appropriated.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. LANGER. As one who went through the drought years ago in North Dakota, I know what it means to receive help from the Government. I hope the distinguished Senator will add my name to the list of Senators sponsoring the proposed legislation.

Mr. JOHNSON of Texas. I shall be delighted to do so.

Mr. MCCLELLAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. MCCLELLAN. I am glad to join the distinguished Senator in the introduction of his bill. I know that the Secretary of Agriculture has taken a trip to Texas and other areas in that section of the country to survey the situation. I have today called his attention to the distressing situation in my own State of Arkansas. I do not know why Arkansas was not included in the order the other day declaring certain areas to be disaster areas. I intend to ask that that situation be looked into.

I trust that the bill will be given early consideration and that its enactment will enable us to do all that should be done to bring the relief needed in areas where the drought has been so acute and such great suffering has developed.

Mr. JOHNSON of Texas. Mr. President, I commend the Senator from Arkansas for the work he has done in connection with the preparation of this bill. No one has been more diligent or more interested in the entire subject.

Mr. THYE. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Minnesota.

Mr. THYE. I should like to be associated with the minority leader in this effort. I spoke on the same subject last week. At that time I stated that Congress should be bold in taking immediate action, because every day's delay finds more and more of the very excellent foundation type breeding stock of beef cattle going to market, when they should not be going to market.

I commend the Senator for having introduced his bill. We need to take immediate steps. No one knows the seriousness of such a drought until he has experienced it personally or has had an opportunity to see the results with his own eyes.

Mr. JOHNSON of Texas. I thank the Senator very much. I now yield to the Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, I wish to say to the distinguished minority leader, the Senator from Texas, that on Saturday last I reported to the Senate on what I had observed when I returned from the State of Kansas, after having been in conference with representatives from 21 States, who knew something about this very serious situation. I think that this is a magnificent step forward, and I want the Senator from Texas to know that I would be happy if I could associate myself with him and the other sponsors of the bill.

Mr. JOHNSON of Texas. There is no one with whom I would rather be associated than the senior Senator from Kansas, the Senator from Arkansas, the Senator from Minnesota, and the Senator from North Dakota in introducing the bill.

Mr. JOHNSON of Texas subsequently said: Mr. President, I ask unanimous consent that the name of the junior Senator from Kansas [Mr. CARLSON] be added as a cosponsor of the bill (S. 2233), which I introduced earlier today.

The VICE PRESIDENT. Without objection it is so ordered.

PAYMENT FOR REQUISITIONED DANISH VESSELS

Mr. WILEY. Mr. President, I introduce a bill to provide legislative relief to the owners of 40 Danish ships which the United States requisitioned for purposes of national defense 12 years ago, and who thus far have obtained only partial payment of the compensation promised them.

The bill (S. 2237) to provide for the payment of the balance of the compensation promised in connection with the requisition in 1941 of 40 Danish vessels, introduced by Mr. WILEY, was received, read twice by its title, and referred to the Committee on Foreign Relations.

Mr. WILEY. Mr. President, I have looked into this matter and it has been carefully studied by members of the staff of the Foreign Relations Committee. This bill follows the pattern adopted by Congress in 1949 to settle the similar claims of Finnish shipowners. The bill does nothing more than validate the promise of treatment equal to that given in the case of American vessels similarly requisitioned. The promise was made by officials of the Government of the United States to the Danish Ambassador, who, when his country was under Nazi pressure during World War II, took the responsibility of facilitating the delivery of these ships to the United States when they were urgently needed.

I am informed that the Danish Government has repeatedly expressed the hope that this matter be settled without resort to suits against the United States, and in the friendly spirit which heretofore has existed in the relations between Denmark and the United States. Litigation may cause an additional delay of several years in finally settling an obligation which we incurred 12 years ago. Twelve years of negotiation have failed to overcome the difficulties involved in effecting an administrative settlement to provide the compensation which was promised, and which the legislative history indicates that Congress intended should be paid.

Mr. President, I have come to the conclusion that congressional action is necessary to remove this potential source of friction to the friendly relations that exist between our two Governments. Prompt settlement will mean a great deal to the Danes and will demonstrate that the Government of the United States when under the necessity of requisitioning foreign-owned property does not fail to make just amends.

I wish to place in the RECORD, if there is no objection, background material setting forth in greater detail the facts which have led me to sponsor this bill. I now ask unanimous consent for that purpose, Mr. President.

The VICE PRESIDENT. Is there objection?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STAFF MEMORANDUM FOR SENATOR WILEY, JUNE 25, 1953

PAYMENT OF CLAIMS FOR DANISH VESSELS

Purpose of the legislation

The purpose of the legislation is to authorize the payment of a lump sum to the Danish Government in full settlement of the balance owing on claims arising out of the requisitioning by the United States in 1941 of 40 Danish vessels.

Background

Between June 16, 1941, and September 5, 1941, the United States Government, acting under the authority conferred by Public Law 101, 77th Congress, requisitioned 40 Danish vessels lying in the ports of the United States and the Philippines. The 40 vessels involved are named in the draft of bill attached to the Danish Ambassador's letter of January 8, 1953, to Senator Wiley. (See appendix B attached hereto.) Twenty-four of the vessels were sunk in the service of the United States during World War II. Sixteen of the vessels were returned to their original owners in 1946 under contracts to which further reference is made in this memorandum.

Prior to the passage of the statute authorizing the taking of foreign vessels (Public Law 101), the Danish Minister was requested by the Department of State to lend his support to arrangements which would facilitate the taking and operation of the vessels by the United States. The Danish Minister courageously disregarded explicit instructions from Copenhagen, issued under pressure from the German occupation, and offered his full cooperation to the United States Government. At the same time he was promised that the Danish owners would receive for their ships that were taken compensation equal to that which Americans were entitled to receive for their vessels taken for use and that the requisitioned ships would be returned promptly to their Danish owners when the emergency was over.

Despite negotiations carried on continuously since 1941, one administrative complication after another has delayed fulfillment of this promise. There was part fulfillment for 35 of the vessels beginning in 1946, when the 16 vessels still afloat were returned and there were substantial payments by way of compensation. Again in 1951 a stipulation was signed pursuant to which judgment has been entered in the United States Court of Claims for the remaining five vessels. But legislation is necessary before the Danish Government can be paid for the ships on the basis of the equal treatment originally promised by the administration and approved by the Congress.

The background of the case is described in the letter dated September 16, 1952, from the Danish Ambassador to Under Secretary of State Bruce, which has previously been furnished. (See appendix A attached hereto.)

The legislation authorizing changing the requisition of the Danish vessels from a taking for title to a requisition for use, referred to in the Ambassador's letter, is Public Law 17, 78th Congress, approved on March 24, 1943. The intergovernmental settlement of the Finnish ship claims to which the Ambassador refers was authorized in Public Law 430, 81st Congress. For committee reports on the Finnish settlement, see Senate Resolution 1166 and H. R. 1457, 81st Congress.

Under Secretary of State Bruce, after considering the Ambassador's letter with the appropriate staff officers of the State Department, concluded that he would support legislation that would provide the equal treatment originally promised and approved by the Congress. He left a recommendation to this effect with the present Secretary of State. On February 24, Secretary of State John Foster Dulles in a letter to Senator WILEY indicated his support of the legislation here proposed, and on April 24, Acting Secretary of State Walter B. Smith added further State Department support.

APPENDIX A

THE DANISH AMBASSADOR'S LETTER TO THE UNDER SECRETARY OF STATE

DANISH EMBASSY,
Washington, D. C., September 16, 1952.

The Honorable DAVID BRUCE,
Under Secretary of State, Department of State, Washington, D. C.

DEAR MR. BRUCE: It is the hope of my Government that with the settlement recently agreed upon for 5 of the Danish vessels requisitioned by the United States in 1941, agreement may now promptly be reached for the remaining 35 Danish vessels. The cases have a long history, but if I may ask you further to acquaint yourself with the essential developments, I believe you will agree with me that a satisfactory solution can quickly be reached.

After the intergovernmental settlement for 15 of the Finnish ships also taken in 1941 was approved by the American Congress in the fall of 1949, it was studied by my government and the interested shipowners. I was then instructed to seek through the Department of State a settlement by similar means for the 40 Danish vessels. When this was suggested, informal discussions took place between officials of the Department of State and the Justice Department resulting in an undertaking by the latter to work up studies with the American attorney of the Danish Government to the end that a figure might be arrived at for the 40 ships which both sides could agree would be fair alike to Denmark and to the United States. As these studies and the discussions progressed it appeared likely that settlement for 5 of the vessels could be reached without recourse to legislation but that for 35 of the ships reference to legislation would be necessary as in the Finnish case. For this reason and having in mind that the owners of the 5 ships had received nothing on account of compensation owing, it was decided to go ahead first with a 5-ship settlement. This resulted in the recent agreement with which you are familiar.

It having proved necessary in the end that a part of the 5-ship settlement be subject to legislation, my Government is most desirous that an agreed fair figure can be reached for the 35 ships in ample time to submit both settlements for approval of the Congress at the earliest opportunity. As you know, the Danish Government has looked upon the prolonged delays that have followed the taking of the vessels with concern and deep regret.

The question of what amount represents a fair settlement is not primarily a technical question. Most of the basic figures have been agreed upon; any discrepancies that remain are minor, and a basis of compromise on these has already been agreed upon. Differences over the amount of the settlement have rather resulted from a failure to agree upon the principles to be applied. I am confident that we can reach agreement on these principles, and consequently upon the settlement figure itself.

I am confident because the principles we believe should govern the settlement are the

same principles as those which the State Department and the Congress have repeatedly said would be applied to this very claim. It is for this reason that I have asked you further to acquaint yourself with the background. A review of the history of the case will, I believe, indicate the pattern for a fair settlement.

Before the Danish ships were taken in 1941, I was asked by the Department of State to lend my support to arrangements which would permit the American Government to put the vessels in operation. It was, of course, beyond my power to give away or sell the property of private Danish citizens. Nevertheless, in view of the American need for shipping, I undertook to facilitate the placing of those vessels in operation under American control. I did so only after an understanding had been reached with the Government of the United States.

It was understood on all sides that the vessels would be taken for use (not for title), that the owners would receive the same charter hire to which Americans were entitled for their ships, that the vessels remaining afloat at the end of hostilities would be returned promptly, and that for the vessels lost Denmark would receive for the owners, as Secretary of State Hull confirmed "just compensation in the real sense."

While these understandings were in the first instance oral, they have been many times confirmed in official records.

For the Danish side I repeated in my note of May 22, 1941, to Secretary of State Hull:

"As I have had the honor to point out on numerous occasions, Danish shipowners consider it to be of the greatest importance that Danish ships in United States ports be requisitioned, not for title, but only for use, and that the ships be returned to the Danish owners as soon as the present emergency is over, adequate insurance cover to be given to enable owners to replace any tonnage lost."

When this note was written, I had before me the CONGRESSIONAL RECORD with the debates upon the bill which was to authorize the taking of the Danish and other foreign-owned vessels. Senator Bailey was in charge of the bill when it reached the upper House. On May 14, he said:

"The word 'requisition,' according to the interpretation of the Chairman of the Maritime Commission, Rear Admiral Land, is not a taking in the sense of condemnation.

"It is taking temporarily, for the purpose of use, paying compensation for the use, and with a view to the return of the property taken" (CONGRESSIONAL RECORD, vol. 87, pt. 4, p. 4026).

* * * * *

"I do not think we would be expected to pay more to others than we pay to our own citizens, but I do think that we would be expected to pay to others what we pay to our own citizens. So in that respect the whole moral phase of the matter of compensation is accounted for, except possibly in one respect.

"If we take title to a ship or a number of ships belonging to Denmark, we are not able to charter them, and we do not requisition them but take them. We would be paying for them under the statute, but at the end of the emergency or at the end of the war the commerce of Denmark and the owners would be deprived of the use of ships at a time when they would need to use them, and we should probably have the advantage. That is the reason why President Woodrow Wilson was determined, when he seized the ships of the Holland owners, that they should not only be compensated but that the ships should be returned" (CONGRESSIONAL RECORD, vol. 87, pt. 4, pp. 4027, 4028).

* * * * *

"I am supporting the measure with the reservations I have stated, with the demand for the return of the ships and equal justice at the end of the period. With that expectation, and the assurance from the chairman of the Maritime Commission that he intends to proceed by purchase and by charter and by requisition rather than condemnation, * * * and actuated further by the urgency of the State Department and their assurance in writing here that the procedure and the law are within the standards of international law and that our country has a right to proceed according to this bill, I am laying it before the Senate and asking for its enactment" (CONGRESSIONAL RECORD, vol. 87, pt. 4, p. 4030).

Not only was it represented that the vessels would be taken for use and the compensation paid on a use basis at the same rates paid to citizens of the United States, but it also was represented that the Danish vessels would be kept in Western Hemisphere trade. Senator Vandenberg attached great importance to this. He said:

"But the fact remains that Assistant Secretary of State Breckenridge Long categorically stated—and it goes to the very basis of the argument I shall present to the Senate—that the paramount purpose of taking over these ships was not to put them in any international pool, but was to use them primarily and fundamentally to replace ships on our own trade routes, particulary in Central and South America" (CONGRESSIONAL RECORD, vol. 87, pt. 4, pages 4034, 4035).

Senator Vandenberg was concerned as to what would happen to the ships at the end of the war. Senator Bailey replied:

"The Senator is arguing that we want the Italian and Danish ships at the end of the war. Oh, no, Mr. President. I do not know what will happen to them, but if they are in existence at the end of the war, I want to follow the policy of Woodrow Wilson and send them back. We should say to the owners, 'They are your ships, and we will pay the damages. We took them in the emergency' " (CONGRESSIONAL RECORD, vol. 87, pt. 4, p. 4032).

With these assurances, the Senate approved the bill received from the House of Representatives and it became law on June 6, 1941.

In spite of the understanding that the vessels would be requisitioned for use and not for title, they were in fact taken for title. The reason for this change apparently was that the Maritime Commission had meanwhile decided to transfer the vessels to Panamanian registry and use them in the war zones instead of the Western Hemisphere trade. These changes created many difficulties. The Danish seamen had been led to believe that they would be treated the same as American seamen and that the Danish ships would be treated as were American ships. Instead the seamen were paid lower wages and the ships were sent into dangerous waters without escort. Representatives of the Legation and of the Danish Consulates nevertheless arranged numerous meetings with the seamen persuading the great majority of them to stay with their ships in the general interest. Five of the Danish ships were sunk with heavy loss of life in the summer and fall of 1941.[1]

At the same time negotiations were begun with the State Department to change the taking for title back to a requisition for use. A charter agreement was drawn up and submitted to the attorneys of the Maritime Commission. It had the endorsement of the State Department.

After studying the matter, the attorneys of the War Shipping Administration (successor in this matter to the Maritime Commission), expressed doubt whether that agency had authority to change the taking for title back to a requisition for use. The State Department then requested of the Congress that it pass legislation authorizing this to be done. Senator Bailey was in charge of this legislation. He explained to the Senate that it related "to the 40 ships which the Government of the United States under the act of Congress of June 6, 1941, seized and took from the possession of the Kingdom of Denmark" (CONGRESSIONAL RECORD, vol. 89, pt. 2, p. 1467).

The Senator read from a letter received from Assistant Secretary of State Berle. Mr. Berle confirmed:

"Although requisition of the ships in question was made for title by the Maritime Commission, it was understood by all parties concerned that the Maritime Commission was disposed to agree to the return of these ships to the former owners upon the termination of the national emergency, and that efforts would be made to see that compensation for the requisition of the ships should be paid on the basis of use rather than for transfer of title" (CONGRESSIONAL RECORD, vol. 89, pt. 2, p. 1467).

Senator Bailey put forth his reasons for supporting the legislation (with an amendment that was included) and his understanding of its effect, in these words:

"The intent and effect of the amendment will be to give to the State Department discretionary power to change the requisition for title to requisition for use, the difference being that when we requisition for title we take possession and ownership. In the requisition for use we charter and pay rent, or 'charter hire' as it is called" (CONGRESSIONAL RECORD, vol. 89, pt. 2, p. 1467).

* * * * *

"I said here, at the time the requisition act in this case was passed, that under the circumstances I have narrated we were under obligation to treat the kingdom of Denmark not only with justice, but with the utmost generosity. I think a court of equity would impose such generosity upon us" (CONGRESSIONAL RECORD, vol. 89, pt. 2, p. 1467).

* * * * *

"Here was Denmark, stricken down and helpless. Her ships were in our possession. We took them. It is very important to me that the United States of America shall always present to all the other nations of the world the spirit and the example of justice, of fairness, and of generosity.

"If the amendment shall be adopted, the State Department will be authorized to proceed with the Minister from Denmark and, through him, with the owners of these vessels, with a view to treating them with absolute justice, and generous justice at that" (CONGRESSIONAL RECORD, vol. 89, pt. 2, p. 1467).

Senator Vandenberg joined in urging adoption of the amended legislation. He explained:

"I held the amendment up temporarily because I was in doubt about some of its terms, but in the final analysis, when I received a personal letter from Assistant Secretary of State Berle setting down categorically the fact that this amendment does nothing more than validate the promise made by the Government of the United States to the utterly brave Danish Minister, who dared to stand out from under his home Government and take the responsibility in his own hands to deliver us these 40 ships we needed, plus the delivery agreement—when I discover that this is nothing more than a validation of our promise to the Danish Minister under those circumstances, I have no interest in what the amendment may cost. The Danish Minister is entitled to 100-percent reciprocity and good faith, in the presence of the courageous stand which he took, not only to his jeopardy, but to our everlasting advantage" (CONGRESSIONAL RECORD, vol. 89, pt. 2, p. 1467).

[1] All told, 23 of the 40 Danish ships were lost, 1 was discarded as a "constructive total loss", and, in the summer and fall of 1946, the remaining 16 were returned.

Notwithstanding this legislative history, the War Shipping Administration refused to offer compensation for the Danish vessels on a use basis. The reason given was that it would cost the United States more in dollars and cents to validate its promise than to compensate on a title basis and to sell back those ships which were still afloat when the war was over. Moreover, the War Shipping Administration refused to return any ship to its owner until after he had signed a contract covering his ships that were sunk as well as those that were returned. Under these contracts the United States would be released from its obligation to pay the compensation promised and provided by law if the United States paid the lesser amounts stipulated.

The same terms were offered to the owners of all of the 40 vessels. The owners of 35 of these vessels had some ships afloat and some that were sunk. Denmark had to have back the 16 vessels that were still afloat. Its merchant fleet had been depleted in World War II through enemy action and requisitioning, 39.8 percent by ships and 49.9 percent by tonnage. Denmark was badly in need of foreign exchange, and it is on the merchant fleet that the economy of Denmark leans heavily for such exchange. The owners of the 35 ships had no real choice, so they signed the contracts required by the War Shipping Administration in order that the ships might be returned. Five of the forty ships belonged to owners who had no ships left afloat. These owners were free to make a choice, and, as you know, have recently settled their claims on a basis which, while substantially less than awarded to comparable vessels by the American courts, is more than the War Shipping Administration offer, which they rejected.

The contracts signed by the owners of the 35 ships did not end the matter. They required that for the United States to be released from its obligation to pay just compensation, the United States at least had to pay the lower amounts stipulated. After some delay, the 16 ships afloat were returned and substantial payments were made, but then the agencies of the United States which had control over the contracts decided not to go on under the contracts. Further payments were withheld, and on February 11, 1949, the Maritime Commission informed representatives of the shipowners that on February 2 the Comptroller General had ruled that the Commission could not complete the payments still owing under the contracts.

My Government is advised that the agencies of the United States charged with control over the contracts having decided not to fulfill the contracts, the owners of the 35 vessels are themselves free to elect to recover the just compensation promised and provided by law, less, of course, the amounts already received on account. The lower amounts stipulated in the 1946 contracts cannot successfully be pleaded in limitation since the contracts expressly provided that the United States would be released from its obligation to pay just compensation only if it performed its side of those contracts. This admittedly the United States did not do.

The legal officers of the State Department have been furnished a brief and have also heard argument on this point between the attorneys of the Danish Government and officers of the Department of Justice. I believe that they are convinced of the soundness of the advice received by my Government. But even though there should be doubts on the strictly legal aspect, the moral phase to which Senator Bailey attached the first importance would seem to be clear and controlling.

I am informed that when the War Shipping Administration attempted to impose upon the owners of the Finnish vessels that were requisitioned the conditions that were imposed upon the Danish vessels, Assistant Secretary of State Clayton made representations to the Maritime Commission. He persuaded the Maritime Commission that this was not a proper way in which to deal, that the Finnish vessels should be returned without requiring the owners to accept the low offers of the Maritime Commission. The Commission adopted this view and instructed that the Finnish vessels should be returned.

I am further informed that, notwithstanding this, the staff of the Maritime Commission insisted upon the signing by the Finnish owners of stipulations limiting the compensation for the vessels returned. The Finnish owners signed those stipulations as they, too, had to have their ships and had no real choice.

When the Finnish owners sought a negotiated settlement, the question arose within the Department of Justice whether the compensation for the vessels that were returned should be on the use rate paid to Americans for comparable vessels or should be limited as set forth in the stipulations. The Department of Justice concluded that it would be improper to take advantage of stipulations so achieved and the Finnish ship settlement as worked out in the Department of Justice, endorsed by the State Department, and approved by the Congress of the United States, allowed for the vessels that were returned a use rate that exceeded substantially the ceiling in the stipulations.

I would like to believe that the State Department will want, when the last page of the long history of the taking of the Danish ships is written, to have it recorded that the response to the cooperation that was readily given on the Danish side should be a settlement providing a rate of compensation no lower than has been paid to Americans. The Congress has already made it clear through the Senator in charge of the enabling legislation: "I do not think we would be expected to pay more to others than we pay to our own citizens but I do think that we would be expected to pay to others what we pay to our own citizens."

If the United States is to carry out its original promise and expressed intent, it would seem that Senator Bailey's standards "for the return of the ships and equal justice at the end of the period" should be used in measuring the fairness of the intergovernmental settlement my Government has requested. One cannot read the legislative history of this case without seeing that that is what the Congress expected would be paid and will approve. That a resolution on these principles may be brought about shortly is my Government's sincere hope.

As you know, the time element in this case has been a factor of primary importance to the Danish Government and the Danish shipowners. In answer to American inquiries as to the concessions we might be willing to make in order to arrive at a settlement without undue delay, we have on several occasions indicated our readiness to accept substantially less than American standards, should this be necessary to bring about a speedy payment of the Danish claims.

Our hopes for a settlement have, however, been disappointed again and again, and the cost to Denmark of the delays does not begin to be offset by the 4 percent interest currently allowed in the United States as compensation for delay. Further, the cost of replacing the ships lost has risen spectacularly in the last 5 years. Accordingly, with each year that passes, and with each month, compromises that at the time they were offered would have been acceptable become progressively less and less fair.

Even at this late date I might feel obliged to propose to my Government acceptance of an amount that is below what was paid to Americans, if that should be required now to end the matter. Such a solution would, however, not be in line with what I was given to understand was considered as fair at the time of the taking of the Danish ships and would fall short of the equal justice insisted upon in the Congress. Naturally, I hope not to have to make such a proposal to my Government. More than dollars is involved.

At the request of the Danish Embassy the accounting firm of Price, Waterhouse & Co. have calculated from official figures and from figures that have been agreed upon in earlier steps of negotiations the amounts still owing, taking as the standard the compensation awarded to citizens of the United States and also the calculations agreed to in the recent settlement for the five Danish ships. The results of their calculations and their worksheets are available to you and the members of your staff and are in a form that should be susceptible of simple verification.

Sincerely yours,

HENRIK KAUFFMANN.

APPENDIX B

THE DANISH AMBASSADOR'S LETTER TO SENATOR ALEXANDER WILEY

JANUARY 8, 1953.

The Honorable Senator ALEXANDER WILEY,
United States Senate,
Washington, D. C.

DEAR SENATOR WILEY: You will recall the support you gave to legislation, approved October 18, 1949, providing for payment to the Government of Finland of the balance owing for 15 Finnish vessels requisitioned by the United States in December 1941. My Government has experienced difficulties, very similar to those encountered by the Finnish Government, in reaching a final settlement for the 40 Danish vessels requisitioned in the summer of 1941 and utilized by the United States in the prosecution of the war.

Eleven years of negotiations have failed to overcome the administrative difficulties in providing the compensation which was promised and which the Congress intended should be paid. You may be surprised that I waited so long to bring this matter to your attention. The reason is that for month after month and for year after year it was hoped that a settlement could be reached by administrative means. The State Department now agrees with my Government that congressional action is necessary and with the approval of Acting Secretary of State David Bruce I am laying the matter before you in the hope that you will sponsor the necessary legislation.

Before the vessels were requisitioned and, indeed, before the administration requested the legislation which authorized the taking, it was understood that the Danish vessels would be taken only for use and would be returned following the war. Congress also understood that the vessels would be used only on American trade routes where the dangers of loss through enemy action would be less than if sent into the war zones from where American ships were precluded by the Neutrality Act. For the use of the vessels and for those that might be lost it was understood that compensation would be on a basis no less favorable than for American vessels taken for use.

Senator Vandenberg asked Senator Bailey, who was in charge of the authorizing legislation, to confirm "the practical objective of this bill; in other words, what the contemplated use of these ships was to be" (CONGRESSIONAL RECORD, vol. 87, pt. 4, p. 4025). Senator Bailey replied:

"Assistant Secretary Long stated before the committee in the executive session that it was the intention, and he left the impression upon my mind that it was the exclusive intention, to employ these ships in the trade between this country and South America, and possibly in the coastwise trade of our own country, should there be necessity."

Senator GEORGE joined Senator Vandenberg in expressing the hope that "with respect to the Danish ships we will charter or requisition the use of the ships, and that the Government, even if it takes over title,

will see fit to use those ships on our own trade routes."

Senator Bailey explained:

"It is taking temporarily, for the purpose of use, paying compensation for the use, and with a view to the return of the property taken.

"I do not think we would be expected to pay more to others than we pay to our own citizens, but I do think we would be expected to pay to others what we pay to our own citizens. • • •

"I am supporting the measure with the reservations above stated with the demand for the return of the ships and equal justice at the end of the period."

The ships were in fact taken for title, transferred to Panamanian registry and sent into the war zones. Twenty-one were sunk and many Danish seamen lost their lives.

Though the exigencies of the situation made it more advantageous for the United States to take the vessels for title, the administration agreed with me that compensation should be paid as though taken for use. This required legislation and at the request of the State Department the Congress passed the necessary legislation (Public Law 17, 57 Stat. 45). Senator Bailey was also in charge of this. He explained:

"Although requisition of the ships in question was made for title by the Maritime Commission, it was understood by all parties concerned that the Maritime Commission was disposed to agree to the return of these ships to the former owners upon the termination of the national emergency, and that efforts would be made to see that compensation for the requisition of the ships should be paid on the basis of use rather than for transfer of title.

"Here was Denmark, stricken down and helpless. Her ships were in our possession. We took them. It is very important to me that the United States of America shall always present to all the other nations of the world the spirit and the example of justice, of fairness, and of generosity.

"I said here, at the time the requisition act in this case was passed, that under the circumstances I have narrated, we were under obligation to treat the Kingdom of Denmark not only with justice, but with the utmost generosity. I think a court of equity would impose such generosity upon us.

"If the amendment shall be adopted, the State Department will be authorized to proceed with the minister from Denmark, and through him, with the owners of these vessels, with a view to treating them with absolute justice, and generous justice at that" (CONGRESSIONAL RECORD, vol. 89, pt. 2, p. 1467).

Senator Vandenberg at first objected to the amended legislation on the grounds that compensation on a use basis would cost the United States more; but withdrew his objection after learning that the legislation did not go beyond what was promised. He said:

"I held the amendment up temporarily because I was in doubt about some of its terms, but in the final analysis, when I received a personal letter from Assistant Secretary of State Berle setting down categorically the fact that this amendment does nothing more than validate the promise made by the Government of the United States to the utterly brave Danish Minister, who dared to stand out from under his home government and take the responsibility in his own hands to deliver us these 40 ships we needed, plus the delivery agreement—when I discover that this is nothing more than a validation of our promise to the Danish Minister under those circumstances, I have no interest in what the amendment may cost. The Danish Minister is entitled to 100-percent reciprocity and good faith, in the presence of the courageous stand which he took, not only to his jeopardy, but to our everlasting advantage" (CONGRESSIONAL RECORD, vol. 89, pt. 2, p. 1467).

Senator Bailey summed up as follows:

"We must not take any advantage of them, because we took the ships, not by their consent, but by our power. We took them on account of our own necessities, and not theirs. We have used the ships. Let us now treat the owners, not simply justly, as we might say with respect to a defendant in court, but let us treat them so fairly that the record of history will say that the Government of the United States in its dealings under necessity may exercise arbitrary power, but that we shall not fail to make just and generous amends. That is the sort of Government over which I think, my flag flies" (CONGRESSIONAL RECORD, vol. 89, pt. 2, pp. 1511–1512).

When this legislation was passed, it was hoped that the Danish Government through the State Department could reach a settlement that would provide for the Danish vessels treatment equal to that given to American vessels taken for use. As I stated earlier, the long negotiations have disclosed that it is not possible to do this by administrative means. A solution by court action has seemed inappropriate, although petitions of course were filed by the shipowners to stop the running of the statute of limitations. The Commissioner to whom the cases were assigned recommended, as he did with the Finnish ship cases, that in view of the international aspects settlement should be sought through negotiations with the State Department. The State Department has agreed with this and it met with the full approval of my Government since the latter, mindful of the friendly help extended by the United States to my country during the postwar years and the friendly negotiations preceding the taking of the ships, is most reluctant to have the matter come to issue in adversary proceedings. This could also lead to results contrary to the original agreement inasmuch as the Department of Justice had indicated that it would feel obliged, as it stated in connection also with the Finnish case, to interpose in adversary proceedings legal defenses which the State Department and the Congress as a matter of international policy have indicated should not be asserted.

At my request the American attorneys for the Danish Government have prepared the text for a draft of bill, which I enclose. It follows word for word the joint resolution you reported out for the Committee on Foreign Relations on October 12, 1949, Senate Report No. 1166, 81st Congress, 1st session (S. J. Res. 135, 81st Cong., 1st sess.), and which was passed by the Senate on October 12, 1949, excepting, of course, as to the amount and the names of the ships. Also it only authorizes an appropriation whereas the joint resolution, which was introduced toward the end of the session, undertook both to authorize and to make the appropriation.

The delays encountered in settling the claims of the shipowners have caused my Government grave concern, and have cost and are costing the Danish economy and the shipowners much more than the 4-percent interest provided for in the corresponding Finnish settlement. Prompt enactment of a settlement such as was achieved in the Finnish case will mean a great deal to my country. Anything you and your colleagues can do to bring this matter to a speedy and just end will, I assure you, be most deeply appreciated.

Sincerely yours,

HENRIK DE KAUFFMANN.

HOUSE BILL REFERRED

The bill (H. R. 2824) to encourage the discovery, development, and production of tungsten ores, and concentrates in the United States, its Territories and possessions, and for other purposes, was read twice by its title, and referred to the Committee on Interior and Insular Affairs.

AMENDMENT OF MUTUAL SECURITY ACT OF 1951—AMENDMENT

Mr. KENNEDY submitted an amendment intended to be proposed by him to the bill (S. 2128) to further amend the Mutual Security Act of 1951, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF MUTUAL SECURITY ACT OF 1951—AMENDMENT

Mr. McCLELLAN. Mr. President, I submit for appropriate reference an amendment intended to be proposed by me to the bill (S. 2128) to further amend the Mutual Security Act of 1951, as amended, and for other purposes. I ask unanimous consent that the amendment, together with a statement I have prepared explaining the amendment, be printed in the RECORD.

The VICE PRESIDENT. The amendment will be received, appropriately referred, and printed; and, without objection, the amendment and statement will be printed in the RECORD.

The amendment was received, ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

On page 2, line 1, after "SEC. 540," insert "(a)"; strike out the quotation marks at the end of line 13; and between lines 13 and 14 insert a new subsection, as follows:

"(b) Such amounts of the funds authorized to be appropriated by subsection (a) of this section as may be specified in the act appropriating such funds shall be used by the President, under such rules and regulations as he may prescribe, to provide military assistance to countries eligible to receive such assistance under this act through currency conversion agreements entered into in accordance with this subsection. The President is authorized to enter into an agreement with any such country which shall provide:

"(1) for the conversion into currency of the United States of such amounts of the currency of such country as may be specified in such agreement, and for the use of such United States currency for the purchase of agricultural commodities produced in the United States which are determined by the Secretary of Agriculture to be in surplus supply;

"(2) for the use of the currency of such country received by the United States under such agreement to procure military equipment, materials, and services in such country for the purpose of carrying out the provisions of his act;

"(3) satisfactory assurance that an amount of dollar exchange equivalent to the dollar exchange used by such country during the fiscal year beginning July 1, 1952, for the importation from the United States of each commodity covered by the agreement will be made available by such country during the fiscal year beginning July 1, 1953, from sources other than dollar exchange made available under this section of the act for the purchase of each such commodity; and

"(4) that the purchase of agricultural commodities produced in the United States with dollar exchange provided under such agreement shall be conducted through private trade channels."

The statement by Mr. McCLELLAN is as follows:

STATEMENT BY SENATOR McCLELLAN

HOW THE CURRENCY CONVERSION PROGRAM WOULD OPERATE

Under this amendment the President would authorize the Mutual Security Agency to enter into agreements with the governments of countries eligible to receive military assistance under the Mutual Security Act of 1951, as amended, to convert their local currencies into United States dollars for the specific purpose of increasing foreign purchases of surplus agricultural commodities produced in the United States which the Secretary of Agriculture has declared to be currently in surplus supply. The dollars used in this conversion would come from the funds appropriated for military assistance. The local currencies acquired through such conversion would then be utilized by the Mutual Security Agency and the United States Department of Defense for purchasing military equipment, materials, and services in such countries.

This currency conversion program would be operated by the Mutual Security Agency in the following manner:

1. The Mutual Security Agency would promulgate special regulations governing the currency conversion program. Such regulations would provide for the issuance of currency conversion authorizations to the governments of eligible countries for specified amounts of United States dollars to be converted into the local currency of each such country. Each authorization would operate more or less as a credit of United States dollar exchange with a specific expiration date. When the authorization expired the credit expired. The regulations would provide for procurement through private channels of trade but would not regulate the commercial transactions between foreign importers and United States suppliers.

2. The Mutual Security Agency would make known to all eligible countries that—

(a) The Mutual Security Agency was authorized to enter into agreements with the governments of eligible countries to convert their local currencies under certain regulations into United States dollars for the specific purpose of supplying United States dollar exchange to their importers for purchasing surplus agricultural commodities produced in the United States through private trade channels; and

(b) The local currency so acquired would be used by Mutual Security Agency and the United States Department of Defense for procurement of military equipment, materials and services in the country where such local currency was acquired.

2. The conversion of local currencies of eligible countries into United States dollars would be attained by the following procedure:

(a) The government of the country desiring to enter into a currency conversion agreement would file with Mutual Security Agency a request for a specified amount of United States dollar exchange to be used in connection with purchases by private importers in such country of a specified surplus agricultural commodity produced in the United States; such request to be supported by evidence that such country would provide dollar exchange from other sources during fiscal year ending June 30, 1954, in an amount equal to dollar exchange provided during fiscal year ending June 30, 1953 for import of such agricultural commodity;

(b) The Mutual Security Agency would consider the request and decide on its approval on the basis of—

(i) Evidence that the United States dollar exchange requested would increase imports from the United States of the specified agricultural commodity above the total amount imported from the United States during fiscal year ending June 30, 1953; and

(ii) Assurance that the local currency acquired thereunder could be utilized for procurement of military equipment, materials, and services in such country.

(c) Upon approval of the request, Mutual Security Agency would issue a currency conversion authorization to such country for a specified amount of United States dollars. Such authorization to specify the surplus agricultural commodity to be purchased thereunder and expiration date of the authorization;

(d) The government of the signatory country named in the currency conversion authorization would issue subauthorizations to regular commercial importers of the commodity in such country and thereupon these importers would enter into purchase contracts with United States exporters;

(e) The government of the signatory country in consultation with such importers would decide on the United States commercial bank or banks through which letters of credit would be opened and notify Mutual Security Agency of such bank or banks, and the total amount of credits to be opened through each bank;

(f) Mutual Security Agency would then issue a letter of commitment to each such United States bank authorizing the bank to open letters of credit and make disbursement of a specified amount of dollars to United States suppliers, at which time the bank would collect a comparable amount of local currency for account of Mutual Security Agency from the foreign bank to whom the importer paid such local currency;

(g) The local currency so acquired would then be used by Mutual Security Agency and the United States Department of Defense for disbursements against purchase contracts made in the signatory country for military equipment, materials, and services.

NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT TO LABOR, HEALTH, EDUCATION, AND WELFARE APPROPRIATION BILL

Mr. THYE submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is my intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 5246) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 16, line 6, before the period, insert the following: *"Provided further*, That for the fiscal year beginning July 1, 1952, and for each succeeding fiscal year, all land lying within the boundaries of the Boulder Canyon Project Reservation shall be considered Federal property within the meaning of Public Law 874, 81st Congress, 2d session; but this proviso shall not be construed as to interfere with State taxation of leasehold interests: *Provided further*, That any tax collected for school purposes on any leasehold interest within the boundaries of the Boulder City Union School District on and after July 1, 1953, shall be deducted under section 3 (g) of said act."

Mr. THYE also submitted an amendment intended to be proposed by him to House bill 5246, making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States, submitting the nomination of Col. Eugene Mead Caffey, for temporary appointment as brigadier general in the Army of the United States, and withdrawing the nomination of Grace M. Stewart, of the District of Columbia, to be an associate judge of the Municipal Court for the District of Columbia, vice Ellen K. Raedy, deceased, which nominating message was referred to the Committee on Armed Services.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. LANGER, from the Committee on the Judiciary:

George Harrold Carswell, of Florida, to be United States attorney for the northern district of Florida, vice George Earl Hoffman, retired.

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

Robert B. McLeish, of Texas, to be Administrator of the Farmers' Home Administration.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. WILEY:

Address entitled "American Free Enterprise and Foreign Policy," delivered by him before the United States Trade Mark Association in New York City, June 26, 1953.

Newspaper comment and excerpts from letters, indicating Wisconsin opposition to the so-called Bricker constitutional amendment.

By Mr. SMITH of New Jersey:

Article entitled "Soviet Plan To Steal Iran," written by Lev Vasiliev, and published in the San Francisco Chronicle of April 19, 1953.

By Mr. SCHOEPPEL:

Article entitled "Rhee Liberated His Own Men," written by Constantine Brown, and published in the Washington Star of June 25, 1953.

By Mr. LANGER:

Letter addressed to him by Mrs. Herman Novak, of Lordville, N. Dak., dealing with credit and prices.

By Mr. HILL:

Editorial entitled "Voice in the Wilderness," commenting on the recent speech delivered by Senator SYMINGTON, published in the Sunday Star of Washington, D. C., on June 28, 1953.

By Mr. WILLIAMS:

Editorial entitled "Like Any Other Witness," relating to Mr. Justice Clark of the United States Supreme Court, published in the St. Louis Post-Dispatch of Tuesday, June 16, 1953.

By Mr. BUSH:

Article entitled "Greenwich's Debts Are Nearly Paid Up," published in the New York Times of June 29, 1953.

By Mr. SPARKMAN:

Article entitled "GI Home Loans Number 3 Million," published in the Washington Post of June 28, 1953.

HOUSING IN CONNECTION WITH NATIONAL DEFENSE

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1376) to amend section 503 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes, approved October 14, 1940, as amended," which was, after line 8, insert:

SEC. 2. Section 1 (b) (2) of the Bankhead-Jones Farm Tenant Act, as amended, is amended to read as follows:

"Any veteran (defined herein as a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who was discharged or released therefrom under conditions other than dishonorable) who intends to engage in farming as a principal occupation, and who meets the requirements of rules and regulations prescribed by the Secretary as to industry, experience, character, and other assurances of success as a farmer, shall be eligible for the benefits of this title and his application shall be entitled to preference over the applications of non-veterans."

SEC. 3. Section 507 of the Housing Act of 1949, as amended, is amended to read as follows:

"As between eligible applicants seeking assistance under this title, the Secretary shall give preference to veterans and the families of deceased servicemen. As used herein, a 'veteran' shall mean a person who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who was discharged or released therefrom on conditions other than dishonorable. 'Deceased servicemen' shall mean persons who served in the military forces of the United States during any war between the United States and any other nation or during the period beginning June 27, 1950, and ending on such date as shall be determined by Presidential proclamation or concurrent resolution of Congress and who died in service before the termination of such war or such period."

Mr. CAPEHART. Mr. President, I move that the Senate concur in the House amendment.

Mr. KNOWLAND. Mr. President, I should like to ask the distinguished Senator from Indiana to give a brief explanation of the House amendment.

Mr. CAPEHART. I shall be glad to do so. All the House amendment would do would be, in respect to certain housing and farm assistance, to give Korean veterans the same rights as those given to World War II veterans. That is exactly what it would do. It would give Korean war veterans who were inducted into service after June 27, 1950, the same rights as those accorded to World War II veterans.

Mr. KNOWLAND. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. KNOWLAND. I understood that that was the original intent of the bill. Does the Senator state that such is the purpose of the amendment which the House added?

Mr. CAPEHART. That is the purpose of the House amendment.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. Am I correct in my understanding that the Senate is now considering the House amendment to Senate bill 1376?

Mr. CAPEHART. That is correct.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Indiana.

The motion was agreed to.

AMENDMENT OF NATIONAL HOUSING ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 2103) to amend the National Housing Act and other laws relating to housing, which was, to strike out all after the enacting clause and insert:

That this act may be cited as the "Housing Amendments of 1953."

SEC. 2. Section 203 of the National Housing Act, as amended, is hereby amended by adding the following new subsection at the end thereof:

"(g) Notwithstanding any other provisions of this section, a mortgage otherwise eligible for insurance hereunder and covering property upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction, may have such higher ratio of loan to value and such longer maturity than otherwise provided as the President may determine to be in the public interest, taking into account the general effect of such higher ratio or longer maturity, as the case may be, upon conditions in the building industry and upon the national economy: *Provided*, That the principal obligation of any such mortgage shall not exceed $12,000 and the maturity thereof shall not exceed 30 years: *And provided further*, That with respect to any such mortgage the mortgagor shall be the owner and occupant of the property at the time of the insurance and shall have paid on account of the property at least 5 percent of the Commissioner's estimate of the cost of acquisition in cash or its equivalent."

SEC. 3. Section 205 (c) of the National Housing Act, as amended, is hereby amended to read as follows:

"(c) The Commissioner shall, except as to group accounts terminated as of a date prior to July 1, 1953, transfer from each of the several group accounts to the general reinsurance account, beginning as of July 1, 1953, and as of the beginning of each semiannual period thereafter, an amount which, in the case of the initial transfer, shall equal 10 percent of the total premium charges theretofore credited to such group accounts, and, in the case of subsequent transfers, shall equal the amount of any adjusted premium charges collected by the Commissioner in connection with the payment in full of insured mortgages prior to maturity on or after July 1, 1953, and an amount which shall in no event be less than 10 percent nor more than 35 percent of all other premium charges credited to such group accounts during the preceding semiannual period: *Provided*, That, until such time as the Commissioner determines that the resources in the general reinsurance account are sufficient to cover all estimated future deficits among individual group accounts, 100 percent of all other premium charges credited to such group accounts during each such semiannual period shall be transferred as provided in this subsection. The Commissioner shall terminate the insurance as to any group of mortgages (1) when he shall determine that the amounts to be distributed, as hereinafter set forth, to each mortgagee under an outstanding mortgage assigned to such group are sufficient to pay off the unpaid principal of each such mortgage, or (2) when all the outstanding mortgages in any group have been paid. In addition to the amounts transferred as herein provided, the Commissioner shall, upon such determination, charge to the group account the estimated losses arising from transactions relating to that group, and shall distribute to the mortgagees for the benefit and account of the mortgagors of the mortgages assigned to such group the balance remaining in such group account, less any amount by which such balance exceeds the aggregate scheduled annual premiums of such mortgagors to the year of termination of the insurance: *Provided*, That any undistributed balance in the group account at termination shall be transferred to the general reinsurance account. Any such distribution to mortgagees shall be made equitably and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any distribution to a mortgagor or for the account of a mortgagor under any provision of this section exceed his aggregate scheduled annual premiums to the year of termination of the insurance."

SEC. 4. Section 207 (1) of the National Housing Act, as amended, is hereby amended by striking out of the second sentence thereof the word "twenty" and inserting in lieu thereof "ten."

SEC. 5. The first sentence of section 213 (d) of the National Housing Act, as amended, is hereby amended by striking "4 percent per annum" and inserting "4½ percent per annum, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at not to exceed 5 percent per annum."

SEC. 6. Section 217 of the National Housing Act, as amended, is hereby amended by striking out of the second proviso "$1,900,000,000" and inserting "$3,400,000,000."

SEC. 7. Title II of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 219. Notwithstanding limitations contained in any other sections of this act as to the use of moneys credited to the Title I Housing Insurance Funds, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Military Housing Insurance Fund, or the Defense Housing Insurance Fund, the Commissioner is hereby authorized to transfer funds from any one or more of such insurance funds to any other such fund in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such funds, separately and jointly to carry out effectively the insurance programs for which such funds were established."

SEC. 8. Title V of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"SEC. 516. The following funds shall be deemed an indebtedness to the United States of the particular insurance fund involved, and the Commissioner is authorized and directed to pay the amount of such indebtedness to the Secretary of the Treasury, with simple interest thereon from the date the funds were advanced to the date of final payment at a rate determined by the Secretary of the Treasury, taking into consideration the average rate on outstanding marketable obligations of the United States from

the date the funds were advanced until the date of final payment:

"(1) Funds made available to the Commissioner pursuant to the provisions of sections 4 and 202, exclusive of amounts heretofore refunded, (a) for carrying out title II with respect to mortgages insured under section 203 where such funds were credited to the general reinsurance account in the Mutual Mortgage Insurance Fund, and (b) for the payment of salaries and expenses with respect to mortgage insurance under sections 207 and 210 where such funds were credited to the Housing Insurance Fund.

"(2) Funds made available to the Commissioner pursuant to sections 602 and 802; and

"(3) Funds made available to the Commissioner by the Secretary of the Treasury pursuant to section 710.

"Payments to the Secretary of the Treasury under this section shall be made in such amounts and at such times as the Commissioner determines, after consultation with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the funds involved. All payments made pursuant to this section shall be covered into the Treasury as miscellaneous receipts."

SEC. 9. (a) Section 803 (a) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954."

(b) Section 803 (b) of the National Housing Act, as amended, is hereby amended by inserting immediately preceding the last paragraph thereof the following new paragraph:

"The mortgagor shall agree (i) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and/or organization and legal expenses) as the case may be, and (ii) to pay, within 60 days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. The Commissioner shall construe the term 'actual cost' in such a manner as to reduce same by the amount of any kickbacks, rebates, and normal trade discounts received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therewith."

(c) The first sentence of the last paragraph of sections 803 (b) and 908 (b) of the National Housing Act, as amended, is hereby amended by striking out "4 percent" and inserting "4½ percent."

SEC. 10. Section 903 (a) of the National Housing Act, as amended, is hereby amended by inserting the following proviso after the first proviso of said section: ": *Provided further*, That in the event the Commissioner has made a commitment to insure a mortgage under this title but subsequently determines that, because of changes in defense requirements or other circumstances, there does not appear to be a sufficient market for the dwelling unit or units in the property covered by such mortgage to avoid a default thereunder if the unit or units are completed and the mortgage insured, the Commissioner is hereby authorized, in the interest of conserving the National Defense Housing Insurance Fund, to make such cash payment from such fund to the mortgagor or the mortgagee, or both, in exchange for a release of the commitment, as the Commissioner shall determine to be necessary to reimburse the mortgagor or the mortgagee, or both, for monetary loss resulting from previous expenditures made or obligations incurred in reliance on such commitment."

SEC. 11. Subparagraph (E) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended—

(1) by striking "unpaid principal balance thereof" and inserting "principal amount to be paid therefor";

(2) by striking "aggregate amount" and inserting "aggregate principal amount"; and

(3) by striking everything after the colon and inserting:

"*Provided*, That the foregoing clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G): *Provided further*, That, in lieu of or in conjunction with the other requirements with respect to mortgages covered by the aforesaid clause (2), and also with respect to any defense or disaster mortgages as defined in subparagraph (G), the Association may (in the discretion of its Board of Directors, and notwithstanding the provisions of subparagraph (G)) issue a purchase contract (which shall not be assignable or transferable except with the consent of the Association) in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder thereof to sell to the Association mortgages in the amount of the contract, upon such terms and conditions as the Association may prescribe: *And provided further*, That the authority of the Association to issue purchase contracts hereunder shall expire July 1, 1954, and the aggregate amount of such purchase contracts issued shall not exceed $500 million; and."

SEC. 12. The first sentence of subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by striking "1953" and inserting "1954."

SEC. 13. Section 101 (a) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking ", III, or IV" and inserting "or III."

SEC. 14. Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended to read as follows:

"SEC. 104. After June 30, 1953, (a) no construction of housing may be begun under title III of this act except temporary housing which is otherwise authorized thereunder and required in connection with the operations and activities of the Atomic Energy Commission, (b) the Housing and Home Finance Administrator shall not authorize an additional number of dwelling units to be insured pursuant to title IX of the National Housing Act, as amended, and (c) no loan may be made or obligation purchased by the Housing and Home Finance Administrator under section 102a of the Housing Act of 1948, as amended (except pursuant to a commitment issued on or before June 30, 1953, or to refinance an existing loan or existing obligation held under such section by the Administrator on said date). After June 30, 1954, (a) no construction of housing may be begun under title III of this act, (b) no mortgage may be insured under title IX of the National Housing Act, as amended, except (i) pursuant to a commitment to insure issued on or before such date, or (ii) a mortgage given to refinance an existing mortgage insured under that title and which does not exceed the original principal amount and unexpired term of such existing mortgage, and (c) no construction of community facilities by the United States may be begun under title III of this act and no agreement may be made to extend assistance for the provision of additional community facilities or services under such title."

SEC. 15. Section 305 (c) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking "June 30, 1953" and inserting "June 30, 1954."

SEC. 16. Section 315 (c) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is amended by striking out the word "or" immediately before "(3)", and by inserting before the period at the end thereof a comma and the following: "or (4) the provision of community facilities or services necessary to the health, safety, or public welfare of the inhabitants of a town or community which has been relocated as a result of the acquisition (through eminent domain or purchase in lieu thereof) of its former site by or on behalf of the Atomic Energy Commission for national-defense activities."

SEC. 17. Title IV of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby repealed.

SEC. 18. Section 717 (c) of the Defense Production Act of 1950, as amended, is hereby amended by inserting the following new paragraph at the end thereof:

"Notwithstanding any other provision of this act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into pursuant to, or under the authority of, section 602 or section 605 of this act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law."

SEC. 19. (a) The Home Owners' Loan Corporation created pursuant to section 4 of the Home Owners' Loan Act of 1933, as amended (referred to in this section as the "Corporation"), shall cease to exist and shall for all purposes be considered dissolved and abolished, except as otherwise provided in this section, 180 days after the date the Home Loan Bank Board publishes in the Federal Register a notice to that effect, which shall also contain information as to the time for, and manner of, filing claims against the Corporation. The period of time prescribed for the filing of such claims shall be the 90 days immediately following the date of publication of the notice, and all creditors and claimants who have not presented their claims or demands within that period shall be forever barred from presenting or prosecuting the same, and any creditor or claimant who has not instituted suit within 60 days from the date his claim or demand is rejected by the Corporation shall be forever barred.

(b) With respect to any action, suit, or other legal proceeding commenced against the Corporation prior to the date of its dissolution, the Corporation shall continue a body corporate for the purpose of defending such suit and for no other purpose, and service of subpena or other process in such proceeding may be made upon the Corporation by serving the same on the Secretary to the Home Loan Bank Board.

(c) Effective as of the date of the dissolution of the Corporation, (1) the title to any and all real property remaining in the Corporation on such date is transferred to the United States of America, (2) authority is given to the Home Loan Bank Board to sell and convey such property in the name of the United States of America for such cash consideration as such Board shall deem reasonable, and (3) all powers of the Corporation with respect to the execution of any instruments or documents affecting title to real estate or with respect to authorizing satisfactions of judgments are transferred to such Board. Any such instruments or documents executed by the Secretary or an Assistant Secretary to such Board on behalf of the Board shall be as effective as if the same had been executed by the Corporation prior

to its dissolution. Subject to the approval of the Director of the Bureau of the Budget, such Board may transfer to any other department or agency of the United States, with the consent of such department or agency, all the powers and functions vested in such Board by this subsection (c). All liens held by the Corporation upon real or personal property on account of judgments rendered in its favor, except judgments for mortgage debts which have been assigned by the Corporation, and all claims now held by the Corporation arising out of its mortgage or real estate operations, whether for rent or otherwise, are hereby released and discharged in full.

(d) The authority to appropriate for any functions relating to the Corporation may continue to be exercised after its dissolution for the purpose of making appropriations to any department or agency carrying out the provisions of this section.

SEC. 20. Section 504 of the Housing Act of 1950, as amended, is hereby amended to read as follows:

"SEC. 504. With respect to housing built or sold with assistance provided under the National Housing Act, as amended, or title III of the Servicemen's Readjustment Act of 1944, as amended, the Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby specifically authorized and directed to issue such regulations, applicable uniformly to all classes of mortgagees, as they determine desirable for the purpose of limiting the charges and fees, which shall not be construed to include any loss suffered by an originating lender in the bona fide sale or pledge of or an agreement to sell the mortgage, imposed upon the builder or other seller, or the veteran or other purchaser in connection with the financing of the construction or sale of such housing, whether or not such charges were or are imposed in connection with the financing assisted by the Federal Government, and no loan shall be insured or guaranteed under such acts unless the mortgagee certifies that it has not imposed upon the builder or other seller, or the veteran or other purchaser any charges or fees in connection with the financing of the construction or sale of such housing in excess of the charges or fees permitted under such regulations for such purposes as are applicable to the housing involved."

SEC. 21. (a) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby authorized and directed to prepare suitable forms of contracts (which may vary for each of the several States and Territories) which shall be required to be used in connection with the sale or construction of houses containing not more than two family dwelling units built or sold with assistance provided under the National Housing Act, as amended, or title III of the Servicemen's Readjustment Act of 1944, as amended. Such contract forms shall provide for and establish a warranty by the seller or builder, and such other person as may be required by the said Commissioner or Administrator to become warrantor, that the dwelling is constructed in substantial conformity with the plans and specifications (including any amendments) on which the Federal Housing Administration or the Veterans' Administration based its valuation of the house in connection with any loan which it insured, guaranteed or made to finance the construction or purchase of the house: *Provided*, That such warranty shall apply only with respect to failures of performances as to which the purchaser or homeowner has given written notice to the warrantor within 1 year from the date of initial occupancy of the house. The provisions of this section shall not apply to houses on which construction was started prior to the enactment of this act nor to houses for which agreements or commitments to provide assistance have been entered into by the Federal Housing Commissioner or Administrator of Veterans' Affairs prior to 90 days after the date of approval of this act.

(b) The Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are further directed to permit copies of the plans and specifications for houses in connection with which warranties are required by subsection (a) of this section to be made available in their appropriate local offices for inspection or for copying by any purchaser, homeowner, or warrantor during such hours or periods of time as the said Commissioner and Administrator may determine to be reasonable.

SEC. 22. Public Law 243, 82d Congress, is hereby amended by striking out "June 29, 1951" and inserting "September 1, 1953."

SEC. 23. (a) The first sentence of paragraph (g) of section 110 of the Housing Act of 1949, as amended, is hereby amended to read as follows: " 'Going Federal rate' means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for loan or advance is made, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimate average annual yield to the nearest one-eighth of 1 percent."

(b) The third sentence of section 401 (a) of the Housing Act of 1950, as amended, is hereby amended to read as follows: "A loan to an educational institution may be in an amount not exceeding the total development cost of the housing, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding 40 years, as may be determined by him; and, with respect to loan contracts entered into after the first minimum annual rate has been specified as provided herein, shall bear interest at a rate determined by the Administrator which shall be not less than the minimum annual rate which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract for the loan is made: *Provided*, That such minimum annual rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent."

(c) Section 2, paragraph 10, of the United States Housing Act of 1937, as amended, is hereby amended by inserting after "*Provided*, That" the following: ", with respect to any loans or annual contributions made pursuant to a contract approved by the President after the first annual rate has been specified as provided in this proviso, the term 'going Federal rate' means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the 6-month period (beginning with the 6-month period ending December 31, 1953) during which the contract is approved by the President, which applicable rate for each 6-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such 6-month period, on all outstanding marketable obligations of the United States having a maturity date of 15 or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of 1 percent: *And provided further*, That."

SEC. 24. (a) Section 214 of the National Housing Act, as amended, is hereby amended by inserting the words "or Hawaii" after the word "Guam" in each place where it appears therein.

(b) Section 2 (b) of Public Law 52, 81st Congress, is hereby amended by adding at the end thereof the following new paragraph:

"Notwithstanding the provisions of subparagraph (C) of section 301 (a) (1) of the National Housing Act, as amended, any mortgage loans may be offered to the Federal National Mortgage Association for purchase if such loans are secured by property located in Guam or Hawaii, and insured under any of the provisions of the National Housing Act, as amended."

Mr. CAPEHART. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. CAPEHART, Mr. BUSH, Mr. BRICKER, Mr. BENNETT, Mr. MAYBANK, Mr. SPARKMAN, and Mr. ROBERTSON conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1550) to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 106. An act for the establishment of a Commission on Governmental Operations;

S. 1514. An act to establish a Commission on Intergovernmental Relations; and

S. J. Res. 88. Joint resolution to authorize the Secretary of Commerce to extend certain charters of vessels to citizens of the Republic of the Philippines, and for other purposes.

WEARING OF UNIFORM OF ARMED FORCES BY CERTAIN HONORABLY DISCHARGED PERSONS—CONFERENCE REPORT

Mr. KNOWLAND. Mr. President, I am advised by the Senator from Massachusetts [Mr. SALTONSTALL] that there is a conference report he would like to

have the Senate consider at this time. I have discussed the matter with the distinguished minority leader, the Senator from Texas [Mr. JOHNSON]. I believe the conference report is one on which there has been unanimous agreement on the part of the Senate conferees. I am informed the Senator from Massachusetts desires to submit the report at this time.

Mr. SALTONSTALL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1550) to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1550) entitled "An Act to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1 and 2.

LEVERETT SALTONSTALL,
STYLES BRIDGES,
RICHARD B. RUSSELL,
Managers on the Part of the Senate.

DEWEY SHORT,
LEROY JOHNSON,
PAUL J. KILDAY,
Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. SALTONSTALL. Mr. President, I may say simply that the House receded from its two amendments. The bill is now in the exact form in which it was passed by the Senate.

The VICE PRESIDENT. The question is on agreeing to the report.

The report was agreed to.

TEMPORARY APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of House Joint Resolution 287, Calendar No. 476, making temporary appropriations for the fiscal year 1954.

The VICE PRESIDENT. The joint resolution will be read by title, for the information of the Senate.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 287) making temporary appropriations for the fiscal year 1954, and for other purposes.

Mr. KNOWLAND. Mr. President, let me say that I have taken up this matter with the minority leader, the distinguished senior Senator from Texas [Mr. JOHNSON]. The joint resolution merely continues appropriations, because the end of the fiscal year comes on tomorrow.

The VICE PRESIDENT. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the joint resolution.

Mr. KNOWLAND. Mr. President, the unanimous report of the Appropriations Committee states that—

This resolution provides that (a) departments and agencies included in bills which have been passed by both Houses shall continue operations on the basis of the lower of the two amounts recommended; (b) departments and agencies for which bills have passed the House but not the Senate shall operate on the amount passed by the House or budget estimate, whichever is lower; (c) the Department of Defense shall continue on the basis of the amount included in H. R. 5969 as reported to the House on June 27, 1953; (d) certain other agencies shall operate on the basis of the current rate, the budget estimate, or the specific amount provided in the resolution, whichever is lowest.

No new activities may be undertaken under the provisions of this resolution except where directed by both House and Senate versions of a bill.

The VICE PRESIDENT. The joint resolution is open to amendment.

If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 287) was ordered to a third reading, read the third time, and passed.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, June 29, 1953, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 106. An act for the establishment of a Commission on Governmental Operations;

S. 1514. An act to establish a Commission on Intergovernmental Relations; and

S. J. Res. 88. Joint resolution to authorize the Secretary of Commerce to extend certain charters of vessels to citizens of the Republic of the Philippines, and for other purposes.

THE U. N. RECORD ON KOREA

Mr. SMITH of New Jersey. Mr. President, on Sunday, June 28, there appeared in the New York Times an editorial which I believe is an accurate summary of the record of the United Nations on Korea. I ask unanimous consent to have the editorial printed in the body of the RECORD at this point, as a part of my remarks.

First I should like to quote the concluding paragraph of the editorial. It reads:

The United Nations position, as set forth in these various acts and resolutions, has not been modified. It is still committed to the cause of a free, united and democratic Korea. It has made no commitment to achieve this purpose by the use of force. It is committed to pursue the goal by peaceful means. It is likewise committed to resist aggression.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE U. N. RECORD ON KOREA

Since there are conflicting interpretations of the United Nations commitment to the cause of Korean independence and unity, it may be profitable to examine the record to discover what major steps have been taken and what positions have been assumed and maintained.

The question of the independence and unification of Korea was submitted to the General Assembly by the United States on September 17, 1947, after almost 2 years of fruitless attempts to reach an agreement with the Soviet Union in Korea itself. Over Soviet objection the Assembly made itself party to the case and it has continued on the agenda ever since.

On November 14, 1947, the Assembly adopted a resolution establishing a Temporary Korean Commission. The vote was 43 to 0, with 6 abstentions from the Soviet bloc. The function of this Commission was to supervise free elections in Korea on behalf of the Korean people and for the sake of Korea's freedom and independence. The Soviet Union subsequently prevented the entry of representatives of this Commission into North Korea.

When the Commission referred its case to the Interim Committee of the General Assembly, the committee decided, on February 26, 1948, that the temporary commission should carry out its program in such parts of Korea as are actually accessible to the Commission. But in its reports of August 1948 and October 15, 1948, the commission stated that this decision did not imply any essential change in the opinion of members of the Commission that they were primarily concerned with Korea as a whole. The Commission further reported that the Government established in South Korea does provide a base from which it may be possible to proceed to unification by peaceful methods of negotiation.

On October 21, 1949, the General Assembly accepted the report of its temporary Commission, in which it was stated that the Government of the Republic of Korea, based on elections which had been a valid expression of the free will of the electorate in that part of Korea where elections were observed by the United Nations Temporary Commission, was the lawful government in that part and was the only such government in Korea.

That government subsequently applied for admission to the United Nations and its application came before the Security Council on April 8, 1949. Nine of the eleven nations supported it, but it was vetoed by the Soviet Union.

The Republic of Korea was invaded by the Communists on June 25, 1950. On that date the Security Council met, with the Soviet Union absent by virtue of boycott. A resolution was adopted by a vote of 9 to 1 (Yugoslavia) calling for an immediate cessation of hostilities and a withdrawal of the North Korean forces. This resolution also called upon all members of the United Nations to render every assistance in carrying out the resolution and to refrain from giving any assistance to North Korea.

Two days later, June 27, 1950, the Security Council adopted a more definitive resolution. With 7 in favor, 1 opposed (Yugoslavia), 1 absent (the Soviet Union), and 2 abstaining (Egypt and India), the Council named North Korea as the aggressor and recommended that members "furnish such assistance to the Republic of Korea as may be necessary to repel the armed attack and to restore international peace and security in the area." India subsequently changed its vote from abstention to support.

On September 6, 1950, a Security Council resolution condemning the North Korean aggression was vetoed by the Soviet Union, which had ended its boycott.

The Assembly next took up the case in October 1950. Its basic resolution was adopted on October 7 by a vote of 47 to 5, with 7 abstentions. This recommended that "all appropriate steps be taken to insure conditions of stability throughout Korea." In this resolution north as well as south was "invited to cooperate" in the work of rehabilitation.

It was this resolution also that asserted that the United Nations objective continued to be "the establishment of a unified, independent, and democratic government of Korea."

On December 14, 1950, the General Assembly called for the formation of a "cease-fire group" to explore the basis upon which a satisfactory armistice could be arranged. On January 11, 1951, this group suggested a program that would call for an immediate cease-fire the establishment of a free and united Korea and a settlement in a political conference of outstanding far-eastern problems. Six days later this proposal was rejected by Communist China.

The General Assembly, in the light of this rejection, on February 1, 1951, found that Communist China had "itself engaged in aggression in Korea" and affirmed the determination of the United Nations to "meet the aggression." It was in this resolution, likewise, that the Assembly, by a vote of 44 to 7, with 9 abstentions, affirmed "that it continued to be the policy of the United Nations to bring about a cessation of hostilities in Korea and the achievement of United Nations objectives in Korea by peaceful means."

In the following June came the Soviet Union's oblique acceptance of the U. N.'s proposal for truce negotiations and the beginning of the 2 years of trying to reach armistice terms.

The United Nations position, as set forth in these various acts and resolutions, has not been modified. It is still committed to the cause of a free, united, and democratic Korea. It has made no commitment to achieve this purpose by the use of force. It is committed to pursue the goal by peaceful means. It is likewise committed to resist aggression.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, a number of Senators on both sides of the aisle have raised inquiries as to the proposed program for the remainder of the week.

The Senate is about to begin the debate on S. 2128, the mutual aid bill. It is proposed that the Senate meet at 12 o'clock noon tomorrow and resume consideration of the bill. I should expect the debate today to continue throughout the afternoon and at least into the early hours of the evening.

It is the proposal of the acting majority leader that the Senate meet at 10 o'clock Wednesday morning. Immediately following a quorum call, and pursuant to a prior announcement, and at the suggestion of the distinguished senior Senator from North Carolina [Mr. HOEY], an opportunity will be afforded to deliver eulogies on the life and character of the late Senator from North Carolina, Mr. Smith. The Senate will then continue in session, probably extending into the evening.

It is my hope that the Senate will complete action on the pending bill by the time a recess is taken tomorrow night. If not, debate on the bill will be resumed on Wednesday, following the eulogies on the late Senator from North Carolina.

On Thursday it is proposed that the Senate again meet at 10 o'clock in the morning and, assuming that action on the pending bill is completed, proceed to the consideration of the bill providing for a 1-year extension of the reciprocal trade act.

It is my hope that the Senate can complete its work on these two bills by Thursday evening, early if possible; but early or late, by Thursday evening.

If action on both bills has been completed by that time, it will then be the proposal of the acting majority leader, with the approval of the Senate, to have the Senate recess until Monday. Saturday being the Fourth of July, the Senate would not be in session on July 3, July 4, or Sunday, July 5.

It is proposed that the Senate then meet on Monday, July 6. As previously announced, and in order to conform with requests of some Senators who may have to be out of town, it will be the proposal of the acting majority leader that on Monday there be a call of the calendar of bills to which there is no objection. Further, it is proposed that there be no controversial legislation considered at that time. However, I wish to reiterate that the Senate should be prepared to consider conference reports as they become ready. Because of a misunderstanding that developed previously, as to which apparently there was an honest difference of opinion, I again announce that the Senate should be prepared to consider routine conference reports as they are received. I know of no controversial report that is likely to come before the Senate on Monday, but at least I desired to give notice with regard to such action.

On Tuesday of next week there will be probably one, perhaps more, additional appropriation bills ready for Senate action.

That is about as far ahead as the acting majority leader can go in advising the Senate of the program. However, I hope to keep the Senate advised as fully as possible about plans for the future.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

Mr. SALTONSTALL. Mr. President, I wish to make a brief statement in connection with Senate bill 2128, which amends the Mutual Security Act of 1951, as amended. That bill is, of course, the unfinished business.

Under agreement with the chairman of the Foreign Relations Committee, the bill was referred to the Armed Services Committee after it had been reported by the Foreign Relations Committee. The printed copy of the bill shows that subsequently it was reported by me, as Chairman of the Armed Services Committee.

Of course the bill is essentially the work of the Foreign Relations Committee, and should be handled on the floor, as it will be, by the distinguished chairman of that committee.

On behalf of the Armed Services Committee, let me say that we heard from representatives of the Secretary of Defense, the Secretary of State, and the Mutual Security Director. We were convinced that the program of the Mutual Security Agency meshes with and assists the military program of our country, and does not hinder it in any way.

I wish to make it clear that our committee did not determine whether the authorizations provided by the bill are correct ones. We reserved the right to consider the authorizations further, inasmuch as there was not time for us to do so then, and it was not our purpose to study that phase of the measure.

We reported two minor amendments, which are printed in connection with the bill. After the presentation which will be made by the Chairman of the Foreign Relations Committee, if there are questions about those amendments, of course I shall be glad to answer them and to discuss the amendments.

Meantime I shall listen with interest to the presentation by the chairman of the Foreign Relations Committee.

I now ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, the brief report of the Committee on Armed Services on the bill.

There being no objection, the report (No. 444) was ordered to be printed in the RECORD, as follows:

The Committee on Armed Services, to whom was referred the bill (S. 2128) to further amend the Mutual Security Act of 1951, as amended, and for other purposes, which was reported favorably to the Senate on June 15, 1953, by the Committee on Foreign Relations, having considered the bill pursuant to the instructions of the Senate, report favorably thereon with amendments.

AMENDMENTS TO THE BILL

On page 3, line 12, strike out "make available" and insert in lieu thereof "expend"; and in line 17, strike out "made" and insert in lieu thereof "to be made".

This amendment makes no substantive change in the section. It was the feeling of the committee that the word "expend" was more in keeping with proper budgetary control.

On page 3, beginning with the colon in line 20, strike out down through and including the word "control" in line 2, on page 4.

It was the feeling of the committee that this section of the bill should be confined to the purposes as set forth in the original administration request and that funds not expended for such purposes should not remain available for rehabilitation and relief in an area on the basis of such a contingency as the cessation of hostilities in such area.

On page 16, strike out lines 8 through 20 and insert in lieu thereof the following:

"(2) Amend section 521 by striking out the next to the last sentence thereof.

"(3) Add the following new section:

"'SEC. 549. Use of foreign currency or credits: Foreign currencies or credits owed to or owned by the United States shall be used to carry out the purposes of this act but only after reimbursement is made therefor to the Treasury from funds appropriated to carry out such purposes: *Provided*, That

such currencies or credits are authorized to be made available for use without reimbursement to the Treasury for liquidation of obligations legally incurred against such currencies prior to July 1, 1953.'"

The committee believed that foreign currencies or credits owed to or owned by the United States should be covered into the Treasury, and that any expenditures of these funds should come only through authorized appropriations to carry out specific purposes. This amendment eliminates $98,396,000 from expenditures by the Mutual Security Administration. It does not change the authorization of the bill, as this amount was outside of the authorization because it was money already appropriated and converted into foreign currency or credits.

COMMITTEE COMMENT ON THE BILL

The Committee on Armed Services received testimony in executive session from representatives of the Secretary of Defense, the Secretary of State, and the Director for Mutual Security.

Throughout these hearings emphasis was concentrated upon the military aspects of the program contemplated in S. 2128 and especially the degree to which the military aspects of the program mesh with the scope and progress of programs looking toward the buildup of our own forces.

While recognizing that the requirements imposed by S. 2128 for military assistance will have a genuinely serious impact on our national economy and on the making available of funds for our own military services, the committee is of the opinion that meeting these requirements will strengthen rather than weaken our own national security.

In effect, therefore, our international program for security is so integrated with our national program for security that the amounts recommended for the military purposes of the bill for fiscal year 1954 will assist our Government to carry out its military services for defense of our country and its undertakings in other countries.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. KNOWLAND. Is Senate Bill 2128, the Mutual Security Act of 1953, the unfinished business?

The PRESIDING OFFICER. It is. The Chair recognizes the Senator from Wisconsin.

Mr. WILEY. Mr. President, the Mutual Security Act of 1953 is the principal foreign-policy legislation the Senate will have before it at this session.

Several years ago Congress asked the executive branch of the Government to consolidate its foreign-aid requests into one omnibus bill. Congress is thus able each year to take a fresh look at our worldwide foreign policy. We can evaluate what was done last year. We can determine the best course for America in the year ahead.

Twenty years ago it was not necessary to take an overall look at our foreign policy. It did not occupy much time of this body. Twenty years ago the public bills relating to foreign policy considered by the Foreign Relations Committee totaled only about $100,000. But today we consider bills more than 50,000 times as large. The bill we have before us today reaches into the pocket of every American citizen and extracts an average of about $39.

Before discussing the highlights of the bill which has been reported by the Committee on Foreign Relations, I should like to make several preliminary observations about our American foreign policy.

WHAT IS FOREIGN POLICY?

One of the questions I most often encounter as I travel around this great land is the question, "What is foreign policy?" Foreign policy in its broadest terms is the expression of the will and the attitudes of the American people toward the people of other nations.

As individuals, we have attitudes toward others. We find that we have fundamental agrements with some and fundamental disagreements with others. American foreign policy is the expression of our common attitudes toward other nations as expressed through our Government.

A strong foreign policy—a policy expressing our common attitude toward others—can only be developed if we, through our Government, manage to bring into balance the knowledge of experts in foreign policy with the desires and expectations of our people. Today on this floor we engage in that process. We have heard the proposals of the experts. We are measuring in hearings and debate, in accordance with the principles of a great democracy, the proposals of the experts against the desires and expectations of our people as expressed by us—their elected Representatives.

WHAT IS THE AIM OF AMERICAN FOREIGN POLICY?

Having defined foreign policy as the expression of the will and attitude of the American people toward others, the second question arises, namely, What is the aim of our foreign policy?

The aim of our foreign policy—the aim of the American people—it seems to me, is still embodied in the Preamble of the American Constitution. Let me read those words:

We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquillity, provide for the common defense, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity, do ordain and establish this Constitution for the United States of America.

Mr. President, as I read these words and ask what is the aim of our foreign policy, it is clear to me that our constant arm in relations with other nations must be the creation of conditions in the world which will help us in this country and for ourselves to "establish justice," promote our "common defense," promote our "general welfare," and "secure the blessings of liberty to ourselves and out posterity." If our foreign policy promotes conditions in the world that enable Americans to achieve and retain these goals at home, it is good.

There are those who would define the aims of our foreign policy in narrower terms. They would urge that the sole aim of our foreign policy is to provide for our self-preservation. I, myself, have stated on many occasions that self-preservation is a vital element; but of course it is not the only factor to guide us in foreign policy decisions. Patrick Henry said: "Give me liberty or give me death." He valued his life. He was concerned about self-preservation. But he also valued liberty.

MEANING OF SELF-PRESERVATION

Of course, Mr. President, when on numerous occasions I made the statement that the law of self-preservation is the first law of human nature and that it is also the first law of American foreign policy, I did not use the term in its narrow sense but in its broad sense, to cover not only the physical preservation of the United States, but the preservation also of the principles of the Constitution, our political principles, our great development, our literature, our philosophy, and everything else that makes and constitutes America.

So, Mr. President, the first law in connection with foreign policy is the law of self-preservation. I remember that on one occasion I was asked by a group of college students with reference to point 4. They were applying the law of self-preservation in its narrower sense. I said to them, "The fact that we help to make other people competent, that make them able to sustain themselves, that we create between ourselves and other peoples a feeling of good will, advances the prospects of self-preservation throughout the world."

Thousands of Americans who have sacrificed their lives for their Nation have valued something above self-preservation. They gave their lives to preserve the United States, and the United States they sought to preserve has embodied in its historic instruments such as the Declaration of Independence and the American Constitution the concepts of liberty and freedom, including economic freedom, freedom of worship, freedom of speech, and so forth. We owe these Americans the duty not simply to preserve the nation, but to preserve it as a Nation of freemen, for which they gave all.

DEFENSE ALONE IS INADEQUATE

American foreign policy cannot be solely a policy of defense. It cannot be phrased solely in terms of self-preservation. The preamble of the Constitution does not speak of "preserving" liberty. Rather it reads "secure the blessings of liberty to ourselves and our posterity." The best way to secure these blessings is to be adequate, psychologically and militarily.

If we as a Nation think primarily in terms of self-preservation, we shall most certainly lose our liberty piecemeal. We would not be worthy of the leadership role into which we have been cast if we should think of a foreign policy tailored solely and narrowly to self-preservation. We are interested not only in our own defense, but in the propagation throughout the earth of the liberty of

man, because today we know that it is only as liberty prospers in the world at large that it can flourish here and that we can secure the blessings of liberty for ourselves and our posterity.

Mr. President, it is against this background that I ask consideration of the mutual security bill which is now before the Senate. By overwhelming votes past Congresses have indicated their profound belief that the Mutual Security Act promotes the interests of the United States. If today we believe that this bill provides for our common defense, promotes our general welfare, and secures to us and our posterity the blessings of liberty, let us support it.

If individual Senators do not believe the bill promotes those aims, then it is their duty to oppose the bill, and I shall understand their reason for opposing it. I must confess in advance, however, that I cannot understand why, after careful consideration of the fundamental facts of life, as they confront us today, anyone could believe the bill would not promote the interests of our people.

FACTS OF CURRENT SITUATION

Mr. President, I should like to digress a moment to speak about the fundamental facts of life.

Even before we got into the Second World War, it was all right to think in terms of nonintervention in foreign affairs. Some of us, among whom I am included, were noninterventionists; and I am proud of it, so far as I am concerned. But the physical facts of life have changed, the economic facts of life have changed, and the political facts of life have changed.

Before the Second World War, the Atlantic Ocean was a barrier. There were planes, but none of them in the slightest degree could have done any real damage to this country. Now there are planes which can cross the Atlantic in 6 hours.

Before the Second World War, we did not have the atomic bomb or the hydrogen bomb. We now have cannon that can shoot an atomic projectile a distance of 20 miles. We have bombs more destructive than the one which destroyed Hiroshima, in Japan.

And today we are much more dependent than we were before we entered the Second World War on foreign sources for our supplies of basic materials with which to conduct our defense. So that, literally, we are in every other nation's backyard and other nations are in ours.

We also know, Mr. President, that in a great war the enormous industrial potential of America, including the necessary manpower, will have to be operated in large measure to supply ourselves and our allies. The Kremlin has, with its allies and satellites, approximately three-quarters of a billion persons under its overspread wings. In the United States there are approximately 160 million persons. So we must remember, when we think in terms of self-preservation and in terms of foreign policy, that we need allies and that our allies need us.

Much of my mail indicates a belief that the funds provided in this bill are mere gifts, but I want to stress that most of the money for Europe is for offshore procurement and defense production financing. What does that mean? It means the procurement of products in allied countries, thus enabling our allies to build up their industrial plants and to become more efficient and self-sufficient in case of an emergency.

I have stated, Mr. President, that the fundamental facts of life have changed since 1939. Anyone who has eyes to see must realize that fact, when he knows that, in addition to atomic bombs and high-speed, heavy aircraft, there are very efficient types of submarines. We are developing one powered by atomic energy that can go around the world.

DEFENSE ASPECTS OF BILL

First, I emphasize my profound conviction that the pending bill contributes to the common defense of the United States. More than $4 billion of the funds authorized by the bill will be devoted to building the defensive strength of our allies. Every bit of strength they have is strength for us. When the words "common defense" were used in our Constitution, they referred to the defense of a group of States on this continent. Today we must build our defense in common with other free nations of the world.

I am certain that that fact must be apparent to anyone who views what is happening in East Berlin, what has happened in Czechoslovakia, what is taking place in Korea, and what is going on in Indochina, along with the threat to the Near East.

Mr. President, I know there are some who will ask why the American taxpayer should help to arm a Turkish or an Ethiopian soldier. The reason is that men of other friendly nations are willing to shed their blood in preservation of their own freedom and liberty, just as American boys have died to preserve our freedom.

IMPORTANCE OF ALLIED UNITY

Anyone who evaluates the world picture today must be impressed with the necessity for united resistance to Communist expansion. On another occasion, it was Lord Palmerston who said, "It has always been the policy and practice of the Russian Government to expand its frontiers as rapidly as the apathy or timidity of its neighbors would permit, but always to halt and frequently to recoil when confronted by determined opposition; then to await for the next favorable moment to spring on its intended victim."

When we consider that since the Second World War stopped, if it did stop, Russia literally has taken under its wing hundreds of millions of people in satellite states, then we begin to realize exactly what the challenge is.

Everyone knows the importance of the Near East, with all its oil and other raw materials. That is one of the places where the Kremlin has its eyes fixed. While the war in Korea is of the first magnitude, it is but an incident on the world's perimeter, and the objective of those in the Kremlin, who seemingly wish to pull back now, is to lull the minds of Europeans and ourselves into a sense of false security, to such a point that they will feel that we can now lie down. We laid down after the First World War and following the Second World War. If we lie down now, we will see the Kremlin strike at the Near East, with all its oil. If they succeed in taking the Near East, they will have a bridge to Africa, with all its raw materials. Then we shall see the Russian Bear dominate the earth, and our own position will be quite prejudiced, to say the least.

ALLIES SAVE AMERICAN LIVES

Never let it be said that I belittle the enormous contributions America has made in the fight against aggression in Korea, and never let it be said that I have not wished and demanded that other members of the United Nations do more. But I must remind Senators that every citizen of another nation who gives his life in Korea means one less American on the casualty lists.

Take one small example. As of March 1953, the small, relatively poor country of Ethiopia had sent more than 2,900 soldiers to Korea. About one-half of those men served in the front lines. Their casualties were in excess of 400, of whom 130 died in combat. These are small figures, yet I call attention to the fact that it is reasonable to assume that 130 American boys are alive today because of the sacrifices of our comrades in arms from Ethiopia.

Thus, money we contribute to build the armed forces of our allies who stand with us is a contribution to the common defense of the people of the United States. But there is a second way the mutual security program contributes to our common defense. A few years ago, Admiral Mahan, the exponent of sea power, suggested that American foreign policy, in order to provide for the common defense of the United States, needed to be based upon three general propositions: First, predominance in the Caribbean; second, cooperation in the politics of the Far East; and third, abstention from European political controversies. It was Admiral Mahan who provided the strategic rationale for British sea power.

Today we cannot rely on seapower to provide for our defense. Control of certain strategic areas and sealanes and abstention from the politics of Europe are not sufficient. Life today requires that the United States look outside the American continent when it looks to its own defense.

WE NEED AIRBASES

In addition to seabases, we need airbases. This requires a fundamental rethinking of our defense strategy. While I do not profess to be a military expert, it has seemed to me for a long time that if we are to look to the defenses of the United States today we must rely to a large extent, as I have indicated, upon our ability to take retaliatory air action against any aggressor who might attack the United States. Defense in the air age of the atomic bomb must depend in large part upon our ability to deter an attack, to prevent the first attack from ever occurring.

In my opinion, our most effective method of preventing attack is our ability to retaliate with speed and deadly effectiveness.

We could conceivably launch such retaliatory action from bases in the United States. But if our deterrent power is to be truly effective, the United States must have overseas airbases from which

we could retaliate against any aggressor who would destroy the precarious peace and threaten our liberty.

Today, then, overseas airbases are essential. They must of necessity be on territory under the sovereignty of our friends who must be allied with us in protecting freedom. Thus, allies are of critical importance if we are to maintain overseas airbases. They must be friendly and willing allies. Our airmen and supporting troops must live with and among the peoples of our allies. This means we must be closer together as peoples. This new people-to-people relationship imposes heavy responsibilities on each and every one of us. It also gives us great opportunity.

I would point out further that our overseas airbases are safe only to the extent that the armed forces of the countries where such bases are located are able to defend themselves. That is another reason why we must help them build their own defenses. Their defenses contribute directly to the defense of bases where our own forces are stationed.

In summary, then, the common defense of the United States requires overseas airbases on the territory of sovereign States. Those allies must be friendly, healthy economically, and able to defend themselves from internal and external Communist threats. As one commentator has remarked, we must not allow our alliances to languish and wither.

The pending bill provides military and economic assistance that will help our friends help themselves to be strong.

DEFENSE WITH ALLIES COSTS LESS

I would add one final comment to the proposition that the proposed legislation contributes to the common defense of the United States.

Last fall the American people went to the polls and elected a great general and great leader as a great President. In the President we find combined the elements of experience and temperament that peculiarly qualify him to recommend action that will contribute to the common defense of our Nation. President Eisenhower in transmitting the proposed program to the Congress said that the program "has been carefully developed by the responsible members of this administration in order to achieve, at least possible cost, the maximum results in terms of our security and the security of our friends and allies."

He added, and I wish to emphasize this statement:

> Unequivocally I can state that this amount of money judiciously spent abroad will add much more to our Nation's ultimate security in the world than would an even greater amount spent merely to increase the size of our own military forces in being.

That is a very challenging statement from a man who has spent so much of his life in the service of his country and who contributed so greatly to winning the Second World War. He served as the Commander of the Allied Forces in Europe. He knows personally the Russian people, as well as many of their generals and soldiers. He knows also the leaders of European nations. He says in no uncertain terms that, in his judgment, the spending of this money will save money for us. In other words, it would add more to the Nation's ultimate security in the world than would an even greater amount spent merely to increase the size of our military forces in being.

There are many things in life which some of us who have practiced law have had to leave to the experts. An expert is one who knows more in a particular field than you, Mr. President, and I know. It is his field. Such knowledge comes from study, from practice, and from operations. An expert is telling us—and this is an added reason—that if we spend the money abroad for this purpose it will save us from spending more at home, and it will contribute more toward our ultimate security. That is the advice of an expert. I have tried many lawsuits in which I had to call in experts in fields of which I knew nothing—mechanics, electricity, medicine, and so forth.

War is the field of an expert. When we have a man who has successfully demonstrated his ability and knowledge, and whom the people of the United States have elected by the greatest majority of all time, a man who carried all but two States by a larger vote than the other Republican candidates in those States, it is quite clear that he is an expert to whom the American people will listen. He was instrumental in sending to Congress the bill which we are now considering.

THIS BILL CONTRIBUTES TO THE GENERAL WELFARE

Mr. President, it is my belief that passage of the pending legislation would contribute to the general welfare of our people. While all chapters of the pending legislation would contribute to this welfare, I want to stress that the funds for economic and technical assistance fall peculiarly within that category.

In the first place, if legislation promotes the common defense of the people of the United States, it promotes their general welfare. If it promotes their common defense at less cost, as I have indicated and as President Eisenhower has said, the legislation promotes the general welfare.

But of more concern to the general welfare of the American people are those provisions which encourage the production abroad of strategic materials, which make technical assistance available to other peoples and help us to expand our markets abroad. I cannot stress too much that we Americans, by the grace of God and our own initiative, live in a land of an expanding economy. We can produce more than we need in food and in industrial products. If we are able to sell these things abroad we contribute to the general welfare of our people.

THIS BILL HELPS SECURE TO US THE BLESSINGS OF LIBERTY

Mr. President, it is incumbent upon us as representatives of the American people to legislate, as stated in the Constitution, so that we may secure to ourselves and our posterity the blessings of liberty. The bill would promote liberty here and abroad.

Freedom is not a divisible concept. The President said recently in his speech at Minneapolis that—

> All free nations must stand together or they shall fall separately.

He summed up in that statement the heart of the bill we have before us. Liberty for ourselves and our posterity can only be had if we are secure.

It is easy at this time to forget Hiroshima and Nagasaki. It is easy to forget the new day in which we live, in which new facts dictate the application of new principles. I have said many times that in a lawsuit the man who first takes the principle and then tries to fit the facts to the principle may go to jail for suborning perjury. In a lawsuit we get the facts and then we look up the law which is applicable.

So, today—this new day of insecurity—we find that we must do things differently than we had planned to do them, even a short 10 or 12 years ago. We thought then that this little continent of ours was safe. Some living in the hinterland said, "There can be a bombing only of the coast." But now my own State of Wisconsin is nearer to the threat from planes coming over the pole than is New York, even though my State is a thousand miles from the coast.

The facts have changed, Mr. President. I have outlined some of them previously. A shrunken world makes it necessary to adjust our vision, and to apply new principles which are necessary to give us security in this insecure age.

Security in the world today must be mutual security. We must work together with other nations who cherish liberty if we are to secure to ourselves the blessings of liberty.

Freedom and liberty are not static concepts. They either grow or die. What we do with the Mutual Security Act will encourage the growth of freedom and liberty, or will stifle liberty. Liberty and freedom cannot grow in a soil which is barren; they cannot flourish if constantly threatened by totalitarian concepts that substitute the state for man's free will.

The pending bill, Mr. President, would promote freedom and liberty by creating conditions in which those concepts can prosper.

I have been trying to think of some graphic way to illustrate the point that freedom is neither divisible nor static. Somehow, it seems to me that building freedom is like building a great cathedral. All the people must help. Some contribute a penny, others a dollar; some contribute their labor, others contribute the stone and mortar. The cathedral rises as each member of the community contributes according to his ability. The cathedral does not stop growing as long as each man contributes his best. But if the people do not build together, if one man carries away a stone or fails to do the job the others rely on him to do, the edifice is weakened. If no one protects and repairs a building, time and weather erode the building and it crumbles.

We, today, build on the concepts of freedom and liberty our forefathers brought to America from Europe; we build on the freedom cherished by our constitutional Founding Fathers; we build on the freedom preserved through

two terrible wars. We owe a great duty to all who before us have helped to secure to us the blessings of liberty.

THE BILL BEFORE US

The bill which the Committee on Foreign Relations reports and which has the support of the Committee on Armed Services is in a different form from those which we have considered in the past 3 years. It covers, however, substantially the same type of assistance which last year the Senate approved by a vote of 64 to 10, and which it approved a year earlier by a vote of 61 to 5.

The principal difference between the Mutual Security Act of 1953 and the bill of last year, aside from amounts which I shall discuss shortly, is that this year the proposed legislation lumps all military assistance funds together in chapter I, mutual defense financing in chapter II, special weapons authorizations in chapter III, and mutual development and technical assistance in chapter IV. Last year, as will be recalled, the bill was couched in terms of assistance to geographical areas, instead of in terms of the types of assistance we were providing. The bill reported this year will thus make it easier for Members to see what part of the total funds goes to military purposes and what part goes to other types of assistance.

THE AMOUNTS AUTHORIZED

The bill which the Committee on Foreign Relations recommends to the Senate authorizes the appropriation of a total of $5.3 billion, more than $2 billion less than the amount budgeted by the previous administration for this program. Of the $5.3 billion, more than $3.5 billion will go directly into military-assistance program. An additional $1 billion will be available to finance defense production abroad. A little more than one-half billion dollars will be available for economic and technical assistance. Members of the Senate will find these amounts broken down on page 1 of the committee report, which I recommend to members for detailed information on the program.

For the first time we have included in the report figures showing not only contemplated economic and technical assistance expenditures, but military-assistance programs for particular countries. I should emphasize at this time, however, that the figures contained in the report are illustrative in character. That is very important. By that I mean that they show the general size of the program for particular countries, but I wish to emphasize that the figures are not to be viewed by any potential recipient as a due bill upon which they can collect. The Senate expects the administration to be "hardboiled" in the use of these funds. No dollar should be spent abroad unless it contributes directly to the common defense or the general welfare of the United States.

UNOBLIGATED AND UNEXPENDED FUNDS

Every year when the foreign-aid bill comes before the Senate there are some who point at the large sums remaining unexpended. They cry that it is unnecessary to appropriate new funds for next year. I want to explain why it is essential that we not be trapped by this suggestion.

The facts are these: As of June 30 nearly $10 billion which we have appropriated in the past will remain unexpended. Note the word "unexpended." While this money is still, so to speak, in the bank, all but $1.5 billion is obligated. That means contracts have been let, goods have been ordered, and as soon as delivered these sums will be needed to pay for them.

Mr. President, to put it another way, the $10 billion have been obligated for materiel. In other words, contracts have been let in that amount. The contracts have not been paid for, and the materiel will be paid for as it comes over the desk, so to speak. It may be a plane, which takes 18 months more to build. It may be a tank, which takes a year to build. In other words, the funds for such purposes have not been paid out, and they remain unexpended to the extent of $10 billion.

Let me illustrate it another way. If I take my automobile to the garage and ask to have new tires, a paint job, and a complete overhaul and expect to pick up my car in 5 days, the $300 which I have in my bank account to cover this expense is obligated but unexpended. But I know that when I get my car, the garageman will expect me to give him a check for $300. That is the status of this unexpended balance of nearly $10 billion. For most of it, tanks, airplanes, and other types of military equipment have been ordered and must be paid for when they are delivered.

If, through failure to understand this principle, we seek to reduce the funds authorized by this bill, it will mean that during the forthcoming year manufacturers in Detroit and elsewhere, where military equipment is being produced, will not get new orders. About next September we will realize that we have not adequately provided for our common defense, and about 2 years from now we will be faced with falling deliveries of military equipment. I urge my colleagues to look carefully into this matter which is covered in detail in the committee report before supporting proposals to cut this bill because of these unexpended figures.

Mr. President, there are many other matters I should like to cover in my remarks. I could devote time to discussing the changed emphasis in the program this year over that of last year, pointing out how the new administration is putting more funds into military assistance for the Far East, and more muscle into the NATO divisions in Europe. I would be justified in spending time discussing the admirable reports submitted by the evaluation teams which the Director of the program sent abroad earlier in the new regime. I might discuss new provisions which authorize special types of procurement abroad and which emphasize the development of special defense weapons. But these matters are covered in the report filed by the committee and in the extensive hearings which we have published. Those documents deserve careful attention.

PRESIDENTIAL DISCRETION

Mr. President, I would not be candid if I were to report to the Senate that I am completely satisfied with this bill. I should like to see two changes in it.

First, I should like to see a provision which would make it crystal clear that the President is to terminate assistance forthwith if in his judgment the security interests of the United States so require. The President has that power in the present law. But it seems to me that he should know that the American people, through their representatives in the Congress, insist that the help we are giving free nations is in the interest of our mutual security. That means that we are partners. It means that we are full partners, and each partner must constantly do his utmost, not only to build his own defense, but the defenses of the free world. I am reminded of the parlor stunt in which four people, working together, can lift a heavy man. If one of the participants fails to put his muscle into the project, it fails. If all the nations we are helping do their full share, we have nothing to fear. If the President finds that some nation is not pulling its own weight, he should be in a position to take prompt and vigorous action.

Second, I should like to see broader provisions in this proposed legislation enabling the President to meet emergencies by transferring funds from one area or country to another. The pending bill authorizes the transfer of 10 percent of the funds from one purpose or area to another. It also contains a provision enabling the President to devote up to $100 million to special purposes within the general scope of the legislation. I should like to see the discretion of the President broadened both with respect to his authority to transfer funds from one area to another and with respect to his authority to use a larger sum for special uses.

I believe the President should have the right to transfer all or any of the funds from one area to another, if in his judgment it is to the best interest of America that it be done. I can conceive of many such instances. I can conceive of a situation arising in particularly Indochina, which would be akin to another Korea. We do not want to have another Korea. Consequently, the President not only should have the right to withhold funds, but also the right to transfer funds.

We come back to the subject I discussed a short time ago, namely, that we are living in a new world, in a new day. In this atomic age the President should have such power in handling the funds. Therefore I believe an amendment should be adopted giving the President such power.

In this atomic age we do not know—we cannot know—when and where danger may arise. The world situation today is already vastly different than it was on June 13, when the Foreign Relations Committee voted the measure to the floor. We cannot know what the situation may be in 6 months. Therefore the need exists for the President to have overall authority.

I realize there are some Senators who would oppose giving the President increased power to terminate aid or to transfer it from one area or purpose to another, although I hope there would be very few.

So I content myself at this time with simply recording my profound belief that in times like these we are more likely to err if we move to cut down Presidential discretion in the conduct of foreign policy than if we rely on the judgment and ability of our great President.

Mr. President, before concluding my remarks, I desire to express my appreciation for the cooperation of the Administrator of the Mutual Security Agency and his colleagues in their appearance before the Committee on Foreign Relations. They discussed with the utmost candor the strengths and the weaknesses of our foreign-aid program. Mr. Stassen is to be commended for going into his new job with his eyes open, for seeking objective advice on the program, and for presenting to the President a program that will, I sincerely believe, be in the best interests of our Nation.

At this time I want also to thank the members of the Committee on Foreign Relations who have worked together harmoniously in developing the pending bill. It is a great committee, Mr. President, and I wish to express my deep appreciation for the splendid cooperation the members have given me during the present session of the Congress. Each member of the committee is interested, active, and alert. It is a real pleasure to work with Members who act so earnestly and expeditiously. As has been noted, in the committee we generally find ourselves in agreement in our labors on matters in the interest of the general welfare.

CONCLUSION

Mr. President, someone has said that "duty is the moral obligation to perform for the benefit of society an act which in itself may be burdensome and distasteful."

Today duty calls upon the United States to perform many acts which are burdensome and distasteful. This bill burdens our people heavily. Every family in the land feels directly the burden of increased military and foreign-aid expenditures. This bill is distasteful because it requires that money which we would much prefer to use for peaceful pursuits be spent for weapons to defend the free. Americans hate war. Americans dislike the idea of large standing armies. Yet duty requires that we undertake this heavy burden in helping provide for the defense of freedom.

While this burden is heavy and distasteful, Mr. President, yet the consequences of shirking the performance of our duty at this time if we were to do so, would be vastly greater, more disastrous, and longer lasting than we can now foresee. It has been said that it is "far better to do what one should than to watch, helpless, the consequences of momentary weakness." We must not weaken at the very moment when the enemy of freedom is trembling. Today the United States is in a very strong position. Yet there are some who constantly cry about American weakness and Communist strength. Several years ago General Eisenhower said that in the free world there are too many persons who think that all Russians are 10 feet tall. Certainly the Soviet Union has its share of problems. As a result of the Communist subjugation of people, the Soviet high command is sitting on a powder keg that could blow sky high at any moment.

Now is the time for us to seize the initiative.

Now is the time for the free nations of the world to join in telling Communist leaders the world over that there can be no appeasement. We will not permit Communist marauders and thieves in the night to steal man's birthright of freedom.

For three decades the Communists have been telling the workers of the world, "Unite and throw off your bondage." Yet in the same decades, while the Kremlin has been mouthing false promises, we have seen slavery and bondage grow by leaps and bounds, as country after country has fallen behind the Iron Curtain.

Today there is new hope. The call is not for workers to arise and assume the bondage of communism. Today free men are standing up everywhere to assert their right to freedom from the bondage of totalitarian communism.

I repeat that the Soviet high command is sitting on a powder keg, because of the subjugated peoples. The Kremlin knows now that it dare not arm even the police forces of Eastern Germany, because those arms would be wielded in behalf of freedom. The Kremlin should have learned that lesson 5 years ago, when Yugoslavia said "enough"—enough of the subservience to a foreign state. I predict that the Communists of the Kremlin will soon learn another bitter lesson, namely, that the people of China, whom they armed to fight against the forces of freedom in Korea, will not long accept the domination of the Soviet.

The pendulum of history is beginning to swing. Soviet control over its satellite states is already beginning to crumble. It is only a matter of time until the Kremlin will lose completely its sinister influence in the world, and will become the last redoubt for a cringing group of gangsters and felons who seek to impose evil on the world.

I say to you, Mr. President, that now is no time for our country to talk about what we cannot do. This is no time for us to let retrenchment dominate initiative. Now is the time for leadership to assert itself.

There must be leadership if great problems are to be solved.

The leader—

Said General Eisenhower some time ago—

is the nation that takes on itself * * * the responsibility for getting things done.

That is our responsibility today, Mr. President. We must not waver.

I have already indicated that I believe the bill should be amended so as to enlarge the discretionary power of the Chief Executive in handling funds not only within areas but between areas.

Mr. KNOWLAND. Mr. President, before the Senator from Wisconsin discusses the amendment, will he yield to me?

Mr. WILEY. I yield.

Mr. KNOWLAND. As the Senator from Wisconsin knows, after the bill was reported by the Foreign Relations Committee, it was referred, under the previous arrangement, to the Armed Services Committee, which has submitted its report, together with several recommended amendments.

I think the RECORD should show whether the distinguished Senator from Wisconsin, the chairman of the Foreign Relations Committee, is prepared to accept the amendments which have been reported by the Armed Services Committee. I believe there should be some clarification on that point, for the general information of the Senate, and to help expedite the handling of the bill.

Mr. WILEY. Mr. President, I have just returned from a trip out of the city. Of course, the Foreign Relations Committee will meet tomorrow morning. I do not expect that the Senate will dispose of this bill today. I have looked over the suggested amendments, as reported by the Armed Services Committee. Personally I have no objection to the amendments. However, I believe it is the obligation of the chairman of a committee in such circumstances to submit the amendments to the full committee. Inasmuch as the committee meets tomorrow morning, I think we can then properly take up the amendments, along with other matters.

Mr. KNOWLAND. Mr. President, there has previously been some discussion of the amendments, and I wondered whether the Members who are handling the bill on the floor would be prepared to accept the recommendations of the Armed Services Committee. Personally, I think that committee has made a constructive contribution. Although I am now a member of the Foreign Relations Committee, under the able chairmanship of the distinguished Senator from Wisconsin, I formerly served as a member of the Armed Services Committee. I believe the amendments reported by that committee will strengthen the bill, and I believe that adoption of those amendments would expedite passage of the bill.

Mr. WILEY. Mr. President, I am very happy to have the suggestion of the distinguished Senator from California. As he has said, he is a member of the Foreign Relations Committee, and I have already indicated that I see no objection to the amendments. I shall canvass the other members of the committee, because I believe that is the proper procedure. I do not believe the chairman of a committee should arrogate to himself the right of passing upon amendments. Certainly the committee as a whole should consider them.

As I have stated, I have just returned from a trip out of town.

Mr. President, I now ask unanimous consent to have printed at this point in the RECORD the summary which is to be found on pages 1 and 2 of the report, preceding the heading "Committee Action."

There being no objection, the excerpt from the report was ordered to be printed in the RECORD, as follows:

1. MAIN PURPOSE OF THE BILL

The main purpose of the bill is to authorize appropriations for continuing military, economic, and technical assistance to foreign nations under the mutual security program. Total authorizations amount to $5,318,732,500

for the fiscal year 1954. This includes funds for United States contributions to certain multilateral assistance programs. The bill also amends in certain respects the basic legislation contained in the Economic Cooperation Act of 1948, the Mutual Defense Assistance Act of 1949, and the Mutual Security Act of 1951.

2. SUMMARY OF BILL

In the Mutual Security Act of 1951 and the amendments of 1952, authorizations were made by geographic areas. In the bill this year, authorizations are made by types of assistance. It is thought that the new arrangement will show more clearly the total, worldwide amounts of the various forms of assistance which the bill authorizes. The following table summarizes these authorizations:

Chapter I. Military assistance	$3,681,523,000
Europe	2,179,689,870
Near East and Africa	405,212,637
Asia and Pacific	1,081,620,493
Latin America	15,000,000
Chapter II. Defense financing	984,000,000
Chapter III. Special weapons planning	100,000,000
Chapter IV. Mutual development and technical progress	443,634,500
Economic and technical assistance	140,234,500
Basic materials	15,000,000
Special economic assistance:	
Near East and Africa	194,000,000
India and Pakistan	94,400,000
Chapter V. Multilateral organizations	109,575,000
Intergovernmental Committee for European Migration	10,000,000
Multilateral Technical Cooperation	13,750,000
International Children's Welfare	13,000,000
Ocean freight on relief shipments	1,825,000
Korean reconstruction	71,000,000
Total	5,318,732,500

More detailed breakdowns will be found in other sections of this report.

The bill's other principal provisions are as follows:

1. Unexpended balances of prior appropriations for assistance to Spain are continued available. These amount to approximately $125 million.

2. Authority is given for assistance to a regional defense organization in the Middle East, if one should come into existence. Additional authority is also included for military assistance to countries of the Near East and Africa in addition to Greece, Turkey, and Iran, which have been named in previous laws.

3. The termination date of the mutual security program is extended from June 30, 1954, to June 30, 1956, and the period of liquidating the program after its termination is extended from 1 year to 3 years.

4. The limitation on furnishing excess United States military equipment to other nations is increased by an additional $200 million.

5. The sale of military equipment to international military organizations or headquarters is authorized.

6. Authority is granted for the loan of equipment to other countries for test and study purposes.

7. The Benton-Moody amendments are repealed. These sections provide for the use of counterpart funds to stimulate free enterprise, discourage cartels, and encourage free labor unions.

8. A special fund of $100 million is authorized for developing special weapons.

These and other more technical changes in existing law are explained in detail in the sections that follow.

Mr. WILEY. Mr. President, the summary of the report sets forth very clearly the total amount of the authorizations carried in the bill and the way they have been distributed. I feel that anyone who reads the RECORD will easily be able to comprehend, as a result of reading this excerpt from the report, the general provisions of the bill.

Mr. President, I have already complimented the committee. At this time I wish to compliment the staff of the committee, which has worked most diligently on this matter. We have held meetings week in and week out on this measure. We recognize that there is much misunderstanding about it throughout the land.

I sincerely hope that all Members of the Senate will give this measure most serious consideration, and that we shall soon be able to send the bill on its way.

I may say that the distinguished senior Senator from Ohio [Mr. TAFT] spoke on this subject in committee. He was one of those who voted in favor of reporting the bill. He felt that if any changes were to be made in the amounts authorized that matter might very well be taken up with the Appropriations Committee, rather than with the Foreign Relations Committee.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. WILEY. I yield to the Senator from Idaho.

Mr. DWORSHAK. I wonder if the chairman of the Foreign Relations Committee read the article which appeared in the Sunday newspapers under a London date line of June 27, from which I quote:

The North Atlantic Pact (NATO) is crumbling before it has even partially achieved its goal of a united European army.

Is the Senator aware of any lack of confidence in NATO, or any inclination on the part of the British to give only lip service to NATO?

Mr. WILEY. I did not see the article in question, but I saw an article written by the head of our NATO forces in the Mediterranean. I think he made a report which would contradict the statement which the Senator has just read. I shall look that up, and I think it might very well be placed in the RECORD, since I have heard rumors along the line of what the Senator quoted, that certain of the countries of Europe are dragging their feet, now that Russia has started on a campaign to sabotage our joint efforts.

In the committee report on the pending bill, at pages 16 to 20, the Senator will find more detailed information on NATO accomplishments and the efforts of our European allies.

If the Senator will refer to the report, he will find something that will contradict the article to which he has referred. Of course, if we are simply to read the newspapers and reach the conclusion that a great people such as the British are blind to the situation and are not ready to abide by the pact, then, indeed, we shall have come to a bad crossing. I feel that economic conditions abroad are not so healthful as they should be, but I personally feel that the statement by one of our admirals who is head of all the defenses in the Mediterranean contradicts the statement the Senator has cited.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 287) making temporary appropriations for the fiscal year 1954, and for other purposes, and it was signed by the Vice President.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

The PRESIDING OFFICER. The Chair recognizes the Senator from New Jersey [Mr. SMITH].

Mr. KNOWLAND. Mr. President, will the Senator yield, so that the acting majority leader may suggest the absence of a quorum?

Mr. SMITH of New Jersey. I yield for that purpose.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, my distinguished colleague, the chairman of the Foreign Relations Committee [Mr. WILEY], has presented to the Senate an outline of the mutual security bill. I shall not go over the ground which he covered. It is my purpose to make some overall observations on world conditions and to limit my remarks to emphasis on the Middle East and the Far East.

Before I begin, Mr. President, I desire to pay tribute to the respective staffs of the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House. I have looked over the reports of both those committees, and they have so fully set forth the essential detailed material presented to the committees in the hearings that I feel constrained to urge upon my colleagues that, before they come to a final decision on the question, they read the reports for the answers to questions which will undoubtedly be in their minds.

I wish to go forward with my statement, and I shall be glad to yield for questions when I conclude my remarks.

I think most of the answers to probable questions are to be found in the reports which have been very ably prepared.

There are one or two points of emphasis with reference to this proposed legislation which I desire to bring out in order that we do not start from any wrong premises.

First, I point out that this is an authorization bill, not an appropriation bill. That fact has already been made clear by the Senator from Wisconsin [Mr. WILEY], but it is most important for us to realize that what we are doing is supporting our leadership, President Eisenhower, the Secretary of State, Mr. Dulles, and the Administrator of Mutual Security, Mr. Stassen, in the program which they have envisaged for this year and for a year or two ahead, in connection with our whole plan for collective security in the world.

Bear in mind that we are not appropriating in this bill. I may perhaps be one of those who will go along with the Appropriations Committee if it should feel that it is not necessary to appropriate up to the extent of the authorizations. The authorizations in some instances will be for the building of planes and tanks, which will involve at least a 2- or 3-year program. Let us not become confused as between authorization and appropriation.

I hope Senators will realize that the committee is asking support for an authorization bill which has been studied for months by our leadership and that it is presenting it as a major part of our national security program. Already there have been large reductions made in the figures which have been discussed for this year's bill. The original Truman budget figure for MSA was $7.6 billion. The first Eisenhower budget figure for MSA was $5.8 billion. The Senate committee cut the program down to $5.3 billion, and the House reduction brings it to somewhat less than that figure. Those responsible for the figures and for the plans presented are President Eisenhower, than whom there is no greater authority on military affairs and the security of our Nation; Secretary Dulles, whom we recognize as understanding these problems; and Mr. Stassen, who has put all his energy into developing an efficient and effective MSA program.

On the military side, we have had the benefit of the thinking of General Ridgway, who for so long was in Japan, then was with NATO in Europe, and now is presently to be back as Chief of Staff.

General Gruenther has been the key witness with regard to our military program in Europe.

We have realized that while other places are important, at the moment the Far East is the center of our difficulty.

I refer Senators to pages 6 and 7 of the committee report which goes into every figure in the bill.

We have gone right down to the grassroots and applied one test after another to arrive at the proper figures.

I wish to emphasize, Mr. President, that our program this year, as General Ridgway very ably pointed out to the committee, is to raise the quality of the work we are doing, rather than to try to increase the quantity. There are men in arms in NATO, but the quality of their equipment and their training has not been receiving sufficient attention. In part, our program is designed to take care of that situation. Of course, as in the past year, we are emphasizing the military rather than the economic side of the program.

The Senator from Wisconsin [Mr. WILEY] referred to the question of unexpended and unobligated balances. I shall not touch upon that, but in the Senate committee's report, on pages 10, 11, and 12, the whole matter is fully explained and fully set forth in tables showing just how it happens that there are unexpended balances, and, in some instances, unobligated balances, in spite of our authorizations in the past. The report gives the figures by countries, and a breakdown by categories.

I come before the Senate this afternoon in full support of the bill as it now reads, possibly with some minor amendments which will be brought up. The Armed Services Committee has suggested some amendments. I see no objection to them, but the committee will meet tomorrow to consider them.

Mr. President, I am presenting the bill as a vote of confidence in the President of the United States, the Secretary of State, and the Mutual Security Director, who have thrown themselves into this matter and asked us to have confidence in their leadership in determining the policy for the security of our country and for the peace of the world.

I have never done so much studying in my life as I have done during the past months in trying to understand every phase of the bill. I make the statement that it deserves the vote of confidence I am asking of my colleagues, so that the administration may proceed to meet the critical situation which confronts our Nation and the world.

Let me begin with the statement that the issues are global. It is not possible in any way to isolate any particular issue at this time. The situation affecting Korea is terrifically serious, but Korea is but a part of the whole. It cannot be treated as an isolated incident. We cannot understand the need for action with reference to our own crisis unless we have an understanding of the global crisis.

So I start, Mr. President, with a discussion of the present crisis, and shall move from there to the relation between that crisis and this particular bill.

Let us, first of all, realize the true nature of the crisis. Communism controls one-third of the human race and advances with a ruthless strategy to take over the rest of the world. After 5 years and billions of dollars worth of Marshall aid, the Communist vote in France and Italy has not substantially changed. They still represent the largest number of votes of any party in France; and in Italy, the largest Communist Party outside of Russia. In Germany there have been gains for freedom but one-third of Germany is Communist and Berlin is under constant threat as an island in the Russian sea.

We have seen the recent uprising in Berlin and we give all credit and enthusiastic support to those who have been revolting against the tyranny of Russian control of East Berlin.

For 3 years the forces of the United Nations have been held at bay in Korea without the commitment of a single Russian division. India is under constant pressure with Communist penetration attacking many of its vital spots. In southeast Asia the free world struggles to hold the periphery of nations. The French have lost a generation of their best officers in Indochina. Our own casualties in Korea approach those of World War II in the whole Pacific theater. Africa is close to a boiling cauldron, a ferment in which subversion is rampant.

Anti-Americanism grows with frightening speed across the world. We have given and given, but there is a growing misunderstanding and mistrust of America.

Close at hand, the infiltration of South American nations makes us peculiarly vulnerable. Here at home we seem unable to grasp the extent to which the Communists have penetrated into the nerve centers of our national life. They have "planted" men and women who would destroy us in their blind crusade.

Even now, after years of exposure, there are half a million members of trade-unions who have been expelled from the ranks of free labor because their leaders were too Red to be included. But in spite of this most commendable service to our country by our responsible unions, many of these expelled unions and expelled union members control functions and services which would be vital to the United States in time of war.

Our people are weary and long for the pursuits of peace. But unless we see the danger, unless we are conditioned for sacrifice, we can be maneuvered into false solutions now that will only postpone the issue at greater cost of blood and money later on.

We in America need to understand the nature of this world struggle. This is a war of ideas. The phrase has often been used, but its implications are so far-reaching that we shrink from examining them.

Communism proclaims a way of life that promises to build a new order of mankind. To the Communist this ideology comes first. Military, economic, and political strategies come second. The Communists win men and women into fanatical loyalty to their beliefs. Unless we match the strength of that ideological passion, we will lose the world struggle.

It is against this background that we need to consider issues of policy such as the recognition of Moscow-dominated Communist China and the admission of Moscow-dominated China to the United Nations. I call attention to this because it seems certain that the issue will be precipitated into the Korean situation.

Unquestionably, when a Korean armistice comes, that issue will be raised. I regret to say that our British friends will probably push the program and will line up many of our United Nations allies with them. However, I wish to go on record as saying that I am definitely opposed to recognition of Moscow-domi-

nated Communist China by the United States, and I am definitely against admission of Moscow-dominated Communist China into the United Nations.

THE RECOGNITION OF MOSCOW-DOMINATED COMMUNIST CHINA

Those who advocate the recognition of Communist China, or those who advocate nonrecognition, can find principles and precedents to support their respective views. At times in our history we have held to the Wilson-Stimson doctrine that recognition implies approval. We have refused, as in the cases of Latvia, Lithuania, and Estonia, to consider takeover by force as an honest revolution. We have said that we would not recognize such international banditry.

On the other hand, because we deemed it expedient, we have recognized satellite countries in Europe that were turned into slave states by insidious infiltration within, and threat of force from without.

Therefore, it is difficult for us to try to settle the issue on the basis of precedent alone. From my personal observations in the Far East and from my studies, I am convinced that we have witnessed the conquest of China by a cleverly planned coup conceived in Moscow over 20 years ago. Had China, an allied power, been conquered by force of arms, could we morally have recognized that conquest of an ally even for expediency and the promise of a temporary peace? That is one of the immediate issues involved in this question.

But I am also against the recognition of Moscow-dominated Communist China and its admission to the United Nations because I believe such a face-saving victory for Moscow's China will insure Moscow's victory over the whole of Asia. It would insure the acceptance of the status quo and kill the hope which must be kept alive of a China eventually free and independent. Because of the United Nations stand in Korea, the forces of freedom in Indochina, and the British defense in Malaya, there is the promising possibility that these countries, and with them Indonesia, Thailand, Japan, the Philippines, Formosa, and Burma, will be saved for the free world and saved for their own freedom, independence, and ultimate self-development. Should Communist China be admitted to the United Nations, in my judgment, every one of those countries would fall behind the Iron Curtain immediately thereafter.

If recognition of Communist China were only an action in the political and economic sphere, it would be one thing. But we are all fighting in an ideological, as well as a military and political struggle, and if we surrender our faith in the eventual freedom of the Chinese people, we will take the heart out of that struggle. The 30 million Chinese who live outside the borders of China, the Japanese businessman waiting to get back his trade with the mainland, the Vietnam soldier standing at the risk of his life in loyalty to his country's future, the Burmese leaders who no longer dare accept aid from America—these we throw into the arms of Peking. Once we include in the United Nations those men who chose to defy the free world—as we saw it defied in Korea—once we say to them, "Come to the tables of the Security Council, take up the veto power given to Free China, deliberate with us how to bring unity between the nations and a peaceful world"—once we take that step, free Asia is finished and with it in time the freedom of the world. We would have exchanged the birthright of freedom under God for a mess of pottage of expediency to save some trade.

I do not believe that public opinion in this country will stand for such a betrayal. The sooner we make that point unmistakably clear, the better it will be.

To illustrate the tactics which recognition of China would accelerate for the whole of Asia, I should like at this point to call attention to an article published in This Week magazine of April 19 entitled "Soviet Plot To Steal Iran." The writer, one of the foremost economists of the U. S. S. R. was one of those who actually helped to put into operation the plan to take over Iran, before he fled at the risk of his life to the United States. This terrifying article tells us, by one who knows, how this creeping infiltration takes over innocent peoples.

Earlier today I asked that this article be published in the Appendix of the RECORD and received approval of that request.

Let me repeat that Moscow-dominated China must not be recognized by us, and must not be admitted to the United Nations. Only when China is once more free and independent can we welcome her with open arms; and when China is once more free and independent, our hearts and our arms will be open to her again, as they have been down through the years when she was our ally.

IS THERE A POSITIVE POLICY FOR ASIA?

Does this mean, Mr. President, that our policy in Asia must be purely negative? Far from it. I believe that if we consider our experience of the past years, we can formulate a positive and winning policy which will carry with us, first of all, those of our allies who are directly engaged in this struggle in the Far East and eventually the rest of the free world.

Such unity of action is essential. A former Communist leader once said that the Kremlin feared the unity of the West more than it feared the atom bomb. It is natural for us in the United States, feeling our strength, to want to brush off allies who seem to us slow-moving. But we cannot go it alone. More than ever, as the strongest Nation on earth, we need our allies. We need to include them as much as possible in our decisions and win their loyalty to sound policies. We took this step toward unity when we joined the United Nations, and it is imperative that we pursue such cooperation to the maximum of its possibility.

This does not mean that we must wait for universal agreement before taking action. We did not do that in the case of the North Atlantic Treaty Organization. It may be we will not find such universal agreement before advancing with such of our allies as wish to do so in Asia. But we should keep in mind the essential, basic need of our alliances, especially with Britain and France, and take every precaution of consultation with them and with other free nations.

A POSITIVE POLICY FOR ASIA AND THE WORLD—THE MUTUAL SECURITY PROGRAM

When we begin to think in terms of a positive policy the vital importance of the pending measure, S. 2128, becomes apparent. So let me analyze the MSA program as an integral part of this positive policy.

S. 2128, the pending bill, would authorize—again I emphasize "authorize" as distinguished from "appropriate"—appropriations for the Mutual Security Program for fiscal 1954. This is the third year that this program has been before the Senate and each time it has been approved by an overwhelming vote. I do not think the rationale of the program needs further elucidation. The American people have long since recognized that mutual cooperation with our allies is not only the surest and cheapest way to national security, but is, in fact, the only way. My distinguished colleague [Mr. WILEY] pointed that out earlier today.

But although the principles and objectives remain the same, the Mutual Security Program itself necessarily must be changing and flexible—different this year from what it was last year, and different next year from what it is this year.

I want to talk today about some of the changes in the program this year and about the changing world conditions which brought them about.

First of all, I want to emphasize the global, integrated nature of the program provided for by this bill. The concept of a worldwide Communist threat, to which I have just referred, and of a worldwide response to it has been embodied in the legislation this year to a greater extent than ever before.

The emphasis is redirected toward the area where the immediate threat is greatest; but since the threat is worldwide no area is neglected.

There is no question, Mr. President, that the immediate threat is greatest in the Far East, where aggression is a bloody fact and not merely a disturbing possibility. Of the $5.2 billion in this bill which will be distributed on a geographic basis, more than $2.4 billion, or almost half, is earmarked for the area which swings in a great arc from Turkey, the boundary of NATO, across the Middle East and South Asia, through the Indochina peninsula, and up the western Pacific to Japan. This area contains most of the people and most of the territory of the non-Communist world.

Heretofore, the bulk of the funds have gone to Europe, with a much smaller area and population but with a very much greater productive capacity. Europe will still receive slightly more than 50 percent of the funds this year, but the proportion is greatly reduced.

I particularly want to call attention to the very sharp reduction in economic assistance to Europe. The cut is from $1.3 billion to $500 million—and most of that smaller sum is directly related to defense production.

Europe has made truly astounding progress in nearly every respect since it began to pick up the wreckage left by World War II. Production surpasses prewar levels. Economic unification of the basic coal and steel industry is an accomplished fact.

I digress for a moment. I see the distinguished chairman of our committee is present. He will recall with me the wonderful hearings we had in the committee when Mr. Monnet, of France, the head of the Schumann plan in Luxembourg, and his German and Dutch colleagues were before us. They explained the magnificent way in which the movement to bring together Germany and France in the great undertaking of uniting the coal and steel of the Ruhr area and of northern France is progressing. Political and military unification are far advanced, although prompt ratification of the European Defense Community Treaty is vitally needed to bring a real European Army into being.

We have heard a great deal of testimony on the progress of that program. We are distressed that the so-called EDC has not moved more rapidly. The German people are eager to go ahead with it, and I believe the French, when their political troubles are ironed out, will certainly join in that important endeavor.

I am as anxious as anyone for this to happen, but I think that in our impatience we sometimes lose sight of the really revolutionary progress which has already been made with respect to unification. I am reminded of Dr. Johnson's remark when he saw a dog walking on its hind legs. "It is not done well," he said, "but you are surprised to find it done at all."

THE SPECIFIC PROBLEM OF INDOCHINA

I now turn to the specific problem of Indochina. This is one of the areas which it has been most difficult for our committee to understand. We have had difficulty in determining what would be best for us to do, but we realize the importance of Indochina, so I am giving special attention to it.

As a matter of fact, one of Europe's chief difficulties, and one of the principal obstacles to ratification of the EDC, is not to be found in Europe at all, but half the world away in Indochina.

As a result of the war in Indochina, France has been able to make only a fraction of the contribution which she otherwise could have made to the defense of Europe. The Indochina war has not only weakened France; it has weakened all of Western Europe, and indeed, the United States.

The large proportion of French resources committed in Indochina has increased French reluctance to ratify the European Defense Community Treaty. Although that treaty makes provision for overseas commitments of its member states, the French are naturally hesitant to go too far in integrating their armed forces when such a large share of their military effort is devoted to a non-European war.

The biggest boost which European defense and the EDC could receive would be a cessation of the hostilities in Indochina.

The pending bill attacks that problem in three specific ways—through economic assistance and defense support for the Associated States of Vietnam, Laos, and Cambodia; through military end-item assistance; and through an authorization of $400 million for financing the procurement of equipment, materials, and services for the fighting forces.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I appreciate the Senator's desire to ask me a question, but I request that he let me finish my speech first. Then I shall be very happy to have him ask all the questions he may want to ask. In that way, it will be easier for me to maintain a continuity throughout the speech.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The Senator from New Jersey declines to yield.

Mr. SMITH of New Jersey. It is contemplated that most of this $400 million will be spent in France. We will thereby receive a triple benefit:

First. The fighting forces in Indochina will get $400 million worth of supplies which they badly need.

Second. The French budgetary position will be improved.

Third. The French dollar balance-of-payments position will be improved.

This section of the bill is a clear recognition of the interrelationships between Asia and Europe, between Indochina and France. We cannot solve our problems in one place without solving them also in the other, or, to put it more positively and hopefully, if we do solve our problems in one place, we will have made very great strides toward solving them also in the other.

It is of the utmost importance that Indochina be pacified. The free world cannot afford the continued terrible drain on French and other resources which Indochina now demands; neither can the free world afford to withdraw from Indochina. That is what we are up against. We have a difficult problem and we cannot withdraw. That would open up all of southeast Asia to Communist domination. It would deprive us of the resources of tin and rubber which are found in southeast Asia in such abundance. It would mean the loss of Indonesia and it would greatly increase the threat to India and Pakistan—and even to Australia, New Zealand, and the Philippines. It would have drastic economic repercussions on Japan which must now look to southeast Asia for the trade which it formerly carried on with China and Manchuria.

OTHER PROBLEMS OF ASIA

Mr. President, before going on to some more general remarks, I would like to touch briefly on a few more specific provisions of the bill relating to Asia.

FORMOSA

Let me first take up Formosa. Although there was some debate on the subject in 1950, today all our military experts are agreed that strategic Formosa cannot be allowed to fall into hostile hands, particularly in the hands of Soviet Russia, if our lifeline in the Far East is to be protected.

The bill includes a substantial sum for military aid and training assistance for the Chinese Nationalist forces on Formosa. I have visited Formosa twice within the past 2 years. I have been deeply impressed by the very considerable progress which has been made in improving the morale, training, and equipment of the Chinese Nationalist forces since they arrived from the China mainland in December 1949. They are being welded into efficient fighting units and that progress can be continued under the provisions of this bill.

I may say that I am disappointed at the slowness of delivery of the equipment Congress has authorized. It has been very slow in getting to Formosa for the important job of equipping the forces which are helping us in our efforts to resist aggression. I cannot urge strongly enough the importance of speeding up deliveries to Formosa so that in order to provide adequate equipment with which to train ample divisions on Formosa in case we need such forces in any eventuality that may lie ahead.

Equally great progress has been made toward establishing a viable economy on Formosa in the face of the most difficult kinds of obstacles. The island had been exploited for years by the Japanese; it had superimposed upon it the large military establishment of the Nationalists and the hundreds of thousands of refugees who accompanied the Nationalist Government; and there was understandable friction between the native Formosan population and the mainland Chinese.

Under the able leadership of Gov. K. C. Wu, whose recent retirement I very much regret, administration and local government on the island were greatly improved. With the help of economic assistance and defense support funds from the United States, the economy has been so much strengthened that it is now possible to look forward to its becoming self-supporting in foodstuffs. The pending bill contains funds with which to hasten that day.

Formosa at the moment is the last bastion of a free and independent China, and is a vital link in a far-eastern policy aimed at securing independence, freedom, and self-containment for the countries of that area of the world. Korea, Formosa, and Indochina are three points of vital importance to us in our policy of maintaining the freedom and independence for all Asia.

JAPAN

The bill also contains funds for military assistance to Japan. The Senate will recall that the Japanese Constitution forbids the maintenance of regular army, navy, and air force establishments. The United States-Japan Security Treaty, which the Senate ratified last year, however, contemplated that Japan would assume greater and greater responsibilities for its own self-defense. The funds in this bill are designed to implement that expectation.

Although the Japanese do not have armed forces in the normal sense of the word, they do have internal security forces which, with proper equipment, could make a significant contribution to protecting Japan from subversion at

home and from direct aggression from abroad. The United States Armed Forces will be relieved of this burden to the extent that the Japanese are able to assume it, and that is the purpose of the funds provided by this bill.

With the situation in Korea as uncertain as it is, the United States—indeed, the United Nations—needs the help of a strong Japan.

INDIA AND PAKISTAN

I also wish to make special mention of India and Pakistan. The bill includes a total of $137.5 million in technical and special economic assistance for these two countries. With the technical assistance, we will continue the technical aid activities in these countries. The special economic assistance will provide the pilot-plant portion of the capital required by each country's economic development program. I emphasize the pilot-plant portion. It would be impossible to do more than set up pilot plants for demonstration purposes in those areas. I emphasize that the bill will provide only a portion—and a fairly small portion at that—but it is nonetheless a critical portion which may mean the difference between success and failure of the Indian and Pakistani development plans. Those plans are political commitments, and if they fail, the Indian and Pakistani experiments in self-government may also fail. The people of those countries, having achieved their independence, now eagerly seek economic improvements and rising standards of living. It is in the interests of the United States that they achieve their aspirations through democratic processes and through self-help, because the alternative presented to them is the devastating example of Communist China and totalitarianism.

THE MIDDLE EAST AND FAR EAST

To summarize, Mr. President, in that very considerable part of the world between Japan and the eastern Mediterranean, this bill will authorize the spending of almost $2½ billion. That is a great deal of money, and I could not support such an expenditure for one moment if I was not thoroughly convinced that thereby we could buy more security for the United States than we could by spending it in any other way or by not spending it at all.

But let us be under no illusions, Mr. President, that we can buy a solution in Asia with dollars alone. The dollars provided in this bill are an important element in a solution, but they will not in themselves bring one about. A great deal more is needed.

A COMMON POLICY AMONG THE ALLIES

The first thing that is needed, in my view, is agreement on a common policy with our allies in this area. We have such a common policy in Europe, and it has been markedly successful. But the fruits of our success in Europe are threatened by our lack of unity in Asia. The free Asiatic nations, the United States, and the European nations with interests in the Far East, principally Britain and France, have got to put aside their differences and decide what their common attitude is to be toward the critical issue of Moscow-dominated Communist China, which I discussed before. None of us can make very much progress so long as we each go our separate ways. That is exactly what the Kremlin wants. In the face of the Kremlin's efforts to divide us, we have maintained our unity in Europe. Our failure to achieve unity in the Far East is due not so much to the divisive campaigns of the Kremlin as to our own inability to agree, but it has the same unfortunate results, and it gives Moscow an unearned windfall.

REGIONAL DEFENSE APPROACH

Another thing that is needed is a greater emphasis on a regional approach in our own policymaking, both in the Far East and the Middle East. I think we are getting that. Both Secretary Dulles and his Assistant Secretaries concerned with those areas are aware of the problem.

A common selective security effort, for example, requires a more unified political structure than is now available. Some sort of a regional defense alliance, modeled to a certain extent, at least, on the principle of a multilateral Monroe Doctrine, would bind each area more closely together, and would make for a more efficient military defense effort. I hope that during the next year we can make much more progress in that direction than we have been able to make so far. The pending bill includes funds to assist a Middle East Defense Organization, if one should be formed. The time has also come to push ahead toward the conclusion of a Pacific Defense Pact.

URGE FOR FREEDOM AND INDEPENDENCE

Mr. President, it is most important that we more fully recognize the intense nationalism and anticolonialism that exists among the newly independent countries of Asia and among the other countries which have not yet achieved full independence. This feeling tends to be reflected in resentment against the formerly dominant colonial power, principally our British and French friends. It is an unfortunate and unnecessary fact that a portion of this resentment is also directed against the United States.

The United States has never been a colonial power in the European sense. Where we have acquired colonial interests, our record of enlightened administration and of steady progress toward self-government and independence is second to none. Cuba, the Philippines, Puerto Rico, Hawaii, and Alaska are living testaments to our good faith in this regard. In view of our history, we could not have done otherwise. We, ourselves, were once part of a colonial empire. Americans, of all people, understand and sympathize with the desire of people everywhere to shape their own destinies and to forge their own futures.

Communist propagandists have "gotten away with murder" in peddling the spurious idea that communism is on the side of the underdog; that communism is a revolutionary idea which can lead to self-government and independence. We have let ourselves be identified too much with the status quo, when actually democracy is itself a dynamic, revolutionary idea working for the constant betterment of human kind.

Let me sum up our far eastern policy on the security front.

First, let us consider Korea. Of course, Korea is now in a state of turmoil, and we do not know how that situation will develop. However, I believe we can work out a solution with the South Koreans.

Our policy there must be to assure a free, independent, and united country. Whatever the outcome of a temporary cease-fire truce, the goal of the political discussions to follow must be freedom, independence, unification, and rehabilitation.

In this connection I am reminded of a statement made by our distinguished colleague, the junior Senator from Vermont [Mr. FLANDERS]. His statement appears on pages 5187 and 5188 of the CONGRESSIONAL RECORD of May 20. I believe the summary he gave is worth reading into the RECORD at this time, for he made very pertinent suggestions as to what might be done in this situation. I read now from his speech of May 20:

First. Set up a neutral zone along the Yalu River covering also the Siberian frontier. This offers assurance that so long as neutrality is maintained, there will be no military action against the Manchurian border. Conversely, there can be none against Korea. This meets the only interest in the Korean conflict which the government of Communist China has admitted.

Second. Set up a commission composed entirely of Asiatic nationals to inspect and administer neutrality in this zone. This does two things. First, it removes from consideration the idea that we are seeking military advantage in the Korean Peninsula. Second, it puts a serious responsibility for the maintenance of peace on the Asiatics themselves.

Third. Proceed with the political unification of North and South Korea. The political jurisdiction of the government should extend to the Yalu but military operations would be forbidden within the neutral zone.

Fourth. Rebuild in usable form, though not elaborately, the housing, transportation, and industry of the united country. The two halves belong together—the industrial north cannot exist without other sources of food. The agricultural south needs manufactures from the outside. Together they will support each other in a standard of living that is high for Asiatic nations.

Fifth. After political integration and economic reconstruction, carry out the original United Nations purpose of free elections throughout the entire peninsula to determine the form of government under which the Korean people desire to live.

Mr. President, I read that summary into the RECORD as a tribute to the suggestion made by the Senator from Vermont, and to emphasize a program which I think we should consider at this time.

Second. We must give strong and immediate support to the French and Vietnamese in their struggle for the freedom and independence of Indochina. This is one of the clear objectives of the pending measure, as I have previously stated.

Third. We must save Formosa. Formosa is essential to our own defense, and contains what is still the best hope for the regeneration of a free China. The record of the Nationalist Government on Formosa is abundant evidence that if this regime were ultimately to be reestablished on the mainland, there could be a new era of liberty and prosperity there. As I have said, Formosa is the

key to the ultimate freedom and independence of China. A free Asia depends upon a free and independent China, and a free world depends upon a free Asia.

Fourth. We should coordinate and unify the militant forces of freedom-loving Asians of Japan, Korea, Formosa, the Philippines, and Thailand, and should relate them to the security pacts we already have with Australia and New Zealand. In other words, as I have said before, we need the Asian equivalent of a multilateral Monroe Doctrine in whatever form is practicable at this time. The same reasons exist for such an understanding and mutual support in Asia as existed in regard to such an arrangement in Europe, although the conditions may be different. If such a movement were initiated, undoubtedly Indochina, Burma, Malaya, and Indonesia would see the value of full participation.

Fifth. We should maintain and stengthen the economic life of India and Pakistan and other countries of Asia, so that they can play their greatest part in the crusade for freedom.

With India and Pakistan taking united action, even if they are ostensibly "neutral," the bonds of friendship between the Middle East and the Far East may well be strengthened. There can be no greater reason for such unity of action on the part of those two nations.

OUR GOOD FAITH

Mr. President, the keystone of our policies must be the concept of independence and self-determination for all nations. Cooperative military action to contain Communism is vital, but it is not enough. We must convince the people of Asia that we have no imperial designs—military or economic—upon them, but that we are anxious to help them gain real freedom and independence.

We need to catch the imagination of the people of Asia. We need to prove by positive actions that we are opposed to all forms of imperialism, Eastern or Western, and that we are interested in helping the Asian peoples free themselves from both the tyranny of starvation and the tyranny of communism. The world needs the release of the creative energies of the Asian peoples. Our people can help to free them from fear, can help to channel their efforts into constructive programs of self-help and mutual aid.

As I have said before—and I now repeat, for emphasis—we must start with a free and independent Korea. We must have as a foundation of our far eastern policy, an ultimately free and independent China—not by force, not by sacrificing the lives of our boys, but by using the power of the forces of freedom in this critical ideological war.

But we must have the strength of the MSA program of the pending bill, to enable us to attain these objectives by peaceful means.

In my judgment, Mr. President, this "military strength" bill is the best assurance we can have of success in achieving by peaceful means the results we seek. The Communists know what strength is, and they respect it.

THE IDEOLOGICAL WAR

But far beyond mere physical strength, Mr. President, is the irresistible power of the spirit—which we must have.

In this connection let us recognize that the ideological arm has been the major weapon of the Soviet Union in its conquest of one-third of the world. For over 30 years ideological warfare has been the object of intensive study involving great expense and the employment of every skill among the Russian people. We in the free world are only now beginning to understand the importance of ideological strategy and to sense the problems that are involved in it for us.

In the field of ideological warfare, anticommunism is not enough, nor is it enough to glorify the material advantages that have come to us in this country. We need to penetrate into the mentality of the peoples of Asia, especially the millions between us and Moscow, whose atmosphere is penetrated with Marxism, and yet who still may be won to the side of the free world. To many of us it comes as a surprise that there are degrees in the acceptance of Marxism; that there are millions who are against Moscow, and yet are Marxist in their thinking. We need to learn to present the ideology of freedom in such a way that these Marxists may be won to our side, for the world's future hinges upon the result.

Mr. President, technical aid has been a valuable arm of ideological strategy for us. That is why I am so strongly in favor of the technical-aid provisions of the pending measure.

One indication of the power of technical aid is the way it has been attacked by the Soviets themselves. To train troops so that they may help themselves increase production facilities and to spread our engineering know-how into these countries can be a tremendous asset, provided we maintain the loyalty and friendship of the people we teach.

It is easy to criticize the Voice of America. I myself have been critical of its operations. It is also easy to underestimate the difficulties that lie in the operation of psychological or spiritual warfare. The problem of the Voice is not an occasional Communist who may be discovered amongst the hundreds of loyal Americans who operate that agency. The greatest difficulty is to find common agreement as to what we want the Voice to say. We cannot blame the mouthpiece for giving an uncertain sound if the mind and spirit behind the mouthpiece is divided against itself.

Mr. President, at this point I desire to pay a special tribute to the subcommittee of the Foreign Relations Committee headed by the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Arkansas [Mr. FULBRIGHT]. That subcommittee has given months of time and study to our entire information program, including the Voice of America. I was much impressed by the material which was produced by the subcommittee, and I urge upon my colleagues a careful study of the report of the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Arkansas [Mr. FULBRIGHT], and the other members of that subcommittee. It is one of the most important contributions which has been made this year to our foreign-information program.

I also wish to express my appreciation for the splendid work done by the Senator from South Dakota [Mr. MUNDT], who worked with that committee. It was the Smith-Mundt bill of a few years ago which set this information program under way.

I think we should also give our best wishes to Mr. Robert Johnson, who has taken over the difficult task of seeing this program through.

THE BIG QUESTION IN IDEOLOGICAL STRATEGY

The great question in ideological strategy is this: How are we to present the ideology and spirit of democracy so as to win the neutralist and eventually the Communist worlds? This is the weakest point in our strategy and the reason is that it carries implications for our own living in America itself, implications that are hard to face. President Eisenhower has wisely said in his inauguration address, "Whatever we want to see happen in the world must first come to pass in the heart of America." If we present to the world an honest country admitting its mistakes, aware of its historic, moral, and spiritual foundations, if we admit that it is a daily fight for us to live the moral standards set for us by our Founding Fathers, if we acknowledge that we need help from other nations, then we may draw a response.

The ideology of the United States has been analyzed in the terms written on our money, especially in the great seal, E pluribus unum, and then the eye of the seal, the eye of God. Teamwork under the guidance of God can equal, as the great seal says, a new order of the ages.

If the world understands that America has an uphill fight to win that new order of the ages through a complete moral overhaul right here in America then we may well appear to the world as more deserving of the confidence that real leadership is entitled to.

We need determined people who resolve at all costs to live out the moral and spiritual principles of our American heritage, to fight for a nation that is sound and in these fundamentals united. America needs a great awakening. To the degree that an honest and just social order is seen to be our goal, without the contamination of political or economic imperialism, to that extent we can win the loyalty and trust of our fellow nations.

I am impressed by the contagion of this ideological approach by the recently reported successes of friends of mine in the moral rearmament movement in India, Pakistan, and Iran. The reports of these operations by dedicated people are worth the careful study of all of us, but especially those who are interested in the critical war of ideas and ideals that is now being waged.

CONCLUSION

Mr. President, in conclusion, I have but a few more words to add. Let us be true to our own traditions and we will see a great many of our troubles in Asia approaching solution. And although we should not meddle in the internal affairs of other countries, neither should we lose any appropriate opportunity to urge this point of view upon our allies.

No nation is an isolated island, Mr. President. The death of a Vietnamese soldier, the execution of an anti-Communist demonstrator in Berlin, the conversion to communism of a discouraged, disillusioned Indian villager—all these things diminish human freedom and the freedom and security of the United States. By the same token, they diminish the freedom and security of Western Europe. It is as much in the interest of Western Europe to have a free, independent and prosperous Asia as it is in the interest of the United States.

Today, Mr. President, the bell is tolling in Korea, Indochina, Iran, Germany, and, indeed around the world. We have but to listen to hear it. And we know, from bitter experience, that it tolls for us, too. We know that these other places are only way stations on aggression's road to the United States.

Let us continue to meet this threat while it is still far from our shores and while we still have strong and willing allies to help us. Let us never again be too little and too late.

Communism understands the strength of armed might and respects it. We need to stand together in the free world. We need to build up the economic health of nations so that poverty and insecurity do not fight on the Communist side. But, above all, we need to win the nations of the world to a concept of freedom under God that inspires them to leave tyranny behind and make the atomic age an age of plenty and an age of peace.

These are the imperative "musts" of the mutual security program.

Mr. LANGER addressed the Senate. After having spoken about 2 hours, he said:

Mr. President, it happens that I have a very important engagement with Mr. Dallas Townsend, the new Alien Property Custodian. I will relinquish the floor, but I expect to take the floor sometime tomorrow, to present the remainder of my speech. It is about 2 hours since I started, and it is impossible for me to conclude today.

The PRESIDING OFFICER. Does the Chair correctly understand that the distinguished Senator from North Dakota is not making a unanimous-consent request that he be permitted to resume the floor tomorrow?

Mr. LANGER. I do ask unanimous consent that I may resume the floor tomorrow.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota?

Mr. KNOWLAND. Mr. President, I am sure the distinguished Senator will be able to resume the floor tomorrow, because the Senate will be in session; but it is planned that the Senate remain in session at least until 6 o'clock tonight.

Mr. LANGER. There are two other speeches yet to be delivered.

Mr. KNOWLAND. I so understood, but, because the two Senators who had expected to speak were under the impression that the Senator from North Dakota would continue for some time, they have left the Senate Chamber and are not presently available. It is my intention to suggest the absence of a quorum, so that we may continue the debate.

Mr. LANGER. I intend to finish the speech sometime tomorrow.

Mr. President, I ask unanimous consent that the speech which I started to deliver to the Senate this afternoon on the subject of mutual aid may be printed on the day after tomorrow, so that it will appear in complete form.

The PRESIDING OFFICER. Without objection, it is so ordered.

[Mr. LANGER'S entire speech will be published after it shall have been completed.]

Mr. LANGER. I yield the floor for the day.

The PRESIDING OFFICER. The Senator from North Dakota yields the floor.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum-call be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALLOCATION OF FUNDS FOR EMERGENCY RELIEF IN DISASTER AREAS

Mr. KNOWLAND. Mr. President, I think the Senate will be interested in a bulletin which came over the news ticker a short time ago, and which I now read:

WASHINGTON.—President Eisenhower decided today to allocate $5 million in emergency relief to 152 drought-stricken counties in Texas and 40 in Oklahoma.

The White House said the formal allocation probably will be made later today.

The announcement was made after the President met with Secretary of Agriculture Benson, just back from an inspection of the Texas drought area, with Val Peterson and Budget Director Joseph Dodge sitting in.

Benson told reporters two immediate actions will be taken:

1. Emergency feed products will be made available to livestock growers "at a level somewhat below the support level" for the cottonseed cake, corn and other feeds involved. These feeds will come from the stocks of the Commodity Credit Corporation and any losses to the CCC will be made up from the President's emergency fund.

2. The President will ask the Interstate Commerce Commission to permit railroads to lower freight rates on feed going into the drought area or on cattle being shipped out to regions where feed is available.

Benson said the third major need of the affected region—extension of credit—will be covered in still another program which he hopes to announce later this week.

The Secretary said all farmers in the drought area will be eligible for assistance "if they can show need."

Claims for help, he said, will be passed on by a five-member committee in each county.

Benson said he talked with farmers from drought-afflicted regions of Colorado, Kansas, and New Mexico, as well as those from Texas and Oklahoma, while on his weekend inspection tour. Asked if Federal aid would be allocated to the other States, he replied:

"That depends largely on the moisture from above."

Benson added, "It is quite probable that counties in the three States will request help."

The Texas and Oklahoma counties to be declared disaster areas by the President were to be made public later in the day.

RESOLUTION CONDEMNING EFFORTS TO DISRUPT THE PRESENT FARM STABILIZATION PROGRAM

Mr. YOUNG. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a resolution adopted by the Rolla Commercial Club, of Rolla, N. Dak. It has come to me in a rather unique form, in an advertisement published in the Turtle Mountain Star, of Rolla, N. Dak. I should like to read a small part of it, and then have the complete resolution printed in the RECORD as part of my remarks. I read:

That we go on record condemning any effort on the part of any Congressman, the Department of Agriculture, or any agency, for attempting to disrupt the present farm stabilization program, affecting all basic farm commodities.

We further resolve that Congress shall not only maintain 90 percent of parity, but shall endeavor to establish 100 percent of parity for basic farm commodities. We do not favor any tendency toward flexibility of price support, but urge Congress to maintain a production-control program which is essential in order to have stabilized price support.

This resolution certainly gives ample proof that not only are the great majority of worthy farmers opposed to flexible price supports but businessmen as well. I subscribe completely to their views.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Since the State of North Dakota is a major agricultural State, the businessmen of this city feel that it is most imperative that we work side by side with all those who are attempting to maintain a farm program which will enrich and develop the agricultural activities wherever they are a major industry of source of livelihood. In view of the above conclusion, the Rolla Commercial Club has adopted the following resolution:

"*Resolved*, That we go on record condemning any effort on the part of any Congressman, the Department of Agriculture, or any agency for attempting to disrupt the present farm stabilization program, affecting all basic farm commodities.

"We further resolve that Congress shall not only maintain 90 percent of parity, but shall endeavor to establish 100 percent of parity for basic farm commodities. We do not favor any tendency toward flexibility of price support, but urge Congress to maintain a production-control program which is essential in order to have stabilized price support.

"We further resolve to condemn any form of prosperity based on war and bloodshed, but favor a genuinely sane and sound economic program, particularly for the producer, which shall be based on industry, security, and individual initiative.

"We further urge all business groups in other cities of this State as well as those of other agricultural States to go on record favoring similar resolutions."

(Copies of this resolution have been sent to the North Dakota United States Senators and Representatives in Washington, D. C.)

Rolla Commercial Club, Boucher's Dray, Brown's Standard Service, Bun's Barber Shop, C & L Jewelers, Cecile's Beauty Shop, Clara's Style Shop, Clark Motor Service, Club Bar, Coghlan Construction Co., Corner Drug Store, Darling's Service, Debe's Beauty Parlor, Doucette's Barber Shop, Elliott's Service, Fagerlund Implement Co., Fairmont Foods Co., Fairway Store, Farmers Grain Co., Farmers Union Insurance, Farmers Union Oil Co., Foley Furniture and Funeral Home, Foussard Motor Sales, Galbrecht's Service, Golden Rule, Dr. E. H. Goodman, Great Northern Railway, Great Plains Supply Co., Hagen's Food Market, John B. Hart, Herb's Clothing Store, Dr. D. L. Hoesl, Jacobsen Hardware, Keegan Brothers, Kennedy's, Klein's Jewelry, Larson Grain Co., Malo's Bar, Martel and Juntunen Oil Co., Marchand Lumber Co., Matson Brothers, Michel's Dray, Dr. A. M. Miles, Mongeon's Variety, Munro Hardware, Murray Furniture and Funeral Home, Neameyer Auto Service, Northwestern Bell Telephone Co., O. K. Rubber Welders, Otter Tail Power Co., Red Owl Store, Rolette County Abstract Co., Rolette County Bank, Rolla Bakery, Rolla Cafe, Rolla Cleaners, Rolla Drug, Rolla Implement Co., Rolla Mercantile Co., Rolla Oil Co., Rolla Sanitary Dairy, Rolla Theater, Sibert Electric, Dr. M. E. Skinner, Skogmos, Stormon and Stormon, Super Valu, Ted's Pure Oil Service, Theel Chevrolet Co., Thelma Munro Hotel, Turtle Mountain Star, Valikai Radio & Magneto Service, Vendome Cafe, Vendome Hotel, Vendome Liquor Lounge, Wayne's Grocery and Gift Store, Wes' Motor Service.

ORDER OF BUSINESS—RECESS

Mr. KNOWLAND. Mr. President, earlier in the day I made a general announcement as to the legislative program for the remainder of the week. I had hoped that other Senators who intend to speak on the pending bill would be ready to speak today. I was planning to hold the Senate in session until 6 o'clock or 6:30 o'clock this evening, but because a number of Senators are not ready to proceed today, I am about to move a recess until tomorrow at 12 o'clock. I should like the Senate, however, to be on notice that if we are to avoid a session on Friday, the third of July, and in the meantime to complete the work on both the mutual-aid bill and the bill for the extension of reciprocal-trade treaties, it will be necessary, I believe, to hold some evening sessions this week. I hope the Senate will not have to remain in session too far into the evening, but, nevertheless, I desire Senators to be on notice in making their plans that tomorrow, Wednesday, and the following day, Thursday, they should be prepared for evening sessions of the Senate.

As previously announced, we plan to meet at 10 o'clock on Wednesday morning, and, immediately following a quorum call, a period of time will be devoted to eulogies honoring the memory of our late colleague, Senator Smith, of North Carolina. Following that commemorative program we shall return to consideration of the unfinished business, and, when that has been completed, we shall move on to consideration of the next bill.

Mr. President, if there be no further business to come before the Senate, I now move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 57 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, June 30, 1953, at 12 o'clock meridian.

NOMINATION

Executive nomination received by the Senate June 29 (legislative day of June 27), 1953:

Col. Eugene Mead Caffey, O9329, Judge Advocate General's Corps, United States Army, for temporary appointment as brigadier general in the Army of the United States under the provisions of subsection 515 (c) of the Officer Personnel Act of 1947.

WITHDRAWAL

Executive nomination withdrawn from the Senate June 29 (legislative day of June 27), 1953:

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Grace M. Stewart, associate judge.

HOUSE OF REPRESENTATIVES

MONDAY, JUNE 29, 1953

The House met at 11 o'clock a. m.

Dr. Merle R. Swihart, minister, Glenshaw Community Presbyterian Church, Glenshaw, Pa., offered the following prayer:

Gracious and Almighty Father, bless this House as it convenes. Give to every individual Member of it the sense of peace within their own hearts, of drawing from Thy eternal strength that they may, with wisdom and understanding, with a sense of courage and without fear, do whatever work is presented before them. Having a sense of Thy presence, with the goodness of Thy gracious eternal purpose about them, may they do their work for the glory of our country and for the good of all men everywhere. In Jesus' name. Amen.

The Journal of the proceedings of Saturday, June 27, 1953, was read and approved.

SWEDISH-AMERICAN SOCIETIES

Mr. O'HARA of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. O'HARA of Illinois. Mr. Speaker, in the many matters we have to consider in the final weeks of the first session of the 83d Congress I hope that H. R. 5607 will not be overlooked by the leadership. It is by no means major legislation. But by its enactment we would be giving gracious recognition to a nation that always has been our friend and to the men and women of the blood of that nation who are a part of the American fiber in every State of our Union. There is no better investment than those in sentiments.

H. R. 5607 provides for a commission of representative Swedish-Americans, selected by the appropriate Swedish-American societies in all of the States, to plan a national monument to John Morton, signer of the Declaration of Independence; John Hanson, the first President of the United States in Congress assembled; and John Ericsson, designer of the *Monitor*. It provides merely for the planning of the site and the nature of the memorial. The actual construction will wait until such time as the necessities of defense do not require the rigid economies of the present. I trust that the committee will accord an early hearing to the bill to the end that it may reach the floor in time for action at this session.

Mr. Speaker, as indicative of the wide interest in the proposal for a monument to three outstanding Swedish-Americans I am, by unanimous consent, extending my remarks to include three of the many letters received by me:

EMBASSY OF SWEDEN,
Washington, D. C.

MY DEAR MR. O'HARA: With your letter of June 11, 1953, I have received the text of your recent address to the House of Representatives proposing the erection of a monument to the memory of three notable Swedish-Americans, John Morton, John Hanson, and John Ericsson. I wish to convey to you my sincere appreciation of the thought expressed in this initiative. The contribution of these men to two important phases of American history, the American Revolution and the War Between the States, seem to me eminently worthy of commemoration and a monument to them would most aptly serve as a reminder of the close ties between the United States and Sweden. The citizens of Sweden take pride in the achievements of their countrymen on this continent and will value highly the sentiments expressed in your remarks in the House. I know that His Majesty, the King of Sweden, whose well-known historical interests embrace also the past of Swedish-America, will deeply appreciate this gesture.

I thank you for your communication, which I will forward to Sweden, and am grateful for further information on the development of this project.

Very truly yours,

ERIK BOHEMAN,
Ambassador.

THE AMERICAN SWEDISH INSTITUTE,
Minneapolis, Minn.

MY DEAR CONGRESSMAN O'HARA: Your speech regarding plans for a monument to the "three Johns" made on June 8, 1953, has come to my attention through Dr. John C. Christianson at the University Farm School.

Your bill, the speech describing it, and the idea as such are all admirable, and I am sure you will have the approval of all our Swedish Americans in your efforts.

On August 1, I shall take over as director of the American Swedish Historical Foundation in Philadelphia (19th and Pattison Avenue, Philadelphia 45, Pa.). If there is anything I can do or any way in which I may cooperate in your plans, I should be glad to hear from you. As you know, the American Swedish Historical Museum operated by the foundation is housed in the John Morton Building, which gives us a nice tie-up with your project.

Sincerely yours,

NILS G. SAHLIN,
Director.

WATKINS ACRES,
Frederick, Md.

DEAR CONGRESSMAN O'HARA: I was very pleased to see in the CONGRESSIONAL RECORD your action regarding Messrs. Morton, Hanson, and Ericsson—especially the remarks pertaining to that very fine American, John Hanson.

I note however, in the tribute to Hanson that it states "Hanson retired to his country estate, Olen Hills, in Prince Georges County, Md." This is not entirely correct, as John Hanson lived the last 10 years of his life right here in Frederick. The Historical Society of Frederick County only recently placed a bronze plaque at the site of his home on West Patrick Street, and we are very proud of the fact that this distinguished American did reside here. After his death his widow continued to live here until she passed on in 1813.

For your information and guidance, I am taking the liberty of enclosing herewith clippings from my book Historic Frederick pertaining to John Hanson, which describe more fully the life of this fine man.

Sincerely yours,

JOHN R. HOLT,
Colonel, Retired.

By unanimous consent I have corrected my remarks in the permanent edition of the CONGRESSIONAL RECORD to conform with Colonel Holt's appreciated suggestion. My appreciation also goes to Herbert R. Friedlund, Esquire, of Chicago, distinguished attorney for many Swedish-American groups in the Middle West, for calling attention to a misplaced quotation mark in the article on John Ericsson, which correction has been made in the permanent RECORD.

Mr. Speaker, I am further extending my remarks to include the article on the first President of the United States in Congress assembled from Colonel Holt's very interesting book on Historic Frederick. The article follows:

JOHN HANSON

When Ripley in his Believe It or Not series stated that "George Washington was not the first President of the United States" he was really telling the truth. Although there had been meetings of the Continental Congress from 1774 on, it was not until 1781, when Maryland finally signed the Articles of Confederation, that a union of all the original States became an actuality. John Hanson, who signed for Maryland, was then elected President of the United States in Congress Assembled, November 5, 1781, and served for 1 year in that office. It is also a historical fact that George Washington himself, addressed Hanson as President of the United States in his reply to Hanson's message upon the occasion of the victory at Yorktown. In appraising the magnificent character of this strong man from Maryland, in evaluating his services to the United States, the things that he did and the man that he was are all sufficient. His statue in the Capitol at Washington marks him as one of Maryland's and indeed one of the Nation's first citizens. On January 31, 1903, the statue of John Hanson, was formally presented to the Federal Government by the State of Maryland. Senator Chauncey Depew, of New York, one of the speakers said "We can place among the immortals, John Hanson." Senator Dolliver, of Iowa, said "In the case of John Hanson, Maryland has done a tardy act of justice to a man whose eminence in the public service has been almost lost in the waste of time."

John Hanson was born at Mulberry Grove in Charles County, Md., April 13, 1715, and died at Oxon Hill, Prince Georges County, Md., on November 22, 1783. He married Jane Contee early in life and was the father of nine children. Two of his boys died in the service of their country, and a grandson, Alexander C. Hanson, was a Member of Congress and United States Senator from Maryland, 1816–19. The widow, Jane C. Hanson, returned to Frederick after her husband's death and lived here until her death in 1812—she had outlived every one of her children.

The history of John Hanson is most interesting. He served in the State assembly from 1757 to 1778, from Charles County and was a member of the Committee to Repeal the Stamp Act of 1765. In 1771, 2 years before he moved to Frederick, he was appointed deputy surveyor for Frederick County, at that time the fastest growing county in the State. On arriving in Frederick in 1773, he immediately took an interest in public affairs. As a close friend of General Washington and Gov. Thomas Johnson, of Maryland, he played a prominent part in molding public opinion favorable to the Colonies. He was a man of mature years, long political experience, and possessed substantial wealth. There can be but little doubt but what Hanson was the recognized leader of Frederick County during the years he resided here. In 1775 we find him chairman, Committee of Observation of Frederick County, and in November 1775 this committee unearthed the famous Dunmore conspiracy. In reporting this matter to Congress it is well to include the entire letter that John Hanson wrote to John Hancock:

FREDERICK, COUNTY, MD.,
November 24, 1775.

To the Honorable JOHN HANCOCK,
President of the Congress.

SIR: I am directed by the committee of this county to transmit to you copies of the examination of Allan Cameron, John Smith, John Connolly, and a letter to one Gibson, from Connolly, and Lord Dunmore's speech to White Eyes, and a proposal by Connolly to General Gage for raising an army for the destruction of the liberties of the Colonies. Any orders relative to the prisoners will be strictly observed; the committee and the inhabitants of this county being determined to pursue every measure which the Congress may recommend to them as necessary for the preservation of these Colonies, at this time of imminent danger.

I am very respectfully sir, your most humble servant.

JOHN HANSON,
Chairman.

That the Congress was impressed with the above letter, is evident in the official answer received by Hanson:

PHILADELPHIA, *December 8, 1775.*

To the Committee of Frederick County, Md.

GENTLEMEN: Your letter of the 24th of November last being received, was laid before Congress, and I am directed to inform you that the Congress highly approved your conduct and vigilance in seizing Cameron, Smith, and Connolly.

I do myself the pleasure of enclosing you a resolution of Congress, respecting the place of their confinement, and I am directed to desire you, in pursuance to said resolution, to send the prisoners, under guard, to Philadelphia.

I am gentlemen, etc.

JOHN HANCOCK,
President.

During his term as President of the United States in Congress, it fell to the lot of John Hanson to issue a proclamation setting aside the last Thursday of April 1782, for fasting, humiliation, and prayer in gratitude for the victory at Yorktown.

On November 4, 1782, he was relieved of his duties as President and the following resolution was unanimously adopted:

"*Resolved*, That the thanks of Congress be given to Hon. John Hanson, late President of Congress, in testimony of their approbation of his conduct in the chair, and in the execution of public business."

Broken in health and weighed down with the many responsibilities he had borne over the years he returned to Frederick to seek rest and quiet. During the summer of 1783 he rallied somewhat and in the early fall he visited a nephew, Thomas Hanson at Oxon Hill, Md. It was at this place that his last illness came upon him, and on November 22, 1783, he passed to his reward. It seems probable he was buried on his nephew's estate, as was the custom at that time, but if so, the location of the grave has been lost in the intervening years. In his fine book, John Hanson of Mulberry Grove, the author, J. Bruce Kremer, tells in an interesting manner the life story of this fine man—one of the characters who helped make Frederick famous by his residence in this historic town.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

CALL OF THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 71]

Barden	Hale	Reed, Ill.
Bentley	Hillelson	Regan
Bentsen	Javits	Rhodes, Ariz.
Blatnik	Kearney	Richards
Brooks, La.	Lucas	Sheehan
Burleson	Mack, Ill.	Smith, Kans.
Colmer	Miller, Calif.	Teague
Crosser	Morrison	Thompson, La.
Dawson, Ill.	O'Konski	Tuck
Dies	Osmers	Wier
Dolliver, Iowa	Philbin	
Fogarty	Rayburn	

The SPEAKER. On this rollcall 391 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXCESS-PROFITS TAX

The SPEAKER. The Chair recognizes the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, as the membership of the House knows, we had expected to call up a resolution dealing with H. R. 5899, which has to do with the extension of the excess-profits tax.

Let me say for myself, and I think I speak for the Speaker and for all of us who have had this troublesome matter with which to deal, that I have nothing but the highest regard for all Members of the House, who likewise have a responsibility in respect to it; the highest regard, and may I say, a continuing affection and friendship.

From the beginning it has been my opinion, expressed privately and publicly, that I certainly had hoped that this matter could be disposed of and handled in the Committee on Ways and Means. I have never given up hope of that favorable and very desirable end.

As members of the Committee on Ways and Means and others have said to me that they thought it could be so handled, to all of them I said that would be the best thing that could possibly come my way, because in all of my 19 years of service in the House of Representatives this has been the most burdensome situation of all.

On last Saturday reports came to me indicating that possibly there were very much brighter hopes; that this matter could be settled in the Committee on Ways and Means. Those suggestions and reports came to me from both sides of the aisle.

I think, with respect to many of these great problems before the country, we have a responsibility among us all as Members of the House of Representatives without regard to party to try and find the best and the most equitable solutions we can; solutions that are very definitely pointed in the best interest of the country.

Getting those reports last Saturday I continued to make such investigations and checks as I could. Our very respected Speaker did the same thing. Those checks and investigations have continued this morning to the point where we are convinced that this matter can be handled in the Ways and Means Committee. If there is corroboration of that conviction on my part, I would like to have it, so that we may all understand.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I have disliked the necessity, as I know most Members of this body have, of bypassing any committee at any time. I feel that a matter of this nature, involving the excess-profits tax or any other matter, should be considered conclusively by the legislative committee having the legislation within its jurisdiction. It is my definite opinion, and within the limits of my personal rights I want to give assurance, that so far as I can help, this matter will be considered by the Ways and Means Committee and will be acted upon, I trust favorably, by that committee. I think this by long odds is the proper way to handle the legislation.

Mr. CURTIS of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. CURTIS of Nebraska. Mr. Speaker, it has been my feeling that this matter should be brought to the House through the Ways and Means Committee. That is still my position. I do not like to see this rule adopted. If it would develop that a few days could be taken, I would like to point out that time is not of the essence. This bill cannot be enacted into law by tomorrow night, but that is not necessary. The Treasury will not lose if it takes a ltitle while to iron this out. I would rather see it done that way. If given a chance that we do not have to act today, I will do my full part to bring about a meeting of the Ways and Means Committee, and I would vote to report this bill out.

Mr. MARTIN of Iowa. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. MARTIN of Iowa. Mr. Speaker, I want to join with the gentleman from Pennsylvania [Mr. SIMPSON] and the gentleman from Nebraska [Mr. CURTIS] and back up their statement of position here. That exactly fits with my appeal to the Rules Committee last week when they had this matter before them for consideration. My appeal was to have it turned back to the Committee on Ways and Means, where we on that committee can approach this in a more orderly way than in any proceeding bringing the excess-profits-tax issue before the House today.

I commend the majority floor leader very highly on his good judgment in extending this consideration to the Committee on Ways and Means.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from New York.

Mr. REED of New York. Mr. Speaker, I am disappointed at the statement that has been made here. There is a principle involved here. It is a constitutional principle. This country was organized and based on principles, not on expediency.

One hundred and seventy-seven years ago, within a few days from now, 53 men sat in Philadelphia. They were facing the greatest military power in the world. A fleet of ships was off Sandy Hook and another one was off Charleston. What kind of men were they that declared independence? What were they voting for? They were voting for principle.

There has not been a minute in the Ways and Means Committee that these men who now advocate forcing the issue—they did not have to force the issue. Four different ways were available to them. I polled that committee. I polled them twice. You, Mr. Speaker, polled them in your office and they were opposed to this iniquitous bill. The other side of the question is the settling of a constitutional principle. Are you going to yield? Are you still going to keep this sword of Damocles hanging over the committees of the House? I, for one, will not permit it. I am not surrendering here. I do not propose to betray the people of this country who are entitled to the constitutional procedures of this Government. This battle ought to be settled here and now without compromise. Let us get the votes and see where you stand—you people who stood in that well and took the oath of office to support and defend the Constitution of the United States—stand up like men. How far do you think we are going to get with this Republic if you have a rule like this dangling over us. Are you going to betray your constituents to whom you promised not to increase taxes, but to reduce taxes? I stand upon those pledges. Let the people exercise as they might have done weeks ago through their representatives on the Ways and Means Committee by constitutional procedure to bring out this iniquitous tax, if they so desire. Let the people exercise their rights by the orderly and constitutional rules through the Ways and Means Committee members. I have stood the unlawful threats personally rather than to let the members of our committee vote contrary to what I know were their convictions. This threat of usurpation ought to be settled now once and for always so that ambitious men seeking power will never again try to usurp the constitutional prerogatives of our committee or of any other committee of this great legislative body.

Mr. Speaker, because of the limitations of time imposed upon this historic debate, I must of necessity make my remarks very brief. This House has but 1 hour within which to decide whether it shall today abandon its established rules and bow to the expediency of the moment—1 hour in which to decide whether it shall today abdicate its constitutional prerogative over revenue matters—1 hour in which to decide whether it shall today destroy the committee system created out of the experience of over 150 years. Those are the issues before this House.

Mr. Speaker, on June 25 a revenue bill, H. R. 5899, was introduced and referred to the Committee on Ways and Means. Two days later—I repeat, 2 days later—the Committee on Rules suddenly and without the faintest color of authority arrogated to itself jurisdiction over that bill and reported it to the House by a divided vote, although the bill in question had never been considered by the Committee on Ways and Means and, of course, had not been reported by that committee. That is the simple background of this situation.

When he appeared before the Committee on Rules in support of this resolution, the distinguished majority leader cited a number of alleged precedents for the proposed action. The impression was sought to be given then that the procedure there advocated had not only been followed before but had been resorted to on a number of occasions. Although at the time of the Rules Committee action I was given no opportunity to investigate the validity of the precedents then cited, I have since determined that each one of them is completely without a shadow of substance. I am submitting for the RECORD a memorandum which completely substantiates that statement. I shall present only one example at this time. One precedent upon which the distinguished majority leader placed great reliance involved the bill extending the OPA in 1946. That bill was, it is true, reported to the House by the Rules Committee without it having been first reported by the Committee on Banking and Currency. But the action of the Rules Committee was taken at the specific request of the chairman of the committee properly having jurisdiction and with the full concurrence of its members. The request was made for the simple reason that the rules of the Committee on Banking and Currency prevented it from meeting and taking timely action. Obviously, such a case represents no precedent for the present action which has been bitterly opposed not only by myself as chairman of the Committee on Ways and Means but also by the overwhelming majority of the committee members. The truth is, Mr. Speaker, that no precedent exists for this action. On the contrary, it is a plain and blatant violation of every custom, every rule, and every statute which has

governed this House since the foundation of the Republic.

But, Mr. Speaker, I do not deceive myself that the Committee on Rules was motivated by any tender concern for precedents last Thursday. The fact is that within 5 minutes after hearing the overwhelming testimony presented against the resolution, the committee voted it out—voted it out without making even a pretense of examining the validity of the precedents cited before it. The fateful consequences of such a course—this House is being asked to ratify today.

Two excuses—and I mean excuses—have been put forward in explanation of the unprecedented action of the Rules Committee. The first is that an emergency exists because the excess-profits tax theoretically expires June 30. The second excuse is that no other possible method exists by which this matter can be brought to a vote in the House. I would like to address myself briefly to both points.

For the great bulk of excess-profits taxpayers, the tax applied to their full income for the entire calendar year 1953. That is true under the present law. The effect of the so-called termination date of June 30 is merely that these taxpayers will pay a 15-percent rather than a 30-percent rate. The tax itself, at the reduced rate, applies for the entire year. Moreover, tax returns themselves are not filed until well after the close of the year. Therefore, there is absolutely no necessity that this tax be extended prior to June 30. Weeks, and even months, are available within which timely action on this issue can be taken without jeopardizing a single penny of revenue. Clearly, there is no such emergency as would justify the action of the Rules Committee. The true emergency—the only emergency—is the threat to its constitutional prerogatives which faces this House today.

The second excuse—that this is the only means by which this issue could be brought to a vote—is even more lacking in substance. Mr. Speaker, this matter could have been brought to a vote in any number of ways, all involving the use of the established procedures of the House. First, a majority of the members of the Ways and Means Committee could have called a meeting of the committee at any time. Second, on any one of the innumerable occasions that the committee met during the past few weeks, a majority of the committee members could have insisted on considering the excess profits tax. Third, a majority of the members of this House could have at any time discharged an excess profits tax bill from the committee. Those procedures are the established and lawful methods. They have been and still are available. Their very existence puts the lie to the charge that, single-handed, I have arbitrarily blocked action by this House or, in fact, could have blocked such action. Why have these procedures not been used? Because—in the words of the distinguished majority leader—they are difficult to carry out and have promised little chance of success. There you have it. There you have the appalling truth behind this action which is without precedent in the history of this House. The distinguished gentleman has lost patience with the procedures established by law.

Mr. Speaker, the workings of a democracy are frequently cumbersome. We do not pretend to that efficient and expeditious implementation of the executive will which is at once both the pride and the curse of dictatorial governments. There is not one of us who has not at times felt some sense of frustration at the occasional slowness with which our courts and our legislative bodies conduct their work. But, Mr. Speaker, let us consider long and earnestly before we permit the frustration and impatience of the moment to lead us to destroy what has been built over the centuries. Let us think twice before we abandon our established rules for some trivial, transitory advantage—an advantage which will prove illusory in the future.

Mr. Speaker, the jurisdiction of the Committee on Rules is clear and unequivocal under the Legislative Reorganization Act of 1946. That jurisdiction comprises simply: "The rules, joint rules, and order of business of the House." Nowhere is there the remotest color of sanction for the initiation of legislation by the Rules Committee. I need only point to the bill, H. R. 5899, to amply demonstrate the folly of such a course.

The bill in question is seriously defective—both technically and on the merits. Section 2 purports to increase the minimum excess-profits tax credit from $25,000 to $100,000. However, it fails to make a necessary conforming amendment to section 15 (c) of the Internal Revenue Code which is designed to prevent the evasion of taxes through the creation of multiple corporations. It likewise fails to amend section 141 (c) of the code with the extraordinary result that, even though the individual corporate members of an affiliated group may each be entitled to the new $100,000 minimum credit, the group as a whole will not have a credit in excess of $25,000. Moreover, the discrimination under the new credit provision as between different taxpayers is even more incredible. A taxpayer whose fiscal year ends this June 30 will have only the old $25,000 credit with respect to that year. Another taxpayer whose fiscal year ends 1 day later—on July 1—will be entitled to the new $100,000 credit retroactively for the entire past year all the way back to July 1952. That taxpayer may become entitled to a substantial refund. Such disproportionate tax consequences as the result of mere accident are discriminatory and inequitable in the extreme. I do not intend to discuss the merits or demerits of that bill at this time but wish merely to point out that such obvious and glaring defects are the inevitable result of not considering bills through the normal and legally constituted legislative channels. Perhaps it is unfair of me to chide the members of the Committee on Rules for their lack of technical competence in the area of taxation—after all, they have only recently invaded the field. Perhaps their knowledge of tax problems will improve as they gain more experience in originating legislation.

Who can foretell what will be the fateful consequences if this resolution is adopted? What committee will next be forced to bow to the dictates of the Rules Committee? Over what other legislation does the Rules Committee intend to arbitrarily assert its jurisdiction? What minority groups will at some future time find themselves without the protections offered by the present rules of this House? Mr. Speaker, the precedent we set here will not be created just for today, or for next week, or for this session or the next session. It will be established for all the years to come, for all the generations of lawmakers that will follow us. And I tell you this, Mr. Speaker, and I tell the distinguished majority leader, and I tell the distinguished chairman of each committee, and I tell each and every Member of this House, that, if you adopt this infamous rule, the day will come when your action will rise to haunt you. You will have sewn the seeds of your own destruction.

Mr. Speaker, some of the distinguished gentlemen on this side of the aisle have sought to hide the true nature of the issue which this resolution presents to the House. They have said that a vote against adoption of the rule is, in effect, a vote against the excess-profits tax. That, of course, is without semblance of truth. There is not a Member present who, favoring extension of that tax, cannot in good conscience cast his vote against this infamous subversion of the rules of this House. Let there be no mistake about that.

It is also a source of the deepest regret to me that my fight to uphold the authority and prerogatives of this House is being misrepresented in some quarters as a defiance of the President. That is a shameful attempt to confuse the real issue. For 35 years, Mr. Speaker, I have devoted myself in the House to the loyal and devoted support of my party and my country. I have today nothing but the deepest respect and admiration for our President. It is true that his advisers and I differ on certain rather fundamental aspects of tax policy. But are differences of opinion so unusual under our representative form of government?

I have not—as some have viciously claimed—attempted to set myself up as a dictator on this matter. I have stood ready at all times to discuss with the Secretary of the Treasury or any other person of authority in the executive branch a reasonable adjustment of our differences. I have never said I would not compromise—although it becomes somewhat difficult to maintain an open mind when the Committee on Rules sees fit to point a gun at my head. The fact is that the Treasury has steadfastly refused to even discuss the mere possibility of adjusting its position. This has struck me as rather extraordinary in view of the fact that my position has the unquestioned and openly avowed support of vast numbers of our people from all walks of life and from all political parties. Is it so strange then that I have felt that my position is entitled to some recognition from the executive branch? Is it so strange that I have felt that this House has a somewhat larger responsibility in the field of taxation

than to merely rubber-stamp Treasury policies? No, Mr. Speaker, I have never tried to set myself up as a dictator. Rather, let us say that I have refused to be dictated to on a moral principle.

I would recall to the memories of the Members of this House that when the late President Roosevelt saw fit to veto a revenue bill, his distinguished and much beloved majority leader in the other body, Alben W. Barkley, resigned his leadership, declaring the President's action to be an unparalleled interference with the prerogatives of Congress on revenue matters. The Congress promptly and without hesitation overrode the veto.

I say to my friends and associates on this side of the aisle that loyalty to the President does not require the adoption of this resolution.

I say that loyalty to the President does not require the destruction of our own branch of the Government. True loyalty is never so blind. The greatest service that you can perform here today for our President, for our party, and for our country is to vote now to maintain the integrity of the Congress. The path of duty is clear.

No rule of procedure is of longer standing than the rule of the House of Representatives to the effect that a committee may not report a bill whereof the subject matter has not been referred to it by the House. In recent times no committee has even sought to challenge this rule.

On January 4, 1917, the Committee on Rules offered a resolution to discharge the Committee on Interstate and Foreign Commerce from further consideration of House Joint Resolution 323. A point of order was made. The Speaker, Mr. Champ Clark, sustained the point of order—second session, 64th Congress, CONGRESSIONAL RECORD, page 841.

As early as 1850 this rule was well settled. On February 21, 1850, Mr. Andrew Johnson, of Tennessee, from the Committee on Public Expenditures, reported a bill which had not been referred to the committee. A point of order was sustained by the Speaker, Mr. Howell Cobb—1st session, 31st Congress, Journal, page 590.

On November 6, 1877, Mr. Whitthorne, from the Committee on Naval Affairs, reported a resolution which had not been referred to the committee. Mr. Frye made the point of order. The point of order was sustained by the Speaker pro tempore, Mr. Milton Saylor—1st session, 45th Congress, CONGRESSIONAL RECORD, page 590.

On December 4, 1877, Mr. Schleicher, from the Committee on Railways and Canals, submitted a report and the resolution. The Speaker, Mr. Samuel T. Randall, ruled that a committee has no authority to report a resolution the subject matter of which had not been referred to it. The Speaker quoted from Jefferson's Manual, as follows:

> It is not competent for a committee to report a bill where the subject matter has not been referred to it by the House, by the rules, or otherwise. (2d sess., 45th Cong., CONGRESSIONAL RECORD, p. 18.)

On February 26, 1878, Mr. Tipton, from the Committee on Manufactures, submitted a report and a resolution the subject of which had never been referred to that committee. Mr. Speaker Randall ruled that the committee had no authority to make the report—2d session, 45th Congress, CONGRESSIONAL RECORD, page 1342.

On August 18, 1890, Mr. Vandever, on behalf of the Committee on Irrigation of Arid Lands, moved that the rules be suspended so as to enable him to report and the House to pass a concurrent resolution. The point of order was made that the resolution was not before the House, the subject matter of the resolution not having been referred to the committee. The Speaker, Mr. Thomas B. Reed, sustained the point of order—1st session, 51st Congress, CONGRESSIONAL RECORD, page 8772.

The only ruling of any Speaker of any Congress to which the majority leader has referred in support of his position is a ruling by Mr. Crisp, on February 4, 1895, 53d Congress, 3d session, CONGRESSIONAL RECORD, page 1746. An analysis of the ruling, however, shows that if it has any value at all in the present situation it is a precedent squarely against the position of the majority leader. The facts in 1895 were these: The Rules Committee had presented to the House a rule to consider H. R. 8445, an omnibus bill dealing with private war claims. A point of order was made against the receipt of the report on the ground that the bill was pending before the Committee on War Claims of the House. The rule, however, specifically provided:

> If there should be in said bill any item or claim * * * which has not been * * * reported favorably by the Committee on War Claims of the House, the same shall be stricken out on a point of order made thereon.

The chairman of the Rules Committee, Mr. Catchings, pointed out to the Speaker that there was nothing in H. R. 8445 that had not been reported out favorably by the War Claims Committee. He said:

> Mr. Speaker, this bill embraces nothing at all except items which have been considered by the Committee on War Claims and favorably reported.

After reemphasizing this point several times, he further said:

> I have made this rather long statement for the purpose of showing that the Committee on Rules has not attempted in any shape, manner, or form, to thrust upon this House the consideration of any matter which has not had fair consideration by one of its committees and has received a favorable report.

The Speaker overruled the point of order. Despite the explanation by Mr. Catchings, he admitted that the Rules Committee was, in effect, asking the House to change the rules. He relied on the fact that the rule specifically provided that, if there was anything in the bill which had not been reported favorably by the Committee on War Claims of the House, the same would be stricken out on a point of order made thereon so that there was no conceivable way in which the Committee on War Claims could be bypassed.

The other instances referred to by the majority leader in no conceivable way refer to an attempt by any committee to bypass another committee.

The majority leader referred to House Resolution 289 in the 76th Congress, August 2, 1939—CONGRESSIONAL RECORD, page 10850. This was a rule on H. R. 5435, a bill to amend the Fair Labor Standards Act of 1938. The rule provided that after a 3-hour general debate it would be in order to strike out everything after the enacting clause and substitute H. R. 7349. The rule also permitted a motion to substitute the text of H. R. 7133 as a substitute for H. R. 7349. All of these bills were on the same subject. There was no objection to the rule. H. R. 5435 had been favorably reported by the Committee on Labor.

The majority leader referred to House Resolution 689 of July 1, 1946—CONGRESSIONAL RECORD, volume 92, part 6, page 8059, in the 80th Congress. This rule provided for an extension of the Emergency Price Control Act of 1942 embodied in House Joint Resolution 371. The chairman of the Banking and Currency Committee, to which House Joint Resolution 371 had been referred, had requested the rule. All points of order against the rule were waived. In this connection, it should be pointed out that, had the Price Control Act expired, there would have been no control of prices after the expiration date. In the case of the excess-profits tax, the tax will continue after June 30, irrespective of whether this Congress takes action.

The majority leader referred to House Resolution 198 in the 77th Congress—CONGRESSIONAL RECORD, volume 87, part 9, page 9298. This was a rule on H. R. 4139, which embodied antistrike legislation designed to prevent strikes in naval construction and which had been reported out of the Committee on Naval Affairs. The rule permitted broad amendments with respect to labor disputes in national defense. No objection was made to the rule.

The majority leader referred to House Resolution 671 in the 78th Congress—December 8, 1944, CONGRESSIONAL RECORD, volume 90, part 7, page 9079. A rule for Senate bill 2019, relating to the creation of the grade of fleet admiral, had been reported favorably by the Naval Affairs Committee. The rule permitted debate on H. R. 5576, a substitute bill. The Rules Committee had held extensive hearings on the whole problem. The chairman of the Rules Committee said "both legislative committees" have agreed to the procedure. No point of order was raised against the rule.

The majority leader referred to House Resolution 283, 81st Congress—July 20, 1949, CONGRESSIONAL RECORD, volume 95, part 7, page 9836. This was a rule for H. R. 5345, a bill to amend the Agricultural Adjustment Act of 1938. It was an open rule. There was no challenge to the legality of the rule. H. R. 5345 had been reported favorably by the standing committee to which it had been referred. The rule also provided that after debate it would be in order to strike the bill and substitute the text of H. R. 5617. This was another bill on the same subject.

Finally, the Speaker referred to House Resolution 586 in the 82d Congress—May 7, 1952, CONGRESSIONAL RECORD, volume 98, part 4, page 4896. This was a rule for H. R. 5767, which had been favorably re-

ported by the Committee on Interstate and Foreign Commerce. The rule provided that it would be in order to move to substitute H. R. 6925 for part of H. R. 5767. These two bills were on the same subject. The authority of the Rules Committee was not challenged.

Mr. HALLECK. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Speaker, as a Member of this House, I have always felt that the House should have an opportunity to work its will. As a member of the Committee on Ways and Means, I have always had and do now have the highest regard for our chairman, the gentleman from New York [Mr. REED] who has just addressed us. I know him as a reasonable man, as a sincere man, and as a man of high principle. I have been convinced in my heart that in his reasonableness and in his soundness and in his belief in constitutional government, he, too, has as his ultimate desire that the House should be able to work its will on any legislation it desired to act upon. In my judgment, the rule which is proposed to bring the so-called excess-profits-tax extension bill before this House is of such a drastic nature and it does such violence to the principles of sound legislation procedure that it would be my hope that it would not be necessary to call up such a rule and establish such a precedent. Therefore, as a member of the Committee on Ways and Means, I would certainly give to our majority leader and to the Speaker and to the House the assurance as one Member that I will do everything I can to assure that an opportunity is given in the orderly, legislative way for this House to work its will on the legislation involved without resort to such drastic procedures as are provided for by the rule which was reported out of the Committee on Rules last Thursday.

Mr. HALLECK. Mr. Speaker, the other day in the hearing before the Rules Committee, the gentleman from Tennessee [Mr. COOPER], for whom I have the highest respect, for his patriotism, his statesmanship, and his great ability as a legislator, said he thought that this matter could be worked out in the Ways and Means Committee.

I wonder if the gentleman would care to make any expression at this time in respect to that statement and this situation.

Mr. COOPER. Mr. Speaker, I appreciate the very complimentary remarks of the distinguished gentleman from Indiana, the majority leader of the House. I join with him and others in the expression of the highest degree of esteem and affection for our distinguished chairman of the Committee on Ways and Means, a man whose name has stood as a synonym of honor and integrity and devotion to duty in this House for more than a third of a century. I am glad to join with the majority leader and others in giving expression of our high degree of esteem and affection for our distinguished chairman, the gentleman from New York [Mr. REED].

In reply to the question asked by the distinguished majority leader, I will state, as he has indicated, he and I both appeared before the Rules Committee and made statements there. I pointed out to the Rules Committee that I had known all along that there was a way that this matter could be handled in the Ways and Means Committee, and that it could have been done several weeks ago. I also stated to the Rules Committee that I believed it could still be worked out in the Ways and Means Committee, and I am still of that opinion.

Bear in mind that the Ways and Means Committee has been meeting practically every day up until about the middle of last week. At any session of the committee any member could have made a motion that on a certain day and at a certain hour it would be in order for the committee to consider in executive session the excess-profits tax, and that it shall remain the unfinished business of the committee until disposed of. That would place the matter directly and definitely before the committee, and it could have been disposed of long before now.

That course can still be taken. Of course, the Ways and Means Committee is certainly going to meet, and at any meeting this type of motion could be made.

The fact that the present law expires on tomorrow is not of great importance. Whenever the matter is worked out in the Ways and Means Committee it can be made retroactive from the time of the expiration date. The very law that you are here seeking to extend was made retroactive when it was passed. Most revenue measures reported by the Ways and Means Committee and passed by the House and enacted into law have been retroactive. I recall one bill that was retroactive more than a year from the time it was passed. The Reciprocal Trade Agreements Act expired on June 12. The bill to extend the act was not even considered in the House for several days after the expiration date, and it is still pending in the Senate. It has not passed there and has not become law yet, but, when it does become law, it will be effective from the expiration date of June 12.

This matter can be handled in the same way, and it can be handled in the usual orderly way by the legislative committee having jurisdiction of the subject where it can be given the same type of very careful and thorough consideration that has always characterized the work of your Ways and Means Committee. So I think it can be handled in the Ways and Means Committee without resorting to the extreme and unusual method ordered by the rule which was reported by the Rules Committee. Does that answer the gentleman's question?

Mr. HALLECK. Yes; it certainly does; and I want to thank the gentleman from Tennessee for his statement.

Mr. DINGELL. Mr. Speaker, I came here today prepared to do combat for principle against well-entrenched and armed foe—a fight to the death. What happened? The opposition abjectly surrendered without firing a shot, a clear indication that the Republican leadership did not have stomach for the battle because it lacked a majority of the votes to force the issue in this iniquitous and unprecedented move.

Mr. Speaker, I subscribe and underwrite the substance and the sentiments expressed by my distinguished friend and colleague the gentleman from Tennessee [Mr. COOPER], who gave the unchallenged and learned advice accepted by the House today as to how the problem should be handled peacefully and in accord with the rule. He gave that same outline to the Rules Committee in the presence of the majority leader, but it was rejected despite the general admission of his—Mr. COOPER's—reputation as one of the foremost parliamentarians in Congress. The House might have been spared criticism and much bitterness might have been avoided on both sides of the aisle had his scholarly and temperate advice been taken. There would be neither loss nor gain on the point of forcing the issue before the expiration date of the excess-profits tax as provided in the law. As a member of the Committee on Ways and Means and a conferee, I recall that the entire provision as enacted at the time was retroactive for 6 or more months to January 1. If it could be done at that time, it can be done again. Many tax provisions have been made retroactive in the past and will be so provided for in the future.

I am in favor of an extension of the excess-profits tax for at least 6 months, longer if needed. This tax, as stated in the House report when it was originally enacted, is designed to "reach corporate profits which have been swollen by the increased tempo of the economy. An excess-profits tax selects for additional tax those corporations whose profits are higher than they probably would have been in the absence of hostilities and a large military budget."

Those reasons for imposing this tax to begin with are equally applicable today. Defense spending has not as yet reached its peak, nor are certain corporations even under the excess-profits tax paying their fair share of the total Federal tax burden.

In 1939, direct taxes on individuals and corporations amounted to approximately one-fourth each of the total Federal revenue. In 1952, direct taxes on individuals accounted for about 50 percent of the total Federal revenue, while direct taxes on corporations accounted for about one-third.

I must say, however, that my conviction that this tax must be extended certainly was not due to the testimony presented by Secretary of the Treasury Humphrey in his appearance before our committee urging the extension. In fact, he condemned this tax with all the adjectives its bitterest and most voluble opponent could use; he called it vicious, unfair, inequitable, and so forth. Then he turned around and, in spite of such condemnations, asked for a 6-month extension.

In reading between the lines of Secretary Humphrey's testimony, I would like to tell you what I fear and foresee. Next year we are going to be asked to impose a general sales tax. Secretary Humphrey, by any objective standard, could hardly seriously expect the Congress to extend this excess-profits tax in the light of his testimony. I fear that he actually would not be too unhappy if we let the tax expire and increase our deficit to

such an extent that he will be in a better position to come here next session asking for a general sales tax.

I told him directly to his face that that is what his testimony meant to me. He did not deny it. His answer was that the Treasury Department is studying all possible sources of revenue. That to me meant that they are giving priority to a general sales tax.

Not only that—the President himself, in his tax message to the Congress, recommended that the termination date of April 1, 1954, for the increases in the excise taxes made by the Revenue Act of 1951 be removed. I fought those increases, and when I failed to keep them out of that law, I had this termination date inserted. We have had a prior experience with a Republican administration on excise taxes. You will recall that in the 80th Congress, the Republicans removed the termination date then contained in the law for the war excise taxes. Despite my initiative and all my efforts, those taxes are still with us, and here we have the Republicans again asking us to remove the present termination date in the law for the increases made in 1951.

If there is an area where taxes should be reduced, it is certainly in the area of excise taxes. Not only have the war rates been continued, but on top of those rates, many increases were made in the Revenue Act of 1951.

We have the corporations coming to us urging that we permit the excess-profits tax to expire. The World War II excess-profits tax expired in 1945. The corporations got their relief then. Our present excess-profits tax was enacted as a result of the beginning of hostilities in Korea. Those hostilities have not ceased, and defense spending is still to reach its peak.

I personally would prefer to see the excess-profits tax extended even beyond December 31 of this year. I am serving notice here and now: Not only will I fight any attempt to introduce a general sales tax, but I am going to oppose the recommendation of the President that the termination date on the increases in the excise taxes imposed in the 1951 Revenue Act be removed.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I am sure that all of us feel that we were about to engage in what was promising to be a very important and a very severe parliamentary battle. The unusually large attendance indicates that. Now it appears that we have come to a method of solution, which I hope will be satisfactory, and I want to congratulate the majority leader for his doing what I think he is going to do.

Mr. HALLECK. May I say to the gentleman he is going to.

Mr. JENKINS. I have been one of the most persistent and consistent opponents of the distinguished majority leader in his views on the matter before us. And I have been one of the most sincere adherents to our distinguished chairman the gentleman from New York [Mr. REED]. Now that the majority leader has almost made his purpose clear and the gentleman from New York [Mr. REED], has most emphatically made his position clear as has been attested by the magnificent demonstration accorded him by the large membership present here this afternoon, it is apparent that the House would like to see this matter deferred today. I hope that if it is deferred today that it will either be recommitted to the Rules Committee or that it will be understood that it is dead to all intents and purposes. The gentleman from New York [Mr. REED], truly made his position clear today and I feel we can work something out that will be satisfactory. But we must recognize the fact that the consideration of this proposed rule had brought us Republicans into a battle among ourselves that might have become serious for it involved a serious parliamentary problem.

Mr. HALLECK. I want to thank the gentleman from Ohio for his statement.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, 17 years ago this House faced the proposition of packing the Supreme Court and repudiated the proposition. That was an effort of the Executive to control the judiciary. If this rule had been put to this House and carried it simply would have meant the Executive at any time he saw fit could bypass any committee of this House; it would mean that he would have control over the Congress.

We have avoided, it seems to me, the showdown on that issue. Presently, we have not settled the issue. I agree with the chairman that it should be settled once and for all that this House cannot have its rules and its procedure overridden any time the Executive wants to do it. Personally, I am sorry that the issue has not been fought out and settled one way or the other.

Mr. Speaker, the chairman of the Ways and Means Committee polled the 15 Republican Members of his committee on the extension of the excess-profits tax early in the session and found they stood 12 to 3 against extension. Weeks later, the Speaker polled the 15 Members and found that they stood 10 to 5 against extension. Now the leaders claim they have assurance that the 15 Members now stand 10 to 5 for extension. What has happened to change a 10-to-5 majority against extension to a 10-to-5 majority for extension? Of course, we know that party pressure or party discipline has been applied. Knowing this, the chairman, the gentleman from New York [Mr. REED] decided to protect the Members from being forced to vote against their convictions. This simply means that the chairman instead of preventing the majority of his committee from expressing their will, he was protecting them from being forced against their will, and under pressure, to vote against their convictions. In view of this fact, the chairman of the Ways and Means Committee was not being stubborn and selfish in his attitude, but rather was being unselfish and considerate of the member of his committee.

Mr. SMITH of Virginia. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Virginia.

Mr. SMITH of Virginia. We are equally happy that this matter seems to be on the way to solution. I hope very much that it will work out, but I am wondering what in the meantime happens to the resolution reported by the Rules Committee. I assure the gentleman I do not mean to be facetious; I am trying to be helpful. I am wondering if it would not be a better solution of the whole thing if the gentleman from Illinois, chairman of the Committee on Rules, would now move to lay that resolution on the table.

Mr. HALLECK. Mr. Speaker, as always, the gentleman from Virginia is very helpful. May I say that I have tried to evidence my good faith in this whole matter. There are many things that I would rather like to say apropos of certain statements that have been made here, but I am not going to say them.

No one on the Rules Committee is going to call this rule up. Why not let the matter ride? I understand there have been a lot of maneuverings, but let us forget them, because there has been a demonstration of affection for the gentleman from New York [Mr. REED], and respect for him. I think, likewise, there has been a demonstration here of a desire to work this matter out. I said at the outset I believe it can be worked out. We have had the assurance from Members on both sides of the aisle that it will be worked out.

Under the circumstances, the rule is not going to be called up. I am convinced that the Ways and Means Committee will work this matter out and, as far as I am concerned, may I say to the gentleman from Virginia, let us not complicate the matter further.

Mr. SMITH of Virginia. Mr. Speaker, I think the gentleman has made a good statement, but I am wondering if I might suggest a further arrangement. So far as the general membership of the House is concerned, some of whom will be away one day and back the next, this matter may be called up at some time when these negotiations fall down, which I hope will not happen, and I am wondering if it would not be the proper thing to by unanimous consent recommit the resolution to the Committee on Rules.

Mr. HALLECK. May I say to the gentleman from Virginia that the leadership, sometimes myself included seems to waiver very much, but I have not yet engaged in snap judgment on the membership of the House and I am not going to.

Mr. SMITH of Virginia. I thoroughly believe that and have the utmost confidence in the gentleman from Indiana, but I think it would create a better feeling among the membership if this matter were handled in that way.

Mr. Speaker, I am very happy that there is a prospect that House Resolution 306 will not be called up this morning. I appreciate the position of the majority leader, Mr. HALLECK, and he is pursuing his usual course of wisdom and good judgment in not bringing this resolution to the floor today, and even if my suggestion is not adopted, I hope he will be successful in so arranging matters

that the House will not be confronted with a decision on this resolution overriding the Ways and Means Committee, which I regard unprecedented in all the annals of the House of Representatives.

In order that the proceedings here today may never be taken in any way as a precedent for destroying the historic and proper authority of the legislative committees, I take occasion to call attention to the various actions of the House in the past that have been cited as precedents for the action of the Rules Committee in reporting House Resolution 306. I wish to state emphatically that there is no precedent that would justify the Rules Committee in reporting this resolution or the House in adopting it.

The earliest precedent quoted by the majority leader before the Rules Committee with respect to the bill, was before the Congress in 1895 and was discussed in the CONGRESSIONAL RECORD of the 3d session of the 53d Congress, page 1740, and page 1744. In that case, the Rules Committee reported an omnibus claims bill which had not been reported as such from the Committee on War Claims. However, the RECORD discloses that every item in the bill had been favorably reported by the committee in separate bills, and that the omnibus bill was merely a collection of the various bills favorably reported by the committee. The chairman of the Rules Committee, on page 1744, at the conclusion of the complete explanation of the situation, made this statement:

> I have made this rather long statement for the purpose of showing that the Committee on Rules has not attempted in any shape, manner, or form to thrust upon this House the consideration of any matter which has not had fair consideration by one of its committees and received a favorable report.

The action of the Rules Committee in the 77th Congress, first session—CONGRESSIONAL RECORD, volume 87, part 9, page 9298—was cited as a precedent. In that instance the Rules Committee granted a rule on the bill H. R. 4139, which had been reported by the Naval Affairs Committee. In that instance there was a regularly reported bill for which the chairman of the legislative committee in due course appeared before the Rules Committee and asked for a rule for its consideration. In granting the rule on the regularly reported bill the Rules Committee merely did what is frequently done, namely, it included a provision making it in order for any Member to offer as a substitute bill either the Ramspeck bill or the Smith bill, all of which bills related to the same subject matter.

A similar situation occurred in the precedent cited from the CONGRESSIONAL RECORD in the 82d Congress, second session—CONGRESSIONAL RECORD, volume 98, part 4, page 4896. The bill H. R. 5767 had been reported by the Interstate and Foreign Commerce Committee, and there was pending before the Judiciary Committee a similar bill, H. R. 6925, relating to the minimum resale price. In that instance the Rules Committee granted a rule on the reported bill of the Interstate and Foreign Commerce Committee, and made it in order to offer a substitute in the form of the bill H. R. 6925.

In the instance cited in the 81st Congress, first session—CONGRESSIONAL RECORD, volume 95, part 7, page 9836—a similar situation occurred. There were two bills on the same subject pending before the Committee on Agriculture to amend the Agricultural Adjustment Act. The committee reported H. R. 5345 and requested a rule of the Rules Committee. The Rules Committee granted a rule in due course, but made it in order to offer as a substitute the bill H. R. 5617, known as the Gore bill, dealing with the same subject matter.

In the precedent cited in the 78th Congress, second session—CONGRESSIONAL RECORD, volume 90, part 7, page 9078—the House Rules Committee granted a rule on S. 2019, reported by the Naval Affairs Committee, but made in order as a substitute the bill H. R. 5576, both bills relating to the same project. When the Naval Affairs Committee asked for a rule on S. 2019, the Rules Committee made it in order to offer the House bill H. R. 5576 as a substitute.

The same thing occurred with reference to the precedent cited in the 76th Congress, first session—CONGRESSIONAL RECORD, volume 84, part 10, page 10850—where the Committee on Labor asked for a rule on H. R. 5435, to amend the Fair Labor Standards Act. The committee granted the rule, with the right to offer as a substitute two other House bills, H. R. 7349 and H. R. 7133, all relating to the same subject matter.

All of these so-called precedents were merely incidents of the usual and customary procedure of the House Rules Committee. Where a rule is granted on a bill from a legislative committee, and another bill on the same subject is pending, the Rules Committee, using the regular reported bill as the vehicle, will grant a rule that permits the House, if it so desires, to substitute a different bill on the same subject.

In the case cited from the 79th Congress, 2d session—CONGRESSIONAL RECORD, volume 92, part 6, page 8059—a slightly different situation prevailed. In that case there was House Joint Resolution 371, extending the date of expiration of the Price Control Act for 20 days. The act was about to expire. The President had vetoed an extension bill sent him by the Congress, and an economic crisis was imminent. In the emergency, the Rules Committee was requested by the chairman of the Committee on Banking and Currency, having jurisdiction in the legislation, to grant a rule for the consideration of the 20-day extension. The imminent expiration of the existing law rendered it impossible to hold hearings and report a bill on new legislation, but in this instance the Rules Committee granted a rule on the application of the chairman of the legislative committee, the purpose of the resolution being to give to the legislative committee time in which to frame and report proper legislation. So far as the RECORD discloses, there was no objection to the procedure on the part of any Member, either on or off the committee. No point of order was raised against its consideration.

Mr. Speaker, I devoutly hope that the majority leader, the gentleman from Indiana [Mr. HALLECK], will be successful in his sincere efforts to bring this measure to the floor of the House for consideration in the regular course of authorized legislative procedure, without the necessity of resorting to the device with which we are confronted this morning of a precedent-shattering character; the ultimate effect of which on legislative procedure in the future no one could predict.

Mr. HALLECK. May I say to the gentleman from Virginia that I have some feelings in the matter, too, but I have tried to restrain them. I have tried to go along and do the best job I could in the responsible position I hold to try to get this matter adjusted. It is evident here it is on the way to adjustment.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from New York.

Mr. REED of New York. First of all, Mr. Speaker, I ask unanimous consent to extend the remarks that I have made here today and also to include some memoranda with reference to certain precedents which were held up before the country—those precedents which were held up to influence the country were false.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, if this rule is not disposed of, then the sword of Damocles hangs over every Member of the House. Why not settle the issue now?

Mr. HALLECK. Mr. Speaker, the gentleman from New York, apparently, in contravention of some ideas, would like to have this head-on collision. Personally, I do not want it, and I do not think the membership generally does. So, Mr. Speaker, I yield back the balance of my time.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

> H. J. Res. 287. Joint resolution making temporary appropriations for the fiscal year 1954, and for other purposes.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

> H. R. 5376. An act making appropriations for civil functions administered by the Department of the Army for the fiscal year ending June 30, 1954, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses, thereon, and appoints Mr. KNOWLAND, Mr. YOUNG, Mr. CORDON, Mr. THYE, Mr. MARTIN, Mr. RUSSELL, and Mr. ELLENDER to be the conferees on the part of the Senate.

COMMITTEE ON RULES

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the Rules

Committee may have until midnight tonight to file any report or resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CLERK AUTHORIZED TO RECEIVE MESSAGES FROM SENATE AND SPEAKER AUTHORIZED TO SIGN ENROLLED BILLS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until tomorrow the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills or joint resolution passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file conference reports on the bills S. 1081 and S. 2103.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONSTITUTION THREATENED BY RULES ACTION

Mr. YORTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YORTY. Mr. Speaker, in its frantic effort to extend the excess-profits tax, the administration resorted to dictatorial, highhanded, pressure tactics which were so extreme that their use constituted a direct and dangerous threat to the fundamental structure of our Government.

Strangely enough, these tactics were resorted to, not to keep a Republican promise, but in an effort to break one, and by an administration that has in most instances veered to the opposite extreme by refusing to specifically criticize or even remotely reproach members of its party in the Congress who have preempted Executive prerogatives and repeatedly thwarted its hesitant attempts to provide our National Government with definite, but proper and legitimate leadership.

Swinging from one extreme to the other is a sign of frustration and confusion, not leadership. Neither are strong-arm methods, that violate proper respect for coequal branches of the Government, a sign of leadership.

In its desperate effort to make the end justify the means, the administration deliberately distorted and exaggerated the position and power of the distinguished gentleman from New York, the Honorable DANIEL REED. Mr. REED is not a soldier in an army under the command of a general whose judgment in issuing an order to him he dare not question. On the contrary, he is an elected Representative responsible, and responsive, to the people whom he has represented so long and with great distinction. A lesser man might knuckle under, but not the gentleman from New York. He stands as a symbol of the integrity and independence of the legislative branch of our Government. He was not just fighting a tax bill. He was stoutly defending against a challenge to the spirit, if not in fact the letter, of the Constitution. Long after the comparatively unimportant question of a short tax extension is forgotten, his courageous action will inspire others similarly confronted with dictatorial attempts to subvert the Congress to the will of the Executive.

This is not a partisan matter. It transcends partisan politics. The distinguished gentleman from California [Mr. PHILLIPS], a Republican leader, has expressed views similar to mine but far more eloquently. He said:

> The Republic faces another threat, in a series since our Constitution was committed to paper and signed on September 17, 1787. I am fully aware that this statement will be challenged, and probably laughed at; yet all around us (beneficiaries of the success and the strength of this Nation) we can see, if we are only willing to look with unprejudiced eyes, the ruins of other nations which, in our own memories, took this same first step, and justified it on the same argument of expediency.

The needed revenue to run our Government can be raised without doing violence to proper procedure. We must insist that it be raised in no other way. No last-minute attempt of the administration to alibi and back away from certain defeat by an outraged Congress can change the shameful record. Expediency was substituted for principle. The means used were not justified.

EXCESS-PROFITS TAX SHOULD BE EXTENDED

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I am very happy that the leadership of this House has reached an agreement to bring to the floor, in the regular manner, the legislation providing for the extension of the excess-profits tax, due to expire tomorrow.

While, because of the serious budgetary situation which our Government is facing, it was very important to bring the legislation in question before the House, this fact did not eliminate objection to a method which was contrary to the established procedures of this body.

The merits of the excess-profits tax are open to debate. It has been repeatedly stated that this tax is felt most keenly by new and expanding companies. There is much truth to this argument. Nevertheless, I feel that this reason alone does not justify the refusal to extend this revenue.

During the coming fiscal year, the Government is facing a deficit which will probably range between $4½ billion and $5 billion. In addition, individual income taxes are not being cut at this time. Under those circumstances, in the interest of national economic stability, and of fairness to the average taxpayer, I feel that the excess-profits tax should be extended until December 31.

A 6-month extension of the excess-profits tax can reduce our national deficit by almost $1 billion. Therefore, I am of the opinion that this extension should be approved.

COURAGE AT WORK

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, I have asked permission to insert my remarks at this point in the RECORD to register a few mixed emotions on today's procedure. Verily democracy was at work. There was greatness on the floor today, Mr. Speaker, extreme greatness. The spirit of America is alive. This Nation is solid. Courage is at work. So is humility.

The argument "Let's be practical" got stalled. Our generation has had its fill of these practical men, men who would have you believe unwittingly that the guillotine, the firing squad, sealed lips, or the cringing-in-fear technique is the way to get things done.

Orderly government, orderly procedure won the day. So did humility, the spirit of conciliation.

Everyone, to the man, rose to his feet and acclaimed the right of the gentleman from New York [Mr. REED] to do what he thought fitting and proper. It was a thrilling moment. The House saluted the spirit of a warrior. Then it got down to business.

A Congressman's campaign pledges are the direct business of that Congressman and of his constituency. He must not presume to call the shot for his colleagues. Nor should he, in fulfillment of his pledge, attempt to thwart the spirit of the House by a technicality.

Yet technicalities are important. Procedures underly everything we value in western morality, that is, the birth certificate, the marriage license, the will for probate, and ever so many other safeguards an individual, to survive, requires. The tyrants of history have smashed societies by plowing through safeguards erected by the humble, whom they babbled they would serve, only to ensnare.

To every gentleman who spoke today, the people of America owe a profound debt of gratitude. In today's decisions, verily, democracy and its helpmeet, courage and humility, preserved the dignity of man and of our Congress.

PERSONAL ANNOUNCEMENT

Mr. JAVITS. Mr. Speaker, I desire to to have the RECORD show that I arrived late for the quorum call because of plane

delay, but I was here during the discussion on the excess-profits tax.

SPECIAL ORDER

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent that the special order I had for today may be vacated and that it may be entered for Thursday next.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PROGRAM FOR TODAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I am sure the Members of the House would appreciate it very much if the majority leader could advise us what legislation there will be for the remainder of the day.

Mr. HALLECK. Mr. Speaker, I will say to the gentleman that there is none. We had scheduled nothing for today other than the matter that has now gone over. The whip notice for the rest of the week will stand, and I sincerely hope that come Thursday evening we can be in the clear, having completed the Defense Appropriation Act, and go home and make some important July 4th speeches.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I would like to ask the gentleman from Indiana, since we have one of the biggest crowds today we ever had here, why we could not go on with the work and get the job done and give the people in the Midwest a chance to go home on the Fourth of July? Is there anything wrong with that suggestion?

Mr. HALLECK. May I say that the time for taking up the military defense appropriation bill is set, and under the rules it cannot be called before that time. The program has been announced, and everybody has figured on it. May I remind the gentleman that I, too, come from the Midwest.

Mr. JONES of Missouri. We had another matter set for today, and I do not know why we could not go ahead with that.

AUTHORIZING PRESIDENT TO PRESCRIBE OCCASIONS UPON WHICH UNIFORM OF ARMED FORCES MAY BE WORN

Mr. JOHNSON. Mr. Speaker, I call up the conference report on the bill (S. 1550) to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 665)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1550) entitled "An Act to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its amendments numbered 1 and 2 and agree to the same.

DEWEY SHORT,
LEROY JOHNSON,
PAUL J. KILDAY,
Managers on the Part of the House.

LEVERETT SALTONSTALL,
STYLES BRIDGES,
RICHARD B. RUSSELL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1550) to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

LEGISLATION IN CONFERENCE

On May 19, 1953, the House of Representatives passed S. 1550, to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom. The House amended the bill in two identical instances. The amendments, numbered 1 and 2, require the President, before issuing regulations governing the wearing of the uniform, to consult with the Armed Services Committees of the Congress.

On June 4, 1953, the Senate disagreed to the amendments of the House and asked for a conference.

The House receded from its amendments numbered 1 and 2 and agreed with the managers on the part of the Senate that the amendments were unduly restrictive and unnecessary. Since authority to prescribe regulations is given to the President in the bill, the managers on the part of the House agreed in conference that the President should not be required to consult with the Armed Services Committees before issuing such regulations.

The House recedes.

DEWEY SHORT,
LEROY JOHNSON,
PAUL J. KILDAY,
Managers on the Part of the House.

Mr. DURHAM. Mr. Speaker, will the gentleman explain how the conference report differs from the bill that the House passed?

Mr. JOHNSON. As the House passed it, the bill provided that the President could prescribe regulations as to when the uniform might be worn at public functions, the House having added an amendment that he could make the regulations effective only after prior consultation with the Armed Services Committees of the Congress. That clause has been deleted, and we concur in that action.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. HOFFMAN of Michigan asked and was given permission to address the House for 5 minutes today, following any special orders heretofore entered.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. WHEELER] is recognized for 60 minutes.

Mr. WHEELER. Mr. Speaker, is there any other business today in the way of special orders?

The SPEAKER. There are three other special orders for today, one for 20 minutes and two for 5 minutes each.

Mr. WHEELER. Mr. Speaker, I ask unanimous consent that the gentleman having the next special order now be recognized, and that I be recognized after that.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

A BANK'S SMALL BUSINESS PROGRAM: HARD-MONEY, HIGH-INTEREST, HARD-TIMES POLICY

The SPEAKER. Under previous order of the House, the gentleman from Texas [Mr. PATMAN] is recognized for 20 minutes.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I am inserting herewith an advertisement that appeared in this morning's Washington Post on a new credit program for the small-business man. I desire to congratulate the officials of this bank for this forward move.

BANKS SHOULD SERVE LOCAL NEEDS

It is my opinion that bankers have been induced largely through governmental agencies and the Federal Government itself to neglect or become too indifferent toward the actual banking functions and services that should be rendered locally and from which a good return would be available. I am all for the commercial banks making an adequate profit—a real good profit.

RISKLESS LOANS

In recent years a large part of the earnings of banks has come from riskless loans and investments of the banks which were guaranteed by the Federal Government including investments in United States Government bonds.

A few days ago the Federal Reserve Board changed the reserve requirements of member commercial banks. The maximum requirements fixed by the Congress are 26 percent for the central reserve city banks—New York and Chicago—where the velocity of money and credit is much greater than the rest of the country; the reserve city banks—about 90—of the other larger cities, was fixed at 20 percent; and the country banks—which are all other banks—14 percent. In other words, according to these requirements these commercial banks are allowed to expand their credit or create money, which is all the same, equal to about four times in the New York and Chicago banks, about 5 times in the reserve city banks, and about 7½ times in the country banks—averaging about 6 to 1 in all the banks prior to this recent reduction. This means that for every $1 that the banks have they can create money and make investments on the creation of the new money and credit equal to $6 for every $1 that the banks have. After this new reduction takes place the ratio will be more than 6 to 1. In the recent change last week the central reserve city banks—New York City and Chicago—will not have to keep a reserve equal to 26 percent, the maximum fixed by Congress, but will only be required to maintain a 22 percent reserve. This 4 percent under the ceiling fixed by Congress allows New York City and Chicago banks to have about $1 billion extra reserves upon which they can create additional money and credit equal to almost $5 to $1. Incidentally, $820 million of this billion dollars is in the New York City banks and the other $180 million in the Chicago banks. The point is the New York City banks have had delivered to them without any cost whatsoever, or without increasing their capital stock, or without putting up any collateral whatsoever, $820 million in reserves which they can expand on with a 22 percent reserve requirement almost 5 to 1, and they are not restricted in any way on how this additional money or credit may be used. They can use it for speculation or they can use it to buy more United States Government bonds. They can buy Government bonds that are selling at 91, with this new money they are allowed to create with ink on their books, if they want to: Although the Government credit is behind their operations they are allowed to buy Government bonds with this money if they want to and receive interest on the bonds while they hold them, of course; or they can take advantage of the reduced margin requirement put into effect February 20 by the Federal Reserve Board and favor the speculators by using this newly created money for stock market operations; or they can use it in any way they choose.

FAVORITISM?

This $820 million in excess reserve which has been handed over to the banks at one city is more than the amount that is made possible for all the other banks including Chicago in the entire United States. It occurs to me that this is a definite discrimination in favor of the New York City banks and against all the other banks. The central reserve city banks—New York City and Chicago—are favored by the Federal Reserve Board because their reserve requirements are set at 4 points below the maximums whereas all the other banks have their reserve requirements fixed at only 1 point below the maximum.

About one-third of the business loans in the United States are made in New York City banks so these banks are already getting the benefit of about one-third of the created credit or money. The present administration has brought 5 of the 9 directors of the New York Federal Reserve Bank to Washington and placed them in high positions that they now occupy.

For many years the banks over the country generally were reluctant to take and carry automobile installment paper. In many sections strong, privately owned finance companies were organized and are thriving on this type business. In these same sections for 20 years the banks ignored it, but all at once they waked up and said "that business belongs to us"; these other fellows should be out of that business. This was an acre of diamonds in the banker's backyard which he did not see for a long time. There are many other acres of diamonds in the backyard of the bankers that they are not taking advantage of because I believe they have been induced to become too indifferent to the plight of their local people or the needs of their local people because they could invest their money several times to one in Government securities and in investments guaranteed by the Government, which were riskless.

BORDERING ON USURY

One of the first bills passed by this Congress at this session was an extension of that part of the FHA Act providing for improvement loans which allows the banks to charge 9.7 percent interest, which is really bordering on usury, for a riskless improvement loan which is guaranteed by the Government. No bank in America has ever lost one penny on such a loan so it could not be considered anything else except riskless.

I hope other banks will take up the policy of the Union Trust Co. here in Washington and not only explore it, but expand it with the idea in mind of getting back into the banking business where the local people will be served and their local needs taken care of in a way that will build the local community.

The editorial is as follows:

[From the Washington Post of June 29, 1953]

A NEW CREDIT PROGRAM FOR THE SMALL-BUSINESS MAN

Supplying sound credit to small-business enterprises has long been a difficult banking problem. Some of these organizations are newly formed and lack a proven record of success; others have a record of success, but have been handicapped because of inadequate working capital.

We at the Union Trust have no cure-all for these problems. We recognize that in some cases there is no cure. But we know that in many others there is a way to provide small-business credit.

To put into effect this specialized program we have established a small-business loan department at our main office at 15th and H Streets NW. This department will service applications generally ranging from $5,000 to $25,000 from small businesses in Washington and suburbs which have a net worth of $10,000 and more.

Applications will be welcome for loans to meet seasonal needs, to finance the purchase of machinery and equipment, to enlarge or improve business facilities, and other worthwhile purposes.

We earnestly invite you to phone or call on us.

UNION TRUST CO. OF THE DISTRICT OF COLUMBIA,
15th and H Streets NW.—14th and G Streets NW.

CREDIT UNIONS

Mr. PATMAN. Mr. Speaker, under leave to extend my remarks, I desire to insert in the RECORD at this point an editorial which appeared in the June 1953 issue of the Bulletin, published by the Texas Credit Union League, entitled "Yates Election a Great Victory."

Having known Mr. Yates for many years, my opinion is that no better selection of one to fill the presidency of the Credit Union National Association could have been made. By his past work in connection with the credit-union movement, he has gained the complete confidence of the members of this association; and under his leadership, this movement will be advanced and the service steadily improved.

The editorial is as follows:

YATES ELECTION A GREAT VICTORY

Honor and glory have come to Texas through the election of a native son to the presidency of the Credit Union National Association. Natural pride rises in the hearts of Texans when they realize that such a man as H. B. Yates is a product of Texas. To becoming outstanding in the credit-union movement, Texans have applied themselves diligently and their efforts have been successful through the guidance of leaders like Yates. Although Texans have a tendency to be somewhat loud and vociferous about their accomplishments, this is generally a subterfuge to disguise the humility in their hearts. This humility and realization that in order to make that long, hard, uphill financial pull, we all need a helping hand, has made credit-union philosophy readily accepted in Texas.

Great though this victory may be for Texas, greater still is it for the credit-union movement as a whole. Often it has been said, that the only danger we face is from within; that this philosophy of the brotherhood of man that we subscribe to may be weakened by selfishness and greed. Under the leadership of H. B. Yates, we may be assured that these temptations will be warded off. Yates has long been a man of firm conviction and a zealous proponent of credit-union philosophy. In the face of opposition, he has steadfastly defended his beliefs. At the risk of personal degradation, he has promoted the welfare of the credit-union member.

All of us in this movement can be certain that with H. B. Yates as our president, that the thinking of our leadership will be clear, that our leader will be militant, that the bulwarks of this movement will be strengthened, that our philosophy will be protected, so that we may continue to improve our service to our fellow man.

NATIONALLY ADVERTISED

It was pleasing to me to discover in one of our most widely read magazines a full-page advertisement concerning

credit unions. It appeared this past week in Newsweek magazine, as follows:

Financial self-help plan benefits Elgin Watch employees. Operating their own credit union, employees provide themselves with profitable savings and low-cost loans. Their self-made security has proved to be of immeasurable value to the company.

Beneath the picture of James G. Shennan, the following appeared:

Says James G. Shennan, president of Elgin National Watch Co., makers of fine watches since 1865, "I am both pleased and proud at the way our people have helped each other through their credit union. I am convinced that the security which these men and women have built for themselves through the credit union has made them happier, more efficient employees. It relieves our management of many problems by solving and avoiding personal money troubles."

As an explanation of a picture showing a waiting line of employees at a teller's window of the credit union, the following appeared:

Regular saving becomes a habit with credit-union members. Convenient location near work saves employee time. The substantial return on savings is an inducement to save more. Credit union is entirely employee operated without cost to the company. Officers are elected by members. More than 16,000 credit unions now serve over 7 million Americans. The credit-union idea is over 100 years old. It has the wholehearted endorsement of government, business, labor, and church. Credit unions also operate in churches, lodges, and clubs.

Under a family group picture the following appeared:

"I save more now. It's so easy to make deposits right here at the plant. The good dividends give you a real incentive to save as much as you can," says Henry Thies, office employee. Credit-union members may have special life insurance for an amount equal to their savings up to $1,000.

In explanation of a picture of an employee at a precision machine, the following statement appeared:

Precision work at Elgin demands steady nerves and 100 percent concentration. "It takes a lot off my mind to know I can get a low-cost loan whenever I need it," says Kelley Watts. Members may have life insurance for amounts of their loans. It pays loans; protects borrowers' families.

Then appeared the following statement:

Clip and mail: Department NW-5, Credit Union, Madison 1, Wis.

Please send me, without cost, complete information on organizing a credit union.

This is for you. If you are an employee of a company, or belong to a church, lodge, or club with 50 or more people, you can have a credit union there and become a member. If you are an employer, encourage a credit union in your plant or office. Mail this coupon for full information on how to join or help start a credit union.

EXPANSION PROGRAM BEING RETARDED BY THE HARD-MONEY, HIGH-INTEREST, AND HARD-TIMES POLICY

Mr. PATMAN. Mr. Speaker, I am inserting herewith a news item that appeared in the Wall Street Journal on June 20, 1953, concerning tax exemptions and showing that the hard-money high-interest, and hard-times policy is stopping expansion and improvement. It is as follows:

TAX EXEMPTS—MACKINAC BRIDGE BOND ISSUE OF $96 MILLION SHELVED TEMPORARILY

DETROIT.—The largest construction bridge issue ever slated for market, Mackinac Bridge Authority's $96 million bonds, will be shelved until a more favorable bond market exists.

That's the decision announced by Prentiss M. Brown, chairman of the authority, upon receipt of a telegram from B. J. Van Ingen & Co., Inc., New York investment firm which has been attempting to form a nationwide syndicate to bid for the bonds.

"We regret this decision," Mr. Brown said, "because we lose the entire construction season. We shall have to reopen all our contracts and revise all our financing plans."

The telegram from Van Ingen advised:

"We strongly urge a postponement of the $96 million Mackinac Bridge revenue bond financing until a more favorable bond market exists. A record volume of tax-exempt offerings scheduled for sale in the next 30 days coupled with the weakness of general bond market conditions, make impractical at this time the underwriting and distribution of this largest construction bridge issue ever offered."

Officials of the investment firm said the bonds would return to the market place "as soon as the bond market straightens itself out." They would not estimate when that would occur.

In support of the postponement, the underwriters pointed to the recent sale of City of Miami, Fla., sewer bonds. "When first offered in February, these bonds sold for a 3.70 percent net interest cost," they declared. "Now they call for 4.32 percent borrowing costs."

Delaware River Port Authority's $100 million offering (of which $90 million is for new bridge construction) was sold 3 weeks ago for a 3.435 percent net interest cost in a stronger market and is backed by the traffic and past earnings record of the existing Philadelphia-Camden Bridge, they explain.

WHO CONTROLS DISPENSERS OF CREDIT IN THE UNITED STATES?

Mr. PATMAN. Mr. Speaker, I am inserting a very interesting letter concerning the Federal Reserve System. It is admitted by the Board of Governors of the Federal Reserve System that the System is an agency of Congress—in fact, the Chairman of the Board stated in a congressional hearing recently that the Federal Reserve System is a servant of Congress. However, this should be taken with a grain of salt in actual practice.

During the past 40 years each of the 12 Federal Reserve banks has been audited by auditors of their own choice. Each year when these audits were completed they doubtless contained criticisms and suggestions and should have been filed with the Banking and Currency Committees of the House and Senate for their information and guidance. Not one such audit has ever been filed at anyplace where it would be accessible to a Member of Congress. They are still secret. The Board here in Washington was never audited by an independent auditor until I raised the question about 2 years ago. Then an audit was made by a reputable outside concern, but do you think that that audit has ever been made available to Members of Congress? It certainly has not. It is a secret just like the audits of the 12 Federal Reserve banks have been for the past 40 years.

The hard money, high interest, hard-times policy of this administration is beginning to be felt throughout the country. The letter I am inserting makes an interesting point on that subject. It is as follows:

SALTER CANNING CO., INC.,
North Rose, Wayne County, N. Y.,
June 15, 1953.

Representative WRIGHT PATMAN,
Washington, D. C.

DEAR MR. PATMAN: I always enjoy your statements appearing in the RECORD. In the June 10 issue you say the Federal Reserve System "is an agency of Congress." In actual experience it would appear that Congress "is an agency of the Federal Reserve" to the extent that the people's representatives have no power over the dispensers of credit. This means the economic security of our millions depends upon the whims of remote individuals who are neither chosen by ballot nor known to the public.

In fear that just such an "anonimity" would pop up to thwack farmers, workers and small business, we have refrained from expanding our business in recent years. We are fairly independent of banks. We chose security to the headsman. If and when a depression comes, we are going to help it along by closing our plant—and I wonder how many others are thinking the same. By concerted effort it could be tossed back into the laps of its creator—the Big Boys. To have a depression now would double or triple the buying power of the Big Boys' surpluses, which is comparable to making profits without paying a tax on them. Have you ever contemplated this aspect?

Very truly yours,

L. J. SALTER.

RECONSTRUCTION FINANCE CORPORATION

Mr. PATMAN. Mr. Speaker, I am inserting herewith a letter I have received concerning the Reconstruction Finance Corporation, which is self-explanatory:

DRUGE BROS. MANUFACTURING CO.,
Oakland, Calif., June 14, 1953.

Hon. WRIGHT PATMAN,
Member of Congress,
Washington, D. C.

MY DEAR MR. PATMAN: This small business is concerned over the possibility that the Reconstruction Finance Corporation may be permitted to cease operations.

I am certain that you are familiar with the outstanding record of the RFC in its assistance to small business during the depression, World War II, conversion from war to peace, and now the Korean situation.

Last year we needed a loan to purchase additional machine tools so we could produce ammunition components for the Ordnance Corps of the Army. We applied to 3 banks but were turned down. We then turned to the RFC and our loan was approved.

The RFC does not compete with other financial institutions due to the fact that at least two banks must refuse to make the loan before the RFC will accept an application.

I have read that 90 percent of all the business enterprises in this country are small and that 65 percent of manufactured items are produced by small companies. Without the aid of the RFC or a similar institution, small business could not participate successfully in the defense programs of our Nation.

Since the high income taxes practically prevent capital expansion, where are we and other small companies similiarly situated to go for capital of this type?

If it would not be too much of an imposition, I should be most grateful to you if

you would let me know whether or not you are in favor of extending the life of the RFC.

Thank you very much.

Sincerely,

SCOTT D. KELLOGG,
Vice President.

SPECIAL ORDERS GRANTED

Mr. PATMAN asked and was given permission to address the House for 20 minutes on Friday next, following the legislative program and any special orders heretofore entered.

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes tomorrow, following the legislative program of the day and the conclusion of any special orders heretofore entered.

THE IMPEACHMENT OF ASSOCIATE JUSTICE WILLIAM O. DOUGLAS

The SPEAKER. Under previous order of the House, the gentleman from Georgia [Mr. WHEELER] is recognized for 60 minutes.

Mr. WHEELER. Mr. Speaker, on the 17th of June 1953 I introduced House Resolution 290 which provides:

That William O. Douglas, Associate Justice of the Supreme Court of the United States, be impeached of high crimes and misdemeanors in office.

I was moved to this extreme by the action Mr. Douglas had taken that day, under authority given him by Public Law 415, 68th Congress, in granting convicted spies and traitors an indefinite stay of execution. Contrary to evident general opinion my move to impeach Mr. Douglas is not based on the granting of the stay as such since he acted in this instance within the legal authority given a sole judge by Public Law 415. This action on his part simply served to accentuate certain conclusions I had already reached relative the general unfitness of this man to sit as a member of the Court of last resort in this country. And it is on this basis that I appear here today to make that which I feel to be a compelling case as to why House Resolution 290 should receive favorable action by your committee.

On the evening of June 19, 1953, Julius and Ethel Rosenberg were executed at Ossining, N. Y., as traitors to this country, having been convicted for violation of the Espionage Act of 1917 in that they had, beginning in 1945, conspired in the actual furnishing of certain classified military information to the Government of a foreign nation. Not that it is material insofar as violation of the statute is concerned; the information they were convicted of having furnished to the Government of Russia had to do with highly classified data concerning the production of atomic bombs. The subject matter of the case was made more dramatic because of the very nature of the information that was furnished Russia by the Rosenbergs but violation would have obtained had the information been of less dramatic nature. In other words, information furnished by the accused in this case was of such nature that possession by a hostile power could well result in the military destruction of millions of human lives. In fact, it has been convincingly argued that the Government of Russia would probably not now have atomic bombs at its disposal were it not for the aid provided them by the Rosenbergs.

To the instant case, handling of which precipitated introduction of House Resolution 290, it is necessary that I recount for the record a short history of the events that led to the granting of stay in the execution of the traitors by Mr. Douglas. Furthermore, for a more complete understanding of the attenuated implications of the case, it is well that some time be given to a discussion of the principles involved therein.

In March of 1950, Julius and Ethel Rosenberg were tried in Federal district court on the charge of having violated the Espionage Act of 1917. The jury returned a verdict of guilty on April 5 of the same year, United States District Court Judge Irving R. Kaufman imposed the death sentence and set the week of May 21 for their execution.

In New York on February 25, 1952, the United States Court of Appeals unanimously upheld the conviction and sentence of the Rosenbergs.

Also, during 1952:

October 13: By a vote of 8 to 1, the United States Supreme Court refused to review the case.

November 17: Again by a vote of 8 to 1, the Supreme Court refused a review.

November 21: The execution was set for the week of January 12, 1953.

Then in 1953:

January 5: Judge Kaufman granted a stay of execution to allow for clemency appeal to the President.

February 11: Refusing a reprieve, the President said he found "neither new evidence nor mitigating circumstances" in the case. President Eisenhower added that the Rosenbergs had been "accorded their full measure of justice."

February 17: The execution, reset for the week of March 9, was stayed indefinitely by the Court of Appeals pending a new appeal to the Supreme Court.

May 25: The Supreme Court again refused to review the case by a vote of 7 to 2, this being the first dissent by Mr. Douglas.

May 26: Chief Justice Vinson refused to grant a further stay of the execution, scheduled for June 18.

June 15: Once more the full Supreme Court refused new appeals for a review and a stay of execution; and shortly after rendering this decision recessed for the summer, to be reconvened in October.

On June 16, the day after the Court had, for the fifth time, denied all pleas made by the Rosenbergs, and after having been present for all these presentations, Justice Douglas granted an indefinite stay of execution, basing his action on the possible application of the Atomic Energy Act of 1946 in the case rather than the application of the act under which the Rosenbergs were tried and convicted. Although it was obvious to one much less versed in the law than a Justice of the Supreme Court that the application of the act of 1946 would have violated constitutional prohibition against ex post facto measures, Douglas held that—

First, the offense was a conspiracy commencing before but continuing after the date of the 1946 act. Second, although the overt acts alleged were committed in 1944 and 1945, the Government's case showed acts of the Rosenbergs in pursuance of the conspiracy long after the 1946 act became effective. Third, the overt acts of the coconspirator, Sobell, were alledged to have taken place between January 1946 and May 1948. But the proof against Sobell, as against the Rosenbergs, extended well beyond the effective date of the act of 1946. In short, a substantial portion of the case against the Rosenbergs related to acts in pursuance of the conspiracy which occurred after August 1, 1946.

Strange it is that all this could have possibly escaped notice of the Court.

The obversion employed by Mr. Douglas in the reasons given for his granting of an indefinite stay of execution for the Rosenbergs and the strained ends to which he went in making this decision are so well discussed by the concurring majority of the Court in overruling his decision that it would be trite to discuss them further here. However, comment is due the fact that Chief Justice Vinson did act with dispatch in calling the Court back from recess to act on this strange and unprecedented decision granted by Mr. Douglas. The Court was, as you know, reconvened the day following the Douglas decision and his decision was promptly set aside.

Before proceeding further with discussion of the case, I think it worthy of note that the people who interceded with Mr. Douglas to get his strange decision were an odd lot in that they had no legal standing in the case. The Rosenbergs had not employed them and, according to statement by defense counsel, had been unable to impress this counsel with the validity of the arguments that so easily persuaded Douglas to grant the stay. One of these men, Edelman, was at the actual time of his intervention awaiting trial in Los Angeles, Calif., on charge of being a dissolute vagrant. This fact, of course, has no real bearing on the case from a technical standpoint, but it does cause one to wonder how it is that a dissolute vagrant can get the privilege of a hearing before a Justice of the Supreme Court as counsel in any degree.

It is well also at this point to mention the fact that, according to press accounts of the Rosenberg funeral, the chief counsel for the defense was quoted as saying that "the President, the Attorney General, and the Director of the FBI are murderers," and was further quoted as saying, "I am ashamed to be an American." Mention of such as these is made simply because these are the people who described Mr. Douglas as a perfect target for their machinations.

Noting the perfect-target suggestion made by the defense counsel in the case along with the other circumstances, plus the strained weakness of the grounds given for granting the stay, plus the fact that the full Court had just the day before heard the case, one is made to wonder whether Douglas is a knave or a fool. Any attention whatsoever to the many books he has written obviates the suggestion that he is a fool, therefore, I am forced to the conclusion that he is a knave, unworthy of the high position he now holds. In order to prove that he is a knave, worthy of impeachment, it is

necessary that I bring to your attention some of his actions and statements, taken and made, prior to the advent of the instant case.

Before proceeding with direct charges as to grounds on which I hold Mr. Douglas impeachable, I should like to plead your patience while I discuss the general issues involved in this whole impeachment action.

Although not as well trained in the legal profession and, therefore, unable to draw as finely shaded distinctions of the law as I would like to be and as most of my honored colleagues are, there is no one who has a deeper sense of appreciation for the judicial department of this Government. The judiciary, through the years since the infancy of this Republic, has established itself as the finest vehicle for the dispensation and implementation of justice ever known to the human race. Stalwart men of the past, from Marshall to Holmes, have fashioned for us and for our posterity a concept of equal justice under the law that is a priceless heritage.

Since the inception of this Republic, with the attendant establishment of the judiciary as one of the constitutional branches of Government, judges have rendered decisions to which members of both other branches of the Government have taken exception. However, rarely almost to the point of nonexistence, have there been instances where there has been any real indication that complicity with the purpose of the litigants, yielding to political expedients of the moment, or hope of personal aggrandizement, has influenced the pronouncements emanating from the judicial bench. This has been generally true throughout the whole judicial system but it has been remarkably true of the Supreme Court for it has consistently been just what its name implies, that is, the ultimate example of the fruition of man's eternal search for justice.

In the light of the foregoing expression of my high regard for the judiciary, I am pained deeply by knowledge that a member of the present Court has grown so careless of his sworn duty and so oblivious to the ethics of his high office as to bring criticism to the Court. The pain is deepened by the fact that this one member has so conducted himself as to have his official actions and words used to the aid and comfort of sworn enemies of this Nation. When the latest dangerous act of this Justice came to my attention on the 17th of June, 1953, personal inclination, based on my regard for the judiciary, tempted me to take no action whatsoever. However, as the enormity of the situation involving amnesty to proven traitors impressed itself into my conscience, persuasion of patriotic loyalty constrained me to take the most effective and immediate action available to my purpose of seeing to it that justice would prevail. Furthermore, this action was taken in the belief that instead of harming the judiciary as a whole, it would have a salutary effect in reminding the Court and the country as a whole that the appointive Court is still subject to check by the elected representatives of the people as provided in the Constitution.

After the whole Court acted so expeditiously in setting aside the spurious Douglas ruling and the Rosenbergs were subsequently executed, it was suggested that I make apology to Mr. Douglas for having introduced House Resolution 290. Any such suggestion is completely repugnant to me. If apology is due, it is from Mr. Douglas to all the fine members of the American courts and to all Americans who have had every right to hold the Court as the ultimate bastion of our liberty. As for me, instead of apology to him, I fully intend to pursue the case to the extenuation of every resource currently available to the point of ceaseless search for additional resources. This determination on my part is fed by a burning desire to see that justice is done to traitors who would sell dangerous secrets to real or potential enemies, and to traitors who use more insiduous treason to aid and abet the more obvious merchants of death.

As further preface to a delineation of the acts on the part of Mr. Douglas, for which I hold him impeachable, I should like to comment on some of the general attributes of the modern Supreme Court as presently constituted. I have been seriously concerned for some time over the manner in which the present Court has been assuming legislative prerogatives. Recent cases such as the reviving of the acts of the Legislative Assembly of the District of Columbia of 1872 and 1873, are current examples of how far the Court will go in order to accomplish results desired by the political predilections of the interpreters of the law. A very able and comprehensive accounting of the manner in which precedent has been ignored by the Court to attain legislative ends, was given the House by our highly esteemed colleague, the Honorable JAMES C. DAVIS, of my State—CONGRESSIONAL RECORD, June 18, 1953, pages 6879–6881. In addition to being one of the most highly respected Members of this House, Mr. DAVIS is recognized as being among the ablest jurists the great State of Georgia has produced. If ability and sincerity of purpose on the part of the author is to be compelling criteria, then the statement given by Mr. DAVIS can well be accepted as dicta on the subject.

If axioms are possible of establishment regarding human behavior, it is axiomatic that political association breeds political and philosophical affinity. Accepting the axiom as a premise for point of departure, the conclusion can fairly be drawn that participation in partisan political activity can color the predilections and loyalties of even such a supposedly sacrosanct human entity as an Associate Justice of the Supreme Court of the United States. It is within the compass and realm of this conclusion that I shall indict Mr. Douglas for actions which disqualify him as a member of the highest Court in the land.

At this point it is well to note that it is not for the House of Representatives, under the Constitution, to determine final guilt but simply to act as a grand jury, bringing or denying indictment. In other words, Mr. Speaker—and if I am in error, I welcome correction—it is neither incumbent on me or on the House of Representatives to establish final verdict as to guilt but simply to find sufficient reason as to justify the presentation of the case to the United States Senate, which has incumbent the duty of acting as trial jury. When I have finished with my complaint, honorable sir and members of this committee, I sincerely believe that case will be made as to the need for removal of one, Mr. Justice William O. Douglas from his present exalted position.

In spite of persuasive argument and suggestion that moral incapacity be established for Mr. Douglas along the lines suggested by a news story published in the Washington Times-Herald, under date of April 13, 1952, involving an alleged violation of the Mann Act on his part, I as an individual accuser, shall leave the gentleman to his own private accounting for such things as extramarital relations and escapades, but on this score, in order to strengthen a case as to moral turpitude, I do insist that this committee subpena the records of the divorce court of Portland, Oreg., involving the divorce of Assistant Secretary of the Interior, C. Girard Davidson from his wife, Mercedes Davidson, with Mr. Justice Douglas reportedly named as corespondent. It is my firm belief that inquiry into the field of moral turpitude will establish, on this score alone, the unfitness of Mr. Douglas to sit as 1 of the 9, much less as a sole judge on laws which he is sworn to properly adjudicate.

Perhaps Mr. Douglas has discovered the same sort of voodooistic retreats from the realities of the work-a-day world as was found by one Mr. Henry A. Wallace. If he has found, along with Mr. Wallace, some private Shangri-La in the exotic lands about which he writes so brilliantly; it may well be that the immorality of the escapade alleged in the news story to which I have made reference, does not impress itself within the special iconoclastic ivory tower he seems to have preempted for himself. I leave to those more inclined in that direction, the questioning of Mr. Douglas on any other grounds than those which, in my opinion, make the occupancy of his present position a clear and present danger to the welfare of this beloved country of yours and mine.

Mr. Speaker, one of the basic concepts upon which our Christian faith is based is that no man can serve two masters. It has long been established that he will love the one and despise the other—that his loyalties cannot be divided. Accepting this premise, I hold that Mr. Douglas cannot serve the cause of American justice and freedom while his loyalties make of him such a person as to be described as a "perfect target" or "pushover" for those who would subvert justice and destroy freedom. To be described as a "perfect target" by those who say they are ashamed to be Americans would make an average American citizen suspect as to his loyalty. To allow an Associate Justice of the Supreme Court to be described thusly, without raising serious question as to the respository of his loyalties, is to tolerate that which can lead to the downfall of this Republic.

Going back to one of my original premises which holds that "Political

affiliation breeds political and philosophical affinity," cannot serious question be made as to whether the loyalties of Mr. Douglas are more with the left-wing, so-called liberals, who became so excited about the fate of the Rosenbergs, or with average Americans who are drafted into the military service to fight against the very ideology espoused by the Rosenberg advocates and actually aided and abetted by the actions of the Rosenbergs themselves?

Those who found Mr. Douglas to be such a perfect target are listed in the records of other committees of this Congress as being among those who have plead the protection of the fifth amendment to the Constitution when they were questioned as to their communistic affiliations. Does the judge who would yield to the pleas of such as these and grant their request, basing excuse for his action on a spurious technicality that the full Court had already considered, commend himself to you as being free from censure? Does some traditional immunity from censure for those who sit within the sceptered and cloistered halls of American juridical expression apply rightly in the instant case?

Some understanding can be gained as to why Douglas has come to be such a perfect target for those who would subvert justice by noting the fact that he has repeatedly associated himself with professional liberals in the past. According to the New York Times of December 12, 1952, Mr. Douglas was tendered the $1,000 Sidney Hillman award for public service by the CIO. The receipt of this award does not necessarily implicate Douglas with the political aims of the tendering organization, but it does leave question as to how he could have been so recognized without, by word and action, doing that which would aid the pursuits of this partisan political organization. Furthermore, question can be logically raised as to the ethics involved in a situation wherein a Justice of the Supreme Court publicly courts the favor of any partisan political group. It is a matter of common knowledge that this man has used his high office to gain entrance for him to many partisan groups before which he could and has espoused his quest for political recognition.

If Justice Clark was right in his recent refusal to appear before the House Committee on the Judiciary, and the committee upheld him in his position, on the ground that a member of the Supreme Court should not be placed where his independence of judicial action might be impaired, then his refusal can certainly be taken as, at least, criticism of many actions by his colleague, Mr. Douglas. Moreover, the vote of the committee upholding Justice Clark's position can be defined as criticism of any Justice who would do that which Mr. Clark refused to do.

There are those who seem to think that I, as author of the pending impeachment resolution, have incumbent upon me the duty of completely establishing the guilt of Mr. Douglas as charged. Correction of this impression can be had by reference to the fact that the House of Representatives, acting through the agency of this committee, is acting in the capacity of a grand jury and as such is an investigative body. I, as a witness before this grand jury, charge Mr. Douglas generally with being guilty of high crimes and misdemeanors and specifically with: (1) Conduct unbecoming an Associate Justice of the Supreme Court; (2) actions which tend to bring the Court into disrepute; (3) public statements wherein he has, in effect, prejudged cases pending before the Court; (4) moral turpitude; (5) conspiracy and (6) treason.

As to (1) and (2), above, reference has already been made to the manner in which Douglas has consorted with and yielded to those who are dissolute vagrants and who are so contemptuous of American justice as to describe the President, Attorney General, and Director of the FBI as murderers for having caused justice to obtain in the Rosenberg case. His persistent engagement in partisan political activity, already discussed, is within the compass of (1) and (2) above, but can also be related to (3) in that some of the statements he has made which can be held to be prejudgment of pending cases, were made while he was engaged in such activity. A good example of publicly stated prejudgment of pending cases can be found in a recent article published by Douglas in Denver, Colo., as reported by Mr. W. K. Somerville, 1010 G and E Building, Denver 2, Colo., in his letter to me, under date of June 17, 1953. Reference letter is as follows:

Representative WHEELER,
House Office Building,
Washington, D. C.

DEAR MR. WHEELER: We wholeheartedly agree with your reported thinking regarding your stated action in view of latest developments in the Rosenberg case.

Sometime ago, when Mr. Douglas was in Denver, at the height of the United States Forest Service-stockmen's fight, Mr. Douglas came out with an article in the local Denver Post to the effect that stockmen should be sent to Palestine to see the result of overgrazing.

The writer countered with a small article in the same paper at the bottom of the last page, to the effect that Justice Douglas was assuming and taking for granted that we were overgrazing and ruining the lands as reported by the Forest Service officials. Being a Supreme Court Justice, we normally will assume him to be neutral in the argument until all sides and evidence is presented, but not so in this case. We were guilty only by accusations by the Forest Service officials. We invited then, and still invite, an impartial investigation and hope that present pending relief from Forest Service dictates will pass and become law.

In the above-mentioned case Mr. Douglas took the viewpoint that we were guilty, without evidence, and now he apparently takes the viewpoint that the Rosenbergs are not guilty to the degree necessary for execution. The endangering of the lives of millions of American citizens by the divulgence of weapons or secrets justifies execution in any nation's language.

Certainly from where we sit, somewhere in the United States there should be people more capable of better thinking and consistent attitudes than Mr. Douglas has apparently shown.

We are entirely with you.

W. K. SOMERVILLE.

This is a sample of many hundreds of letters I have received insofar as the author's expression concerning the fitness of Mr. Douglas for his present position is concerned. In fact many of my correspondents on this subject have gone so far as to wonder how the Congress can justify drafting millions of American servicemen to fight communism while allowing a Justice of the Supreme Court to take actions aimed at amnesty for convicted traitors. Many feel, and I am constrained to agree with them, that Douglas intended his stay of execution to preclude execution until at least the fall term of the Court and that this intervening time could be used to effect the final release from punishment for the Rosenbergs on some such specious technicality as he used in granting the stay and in finding against the conviction of the 11 Communists, full account of which has been reported by the press. This feeling would, of course, not prevail were it not for the fact that all facets of the Rosenberg case had been examined and reexamined, appealed and reappealed for so many times and so many of these examinations into the various angles of the case come so immediately prior to the granting of stay by Douglas.

As to number (5) having to do with conspiracy, the circumstances attendant to the publication of Mr. Douglas' stay order present such contradiction of normal procedure as to raise serious question as to how such a lengthy—eight pages—and detailed printed opinion and order could have been available to the public within the significantly short time that transpired between the conference and the so-called interlopers in the case and actual publication of the printed document. Examination of the stay order with its detailed reference and footnote documentation, certainly leaves room to wonder how this could be possible within the few hours available to its author. According to the press accounts of that which transpired immediately subsequent to the recessing of the full Court, Mr. Douglas was closeted with the interlopers until late in the day of June 16 while the so-called new points of law were being brought to his attention yet he was able to have the printed order ready for the public early on the morning of the 17th of June. Although this feat might well be possible without conspiracy as between the interlopers and the Justice who granted the order, it is certainly contrary to the usual procedure involved in the granting and publication of such orders. In fact, it is so unusual and rare that I feel justified in asking this investigative body to officially examine into the circumstances attendant the actual granting and publication of the order granting stay of execution for the Rosenbergs.

The circumstances attendant the granting and publication of the stay order smack of the same action that was taken by the Sanhedrin court 1,953 years ago in the spurious conviction of Jesus Christ. In the commission of hasty conspiracy to convict Christ, the Sanhedrin court violated century old rules of procedure and precedent. In fact, according to Chandler, at least 17 reversible errors can be found in the trial and conviction of Christ. Please understand that analogy is here drawn as to similarity of action on the part of the judges only since any implication

as to similarity as between the accused would be sacrilege of the highest order.

The judges of the Sanhedrin yielded to the pressing political and economic expedients of the moment just as Pilate did when he was faced with review of the case. Attention to the obvious political predilections of the sole reviewing judge in the Rosenberg case, leads with facility to well founded suspicion that Douglas yield to the same compelling forces in granting his stay order that Pilate made obeisance to when he refused to grant a stay order in the crucifixion of Christ.

Since analogy is drawn as between the action of Pilate and Douglas, it might be well to note that Douglas certainly cannot take much pride in the complexion of the crowd that came to Washington by the trainload to intercede with him for amnesty to the Rosenbergs. I fear no successful contradiction in saying that there has probably never been a more motley mob of deluded fanatics assembled together at any time, at any place or for any purpose than the mob present here in Washington while final action was being taken in the Rosenberg case. The fact that such human vermin would be allowed to clog the Halls of the Capitol and picket the White House is a sad commentary on American tolerance and can lead to no other conclusion than the feeling that we are about to tolerate this Republic out of existence for fear of being labeled intolerant by those who are sworn to destroy our form of government.

The seriousness of the charge (5) of treason does not alter its application to the subject of House Resolution 290. If finely drawn and highly filtered interpretation of treason must apply, then Douglas probably cannot be encompassed within the scope of its definition. However, if the same liberal interpretation of the term is used as was used by Douglas in his interpretation of the applicability of the Atomic Energy Act in his stay order, then his actions might well be classified as treasonable.

According to article III, section 3, of the Constitution, treason is defined as follows:

> Treason against the United States shall consist only in levying war against them, or in adhering to their enemies, giving aid and comfort.

Although psychological warfare has been proven to be most effective, it would be stretching the point perhaps too far to say that Douglas has actually engaged in the levying of war against the United States. However, the point, again using the same liberal approach as Douglas did, is not unreasonably stretched to charge that his actions have been such as to give aid and comfort to the enemy.

The leaders of the international Communist conspiracy have been propagandizing the world to the effect that the United States of America is "coldly materialistic, imperialistic, arrogant, selfish, greedy—interested only in guns and in dollars, not in people and their hopes and aspirations." This charge by the Communists is patently untrue and we have hoped and still hope that the people of the world will recognize it for the lie it is. In trying to make this charge against the United States of America stick in the minds of the people of the world, the leaders at the Kremlin must have sought desperately for corroborative proof. They must have felt that their search for proof would be rewarded beyond their wildest hope if they could only get a highly placed and responsible official of this Government to agree with their charge. Their search was not fruitless for, according to the New York Herald Tribune of December 10, 1951, no less personage than Mr. William O. Douglas, Associate Justice of the United States Supreme Court, is quoted as follows:

> These days I see America identified more and more with material things, less and less with spiritual standards. These days I see America drifting from the Christian faith, acting abroad as an arrogant, selfish, greedy Nation—interested only in guns and in dollars, not in people and their hopes and aspirations.

Comparison of the Douglas statement with the charges made by the psychological warfare department of the Kremlin shows similarity to the point of verbatim agreement.

A statement such as the one attributed to Douglas would be of little value to the Kremlin if it came from an average American but, coming from one of the highest placed officials of our Government, it can certainly be suspect of containment within the definition of that which "gives aid and comfort to the enemy." Such statements as the foregoing, along with his publicly stated advocacy of recognition of Red China, must have made him highly regarded by the Kremlin. If the giving of such aid and comfort to the enemy does not fall within the definition of treason, it certainly falls easily within the purview of article III, section 1, of the Constitution, which states:

> The judges of both the Supreme Court and the inferior courts, shall hold their offices during good behavior.

The fact that Douglas has given aid and comfort to the enemy by providing them with corroborative agreement with their propaganda charges against the United States of America, coupled with the fact that he has sought to conspire with sworn enemies of the Government in granting amnesty to those convicted of having actually furnished the enemy with means and methods of warfare, should encompass his actions within the definition of treatson and he should, and of right ought to be impeached and removed forthwith from his present high office of public trust.

The impeachment of Justice Douglas on the grounds I have presented would not only restore the faith of the American people in the judiciary but it would bolster immeasurably the morale of our servicemen on all their far-flung posts of commitment. Their spirits would be lifted and their arms strengthened by knowledge that traitors and officials who consort with sworn enemies of their country are not tolerated in the land they are fighting to defend. You could not but be impressed with the reading of the hundreds of letters I have received from the loved ones of servicemen since the introduction of my impeachment resolution. With great feeling, bordering on bitterness, they deplore the coddling of traitors and those who consort with sworn enemies of this country to the easement of punishment accorded traitors. I concur with them as they question a misguided tolerance that would allow continuance of men in office who overly concern themselves with the fate of proven traitors while their sons, brothers, fathers, and husbands are dying on foreign fields.

There might be those among us who would strain and filter the finely drawn legalistic niceties of the law to the continued tolerance of deluded liberalism upon the judicial bench, but as for me, if doubt there be that must be resolved, I shall and do resolve it in favor of the safety and welfare of my country. If my resolution of any doubt that might linger should result in one judge being left free to ride his yaks among "strange lands and friendly people" and leave him leisure to pursue with Henry Wallace, his fascinating voodoo cults within the Soviet realm, the scant doubt that there might be will be completely swamped by knowledge that he will no longer be in position to lend official title to the detriment of this land of yours and mine.

Mr. Speaker, I define myself politically as a Jeffersonian Democrat, and as such, I am wont to quote Jefferson, one of the greatest of the architects of our Republic, on various subjects. No better authority can be found for pertinent quotation as to the instant case. Jefferson said:

> A strict observance of the written laws is doubtless one of the high virtues of a good citizen, but it is not the highest. The laws of necessity, of self-preservation, of saving our country when in danger, are of higher obligation.

He is completely self-explanatory as to that which is the higher obligation in considering the impeachment of Justice Douglas.

Mr. Speaker, many centuries ago the greatest lawyer Rome produced, Cicero, well stated that—

> The safety of the people shall be the highest law.

It is on Cicero's concept of the highest law that I have built my case against Mr. Douglas.

There are those who would say that the impeachment of Douglas would not be showing mercy to one who has erred but to those bleeding hearts who would invoke mercy for him, I should like to quote George Eliot in Romula III, saying:

> There is a mercy which is weakness, and even treason against the common good.

To those who plead justice instead of mercy for the deluded Douglas, I would quote Mr. Justice Cardozo, who said:

> But justice, though due to the accused, is due the accuser also.

In view of Mr. Douglas' long legal background, it is impossible for me to believe that his action in the Rosenberg case can be attributed to mistaken legal judgment on his part. If the case had not been so recently and repeatedly heard by the full Court, there might be some little room for doubt that could be resolved in favor of Douglas, but in face of these circumstances plus his past actions of appeasement in such cases as

that of the infamous 11 Communists and the Harry Bridges case, I am persuaded to believe that his order staying the Rosenberg execution was a premeditated effort on his part to throw the case back into the slow mill of the appeal procedure all the way from court of original jurisdiction back to the Supreme Court. By his act of appeasement to the clamorous mob of deluded fanatics who sought amnesty for the Rosenbergs, he sought to aid them in making of the Rosenberg case another cause celebre around which the Communists and fellow travelers in this country could rally now as they did years ago to the case of Sacco and Vanzetti.

Communism has been able to mobilize the loyalty, discipline, and willingness to sacrifice even unto death such as the Rosenbergs, who were willing to die for their party. This sort of thing cannot be combatted by appeasement, but must be met with stern justice to not only those who would furnish the enemy with physical means of destruction but to those who would condone and grant amnesty to them. I repeat that which I said upon introduction of House Resolution 290, there seems little point in spending billions of dollars on an atomic-defense program if we are to coddle those who would betray these deadly secrets to our sworn enemies in this dangerous world.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. WHEELER. I yield.

Mr. DAVIS of Georgia. Can the gentleman tell us the reason why this $1,000 was awarded to the gentleman whom he is discussing?

Mr. WHEELER. I have been led to assume from having read accounts of the matter, sir, that it was because they had found him to be a chief advocate of their partisan, political creed.

Mr. DAVIS of Georgia. Has that organization or any of its branches or adherents had litigation in the court, does the gentleman know?

Mr. WHEELER. I would assume, sir, that they have had and will continue to have litigation before the Supreme Court of the United States because the organization is a corporate entity.

Mr. DAVIS of Georgia. I thank the gentleman.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. GROSS in two instances and to include extraneous matter.

Mr. HARVEY and to include extraneous matter.

Mr. RAY and to include two editorials.

Mr. AUCHINCLOSS and to include a letter.

Mr. WILLIAMS of New York and to include a prize-winning letter.

Mr. OAKMAN and to include a telegram.

Mr. SEELY-BROWN and to include extraneous matter.

Mr. HART and to include a telegram.

Mr. LANE in three instances and to include extraneous matter.

Mr. YORTY in five instances and to include extraneous matter.

Mr. MAGNUSON to include a magazine article.

Mr. BROWN of Georgia and to include an editorial appearing in the Atlanta Constitution April 8, 1953, concerning the Honorable James A. Farley.

Mr. O'HARA of Illinois and to include an editorial.

Mr. ENGLE and to include extraneous matter.

Mrs. SULLIVAN and to include an editorial from the St. Louis Post-Dispatch.

Mr. WOLVERTON and to include extraneous matter.

Mr. MCCORMACK and to include an address delivered in Philadelphia on June 26 by former President Truman.

Mr. PATTEN.

Mr. KERSTEN of Wisconsin in five instances and to include extraneous matter.

Mr. BONNER and Mr. HARRISON of Virginia.

Mr. ZABLOCKI and Mr. SIEMINSKI and to include extraneous matter.

Mr. WOLVERTON in three instances and to include extraneous matter.

Mr. JAVITS and to include extraneous matter.

Mr. JACKSON and to include an editorial.

Mr. SMITH of Wisconsin in four instances and to include extraneous matter.

Mr. AYRES and to include an editorial.

Mr. BOW in two instances and to include extraneous matter.

Mr. HOPE in two instances and to include extraneous matter.

Mr. HÉBERT and to include extraneous matter.

Mr. DURHAM and to include a sermon.

Mr. SMITH of Mississippi in four instances and to include extraneous matter.

Mr. DONOHUE in three instances and to include extraneous matter.

Mr. BENDER in three instances and to include extraneous matter.

Mr. SMITH of Virginia to revise and extend his remarks.

Mr. JUDD in three instances and to include extraneous matter.

Mr. HAGEN of Minnesota in two instances and to include extraneous matter.

Mr. JONAS of North Carolina.

Mr. BRAY.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BENTLEY (at the request of Mr. DONDERO), for this week, on account of official business.

Mr. WIGGLESWORTH (at the request of Mr. HESELTON), for the week of June 29, on account of illness.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 287. Joint resolution making temporary appropriations for the fiscal year 1954, and for other purposes.

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 108. An act for the establishment of a Commission on Governmental Operations;

S. 1514. An act to establish a Commission on Intergovernmental Relations; and

S. J. Res. 88. Joint resolution to authorize the Secretary of Commerce to extend certain charters of vessels to citizens of the Republic of the Philippines, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On June 26, 1953:

H. R. 3425. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes," approved May 21, 1951.

On June 29, 1953:

H. R. 3853. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to continuing the effectiveness of certain statutory provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950; and

H. R. 4654. An act to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes.

ADJOURNMENT

Mr. BRAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 8 minutes p. m.) the House adjourned until tomorrow, Tuesday, June 30, 1953, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 1568. A bill to amend section 6 of chapter 786 of the act of June 6, 1900, entitled "An act making further provision for a civil government for Alaska, and for other purposes" (31 Stat. 323; title 48, sec. 108, U. S. C.); with amendment (Rept. No. 685). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 334. A bill to amend the act of July 31, 1947 (61 Stat. 681); with amendment (Rept. No. 686). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 310. Resolution for consideration of H. R. 5969. A bill making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes; without amendment (Rept. No. 687). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ABERNETHY:

H. R. 5987. A bill to amend certain provisions of the Agricultural Adjustment Act of 1938, as amended, relating to cotton-marketing quotas; to the Committee on Agriculture.

By Mr. COLE of New York:

H. R. 5988. A bill to amend section 9 (a) of the Trading With the Enemy Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. CURTIS of Nebraska:

H. R. 5989. A bill to eliminate farm tractor fuel and certain other liquids from the manufacturers' excise tax on gasoline; to the Committee on Ways and Means.

By Mr. POAGE:

H. R. 5990. A bill authorizing the President to make permanent replacements of public facilities and public-school buildings damaged or destroyed in a major disaster, and for other purposes; to the Committee on Public Works.

By Mr. CAMPBELL:

H. Res. 309. Resolution creating a Committee on the Problem of Aging and Elderly People; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

Mr. HILLINGS (by request):

H. R. 5991. A bill for the relief of Vittorio Adolfini; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 5992. A bill for the relief of Chaskiel and Frejda Lewinton; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 5993. A bill for the relief of Charles William Taylor alias Charles William Daunt; to the Committee on the Judiciary.

By Mr. RAY:

H. R. 5994. A bill for the relief of Vassiliki D. Papadakou; to the Committee on the Judiciary.

By Mr. SECREST:

H. R. 5995. A bill for the relief of Richard M. Taylor and Lydia Taylor; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

374. By Mr. BENTLEY: Petition of the Saginaw Board of Supervisors, Saginaw, Mich., concerning the continuance of the Federal Civil Defense Administration, with specific reference to support of the FCDA budget appropriation for the ensuing year; to the Committee on Armed Services.

375. By Mr. HOPE: Petition of Mr. and Mrs. Ora L. Leslie and 52 other citizens of Beloit, Kans., urging the enactment of legislation to prohibit the transportation in interstate commerce of alcoholic-beverages advertising in newspapers, periodicals, etc., and its broadcasting over radio and TV; to the Committee on Interstate and Foreign Commerce.

376. By the SPEAKER: Petition of Republican Women's Club, Anchorage, Alaska, requesting the immediate appropriation of funds to complete the rehabilitation and extension of the docks at Seward and the Portage-Seward portion of the Alaska Railroad, the completion of the Cordova Highway, and that approval be given and appropriations be made for the port of Anchorage; to the Committee on Appropriations.

377. Also, petition of National Association of Tax Administrators, Chicago, Ill., requesting passage of Senate bill 671, "thus putting an end to a serious interference with State and local taxing powers that strikes directly at the rights of the States to support the essentials of government by nondiscriminatory taxation"; to the Joint Committee on Atomic Energy.

378. Also, petition of J. A. Young and others of St. Petersburg, Fla., requesting passage of H. R. 2446 and H. R. 2447, social-security legislation, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

TUESDAY, JUNE 30, 1953

(Legislative day of Saturday, June 27, 1953)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

At the inn of the morning we would wait for Thee, Thou guide of our pilgrim way. We thank Thee for this new day, for its new strength and vigor, its new hopes and its new opportunities. Help us to meet its joys with praise, its difficulties with fortitude, its duties with fidelity.

In the tangled tragedy in which all human life is caught, help us in these trying days, rising above all that is base and small, to work together in glad and eager harmony for the honor, safety, and welfare of our Nation, and of all the peoples of this stricken earth who unite in mutual good will, dedicated to the goal of opening the gates of a new life for all mankind. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, June 29, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 29, 1953, the President had approved and signed the act (S. 141) for the relief of Harry Ray Smith.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had insisted upon its amendment to the bill (S. 2103) to amend the National Housing Act and other laws relating to housing, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WOLCOTT, Mr. GAMBLE, Mr. TALLE, Mr. KILBURN, Mr. SPENCE, Mr. BROWN of Georgia, and Mr. PATMAN had been appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 35) to provide for the repair and rehabilitation of public airports damaged by the armed services during the present national emergency, to extend beyond June 30, 1953, the availability of previous appropriations for payment of claims under section 17 of the Federal Airport Act, and for other purposes.

The message further announced that the House had agreed to the amendment of the Senate to the joint resolution (H. J. Res. 285) to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 1376. An act to amend section 503 of the act entitled "An act to expedite the provisions of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

S. 1550. An act to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom; and

H. J. Res. 285. Joint resolution to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953.

LEAVE OF ABSENCE

On his own request, and by unanimous consent, Mr. CAPEHART was excused from attendance on the sessions of the Senate on Wednesday and Thursday of this week.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet today during the session of the Senate.

CONFIRMATION OF NOMINATIONS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that, as in executive session, the Senate proceed to the consideration of nominations under the heading "New Reports."

The VICE PRESIDENT. Without objection, it is so ordered, and the clerk will state the nominations on the Executive Calendar under the heading "New Reports."

FARMERS' HOME ADMINISTRATION

The legislative clerk read the nomination of Robert B. McLeaish, of Texas, to be Administrator of the Farmers' Home Administration.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The legislative clerk read the nomination of George Harrold Carswell, of Florida, to be United States attorney for the northern district of Florida.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be notified immediately of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of Whitley P. McCoy, of Alabama, to be Federal Mediation and Conciliation Director, which was referred to the Committee on Labor and Public Welfare.

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. CASE, from the Committee on the District of Columbia:

Leonard P. Walsh, of the District of Columbia, to be chief judge of the Municipal Court for the District of Columbia, vice George P. Barse, term expired;

Edward A. Beard, of the District of Columbia, to be an associate judge of the Municipal Court for the District of Columbia, vice Walter J. Casey, deceased; and

Mildred Emily Reeves, of the District of Columbia, to be an associate judge of the Municipal Court for the District of Columbia, vice Ellen K. Raedy, deceased.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour, for the purpose of allowing Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual limitation on speeches of 2 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

DISPOSITION OF EXECUTIVE PAPERS

The VICE PRESIDENT laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A joint resolution of the Legislature of the State of Wisconsin; to the Committee on Agriculture and Forestry:

"Joint resolution memorializing the President and the Congress of the United States to continue the Federal rural electrification program with undiminishing support and zeal

"Whereas the expansion of electric service to virtually all citizens living in the rural areas of Wisconsin has contributed immensely toward improving the social and economic standards of this important segment of our population; and

"Whereas rural people have exceeded all expectations in the rapid rate at which they have adapted electric power to their farms and industrial operations, and to improving their social standards, with the result that this development has benefited the entire State economy through increased productive efficiency, greater markets, and developing industrial potential; and

"Whereas the Federal Government through the Rural Electrification Administration has enabled rural people to help themselves by making it possible for them to take the initiative in stimulating the construction of central station electric service to those rural areas which have not been able to attract private venture capital to do this job; and

"Whereas repeatedly it has been officially acknowledged by the electric co-ops of this State that the Wisconsin legislative and executive departments, from the very inception of the program, have recognized and facilitated the development of REA-financed cooperatives; and

"Whereas through the aggressive application of rural people themselves there has been built in Wisconsin, the Dairyland Power Cooperative, the largest generation and transmission cooperative in the world, which successfully serves over 83,000 rural people on an efficient, low-cost basis, which has been a major factor in encouraging greatest possible rural application of electric power to productive pursuits; and

"Whereas the very rapid adaptation of electric power to rural economy during the past decade indicates a continuing need for a soundly operated Rural Electrification Administration by the Federal Government to provide all necessary financing of larger power lines and larger generating facilities required to meet increasing needs for power because consumption by Wisconsin rural people is doubling ever 5 years: Now, therefore, be it

"*Resolved by the assembly (the senate concurring)*, That the Legislature of the State of Wisconsin memorializes the President and Congress of the United States to continue to recognize fully that the REA program is contributing greatly to the capital and productive wealth of this country; that the program is being conducted in an exemplary manner on a self-liquidating basis with all borrowers repaying the full value of all loans with interest; that the program is contributing toward improving the living standards and comforts of life on the farm; that full consideration be given to the promising future of the program as an aid to agriculture; and that a continuing program be conducted on an undiminishing basis by means of loans for distribution, transmission, and generation of electric power wherever such loans are sound and feasible on a basis calculated to enable electric cooperatives to meet the full needs of their memberships; and be it further

"*Resolved*, That a properly attested copy of this resolution be sent to His Excellency the President of the United States, to each House of Congress and to each Wisconsin Member thereof.

"GEORGE M. SMITH,
"*President of the Senate.*
"THOMAS M. DONAHUE,
"*Chief Clerk of the Senate.*
"ORA R. RICE,
"*Speaker of the Assembly.*
"ARTHUR L. MAY,
"*Chief Clerk of the Assembly.*"

A resolution adopted by the Republican Women's Club, Anchorage, Alaska, favoring the enactment of legislation to provide sufficient funds to complete the rehabilitation and extension of docks at Seward, Alaska, and the Portage-Seward portion of the Alaska Railroad; to the Committee on Appropriations.

A resolution adopted by the delegates of the Navy Club of the United States of America, in session at Buffalo, N. Y., relating to the continuation at its present strength or to increase the Naval Reserve training program; to the Committee on Armed Services.

A letter from Viola Olinger, vice president, the Tribal Council, Agua Caliente Band of Mission Indians, Palm Springs, Calif., transmitting a petition from the enrolled members of that band of Indians, relating to the titles to lands allotted to them in 1949; to the Committee on Interior and Insular Affairs.

FEDERAL MONETARY POLICY—RESOLUTION OF NEW JERSEY SAVING BANKERS ASSOCIATION, SPRING LAKE, N. J.

Mr. SMITH of New Jersey. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Saving Bankers Association of New Jersey, on June 27, 1953, at Spring Lake, N. J., supporting the monetary policy of the Federal Government.

There being no objection, the resolution was referred to the Committee on Banking and Currency, and ordered to be printed in the RECORD, as follows:

As trustees of over $800 million of savings of more than 800,000 New Jersey citizens, the mutual savings banks of this State do support the monetary policy of our Federal Government aimed at arresting inflation and halting the upward spiral of prices and feel grateful that the thrifty are no longer forgotten men and women.

We are thankful for the principles and courage displayed by the Treasury Department of the United States, the nonpartisan Federal Reserve Board and by our Representatives in Congress of both parties who recognize the harm which continued inflation can do to the Nation.

We pledge through our institutions intensified efforts to increase the accumulation of savings and to expand the sale of United States savings bonds, and from the new leadership on behalf of the millions of hitherto forgotten savers which has asserted itself at Washington, we take renewed inspiration: Now, therefore, be it

Resolved, That this statement of principles be spread upon the minutes of this meeting and that the secretary be authorized to send

copies to the representative officers of our Federal Government.

P. B. MENAGH,
Executive Secretary, Saving Bankers Association of New Jersey.
SPRING LAKE, N. J., *June 27, 1953.*

AMENDMENT OF CONSTITUTION RELATING TO TREATYMAKING POWERS—JOINT RESOLUTION OF DELAWARE LEGISLATURE

Mr. WILLIAMS. Mr. President, on behalf of myself, and my colleague, the junior Senator from Delaware [Mr. FREAR], I present for appropriate reference a joint resolution of the General Assembly of the State of Delaware, approved June 26, 1953, urging the Congress to pass Senate Joint Resolution No. 1, proposing an amendment to the Constitution of the United States providing that any treaty which denies any right enumerated in the Constitution shall have no force or effect, introduced by Senator BRICKER, of Ohio, and cosponsored by myself and some 63 other Members of the United States Senate.

I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was received, ordered to lie on the table, and, under the rule, to be printed in the RECORD, as follows:

House Joint Resolution 8

Joint resolution memorializing the Congress of the United States to enact Senate Joint Resolution 1, which would amend the Constitution of the United States relative to the making of treaties and executive agreements

Whereas the Constitution of the United States provides that treaties may be made between the United States and foreign nations by the President of the United States by and with the consent of the United States Senate; and

Whereas treaties when made become the supreme law of the land, and are paramount with respect to the ordinary laws enacted by the Congress and approved by the President for these, in order to be valid, must conform to the Constitution, whereas treaty law is not restricted by the Constitution and can thus abrogate the rights of the people as guaranteed by the Constitution and the Bill of Rights; and

Whereas the traditional procedures and sanctions of diplomacy seem to have lost much of their former influence and power; and

Whereas treaties and even executive agreements which seem to become morally binding upon this Nation are becoming increasingly important in view of the complexities of this modern world; and

Whereas Senate Joint Resolution 1, introduced in the United States Senate of the 83d Congress on January 7, 1953, by Senator JOHN W. BRICKER, Senator from Ohio, and sponsored jointly by 64 other Senators, commonly known as the Bricker resolution, would amend the Constitution of the United States by providing that any treaty which denies or abridges any right enumerated in the Constitution shall have no force or effect, and that no treaty shall authorize or permit any foreign power or any international organization to supervise, control or adjudicate rights of citizens of the United States enumerated in the Constitution, or any other matter essentially within the domestic jurisdiction of the United States, and that a treaty shall become internal law of this land only through the enactment of appropriate legislation by the Congress, and further, that all executive or other agreements between the President and any international organization, foreign power, or official thereof, shall be made only in the manner prescribed by law and shall be subject to the limitations therein imposed on treaties or the making of treaties; and

Whereas it is believed that the passage of this resolution and its ratification by three-fourths of the several States, within the time allotted, would provide adequate and necessary protection to the constitutional rights of the citizens of this Nation: Now, therefore, be it

Resolved by the House of Representatives of the State of Delaware (the Senate concurring therein), That the 117th General Assembly of the State of Delaware, hereby respectfully urges and requests the Congress of the United States to pass Senate Joint Resolution 1 (the Bricker resolution), calling for an amendment to the Constitution relating to treaties and executive agreements; and be it further

Resolved, That copies of this joint resolution be sent to the President of the United States, the Vice President of the United States, the President pro tempore of the Senate of the Congress of the United States, Senator JOHN W. BRICKER, United States Senator from Ohio, to each member of the Delaware congressional delegation, and to the respective houses of the legislatures of the several States of the United States.

The VICE PRESIDENT laid before the Senate a joint resolution of the Legislature of the State of Delaware, identical with the foregoing, which was ordered to lie on the table.

SOCIAL SECURITY—RESOLUTION OF SHEBOYGAN COUNTY (WIS.) BOARD OF SUPERVISORS

Mr. WILEY. Mr. President, I have received a resolution adopted by the Sheboygan County Wisconsin Board of Supervisors in favor of universal coverage under the old-age and survivors insurance system.

I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

RESOLUTION 16 RE SOCIAL SECURITY

Whereas the Congress of the United States is considering legislation to increase the social security program; and

Whereas under the present social security program those individuals coming under the Wisconsin retirement fund are not covered: Now, therefore, be it

Resolved by the passage of this resolution, That the Sheboygan County Board of Supervisors go on record in favor of the plan to grant social security pensions to all individuals aged 65 or over, whether they qualify for such pensions under present rules or not; and be it further

Resolved by the passage of this resolution, That the Sheboygan County Board of Supervisors go on record in favor of the bill before Congress to provide social security coverage for those under the Wisconsin retirement fund; and be it further

Resolved, That the county clerk be directed to send a copy of this resolution to Congressman WILLIAM K. VAN PELT and Senators ALEXANDER WILEY and JOSEPH R. MCCARTHY.

Respectfully submitted this 9th day of June, 1953.

R. J. BABEN,
W. E. HOELS,
ORION G. MCINTYRE,
RICHARD LUTHER,
E. S. FESSLER,
OTTO W. GREIBE,
Resolutions Committee.

RESOLUTIONS OF WISCONSIN STATE FEDERATION OF LABOR

Mr. WILEY. Mr. President, I present two resolutions forwarded to me by George W. Hall, secretary-treasurer of the Wisconsin State Federation of Labor.

The resolutions were adopted at the recent Wausau convention of that federation.

The first deals with a matter which has long been of deepest interest to me, namely, United States participation in the Great Lakes-St. Lawrence seaway. It is my earnest hope that this issue will very definitely be scheduled for Senate debate before the close of this session of the Congress.

The second deals with adequate appropriations for the Bureau of Apprenticeship of the Department of Labor. I ask unanimous consent that the resolutions be appropriately referred and printed at this point in the RECORD.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Foreign Relations:

"RESOLUTION 12

"Whereas powerfully vested groups are opposed to the construction of the proposed St. Lawrence seaway because it would provide means of introducing products to the Great Lakes area; and

"Whereas these same groups are also opposed to the development of hydroelectric resources which would eventually follow the building of the seaway; and

"Whereas the iron ore reserves in the Great Mesabi Range is rapidly shrinking while the demand for high-grade ore is increasing; and

"Whereas the use of foreign ores in the United States is increasing; and unless the Great Lakes States can easily obtain entry to such ores, it will become necessary for the center of the steel industry in western Ohio to move to the East; and

"Whereas relocation may result in a disastrous economic and social upheaval unless iron ore can be cheaply provided to this area, thus checkmating the industry migration which is already in process; and

"Whereas the proposed St. Lawrence seaway would provide cheap transportation of high-grade iron ore discovered in the wilds of the Quebec-Labrador borderlands where operation has begun; and

"Whereas it is authentically reported that transportation of this ore by rail would be too costly and thus prohibit its use in the midwestern area: Therefore be it

"*Resolved*, That the Wisconsin State Federation of Labor in convention assembled in the city of Wausau, Wis., beginning on August 18, 1952, go on record to support the construction of the proposed St. Lawrence seaway project, and that the secretary of this association be instructed to send a copy of this resolution to all Wisconsin Senators and Congressmen, the House Public Affairs Committee, and the President."

To the Committee on Appropriations:

"RESOLUTION 7

"Whereas in past years the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry cooperated with the United States Government and participated wholeheartedly in the training of bona fide apprentices so that these men could and would contribute to the health and welfare of our country; and

"Whereas the success of our bona fide trade training programs is in a very large measure due to the splendid assistance we received from the Bureau of Apprenticeship, United States Department of Labor; and

"Whereas we now learn that there is a move nationally to seriously curtail the activities of the Bureau of Apprenticeship, United States Department of Labor by appropriating insufficient funds for them to operate as they have in the past year; and

"Whereas any reduction in the staff of the Bureau of Apprenticeship, United States Department of Labor, would also seriously curtail the success of our labor-management apprenticeship-training program in that the field representatives of the Bureau of Apprenticeship are an integral part of our efforts to maintain and promote a successful apprenticeship program for the pipefitting industry: Therefore be it

"*Resolved*, That the Wisconsin State Federation of Labor in convention assembled in the city of Wausau, Wis., beginning on August 18, 1952, go on record and petition Congress to provide sufficient funds to be allocated to the Bureau of Apprenticeship, United States Department of Labor, so that they will be able to operate the same in this as in the past year; and be it further

"*Resolved*, That in the interest of our national apprenticeship program the Bureau of Apprenticeship, United States Department of Labor, be allotted sufficient funds to continue their contribution to the health, welfare, and national security; and be it further

"*Resolved*, That the incoming officers of the Wisconsin State Federation of Labor be instructed to send copies of this resolution to each Wisconsin Congressman, together with an appropriate letter urging them to support this resolution."

BALTIC INDEPENDENCE — RESOLUTION ADOPTED AT MASS MEETING OF BALTIC-AMERICAN GROUPS, RACINE, WIS.

Mr. WILEY. Mr. President, I have received a resolution adopted by representatives of Baltic-American groups in my State of Wisconsin relative to the independence of the lands of their forefathers.

The people of the United States have the deepest of respect for the Estonian, Latvian, and Lithuanian peoples, who have so steadfastly clung to the noblest aspirations of freedom in spite of the diabolical reign of terror against them by the Communist enslavers.

We as a people have never and will never recognize the enforced, illegal, and immoral incorporation of any of these Baltic lands within the U. S. S. R.

We look toward that day when these and all other enslaved peoples shall have regained their sovereignty.

I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

RESOLUTION UNANIMOUSLY ADOPTED AT THE MASS MEETING OF ESTONIAN-, LATVIAN-, AND LITHUANIAN-AMERICANS OF THE CITY OF RACINE, WIS., HELD UNDER THE AUSPICES OF THE LOCAL BRANCH OF THE LITHUANIAN-AMERICAN COUNCIL, INC., JUNE 13, 1953

Whereas the free nations of Estonia, Latvia, and Lithuania were occupied in June of 1940 by the Soviet Union, which started the resulting destruction of their economical and cultural life by the mass deportations; and

Whereas the people of Estonia, Latvia, and Lithuania, and other countries behind the Iron Curtain, are subjected to the inhuman policy of oppression, terror, murder, and mass deportations; and

Whereas Soviet Russia holds no respect for human rights or for agreements signed; and

Whereas the United States is insistently defending individual human rights for which many great Americans fought and died for in the past and are still continuing to do so in the present; and

Whereas the Congress of the United States, as the highest lawmaking institution of our country, bears the full representation of the American spirit: Therefore be it

Resolved, That this meeting appeal to the Government of the United States and Members of the Congress to respond to the demands of our times by giving coordinate leadership to the democratic forces in Europe and Asia aspiring to peace, justice, and freedom; and be it further

Resolved, That the House Resolution 231, submitted by Hon. CHARLES J. KERSTEN, of Wisconsin, which requires complete investigation and study of seizure and forced "incorporation" of Lithuania, Latvia, and Estonia by the Union of the Soviet Socialist Republics, will be of great importance to the prestige of the United States in the present situation and will be a powerful weapon in the psychological warfare against international communism if passed by the House of Representatives; and, finally, be it

Resolved, That this meeting express gratitude to the Government of this country for maintaining diplomatic relations with the Governments of Estonia, Latvia, and Lithuania and favorable attitude toward the cause of the independence of these nations.

MARTIN KASPARAITIS,
Chairman, Lithuanian-American Council.
ALEKSIS REIZNIEKS,
Representative, Latvian Group.
OLGA MALBE,
Representative, Estonian Group.

AMENDMENT OF CONSTITUTION RELATING TO TREATIES AND EXECUTIVE AGREEMENTS—RESOLUTIONS OF COLORADO AND DELAWARE LEGISLATURES

Mr. BRICKER. Mr. President, I ask unanimous consent to have appropriately referred and printed in the body of the RECORD two resolutions, one of them adopted by the Legislature of the State of Colorado, and the other adopted by the Legislature of the State of Delaware. Both resolutions endorse Senate Resolution No. 1, proposing an amendment to the Constitution of the United States, relating to the legal effects of certain treaties and executive agreements. I ask that these resolutions be printed in the body of the RECORD because they are the actions of the legislatures of two sovereign States of the Union.

There being no objection, the resolutions were ordered to lie on the table and to be printed in the RECORD, as follows:

House Joint Memorial 1

Joint memorial memorializing the Congress of the United States to adopt Senate Joint Resolution 1, proposing an amendment to the Constitution of the United States, relating to the legal effect of certain treaties and executive agreements

Be it resolved by the House of Representatives of the 39th General Assembly of the State of Colorado, in first extraordinary session convened (the Senate concurring herein), That this general assembly respectfully petitions the Congress of the United States to adopt Senate Joint Resolution 1 (83d Cong., 1st sess.), by Mr. JOHN W. BRICKER, as amended and approved by the Senate Judiciary Committee on June 4, 1953, proposing the following article as an amendment to the Constitution of the United States, relating to the legal effect of certain treaties and executive agreements, viz:

"ARTICLE —

"SECTION 1. A provision of a treaty which conflicts with this Constitution shall not be of any force or effect.

"SEC. 2. A treaty shall become effective as internal law in the United States only through legislation which would be valid in the absence of a treaty.

"SEC. 3. Congress shall have power to regulate all executive and other agreements with any foreign power or international organization. All such agreements shall be subject to the limitations imposed on treaties by this article.

"SEC. 4. The Congress shall have power to enforce this article by appropriate legislation.

"SEC. 5. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within 7 years from the date of its submission;" be it further

Resolved, That a duly attested copy of this Memorial be transmitted to Mr. JOHN W. BRICKER, Senator from Ohio and chairman of the Senate Judiciary Committee; and to each Member of the Congress of the United States from the State of Colorado.

DAVID A. HAMIL,
Speaker of the House of Representatives.
LEE MATTIES,
Chief Clerk of the House of Representatives.
LONDON ABBOTT,
President of the Senate.
MILDRED H. CRESSWELL,
Secretary of the Senate.

House Joint Resolution 8

Joint Resolution memorializing the Congress of the United States to enact Senate Joint Resolution No. 1, which would amend the Constitution of the United States relative to the making of treaties and executive agreements

Whereas the Constitution of the United States provides that treaties may be made between the United States and foreign nations by the President of the United States by and with the consent of the United States Senate; and

Whereas treaties when made become the supreme law of the land, and are paramount with respect to the ordinary laws enacted by Congress and approved by the President for these, in order to be valid, must conform to the Constitution whereas treaty law is not restricted by the Constitution and can thus abrogate the rights of the people as guaranteed by the Constitution and the Bill of Rights; and

Whereas the traditional procedures and sanctions of diplomacy seem to have lost much of their former influence and power; and

Whereas treaties, and even executive agreements which seem to become morally binding upon this Nation, are becoming increasingly iimportant in view of the complexities of this modern world; and

Whereas Senate Joint Resolution No. 1, introduced in the United States Senate of the 83d Congress on January 7, 1953, by Senator John W. Bricker, Senator from Ohio, and sponsored jointly by sixty-four other Senators, commonly known as the Bricker Resolution, would amend the Constitution of the United States by providing that any treaty which denies or abridges any right enumerated in the Constitution shall have no force or effect, and that no treaty shall authorize or permit any foreign power or any international organization to supervise, control, or adjudicate rights of citizens of the United States enumerated in the Constitution, or any other matter essentially within the

domestic jurisdiction of the United States, and that a treaty shall become internal law of this land only through the enactment of appropriate legislation by the Congress, and further, that all executive or other agreements between the President and any international organization, foreign power or official thereof, shall be made only in the manner prescribed by law and shall be subject to the limitations therein imposed on treaties or the making of treaties; and

Whereas it is believed that the passage of this resolution and its ratification by three-fourths of the several States, within the time allotted, would provide adequate and necessary protection to the constitutional rights of the citizens of this Nation: Now, therefore, be it

Resolved by the House of Representatives of the State of Delaware (the Senate concurring therein), That the 117th General Assembly of the State of Delaware hereby respectfully urges and requests the Congress of the United States to pass Senate Joint Resolution No. 1 (the Bricker resolution), calling for an amendment to the Constitution relating to treaties and executive agreement; and be it further

Resolved, That copies of this Joint Resolution be sent to the President of the United States, the Vice-President of the United States, the President Pro-tempore of the Senate of the Congress of the United States, Senator John W. Bricker, United States Senator from Ohio, to each member of the Delaware congressional delegation, and to the respective houses of the legislatures of the several States of the United States.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BEALL, from the Committee on the District of Columbia:

S. 1001. A bill to amend the act approved March 3, 1899 (30 Stat. 1045, 1057, ch. 422), to provide for the appointment by the Commissioners of the District of Columbia of special policemen, and for other purposes; without amendment (Rept. No. 479);

S. 1393. A bill to amend the District of Columbia Teachers' Leave Act of 1949; without amendment (Rept. No. 480); and

S. 1945. A bill to amend the act entitled "An act to provide that the Board of Education of the District of Columbia shall have sole authority to regulate the vacation periods and annual leave of absence of certain school officers and employees of the Board of Education of the District of Columbia," approved March 5, 1952; without amendment (Rept. No. 481).

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

S. 725. A bill to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources; with an amendment (Rept. No. 483);

S. 804. A bill to provide for the conveyance of certain national-forest land in Basalt, Colo.; with an amendment (Rept. No. 484);

S. 1152. A bill to extend for a period of 5 years the authority of the Secretary of Agriculture to make loans to fur farmers; with an amendment (Rept. No. 485);

S. 1367. A bill to amend section 508 (a) of the Federal Crop Insurance Act so as to extend for 4 years the authority of Federal Crop Insurance Corporation to expand the crop-insurance program into additional counties; with amendments (Rept. No. 486); and

S. 2055. A bill to amend the act of May 29, 1884, as amended, to provide for the control and eradication of scrapie and blue tongue in sheep, and incipient or potentially serious minor outbreaks of diseases of animals; and for other purposes; without amendment (Rept. No. 487).

By Mr. YOUNG, from the Committee on Agriculture and Forestry:

S. 1276. A bill to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act; with amendments (Rept. No. 488).

ROLE OF WOMEN IN THE DEVELOPMENT OF AVIATION

Mr. CAPEHART. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, by unanimous vote of the committee, House Concurrent Resolution 92, to express the sense of the Congress with respect to the important role of women in the development of aviation.

In the concurrent resolution the Congress expresses its high esteem of and great regard for the important part played by women in the development of aviation in the past 50 years.

House Concurrent Resolution 92 is particularly timely for the reason that 1953 is the fiftieth anniversary year of the first successful controlled powered flight by Wilbur and Orville Wright in a heavier-than-air craft at Kitty Hawk, N. C., on December 17, 1903. In tribute to the accomplishment of the Wright brothers, the organization of women pilots generally known as the "Ninety-Nines, Inc.," is sponsoring a transcontinental air race on July 3, 1953, from Lawrence, Mass., to Long Beach, Calif., in which more than 50 women pilots will participate.

House Concurrent Resolution 92 was agreed to be the House of Representatives without objection, and I ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 92) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That in this fiftieth anniversary year of the first successful controlled powered flight in heavier-than-air craft by Wilbur and Orville Wright, at Kitty Hawk, N. C., on December 17, 1903, the Congress hereby—

(1) expresses its high esteem of and great regard for the important part played by women in the development of aviation in the past 50 years;

(2) expresses the hope that women will continue to take an increasingly important part in the field of aviation in the future; and

(3) extends its best wishes for the success of the first east-west transcontinental air race on July 3, 1953, from Lawrence, Mass., to Long Beach, Calif., under the sponsorship of the organization of women pilots generally known as the Ninety-Nines, Inc., in commemoration of the fiftieth anniversary of the first successful controlled powered flight in heavier-than-air craft.

The preamble was agreed to.

ADDITIONAL EXPENDITURES BY COMMITTEE ON FOREIGN RELATIONS—REPORT OF A COMMITTEE

Mr. WILEY, from the Committee on Foreign Relations, reported an original resolution (S. Res. 125), which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Foreign Relations hereby is authorized to expend from the contingent fund of the Senate, during the 83d Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. AIKEN (by request):

S. 2242. A bill to amend the Bankhead-Jones Farm Tenant Act, as amended; to the Committee on Agriculture and Forestry.

By Mr. GOLDWATER:

S. 2243. A bill for the relief of Seiko Nagai and her minor child; to the committee on the Judiciary.

By Mr. PURTELL:

S. 2244. A bill to provide for promotion by merit of employees in the postal service and to establish uniform procedures for examination and appointment of candidates for promotion to supervisory positions; to the Committee on Post Office and Civil Service.

By Mr. BRIDGES:

S. 2245. A bill to amend title 18, United States Code, so as to prohibit the transportation of fireworks into any State in which the sale or use of such fireworks is prohibited; to the Committee on the Judiciary.

By Mr. BEALL (for himself and Mr. BUTLER of Maryland):

S. 2246. A bill to provide for the repair and restoration of the frigate *Constellation*; to the Committee on Armed Services.

By Mr. SALTONSTALL (by request):

S. 2247. A bill to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations; and

S. 2248. A bill to authorize the loan of a small aircraft carrier to the Government of France; to the Committee on Armed Services.

(See the remarks of Mr. SALTONSTALL when he introduced the above bills, which appear under a separate heading.)

By Mr. AIKEN:

S. 2249. A bill to authorize the Commodity Credit Corporation to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief requirements in countries friendly to the United States; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. AIKEN when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER:

S. 2250. A bill for the relief of Kyu Lee; to the Committee on the Judiciary.

By Mr. HENDRICKSON:

S. 2251. A bill for the relief of Efstratios Maravelios (also known as Steve Maravelias); to the Committee on the Judiciary.

By Mr. HUMPHREY:

S. 2252. A bill for the relief of Victor Bartl; and

S. 2253. A bill for the relief of Stanislaw Marszalek; to the Committee on the Judiciary.

S. 2254. A bill to amend the Veterans' Readjustment Assistance Act of 1952; to the Committee on Labor and Public Welfare.

By Mr. SALTONSTALL (by request):

S. J. Res. 94. Joint resolution to determine the number of members of the Ready Reserve of the Armed Forces of the United States necessary for the national security to be ordered to active duty involuntarily during

the fiscal year 1954, to authorize such number of members and retired members of the Regular components to be ordered to active duty, and for other purposes; to the Committee on Armed Services.

(See the remarks of Mr. SALTONSTALL when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. MUNDT:

S. J. Res. 95. Joint resolution proposing an amendment to the Constitution of the United States with respect to the election of President and Vice President; to the Committee on the Judiciary.

(See the remarks of Mr. MUNDT when he introduced the above joint resolution, which appear under a separate heading.)

ARMED FORCES LEGISLATION

Mr. SALTONSTALL. Mr. President, by request, I introduce for appropriate reference two bills and a joint resolution relating to the Armed Forces, all recommended by the Department of Defense and accompanied by letters of transmittal explaining the purpose in each case.

I ask unanimous consent that the accompanying letters be printed in the RECORD immediately following the listing of bills introduced.

The VICE PRESIDENT. The bills and joint resolution will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bills and joint resolution, introduced by Mr. SALTONSTALL (by request), were received, read twice by their titles, and referred to the Committee on Armed Services, as follows:

S. 2247. A bill to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations.

The letter to accompany Senate bill 2247 is as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., June 24, 1953.

Hon. LEVERETT SALTONSTALL,
Chairman, Committee on Armed Services, United States Senate.

DEAR MR. CHAIRMAN: There is forwarded herewith a draft of legislation, to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations.

This proposal is a part of the Department of Defense legislative program for 1953 and the Bureau of the Budget has indicated that it has no objection to the submission of this legislation to the Congress for its consideration. The Department of Defense recommends that it be enacted.

PURPOSE OF THE LEGISLATION

This legislation would authorize officers and enlisted personnel of the Armed Forces of the United States, during the period of hostilities in Korea in which the United States is engaged and for 1 year thereafter, to accept from the governments of foreign nations whose personnel are participating with or under the United Nations command in Korea such decorations, orders, and emblems as may be tendered them and which are conferred by such governments upon members of their own military forces.

Clause 8 of section 9, article I of the Constitution provides that, "No title of nobility shall be granted by the United States: And no person holding any office of profit or trust under them, shall, without the consent of the Congress, accept of any present, emolument, office, or title, of any kind whatever, from any king, prince, or foreign state." As a result, except as provided by temporary laws applicable during World Wars I and II, it is necessary periodically to request the Congress to authorize the acceptance, by officers and enlisted personnel in the Armed Forces of the United States, of decorations which were tendered to them by foreign governments. The procedures by which such decorations are awarded are time consuming and while the procedures are not particularly burdensome during normal peacetime, they are cumbersome and unnecessarily restrictive during the current national emergency when applied in relation to those foreign decorations which are tendered to our military personnel in connection with military operations in Korea. As a result of the United Nations military operations in Korea, military personnel of many nations are fighting side by side in the fulfillment of the commitments made by the various nations in relation to their membership in the United Nations organization.

Decorations are currently being tendered by a number of allied governments to United States military personnel for their outstanding contributions to the United Nations military efforts in Korea. The delay in the acceptance of such decorations as imposed by our constitutional limitations is not fully understood by foreign governments and is often misconstrued by them. In addition, the delay resulting from processing such decorations in accordance with normal procedure has an adverse effect upon the morale of the recipients of such decorations. Enactment of this legislation would eliminate that delay in connection with such foreign decorations awarded for service in the Korean area and would represent an important morale factor.

LEGISLATIVE REFERENCES

The authority which would be granted under this legislation is similar to that which existed during World Wars I and II (40 Stat. 872; 56 Stat. 662 and 1056; 10 U. S. C. 1423a and 1423b). It is believed that the reasons supporting enactment of the legislation which was in effect during World Wars I and II have equal application and compelling force in relation to the present Korean situation.

DEPARTMENT OF DEFENSE ACTION AGENCY

The Department of the Army has been designated as the representative of the Department of Defense for this legislation.

Sincerely yours,

JOHN G. ADAMS,
Acting General Counsel.

S. 2248. A bill to authorize the loan of a small aircraft carrier to the Government of France.

The letter accompanying Senate bill 2248 is as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C. June 29, 1953.

Hon. LEVERETT SALTONSTALL,
Chairman, Committee on Armed Services, United States Senate.

DEAR MR. CHAIRMAN: There is forwarded herewith a draft of proposed legislation "To authorize the loan of a small aircraft carrier to the Government of France."

This proposal is a part of the Department of Defense legislative program for 1953 and the Bureau of the Budget has advised that the proposal is in accord with the program of the President. The Department of Defense recommends that it be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of this measure is to authorize the President to lend to the Government of France a small aircraft carrier. The bill would require that, prior to the delivery of the aircraft carrier, an agreement be concluded with the Government of France providing for the return of the carrier 6 months after the cessation of hostilities in Indochina, or 5 years after enactment, whichever is earlier, and in substantially the same condition as when loaned.

The French have proved their ability to operate a United States carrier effectively in the case of the ex-United States steamship *Langley*. There are French crew and pilots trained and aircraft available to man an additional small aircraft carrier.

COST AND BUDGET DATA

The estimated cost of activation from the reserve fleet, repair, accomplishment of essential alterations, outfitting (but not including aircraft and associated aircraft equipment), and logistic support until delivery is $6 million, for which reimbursement is anticipated at the time of transfer if this proposal is enacted.

DEPARTMENT OF DEFENSE ACTION AGENCY

The Department of the Navy has been designated as the representative of the Department of Defense for this legislation.

Sincerely yours,

JOHN G. ADAMS,
General Counsel, Acting.

S. J. Res. 94. Joint resolution to determine the number of members of the Ready Reserve of the Armed Forces of the United States necessary for the national security to be ordered to active duty involuntarily during the fiscal year 1954, to authorize such number of members and retired members of the Regular components to be ordered to active duty, and for other purposes.

The letter accompanying Senate Joint Resolution 94 is as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., June 29, 1953.

Hon. LEVERETT SALTONSTALL,
Chairman, Committee on Armed Services, United States Senate.

DEAR MR. CHAIRMAN: Reference is made to your letter of June 24, 1953, to the Secretary of Defense requesting the comments of the Department of Defense on a limited proposal to order a specific number of members of the Ready Reserve to active duty in lieu of the proposed legislation "To provide for ordering certain members of the Reserve components and retired members of the Armed Forces of the United States to active duty, and for other purposes," which was recommended by the Department of Defense on June 17, 1953.

Although the Department of Defense still adheres to the view that it would be most desirable to provide standby authority for the President to utilize the Ready Reserve without restriction in case of a worsening of present world conditions, and especially in a case where he found that an attack or a threat of attack is imminent, the Department of Defense is reconsidering its recommendations with respect to its proposal for standby authority to utilize the Ready Reserves.

However, due to the urgent need for certain critical military specialties and pending that reconsideration, there is enclosed a draft of a proposed joint resolution which is believed to carry out the intent of your substitute proposal and the views expressed by the chairman of the House Committee on Armed Services which the Department of Defense urges be enacted at the earliest possible time.

This proposal would authorize 775 commissioned officers in the Ready Reserve to be ordered to active duty during fiscal year 1954, under provisions of section 233 (b) (1) of the Armed Forces Reserve Act of 1952. Under current plans, all of these officers will be Army officers, and represent the minimum requirements of the Armed Forces for certain military specialties which cannot otherwise be obtained. At such time as your committee holds hearings on this proposal, the Department of the Army is prepared to specifically justify the number of officers in each category to be ordered to active duty under the enclosed proposal. However, the proposed legislation is applicable to all the

Armed Forces, in order to provide a minimum of flexibility should a critical need for a very small number of critical specialists develop in the other Armed Forces.

In addition, the enclosed joint resolution would continue for 1 year the existing authority to order retired personnel to active duty since it is appropriate that retired Regular personnel should be available for active duty during periods of emergency, such as the present one, which require members of the Reserve components to be ordered to active duty.

The Department of Defense appreciates your views on this matter, and hopes that the enclosed proposed legislation will receive the earliest possible consideration by the Congress.

The Bureau of the Budget has no objection to the submission of this proposed legislation for the consideration of the Congress.

Sincerely yours,

JOHN G. ADAMS,
Acting General Counsel.

FUNERAL EXPENSES OF LATE SENATOR WILLIS SMITH OF NORTH CAROLINA

Mr. HOEY submitted the following resolution (S. Res. 124), which was referred to the Committee on Rules and Administration:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed to arrange for and attend the funeral of Hon. Willis Smith, late a Senator from the State of North Carolina, on vouchers to be approved by the Committee on Rules and Administration.

MUTUAL SECURITY ACT OF 1951, AS AMENDED—AMENDMENTS

Mr. JOHNSON of Texas. Mr. President, on behalf of the majority leader [Mr. TAFT] and myself, I submit an amendment intended to be proposed by us, jointly to the bill (S. 2128) to amend the Mutual Security Act of 1951 as amended, and for other purposes.

The VICE PRESIDENT. The amendment will be received and will lie on the table.

Mr. THYE. Mr. President, on behalf of myself, the Senator from New Hampshire [Mr. TOBEY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Kansas [Mr. SCHOEPPEL], the Senator from Pennsylvania [Mr. DUFF], the Senator from Alabama [Mr. SPARKMAN], the Senator from Louisiana [Mr. LONG], the Senator from Iowa [Mr. GILLETTE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Wyoming [Mr. HUNT], and the Senator from Florida [Mr. SMATHERS], members of the Select Committee on Small Business, I submit an amendment intended to be proposed by us, jointly, to the bill (S. 2128) to further amend the Mutual Security Act of 1951, as amended, and for other purposes.

The VICE PRESIDENT. The amendment will be received, printed, and will lie on the table.

Mr. GOLDWATER. Mr. President, I submit an amendment intended to be proposed by me to the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes. I ask unanimous consent to address the Senate for not more than 2 minutes on the amendment.

The VICE PRESIDENT. The amendment will be received and printed, and will lie on the table, and without objection, the Senator may proceed.

Mr. GOLDWATER. Mr. President, section 304 of S. 2128 provides that not to exceed $400 million shall be given in support of the forces of France and the Associated States of Cambodia, Laos, and Vietnam.

The distinguished Senator from New Jersey [Mr. SMITH], yesterday correctly stated in his excellent speech that the United States is not interested in imperialism. Yet the purpose of this section would be to give $400 million to France for the perpetuation of colonies which desire freedom and for the perpetuation of a war in the face of the people's desire for freedom.

My amendment calls on the Government of France to give satisfactory assurance to the President of the United States that an immediate declaration would be made to the peoples of the Associated States setting a target date for the adoption of a constitution for such States, and for the establishment of their complete independence.

I am fearful that unless such a provision is included in section 304 the expenditure of the $400 million is an open sesame to another war such as we have in Korea, a war which the United States does not want and a war which can be stopped tomorrow if France would give assurance to those people who want freedom that freedom is forthcoming, as the United States has done in the case of the Philippines.

NOTICE OF HEARING ON NOMINATIONS OF CERTAIN UNITED STATES ATTORNEYS AND UNITED STATES MARSHALS

Mr. LANGER. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Tuesday, July 7, 1935, at 10 a. m., in room 424, Senate Office Building, upon the following nominations. At the indicated time and place all persons interested in the nominations may make such representations as may be pertinent. The subcommittee consists of myself, chairman, the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from Tennessee [Mr. KEFAUVER]:

George Riebel Blue, of Louisiana, to be United States attorney for the eastern district of Louisiana.

Hugh K. Martin, of Ohio, to be United States attorney for the southern district of Ohio.

William M. Steger, of Texas, to be United States attorney for the eastern district of Texas.

Charles W. Atkinson, of Arkansas, to be the United States attorney for the western district of Arkansas.

Harry Richards, of Missouri, to be United States attorney for the eastern district of Missouri, vice George L. Robertson, resigned.

John C. Crawford, Jr., of Tennessee, to be United States attorney for the eastern district of Tennessee.

Millsaps Fitzhugh, of Tennessee, to be United States attorney for the western district of Tennessee, vice John Brown, term expired.

Emerson Ferrell Ridgeway, of Florida, to be United States marshal for the northern district of Florida, vice Edgar W. Scarborough, resigning.

William W. Kipp, Sr., of Illinois, to be United States marshal for the northern district of Illinois, vice Thomas P. O'Donovan, deceased.

James L. May, of Alabama, to be United States marshal for the southern district of Alabama, vice Vernon P. Burns, term expired.

Frank O. Bell, of California, to be United States marshal for the northern district of California, vice John A. Roseen, resigning.

Thomas J. Lunney, of New York, to be United States marshal for the southern district of New York.

Roy A. Harmon, of North Carolina, to be United States marshal for the western district of North Carolina, vice Jacob C. Bowman, term expired.

Harold Sexton, of Oregon, to be United States marshal for the district of Oregon.

Howard S. Proctor, of Rhode Island, to be United States marshal for the district of Rhode Island.

Richard A. Simpson, of Virginia, to be United States marshal for the eastern district of Virginia.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. WILEY:

Series of questions and answers on the Bricker amendment, prepared by him.

By Mr. POTTER:

Editorial entitled "The Merchant Marine," published in the Reno Evening Gazette.

By Mr. MARTIN:

Editorial entitled "Army Reservists," published in the Harrisburg Evening News of June 27, 1953.

INTERNATIONAL LABOR CONFERENCE AND ELECTION OF SENATOR IVES AS PRESIDENT

Mr. MURRAY. Mr. President, the 36th session of the International Labor Conference has just been concluded at Geneva, Switzerland. This session is regarded as one of the most satisfactory meetings ever held by that important world organization. These international meetings of the ILO are making a genuine contribution to better understanding and cooperation among the nations of the world.

At this year's conference the United States was signally honored by the election of our distinguished colleague, the Honorable IRVING M. IVES, United States Senator from New York, as president of the conference. Senator IVES was singled out in that great gathering of representatives of workers, employers, and governments of the world because of his high qualifications and broad experience in the field of industrial and human

relations. On the occasion of his election he was the recipient of many generous expressions of approval and commendation by the delegates to the conference, and his election was by acclamation. It was the general opinion of the conference that Senator IVES was admirably suited, by background and experience and by unusual achievements in the field of labor-management relations, to serve as the presiding officer of this important international organization.

On the occasion of his election Senator IVES delivered an able address expressing his views on the importance of the International Labor Organization to the peace and progress of the world, and conveyed to the delegates and officials of the organization President Eisenhower's personal greetings and good wishes for a successful conference.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks the address delivered by the distinguished senior Senator from New York [Mr. IVES] at the opening of the 36th session of the International Labor Conference at Geneva, Switzerland, Thursday, June 4, 1953.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

I undertake the presidency of this conference not only with deep appreciation of the confidence you have reposed in me and the honor you have thus conferred upon my country; but also with the knowledge that all of us assembled here stand at the gateway of opportunity. President Eisenhower has asked me to convey his personal regards and best wishes for the success of this conference.

This is a unique international gathering. We come together representing many nations, yet seeking no selfish advantage for any; pledged to the improvement of mankind's welfare, yet seeking no profit for any man at the price of another man's loss.

We seek nothing, indeed, except enrichment of life through the establishment of higher standards of living, through the preservation and extension of individual rights and freedoms, and through the attainment of those conditions which may lead to permanent world peace. We believe that these goals can be achieved only through the promotion of free and democratic institutions. And we believe that such institutions are firmly founded in a deep religious faith.

The task is challenging. But we approach it with powerful weapons: Faith in one another and faith in the indestructibility of justice.

We know that to end strife among men we must first abolish the causes of their discontent. Those causes lie in poverty, in want, in oppression both economic and spiritual. It is to the ultimate elimination of such evils that the General Conference of the International Labor Organization is dedicated.

No gathering could have a nobler purpose.

During the course of our meeting we shall consider a number of great humanitarian programs. Perhaps we shall mold new concepts of human dignity. In the process of discussion and debate it is inevitable that we shall find some divergence of opinion among ourselves. Intelligent men must always bring differing ideas to a conference of this kind. We are wise enough to know that true progress is the result of blending such ideas. Let us welcome them as so many lights focused on a central problem.

Surely the passion to seek a better life for all burns with the same intense fervor in every delegate to this conference. Our differences will lie only in the methods we recommend. Some may wish to proceed by one road, some by another. Some may wish to go so far, some farther. But however we may differ in such matters, our ultimate aim is the same for every delegate here. It is an unbreakable bond among us.

As we launch our deliberations, we have every right to be optimistic. We can look to the future with confidence based on the past; for we know that during the years in which the International Labor Organization has been an influential factor in world affairs it has accomplished much.

Have not the conventions and the recommendations of this organization, during the span of our own lifetime, resulted in visible social advances throughout a great part of the civilized world?

Have not working men and women achieved more dignified stature, more humane working conditions?

Have not many of the member nations of this Organization provided their peoples with better health standards, fairer scale of compensation, sounder vocational training, stronger guarantees for the right to organize and to bargain for group benefits?

Have we not helped to convince the world that the aged and the incapacitated have a right to consideration?

It is unnecessary to recite the entire roster of ILO achievements. The world knows those achievements well. If I look back upon them now, it is only because I see our past as an inspiration to our future.

That past has taught us many things, and among them is this fundamental precept:

Man's progress is certain and secure only when it is universal.

It is because we understand this so well that 66 nations are members of the ILO, and most of them have sent delegations to this Conference. We are aware that economic illness within the borders of any single state may swiftly spread to others. That is why our obligation is international. That is why our thinking is international.

And it is significant that by the regulations of the ILO the member nations are represented here by spokesmen from government, from employers, and from workers. This, too, emphasizes the universality of our program.

For the ILO has known always that prosperity cannot be isolated or restricted to a single group.

There can be no flourishing worker class where employers are prostrate. There can be no flourishing employers where workers are trampled and beaten and dispirited. And there can be no sound government unless it be founded on a strong and sound economy, an economy in which both workers and employers function at their best.

Such are the concepts with which we enter this conference.

I would add to them certain reflections of my own. Too much of the world's history has been concerned with the use of force. Unhappily this has been true also in the more specific history of employers and workers. We have known an era in which employers relied on force to dominate workers; and we have known an era in which workers relied on force to wrest rights and privileges from employers.

I dare to hope, ladies and gentlemen of the conference, that we are now mature enough, wise enough, and sufficiently experienced to enjoy the blessings of a more enlightened philosophy. In the problems of workers and employers the process of substituting peaceful negotiation for force has gained strength steadily. Perhaps the day has come at last when reason, intelligence, and good will can entirely take the place of compulsion.

I trust we may help to insure such a day with whatever conventions and recommendations we may make.

I trust we shall remember that no agreements among men can be lasting unless they are entered into willingly and with a sense of justice. A compact forced upon one party by another, or forced upon both by a third party, is not a compact at all. It is duress. And because it is the nature of man to rebel against duress, forced agreements cannot long endure.

If we in this conference are to build for the eternal emancipation of mankind, we must build with ideals to which all of us—representatives of government, of employers, and of workers—can subscribe with willing hearts. All else is temporary and ephemeral.

The cause to which we are devoted is the cause of humanity itself. May God grant us the wisdom and the courage to measure up to its demands.

AMENDMENT OF NATIONAL HOUSING ACT AND AMENDMENT OF SERVICEMEN'S READJUSTMENT ACT OF 1944

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 1993) to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, the veterans' direct home-loan program, and for other purposes, which was, to strike out all after the enacting clause, and insert:

That title III of the Servicemen's Readjustment Act of 1944, as amended, is hereby amended as follows:

(1) By striking out "4 percent per annum" from clause (C) of section 512 (a) and inserting in lieu thereof "the rate authorized for guaranteed home loans,";

(2) By striking out "of 4 percent per annum" from section 512 (b) and inserting "to be determined by the Administrator of Veterans' Affairs, not to exceed the rate authorized for guaranteed home loans, and in no event to exceed 4½ percent per annum";

(3) By striking out "June 30, 1953" from clause (C) of section 512 (b) and inserting "June 30, 1954" in lieu thereof;

(4) By striking out "June 30, 1953" from the first sentence of section 513 (a) and inserting "June 30, 1954" in lieu thereof;

(5) By striking out "June 30, 1954" from the third sentence of section 513 (c) and inserting "June 30, 1955" in lieu thereof; and

(6) By striking out "June 30, 1953" from the first sentence of section 513 (d) and inserting "June 30, 1954" in lieu thereof.

SEC. 2. The last proviso in section 500 (b), title III, of the Servicemen's Readjustment Act, as amended, is hereby amended to read as follows:

"*And provided further*, That the Administrator, with the approval of the Secretary of the Treasury, may prescribe by regulation from time to time such rate of interest, not in excess of 4½ percent per annum, as he may find the loan market demands."

Mr. CAPEHART. Mr. President, S. 1993 as it passed the Senate increased the maximum interest rates on certain FHA-insured loans where they were fixed by statute. The new maximum interest rate authorized merely made the rates consistent with those in other sections of the act. S. 2103 on which a conference report will be submitted later today contains these provisions. Thus, the fact that the House amendment to S. 1993 does not contain these provisions makes no difference.

The remainder of the House version is identical in effect to the Senate bill, although the language is somewhat different.

Both bills extend the VA direct-loan program for 1 year and authorize an additional $25 million each calendar quarter. The Senate in S. 2103 had provided $50 million each calendar quarter, but unfortunately it was not included in S. 1993 as it passed the Senate and it thus is not subject to conference. I, as chairman, and the Committee on Banking and Currency will review the veterans' direct-loan program and may early next session on the basis of our review, if the program is not adequate, recommend a larger authorization. I should also at that time like to amend the VA Act to include a provision to which the Senate agreed in S. 2103, but which unfortunately is not in S. 1993 in the Senate or House versions and therefore not in conference, which would permit nonapproved mortgages, such as pension and trust funds, to purchase mortgages from the VA direct-loan program.

The bill increases the statutory maximum interest rate on direct loans to 4½ percent and provides that the interest rate fixed on direct loans shall be the same as that on the regular guaranteed home loans. Thus we will never again have the situation arise where one group of veterans will be required to pay 4-percent interest on a home loan and another 4½ percent, as has been the case during the past 2 months.

Both bills also make it perfectly clear that the Veterans' Administration, with the concurrence of the Secretary of the Treasury, has the right to lower the interest rate on home loans below 4½ percent as well as to increase them to 4½ percent.

I move that the Senate concur in the House amendment.

The motion was agreed to.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The VICE PRESIDENT. The Chair lays before the Senate the unfinished business, which is S. 2128.

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

The VICE PRESIDENT. The amendments of the Committee on Armed Services will be stated.

The amendments of the Committee on Armed Services were, on page 3, line 14, after the word "may", to strike out "make available" and insert "expend"; at the beginning of line 20, to strike out "made" and insert "to be made"; in line 23, after the word "States", to strike out the colon and the following proviso:

Provided, That in the event of the cessation of hostilities in which such forces are engaged, the funds authorized to be made available under this section and remaining unexpended, may be made available for economic and technical assistance, and rehabilitation and relief, in those portions of the Associated States of Cambodia, Laos, and Vietnam, which the President determines not to be under Communist control.

And on page 16, after line 11, to strike out:

(2) Amend section 521 by striking out the words "the administrative and operating expenses of" in the next to the last sentence.

(3) Add the following new section:

"SEC. 549. Use of foreign currency or credits: There is hereby authorized to be made available for the fiscal year 1954 for the purpose of this act, not to exceed the equivalent of $98,396,000 in foreign currencies or credits owed to or owned by the United States: *Provided*, That, in addition, any foreign currencies or credits owed to or owned by the United States are authorized to be continued available for use for liquidation of obligations incurred against such currencies prior to July 1, 1953."

And insert:

(2) Amend section 521 by striking out the next to the last sentence thereof.

(3) Add the following new section:

"SEC. 549. Use of foreign currency or credits: Foreign currencies or credits owed to or owned by the United States shall be used to carry out the purposes of this act but only after reimbursement is made therefor to the Treasury from funds appropriated to carry out such purposes: *Provided*, That such currencies or credits are authorized to be made available for use without reimbursement to the Treasury for liquidation of obligations legally incurred against such currencies prior to July 1, 1953."

So as to make the bill read:

Be it enacted, etc., That this act may be cited as the "Mutual Security Act of 1953."

CHAPTER I—MUTUAL DEFENSE MATERIEL AND TRAINING

SEC. 101. Authorization of appropriation: Amend the Mutual Security Act of 1951, as amended, by adding the following new section:

"SEC. 540. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed $3,681,523,000 to carry out the provisions of sections 101 (a) (1) (relating to military assistance for Europe), 201 (relating to military assistance for the Near East and Africa), 301 (relating to military and other assistance for Asia and the Pacific), and 401 (relating to military assistance for Latin America) of this act, of which $2,179,689,870 is authorized to be appropriated under section 101 (a) (1), $405,212,637 is authorized to be appropriated under section 201, $1,081,620,493 is authorized to be appropriated under section 301, and $15 million is authorized to be appropriated under section 401."

CHAPTER II—MUTUAL DEFENSE FINANCING

SEC. 201. Authorization of appropriations: Amend the Mutual Security Act of 1951, as amended, by adding the following new sections:

"SEC. 541. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed $984 million to carry out the provisions of sections 101 (a) (2) (relating to defense support and economic assistance for Europe), 102 (relating to defense production financing for France and the United Kingdom), 302 (a) (relating to defense support, economic and technical assistance) for the National Government of the Republic of China and the Associated States of Cambodia, Laos, and Vietnam, and 304 (relating to defense production financing) of this act."

"SEC. 102. Of the funds authorized by section 541 of this act, the President may make available, on such terms and conditions, including transfer of funds, as he may specify (a) not to exceed $100 million for manufacture in France of artillery, ammunition, and semiautomatic weapons required by French forces for the defense of the North Atlantic area, and (b) not to exceed $100 million for manufacture in the United Kingdom of military aircraft required by United Kingdom forces for the defense of the North Atlantic area."

"SEC. 304. Of the funds authorized by section 541 of this act, the President may expend, on such terms and conditions, including transfer of funds, as he may specify, not to exceed $400 million for the procurement of equipment, materials, and services (as defined in section 411 (containing definitions) of the Mutual Defense Assistance Act of 1949, as amended), which are required by and are to be made available to, or are necessary for the support of, the forces of France and the Associated States of Cambodia, Laos, and Vietnam located in such Associated States."

CHAPTER III—MUTUAL SPECIAL WEAPONS PLANNING

SEC. 301. Authorization of appropriation: Amend the Mutual Security Act of 1951, as amended, by adding the following new section:

"SEC. 542. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed $100 million for the purpose of furnishing special weapons to nations eligible to receive military assistance under this act or to the international organizations referred to in section 2 (b) (A) and 2 (b) (C) of this act: *Provided*, That, prior to the obligation of funds for this purpose, the President shall determine that such obligation is in the security interest of the United States and is in furtherance of the policies and purposes of the Mutual Defense Assistance Act of 1949, as amended: *And provided further*, That, prior to the transfer of such weapons, the President shall determine that (a) the recipient is adequately prepared to safeguard the security of such weapons; (b) that the transfer of such weapons will be in the security interest of the United States; and (c) that such transfer will further the purposes and policies of the Mutual Defense Assistance Act. Nothing contained in this section shall alter, amend, revoke, repeal, or otherwise affect the provisions of any law restricting, limiting, or prohibiting the transfer of any such weapons. Notwithstanding any other provisions of this act, funds made available pursuant to this section may be used only for the purpose of this section."

CHAPTER IV—MUTUAL DEVELOPMENT AND TECHNICAL PROGRESS

SEC. 401. Authorization of appropriation: Amend the Mutual Security Act of 1951, as amended, by adding the following new section:

"SEC. 543. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed $140,234,500 to carry out the provisions of sections 203 (relating to economic and technical assistance for the Near East and Africa), 302 (a) (relating to defense support, economic and technical assistance) other than for the National Government of the Republic of China and the Associated States of Cambodia, Laos, and Vietnam, and 402 (relating to technical assistance for Latin America) of this act."

SEC. 402. Authorization of appropriation for basic materials: At the end of section 514 (relating to basic materials) of the Mutual Security Act of 1951, as amended, add the following sentence: "There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed $15 million to carry out the provisions of this section."

SEC. 403. Special economic assistance in the Near East and Africa: Amend section 206 of the Mutual Security Act of 1951, as amended, to read as follows:

"SEC. 206. In order to further the purpose of this act in the Near East and Africa, there is hereby authorized to be appropriated to the President for the fiscal year 1954 not to

exceed $194 million to be used, on such terms and conditions as he may specify, to furnish special economic assistance designed to promote the economic development of the area, for relief and rehabilitation of refugees in the area, and for other types of economic assistance to assist in maintaining economic and political stability in the area. The applicable provisions of the Act for International Development (64 Stat. 204; 22 U. S. C. 1557), except the provisions relating to the purpose for which assistance may be given, or of section 503 (b) (3) of this act, shall apply to the expenditure of funds pursuant to this section to the extent that they are not inconsistent with the purposes of this section."

SEC. 404. Special economic assistance for India and Pakistan: Amend section 302 (relating to economic and technical assistance for Asia and the Pacific) of the Mutual Security Act of 1951, as amended, by redesignating subsection (b) as (c) and adding the following new subsection (b):

"(b) In order to further the purpose of this act in India and Pakistan, there is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed $94,400,000 to be used, on such terms and conditions as he may specify, to furnish special economic assistance designed to promote the economic development of such countries, and to assist in maintaining economic and political stability therein. The applicable provisions of the Act for International Development, except the provisions relating to the purpose for which assistance may be given, or of section 503 (b) (3) of this act, shall apply to the expenditure of funds pursuant to this section to the extent that they are not inconsistent with the purposes of this section."

CHAPTER V—MULTILATERAL ORGANIZATIONS

SEC. 501. Movement of migrants: Add the following new sentence to section 534 (relating to the movement of migrants) of the Mutual Security Act of 1951, as amended: "There is hereby authorized to be appropriated to the President not to exceed $10 million for contributions during the calendar year 1954 to the Intergovernmental Committee for European Migration."

SEC. 502. Multilateral technical cooperation and children's welfare: Amend the Mutual Security Act of 1951, as amended, by adding the following new sections:

"SEC. 544. There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed $13,750,000 for multilateral technical cooperation under section 404 (b) of the Act for International Development.

"SEC. 545. There is hereby authorized to be appropriated to the President not to exceed $13 million for contributions during the calendar year 1954 for the support of international children's welfare work in such manner and on such terms and conditions as he may deem to be in the interests of the United States."

SEC. 503. Ocean freight on relief shipments: Add the following new sentence to section 535 (relating to the payment of ocean freight charges on voluntary relief shipments) of the Mutual Security Act of 1951, as amended: "There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed $1,825,000 for use in paying ocean freight charges under section 117 (c) of the Economic Cooperation Act of 1948, as amended."

SEC. 504. United Nations Korean Reconstruction Agency: Amend section 303 (a) (relating to Korean relief) of the Mutual Security Act of 1951, as amended, as follows:

(a) Add the following new sentence: "There is hereby authorized to be appropriated to the President for the fiscal year 1954 not to exceed $71 million for making contributions to the United Nations Korean Reconstruction Agency, or such other agency as the President may direct."

(b) In the third sentence of section 303 (a) strike out "$67,500,000" and insert "$40,750,000."

CHAPTER VI—FURTHER CHANGES IN EXISTING MUTUAL SECURITY LEGISLATION

SEC. 601. Amend the Mutual Security Act of 1951, as amended, by adding the following new sections:

"SEC. 546. Whenever the President determines it to be necessary for the purpose of this act, (a) not to exceed 10 percent of the aggregate of the appropriations made available for section 101 (a) (1) and section 541 of this act, for any fiscal year, may be transferred between appropriations made available for either of such sections: *Provided*, That such funds after transfer may be used only for the purposes of sections 101 (a) (1) or 101 (a) (2); and (b) not to exceed 10 percent of the funds made available pursuant to the authorization contained in any of chapters II, IV, and V of the Mutual Security Act of 1953 for the fiscal year 1954 may be transferred to and consolidated with funds made available pursuant to the authorization contained in any other of such chapters. Whenever the President makes any such determination, he shall forthwith notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

"SEC. 547. The unexpended balance under each paragraph of title III, Mutual Security, of the Supplemental Appropriation Act, 1953, is hereby authorized to be continued available for its original purposes through June 30, 1954, and may be consolidated with the appropriate fiscal year 1954 appropriation made for the same general purpose under the authority of this act."

SEC. 602. Escapees: Paragraph 101 (a) (1) of title I (relating to Europe) of the Mutual Security Act of 1951, as amended, is amended by deleting the word "similarly" before the word "determined" and by inserting "or any Communist-dominated or Communist-occupied areas of Asia," after "and any other countries absorbed by the Soviet Union," and, at the end of that sentence, strike out "and to the security of the United States" and insert "or to the security of the United States."

SEC. 603. Military aid in the Near East and Africa: Title II (relating to the Near East and Africa) of the Mutual Security Act of 1951, as amended, is further amended as follows:

(a) Amend section 201 (relating to military assistance) by inserting "and by furnishing other military assistance in the area of the Near East and Africa" after "Greece, Turkey, and Iran," and by inserting "and for furnishing other military assistance in the area of the Near East and Africa pursuant to section 202" after "and for furnishing assistance to Iran pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571–1604)."

(b) Amend section 202 (relating to military assistance) to read as follows:

"Whenever the President determines that such action is essential for the purpose of this act, he may utilize the funds made available pursuant to section 201 in order to provide assistance, pursuant to the provisions of the Mutual Defense Assistance Act of 1949, as amended, in the area of the Near East and Africa. Such assistance may be furnished to any organization created pursuant to a regional defense arrangement in the area to which the United States shall have become a party, to any nation in the general area participating in such an arrangement, or to any other nation in the general area which the President determines to be of direct importance to the defense of the area and whose increased ability to defend itself the President determines to be important to the security of the United States (any such determination to be reported forthwith the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, and the Committees on Armed Services of the Senate and of the House of Representatives). No assistance shall be furnished under this section unless the recipient nation (1) has agreed (a) that the equipment, materials, or services provided will be used solely to maintain its internal security, its legitimate self-defense, or to permit it to participate in the defense of the area, or in United Nations collective security arrangements and measures, and (b) that it will not undertake any act of aggression against any other nation, and (2) has complied with such of the conditions set forth in section 511 (a) of this act and section 402 of the Mutual Defense Assistance Act of 1949, as amended, as the President shall find to be essential to the accomplishment of the purposes of this section."

SEC. 604. Authority for assistance to Korea: Title III (relating to Asia and the Pacific) of the Mutual Security Act of 1951, as amended, is further amended as follows: In the first sentence of section 302 (a) (relating to economic aid and technical assistance) strike out "but not including the Republic of Korea)."

SEC. 605. Title V (relating to organization and general provisions) of the Mutual Security Act of 1951, as amended, is further amended as follows:

(a) Personnel ceiling exemption for new military assistance programs: Amend section 504 (d) (relating to reduction in personnel) by changing the period at the end of the section to a colon and by adding the following proviso: "*Provided further*, That after July 1, 1953, the following categories of civilian employees and military personnel carrying out programs under the Mutual Defense Assistance Act of 1949, as amended, shall be in addition to the personnel ceiling established under the second and third provisos of this section:

"(1) Civilian employees and military personnel carrying out such programs in the Associated States of Cambodia, Laos, and Vietnam, over and above the number so engaged before July 1, 1953,

"(2) Civilian employees and military personnel carrying out such programs for any countries in which no such programs were in operation on July 1, 1953,

"(3) Civilian employees and military personnel carrying out such programs for international organizations and headquarters established after July 1, 1953."

(b) Special use of funds: Amend section 513 (b) (relating to special use of funds) to read as follows:

"(b) Not more than $100 million of the funds made available under this act, of which not more than $20 million may be allocated to any one country, may be used in any fiscal year by the President, to be expended, without regard to the requirements of this act, or any other act for which funds are authorized by this act, in furtherance of the purposes of such acts, when the President determines that such use is important to the security of the United States. The President shall notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives upon making any such determination."

(c) Termination of program: Amend section 530 (a) (relating to the expiration of the Mutual Security Program) to read as follows:

"SEC. 530. (a) After June 30, 1956, or after a date specified in a concurrent resolution passed by the two Houses of Congress, whichever is the earlier, none of the authority conferred by this act or by the Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571–1604), may be exercised; except that following such date—

"(1) equipment, materials, commodities, and services with respect to which procurement for, shipment to, or delivery in a

recipient country had been authorized prior to such date may be transferred to such country, and

"(2) funds appropriated under the authority of this act shall, if obligated before such date, remain available for expenditure for 3 years following such date, and shall be available during such period for obligation: (A) for the necessary expenses of procurement, shipment, delivery, and other activities essential to such transfers, and (B) for the necessary expenses of liquidating operations under this act."

(d) Underdeveloped areas: Add the following new section 548:

"SEC. 548. Whenever funds are made available under this act for assistance, other than military assistance, to any economically underdeveloped area, such funds may be used under the applicable provisions of section 503 (b) (3) or the applicable provisions of the Act for International Development. Where administrative arrangements, including provisions relating to compensation and allowances of personnel, authorized under section 503 (b) (3) differ from those authorized by the Act for International Development, the director may make use of arrangements authorized under either statute, in carrying out such programs, except that before extending the provisions of section 109 (a) of the Economic Cooperation Act of 1948, as amended, to countries in which programs authorized under the Act for International Development are being carried out, the Director will secure the approval of the Secretary of State."

(e) Use of local currency.—

(1) Amend section 519 (b) to read as follows:

"(b) In order to assist in carrying out the provisions of section 514, funds made available to carry out that section may be used to acquire local currency for the purpose of increasing the production of materials in which the United States or nations receiving United States assistance are deficient."

(2) Amend section 521 by striking out the next to the last sentence thereof.

(3) Add the following new section:

"SEC. 549. Use of foreign currency or credits: Foreign currencies or credits owed to or owned by the United States shall be used to carry out the purposes of this act but only after reimbursement is made therefor to the Treasury, from funds appropriated to carry out such purposes: *Provided*, That such currencies or credits are authorized to be made available for use without reimbursement to the Treasury for liquidation of obligations legally incurred against such currencies prior to July 1, 1953."

SEC. 606. The Mutual Defense Assistance Act of 1949, as amended (22 U. S. C. 1571–1604), is further amended as follows:

(a) Assistance to NATO countries: Add the following proviso before the period at the end of section 101 (relating to military assistance to NATO countries): ": *Provided*, That military assistance may be furnished for purposes not included in such defense plans upon a determination by the President that it will further the purposes and policies of this act."

(b) Excess equipment: Immediately before the period in the next to last sentence of section 403 (d) (relating to limitation on furnishing of excess equipment), add the following: "and after June 30, 1953, by an additional $200,000,000."

(c) Sales of military equipment: Strike out the word "The" where it appears at the beginning of section 408 (e) (1) (relating to sales of military equipment) and insert in lieu thereof the following: "Notwithstanding the provisions of section 530 (a) of the Mutual Security Act of 1951, as amended, the."

(d) Dependable undertaking procedure: Amend the last sentence of section 408 (e) (2) (relating to sales of military equipment) to read as follows: "Before a contract is entered into or rehabilitation work is undertaken, such nation, or international military organization or headquarters, shall (A) provide the United States with a dependable undertaking to pay the full amount of such contract or the cost of such rehabilitation which will assure the United States against any loss on the contract, or rehabilitation work, and (B) shall make funds available in such amounts and at such times as may be necessary to meet the payments required by the contract or the rehabilitation work in advance of the time such payments are due, in addition to the estimated amount of any damages and costs that may accrue from the cancellation of such contract or rehabilitation work: *Provided*, That the total amount of outstanding contracts under this subsection, less the amounts which have been paid to the United States by such nations, shall at no time exceed $700 million."

(e) Loans of equipment: Amend section 411 (d) (containing definitions) to read as follows:

"(d) The term 'services' shall include any service, repair, training of personnel, or technical or other assistance or information necessary to effectuate the purposes of this act, including loans of equipment for test and study purposes."

SEC. 607. Counterpart loans: Amend the last proviso of section 115 (b) (6) (relating to counterpart funds) of the Economic Cooperation Act of 1948, as amended (U. S. C. 1503–1519) to read as follows:

"*And provided further*, That whenever funds from such special account are used by a country to make loans, all funds received in repayment of such loans prior to termination of assistance to such country shall be reused only for such purposes as shall have been agreed to between the country and the Government of the United States."

SEC. 608. United Nations technical cooperation programs: Amend the last proviso in section 404 (b) of the Act for International Development by rtriking out the word "fiscal" and inserting in lieu thereof the word "calendar."

SEC. 609. Repeal of certain provisions: (a) (1) Subsection (a) of section 516 of the Mutual Security Act of 1951, as amended, is repealed.

(2) Amend subsection (b) of such section by striking out the words "to accomplish the purpose of clause (1) of subsection (a) of this section, under" and inserting in lieu thereof the word "Under."

(b) Section 115 (k) of the Economic Cooperation Act of 1948, as amended, is repealed. Nothing in this subsection shall be construed to prevent the carrying out of any commitment or agreement entered into pursuant to said section 115 (k) prior to the date of enactment of this act.

The amendments were agreed to.

The VICE PRESIDENT. That completes the committee amendments.

The bill is open to further amendment.

Mr. JOHNSON of Texas. Mr. President, I call up an amendment which is at the desk. The amendment is offered on behalf of the Senator from Ohio [Mr. TAFT] and myself.

The VICE PRESIDENT. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 13, before the period, to insert the following: "*Provided, however*, That the President may, in his discretion, withhold not to exceed $1 billion of the assistance authorized to be made available for the year 1954 under section 101 (a) (1) until such time as the treaty establishing the European Defense Community, referred to in clause (C) of section 2 (b) comes into effect."

Mr. JOHNSON of Texas. Mr. President, it is indeed an honor to be associated with the distinguished majority leader [Mr. TAFT] in the sponsorship of this amendment.

The language we are proposing seeks to reach two objectives.

First, it would serve notice on the world that the funds we vote for mutual assistance are to be used to promote the defenses of the free world against communism—and for that purpose only.

Second, it would give the President of the United States the freest possible hand in the conduct of foreign relations.

There can be no doubt that many Americans are disappointed with the results of the mutual-assistance program. They have poured billions of dollars into it. And yet, even today it cannot be said that our allies are united single-mindedly in a determination to resist Communist aggression.

This thought, of course, is what prompted the House of Representatives to amend this bill. I can sympathize with the purposes behind the House amendment. Nevertheless, I am afraid that the very purposes would be defeated by the House language.

The House amendment would tie the hands of the President. He would have no bargaining power, no latitude, no discretion. He would be powerless to engage in the give-and-take which is the very essence of foreign relations.

The amendment which the distinguished majority leader and I are sponsoring would give the President a much stronger hand. We would have a clear congressional directive—a directive that could, at the crucial moment, be as potent as a hole-card ace.

But he could use that directive according to the needs of the moment. He could apply it as he saw fit, at the time he saw fit.

In the day-by-day conduct of foreign relations there can be no substitute for the President. The Congress can—and should—lay down the broad policies that govern the conduct of such relations. The Congress can—and should—determine the appropriations that will back those broad policies.

But Congress cannot negotiate; Congress cannot administer. We have neither the constitutional authority nor the organization to do so. That is the constitutional function of the Chief Executive and his staff.

I would like to think that we have strengthened the President's hand to the greatest possible extent in the field of foreign affairs. I would like to think that we have armed him with every possible weapon to obtain the greatest security and the greatest prestige for our country.

In the event he has to "get tough," I believe he should have the authority to do so. But I do not believe we should commit him in advance to policies which may be adverse to our own interests just a few months from now when Congress will be out of session and unable to make any changes.

Mr. President, I am fully conscious of the need for unity in Europe. I know as well as any other Member that it is essential lest our whole program collapse.

We can approach this problem in a manner devoid of partisanship. We can

act not as Democrats and not as Republicans, but as Americans, determined to grant our Chief Executive the authority he needs.

That is the purpose of this amendment in which I have joined with my good friend the able and distinguished majority leader. It is my hope that it will receive the support of every Member of the Senate on both sides of the aisle.

Mr. KNOWLAND. Mr. President, I wish to join in support of the amendment offered by the minority leader, on behalf of himself and the majority leader, the Senator from Ohio [Mr. TAFT], in whose place I am acting today.

I think the amendment is a good one. I believe it is a discretionary amendment which does not have the restrictive features of the amendment adopted by the House of Representatives. I hope this amendment will be accepted by the chairman of the Foreign Relations Committee and by the Senate.

Mr. WILEY. Mr. President, before the amendment really came into being, its contents were discussed in the Foreign Relations Committee. I believe it was the consensus of opinion of the members present that the amendment should be made a reality.

So, Mr. President, personally at this time I consent.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The question is on agreeing to the amendment offered by the Senator from Texas [Mr. JOHNSON] for himself and the Senator from Ohio [Mr. TAFT].

The amendment was agreed to.

Mr. WILEY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 9, in line 15, it is proposed to strike out "10" and to insert in lieu thereof "25."

On page 9, in line 22, it is proposed to strike out "10" and to insert in lieu thereof "25."

On page 14, in line 3, it is proposed to strike out "$100,000,000" and insert in lieu thereof "$200,000,000."

On page 14, in lines 4 and 5, after the word "act", it is proposed to strike out the comma and the words "of which not more than $20,000,000 may be allocated to any one country."

Mr KNOWLAND. Mr. President, may we have an explanation of the amendment?

Mr. WILEY. Mr. President, the bill contains a proviso that in respect to certain areas, up to 10 percent of the funds may be transferred; and between areas, up to 10 percent of the funds may be transferred.

I have discussed this matter with the senior Senator from Georgia [Mr. GEORGE]. In view of the present world situation, the adoption of such an amendment is considered desirable. As I said yesterday, many of the basic facts in the world have changed since we received the original report from Mr. Stassen and his assistants. In short, this amendment will add, it might be said, to the amendment which has just been adopted. This amendment will give the President the discretionary power to hold back $1 billion additional if he desires to do so, as more or less of an inducement to the bringing into operation of EDC. The amendment will increase the discretionary power of the President, so that instead of having the power to withhold up to 10 percent, he will have the power to withhold up to 25 percent and to redistribute it in whatever way the facts regarding the world situation indicate that, in his discretion, the money should be used.

The amendment also will make a change in the provision for special use of funds on page 14. In line 3 on that page, the amendment would strike out "$100,000,000" and insert in lieu thereof "$200,000,000".

At that point the bill now reads as follows:

(b) Not more than $100 million of the funds made available under this act, of which not more than $20 million may be allocated to any one country, may be used in any fiscal year by the President, to be expended, without regard to the requirements of this act, or any other act for which funds are authorized by this act, in furtherance of the purposes of such acts, when the President determines that such use is important to the security of the United States. The President shall notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives upon making any such determination.

The amendment would strike out the figure "$100,000,000", in line 3, on page 14, and would insert in lieu thereof "$200,000,000", thus giving the President that additional discretionary power.

In the committee I believe it was stated that there might be use for this fund or there might not be use for it, depending upon the developments, the imponderables, on the world stage in the future.

Mr. ELLENDER. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. WILEY. I yield.

Mr. ELLENDER. Can the Senator from Wisconsin tell us to what use the funds could be put by the President?

Mr. WILEY. My recollection is that the overall purpose was to have the funds on hand, in order to be able to meet any emergency which, in the interest of the security of the United States, might require the utilization of these funds at once, without further direction by the legislative branch.

Mr. ELLENDER. Mr. President, can the Senator from Wisconsin be more specific? By means of this bill we shall be giving the President the authority to use 10 percent of the funds for certain purposes. How does that provision differ from the 10 percent clause which would be changed by the amendment?

Mr. WILEY. Pardon me; I thought the Senator from Louisiana was inquiring about the proposal to strike out "$100,000,000" and insert in lieu thereof "$200,000,000."

Mr. ELLENDER. I am. Can the Senator from Wisconsin be more specific as to the use to which the money under the special use of funds provision on page 14 of the bill can be put?

Mr. WILEY. The following explanation is stated in the report:

SPECIAL USE OF FUNDS

Section 605 (b): Section 513 (b) of the Mutual Security Act is amended in two respects. The limit of $100 million for emergency assistance is presently applicable under that section to funds made available for the fiscal year 1953. It is proposed to make this authority apply to funds available for any fiscal year for the purpose of the Mutual Security Act. In addition, the President may furnish assistance without regard to the forms and conditions of assistance required by the act, when the President finds such use to be important to the security of the United States.

As presently enacted section 513 (b) permits the President, for example, to give assistance to a country without getting the assurances required by section 511. The temporary unwillingness of certain countries 2 years ago to give these assurances illustrates a situation which section 513 (b) now covers. It is proposed to broaden the authority to cover other possible needs. If, for instance, an earthquake or other major disaster should occur in a foreign country, it may well be in the interest of the United States to supply limited but rapid economic aid to that country, notwithstanding the customary techniques of defense support or technical assistance.

The proposed revision continues the requirement that the President shall notify the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives upon making any such waiver of the requirements of the legislation.

That is just one instance.

Mr. ELLENDER. Could the funds be used for economic aid?

Mr. WILEY. They could be, if in the discretion of the President that would be in support of our own security.

The instance mentioned in the report is that of an earthquake. I would say the funds could be used in the event a great catastrophe should seriously injure one of our allies.

Mr. ELLENDER. I thought the Red Cross acted in such circumstances. Why should there be such a provision in this bill?

Mr. GILLETTE. Mr. President, will the Senator from Wisconsin yield to me?

Mr. WILEY. I yield.

Mr. GILLETTE. Is it the intention of the Senator from Wisconsin to push this amendment to a vote at this time?

Mr. WILEY. If there is opposition to the amendment, I would say no. I took up the matter of the percentages with the Senator from Georgia [Mr. GEORGE]. He felt it was advisable that the 10 percent be increased to 25 percent.

The other provision, in my mind, is not so important, anyway; but it is important that the President should have overall discretion.

As I have said, we do not know what may happen in the world tomorrow. We have already given the President discretionary power, in the case of the EDC, to withhold $1 billion. Under the bill he can withhold all of it, and he probably will withhold a great deal.

Let us refer to country X. I do not wish to name a specific country, because I do not care to assume the occurrence of possible developments, which we hope

will not occur. We know that under the provisions of the bill appropriations for military aid are authorized in considerable sums. If country X should slide away from its engagements or if our allies should let it go, it might be very logical immediately to withhold a large sum of this money. Of course, I think the President would do so in the interest of our own national security. On the other hand, country X might be in an area of the world to which it might be necessary to transfer some of the money. Under the present provision of the bill the President will have discretionary power to make transfers of not to exceed 10 percent of the funds. But under the amendment proposed by me the President will be authorized to make transfers in an amount not to exceed 25 percent of the funds, if it becomes important in our national interest to utilize as much as 25 percent of the funds in another area of the world. That is all that part of the amendment will do.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. KNOWLAND. Mr. President, I certainly have no particular objection, and I think there may be some merit to the proposal of the Senator from Wisconsin to strike out 10 percent and insert in lieu thereof 25 percent, which he says he has discussed with the ranking Democratic member of the committee, the Senator from Georgia [Mr. GEORGE]. Personally, however, at the moment I do have some misgivings regarding his amendment proposing to strike $100 million and to insert in lieu thereof $200 million. I wonder whether the Senator would be willing to modify his amendment by retaining the percentage, but striking out the fixed sum?

Mr. WILEY. I am very happy to so modify it.

Mr. GILLETTE. Mr. President, will the Senator yield to me once more?

Mr. WILEY. I am very happy to yield to the Senator from Iowa.

Mr. GILLETTE. I desire to say that I am very strongly opposed to both provisions, as the Senator from Wisconsin well knows.

Mr. WILEY. Yes.

Mr. GILLETTE. It is my expectation to speak at some length in opposition to it. So I hope, since a number of other Senators are waiting to speak on the bill, the Senator from Wisconsin will not press his amendment at this time.

Mr. WILEY. Very well. Mr. President, I will now modify the amendment in accordance with the suggestion of the Senator from California [Mr. KNOWLAND], by striking out that portion thereof which reads:

> On page 14, line 3, strike out "$100,000,000" and insert in lieu thereof "$200,000,000."
>
> On page 14, lines 4 and 5, after the word "Act", strike out the comma and the words "of which not more than $20,000,000 may be allocated to any one country."

Mr. ELLENDER. What portion of the amendment is to be submitted, may I ask?

Mr. WILEY. The portion proposing to increase from 10 to 25 percent the amounts which may be transferred.

Mr. ELLENDER. That action may be taken by the President at his discretion. Is that correct?

Mr. WILEY. That is correct. It is in the transferability clause.

Mr. ELLENDER. I understand.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin, as modified.

Mr. GORE. I suggest the absence of a quorum.

Mr. WILEY. I do not press the amendment. The Senator from Iowa desires to speak on it.

Mr. KNOWLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. KNOWLAND. As I understand, however, the amendment has now been modified so that the only material language of the amendment deals with the transferability clause, making an increase from 10 percent to 25 percent. Am I correct in that understanding?

The PRESIDING OFFICER. The Senator from California is correct. The Chair recognizes the Senator from Illinois.

Mr. DIRKSEN. Mr. President, we shall soon observe the actual beginning of this Republic, the 177th anniversary of the birth of the United States of America, and there will be 177 candles on the Nation's birthday cake. I think it a pretty good orientation point. In every generation, at least, it is well to go back on an occasion such as this to pick up some of the stitches, because it serves to orient us in respect to the problems which are on the Nation's doorstep at the present time.

Furthermore, it seems to me that going back to the beginning of the Republic serves a rather useful purpose. First, it gives our people a chance, in a manner, to tie into the national bloodstream and to feel that they are a part of it. Every time I read the humble names attached to the Declaration of Independence, names like Sherman and Adams, Jefferson and Franklin, Taylor and Wilson, I feel that they could have been people of this generation, and that we might have been of that generation. So we identify ourselves, and I think we root ourselves in the American tradition by going back.

Mr. President, there is still another purpose in going back to observe the anniversary of the birth of the United States. It gives us an occasion to appraise our own trusteeship at a time when the world is so full of fever and when there is so much turbulence and unrest.

Finally, Mr. President, it affords us an opportunity to ascertain just how freedom and independence came about for the people of the United States of America. That is of rather singular interest at the present time, because there is now pending in the Congress itself an issue not unlike the issue that prevailed in 1776.

It will be recalled that 190 years ago, which would be 1763, a rather long and ornamental war between France and Britain came to an end. It was a costly war. We know something about the cost of conflict in warfare. So it was only natural that George III, heady and obstinate and stupid as he was, along with his Ministers and members of Parliament, promptly began to look around for additional sources of revenue and for proceeds with which to continue the business of the England of that period. In looking around, I suppose he followed the maxim laid down by Richelieu, that one always plucks the feathers from the goose that will make the least squawk.

So, in seeking revenues in order to replenish the English treasury after the war with France, how natural it was to look 3,500 miles away at the colonies that dotted the Atlantic seaboard; and so, in due course, there came a tax issue, just as there is a tax issue in one branch of the Congress at the present time. So there came a stamp tax and a tax on glass and a tax on paint, and a tax on tea.

At first there was strong resistance, but there was no desire, it would appear, on the part of great numbers of the people of the Colonies to wrest their independence from England. I think it was John Adams who once said that if he were called upon to classify the people then living along the seaboard he would say they were one-third Whig, those who were in favor of independence; one-third Tory, those who would preserve the relationship of the Colonies with the mother country; and one-third mongrel, who somehow defied classification. That may be, Mr. President, but the fact remains, and I think history bears it out, that there was at the moment no decided and great avalanche of feeling in behalf of liberty and independence.

When, however, the King sent his enforcing authorities in the form of the army and the navy to quell the resistance and to enforce the new taxes upon the people of the Colonies, resistance really set in, and out of it there came the Boston Tea Party. There then came the naval blockade of Boston, and, finally, military rule for the Bay State Commonwealth. Then when Virginia sent word that she was very much in the corner of Massachusetts on this issue, the Minute Men sprang up, and the hand of destiny intervened.

It could have been the formality of Bunker Hill; it could have been some of the statements made by Thomas Paine; it could have been the great and heroic address made by Patrick Henry; but, whatever the aggregate of these statements and events was, it looked as though the hand of destiny entered the picture, and there came about the greatest adventure in the realm of freedom and the domain of independence the world has ever seen. We are observing that great event, and we are observing our great journey on the pathway of freedom, as we mark the birthday cake with 177 candles.

I suppose there is a very interesting parallel in every generation. We are not so sure, Mr. President, but that every generation is pretty much the same. The fact remains that human nature does not change particularly; and so, even in our own generation, we see a tax issue. We see it in the Congress—an issue not unlike the tax issue which faced the Colonies back in 1776. We, of course, see a manifestation of feeling by the people,

but there is this one essential difference, namely, that whereas 177 years ago, there was a controversy between a King on the one hand, and the people, on the other, the controversy today is between a group of people, on one side, and a group of people, on the other, all of whom are free and who resolve their controversies and their problems by free processes. That is the great characteristic and attribute which I think illustrates the moving spirit of America, and which has carried us to an exalted height in 177 years, a height unmatched and unequaled by nations that existed and had a rich culture more than 4,000 years ago.

In pursuit of that ideal, Mr. President, back in 1812 and 1814, when portions of the very Capitol where we are meeting today were burned by the British, we asserted the dignity of a new, free Nation.

In 1861, unfortunately, there occurred a conflict, but it was not a problem between a king and the people, but, rather, between one section and another section, because there was unsolved one of the residual problems left over in the Constitution.

In 1898, in pursuance of our traditions, Mr. President, we went to the rescue of a defenseless people in an island to the south, and so maintained the great ideal of America.

In 1900, continuing along the same course, we opened the door of the Orient and established what was known as the open-door policy. That was done by a great Republican President by the name of McKinley, who had at his right hand a Secretary of State from the State of Indiana by the name of John Hay.

Fifty years later, in violation, as I believe, of the great American tradition, that open door of the Orient was closed by a President named Truman and by a Secretary of State named Dean Acheson.

In 1917, Mr. President, when I was in uniform on the western front, we were glad to accept the belief that it was a struggle between freedom and independence and all that they implied, on the one side, and autocracy and tyranny on the other side.

In 1941 the same devastating forces were unloosed upon the world, and once more we asserted the great tradition of America.

In further pursuance, Mr. President, of the American ideal, we have been more than generous with the pocketbook of America, meaning the Treasury of the American taxpayers. One need only to examine the loans and the grants which have been made with almost a prodigal hand in all corners of the earth to conclude that America has constantly stood by her free traditions and sought to bring aid and succor to defenseless and weak peoples everywhere. It is rather interesting to note that the unpaid notes as a result of World War I are still languishing in the Treasury in the Nation's Capital, and we have not been too persistent or too demanding in securing their repayment. American investment has gone abroad, not merely to find some return upon the dollars invested, but to bring our culture to every section of the world and to bring enrichment to other peoples.

If one needs any further testimony as to the generosity and liberality of this country, one need only look at a law which was written on the statute books when I was a Member of the House of Representatives. We had a good idea that many of those billions of dollars would not be returned to the Treasury, and, as a matter of fact, they did not return. When we liquidated our property abroad, once more we were generous, and we gave it away freely in the hope that some of the property might be useful and instructive in the hands of the people of other lands who were the recipients of it.

When the conference took place in Bretton Woods, when the International Bank and the International Fund were created, it was in the hope that as a result there might come some advantage and benefit to people who were struggling for a place in the economic sun.

Then, from a single paragraph of a speech which was made at Harvard by Secretary Marshall, there came, almost full-blown, in a short space of time, the celebrated Marshall plan. What we are considering today as mutual security is nothing more than a lineal descendent of the statement made at Harvard which gave birth to the Marshall plan.

Point 4 had its derivation in the fourth paragraph of the inaugural address made by former President Truman. Then came military aid, and then came NATO.

So, Mr. President, who shall say that America has not been generous, has not been liberal, has not been prodigal, indeed, with peoples in every corner of the world, whether they were enlightened or benighted, in the hope that we might set their feet upon the pathway of stability, justice, and peace?

From it all, Mr. President, what did we expect? We did not expect too much. When we signed the Atlantic Charter we said to all the world that we expected no aggrandizement of our territory. We expected nothing particularly tangible. We expected nothing for ourselves. And that is what we got, Mr. President, after the expenditure of the money, and the agony, distress, and dislocation of our own economy.

We did expect some gratitude, Mr. President. I think we are entitled to some gratitude. If it should not come to the President, or to the Congress, at least gratitude should have been expressed, I think, to the American people, because it was they who had to pay the bill and to endure the hardships entailed during war and peace in order to make that largess available to the world.

We expected, also, a maximum of self-help. That is not too much to expect from any country, when we open up our exchequer and send abroad our experts in the hope of helping peoples along the road to rehabilitation. We expected them to work for their own rehabilitation.

I am not so sure I am satisfied with what I have seen, Mr. President. I took a look at Europe in 1945. As chairman of a joint committee I went abroad with the committee, and I have recently returned from a rather hasty jaunt to Korea, Formosa, Japan, and Indochina. I am not so sure we are getting that to which we are rightfully entitled in the way of a will to work for rehabilitation, unless it be in Western Germany which is addressing itself with such vigor and fidelity to the business of reconstructing its economy.

Mr. LONG. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. LONG. Based on the statement which the Senator has just made, would it not appear that out of the $5,300,000,000 proposed to be authorized by the pending bill the only country that is not getting a substantial amount of money is the one country that has given every indication that it could be relied upon to fight in the event of war?

Mr. DIRKSEN. In justification and amplification of that statement, I have here all the reports made by the series of business teams that went abroad. The report made on West Berlin is a really impressive document which I think represents a good concept, a fine appraisal of the problem, and a very good determination of what is being done at the present time.

Mr. CASE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. CASE. As one of those who headed a special committee in Germany in 1947 and who was present at the time the distinguished Senator from Illinois was in Berlin and in Frankfort and at other places, I should like to say that the conclusions of the subcommittee with which I was associated were very much the same as those which have been stated by the Senator from Illinois. I feel that the problem of peace for Europe and for the world rests in large measure upon the degree to which we bring the resources of the German people to the side of the West.

Mr. DIRKSEN. I agree with the Senator from South Dakota, and I can testify from the fact that I saw the work he did over there when we were both Members of the House of Representatives. He brought a very studious quality and a very great sense of responsibility to the committee on which he served, his explorations were very careful, and his reports were very precise and, I think, very impressive.

Mr. LONG. Mr. President, will the Senator from Illinois further yield?

Mr. DIRKSEN. I yield.

Mr. LONG. I wonder if the Senator from Illinois reached the same conclusion which I arrived at when I had occasion to see the situation in Europe. In France, for example, where a great portion of the money is to be spent, there seems to be some question of the dependability of the French forces. We still see signs in France saying, "U. S., Go Home," which is an indication of a strong Communist movement there. There are Communist administrations in some of the smaller cities and even in some of the larger cities of France. There is reason to believe that there might be an uprising against our forces throughout France in the event Russia decides to move. In fact, it is conceiv-

able that our forces might have to fight their way out instead of fighting to defend the French people.

Mr. DIRKSEN. I agree with the Senator.

Mr. President, recurring to what I said a moment ago, I was referring to what I thought we could rightly expect in return for the debt we imposed upon our country, for the heavy tax burden we laid upon our people, and for the dislocation of our own economy. I said we expected nothing material for ourselves, but at least some gratitude.

We were entitled to have the countries we assisted engage in the maximum self-help. There should have been a will for rehabilitation that resulted in a real, earnest effort on the part of countries which were receiving our aid. There should have been cooperation against communism. I certainly am not satisfied, when today we consider the Communists as our enemies in Korea and elsewhere, that there should be a rush on the part of so many nations in the United Nations to recognize Red China, which has cost the United States so much in blood, tears, and treasure since June 1950. In fact, this is virtually the third anniversary of our incursion into Korea. It has probably cost us $15 billion for military expenditures alone, exclusive of the Air Force and the Navy, and that amount does not include economic rehabilitation.

Of course, no amount of money can balance the cost of 24,000 fine young Americans who went to their graves, nor the other hundred-odd thousand wounded and missing, who constitute the casualty list in that conflict.

We expected cooperation against communism, and we were entitled to it. It did my heart good to read in the South China Post, in Hong Kong, China, of the action that was taken by the Senate while I was absent from my duties here. We were entitled to a show of force on the part of countries everywhere.

I doubt whether it can be called frugality when we consider the tremendous subsidies to agriculture in Great Britain, amounting to $1,800 million a year, and are informed of the subsidies in the form of socialized medicine and dental care, including free teeth, much of the cost of which undoubtedly has been financed with American money. I doubt whether that is frugality, or an expression of gratitude.

I do not wish to be captious or too caustic about our allies, but they forget that money does not grow on plum trees in America. On the desk of every Senator at present there are hostile and resentful expressions from many people on whom the tax burden has fallen with heavy weight. I have no doubt that a great avalanche of telegrams is reaching Members of the other branch of the Congress at the present time. Those, however, are comments of the spirit, which no doubt we should rightly expect.

But, as a matter of fact, what did we get as a result of our efforts? A growing wave of neutrality or indifference. Any observer in Europe can point out the evidence of that today. We are the objects of a large amount of ill will, as was pointed out by my distinguished friend, the junior Senator from Louisiana [Mr. LONG], a moment ago. It can be observed in the signs and in the epithets. Of course, some of it can be discounted. However, the fact is that the growth of ill will is too substantial for the comfort of our country and for the amicability of the relationships we ought to enjoy with other countries of the world. I see no evidences of gratitude or expressions of appreciation, to which we rightly are entitled.

Already there is a rising fear of competition on the part of American industry. There is also ever present apprehension and fear of war. I can understand that on the part of the humble people, whose country has felt the heavy heel of the god of war so many times over a period of a few short years. Notwithstanding all that, the very fact that the helping hand of America was ever present at least called for gratitude and appreciation, and, more than that, a really diligent endeavor on the part of the peoples of these other lands to rehabilitate themselves.

I suppose there are reasons for all these conditions. After all, there is such a thing as cause and effect in the world. There are certain normal human reactions that are just as calculable today as they were in the days when the preacher of old wrote:

> The thing that hath been, it is that which shall be; and there is no new thing under the sun.

I fancy that goes for the human spirit and for human reaction. First, it is only natural that the top dog in the world should become a target for abuse. Ours is a great country, and we can take pride in its greatness as we add another candle to the birthday cake next Saturday, and count 177 birthdays since the Declaration of Independence. We have moved farther than ancient Egypt, which was an old country even in the days of Cleopatra—how many centuries ago? As I today assess Egypt's problems against those of the United States, and her capacity to deal with them, how proud it makes one feel of my own country.

I think of the present-day problems of Iraq, once known as Mesopotamia, lying between two great rivers, the Tigris and the Euphrates. There one may still see vestiges of the old canals and great irrigation systems. Somehow the ancient culture was evaporated. The Mesopotamians were an old people, before America even found herself in three-cornered pants. Of course, in this day and age, the top dog becomes a target.

I always take great pride in seeing our soldiers abroad. I saw them in Seoul; I saw them in Tokyo; I saw them in Taipei, Formosa; debonair, fine, well groomed, well paid, if you please, as befits soldiers of a great country. They did spend with open hearts and open hands. Of course, sometimes that stimulates the wells of envy, and I can understand that. We come right back to the human spirit. There is the inflationary effect of spending.

I remember that when I was a soldier in France in 1918, I and my comrades used to shop for trinkets and souvenirs in the little stores in Chaumont, Toul, Paris, and elsewhere. Of course, the effect was that as the soldiers spent, prices went up, and it was not too surprising that the humble French people said, "Go home. Go home." It was a thing of the spirit, sometimes of the pocketbook. Those are human reactions that we see today.

Then there is a strange suspicion extant. I presume there are people who think, "What does America expect out of all this? What is the quid pro quo?" The tragedy is that we did not make the quid pro quo very precise and known in every country in the world. If we had done so, we would have had an understanding. There should have been an understanding, so that there could not have been a misunderstanding as to what we meant and expected.

A year or two ago I made a statement on the floor of the Senate that earned for me a great deal of criticism, particularly from the Great Empire State of New York. I remember what Wendell Willkie said to me one day. He said, "You are a lawyer and I am a lawyer. You know the custom among lawyers: Always get your fee while the tears are hot." That is simply an expression that touches on human nature itself. The way to get one's fee is in the form of an understanding.

We should not be too captious, or stingy, but we should be sure that we never lose sight of the American ideal, and should let it be known that we expect other countries to cooperate in return for what we have done to our own country and our own economy in order to bring stability, peace, and a degree of tranquility to a very feverish world.

A big, strong nation can expect no affection, it can expect no love. I never for a moment expected a deep, abiding affection on the part of other nations, but I think there should have been some appreciation, at least. What we do does not go quite so deep into their spirit.

Of course, there is a question of pride, which I think Congress has forgotten; indeed, I believe we as a people have forgotten it. But I have seen it manifested by some of the humblest people in Europe and some of the humblest people in Asia, when all is said and done. It is in the heart of a barefoot coolie. Even in the heart of a humble person in Vietnam, just 10 degrees from the Equator that manifestation of pride can be seen. Those people do not particularly want to be mendicants, and they rebel against the idea, if there is a chance for them by their own efforts to come out on top. We must have that pride in mind constantly, because when finally we destroy it, we destroy incentive. We say to people, "Jump in the water and swim."

Of course, we are dealing with human values which can keep us on this road of aid to all parts of the world for a long, long time to come. A man said to me this morning, "We shall be on this road for 10 years." We shall not be on this road for 10 years if the junior Senator from Illinois has anything to say about it, because, if we continue this course, long before 10 years will have elapsed we shall somehow have vitiated all the

substantial attributes of human character everywhere, which will make people everywhere mendicants, constantly looking to America for aid over and above the capacity of this country to carry the load.

I remember when the Prime Minister of a country not so far from the Near East said to me, "We have a complex here." I said, "What is it?" He said, "First, we were occupied by the Bulgars. Then we were occupied by the Italians. We were occupied by the Germans. Then we were occupied by the British; and finally there was co-occupation with America. We have an occupational complex. We have lived so long under directions and under aid that it has done something to the spirit of this country."

That is the first place where the ameliorating force must get in its licks. We are dealing with character and with the human spirit, as well with dollars, when we deal with an aid program of this kind. So I say that there are certain normal human reactions which are just as old as the wisdom of Solomon, and we ought not to forget them when we deal with this question, and perhaps find it necessary to amend our program to bring it in line with human considerations.

There is something else to which I think I must allude in order to round out the whole story of cause and effect. We should not forget that we taught the whole wide world the art of mechanical warfare. Never was I so astonished in my life as when I saw huge buildings in Bangalore, India. When I went there at night I did not see American soldiers, corporals, and sergeants doing deft and precise work on the radios of bombers that were to cross the hump within the next few days. No they were people of India who were doing that work. We taught them how to repair planes, how to repair the precise and fine little gadgets. We taught people also the art of mechanical warfare. If anyone has any doubt today, he need only go to Indochina and see the antiaircraft guns of American manufacture. He need only fly with a great Chinese flyer. The private pilot of the Generalissimo flew us over to an island which was only 2,000 yards from the Chinese mainland. He hauled us back through the tail end of a typhoon. The junior Senator from Illinois was not sure that he was coming back to his responsibilities in the United States Senate; but he brought us safely to where we wanted to go. When we got out of the plane, I said, "Major, you can fly in my air corps any day."

We have taught those people how to fly planes. We have taught them how to shoot guns of all kinds. We have taught them the art of mass destruction of human life. That is the first thing that came out of World War II, as a cause. Then, of course, there were the effects.

Those people learned about the vulnerability of the white race. If there is any doubt about it, one need only go to Indochina. In the war that was the first strike of the Japanese Army. There the Japanese vanquished the French and interned every French soldier. It was not until 1946, after the war was over, that the surrender came about. But in the minds of humble people with brown skins and peaked hats made from raffia, rattan, and other fibers, people who shuffle along the sidewalks in their bare feet in the heat of Indochina, there is a lasting impression caused by the knowledge of the fact that the white men are vulnerable after all, and that they can be licked, because they were licked. They learned that, and we had better keep that fact in mind today, because it is important.

We are wrestling with a tremendous problem, if we consider it in terms of the free world against the Communist world. That is another effect from the cause.

Those people learned also to rebel against exploitation. That brings us back to our birthday cake. That is the reason why I started with the 4th day of July 1776. The event to which I have referred happened on the Atlantic seaboard, not very far from where the distinguished Senator from Maryland [Mr. BUTLER] lives. Every once in a while I visit to Maryland to steep myself in the lore of Marlboro, Prince Frederick, and other areas. It gives me a chance to live my history, to invest the bare bones of history with some flesh. History begins to take on color, character, and better meaning than I could expect from the cold print of a history book.

This week 177 years ago we were Colonies. On that great and eventful day, when the immortal words of Jefferson were announced to all the world, we simply cut away our colonial status and asserted our freedom. Other people are beginning to rise to that spirit today. There is a revolt against imperialism. There is a revolt against colonialism.

Frankly, Mr. President, your country and mine had better be pretty careful not to get into the anomolous position of holding up the hands of imperialism in far-off places. That is certainly not in keeping with the great and noble tradition of America, and we had better remember it.

Senators will recall the petition which Tunisia presented to the Security Council last year. There is a small country with 30 centuries of culture behind her. That country was the seat of ancient Carthage. How interesting it is to go back and read of the days of Hannibal and other leaders of that day and age. They had a culture behind them. Their petition was submitted to the Security Council, for what? For a consideration of their freedom. They were in the same fix that we were in 177 years ago this week. We knew what to do about it. We simply took the bit in our teeth and fought it out, and successfully asserted our independence.

That spirit we find in many corners of the world, and we must consider it, because there is a rising tide of nationalism. So I say that we had better not become allied too deeply with imperialism, because it is going to fail, as colonialism is going to fail. There may be people in this generation who do not care. Perhaps they say, after the manner of Louis XIV, "After us, the deluge." But that would be a fine custodianship in our generation, would it not? That would be a fine sense of trusteeship in a turbulent period like 1953.

I do not want any part of that sentiment. I am so immodest as to confess that down in the great Commonwealth of Tennessee there is a little grandson. He is my grandson. He is going to carry on. Perhaps there will be many things I would like to do that I shall never get done. In that grandson will live every hope and its fruition. My spirit will live in him. I shall be marching on in that bloodstream.

Every once in a while it is refreshing to get down Lin Yutang's book Between Tears and Laughter. There we get a sense of immortality on earth that we get in no other way, because we get it in the family. There will be other trustees. There will be other custodians after us when we move from the scene. So I want to be sure that my country is not too deeply linked with an imperialistic force which continues to assert that doctrine, or a colonialism which asserts itself, and then comes to America for aid in continuing its colonialism. I shall particularize on that subject in a moment, when I reach it.

I say that we have cause and effect today. Frankly, I get back to an idea to which I know many do not subscribe. But I still think that our hope lies in the Western Hemisphere. I am willing to aid the world, but I want to be sure that Americawise, fiscally, economically, and in every other way, here in this hemisphere we have a beachhead for freedom. Let us have something to go back to. Then over and above that, and in proportion as we have capacity to do it, I am willing to help the world.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DIRKSEN. I am glad to yield to the distinguished Senator from Louisiana.

Mr. LONG. Do I understand the Senator from Illinois to argue that he does not want to close his eyes to what is going on in the rest of the world, but he wants to be sure that we can save the United States in any event.

Mr. DIRKSEN. I want to say to my distinguished friend from Louisiana that I have heard not one, but many leaders around the world in various countries say to me during the past 8 years, "For God's sake, Senator, let nothing happen to America, because it is all we have." We must let nothing vitiate the strength of this country.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LONG. Mr. President, I submit to the Senator from Illinois that it would be well for us to keep in mind that this Nation may some day have to fight alone. As we make additional commitments we should always be mindful of the fact that some day we may have to rely upon ourselves alone to save our country. Expenditures are proposed in the pending bill for a defense system which may not contribute anything at all to the defense of this Nation. For example, if the Soviet Union should attack defenseless Japan, we would be at war with Russia, and the probability is that not one of the European nations would come to our aid.

Mr. DIRKSEN. That is correct. The figures cannot be laughed off. How does a person laugh off stacks of figures?

Our taxes are 3,000 times in excess of those of 1933. I came to Congress in 1933. Our 1933 budget was a very modest one, and our tax take was very modest. Today our taxes are 3,000 percent more than they were then. They are 1,200 percent more than they were in 1940, the year before we entered the war. How does one laugh off figures like that?

Mr. LANGER. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I am glad to yield to the distinguished chairman of the Committee on the Judiciary, the Senator from that great Commonwealth of North Dakota.

Mr. LANGER. Following up what the distinguished Senator from Louisiana said a moment ago, the money we are appropriating may be doing us a thousand times more harm than good. If we use the money in Indochina for example, and the natives over there get the idea that the money is being used to maintain the colonial system of France, or if the millions of people in Israel get the idea that the money we are appropriating for that area will be used against them, or if the Moslems in India become convinced that we are doing what we can to oppress them by the expenditure of the money, as time goes on, the money will make us enemies, instead of friends, even though the people get some of the money.

Therefore I am against the entire bill. I voted against it in the Committee on Foreign Relations, because I believe it will do the country a thousand times more harm than good.

I will say further to my distinguished friend from Illinois that this country needs the money at the present time.

It will be taken away from the veterans, for example. A little while ago I read a report made by a House committee indicating that we will need $15 billion to get our roads into the condition they should be. We will need billions of dollars more over a 5-year period properly to take care of the health needs of the country. Where will that money come from, when we keep pouring it down a rathole in every foreign country?

Mr. DIRKSEN. Mr. President, I wish to say to my friend from North Dakota that I desire to go along with some kind of aid program, but I want to be sure always that it is constructive, that it is useful, and that it addresses itself to the fundamental purpose in keeping with the American ideal and the American tradition. I am going to speak about that in a few minutes, when I get around to it.

I wish to point out again that we have been carrying this burden of taxes and deficit spending for nearly 2 decades, and that there were only 2 years in that period, during the 80th Congress, when we had a balanced budget. For all of the rest of the time in the past 20 years we have been on the red side of the ledger.

That is not all. Consider the authorizations which have been piled up. They are commitments made by Congress, of course, but they have been the source of the greatest embarrassment to the Eisenhower administration of anything I can think of, and they constitute its bitterest inheritance. That burden has been laid upon President Eisenhower, and he is in difficulty because of it. The authorizations were made by Congress, and they are commitments to spend vast sums of money. Every once in a while we see some evidences that they may be somewhat uncomfortable politically, or may have some political impact at sometime in the future. I do not quarrel too much about it, because I suppose it is in the vein of the great political tradition of America.

However, I want to be sure of the ultimate freedom and the ultimate future of a free America, as we add the 177th candle to our country's birthday cake this year. That ought to be our day star. Let us have no semantic nonsense about it. We can work it out in the form of a program.

Now I desire to make some suggestions.

First, about the European program, I think first of all title I ought to be cut to the minimum. One of the business leaders of the business teams was Clarence Francis, chairman of the board of General Foods. He said that we have achieved the economic objectives. I have all the reports before me. I have had Governor Stassen send them to me. I have the letters of these teams. In one of them it was stated: "Military aid? All right, within reason, but we have achieved the economic objectives."

That ought to be some guiding light to us as we consider the overall amount of money involved in the pending bill.

Secondly, if there is no disposition on the part of Congress to cut the amount, what would be the matter with earmarking half of it and saying to the President, "You ought to use this amount of money for loans rather than as outright grants"? We should say to him, "You prescribe the terms and the conditions and the maturities of the loans, as well as the interest rates. We will not be too precise about it. You lay down the rules. Use the money as loans rather than as grants." At least there would be a hope, even though remote, that some day some of it might come back.

Then there is the question of termination. I do not believe the period ought to run too long. I would make the termination date 1 year, and I would shorten the liquidation period also.

When we let lend-lease run too long and were anxious that everything in the pipeline should get through to the other end, our troubles began. Oh, how those troubles were ventilated on the front page before we got through.

There have been a number of recommendations in the reports about consolidation of personnel under one head. I understand that the Senate Committee on Government Operations has made a considerable analysis of the whole setup, and I believe it has some recommendation to make, although I do not know whether they will be made in time for consideration in connection with the pending bill. However, I believe there ought to be one spokesman in a country, and everything ought to flow down in a line of command from that head, and personnel ought to be reduced to a minimum.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LANGER. Mr. President, I remember the very fine speech which the distinguished Senator from Illinois made at the Republican National Convention.

Mr. DIRKSEN. I hope the Senator will not hold that against me.

Mr. LANGER. No; I am very proud of the speech which was made by the distinguished Senator from Illinois. Does not the Senator from Illinois think that the people of the United States voted for a change because they really wanted a change? Does not the Senator believe that the people wanted the budget balanced, that they wanted the debt reduced, that they wanted us to get out of Korea, and that they wanted us to stop the giveaway program we have been using all over the world? Does not the Senator believe that it is our duty to listen to the voice of the people as expressed in the last election, and go ahead and make the change?

Mr. DIRKSEN. Certainly. I walked on platforms in every State of the Union and with all the dulcet capacity I could summon I urged the people to vote for a change. I do not believe that necessarily means that a program should be completely chopped off, but I believe the people wanted substantial changes made in the program.

Mr. President, in further reference to the European program, I trust the Congress will be exceedingly careful in providing for or permitting the installation of industrial programs of a kind that may one day simply aggravate the situation over there, so that in addition to the refugees, the escapees, and the displaced persons, we would have some technological displaced persons, also. We have to be careful, in the case of a country where there are the pressures of overpopulation, to make sure that such a situation does not develop. That matter can be amplified at great length, but I am content to pass over it with that observation at the moment, because now I wish to refer to the Far East.

Mr. LANGER. Mr. President, at this point will the Senator from Illinois yield to me, to permit me to make an observation?

The PRESIDING OFFICER (Mr. COOPER in the chair). Does the Senator from Illinois yield to the Senator from North Dakota?

Mr. DIRKSEN. I yield, with pleasure.

Mr. LANGER. I think the distinguished Senator from Illinois will agree with me that one of the most conservative magazines in the United States is the U. S. News & World Report.

Mr. DIRKSEN. Yes, and it is also one of the most constructive.

Mr. LANGER. I now call attention to the May 15 issue of that magazine, in which we find an article reading in part as follows:

All those billions abroad, but United States still uncertain about what it is getting.

Would not the Senator from Illinois say that is a fairly good analysis of the present state of mind of the people of the United States?

Mr. DIRKSEN. I thought I rather amplified that statement a little while ago, by saying that there are certain things we expected, but there are so many things we did not get. Uncertainty is one of the things we got.

Mr. LANGER. I read further from the article:

Thirty-nine billions in foreign aid—who got it?

To Western Europe, $29 billion; to Russia and Eastern Europe, $1 billion; to Asia and Pacific areas, $7 billion; to the Middle East, $350 million; to Latin America, $670 million; to the United Nations, Red Cross, refugees, etc., $1 billion.

Here's where the money went in Europe: Britain, $8.1 billion.

Let me say that in my State of North Dakota assessed valuation is made on a 50 percent basis. As a result of the total assessments, it is fair to say that, generally speaking, everything in that State is worth approximately $2,500,000,000. However, we have given to Great Britain alone more than three times the value of everything within the borders of our State—more than three times the total value of everything in our State, including every horse, every cow, every sheep, every acre of land.

According to the article, we have given to France $6,200,000,000. Despite that it seems impossible for a stable government to be maintained in France. Recently, there have been 5 or 6 elections almost every year there, and the French do not yet know who will head their government.

Mr. DIRKSEN. The recent election in France was the 19th, I believe, was it not, since World War II.

Mr. LANGER. Mr. President, the article to which I am referring states that we have given Western Germany $3,700 million. Yet only a few years ago the Germans were said to be Huns and barbarians. I remember that Woodrow Wilson spoke in my home town of Bismarck, N. Dak., and then said the Germans were cutting off the hands of little children. But today General Bradley says that if the German soldiers do not join us, we cannot succeed in fighting Russia in Europe.

Furthermore, Mr. President, the article states that we have given aid to other countries, as follows:

Italy, $3.1 billion; Greece, $1.9 billion; Netherlands, $1.3 billion; Austria, $973 million; Belgium, $741 million; Turkey, $574 million; Yugoslavia, $534 million; Norway, $286 million; Denmark, $277 million; other, $1.2 billion.

At that point the article says "other"; evidently the writer of the article got tired of listing the various countries, so a number of them were simply lumped together, by the use of the term "other." The "other" countries received from us $1,200,000,000.

This magazine, which the distinguished Senator from Illinois agrees with me is one of the best magazines in the United States, also states:

Here's where the money went in Asia: Japan, $2.1 billion; China and Formosa, $2 billion; Philippines, $1 billion; Korea, $1 billion; India, $217 million; Indonesia, $39 million; Indochina, $37 million; other, $400 million.

The article ends with the following significant sentence, after naming all the beneficiaries of this giveaway program:

And now $6 billions more for new foreign aid is being asked.

Mr. President, I say to my distinguished friend, the Senator from Illinois, that I believe when the people of the United States voted in the last election they were sick and tired of sending our money to foreign countries. I thank God I never voted for 1 cent of it, inasmuch as I believed then that it would not do any good.

I agree with the Senator from Illinois that if the money had been sent to those countries in the form of loans, there might have been a chance of getting it back 60 or 75 years later, if there had been proper security for the loans.

But I believe the people of the United States are sick and tired of the policies of the last administration. The people have voted for a change. I remember that the distinguished Senator from Illinois himself said the people wanted a change.

I think this is the time to give the people a change. I agree with the Senator from Illinois that if our money is to be given away, for heaven's sake let us put it in the form of loans, even though we may never get them back.

Mr. DIRKSEN. Mr. President, I appreciate the observations of my esteemed friend, the Senator from North Dakota.

At this time I wish to say a few words about the situation in the Far East. First of all, let me speak briefly about Korea. I feel under a sense of obligation to make a brief report to the Senate. Incidentally, in order that all the world may know, let me say that the Senator from Washington [Mr. MAGNUSON] and I traveled, I believe, 24,000 miles in approximately 18 days. We flew by means of civil airlines all the way, with the exception of one jaunt from Tokyo to Korea, which we took by military plane because that was really the only way to go. As I recall, the total cost of the airline tickets was $1,935, but the incidental expenses probably did not exceed $200 or $300. Because of that investment, I thought I should say a few words, first of all, in regard to Korea.

I hope very earnestly, God willing, that there will be a truce. How can political considerations and the various other matters that are on the agenda be discussed until first the blood-letting stops? There can be no discussion of peaceful problems until the killing has ceased. I made that representation to Syngman Rhee, the President of Korea. I spent an hour with him in Seoul. In fact, I used to see him here in Washington, on Sunday mornings, at church; a fine old gentleman. And Mrs. Rhee is a lovely person. She was born in Austria. Both of them speak English exceedingly well.

So the President of Korea, myself, and the American Ambassador sat on the portico in the hot sunshine and discussed this question, which was before his country. That was before the prisoners were released. Mr. President, I would not be critical or captious about that action. Syngman Rhee is nearly 80 years of age. He has been, in fact, a stormy petrel and a revolutionary for nearly 50 years. He can remember very well when the Japanese entered his country in 1910, 43 years ago. He fought as a sort of exile, always with the hope that freedom and unification might be restored to his country. The monument he was pledged to build, against the backdrop of the centuries, was, after all, a unified Korea. So one can readily understand the emotions in his heart and in his mind as he contemplated his responsibility in an hour when a truce was impending. So I shall not scold.

I simply said to him, "I earnestly hope that perhaps we can get on our knees and pray about this, because there are two alternatives. One is a continuing stalemate, with 25 divisions on each side of the line, just 25 miles from Seoul—divisions that have been there a long time, and are still there as the fourth year of the Korean conflict begins. How long can that condition be endured? How long, as a matter of fact, will the American people suffer a condition of stalemate" notwithstanding the blithe way in which it was treated when Sir Winston was here on his last visit? "That is one alternative," I said.

The other is to go down the center. But if you ask anyone who is familiar with the terrain and what is apparent there, with that area mined for 50 miles behind the frontlines probably it is necessary to count the cost. Is the country willing to endure a sacrifice of that kind? If the soldiers could be consulted, I think they would ask for a truce, to see whether by the ingenuity of humankind something might be contrived that would develop an enduring peace.

When that day comes, there will be a rehabilitation program. We have a team there at the present time. We helped to destroy Korea by every diabolical instrumentality that is capable of destroying life and property and lacerating the landscape. We were a part of it, along with others; so I think they have a right to look to us for a degree of rehabilitation. But I hope what we do will be based on sound principles.

I think of a country like that in terms of elementals. The mainstay of hope for survival is rice, and there the people produce a very good quality of rice; but the culture and the yield can be improved. Korea is the place to which our efforts ought to be directed in the first place. It is a country in which cereal can be produced in goodly quantity and of good quality; but the methods can be improved. In connection with rice culture, I suppose the reservoirs, the impounding ponds, and such things as are necessary for rice culture can be perfected but always within the limit of the capacity of the country; because with twenty-odd million people, if industrialization should be undertaken, what would be done with the displaced people? Moreover, if such projects should fail, who would be there to follow through? It becomes a rather serious question.

In addition to their crops, there is, of course, a need for proteins in order to sustain life. What is the most available source? There is the ocean shore, which is all around Korea, and which is teeming with fish. So it is possible to make use of that resource of the sea. Something can be done to stimulate the fish industry by assisting the Koreans to procure small boats—not ocean liners, but boats they can readily handle.

As I think of a digestible protein, I recall a professor of geology who used to teach at the University of Illinois and at the University of Michigan, who spent much time in India, in the little kingdom called Hunza. He was in my office, and he told me about some of these things. He said, "When the Soviets move into an area, they do not go in with a $3 million hydroelectric plant; they go in with a 20-horsepower boiler and a sawmill, which anybody can operate."

Senators will observe that that presents a distinction, which we ought to keep in mind, because the program must be geared to a country, and it must be, so to speak, digestible. It must be something that can be utilized.

I said to the President of the United States at breakfast last week, "I hope that we will not make the mistake of putting into countries huge projects which may fail and turn out to be a great loss. The assistance must be within the capacity of the country to receive it."

There is likewise a housing problem in the East. I hope we shall not make the mistake of having some of our dilettante housers go there and attempt to install fine mansions in the Hanoi Delta, in Indochina, or build houses for 10,000 people as part of a housing program. Such units would cost twice as much as what a native unit would cost. It is a mistake to proceed in that manner. We should not depart from character in a country, we should build the kind of house to which the people are accustomed, and do it on a mass basis, supply the forms and a certain amount of know-how, and then stay within character, instead of building fancy homes.

I had hoped that to the pending bill there could be added an amendment, which I have prepared, providing that there should be no housing unit the cost of which exceeded the cost of the native unit, keeping in mind the fact that that would be easy on our own pocketbooks, while at the same time it would provide the kind of housing units which would be acceptable to the people in the far corners of the earth.

There are other needs in Korea. The people need mills, they need spindles, they need cloth with which to clothe their people. That need can be supplied, I think, without too much difficulty. But I believe that, before people go abroad to commit this country to the construction of fancy projects, we ought to make them submit plans for projects to cost not exceeding a certain amount, say half a million dollars.

Consider the Rhone project. If it were ever completed, I suppose it would cost more than $266 million, for electric-power stations and dams. It was quite a task for me to get even elementary information on the subject, but I got enough of it to use in the campaign of 1952. That was a project which was rejected by a referendum of the French people; yet, our people favored it, and some of our 96 Senators voted to go ahead and finance it.

I do not pretend to be an expert on this subject. I merely try to see the picture in its larger aspects. That reminds me that we had better be careful about some of our experts who go abroad and, in 2 months, return with the answer. They may have a blueprint of a hydroelectric plant or of a large factory, not knowing what the maintenance and followup will involve.

If one has any doubt about that, he can see such a result in some of the broken-down projects in certain countries. When it looks as if a project were an impossibility, they just let it remain as is. We have got to be careful to follow through, and following through on big projects representing large investments will be quite a concern for our country when the score is finally made up.

There is in Korea a refugee problem which I suppose we shall have to meet. It is pretty disgusting. I went to visit with people who had children and who were living in very unsanitary holes. We cannot always leave the people there as they are.

So, having helped to destroy the country, with troops marching up and down, there is a responsibility resting on us, I may say to the Senator from North Dakota. As a people with a conscience, I do not agree that we can quite duck that responsibility, but we can make our assistance effective, we can make it practical, and we can gear it to a country so that it will be within its capacity, within its absorptive powers. I think that is very necessary.

Now, let me say a word about Japan. I said to the Secretary of State that I thought the problem of Japan was in getting a line of credit in America, and I believe that to be accurate. The Japanese people will come out on top. They are working like eager beavers, as a matter of fact, but they have some problems. By 1965 there will be 100 million people in the 4 islands, the arable land of which constitutes only a small fraction—I think 15 percent—of the whole area of Japan.

When one flies over Japan and sees the mountains, he wonders how the people survive. But, Mr. President, the necessity of survival puts great pressure on people; it causes them and their leaders to do things they should not do, and out of a clear sky suddenly the delicate fabric of peace is rent in twain. So there is a question of survival in Japan.

I said to the Prime Minister of Japan, Mr. Yoshita, "I was one of the Members of the Senate who voted against the peace treaty." He smiled a little. I said, "I do not suppose you have ever read the CONGRESSIONAL RECORD to ascertain the reason I assigned, but I read every word of the hearings, and I was not satisfied with the statement made by the Secretary of State that within 4 or 5 years the Japanese could look southward for survival. Within 4 or 5 years one can be dead." Mr. President, it is that elementary. There is the question of survival. The Japanese need help. They need fertilizer. They are buying phosphate rock from Florida at the present time. They need to buy more of it, as a matter of fact. They need to regear their industries because Japan has to be an industrial nation. There is nothing else left; as one sees when he looks at the amount of arable land that is available to provide subsistence for 100 million people.

Mr. President, I made one suggestion that cannot be carried out in the pending bill, but I recommended it, of course, to the appropriate committees. It is that the world needs machinery, it needs machine tools of all kinds. So what should we do? For years there has persisted in my mind the idea that our responsibility always is to keep America in the industrial king row, so that no country will exceed ours in competence and in efficiency. If we could get a good many segments of American industry to retool with new machines, by giving them tax incentive, some old machinery, not necessarily obsolescent, could be reconditioned.

I said to the President and to the Director of the Budget, "I think perhaps a used-machinery export corporation might be created, and machinery made available to countries that need it so badly today. It would serve two purposes—to provide jobs in the making of machine tools in our country, to keep us 100-percent efficient on the industrial front, and, at the same time, make available at small cost to other nations that need it machinery that can be reconditioned."

I must point out a problem which is on our doorstep. It is delicate, but I think I should mention it.

It is rather interesting to see how we can be hoist by our own petard. One of the things we did was to write a new constitution for Japan. Chapter 2 of that constitution is entitled "Renunciation of War."

Article IX of chapter 2 provides that Japan shall no longer have the sovereign right to make war and shall not maintain a land, sea, or air potential. That is in the Constitution of Japan. In the Japanese newspapers today we can read that suddenly the labor unions have taken that up and are saying, "Do not build an offensive force."

There are 110,000 in Japan's security force now. That is a delicate problem in Japan today, and I do not know that for the moment I have the answer on the hook. But, certainly, we wrote that constitution, and we said to Japan, "You adopt it," and it is there. If I read the English language properly, that is precisely what it means. She can be a powerful ally in the future. But how can we have a powerful ally in Japan if Japan has airmen without airplanes, soldiers without arms, sailors without offensive naval craft?

So, Mr. President, we were to that extent hoist by our own petard. But that provision is in Japan's constitution as clearly as print can make it, and it is the object of much debate and controversy in Tokyo and elsewhere at the present time. I have referred to it because it was discussed when I was there. I offer no remedy for it at the moment. It is, after all, a problem for Japan, and I know the Japanese Prime Minister, the Cabinet, and others have been thinking very seriously about it.

Perhaps one other thing should be alluded to. When we take 500 acres, 700 acres, or 1,000 acres for an airport in Japan, do we realize what we are doing to a country that measures survival by the square foot? It is a very serious

question. We must be very careful, because we are depending on Japan, a people who are literate and intelligent, and who have incentive and aggressiveness, and we want to be sure that Japan remains within our orbit.

Mr. President, I should like to discuss something which my friend from North Dakota mentioned. It came up in connection with Indochina. Even 4 or 5 days within which to get an estimate of what goes on in a country can be most useful. We were there for some days. We landed in the Hanoi Delta, at the upper end of Indochina. That is not exactly the correct name. Once upon a time it was known as Indochina. It is composed of what has been incorporated into the French Union. One portion of it is known as Cambodia. The King of Cambodia went into exile about the time we left. Another section is known as Laos. I presume the country has a population of not to exceed 3 million.

Another section, and an important one, is Vietnam. It was once known as Cochin China. It has now been consolidated and is known as North Vietnam, Central Vietnam, and South Vietnam. A war has been in progress there for 7 long years. The rebel forces are some 300,000 in number. I suppose the French Union forces are probably about 400,000. So there are 700,000 soldiers in Vietnam who have been battling, without a battle line, for 7 years. There is no battle line in the delta along the Red River. It is guerilla warfare that is going on. The French own it by day, and the rebel forces own it by night. A railroad train was blown up while we were in the Hanoi Delta. When we were at dinner in Saigon, in Indochina, it was rather a novelty to see a number of guards armed with shotguns around the home of the Charge D'Affaires, so that we would not be shot while we were eating dinner.

That is rather interesting, Mr. President—a 7-year war; several hundred thousand troops engaged; no battle line.

What interest have we, Mr. President? We have $500 million worth of interest. The bill includes $400 million—I think the chairman of the committee will bear out my statement—for Hanoi, Cambodia, and Vietnam. Is it $600 million or $400 million? In any event, that is a pretty substantial investment, 12,000 miles from home. If we get on a plane in Washington and fly exactly half-way around the earth, we will land in Saigon, in Cochin China, at the lower end. The area is from 900 to 1,000 miles long. Senators should see the American planes on the base. People cannot leave the base at night, because if they do they will get their throats slit. It has been a sort of piddling war, as a matter of fact, and we are expected to continue to spend money on it.

I have a suggestion, Mr. President. There are some persons who may not like my suggestion, but I would be recreant to every sense of duty and of fidelity to the American tradition if I did not say it.

I do not believe we shall get anywhere in Vietnam at all until we give those people a reasonable target for a constitution and for unlimited independence, and give them a chance to walk on their own feet. We said to the Philippines, "On the 4th of July 1946 you shall have your unequivocal freedom," and we made good.

The trouble in Vietnam today and in the Associated States results from waiting to see which way they are going to jump. The Japanese licked the French in Indochina. The people there have been hoping for freedom and for independence.

I asked the President and the Secretary of State about it last Thursday. I said, "It seems to me that if we are going to hand over another $400 million, in all good conscience and in the name of the sacred tradition of America, as we place the 177th candle on our anniversary birthday cake next Saturday, why can we not declare publicly that there is a target day for independence, for a constitution, and for freedom? Is not that what we are fighting for? Is not that the ideal and the objective of the free world?" If it is not, Mr. President, I am sunk; I am without a premise; I am just at sea without a paddle or a rudder.

Mr. CHAVEZ. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I shall be happy to yield to the Senator from New Mexico.

Mr. CHAVEZ. I am in complete agreement with the remarks of the Senator from Illinois. In these days, when we are talking about free peoples and a free world, is it not about time that the people about whom the Senator is speaking should be free and independent?

Mr. DIRKSEN. I say to my friend, the Senator from New Mexico, that we should at least, give them a target. The French have been in Indochina for the past 87 years. They have built a miniature Paris in the form of Saigon. They have built beautiful homes and excellent stores. All the streets have French names. The French have been and still are colonizers.

But how will the question be resolved? What is the answer to the rebel forces of Ho Chi-minh?

We should say to Vietnamese people, "There is a day in the sun for you; there is a day when you will receive your freedom; there is a day when you will have a constitution of your own, with all the safeguards that are needed."

The present situation has existed for 87 or 88 years. It was when Abraham Lincoln was President of the United States that French colonization first began in Indochina. It still continues. But it is not the answer to the rising spirit of nationalism and political consciousness of humble people in all the corners of the earth.

So I go back to the days when we were colonies.

One hundred and seventy-seven years ago next Saturday a red-haired patriot by the name of Jefferson placed on paper some of the most beautiful, impressive, appealing words the human eye ever beheld. They engendered a great crusading spirit. On that day we were no longer colonies. We said we would be free. But, in God's name, are we going to spend out of the United States Treasury the money of American taxpayers to perpetuate a colonialism, the bonds of which we broke for ourselves 177 years ago this week?

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. CHAVEZ. I am glad that the Senator from Illinois referred to the red-haired Jefferson and the period in which the American Colonies obtained their freedom. But the policy of this country of late has been to abridge the liberty and freedom of other people. How can we face the liberty-loving people of the world, no matter how poor or humble they may be, as in Indochina, if we do not at least offer them a target, so that those poor folks may say, "Eventually we will be free"?

Mr. DIRKSEN. I am not unmindful of the obligations of the French. They have interests in other places, such as in Tunisia, which is understandable. But the point is that we are asked to appropriate money for the continuation of a war against Red rebels, 12,000 miles from our homeland. The problem involves both communism and nationalism. If there is no target, how much longer will the condition continue? I do not know. But one cannot get any expressions of hope in these far places. I talked to virtually every person in the American command, both civilian and military. I took them off to a corner and said, "As one citizen to another, what is wrong here? First, I will say what I think is wrong. Then you tell me what you think is wrong and your name shall not be mentioned. We are here to look, to learn, and to listen. There will be no press conferences."

Mr. President, this was a rather interesting jaunt. The Senator from Washington [Mr. MAGNUSON] and I did not hold a single press conference in all the time we were gone. It was not our business to ventilate our views to people abroad. It was for us to see, to learn, and to come back and report as realistically and as factually as we know how to do. So, one by one, we talked with many people. I do not know how many we spoke with. We talked with persons who have been there for some time and who understand and have labored with the problem. One by one they said, "Unless there is an ideological target, who shall say how long the situation will continue?"

Are we going to suffer it? It is our responsibility in Congress. It is for us to determine how much money will be spent.

I noticed that earlier this afternoon the Senator from Arizona [Mr. GOLDWATER] offered an amendment. If it is still at the desk, I wish to examine the text of it for a moment, because the Senator had it in mind this morning at a party conference, and spoke to me about it. I told him to go ahead and offer it. The text of his amendment, as it relates to funds for Indochina, reads:

Provided, That no such expenditure shall be made until the Government of France gives satisfactory assurance to the President of the United States that an immediate declaration will be made to the people of the Associated States, setting a target date for adoption of a constitution for such states, and for the establishment of their complete independence.

That does not have to be the day after tomorrow; it does not have to be next month. It could be next year; it could be any time within reason. But at least it seems to me that we cannot forever be distributing American money 12,000 miles from home in a country where there is no battle line, but there are high casualty lists and a heavy impact upon the country, without giving them some hope and assurance that at the end of that bloody road there will be something in the nature of a constitution and freedom for them.

Mr. President, one could labor the Indochina matter at great length, but I shall not do so any further. I am due shortly at the White House. I had hoped to address myself at some length to Formosa. I trust that the debate on the bill will not close until I have had an opportunity to do so. I rather fancy that the Senate will not complete action on the bill today, unless the chairman of the Committee on Foreign Relations feels otherwise, in which event I shall come back later, in the hope that I may round out my remarks.

Mr. THYE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. THYE. At the time the acting majority leader, the Senator from California [Mr. KNOWLAND], left the floor, he asked me to sit at his desk. I may say to the Senator from Illinois that it was the hope of the acting majority leader that the bill might be acted on and disposed of today, even if it were necessary to have the Senate continue in session until the early evening.

Mr. DIRKSEN. Then I shall hold myself in readiness and return, in the hope that I may address the Senate for a little while on one of the most important phases of my trip; namely, the visit to Formosa. After all, Formosa is one of the real bastions of America in the Pacific. I was deeply impressed with what I saw, and with respect to the Formosan program I have some suggestions to make which will probably fit within the framework of the pending bill. So I shall discharge my responsibility at the other end of Pennsylvania Avenue, and then come back to round out these remarks.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. COOPER. I have enjoyed the remarks of the Senator from Illinois, chiefly because of the information he has brought to us as a result of his recent trip. I am particularly interested in what he has said about the possibility of independence for the states of Indochina.

In all sincerity I ask the Senator, Is it not true, however difficult the problem of aid to the states of Indochina may be in connection with independence or possible independence, that if we deny aid we will thereby make it impossible or at least difficult for those states, with the help of the French, to resist the Communist guerrillas? If the Communist guerrillas thereby should be successful, would we not then be helping to prevent the possibility of those states ever becoming independent? That to me is a dilemma. I agree that our country should use its influence to secure some hope, some promise, or some statement which would give those people hope for independence. But are we not still faced with a problem, if we say, "Unless you do that, we will not give you any help"? Have we not then denied to those people the objective of independence?

Mr. DIRKSEN. I do not want to say that to them. It is a good question. Let me respond to the question in this fashion: What an astonishing thing it is that a rebel group, 300,000 strong, can for 7 years successfully resist the French when the rebel group has not a single airplane in the sky. What does the Senator think would happen, after a Korean truce, if MIG's and other planes were moved from Korea to the south border of China, and suddenly found their way into Indochina? Give me a small air force, and I will put the Haiphong Airport in the Hanoi Delta out of commission in 24 hours. With a few more planes I could immobilize the Saigon River from its mouth 40 miles up, so that no ship could enter. There is not a plane on the rebel side.

We see how serious the situation is. One may ask, "What makes them so tough? What is the force which makes them resist?" It is an ideological force. It is the nationalism which they preach. They do not preach communism. They preach nationalism and freedom.

If they can do that, does anyone believe that sending additional planes, or sending $400 million worth of equipment there, is likely to do the job, when there are still so many official fence sitters who believe that Ho Chi-minh will win, and who are waiting for that day?

This condition can go on endlessly. There is danger that Indochina may become another Korea—God forbid. Then what? Fortunately, none of our troops are in that area. I am willing to send equipment. On the other hand, I want to be realistic and say, "Very well, if that is the weapon, give them help. Set up something in the future in the sky and say, 'There is the objective'."

If we continue to condition the Vietnamese troops and put them in the French Union Army and go ahead with this program, of course we shall develop sentiment on our own side, and we shall get this problem out of the way. But if it spoils too long, look out. Then we shall indeed have a potential and a problem which can harass and embarrass this country as nothing else could do.

Mr. President, I suspend at this point because I have something else to do at the moment. I shall resume later.

AMENDMENT OF CONSTITUTION RELATING TO ELECTION OF PRESIDENT AND VICE PRESIDENT

Mr. MUNDT. Mr. President, first of all, let me say that I have been greatly interested in the very informative report made by the distinguished Senator from Illinois [Mr. DIRKSEN] dealing with the problems which confront us in the world. As he was speaking, we all realized that we were sitting here in the week of the Fourth of July, almost 177 years since the Declaration of Independence was signed. I could not help but think how different must be the speeches to which we listen today in this week of the Fourth of July as compared with those which must have been delivered 177 years ago this week, this many days before the Fourth of July. Then speakers were discussing the problems of liberty, problems of freedom, problems of a young, struggling group of colonies about to engage in the adventure of independence.

Now we discuss the world as a whole. Now we discuss the expenditure of billions of dollars in every foreign land. Now we discuss the disposition of American troops garrisoned all over the world. So I think it might be well worth while, on this particular occasion, so close to the 177th anniversary of our national birthday, if we were to spend a little time discussing something of domestic importance, as certainly must have been done this many days before the 4th of July in 1776. We still have problems at home which have not been solved. There are still matters to which, it seems to me, we might well devote some attention as Americans, from the standpoint of preserving the liberty which was first obtained for Americans by the signing of the Declaration of Independence, followed by the Constitutional Convention and the creation of this republican form of government.

Mr. President, I ask unanimous consent to introduce for appropriate reference a joint resolution proposing an amendment to the Constitution of the United States with respect to the election of President and Vice President.

The PRESIDING OFFICER. Without objection, the joint resolution will be received and appropriately referred.

The joint resolution (S. J. Res. 95) proposing an amendment to the Constitution of the United States with respect to the election of President and Vice President, introduced by Mr. MUNDT, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. MUNDT. Mr. President, I am introducing the joint resolution because it seems to me that few systems or programs devised by the minds of men are ever so good that they cannot be improved. While ours has served us exceedingly well, there is always the danger that unless we keep the machinery of government up to date and in conformity with the changing pressures and the changing emergencies which it confronts, it may cease to serve us adequately. Our form of government, which reflects our traditions and our way of life, most Americans believe is the best to be found anywhere in the world or in the annals of history. I emphatically share that point of view. Our American political system is truly unique.

However, Mr. President, as times and conditions change, it is important that on occasion we review the machinery of our Government and the mechanics of our electoral system to make certain that they are fulfilling the responsibilities set out for them and that they are functioning in a manner best designed to protect and perpetuate the basic American concepts and institutions which have for so

long served to make our country great and keep it strong.

Today, as we approach our 177th national birthday, I wish to discuss very briefly a few factors in our electoral system to which I wish to direct the attention of the Congress and the country, and on which I think we should all devote some study in an effort to make certain that our elective processes provide the maximum opportunity for the individual citizen to make his influence felt in the election of a President and a Congress regardless of how that citizen is registered politically or where he lives geographically. Under our cherished concept of government by the people, it is important that each and every citizen who votes shall by that action be given the optimum opportunity to direct the destiny of his country's course by that exercise of franchise. Under our concept of majority rule, we never want our country's policies determined either by dictators in the flesh or by the dictatorial devices of electoral mechanics which operate to pervert and prevent the opinions and the choices held by the majority of our citizens from becoming effective in the conduct of our Government.

On previous occasions, on and off the floor of the Senate, I have discussed what in my opinion are the valid reasons for evolving a political realinement in this country which will strengthen and expand our two-party system of government; which will enable citizens who think alike on economic and political questions to vote alike for President without having to surmount or break political barriers making that objective difficult; and which will eliminate the paradox which frequently finds within the same political party differing individuals and differing policies which are in violent and complete disagreement with each other but which are all merged under the same partisan banners at election time so that voters receive no effective opportunity to make a clear and honest choice between them at polling places.

In my opinion, a realinement of the political forces of this country is essential to the preservation of our American liberty with its concepts of private ownership, our reward of merit system, the continuance of our division and balance of power among the three great branches of our Government, the maintenance of the local autonomies guaranteed in the 10th amendment to our Constitution, and the concept that the people rather than the political bosses should ever be to the rulers of America. I shall discuss this phase of our electoral system again on some subsequent occasion.

Today, however, I am introducing a joint resolution on the subject of electoral reform which provides another pathway toward the same destination envisioned as the consequence of steps taken toward political realinement and the development of a genuine two-party system in the South, namely, a goal which offers to each voter equal authority for his ballot and the optimum opportunity by his vote to determine the personalities and the policies which shall direct his Government.

With but minor changes, this joint resolution is the same as the one now before the House of Representatives where Congressman FREDERIC R. COUDERT, Jr., of New York, has introduced it and where it bears the designation of House Joint Resolution 1. The constitutional amendment called for by these resolutions of Congressman COUDERT and myself differ materially from the so-called Lodge-Gossett resolutions of the last session of Congress although in each instance the objectives which are sought are to increase and protect the importance of each citizen's ballot at the polling places of America.

Before going further, I want to pay tribute to the educational work already done by Senator Lodge, by Congressman Gossett, and by Congressman Coudert in this field of needed electoral reform. Each has contributed greatly to this area of information.

I especially desire to pay my respects to Congressman COUDERT not because he happens to be continuing his efforts in this field now that Senator Lodge and Congressman Gossett have entered other fields of important service but because after long and careful study of all of the various proposals for reforming our electoral system I am convinced that the resolution introduced by Congressman COUDERT most nearly provides a significant and satisfactory answer to the situation. Congressman COUDERT deserves real thanks and praise for the pioneer work which he has already devoted to this subject. Therefore, it is with real pleasure that after numerous conferences with him and with others interested in electoral reform that I am associating myself with this effort by introducing today a companion resolution to that which Congressman COUDERT has introduced in the House. In the main, there are no important differences in the language of our resolutions—they are identical in their objective and alike in their basic mechanics. We hope to secure hearings in both the Senate and the House on our joint proposals.

Quickly summarized, here is what Congressman COUDERT and I propose: We recommend a constitutional amendment which will change the basis on which our presidential electors are chosen at election time from the general statewide, one-unit system now in vogue to one which will provide that our presidential electors shall be elected in the same manner and in the same number as the Senators and Representatives of each of our several States. Basically this is the sole and only change which we are advocating, except that in the event of there being no electoral majority, the final choice would be made by a joint session of Congress, voting by the head, instead of the present provision in which the House alone, voting by States with one vote per State, makes the decision. By substituting election by congressional districts for those 435 presidential electors corresponding to Members of the House of Representatives for the present system of electing them by statewide general one-unit blocs of electors, however, Congressman COUDERT and I believe many of the potential pitfalls and the present inequalities of our current procedure can be corrected and that our presidential elections can and will more faithfully reflect the desires and determinations of each individual voter in America.

What, then, are the advantages of changing from the general statewide system of electing these 435 presidential electors to the system of electing them as we do our Congressmen—with 1 elector specifically elected by each congressional district in choosing 435 electors and 2 electors elected at large in each State just as our Members of the Senate are elected so as to choose the other 96 in order to comprise the total of 531 electors? Let me list some of these advantages now in brief detail and on some subsequent occasion I shall discuss more fully here or insert in the CONGRESSIONAL RECORD the background reasoning contributing to each of the following declared advantages:

First. The election by districts rather than the statewide election system for choosing presidential electors would give each voter in this country an opportunity to vote for 3 presidential electors—1 from his congressional district; 2 from the State at large—so each voter would have substantially the same vote authority on election day, whereas under our present system the voter in Delaware, for example, now votes for 3 presidential electors, whereas the voter in New York State votes for 45 presidential electors. Thus, each individual voter in New York State, due to the provisions of our present electoral system, packs 15 times the power into his individual ballot compared with the individual voter in the State of Delaware. In varying degrees, the citizen who votes for President in all of our smaller States is a second-class voter compared with the individual citizen in our larger States, and in no other State does the voter pack the punch or have the authority or exercise the influence as the individual voter in the State of New York. At one time in our country's history, most presidential electors were chosen on the district basis which we now propose. It is obvious that our constitutional forefathers recognized that equality of opportunity in voting must carry with it the corollary that there should be equality of authority in the power of each citizen's individual ballot.

Second. With voters using the same geographical units in selecting their electors for President as they do in selecting their Congressmen and Senators, it would follow that with the executive and legislative officials elected by the same people voting in the same manner and with the same authority, we would find campaign arguments and platform policies developed in harmony with this new situation and the party that won an election for the Presidency would most likely win a similar victory in Congress, so that fixation of responsibility and opportunity for building a party record would be enhanced greatly in this country. Thus, this giving national political parties presidential power commensurate with their congressional power should provide an ideal situation.

Third. Pressure groups and organizations of self-serving and selfish citizens would automatically find their national influence sharply curtailed once they were forced to sell their wares in every voting area of America rather than operating as they now do under conditions made ideal for pressure groups, since they now concentrate on selected large blocs of electoral votes located in our metropolitan areas and in States with vast populations where the individual voter by his ballot has from 5 to 15 times the power and the determining authority of the voter in a smaller, a rural, or a southern State. Those who would push our country leftward toward totalitarian centralized controls and toward national socialism would not be able to exert pressures on our presidential candidates and our party platforms and policies at all commensurate with their present power if each congressional district could elect its own presidential elector rather than having many States where great masses of voters in congested cities—frequently boss-led—providing a golden opportunity for pressure groups to threaten candidates for President with great blocs of votes delivered or withheld, in accordance with a candidate's willingness to go along with the selfish motives which have brought together these power blocs of organized voters. The power of such pressure groups would be in proportion to their actual numbers in the population.

Fourth. The election-by-district system would give to both large and small States their proper weight, properly divided between their parties, in the election of a President; and it would restore and preserve the balance between urban and rural areas, between great States and small ones, which was intended by our constitutional forefathers, and which is established and recognized in our bicameral system, with each State having two Members of the Senate and each State having the number of Representatives in the House to which its population entitles it. However, in each House of Congress each official casts a vote of like power and authority. Representative COUDERT and I propose that each of our constituents—each voter in America—shall likewise have a vote of like power and authority in the election of his President.

Fifth. Provide an opportunity for qualified citizens from any State to become candidates for President and for Vice President, because no longer would our political parties have to play up to mass populations in large States by nominating candidates to "appeal to New York" to "get the California vote," to "hold Pennsylvania," or to "assure the vote" of Michigan, Illinois, or Ohio. Henceforth, each candidate would have to appeal to all the people, because each citizen would cast his vote for three presidential electors, and there would be no statewide, one-unit, power blocs of 45 or 32 or 27 votes or whatnot. The presidential appeal would have to be, as it should be, to the individual voter in his place of residence—not to pressure groups or organized blocs or statewide units of electoral votes on the "winner-take-all" basis which now operates, so that a handful of votes, more or less, in a State such as New York, Pennsylvania, or California, for example, gives the victor the entire electoral vote, even though 49.99 percent of the voters may have voted for the other candidate and for the opposition party.

Sixth. Encourage the development of a two-party system in the South and a continuation of the salutary situation developed in the last campaign when President Eisenhower, as a Republican presidential candidate, for the first time since the War Between the States, campaigned throughout the South with the same vigor and determination that he demonstrated as a candidate in Northern States. Virtually every southern State now has at least one congressional district where "the vote is not in the bag" and where, through crossfiling, through a political realinement, through a coalition between like-minded voters, or through the orthodox operations of our two-party system, presidential candidates of both political parties would find it necessary and/or desirable to campaign for the votes of individual southerners whose votes-by-districts would henceforth count as much and deserve to be counted as fully as the votes of individual voters in New York, in Chicago, or in Detroit.

Mr. President, there are other continuing advantages, as I see it, of the electoral reform being sponsored by Representative COUDERT and me in our joint resolutions. I do not desire to belabor the record further at this time, however. I hope subsequent discussion and public hearings before the Judiciary Committees of the Senate and the House will continue these explorations into the merits of the change proposed.

Mr. President, I have no desire to detain the Senate longer today on this subject. I realize that the unfinished business is the mutual aid bill, and that our attention must be devoted to it. However, I thought perhaps this might be a propitious time—being shortly before the Fourth of July—to recall that, as Americans, we have some problems which are American to which we might well devote some attention, besides engaging in discussion of the question of how many billions of dollars to send abroad and how far to inject our influence and how far to interfere in the affairs of people living thousands of miles from us.

As I understand, a committee to study electoral reform has been created by the American Good Government Society, which has its national headquarters here in Washington at 1624 I Street NW. This special committee plans to study and survey the proposals made by Representative COUDERT and myself, as well as the several other proposals and suggestions now before the Senate and the House in regard to the problem of electoral reform. Those desiring further factual data on the subject can secure it by writing to the American Good Government Society in Washington, D. C.

Eternal vigilance is still the price of liberty, Mr. President; and that vigilance must be devoted to the mechanics of our electoral system as carefully as we devote it to our security measures, for the mechanics of the system make the conditions that are decisive in the election process. It would indeed be tragic if practices which have grown up were so to pervert the proper functioning of our processes for electing a President that some day they should carry this country into a collectivist state which the vast majority of all Americans oppose. Unthinking devotion to political labels, or meaningless party slogans, in response to the appeals of leaders, unworkable partisan groupings, and unequal weight accorded to the "vote power" of our individual citizens can contribute to such an undesirable eventuality.

Mr. SMITH of New Jersey. Mr. President, will the Senator from South Dakota yield for an observation?

The PRESIDING OFFICER (Mr. BARRETT in the chair). Does the Senator from South Dakota yield to the Senator from New Jersey?

Mr. MUNDT. I am happy to yield.

Mr. SMITH of New Jersey. As a cosponsor with former Senator Lodge of the bill on electoral reform which was discussed during the last session, I desire to commend the Senator from South Dakota for his splendid presentation of this matter at this time. I have not studied the contents of his joint resolution, but I have studied the so-called Wilmerding formula; and from what the Senator from South Dakota has said, I gather that his resolution comes close to the so-called Wilmerding formula.

Mr. MUNDT. There is a great deal of similarity between the two. The new resolution also seeks to attain the objective sought to be obtained by the Lodge-Gossett proposal. We believe this joint resolution has some superiorities, as compared to the Lodge-Gossett proposal—first of all, in respect to maintaining the proportionate importance of each State in the Union from the standpoint of its standing at election time, and also from the standpoint of preserving the two-party system, which most Americans agree is vital to the maintenance of our liberty.

Mr. SMITH of New Jersey. The Wilmerding proposal was somewhat different from the Lodge proposal. I think some Members of the House have used it in proposals of their own. I think Representative COUDERT did in his resolution at the last session.

Let me assure the Senator from South Dakota that I shall be glad to discuss this matter with him. I rose at this time to congratulate him upon the fine presentation he has made.

Mr. MUNDT. I thank the Senator from New Jersey very much, indeed. I know he will continue his interest in this very important problem.

Mr. SMITH of New Jersey. Let me say that it is also a pleasure to be associated with the Senator from South Dakota in any endeavor.

Mr. MUNDT. We have been associated before in connection with other proposals of this kind. If this resolution can flower into enactment in the way the Smith-Mundt bill did, I am sure both of us will be delighted.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Hawks, one of his secretaries.

AUTHORITY TO USE AGRICULTURAL COMMODITIES FOR FAMINE OR OTHER URGENT RELIEF OF FOREIGN NATIONS (H. DOC. NO. 202)

The PRESIDING OFFICER. The Chair lays before the Senate a message from the President of the United States, which will be read.

The legislative clerk read as follows:

To the Congress of the United States:

Because of the great productivity of our farms, the people of the United States have been able, on several occasions in recent years, to come to the aid of friendly countries faced with famine. In 1951 agricultural supplies were provided to India, and only recently wheat has been made available to the people of Pakistan. In both instances, we were able to provide assistance in meeting famine or other urgent relief requirements by using stocks of commodities held by the Commodity Credit Corporation. On each of these occasions the Congress has been forced to add consideration of these emergency programs to its very heavy workload. This procedure not only adds to the congressional burden but also slows the speed with which this Government can come to the assistance of a nation urgently needing relief.

I therefore believe it advisable to have general legislation which, within appropriate limitations, would permit the President to meet these situations. The legislation I am requesting would give the President the authority to utilize agricultural commodities held by this Government, but it would limit that authority to meet only the occasional needs arising from famine or other urgent relief requirements.

The objectives of such a program are not to be confused with the principal objective of our mutual-security program. The mutual-security program aims at promoting the long-range security of the United States by assisting our friends to strengthen their long-range economic and defensive capabilities. The program I am now proposing aims at mitigating the hard blows of unusual and urgent emergencies.

Since we cannot adequately foresee the specific needs to be met under the legislation I am requesting, we cannot now determine the most effective and equitable conditions under which such assistance may be rendered in a particular situation. Consequently, I am requesting authority to establish, when the need arises, the terms and conditions under which these agricultural commodities shall be made available.

In order that there may be a minimum of delay in assisting nations stricken with famine or having other urgent relief requirements, I am requesting that the Commodity Credit Corporation be given authority to make available from its stocks the necessary agricultural commodities to meet these emergency needs. To prevent impairment of the operations of the Commodity Credit Corporation, and to permit necessary budgetary adjustments, I am recommending an authorization to reimburse the Commodity Credit Corporation to the extent of its investment in commodities furnished by it, plus any other costs, including interest, which it may incur in carrying out programs authorized under this act. When the costs of any programs carried out under terms of this act can be ascertained, the Congress will be asked to appropriate the necessary funds to reimburse the Commodity Credit Corporation. I further propose that the authority to undertake programs of famine and other urgent relief assistance under this legislation expire on June 30, 1955.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 30, 1953.*

The PRESIDING OFFICER (Mr. BARRETT in the chair). The message will be referred to the Committee on Agriculture and Forestry.

Mr. AIKEN. Mr. President, I ask unanimous consent to introduce a bill for appropriate reference. It is a bill which will carry out the desires of the President as stated in the message to the Congress which has just been read. This bill would authorize the Commodity Credit Corporation to turn over or make available to the President surplus commodities owned by the Corporation, for purposes of relief in friendly and needy countries. It would permit the President to act promptly if the need arose, whether the Congress were in session or not.

The Committee on Agriculture and Forestry has before it now for consideration several bills upon which hearings have not yet been held, because the chairman of the committee has understood that this message would come from the White House to the Congress.

There being no objection, the bill (S. 2249) to authorize the Commodity Credit Corporation to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief requirements in countries friendly to the United States, introduced by Mr. AIKEN, was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Minnesota.

Mr. THYE. The statement of the Senator from Vermont, Chairman of the Committee on Agriculture and Forestry, would indicate that the authorization would relate to assistance to foreign countries. However, our major concern at this time is our own domestic problem, occasioned by the drouth which exists in the extreme Southwest. Would the bill permit the Commodity Credit Corporation to make available to the southwestern area of this Nation feed grains, such as corn and any other grains which would be suitable for use as feed?

Mr. AIKEN. I think the Commodity Credit Corporation now has full authority to make grains owned by the corporation available to a distressed area within this country. I am not sure whether it also has full authority to make hay available. But let me say to the Senator from Minnesota, because and I know how deeply interested he is in this matter, that the staff of the Department of Agriculture have been working days, and I suppose nights too, during the past few days, in the preparation of a program which will be submitted to the Congress. Conformable legislation would be expected to provide an effective program to relieve the drought-stricken areas. I may say I expect the program will be submitted to Congress probably before the end of the day; if not, it will certainly be submitted tomorrow.

Mr. THYE. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield to the Senator from Minnesota.

Mr. THYE. The commodities held by the Commodity Credit Corporation would not include hay, but would consist of grains subject to storage. Hay is a commodity which would have to be dealt with specifically, since the Commodity Credit Corporation does not hold hay, but would have to purchase it, in order to meet the present requirements for feed in the drought-stricken area of the Southwest.

Mr. AIKEN. I may say the Department of Agriculture has been making a very detailed study of the situation, in order to determine what legislation may be needed in order to carry out a program of relief which would include the furnishing of hay to the distressed area.

Mr. THYE. That is splendid.

Mr. AIKEN. I know the Senator from Minnesota has that in mind. I am satisfied that it will not be more than 24 hours before the program will be submitted to the Congress.

Mr. MUNDT. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from South Dakota.

Mr. MUNDT. I may say I am delighted to have this message from the President. To me it shows a great deal of good, sound sense. I am grateful to the chairman of the Committee on Agriculture and Forestry for the announcement made today that the Senate Committee on Agriculture and Forestry will hold early hearings, not only to consider the necessity of such legislation as that suggested by the President, but also to consider the bills dealing with the same subject which are now before the committee. Last March the Senator from New Mexico [Mr. ANDERSON] and I, together with 5, 6, or 7 of our colleagues, introduced a measure proposing to create a Foreign Trade Division within the Commodity Credit Corporation. That measure, if it had been enacted, would have accomplished exactly what the President's proposal suggests, plus certain additional provisions not included in his proposal.

So when the hearings are held, I hope we shall give consideration at the same time to the President's recommendation, and that we will move in the direction of his recommendation, which I support. I also hope that we will give consideration to the broadening of authority of a

Foreign Trade Division, or whatever instrumentality proposed to be created, so that, in addition to giving away our surpluses, we may arrange to sell them to friendly countries that may have an ample amount of funds in their own currency with which to pay for them. It seems to me that we certainly will have to engage in giving away foodstuffs, simply because at the moment we do not know what to do with the domestic currency of the countries that need food.

We propose to solve that problem by establishing within the Commodity Credit Corporation a clearing house for rendering service in connection with these needs. We can take domestic currency of one country and spend it to the advantage of the United States, either in that country or in some other country having need for such currency. I hope with the Senator from Vermont that, when the hearings are held, we shall be able to go into the whole field.

Mr. AIKEN. I may say that the message just received clears the way now for the Committee on Agriculture and Forestry to make a thorough study and to have full hearings on the bills which have been introduced by several Senators. I think the Senator from South Dakota introduced the first bill. The Senator from Kansas has introduced a bill, and I think other bills are pending before the committee which have for their objective the improvement of trade in agricultural commodities with foreign countries. Those bills contain provisions with respect to the interchange of currency and several other factors not included in the bill I have just received from the White House, which deals only with commodities actually owned by the Commodity Credit Corporation, and which authorizes their use outside the United States in friendly nations in which there is distress and great need of assistance.

Mr. MUNDT. I think it should be added that none of the bills which are before our committee would grant to the Commodity Credit Corporation or to the President less authority than he requests in his message. Most of them would grant considerably more authority. So against the threat of accumulating agricultural surpluses we should move with giant steps to dispose of them throughout the world, rather than limiting our activity to countries actually in need, countries that are apparently so impecunious that they can pay nothing at all for their necessary food supplies.

Mr. AIKEN. That is true. The White House sent the Pakistan bill to Congress for immediate action, because, among several reasons, there was a critical drought situation in Pakistan having economic, political, and other aspects. The President now asks for authority to deal with any similar situation, should it arise when Congress is not in session, but none of the bills coming from the White House is as broad as the one pending before the committee which was introduced by the Senator from South Dakota. I did not feel like calling hearings on the subject until we received a message from the White House, because at one time I had the impression that the White House proposal would include much broader measures. Some of them are probably incorporated in the bill introduced by the Senator from South Dakota. The bill is here now and we shall give early consideration to it and the broader proposals to which several Senators have referred.

Mr. MUNDT. I thank the Senator very much for that assurance.

Mr. MONRONEY. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. MONRONEY. I appreciate very much what the distinguished chairman of the Committee on Agriculture and Forestry has said to the distinguished Senator from Minnesota [Mr. THYE], but I should like to ask if in giving what is almost famine relief in the Southwest all haste will be made as is anticipated will be made in the exportation of foodstuffs to disaster areas of the world.

Each day the drought crisis becomes worse. It is liquidating the breeding stock, the very backbone of the livestock industry in the Southwest. Unless the committee acts speedily to remove the requirements for the sale of surplus agricultural commodities, such as corn and, I believe, cottonseed meal, of which we have a great abundance, at not less than 105 percent of parity, it will not do any good to make it available for cattlemen. They are selling their cattle because there is no feed, and no grass on the range. Should we consider waiving the regulations for sales in drought areas of stocks held by the Commodity Credit Corporation?

Mr. AIKEN. Mr. President, yesterday the President made immediately available out of his emergency fund several million dollars to be used in relieving the situation caused by the drought in the States of Oklahoma and Texas, and in probably several other States, before the crisis is over.

In the meantime, the Department of Agriculture has been working out its program and expects to have a bill prepared for the Congress to consider sometime today or tomorrow. The allocation by the President tended to carry the situation along until Congress can act. So far as our committee is concerned, we shall meet almost immediately.

Mr. THYE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. THYE. There is in the emergency fund from which the President made an allocation yesterday a free balance of more than $18 million, so he can make additional allocations up until the time the fund is exhausted. I am confident the President will make funds available, and that in the meantime we can act not only on this emergency legislation, but on any additional appropriation which the President will need for his emergency fund.

Mr. MONRONEY. Mr. President, will the Senator from Vermont yield further?

Mr. AIKEN. I yield.

Mr. MONRONEY. I hope the Appropriations Committee and the Committee on Agriculture and Forestry will give the President adequate funds. I consider that even $18 million, if it is available, is merely a starter to relieve the distress which has resulted from 4 years of continued drought in Texas and 2 years in Oklahoma which is threatening the livestock business with bankruptcy.

Mr. AIKEN. Let me assure the Senator from Oklahoma that the administration will ask for an adequate fund. The money allocated yesterday by the President is simply a stopgap allocation until the Congress can pass the necessary legislation. I think the Senator from Oklahoma can assure his cattlemen that feed will be sent into the areas where the cattlemen are out of feed and that credit will be made available so that it will not be necessary to force the cattle into a market which the cattle producers do no want to enter.

Mr. MONRONEY. There is no market existing today for the drought-starved cattle, at any kind of a reasonable price.

Mr. AIKEN. We realize that the forced marketing of cattle in Texas and Oklahoma has had its effect on cattle producers all over the United States. The fact that the Secretary of Agriculture has assured assistance in that area, that work is actually being done toward that end, and that the President has made an interim allocation, evidently has had some effect already and has given new courage to some who were ready to let go. I understand the price has strengthened somewhat yesterday and today.

Mr. MONRONEY. One of the problems is in connection with the corn and the cottonseed which might be made available. If the cattlemen are forced to borrow in order to buy that feed they may just as well liquidate for whatever they can get. They expect to pay the debt to the Government, but, in view of the situation confronting them and the present condition of the market, they cannot afford to borrow money, even if it is a character loan, to feed that high-priced feed to their cattle.

Mr. AIKEN. I think I can assure the Senator from Oklahoma that feed, particularly cottonseed cake, will be furnished those persons who find themselves out of money and out of feed, at a substantial reduction in price. The feed will undoubtedly not be given to those who are amply able to pay for it, but credit will be given, I am sure. I do not want to go into details, because I do not know all the details, but, in a general way, assistance will be sent to the Southwest, and I sincerely hope that the livestock producers will try to hold on a few days longer. There may be an adequate rain. Six inches of rain fell in Texas yesterday.

Mr. MONRONEY. One one-hundredth of an inch fell in Oklahoma.

Mr. THYE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. THYE. Mr. President, what is needed is a complete examination of the entire problem which confronts the southwestern area of the United States. I am confident the Secretary of Agriculture, having made a trip to that section and having appraised the seriousness of the situation, will make some positive recommendations.

In my opinion, what is needed is an organized effort to remove the young stock from that area into other areas where there is ample pasture. Another

thing is to get feed to the matured animals in order to keep them in the area for future breeding purposes.

I am confident that if we take both steps, and Congress acts boldly, we can check the movement of this excellent foundation breeding stock that exists in the Southwest, keep it there, and not have it sent to the slaughter pens in an unfinished condition and sold at a terrific sacrifice.

I am confident the administration, the Department of Agriculture, and the Congress, will act speedily in order to meet the emergency and aid the livestock men in overcoming the dire and drastic situation with which they are faced.

Mr. BRICKER. Mr. President, will the Senator from Vermont yield for a privileged matter?

Mr. AIKEN. I am ready to quit, if I can.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield first to the Senator from Maryland, and then I shall yield the floor.

Mr. BUTLER of Maryland. I notice in section 3 of the bill that assistance may be rendered under it through June 30, 1955. Most certainly Congress will be back in session next January. This is a very drastic authority; it is in reality a blank check on all surplus commodities. It seems to me Congress should keep strict control of this type of thing. Why is such a long expiration date provided?

Mr. AIKEN. Mr. President, I saw this bill only a short time ago. I am not in position to comment on it. I am sure the matter referred to by the Senator from Maryland will be called to the attention of the committee. Possibly other provisions of the bill will be called to the attention of the committee.

Mr. BUTLER of Maryland. I have taken only a very hasty glance at the proposed legislation. The commodities would be taken from the Commodity Credit Corporation. The Treasury would then refund the Commodity Credit Corporation the cost of the commodities to the Corporation. In that way we would simply be going through the Treasury of the United States on a blank check basis.

The bill would grant very drastic authority. It is in my opinion authority that Congress should keep tightly in its control. I merely make this as a suggestion to the committee as something that should be looked into.

Mr. AIKEN. I am glad to have the Senator's interpretation. Funds would also be required in order to carry out the provisions of the bill.

The PRESIDING OFFICER. The message will be received and appropriately referred.

Mr. HOLLAND and Mr. BRICKER addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I believe the Senator from Florida was first on his feet. Was he asking me to yield?

Mr. HOLLAND. Yes, I was.

Mr. AIKEN. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I wish to comment briefly upon the message from the President and the bill introduced by the distinguished Senator from Vermont, who is chairman of the Senate Committee on Agriculture and Forestry.

It seems to me that while all of us naturally would have sympathetic interest in a suggestion based on the extension of mercy and generosity to others in distress, at the very inception we ought to take notice of the fact that this suggestion, in effect, invites Congress to delegate its authority to the Executive in a wider way than I think Congress has ever been willing or should be willing to do.

I call the attention of the distinguished Senator from Vermont to the fact that the message states clearly that the program would have been applied to the Pakistan gift, if the proposed act had been in effect and available prior to that time. The transfer of wheat to Pakistan involved a gift of about $100 million of the funds of this Nation. The message makes it clear that, under this proposal, not only would that transfer have been covered without requiring action by Congress, but that similar proposals may be handled without specific legislation in the future.

The message makes it clear that the measure would obviate or bypass the necessity of bringing any such situations to the attention of Congress in the future, but would, instead, allow their solution to depend solely upon the decision and the act of the Executive. I call particular attention to the fact that the message recites, in addition to what I have suggested, the following, indicating clearly that the standards requiring action must be determined by the sole decision of the Executive:

> Since we cannot adequately foresee the specific needs to be met under the legislation I am requesting, we cannot now determine the most effective and equitable conditions under which such assistance may be rendered in a particular situation. Consequently, I am requesting authority to establish, when the need arises, the terms and conditions under which these agricultural commodities shall be made available.

Recognizing, as he should, that such action involves the necessity of reimbursement to the Commodity Credit Corporation, the President in his message suggests further:

> To prevent impairment of the operations of the Commodity Credit Corporation, and to permit necessary budgetary adjustments, I am recommending an authorization to reimburse the Commodity Credit Corporation to the extent of its investment in commodities furnished by it, plus any other costs, including interest, which it may incur in carrying out programs authorized under this act.

It seems to me that here would be a blanket delegation given by Congress to the President to determine under what conditions such gifts should be made, how large such gifts should be, and then to require the fiscal agency of the Government to pay over the money, no matter how much was involved, to the Commodity Credit Corporation, to prevent the impairment of the funds of that corporation.

Much as I should like to go along with any program suggested under the idea of the extension of mercy and generosity to a friendly nation and to suffering human beings, it seems to me that we are being asked here to go much further than we can reasonably go.

I suggest again to the distinguished Senator from Vermont that it is almost as serious a matter, if not equally as serious, that this program apparently would key into the support price program of the Nation, which is designed to give substantial benefit and security to agriculture and to agricultural producers, a branch of activity based upon grants, gifts, and a disposal of surpluses at the will of one person, no matter how well disposed or how wise or merciful he may be. I think that such a provision would impair greatly the stability of the agricultural price support program, and the confidence of our people in that program. It occurs to me that the whole proposal needs very careful study, because it would, if carried out as suggested here, certainly impair, and perhaps destroy, both the solvency and the stability of our agricultural support program.

Mr. AIKEN. Mr. President, in reply to the Senator from Florida, I realize that for 15 years many Members of Congress have been very much concerned with trying to curb exaggerated benevolences on the part of the Chief Executive. I point out that the bill, like all proposed legislation, is subject to such limitations as Congress may see fit to impose. I, myself, have not studied the bill. Of course, I have read it, and I know in a general way what it involves. I have not studied the effect of it in detail, but I assure all Senators that the bill will be carefully considered by the Committee on Agriculture and Forestry. I repeat, it clears the way for consideration of other bills which have been held back out of deference to the Chief Executive.

REPAIR AND REHABILITATION OF CERTAIN PUBLIC AIRPORTS—CONFERENCE REPORT

Mr. BRICKER. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 35) to provide for the repair and rehabilitation of public airports damaged by the armed services during the present national emergency, to extend beyond June 30, 1953, the availability of previous appropriations for payment of claims under section 17 of the Federal Airport Act, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read.

(For conference report, see House proceedings in today's CONGRESSIONAL RECORD).

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

Mr. GORE. Mr. President, reserving the right to object, I hope the junior Sen-

ator from Ohio will withhold his request until the matter has been properly discussed with the minority members of the committee and with the minority leader.

Mr. BRICKER. The report was signed by both the majority and the minority members of the committee of conference. It is a bill the Senate passed on the calendar a few weeks ago, and in which the House concurred, with the addition of a single amendment, limiting the operation of the bill to March 31, 1954. The bill merely provides that the Federal Government shall continue the present program of reimbursing States and local communities for damage and detriment done to local airports by utilization of the airports by the Armed Forces of the United States.

Mr. GORE. I have no disposition to question in any way the representations of the distinguished Senator from Ohio. However, I am not in a position to give consent to consideration of the conference report until sufficient time has been afforded to examine the context of the agreement. Therefore, I must object at this time.

Mr. BRICKER. Mr. President, I move that the report of the committee of conference be adopted.

Mr. GORE. Mr. President, I make the point of order that a quorum is not present.

Mr. THYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, I should like to suggest to my friend the distinguished Senator from Ohio [Mr. BRICKER] that the conference report is a privileged matter.

Mr. BRICKER. Of course; otherwise, I would not bring it up.

Mr. KNOWLAND. Under the rules the Senator from Ohio may move to consider the report at this time. However, because of the understanding the acting majority leader has with the minority leader, namely, that a conference report would not be called up without first giving advance notice to the minority, I should like to state to the distinguished Senator from Ohio that I am assured by the distinguished minority leader that the minority wishes to have some additional time to consider it and that later in the afternoon I am sure the report can be disposed of. If the distinguished Senator from Ohio will not press his motion at this time, I am sure that within the next few hours we will be able to take care of it.

Mr. BRICKER. I certainly do not have any desire to violate any understanding which the majority leader has with the minority leader. However, I assume when conferees are appointed, who are Senators from both sides of the aisle, if any difficulty develops with respect to a conference report which involves party principles, minority conferees would take care of advising the minority leader with reference to it. Two members of the minority party who are conferees on the bill are on the floor of the Senate, and they have joined in the conference report. I refer to the Senator from Colorado [Mr. JOHNSON] and the Senator from Rhode Island [Mr. PASTORE].

Mr. KNOWLAND. As the distinguished Senator from Ohio knows, we have a situation in the Senate in which the margin between the majority and the minority is very slim. I have found that the minority leader has been most cooperative in the normal routine handling of legislation. I have been in consultation with him, and I have given him my assurance that prior to the calling up of a conference report we would give the minority side advance notice, so they could discuss it. No damage would be done, and I believe that in the long-term operation of the Senate we would benefit and expedite the legislative program. I give my personal assurance to the Senator from Ohio that before the Senate adjourns today it will be prepared to take the conference report under consideration.

Mr. BRICKER. I assure the majority leader that the conference report represents nothing personal to me. I was appointed as a conferee. The conference report is a privileged matter. It is a report which was signed by all the members of the conference committee on both sides, in both the House and in the Senate. The House has acceded to the Senate provision with respect to the limitation of March 31, 1954. I do not believe that there will be any controversy about the report. If there had been any reason for controversy I would presume it would be the responsibility of the minority members to so advise the minority leader. Under the circumstances I shall leave it to the majority leader to bring up the report when he desires.

Mr. KNOWLAND subsequently said: Mr. President, I ask unanimous consent that the Senate return to the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 35) to provide for the repair and rehabilitation of public airports damaged by the armed services during the present national emergency, to extend beyond June 30, 1953, the availability of previous appropriations for payment of claims under section 17 of the Federal Airport Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSON of Texas. Mr. President, I desire to thank the majority leader for the course he has followed in connection with this conference report. The minority had no desire to delay action on the report. We have cooperated with the majority in this instance, as we have attempted to cooperate on all the business of the Senate.

The PRESIDING OFFICER. Is the Senator addressing himself to the conference report which has just been agreed to?

Mr. JOHNSON of Texas. I am not sure whether it was agreed to. I was on my feet seeking recognition. I wanted to point out that when the acting minority leader objected this afternoon to consideration of the conference report called up by the junior Senator from Ohio [Mr. BRICKER] it was only for the purpose of contacting not only the conferees on this side of the aisle but the author of the proposed legislation.

After the Senator from California [Mr. KNOWLAND] had postponed action on the conference report, we discussed in some detail with the author of the bill the work of the conferees, and he very graciously agreed to accept the results of the conference.

I desire to have the Senate know that the minority deeply appreciates the course followed by the acting majority leader. I am certain that if that course is followed in the future, both sides will cooperate to the end that the Senate may transact its business promptly.

REORGANIZATION OF THE EXPORT-IMPORT BANK OF WASHINGTON UNDER REORGANIZATION PLAN NO. 5

Mr. POTTER. Mr. President, at 12:01 a. m. today Reorganization Plan No. 5, providing for reorganization of the Export-Import Bank of Washington, became effective.

When I examined the provisions of this plan, the President's message of transmittal, and a staff memorandum prepared by the staff of the Committee on Government Operations analyzing the plan, a number of problems appeared to arise concerning the effect of the plan upon the organization and lending policies of the bank, which is performing a very important service.

Although I felt that these questions were important, I did not feel justified in submitting a resolution of disapproval. Instead, I addressed a letter to the Secretary of the Treasury specifically raising six points on which his views were requested. The purpose of this action was to have on record an expression from the Secretary concerning the administration's understanding of the nature of the changes which would result should the plan become effective, and the effect of these changes upon the present operations of the bank.

Several days later I received a reply from the Secretary of the Treasury containing, in 1½ pages, what purported to be the answers to these 6 questions. I ask unanimous consent that the staff memorandum, my letter to the Secretary of the Treasury, and his reply to me be inserted in the RECORD at this point.

There being no objection, the memorandum and correspondence were

ordered to be printed in the RECORD, as follows:

SENATE COMMITTEE ON GOVERNMENT OPERATIONS,
June 2, 1953.

Staff memorandum No. 83–1–24.

Subject: Reorganization Plan No. 5, providing for a reorganization of the Export-Import Bank of Washington.

PURPOSE OF THE PLAN

Plan No. 5 of 1953 is designed to simplify and streamline the organization of the Export-Import Bank of Washington, to strengthen its administration, and to provide for certain changes in policymaking procedures. It was submitted by the President on April 30, 1953, and, unless disapproved, will become effective at 12:01 a. m. on June 30, 1953.

SUMMARY OF MAJOR PROVISIONS

With respect to organization and administration, plan No. 5 would concentrate authority and responsibility for the bank's operations in a newly created Managing Director, appointed by the President, subject to Senate confirmation, who would head the bank (salary $17,500). The present five-member Board of Directors would be abolished and its functions transferred to the Managing Director, with authority to delegate the performance of these functions to his subordinates, as he deems appropriate. To assist the Managing Director in the performance of his duties, the plan provides for the establishment of two new offices—Deputy Director and Assistant Director. The Deputy Director is to be appointed by the President, subject to Senate confirmation, and the Assistant Director would be appointed by the Managing Director under the classified civil service, at salaries of $16,000 and $14,800, respectively. Both of these officials would perform such functions as the Managing Director may from time to time prescribe.

With respect to policy, the plan provides for certain fundamental changes. Under existing law, the Board of Directors of the bank receives policy guidance from the National Advisory Council on International Monetary and Financial Problems which has the statutory duty of coordinating all foreign financial dealings of the United States. The Chairman of the bank's Board of Directors is a member of the Council. In addition, the law requires the Board of Directors to consult with and receive recommendations from the Advisory Board for the Export-Import Bank. The Chairman of the bank's Board of Directors serves as Chairman of the Advisory Board.

Section 7 of the plan would abolish the Advisory Board and its functions, and section 8 would authorize the National Advisory Council to establish the general lending and other financial policies which will govern the new Managing Director in the conduct of the lending and other financial operations of the bank. Although it appears that the bank has long followed a practice of being guided by the determinations of the Council, the plan would appear to make it mandatory upon the Managing Director to follow the decisions of the Council with respect to all policy matters. Finally, by abolishing the present function of the Chairman of the Bank's Board of Directors with respect to service on the National Advisory Council, the bank will no longer have the statutory representation on the Council which it has under existing law. The President states in his message of transmittal, however, that it is his intention to have the Managing Director of the bank participate as a nonvoting member of the Council in relation to matters of concern to the bank.

BACKGROUND, HISTORY, AND EXISTING PROCEDURES

Purpose of the Export-Import Bank

The purpose of the Export-Import Bank of Washington, as laid down by the Congress, is "to aid in the financing and to facilitate exports and imports and the exchange of commodities" and services in foreign trade "between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof." It is specifically directed to supplement and not to compete with private capital; its loans are required to be, to the extent possible, for specific purposes; and they must offer, in the judgment of the Board of Directors, reasonable assurance of repayment.

Legislative history and lending authority

The bank was originally established in 1934 by Executive Order (E. O. 6581, Feb. 2, 1934) in connection with the national recovery program, as a banking corporation under the laws of the District of Columbia. It was continued as an agency of the Government by acts of Congress in 1935, 1937, 1939, and 1940. The lending authority of the bank, which was limited in 1939 to $100 million, was increased in 1940 to $200 million and subsequently to $700 million.

The Export-Import Bank Act of 1945 (Public Law 173, 79th Cong., 59 Stat. 526, 666, 12 U. S. C. 635) made the bank an independent agency of the Federal Government, increased its lending authority from $700 million to $3.5 billion, and arranged its financing directly from the United States Treasury instead of through the Reconstruction Finance Corporation. Although the 1945 act gave the bank an indefinite life, a subsequent statute, the Government Corporation Control Act (Public Law 248, 79th Cong., 59 Stat. 597) required the bank's liquidation, along with all other Government-owned corporations incorporated under the law of any State or of the District of Columbia, by June 30, 1948, unless reincorporated by a specific act of Congress, prior to that date.

Accordingly, in June 1947, an amendment to the Export-Import Bank Act of 1945 provided for the reincorporation of the bank under a Federal charter, and extended its life until June 30, 1953 (Public Law 89, 80th Cong., 61 Stat. 130). In October 1951, the act was further amended to increase the lending authority of the bank from $3.5 billion to $4.5 billion, and its life was extended until June 30, 1958 (Public Law 158, 82d Cong., 65 Stat. 367).

Management and administration

The management of the bank is presently vested in a board of 5 directors, 4 of whom are appointed by the President, subject to Senate confirmation; the 5th member is the Secretary of State, ex officio, who may appoint as his deputy an officer of the Department of State whose appointment to that Department has been confirmed by the Senate. Members of the board serve for terms of 5 years from June 30, 1950, and there is presently 1 vacancy. No more than 3 directors may be of the same political party, and each appointed director is required to devote his full time, not otherwise required by the business of the United States, principally to the business of the bank. The chairman of the board receives an annual salary of $16,000; the other appointed directors receive annual salaries of $15,000.

Policymaking procedures

As previously indicated, under existing law, the board of directors of the bank receives policy guidance from the National Advisory Council on International Monetary and Financial Problems, and is also required to consult with and receive recommendations from the advisory board of the bank.

The National Advisory Council on International Financial and Monetary Problems was established in 1945 by the Bretton Woods Agreements Act (Public Law 171, 79th Cong., 59 Stat. 512, 65 Stat. 378, 22 U. S. C. 286b). Its basic function is to coordinate the policies and operations of the representatives of the United States on the International Monetary Fund and the International Bank for Reconstruction and Development, of the Export-Import Bank of Washington, and all other agencies of the Government, "to the extent that they make or participate in the making of foreign loans or engage in foreign financial exchange or monetary transactions." Furthermore, each agency of the United States Government which extends foreign credit is required to keep the Council fully informed of its activities. The Council is composed of the Secretary of the Treasury, as Chairman, the Secretaries of State and Commerce, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Board of Directors of the Export-Import Bank, and the Director for Mutual Security.

The Advisory Board for the Export-Import Bank was established by the Export-Import Bank Act of 1945. It is authorized to make such recommendations to the Bank's Board of Directors as it deems advisable, and the Board of Directors of the Bank is required to consult with the Advisory Board on all major questions of policy. The Board, which is required to meet at the call of its Chairman, has the same composition as the National Advisory Council, except that the Chairman of the Bank's Board of Directors serves as Chairman of the Advisory Board, rather than the Secretary of the Treasury, and the Director for Mutual Security is not a member of the Board. The staff of this committee has been informed that the Advisory Board for the Bank has never functioned, largely because its composition paralleled so closely that of the National Advisory Council; that no useful purpose would have been served by the same group passing on virtually the same problems under a different name.

The precise relationship between the National Advisory Council and the Export-Import Bank is by no means clearly defined. The statute creating the Council authorizes it only to coordinate the policies and operations of the Bank with those of other agencies of the Government which are concerned with foreign financial transactions of various specified types. The staff is informed, however, that as a matter of practice the Chairman of the Council has interpreted the word "coordination" to mean policymaking. Acting upon this interpretation, the Council has generally provided the Bank with overall policy guidance, leaving to the Bank's Board of Directors matters of detail and those involving the exercise by the Board of its own judgment in the case of particular loans and credits.

On the other hand, the staff has been further advised that the bank has always taken the position that it has independent policy powers apart from the National Advisory Council, and has never admitted that the Council has authority to veto the bank's decisions. In practice, however, this precise issue has never arisen, since if the bank's representative on the Council indicates that the bank feels very strongly about a particular matter, the Council does not interfere. No problem is presented under present practice because the chairman of the bank's board of directors, as a member of the National Advisory Council, is able to present the bank's position on any particular matter, and his voice is usually given considerable weight.

THE HOOVER COMMISSION'S RECOMMENDATIONS

In its report on the Treasury Department, the Commission on Organization of the Executive Branch of the Government (Hoover Commission) recommended that the "supervision of the operation of * * * the Export-Import Bank be vested in the Secretary of the Treasury." This recommendation was based upon the premise that the bank is one of a number of independent agencies in the financial field which report directly to the President, and since he "cannot give the time necessary for their supervision, * * * they are accountable to nobody." One Commissioner dissented from this recommendation, on the ground that although he believed the bank should be placed in an executive department, he was not convinced that the question of which department would be appropriate had been sufficiently explored to justify the recommendation. Three other commissioners agreed that the bank should be transferred to an executive department, but felt that since its principal function was assisting in the finance of foreign trade, the Department of Commerce would be the appropriate Department to supervise the bank's operations.

In reply to a request by this committee for the views of the bank with respect to the Hoover Commission's recommendations in 1949, the board of directors of the bank stated that—

"It is the considered opinion of the Directors of the Export-Import Bank that to place the bank under the supervision of the head of any executive department would contribute nothing to the efficient conduct of the Government, but would, on the contrary, through destroying a very effective plan of operation set up in the Export-Import Bank Act of 1945 and the Bretton Woods Agreements Act, incur the risk of creating confusion and of interfering with the efficient performance of the bank's functions."

Plan No. 5 conforms to general recommendations of the Hoover Commission, however, in that it would result in the concentration of authority in a single administrative head, rather than in a board, as is now the case. Furthermore, by eliminating the bank's representative from a voting position on the National Advisory Council for International Monetary and Financial Problems, which Council is headed by the Secretary of the Treasury, and by giving the Council clear authority to make policy for the bank, plan No. 5 is likely to give to the Secretary of the Treasury considerably more authority over the bank and its operations, as was recommended by a majority of the Hoover Commission.

CONCLUSIONS AND RECOMMENDATIONS

Plan No. 5 of 1953 will make basic administrative and policy changes in the organization, management, and operations of the Export-Import Bank of Washington.

On the administrative side, the plan would abolish the existing five-member Board of Directors of the bank, and transfer its functions to a newly-established Managing Director who would head the bank, and who would have authority to delegate the performance of his functions to subordinates, as he deems appropriate. This would have the effect of concentrating in one individual the entire authority and responsibility for the management of the bank. Other than a categorical statement in the President's message that experience has demonstrated that the most effective performance of executive functions is more likely to be obtained under a single administrator than under a board, there is no evidence that the proposed change would increase the efficiency or the effective operation of the bank which now has a record of excellent performance.

On the policy side, the plan would vest in the National Advisory Council on International Monetary and Financial Problems complete authority to establish the general lending and other financial policies of the bank, and would require the Managing Director of the bank to be governed by such policies in his conduct of the lending and other financial policies of the bank. Furthermore, the plan will eliminate the present statutory representation of the bank on the Council.

As previously indicated, the precise relationship between the National Advisory Council and the bank is not clear. Although, under existing law, the Council has only coordinating functions with respect to the bank, the bank has long followed the practice of being guided by the policy determinations of the Council, always adhering to the position that it has independent policymaking functions, apart from the Council, and never admitting that the Council has authority to veto the bank's decisions. No conflicts over policy matters appear to have arisen, primarily because the Chairman of the bank's Board of Directors, as a voting member of the National Advisory Council, was always able to present the bank's position before the Council, and his voice has generally been given considerable weight.

The provisions of the plan will make the Council's decisions mandatory upon the bank, and the bank will no longer have its present statutory representation on the Council, although the President stated in his message transmitting the plan that it is his intention to have the managing director of the bank participate as a nonvoting member of the Council in matters of concern to the bank.

Because the precise nature of existing relationships between the bank and Council are not clear, it is difficult to assess the practical effect of the plan upon the operations of the bank. It is the view of the staff that public hearings would enable the committee to develop information relative to the following matters, which would be helpful to the Senate in determining its action on the plan:

1. The extent to which the plan will increase the bank's efficiency and economical operation;

2. The precise nature of the present relationship between the Export-Import Bank and the National Advisory Council on International Monetary and Financial Problems, in the light of the Council's statutory authority to coordinate the bank's policies rather than to formulate them;

3. The precise effect of the plan on the present authority of the bank to make policy determinations; and

4. The effect of the plan on the bank's present status as an independent agency of the Federal Government, as provided for in the Export-Import Bank Act of 1945, as amended.

ELI E. NOBLEMAN,
Professional Staff Member.

Approved:

WALTER L. REYNOLDS,
Staff Director.

JUNE 22, 1953.

Hon. GEORGE M. HUMPHREY,
Secretary, Department of the Treasury,
Washington, D. C.

DEAR MR. SECRETARY: I have recently had occasion to examine the provisions of Reorganization Plan No. 5 of 1953, providing for the reorganization of the Export-Import Bank of Washington, together with the accompanying message of the President transmitting the plan to the Congress. As a result of my study, I would like to raise the following points concerning the future operation and policies of the Export-Import Bank in the event that the plan becomes effective:

1. The extent to which the plan will increase the bank's efficiency and economical operation;

2. The precise nature of the present relationship between the Export-Import Bank and the National Advisory Council on International Monetary and Financial Problems, in the light of the Council's statutory authority to coordinate the bank's policies rather than to formulate them;

3. The precise effect of the plan on the present authority of the bank to make policy determinations;

4. The effect of the plan on the bank's present status as an independent agency of the Federal Government, as provided for in the Export-Import Bank Act of 1945, as amended;

5. Whether or not the proposed reorganization of the bank will result in any change in its present lending policies, with specific reference to the nature and types of loans which are expected to be made henceforth; and

6. Whether or not it is the intention, in the case of loans to private companies, to follow a policy of channeling more of the loan applications to the International Bank for Reconstruction and Development, with resultant required governmental guaranties.

I would appreciate your early attention to these questions so that I may have a clear picture of how we can expect the bank to operate after the effective date of the plan.

With kindest regards,

Sincerely,

CHARLES E. POTTER,
United States Senator.

THE SECRETARY OF THE TREASURY,
Washington, June 29, 1953.

Hon. CHARLES E. POTTER,
United States Senate,
Washington, D. C.

DEAR SENATOR: I have your letter of June 22, 1953, raising some questions concerning the reorganization of the Export-Import Bank of Washington under Reorganization Plan No. 5 of 1953. These questions relate to the effect of the plan on the bank's efficiency, on its status as an independent agency, and responsibility for the formulation and coordination of its lending policies.

One purpose of the plan is to assure a close relationship between the operations of the Export-Import Bank and our general fiscal policies. The net lending of the Export-Import Bank results in disbursements which represent a budgetary charge on the Treasury. Because of this budgetary impact, the operations of the bank should be given the same scrutiny and placed under similar restraints to those applied to any other agency of the Government in order to promote our objective of bringing about a balanced budget and making possible an eventual reduction in Federal taxation. While the Export-Import Bank has performed a useful function, it is our belief that it can be operated more efficiently and more economically in the future. The reorganization plan is designed to give appropriate weight to these considerations in the bank's policies.

Your last two questions are addressed to the lending policies of the Export-Import Bank and the relationship of the bank to the International Bank for Reconstruction and Development. We believe that there is room for improvement by more carefully defining the role of the Export-Import Bank in this respect. As a general policy, we feel it desirable that foreign countries seek financing from the International Bank for long-term development projects where governmental guaranties are appropriate, such as

power, transportation, and agricultural projects which are not readily financed by private enterprise. We believe we should encourage the maximum use of private capital to finance commercial, industrial, and other projects which are attractive to private investors. The Export-Import Bank has specific responsibilities established by statute to assist in the financing of exports from the United States and imports into the United States, exemplified by credits extended to finance agricultural exports. The Export-Import Bank is also available for those special cases in which the United States Government has a direct interest in seeing that a particular project is carried out for strategic or other reasons in our national interest, including cases where a governmental guaranty is not feasible or advisable, and private capital is not forthcoming.

Your first four questions relate to the organization of the bank and its relationship to the Government as a whole. There is no desire to interfere with the administrative and executive decisions to be made by the managing director of the bank, which will remain an independent agency of the Federal Government. It is believed that the replacement of the Board which has been performing essentially executive functions, by a single managing director, will improve operating efficiency.

As a means of coordinating the operations of the bank with our fiscal and international financial policies, the bank would continue to refer major transactions to the National Advisory Council on International Monetary and Financial Problems and to receive broad policy guidance from this council.

If you should desire to go into this question further, I will be glad to arrange for members of my staff to go over it with you.

Very truly yours,

G. M. HUMPHREY,
Secretary of the Treasury.

Mr. POTTER. Mr. President, the Secretary's letter clearly indicates that some basic changes in lending policies are contemplated.

Because I feel that it is extremely important that the Congress have a clarification of the situation, I have discussed with the senior Senator from Maine [Mrs. SMITH], chairman of the Subcommittee on Reorganization, and the junior Senator from Wisconsin [Mr. MCCARTHY], chairman of the Committee on Government Operations, the advisability of holding a public hearing on the proposed operations of the Export-Import Bank under Reorganization Plan No. 5 of 1953, and they have both concurred in my proposal. At the hearing, which I hope may be scheduled in the near future, the Secretary of the Treasury will be requested to supply the answers to the questions I have propounded.

PARTICIPATION IN FOURTH OF JULY 1953 OBSERVANCE AT INDEPENDENCE HALL, PHILADELPHIA, PA.—REPORT OF A COMMITTEE

Mr. BUTLER of Maryland. Mr. President, from the Committee on the Judiciary, I report favorably, without amendment, the concurrent resolution (H. Con. Res. 85) authorizing the Congress to participate in Fourth of July 1953 observance at Independence Hall, Philadelphia, Pa., and I submit a report (No. 482) thereon. I ask unanimous consent for the immediate consideration of the concurrent resolution.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

Mr. THYE. Mr. President, I wish to ask of the acting minority leader whether the concurrent resolution meets with his approval. Has this resolution been cleared with his side of the aisle?

Mr. GORE. It has.

Mr. BUTLER of Maryland. Mr. President, the purpose of the concurrent resolution is to authorize the Congress to participate in the Fourth of July, 1953, observance at Independence Hall, Philadelphia.

Mr. HENDRICKSON. Mr. President, will the Senator yield?

Mr. BUTLER of Maryland. I am very glad to yield to the distinguished Senator from New Jersey.

Mr. HENDRICKSON. Is any cost involved in connection with the observance?

Mr. BUTLER of Maryland. Yes; there will be some cost involved. The concurrent resolution provides that a Member from each State in the Senate and in the House of Representatives shall go to Philadelphia for the purpose of participating in the observance. There is bound to be some cost involved.

Mr. HENDRICKSON. Does the Senator know what the cost will be?

Mr. BUTLER of Maryland. The concurrent resolution provides for the payment of such cost.

Mr. HENDRICKSON. What will be the cost?

Mr. BUTLER of Maryland. It will be the cost of the transportation of Members from Washington to Philadelphia and return.

Mr. HENDRICKSON. It would be a minor cost?

Mr. BUTLER of Maryland. Yes; it will not be a great cost. It would involve the train fare, and probably the cost of meals of Members while in Philadelphia.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 85) was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States shall participate in the Fourth of July, 1953, commemorative observance of the adoption of the Declaration of Independence at Independence Hall, Philadelphia, Pa., and the rededication of the Nation to the principles upon which the United States was founded.

There is authorized to attend and participate on behalf of the Congress of the United States a Member from each State in the Senate and the House of Representatives, such Members to be selected by the President of the Senate and the Speaker of the House, respectively. The necessary travel expenses of any Member of Congress incidental to the performance of duties and responsibilities hereunder shall be paid out of the contingent fund of the particular House of Congress of which such Member is a Member.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

EUROPE'S SURPLUS POPULATION PROBLEM

INTRODUCTION

Mr. SMITH of New Jersey. Mr. President, yesterday I addressed the Senate at some length on the pending bill. Today I wish to say a few words on a subject involved in the pending bill which might possibly be overlooked if it were not brought to the Senate's attention.

I feel I should bring before the Senate some considerations bearing upon a vital and threatening problem, that of excess population in certain European countries.

It will be remembered that this same situation of excess population with the consequent unemployment was one of the major factors which led to the second World War, for it served as a pretext for the dictators to agitate regarding their need for living space, and to make those territorial demands which were a part of the trend toward war.

Bad as that situation was then, it is worse today. Added to the vast destruction of war, with its great displacement of populations and the poverty and unemployment which followed in its wake, the actual numerical strength of the populations has increased to an alarming extent.

THE PROBLEM

Mr. President, I shall state the problem, and then shall state the suggested solutions, some of which are set forth in the provisions of the pending bill.

Today there are in Europe approximately 5 million persons who are in excess of the number the Western European economy can support.

In Western Germany the population is approximately 38 million, with an additional 9 million forcibly added to that population through the expulsion of populations from Czechoslovakia and Poland, as well as by the constant flow of refugees, escapees, and others from Eastern Germany. In Austria the problem is also a pressing one, due in large degree to the same causes which I have mentioned for Western Germany. In Austria and Germany alone, the group of those who might roughly be defined as refugees, amounts to nearly 9 million, and equals the total population of Australia, or twice the population of Switzerland.

The Dutch have a problem of large proportions, caused by the return of colonists from the East Indies to the mother country.

In Italy there has been an influx of colonists returning from the former colonies in Africa, as well as of populations which have moved from the territories ceded to Yugoslavia. In addition, the actual population increase which had been stimulated by the Fascist Government has continued, for bonuses to large families have not been discarded.

Vast numbers of persons have had to return to Greece from the Near East and Middle East, and countless refugees have poured into Greece from Balkan countries, so that today there are approximately 1 million excess people in Greece, a small and impoverished country.

In actual fact there are in Europe today approximately 5 million persons who cannot decently provide for themselves, in spite of the efforts of their own countries and economic aid from abroad, particularly from the United States.

The problem, therefore, is an acute one, and carries with it the evils of unemployment and underemployment, and obliges the populations subjected to it to standards of living below the most elementary level compatible with human dignity, making them easy prey to totalitarian ideologies.

Furthermore, while this human potential is being wasted in Europe, it could be most profitably employed by a number of overseas countries which are lacking populations sufficiently large to develop their natural resources, both agricultural and mineral, which must perforce remain dormant. A clearer understanding of the valuable qualifications of those refugees and a contribution toward their reinstatement would more fully open to them the doors of such underpopulated overseas lands of potential reception.

POSSIBLE SOLUTIONS

Aside from the contingent postwar aid, which in some part helped to relieve the urgency of the problem, particularly the achievement of the International Refugee Organization, which ended in 1952, we see that the problem is presently being dealt with in various ways and by various means.

There is national social legislation.

There are a number of bilateral agreements for the purpose of facilitating the movement of workers and their families from one country to another.

There are the countries, signatories of the North Atlantic Treaty, who have been concerning themselves more and more with the problem of labor mobility, stating in no uncertain terms that the implications of the problem are not only of an economic nature, but also are of a political nature.

There is the United Nations, where no later than in the first half of December we have heard the delegate of Uruguay present a resolution concerning migration, and the delegate of Ecuador state that his country could absorb large numbers of new settlers.

In other words, Mr. President, I am trying to show that there is population congestion in one part of the world and there are population vacuums, so to speak, in other parts of the world. We should be able to devise a program to take care of that difficulty.

There are the various international organizations, such as ILO, WHO, FAO, UNESCO, and so forth, all dealing with some aspect of the problem.

There is the Council of Europe, at which migration has been one of the topics for discussion.

Finally, there is the Intergovernmental Committee for European Migration, which is referred to in section 501 of the pending bill, under the title "Movement of Migrants."

THE INTERGOVERNMENTAL COMMITTEE FOR EUROPEAN MIGRATION

Since the termination of the very successful work of the International Refugee Organization, the only realistic effort to cope with the surplus population problem has been the establishment of the ICEM, or the Intergovernmental Committee for European Migration.

Mr. President, at this point I wish to pay a tribute to Mr. Hugh Gibson, who some years ago was our Ambassador to Belgium. During the past year or more he had been giving his services to study of this problem. It is from him that I have received some of the information which I am presenting to the Senate today. He realizes the importance of this matter and how successful the work has been in moving a number of Europeans from overpopulated areas to less populated areas. At the moment that program does not relate directly to the United States. I shall refer later to that phase of it. At present the movement is to less populous countries of Europe, South America, and elsewhere.

Of course, there is no simple prescription for dealing with the problem of overpopulation. It is extremely complicated, as the experiences of the IRO and the ICEM have already revealed. It calls for much intergovernmental negotiation, negotiations between governments and the ICEM, agreements between governments, ICEM, and international or national banks, the formulation of projects, and a vast range of training to prepare people for their new lives overseas. I fully realize that the cost of such an operation on the scale planned to the contributing governments and the United States would be high.

This contribution consists in the temporary care and transportation of large numbers to their new homes overseas, and a participation, with all the other contributing nations, in the initial course of resettlement. Only in this way would the agency properly meet its share of responsibility in assuring the future of these people.

I believe, however, that the cost of this project, which will be very carefully estimated, will be more than repaid by the advantages both to Western Europe and the lands of resettlement, in all of which our country will largely share.

If it is made clear that the American Government attaches vital importance to this problem, I think we may safely assume that other interested governments will increase their participation in the work, so that it may be dealt with on a larger scale, instead of in the petty and timid manner which has marked the opening phases. We must face the fact that in order to succeed, a broader approach is essential.

It seems proper that the major task of easing the surplus population problem should be entrusted to the only agency set up for furthering migration, and which has no other purpose. The ICEM alone, among the international organizations, is empowered to carry out operational duties. Already its mandate has been broadened, beyond mere transportation, to include the promotion of land settlement schemes, vocational and language training, and so forth. This organization may, therefore, best serve as the instrument for attacking all phases of the problem. To dispel any doubts that by entrusting the ICEM with the task, we would risk duplication, competition, and empire-building, to which international organizations so often lend themselves, let me refer to one fundamental statutory rule of ICEM; it will move nobody who can be moved by any other organization or means; it will perform no duties that can be performed by any other national or international organization.

At this point I should like to call the attention of the Senate to page 51 of the report of the Foreign Relations Committee on the Mutual Security Act of 1953, the pending bill. I shall quote from paragraph 41 of the report. It refers to section 501 of the bill itself. The paragraph is headed "Movement of Migrants":

> The administration requested a third installment of $10 million as a United States contribution to the Intergovernmental Committee for European Migration (ICEM). The request is based on the estimated need to move about 700,000 migrants a year for 5 years to relieve growing population pressures in Europe. Of this number, during fiscal year 1954, ICEM proposes to assist approximately 140,000, with a total budget of about $40 million or about $300 per migrant.
>
> The committee points out that in April 1953 some 22 governments were members of ICEM, including 12 in Western Europe, 6 in Latin America, and Australia, Canada, Israel, and the United States. The large number of participating governments reflects the active interest of the free world in resolving this difficult problem. The need is great and the committee hopes the ICEM will proceed with all possible speed and efficiency to accomplish its objectives.

I urge my colleagues to support the $10 million contribution to the ICEM, which is recommended by the Foreign Relations Committee. By doing so they will make it possible for a direct, concerted attack on the surplus-population problem to be made at the international level.

WHAT THE ICEM MIGHT DO

By helping to stabilize the economies of the free European countries and of the underdeveloped countries overseas, particularly in Latin America, we would improve the markets for our goods both in Europe and elsewhere.

I am certain that by using some imagination and initiative it should be possible to find and open to European manpower, surplus areas such as the vast ones which are to be found in north Africa and particularly in the former Italian colonies.

We would be contributing in no small way to strengthening the economies of our friends in Latin America as well as those of our allies in the Pacific, if we could help to promote land-settlement schemes. We would not only help to promote good will in our relations with the countries of Europe which would note our genuine desire to help them in finding a solution to their problem; we would also contribute to meeting the predominant need in the underdeveloped countries of manpower for agricultural work. The universal movement of populations toward the towns has become a source of real and grave concern in these countries since it increases the number of consumers while reducing the number

of producers, thus rendering more acute the food-production problem.

By taking action of the nature proposed we would be able to achieve the following:

In Europe we would eventually contribute to the solution of the problem with its political, economic, military, and social implications through a definite and final project, instead of continuing to mete out doles which, however useful, cannot achieve the purpose.

We would help to insure increased food production, create new markets, and strengthen our allies and friends.

We would once more prove that United States leadership of the free world in accordance with our policy declarations is not merely a figure of speech but both effective and real.

One remarkable thing about this complex of problems is that it affords us the possibility of contributing to the solution of each problem through a single operation.

THE WATKINS SPECIAL IMMIGRATION BILL

So much on the international front dealing with the population problem. I now come to the home front, and I refer to the bill introduced by our colleague, the Senator from Utah [Mr. WATKINS], which, I understand, will presently come to us from the Committee on the Judiciary.

There are two planes on which Europe's problem of surplus population must be attacked. There is the international level, to which I have referred, and the national level. Thus far I have confined my discussion of the problem to international relations because I feel that from the long-run standpoint only a remedy arrived at by concerted international action can prove to be an effective one.

However, Europe's surplus population problem is one of an immediate and pressing character. A special stopgap measure is needed now and needed badly.

In his letter to the Vice President and the Speaker of the House of Representatives requesting such special legislation to deal with the refugee and surplus population problems, President Eisenhower said: "It is imperative that we join with the other nations in helping to find a solution to these grave questions." He went on to recommend "the enactment of emergency immigration legislation for the special admission of 120,000 immigrants per year for the next 2 years." He urged the Congress to give his recommendation its earliest consideration.

Mr. President, I ask unanimous consent to have the President's letter to which I have referred printed in the body of the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

(The President sent the following identical letter to the Vice President of the United States, President of the Senate, and the Speaker of the House of Representatives:)

APRIL 22, 1953.

DEAR MR. ——: We are all aware of the tragic developments of the past several years which have left countless thousands of individuals homeless refugees in the heart of Europe. In recent months, the number of refugees has been increased by the steady flow of escapees who have braved death to escape from behind the Iron Curtain. These refugees and escapees searching desperately for freedom look to the free world for haven.

In addition, the problem of population pressures continues to be a source of urgent concern to several friendly countries in Europe.

It is imperative that we join with the other nations in helping to find a solution to these grave questions. These refugees, escapees, and distressed peoples now constitute an economic and political threat of constantly growing magnitude. They look to traditional American humanitarian concern for the oppressed. International political considerations are also factors which are involved. We should take reasonable steps to help these people to the extent that we share the obligation of the free world.

Therefore, after consideration of all the points of view which have been presented, I recommend, within the framework of the immigration laws, the enactment of emergency immigration legislation for the special admission of 120,000 immigrants per year for the next 2 years.

In order to help resolve this current immigration and refugee problem in the tradition of our American policy, I urge that the Congress give this recommendation its earliest consideration.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. SMITH of New Jersey. Following the President's request, the Senator from Utah [Mr. WATKINS] introduced Senate bill 1917, a bill to admit an extra 240,000 European immigrants, many of whom have fled from Soviet tyranny. This bill deserves the immediate attention of the Senate. There is no valid reason for postponing full Senate consideration of the Watkins bill beyond this session of Congress. On the contrary, foreign policy considerations as well as humanitarian interests demand that those suffering under Communist tyranny know that they have a haven to which they can come. I urge my colleagues to back President Eisenhower by giving this measure their full support.

I desire to pay tribute to the Senator from Utah who has made a careful and detailed study of the matter, and who is the author of the bill to carry out the President's request.

I have had prepared for me from that bill an allocation of the nationalities that would be affected by the admission of the 240,000 people to the United States. In the first place, of those now in Germany from various countries, people known as escapees, there would be 110,000. The escapees include people from countries who have fled the Soviet terror and who have tried to get away, to find freedom in other parts of the world. According to the bill, people from Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, and, of course, under the Soviet group the Ukraine, would be included. I may say from my experience with friends in the State of New Jersey that the Ukrainian people are eager that we should help their relatives to benefit from this proposed legislation; and I can say the same with respect to people from the other countries in this list, especially Hungarians and Poles, and those from the Baltic countries which I have named. In addition to that, there are people from Italy and the Trieste area, from Greece, and the Netherlands, where there is overcrowding. That makes up the total of the 240,000 which would be our share in helping to relieve the pressure this year.

CONCLUSION

In his Inaugural Address President Eisenhower listed nine principles which would guide our national conduct. The sixth principle he states as follows: "Recognizing economic health as an indispensable basis of military strength and the free world's peace, we shall strive to foster everywhere, and to practice ourselves, policies that encourage productivity and profitable trade. For the impoverishment of any single people in the world means danger to the well-being of all other peoples."

I appeal to men of both parties to support the President in putting this principle into practice.

Here we have two programs that I am suggesting, one of which I call the Gibson plan of taking people from the overpopulated areas and placing them in underpopulated areas; the other, the quota that President Eisenhower has asked us to take, of 240,000 many of which would be people fleeing from Russian Sovietism to find a haven in our country.

I would like to close this appeal by again stressing the fact that by adopting a course such as I have outlined above, we would be able to contribute effectively through a definite single program of expenditure to the solution of the economic problem confronting our allies in Europe. We would also, by substituting such a program for the present system of doles, contribute effectively to the strengthening of our allies in the Pacific and the development of our neighbors in South America.

So, Mr. President, my remarks are aimed at supporting the provision in the bill before us for the $10 million appropriation, and at giving support to the Senator from Utah [Mr. WATKINS] and his bill for the special admission of 240,000 immigrants.

Mr. GILLETTE. Mr. President, I wish to speak on the pending bill, but I am informed that the distinguished junior Senator from Massachusetts [Mr. KENNEDY] wishes to catch a plane. I therefore ask unanimous consent that, without losing my right to the floor, I may yield to him for 10 or 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, I am very grateful to the Senator from Iowa for his courtesy.

I arise today to speak on a matter of vital importance to the security of the United States and the entire free world. It is my firm opinion that the expenditure and distribution of the funds, equipment, materials, and services au-

thorized under this bill on behalf of the Associated States of Cambodia, Laos, and Viet-Nam should be administered in such a way as to encourage through all available means the freedom and independence desired by the peoples of the Associated States, including the intensification of the military training of the Vietnamese.

I say that because it is my opinion, based upon the irrefutable evidence of the accords and treaties that bind the Associated States to the French Union, that genuine independence as we understand it is lacking in this area—that local government is circumscribed in its functions—that the Government of Viet-Nam, the state which is of the greatest importance in this area, lacks popular support—that the degree of military, civil, political, and economic control maintained by the French goes well beyond what is necessary to fight a war. These are harsh words to say about an ancient friend and ally, France. They are particularly hard to say because, during a visit to Indochina over a year ago, I saw something of the burdens that France carries in that area. The troops she has there are as good as any in the world—certainly the flower of her army—and she has maintained the jungle war against numerous and skillful native armies for a long period. We are well aware, in addition, that if France were to withdraw her troops today, Communists would overrun not only French Indochina but southeast Asia. But it is because we want the war to be brought to a successful conclusion that we should insist on genuine independence. The war has been going on since 1946. There is evidence that the position of the French is not improving. Meanwhile the assistance the United States is giving is steadily increasing. S. 2128 provides $400 million for the procurement of equipment, materials, and services for the forces in Indochina, nearly $25 million for economic and technical assistance while the fighting continues, and a classified amount included under military assistance for the Far East which totals $1,081,420,493. The total for Indochina alone under all three categories could well exceed $1 billion.

The New York Times has stated that we will be paying at least 40 percent of the cost of the war, and I believe that it will eventually mount up to a great deal more. Yet regardless of our united effort, it is a truism that the war can never be successful unless large numbers of the people of Viet-Nam are won over from their sullen neutrality and open hostility to it and fully support its successful conclusion. This can never be done unless they are assured beyond doubt that complete independence will be theirs at the conclusion of the war. In order to assay the degree of control now possessed by the French, it is necessary to review briefly the history of recent years.

The French won control of free Viet-Nam in 1860. It became, particularly in its southern province—Cochin China—a source of great wealth to the French until the beginning of the Second World War. During that period of time, France maintained stringent control over the area: Suffrage and eligibility for office were accorded only to the French—and the Annamites could get citizenship only by an act analagous to naturalization. In 1937, for example, there were only 2,555 naturalized French Annamites.

During World War II, after the Japanese assumed control of Indochina, the guerrilla movement against the Japanese in that area was led by Ho Chi Minh, the present leader of the Vietminh forces and a man with a long and intimate association with the Communist movement, but who enjoyed and still enjoys a great prestige among the people of the area for his unrelenting struggle against their traditional masters, the French. It has been estimated that in 1944 the military commander of the guerrilla forces, Vo Nguyen Giap, now the leader of the Vietminh armies, had over 10,000 men under his command, which became the nucleus of the later Communist armies.

In March 1945 the Japanese officially ended the French administration of Indochina. Bao Dai, the present emperor, proclaimed the independence of Annam by the consent of the Japanese and eventually gained some degree of control over the entire country of Viet-Nam.

In August 1945, at the conclusion of World War II, Ho Chi Minh and his Vietminh supporters declared the independence of the democratic Republic of Viet-Nam. Bao Dai abdicated and became supreme political adviser to Ho Chi Minh, who was then leading a popular-front movement. Many people have since argued that Ho Chi Minh was at that time ripe for Titoism if the French had been willing to grant him sufficient political concessions. It is difficult to be convinced of this, although it is true that in November 1945 he did dissolve the Indochinese Communist Party and took similar conciliatory steps to gain the support of a majority of the people. But his record as a leading and active world Communist figure argues against this theory of Titoism, and the seizure of control by the Communists in China at a later date would have placed him in a most difficult position if he had attempted to break his ties with Moscow.

At Potsdam it had been decided, as in Korea, that the surrender of the Japanese troops north of the 16th parallel would be accepted by the Chinese, south of the 16th parallel by the Southeast Asia Command under Mountbatten to which was attached a French expeditionary corps which, with the British troops, took control of southern Viet-Nam at the end of 1945 amid scenes of violence.

The basis for negotiation between the French and the Vietminh was laid down in General DeGaulle's statement of policy of March 24, 1945. In it he provided that the Indochinese federation, composed of five distinct countries—Cochin China, Annam, Tonkin, Cambodia, and Laos—was to have an Indochinese government, presided over by a governor general representing France, and composed of French ministers and Autochtons responsible to them. This government was to be assisted by an equally mixed assembly, so composed that Annamite countries had a maximum percentage of the seats. The powers of this assembly were to be limited to voting on the budget, and deliberating law projects prepared by the council of state. No definition was made of the role to be played by local governments, except to state vaguely that they would be protected and reformed. These terms were obviously unsatisfactory to the natives who were desirous of complete independence, and the negotiations were fruitless.

Finally, on March 6, 1946, an accord was signed which regulated the relationships between the French and Ho Chi Minh, an accord which—in spite of Ho Chi Minh's personal prestige—was greeted with widespread dissatisfaction by the people, for again it fell far short of their hopes and expectations of independence. Genuine independence was not promised, nor was the unification of the three provinces of Viet-Nam achieved.

On June 1, 1946, the autonomous Republic of Cochin China was proclaimed, but the French High Commissioner remained in complete control. At Fontainebleau on July 6 of that year, new negotiations were begun between the French and Ho Chi Minh. France once again refused to give in to Ho's request that Viet-Nam be permitted to control its own army, that a time limit be set on France's use of military bases in the area, that Viet-Nam be permitted to exchange diplomatic representatives with other countries, that Viet-Nam have the unlimited right to purchase French enterprises in Viet-Nam, and, finally, that Cochin China be joined with the remainder of the country.

On September 14, 1946, Ho Chi Minh signed a Modus Vivendi which further clarified the relationships between the two countries, but which maintained a heavy and substantial degree of French control over the internal and external affairs of Viet-Nam. Ho Chi Minh, recognizing that the Modus Vivendi fell far short of the people's expectations, said upon signing it, "I have just signed my own death sentence."

Thus, in the fall of 1946, the situation in Viet-Nam continued to deteriorate. Finally, on December 19, 1946, as a result of an outbreak of violence and killing in Hanoi, the war began which has since continued with increasing fury. Since that date, the French have been faced with the difficult task of achieving the fine balance between giving sufficient liberty to the governments they have supported, in order that these governments might win the devotion of the people, and, at the same time, maintaining the basic French influence and control of the area. But concessions which the French have made to the successive governments have been considerable and if extended to Ho Chi Minh, or other popular leaders in 1945 and 1946, might have changed the entire history of that area.

In April 1947, the Mus mission was sent out as a last attempt to bargain with Ho Chi Minh. It demanded that the Vietnamese lay down their arms and permit French troops to circulate freely in Vietnamese territory. Paul Mus, the French leader of the mission, later described the terms as a request for "guaranties equivalent to surrender." Ho's terms continued the same—the Republic must include Cochin China and must have all other attributes of independence.

In 1948 a government of Emperor Bao Dai, who had left Ho Chi Minh in 1946, for China, was set up under General Xuan. The dilemma remained: This government could gain popular support only by securing from the French terms which the French were unwilling to grant Ho; yet it was valuable to the French only if it did not insist upon obtaining as much as Ho wanted. On June 5, 1948, France sought a way out of this dilemma by stating that "France solemnly recognizes the independence of Viet-Nam. The independence of Viet-Nam has no other limits than those imposed upon it by adherence to the French Union." On May 21, 1948, the French Assembly voted to end the colonial status of Cochin China and it was attached to Viet-Nam. This represented a substantial victory for Bao Dai, and as a result he returned to his country on May 21, 1949. In January 1950, the accords of March 8, 1949, signalized by letters exchanged between Bao Dai and President Auriol of France, were approved by the French Assembly giving Viet-Nam not only unity but "independence within the French Union."

Unfortunately, to this day "independence within the French Union" represents to the majority of Vietnamese a contradiction in terms. Many Vietnamese have believed that concessions from the French were gained only as the result of military victories; that the concessions of 1949 were gained from the French only as the result of Communist victories in China; and that the concessions gained at the PAU Economic Conference of November 1950, which I shall mention in a moment, were gained only as the result of military victories of the Vietminh in the fall of 1950. These military victories were substantial and represented a major political and military defeat for the French. Major concessions by the French were still essential if any degree of support was to be achieved by the new government; for the Vietnamese people continued to be discontented, as shown by the statement of Premier Tran Van Huu, who stated upon returning from France in October 1950:

> Many people are dying every day because Viet-Nam is not given (real) independence. • • • If we had independence, the people would have no reason to fight; there would be no struggle between Viet-Nam and Viet-Minh.

This statement was particularly forceful, as the Premier was himself a French citizen.

At the PAU Economic Conference, on November 27, 1950, the French turned over to Viet-Nam the control of customs, communications, immigration, and foreign-trade regulations. In addition, they agreed to the creation of a national army without which General LeClerc had earlier declared "there can be no military solution." On December 8, 1950, a new agreement abrogated the agreement of December 30, 1949, and recognized that the native army would technically come under the Emperor and not the French, although the training, equipping, and control was maintained by the French. Further agreements regulating the relationship between the Associated States and France were reached by the March 8, 1952, accords, and at the second meeting of the High Council of the French Union in November 1952.

This compressed history of the negotiations between France and Viet-Nam, and the negotiations between France and Laos and Cambodia, differing only in detail, is important in that it lays the foundation for the modern relationship which governs the Associated States and France. I have believed that the successive French grants of limited independence to the people of Viet-Nam have always been too little and too late. The clearest evidence of this is the success that the Viet-Minh forces are today achieving, and the painfully slow growth in popular support which successive governments of Bao Dai have gained from the people. Unless the people of this area are assured that they are fighting for their own independence and not for the maintenance of French control when victory is won, all of our military assistance and all of the French sacrifices of their youth and treasure will go for naught.

In a letter to me from the Department of State on May 13, 1953 it was stated:

> France in the accords of March 8, 1949, and the subsequent accords of December 16, 1950, had granted such a full measure of control to the 3 states over their own affairs that the point of no return to their former colonial or semicolonial status had been amply passed and these 3 countries became sovereign states.

I believe that a survey of the contractual relationships which presently bind the Associated States and France would indicate stringent limitations upon their status as sovereign states. A clear statement attesting to this was contained on page 36 of the report of the House Committee on Foreign Affairs on the Mutual Security Act of 1953, but more detailed evidence can be obtained through published accords and treaties.

It is of basic importance, at a time when we authorize the expenditure of large sums of money so that the war may be brought to a successful conclusion, that we realize that conditions are present in the relationship between France and the Associated States that make it difficult to win the wholehearted support of the natives in the struggle against the Communists. I strongly believe that the French cannot succeed in their mission in Indochina without giving concessions necessary to make the native army a reliable and crusading force.

Senators may have read recently about the kidnaping of a Viet-Nam Officer Training Corps by a company of Viet-Minh forces about 2 months ago. The fact is that more than 500 officer candidates were kidnaped, if we can believe the story, by a company of Viet-Minh rebels. Yet the kidnaped were men upon whom the French expected to rely for leadership in a native army.

At present the French control is extensive and paramount. The Associated States are "independent within the French Union," although there is no representative body within Viet-Nam that can ratify the treaty relationships between the two countries. The organs of the French Union were developed at the conclusion of World War II to insure the continued dominance of metropolitan France over the other countries of the Union. For example, the French always have a permanent majority in the High Council of the French Union, the President of France is the President of the Union, and the Government of France guides its actions. In the Assembly of the French Union the control is again rested in the Government of France, and the Assembly can express its opinions only on bills submitted to it by the French Assembly or the governments of the Associated States. Article 62 of the French Constitution states that—

> The members of the Union place in common all their resources to guarantee the defense of the whole Union. The Government of the Republic—

This refers to the French Republic—

> shall coordinate these resources and direct such policies as will prepare and insure this defense.

I believe the comparison which is sometimes made between the French Union and the British Commonwealth is an inaccurate one, for the control exercised by the French Government over the activities of the Associated States within the French Union is greater than any that the United Kingdom has exercised since the beginning of the 20th century.

There are other limitations upon Viet-Nam independence as a result of their intimate connection with the French Union. Their foreign policy must be coordinated with that of France, and the French must give consent to the sending of diplomatic missions to foreign countries, although that consent is almost automatic.

The French control over the military situation, including the native armies of Viet-Nam, is nearly complete. I quote from a recent letter to me from the Department of State:

> United States military mission in Viet-Nam is advisory group primarily engaged in the work of the military assistance program which requires careful coordination on the supply side with the French military authorities. Our mission has no training or operational functions. In fulfilling its obligations under the military assistance program, the United States Military Advisory Group deals directly with the French military authorities and these in turn deal with the Associated States.

This means that the equipment provided in the bill which we are now considering will be turned over to the French military authorities, who will then arrange for its distribution according to their decision. Our military advisory group is limited to checking military items supplied by the United States. The French are granted for a period of time without limit facilities for bases and garrisons.

The Vietnamese Government is obliged to turn to the French whenever it desires to secure foreign counselors and technicians. As the French did not develop experienced governmental administrators during the period before World War II, this provision has given the French in the past an opportunity to guide to some degree actions within the local governments. The University of Viet-Nam was jointly established with a

French rector installed for a 6-year minimum, and all instruction in the local university must be in French, a move which put the French directly in contact with the training of the intellectual youth of the country. The French control over the economic life of the country is extensive, and the possession of property belonging to the French cannot be changed without permission of the French. The French still control the country's basic resources, transportation, and trade. In Viet-Nam the French control 66 percent of the rice export trade; 100 percent of rubber products for export; practically all export and import businesses; all international shipping and the principal coastal shipping. In the field of foreign commerce, it is estimated that French control is nearly 100 percent.

France shares the veto right under the PAU agreement on matters affecting French Union export and import trade. French Union subjects are given special legal exemptions. They are given the privilege of extraterritoriality, and are tried in courts in which French law prevails. Until peace is restored, the French High Commissioner will continue to exercise powers with respect to the internal security of the associated states. After the restoration of peace, the French will have a liaison mission "charged with guarding the security of the French Union, in cooperation with the police and sûreté of Viet-Nam," according to the agreement of December 30, 1949. When Vietnamese taxes affect French Union subjects, there must be consultation with the representatives of the countries concerned before they are imposed. The degree of French control in Viet-Nam is enhanced, as I have said, by the lack of any popular assembly which represents the will of the people.

Some may feel that this is an injudicious time to discuss this matter—that many in France are tired of the war and would gladly see France pull out and retreat to North Africa. If the French are asked to give up all they have in Indochina, it is said, will there be anything to hold them there?

I do not believe that the French are fighting in Indochina wholly for material things. The war and money alone have already cost them substantially more than their total capital investment. Men like General De Lattre fought for the honor of France; and the French now are fighting because they know that if they retreat, all of Southeast Asia will go to the Communists—that their position in North Africa will become endangered—and that the security of Metropolitan France itself will be threatened. Thus they fight on, and deserve our wholehearted support.

But I believe it vital for the cause for which both of us fight that conditions be established there that will make it possible for the French to win—that will rally the support of native elements to take their share of the struggle. Which, in fact, is more likely to cause the French to withdraw: another season of fruitless and bloody campaigns, or the prospect of eventual victory, even though it means the loss of some of the French states in that area? I do not believe there can be any question as to which is the proper course to take. I believe that men with responsible positions in France know this and are moving in that direction. I believe it is of the utmost importance at a time when United States is committing itself deeper and deeper into Indochina, that our influence and prestige with the French be used to promote the independence and well-being of the people of the Associated States. If we do so, not only would the prospects of victory be substantially enhanced, but the position of the United States and France and of the whole Western alliance in Asia will be materially advanced in Asia.

I thank the Senator from Iowa for his kindness.

Mr. CAPEHART. Mr. President——

Mr. KNOWLAND. Mr. President, as I understand, the Senator from Iowa has the floor. He is willing to yield for a privileged matter, with the understanding that he will not lose his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1081) to provide authority for temporary economic controls, and for other purposes.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2103) to amend the National Housing Act and other laws relating to housing.

ENROLLED BILL SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (S. 1993) to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, the veterans' direct home-loan program, and for other purposes, and it was signed by the Vice President.

TEMPORARY ECONOMIC CONTROLS—CONFERENCE REPORT

Mr. CAPEHART. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1081) to provide authority for temporary economic controls, and for other purposes. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read by the Chief Clerk.

(For text of report, see House proceedings in today's CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. CAPEHART. Mr. President, the Senate and House conferees have agreed with respect to Senate bill 1081. It will be remembered that the Senate instructed the Senate conferees to return for a further conference a few days ago, after the Senate had voted down, by a vote of 47 to 42, the so-called Small Business Administration provision, and instructed the Senate conferees to insist upon the House receding in respect to that item, and accept the language of the Senate.

That is exactly what happened, except that the best we could get out of the House conferees was an extension for 31 days of the Small Defense Plants Administration. There is no dispute in respect to title I, which is the title relating to the allocation of strategic materials to the military, V loans, and many other features with which Senators are familiar. There was nothing in dispute in that title.

Title II, of course, was the so-called Small Business Administration provision. The best we could get out of the House conferees was that they receded with respect to the Small Business Administration, but they would not agree to extend the Small Defense Plants Administration for more than 31 days. Had we refused to accept that sort of compromise, it would simply have meant that at midnight tonight we would have no Small Defense Plants Administration, and the military would have had absolutely no control over strategic materials and the many other things needed by the Armed Forces.

I have before me a statement which I shall later ask to have printed in the RECORD as a part of my remarks.

Mr. President, I ask that the conference report be agreed to.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. CAPEHART. I yield.

Mr. THYE. The question I should like to ask the distinguished chairman of the Committee on Banking and Currency is this: As I understand, the War Powers Act is being extended——

Mr. CAPEHART. This is not the War Powers Act. It is the Defense Production Act.

Mr. THYE. The Defense Production Act.

Mr. CAPEHART. Certain provisions of the Defense Production Act of 1950, as amended, are extended for 2 years. We have extended for 2 years title I, which was passed by the Senate and agreed to by the first conference.

Mr. THYE. What about the Small Defense Plants Administration?

Mr. CAPEHART. That has been extended for 31 days.

Mr. THYE. May I ask the chairman of the Committee on Banking and Currency if it is now the intention of his committee to proceed with a study of the legislative bills which are before the committee in order that the Banking and Currency Committee may make a recommendation to the Senate within 31 days as to what the committee is willing to

recommend so far as the Small Defense Plants Administration is concerned?

Mr. CAPEHART. The Senate Committee on Banking and Currency has before it at the moment the so-called small-business administration bill, more commonly known as the Hill bill, which was unanimously passed by the House. There is likewise before the committee a bill introduced by the able Senator from Minnesota [Mr. THYE]. We have two bills introduced by the able Senator from Alabama [Mr. SPARKMAN]. We have a bill introduced by the junior Senator from Virginia [Mr. ROBERTSON]. We have a bill introduced by the Senator from Delaware [Mr. FREAR]. We have also a bill introduced by the senior Senator from Virginia [Mr. BYRD] to dissolve the RFC.

The Senate Banking and Currency Committee held 6 or 8 days' hearings on all those bills. It is the intention of the committee to hold further hearings on them. What action the committee as a whole may desire to take upon those bills, I as chairman cannot promise. However, we shall make some effort in the next 31 days to see if it is possible to reach some sort of compromise on this particular subject.

We shall also consider during the next 31 days the question of whether we can agree—meaning both Houses and the committees of both Houses—on a new agency to lend money to small business. If not, we shall have to give further consideration to extending the life of the Small Defense Plants Administration.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. LANGER. Mr. President, if we extend the Small Defense Plants Administration for only 31 days, and Congress adjourns by the 31st of July, the law on that subject will have expired.

Mr. CAPEHART. I want to be perfectly frank and honest in saying that if the Congress does not extend the Small Defense Plants Administration beyond 31 days it will die at the end of 31 days; or if there is a failure to enact legislation setting up a new agency to do that which the Small Defense Plants Administration is now doing, we will have no agency for that purpose.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. CAPEHART. I yield.

Mr. LANGER. I was interested in the statement which the Senator asked to have printed in the RECORD. I would much prefer to have the distinguished Senator read it. I am not a member of the committee.

Mr. CAPEHART. I am willing to tear up the statement, because everything contained in the statement has been stated by me on the floor. I am willing to tear it up.

Mr. LANGER. I did not ask the Senator to tear up his statement.

Mr. CAPEHART. I have already made the statement, and everything I said was contained in the statement which I am tearing up. The whole matter is very simple. The conferees agreed to extend title I, which refers to V-loans and allocation of strategic materials, and permits the military to enter into contracts for the production of scarce materials, and many other things. That extension was made for 2 years. The Small Business Administration provision was stricken from the conference report, and there was substituted the Senate language on the Small Defense Plants Administration, extending the Small Defense Plants Administration for 31 days.

Mr. LANGER. What will happen after 31 days, in case Congress is not in session?

Mr. CAPEHART. Congress will be here for the next 31 days, and we will try during that period to work out some sort of satisfactory solution. I hope we will be able to do so. I am not saying that we cannot do so; but, if we cannot do so, before the 31 days have expired Congress will have to decide whether it wants to extend the SDPA for 8 months or 12 months.

Let me say to the able Senator from North Dakota, that we tried to get the House to agree to extend the SDPA for a year, but they turned us down. We tried to get an extension for 9 months, and they rejected that. Then we tried an extension of 8 months, and they still refused. The best we could secure from them was an extension for 31 days. Their position has always been—and I must say in all fairness to them that there is a great deal of merit to it—that the House on two occasions, first in the form of a complete bill and the second time as an amendment to the Defense Production Act, unanimously passed a measure providing for a so-called Small Business Administration, and that is what they wanted.

Therefore, I say this is the best we could get. I hope the Senate will accept it. The conference report was signed by all conferees except by the Senator from Alabama [Mr. SPARKMAN]. I believe the able Senator from South Carolina [Mr. MAYBANK], while he signed the conference committee report, wishes to make a statement, setting forth his position. I can well understand his position. However, I hope the Senate will accept the conference report. The House has already accepted it by unanimous vote. I am hopeful that the Senate will do likewise.

Mr. MAYBANK. Mr. President, I wish to confirm what the distinguished chairman of the committee has said. On a number of occasions during the past several days the Senate conferees made an effort to determine what should be done about the small-business agency. We got nowhere. Six days ago we got nowhere and this morning at 10 o'clock we got nowhere. At 2 o'clock this afternoon the House conferees still refused to give in on title II and accept the Senate provision for the extension of the Small Defense Plants Administration.

Knowing that there is a deadline of 12 o'clock tonight on title I, which deals with allocations and priorities for the military and Atomic Energy Commission, and other agencies of Government connected with the national defense, and knowing that legislation had to be passed extending that title and signed by the President before midnight to avoid having the law expire, the Senator from Virgina [Mr. ROBERTSON] and I reluctantly signed the report. It was the Senator from Virginia who made the first motion to extend the Small Defense Plants Administration for 8 months, so that time could be afforded properly to study the many bills on the subject which are now before the Committee on Banking and Currency.

I do not know whether the chairman of the committee will agree, but I wish to be perfectly frank in saying that it will be impossible for the Committee on Banking and Currency in 31 days to hear the testimony of all the witnesses who could be called on the 8 or 9 bills before the Committee on Banking and Currency. The committee has before it now several important bills on which the chairman of the committee has already announced dates for hearings during the month of July. There are also other bills before the committee, such as the rubber bill, which will require committee action. Therefore, it is my judgment that at the end of 31 days we will probably have to extend the Small Defense Plants Administration.

Of course, I do not know what the committee will do. I am speaking for myself and the Senator from Virginia who, as I have said, made the first motion to extend the Small Defense Plants Administration. I do know that we would not vote to create a new organization without first having hearings on it in the Committee on Banking and Currency. We would not vote to create a new organization in charge of a man who would receive $17,500 a year and 2 or 3 others who would receive $15,000 a year, and operated by a board composed of the Secretary of the Treasury, the Secretary of Commerce, and the Administrator, the latter occupying a back seat. I do not say that any Senate conferee suggested such a setup because the Senate conferees stood strong for the extension of title I for 2 years, and for title II to be replaced by an extension of the SDPA. The present organization has in it people who are trained. If we set up a new corporation, it will take 6 months for its officers and personnel to become trained. Senators know that to be a fact.

So I signed the conference report reluctantly, and so did the Senator from Virginia. He asked me to make the statement for him because I am the ranking minority member on the committee.

I hope in the next 31 days we can write a bill, but I believe, as I think the chairman does, that we cannot do it. I do not see how it can be done.

I will not oppose the conference report, because at least during the next 31 days we can try to do something about small-business plants. Certainly the people of this country know what the Committee on Banking and Currency over a period of years has done, as they know also what the House has done for small business. They know that the Small War Plants Administration was first set up by us in 1942. I want the RECORD to show that I signed the report reluctantly. I do not think that in 31 days we can write a permanent law to take care of the situation.

Mr. SPARKMAN. Mr. President, as one of the conferees who did not sign the conference report, I desire to take a few minutes to explain why I did not

sign it. I may say that not one of the Democratic managers on the part of the House signed the conference report. I realize the truth of the statements that have been made both by the able chairman of the committee and by the Senator from South Carolina [Mr. MAYBANK], the ranking minority member.

Mr. MAYBANK. Mr. President, I merely wish to say that no manager on the part of the House made any move whatever to resubmit the bill to the House. Not one word was said, even though time after time we asked that the bill be carried back to the House. Oh, no, they would not do that.

Mr. SPARKMAN. That is correct. I certainly agree with what the distinguished Senator from South Carolina has stated. The House conferees were absolutely adamant, and they declined, time after time, as the able Senator from South Carolina has stated, to do as we requested, namely, to go back to the House and ask for instructions from the House. We pointed out the fact that the matter had been before the Senate and that the Senate had had a yea-and-nay vote on it and had turned it down and had instructed its conferees to insist on the continuation of the Small Defense Plants Administration.

It is true that title I is necessary. I believe that every member of the conference—Democrats and Republicans alike—agreed that it was essential that title I be continued.

We were faced with the dilemma of continuing title I and taking this bobtailed provision for small business, or else not getting anything at all on the subject.

I said to the conferees that I believed the effect of this 31-day extension of the Small Defense Plants Administration would be to sound the death knell of that organization or any other organization for the benefit of small business, during this session of Congress. I believe that to be the case.

The chairman of our committee has promised—and I know he will carry out his promise—that he will do his best to obtain consideration during the month of July of proposed legislation for this purpose.

However, the chairman of the committee very frankly told the conferees that our committee already has a heavy load. We are now in about the middle, I suppose, of the hearings on the bill relating to disposal of 27 synthetic-rubber plants which are owned by the Government of the United States. That task is not a small one. Following that, the chairman has already announced that it will be his purpose to continue and to conclude the hearings on bank-holding companies. This is not an easy task. We have worked on it many times in the past, and it cannot be settled in a few days.

We have before our committee a number of bills dealing with small business. I am not sure I shall be able to name all of them, but I shall list the following: The junior Senator from Virginia [Mr. ROBERTSON] has two different bills before the committee. The senior Senator from Virginia [Mr. BYRD], in association with his colleague, the junior Senator from Virginia [Mr. ROBERTSON], I believe, also has before the committee a bill relating to dissolution of the RFC.

The Senator from Delaware [Mr. FREAR] has before the committee a bill.

The Senator from Illinois [Mr. DOUGLAS], in conjunction with the Senator from Vermont [Mr. FLANDERS] has before the committee a bill.

I have two bills relating to small business.

In addition, the able senior Senator from Minnesota [Mr. THYE], the chairman of the Select Committee on Small Business, has a bill before the committee. I think the so-called Thye bill is properly referred to as the administration bill.

We hear a great deal about the Hill bill. That bill was introduced in the House of Representatives, and was passed by the House, and now is before the Senate Committee on Banking and Currency. Originally the Hill bill was also the administration bill, and the Hill bill and the Thye bill were identical. But some changes occurred in the course of the passage of that measure by the House, so that when the bill finally came out of the House, it was not the same as the administration bill which was presented to the two Houses of Congress. Our committee believes there are some features of the bill which should be carefully scrutinized.

Furthermore, I believe it was shown last week, when the conference report was before the Senate for a vote, that before a permanent small-business organization is established, a number of Senators wish to know what disposition, one way or another, is to be made of the RFC. I think Senators wish to know whether the present proposal will really do a proper job. For instance, When Mr. Cravens testified before our committee, with Mr. Humphrey sitting with him, I asked that each function of the RFC be named.

Mr. Cravens and Mr. Humphrey between them named the various functions of the RFC. In each instance I asked, "What will be done with this function? What do you propose to do with it? Are you going to do away with it, or transfer it to some other agency; and if so, to what agency?"

Mr. President, do you know that of every function the RFC carries on today, only one was proposed to be discontinued? That is the one dealing with so-called triple A loans, sometimes referred to as business loans. Every other function of the RFC is proposed to be transferred to some other agency, although it is not yet certain to which agencies the functions should be transferred.

In the committee we have been working on some proposals which in the past the Federal Reserve Board has made to us with reference to an insurance plan on loans to small business, and also we have been working on another matter which originally was proposed by the Federal Reserve Board. The latter relates to the setting up of some kind of capital banks for the purpose of making loans to small business. Various other proposals have been laid before our committee.

We have not had an opportunity to consider those various measures; in fact, we have not even had an opportunity to conclude the hearings on them. I am certain we shall not have such an opportunity during the coming 31 days.

Mr. President, reference has been made to the fact that the conference report was adopted by the House on two different occasions. It is true that it was adopted by the House of Representatives. I read the debates which occurred on both occasions. Under what I started to describe as a peculiar parliamentary situation—although I do not know that it is peculiar; it is one which pertains to the House of Representatives—no opportunity was given to write a really effective amendment into the proposal or to offer a motion to recommit with specific instructions, at the conclusion of the debate in the Committee of the Whole. The House of Representatives has never actually voted its preference as between the Small Business Administration and the Small Defense Plants Administration, or with reference to any particular amendment which might improve the conference report.

Mr. MAYBANK. Mr. President, will the Senator from Alabama yield to me?

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). Does the Senator from Alabama yield to the Senator from South Carolina?

Mr. SPARKMAN. I yield.

Mr. MAYBANK. As I understood, the House did not even have a yea-and-nay vote.

Mr. SPARKMAN. I do not believe there was a yea-and-nay vote in the House on this measure. Of course, as my colleague knows, the only way a yea-and-nay vote can be obtained there, is in the House, rather than in the Committee of the Whole.

Mr. MAYBANK. That is correct.

Mr. SPARKMAN. In the House, proposed legislation is perfected in the Committee of the Whole.

Mr. MAYBANK. Because of the parliamentary situation, a yea-and-nay vote on the question of recommittal could not be had in the House.

Mr. SPARKMAN. That is correct—that is to say, in the case of a yea-and-nay vote on the question of recommitting with instructions. There could have been a simple motion to recommit, but who wanted to have such a motion put?

Mr. MAYBANK. It would not have been of any value to the Congress.

Mr. SPARKMAN. That is true.

Therefore, Mr. President, I call attention to the fact that there has never been a real effort to permit the Members of the House of Representatives to express themselves on this subject.

In my opinion, at the end of 31 days we may expect to see come to an end the only organization existing in the Government for the sole purpose of helping small businesses. Let us never forget that industry in the United States is made up primarily of small businesses. The other day I saw some figures which amazed me. I do not know about the figures for the situation as of the present moment; but the figures I saw showed that a few years ago, 99 percent of the businesses in the United States employed less than 100 persons each. Certainly we are safe in saying that today 95 percent of all businesses in the

United States fall within the category of small business.

Someone has aptly described a small business as one that is not able to maintain in Washington a representative to look after its interests. Small businesses need to have in Washington someone or some group who will look after their interests. That is why the Small Defense Plants Administration was created. It was designed so as to make it possible for small businesses to have in Washington someone or some group or organization to whom they could go, so that small businesses would know that at all times they had in Washington an advocate who would represent them before the various governmental departments, and there would plead their case, and would have access to the White House, without having to go through some departmental head.

One objection to the portion of the conference report dealing with the Small Business Administration, as that measure has been adopted by the House of Representatives, is that it would take away the independent status the Small Defense Plants Administration now enjoys, and as provided for in the original Hill bill and in the Thye bill. Both of those bills, as well as the administration bill, proposed that it should continue to have that independent status; but as the measure cleared the House and as we were asked to accept it in the Senate, independent status was taken away from the organization, and the small businesses no longer would have an agency that could report to and clear directly with the White House.

Mr. President, I know a great many persons think of the small-business agency, the SDPA, as it is now, or the SBA, as it was proposed to be organized, as being merely for the purpose of making loans to small business. As a matter of fact, the SDPA does not make loans to small business now. It was proposed that the SDPA take over the function of the RFC in making loans to small business; though that would be only a small part of the work it would actually perform.

Mr. President, today we may not feel the strain so heavily, because only about two of the metals are being allocated, but it was not long ago that many metals were being allocated. A year ago or perhaps a little more than a year ago, small businesses were crying for aluminum, for steel, for copper, for nickel, and for many other metals they needed only in small quantities, but were unable to obtain except through the intervention of their organization in Washington, D. C., in building their case and in seeing to it that they got a proper and adequate allocation.

We need a small-business organization, a small-business agency, to represent small businesses; and we need one that is independent and that can go directly to the White House, if need be, in order to plead the case of the small-business men.

Mr. President, it was only because I believed sincerely that in the action which was being taken in the conference report we were sounding the death knell of the small-business agency as an independent agency that I felt impelled to decline to sign the report. I am not against the establishment of a new agency, if that is what the administration wants. I am not opposed to a Small Business Administration, if that is what the administration wants. The Thye bill is a good bill. The Hill bill as it was introduced originally in the House was a good bill. I think there were certain limitations which should have been changed. For instance, I do not know whether the limitation prevails in the Thye bill, but in the Hill bill as it came from the House, an individual loan is limited to $100,000. Frankly, I do not know what ought to be the limit, but I am certain that $100,000 is not a sufficient ceiling. I know the feeling has been that the Administrator should be able to make loans up to $100,000, and perhaps, in conjunction with some kind of advisory committee should be able to pass on loans above that figure, up to a certain amount.

As I said a few moments ago, the Hill bill as it passed the House sets up what is called an advisory committee. It is not really an advisory committee; it is a governing committee, with the Secretary of the Treasury as chairman, the Secretary of Commerce as the second member, and the Administrator, who theoretically ought to administer the law, the third member. Certainly that would destroy its independent status and the small-business agency, under a setup of that kind, would become subordinate to the two Cabinet positions.

Mr. President, I believe that, if given time, we could provide adequate legislation along the line of the bill introduced by the able Senator from Minnesota, and could perhaps supplement it with certain other proposals that have been made. But they are measures that ought not to be acted upon without careful consideration and without adequate hearings. I am certain that within a period of 31 days we cannot legislate adequately on this subject. That is why I say I believe we are sounding the death-knell of the Small Business Administration, operating independently for the benefit of small business. It is for that reason that I declined to sign the conference report.

Mr. LEHMAN. Mr. President, I have listened to the discussion of the conference report, and I am deeply concerned about the present status of small business legislation. I am convinced that if the Senate agrees to this report, which gives a month's leeway to the Small Defense Plants Administration, nothing to aid small business will come out of the Banking and Currency Committee, of which I am a member and of which the distinguished Senator from Indiana [Mr. CAPEHART] is chairman, or out of the Congress of the United States. If the report is agreed to, I think the legislation with regard to SDPA is dead.

Mr. President, I am convinced, after the long hearings held by the Banking and Currency Committee, that the setup which we have been following and under which we have been operating for the past 2 years has been successful. Witness after witness has testified before the committee, as my colleague from Alabama [Mr. SPARKMAN] will agree, that the Small Defense Plants Administration has been of tremendous help to small business. There is no question that, from an industrial standpoint, the backbone of this country is small business. I yield to no one in my regard for the achievements of business, but it is the small business, like the small farm, which is really the backbone of the economy of America. As the Senator from Alabama has stated, more than 95 percent of all the businesses of the United States have less than 100 employees.

Mr. President, small business needs our protection. Big business does not need the protection of the Congress to any great extent. Big business is represented in every department of the Government, and in most departments by the heads of Government. Small business has no spokesman whatsoever, except in the SDPA which has been operating so successfully in the past 2 years. Quite aside from loans, there have been a great number of instances particularly in the matter of allocations and the matter of fair treatment of the SDPA being of help to small business.

We have been discussing the question of disposing of the synthetic rubber plants. Personally, Mr. President, I doubt very much the wisdom of disposing of them, but if they are to be disposed of, certainly small business will need a spokesman. Small business will need more than at any other time some organization, some spokesman, to defend its rights and its claims to a fair portion of the synthetic rubber which will probably be disposed of or which may be disposed of to only a small number of large concerns.

That is only one instance of what I think typifies the need of having someone to speak for small business which today has no one in important governmental positions to speak for it, to protect it, to defend it, and to insist that its rights be recognized.

I know title I is important and necessary, but I believe there is much more chance in the coming week of getting action on title I if we do not accept the conference report, than there is of getting action on the SDPA, if we do accept it. There is no chance of getting action on SDPA when the situation with regard to title I as to allocations and otherwise, is taken care of.

I am convinced, and I feel very strongly about it, that if we now accept the conference report, which was adopted by the conferees without giving the Senate or the committee any chance to consider its effect on small business, in spite of the fact that the Senate Committee on Banking and Currency held hearings last year for 5 or 6 weeks on a small business bill which was reported to the Senate and passed, although greatly emasculated, we might just as well acknowledge that we are turning our backs on small business and that we are saying to the world that small business is of no importance.

So far as I am concerned, Mr. President, I am not willing to do that, because I believe small business is of the utmost importance to the economy, to the welfare, and to the progress of the United States. Therefore, Mr. Presi-

dent, I shall not vote to agree to the conference report.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The question is on agreeing to the conference report. [Putting the question.] The "ayes" seem to have it; the "ayes" have it, and the report is agreed to.

Mr. LEHMAN. Mr. President, I ask for a division.

Thet PRESIDING OFFICER. The Chair had already announced the result of the vote before the Senator requested a division.

CORRECTION OF STORY BY ASSOCIATED PRESS

Mr. MORSE. Mr. President, the Senator from Iowa has very kindly consented, if there is no objection, that I may take 2 or 3 minutes to correct an uncalled-for false story issued by the Associated Press in regard to the Senator from Oregon.

The PRESIDING OFFICER. Without objection, the Chair recognizes the Senator from Oregon.

Mr. MORSE. Mr. President, on June 15, the Associated Press sent out the following story:

WASHINGTON, June 15.—Oregon's Senators voted opposite ways on an amendment to the Treasury-Post Office appropriations bill last week.

Senator CORDON voted against the proposed $33.4 million cut in funds for postal operations. Senator MORSE voted for it. The amendment, introduced by Senator DOUGLAS, Democrat, of Illinois, was defeated, 44 to 31.

This is a typical lying Associated Press story. Again today I say to the people of Oregon, "When you read a story in any newspaper in Oregon with the initials 'AP' at the head of it, the chances are it is false, or at least it is distorted." It happens that the Senator from Illinois [Mr. DOUGLAS] submitted his amendment on June 10, calling for a cut of $33,450,000. On June 11 it was voted upon.

The Associated Press, if it were ever interested in the facts, could find the official vote of the Senate on page 6387 of the CONGRESSIONAL RECORD. The vote shows that both Senators from Oregon voted against the Douglas amendment and thereby against the cut.

Mr. President, to show the effect in my State, of the dirty journalistic work of the Associated Press that has been going on for months against the Senator from Oregon, I have in my hand, and I ask unanimous consent to have printed in the RECORD at this point in my remarks, a letter of June 29, 1953, from the legislative chairman of the National Federation of Post Office Clerks, John W. Almeter, who interviewed me on June 13.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LOCAL NO. 128, NATIONAL FEDERATION OF POST OFFICE CLERKS,
Portland, Oreg., June 29, 1953.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SIR: This letter is to thank you for the time that was given us by you to present our views on postal legislation. We realize that you are a busy man and are therefore very appreciative of the time that was given by you to hear our problems on postal legislation.

After having talked with you on June 13, 1953, I was quite surprised to read in the Journal of the 15th that you had voted for a cut in postal appropriations. Especially since you told us how you had spoken against the proposed cut. Knowing your outstanding record as far as the workingman is concerned and the fact that you are a man of integrity I at once called the AP office in Portland and questioned their story. After checking they called me and admitted they had made a mistake and that a retraction would be forthcoming. Although I may have missed it I watched the papers closely for the next few days and all I could find was this article of June 16 which I am also enclosing. I wish you to know, Senator, that the employees in our post office have been informed of the error.

The article of June 15 appeared on the front page of the Journal while the article of June 16 appeared on page 17.

Thanks again, Senator, for the interview; and we hope that the next time you are in town we shall be fortunate enough to be able to see you again.

Very truly yours,
JOHN W. ALMETER,
Legislative Chairman.

Mr. MORSE. Mr. President, on June 13, I had notified Mr. Almeter of my position on the proposed cut in the post office bill, stating that I was against it. In his letter to me, he said:

After having talked with you on June 13, 1953, I was quite surprised to read in the Journal of the 15th that you had voted for a cut in postal appropriations. Especially since you told us how you had spoken against the proposed cut. Knowing your outstanding record as far as the working man is concerned and the fact that you are a man of integrity I at once called the AP office in Portland and questioned their story. After checking they called me and admitted they had made a mistake and that a retraction would be forthcoming.

But, Mr. President, no retraction has been forthcoming. The Washington bureau of the Journal got it straight, but not the Associated Press. The Washington bureau of the Journal, on June 16, published a story reading as follows:

Members of the Oregon congressional delegation last week cast the following votes of record:

SENATE

Treasury-Post Office appropriations bill, Douglas amendment to reduce by $33.45 million funds for postal operations: Senators GUY CORDON and WAYNE MORSE, against. (Rejected, 31-44.)

HOUSE

There were no votes in the House.

Mr. Almeter apparently assumed that the Washington bureau's story of June 16, was an AP story, but it was not. The fact remains that the AP printed a falsehood and failed to retract it.

I close by saying that this is but the most recent of a long list of false reporting which I have against the Associated Press. I repeat today what I have said on the floor of the Senate before: So far as a news service is concerned, the Associated Press is a propaganda service serving the publishers who own it, following a reactionary line of those publishers. For the most part the key officials of the Associated Press are the reactionary publishers of America, out to smear the liberals who will not take the orders of newspapermen. These reactionary publishers think they can call up a United States Senator, as some in my State have in the past tried to do with me, and tell him how to vote in the Senate of the United States. The Associated Press can continue to lie about the Senator from Oregon, and I shall continue to tell the people of Oregon, "If you read it with the initials 'AP,' do not believe it."

AMENDMENT OF NATIONAL HOUSING ACT AND OTHER LAWS RELATING TO HOUSING—CONFERENCE REPORT

Mr. CAPEHART. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2103) to amend the National Housing Act and other laws relating to housing. I ask unanimous consent for the immediate consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read by the Chief Clerk.

(For text of report, see House proceedings of today's CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the immediate consideration of the report? The Chair hears none.

There being no objection, the Senate proceeded to consider the report.

Mr. CAPEHART. Mr. President, I think I can say without fear of successful contradiction that there was no serious controversy with reference to this report. The Senate conferees receded on a few provisions, and the House conferees receded on others. I believe the Senate conferees and the members of the committee will agree with me that this is a very fine piece of housing legislation. It will do much to insure better housing in America. I urge that the Senate agree to the conference report, and I ask unanimous consent to have printed in the body of the RECORD a statement on the conference report on S. 2103 prepared by me for the managers on the part of the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR CAPEHART FOR THE MANAGERS ON THE PART OF THE SENATE ON THE CONFERENCE REPORT ON S. 2103

I am very happy to report on a most successful and constructive conference on the Housing Amendments of 1953, S. 2103. While the subject matter of both the Senate and the House bill were extensive, substantial and highly complicated in nature, and while the differences between the House and Senate bills were fairly numerous, it is my judgment, and I am sure every Senate conferee will agree with me, that the bill as agreed to in conference is a better bill than either the House bill or the Senate bill as it passed each House. In other words the best features of the Senate bill and the House bill are included in the bill agreed upon in conference.

It is my considered judgment, that the bill which we agreed to, and which I urge favorable action upon, will result in much better housing for the people of our Nation. It should encourage the construction of lower priced sale housing and a greater volume of lower and moderate rental housing.

where the need is so great. It should offer sufficient inducement for the builders of America to build a much greater amount of sale, rental, and cooperative housing for the minority groups in our country, the need for which I cannot emphasize too strongly.

The bill should have the effect of loosening the tight market situation with which the home building industry has been plagued during these last few months, particularly, and over the last year generally. It should facilitate the flow of investment funds into the home building industry and serve to maintain a reasonably high level of construction throughout the next year. It should dissipate the fears of all those who are omnisciently pointing to an impending depression or recession. It should maintain and increase construction employment, the manufacture and sale of building materials, plumbing and hardware supplies, and induce an expansion in household furnishings and equipment, and provide more traffic for our trucking and railroad industries. In a word, it should maintain and improve the health of a very important sector of our economy.

The House, on the floor, adopted an amendment identical to that of the Senate, giving the President authority to lower downpayments and extend maturities on FHA insured loans not exceeding $12,000 in amount, and it was thus not in conference; but because of the interest expressed by so many Senators with respect to this amendment I want to assure you that it is in the conference bill. It would permit the President to lower the downpayment to 5 percent of the value of the house and increase the maturity of the mortgage to 30 years after he took into account the conditions in the building industry and the state of the economy.

The House receded to the Senate amendment providing higher mortgage ceilings for the individual lower priced sale housing under title I, section 8. This type of housing, which under the amendment can be sold for $6,000 with a $300 downpayment, is intended for the more outlying and rural areas in our Nation, not the larger metropolitan areas. It is our intent that this type of housing, which will not have to be built in conformity with regular FHA property requirements applicable under other sections of the bill—for instance, requirements as to sidewalks, sewers, landscaping, neighborhood where such requirements will not be detrimental to their long-term value or the general standards of the community—will encourage the construction of sale housing for those people whose income is in the neighborhood of $3,000 to $3,500, many of whom are now required to live in unsafe, rundown, and generally inadequate housing. It is my hope that this provision will provide an opportunity for some minority groups in the distant and more rural areas of our Nation to become home and property owners, even if, as a start, the house be a modest one.

The House also receded to the Senate and accepted the amendment in the Senate bill increasing the mortgage amounts for the section 207, rental-type FHA insured housing.

At the present time the law permits a maximum of mortgage of $8,100 with a ratio of loan to value of 90 percent on the first $7,000 and 60 percent on the value over $7,000 up to $10,000. A maximum mortgage amount of $7,200 is allowed if the number of rooms is less than 4 per unit. These ratios and mortgage amounts are unrealistic in terms of present costs and the result has been very little construction of rental housing under this section. The amendment which the House accepted would increase the maximum mortgage amount to $2,000 per room up to $10,000, but not exceeding 80 percent of value. In order to encourage larger-sized units, however, the maximum mortgage is limited to $7,200, unless the number of rooms in the project equals or exceeds four per family unit.

Most important, we have provided 90-percent loans on units valued up to $8,000 for a maximum mortgage of $7,200, provided the number of bedrooms is equal to, or exceeds 2. This compares with a 90-percent loan on the $7,000 value in the present bill, or a maximum mortgage amount of $6,300. In my opinion, this provision should encourage the construction of low priced and moderate rental housing, where the need is most pressing. It also should encourage the construction of rental housing for those in the minority groups.

In a further attempt to encourage the construction of rental-type housing the Senate receded to the House amendment changing the term of the mortgage debenture under section 207 loans to 10 years from 20 years, as presently provided, rather than 15 years as in the Senate bill. This should make section 207 mortgages that much more attractive to investors and thus facilitate the construction of rental-type housing for the moderate-income groups.

As a means of loosening the present tight mortgage situation the bill provides what I believe is an effective 1-for-1 sale and purchase program. The Senate conferees in receding to the House and accepting their $500 million limitation on the program do not believe that it will limit in any way or handicap the program. The amount is sufficient to do the job at this time.

The House receded to the Senate and accepted the Senate amendment which authorizes a transfer of any of the FNMA authorization which was provided for prior commitments for housing in defense, military, and disaster areas, and which will not be needed for the purchase of mortgages under these programs, and makes it available for its regular purchase program. It is estimated that this amendment will make $200 million available at the present time, and with the $180 million already available for over-the-counter purchases, FNMA will have almost $400 million to purchase VA and FHA loans.

The Senate receded to the House and accepted the amendment to section 504 of the Servicemen's Readjustment Act, as amended, which will have the effect of permitting the sale of VA mortgages by the originating mortgagee at a discount. The May 18 regulation of the VA would have prohibited such sales. The effect of the regulation, and I imply no criticism of the VA for issuing it, would have been greatly to lessen the amount of housing for our veterans and to increase unemployment among the construction workers. It had the practical effect of cutting off GI financing in many areas of our Nation, so it was testified.

In receding to the House your conferees were very concerned lest any discounts, fees, or other charges permitted under this amendment be passed on to the veteran or purchaser. I am satisfied that the language of the amendment does not permit any discounts, warehousing fees, or other similar financing charges to be passed on to the purchaser. In order for the Veterans' Administration and the Congress to observe if any abuses take place under this provision and in order for them to see if any builders are attempting to pass any discounts, fees, or other similar financing charges back to the veteran, it is our intent that the Veterans' Administration issue regulations requiring the originating lender of any home mortgage loan guaranteed by it under title 3 of the Servicemen's Readjustment Act, as amended, to report the amount of any discount, warehousing charge, similar financing charge, or other fee assessed against the builder or originating mortgagee.

While the immediate problem arose in connection with VA loans, and therefore my statement for the Senate members of the committee of conference is phrased in relation to the action by the Veterans' Administration, the language of section 504 applies equally to the FHA, and it is, of course, our expectation that the FHA will take similar action to carry out the expressed wishes of the Congress.

The House receded with an amendment to the Senate provision extending the defense housing and community facilities aid program for another year. Under it FHA title IX programing and aid in the form of loans and grants would be authorized for another year. Temporary housing, rather than permanent housing, as the present law provides, would be authorized for another year.

The House receded to the Senate and accepted the Senate amendment authorizing a breakthrough on the 10-percent limitation on the amount of capital grants available to any 1 State under the urban-redevelopment and slum-clearance program. It would make $35 million available to any State out of the $500 million presently available, provided such State had already entered contracts for two-thirds of the amount presently allotted to that State. The senior Senator from New York, Mr. IVES, was very concerned about this amendment, and from the testimony before our committee, I am satisfied that it will be very beneficial to redevelopment programs in New York. It will benefit the thousands and thousands of students from all over the United States that attend New York University and Pratt Institute, where we were informed a major portion of these funds will be expended so as to provide better neighborhood and better living conditions for those attending these institutions.

The House bill contained a warranty provision. It would require that, on a 1- and 2-family house built with Federal assistance, a warranty be given the purchaser that the house was built in accordance with the plans and specifications on which the value was based. The conference committee agreed with the laudable objective of the provision. However, the workability and effectiveness of it was subject to serious question. Rather than agree to such a provision that might hinder rather than help the honest and efficient builder do a better job of providing sounder and less costly housing, and rather than chance getting a good idea off to a poor start, it seemed the better part of wisdom to allow the Administrator of the Housing and Home Finance Agency and the Veterans' Administrator to give intense study to this proposal during the next 6 months with a view to reporting back to the Banking and Currency Committees of both Houses next year as to the feasibility of enacting an effective and workable warranty provision. With this understanding, the House did not insist on its amendment and the amendment is therefore not contained in the bill.

The Senate receded to the House amendment relating to the Mutual Mortgage Insurance Fund because it seemed to us that the House language more effectively carried out our intent of strengthening the fund. Their amendment was identical to ours except for the provision requiring 100 percent transfer of premium charges until the resources of the fund are sufficient to cover all estimated future deficits.

The Senate also receded to some amendments contained in the House version because they were contained in other bills passed by the Senate on the Banking and Currency Committee's recommendation. Thus, we accepted the House amendments increasing the maximum interest rates on FHA-insured section 213 loans (cooperative housing), section 803 (military housing), and section 908 (defense housing), since they were contained in S. 1993 as it passed the Senate. We likewise accepted the House amendment providing community facility aid for towns forced to relocate because of the placing of an atomic installation in its original location, since it was also enacted by the Senate in a separate bill, S. 799.

The Senate receded to the House and accepted its amendment relating to "mortgaging out" on section 803, military housing. This would have the effect of preventing builders from making a profit on their mortgagee. A similar provision was originally included by the Senate Banking and Currency Committee in section 908 of the Defense Housing and Community Facilities and Services Act of 1950.

The House accepted the Senate amendment providing advance commitments under Public Law 243 for cooperative housing with an amendment limiting the authority to September 1, 1953, rather than September 30, 1953, as provided in the Senate bill. It would also authorize the FNMA to give advance commitments to purchase mortgages above $10,000 in amount if the number of bedrooms exceed 3. The language was clarified by a House amendment.

The Senate accepted with an amendment a House provision permitting the FHA to negotiate a cash settlement with a mortgagee or mortgagor to reimburse him for expenditures made rather than permit a default on what would otherwise be a completed project. This would be done in the interest of conserving the National Housing Insurance Fund, and where because of changes in defense requirements, there is no longer a need for the housing units for which a commitment had been issued.

The House would not agree to the Senate provision providing for a 1-year extension of the Veterans Direct Loan Program with an authorization of $50 million per calendar quarter because the Veterans' Affairs Committee of the House had already recommended a bill on the same subject to the House, which the House had acted upon. S. 1993, which the Banking and Currency Committee recommended to the Senate contained, among other things, a similar extension that only provided $25 million per calendar quarter. The House substituted its direct-loan bill for S. 1993 and the Senate earlier today agreed to it.

The Senate accepted the House provision relating to Guam and Hawaii and the House accepted the Senate provision relating to Alaska. The House bill provided that mortgage ceilings in Hawaii can be increased to a maximum of 50 percent above those in continental United States. However, with the clear understanding that such ceilings will only be increased to such levels as the Commissioner finds actually necessary to compensate for such actual costs, and with the intention of making a careful review of the operations of the program under this provision, your conferees agreed to the House provision.

The House insisted that with the 1-for-1 FNMA program the advance commitment authority as provided in the Senate bill for Guam would not be necessary. The Senate finally agreed to the House amendment which would permit FNMA to purchase mortgages exceeding $10,000 in amount in Guam and Hawaii. It is our hope that with these provisions in the bill adequate housing can be built for our naval personnel in Guam and it will induce a greater amount of satisfactory housing in Hawaii.

The Senate provision permitting private mortgagees to make loans on the same terms and under the same requirements as the Alaska Housing Authority was accepted by the House.

From this statement on the part of the managers of the Senate, I believe it is fairly clear that in the short time since the bill was introduced that the committee of both Houses worked assiduously and effectively in providing our Nation with a good piece of housing legislation that should insure a better-housed Nation and a prosperous and stable residential-construction industry during the next year.

Mr. MAYBANK. Mr. President, I desire to say that we on this side of the aisle thoroughly agree with what the chairman of the committee has said with reference to the proposed legislation.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

Mr. GILLETTE. Mr. President, in the past I have given my support and my vote in favor of the passage in the Senate of various measures designed to promote and strengthen the formation and efficacy of international cooperative action for peace among nations. I supported the Mutual Security Act of 1951 and amendments thereto because I was in full accord with its announced purpose "to live together in peace with one another as good neighbors; to unite our strength to maintain international peace and security; to insure by the acceptance of principles and the institution of methods that armed forces shall not be used save in the common interest and to employ international machinery for the promotion of the economic and social advancement of all people."

In conformity with this policy to which we as a Nation committed ourselves, I have cast my vote in favor of the passage of such measures as the Marshall plan, the Fulbright plan of student exchange, wheat for India, legislation designed to relieve human distress in many areas throughout the world, funds for the purpose of support and maintenance of United Nations subsidiaries, and the approval of regional defense pacts, including efforts to strengthen NATO and to broaden its provisions. I have also supported the various steps taken to express the approval by the United States of such cooperative efforts abroad as the Schuman plan, the European Defense Community, and others.

Therefore, Mr. President, when I find myself, as I now do, in a position of opposition to the enactment of the pending measure extending the life of the Mutual Security Act and expanding the area of delegated authority contained in its provisions, a decent respect for the opinions of my fellow-Senators, and also the opinions of my constituents whom I have the honor to represent here, dictates that I should state frankly and clearly the reasons why I shall vote against the bill.

My objections can be stated under three general heads, which I shall list in the order of their importance in influencing my opinion.

First. That this measure emphasizes more clearly than any legislation heretofore passed the fact that while we continue to pay lip service to efforts to unite the nations of the world in effective coalition for peace, we have actually changed the course of our progress and the goal of our endeavors by emphasis on the development and perpetuation of a military alliance.

Second. That the policies we are now following are seriously endangering the economic stability of the United States, and thereby undermining the very elements of material strength which are essential to American leadership of a free world.

Third. That the present measure promulgates and expands the legislation by which the legislative branch of the Government has been delegating its constitutional responsibility for the property of the United States and transferring this responsibility over funds and expenditures to the executive branch of the Government.

Mr. President, when the Senate had under consideration the approval of the North Atlantic Treaty Organization, I made some statements on the floor which referred to some of the historical steps leading up to the state of international cooperation then existing and made some further statements which, in the light of developments since that time, have been proven prophetic. Because many of the statements I then made are not only of interest today but are still applicable today, I shall repeat some of them.

It is a long, hard, rough, winding, and twisting road that the nations have traveled during recent years toward the goal of a world free from war and with substantial and dependable moral, spiritual, political, and economic securities. But while heartbreakingly slow over the centuries, the progress in this last quarter of a century has been steady and, until the last 2 or 3 years, has been sure. How, then, can anyone who has been in any way close to this progress in thought or in participation view with unconcern, evidence of either a willful abandonment of ground gained at so much cost and so much sacrifice or a willingness to postpone efforts at further progress?

We are prone to forget today, when we accept so readily the world's cooperative efforts for peace, how very recently the nations, including our own, were willing to admit that the concept of a world federation of nations was even feasible. How recently were they willing to concede that nations could live with one another in peace and security and cemented in their unity of goal and action by a cement stronger than selfish nationalism, firmer than predatory aggrandizement and far more lasting than military necessity. This new cement has been found in the acceptance of and adherence to certain basic principles so clear, so concise, and so clean that it is difficult to realize that their acceptance and endorsement is a development of less than a quarter of a century.

I wish to refer very briefly to some of this recent history. Our involvement in the destruction of World War I brought general recognition in our Nation of the facts that the development of weapons of offense and defense and of transportation and communication meant that our world could not survive the recurrence of increasingly destructive wars almost every generation. But while we were all in accord as to the need for abandonment of the outgrown precepts of international law, such as the freedom of the seas, power of blockade, establishment of neutral zones, and others not compatible with modern commerce, we divided ourselves into two schools of

thought as to the methods for reaching the goal of world peace. One group we called internationalists, who insisted that we must surrender a considerable portion of our nationalistic rights of action and unite with other enlightened nations of the world for concerted action in setting up the machinery for world security. A second school of thought held that such a program as the internationalists advocated made us automatically a party to the traditional wars and embroilments of other continents. This group advocated that we should not only take advantage of our physical and geographic isolation, but should place on our statute books certain laws seeking to eliminate various factors which had seemed in the past to involve us in war. These factors were such as prohibiting the sale of munitions to belligerents, blockade running, arming of merchant ships, the forced collection of international debt, and cash-and-carry provisions for sale of war supplies. This issue between these two schools of thought was the dominant one in our presidential election of 1920, and the so-called isolationist school won an overwhelming victory.

The United States refused to ratify the League of Nations Covenant and attempted to place on the statute books legislation to establish and maintain so-called neutrality. But it soon became apparent that legislative enactment cannot produce a neutral position and avoid war involvement when nations and people are not in fact neutral in thought, in wish, and in purpose. When the Japanese and German regimes began to prepare for war, we increased our efforts to isolate ourselves from foreign conflict through these futile efforts to secure a neutral position through legislative fiat. Some of the present Members of the Senate will recall vividly these abortive legislative attempts. Our neutrality laws proved anything but neutral in operation. I shall not take the time to review these legislative battles and efforts, but shall content myself by saying that they were almost wholly ineffective, and our country, notwithstanding these efforts, became involved in that horrible contest of destruction that we know as World War II.

But there were great and able leaders in our Nation and other countries allied with us in the World War II contest who turned their thoughts toward securing and maintaining the anticipated victory by advanced thinking and action looking to cooperative world action to secure the peace when attained through the military effort. Six great steps were taken in the direction of security from war involvement which I shall now list with the comment of pride that freemen and free nations were able to take these steps of progress.

Step No. 1 was the Atlantic Charter. Our former great President, Franklin Delano Roosevelt, and the present Prime Minister of Great Britain, Sir Winston Churchill, met on a ship in the North Atlantic and spelled out in terse and unmistakable language the principles for which we and our allies were then waging war:

(a) We seek no aggrandizement, territorial or otherwise.

(b) We favor restoration of territory to nations deprived of these territories by force or aggressive action.

(c) We concede to every people, great or small, the right to determine the sort of government under which they choose to live.

(d) Freedom of speech and expression must be secured everywhere in the world.

(e) Freedom of religion everywhere in the world. Freedom from fear everywhere in the world. Freedom from want everywhere in the world.

Thus was taken the first great step for which our allied world was contending in the crystalization and enunciation of these principles.

Step No. 2, the Connally resolution. Notwithstanding the fact that there was a heavy trend of American opinion away from isolationism and toward internationalism, there was great skepticism in other nations as to America's willingness to enter a world compact or coalition for peace. It became imperative that the world be reassured and convinced that the United States would not repeat the repudiation dealt the League of Nations but would be ready to enter and support an international organization designed to save the world from war. Senator Connally, then chairman of the Senate Committee on Foreign Relations, appointed a bipartisan committee of 4 Republicans and 4 Democrats who could and would draft and support on the floor of the Senate a resolution that could be adopted with a minimum of controversy that would commit our Nation, so far as Senate action could commit it, to cooperation with the rest of the world in building an organization for peace and security. As a result of their labors, the Senate adopted the Connally resolution by a vote of 85 to 5 and the world was assured that the United States would not shirk her share and her responsibility in cooperative effort.

It is somewhat saddening to me to realize that, of the group of 8 appointed by Senator Connally, 4 Republican Members, Senator Vandenberg, Senator La Follette, Senator Austin, and Senator Wallace White are no longer members of the Senate. Of the 4 Democrats appointed, Senator Thomas of Utah, and Senator Barkley are both absent, as is Senator Connally himself. The only two Members who remain in the Senate today of that group are the Senator from Georgia [Mr. GEORGE] and the present speaker.

The third step, the Moscow declaration. Now that the United States participation was assured, there was need for further assurance that the allies, including the Soviet Union, would continue their military enterprise to a joint victory and a joint peace. The Secretary of State, the Honorable Cordell Hull, journeyed to Moscow, met with the representatives of other of our allies, and came back with the Moscow declaration which gave the dual assurance of full Soviet cooperation for victory in the military effort and the equally strong assurance of her readiness to join a world organization to secure the peace of the postwar world. But with the Moscow declaration came the insistence that prior to the writing of the peace treaties the nations should take steps toward drafting a suggested document for cooperative peace effort in order that the document could be ready for study, revision, and hoped for acceptance before the end of hostilities.

The fourth step, the drafting of a tentative United Nations Charter. With the soundness of judgment which proved so effective in the case of the Connally resolution, Secretary Hull sought the advice and consent of the Senate in the work of the preliminary drafting of the charter. Once again, Chairman Connally appointed a committee of the Senate to meet for this purpose with the Secretary of State naming the same bipartisan group which had developed the Connally resolution draft. This eight man group met many, many days during many, many weeks with Secretary Hull conferring on the tentative drafting of the United Nations Charter which was presented at the Dumbarton Oaks Conference as a preliminary to the great conference to be called for the charter ratification.

The fifth step—representatives of 51 nations met at San Francisco in the month of June 1945 and prepared the Charter of the United Nations in its present form. Twenty-nine states, including the permanent members of the Security Council, having ratified the charter, Secretary of State Byrnes on October 24, 1945, signed the protocol which formally established the new world organization. The United States Senate approved it by almost unanimous vote. The 51st ratification was deposited on December 27, 1944, only 6 months after the first signing of the charter. These are the ringing words that heralded the purpose and goal of this fifth great step:

We the people of the United Nations agree to unite our strength to maintain international peace and security and insure that armed force shall not be used save in the common interest, to maintain international peace and security and to that end to these effective collective measures for the prevention and removal of threats to peace and for the suppression of acts of aggression.

The sixth step: On the 11th of June 1948, Senator Arthur Vandenberg, of Michigan, introduced in the Senate and secured the adoption of Senate Resolution 239. I quote from this resolution:

Resolved, That the Senate reaffirm the policy of the United States to achieve international peace and security through the United Nations so that armed force shall not be used except in the common interest, and that the President be advised of the sense of the Senate that this Government by constitutional process should particularly pursue the following objectives within the United Nations charter. Progressive development of regional and other collective arrangements for handling and collective self-defense in accordance with the purposes, principles, and provisions of the Charter, that maximum efforts should be made to obtain agreements to provide the United Nations with armed forces, as provided by the Charter, and to obtain agreements among important nations upon universal regulation and reduction of armaments under adequate and dependable guarantee against violation. If necessary, after adequate effort toward strengthening the United Nations, review the Charter at an appropriate time by a general conference called under article 109 or by the General Assembly.

With this glorious record of six great steps toward the goal of world peace it is not surprising that there should be something of skepticism among our people as to whether these last 3 or 4 years constitute progress or retrogression in our attempts to banish war from the civilized world. Have we turned back, have we lost ground, are we discouraged, have we given up hope, have we reached a point where we are to all intents and purposes abandoning the grand concept of brotherhood of man and are ready to turn back the pages of human progress to the discredited concepts of past centuries that nations can be best protected from inroads and aggression by the setting up of military alliances as a means of eliminating aggression and attack?

Mr. President, from the first evidence of recorded history, the record is replete with hundreds and hundreds of attempts to form coalitions, alliances, and combinations of force designed to meet other alliances, coalitions, and groups threatening real or fancied aggression, and I make this assertion in the light of that record—there never has been in all recorded history an instance where such alliances of force were able to do more in the way of discouraging aggression than to accomplish a temporary deferment.

Therefore, Mr. President, when I review the policies which we have been following for the past 3 or 4 years, when I note the transmutation of the high purposes of efforts for world peace into mere combinations of military force, I feel not only discouragement but I feel that it is high time that we called a halt, long enough at least to revaluate, these policies and the direction in which the pursuance of these policies is taking us.

In a recent issue of the U. S. News & World Report there is a list of 27 countries in which we, the United States of America, a leader in the struggle for a peaceful world, have substantial United States military forces—and 22 countries in which we have smaller missions or advisory groups. Therefore, at this very moment, after the great advancements that we had made in association with other leading nations in the direction of world security, we find that we have today either sizable forces or smaller military missions in 49 countries of the world.

As a further evidence of this trend, let us refer to the measure now before us. The Mutual Security Act of 1951, which we are amending, declares it to be the purpose of the act to maintain the security and promote the foreign policy of the United States by authorizing military, economic, and technical assistance to friendly countries and to facilitate the effective participation of those countries in the United Nations system for collective security. And the bill before us which presumes to effectuate these purposes is providing $4,765,523,000 for military assistance and $443,634,000, or less than 10 percent, for mutual development and technical progress. Over 90 percent for purely military aid; less than 10 percent for economic assistance. Can any doubt the cause and emphasis of our endeavors? The chart appearing on page 4 of the committee report more graphically defines than words can describe the steady and rapid decline in nonmilitary assistance, and the rapid buildup of military assistance in the last 5 years, and the same report on the same page adds these significant words: "the shift from economic aid to military aid will be accelerated in the coming year." And, in addition, the bill before us extends the period for the expenditure of these funds for 2 years beyond the present expiration date of the act.

I repeat, Mr. President, is there any reason or justification for the people of the United States to feel other than great alarm at this radical change in our policies? Is it any wonder that they read into the present situation the conclusion that we are abandoning our progress and efforts in the direction of world cooperative efforts for peace and are turning our entire attention and devoting the major part of our resources to building a military machine? It is not an answer to these qualms of our people to state that the United Nations Charter has proved ineffective or to say that we have not abandoned our quest for peace but merely postponed it in order to be realistic and meet an imminent threat to our security. There is no doubt that the United Nations Charter, principally through the use of the veto power by the Soviet Union, has failed to justify the full extent of our hopes for it, but we have not made one step in the direction of correcting or attempting to correct the inadequacies of the charter, which purpose was enunciated in the Vandenberg resolution, and which was the motivating purpose of the resolution which I introduced 6 months ago urging the President to take immediate steps to call a conference of the United Nations group under article 109 of the charter for the purpose of reviewing its efficacy and the suggestion of steps to increase its value.

Is it any wonder that our people feel perturbed at the almost complete cessation of our efforts for peace and the almost complete absorption of our Nation in preparation for war?

In addition to the provision of the present act, that more than 90 percent of the funds were authorized shall be devoted to military preparation at home and abroad, the bill makes provision to extend the termination date of the spending program from June 30, 1954 to June 30, 1956, and extending the period of liquidating the program after its termination from 1 year to 3 years. The limitation on furnishing excess United States military equipment to other nations is increased by an additional $200 million. The sale of military equipment to international military organizations, or headquarters, is authorized. Authority is given for the loan of military equipment to other countries for test and study. A special fund of $100 million is authorized for developing special weapons.

In all candor, Mr. President, I ask in which direction we are going—toward war or toward peace? What are we trying to do in the world—are we trying to extend humanitarian, technical, and rehabilitation aid to friendly nations in order to help them raise their standard of living—help them develop purchasing power and markets for our surpluses—aiding them in building themselves spiritually, morally, intellectually, and commercially, or is our goal under the plausible sugar coating of these announced purposes, the building and arming of a coalition for the sole and only purpose of establishing a powerful military alliance. I readily realize that it has been and will be repeatedly asserted that this alliance of strength of arms is to be used solely for defensive purposes and not for offense. But, Mr. President, there never has been in history a military alliance built that was not founded on the pretext that its purpose was solely for defense.

Mr. President, in this talk I have discussed the first of the three reasons why I am opposing the present bill. I stated that my first reason, and most important reason, was that this measure emphasizes more clearly than any legislation heretofore passed the fact that while we continue to pay lip service to efforts to unite the nations of the world in effective coalition for peace, we have actually changed the course of our progress and the goal of our endeavors by emphasis on the development and perpetuation of a military alliance.

After taking the sixth great step as evidenced by the overwhelming approval of the Vanderberg resolution, No. 239, why was the progress toward peace so abruptly interrupted? As further proof of the change not only of emphasis but of direction in our international policy, let me list some of the recommendations of the Vandenberg resolution, and our own failure to implement them. The resolution urged immediate steps toward agreement among nations for reduction of armaments. Although the late lamented Senator McMahon and also the eminent Senator from Vermont [Mr. FLANDERS] have each led large groups of Senate sponsors in the introduction of implementing resolutions to effectuate this purpose, no word of approval or hint of action has been forthcoming from the executive department to further the passage of legislation looking to world reduction or elimination of armaments.

The Vandenberg resolution urged maximum efforts to obtain agreements to furnish the United Nations with armed force as provided by the charter. Action of this kind would implement article 47 of the United Nations Charter directing the establishment of a Military Staff Committee for the strategic direction of armed forces placed at its disposal under the terms of the article. What action has been taken to carry this recommendation of the late Senator from Michigan into effect? It is easy to allege that this could not be done because of the veto position of the Soviet Empire. But, Mr. President, what effort has been made to bring this implementation as far as it could be carried, before meeting the challenge of a veto? Is the prospect of a veto sufficient justification for the cessation of all effort to provide the United Nations with an instrument for charter purpose? This lack of action was a heavy contributing factor to

the situation which has developed in Korea where we find the United States furnishing a third of a million men and untold material resources to repel aggressive action ostensibly under the aegis of the United Nations and a situation that is almost pathetic, as well as tragic, in its lack of plausibility.

The Vandenberg resolution recommended that if adequate effort toward strengthening the United Nations proved ineffective, a review of the charter at an appropriate time be initiated under article 109 of the charter, which provides for the calling of a general conference to consider charter revision. The junior Senator from Iowa attempted to carry this recommendation into effect by submitting in this body Senate Resolution 30 on January 26, last, urging the United States to take the leadership in initiating the calling of a general conference for charter review under article 109, as urged by Senator Vandenberg and as approved by the Senate by almost a unanimous vote. But the Department of State, in answer to requests by the Senator from Wisconsin [Mr. WILEY], the chairman of the Senate Foreign Relations Committee, for its comment on my resolution, stated:

> The Department has anticipated that a proposal to call a Charter Review Council will be considered sometime during 1955.

Mr. President, it will be recalled that it is compulsory that there be consideration of review of the charter in 1955, 19 years after its adoption.

I read further from the statement by the State Department:

> The development of an official United States position toward the question of charter review will require very careful and detailed preparation within the Government, including official studies advised from Members of the Congress, and private discussions with other governments. And there should also be, in the judgment of the Department, full opportunity for the public to inform itself of the problems involved and to express its views. This suggests the wisdom of concentration in the use of the next 2 years to assure that there will have been adequate consideration of this matter on the part of the American Government and people. Consequently, the Department believes there would be no advantage in attempting to advance the date of the General Conference as provided in Senate Resolution 30.

Senate Resolution 30 is the one which was submitted by me.

Thus, Mr. President, did the Department of State postpone even a belated effort to implement the Vandenberg resolution which was adopted more than 5 years ago, on July 11, 1948.

Therefore, Mr. President, I am taking the Department of State at its word. In opposing the taking of action under article 109, by calling a preliminary conference, so as to make a provision for and to take action looking to a review of the charter of the United Nations, the State Department took the position which I have just stated, namely, that there should be opportunity for study during the next 2 years, so that at the time when, under the proper provision of the United Nations Charter, there is to be a compulsory conference regarding revision of the charter, we would be prepared to act. So, Mr. President, I have prepared a resolution, using the identical words of the State Department's report on my resolution, proposing that a commission be appointed for the purpose of doing what the State Department has said should be done.

I have prepared my resolution with specific consideration of the statement of the Department of State that the development of the United States position for charter review would require careful and detailed preparation within the Government, including official studies, advice from Members of Congress, and private discussions with other governments. To effectuate these preliminary studies, the resolution provides that the Committee on Foreign Relations or any subcommittee thereof, in conjunction with two additional Senators, to be named by the President of the Senate, be directed and empowered to make a full and complete study of proposals to amend, revise, or otherwise modify or change existing international peace and security organizations for the purpose of guiding the Senate and assisting the executive department in crystalizing the policies of the United States when a general conference of the United Nations for a review of the charter is called in 1955, in accordance with the obligatory provisions of article 109 of the United Nations Charter.

Mr. President, I now ask unanimous consent, out of order, to submit the resolution for appropriate reference.

The PRESIDING OFFICER. Is there objection?

There being no objection, the resolution (S. Res. 126) calling for a study of proposals for a modification of existing international peace and security organizations, was received and referred to the Committee on Foreign Relations, as follows:

> Whereas revision of the present Charter of the United Nations is necessary if the purpose for which the United Nations was established, to maintain international peace and security, is to be achieved; and
>
> Whereas article 109 of the charter provides that a general conference to review the charter "may be held at a date and place to be fixed by a two-thirds vote of any seven members of the Security Council," and further that "if such a conference has not been held before the 10th annual session of the General Assembly, the proposal to call one shall be placed on the agenda of that session of the General Assembly, and the conference shall be held if so decided by a majority vote of the members of the General Assembly and by a vote of any seven members of the Security Council"; and
>
> Whereas the Department of State has anticipated that a proposal to call a charter review conference will be considered at the 10th regular session of the General Assembly, that is, during 1955; and
>
> Whereas the Department of State has stated that the development of an official United States position toward the question of charter review, and toward the many individual issues involved, will require careful and detailed preparation within the Government, including official studies, advice from Members of Congress, and private discussions with other governments, as well as full opportunity for the public to inform itself regarding the problems involved, and to express its views; and
>
> Whereas the establishment and development of regional security arrangements and agencies in accordance with article 53 of the charter have raised questions as to the relationship of such regional security organizations with the United Nations: Now, therefore, be it
>
> *Resolved*, That the Committee on Foreign Relations, or any subcommittee thereof duly designated by the chairman of such committee, in conjunction with two other Senators, not members of the Committee on Foreign Relations and not of the same political party, designated by the President of the Senate, is hereby empowered and directed to make a full and complete study of proposals to amend, revise, or otherwise modify or change existing international peace and security organizations, for the purpose of guiding the Senate in the fulfillment of its responsibility, under the second paragraph of section 2 of article II of the Constitution, to advise the President with respect to the foreign policy of the United States, and particularly with reference to the policy of the United States at the general conference of the United Nations for review of the charter to be held in accordance with article 109 of chapter XVIII of the charter.
>
> SEC. 2. The committee shall report to the Senate prior to January 31, 1955, the results of its study and investigation, together with such recommendations as it may find desirable.
>
> SEC. 3. For the purpose of this resolution, the committee is authorized to employ on a temporary basis such technical, clerical, or other assistants, experts, and consultants as it deems desirable. The necessary expenses of the committee under this resolution, which shall not exceed $50,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee or subcommittee, as the case may be.

Mr. GILLETTE. Thus, Mr. President, did the State Department postpone even the making of a belated effort to implement the Vandenberg resolution, which was adopted more than 5 years ago, namely, on July 11, 1948.

Another recommendation of the Vandenberg resolution calls for voluntary agreements to remove the veto power from all questions involving pacific settlements of international disputes and situations, and from the admission of new members. Not one effort, so far as the present speaker is advised, has been taken in the direction of implementing this recommendation.

I well realize that it is constantly urged that the recommended actions cannot be carried into effect because of the use or abuse of the veto power by the Soviet Union. But I repeat, Mr. President, that there is no shred of fairness in blaming inaction on an anticipated veto of proposals unless and until such proposals are made. It is certainly not fair to accuse another party of repudiating a proposal that has never been made, and to excuse lack of diligence in presenting a proposal on an anticipated refusal of acceptance.

It is true that we have not abandoned support of the United Nations, and it is true that the General Assembly has made notable progress in strengthening the efficacy of the United Nations within its limited advisory powers. But I feel that when a document marks the high point of progress for civilized nations towards a collaborative effort for world security, it is tragic to note the lack of effort, the lack of diligence, the lack of direction, and the lack of purpose to increase its value and assure its efficacy.

This lack of responsible effort in the direction of strengthening the United

Nations Charter is also in large part the result of our vacillating and uncertain exercise of responsible leadership in international affairs. I believe there are a few who will not agree that while not seeking a dominant position in world affairs, the United States after World War II was forced into a position of leadership, unique in the world's history. It is hard for those who have not come into close contact with the people of nations abroad, particularly in the non-Soviet areas of Europe and Africa, to realize the depth of confidence and loyalty to United States leadership in a free world, that was so effective in buoying up the hopes of people of these nations, and which developed in the years immediately following World War II. It is more difficult, Mr. President, for those who have not contacted these people to realize how that confidence in our leadership has suffered during the past 2 or 3 years. During this period, Mr. President, I have traveled in 18 nations of the so-called free world in Europe and Asia, and I assert with real sadness that the United States has lost a measurable percentage of the confidence of the peoples of these areas. Of course, they still respect our military strength and acknowledge our industrial and commercial dominance; but, without exception, the people in these various nations lamented the fact that it seemed to them that America had not only lost her dominant position of leadership, but had no plan or purpose of regaining the confidence and beliefs of these people in our Nation's altruism, sincerity, or even integrity. They say we helped win the war. They say we helped write the peace. They say we helped tremendously in relief efforts and reconstruction aid. But in nation after nation responsible leaders would ask me why the United States did not assert her leadership, instead of time and again supinely allowing the leadership to be taken away, not only by the Soviet Union and its satellites, but by some of the nations within our free world in whom they had less confidence.

It gives me pleasure at this point to quote from a report of Secretary of State Dulles when he returned a short time ago from a visit to the Near East and South Asia. The Secretary stated, in part:

> The people of the Near East and South Asia are suspicious of the colonial powers; and we of the United States, too, are suspect, because they reason our NATO alliance with France and Britain requires us to try to preserve or restore the old colonial interests of our allies.
>
> I'm convinced that United States policy has become unnecessarily ambiguous in this matter. The leaders of the countries I visited fully recognize it would be a disaster if there were any break between the United States and Great Britain and France. They don't want this to happen. However, without breaking out from the framework of western unity, we can pursue our traditional dedication to political liberty. And the reality is that the Western Powers will gain, rather than lose, from an orderly development of self-government.
>
> I emphasize, however, the word "orderly." Let none forget that the Kremlin uses extreme nationalism to bait the trap by which it hopes to capture the dependent peoples.

I am happy to note that the Secretary of State reached the same conclusions that I was forced to reach after visiting these explosive areas.

I recognize, Mr. President, that in the present condition of the world, and with the need for military strength, there must be support for the establishment and maintenance of armaments. But it is my earnest belief that it is impossible to build or conserve a free world based on force alone. It is impossible with all the resources of our Nation and our friends to continue devoting our efforts, our resources, and our manpower solely to building up and projecting into an unlimited future a so-called defense of a perimeter of action within which an adversary can, by merely threatening in areas thousands of miles apart, compel us to deploy these resources in manpower and material all over the world, and if we allow those making the threats to call the time and designate the areas. There are things, Mr. President, that are more potent than artillery, more valuable than tank battalions, and more persuasive than aircraft. I refer to the innate belief held by men everywhere in the world that right will eventually triumph over might. I realize, of course, that the statement I have just made will be asserted by some to be idealistic and visionary. But I believe, Mr. President, that I have lived long enough to know that these beliefs in ideals and the triumph of right are by far the strongest forces in the civilized world today.

Mr. FLANDERS. Mr. President, will the Senator from Iowa yield to me?

Mr. GILLETTE. I am glad to yield.

Mr. FLANDERS. A moment ago, during the course of the excellent address being delivered by the Senator from Iowa, he referred to the distrust of the United States which arises from our alliance with certain colonial powers; and the Senator from Iowa expressed the thought that we could free ourselves from the suspicion of supporting colonialism, without having to break with those powers.

I may suggest that there is a golden opportunity in Indochina at this moment, an opportunity which, if we continue to bungle as we have been bungling, will be lost. The King of Cambodia took a little excursion into Thailand to express the desire of himself, his country, and his people for independence. The Kingdom of Laos was invaded, apparently as a demonstration, after which the invaders returned to Vietnam. In the judgment of the Senator from Iowa, would it not be a good thing for us to suggest now to the French that, if we are to assist them further in Indochina, it must be in the implementation of their often expressed intention to give independence to that region when the present troubles are over?

France need not wait. Cambodia wants independence now. Why should not France negotiate independence with Cambodia now? Why should not France negotiate independence with Laos now? If that were done, the people of Vietnam might have some confidence in the policies of the French, which they cannot under any circumstances have at the present time. Why should we not suggest to the French Government, in the interests of the French Government, that it give assurance to the promises of independence for Cambodia and Laos, and thereby undermine the strength of the opposition which the French are meeting in Vietnam at the present time?

It would seem to be an opportunity for leadership which would be to the advantage of the people of Indochina and also to the advantage of the hard-pressed French Government, and which at the same time would relieve us of some of the tremendous undertakings into which we may be drawn willy-nilly by our unwillingness to use imagination and courage in this particular situation.

Mr. GILLETTE. Mr. President, I sincerely thank the Senator from Vermont, because he has shown by his very clear statement what I, in my poor way, have been trying to make plain, namely, that we have lost the confidence of these people. Last December I visited Pakistan, India, South Arabia, Iraq, Iran, Lebanon, Syria, Egypt, and Transjordan; and the leaders in every one of those countries in that explosive area called my attention to the line of thought to which the eminent Senator from Vermont has just referred. They recognize that we are leaders, but they insist that we are not assuming our responsibility and the position our power in the world today assures to us. I know that the greatest military forces that could be assembled would be useless in inspiring confidence in us, by people of other nations who have reached a conclusion that we are a nation of warmongers, and that under the white cloak of asserted devotion to world equity and peace we hide a black purpose of imperialistic designs against other people. In every nation of the Middle East that I visited last December, excepting one, it was repeatedly asserted to me by responsible leaders that we were allowing ourselves to be used as instruments to underwrite the decadent imperialisms that had for so long dominated the huge colonial areas of Asia and Africa.

This attitude was stated clearly and tersely to me by one of the ablest leaders of Egypt. He said—and I take pleasure in presenting this as the most cogent statement that could be made of their viewpoint:

> Your Nation's leadership is deteriorating because you have either wittingly or unwittingly allowed yourselves to be used by former colonial powers to protect the remnants of their colonialism. If you are doing this unwittingly, you are dupes and unworthy of leadership. If you are doing it wittingly, you are even more unworthy of leadership because of this departure from your high-sounding assertions of advocacy of peace, democracy, and self-expression for peace everywhere.

That statement was made to me by one of the outstanding leaders of Egypt.

Why have we lost the leadership that is based on confidence in us and the sincerity of our purposes and goals? Repeatedly our diplomats have warned us that we have lost initiative in Europe and elsewhere. Why have we failed so abjectly in recent months by surrendering leadership in world-peace efforts,

not only to friendly nations, but to the Soviet Union itself? Have we demanded and insisted on steps to insure free elections in the satellite states? Have we demanded and insisted that a peace be consummated with Austria? With the United Germany? Oh, I know that we have not relinquished our support of these things, but what have we actually done in the way of strong directive leadership? We have even allowed Russia to appear before the people of many free nations today as a claimed exponent and leader for world peace. It does not reassure us to state that their efforts and purposes are phony. The way to meet a phony leadership is to provide an honest one.

It is particularly pertinent to the subject matter I have been discussing that the Washington Star of last Friday night carried an article by Dorothy Thompson, from which I quote the following:

> International unity over the uses of armed force in pursuance of abstract ideals is impossible. This concept cannot promote peace. It can only assure perpetual wars in the name of peace, dispersed all over the globe to fight Communist, anti-Communists, and Nationalists, and protect state of dubious viability. The United States becomes not the world's leading power but the world's leading slave—slave to an impossible millennial idea of "peace by superior force," without the superior force of a world reign of law in a world which has no common standards of law.

When I started to discuss this bill today, I stated that my objections to the bill could be grouped under three heads. I have been discussing but one of these heads up to the present time, because it embodies my principal objection. I shall revert to this first heading after I have briefly discussed the two other headings.

Under this second heading, I stated that the policies that we have been following in the huge expenditures of money for military aid abroad and military purposes at home constituted such a tremendous threat to our economic stability that it might well destroy the potency of our leadership. How futile it would be to repeatedly insist that the need of arming the free world for defense must, of necessity, be under the leadership of the United States—when the sapping and undermining of our economic stability would not only seriously impair the worth of that leadership but render necessary aid impossible. How tragic it would be if the future should bring us into full involvement in world war III, if we found our strength in men and material so debilitated that we could not carry the burden imposed on us by such a conflict. There is considerable evidence in our intelligence reports and items of news, that reach us from behind the Iron Curtain, that Russian leadership has given serious consideration to the possibility that it would not be necessary for them to launch a world conflict if they could bleed the United States white by draining her manpower and her industrial strength through threats directed at various point along the perimeter outlined by our so-called containment policy.

Within the past few days, Members of Congress completely alert to this threat, including such outstanding Members as the majority leader [Mr. TAFT], the experienced senior Senator from Georgia [Mr. GEORGE], the astute Senator from South Carolina [Mr. MAYBANK], and the great House Member from the State of New York [Mr. TABER], have all alluded with dismay to the fact that we are threatened with a burden of debt and demands on our financial position that approximates one-third of a trillion dollars—a certainly unbalanced budget near $9 billion for the present fiscal year, an almost certain increase of this deficit in the coming fiscal year, and the equal probability that we shall have to increase the debt limits far beyond the limit that we have heretofore set and which has heretofore seemed capable of meeting every contingency.

In the third heading of my objections to the present measure, I list the great concern over the rapidly expanding tendency of the Congress to divest itself of its responsibility over the property of the United States and appropriations from the United States Treasury that has been constitutionally placed in the legislative branch.

From the first beginnings of representative government and democratic institutions, every nation has consistently, sedulously and assiduously fought to keep the control of expenditures within the authority and control of the legislative branches nearest and closest to the people and where the people could demand an accounting with the clearest and quickest results.

Let me quote again from these well known provisions of our own Constitution:

Section 3 of article IV of the Federal Constitution states:

> The Congress shall have the power to dispose of and make all rules and regulations respecting the territory or other property of the United States.

Section 9 of article I of the Constitution states:

> No money shall be drawn from the Treasury but in consequence of appropriations made by law and a regular statement and account of receipts and expenditures of all public money shall be published from time to time.

Section 7 of article I states:

> All bills for raising revenue shall originate in the House of Representatives.

Section 7 of article I adds this safeguard:

> Power to raise and support armies but no appropriation of money to that use shall be for a longer term than 2 years.

All of these provisions, as well as the whole tenor and purpose of our National Constitution, is designed to hold the legislative branch immediately responsible to the Nation for the disbursement of the Nation's resources. How ridiculous it would be if we should pass appropriation bills approving lump sums of money to executive agencies and attempt to delegate to them the power to spend these funds as they judge fitting and proper. Yet, Mr. President, the bill before us clothes the executive department with authority to spend hundreds of millions of dollars in such areas as they see fit, in such amounts as they see fit, in such manner as they see fit, by making transfers of funds from one purpose to another, from one nation to another, and from one area to another.

Even today, Mr. President, the eminent chairman of the Committee [Mr. WILEY] whom I hold in great affection, offered an amendment to increase from 10 percent to 25 percent the funds which may be transferred from one appropriation to another. Under the provisions of the proposed amendment, one-fourth of the $5,300,000,000 could be placed in the hands of the President of the United States for such use as he might see fit to make of it, of course, within the broad outline laid down in the bill. The eminent Senator from Wisconsin invited attention to the fact that there had been a careful analysis of the proposed expenditures, that military experts had studied the needs and sifted them very carefully and made a report to the Budget Bureau and to the former President, and they found it was necessary to provide $7,500,000,000. They said that amount was absolutely necessary; that it was the rock-bottom figure.

The present administration examined it, in the light of advice from its military experts, and found that $7,500,000,000, is not required but only $5,300,000,000. The experts now say, "Do not cut it beyond that point, because we have every dollar of fat cut out of it. The amount cannot be cut below that point without seriously jeopardizing the security of the Nation." After the Foreign Relations Committee had given it some weeks of consideration, the administration sent up a supplemental report that we could cut several million dollars more out of it.

How can anyone come before us and say that a certain amount is the bottom figure?

I am fully aware, Mr. President, of the argument that is made that conditions threatening certain areas of the free world change with kaleidoscopic rapidity and funds that appear to be needed in one area today may be needed to a far greater degree in another area, and that a certain elasticity and resiliency is essential in the use of these funds so that the executive department may meet the changes of need, and, therefore, there is a proposal to change the basis of 10 percent to 25 percent, in the discretion of the President.

That means that $1,300,000,000 under the present bill, can be transferred without the authority of the Congress. What kind of a way of legislating is that? Why not give the President 100 percent authority, if that is the only matter which is to be considered? Why not give him authority to spend the entire $5,300,000,000 as his judment may dictate?

I have the highest respect for the President of the United States, both as a civilian servant and as an expert military man, but I am not willing to give such authority to any man under God's heaven, and thereby avoid the responsibility which the United States Constitution places on the Congress of the United States, not on the executive branch.

Mr. MALONE. Mr. President, will the Senator from Iowa yield?

Mr. GILLETTE. I shall be very glad to yield.

Mr. MALONE. I should like to ask the distinguished Senator from Iowa a question. To compliment the President of the United States has become a rare occurence on this floor. If the Senate does not vote for this bill, the President cannot spend the money, can he?

Mr. GILLETTE. No, of course, he cannot.

I would also advert to the argument made by the very able Senator from New Jersey [Mr. SMITH] that this is not an appropriation bill, but is an authorization bill. Of course, that is correct, but for every dollar paid of the Treasury, the fact remains that the responsibility for paying it is ours.

Mr. MALONE. Mr. President, will the Senator from Iowa yield further?

Mr. GILLETTE. I yield.

Mr. MALONE. I should like to ask the distinguished Senator a question. It has been talked around the corridors for a week or two that the Senate has no responsibility, that the Appropriations Committee could stop appropriations. Can the Senator tell me the percentage of appropriations over the years which have been stopped in that way after expenditures have been authorized by Congress?

Mr. GILLETTE. I cannot answer the question as to proportions, but I have been a Member of the Congress for many years. There has not been a month in which I have served that I have not heard in connection with the consideration of an authorization bill the statement, "This is merely an authorization bill. It will be gone over very carefully. Do not worry about it. The Appropriations Committee will go over it with a fine-tooth comb."

Then the Appropriations Committee says, "A legislative committee held extensive hearings on the matter; they have gone over it very carefully. All we have to do is to make the money available. We do not go into the basic questions."

I have heard that over and over again.

Mr. MALONE. Mr. President, will the Senator yield further?

Mr. GILLETTE. I yield.

Mr. MALONE. Is it not customary procedure to say, "It is merely an authorization," and then to go to the Committee on Appropriations and say, "The entire Congress has authorized the appropriation. How can the committee sit here and not allow us to have it?" Is not that correct?

Mr. GILLETTE. The committee is told, "Your duty is purely functional."

At this point, Mr. President, I am going to refer to another matter which seems pertinent to mention in connection with the bill before the Senate.

Section 304 of the bill provides that the "President may make available, on such terms and conditions including transfer of funds, as he may specify not to exceed $400 million for the procurement of equipment, material, and services as defined in section 411 of the Mutual Defense Assistance Act of 1949, which are required by and are made available to, or are necessary for, the support of the forces of France, and the Associated States of Cambodia, Laos, and Vietnam, located in such Associated States."

It will be noted, Mr. President, that this sum of $400 million authorized for this area, which we know as Indochina, can be augmented through transfer of additional funds from other allocations and areas if the President so wills. In the course of the hearings on this bill, I asked the Honorable Secretary of State, Mr. Dulles, under what theory the State Department proposed to give this assistance in the Indochina area. Was it the conception of the Department that we should interfere in a civil war in Indochina by taking sides with one of the contending forces? Or was it the thought of the State Department that we should participate in aiding France to perpetuate some remnant of her colonial empire in that area through aid in putting down some nationalistic uprising—or was it their conception that the threat of Communist aggression in this area called for our support in preventing Communist dominance of a vital area through aggressive action?

I asked Secretary Dulles on which of those theories was based the request for $400 million. I further asked the Secretary of State to state why, if his reply was that we were proceeding under the third theory that it was essential to the free world, peace, and security that this area should be defended against Communist aggression, we did not proceed as we did in Korea, under the aegis and authority of the United Nations, why we were taking unilateral action in this area independently of the United Nations authority.

I repeat those questions today, Mr. President, and I know that a large segment of the people of the United States would like a specific answer to those queries. No one realizes any more than I do the threat to a free world that would follow successful aggression in Indochina. But, Mr. President, I can see great disaster if aggression should be successful in Formosa, in Japan, in the Philippines, in Burma, in India, in Iran, in Saudi Arabia, in Yugoslavia, in Eastern Germany, or in Western Europe, in Turkey, or in a score of other areas. This is another instance of going it alone, which is as inconsistent with our pledged support of cooperative action under our United Nations responsibilities as would be a complete repudiation of our U. N. responsibilities.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. LONG. We hear of more and more commitments every time we turn around, and one thing that troubles me about them is that there is never any commitment on the part of anyone to come to our aid if we should be attacked. I have made the point on the floor of the Senate that no European nation is committed to help us in the event we have to go to war to keep the Communists from taking the whole Pacific; they are committed to go to war only in the event an attack occurs in the North Atlantic area.

Mr. GILLETTE. The Senator is absolutely correct.

Mr. LONG. On the other hand, we are committed to go to war in the event the Communists decide to attack in the Western Hemisphere, in South America. But South America is not committed to help the United States if an attack should occur in this part of the Western Hemisphere. We have 1 or 2 small allies on whom perhaps we could rely to help us in the event an attack occurred in certain areas of the Pacific, but only in certain areas.

It seems to me that if the United States undertakes to spend hundreds of millions of dollars for additional commitments, a study should be made of a program of consolidated approach, whereby in return for our help to nations throughout the world, they will help share our burden in the event we must undertake to assist in repelling aggression at various other places in the world. Why should the United States have to go everywhere to repel aggression and not have any help? It would seem to me that other nations should be willing to help share the burden.

Mr. GILLETTE. I thank the Senator from Louisiana for his clear presentation of that viewpoint.

I was chagrined and seriously concerned over the attitude expressed toward the United States throughout those very vital areas. I know, as everyone else knows, the danger that would threaten if an attack should be launched through Indochina. I know, because I was there, of the danger that would be inherent in an attack by Russia if she saw fit to attack Iran and take over the oil fields. I know the danger in connection with other areas.

I know that we cannot stop an attack in Western Europe for any length of time. Any military man knows that. I am not a military man; I am speaking with knowledge of their studies. Yet in the face of that knowledge, we find ourselves, as proposed by this bill, taking unilateral action. Whatever plausibility there was in our action in Korea, we took it under the aegis of the United Nations, and we are proceeding under it today, plausibly or without plausibility. But the proposed action in Indochina is without any shadow of concerted action to which we are committed under the United Nations. Yet we propose to take independent action and, again, place authority in the hands of the President. Even if the President were the ablest man in the world, or the man of the highest character the world has ever produced, I would not be willing to vote, and I shall not vote, to place huge sums of money in the hands of the executive department, when I have sworn on my oath as a United States Senator to perform constitutional responsibilities that have been placed upon Congress including the body of which I happen to be a Member.

Mr. MALONE and Mr. CASE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Iowa yield; and if so, to whom?

Mr. GILLETTE. I yield first to the Senator from Nevada, who was first on his feet.

Mr. MALONE. The distinguished Senator from Iowa has said, and I believe it to be true, that our Army in

Western Europe would be just as helpless as a baby in case of a real attack. Does the Senator believe we are fooling the Russians into believing that perhaps we could stand up under an attack? Whom are we fooling?

Mr. GILLETTE. Everyone knows that Russian intelligence is equally as efficient as our own, perhaps more so. They know what they can do. They know what the military situation is. What concerns me is a policy we have laid down, saying, "You can go no farther than that. You must stay within that perimeter. We are not going to permit a policy of containment."

Then they can stay in the middle, and simply by expressing a threat, which they do not have to carry out, they can compel us to dissipate and deploy our resources, our men, and our material in Formosa, Korea, Indochina, Burma, Iran, Iraq, Western Europe, and everywhere else throughout the world.

Is it not time that we took the initiative. Is it not time that we did not allow the potential enemy, as we conceive them and know them to be, to call the tune?

Mr. MALONE. In my opinion, it is long past the time, and the United States Senate has it within its power to direct the operations.

Mr. CASE. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from South Dakota.

Mr. CASE. The Senator from Iowa certainly has put his finger on a matter which has distressed a great many of us for a long time. When we announced a policy of containment, we gave to the Communists control over time and place. Just so long as that condition remains, it makes it possible for them, if they so desire, to run us ragged all around the perimeter.

I understood the Senator to say that this venture into Laos, Vietnam, and Cambodia is the result of a unilateral determination of current origin. As a matter of fact, I recall that it was in the summer of 1950 that President Truman sent the proclamation to the people of Laos, Vietnam, and Cambodia, and assured them of this support. He told them then that they should resist the Communists, and that we would be at their side. He made this pledge in 1950, 3 years ago this summer.

So far as I know, that continued to be the administration policy. I think it was a decision on the part of Mr. Truman, possibly associated with Mr. Acheson, in about the same way as the decision was made to send troops into Korea, and then ask the United Nations to confirm it.

Mr. GILLETTE. I thank the Senator. Let me add to what the Senator has just said that it does not make a scintilla of difference to me whether a policy which I consider wrong had its genesis in a Democratic administration or a Republican administration. If it is committing the United States beyond the authority of the agent, be it legislative or executive, I repudiate it. I refuse to be committed.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. DIRKSEN. I tried to make the point earlier this afternoon in my remarks that with respect to Indochina I see no hope unless it rests in our addressing ourselves to the conviction of the people. To show how that works, a defensive war, without a battle line, is proceeding in the Red River Delta up in Hanoi and Haiphong, which is not too far from the north China border.

Mr. GILLETTE. I heard the Senator's remarks.

Mr. DIRKSEN. We have this amazing spectacle: In the morning the French troops are sent out and spaced every 100 meters along the roadway. At night they are gathered up and brought into the compound. By day they are in charge. At night the guerrillas, meaning the Vietminh forces, are in charge. If that is not defensive warfare in Indochina, I never saw defensive warfare. When our people cannot leave the air base without getting their throats cut along the highway, and when one eats his dinner at the embassy with floodlights on the Ambassador's home, with armed guards around, if that is not defensive warfare, I never saw it.

The difficulty is that the two forces are evenly matched. I refer to the Red forces under Ho Chi-minh, on the one hand, and the Vietnam forces joined with the French Union forces, on the other hand. They are about equal in strength. There is one great segment in the middle. There is an affectionate term for them. They are called the "fence sitters." They are waiting to see which way to go. They will not make a move until there is some assurance that there is a target, that there is a hope somewhere in the future. That hope has not been expressed, after 87 years of colonial exploitation by the French in Indochina.

This condition of warfare has persisted for 7 years. How many more years will it go on, and what will the end result be? We may be very considerably embarrassed in Indochina before it is over. Suppose the forces under Ho Chi-minh should simply go underground for a little while, and everyone should come to the conclusion that the war was over? I have asked military men the question, what would constitute a victory in Indochina? We cannot even get a definition of a victory, because no one seems to know at the moment. If that is the case, how long will the warfare go on? It will go on as long as the forces opposing the French can despoil the countryside, get what rice, meat, and fish are available, and then be fed from south China by way of Siam and elsewhere. This could be an interminable thing. But does it not finally take us to a potential which is not unlike Korea? Will the situation not ultimately call for invasion by American troops? That will be disaster; that will be tragedy.

Mr. GILLETTE. I thank the Senator. I listened very intently to his remarks, and obtained real enlightenment from his discussion this afternoon with respect to this particular area.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. McCLELLAN. Are we not presently paying for the war in Indochina? Are we not contributing to the French the equivalent of what the war is costing them?

Mr. GILLETTE. I think in large part that is true.

Mr. McCLELLAN. Actually, we are financing the war.

Mr. GILLETTE. I think that is true.

Mr. McCLELLAN. Is not a large part of that expense included in the bill we are now considering?

Mr. GILLETTE. No.

Mr. McCLELLAN. Is no part of it included?

Mr. GILLETTE. The contributions we have been making are under the provisions of laws which have heretofore been enacted. This is an additional fund.

Mr. McCLELLAN. This is in addition?

Mr. GILLETTE. It is a fund in addition to what we have been contributing.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield to the Senator from Louisiana.

Mr. LONG. The Senator is familiar with the point that a great many authorities who have made some study of the situation in Indochina feel that if the French were to make a definite promise to the people of that area of independence at a certain date many of the problems with which the French are confronted there would be solved. The people would take heart in fighting for their own independence.

Mr. GILLETTE. I am quite confident that such action would contribute mightily toward that end. It is in line with the feeling which I mentioned a while ago, and which I find to be universal in former colonial areas, namely, that we are underwriting the remnants of imperialism, and that under the guise of supporting the free world and defending against communism we are making ourselves a party to it. We are urged to assume leadership. We are told, "You are leaders. Anounce your leadership. Insist, from your position, that Great Britain, France, Holland, and other former colonial imperialistic powers follow your leadership. You can do it if you take a firm position in the chancelleries, instead of sitting back and waiting for someone else to take the initiative."

Mr. LONG. Mr. President, will the Senator further yield?

Mr. GILLETTE. I yield.

Mr. LONG. Did the Senator hear the statement made by the Senator from Massachusetts [Mr. KENNEDY] today? He has given some study to this question. His statement was to the effect that the French concessions in Indochina up to now have been made to the people of that area only when the French Government seemed to be under pressure or having great difficulty in the area.

Mr. GILLETTE. I heard that statement, and I was very much interested in it.

Mr. LONG. If this Nation undertakes the definite burden of carrying on the struggle in Indochina, inasmuch as those who have been doing most of the fighting are largely mercenaries and volunteers from other countries besides France, is it not apparent that it will

be more difficult to get the French to make concessions to the people of that area which would make it possible to gain the wholehearted cooperation of those people?

Mr. GILLETTE. I think the Senator is correct.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. GILLETTE. I yield.

Mr. LONG. I should like to ask the Senator one further question. Is not the experience this nation is having with France somewhat similar to the experience we are having in Europe? If the Germans were armed they would be a very formidable fighting power. There is only a very weak Communist movement in that area. West Germany could be relied upon to be one of the strongest anti-Communist areas of all Europe. Yet we find that the French do not wish to cooperate with us in any plan to help arm the Germans so as to make it more difficult for Russian aggression to succeed.

Mr. GILLETTE. I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. COOPER. I have enjoyed the Senator's speech this afternoon. But, in connection with the particular point we are now discussing—that is, freedom in Indochina—it seems to me that no alternative is offered by those who oppose giving aid to Indochina. To the contrary, failure might confirm the very thing against which they protest. We agree that the French ought to assure the States of Cambodia, Laos, and Vietnam that at some definite date they will obtain full independence. But is it not true that if our aid is withheld until such obligation is given we may be preventing the very thing which we say we want to happen? The Communist guerrillas may then win those states, and the people about whom we are concerned will never have the opportunity to obtain their independence. That happened in China. A great protest was heard about our course of action in China—our failure to advance sufficient aid—the withholding of aid. Now, when we are faced with a similar eventuality in Indochina, does not the Senator believe that the withholding of aid may contribute to a Communist success which will forever, or at least for a long time, deny the people their opportunity for independence?

Mr. GILLETTE. Mr. President, I thank the Senator from Kentucky. I admit there is a possibility of eventualities of that kind taking place, but we are faced, in the opinion of the Senator from Iowa, with the problem of choosing between possibilities and certainties. Just as surely as there is a God in Heaven and as surely as the sun will rise in the East, by the course which we are pursuing in trying to defend ourselves against threats everywhere along the perimeter, and dissipating our forces, we are weakening ourselves, not only financially but spiritually and politically, and we are destroying the leadership which has been placed in us by the free world.

As I see it, that is a certainty. I know the risks and I know the difficulties. I can recognize that situation. However, I know the certainty, as I see it, of disaster if we proceed along the road along which we are proceeding.

Mr. COOPER. Mr. President, will the Senator yield for one more question?

Mr. GILLETTE. I yield.

Mr. COOPER. I should like to ask the distinguished Senator one more question. At a time when every effort is being made to secure a conclusion of the war in Korea, does the Senator from Iowa believe it would be helpful to our efforts for a truce, to withdraw our aid to Indochina, and thereby take that much pressure off the Chinese Communists?

Mr. GILLETTE. I cannot answer that question, because it would be conjectural to do so. I do not have the enthusiastic faith in the results of the truce negotiations under way in Korea that other people have.

Mr. LONG. Mr. President, will the Senator yield?

Mr. GILLETTE. I have promised to yield to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, Patrick Henry said Caesar had his Brutus, Charles I his Cromwell, and George III did not profit by their example? In other words, if we put reverse English on that statement, is it not true that the French in Indochina could profit by our example in the Philippines?

Mr. GILLETTE. Yes; they certainly could profit by our example in the Philippines. The tenacity with which the former colonial powers cling to the pathetic and pitiful remnants of their former dominions is very disturbing to me.

Mr. GRISWOLD. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. GRISWOLD. The Senator from Iowa has discussed his responsibility in voting for appropriation bills which define the areas in which the money appropriated is to be spent, and his feeling is that too much discretion should not be given to the President in spending the money appropriated.

I should like to ask the distinguished Senator from Iowa if he does not feel that it is necessary in many ways, when money is appropriated by Congress, to give great discretionary power to the President? For instance, the Senator from Iowa has had some experience as a soldier. No bill can be passed by Congress which says that X number of dollars are to be spent by Company I of the 4th Infantry, or X number of dollars shall be spent by a certain battalion of field artillery.

In other words, a commanding officer must have authority, in either a defensive or an offensive situation, to spend a certain amount of money for airplanes, gasoline, artillery, infantry, or for the training of infantrymen and artillerymen, and perhaps for developing a line of supply. That is certainly necessary in fighting a war, as the Senator from Iowa must realize.

The question I should like to ask is whether he does not feel if we are fighting a cold war, and if we are trying to get away from the so-called perimeter which he has described and to assume the offensive, that the commander in chief, the man who is responsible for making the basic decisions in foreign policy, should have the right, when a condition develops in Berlin, for example, to be able to spend X number of dollars in Berlin; or, if the situation in China should change, it may be necessary for him to move into China and forget about Western Europe?

In other words, is it possible for Congress to earmark these funds and tell the person who is making the decisions exactly where the money should be spent?

Mr. GILLETTE. No: I cannot agree with the Senator. I agree that we can not follow the dollars down to one point or another. The power of the President, as the commander in chief of our Armed Forces, is a power which the Constitution places in him; but the control of the purse strings is a power which the Constitution places in the hands of Congress. I realize that we should not pass an appropriation bill for the Department of Agriculture, for example, in which we say to the Secretary of Agriculture, "You can put a stenographer there at $2,500 a year, and you can put another stenographer here at $3,500 a year. You can use so much of these funds for this purpose and so much money for that purpose."

By the same token neither do we, or should we, appropriate $2 billion or whatever the sum may be, and say to the Secretary of Agriculture, "Here is $2 billion; go ahead and use the money. We will leave it all elastic. Use it as you see fit."

We would be derelict in our duty if we attempted to appropriate in that way. That is what I am objecting to. It is not because of any lack of confidence in the Secretary of Agriculture or in any other Secretary, or even in the President of the United States. It is an abdication of the duty and responsibility which I as a Senator feel is mine under the Constitution. I believe there is a strong line, and a well-defined line, that can be drawn between going into details in the spending of every dollar and, I will say to the Senator, in giving a blank check to any executive department and saying to the department, "Here is the money."

What about the constitutional responsibility for periodic reports? The pending bill provides for turning $400 million or $300 million, as the case may be, as proposed by the chairman of the committee, the Senator from Wisconsin [Mr. WILEY], over to the President and saying to him, "Because conditions may change, you may use it as you see fit, and you are to report to the Foreign Relations Committee and the Foreign Affairs Committee of Congress on what you have done with the money."

What good does that do? The money will have been spent. We gave him the authority to spend it. He can tell us about it after the money has been spent, but that does not replace the money. It does not discharge our responsibility to the people with regard to the money we are appropriating. I may take money out of my pocket, and I would gladly do so—although there is not much money there—and give it to the President and say to him, "President Eisenhower, you can use my money." But I am not going

to take the money belonging to my constituents in the State of Iowa and say that to the President. I would deny my responsibility and I would abdicate my responsibility by turning over a blank check to the President, or to any other officer of the executive department, be he high, low, wide, tall, or short.

Mr. GRISWOLD. Mr. President, will the Senator yield further?

Mr. GILLETTE. I yield.

Mr. GRISWOLD. Does the Senator feel he can look ahead and determine where the main effort might need to be made 3 months from now or 6 months from now, whether it should be in Spain or in Turkey or in Greece or in Yugoslavia or in Pakistan or in India or in Indochina?

Does the Senator feel he can look ahead and decide in an appropriation bill where the money ought to be spent? Does he feel there is any great difference in principle involved in our deciding how many dollars are to be spent in Indochina or in Spain, and saying we should give some discretionary power to the Chief Executive, who is responsible for our foreign relations, and let him decide at the time of the emergency where the money should be spent?

Mr. GILLETTE. Following the line of the eminent Senator's reasoning, all we would have to do in a measure of this kind would be to appropriate a lump sum of money and say to the President, "Because of the uncertain conditions existing throughout the world, you go ahead and spend the money. There may be uncertain conditions in Yugoslavia, or there may be uncertain conditions in Formosa. Therefore we are turning over to you $5 billion. Go ahead and spend the money."

Mr. GRISWOLD. If I were asked to do it, I would cut the amount by two-thirds and do that exactly. I believe the money would be spent better and more effectively in trying to get things done in Indochina, and it would help to get things done in dealing with the French, and in getting things done in other parts of the world, such as Spain or North Africa, for example. I think it will be a much more effective way of administering such a program.

Mr. GILLETTE. I thank the Senator from Nebraska.

Mr. President, I desire to conclude my remarks.

When we were holding hearings on this bill in the Foreign Relations Committee, representatives of the State Department were before us. I called attention to a provision of section 511 (a) of the original Mutual Aid Act of 1951, reading in part as follows:

> No military, economic, or technical assistance authorized pursuant to this act * * * shall be supplied to any nation in order to further military effort unless the President finds that the supplying of such assistance will strengthen the security of the United States and the recipient country has agreed to—
>
> (1) Join in promoting international understanding and good will, and maintaining world peace;
>
> (2) Take such action as may be mutually agreed upon to eliminate causes of international tension;
>
> (3) Fulfill the military obligations which it has assumed under unilateral or bilateral agreements.

That is sufficient to quote from that section to illustrate one of the provisions of the original Mutual Security Act.

I asked the representative of the State Department if there had been any procedure under that provision or if there had been any attempt to secure an agreement of that kind. The eminent Secretary of State said, "I assume it has been done."

I asked, "Do you know that it has been done? The law requires that, before the President can spend $1 of this money, he must have such an understanding and such an agreement, namely, that the recipient country will participate in the international organization."

The Secretary of State replied, "I know nothing about it, but I assume it has been done."

The same answer came in reply to questions about several other provisions. I refer to that matter simply because it is further illustrative of the evil that is concomitant with the blank-check method of making funds available to the executive department without securing some assurance as to how the money will be spent.

Mr. President, I desire to include my presentation.

My decision to cast my vote this year against the mutual security bill is by way of protest against the whole course our foreign policy is now taking. I am by no means opposed to everything in this bill any more than I am opposed to every thread in the pattern of our foreign policy. I do not oppose assistance to foreign nations. I favor contributing our share of relief and rehabilitation funds for war-ravaged areas, such as Korea. I favor the expenditure of funds through the United Nations for the Arab refugees, and I favor aid to the State of Israel for helping settle her refugees. I was proud to manage the bill providing wheat for India when it passed the Senate 2 years ago, and I wholeheartedly approve the recent measure providing famine relief for Pakistan.

I have from the beginning favored economic aid to countries whose dollar shortages, due in large part to our own high tariff restrictions prevent them from buying our exportable surpluses of both farm and factory. I regard the point 4 program as one of the great acts of statesmanship by this country since World War II. I would gladly vote for this bill if the sections dealing with purely military assistance were eliminated. I would vote for the pending bill even if those provisions were drastically reduced in amount, with a greater proportion allocated to peaceful purposes of economic and technical development. But the entire emphasis in this bill is on purely military considerations. There is in this bill unmistakable proof of almost complete militarization of our entire foreign policy. I know of no way, Mr. President, by which I could register a protest more effectively than I could in connection with the discussion of the pending measure.

While there is a danger point for our own economy, beyond which we cannot go in extending aid to foreign nations—I have already alluded to this danger in my discussion today—the basis of my opposition to the policy expressed in this bill is not based alone on the amount of money involved. The purpose for which the money is to be spent and the goal of competitive, destructive armament of nations have influenced me to vote in opposition to the bill.

As I stated a few minutes ago, I have been a cosponsor of the proposals of both the late Senator McMahon, of Connecticut, and the able Senator from Vermont [Mr. FLANDERS] calling for ironclad universal disarmament and pledging a certain large sum to peaceful world economic development, in place of the immense funds now going into arms and munitions. This kind of program would also influence many Members to support the spending of money for humanity, instead of Armageddon.

I am further distressed at the extent to which we now handle almost all our foreign technical aid on a direct bilateral basis between our Government and the governments of other countries, rather than through the agencies created under the Charter of the United Nations. This is further evidence of the lipservice we pay to the United Nations, while in reality we are acting to a surprising degree outside the framework of the United Nations. Furthermore, Mr. President, lest anyone mistake the basis of my decision in this matter, and try to list me as an isolationist or count me with the go-it-alone school, I say now, with all the force at my command, that I do not believe the United States can live alone in this modern world. I do not believe the United States can or dare go it alone. I do not believe the United States is strong enough or rich enough to dispense with friends and allies. In the event of a military showdown with the Soviet bloc, I do not believe we could meet and defeat the force that could be thrown against us if we stood alone, without allies on our side. Even if it were militarily or strategically possible, I would consider it the height of folly to attempt it.

Furthermore, Mr. President, I am convinced the Soviet Union has the power, if she chooses to use it, to mobilize forces of sufficient strength to conquer several regions of the earth that are important and in some cases vital to our own Nation's security. Illustrative of these areas are Western Europe, Japan, or the Middle East. I have no private intelligence as to the intentions of the present leaders of the Soviet Union, but I believe there is sufficient evidence of their purpose and desire to dominate the rest of the world to oblige us to keep up our guard for as long as that type of regime controls the Eurasian land mass. I am not convinced, however, that the threat from Soviet Russia is primarily military, or that it can be met with primarily military means. The Soviet Union is conducting a worldwide political, psychological, economic, and subversive war against us and against the other nations which repudiate, as we do, all forms of totalitarian or authoritarian dictatorship.

Even if we assume that the Soviet Union intends to strike with military force, instead of merely continuing to sap and undermine the fabric of free society, we would be insane to relax our defenses against the political, nonmili-

tary warfare of the Communists, and to concentrate exclusively on anticipating a military attack. The Soviet Union can defeat us without war if we prepare to defend ourselves only against war.

I acknowledge that none of the countries now receiving aid from the United States is capable, either alone or in combination with others, of defending itself against an all-out Soviet onslaught, should it come, unless the United States throws its weight into the scale. I do not favor a policy that would abandon friendly nations to conquest by the Communist powers. On the contrary, I oppose such a policy; but I deny that the only way to save them from this fate is by shipping them tanks and guns and ammunition for eventual war. Yet it is inescapable that that is the principal purpose of the measure now before us, in which nine-tenths of the funds authorized are for military purposes alone.

I am not opposed to American participation in alliances under the regional security provisions of the United Nations Charter. I certainly do not favor our withdrawal from the North Atlantic Treaty Organization or the Inter-American Treaty of Reciprocal Assistance—the Rio pact, or the security agreements we have signed with Australia, New Zealand, the Philippines, Japan, and other countries. But I deny, Mr. President, that the sole and unique function of these regional understandings is to serve as vehicles for the transfer of vast and unending quantities of war materials. Have we no basis for friendly alliance with like-minded peoples, other than shipments of cannon, machineguns, and combat aircraft?

I believe we have lost sight of our goal of peace, in our pursuit of the goal of world-wide military security. In the eyes of peoples throughout the world, this distortion of our original objectives has placed us in the same perspective as the Russians. In the view of millions of people in Europe, Asia, and elsewhere, both sides are conducting an armaments race toward ultimate atomic disaster. I propose that we return to our original course, and I propose that we devote a substantial portion of our energies, along with those of our allies, to seeking means to persuade the Soviet Union and her allies to agree to peaceful settlement. While the trend toward militarization of our foreign policy has grown even more pronounced under the new administration than it was under the previous one, this trend began some years before the present administration took office. I opposed that trend when it began. I oppose it even more vehemently today.

It is, of course, not certain that if we reoriented our policy away from the purely military emphasis it now has, the Soviet-China bloc would do the same. I fully realize this. But until we have at least tried such a reorientation, if only tentatively and temporarily, we cannot conscientiously claim to have sought every road to peace.

A large part of the money authorized in this bill will go to military support for our allies in NATO. Certainly I am not opposed to substantial military aid to our NATO allies, as Senators who have heard me speak on this floor well know. What I cannot understand is the absolute and unchanging refusal of our policymakers to take even a half step in the direction of developing the Atlantic community into a broader and deeper grouping of free peoples united by economic, social, cultural, and feasible political bonds, as well as by strategic necessity.

A military alliance has been and always will be cemented by fear; and it follows, as day follows night, that this cement crumbles as soon as the threat that generated the fear has lessened.

I believe the greatest failure of our Government with respect to NATO has been in not implementing to the slightest degree Article II of the North Atlantic Treaty. Yet there are Members of this body who voted for the treaty mainly because that article was included in it, and thereby gave promise of the development of nonmilitary relationships among the allies.

If there were any signs that we intended to promote or approve closer nonmilitary unity within NATO I would find much less reason to oppose the military sections of this bill, but there are no such signs. Instead, there is ample evidence that for the United States Government NATO has been, still is, and apparently will remain a strictly military coalition.

I should like to see the Department of State come forward with some concrete proposals for nonmilitary Atlantic cooperation. I should like to see a move to have the United States and Canada join with the European members of NATO in an Atlantic economic organization to develop trade and other economic cooperation on a basis similar to that already existing in Europe under the Organization of European Economic Cooperation, for example, but on the Atlantic level.

But what do I find, Mr. President? A bill designed to make 90 percent of our foreign aid take the form of military equipment and supplies. Instead of building unity among peoples we are devoted solely to building unity of military command.

With respect to the United Nations, I not only oppose our withdrawal from that organization—I urge our leadership in transforming it into the truly effective agency for international peace and security we all hoped it would be and we all know it can be.

I urge that we conduct a greater, not lesser, amount of our relations with other countries through the United Nations.

I urge that we make the United Nations really and not figuratively the keystone of our world policy.

I urge that the charter be amended or revised, and that we take the lead in insisting on such amendment or revision.

I urge a return to the crusade for peace through worldwide cooperation in the United Nations on which we embarked in the closing years of the late war, and I urge that we turn away from the crusade of arms in which we are now engaged, and away from the course that leads straight and unerringly to a final global atomic catastrophe from which conceivably no single man, woman, or child would come out alive.

I stand for placing the emphasis and direction of our power and resources toward peace rather than toward war. The people of the United States support this emphasis and direction. The people of the world support this emphasis and direction. Let us in the name of all that is sacred to the human race direct the power that the Almighty has given the United States of America along the way toward peace and away from the predominant emphasis of preparation for war.

There, Mr. President, is where I take my stand, now as before, in the face of this bill or any other bill, and with respect to this program or any other program. I am persuaded beyond peradventure of a doubt, with very few exceptions, that the people of the United States and the people of the entire world are in strong support of these efforts.

In conclusion, Mr. President, I desire to say that I feel very strongly and very deeply about this matter. I have lived quite a few years, and in my long lifetime we have participated in three world wars. I frequently wear on my lapel a memento of the fact that I participated in World War I, when, as a captain of a company of from 480 to 500 men, a part of my duty was to read their mail, to censor the mail which they sent home, their letters to wife, sweetheart, or friend. It was common knowledge that many of the men were illiterate, most of them were ungrammatical, most of them could not spell, some were profane; yet in every letter there was the assertion to the loved ones, "We are fighting this war to end wars, so that the boys in the future will not be compelled to go through what we are going through." But we subsequently found ourselves in World War II. We now find ourselves proceeding along the path toward world war III. Mr. President, after reading those letters, while on my knees, I made a pledge so long as I had a voice with which to speak, I would keep faith with those men in giving what strength and effort I was able to bring to bear in taking the world toward cooperative efforts to establish peace.

Mr. President, above everything else, after the progress we have made over the years in the direction of peace, it hurts me cruelly to have the Congress now undertake to say, "We must stop, we can go no further; the threat to us is so great that we might just as well postpone for the time being world effort for cooperation and for peace. Let us build up a military alliance that gives evidence of force, for it is that on which we shall have to rely." I cannot see it, Mr. President. I cannot support it. I cannot be true to myself, true to those I represent, and true to my oath as a United States Senator, and at the same time support a measure of this kind, a measure which apparently has no objective within its provisions, except to effect a military alliance to meet another Armageddon.

Mr. LANGER obtained the floor.

Mr. MANSFIELD. Mr. President, there seem to have been two lists. According to one list, I was supposed to

be recognized next. I have about a 15-minute speech.

Mr. LANGER. Mr. President, I promised that if I yielded to anyone it would be to the Senator from Nevada [Mr. MALONE], for 10 minutes. I would have no objection to yielding to the Senator from Montana after I first yield to the Senator from Nevada.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. LANGER. I yield first to the Senator from Nevada.

The PRESIDING OFFICER. Does the Senator from North Dakota care to specify how much time he yields to the Senator from Nevada?

Mr. LANGER. I yield 10 minutes to the Senator from Nevada.

The PRESIDING OFFICER. Does the Senator from North Dakota wish to make a unanimous-consent request?

Mr. LANGER. I ask unanimous consent that I may yield to the Senator from Nevada for 10 minutes, without yielding the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. Mr. President, since the end of the Second World War this country has given away more than $40 billion in various forms of so-called economic and military aid and disguised loans to foreign countries. Since the end of hostilities we have had the lend-lease extension, the surplus property disposals, the United Nations Relief and Rehabilitation Administration, International Bank, and International Monetary Fund, the British Loan, the Export-Import Bank loans to France and other European countries, the Marshall plan, and now the so-called Mutual Security Act and the much publicized point 4. In addition, we have contributed smaller, but nevertheless substantial, sums of money to various United Nations relief projects, student exchanges, and similar activities.

It is important to note that each new multi-billion-dollar foreign-aid program has been submitted to this body and to the American public as a temporary program to put our worthy hardpressed friends overseas on a sound economic basis. Each time we were told that the program under consideration would not only restore the economy of our friends overseas, but would also enable them to eliminate the numerous insurmountable barriers which in order to protect their domestic producers, they have raised against American exports. Each new program has been presented to us as the panacea which would cure all the world's economic problems, and at the same time enable the so-called free nations of the world to defend themselves against Communist imperialists.

Mr. President, at this time, after some 8 years and $40 billion worth of foreign aid, I believe it is pertinent to review some of these past presentations, and some of the promises which were made to the American people of the miracles that would be wrought if they would only contribute just a few billion dollars more.

Most of us will recall that when the Secretary of State and other administration leaders have appeared before the committees of the Senate and the House to advocate the British loan, and the Export-Import Bank loans to France and other European countries, these gentlemen gave full assurance that if the loans were granted, the amounts would be adequate to restore those countries economically and enable them to proceed without additional outside assistance. Mr. President, I am now informed by an excellent authority that at the time those assurances were being made to the Senate Foreign Relations Committee, the economic experts in the Departments of State, Commerce, and Treasury, were already quietly drafting a $25 billion aid program which a few years later was submitted to Congress as the Marshall plan, finally trimmed to $17 billion.

I am also assured, Mr. President, that at the time Secretary of State Marshall and other officers of the Truman Cabinet were promising the committees of Congress that the Marshall plan would terminate in 4 years, by which time the recipient countries would be fully restored by our economic help, the same experts in State, Commerce, and Treasury, were again quietly at work on another new huge foreign-aid program which they intended to submit when the Marshall plan terminated. This program has been submitted, Mr. President. It is the program which we have before us today, the so-called mutual security program.

And, Mr. President, we are again hearing assurances from advocates of this bill that if we will contribute a few billion dollars more, by 1956 or 1957 these countries will finally be restored to economic sufficiency; that they will be strong enough militarily and economically to defend themselves; and that at long last, these burdens can be lifted from the shoulders of the American taxpayer.

SINCERITY OF PROMISES QUESTIONED

Mr. President, in the light of what has transpired, I am forced to challenge the sincerity of those promises. It is my firm conviction that a very substantial number of those who are advocating this aid program privately believe that foreign aid on a multibillion dollar scale will be continued by this country indefinitely.

I believe the time has come for these people to state honestly their real purpose, and to justify it to this body and to the American public.

We are told by the Mutual Security Administration in one breath that the Marshall plan has worked so well that production in Western Europe is far in excess of prewar levels. We are told by the Mutual Security Administration, in the next breath that we must authorize an additional $5¼ billion in military and economic assistance, or their economies and their defense efforts will collapse. This, despite the fact that the administration already has at its disposal approximately $10 billion in MSA carryover funds.

WAR PRODUCTION OVERSHADOWED

I should like to point out that the sum requested is as large as the sum that the Truman administration made available to those countries in the years immediately after the war, when production for the war overshadowed the economies of Western Europe and was only a fraction of their production today.

The question before the Senate today is not one of authorizing the administration to give $5¼ billion to Western Europe and various other so-called free nations. The question is whether we shall increase the gifts from the $10 billion already available to a total of $15 billion—an amount which is equivalent to more than 20 percent of our entire anticipated revenues during the next fiscal year.

AMERICAN TAXPAYERS UNDERWRITE BRITISH POUNDS

Nor is this all. I am advised, Mr. President, that the administration now has under active consideration a proposal advanced by the British to liberalize the lending policies of the International Monetary Fund.

The Senate will recall that this Government has subscribed $2.7 billion in gold and dollars to the International Monetary Fund. The present practices of the Monetary Fund are to make these dollars subscribed by the United States available to countries suffering temporarily balance of payments problems.

The loans are made for periods up to 3, and some cases 5 years, at interest rates up to 3½ percent. Under the proposal which the administration is considering, the Monetary Fund would make long-term loans at much lower interest rates, with little or no regard as to the country's ability to repay.

One of the proposals advanced by the British is to use the dollars in the Monetary Fund to underwrite the convertibility of sterling at the artificial exchange rate fixed by the British Government.

BRITAIN'S INDEBTEDNESS TO AMERICAN TAXPAYER

This is a complicated maneuver which I will not attempt to spell out in detail at this time. Briefly, it would have the effect of transferring about $2 billion of Britain's sterling indebtedness to the American taxpayers via the International Monetary Fund.

At this point, Mr. President, I should like respectfully to ask the distinguished Senator from Wisconsin whether or not the Foreign Relations Committee considered the proposal of liberalizing the policies of the Monetary Fund, in the course of its deliberations on this bill.

I ask the Senator from Wisconsin if he cares to comment on whether the liberalization of the monetary policies was discussed in connection with this bill?

Mr. WILEY. I have no recollection of any such discussions. I am submitting the matter to Mr. Wilcox to see if he has any recollection of it.

Mr. MALONE. Can the chairman of the Foreign Relations Committee advise us whether the $2 billion of the United States subscription to the fund, which has not been committed, is to be utilized as a sort of a disguised foreign-aid program?

Mr. WILEY. I have no information on that subject.

Mr. MALONE. I thank the Senator from Wisconsin.

BRITISH PLEDGED RESULTS TO AMERICAN TAXPAYERS

Mr. President, I should like to address to the distinguished chairman of the Foreign Relations Committee a few more questions which I feel are very pertinent at this time. When the Marshall plan was first put into effect, the recipient countries entered into solemn covenants with the United States Government in which they pledged specific undertakings in their own behalf, to put their economies on a firmer basis.

I have before me a copy of the agreement signed by the United Kingdom on July 6, 1948, entitled "Economic Cooperation With the United Kingdom." Identical agreements were signed with all of the other countries participating in the Marshall program. I should like to refer to article 2, section 3.

PLEDGED TO BREAK UP CARTELS

Stripped of its legal verbiage, this section provides a solemn pledge on the part of the recipient government to prevent "on the part of private or public commercial enterprises, business practices which restrain competition, limit access to markets, or foster monopolistic control." In other words, the governments participating in the Marshall plan promised us 5 years ago that they would take steps to break up the European cartel system.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Under the unanimous-consent agreement, the time of the Senator from Nevada has expired.

Mr. MALONE. I ask sufficient time to finish my statement.

Mr. LANGER. Mr. President, I ask unanimous consent that the Senator from Nevada may have additional time within which to complete his statement.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Nevada may proceed.

Mr. MALONE. Mr. President, I should like to ask the Senator from Wisconsin whether or not those governments have fulfilled the pledges which they made in a solemn covenants with the Government of the United States.

Mr. WILEY. I might return the question and ask the Senator from Nevada. Some progress has been made, but I am not further advised.

Mr. MALONE. Mr. President, the facts of the situation are that today the cartels are almost as strong in Europe as they were before the war.

None of the governments has made any effort to carry out its pledge. The United Kingdom did undertake a mild version of the antitrust law, but has made no effort to enforce it. Thus far they have investigated only one industry, and have not yet made a report.

PROMISED TO STABILIZE CURRENCY

Mr. President, I should like to read section 1c or article 2 in which the government receiving Marshall plan aid agrees "to stabilize its currency, establish or maintain a valid rate of exchange, balance its governmental budget, create or maintain internal financial stability, and generally restore or maintain confidence in its monetary system."

Mr. President, I should like to ask the distinguished Senator from Wisconsin whether he believes the French Government has fulfilled its pledge to balance its governmental budget, to create internal financial stability, and to restore confidence in its monetary system. If the Senator from Wisconsin recalls the record, I should like to have him answer that question.

Mr. WILEY. I do not believe all those pledges have been fulfilled. I think the question itself requires something more than a categorical answer. If the Senator would permit, I should be very happy to say what I think.

Mr. MALONE. With the permission of the distinguished Senator from North Dakota [Mr. LANGER] I should be happy to have the Senator from Wisconsin reply.

Mr. LANGER. Mr. President, I ask unanimous consent that the Senator from Wisconsin may be permitted to answer the question propounded by the Senator from Nevada.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILEY. I can answer the question quite well by giving an illustration of what occurred in Flint, Mich., about 2 years ago, when I spoke there on the foreign situation. At the conclusion of my address, I submitted myself to questioning. In substance, one of the questions asked was similar to the one propounded by the Senator from Nevada.

I was asked, "Senator, do you think the foreign nations have done the job they should have done? Have they fulfilled what we expected of them?"

I said, "If Flint, 6 years ago, had had its economy destroyed; had had 2 out of 5 of its citizens liquidated or injured; had had its transportation system absolutely destroyed; had had its manufacturing plants destroyed; and if the surrounding area, likewise, was in a similar condition of chaos, what would have been the shape of Flint 6 years later?"

The man replied, "I had not thought of that."

I asked another question: "What would be Flint's spirit, to say nothing of its economic condition?"

Then I said, "The figures show that the overall economy of Europe compared with its prewar economy has risen to about 135 percent. The records also show that morale perhaps is not what it should be. But I ask, What would have been the condition of Flint's morale 6 years later, if the physical occurrences I have recounted had taken place?"

The reply was, "Senator, I had not looked at the situation in that way. I think you have made a point."

In answer to the question of the Senator from Nevada, let me say we know quite well, and I believe it is pretty well documented, that if the Kremlin had not, as it were, challenged the very liberty of Europe, so that it became necessary to establish a military program, whereby the European countries diverted much of their industrial life into the production of military goods, Europe would have been in the position, substantially, of having met head on the promises that were made. But the threat of war and the conditions that resulted when Europe had to utilize its industrial machinery and manpower for defense production made a different impact.

So the answer to the Senator's question is that the foreign countries have not fulfilled what they then thought they could fulfill. To a large extent, that is true of Great Britain. Some of the smaller countries have done a grand job. The Scandinavian countries and the countries of the Lowlands have come back in a wonderful manner. The morale of their people has been excellent. The result has been that we have seen a breaking down in countries like Czechoslovakia, which was taken over by the Kremlin, and we have seen the revolt of the people of East Germany against enslavement.

We simply cannot charge off all those items and say that the investment we have made has gone for nothing. In my humble opinion, our investment has saved us from a third world war. Furthermore, it has brought about, to a large extent, a deterioration in Russia, which is now evidenced on all sides.

Mr. MALONE. While the distinguished Senator from Wisconsin is on his feet, I ask him if his statement would likewise apply to the Italian Government.

Mr. WILEY. I think my analysis would apply to the Italian Government.

Mr. MALONE. There are now more Communists in the Italian Government than there were when we applied the Marshall plan to Italy.

Mr. WILEY. Of course, the Senator is using the term "Communists" in the sense of those who have voted Communist.

Mr. MALONE. That is a pretty good indication.

Mr. WILEY. I did not understand the Senator.

Mr. MALONE. I said that is a fair indication.

Mr. WILEY. I shall have to disagree with the Senator, because of a conversation I had with the Premier of Italy himself. I said to him, "In view of the fact that northern Italy has a large group of citizens who vote Communist, I ask, in your opinion, in case of a break or in case of war, would they be Italians, or would they be servants of the Kremlin?"

The Premier responded, "The leaders would be servants of the Kremlin; the others would be Italians."

In other words, it would be an economic vote today.

Mr. MALONE. Then I shall ask the distinguished Senator from Wisconsin this question: After 5 years, during which promises were made each year, and at least one contract was signed with the United States, how sincere does he believe those countries are in their promises at this time that the present program will finish the job? Exactly what is the Senator's thought about that? Will what has been happening be a constant recurrence from now on?

Mr. WILEY. First, I never said that this would finish the job. I do not know, and I am certain the Senator from Nevada does not know, what the future has in store for our beloved country. I know that we are safe at present. I know we do have allies. At times they may be wobbly. They may feel that they can live with the Kremlin. They may feel

an economic impact which is considerable and detrimental in many respects, because they have not been able to trade as they wanted to.

If the Senator from Nevada has any alternative, if he has any remedy for the world situation other than that which appeals to the judgment of our President and the judgment of the best minds I know of in America, I am certain that the Committee on Foreign Relations will be glad at any time to listen to the Senator.

Mr. MALONE. I have a remedy. First, I would preserve our own economic integrity which is in very great danger at the moment. Second, I would establish foreign policies that would be predicated upon the safety and security of our own people.

Mr. WILEY. Those are generalities. We all agree that the first law of human nature is self-preservation. There is no question that the President of the United States, who is the Commander in Chief, believes that what he has recommended is in the interest of the Government and for the preservation of the Government. The fact that up to date we have deterred the Kremlin, although after the Second World War it had the striking power to take over Europe, indicates our awareness of the need for self-preservation.

Mr. MALONE. Immediately after the close of the Second World War no one could have taken anything away from us. But as a result of the policies which have been adopted, there may be very grave danger that we cannot protect anything in the Far East, and more especially in Europe. No one seriously believes that the so-called Army we have in Europe can protect itself or Europe. It would last about 3 or 4 days.

On the other hand, many persons believe that because of the way the countries of Western Europe are operating, including their action in negotiating more than 100 trade treaties with Russia and Iron Curtain countries since the close of the war, we may yet have to fight world war III.

Then there is the mutual security pact which England has with the Kremlin, entirely independent of any other nation, with Russia pledging mutual security, which has 10 years yet to run. Likewise the French mutual security pact with Russia which has about the same length of time to run. Many persons believe that there will be complete recognition of Communist China by England and France, and the acceptance by the United Nations of Communist China. Many believe that we have very poor allies, and that we are proceeding in a very ineffective way.

Mr. WILEY. I have no doubt that many believe that. I would not dispute with the Senator. I said that after the Second World War, when we stepped out of Europe, Russia had 20,000 vehicles. She could have rushed over Europe.

Mr. MALONE. She can still do so.

Mr. WILEY. The Senator is speaking about the army. However, we should not forget that we have air bases in Africa, France, and in some of the islands of the Mediterranean. We have them also in Turkey and in Greece, and elsewhere. Remember what Churchill said. It was our bomb that kept the Kremlin from taking over Europe.

Mr. MALONE. Then the "tourist" army we have in Europe does not have very much of a deterrent effect.

Mr. WILEY. It certainly does. I am no military man, but I have heard military men tell what could be done. I have heard them tell about it recently. I do not pose as a military man. Neither do I pose as the Commander in Chief. However, when the Commander in Chief lays down a program for me as a legislator, and says, "This is what we think should be done for the ensuing year," I feel that I should give considerable weight to it. In the Foreign Relations Committee I have listened to witnesses, including military men, businessmen, and others. I have listened, as it were, as a juror. I have reached the conclusion that while this plan is no cure-all, it is a step in the right direction. I am asking the Senator, if he has a cure-all, if he has a plan that will do the job better, to let us have it.

Mr. MALONE. I think the businessmen whom the Mutual Security Administration sent to Europe and who came back with a report are about right in their report, to the effect that we should not continue giving money under the conditions heretofore existing. I believe that some of the businessmen, to whom no attention has been paid, had some of the answers.

Mr. WILEY. I must disagree with the Senator's interpretation in relation to economic aid. Personally I would disagree with some of the businessmen to whom the Senator refers. I believe that if we could get economic aid down into the small businesses of Italy and France, we could accomplish a great deal. The other night in New York I was talking with a man who said, "That is where we could create the morale which is lacking in those countries." Heretofore aid has gone to build up the large concerns. That was all right for the time being. However, if further economic aid were to be proposed it should be handled under a sort of RFC organization, which would get it down into the small factories and villages where it would create a sentiment in favor of Uncle Sam. However, there is very little economic aid in this program.

Mr. MALONE. I will say to the distinguished Senator from Wisconsin that this is a program of military aid and economic aid. The military aid is going to nations which have no armies. The armies we were supposed to get in Europe from France and England did not materialize. The organization is dead at the moment, and everyone will know it within 12 months. So instead of getting an army, instead of getting cooperation, we have a record of nations of Western Europe trading with the enemy, and of recognizing Communist China. Our supposed allies are now almost surrounding us and urging us to recognize Communist China. Probably they have a plan which will be effective enough to bring Communist China into the United Nations over our perfunctory objection. Then we shall be outvoted in the United Nations.

I thank the Senator from North Dakota for yielding to me.

MESSAGE FROM THE HOUSE— ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled bill (S. 35) to amend the Federal Airport Act in order to provide for an extension for a limited period of the program for the repair and rehabilitation of public airports damaged by Federal agencies, and for other purposes, and it was signed by the Vice President.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 30, 1953, he presented to the President of the United States the following enrolled bills:

S. 35. An act to amend the Federal Airport Act in order to provide for an extension for a limited period of the program for the repair and rehabilitation of public airports damaged by Federal agencies, and for other purposes;

S. 1376. An act to amend section 503 of the act entitled "An act to expedite the provisions of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

S. 1550. An act to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom; and

S. 1993. An act to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, the veterans' direct home-loan program, and for other purposes.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

Mr. MANSFIELD. Mr. President——

Mr. LANGER. I yield to the Senator from Montana.

Mr. MANSFIELD. Mr. President, I am offering an amendment on page 14, line 18, to strike out "1956" and insert "1954."

The PRESIDING OFFICER. The Chair will have to advise the Senator from Montana that the amendment is not in order. The Senator from Wisconsin [Mr. WILEY] has an amendment pending. Until that is disposed of, the amendment proposed by the Senator from Montana will not be in order.

Mr. MANSFIELD. I wish to serve notice that I shall offer an amendment on page 14, line 18, to strike out "1956" and insert in lieu thereof "1954."

The purpose of that amendment is to bring to an end the Mutual Security Agency as an independent aid agency on June 30, 1954, as stipulated under the law creating that agency.

I hope the Senate will understand that what I am doing is nonpartisan. There is no pride of authorship in the amendment. In 1952, when the original bill was considered in the House of Representatives, the date for the expiration of the agency was set at June 30, 1954.

Mr. President, I realize full well that this country has spent billions of dollars

in aid during the postwar period. I realize also that this money has brought about the economic survival of the West. It has given us and our friends time to fight back against aggressive communism in Western Europe, and also in Greece and Turkey.

I am aware, too, that in these 7 years of aid programs we have, in effect, contributed vitally to the security of the free world. The aid programs have not provided a solution to the all-absorbing problem of peace, but they have kept our friends from sinking into utter economic distress. By so doing we have kept them from moving very deeply into the orbit of the Soviet empire.

The salvation of the West is worth fighting for. On that basis we can safely assume that the money we have spent in bringing about the economic rehabilitation and military strengthening of Western Europe has been worth the cost. We and our friends have bought time. We have helped to save Western Europe, and we have prevented the collapse of western civilization. I think the program has been worth while. I believe it should be continued, but its continuation should be on a modified scale, and should be incorporated entirely within the State Department, which should be the chief foreign policymaking and foreign policy-operating branch of the Government of the United States.

Our foreign policy since 1945 has involved assistance to other nations on a scale greater than ever before in peacetime. This aid has thus far not been a waste but a sound investment in the security and well-being of the American people. It has brought results which, under the circumstances, could not have been produced by any other means.

Our foreign-aid program has prevented mass starvation and chaos in many parts of the world. It was the salvation of Greece and Turkey from Communist envelopment. It was a key factor in the dramatic economic recovery of Western Europe and in the revival of European hope and confidence in democracy. It has served to intensify defense efforts throughout the free world.

The foreign-aid programs of the United States have meant a great deal to other countries. They have also meant much to us. At a time when many free nations were reduced to a state of helplessness, these programs stood as an almost solitary bulwark against the flood of aggressive communism. In so doing they preserved a great area of the world for freedom. They also contributed to the security of the United States and reduced the possibilities that we should expend resources many times greater than the cost of foreign aid in a third world war.

I have consistently favored the use of a prudent part of our resources for these purposes. In recent months, however, it has become increasingly apparent that foreign aid has reached the point of diminishing returns. Last year for the first time Europe's overall industrial production did not rise above the previous years. More and more we see signs that our aid is creating resentment rather than friendship and division rather than unity. For the sake of our foreign policy objectives, then, as well as for reasons of economy, we should begin to wind up foreign aid as quickly as possible.

Section 605 (c) and section 530 (a) of this bill is a step in the wrong direction in that it extends the mutual-security program until 1956. Section 530 (a) (2) states further that:

> Funds appropriated under the authority of this act shall, if obligated before such date, remain available for expenditure for 3 years following such date, and shall be available during such period for obligation.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MAYBANK. I should like to ask the distinguished Senator from Montana a question. How much have we unobligated now?

Mr. MANSFIELD. I think the amount is very small. If I remember correctly, it is somewhere in the neighborhood of $300 million.

Mr. MAYBANK. How about that which is obligated but which has not been spent?

Mr. MANSFIELD. It is a considerably larger sum, but I do not have the figure at my disposal.

Mr. MAYBANK. In my judgment it is $11 billion.

Mr. MANSFIELD. I understand that is the correct figure.

Mr. MAYBANK. I thank the Senator. I ask him these questions because as a member of the Appropriations Committee, I did not vote last year to report the Mutual Security appropriations bill to the Senate because the amount was too high. Nor will I vote for such appropriations this year. The Senator knows well, as he has stated, that foreign countries do not want all this aid. The President himself said that they want trade, not aid.

Mr. MANSFIELD. I thank the Senator.

The original Mutual Security Act of 1951 named June 30, 1954, as the termination date. The present administration, however, requested that the authority for the program be extended until June 30, 1958. As it comes to the floor this 2-year extension until 1956 is a seemingly harmless compromise. In effect, however, it may jeopardize the the achievements which have already been made and prolong at the expense of the American people a program which should be allowed to die.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. MAYBANK. I was assured by the then Mutual Security Administrator, Mr. Hoffman, that the program was to die last year. He made that statement to the Committee on Appropriations. I am merely stating what he told the committee in answer to questions by the former chairman of the committee, the Senator from Tennessee, Mr. McKellar, and other Senators. Mr. Hoffman said that the program was not to be carried on beyond this year.

Mr. MANSFIELD. That was the date set in the enactment of the Mutual Aid Act.

Mr. MAYBANK. It was set in the law. That is what he said at the time he testified before the Committee on Appropriations, and he was the representative of the Government at that time. He stated that he saw no reason for its being carried on.

I am very much in sympathy with what the distinguished Senator from Montana is saying, and I appreciate what he is saying. I merely wish to remind him of a few things that happened around here before we had the pleasure of having him here as a Senator. We have $11 billion on hand which have not been spent; is that correct?

Mr. MANSFIELD. That is correct.

Mr. MAYBANK. That was in March. Now we are asked to appropriate $5 billion more. The administration wants to save money and lower taxes, and they do not want the excess-profits tax to be taken off at this time. Oh, no. They do not want that to be done. Instead, the American taxpayer must be taxed further. Nevertheless, in March we had $11 that had not been spent.

Mr. MANSFIELD. Mr. President, I believe that by announcing an extension of the Mutual Security Program for a substantial period as is done in section 605 (c) and 530 (a), we will build up a state of mind, both here and abroad, which will prevent foreign aid from being discontinued when it could and should be. Needless to say, this would be unfair to the American people who pay for these programs. It would also be a confession that the United States and our allies are failing in the fundamental task of finding normal, permanent means of maintaining economic and military strength throughout the free world.

For several years a stated objective of our aid has been to further encourage the economic unification and the political federation of Europe. Substantial progress toward European unification has been made. Nevertheless, the hesitation of the members of the European Defense Community to ratify the treaty establishing a European army indicates that the nations of Europe have not yet become convinced that European unification is necessary to the security and economic health of that continent. Announcing an extension of the Mutual Security Program will not provide additional impetus to unification or self-reliance. Instead, it will allow the Europeans and other nations to relax their own efforts with confidence that the United States can be counted on to prevent any unfortunate consequences.

Moreover, this 1956 date will create a pressure on us to continue that aid no matter what the rapidly moving events of the world may bring. We would, in effect, morally commit ourselves not to consider a complete stoppage of aid until 1959, the liquidation date. Commencing in 1954 that is, the expiration year provided in the present law, a thorough examination of the necessity for foreign aid should be conducted every year. We should not be hampered by the continuing commitment which this date implies.

Mr. President, it is a mistake to ignore the fact that one-way assistance over too long a period tends to separate rather than bring together the giver and the receiver. Despite outward expressions of

gratitude from the recipients and professions of magnanimity from us, there is bound to be an underlying note of resentment—on our part for having to give away our resources seemingly without end and on theirs for having no alternative to continued dependence on us except to turn eastward to trade and tyranny.

Throughout Europe last fall I could sense a healthy and encouraging impatience with continued dependence on assistance from the United States. We should take advantage of this attitude to replace costly aid with a program which will benefit, not drain, our own economy. We must solve together with the Europeans this question of imbalance of trade, if for no other reason than that the security of the free world requires unity more than anything else, and continued one-way assistance tends to divide rather than to unify.

As long as the Mutual Security Program continues, we will not come to grips with the real problem, which is to find a solution that is mutual in reality, not just in name. We should devote as much time and effort to developing such a solution as we devoted to working out the Marshall plan. It is self-defeating to perpetuate a temporary remedy because it seems easier than finding a permanent cure. It is an inexcusable charge upon the American people to give away their resources one day longer than the security and interests of the United States require.

Yet, the extension of a one-sided mutual security program for an indefinite period seems to be the intent of the present administration. Not only does section 530 (a) of this bill suggest that this is so, but the executive branch is being reorganized along lines which imply an indefinite continuation of foreign aid. Reorganization Plan No. 7 would vest responsibility for the administration of all nonmilitary foreign aid and the coordination of all aid programs in an independent Foreign Operations Administration. I have no objection to consolidation and coordination of these programs. But why an independent agency? A new and separate agency would hardly be necessary if the administration contemplated bringing an end to most aid programs in the near future. Military assistance, which accounts for the bulk of our funds, is administered by the Defense Department, and technical assistance is a comparatively small operation. Therefore, the only logical conclusion is that the principal task of this proposed new agency, the Foreign Operations Administration, will be to administer out-and-out economic aid. Would the replacement of the Mutual Security Agency by an agency with a new name be necessary if we planned to cut economic aid drastically next year? Certainly any minor residual activity in this field could be transferred to the Department of State.

I do not mean to suggest that the President's Reorganization Plan No. 7 is completely lacking in useful features. There is no doubt that some kind of reorganization of the administration of the foreign aid programs is necessary even for the next year. There are at present conflicting lines of authority and duplication and overlapping of effort. There are superfluous ambassadors and ministers in many capitals. For instance, in Paris last year there were 3 Americans with the rank of ambassador and 3 with the rank of minister; in the NATO countries there were 19 MSA officials with the rank of either ambassador or minister.

The Office of the Special Representative in Europe, as I pointed out in a report last year, has grown so large and unwieldy that European statesmen are left with a sense of bafflement and frustration in their attempts to determine with whom they can deal on matters affecting their relations with the United States.

The consolidation called for by Reorganization Plan No. 7 could put an end to this situation and could reduce somewhat the multitudes of Americans working for the Government abroad. Excessive United States Government personnel abroad has been noted by almost every American going to Europe to study our aid programs. Some of these employees have too few productive tasks and are occupied with make-work functions. I believe that in addition to cost, excess American personnel abroad constitute a major irritant because of the seeming luxury and ease of their lives, as compared with that of the average Europeans.

Although the Reorganization Plan corrects some of those obvious flaws, the situation would be further improved if the Foreign Operations Administration was placed in the Department of State, rather than established on an independent basis. I recommended last year that "all agencies engaged in foreign aid programs should be abolished as quickly as possible and their duties centralized under the State Department."

A similar recommendation was made by a group of 54 outstanding business men appointed by Mr. Stassen to study the effectiveness of the mutual security program. These 54 business leaders stated in their extremely perceptive report:

> Regardless of the original necessity of establishing separate organizations, we believe that activities having to do with our foreign relationships are a responsibility of the Department of State and should now be operated by it.
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> * * * * * *
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> If the Department of State has not in the past been equipped with either the proper personnel or the recognized capacity to carry on these functions, we believe that the time has come now for it to assume its proper responsibilities. Basic political decisions require a knowledge of economics, finance, and military, together with organizational correlation adequate to carry them out effectively. These functions should be as closely coordinated as possible.

Mr. President, there is no way to achieve a unified and integrated foreign policy unless the responsibility for administering vital nonmilitary operations in other countries is placed in the State Department. Location of these programs within the Department would have the additional advantage of eliminating the costly administrative superstructure of an independent agency. Finally, it would keep foreign assistance in its proper perspective. Individual programs could easily be terminated at the proper time without serious administrative dislocation. Economic aid would not tend to be perpetuated by an agency seeking to prolong its own independent powers and existence.

The European recovery program was assigned to an independent agency largely because it was developed during the 80th Congress when the administration and the Congress were under the control of different parties. That situation has changed; and, as we well know, the Republican Party now controls both the executive and legislative branches of the Government.

President Eisenhower has said that the "historic responsibility" of the Department of State rested in "the development and control of foreign policy and all relations with foreign governments." How can the Department possibly fulfill this responsibility adequately when foreign operations are administered by other agencies?

Why does not the Secretary of State accept this responsibility and proceed on the basis of it? Why does the Secretary of State wish to shirk responsibilities which properly belong in his Department?

The Secretary of State should have policymaking and operation control of all foreign relations. He should stop dreaming of a pure policymaking organization untouched by the mechanics of operation. How is this country to speak with one voice and to act with a single purpose unless the Department of State has full control over all nonmilitary governmental operations in foreign countries?

The President's Reorganization Plan No. 7, without modification which will tie the foreign operations agency into the Department of State, and section 530 (a) of this bill to continue the authority for the mutual security program for 2 more years, have this in common: Both seem to be predicated on the idea of never-ending foreign aid on a large scale. When 1956 arrives, we shall probably be asked for another extension. The new agency will perpetuate foreign aid, and foreign aid will prolong the life of the new agency. I believe that unless we act now to eliminate the date 1956 from consideration or effect in connection with this program, there will be very little chance that we shall witness the end of foreign aid in the foreseeable future.

It may be argued that this extension to 1956 does not bind us to any future commitment. One fact is that if it remains in the law, assistance will be expected in Europe for 2 additional years. Once this expectation has been built up, we shall be in an unsatisfactory and immoral position if we discontinue or even threaten to discontinue the assistance. If we do extend it after we have built up this expectation, we shall add to the resentment which already is growing. Finally, this stretching out for 2 years of the aid program will hinder us and our allies from getting down immediately to the urgent task of finding methods of building up free-world strength on the basis of genuine mutual benefit and effort, rather than with reluctant mag-

nanimity on one side and smoldering resentment on the other.

[Mr. LANGER resumed and concluded the speech begun by him yesterday, which in its entirety is as follows:]

Monday, June 29, 1953

Mr. LANGER. Mr. President, I sincerely regret that I must differ entirely with the remarks of the distinguished Senator from Wisconsin [Mr. WILEY] and the distinguished Senator from New Jersey [Mr. SMITH] with reference to mutual aid.

I am only a small-town lawyer and farmer from North Dakota. It may be that I am not equipped by intellect or training to weigh such mysterious and extraordinary matters, but when I look upon the present policy of the United States, and especially that part which passes under the name of "mutual aid," I am tempted to consider that we have been sold a bill of goods.

It seems to me a mockery of common sense when 2 and 2 are alleged to add to anything other than 4. This may be a piece of oversimplification, but it is a standard rule of thumb by which we all can go. A policy which rests on other and more mysterious considerations may be suspected to be more occult than factual, and to consist at best of a pretentious tilting at windmills. At worst, it is a fraud upon the credulity of the American people to the degree that they have been hoodwinked by it. It is my considered judgment that the policy of so-called mutual aid constitutes just such a fraud.

It seems to me, further, that there are currents here which run deeper than men perceive, and that when these terrible times are reduced to the dry dust of history, there will appear to be very little real difference between the world strategies espoused by former Secretary of States Acheson and those followed by his present successor, Mr. Dulles.

Now that the sound and the fury of campaign declarations have abated, it becomes increasingly evident that the present administration has inherited and accepted the very policies Republican leaders once inveighed against so loudly. These policies in simple fact were made with Republican participation. They are being continued by the Republican administration.

DULLES LIKE ACHESON

One of the chief architects of that policy, John Foster Dulles, has now become the spokesman of the American people to the nations of the world; and he has brought over with him to the halls and meeting chambers of the State Department the entire Truman-Acheson foreign concept almost without variation.

I do not like to labor the subject, for it is not one which gives me pleasure to dwell upon, but is it not true that the identical bipartisan nature of our policy under which Senator Vandenberg and other leading Republicans cooperated fully with the Truman-Acheson axis, though they paid lip service to another ideal, continues today in all of its main essentials? Do we not continue to appease the Communists at Panmunjom, though we sometimes clothe our doubts, vacillations, and retreat from principle, in brave words? Do we not still continue to pretend that we are not at war with the Chinese whose great armies have laid the northern half of the Korean Peninsula prostrate? Do we not continue another vain and cynical pretense by affecting to fight under the banner of the United Nations, in a war which is being fought by American soldiers, American arms, and paid for by American tax moneys? Is it not true, Mr. President, that this pathetic fraud against the American people and against ordinary simple honesty, continues under conditions where our so-called European allies have constituted themselves the main suppliers to the Chinese Communist enemy, for a commercial profit?

KOREAN ARMISTICE A FRAUD

It is true, Mr. President, that there is now much talk of armistice with our savage opponents in Korea. Here, too, there seems to be a total contradiction in terms, for if this is only a police action and not a war, who is it with whom the police are making an armistice? Is it an honorable enemy, fighting for his home, or some minor filibustering criminal? There is a great difference in principle here, and in object. There is an extreme difference in the way this settlement will be regarded by the impressionable peoples of Asia, who are apt to believe we have been defeated in a fair test of arms, and that all our protestations of virtue are so much empty windbag talk. For will not this so-called armistice invalidate all our self-proclaimed goals of freedom, self-determination, and democracy? To achieve this armistice, will we not have to abandon our professed purposes, our ally Chiang Kai-shek, and our South Korean ally as well, and will we not have to accept the appearance of ignominious weakness, incapable of even bringing the untutored Mongolian hordes of Mao Tse-tung to defeat in battle fairly met? And will we not be expected to reward the Chinese Red aggressor for his villainy by tendering him a seat on the Security Council of the United Nations and opening to him the commerce of the world so as to aid him in reducing his nation to unconditional helotry?

I must also ask, Mr. President, is it not true that we still rely on the same old international nostrums which have been discredited time after time and have been worn literally threadbare—spoon feeding a group of European allies—who are willing to do little more to help themselves than to blackmail us periodically with the threat of communism unless we come across with more money, more money, more money?

DULLES WOOS DICTATORS

Consider the wholly ill-advised jaunt of Secretary Dulles over the Eurasian world, symbolized by his presentation of a nickel-plated revolver to the Egyptian strong-arm man, General Naguib, in the name of the American President, Dwight Eisenhower. Has not the whole world seen the pictures of this small-time dictator brandishing this absurd weapon? Does not Naguib represent the type of authoritarian usurpation of government to which we have proclaimed ourselves unalterably opposed? Is his country not the same Egypt which did not lift a hand in its defense when Rommel threw his legions at Cairo and Alexandria? It is the same Egypt which was thrown back on its heels by the untrained regiments of poorly armed little Israel during the latter's war for independence. Does any military man question today that this opera-bouffe country could be reduced to impotence in a matter of days by two good British companies attended by half a dozen airplanes?

Everywhere on Mr. Dulles' itinerary he played the part of a big, bluff Santa Claus without whiskers—a few millions extra here; more millions in the next place; new M47 tanks to a Yugoslavia whose devotion to our cause is more than questionable; a thousand jet aircraft of new design to the Turks, who, noble as they may be, could not resist Russian arms for a week. At the same time we are told there is not enough money to equip our own Air Force, which General Vandenberg assures the Congress is already below the danger line.

Can anyone find in these ill-considered childlike actions any justification for faith in Mr. Dulles and in the future? Where is the realism? Where is the good sense? Where is that clarity of bold purpose which the present position critically demands? Mr. President, before I survey the position in its unreassuring detail, is it not true that we continue to follow the identical foolish and unsound policy of "Asia for the Europeans," while Moscow has been allowed to take up unchallenged the slogan of "Asia for the Asiatic"? Has not the Kremlin made the most of this in the tremendous struggle for the conquest of men's minds? And have we not had to answer this challenge with the bodies and lives of our best young men on the bloody battlefields of Korea?

EUROPEAN INTERESTS FIRST

Is it not our policy under this administration, as it was in the preceding one, to treat Europeans and their interests as our so-called first line of defense? Principally, has it not been our policy, and is it not now our policy, to defend Britain and her imperial interests all over the world as an essential prerequisite to American welfare? Is not this why we have allowed ourselves to be dragged time after time into the preposterous and imprudent commitments which have passed under the name of mutual self-help, loans, and reciprocal trade, and which now flaunts its painted visage under the untrue and dishonest slogan "trade, not aid"?

Let us face the whole truth, Mr. President. Is it not a fact that we have disrupted our American economy to the point of real danger, leeching its productive resources and imposing a crushing burden of debt upon whole echelons of unborn generations to come?

What productive good has come out of all this? I do not think it enlarges upon the position to say, "None." The position of the United States in the world economy has steadily deteriorated. Russia, which once was inconceivably weak in relation to our Nation, industrial-, geographical-, military-, and finance-wise, is rapidly reversing the position. We have lost China and Central

Europe; southeastern Asia is steadily slipping away. Former United States Ambassador Bowles has reported there is at least 1 chance in 3 that India will go Communist in a few years. Africa is in danger; and Europe has been stampeded at the first sign of Russian agreeability, to abase itself at a new Munich for the sake of trade and profits.

THE REPUBLICAN PLATFORM

Finally, Mr. President, is it not ironic that it is a Republican administration, my old friends and comrades of the Grand Old Party, who have taken up the cudgels for continued oppressive taxation, who feel that the American taxpayer, like Atlas, must bear the entire world on his back, and who resist any effort to reduce taxes to a reasonable level? Does anyone need to remind my comrades of the Grand Old Party that all of this is in direct opposition to the platform and the claims on which the Republican ticket rode into office?

Mr. Eisenhower and his Cabinet looked very handsome on the roundtable discussion which was so impressively staged on the television circuits by a New York advertising agency. But the silence of the American people in the face of this adroitly handled public relations operation must not be considered as consent. They are frankly unconvinced. I must say that if it is true that in electing Dwight Eisenhower Chief Executive of the United States, the people of the United States repudiated Harry S. Truman, they will not support the same policies under a different label.

IT IS TIME TO SPEAK OUT

It may be that in saying these things I place myself under serious political risk. To speak with such frankness is not the path of political opportunism, nor is it good practical politics. No one knows better than I the steamrolling ability of a political machine which holds the sources of power in its hands.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LANGER. After I have finished, I shall be glad to yield.

Mr. MORSE. I merely wish to say that as the representative of the Independent Party on this side of the aisle, I am delighted to sit here and listen to the senior Senator from North Dakota.

Mr. LANGER. I thank the distinguished Senator from Oregon very much indeed. He is always ready to listen and learn. I appreciate the splendid service the junior Senator from Oregon has given.

Mr. MORSE. In looking at the empty seats, it will be observed that it is still a lone-wolf position.

Mr. LANGER. It is, indeed.

Mr. President, I have considered all this, and within my inner soul have found the only possible answer. I do not believe that anyone will so act against me in an effort to stifle the right of a United States Senator to speak, however he may be stung by the nettles of truth.

But even were I mistaken in this, I would not be deterred from my simple duty. I am a man of 66, and under the actuarial tables I have only a few more years of active service to give my country and the people of my State who sent me to Congress. My political future lies behind me, and I cannot be threatened with having it taken away. If the life expectancy charts are to be believed, certainly, it is unlikely that I shall be here much longer.

I intend to speak my mind today without reservation and without fear of offense. For the greatest offense that can be given in these days where the very future of our institutions is threatened, is not to one's friends or to one's associates in a political party, but to the basic interests of the people themselves.

DEEDS, NOT WORDS

There have been other voices raised against the all-consuming folly, which under two succeeding administrations, one Democrat and the other Republican, has corrupted our national policy to the very edge of fantasy. These were the voices of men who have felt within their deepest souls immeasurably disturbed for our future. But even here, in these men of undoubted courage, we have observed a certain timidity, a feeling of uncertainty somehow, that everyone could not be out of step but Jim; that, therefore, beyond and above all reason and logic, there must be some undisclosed worth to the administration's tactics and to the estimates which have given rise to them. It is both the strength and weakness of Americans that they have tended to close ranks and to bear with their leaders, even when the position assumed by Government seemed to be grimly mistaken and dangerously undertaken.

I, myself, Mr. President, was much heartened to see one of my colleagues, the senior Senator from Ohio [Mr. TAFT] nibble on the edges of this critical and pressing problem 2 weeks ago. In a statement in which he bespoke the evident misgivings gnawing at his soul, the Senator from Ohio questioned the basis of our mutual-aid policy. He entered into no supporting detail, simply stating his deep apprehension over the course events had been taking, suggesting that, if necessary, the United States could give over the fiction of United Nations support in Korea, and come to its own conclusions and, presumably, its own policies, without the dragging dead weight of questionable allies and supporters, whose actions reflect little in the way of assurance. In fact, in the great struggle which is taking place for the rights of man against the systems of imperial enslavement, many of our own allies must at all times be conscious of the danger to which they themselves are exposed as imperialist powers, and as occupiers and exploiters of others.

A flood of glorious propaganda, fulsome in its self-praise of the British, French, and other imperial governments, may sound lovely and reassuring to the American ears for which it is intended, but to the Malayan or the native of Indochina, or to the hounded black native inhabitant of Africa who has been reduced to helotry and shorn of the simplest human rights, the threat of Communist imperialism may well seem to be overdrawn.

The Malan regime in South Africa, with its unworkable apartheid policy of racial discrimination, is apt to look more real than the declarations of human rights issued periodically from our side. The native worker in the ricefields, who risks his life daily in nighttime guerrilla warfare against the imperial interloper and the detested puppet governments installed by him, may well harbor similar sentiments. The Moscow-trained agent in Kenya, where the desperate Mau Mau rebellion springs from the equally desperate lot of the native in his own country, is apt to appear to these people as more of a knight in shining armor than a dangerous agitator.

"ASIA FOR THE EUROPEANS"

In fact, Mr. President, by our association with the colonial oppressors we effectively cast the lie in the face of our own statements of declaration by which we are attempting to win these people over to our side. What it comes to in a nutshell is something like this: A well-known South American statesman and longtime friend of the United States, remarked dryly to me: "You Americans are so strange. The Russians are in Asia and crying the slogan 'Asia for the Asiatics.' You, on the other hand, are in Asia with guns on a general commitment to the rotes of democracy; but, so far as the native can see, you are actively on the side of the European imperialist aggressor. To the Asiatic your actions would seem to spell out 'Asia for the Europeans.' Now logically, which side do you think the Asiatics will be on?"

The Asiatics seem to have given their answer to this, Mr. President. For practical purposes they seem to be on the side of the Communists. No matter what declarations are made to them about the wicked nature of Communist aggression, they are likely to answer that they are unacquainted with it, but that they are acquainted with European imperial aggression. Communist slogans may be false and fraudulent, but to the native of southeast Asia who has no political, economic, or military power in his own land and whose dignity as a man is even in question, there is an understandable willingness to look on the Russians not as future oppressors but as liberators. Even the most conservative Asiatic businessman would be likely to look with cold anger at an act such as the recent and sudden devaluation of the Indochinese monetary unit, the piaster, in which its value was arbitrarily reduced from 17 to 10 francs. The devaluation was announced by the Ministry of Finance in Paris on May 10. On May 11, it went into effect; and from that date forward, all of Indochina's commercial and finance transactions must be based on the new exchange rate.

UNITED STATES PLAYING SECOND FIDDLE

I think the Washington News put it plainly in its editorial on May 7 of this year, when it said that—

> Instead of uniting the independent nations of Asia against Communist aggression, the United States has been playing second fiddle to French and British colonial policy, which operates to keep Asia divided.

Even on the score of pure expediency, and ignoring the moral and human values with which I must be concerned

if our own system is to endure, a policy based on this situation is hopelessly unreal. The imperial nations, contrary to our American interests, are determined to see their colonial possessions deindustrialized, with low levels of incentive and education, for any attempt on the part of the native to seek political, economic, and other rights would lead him directly to revolution and to control his own destiny.

Thus, when the American policymakers came to the point where they sought to merge the non-Communist nations of Asia into a mutual-defense organization, they found, instead of independent, strong, interested nations, a group of impoverished, spiritless, and depressed colonial-ruled territories with no capacity for self-defense, no educated or ruling class, and subject to the will of European masters who saw only mortal peril to themselves in any situation in which those people were treated as equals and capable of such actions as a mutual self-defense pact would require.

Actually, Nationalist China, the Philippines, and South Korea desperately wanted such a Pacific defense organization. But the British and French were adamantly opposed to it. The French did not wish the three states of Indochina operating independently of France. For similar reasons the Dutch rejected the proposal, as did the British.

The result was that our State Department vetoed their own measure as being "premature." What we now see in southeast Asia is a power vacuum in which a few handfuls of guerrilla fighters, tacitly supported by an embittered local population, are able to enforce continuous turmoil and near chaos. Instead of being an asset to us, these colonials are a liability; instead of their population masses joining us in orderly ranks in a common struggle against the conspirators of Moscow and Peking, we observe apathetic illiterate people with little stake in the world, who regard us with unconcealed suspicion. If they are to be protected against the newer and even more ruthless slavery of communism, it will have to be against their will and by the intervention of American arms and men.

THE "BIG LIE"

Before I go further, Mr. President, I should observe that our mutual-aid policy is the result of a total misconception of circumstances and events, so enormous as to partake of the aspects of a gigantic swindle. It has in association with it all the configuration of the "big lie." It is the very boldness of this fraud which protects it from observation. As in the case of the man who, having committed one murder, must commit a second to cover up the first, and a third to cover the second, each of these deceptions demands in turn an even more preposterous stratagem to cover the previous one. All the arts of public relations skill are let loose to prove that black is really white, until no one knows any more where truth and good sense are. This is a complication of events which can end only with the destruction of the American character and of the Nation itself, unless we take clear counsel among ourselves.

I do not for a moment argue that we should not help our friends. The problem is to find them, and then to come to a modus videndi which involves a true mutuality of interests and obligations. The hypnotic catch phrases which are so skillfully thrown at the heads of the Congress and at the American people, are not a proper substitute.

The declaration that "we do not dare stand alone in the world," has a magnetic sound to it. It appears unanswerable until it is realized that for practical purposes we actually are standing alone.

DOUBTFUL ALLIES

It is axiomatic that a doubtful and vacillating ally or a self-seeking associate does more harm than good. A single look at events in Korea tells us that if a real alliance is to be based on give and take, on sacrifices freely offered and loyalties clearly given, all we have in our camp is a group of restive, self-seeking retainers whose entire course of action is dictated by cold-blooded self-seeking. So long as we are content to pass out the money, pay for everything all around, and play the pretentious role of the grand seigneur to the less-favored, these are the kind of associates we shall have.

I shall refer to all this again in the course of my remarks today, pointing out in detail the omissions and cunningly fashioned distortions of fact which the Government so carefully glosses over. At the moment there is something else I should like to trace. This is the astonishing metamorphosis which has overcome the thinking of those responsible for the direction of American foreign policy. It is a change in the national attitude which has truly been revolutionary.

AMERICANISM VERSUS EUROPEANISM

Men are fond of quoting the wise admonishments of Washington, Jefferson, Madison, Monroe, and other Founding Fathers, warning Americans not to become entangled in the affairs of Europe. We were told that this was the pathway to American ruin. It was these same noble minds which formulated the style of government and social organization which rules the United States and which differentiates Americanism from Europeanism in the truest sense. If their warnings to avoid entanglement in the perpetually embittered affairs of Europe were not correct, then the political formulations they embodied in the Constitution, in the Declaration of Independence, and in the economic and political structures of our American society also are not correct. For all of these are the outcome of the same estimates of life, and of the identical philosophic spirit. The point of view which dictates the one, inescapably flows out of the other.

Americanism was not a mere continuation of Europeanism, the outcome of some secessionist desire of unruly colonists to form a new political unit on the earth's surface. It was actually in the most profound social and political sense, something altogether new, a revised outlook on the effort to create a new and better relationship between man and his fellow men. To accomplish this result the Founding Fathers knew it would be necessary to escape entirely from the age-long hatreds, the social neuroticisms, deep-rooted suspicions, the bloody tyrannies, egoisms and exploitations which had always characterized the life of Europe. It was necessary to break loose from the entire pattern in which these European states operated, and to deny and negate the fundamental concepts by which they ordered their lives.

There are very few of us whose ancestors did not come to this country because they in one way or another understood these distinctions. That is why they came—because we were different. They came because they were fed up with Europe and wished to make for themselves and their descendants a new kind of life based upon a new understanding of the duties and privileges of men. It was for this reason that there has been a one-way flow of so many millions of Europeans to our shores—I should say of the very best Europeans—who have seen in the spirit and form of the United States the Shangri-La of their finest hopes. Were we to open our doors wide, this flow would become a great flood again.

WHAT "FREE PEOPLES"?

Mr. President, when I see the Government in its effort to justify our recent entanglement with the affairs of other nations, describe them as "the free peoples of the world," as if they were a part of the very fabric of our family life, I am not only amazed—I am literally appalled. Actually, it is a perversion of truth to describe any of the nations of the old world in the same breath with ourselves, on the score of social and political organizations, outlook, or basic principles of life.

As for the Asiatic states, they certainly have had no experience in our type of political and social organization at all. They are for the most part victims of European aggression, and their inhabitants continue at a subsistence level—illiterate, depressed, and usually on the very verge of starvation. Even where they are reasonably free from European exploitation, they are the victims of domestic exploitations. Their elections are usually conducted by strong men at the point of the gun. This is certainly true of our wartime ally in Korea, Syngman Rhee, and is even declared to be the case in our own recently freed Philippines.

I have no feeling of animus toward these people and wish them well in their gropings toward some kind of well-being for all of their people. I merely say that to describe them as active participants in our own style of government and social order, is complete misstatement.

SPLINTERED EUROPE

As for Europe, the first prerequisite to a simulation of the American type of constitutional, free-enterprise system, is the elimination not only of the antique remnants of feudal organization but also of the self-seeking sectionalisms which set up impenetrable barriers to the free flow of trade and free intercourse of each

people with its neighbors. Europe consists of a great group of economic, political splinters which through the charted course of history have made unrelenting political, military, economic war upon each other. Their governments are self-centered and egocentric by tradition, and accept as a normal and natural element of existence, the principle that their fundamental rights and duties are only to themselves. I will prove it as I go along. In their relationships with each other they recognize no law, moral or otherwise, except that dictated by their own needs and desires, and by the amount of muscle they are able to apply to the resolution of any given problem. Napoleon pronounced the true European view toward events when he declared that "God was always on the side of the heaviest artillery."

This cynical disregard for the rights of men, including those of their own submerged social levels, has shown itself in a variety of ways and manners. It is visible in the dismal slums which disgrace the most prosperous of European cities; in the remnants of feudal aristocracy with their medieval struttings and self-pretensions. Certainly not least, it is visible in the incessant wars which have perpetually disgraced the life of the European Continent and which have led directly to the present world crisis. Nazism and communism were a direct outcome of the parent situation I have described, though it is fashionable now to treat these social catastrophes as being somehow independent phenomena which are themselves responsible for the present troubles of the European states.

IMPERIAL SOCIALISTS

Combined with Europe's separations and political splintering, have been the recurrent local tyrannies, and a determined steam-rolling imperialism abroad which has left the most dreadful effects upon both Asia and Africa, contributing heavily to the existing crisis. It was only by the most determined and courageous action on the part of our forebears that we here in America escaped it. Indeed it was only by a unique combination of foresight and resolution on our part, that our neighbors on the American Continent managed to maintain their freedom. This was done through a grim warning written by Jefferson and enunciated by Monroe, declaring that any European state which attempted aggression against any territory on this continent would run up against a wall of American men at arms. We gave them nothing. Today it is proposed that we give foreign nations $6 billion in addition to what we have given them in the past. It would be taken away from our veterans and our laboring men and our farmers, and given to those foreign countries. Later I shall show how many billions of dollars we have already given to foreign nations.

It is worth at least remarking, that in protecting these states against the depredations of foreign imperialisms, we offered them neither subsidies nor arms; our great early Presidents did not saddle the American taxpayers with responsibility for their happiness and economies. We were content to protect them by a declaration of intention as best we could, and to let them work out their own destinies.

The cynical self-seeking which distinguished every era in European history in the incessant wars these states have made upon each other, has in our generation spilled over into the economic sphere as well. At this very hour when the slogan "trade, not aid" is being pushed with all of the arts of public relations fanfare to the American people, European exploitation of each other's welfare is at its worst point in history. Oranges rot on the ground in desperately impoverished Italy and Spain for want of market, while in Britain austerity rules and an occasional orange is a luxury.

EUROPE SPIRITUALLY SICK

We who have been so long accustomed to the free air of the United States do not readily grasp the cold and almost ferocious cynicism of the European point of view. Nor do we understand, Mr. President, that this deadly uncooperativeness is directed not primarily at the United States, but at each other. The United States is just a Johnny-come-lately in the situation, and its principal importance to Europeans lies in its unprecedented willingness to pass out great sums of money on demand, request, or threat. The principal preoccupation of European states is still their colonies, their domestic suspicions and hatreds, and their morbid dislike for each other.

One way in which this spiritual sickness shows itself is the attempt of each European state, down to countries not too much larger than a postage stamp, to make itself totally independent of all others. The word by which this condition is described is autarchy, and the condition is called autarchus. This attempt to be autarchus is exactly the same as if my State of North Dakota determined to disrupt the business of the United States by setting up independent automobile, ceramic, aircraft, chemical, and other industries, and to make good on these uneconomic enterprises by every manner of physical protection, conspiratorial action, and bludgeoning of the commerce of others that it could manage to get away with. Among the methods used in Europe is an iniquitous licensing system for imports, subsidies for exports, tariffs, bilateral trade agreements, barter deals, special tax dispensations, and import controls—in short, every dishonest trick by which it is possible for a modern state to hold a knife at the throat of its neighbors.

John Hulley, Chief of the Regional Staff of the Mutual Security Agency, tells us frankly, in the April 1, 1953, issue of the quarterly, World Politics, that, in most of the European countries, "Government, labor, and business have joined to pay lipservice to the ideal of a single market in Western Europe, while simultaneously proceeding either to block trade liberalization or to prevent anything more than the most insignificant progress."

Mr. President, that statement comes from a leading official of the Mutual Security Agency.

PEGGED MONEY

Among the most vicious of the practices by which one state manages to victimize the commerce of others is the arbitrary fixing of money values. Mr. President, ask any woolgrower in the United States, even if he never went to school for 1 day. He can tell you what the arbitrary fixing of the value of money means. Free money, Mr. President, has a value which is set entirely by what one may exchange it for in the open market, in terms of commodities. Pegged money, as operated by the European state banking systems, is an arbitrary and fraudulent treatment of money values, by which the national monetary unit by decree is given an arbitrary value which all legal business operators are forced to accept. The reverse side of this coin is, of course, the black market in money which automatically ensues. Actually it is the legal money which is dishonest, and the black market evaluation which is honest, in this case, for the black market level accurately expresses the true value of the monetary unit in the free market. In France at one time the Government was compelling everyone to accept the franc at a value of 150 to the dollar, while any concierge in any hotel could get the casual visitor 450 to the dollar on the black market, and still could manage to make an illicit profit for himself.

INTERNATIONAL GANGSTERISM

One is tempted to compare this set-up with the so-called protection often sold by gangsters in American cities to defenseless shopkeepers, although the only defense the poor shopkeepers require is against the gangsters themselves. The pegged money situation is a perfect expression of international gangsterism.

Take, for example, the British pound sterling: By official declaration the pound in 1949 had been worth $4.03 in relation to the free American dollar. Anyone who wishes to deal in terms of British imports, or exports, could take it or leave it. Suddenly in September of that year, and without warning, the British Government declared the British pound to be worth $2.80 in relation to the free American dollar. The purpose of this maneuver was, as usual, a cynical one—that of being able to offer British goods in American markets cheaper, and thus to steal a march on both its European and American competitors in American markets. This was done, not by recourse to time-honored laws of cause and effect and supply and demand, but by the meat ax of governmental edict.

What was the result? Shoes, crockery, and other British goods which really had to compete with similar American goods for our domestic market, were reduced in price by the full 30 percent provided by the edict of devaluation. On such materials as Scotch whisky, where British exports found no competition, the price was raised at once to absorb the 30 percent devaluation, so that in terms of dollars it remained as before.

At about the same time, and taking their cue from the British—whom they accused, incidentally, of an attempt to ruin the trading economy of Europe—the French reduced the value of their franc from approximately 220 to the dollar to 350 to the dollar.

If an independent American businessman attempted to engage in this kind

of piracy against organized society, he would immediately be tried and placed behind bars as an ordinary criminal. Yet the European states, and countries on other continents taking their cue from Europe, indulge in these sharp practices with impunity.

TREATY CONTRACTS MANIPULATED

The foreign states with whom we have treaty contracts by which they agree to liberalize their trade arrangements, in practice have done exactly the opposite. In addition to the usual bilateral agreements, import quotas and fees, licenses-systems, export bonuses, and price-fixing, to which I have referred, they possessed in juggled money a perfect agency for painless defaulting on any agreement. As if this were not sufficient, they freeze payments of account altogether, or subject everything to quantitative or individual restrictions, altering required permits and licenses by day-by-day decisions, if it pleases them to do so.

Mr. President, let me give you some idea of how this operates. I shall read from the third annual report on exchange restrictions, issued by the International Monetary Fund. In this connection, I shall refer to Argentina. When I refer to Argentina, I think of the woolgrowers throughout the middle part of the United States of America who have been put out of business by the juggling of the value or the price of the Argentine peso by the Argentine Government.

In the Argentine—

So says the report—

restrictions are exercised through licenses required for all imports, individual import quotas for some goods, licenses for nontrade payments, and through a multiple currency practice resulting from the use of basic, a preferential, and a free-market rate • • • a multiple currency practice results on the buying side from the use of three buying rates—

Three buying rates, mind you, Mr. President—

including a free-market rate. Some exports are controlled, taking into account the requirements of the internal market.

Just think of that, Mr. President. Meditate on how complete this control is and how totally it responds to the lightest touch of the manipulator. Let us see, for example, what is meant by multiple currency rates. It is precisely this: The Argentine peso is pegged, without relation to any true market value, at three different rates—5 to the United States dollar, 7½ to the dollar, and a third, or fluctuating rate, on the free market. In short, depending on what is purchased, and also depending on the so-called desirability of the purchase in terms of the Argentine economy, the identical Argentine peso has three widely differing values, amounting in effect to a control system of exports and imports which would defy any trade treaty ever made.

The exporter who sends to the Argentine imports Argentina is seeking to discourage, finds that he is paid in currency which is worth a good deal less in real money than that given another American shipper whose imports into Argentina the Peron government is seeking to encourage.

There are preferred imports such as fuel oil, coal, and coke, in connection with which the peso attains a 5-to-1-dollar rate. On other and less preferred imports, such as foodstuffs, steel, tobacco, and industrial materials, the rate is 7½ to the dollar. All nonessential and luxury imports, such as automobile and watch parts and motorcycles, are affected by the free-market rate, which currently is at 14.37 pesos to the United States dollar.

BRITISH TRADE RESTRICTIONS

Mr. President, I now come to the subject of British trade restrictions, imposed by a country to which we have given billions upon billions upon billions of dollars, and which is going to receive a great deal more money if the pending bill is passed.

What manner of sense or effectiveness is there in an agreement with countries guilty of such practices as these? Now let us take Great Britain, which is loudest in its denunciation of what its leaders call our "trade barriers and restrictive trade practices." I refer again to the Third Annual Report of the International Monetary Fund. The United Kingdom has a complicated list of licenses and restrictions which leave any and all decisions on the operation of trade in the hands of the British Board of Trade and the Bank of England. Not only must the American exporter contend with the opposition of a rigid cartelized competition quite capable of preventing even the possibility of physical distribution of his product in the British market, but he discovers that licenses are required for almost all imports. Moreover, the same system of licenses which applies to American imports does not apply to imports from other countries. In short, there are favored countries, depending on whether they are a part of the monetary and trade structure known as the sterling bloc, and depending also on the degree to which they are a party to that bloc.

Let us take another item, the freezing of payments of account. This is very interesting in view of the great fuss which has been made over the American Army's refusal to accept a British bid for generators on the Chief Joseph Dam project.

An American exporter may in most cases sell in Great Britain. Theoretically, he can be paid. In fact, however, he cannot receive his money in terms of dollars or convertible sterling except by special negotiation involving high-level discussions with representatives of the state itself.

FREEZING OF FOREIGN FUNDS

The greater part of the savings of the Irish Republic are thus frozen in British hands. India has to her credit approximately one billion pounds sterling in the London Bank, but she cannot touch it. These funds are gradually released at the option of the British Government, and the Bank of England, an arm of that Government. These releases are conditioned always by tie-in trade demands placed on the respective countries. Ireland for example would like to buy American coal, but cannot do so without running the risk of offending the Bank of England. The same is true of India and of other countries.

The sterling area agreements derive their efficiency from the very practices and exchange controls which were denounced at Bretton Woods and San Francisco. This web which expresses economic nationalism at its worst, extends in many directions. There are 3 or 4 gradations of integration of the various associated states, with the sterling bloc mechanism. We find, for example, the special anomalous situation in which the Russians through their connection with the fringe areas of the sterling bloc, are in a better position to buy cheaply and freely in sterling countries than is the United States. Transfers of capital to any place outside the sterling area require official approval, and even the amounts which may be taken out of the country by persons traveling on legitimate business are rigidly controlled. My distinguished colleague from North Dakota [Mr. YOUNG] can testify that when a committee from Manitoba or Saskatchewan comes in to North Dakota, each member of the committee can bring with him only a certain amount of money.

The bloc includes the United Kingdom, the territories mandated to Great Britain, British protectorates, Saudi Arabia, Egypt, Iraq, Iran, Ethiopia, and all the dominions with the exception of Canada and Newfoundland. It also includes a number of European countries which are bound to the bloc by an accumulation of sizable sterling balances which are permanently frozen unless utilized by continued transactions within the sterling area. I am taking these statements from the International Monetary Fund, official newspaper of all the funds.

EUROPEAN ECONOMIC NATIONALISM

As is the currency of other European countries, the pound is artificially pegged at a considerable overvaluation in terms of real exchange, and the exchange controls are linked with licenses to do business, import goods or to make payment in dollars. Individual American businessmen from Georgia, or Iowa or North Dakota or Oregon, seeking to trade in these areas can do so only by specific permission from the Government, and it will interest all of us to realize that this condition applies as much to Jamaica, Bermuda, and the other islands lying off our shores as it does to Britain itself, Iraq, or Africa.

Thus we find the British crying out of one side of their mouths for "trade, not aid"—a slogan, incidentally, originated by the very talented British Minister of the Exchequer, Mr. Richard A. Butler—while at the same time, in their actual dealings the British themselves have created all the conditions of economic warfare and bilateral trade which British statesmen are so loudly decrying.

This economic nationalism has not failed to have its expected counterpart in the internal market of Britain itself as well as in the internal market of the other states associated in the sterling bloc action. These have to do, as I previously pointed out, with internal controls, subsidy schemes of all kinds aimed at curtailing the free market, and by the

planned production and controlled exchange of commodities. The result is the pattern, hateful in American eyes, called the cartel system. Prices are fixed, competition effectively done away with, and the market neatly divided up. The operation of such a system as this is contrary to American law, and indeed invokes criminal responsibility on the part of its operators. In Britain, France, and other European countries it functions with the active participation of government. There is no Sherman antitrust law in England, and there is no so-called Clayton Act in England. On the contrary, the Government sees to it that no law of that kind is passed.

ONE-SIDED MUTUAL TRADE

John Hulley, in the April 1953 issue of World Politics, to which I have already referred, observes that industrial "organization exists in Europe today in the worst form, that is, allocation of markets. Within each nation agriculture and heavy industry enjoy protected monopolistic position within which they can control prices and output."

Mr. Hulley is one of the men in charge of mutual aid in Europe.

A little later I shall refer again to these so-called mutual-trade agreements. I shall not attempt to go into further detail at the moment, but will say that none of these agreements are worth the paper on which they are written. For one thing, they cannot do away with the physical fact of these gigantic monolithic enterprises with their unlimited capacity for conspiracy and predatory action.

This entire complex system of control with its dependence upon individual interpretation by Government functionaries quite efficiently nullifies any conceivable reciprocal trade treaty which may be made between the United Kingdom and its associates, and the United States. In its essence it is no different from the piratical monetary and trade schemes originated by Hjalmar Schacht when that warped financial genius was operating for Hitler. These dealings we loudly denounced at the time as being both dishonest and untenable. Are they more honest and more tenable when they are practiced by the British and other friends?

What is honest and mutual about the manner in which trade is placed in a straitjacket, so that British coal has actually two prices, one for domestic consumption and another for the export market? In short, if the coal is to go to countries which urgently require it for their coking furnaces and industrial establishments, the price automatically goes up.

TIE-IN SALES PRACTICE

Material furnished by the Mutual Security Agency concedes such references as so-called tie-ins or combined sales by which "exporting countries agree to supply urgently needed items if trade partners agree to issue import licenses, for a satisfactory volume of nonessential goods." The sale of coal to an importing country may be made conditional upon the latter's issuance of import licenses for luxury textiles, confectionery, and so forth.

Schacht did this to Yugoslavia before that country was invaded by Hitler's wehrmacht, forcing the Yugoslavs, in return for the right to purchase some urgently needed machinery, to take a 50-year supply of aspirin in addition.

All these highhanded trade and commercial maneuvers have developed from cause. They are there to protect high-cost, inefficient operations by which each little country follows a pattern of seeking to become as self-sufficient as possible.

The course which the liberalization of trade should follow was stated by Paul Hoffman in a speech before the OEEC on October 31, 1949:

> The creation of a permanent, free-trading area, comprising 270 million consumers in Western Europe, would accelerate the development of large-scale, low-cost production industry. It would make the effective use of all resources easier, the stifling of healthy competition more difficult.

Actually, to create this highly desirable condition, Europe would have to let down its existing political as well as trade barriers. It would have to form a United States of Europe, and put an end to its little Marxist cliques and the traditional self-seeking which have kept Europeans at each other's throats during all of these centuries.

Again I remind the Senate that to speak of even the best of these countries as being democratic, in our sense of the term, is a mere play on words. The Russians are fond of speaking of the people's democracies in referring to their own satellites, and if we are to include such worthies as Tito, the Greek royal family, and Franco Spain, it makes just about as much sense for us to speak of our so-called democratic allies.

UNDEMOCRATIC DEMOCRACIES

Let me digress for a moment, to refer to this peculiar terminology which we use so freely.

Certainly none of the European or Asiatic states are democratic in the sense that their organizing principles allow for the existence of a true free-enterprise economy. As we have seen in our own international dealings with these countries, the same yardstick used in relation to our own production for export cannot be used in regard to that of foreign states. The export business of these countries is largely controlled by the state itself, which in one way or another manages it and is in a position to use it as a weapon of state policy. Against such a condition even the largest of our individual trusts is apt to be helpless.

Imagine, Mr. President, a great big country with that kind of a setup bidding against even the Standard Oil Co. for the supply of oil. Strong and powerful as is the Standard Oil Co., it can be outbid. The Standard Oil Co., perhaps, is the only corporation in the entire world that has any chance of winning in a bid of that character.

Despite treaty declarations of any kind, trade barriers are erected which American enterprise cannot hurdle in foreign markets, whereas it is exposed to the prospect of ruinous competition in vital sectors of our own domestic markets. In fact the very organizing principle which gives European competition its formidable quality, that of the cartel web, is, as I have stated before, expressly prohibited by our Federal law.

TITO'S YUGOSLAVIA NOT A DEMOCRACY

Although it is our wish to remain as friendly as possible with all of these countries, it is a piece of nonsense to describe them in terms of "the democracies," or in other words, as partaking of a style of economic and political organization synonymous with our own. By what stretch of the imagination is Tito's Yugoslavia a democracy? Is it not a Communist state, as vigorously opposed to our own free enterprise system as is China, Russia, and the other Communist countries? And may it not be suspected that the falling out by which Tito and the masters of the Kremlin find themselves in opposition, may only be temporary? Simply because Stalin and Trotsky fell out, it did not make Trotsky a democrat or any more reliable from our own point of view, and it is entirely possible that Stalin's death may facilitate the reentry of Tito into the Russian system of satellites. There would be no loss of face to either in a deal between Malenkov and Tito on this subject. Certainly such an outcome is not more difficult of contemplation than the about-face which produced the Hitler-Stalin deal from whose effects only Hitler's colossal blunder, in subsequently attacking his Russian partner, saved Europe.

ALL IMPERIALISM IS EVIL

In any case, if the Communist system is evil and if it degrades and brutalizes humankind, then it is just as evil under Tito as it is under Malenkov and Beria. If imperialism as utilized by the Russians is vicious and hateful, it is just as vicious and hateful in the hands of European colonial usurpers wherever they may operate, for in each case what is depended on is the unlimited use of force, corruption, and intrigue. The one way these victimized peoples can secure their rights and escape from the crushing yoke of a foreign overlord, is by the exercise of unlimited force in turn—in short, by bloody revolution such as occurred in the case of the Irish Sinn Fein, the so-called Jewish terrorists in Israel, and today in Africa, the Mau Mau terrorists. It is a melancholy commentary on these situations that bloody suppression creates an equally bloody and unrelenting reaction on the part of the suppressed, who are no longer able to regard the world in terms of ordinary, decent, moral values. As always, the tree of evil brings forth poisoned fruit.

Among the more moderate European nations, it can hardly be said that the states of the Iberian Peninsula under their twin dictators, Salazar of Portugal and Franco of Spain, are democratic in the sense of the term understood by us. For that matter, it has been stated categorically, and I think it is true, that the much criticized left-wing Progressive Party headed by Henry Wallace in the United States was still considerably to the right of the so-called Conservative or Tory Party of England, a nation proceeding along the road of mixed marxist-imperial-monarchist principles. As an organized unit in world society, Brit-

ain is an anachronism, being 94 percent urban, almost without local resources, no longer able to protect its far-flung empire from its countless enemies. Even the Argentine, which covets the Falkland Islands, and Guatemala, which considers British Honduras as irredenta territory, present serious elements of weakness to the British position, as do Hong Kong, Gibraltar, and the very vulnerable schematic structure by which Britain rules such varied areas as Iraq, the Hadhramaut, Ethiopia, and Thailand.

BRITAIN'S NATIONAL SOCIALISM

At home, Britain's method of state organization contains none of the checks and balances provided by our own Constitution, which give our Nation its peculiar character. The supreme authority in England is the House of Commons, against whose decisions there is no recourse. Even though the members of the House are constitutionally elected, the system is quite alien to ours and provides none of the safeguards peculiar to the American method. Like most of its European counterparts, Britain is in effect a nationalist-socialist country. Socialistic at home and imperialistic abroad, except for the question of violent degree and the depth of its racial ideology, its position is not basically different from that of Nazi Germany. The greatest difference in fact is not in organizing principle, but expressly in the fact that the British are both moderate and disposed to temporize in seeking their objectives. Moreover, they have been forced to play their hand from weakness, utilizing armed power as only incidental to economic and conspiratorial power, whereas the Germans felt themselves able to operate by the use of pure force alone.

The difference in view between domestic theory and the same theory encountered abroad may be seen in the British quarrel with Iran, one of the countries supposed to be most immediately threatened by Soviet aggression. I hold no brief for the Iranians as against the British, but it seems written on the face of the matter that the Iranians have as much right to nationalize oil as the British have to nationalize coal and other national assets. As for the question of expropriating foreign holdings, the British have never hesitated on this score, though they have been more subtle and more civilized in the means they have utilized. Certainly the arbitrary freezing of funds comes exactly to the same thing, and, as many an American businessman can testify, amounts to expropriation.

When it comes to a question of cold war, that is an old conspiratorial maneuver in which the British are as expert as anyone.

THE COLD WAR ON IRAN

In the cold war which Britain has made on Iran, in an effort to bring it to its knees, the Iranians discovered that they could get no one to sell or loan them the tankers necessary to transport their oil. Indeed, they found that British pressures exerted through our compliant State Department had intimidated other European countries, who in consequence refused permission for their nationals to enter Iran as experts to be employed for the handling of the giant refineries. Iranians found themselves virtually ostracized, no one daring to buy Iranian oil at any price. Of course, Russia could not buy it, for the pipelines all run the wrong way—that is, down to the sea. Apparently the Russians are in no hurry to intervene in this situation anyway, and would prefer to see Iran hurled into the chaos of bankruptcy.

When an enterprising Italian firm started to buy this oil, and even succeeded finally in bringing some of it to Italy, the pressures put on them from all directions were so great as literally to force them to desist. In Japan an oil tanker, the *Nisho Maru*, recently arrived at the port of Kawaski, near Tokyo, with a shipment of 18,000 tons of Iranian crude, a shipment which the British Government had been unable to stop. Through the Anglo-Iranian Oil Co., the British Government appealed to the Japanese courts, demanding that the oil in the tanker *Nisho* be considered as stolen British property. This plea was refused by a Tokyo court, which allowed the Japanese importing company to distribute the Iranian oil which its tanker had brought in.

Despite all this, and without benefit of legal action, the Japanese Government suddenly announced that it was reversing the court's decision, and wished to refrain from supporting trade which could damage good relationships with foreign countries.

One can well imagine the intense nature of the pressures which had been exerted to bring about so amazing a declaration as this, and the quality of the conspiratorial action by which it is sought to ostracize Premier Mossadegh and to bankrupt his country. To this scheme our State Department obviously has been a party, though it would appear to fit in badly with our own stated preconceptions on the subject of foreign aid; that is, if handouts and subsidies are not forthcoming, poverty and near bankruptcy will throw these countries literally into the laps of the Communists.

If this outlook is true in Europe, why is it not true in Iran? If it forms the basis for our actions in one strategically situated country, why is it deliberately ignored in another strategically situated country? Would we tolerate such a punitive action against our neighbor Brazil, which is also nationalizing its oil resources? Would we consider such action an infringement of the Monroe Doctrine, or would we consider the prospective loss of British commercial profits as the important overriding consideration? There seems to me to be a lack of consistency here, and, frankly, I can make no sense of it.

"DISPOSSESSION IMMORAL?"

While I am on the subject of difference, I wish to read an advertisement published in the spring, 1953, issue of the British publication, The Farmer. The heading of the full-page statement is: "Dispossession Immoral?" The body type continues as follows:

The Farmers and Small Holders Association believes it is immoral to dispossess any man of his own property for any reason whatever without appeal to common law. The association has been formed specifically for the purpose of protecting the rights of the individual farmer or small holder who may as the law now stands be dispossessed of his home and means of livelihood by order of the Ministry of Agriculture with no judicial appeal. Details of many cases of ejection for reasons other than "inefficient farming" are in our files.

This association of farmers asked for members, for the purpose of helping "all those who are being dispossessed of their freeholds and tenancies by the Ministry of Agriculture," and "to restore in all such cases a right of appeal to our traditional courts of law." It is signed by the Farmers and Small Holders Association of 14 Manchester Square, London.

Such and ad in an American paper protesting the fact that the American Department of Agriculture was dispossessing owners and tenants from their land without recourse in law, because of alleged inefficient farming, or any other reason, would be incomprehensible.

Mr. President, imagine that happening to a farmer in California, North Dakota, New Jersey, or anywhere else in the United States, simply because the Department of Agriculture said he was not farming efficiently.

In the fact that such an ad as this could appear as a matter of course in a standard British publication, is written the very large difference between the American and British systems and outlook on life. Indeed, the American system is unique in the world, with the exception of that of its neighbor Canada, though many of our neighbors to the Spanish south are endeavoring to emulate it. To compare our system and our situation with others, and to group all into the same category as being coequal, equating Luxembourg with the United States, Portugal, and Yugoslavia with Italy and France, is an absurdity of the first order. To formulate a policy on such a total misconception is to incorporate into our state dealings the logic of bedlam. It is to restate in new terms the false syllogism: an eagle is a bird; a sparrow is a bird; they are both birds; therefore a sparrow is an eagle.

NO ONE SHOOTS SANTA CLAUS

If we incorporate into our estimate the calculated double-dealing, duplicity and fundamental self-seeking of these countries, the conclusion is appalling. It is simply this: If we have any friends among these states, it is not because of a determined identification of their interests and policies with ours, but only because no one ever shoots Santa Claus.

Since the first duty of the United States and of those who lead it is the physical security of the country and its citizens, it is well for us to look at the record, for here is a springboard by which we may judge our future international course.

The change in outlook on the part of those charged with the formulation of American public policy proceeded in progressive steps. It was not the sudden outgrowth of what the Germans call a new Weltanschauung, or new world view, as opposed to an alleged old isolationist view. On the contrary, there has occurred no broadening in the National outlook, but rather the development of an essentially neurotic concentration on

what has been called the manifest destiny of this country. The thinking has been described by the devastating term, do-goodism, and the prophets themselves as do-gooders. These are facile but feeble words which hardly describe the real situation, which is much more complex than this. At a later point in this discussion I shall endeavor to analyze this phenomenon in an effort to account for it. At the moment let us simply examine the record itself.

OUR GIVEAWAY PROGRAM

The giveaway program properly starts with the battleships which were given away by the Executive of the United States, without the approval of Congress or the people, to the British Empire. The Empire of course was in crisis and was fighting a terrible enemy whom most Americans looked on as cruel and vicious in the extreme. On this emotional basis the action might be understood, but it was followed by a series of others in kind in which the relationship of the United States and Great Britain became one in which the tail began to wag the dog. We put up the money, the men, the knowhow, and the wherewithal, and the British provided the direction. This remarkable situation, too, I intend to examine in more detail later. There followed lend-lease, to which I make no further reference here. After that came the all-but-forgotten UNRRA program.

UNRRA was the beginning of a National giveaway program by which in scarcely more than half a decade we have handed to foreign nations in gifts, loans, and subsidies a total of more than $70 billion—more than the total assessed valuation of New Jersey, New Mexico, Iowa, Colorado, Oregon, Kansas, and Dakota. Some day—and I do not think the time is far distant—the people will wonder what in heaven's name their Congress was doing.

What I seek to point out now is the essentially fraudulent representations made on behalf of each of these increasingly astronomical demands placed on the American Treasury. It will be noted that I refer to these representations as offered at the time by the United States Government to the Congress as essentially fraudulent.

The record shows that that is so. It is a record I wish to point up in sequence, directly from the mouths of the responsible Government representatives.

Aside from spending a very large sum the real net result involved the financing of the then-loyal Communist Tito, and the jettisoning of our loyal wartime comrade, Mikhailovitch, in Yugoslavia.

FIRST THERE WAS UNRRA

The one thing which should be mentioned in respect to UNRRA is that it was definitely understood by the Congress and by the American people that UNRRA represented the last of the major demands which would be made on the United States. Senator after Senator made that statement on this floor. However, there followed soon after, the Bretton Woods banking agreements, which were sold to the American people amidst great fanfare, publicity, and tub-thumping. The American people and the Congress were informed that by financing a world bank the economic ills of our European friends would be cured for all time. Their currencies would be made convertible, all barriers to trade would disappear, and in particular there would result a great expansion of our exports, both agricultural and industrial. If any Senator has any doubt about it, let him go back and read the debates.

Dean Acheson, then Assistant Secretary of State, informed the Congress that the Bretton Woods proposals presented the country with a chance to avoid the disaster of economic warfare and of shrinking international trade "by acting in common with the other nations in the world to put aside the implements of economic warfare and make possible an expansion of production and consumption in trade." Franklin Delano Roosevelt referred to the Bretton Woods Agreement as constituting "our hope for a secure and fruitful world, a world in which plain people in all countries can work at tasks which they do well, exchange in peace the products of their labor, and work out their several destinies in security and peace."

By these messages, and by all the force of propaganda wielded by big government, we were allowed to believe that this financing would constitute the last large-scale demand for help to be made upon the American people. It was so stated time and time again on this floor.

When this expedient collapsed, its inadequacies were glossed over in turn. Then we were told that it was necessary to make loans direct to certain favored states. Specifically in relation to the British loan, we were informed by the administration that these moneys would rescue the British from their economic dilemma, that they would be used to reconstruct Britain's antiquated productive plant so that she once more could become competitive on world markets, and in particular would cause the pound sterling to become convertible. The American people once again were promised a greatly expanded export trade.

Secretary of the Treasury Vinson told the Senate Banking and Currency Committee on March 6, 1946, that "the credit to England is in no way a precedent for other loans. Its particular purpose from the American point of view is to free a major segment of the world's trade from the currency and trade restrictions by which it is now shackled." The then Secretary of Commerce, Henry Wallace told the Senate Banking and Currency Committee on March 12, 1946, that the British loan "will aid the revival of world trade and prosperity which is necessary to heal the economic wounds of war and insure the preservation of peace." In similar vein Senator Barkley stated, on April 17, 1946, that "we are making this loan to Great Britain because it will enable nations to trade all over the world, instead of in restricted areas; because it will give an outlet to our products of farm and factory, and employment to American working people."

THEN THE MARSHALL PLAN

We all know what occurred—exactly the opposite of what was claimed.

Then came the much-vaunted Marshall plan, which it has been reliably reported should rather be called the Bevin plan, since it originated with that redoubtable and tough British Socialist Foreign Minister. Again we were told on behalf of this new spending orgy that the trouble with the world was that Europe's industrial capacity had been destroyed by war, and that it was necessary to rebuild it in order to place the European peoples on a decent standard of living and keep the continent from embracing communism.

Once more the expected failed to occur.

Instead of settling the economic affairs of the world and allowing for a climate in which mutual trade would flow freely, the opposite happened. Trade was further constricted, and the principal nations of Europe set up the same claim as before, that they were facing an even greater economic dislocation than the one which applied before the Marshall loan went into effect. Now it was discovered that the dislocation, instead of coming from too little industry, was coming from too much industry. Even little Greece was at 168 percent of the prewar 1938 level, and the average for all of Europe at the end of 1952 was 140 percent of the 1938 prewar industrial production level, and steadily going up.

THE MARSHALL PLAN BACKFIRES

Europe was now in the position of the United States in 1929 when it was overproducing in terms of the markets available to it. Forthrightly, Europeans began to point out that they were going broke for want of markets, and that they had no intention of doing so gracefully. Instead of the Marshall plan acting to enlarge American export markets, as had been promised by American officials when the plan was put into effect, American exports began to collapse under European competition. In America's own backyard of Latin America and the Caribbean, European producers with their low-cost labor rate, special tax exemptions and state subsidies have begun to undersell American exporters by as much as 50 percent.

Contrary to all predictions, though the dollar gap of these countries has steadily shrunk, our nondefense exports are as steadily nose diving, and in 1953 are expected to be more than 25 percent below the 1952 level.

What is even more painful, European makers of capital goods are, in some incomprehensible manner, able to displace us in Latin American markets by offering much more liberal payment terms than American exporters can afford.

It, of course, is true that once American production is forced off the market, action will be taken by state controlled foreign operators to raise the price skyhigh, as happened with Malayan rubber and tin, which more than quadrupled in price directly after the onset of the Korean war.

DROP IN AMERICAN EXPORTS

There are ominous signs for the future, including a drop of American cotton exports by more than 50 percent in a year. How, it may be asked, can the individual American producer of cotton complete with the state-controlled Egyptian cotton which, in turn, despite

the tensions over Suez, is controlled by the Bank of England.

Let us consider as another example the current sales value of American liberty ships. Owners of American Liberties who have been attempting to sell them during the past months, have been offering these ships at $475,000, with no takers. Foreign sellers of Liberty ships, however, are able to realize as much as $800,000, in terms of the pound sterling. An article by Jacques Nevard in the April 28th issue of the New York Journal of Commerce, states that "this spread represents the difference in potential earnings of these vessels under the two types of operation." One with its high wage and maintenance bills, and the other with low wage and cost of upkeep. Thus, the high initial cost is more than offset by lower operating expenses.

I have heard it declared and I can readily conceive the possibility, that in furnishing the money and instigation to expand the industries of European countries, we have increased the likelihood that they will refuse to link themselves with our international trade policies, and have actually increased the possibility that they will act as suppliers of manufactured materials to the Soviet Union and its satellites. European governments have already openly begun to argue that their basic requirements involve an abandonment of collaboration with American policy, to allow these countries to deal with the Soviet Union and its satellites in terms of machinery and strategic materials and whatever else is desired, in a full expansion of so-called East-West trade.

Mr. President, could the distinguished minority leader tell me whether he intends to move that the Senate adjourn? I should like to ask unanimous consent to conclude by remarks tomorrow morning.

Mr. JOHNSON of Texas. I do not have that authority. I discussed the matter with the acting majority leader earlier in the day, and it is my understanding that he plans to ask the Senate to stay in session until at least the conclusion of the remarks of the Senator from North Dakota and perhaps of one or two other Senators.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. JOHNSON of Texas. I should like to accommodate the distinguished Senator from North Dakota if I could.

Mr. LANGER. I understand. The distinguished minority leader is always accommodating to the Senator from North Dakota.

Mr. President, the aspect of the situation to which I have just referred I shall consider at greater length later, but it may be taken as axiomatic that the Soviets have not the slightest intention of offering any dealings to the West except in terms of their all-over strategic requirements. They wish to return to the days when the British, the French and others gave them exactly what they wanted in the way of machinery, materials and strategic goods of all kinds.

THE HUNGRY RED MARKETS

The Soviet bloc provides an attractive and hungry market for Europe's mounting surplus of manufactures, which otherwise must be considered in terms of the historic European market as ruinous over-production.

Europeans now are also demanding the right to flood American domestic markets with cheaply produced European goods. The much promised convertibility of sterling and other currencies, and the elimination of the other carefully calculated barriers to American trade, are as far away as ever; but the invasion of America's domestic market by foreign competitors is a hard and painful fact—a matter I shall also return to later.

At this point I turn to a matter which has been much in the news and which is of a piece with the entire pattern of unrealistic and illogical actions to which I have referred.

I am delighted to be able to shove this down the throats of those who only a few short months ago were condemning as unpatriotic anyone who dared to vote against any of these foreign loans and other foreign activities of the United States. A newspaper published in the city of Washington in a front-page editorial dedicated itself to the defeat of any Senator who would dare to vote against the United Nations.

This is the case of the unsuccessful British bid on power generators and transformers for the Chief Joseph Dam project at Brewster, Wash.

To see this case in its full light it is necessary to keep in mind the sterling bloc restrictions on American trade, the freezing of American funds in Britain, the cartelized and state-subsidized exports, the tax exemptions and multiple rates of exchange, and the whole iniquitous system of permits and restrictions which throttle American trade in British markets and confer absolute protection on domestic British industry, no matter how incompetent. Actually, not even such cheap and noncompetitive articles as American magazines—note this, Mr. President—can be sold freely in Britain or in the states of the Continent. Two essential conditions are required, neither of which is easily forthcoming. One is permission for the right of physical entry. The second is permission to withdraw money earned, in terms of American dollars.

BRITAIN WITHDRAWS FROM WHEAT PACT

Mr. President, the protests over the Chief Joseph Dam project must also be weighed in terms of the sudden British determination to pull out of the International Wheat Agreement because they think they could buy cheaper from the Russians and elsewhere.

Mr. President, how in heaven's name can any Senator who comes from a farming State possibly vote for the pending bill? It is entirely beyond my comprehension how any Senator from such a State could vote for the bill. The International Wheat Agreement will expire at the end of July. Representatives of 46 countries met to draw up a new agreement, which was prepared after many weeks of argument. Finally, representatives of 45 of the countries signed the new agreement. Which country refused to sign the amendment, Mr. President? Britain, alone, refused to sign. I say we should never, never, never vote to give Great Britain or the United Kingdom one dollar until the British sign that wheat agreement, along with the other 45 nations.

The other day in the Foreign Relations Committee we heard testimony on that subject. We heard from the experts—experts, Mr. President, not political demagogues. The vice president of General Mills, who has given his entire adult life to agriculture, and who was constantly in attendance during all the years when the International Wheat Agreement was formed, years ago, said he thought it was Britain's purpose to play one country against another, in an attempt to ruin the wheat farmers of the United States. The British want our wheat farmers to go back to the ruinous days of the drought, when in the State of Montana wheat farmers were getting 14 or 15 cents a bushel for their wheat, and wheat farmers in North Dakota were getting as little as 19 cents a bushel for their wheat. I myself sold some wheat at such a price at Casselton, N. Dak.

Evidently, the British are refusing to sign the new agreement because they hope to buy wheat at bargain prices. Forty-five other countries have agreed to sign the new agreement; Britain alone refuses to sign. The British say that under the new agreement the price of wheat will be too high. Actually, the maximum price under the agreement will be $2.05 a bushel. The British evidently think that a price of $2 would be all right, but that $2.05 is too high. Because of the extra nickel, the British refuse to sign the agreement.

Mr. President, it is unthinkable that such action should be taken by a country to which we have given billions and billions of dollars, especially in view of the fact that the extra 5 cents a bushel in the price of wheat would cost the British roughly $8,500,000, according to the testimony of the experts.

Mr. President, what do you believe the wheat farmers of the United States will think if the House of Representatives and the Senate vote to give billions of dollars to a country that is anxious to have the wheat farmers of the United States ruined? Evidently Britain refuses to sign the new International Wheat Agreement, although the 45 other countries have agreed to sign it, because Britain thinks she can buy wheat cheaper from Russia than from other countries.

This development has occurred at a time when whole mountains of wheat are piling up all over the United States; the wheat production is so great that there is not even storage space for the surplus. Even airplane hangars and old Liberty ships are being pressed into action for storage space. That is the situation at a time when the farm glut in wheat and in other agricultural products appears to make the imposition of acreage allotments and marketing controls an urgent necessity. That is the situation at a time when the assurances of the Marshall planners have so far evaporated that the exports of American farm products will be off a full third in 1952–53, from those of the preceding year of 1951–52. Wheat in particular will be off 158 million bushels, from

the 475 million total of last year. Cotton is expected to drop by 40 percent. Textiles, oil, coal, tobacco, farm equipment, and other manufactured goods will show consistent declines. Instead of the European market opening up to us, it is jamming down tight; and Europeans are seeking, by every artifice and scheme their ingenuity can invent to exclude competing American goods from world markets. This subject is one about which I shall have more to say later.

Meanwhile, to return to the Chief Joseph Dam project and the question of the British bid, let me say that so much ado has been made on this score that it would almost appear that Defense Secretary Wilson and the Army have been guilty of an almost criminal action in refusing the British bid and in "opening up the matter for grabs again." That is what the British would like to make Secretary Wilson's action appear to be. The Washington Post, usually a sober newspaper—although there is some question about that—recites with blazing editorial indignation that—

> During the campaign and in his state of the Union message the President was eloquent about the need to increase foreign trade.

But now has gone back on his pledge.

The natural query is, whose foreign trade? Certainly, it would seem that since General Eisenhower is President of the United States, it should be our foreign trade that he should be primarily concerned with. In this case, however, the object of concern seems to be the foreign trade of Great Britain, a foreign state which already discriminates against American exports by every artifice economic nationalism can originate.

This entire question arose over a low British bid made for the manufacture of power generators for the vitally important Chief Joseph Dam project. This bid was 11.2 percent lower than the lowest American bid. Among other factors, however, the bid of the British company involved specifications which would include 25 percent less copper and 20 percent less electrical sheet. It must have also occurred to Mr. Wilson that during wartime there would be grave questions connected with servicing this equipment, a point every American owner of a foreign-made automobile will readily understand.

THE BUY-AMERICAN ACT

But more important still in the mind of the Secretary was the question of the legal right of the Army to accept this foreign bid under the circumstances. At this point the matter became one which concerned the fundamental will and intention of the Congress.

In 1933 Congress passed the Buy American Act, by which military procurement officers were required to favor domestic materials and manufactures unless the cost was unreasonable. Obviously the intention was not only to protect our industry from low-cost competition, based on the depressed living standards of other countries, but also to insure the extent of the supporting industrial base in case of war.

Application of the act developed the principle that any foreign bid must be at least 25 percent less than the lowest domestic bid in order to obtain a United States Government order.

As a matter of furthering the policy predicated on the notion that the industrial well-being of Europe is a first line of American defense, the Truman administration vacated this provision last year, and thus repudiated the express will of the Congress.

THE BRITISH PROTEST

The cry of wounded indignation which went up when the British bid was rejected can be understood in its true perspective only if one were to imagine British amazement if the situation were reversed and if it were American manufacturers who were hysterically accusing the British Government because it would not accept an American bid on a domestic British project. I think it fair to remark that the British would consider that we had gone mad. But in our country it was possible for Drew Pearson to write:

> The British Board of Trade has been raising such a howl over squeezing out the British bid, that United States Ambassador Winthrop Aldrich has warned that British firms probably won't bid again and may stop doing business entirely with the United States.

Imagine, Mr. President, the implicit threat in this remark, coming through the medium of one of our responsible representatives, that the British, who are already on a one-way street of advantage in ther relations with our country, will not like us any more because we did not accept their bid on power generators for the St. Joseph Dam, and that they intend to ostracize us completely so far as any advantage of doing business with them is concerned!

We read that Sir Andrew McFadyean, vice president of the British Liberal Party, accuses President Eisenhower in a public address of double-dealing, referring to the "great gulf" between his "words and deeds", and alleging that the only specific treatment Eisenhower has for establishing a proper balance between the dollar and Sterling is "repeated doses of eyewash." He refers to the British as "suckers", and does not hesitate to describe our Army's rejection of the British bid as coming within the realm of "sharp commercial practice."

(At this point Mr. LANGER yielded the floor for the day.)

Tuesday, June 30, 1953

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point, as a part of my remarks, excerpts from an article entitled "All Those Billions Abroad, But United States Still Uncertain About What It's Getting." The article appeared in the May 15, 1953, issue, of the U. S. News & World Report. I wish to have printed at this point in the RECORD the part of the article appearing at the bottom of page 27, showing the amount of foreign aid extended by the United States to various other countries, together with the statement that "6 billions more for new foreign aid is being asked."

There being no objection, the excerpt from the article was ordered to be printed in the RECORD, as follows:

Thirty-nine billion dollars in foreign aid—who got it?

To Western Europe	$29,000,000,000
To Russia and Eastern Europe	1,000,000,000
To Asia and Pacific areas	7,000,000,000
To Middle East	350,000,000
To Latin America	670,000,000
To United Nations, Red Cross, refugees, etc	1,000,000,000

Here's where the money went in Europe:

Britain	$8,100,000,000
France	6,200,000,000
Western Germany	3,700,000,000
Italy	3,100,000,000
Greece	1,900,000,000
Netherlands	1,300,000,000
Austria	973,000,000
Belgium	741,000,000
Turkey	574,000,000
Yugoslavia	534,000,000
Norway	286,000,000
Denmark	277,000,000
Other	1,200,000,000

Here's where the money went in Asia:

Japan	$2,100,000,000
China and Formosa	2,000,000,000
Philippines	1,000,000,000
Korea	1,000,000,000
India	$217,000,000
Indonesia	39,000,000
Indochina	37,000,000
Other	400,000,000

And now $6 billion more for new foreign aid is being asked.

AMERICAN POLICY CONDEMNED

Mr. LANGER. Mr. President, it seems to me that these foreigners have sucked at the teats of the American cow for so long that they take it as their natural right. They are incensed and indignant if anyone suggests that a quid pro quo may be in order, that our people are entitled to compensation for value received. We find the London Times under date of April 22, 1953, referring sonorously to the Chief Joseph Dam incident "as a shock to this country and to others," and remarking that—

> There is deep disappointment at the United States failure to live up to the "good creditor policy" which she must follow if the dollar and nondollar world are to live in freedom and harmony together. American policy is now being put to the test in the eyes of the world.

As a North Dakota lawyer and farmer, the very boldness of this kind of hokum literally floors me. Need I remind you again, Mr. President, that it is the British themselves who prevent the pound sterling from being freely convertible on the markets of the world so as to establish reasonable parity with the American dollar. It is the British who exclude American business from British markets except under the most severe restrictions and who freeze our money so that it cannot be taken out of their country, even if earned. Yet here they are in the remarkable position of accusing the United States of responsibility for pound sterling nonconvertibility and for an alleged economic nationalism.

When I see this sort of thing, I sometimes wonder whether everyone has not gone stark crazy, and whether our publicists and public officials have not taken off to never-never land. In the case of Canada, which has a most limited capacity for the construction of heavy

equipment, nevertheless its Government has often refused the low bids of foreign concerns. The U. S. News & World Report, in its issue of June 5, states that—

A large Italian construction firm recently found its low bid for navigation locks rejected by Ottawa. And a low bid to put British engines on Canadian Government ferries was also turned down in favor of a Canadian company.

In its relations with the mother country, Canada gives nothing away. Mr. President, I repeat that Canada takes care of Canada. Canada does not even figure in the fiscal policies of the mother country as a member of the sterling bloc. If Canada sends anything to England, England is expected to pay in hard cash; and Canada maintains no such program, even in relation to the mother country and the other segments of the empire, as that covered in our giveaway or mutual-aid setup. Yet in connection with the Chief Joseph Dam incident, Canadians joined the howling pack.

Is not this, Mr. President, a modern illustration of the scene in Oliver Twist where the two young thieves who had stolen the watch from the innocent bystander, chased after Oliver, in the forefront of the crowd, yelling at the top of their voices, "Stop, thief."

BRITISH CONFUSION

Is it not also amazing to see Mr. John Foster Dulles and Mr. Harold Stassen indignantly arguing as counsel on behalf of the British manufacturer, and joining wholeheartedly in the cry which branded Secretary Wilson as a reprehensible economic nationalist, set on defeating the purposes of the free world?

Surveyed in this context, who can blame the British for being confused? Suddenly and unaccountably the cow refuses to be milked. So we find Mr. Paul Gore-Booth, Director-General of British Information Services in the United States, complaining that "we (the British) have been exhorted a great deal to be more enterprising, to use more aggressive salesmanship, and to penetrate the United States market with goods," and suggesting morosely that having gotten the British to do these things, we have run out on them. Now outside of the very important question of why the British need a "Director-General of British Information Services" in this country, an intelligence and public relations operation suggesting a massive intervention within our internal affairs, why should our public officials be in the publicly acknowledged position of urging foreign producers to "penetrate the American market?" I ask, what kind of officials do we have? This seems to me to involve a plain breach of duty, and a trespass upon the rights of the American worker, farmer and businessman who have put these people in office and who are now paying their salaries. Why do they want to urge the Britishers to come to the United States to interfere with our market?

No one bothers to make mention of the fact that of 16 recent heavy power equipment projects on which there were both United States and foreign bids in 1952, foreign firms were awarded 6, representing a full 42 percent of the total amount of money involved.

Two other projects are now pending which represent a full 10 percent of American annual manufacturing capacity for waterwheel generators. According to Mr. Gwilym A. Price, president of Westinghouse Electric Corp., "The loss of these orders can mean more than a month's shutdown of all United States facilities in this field." Where do we find our United States public officials protecting American labor and American manufacturers, while they are crying out for the British to come on in?

The inference is allowed to exist that, even though our material interests may be affected, we are bound somehow by the so-called Reciprocal Trade Act, on the basis of which foreign nations have made certain offsetting commitments, and that the good faith involved may not in honor be disturbed.

This is, of course, rubbish. My friend, the junior Senator from Colorado, has consistently pointed out that there is no such thing as a Reciprocal Trade Act. This is simply a name by which has been fastened onto the 1934 Trade Agreements Act by Government agents for their own purposes. The words "reciprocal trade" do not even occur in that document. Certainly the terms "mutual aid" and "reciprocal trade" are ordinary tricks of verbiage, for the trade is not reciprocal nor is the aid mutual. The best illustration is the fact that, of 46 countries, the United Kingdom alone refused to sign the International Wheat Agreement. Where is the mutuality? It is only a weird and unexplainable policy of wastrelism and following after foreign goods, which has been pursued in one guise or another by the American State Department, whether under Mr. Acheson or Mr. Dulles.

INTERPRETATION OF ACT

When under all of the conditions of which I have reminded Senators, we hear that the President of the United States has succeeded in exacting from the House Ways and Means Committee a 1-year extension of the act, which authorizes him to cut tariffs in reciprocal trade agreements, it is useful to determine what sources this stream of demanded authority springs from. Quoting directly from the United States Tariff Commission's booklet on the operation of the trade agreements program, the President of the United States on March 2, 1934, asked for the authority to make such trade agreements as "part of an emergency program necessitated by the economic crises through which we are passing," and "as an essential step in the program of national economic recovery which the Congress has elaborated." He stated that the exercise of this authority "must be carefully weighed in the light of the latest information, so as to give assurance that no sound and important American interest will be injuriously disturbed" for "the adjustment of our foreign trade relations must rest on the premise of undertaking to benefit and not to injure such interests."

No one can misunderstand this language. It is crystal clear that the intention is not to give priority to the commerce of other countries, not to rescue someone from communism, but only to aid American production and trade. This I regard as a proper function of government in the United States. It was the authority with which the Congress of the United States invested the President.

This original act was to expire on June 12, 1937, but Congress extended it for 2 successive 3-year periods, first in 1937, again in 1940. Later, in 1943 and 1945, the act was twice again extended with several amendments. The amendments gave to the President authority that should have been retained by the Congress.

EXTENSION OF ACT

These amendments handed authority to the President which should have been retained by the Congress itself, for the President does not make the law in this country, he merely administrates and executes it. The most important of these amendments, that of 1945, authorizes the President to reduce the tariff by as much as 50 percent from the rates effective January 1 of that year. This would bring about a reduction of as much as 75 percent from the rates in effect under the Tariff Act of 1930, or under subsequent legislation. I ask former President Hoover, why are all the mines closed? Why are the mercury, antimony, and tungsten mines all closed? Why are those metals being imported from Portugal and Spain?

In 1948 the act was once more extended. Now the demand is made for renewed extension which, in effect, would limit the primary authority of the Congress and give the State Department the right to become the Government of the United States, vastly exceeding any function the founding fathers of our Republic visualized for that bureaucratic body.

It is true that the Trade Agreements Act of 1934 prescribes that before concluding any trade agreements the President "shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, and Commerce, and from such other sources as he may deem appropriate." There is also a Committee on Trade Agreements which is supposed to act in this regard, supplying the President with required information and advice.

In practice almost total authority is delegated to the President, and since the chief executives of the designated departments are all appointed by him, it may be freely believed that this conditioning clause is of little value and bearing. What has bearing is the advice of the present Secretary of State, who apparently is responsible for the theories and policies under which this administration is continuing in all its major outlines the exact policies previously formulated by its predecessor.

There is no difference, so far, between the Truman administration and the Eisenhower administration.

MARSHALL PLAN MISCONCEPTION

Even in regard to the question of the growth of Communist and Fascist doctrine in the various countries, the arguments offered on behalf of the Marshall plan proved sadly in error. In France

where both businessmen and peasants will promptly vote out of power any government which seeks to collect taxes sufficient to carry out the business of the state, where income taxes are simply ignored by the rich, where subsidies are demanded and received by wine growers and other organized groups, and where everyone joins together to resist any cut in welfare spending, the attitude is that Uncle Sam should be allowed to carry the burden of the country's economy.

The French have taken almost a negative attitude toward government, with an average administration remaining in power no more than 5 months. A rich agricultural country, the French import more foodstuffs by twice than they export. It is probably true that the French budget receives a larger money contribution from United States sources, direct and indirect, than it does from its own domestic revenue systems. Yet despite the Marshall plan, offshore procurement, vast United States Army and other expenditures, every fourth Frenchman goes to the polls and votes Communist.

I wish, Mr. President, that I could get that into the hearts and minds of all the people of the United States of America.

This must mean an infiltration of Communists everywhere in the Nation's economy—social, industrial, and military. There is also a large Facist group, who are nothing but left-handed Communists, and large groups of Marxian near-Communists, people who wish to attain the same goals but to do it without the use of bombs and unlimited violence.

MARSHALL PLAN AND COMMUNISM

The many billions poured into France at the expense of the American taxpayer has not bettered this situation. The Communist Party is still France's largest political party, and the business of the country is still "snafued" and despoiled by the same doctrinaire groups, operated by the same venal, cynical men, whose private ambitions provide almost the sole principle by which their actions are measured.

In Italy there is a similar refutation of Marshall-plan theories.

The country has made a remarkable industrial recovery, some 43 percent above prewar levels, but despite this and American billions there has been a steady growth of both left and right parties and a heavy loss of strength by those political parties committed to social doctrines similar to our own.

Wherever the growth of communism has been stemmed in Italy, it may reliably be stated that this result had little to do with our system of handouts, and more to do with the intervention of outside forces, like those in some churches. In Italy where the existence of some 60 parties splits the electorate into many small political fragments, the Communist Party controls over 37 percent of the vote and comes within an eyelash of being the largest party in the country.

Ironically enough for the Marshall plan myth, in the heavily industrialized Italian north where there exists a comparatively high standard of living, we find the Communist strongholds. In these provinces where the average Italian per capita income is the highest, in the provincial elections of 1951-52 the Reds received 52 percent of the total vote. That is where the Marshall plan has been used the most. In Sicily and the toe of Italy where unemployment is endemic, where misery, hunger, and poverty are very real and very pressing, and where the per capita income is only half of what it is in the prosperous industrial north, the Communist strength as indicated by the last provincial elections, averaged around 37 percent.

EUROPE AND COMMUNISM

Moreover, in Italy the country which was to have been the most prominently affected by the great American Marshall plan subsidy, there has been an equally disconcerting growth of equally anti-American Right-Wing Parties, with democratic coalition groups steadily collapsing into a vacuum. Now, in the elections which have just ended, both Communists and the Neo-Fascists made large gains. The 4 parties of the democratic coalition dropped from a total of 63 to 49.8 percent of the vote. The Communist block increased from 31 to 37.2 percent of the vote, and the equally violently anti-American Monarcho-Fascists from 3 to 12 percent.

This may be a great success as the advocates of the Marshall plan and of the spend-and-spend philosophy insist—but if it is, then it may be said that another such success will ruin us altogether.

It seems perfectly obvious by the very nature of the demands now made upon us, that the massive increase in Europe's industrial capacity for which we ourselves have been responsible, has in no way solved the problem. The Europeans assert themselves unable to rearm unless Uncle Sam pays the cost. If the cost of our Armed Forces stationed in Europe is added to the figure of direct aid, the United States is putting up more money for the defense of Europe than is Europe itself. I challenge the opposition to prove the contrary.

Europeans continue to threaten us with the menace of communism unless we vacate our historic policy and turn over our domestic market to them.

A few years ago a little country in South America said, "If we do not get $5 million, we are going Communist." When the money was given they said, "We want $5 million more." A short time later they wanted $5 million more. We poured out the money to them practically every time they requested it.

The Europeans demand that we placate the Chinese Reds and settle with this fourth-rate extension of Soviet power as if the government of Mao Tse Tung, indeed, had been the victor, and as if the blood of our 135,000 casualties and the untold billions we have spent in the prosecution of this war had no meaning at all.

EUROPEAN MILITARY SERVICE

With one single exception, none of the European countries even maintains a period of military service comparable to the 24 months which each able-bodied American boy is compelled to spend in the American Army.

Why should our American boys be drafted for 24 months when no other country is doing such a thing with its young men?

Though we send our draftees to Korea without hesitation, the French, far from standing at our side there, will not even send their own drafted men to Indochina where France's stake in maintaining its imperial hold is large.

Mind you, these are nations which are immediately menaced, if any Soviet threat exists at all, yet no one seems to grow very excited over it. Norway, which is directly on the firing line, requires only 12 months of service in its citizens' army. The others for the most part demand 18 months, and even little Belgium, which now has a 20-month period, appears to be on the verge of reducing it.

They take our boys and they take our money. That has been the policy of the Democratic Party, which we thought was reversed at the last election, but under the present administration the situation is just as bad if not worse than it was under the administration which was repudiated at the last election.

If the truth be known, we have not even earned the good will of the European states, for it is the considered opinion of competent observers that somehow they seem to have managed to build up an active dislike for us. It is we, and not the Russians, who are looked on as being trigger happy. We are considered pompous, reactionary, crude, and selfishly rich.

COMMUNISM AND LIVING STANDARDS

I submit that this doctrine of groveling before the threat of communism everywhere is a false doctrine. If there is an absolute relation between communism and the standards of industrial production of other countries, making it necessary to intervene on behalf of the living standards of their peoples, in short, to be blackmailed into subsidizing them under threat of the alternative of communism, then, indeed, we are in serious trouble in our own hemisphere. The standard of living of the Mexican peon certainly is far below that of the people of any of the north European countries, and perhaps of any European country. The standards of many of the sharecroppers and field workers of our own American South and West, are lower than those of the cities of Western Europe, where communism flourishes.

It may be said that the standard of living in such South American countries as Bolivia, important to us for tin, or Colombia and Haiti, important because of their strategic location in geographical space, is even lower. The poverty which grips these people is both tragic and undeniable. Yet none of this seems to have frightened those who demand that we share the wealth with Europe, forgetting all about our own hemisphere. They are not afraid that the logic of their arguments offers the possibility of communism in our own hemisphere and on our own continent.

POINT 4

Let us now consider that other expression of national profligacy which is known as point 4, and which runs parallel with the Marshall plan project. The point 4 program is fulsomely described

in a publication, issued by the Government Printing Office under date of 1949, as deriving from actual American need. This, the guiding geniuses of our policy declared, demands an expansion in the productivity and purchasing power of the depressed countries. The expected and prophesied result was the expansion of our own foreign trade, both in respect to industrial and agricultural products. That is what we were told. That is what President Truman said in his inaugural address.

To create a firm economic base for the development of these submerged peoples into good democrats and republicans it is deemed necessary to wet nurse them and their economies and to develop on their behalf an industrial structure. Our official statement warns:

> Without such an economic base they (the submerged peoples) will be unable to meet the expectations which the modern world has aroused in their people.

America, of course, is asked to put up the money to make this doctrine good.

Here again the assumptions proved totally incorrect. All that came out of it for Uncle Sam was a headache.

Mr. President, how proud I am of my votes. I voted against the Marshall plan; I voted against the British loan; I voted against all give-away programs. I am just as right about the pending bill as I was when I voted against the United Nations Charter. As to the United Nations Charter, I said exactly what would happen, away back in 1945. I shall read one paragraph of my speech at that time:

> I would be willing to vote for the appropriation of the last dollar in the United States Treasury, and the last dollar that we could borrow if, by spending that money, we could eliminate war, which we all abhor and hate. I would unhesitatingly vote for the Charter if I felt that it offered even the tiniest hope of a permanent peace. But, in spite of that, Mr. President, I feel from the bottom of my heart that the adoption of the Charter—and, make sure, we are going to implement it—will mean perpetuating war. I feel that it will mean the enslavement of millions of people from Poland to India, from Korea to Java, as well as people in many other places on this earth.
>
> Mr. President, I feel that the adoption of the Charter will be one step more toward compulsory and military conscription, and all that which goes with war.

Mr. President, I was never more right in all my life. We have sent billions and billions of dollars to foreign countries, and now they have the intestinal fortitude to ask for $6 billion more.

The United Kingdom is not even willing to pay a nickel a bushel more for wheat. She would not pay $2.05. She would not sign the International Wheat Agreement. Forty-five other countries did, but not the United Kingdom. She would not pay a nickel more. She said she would pay $2, but not $2.05. The additional nickel would amount to $8,500,000.

The distinguished Mr. Stevens, of General Mills, who testified before our committee, said he was completely satisfied that England intends to ruin the wheat farmers of the United States, if she possibly can, so that the United Kingdom can buy its grain at dumping prices. That is the kind of mutuality that has existed in the so-called misnamed mutual-aid program.

POINT 4 MISCONCEPTIONS

Let us see where the claims for point 4 floundered and why they were opposed to any possible favorable outcome. In the first place, practically all of the countries involved in point 4 are colonial possessions whose business is conducted at the point of guns held in the hands of European exploiters. The consistent purpose of these European masters has been to deindustrialize these lands rather than to industrialize them, to use them, in short as sources of raw material and as exclusively held markets for printed cottons and the usual low-grade exports which may be sold to underprivileged people. Special care at all times is taken to insure the native keeping his place and to prevent his developing ambitious ideas by which he would aspire to become master of his own affairs or to conduct as his own business the colonial possessions.

We have heard the theories of these men with respect to the $6 billion gift. If we listened to them, the United States of America would still be a colony subject to England. Why should we spend $600 million to keep the poor natives of Indochina subservient to France?

It should be noted that even if the money could be expended to make these countries economically independent of their exploiters and politically free in fact, this action would not redound to the benefit of the United States. It would steal still further markets from overindustrialized Europe and Japan, galvanizing their gaze even more hypnotically in the direction of the hungry Soviet East. These new industrial developments it may be assumed, would add to the already existing overproduction in cotton, wheat, tobacco, and other commodities. It would result in the erection of such light industries as weaving and small manufacture. The British would do their best to exclude these from the sterling bloc, and other overurbanized states would similarly seek to protect their own sovereign interests. The single big market which remained to be appeased would be that of Soviet Eurasia, to which, of course, these countries would turn.

Is it not a hopeless concentration on will-o'-the-wisps to see our welfare enmeshed in the ability of others to secure an equally high standard of living, or an equally secure welfare? During the entire existence of our Nation there have been depressed countries in the world. We have always had them. Our little island of prosperity has acted like a lodestone, as I have remarked to people from everywhere, attracted to it and to the principles which have brought it about. To make all of these peoples over into our image we would have to change not only their standards of living, but their standards of political and social organization, their relations with others, as for example the relation of colony and colonial oppressor. We would have to jump the great gap in education, moral grasp, and understanding, and would somehow have to confer upon them a public mind and tradition similar to our own.

I maintain that this is more than we can handle, and certainly it is more than anyone should rightfully demand of us. Nor do I think for a moment that Providence has commited into our unwary hand any such painful burden as this.

We do not need to look further than Iran, which British influence caused us to abandon in midstream; or India, with its 450 million people, which though a member of the United Nations, claimed to be neutral in the Korean struggle.

POINT 4 AND COLONIALISM

Let us take another example, Malaya, where we have implemented a sort of point 4 by synthesis. We deliberately directed our policy to the purchase of strategic materials from that country on the score that Malaya is Britain's biggest dollar earner.

Just what is meant by that? Is little impoverished Malaya, whose natives run around in loin cloths and sandals, so flourishing as to be indispensable to the welfare of the British Empire? I submit that if the proceeds of the sale of Malayan resources are of such critical importance to the British economy, the British are not even acting the part of honest brokers and must be abstracting almost the whole take and putting almost nothing back. Also, then, if this economy is so flourishing as to be the most important earner of dollars for Great Britain and, indeed, for the entire sterling bloc mechanism, why is it that the country is in the ferment of revolt so that virtually the entire exportable British Army has been pinned down for years by Malayan guerrillas?

Are all those natives wrong? Whether we go to Africa, Malaya, or Indochina, are all those natives wrong when they fight England, France, and other countries which force their will upon them at the point of a gun? Why should the United States make enemies of all those natives? Why should the 450 million people of India regard the United States as their enemy and Russia as their friend?

Certainly it cannot be because a large enough price was not secured for Malayan commodities. In fact, we as the major purchaser, were thoroughly gouged, based on an appreciation of our self-apparent need. Rubber, which the day before the Korean war had sold at 28¼ cents, skyrocketed in 6 months to 86 cents. Where is the mutuality of aid, Mr. President? It is enough to make a man who loves his country sick at heart to call the bill we are debating a mutual-aid bill. As soon as it was learned that we needed rubber the price shot up from 28¼ cents a pound to 86 cents. This nice profit also may be noted in that other important Malayan export, tin. The price leaped in a matter of months from 76⅜ cents to $1.84.

Can it be alleged that American exports to Malaya have benefited through this? Or even that there is any active good will for America and her purposes there?

POINT 4 HAS ALSO FAILED

There is nothing which could be accomplished by any point-4 activity anywhere which does not already exist in the unstinted flow of American dollars

for the purchase of Malayan commodities. If it is alleged that these dollars were drained off by a foreign interloper, would not this same fact be true in the case of any of the point-4 countries? Are not all of them dominated by the self-interest of colonial states, or by the selfish particularisms of purchased or puppet rulers? Is not their business administered in fact by the cold-blooded bureaucracies of European states? Must not even such allegedly independent countries as Iraq, Ethiopia, and Thailand be considered as within the web of colonial domination? These are in point of fact no more free of Great Britain than Poland and Hungary are free of Russia. History proves it. It is said that not even a garbage collection concession can be secured in Baghdad without the consent of the British resident, who is the real ruler of the country. The country itself is occupied by British airplanes and British troops, and if there is a tribal rebellion, it is they, and not the Iraquian Army, who put it down. In ostensibly free Jordan not only is there a British resident who is the true ruler rather than the youthful King, but the so-called Jordan Army is equipped with British uniforms, served with British munitions, and led by a British general known as Glubb Pasha.

Are we not justified in assuming then, that the bulk of the money which is poured into submerged or point-4 countries will actually find its way in one manner or another into the pockets of their colonial masters? To think to the contrary is the height of absurdity.

As for the allegation that the industrialization of these territories somehow manages to democratize them and increase the respect in which western Europeans are held, this is altogether an expression of the publicist's and propagandist's art. I need only point out the tragic case of Africa, into whose physical regeneration the British are diverting billions of dollars. We all know of the bloody Mau Mau killings there, which represent in effect, the result of a determined rebellion against the domination of the whites. A similarly explosive situation exists in potential all over Africa today. As in Malaya and other parts of southeast Asia, the Communists are having a field day. Communist infiltration goes along rapidly and successfully under the guise of local patriotism and of local rebellion against the foreign overlord.

MISCONCEPTIONS ON EXPORT TRADE

It may very well be remarked that the entire contention that somehow an affectionate regard for us is fostered by handouts, or that an extension of our own foreign trade is involved in the industrial growth of other countries because they are thereby enabled to buy more, is essentially untrue. It is similar to the distinguished occupant of the chair, the Senator from Arizona [Mr. GOLDWATER], giving a hobo in Arizona a $5 bill and thinking that he gains the affection and regard of the hobo for doing so. I need refer only to the case of our great neighbor to the south, Brazil, which has undergone an enormous expansion of both its agricultural and industrial potential. This has involved the erection of major cities such as Sao Paulo in the south, referred to as the Chicago of Brazil, the opening up of whole territories to the plow, and the building of mills, plants, and factories of all kinds.

This great industrial expansion has brought into being problems of its own, just as it has brought such problems to the more highly industrialized states of Europe. As a net result, the tightest of import rules have been imposed upon the Brazilian economy. The Wall Street Journal quotes a big Rio de Janeiro steel importer as saying that to get "a steel-import license these days is about like hitting a winning number on a lottery." Import curbs of every kind are sending imports from America down the toboggan. In 1952 these ran a monthly average of $47 million.

Today, after all that prosperity has come to Brazil, with all the help we have given, they are now less than half of that amount. Now that they are strong and they have a second Chicago, they are less than half of that amount. The American International Harvester Co. estimates a drop in sales from 1952 of 67 percent for the current year. Other American companies estimate similar drops, differing from each other only in amount and proportion.

What does this mean? Only that the assumption of some direct relation between industrial expansion and American export sales, is theoretical nonsense, if not insanity.

Yet some Senators urge that we give the foreign countries $6 billion more. They want us to take it out of the pockets of our taxpayers. They want to take it away from the women of America who are trying to run a household for their laboring husband, or from farmers or small-business men. Take it out. Take it out. Take it out.

In my State we made it a campaign issue. I only wish we could make it a campaign issue in every State at the next election.

Mr. President, think of it. The Westinghouse Co. and the International Harvester Co. tell us our trade has gone down in one case by two-thirds. Yet some people argue that the more industrialized these countries become the more they will buy from us.

At the same time we find England, 1 of 46 countries to the agreement, refusing to sign the International Wheat Agreement, hoping and hoping, as was testified to by Mr. Stevens—and he is not a radical—who has spent most of his adult life with General Mills in Minneapolis, saying that England is determined upon doing one thing, if they possibly can, and that is to ruin American agriculture. In Brazil is a perfect case in point—a country expanding industrially at probably the world's fastest rate, with the net result of an enforced decline of American exports there.

It seems to me self-evident on the record, that ever since we decided to abandon our historic policy of no entanglements with Europe, we have been involved in a continuous sequence of crises which are the heart of our present difficulties—both domestic and international.

THE SAVE-THE-WORLD MYTH

Mr. President, I come now to another matter, that of the save-the-world myth.

Oh, how often have I heard on the floor of the Senate the expression that the United States must live out its destiny, that we must save the world.

This preoccupation with the save-the-world myth has resulted in a foreign policy with almost a minimal record of success. There has been no failure on this colossal scale in the history of American diplomacy. It has not even served to gain for us the friendship of those who have been most favored by it, a result which it seems to me also is inescapable, for one cannot buy friendship with handouts or by some unfathomable principle which allows us to give and give without seeking any measure of responsibility or any quid pro quo in return.

Mr. President, may we have order? Some Senators want very much to hear what I have to say.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). The Senate will be in order.

Mr. MAYBANK. Mr. President, will the Senator yield? I merely wish to tell him that we were concurring with him.

Mr. LANGER. I decline to yield.

The result, as always in history, again speaks for itself. The conclusion is unmistakable. In Korea where we have had scant military help, and where our associates in the United Nations have turned out to be major suppliers to our Chinese enemies, can it be doubted that even the mild restrictions we have been successful in imposing on these practices, are resented by our European friends, who are restive and annoyed over what they are pleased to consider an intrusion on their so-called right to trade where they please?

There is even talk of retaliation on the part of Europeans against what they neurotically imagine to be an injury to them by us, since we will not open our markets for a one-sided invasion by their products. It is stated, for example, in a Whaley Eaton Newsletter of May 5, that Britain "will submit alternative proposals on sterling trade at June's Commonwealth Conference at Strasbourg. The plan would link Europe and sterling by 'secondary preferences' against dollar goods. The present exclusions working against the American manufacturer would become even tighter, as presenting 'the only policy open if America refuses to play her part in closing the dollar gap'."

EUROPEAN STAKES IN OUR ECONOMY

Thus this dreary theme of double dealing, of one way action, if not of downright dishonesty, continues, with the United States not only the victim but the object of indignation wherein we are saddled with European failures of all kinds, and threatened with a return to the old days of "discriminatory bilateral deals."

These are, of course, meaningless words and empty threats, which cannot be implemented any more than they already have been. They have already done the worst they can do to us. All of these states are the recipients of tremendous benefits from us—monetary,

trade, military, and otherwise, and have no intention of letting this beneficent situation be altered if they can prevent it. In fact most of this caterwauling—for caterwauling it is—may be assumed to be nothing but a bold effort to condition American public opinion favorably to European causes. There is reason to believe that the British, in particular, spend considerable sums of money in this direction, a condition I shall refer to a little later.

The extent of the European stake in our economy has become truly astronomical; how fantastically large it is may be conveyed by reference to the total budget of the United States during the time when Calvin Coolidge was President, which came to only about $3½ billion.

SEVENTY BILLIONS IN FOREIGN AID

Today the total of foreign aid directly given, and also in indirect subsidy paid for by the American taxpayer, is close to $70 billion, if everything is considered. Billions are being spent on United States troops, bases, and facilities in Europe. In a very proper sense the troops, bases, and other facilities we maintain in Europe may be regarded as a sort of second tourist income source, shoring up shaky European fiscal systems. It is estimated that maintaining our troops and bases overseas, exclusive of Korea, comes to at least $12½ billion a year.

At lease $3 billion has been spent on so-called offshore procurement, which may be looked upon as another design to defeat the will of the Congress, for it has been clearly intended that the manufacture of military equipment and materiel for American security purposes should be in the hands of American industry.

If more subtly contrived measures are considered, such as stockpiling and other arrangements geared to support European monetary systems, the total moves into unknown figures. Not more than 2 weeks ago the Mutual Security Administration paid $60 million to the European Payments Union to settle French deficits in intra-European trade. This superspecial consideration has been extended to many others—Austria, Turkey, Greece—even to Iceland, while our own veterans suffer from a lack of appropriations for their welfare.

If lend-lease and other similar outlays are added, the total in aid to foreign countries must be well over $115 billion, and the amount is climbing rapidly.

At a moment when even Great Britain and Canada are cutting and reducing nonwelfare expenses of every kind, Messrs. Eisenhower and Dulles are continuing the exact policy followed by Truman and Acheson. The difference between them is not even one of applied semantics. That is what the American people thought they were getting rid of as a result of the last election. However, today they find that situation worse than ever.

American foreign aid in 1954 is to be approximately $5½ billion. Offshore procurement is to be at the annual rate of another billion. Various indirect aids, through gifts, subsidies, reinterpretation of customs and tariffs, and so forth, will bring the total to well over $8 billion. In addition are the tremendous sums spent on American troops and bases abroad, which have the effect of an additional and unrestricted subsidy.

CEILING ON AMERICAN DEBT

This brings us to the question of the legal limitation which exists in respect to the American debt. Under present law, there is a ceiling of $275 billion, which is the total of the debt which the Treasury Department may incur. At present rates of expenditure, this ceiling will be reached at the end of 1953. The already existing debt in itself is a millstone around the necks of the American people. It cannot be wished or waved away, and will have to be paid for by untold generations of Americans who will be born enslaved to it.

Like every other measure intended to safeguard our welfare, this barrier to ruinous expenditure also will probably be set aside, but it is well to make the American people aware, and to warn them that in the end they will pay for it. Despite all the fancy talk and the high-flown words, when cold reality finally calls the hand, it will be their standard of living which will be reduced in order to bring our national books into balance again. The day of reckoning may be pushed off, but it may not be avoided.

Even in a country rich in basic resources, one is apt to forget that existing wealth and prosperity represent in large part the cumulative savings of men who created it by their unaided sweat, skill, and determination. By forgetting that the great national resource is always people and their will to exist in freedom and honor, one may see wealth as being independent of the energies which created it. Then it is always possible to parade specious conclusions, distorting the essential figures or reinterpreting them, so that they become miraculously responsive to the purposes of the men in power.

Mr. President, where are all the promises which were made in the last campaign?

The normal laws of cause and effect, however, may not be manipulated. They may only be obscured, for the power to repeal them is not given to men.

In view of the sobering facts of today, is it out of order to point to the attention of this great deliberative body that our national resources, although large, are not limitless? If they are to be squandered, it is only a matter of time before we scrape the bottom of the barrel. The question of their depletion hence is not one of academic concern, but one of immediacy, and one possessing very real and sobering possibilities.

THE HARD FACTS OF LIFE

Coming from a State where life may not be as complicated as it is elsewhere, and where men still reason simply, it is not necessary for me to point out to my constituents what happens when a farmer literally mines his soil, taking everything out and putting nothing back. Our President, who comes from the great corn-raising State of Kansas, undoubtedly must be aware of many tragic cases where fine cornland, blessed by the Lord with almost magic fertility, has been leeched and mined by improvident and heedless owners until it has sunk to a submarginal status or has even been altogether abandoned as worthless to the plow.

These are the hard facts of life, and one has to be born with a silver spoon in his mouth to think differently. Those of us who have had to work hard in the American way, know the need for husbanding and conserving our resources. Experience has taught us that, above all, no one individual, corporation, or nation can spend his assets and have them too.

UNITED STATES INVESTMENT ABROAD

Even on the moot question of United States investment abroad, now being so unaccountably promoted by the Eisenhower administration, as it had been by the Truman administration before it, it may safely be considered that this is another expression of American political messianism. In a world where socialization, with its virtual expropriation of foreign investment, is a common occurrence, where capital is often treated as being an exploiting agency in itself, where invested as well as earned moneys are frozen and may not be taken out by the American investor, or where the foreign investor is treated as a dangerous interloper and is subjected to increasing taxation and limitations by law, the value of expanded foreign investment should at least be considered doubtful. Yet we find virtually the entire Government of the United States, with its Treasury and Commerce Departments and related bureaus, encouraging, promoting, and demanding that American money be diverted to the various countries whose welfare we are seeking to promote.

There is now approximately $15 billion of United States investment abroad, and it is sought to raise this to $25 billion, all without guaranties or acceptable assurance whatever from the recipient countries. The beneficiaries talk liberally of cooperation, but they refuse to abide by the rules of ordinary good conduct or even fair play. In support of this statement, witness Great Britain, the United Kingdom, refusing to sign the wheat agreement, although the other 45 countries of the 46 signed it. But England says it will not pay the other nickel. Mr. President, it only amounts to $8.5 million. As I have said twice previously in this talk, we have the testimony of Mr. Stevens, vice president of General Mills of Minneapolis, to the effect that he attended all of the meetings in connection with the negotiation of the International Wheat Agreement, and he is satisfied that Great Britain is trying to buy the wheat at dumping prices, and that the wish of Great Britain is to buy wheat in the United States in order that the wheat industry may be ruined in this country; and if they ruin that industry, of course, it will mean ruin to the cotton industry and many other industries. Moreover, insofar as part of these moneys go to the so-called undeveloped or dependent countries, the peoples of such territories have every right to anger and apprehension in feeling that by thus funding and supporting European imperialism, the American Nation has made itself their appointed enemy.

Mr. President, who are our friends? Where are those in some of the countries

who are going to get the money? Where were they when our boys were fighting and dying in Korea? Where are they now? Yet through this law it is being said, "Give them more money, give them more money." In one of our cemeteries in Europe the white crosses have not even yet been erected, the reason given being that the fund for erecting the white crosses is now in the red, and that there is no money available with which to buy the white crosses.

Almost without exception all other nations discourage and even prevent altogether such investment outside their own fiscal control systems, and consider it an untenable drain on the national resource.

Everywhere we see the same disquieting picture of a mutual aid which operates only one way. I repeat, there is no mutuality in it. Certainly I can be forgiven if at times I think we fought the Revolution of 1776 for nothing and that the United States is still a colony in the true sense that a colony exists, functioning principally for the benefit of the Mother Country.

THE BRITISH CORONATION

Take the matter of the brilliantly publicized coronation of the new British queen. If one were a visitor from Mars he would be certain that this pretty little English girl was becoming the anointed ruler of the United States.

I dare say that this barbaric display of feudal pretension, with its shopworn aristocracy and now futile ermine-clad remnants of ancient tyranny, received more coverage in the American press, radio, and television than any other event in the history of the United States. Compared to this big circus display, the inauguration of President Eisenhower was a minor sideshow event.

When I consider the barbaric feudalism and ugly suppression of the rights of man this panoply of decayed power once represented, its display of weapons and moth-eaten ritual, its total unreality in terms of existing power, and its unworthiness as providing a measure for the aspirations, the dignity, and the hopes of the common man, I cannot help but feel that the original incorruptible fiber of our people has softened. For the gushing adulation with which we followed this event and exaggerated it out of all reasonable proportion, is an expression of two-bit snobbery and a true triumph of the most magnificient public relations job ever done on our people. Not even the Korean war was given such coverage, or the armistices which ended the last two great wars.

Has anyone any idea what all this costs, and what lies behind it? Certainly the vast expenditures involved cannot even be justified on the score that they represent the investiture of a new government in Britain, and thus takes on importance.

As Queen, Elizabeth is only a meaningless expression in pantomime. She is as unreal in terms of actual function as the armorial bearings, the antique garments and the sword-kissings which figured in the ceremonial itself. She has no authority of any kind, nor does she pretend to have.

She is only part of the trappings, of the pretense to imperial domination in a world which everywhere else has left this sort of thing far behind. Her principal job is running the four big royal palaces and keeping track of the six-hundred-and-twenty-five-odd servants, cooks, lackeys, and others who comprise the household.

For this, Elizabeth and her family are granted an annual retainer by the Parliament of close to $3 million, which indirectly the American taxpayer pays for. She pays no income tax, and I do not believe, any rent.

May I point out that the President of the United States, the actual chief executive of a country with allegedly unlimited wealth, receives $100,000 a year, with an additional $50,000 for expenses incurred in the discharge of his official duties.

IT IS UNCLE SAM WHO PAYS

I do not know what, if anything, any of these people contribute in the way of services to the country, but let us look at a few other royal family items, all of which come out of the public trough. Elizabeth's mama, the Queen Mother, receives $196,000 a year; Elizabeth gets $1,130,000 as a personal stipend; her consort, the Duke of Edinburgh, a sort of fifth wheel in this scheme, receives $112,000; the Duke of Gloucester, Elizabeth's cousin, gets $98,000; Elizabeth's sister, the Princess Margaret, does not do so well and must do with a mere $16,800, as must the Princess Royal. The little boy, Prince Charles, receives one-ninth of the revenue from the Duchy of Cornwall and when he becomes of age gets the entire revenue.

If this were only a domestic British affair I would find it tolerably amusing and could discover no real reason for objecting; but since Britain has been represented to us over these years as virtually bankrupt and has been largely dependent upon huge subsidies extracted from the American taxpayer, it becomes automatically my business as well as that of all Americans.

So, also, the vast amounts spent on the coronation became of specific and peculiar interest to us. According to the New York Times of June 5, these may be conservatively estimated at $6,440,000, or something like six and one-half times the amount ever spent in the most extravagant induction of an American President to office.

FOREIGN TOURIST RESTRICTIONS

In defense of these expenditures it will be alleged that they will bring back a profit to the British Exchequer, for they will attract in particular vast numbers of American tourists who will spend great sums of money. Here, too, I think there is a difference in treatment which is far from being either reciprocal or mutual. While all of this money is being drained out of the United States and poured into the British Treasury, the British themselves have formulated a set of airtight restrictions designed to prevent British tourists from coming to the United States and spending any money here at all. To discourage the act of traveling, except for the most necessary reasons, London has placed an arbitrary limitation on the amount which a Britisher traveling in the United States may spend. This comes to £45, or $126, in the case of someone intending to visit a mother or other near relative; and £5, or $14, to those intending to visit friends or distant relatives. It will be noted that no provision is made for visiting our tourist attractions, hotel costs, or purchases of any kind. Those traveling commercially must first apply to the Bank of England for permission. Except in special cases, the ceiling here is £40 per person, or the equivalent of 112 American dollars.

France offers similar restrictions. As a result travel to the United States from these countries is practically at a standstill, a condition which applies not only to Great Britain but automatically to all the countries enmeshed in the sterling-bloc mechanism, and, of course, to other nations as well.

DULLES SAYS "SPEND MORE"

I notice in the Weekly Review, a summary of political and economic intelligence prepared in Britain and widely distributed in the United States to businessmen, political leaders, and others, the blunt declaration that—

> Mr. Dulles is very strongly convinced that America should use her immense wealth to create a vast mutual trade area, embracing in particular all central and southern Africa, the entire British Commonwealth, and as much of the rest of the world as possible. Eisenhower agrees with him. So do a growing number of powerful commercial bodies which have been briefed with the military and economic facts by the administration.

If this be true, what a frightening and disastrous commentary it offers on the present floundering course of the American ship of state. It says that we are to be driven to the very edge of catastrophe, and that willy-nilly we are traveling the road decried by Lenin when he declared that America would be brought to its knees by internal bankruptcy brought on by the unlimited squandering of its resources.

A DISSOLVING AMERICAN ECONOMY?

The Russians count on the fact that they will never have to fight a war against us. Just as they took China and the other satellite countries by a mixture of guile and force, aided by the moral collapse and impending bankruptcy of the victim states, so they calculate the biggest plum of them all, the United States of America, will fall into their hands by the dissolution of its own internal economy. This is an end which they are pursuing and promoting by every strategic effort at their command. Though we have been assured by our leaders over these many years that by this squandering of our assets we somehow are confounding the Kremlin, it may be that our action fits in very nicely with Russian policies and that instead of being resisted, it has been promoted by them. I do not know what other conclusion can be drawn from the fact that we have continually been stimulated into this course by Moscow. Whenever we seemed to be settling down into some sort

of complacency, the Kremlin could be relied on to agitate some new segment of the world's economy, inflaming American nervousness again, and causing us to continue in the role of Uncle Sucker who is blackmailed from all corners of the globe on the score that communism threatens and that those threatened will not resist unless we manage to buy them off.

This situation has gone to the point where it subverts any possible rational approach to our problems. It is not an exaggeration to say that it directly threatens the existence of the American people, who are truly standing alone in the world today, and who moreover are wrecking their own internal economy and their own defense mechanism in a terrible and unproductive effort to play the role of annointed men, appointed by Providence to lead humanity out of the morass in which they move, to follow our Mr. Dulles and his associates into the sacred precincts of the millennium.

This spirit permeates the entire administration, which is not a changeover but an inheritor from the previous administration.

BOWLES SAYS SPEND STILL MORE

Mr. Chester Bowles, who until recently was United States Ambassador to New Delhi, told us a few weeks back that "we should offer both India and Pakistan the same bold assurance that we gave Turkey and Greece and later the nations of Western Europe in 1947, that we will not allow their economies to fail in the next few years for lack of financial resources." What difference is there between what Mr. Dulles and Mr. Stassen said and what Mr. Bowles said. Neither India nor Pakistan has given us a modicum of identifiable support in our struggle against Sino-Soviet aggression. India in particular favors pacifying the Chinese Reds by jettisoning Chiang Kai-shek, and wishes to see Red China seated in the Security Council of the United Nations. In common with other British Empire associates, it is plumping for East-West trade, whatever the result in dangerous buildup of the Soviet industrial war making base, and accepts the new international gospel that Uncle Sam is selfishly rich and that it is his duty to support the world and to bring the standard of living everywhere into equalization with that in America.

That reminds me of what was said by the Senator from Iowa [Mr. GILLETTE] when he read the slogans invented by Franklin Roosevelt and his associates when he got us into World War II.

This latter expectation, Mr. President, this concept of the ordination and duty of Uncle Sam to act as a minister to all of the peoples, is not only unique but unprecedented in international life. Even the Soviet Union, considered fanatic in its pursuit of doctrine, insists on value received in all its dealings, whether with its satellites or elsewhere. In fact, one may well believe that in practically every case it exacts more than it receives.

In every case, including that of China at war, a quid pro quo is involved for all assistance the Kremlin sends. Moscow does not give anything for nothing. It exacts a price and condition in which the paramount interests of the Soviet Union themselves are always the leading element.

AMERICAN GOVERNMENT FOR AMERICANS

I have always taken the position that while it is right and proper for Americans to assist foreigners when they are in trouble, it is not the primary duty of the American Government to look out for foreigners first and Americans second. Under circumstances such as followed after the historic earthquakes in Japan, Americans rose magnificently to alleviate the suffering; but it is not our manifest destiny to remake the world or to remake the relationships of the countries to each other or to their own internal goals. To do so means that we will have to sit in judgment on a myriad of causes—on their colonial imperialism, their Marxist tactics, the way they treat their minorities, and, in fact, every detail of their national operation.

Certainly we can take no responsibility for their internal concerns, for their standards of living, and for other factors which dictate the terms of their existence, unless we are able to exercise over them and over their future the same authority which the Russians wield over the lives of their satellites. This we obviously cannot do; it is an outcome every right-thinking American would shy away from. It is not within our philosophy of life to be dictators, but only a frank dictatorship and cold-blooded imperialism is capable of assuming such responsibilities successfully. A free nation like our own attempting to operate on the highest of moral standards and eschewing any attempt at interference with the internal life of these pensioned states, can rely on nothing from them but resentment, and will not even receive the quasi-advantage of vassal to master.

UNITED STATES "EXPORTS"

We can juggle figures as much as we please in an effort to make the mutual-aid principle look different from an ordinary swindle, but one need not look far to understand that it is the Treasury of the United States which in real effect is financing the great bulk of the purchases made in this country from foreign sources. Comparative figures relating to levels of foreign trade, or levels of export by ourselves, must be examined with the utmost care. Otherwise there will be found serious questions of logic, management, and accuracy which underlie these figures and change their meaning. For example, a change in the pegged value of sterling, or of the franc, can contrive an automatic change in relative import-export position which is all appearance and no reality. Or, by increasing military shipments which are a case unto themselves, our export can appear immense. Our actual loss of commercial export shipments in March of 1953 against the same month last year was 21 percent, but an increase of 181 percent in military shipments during the period brought the total export figure up to where it showed only a fractional loss.

The true fact is that much of the money to pay for foreign purchases in this country is derived from the tax monies of the people of the United States via the United States Treasury. In the truest sense these purchases are gifts.

THE HOAX OF RECIPROCITY

It is equally true that the Treasury of the United States is underwriting the industrial establishments of these same countries. So, in effect, it is we who pay for the exports; and by the same sequence of reasoning it is largely we who finance the imports which enter our domestic market to compete with our home-produced goods.

Any examination of this question of reciprocal trade, if subjected to ordinary yardsticks of measurement, makes it apparent that we are being made the victims of a sort of international hoax, on which our leaders keep conveniently silent. The nations who exclude us from their domestic markets are in the process of invading our own, where they are able to offer cut-throat competition to American industry with its high labor and production costs.

The plain fact is that on the mistaken presumption that there was somehow an absolute connection between the economic capacity of Europe to produce and the willingness of its population to rush headlong into communism, we have urged and stimulated the continent to produce more than it has legitimate market for. Now we find Europe plagued with this very problem. To relieve it, it is demanded of us that we open up our own markets still further, to absorb the surplus which we, ourselves, are responsible for creating.

Thus prompted, Europeans, with their vast pools of cheap labor in the colonies and low wage standards at home, are going ahead on a course of unconditioned industrial expansion. Since this expansion bears no relation to existing market, it must in the end thrust them into the necessity of trade with the Communist East. This situation I shall come back to presently. Not only are we financing these people but we are teaching them efficiency. Their great advantage obviously lies in their pools of cheap labor. The things they want from us in particular are jigs, dies, and heavy machinery for the producing of consumer goods. In short, they are building a competitive industrial society which in the end will either supply the Soviet East, or will be in unrelenting competition with us all over the globe.

AMERICANS MANUFACTURING ABROAD

If we can see 2 inches in front of our nose, we must know that one day we will have to pay the piper for this binge of emotional madness. Even today more and more American companies are manufacturing abroad, buying or building plants in order to have access to the pool of cheap labor which exists there. In this way they are able to serve foreign markets more easily, and even to export to the United States. This trend is firmly established in whole sectors of our industry, in the manufacture of cameras and film, automobiles, and chemicals, and is rapidly widening. There are automobile and other American manufacturers who are actually building and exporting for sale to the United States,

well-known American brands and makes, including motorcars. In short, Europeans have our money, and are now in a fair way to capture our industry itself.

UNEQUAL COMPETITION

Certainly the same measuring rod used in relation to our own production for export, cannot be used in regard to that of foreign countries. Their labor standards and conditions of operation lend themselves to far cheaper production. Fully as important, these countries possess managed currencies, and their semi-authoritarian structures give them the advantage of being able to underwrite their exports and to achieve strategic goals by cutthroat competition.

Where our own exports are individual, the business of foreign countries is for the most part conducted or controlled by the state, which in one way or another manages it and is in a position to use it as a weapon of state policy.

We have seen that the only way in which we can invade European markets is by the actual underwriting of our exports, which become in large part a gift to these countries. Without these incentives, European industry, heavily cartelized and closely associated with government, is totally self-protective and exclusive.

On the question of European invasion of our domestic market it hardly seems a matter of argument that any producing state whose workers possess a subsistence level much below our own, can produce cheaply enough to provide ruinous competition for our own industry.

RUINOUS COMPETITION

Actually there already exists serious evidence of the extent of this danger, though we still are sheltered by a certain modicum of tariff protection, and though no full scale invasion of our markets has yet occurred. One need only point to the tuna fisheries, where much idleness has been produced among California workers and shipmen due to low-cost Japanese competition. Our production of opera glasses and binoculars has been seriously hurt by Japanese imports, which are able to sell in our own home market for less than one-third of the price American manufacturers must have if they are to allow workers an American standard of living.

The same is true of Ohio crockery and of other industries, which have been compelled to compete against even the limited import which is now allowed under such protection as we today possess. One might say that competitively our exports have been suffocated in world markets except for those goods which we can produce cheaper by virtue of our own machine efficiency, or dispose of by financing the transactions for the benefit of the purchasers.

Here we should take warning that our present advantage of superior production efficiency will not last forever. As I have pointed out, we ourselves appear to be actively committed to bringing the efficiency of European production to our own level.

PRICING OURSELVES OUT

Thus we are committed to a policy of eventually pricing ourselves out of export markets altogether.

Should we also open up our domestic market to this kind of catastrophic competition? Without adequate protection for our manufacturers and workers, what will become of the American standard of living? Must it not decline precipitously?

Do any of the advocates of this policy of nonprotection of American goods consider the manipulative ability of foreign producers based on their integration with the state itself, their massive cartel structures, and their relation to corrupt and dishonest currency systems, all of which favor the intervention by the state in the area which we refer to as "private trade." Our own producers could hardly be expected to compete against the dumping processes and quietly formulated price wars which can under these conditions be conducted against them by foreign competitors.

When one considers the low living standards and consequent low production costs of these nations, is not the situation fraught with the greatest danger to our own people? The average American wage earner working in heavy industry makes about $1.80 per hour. European wages are not much more than a third of this. The wage scale in Asia and Africa often does not reach this figure for a full day's work. American metal miners get 7 to 10 times the wage paid native labor in the rich African mines.

Let us be entirely practical in this matter. Unless the benefits of the present mutual-aid program now so strongly urged on us, are plain, neither the administration nor the Congress possesses either the mandate or right to make the uplift of other peoples an essential of our own state policy. On the basis of plain historical evidence, these peoples have been in existence a long time. Their submarginal or low standards of living have been a constant factor in their history; the gulf between our own high standards and their low ones is by no means something new and unique, and bears no perceivable relation to the question of international communism.

STATE INDUSTRY—SINISTER THREAT

The logic of the position would appear to speak for itself. To give you some idea of how state- and cartel-controlled industry and low-producing costs could send us headlong into ruin, we have only to look at recent Soviet dumping of potash here. It is claimed that the Soviets are exporting to the United States at an offering price less than our producers are able to mine and refine it. This action is seen by George E. Pettit, vice president of the Potash Co. of America, as a sinister threat to an important American industry. He points out that the dumping pattern is clear and that in 1950, when a serious strike disrupted our own potash production, Communist potash was offered at 40 percent above the present price.

Further evidence is offered by new competitive developments in the oil market. Russia is not a country blessed with an oversupply of oil, as far as we are now able to determine. Nevertheless, she has been able to offer Japan Saghalien oil at a figure 30 percent below current international f. o. b. prices.

On the subject of petroleum, we were told at the time of the Israeli-Arab war that it was necessary to be on the side of the Arabs due to the petroleum resources in Arabian countries, which were described as desperately required by the West. Today the biggest producer, Abbadan, in Iran, is for effective purposes out of the market. Yet we ourselves are faced with a glut of petroleum in our own country, with an enormous inventory, complicated by steadily increased imports from countries where there is very little to pay in the way of tax and where the labor cost is only a fraction of ours.

OUR MINES CLOSING DOWN

Much of the same situation applies to coal. Rising costs and increased competition from cheap oil is contributing to the closing down of coal mines throughout the country. The importation of cheap foreign oil waste is supplanting coal for use as fuel in many eastern industrial centers. The production of coal in 1953 has dropped 20 percent below 1952. Prices of bituminous are sagging. Small soft-coal mines are closing.

Even more important, in view of our military requirements for war, is the fact that our lead, zinc, and copper mines are shutting down. The reason? Cheaply produced, state-controlled lead, zinc, and copper from abroad. It is impossible to compete with the gigantic African mines, for example, with their depressed standard of labor, if mine owners are to operate under the conditions American labor rightfully demands.

How can one relate the position, even on such basic raw materials as these, to the loud outcry being made by foreign states against our alleged economic nationalism and high tariffs? Actually, these tariffs are not high, and have been steadily declining over the years. Before World War II, the tariff on lead and zinc came to about 40 percent of selling price. Today it is only about 8 percent; but even this minor percentage seems to annoy our friends abroad as representing an unwarranted interference with their exploitation of our market.

DRIFT TO DEPRESSION?

I submit, Mr. President, that our domestic market is not capable of absorbing unlimited shock. Farm income has fallen by more than 8 percent in a year and is still dropping. All sectors of our economy are showing signs of regression. Retail sales are off, and even homes are beginning to be a drug on the market, except in the low-price ranges.

The latter situation is not due to the fact that full consumer demand for homes has been met. Certainly the Nation is not overbuilt in this respect. The need for new construction could not be filled for years.

The condition is due entirely to the fact that people increasingly feel themselves no longer in a position to buy. The pressure of taxes and the gradual decline in whole sectors of our national economy, remain the responsible factors.

The pressing need for schools and for hospitals is equally great, but our communities do not feel themselves able to accept responsibility for these costs.

A considerable proportion of informed and authoritative opinion believes that we are drifting toward actual depression. This appears to be the considered judgment of many Government economists and is reflected in certain measures undertaken recently by the President's office itself.

Under the circumstances, is this the time to place our domestic market under still greater strain by removing even those minimal safeguards for American production which now exist?

Yet we read in the widely syndicated newspaper supplement, This Week, an urgent piece of "trade, not aid" propaganda in which the bait of lower prices on everything is held out to Americans. The president of Britain's powerful board of trade, Mr. G. E. P. Thorneycroft, is caused to say piously:

We ask for the free and fair competition which has been the mainspring of your country's expansion.

Yet Mr. Thorneycroft's organization has been instrumental in excluding American imports to England by methods which under American law would promptly land him and his associates in jail for conspiracy.

The author of this article quotes Henry Ford II, who now builds Fords under the name of "Consuls" in England with low-cost labor, reshipping them to the United States for sale, as demanding "a new law without loopholes, encouraging the most rapid possible elimination of all tariffs," and "the abandonment of the Buy-American Act, which limits Government buying of foreign goods."

OFFSHORE PROCUREMENT

Should we not do the reverse, and eliminate such unsound practices as those concerned, let us say, in offshore procurement? It appears to me that the spirit of these practices results in overturning the manifest will of the Congress, handing to foreign nations billions of American money which do not even show on the subsidy sheets. If we are to give these vast sums away, would it not be proper to at least possess the advantage of doing the manufacturing here so as to aid the American worker and to put a floor under our threatened economy?

PURBLIND POLITICIANS

I, for one, am fed up with the whole of this situation, and with the excuses made for it. Arguments on its behalf appear to me to be no more than pious quackery, whose instigating sources urgently require investigation.

Up to this hour the bureaucrats and politicians still remain urbanely purblind. They do not bother to conceive that if there could be an Alger Hiss there can be still other Judas goats operating in our higher echelons for causes not our own. Never looking outside of their blinders, they bandy the words "reciprocal" and "mutual" in a manner which gives these familiar words new meanings, an aptitude they have in common with our Communist enemies, who do not hesitate, for example, to refer to themselves as the "peoples democracies" and the "peace-loving countries."

In order to assist in maintaining the price on Malayan rubber we are told that the administration is giving serious thought to boosting the price of synthetic—American produced—rubber. The proffered reason is to realize additional earnings from the Government's synthetic plants before they are sold to private industry. The real reason obviously is to further bail out our associates abroad. Meanwhile these same friends, as I have pointed out, have pulled out of the International Wheat Agreement, haggling over a minor difference of 5 cents a bushel. At the very moment when wheat is literally running out of our ears, it appears that the British are to be supplied by a bilateral deal with the Kremlin for Russian grain. Reversely, when it comes to commodities controlled and marketed through cartel and Government manipulation, they are practicing dumping, even on our domestic market. This has already ruined our lead, copper, and zinc mines, and has cut our cotton export to 2,455,000 bales from the period of August 1 through April 30 last, as compared to 4,891,000 for the same period for the previous year.

MR. TAFT'S SPEECH

I note with some amazement that Mr. TAFT has felt it necessary to explain that he was misquoted when in his speech before the National Conference of Christians and Jews on May 26, he expressed sharp criticism of the part the United Nations organization has played in the Korean war. He explains that he did not use the words "go it alone," in his speech, and did not advocate such a course but only that we create "a military alliance in the Pacific, just as we have in NATO in Europe."

I have always had a very high regard for Mr. TAFT and for his courage in addressing himself even to such questions as he might feel are to his political disadvantage. Consequently, I read his original address carefully; and I can derive from it no feeling of approval for NATO. Indeed, that all-but-defunct body, it seems to me, was implicitly condemned, if one may go by the following excerpts from that speech, an excerpt with which, by the way, I wholeheartedly agree:

I have always felt—

Declared Mr. TAFT—

that we should not attempt to fight Russia on the ground on the continent of Europe, any more than we should attempt to fight China on the continent of Asia. I have always felt that that defense must be undertaken by those who occupy Western Europe. After all, there are at least 225 million of them, 50 percent more people than we have in the United States.

Surely, by simple definition, this is a clear expression of Mr. TAFT's anxiety over a policy he considers confused and inept. If almost one-third of the entire combat strength of the American Army is now in Europe why are they there? Why is one-fourth of the American fleet permanently stationed in the Mediterranean? And why is the American taxpayer paying more per capita for the defense of Europe than is the European taxpayer? And if the NATO alliance is questionable on the score that it is Europeans who should defend Europe, why is it more rational to enter this same type of alliance with the identical European states who have failed their obligations on their own continent this time in defense of Asia, where they are both weak and cordially hated?

WE MUST HAVE FRIENDS

From where I sit, all of this looks like a scandalous misdirection of statecraft in which Uncle Sam has been elected to attempt to support the world on shoulders already growing shaky with the immense burden which has been loaded upon them. At the very least it is an offense to the American citizen who must work harder to pay increasing taxes, and who must expect less in the way of living standards for his family and education for his children, in order to continue with this constant drain on us.

There is an old axiom which says, "I will protect myself from my enemies, but God protect me from my friends." President Dwight D. Eisenhower, a distinguished American who has received the greatest distinctions within the power of the American people to grant, recently alleged in defense of exactly the record which I am reciting today, that we cannot go it alone, that we must have friends. Through his own attainments and his occupancy of his present eminent office, due attention must be paid to his utterances; but should it not be pointed out to him that friendship involves not only gratuities but mutual responsibilities, a willingness to stand resolutely at the side of comrades in arms when the going gets rough, and that it comes to something more than a periodical attempt to squeeze dollars from the old softheaded guy with the whiskers?

While we are on this subject, it frankly appears to me that the entire NATO plan is nothing but a delusion. It is replete with distortion of the fundamental facts, if the issue relates to our ability to defend Europe against actual Russian aggression, and to Europe's willingness to defend itself.

NATO A FAILURE

I do not pretend to authority, Mr. President, as a military expert. However, one does not need authority to understand that NATO is an unrelieved failure. During all of these years the treaty alliance, which gives it effect in France, has not even been ratified by the French Parliament. It can be expected that the French will continue to stall it indefinitely. Their purpose seems to be more that of preventing German rearmament than of building their own military establishment. The Germans in turn are seeking to lay down their own conditions for associating themselves with NATO, and sometimes give the impression of having adopted a pacifist and nonmilitary attitude. The British are sabotaging the political and economic unity which would make it operable; The Spaniards, West Germans, Swedes and Swiss are no part of the arrangement; and the entire principle of earnest arming and mutual support, even of the borders of their neighbors, is only half-heartedly applied. I am reliably told that all of the NATO states possess little

more than token forces, incapable of defending even their own territories.

I note that Defense Secretary Wilson has unburdened himself of the astounding declaration that the 20-division United States Army with its improved weapons and equipment "would be able to offer real resistance" if the 175-division Soviet Army should attack. Beyond the implicit acceptance of the idea that this is no European duty but one incumbent on Uncle Sam, this statement has little more to recommend it than that of a previous Defense Secretary, Mr. Johnson, when he declared in essence that if Stalin attacked in the morning, we would knock him into total insensibility by late that afternoon. I cannot believe that Mr. Wilson added up comparative figures of men and equipment or consulted his military and logistical maps.

ALLIANCE WORTH NOTHING

I am willing to go on record as saying that outside of the monetary rewards, and the expenditures made by American troops on the economies of the various countries where they are stationed, this so-called alliance is worth nothing, and is about the shakiest thing ever created. So far from accepting Mr. Wilson's statement, I challenge the Government to produce one single qualified military man who will declare that all of the combined forces of NATO together are capable of stopping Russian aggression against Europe, or of holding a line anywhere, for 24 hours.

Since we are pouring our funds into this painted sepulcher while at the same time denying even our Air Force the money it desperately requires to maintain itself at a proper defense level, it seems to me that NATO creates a dangerous diversion, and for this reason alone constitutes a true menace to the ability of American people to defend themselves in war.

There are not 10 active divisions in the entire NATO structure which possess anything like adequate antitank, antiaircraft, and other supporting units, or even adequate small arms. In fact, it is not an exaggeration to say that the Swiss Army alone is better organized and better armed and perhaps possesses greater actual strength.

FRANCO-RUSSIAN ALLIANCE

The assumption, moreover, that somehow American interests are identical with the interests of all these ill-assorted countries, including Mr. Tito, whose devotion and loyalty to the democratic ideal in the long run certainly must be qualified by some reasonable doubt, is sheer nonsense, for none of them are interested at this moment in any more than their own immediate self-interests and well-being. Both the French and British also possess an existing alliance with the Soviet Union.

Article 6 of the treaty between the U. S. S. R. and the French Republic, signed in Moscow on December 10, 1944, reads that—

> The high contracting parties agree to render each other every possible economic assistance after the war, with a view to facilitating and accelerating reconstruction of both countries, and in order to contribute to the cause of world prosperity.

The treaty is valid for 20 years unless denounced by either party, which to date has not been the case.

ANGLO-RUSSIAN ALLIANCE

The treaty of mutual assistance between the U. S. S. R. and the United Kingdom of Great Britain and Northern Ireland, was signed in London on May 26, 1942. It similarly lasts for 20 years and contains the same provisions. Both treaties, incidentally, require that in the event that one of the high contracting parties during the postwar period becomes involved in hostilities with Germany or any of the states of Germany, the other high contracting party will at once give to the contracting party so involved in hostilities, all the military and other support and assistance in its power.

When one considers that we are in the process of arming Germany and seeking to incorporate German legions into the NATO forces, this reading must at least raise eyebrows.

RUSSIAN-JAPANESE ALLIANCE

It may be argued that somehow these treaties, which I should remark also bear the name of "mutual aid," have become a dead letter. Certainly it would appear that this were so, though Pravda occasionally refers to them as if they were very much alive. However this may be, even recent history teaches us that their demise does not necessarily follow as an historical absolute. The Japanese had such a treaty of nonaggression with the Russians, which many thought had been suspended due to the fact that mutual Russo-Japanese bickering had reached the stage of armed clashes. Nevertheless, when it became convenient for the treaty to be invoked it suddenly reappeared live as day. This was after the Japanese assault on Pearl Harbor, when in the interests of treaty niceties the Russians meticulously refrained from attacking the Japanese along the entire length of the Siberian border. Only when Japan had been knocked to its knees and was within a few days of total capitulation, did Moscow suddenly become aware of its duty to us as an ally. Moscow's action permitted the Japanese to leave the Chinese border virually unguarded, and to undertake a mass shifting of troops and munitions to the front in the South Pacific. No part of these facts are mitigated by the final outcome, when at the last moment the Russians denounced the treaty, and with the consent of our own State Department moved in to get their share of the spoils.

NATO OBITUARY WITHHELD

All of this weaseling and play acting suggests that the truth has yet to be frankly disclosed to the American people. It appears to me that NATO not only has failed, but that it has already died and been written off, and that the administration is biding its time before it so informs the American people. In short, our European friends who gave excellent lip service to the mutual aid concept as long as Uncle Sam was willing to foot all bills, have done little if anything on its behalf. I, therefore, state that NATO as it now stands constitutes an imposition on the good faith of the American people. It is an unqualified failure, and the American people should be told this unpalatable truth as quickly as possible.

U. N. TISSUE-PAPER ORGANIZATION

Taking up another element in Mr. TAFT's speech, the position of the United Nations organization in all this, the conclusion again is irresistible that we are dealing with a shambles of inconsistent and unrationalized action.

When the United Nations was organized in San Francisco after our victory over the Berlin-Rome-Tokyo axis, it was peddled to the American people as something brand new in world concepts, an inspired acceptance of the letter and spirit of international law by all of the nations, instead of what it was, a more pretentious but second-rate imitation of the previously discredited League of Nations. Our top leaders spelled out the promise in fulsome detail once more, overcoming by these glibly false assurances, the natural reluctance of the American people to abandon the historic American principle of minding our own affairs and letting other people mind theirs.

We were informed that the failure of the old League of Nations could be laid directly to America's nonparticipation, and that the new scheme would subject international banditry and lawlessness to the full control of international law, but that in some miraculous and unexplained manner, there would be no loss of sovereignty by us. The United Nations organization was to have its own police force with which to compel the peace against lawbreakers. All we needed to do was sit back, finance this deal, and rely on the new international superstructure to do the rest.

I hardly need remind you that the United Nations also failed in all of the wonderful effects which were expected from it. One can say without fear of contradiction that it proved even weaker and more ineffective than the unlamented League of Nations which preceded it.

The United Nations, as an institution, is built of tinsel, sham and tinsel paper. Even worse than our deference to this inexcusable masquerade, is the frank hypocrisy with which we acknowledged the total uselessness of the United Nations organization when the chips were down. I think there is still use for honesty in the world, and that the confusion which arises in the minds of our citizens from this double-acting leads to no good.

In large part, this dissimulation has placed our public policy in a complete muddle. Our pretenses in regard to the United Nations are still such that any effort to look at that tissue-paper body realistically causes many people to throw up their hands in an expression of horror, as if someone had offended Deity itself.

THE UNITED NATIONS FRAUD

The peace, of course, has not been enforced. Instead, we see ourselves in a world consumed by the electric tension of aggression run amuck. We find ourselves engaged in a war in Korea in which one member of the United Na-

tions, the Soviet Union, is the active and instigating party; although, it is its cat's paws, the Chinese and North Koreans, who are shooting the guns. We see other states, prominent in the United Nations, who have sent token support to our Armed Forces struggling on the Korean peninsula, but who at the same time engage themselves in a lucrative trade with the Chinese enemy, with whom they continue to maintain correct diplomatic relations.

Other members, such as India, preserve a righteous air of impartiality, in which aggressor, victim, and defender are all equated identically.

We see prominent French politicians threatening to deal directly with Russia if the United States insists on rearming Germany as a member of NATO. Finally, the United States continues the absurd pretense that the United Nations represents law and order in the world, while at the same time ignoring that body in favor of the old scheme of military alliances. These are concluded outside of the United Nations and without the blessing of its Security Council.

TAFT'S DEVASTATING ESTIMATE

Listen to Mr. TAFT'S admission in the much argued speech to which I have previously referred:

No one should be shocked at my suggestion about the United Nations in Korea, because in Europe we have practically abandoned it entirely. When we adopted the North Atlantic Treaty, we did not ask the United Nations leave, and we did not consult it. We claim that such an organization can be formed under the terms of Section 51 of the Charter, and perhaps it can. But to my mind, it is the complete antithesis of the Charter itself, and while it may not violate the Charter, it certainly substitutes a military alliance for the United Nations as a means of preventing Soviet aggression. NATO * * * is clearly a military alliance of the old type.

Does Mr. TAFT believe in the face of his own estimate, that the United Nations is still the depository of international law? Does he still retreat from the idea of calling things by their right names, as in the old Victorian days when we called legs, limbs, and as we continue to call breasts, busts? Is he not prepared to recognize from the evidence, that whether we wish it or not, we are alone, and that if we are to have allies it will have to be on the basis of an entirely different "mutuality" than now exists?

For the sake of the record, I should like to say that I for one have no wish to go it alone. We need all of the allies we can get anywhere, but we need actual allies, not petitioners for favors, who back off when the chips are down. I repeat that true alliance is like marriage. It invokes the necessity for equal obligations and equal sacrifice, and cannot be a one-sided deal.

LITTLE HELP—MUCH MEDDLING

I do not pretend to be a military expert, but I am able to read and to add. I discover that in this war with Communist China, we have suffered more than 135,000 casualties, and that the Republic of Korea and the United States, between them, have contributed 94 percent of all the ground forces and 98½ percent of all the air forces, and that we foot all of the bills for everyone. Our allies give us a minimum of help and a maximum of interference. Even on the request for relief aid to suffering Korea which was to come voluntarily from U. N. members, they managed to scare up between them, the sum of $20 million out of the $250 million asked for. Considering the position, I think I can be excused for saying that both the United Nations and "Mutual Aid" are unrelieved and unqualified humbug.

How, under the circumstances, can we lower our dignity and our sense of right and wrong, to pretend that this war is not an American, but a United Nations war? The commanders in chief of the armed forces are appointed not by the United Nations but by the President of the United States and his Chiefs of Staff. Not even the pretense of a report to the United Nations is made by those who conduct the war. When General MacArthur who led that war originally, and who insisted that since we were in it it was necessary for us to end it by decisive victory, was removed from his position, it was not by order of the Security Council of the United Nations, but by the Chief Executive of the United States.

How far, one is entitled to ask, may this pretense be taken, and at what point does its manifest dishonesty become a menace not only to the unfortunate American boys who are doing the fighting and dying on these blood-soaked battlefields, but to the entire future of the United States? The first prerequisite to any reasoned policy lies in an honest weighing of the physical truth, and in deep soul-searching for its moral counterpart. But always, Mr. President, in the contemplation of truth and truth alone, for when truth becomes encumbered with all of these mass barnacles of deception, one may truly wonder for the seaworthiness and fate of the ship of state.

FAILURE IN KOREA

I do not know what will come of the present negotiations at Panmunjom, but I do know that it is the first time we have ever come to a stalemate in a war, with all of our objectives unachieved. Our announced goals of a united Korea, of halting imperial aggression, have apparently been abandoned. Perhaps we were compelled to do so by circumstance, though the record does not seem to say so. What seems to be true is that while we did all the fighting, our associates of the United Nations threw their weight around on behalf of their own pitiful little egoisms. Through their pressures, our Government issued instructions to our Asiatic fleet to prevent Chiang Kai-shek with his 700,000 Chinese Nationalist soldiers from at least creating a diversion by attacking the Communists along their vulnerable coastline.

Due to the demands of our so-called allies we were unable to bring the war to a decisive close. We have the testimony of Generals MacArthur, Van Fleet, and others that had we so desired we could have swept the Chinese armies completely out of Korea, and have brought the Chinese economy itself to chaos by a simple blockade of Chinese shores, an air envelopment and attack on their marshaling grounds, munitions dumps, and troop concentrations in Manchuria, and by knocking out the few Chinese lines of communication, bridges, railroads, and other vulnerable points in China proper. On specific occasions, when the Chinese forces faced total annihilation at our hands, our generals were ordered to pull back. Why should this be? How can it be explained, any more than those other incomprehensible actions by which we pulled back our forces at the gates of Berlin, Vienna, and Prague, to allow the Russians to get there first? What we do know is that under the solicitation of our "allies" we pretended that this was a police action, that the Chinese army of a million or more fighting in Korea was not dispatched there by the Communist rulers of China, but had somehow miraculously appeared with full equipment, and that we were not at war with China at all. Hence the fiction that we should not "enlarge" the war by bringing the hostilities to Manchuria and the vulnerable points of China proper. This is a piece of fiction which was to prove very expensive in American lives. Its end is yet to be seen, and to describe it under the head of "collective security" is an insult to the ordinary intelligence of men. Actually its underlying reasons were those of commercial profits, and of markets, which our United Nations allies conceived to be necessary to their own welfare.

AT WAR WITH CHINA

I think I can say with truth that the decision to treat China as if it were not a nation at war with us, and to respect the munitions dumps, the factories, and marshaling grounds in Manchuria as a sacred sanctuary though they were essential to the conduct of the Chinese campaign against us, was a political and not a military one. It was put into effect by political representatives of the United States on the insistence and at the behest of powers associated with us in the United Nations. I know of no military man who gainsays the assertion that had our military leaders not been restrained from doing so, we could have ended the war in Korea expeditiously, and not be in the dilemma in which we will find ourselves, no matter what the outcome of the negotiations at Panmunjom.

TRADING WITH THE ENEMY

Our European associates found in the China trade a lucrative source of income. It may truly be said that every Chinese-run motorized vehicle, whether tank, truck or motorcar, operates on the rubber and gas sold to them by these countries, and brought to Hong Kong and Macao or to Chinese ports, in European ships.

The International Statistical Service estimates that—

Even under present conditions of restricted imports from the Western World, Communist China still depends for about 40 percent of her supplies from overseas shipments.

The total of shipments to China via the British port of Hong Kong in 1952

totaled $149 million. An additional $2½ billion worth of goods is estimated to reach Red China annually by sea through its own ports. The supply lines themselves are operated by a fleet of ships owned by our own allies and mutual aid associates.

A United States Commerce Department figure indicates that these countries are trading with Communist China to the tune of $600 million a year. This does not include a large and rising volume of black market transactions to which these states conveniently close their eyes. It includes an import last year of large quantities of rubber, wool, cotton and chemicals and machinery and oil. Ceylon, which is a British dependency, has made a new 5-year trade agreement with Red China under which it is to ship 50,000 metric tons of rubber to that country in return for 270,000 tons of rice annually. Egypt has just concluded an arrangement with Eastern Germany under which she will send that Soviet satellite cotton, manganese and phosphates in return for Soviet produced materials. Indonesia which is on our list of so-called friends, has just concluded another swap deal by which rubber, tin and critical raw materials are to be sent to Communist Poland in return for goods which the Soviet Union produces in excess.

CHENNAULT'S AIRPLANES

Acting urbanely as middleman, the British in Hong Kong are offering Japanese exporters a swap of coking coal from China for textile spindles from Japan. It is for such considerations of expediency that a British court at Hong Kong, in the midst of the terrible struggle being waged on Korean battlefields, decided to give the invaluable airplanes of the China airline owned by a company headed by the American general, Chennault, to the Chinese Communists as being the rightful owners. This decision finally was overruled by the highest British court in Hong Kong after a 3-year legal battle and strong unofficial United States representations. The airplanes were sitting on Hong Kong ports during all of this litigation and literally rotted away. This tedious concentration on alleged legal rights possessed by a hostile power engaged in shooting down our boys, and, for that matter, a few token British companies seems more than reason can stomach.

EUROPE WANTS RED TRADE

Distrust of the United States is a constantly repeated report by observers in all of the European capitals. Europe shows every indication of entering into massive trade arrangements with the Soviet union, and to become an important supplier of machinery and other vital goods to the Soviet apparatus. Their cartelized business structures are chafing at the leash to do openly what they are now doing surreptitiously, supplying the Soviet Union. They are perfectly willing to sell anything at a price.

This situation is covered nicely by the finance analyst, Sylvia Porter, in a recent dispatch to her newspaper syndicate from Vienna. Miss Porter states that—

All over Europe, there is strong resentment against our rigid and broad curbs. The pull to revive trade with Russia is really serious and intense. What is Russia to gain by this offensive? Plenty. She desperately wants many strategic materials as West Europe wants markets. Copper, chemicals, steel, machine tools—she is willing to pay fantastic prices, go to extraordinary lengths for this sort of stuff, a highly informed diplomat told me here. She needs these materials for her war buildup and industrialization.

Whatever morale the European states have had, has been sapped by years of desperate bickering, postwar austerity, and by the introduction of the theorems of the welfare state. Robbing their citizens of incentive, multiplying the drones, and taxing to the point of semislavery. Ludwell Denny, the Scripps-Howard foreign editor, stated the matter well in his dispatch of May 26, saying that—

The people are ceasing to care, they are becoming fatalistic, they no longer labor with the old zest, or struggle with the old assurance. There is more loafing, more escapism, more gambling, more cheating, more crime. The appeals of their leaders for more discipline, sacrifice, production, do not stir them.

The enterprising Soviet expansion economy understands or senses the position better than our own leaders. As a totalitarian state, Russia is able to exploit this psychology to the fullest. She can make terms which have nothing to do with profit or loss, but only with ultimate Russian strategic goals. As I have pointed out, they have already offered 600,000 tons of crude oil to Japan at a price strongly below the market. Moreover, they do not request dollars in payment, but boats, motors, engines, and the products of Japan's shops and foundries. One may well imagine the hypnotic effect on Japanese businessmen who have suffered a loss of their customary Chinese mainland markets, and are being choked in Africa and the balance of Asia by sterling area curbs. Yet it might be well to mention that if the British are so anxious to liberalize trade they might well make a start with the sterling bloc mechanism so as to release Japan from its present compulsion to deal with the Red Chinese mainland.

STEALING ATOMIC SECRETS

One may concentrate on the fact that our associates in the Korean adventure are guilty of dealing with the enemy for profit, that though they possess populations many times our own, and resources comparable to ours, they have contributed almost nothing to the struggle. All of this may be an understandable piece of dissembling which in the end will right itself. But there is something worse, which derives from the ability of these states to work both sides of the street: the access they possess to our state and military secrets.

For some reason which is not quite clear, the British were selected from the French, Belgians, Mexicans, Brazilians, and other associates in the United Nations and given access to our atomic and other secrets. During this period we have made a great fuss over our own little two-bit culprits like the two Rosenbergs, who, we are told managed to steal certain drawings. But who has said anything about the wholesale delivery of atomic and other top-drawer secrets to Moscow, funneled directly through a series of turncoats and Russian agents who were placed by Britain in the highest possible position for a full and unreserved disclosure of these highly confidential matters. I refer now to Allan Nunn May, the Canadian scientist, the German, Klaus Fuchs, and the Italian, Pontecorvo, all employed by the British Government, all vouched for by Whitehall, and all with direct and almost total access to the secret diagrams, charts, and papers which concerned our atomic achievement. I refer also to Mr. MacLean, who was head of the American Division of the British Foreign Office, and Mr. Burgess, similarly well placed, both of whom had access to top-drawer material and were party to the transmission belt which operated between London and Moscow.

BRITISH LENIENCY

Yes; these men turned out to be espionage agents for the Kremlin. Some disappeared into Russia; some were tried and convicted for their crimes. When I say convicted for their crimes, I am taken aback to find that the British not only did not manage to protect us against the depredations of these top drawer agents of Stalin, Beria and Malenkov, but allowed them to escape with only a few years in prison. When I compare this with our treatment of the pitiful little American Communist agents, the Rosenbergs, who were sentenced by our courts to death, I must confess a certain feeling of exasperation.

Before I consider what these things mean in terms of practical overall policy, I should remind you that in the last national election if the vote and the issues meant anything at all, they meant that the people have expressed their will for a radical change in this wholly ridiculous policy. This change will not be brought about by a further and continued adherence to Europeanism and to shopworn social theories which are passed off as something brilliant and new, or by a Quixotic bout with the windmill of Messianic ordination. It can only come about by centering our judgments on the duties and realities of life as they apply directly to ourselves.

AMERICAN SECURITY FIRST

I do not feel it shameful to say that it is perfectly proper and respectful for Americans to look out for themselves and to place the security of their own nation first. To do so is not unjust to other people. In the end it may serve better in our effort to command the esteem and regard of others than the existing subsidy policy which only acts to weaken the character and sense of moral responsibility of our European friends.

In this very real sense I have been told by prominent Europeans that our actions have done Europe itself considerable hurt.

Just as our pioneers created out of nothing, by their own unaided sweat and labor, a great Nation, these now-forgotten European statesmen understand the

true meaning of the phrase, "God helps those who help themselves."

They know that the padrone principle can be as destructive to the character and moral strength of nations, as it can be to that of individuals. These finally lose their capacity to cope with their own problems on their own responsibility, as any indulgent father with a spoiled son will unhappily testify.

In short, if it be argued that we have been victimized by Europeans, who are unwilling to take resolute action by which their own social and military problems may be resolved, it may be conversely argued that Europe itself has been victimized by our principle of handouts, which has served to destroy European stamina and the spirit of independent initiative and resourcefulness necessary to survival.

SOCIAL WELFARE FIRST

Let us look at another part of the pattern by which our associates in the mutual aid program are operating. What a pathetic and irresponsible picture it presents.

While we have been squeezing our productive economy dry for taxes to prepare for war and to support the so-called free world all over the globe, European statesmen have been doing exactly the opposite, and even seek to reduce what little they are spending on behalf of their own defense.

It is these European states which are directly on the firing line if there is to be trouble. It is they who are immediately threatened if any of us are threatened. In David Lawrence's the Business Outlook, he dwells upon the fact that European failure to make progress toward strength and self-sufficiency, is based to a great degree on the priority given the expansion of production facilities over defense. France, for example, has spent 30 percent of her budget for public works. Norway invested 29 percent of national output in new productive facilities. Public assistance for health and education has now reached 21 percent of the Italian budget as against 8 percent in 1938. Britain jumped her welfare costs from 22 percent of the budget to 32 percent, and Norway from 26 percent to 35 percent.

If social welfare is of such importance as to take precedence even over defense and security, then I submit that the American, who is footing the bill, has as much right to free wigs, toupees, false teeth, medical services, and the rest, as the European who is receiving all of these benefits through the indirect medium of American tax moneys.

INTO COURT WITH CLEAN HANDS

I do not believe in the devil theory as it is applied to human beings. I believe that the British and French are nice people. On the other hand, I would be succumbing to the prevalent hysteria if I did not also state that I believe the Russians are nice people. I believe that the Russian Government and state organization is engaged in a conspiracy against the freedom of the world, and is guilty of the crimes against humanity which we all find so hideous. But as I have pointed out, two wrongs do not make a right; and to the degree that imperialism is an evil which cannot be mitigated because it is committed by our friends, we are not helped in the uncompromising worldwide war in which the Russians and ourselves are seeking the conquest of men's souls. One must come into court with clean hands in this struggle, and the imperialists cannot do so for the reason that they are imperialists, only in a degree less culpable than the Russians. They are incapable of a total action on behalf of freedom as we conceive it. Their own primary interests come foremost, unrelieved by any consideration of the welfare of their neighbors. They are determined at all costs to protect their own little exclusive systems, in which their vested interests, financial, political, and industrial, are anchored.

TIME TO GET OUT OF EUROPE

I do not pretend to understand altogether how Europeans have been able to acquire so hynotic an influence over our statesmen. I only know that somehow we will have to get these people off our necks, and their hands out of our pockets. It is time for the United States to get out of Europe, and stay out.

This is a blunt evaluation, but the times call for blunt talk. If the American taxpayer, like the goose which laid the golden eggs, is not to be annihilated, we will have to return forthwith to the historic American policy of minding our own business and letting other people mind theirs.

This does not mean that we are prepared to let such an aggressor as the Kremlin run amuck in the world, any more than it did in President Monroe's time, when we put an effective end to the aggressions of imperial Europe on this continent by a simple notice that any such action would see us come in shooting. This was a much more effective instrument than the save-the-world policy we have followed in this generation, with its placating and wooing of the most ridiculous people on the even more ridiculous score that we are all equals together and are together equally supporting the great arch of civilization by "mutual aid."

SUBVERSION OF HISTORIC ATTITUDE

I repeat, I do not know how this kind of unrelieved fantasy managed to replace the historic hard-headed American policy of wariness and independence of others. Certainly it would be of the greatest corrective value if we could find out how this subversion of our historic attitude came about.

In part, it seems to have arisen as a derivative of the "make the world over" philosophy of the Marxists, in which it was conceived for us that Uncle Sam was now the appointed minister to all of the peoples. In part it is undoubtedly due to an inferiority feeling held by many Americans who believe that somehow Europe is better, more cultured, and needs to be kowtowed to. Part is due I think to the persistent and irresponsible pro-Anglicism which still sees the United States as an English colony intellectually and culturally, and which judges our highest duty to be support of the mother country. Here we find institutions which may be suspected of being powerfully organized lobbies, such as the English Speaking Union, the Rhodes Scholarship Committee, and others.

Certainly a great part of this singular situation is due to the fact that no matter who rules this country in the top executive positions, the echelons of permanent officials underneath, especially of State Department officials, are made up of career men whose influence is not only great but decisive. It is these men who appear to know the facts and who impose the decisions in the largest measure upon their newly appointed superiors. They form a policy-making phalanx which literally needs dynamiting to breach.

THE SOCIAL INFLUENCE

In these true policy making echelons we discover that the State Department has become for practical purposes a refuge for career people of the social register. These people see their highest destiny in the acceptances provided by British and French social circles.

They possess a closer understanding of the so-called Mayfair group of London and the social rulers of the Continent than they do of the people and points of view held by ordinary Americans. In this sense they are true Cosmopolites and less American than international. Their whole life is associated with questions of social precedence and standing, so that all of their inclinations, sympathies, and ideas are propelled toward the interests of their European friends.

BIG BUSINESS BECOMES INVOLVED

Influential businessmen in this country often become putty in their hands. Their wives are dazzled by social preferment, and the businessmen themselves, if they are important enough, may be quietly taken into the worldwide cartels and given a stake in the European game. This has happened in large measure with the petroleum people, and I am afraid with others as well, so that their interests have become identified with European interests rather than with the complete and total security of their own country.

A SERIES OF MISJUDGMENTS

All of this has pitched us forward into a series of inconceivable misjudgments. One of these was the vast loan and give-away program by which we spent some seventy to one hundred and ten billion dollars with worse than a negative result. Another has to do with the seriocomic succession of actions which destroyed our position in Asia and handed China to the Communists. Another is involved in the astounding situation in Korea, where the United States practically alone has been fighting a war in the name of the United Nations, while its so-called allies and associates continued a profitable trade in war-making materials with the enemy. Still another is the idea which has somehow been sold to American political leaders that we bear a moral obligation to the peoples of the world to raise their standard of living even at the expense of our own. Finally there is the tragic misconception that it is the duty of the United States to maintain the trade and fiscal balance of European states, which, of course, is the same as to say that their interests are identical with ours and places us squarely on the side of their state, social, and imperial systems.

A small sidelight on the consequences of these actions may be seen in such a territory as Malaya, where we regard it as in the common interest, and perfectly normal, that Malaya should be the so-called largest dollar earner for the British Empire. The result is the outlawing of those who seek independence and freedom in Malaya, who are looked upon as the enemies of civilization, so that their energies and hopes have been turned in the direction of the Communists, who seem to them to be extending a willing and helpful hand, rather than in the direction of free republicanism and democracy.

INTERNATIONAL BOONDOGGLING

Just how fully this administration has accepted such responsibilities, which it has taken over directly from the previous administration, may be read in the newspaper account that Eisenhower will go to Bermuda "prepared to give more concrete answers as to when, where, and how the United States will aid convertibility, lower tariff, increase foreign investments, permit expanded East-West trade," and so forth. Why these things are the business of the United States, since they encompass purely domestic affairs of foreign countries completely beyond our political control, is more than I can understand.

What is most astonishing is that this set of ideas has been so thoroughly sold to the American people that a discussion of them on the levels just quoted seems perfectly normal and natural, for under analysis they consist of little more than a continued shovelling out of American tax moneys on behalf of those who either will or cannot reciprocate or offer us anything in the way of a fair exchange of values.

INFLUENCING AMERICAN OPINION

Part of the position is due undoubtedly to the perfectly natural attempt on the part of our client states to protect their immense stake in the American do-good program. For this purpose they utilize every agency of propaganda and influence which may be operated or activated on their behalf.

The British, as I have said, are able to offer relaxation of currency and permit restrictions, and other favors to private business in large portions of the globe. They can allow a quiet entry of American business into the benefits of of their airtight cartel systems, dividing part of the worldwide take with influential American concerns. In widely separated areas they can allow American newspapers and news services access to intimate news sources, or exclude them. Moreover, they control the great transoceanic cable systems, so that every American news service must periodically come to terms with them on the vital question of transmission rates.

They go to great pains to influence American public opinion directly, subsidizing by direct and indirect means, writers, lecturers, and publishing houses. They are even said to go to the lengths of keeping American economists, writers and others whose influence might be deemed important, under regular surveillance, examining and photographing their private papers in a cloak and dagger performance whose boldness and audacity is second to none.

Here is a matter which could easily be the subject for a congressional investigation—for it represents a direct and unforgivable interference in the conduct of internal American affairs by aliens, subjecting Americans within their own country to victimization by paid secret agents of a foreign power. This part of the British intelligence operation here is paid to operate under the cloak of a midtown New York bookstore.

By these and other maneuvers they are seeking to protect what they have grown to consider their freehold in the American economy. Their fine hand may be seen or suspected in many different directions, from the slanting of news in prominent newspapers and magazines, to a deliberate conspiracy to discredit books critical of them and the situations they have been instrumental in bringing about. This is a widely extended web and justifiedly so, Mr. President, for the stakes are very large. As we know, they run into many billions, and these people may be excused when they apply a few millions of money and some part of their traditional mastery of the arts of colonial exploitation and divide and rule, to protect themselves in the arena of American public opinion against the loss of these revenues.

OUR VULNERABILITY TO PROPAGANDA

America with its free economy is peculiarly vulnerable to these tactics, which in many respects are most difficult to trace, though in many others they are perfectly evident. Certainly as long as we continue this policy of big money handouts, and of a foolish concentration on the problems of others, the recipients of these large sums will be tempted to do at least what any first-class commercial firm would do. They will undertake the most astute public relations operation possible, involving an interference with and subversion of our sources of information, seeking to protect their own interests and to keep these revenues alive as long as possible. Who can blame them? As an American I must point out this unhealthy phenomenon as capable of wreaking great injury on the public information pattern of our country, corrupting it and destroying the faith of the individual citizen in what he reads in his newspaper and magazine and what he hears and sees over his radio and television machine. Nor do I blame these Europeans too much for succumbing to this temptation. The fault is ours, and represents a situation fully recognized in American law—that of maintaining an attractive nuisance.

Even in the case of events leading to the infamous attack on Pearl Harbor, it is proved from papers on file in the State Department, that these events were controlled and directed by British connivance, operating with American executive compliance.

The chapter here is not a pretty one, nor is it complimentary to the quality and character of our great Nation.

At the time, the Japanese were making a desperate effort to keep from being embroiled in a war with the United States. They saw their destiny in a life-and-death struggle with the Russians on the Asiatic continent, though one may say with some sound judgment that in the end Japan would have turned ambitious eyes toward the lush island territories of the southwest Pacific, and on this count make war on us.

CHURCHILL—SHAPER OF UNITED STATES POLICY

Nevertheless, in the late summer of 1941 the great object of Japanese policy was to avoid involvement with the United States. Mr. Churchill, however, counseled an immediate showdown between the United States and Japan. Just what occurred may be glimpsed in a State Department memorandum of conversation dated August 10, 1941, and signed by Mr. Sumner Welles, then Under Secretary of State. It reads:

As I was leaving the ship to accompany the President back to his flagship, Mr. Churchill said to me that he had likewise given the President copies of these documents. He impressed upon me his belief that some declaration of the kind he had drafted with respect to Japan was in his opinion in the highest degree important; and that he did not think that there was much hope left unless the United States made such a clear-cut declaration. He said in the most emphatic manner that if war did break out between Great Britain and Japan, Japan immediately would be in a position through the use of her large number of cruisers to seize or to destroy all of the British merchant shipping in the Indian Ocean and in the Pacific and to cut the lifeline between the British Dominions and the British Isles unless the United States herself entered the war. He pled with me that a declaration of this character participated in by the United States, Great Britain, the Dominions, the Netherlands, and possibly the Soviet Union, would definitely restrain Japan. If this were not done, the blow to the British Government might be decisive.

The messages which our Government sent to Tokyo in this critical moment of history were apparently all drafted by the British. Listen to the language of Mr. Welles' memorandum. It reads:

Sir Alexander Cadogan told me before lunch that in accordance with the conversation which was had by the President, the Prime Minister, Sir Alexander, and myself at the President's dinner last night, he had made two tentative drafts covering proposed parallel and simultaneous declarations by the United States and the British Governments relating to Japanese policy in the Pacific.

The ultimatum referred to, which had been drafted by the British, was thereupon sent to the Japanese, informing them in essence that any attack on British interests in the Southwest Pacific would lead to war between the United States and Japan.

"THE PRESIDENT WAS OBDURATE"

I quote now from William B. Ziff's book, Two Worlds:

The Japanese attempted a desperate play for time. The usual diplomatic double-talk ensued in which Tokyo endeavored to give assurances of its peaceful intentions toward the United States.

The President was obdurate. The Japanese envoys were informed that "the country is replete with anti-Japanese sentiment." The impression was left that only the President and those immediately around him were holding out for peace.

The conversations were finally broken off, and the Japanese vainly attempted to resume them.

Now listen to Mr. Roosevelt's telegram to Churchill of August 18, 1941. It reads in part:

On August 17 I sent for the Japanese Ambassador, and the Secretary of State and I received him. I made to him a statement covering the position of this Government with respect to the taking by Japan of further steps in the direction of military domination by force, along the lines of the proposed statement such as you and I had discussed. The statement I made to him was no less vigorous than, and was substantially similar to, the statement we had discussed.

How far we were willing to go in this game of back-the-British was made further clear when under date of August 26 the Japanese Prime Minister, Prince Konoye, urgently wired the President urging a personal meeting between the two of them, suggesting Hawaii as the place. The President replied with a prize piece of sophistry to the effect that "Hawaii is out of the question, for according to the Constitution the President must sign bills passed through the Houses of Congress within 10 days, and I cannot have the Vice President do it for me." When one considers this reply in the framework of President Eisenhower's trip to Bermuda for the purpose of considering the facilitation of British imperial and other European interests, the implications can hardly be questioned.

It is fully clear throughout these conversations that the mouth which spoke was the mouth of the United States, but the voice was the voice of Downing Street. For the second time in the history of our country we had deliberately abandoned our historic policy and intervened in the affairs of the Old World.

BOUND BY SILKEN CHAINS

The silken chains which bound us to the British Empire, its associates on the Continent, and the pursuit of the traditional British objective of balance of power, have never since been broken. Each zig and zag of British political need, objective and conviction, has found our Nation following faithfully in line, so that we seemed to have lost completely our capacity for independent action. All of this was immeasurably facilitated by the pro-Anglican group in the State Department, which saw in the rescue of Great Britain and her Empire, the first line of defense and the first duty of the American people.

ABANDONING OUR FRIENDS

It is from the basis of British importuning, and willing American acceptance, that one must read such totally improbable acts as our abandonment of the Polish Republic in favor of the Russian Communist usurpers, our desertion of the Yugoslav state which had stood loyally on our side during the harsh, early days of the war, in favor of the Communist upstart, Tito; and our abandonment of the Chinese Republic with its wholly disgraceful and incomprehensible chain of following events, reaching from General Marshall's demand that the Communists be taken bodily into the government, to the physical rape of Manchuria, which was handed over to Russia and subsequently to the Russian creature, Mao Tse Tung, together with all of the immense captured Japanese war supply there; and finally that last enormity in which we agreed to the isolation and ostracism of Chiang Kai-shek, the lawful head of the Chinese Republic, castigating him as a criminal in a silly and infamous white paper which for practical purposes designated the Chinese Republic as an outlaw government which had richly deserved its fate. And now for the sake of trading profits, we are being high-pressured into a total recognition of the Red Chinese regime, involving the humiliation of seating these criminals in the Security Council of the United Nations, and of handing them Formosa to boot.

MEETING IN BERMUDA

Nay, more, we have agreed to hold a tristrate meeting in Bermuda for the purpose of making major world decisions, at which the United Nations and its much vaunted international legalities will be ignored as if they did not exist. Instead, the President of the United States is committed to meet with the Prime Minister of the British Empire and the Prime Minister of France, if the government of the latter country is able to pull itself together and select a new one. Here the plan is frankly avowed by Mr. Churchill, at whose insistence the meeting is being called, to hold another and subsequent meeting with Prime Minister Malenkov of Russia, whose word cannot be trusted and whose nation has never fulfilled an agreement during the entire history of Soviet control.

We have Yalta, Teheran, and Potsdam to remind us that the Russian word is worth nothing. We have the wanton murder of the 30,000 Polish officers in the Katyn Forest in an attempt to break the back of the Polish Republic which the Soviets had sworn to respect. We have a continuous evidence of dishonesty and dishonor, including the deliberate attempts to steal our state secrets and to sabotage our Government for the purpose of its ultimate destruction. In short, we are to start another series of endless and hopeless discussions such as those at which we have already been 2 years at Panmunjom, and which will only end when the Communists conceive it to be in their interests to do so.

THE DEAL WITH RED CHINA

It is known that the French and British will demand of our President at Bermuda that we wash out on Chiang Kai-shek, as we abandoned Premier Mikolajczyk of Poland and Michaelovich of Yugoslavia, making a fullscale deal with the barbaric Chinese Reds, seating them in triumph on the Security Council of the United Nations and thus giving them the greatest moral victory in an area where face is the most important fact in life. We are to turn over the strategic island of Formosa to the Reds, and are to allow full scale dealings in machinery, jigs, dies, and strategic materials of all kinds with which the Communists can build up their military apparatus for a new assault upon the world. Moscow and Peking are even to be offered special "security guaranties against aggression."

To the Chinese Communists who believe only in the efficacy of unlimited force it could hardly appear that we are determined to stand by our convictions, or, indeed, that we have any convictions to stand by. It must seem to them that we are as weak and soft and decadent as Soviet inner propaganda has always contended, and that unyielding audacity on their part will surely carry the day.

Churchill has another and more fundamental idea up his sleeve, that of a continuing tripartite high command for the purpose of coordinating Western policies. The United Nations again will be conveniently forgotten. A committee of three, involving France, England, and the United States, will determine everything. Americans, in short, who will be expected to put up the men and the money as usual, will only have one-third of the vote, and, in effect, will yield themselves to the mercies of supergovernment without even the rights citizens normally possess to express a controlling opinion at the polls.

SIR WINSTON'S GREAT SCHEME

By this giant, ambitious scheme, Sir Winston seeks to restore his country from a fourth-rate power to one of the three leading nations of the world. His attempt to do so is intended to be the last magnificent act of an already amazing career. This achievement obviously rests upon a variation of the historic British policy of make-weight, in which Great Britain is to become the pivoting point between the two great antagonistic giants, the United States and the Soviet Union, keeping the two at each other's throats, or in equilibrium, as the balance-of-power theory demands. Thus, Churchill will cause Britain to move up from the role which makes her only a minor ally of the United States, with London slated to become coequal as one of the three true forces of the world.

BERMUDA, A NEW MUNICH?

Bermuda is in a fair way to become a second and perhaps, irrecoverable, Munich. As understandably eager as the American people are for a cessation of hostilities in Korea, the present position does represent a victory for the Russian peace drive. It is an integral part of strategic Russian policy. Moscow has gotten across the idea that it is only the United States that wants war, that Americans are the true warmongers, and that they are trigger-happy, economic royalists, and a new edition of Uncle Shylock.

All of these ideas have been helped along mightily by British politicians such as former Prime Minister Attlee, and by their comrades on the Continent. Europe is shot through with eagerness to accept Russian assurances at face value, and to look on Americans as dangerous saber rattlers.

I should like to read a quotation here from the New York Post of June 5, 1953, which asserts that Secretary Dulles has ideas different than he has so far informed the Congress. The Post declares:

He told intimates, for example, that he * * * envisaged settling the Korean war somewhere short of the Yalu boundary,

dumping Chiang Kai-shek, turning Formosa into a U. N. trusteeship, and permitting China to enter the U. N. In return, China would have to grant genuine peace in Korea and Indo-China.

The Communists declare openly in their teachings that bourgeoise morals are but a scheme to protect "the exploiters," meaning of course all those who have any stake in our kind of civilization. Is Mr. Dulles so naive as to pretend that the word of people like this can be trusted?

What is coming out of Panmunjom is still mysterious, but anxious as I am to have us get out of the ugly situation in which we have been mousetrapped so long, I view the antecedent deal pressed on us by the Europeans and their friend, Mr. Dulles, with the deepest misgivings.

Just exactly what deals have been made and what assurances given, which are not visible on the surface of these arrangements? The Chinese Communists seem very sure of themselves, and a week before we had come to anything like a conclusion, were publicly assuring their people that the truce was a physical fact.

And why should the Communists who have been hedging and sabotaging the truce discussions, dragging it on for years with meaningless verbal pyrotechnics, suddenly wish peace now?

SOVIET OBJECTIVES

I have heard it said for one thing that Peking is in serious economic trouble, that large parts of the country are facing famine as the result of floods, frosts, and crop failure. They are meeting increasing resistance in their program of land nationalization. Their whole internal economy is shaky, and they desperately need a breathing spell. The anti-Russian student riots in Czechoslovakia may be symptomatic of serious unrest throughout the Soviet empire. The big fight over who exactly is to be the inheritor of Stalin is still far from decided, and there must be much internal nervousness within the Communist hierarchy as a result.

There are undoubtedly other reasons. Korea has served its purpose, and the Chinese like the Russians, urgently need the help of western industrial countries to strengthen their industrial and military machine. They need both raw materials and machinery. Even if conquest of the West is an irreducible part of their design, they can now figure that time is on their side. Europe through its eagerness for commercial profit will be a willing Soviet-bloc captive. So, for that matter, may be Japan.

Thus the principal next objectives will be sought as bloodless accomplishments, even perhaps the conquest of that rich prize, Indochina and southeast Asia. The French have practically served notice on us that they cannot undertake further to defend their portion of this area, for the war is very unpopular at home and is embarrassing to the politicians there. We are already spending half a billion dollars a year in Indochina, but the French now expect us to take over the entire burden, including that of needed manpower.

In southeast Asia, Indonesia seems ripe for Communist plucking; India and Africa will be energetically agitated, while we are being lulled asleep in the fool's paradise of a Communist truce. Then there is the question of the German and Austrian settlements in which Moscow holds the whip hand. The Kremlin, with the help of our United Nations associates, will demand that all foreign troops leave German soil and that Germany become united. This will be very popular with Germans and will mean our retreat across the ocean, while the Russians poise themselves directly across the German border as a continual threat. Their East German State will provide the hard core for a determined assault to reduce Germany from within, while at the same time in a world closed to them by sterling bloc and other conspiracies, the giant factory and industrial sectors of Germany will be seduced by the offer of unlimited eastern markets.

AFTER THE TRUCE—WHAT?

In Korea itself we will occupy the most uncertain of military positions, trying to hold onto a fringe area on the very edge of Asia. We will have appeared to have abandoned Rhee and his Koreans just as we abandoned Chiang. The Koreans, a patriotic people who fought superbly on our side while their country was undergoing inconceivable devastation, have been promised unity. Now the northern and industrial half of their country is about to be relinquished to the Chinese strangers who occupy it. Is it too much to expect that they will believe themselves victimized and cheated, and will join the ranks of the Asiatic myriads who have learned to hate us?

Already Korean students have been reported parading the streets of Seoul, shouting angrily, "Yankee, go home."

The armistice machinery is to be administered by 5 so-called neutral nations—India, Czechoslovakia, Poland, Sweden, and Switzerland—2 of which are Soviet satellites, and all of whom recognize the Chinese Red bandits as the legal government of China and maintain diplomatic relations with her.

Presumably the Chinese forces will take time off for a long-term buildup, in which an effort will be made to confront the American lines with an overwhelming concentration of air strength.

The half dozen invaluable islands lying off the coast of north Korea, and which we now occupy as radar-screen sites, are to be evacuated by us.

Meanwhile, we will have to keep our troops in Korea, for this uneasy truce is in no sense a total peace. It is only a temporary standoff, whose very terms are certain to be violated by the enemy at any time he sees fit.

All of this to Asiatics has very much the ring of a United States defeat by a third-rate opponent and can do us little good. In return for letting us off the hook, we are expected to stop our opposition to all-out trade in strategic goods, which is to say, our alleged warmongering. We also will be allowed to dump still more billions of the American tax moneys into the rehabilitation of Korea.

UNKRA

For this purpose, there will be established under the very auspices of the United Nations, whose members ran out on us during the period of hostilities, an agency called UNKRA, which is expected to sock the American taxpayer for a sum unnamed, but frankly described as "staggering" even in this era of unlimited subsidy.

I submit that it is high time that we reexamine the entire position in the light of our own direct interests as a nation and with regard to our abilities to make our goals good. As far as I am concerned, the United Nations is a self-evident delusion. The concept of collective security broke down entirely in Korea.

What is left?

Until the day that we are organized into a true world community, or into a true western community which can operate under law by sanction of its citizens, we have no business in any foreign involvements not beamed directly at the welfare of the United States and its people. The only proper function of government as far as the people of the United States are concerned is the benefit of the governed, and not that of peoples in faraway foreign places over whose actions we have no control whatsoever. Since a true world community does not yet exist, we must realistically meet the world situation as we find it.

SAVE THEM FROM THEMSELVES

From the beginning I voted against the save-the-world psychology, and against involvement in affairs abroad where our own interests were not directly concerned. It seemed to me that Europeans should take care of themselves, and were more likely to do so if we did not constantly intervene to rescue them from the result of their own bickering, and incessant quarrels and wars, hot and cold. I voted against the British loan, against the United Nations program, and against the entire sequence of events which has taken us to the very verge of insolvency and brought us from a position of the greatest possible strength and power to one of increasing vulnerability and weakness. At the time I was attacked violently as an isolationist, I was caluminated as an idiot and a scoundrel, and in the supercharged air of those tense times, found myself even without the support of my own party.

It was a point of view which despite every intimidation and demand, I would not recede from. It is a record I am proud of. I ran for reelection on that record in the State of North Dakota, and was returned to office with the biggest majority in the long history of my public life.

THE PEOPLE WANT A CHANGE

I say here and now to you, my colleagues, that you underestimate the position if you do not know that the people of our great country are fed up to their ears with this Alice in Wonderland system of international polity.

They thought they were making a major change when they elected the Eisenhower administration to office. They feel, as I have declared, that the only proper function of Government in America is the material interests of Americans, and that it is neither our duty nor right to make ourselves responsible for the welfare of all the other peoples of the world.

The people of this country, Mr. President, wish relief from the crushing tax burden with which they are increasingly confronted. They wish to be able to send their children through college and to achieve the results of their own labor in security, welfare, and satisfaction.

They want a solvent America, an America interested in the world around it, but which also knows how to mind its own business.

They want a strong America, and they feel and believe as I do, that America, strong, resolute, and devoted to its own interests, will find natural allies the world over. Under any circumstance we no longer can temporize with our own future in this wastrel and fruitless effort to underwrite and save from its own folly the entire world.

SHALL WE ENLARGE THE UNION?

If it is necessary for us to accept responsibility for the economic and political well-being of other states, let us at least insist on having some voice in the policies to be followed by these states.

Let us have a frank vote on the matter to see if this is the purpose of the American people, and if the American people so approve, let us place the matter before the British people, or others, seeking a merger of our countries under a new system of overall law in which the obligations and responsibilities of each citizen will be equal to that of every other, as well as his rights and benefits. If we wish to remain as we are, let us do so without messianic complications; but if it is our intention to adopt foreign states as our wards, let us extend an invitation to them to join us in a common brotherhood. Whatever we do, the principal must be based on the erection of law from organic causes, on the ability of the entire union to operate on the federal principle, by which the citizen who receives the benefit of the union is himself committed to its support, with his moral force, his taxes, and, if necessary, with his body.

This principle of duties of the individual toward the state, as well as his right to protection and security, is one of the keystones to our Government. If we are to extend the benefits of our resources and great inheritance to others, let them not be encouraged to play the role of montebank to our drunken Santa Claus. They should be expected to stand with us as men, shoulder to shoulder, in the great struggle for a decent, a secure, and an honest world. If this situation cannot be brought about, either because it be rejected by the American people or by the others, our only remaining course is to look to our weapons and to mind our own affairs as much as we can.

BILLIONS—WITHOUT DEFENSE

Here again I cannot understand the rationality of a course which squanders its billions abroad in an effort to raise the living standards of other people, yet cuts down on vital Air Force commitments designed to protect our own Nation. This is a program which seems to make very little sense.

The Citizens Advisory Committee, appointed by former Defense Secretary Robert A. Lovett, has just made public a statement that the Nation's air defenses must be increased sharply to guard against the threat of an atomic attack. Russia is already capable of a ruinous surprise attack on our cities. The committee had reviewed the report of a group of Massachusetts Institute of Technology scientists who declared that America was very vulnerable to such an assault and recommended an urgent multi-billion-dollar program to strengthen our air defenses, using the latest in technological and scientific means. Yet the administration has cut $5 billion from the Air Force fund, so that there will have to be fewer Air Force wings than had been planned for the end of the year 1955.

This means of course also that vital research and development funds are to be radically reduced, a fact which the Defense Department has currently acknowledged.

CUTTING OUR AIRPOWER

Again I say that there is no responsible figure who understands the aviation situation, and who is not appalled by this action, which has been imposed at a moment when the Soviet development in the air is known to already overbalance ours. Yet the spokesmen for the administration tell us that despite this cut, we will get even more airpower than if the cut had been allowed to remain, implying that what has been cut was actually waste.

This of course is gobbledegook, for the fact is that we will have to cut down radically on the whole plane-building program for the next 2 years. The construction of an air force and an air defense requires many years of planning in which much of the activity remains for long periods in the blueprint stage. The present retrenchment will mean a cut of almost 50 percent in appropriations specifically earmarked for new planes and equipment, and it will take years for us to recover from the actual regression in defense efficiency this course will force on us.

I should like to add to these remarks the observation that I disagree vigorously with the entire theory which proposes a great land army of citizen inductees. This is an antediluvian concept which does not belong in present technological age. It bears no recognizable relationship to our own capacity for defense, nor does it make the most of our superiority which is one of machines, training, and high intelligence.

The Army's own General Collins testified in October 1949 before the House Armed Services Committee that in future wars there is not likely to be any close large-scale amphibious operation of the type that we conducted in the past war. In respect to such a large-scale invasion, General Bradley informed the committee that "frankly, the atomic bomb properly delivered almost precludes such a possibility."

Actually, all the authoritative elements in American public life, including those from the Pentagon, in the discussions which followed after the recall of General of the Army MacArthur, agreed for once—conceding that it was impossible for any forces at our disposal to physically invade China by land, with prospects of success. We simply did not have the manpower, nor could we efficiently transport all of the troops and materiel required, even if such manpower existed.

THE BIG-ARMY ILLUSION

A huge army of conscripts would be desirable only if we anticipate a war with Mexico or Canada. For practical purposes they are useless as a defense agency against faraway nations, since it is impossible to visualize any foreign state bringing to our borders legions of men of sufficient strength and weight to require such a ground defense. The existence of this great military force is actually a burden upon the Nation. Their presence abroad in Europe represents only a leeching of American resources for no purpose.

In Asia we have no business with ground troops at all, for no possible long-range decision can be gained by us in this way.

OUR TECHNOLOGICAL SUPERIORITY

These boys should be where they belong, in school, or working at some productive occupation helpful to the American economy. The Engineering Manpower Commission has stated itself to be deeply concerned over the magnitude of the impending shortage of engineers and scientists, and its probable consequences to the national health, safety, and interest. When we break up the schooling of these boys in order to equip them with rifles and hand grenades, we are foregoing our major national advantage which derives from science, manual skill, and our superb technical command over the forces of nature.

It is our great technology and science which will make this Nation safe against attack, and not immense masses of soldiers, who can be competed with on the battlefield by far greater masses of semi-barbaric Asiatics and others. It is rather for us to take the fullest advantage of our technological superiority if this Nation is to receive its greatest guarantee of future security. Most of this, it appears to me, lies in the air and in our command over the air ocean which bathes all continents. Here lies our security, and in a morally-strong America, capable of fulfilling the hopes of her citizens in their individual welfare and that of their families. If they have this to defend, instead of a crushing burden of debt, they may be relied on to defend it.

Mr. WILEY. Mr. President, I call up my amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the amendment be restated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 9, in line 15 and in line 22, in each instance it is proposed to strike out "10" and insert in lieu thereof "25."

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER (Mr. BENNETT in the chair). Without objection, it is so ordered.

ORDER FOR RECESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it recess until tomorrow morning at 10 o'clock.

For the information of the Senate, it will be recalled that it has been previously agreed that immediately following the quorum call tomorrow morning at 10 o'clock, there will be memorial services and eulogies for the late Senator Willis Smith of North Carolina.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. WILEY].

Mr. DIRKSEN. Mr. President, I believe there should be an explanation of the amendment. If I read it correctly, it provides for a transfer of 25 percent of the funds available under section 101 and also section 541 of the bill. If my arithmetic is correct, the aggregate involved is something over $4,600,000,000. Therefore, the amendment provides for discretion in the President to transfer between the various items and chapters in the Mutual Security Act almost $1,200,000,000. That is a large sum of money for which to provide for discretionary transfer. It is an increase from 10 to 25 percent.

Certainly I would not feel warranted in approving that kind of proposal, since it comes before us as an amendment from the floor, unless there is adequate explanation to justify it.

Mr. WILEY. A statement as to the reason for this amendment was largely made heretofore. The Senator from Georgia [Mr. GEORGE] and I discussed the matter informally in the committee. Conditions on the world perimeter since the bill first was considered have changed, and it was the judgment of the Senator from Georgia and myself that the world situation was such that there should be greater discretion placed in the Commander in Chief, especially because it is believed that conditions are eruptive in many places on the globe.

I shall not try to make an exhaustive argument in favor of the amendment; I shall merely endeavor to present the case briefly. I feel that the Chief Executive is the spearhead of foreign relations. When we vote up to $5 billion for economic and military aid, much of which will be spent for offshore procurement, in connection with which conditions might arise in country X in Europe because of which it would be advisable immediately to distribute somewhere else in Europe at least 25 percent of what we had in mind for country X.

This afternoon the picture with respect to Indochina was given to us very dramatically by the distinguished Senator from Illinois [Mr. DIRKSEN] and the distinguished Senator from Massachusetts [Mr. KENNEDY]. That is an example of a place with respect to which it might be very important in the mind of the Chief Executive, or the Commander in Chief, to take steps which would involve transferring more than 10 percent from one area to another or from one item to another.

Mr. President, I should like to see the Senate conclude consideration of the bill. It has been suggested that I modify my amendment to 15 percent. I agree to modify it accordingly. I feel that it is imperative that the President should have larger discretion. I feel that it is in the interest of the public safety. So I modify my amendment accordingly.

Mr. JOHNSTON of South Carolina. Mr. President, we are dealing with a question which involves expenditures in the neighborhood of $5 billion. First it is said that probably there should be authority to transfer 25 percent of that amount here and there. Then it is said, "No; we will drop it down to 15 percent, which we will allow to be transferred from one place to another."

That shows that in reality we do not know exactly what we are doing. For that reason I think we should look into the question more thoroughly. I doubt whether a quorum is present, so I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FERGUSON. Do I correctly understand that the amendment of the Senator from Wisconsin has been modified to 15 percent instead of 25 percent? Is that what we are about to vote on?

The PRESIDING OFFICER. The Senator has modified his amendment and reduced the figure to 15 percent.

Mr. FERGUSON. I hope the Senate will adopt the 15 percent figure.

Mr. LONG. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LONG. The Senator from South Carolina [Mr. JOHNSTON] suggested the absence of a quorum. Is the clerk calling the roll for a quorum?

The PRESIDING OFFICER. The clerk is calling the roll for a quorum.

The rollcall will proceed.

The legislative clerk resumed the call of the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be suspended.

The PRESIDING OFFICER. Is there objection?

Mr. McCARRAN. I object.

The PRESIDING OFFICER. Objection is heard. The Secretary will continue the call of the roll.

The legislative clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Hennings	Mundt
Anderson	Hickenlooper	Murray
Barrett	Hoey	Neely
Beall	Holland	Pastore
Bennett	Humphrey	Payne
Butler, Md.	Hunt	Purtell
Carlson	Jackson	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kerr	Smathers
Cordon	Kilgore	Smith, Maine
Dirksen	Knowland	Smith, N. J.
Douglas	Langer	Sparkman
Dworshak	Lehman	Stennis
Eastland	Long	Symington
Ellender	Mansfield	Thye
Ferguson	Martin	Watkins
Frear	Maybank	Welker
Goldwater	McCarran	Wiley
Gore	McClellan	Williams
Green	Millikin	Young
Hayden	Monroney	
Hendrickson	Morse	

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr. FLANDERS], the Senator from Nebraska [Mr. GRISWOLD], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. KUCHEL], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Michigan [Mr. POTTER], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business. The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Alabama [Mr. HILL], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Washington [Mr. MAGNUSON] are necessarily absent.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present.

Mr. KNOWLAND. Mr. President, with the modification, which has been accepted by the Senator from Wisconsin, raising the transferability from 10 to 15 percent, rather than to the 25 percent as originally proposed, it seems to me that the amendment should be acceptable. I believe we have seen in the past few weeks, since the proposed legislation was originally introduced, significant developments taking place in Berlin and in East Germany. There have been rumors of similar events taking place in Czechoslovakia and Poland. No person is wise enough—nor does anyone have a crystal ball—to know precisely what developments may take place in other areas behind the perimeter of the Soviet Union. There might be a major upheaval even inside Red China. There might be one in the Soviet Union itself. Similar developments might take place in Bulgaria, Hungary, Rumania, or Albania.

It seems to me, with this highly fluid world condition confronting us, our Government, particularly those charged with the conduct of our foreign policy, should have a degree of flexibility. With the modification which has been accepted by the Senator from Wisconsin [Mr. WILEY], it appears to me that 15 percent would not be too great a sum with which to meet developments which no one can foresee or know about. Certainly we have had some advance warnings of restlessness behind the Iron Curtain.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. WILEY], as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

ORDER TO RETURN TO THE PRESIDENT THE TREATY OF FRIENDSHIP, COMMERCE AND NAVIGATION BETWEEN THE UNITED STATES AND COLOMBIA

Mr. WILEY. Mr. President, as in executive session, from the Committee on Foreign Relations, I report favorably an order, and ask unanimous consent for its immediate consideration.

The PRESIDING OFFICER. The order will be read.

The Chief Clerk read the order, as follows:

Ordered, That the Secretary of the Senate be directed to return to the President of the United States, as requested in his message to the Senate under the date of June 22, 1953, the treaty of friendship, commerce, and navigation between the United States and Colombia, signed at Washington April 26, 1951, and submitted to the Senate on June 13, 1951 (Senate Executive M, 82d Cong., 1st sess.).

The PRESIDING OFFICER. Is there objection to the present consideration of the order?

Mr. GORE. Mr. President, reserving the right to object, will the distinguished chairman of the committee, the senior Senator from Wisconsin [Mr. WILEY], give us an explanation of it?

Mr. WILEY. The President of the United States has communicated to the Senate a request that the proposed treaty of friendship, and commerce, and navigation, between the United States and Colombia be returned to the President for further negotiation, and so forth. That is all there is to it.

Mr. CHAVEZ. Mr. President, reserving the right to object, if the treaty has been entered into, presumably it was entered into on behalf of this country by its authorized representatives.

Mr. WILEY. By the State Department, I presume, and by the President of the United States. However, the treaty was never consummated. It was sent to the Senate for action by the Senate. While we were considering it the President asked that it be returned.

Mr. CHAVEZ. He wanted to review it?

Mr. WILEY. That is correct.

The PRESIDING OFFICER. Is there objection? Without objection, the order will be entered.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

Mr. DIRKSEN. Mr. President, this afternoon I made some rather extended remarks on the pending bill and on my observations abroad. Notwithstanding the fact that I used rather generously of the time of the Senate, there was no opportunity to emphasize one aspect of my trip and my observations which relate to Formosa.

The reason I take the time and trespass upon the grace and good nature of the Senate at this late hour is because I have some amendments to offer to the pending bill. Incidentally I may say to the Senate that I have 5 or 6 amendments which I intend to offer during the course of the evening, which I shall discuss as best and as persuasively as I know how.

However, for the moment, at least, I shall confine myself to the Island of Formosa and shall try to delineate somewhat its importance in the scheme of things.

The Island of Formosa is located many thousand miles from this country, and is about as large as the State of South Carolina. Yet within the confines of that little island are some 10 million people. There is on the island an army of 600,000. There are also nearly 1 million refugees from the mainland of China. Then, of course, there is also the static population of Formosa itself. That fact presents quite a problem.

I am afraid that we make the mistake of thinking of Formosa as the springboard or jumping off place for a possible invasion of the China mainland, in some distant day. The fact is that Formosa has a far larger significance to this country. It was the springboard from which Japan attacked and finally conquered Indochina. It was the springboard for Japan's attacks everywhere in the Pacific.

If I were to attach to Formosa the real significance it has at the moment, it would be that it is only 400 miles from our installations in Okinawa, only 900 miles from Japan, and probably 800 miles from the Philippines. It is in truth and in fact one of the great bastions this country has in the Pacific from which properly to defend and protect this country's defensive line in the far Pacific.

During the visit we made to Formosa we had an opportunity, first of all, to inspect the military establishment of Chiang Kai-shek. I can say to the Senate that I have probably never seen finer soldiers. They average 27 years in age, and most of them are in very fine physical condition. Because they are there and because they are in our corner, so to speak, and because Formosa is so important to the American stronghold in the Pacific, we have some interest in the maintenance of that army.

I saw their field exercises, conducted under the very capable Gen. Sun Li Jen, who holds an engineering degree from Purdue University and who received his military education at the Virginia Military Institute. He is a great commander in every sense of the word.

Here is an army that is probably receiving the best training ever accorded an oriental army. The only thing that distresses me about it is the fact that very few of the Formosan divisions are equipped with good shoes which would stand up on long marches. Many of them are shod with canvas sneakers, which obviously are no protection to the feet. So if they were called upon to perform some rugged duty, the chances are that a great many of the soldiers would be immobilized. I believe this is a matter that ought to be taken into account because, first of all, there is an opportunity to manufacture shoes in Formosa. The swine population of the island is about 2½ million. They have saved the hides for a long period of time. However, they have no shoe machinery with which to process the hides in order to provide their soldiers with leather shoes. So there should be taken into account in connection with economic aid to Formosa—shoes—but, more important still, shoe-manufacturing machinery, because the people there have a highly developed industrial capacity.

I may say to the Senate that as one goes abroad in the world, he discovers that there are hostile operations in many places. On a large island called Kingmen, 2,000 yards from the Chinese mainland, there are 4 or 5 divisions of Chinese Nationalist troops, some of the finest I ever saw. They took over a barren island and made it bloom like the rose. Never did I see finer gardens for the subsistence of troops who had to develop them in the native soil. We landed there by airplane on Saturday morning. But, Mr. President, the strange thing was that on Sunday afternoon Kingmen Island was shelled from the mainland by 105 millimeter howitzers. Such incidents are not reported in the newspapers, but they indicate that today there is very active

and energetic hostility in that part of the world, and it cannot be blinked at if our country attaches to Formosa the significance which I think it very richly deserves.

I should say of the Mutual Security Administration personnel there, that I think they are of a high order, and have done a rather good job. Of course, I think there are some things we must do for Formosa if we are to make it in truth and in fact the bastion it should be. One of those things, of course, is to make funds available for resource exploration. One of their needs is petroleum, which, after all, is the essence of modern warfare. There is some hope that offshore of Formosa there may be some petroleum resources. So I suggest, as an amendment to the bill, on page 2, in line 24, after the word "assistance"—meaning economic and military assistance—that there be inserted "including the exploration and development of mineral and petroleum resources."

If there is oil there, it is certainly worth a gamble of a quarter of a million or a half a million dollars of our money, because if that exploration effort were successful, it would save us many times that amount. I am advised that a California company is willing to undertake the exploration there, even though at the present time the laws of Formosa probably are not on the beneficial side for outside equity capital or exploration capital. Notwithstanding that, the California company is willing to undertake that job. I earnestly hope that when this amendment is submitted, it will find favor with the Members of the Senate.

Now let me advert to a point into which I looked rather thoroughly. Mr. President, it is amazing to find that able-bodied soldiers 25 to 27 years of age, in their prime, will exist on cereals and oil and will receive only perhaps 25 or 27 ounces of protein in an entire month. That would not suffice an American soldier a single day. If we expect not only to subsist but to maintain the vitality and energy of an army that is definitely in our corner, and that is under very capable and compelling leaders, we should be sure that the subsistence of those troops is such that their vitality will be maintained. How shall that be done? They can subsist on fish. Although there are fishing boats there, no refrigeration is available. Fish will not keep from the time it is brought into port until it is taken into an inland area, particularly in the warmer climate. I have suggested to our officials there and to the President and the Secretary of State that we should think earnestly about providing refrigeration, and perhaps mobile refrigeration, so as to make sure that the fish catch, which is high in the protein those soldiers need, will reach the proper place, so it can be utilized to supply them energy.

Mr. President, a moment ago I said that today the soldiers there in some instances are wearing canvas shoes. There is a great need for canvas for tarpaulins, belts, shoulder packs, and similar articles. Those people need funds so as to be able to equip properly a small plant, for which purpose only a very modest investment will be needed, in order to make sure that canvas will be fabricated there.

I examined with our own officials the need for warehousing. How acute the shortage is I am not prepared to say, although I think there is some shortage. They insist they, at least, need enough warehousing, in the form of the large kind of Quonset huts, so as to make provision for 204,000 metric tons of supplies and equipment.

Then there is the question of commodities. I intend to offer to the bill an amendment which will read as follows:

On page 4, in line 5, strike out the quotation marks after line 5 and insert:

Notwithstanding any other provision of existing law, the President is authorized and directed to make available, within the appropriation made in pursuance of this section, to the countries included under title III—

In other words, the countries in the Far East—

such surplus commodities now owned by the Commodity Credit Corporation as may be useful for direct aid purposes, including but not limited to peanut oil, soybean oil, lard, butter, peanuts, soybeans, wheat, and cotton. Not to exceed $25 million is hereby authorized to be appropriated for payment to the Commodity Credit Corporation for its investments in such commodities, including the handling costs, plus the costs incurred in making deliveries hereunder.

Mr. President, if we are to take commodities from the Commodity Credit Corporation, there must be reimbursement. I have lived a long time with the Commodity Credit Corporation law, including the time when I served on the Subcommittee on Agriculture, in the other Body. I know that under that law the Commodity Credit Corporation must report to Congress each year its losses, and then must request an appropriation, which becomes mandatory, for the purpose of repairing its capital structure.

This amendment contains a limit; it includes provision for not to exceed $25 million, with which the Commodity Credit Corporation will be reimbursed for investments or costs, and then that amount of commodities shall be available to the President, for such disposition as he shall see fit to make.

Mr. President, I heard some rumblings and some discussion this afternoon of a bill which would give the President a free hand with respect to most surplus commodities. I think that bill goes a little far. It runs to June 30, 1955, and does not contain a limit. I think there should be a limit.

But today the people of the Orient, who represent a great hope for our country, need oil. They can use lard or butter. They can use cotton, and they need it. They can use wheat, and they know how to process it. They know all about soybeans. So I have particularized, without limiting the quantity or without limiting the variety, the things in which I think there will be a necessary interest. We can do those people a good turn, and at the same time can do ourselves a good turn, by disposing of some of these commodities to areas where they will be most constructively used.

Mr. WILEY. Mr. President, will the Senator from Illinois yield to me?

The PRESIDING OFFICER (Mr. BENNETT in the chair). Does the Senator from Illinois yield to the Senator from Wisconsin?

Mr. DIRKSEN. I yield.

Mr. WILEY. Will the Senator from Illinois please state again the items he listed in connection with his amendment?

Mr. DIRKSEN. Yes. I ask that the following language be noted:

Including, but not limited to, peanut oil, soybean oil, lard, butter, peanuts, soybeans, wheat, and cotton.

Soybeans are protein. Peanuts are protein.

Mr. WILEY. Yes. But it does not specifically include the tremendous supply of milk which has been produced, does it?

Mr. DIRKSEN. It does not particularize milk, but it does not exclude milk, I will say, and it would not exclude cheese. The reason for citing these particular commodities is, first of all, that they are essentially storable and can be transported easily. Then there are commodities with which the people of oriental countries are familiar which they know how to use and how to consume. But certainly the amendment does not exclude any other commodity.

The other day I called the Commodity Credit Corporation; and I have, I think, in my files a memorandum indicating the supply of these commodities the Commodity Credit Corporation has on hand. We have a monumental quantity of these commodities we can dispose of, and which serve to hang over the market today and to bear down the prices. I think there would be many persons in the nation who would be more than happy if they could foresee the disposition of some of these commodities in places where they could well be used.

I desire to mention, Mr. President, the fact that I inspected munition warehouses over there. There is a great industrial capability, and something can be done in the field of offshore procurement so far as Formosa is concerned. There are other items I could stress, but the thing I would emphasize to the Senate is that Formosa is important today, not necessarily because it might be a future springboard to invasion of South China, but rather that it is a defensive bastion for Okinawa, where our investment runs into astronomical sums; it is a defensive bastion for the Philippines, for Japan, and for the whole Pacific line. That makes it really important, Mr. President.

So, Mr. President, in concluding my general remarks, I shall offer, the first amendment to which I alluded, namely, to include authority for exploration and development of mineral and petroleum resources; because it can result, I do not say it will, but it can, if the authority is present—in substantial economies for us and in benefits for the people of Taiwan, better known as Formosa.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 24, after the word "assist," it is proposed to insert "including the exporation and development of mineral and petroleum resources."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. DIRKSEN. Mr. President, I submit the amendment for the disposition of surplus commodities, to which I have just referred.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, line 5, it is proposed to strike out the quotation marks after line 5, and insert the following:

Notwithstanding any other provision of existing law, the President is authorized and directed to make available, within the appropriation made in pursuance of this section, to the countries included under title III such surplus commodities now owned by the Commodity Credit Corporation as may be useful for direct aid purposes, including, but not limited to, peanut oil, soybean oil, lard, butter, peanuts, soybeans, wheat, and cotton. Not to exceed $25 million is hereby authorized to be appropriated for payment to the Commodity Credit Corporation for its investment in such commodities, including the handling costs, plus the costs incurred in making deliveries hereunder.

Mr. KNOWLAND. Mr. President, I have been very much interested, as I am sure the other Members of the Senate have been, in the report on Formosa and the Far East by the distinguished Senator from Illinois, which he gave earlier in the day and this evening. I certainly think there is a great deal of merit in his suggestion as to the use some of these people might make of certain surplus commodities. But it seems to me that it involves a policy question, to which the Senate should give very careful consideration. There are several amendments along the same general line.

The President of the United States has sent to the Congress today a separate bill, aimed at dealing with famine and emergency conditions. I am not certain as to which committee the bill has been referred; I assume it has gone to the Committee on Agriculture and Forestry. Undoubtedly that committee will hold hearings promptly on the measure, and it may suggest certain modifications either to expand it beyond the recommendations of the President, or to include a broader field.

The distinguished Senator from Kansas [Mr. SCHOEPPEL] had an amendment which is supported by the Farm Bureau Federation, taking one point of view; the distinguished Senator from Arkansas [Mr. MCCLELLAN], I believe, has an amendment pending tonight, with a little different approach; and the distinguished Senator from Minnesota had an amendment along somewhat similar lines, but a little broader in scope, which was presented to the Foreign Relations Committee, and which the committee at that time determined should not be included in this bill, but should be handled after proper hearings before the legislative committee, as a separate piece of legislation.

It is only on that basis, and not that I do not fully appreciate the merit of what the distinguished Senator from Illinois is striving for, that I make the suggestion I am about to make.

I certainly think the administration should be put on notice, if it is not already fully informed, of the needs of the people in this area; and there are undoubtedly other areas of the world where the people could use other types of commodities just as advantageously both to them and to us. So, because of the reason I have stated, I would respectfully suggest that the amendments not be included in the pending bill, but that the matter be given prompt attention by the Committee on Agriculture and Forestry when it considers the overall problem.

Mr. MCCLELLAN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I would yield, but I do not have the floor.

Mr. MCCLELLAN. I thought the Senator from California had the floor.

Mr. KNOWLAND. I just surrendered it.

Mr. MCCLELLAN. Mr. President, I may say the amendment proposed by the distinguished Senator from Illinois proposes to give away the surpluses the Commodity Credit Corporation now has. The amendment I have offered does not propose a giveaway, but an exchange. It would make possible the purchase of commodities we have in surplus, not from the Commodity Credit Corporation but through regular channels, by an exchange of currencies.

Mr. KNOWLAND. I did not mean to imply that the Senator's amendment was precisely like the amendment of the Senator from Illinois. I merely wanted to state that there were several different approaches to the question. For instance, as I understand, the bill introduced by the Senator from Kansas [Mr. SCHOEPPEL], which I believe is generally the Farm Bureau proposal, does not propose to give away these commodities, but proposes that they shall be sold, as I recall, for the currencies of the countries; but only as they take the commodities, over and above normal trade channels and trade transactions.

I mention that only because I wanted to point out that there are perhaps a half dozen different approaches, and I doubt whether, this evening, or even in the time we would have on this bill within the next day or so, if we were to continue the debate, we would have the opportunity to make a thorough exploration as to the advantages or disadvantages of each form of approach.

Mr. MCCLELLAN. Yes, I appreciate that; but I did not want the RECORD to stand that the proposal which the senior Senator from Arkansas intends to submit is a giveaway proposal, because it is not. If my amendment should be adopted, for once we would get something in return, and therefore, it would not constitute a complete giveaway of surplus commodities.

Mr. KNOWLAND. I think it is definitely the intent of the Senator, that it not be, as he calls it, a giveaway program.

Mr. DIRKSEN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Illinois.

Mr. DIRKSEN. I appreciate the force of the point which has been made by the Senator from California, but let me suggest first of all that, if the figures which have been submitted to me be true, we are dealing with 1 percent of the commodities in which the Commodity Credit Corporation has an investment at the present time.

Second, who can foresee or assure that there will be action upon the bill dealing with commodity credit or surplus commodities at the present session?

Third, let me point out that the people in the Orient who are watching the Senate and the Congress at the present time with respect to mutual aid will be greatly heartened if at this time they can receive a reassuring message. The other measures which have been mentioned may dribble away, depending entirely on what the fortuities of the present session are.

So I believe, Mr. President, since it comes within the limit of the appropriations which are authorized, that the amendment, if it were nothing else, would be a good gesture in order to raise the courage and to heighten the spirit of the people who are watching us at the present time.

Mr. KNOWLAND. Mr. President, I would say to the distinguished Senator from Illinois that I think we are making a fairly substantial gesture to the people of the world, both in the Orient and in Europe, by the authorization bill itself, and by whatever sum the Congress in its judgment shall ultimately appropriate in this field. It seems to me if the facts presented by the Senator are correct—and I believe they are, from information I have—to the effect that these people could use some commodities of this kind, certainly our representatives in the field can communicate with the Government of the United States and, out of existing funds, can arrange to get certain of these surplus commodities.

The amendment has come in fairly late. I believe it opens a field in connection with which somewhat the same argument might be made for other areas of the world. Under all the circumstances we might get a hodgepodge of commodity amendments, which would not be the best thing either for this country or for those whom we are seeking to aid; whereas, if the various proposals were referred to the Committee on Agriculture and Forestry, under the able chairmanship of the Senator from Vermont [Mr. AIKEN] which has the information at its disposal, and which can call the representatives from the Commodity Credit Corporation before it, as well as representatives of the Department of Agriculture and of the Mutual Security Administration, and get their testimony, I am sure the committee could bring to the Senate a bill which would cover the very things the distinguished Senator from Illinois and other Senators would like to have covered, and we would probably get better legislation than by adopting piecemeal a half dozen amendments to the pending bill. It is only for that reason that I have risen.

Mr. ELLENDER. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. ELLENDER. Is it not a fact that the bill which was introduced by the distinguished Senator from Vermont

provides for more money for such purposes than the amount which is contained in the pending measure?

Mr. KNOWLAND. I think that is correct, but I tried to point out that while that was a bill recommended by the administration, it is going to the committee, and, undoubtedly, the committee will give it careful consideration and will make such changes in it as in its judgment are advisable.

Mr. ELLENDER. I have no doubt of that, but as I understand the measure, as well as the message from the President, the amount recommended is to be in addition to the amount included in the pending measure.

Mr. KNOWLAND. But limited, as I understand. I have just had a chance to read the message. As I understand the message, and, I assume, the bill which has accompanied it, they deal with the question of famine and emergency relief, whereas, as I understand, the amendment offered by the distinguished Senator from Illinois does not deal with a famine problem. Formosa does not have a famine, but it is in need of certain commodities which the Senator from Illinois believes can be used advantageously to Formosa and to the United States.

Mr. McCARRAN. Mr. President, in my judgment, there is no item in the bill more important than is the item embraced within the amendment offered by the Senator from Illinois. If we want allies who are really allies, if we want friends in the Orient, if we want friends who have the will to fight, if a fight shall come, then we certainly should recognize Formosa and the Government of Formosa.

They have shown to the world their ability to sustain themselves. They are short of certain commodities, some of which are mentioned in the amendment offered by the Senator from Illinois. More should be added. But there is nothing in the bill which is more important today to give heart and courage to our friends in the Orient, in Formosa, than is the little item—and it is a very small item, indeed, compared with the great items embraced within the bill—that is mentioned by the Senator from Illinois.

Mr. President, I should like to address a question to the Senator from Illinois.

Has he made a study as to whether the item of $25 million is sufficient to cover the products which he desires to furnish to Formosa?

Mr. DIRKSEN. Mr. President, I may say to the distinguished Senator from Nevada that it could be a good deal more than that, but I tried to keep it on the restrained side. I had hoped that a message of reassurance could go to the people of Formosa, and if there should be subsequent legislation on this subject we could then deal with further aspects of our surplus commodity problem. It was to keep within reasonable bounds that I set a limit of $25 million. It could have been 2 or 3 times that much.

Mr. McCARRAN. I should like to offer an amendment to the amendment of the Senator from Illinois. My thought was to raise the amount $10 million.

Mr. DIRKSEN. Mr. President, that is agreeable to me.

Mr. McCARRAN. Mr. President, I offer an amendment to the amendment offered by the Senator from Illinois, that the sum be made $35 million instead of $25 million.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada, to the amendment of the Senator from Illinois.

Mr. HUMPHREY. Mr. President, I offer an amendment in the nature of a substitute for the amendment offered by the Senator from Illinois.

The PRESIDING OFFICER. The Chair rules that the amendment offered by the Senator from Minnesota is in the third degree, and, therefore, is not in order.

Mr. HUMPHREY. Mr. President, I withdraw my amendment until the Senate acts upon the amendment of the Senator from Nevada.

The PRESIDING OFFICER. The Senator's amendment will be in order at that time.

Mr. KNOWLAND. Mr. President, I think Members of the Senate know that for a considerable period of time I have been interested in the Far East, and particularly in the problems of this Government relative to the Republic of China, and in aid to the Republic of China, now on Formosa. That record has been consistent over a period of time. I am certainly desirous of helping those people and other free people of the Far East and other areas of the world. But I invite the attention of the Senate to the fact that in the pending bill not only is there some $70 million provided for economic aid to Formosa, but there is a figure several times that amount, the exact figure being a classified figure, for military assistance to the Republic of China on Formosa.

It seems to me that under those circumstances, rather than to agree to the amendment offered by the distinguished Senator from Illinois, we should let the matter go before the Committee on Agriculture and Forestry and determine a policy not only relating to the Republic of China on Formosa but relating equally to the Republic of Korea, where the need is as great and perhaps a little greater, in view of some reports which have come back from our representatives abroad to the effect that the diet of the Korean troops has not been up to even what should be fair oriental standards. The same situation may apply to other areas of the world.

It seems to me we shall be able to give more equity to those who want help by taking a good look at the picture after some committee hearings have been held than we can do by adding amendments piecemeal to the bill at this time.

Mr. McCARRAN. Mr. President, there is only one fallacy to the pronouncement of the Senator from California. I have seen it in this body for 20 years. It is a put-off proposition that will not be considered during this session, and God knows whether it will be considered in the next session. It defers action which should be taken now. If we want the friendship of people we should undertake to secure it in this bill, when we are providing billions of dollars with which to win the friendship of other peoples. There are some people whose friendship we have not won by our policies. If the reports from London during the coronation, that I have heard repeatedly from those who were there, are true, our name was not very well dealt with by the people of that nation. Today America is at an all-time low from the standpoint of regard in England. Today America does not rate very high with the British people, notwithstanding all we have done.

In Formosa the rule is just the other way. Today, with the meager help we have given those people, merely a gesture—that is all it has been—the Formosa Government is our friend.

Let us not forget our friends, Mr. President, while we are taking care of those who are not very friendly.

If we follow the idea of the Senator from California we may never hear of this again. Let us do it now while we are dealing with the problem. Let us deal with the little problem that is included in the big problem.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada to the amendment of the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I should like an expression of opinion, if I may have it, from the chairman of the Foreign Relations Committee and the chairman of the Committee on Armed Services as to whether the fight against communism will be appreciably strengthened by the exporting of lard, soybean oil, peanut oil, and other commodities.

If they are more important than bullets or airplanes or ammunition, I am for the amendment, but it is very easy to confuse purposes and to disguise as help something which is not particularly helpful.

Without wishing to put the eminent Senators on the spot, I should like to know whether they consider it more important in the defense of the free world that we should export soybean oil, lard, peanuts, and so forth, to Formosa and to other countries, or whether we should send the equivalent, in munitions, airplanes, ordnance, and so on. I should like to have the information before I can vote intelligently on either the amendment of the Senator from Nevada [Mr. McCARRAN] or the original amendment of my esteemed colleague, the junior Senator from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. President, I shall be glad to answer my colleague by asking him a question: How much is a soldier worth whose vitality is such that he cannot take good aim; to whom a bullet means nothing; to whom a gun is just as instrument he might as well throw on the ground? There is required, first of all, vitality in a human being whose mind works and whose body is well coordinated before he can become a good, effective soldier.

I pointed out earlier this evening that the ration of proteins for the army in Formosa will run from 12 to 20 ounces a month. Certainly that is not enough to sustain a soldier, if we are to maintain that army. If they are in our corner, the first and most indispensable thing is

that they have the physique, vitality, and energy with which to carry on as military men.

The question was answered long ago. Food will win the war, because food is one of the great instrumentalities of a military organization to keep it vital and alive.

Mr. DOUGLAS. I appreciate the answer given by my colleague. I am always very glad to have him rise on these matters. However, I had hoped that we might get an expression from the chairmen of the respective committees.

I notice the eminent chairman of the Committee on Foreign Relations rising. Before he replies, I wish to ask my colleague if he expects to make good all the dietary deficiencies of the world and give to the soldiers of the world intravenous injections of cod liver oil in order to build up their vitality.

Mr. DIRKSEN. If it were available, I should be most agreeable to doing so.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. McCARRAN] to the amendment of the Senator from Illinois [Mr. DIRKSEN].

Mr. DOUGLAS. Mr. President, I lift mine eyes to the chairman of the Committee on Foreign Relations, and hope that we may get some leading light from him.

Mr. WILEY. Mr. President, I feel highly complimented to stand between the two distinguished Senators from Illinois, who represent such extreme poles in politics and economics.

I assure Senators that my position in relation to the matter can be stated briefly as follows: I believe the Senator from Minnesota and the Senator from Kansas [Mr. SCHOEPPEL] appeared before the committee and presented their particular ideas, which more or less coincided with the message the President has sent to Congress today in relation to the handling of surpluses.

When I listened to the amendment suggested by the junior Senator from Illinois [Mr. DIRKSEN], it occurred to me that the whole matter might be disposed of very quickly by simply lifting out the words "and directed," so that the President would be authorized to act at his discretion.

The reason I had so thought was, as has been suggested by several Senators, that we are dealing with a world that is pretty much upset in every direction. Therefore, it might be very easy, and a big factor, to have commodities handled by the Chief Executive in this manner in a particular place. The amendment involves some $25 million and commodities that are in surplus. If the amendment were to give the President discretion—and I understand the Senator from Illinois [Mr. DIRKSEN] said that that suggestion would meet with his approval—since there would not be a mandatory direction, it seems to me, speaking only for myself, that we might very well take the amendment to conference.

Mr. GORE and Mr. DIRKSEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. WILEY. I yield first to the Senator from Tennessee.

Mr. GORE. As I understood the able Senator from California [Mr. KNOWLAND], the bill before the Senate makes $75 million in economic aid available to the Far East. Would not the President have discretionary power under the bill presently before the Senate, without amendment, if in his opinion specific commodities were needed for the economic stability or defense of Formosa or any other country to use funds for that purpose? Is not that discretion included in the pending bill and in the aid contemplated within it?

Mr. WILEY. My own judgment is that the answer to the Senator's question is, Yes; there would be that discretion.

Mr. GORE. Then why is an additional amendment necessary?

Mr. DIRKSEN. If the Senator from Tennessee will allow me to answer, I would suggest, first of all——

Mr. GORE. If the Senator from Illinois will withhold his comment for a moment, I am interested in having an answer from the chairman of the committee, who has just stated that there is no need for the amendment.

Mr. DIRKSEN. There is need for it, which I shall explain.

Mr. WILEY. I said that under the bill itself the President could utilize funds for this specific purpose, if he found it to be necessary.

I understood it to be the position of the junior Senator from Illinois that, in his opinion, utilization of $25 million additional for surplus commodities would serve a specific purpose in this particular locality and would be to the advantage of the United States. I still believe the power is contained in the bill to utilize funds that are available.

Mr. GORE. For these purposes?

Mr. WILEY. Yes.

Mr. GORE. If in the discretion of the President it is deemed to be advisable?

Mr. WILEY. Yes.

Mr. GORE. Then there is no need for the amendment to grant that discretion to the President, since the bill grants that power.

Mr. DIRKSEN. First, I think we had better understand what is proposed. I say to the Senator from Tennessee that none of the surplus commodities can be taken from the Commodity Credit Corporation unless, first, there is a specific provision to authorize their reimbursement. The second sentence of the amendment authorizes a reimbursement of $25 million, not only for the investment in the commodities, but for the handling charge as well. That is presently a requirement in basic law, and must be met. That is the reason why such authority must be written into the bill.

Mr. McCLELLAN. Mr. President, will the Senator yield for a question?

Mr. DIRKSEN. I yield.

Mr. McCLELLAN. Is the $25 million authorized to be reimbursed to the Commodity Credit Corporation, in the event the President wishes to give away these commodities, in addition to the total amount of authorizations in the bill, or does that come out of a fund within the bill?

Mr. DIRKSEN. It is within the appropriation made in pursuance of this section. It will be flexible, because the Committee on Appropriations will work its will upon every item in the bill. It may go up or go down.

Mr. McCLELLAN. It does not authorize another $25 million of giveaway; does it?

Mr. DIRKSEN. No; it does not.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada to the amendment of the Senator from Illinois.

Mr. CASE. Mr. President, will the Senator from Illinois yield?

Mr. DIRKSEN. I yield.

Mr. CASE. Did the Senator from Illinois accept the modification suggested by the Senator from Wisconsin [Mr. WILEY]?

Mr. DIRKSEN. I would accept it for the reason that when I first made a report on the matter I had occasion to discuss it with the Director of the Bureau of the Budget. He is quite sympathetic to the idea. He understands very fully what is involved and he did not believe the President actually needed any direction. He believes that permissive authority will be sufficient.

Mr. President, I would have no objection to deleting the two words "and directed," and I so modify my amendment.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KNOWLAND. I do not know what discussion the distinguished Senator from Illinois had with the Director of the Budget. I do know that when the Humphrey amendment and the Schoeppel amendment were before the Committee on Foreign Relations, representatives of the Budget Bureau and, I believe, of the Treasury Department, were before the committee. They felt that at least it was inadvisable to add the Schoeppel amendment or the Humphrey amendment to the bill, and suggested that the matter had better be handled through a separate piece of legislation.

Mr. DIRKSEN. Mr. President, I can only say, in all candor, that the discussion with the Director of the Bureau of the Budget at breakfast was quite informal. The whole subject was discussed. So he is fully mindful of what is involved. I relate my remarks only to the striking of the two words, because I do not believe any direction by the Congress will be required.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. McCARRAN] to the amendment offered by the Senator from Illinois [Mr. DIRKSEN] as modified. [Putting the question.]

Mr. DIRKSEN. Mr. President, I ask for a division.

On a division the amendment to the amendment was rejected.

The PRESIDING OFFICER. The question now is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN] as modified. [Putting the question.]

Mr. DIRKSEN. Mr. President, I ask for a division.

The Senate proceeded to divide.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire, [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr. FLANDERS], the Senator from Nebraska [Mr. GRISWOLD], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. KUCHEL], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Michigan [Mr. POTTER], and the Senator from Ohio [Mr. TAFT] are necessarily absent. The Senator from Indiana [Mr. CAPEHART] is absent on official business. The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate. The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Alabama [Mr. HILL], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Washington [Mr. MAGNUSON] are necessarily absent.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The result was announced—yeas 28, nays 42, as follows:

YEAS—28

Barrett	Hendrickson	Pastore
Beall	Hickenlooper	Payne
Bennett	Humphrey	Schoeppel
Case	Langer	Smith, Maine
Cooper	Martin	Watkins
Cordon	McCarran	Welker
Dirksen	Millikin	Wiley
Dworshak	Morse	Young
Eastland	Mundt	
Goldwater	Murray	

NAYS—42

Aiken	Hoey	McClellan
Anderson	Holland	Monroney
Butler, Md.	Hunt	Neely
Carlson	Jackson	Purtell
Chavez	Johnson, Colo.	Robertson
Clements	Johnson, Tex.	Russell
Douglas	Johnston, S. C.	Saltonstall
Ellender	Kerr	Smathers
Ferguson	Kilgore	Smith, N. J.
Frear	Knowland	Sparkman
Gore	Lehman	Stennis
Green	Long	Symington
Hayden	Mansfield	Thye
Hennings	Maybank	Williams

NOT VOTING—25

Bricker	Fulbright	Kuchel
Bridges	George	Magnuson
Bush	Gillette	Malone
Butler, Nebr.	Griswold	McCarthy
Byrd	Hill	Potter
Capehart	Ives	Taft
Daniel	Jenner	Tobey
Duff	Kefauver	
Flanders	Kennedy	

So Mr. DIRKSEN's amendment, as modified, was rejected.

Mr. DIRKSEN. Mr. President, I offer an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 10, line 13, it is proposed to strike out the quotation mark; and after line 13 to insert a new section as follows:

SEC. 548. Not less than one-half of the total of payments in cash or in kind made hereunder to any country in Europe covered by the provisions of section 101 (a) (1) from funds appropriated or continued available pursuant to authorizations in this act shall be in the form of a loan, or loans, to such country on terms to be prescribed by the President, unless the President shall proclaim a finding as to any recipient country that its economic condition and outlook for the future forbid the application of this provision.

Mr. DIRKSEN. Mr. President, instead of making it an outright gratuitous appropriation for the purposes of section 101 (a), the amendment provides that half of it shall be made available and used in the form of loans.

When the foreign aid act of 1947 was enacted it contained this provision: "To make efficient use of any commodities made available under the authority of this act and to take, insofar as possible, the economic measures necessary to increase its ability to achieve a self-sustaining economy."

That was the ultimate purpose and that was the ultimate objective of mutual aid.

We have been at it for 5 years. At no time have we withheld aid from any country that needed it, particularly a country whose economic security we thought was indispensable to the national security of our own country.

It seems to me that the countries of Europe should look ahead a little. I think they should plan and budget their general economy and their outlook, so they may pledge at least a partial payment out of what they see ahead, and not receive it entirely in the form of a gratuity. There is another point involved. Somewhere along the line we will have to move from gratuities to loans, if there is to be any help at all. We have heard the expression "the free world." Mr. President, we cannot garrison the battlements of the free world with pensioners and mendicants, and still expect them to be efficient battlers in the interest of the free world.

I believe we have reached that time.

The amendment provides that the President must prescribe the terms. That means the maturities and the interest rates, and everything else. A large measure of discretion is left to the President.

I believe the time has come when we ought to shut off free aid and to put aid on a loan basis, in part at least, even though there may be only a remote and slender hope that the loans will finally be repaid. In my opinion, the time is now to take action in the interest of preserving the self respect of the people who have been receiving our aid.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. LANGER. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois. [Putting the question.]

The PRESIDING OFFICER. The "noes" seem to have it.

Mr. DIRKSEN. I ask for a division, Mr. President.

On a division, the amendment was rejected.

Mr. DIRKSEN. Mr. President, I offer another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 18, line 3, after figure "$200,000,000," it is proposed to insert an additional proviso, as follows: "*Provided further*, That, without respect to the foregoing limitation, the President, during the fiscal year 1954, is authorized, in his discretion, to transfer to any country eligible for assistance under title III not to exceed 50,000 tons of overage naval vessels in the destroyer, frigate and other light classes, including auxiliary ships."

Mr. DIRKSEN. Mr. President, there is presently pending in the House of Representatives a bill which was introduced by Representative COLE of New York. It would make available and give authority to transfer six over-aged destroyers to Nationalist China. I raised the question and I explored it somewhat, and I was advised that it was very desirable but that, on the other hand, the proposal should not be limited, because it might be desirable to transfer not only destroyers but ships of the frigate type, and perhaps also of auxiliary vessels. Fifty thousand tons of over-age vessels are not very much. Our neighbors and our friends who are in our corner in the Orient can very well use such vessels.

I recall that there has been a request made for the transfer of vessels. This, then, would give specific authority to the President to transfer 50,000 tons of over-age vessels in certain classes. It will be noted that the amendment does not include either heavy vessels or capital ships.

Mr. LONG. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. LONG. I wonder whether the Senator has inquired into the maintenance problem of these over-age vessels. Frankly, if we are to give to the forces on Formosa any naval vessels, they should be in good operating condition. The best information available to the junior Senator from Louisiana is that of all the vessels which we have given to Formosa there were only a few that could get out beyond the breakwater, because the Chinese were not able to maintain them. If the vessels proposed to be given to Formosa are not in perfect or tip-top shape, the Chinese will not be able to maintain them. Has the Senator from Illinois looked into that question?

Mr. DIRKSEN. What would constitute an over-age vessel would be a matter of administrative determination. I am quite confident that the great military chief in the White House would take precious care that vessels would not be

transferred which would not be useful in the Formosan straits or elsewhere.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FERGUSON. Would these vessels be a gift, or would we be reimbursed from funds carried in the bill?

Mr. DIRKSEN. They would be a gift.

Mr. FERGUSON. A gift?

Mr. DIRKSEN. Yes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. [Putting the question.]

The "noes" seem to have it.

Mr. DIRKSEN. Mr. President, I ask for a division.

On a division, the amendment was rejected.

Mr. DIRKSEN. Mr. President, I offer another amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the end of the bill it is proposed to insert a new section as follows:

None of the funds authorized under this act may be expended for housing at a unit cost in excess of the prevailing unit cost in the country where such housing is to be provided.

Mr. DIRKSEN. Mr. President, there is a very pressing and definite reason for offering the amendment. In the Hanoi Delta in Indochina, there has been undertaken a defensive move which is called a pacification move, through the creation of what is known as a pacification center.

It is something the British tried in Malaya, and consists of enough units to house 10,000 people, who are gathered from 24 different villages. In my judgment, it constitutes the kind of defensive warfare which, if pursued in Indochina, will result in warfare for a good many years, notwithstanding our expenditures there.

The point is that the funds which are being made available from the Federal Treasury for the purpose of such pacification centers are funds of ours, and we ought to be interested in the type of construction. The business team which went there made a very clear report on the project which is known as the Dong Quan project. They say it was hastily conceived and left much to be desired. The point at issue is that the cost of the project, in terms of units, was twice as much as the cost that goes into the construction of units amply adequate for the natives.

I think it is an amazing thing if we start, 12,000 miles from home, a slum-clearance program that will cost twice or perhaps three times as much as the structures can be built for under native standards, and if it reaches that level of cost because it seems that United States dollars go into it.

I do not comment on the military use; after all, that is a military matter. But I say that experts many thousands of miles away from the United States should not be playing with our money and building up fancy establishments that are unlike anything the natives there ever saw.

Consequently the amendment provides that the unit costs of housing built with funds authorized in this bill shall be in line with native costs.

Mr. LANGER. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. LANGER. Will the units be owned by the municipality or by individuals?

Mr. DIRKSEN. Frankly, I do not know who will own this one. It will depend on who wins in the Tonkin developments around Hanoi.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 17, between lines 12 and 13, it is proposed to insert a new section (renumbering the following sections as necessary), to read as follows:

SEC. 606. The Mutual Security Act of 1951, as amended, is amended by adding the following new sections:

"SEC. 550. Notwithstanding any other provisions of law, in order to facilitate the utilization of commodities which are acquired by the Commodity Credit Corporation through price-support operations or are in danger of waste or have accumulated to such extent that their continued storage will involve excessive costs or unduly burden storage capacity, the President is authorized to make available such commodities to any nation friendly to the United States to meet famine or other critical requirements upon such terms and conditions as he determines appropriate to promote the foreign policy and security of the United States. The Commodity Credit Corporation shall deliver such commodities on board vessels in United States ports as directed by the President.

"SEC. 551. For the purpose of making payment to the Commodity Credit Corporation for commodities disposed of under section 550, the Secretary of the Treasury is hereby authorized and directed to cancel notes of the Commodity Credit Corporation held pursuant to section 713a-4 of title 15 of the United States Code, in an amount as determined by the Secretary of Agriculture, equal to the domestic market value of the commodities furnished pursuant to section 550 plus any costs incurred by Commodity Credit Corporation in making deliveries as directed by the President.

"SEC. 552. No commodity shall be made available under the provisions of sections 550 and 551 after June 30, 1955."

Mr. HUMPHREY. Mr. President——

Mr. MANSFIELD. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I did not quite understand the reading of the amendment. Is it the same amendment the Senator offered in the Foreign Relations Committee about 4 weeks ago?

Mr. HUMPHREY. It is exactly the same amendment that was discussed in the Foreign Relations Committee some 4 weeks ago.

Mr. MANSFIELD. Does the amendment apply to the whole world?

Mr. HUMPHREY. It applies to all portions, all nations that are in friendly association with the United States, all nations under the Mutual Security Act, and other nations which the President deems to be friendly to the United States and important to our national security.

Mr. McCLELLAN. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. McCLELLAN. In order that we may better follow the Senator's presentation, let me ask if this amendment is in addition to the authorization proposed in the bill; in other words, if it is extra, over and above what already is in the bill?

Mr. HUMPHREY. Yes; it is.

Mr. McCLELLAN. I wished to understand that.

Mr. HUMPHREY. I am glad the Senator from Arkansas asked the question, because I realize there is honest difference of opinion as to how we should approach the problem of the utilization of commodities which would be of benefit to our allies, and which are at the present time, and which may be in the foreseeable future, a very serious problem to the United States economy.

Mr. President, the amendment I have presented was discussed in the Senate Committee on Foreign Relations; and, as the distinguished acting majority leader has said, followed its discussion—at a time when it appeared there was considerable support for the amendment—at the request of the acting majority leader, members of the administration were called in to give their views.

I think I should say that the amendment was prepared by the legal staff of the Mutual Security Agency.

I think I should further say that the representative of the Mutual Security Agency who was working with the Foreign Relations Committee indicated at the time of its consideration that it had been discussed with and, as I gathered, approved by the Bureau of the Budget and the Mutual Security representative.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. May I ask who in the Bureau of the Budget or in any other agency of the Government approved the amendment?

Mr. HUMPHREY. I only am saying what I think was said by Tyler Wood—who represented the Mutual Security Agency—at the hearings, which I listened to, and which I have reviewed this afternoon in the light of the possibility of bringing the amendment before the Senate.

Mr. AIKEN. When was that approval given?

Mr. HUMPHREY. About 4 weeks ago.

Mr. AIKEN. About 4 weeks ago?

Mr. HUMPHREY. Yes.

Mr. AIKEN. I ask the question because I have had from those people, this afternoon, a communication to the effect that if the Senator from Minnesota undertook to give any impression that they had approved this amendment, that definitely is not so.

Mr. HUMPHREY. I never did say the amendment had been approved.

Mr. AIKEN. The Senator from Minnesota was giving that impression.

Mr. HUMPHREY. I was only quoting what the representative of the Mutual Security Agency said at the time when there was cross-examination in the committee.

I wish to say this amendment follows clearly the message from the President of the United States which was sent to the Senate this afternoon. Furthermore, the amendment, when it was considered before the Foreign Relations Committee, immediately precipitated a rash of legislative proposals concerning this kind of a proposal.

There is no law against having a member of the minority present a proposal to a bill which comes from a committee, and I would suggest that we consider these measures on their merits, rather than on the basis of their parentage.

It appears to me that what we have here is the exact proposal the President has made. The amendment gives the President broad authority. It does not tie his hands. It gives him the right to give or to sell for dollars or for the national currency of the recipient country or to arrange a trade negotiation on the basis of loans or the exchange of commodities.

In other words, the President will have a wide variety of devices that he may use in terms of coming to an agreement as to the utilization of surplus commodities.

Some 2 years ago we did our part in enacting legislation insofar as concerned wheat for India, as an emergency measure. In that instance I make known the fact that we negotiated on the basis of a long-term loan—a 35-year loan, as I recall.

In the case of Pakistan we were much more generous, and I am proud to say that early in March I introduced proposed legislation, identical to that introduced in the past 2 weeks, to provide wheat for Pakistan on the basis of a gift, not a loan.

On other occasions, I heard the Senator from Louisiana [Mr. LONG] say that it might be desirable that the President have authority to engage in negotiations which would bring to the United States certain strategic materials which could be used for our stockpiles, in exchange for certain commodities which are desperately needed by such foreign countries.

I am saying that the amendment offers the flexibility which the Chief Executive of the United States needs. He is the main formulator of United States foreign policy, and he is responsible for United States foreign policy. He makes decisions, which are almost irrevocable, for United States foreign policy; and United States foreign policy is involved in the Mutual Security Act.

Mr. FERGUSON. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. FERGUSON. What amount would the President be authorized to give or to spend?

Mr. HUMPHREY. I would say that subject would be entirely up to the Appropriations Committee. It will determine the sum which may be utilized for the exchange or the sale or the gift of surplus commodities.

Mr. FERGUSON. Mr. President, will the Senator yield for a further question?

Mr. HUMPHREY. I yield.

Mr. FERGUSON. The limitation, then, would be the amount of appropriation recommended by the Appropriations Committee, and it would be over and above all sums mentioned in this bill; is that correct?

Mr. HUMPHREY. That is correct.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. KNOWLAND. I think the Senator from Minnesota is in error in indicating that the parentage of the amendment has anything to do with it, because as the Senator will recall, the Committee on Foreign Relations after hearing the testimony, both relative to the amendment which the Senator from Minnesota offered and also the amendment proposed by the Senator from Kansas, turned down both amendments. Moreover, just a little while ago an amendment offered by the distinguished Senator from Illinois, who happens to be on the side of the aisle with the acting majority leader, was rejected not on the basis of a partisan sponsorship or any other kind of sponsorship, but because of the feeling that, in view of the fact that the Committee on Agriculture and Forestry was going to consider this entire subject, we should not start adding these amendments to this particular bill. So I can assure the distinguished Senator that the parentage or origin of the amendment has had nothing to do with the position taken by the acting majority leader.

Mr. HUMPHREY. I appreciate the comments of the acting majority leader, and I accept them in good faith.

Mr. President, I prefer to discuss the pending question entirely on the merits. The President's message suggests or requests special legislation, in other words, original legislation, for the disposal or the utilization, which is perhaps a better way of expressing it, of American surplus commodities.

Mr. President, I believe we should have legislation attached to this bill. I think the time limit should be definite; in fact, I am perfectly willing to accept an amendment which would limit the time to 1 year rather than 2 years. Once we enact legislation without a limit, we are apt to find it continuing, as has been the case in many other instances.

Furthermore, the bill now before us is heavily loaded toward the military side. It includes well over $4 billion in military assistance. I shall support that. It provides limited economic assistance, which I think is justified, because I believe there has been economic recovery to the point where the amount of economic assistance can be sharply reduced.

But, Mr. President, when we talk about mutual security, it is about time that we understood that security means something more than dollars and guns. It might very well mean life itself, which is being snuffed out because of famine, malnutrition, poverty, and disease. If there was ever a measure to which an amendment such as this ought to be attached, it is to the pending bill. If we enact a measure reported from the Committee on Agriculture and Forestry, Mr. President, it appears on its face as a means of dumping surpluses. If we include the amendment in the mutual security measure, it appears what it ought to be; namely, a humane, constructive proposal to do three things; namely, to save lives, to create good will, and to promote the foreign policy and protect the security of the United States of America. If there was ever a proposal which ought to be attached to a measure fundamental to the overall security relationships of the United States, with its allies and friends, and to the overall security needs of our country, it is one which deals with the utilization of the abundance which God Almighty has given to this Nation in the form of food and fiber.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SCHOEPPEL. I should like to ask the distinguished Senator from Minnesota a question with reference to his suggestion that a bill on this subject coming from the Committee on Agriculture and Forestry would be construed as dumping. Does he mean to imply that the measures which are before the Agricultural Committee are of that type?

Mr. HUMPHREY. The Senator from Minnesota does not mean to imply anything. The Senator is of good heart, he is of clear mind, and I am merely saying that this is an appropriate amendment that ought to be on a measure affecting our foreign relations.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SCHOEPPEL. I desire to refresh the Senator's memory with respect to the measure which the senior Senator from Kansas introduced, which, as the Senator knows, has the opposite effect of one proposing to dump agricultural surpluses. I merely wanted to get that in the record.

Mr. HUMPHREY. I may say to my distinguished friend from Kansas that I respect both the Senator from Kansas and measure which he proposed. I think it was a very constructive measure; in fact, if my amendment is defeated, I may say to the Senator from Kansas that I shall readily join with him in his proposal. I think it a very constructive and very sensible, and a very much needed measure.

Mr. SCHOEPPEL. I thank the Senator.

Mr. HUMPHREY. I am simply of the opinion, Mr. President, that if need is as urgent as appears from the President's message, the urgency can best be met when the time is at hand to meet it. I have been told that the Congress is going to recess by the 1st of August. If the Congress is to recess by that date, I suggest that we are not going to have time to process a bill through the House and through the Senate; and yet we are now authorizing for 2 more years under this bill the long-term program of mu-

tual security. It appears to me that this is where the amendment belongs.

It is in this measure, Mr. President, that the administration has seen fit to include an item for special weapons. It is in this measure that we have seen fit to include special economic appropriations for Great Britain and France, over and above what we had previously appropriated. It is in this measure that it has been seen fit to include an extension of the contract-fulfillment date on the offshore procurement of certain items which are needed for military assistance. I say that we have here a measure which gives to us many new variations; and what the Senator from Minnesota is suggesting is that we give the President of the United States, a President whose foreign policy we support, the additional tools with which to do the job that needs to be done.

The President has rightfully pointed out in his memorable address before the editors of the Nation and in his message to the Congress this afternoon, that one of the strong arms of American foreign policy is our humanitarian concern for the human needs of people; and I suggest that in a bill which is so heavily loaded as this one is, it would be well to have some of the human elements included. I have nothing further to suggest.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Vermont.

Mr. AIKEN. May I ask the Senator from Minnesota whether he would approve the bill which the Senator from Vermont introduced this afternoon?

Mr. HUMPHREY. As a matter of fact, I may say the Senator from Vermont, if he wishes to offer his measure as a substitute for my amendment, I shall readily join with him and shall immediately vote for its adoption.

Mr. AIKEN. Would the Senator from Minnesota support that bill if it were processed in an orderly manner by this body?

Mr. HUMPHREY. I surely would, if it is the measure which I have before me.

Mr. AIKEN. Does not the Senator believe it is better to have that sort of thing done through the ordinary process of legislation, rather than have it effected by way of an amendment which the Members of the Congress have not had even an opportunity to read? I do not know about the amendment offered by the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, the President's message was read to the Senate this afternoon; and what the President's message proposed was what the junior Senator from Minnesota is proposing. It is exactly what I proposed 4 weeks ago, and it is exactly what I talked about on the Senate floor 7 weeks ago. It is not new. I realize that generally we do not listen to speeches, and sometimes we may not even read the RECORD, but I am sure that we listen to the pronouncements of the President.

Mr. President, I further point out that the contention that a measure should come from a committee and go through the proper parliamentary procedure is—what should I say?—a two-edged sword. There are times when it merely depends on what one is for and what he is against. I want to be extremely candid. I recall that a few days ago a conference report came to the Senate, a conference report, which in all honesty, I voted against, and yet, there was a great storm of argument that then was the time to take action on a measure affecting small business although that measure was added to the bill in conference, not even on the floor. This amendment can be debated on the Senate floor, yet, I heard the leader of the majority party say that we had to accept the conference report because it is the one chance we would have to pass the provision for the Small Business Administration.

Mr. President, that was the persuasive argument. It brought 42 votes.

I recall also, Mr. President, that an amendment some time ago to authorize sums of money for Spain did not come through the committee, but was added on the floor of the United States Senate. Indeed, Mr. President, hundreds of worthy amendments have been added to legislation on the floor of the Senate. That is what debate is for. In this instance the debate is open and honest. We are not considering a conference report, to be either accepted or rejected without even an amendment. If any Senator has an amendment to limit funds, or to limit the authorizations, or to limit the duration, the junior Senator from Minnesota will be glad to consider them on their merits.

I submit, Mr. President, that the proposal which is now before the Senate does exactly what the Senator from Vermont has asked for in his bill which I have in my hand. It does exactly what the President requested this afternoon. It does, in the main, what the Senator from Kansas [Mr. SCHOEPPEL] asked for before the Foreign Relations Committee. It does what the American Farm Bureau Federation asks for, and I think it should be agreed to.

SEVERAL SENATORS. Vote! Vote!

Mr. AIKEN. Mr. President, I apologize for not being able to hear the Senator from Minnesota distinctly when he began his remarks. I have sent for his remarks in typewritten form and should like to read them for my own information and also for the information of other Senators who could not hear him any better than I could:

Mr. HUMPHREY. I think I should further say that the representative of the Mutual Security Agency who was working with the Foreign Relations Committee indicated at the time of its consideration that it had been discussed with and, as I gathered, approved by the Bureau of the Budget and the Mutual Security representative.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. AIKEN. May I ask who in the Bureau of the Budget or in any other agency of the Government approved the amendment.

Mr. HUMPHREY. I only am saying what I think was said by Tyler Wood—who represented the Mutual Security Agency—at the hearings, which I listened to, and which I have reviewed this afternoon in the light of the possibility of bringing the amendment before the Senate.

Mr. AIKEN. When was that approval given?

Mr. HUMPHREY. About 4 weeks ago.

Mr. President, I should like to repeat what I said earlier, that the Bureau of the Budget and the Mutual Security Agency have not approved this amendment. They would not come in ahead of the President's message which was received this afternoon. No one would think that for a minute.

As I stated this afternoon, the Committee on Agriculture and Forestry will give almost immediate attention to this question, because it is a very important one. In fact, it is too important to be passed upon by this Congress without hearing the testimony from the persons who would carry out the program, the persons who know how the program should be worked out, and without all the other information we need before enacting legislation of this kind.

Mr. President, I do not think we should load up the Mutual Security bill with a lot of amendments pertaining to this thing or that thing. The easiest way in the world to discredit the program is to load it up with extraneous matter, no matter how important the matter might be in its own right.

I say again that the question of the disposal of American farm commodities in connection with the creation of good will with the rest of the world is a question we shall be taking up very soon. Let us take it up in an orderly manner. It involves many things which should not be acted upon on the floor of the Senate, particularly by an amendment which we have not even read.

SEVERAL SENATORS. Vote! Vote!

Mr. GORE. Mr. President, through the years I have taken a great interest in farm legislation and have been privileged from time to time to have had some say, and, I hope, some little effect, with reference to farm legislation. I am proud of the Commodity Credit Corporation as an agency of the Government. I am proud of the surpluses in the hands of the Commodity Credit Corporation which in times of need have served this Nation well.

There are now in the hands of the Commodity Credit Corporation some $3 billion worth of farm commodities, the products of our soil and of the toil of the hands of our farmers. When we come to the sad task of giving to the President of the United States blank-check authority to give away $3 billion worth of commodities, I think, Mr. President, we had all better pause.

I am not disposed to enter into any discussion as to the differences between the request submitted by the President this afternoon and the amendment now before the Senate. I can see little essential difference. That does not make me favorable to the amendment, however. I do not think Mr. Henry Wallace ever had quite so wild a dream as that which is involved in either the amendment or the bill.

What does this amendment do, Mr. President? I have it in my hand. It does not come before the Appropriations Committee, as has been said. What does it provide? It provides that the President may give away $3 billion worth of farm commodities. Do we call this a giveaway bill? It would be the most

monstrous giveaway amendment in the history of the country.

Let me read two sentences from which I shall have to omit some phrases:

Notwithstanding any other provisions of law, the President is authorized to make available such commodities to any nation friendly to the United States to meet famine or other critical requirements upon such terms and conditions as he determines appropriate to promote the foreign policy and security of the United States.

How is it to be paid for? Let me read from an exception:

For the purpose of making payment to the Commodity Credit Corporation for commodities disposed of under section 550, the Secretary of the Treasury is hereby authorized and directed to cancel notes.

Mr. President, that is not appropriation. It does not come back to the Congress to make a decision. If we adopt this amendment, we shall be authorizing the Secretary of the Treasury to cancel notes in the sum of $3 billion.

Mr. AIKEN. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. AIKEN. Does the Senator think the amendment should be acted upon by the Senate without a hearing?

Mr. GORE. I do not think it should be acted upon without a hearing. I do not think it should be acted upon favorably with or without a hearing.

Mr. AIKEN. I should be willing to bet that when the Senator hears from home he will change his mind.

Did I correctly understand the Senator to say that there was little difference between my bill and the amendment offered by the Senator from Minnesota?

Mr. GORE. I referred only to the amendment offered by the Senator from Minnesota.

Mr. AIKEN. Then I apologize to the Senator from Tennessee. I thought he was talking about my bill.

Mr. GORE. I have also read the bill introduced by the distinguished and able Senator from Vermont, and I must say that I see no essential difference between the bill and the amendment.

Mr. AIKEN. The Senator would say that neither of them should be acted upon without a hearing?

Mr. GORE. With or without a hearing. I shall not change my mind no matter what I hear from home.

Mr. ANDERSON. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. ANDERSON. The language which the Senator from Tennessee has read is in the bill introduced by the Senator from Vermont with whom I usually find myself in agreement. I must say that I do not regard the three or four billion dollars worth of agricultural products as a pile of junk. We have carried for many years 7 billion bales of cotton that could not be taken care of by the ordinary mills in this country. It looked as if the Government would lose tremendous amounts of money, and, yet, I heard the very distinguished Senator from Louisiana, the former chairman of the Senate Committee on Agriculture and Forestry [Mr. ELLENDER], say on the floor not long ago that millions of dollars had been made through that cotton. The amount was something like $200 million. The Senator was as right as he could be when he said it was profitable.

I agree with the Senator from Tennessee that we must not start giving these products away by means of a blank check.

I will say to my distinguished friend from Vermont that when I was asked for a comment on his bill I said I believed these questions must come to the Congress and the Congress must not simply give away the supplies of the Commodity Credit Corporation, because that would invalidate the whole program of farm price supports, to which many of us are deeply committed.

I hope that when the bill is considered by the Senate Committee on Agriculture and Forestry, the committee may write into it some safeguards.

I appreciate that the Senator from Tennessee has pointed out that these stocks of goods are valuable possessions. They represent tremendous assets of cotton, wheat, and corn. They must not be placed in the category of things to be shoved off, so that we can start producing more.

Mr. GORE. At the time I addressed my remarks to the amendment I did not know that the language was identical in some respects to that in the bill introduced by the distinguished Senator from Vermont.

I now yield to the able junior Senator from Georgia.

Mr. RUSSELL. Mr. President, if this bill had been sent to Congress in any Democratic administration, our friends on the other side of the aisle would have practically torn the dome off the Capitol with complaints about the bill and about abdication to the executive branch of the Government by Congress.

We heard a great deal about Mr. Wallace's suggestion of a little milk for some Hottentots. But this is a suggestion to give to the President of the United States power to deliver all the vast wealth we have in these commodities to whomsoever it pleases him to deliver it.

I never thought I would live to see the Brannan plan advanced on an international scale. Our Republican friends have been very much opposed to the Brannan plan. I joined with them in my opposition to that plan. I do not favor the idea that was encompassed within the Brannan plan, of having any commodities sold for whatever they might bring on the market in any period, and then have the Federal Treasury make good whatever was the difference between what the commodity brought and 90 percent of parity, or 100 percent of parity, as I believe the Brannan plan contemplated. But in this business administration it is proposed to apply the Brannan plan on an international scale.

It is proposed to let the President of the United States deal away these commodities wherever he sees fit, at any price he sees fit, with no recompense whatever to the Treasury of the United States, and the poor old taxpayer of the United States is supposed to make good the difference in taxes in order to repay the Commodity Credit Corporation.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. RUSSELL. If this is not an international Brannan plan, I should like to have the Senator to point out wherein the difference lies.

Mr. GORE. I yield to the Senator from California.

Mr. KNOWLAND. I merely wish to point out that the President in his message to Congress today says:

The legislation I am requesting would give the President the authority to utilize agricultural commodities held by this Government, but it would limit that authority to meet only the occasional needs arising from famine or other urgent relief requirements.

So the President in his message, unless I misinterpret it entirely, is dealing solely with famine or urgent relief requirements, with a limitation of time to June 30, 1955.

I believe the President has had a concern that where famine might exist in the world it would be hard for the American people morally to justify either the destroying of crops, such as by burning, or the nonuse of crops. No one is proposing to destroy crops, as once Henry Wallace proposed to destroy them. What is proposed is to use crops that otherwise might become unusable, in order to meet famine and relief needs.

Mr. RUSSELL. I read the President's message very carefully. I understand very clearly from the President's message that it is not only proposed that we give him absolute, carte blanche, authority to dispose of these valuable resources of the Government, but that we commit ourselves in advance to whatever it may cost.

This is the first time it has ever been suggested that Congress completely abandon the power of the purse. At no time in the administrations of Franklin Roosevelt or Harry Truman, of which the Senator has been so critical, was it even proposed that Congress completely abandon the power of the purse.

Mr. KNOWLAND. I would say to the Senator——

Mr. GORE. Mr. President, I cannot yield further to the Senator.

Mr. KNOWLAND. Would the Senator from Tennessee yield in order that I may call to the attention of the Senator from Georgia one additional paragraph in the President's message?

Mr. GORE. I myself desire to call the attention of the distinguished Senator to an additional paragraph of the President's message, and I shall read it:

Since we cannot adequately foresee the specific needs to be met under the legislation I am requesting, we cannot now determine the most effective and equitable conditions under which such assistance may be rendered in a particular situation. Consequently, I am requesting authority to establish—

He is not requesting Congress to establish terms and conditions—

I am requesting authority to establish, when the need arises, the terms and conditions under which these agricultural commodities shall be made available.

That is practically the same language contained in the amendment now before the Senate, and contained, too, in the bill introduced by the senior Senator from Vermont [Mr. AIKEN].

Mr. RUSSELL. I am not surprised at the Senator from Minnesota [Mr. HUMPHREY], because I understand he was for the Brannan plan. However, I am very much surprised at Senators on the other side of the aisle, who were supposed to have been opposed to the Brannan plan, but who are now coming forward with a proposal for an international Brannan plan.

Mr. KNOWLAND. I also wish to call attention to the fact that the President in his message, in addition to pointing out that the proposal is limited to famine and relief conditions, says:

I therefore believe it advisable to have general legislation which, within appropriate limitations, would permit the President to meet these situations.

So certainly the President—at least, this President—has made it very clear, in every conference he has ever had with legislative leaders, that he certainly did not expect Congress to be a rubber stamp. He expected Congress to perform its legislative duties. He makes it very clear in his message that he expects proper limitations to be placed upon the proposal.

In his message he points out that the action he suggests is necessary for the relief of famine and emergency situations.

Mr. RUSSELL. Where does the Senator think a famine or an emergency exists? The Congress of the United States has responded generously to every request that has ever been made upon it to relieve suffering in any part of the world. That is a part of our national history and our tradition.

During the potato famine in Ireland, a century ago, the United States Congress responded, as it has responded generously to every subsequent request made upon it.

Does the Senator now know when these requests are to be made? Does the Senator now know where it is expected to distribute these commodities?

Mr. KNOWLAND. I may say to the Senator from Georgia that within the last week or so legislation was passed by Congress for the relief of Pakistan. For approximately 6 or 7 months of a year that Congress would be in session the power would not be necessary; but it would be entirely possible, at a time when Congress was not in session, to have a situation arise such as the famine in Pakistan. Under the proper limitations which the President has requested, and with the limitations established by Congress, he would be given authority to act during a famine or an emergency situation.

Mr. RUSSELL. I ask the Senator from California, what are the limitations requested by the President? There are none contained in his message, except the general words about legislative standards.

Does the Senator know of any country in the world today where the emergency is so great as to require the Congress of the United States to abdicate completely, and turn over not only the farm program, but the power of the purse, by committing ourselves to appropriate any money the President of the United States, even though he be as beloved and great a man as Dwight Eisenhower, might seek with which to replenish the stocks needed?

Mr. KNOWLAND. I will say to the Senator from Georgia that I do not interpret the President's message as asking for a complete blank check to deal with $3 billion worth of commodities. He expects limitations.

Mr. RUSSELL. What limitations?

Mr. KNOWLAND. That is the job of the Congress. The President says that Congress should provide appropriate limitations.

Mr. RUSSELL. From what I have seen of requests of the Congress of late, I know that when the President makes a suggestion of that kind there will be no limitations.

Mr. YOUNG, Mr. THYE, Mr. DOUGLAS, Mr. MAYBANK, Mr. HUMPHREY, and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield, and if so to whom?

Mr. GORE. I decline to yield for the moment.

Mr. MAYBANK. Mr. President, will the Senator yield to me?

Mr. GORE. I wish to make one statement, and then I promised to yield to the distinguished Senator from North Dakota [Mr. YOUNG]. I also promised to yield to the distinguished Senator from Minnesota [Mr. HUMPHREY]. Then I shall come back to the Senator from South Carolina.

By the terms of the pending amendment—and I also include the bill introduced today by the Senator from Vermont—we would authorize the President to give away $3 billion worth of commodities. True, the words "urgent relief requirements" are used in the message. But in how many spots in the world today are there urgent relief requirements? Who is to find the existence of such conditions? Who would make the distribution? The President would make the distribution upon his own finding, in any part of the world where he found urgent relief requirements to exist.

Not only is that true, but the Congress is asked by this amendment, by the message of today, and by the bill introduced by the Senator from Vermont [Mr. AIKEN], to relinquish that most precious power, its control of the purse strings—how? By directing the Treasury, through this amendment, to cancel the notes of the Commodity Credit Corporation.

Mr. YOUNG and Mr. AIKEN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Tennessee yield, and if so to whom?

Mr. GORE. I yield first to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I am rather surprised at the argument raised by my good friends on the other side of the aisle who are good friends of agriculture. I am wondering what the difference is between the authority proposed to be granted under the terms of this bill and the authority under the Marshall plan, under which we gave billions of dollars worth of farm commodities to other countries.

Let me give one example. We gave the British $440 million to buy wheat in Canada at higher prices than they would have had to pay in the United States, at a time when the Canadians were asking their farmers to increase wheat production, and we were requiring our farmers to decrease wheat production.

What is the difference between the authority in this bill and the blanket authority under the Marshall plan, to spread food all over the world?

Mr. GORE. Mr. President, do I correctly understand from the remarks of the able Senator, and from his questions, that he favors the Humphrey amendment?

Mr. YOUNG. I favor any amendment that will get rid of surplus food to distressed people.

Mr. ANDERSON. Mr. President, will the Senator from Tennessee yield to me in order to answer the question of the Senator from North Dakota?

Mr. GORE. I yield.

Mr. ANDERSON. The authorization for the money under the Marshall plan came first from the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House. I testified for hours before both of those committees. Those committees considered the question carefully. Then we came before the Appropriations Committee for the funds. That is the procedure which I think ought to be followed in this case.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. GORE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. In order that the record may be clear, I have asked that the transcript of the executive proceedings of the Committee on Foreign Relations for June 9, 1953, be made available to me. It is labeled "Secret," but I assure the Senate that the material that is in this volume is not too secret.

I should like to clarify the point raised by the Senator from Vermont [Mr. AIKEN], as to whether or not the amendment which I have presented, which would carry out the wishes of the President, and which I think is almost identical with the proposal of the Senator from Vermont, was given consideration by the administration when that amendment was before the Foreign Relations Committee.

On page 1473 of the transcript of the hearings we find a colloquy which took place between the chairman of the committee, the distinguished Senator from Wisconsin [Mr. WILEY], the junior Senator from Minnesota, and the Senator from California [Mr. KNOWLAND.] The Senator from California said:

Senator KNOWLAND. It seems to me, I having just come in and this perhaps being a desirable amendment, it seems to me that it is rather far-reaching for the reasons stated by Senator GEORGE and others——

Several Senators. Vote! Vote!

Mr. HUMPHREY. (Continuing with the colloquy—

on the possibility of violating our entire dumping provisions.

Before it actually goes into the bill, even on a tentative basis, I would like to have,

and I think this committee would be entitled to have, the judgment of the Treasury Department and Commodity Credit Corporation, and perhaps the Agriculture people on this, because this is of considerable importance, and I do not think we ought to act too hastily.

SEVERAL SENATORS. Vote! Vote!

Mr. HUMPHREY. Mr. President, I ask for order.

The PRESIDING OFFICER. The Senate will be in order.

Mr. HUMPHREY. If Senators prefer to talk outside the Chamber, that is their privilege. I should like to continue with my statement.

This is the Senator from California, the acting majority leader [Mr. KNOWLAND], speaking:

This is the first time I have seen this particular language and I do not think we ought to put it into the bill until we have at least had a chance to study it a bit and have some testimony.

Mr. Wood, representing the Mutual Security Agency, said:

Mr. WOOD. I believe, Senator KNOWLAND, our people discussed this when they were asked to draft it quite fully with the Bureau of the Budget, the Agriculture Department, I believe—and, I know, the State Department; and I believe the Treasury Department was also consulted. I could check that.

Senator KNOWLAND. I wish you would.

Mr. WOOD. May I leave the room and do that right now?

I skip a page while he was out of the room. Mr. Wood continued as follows:

Mr. WOOD. Mr. Chairman, I find out that this language in section 550—

Which was the amendment offered by the junior Senator from Minnesota—

has been thoroughly checked and agreed by all the departments mentioned. It was, in fact, language drafted for the so-called Benson bill which was to have been separate legislation on this subject, and the reason it was felt by the executive branch that this does not get us into trouble with the antidumping provisions, etc., is the fact that this is permissive and the President is authorized to do this.

The junior Senator from Minnesota is not accustomed to coming to the floor of the Senate and giving misinformation. Whether this amendment is adopted or not, let the record speak for itself. With respect to this amendment, the representative of the Mutual Security Administration spoke as follows:

I find out that this language in section 550—

Which is exactly the language now before the Senate—

has been thoroughly checked and agreed by all the departments mentioned.

It was approved by all the departments mentioned, including the Commodity Credit Corporation, the Department of Agriculture, the Mutual Security Administration, the State Department, and the Treasury.

I am trying to do this administration a favor. In view of this testimony, I suggest that the least that should happen is that the proposal be given some respectful treatment, in terms of the proposal which has been brought before the Senate.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Oregon.

Mr. MORSE. I am very glad to have the statement of the Senator from Minnesota in the RECORD, because I have the same confidence in the Senator from Vermont [Mr. AIKEN] that I have in the Senator from Minnesota. As the RECORD will show, the Senator from Vermont was obviously misled by the Department. The Department told the Senator from Vermont, in effect, that if the Senator from Minnesota made the statement which the Senator from Minnesota did make on the floor of the Senate, then the Senator from Vermont should make it clear that it was not true.

Those in the Department who caused the Senator from Vermont to cast a reflection on the Senator from Minnesota, which he did in perfectly good faith, relying on the Department, ought to be called to task by the Senate. We have come to a sad state of affairs when a department tells a Senator that, if another Senator makes a statement which the RECORD shows the Senator from Minnesota had the right to make, the Senator from Minnesota is misleading the Senate. That Department official ought to be called to task. I am sick and tired of that kind of double-talk on the part of officials in our Government.

Mr. HUMPHREY. Let me say that under no circumstances do I in any way impugn the motives or challenge the remarks of the able and distinguished Senator from Vermont, who is a great American, who has served his country and the Senate with distinction. I merely wanted the RECORD to be clear. I believe that as Senators we must speak honestly and candidly with each other.

This is not a hit-or-miss proposal which the junior Senator from Minnesota is offering. He asked advice and counsel from the administration. I have been talking about this kind of proposal for the past 5 or 6 months. I therefore did not create it out of my own imagination. At the same time I sent a letter to the Mutual Security Administrator I asked the Legal Division of the Mutual Security Administration to draft such an amendment. I asked a member of the Senate Foreign Relations Committee to see to it that such a draft was placed in my hands.

Then I asked a representative of the Mutual Security Administration in executive session to give us the views of the departments. The representative went to the telephone. He did not rely on his memory. He went to the telephone at the request of the junior Senator from Minnesota and the chairman of the committee and the distinguished majority leader, and he came back and reported what the Senator has read.

He stated that he would like to check the information and asked, "May I leave the room and do that right now?" He came back and said:

Mr. Chairman, I find out that this language in section 550 has been thoroughly checked and agreed by all the departments mentioned. It was in fact language drafted for the so-called Benson bill which was to have been separate legislation on this subject, and the reason it was felt by the executive branch that this does not get us into trouble with the antidumping provisions, etc., is the fact that this is permissive and the President is authorized to do this.

Mr. AIKEN. Mr. President, I have not seen the amendment offered by the Senator from Minnesota. It has been stated that it is virtually the same as the bill which I introduced.

Mr. HUMPHREY. It is the same.

Mr. AIKEN. Is the wording identical?

Mr. HUMPHREY. I may say to the Senator that I believe it is identical. I know there is no substantive matter which is different whatsoever.

Mr. AIKEN. But the matter which was discussed before the Committee on Foreign Relations was a matter of policy, was it not, not of exact wording?

Mr. HUMPHREY. Of exact wording.

Mr. AIKEN. Of exact wording?

Mr. HUMPHREY. Yes. This is the exact wording.

Mr. AIKEN. May I ask when an employee of the Mutual Security Administration provided the Senator from Minnesota with the amendment?

Mr. HUMPHREY. About the 7th or 8th day of June 1953.

Mr. AIKEN. Why in the world has not the Senator from Minnesota had the amendment printed as an amendment to the bill, instead of asking us to approve it without seeing it or reading it?

Mr. HUMPHREY. I may say to the Senator from Vermont that this is not exactly a new subject. It was discussed last week by several Senators, including the Senator from Alabama [Mr. SPARKMAN] and the Senator from Minnesota. The Senator from Minnesota was not present in the Senate yesterday, and this bill was brought to the attention of the Senate yesterday.

Mr. AIKEN. Does the Senator from Minnesota understand why he received a copy of the President's bill, which I introduced today, over 3 weeks before the White House cleared the bill and before it was sent to the Senator from Vermont? Who in the Mutual Security Administration furnished the amendment to the Senator from Minnesota?

Mr. HUMPHREY. I never knew that I had a pipeline into the White House, with such good connections.

I do not want to be facetious, Mr. President, because my friend the Senator from Vermont has a great responsibility as chairman of the committee, and I should like to have him know that, for his information, at page 1461 of the record before me is set out the amendment which the Senator from Vermont has in substance—there may be a word different here and there—introduced, and it does not differ in substance with the amendment of the Senator from Minnesota. It reads:

SEC. 550. Notwithstanding any other provisions of law, in order to facilitate the utilization of commodities which are acquired by Commodity Credit Corporation through price-support operations and which are in danger of waste through deterioration or spoilage or have accumulated to such extent that their continued storage will involve excessive costs or unduly burden storage capacity, the President is authorized to make available such commodities to any nation friendly to the United States to meet famine or other critical requirements upon such terms and conditions as he determines

appropriate to promote the foreign policy of the United States. Commodity Credit Corporation shall deliver such commodities on board vessels in United States ports as directed by the President.

SEC. 551. For the purpose of making payment to the Commodity Credit Corporation for commodities disposed of under section 550, the Secretary of the Treasury is hereby authorized and directed to cancel notes of the Commodity Credit Corporation held pursuant to section 713a-4 of title 15 of the United States Code, in an amount as determined by the Secretary of Agriculture.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. AIKEN. I should like to ask the Senator from Minnesota whether he considers it ethical for an employee of the Mutual Security Administration, whether it was Mr. Tyler Wood or any other employee, to furnish the Senator from Minnesota with a copy of the President's bill before the President authorized it?

Mr. HUMPHREY. I had no idea it was the President's bill. The Senator from Minnesota directed to the staff of the Foreign Relations Committee a request, according to his desires as to the kind of legislative proposals he wanted. He also sent a letter to Mr. Stassen, the head of the Mutual Security Administration, and told him what he wanted. I am happy to relate that they cooperated.

It was not the President's message. It happens that it is a strange coincidence. It just so happens; that is all. The Senator from Minnesota was in favor of giving wheat to Pakistan back in March. The administration was also in favor of it. He is now in favor of food supplies under the Mutual Security Administration, which later on the administration said it was in favor of also. I cannot help it. It just so happens; that is all. [Laughter.]

Mr. GORE. I do not care to yield further. I wish to conclude my remarks. I am sorry there is contention between the distinguished senior Senator from Vermont [Mr. AIKEN], with whom I have frequently found myself in agreement on legislation, and the distinguished Senator from Minnesota [Mr. HUMPHREY]. I am sorry that the distinguished Senator from Vermont did not get the bill first. I am sorry that he let the distinguished Senator from Minnesota beat him to it by 3 weeks. However, that does not change my attitude toward either of them.

Mr. President, Congress last year passed upon wheat for India. We debated the subject at length. Congress made the decision. This year we passed upon aid to Pakistan. A request was made of Congress, and Congress made the decision. Now we are asked, at this later hour, to abdicate the right and privilege and duty of making another such decision.

If we adopted the amendment we would authorize the President of the United States, without further reference to Congress and without further reference to appropriations, to give away $3 billion worth of farm commodities, and then the Secretary of the Treasury would be directed to cancel the notes of the Commodity Credit Corporation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. GORE. I shall be glad to yield in a moment. Mr. President, I believe these commodities are a very precious storehouse. Not once has the present President of the United States—and the same is true of the two former Presidents, under whose administration I have served—made a request of Congress to relieve famine situations with this precious storehouse, which has not always also found my support. I would expect to react favorably to alleviating famine conditions again, but I want to preserve the right of Congress to make the decision, and I want to preserve the most precious right and power we have, namely the control of the purse strings.

Mr. President, I now yield to the senior Senator from Vermont.

Mr. AIKEN. I was going to ask the Senator from Tennessee why it is so great a sin to cancel notes of the Treasury now, when during the last 6 or 8 years we have canceled in the neighborhood of $10 billion worth, in order to pay subsidies. Does the Senator from Tennessee realize that that has become the customary way of paying bills?

I also inform the Senator that last year I myself vigorously opposed that manner of paying bills, and I believe I was joined by the Senator from Georgia in that effort. Finally we required an appropriation to be made to pay subsidies on the International Wheat Agreement.

Mr. RUSSELL. Mr. President, I think the RECORD will show that I stated at the time that it was a question of tweedle dee and tweedle dum. Since the distinguished Senator from Vermont and a number of other Senators—as a matter of fact, I think the fight was led by the Senator from Delaware—insisted that it should be made as an appropriation, instead of by canceling the notes, I stated that I would be glad to agree to their views and to have the money refunded by appropriation.

But of course that does not change the principal issue here involved, namely, whether we want to apply the Brannan plan on an international scale, instead of to our own people. When the Brannan plan was brought forward, the idea was that we would sell commodities for whatever they would bring in the market, and whatever they did not bring would be made good from the Treasury of the United States.

By means of the proposal now made, as I understand the amendment offered by the Senator from Minnesota, which amendment has now been adopted by the administration in a message received by us today from the President, it would apply the Brannan plan wherever the President desires to apply it. We would sell these commodities or give them away, and then the difference would be made good by the taxpayers of the United States.

I am one who prefers that the Congress have something to say about each one of these individual cases, instead of giving any such carte blanche authority.

I am as much disturbed about the large surpluses as is anyone else, but I still think our constitutional form of government is much more important than any temporary difficulty in which we might find ourselves, due to any surpluses or due to any temporary difficulty we might encounter under any of our programs.

I am confident that the Congress has never been called upon, by means of any one sheet of paper, to abandon as many of its prerogatives as it was called upon to abandon in the message received today from the President, although I have not read the bill which was introduced by the Senator from Vermont.

Mr. AIKEN. Mr. President, I agree we would do well to follow the constitutional procedures of our Government. I simply add that it is a pity that we have not done so in the last 20 years.

Mr. GORE. Mr. President, I shall not yield further.

I would support a bill for $25 million or $50 million, to have an emergency store to relieve famine situations and to relieve tragedies and disasters, whether they occur in our country or in other countries. But I cannot vote for an open-end $3 billion authorization which would never have to come back to the Congress.

Mr. President, I yield the floor.

Mr. CASE. Mr. President, I had not expected to submit any documents in connection with this discussion. However, in view of the turn the discussion has taken, with the citation of dates, origins, and so forth, I think perhaps the RECORD should contain a few more.

On March 9, 1953, I introduced Senate bill 1230, "To provide for the strengthening of the Republic of Korea as an ally against aggression and for the reconstruction of that country from the ravages of war in resisting aggression."

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of that bill.

There being no objection, the bill (S. 1230) was ordered to be printed in the RECORD, as follows:

Resolved, etc., That the Secretary of Agriculture is hereby authorized, though the facilities of the Commodity Credit Corporation to acquire domestic supplies of wool, cotton, grains, dairy, poultry, and meat products, and to sell and deliver such commodities to the Republic of South Korea in an amount not exceeding $500 million under the authority of this act, and to accept legal currency of the Republic of Korea in payment therefor. In carrying out the provisions of this section, the Secretary of Agriculture shall, insofar as practicable, utilize stocks of such commodities as may be acquired by the Commodity Credit Corporation or the Secretary in carrying out other provisions of existing law.

SEC. 2. The Secretary of the Treasury is authorized and directed to receive from the Secretary of Agriculture currency of the Republic of Korea acquired pursuant to the authority of section 1 of this act and to credit such receipts in payment for and retirement of debentures or other evidences of indebtedness of the Commodity Credit Corporation to the Treasury and to deposit this currency in a special fund for Korean reconstruction and rehabilitation.

SEC. 3. There is hereby created a Joint Select Committee on Korean Reconstruction and Rehabilitation to consist of 5 Members from the Senate of the United States to be named by the President of the Senate and 5 Members from the House of Representatives to be named by the Speaker of

the House of Representatives. This committee shall investigate the economic and social conditions of South Korea growing out of the resistance of the Republic of Korea to aggression and shall report its findings to the Congress not later than January 15, 1954, together with its recommendations for the reconstruction and rehabilitation of South Korea through the use of the Korean reconstruction and rehabilitation fund provided by section 2 of this act. The expenses of such committee shall be provided from the contingent funds of the Senate and House of Representatives by appropriate resolution.

Mr. CASE. Mr. President, I shall not read the bill, but it took up the matter of using stocks of the Commodity Credit Corporation, and proposed a limitation of $500 million worth, and that they should be disposed of for the local currency of Korea, and that the local currency in turn should be used for the rehabilitation of the country.

Under date of April 2, 1953, which was substantially more than 3 weeks ago, I received from the Acting Secretary of the Department of Agriculture, Mr. True D. Morse, a letter reading in part as follows:

We have received a request for a report on this bill from the chairman of the Senate Committee on Agriculture and Forestry. We are giving—

And this is the sentence to which I particularly call attention—

careful study to the bill as it would affect the programs and responsibilities of this Department and are discussing it with the other departments concerned with United States programs in South Korea.

Some days later I received a call from Mr. John H. Davis, President of the Commodity Credit Corporation. He came up and discussed the bill and discussed the whole idea of using the stocks of the Commodity Credit Corporation.

On May 7, 1953, he wrote me a letter, reading in part as follows:

This is a very important matter and one to which we are giving serious consideration and study. We understand other segments of the executive branch of the Government are working on this subject, and we hope a satisfactory decision can be reached at an early date.

We are pleased to know of your interest in our programs—

And so forth. Before the letter reached me, Mr. Davis called my office and talked to my secretary or my assistant, and said he was calling because he did not say in the letter all that he wished he could, because he did not want to indicate they were going into the executive or State Department area, which was the reason why his letter was so formal. In that telephone conversation he said the President had appointed a committee to go into these angles, and that they had directed a letter to the executive secretary, expressing Agriculture Department interest.

On May 6, I received from Mr. Wilton B. Persons, special assistant to the President, a letter which closes with this paragraph:

I think you should know that this entire question is now being reviewed by the National Security Council. This review includes not only the size and type of aid program required, but also the agency or agencies that should be responsible for the administration of the program. When this review is completed, the recommended program will be presented to the Congress.

Mr. MAYBANK. Mr. President, will the Senator from South Dakota yield?

Mr. CASE. I ask the Senator from South Carolina to wait just a minute until I state one more sentence.

As I understand, that was the program which was presented this afternoon. This letter from the White House is dated May 6.

Mr. Persons concluded his letter by saying:

Meanwhile, the Secretary of Agriculture and the Secretary of Defense have been asked by the President to continue to take whatever steps are possible under existing programs to utilize United States surplus foods and fibers in South Korea.

In other words, Mr. President, this program did not originate 3 weeks ago with the distinguished junior Senator from Minnesota [Mr. HUMPHREY], much as it may seem from the record up to this point to have done. It originated earlier, because of the discussion which occurred following the introduction on March 9 of my bill relating to Korea. The President appointed a committee, and it is so stated in correspondence dated in the early part of May.

Now I yield to the Senator from South Carolina.

Mr. MAYBANK. I understood the Senator from South Dakota to read from the letter that the question of national production was to be left to the National Security Council. I understand that all production for the Army and the Air Force has been left to the National Security Council. That is what the Senator from South Dakota read—and that agricultural problems of the United States, such as production and distribution, are to be left to the National Security Council. Is not that what the Senator from South Dakota read?

Mr. CASE. No.

Mr. MAYBANK. Will the Senator read the letter again?

Mr. CASE. The Senator from South Carolina is certainly adding something to the letter.

Mr. MAYBANK. Will the Senator from South Dakota read the letter again?

Mr. CASE. I shall ask unanimous consent that the entire letter from Mr. Persons be printed at this point in the RECORD.

Mr. MAYBANK. Mr. President, I understood the distinguished Senator from South Dakota to read from the letter that the National Security Council would determine it. That is what the Senate from South Dakota read.

Mr. CASE. Mr. President, in view of the fact that the Senator from South Carolina wishes to place that interpretation upon the letter, I think the entire letter should be read.

Mr. MAYBANK. I understand——

Mr. CASE. Mr. President, I decline to yield further, until I have read the letter.

Mr. MAYBANK. Very well.

Mr. CASE. Mr. President, I think the letter answers the Senator's question. The letter reads as follows:

THE WHITE HOUSE,
Washington, May 6, 1953.

DEAR SENATOR CASE: It is a pleasure to refer again to your letter regarding the feeding of prisoners of war in South Korea and the use of our surplus stocks of food and fiber in that country.

Mr. President, I hope I may have the attention of the Senator, because this will answer his misinterpretation.

I read further:

The level of feeding of prisoners of war in any battle area is, of course, a serious problem. It stems from our adherence to the principles established by international convention governing the feeding of prisoners and the difficulty of insuring that our allies' troops and civilians in the battle area are receiving adequate rations. The Secretary of Defense informs me that because of distribution difficulties there were a few instances when Korean troops were receiving a somewhat smaller ration than prisoners of war but that corrective steps have been taken and that the situation will be watched closely to prevent a recurrence insofar as possible.

Mr. President, I may say that in bringing this matter to the attention of the White House, I pointed out the testimony of General Van Fleet before the Armed Services Committee, to the effect that South Korean soldiers were being called upon to guard prisoners, although the troops doing the guarding were getting about 30 percent in calories of the diet that was being fed to the prisoners.

I resume the reading of the letter:

A large part of the dollars that have been appropriated to combat disease and unrest in South Korea is being used to procure food, mainly grain, all of which is being obtained in the United States.

The next sentence, particularly, I want the Senator from South Carolina to hear. It reads:

The Department of Agriculture and the Department of Defense are working in close cooperation to determine what further use can be made of United States agricultural surpluses in Korea.

So that the National Security Council was not taken over. They were working together with the department.

Mr. MAYBANK. That is in Korea.

Mr. CASE. Yes. But just a moment. I read further:

The Republic of Korea and the United Nations Korean Reconstruction Agency also have funds which are being used to import supplies into South Korea. Part of these funds is being expended in the United States for agricultural products.

Naturally, we want to see that the South Korean troops and civilians receive adequate rations to continue their gallant efforts against Communist aggression. Except for certain distribution difficulties which cannot be avoided in combat areas, it now appears that the troops are receiving adequate rations. But the supply program for the troops cannot be disassociated from that of the South Korean civilians since the South Korean Republic is responsible for feeding both groups.

Any disruption in the South Korean Government's production or distribution program may cause difficulties in its military supply activities as well as in the feeding of civilians. Therefore, the basic question that must be considered is whether the total resources available to the South Korean Republic, both food and nonfood, are adequate and whether any changes are required in the foreign-aid program of that country.

It is at that point that Mr. Persons said:

I think you should know that this entire question is now being reviewed by the Na-

tional Security Council. This review includes not only the size and type of aid program required, but also the agency or agencies that should be responsible for the administration of the program.

Mr. MAYBANK. Mr. President, will the Senator yield at that point? The Senator has asked me to listen. The entire foreign-aid program is to be reviewed by the National Security Council, together with the agricultural program.

Mr. CASE. Mr. President, I think I should add that Sherman Adams, the Assistant to the President, called me on the telephone, at the time of the correspondence which was taking place, on the 3d of May, and said, "You know that this matter is under consideration by the President. He is intensely interested in knowing whether some of the agricultural surpluses can be so used." Mr. Adams stated to me that it was his understanding that the President would favor a program which would not be limited to South Korea, but which would comprehend the entire field, and that that was the kind of program that was under consideration.

So, Mr. President, I think the whole story is that the situation stems from having considered the matter in relation to South Korea. Mr. Davis, of the Commodity Credit Corporation, thought it should be on a broader scale, as did the President; and, finally, as a result of all the discussion and debate on the subject, it came up in the form of a program which was presented by the President in his message this afternoon.

Mr. HUMPHREY. Mr. President, I wish to perfect my amendment on page 2, following the words "as directed by the President, but not in excess of $50 million," as follows: In section 552, strike out the numeral "1955" and insert "1954", so as to make the section read:

SEC. 552. No commodity shall be made available under the provisions of sections 550 and 551 after June 30, 1954.

The PRESIDING OFFICER. The Senator from Minnesota modifies his amendment accordingly.

Mr. HUMPHREY. Mr. President, I have done this because of what I consider to be the logic and the persuasiveness of the arguments with reference to the administrative proposal. I have listened to the Senator from Georgia [Mr. RUSSELL], the Senator from Tennessee [Mr. GORE], and the Senator from Vermont [Mr. AIKEN], and it appears to me that we are going to have to have a long-range, permanent piece of legislation, which will go through the committee process. But, between now and that time, conditions may arise which I believe the President ought to have power to meet. So my amendment may well be termed emergency legislation incorporated in the Mutual Security Act. I wish my colleagues would pay particular attention to that—"emergency legislation incorporated in the Mutual Security Act," not in excess of the total amount of supplies, $50 million, nor for any longer period of time than 1 year. In that period of time we shall be through with some of the studies we are making, and we shall also be through with some of the committee hearings. We shall be through with the processing, and we shall be able to get the Aiken bill, with whatever amendments it may have annexed to it, out of committee.

I call the attention of my colleagues who are interested in this proposal to the fact that here is a reasonable and sensible and flexible proposal for the President.

The administration indicated to the Senator from South Dakota [Mr. CASE] that they had been thinking about this. They indicated to a number of people that they had been thinking about it. The truth is that some of us have not only been thinking about it but we have also been acting about it; and now is the time, it appears to me, to act upon a reasonable, fair, and effective proposal. I suggest, Mr. President, that, with those amendments, my proposal be given full consideration by this body.

Mr. President, I have a memorandum on this subject, which is entitled "Mutual Security Food Amendment." I ask unanimous consent that it may be printed in the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MUTUAL SECURITY FOOD AMENDMENT

I call up my amendment and ask for its immediate consideration. It is aimed at letting American food and fiber, along with American dollars, fight for freedom in the world.

Our foreign-aid program is predicated upon the urgent need of strengthening forces of freedom throughout the world, and mobilizing them for the common cause of standing resolutely against the threat of communistic imperialism.

America's great agricultural know-how, its great blessing of abundance, can and should share in the mobilizing of the forces and the resources of freedom.

That's what my amendment would seek to encourage.

It is a simple amendment. All that it does is to grant the President authority to make use of some of our agricultural reserves now piled up in storage, whenever it appears in the best interest of our foreign policy to do so, to help friendly countries that may be in temporary need.

In view of the present world situation in which no effort toward strengthening our ties of friendship can be overlooked, in view of the present heavy stocks of reserves of agricultural commodities now existing in this country, I believe the President should have such authority. He should be able to make use of our abundance, within certain limitations, to alleviate hunger and misery in the world, thereby showing our humanitarian concern for less fortunates as contrasted with the ruthless slave-state oppression Communists have invoked in satellite areas behind the Iron Curtain.

This amendment does not create a give-away plan, to dump American products indiscriminately throughout the world.

Yet neither does it hang a definite dollar sign on America's humanitarian spirit, so that we haggle over terms while people starve.

What it does is provide flexible enough authority for the President to act under differing circumstances and differing conditions.

It leaves it up to the President to determine terms and conditions for using our food reserves to alleviate famine and hunger.

Rather than require any rigid, fixed method of financing the sharing of our agricultural abundance with areas urgently needing it, the authority herein provided would open the way for more flexible barter for strategic materials; it would permit sales being made for native currency, where a dollar shortage exists; yet it would also permit us to make food loans or outright food gifts where such methods seemed most desirable in the interests of our own Government, as well as best designed to meet the needs of the recipient country.

I believe this is the simplest, most direct way of getting a green light for a start in the right direction of using food as well as dollars in foreign aid.

The amendment I have proposed is not the final answer to stimulating American farm exports, nor making effective and constructive use of all our abundance of agricultural commodities.

It is, however, a step in the right direction for both those purposes, as well as a step in the right direction of humanitarian foreign policy, foreign policy that is concerned with empty stomachs as well as empty cartridge belts.

I regard the amendment as just one more constructive step in efforts to stimulate increased use of America's agricultural abundance, and I think most of you are aware of the urgent need for every possible step in that direction.

If we are going to open any new channels for wider use of our agricultural commodities in support of our foreign policy at this session of Congress, I believe this amendment offers us the only practical chance of doing so.

Any action on a completely separate and more comprehensive bill in this field, involving lengthy committee hearings, is obviously very unlikely this late in the present session.

However, such use of our agricultural commodities to aid countries in need is logically a supplement to our other foreign aid—military and economic—and therefore the proposal is quite properly advanced as an amendment to the mutual-security bill.

I believe enactment of this amendment will be an important policy declaration by the Congress—an expression of our determination to make the best use of all our available resources in strengthening the free world for its struggle against communism.

We cannot afford to let Communist propagandists exploit us as a rich uncle hoarding huge supplies like a dog in the manger, letting them spoil in storage before we will distribute them to the hungry to eat.

Instead, we should be seizing the initiative firmly in our own hands by assuring distressed countries of the world that we aren't going to let them starve—that we have ample food, and one way or another will be worked out so we can share our abundance with them, accepting whatever they have to offer in return.

Earlier in this session, I joined with several other Senators in sponsorship of a resolution calling for creation of an international food reserve aimed at just such a purpose—of finding a meeting place between those who have more food than they know what to do with, and those who haven't enough to exist decently. Every argument advanced for that worthy purpose now supports my amendment, for it would permit us to do on our own what many of us hoped the international food reserves could do on a united basis.

Famine and hunger can't wait for debates or negotiations. Starving children can wait neither for a new international body to be created, nor for the Congress of the United States to act, if it should be in recess. That's why it appears sensible and advisable to me to give this simple authority to the President—so that he may act when action appears necessary, and make use of more of our food reserves when opportunities present themselves that would be advantageous to all concerned.

Instead of complaining about our heavy food supplies, we should be thankful for the

agricultural know-how of our farm producers.

We should welcome our plentiful food as a blessing other countries do not enjoy, and make use of our opportunity to win friends in the world through sharing our abundance—on whatever terms may be necessary.

Instead of sending American dollars in foreign aid alone, let's send some American food or fiber—and in that way we can be helping our own farmers while we are helping hungry people in other lands.

I'm convinced this proposal is thoroughly justified from the standpoint of our foreign aid program alone, entirely aside from its possible benefits to domestic agriculture.

Yet I do not think we need to overlook—nor should we overlook—the increasingly serious economic plight confronting our own American farmers, while we are debating sending aid to foreign shores.

America's farmers have shared every sacrifice and every challenge confronting our Nation down through history, and still remains steadfast as a real, solid bulwark of democracy. They are willing now to assume their fair share of the burden of defense in the struggle against communism, if they have any income out of which to pay their taxes. Yet I am sure many a hard-pressed farmer would look more kindly upon our foreign aid program if he knew food that he produced was going to be part of that program—that he was sharing in building a better world, by helping feed our friends and our allies.

I ask and urge that agriculture be made a definite part of our foreign aid program in the manner I have proposed—that we no longer sit idly by with our grain elevators and cold-storage warehouses bulging with food, while other peoples of the world are starving.

I urge that we make war on misery and suffering as part of our efforts to strengthen the free world.

I urge that we adopt a little of the philosophy of President Eisenhower's famous address to the American Society of Newspaper Editors by showing now that we are as concerned with human beings as we are with military might.

We can do so by adopting this amendment.

If we do so, it will be a major forward step by this Congress—a humane addition to the foreign aid program and a constructive step toward stimulating wider consumption of American farm products.

Mr. YOUNG. Mr. President, I shall take only a minute. Earlier this year, when Secretary Benson's name was before the Senate for confirmation, I opposed his nomination, principally on the ground that he was a conservative. I now learn from my Democratic friends on the other side of the aisle that he is a great liberal. If Secretary Benson is responsible for the bill that was sent to the Senate today, and if he continues his liberal trend, I am going to make an apology on the Senate floor at some time in the future.

Make no mistake about it, Mr. President, if this bill passes the Congress, and it gets rid of our burdensome surpluses and thereby stabilizes agricultural prices and our whole national economy, Secretary Benson will be very popular with the American farmer, and I shall owe him an apology for having opposed his nomination.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota [Mr. HUMPHREY] as modified.

Mr. DOUGLAS. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Connecticut [Mr. BUSH], the Senator from Maryland [Mr. BUTLER], the Senator from Nebraska [Mr. BUTLER], the Senator from Oregon [Mr. CORDON], the Senator from Pennsylvania [Mr. DUFF], the Senator from Vermont [Mr. FLANDERS], the Senator from Nebraska [Mr. GRISWOLD], the Senator from Indiana [Mr. JENNER], the Senator from California [Mr. KUCHEL], the Senator from Nevada [Mr. MALONE], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Michigan [Mr. POTTER], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Alabama [Mr. HILL], the Senator from Massachusetts [Mr. KENNEDY], the Senator from New York [Mr. LEHMAN], and the Senator from West Virginia [Mr. NEELY] are necessarily absent.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The result was announced—yeas 12, nays 54, as follows:

YEAS—12

Douglas	Langer	Murray
Humphrey	Magnuson	Pastore
Jackson	Mansfield	Sparkman
Kilgore	Mundt	Young

NAYS—54

Aiken	Hayden	Monroney
Anderson	Hendrickson	Morse
Barrett	Hennings	Payne
Beall	Hickenlooper	Purtell
Bennett	Hoey	Robertson
Carlson	Holland	Russell
Case	Hunt	Saltonstall
Clements	Johnson, Colo.	Schoeppel
Cooper	Johnson, Tex.	Smathers
Dirksen	Johnston, S. C.	Smith, Maine
Dworshak	Kerr	Smith, N. J.
Eastland	Knowland	Stennis
Ellender	Long	Symington
Ferguson	Martin	Thye
Frear	Maybank	Watkins
Goldwater	McCarran	Welker
Gore	McClellan	Wiley
Green	Millikin	Williams

NOT VOTING—30

Bricker	Duff	Kennedy
Bridges	Flanders	Kuchel
Bush	Fulbright	Lehman
Butler, Md.	George	Malone
Butler, Nebr.	Gillette	McCarthy
Byrd	Griswold	Neely
Capehart	Hill	Potter
Chavez	Ives	Taft
Cordon	Jenner	Tobey
Daniel	Kefauver	

So Mr. HUMPHREY'S amendment was rejected.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, under the prior unanimous-consent agreement, the Senate, when it completes its work tonight, will recess until 10 o'clock tomorrow morning for the memorial services to be held for the late Senator Smith of North Carolina. Following those services, we shall resume consideration of the pending bill. It is hoped that we can finish it tomorrow and move on to the 1-year extension of the Reciprocal Trade Act. If we can complete both these measures by Thursday evening, I would then propose a recess until Monday, so that the Senate would not be in session on Friday and Saturday, which is the Fourth of July. On Monday we intend to take up where we left off the consideration of bills on the calendar to which there is no objection. On Tuesday we will be prepared to consider the Labor-Federal Security appropriation bill. If we are not able to complete consideration of that bill promptly, we shall plan on having a Friday session. I would ask the cooperation of all Senators.

Mr. President, I have a unanimous-consent request which I desire to propose at this time. I send it to the desk and ask that the clerk read it.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read as follows:

Ordered, That during the further consideration of Senate bill 2128, the Mutual Security Act of 1953, no Senator shall speak longer than 15 minutes on any amendment, motion, or appeal, and that debate upon the bill be limited to 2 hours, to be equally divided and controlled by the Senator from Wisconsin [Mr. WILEY] and the Senator from Texas [Mr. JOHNSON]: *Provided*, That no amendment which is not germane to the subject matter of said bill shall be received.

Mr. McCLELLAN. Mr. President, reserving the right to object, I have an amendment which I shall propose to the bill. It has been printed and is on the desk. I have been waiting all day for an opportunity to present it. It is an amendment of such importance that I do not feel I should be limited to 15 minutes' discussion of it.

Mr. KNOWLAND. Mr. President, I will say to the Senator that I have discussed this matter with a number of Senators on both sides of the aisle, and in talking with the distinguished minority leader, Mr. JOHNSON of Texas, he indicated that out of the time allotted to him he would be prepared to allow additional time to the distinguished Senator from Arkansas. There would be 15 minutes for each Senator on each amendment; there would be 2 hours of general debate on the bill, one-half of the time to be controlled by the Senator from Wisconsin [Mr. WILEY] and one-half to be controlled by the Senator from Texas [Mr. JOHNSON].

Mr. McCLELLAN. I will say to the distinguished majority leader that I do not want to insist on an unusual amount of time.

Mr. JOHNSON of Texas. How much time would the Senator require?

Mr. McCLELLAN. Frankly, I think I could finish the discussion of the amendment within 15 minutes, unless there are

questions, which I anticipate may be asked. Therefore, I do want to have sufficient time to make the amendment understood, if I can explain it, because it is an amendment which differs from those with which we have been dealing tonight. It is not a giveaway amendment. I think it is an amendment which deserves the consideration of this body, and the Senate will want to consider it. If the minority leader can assure me that I may have such additional time beyond 15 minutes——

Mr. JOHNSON of Texas. I shall be happy to yield the Senator an additional 15 minutes.

Mr. McCLELLAN. I shall not object, under those circumstances.

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. CASE. Mr. President, I desire to submit an amendment and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received, be printed, and lie on the table.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1081. An act to provide authority for temporary economic controls, and for other purposes; and

S. 2103. An act to amend the National Housing Act and other laws relating to housing.

ADDITIONAL ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, June 30, 1953, he presented to the President of the United States the following additional enrolled bills:

S. 1081. An act to provide authority for temporary economic controls, and for other purposes; and

S. 2103. An act to amend the National Housing Act and other laws relating to housing.

EMERGENCY IMMIGRATION LEGISLATION—RESOLUTION OF MINNESOTA FEDERATION OF WOMEN'S CLUBS, MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference and ask unanimous consent to have printed in the RECORD a resolution adopted by the Minnesota Federation of Women's Clubs at its annual meeting, held in Minneapolis, Minn., on June 4, 1953, relating to the President's recommended emergency immigration legislation.

There being no objection, the resolution was referred to the Committee on the Judiciary and ordered to be printed in the RECORD, as follows:

MINNESOTA FEDERATION OF WOMEN'S CLUBS,
Minneapolis, Minn., June 10, 1953.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: The following resolution was defeated by four votes at the General Federation of Women's Clubs convention in Washington, May 25–29:

"THE PRESIDENT'S RECOMMENDED EMERGENCY UNITED STATES IMMIGRATION LEGISLATION

"Whereas President Eisenhower has requested emergency legislation regarding acceptance of additional refugees; and

"Whereas certain European countries are suffering from population surpluses which hinder economic and political stability in Western Europe; and

"Whereas the United States has need of additional workers in certain vital occupations; Therefore

"*Resolved*, That the General Federation of Women's Clubs support President Eisenhower recommendations for emergency legislation to bring in, after proper screening, 240,000 refugees and people from overpopulated areas in Western Europe in the next 2 years to help supplement our manpower shortages, reunite families, and at the same time strengthen the objectives of the United States foreign policy."

This resolution was presented to the delegate body of the Minnesota Federation of Women's Clubs at the annual meeting in Minneapolis, June 4, 1953, and adopted with one dissenting vote.

Included in the motion were instructions to send a report of this minority opinion with the statement that our action represents the minority vote of the General Federation of Women's Clubs, to the executive committee of GFWC, to Minnesota's Senators and Representatives in Washington, D. C. and to Mrs. Hiram Cole Houghton, Assistant Director for Refugees, Migration and Travel of the Mutual Security Agency.

Mrs. E. R. STARKWEATHER,
President.

ST. LAWRENCE SEAWAY—RESOLUTION OF GATZKE (MINN.) LOCAL FARMERS UNION

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Gatzke Local Farmers Union, Gatzke, Minn., at their meeting held on June 9, 1953, relating to the construction of the St. Lawrence seaway.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

GATZKE, MINN., *June 11, 1953.*

Hon. Senator HUBERT HUMPHREY:

The following is a resolution adopted at the Gatzke local Farmers Union meeting held June 9, 1953.

"This country should go ahead with its share in the development of the St. Lawrence seaway without further delay. The cost of our share in the job would be small compared to the benefits. It would link the Great Lakes to the Atlantic Ocean and give the interior of the country a shorter and cheaper route to world markets.

"Farmers would gain by lower transportation rates for grain and other export products. But the greatest benefit would be the increased prosperity of middle America. Its industries would have broader outlets and cheaper costs. Canada's great natural resources, including the rich iron-ore deposits in Labrador, would be made more accessible. Other areas would gain directly also. The power-deficient New York and New England region would share in the 2,200,000-hydroelectric horsepower to be developed by harnessing the International Rapids section of the river.

"Every President since 1920 and every major farm organization has urged building the seaway. But it has always been blocked by sectional and special interests.

"The St. Lawrence seaway would pay for itself many times over. The opposition of special interests should not be allowed to hold it up any longer."

We, as the members of this Farmers Union local, wish to express our sincere thanks and we urge you to give this resolution your honest consideration.

Yours very truly,

NEIL MORRISSEY,
President of Gatzke Local, No. 131.

ALLEGED METHODS USED BY HOUSE UN-AMERICAN ACTIVITIES COMMITTEE—RESOLUTION OF MINNESOTA ANNUAL CONFERENCE OF THE METHODIST CHURCH

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Minnesota Annual Conference of the Methodist Church, St. Paul, Minn., on June 13, 1953, relating to alleged methods used by the House Un-American Activities Committee.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE MINNESOTA ANNUAL CONFERENCE OF THE METHODIST CHURCH, IN SESSION AT ST. PAUL, MINN., JUNE 13, 1953

Whereas the Christian church is under obligation to stand for freedom of conscience and expression; and

Whereas a free pulpit for the preacher and freedom of thought and expression for our teachers is essential if democracy is to survive, and the Christian church is to maintain its integrity and effective witness; and

Whereas the irresponsible methods used by the House Un-American Activities Committee and the irresponsible utterances of some of the members of other committees constitute a most serious threat to our democracy and a challenge to the integrity of our schools and churches: Therefore be it

Resolved by the Minnesota annual conference of the Methodist Church, That we urge our preachers, our teachers, and our lay leaders both to speak out against and to resist every effort of these forces to intimidate and to limit our essential freedom by means of smear campaign and guilty-by-association tactics; and be it further

Resolved, That we condemn the wholly unwarranted attack upon well-known leaders of the church, such as Bishop G. Bromley Oxnam, as well as on many other equally sincere and loyal but less well-known ministers, teachers, and other citizens; and be it further

Resolved, That we direct our conference secretary to respectfully petition the Minnesota Senators and Representatives in Congress to take the lead in such action, legislative or otherwise, as will correct these abuses of the congressional privilege to make investigations; and finally be it

Resolved, That we direct our conference secretary to send our greetings and a copy of these resolutions to Bishop Oxnam as a testimony of our appreciation for his stand for the constitutional rights of every citizen and to assure him of our high personal regard, and of our prayers as he represents us in the National Capital.

SOCIAL-SECURITY BENEFITS TO THE CLERGY—LETTER FROM STATED CLERK OF SYNOD OF MINNESOTA PRESBYTERIAN CHURCH, MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have a letter

signed by Mr. Victor B. Nelson, stated clerk of the Synod of Minnesota of the Presbyterian Church of the United States of America, printed in the body of the RECORD, and appropriately referred.

You will notice that the letter represents a resolution memorializing the Congress to provide social-security benefits to the clergy on a voluntary basis. This objective is identical with S. 1931, a bill I introduced on May 18. It is my hope that the Senate Finance Committee will seriously consider this bill and approve it for the consideration of the Senate.

There being no objection, the letter was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

THE SYNOD OF MINNESOTA,
PRESBYTERIAN CHURCH IN THE U. S. A.,
Minneapolis, Minn., June 17, 1953.

The Honorable HUBERT H. HUMPHREY,
The Senate, Washington, D. C.

MY DEAR MR. HUMPHREY: The Synod of Minnesota meeting in its annual meeting in St. Paul, Minn., on June 10 and representing approximately 60,000 members went on record adopting the following resolution:

"That the Synod of Minnesota memorialize the Congress of the United States to provide the benefits of social security to the clergy preferably on a voluntary basis, much as is expressed in the Cole amendment."

It is recognized that in accordance with the rights and privileges of the American system it will be highly desirable that participation on the part of clergymen be on a purely voluntary basis. It is recognized more and more by our clergymen that average church pension systems are not adequate to provide economic security and comfort during the age of retirement and therefore it becomes highly desirable that ministers have the privileges of the social security program extended to them also on a voluntary basis.

Your influence in making adequate legislation a reality will be very much appreciated.

Very sincerely yours,
VICTOR B. NELSON,
Stated Clerk.

ADDITIONAL BILLS AND JOINT RESOLUTION INTRODUCED

By unanimous consent, the following additional bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time and referred as follows:

By Mr. SCHOEPPEL:

S. 2255. A bill for the relief of Shang-Wu Lin; and

S. 2256. A bill for the relief of Therese Jane Dryden; to the Committee on the Judiciary.

By Mr. HICKENLOOPER (for himself, Mr. KNOWLAND, Mr. WILEY, Mr. MUNDT, Mr. FULBRIGHT, Mr. GREEN, Mr. GILLETTE, and Mr. HILL):

S. J. Res. 96. Joint resolution to strengthen the foreign relations of the United States by establishing a Commission on International Telecommunications; to the Committee on Foreign Relations.

ADDITIONAL MATTERS ORDERED TO BE PRINTED IN THE APPENDIX

On request, and by unanimous consent, additional matters were ordered to be printed in the Appendix, as follows:

By Mr. CASE:

Statement prepared by him relative to the renaming of Rapid City Air Force Base as Ellsworth Air Force Base in tribute to Brig. Gen. Richard E. Ellsworth.

By Mr. HUMPHREY:

Sermon on the subject What Price Indifference? delivered at the Bethel Lutheran Church at Willmar, Minn., on June 7, 1953, by Pastor Robert Esbjornson, professor of Christianity at Gustavus Adolphus College.

RECESS

Mr. KNOWLAND. I move that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 11 o'clock and 59 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Wednesday, July 1, 1953, at 10 o'clock a. m.

NOMINATION

Executive nomination received by the Senate June 30 (legislative day of June 27), 1953:

FEDERAL MEDIATION AND CONCILIATION SERVICE

Whitley P. McCoy, of Alabama, to be Federal Mediation and Conciliation Director.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 30 (legislative day of June 27), 1953:

FARMERS' HOME ADMINISTRATION

Robert B. McLeaish, of Texas, to be Administrator of the Farmers' Home Administration.

UNITED STATES ATTORNEY

George Harrold Carswell, of Florida, to be United States attorney for the northern district of Florida.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 30, 1953

The House met at 12 o'clock noon.

Rev. Hayden Edwards, minister, Polytechnic Methodist Church, Fort Worth, Tex., offered the following prayer:

Let us pray:

We pray for Thy blessings, Almighty God, our Heavenly Father, upon these Thy humble servants assembled in this historic and sacred place.

Give to them the encouragement which comes from the confidence, friendship, and appreciation of the people they so ably represent.

Undergird our beloved President and those appointed and elected to serve with him with health of body, strength of mind, and purity of soul, to enable them to prosecute their tasks and face difficult assignments with confidence.

We here dedicate ourselves, the people we represent, and our Nation to the realization and fulfillment of Thy plans for a world brotherhood, for valued and honored friendships and lasting peace.

May the decisions made here this day honor Thy holy and righteous name, and serve to bring about good among all mankind.

We make this our prayer, with a penitent request for the forgiveness of our sins, in the name and for the sake of our Lord and Everlasting Father. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Hawks, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On June 16, 1953:

H. R. 739. An act for the relief of Alexander A. Senibaldi;

H. R. 1752. An act for the relief of William Robert DeGrafft;

H. R. 1887. An act for the relief of Marjorie Goon (Goon Mei Chee);

H. R. 1888. An act for the relief of Gary Matthew Stevens (Kazuo Omiya);

H. R. 3724. An act for the relief of Anthony Lynn Neis;

H. R. 4485. An act to amend the law of the District of Columbia relating to publication of partnerships;

H. R. 4505. An act to authorize the sale of certain lands to the State of Oklahoma;

H. R. 4540. An act to authorize the sale of certain lands to the State of Oklahoma; and

H. J. Res. 157. Joint resolution to amend the act of July 1, 1947 (61 Stat. 242), as amended.

On June 18, 1953:

H. R. 663. An act for the relief of Dr. Alexander Fiala;

H. R. 888. An act for the relief of Francesca Servello;

H. R. 1103. An act for the relief of Maria Buffoni and Emma Botta;

H. R. 1187. An act for the relief of Mother Anna DiGiorgi;

H. R. 1200. An act for the relief of Ronald J. Palmer and Ronda Kay Palmer;

H. R. 1517. An act for the relief of Cpl. Predrag Mitrovich;

H. R. 1730. An act to provide for furnishing transportation in Government-owned automotive vehicles for employees of the Veterans' Administration at field stations in the absence of adequate public or private transportation;

H. R. 1832. An act to provide for the suspension of the imposition or execution of sentence in certain cases in the Municipal Court for the District of Columbia and in the Juvenile Court of the District of Columbia;

H. R. 1952. An act for the relief of Cecile Lorraine Vincent and Michael Calvin Vincent;

H. R. 2176. An act for the relief of Norma Jean Whitten;

H. R. 2761. An act to revive and reenact the act of December 21, 1944, authorizing the city of Clinton Bridge Commission to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River, at or near the cities of Clinton, Iowa, and Fulton, Ill., as amended;

H. R. 3244. An act for the relief of Patricia Ann Dutchess;

H. R. 3358. An act for the relief of Erna Meyer Grafton;

H. R. 3678. An act for the relief of George Prokofieff de Seversky and Isabelle Prokofieff de Seversky;

H. R. 3788. An act for the relief of Stavrula Perutsea;

H. R. 3796. An act relating to the incorporation of the Columbus University of Washington, D. C.;

H. R. 4486. An act to amend the law of the District of Columbia relating to forcible entry and detainer;

H. R. 4497. An act to amend the act entitled "An act to establish a code of law for the District of Columbia," approved March 3, 1901, as further amended by an act of April 19, 1920 (title 20, ch. 1, sec.

116, D. C. Code, 1951), relating to continuing decedent's business;

H. R. 4550. An act to amend the Code of Laws of the District of Columbia in respect to the recording, in the Office of the Recorder of Deeds, of bills of sale, mortgages, deeds of trust, and conditional sales of personal property; and

H. R. 5174. An act making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1954, and for other purposes.

On June 20, 1953:

H. R. 3795. An act to adjust the salaries of officers and members of the Metropolitan Police force, and the United States Park Police, the White House Police, and the Fire Department of the District of Columbia, and for other purposes.

On June 22, 1953:

H. R. 870. An act for the relief of Harry Block; and

H. R. 4025. An act authorizing the appropriations of funds to provide for the prosecution of projects in the Columbia River Basin for flood control and other purposes.

On June 24, 1953:

H. R. 3307. An act to provide for the treatment of users of narcotics in the District of Columbia.

On June 26, 1953:

H. R. 1434. An act to amend the act of February 24, 1925, incorporating the American War Mothers;

H. R. 2113. An act to amend the act incorporating the American Legion so as to redefine (a) the powers of said corporation, (b) the right to the use of the name the American Legion and American Legion;

H. R. 2456. An act to amend the act of October 11, 1951, authorizing the President to proclaim regulations for preventing collisions at sea, and for other purposes; and

H. R. 4730. An act to provide for the conveyance by the United States to the city of Cincinnati, Ohio, of certain lands formerly owned by that city.

On June 29, 1953:

H. R. 1482. An act for the relief of Hildegard Schoenauer;

H. R. 4495. An act to amend the Universal Military Training and Service Act, as amended, so as to provide for special registration, classification, and induction of certain medical, dental, and allied specialist categories, and for other purposes; and

H. R. 5312. An act to provide for the more effective prevention, detection, and punishment of crime in the District of Columbia.

On June 30, 1953:

H. R. 4233. An act to provide for the naturalization of persons serving in the Armed Forces of the United States after June 24, 1950.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment concurrent resolutions of the House of the following titles:

H. Con. Res. 85. Concurrent resolution to participate in the Fourth of July 1953, observance at Independence Hall, Philadelphia, Pa.; and

H. Con Res. 92. Concurrent resolution to express the sense of the Congress with respect to the important role of women in the development of aviation, and for other purposes.

The message also announced that the Senate had passed, with an amendment, in which the concurrence of the House is requested, a joint resolution of the House of the following title:

H. J. Res. 285. Joint resolution to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953.

The message also announced that the Senate agrees to the amendments of the House to bills of the Senate of the following titles:

S. 1376. An act to amend section 503 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended; and

S. 1993. An act to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, and for other purposes.

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 2103) entitled "An act to amend the National Housing Act and other laws relating to housing"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CAPEHART, Mr. BUSH, Mr. BRICKER, Mr. BENNETT, Mr. MAYBANK, Mr. SPARKMAN, and Mr. ROBERTSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1550) entitled "An act to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom."

The message also announced that on June 25, 1953, the Senate had ordered that the Senator from Alabama, Mr. SPARKMAN, be appointed a conferee on the bill, S. 1081, an act to provide authority for temporary economic controls, and for other purposes, vice the Senator from Arkansas, Mr. FULBRIGHT, excused.

The message also announced that the Vice President has appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 53–12.

SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin asked and was given permission to address the House for 10 minutes today, following the legislative program and the conclusion of special orders heretofore entered.

LONG BEACH, CALIF., IS WITHOUT DEBT

Mr. HOSMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include therewith a newspaper article.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOSMER. Mr. Speaker, in these days of bulging governmental indebtedness, there yet remains an oasis or two of fiscal soundness in the municipal government field. My own city of Long Beach, Calif., is completely free of bonded indebtedness. Sound and sane use of revenues from municipal oilfields has made this possible. I call this matter to the attention of my colleagues for the reason that it justifies the wisdom of this Congress in returning the tidelands of our coasts to the States and their political subdivisions.

Popular west coast columnist Malcolm Epley commented on this subject in the June 28 issue of the Long Beach Press Telegram. I insert his article under leave of the House:

LONG BEACH IS WITHOUT BURDEN

(By Malcolm Epley)

Perhaps it is civic modesty, but more likely it's because we have a tendency to take our blessings for granted. At any rate, far too little is said about one of the most remarkable aspects of Long Beach's municipal well-being—the total absence of city debt service charges on the taxpayers.

Long Beach is, in effect, a city without general bonded indebtedness. Such general obligation bonds as are still outstanding—because they aren't yet callable—are completely covered by sinking funds, officially titled bond-redemption and interest funds.

This is an amazing fact—something that gives Long Beach an enviable position among American cities, and certainly something of prime significance to residents of areas pondering annexation to this city.

Yet it is not well known. Recently a man wrote to this newspaper that he understood Long Beach was loaded down with a burden of debt. He mentioned a fantastic figure which, he said, he had been told represented the municipal indebtedness.

He, and many others, will find the true facts most enlightening and surprising.

The total of outstanding general bonds as of June 30, 1953, will be $2,586,750. To cover this obligation, the city has $86,387.50 in cash and $2,945,000 in Government and municipal bonds. That's enough to provide for retirement of the bonds and to provide for payment of all interest to their maturity.

No taxes have been levied by the city since 1942 for retiring bonded debt. On June 2 of that year a charter amendment was adopted requiring that all money from oil production be earmarked first to pay interest and maturities of general city bonds. In May 1949 a sufficient sum had accumulated to meet all maturities.

So far, we have been discussing general obligation bonds. An equally sound situation exists with respect to harbor department obligations.

Bonds outstanding in the harbor division total $2,542,500. The reserve to cover includes $14,775 in cash and $3,250,000, the latter invested entirely in Government bonds. Here again the sinking fund covers all maturities and interest to dates of maturity.

On May 1936, the voters approved a charter amendment that became section 229X which required that 50 percent of the tideland oil money must be set aside for interest and redemption of harbor department bonds if any are outstanding. A sufficient fund to retire all bonds was set aside by May 1945.

The water department has outstanding bonds of $6,350,000 and the gas department has $1,418,000 outstanding. These obligations are funded by revenues from water and gas sales, and no taxation is necessary for this purpose.

That's the bright story of Long Beach's municipal debt, one which can be matched by few cities in the country. Many cities are struggling under heavy burdens of debt retirement and interest, levying substantially on property each year to meet these requirements. Long Beach, despite the fact that it has grown with unusual rapidity, has no debt problem whatsoever.

This was made possible by our oil wealth and by wise provisions for its use. Long Beach citizens should tell that story far and wide.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was granted permission to address the House today for 5 minutes, following the legislative program of the day and any special orders heretofore entered.

FRANK LLOYD YATES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, yesterday, Frank Lloyd Yates, Assistant Comptroller General of the United States, died suddenly of a heart attack at his home.

In my estimation, Mr. Yates was the ideal civil servant. He devoted 31 years of his life to Government service, starting as a low-paid clerk and rising to one of the most responsible positions in our Government. He came out of World War I a lieutenant and attended West Virginia University. While serving as a clerk, he studied law at night at George Washington University and was awarded his degree. He became an attorney for the General Accounting Office and worked his way up to the post of Assistant Comptroller General.

Frank Yates was devoted to his work. Countless Members of Congress have called upon him for aid and assistance in the problems of their constituents. He never failed to help, and in helping he had that rare faculty of patience and understanding that is so necessary in dealing satisfactorily with the complex problems that invariably arise in Government claims. He was a kindly, gracious man, and will be sorely missed by all who have depended so much upon his wise counsel and guidance.

To his widow go the sincere condolences of all of his many friends and associates.

Mr. HAYS of Arkansas. Mr. Speaker, I have learned with deep sorrow of the passing of Frank L. Yates, Assistant Comptroller General of the United States. As the gentlewoman from Massachusetts [Mrs. ROGERS] has said, his was a career of great usefulness and I know that Members of the House who had occasion to observe the fine leadership that he exerted share the sorrow which she has expressed.

I first became acquainted with Mr. Yates in September 1919, when we entered George Washington University law school together, and I developed for him not only respect and high esteem but a deep personal affection. He dedicated his unusual talents to the service of his Government, his church, his university, and many other worthy interests.

Upon learning of Mr. Yates' death, the Comptroller General, Lindsay Warren, said:

I am deeply shocked at the loss of a close friend and associate, upon whose judgment, fairness, and ability I have leaned heavily ever since assuming the direction of the General Accounting Office. The Government lost an outstanding career official whose devotion to the public service was an inspiration to all those who knew him.

This is the sentiment of all who knew him.

NATIONAL HOUSING ACT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 2103, an act to amend the National Housing Act and other laws relating to housing, with a House amendment, insist on the House amendment and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Indiana? [After a pause.] The Chair hears none, and appoints the following conferees: Mr. WOLCOTT, Mr. GAMBLE, Mr. TALLE, Mr. KILBURN, Mr. SPENCE, Mr. BROWN of Georgia, and Mr. PATMAN.

EXTENSION OF EFFECTIVENESS OF CERTAIN STATUTORY PROVISIONS

Mr. KEATING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the resolution (H. J. Res. 285) a joint resolution to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953, with a Senate amendment, and agree to the Senate amendment.

The Clerk read the title of the resolution.

The Clerk read the Senate amendment, as follows:

Line 11, strike out "2 (b)."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was agreed to, and a motion to reconsider was laid on the table.

NATIONAL MILITARY UNITS FORMED FROM ESCAPEES FROM BEHIND THE IRON CURTAIN

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, the trouble that confronts us on the question of taxes, great tax problems, our problems regarding the draft, the Korean war, and all these other controversies and problems are primarily because of the armed forces under control of the Communists.

There is a way to hit those armed forces psychologically. The law is already on our books. That is to set up national military units from escapees from behind the Iron Curtain. By that I mean Polish, Hungarian, Czechoslovak, Rumanian, and even Russian units with their own distinctive uniforms and flags of freedom.

You will recall a few days ago when a Polish officer was ordered to shoot German rioters and he refused to do it. There are a great many elements of defection in the Communist armed forces. We should take advantage of these. This is one of the ways to win this cold war and start to get rid of these tremendous problems which, if long continued, could bankrupt our country.

PERMISSION TO SIT DURING SESSION OF THE HOUSE TOMORROW

Mr. HILL. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have permission to meet during the general debate in the House tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

AFRAID TO WIN

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, forthright Ted Williams, former batting star of the Boston Red Sox, who has also played like a champion in the toughest game of all as a Marine pilot in Korea, has belted the failure of American policymakers in "operation doubletalk."

American military forces wanted to win and could have won, but, according to Williams, the politicians "Didn't want them to win."

For some mysterious reason, stubbornly concealed by all those responsible for the tragic blunder, the United States elected to accept defeat thinly disguised as a truce and threw away several chances for a decisive victory against the aggressors in this case, the North Koreans, the Chinese Reds, and the Russian Communists.

Why did the civilian leaders of the United States "go chicken"?

That is what the American people want to know and have a right to know.

Many Members of Congress, in their hearts, are disturbed by this strange turn of events. Soldiers and officers are exasperated but cannot talk about it.

They remember what happened to MacArthur.

I say that there is censorship in the United States when the executive department adopts a patronizing attitude toward the American people and withholds vital information from them. To save a reputation, or reputations, they would keep a great nation in the dark.

Just who was responsible for tying MacArthur's hands and preventing him

from bombing the Chinese bases where they took off on their invasion of Korea?

Who stopped Van Fleet, later on, when he had the Reds on the run?

I am asking Secretary of Defense Wilson to open up the military records, without any files being lost or concealed, so that we will know who interfered with the commanders in the field. What history will inevitably find out, we must know now.

From June 1950 through June 1953 who stopped our military commanders from winning? Who gave the orders to the Joint Chiefs of Staff that were responsible for the appeasement in Korea? Where are those orders?

Americans lives and American honor are more important to us than any face-saving for leaders who have failed. Open up, Mr. Secretary, let us know the truth.

JUNE 30, 1953.

Hon. CHARLES E. WILSON,
Secretary of Defense, the Pentagon, Washington, D. C.

DEAR MR. SECRETARY: It is a basic principle of American democracy that the people are entitled to know the full truth concerning the operations of their Government. Only in rare and extreme cases can the pretext of military security be invoked to withhold information from them.

The American people are puzzled and disturbed by the secret decisions that have been made, and are being made, concerning the situation in Korea.

No criticism is directed against the men and officers in the field. But we are convinced that their valiant efforts have been checkmated, and victories denied to them, by decisions made in the highest councils at Washington.

The complete secrecy enveloping negotiations of the past 2 months has made them even more apprehensive.

General MacArthur, General Van Fleet, and now Capt. Ted Williams, of the Marine Corps, have stated that top civilian officials in Washington did not want our forces to win. These are most serious charges, and the American public has a right to know who was responsible for this policy of appeasement.

Who gave the orders to the Joint Chiefs of Staff, that tied the hands of MacArthur and Van Fleet? Where are those orders? Why are they not available to the press and the public? Must the Congress subpena them?

We must know specifically and clearly.

My request for access to these orders is not to be construed as any criticism of you, but as an affirmation of the people's right to know who was responsible for the countermanding orders that snatched victory from our grasp.

Trusting that you will voluntarily release this documentary evidence, I remain,

Sincerely yours,

THOMAS J. LANE,
Member of Congress, Seventh Congressional District, Massachusetts.

HON. EDITH NOURSE ROGERS

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, to be reelected to Congress after the first 2-year term is no small achievement. When one's stewardship is endorsed again and again by large majorities, there must be a powerful reason.

Our highly respected colleague, Congresswoman EDITH NOURSE ROGERS, of the 5th Massachusetts District, will begin her 29th year of service on June 30, 1953, today.

One of the first women ever elected to the Congress, she is fast overhauling the records set up by the men themselves. Only 1 Member of the Senate and 9 Members of the House, have greater seniority in terms of consecutive service.

I have four reasons for being proud of her great record.

First. Her devotion to duty, her keen mind, and her sympathetic understanding have added to the accomplishments and the prestige of the United States House of Representatives, and have served as inspiration for many other Members.

Second. She comes from Massachusetts.

Third. Her district is next to the one that I represent.

Fourth. She is the champion of all American veterans, and has done more to advance legislation in their behalf than any other American, living or dead.

As chairman of the Veterans' Affairs Committee, she exercises great influence for good in the formulation of laws to protect the interests of those who have served in the Armed Forces of our country.

Her consideration for them is so genuine and sincere that it is not confined to the long hours she puts in or her official duties. If we knew all the time and effort she has given to the veterans who bring their problems to her personal attention back home, or the countless visits she has made to VA hospitals in order to encourage and help the sick and the disabled, it would double the years of service she has contributed to the Nation.

By her competence, her loyalty, and her capacity for sacrificing herself in order to help others, Mrs. ROGERS has become an outstanding American and a leader of her sex. More and more women will be inspired to take an active role in public affairs because of her shining example.

She served overseas with the American Red Cross in 1917.

She was appointed personal representative in care of disabled veterans by President Harding, and was reappointed by Presidents Coolidge and Hoover.

This gives us the clue to her generous heart and her love for humanity.

And the reciprocating affection she has earned through the years from tens of thousands of her constituents.

Every Member of this House congratulates Mrs. ROGERS as she passes another milestone in devoted and constructive service to the Nation and its multitude of people.

The gray pages of the Congressional Directory state that she represents one congressional district whose center is her home city of Lowell, Mass.

We know that she has friends and grateful fellow Americans in the 435 districts that comprise our country.

She is dedicating her life to public service in a manner that few can equal.

Thank you, Congresswoman ROGERS.

Our best wishes to you as you enter the 29th year of duty as a true Representative of the United States.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, one of the ablest legislators and one of the sweetest persons that I have ever met is that fine, distinguished colleague of ours, the gentlewoman from Massachusetts [Mrs. ROGERS]. Without regard to party, without regard to racial origin, without regard to religious affiliations, we of Massachusetts have a deep affection for the sweet lady. In my opinion she is one of the outstanding legislators not only from the angle of ability but particularly from the angle of courage; her kindness to others, her charitable acts which she hides as much as she can, are known because they are so numerous.

I am very glad to join with my friend from Massachusetts [Mr. LANE] in congratulating Mrs. ROGERS and in congratulating the people of her district. I hope they will not take any of her district away from her in the new congressional district realinements. We of Massachusetts respect and honor her. I may say for whatever value it might be to her that both Mrs. McCormack and I deeply admire and respect Mrs. ROGERS and we entertain for her a strong feeling of friendship.

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, when I first came to Congress some 19 years ago my first committee assignment was on what was then known as the Committee on World War Veterans. At that time I became very intimately acquainted with Mrs. ROGERS and throughout the years have watched her conscientious work in connection with veterans' legislation, which, of course, involves one of the most important matters to come before the Congress of the United States. It is a tribute to Mrs. ROGERS that she has now achieved the chairmanship of that great committee which has to deal with these complicated and vital questions. She has served ably and diligently, and I, too, join in congratulating her on the 29th anniversary of her service in the Congress. I would suggest that perhaps these very fine tributes from the Democratic as well as the Republican side of the aisle will result in her reelection for many years to come.

Mr. AYRES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. AYRES. Mr. Speaker, like the gentleman from Indiana 19 years ago when he came to Congress and was assigned to work on the Veterans' Committee, when I came to the 82d Congress, I, too, was assigned to that committee.

Those of us who had the opportunity of seeing Members of Congress from Ohio perform had learned to respect the power of women in Congress, having been acquainted with the work of our own gentlewoman from Ohio [Mrs. BOLTON]. We came to admire the fine work she has done.

When I was assigned to the Committee on Veterans' Affairs I got to know the gentlewoman from Massachusetts [Mrs. ROGERS], who is now our chairman, and I was pleased to learn that women from other sections of the country can and do do a good job for the people as a whole.

Mrs. ROGERS understands the human side of government and we, who serve as members of that committee, know that the many veterans throughout the country hold her in very high esteem. We who are associated with her on the committee realize that although at times her heart may be bigger than her pocketbook she always has the interest of the veterans at heart.

Speaking as an individual, I know that no one can ever point the finger of accusation at our chairman and say that she is not in her judgment doing the right thing from the human standpoint. I congratulate her on the splendid work she has done in the past and I trust that God will give her many, many years to continue this good work in the future.

Mr. SPRINGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SPRINGER. Mr. Speaker, 2 years ago when I came to the Congress it was my privilege to become a member of the Committee on Veterans' Affairs. The ranking minority member at that time was Mrs. ROGERS. When I first became a member of that committee I was affected by the deep sincerity of this very kind lady. She has certainly done an outstanding job.

I had heard a great deal about her back in 1943 and 1944 when I was in the armed services myself. We were wondering at that time what kind of a GI bill was going to come out of the committee down here in Washington. I have heard her speak here on the floor many times on behalf of the veterans.

Mrs. FRANCES P. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. SPRINGER. I yield to the gentlewoman from Ohio.

Mrs. FRANCES P. BOLTON. Mr. Speaker, it is a great pleasure for me to add a woman's word of congratulations to EDITH ROGERS for her fine service here, and I feel I may speak for all the women in the House. Congresswoman ROGERS has been an example to all of us; such an example is one we can well follow. We are happy indeed that she is with us so constantly.

One thing is sure, you will never hear an unkind word come out of EDITH ROGERS' mouth. Her heart always sings with beauty and truth. It brings great happiness to me, Edith, to pay you my very deep respects and to bring you affectionate greetings today from all the women Members of the United States House of Representatives.

Mr. SPRINGER. Mr. Speaker, I join in the words spoken by the gentlewoman from Ohio. I certainly want to extend on my own behalf and on behalf of other members of the Committee on Veterans' Affairs who cannot be here today our very best wishes in the coming year.

Mr. ADAIR. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ADAIR. Mr. Speaker, I should like to associate myself with the remarks and the tributes given today to the gentlewoman from Massachusetts [Mrs. ROGERS]. She is a fine person and is doing a tremendous service as chairman of the Committeee on Veterans' Affairs. It is a pleasure to serve with her on that committee.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from Tennessee.

Mr. EVINS. Like others who have preceded me in paying a well-deserved tribute to Mrs. ROGERS, I should also like to congratulate the gentlewoman from Massachusetts [Mrs. ROGERS], the distinguished chairman of the Committee on Veterans' Affairs.

Mrs. ROGERS has served her district, State, and Nation long and faithfully. Her services to the people of our country have been many and numerous.

We all know that she has devoted much of her service to the enactment of legislation beneficial to the veterans of our Nation, their widows, and dependents.

Mrs. ROGERS was the chairman of the Committee on Veterans' Affairs when I first came to the Congress—the 80th Congress—and she is my committee chairman today.

All who work with her know Mrs. ROGERS to be kind, generous, gracious, and helpful. She has always been untiring in her efforts, and is a true champion of the veterans of this Nation.

I congratulate her on her great service and join with others in wishing her many years of continued service and happiness.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. ADAIR. I yield to the gentleman from New York.

Mr. REED of New York. Mr. Speaker, when I first came to Congress it was just after the First World War. At that time what is now known as the Walter Reed Hospital was just a group of barracks. It looked like anything but a hospital. I first knew the gentlewoman from Massachusetts, Mrs. ROGERS, in those early days when she was driving a truck out there, day and night, serving the soldiers, being a substitute mother for these lonely, crippled veterans. You know, there are many times those who are asked to do humanitarian work expect pay for it. I have heard people who take part in campaigns for charity say, "Well, is it just that I should do this work without pay?" I want to say this, in the light of Mrs. ROGERS' service as it has come under my observation, that justice is a fine word, but it is not the last word between man and man. To so order the world that every person receives his just pay will not bring the millennium. Who pays the mother for her long nights' vigils? Who pays the father for his toil? The soldier for his wounds, the hero for sacrificing his life for another. Who paid Jesus for his agony? Regulus for his patriotism? Above all work done for fair pay towers the work done for no pay at all—just for love. Mrs. ROGERS has put her life into her work, just for love, love of country and to bring comfort and happiness to boys who went into battle and fought for liberty and freedom. I am proud to have known Mrs. ROGERS and proud of the achievements during her long and conspicuous service she has rendered to our country and to every worthy cause.

Mr. ADAIR. I yield to our distinguished Speaker, the gentleman from Massachusetts [Mr. MARTIN].

Mr. MARTIN of Massachusetts. Mr. Speaker, I am very happy to join with my colleagues in this tribute to a splendid woman and a very fine legislator, the gentlewoman from Massachusetts [Mrs. ROGERS]. It was my privilege to aid in the conduct of the campaign when Mrs. ROGERS first sought election to the House. I recall back in 1924 when her husband was designated by the Republican State Committee as a Presidential elector. He could not serve, because the laws prevented a man from holding two public offices, he being a Congressman at the time. It was therefore necessary to have a successor and I suggested to the State committee the name of Mrs. ROGERS. The next spring after a strenuous campaign she was elected by a large plurality to Congress. Election followed election and always by increased majorities.

I am proud to testify, as others have done, to the splendid work of Mrs. ROGERS and her devotion to the welfare not only of the veterans but every phase of our American life. She has been here nearly 30 years. Elected as one of the first women to the House she demonstrated so thoroughly her capacity for the job that the way was opened for many other women to follow. I know I voice the wish of all of us on both sides of the aisle that Mrs. ROGERS will continue to enjoy good health and will continue to serve the country with as much ability in the future as in the past.

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FINO. Mr. Speaker, I join my colleagues of the Committee on Veterans'

Affairs, as well as the other Members of the House, in extending congratulations to Mrs. ROGERS on the many years she has given to this honorable body. Fortunately, as a member of the Committee on Veterans' Affairs, I have learned to appreciate the many wonderful things Congresswoman ROGERS has done for the new members of the committee in advising them as to the rights of the veterans of this country. I am sure the wisdom and knowledge of Congresswoman ROGERS has brought to the committee has made the members really appreciative of the fine leadership she has given to that committee. I am happy to extend my best wishes to her on this eventful occasion.

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks at this point regarding that splendid lady, the gentlewoman from Massachusetts [Mrs. ROGERS].

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CURTIS of Massachusetts. Mr. Speaker, I should like to add a further word of heartfelt tribute to Mrs. ROGERS on this anniversary of her long and distinguished service in the Congress.

We of the Massachusetts delegation are fortunate in having her one of us. Her name and reputation adds to the interest and value of any meeting at which she is present. She is generous with counsel and advice to a newer Member like myself.

Unlike others who have spoken, I cannot claim long service with her in the Congress; but again unlike others who have spoken, I can claim long association with her in connection with veterans' problems in our own State of Massachusetts.

Mr. GOODWIN. Mr. Speaker, I join my colleagues in paying this compliment to Congresswoman EDITH NOURSE ROGERS on this auspicious occasion marking a notable milestone in her remarkable career of public service. Practically the entire length of my congressional district adjoins hers and our respective constituents have much in common. I know how much the good citizens of Massachusetts whom she has so long represented in Congress appreciate her industry and perseverance in their behalf.

Her long service in this body and her sustained activity especially in the field of veterans' affairs has brought to her a virtual constituency far beyond the limits of the Fifth Massachusetts Congressional District.

I wish for her continued health, happiness, and success.

Mr. BENNETT of Florida. Mr. Speaker, I rise to express my congratulations to Congresswoman EDITH NOURSE ROGERS on her record-breaking service in Congress. Not only has she served long and well, but she has done her work here with unfailing kindliness, grace, and warmth of heart and personality. Her record of achievements is great and her gift of sweet friendship is even greater.

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MRS. ROGERS HAS OUTSTANDING RECORD OF SERVICE TO COUNTRY

Mrs. HARDEN. Mr. Speaker, I wish to join with many of my colleagues in paying a personal tribute to the distinguished gentlewoman from Massachusetts, Mrs. EDITH NOURSE ROGERS, who has today begun her 29th year of service as a Representative in Congress.

It has been my pleasure to know Mrs. ROGERS intimately during the 4½ years of my own service in this distinguished body. To know her is to admire her, for she is certainly one of our most gracious Members and the tribute which has been paid her here today is amply deserved.

During my first term in Congress, I served with Mrs. ROGERS on the House Committee on Veterans' Affairs, of which she is now the chairman. She was of great assistance to me in familiarizing me with the committee work and with the problems which confront the veteran population of America and I look back on those 2 years as rewarding ones.

The service to the veterans of this Nation rendered by Mrs. ROGERS assures her of a solid place in American history, for perhaps no legislator has equaled her unstinting efforts to provide for the needs of our veterans and their families.

And, in all other fields of legislation, Mrs. ROGERS has proved herself an able and conscientious worker who will be long remembered by those of us who have served with her.

May I express the hope, which I know is shared by all her colleagues, that EDITH NOURSE ROGERS will represent Massachusetts in this House for many more years. Her district, State, and the Nation will gain by her continued service.

Mr. HESELTON. Mr. Speaker, I want to join with Mrs. ROGERS' friends here in congratulating her upon the completion of 28 years in the House of Representatives, a record of service in public office which, I understand, exceeds that of any other woman.

She has worked earnestly and long for the people of her district and the veterans. Her deep interest in the veteran stems from her appointments as the personal representative in care of the disabled veterans by three Presidents. This interest extended to her work in the House and her chairmanship of the Veterans' Affairs Committee. I know that the veterans in my district and throughout the country recognize her service in their behalf.

Mrs. ROGERS has a host of true and devoted friends to whom this is a great occasion.

Mr. MERROW. Mr. Speaker, I am more than pleased to join my colleagues in paying tribute to Congresswoman EDITH NOURSE ROGERS. Mrs. ROGERS has made an oustanding and enviable record in the House of Representatives. Conscientious, hard-working, and assiduously devoted to duty, she has been unsparing in her efforts to serve not only the people in her district but the people of the United States.

I am glad I had an opportunity to serve with Mrs. ROGERS on the Foreign Affairs Committee from 1945 to 1946. Mrs. ROGERS gave up this committee to remain on the Veterans' Committee, of which she is now the chairman. She has always been deeply interested in veterans' affairs, and as a member of this committee and now its chairman she has done an immeasurable service for our millions of veterans. She is known throughout the length and breadth of this land as an outstanding leader in veterans' affairs and she has made an imperishable contribution in helping our servicemen.

It has been a great privilege to know Mrs. ROGERS during the time I have been a Member of the House of Representatives. I deeply appreciate her friendship and wise counsel. She has always been most kind, helpful, and cooperative in lending assistance on many problems of mutual interest.

I congratulate her district upon returning her to Congress for 15 terms. I certainly hope that she will have many more years of service in the House of Representatives, and I extend my very best wishes for her continued success. I am sure the people of her district will return Mrs. ROGERS to Congress as long as she wishes. Mrs. ROGERS is giving most able representation and we are indeed fortunate to have such a distinguished colleague. I am exceedingly happy on this occasion to join with Mrs. ROGERS' many friends in congratulating her upon the outstanding service she has rendered in this House. The record she has established as a Member of the National Legislature speaks for more eloquently than anything I can say. Congratulations and best wishes.

Mr. MATTHEWS. Mr. Speaker, I want to associate myself with my colleagues in paying tribute to the gentlewoman from Massachusetts [Mrs. ROGERS]. I have the honor of being a member of the committee which is under her direction, the Committee on Veterans' Affairs. I have never known a more gracious lady and one who is more interested in being of genuine help to her colleagues. She has been very understanding of the problems of the freshman members of the Committee on Veterans' Affairs and has always lent a helping hand to us at all times. She is never jealous of her authority but is always eager to share her responsibilities with others.

I say to the gentlewoman from Massachusetts, congratulations on your distinguished career. May Providence grant you many more years of continuing service to our Nation.

Mr. CHIPERFIELD. Mr. Speaker, 28 years ago today, on June 30, 1925, our esteemed colleague, Mrs. EDITH NOURSE ROGERS, began her service in the House of Representatives. With her, she brought an outstanding record of achievement in behalf of disabled soldiers of World War I, first as a member of the American Red Cross, and later as a personal representative of Presidents Harding and Coolidge.

Since then, she has further distinguished herself for her unselfish devotion in securing proper and adequate legislation for wounded veterans of both World Wars and the war in Korea. Not so well known, perhaps, is the fact that

but for her great sympathy and desire to help those disabled in fighting for our country, Mrs. ROGERS would today be chairman of the Committee on Foreign Affairs. Mrs. ROGERS was a member of that committee from March 17, 1933, until she left it in 1947 to concentrate her energy on obtaining needed legislation for the care and treatment of wounded veterans.

When Mrs. ROGERS left the Foreign Affairs Committee, she was the second ranking Republican member. Had she remained on the committee, she would have become chairman last January.

We on the Foreign Affairs Committee are proud of her record. Her service was characterized by a deep interest in the efficient operation of the Foreign Service. This was an interest which she inherited from her distinguished husband, the Honorable John Jacob Rogers, who, until the time of his passing, was an outstanding member of the committee, and the author of the first major Foreign Service Reorganization Act.

I will always cherish the memories of my service on the committee with Mrs. ROGERS, for she exemplified the highest of the good qualities that one can contribute in a career of service devoted to the public welfare. She unhesitatingly gave full time and attention to the minor bills and resolutions before the committee as well as to the major measures. She conscientiously sponsored many resolutions designed to keep the Congress more fully informed on foreign-affairs matters. As a United States delegate to the Inter-American Conference in Mexico City in 1945, she contributed to the deliberations which led to the Act of Chapultepec.

We on the Foreign Affairs Committee were sorry to have Mrs. ROGERS leave the committee. We have missed her always-cheery disposition and her wise counsel in committee meetings. At the same time, we have respected the deep humanitarian and kindly motives which caused her to relinquish her membership and give full time and effort in behalf of those injured and disabled in defense of our country.

EDITH NOURSE ROGERS has shown herself to be the highest type of public servant. In her long career dedicated to the well-being of her fellow Americans, she has earned our lasting affection and esteem. We honor her on this anniversary of her coming to the House of Representatives and wish for her many, many more years of the useful and beneficial public activity so dear to her heart.

DROUGHT IN TEXAS

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ROGERS of Texas. Mr. Speaker, the district I have the honor to represent is located in the Panhandle of Texas. It is that region of the United States that was stricken so disastrously in the early 1930's and became part of what we know as the Dust Bowl. At present it is in the throes of another drought that bids to be worse than the one that caused the Dust Bowl. We are terribly concerned about this, and have been for 2 years. It has reached tragic proportions in the last few weeks.

I rise here this morning to express the gratefulness and the thanks of the people in my district to the President of the United States, President Eisenhower, and the members of his official family, for the action they have taken in regard to working with this problem and furnishing the people whose outlook was so hopeless a ray of hope that will help protect a great group of Americans and a great segment of our economy.

ARMED FORCES ACTIVITIES

Mr. BENNETT of Florida. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. BENNETT of Florida. Mr. Speaker, I read in yesterday's column by Drew Pearson something that happened at Key West, which I, as a member of the Committee on Armed Services, am anxious to see looked into. As a member of that committee, I am today asking the Navy to look into it. It has to do with the methods used to raise money for local charities, and some very unfortunate occurrences which took place as a result of the methods used there to raise that money.

By way of contrast with the Key West situation, the Navy in Jacksonville, in the district which I represent, made a decision this year to abandon the public lottery method of raising funds which had been used in previous fund-raising carnivals; and the results indicated no diminishing in the funds raised. The naval installations in Jacksonville were able to contribute more financially this year than they ever contributed in the history of the installations. The methods used in Key West were apparently much worse than mere gambling in violation of law and it is hoped that the Navy will take immediate action to see that those responsible are brought to prompt and firm punishment without favor as to rank involved.

At this point I wish to read a statement by my good friend, Capt. B. C. McCaffree, commanding officer of Naval Air Station, Jacksonville, a statement made when he informed me of the success of the naval carnival in Jacksonville this year. It speaks well for the great part that the Navy plays in the Jacksonville and Green Cove Springs areas, in always trying to do their part in local charities and doing it in a way that shows an interest in the means used as well as the end to be achieved.

STATEMENT BY CAPT. B. C. MCCAFFREE

The Jacksonville Navy carnival for charity was held on Friday evening and Saturday afternoon and evening.

About 140,000 people attended during the 2 days. As a result the local United Charities and the Navy Relief Society will receive about $60,000. This year's carnival was the biggest and best of all four which have been conducted here in Jacksonville.

The nearest comparison to this carnival is probably that of the old-fashioned county fair, with program advertising and industrial exhibits, ranging from motorboats to all types of appliances, and Florida industries generously rented by commercial exhibits.

Families came, bringing their children, sure there was something of interest and pleasure for everyone. Games of skill were substituted for games of chance.

Kiddyland was a major attraction and pony rides and small trains were crowded. In the games each child received a prize even if he didn't quite win. A nearly continuous stage show from local talent to a nationally known dance band was available to all. No admission was charged.

The greatest single moneymaker was the carnival queen contest, in which every Navy and Marine activity had their own candidate. Votes cost a penny, and over $25,000 was made from this alone. The winner was truly a queen and she and her sailor husband thoroughly enjoyed the donated prizes, which included everything from bathing suits, dresses, and jewelry, to a weekend trip by air and boat to Havana.

The success of this carnival was made possible through the wholehearted cooperation of the merchants and our friends of the civilian populous of this area of Florida and Georgia.

THE FELEKY COLLECTION

Mrs. FRANCES P. BOLTON. Mr. Speaker, this morning it was my privilege to present a bill before the Subcommittee on the Library of the House Administration Committee, of which the distinguished gentleman from Nebraska [Mr. HARRISON] is chairman. I want to thank the committee publicly for the courtesy with which they received me and the great consideration they gave to the material presented.

I went to plead the cause of keeping as a unit the Feleky collection of Hungarian material which was about to be dissipated throughout the Library of Congress and also throughout the country. This collection has deep meaning for all Hungarians and I am happy to say to the House that the committee showed a most commendable understanding of the human values involved. Upon the suggestion of the distinguished gentleman from Pennsylvania [Mr. CORBETT], the committee decided that the United States Government retain ownership of the Feleky collection, but arrange to loan it intact to the American Hungarian Federation under such regulations as shall protect the collection and make it constantly available to the public. This action does away with the need for legislation, Mr. Speaker, and will, I know, bring great happiness not only to Americans of Hungarian lineage, but also to those freedom-loving, courageous people of ancient and honorable traditions and culture behind the Iron Curtain.

BUY AMERICAN

Mr. NEAL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Speaker, I wonder how employees in an industrial plant in my district feel about possible cutbacks in employment, due to their company's loss of a $400,000 contract to a foreign concern whose plant was restored by their tax moneys and whose labor scale will continue to make it possible for them to compete in our markets to the disadvantage of American workers?

This specific case is now pending in the Board of Procurement. The foreign bid is $30,000 under the American low bidder. Can we afford the loss in Federal taxes, plus the unemployment compensation likely to result, if our Government follows this policy?

I call this matter to the attention of those among the membership here who have been here long enough to have taken part in certain legislation. Take a look at Public Law 434, 81st Congress, which revised and extended the Buy American Act. Most of this legislation started March 3, 1933, and is found in title 41, United States Code, sections 10–A and 10–C.

Something can be done about this matter.

WATERSHED PROTECTION

Mr. H. CARL ANDERSEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Speaker, the House will recall that the Subcommittee on Appropriations for the Department of Agriculture inserted in the appropriation bill an item of $5 million for watershed protection. Unfortunately, the other body has seen fit to eliminate this particular item; but I do feel that it is of such importance that every effort should be made to hold it in conference.

Mr. Speaker, at this point I would like to insert as part of my remarks an editorial by the New York Times as to the need for this particular program.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

WATERSHED PROTECTION

The Senate, regrettably, has knocked out of the Agriculture Department supply bill a relatively small item that could pave the way for a revolutionary development in the Nation's handling of its land-erosion and flood-control problems. This $5 million provision in a $700 million bill), which we hope will be restored in conference, had been voted by the House to initiate a program of integrated watershed treatment work on 50 small tributary streams throughout the Nation.

These 50 pilot projects, under supervision of the Soil Conservation Service, would involve such forms of good land practice as soil conservation, reforestation, terracing, construction of small check dams, and so forth, carried out in an entire watershed considered as a whole. The total limit of Federal cost on all 50 projects would be $20 million, and the top for any 1 project would be $3 million—quite a contrast to the big-dam figures to which we have grown accustomed.

The importance of this work is twofold. It is of immediate material benefit to the area directly involved. By treating a small watershed as a unit its land economy can be stabilized, its soil protected, its rivers freed of pollution, forests restored, recreational facilities developed, and floods prevented before they start by retention of the water where it falls. The other great benefit is that if these upstream demonstration projects are as successful as there is every reason to believe they will be it may be proved that some of the large-scale, enormously expensive downstream dams designed primarily as flood-control projects are unnecessary.

Defeat of the proposed $5 million for scientific watershed protection (a sum, incidentally, at which any self-respecting big-dam builder would turn up his nose) would deprive the Nation of the opportunity to see how this inexpensive idea of integrated flood control and land management really works; and it would chalk up another victory for those who think the only way to solve these problems is through bigger, better, and more expensive construction projects.

CONGRESS AND HEALTH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I am including as part of my remarks a very fine editorial relating to our dear friend, the gentleman from Rhode Island [Mr. FOGARTY], entitled "Congress and Health." I commend its reading to the Members, as it is a very fine editorial and points out the strain under which Members of Congress are functioning. It is a very commendable editorial, in addition to containing a deserved compliment to our dear friend, JOHN FOGARTY.

[From the Woonsocket (R. I.) Call of June 26, 1953]

CONGRESS AND HEALTH

It has been common knowledge for many years that service in the Congress more often than not taxes the health of our Senators and Representatives. Indeed, those adherents of the popular Representative from the southern end of Rhode Island, youthful JOHN E. FOGARTY, will be more than a little distressed to learn that he is suffering from a cardiac ailment. He has been an indefatigable worker on a congressional subcommittee concerned with the Labor Department and the new Health, Education, and Welfare Department. He has fought long and hard for the hospital-construction program and Federal research programs in cancer, heart, and other diseases, and his office believes this brought on the exhaustion leading to his illness.

However, Congressman FOGARTY'S constituents are assured by a Boston cardiologist that he will be quite well again after a couple of weeks in the Naval Medical Center at Bethesda, Md., and a good rest in his native New England. We can be confident that the specialist is correct and that Mr. FOGARTY will be able to resume his duties in the Congress.

The illness of Congressman FOGARTY points up a warning issued recently by Dr. George W. Calver, physician of Congress and the Supreme Court, that our Senators and Representatives should take things easier, if possible. For example, a filibuster can take a tremendous lot out of a Congressman since it raises his blood pressure beyond capacity. It taxes the heart and is only a symptom of the malaise afflicting Congress these days. These diseases of the heart can result from the ordinary pressures induced by Congress' enormous responsibilities in an era encompassing wars, multibillion-dollar budgets and similar menaces to mind and body.

Dr. Calver has issued 10 commandments which he advises Members of Congress to follow to maintain their health. These may be followed by anyone engaged in work where the mental pressure is heavier than ordinary and include eating wisely, drinking plenty of water, eliminating thoroughly, bathing cleanly, exercising rationally, accepting inevitables (don't worry), playing enthusiastically, relaxing completely, sleeping sufficiently, and checking up occasionally.

The physician adds a postscript which advises Congressmen to give 5 percent of their time to keeping well, then they won't have to give up 100 percent getting over being sick.

Meanwhile constituents of Congressmen should realize the pressure under which the more conscientious of them labor. At times their task is a thankless one but every fair-minded citizen back home will hope that their Representatives will be judicious in utilizing their energies.

REPORT ON H. R. 5228

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that I, and other members, who desire to join with me, of the Committee on Government Operations, may have until midnight tomorrow night to submit additional views to accompany the committee report on the bill H. R. 5228, such views to be printed as part 2 of the said report.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

REPAIR OF AIRPORTS DAMAGED BY ARMED SERVICES

Mr. HINSHAW submitted the following conference report and statement on the bill (S. 35) to provide for the repair and rehabilitation of public airports damaged by the armed services during the present national emergency, to extend beyond June 30, 1953, the availability of previous appropriations for payment of claims under section 17 of the Federal Airport Act, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 690)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 35) to provide for the repair and rehabilitation of public airports damaged by the armed services during the present national emergency, to extend beyond June 30, 1953, the availability of previous appropriations for payment of claims under section 17 of the Federal Airport Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert

the following: "That section 17 of the Federal Airport Act, as amended, is hereby amended as follows:

"(a) By deleting the last sentence of subsection (c) and inserting in lieu thereof the following: 'Appropriations made pursuant to this subsection shall remain available until expended.'

"(b) By amending subsection (d) to read as follows:

"'TIME LIMITATIONS ON FILING OF REQUESTS

"'(d) No request for reimbursement of the cost of rehabilitation or repair of a public airport submitted pursuant to this section shall be considered by the Secretary unless such request was submitted to him within six months after the occurrence of the damage upon which the request is based, or, in the case of a request relating to damage occurring while the airport was under the control and management of the United States, within six months after the transfer of such control and management of the airport to the public agency involved; except that the Secretary may not consider any request submitted to him after March 31, 1954.'

"(c) By adding thereto a new subsection (e) as follows:

"'TIME LIMITATIONS ON MAKING OF CERTIFICATIONS

"'(e) No certification pursuant to this section with respect to a request submitted to the Secretary after the date of enactment of this subsection (except a supplemental certification of the amount by which the actual cost of accomplished rehabilitation or repair exceeds the amount of a prior certification which was based on the estimated cost of such rehabilitation or repair) shall be made to the Congress after a date 1 year from the expiration of the period prescribed by law for the submittal of such request.'

"SEC. 2. There is hereby repealed the proviso contained in the appropriation to the Department of Commerce, Civil Aeronautics Administration, headed 'Claims, Federal Airport Act' in chapter III of the Third Supplemental Appropriation Act, 1951 (Public Law 45, 82d Cong.), reading as follows: '*Provided*, That no request for reimbursement of the cost of rehabilitation or repair of a public airport filed under section 17 of the Federal Airport Act shall be considered by the Secretary unless filed prior to July 1, 1951, and the Secretary shall make no certification to Congress after July 1, 1952, of the actual or estimated cost of such rehabilitation or repair.'

"SEC. 3. Notwithstanding the proviso of the Third Supplemental Appropriation Act, 1951, cited in section 2 and the provisions of subsection (d) of section 17 of the Federal Airport Act, the Secretary of Commerce is authorized to consider, pursuant to the said section 17, any request for reimbursement of the cost of rehabilitation or repair of a public airport, which is submitted to him within six months following the effective date of this Act, if such request would have met the time requirements of the said subsection (d) had it been filed on some date subsequent to June 30, 1951, and prior to the effective date of this Act.

"SEC. 4. Notwithstanding any provision of existing law to the contrary, all appropriations heretofore made to the Department of Commerce, pursuant to certifications made by that Department to the Congress under section 17 of the Federal Airport Act, for reimbursement of public agencies for the cost of rehabilitating or repairing public airports damaged by Federal agencies, shall remain available until expended."

And the House agree to the same.

That the title of the bill be amended to read as follows: "An Act to amend the Federal Airport Act in order to provide for an extension for a limited period of the program for the repair and rehabilitation of public airports damaged by Federal agencies, and for other purposes."

CHARLES A. WOLVERTON,
CARL HINSHAW,
JOSEPH P. O'HARA,
J. PERCY PRIEST,
OREN HARRIS,
Managers on the Part of the House.

JOHN W. BRICKER,
ANDREW F. SCHOEPPEL,
DWIGHT GRISWOLD,
EDWIN C. JOHNSON,
JOHN O. PASTORE,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the bill (S. 35) to provide for the repair and rehabilitation of public airports damaged by the armed services during the present national emergency, to extend beyond June 30, 1953, the availability of previous appropriations for payment of claims under section 17 of the Federal Airport Act, and for other purposes, submit the following statement in explanation of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause but substituted a provision essentially similar to section 4 of the Senate bill. By this action the House in effect passed the bill to the extent that it would have extended beyond June 30, 1953, the availability of previous appropriations for payment of claims under section 17 of the Federal Airport Act.

However, the House did not approve the first three sections of the Senate bill, which contained provisions as follows:

The first section of the Senate bill contained three paragraphs (a), (b), and (c). Paragraph (a) would have modified the last sentence of section 17 (c) of the Federal Airport Act so as, in effect, to provide that all appropriations made pursuant to section 17 (c) shall remain available until expended. The House amendment, among other things, would have had the same effect as this provision of the Senate bill.

Paragraph (b) proposed to rewrite section 17 (d) of the Federal Airport Act, which relates to the time within which a request for reimbursement for the cost of rehabilitation or repair of airports must be made. In the provision as presently in force it is provided that "in case of a request relating to damage caused by operations of a military nature during time of war, such request must be submitted within six months after the date of termination of the war unless the airport is under the control and management of the United States at the time of termination of such war, in which event the request may be submitted within six months after transfer of control and management of the airport to the public agency involved." The amendment of the Senate would have eliminated any reference to the date of termination of the war and would have provided that in every instance of a request relating to damage "occurring while the airport was under the control and management of the United States, request must be submitted within six months after the transfer of such control and management of the airport to the public agency involved."

Paragraph (c) would have added a new subsection (e) to section 17, fixing a time limitation within which the Secretary of Commerce must act in making certification to the Congress of the cost of accomplishing rehabilitation or repair of airports for which claims were filed under section 17 (d). Such certification would have to be made within 1 year from the expiration of the period prescribed by law for the submittal of the request. Under existing law there is no such time limitation and this amendment was intended to avoid long delays on the part of petitioners in submitting necessary information for the Secretary of Commerce to pass upon their claims.

Section 2 of the Senate bill would have repealed the proviso in Public Law 45, 82d Congress, which limited the filing of claims under section 17 to July 1, 1951, and to the certification of such claims to the Congress by the Secretary July 1, 1952.

Section 3 of the Senate bill would have provided that any request for reimbursement for the cost of rehabilitation or repair of a public airport which is submitted to the Secretary of Commerce within 6 months following the effective date of this act may be considered by the Secretary of Commerce if such request would have met the time requirement of section 17 (d) had it been filed on some date subsequent to June 30, 1951, and prior to the effective date of this act.

Section 4 of the Senate bill was in substance the same as the House amendment, and provided that notwithstanding any provision of existing law to the contrary all appropriations to carry out section 17 of the Federal Airport Act shall remain available until expended.

The conference agreement consists of four sections which, in substance, contain all of the provisions of both the Senate bill and the House amendment.

However, a new provision has been inserted, as an addition to section 17 (c) of the Federal Airport Act, providing that no action may be taken on any request for reimbursement which is submitted to the Secretary of Commerce after March 31, 1954. No cutoff date for the submission of requests was included in the Senate bill.

Thus, the essential difference between House amendment and the substitute agreed to in conference is that the conference substitute provides for reactivation of the section 17 program, but only for a temporary period—that is, all new requests for reimbursement must be submitted by March 31, 1954.

When the House rejected the provisions of the Senate bill providing for reactivation of the section 17 program, it did not do so because of disapproval of the principle of reimbursing public agencies for damage done to their airports while under lease to, or control by, Federal agencies. Rather, for the reasons presented by the Secretary of Commerce, it seemed that it was unwise to reactivate the section 17 program, administered by the Department of Commerce, when the problem appears to be one which should be dealt with by appropriate action on the part of the military departments of the Government.

The committee of conference feels that the Department of Defense and the Department of Commerce should get together and, at the earliest possible time, work out and present to Congress a program for the future under which the military, rather than civilian, agencies of the Government should be responsible for securing from Congress the funds for the repair and rehabilitation of airports damaged by the military. However, under any such program it would be advisable, in case of dispute between the military authorities and a public agency owning an airport as to the extent, responsibility, and cost of necessary repairs or rehabilitation, to make appropriate provision for determination of these questions by a neutral Federal agency, such as the Department of Commerce, acting through the Civil Aeronautics Administration.

Reactivation of the section 17 program, subject to the March 31, 1954, cutoff date for filing claims, should give adequate time for an orderly transition over to a new program such as the one referred to above.

CHARLES A. WOLVERTON,
CARL HINSHAW,
JOSEPH P. O'HARA,
J. PERCY PRIEST,
OREN HARRIS,
Managers on the Part of the House.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to call up the conference report on the bill S. 35, and that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the statement as above set out.

Mr. HINSHAW. Mr. Speaker, in the course of the conference the conferees agreed to the extension of the Federal Airport Act to terminate on the 31st day of March 1954, which is next year, the object being that we may have time in which to recommend to both bodies a statute which will provide for the settlement and payment of these claims by the damaging agency; hence the conference report is a compromise between the views of the Senate and those of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

ANNUAL MEETING OF THE INTERPARLIAMENTARY UNION, 1953

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 274 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 234, authorizing an appropriation to defray the expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the joint resolution shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the amendment recommended by the Committee on Foreign Affairs now in the joint resolution. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, this resolution makes in order House Resolution 234, which authorizes the appropriation of $150,000 for the Interparliamentary Union to be held here in Washington this year, 1953.

The rule waives points of order, and it provides for 1 hour of general debate.

I know of no objection to the rule.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. MASON. Has not the appropriation in past years been around $25,000 or $30,000, something like that?

Mr. ALLEN of Illinois. I believe that is true, only it is to be held in this country this year.

Mr. MASON. And it costs us more to keep our boys at home than it does to send them abroad to attend the conference; is that it?

Mr. ALLEN of Illinois. I would say that the appropriation this year is larger than it has been in the past.

I repeat, I know of no one who is against consideration of the resolution.

I yield 30 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Speaker, I reserve my time.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Speaker, as the chairman of the Committee on Rules has said, this resolution makes in order House Joint Resolution 234 which provides for the appropriation of $150,000 for the Interparliamentary Union to hold some kind of meeting in Washington, D. C.

I do not intend to take a great deal of time under the rule, but I do intend to obtain time under general debate or the 5-minute rule and offer amendments to the joint resolution. Now I should like to ask the chairman of the Foreign Affairs Committee or the ranking majority member a question or two.

The preamble of the resolution contains this clause:

Whereas the Interparliamentary Union has been invited—

Then it contains the following clause:

Whereas it appears that the Interparliamentary Union will accept such invitation—

Has the Interparliamentary Union accepted the invitation to come to Washington or are we being asked to appropriate $150,000 on a blank-check basis? I address my question to the ranking member of the Foreign Affairs Committee which brought out this resolution.

Mr. VORYS. I understand the Interparliamentary Union has accepted the invitation. There was a cable received this morning, I just heard from Senator FERGUSON, saying that under the rules of the Interparliamentary Union 90 days' notice of meeting had to be given; therefore, they are most anxious to carry out the implementation of the invitation which has been accepted.

Mr. GROSS. The gentleman understands, then, that the invitation has been accepted?

Mr. VORYS. Yes.

Mr. GROSS. I may say to the gentleman from Ohio [Mr. VORYS] that the cable was evidently very well timed to coincide with consideration of this resolution.

Now, on page 3 of the report I find this language:

The resolution has been amended, therefore, to make special provision for the issuance of visas to bona fide members of the Interparliamentary Union. The amendment provides for entry for a period of 30 days only and does not confer diplomatic immunity on the delegates while they are in the United States. It is intended, however, that as far as entry into the United States is concerned, the delegates will receive the courtesies and privileges which are accorded visiting diplomats, some of whom are, or have been, Communists.

Do I understand from that language that some of the people coming to this Interparliamentary Union meeting in Washington are Communists, and that they are to receive special treatment by way of visas?

Mr. VORYS. Does the gentleman want me to answer that?

Mr. GROSS. Yes; I am waiting.

Mr. VORYS. If the gentleman will read on page 3, it is stated:

Mr. Leopold Boissier, Secretary General of the Interparliamentary Union, in a letter to the Honorable HAROLD D. COOLEY, says:

"I should perhaps remind you that all Communists have now left the Union, with the exception of those belonging to the Yugoslav group, who are of the non-Cominform variety. On the other hand, there are, of course, within the Union, representatives of all the other political parties, from the left to the right, and our organization is, in any case, truly representative of all the democratic forces in the parliaments of close on 40 countries."

There are Communist deputies who are members of various parliaments in various parts of the world outside of the Iron Curtain. Every member of any parliamentary body among the 40 countries is a member of the Interparliamentary Union. It is, therefore, conceivable that members of the Communist Party who are members of the parliamentary bodies of the respective countries would come, just as pointed out in the report, we have Communists coming in through Rumania, Bulgaria, Hungary, Poland, the U. S. S. R. under diplomatic passports all the time.

Mr. GROSS. So the answer is, "Yes; foreign Communists will be coming into this country under a preferred status to attend the Interparliamentary Union meeting."

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I was going to explain about the invitation. I assume the gentleman realizes that the last session of Congress extended the invitation. At that time Senator Barkley, then Vice President of the United States, was president of the American group.

The SPEAKER. The time of the gentleman from Iowa has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the gentleman 3 additional minutes.

Mr. COOLEY. Senator FERGUSON, who has recently been elected president, extended the invitation to the Interparliamentary Union. It was all contingent upon the authorization now being presented and the appropriation which we assume will hereafter be made. The invitation has been extended tentatively and tentatively it has been accepted. It was extended by unanimous vote of both Houses of the Congress at the last session. This is to consummate the transaction and to go through with the conference. I think it would be very, very unfortunate if this Congress should refuse to appropriate this small amount of money to entertain probably 400 delegates and their wives, as well as the other

members of the staff that will come to this country.

Mr. GROSS. I will say to the gentleman from North Carolina that it is going to be more than unfortunate unless we start saving money in this country of ours. I recall a bill that was before the House a few days ago. An amendment was adopted to that bill that stopped the purchase of a $4,000 automobile for one of the officials here in the Capitol. I am not willing to go out here now and spend $150,000 on this kind of a fantastic enterprise.

Mr. COOLEY. We have spent more than a million dollars in the field of international relationships.

Mr. GROSS. The more reason why we should not be spending $150,000 here. We are spending some $25 million or 35 percent of the cost of the United Nations. Why all of these international organizations of one stripe and another?

Mr. COOLEY. This is the first time this organization has been invited to America in 26 years during the entire life of the organization which extends over 60 years.

Mr. GROSS. This is not the time to invite them here when we have $270 billion of debt, and back-breaking taxes, as high as are being paid anywhere in the world.

Mr. Speaker, I am not for this. I will get more time later.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H. J. Res. 234) authorizing an appropriation to defray the expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Joint Resolution 234, with Mr. REES of Kansas in the chair.

The Clerk read the title of the joint resolution.

By unanimous consent, the first reading of the joint resolution was dispensed with.

Mr. VORYS. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, this Interparliamentary Union is one of the oldest international organizations extant and is the oldest or second oldest peace organization in the world. It was founded under American auspices. They have met only once in the United States up to this time, and that was in 1926, when that great Ohioan, Hon. Theodore Burton, was the head of the organization and made the arrangements so that they could hold their international meeting in the House Chamber. A year ago the Congress once more extended an invitation so that we would take our turn 27 years later in being host.

Meetings have been held abroad, as I understand it, about 41 times. It has only been my privilege to attend one of these meetings, and that was in Cairo, Egypt, in 1947. I can assure you that it is a most important meeting, not of a diplomatic character, but of a parliamentary character. Those who go to these meetings are not selected by the heads of government to represent the chief of state or the king or the president of a country as is a diplomat. They are selected by their own parliaments, their chambers of deputies, their congresses. There are representatives of both majority and minority parties there. So that we have a most significant thing taking place, a discussion by people's representatives from all over the world. At this time when representative government is on trial all over the world it is most significant that we should implement this invitation and bring this group to meet right here in the Halls of Congress.

The committee has added two amendments to the Reed bill. I expect to call on the vice president of the American group, the author of this bill, in just a minute, to explain it further. The two amendments have to do first with the method of accounting. We put in the accounting regulations that are provided for the American group of the Interparliamentary Union, because we felt it was unnecessary to have any executive group double check what this strictly congressional organization did.

Mr. CHIPERFIELD. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield to our distinguished chairman.

Mr. CHIPERFIELD. I simply want to express my complete approval of this resolution.

Mr. VORYS. The second amendment has already been referred to. We felt that it would be only proper that some of the redtape details, the fingerprinting, and so forth, that are provided under our immigration laws, should not be applied to these members of parliaments coming to this country, just as we would not expect to have such immigration regulations applied to us if we went to another country. We treat these people, as far as their entry is concerned, in a way similar to the way we treat diplomats who come into this country. They do not have diplomatic immunity, and other provisions of our immigration laws are not waived, but we offer them the courteous, hospitable treatment that we offer visiting diplomats, because we want to do our part in making this a meeting where people's representatives will come here, will discuss their problems, and will go away with renewed faith in representative government, with new devotion to the ways of peace and with renewed respect and, we hope, affection for this great country of ours.

Mr. Chairman, I yield 15 minutes to the distinguished gentleman from New York, the Vice President of the American group and the author of this bill, Mr. REED.

Mr. REED of New York. Mr. Chairman, I have listened with great interest to the brief discussion of the bill. I regret that the remarks made by those opposed to it should become part of the permanent record of this debate. The emphasis is placed on the $150,000, as though it were $150 billion. If it were that we probably could pass this by unanimous consent.

It has been said here by the gentleman in charge of this joint resolution, the gentleman from Ohio (Mr. VORYS), that this is the second oldest peace organization in the world. Inasmuch as we are discussing two great peace organizations, I am going to discuss for just a few moments something of the first peace organization, known as the Olympic Games.

That organization was first initiated 776 years before the Saviour walked the streets of Galilee.

Greece was composed of a lot of city states, innumerable communities, each under its own government. When they met in that early day for their religious festivals, including these games, it was then that unity started in Greece, unity in their language and their ideals.

Those games became so popular every 4 years that they established the custom that every time the games were to be held, for over a month, and they kept increasing it through the years, there should be no war, there should be no conflicts, and those were the days of many conflicts. They even held it so sacred that when Sparta violated the rule she finally had to pay a large fine and her athletes were deprived of the privilege of entering the games. Alexander's soldiers interfered with some of the men who were coming from a far distance to those games. He was Alexander the Great, yet he made an abject apology and paid a large fine and such a transgression never occurred again. They took great pride in those games. It was a cultural organization. It developed not only the young men, but it brought about the first ancient semblance of representative government because each of these innumerable communities were proud to have their athletes go to these games. They each organized a council and those councils met to manage the games. The result was that there was the germ of representative government way back in 776 B. C., when they were getting together to organize this great peace organization. There were the seeds of two things initiated important to us today, down through the years the games were held every 4 years until they finally came down to 1896. They were building up the ideal and fine spirit of the Greeks to be an example to the rest of the world. The Greek spirit pervades almost every organization and every human heart in the world. We owe much to that country and to its fine citizens. Those games finally led to the ideals that found expression in the golden age of Pericles. It was Pericles who would take the young men down into the open spaces and pointing to the Parthenon, the most beautiful architectural gem of history, and say, "I would have you day after day cast your eyes upon the greatness of Athens until you become filled with love of her and when you are impressed with the spectacle of her glory remember that it was acquired by men who knew their duty and who had the courage to do it. And before they became

full-fledged citizens, they took the beautiful Athenian oath:

We will never bring disgrace to this, our city, by any act of dishonesty or cowardice. We will fight for the ideals and the sacred things of the city both alone and with many. We will revere and obey the city's laws and we will do our best to incite a like reverence in those who are above us who are prone to annul them or set them at nought. We will strive increasingly to quicken the public sense of civic duty. Thus, in all these ways, we will transmit this city not only not less but greater, better, and more beautiful than it was transmitted to us.

That has come down through the ages as an ideal. When I was a student at Cornell in 1896, the youth of my age all over the country were watching one of the great celebrations in Greece, in Athens. Every civilized nation including our own was invited to send its best athletes there. We sent our athletes. On the day that the games were to start, there were great athletes from all of the civilized countries of the world participating. They established a rule that when the athletes of a country won an event, it should have the privilege of running its flag up on the flagpole. For 4 days, Old Glory's folds swept the breeze, until finally one old Greek held up his hands in mock despair to say, "Oh, why did Columbus discover that country?" Then came the final dramatic event, the great marathon race of 28 miles over hilly and stony roads, a course that an ancient runner, in the early days, more than 2,000 years before, had raced from the battlefield of Marathon to Athens and then fell dead with the word "victory" on his lips. When those games started in Athens in 1896 they established a rule that when the first runner appeared on the horizon the shot of a canon would announce it. Along the historic highway people had come, old people being wheeled in wheelbarrows, bringing their lunches, until there were 200,000 persons on either side of that highway. The stadium was filled with 100,000 people.

Here was a dramatic event. And I hope that you boys on the floor will take it home with you; I say "boys," because you are boys, compared with me.

An old peasant and his son came into the stadium and knelt down in the presence of 100,000 people and invoked the blessings of the gods, that Loues, the peasant boy, might win. Then he went on, and the old father, unable to express himself, as many otherwise might have done, said, "Son, if you do not win this race, never darken your father's door again."

Loues was conveyed, with all the contesting athletes, out to the battlefield of Marathon.

Later every eye was fixed on that great avenue, peering for the first speck to appear on the horizon of that 28-mile course. There was a delay of several hours when suddenly a speck appeared coming on and on, until finally a rumor started, which grew louder and louder, down through that lane of 200,000 people, "It is a Greek." And then came Loues ahead of all of the runners. He dashed through that lane of human beings into the stadium. And then the great crowd swept down into the stadium, placed him on their shoulders, the band swung into line, Loues on the shoulders of the crowd, as you have seen in football games today.

Finally, the King sent for this peasant boy to praise him and to express his appreciation of what he had done, as an athlete, for the prestige of Greece.

Then a rich man approached this peasant boy and said, "Young man, you are a poor boy; I am a rich man. You need money and I am going to give you a large sum of money for running this marvelous race.

Then it was that this peasant boy, after this span of more than 2,000 years from a previous similar event looked that rich man squarely in the eye and said, "I am poor; I need money. But, sir, I ran not for money, I ran for the honor of my country and the glory of my race, all I ask is the laurel wreath my ancestors wore 2,000 years ago."

Men, you are making history on this floor. We are trying to unite nations and be friendly. This is not a case of peddling money out abroad. Here are these countries, these wonderful countries, these free countries, who have entertained our people for more than 41 different sessions. And they have had to sacrifice in order to do it.

One hundred and fifty thousand dollars. The richest country in the world. And would you stigmatize this gesture of friendship on the floor of this great legislative body?

These people—who are they who are coming? They are the representatives of their respective parliaments just as you are. Each Member on this floor is a member of the Interparliamentary Union. This Union was organized to bring about peace. It has not been dramatized as it might have been. But it is an inspiration and you will find it so when you see these outstanding parliamentarians who are coming here, leaders in their parliaments. And you think they do not work and discuss problems that are of interest to you?

Are we so self-sufficient and satisfied that we feel we cannot get either a spiritual or a parliamentary contribution from any nation on earth? It is ridiculous to be so self-sufficient. I hope there will be no more of these pinpricks on this floor in regard to this little bit of an appropriation, when these countries have entertained us over these years.

I have not the time to go into the fine, constructive work that has been done over the years since 1889. Over the years they have discussed budget problems that we have not yet solved. They have worked out the finest history of international law that can be found in this or any other country, except where their headquarters are in Geneva.

Mr. ALLEN of Illinois. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Illinois.

Mr. ALLEN of Illinois. I want to compliment the gentleman from New York for his splendid, his sincere, his very definite and precise speech. I feel as the gentleman does about this amount, $150,000. That would not cover the cost of 10 or 15 soldiers of our Army, because it costs about $11,000 a year to train and maintain each man in the Army, Navy, and Marine Corps.

I want to compliment the gentleman. I cannot conceive of anyone who would be opposed to bringing these representatives of many governments here, in order to work out peace problems.

Mr. REED of New York. How would we feel here, would we not hang our heads in shame, would we not resent it, if any one of these countries over there, in their debates, would indicate an indifference to our going there?

Why, men, let us not mar this proposition; let us show that we are big enough and fine enough to meet this challenge if these fine people come here. And what a spectacle it will be, the first time that there has been such a thing as a movie to register the spectacle of the delegates of 40 friendly nations assembled here with a hearing apparatus established here so that if you cannot understand French the official language in diplomatic sessions, but want to hear what the spokesmen of their nations are saying, you can press a button and immediately hear the English translation. I myself do not understand French. We have never had such a translation device here, but we are going to have these facilities when the Union meets here.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. GROSS. There are 59 foreign nations in addition to the United States in the United Nations representing these countries in New York every day of the year.

Mr. REED of New York. Well, what of it?

Mr. GROSS. Well—what of it.

Mr. REED of New York. That is it. Why throw this mud into this situation here. It is an idealistic principle involved in which every mother on earth is interested, and that is peace; and if we are to have peace, Mr. Chairman, it is going to be through the parliaments of the free nations of the earth, not through the executives of the nations. It is the men who are close to the heartbeats of the mothers who are sent to the parliamentary bodies of the respective nations that are eventually going to bring about peace; and who knows? This may be the first step to a solution of the problem.

Mr. Chairman, I yield back the balance of my time.

Mr. BATTLE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I am sure the membership will agree with me that it is very difficult to speak after a speech such as we just heard from the gentleman from New York. He has explained this situation so clearly, so forcefully, that it should need nothing further to convince any reasonable mind that it is the obligation, that it is the privilege, that it is an opportunity for the United States to bring these organizations here to the Capital of this Nation and to try to show them firsthand the workings of a great democracy.

We have spent many many millions of dollars in worthy undertakings such

as the exchange of students, such as the exchange of information, such as the movement of various displays from one nation to another with the object of making the people of the nations of the world understand us and to enable us to understand them. We spend thousands of times as much money as is involved in this with no discussion at all. Then, why, why should this House of Representatives find itself in an argument about the question of whether we are going to provide for a direct mingling of the members of legislative groups when we are perfectly willing to allow many many times as much money to be spent to bring in the representatives of the executive departments, to bring in the representatives of some of the agencies to discuss their troubles? We are having meetings here in Washington all the time and you are paying the bill for them. We had a meeting here just a few months ago of the railroads of the world, a railroad meeting, and I believe the United States spent $150,000, the exact sum this resolution calls for here to entertain them. I would venture to guess there are not 30 Members out of the 435 of this House who knew there was such a meeting going on in Washington; yet we paid out of tax money a sum which I believe was exactly the same amount for entertaining that group that we are being called upon to authorize in this resolution. To me it is perfectly ridiculous to say that we can finance all of these groups provided they come here representing an administrative agency, but if we talk about bringing our peers here, if we talk about bringing the men and women who make the laws for other nations of the world over here, then we must pinch pennies, we must tell those people that we do not want them because we do not want to pay for their entertainment. Are we saying "We want you to feel free to come to our house, but do not stay for breakfast, please, because we have not too many eggs." That is what you are trying to tell the people of the rest of the world. We are saying to them: "We are glad to go over and to accept your hospitality for 29 long years, but we never want you to come to our house."

That is not the traditional American hospitality, that is not the way we practice it in our homes, and I hope the time will not come that we tell our neighboring nations we do not want them to come to our house because perchance we might have to pay the bill for the entertainment.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. REED of New York. Can the gentleman imagine anything worse in the way of propaganda than for us to decline or to argue here about this matter and have it go over into Russia? They can say to these people of the free countries: You see, America does not want you, they do not want to have anything to do with you, they do not want to spend $150,000 to entertain you.

Mr. POAGE. Already enough has been said here on this floor that I fear that it is going to hurt the United States seriously and it is going to be a club in the hands of the Communists. Our unhospitable attitude is far more dangerous to our safety than bringing in on a 30-day visa these visitors who are the elected representatives of the peoples of the world. We are ourselves placing the United States in jeopardy, not those people. If this country ever falls, it has been repeatedly said it is going to be from within rather than from without. If we ever give the Communists the force that they need to spread their propaganda, it is going to be because of what we do or refuse to do, not because of what somebody from the outside does.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VORYS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I do not rise at this time to discuss the merits or demerits of this resolution, but I do want to make some suggestions which I hope will be timely. I wonder how many Members of the House of Representatives know that by virtue of the fact they are Members of the Congress they are automatically members of the Interparliamentary Union?

When I first became a Member of this House some 11 years ago due notice was given to all Members of the House of the convening of the United States branch of the Interparliamentary Union here in Washington. Those meetings were held for the purpose of selecting delegates to the Interparliamentary Union, held in different parts of the world. For some strange reason, during recent years, there has been no adequate notice given to Members of the meetings called to select delegates.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. I yield to the gentleman from New York.

Mr. REED of New York. I put a notice in the CONGRESSIONAL RECORD, on the first page, so that you had ample notice.

Mr. HOEVEN. I recall the time, since my service here when verbal notice was given to Members of meetings held in the Capitol for the purpose of selecting delegates to the Interparliamentary Union meetings held throughout the world. That has been done in the past, and I do hope that in the future due notice, orally and in writing, will be given to all Members of the Congress of meetings which are held for the purpose of selecting delegates. I say this in all kindness, the people who have been attending Interparliamentary Union meetings outside the United States are personal friends of mine and I do not begrudge them a single thing. I do think however that it is ultimately fair and proper to have meetings for the selection of delegates held in a democratic way so all Members of the Congress may attend these meetings and have a direct voice in choosing delegates.

If proper notice is given, I think many Members would participate. I do not think it is quite fair to have the same group attend these meetings year after year. They are chosen more or less in secret without the knowledge of most of the Members of the House.

Mr. BATTLE. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I am prompted to impose myself on you by the statements of my friend from Iowa. Actually no meeting of the American group has ever been held except following a public notice given here on the floor of the House and on the floor of the Senate. No secret meeting of the group has ever been held, certainly, since I have been attending these meetings, and that began back in 1946.

I can say this, that we have been amazed sometimes at the little interest that has been evidenced in this great organization, and on numerous occasions when the American delegates were being selected to attend these conferences, actually we have had to go out and recruit people to go so that we would have a representative delegation attending these important conferences. I know the gentleman from Ohio [Mr. VORYS], the chairman of the Committee on Foreign Affairs, went with me to the first meeting that I attended in Cairo. Certainly there has been no purpose on the part of any member of the American group to keep this thing secret. Actually we have urged and recruited people to attend the group meetings.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. I simply contend that if proper notice is given to the membership of the House in writing or verbally from the well of this House, and not alone by an insertion of a notice in the RECORD, you will have a much larger meeting of Members to elect delegates. I think the gentleman, in all fairness, well knows that only a handful of Members meet to select the delegates.

Mr. COOLEY. No, no.

Mr. HOEVEN. Yes.

Mr. COOLEY. Let me interrupt.

Mr. HOEVEN. If you will take the list of delegates to the various Interparliamentary Union meetings throughout the past 10 years, you will find there is much duplication. I have been told that meetings to select delegates are rather hush-hush meetings and as a result the same group attends practically all the meetings. I do think that hereafter there should be full and complete notices given to every Member in writing, so that all can attend the meetings, and have a voice in the selection of delegates to attend the various meetings throughout the world.

Mr. COOLEY. On each occasion public notice has been given. If the gentleman did not read it in the RECORD, it certainly is not the fault of any Member of the group. I know the gentleman from New York [Mr. REED] made the statement on the floor of the House, and it was published in the RECORD.

Mr. HOEVEN. Just a moment. I do not think the gentleman from New York made an announcement from the well of the House. I ask the gentleman from New York [Mr. REED]?

Mr. REED of New York. I cannot recall, but I know this, I put it on the front page of the RECORD.

Mr. COOLEY. On prior occasions I have been requested by the president of the group to make the announcement here on the floor of the House, and I am certain that every announcement that I have made has been made right from the well of the House. The gentleman is just as much a part of this organization as any other Member of the House.

Mr. HOEVEN. That is what I am contending for.

Mr. COOLEY. And if the gentleman had indicated an interest in it at any time to former Vice President Barkley, I am certain he would have known about meetings, or to Dr. Dunham, the secretary, he would have been advised. Certainly, there is no reason on earth for the President, the Vice President, Senator FERGUSON, or Representative REED, or any other member of the executive committee to keep anything at all secret about the meetings. The selection of the delegates has always been left up to the president of the American group. It is the only way you could do it efficiently. I dare say that when they are selected this time to attend this conference here in Washington the group will meet and authorize Senator FERGUSON to name delegates, and he usually names those whom he knows to be interested in the affairs of the Union.

Mr. HOEVEN. That is the very thing I am getting at. There should be no necessity of any Member of the House going to Senator FERGUSON or anybody else to ask for permission to be a delegate. In the democratic way, the membership should be advised of the meetings which they can attend if they desire and help in the selection of delegates, and not have the job done through a few individuals.

Mr. COOLEY. The gentleman has misunderstood me. I say usually the group leaves it to the president of the American group to select the delegates. Frequently it has been necessary for him to go out and recruit delegates and urge them to go.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Ohio.

Mr. VORYS. This has been an interesting colloquy as to how much and how vigorous and how extended public notice should be given about meetings in other years to select delegates, and so forth. It may be enlightening for that, but it seems to me it would be well for the committee to bear in mind that what we are talking about now is a proposition where this House, every Member of which is a member of the Interparlimentary Union, has extended an invitation to the representatives of 40 nations to come here. That is what we are talking about, not about when we go away. It is an immediate problem. Today Senator FERGUSON received a cable trying to find out whether our invitation would be implemented by a provision to accept them if these people came. It seems to me we had better get our mind on the target, and that is getting ready to have this meeting this fall.

Mr. COOLEY. The gentleman is exactly right. It is of great importance that we go forward with this authorization and the appropriation which it calls for. These people coming from all parts of the world will have to make hotel reservations here. They will have to make their transportation reservations, either by plane or ship, to come here for the meeting in October. It is not easy at all times for them to find convenient transportation to Washington from all parts of the world.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Tennessee.

Mr. SUTTON. House Joint Resolution 234 calls for $150,000?

Mr. COOLEY. That is right.

Mr. SUTTON. May I ask the chairman of my committee, a distinguished member of the Interparliamentary Union, if this is only $150,000? I personally do not believe in junket trips and have never been on one. Does not the gentleman think it would save the taxpayers money to spend this $150,000, and let the members of the Union come over here, rather than let our people go abroad on junket trips?

Mr. COOLEY. I think the item is negligible.

Mr. SUTTON. It would actually cost more if we had these meetings some place else and let our delegates go over there.

Mr. COOLEY. This would afford all the Members of the House an opportunity to attend these meetings, to meet the members of parliaments from 40-odd nations, and not only to attend the business sessions where we discuss matters of world importance but to have the social contacts you would have with the others who will accompany the delegates here. There will be probably 400 delegates, each one to be accompanied by his wife or some member of his family. I think it is a grand opportunity for us to give these members of parliaments an opportunity to see this democracy as we know it, to visit in our homes, to go into our States and our districts and to become acquainted with our people and our problems. I think it is a very negligible amount when related to other expenses, which go into the millions and the tens of millions, such as for the Voice of America, and many other programs like those mentioned by my colleague from Texas [Mr. POAGE].

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. WAINWRIGHT. Will the money be used for transportation of the delegates and for their entertainment while they are here?

Mr. COOLEY. It is just to provide the facilities necessary to conduct the conference and to provide entertainment of the guests while they are here. They usually have one day free when they have an excursion of some kind. In these other countries where the public utilities are owned by the Government, they have always put their utilities at the disposal of the visiting delegates. For instance, where the railroads are controlled by the governments, they have given the delegates passes on the railroads. That cannot be done here because of our peculiar setup. I doubt if the railroads and the transportation lines generally would even make concessions, but we will have to do something to entertain them. I think in Turkey, in Istanbul, they spent about $150,000 in that little country entertaining the delegates from all parts of the world.

Mr. WAINWRIGHT. The point I was trying to raise and to make it clear for the Committee is that these people pay their own way here.

Mr. COOLEY. Yes; they pay their own way here. They pay their own hotel expenses and other expenses. Nobody can make an accurate budget as to what this would actually cost, but we hope to keep it within the $150,000.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. GROSS. Does the Interparliamentary Union report to the Congress? Is the report of the Interparliamentary Union printed in the CONGRESSIONAL RECORD?

Mr. COOLEY. No; the proceedings come out in bound volumes. They are quite sizable books. They are available in the Congressional Library. I am sure they will be available to the gentleman. If the gentleman wants to communicate with Dr. Franklin Dunham, the secretary to the American group, he can get the information he desires.

Mr. GROSS. That leads me to another question. Who is Dr. Franklin Dunham?

Mr. COOLEY. He is the secretary to the American group.

Mr. GROSS. Where is he located?

Mr. COOLEY. In Washington.

Mr. GROSS. Where in Washington? What other job does he have?

Mr. COOLEY. I do not know. He is with the Bureau of Education, I think, in some capacity.

Mr. GROSS. He is in Oscar Ewing's old setup, is he not?

Mr. COOLEY. No, I do not think so.

Mr. GROSS. He is in what was the old FSA, I will tell the gentleman if he does not know.

Mr. COOLEY. Why is the gentleman asking me about it, if he already knows where he is?

Mr. GROSS. I was just wondering if the gentleman knew. He is one of the officials of this organization, and I was just wondering if he knew where his executive secretary came from.

Mr. COOLEY. Yes, he is right here in the city of Washington, I think that is where you will find him.

Mr. GROSS. Is he serving the FSA or is he serving the Interparliamentary Union?

Mr. COOLEY. If the gentleman would attend some of these meetings, he would know something about it. He does not even receive one dime of pay from the Interparliamentary Union. My understanding is he is not on any salary, and he does not receive any pay. He goes along as a member of the delegation to be of service to the delegates in connection with the conference.

Mr. GROSS. That is exactly the point. Is he serving the FSA or is he serving the Interparliamentary Union?

Mr. COOLEY. Ask him, I do not know.

Mr. GROSS. Well, that is just what I thought.

Mr. COOLEY. I told you he volunteered his services and is not being paid a cent to serve us at the meetings of the Union.

Mr. GROSS. This organization has no official publication, is that correct?

Mr. COOLEY. I say it is a book, a bound volume. All of its proceedings are printed in it. Everything is in the open, there is nothing secret about it. The gentleman has never been to but one of these meetings, I do not remember seeing him at one of the meetings except the last meeting. You have been welcome to any of the other meetings, and you are welcome to the next meeting. You are welcome to go to the conference. If you want me to, I will nominate you as a delegate to the conference.

Mr. GROSS. I am like 99.99 percent of the other Members of the Congress, I do not want to belong to any such organization.

Mr. COOLEY. The gentleman just said he did not know there was such an organization.

Mr. GROSS. That is until last year.

Mr. COOLEY. It is listed in the Congressional Directory. In the Directory you will see the names of the officers. And the gentleman from New York [Mr. REED] has one of the bound volumes of the reports there on his desk. If the gentleman knew a little more about this organization, he would like it a little better.

Now, Mr. Chairman, if I may proceed, I have been on my feet for 15 minutes and I have not said a word about the organization.

Mr. Chairman, I think I can agree with the magnificent speech made by the very manly and magnificent gentleman from New York [Mr. REED] a moment ago. It was really a classic and I enjoyed listening to it. I think it would be very, very unfortunate if this Congress were to reject this resolution. Of course I do not anticipate it will be rejected, but I think it would be very embarrassing, not only to the present administration in power but it would be embarrassing to every Member of Congress if these guests are coming here grudgingly; if we are going to be so conservative in our provisions for them to come here, when they have been so liberal in their entertainment in the countries we have visited.

I think this is money well invested in the field of public relations. I think it is a negligible amount when compared to the great good that will be accomplished.

As the gentleman from New York [Mr. REED] said a moment ago, imagine having the representatives of the people, their duly elected Congressmen, to come here and sit down with us in our own legislative assembly hall and discuss common problems and to know something about our people. Then they could go back home and spread the gospel of democracy. They could go back home and disabuse the minds of some people who do not understand the operations of this great Government. But if we refuse to receive them, I can think of no better Soviet propaganda than to have the Soviets say to all those free people, "They did not want you in America. They invited you and then refused to receive you."

On this question of communism, I have come in contact with very few Communists in the meetings I have attended. We will probably have Communists here from Yugoslavia. The Speaker of the House of Parliament is the president of the Yugoslavia group, a very distinguished gentleman, who is not a member of the Communist Party. I think those countries will send their most distinguished statesmen here as delegates, because they will want to make a good impression, and we certainly should receive them in fine fashion so that we, too, might make a good impression.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. SADLAK. I wonder if the gentleman could tell us about the subjects on the agenda for this conference, which might be helpful for the membership.

May I also be so bold as to suggest to the gentleman from New York [Mr. REED] that in extending his remarks he would prepare something of the objectives and purposes of the Interparliamentary Union. I think the entire membership would appreciate that greatly.

Mr. COOLEY. I think the gentleman from New York [Mr. REED] has a very succinct statement pertaining to the history of the Interparliamentary Union which he placed in the RECORD some months ago. I think it would be well if he might reinsert that in his remarks today, because it would bring to the attention of the membership something of the history of this organization.

As to the agenda, I have in my file at least a tentative agenda which will be discussed.

Mr. Chairman, I conclude my remarks by expressing the hope that the Members of this House who are not entirely familiar with the Interparliamentary Union might become more familiar with it and take an interest in it and be here at the meeting in October to see these people who are coming here from all parts of the world. They are coming here because they are interested in a common problem. We have a community of interest in many great problems which will be discussed here in October. It gives us a grand opportunity to be worthy hosts to those who come to our shores in the autumn season.

While I am not at the moment able to present the agenda, I can assure you that it will concern matters of great international importance, and I hope that as many Members of Congress as can possibly attend will meet here in October to meet and to greet those who will be in attendance from the other countries of the free world. Our hospitality should be typical American hospitality and we should do everything possible to afford our guests an opportunity to learn something about our Nation. Perhaps only a few of the delegates who will be here in October have ever visited America before. I am certain that a very worthwhile program will be arranged. Mr. Chairman, I hope that this resolution will pass without a dissenting vote to the end that the members of the Interparliamentary Union will know that it is the unanimous desire of all Members of Congress that this important conference be held here in the Capital City of our great country.

Mr. BATTLE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, we spend so many billions of dollars on the theory of keeping peace in the world by being powerful and militarily strong enough to enforce the peace, that we ought to be willing to spend these comparatively small sums, in the interest of international peace and understanding, without its being expended through or by the Military Establishment or any connection therewith. Here is a well-established channel, for us to effectively expend this sum recommended by the unanimous vote of our distinguished Foreign Affairs Committee in order to have hundreds of distinguished men and women of foreign nations outside the Iron-Curtain nations come to our great Nation; and, who represent the grassroots of the citizenship in their respective nations. They are members of their respective national parliamentary and legislative bodies; the same as we are Members of this great legislative body. It is in the interest of world peace, comity, and good will and understanding; without there being any military about it. To me this is very, very good. Not that we are less aware of the absolute need of continuing to keep strong enough to resist aggressive military Communist domination; but, because it is clearly in the interest of world peace at the grassroots, where people make the destiny of their respective nations the same as we do.

There are men in this body who have come to Congress primarily and predominantly because they are interested in doing their full share toward the establishment of world and national conditions as will evolve a sound and enduring world peace. There are men in this great legislative body who know what it is to have already shared their own immediate kin in the struggle for a world condition such as will make it unnecessary for more of their children or grandchildren to give their lives while in the uniform of any of the freedom-loving nations of this old world. Perhaps I am one of them. I wish to challenge the thinking of you, my colleagues, for this further minute to the proposition that anything in God's world that we can do which is at all reasonable and sensible to get across to the peoples of the other freedom-loving nations of the world that we in America are predominantly doing whatever we are, wherever we are in the world, preeminently in the interest of world peace and understanding and good will, this is what we should do. That is what, in my humble judgment, makes this unanimous recommendation from our Foreign Affairs Committee a good

investment. I can think of no group of people that we can have come to our Nation's Capital and hold their meetings in this very House of Representatives' Legislative Hall, the Members of which group logically and fairly would be expected to return to their respective parliamentary and legislative bodies and their own nations with words and reports of good will and admiration for the way they have been treated and for the daily living and functioning of us as American citizens and as Members of this great American Congress. This visit from these distinguished and successful parliamentary representatives from other nations, and their wives from these 40 foreign nations, can mean a milestone in our search for a basis of enduring world peace. Let us treat it as such. Let us conclude that it will be such. Let us work and pray to this end.

Now may I make one other observation? As you know, Mr. Chairman, I am a member of the Armed Services Committee of this House, and also a member of the House Committee on Un-American Activities. Therefore, as it has been my official duty and benefit to go to certain parts of this world, I have made certain observations, and I have personally interviewed certain intelligence in many parts of this world with reference to matters of aggressive communism and likewise to infiltrating communism; both of which methods are acknowledged to be in use by the international Communist conspiracy and definitely designed to conquer the world economy and also to control the will of the world's people.

Therefore, I think of this parliamentary union coming to our Nation's Capital and our Nation's shores for a few weeks this late summer while the House is in adjournment as another and different and distinct—but nevertheless a very great opportunity for us as American citizens, of us also as Representatives of the American people, to further indelibly impress on each of these visiting legislators the fact that we are sincerely dedicated to the proposition that freedom is not only everybody's business; but that world freedom depends upon an actual world get-together which will permit of world peace.

Let us while they are here—and I wish to goodness we could all the time—so shape our thinking and our daily living and our daily activities, that it will result in them carrying home to their 40 different nations such an ineradicable impression of our sincerity; as well as of our courteous treatment of them, that they all will become active friends to counter the unjust, untrue, and unfounded attacks on the American way of life.

Many of these delegates attending this interparliamentary conference meeting in this very same legislative hall where we gather and deliberate from day to day, will come with their hearts and minds open to obtain whatever they can of actual facts and the literal truth as an American Nation. I say this, because I am dead sure that whenever our own legislative representatives have been sent officially by us to attend this international parliamentary conference which has been held annually for 26 years in other nations, our representatives have attended with their eyes and minds and hearts open to observe and learn and conclude whatever was fair and just about the delegates from other nations to those conferences. They also have observed with open minds whatever conditions they have noticed in these other nations where these other conferences have been annually held. Why then, should we have any thought that these other distinguished legislators from these other 40 nations will come to our Capital with less sincerity on their part than we have always had on ours. For one, Mr. Chairman, I am hoping that their coming to hold their important conference in our Nation's Capital will be a definite contribution toward us as individual Americans and toward us as a nation. There is much we as a great people need to learn. There is plenty of room for us as American people to make progress in the interest of solid and sound progress all along the line.

While it may seem elemental for me to now again remind you that the most necessary thing in the world is that there shall be a fairly immediate basis of world experience which will assure continuing world peace; nevertheless, I again do that very thing. I grant that you and I may feel that there has been serious and grievous human mistakes and errors in the area of our program and policy with reference to world peace. Be that as it may, nevertheless, it cannot change the ultimate fact that there is no room for any policy other than to continue to vigilantly, vigorously, and sincerely strive for a basis of enduring peace. Anything less than this would be to equivocate and hesitate. We must not hesitate to fight with our every resource, mental, spiritual, and physical, for the freedoms essential to dignified daily existence.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. DOYLE. I yield to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. May I express the fond hope that when we invite them over here it will not be at some time when we have a gag rule on individual Members.

Mr. DOYLE. The gentleman does not condemn any instance of gag rule on any individual Member or group more than I do; but, I am sure the gentleman agrees with me, that the essence of progress as a democracy, is the elimination of any unfairness, injustice or human factor which from time to time has possibly entered into the experience of the gentleman.

In closing these extemporaneous remarks, may I thank the gentleman from Alabama [Mr. BATTLE], a distinguished member of the Foreign Affairs Committee, for granting me these few minutes. Let us remember the written communication dated April 21, 1953, by our distinguished colleague, the gentleman from New York, DANIEL A. REED, to the chairman of the Committee on Foreign Affairs, which said in part:

> There is no doubt that these annual meetings of the parliamentarians from the free nations of the world, who are members of the Interparliamentary Union, constitute a powerful force for the creation of international good will, peace, and promulgation of freedom for mankind.

I am informed that he and another distinguished colleague, the gentleman from North Carolina [Mr. COOLEY], are both vice presidents of this great International Parliament and also that a distinguished Member of the United States Senate, Hon. HOMER FERGUSON, Senator from the State of Michigan, is this year the president of the conference. Certainly, therefore, we should have confidence that it will be worth much more to our Nation and to the people of the world than just the dollar cost.

The CHAIRMAN. There being no further requests for time, the Clerk will read the resolution for amendment.

The Clerk read as follows:

> Whereas the Interparliamentary Union has been invited, pursuant to Senate Concurrent Resolution 90 (82d Cong., 2d sess.), to hold its annual meeting for the year 1953 in Washington, D. C.; and
>
> Whereas it appears that the Interparliamentary Union will accept such invitation, and it is necessary that funds be made available to defray the expenses incident to such meeting: Therefore be it
>
> *Resolved, etc.*, That there is authorized to be appropriated the sum of $150,000, to be expended under such rules and regulations as the Secretary of State may prescribe, for the purpose of defraying the expenses incident to the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C.

With the following committee amendment:

> Page 2, strike out lines 1 to 4, inclusive, and down to and including the word "Columbia" in line 5, and insert the following: "$150,000 for the purpose of defraying the expenses incident to the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C. Funds appropriated pursuant to this authorization shall be disbursed on vouchers approved by the President and the executive secretary of the American Group of the Interparliamentary Union, and such approval shall be final and conclusive upon the accounting officers in the auditing of accounts incident to said annual meeting.
>
> "SEC. 2. Bona fide members of the Interparliamentary Union and members of their immediate families, may be issued without cost to them nonimmigrant visitors' visas under section 101 (a) (15) (B) of the Immigration and Nationality Act, and admitted into the United States notwithstanding section 212 (a) (28) of the said act for a period not exceeding 30 days to proceed as delegates to the annual meeting of the Union without being registered and fingerprinted, and shall, solely for the purpose of this act, be accorded the status defined in paragraph (A) (i) of section 101 (a) (15) of the Immigration and Nationality Act."

Mr. GROSS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

> Amendment offered by Mr. GROSS to the committee amendment: Page 2, line 5, strike out the figure "$150,000" and insert in lieu thereof the figure "$15,000."

Mr. GROSS. Mr. Chairman, we have listened to a series of specious arguments in behalf of this resolution. The Representative from Ohio [Mr. VORYS] stated that we should spend $150,000 to entertain these foreigners because representative government is on trial. Well, representative government has been on trial

in all of the history of the world. That is no justification for the expenditure of $150,000 at this time on top of the billions that we are spending and have been spending upon foreigners. There is just no justification for this sort of thing.

The gentleman from New York [Mr. REED] said it is one of the oldest peace organizations. And, I think he is probably correct, but being one of the oldest peace organizations, what has it accomplished?

Mr. REED of New York. Is the gentleman asking me?

Mr. GROSS. Yes, I am asking the gentleman or anyone else if there is any peace in the world today; if this organization has accomplished anything in that or any other direction. I hope the gentleman will be brief because I took no time in general debate.

Mr. REED of New York. I will say to the gentleman that there have been 8,000 peace treaties written in the last 3,500 years, and each one of them contained a clause that the peace shall be permanent. The average life of each was 2 years. But, I am telling you that that does not mean anything, unless the gentleman thinks that that is quite unimportant in the course of human events. We are working along idealistic lines of bringing about peace, and it means a long, hard battle, and you and I perhaps will be dead and gone——

Mr. GROSS. I cannot yield further, Mr. Chairman.

Mr. REED of New York. The gentleman does not want to yield further. He asks a question and he does not want an answer.

Mr. GROSS. Mr. Chairman, I decline to yield further. I am glad the gentleman agrees with me.

There is no peace, and this organization has contributed nothing, therefore, because we have no peace. The gentleman also says that this is the richest country in the world and therefore we can afford to ladle out money to every Tom, Dick, and Harry. The gentleman well knows—I do not have to tell him, because the gentleman well knows—that we are mired deeper in debt and taxes than any other country in the world or any combination of countries in the world.

Mr. REED of New York. You cannot charge to any votes of mine any of the boondoggling that has been going on, I will tell you that.

Mr. GROSS. Let me tell the gentleman this, if there ever was one appropriation made in the past to send this junketing outfit over to European countries——

Mr. REED of New York. The gentleman does not want the truth.

Mr. GROSS. Mr. Chairman, I decline to yield. The money that has been spent to send this junketing outfit around over Europe is certainly financing boondoggling, and I am sorry to say that the gentleman engaged in it.

Mr. REED of New York. Yes, and I paid most of my expenses.

Mr. GROSS. I do not yield. The gentleman can get his time later.

Mr. REED of New York. The gentleman does not want the truth.

Mr. GROSS. Mr. Chairman, I decline to yield. The gentleman can get his own time to state the truth as he sees it.

The gentleman from North Carolina [Mr. COOLEY] says there is little interest in this organization, and he is right about that. As I said a while ago, I am quite sure that 99⅘ percent of the Members of the House did not know that there was such an organization and certainly knew nothing about this proposed meeting. I did not know of this Interparliamentary Union business until a year ago when I questioned the appropriation at that time. Some of you will recall that I served notice in your meeting in March of this year that I would oppose your resolution and your appropriation.

Since the senior Senator from Michigan [Mr. FERGUSON] has been mentioned by others in this debate, I would like to quote him. In the Senate hearings on the State Department appropriation bill for 1954, the Senator from Michigan said—page 1475:

> Are we not building up a lot of organizations that meet for social purposes around the world and in the name of either a mission or a junket, depending on whether you took the trip? Do we not find that many of these organizations meet and wine and dine and end up doing nothing? Can you in these organizations show us some benefit to the American taxpayers?

The Senator from Michigan [Mr. FERGUSON] who is president of the American delegation to the Interparliamentary Union, also said this in the same hearings—page 1496:

> You see, we are interested in this so-called travel-expense item of the Government. It is creeping into every one of the budgets and it is getting to be enormous. We have to do something about it. The taxpayers cannot be paying the expense of travel that is going on.

I have offered this amendment in all good faith. I do not know of any reason why this organization should have $150,000 to spend on a meeting in Washington this fall, unless it is, perhaps, to do a lot of wining and dining.

Last year the meeting or the Interparliamentary Union was held in Berne, Switzerland, and let me call your attention to one resolution that was adopted there.

I am quoting now from a resolution adopted during the Berne meeting of the Interparliamentary Union in 1952.

> Considering that—
>
> Close collaboration between nations possessing democratic regimes is likely to reinforce the stability of world peace,
>
> That if such collaboration is to have its full effect, it will require certain sacrifices and certain compensations through a partial relinquishment of sovereignty—

Through a partial relinquishment of sovereignty.

> That the constitution of joint authorities, to which certain powers would be delegated, should therefore be encouraged, each country nevertheless retaining as many as possible—

Retaining as many as possible—

of the prerogatives of soverignty.

Proponents of this measure may get up here on the floor and tell you that the American delegation abstained from voting on this resolution, but I find no evidence of any walkout or even serious objection on the part of the American delegation.

In other words, what this resolution says in plain language is that the price Americans must pay for so-called international cooperation is a surrender of some of our priceless sovereignty.

Last year's American delegation to the Interparliamentary Union in Switzerland ought to have walked out when that resolution was adopted and served notice they would never be back. But they did nothing of the sort. Let me ask Members of the House this question: What sovereignty on the part of your people have you been instructed to yield to any aggregation of foreigners?

I suggest that Members of the House get a copy of the resolutions adopted last year and a further report of that meeting as contained in the Winter, 1952, World Affairs, which is apparently an official publication for the American delegation to the Interparliamentary Union.

Mr. Chairman, I believe it would be well to insert at this point the names of the Members of Congress who attended last year's meeting in Switzerland. As set forth by World Affairs, they were: Senators Connally, Wiley, Smith, Douglas, Robertson, Green, Underwood, Brewster, and Kefauver. Members of the House were: Representatives Cooley, Gore, Boggs, Lucas, Poage, Reed, and Talle.

Yes, read the report prepared by Dr. Franklin Dunham, one of Oscar Ewing's boys down in the old Federal Security Administration. One of the editors of this publication, World Affairs, is Charles G. Fenwick. If you want to know more about Charles G. Fenwick, go over to the House Un-American Activities Committee.

What I want to do is to cut this appropriation to $15,000; in other words, cut it down to size, and then next year wind up this Interparliamentary Union business that has contributed nothing to the welfare of the United States of America and threatens to do all of us damage.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. The gentleman is not in favor of this, and does not think it does any good. Why give them anything? Why be ridiculous about it?

Mr. GROSS. The gentleman should know that an invitation was extended to these foreigners a year ago, and Congress approved it. I do not think it is being ridiculous to let them proceed with $15,000 and then fold them up. Fifteen thousand dollars ought to be enough to entertain 400 people for a few days.

Mr. Chairman, I hope the amendment is adopted.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. VORYS].

Mr. VORYS. Mr. Chairman, the Congress, serving under the oldest constitutional government in the world, has invited 40 nations to send their people's elected representatives to Washington. The proposition in this amendment is that we give them a Wimpy dinner. You know, Wimpy says, "I'm having you to a duck dinner; you bring the duck." The amount proposed in this amendment, cutting the bill to one-tenth, would hold us up to ridicule to the whole world.

It is not proposed that we furnish accommodations to any of these people.

It is said that this organization has not brought peace. If we were assured of peace, if this organization could guarantee peace, that would be one thing. But we are in a troubled, naughty world, and we should lose no opportunity to advance the cause of peace. This is a good opportunity; we should not default on it.

We certainly would, by adopting this ridiculous amendment, turn back the cause of peace and heap ridicule upon the representatives of the United States.

I should like to add that this casts aspersions on Senator FERGUSON, the president of the American group, who will approve the vouchers. He is certainly going to make sure that we make no unnecessary expenditures.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. VORYS. I yield.

Mr. REED of New York. Yes; and it casts aspersions on the late, much beloved Senator Smith, whose heart was wrapped up in this work. I want to say this—I do not like to say it—but I think this has been a demonstration here on the part of some of the men that the human mind has infinite resources for resisting the introduction of knowledge.

Open a page of this book and look at the great studies that are going on the year round by this organization.

Codification of World Laws—a monumental work. We did not pay for it.

Neutrality assistance.

Manufacture and trade in arms.

World economic solidarity.

The most-favored-nation clause.

We are wrestling with these problems here. They have done more work, these parliaments, in studying the proper type of budget; but what have we done? Are we satisfied with our budget? Can we learn nothing at all from any of these great students who are coming here—many of them professors, many of them distinguished senators, many of them members of their lower house—the distinguished senator from Finland, the one country that has a moral standard of which the whole world can be proud. There is the work that has been done to organize the Hague Conference.

I do not want to be critical, but we are standing here in this great body before the world. We are talking about entertaining 40 nations and their delegates, more than 400 of them who are coming here. I am just amazed at this proposal of $15,000. Is that the measure of our interest in world events? I should not think so, when I consider the billions of boondoggling that has been poured into the coffers abroad.

Here is an ideal organization, trying to do work. I know what our President thinks about it, for I mentioned it to him at a conference. He thinks well of this organization. I know how he would feel when he is dealing with foreign affairs, to have this go out to the world—"$15 and bring your lunch." A fine thing, isn't it? We ought to be proud of that record.

Mr. VORYS. Mr. Chairman, I suggest that we vote down this amendment and get on with the work we have before us.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS] to the committee amendment.

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 7, noes 124.

So the amendment was rejected.

Mr. SUTTON. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SUTTON as an amendment to the committee amendment: On page 2, line 10, after the word "President" strike out "the executive secretary" and insert "first and second vice presidents."

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would have no objection if it were the desire of the membership of the House to let Senator FERGUSON alone pass upon these accounts. It seems to me we are going a long way out of the way of orderly organization to require the president of an organization, then the first vice president, then the second vice president, all to certify to accounts. The reason for naming an executive secretary is simply to enable the president to have some help in handling these things and to have that executive secretary, who is supposed to be doing the detail work, to be presenting figures to the president and then the president in turn actually certifies to them. If you do not want the executive secretary certification, that is one thing. I do not know that it adds anything one way or the other. There is no sense in burdening this procedure with 3 separate certifications so that you cannot get anything done until you pass it around to 3 different men who may be in various parts of the United States.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Tennessee.

Mr. SUTTON. Of course, this is approved by the president and the executive secretary, which I interpret to mean approved by either one.

Mr. POAGE. No; it means by both.

Mr. SUTTON. In a case like that you would have to have approval of both of them. Why not make it by Members of Congress who are involved in this instead of going outside of the Interparliamentary Union which I know nothing about because I have not been on a junket trip yet in the 6 years I have been here.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from New York.

Mr. REED of New York. May I say that I certainly have no desire to be on anything where I have to sign vouchers.

Mr. POAGE. Certainly not.

Mr. REED of New York. I have vouchers enough to sign as it is.

Mr. POAGE. If you put this amendment in this bill and make 3 men sign every voucher, your 3 men are going to be away in different parts of the United States. It is simply going to add to the burden. We are perfectly willing to trust Senator FERGUSON, Mr. REED of New York, and Mr. COOLEY of North Carolina, but to require all three to certify to every expenditure it seems to me to be entirely impractical.

Mr. VORYS. Mr. Chairman, I have a substitute for the Sutton amendment which I offer.

The CHAIRMAN. The gentleman is offering a substitute in the third degree, which is out of order.

Mr. VORYS. I thought the substitute would be in order.

The CHAIRMAN. In the opinion of the Chair, the gentleman's amendment as a substitute is not in order.

Mr. SUTTON. Mr. Chairman, I ask unanimous consent that the gentleman's amendment be read for the information of the Committee.

The CHAIRMAN. If there is no objection, the request will be granted and the proposed substitute amendment will be read.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. VORYS: Strike out the Sutton amendment and insert after the word "by" in line 10 the word "both."

Mr. VORYS. Mr. Chairman, I hope the gentleman will accept this substitute which he will have the right to do and make it clear that both the president and the executive secretary shall sign the vouchers. In that way we will get away from the possibility of having 3 different people working on this. If you are going to have 3 why not make it the whole executive committee. They might feel hurt if you did not put them all in there and there might be a long time elapse getting the voucher signed. My suggested amendment I think would carry out the intention of the gentleman.

Mr. SUTTON. The president or either one of the officers could O. K. That was the intention of my amendment. The reason for my amendment was to do away with the accusation that the gentleman from Iowa [Mr. GROSS] had made of an executive secretary signing these things and he is not a Member.

The CHAIRMAN. Does the gentleman from Tennessee withdraw his amendment?

Mr. SUTTON. Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. VORYS. Mr. Chairman, I ask unanimous consent to amend my amendment by striking out the reference to the Sutton amendment and putting in the word "both" after the word "by" in line 10.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The CHAIRMAN. The Clerk will report the amendment as modified.

The Clerk read as follows:

Amendment offered by Mr. VORYS to the committee amendment: Insert after "by" on line 10 the word "both."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. VORYS].

The amendment was agreed to.

Mr. BENDER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this may be relatively unimportant to most of you, but it is important to me. It rather rankles me to hear anyone refer to the Congress as the upper and the lower House. The gentleman from Tennessee [Mr. SUTTON] referred to this body as the lower House.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Tennessee.

Mr. SUTTON. I did not refer to this body as the lower House. I said "upper and lower House." Now, you can draw your own inference.

Mr. BENDER. Of course, I refuse to concede that this is the lower House. As a matter of fact, at one time in the history of our country the Senate met on one floor and the House of Representatives met on another floor temporarily. Some person referring to this arrangement distinguished the two as the upper and the lower House. Of course, since that time, occasionally folks have taken the liberty to describe us as the lower House. This, of course, is not the lower House. This is one of the two Houses of the Congress, and I hope that hereafter we will at least, on the floor of the House, not make the mistake of referring to ourselves as the lower House.

Mr. CORBETT. Mr. Chairman, will the gentleman yield?

Mr. BENDER. I yield to the gentleman from Pennsylvania.

Mr. CORBETT. I think it is pretty clear on matters of appropriation which is the upper and which is the lower House.

Mr. SUTTON. Mr. Chairman, will the gentleman yield further?

Mr. BENDER. I yield.

Mr. SUTTON. I might say at the present time I consider this the upper House. After 1954 I will consider the other the upper House.

Mr. BENDER. I am sure they will both be upper Houses so far as the Republicans are concerned.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 2, line 8, following the word "Columbia", insert a comma and the following: "*Provided, however,* That no funds appropriated under this House joint resolution shall be used to defray the expenses of the representatives of any foreign government in any manner in connection with this annual meeting."

Mr. GROSS. Mr. Chairman, I was interested and surprised a moment ago by the remark made by the gentleman from New York [Mr. REED] that this resolution has the support of the President. This measure may have the support of the President, and I am sure there is an excess-profits-tax bill kicking around here somewhere that also has the support of the President.

Mr. Chairman, this amendment provides that no funds appropriated under this joint resolution shall be used to defray the expenses of the representatives of any foreign government, that is, to haul them over here, by plane or otherwise, in any manner in connection with this Interparliamentary Union meeting in Washington. On that score let me point out that through the years there has been expended on American delegates some $670,000 for this junketing Interparliamentary Union. That is in direct appropriations, in cash, out of the taxpayers' pockets. But what you do not see in connection with this item of expense in sending these "good-time Charlies" overseas is the bill that is rolled up by way of using military and State Department planes, particularly Air Force planes, to haul these delegates across to Europe every year. I want to stop this business. We have been paying the bill for these American junketeers, and I want to make certain our taxpayers do not pay the freight for the foreigners coming this way. That is all my amendment does. I hope you will support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa to the committee amendment.

The question was taken; and on a division (demanded by Mr. VORYS) there were—ayes 2, noes 93.

So the amendment to the committee amendment was rejected.

Mr. GROSS. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS to the committee amendment: On page 2, line 11, after the comma following the word "Union", strike out the remainder of that line and all of lines 12, 13, and 14, and insert in lieu thereof the following: "and a record of the disbursement of all funds hereby appropriated, together with vouchers issued for the same, shall be submitted for audit to the General Accounting Office not more than 30 days following said annual meeting."

Mr. GROSS. Mr. Chairman, as the joint resolution presently reads:

Funds appropriated pursuant to this authorization shall be disbursed on vouchers approved by the President and the executive secretary of the American group of the Interparliamentary Union, and such approval shall be final and conclusive upon the accounting officers in the auditing of accounts incident to said annual meeting.

Here you would issue a blank check for $150,000 and turn it over to this group to spend, with no other accounting of the expenditures. I am not for it. I insist there should be an accounting of this fund by the General Accounting Office so that all of us can take a look at it later on if we feel that we want to. I have offered my amendment to do just that and I hope you will support it.

Mr. VORYS. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Chairman, the proposal in this amendment is that Congress should turn over to the General Accounting Office, a creature of Congress, the conscience of Congress on a congressional activity. It seems to me we can trust the officers of the American group of the Interparliamentary Union to act honestly in accordance with the law regulating the accounting procedure for this organization, which has been on the books for some years and which is copied in this act. I ask that the amendment be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa to the committee amendment.

The amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Under the rule, the committee rises.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. REES of Kansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H. J. Res. 234) authorizing an appropriation to defray the expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C., pursuant to House Resolution 274, he reported the joint resolution back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The joint resolution was agreed to, and a motion to reconsider was laid on the table.

VETERANS' AFFAIRS OFFICE IN PHILIPPINES

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 302 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3884) to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines. After general debate, which shall be confined to the bill and shall con-

tinue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except 1 motion to recommit.

Mr. NICHOLSON. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. Speaker, this bill makes in order the bill (H. R. 3884) to continue the offices of the Veterans' Administration in the Philippines. It has been recommended that this office be done away with in 1960. It will not be abolished until 1954, as the law now stands, but this bill is being brought up now so that the bureaus can get their affairs in shape. So far as I know, Mr. Speaker, no one has asked for time on this side, and I reserve the balance of my time.

Mr. PRIEST. Mr. Speaker, as the gentleman from Massachusetts [Mr. NICHOLSON] has stated, this rule would make in order consideration of the bill H. R. 3884, which seems to be a bill that should be considered and enacted by the House at this time.

I know of no opposition to the rule and I have no requests for time on this side.

Mr. NICHOLSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

AGRICULTURAL COMMODITIES FOR RELIEF PURPOSES — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 202)

The SPEAKER laid before the House the following message from the President of the United States which was read by the Clerk and referred to the Committee on Agriculture and ordered printed:

To the Congress of the United States:

Because of the great productivity of our farms, the people of the United States have been able, on several occasions in recent years, to come to the aid of friendly countries faced with famine. In 1951 agricultural supplies were provided to India, and only recently wheat has been made available to the people of Pakistan. In both instances, we were able to provide assistance in meeting famine or other urgent relief requirements by using stocks of commodities held by the Commodity Credit Corporation. On each of these occasions the Congress has been forced to add consideration of these emergency programs to its very heavy workload. This procedure not only adds to the congressional burden but also slows the speed with which this Government can come to the assistance of a Nation urgently needing relief.

I therefore believe it advisable to have general legislation which, within appropriate limitations, would permit the President to meet these situations. The legislation I am requesting would give the President the authority to utilize agricultural commodities held by this Government, but it would limit that authority to meet only the occasional needs arising from famine or other urgent relief requirements.

The objectives of such a program are not to be confused with the principal objective of our mutual security program. The mutual security program aims at promoting the long-range security of the United States by assisting our friends to strengthen their long-range economic and defensive capabilities. The program I am now proposing aims at mitigating the hard blows of unusual and urgent emergencies.

Since we cannot adequately foresee the specific needs to be met under the legislation I am requesting, we cannot now determine the most effective and equitable conditions under which such assistance may be rendered in a particular situation. Consequently, I am requesting authority to establish, when the need arises, the terms and conditions under which these argricultural commodities shall be made available.

In order that there may be a minimum of delay in assisting nations stricken with famine or having other urgent relief requirements, I am requesting that the Commodity Credit Corporation be given authority to make available from its stocks the necessary agricultural commodities to meet these emergency needs. To prevent impairment of the operations of the Commodity Credit Corporation, and to permit necessary budgetary adjustments, I am recommending an authorization to reimburse the Commodity Credit Corporation to the extent of its investment in commodities furnished by it, plus any other costs, including interest, which it may incur in carrying out programs authorized under this act. When the costs of any programs carried out under terms of this act can be ascertained, the Congress will be asked to appropriate the necessary funds to reimburse the Commodity Credit Corporation. I further propose that the authority to undertake programs of famine and other urgent relief assistance under this legislation expire on June 30, 1955.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *June 30, 1953.*

OFFICE OF VETERANS' AFFAIRS IN REPUBLIC OF PHILIPPINES

Mrs. ROGERS of Massachusetts. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 3884) to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 3884, with Mr. MCDONOUGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentlewoman from Massachusetts [Mrs. ROGERS] will be recognized for 30 minutes and the gentleman from Florida [Mr. MATTHEWS] will be recognized for 30 minutes.

Mrs. ROGERS of Massachusetts. Mr. Chairman, I yield myself 5 minutes for the purpose of making a brief explanation of the bill.

The bill is recommended by the President, by the Bureau of the Budget, and by the Veterans' Administration, and it extends the authority of the Administrator of Veterans' Affairs to have and continue the Veterans' Administration office in the Republic of the Philippines until June 30, 1960. It was introduced by the chairman of the committee at the request of those three agencies.

Public Law 91 of the 81st Congress authorized the operation of this office through June 30, 1948, Public Law 474 extended it to June 30, 1950, and Public Law 546 of the 81st Congress extended it to June 30, 1954.

There are a total of 22,626 disability claims now pending and it is estimated that this figure will increase to 29,000 at the end of the fiscal year 1954.

The Veterans' Administration has been advised by the Assistant Secretary of State, Mr. John M. Allison, that "both for administrative and policy reasons the continuance of the facility of the Veterans' Administration in the Philippines is virtually a necessity."

I am advised that the cost for the operation of this office for the fiscal year 1952 was $1,703,000; that for the fiscal year 1953 it is estimated that it will cost $1,640,000.

The bill was reported unanimously by the committee after a hearing on the question. We have a hard-working, industrious committee, Mr. Chairman, and one of which we can all be proud.

It was on the Consent Calendar and would have passed except that the cost exceeded $1 million. There was no opposition to it by any member or witness before in our committee.

Now a word about some of the questions raised by this legislation.

Except for hospitalization in certain cases abroad, United States citizenship is not a requirement for payment of any veterans' benefit. For this reason, the Veterans' Administration has no precise statistical data on the breakdown of beneficiaries residing in the Philippines as to whether they are United States or Philippine citizens.

The only indication as to the total number of beneficiaries who are United States citizens is from a study made for another purpose in 1950. At that time it was determined that approximately 5,000 Philippine Scouts were naturalized in 1945, based on their United States military service. It is also known that approximately 300 Spanish-American War veterans and a considerable number of World War I and World War II veterans are residing in the Philippines who are United States citizens by birth.

For Veterans' Administration purposes, the type of military service rendered is of far greater significance than citizenship. There are residing in the

Philippines approximately 50,000 veterans with service in the regular United States Armed Forces. In addition, there are over 300,000 World War II veterans who were brought into the United States Armed Forces by Executive order, July 26, 1941, which brought the Commonwealth Army into United States service. Of the former group, approximately 12,500 are receiving or have received educational benefits or disability compensation. Of the latter group, about 6,000 are receiving disability compensation. Death compensation and/or insurance payments are being made to about 105,000 heirs of approximately 50,000 deceased veterans of both groups.

Although there are many factors which would have to be considered in deriving detailed comparative cost data if present Veterans' Administration functions in the Philippines were to be handled from the United States, the most significant single index which can readily be determined is the comparison of salary costs. Only 1 in 7 Veterans' Administration employees in the Philippines are American citizens receiving classified Civil Service pay and living allowance. The remainder are Philippine citizens employed on a local pay scale based on prevailing wage rates in the Philippines. With the present volume of work, it may be assumed that the same number of employees would be required in the United States as in the Philippines to carry on Veterans' Administration functions from here. An analysis made in January this year indicates that salary costs would be over $200,000 a year more for the same number of employees in the United States.

In addition to salary considerations, there are other factors, which of course, would affect the cost. Transpacific travel of American employees and transfer of household effects would be eliminated, although the amount saved in this respect would be less than $50,000 per year. Other more minor cost considerations, some more, some less, are believed to balance each other out. On the surface, this would seem to indicate a saving of approximately $150,000 a year in administrative costs through maintaining present Veterans' Administration functions in the Philippines.

However, in any consideration of the possibility of handling Philippine claims entirely from the United States, certain factors, other than administrative costs, are of the utmost importance in estimating possible over-all costs to the Government. The primary Veterans' Administration functions in the Philippines which most urgently require the actual presence of Veterans' Administration employees there are physical examinations for rating purposes, field examinations on claims matters, and supervision of the 11,000 guardianship cases. Although not readily susceptible to a detailed analysis of savings, it is a firmly established fact that both in the United States and abroad there are tremendous savings in benefit payments through field examination on individual claims. Numerous Philippine claims are ruled out through investigation of loyalty, marital status, and dependency. Physical examinations on all disability claims, of course, are required. The only alternative to the examination by the Veterans' Administration in the Philippines would be the acceptance of examination data provided by local physicians on a fee basis. Supervision of guardians is considered of necessity to insure beneficiaries full benefit of payments to them.

In summary, it may be stated that savings in administrative costs through maintaining an office in the Philippines are approximately $150,000 a year. Savings in benefit payments, although undetermined, would amount to millions of dollars over a period of years, since many of the payments eliminated through investigation and reliable physical examination would otherwise be payable for the lifetime of the individuals involved.

Mr. MATTHEWS. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, due to the absence of the senior members of our committee on the minority side because of official business, I, a freshman Member, am happy to have this privilege of saying that we agree with everything that our able chairman has said. On the minority side here are the gentleman from Alabama [Mr. SELDEN], and the gentleman from Louisiana [Mr. LONG]. I know they agree with me in saying that we sincerely hope the bill will pass. I know that the members of the Veterans' Committee on the minority side agree unanimously with our chairman. We hope this bill will pass. I might say it was very thoroughly considered; it was not gone over hastily in our committee; we listened to the information that was given to us, and it comes to the House with a unanimous report from our committee. I would like to yield to the gentleman from Alabama [Mr. SELDEN].

Mr. SELDEN. The purpose of this bill is simply to extend the authority of the Veterans' Administration to operate a regional office in the Republic of the Philippines until June 30, 1960.

At the present time there are approximately 360,000 living veterans with service in and with the United States Armed Forces in the Philippines. It is estimated that a substantial number of these veterans and the dependents of approximately 50,000 deceased veterans are potentially eligible for certain benefits administered by the VA.

A total of 22,626 disability claims have been filed through the fiscal year 1952. It is estimated that the number of claims will increase to approximately 29,000 at the end of the fiscal year 1954. For the fiscal year 1952 there were 96,000 running awards to Philippine beneficiaries. This figure, it is estimated, will increase to 118,000 for the fiscal year 1954.

It is obvious this regional office will continue to be necessary in the Philippines for a number of years to come. Although, as indicated, this authority does not expire until 1954, in view of budgetary considerations and appropriation requirements it is necessary that legislative action be taken this year with respect to the basic authority.

This legislation will merely authorize the Veterans' Administration to continue the present administrative operation of the Philippines. I hope the House will see fit to adopt it.

Mr. HINSHAW. Mr. Chairman, will the gentlewoman from Massachusetts yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from California.

Mr. HINSHAW. Mr. Chairman, I would like to know what the aggregate of the funds that we pay to the Philippines for benefits of various kinds under the Veterans' Administration programs may be?

Mrs. ROGERS of Massachusetts. The cost of operating this office is $1,640,000.

Mr. HINSHAW. But I would like an answer to the question; I mean the total of all that we pay on behalf of the veterans in the Philippines, these 360,000 or 29,000, or whatever this committee report calls for.

Mrs. ROGERS of Massachusetts. I have not the exact figures, but of course we have to pay whatever the amount is; we are obligated by law to take care of these veterans somewhere. The compensation rates generally range from $15.75 to $172.50 per month. In the more severe cases the rate may run as high as $400. If they are not taken care of through the Veterans' Administration offices, the State Department will have to appoint consular officers to administer the program. It would be more costly and much more cumbersome, and much more unsatisfactory.

Mr. HINSHAW. I am not opposing the gentlewoman's bill but I am calling attention to the fact that there is a very considerable bill that is being paid by the United States Government to the Filipinos every year. We are considering in my committee a bill providing additional funds to pay compensation to war veterans of the United States on account of the forced labor that they performed as POW's under the Japanese, which will cost about $60 million. Only half of the needed money has been found to be available. We expect to bring in a bill in a few days that will take care of the other half of those veterans. That will cost about $60 million. I hope that the gentlewoman will support this. At least $30 million a year, perhaps more, is being sent to the Philippines for the benefits of the Filipinos, yet there has been a reluctance on the part of Congress to make restitution, if you please, to these American war veterans for their enforced labor in the prison camps of the Japanese.

I hope when the matter comes to the floor of the House in due course we will have the support of the gentlewoman's committee in toto for these Americans who are not Filipinos. They are Americans whom we sent over there to fight and to preserve, among other things, the Philippines for the Filipinos.

Mrs. ROGERS of Massachusetts. Speaking for the chairman of the committee, I shall be glad to endorse and vote for the gentleman's measure.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield to the gentleman from New Mexico.

Mr. DEMPSEY. The matter that the gentleman has spoken of refers to a bill that I introduced and that passed this House about a year ago on a roll call vote of 324 for the affirmative and with no votes against it. The gentlewoman from Massachusetts voted for that bill.

Mrs. ROGERS of Massachusetts. I am very much interested in it.

Mr. DEMPSEY. The bill that is being considered now before the gentleman's committee, and has been for several months, covers this same matter. I realize how busy the committee has been. It reported the bill out for the specific purpose of legal clarification and authorization desired by the Attorney General. What is holding the bill up I do not know. The bill I introduced was approved by the committee almost unanimously on the 11th of June. Then it went to the staff and it laid over there for some 10 days or 2 weeks. Then the bill was recalled. A new bill was brought out with some slight changes, with the chairman's name on it, which I approve. I put some remarks in the RECORD calling attention to that. Since then that bill has been approved but no report has been made.

Mr. HINSHAW. The Committee on Interstate and Foreign Commerce, as the gentleman knows, has a number of committee reports on bills in the works. Our staff is limited, but we are endeavoring to get all of these committee reports out as rapidly as possible. This committee report the gentleman is talking about will be out very shortly.

Mr. DEMPSEY. I would like to say to the gentleman that when these boys went to the Pacific they were called in an emergency. There was an SOS. They did not delay. They have been waiting 6 years for this money, which belongs to them and is due them from funds of the former enemy nations that we are holding. I think the delay in reporting this bill is very difficult to defend. Many of these boys expect to buy homes and do various other necessary things with the money they have earned. The Congress authorized it to be paid to them more than a year ago. Why it should be delayed these many months I cannot understand. Last year when the bill was reported out it took at least a year to bring it before the House.

Mr. HINSHAW. These soldiers to whom the gentleman refers received all of the compensation that is due them from the Veterans' Administration, and that amounts to a considerable sum of money, and various other compensations, including the one the gentleman is talking about.

Mr. DEMPSEY. That is the same one the gentleman was talking about a moment ago?

Mr. HINSHAW. That is right. But, they have received other compensation. They have received compensation from the War Claims Commission for violations of the Geneva Convention. They received that payment last year and in the years before. As far as this bill is concerned, half of these veterans have been compensated for the forced labor and the other half because of a lack of funds remain to be compensated, and we expect to get that bill out on the floor very shortly.

Mr. DEMPSEY. I am very happy that is being done. I thank the gentleman.

Mr. MATTHEWS. Mr. Chairman, we have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That the act of June 14, 1947, as amended (38 U. S. C. 693a note), is hereby amended to read as follows:

"That the authority in section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), and section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a), to establish and continue regional offices, suboffices, contact units, or other subordinate offices may continue to be exercised by the Administrator of Veterans' Affairs with respect to territory of the Republic of the Philippines on and after the date of its independence if he deems such offices necessary, but in no event after June 30, 1960."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCDONOUGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3884) to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines, pursuant to House Resolution 302, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

NATIONAL HOUSING ACT

Mr. WOLCOTT submitted a conference report and statement on the bill (S. 2103) to amend the National Housing Act and other laws relating to housing.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 2103) to amend the National Housing Act and other laws relating to housing.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. HAYS of Ohio. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if this is the conference report in which the section put in by the House requiring a warranty was taken out by the committee of conference?

Mr. WOLCOTT. That is the one, I regret to say.

Mr. HAYS of Ohio. Would the gentleman mind withholding that until tomorrow, say?

Mr. WOLCOTT. It expires tonight.

Mr. HAYS of Ohio. I will be constrained to object at this time, Mr. Speaker.

GENERAL LEAVE TO EXTEND REMARKS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill (H. R. 3884) to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

PROVIDING FOR AN ADDITIONAL POSTMASTER GENERAL

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 300 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5302) to provide for an additional Assistant Postmaster General in the Post Office Department. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. NICHOLSON. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee [Mr. PRIEST].

Mr. Speaker, this resolution makes in order the consideration of the bill (H. R. 5302) to provide for an additional Assistant Postmaster General in the Post Office Department. As far as I know, there has been only one against this proposition on either of the committees which have considered it. There is no need of my taking time here to explain this bill because the legislative committee can do that much better. They are much more familiar with it than I.

Mr. PRIEST. Mr. Speaker, there are no requests for time on the rule on this side. As far as this side is concerned, the gentleman may move the previous question.

Mr. NICHOLSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. HAYS of Ohio. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No.73]

Barrett	Fine	Morrison
Becker	Fogarty	Philbin
Bentley	Garmatz	Phillips
Brooks, La.	Golden	Powell
Buckley	Granahan	Prouty
Burdick	Green	Rayburn
Byrne, Pa.	Gwinn	Reed, Ill.
Case	Hale	Regan
Celler	Harris	Richards
Chatham	Hart	Robeson, Va.
Chudoff	Hébert	Roosevelt
Colmer	Heller	Shafer
Condon	Hillelson	Sheehan
Coudert	Hoffman, Mich.	Shelley
Curtis, Mo.	Javits	Smith, Kans.
Curtis, Nebr.	Johnson	Springer
Dies	Jones, Ala.	Taylor
Dingell	Kearney	Teague
Dollinger	Klein	Thomas
Dolliver	Lucas	Vinson
Durham	McCarthy	Wigglesworth
Ellsworth	McVey	Wilson, Ind.
Engle	Mack, Ill.	Yates
Fallon	Morgan	

The SPEAKER. On this rollcall 356 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

NATIONAL HOUSING ACT

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 2103) to amend the National Housing Act and other laws relating to housing.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. HAYS of Ohio. Mr. Speaker, reserving the right to object, and I shall not object, because in discussion with the chairman I learned that, although the language of the House bill was stricken out, there is language in the report that makes it plain that it is the intent of the House that the Veterans' Administration shall do something to see that these veterans are given some sort of a warranty and that they are given what they pay for, and further, that they will work out a procedure whereby this can be brought about. Since we did not get what the House wanted, I think this is a step in the right direction, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 692)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2103) to amend the National Housing Act and other laws relating to housing, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Housing Amendments of 1953'.

"SEC. 2. Section 8 (b) (2) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(2) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $5,700, and not to exceed 95 per centum of the appraised value, as of the date the mortgage is accepted for insurance, of a property upon which there is located a dwelling designed principally for a single-family residence, and which is approved for mortgage insurance prior to the beginning of construction: *Provided*, That the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 per centum of the Commissioner's estimate of the cost of acquisition in cash or its equivalent, or shall be the builder constructing the dwelling, in which case the principal obligation shall not exceed 85 per centum of the appraised value of the property or $5,100: *Provided further*, That the Commissioner finds that the project with respect to which the mortgage is executed is an acceptable risk, giving consideration to the need for providing adequate housing for families of low and moderate income particularly in suburban and outlying areas: *And provided further*, That, where the mortgagor is the owner and occupant of the property and establishes (to the satisfaction of the Commissioner) that his home, which he occupied as an owner or as a tenant, was destroyed or damaged to such an extent that reconstruction is required as a result of a flood, fire, hurricane, earthquake, storm or other catastrophe, which the President, pursuant to section 2 (a) of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes" (Public Law 875, Eighty-first Congress, approved September 30, 1950), has determined to be a major disaster, such maximum dollar limitation may be increased by the Commissioner from $5,700 to $7,000, and the percentage limitation may be increased by the Commissioner from 95 per centum to 100 per centum of the appraised value;'.

"SEC. 3. Section 203 of the National Housing Act, as amended, is hereby amended by adding the following new subsection at the end thereof:

"'(g) Notwithstanding any other provisions of this section, a mortgage otherwise eligible for insurance hereunder and covering property upon which there is located a dwelling designed principally for a single-family residence and which is approved for mortgage insurance prior to the beginning of construction, may have such higher ratio of loan to value and such longer maturity than otherwise provided as the President may determine to be in the public interest, taking into account the general effect of such higher ratio or longer maturity, as the case may be, upon conditions in the building industry and upon the national economy: *Provided*, That the principal obligation of any such mortgage shall not exceed $12,000 and the maturity thereof shall not exceed thirty years: *And provided further*, That with respect to any such mortgage the mortgagor shall be the owner and occupant of the property at the time of insurance and shall have paid on account of the property at least 5 per centum of the Commissioner's estimate of the cost of acquisition in cash or its equivalent.'

"SEC. 4. Section 205 (c) of the National Housing Act, as amended, is hereby amended to read as follows:

"'(c) The Commissioner shall, except as to group accounts terminated as of a date prior to July 1, 1953, transfer from each of the several group accounts to the general reinsurance account, beginning as of July 1, 1953, and as of the beginning of each semiannual period thereafter, an amount which, in the case of the initial transfer, shall equal 10 per centum of the total premium charges theretofore credited to such group accounts, and, in the case of subsequent transfers, shall equal the amount of any adjusted premium charges collected by the Commissioner in connection with the payment in full of insured mortgages prior to maturity on or after July 1, 1953, and an amount which shall in no event be less than 10 per centum nor more than 35 per centum of all other premium charges credited to such group accounts during the preceding semiannual period: *Provided*, That, until such time as the Commissioner determines that the resources in the general reinsurance account are sufficient to cover all estimated future deficits among individual group accounts, 100 per centum of all other premium charges credited to such group accounts during each such semiannual period shall be transferred as provided in this subsection. The Commissioner shall terminate the insurance as to any group of mortgages (1) when he shall determine that the amounts to be distributed, as hereinafter set forth, to each mortgagee under an outstanding mortgage assigned to such group are sufficient to pay off the unpaid principal of each such mortgage, or (2) when all the outstanding mortgages in any group have been paid. In addition to the amounts transferred as herein provided, the Commissioner shall, upon such termination, charge to the group account the estimated losses arising from transactions relating to that group, and shall distribute to the mortgagees for the benefit and account of the mortgagors of the mortgages assigned to such group the balance remaining in such group account, less any amount by which such balance exceeds the aggregate scheduled annual premiums of such mortgagors to the year of termination of the insurance: *Provided*, That any undistributed balance in the group account at termination shall be transferred to the general reinsurance account. Any such distribution to mortgagees shall be made equitably and in accordance with sound actuarial and accounting practice: *Provided*, That in no event shall any distribution to a mortgagor or for the account of a mortgagor under any provision of this section exceed his aggregate scheduled annual premiums to the year of termination of the insurance.'

"SEC. 5. (a) Section 207 (c) of the National Housing Act, as amended, is hereby amended—

"(1) by striking out of paragraph numbered (2), "the sum of (i) 90 per centum of that portion of the estimated value of the property or project attributable to dwelling use (when the proposed improvements are completed) which does not exceed $7,000 per family unit and (ii) 60 per centum of such estimated value in excess of $7,000 and not in excess of $10,000 per family unit and (iii) 90 per centum of the estimated value of such part of such property or project as may be attributable to nondwelling use" and inserting '80 per centum of the estimated value of the property or project when the proposed improvements are completed)';

"(2) by amending paragraph numbered (3) to read as follows:

"'(3) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,000 per room (or $7,200 per family unit if the number of rooms in such property or project does not equal or exceed four per family unit) and not in excess of $10,000 per family unit.'; and

"(3) by inserting after paragraph numbered (3) the following new paragraph:

"'Notwithstanding any of the limitations contained in paragraphs numbered (2) and (3) of this subsection (c), if the number of bedrooms in such property or project is equal to or exceeds two per family unit, and the principal obligation of the mortgage does not exceed $7,200 per family unit for such part

of such property as may be attributable to dwelling use, the mortgage may involve a principal obligation not in excess of 90 per centum of the estimated value of the property or project (when the proposed improvements are completed).'

"(b) Section 207 (1) of the National Housing Act, as amended, is hereby amended by striking out of the second sentence thereof the word 'twenty' and inserting in lieu thereof the word 'ten'.

"SEC. 6. The first sentence of section 213 (d) of the National Housing Act, as amended, is hereby amended by striking '4 per centum per annum' and inserting '4½ per centum per annum, except that individual mortgages insured pursuant to this subsection covering the individual dwellings in the project may bear interest at not to exceed 5 per centum per annum.'.

"SEC. 7. Section 217 of the National Housing Act, as amended, is hereby amended by striking out of the second proviso '$1,900,000,000' and inserting '$3,400,000,000'.

"SEC. 8. Title II of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"'SEC. 219. Notwithstanding limitations contained in any other sections of this Act as to the use of moneys credited to the Title I Housing Insurance Fund, the Housing Insurance Fund, the War Housing Insurance Fund, the Housing Investment Insurance Fund, the Military Housing Insurance Fund, or the Defense Housing Insurance Fund, the Commissioner is hereby authorized to transfer funds from any one or more of such Insurance Funds to any other such Fund in such amounts and at such times as the Commissioner may determine, taking into consideration the requirements of such Funds, separately and jointly to carry out effectively the insurance programs for which such Funds were established.'

"SEC. 9. Title V of the National Housing Act, as amended, is hereby amended by adding at the end thereof the following new section:

"'SEC. 516. The following funds shall be deemed an indebtedness to the United States of the particular insurance fund involved, and the Commissioner is authorized and directed to pay the amount of such indebtedness to the Secretary of the Treasury, with simple interest thereon from the date the funds were advanced to the date of final payment at a rate determined by the Secretary of the Treasury, taking into consideration the average rate on outstanding marketable obligations of the United States from the date the funds were advanced until the date of final payment—

"'(1) funds made available to the Commissioner pursuant to the provisions of sections 4 and 202, exclusive of amounts heretofore refunded, (a) for carrying out title II with respect to mortgages insured under section 203 where such funds were credited to the general reinsurance account in the Mutual Mortgage Insurance Fund, and (b) for the payment of salaries and expenses with respect to mortgage insurance under sections 207 and 210 where such funds were credited to the Housing Insurance Fund;

"'(2) funds made available to the Commissioner pursuant to sections 602 and 802; and

"'(3) funds made available to the Commissioner by the Secretary of the Treasury pursuant to section 710.

"'Payments to the Secretary of the Treasury under this section shall be made in such amounts and at such times as the Commissioner determines, after consultation with the Secretary of the Treasury, that funds are available for that purpose, taking into consideration the continued solvency of the funds involved. All payments made pursuant to this section shall be covered into the Treasury as miscellaneous receipts.'

"SEC. 10. (a) Section 803 (a) of the National Housing Act, as amended, is hereby amended by striking '1953' and inserting '1954'.

"(b) Section 803 (b) of the National Housing Act, as amended, is hereby amended by inserting immediately preceding the last paragraph thereof the following new paragraph:

"'The mortgagor shall agree (1) to certify, upon completion of the physical improvements on the mortgaged property or project and prior to final endorsement of the mortgage, either (a) that the amount of the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses) equaled or exceeded the proceeds of the mortgage loan or (b) the amount by which the proceeds of the mortgage loan exceeded the actual cost to the mortgagor of said physical improvements (exclusive of off-site public utilities and streets and of organization and legal expenses) as the case may be, and (ii) to pay, within sixty days after such certification, to the mortgagee, for application to the reduction of the principal obligation of such mortgage, the amount, if any, so certified to be in excess of such actual cost. The Commissioner shall construe the term "actual cost" in such a manner as to reduce same by the amount of any kickbacks, rebates, and normal trade discounts received in connection with the construction of the said physical improvements, and to include only the actual amounts paid for labor and materials and necessary services in connection therewith.'

"(c) The first sentence of the last paragraph of sections 803 (b) and 908 (b) of the National Housing Act, as amended, is hereby amended by striking out '4 percentum' and inserting '4½ percentum'.

"SEC. 11. Section 903 (a) of the National Housing Act, as amended, is hereby amended by inserting the following proviso after the first proviso of said section: ": *Provided further*, That in the event the Commissioner has issued a commitment to insure a mortgage under section 903 of this title, which commitment was in force and effect on June 1, 1953, and the Commissioner determines that, because of changes in defense requirements, there is reasonable doubt that such housing is needed for defense purposes and that it is probable that the mortgage would become immediately in default and claim made for payment under the mortgage insurance contract if the unit or units are completed and the mortgage insured, the Commissioner is authorized, in the interest of conserving the National Defense Housing Insurance Fund, to pay (in cash from the National Defense Housing Insurance Fund) to the mortgagee for the account of the mortgagor such amount as the Commissioner shall determine to be necessary to reimburse the mortgagor the amounts paid or to be paid by the mortgagor on account of labor performed and materials in place, less the Commissioner's estimate of the reasonable salvage value of such materials, plus an allowance for development costs equal to four percentum of the principal amount of the mortgage specified in such commitment, and no payments shall be made pursuant to this proviso unless a claim therefor is filed not later than six months from date of the determination of lack of need and the claim is in such form and contains such supporting information, documents, and data as the Commissioner may require'.

"SEC. 12. Subparagraph (E) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended—

"(1) by striking 'unpaid principal balance thereof' and inserting 'principal amount to be paid therefor';

"(2) by striking 'aggregate amount' and inserting 'aggregate principal amount'; and

"(3) by striking everything after the colon and inserting: '*Provided*, That the foregoing clause (2) shall not apply to (nor shall any terms therein include) any defense or disaster mortgages as defined in subparagraph (G): *Provided further*, That, in lieu of or in conjunction with the other requirements with respect to mortgages covered by the aforesaid clause (2), and also with respect to any defense or disaster mortgages as defined in subparagraph (G), the Association may (in the discretion of its Board of Directors, and notwithstanding the provisions of subparagraph (G)) issue a purchase contract (which shall not be assignable or transferable except with the consent of the Association) in an amount not exceeding the amount of the sale of mortgages purchased from the Association, entitling the holder thereof to sell to the Association mortgages in the amount of the contract, upon such terms and conditions as the Association may prescribe: *And provided further*, That the authority of the Association to issue purchase contracts hereunder shall expire July 1, 1954, and the aggregate amount of such purchase contracts issued shall not exceed $500,000,000; and'.

"SEC. 13. (a) The first sentence of subparagraph (G) of section 301 (a) (1) of the National Housing Act, as amended, is hereby amended by striking '1953' and inserting '1954'.

"(b) The first sentence of section 302 of the National Housing Act, as amended, is hereby amended by changing the colon to a period, and by deleting the proviso.

"SEC. 14. Public Law 243, Eighty-second Congress, is hereby amended by striking 'June 29, 1951' and inserting 'September 1, 1953', and by changing the period at the end thereof to a colon and adding the following: '*And provided further*, That subparagraph (C) of section 301 (a) (1) of the National Housing Act, as amended, shall have no application with respect to any mortgage which otherwise qualifies hereunder if such mortgage is the subject of a commitment to be made by the Association and covers housing in which the number of rooms equals or exceeds six for each family unit and in which the number of bedrooms equals or exceeds three for each family unit.'

"SEC. 15. Section 101 (a) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking ', III, or IV' and inserting 'or III'.

"SEC. 16. Section 104 of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended—

"(1) by inserting before the first sentence of said section 'After June 30, 1953, no construction of permanent housing may be begun under title III of this Act.';

"(2) by striking out '1953' in the first place where it appears in said section and inserting '1954';

"(3) by striking out 'housing' in clause (b) and inserting 'temporary housing';

"(4) by striking out clause (c); and

"(5) by relettering clause (d) as clause (c).

"SEC. 17. Section 305 (c) of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby amended by striking 'June 30, 1953,' and inserting 'June 30, 1954'.

"SEC. 18. Section 315 (e) of the Defense Housing and Community Facilities and Service Act of 1951, as amended, is amended by striking out the word 'or' immediately before '(3)', and by inserting before the period at the end thereof a comma and the following: 'or (4) the provision of community facilities or services necessary for the health, safety, or public welfare of the inhabitants of a town or community which has been relocated as a result of the acquisition (through eminent domain or purchase in lieu thereof) of its former site by or on behalf of the Atomic Energy Commission for national-defense activities.'

"SEC. 19. Title IV of the Defense Housing and Community Facilities and Services Act of 1951, as amended, is hereby repealed.

"SEC. 20. Section 717 (c) of the Defense Production Act of 1950, as amended, is hereby amended by inserting the following new paragraph at the end thereof:

"'Notwithstanding any other provision of this Act, the termination of title VI or any section thereof shall not be construed as affecting any obligation, condition, liability, or restriction arising out of any agreement heretofore entered into pursuant to, or under the authority of section 602 or section 605 of this Act, or any issuance thereunder, by any person or corporation and the Federal Government or any agency thereof relating to the provision of housing for defense workers or military personnel in an area designated as a critical defense housing area pursuant to law.'

"SEC. 21. (a) The Home Owners' Loan Corporation created pursuant to section 4 of the Home Owners' Loan Act of 1933, as amended (referred to in this section as the 'Corporation'), shall cease to exist and shall for all purposes be considered dissolved and abolished, except as otherwise provided in this section, one hundred and eighty days after the date the Home Loan Bank Board publishes in the Federal Register a notice to that effect, which shall also contain information as to the time for, and manner of, filing claims against the Corporation. The period of time prescribed for the filing of such claims shall be the ninety days immediately following the date of publication of the notice, and all creditors and claimants who have not presented their claims or demands within that period shall be forever barred from presenting or prosecuting the same, and any creditor or claimant who has not instituted suit within sixty days from the date his claim or demand is rejected by the Corporation shall be forever barred.

"(b) With respect to any action, suit, or other legal proceeding commenced against the Corporation prior to the date of its dissolution, the Corporation shall continue a body corporate for the purpose of defending such suit and for no other purpose, and service of subpena or other process in such proceeding may be made upon the Corporation by serving the same on the Secretary to the Home Loan Bank Board.

"(c) Effective as of the date of the dissolution of the Corporation, (1) the title to any and all real property remaining in the Corporation on such date is transferred to the United States of America, (2) authority is given to the Home Loan Bank Board to sell and convey such property in the name of the United States of America for such cash consideration as such Board shall deem reasonable, and (3) all powers of the Corporation with respect to the execution of any instruments or documents affecting title to real estate or with respect to authorizing satisfactions of judgments are transferred to such Board. Any such instruments or documents executed by the Secretary or an Assistant Secretary to such Board on behalf of the Board shall be as effective as if the same had been executed by the Corporation prior to its dissolution. Subject to the approval of the Director of the Bureau of the Budget, such Board may transfer to any other department or agency of the United States, with the consent of such department or agency, all the powers and functions vested in such Board by this subsection (c). All liens held by the Corporation upon real or personal property on account of judgments rendered in its favor, except judgments for mortgage debts which have been assigned by the Corporation, and all claims now held by the Corporation arising out of its mortgage or real estate operations, whether for rent or otherwise, are hereby released and discharged in full.

"(d) The authority to appropriate for any functions relating to the Corporation may continue to be exercised after its dissolution for the purpose of making appropriations to any department or agency carrying out the provisions of this section.

"SEC. 22. Subsection (e) of section 106 of the Housing Act of 1949 (42 U. S. C. 1456 (e)), is amended by inserting before the period at the end thereof a colon and the following: '*Provided*, That the Administrator, without regard to such limitation, may enter into contracts for capital grants aggregating not to exceed $35,000,000 (subject to the total authorization provided in section 103 (b) of this title) with local public agencies in States where more than two-thirds of the maximum capital grants permitted in the respective State under this subsection has been obligated'.

"SEC. 23. Section 504 of the Housing Act of 1950, as amended, is hereby amended to read as follows:

"'SEC. 504. With respect to housing built or sold with assistance provided under the National Housing Act, as amended, or title III of the Servicemen's Readjustment Act of 1944, as amended, the Federal Housing Commissioner and the Administrator of Veterans' Affairs, respectively, are hereby specifically authorized and directed to issue such regulations, applicable uniformly to all classes of mortgagees, as they determine desirable for the purpose of limiting the charges and fees, which shall not be construed to include any loss suffered by an originating lender in the bona fide sale or pledge of or an agreement to sell the mortgage, imposed upon the builder or other seller, or the veteran or other purchaser in connection with the financing of the construction or sale of such housing, whether or not such charges were or are imposed in connection with the financing assisted by the Federal Government, and no loan shall be insured or guaranteed under such Acts unless the mortgagee certifies that it has not imposed upon the builder or other seller, or the veteran or other purchaser any charges or fees in connection with the financing of the construction or sale of such housing in excess of the charges or fees permitted under such regulations for such purposes as are applicable to the housing involved.'

"SEC. 24 (a). The first sentence of paragraph (g) of section 110 of the Housing Act of 1949, as amended, is hereby amended to read as follows: '"Going Federal rate" means (with respect to any contract for a loan or advance entered into after the first annual rate has been specified as provided in this sentence) the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31, 1953) during which the contract for loan or advance is made, which applicable rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of one per centum.'

"(b) The third sentence of section 401 (a) of the Housing Act of 1950, as amended, is hereby amended to read as follows: 'A loan to an educational institution may be in an amount not exceeding the total development cost of the housing, as determined by the Administrator; shall be secured in such manner and be repaid within such period, not exceeding forty years, as may be determined by him; and, with respect to loan contracts entered into after the first minimum annual rate has been specified as provided herein, shall bear interest at a rate determined by the Administrator which shall be not less than the minimum annual rate which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31, 1953) during which the contract for the loan is made: *Provided*, That such minimum annual rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of one per centum.'

"(c) Section 2, paragraph 10, of the United States Housing Act of 1937, as amended, is hereby amended by inserting after the words '*Provided*, That' the following: ', with respect to any loans or annual contributions made pursuant to a contract approved by the President after the first annual rate has been specified as provided in this proviso, the term "going Federal rate" means the annual rate of interest which the Secretary of the Treasury shall specify as applicable to the six-month period (beginning with the six-month period ending December 31, 1953) during which the contract is approved by the President, which applicable rate for each six-month period shall be determined by the Secretary of the Treasury by estimating the average yield to maturity, on the basis of daily closing market bid quotations or prices during the month of May or the month of November, as the case may be, next preceding such six-month period, on all outstanding marketable obligations of the United States having a maturity date of fifteen or more years from the first day of such month of May or November, and by adjusting such estimated average annual yield to the nearest one-eighth of one per centum: *And provided further*, That'.

"SEC. 25. (a) Section 214 of the National Housing Act, as amended, is hereby amended by inserting the words 'or Hawaii' after the word 'Guam' in each place where it appears therein.

"(b) Section 2 (b) of Public Law 52, Eighty-first Congress, is hereby amended by adding at the end thereof the following new paragraph:

"'Notwithstanding the provisions of subparagraph (C) of section 301 (a) (1) of the National Housing Act, as amended, any mortgage loans may be offered to the Federal National Mortgage Association for purchase if such loans are secured by property located in Guam or Hawaii, and insured under any of the provisions of the National Housing Act, as amended.'

"(c) Section 214 of the National Housing Act, as amended, is hereby amended—

"(1) by striking from the last sentence of said section the words 'Upon application by the mortgagee,' and inserting in lieu thereof the words: 'Upon application by the mortgagee (1) where the mortgagor is regulated or restricted pursuant to the last sentence of this section or (2)'; and

"(2) by adding the following new sentence at the end of said section: 'Without limiting the authority of the Commissioner under any other provision of law, the Commissioner is hereby authorized, with respect to any mortgagor in such case (except where the Alaska Housing Authority is the mortgagor or mortgagee), to require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such an extent and in such manner as the

Commissioner determines advisable to provide reasonable rentals and sales prices and a reasonable return on the investment.'"

And the House agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
CLARENCE E. KILBURN,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
Managers on the Part of the House.

HOMER E. CAPEHART,
JOHN W. BRICKER,
WALLACE F. BENNETT,
PRESCOTT BUSH,
BURNET R. MAYBANK,
A. WILLIS ROBERTSON,
JOHN SPARKMAN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2103) to amend the National Housing Act and other laws relating to housing, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

FHA SECTION 8 PROGRAM

The Senate bill contained a provision changing the basic maximum mortgage amount under the FHA section 8 program which provides mortgage insurance for low-cost homes in outlying and suburban areas. The present maximum mortgage where the mortgagor is the owner-occupant is $4,750, not exceeding 95 percent of value. The Senate bill changed this to $5,700, not exceeding 95 percent of value. Thus, the favorable section 8 terms (which may include a 30-year maturity) were made available to houses valued up to $6,000, instead of $5,000. An equivalent change (from $4,250 and 85 percent of value to $5,100 and 85 percent of value) was made where the builder is the mortgagor. The House amendment contained no comparable provision. The conference report adopts the language of the Senate bill. It is the intention of the committee of conference in making this upward adjustment in the mortgage ceiling that the construction of sound and satisfactory housing at moderate prices should be encouraged in places where suspension of the regular FHA property location requirements (as distinguished from minimum construction standards) is not likely to be detrimental to their long-term value or the general standards of the community. In many rural and outlying areas in the United States it is the judgment of the committee of conference such low-priced housing will provide much more adequate housing than is now available in these areas.

SECTION 207 FHA RENTAL HOUSING

The Senate bill provided that the maximum mortgage amount under section 207 of the National Housing Act would be $2,000 per room (up to $10,000) but not exceeding 90 percent of value. Such dollar limit would be $7,200 per family unit if the number of rooms in the project did not equal or exceed four per family unit. However, if the number of bedrooms in the project equaled or exceeded two per family unit and the mortgage did not exceed $7,200 per family unit, the mortgage may be in an amount not exceeding 90 percent of value. The House amendment contained no comparable provision. The conference substitute conforms to the language of the Senate bill. This new formula is in place of the existing limitation of $8,100 per family unit (or $7,200 if the number of rooms is less than four per family unit) and 90 percent of the value of the property up to $7,000 and 60 percent of the value over $7,000 up to $10,000. By providing more liberal terms for the construction of two-bedroom units the committee of conference is hopeful that it will encourage a greater volume of the most needed type of rental accommodations.

TERMINATION OF CERTAIN TITLE IX COMMITMENTS

There are apparently a few cases where FHA has made a commitment to insure a mortgage under title IX but subsequently, because of changes in defense requirements or other circumstances, there is no longer a sufficient prospective market for the dwelling units in the property covered by such mortgage to avoid a default if the units are completed and the mortgage insured. To avoid larger eventual losses to the FHA if such units were to be placed under construction and completed, the House amendment contained a provision which would authorize the Commissioner, in the interest of conserving the National Defense Housing Insurance Fund, to make such cash payment from that fund to the mortgagor or the mortgagee, or both, as the Commissioner determines to be necessary to reimburse the mortgagor or the mortgagee, or both, for monetary loss resulting from previous expenditures made or obligations incurred in reliance on such commitment.

The Senate bill did not contain any similar provisions.

The conference substitute retains the provisions of the House bill with changes designed to make it clear that it applies to commitments in force and effect on June 1, 1953, and to limit the maximum amount of such cash payment to the amount the Commissioner determines to be necessary to reimburse the mortgagor the amounts paid or to be paid by the mortgagor on account of labor performed and materials in place, less the Commissioner's estimate of the reasonable salvage value of such materials, plus an allowance for development costs equal to 4 percent of the principal amount of the mortgage specified in such commitment (which also would have the effect of covering application and commitment fees not returnable), and to provide that no payments shall be made pursuant to this authority unless a claim therefor is filed not later than 6 months from date of the Commissioner's determination of lack of need for such housing.

RELEASE OF PORTION OF FNMA ADVANCE COMMITMENT AUTHORIZATION FOR OVER-THE-COUNTER PURCHASES OF NONDEFENSE MORTGAGES

The Housing Act of 1952 increased the total FNMA authorization by $900 million and limited that additional authorization to defense, military, and disaster mortgages. It now appears that some portion of that additional authorization probably will not be needed for such mortgages. The Senate bill contained a provision which would free such portion of that additional authorization (now estimated at $200 million) for over-the-counter purchases of other VA and FHA mortgages when FNMA resumes its over-the-counter purchase program which was suspended in April of this year, the actual amount which could thus be freed to be determined by the Board of Directors of FNMA in the light of estimated requirements for advance commitments for defense, military, and disaster housing. Since FNMA now has about $180 million available for over-the-counter purchases, this change in the present law could make it possible for FNMA to have a total of about $400 million available for over-the-counter purchases. The total amount of the FNMA authorization would not be increased under this provision of the Senate bill. The House amendment contained no similar provision. The conference substitute conforms to the Senate language.

FNMA ADVANCE COMMITMENTS FOR FHA SECTION 213 COOPERATIVE HOUSING

The House amendment contained a provision which would make additional FHA section 213 cooperative housing mortgages eligible for advance commitments for purchase by the Federal National Mortgage Association. Public Law 243, 82d Congress, authorized the Federal National Mortgage Association to enter into advance commitments to purchase FHA section 213 mortgages financing cooperative housing with respect to which the Federal Housing Commissioner had issued, prior to June 29, 1951, a commitment to insure or a statement of eligibility for insurance. The House amendment contained a provision which would amend Public Law 243 to change the deadline date which makes section 213 mortgages eligible for advance commitments from "June 29, 1951," to "September 1, 1953," thus making FHA section 213 cooperative housing mortgages with respect to which the FHA has issued a commitment to insure or a statement of eligibility for insurance prior to September 1, 1953, eligible for advance commitments from the Association.

The amount of advance purchase commitments which the Federal National Mortgage Association was authorized to make under Public Law 243 for section 213 mortgages is limited to $30 million outstanding at any one time. The law further provides that not more than $3½ million of this authorization is available for such commitments in any one State. Approximately $17½ million of the authorization under Public Law 243 is unused and, under the language of the House amendment, would be available for the additional cooperative housing mortgages.

The Senate bill contained a similar provision but differing from the provisions of the House bill in the following two respects:

1. The deadline date of June 29, 1951, would be changed to September 30, 1953, rather than September 1, 1953, as provided in the House amendment; and

2. The $10,000 limit on the principal amount of the mortgage per unit now contained in the present law would be eliminated in the case of advance commitments made pursuant to the approximately $17½ million unused authorization for cooperatives where the number of rooms equals or exceeds 6 for each family unit and in which the number of bedrooms equals or exceeds 3 for each family unit.

The conference substitute conforms to the House language as to the deadline date and the Senate language as to the waiver of the $10,000 limit in the case of FNMA advance commitments.

DEFENSE HOUSING

The Senate bill contained provisions extending for 1 year to June 30, 1954, FHA's special title IX authorization to insure, on liberal terms, mortgages on programed defense housing in critical defense housing areas, and would also have extended until June 30, 1954, the authority of the Housing Administrator to program additional defense housing. The House amendment limited such authorization to mortgages covering defense housing programed on or before June 30, 1953, and would not have extended the authority of the Housing Administrator to program any additional defense housing after that date. The conference substitute conforms to the Senate language.

The Senate bill also contained provisions which would have extended for 1 year to June 30, 1954, the authority of the Government under title III of the Defense Community Facilities and Services Act of 1951, as amended, to construct directly permanent or temporary defense housing. The House amendment limited such extension of this authority to temporary housing required in connection with operations and activities of the Atomic Energy Commission. The conference substitute extends this authority for 1 year, but limits it to the provision of temporary housing required for military personnel and defense workers, including personnel at atomic energy installations, and eliminates the existing authority of the Government for the direct construction of permanent defense housing.

CAPITAL GRANTS FOR SLUM CLEARANCE AND URBAN REDEVELOPMENT

Section 106 (e) of the Housing Act of 1949 now contains a provision that not more than 10 percent of the Federal grants for slum clearance and urban redevelopment authorized under title I of such act shall be expended in any one State. The total capital grant authorization under that title is $500 million so that contracts for capital grants entered into with local communities in any one State may not aggregate over $50 million.

The Senate bill contained provisions which would make available $35 million (out of the presently authorized $500 million) for contracts for capital grants which could be entered into without regard to the 10-percent limitation, and provided that no State would be eligible for any share of the $35 million unless contracts have been entered into with local public agencies in that State which call for capital grants exceeding two-thirds of the amount which the law presently permits for that State.

The House amendment contained no such provisions. The conference substitute conforms to the Senate language.

VA REGULATION OF MAY 18, 1953

The House amendment contained an amendment to clarify section 504 of the Housing Act of 1950 so that it will not be construed as to require regulations which prevent the flow of mortgage money to those areas of the country which must rely upon other areas for a substantial supply of mortgage capital. Such was the effect of the May 18, 1953, regulation issued by the VA Administrator.

The Senate bill did not contain any similar provisions.

The conference report conforms to the language of the House amendment.

In adopting the language of the House amendment, the committee of conference wishes to make clear that the Veterans' Administration may take reasonable measures to assure that any discounts or warehousing or similar fees which may be absorbed by the builder are not to be passed back to the veteran purchaser. Any such cost cannot be passed back to the veteran if the certificate of reasonable value, issued by the Veterans' Administration in connection with the sale of the property, is in fact a realistic value. In connection with the sale of a property guaranteed or insured by the Veterans' Administration the VA issues a so-called certificate of reasonable value, commonly referred to as a CRV, which sets a maximum limit at which the property may be sold and the veteran still obtain an insured or guaranteed loan upon it. This is the control mechanism to guard against abuses in either financing cost or construction practices. Obviously if the CRV is a realistic figure such abuses cannot exist. As a further check upon abuses creeping into financing charges the committee of conference, in order that the Veterans' Administration and appropriate committees of Congress may have information as to discounts paid, suggests that the Administrator of Veterans' Affairs require the originating lender of any home mortgage loan guaranteed or insured by him under title III of the Servicemen's Readjustment Act of 1944, as amended, report the price for which any such loan was sold or otherwise disposed of by such lender.

WARRANTY FOR FHA AND VA HOUSING

The House amendment contained a provision which would have given the buyer of 1- or 2-family houses built with Federal assistance a warranty that the house was built according to the plans and specifications on which the Federal assistance was based. Such a warranty had been recommended by last year's Subcommittee on Housing of the House Banking and Currency Committee. The Senate bill contained no comparable provision. The conference substitute eliminates the House provision. In so doing, the committee of conference is in wholehearted accord with the objective sought by the warranty provision in the House amendment. Some questions were raised as to whether the provisions of the House amendment were workable or sufficiently effective. It is the desire of the committee of conference that the Housing and Veterans' Affairs Administrators make a comprehensive review of the entire subject and report back to the Banking and Currency Committees of the House and Senate their findings as to the feasibility of developing a workable and effective warranty provision.

INCREASE IN FHA MORTGAGE CEILINGS IN HAWAII

The House amendment contained a provision which allows the FHA Commissioner to permit the maximum mortgage ceilings otherwise applicable to be increased up to, but not exceeding, 50 percent in Hawaii if he finds that, by reason of higher costs prevailing in the Territory, it is not feasible to construct dwellings without sacrifice of sound standards of construction, design, or livability. The increase allowed in such mortgage ceilings otherwise applicable are required to be no higher than the Commissioner finds necessary to compensate for such higher costs.

The Senate bill did not contain any similar provision.

The conference substitute conforms to the House language.

The committee of conference, however, wish to emphasize to the FHA Commissioner and to his subordinate officials having responsibilities for the administration of this provision, that it is purely permissive authority and that his authority should be exercised to permit only such increases in the otherwise applicable mortgage ceilings as are required to compensate for such higher costs as actually prevail and are incurred.

FHA-INSURED LOANS IN ALASKA

The Senate bill contained a provision which would permit private lenders in Alaska to make certain FHA-insured loans on terms equal to those of similar loans made by the Alaska Housing Authority pursuant to the Alaska Housing Act (Public Law 52, 81st Cong.).

In the Alaska Housing Act the Congress provided special financial aids to promote housing construction in the Territory to relieve the acute housing shortage there. Under the act FHA is authorized to insure mortgages and issue commitments to the Alaska Housing Authority without regard to requirements otherwise applicable that the mortgagor be the owner and occupant of the property, or shall have paid a prescribed amount on account of such property. As a result of this provision the Alaska Housing Authority, in cases where credit from private sources is not available, can offer to operative-builders of housing financing based on mortgage amounts higher than otherwise applicable. All of such operative-builders, however, are required by law to be regulated by the Alaska Housing Authority to assure that the sales prices and rentals for such housing be reasonable, while at the same time affording the builder a reasonable return on his investment.

The provisions included in the Senate bill would authorize FHA to issue similar commitments to other approved mortgagees (that is, private lenders) in the Territory in any case where the mortgagor is regulated or restricted as to rents, sales, and capital structure by FHA, and would thus place all other approved mortgagees, under such circumstances, in the same position as the Alaska Housing Authority, in offering attractive higher financing to builders in the Territory.

The House amendment did not contain any similar provision. The conference substitute conforms to the Senate language.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
CLARENCE E. KILBURN,
BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
Managers on the Part of the House.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Alabama [Mr. RAINS].

Mr. RAINS. Mr. Speaker, I note with considerable regret and much disappointment that the conferees agreed to strike out of the House bill the warranty for veterans on GI and FHA housing. I have no personal interest in the matter, because I have never had a serious problem in my district involving GI and FHA housing. However, last year, as the chairman of the subcommittee appointed by the Committee on Banking and Currency to investigate shoddy and defective housing, I saw so much of it that I, along with the full membership of the committee, both Democrats and Republicans, came to the unanimous conclusion that something had to be done to keep certain shyster builders from cheating our veterans.

Accordingly that subcommittee wrote a recommendation and reported it back to the House Committee on Banking and Currency, asking that a warranty be adopted which would provide each builder must state that the house which he built under a GI or FHA guaranteed mortgage was in substantial conformity to the plans and specifications. Why not? That is the law, that he shall do it. In addition, that same recommendation, the same amendment which was stricken in conference, carried the statement that each GI and each FHA purchaser should have the right to see his plans and specifications. All over the country veterans have been buying houses from a model house, and when they get the house, in many instances, it does not even resemble the model house from which they purchased it. They have no plans and specifications of their house, and, as a result, they are cheated in many purchases. I saw it in New Jersey, New York, Texas, Florida, and many other sections of the country.

Now, understand that the conference committee said, "We agree with it." If

they agreed with it, why did they not leave it in the conference report? They say, "We want to talk to the Housing and Home Finance Agency about the feasibility of it." The Administrator of the Housing and Home Finance Agency, an outstanding Republican Member of the last Congress, signed the unanimous report of that committee in its recommendation to the Committee on Banking and Currency.

While I have no intention of moving that it be recommitted to the conference, it is time this Congress woke up to the fact that a great many builders in this country are not building the GI and FHA houses in conformity to the plans and specifications.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. RAINS. I yield.

Mr. SPENCE. I am heartily in accord with the gentleman's views on the subject. When the contract is drawn by the builder, the plans and specifications should be filed with it, and made a part of it. If he then agrees to build it according to the plans and specifications, I can see no reason why he should not execute a warranty that he has complied with the building contract. That is all it means. I was for the gentleman's amendment.

Mr. RAINS. I agree with my friend very much and appreciate his comment. I note there is a recommendation in the conference report that it be referred back to the Committee on Banking and Currency for further study. Seven members of the Committee on Banking and Currency, 3 Republicans and 4 Democrats, spent 6 long months studying it and looking at these situations all over the country. Now we are told we will have to wait until it is studied in the department to see whether or not it is feasible. I think we ought to give some consideration to the rights of the veterans in this matter, and to the rights of the purchasers under FHA.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. RAINS. I yield.

Mr. CANFIELD. Mr. Speaker, I agree with every word that the gentleman has uttered on this subject this afternoon. I believe there is presented to us a most serious challenge to do something about the frauds that have been perpetrated throughout the length and breadth of this country on our veterans. It seems to me that reputable builders everywhere would want this warranty clause as a part of the contract. Does not the gentleman think so too?

Mr. RAINS. As a matter of fact, reputable builders throughout the Nation, and the home builders organizations, say that they now give a warranty, and in a great many instances they do. But I see no reason why they should not be required to certify that the house has been built in conformity with the plans and specifications.

Mr. WOLCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, in conferences one does not usually get all he desires. There must be compromise and concession on both sides. If we did not have that spirit, the Congress probably never would pass any controversial legislation. I was a member of this conference. I think we can justify the report notwithstanding my disappointment at the failure to include some things that should have been included. I do agree with the gentleman from Alabama [Mr. RAINS] that some method should be found to protect the veteran in his purchase of a house and to secure for him value received for his money. I think we should consider this question of seeing that the veteran is not imposed upon by the builder and that he will obtain the house he contracted for. And a reliable builder, I should think, would have no objection to signing this warranty because if he expects to do the job, as he has contracted to do it, the warranty would mean nothing to him. I agree with the gentleman from Alabama [Mr. RAINS] it is a matter that should be given some study in the future in order that we may pass adequate laws to protect the veterans.

I might also say that this is an extension of the housing program of the Roosevelt and Truman administrations. It is a program which in its inception was called socialistic. Now that it has been in operation for 20 years, no one would deny that it has been beneficial to the people. Housing is essential to our people. It is essential to the stability of our institutions for the home is that upon which they are built. It is necessary for the peace and happiness of the people to be well-house, and any agency of Government that helps them to obtain homes is a good agency.

Mr. WOLCOTT. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, almost every Member of Congress, and thousands of the American people, have heard about the shoddy houses that were built under the GI bill. I am concerned. There is a way to stop this kind of crooked business. In private industry, when a contractor takes a contract to build a home, or any kind of a building, the owner, whether it be a private individual of a municipality or a county or a State, there is a clause in the contract which provides that the owner shall hold back a certain percentage of the contract price until the owner is completely satisfied that the plans and specifications have been lived up to. Generally that amount is 10 percent of the contract price.

There is no reason in the world why such a provision should not be written into law, or I see no reason why the Administrator cannot rule than 10 percent must he held back until the plans and specifications have been completely complied with. I see no other way to force a shyster contractor, as they have been referred to, to do the job according to plans and specifications, other than to hold back a part of the pay for that contract. And certainly they cannot object to it because unless they want to cheat, and I said before, it is standard practice all over this country in private industry, and good reliable contractors expect it.

So I would recommend that the Committee on Banking and Currency of the House and Senate insist that at least 10 percent of the contract price shall be held back until such time as the owner is completely satisfied that he is getting the house that he has bargained for, according to the plans and specifications.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

EXTEND FHA LAST DAY

Mr. PATMAN. Mr. Speaker, it is very necessary that we pass this conference report today because today is June 30 and the law expires at midnight tonight.

This law has been very useful. The Federal Housing Administration Act was passed 20 years ago last Saturday. Last Saturday we were having a session in the House of Representatives considering this bill; we were considering it on the 20th anniversary of the Federal Housing Administration Act.

REPEALS HOLC

This bill in addition to extending some of the fine provisions of the Federal Housing Administration Act repeals the Home Owners' Loan Corporation Act. That act is referred to as a New Deal law, and it was one of the first New Deal laws, and it is true that it is being repealed; but there is a good reason for its repeal, it has served its purpose well. More than 3,500,000 homes were saved by the Home Owners' Loan Corporation. The banks, the insurance companies, the investment loans all over the country had their portfolios filled with not only slow paper but also paper that was considered bad. The owners of the homes were delinquent not only for months but for years; they could not meet their annual or monthly installments. Notwithstanding that this paper was considered to be the worst type of paper at the time the Home Owners' Loan Corporation Act was passed, Government money was made available to bail out not only the home owners but also the holders of the vendors' lien notes against these homes; and as evidence of the fact that it was a good thing that this Congress did through the Home Owners' Loan Corporation Act, it did not cost the taxpayers of America 1 penny, not 1 penny. Not only did the Home Owners' Loan Corporation pay back every penny that was advanced by the United States Government for that purpose, but the Home Owners' Loan Corporation also paid all their expenses, including the salaries and other types of expenses. The Government was not out 1 penny. Not only that but the Home Owners' Loan Corporation put back at one time over $1 million of net profits into the United States Treasury; that was an example of how the Government can come to the aid and rescue of deserving people in the United States, and that was done.

NO NEW DEAL LAWS BEING REPEALED

A lot has been said about repealing New Deal laws. There are 23 New Deal laws to the best of my recollection. I counted up the list at one time of laws which were considered New Deal laws, and I have not heard one single Member

of this body or the other body advocating the repeal of one single New Deal law except the Home Owners' Loan Corporation Act which should be repealed because it has served its purpose. There has been a lot of talk about New Deal laws but instead of repealing them they are just extended. The Housing Administration Act was one of the outstanding New Deal laws of the century, one of the outstanding acts. Is it being repealed? No, it is not being repealed; it is being extended. Notice the laws that have been passed here during this session of Congress; most of them were extensions of old acts; that is what they are. The reason that the Home Owners' Loan Corporation was necessary was because of economic conditions in this country; people did not have purchasing power.

In order for this country to be prosperous, the wage earners must be prosperous and the farmers must be prosperous. In other words, we must have good wages and we must have good farm prices.

NOT OVERPRODUCTION

Back in the days when the HOLC was organized and put into effect with all the Government money that was necessary to help these 3½ million home owners who could not pay the installments on their homes, there was no purchasing power. They called it then overproduction. It was not overproduction. The people were not able to buy enough of the necessities of life. The food they were forced to consume was wholly insufficent. They needed more food, but they were unable to get it because they did not have the purchasing power.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. WOLCOTT. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. PATMAN. Mr. Speaker, as I said, they did not have the purchasing power. That same problem is likely to face us again soon unless administration policies are changed.

I want to try to bring it up to date. We have good times now, we have prosperity, and I presume we have fewer people unemployed in proportion to the employables in the United States than we have ever had right today. We should not expect any better times than we have right now. Yet if we do not do something to keep these good times and keep these obstacles out of the way and keep from doing things that will scuttle our economy, we are likely to go back to where we were at the time when the HOLC was absolutely necessary.

Preceding every depression we have had—in 1919 and in 1929—what was it that we had that were outstanding signs to warn us? One was interest rates commenced to go up. The rediscount rates of the Federal Reserve banks were going up. They went up and up. The farmer's income was going down all the time. That is exactly what we have today. We have the rediscount rates of the Federal Reserve bank going up, we have all interest rates going up. Interest rates on tax-exempt securities have almost doubled the past year, in fact they have almost doubled in the past few months. That means that the big wealth of the country will be induced to go into tax-exempt securities where the owners of that great wealth will not have to pay any taxes of any kind whatsoever to the Federal Government, to State, or to local governments. They will be absolutely free and immune from any kind or sort of taxation relative to their investments. It should not be that way.

We are following right now in the same footsteps that led to the major depression of 1919, 1920, and 1921, the major depression of 1929, and the early thirties, the same type of depression that hit us in 1937. It all started exactly the same way, and if something is not done to stop it we are likely to have a devastating depression as good as times are today unless something is done to stop the trend in that direction.

Prior to 1951, in March, I believe it was, the Federal Reserve Board through its open-markets committee supported United States Government bonds at par. That was done for more than a whole decade before that. No one ever claimed then it was inflationary, no one ever made that contention or assertion, but now the Federal Reserve Board has taken out its support of the Government security market, which is causing farm prices to go down.

That has caused some of these warning signs to appear that we always see preceding a major devastating destructive depression, and they should again assume the power of supporting those bonds. They say it is inflationary, but for more than 10 years during World War II and after World War II, the most dangerous inflationary period in the history of the United States of America, they supported those bonds at par, and they did not say it was inflationary then. So why should it be inflationary now?

SUPPORT BONDS AT PAR

Mr. Speaker, I have placed on the Clerk's desk Discharge Petition No. 6, for the discharge of the Committee on Banking and Currency from further consideration of House Concurrent Resolution 98.

It is my understanding that we should not hold out any hope for consideration of this resolution this session of Congress. After being convinced—and I am convinced—that we cannot get a hearing this session, I have filed the discharge petition.

House Concurrent Resolution 98 is as follows:

House Concurrent Resolution 98

Whereas millions of loyal and patriotic American citizens supported their Government during World War II by buying Government bonds and have continued to do so since the end of World War II; and

Whereas the Federal Reserve System has been pursuing a policy of refusing to do its part in supporting the credit of the United States of America by buying its proper share of Government bonds and other Government securities; and

Whereas the credit of the United States of America has been impaired thereby; and

Whereas, as a consequence, Government securities have fallen below par and the capital position of those with investments in previously issued Government securities has been seriously impaired; and

Whereas this policy of the Federal Reserve System has made it easier for banks, insurance companies, corporations, and private investors to obtain higher interest rates, and thus higher profits, on money loaned to the Government; and

Whereas the increased interest rates on Government securities will result in vast additional expenditures by the Federal Government and a substantial and unnecessary increase in the national debt; and

Whereas this policy of the Federal Reserve System has increased interest rates not only on funds borrowed by the Federal Government, but has also helped to bring about a dangerous rise in interest rates on funds borrowed by (1) farmers, (2) foreign purchasers of American agricultural products, (3) home builders, (4) veterans who are buying homes and all other home buyers, (5) businessmen (particularly small-business men), and (6) local governments for the construction of schools, roads, water supply and sewage system, and other essential public facilities; and

Whereas this policy of the Federal Reserve System may tend, in combination with other factors, to bring on a decline in business activity throughout the economy and to accentuate the deflationary trend in American agriculture; and

Whereas this policy of the Federal Reserve System is an ineffective and inappropriate substitute for soundly conceived measures to control the supply and use of credit and to maintain the value of the American dollar; and

Whereas whatever flexibility is needed in the prices of Government bonds should take place above par under the alternative policy of Federal Reserve System support of Government bonds at par; and

Whereas this policy of the Federal Reserve System undermines the ability of the United States of America to meet the financial problems that would inevitably result from a new international emergency; and

Whereas this policy of the Federal Reserve System violates the purposes of the Congress in the creation of the Federal Reserve System; and

Whereas this policy of the Federal Reserve System is inconsistent with the maintenance of maximum employment, production, and purchasing power as called for the Employment Act of 1946; and

Whereas a policy of supporting United States Government securities at par will not only cost the taxpayers nothing, but will also result in a saving to the taxpayers and a profit to the Treasury: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Federal Reserve Board and the Open Market Committee of the Federal Reserve System should support the price of United States Government securities at par, but not exceeding par, as was done before the so-called Treasury-Federal Reserve accord which was announced March 4, 1951.

Although I introduced the resolution as only one Member of the House is allowed that privilege, it is cosponsored by Representatives RAYBURN, MCCORMACK, SPENCE, MULTER, RAINS, DEANE, O'HARA of Illinois, ADDONIZIO, DINGELL, EBERHARTER, BAILEY, PRICE, PERKINS, and ROGERS of Colorado.

Members who desire to support this resolution by joining up with those of us who believe that United States Government securities should be supported at par as they were for more than a decade preceding March 1951, I suggest that they consider signing this petition at an early date. Petitions like this, of course, can only be signed while the House is in session.

To the argument that is made that the proposal is inflationary, I desire to say that this question was not raised during the time the policy was in effect to

support Government securities at par for more than 10 years preceding 1951, including all of World War II, during the most dangerous inflationary period in the history of the United States of America. So if it was not raised then, why should it be raised now?

Furthermore, the action of the Federal Reserve Board last week in reducing reserve requirements will permit the banks to create $6 billion in new money on their books, and if the actual money is called for, it will be obtained from the Bureau of Engraving and Printing here in Washington and delivered to those who request it. This is certainly several times more inflationary than supporting Government bonds at par.

Since the Federal Reserve System decided to reverse its restrictive policy, it should have used its own instrument, the Open Markets Policy Committee, to ease credit and at the same time it should have announced that bonds hereafter will be supported at par.

It is senseless to talk about relying on a so-called free market for money when the United States Government, which is all the people, is by far the most dominant controlling force in the money market since it is by far the largest borrower and the largest debtor.

The Federal debt—now about $265 billion—appears to be destined to rise to $275 billion within a year and practically equal the combined private debt of corporations and individuals.

$50 BILLION TO BE RAISED NEXT 180 DAYS

During the next 6 months the Federal Government will have to refund more than $41 billion, and Secretary Humphrey has estimated that from $9- to $12 billion in new money must also be raised during the same period. It is certainly inconsistent and unfair for the Federal Reserve System, after being forced by expediency to return to the principle of supporting an orderly Government bond market, to only support it at a price of 90 and disregard the responsibility and desirability of supporting Government bonds at par.

MATURITY SCHEDULE

I am inserting herewith a statement disclosing the maturity schedule of United States Government bonds until the end of 1954. It is as follows:

Maturity schedule of U. S. Government interest-bearing public marketable securities, July 1, 1953, to Dec. 31, 1954

[In millions of dollars]

Year and month	Description of security	Fixed maturity issues	Callable issues classified by year of—	
			First call	Final maturity
1953—July	Bills	7,000		
August	2 percent certificates, Aug. 15, 1953-C	2,882		
	Bills	6,000		
September	2 percent bond, Sept. 15, 1951-53	7,986		
	Bills	5,900		
	Tax anticipation bills	800		
December	2½ percent note, Dec. 1, 1953-A	10,542		
	2 percent bond, Dec. 15, 1951-55 [1]		510	
	2 percent bond, June 15, 1952-54 [1]		5,825	
	2½ percent bond, June 15, 1952-55 [1]		1,501	
	2 percent bond, Dec. 15, 1952-54 [1]		8,662	
	Total	41,110	16,490	
1954—				
February	2¾ percent certificates, Feb. 15, 1954-A	8,114		
March	1½ percent note, Mar. 15, 1954-A	4,675		
June	2½ percent certificates, June 1, 1954	4,900		
	2 percent bond, June 15, 1952-1954			5,825
	2½ percent bond, June 15, 1954-1956		681	
December	2 percent bond, Dec. 15, 1952-1954			8,662
	Total	17,689	681	14,487

[1] Callable on 4 months' notice on Dec. 15, 1953, succeeding interest payment date.

NOTE.—Secretary Humphrey before the House Ways and Means Committee on June 3, 1953, estimated: *Billions*

July 1 to Dec. 31, 1953, cash deficit $8.8
Jan. 1 to June 30, 1954, cash surplus 6.0

Fiscal year ended June 30, 1954—Cash deficit 2.8

Estimated new money borrowings July 1 to Dec. 31, 1953, at $9 billion to $12 billion (to take care of cash deficit above, plus cash requirements for unexchanged securities in refundings, net payments of savings bonds, etc.).

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to, and a motion to reconsider was laid on the table.

TEMPORARY ECONOMIC CONTROLS

Mr. WOLCOTT submitted the following conference report and statement on the bill (S. 1081) for the temporary economic controls, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 604)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1081) to provide authority for temporary economic controls, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Defense Production Act Amendments of 1953'.

"SEC. 2. Section 2 of the Defense Production Act of 1950, as amended, is amended to read as follows:

" 'DECLARATION OF POLICY

" 'SEC. 2. In view of the present international situation and in order to provide for the national defense and national security our mobilization effort continues to require some diversion of certain materials and facilities from civilian use to military and related purposes. It also requires expansion of productive facilities beyond the levels needed to meet the civilian demand.'

"SEC. 3. Section 101 of the Defense Production Act of 1950, as amended, is amended to read as follows:

" 'SEC. 101. (a) The President is hereby authorized (1) to require that performance under contracts or orders (other than contracts of employment) which he deems necessary or appropriate to promote the national defense shall take priority over performance under any other contract or order, and, for the purpose of assuring such priority, to require acceptance and performance of such contracts or orders in preference to other contracts or orders by any person he finds to be capable of their performance, and (2) to allocate materials and facilities in such manner, upon such conditions, and to such extent as he shall deem necessary or appropriate to promote the national defense.

" '(b) The powers granted in this section shall not be used to control the general distribution of any material in the civilian market unless the President finds (1) that such material is a scarce and critical material essential to the national defense, and (2) that the requirements of the national defense for such material cannot otherwise be met without creating a significant dislocation of the normal distribution of such material in the civilian market to such a degree as to create appreciable hardship.'

"SEC. 4. Subsection (a) of section 301 of the Defense Production Act of 1950, as amended, is amended by striking out ', or in connection with or in contemplation of the termination,' and by inserting before the period at the end thereof a comma and the following: 'or for the purpose of financing any contractor, subcontractor, or other person in connection with or in contemplation of the termination, in the interest of the United States, of any contract made for the national defense; but no small-business concern (as defined in section 714 (a) (1) of this Act) shall be held ineligible for the issuance of such a guaranty by reason of alternative sources of supply'.

"SEC. 5. Subsection (b) of section 303 of the Defense Production Act of 1950, as amended, is amended by striking out '1952' and inserting in lieu thereof '1953'.

"SEC. 6. Section 303 of the Defense Production Act of 1950, as amended, is amended by adding at the end thereof a new subsection as follows:

" '(f) Notwithstanding any other provision of law to the contrary, metals, minerals, and materials acquired pursuant to the provisions of this section which, in the judgment of the President, are excess to the needs of programs under this Act, shall be transferred to the national stockpile established pursuant to the Act of June 7, 1939, as amended (50 U. S. C. 98-98h), when the President deems such action to be in the public interest.

" 'Transfers made pursuant to this subsection shall be made without charge against or reimbursement from funds available under such Act of June 7, 1939, as amended, except that costs incident to such transfer other than acquisition costs shall

be paid or reimbursed from such funds, and the acquisition costs of such metals, minerals, and materials transferred shall be deemed to be net losses incurred by the transferring agency and the notes payable issued to the Secretary of the Treasury representing the amounts thereof shall be canceled. Upon the cancellation of any such notes the aggregate amount of borrowing which may be outstanding at any one time under section 304 (b) of this Act, as amended, shall be reduced in an amount equal to the amount of any notes so canceled.'

"SEC. 7. Subsection (c) of section 701 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"'(c) Whenever the President invokes the powers given him in this Act to allocate any material in the civilian market, he shall do so in such a manner as to make available, so far as practicable, for business and various segments thereof in the normal channel of distribution of such material, a fair share of the available civilian supply based, so far as practicable, on the share received by such business under normal conditions during a representative period following June 30, 1953: *Provided, however,* That the President shall from time to time give effect to the then current competitive position of established businesses as measured over a reasonable period of time, except as the same may result from Government controls under this or any other Act: *Provided further,* That the limitations and restrictions imposed on the production of specific items shall not exclude new concerns and newly acquired operations from a fair and reasonable share of total authorized production, and shall give due consideration to the needs of new concerns and newly acquired operations: *Provided further,* That if the President continues or reimposes allocation controls after June 30, 1953, in the civilian market of any materials subject to such controls on July 1, 1953, he shall do so in the manner above provided but on the basis of the share received by such business during a representative period preceding June 24, 1950, adjusted to reflect, since such date, attained competitive position, the requirements of new concerns and newly acquired operations.'

"SEC. 8. Section 702 (d) of the Defense Production Act of 1950, as amended, is amended to read as follows:

"'(d) The term "national defense" means programs for military and atomic energy production or construction, military assistance to any foreign nation, stockpiling, and directly related activity.'

"SEC. 9. Subsection (e) of section 705 of the Defense Production Act of 1950, as amended, is hereby amended by adding at the end thereof the following paragraph:

"'All information obtained by the Office of Price Stabilization under this section 705, as amended, and not made public prior to April 30, 1953, shall be deemed confidential and shall not be published or disclosed, either to the public or to another Federal agency except the Congress or any duly authorized committee thereof, and except the Department of Justice for such use as it may deem necessary in the performance of its functions, unless the President determines that the withholding thereof is contrary to the interest of the national defense, and any person willfully violating this provision shall, upon conviction, be fined not more than $10,000 or imprisoned for not more than one year, or both.'

"SEC. 10. (a) Paragraph (4) of subsection (a) of section 714 of the Defense Production Act of 1950, as amended, is amended by striking out 'June 30, 1953' and inserting in lieu thereof 'July 31, 1953'.

"(b) Paragraph (3) of subsection (f) of section 714 of the Defense Production Act of 1950, as amended, is amended by inserting after the word 'allocated' the first time it appears therein the words 'in the civilian market'.

"(c) Paragraph (4) of subsection (f) of section 714 of the Defense Production Act of 1950, as amended, is repealed.

"SEC. 11. Subsection (a) of section 717 of the Defense Production Act of 1950, as amended, is amended to read as follows:

"'(a) Title I (except section 104), title III, and title VII (except section 714) of this Act, and all authority conferred thereunder, shall terminate at the close of June 30, 1955. Section 714 of this Act, and all authority conferred thereunder, shall terminate at the close of July 31, 1953. Section 104, title II, and title VI of this Act, and all authority conferred thereunder, shall terminate at the close of June 30, 1953. Titles IV and V of this Act, and all authority conferred thereunder, shall terminate at the close of April 30, 1953.'

"SEC. 12. The first sentence of subsection (c) of section 717 of the Defense Production Act of 1950, as amended, is amended by adding before the period at the end thereof a comma and the following: 'or the taking of any action (including the making of new guarantees) deemed by a guaranteeing agency to be necessary to accomplish the orderly liquidation, adjustment or settlement of any loans guaranteed under this Act, including actions deemed necessary to avoid undue hardship to borrowers in reconverting to normal civilian production; and all of the authority granted to the President, guaranteeing agencies, and fiscal agents, under section 301 of this Act shall be applicable to actions taken pursuant to the authority contained in this subsection.'"

And the House agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
CLARENCE E. KILBURN,
PAUL BROWN,
Managers on the Part of the House.

HOMER E. CAPEHART,
JOHN W. BRICKER,
WALLACE F. BENNETT,
PRESCOTT BUSH,
BURNET R. MAYBANK,
WILLIS ROBERTSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1081) to provide authority for temporary economic controls and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. Except for technical, clarifying, and conforming changes, the following statement explains the differences between the House amendment and the substitute agreed to in conference.

TERMINATION DATES

The Senate bill provided for a 2-year extension of certain provisions of the Defense Production Act of 1950. The House amendment provided for a 1-year extension of some, but not all, of these provisions. The conference substitute provides for a 2-year extension of those provisions which the House amendment extended for 1 year. These provisions, which will terminate June 30, 1955, under the conference substitute, are sections 101, 102, and 103 of title I (which relate to priorities and allocation controls and hoarding); title III (which relates to expansion of productive capacity and supply); and title VII (which contains general provisions relating to the administration of the act), except section 714. As explained below, section 714, which provides for the Small Defense Plants Administration, will terminate July 31, 1953.

SMALL BUSINESS

Section 714 of the Defense Production Act of 1950 provides for a Small Defense Plants Administration which expires, under section 717 of the act, on June 30, 1953. The Senate bill continued the Small Defense Plants Administration through June 30, 1955.

In lieu of continuing the Small Defense Plants Administration beyond June 30, the House amendment added a new title II to the bill, establishing a Small Business Administration. This title is identical with H. R. 5141, which passed the House June 5, 1953, and has been referred to the Senate Committee on Banking and Currency.

The conference substitute does not contain this title. Instead it provides for continuing the Small Defense Plants Administration through July 31, 1953, in order to give the Senate an opportunity to further consider and act upon the House Small Business Administration bill during the temporary extension period.

DEFINITION OF "NATIONAL DEFENSE"

The Senate bill amended the definition of "national defense", contained in section 702 (d) of the Defense Production Act of 1950, to read as follows: "The term 'national defense' means programs for military and atomic energy production or construction, military assistance to any foreign nation and stockpiling and directly related activity." The House amendment contained a substitute definition covering the activities and operations of the Armed Forces and the Atomic Energy Commission and other agencies certified by the Department of Defense as directly and substantially concerned with the national defense, and operations and activities in connection with the Mutual Defense Assistance Act of 1949. The conference substitute contains the definition included in the Senate bill, with an amendment to make it clear that the phrase "directly related activity" applies to programs for military and atomic energy production or construction and military assistance to foreign nations, as well as to stockpiling.

INFORMATION OBTAINED BY THE OFFICE OF PRICE STABILIZATION

The House amendment contained a provision, not included in the Senate bill, barring disclosure of certain information obtained by the Office of Price Stabilization, except to the Department of Justice, unless the President determines it is contrary to the interest of the national defense to withhold the information. The conference substitute includes this provision, with two amendments. The first amendment provides that such information may be disclosed to the Congress or any of its authorized committees. The second amendment makes it clear that such information, when disclosed to the Department of Justice, may be used by it to the extent it deems necessary in performing its functions.

PRODUCERS OF MINERALS AND METALS

It has been contended that the Small Defense Plants Administration would not consider producers of strategic and critical minerals and metals as small business concerns and therefore such producers were denied the assistance afforded to small business concerns under the provisions of section 714 of the Defense Production Act of 1950 which created the Small Defense Plants Administration. As a result section 10 of the bill as passed the Senate proposed to amend the definition of "small business" contained in section 714 (a) (1) of the Defense Production Act of 1950 as amended. To make it clear that the producers of strategic and critical minerals and metals were eligible for the assistance provided to small business under such section if such producers otherwise

qualified as small business concerns a similar amendment was proposed to the definition of "small business" when the Small Business Act of 1953 was being considered in the House of Representatives. The amendment was withdrawn after full assurance was given by the committee that such producers were as eligible as any other business so long as such producers were small business concerns. It was made clear in the discussion of this amendment in the House that a small business concern was not to be denied assistance merely because it was a producer of strategic minerals and metals. It was made clear that producers of minerals and metals other than strategic and critical were likewise eligible for the benefits so long as they were small business concerns.

The proposed change in the definition of a small business concern to specifically include producers of strategic and critical minerals was not retained in the conference substitute merely because by specifically naming certain businesses which were to be included as small business concerns it might be construed as eliminating other business concerns because they were not so specifically named. It is the unanimous opinion of the conferees that a producer of strategic and critical minerals and metals is as eligible for assistance under section 714 of the Defense Production Act of 1950 as any other business concern if it otherwise meets the criteria for a small business concern under the act.

DISTRIBUTION OF MATERIALS TO SMALL BUSINESS

In view of the termination of the allocation of many materials for civilian purposes, it is the hope of the conferees that the producers of such materials will continue to distribute their supplies so as to assure small users thereof sufficient quantities to meet their current requirements.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
HENRY O. TALLE,
CLARENCE E. KILBURN,
PAUL BROWN,
Managers on the Part of the House.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (S. 1081) for the temporary economic controls, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLCOTT. Mr. Speaker, I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Clerk read the statement.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Speaker, I take this time now although I should have taken it on the conference report which was just agreed to. However, due to a misunderstanding, I was not yielded time then.

Mr. WOLCOTT. I must say to the gentleman I intended to do so but was prevented from yielding him time. It was wholly unintentional.

Mr. HAYS of Ohio. I think the gentleman, and may I say it is just as well to take the time here.

I wanted to ask this question: As I understand, the language in the conference report on the previous bill makes clear the intent of Congress that the Veterans' Administration should do something about either working out a feasible warranty provision or in some manner under the law seeing that these veterans do get what they pay for. Is that not the gentleman's understanding also?

Mr. WOLCOTT. Yes. The language is intended to activate a study by the Veterans' Administration and the Housing and Home Finance Agency to that end, they to report to us whatever legislation is necessary. If any legislation is necessary, we shall surely give consideration to it.

Mr. HAYS of Ohio. If they find they can work out a workable provision without any legislation, the gentleman would agree that they ought to go ahead and do it?

Mr. WOLCOTT. Yes, they surely should, and we will appreciate any such activity on their part, but if they need to supplement any legislative authority they have in that respect, we surely will not hesitate to hold hearings on it and give them that authority.

Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I did not sign the conference report on this bill. This is the bill that carried the Small Business Administration as an amendment. I did not feel that the conference report deals fairly with the Small Business Administration part of the bill.

The fact is that tonight at 12 o'clock the Small Defense Plants Administration expires, on June 30, and this conference report extends it only 30 days, with the promise, it is true, that during that time the other body will take up the Hill bill we passed here, a bill separate and distinct from this particular bill and which is now pending in the other body, and give it consideration if they can during the next 30 days in the hope that something will be agreed to that will take the place of the Small Defense Plants Administration. Believing that that is a very insecure position for the small concerns, the independent concerns of the United States, and that it has not dealt with them in a way that I consider to be exactly the way that they should be dealt with, I did not sign the report. Consequently, I am in opposition to that part of the conference report.

The SPEAKER. The question is on the conference report.

The conference report was agreed to, and a motion to reconsider was laid on the table.

PROVIDING FOR AN ADDITIONAL ASSISTANT POSTMASTER GENERAL

Mr. REES of Kansas. Mr. Speaker, I move that the House resolve itself into the Committe of the Whole House on the State of the Union for the consideration of the bill (H. R. 5302) to provide an additional Assistant Postmaster General in the Post Office Department.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5302, with Mr. CANFIELD in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. REES of Kansas. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this legislation will authorize an additional Assistant Postmaster General, whose primary responsibility will be the establishment and supervision of a unified and comprehensive personnel program for the Post Office Department.

I am fully aware of all of the factors involved in recommending approval of this legislation to create an additional assistant postmaster generalship. Thorough hearings, both open and in executive session, were held on the legislation.

The Postmaster General, his Deputy, the present Assistant Postmasters General, and top operating officials of the Department were interrogated at length and in detail as to exactly how this legislation will be administered.

As a result of these deliberations, the Committee on Post Office and Civil Service concluded that the post of Assistant Postmaster General, with the primary personnel responsibility I have outlined, will clearly be in the public interest. This decision was reached with full realization of the responsibility assumed by the committee in recommending the creation of a new top position in Government. In the committee's judgment, however, it is necessary to spend a moderate amount in this instance, in order to gain the far greater returns for the taxpayers of America which will be made possible under this legislation.

The functions of the new Assistant Postmaster General will be administrative in nature. However, whereas the functions of the present assistants are confined to the respective operating bureaus they head, the administrative responsibility and authority of this new assistant will extend horizontally across bureau lines. In this way, the Postmaster General will be able to vest in this assistant for administration the necessary authority and responsibility for personnel management on a department-wide basis. Appropriate consideration will be given, of course, in the performance of this broad responsibility, to the special needs and problems of the individual bureaus. At the same time, however, there will be assurance that each bureau and its personnel are receiving reasonably fair and uniform treatment and as a result are completely integrated into the overall departmental plans to utilize manpower with maximum efficiency.

We are convinced that a modern and vigorous program of personnel management under able, experienced, and authoritative leadership is of greater importance in the postal service than in any other single Government activity because personal service is the predominant service rendered by the Department. In the judgment of my committee this, as pointed out previously, is one of the most important single steps which the Congress could take to reduce the postal deficit which reportedly will exceed $700 million this year. This administrative position in the Post Office Department is one of the most responsible personnel jobs in the country. Except for the Department of Defense, there is no other employer of so many

people. Several other departments, having not nearly so many employees nor as complicated personnel problems as those facing the Post Office Department, have established the personnel responsibility at the level of Assistant Secretary.

I wish to point out further that the Post Office Department presents a picture more similar to a private business enterprise than is the case with any other department of the Federal Government. In any successful private business—unlike the Post Office Department—personnel responsibility invariably is vested in a vice president who has authority comparable to that of the highest ranking operating officials. Yet the Post Office Department, which is so like a private business enterprise, lacks any provision whatever for such an essential of sound management.

The Postmaster General and his top management team already have drawn up plans for the establishment of a Division of Personnel under the new Assistant Postmaster General to be authorized by this legislation. The establishment of such a Personnel Division was recommended by our committee in House Report No. 366.

Under these plans, the various individual personnel units now existing in each Bureau will be consolidated into the Division of Personnel. This consolidation of Bureau personnel activities in itself is expected to save $100,000 annually. Much greater savings, of course, will be accomplished in the field service as a result of a more effective personnel-management program.

The leading organizations of postal employees, representing the great majority of such employees—who have the very deepest interest in the improvement of the postal service and the restoration of the prestige the service once enjoyed in the public esteem—have strongly endorsed this legislation. They wrote me as follows:

JUNE 10, 1953.

Congressman EDWARD H. REES,
Chairman, House Post Office and Civil Service Committee, House Office Building, Washington, D. C.

MY DEAR CONGRESSMAN REES: Today at the June meeting of the Government Employees' Council (A. F. of L.) a motion was made by Brother William C. Doherty, chairman, legislative committee (Government Employees' Council, A. F. of L.) that the Government Employees' Council endorse and support the intent of the legislation as outlined in H. R. 5302. This motion was supported by Brother E. C. Hallbeck, vice chairman, legislative committee (Government Employees' Council, A. F. of L.), and others, and unanimously approved.

In keeping with this resolution, I assure you that I will be very happy to cooperate with you and the members of your committee, to the end that H. R. 5302 be enacted into law during this session of the Congress.

With kindest personal regards, and very good wish, I am,

Most sincerely,

THOMAS G. WALTERS,
Operations Director, Government Employees' Council, A. F. of L.

I have been assured of the utmost cooperation from these organizations and the employees they represent in support of H. R. 5302 and the objectives to be accomplished thereunder.

Deterioration of employee morale and service in this great governmental department have gone hand in hand with a mounting deficit. It is our firm conviction that there is a direct relationship between the size of this deficit and the need for a modern and enlightened policy of personnel management administered at the top level in the Post Office Department.

H. R. 5302 is regarded as one of the most important single pieces of legislation dealing with postal matters which will be considered by Congress in this session. It is certainly a keystone in the program of the Postmaster General to achieve more efficient and economical postal operations, and to improve service to the public while at the same time accomplishing major reductions in the deficit.

If the Congress desires to do more than just talk about the postal deficit, if the Congress desires to make a first forward step in providing the tools with which greater efficiency can be brought about in the postal service, this is that step, and H. R. 5302 should be approved.

Mr. Chairman, it is my considered opinion that this legislation ought to be approved. It has the recommendation incidentally, of the task force of the Hoover Commission, and it has also been recommended by the Committee on Civil Service and Post Office where an exhaustive study was made of this problem some time ago.

I trust the membership of the committee will see fit to support this proposed legislation.

Mr. MURRAY. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. DOWDY].

Mr. DOWDY. Mr. Chairman, I probably should not take your time talking here, but I was 1 of 3 who voted against the creation of a new Assistant Postmaster General, and I might state some of the reasons for it. Some of you might want to consider them.

I have felt that the cost of our Government is too great. I think if we keep on creating new high offices and paying additional high salaries that we are increasing the cost of Government. I want to decrease the cost of Government instead of continuing forever and ever deficit financing to run the Government.

This is a small matter. It will cost us an additional amount of $53,000 every year. That is what they say. I do not know wheher they include the cost of a Cadillac and a chauffeur for the new Secretary in that extra cost or not. I think we have enough bureaus in our Government already.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Does the gentleman know if this is in line with the President's policy of reducing expenditures?

Mr. DOWDY. No, sir; I do not. It is an increase in expenditures. I do not know how you could reconcile that at all.

In any event, the greatest talk that we hear now is that bureaucracy is taking our country, and we need to redeem ourselves from what it is doing. So many new under secretaries and assistant secretaries have been created since this Congress has been in session that I could not keep track of them. So I looked it up.

The first was a new Assistant Secretary of State. Then we have the Department of Public Welfare, Health, and Education, I think they call it. There were three new ones created there.

In the Department of Agriculture there are three new Assistant Secretaries created.

In the Justice Department there is a new Assistant Secretary created.

In the Defense Department there are six new Assistant Secretaries created.

The statement was made the other day about the marriage of the Department of the Navy and the Department of the Army resulting in three; but that marriage has now produced sextuplets. That is more than human beings I think so far have produced. In all, this Congress has created 14 new Assistant Secretaries—this will be the 15th.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield to the gentleman from Ohio.

Mr. BENDER. Is the gentleman aware of the fact that in the Defense Department alone, as a result of the creation of these new Secretaries, over 60,000 people have been fired, which is pretty much the case in all the other departments of Government?

Mr. DOWDY. According to the reports I have, in March the number of people employed by the United States Government decreased by 20,000. Yet the salaries that month increased $60 million, although 20,000 people were fired.

Mr. BENDER. Will the gentleman yield further?

Mr. DOWDY. I yield.

Mr. BENDER. Is it not a fact that for all departments we have appropriated for thus far we have decreased appropriations by anywhere from 7 to 15 percent in each department?

Mr. DOWDY. I did not think it was that much.

Mr. BENDER. Decreased.

Mr. DOWDY. In fact, I thought the only one that went through had a decrease of one-seventh of 1 percent.

Mr. BENDER. I am sure the gentleman must not have been present when the bills were under consideration.

Mr. DOWDY. I think if you will take the RECORD you will find that I voted on every one; and, as I recall, the only appropriation that has been completed and gone to the White House was for the Treasury and Post Office Department. The difference between the 1953 appropriation and the 1954 appropriation was one-seventh of 1 percent.

Mr. BENDER. I am reliably informed that the cuts in personnel, the amount of money appropriated for personnel for the coming year is reduced by 25 percent.

Mr. DOWDY. Has any other appropriation bill been completed except Treasury-Post Office?

Mr. BENDER. For the gentleman's information I am talking about the bills as they passed the House.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MURRAY. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. BENDER. Mr. Chairman, will the gentleman yield further?

Mr. DOWDY. Do not take up all my time.

Mr. BENDER. I merely want to say to the gentleman that these appropriation bills have been passed by the House.

Mr. DOWDY. I am talking about the ones that are through. I do not know what the final result will be on those that are not yet completed. The supplemental appropriation bills have not come in.

I am in complete accord with the gentleman's desire for economy. That is the reason I am talking as I am.

The statement was made here about the necessity for the new official to be of high level, so he would have authority to speak. Last Saturday there came over the ticker tape out in the lobby this statement which might be of interest:

Secretary of Defense Wilson removed civil-service protection from 52 high-level officials in the Pentagon, including the Chauffeur of Assistant Secretary of the Navy Anderson.

One of the high-level officials was the chauffeur for Navy Secretary Anderson. I understand it takes a high official to speak. I believe it is not necessary to create an assistant secretary for him to have authority to speak. The matter of creating all these new bureaucracies reminds me of a story I heard not long ago about an argument between a surgeon, an engineer, and a bureaucrat as to which of their professions was the first to be known in the history of man. The surgeon maintained it was the surgeons because the first thing recorded in the Bible is about God operating on Adam, removing the rib and creating Eve. The engineer said "No," that engineers came before physicians and surgeons because you will recall that the Bible states that God created the earth out of chaos. The bureaucrat spoke up and said: "We came first, because we created chaos." I am not going to be a party to creating another bureaucracy here to help increase the chaos that we have.

Statements are made in the report that accompanies the bill to the effect that the Post Office deficit, which is around $700 million a year, is attributable to the fact that they do not have this Assistant Secretary down there; if they had him they would not have the deficit; but I want to tell you that the Post Office Department does not agree with that statement in our report; they do not even think so. They have come here recently asking us to increase postage rates, and soon to take effect will be an increase in postage rates on fourth-class mail.

There are other statements in the report that our personnel problems can be settled through management channels, and yet when they were over here before our committee giving testimony as to the necessity for this new Assistant, Mr. Burk stated that they wanted to turn over to him the duties of the Civil Service Commission. They gave no indication that they would decrease the cost of running civil service for this country. They say there is no single official except the Postmaster General and his Deputy in the postal establishment that can tell us anything about personnel. But if you try to find out something about personnel in any department you would be well advised not to go to the head but to go to some assistant or some secretary who would know what he was talking about.

Our report states that the Postmaster General, his Deputy, the present Assistant Postmasters General, and top operating officials of the Department were interrogated at length and in detail as to exactly how this legislation would be administered. Well, the Postmaster General came over to our committee with 10 of his assistants. I do not remember all of their titles. However, the only man who gave testimony was Mr. Burk, and he indicated some place that they had an outline for this new Assistant to follow. But when I asked him the direct question: "I am trying to get what your plan is. You are asking us to vote for something and we do not know what it is," finally he came out and he said: "I have no plan." They are going to make the plan after they get this Assistant.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. REES of Kansas. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I am one member of the committee who will vote against this bill.

When the Truman administration was in power I opposed the creation of additional top-bracket jobs in Government. I insisted then, as I do now, that there can be no end to deficit spending, no paring of two hundred and seventy billion in Federal debt, and no reduction in taxes until there is the courage to cut the fat out of the Federal Government—not put more into it.

The Postmaster General could vest any capable employee with the authority of personnel director without the creation of still another Assistant Postmaster General with the train of expense that goes with such an office.

To the best of my ability, I propose to keep my pledge to the people of the Third Iowa District to provide economy in Government. I cannot support this bill to provide for another Assistant Postmaster General.

Mr. Chairman, just a short time ago today a bill flitted through the House with the greatest of ease calling for the expenditure of $150,000 to stuff the skins of a bunch of foreigners with liquor and food. Through the years Congress has compelled American taxpayers to dig up more than $600,000 to send junketing Congressmen who were delegates to this Interparliamentary Union over to Europe, where they were wined and dined. Now it is the foreigners' turn to come to Washington and get theirs.

I ask the Members of this House, When are you going to do something about economy that you talk about so much? When do you propose to practice what you preach and cut the expenses of this Government, particularly such outright waste?

Mr. MURRAY. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RHODES].

Mr. RHODES of Pennsylvania. Mr. Chairman, as a member of this committee I have some doubt about the merits of the pending bill. It is an administration proposal which creates another top-salary job in the Federal service. I do not think it is very consistent for an administration that has promised economy and that is now firing many career employees.

I cannot help but feel suspicious about this proposal because of what has happened since last January. It indicates to me a very serious trend away from the merit system in the Federal service and a return to the spoils system in the Post Office and the other agencies of the Federal Government. I am suspicious, too, at the decisions made by the Postmaster General and the Chairman of the Civil Service Commission in throwing out some 1,700 civil-service registers throughout the country for postmaster positions. I do not think it is necessary to create more top-salary jobs if it is true that thousands of Federal employees have been dismissed. It should require less top-level jobs, not more.

I am also concerned over the steps being taken to tear down the merit system under the guise of strengthening it. President Eisenhower before he was elected promised that employees in the Federal service had no reason to fear the loss of their jobs. Today the morale of Federal workers is low because of administration policy. I believe that the administration should be given authority to carry out its program; but propocals like this seem very confusing to some of us who have heard so much criticism about the growing bureaucracy in the Federal service.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. REES of Kansas. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, I just want to call the attention of the gentleman from Pennsylvania to two or three items he mentioned. For example, he is interested, as is the gentleman from Kansas, in the merit system, and certainly these employee organizations are among those who carried the torch for the merit system. I know the gentleman will agree with me on that.

Mr. RHODES of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Pennsylvania.

Mr. RHODES of Pennsylvania. I will say this, there has been a lot of lip service given to protecting the merit system but I am very much concerned about some of the things that are happening and some of the policies being carried out by the very people that say they want to strengthen the merit system.

Mr. REES of Kansas. I am talking about A. F. of L. organizations in Government. The gentleman agrees with me that they have been working for the merit system right along, have they not?

Mr. RHODES of Pennsylvania. That is right.

Mr. REES of Kansas. Now, then, we have among others, who endorse this legislation, such persons as Mr. Halbeck, of the Postal Clerks Union, with whom the gentleman is well acquainted, and also Mr. Thomas G. Walters, operations director for the Government Employees Council supporting it, and William C. Doherty, of the National Association of Letter Carriers. So, it seems to me in reply to his criticism that we have to recognize the support of this legislation by those gentlemen and organizations they represent.

Mr. RHODES of Pennsylvania. I am very sorry to have to disagree with those gentlemen in this case.

Mr. MURRAY. Mr. Chairmar, I yield 3 minutes to the gentleman from Ohio [Mr. REAMS].

Mr. REAMS. Mr. Chairman, I rise to support this bill. I listened carefully to all of the testimony before the committee, and I am convinced from 2 years' service on that committee that the thing the post office probably is suffering from more than anything else is faulty personnel management. I cannot imagine any Government organization or any business anywhere in the world with over 500,000 people in it which does not have a coordinated, well-directed, personnel policy. This does not exist in our post office today. I have visited some of the Canadian post offices, and while I think that we have a great many things that we can teach the people in Canada, I believe that their personnel system is something that we could well profit by. While we might not want to adopt it in its entirety, there are some features of the Canadian system which we need and which can only be worked out by a good personnel system. One of these with the characteristics of a well-managed business is that a man really has a career job when he becomes a postmaster in Canada. He starts in the lowest class office and then if he develops, he goes to a larger town, and on to city postmastership, not necessarily within his district. If we are going to have a real Civil Service System in our post office, I truly believe that it ought to be a merit system. It ought to be a career for people of which they can be proud.

This man who is going to be the new Assistant Postmaster General in charge of personnel has the greatest opportunity of any person in this country to show what a personnel director can do to raise efficiency and morale. I am not sure that he will do it. He may be just another political appointee who is going to gain, as someone said in the committee, prestige from it and not do a job. But the least we can do is to make this small expenditure to give him an opportunity and give the Postmaster General an opportunity to see whether or not we can make our Post Office Department the finest service organization in the world.

Mr. REES of Kansas. Mr. Chairman, I yield 5 minutes to the gentlewoman from New York, a member of our committee [Mrs. ST. GEORGE].

Mrs. ST. GEORGE. Mr. Chairman, our committee debated this question at some length. I think it was an almost unanimous conclusion that it certainly was a most necessary thing for the Department to have an Assistant Postmaster General who would be in charge of personnel. The Post Office Department has probably the biggest personnel problem of any department in Government or, for that matter, of any private corporation or business in the United States.

We have a quaint habit on the floor of this House of often comparing the Government with private corporations and private businesses. As a rule it is a foolish comparison, because no private business could function as the Government functions for the very simple reason that they would have been declared bankrupt some time ago. On the other hand, when we are making this comparison it is an unthinkable thing that any corporation or private business employing 500,000 people should not have someone in charge of personnel at the very highest level receiving a proper, commensurate salary for his work.

We have assistant postmasters for everything else. We have them for transportation, we have them for motor vehicles, we have, in all, four of them, but we have no one in charge of personnel, the most important thing in the whole Department. Surely we can well afford this. I believe with the heads of the Department that it not only can be afforded but that it will effect very substantial economies if we get such a person. I am very sure that this $15,000 will be saved in the very first year. A Postmaster General in charge of personnel, if he is the right person, and we have reason to believe that Mr. Summerfield will be very careful in picking out just such a right person, will be able to smooth over many problems, and will be able to raise the morale of the employees of the Post Office Department. In fact, the whole thing is long overdue. I certainly hope that this House will give its most emphatic approval to this measure. Sometimes, we can be penny wise and pound foolish. I believe this is just such an occasion.

Mr. WIER. Mr. Chairman, will the gentlewoman yield?

Mrs. ST. GEORGE. I yield to the gentleman from Minnesota.

Mr. WIER. The gentlewoman mentioned the morale of employees. My mail, which comes in bushel baskets, tells me how we can raise the morale of employes: With a pay increase.

Mrs. ST. GEORGE. There is no question about that. May I say I agree with the gentleman on that, too. But maybe if we have a Postmaster General in charge of personnel he will recommend their pay raise and recommend it along just the proper lines. That is very possible. That should be one of his functions.

Mr. MURRAY. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. LESINSKI].

Mr. LESINSKI. Mr. Chairman, this bill is in line with the committee's thinking as a whole although there has been some objection too. Mr. Hook testified before our committee, and he was asked whether this would save some money. He was very hesitant in saying that it would, but he did testify that in the many departments of the Post Office Department, each department has a separate personnel department, and thus the personnel departments are scattered throughout the whole Post Office. What we have tried to do is to take the various groups from the various departments and to bring them into one department, and then eventually cut the staff down. Many of us are opposed to establishing new bureaus, and so forth, but we felt in view of the necessity in the Department of establishing the position of an Assistant Postmaster, we went along. Knowing of the difficulties of the whole Department fairly well, we find there is no definite attitude as to personnel matters. The various department heads are busy with transportation, handling of the mail, finances and one thing and another. They do not have the time to study personnel matters. For this reason, the establishment of this position of Assistant Postmaster to me represents a step forward in bringing about a proper relationship between the employees and the Postmaster General to whom the Assistant Postmaster General will bring his recommendations.

Mr. Chairman, I wholeheartedly endorse this bill and I can see no objection to it. I hope the committee will accept it.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MURRAY. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I am heartily in favor of the enactment of this legislation. I am convinced that its passage will result in the long run in considerable savings to the Department and in better personnel management and supervision. I feel this bill is in the best interest of the efficient and economical administration of the Post Office Department. Today there is no one single administrator or director of personnel in the Post Office Department in charge of the supervision of the entire personnel of the postal service. There is no coordination or unification of the various personnel problems and practices in the Department. I am fairly familiar with the operation of personnel matters in the Department because I was with the Post Office Department in Washington for about 10 years. At this time, there is no unified responsibility in the Department for the handling of personnel problems, and yet the Post Office Department has about 536,000 employees and 75 percent of all of the expenditures of the Department are for salaries and wages. There certainly should be a unified, coordinated responsibility in the Department for handling all personnel problems.

What is the present personnel practice in the Department today? The personnel files and records are scattered all over the Department. For instance, there are four different bureaus in the Department—the Bureau of Operations, the Bureau of Finance, the Bureau of Transportation and the Bureau of Facilities.

In the Bureau of Operations, they have charge of all personnel records and supervision of the postmasters and the city carriers and the city clerks and the rural letter carriers. In that Bureau alone, you have 4 different divisions handling personnel—1 for the postmasters, 1 for the city clerks, 1 for the city carriers, and 1 for the rural carriers.

In the Bureau of Transportation, they handle personnel records and problems for all the postal clerks and railway mail clerks and airmail clerks.

In the Bureau of Finance, they handle personnel pertaining to accounting and finance.

In the Bureau of Facilities, they have charge of all personnel records and supervision of employees in the motor vehicle and custodial service. So you see the present personnel problems and management are scattered thoroughout the Department. This bill was proposed by the Postmaster General. I have great confidence in the new Postmaster General. I think he is seriously endeavoring to do a fine, effective job and to operate the Department efficiently and economically. He has great ability and I am quite favorably impressed with him.

Mr. O'BRIEN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I am glad to yield to the gentleman from Michigan.

Mr. O'BRIEN of Michigan. Is there anything in this bill that assigns any duties to this proposed new Assistant Postmaster General, except the language, "such duties as the Postmaster General may designate"?

Mr. MURRAY. This new Assistant Postmaster General will have charge of all personnel of the Department. He will have charge of all the problems of personnel. He will have charge of the training program, the promotion program, the supervisory program.

Mr. O'BRIEN of Michigan. Is there anything in this bill, I asked the gentleman, which designates any duties for this new official?

Mr. REES of Kansas. Will the gentleman yield to me?

Mr. MURRAY. I am glad to yield to my chairman.

Mr. REES of Kansas. This bill does not say he will be in charge of so many thousand personnel. But there is nothing in the law with respect to the other Assistant Postmasters General designating exactly their duties. Their duties are assigned them by the Postmaster General. That is the answer.

Mr. O'BRIEN of Michigan. If the gentleman will yield again, many times we create offices and we designate the scope of their duties in the bill creating the office. You assume here that this new man is going to be in charge of personnel. But that is not what the bill says. This man could be appointed as a chauffeur in the Post Office Department, as far as anything in this bill is concerned. There are no duties assigned to him in the bill whatsoever.

Mr. WIER. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Minnesota.

Mr. WIER. From what I have gathered here in this discussion, with all of the problems in the field of employment, I am assuming that the indications are that this gentleman, if he is assigned, is going to be assigned in the Office of Labor Relations and Employment as a labor-personnel representative?

Mr. MURRAY. The gentleman from Minnesota is correct. The Assistant Postmaster General authorized in this bill would have charge of all personnel problems—keeping records of all appointments, training, promotions——

Mr. WIER. What does the gentleman mean by appointments?

Mr. MURRAY. Under the civil-service laws.

Mr. WIER. I thought we had civil service.

Mr. MURRAY. He would have charge of the records of all the employee departments. Certainly the post-office employees will continue to be selected and appointed under civil-service examinations and procedures.

Mr. WIER. How can he make appointments under civil service?

Mr. MURRAY. I did not say that. He would have charge of keeping the records of all these appointments of civil-service employees and would have general supervision of all postal employees.

The CHAIRMAN. The gentleman has consumed 5 minutes.

Mr. MURRAY. I yield myself 5 additional minutes, Mr. Chairman.

Of course, this bill in no way disturbs the present civil-service procedures for the selection of postal employees. This bill is endorsed and backed by the postal employees' organizations.

It is foolish to think of an organization of over half a million people, and spending three-fourths of an appropriation of nearly $2 billion a year for salaries, that does not have someone in charge who is directly responsible for all personnel problems and practices.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman says that there has been a crying need for this Assistant Postmaster General for many years. Can the gentleman tell us why we have not had such legislation before us many years ago?

Mr. MURRAY. That is not within my province to explain. Time always brings improvements in all matters, I hope.

I am convinced that the enactment of this bill will be a major contribution to the improved management of the postal service. This legislation is not a partisan affair. The new Postmaster General has selected 4 fine, outstanding businessmen, as the present 4 Assistant Postmasters General. I am sure, if Congress authorizes the appointment of this additional Assistant Postmaster General, your Postmaster General will pick out some outstanding business executive who has been trained and who is an expert in personnel administration and supervision in handling personnel problems and who will do an outstanding job, in my opinion.

Mr. RHODES of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I am glad to yield to the gentleman from Pennsylvania.

Mr. RHODES of Pennsylvania. Does the gentleman feel that the throwing out of 1,700 civil service registers was a nonpartisan act?

Mr. MURRAY. That has nothing to do with this bill; nothing whatever.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MURRAY. I yield.

Mr. JONES of Missouri. Since the gentleman mentioned the fact that there is nothing partisan about this, would he have any objection to accepting an amendment providing that after this appointment is made not more than 4 of the 5 Assistant Postmasters General shall be members of the same political party? There is nothing wrong with that, is there?

Mr. MURRAY. I would not agree to that at all; it has no place in this legislation.

Mr. WIER. Well, it is nonpolitical, I thought the gentleman said.

Mr. MURRAY. I think if the gentleman from Missouri will take the background and business records and qualifications of the four gentlemen who have been appointed as Assistant Postmasters General and the gentleman who has been appointed Deputy Postmaster General since January 20, he will agree with me that they are outstanding businessmen who are sincerely interested in improving the service and efficient, economical operations of the Department.

Mr. JONES of Missouri. I am not going to argue with the gentleman like that, but I have not seen anybody in the Post Office Department, whether the administration be Democratic or Republican, who was not pretty politically minded; and if he was not, he would not be trying to change all these registers, trying to supplant all these postmasters at the present time, forcing them to take another examination to get on a register from which they could not have been appointed even if they made the highest grade. Do not try to kid anybody by telling us there is nothing political about the matter, because there is.

Mr. MURRAY. I do not care to comment on what my friend from Missouri has to say; I want to stick to the discussion of this legislation, because I know that it is good legislation and that it is in the interest of good, sound economy and will result in a savings to the Department. If you authorize an additional Assistant Postmaster General, you will see a great improvement in personnel practices, in the training program, in the recruitment program, and in the promotion program for supervisors. I sincerely trust that this bill is approved by the House. As I recall only two members of our committee opposed it. I think the vote was 21 to 2 when the bill was favorably reported out by our committee. I thought the gentleman from Pennsylvania [Mr. RHODES] supported this bill until just now.

Mr. RHODES of Pennsylvania. Read your report.

Mr. MURRAY. Were you there at the committee meeting?

Mr. RHODES of Pennsylvania. No; I was not.

Mr. WIER. Will the gentleman yield for a question?

Mr. MURRAY. No; I am through.

Mr. WIER. Mr. Chairman, will the gentleman from Kansas yield?

Mr. REES of Kansas. I yield to the gentleman from Minnesota.

Mr. WIER. I thought it would be appropriate at this time to ask, as long as the question has been answered about a labor personnel department, why you do not have the union recognized so we could have full-fledged collective bargaining. Is this new official going to establish any system of collective bargaining?

Mr. REES of Kansas. I may say to the gentleman that under this legislation it will not be necessary to require the legislation the gentleman is talking about; anyway we are not discussing that particular problem at the moment. Our committee is ready to handle any of these problems which have to do with the postal service, and the gentleman from Minnesota is one of those who is deeply interested. When the time comes we will be glad to give him the consideration to which he is entitled.

Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. CORBETT].

Mr. CORBETT. Mr. Chairman, the provisions of this bill simply provide that the several personnel agencies now existing in the Post Office Department shall be drawn together into one agency under the head of a new Assistant Postmaster General. It was the thinking of the committee and the advice of the Department heads, that an individual to head up personnel in a department employing more than 500,000 individuals should have a title in keeping with the responsibility and the importance of that office; hence it was felt that instead of having another Director of Personnel it should be an Assistant Postmaster General. Furthermore, it was felt that to secure a man of the ability which was desired would probably require a sacrifice on the part of that gentleman in the way of his own personal earnings; hence he should be entitled to the recognition that this bill would give him.

It has been said here that there is no plan. I would refer those who say that and others to the committee report on pages 6 and 7 where there is outlined man by man, agency by agency, the number to be employed, the amount of the salary, and the total cost.

Let us note this in correction of some of the things which have been said here today. Someone asked whether this program will justify the increased cost. All of the various personnel divisions of the Department employed 242 persons and the annual salaries aggregate $1,049,000. Under the plan submitted by Mr. Burk, who was called here to work without compensation in setting up the program, the Department would start out with 234 employees, 8 less, and the total salaries would be $1,103,000. At the outset there would be a slight increase in total salaries but a decrease in total personnel. They propose further that some of this personnel might be eliminated at a later date.

But here is the point: If we once secure in this Department individuals who know personnel problems and know how to meet them, if we have a proper recruitment program, if we have an improvement in the training program, if we have an improvement in morale, we will not have 20 percent of the postal employees separating themselves from the service every year with incident expenses that must run into the tens of thousands of dollars in getting replacements, training them, recruiting them and all that.

Mr. Chairman, this bill reduces bureaucracy, it reduces the expenses of the Post Office Department, and, above all else, we have promised the people of this Nation that we are going to give them better service at less cost. Now, then, the only way you can give better service in a department of this kind is to have people who know what they are doing from the point where the mail is collected at the box until it is delivered at the door, people who are anxious to do a good job.

It is the hope of the Department, it is the hope of your committee, that as a result of the passage of this legislation we will bring to bear on the problems of the Post Office Department intelligence and motivation to do a good job, with the end result that this agency employing over 500,000 people will perform a better service for the people of the United States than they presently enjoy, that it will be at a decreased cost and that they will do it with an improved employee-management relationship, resulting in a great savings to the Department.

I sincerely believe this measure should be passed, and it should be passed by an overwhelming vote to express our confidence in the Department's work to date.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That there shall be in the Post Office Department an additional Assistant Postmaster General, who shall be appointed by the President by and with the advice and consent of the Senate, shall perform such duties as the Postmaster General may designate, and shall receive compensation at the rate of $15,000 per annum or at such other rate as may hereafter be provided by law for Assistant Postmasters General.

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: Page 1, line 10, strike out the period, insert a semicolon, and add the following: "*Provided*, That after this appointment is made not more than 4 of the 5 Assistant Postmasters General shall be members of the same political party."

Mr. JONES of Missouri. Mr. Chairman, of course we all know that the Post Office Department employees are under civil service, and there is no politics involved, and for that reason I can see no objection that anyone should have to this amendment.

Of course, it is kind of hard to tell about the politics of some of the people who supposedly are in a policymaking position at the Post Office Department. Quite frankly I was under the impression that I was dealing with some members of my own party during the past 4 years, and until the election in November, and I thought I was getting some rather preferred service down there, but I found that immediately after the election last November I was in a much different position with some of those heads of departments down there than I had been before. I think that the civil-service rules and regulations are misunderstood by a lot of people. I think that sometimes we have people serving in departments under a civil-service appointment that apparently were put there at a time when a political party was in power, and at the recommendation of possibly a Member of Congress who thought that they were members of that party only to find that after the political complexion changes and they have a new boss that their politics have conveniently changed and they say "Oh, no; I was not a Democrat during that 20-year period. I have been a Republican all the time and I even contributed to the Republican Party." So, they immediately take that position.

I offer this amendment because of the fact that a lot of people, including members of the party now in power, have taken the position for many years that the Post Office Department was supposed to be out of politics. It was a department in which we all recognized, probably more so than in any other department, the civil-service regulations, and we discouraged people from practicing politics. We tried to invoke the Hatch Act to the extent that if you were going to some post office as a Member of Congress you were not too welcome there. They said, "Oh, do not let the Congressman come in here, because he might suggest that we were trying to get our employees involved in some political controversy, and we do not want them to be embarrassed; we are strictly civil service. We cannot contribute to a political campaign fund, because that would be participating in politics." They have used that argument quite often to hide under, forgetting, of course, that it was politics that got them the job in the first place.

Before I sit down I would like to discuss some things about bills that have been pending here as well as some actions taken by this administration to unfreeze some civil-service appointments. I want to say in that respect that those who are participating in that type of procedure and trying to remove people in order that those places may be filled by Republicans, will find that you are dealing with a highly explosive subject which could be reversed in a very short time. I think that those people who would try to unseat or depose those postmasters who have passed examinations, who have been appointed, who have been rendering a splendid service, and who should be permitted to complete their terms, are getting themselves in a position of possibly having to do a little backtracking later on.

I think that this amendment which I have offered is in order. I think no one can find any fault or criticism if a minority should ask for only one of these positions, in view of the fact that it was this minority party which was responsible for the election of the President of the United States and which has been pulling all of his chestnuts out of the fire, as was demonstrated here yesterday. Without this minority party I do not think that the majority could be getting very far today.

Mr. Chairman, I hope that this amendment will be adopted.

Mr. REES of Kansas. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I have great respect for the distinguished gentleman from Missouri. I do not think he is serious about this proposed amendment. I am surprised he even offered it. I regret that he did not receive as good treatment immediately after the November election as he did before. The proposal we are trying to get across now is to treat everybody alike all the time. It appears to me the gentleman suggested that he thought that before the November election he was treated very well; in fact, he thought he was one of the favored few. However, after the election he seems to think they just sort of gave him up, that he lost out. I do not know what he means about that.

But let us get serious about this. It is my understanding that the gentleman would want the administration in power to appoint to policymaking positions men who would carry out the administration's policies.

I do not believe the gentleman feels this is a good amendment. I just cannot believe it, knowing him so well and realizing that he is a man of such good judgment with respect to all other matters. I just cannot understand it. Nobody ever suggested before that we ought to have 1 or 2 Assistant Postmasters General of another party. It seems to me the gentleman would agree with me that the Postmaster General certainly ought to have the right to appoint the men he wants to these policymaking jobs and have them be responsible for them, whether these men belong to the gentleman's party or mine. Let us pick the best men we can for these important positions.

I think when the gentleman thinks this over a little he will go along with me. I just cannot imagine that he wants to adopt this kind of amendment in this kind of legislation. Again I pay him a great tribute for his good judgment, but I think he kind of got off the track on this particular amendment.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to my friend from Missouri.

Mr. JONES of Missouri. I had gotten the idea during the debate that the impression was being left that this was strictly nonpolitical, that we were going to operate the Post Office much better and more efficiently than it was operated before.

Mr. REES of Kansas. We have confidence that the Department will be operated better than it was before.

Mr. JONES of Missouri. I thought if we were going to do that we might make this Department more like some other agencies of the Government and take the politics out of it, and throw a Democrat in there to kind of balance it out, just to see if we were sincere in making it nonpolitical.

Mr. McMILLAN. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from South Carolina.

Mr. McMILLAN. I have the greatest respect for the chairman of this committee. I served with him for a number of years, as he will recall, on the old Civil Service Committee, before the Committee on the Post Office and Civil Service was created under the Reorganization Act.

Mr. REES of Kansas. The gentleman was a distinguished member of that committee and made many constructive suggestions.

Mr. McMILLAN. I wonder if the gentleman can give me any assurance that we can get our mail to the Post Office Department answered more promptly now.

Mr. REES of Kansas. I wish I could. I can assure him that a good many improvements have been made in the Post Office Department. I can assure him also that every effort will be made to improve the service everywhere along the line. I know the gentleman as usual will work with us.

Mr. McMILLAN. I think the gentleman will remember back about 15 years ago when we had a 4-day rule, when we could get an answer back in 4 days from the Post Office Department. It usually takes about 30 days now. I hope we can correct that condition.

Mr. REES of Kansas. I also regret that the Department had gotten into that shape. I am sure in a little time we can correct these things the gentleman is talking about.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. REES of Kansas. I yield to the gentleman from Tennessee.

Mr. MURRAY. I agree with my chairman that this amendment has absolutely no place in this bill. I do not think my good friend, the gentleman from Missouri (Mr. JONES), is really serious in offering it. I hope it will be voted down.

Mr. REES of Kansas. I thank the gentleman from Tennessee.

Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The amendment was rejected.

Mr. DOWDY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Downey: On page 1, line 8, strike out "$15,000" and insert "$10,000."

Mr. DOWDY. Mr. Chairman, I have a few additional remarks I would like to make in connection with this bill. The creation of this new office, of course, is going to be another argument for increasing the postal rates throughout the country. I am not going to take the 5 minutes and I am going to be very short. I did not finish a while ago, but Mr. Burk who appeared before the committee said he had no plan for this new office which was being created and for this organization. He did make this statement that "he will have to go out in the field and study present recruiting procedures and come up with a plan" for the new bureau which is being created.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. DOWDY. I yield.

Mr. JENSEN. I notice you have offered your amendment after the Jones amendment was defeated. If the Jones amendment would have carried, would the gentleman still be offering his amendment?

Mr. DOWDY. Yes, sir.

Mr. JENSEN. You would?

Mr. DOWDY. I offered this amendment in the committee, and I am being consistent. I am not interested in whether it is a Republican or a Democrat who is appointed to the place.

Mr. JENSEN. Well, I just wanted to know.

Mr. DOWDY. Well, I have told you.

What you are doing is creating another investigating bureau. It just seems to me that with the many boards and bureaus and other things that have been created to look into and investigate and come up with suggestions, this matter could be assigned to one of those bureaus rather than to create another bureau to investigate and look into the various things that might be done to improve our Government. This statement that there is no plan is the very thing, or at least one of the things, which makes me believe we would be in error to create this new office.

Mr. Chairman, I ask unanimous consent that my amendment may be withdrawn.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CANFIELD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5302) to provide for an additional Postmaster General in the Post Office Department, pursuant to House Resolution 300, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the engrossment and third reading of the bill. The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

In the opinion of the Chair, the ayes have it.

Mr. DOWDY. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count.

Mr. DOWDY. Mr. Speaker, I withdraw the point of order.

The bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent that all Members who spoke on the bill may have permission to revise and extend their remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. REES of Kansas. I ask unanimous consent, Mr. Speaker, that those Members who care to do so may revise and extend their remarks at this point in the RECORD on the bill just passed.

There was no objection.

THE LATE FRANK L. YATES

Mr. HAYS of Arkansas. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks with reference to the life of the late Frank L. Yates, following the remarks of the gentlewoman from Massachusetts [Mrs. ROGERS].

The SPEAKER. Is there objection?

There was no objection.

DEPARTMENT OF DEFENSE

Mr. DODD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DODD. Mr. Speaker, because the opinion handed down on June 25 by Judge Alexander Holtzoff, United States District Judge, United States District Court for the District of Columbia, points up another instance of the military attempting to usurp civilian authority, I ask unanimous consent to include Judge Holtzoff's important opinion in the RECORD.

It was only last Friday here on the floor of the House that this body debated the President's reorganization plan No. 6 relating to the Department of Defense, and in particular subsections (c) and (d) of section 1. Many of us pointed out then, as I wish to reiterate now, that our increasing military authority is fast becoming a real danger to civilian control of our Government.

I would point out that Judge Holtzoff in this habeas corpus case brings this to our attention as clearly as a man can when he says:

> One of the foundation stones of our Republic is that the civil power shall at all times be superior to the military power.

I commend Judge Holtzoff's opinion to every Member of Congress. It is significant today. It may become more so tomorrow.

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF COLUMBIA—ROBERT W. TOTH, PETITIONER, *v.* HAROLD E. TALBOTT, RESPONDENT—HABEAS CORPUS No. 68-53

OPINION

William A. Kehoe, Jr., of Washington, D. C., and Anthony R. McGrath, of Pittsburgh, Pa., for petitioner.

Leo A. Rover, United States Attorney; Edward O. Fennell, Assistant United States Attorney; and Lt. Col. Chester W. Wilson, USAF, of Washington, D. C., for respondent.

This case involves some novel questions under the new Code of Military Justice. There is presented to the court a petition for a writ of habeas corpus against the Secretary of the Air Force. The undisputed facts are as follows:

The petitioner is a civilian residing in Pittsburgh, Pa. He is a former member of the Armed Forces of the United States and as such he had served in Korea. On May 13, 1953, he was arrested at his place of employment in Pittsburgh, by members of the military police and transported to Korea on a charge of having committed murder there while a member of the Armed Forces.

This procedure was followed under the provisions of article 3 (a) of the Uniform Code of Military Justice (U. S. Code, title 50, sec. 553 (a)), which provides that any person charged with having committed while in a military status an offense against the Code of Military Justice punishable by confinement of 5 years or more, and for which that person cannot be tried in the courts of the United States or any territory thereof, or of the District of Columbia, shall not be relieved from amenability to trial by courts-martial by reason of termination of said status.

In other words, that provision of the Uniform Code of Military Justice extends the jurisdiction of courts-martial to a civilian who had been a member of the Armed Forces in respect to certain offenses committed while the accused was a member of the Armed Forces. There is no provision, however, governing arrest or preliminary hearings or method of removing a person taken into custody for trial under this section.

It will be observed that the court-martial by which the accused is to be tried was not convened in Pittsburgh, where the accused lived, but in Korea, where the crime is said to have been committed.

There is no provision of law granting to members of the military police the power or authority to arrest a civilian, even for the purpose of implementing the above-mentioned limited jurisdiction. Therefore, members of the military police, when they arrested the petitioner, had no greater power of arrest than would a private citizen. Obviously, every private citizen has certain powers of arrest, and those are the only powers that the members of the military police had in respect to this petitioner.

Rule 5 of the Federal Rules of Criminal Procedure requires a person making an arrest to take the arrested person, without unnecessary delay, before the nearest available United States Commissioner or before any other nearby officer empowered to commit persons charged with offenses against the laws of the United States.

The Commissioner is required to give the person a preliminary hearing. To be sure, the Commissioner is not empowered to hold the accused for trial by court-martial. He may hold him for trial only in a district court. It may be perhaps that there is some way of removing the case from the district court to the court-martial for trial. The fact is that there is an omission in the Code of Military Justice on this matter. No machinery is provided whereby a civilian can be arrested and removed to a distant point for trial by court-martial. It would be wrong for the court to try to supply the machinery which Congress has omitted to furnish.

This subject is a very serious one, as the court sees it. One of the foundation stones of our Republic is that the civil power shall at all times be superior to the military power. It is a grave matter for military police to arrest a civilian and remove him for trial forthwith, without a hearing, to a distant point in this country or to a foreign country, as is the case in this instance, when there is no provision in any statute authorizing this to be done. I think it is the court's duty to protect the person whose rights have been invaded in this respect.

The court has no doubt but that the military acted in the best of faith. But I think it acted entirely without authority. The court had some doubt as to its power to issue a writ of habeas corpus that would be effective in a foreign country in respect to a citizen of the United States. However, both the United States attorney and the legal representative of the Air Force, who is present in court, admit that such jurisdiction exists, and its existence was assumed without discussion by the Supreme Court of the United States in *Burns* v. *Wilson*, decided on June 15, 1953.

The court does not feel that it is appropriate at this stage of the proceedings to pass upon the constitutionality of section 3 (a) of the new Uniform Code of Military Justice. That would be important if the court-martial had exercised its jurisdiction and had convicted and sentenced the petitioner. At this time the question is premature.

The court will issue a writ of habeas corpus which will require the defendant to be brought back from Korea to appear before this court.

You may submit your order.

ALEXANDER HOLTZOFF,
United States District Judge.

JUNE 25, 1953.

DEPARTMENT OF DEFENSE AND RELATED INDEPENDENT AGENCIES APPROPRIATION BILL

Mr. NICHOLSON. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 310 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5969) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes, and all points of order against said bill or any provisions contained in said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 1 day, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. NICHOLSON. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. LYLE].

At this time I yield myself such time as I may require.

Mr. Speaker, this rule makes in order the consideration of H. R. 5969, one of

the most important bills in this Congress. It appropriates some thirty-five or forty billion dollars. It clears the deck so that tomorrow you can come here at 10 o'clock and work all day Wednesday and Thursday and go back home and make Fourth of July speeches.

I yield 2 minutes to the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Speaker, this is a very important matter. If the membership of the House will cooperate with the Committee on Appropriations by having attendance here at all times, we will try as best we can, not only to complete the general debate tomorrow but perhaps go into the reading of a few of the earlier sections upon which there is no controversy whatsoever. So that we may have the full day Thursday, and perhaps finish early in the afternoon Thursday.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. McCORMACK. In the whip notice that I sent out the statement was made that there would only be general debate tomorrow. If a mistake was made I am very sorry, but the whip notice I sent out said that tomorrow would be confined to general debate.

Mr. HALLECK. Mr. Speaker, will the gentleman from Kansas yield?

Mr. SCRIVNER. I yield.

Mr. HALLECK. Originally I had thought that we might limit consideration of the bill tomorrow to general debate, I might say to the gentleman from Massachusetts; then on reflection I specifically took that up because I thought that if we could start with the reading of the bill on Wednesday that we might get part of it behind us and have a better chance to complete it at a reasonable hour on Thursday.

As the gentleman said, and as I have talked to the gentleman from New York [Mr. TABER], it is not expected that on Wednesday, tomorrow, we would undertake to deal with any amendments that might be said to be of such consequence that Members would feel they ought to be here to vote on them.

Mr. McCORMACK. That places me in a very embarrassing position, and I am sure my friend from Indiana will respect it. I do not know how many on my side may have acted upon the point I carried in my notice that tomorrow's consideration would be confined to general debate. If only one Member were to act upon it—and I have no way of finding out what the facts are, but when I was majority leader if one Member placed a construction upon anything I said in relation to the program that had a remote color of right for that construction I took the position of leaving myself in the situation that I would act in accordance with the construction placed upon it.

I want to cooperate, I always do, but I have notified a little over 200 Democratic Members that tomorrow would be confined to general debate.

Mr. TABER. Might I suggest to the gentleman from Massachusetts that if he would talk to the ranking minority Member, the gentleman from Texas [Mr. MAHON], I think that any time that we reached an item that anyone might possibly consider controversial it would not be considered. I think it would expedite things if we could go along and read a part of the bill.

Mr. McCORMACK. I understand that, my good friend; and there is no one I like better than my friend from New York; I want to cooperate, but here I am faced with a letter which I have sent out to every Democratic member.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. HALLECK. We are not going to do anything that is going to embarrass the minority leader. Just let me say this, that our whip notice carried this statement:

> Wednesday: Defense Department appropriation bill 1954. House meets at 10 a. m.
> Thursday: Defense Department appropriation bill 1954, continuation and completion.

Now, I am sorry that the gentleman got the information that he did, because there was at one time early when we were writing out the memoranda having to do with what the announcement would be there was one copy—I think it had originally been prepared by somebody on the gentleman's side—that did have that notice: "General debate tomorrow."

Let me just say this to the gentleman: If he feels that in any way he would be embarrassed or prejudiced by going farther than to read the first paragraph of the bill tomorrow, the first paragraph will be read and that will be all.

Mr. McCORMACK. No; but the gentleman from Massachusetts would feel exceedingly embarrassed if any paragraph of the bill were read which was thought to be non-controversial but some Member wanted to offer an amendment to it. Now, I am trying to find a way that we can accomplish both objectives. Let me make a suggestion: I think it will be all right to read the bill with the understanding that if on Thursday any Member wanted to offer an amendment to any part of the bill that had been read, he would be given consent to return to that part of the bill and offer his amendment.

Mr. SCRIVNER. There would be no objection to that.

Mr. TABER. That will be satisfactory.

Mr. HALLECK. Let me inquire as to what the gentleman means by that. Certainly it should not apply to a Member who was here Wednesday.

Mr. McCORMACK. Oh, no.

Mr. HALLECK. For he could offer an amendment then if he wanted to.

Mr. McCORMACK. It would not apply to him if he were here.

Mr. HALLECK. Certainly not. But if a Member who was away wanted to go back to an earlier part of the bill, we see no objection to that. I would not want to open it up broad scale and give the right to a Member who is here to offer an amendment.

Mr. McCORMACK. I would assume that no Member who was here would want to go back through what was read. I know from the practical angle the careful screening that is made. All I want to do is to protect myself in case any one Member who is away tomorrow, whether Republican or Democrat, in my particular case Democrat, would want to go back and offer an amendment to some part of the bill that had already been read.

Mr. SCRIVNER. That is perfectly all right.

Mr. McCORMACK. So we have fixed it up very easily.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. McCORMACK. Mr. Speaker, I thoroughly agree with the observations made by my good friend from Massachusetts [Mr. NICHOLSON], and also by the distinguished gentleman from Kansas, also my very good friend [Mr. SCRIVNER], that this is a very important bill that will come up for consideration on tomorrow and Thursday.

Coming at this particular time in the history of the world, it is of vital importance. We have undergone the experience in the past several years of the challenge of international communism; we have undergone the pain and suffering that have resulted from the viciousness of Communist dictatorships; we now see the situation arising throughout the world where human beings like we are who want a little freedom are revolting against communistic totalitarianism. The actions that have taken place in East Germany that we know must be taking place in other parts of the Communist-dominated countries, that we know must be in the minds of countless millions behind the so-called Iron curtain, are matters of great significance.

It seems to me that this is the time if we are going to err in connection with any appropriations that we might make it would be far better as Americans to err on the side of strength rather than on the side of weakness. I am very much concerned about the "stretching out" in connection with our Air Force. That should not be a party issue. That is an American issue. It is a matter which transcends party politics. If in my conscience I felt our Air Force should be built up as rapidly as possible and that the 143 group should be brought about by the middle of 1955, and if my party was in favor of a later date, I would vote against my party, because that is a matter of conscience concerning the national interests of my country.

Let us remember that only within the past 2 years practically every Member of this House, Republicans and Democrats alike, voted for a 143-group Air Force. That was on a rollcall vote in this House, practically a unanimous vote within the past 2 years. That vote in the last Congress was decidedly in favor of building up as quickly as possible, by mid-1955 at the latest, our Air Force strength to 143. Only the other night I heard Chairman Dean, of the Atomic Energy Commission, on a program, Meet the Press, state that the important thing for us is to be assured of means of delivery in case of attack, that when the attack comes upon us it will be sudden, like a thief in the dark. Democracies do not engage in sneak attacks, but dictators do. The

next attack will be devastating, or it could prove to be so, unless we have the means of repelling it, and in addition to that, the means of delivering our destructiveness upon the country that is engaging in the attack upon us or making the attack upon us.

Mr. Speaker, I am very much concerned with the responsibility resting upon me as 1 of 435 Members of this House, elected by approximately 400,000 people, as each one of us are, with the trust imposed upon us to preserve that which past generations have created and builded; not only to preserve, but to pass it on to the next generation of Americans. That is the situation that confronts us today. I am not going to make any recriminatory remarks and I do not want any misconstruction placed by anyone upon what I am saying; I am not in any sense taking the floor today to make these remarks, which are purely extemporaneous and from the bottom of my heart, for the purpose of criticizing anyone or any political party or to make it embarrassing for anyone, but I am speaking as an American. I would feel better satisfied if the national interest of my country were served, and I firmly believe that the people of my country and our national interest would be better served if the Air Force were built up by 1955, instead of stretching it out until 1957, 1958, or 1959.

So I hope when this matter comes up tomorrow and the next day that the debate will be on a high level, as I am sure it will be, in the national interest of our country. We must recognize that that is the uppermost thing and it should be the uppermost thought in our minds; that while we want a balanced budget and while we like to see lower taxes, above all we should steel our minds to have a strong and powerful national defense, because above all we have to have a country before we have a Constitution; we have to have a country before we can be free men and free women; we have to have a country before there can be the ownership of property, such as we enjoy under our form of government. We have got to have the country first. We have got to take those steps that in our own judgment will be for the best interest of our country and for its preservation. While I have every confidence in America and in the spirit of America, I will meet the challenge with complete confidence, not with fear, if we are strong. We have too much fear in the minds of the American people, fear of communism. While I recognize its strength, I recognize its weakness, and while I recognize our weakness, I recognize our strength. I have complete confidence in the the people of America and I have complete confidence in my colleagues. The main fight will be on $1,100,000,000-plus, as I understand to increase the Air Force appropriation, in order to assure the buildup and eliminate "stretchout." I hope, without regard to politics, Republican or Democrat, that we view it in the national interest of our country.

Again, I repeat, as I said in the beginning, if I am going to err, my friends, I prefer to err on the side of strength and security than on the side of weakness and insecurity.

Mr. LYLE. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Speaker, I rise at this time merely to say that, insofar as I know, the military bill will not be very controversial, insofar as the members of the Committee on Appropriations are concerned, except perhaps for the item involving a more rapid buildup of the air strength of the country.

I plan to offer an amendment, and have so advised the gentleman from Kansas [Mr. SCRIVNER], chairman of the subcommittee, to increase the item for the Air Force by $1,175,000,000. That is not $1,400,000,000, as suggested by the Air Force, because it would not be proper in the military bill to offer the $260,000,000 which would be included for public works. There are no public works in the bill. The public works items would be in another bill.

Mr. SCRIVNER. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I think the gentleman possibly mispoke himself when he said the $1,400,000,000 recommended by the Air Force. The Air Force has been supporting the present budget.

Mr. MAHON. The gentleman is technically correct. The Air Force is supporting the budget. However, upon my request, the Air Force did furnish the committee with a statement as to the minimum funds required to attain at a more rapid rate the 143-wing program. That information is supplied to the committee beginning on page 694 of the Air Force hearings. So the amendment which I would offer would be for $1,175,000,000.

Mr. SCRIVNER. Of course, the gentleman and I know what the situation is. We have talked it over. But I would point out that the information on page 694 is not the information furnished by the Air Force, that is, the statement by General Vandenberg.

Mr. MAHON. At the time it was submitted he was Chief of the Air Force, as he is today, I believe.

Mr. SCRIVNER. That is right.

Mr. MAHON. He is the top military officer in the Air Force.

Mr. SCRIVNER. It is General Vandenberg that made the request, not the Air Force.

Mr. MAHON. It is his request, but the figures were submitted by the Air Force people who worked with the details.

Mr. SCRIVNER. The reason I point that out is that he says "I" a couple of times, which identifies it as General Vandenberg's statement.

Mr. MAHON. It is General Vandenberg's statement, which was placed in the RECORD at my request.

Mr. SCRIVNER. That is right.

Mr. MAHON. I would point out, too, that if this amendment is adopted the military bill will still be below the budget which is submitted to Congress. It keeps well within the figures which were submitted by the Bureau of the Budget for the Department of Defense.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I also call attention to the fact that General Twining, the new Chief of Staff of the Air Force, has come out absolutely in favor of the 143-wing program, and that was at a time when his confirmation was before the Senate committee. My friend remembers that, does he not?

Mr. MAHON. Yes; General Twining is supporting the 143-wing program.

Mr. SCRIVNER. That may have been what he said when he was before the Senate, but when he was before the House Subcommittee on Appropriations he said he did not know whether it would be 143 more or 143 less.

Mr. MAHON. I think these issues can be more properly resolved tomorrow in the general debate.

Mr. Speaker, I ask unanimous consent to place in the RECORD at this point certain extraneous material having to do with the military budget.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. Mr. Speaker, in connection with the amendment which I expect to offer as to the 143 wings for the Air Force, I wish to insert in the RECORD at this point a portion of pages 693, 694, and 695 of the Department of the Air Force hearings before the Appropriations Committee:

MINIMUM FUNDS REQUESTED TO CONTINUE TOWARD 143-WING PROGRAM

Mr. MAHON. * * * But I would like to have in the record for anyone who is interested the best statement that can be compiled as to what would be the minimum funds required in the major appropriation categories if Congress wished to reverse the trend and seek to expedite the Air Force buildup beyond that contemplated by the budget request which is now before us.

General ASENSIO. That information can be developed and furnished, sir.

Mr. MAHON. Could that be provided at some place in the hearings where we could find it?

General ASENSIO. It could be provided at this point.

(The information requested is as follows:)

"Members of the congressional Appropriations Committees have asked how much more money above the $11.7 billion current fiscal year 1954 appropriation estimate the Air Force can effectively use during fiscal year 1954 to continue toward the achievement of a 143-wing program at the earliest practicable date. In determining the answer to the above question, I had had the Air Force make a study of its capability to continue at an orderly rate toward the 143-wing program. A brief of the study herewith presented represents, as of this date, a statement of the fiscal needs of the Air Force in fiscal year 1954 to accomplish this. The amount needed is $1.435 billion for a total fiscal year 1954 appropriation of $13.123 billion.

"It is emphasized that this is not a recomputation of the budget as conceived on the date when the original fiscal year 1954 budget was presented. Recent restrictions, for example personnel ceiling and freezing of public works funds, have imposed a delay in the original rate of Air Force progress which has necessitated a rephasing of the Air Force buildup.

"This new rephasing gives priority to the creation of combat units and defers the scheduling of support units. Also considered in this recomputation has been the new policy of reduction in reorder lead time which defers aircraft production financing until the next fiscal year.

"The original fiscal year 1954 budget estimate amounted to $16.778 billion. Because of the reduction in production rates, due either to a delay in delivery of aircraft within the funding period or the application by the Air Force of its policy of initial production at reduced rates to permit more complete testing of new types of aircraft prior to production acceleration, the Air Force revised its initial estimate to $15.201 billion.

"The reduction from $15.2 billion to the new requirement of $13.1 billion is made possible by the following:

"1. Deferred financing of aircraft production due to shortening reorder lead times. This amounts to $655 million.

"2. Deferred procurement of B-47 type aircraft necessary for the training of combat crews after the force buildup. This amounts to $400 million.

"3. Elimination of an aircraft combat reserve designed to replace wartime losses for a very short period of combat. This amounts to $233 million.

"4. Cancellation of a planned trainer aircraft. This amounts to $250 million.

"5. The reduction in operating funds due to stretchout of the force buildup. This amounts to $558 million.

"In line with the above, the newly requested recomputation of funds required in fiscal year 1954 to carry on the 143-wing program follows:

[In millions]

Title	Current budget	Added requirements	Revised requirements
Aircraft and related procurement	$3,495.0	$353	$3,848.0
Major procurement other than aircraft	625.0	50	675.0
Acquisition and construction of real property	400.0	260	660.0
Maintenance and operations	3,200.0	600	3,800.0
Military personnel requirements	3,300.0	172	3,472.0
Research and development	475.0	----------	475.0
Reserve personnel	14.9	----------	14.9
Air National Guard	147.1	----------	147.1
Contingencies	31.0	----------	31.0
Total	11,688.0	1,435	13,123.0

"For 'Aircraft and related procurement' the $353 million would provide for the procurement of 447 airlift and support aircraft.

"For 'Major procurement other than aircraft' the $50 million would provide for the phased procurement of equipment including ground-powered equipment and electronics equipment associated with the increase in force above the 120-wing program.

"For 'Acquisition and construction of real property,' the $260 million would allow the construction of minimum essential facilities associated with the increase in the size of the Air Force.

"The increase of $600 million for 'Maintenance and operations' would provide for the maintenance and operation of the forces as increased and provide for their support. This would include an increase in the flying-hour program from 8.1 million to 9.3 million hours in fiscal year 1954.

"The $172 million for military personnel would provide for pay and allowances for the additional military strength for the fiscal year 1954 increment toward the ultimate strength required for the 143 wings. The military personnel strength for end fiscal year 1954 would be 1,035,000.

"This revised 143-wing program will be achieved as follows:

"Wings:

End fiscal year 1954	120
End fiscal year 1955	135
End fiscal year 1956	141
End fiscal year 1957	143

"In summary I believe the Air Force can effectively utilize $1.435 billion in addition to the $11.688 billion during the fiscal year 1954. Thus $13.123 billion will enable the Air Force to continue its buildup to a 143-wing objective."

I now wish to insert a portion of the hearings before the House Appropriations Committee which appears on pages 390 and 391 of the Department of Defense volume of the hearings:

REDUCTION IN AIR FORCE BUDGET

Mr. MAHON. Who made the decision, whose idea was it that we make a defense cut of $5 billion in the Air Force? Was that done by the civilians in the Pentagon?

Mr. KYES. I think I can answer that one. I was the most surprised man in the Pentagon when I found that was the result. We were going on an operational basis, and that happened to be the statistical result. * * *

Mr. MAHON. Did the Bureau of the Budget suggest the $5 billion cut in the Air Force?

Secretary WILSON. No, sir.

Mr. MAHON. Did the President suggest it?

Secretary WILSON. No, sir.

Mr. MAHON. It was done, then, by you and those working with you in the Pentagon?

Secretary WILSON. We did not pick out how much we were going to cut the Air Force; how much we were going to cut the Navy; how much we were going to cut the Army. We took the different things one at a time and went through them and said, We can do this; this is a sound program, and so forth. And when we added it all up, that is what we got. * * *

Mr. MAHON. Did the Bureau of the Budget alter materially the recommendations of the Pentagon?

Secretary WILSON. No. They made an initial analysis and said if we are to balance the budget—I am talking about the Federal budget—here is what the Defense Department would have to cut expenditures down to. The Bureau of the Budget, except for the assignment, for the purposes of this last study of their military estimates group for the Department of Defense had nothing to do with the estimates as submitted to the Director of the Bureau of the Budget. This request for new money, which is really what we are talking about here today was worked out in the Pentagon.

ATTITUDE OF JOINT CHIEFS OF STAFF

I now wish to insert in the RECORD a portion of the statement of Gen. Hoyt S. Vandenberg, Chief of Staff of the Air Force, which appears on page 960 of the Air Force hearings:

Question. Did the Air Force or its Chief of Staff approve the reduction of the Air Force to an interim goal of 120 wings?

Answer. The Air Force did not, and I did not.

Question. Have the Joint Chiefs of Staff approved a reduction of the Air Force program from 143 wings to 120 wings, either on an interim or any other basis?

Answer. They have not. As recently as March 1953 the Joint Chiefs of Staff stated to the Secretary of Defense that any reduction of the program of 143 wings to be attained as soon as practicable after fiscal year 1954 would increase the risk to national security beyond the dictates of national prudence.

Question. Are there any strategic factors which either reduce the Soviet threat below what it was when the 143-wing program was established or which reduce the air forces required to meet that threat?

Answer. There are no such factors known to me.

Mr. LYLE. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to extend in the RECORD my correspondence with General Collins dealing with the need for a Chief of Infantry, his answer to me, and my reply as to what it is the citizens of America want most for their boys that are going into the armed services, be it the Army, the Navy, the Air Corps, or the Marine Corps, and that is the genius of the American economy full blast at the disposal of their sons.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. NICHOLSON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

HOUR OF MEETING ON THURSDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

HOUR OF MEETING ON THURSDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent when the House adjourns tomorrow, it adjourn to meet at 10 o'clock a. m. on Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AUTHORIZING CLERK TO RECEIVE MESSAGES AND AUTHORIZING THE SPEAKER TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until tomorrow, the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate agrees to the reports of the

committees of conference on the disagreeing votes of the two Houses on the amendments of the House to bills of the Senate of the following titles:

S. 35. An act to provide for the repair and rehabilitation of public airports damaged by the armed services during the present national emergency, to extend beyond June 30, 1953, the availability of previous appropriations for payment of claims under section 17 of the Federal Airport Act, and for other purposes;

S. 1081. An act to provide authority for temporary economic controls, and for other purposes; and

S. 2103. An act to amend the National Housing Act and other laws relating to housing.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House tomorrow for 5 minutes, following the legislative program of the day and the conclusion of any special orders heretofore entered.

THE DANGERS OF TREATY LAW—BRICKER AMENDMENT SHOULD BE APPROVED

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. SMITH] is recognized for 10 minutes.

Mr. SMITH of Wisconsin. Mr. Speaker, my friend and former law instructor at Marquette University, Carl B. Rix, of Milwaukee, has truthfully said:

We are living today under a system of government based not on the Constitution of the United States but on undelegated and unenumerated powers under which Congress now has the authority to act.

There are very few people in this country who fully appreciate the importance of Mr. Rix's statement, yet it is true and cannot be successfully controverted.

How does this come about, you may ask, Mr. Speaker? It arises out of the United Nations Charter which the Senate has ratified as a treaty. Articles 55 and 56 are the pertinent provisions involved in the controversy now pending in the Senate by virtue of the so-called Bricker amendment, Senate Joint Resolution 1. So that these two important provisions of the Charter may be fully understood I will insert them at this point:

ARTICLE 55

With a view to the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote—

(a) higher standards of living, full employment and conditions of economic and social progress and development;

(b) solutions of international economic, social, health, and related problems; and international cultural and educational cooperation; and

(c) universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

ARTICLE 56

All members pledge themselves to take joint and separate action in cooperation with the organization for the achievement of the purposes set forth in article 55.

Mr. Speaker, I call attention to a statement made by the Attorney General of the United States to the subcommittee of the Senate Judiciary Committee—page 31 of hearings—on April 7, in which he states that the provisions of article 55 and 56 are obligatory, and I quote his statement in that connection:

A notable example is articles 55 and 56 of the United Nations Charter, obligating the parties to "promote" stated social and economic objectives and pledging themselves "to take joint and separate action" for the achievement of these purposes.

In reading these articles in the Charter and the statement by the Attorney General it is clear that this is a very considerable grant of power. Congress could, if so inclined, use this power to enact laws on the following subjects, highly controversial, without any constitutional authority for their enactment:

First. It could control and regulate all education, including public and parochial schools.

Second. It could regulate all types of commerce, interstate and intrastate.

Third. It could establish rules and regulations affecting all matters of public health.

Fourth. It could establish and regulate all civil rights as enumerated in Article 55.

Fifth. It could regulate all telephone communications, interstate and intrastate and even establish rates and rules for service.

Sixth. It could regulate all public power, rates, and service.

Seventh. It could establish and control production of foods and fibers on the farms and in the factories.

All of the power enumerated above could be exercised without amendment to the Constitution of the United States because they are stated objectives of the United Nations Charter which is a treaty with other nations.

This grant of power as indicated in the above provisions, I am sure, was never contemplated by the people of the United States, much less our representatives in the United States Senate. A Congress which would be committed to socialized medicine, control of the public- and private-school systems, health and welfare programs, and international cultural and educational cooperation could impose these socialistic programs upon the people of the United States under the United Nations Charter.

The strength and greatness of the United States, Mr. Speaker, will depend on its form of government and its foundation—the Constitution of the United States.

If there is to be any change in that form of government of delegated powers to the branches of Government, then the people of the United States should make that change by amending the Constitution. Under the United Nations Charter, however, such changes have already been made by means of a treaty. This seems incredible but it is absolutely true.

Mr. Speaker, here are four postulates suggested by my friend Mr. Rix, that every Member of the House and Senate should consider very carefully so that they may fully understand the importance of passing a constitutional amendment such as Senate Joint Resolution 1 at this time:

First. An international treaty cannot be safeguarded by a clause in the treaty or by reservation or understanding against the expansion of the limited power of the Federal Congress in the United States to such extent as necessary to fulfill the obligation under the treaty if Congress determines to exercise such power. No action of the parties or of the Senate and the President at the time of ratification of a treaty can take away the Constitutional Power of Congress to execute the treaty if Congress decides to do so.

Second. A ratified and approved treaty in executed form becomes supreme law and domestic law of the United States. An executory treaty, or parts thereof, becomes domestic law when implemented by Congress.

Third. Domestic law created by a treaty or by implementation by act of Congress supersedes State constitutions, laws, and decisions of the States. The Federal jurisdiction is then exclusive.

Fourth. The charter of the United Nations, as a ratified treaty, has conferred on Congress the exclusive authority under articles 55 and 56 of the charter to legislate on civil, political, economic, social, and cultural rights, unless specifically prohibited by the Constitution.

Mr. Speaker, the above are compelling reasons, it seems to me, why the Congress of the United States should pass Senate Joint Resolution 1, known as the Bricker amendment. There is no issue more important to the American people than this one. It raises the question as to whether or not we are willing to tolerate and live under a form of government never contemplated by the founders of this great Republic.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. FINO in two instances and to include a statement and a letter.

Mr. MERROW and to include an editorial.

Mr. REED of New York in seven instances in each to include extraneous matter.

Mr. SMITH of Wisconsin and to include an article.

Mr. WILLIAMS of New York and to include an address by Hon. Abram Zoller, a former district judge of the Fifth Judicial District.

Mr. HOSMER and to include extraneous matter.

Mr. KERSTEN of Wisconsin in five instances and to include extraneous matter.

Mr. DAGUE.

Mr. SIKES and to include a speech.

Mr. ROGERS of Texas and to include extraneous matter.

Mr. EDMONDSON and to include extraneous matter in connection with the drought situation in eastern Oklahoma.

Mr. WIER and to include three articles.

Mr. O'HARA of Illinois.

Mr. ROBERTS and to include an article.

Mr. RIVERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the Appendix of the RECORD, and to include therein an article on margarine and butter including the unfair program still maintained against America's most American product—margarine.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. BONIN in two instances and in one to include an editorial.

Mr. COLE of New York and to include a statement by Mr. Gordon E. Dean, Chairman of the Atomic Energy Commission.

Mrs. FRANCES P. BOLTON.

Mr. HYDE and to include an editorial.

Mr. GEORGE and to include an editorial.

Mr. MCCORMACK and to include extraneous matter.

Mr. MCDONOUGH and to include extraneous matter.

Mr. BRAY and to include an editorial.

Mr. JUDD in two instances, in one to include an address and in another to include some extraneous material.

Mr. PERKINS (at the request of Mr. PRIEST).

Mr. GRANT and to include an address by Mr. Claude Kelly.

Mr. ANGELL and to include extraneous matter.

Mr. FORD and to include extraneous matter.

ENROLLED JOINT RESOLUTION AND BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon assigned by the Speaker:

H. J. Res. 285. Joint resolution to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 35. An act to amend the Federal Airport Act in order to provide for an extension for a limited period of the program for the repair and rehabilitation of public airports damaged by Federal agencies, and for other purposes;

S. 1376. An act to amend section 502 of the act entitled "An act to expedite the provisions of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

S. 1550. An act to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom; and

S. 1993. An act to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, the veterans' direct home-loan program, and for other purposes.

JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, joint resolutions of the House of the following titles:

On June 29, 1953:

H. J. Res. 287. Joint resolution making temporary appropriations for the fiscal year ending June 30, 1954, and for other purposes.

On June 30, 1953:

H. J. Res. 285. Joint resolution to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 32 minutes p. m.), under its previous order, the House adjourned until tomorrow, Wednesday, July 1, 1953, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

812. A letter from the Administrator, Federal Civil Defense Administration, transmitting a draft of a proposed bill entitled "A bill to amend section 201 of the Federal Civil Defense Act of 1950, by adding thereto a new subsection authorizing financial contributions to the States for the purpose of providing compensation for injury or death sustained by any person serving in the United States Civil Defense Corps"; to the Committee on Armed Services.

813. A letter from the Acting General Counsel, Office of the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize the loan of a small aircraft carrier to the Government of France"; to the Committee on Armed Services.

814. A letter from the president, Board of Commissioners of the District of Columbia, transmitting a draft of a bill entitled "A bill to increase the salaries of employees of the Board of Education of the District of Columbia"; to the Committee on the District of Columbia.

815. A letter from the president, Board of Commissioners of the District of Columbia, transmitting a draft of a bill entitled "A bill to amend the act entitled 'An act to create a board for the condemnation of insanitary buildings in the District of Columbia, and for other purposes,' approved May 1, 1906, as amended, and for other purposes"; to the Committee on the District of Columbia.

816. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HILL: Select Committee on Small Business. Preliminary report on the lead and zinc industry in the United States, pursuant to House Resolution 22, 83d Congress, 1st session. Resolution creating a select committee to conduct a study and investigation of the problems of small business; without amendment (Rept. No. 688). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLVERTON: Committee of conference. S. 35. An act to amend the Federal Airport Act in order to extend the time during which requests may be made for reimbursement for damages to public airports resulting from military operations; without amendment (Rept. No. 690). Ordered to be printed.

Mr. WOLCOTT: Committee of conference. S. 2103. An act to amend the National Housing Act and other laws relating to housing; without amendment (Rept. No. 692). Ordered to be printed.

Mr. JACKSON: Committee on Foreign Affairs. H. R. 2972. A bill to authorize an agreement between the United States and Mexico for the joint operation and maintenance by the International Boundary and Water Commission, United States and Mexico, of the Nogales sanitation project, and for other purposes; without amendment (Rept. No. 693). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLCOTT: Committee of conference. S. 1081. An act to provide authority for temporary economic controls, and for other purposes; without amendment (Rept. No. 694). Ordered to be printed.

Mr. ROBSION of Kentucky: Committee on the Judiciary. H. R. 1070. A bill to amend title 28, United States Code; with amendment (Rept. No. 695). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 2779. A bill to provide for perfecting the title of C. A. Lundy to certain lands in the State of California heretofore patented by the United States; without amendment (Rept. No. 689). Referred to the Committee of the Whole House.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 3956. A bill to provide for the conveyance of certain lands within the Santa Fe National Forest, N. Mex., and for other purposes; without amendment (Rept. No. 691). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolution were introduced and severally referred as follows:

By Mr. BOYKIN:

H. R. 5996. A bill to authorize the modification of the existing project for Mobile Harbor, Ala., in order to improve facilities for navigation; to the Committee on Public Works.

By Mr. FARRINGTON:

H. R. 5997. A bill to enable the Legislature of the Territory of Hawaii to authorize the issuance of general obligation bonds, the proceeds thereof to be used for veterans' mortgages; to the Committee on Interior and Insular Affairs.

By Mr. FINO:

H. R. 5998. A bill to provide that judicial review of dismissals for cause from the classified (competitive) civil service may be had in the district court of the United States for the district in which the dismissed person had been employed, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. GEORGE:

H. R. 5999. A bill to exempt States and political subdivisions thereof from the tax on conveyances, and for other purposes; to the Committee on Ways and Means.

By Mr. GRANAHAN:

H. R. 6000. A bill to amend the Internal Revenue Code to exempt from the Federal admissions tax admissions to sports arenas; to the Committee on Ways and Means.

By Mr. HINSHAW (by request):

H. R. 6001. A bill to amend the Air Commerce Act of 1926, as amended, to authorize navigation of foreign, nontransport, civil aircraft in the United States through reciprocity and under regulations of the Civil Aeronautics Board; to the Committee on Interstate and Foreign Commerce.

By Mr. KERSTEN of Wisconsin:

H. R. 6002. A bill to amend the Internal Revenue Code to provide a deduction for certain expenses paid or incurred by the taxpayer for his own education or for the education of any other person; to the Committee on Ways and Means.

By Mr. KILDAY:

H. R. 6003. A bill to authorize the President to appoint to the grade of general in the Army of the United States those officers who, in grade of lieutenant general, commanded the Army Ground Forces or commanded an army during World War II, and for other purposes; to the Committee on Armed Services.

By Mr. McCORMACK:

H. R. 6004. A bill to amend part II of title III of the Communications Act of 1934 so as to require the installation of an automatic radio call selector on cargo ships of the United States carrying less than two radio operators, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PHILBIN:

H. R. 6005. A bill to provide that all gifts made to aid a disaster area shall be allowed as deductions for income-tax purposes; to the Committee on Ways and Means.

H. R. 6006. A bill to provide that the expense to an employer of repairing or rebuilding the home of an employee damaged or destroyed in a major disaster shall be considered a business expense for income-tax purposes; to the Committee on Ways and Means.

By Mr. PHILLIPS:

H. R. 6007. A bill to amend the Internal Revenue Code to permit certain water-district taxes to be deducted from gross income; to the Committee on Ways and Means.

By Mr. REGAN:

H. R. 6008. A bill to amend the mineral-leasing laws with respect to their application in the case of pipelines passing through the public domain; to the Committee on Interior and Insular Affairs.

By Mr. THOMPSON of Texas:

H. R. 6009. A bill to provide assistance to farmers and stockmen in areas where a production disaster caused by severe drought has occurred; to the Committee on Agriculture.

By Mr. TRIMBLE:

H. R. 6010. A bill to aid the drought-stricken areas of the United States; to the Committee on Agriculture.

By Mr. DAWSON of Utah:

H. R. 6011. A bill to amend the Tariff Act of 1930, as amended, to provide a flexible duty on the importation of lead and zinc so as to stabilize the domestic production of such articles; to the Committee on Ways and Means.

By Mr. DONDERO:

H. R. 6012. A bill to provide a civil remedy for violations of section 506 of the Communications Act of 1934; to the Committee on Interstate and Foreign Commerce.

By Mr. HILL:

H. R. 6013. A bill to extend for a period of 5 years the authority of the Secretary of Agriculture to make loans to fur farmers; to the Committee on Agriculture.

By Mr. MILLS:

H. R. 6014. A bill to provide assistance to farmers and stockmen in areas where a production disaster caused by severe drought has occurred; to the Committee on Agriculture.

By Mr. TEAGUE:

H. R. 6015. A bill to clarify the law pertaining to hospital, domiciliary, and medical care of veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. HOPE:

H. R. 6016. A bill to authorize the Commodity Credit Corporation to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief requirements in countries friendly to the United States; to the Committee on Agriculture.

By Mr. McDONOUGH:

H. R. 6017. A bill to amend the Federal Home Loan Bank Act, the Home Owner's Loan Act of 1933, title IV of the National Housing Act, and the judicial code in order to define the limitations of Government control of savings and loan associations, to provide judicial and administrative remedies, and for other purposes; to the Committee on Banking and Currency.

By Mr. WAINWRIGHT:

H. J. Res. 288. Joint resolution proposing an amendment to the Constitution of the United States granting to citizens of the United States who have attained the age of 19 the right to vote; to the Committee on the Judiciary.

By Mr. HARDY:

H. Res. 311. Resolution creating a select committee to conduct an investigation and study of the benefits provided under Federal law for the surviving dependents of deceased members and former members of the Armed Forces; to the Committee on Rules.

By Mr. VELDE:

H. Res. 312. Resolution authorizing the printing of additional copies of the publication entitled "Soviet Schedule for War, 1955" for the use of the Committee on Un-American Activities; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. CHENOWETH: Memorial of the Colorado State Legislature requesting Congress to enact legislation prohibiting the further acquisition of private property by the Federal Government, except with the approval of the local governmental authorities concerned; to the Committee on the Judiciary.

Also memorial of the Colorado State Legislature approving Senate Joint Resolution 1, joint resolution proposing an amendment to the Constitution of the United States, relating to the legal effect of certain treaties and executive agreements, known as the Bricker amendment; to the Committee on the Judiciary.

By the SPEAKER: Memorial of the Legislature of the State of Wisconsin memorializing the President and the Congress of the United States to continue the Federal rural electrification program with undiminishing support and zeal; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATES (by request):

H. R. 6018. A bill for the relief of Joaquim Henriques; to the Committee on the Judiciary.

By Mr. BRAY:

H. R. 6019. A bill for the relief of Roy A. Hamblen; to the Committee on the Judiciary.

By Mrs. BUCHANAN:

H. R. 6020. A bill for the relief of the estate of James Francis Nicholson; to the Committee on the Judiciary.

By Mr. COUDERT:

H. R. 6021. A bill for the relief of John Gerassi; to the Committee on the Judiciary.

By Mr. DELANEY:

H. R. 6022. A bill for the relief of Freidun Kurt Andolsun, his wife Munevver, and children Ayshe, Suleyman, Orhan, and Osman Andolsun; to the Committee on the Judiciary.

By Mr. DONOVAN:

H. R. 6023. A bill for the relief of James C. H. Paulson; to the Committee on the Judiciary.

By Mr. ENGLE:

H. R. 6024. A bill for the relief of Miss Meiko Shikibu; to the Committee on the Judiciary.

By Mr. FARRINGTON:

H. R. 6025. A bill to authorize the Secretary of the Army to grant a license to the Leahi Hospital, a nonprofit institution, to use certain United States property in the city and county of Honolulu, T. H.; to the Committee on Armed Services.

H. R. 6026. A bill for the relief of Gertrud O. Heins; to the Committee on the Judiciary.

By Mr. FINE:

H. R. 6027. A bill for the relief of Ramon Tavarez; to the Committee on the Judiciary.

By Mr. FRELINGHUYSEN:

H. R. 6028. A bill for the relief of Rita Soldano; to the Committee on the Judiciary.

By Mr. HOWELL:

H. R. 6029. A bill for the relief of Mrs. Batoul Niroumand Vaziri; to the Committee on the Judiciary.

By Mr. LANTAFF:

H. R. 6030. A bill for the relief of Hans Goldstein; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H. R. 6031. A bill for the relief of Zdzislaw Aleksander Peszkowski; to the Committee on the Judiciary.

By Mr. McMILLAN:

H. R. 6032. A bill for the relief of Leon Coleman; to the Committee on the Judiciary.

By Mr. WILLIS:

H. R. 6033. A bill for the relief of Albert Vincent, Sr.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

379. By the SPEAKER: Petition of R. L. Jackson and 1,222 others, Western Conference of Building Service Employees, San Francisco, Calif., requesting passage of House bill 1942, and wishing to be placed on record as unanimously favoring legislation to amend the Social Security Act, creating permissive legislation to include employees of political subdivisions of a State under the act; to the Committee on Ways and Means.

SENATE

WEDNESDAY, JULY 1, 1953

(Legislative day of Saturday, June 27, 1953)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, who art in heaven and in all Thy works, we pause in the midst of thronging duties and confused

issues to commune with Thee, who alone art our rock and our salvation. As workers together with Thee, teach our hearts and our hands to build that city where Thou shalt dwell with man, where darkness and sorrow and pain and want shall be no more. Solemnize us with the vivid realization of how swift to its close ebbs out our own little day, as we think tenderly this hour of one who so recently stood in this Chamber, so able and faithful, with the consecrated powers of his strong manhood serving the Nation he loved and who has now fallen on sleep in the full strength of his days. Help us to work valiantly while it is called day, knowing that so soon the night cometh when no man can work. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 30, 1953, was dispensed with.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I am about to suggest the absence of a quorum. Under the prior understanding, immediately following the quorum call there will be memorial services for the late Senator WILLIS SMITH, of North Carolina. At the conclusion of the eulogies, the acting majority leader will propose a morning hour. Therefore, I request the cooperation of Senators to postpone the business usually transacted during the morning hour.

When the memorial services have been concluded, opportunity will be afforded Senators to introduce bills and joint resolutions, make insertions in the RECORD, and transact other routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

MEMORIAL ADDRESSES ON THE LATE SENATOR WILLIS SMITH, OF NORTH CAROLINA

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the legislative business of the Senate be suspended to permit an opportunity for memorial addresses on the life, character, and public service of the late Senator from North Carolina, Hon. WILLIS SMITH.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. HOEY. Mr. President, on Sunday afternoon, June 28, 1953, in the capital city of Raleigh a vast throng of friends from throughout the State of North Carolina assembled in Edenton Street Methodist Church to attend a simple but beautiful funeral service for Senator WILLIS SMITH, late a United States Senator from North Carolina.

The Vice President of the United States, together with a fine group of Senators and Members of the House of Representatives, attended this service and joined the bleeding heart of North Carolina in paying tribute to this well beloved son who had fallen far out in front in service to his State and Nation.

Senator SMITH left the Senate on Monday afternoon, June 22, 1953, when the Senate adjourned, a comparatively well man. In the early hours of the following morning he suffered a heart attack and was promptly removed to the Naval Hospital at Bethesda. Notwithstanding all that medical science could do to stay the advance of this disease, he died 3 days thereafter on Friday morning at 5:40 a. m., and his immortal spirit returned to the God who gave it.

Senator SMITH was sworn in as a Senator from North Carolina on November 27, 1950, and therefore had served for 2 years and 7 months in this greatest deliberative body and the one open legislative forum in the world.

WILLIS SMITH was born in Norfolk, Va., on December 19, 1887. His father died when he was only 2 years of age, and his mother immediately moved back to her native North Carolina and established a neighborhood private school in Elizabeth City, which was later attended by her son. He graduated from Elizabeth City High School in 1905, and began work immediately owing to the necessity of helping with the family finances.

Later he was granted a $50 scholarship and entered Trinity College. He had to work to supplement his income, and he became campus manager for a New York tailoring firm and earned about $1,000 selling clothes. He received his degree from Trinity College, now Duke University, in 1910, and studied law, being admitted to the bar in 1912, and at once began the practice of his chosen profession, in which he won such high distinction.

WILLIS SMITH enlisted in the Army in World War I, and after the war closed he moved to Raleigh, the State capital, and reentered the practice of law. He was elected to the State house of representatives in 1926 and reelected in 1928 and 1930, and because of his outstanding record of achievement in legislative matters he was elected speaker of the house in 1930.

Senator SMITH soon took first rank with the lawyers of the State, and achieved such prominence that he was elected president of the North Carolina State Bar and president of the American Bar Association in 1946, and while president went to Nuremberg, Germany, as an observer of the trials of German war criminals. He was also at this time elected chairman of the board of trustees of Duke University, which position he held at the time of his death.

Senator SMITH was called upon to fill many important posts. President Truman appointed him in 1947 to serve on the Amnesty Board, which passed upon 16,000 cases of persons convicted under the Selective Service Act. He also served on the Attorney General's Committee on Citizenship, and as Chairman of the President's Memorial Commission.

Previously he had served as chairman of the Democratic State convention and attended several Democratic National Conventions as a delegate.

When the late lamented Senator J. Melville Broughton died in March 1949, then Gov. Kerr Scott appointed Dr. Frank P. Graham, president of the University of North Carolina and one of the most popular men in the State, to succeed him in the United States Senate. WILLIS SMITH entered the Democratic primary against him in 1950 and was nominated, and later elected in November, and immediately began his service in the Senate. He was placed on the Judiciary Committee and made a great record on this important committee and on special subcommittees. He was elected to represent the Senate at the United Nations Educational, Scientific, and Cultural Organization which was to meet in September 1953, which was a distinct honor. In 1951 he was the United States delegate to the Interparliamentary Union meeting in Istanbul, Turkey, and was a member of the American delegation to the Union meeting in 1952.

Senator SMITH was a Methodist, a Kiwanian, a member of the American Legion, of the Society of Forty and Eight, of Sigma Phi Epsilon, of Omicron Delta Kappa, of Phi Delta Phi, and the Order of the Coif.

Senator SMITH had a beautiful home life and is survived by his devoted wife and loved companion, Anna Lee Smith, and 3 splendid sons and 1 fine daughter. The whole State shares their sorrow. I am sure I speak for every Member of this body in expressing our profound sympathy for them and the fervent hope that the everlasting arms of a gracious Heavenly Father shall be underneath and round about them.

The service of Senator SMITH was so extensive and his activities so varied that it is impossible to summarize his achievements and accomplishments in a short space of time such as is available today. Any appraisal of his character and life should take into account some of the outstanding virtues and attributes which marked his everyday service. The virtues of an ideal citizen flowered in him. He was a man every day in the year and every hour of the day.

Among the attributes which so impressed themselves on all with whom he came in contact might be classified as, first, loyalty; second, courage; third, integrity; fourth, ability; fifth, patriotism.

Senator SMITH was loyal always to the best he knew and he knew the best. He was a loyal friend, as a lawyer he was loyal to his client, as a citizen he was loyal to his State and Nation, as a humble believer in a great God he was loyal to his faith and to his profession. He was so intensely loyal to America that he could not tolerate disloyalty in anyone, and he believed with all his heart in liberty and freedom.

Courage was one of the outstanding virtues of Senator SMITH. He was utterly unafraid. So many men in public positions hesitate about championing an unpopular cause or running counter to mass movements. They are frequently responsive to pressure groups, because they do not wish to withstand aggressive adverse action, and they yield sometimes against their better judgment in order to avoid a hot controversy. Senator SMITH dared always to stand for his convictions regardless of the attitude of the multitude.

No public man can long remain a success if he lacks integrity, and throughout his career of 65 years as a legislator, a lawyer, a public servant, and a statesman, the integrity of Senator SMITH was so well defined and so fully established that no one ever questioned it. He attained a large and lucrative law practice and had very important clients, but whether he was representing the poor and friendless or the great and strong, there was never any question about his integrity and that he would fully discharge his duty.

Ability provides the means by which great public service can be rendered and furnishes the basis upon which to build a strong and enduring character. Senator SMITH's ability was recognized by people in all walks of life and manifested itself in a striking way in the diversified service which he rendered and the masterful way in which he discharged every trust.

Patriotism is the crowning virtue. No life can be full and complete without recognition of the obligation which the citizen owes to his country and the loyalty which patriotism inspires to follow the high traditions of service in peace and dedication in war. Senator SMITH was a part of America, but America was just as much a part of him. He breathed the spirit of love of country, and he was willing to live for it in peace and to die for it if necessary in war.

I have not spoken of the religious life of Senator SMITH although he was deeply religious and had an abiding faith in the greatness and goodness of God. He followed the example of Christ His Saviour in doing good. He loved his fellow man. He believed in him and trusted him. He loved the Methodist Church of which he was a member, but his love was as broad as the whole family of the children of men. He loved his State, and he was a great North Carolinian, but he also loved America and he was a greater American.

A great many very beautiful tributes have been paid to Senator SMITH in editorials in the papers in North Carolina and throughout the Nation. I am presenting some of the editorials from the North Carolina papers and shall ask that they be inserted in the body of the RECORD at the conclusion of my remarks.

Life is real and likewise mystical. The high estate of man's creation makes him a little lower than the angels and gives him dominion over all other created and elemental things. He is the inheritor of all the past ages. From the dusty pages of antiquity the progress of man has been illuminating the processes of life over the long centuries. Into the real life of today has been projected the mystical life of tomorrow. Immortality begins on earth. The struggle of man has been to build an enduring civilization here and to adorn it with the revealed and discovered truths of God. The search of man has been for truth and in his quest for its attainment he has mastered much of the universe and made it subservient to his imperial will.

But there is appointed a time for man to die. There is something majestic about death. Its very universality makes it a dreaded visitor in the homes of kings and subjects, Presidents and citizens, rich and poor, white and colored, around the whole world. It levels all rank and makes a common denominator of all men. Sickness and death are not the tragedies of life; they are only the sadnesses. The age old question propounded in the Book of Job, "If a man die shall he live again?" is affirmatively answered by the faith of man in immortality and all nature shares that faith as it experiences a beautiful resurrection each springtime from the death of winter.

May I speak a personal word. I esteemed WILLIS SMITH as a friend, cherished him as a colleague, and loved him as a man. He was big of brain and body, masterful in mind and manner and stalwart in faith and love—and having known him it is easier to accept and believe the declaration in the stately passages of the majestic first chapter of Genesis that God made man in His own image and stamped him with His own divine personality. Today I salute our distinguished colleague and my friend of the years and bid his memory stand erect—a sovereign among his peers.

Mr. President, I ask unanimous consent to have a number of editorials, published in North Carolina newspapers, printed in the RECORD at this point, as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Dunn (N. C.) Daily Record of June 26, 1953]

A GREAT MAN HAS GONE

The tragic death of United States Senator WILLIS SMITH early this morning brings the forceful realization that a truly great man has gone.

His passing is a great loss not only to the State of North Carolina, but to the Nation and the world. His influence for good knew no boundaries.

WILLIS SMITH was born a poor boy, his father died when he was a very small child, and he came up the hard way to make his mark in the world. He was successful in every field of endeavor in which he entered. His success story exemplified America as a great land of opportunity.

He rose to great heights. His election to the United States Senate was just one of his many accomplishments. He had been honored by two Presidents of the United States and his fellow lawyers elected him to the highest legal post in the land.

In the field of politics he was a scrapper. He fought hard and tirelessly not for personal gain but for the American way of life which he held sacred and loved so dearly.

WILLIS SMITH was more than a great Democrat, more than a great Republican. He was a great statesman and a great American.

He was not a politician. His closest associates frequently admonished him for his forthright, honest stands on issues which they knew would not help him politically.

But WILLIS SMITH never gave his own political welfare a second though. He would vote his honest convictions in the face of sure defeat itself. He never swerved from the true path of duty.

There was no question but that WILLIS SMITH was headed toward bigger and higher positions in American government. Had he lived, he would have brought still greater recognition and honor to our State.

Above all other things, WILLIS SMITH was a real Christian gentleman, a man devoted to his family and friends and intensely loyal to all of them.

Unfortunately, his political enemies frequently succeeded in painting a false picture of him to the people.

They called him a big corporation lawyer, yet the last court case in which he ever appeared was in behalf of a widowed mother suing a big corporation.

The worst thing we ever heard him say about his opponent was, "He's my friend." That's the kind of man WILLIS SMITH was.

They accused him of injecting a racial issue into his campaign. Actually, he threatened to withdraw from the campaign if he caught his staff engaging in such.

WILLIS SMITH was a man of remarkable vision, keen insight, vast knowledge, and great personal kindness.

When others got upset, he had the ability to keep calm and think.

When his critics were unfair and unkind he ignored it and marked it up to the heat of the campaign.

The most famous court case in which this great legal expert ever appeared was that of a poor Raleigh Negro who had a just claim against a prominent political figure.

Other lawyers were afraid to take the case, but WILLIS SMITH took it and won it for the poor Negro.

Some of his critics called WILLIS SMITH a Republican because he had the ability to think and act for himself.

Had WILLIS SMITH been a member of the Republican Party it would have found it just as hard to keep him in strict party lines as the Democrats. He wasn't that kind of man.

He was a man who put the welfare of his country ahead of all other considerations; a man who could clearly define the issues and get at the bottom of things.

It was impossible to know WILLIS SMITH without loving and admiring him. Those in his presence always had the feeling and the full realization that they were in the presence of a great man.

The editor of this newspaper will always be happy and proud that he had an opportunity to be associated with WILLIS SMITH, and to know him as a friend.

Only history will record his true greatness.

HOOVER ADAMS.

[From the Charlotte Observer of June 27, 1953]

WE LOSE A DEVOTED PUBLIC SERVANT

The death of Senator WILLIS SMITH deprives North Carolina and the Nation of the services of a man who, in less than one term, proved himself to be one of the distinguished men of the Senate.

Mention of his name in any company composed of people well-informed on public affairs was likely to elicit words of respect for his fine abilities and his devotion to the best interests of his country had made him known throughout the country.

His election in 1950 was one of the first faint signs, no bigger than a man's hand, that the American people were beginning one of those periodic self-examinations to which they subject themselves after every debauch of reckless irresponsibility in government. He became, therefore, a herald of the return to sanity.

His conduct in the Senate has never disappointed those who put their faith in him. The socialist-welfare state cabal was still powerful when he took his seat in the Senate, but he did not compromise with it, because he had the clarity of vision to see that, though the tide had passed the flood by an almost imperceptible degree, it had, nevertheless, turned.

He was a Democrat who believed fervently in the fundamental principles of his party and could not be led astray by the left-wing element that had gained control of it. At the same time, he refused to desert the party, because he was sure that he could do more to revive its principles by loyal work within it than by going over to the opposition and criticizing it from without.

That left-wing element was still vociferous at his death. It had only been checked, and no one knew better than WILLIS SMITH that a long, hard battle lies ahead before the coup de grace can be delivered. And no one was a more devoted fighter in that cause. He endured all the vituperation that is the lot of those who take up the gage of battle against an entrenched demagogery, but he never faltered in the course he had laid out for himself.

It is not too hazardous to conjecture that, if fate had allowed him to complete the career that seemed to be open to him, if he could have fought through the fight he had only begun, WILLIS SMITH might have become one of those great Senators whose names stand out on the pages of our history as men who saw and understood the issues of their times and led the way for those less discerning.

[From the Asheville Citizen of June 27, 1953]

SENATOR WILLIS SMITH

In the 20 days before he was stricken with what proved to be a series of fatal heart attacks, Senator WILLIS SMITH had made 24 public appearances. Three times within this period he flew down to North Carolina from Washington and returned the same night. It is no wonder that in the aftermath of Senator SMITH's death many expressions of shock and sorrow have reflected the brutal punishment of official duty to which public servants are subjected.

WILLIS SMITH surely must have been aware of the strain on his faculties. But he was a man of great drive and prodigious energy. It is to be doubted that he would have held off or slowed down, no matter the pace demanded of him.

His rise to public eminence was almost a proverbial poverty-to-riches story. He made his own way to the top of the legal profession and to considerable affluence by hard, grinding work. The Senate accepted him as a willing hand and not a time-server by charging him with responsibilities unusually heavy for a freshman Senator. He was never disposed to trim his sails or dodge an issue. Consistency was one of his abiding virtues.

Governor Umstead will find it difficult to replace Senator SMITH with an interim appointee. He is faced with the problem of selecting a successor to a man who defeated a man who succeeded a man who in turn defeated Mr. Umstead, who himself was appointed to fill a Senate vacancy. The fact is that in less than 7 years 3 North Carolina Senators—Josiah W. Bailey, Melville Broughton, and now WILLIS SMITH—have died in office. Speculation as to Mr. SMITH's successor would be out of place at this time (indeed, we think such speculation, which has become so common, borders on the indecent), but Mr. Umstead will have to make the appointment with appropriate dispatch because of the urgency of senatorial business. In the meantime North Carolina will wish to honor WILLIS SMITH for his ability, his conscientiousness, and his arduous labors in its behalf.

[From the Greensboro Daily News of June 27, 1953]

WILLIS SMITH

United States Senator WILLIS SMITH lived a full life and died as a result of overwork in the service of his country.

He was a sincere, courteous, energetic, and patriotic man; those who differed with him, as this newspaper sometimes did, found that their differences related to means, not ends.

WILLIS SMITH was an able and successful lawyer, but he did not let his extensive law practice hinder him from taking an active and effective part in public affairs. The high offices of trust which he held attest to this—chairman of the board of trustees of Duke University, speaker of the North Carolina House of Representatives, observer at the Nuremberg trials, president of the American Bar Association, and United States Senator.

The fact that Senator SMITH made 24 speeches in the 20 days preceding his last illness is indicative of the pace that he set for himself; he was literally a casualty in the service of his country at a time of grave stress and danger.

[From the Raleigh News and Observer of June 27, 1953]

SENATOR WILLIS SMITH

There was no division among the people of North Carolina in their shock at the news of the sudden illness and death of Senator WILLIS SMITH. To the moment of his brief illness he had seemed young, slim, vigorous, energetic, and strong in his convictions. He seemed struck down in noonday by an unexpected arrow. His death not only removed an important official and citizen; it emphasized to every citizen the impermanence of position and the uncertainty of life.

Life gave much to WILLIS SMITH, but he never held back from the labors or the contests which actually bring what sometimes life only seems to give. He began life with limited advantages. His father died when he was very young. He went to college and to law school without any great home resources behind him. He hung out his shingle in the State capital as an unknown young man. He was successful in law and business. He was not only elected to the legislature by the people of his county but was shown the respect of the legislators of the State when he was chosen speaker of the house. He reached the top of his profession as president of the American Bar Association. He had served two years and a half as junior Senator from North Carolina. They were honors any man might hope to acquire. Perhaps his quality as a human being, however, was best shown in the happiness and beauty of his family life. His neighbors who did not share his political philosophy always honored the fine American household over which he presided as well-loved husband and father. Life gave him much, and his surely was a life not easy to lose.

Clearly, however, he spent it almost extravagantly in the labors he undertook. On the day on which he became ill a member of his staff reported that he had made 24 public appearances in 20 days. Between his working days in the Senate he had made three evening trips to North Carolina. He looked very young for his age. He gave the impression of a man who still felt young. His death, however, emphasizes the strains to which the ablest and most eager men are subjected in our times. And certainly his death suggests the strains to which men in public careers are subjected by the people they serve.

It seems more than a coincidence that WILLIS SMITH is the third man within 7 years to die in the Senate seat which he occupied. Within those same years former Gov. Max Gardner and National Committeeman Joe Blythe died under similar circumstances. The coincidence is sharpened by the memory that Senator F. M. Simmons in his time served 30 years in the Senate and died at 86. Senator Lee S. Overman, as Simmons' colleague, served 27 years and died as Senator at 76. It is true, moreover, that today Senator CLYDE HOEY is vigorously serving as Senator at 75 after a long career in public office as State legislator, Congressman, Governor, and Senator; also, though in retirement after 42 years in Congress, Robert L. Doughton, now Democratic national committeeman, will be 90 years old this year.

The death of WILLIS SMITH, nevertheless, emphasizes the terrrific pressures to which public service in these times subjects the public man. Not long ago shorter sessions of Congress meant that Members did not have to try to attend to their legislative duties and their activities in their States and districts at the same time. Better and swifter means of transportation have meant that such men not only could be but were expected to be in distant different places on the same day. It was said that radio and television would make it possible for officials and candidates to speak in ease and convenience to people at a distance. The 24 public appearances which Senator SMITH felt impelled to make in the last 20 days before he became ill indicate that such speaking does not satisfy or suffice, and these almost mechanical stresses and strains are added to the fact that the problems placed before public men, particularly Members of Congress, are more continuous and complex than ever before in history.

There may be no remedy. The plans which make it possible for public men to fly hundreds of miles in a day to satisfy almost any group that wants a speaker will also continue to make it possible for more constituents more quickly to fly to Washington to deposit their problems on a Senator's desk—or a governor's in Raleigh. The same problem applies in only less noticeable degree even in the courthouse and the city hall. Probably no remedy should be suggested. The public's access to its officials is essential to the safety of democracy. The people have a right to hear the reports and the counsels of their officials. Officials themselves are aware of the necessity for continuous contact with their constituents. The increasing health hazards of public service need consideration, nevertheless—and not only consideration of the problem but greater consideration in many ways for the public men.

WILLIS SMITH's death, under those pressures, is a tragic event. It removed from the great debate in our time and in our State a man who had strong views and a willingness to stand for them. We have always needed such men. We do not need them less today.

[From the Winston-Salem Journal of June 27, 1953]

SENATOR WILLIS SMITH

The sudden death of Senator WILLIS SMITH, the third United States Senator from North Carolina to die in office since November 1946, has come as a great shock to the State.

Senator SMITH was a consistent and capable representative of the more conservative wing of the Democratic Party and was deeply attached to what he considered the higher interests of the State and Nation. One of the State's most successful lawyers, he had won wide prominence in his profession—prominence marked by his election as president of the American Bar Association—before he entered the exciting and bitter contest for the Senate against former Senator Frank P. Graham in the 1950 primary.

Although his political officeholding career prior to entering the Senate was restricted to three terms in the general assembly (he served as speaker of the house in 1931) he was long active in Democratic politics. He

served as chairman of the State Democratic Convention in 1940 and was a delegate to the National Democratic Convention of 1944. In civic and social as well as professional and political affairs he played an active role, and his interest in higher education was manifested in his long period of membership on the Duke University board of trustees. He had served as chairman of the Duke board since 1947.

Senator SMITH worked hard at the job of being a Senator. He gave freely of his time and effort to the study of important legislative measures in committee and engaged in a heavy schedule of speechmaking—factors which, added to the stresses and strain of office, may have hastened his death.

A big, bluff, hearty sort of man, Senator SMITH always seemed in love with life and was strongly devoted to his State and the South. An acknowledged leader in his profession and one of the State's most familiar figures in religious and civic circles, he commanded wide influence throughout the commonwealth. His death leaves a big vacuum in the ranks of Democratic leadership, a vacuum which presents both a problem and an opportunity to Governor Umstead, upon whose shoulders falls the task of selecting a temporary successor to Mr. SMITH as United States Senator. The choice made by Governor Umstead for this major Government post may have a decisive influence upon the 1954 senatorial race.

In his own way and through a wide range of media WILLIS SMITH made a major contribution to the civic and social life of his State. He climbed to the heights in his chosen profession and was showered with State, national, and international honors. North Carolina suffers a great loss in his untimely death.

[From the Fayetteville Observer of June 26, 1953]

SENATOR SMITH: ANTI-COMMUNIST AND GREAT NORTH CAROLINIAN

Death of a heart ailment has removed Senator WILLIS SMITH from the political scenes in Washington and North Carolina, but his memory will live for many years in the hearts of North Carolinians, who felt that in voting for SMITH they were voting to retain a way of life that they cherished.

Senator SMITH was a plain man, who represented plain people, a man who gained considerable success through his own perseverance and diligence outside the realm of emotional politics.

Like so many other successful North Carolinians he learned early in life and through necessity the virtue of hard work. He applied that virtue to a study and a practice of the law, and he rose to national eminence and recognition in his chosen field, becoming an authority on jurisprudence and president of the American Bar Association.

Although a capable speaker he was seldom an orator of the "rousement" variety. His appeal was to the intelligence of his hearers and not their emotions. His many nonpolitical addresses were informative and, if they were inspirational, the inspiration came from his lucid ability to enable his hearers to understand.

Highlight of his political career came in his contest with North Carolina's very beloved Frank Graham for the seat in the United States Senate then held by Dr. Graham on appointment of Gov. Kerr Scott. Such bitterness as was injected into the campaign was dragged in by the supporters of the candidates rather than the candidates themselves.

The issue, however, was clear. It was to move toward greater liberalism with Graham or move toward greater conservatism with SMITH.

In declaring in favor of SMITH the people of North Carolina gave him a mandate to work for traditional Americanism, rather than for the new internationalism, which had become a hobby of the Roosevelt and Truman administrations.

Senator SMITH undertook this mandate at a time when it was not too popular with the top national "brass" of his own party, but he undertook it with a sincerity and a singleness of purpose that he pursued until the day he was fatally stricken.

It is to be hoped that when Governor Umstead gets around to the business of selecting a successor to WILLIS SMITH he will keep in mind the basic reasons behind SMITH's election, and that he will give the people of North Carolina a representative in the United States Senate, who will be willing and able to carry on in the Smith tradition.

We want a Senator fully imbued with a burning hatred of the forces which would tear down and make over America in the likeness of European radicalism and we want a Senator of experience and intelligence, capable of a successful fight against such forces.

[From the Rocky Mount Evening Telegram of June 26, 1953]

WILLIS SMITH

North Carolina and the Nation have suffered a great loss in the death of Senator WILLIS SMITH who literally laid his life upon the altar of public duty as he saw it.

He came a long way, this boy, who was raised in eastern Carolina and his record is eloquent testimony of his ability—he had to strive and seek and find and not yield or he never would have made the grade.

Although his forebears were North Carolinians, he was born in Norfolk, Va. by virtue of the fact that his parents were living there temporarily at the time. His father died 2 years later and his mother, with infant son, returned to her native Elizabeth City and established a neighborhood private school to earn a livelihood.

After graduating from high school in 1905, Willis went to work as a shipping clerk in a wholesale grocery. Later he worked his way through Trinity College, now Duke University and went on to receive his law degree there.

During World War I he was in officer's candidate school and after the armistice he set up practice in Raleigh and began the life of a struggling young lawyer. He borrowed money for office furniture and rent. He dug in and worked hard.

The rise of WILLIS SMITH came inevitably as it must to hard work and dedicated ability. In 1926 he was elected to the House of Representatives from Wake County, and in his third term was chosen Speaker of the House. He presided over the Assembly in the dark depression days of 1931 when there was a premium on leadership.

In 1940 he was named chairman of the Democratic State convention, and in 1946 he was given the signal national honor of being named president of the American Bar Association. The same year he was chosen chairman of the board of trustees of Duke University.

In addition to being an American observer at the Nuremburg, Germany trials, President Truman appointed him in 1947 to serve on the Amnesty Board which passed on 16,000 persons convicted under the Selective Service Act.

Though often classed as a conservative, WILLIS SMITH was more liberal than his enemies gave him credit for being. He called himself a "middle of the roader." He supported the Workmen's Compensation Act, the MacLean School Act, the State-supported school system, and other pieces of far-sighted legislation including the consolidation of the greater University of North Carolina.

In the hotly contested race for the Senate there were followers on both sides of the campaign, who went too far and who in fact, brought more discredit to their candidates than support. Though the scars of that bitter campaign have remained, time is healing them. In the face of death old controversies are forgotten. Even WILLIS SMITH's enemies concede that he stood squarely and forthrightly for his convictions. We did not always agree with him, but we never questioned his integrity or motives. We believe this: He was a man of high principle, and he was one who served his State and Nation according to his best lights.

We bid hail and farewell to WILLIS SMITH, an eastern Carolina boy who followed the call of duty and who went far. He fought the good fight.

[From the Raleigh Times of June 26, 1953]

HE WENT SECOND MILE

Senator WILLIS SMITH of Raleigh is dead.

The final in a series of four heart attacks within 3 days ended his life early Friday morning with his family at the bedside.

When the shock of his death has passed it will be said that he literally gave his life in the pursuit of what he considered his duty. The pace at which he drove himself after going to Washington proved too much, even for a physical constitution such as his.

WILLIS SMITH reentered the field of politics at 62 after serving in the North Carolina General Assembly as a young man. His return was not a result of his own choice but rather as a consequence of his friends' ability to convince him that he was needed at Washington.

WILLIS SMITH's political philosophy was best summarized in his own words as the second primary campaign of 1950 reached a climax with a rally held in the Wake County Courthouse. At the height of the dramatic and emotion-filled event he stood to speak. As he did so a supporter of his opponent shouted out something like this:

"We know what you are against, Mr. SMITH, but what are you for?"

"What am I for?" the former Raleigh attorney, replied. "I am for honesty and integrity in government."

If any one thing marked Senator SMITH's service at Washington it can be said that it was just that, honesty and integrity in government. His quiet, passionate dedication to these principles frequently caused him to cross party lines and to speak against dishonesty and lack of character—and against injustice—wherever he saw it.

In his public life WILLIS SMITH achieved many honors—that of becoming a leader in his home community; that of a successful legislator in his own State; that of a highly respected professional man; that of serving as president of the American Bar Association; and finally, that of becoming a highly regarded Member of Congress.

In his private life WILLIS SMITH was completely devoted to his wife and intensely proud of his four grown children. His greatest interest outside of his work and family was the water and coast of eastern North Carolina, an interest he acquired during his early life.

Obivously WILLIS SMITH paid too great a price for the satisfaction that must have been his in serving his State and country. But he will be remembered as a man who went the second mile in carrying out his responsibility to the people he loved.

Mr. JOHNSON of Texas. Mr. President, the passing of our very good friend and distinguished colleague, WILLIS SMITH, came as a great shock to all of us. Senator SMITH was one of the ablest Members of this body. His record of achievement is equaled by few men in American public life. His was a rich and full life. Through years of hard work and application to an exacting profession, WILLIS SMITH became one of the best known and one of the most respected members of the American bar.

He matched this career with a record of public service which began in the North Carolina House of Representatives more than 25 years ago. He rose from position to position, each one of which he filled with a high degree of ability, and always in accordance with the highest standards of integrity.

WILLIS SMITH has gone to a richly deserved rest. Our hearts are with his grieving family. There are few words of consolation which are meaningful at a time like this. We have all lost a good friend and an able counselor, but we retain the memory of his presence, and it will not soon be forgotten.

Mr. KNOWLAND. Mr. President, WILLIS SMITH did not serve in the United States Senate for a long period of time, but during his relatively short service he made a deep impression upon all Members of this body, both on the Democratic side of the aisle and on the Republican side of the aisle.

When WILLIS SMITH came to the Senate of the United States many of us knew of him, of his work as an eminent lawyer, as a leader of the bar, and as active in the affairs of the American Bar Association. But few of us had had the privilege of knowing him personally. While he served in the Senate we had the opportunity to become well acquainted with him, to observe his great devotion to the public service and the hard work he devoted to his committee assignments and the interest he took in the problems of the Nation, both domestic and foreign.

During the period of our service in the Senate of the United States, we have the rare opportunity to get to know men better. I think all of us who served in the Senate even during the brief period when WILLIS SMITH was here as our colleague, have become better men and better Senators by virtue of having known him and associated with him. So long as any of us shall live, I believe that the memory of WILLIS SMITH will live in our hearts, as a distinguished Senator from a great State of the Union, and a man who gave devotedly to his country the best of his ability in serving his State and his Nation.

Mr. McCARRAN. Mr. President, I first formed the acquaintance of WILLIS SMITH when he was elevated to the presidency of the American Bar Association, and later I renewed that acquaintance and friendship in this body. I rejoiced in the fact that he was made a member of the Committee on the Judiciary while it was my privilege to preside over that group.

Mr. President, the qualities of mind and character which endear a man to his fellows are many and varied. We do not love one friend for the same reason that we give our affection to another. We esteem some men for one virtue, some for another. It is not often in life that we have the good fortune to make a friend who combines the attributes which rendered WILLIS SMITH so outstanding among his fellows.

Here was a man who would have commanded respect for his sheer intellect, even had that intellect been cold as a stone and calculating as an adding machine. But in WILLIS SMITH, intellect was coupled with warmth of spirit and the outgoing friendliness of attitude, at once understanding and selfless, which comes close to illustrating the meaning of the Biblical word which has been translated, variously, as both "love" and "charity."

His keenness of wit, which could have done terrible things to men with lesser minds, was never used unkindly, any more than his physical size and strength were ever used to bully those less fortunate than himself in health or stature, for WILLIS SMITH was a gentle man. His was a gentleness born not of weakness nor of softness, but rather of knowledge of his own strength and capacity, coupled with an uncommon understanding of human frailties.

WILLIS SMITH was a man of high principle. He never deviated from the course which was right, as he saw it. He lived at peace with his conscience. But in matters of morals, he contented himself with judging and ordering his own conduct; he never set himself up as judge and jury over others.

One of the reasons why WILLIS SMITH was outstanding in his profession is that he loved the law. He never ceased to study and to learn. In the Committee on the Judiciary, his colleagues gave great weight to his words, for his views were always sound, and he never expressed an uninformed opinion.

It is impossible to dissect the character of a friend who has passed on, and to say, "This was the thing I liked most about him." But surely one of the outstanding characteristics of WILLIS SMITH was his unswerving loyalty. He was loyal to his God and to his country; he was loyal to his friends, in an almost selfless way; and he was loyal to the great ideas which had captured him, as great ideas capture all great men.

His word was good. It was never necessary to worry about tricks of phrasing in reaching agreement with him. He always knew the substance of the thought he was conveying and the boundaries of the assurance he was giving; and one knew he would never quibble over a commitment once given, though informally, any more than he would have repudiated his pledged word—an act which, to WILLIS SMITH, would have been unthinkable.

WILLIS SMITH had a tremendous capacity for work. It was bound up, somehow, with the cheerful willingness to serve which was so characteristic of him. He would take on a job as part of his duty, or to please a friend; to right a wrong, or just because it needed doing. Whatever he undertook, he carried forward with rare skill, fine tact, and an energy and industry which seemed boundless. He was almost the epitome of the busy man who can always find time for one more worthwhile task.

Mr. President, the words we speak at the passing of a friend are only random readings from the memoranda etched on the tablets of our hearts; they never tell the whole story. So I know that the few brief remarks I have made here today are woefully inadequate to do justice to the life and character of WILLIS SMITH. That would still be true even if I were to talk at much greater length. He was a true patriot, a fine American; his was a fine mind, a noble spirit, a great heart; he was a true friend. His passing leaves in each of many lives a void which shall not again be filled.

Mr. President, in closing, let me say that I am reminded of the lines by Sir Thomas Moore, when he wrote:

You may break, you may shatter the vase if you will,
But the scent of the roses will hang round it still.

So, in this Chamber there will be reminder after reminder of the great character and of the great man who has been called away from us.

Mr. MARTIN. Mr. President, I rise to join in the sentiments expressed by my colleagues on the tragic loss we have suffered in the untimely passing of WILLIS SMITH.

I did not have the honor of knowing Senator SMITH until he became a Member of this body. However, I knew that he was an outstanding lawyer and that he had been honored by the American Bar Association by being elected its president. Senator SMITH had been with us only a short time when we began to appreciate his outstanding Americanism, his thorough understanding of our form of government, and his courage to stand up for its ideals.

Senator SMITH served his State in its legislature and his Nation in the armed services.

Senator SMITH was a busy man, a very able man, and an extremely good man. He respected the rights of others, regardless of their position in life.

I share the profound sense of sorrow that fills this chamber. I shall always cherish the memory of my association with WILLIS SMITH and the inspiration I received from his patriotic Americanism.

The sincerity and loyalty of his distinguished service to his State and Nation were outstanding characteristics which we shall always remember.

My deepest sympathy goes out to those who are near and dear to him. I pray that the burden of their woe may be lightened by the courage and strength that God alone can grant in this time of their great bereavement.

Mr. HOLLAND. Mr. President, I rise to express briefly but from a full heart my sense of great personal loss because of the sudden and untimely passing of our late colleague, Senator WILLIS SMITH, of North Carolina. His distinguished career as a soldier, lawyer, civic servant, public official and splendid Christian gentleman is so well known that I shall mention only a few of the high lights. As a truly great lawyer and leader of his profession, his high stature was recognized in many ways, but particularly by his elevation to the office of President of the American Bar Association, in which he rendered outstanding service. In the civic and educational field he found many opportunities to leave indelible impressions of his usefulness and his high character. I mention only one illustration: His occupancy since 1946 of the responsible post of chairman of the board of trustees of Duke University. In State government he held a high place, serving years ago as Speaker of the House of Representatives of the North Carolina Legislature.

In the last 2 years and 7 months as a United States Senator he has earned a permanent place of high regard in the Halls of Congress. That he was not only respected but also dearly loved by his friends and neighbors was clearly manifest to those of us who were present at his home city, Raleigh, N. C., where he was laid to rest last Sunday afternoon in the presence of thousands of his sorrowing fellow citizens.

Here in the Senate, WILLIS SMITH was always and in the fullest sense a Senator of the United States, placing foremost the interest of our Nation and translating into words and action his deep concern because of the grave dangers, internal and external, which he sensed were assailing the prosperity and the essential character of American institutions, and threatening the continued existence of his beloved country. One who later analyzes his infrequent but able and convincing speeches on the floor of the Senate and his tireless work in committee must come inescapably to the conclusion that he felt that his highest duty as a Senator of the United States was to oppose vigorously every national trend which he felt in his heart was paving the way for our internal decay or our external destruction. Keenly conscious of the dangerous days in which he lived, his every thought and act was concerned with serving our Nation in those vital fields where he felt its prosperity, its best traditions and its very existence were in danger.

It was my great privilege that our Washington apartment homes were under the same roof, which gave to Mrs. Holland and me the opportunity to know him well and to observe his high mindedness, his devotion to duty and at the same time his exemplary qualities as a husband and father who lived up to the finest traditions of American family life. Our heart-felt sympathy and affection go out to his devoted wife, his three splendid sons and his lovely daughter, whose loving devotion to each other and to the head of the family made their home one of which we shall always have tender and appreciative memories. Knowing as I do, the bonds of friendship and mutual esteem which existed between WILLIS SMITH and his distinguished senior colleague [Mr. HOEY] who has always been my next neighbor on the floor of the Senate, I voice also my deep sympathy to him in what I know has been his grievous personal loss.

Mr. WILEY. Mr. President, I was in New York when the news came that our colleague, WILLIS SMITH, had passed on. I could not believe it at first, since it was only last summer that he and I were engaged on behalf of this body in the inspection of a number of refugee camps in Europe. We traveled in an open boat up the Adriatic Sea to Trieste. The boat was nearly swamped. Throughout Europe there was an inimitable sense of humor evidenced by Senator SMITH. So the sad news that WILLIS SMITH had gone to his everlasting reward came as a shock to me. He is no longer with us, but we can stand in the Senate and reiterate our faith that there is no death, that this little journey on earth for a few years more or less is but a kindergarten to prepare us for the graduating class, perhaps eons and eons from now.

Mr. President, I should like to add my word of tribute to this fine friend, statesman, and Senator. In the little less than 3 years I had known him, I had not only come to have respect for him, but also, on our trip abroad, we became so friendly and close that our relationship was more like that of brothers. We had no trouble about anything. In him there was always a bubbling overtone of confidence and joy and health and vigor; and there was always a sense of humor. He loved life and lived it to the full.

As has been said, WILLIS SMITH was a very able lawyer, a very great American, a fine Senator. I first came in contact with him in the Senate Judiciary Committee. His work on the Internal Security Subcommittee, the Alien Property Subcommittee, and the Immigration Subcommittee contributed immeasurably to the progress made by those groups.

I had the pleasure of serving with WILLIS SMITH as a delegate to the Interparliamentary Union Conference in Berne, Switzerland, last year, at which time I noted his keen understanding of our foreign problems and his wonderful ability to mix with people. I often think that what we need in our foreign relations is to have representatives abroad who, like WILLIS SMITH, have the common touch, the ability to reach the heartstrings of people, as it were, to exchange at first, perhaps, merely commonplace ideas, and then to go on to a discussion of principles. In all my contacts with WILLIS SMITH, I did not always agree with him; and in America it is a good thing that there is a difference of opinion. If we were all to agree, if we were all to hold to one line of thinking, whether political, economic, or religious, there would be lacking that clarification which comes as a result of the impact of ideas upon ideas.

Yes, Mr. President, WILLIS SMITH was, as has been said so eloquently today, a gracious, courteous, and polite man, a wonderful father, a devoted husband, and a legislator who was always willing and eager to hear the facts when any subject was under discussion. Then he was ready to weigh the facts, and to comment judiciously upon them. It has been said that WILLIS SMITH possessed the finest type of legal talent the American bar has been able to produce. That of itself is a magnificent encomium, indeed.

As has already been said, he had a deep reverence for the Constitution of the United States and deep convictions as to the imperative necessity of maintaining and retaining a government of checks and balances. He always respected the views of other persons.

WILLIS SMITH occupied many important positions. He had about him a deep and sincere sense of humility. I think the word "humility" characterizes WILLIS SMITH when he was with us in the flesh better than does any other word. Despite all the honors which had been conferred upon him, he was a humble follower of the great principles of life. He was a hard worker, conscientious, devoted, and willing to take on any task. He was a team player who worked well with his colleagues on both sides of the aisle, because he did not take a partisan viewpoint on great issues of our times; he took an American viewpoint.

Mr. President, while he has gone on, he has embarked on the journey we all must take at some time. The memory of his comradeship, his fine ability, his intelligence, will remain with us. We know that the message he has left with us is to carry on.

So, Mr. President, we say hail and farewell, WILLIS SMITH, thou good and faithful servant of thy country.

Mr. BYRD. Mr. President, WILLIS SMITH was born a Virginian, at Norfolk, and Virginians mourn his loss with profound sorrow.

He lived in North Carolina, at Raleigh, and Virginia extends her sympathy to her neighbor.

He died in the Capital in the service of his Nation, for which he believed there is great destiny. This belief he once expressed in these words:

> We may say for our country:
> I do not know beneath what sky
> Nor on what seas will be thy fate;
> I only know it shall be high;
> I only know it shall be great.

America has suffered a great loss in his passing. Few men, in so short a time in the Senate of the United States, have established the reputation for great ability and supreme character which WILLIS SMITH enjoyed among his colleagues who, working with him, quickly came to know him in his true splendor.

Although he was known most widely among those of his profession for his great contributions in the field of jurisprudence, the leadership of Senator SMITH was versatile. He rose to the presidency of the American Bar Association, but likewise his direction was sought in the fields of business, insurance, education, public welfare, and State and National Government.

He was a legislator whose service in the North Carolina Legislature, where he rose to the office of speaker of the house as well as in the senate, was characterized by the rare combination of ability for scholarly approach, masterly analysis, effective action, and for distinction between dispute and distrust.

He was a faithful husband and father in a family who, in this hour of bereavement, may find comfort in the knowledge that to know him was to love him, and that he will always live in the hearts of those who knew and loved him.

He was a lawyer who believed that justice was the "practice of dealing uprightly and equitably with others," and he exhorted those of his profession to fight for justice under the law, to help save mankind from its own destruction, to inculcate in the hearts and minds of men the spirit of justice, and to answer affirmatively that searching query, "Am I my brother's keeper?"

In law and government he adhered steadfastly to fundamental protection of the rights of men against the caprices of rulers.

Always recurring to the fundamentals of Christianity, the law, and orderly government, he lived in the hope, to which he directed his efforts, that out of

the tragedy of wars would come "some system of a rule of law that will shackle, if not destroy, the despots and protagonists of force; that will tend to produce stability and peace on earth."

This cardinal hope of his life was realistically summed up in his closing speech as president of the American Bar Association, when he said:

> I have no illusion about the difficulties ahead. There are always those who desire no law that will curb their own activities; who prefer their own way to the composite judgment of many; who know how to play upon the cupidity and emotions of the common man who always suffers most in every struggle.
>
> There are still some who make a profit out of war, or so they think; not merely financial profits, but a realization of their aims to conquer and rule by force. In a world of human frailties, of suspicion and distrust, we can only hope for a slow process of development that may some day attain the desired results.

The story of a man's life is never completely told by the offices he holds, or the honors he receives. It is only partially told by the things he does in the public view.

Perhaps there is nothing so revealing of a man's beliefs, his loyalties, his convictions, and his hopes as the intimacy of association in the Senate of the United States. We know that WILLIS SMITH'S great purpose in life was to help "give the people of the earth, who love life and joy, something of that protection of law that will yield other than a mere thanatopsis."

There is a special immortality about the kindly service and the humble ministration which characterized the words and deeds of WILLIS SMITH. In him there was no hatred, no greed, no ignobility, no base contempt of sect or creed. He was a man consecrated to noble virtues for which he worked with ceaseless zeal, and with dignity, simplicity, and integrity.

He was a man who served his Nation and his generation in the Armed Forces of his country, in the profession of his calling, in the State of his residence, and in the legislative branch of his National Government—all with the distinction of a man with high principles and patriotic devotion. The measure of his greatness was a frank honesty always tempered with a willingness to listen to the views of others.

WILLIS SMITH was my devoted friend and I was his. I shall treasure his memory as long as I live. We are told that we are the composite of all we have met. If that is true, I am a better American for having known WILLIS SMITH.

If the strength of this Nation lies in the men it breeds, America is greater for the faith and character of such men as Senator SMITH. His was a life and service for the emulation of all who follow him.

Mr. SMITH of New Jersey. Mr. President, it was partially because we shared the same name that Mrs. Smith and I felt very close to Senator and Mrs. WILLIS SMITH. We were together at the Wardman Park Hotel. I saw the Senator almost daily, going out or coming in, and I felt a sense of intimacy with him.

I wish to pay tribute to a man whom I esteemed as a valiant and courageous colleague; one whose high principles committed him to great service for his country; a man who drove himself beyond his physical endurance and whose untimely death has brought sincere grief and regret to his friends. Death is simply the cessation of life on this planet, and Senator SMITH, as a member of a Christian church, would have told us that it is not the end.

For all too brief a period WILLIS SMITH occupied a prominent place in this body. A native of Norfolk, Va., he early showed his mettle by working his way through college, at the same time becoming top man of his class, as well as an outstanding athlete. As one who has had no inconsiderable experience in the exacting little world of the campus, I may observe that when a lad displays such qualities during the formative years, you watch him. It is one of the most rewarding experiences of life to behold the youth of promise emerge into the man of fulfillment.

As one glances over the bare facts of WILLIS SMITH'S career, even the necessarily brief summaries in the usual books of reference make up a formidable record. A lawyer, a soldier, a legislator, an official representative of his Government in an international organization, a recognized authority in the field of taxation, an authority on judicial procedure, a director of great industrial and insurance corporations, an outstanding member of bar associations, State, national and international; finally, a Senator of the United States representing a State he had long conspicuously served—all these make a career, a page of achievement, of which Americans can be proud, regardless of political affiliation.

Now, at the age of 65, he is removed from the world by death. One may say of WILLIS SMITH that he shortened his life to lengthen his influence. While overtaxing his physical capacities, he stood up for what he believed in rather than succumb to pressures or principles to which he was personally opposed.

A man of infinite integrity, WILLIS SMITH courageously sacrificed himself to serve his country. We, his friends and colleagues, can assure the people of the great State he so ably and faithfully served of our long remembrance and esteem for one who dwelt all too briefly with us.

To his beloved wife and family my wife and I tender our deepest sympathies.

Mr. STENNIS. Mr. President, I wish to subscribe to the very fine tributes to the life, character, and public service of our late friend and colleague, WILLIS SMITH, of North Carolina, who possessed many fine virtues. I shall mention briefly an outstanding quality I saw in him, and I think any words concerning him ought to begin and end with emphasis on this quality.

WILLIS SMITH was primarily a man of character, a man to whom principles meant something. He was truly a servant of the people. In carrying out the will of his people, their will on a given subject had first to square with the principles in which he believed; otherwise, he could not follow it.

WILLIS SMITH was a true patriot, according to my understanding of that word, in that he looked upon his country as something to love and to serve, not something which afforded an opportunity to better his own position, or an opportunity to barter or traffic for personal gain. He placed first and eternal principles of service to our Nation, and reflected those principles in the Senate to the encouragement and inspiration of all of us.

I wish to mention, too, how impressed I have been with his family, particularly with Mrs. Smith, whose maiden name was Anna Lee. For almost 35 years Senator SMITH and Mrs. Smith walked the path of life together, sharing all its burdens and triumphs. I know that Mrs. Smith was a source of constant inspiration and help to him during his career. To my mind, as a wife, as a mother, and a lady, she represents the very finest in American womanhood.

As we visited in their home on Sunday, I was most favorably impressed with the three fine sons, Willis, Lee Creecy, and Alton Battle, and also with the charming daughter, Anna Lee. I thought that even though individual life comes and goes, the stream of life flows on; and in those fine representatives of our dear friend the stream of life will continue to flow on with character, with new vigor, and new vitality, all worthy representatives of their parent. They give us encouragement as our country faces the future.

I shall mention something of the spirit of the funeral service. The two ministers who led our thought on that occasion reflected the sentiments of the occasion in speaking briefly on some of the noble virtues of Senator Smith, and in a most elevating, inspiring way presented to us his lofty ideals and paid tribute to his high character.

This was the second occasion on which I have looked into the faces of the people of North Carolina at a time of sadness among them. I saw in them well-marked lines of character and an affirmation of faith in our way of life. I saw people who are not excelled anywhere in the Nation, people who believe in our form of government and its basic principles. I thought how well our friend reflected those great principles in which they and he believed. Those same people are fortunate to have their ideals and principles so well and ably represented and reflected here by the senior Senator from North Carolina [Mr. HOEY].

I join with all in expressing our profound sympathy to the family of WILLIS SMITH, but I believe we can assure them that in some respects they will continue to have him with them. In many ways, the children will be more influenced since the passing of their father than they were during his lifetime, because they will cherish and heed even more the fine, cardinal principles he represented and taught to them.

I feel certain that the God whom WILLIS SMITH served so faithfully and manfully affords an eternal resting place

for his soul. We can well follow his matchless example.

Mr. HENDRICKSON. Mr. President, like my colleagues, I rise today with a heavy heart, but I rise also, as the Senator from Virginia has so well said, a better American for having had association and companionship with WILLIS SMITH.

Before today's eulogies have faded into these historic walls—but not, I know, from our collective memories—there will be a great deal said about WILLIS SMITH's great record of service to his people, to his country, and to his legal profession.

WILLIS SMITH, the renowned attorney, the former head of the American Bar Association, the representative of his country at international conferences—all these accomplishments and others have been and will be eloquently discussed by his colleagues today and in the years to come.

I would direct a few moments of the Senate's time this morning to the memory of the WILLIS SMITH whom we all knew as the gracious, kindly Christian servant and gentleman who had been with us too few years.

His devotion to the task before him; the care with which he performed his duties to his beloved people of North Carolina and to the country at large, will always remain in the memory of those of us who worked intimately with him.

Mr. President, the Raleigh News and Observer on Monday morning, June 29, reported the funeral services for this gentle friend with real simplicity.

There were two things about that newspaper account which I found particularly striking. One was the reference to the brief and simple service conducted by Dr. Howard Powell, pastor of the Edenton Street Methodist Church, of which Senator SMITH was a member.

The other reference was to the flag-draped casket as it moved up the church aisle.

The flag referred to, Mr. President, points up WILLIS SMITH's great devotion to country—the church, his dedication to Christian service; "the brief and simple service," recalls to mind the simplicity of person, and, all too remindfully, Mr. President, the brevity of his life on this troubled earth.

His people needed his vigor and dedication to purpose so badly that he will be surely missed by them. How valuable that vigor has been to us, Mr. President, and how difficult it is for us to lose him when his rich and able service was only beginning?

WILLIS SMITH and the junior Senator from New Jersey were members of the Committee on the Judiciary.

It was while on an official visit to the countries of Western Europe as members of the Subcommittee on Immigration that I came to know WILLIS SMITH and his charming wife intimately.

We were together in France, Germany, Italy, Switzerland, and England.

That trip, during which we studied the refugee situation in Free Europe and the overcrowded conditions which abound there, clearly reflected the differences in approach to several public questions which separated WILLIS SMITH and myself on issues.

We differed on immigration questions, and we differed on other policy matters as well.

But, Mr. President, there never was a more understanding companion and more able student of government than the WILLIS SMITH who shared the burdens of those tiring journeys with the members of the Immigration Subcommittee.

His contributions to the outcome of that mission were many. Always challenging, stimulating, and just—his counsel and advice was both profound and inspiring. It could not be otherwise, Mr. President, for it was dictated by a scrupulous conscience.

I shall always carry with me, Mr. President, the wonderful memory of a man and his good wife who comported themselves with great dignity, kindness, and charity in all their personal relationships during a long and arduous trek.

We who knew him and served with him are aware of what his loss means.

Mr. President, the courage of the soldier which he was during World War I; the great legal mind which made WILLIS SMITH stand out in the proud ranks of his fellow lawyers, were only part of the makeup of dignity and kindliness which was the real mark of a man and a great public servant.

Mrs. Hendrickson joins the junior Senator from New Jersey today as he endeavors to convey to the lovely wife and splendid family of our departed colleague our deepest sympathy.

Mr. President, I say again that we shall all be better Americans, better Christians, and better Senators for having had in our midst the inspiring presence of WILLIS SMITH, whose memory will ever remain in our hearts.

Mr. McCLELLAN. Mr. President, it is with a sad heart that I join in and associate myself with the beautiful sentiments and the eloquent tributes which have been paid this morning to our departed friend and colleague. I cannot add greatly to what has been said, but I join in all the beautiful expressions, so true and so sincere, of those who have spoken so eloquently before me.

It was not my good fortune or privilege to know Senator SMITH before he came to the Senate, as some other Members of this body knew him. But one did not require a long acquaintance with Senator WILLIS SMITH to know and appreciate the true values of solid character and high ideals and principles which marked his daily life and conduct.

I did not have the opportunity to work with him on committees, not being a member of any committee on which he served, but our acquaintance soon ripened into friendshhip. I was with him on many social occasions in his home, and he visited in my home. We frequently talked about the important measures being considered by the Congress, particularly the legislation being considered by the Judiciary Committee of which he was a member—measures which affected the security of our country, measures which were designed to protect our security.

I have never talked with anyone who was more devoted or more consecrated to the task of enacting legislation which he thought was for the good of his country, and the welfare of the people.

I shall not dwell at length upon my feelings, but I may say that, by reason of having known him, and by reason of association with him, I feel—as I am sure every other Member of this body feels—that I have been inspired with greater devotion to country and to higher ideals of service. The memories of his sterling qualities and his warm friendship are enshrined in the hearts of all of us. To his widow and family Mrs. McClellan and I extend our profound sympathy. They are remembered in our prayers.

Mr. WELKER. Mr. President, I shall speak briefly and extemporaneously. There is nothing I can say which would add to the heartfelt tributes which have been paid to the memory of our late colleague by distinguished Members of this great body.

Senator WILLIS SMITH represented the State whence my people came. My mother, father, and six brothers were born in his State. When I became a Member of this body I soon came to enjoy a close and intimate friendship with the senior Senator from North Carolina [Mr. HOEY] and Senator WILLIS SMITH.

When I met WILLIS SMITH, his engaging personality seemed like a light shining out of the darkness. He possessed all the splendid qualifications which have been described here today, which make a man truly great.

I was proud to have been classed as one of his personal friends. Like the distinguished and able senior Senator from Virginia [Mr. BYRD], I think my life is better for having known WILLIS SMITH.

He was a lawyer's lawyer. He was a Senator's Senator. I sat by his side in the Judiciary Committee and in the Subcommittee on Internal Security. As a lawyer I learned to admire his mastery of the art of cross-examination—always eminently fair, always profound, and forever seeking the truth.

A few weeks ago I made the statement over a national television hookup from New York that it was my firm opinion, disregarding party affiliations, that Senator WILLIS SMITH, of North Carolina, was one of the greatest men ever to enter this august body. He represented North Carolina and the Nation with the highest distinction.

He leaves to mourn him one of the most wonderful families I have ever had the honor and privilege of knowing. Mrs. Welker, who is 3,000 miles away, joins me in this statement. Mrs. Smith was brave during the hours we spent in that house of grief on last Sunday. All of us who were present admired that courageous lady, together with the little daughter and three fine young sons.

It can well be said that WILLIS SMITH lived a full and complete life. He achieved almost all the honors any man could receive in this life, and he left the most devoted family a man could possibly leave.

He was a profoundly religious man. I would that those who could not attend the funeral services in Raleigh could have seen the outpouring of people who came to pay their last respects to their friend. Among them were great men and there were poor and humble men. I was very happy that our distinguished Vice President could be present to help us say farewell to WILLIS SMITH, of North Carolina.

Life has its sunshine and its shadows, its pleasures and pains, its happiness and its heartaches. It seems a bit cruel when I reflect that in a little more than two and a half years I have seen four distinguished Americans taken from this body by death.

Mr. President, I like to think of WILLIS SMITH when I recall the words of James Whitcomb Riley in tribute to a friend:

I cannot say, and I will not say
That he is dead. He is just away.
With a cheery smile, and a wave of the hand,
He has wandered into an unknown land
And left us dreaming how very fair
It must be since WILLIS SMITH is there.

I would that the people of the world had heard the sermon preached by the two members of the clergy in the beautiful Methodist Church at Raleigh. Never have I witnessed a more fitting and appropriate service.

In farewell to this great man, who was my friend and the friend of all of us, I may say that he nobly lived and he nobly died, and that to me is the noblest work of God.

In the West, from which I come, we have a saying when we bid farewell to a good friend. I say it now to WILLIS SMITH, who has left us:

Warm summer sun shine kindly here;
Warm southern wind blow softly here;
Green sod lie light, lie light;
Good night dear heart, good night, good night.

Mr. FREAR. Mr. President, it has been the misfortune of many Members of the Senate, including myself, not to have been permitted the fellowship of WILLIS SMITH over an extended period of time. My acquaintance with him was for 2½ years.

As the senior Senator from North Carolina [Mr. HOEY] has said in his eulogy, all men are created equal and are equal in death. I may add that the Divine Creator, in His great wisdom, has endowed individuals with varying degrees of ability. Our departed colleague possessed unusually fine characteristics, talents, and virtues, which made him the great American he was and endeared him to all persons who had the privilege of knowing him.

He was a devoted husband and a sympathetic father. Mrs. Frear cherishes the friendship of Mrs. Willis Smith. Mrs. Smith and their children, I am confident, realize the only source of real comfort during these hours of sadness is to be found in the Holy Scriptures, of which Senator SMITH was a student.

Mr. BUTLER of Maryland. Mr. President, I count as one of the rarest privileges of my life the opportunity to have come into intimate contact with WILLIS SMITH. We both came to the Senate at about the same time. Fate decreed that our office suites should be directly across the hall from each other. Later on, when our fine Vice President was elevated to that high office, I took his suite, next door to WILLIS SMITH. Our relationships were very friendly and most congenial. Indeed, we used to exchange constituents. Willis would come in with his friends and sit with me and chat, and I would do the same with him.

I served with him on the Committee on the District of Columbia during the 82d Congress, and I served with him on the Committee on the Judiciary during the 83d Congress. I soon learned to love him. I respected his outstanding ability, his high principles, and his devotion to American constitutional government.

He was not a member of the Subcommittee on Constitutional Amendments of the Committee on the Judiciary, but, nevertheless, he spent hour after hour sitting with the committee while it was considering the Bricker amendment and giving of his fine mind and spirit to framing an amendment which in his opinion would protect the basic rights and liberties of the people he loved.

He was a great man and a fine friend. God bless him and his family.

Mr. MAYBANK. Mr. President, many words of respect, praise, and esteem will be said, not only today but in days and years to come, in tribute to the memory of WILLIS SMITH. His sudden passing was a shock to this body and to me personally.

Senator SMITH had not been a Member of the Senate for any great length of time as Senate service is measured, but during his brief term his great spirit made its lasting impression. Having completed only a little more than one-third of his first term, it is remarkable to note the many real friendships which were made by him among his colleagues in this body on both sides of the aisle.

There was little of partisanship in WILLIS SMITH. The best interests of his country always were uppermost in his mind and deed. Faithful always to his party, he was a patriot first.

It has been my pleasure and privilege to know WILLIS SMITH for many years. It was my pleasure to know his charming and gracious wife. I know that even though he is irreplaceable in her heart and in her life, there must be great consolation to her in knowing the moral and spiritual contributions he has made during his lifetime to the welfare of our Nation.

Mr. WATKINS. Mr. President, it is difficult to add anything more to the eulogies which have been uttered for our late esteemed colleague, Senator WILLIS SMITH. I feel that all of them are richly deserved. I served with him for 2 years as a member of the Judiciary Committee and two subcommittees where we had an opportunity to become acquainted. He was not only an able lawyer and a great statesman, but he had in addition a deep understanding of human nature and good will for his fellows. He was passionately devoted to the defense of the Constitution of our country and of our institutions, but even in his tensest moments, when there was every provocation to retaliate to the charges against the Members of Congress by some witnesses who appeared before the committee, Senator SMITH had a sense of restraint and fairness which impressed us all. I learned to admire him as a fine Christian gentleman, a man with deep convictions, but tolerant to others views. To know him was to have an abiding affection for him.

As a member of the group of members of Congress who attended his funeral, I became aware of the great affection the people of the State of North Carolina had for this worthy son who had brought great honor to his State. North Carolina and the Nation are in mourning for WILLIS SMITH. His family have the sympathy of the people of this country, of those who knew him personally and of those who knew only of his good works by reputation. I join with the other Members of this body in expressing sympathy to Mrs. Smith and the sons and daughter of our late colleague.

Mr. HENNINGS. Mr. President, at a time like this we are deeply aware of the inadequacy even of the most eloquent and sincerest of tributes. This morning, as I sat here and listened to the tributes of devotion of Senators who served with WILLIS SMITH and knew him best spoke from their hearts and with such deep sentiment and sincerity, I was more than ever impressed that in knowing WILLIS SMITH and having been privileged to claim him as my friend, that I knew a man who was the embodiment of the American ideal and the true Christian character.

I was prevented by illness from attending the last services for our friend, in Raleigh on last Sunday. I had intended to go with other members of the Committee on the Judiciary, and his other friends and colleagues, in order, in that small and humble way, I might pay tribute to a man who shall forever live in my heart as a friend, and because of whose friendship my life has become richer. He was an inspiration to us all.

As many Senators have said today, WILLIS SMITH placed country above party, and Christianity above country. His wife and my wife and I are devoted friends, as were he and I. Our families frequently saw each other.

I remember sitting next to him in the Committee on the Judiciary on the Monday preceding his death, and I recall that he told me that ever since he had been in the Senate he had felt tired and fatigued and had experienced a sense of frustration because there was so much to do, so much he wanted to do, and so little time in which to do it. He truly gave of himself without thought of self for the many years of his full life which were devoted to the public service and many worthy activities.

WILLIS SMITH was a man whose idealism encompassed the field of human endeavor. He attained the pinnacle of recognition in his profession as a president of the American Bar Association. As other Senators have said this morning, Mr. President, WILLIS SMITH was a lawyer's lawyer. He believed in the Constitution and in strict adherence not only to the letter but to the spirit of that great document. He believed in his

God, and looked to his God for inspiration and for solace. He was a devoted husband and father. Our thoughts and deepest sympathy are with Mrs. Smith and our friend's family.

So this morning, Mr. President, my heart is very full as I try to find words to express my feeling and thought about our departed colleague. We know that these ceremonies today will serve for the rest of our lives to further emphasize our realization that we knew a man who in all respects represented the best of our American genius and was the embodiment of Christian precept and character. A man of compassion, humility and warm humanity.

WILLIS SMITH lives forever by his deeds and in the annals of his State and our country.

Mr. CARLSON. Mr. President, I would not wish to let this opportunity pass without paying a very sincere but humble tribute to a personal friend of mine, whom I learned to know only within the past few years.

WILLIS SMITH and I were elected to the Senate on November 7, 1950. Both of us came here to fill unexpired terms. He was sworn in on November 27, and I had preceded him by a very few days. Therefore, it was only natural that we should feel that we were friends together because we entered the Senate together.

I did not have an opportunity to serve with him on committees, but I had the rare privilege of living, for the years we have been in Washington together, at the same apartment hotel. We learned to know each other, as we visited in the lobbies, as we met coming in and going out, and, of course, as we met on the floor of the Senate.

The greatest tribute I can pay to WILLIS SMITH is that he was a true gentleman. He met in every way the definition of a gentleman. He was considerate of others. He was kindly. He was a Christian gentleman. He was a man one loved to meet and to visit with. I need not say, Mr. President, that I shall miss him, as all of us will miss him.

It is true that life is uncertain and that we pass through this life but once. What we accomplish as we pass through this life will be remembered. I think it can truly be said of WILLIS SMITH that the world is a better place for his having passed this way.

To Mrs. Smith and the children, Mrs. Carlson and I extend our sincerest and deepest sympathy.

Mr. FERGUSON. Mr. President, WILLIS SMITH, Senator from North Carolina, came to the Senate but a short time ago. He had had very distinguished service as a lawyer and an able advocate in his State and in the United States. He had served as president of the American Bar Association, the highest office in that organization. He had rendered yeoman service for the bar.

On coming to the Senate, he was assigned to the Judiciary Committee, where his talents fitted him for service. There he was able to render notable service. As a member of that committee until the beginning of this year, I served with him on various subcommittees, as well as on the full committee. His experience and talents as a lawyer enabled him to render unusual service to the members of the committee and to all other Members of the Senate.

Our families became well acquainted. I traveled with Willis, on one occasion, to the Interparliamentary Union. He went there, as I did, as a delegate. His activities in the debates of the Interparliamentary Union distinguished him and marked him as an able representative of the Congress of the United States at that meeting.

On all occasions he had a fine quality sense of humor, which he would use in a most skillful way in helping to bring out the point he had in mind. We shall miss him very greatly as a debater on the floor of the Senate. The United States of America will miss his distinguished service and the aid he has given in connection with the enactment of legislation.

This morning I pay humble tribute to this great man and distinguished citizen of the United States and Member of the United States Senate.

Mr. GEORGE. Mr. President, on occasions such as this every Member of this body must be deeply impressed with the deserved tributes which are paid to their former colleagues.

Great men, Mr. President, originate few things in life, after all. The really great men of this world are but the media through which the light shines. If one were disposed to doubt the divine origin of man, it is difficult to see how such a doubt could be entertained when, through the medium of a man, with whatever faults and weaknesses he may have and with whatever virtues he may have been graced, the light of divinity shines.

Senator WILLIS SMITH was a lawyer of distinction. It is unfortunately true that almost all professions tend to become channels beyond which the influence and life of the individual generally are unrecognized and unknown. That is not true in the case of WILLIS SMITH, because he always seemed to be deeply imbued with a sense of civic responsibility. As a trained lawyer, and a great lawyer, he had received the discipline which enabled him to be of particular service not only to his State, but also to the Nation and to the world.

I think Senator Smith's outstanding greatness is perhaps to be found in the concept which inspired Bobby Burns, when he said:

> To make a happy fireside clime
> to weans and wife,
> That's the true pathos and sublime
> Of human life.

But undoubtedly as a statesman WILLIS SMITH's greatness was in his strong devotion to the institutions of his country, to the institutions of a free Nation and free land. Above most of his associates even in the Senate of the United States, Senator WILLIS SMITH knew that our institutions were not of divine origin, strong as his faith in the divinity of all things good may have been. He knew and recognized that our political, economic, and social institutions were not made with the mountains, that they are not one with the deep. Men, not God, designed them; and men, not God, must maintain them.

WILLIS SMITH was devoted to the institutions and the principles that have made us a great people, and thus he himself became a trusted servant of the people—a servant, even as all great men are, since it is in becoming the least among all our fellow beings and in serving our fellow men that we find the greatest compensation in life.

It is singularly true of Senator SMITH that he was highly esteemed by all the Members of the Senate and by all who knew him. All held him in great respect; in him all had great confidence. They found in him no guile. He did not possess the cheap trickery which sometimes leads the best of men to think that there may be some virtue in false pretense.

WILLIS SMITH possessed those elements to which his colleagues and intimates in this body have today paid sincere tribute. He possessed the simplicity of character and the strong faith in his God, in his country, and in the institutions of his country, that gave him a place of distinction even in a body of distinguished men, who have tried to do their best, in all instances no doubt, to serve their day and generation well.

The great State of North Carolina has lost a truly great son; a loving and devoted wife and family have lost a great husband and father; the Senate of the United States, and the United States itself, have lost a great public servant—great because of his simplicity of character, his strong devotion to duty, as WILLIS SMITH conceived his duty to be, and the service be rendered to his fellow men.

Mr. ROBERTSON. Mr. President, the junior Senator from Virginia does not feel that he can add anything worth while to the beautiful tributes that have been paid to our departed friend and colleague. The junior Senator from Virginia, however, would be false to all the promptings of his heart if on this occasion he did not say at least a word in tribute to the late Senator from North Carolina.

Mr. President, WILLIS SMITH was born in Norfolk, Va., only a few miles from the spot where in 1607 a little band of storm-tossed travelers made a landing and became the founders of the first permanent English settlement in the Western Hemisphere.

I believe it is significant to recall on this occasion that the first act of the settlers who landed at Cape Henry was to erect a cross and then on their knees to give thanks to Almighty God for their safe voyage and ask His guidance for their future conduct.

It is my conviction that the whole course of American history, as we know it, was influenced by that act and by the similar devotion to religion of those other pilgrims who landed on the shore of what later became Massachusetts because, as Daniel Webster said:

> We are justly proud of being descended from men who have set the world an example of founding civil institutions on the great and united principles of human freedom and human knowledge. To us, their children, the story of their labors and sufferings can never be without interest. We shall not stand unmoved on the shore of Plymouth, while the sea continues to wash it; nor will our brethren in another early

and ancient colony forget the place of its first establishment, till their river shall cease to flow by it. No vigor of youth, no maturity of manhood, will lead the Nation to forget the spots where its infancy was cradled and defended.

The philosophy of ancient Greece was "know thyself" and of ancient Rome "discipline thyself." Neither of these proved sufficient to endure. But the philosophy upon which the new experiment in government was founded in America was the Christian principle, "give thyself," and the blessings of the democracy we now enjoy were bought with the blood and toil of the Founding Fathers who accepted that obligation.

We are inheritors of that precious gift we call constitutional liberty largely because our forebears were willing to put service to their country and to their fellowmen above self. And we are specially indebted to the tradition of early Virginia which produced George Washington, Thomas Jefferson, James Madison, George Mason, Patrick Henry, and others like them who regarded the participation in public affairs as a duty and a responsibility as well as a right and a privilege. They felt that the business and professional leaders should undertake this responsibility rather than leave it to those who had so few affairs of their own that they had time to spare for Government.

It is pertinent to mention this today because WILLIS SMITH exemplified so well the tradition of the area from whence he sprang. He was only 2 years of age when his father died and his mother took him to the neighbor State where he grew up and began his public service, but I am sure that the mother from whom he received his early schooling implanted in his character those traits which made him follow in the footsteps of former great Virginians who dedicated their lives to public service.

The principle of unselfish service to which I have referred was reemphasized for him by the Christian influences of Trinity College and he showed his devotion to that institution, which later became Duke University, by serving 24 years on its guiding board and becoming chairman of that board. He was truly, as President Edens of Duke said, one who had a "remarkable understanding of academic climate," and "a man of complete integrity," and as Governor Umstead characterized him "a Christian gentleman."

After working his way through college WILLIS SMITH entered the practice of law and his success in his chosen profession was indicated not only by the financial return, which put him in the top bracket of the attorneys of his State, but also by his selection in 1946 as President of the American Bar Association.

He never was satisfied, however, to confine his efforts to his business or even to his volunteer educational and civic activities. He acknowledged his feeling of obligation to serve the public by being elected to the North Carolina House of Representatives in 1926 and within 4 years had won such recognition that he was chosen as speaker of that body. Later he was a chairman of a State Democratic convention and a delegate to a national convention and 3 years ago he answered the call which brought him to the United States Senate.

His service here involved financial sacrifice, but he, like many other Members of this body, preferred the sense of accomplishment to more material rewards and devoted himself wholeheartedly to what he described as the championship of southern democracy.

Recognition of his efforts was indicated by such editorials, following his untimely death, as the one in the Roanoke (Va.) Times, which described him as "one of the ablest lawyers" in the Senate and "one of its stanchest conservatives."

The Greensboro Daily News also said of him: "He lived a full life and died as a result of overwork in the service of his country."

That statement was in recognition of the fact that he had persisted in carrying the full burden of his duties in spite of two earlier warning attacks and that during the last 20 days before he was finally stricken down he had delivered 24 speeches.

Truly, it can be said of him, as Pericles said of the young men of Athens who died at Thermopylae, that he gave his body for the commonwealth. And I believe it also may be said of him, as Pericles said of those young men of long ago, that he will receive for his memory "praise that will never die, and with it the grandest of all sepulchres, not that in which their mortal bones are laid, but a home in the hearts of men, where their glory remains fresh to stir to speech of action as the occasion comes by. For the whole earth is the sepulchre of famous men; and their story is not graven only on stone over their native earth, but lives on far away, without visible symbol, woven into the stuff of other men's lives."

I think we might also describe WILLIS SMITH, as Tennyson did the noble King Arthur:

Not swaying to this faction or to that;
Not making his high place the lawless perch
Of winged ambitions, nor a vantage ground
For pleasure; but through all this tract of years
Wearing the white flower of a blameless life.

Mr. JOHNSTON of South Carolina. Mr. President, we have lost one of our most beloved colleagues. It was my good fortune to have known WILLIS SMITH a great many years, but since he has been a Member of the Senate of the United States I have been very close to him. During this particular year he served on the Judiciary Committee, of which I am also a member. We served together on the subcommittee on Internal Security. On that committee I was with him daily. During that time, like all other persons who have come in contact with him, I learned to love him.

Mr. President, through the hourglass of time the sands of a noble and distinguished life have passed. Senator WILLIS SMITH, our able and beloved colleague from North Carolina, has been summoned to his eternal home.

It is still too soon for any one of us to realize fully the scope of our loss. We are too stunned and shocked. But we are certain that we have lost one of the most competent, judicious, and kindly Members ever to serve in this great legislative body.

As Senators know, very soon after his arrival in the Senate we are able to measure the ability, the character, and the equipment of a Senator. Few men, however, have been elected to the Senate who were as extraordinarily well-qualified as WILLIS SMITH. His accomplishments in the field of law alone had already made him the envy of practicing attorneys, as well as of eminent jurists. Undoubtedly, one of the finest honors ever bestowed on our late colleague was his election to the office of president of the American Bar Association. Later he served as an observer at the Nuremberg trials. In 1951 he was United States delegate to the Interparliamentary Union meeting in Istanbul, Turkey, and in 1952 he served as chairman of the same meeting in Bern, Switzerland.

There are actually scores of honors, including his appointment to high posts and awards of merit, which have been paid WILLIS SMITH. Time does not permit me to recount them all on the floor today. But, I do wish to say something of what he did in the Senate.

Perhaps the greatest work he performed while he served as a Senator was his fight against communism. His service on the Internal Security Subcommittee will always be remembered, for, perhaps in that capacity, his great legal talent was put to its greatest test. With patience and courtesy, he pressed hard those in the service of the Kremlin and international communism who would destroy our American way of life. No hostile witness ever felt secure under WILLIS SMITH's expert legal examination.

I well remember his haunting words before the Daughters of the American Revolution earlier this year, and they stand before us today as a dramatic challenge:

My native land. Your native land. It has meant aspiration and hope. It has meant relief from repression. * * * We may be sure that if we do not protect ourselves and our people, that there are no other people on earth who will protect us. We may be sure that few, if any, other nations have even in the slightest degree the altruistic ideals that we have maintained, that have the missionary zeal and spirit which has possessed Americans. * * * Let us ever remember that we ourselves must guard our own liberties, and by so doing we will promote the peace of the world.

Those are Senator WILLIS SMITH's prophetic words.

Mr. President, the death of our fine colleague brings to my mind some beautiful words I learned long ago:

A good man never dies;
In worthy deeds and prayer,
In helpful hands and honest eyes,
If smiles and tears be there;
Who lives for you and me,
Lives for the world he tried to help;
He lives eternally.
A good man never dies.

Mr. SMATHERS. Mr. President, it is with a deep sense of personal loss that I join in contemplation of the passing of our beloved comrade, WILLIS SMITH, and I experienced a deep sense of humility and genuine feeling of inadequacy in

attempting to put into words an expression of tribute to the character and accomplishments of this great man during his life.

WILLIS SMITH and I came to the Senate in the same class, so to speak, having been nominated by the electors of our respective States in primaries and elections during the spring and summer of 1950. We have served together in the Senate for the past 2½ years, and we have labored on many common causes and worked toward many common objectives.

We had many things in common, but of intimate importance to us was the fact that our families came from the same picturesque and inspiring areas of the United States which has such a great tradition and heritage—the mountains of western North Carolina. The grief-stricken widow was born and reared at Waynesville, which city is the birthplace and ancestral home of my own parents, and the place to which my own family returns every year for rest and inspiration. So I felt close to WILLIS SMITH because of the common background which we shared, and it was upon this basis that we readily formed a warm friendship when we became acquainted.

I first met WILLIS SMITH in 1935, when, with him, I attended the meeting of the American Bar Association at Los Angeles, Calif. I was attracted to him at the time by his warm congeniality, his manly bearing, and the unmistakable manifestations of the great talent and majestic character which marked his being and his everyday manner.

I quickly formed the impression at that time that this occasion had afforded me the privilege of entering the realm of a great man and a patriotic American, an outstanding man whose convictions and understanding of basic democracy inspired those about him, a Christian gentleman who embodied the virtues which only those with Godly vision can hope to obtain.

Throughout the years since that first meeting my initial impression of the lofty character and splendid aims and attainments of our noble friend, WILLIS SMITH, has been strengthened and enlarged. He has been an inspiration to me, as a younger man learning from his precept and example. His life and his career of devotion to duty and Christian service will ever be remembered by those who knew him, and could understand the high and noble motives of his life on this earth.

The VICE PRESIDENT. If Senators have now concluded, the Chair would like to add a personal word to the eloquent tributes which have been paid to WILLIS SMITH.

It was my privilege to know him perhaps better than did many Members of the Senate. Like the Senator from Kansas [Mr. CARLSON], I became a Member of the Senate at the same time Senator SMITH entered upon his duties here. His office was next to mine in the Senate Office Building. He was chairman of the board of trustees of the university at which I received my law degree; and from the day when I arrived in the Senate, I considered him always not only as a friend, but as a counselor to whom I could go for advice on the issues with which we are daily confronted on the floor of the Senate.

I am sure the Senate has been impressed today, as our guests in the galleries must have been, by the tributes that have been paid to WILLIS SMITH. I should like to call attention particularly to the completely bipartisan character of those tributes. Just as many Senators on the Republican as on the Democratic side of the aisle have joined in eulogizing the life, character, and public service of Senator SMITH. It seems to me that this very fact is not only a tribute to this great legislative body, in which men and women may disagree and still be friends, but it is also a tribute to our departed colleague. Senator SMITH possessed great ability, a quality which is respected in this body. His towering intellect, his sterling character and his unimpeachable honesty, marked him as a man among men. Whenever he rose to speak, which was not often, we knew that he was speaking always in the interests of his State and of his country, without regard to partisan or political considerations. It is a tribute to the quality of the man that he had the graciousness and gentleness of character which allowed him to disagree with his colleagues and still work with them in the friendly manner which was his, and for which we loved him.

As these tributes come to a close, all of us must have been impressed by the fact that no man could have left more enduring monuments to his life than did WILLIS SMITH. His chosen profession was the law. He served as President of the American Bar Association and rendered great service to his fellow lawyers in that position. He was chairman of the board of trustees of a great university, much of the development of which has been the result of his leadership. He leaves a wonderful family, to whom deserved tribute has been paid on the Senate floor today. He also leaves his friends and colleagues in the Senate; and I think all of us will agree when I say that we can be thankful that the great spirit of WILLIS SMITH will always be with us, and that we shall be better servants of the people and of the Nation for having known him.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS AND JOINT RESOLUTION

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on June 30, 1953, the President had approved and signed the following acts and joint resolution:

S. 1081. An act to provide authority for temporary economic controls, and for other purposes;

S. 1376. An act to amend section 503 of the act entitled "An act to expedite the provision of housing in connection with national defense, and for other purposes," approved October 14, 1940, as amended;

S. 1839. An act to amend section 32 of the Fire and Casualty Act, so as to provide that an agent or solicitor may secure a license to solicit accident and health insurance in the District of Columbia under that act without taking the prescribed examination, if he is licensed under the Life Insurance Act;

S. 2032. An act to modernize the charter of Washington Gas Light Co., and for other purposes;

S. 2103. An act to amend the National Housing Act and other laws relating to housing; and

S. J. Res. 88. Joint resolution to authorize the Secretary of Commerce to extend certain charters of vessels to citizens of the Republic of the Philippines, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills and joint resolustion, in which it requested the concurrence of the Senate:

H. R. 3884. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines;

H. R. 5302. A bill to provide for an additional Assistant Postmaster General in the Post Office Department; and

H. J. Res. 234. Joint resolution authorizing an appropriation to defray the expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C.

CALL OF THE ROLL

Mr. BUTLER of Maryland. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BUTLER of Maryland. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

LEAVES OF ABSENCE

Mr. HOLLAND. Mr. President, I ask unanimous consent that from this afternoon until Thursday of next week the Senator from Delaware [Mr. FREAR] be excused from attending sessions of the Senate because of official business as a member of the Committee on Banking and Currency.

The VICE PRESIDENT. Without objection, it is so ordered.

On his own request, and by unanimous consent, Mr. BUSH was excused from attendence of the session of the Senate tomorrow because of official business.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. BUTLER of Maryland, and by unanimous consent, the Subcommittee on Investigations of the Committee on Government Operations was authorized to sit during the session of the Senate today.

On request of Mr. BUTLER of Maryland, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet today during the session of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

EXTENSION OF AUTHORITY FOR EMERGENCY FOREIGN MERCHANT VESSEL ACQUISITION

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to extend emergency foreign merchant vessel acquisition and operating authority of Public Law 101, 77th Congress, and for other purposes (with accompanying papers); to the Commitee on Interstate and Foreign Commerce.

AMENDMENT OF FEDERAL CIVIL DEFENSE ACT OF 1950, RELATING TO COMPENSATION FOR INJURY TO CERTAIN PERSONS

A letter from the Director, Federal Civil Defense Administration, transmitting a draft of proposed legislation to amend section 201 of the Federal Civil Defense Act of 1950 by adding thereto a new subsection authorizing financial contributions to the States for the purpose of providing compensation for injury or death sustained by any person serving in the United States Civil Defense Corps (with an accompanying paper); to the Committee on Armed Services.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the San Gabriel Valley Associated Chambers of Commerce, California, relating to flood control in San Antonio Canyon, Calif.; to the Committee on Appropriations.

A resolution adopted at a mass meeting of Lithuanian-Americans of the city of Kenosha, Wis., relating to freedom for Lithuania, Latvia, and Estonia; to the Committee on Foreign Relations.

A resolution adopted by the delegate assembly of the National Education Association in Miami Beach, Fla., favoring the enactment of legislation providing that all rentals, royalties, and other sums payable under leases of the outer Continental Shelf shall be appropriated exclusively as grants-in-aid to elementary, secondary, and high education; to the Committee on Interior and Insular Affairs.

RESOLUTIONS OF WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM, WASHINGTON, D. C.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that two resolutions adopted by the Women's International League for Peace and Freedom at their annual meeting held at Richmond, Ind., June 10–13, 1953, be printed in the RECORD, and appropriately referred.

There being no objection, the resolutions were referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM,
Washington, D. C., June 25, 1953.

The Honorable HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: We are forwarding the following resolution from our organization in support of S. 692:

"The Women's International League for Peace and Freedom, in annual meeting at Richmond, Ind., June 10–13, 1953, noting that hearings on the Ives-Humphrey FEPC bill (S. 692) have been postponed until the next session of Congress expresses its regret that no immediate action is to be taken on this matter of vital concern and urges that this legislation be given high priority in the next session of Congress."

Sincerely yours,

ANNALEE STEWART,
Legislative Secretary.

WOMEN'S INTERNATIONAL LEAGUE FOR PEACE AND FREEDOM,
Washington, D. C., June 25, 1953.

The Honorable HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: We are forwarding the following resolution passed by our organization in support of S. 1567 on migratory labor:

"The Women's International League for Peace and Freedom, in annual meeting at Richmond, Ind., June 10–13, 1953, deeply concerned with the problems of human misery and exploitation involved in the present status of migratory labor in this country wishes to commend Senator HUBERT H. HUMPHREY and Senators IVES, DOUGLAS, KENNEDY, and MURRAY for the introduction of legislation (S. 1567) providing for the establishment of a permanent Federal committee on migratory labor and earnestly recommends that similar legislation be introduced and acted upon favorably in the House of Representatives."

Sincerely yours,

ANNALEE STEWART,
Legislative Secretary.

FEDERAL AID FOR AIRPORTS—RESOLUTION OF FOND DU LAC COUNTY (WIS.) BOARD OF SUPERVISORS

Mr. WILEY. Mr. President, I present a resolution adopted by the Fond du Lac County (Wis.) Board of Supervisors, relating to the vital issue of airport aid. I ask unanimous consent that the resolution be printed in the RECORD and referred to the Committee on Appropriations.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE COUNTY BOARD OF SUPERVISORS, FOND DU LAC COUNTY, WIS.

Gentlemen: Your committee on airports beg leave to report that the Federal aid for county airports will be discontinued as of the end of this fiscal year ending June 30, 1953. As Fond du Lac County Board of Supervisors is contemplating at this time building a municipal airport within the county, it is most desirious that this Federal aid be continued another year.

Therefore this committee recommends to the Fond du Lac County Board of Supervisors that it go on record as favoring the continuance of Federal aid for airports and that a copy of said resolution be sent to the Congressman and Senator from this area by the county clerk of Fond du Lac County.

KILLIAN BUTZ,
VICTOR PROMEN,
FRANK LAUDOLFF,
ERWIN E. JONAS,
WILLIAM C. CAREY.

EMERGENCY IMMIGRATION LEGISLATION—TELEGRAMS AND RESOLUTIONS

Mr. WILEY. Mr. President, I have previously commented on the Senate floor on the need for constructive action on the President's request for emergency immigration legislation.

It is clear that everybody here is in favor of taking advantage of the boiling caldron of hatred behind the Iron Curtain. Everybody is in favor of making the lot of the Soviet enslavers as difficult as possible. But how can we do so, if we slam the door in the face of the escapees? How can we do so if we wreck the hopes of all those who may wish to desert the Soviet and satellite armies but who, under present conditions, have no chance of emigrating from the immediate danger zone, even if they should get across the barbed wire Communist borders?

So, it is my earnest hope, that after the July 8th meeting of the Senate Judiciary Committee, S. 1917 will be reported to the floor for immediate action.

Either we are anticommunistic in our deeds as well as our words or we are not. Either we believe in acting to exploit Soviet Russia's internal tensions or we believe in simply talking.

I want, at the present time, to say a particular word of commendation for the senior Senator from Utah [Mr. WATKINS] who believes in acting, not simply talking on noble principles. He has, in my estimation, worked on what is obviously an exceedingly difficult task, with industry, with patience, with understanding, and with a sincere desire to help bring about a genuine, effective meeting of minds.

I now present:

(a) A telegram which I received from Msgr. Edward A. Swanstrom on this legislation;

(b) A resolution from the Chicago chapter of the American Committee on Special Migration; and

(c) A resolution from the executive committee of the National Council of Catholic Men.

I ask unanimous consent that the items be printed at this point in the body of the RECORD and appropriately referred to the Judiciary Committee.

There being no objection, the telegram and resolutions were referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *June 27, 1953.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.:

The 31 organizations associated with the National Catholic Resettlement Council and the American Committee on Special Migration representing literally millions of Americans are hopeful that your committee will take favorable action Monday on the emergency legislation bill presently before you. We are confident as we explained in our testimony before your committee that any questions regarding security, etc., can be resolved to your complete satisfaction. You can be certain of the complete cooperation of all our groups both in the interests of America as well as those whom the bill will benefit.

Respectfully.

Monsignor SWANSTROM,
Chairman, National Catholic Resettlement Council, American Committee on Special Migration.

RESOLUTION OF THE AMERICAN COMMITTEE ON SPECIAL MIGRATION, NEW YORK, N. Y., JUNE 24, 1953

The members of the American Committee on Special Migration, Chicago chapter, held

an emergency meeting on June 23, at the Congress Hotel, and passed the following resolution:

"Whereas the severe religious and political persecution practiced by the Communists in all areas under their despotic rule has caused countless numbers of persons to seek refuge in the free world; and

"Whereas, the nations of the free world in which they have sought asylum from Red tyranny are not able to assimilate or otherwise care for these most unfortunate persons; and

"Whereas the problems caused by mass expulsions, escape, and special economic conditions relate directly to the ability of the member nations of NATO, individually and collectively, to prevent further aggression by Communist forces; and

"Whereas President Eisenhower, in his message to Congress on April 22, recommended that emergency legislation be enacted which would allow our Nation to play a vigorous and vital role in reducing these grave human problems to manageable proportions: Therefore, be it unanimously

"*Resolved*, That our member organizations express their appreciation for the initiative and leadership taken by Senator WATKINS in introducing S. 1917 and to Senators WILEY, HENDRICKSON, DIRKSEN, TAFT, BRIDGES, LANGER, AIKEN, FERGUSON, IVES, SALTONSTALL, FLANDERS, CARLSON, BENNETT, BUSH, PAYNE, YOUNG, and SMITH of New Jersey, for their support of this bill and pledge their constructive support for the passage of this law in the present session of Congress; be it further

"*Resolved*, That copies of this resolution be transmitted to President Eisenhower, Senator WATKINS, and his colleagues who have indicated support of S. 1917."

In view of the above resolution, we are certain that you will wish to use the full force of your good offices in order to implement an emergency legislation bill.

Respectfully yours,

WM. C. BOURAMAS.

RESOLUTION ADOPTED UNANIMOUSLY BY THE EXECUTIVE COMMITTEE OF THE NATIONAL COUNCIL OF CATHOLIC MEN, WASHINGTON, D. C., JUNE 20, 1953

Speaking on behalf of our 7,000 affiliated organizations and motivated by Christian charity for our suffering fellow men, we urge the immediate passage of emergency immigration legislation along the lines of the Watkins bill, S. 1917.

In this hour of international crisis the passage of a bill to admit 240,000 new citizens to our country would be not only an act of mercy and charity, but one which would provide a partial and temporary solution to the tremendous excess-population problem that exists in Europe as a result of the flight of millions of refugees and expellees from Communist countries, as well as population problems created by unsettled postwar economic conditions in some of our allied countries.

We believe that the United States can readily absorb 240,000 people and that action by our country at this time would give encouragement to other countries to follow our example.

Finally, we urge the passage of such legislation for the reason that it would symbolize to the world our everlasting concern for the poor, the homeless, and the persecuted.

It is directed that copies of this resolution be transmitted to President Eisenhower, Senator WATKINS, and other Members of Congress interested in this emergency legislation.

FRANCIS I. NALLY,
President.

Attest:

DAVID A. MCMULLAN,
Secretary.

EXTENSION OF SOCIAL SECURITY ACT TO INCLUDE FARMERS—RESOLUTION OF OREGON STATE GRANGE

Mr. MORSE. Mr. President, the Oregon State Grange, in session at Medford, on June 8 to 12, adopted a resolution in respect to broadening the Social Security Act so as to include the farmer the same as the self-employed. I wish to associate myself with the resolution and the position taken by the grange. Therefore, I ask unanimous consent that the resolution be appropriately referred and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Whereas social security has been broadened to include self-employed farm labor, etc.; and

Whereas most young farmers have some social-security rights before starting to farm which they will lose; and

Whereas statistics show that the average American farmer or his dependents do not have ample old-age security: Now, therefore, be it

Resolved, That we favor the extension of the Social Security Act to include the farmer the same as the self-employed; and be it further

Resolved, That copies of this resolution be sent to our Congressmen.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MARTIN, from the Committee on Public Works:

S. 2199. A bill to allow State and local governments during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government; with amendments (Rept. No. 489).

By Mr. HOEY, from the Committee on Agriculture and Forestry, without amendment:

S. 1400. A bill to permit the Secretary of Agriculture to release the reversionary rights of the United States in and to a tract of land located in Wake County, N. C. (Rept. No. 490); and

S. 2163. A bill to authorize conveyance to the State of North Carolina of certain lands and improvements constituting the United States cottonfield station located near Statesville, N. C. (Rept. No. 491).

INVESTIGATION OF IMPORTATION OF WHEAT CLASSIFIED AS UNFIT FOR HUMAN CONSUMPTION—REPORT OF A COMMITTEE

Mr. AIKEN. Mr. President, from the Committee on Agriculture and Forestry, I report an original resolution, and I submit a report (No. 492) thereon.

The VICE PRESIDENT. The report will be received, and, under the rule, the resolution will be referred to the Committee on Rules and Administration.

The resolution (S. Res. 127) was referred to the Committee on Rules and Administration, as follows:

Resolved, That the Committee on Agriculture and Forestry, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of—

(1) the importation into and through the United States of wheat classified as unfit for human consumption, the sale, exportation, or other disposition of such wheat, and subsidies claimed or paid for the export of such wheat; and

(2) other matters relating to agricultural programs and price levels. The committee shall report its findings together with its recommendations for such legislation as it may deem advisable to the Senate as soon as practicable, but not later than January 31, 1954.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ, upon a temporary basis, such legal, technical, clerical, and other assistants as it deems advisable. The expenses of the committee under this resolution, which shall not exceed $15,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DUFF:

S. 2257. A bill for the relief of Luigi Cicchinelli;

S. 2258. A bill for the relief of Loreto Guagliardo; and

S. 2259. A bill for the relief of Rev. Charles V. Rossini; to the Committee on the Judiciary.

By Mr. LEHMAN (for himself, Mr. MURRAY, Mr. JACKSON, Mr. HUMPHREY, Mr. KENNEDY, Mr. DOUGLAS, Mr. GREEN, Mr. MORSE, Mr. PASTORE, Mr. NEELY, and Mr. MAGNUSON):

S. 2260. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. LEHMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. EASTLAND:

S. 2261. A bill for the relief of Maria Luise Wetklo; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 2262. A bill to establish a Bureau of Coal Mine Inspection and Safety within the Department of the Interior, and to transfer to such Bureau the functions of the Bureau of Mines under the provisions of the Federal Coal Mine Safety Act; to the Committee on Labor and Public Welfare.

By Mr. LEHMAN:

S. 2263. A bill for the relief of Villi Liim; to the Committee on the Judiciary.

By Mr. KENNEDY:

S. 2264. A bill for the relief of Alfio Ferrara;

S. 2265. A bill for the relief of Vittorio Capano; and

S. 2266. A bill for the relief of Walter P. Sylvester; to the Committee on the Judiciary.

By Mr. AIKEN (for himself, Mr. ANDERSON, Mr. YOUNG, Mr. LANGER, Mr. MUNDT, Mr. BARRETT, Mr. CASE, Mr. JOHNSON of Texas, Mr. CLEMENTS, Mr. STENNIS, Mr. MONRONEY, Mr. MCCLELLAN, Mr. KERR, Mr. JOHNSON of Colorado, Mr. MCCARRAN, Mr. MILLIKIN, Mr. THYE, Mr. DANIEL, Mr. SCHOEPPEL, Mr. BENNETT, Mr. CARLSON, Mr. WELKER, Mr. GILLETTE, Mr. BRICKER, Mr. MALONE, Mr. TAFT, Mr. KUCHEL, Mr. GOLDWATER, Mr. WATKINS, Mr. DWORSHAK, Mr. COOPER, Mr. KNOWLAND, Mr. HENDRICKSON, Mr. HICKENLOOPER, Mr. JACKSON, Mr. EASTLAND, Mr. JOHNSTON of South Carolina, Mr. HOEY, Mr. HOLLAND, Mr. DOUGLAS, Mr. MANSFIELD, Mr. MORSE, Mr. HUNT, Mr. MURRAY, Mr. KEFAUVER, Mr. FULBRIGHT, Mr. GREEN, Mr. HILL, Mr. SPARKMAN, Mr. MAYBANK, Mr. HUMPHREY, Mr. BUTLER of Nebraska, and Mr. GRISWOLD):

S. 2267. A bill to amend the act of April 6, 1949, to provide for additional emergency

assistance to farmers and stockmen, and for other purposes; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. AIKEN when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY:

S. 2268. A bill to allow certain persons to deduct for income-tax purposes amounts paid for meals and lodging when employed away from home; to the Committee on Finance.

S. 2269. A bill for the relief of Nicos Nicholas Mouratides; to the Committee on the Judiciary.

By Mr. POTTER:

S. 2270. A bill authorizing the President to make permanent replacements of public facilities and public and private school buildings, damaged or destroyed in a major disaster, and for other purposes; to the Committee on Public Works.

(See the remarks of Mr. POTTER when he introduced the above bill, which appear under a separate heading.)

By Mr. KENNEDY:

S. 2271. A bill for the relief of Romana Michelina Sereni; to the Committee on the Judiciary.

By Mr. CHAVEZ:

S. 2272. A bill to retrocede to the State of New Mexico exclusive jurisdiction held by the United States over lands in the State of New Mexico; to the Joint Committee on Atomic Energy.

SOCIAL SECURITY AMENDMENTS OF 1953

Mr. LEHMAN. Mr. President, on behalf of myself, the Senator from Montana [Mr. MURRAY], the junior Senator from Washington [Mr. JACKSON], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Illinois [Mr. DOUGLAS], the senior Senator from Rhode Island [Mr. GREEN], the Senator from Oregon [Mr. MORSE], the junior Senator from Rhode Island [Mr. PASTORE], the Senator from West Virginia [Mr. NEELY], and the senior Senator from Washington [Mr. MAGNUSON], I introduce for appropriate reference an omnibus social-security bill, entitled "The Social Security Amendments of 1953." An identical bill is being simultaneously introduced in the House, sponsored by Representatives EBERHARTER, CELLER, ROOSEVELT, DODD, RHODES, SHELLEY, BOLLING, HOWELL, ELLIOTT, DINGELL, and HOLIFIELD. I ask unanimous consent that a statement I have prepared explaining the bill, including a brief summary of the bill, and a section-by-section analysis of the bill, be printed in the body of the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement, summary, and section-by-section analysis will be printed in the RECORD.

The bill (S. 2260) to extend and improve old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes, introduced by Mr. LEHMAN (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

The statement, summary, and section-by-section analysis of the bill, presented by Mr. LEHMAN, are as follows:

STATEMENT BY SENATOR LEHMAN

I have introduced today on behalf of myself and Senators MURRAY, JACKSON, HUMPHREY, KENNEDY, DOUGLAS, GREEN, MORSE, PASTORE, NEELY, and MAGNUSON, an omnibus social security bill which sets the immediate goals for a thoroughgoing revision and liberalization of our social-security laws.

Promises were made during the last campaign to enlarge the scope and coverage of social security. The bill we have introduced would accomplish just that. It represents the results of several years of study and review of this subject. I hope the administration, as well as all forward-looking groups and forces in America, will urge the enactment of this legislation.

The social security bill entitled "The Social Security Act Amendments of 1953," is a bill designed to bring the social security system now in effect into line with current realities. It would make our social security system not a perfect system, but a better system; a sounder, more just, and more comprehensive system.

It would do this first by increasing the level of social insurance benefits. Then it would grant protection against long-term and permanent total disability, and against temporary disability. It would also greatly encourage the rehabilitation of the disabled.

Finally, this bill proposes to extend the coverage of social security to numerous groups of our citizens who are not now covered, including members of the Armed Forces, farm owners, some professional groups, including lawyers, veterinarians, accountants, architects, funeral directors, and engineers and others, farm workers, household workers, ministers, and certain groups of public employees. The number of additional persons who would be thus covered is over 8 million, bringing to a total of 56 million the number who would be covered by the Federal social security insurance system.

In short, the object of this bill is to grant social security protection to more of our citizens and to assure all participants in the social security system that, as far as is possible and practicable, they are to be protected against the hazards which constitute the basic ingredients of insecurity—injury, chronic illness, premature death, and old age.

We believe that these new steps in social security are altogether necessary as well as desirable.

We believe that our citizens can best contribute to the national welfare, and can best participate in the epic struggle for freedom which today grips the world if they are secure in their own lives. If basic economic fear can be banished from the American family hearth, freedom will have a fuller and deeper meaning than it has ever had before.

The concept of social security has become completely accepted as part of the American way of life. This bill seeks merely to make social security more generally available to more people and, with more reasonable benefits, geared to changes in the wage structure and standard of living in this country.

Nearly $2.2 billion in old-age and survivors' insurance benefits was paid during 1952. Over 5 million people—retired workers and their wives, and the dependents of workers who died—were receiving these benefits at the end of the year. Covered workers and employers paid contributions of about $3,850 million in the old-age and survivors insurance trust fund during 1952, and about 66,500,000 persons were insured under the program at the end of the year.

With the proposed improvements, the old-age and survivors' insurance system can make an even greater contribution to our democratic way of life. These improvements, as to (1) coverage, (2) level of benefits, and (3) provision for rehabilitation services and disability benefits, are summarized as follows:

1. COVERAGE

The bill would extend old-age and survivors' insurance to most persons now excluded who spend a significant part of their time in gainful employment. In a single month about 8½ million additional persons would be included in social security by this bill. During the course of a year, an estimated total of about 13 million more persons would work under social security.

At present no farmer is included in old-age and survivors' insurance. This bill would give farm operators the protection of this program on the same basis as others who are self-employed. About 3.2 million farmers whose net farm income equaled at least $400 a year would gain retirement protection under the Federal program.

Under present law, a number of different professional self-employed groups are specifically excluded. This bill would extend coverage to some of these professional groups. Those who are included by the bill are as follows: lawyers, veterinarians, accountants, architects, funeral directors, and engineers.

This bill would likewise extend the insurance system to all farm and domestic workers whose cash wage from an employer during a calendar quarter equals $50. The present additional requirement that these workers must work a certain number of days for an employer before they are covered would be dropped.

The bill would permit ministers employed by religious and other nonprofit organizations to be covered by old-age and survivors insurance on the same basis as lay employees of these organizations are now covered. That is, ministers would be able to participate in the insurance program if the employing organization and at least two-thirds of its ministers favor coverage.

Several groups of public employees who have expressed a desire for coverage would be placed under old-age and survivors insurance. Employees of the Tennessee Valley Authority would be covered. Persons who work for State and local institutions of higher learning and for local housing authorities and all members of the Wisconsin State retirement system would be given the opportunity to obtain coverage; this coverage would be possible through Federal-State agreements as under existing law.

Persons serving in the Armed Forces would be included in the social security program just as workers employed in civilian life. Thus when a man enters military service there will be a break or gap in his record under old-age and survivors insurance. The protection provided for persons in the Armed Forces under the present law lapses at the end of 1953. The bill extends coverage to the Armed Forces so that those on active duty will have continuing protection under old-age and survivors insurance.

2. BENEFIT PAYMENTS

The proposed bill revises the benefit computation provisions to make the benefit payments more realistic in terms of present-day price and wage levels. Increased benefits are needed for both present and future beneficiaries. The increases provided in 1950 and 1952 were sorely needed to keep benefit levels at about what they were in 1939. However, these levels were not sufficient then, and present levels are certainly not sufficient to provide even basic security when earnings cease.

The long-term trend of wages in this country has been consistently upward. They will undoubtedly continue to rise in the future. It is of utmost importance that benefit levels be kept current with rising wage levels, so that benefits will represent a meaningful replacement of the money income lost by the worker upon his retirement or by his family in the event of his death. The bill

attacks this problem by making a number of important changes in the method of benefit computation.

First, it raises the limit on annual earnings that may be used in computing a person's benefit amount. The maximum under present law is $3,600. This bill would increase the amount to $6,000. This would permit a worker to have up to $500 a month as the maximum average wage on which to base his benefit in place of the present $300 a month. With this change, all the annual earnings of about 96 percent of the contributors to the system would be creditable for benefit purposes. This change would restore the relationship that existed in 1939 under the old Social Security Act, when wage levels were much lower and the maximum credited under the act was $3,000. In that year 97 percent of all covered workers had covered earnings of less than $3,000.

Next, the bill takes account of the general rise in wage levels by amending the benefit formula and by raising the minimum benefit. Under present law the old-age insurance benefit replaces 55 percent of the first $100 of average monthly wage plus 15 percent of the next $200. Under this formula the relatively large replacement for persons with average wages of $100 or less is successively diminished for higher-paid earners. The individual earning $150 a month receives not a 55-percent replacement but a 42-percent replacement, and a man earning $300 receives a benefit representing about 28 percent of his wages. The larger replacement at the lower wage levels is made because it is recognized that the lower the wage, the smaller the margin for reduction of income in retirement.

This bill recognizes the need for a more adequate replacement of earnings in the middle-income brackets than is provided in present law. Thus, the proposed benefit formula replaces 55 percent of the first $100 of average monthly wage, and 20 percent of the next $400, rather than 15 percent of the next $200. The bill also increases the minimum primary insurance amount from the present $25 to $35.

Under this formula (disregarding additions that would be made by the restored increment and delayed retirement credit discussed below) benefits would compare as follows with those provided by present law:

Average earnings	Benefit			
	Present law		Bill	
	Amount	Percent	Amount	Percent
$100	$55	55.0	$55	55.0
$200	70	35.0	75	37.5
$300	85	28.3	95	31.7
$400 [1]	85	21.2	115	28.8
$500 [1]	85	17.0	135	27.0

[1] Earnings above the $300 average do not increase benefits under present law.

Third, the bill restores an increment in the benefit amount for each year of work in covered employment. An increment provision was included under the original Social Security Act and removed by the 1950 amendments. We feel that the proposed increment of one-half percent a year would provide a deserved and desirable recognition of the greater contributions to the system of workers long covered by social security. As it is now, a person who works in covered employment for, say, 40 years, will receive no larger benefit than one retiring in the near future after 2 or 3 years of work, if the average monthly wage for the two is the same. Equity, therefore, requires restoration of an increment.

Fourth, the bill provides that an individual who postpones his retirement beyond the time that he could draw benefits will receive a delayed retirement credit for the period of postponement. The credit will increase his benefit at the rate of 2 percent a year. The credit will also be given to an individual who, after retirement, returns to work and thus foregoes retirement benefits. Present law does not recognize either the extra contributions these persons have made to the trust fund or the shorter period they will draw benefits as compared to individuals who retire as soon as they are eligible. The delayed retirement credit gives recognition to these factors.

Finally, the bill makes a basic change in the method of computing the average monthly wage on which the benefit is based. The present method of computing the average is one of the factors preventing benefit amounts from keeping pace with rising wage levels. Under present provisions, a person's average monthly wage is computed over his entire working lifetime. Such an average is not usually representative of the individual's earnings at his full working capacity while regularly employed. It includes wages in the early working years when wage levels generally may be much lower than at the time the worker retires some 40 years later. It includes part-time earnings which occur because of periods of ill health or other interruptions to employment. Under our bill the average would be computed over the worker's best 10 consecutive years of covered earnings. Such a period is long enough to provide a fair sample of the individual's usual earnings experience when working full time. Its use will assure that the benefit amount will be related to his earnings at about the time that he actually becomes entitled to benefits. An individual's best earnings years are likely to occur in the latter part of his working career and wage levels generally will tend to be higher. The bill also contains an adjustment factor to assure that as between individuals who have the same average monthly wage, those who spend the greater proportion of their working lives in covered employment will receive the higher benefit amount.

The new benefit formula and average monthly wage provision would apply for most people coming on the rolls in the future. For those persons already on the rolls, the bill contains a conversion table providing an automatic increase in benefit amount. This increase is calculated to bring such persons to a benefit level comparable to that of persons who have the advantage of the new computation. The conversion table will also be applicable in individual cases of beneficiaries coming on the rolls in the first 5 years after enactment of this bill if they would do better thereby than under the revised formula. It is anticipated that after 5 years, the need for this provision will no longer exist.

3. INCREASE IN AMOUNT OF EARNINGS PERMITTED WITHOUT SUSPENSION OF BENEFITS

In addition to liberalizing benefit rates, the bill increases from $75 to $100 the amount beneficiaries under the age of 75 may earn in a month without suspension of their benefit payments. A corresponding change is made with respect to self-employed beneficiaries. (As in present law, beneficiaries age 75 and over would be permitted to draw their benefits regardless of their earnings in covered employment.) It is expected that the amount set as the limit under this work test should prevent persons from drawing benefits while regularly employed on a fulltime basis, but that at the same time it should permit beneficiaries to engage in some part-time work without penalty. Considering today's wage levels, we believe $100 is an appropriate amount for the limit.

4. REHABILITATION SERVICES AND INSURANCE BENEFITS FOR THE TOTALLY DISABLED

Long-term total disability is no respecter of youth, diligence, or earning capacity, and is one of the chief social and economic risks against which the general population lacks protection. The premature ending of a working career by illness or injury brings impoverishment, discouragement and disruption of the families afflicted, and represents a lasting burden on relatives, community, and Nation.

The most serious gap in the social insurance system today is lack of protection against long-term disability. Disability is more burdensome than old age, for it may come at a time when the responsibility for support of a family is greatest. To a family, disablement of its breadwinner is financially more ruinous than death itself, for it adds a dependent to be taken care of—a dependent who may need extra care and incur extra expenses. Adequate insurance against long-term disability is not offered on a wide scale by private companies at prices the average worker can afford; nor is protection against such disability a feature of most private pension plans.

About 5 percent of the civilian population between the ages of 14 and 65 are unable, on an average day of the year, to go about their regular duties because they are disabled. Over 2 percent have been disabled for 7 months or more, the duration of the disability increasing with age. Three-fourths of these were formerly in the labor force. These percentages represent a group which sorely needs the protection of social insurance.

As only 1 severe disablement in 20 is work connected, the other 19 cannot qualify for workmen's compensation. Aid to the permanently and totally disabled, enacted as a new category of public assistance in 1950, is restricted by residence and means tests, by inadequate resources for restoring the disabled to gainful employment, by uneven adoption and implementation among the States, and by commendable reluctance of many afflicted individuals to seek outright public aid until forced clear to the wall.

This bill represents a new approach to minimizing the national risk of long term total disability—a constructive approach which seeks first to help a man to help himself. Great strides have been taken in restoring to even severely disabled persons enough physical capacity to enable them to work and earn their living. This knowledge cannot be used on a wide scale until resources are made available for expanded staff and facilities—resources now within the capacity of our American social insurance system.

The underlying principle is a simple one. Many social security programs have been focused chiefly on the incapacity of the disabled. Our intent should be to look first at residual and potential abilities, and through rehabilitation to return to the labor force as rapidly as possible those disabled persons who may be made capable of self-support. Many who now resign themselves to being labeled as permanently and totally disabled have such abilities and might be returned to independent usefulness and restored self-respect.

This bill would make rehabilitation services available to those who had recent and substantial connection with the labor force when their disabilities began, and who are considered good prospects for rehabilitation to substantially gainful employment by their State rehabilitation agencies. Rehabilitation services would be provided through the existing facilities of such State rehabilitation agencies, but the cost of furnishing services would be borne by the old-age and survivors insurance trust fund. This is reasonable since the savings to the fund by the return of beneficiaries to work would, in most instances, be many times the cost of rehabilitation.

The bill also would provide monthly cash rehabilitation benefits, after a 6-month waiting period, to totally disabled insured workers and to their dependent children and

wives. Benefits would be computed in the same way as retirement benefits. Rehabilitation services and rehabilitation insurance benefits would continue until the disabled worker was restored to gainful employment or was found incapable of successful rehabilitation.

Those initially found to be incapable of rehabilitation into gainful employment, and those whose cases are closed unsuccessfully, would receive a permanent and total disability insurance benefit until they reach retirement age. At attainment of retirement age or death the usual old-age and survivors benefits would be payable. Future advances in physical restoration and vocational education could be made available to disability beneficiaries, and benefits would, of course, be terminated upon physical recovery or restoration of earning capacity. The cash benefits would be suspended during months in which beneficiaries earn more than $100, except that this suspension would be waived for the first three months in which the individual is trying out his newly acquired skills on a job.

As part of this program, provision is made for the maintenance of the rights of disabled persons to old-age and survivors insurance benefits. Under present law, absence from covered work over an extended period, for whatever reason, inevitably results in a reduction in the benefit amount payable upon retirement or death and in many cases disqualifies the individual from benefits altogether. Under this bill, a period of disability would not count against the individual in figuring his eligibility for or the amount of his old-age and survivors insurance benefits. In other words, his insurance and benefit status would be frozen for the period of his disability. Disabled workers already on the retirement rolls who were totally disabled for long periods before reaching age 65 could have their benefits recomputed to exclude the period of their disability if they met the insured status requirements for such freezing at the time they become disabled.

Another proposed extension of present law in the field of disabling injuries and illnesses is the provision to continue payment of children's benefits past the age of 18 for beneficiaries incapable of self-support due to total disability. Though other dependents in similar circumstances may be equally deserving of insurance benefits, the need of a disabled child whose dependency has already been established seems most pressing and can most readily be met. Rehabilitation services would also be made available to such disabled adult children as may have good prospects of eventual self-support, with tremendous gains to the individual and the economy in successful cases.

The nature and financing of the proposed rehabilitation services deserve further explanation. The maintenance benefits, now offered by the States under a means test, are rendered unnecessary by the benefits here proposed. All other services now available on a restricted scale under the Vocational Rehabilitation Act would be made available at the discretion of the State agencies to all those qualifying under this program. Once disability insurance benefits are established, it is clearly in the interest of contributors to the program that old-age and survivors insurance trust fund moneys be used in this constructive manner. Each successful rehabilitant would save the trust fund substantial sums in benefits, and would resume his contribution to the national economy. As it is expected that at least a majority of rehabilitations undertaken would be successful, the investment in rehabilitation services should prove a highly profitable one. In fact, future Federal tax payments by rehabilitants should exceed total costs of rehabilitation.

5. CASH SICKNESS INSURANCE BENEFITS

Less dramatic than long-term total disablement, but of much more frequent occurrence, is the hazard of temporary-total disablement owing to accident or illness. At present our social-security program is in a paradoxical situation: an insured person out of work can count on a modest substitute income if he is able-bodied, but is left without any protection whatever if his unemployment is due to a disabling condition. Only 4 States—New York, New Jersey, Rhode Island, and California—are now operating cash-benefit programs to compensate workers for loss of earnings during periods of short-term illness. Under our bill, cash benefits for up to 26 weeks in a year would be payable to temporarily disabled persons who are insured on the basis of recent employment before their disability. Such benefits would cushion the economic loss to a worker and his family when the worker is ill, even though the illness may not be of a permanently disabling nature. There would be a waiting period of 1 week before benefits would be paid in any benefit year. Cash sickness benefits would apply to all covered workers, except the self-employed, Federal civilian employees, and members of the Armed Forces. These latter groups do not normally suffer loss of income for temporary periods of illness.

6. FINANCING

Although the bill provides for substantially liberalized benefits and for the addition of benefits for both permanent total disability and temporary disability, these important changes can be put into effect at a very modest additional cost.

This is due to the fact that the bill provides for additional revenue to the system from the extension of coverage to new groups and from the increase in the maximum taxable wage from $3,600 to $6,000. In addition, account has been taken of the increase in the average wages and interest rates which have taken place since the last actuarial valuation was made, and which are expected to continue.

Taking into account all these factors the bill provides for the following contribution rates designed to continue the entire program on a self-supporting basis:

Year	Employer contribution [1]	Employee contribution [1]	Self-employed contribution [1]
	Percent	*Percent*	*Percent*
1954	2	2	2¼
1955 and 1956	2½	2½	3
1957 and 1958	3	3	3¾
1959 and 1960	3½	3½	4½
1961 and thereafter	4	4	5¼

[1] The contribution rate for those Federal employees covered by the system is ½ percent less than those rates because they are not covered for cash sickness benefits since they already have sick leave.

7. CONCLUSION

In conclusion this bill, by extending coverage, amending the benefit provisions, and establishing disability insurance, seeks to round out the protection provided by the existing old-age and survivors insurance program. Our people need adequate protection against income loss resulting from old age, death, and disability. It is far better to cover these risks under the insurance system than to have our people depend upon the less constructive method of direct public assistance on a means test basis.

A. Examples of benefits under benefit formula contained in bill:

Average monthly wage	Old-age benefits under present law [1]	Old-age benefits under bill after—			
		10 years of coverage	20 years of coverage	30 years of coverage	40 years of coverage
$50	$27.50	[2] $35.00	[2] $35.00	[2] $35.00	[2] $35
$100	55.00	57.80	60.50	63.30	66
$200	70.00	78.80	82.50	86.30	90
$300	85.00	99.80	104.50	109.30	114
$400 [3]	85.00	120.80	126.50	132.30	138
$500 [3]	85.00	141.80	148.50	155.30	162

[1] The amount does not change on account of additional years of covered employment.
[2] Raised to minimum.
[3] The average monthly wage cannot exceed $300 under present law.

B. Examples of increases made by conversion table:

Primary insurance amount under 1952 amendments:	*Increased amount under conversion table in bill*
$25.00	$35.00
$35.00	40.00
$50.10	55.10
$70.00	79.70
$80.10	93.70
$85.00	99.00

SECTION-BY-SECTION ANALYSIS OF THE BILL

The first section of the bill contains a short title, Social Security Act Amendments of 1953, and a table of contents. Section (2) contains a Statement of Purpose. The remainder of the bill is divided into three titles: Title I, which amends title II of the Social Security Act, title II, which amends the Internal Revenue Code, and title III which amends the Railroad Retirement Act.

TITLE I—AMENDMENTS TO TITLE II OF THE SOCIAL SECURITY ACT

Extension of coverage and definition of wages

Section 101 of the bill amends sections 202, 205, 209, 210, 211, 213, 217, and 218 of the Social Security Act so as to extend coverage to additional groups. It also increases the amount of remuneration considered to be wages and self-employment income and provides that tips or gratuities received under certain conditions shall be deemed wages.

Subsection (a) of section 101 amends the definition of employment to extend coverage to certain groups.

Paragraph (1) amends section 210 (a) to cover seamen on foreign vessels and airmen on foreign aircraft who are residents or citizens of the United States employed by an American employer.

Paragraph (2) amends section 210 (a) (1) to cover more agricultural workers by deleting the requirement that the worker be employed by the employer for a specified length of time in order to be covered. The present section 210 (a) (1) covers only those who earn at least $50 in cash and meet the conditions of regular employment specified in the law. These conditions require, in general, that the worker be employed by an employer for one entire calendar quarter before his work is covered, and then work for the employer on a full-time basis for 60 days in a quarter. The paragraph also deletes a special exception for services in connection with gum naval stores and cotton ginning, thus covering these services under the same conditions as the services of other agricultural workers.

Paragraph (3) amends section 210 (a) (3) to cover additional workers performing service not in the course of the employer's trade or business by deleting the 24-day test in the

present law and retaining only the $50 cash wage test. This change is made to keep the basis for the coverage of this group similar to that of domestic workers in private homes.

Paragraph (4) amends section 210 (a) (5) to prevent the exclusion of services performed on foreign vessels and aircraft from applying to services performed for an American employer by an American citizen or resident.

Paragraph (5) amends section 210 (a) (7) (c) to extend coverage to employees of the Tennessee Valley Authority.

Paragraph (6) amends paragraph (9) of section 210 (a) to permit coverage of ministers employed by religious, charitable, scientific, literary, educational, or humane organizations on the same basis as lay employees of such organizations are now covered—that is, if the organization and at least two-thirds of the eligible employees favor coverage.

Subparagraph (A) of paragraph (9), which now excludes all services performed by a duly ordained, commissioned, or licensed minister of a church in the exercise of his ministry or by a member of a religious order in the exercise of duties required by such order, is renumbered (B) and is amended to (i) exclude such services only if performed in the employ of an organization exempt from income tax under section 101 (6) of the Internal Revenue Code and (ii) to permit coverage of ministers performing such services if the organization has filed with the Bureau of Internal Revenue a certificate indicating its desire to cover its ministers and certifying that at least two-thirds of the ministers concur in the filing of the certificate. Ministers who concur and those employed after the certificate became effective (or after the certificate was filed, if the certificate was made effective retroactively) would be covered. The revision of subparagraph (A) would also have the effect of covering compulsorily any services performed by a minister or member of a religious order as an employee of an organization other than an organization exempt from income tax under section 101 (6) of the Internal Revenue Code.

Subparagraph (B) of paragraph (9), which provides for coverage of lay employees of nonprofit organizations, is renumbered (A) and is revised to specifically exclude ministers and members of religious orders from the employees who may be covered under that subparagraph.

Paragraph (7) by deleting section 210 (a) (15), provides coverage for employee fishermen performing service on vessels of 10 net tons or less. Self-employed fishermen on such vessels are now covered by the insurance program.

Paragraph (8) adds new subsections (m) and (n) to section 210 to extend coverage to active military and naval service performed after 1953, but not to include: Service where an individual was called to duty for a period of 30 days or less; or service in the Public Health Service by an officer while on detail to, and paid by, a State, political subdivision, or nonprofit institution; or service in the Reserve Corps of the Public Health Service (which is covered by the civil-service retirement program).

Paragraph (9) amends section 210 (k) to include in the definition of "employee" members of the uniformed services covered by the bill.

Paragraph (10) amends section 210 (k) to include certain home workers in the definition of "employee."

Paragraph (11) makes the extension of coverage provided by section 101 (a) effective with respect to services performed after 1953.

Extension of coverage to additional self-employed persons

Subsection (b) of section 101 amends section 211 of the Social Security Act to provide coverage for farm operators and professional groups with net earnings from self-employment of at least $400 anually.

Paragraph (1) provides that income derived in the course of an agricultural trade or business constitutes net earnings from self-employment for old-age and survivors insurance coverage purposes, thereby covering self-employed farm operators.

Paragraph (2) excludes from net earnings from self-employment the gross income derived from coal royalties under certain conditions.

This is a technical amendment needed to bring the definition of net earnings contained in title II into line with the definition contained in the Internal Revenue Code. Section 325 (d) of the Revenue Act of 1951 amended section 481 (a) (4) of the Internal Revenue Act (relating to the old-age and survivors insurance tax on self-employment) but failed to amend the corresponding provision in section 211 (a) (4) of the Social Security Act.

Paragraph (3) by deleting the exclusion of certain professional groups in the present law provides for their coverage. The groups covered are: Lawyers, veterinarians, accountants, architects, funeral directors, and engineers.

Paragraph (4) provides that the effective date for the exclusion of gross income derived from coal royalties under the conditions specified in paragraph (2) of the bill shall be with respect to taxable years beginning after 1950. This is the effective date provided for the corresponding change in the Internal Revenue Code. This paragraph also establishes January 1, 1954, as the effective date for the new coverage of self-employed farm operators and professional groups provided by paragraphs (1) and (3).

Definition of wages for certain employees and increase in amount of remuneration considered to be wages and self-employment income

Subsection (c) of section 101 amends the definition of wages to increase the amount of remuneration considered to be wages and self-employment income from $3,600 a year to $6,000 a year; to include certain tips and gratuities in wages; to cover more workers in domestic services; and to provide a method of determining the amount of wages to be credited for military service.

Paragraph (1) amends so much of section 209 as precedes subsection (b) to increase the amount of remuneration to be considered wages from $3,600 a year to $6,000 a year and to provide that the changes made in subsection 210 (a) of the Social Security Act shall be effective after 1953.

Paragraph (2) amends section 209 (g) (2) to cover additional domestic workers by deleting the 24-day test of the present law and retaining only the $50 cash wage test.

Paragraph (3) adds a new paragraph to section 209 to provide that tips or gratuities received from customers of the employer shall constitute wages if reported to the employer by the employee within 10 days after the end of the calendar quarter in which received, and provided the employer has funds belonging to the employee which, together with the amount remitted by the employee with his report, are not less than the amount of employee tax due. Such remuneration shall be deemed wages paid by the employer in the quarter in which the employee reports the remuneration to the employer. Workers whose remuneration consists in large part of tips will have the opportunity to have the tips counted in determining their benefit amounts; however, they are not required to report. The provision should clarify the status of tips and the resultant confusion in reporting practices.

Paragraph (4) amends paragraph (1) of section 211 (b) to increase the amount of net earnings from self-employment to be considered self-employment income for old-age and survivors insurance coverage purposes. For taxable years beginning after 1953, the amount of net earnings to be considered self-employment income is increased from $3,600 to $6,000.

Paragraph (5) provides that the amendments made by paragraphs (2) and (3) shall apply only to remuneration paid after 1953.

Technical amendments

Subsection (d) (1) of section 101 amends section 213 (a) to give effect to the increased wage base, by providing that if wages in any year after 1953, or self-employment income in any taxable year beginning after 1953, equals $6,000, each quarter in such year or taxable year shall be a quarter of coverage.

Paragraph (2) amends section 205 (p) by adding a new paragraph (4) which establishes the amount of wages to be credited for service in each of the various pay grades of the active military and naval service. This section also provides that if during a calendar month the pay grade of a serviceman changes, the wages credited to his account for that month shall be the amount presumed for his last pay grade in such month. The schedule would continue to reflect the approximate value of the basic pay of servicemen added to the basic allowances for subsistence and quarters.

Paragraph (3) amends section 210 (a) (7) (C) to exclude annuitants of civil-service retirement from coverage by old-age and survivors insurance while in the employ of the United States or of any instrumentality of the United States.

Lump-sum death payments for reburial of servicemen who died outside the United States

Subsection (e) of section 101 amends section 202 of the Social Security Act to provide that the length of time allowed for filing a claim for burial expenses where a serviceman dies outside the United States after December 1953 and is later returned to the United States for burial or reburial will be the same as allowed in the present law where death occurs before 1954.

Subsection (f) (1) of section 101 amends section 217 (e) (1) to provide that wage credits granted under this section for military service performed during the Korean conflict shall not be denied on account of any unemployment benefits granted under title IV of the Veterans Readjustment Assistance Act of 1952 based on the same military service.

Paragraph (2) amends section 217 (a) and (e) (relating to wage credits for military service during World War II and the Korean conflict) to remove from existing law the denial of such credits in cases in which the same service is used as a basis for payment of a benefit by any branch of the uniformed services, provided the individual performs service in employment as defined in subsection (m) of section 210.

Paragraph (3) amends section 217 (a) and (e) to raise from $0.50 to $1 the amount of increase in the primary insurance amount (under old-age and survivors insurance) which may result from the wage credits granted for military service during World War II and the Korean conflict without requiring denial of such credits because the same period of service has been used as a basis for benefits payable by another Federal agency.

Paragraph (4) provides that the amendments made by paragraphs (1) and (3) of this subsection shall be effective in the case of applications for lump-sum death payments and for monthly benefits under section 202 filed after December 1953.

Extension of coverage to certain employees of State and local governments

Subsection (g) of section 101 of the bill amends section 218 to extend coverage to certain groups of State or local governmental employees who have specifically requested coverage under the system.

Paragraph (1) amends section 218 (d), which prohibits coverage of employees in positions covered by a retirement system, so as to permit the coverage of employees un-

der a retirement system if the State or political subdivision by which such retirement system was established had in effect on January 1, 1951, a statute, ordinance, or other legislative act providing for making such retirement system supplementary to the old-age and survivors insurance system. The effect of this change would be to permit coverage of employees under the Wisconsin retirement system who have expressed a desire for coverage. The revised subsection would also permit coverage of employees of institutions of higher education and of public-housing authorities regardless of whether or not they are under a retirement system. These employees also have expressed a desire to be covered.

Paragraph (2) amends section 218 (f) to extend by 2 years the period within which coverage of State and local government employees may be made retroactive to January 1, 1951. This change is made to avoid penalizing newly eligible employees in those States which cannot complete the necessary arrangements for covering the employees before January 1, 1954 (the deadline fixed in the present law) because their legislatures will not meet until early in 1955.

Revision of benefit formula and average monthly wage

Section 102 (a) amends sections 215 (a) and (b) of present law to provide a new benefit formula and a new method of computing the average monthly wage.

The new benefit formula will replace 55 percent of the first $100 of average monthly wage plus 20 percent of the next $400 (rather than the present 15 percent of $200). In addition, one-half of 1 percent of this amount is added for each year of coverage (year in which $200 or more is received in wages and/or self-employment income) up to the time when the individual is first eligible for old-age insurance benefits. (A special credit for delayed retirement is provided in another section for those who continue to work beyond first eligibility.)

Under present law, the average monthly wage, in the long run, would be an average of the individual's lifetime earnings after attainment of age 22. Periods of unemployment and disability, as well as unusually low earnings, would tend to reduce the worker's average monthly wage below the level that represents his usual standard of living. Under the bill, the average monthly wage will be, in the long run, the average of the individual's best 10 consecutive years of coverage. This will be modified by a regularity-of-service factor to differentiate the benefits of individuals who are covered year in and year out from those of persons who spend complete years outside of covered occupations. The regularity-of-service factor will not, however, reduce the average monthly wage of individuals whose absence from covered employment is caused by disability.

In the short run, and into the future for individuals with fewer than 10 years of coverage, the average monthly wage computation in the bill will give about the same result as present law. The present method, as modified by the bill, would not produce artificially low average monthly wages in a short-run situation, since it would exclude periods of disability from the computation, and start the computation period with the most favorable of the following dates: December 31, 1950, December 31, 1953, or, if later, December 31 of the year in which the individual attained age 22.

The closing dates for the period over which the average monthly wage would be computed, both for wage earners and self-employed persons, are modified by the bill to include entitlement to disability insurance benefits, as well as to old-age and survivors insurance benefits.

The amended section also provides a method to determine years of coverage. This is needed for determining both the average monthly wage and the number of increment years.

Section 102 (b) of the bill amends section 215 (c) of the law to provide a new graduated conversion table which increases benefits of present beneficiaries, and certain beneficiaries who will come on the rolls within 5 years after the effective date of the bill.

Wage base

Section 102 (c) amends section 215 (e) of the present law to provide for the use of earnings up to $6,000 a year in computing the average monthly wages. Under the present law only earnings up to $3,600 a year are used for this purpose.

Section 102 (d) amends section 202 (a) of present law to provide an additional credit, at the rate of 2 percent a year, for individuals who delay retirement beyond the month in which they are first eligible for old-age insurance benefits. The individual's old-age insurance benefit for any month after the effective date will be equal to his primary insurance amount, increased by one-sixth of 1 percent for each month, after 1953, and up to attainment of age 75, in which he is eligible for an old-age insurance benefit and has not received one, either because he has not filed an application or because he has worked and thereby suffered deductions from his benefits.

Section 102 (e) amends section 202 (k) (3) of present law to assure that a beneficiary who is entitled simultaneously to an old-age insurance benefit in his own right, and to a benefit as a dependent or survivor of another insured individual, will receive the full amount of his delayed retirement credit added to the total amount he may receive.

Section 102 (f) adds a new subsection (h) to section 215 to provide a method for adding delayed retirement credits to the benefits of beneficiaries who have returned to work and thus suffered suspensions of their benefits. To prevent administrative burdens that would arise from too frequent requests for benefit recomputations to include delayed retirement credits, the bill provides that such recomputations will be made in only three circumstances: (1) At the time his benefits are recomputed under present provisions of section 215 (f) to include additional earnings; (2) when the beneficiary has suffered 12 deductions because of work, but could not have an effective recomputation under section 251 (f); and (3) at age 75, when a final recomputation will be made to take account of all credits not previously given. Since benefits are not suspended because of earnings after attainment of age 75, delayed retirement credits are not given for work beyond attainment of that age.

Section 102 (g) makes technical changes in certain other sections of the Social Security Act to effectuate the provisions for delayed retirement credits, and to make those credits apply only to the old-age insurance beneficiary.

Maximum family benefits

Section 102 (h) amends section 203 (a) of present law, which fixes maximum family benefits. When the total amount of benefits payable on one wage record exceeds $200 ($168.75 in present law) or the larger of $70 or one and one-half times the insured individual's primary insurance amount, and exceeds 80 percent of the insured individual's average monthly wage, it is to be reduced to the lesser of $200 or 80 percent of such average monthly wage, but in no case to less than the larger of $70 or one and one-half times the primary insurance amount.

Section 102 (i) of the bill amends subparagraphs (A) and (B) of subsection 215 (d) to provide for the exclusion of periods of disability from the computation of the average monthly wage in cases where the individual's average monthly wage is based on earnings beginning with 1937. The provision will apply in cases of applications for both disability insurance benefits and old-age and survivors insurance benefits.

Section 102 (j) provides that the provisions of subsections (a) through (i) of section 102 shall be applicable, in the case of lump-sum death payments, with respect to deaths occurring after 1953, and in the case of monthly benefits, for months after 1953.

Section 102 (k) amends sections 203 (b), (c), (e), and (g) of the Social Security Act to provide that a beneficiary under the age of 75 may earn as much as $100 in a month without incurring suspension of his benefits or those of his dependents. The allowable limit of earnings in present law is $75.

Section 102 (l) contains a saving provision to prevent possible reductions in total family benefits which would otherwise take place under the provisions of the bill, in certain cases where an old-age insurance beneficiary and two or more other beneficiaries entitled on his wage record are on the benefit rolls as of the effective date of the bill.

Section 102 (m) provides that servicemen who die in service shall be deemed to have been fully or currently insured at death.

Section 103 repeals section 3 of the Social Security Act Amendments of 1952, to preserve the insured status of permanently and totally disabled individuals, the provisions of which are superseded by the following sections of this bill.

Rehabilitation services and disability benefits

Section 104 adds to the Social Security Act new sections 220 and 221, providing for the payment of monthly disability insurance benefits in cases where a disability has continued for at least 6 months and the individual meets the other requirements for eligibility to such benefits. It also provides for the payment from the old-age and survivors insurance trust fund for the cost of rehabilitation services given to such qualified individuals who appear to be rehabilitable to substantially gainful activity.

Rehabilitation services

Section 220 (a) authorizes the appropriation of trust fund moneys to provide rehabilitation services for persons who are under a long-term total disability (as defined in subsection (e)), have not attained retirement age at the time of acceptance for such rehabilitation services, are insured for disability purposes and have filed application for cash disability benefits. Such services would be provided also for persons entitled to disabled child's insurance benefits which are provided under section 105 of this bill. There must be a certification by a State rehabilitation agency (as defined in subsection (e)) that the individual appears to be rehabilitable into substantially gainful activity and that the services undertaken or planned are necessary therefor. The types of services contemplated by this subsection would include all of those enumerated in the Vocational Rehabilitation Act, including the evaluation of the individual's rehabilitation potential and the costs of any books and other training material; however, payments for his maintenance would be excluded. State rehabilitation agencies would be paid for the reasonable cost of such services, including necessary administrative costs, whether the services were provided directly by the agency or purchased from another public or private facility.

Rehabilitation insurance benefits

Section 220 (b) sets forth the conditions governing entitlement to cash rehabilitation insurance benefits. Rehabilitation insurance benefits would be paid to insured persons who are under a long-term total disability (as defined in subsection (e)), i. e. unable to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which appears likely to be of long continued

and indefinite duration; the blind would be considered as coming within this group. To qualify for such benefits the disabled individual must not have attained retirement age, must apply for benefits, must serve a waiting period of 6 months while disabled and must be certified by a State rehabilitation agency as being an individual who appears to be rehabilitable into substantially gainful activity or must be awaiting evaluation by such agency. In addition the individual must not, without good cause, have failed to accept rehabilitation evaluation and training.

Entitlement to rehabilitation insurance benefits would begin with the first month after the 6 months' waiting period and would end when the individual recovers from the disability; fails, without good cause, to accept rehabilitation evaluation and training; becomes entitled to permanent and total disability insurance benefits; dies; or attains retirement age. The amount of the individual's rehabilitation insurance benefit would be the same as his primary insurance amount (as defined in section 215).

Permanent and total disability insurance benefits

Section 220 (c) sets forth the conditions governing entitlement to permanent and total disability insurance benefits. The permanent and total disability insurance benefit would be paid to the insured individual who is under a permanent and total disability (as defined in subsection (e)). To qualify for such benefits the disabled individual must be under retirement age, must serve a waiting period of 6 months while disabled, must not without good cause have previously failed to accept rehabilitation evaluation and training and must have been certified by a State rehabilitation agency as being an individual for whom rehabilitation into substantially gainful activity is unlikely.

Entitlement to the permanent and total disability insurance benefit would begin with the first month after the 6 months' waiting period (or later if rehabilitation were attempted) and would end when the beneficiary recovers from his disability, dies, or attains retirement age. The benefit amount would be the same as the primary insurance amount (as defined in section 215).

The permanent and total disability insurance benefit would be associated with permanent and total disability, whereas the rehabilitation insurance benefit would be paid in connection with long-term disability of an indefinite duration. In addition, the rehabilitation insurance benefit would, in nearly all cases, be paid to an individual who is at the same time undergoing rehabilitation. Only if rehabilitation is unsuccessful or is considered not feasible would the disabled individual be put on the permanent and total disability insurance benefit rolls.

Other conditions of entitlement

Section 220 (d) (1) provides that an application for cash disability benefits would have retroactive effect for a period of 6 months provided that the applicant has met all other conditions of entitlement in such retroactive month.

Section 220 (d) (2) provides that an application for cash disability benefits may be filed as early as the month of onset of total disability provided the individual meets all other eligibility requirements. It also provides that the earliest filing date for any application under section 220 would be April 1, 1954.

Definitions of "Waiting period," "Long-term total disability," "Permanent and total disability," "Blindness," "Period of disability," and "State Rehabilitation Agency"

Section 220 (e) (1) defines "waiting period" as the 6 months' period beginning with the first calendar month of the individual's period of disability (as defined in paragraph 5 of this subsection).

Section 220 (e) (2) defines "long-term total disability" as inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which appears likely to be of long-continued and indefinite duration; "blindness" is deemed to be within the meaning of this term.

Section 220 (e) (3) defines "permanent and total disability" as inability to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which is expected to be permanent; blindness is deemed to be within the meaning of this term.

Section 220 (e) (4) defines the term "blindness" as central visual acuity of 5/200 or less in the better eye with a correcting lens. An eye in which the visual field in reduced to 5 degrees or less concentric contraction shall be considered for the purposes of this subsection as having a central visual acuity of 5/200 or less.

Section 220 (e) (5) defines "period of disability" as a continuous period of at least 6 full calendar months during which an individual was under a long-term total or permanent and total disability. An individual would not be determined as having had a period of disability unless he filed an application for cash disability benefits. A period of disability would normally begin with the month of onset of disability. For the individual who files an application late, his period of disability could begin as early as the beginning of the 13th month before the month in which he files such application, provided he met the insured status requirements of subsection (f) in such month; if such an individual could not meet these insured status requirements in such earlier month his period of disability would begin at the start of the first calendar quarter thereafter in which he becomes insured. A period of disability would end when the individual's entitlement to cash disability benefits are terminated, he dies, or he attains retirement age, whichever first occurs.

This paragraph also provides that, until January 1956, applications would be accepted from persons whose long-term total or permanent and total disability began before April 1954, and continued without interruption until the filing of such application. For such persons, who represent the "backlog" of disability cases, the period of disability would begin with the month in which the long-term total or permanent and total disability actually began, provided the individual was insured under subsection (f) in such month; if he was not so insured in such month his period of disability would begin at the start of the first calendar quarter thereafter in which he became insured. This provision grants to the "backlog" disabled the advantages of the wage record freeze for the time prior to the effective date of this section even though rehabilitation services and/or cash disability benefits are payable only from such effective date.

Section 220 (e) (6) defines "State rehabilitation agency" as the agency which administers a rehabilitation plan approved under the Vocational Rehabilitation Act; in the Virgin Islands this agency would be the one charged with providing rehabilitation services under an agreement between the Secretary of Health, Education, and Welfare and the Governor of the Virgin Islands. In any jurisdiction in which more than one such agency operates, the Secretary would designate the appropriate one of such agencies to operate under this section.

Disability insured status

Section 220 (f) provides that to be insured for rehabilitation services or cash disability benefits an individual must have (1) 6 quarters of coverage within the 13-quarter period which ends with the quarter in which he became disabled and (2) 20 quarters of coverage within the 40-quarter period which ends with the quarter in which he became disabled. Persons disabled before the effective date for these disability provisions (April 1, 1954) may have their insured status determined as of the time their long-term total or permanent and total disability actually began. In case a person is determined to have a period of disability and later recovers, the period of his disability is excluded in determining his insured status for any subsequent claim for rehabilitation services or disability benefits.

Reduction of benefits

Section 220 (g) provides for adjustment of disability insurance benefits where workman's compensation benefits are payable for the same disability for the same period of time. In such cases, before any deductions are made, the disability insurance benefit would be reduced by an amount equal to one-half of whichever of the two benefits is the smaller. Where disability insurance benefits have already been paid, the required reduction would be made by deductions from any other benefits; i. e., old-age or survivors benefits or subsequent disability benefits, payable under title II on the basis of the individual's wages or self-employment income. When a workman's compensation benefit is paid on other than a monthly basis, reduction of disability benefits must be made in such amounts as will most nearly approximate the prescribed reduction in the case of those paid on a monthly basis.

Sometimes it may not be clear whether or not an individual will be eligible for a workman's compensation benefit which would require a reduction of disability insurance benefits. In such cases, the Secretary may, as a condition to certification, require adequate assurance of reimbursement in case such workman's compensation benefits do become payable. This might be accomplished through agreements under which workmen's compensation agencies, individual claimants, or insurance carriers would reimburse the trust fund in such cases, if permitted by State law; or, in the absence of suitable arrangements for reimbursement, disability benefits could be reduced temporarily by an amount based on a presumed workmen's compensation benefit, pending final outcome of the individual's claim for workmen's compensation.

Workmen's compensation benefit is defined as a cash benefit, allowance, or compensation payable under any workmen's compensation law or plan of the United States or of any State.

Cooperation with agencies and groups

Section 220 (h) authorizes the Secretary to enter into voluntary working agreements or otherwise secure the cooperation of appropriate public and private agencies, groups, or organizations which may be able to assist disabled persons and aid in the effective administration of disability benefits.

Advisory Council on Rehabilitation Services and Disability Insurance

Section 220 (i) establishes an Advisory Council on Rehabilitation Services and Disability Insurance for the purpose of consulting with the Secretary on policies and standards governing the furnishing of rehabilitation services and determinations of disability and policies to further the employment of disabled beneficiaries. The Council would be made up of 5 ex officio members and 12 other persons appointed by the Secretary.

The ex officio members would include the Commissioner of Social Security (who would serve as chairman), the Surgeon General of the Public Health Service, the Director of the Office of Vocational Rehabilitation, the Director of the Bureau of Old-Age and Survivors Insurance, and the Director of the

Bureau of Employment Security. The appointed members would represent employers, employees, the disabled, the medical profession, the rehabilitation profession, and the public. Appointed members, who would normally hold office for a term of 3 years, could receive $50 per diem as well as actual and necessary traveling expenses in lieu of subsistence while serving away from their places of residence. The Council would meet at the Secretary's request but not less than twice a year, and whenever 6 of its appointed members request a meeting.

Termination of period of disability by Secretary

Section 220 (j) empowers the Secretary to find that an individual is not under a disability or that his disability (previously determined to exist) has ceased if the individual has failed to submit himself for examination or reexamination. A similar finding may be made if an individual cannot be located after reasonable efforts have been made or if an individual is outside the United States and the Secretary finds that adequate arrangements have not been made for determining or redetermining such individual's disability.

Disability provisions inapplicable if benefit rights impaired

Section (k) gives the disabled individual the choice of not excluding a period of disability from the determination of his insured status and the calculation of his benefits if the application of the provisions relating to periods of disability would result in the denial of benefits or in the payment of benefits which would be less than would otherwise be payable without the use of periods of disability.

Safeguarding doctor-patient relationship

Section 220 (l) provides that an individual may not be required to submit to a physical examination against his will to establish the facts as to his disability. He may, however, be required to furnish proof of the existence of his disability. The subsection provides further that the provisions of this title are not to be construed as authorizing any officer of the United States to interfere in any way with the practice of medicine or with physician-patient relationships, or to exercise any supervision or control over the administration or operation of any hospital.

DEDUCTIONS FROM REHABILITATION INSURANCE AND PERMANENT AND TOTAL DISABILITY INSURANCE

Events for which deductions are made

Section 221 (a) specifies the events which would cause disability insurance benefits to be suspended for any month. Deductions in the amount of the disability insurance benefit would be made for any month in which the beneficiary (1) rendered services for remuneration of more than $100 in any type of employment anywhere, whether or not included as employment for coverage purposes under section 210; or (2) is charged, pursuant to subsection (c), with net earnings of more than $100 from any type of self-employment, whether or not included as self-employment income under section 211 (see subsec. (d)); or (3) fails to submit himself for examination in accordance with regulations; or (4) fails to accept rehabilitation evaluation and training available to him after direction to do so; or (5) is outside the United States, and adequate arrangements have not been made for determining or redetermining his disability. The provisions of paragraphs (1) and (2) would not apply to the first 3 months in which the conditions described in such paragraphs are met.

Occurrence of more than one event

Section 221 (b) provides that only a single deduction will be made (i. e., an amount equal to 1 month's disability insurance benefit) for any month in which there occurs more than 1 of the conditions enumerated in subsection (a) which require deductions. Net earnings from self-employment which are charged to a particular month will be treated as an event occurring in that month.

Months to which net earnings are charged

Section 221 (c) prescribes the method for charging to specific months the net earnings from self-employment of disability insurance beneficiaries. (See sec. 203 (e) of the Social Security Act as amended for similar, although not identical, provisions with respect to the net earnings from self-employment of all other types of beneficiaries.) Any month to which the net earnings so charged exceed $100 will be subject to a benefit deduction in accordance with section 221 (a) (2). No month of an individual's taxable year will be charged with more than $100 of net earnings from self-employment unless net earnings exceed the product of $100 times the number of months in such year. In this case each month of the year is first to be charged with $100 of net earnings from self-employment; then the amount of net earnings in excess of the product is to be charged in units of $100 beginning with the last month of the taxable year and progressing toward the first month of taxable year. The paragraph provides further that no part of the excess net earnings from self-employment is to be charged to any month (1) for which the individual was not entitled to a benefit under this title, (2) in which any of the other deduction events enumerated in section 221 (a) occurred, or (3) in which the individual did not engage in self-employment. For the purposes of this last clause, i. e., to determine whether or not the individual engaged in self-employment, for deduction purposes, it will be presumed that he was engaged in self-employment in a given month until it is shown to the satisfaction of the Secretary that the individual rendered no substantial services in that month with respect to the trade or business from which his net earnings in the taxable year were derived.

Special rule for computation of net earnings from self-employment

Section 221 (d) provides that, for individuals receiving disability insurance benefits, net earnings from self-employment will be computed in accordance with the provisions of section 221, enlarged to include income received from all types of self-employment, for example, farming, holding public office, or serving as a minister. This subsection provides further that the net earnings of such individuals shall be computed without regard to sections 116, 212, 251, and 252 of the Internal Revenue Code, which set forth special rules for computing gross income and deductions of nonresident aliens and citizens of the United States or its possessions residing abroad. The effect of these provisions is to take into account, in making benefit deductions, all net income from self-employment that a citizen or alien disability beneficiary may earn whether within or outside the United States.

Penalty for failure to report certain events

Section 221 (e) imposes a penalty deduction equal to 1 month's benefit, in addition to the regular deduction, for knowing failure to report promptly the occurrence in a month of any of the deduction events specified in section 221 (a) (other than the charging of net earnings from self-employment in excess of $100, which is treated separately in subsection (f)). The first penalty deduction in any individual case will, however, not exceed 1 month's benefit, regardless of the number of months for which the individual failed to report.

Report to Secretary of net earnings from self-employment

Section 221 (f) imposes a penalty deduction, equal to the benefit for the last month in the taxable year, for failure to report, by the 15th day of the third month after the close of the taxable year, net earnings from self-employment which would cause regular deductions under section 221 (a) (2). After the fourth month following the close of the taxable year, a penalty deduction in the same amount will be imposed for each month or fraction of a month during which such failure continues; but the total number of penalty deductions may not exceed the number of months in the taxable year for which the individual received and accepted benefits and for which deduction for self-employment are imposed (see sec. 221 (a) (2)). For a first failure to report, only one penalty deduction will be imposed, even though more than one deduction would otherwise be made by this subsection. If, before the end of the taxable year, the Secretary is reasonably certain, from information received, that an individual's earnings for that year will result in benefit deductions, he may immediately suspend such individual's benefit payments until he determines whether or not deductions will be imposed for that year. The suspensions so made are in the nature of temporary deductions. After the report for the year becomes available and the deductions to be imposed are finally established, any necessary adjustment for the difference between the current suspensions and the deductions imposed by section 221 (a) would then be made. He is also authorized to require an individual, before the close of the taxable year, to make a declaration of estimated net earnings from self-employment for that year and furnish other necessary information. Failure to comply will constitute justification for assuming the individual will have earnings for which deductions will be imposed for the taxable year in question.

Deductions from benefits to dependents of a disabled individual

Section 221 (g) provides that for months for which no benefits are payable to the disabled worker because of earnings or other events causing deductions (see above), benefits also will be withheld from his dependents.

Benefits for disabled adult children of beneficiaries

Section 105 of the bill amends section 202 (d) of the Social Security Act to provide for the continuation of benefit payments, beyond the age of 18, to child beneficiaries who became totally disabled before the attainment of age 18 and whose disability lasts for at least 6 months. Similarly, it provides that a child who meets all the above conditions other than having been a beneficiary before reaching age 18, also will be eligible to receive the continuation benefits if he could have been entitled to a child's benefit before attainment of age 18, had an application been filed on his behalf. Disabled child's benefits terminate with the month before the first month in which the disabled child dies, marries, is adopted after the death of the insured individual by other than certain close relatives, or ceases to be under a disability, or in which the person on whose earnings record the benefits are being paid ceases to be a disabled individual for any reason other than attainment of retirement age.

Cash sickness benefits

Section 106 adds to the Social Security Act a new section 222, providing for the payment of cash benefits to persons who are temporarily disabled by illness, injury or other impairment.

Conditions of entitlement to cash sickness benefits

Section 222 (a) sets forth the conditions governing application for the entitlement to cash sickness benefits. Cash sickness benefits will be paid to insured wage earners who are unable to perform their most recent, customary or reasonably similar work by

reason of illness, injury, or other impairment. To qualify for such benefits the individual must not be entitled to old-age and survivors insurance benefits or disability benefits, must have filed an application for benefits and must have served a waiting week (the first period of 7 consecutive days on each of which an individual is under a temporary disability in a benefit year) before he can become eligible for payment. A person meeting the above requirements will be entitled, to cash sickness benefit for each full week of temporary disability following such waiting week, provided he has performed no services of any kind for remuneration during such waiting week or week of temporary disability. If a spell of compensable disability (of over 7 days duration) ends in the middle of a benefit week, the benefit for each additional day of disability would be paid at the rate of one-seventh of the weekly amount. There will be no waiting week for subsequent spells of disability in a benefit year but such subsequent spells will have to extend for 7 days or more in order to be compensable. If an individual recovers after 7 consecutive days of disability and then became disabled again within 21 consecutive days after such recovery, the two spells of disability would be considered as a single uninterrupted spell. If an uninterrupted spell of temporary disability continues into an individual's next benefit year, he will not have to serve a waiting week in his new benefit year for that particular spell of disability.

Amount of cash sickness benefit

Section 222 (b) provides that the size of an individual's weekly disability benefit will be determined by a table based on 2 variables, the amount and distribution of his wages paid in his past period (specifically the amount of wages in the quarter of highest earnings in the base year), and the number of his dependents at the beginning of his benefit year. The basic weekly benefit amount payable to an unmarried worker ranges from a minimum of $8 to a maximum of $30. The basic amount is increased for each dependent up to 3. The maximum weekly family benefits for an individual with 3 or more dependents ranges from $9 to $45. The dependents that are recognized for the purpose of weekly disability benefits are those who would be considered dependents for monthly cash benefits, except that the children must be under the age of 18 and living in the same household with the disabled individual or receiving regular contributions toward their support from him. In order for a wife to qualify as a dependent, she must be living in the same household with the worker and she must not be regularly employed. The maximum amount of benefits which an individual could receive in any benefit year usually would not exceed 26 times his weekly benefit amount. If the maximum amount is reached prior to the termination of an uninterrupted spell of disability which has not lasted 6 months, or if the individual reaches the end of his benefit year during such spell of disability and is not insured for the following year, benefits will be continued until the end of the spell of disability but not more than 6 months, provided that at the beginning of the calendar quarter in which the continuous period of disability had its onset the disabled individual meets the insured status requirements for long-term disability.

Determination of insured status for cash sickness benefits

Section 222 (c) provides that cash sickness benefits will be paid only to individuals who have earned wages as employees during a recent period of time. (A person could not become insured for cash sickness benefits through self-employment.) For administrative simplicity, a 1-year qualifying period would be established during which the individual must have earned a sufficient amount of wages to be insured. This 1-year period, called the base period, would be the 4 completed calendar quarters immediately preceding the fourth calendar quarter prior to the month in which his benefit year begins. The wages which a worker would have to be paid during his base period in order to be insured for cash sickness benefits are established by a table. As a minimum a person must have been paid wages in at least 2 quarters of his base period and have received wages totaling not less than $130 in the quarter of his base period in which the total of his wages was highest.

An individual's benefit year is the 1-year period beginning with the day as of which he first files an application for cash sickness benefits on the basis of which he could become entitled to benefits or receive credit for a waiting week and thereafter the 1-year period beginning with the day as of which he next files such an application for benefits after the end of his last preceding benefit year. A wage earner insured at the beginning of his benefit year remains insured throughout all of his benefit year.

Simultaneous entitlement of benefits

Section 222 (d) eliminates any possible overlapping of benefits between sickness benefits and other old-age, survivors, and disability benefits payable under the Social Security Act. The section also eliminates the overlapping of cash sickness benefits and workmen's compensation benefits payable on account of the same disability.

Definition of temporary disability

Section 222 (e) defines temporary disability to mean the inability of an individual to perform his most recent, customary, or reasonably similar work by reason of any medically determinable illness, injury, or other impairment.

Exclusions from coverage for cash sickness benefits

Section 222 (f) excludes from the definition of "employment," for purposes of cash sickness benefits as provided by section 106, civilian and military service performed in the employ of the Federal Government.

Technical provisions

Section 107 (a) effects necessary changes in the heading of title II and of sections 201 and 202 to include the disability provisions of this bill. The title of the trust fund is also changed to include the word "disability."

Sections 107 (b) and (c) amend sections 202 (b) and (c) of the law so as to pay benefits to wives and dependent husbands or persons receiving disability benefits, as long as the breadwinner's disability lasts.

Section 107 (d) amends section 214 (a) (2) of the law to provide an additional method of acquiring fully insured status for old-age and survivors benefits, parallel to one of the requirements for insured status for disability insurance benefits. Fully insured status could be acquired on the basis of 20 quarters of coverage within the 40-quarter period prior to death or attainment of age 65 or any subsequent age. The amendment also provides that there shall not be counted in elapsed quarters for purposes of subparagraph (A) or part of the 40-quarter period in subparagraph (B), any quarter which is part of a period of disability unless such quarter is a quarter of coverage.

Section 107 (e) adds a new paragraph (4) to section 214 (a) of the law to provide that if an individual, on attainment of retirement age, is not fully insured, but, except for his attainment of retirement age, would have been entitled to a disability insurance benefit for the month in which he attained retirement age or for any subsequent month, he shall be considered to be fully insured beginning with the first month in which he would have been entitled to disability insurance benefits. This provision will protect the insured status of individuals who become disabled shortly before attainment of retirement age, and who might otherwise be uninsured for old-age insurance benefits because of lack of earnings immediately before age 65.

Section 107 (f) amends section 214 (b) to provide for excluding from the 13-quarter period used to establish currently insured status any quarter in a period of disability unless such quarter was a quarter of coverage.

Section 107 (g) further amends section 203 (c) of the act to make the provisions applicable to children entitled to disabled child's benefits.

Section 107 (h) inserts a new paragraph (6) in section 215 (f) of the law, providing for the recomputation of the benefit amount of any individual who becomes entitled to old-age or disability benefits in 1955 (or of the entitled survivors of an individual who dies in 1955 without having been previously entitled). Such recomputation would be made to include the self-employment income of the individual for 1955 and the recomputed benefit would be effective with the first month of entitlemeht. For the purposes of this paragraph, the entitlement or death of the individual could have occurred in 1955 or in a taxable year which began in 1955; the self-employment income included in the recomputation of his benefit amount would include such income for a taxable year which ended within or with 1955 or which began in 1955.

Section 107 (h) also inserts a new paragraph (7) in section 215 (f) of the law, to permit the recomputation of old-age insurance benefits of individuals who became entitled to such benefits before July 1, 1954, and who were disabled prior to attainment of retirement age, so as to remove periods of disability from the average monthly wage computation. Applications for the recomputation provided by this paragraph would have to be filed after March 1954 and before January 1956.

Section 107 (i) provides that the provisions of this section shall be effective April 1, 1954.

Section 107 (j) permits the use of wages received up to the beginning of the quarter of an individual's death or entitlement to benefits, where that event occurred in 1955, rather than up to the beginning of the second preceding quarter. This provision will permit such individuals to use the 1953 starting date in the initial computation of their benefits, without undue reduction of those benefits by the operation of the minimum divisor of 18 for computation of the average monthly wage. A similar provision was made by the Social Security Act amendments of 1952 for persons who died or became entitled to benefits in that year.

Section 107 (k) makes a similar provision for wage earners and self-employed persons who are eligible in 1955 for a recomputation of their benefits under section 215 (f) (2) of the Social Security Act. Without such a provision, the benefits of these individuals would be reduced permanently by the operation of the minimum divisor, since the law makes no provision in such cases for a further recomputation to take account of the earnings after the usual divisor closing date.

Section 107 (l) provides for a recomputation of the benefits of individuals who filed applications in 1952 for recomputation of their benefits, under the provisions of section 215 (f) (2), but whose recomputations, under the provisions then applicable, could not include earnings up to the quarter of entitlement or death.

Section 107 (m) substitutes "Commissioner of Social Security" for "Commissioner for Social Security" in section 701, thus bringing that section into conformity with the change in title made by Reorganization Plan No. 1 of 1953.

Substitution of Secretary of Health, Education, and Welfare for Federal Security Administrator

Section 108 changes all references to the "Federal Security Administrator" to "Secretary of Health, Education, and Welfare," to conform to the change in title made by Reorganization Plan No. 1 of 1953.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE

Section 201 of the bill amends section 1400 of the Internal Revenue Code with respect to the rate of tax imposed on employers, employees, and self-employed persons for social-security purposes.

Subsection (a) of section 201 establishes the rate of tax for employees and provides for a new contributions schedule, which takes into account the increases in benefit rates and the new risks covered, and which is aimed at making the entire program self-supporting.

Years:	*Tax rate (percent)*
1954	2
1955 and 1956	2½
1957 and 1958	3
1959 and 1960	3½
1961 and thereafter	4

Subsection (a) also establishes the rate of tax to be collected from employees in civilian and military service for the Federal Government. This rate is one-half percent less than for other employees because, since civilian and military employees of the Federal Government already have protection, they are not entitled to cash sickness benefits.

Years:	*Tax rate (percent)*
1954	1½
1955 and 1956	2
1957 and 1958	2½
1959 and 1960	3
1961 and thereafter	3½

When collection of taxes from servicemen is not required

Subsection (b) of section 201 amends section 1401 of the code to continue the present provision with respect to the responsibility of employers to collect the employee portion of tax and for the indemnification of employers with a technical amendment with respect to the suspension of benefits to servicemen. It also provides for suspending the collection of taxes from servicemen under certain circumstances in which case the combined employer-employee tax shall be paid by the United States Government. When the President determines that it would not be feasible to deduct taxes from servicemen he may issue an executive order to that effect. Such executive order may be issued when the President feels that because of the large number of people who have been or are being drafted, it would not be for the best interest of the military service to have taxes deducted from servicemen. The order may provide for the suspension of deductions from all servicemen or only personnel in one or more designated areas, or personnel in designated pay grades, or both, as the President may find appropriate. Such executive order shall be revoked whenever the President determines that it is no longer necessary in the interest of the military or naval service.

Subsection (c) of section 201 establishes the rate of tax for employers, and provides for a new contributions schedule, at the same rates as in the first table above, which takes into account the increases in benefit rates and the new risks covered, and which is aimed at making the entire program self-supporting.

The subsection also establishes the rate of tax to be paid by employers of Federal civilian and military personnel. This rate is the same as is shown in the second table above, and is one-half percent lower than in the case of other employers because civilian and military employees are not entitled to cash sickness benefits.

Subsection (d) of section 201 establishes the rate of tax for self-employed persons. Self-employed persons are not entitled to cash sickness benefits. The rates are 1½ times the rate of tax imposed on employees who are not entitled to cash sickness benefits:

Years:	*Tax rate (percent)*
1954	2¼
1955 and 1956	3
1957 and 1958	3¾
1959 and 1960	4½
1961 and thereafter	5¼

Definitions

Definitions in Connection With Self-Employment

Section 202 (a) of the bill amends subchapter E of the Internal Revenue Code to extend the tax provisions to farm operators and professional groups, and to increase the wage base.

Paragraph (1) eliminates the present exclusion of income derived from the business of farming.

Paragraph (2) increases the contribution base for taxable years beginning after 1952 from $3,600 to $6,000.

Paragraph (3) by deleting the exclusion of certain professional groups in the present law provides for their coverage. The groups covered are: Lawyers, veterinarians, accountants, architects, funeral directors, and engineers.

Definition of wages

Subsection (b) of section 202 amends the definition of wages to include certain tips and gratuities as wages; to increase the amount of remuneration considered to be wages from $3,600 to $6,000; and to define taxable wages with respect to domestic service and the uniformed services of the United States.

Paragraph (1) adds a new paragraph with respect to tips and gratuities for tax purposes comparable to the coverage provision in title I of the bill.

Paragraph (2) increases the taxable wage base from $3,600 to $6,000.

Paragraph (3) changes the definition of taxable wages for domestic workers to make it comparable to the corresponding provision in title I of the bill.

Paragraph (4) establishes the amount of wages taxable for service in each of the various pay grades of the active military and naval service.

Definition of Employment

Subsection (c) of section 202 amends section 1426 (b) to define the term "employment" in the same manner in which it is defined in title II of the Social Security Act.

Paragraph (1) relates to the coverage of certain seamen performing service for an American employer on a foreign vessel.

Paragraph (2) relates to agricultural labor.

Paragraph (3) relates to services not in the course of an employer's trade or business.

Paragraph (4) prevents the exclusion of services performed on foreign vessels or aircraft from applying to services by an American citizen or resident for an American employer.

Paragraph (5) relates to annuitants of civil-service retirement.

Paragraph (6) relates to employees of the Tennessee Valley Authority.

Paragraph (7) relates to employees of nonprofit organizations.

Paragraph (8) relates to fishermen performing service on vessels of 10 net tons or less.

Paragraphs (9) and (10) extend coverage to active military and naval service performed after 1953.

Paragraph (11) includes certain home workers as "employee."

Waiver of Tax Exemption by Nonprofit Organizations

Section 202 (d) of the bill amends subsection (1) of section 1426 of the Internal Revenue Code, which now provides for the filing of a waiver of tax exemption by nonprofit organizations with respect to their lay employees, so as to provide for the filing of waivers under substantially the same conditions with respect to ministers in the employ of nonprofit organizations.

Section 202 (d) (1) revises paragraph (1) of section 1426 (1) by limiting its application to employees other than ministers and members of religious orders and by deleting the provisions regarding the list to accompany the certificate, the effective date of the certificate, etc.; these provisions are incorporated in new paragraphs applicable to certificates for both lay employees and ministers.

Paragraph (2) of section 202 (d) redesignates paragraphs (2) and (3) of section 1426 (1) as paragraphs (6) and (7) respectively and adds after paragraph (1) four new paragraphs.

The new paragraph (2) provides that a nonprofit organization may file a certificate certifying that it desires to have the old-age and survivors insurance system extended to services performed by its employees who are ministers and who perform such services in the exercise of their ministry and that at least two-thirds of such ministers concur in the filing of the certificate.

The new paragraph (3) provides that a certificate with respect to either lay employees or ministers must be accompanied by a list containing the signature, address, and social-security account number (if any) of each employee who concurs in the filing of the certificate. The names of additional employees may be added to the list at any time prior to the expiration of the first month following the first calendar quarter for which the certificate is in effect. This is the same provision as now applies to certificates for covering lay employees.

The new paragraph (4) provides that a certificate for covering lay employees may be effective for the period beginning with the first day of the calendar quarter in which the certificate is filed or the first day of the succeeding calendar quarter, as may be specified in the certificate. This is a change from the present law, which makes all certificates effective with the quarter following the quarter in which the certificate is filed.

A certificate for covering ministers may be in effect for the period beginning with the first day of the calendar quarter in which the certificate is filed or the first day of the succeeding calendar quarter, as may be specified in the certificate; however, a certificate for covering ministers filed during the calendar year 1954 may be made effective beginning with the first day of any prior quarter in 1954. Certificates for ministers may not be effective for any period before the first calendar quarter of 1954.

The new paragraph (5) provides that an organization may terminate the effective period of a certificate upon giving 2 years' advance notice in writing, but only if the certificate has been in effect for not less than 8 years. The notice of termination may be revoked by the organization by giving a written notice of such revocation before the close of the calendar quarter in which the effective period was to have been terminated. This is the same provision as now applies to certificates for covering lay employees.

Paragraphs (3) of section 202 (d) amends the present paragraph (3) of section 1426 (1), redesignated as paragraph (7) in the bill, to make it applicable to certificates for covering both ministers and lay employees. The paragraph provides that once an organization has terminated a certificate it may not again file a certificate.

Paragraph (4) of section 202 (d) provides that the amendments made by subsections (d) shall become effective January 1, 1954.

Refund of Taxes

Section 202 (e) (1) amends section 1401 (d) (3) of the Internal Revenue Code to provide for the refund of taxes paid on amounts in excess of $6,000 for 1954 and subsequent years. Present law provides for refunds on amounts in excess of $3,600.

Section 202 (e) (2) amends section 1401 (d) (4) of the Internal Revenue Code to provide a $[illegible],000 wage base after 1953 for Federal employees covered by the law.

Section 202 (f) amends 1633 (a) of the Internal Revenue Code to provide for wage receipts for servicemen.

Effective Date

Section 202 (g) makes the amendments to title II of this bill effective January 1, 1954.

TITLE III—AMENDMENTS PRESERVING RELATIONSHIP BETWEEN RAILROAD RETIREMENT AND OLD-AGE AND SURVIVORS INSURANCE

Section 301 amends sections 1 (q) and (5) (i) (1) (ii) of the Railroad Retirement Act, to preserve the present relationships between the two programs, with respect to the amount of earnings permitted without loss of benefits.

REPLACEMENTS OF PUBLIC FACILITIES AND PUBLIC AND PRIVATE SCHOOL BUILDINGS DAMAGED IN A MAJOR DISASTER

Mr. POTTER. Mr. President, I introduce for appropriate reference a bill authorizing the President to make permanent replacements of public facilities and public and private school buildings damaged or destroyed in a major disaster.

The recent tornado which laid waste a large area in and surrounding the city of Flint, Mich., and other communities has caused millions of dollars in property damage and took a heavy toll in lives and casualties. Many of the public buildings and several public and private schools have been irreparably damaged. Under the existing powers given the President for disaster relief, only temporary repairs and replacements are authorized. Consequently many of the school buildings and certain public facilities necessary to the operation of the local government and for the provision of basic services cannot be rendered proper assistance. It is necessary, therefore, that permanent replacements of these vital facilities be authorized in order to relieve the heavy burdens placed on these and other communities which have been critically stricken by the recent flurry of tornadoes, and that the basic services regularly rendered by a municipality may be continued in an orderly manner.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2270) authorizing the President to make permanent replacements of public facilities and public and private school buildings damaged or destroyed in a major disaster, and for other purposes, introduced by Mr. POTTER, was received, read twice by its title, and referred to the Committee on Public Works.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENTS

Mr. MAGNUSON (for himself, Mr. JACKSON, Mr. JOHNSON of Colorado, Mr. HUNT, Mr. MANSFIELD, Mr. MALONE, Mr. MUNDT, Mr. MCCARRAN, and Mr. MURRAY) submitted an amendment intended to be proposed by them jointly to the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. DOUGLAS submitted an amendment intended to be proposed by him to House bill 5495, supra, which was ordered to lie on the table and to be printed.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred, as indicated:

H. R. 3884. An act to extend the authority of the Administrator of Veterans' Affairs to establish and continue offices in the Republic of the Philippines; to the Committee on Finance.

H. R. 5302. An act to provide for an additional Assistant Postmaster General in the Post Office Department; to the Committee on Post Office and Civil Service.

NOTICE OF CONSIDERATION OF NOMINATION OF JOHN ALANSON PERKINS

Mr. WILEY. Mr. President, the White House sent to the Senate today the nomination of John Alanson Perkins, of Delaware, to be a representative of the United States of America to the second extraordinary session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization. Notice is hereby given that the nomination will be considered by the Committee on Foreign Relations after 6 days have expired, under the committee rule.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. KNOWLAND:

Address entitled "Let Our Government Be Supreme," delivered by Senator KUCHEL, in Oakland, Calif., at the State convention of the Veterans of Foreign Wars, Department of California, June 21, 1953.

By Mr. WILEY:

Statement prepared by him discussing the subject "Youth and the Eisenhower Administration."

By Mr. LANGER:

Article entitled "What Every Young Lawyer Should Know," written by Hon. E. Barrett Prettyman, judge of the United States Court of Appeals for the District of Columbia.

Parity income resolution adopted by the stockholders of the Kathryn Farmers' Mutual Elevator Co., of Kathryn, N. Dak., on the subject of price supports.

By Mr. LEHMAN:

Statement on Bricker amendment made by Philip B. Perlman at the 23d Judicial Conference of the Fourth Circuit, White Sulphur Springs, W. Va., on June 26, 1953.

Article entitled "The Greatest Power in Asia Is the People," written by former Ambassador to India, Chester Bowles.

Editorial entitled "Intellectual Purge," published in the Washington Post of June 25, 1953.

By Mr. CASE:

Two articles from Washington Times-Herald, dated June 15 and June 16, 1953, on the subject of segregation in the Nation's Capital.

By Mr. BUSH:

Editorial entitled "Federal Aid and Toll Roads," published in the Bridgeport (Conn.) Sunday Post, of recent date.

By Mr. BUTLER of Maryland:

Article on National Flag Week, written by Neil H. Swanson, editor, novelist, and historian.

Editorial entitled "We Need the Ships," published in the Baltimore Sunday American of June 28, 1953, relating to a definitive approach to our merchant marine policy.

Editorial and news article relating to possible admission to the United Nations of Red China.

By Mr. JOHNSTON of South Carolina, for Mr. FREAR:

Poem entitled "Caesar Rodney's Ride," by William A. Johnson, published in the Washington Post of June 28, 1953.

By Mr. GORE:

Article entitled "TVA Has Salvaged a Whole Region in Two Decades," published in the Washington Post of June 28, 1953.

A listing of the TVA procurement sources by States, in order of amounts.

ENCOURAGEMENT OF NATIONWIDE DISPLAY OF AMERICAN FLAG

Mr. MARTIN. Mr. President, Mr. Lewis K. Gough, national commander of the American Legion, has issued a statement on the subject, New Glory for Old Glory.

This is really an announcement of the launching of a new campaign by the American Legion for the encouragement of a nationwide display of the American flag. With July 4 just a few days away, Commander Gough is asking the people of this country to cooperate in the display of the Stars and Stripes. He deplores the growing tendency on the part of our people to neglect this patriotic duty. National holidays have come to be regarded mostly as days of recreation. There should be more patriotic demonstrations and ceremonies to remind all of us of the early days of this Republic and of the important part played by the Stars and Stripes.

I congratulate the American Legion on taking the lead in this very worthy project.

I ask unanimous consent that Commander Gough's statement be inserted in the body of the RECORD as a part of my remarks.

With this statement by Commander Gough, there is included a series of ques-

tions and answers on flag etiquette and heraldry.

As these questions and answers should be known by every American, I ask unanimous consent that they be printed at this point in the body of the RECORD as a part of my remarks.

There being no objection, the statement and the list of questions and answers were ordered to be printed in the RECORD, as follows:

The American Legion regrets evidences of a growing tendency on the part of our people to take too much for granted the blessings of America and to play down the need for public recognition, respect, and devotion to such symbols of our dearly bought heritage as the flag of the United States.

Therefore, we pledge new glory for Old Glory and invite all liberty-loving Americans to join American Legionnaires in (1) a proud display of the Stars and Stripes, particularly on national holidays; (2) observance of proper flag etiquette; (3) knowledge and remembrance of our flag's dramatic history; (4) a new recognition of the Star-Spangled Banner as the symbol of freedom in today's world.

Thus we shall add new glory to Old Glory.

Ours is the flag of more than 160 million people of every religious, national, and racial origin in the world. It is the flag of free citizens under God.

The Legion salutes the Stars and Stripes pledging anew; honor, allegiance, and loyalty to our flag. We commemorate the heroic deeds which have allowed it to fly bravely for 176 years, and we rededicate ourselves to the spirit of freedom and tolerance which it represents.

Question 1. When was the flag first authorized by Congress?

Answer. June 14, 1777.

Question 2. When was the flag first carried in battle?

Answer. Brandywine, September 11, 1777.

Question 3. Is it proper to use the flag as a decorative drapery or festoon?

Answer. No, the flag must fly free. Red, white, and blue buntings are often used for patriotic decorations.

Question 4. When the American flag is displayed with other flags, what should be its placement position?

Answer. To the right of the other flags or if there is a long line, in front of the others.

Question 5. Who gave the name "Old Glory" to the flag and when?

Answer. Capt. William Driver of the brig *Charles Daggett*, August 10, 1831.

Question 6. Is it proper for the flag to fly day and night?

Answer. No, only from sunrise to sunset except on the Capitol in Washington or in battle.

Question 7. When, as a rule, is the flag saluted?

Answer. As a rule, the flag is saluted only when it is flown from a staff that is carried by a color bearer, in parades, reviews and other marching formations, or when it is being hoisted or lowered from a flagstaff during a ceremony.

Question 8. What is the proper respect to the flag during any of the above described situations?

Answer. All persons should face the flag, stand at attention and salute. The military salute is proper from those in uniform.

Question 9. What public law and amendment codifies rules and customs pertaining to the flag?

Answer. Public Law 623 and amendment 829.

Question 10. What does flying the flag at half staff signify?

Answer. Mourning.

ADDRESS BY GEORGE P. DELANEY BEFORE 36TH INTERNATIONAL LABOR CONFERENCE, GENEVA, SWITZERLAND

Mr. MURRAY. Mr. President, the International Labor Conference ended its 36th annual session June 28, 1953, at Geneva, Switzerland. Sixty-four nations are represented in this very important international organization. It deals with problems of labor-management relations and the economic and social questions involved in production and in the problems of health and welfare of workers. The conference this year was of unusual interest and the problems considered before the various committees were given exhaustive study.

Each year the Director General of the ILO issues a report designated the World Labor Report. Over recent years this report has attracted widespread attention because of the high standard of its studies and recommendations. The World Labor Report provides a very comprehensive account of world economic and labor conditions and is highly regarded throughout the world. The delegates of the various nations of the world represented at the conference discuss the annual report of the Director General and submit many recommendations to the conference.

This year Mr. George P. Delaney, of the American Federation of Labor, the United States labor representative at the conference, delivered an important address dealing with the Director General's report.

I ask unanimous consent to have printed in the RECORD at this point in my remarks the address delivered by Mr. George P. Delaney, before the International Labor Conference, June 15, 1953.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BEFORE 36TH INTERNATIONAL LABOR CONFERENCE, SWITZERLAND, JUNE 1953, BY GEORGE P. DELANEY

I intend to present the views of the American workers on the important subject raised by our Director General in his report on productivity.

First, however, I should like to note that the delegate selected by the Government of Argentina as a representative of its workers took it upon himself to engage in criticism of the governments of free nations—especially of the sovereign Latin American republics and the United States, and to indulge in an unprincipled attack upon the ILO. At the same time, this so-called "workers' representative" praised, in defensive boastfulness, the economic status of workers in his country and their supposed rights to organize into unions and even to strike. The workers in the United States know these meaningless boasts for what they are—a shield to hide the repression of trade union freedoms in Argentina. We recall that the International Confederation of Free Trade Unions, representing over 50 million members, including the free-labor movement of my country, found it necessary to bring serious charges of violations of trade union rights against the same government so highly praised by this so-called "workers' delegate." We also remember that the ILO's Committee on Freedom of Association recently drew attention to the desirability of insuring to workers in Argentina the free exercise of their right to organize, to protect their organizations, and to defend the members of their organizations.

We would like to see some deeds on the part of the worker's delegate from Argentina and on the part of his Government to match his words. While we in the United States carry on our continuing fight for the benefit of our people in an atmosphere of freedom, we pray that similar opportunities for free association can be worn by our fellow workers in Argentina.

My second comment has to do with the speech made by the employers' representative in my own delegation. In his case, I take issue with his argument, not with his concept of freedom. My comments show that free, friendly relationships among representatives having different views, constitute the basic fabric of the truly tripartite delegation from my country.

The employers' delegate from my country expresses the fear that by adopting conventions with enforcement procedures we may be setting up a "super state." He says: "The consent to be governed is in effect given when a nation ratifies a convention." After referring to the "enforcement machinery" in the ILO constitution, which he recognizes has never been utilized, he concludes, "It is quite startling to realize that if all of this machinery were fully used the effect would be a super state."

Normally I have respect for my friend's views even when I disagree with them. In this instance, however, I can only conclude that he has erroneously interpreted articles 24 to 34 of the ILO constitution, which, in his opinion, opens the way for a super state. Actually, assuming that all the machinery provided in those articles were brought to bear, the sovereignty of a member state could in no way be infringed. Article 33, provides that in the event of continued default of a member in respect to a convention which it has ratified, after finding of default by a commission on enquiry and possibly by the International Court of Justice, "the governing body may recommend to the conference such action as it may deem wise and expedient to secure compliance therewith." Wherein does that infringe upon domestic sovereignty? What action can the conference take except to publicize the default?

Not only does the constitution of the ILO provide the necessary safeguards against the utilization of conventions for improper purposes; the very nature of the Government of the United States of America makes such misuse—even if it were attempted—impossible of attainment. My Government itself, acting under our Constitution, has the duty of deciding what is appropriate for its own action and what must be referred for action to our State governments.

But even aside from the legal explanation which should quell any fears that may properly rise in the breast of our employer's group, there is another and more practical answer to the arguments presented. Neither our employers, our workers, nor our Government can become party at this time to a withdrawal from such a constructive form of international cooperation. We are proud to have joined, in common with the other free countries of the world, in many of the economic, social, and political causes of major importance today. We must do nothing which might tend to weaken the confidence of the world in our continued interest in maintaining such cooperation. The step advocated by the United States employer delegate, if taken, might be interpreted by the world as the first step in a serious backward movement in international affairs.

Turning now to the Director General's report: It calls our attention again to the problem of productivity and how best to promote it. The subject is always timely, and never more so than today. The path

of higher productivity and the equitable distribution of its benefits, is the main avenue along which we must move in pursuit of the goals to which this organization is dedicated—peace, social justice, and economic progress.

It pleases some to refer to these goals as utopian, or visionary, or impossible of attainment. So they may be, if we do not take them seriously—if we are here merely to give them our formal blessings, with no desire or intent to take the steps that are necessary to move us in their direction. And they might also, with reason, be so regarded could we not find in history sufficient evidence on the side of hope, with so many milestones of achievement rising out of the rubble of failure.

The increasing concern which the ILO has shown for the promotion of higher productivity is a real encouragement to those of us who have confidence in the seriousness of its purpose and the eventual success of its ends. For it is the factor of increasing productivity which has brought some of us to a condition which, with all its faults, would have been regarded as utopian, or visionary, or impossible of attainment, not too long ago. And, as this factor of productivity has belied the bleak doctrines of Malthus in the past, so it can refute the foreboding of the pessimists among us today, if we but match the tools at our command with the will to use them properly.

To devote our attention, at this time, to the problem of productivity is not to ignore or to deprecate other avenues to economic improvement. Redistribution and the employment of resources currently idle are desirable and necessary in many areas, as the Director General so cogently points out in his report. But the potentialities of these approaches are fixed and exhaustible; they contain their own inherent limits.

Productivity, on the other hand, knows no limits other than the limits of our human capacities. It is the only inexhaustible wellspring to which we can turn in the long run, in our search for ways to human betterment.

The discussion set forth in the Director General's report makes an outstanding contribution to the understanding of the factors and elements encompassed by the general term "productivity." But, for the purposes of this body, I believe its major contribution lies in its clear and forthright statement of the principles which must be regarded as essential parts of the whole if higher productivity is to be translated into lasting progress. There are five such basic principles which cannot be emphasized too strongly:

First, advance consultation and cooperation between labor and management are essential to the orderly introduction of measures designed to bring about improvements in productivity. Resistance on the part of workers is a natural consequence of unilateral changes in the conditions of work in any establishment. If these steps are to win the acceptance necessary to their success, labor's stake in the outcome must be recognized, and must find adequate expression. Labor must be accepted, through the trade union, as a full and equal party to any productivity program.

Second, it should go without saying that productivity is in no sense a matter of obtaining increased exertion from workers, through the speedup of workpace or the stretchout of workload. Unfortunately, some confusion continues to exist in many minds on that score. The amount of effort that can be sweated out of an individual worker has severe limits, even if considerations of health and human decency are disregarded, as they still are in some areas of the world. The issue of productivity, on the other hand, concerns the ways and means whereby a constantly growing product can be derived from the application of a constant or decreasing amount of physical strain.

Third, rising productivity cannot be promoted or sustained in an economic environment of idle resources, idle capital, and idle workers; we need to use all our resources fully.

Fourth, if employment is to be maintained and continuously increased to provide fruitful opportunities for a growing population, improvements in productivity must be promptly translated into commensurate increases in the total volume of actual production. If employment is to be maintained, an increase in productivity must be accompanied by an expanding market. Otherwise, productivity improvements will result, not in higher standards, but fewer jobs. This is not a myth or an irrational fear in the minds of workers but a simple mathematical fact.

Fifth, an expanding volume of production and employment must look for support to a constantly increasing volume of consumer demand. In its greater and more decisive part, the volume of consumer buying power is a function, not of the swollen incomes of the wealthy few, but of the modest wages and salaries of the many. Unless the benefits and proceeds are dispersed broadly throughout the whole of society, efforts and programs to stimulate productivity must prove fruitless and self-defeating.

In academic considerations of this matter, the tendency too often is to view the factor of productivity—as in a laboratory study—in isolation from the complex of forces which are present in reality. In such cases, an improvement in productivity is too often made to appear the simple and direct product of the application of a specific technique, or innovation, or capital expenditure. While this approach may be convenient, it leaves the more important part of the story untold.

If used as the basis of broad national and international policy, this laboratory approach may even prove dangerous by encouraging undue concentration on the purely technological aspects of the matter.

For productivity does not grow in an economic and social vacuum, nor can its elements be neatly separated into compartments and categories. They are all in one package. The process of economic improvement is an endless chain of forces and events. No arbitrary point in that chain can be properly singled out as the prime cause or final end. Rising standards of life and labor, for example, are supported by improvements in productivity, yet it is equally true that they stimulate and give rise to further improvements in productivity.

The purely technical components of higher productivity are like a lifeless mechanism which depends upon external pressures and attractions to start and to keep it in motion. There must be forces present in the economy compelling the changes and improvements involved, and attractions which will make those improvements economically worthwhile. It is the presence or absence of these forces, pressures, and opportunities which makes the difference between a dynamic, expanding economy and a stagnant economy, and not the presence or absence of any abstract body of technical or managerial talent, technique, or know-how.

If those forces are in operation, the pure skills and techniques necessary to the improvement of productivity will come in the normal course of events, because they will be demanded and because there will be opportunities for them. If those primary forces are missing, all of the efforts and exertions of the engineers and the experts will be wasted, for there will be nothing to sustain them.

This, at least, is the lesson of the American experience. I believe that the most constructive contribution that we, as a nation, can make to the advancement of a free and progressive world society lies in the broader application of this lesson—rather than in any rare and exclusive store of skills, techniques, or methods that we may or may not possess.

The free-trade union movement of America has been among the foremost of the forces which have served both to compel and to sustain consistent social progress, in an expanding economy. The vital necessity for assuring that increases in productivity are promptly translated into higher real incomes has been a historic concern of the American labor movement. A quarter of a century ago, it declared:

"Social inequality, industrial instability, and injustice must increase unless the workers' real wages, the purchasing power of their wages, coupled with a continuing reduction in the number of hours making up the working day, are progressed in proportion to man's increasing power of production."

By maintaining a constant upward pressure on wage levels, our trade unions have forced employers to make those improvements in methods, techniques, and equipment which lead to higher productivity in order to hold down unit labor costs and to maintain profits. Higher wages in turn have served to increase the level of consumer demand, upon which production and employment depend. The pressure of wage costs and the attraction of broadly based consumer demand have been among the most important of the dynamic forces which have served to promote, to stimulate, and to justify the increasing productivity of American industry. Improved methods and techniques, which some appear to regard as the complete explanation for productivity gains, came, not as the cause, but as the natural consequence of these pressures and attractions.

These improvements have come, in large part, because labor in America has not been willing to subsidize or reward managerial incompetence or inertia by remaining content with a low and static wage level. We have no quarrel with profits as such, or with the generous incomes earned by management, where those profits and incomes are earned by performance, with workers sharing fully in the proceeds of progress. But we do strongly object to those profits and incomes which are pressed out of the sweat of other men's bodies, through the maintenance of substandard wages and conditions of work. On such profits we have waged and shall continue to wage relentless economic warfare.

In the final analysis, it is poverty which is the natural enemy of man, and not the existence of wealth as such. The accumulation of wealth is detrimental to progress only where it is extracted from the hides of the helpless poor. In these cases, redistribution is indeed an appropriate remedy as a matter of national policy. But it can never take the place of measures to promote higher productivity.

When the day arrives that we are all prepared to devote our combined resources, energy, and ingenuity to a sustained war against poverty and oppression, the goals of this organization will be within our reach. Our understanding of and control over the factors and forces which serve to bring about the improvement of productivity, and the distribution of its benefits to all, hold the key to the success of such an effort.

The time will come when the world will realize that the persistence of poverty and injustice are as much a danger to a free society as a hostile military array. We can only pray that it will not come too late. To those who shrink from the effort and expense required to eliminate these evils, for fear that it will impose too heavy a tax upon them, I say that the consequences of their neglect will impose a yet more deadly tax.

It is fashionable in some quarters to decry plans or designs for the future betterment of the human race. But unless we have a design, we cannot build; and unless we build, we cannot survive. Even if our

ideals could never be fully realized, we would be better off for having pursued them. The more vigorously and faithfully we carry out this pursuit, the closer will be our ultimate approach to the goals to which this organization is dedicated.

ONLY ONE ANSWER TO GENOCIDE

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a very timely editorial from the New York Times entitled "Only One Answer to Genocide."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ONLY ONE ANSWER TO GENOCIDE

Of all the pacts which have come into international law under the auspices of the United Nations perhaps the most stirring and hopeful to the people of the world is the pact to outlaw genocide. It is not too hard to understand this—for it is a pact of, by, and for the people. It says that the barbarism which shocked the conscience of mankind with the destruction of human groups, the inflicting of bodily and mental harm, the separation of children from parents, is a crime against mankind, and must be repressed and punished in the future.

Perhaps because the great worth of this document is dual—deterrent as well as punitive in scope—41 nations have ratified it. They represent half the world's population, implying as they deposit their ratifications with the U. N.: There are great moral as well as legal issues at stake here; human groups have a sacred right of existence; they ask the protection of this right by international law.

One can imagine that they are saying these things directly to the United States. For this Government, which fought courageously for adoption of this pact years ago, is in the incredible position of neglecting to ratify it. Four years ago, on June 16, the Senate Foreign Relations Committee received the genocide convention for advice and consent. It still languishes there, while narrow legalisms that would thwart the great moral crusade against barbarism are once more trotted out.

The people of the world have made their will known. Will not our Government support them in this great cause? There should be only one answer. The way to give it is by ratifying the convention now.

EQUAL-RIGHTS-FOR-WOMEN AMENDMENT

Mr. BUTLER of Maryland. Mr. President, with regard to Senate Joint Resolution 49, the popularly designated equal-rights-for-women amendment, I request unanimous approval to have included in the body of the RECORD, an informative and relevant brief prepared by George Gordon Battle, attorney at law, New York, N. Y., which was initially presented before the Senate Committee on the Judiciary in the 77th Congress, 1st session. To my mind, as the principal sponsor of this resolution, this brief refutes many of the points of objection to the amendment which were raised in the statement by Prof. Paul Freund, of Harvard University, which the distinguished Senator from Arizona, Senator HAYDEN, incorporated in the RECORD on June 8, 1953.

There being no objection, the brief was ordered to be printed in the RECORD, as follows:

RELATIVE TO AN EQUAL RIGHTS AMENDMENT PLANK—EXCERPTS FROM A BRIEF PREPARED BY GEORGE GORDON BATTLE, ATTORNEY AT LAW, NEW YORK CITY, ON BEHALF OF THE EQUAL RIGHTS AMENDMENT

(The Senate Judiciary Committee which favorably reported the proposed equal-rights amendment in this session of Congress, had before it this brief. (Senate committee print, 77th Cong., 1st sess.).)

POINT I. THE PROPOSITION LAID DOWN IN THIS AMENDMENT—THAT IS, THAT ALL CITIZENS SHOULD HAVE EQUAL RIGHTS—IS A FUNDAMENTAL PRINCIPLE OF REPUBLICAN GOVERNMENT

It seems strange that there should be any question that all citizens of a republic should have equal rights. Our Supreme Court has repeatedly enunciated this great principle. For example, the equality of the rights of citizens is a principle of republicanism. Every republican government is in duty bound to protect all its citizens in the enjoyment of this principle, if within its power. (*U. S.* v. *Cruikshank* (92 U. S. 542, 555).)

These are the words of Chief Justice Waite, one of the greatest jurists who ever sat upon the Bench of our highest Court. The same principle has been enunciated in hundreds of cases in the Supreme Court and other Federal courts and in the State courts of this country.

POINT II. ALTHOUGH WOMEN ARE NOW CITIZENS IN THE FULLEST SENSE OF THE WORD, ALTHOUGH THEY ENJOY ALL THE RIGHTS OF SUFFRAGE, NEVERTHELESS THERE HAVE BEEN AND STILL ARE MANY INSTANCES OF THE GROSSEST INEQUALITY IN THE RIGHTS ACCORDED TO WOMEN AS CONTRASTED WITH THOSE OF MEN UNDER OUR LAWS

It is perfectly clear and obvious that these inequalities between the rights of women and those of men are in patent violation of this fundamental principle which we have just mentioned. The origin of these discriminations is to be found in the "time-honored legal status of subjection which women in this country inherited from England through the common law."

* * * * *

At the common law which was in force at the time of the adoption of our Constitution in 1789, women were in effect regarded as chattels of their husbands or fathers or of the State. So far as married women were concerned, the legal existence of the wife was merged in that of her husband. As Blackstone said: "The husband and wife are one and that one is the husband." This is, of course, familiar and undisputed law which does not require to be argued or stressed. The history of this country since the adoption of the Constitution has been largely a chronicle of the progress of women on the road to equality with men. Their emergence from subjection has been slow and painful. They have been held back by all the powerful forces of ignorance and of selfish reaction. But although the advance has not been swift, although it has been uneven with periods of retrogression, yet on the whole the road has led ever forward and upward toward the ideal of perfect equality in all human rights.

* * * * *

POINT III. ALTHOUGH THE 14TH AMENDMENT AND THE 19TH AMENDMENT DID NOT AFFORD RELIEF TO WOMEN FROM DISCRIMINATION, IT WAS HOPED THAT THE SUPREME COURT, FOLLOWING THE LIBERAL TENDENCIES WHICH IT HAD SHOWN, WOULD GIVE SUCH RELIEF BY HOLDING THESE DISCRIMINATORY LAWS TO BE AN UNCONSTITUTIONAL INTERFERENCE WITH THE LIBERTY OF CONTRACT: BUT THAT HOPE HAS BEEN DESTROYED BY THE DECISION OF THE SUPREME COURT IN WEST COAST HOTEL CO. V. PARISH (300 U. S. 379)

* * * * *

In the West Coast case Chief Justice Hughes, and Justices Brandeis, Stone, Cardozo, and Roberts held the law of the State of Washington fixing the minimum rate of wages for women to be constitutional, while Justices Sutherland, Van Devanter, McReynolds, and Butler, holding to their firm views, dissented and held the status to be unconstitutional as being an illegal interference with the liberty of contract. It is interesting to not that Mr. Justice Roberts apparently changed his views from the decision in the Morehead case to the decision in the West Coast case. We mention the closeness of these decisions in order to show the very nearly even division of the Court on this important question. Such a situation requires, we submit, a constitutional amendment in order to clarify this question.

It is apparent, therefore, that so long as the doctrine in the West Coast case is sustained, discriminatory legislation between men and women will be upheld by the Supreme Court of the United States. It is true that most, if not all, of this legislation was passed as being in favor of women, but if the legislatures can pass laws ostensibly discriminating in favor of women it may well be that such laws actually are harmful to women. As a matter of fact, it is earnestly contended that all such discriminatory legislation is really hurtful to women. The laws fixing minimum rates of wages for women, the laws fixing maximum hours of labor for women, and like legislation have a tendency to drive women out of business and to give the jobs which they would otherwise occupy to men. This is, of course, really harmful to women. We submit that in the long run it is vastly to the interests of women, as it is to men, to have their rights equal. If it is unhealthy for women to work more than a certain number of hours it is almost certainly unhealthy for men to work more than that number of hours. Working conditions unfavorable to the health of women are sure to be unfavorable to the health of men. It is far better to pass legislation making general provisions or restricting the hours of labor for fixing minimum rates of wages and for regulating working conditions for all workers whether men or women.

POINT IV. IT WILL BE SEEN, THEREFORE, THAT NEITHER THE 14TH AMENDMENT NOR THE 19TH AMENDMENT NOR THE HOPED-FOR ATTITUDE OF THE SUPREME COURT FORBIDDING DISCRIMINATION AS BEING UNCONSTITUTIONAL AFFORD ANY SUBSTANTIAL RELIEF FOR THIS DISCRIMINATION AS BETWEEN MEN AND WOMEN, AND THE ONLY RELIEF, THEREFORE, MUST COME FROM A CONSTITUTIONAL AMENDMENT

The 14th and 19th amendments have already proven inadequate to remedy this discrimination. The tendency of the Supreme Court which looked hopeful in that direction has been balked and thwarted by the decision in the West Coast case. There is no hope now except in a constitutional amendment.

POINT V. ALTHOUGH IT IS UNNECESSARY TO STRESS THE CONTENTION THAT THESE DISCRIMINATIONS STILL EXIST IN SPITE OF THE GREATER ENLIGHTENMENT OF MODERN TIMES, NEVERTHELESS, WE WILL CALL A FEW INSTANCES OF DISCRIMINATION TO THE ATTENTION OF THE SUBCOMMITTEE

The rights of fathers are superior to those of mothers.

Married women's disabilities.

The double standard of morals.

Husband collects damages for loss of wife's services.

Women denied political equality with men.

Women discriminated against with regard to employment.

Women excluded from jury service.

Special restrictions prevail for women workers.

* * * * *

An examination will disclose an amazing condition of unjust and wicked discrimination against women still existing in the laws of the different States. It is to remedy this injustice that the enactment of this constitutional amendment is desired.

* * * * *

It is true that the language of an amendment is broad in its scope. This is necessary because it covers a broad field. The evil which it seeks to remedy is broad in its extent. The language of the amendment would permit congressional statutes to insure equal rights for men and women throughout the United States. It is necessary to give Congress this power in order that it may cope with this situation. It is no objection that the language of the amendment is broad and general.

* * * * *

Certainly in view of the world situation, it is most important for our great democracy to get a firm decision on this question of equal rights. The totalitarian governments frankly avow their determination to reduce women to a most abject and humiliating dependency.

* * * * *

It is true that there will be a period of adjustment during which the provisions of this amendment must be worked out and applied by our State legislatures and by our Federal and State courts. This has been done in the case of all the other amendments. It can and should be done again. The essential question to be considered is this: Does the object of this amendment to the Constitution warrant its adoption—unless there is a real and urgent necessity therefor. Every amendment requires legislation for its enforcement and court action for its interpretation. Such legislative and court procedure causes delay, expense, and uncertainty. Is the game worth the candle? We submit that there can be no more important object than to secure equal rights to all our citizens, men and women alike. The present discrimination against women permitted by our laws is by far the most serious defect in our governmental system. It is the most disgraceful blot upon our claims for democratic equality. All the arguments that were used in favor of female suffrage apply with added force to this argument. To grant equal rights to women to vote, was only one of the equal rights to which women were entitled. It was a great step forward, but it was, after all, merely a step in a long progress toward equality of rights. The passage of this amendment will bring us to the top of the hill from which we can survey the land in which equal justice is rendered and equal rights accorded to all its citizens.

NEW YEAR IN WASHINGTON

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks an editorial entitled "New Year in Washington" published in today's New York Times. I ask that it be printed in the body of the RECORD because I think it is a very important editorial. I emphasize it by reading the last paragraph of the editorial, which says:

> The question whether a country can put its finances in order is not a question of the size of its population or its national income alone. It is, in the last analysis, a question of moral leadership. In that sense, despite the fact that the Nation faces the possibility of another deficit on this first day of the new year, it may congratulate itself on being in the strongest financial position in many years.

The editorial expresses my thinking.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

NEW YEAR IN WASHINGTON

Last night at midnight the fiscal year 1952–53 for the United States Treasury passed into history; today we are entering the year 1953–54, a year which could be a critical one in the history of American fiscal policy.

For the first time in many years, with the coming to office of President Eisenhower, we have a leadership in Washington that regards the balancing of the budget as something more than a convenient slogan to catch the conservative vote. Up to 1930 an annually balanced budget was taken for granted except in time of war. But since that year the country has moved from one state of emergency to another, with many in the series genuine, but some largely synthetic in character. Over the whole period 1930–53 we have seen but one nominal surplus and two real ones.

Fiscal figures for the year 1952–53 are not yet available, but the Treasury statement as of the close of business June 25 shows total expenditures of $72,557 million, against receipts of $64,341 million, or a deficit of $8,216 million. When the 1952–53 budget was first drafted in January of last year the indicated deficit was $14.4 billion. As a result of the introduction of the so-called stretchout in the defense program President Truman was able to make a sweeping revision in the figures. His estimate of spending was reduced from $85.4 billion to $74.6 billion, or by $10.8 billion, while he lowered his estimate of receipts by only $2.3 billion. This produced a prospective deficit of $5.9 billion. Whereas the first estimate of the deficit had been some $6 billion too high, the January revision was overoptimistic by more than $2 billion.

The 1952–53 budget was, of course, a Truman budget from beginning to end. This is hardly less true, however, with respect to the budget for the year which begins today. While it is true that the incoming President was free to propose changes in the budget prepared under his predecessor, this "freedom" was more theoretical than real. A budget cannot be divorced from the policies for which it was designed, and it was inevitable that a budget of the dimensions of that of 1953–54, calling for expenditures of $78.6 billions, should cast a long shadow over the policies, political as well as fiscal, of the new Administration. In a fiscal sense, as a mater of fact, it might be said that there were two shadows. One of these was the $9.9 billion budget deficit that the Eisenhower administration inherited; the other was the huge total of funds "obligated" by the previous administration but unspent. These amounted to some $79 billion, or more than the indicated 1953–54 spending total. Another way of putting it is that Federal agencies already had nearly 50 percent of the funds they required in 1953–54 before the year began.

On top of this, as President Eisenhower said in his radio address of May 19, there are other basic complications:

"When this administration took office we faced two stubborn financial facts. The first fact was this: Under the former administration expenditures for the future were so scheduled as to reach their peak during 1954 and 1955. The second fact was this: These are precisely the years when—under existing laws—Federal revenues from taxes, under scheduled reductions, will fall sharply downward. * * * If we do nothing about this the results of these facts could only be bigger deficits, greater Government borrowing, even increasing cost of living, depreciated savings, higher and higher cost of the Nation's security."

These problems cannot be solved overnight. But with an administration in office that is determined to do so they can be overcome before too many months have passed. In his speech in May Mr. Eisenhower was able to announce that the prospective deficit had been reduced from $9.9 billion to $3.3 billions. But what is more important is the fact that the administration regards this merely as part of a continuing process. And in this process, Mr. Eisenhower has let it be known, he does not mean to regard "obligated" funds as necessarily sacrosanct.

The question whether a country can put its finances in order is not a question of the size of its population or its national income alone. It is, in the last analysis, a question of moral leadership. In that sense, despite the fact that the Nation faces the possibility of another deficit on this first day of the new year, it may congratulate itself on being in the strongest financial position in many years.

THE PLIGHT OF THE FARMER

Mr. LANGER. Mr. President, I have a letter before me which I should like to read into the RECORD. It comes to me from Miss Grayce R. Warren, secretary, Scoria Butte Farmers Union Local No. 1126. It reads:

GRASSY BUTTE, N. DAK.,
June 26, 1953.

Hon. Senator WILLIAM LANGER,
Senator from North Dakota,
Washington, D. C.

DEAR SIR: As secretary of the Scoria Butte Farmers Union Local, No. 1126, I have been instructed to write you in behalf of the membership which numbers 152 men and women farmers in western North Dakota.

We discussed the wheat acreage allotments as against marketing quotas question at our meeting and seemed to be unanimously in favor of wheat acreage—giving the small farmer a better chance in production and of course our local wants the 100 percent parity.

We sincerely hope you will use your influence and pressure in that direction when and where it will carry most.

Sincerely,

GRAYCE R. WARREN, *Secretary.*

I may say that from all over the State of North Dakota, from the various local farmers' unions and from individuals, I have been getting hundreds of letters and telegrams of the same tenor. The farmers in that area are becoming very much discouraged at the drop in prices of their farm products. They are very much discouraged by the fact that, although their prices, especially beef prices, have been going down and down and down, everything they must buy, particularly farm machinery, has gone up as high as it was at any time during World War II.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

Mr. FLANDERS. Mr. President, we are all concerned about the cost of mutual security. We are even more concerned about the effectiveness of it. It is my purpose to make suggestions with regard to effectiveness which will greatly reduce the cost of succeeding mutual security operations and hopefully of those operations for the fiscal year 1954.

The way not to go at it has been ably illustrated by our muddle in Korea. Somewhere along the line the same influence which guided the Truman-

Acheson administration got hold of our new administration. It was with sickness of heart that we heard anew the proud boast that we had successfully "resisted aggression" as if the loss of hundreds of thousands of lives and billions of dollars had been well spent in bringing us back to the starting ground of June 25, 1950.

As a matter of fact, we fell short of getting back where we started. We had retrograded politically and morally in our relations with the brave Korean people, government, and president. General Clark put us in the position of threatening the Korean Government with an attack from the rear while the ROK's were attacking the Communists at the front.

The suspicion is that this sickening threat came from the Pentagon. It certainly could not have come from the White House. We can even make a guess as to the identity of the hitchhiker who took the suggestion from the Pentagon to General Clark.

If the great structure across the river is the seat of the reactionary forces who are crowding us over into the Truman-Acheson rut, the quicker the President asks for their resignations, the better. Let us put in the full complement of the new Chiefs of Staff now.

One lesson to be learned from this is that we must have policies. These policies must be directed toward the well-being of people, rather than toward the accumulation and display of power. And these policies must be publicly stated without fear or hesitation. They must be right policies, righteous policies, which can only be compromised to the disadvantage of the well-being of people.

More than once on this floor I have suggested peace proposals for Korea. They involve the setting up of a neutral zone along the Yalu River which would take care of the interests of Communist China in protecting her from invasion, the reason stated for her entrance into the Korean war. These proposals include the unification of Korea. They include the establishment of civil authority of the Korean Government over its whole area. They include our offer of help in rebuilding the country. By suggesting that the neutrality of that zone be administered by Asiatic nationals, we offer them an opportunity to make a contribution toward peace, instead of offering only carping criticism. These proposals were morally right. We should not have been afraid to make them at any stage of the negotiations. We should be willing to make them now even after our disastrous retreat down the Truman-Acheson bypath.

These proposals are not the only ones that could be made. For instance, one of the leaders on this side of the aisle suggested in conversation the other day that we might propose that the whole of a united Korea be neutral territory with the neutrality guaranteed by the four great powers. That is a thoroughly useful suggestion. There may be other possibilities, but whatever they are, let us search out the best of them and publicly proclaim them as our policy in the Korean area.

Perhaps, Mr. President, you or someone else may be asking what this has to do with the authorization for the mutual-security appropriations. It has very much to do with it. Not having established the well-being of people as our policy in Korea, we find ourselves offering to defend that unhappy country, or, rather, one-half of it, against all comers. Under that proposal we would have to stand armed and ready for years to come, to start the Korean war all over again if history repeats itself. That will be a tremendous and continuing drain on our vitality.

The same principle holds in other countries to which our mutual-security appropriations and activities are directed. Let me call attention to the situation in Indochina. France cannot hold that ever again as a peaceful colony. Her government knows it. Her government does not seem to know how to let go of that situation with honor. The only proposal I am aware of that has come from the French Government is that we should take over. If we do, there go more billions and no security.

As a matter of fact, the attainment of peace with honor in Indochina is wide open. That country has felt that it is forced to make a choice between continued dependence and communism. Unfortunately the people seem to be more interested in independence than they are in freedom from communism.

We have lately had the spectacle of the King of Cambodia making a protesting self-exile in Thailand. He wants independence. Without doubt his people want independence. The time is ripe for France to negotiate independence with Cambodia and Laos. If they enter into active negotiations, carried through to a successful conclusion, they can make an appeal to the people of Viet-Nam with some assurance of success. The Vietnamese should then believe that the French are honest when they offer independence as soon as the country has been pacified. Unless they give such practical assurance, the Vietnamese will not believe them. Nor should they.

Instead of taking this bold and practical step, the French are reported by news correspondents from Saigon to feel that it is now incumbent upon them to send armed forces into Cambodia, as well as into Viet-Nam. With such folly, Mr. President, we must have no connection whatsoever. Unless we can persuade the French to take the only honorable course—the course which has been taken by the United States in the Philippines, the government of the Netherlands in Indonesia, the British Government in India, Pakistan, and the adjacent territories—unless the French are willing to do this, we can do nothing for them, and this they ought to understand.

So here again we come to the practical conclusion that a diplomacy which concerns itself with the well-being of people, their interests, their hopes, is the only one which can be successful politically. At the same time it is one which will relieve us of a financial burden whose weight can only dimly be foreseen.

Nor is this all. Recent events in Eastern Germany, Czechoslovakia, and elsewhere among the satellites of the Soviet government make it clear to us that our interests tie in closely with the interests of the people of those areas. We must work for what they desire. Their hopes and ambitions must be our policies. Why do we not now publicly announce for all the world to hear that it is our policy to work by every honorable means for free communication, and free elections in these troubled areas of the world? Our Secretary of State put our policy in line with the hopes and desires of these enslaved peoples not so many weeks ago. Somebody shushed him up. He had to explain later that he did not mean it. He had better mean it. Our Government had better mean it. Our country had better mean it. The Western World had better mean it.

It is not necessary to incite the satellites to armed resistance. That is for them to judge and determine. But it is necessary for us to tell them that our hearts and minds are with them and will continue to be with them so long as they are deprived of free communication with the rest of the world and free elections in their own internal government. Again, Mr. President, that is pertinent to the money question. If it is known throughout the satellites that that is our enduring policy and that we will be continuously working for it by every proper means, the spirit among the peoples will be such that the Soviet armies will never dare to move westward. Such a spirit, supported by our announced policies, will be worth more than a hundred divisions on the western front, and obviously it will cost much less.

Mr. President, the bill before us is a stopgap measure. It proposes certain expenditures for the fiscal year 1954. Unless our feeble and vacillating diplomatic policy is redirected during this coming year, we will have another bill a year from now for similar or larger amounts. I for one will not vote for it. I will vote for this one only in the faith and hope that we will get a new breath of moral life into our diplomacy in the few months ahead of us.

Mr. THYE. Mr. President, on behalf of myself and 11 other Senators, I call up the amendment identified as "6-30-53—C" and ask that it be stated.

The PRESIDING OFFICER (Mr. PURTELL in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 20 it is proposed to strike out lines 1 to 3, inclusive, and to insert in lieu thereof the following:

SEC. 609. Amendment and repeal of certain provisions: (a) (1) Subsection (a) of section 516 of the Mutual Security Act of 1951, as amended, is amended to read as follows:

"(a) The Congress recognizes the vital role of free enterprise in achieving rising levels of production and standards of living essential to the economic progress and defensive strength of the free world. Accordingly, it is declared to be the policy of the United States, in furtherance of the objectives of this act, to encourage the efforts of other free countries in fostering private initiative and competition in discouraging monopolistic practices, in improving the technical efficiency of their industry, agriculture and commerce, and in the strengthening of free labor unions; and to encourage American enterprise in contributing to the

economic strength of other free countries through private investment abroad and the exchange of ideas and technical information."

Mr. THYE. Mr. President, 11 other members of the Small Business Committee have joined with me in submitting the amendment. I have also discussed it with the acting majority leader, the Senator from California [Mr. KNOWLAND]. I showed him a copy of the amendment yesterday, at the time when it was sent forward. I have also discussed the amendment with the chairman of the Foreign Relations Committee, the Senator from Wisconsin [Mr. WILEY] as well as with the Senator from New Jersey [Mr. SMITH].

Before offering the amendment in the Senate, I submitted it to the Secretary of State, Mr. John Foster Dulles. From him I received, in reply, a letter which I wish to read. Thus it is obvious that the offering of this amendment is not a surprise move, for the amendment has been given much consideration.

I now read the letter from the Secretary of State, Mr. John Foster Dulles:

DEPARTMENT OF STATE,
Washington, June 29, 1953.

The Honorable EDWARD J. THYE,
United States Senate.

MY DEAR SENATOR THYE: Reference is made to your letter of June 27, 1953, in which you request the views of the Department of State concerning an amendment you propose to offer to the Mutual Security Act concerning encouragement of free enterprise and free labor.

The Department would favor the enactment of such a provision. The continued support of the United States for private competitive enterprise and free labor unions in the free world is essential in the constant struggle against communism.

The amendment you propose would avoid the unfortunate implications of existing provisions of the act that the United States should attempt to impose economic policies on other free nations, and is very properly expressed in terms of encouraging such nations in their own efforts to strengthen free economic institutions. At the same time it would remove the risk that would be involved if reference to these objectives were omitted from the act entirely. Such an omission might create the impression abroad that the United States had abandoned its policy of encouraging free enterprise and free labor in the other countries of the free world. For these reasons, I agree that this amendment would be of positive aid in furthering United States foreign policy and would be useful in combating Communist propaganda programs in Europe.

Sincerely yours,

JOHN FOSTER DULLES.

Mr. President, I believe nothing further need be said in support of the amendment.

Mr. McCLELLAN. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. CASE in the chair). Does the Senator from Minnesota yield to the Senator from Arkansas?

Mr. THYE. I am delighted to yield.

Mr. McCLELLAN. I was not given an opportunity to join in cosponsoring the amendment, but I commend the Senator from Minnesota for offering it. I think it expresses a policy that is truly in keeping with our purpose and spirit in the effort to aid other countries, and I believe it would be well to incorporate the amendment in the bill.

Mr. THYE. Mr. President, I thank the Senator from Arkansas for his support. He has stated my own conviction. In all our mutual assistance activities we have endeavored to improve not only free enterprises but the whole situation and freedom of the countries with which we have participated in the program.

Mr. McCLELLAN. The Senator from Minnesota means the whole concept of freedom, does he not?

Mr. THYE. Yes; that is better.

Mr. LEHMAN. Mr. President, I rise to support the amendment offered by the Senator from Minnesota, for himself and a number of other Senators.

Among the many items in the pending bill, there is one which I very much regret to see.

The PRESIDING OFFICER. Is the Senator from Minnesota yielding the floor?

Mr. THYE. No, Mr. President. But I yield for a comment and a statement by the Senator from New York in support of the amendment. I hope action will be taken on the amendment before I yield the floor.

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield for an observation which will take approximately 4 or 5 minutes?

Mr. THYE. I shall be delighted to yield, if I may have unanimous consent to do so without losing the floor. I am anxious, of course, to have action taken on the amendment.

Mr. LEHMAN. If the Senator from Minnesota has any hesitation in yielding, by unanimous consent, in order that I may speak for 5 or 6 minutes, I shall simply ask for the floor in my own right.

Mr. THYE. Mr. President, I ask unanimous consent that the Senator from New York may speak for 4 or 5 minutes, because I understand that he wishes to comment on this amendment.

The PRESIDING OFFICER. Does the Senator from Minnesota also wish it to be understood that, in yielding for that purpose, he will not lose the floor?

Mr. THYE. Precisely so, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota that he may yield for 4 or 5 minutes to the Senator from New York, without losing the floor? The Chair hears none, and it is so ordered.

The Senator from New York may proceed.

Mr. LEHMAN. Mr. President, I repeat that I rise to support the amendment submitted by the Senator from Minnesota, on behalf of himself and a number of other Senators.

In connection with the pending bill, I very much regret to see the repeal of the so-called Moody-Benton amendments, whose purpose it was to encourage free enterprise and a free economy in Europe, free labor unions, and a breakup of the cartels.

I have read carefully the committee report and the excerpts from the reports of the evaluation teams which studied this matter. The Moody-Benton amendments have not, it is said, worked effectively. Yet I think it is a great mistake to repeal these amendments, as difficult as it may have been to effectuate, and as lacking in uniformity as its enforcement has been. These amendments should remain on our statute books as a declaration of our intent and of our national purpose. I feel that their repeal will be greatly misinterpreted abroad. It may be interpreted as an approval by this Government of cartels and monopolistic practices.

Surely, Mr. President, we have been using the entire mutual security program to promote the integration of the economies of the European countries and to secure many changes in internal customs and practices, both of a political and economic nature, in the countries we are assisting.

It was a great step forward, in my judgment, when we adopted the Moody-Benton amendments. I am sorry to see that they are to be stricken from the law. Surely we should, to the greatest extent possible, and without interfering unduly in the internal policies of the countries in question, encourage free trade unionism, free trade practices, and all other practices which tend to help the little people in Europe, rather than big business combines which have, unfortunately, derived the greatest benefit from the assistance program.

If we had expended more energy and devoted more attention to carrying out the purpose and intent of the Moody-Benton amendments, rather than to finding fault with them, more inroads might possibly have been made against Communist strength within some of the countries of Europe.

Mr. President, the amendment of the Senator from Minnesota of course does not go nearly so far as did the Moody-Benton amendments; in fact, it is not exactly parallel with them. However, I think the amendment of the Senator from Minnesota is a step in the right direction.

In view of the fact that it is obvious that the Moody-Benton amendments will not be continued in the Mutual Security Act, I am very glad indeed to support the amendment of the Senator from Minnesota.

Mr. THYE. Mr. President, I have just had delivered to me a letter addressed to me by the Director of Mutual Security, Harold E. Stassen. I should like to read the letter into the RECORD:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF THE DIRECTOR FOR MUTUAL SECURITY,
Washington, D. C., July 1, 1953.

Hon. EDWARD J. THYE,
Chairman, Select Committee on Mutual Security, United States Senate, Washington, D. C.

MY DEAR SENATOR THYE: This refers to your letter of June 27, 1953, requesting the views of the Mutual Security Agency on your proposed amendment to the Mutual Security Act. The amendment states the importance of increasing production and raising living standards as essential to the defensive strength of the free world, and reaffirms the United States policy of encouraging the efforts of other free countries to foster free enterprise and free labor, and encouraging American enterprise's cooperation through private investment abroad.

I believe the amendment you propose would be a positive aid in furthering the mutual-security program in Europe, and would be useful in combating Communist influence abroad. Your amendment would also prevent any possible misunderstanding in Europe that repeal of the so-called free enterprise and productivity amendments was intended as a reversal of traditional United States support of free enterprise and free labor.

Sincerely yours,

HAROLD E. STASSEN,
Director of Mutual Security.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Minnesota [Mr. THYE] for himself and other Senators.

Mr. SMITH of New Jersey. Mr. President, as the ranking member of the committee, in the absence of the Senator from Wisconsin [Mr. WILEY], I should like to speak for a moment. It seems to me that the amendment of the Senator from Minnesota is entirely in line with the thinking of the committee, because the provision of the present law involved the appropriation of a large amount of money for an organization to carry on what might be called propaganda designed to reach certain executives in other countries. That is what was objected to, it being felt that we were trying to impose our views on other countries. There was some resistance to that provision and some misunderstanding of the activity. Therefore, the committee felt that it was unwise to continue the appropriation. But everything that is expressed in the Thye amendment is in line with the committee's thinking; and, while we have not had this matter before the committee, I think I may say to the distinguished Senator from Minnesota that, so far as I am concerned, I shall be very glad to support his amendment.

Mr. THYE. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE], for himself and other Senators. Without objection, the amendment is agreed to.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 14, line 18, it is proposed to strike out the numerals "1956" and insert "1954."

Mr. MANSFIELD. Mr. President, the purpose of the amendment is to provide a termination date for the Mutual Security Act, as was contemplated when the act was originally drawn up. Members of this body will recall that the original ECA Act was to expire on June 30, 1952. I had hoped that it would expire at that time, and I had worked to that end. But unfortunately, Korea intervened, with the result that the MSA was created in place of the ECA. The termination date was then set at June 30, 1954.

I believe, as I have tried to point out, that the MSA as such has reached a point where the returns are diminishing more and more each year. I have a great regard for what both ECA and MSA have done, and I have constantly supported those programs through the years. I am supporting the measure which is now before the Senate, but I believe that the time has come to put an end to an independent agency such as MSA, and to put all economic aid as such under the Department of State, where it rightfully belongs.

If I may, I should like to call the attention of the Senate to the recommendations made in the report by the Hon. HENDERSON L. LANHAM, of Georgia, and myself, as a subcommittee of the House Foreign Affairs Committee, which went to Europe last December. The conclusions of the subcommittee are as follows:

1. All agencies engaged in foreign-aid programs should be abolished as quickly as feasible and their duties centralized under the State Department.

2. The regional office of the SRE—

That is, Special Representative for Europe—

should be abolished and all its duties transferred to MSA, Washington.

3. The positions of ambassadors and ministers now operating under MSA should be abolished.

Mr. President, I may interpolate at that point that during the past year the MSA had 19 ambassadors and ministers in addition to the regularly accredited State Department ambassadors and ministers. I continue:

4. Detail one man—with sufficient authority and prestige and a capable staff—to make a 2-month survey of all foreign-aid programs to eliminate waste and duplication, and to weed out incompetent and unnecessary personnel. We recommend Gen. Joseph McNarney, retired, who did such an outstanding job in a similar capacity for NATO in 1951.

I may say that the present able Administrator of MSA, Mr. Stassen, sent to the various countries in which MSA was operating a commission consisting of 55 businessmen. These business leaders returned, and in their report they stated:

Regardless of the original necessity of establishing separate organizations, we believe that activities having to do with our foreign relationships are a responsibility of the Department of State and should now be operated by it.

Mind you, Mr. President, these businessmen were looking into the setup of the Mutual Security Administration. I read further from the report:

If the Department of State has not in the past been equipped with either the proper personnel or the recognized capacity to carry on these functions, we believe that the time has now come for it to assume its proper responsibilities. Basic political decisions require a knowledge of economics, finance, and military, together with organizational correlation adequate to carry them out effectively. These functions should be as closely coordinated as possible.

So instead of an outstanding individual like General McNarney making an investigation, we have something that probably is better, namely, a committee composed of 55 businessmen visiting various countries at the request of the Mutual Security Administrator to find out what is wrong and what is right with MSA, and then to return home and submit recommendations. The committee came back with recommendations. It recommended that MSA should be made a part of the State Department. The fifth recommendation made by Mr. LANHAM and myself, last December, reads:

5. The creation of a permanent joint Senate-House committee to constantly check on and oversee all foreign-aid programs and to make semiannual reports to the Committee on Foreign Affairs of the House and Committee on Foreign Relations of the Senate, to the House and Senate Government Operations Committees, and to the State Department subcommittees of the Appropriations Committees of the House and Senate.

Mr. President, my reason for offering the amendment is that I think the time has come for a greater centralization and more effective administration of all our foreign-aid programs. By this amendment I do not intend to bring about the complete liquidation of MSA by June 30, 1954, because, under section 530 (a) (2) it is provided:

Funds appropriated under the authority of this act shall, if obligated before such date, remain available for expenditure for 3 years following such date, and shall be available during such period for obligation.

In other words, if MSA comes to an end in 1954, it will, in effect, mean that it will be allowed 3 years within which to liquidate its position before the final and complete termination takes place.

Mr. President, I feel that the Secretary of State should not have control merely of the making of foreign policy, but that he should also have control of the operation of foreign policy. Every aid program undertaken by this country is a part of the foreign policy of the United States, and, as such, I think it is the direct responsibility of the Secretary of State. I also think that he can get the right type of personnel to aid and assist him in carrying out a program of this sort.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. I will yield in a moment.

So far as the defense aid is concerned, I should like to say that it would remain where it is now, in the Defense Department, and it would have the duty and responsibility of carrying out that part of the defense program.

I now yield to the distinguished majority leader.

Mr. KNOWLAND. Mr. President, I wonder if the distinguished Senator from Montana, who, I know, has been interested in this subject for a long time, and very deeply interested in the foreign policy of this country, having served as an able member of the Foreign Relations Committee, would consider modifying his amendment so that instead of the committee recommendation of an expiration date of 1956, or, as in the present act, of 1954, that the year be 1955, and then the 3-year pipeline provision could be reduced to 1 year. Under the circumstances, I wonder if the distinguished Senator from Montana would modify his amendment to that extent in order to accelerate action on the bill.

I cannot speak for the Foreign Relations Committee, and I am not at this

point trying to do so, but I am trying to find out whether there is an area of agreement which would enable us to determine upon a mutually satisfactory date and at the same time meet most of the points raised by the distinguished Senator from Montana.

Mr. MANSFIELD. Mr. President, in view of the circumstances I should be willing to accept the suggestion of the Senator from California. I think it is a good one, when we keep in mind the fact that the original bill extends the operation of MSA to 1958. In the committee I offered an amendment to change the date to 1954. That amendment was defeated, but the committee did accept an amendment fixing the date at 1956.

I should be willing to accept a modification fixing the date at 1955, and, in the meantime, we can examine the foreign program and try to correlate all foreign-aid activities within the Department of State, so that the responsibility will be clearly discerned and the program itself will be placed where it properly belongs.

Mr. KNOWLAND. If the Senator will modify his amendment to that extent, I shall be glad to joint with him in urging upon the Foreign Relations Committee, whose chairman is not at present on the floor, but the ranking minority Member is present, that the Senator's amendment be accepted.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that that may be done.

The PRESIDING OFFICER. The Chair understands that the suggestion of the Senator from California is to modify the amendment to fix the date at 1955, and that the word "three" be changed to "one."

Mr. KNOWLAND. I think it may require two amendments, but in view of the fact that it is along the same general line I shall be prepared to offer a second amendment, unless the Senator from Montana agrees to change the pipeline provision back to 1 year.

Mr. MANSFIELD. I am not sure that that would allow us sufficient time to liquidate the organization. Would 1 year be sufficient?

Mr. KNOWLAND. Would 2 years be agreeable?

Mr. MANSFIELD. I should like to hear from the distinguished Senator from Georgia [Mr. GEORGE].

Mr. KNOWLAND. The Senator from Montana is addressing a question to the Senator from Georgia. I had thought 1 year would be sufficient. I think there would be no great problem in getting that taken care of by the Congress. Personally, I would be satisfied with 1 year, although I should be glad to have the views of the distinguished Senator from Georgia, the ranking minority member of the committee.

Mr. GEORGE. Mr. President, I do not think that more than 1 year would be needed. I am going along with the distinguished Senator from Montana in his original amendment, but if he wishes to modify it and avoid conflict on the issue, I shall be very glad to join.

In the beginning I must make my own position clear. So far as I am concerned, mutual security is going into its last fiscal year, beginning this morning. Regardless of what is done, I shall not be in favor of any further mutual security assistance after July 1954. I do not mean that I may not be for some foreign aid, but not under mutual security. The truth is that it ought to terminate. It would not greatly disturb any European countries, so far as I can see it. They are reasonably happy, at least, because the provision has been in the law since 1952 that it would terminate in 1954. I am only serving notice, individual notice, that, so far as I am concerned, the law will not be extended after the fiscal year which begins today.

I am agreeable to the amendment. There is only one way to end mutual security, and that is to cut it off. There is but one way for the Republican administration to effect economy, and that is to resurvey the whole program. So far as a survey is left in the hands of the administrators of the act, who have a vast army of persons employed at home and abroad, they will never consent to ending it.

Mr. President, while I am on my feet I desire to make one further statement. There is but one way for the nations of Western Europe ever to get and stay on their feet, and that is to let them work out the way to get and stay on their feet. If, after 7 years of large appropriations of money from the Treasury of the United States, they are not now on their feet, they never will be.

It is agreeable to me for the distinguished Senator from Montana to modify his amendment, but I am making my position clear, Mr. President, that from now on I shall not myself support any program for the Mutual Security Agency after the fiscal year expires a year from today.

Mr. MANSFIELD. Mr. President, I thank the distinguished senior Senator from Georgia who worked with me on this amendment in the committee.

I also thank the distinguished majority leader for the consideration he has shown.

I should like at this time to modify my amendment by changing the date from 1954 to 1955, and on page 15, line 5, to strike out the word "three" and substitute the word "one."

In that respect it seems to me we are getting pretty close to my original objective, because under my amendment to strike "1956" and substitute "1954," we would have allowed a 3-year liquidation date, thus reducing it by 2 years while increasing the possibility of a continuation of MSA next year by 1 year.

The PRESIDING OFFICER. The Chair understands that the Senator from Montana is modifying his amendment by changing 1954 to 1955 and by offering an additional proposal that on page 15, line 5, the word "three" be stricken out and the word "one" be substituted.

Mr. MANSFIELD. That is correct, Mr. President.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. SMITH of New Jersey. I am wondering whether the Senator feels that 1 year is adequate, when we have to make commitments under the program we are now authorizing, and whether 2 years would not be preferable. I am not making any controversy over it, but am merely asking the question of the distinguished Senator.

Mr. MANSFIELD. In view of the fact that we are not going to fix the date as 1954, I feel there should be the reduction in the liquidation period suggested by the majority leader.

Mr. SMITH of New Jersey. Does the Senator mean 1 year?

Mr. MANSFIELD. That is correct.

Furthermore, I feel that continuation of aid on the basis on which we have been giving it is bound to create resentment. In effect, I think it is not bringing the nations closer together. The longer it continues, the farther apart it will push us. It is a deterrent to unity. I feel very sincerely that this Government, which has expended approximately $39 billion since the end of the Second World War, has done just about all it can do. Moreover, in view of the economic facts of life, so far as they affect European countries, I believe Europe is on a fairly even keel at present. As I tried to point out yesterday, for the first time since the aid programs went into effect, there was a net increase in the productive capacity of Europe last year.

As one who has supported the aid programs from the beginning, and who is heartily in favor of this year's program, I also believe there is a limit to what should be done. I believe a little more consideration must be given to conditions at home, as well as to conditions abroad. I feel that the end result may well be a firmer friendship and better understanding than is now the case.

Mr. SMITH of New Jersey. I thank the Senator from Montana for his statement. I am entirely in accord with the views he has expressed. I think we must now look forward to getting the appropriation as soon as possible, so I shall not press the point with respect to a 2-year extension, if the Senator, who has given as much study to the situation as the rest of us have, feels that 1 year is as ample for our purposes as 2 years would be.

Mr. MONRONEY. Mr. President, like my distinguished colleague from Montana, I have always favored the foreign aid program. I was a member of the Herter committee in the House, which helped to pave the way for establishment of the Marshall plan program. I heartily concur in the statement by the Senator from Montana that we must give notice to Europe and to the rest of the world that we are going to get out of the business of financing their economies, through foreign aid programs, and that we consider an indefinite and continuing program of dependency upon the United States for aid to be instrumental in building up ill will.

As this program moves lower and lower in the amount of dollar aid to the foreign countries, the more resentful those countries become at what the American program means for their economy, particularly when they must go to our mutual security officers or officials and conform their programs of development to American dictation or American wishes in order to qualify for funds. As a matter

of fact, the funds which will be appropriated and made available in future years will be so low that they will not be effective and not be genuinely healthful to further recovery and prosperity of the nations overseas.

I believe we must look forward, as we terminate this program, to improving and increasing the acceptance of an increase of trade with those people as an instrument of foreign policy. They wish to work their way out of the present situation. They wish to be self-respecting traders in the world market. Unless we affirmatively adopt as the policy of the United States a determination to increase this trade, and find ways to do it, we shall probably see much of the accomplishments of our foreign-aid program drift back, so that the situation in the foreign field will be less satisfactory than it now is.

Mr. MANSFIELD. I agree with the distinguished Senator from Oklahoma. I know of his great interest in this program. I am in wholehearted accord with what he has said.

Mr. MONRONEY. The Senator from Montana will agree, will he not, that in terminating the program, we must look forward to an open door for trade, so that those people will not be hopeless? The question of tariff barriers, customs restrictions, and all the other impediments to helping them work their way out and become self-supporting nations, must be affirmatively explored by Congress.

Mr. MANSFIELD. The Senator is correct. The imbalance of trade must be corrected. The tariff walls are not all on our side. The Western European nations themselves likewise should consider some of the prohibitive tariffs which exist with respect to some of their own commodities.

Mr. MONRONEY. Indeed; but affirmative action in setting the pace in this country can do much to help tear down barriers the foreign countries have erected between themselves, as well.

Mr. MANSFIELD. The Senator is absolutely correct.

Mr. SCHOEPPEL. Mr. President, in my opinion, the amendment of the Senator from Montana decidedly improves the bill. I am in hearty accord with the position taken by the distinguished Senator from Georgia [Mr. GEORGE].

I wish to ask the distinguished Senator from Montana [Mr. MANSFIELD], who has had much experience in this field and has checked into the question, whether he feels that improvements in the administration of aid and elimination of duplication have resulted in the saving of some of the rampant running expenses which have heretofore characterized foreign aid?

Mr. MANSFIELD. On the basis of testimony presented to our committee, there has been a substantial reduction, and there will be a further substantial reduction by the 15th of July. I think also that Mr. Stassen, who is new on the job, and the persons whom he has working for him, have done good, efficient work in the period they have been operating.

Mr. SCHOEPPEL. I am glad to hear the Senator from Montana say that, because I know that in the view of many who have had some understanding of the situation the conditions with respect to duplication, waste, and expenses have been rather appalling. Likewise, the reaction that has developed in foreign countries toward the United States is quite the contrary of what we had expected.

I have had some assurances from members of the Committee on Appropriations that although we are authorizing the amount of money which has been included in the bill, which, in my view, is in the nature of a promissory note that can be cashed, we can look forward to certain reductions in amounts. There are certain phases of the bill I wish I did not have to vote for, but the Senator's amendment is a good one.

Mr. MANSFIELD. I thank the Senator from Kansas. I hope the administration of foreign aid can revert to the State Department, where it belongs, so that the Secretary of State will have full responsibility for its operation.

The PRESIDING OFFICER. Without objection, the amendments offered by the Senator from Montana [Mr. MANSFIELD] will be voted upon en bloc.

The question is on agreeing to the amendments offered by the Senator from Montana.

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GEORGE. Mr. President, I did not wish to take time before the vote, because the suggestion made by the distinguished majority leader, and its willing acceptance by the distinguished Senator from Montana, who offered the original amendment, were quite agreeable to me.

However, I repeat that if President Eisenhower wishes to make economies, there is a golden opportunity to do so in this field. He cannot do it except by setting up an independent committee or commission, to review the whole work and the whole foreign aid program. When such a study is made, I am confident that the recommendation made will be such that Congress can, in good conscience, follow it, and it will result in a tremendous saving to the Treasury, in my honest judgment.

I shall not offer to this particular bill an amendment requiring or recommending that the President appoint such a commission, but the only way out of the mass of expenditures in foreign fields is through the creation of an independent commission, which the President himself will create within the year. I thought 1 year was sufficient, but it might be well to have its life extended to 2 years. At the same time, we would have an opportunity to review appropriations for the next fiscal year after the current fiscal year.

I serve notice individually that, as a member of the Committee on Foreign Relations, I am through with mutual security assistance as such. But if the President will create a commission to review all the expenditures of money in the foreign field, and if a recommendation shall be submitted, I shall be more than inclined to support it, because I know it will result in real economy to the Treasury of the United States.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, I should like to ask a question of either the chairman of the Committee on Foreign Relations or a member of the committee. I ask the question in order to make it and the answer a part of the legislative history of the pending bill.

I have been informed that despite the fact that the Economic Cooperation Act of 1948, as amended (sec. 1[2 (j)), requires the Administrator to provide dollars for marine insurance on commodities shipped from the United States where such insurance is placed on a competitive basis in accordance with normal trade practices prevailing prior to the outbreak of World War II, nevertheless, as a practical matter MSA refuses to allocate dollars for the payment of premiums on marine insurance except upon the request of the participating country. Since participating governments in most cases do not make such requests unless the insurance is placed in the market of the participating country, American insurance companies are effectively kept from insuring the shipments and in fact competition is eliminated. Is that the Senator's understanding of the way this provision was intended to work? I am sure that the Senator will understand my interest because a great deal of marine insurance is placed in companies of my home State.

Mr. SMITH of New Jersey. Mr. President, with the approval of the chairman of our committee, I rise to answer the question of the Senator from Massachusetts.

I may say to him that I am very glad the question has been raised, because there has been confusion with regard to the placing of marine insurance. The question has arisen in a number of States, including my own State of New Jersey. I will say to the Senator from Massachusetts that it seems to me—and I believe I also speak for my colleagues on the committee—that the intent of this provision was that the ECA Administrator, now the MSA Administrator, was to provide dollars for marine insurance where the insurance was placed on a competitive basis in accordance with normal trade practices prevailing prior to the outbreak of World War II. In other words, I do not think that this provision of the act should be interpreted by the Administrator so as to give a competitive advantage to the marine insurance markets of the countries we are trying to help economically.

I hope I have answered the Senator's question.

Mr. SALTONSTALL. The Senator has answered the question. I appreciate

the answer, because it provides a part of the legislative history of the pending bill, on which action may be taken in the departments.

The PRESIDING OFFICER (Mr. CASE in the chair). The bill is open to further amendment.

Mr. McCLELLAN. Mr. President, I may say that last evening when the majority leader made a unanimous consent request to limit debate, I wanted to agree to it, and would have agreed to it after the colloquy which passed between us.

Unfortunately, it was objected to, and I was willing then to try to expedite action on the bill and to cooperate with the leadership in every way to get the bill to final vote as soon as it was possible to do so.

A few minutes ago the distinguished majority leader asked for a quorum call, but before the call had proceeded to a conclusion he withdrew the request. I did not object.

Mr. President, what I am trying to say is I believe that if we could have a quorum call and get Members of the Senate on the floor I could, in 15 or 20 minutes, explain the amendment as I understand it, and how it will operate, and what it is designed to do. I believe it would expedite a vote on the amendment and on the bill. Otherwise, I would begin to speak now, more Senators would come on the floor as I go along, and in that way perhaps it would take longer to consider the amendment.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senator from Arkansas may yield to me for the purpose of suggesting the absence of a quorum, without his losing his right to the floor.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. KNOWLAND. I wish to say to the distinguished Senator from Arkansas that I think his suggestion is a good one. I believe we can expedite action on the bill by having as many Members present as we can get away from their committee duties and other business.

I hope, if we can move along and finish consideration of the bill by mid-afternoon, that we will then make the reciprocal-trade bill the order of business and open debate on it. By so doing we would have a fair opportunity of finishing consideration of the reciprocal-trade bill by tomorrow. If so, we would recess from tomorrow until Monday. Otherwise it would be necessary to have a Friday session.

Mr. McCLELLAN. Mr. President, I do not know, but I believe mine is the last amendment to be offered, and I have waited until all the other amendments were disposed of, in the hope that the Senate could proceed to vote, if we could get the membership present to hear my explanation of it. After my explanation of it, the Senate could debate it, perhaps hurriedly, and we could come to a conclusion on it, and then let the bill reach a final vote.

Mr. KNOWLAND. Mr. President, the acting majority leader is glad to cooperate, and considers the suggestion to be a good one.

Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Green	McCarthy
Anderson	Griswold	McClellan
Barrett	Hayden	Millikin
Beall	Hendrickson	Monroney
Bennett	Hennings	Morse
Bricker	Hickenlooper	Mundt
Bridges	Hill	Murray
Bush	Hoey	Neely
Butler, Md.	Holland	Pastore
Butler, Nebr.	Humphrey	Payne
Byrd	Hunt	Potter
Carlson	Jackson	Purtell
Case	Johnson, Colo.	Robertson
Chavez	Johnson, Tex.	Russell
Clements	Johnston, S. C.	Saltonstall
Cooper	Kennedy	Schoeppel
Cordon	Kerr	Smathers
Dirksen	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Dworshak	Kuchel	Sparkman
Eastland	Langer	Stennis
Ellender	Lehman	Symington
Ferguson	Long	Taft
Flanders	Magnuson	Thye
Frear	Malone	Watkins
George	Mansfield	Welker
Gillette	Martin	Wiley
Goldwater	Maybank	Williams
Gore	McCarran	Young

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. DUFF] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER], are absent by leave of the Senate.

The PRESIDING OFFICER (Mr. BENNETT in the chair). A quorum is present.

Mr. McCLELLAN. Mr. President, we have considered a large number of amendments to the pending bill, and in the course of the debate, a message has come from the President of the United States recommending certain legislation to deal with a problem that is becoming quite serious in this country, if not in some respects critical, with regard to surplus agricultural products. Some amendments that have been offered to the bill were in the nature of giveaway provisions of some of the products that we are fortunate to have in excess supply. In one sense the entire bill is a giving away of our substance. It is predicated upon the theory, a theory which I hope has substance to it, that by contributing to the economic welfare of friendly nations and by helping them to shore up their own economies, we are serving our own self-interest.

The pending bill is entitled "An Amendment to the Mutual Security Act," the basic law. If there is provision in this act tending toward security for our allies and friends, or if there is a contribution to their security, and if there is to be mutuality, then there must be something for us in return. By the amendment which I shall offer at the conclusion of my remarks I shall simply propose that we try to get a little something of material value in return while we are pouring out so much of our material wealth in an effort to help sustain the free countries of the world, and at the same time to serve our own enlightened self-interest, if we want to put it on that basis.

We hear a great deal about our surplus agricultural commodities. They are not surplus with respect to the needs of the world; they are not surplus with respect to the needs of our allies; and they are not surplus to the needs of the countries who are eligible to receive aid under the pending bill. Therefore, Mr. President, instead of proposing that we simply give away some of the surpluses which we now have on hand, I propose something that is in line with the claim that what the foreign countries want is trade rather than aid. I am simply proposing to give them an opportunity, and to make it possible for them to trade with us and to purchase, not commodities which are in surplus and that are part of the stocks of the Commodity Credit Corporation, but to purchase through the regular channels of trade those commodities which are in surplus now, or which may become surplus in the ensuing fiscal year.

Mr. President, I shall read the amendment and then discuss it briefly, explaining what it does, how I think it will work, and how it will operate to the mutual advantage of our country and the countries which are intended to become and which will become the beneficiaries of this authorization when an appropriation is made to implement it and to carry it out. I propose, on page 2, line 1, following "Sec. 540," to insert "(a);" to strike out the quotation marks at the end of line 13, and between lines 13 and 14 to insert a new subsection, reading as follows:

(b) Such amounts of the funds authorized to be appropriated by subsection (a) of this section as may be specified in the act appropriating such funds shall be used by the President—

I call attention to the fact that there is no fixed amount, but such an amount as the Appropriations Committee, upon the basis of testimony presented to it, may earmark, that is, after it has heard testimony for the purpose of getting an indication of how much may be needed, and how much other countries may be able to use.

The new subsection would continue—

under such rules and regulations as he may prescribe, to provide military assistance to countries eligible to receive such assistance under this act through currency conversion agreements entered into in accordance with this subsection. The President is authorized to enter into an agreement with any such country which shall provide—

(1) for the conversion into currency of the United States of such amounts of the currency of such country as may be specified in such agreement, and for the use of such United States currency for the purchase of agricultural commodities produced in the United States which are determined by the

Secretary of Agriculture to be in surplus supply;

(2) for the use of the currency of such country received by the United States under such agreement to procure military equipment, materials, and services in such country for the purpose of carrying out the provisions of this act;

(3) satisfactory assurance that an amount of dollar exchange, equivalent to the dollar exchange used by such country during the fiscal year beginning July 1, 1952, for the importation from the United States of each commodity covered by the agreement, will be made available by such country during the fiscal year beginning July 1, 1953, from sources other than dollar exchange made available under this section of the act for the purchase of each such commodity; and

(4) that the purchase of agricultural commodities produced in the United States with dollar exchange provided under such agreement shall be conducted through private trade channels.

Mr. President, the amendment authorizes the Appropriations Committee to earmark a portion of the funds to be appropriated for military assistance under the Mutual Security Act, for use in a currency-conversion program that will serve a dual purpose of, first, increasing exports of surplus agricultural commodities produced in the United States, by accepting foreign currencies in indirect payment therefor. I may say that no country would be eligible for this currency-conversion agreement until that country had given satisfactory assurances that it would release dollars in sufficient amount to buy the same amount in dollar value of a specific commodity that it bought during the past fiscal year. This then becomes an inducement to that country, after it has spent those dollars, to buy as much in 1954 as it bought in the fiscal year 1953. This becomes an attractive inducement to that country. It is as though we were to say to them, "If you want to buy more of our wheat, cotton, corn, or whatever is in surplus, we will give you the dollars; you give us your currency in exchange, with the understanding that you will use those dollars to buy, not out of the Commodity Credit Corporation, but out of the regular channels of trade. You buy commodities that are in surplus, and we will take your currency and spend it in your country for military supplies and services."

Mr. President, we are going to do one of two things: We are going to spend all this money in dollars over there, or we are going to take some part of it in their currency and let them use dollars that we give them to buy these agricultural products which are in surplus. The surpluses are increasing. Let them buy through regular channels of trade, and we pay them with their own currency. It is not a give-away; it is aid by trade.

Mr. MONRONEY. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. MONRONEY. I am trying to get the meaning of the cutoff between the purchases last year and now, and I should appreciate it if the Senator would amplify it. It is still unclear to me.

Mr. McCLELLAN. It is like all other agreements we make with foreign countries. Before a country is eligible and before any conversion agreement will be entered into, that country has to give satisfactory assurances to the Mutual Security Administrator that it will release free dollars for the purchase of these products which are in surplus. When that country has given us assurance that it will buy the same amount that was purchased last year of the surplus commodities, we will make a currency conversion agreement with them whereby they buy some of these commodities, we provide the dollars, and take their currency and spend their currency with them to buy military supplies and services.

The Appropriations Committee, after it has heard testimony, is prepared to determine how much it will appropriate, $300 million, $400 million, $500 million, or whatever the testimony indicates may be needed to finance the program. That money is earmarked. We would not want to earmark more than it would be reasonably anticipated would be used for that purpose.

Mr. MONRONEY. In other words, if a foreign country had used $100 million worth of cotton, it would be entitled in the next fiscal year to purchase additional cotton on an exchange of currency.

Mr. McCLELLAN. That is correct.

Mr. MONRONEY. But it would still be limited, would it not, to the amount that is in the bill as it comes from the committee, in hard dollars that would buy anything the United States had to sell, but we are making those dollars limited in this case beyond the amount purchased in 1953?

Mr. McCLELLAN. They can be spent to the extent the Appropriations Committee earmarks the money; that is true. These dollars would not be hard dollars; they would become free dollars; they would be available only if the foreign nation wanted to buy, under the arrangement, some of our surplus agricultural products.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. ELLENDER. I wonder if the Senator can be a little more specific. Suppose a certain sum of money is allocated to Italy, let us say, in order to purchase needed cotton. Would our Government merely buy a certain amount of lires so as to permit Italy to use the dollar exchange to buy cotton in the United States?

Mr. McCLELLAN. It would have to agree to buy in the United States through the regular channels of trade. We are not requiring it to buy surplus on hand in the Commodity Credit Corporation. Of course, whatever it bought would diminish the surplus we would otherwise have at the end of the year.

Mr. ELLENDER. I understand that the money, however, would be made available to help us militarily.

Mr. McCLELLAN. The currency we get from them in exchange is spent for that purpose. It can be spent to buy planes or to buy ammunition or small arms.

Mr. ELLENDER. Are we not imposing an obligation on Italy, in consideration of our letting her have aid to buy a certain amount of surplus, such as cotton or other surplus commodities.

Mr. McCLELLAN. There is absolutely nothing compulsory about it. There is nothing to compel them to buy if they do not want to. We are trying to set up an arrangement whereby we can offer some attractive inducement to them to buy some of our products that are in surplus. That is all we are trying to do.

Mr. HUMPHREY. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. HUMPHREY. This amendment does not provide additional funds, but authorizes the utilization of the funds authorized in that particular section, as may be provided by the Appropriations Committee, out of the aggregate total; is that correct?

Mr. McCLELLAN. That is correct. The committee would have to get the approval of the Congress.

Mr. HUMPHREY. It does not provide for gifts of commodities where there may be a famine situation, does it?

Mr. McCLELLAN. It has nothing to do with that. The bill which the Senator introduced and the President's proposal in no way conflict. If we want to consider it further and come to the conclusion that the Senator's bill or the bill of the Senator from Vermont [Mr. AIKEN] is wise and desirable, this amendment in no way prevents that.

I understood the President's bill and the amendment as the Senator from Minnesota offered it last night would apply primarily to famines and to critical emergencies. Unless there is a very broad and loose interpretation placed upon the language in the President's message, I doubt if some countries would be eligible to receive our surplus commodities. That would depend, of course, upon the language of the bill when it is finally passed.

Mr. HUMPHREY. In other words, the amendment which the Senator from Arkansas offers is essentially directed toward the fulfillment of what might be normal needs on the part of the purchasing country.

Mr. McCLELLAN. Yes; that is correct.

Mr. HUMPHREY. But that country may be short of dollars. Once the country has certified that it will spend as many dollars in the ensuing year as it did in the previous year——

Mr. McCLELLAN. For a specified commodity.

Mr. HUMPHREY. Then it becomes eligible for the currency conversion arrangement which permits the United States to accept foreign currency and provide dollars in a similar amount under the foreign agreement. Then we, in turn, spent the foreign currency in the foreign country.

Mr. McCLELLAN. Yes. So they would be receiving every dollar of aid under the bill that they would receive if we spent all dollars. All we are doing is making it possible for them to come here and go into the open market and buy commodities which are already in surplus and which might be in greater surplus at the end of the next crop year.

Mr. HUMPHREY. The amendment which I offered last night, while its language was not nearly so specific as is the language which is now being proposed, in the portion where I proposed

to authorize the President to utilize our surplus commodities as he deems necessary in connection with our foreign policy and our national security, in my explanation I pointed out that it might mean a gift, a sale at a concessional price, a sale on a long-term loan, or it might mean a sale with currency conversion.

As I understand the Senator's amendment, it is limited specifically to normal-trade practices. However, normal-trade practices today are blocked, because of the inability of some would-be purchasing countries to have a sufficient number of dollars.

Mr. McCLELLAN. That is correct.

Mr. HUMPHREY. So long as those countries duplicate their regular-trade pattern in a particular commodity for the coming year on the basis of their last year's purchases, then they are eligible to purchase additional commodities by means of the United States Government making up the dollars, when the purchasing country provides from local funds an equal amount.

Mr. McCLELLAN. By conversion of their currency; and they would at any rate get back every benefit we would provide in dollars because we would spend the currency in their countries on whatever contracts we have for supplies. Furthermore, I think we would finally give those supplies to them, such as materials and arms. Much of the supplies we would give to them after we had bought and paid for them.

Mr. HUMPHREY. I desire to have the record clear that, to my mind, what the Senator has proposed is very constructive. I think it fits into what I may call the normal-trade pattern among nations. It can be sufficiently comprehensive to mean what the President suggested in his message. But I think I should state that, at least from my point of view, it is a forward step. It makes possible an improvement in the trade relationships among nations, and permits us to utilize local currencies, while affording a greater exchange of goods.

Mr. McCLELLAN. The Senator is correct. It is an inducement to create more trade, which is what foreign nations have been clamoring for. They say they want more trade, and less aid. My amendment is designed to help them accomplish that purpose. At the same time, it will not cost the United States any more, nor will it deprive foreign countries of any benefits, which they would get anyhow.

Mr. HUMPHREY. Since the amendment is attached to section 540, there may be some who will say it will dilute or diminish the amount of military assistance funds. As I understand, the Senator is not asking that there be any specific amount specified; he is saying the amount will be determined by the Committee on Appropriations. It may be $10 million, $15 million, $25 million, or any other amount.

Mr. McCLELLAN. It is only an authorization. When the appropriation is considered, it will be subject to amendment, in the final judgment of the Senate and of Congress as a whole.

The Senator may recall that in 1949, I believe it was, I undertook to place a similar amendment on an appropriation bill, but it was ruled to be legislation, and we were unable to have the rules suspended. The amendment was not exactly like the one now offered, but it was directed toward the same goal.

What I am now seeking to do is to place the amendment in the authorization bill, so that the Committee on Appropriations can hear testimony. The committee may not earmark one dollar for the purpose specified. It may not feel justified in earmarking one dollar. But if the committee concludes that it is justified, then it will have the authority to do so, and the appropriation made for this purpose would be fully authorized. The only question then before the Senate would be as to the amount, or the wisdom of making any appropriation at all.

Mr. HUMPHREY. In view of what I might say was the rather dismal showing on the vote last evening in respect to what I considered to be a worthy objective, realizing that there were honest differences of opinion as to the amount to be involved, I believe this to be a constructive and a positive step toward what we are seeking. I gather from the Senator's remarks that he is now proceeding on the basis of an authorization——

Mr. McCLELLAN. An authorization only.

Mr. HUMPHREY. Which he did not do previously as to the appropriation item.

Mr. McCLELLAN. The Senator is correct.

Mr. HUMPHREY. The Senator is relying on the Committee on Appropriations to determine the dollar amount, if any, that will be utilized out of this section. He is not authorizing any dollar amount. It is an open-end authorization, and the amount is left to the Committee on Appropriations.

Mr. McCLELLAN. The Senator is correct. I do not believe we could very intelligently earmark any funds at this time. If the judgment of the Committee on Appropriations errs in fixing an amount, the Senate, of course, can correct the error.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. ELLENDER. When the distinguished Senator states that he desires that the Committee on Appropriations shall earmark a certain portion of this amount——

Mr. McCLELLAN. I anticipate that the Committee on Appropriations would say "Not to exceed."

Mr. ELLENDER. For what? To buy surplus commodities?

Mr. McCLELLAN. It would be under the currency exchange provision.

Mr. ELLENDER. But would a certain amount of the appropriation be earmarked?

Mr. McCLELLAN. It would be used to carry out subsection (b) of the bill, which would be this subsection.

Mr. ELLENDER. Does that subsection deal with surpluses?

Mr. McCLELLAN. It deals with currency exchange for the purchase of surpluses.

Mr. ELLENDER. If there is no obligation on the part of a country to utilize funds that are made available to buy surpluses, what is the purpose of the Senator's amendment?

Mr. McCLELLAN. It says they may be used.

Mr. ELLENDER. As the Senator answered previously, there would be no obligation to buy surpluses on the part of a country that obtained funds from the United States.

Mr. McCLELLAN. I do not think there is an obligation upon any country to accept $1 of these funds if they do not wish to accept them. They can say they do not want our help. But if they want to cooperate and help to stimulate trade and get something they need which we have in abundance, without hurting us, this is an opportunity.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. MONRONEY. I am still trying to get an understanding of the matter. This is the first time I have observed the Senator's amendment. The Senator says that foreign countries are not obligated to accept the deal, but that the money will be reserved out of the bill by the Committee on Appropriations.

Mr. McCLELLAN. That is correct. Just as in the case of any other item in the bill, the provision will be that the funds may be used. That is what it will say, that it may be used.

Mr. MONRONEY. But as the bill would come from the Committee on Appropriations, if we assume that $500 million would be earmarked for this transaction by the Appropriations Committee, and it should not be used in the plan proposed by the Senator from Arkansas, then it would be lost to European aid.

Mr. McCLELLAN. I think that would depend on the way the provision was written in the appropriation bill. There could be a complete limitation, or a limitation subject to discretion. This amendment does not determine that. That would be determined by language in the appropriation bill.

Mr. MONRONEY. Does the amendment prohibit transactions between the Commodity Credit Corporation and the governments involved? Those moving through private channels must clear through private channels, or if the grade or quantities of materials in surplus are not readily available at ocean ports, can the Commodity Credit Corporation accept them?

Mr. McCLELLAN. I should think they could, if the articles were not available through regular channels. I think the purpose is to try to stimulate trade through regular channels. It is not the purpose to make this amendment a dumping amendment, as the term is sometimes used.

Mr. MONRONEY. In other words, if we elected to use for export Government sources entirely, eventually our private sources would go out of business.

Mr. McCLELLAN. The Senator is correct.

Mr. MONRONEY. And the Government would have that load placed on it, whether it wanted it or not.

Mr. McCLELLAN. That is right. We are trying to avoid that. We are trying to keep the trade in private channels, and are attempting to stimulate private

trade, so as to make it possible for the foreign countries to have more dollars with which to purchase. At the same time, they will be getting every dollar's worth of benefit out of this bill.

Mr. MONRONEY. I am impressed with the goal at which the Senator from Arkansas is driving. Yet I fear that if the amendment involves a large amount of aid, damage will be done to perhaps the last foreign aid bill to come before the Senate. By absorbing a billion dollars or a half billion dollars in this program, we would be doing damage to the foreign aid concept. Could the Senator give us an idea of the amount he is thinking of in those terms?

Mr. McCLELLAN. I said I did not think anyone could be accurate. I do not know what the testimony will show. I do not know whether the amount would be $200 million, $300 million, or some other amount. But whatever amount it may be, it can not do any damage, because every dollar any country uses for any purpose will be spent right back with us. I do not see how it could do any damage at all. They would not get any less.

Mr. MONRONEY. Within the limit of $100 million or $200 million I agree that there would probably be a very beneficial effect upon our surplus agricultural economy, in connection with our private transactions to keep alive our exporting business. However, if such a program should reach the proportions of $1 billion or $2 billion I might violently disagree, because then we would be destroying the very thing we are trying to promote, namely, the supplying of the dollar gap. If the amount were specified and the program were limited to surplus agricultural commodities, it might be a very fine thing, to the extent of perhaps $100 million. But when it comes to amounts in excess of that, I would be inclined to vote against the Senator's amendment.

Mr. McCLELLAN. I cannot speak for the Appropriations Committee. The Appropriations Committee does not always speak for the Senate. Sometimes the Senate revises its recommendations.

Mr. MONRONEY. The Senator from Arkansas is one of the able and distinguished members of the Appropriations Committee.

Mr. McCLELLAN. I thank the Senator. I am not trying to fix any amount. I am not trying to wreck the program. However, if we are to spend money I want to get some benefit from it. We have heard from the distinguished senior Senator from Georgia [Mr. GEORGE] today that the program covered by this bill is the end, so far as he is concerned. I might agree with that view.

This is not an amendment aimed at crippling the bill. It is not intended to do so. It is intended to promote mutual assistance, and at the same time not to interfere with the military aid which this bill provides.

Mr. MONRONEY. I agree with the Senator that to a small degree, and within certain limits, the plan might be a very good one.

Mr. McCLELLAN. I think it would be a good thing to at least experiment with it to a certain degree.

Mr. MONRONEY. I agree with the Senator. I think we must move toward more trade and less aid. Anything in that direction would be beneficial to the economy of this country.

Mr. McCLELLAN. I would not insist on any exorbitant amount being earmarked for that purpose. I have no definite idea as to the amount. I should like to hear the testimony of the MSA officials, and get what information we can from them. If this provision goes into the bill, no doubt they will check through their sources of information in foreign countries and see what the prospects are, so that they may give us some idea of what the program should be, and how extensive the operation can be without doing any damage to the program or wrecking it, and without imposing upon foreign countries something contrary to their will.

Mr. MONRONEY. To a limited degree—such as an amount of $50 million or $100 million—I think it would be very beneficial. However, if the program should involve large amounts, to the point where it would represent an important percentage of the overall program, I am afraid we would destroy the program which we are trying to promote today in getting Europe to rearm. Part of the justification for the rearmament is that there will be liquid dollars which can be spent for whatever purpose the foreign countries wish to spend them, whether for supplies, materials, or machinery. That is the incentive, and represents the mutuality on our part. It is essential that Europe shall provide modern equipment for the European defense community and for the NATO army.

Mr. McCLELLAN. Let me say to the Senator that if the Appropriations Committee should earmark too much, the appropriation bill will come to the floor of the Senate, together with whatever record is made to help us reach an intelligent decision.

I hope the Senator from Oklahoma will go along with this amendment and let us see if we can find a way to make the program reciprocal and mutual, as it is intended to be. Foreign countries need the surplus food which we have. They need the surplus fiber which we have. We are trying to make it possible for them to get more of it. We are not trying to dump something on them that we cannot use or do not need. Neither are we trying to curtail or cripple the military-aid program, because every unit of their currency that we get in exchange for dollars will be spent for the very things for which we have contracted to spend the money in the foreign country.

Mr. MONRONEY. Assume that the program should be restricted to a figure in the neighborhood of $100 million——

Mr. McCLELLAN. I cannot pledge that.

Mr. MONRONEY. The junior Senator from Oklahoma intends to vote for the amendment, on the assumption that the operation will probably be restricted, and perhaps limited to approximately $100 million.

Mr. McCLELLAN. I say to the Senator that even if we can put $100 million more of these surplus products into the channels of trade, it may open the way to greatly improved trade between the countries.

Mr. STENNIS. Mr. President, will the Senator yield for a question?

Mr. McCLELLAN. I am glad to yield to the Senator from Mississippi.

Mr. STENNIS. As I understand, the Senator proposes, through this conversion plan, to create certain credits in foreign countries, in their own money, which could be used to take care of our expenditures there. Is that correct?

Mr. McCLELLAN. That is true to the extent that they enter into an agreement that they will use the dollars to purchase, through the regular channels of trade over here, our agricultural commodities which are in surplus. In turn we agree to spend their currency back there, to provide them with military assistance for which otherwise we would be compelled to spend dollars.

Mr. STENNIS. To the extent this amendment might operate, that would be the system to be followed, using their money for the erection of military public works or other structures.

Mr. McCLELLAN. That is true. Bear in mind that this amendment would not interfere with normal trade, to the extent of the number of dollars they would normally release, on the basis of what they bought last year. They still must supply those dollars. Much of that money they may obtain under the provisions of this bill. However, this program operates after they have given assurance that dollars will be released to a certain extent. We make an agreement with them.

Mr. STENNIS. As an indication of the need for such funds, and how the proposal would fit into the present program, the Senator from South Dakota [Mr. CASE], who is chairman of the Subcommittee on Military Public Works, recently requested figures as to the amount of funds now available in France, to be spent there by us. He found that the amount was around $20 million. When that fact was reported to the Appropriations Committee, with the suggestion that the committee consider providing for the application of some of those funds to military construction, the Senator from South Dakota found that there were $240 million worth of claims that could be applied against the $20 million, that is, there was an amount of $240 million which could be lawfully expended, as against the $20 million, which shows the enormous demand which is accumulating in those countries for the very kind of funds which the Senator's amendment would supply. At the same time, the plan would take care of surplus agricultural commodities.

Mr. McCLELLAN. We are always talking about trade barriers. We have the opportunity here to provide foreign countries with dollars to buy what we have, and in turn, to take their own money and buy what we need from them, much of which we are going to give to them. We are buying it with their own currency and then giving it to them, leaving it in the foreign country to serve that country and serve us in security fields.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from Kansas.

Mr. CARLSON. I have listened with great interest to the discussion of the amendment of the Senator from Arkansas. I have been trying to place myself in the frame of mind in which I might be able to support the amendment, because I feel that it has great merit. In the first place, it would provide food for people who need food. In the second place, it would dispose of surplus agricultural commodities.

I am having some difficulty, however, when it comes to the method of using the funds. As I understand, the amendment would give the Mutual Security Administration the authority to barter and trade. It had been my sincere hope that we could get to the place where we would gradually close out the agency, instead of giving it more work and more problems to contend with.

Mr. McCLELLAN. Of course the program would be extended for only 1 year, as I understand. We could close it out next year, if we wished to do so. In other words, we are going to spend money in the amount that we may appropriate under the authority which we would set up in the pending bill. I do not know what the amount of the appropriation will be. However, we are going to spend some money, and we are now authorizing the expenditure of it. I am merely trying to find a way to take some of the dollars and exchange them for foreign currency, so that foreign governments will have the dollars with which to buy, through regular trade channels, what they need to buy from us what we have in great abundance. The currency which we get from them will go right back into those countries for the things they have that we need and which are associated with this program only, namely, military aid. They are now manufacturing weapons and we are paying them with dollars. They would be paid with their own currency. It would not be in any great amount. Certainly it would not all be spent in that way.

Mr. CARLSON. Mr. President, will the Senator yield further?

Mr. McCLELLAN. I yield.

Mr. CARLSON. I wish to commend the Senator for working out a very fine amendment. As I say, I am struggling with myself about it. I am fearful about it. The Senator has stated that this would involve a 1-year period. It seems to me that we would get involved in another program.

Mr. McCLELLAN. I may say that the provisions in the bill are extended for 2 years, if I am not mistaken.

Mr. CARLSON. Whatever the time is, it is for a certain period of time.

Mr. McCLELLAN. It is necessary each year to make appropriations, of course. If the bill is not further amended, the time of it—I am not sure of the time, but I think it is a 2-year period. Am I correct about it?

Mr. GEORGE. One year after fiscal 1954, which is to July 1955.

Mr. McCLELLAN. That makes it 2 years from now. That is my understanding. The provision does not expire in 1 year. It goes on for 2 years, or for the life of the bill.

Mr. CARLSON. I think it is a very worthy objective, and that it attacks a problem which Congress should consider. It seems to me that we should have an opportunity to hear testimony on it in committee and give it some real thought and study.

Mr. McCLELLAN. Of course, I would be willing to have testimony heard on it in the Committee on Appropriations. I have not gone along with the general idea of taking our surplus commodities and giving them away. I do not think, as some have said, that we make friends by doing it, except in crises or emergencies or great famines.

I think the people over there would rather earn and buy. In this way, they would have an opportunity to earn dollars. They would be trading their currency, and they would be selling us something in return. I believe this is the time to place such an authorization in the bill, and then let the Appropriations Committee hear testimony on it, and determine to what extent we should try it out this year.

Mr. CASE. Mr. President, will the Senator yield?

Mr. McCLELLAN. I am very glad to yield.

Mr. CASE. I may say, first, that I think the Senator from Arkansas is coming close to what ought to be done with respect to making the money that is available in the Mutual Security program do double duty by relating it to the agricultural commodities.

I thought the trouble we faced last night with the so-called Humphrey amendment was that it was very much wide open. It did not establish standards. The amendment of the Senator from Arkansas does establish a standard, in the first place, by limiting its application to "countries eligible to receive such assistance under this act." It is limited to countries qualifying under the act.

Further than that, there is also provided a standard requiring a currency exchange. That establishes a limitation. Other countries will not give up their currency except for something they really need.

The Senator from South Dakota has an amendment pending, which he will offer in the event the Senator's amendment is not agreed to, which acts on the same principle. Personally, I shall support and do support the amendment to be offered by the Senator from Arkansas.

Mr. McCLELLAN. I thank the Senator from South Dakota.

Mr. CASE. However I should like to ask the Senator if he would accept a slight modification in subparagraph (1). I think it is a very important modification.

The PRESIDING OFFICER. The Chair would state that no amendment is pending at this time.

Mr. McCLELLAN. I had announced that I shall, at the conclusion of my remarks, offer the amendment. In order to discuss it I read it myself, because, as I read it, I wanted to discuss it. I shall, at the conclusion of my remarks, offer the amendment as it is at the desk, or with such modifications as may be added to it.

Mr. CASE. The modification which I should like to suggest for the consideration of the Senator from Arkansas is that after the words "agricultural commodities" on page 2, line 5 of the amendment, there be inserted a comma and the words "including meat products and livestock."

The Commodity Credit Corporation today does not buy livestock. It does buy some meat products. In order that there may be no misunderstanding about it——

Mr. McCLELLAN. May I ask the Senator whether meat products have been declared to be in surplus by the Secretary of Agriculture?

Mr. CASE. The language of the Senator's amendment, I believe, would take care of the situation. It provides "for the purchase of agricultural commodities produced in the United States which are determined by the Secretary of Agriculture to be in surplus supply."

Mr. McCLELLAN. That is correct.

Mr. CASE. If the Secretary of Agriculture should find that as of today we have a surplus of livestock, for example, or of meat products, then I believe the money could be used for that purpose. The point at which our farm market is breaking down today, as I believe the Senator from Arkansas well understands, is that we have a support program for grains and we have a support program for certain commodities, but there is no support program for livestock. At this time, because of the drought and the consequent sending of animals to market in unprecedented numbers from a certain area, it is difficult for the market to absorb them.

Mr. McCLELLAN. Mr. President, I would say to the Senator that if we added meat products, or the language which the Senator suggests, the foreign countries still would not be eligible to buy them unless the Secretary of Agriculture declared them to be in surplus supply.

Mr. CASE. That is correct. That is all right. I believe the Secretary of Agriculture should have that authority. We ought not to buy products in a market where there is no surplus, and use them in this fashion. I believe there is sound logic and sound economy in taking products which are in surplus supply and exchanging them for local currencies.

Mr. McCLELLAN. I do not feel that I have any objection to the Senator's suggested modification. I am not an expert on livestock, and I think that probably there will be some surplus of it under conditions that prevail, but it has not been declared as such.

Mr. CASE. I may say that the cattle number stands at almost an all time high in the history of our country, namely, at 96 million head. It was expected at first that it might go as high as 99 million head, which would be an all time high. Those figures are the result of a number of bad practices of the past few years, such as slaughtering quotas, compulsory grading, and rollback of prices. However, the fact remains that the cattle numbers have gone

up about 15 million head in the past 3 years.

Slaughterings have gone down and consequently we have a glut, so to speak, of cattle, in a larger number than the market would normally handle.

Cattle have been selling at distress prices in the drought areas of the Southwest. Something is needed to permit the consumption to catch up with the animal supply and to get things in balance again, as I could develop at some length.

In a talk I had with the Korean Ambassador, he said that the things that they were short of most were proteins. He pointed out that whereas the Chinese were pork eaters, the Japanese were fish eaters, the Koreans were essentially beef eaters. Making available at this time cattle for these countries would provide them with transportation, namely, something with which to haul their carts and also provide them with food.

So it seems to me the language of the amendment should be modified so as to make it perfectly clear that meat products and livestock could be included, when so determined by the Secretary.

Mr. McCLELLAN. I think it should be sufficient just to provide for meat and meat products, because they are not going to buy live animals.

Mr. CASE. I think the amendment should include livestock. In my discussion with the Ambassador from South Korea, he was very clear on that point, namely, that it would help South Korea a great deal to have livestock, because their transport has been almost entirely destroyed. They use oxen to pull their carts. If they were sent cows, in many instances the cows would provide milk or meat or transportation.

Mr. BARRETT. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I yield to the Senator from Wyoming.

Mr. BARRETT. I joined with the junior Senator from South Dakota, [Mr. CASE], in the introduction of an amendment that would make it possible for foreign countries participating in this program to use 5 percent of the funds available to purchase surplus cattle and surplus meat and meat products. If the Senator from Arkansas will accept the amendment proposed by the Senator from South Dakota that it will help ease the situation confronting the cattle producers if the Appropriations Committee will earmark substantive funds for that purpose. If I understood the Senator from Arkansas correctly, he indicated that the Secretary of Agriculture has not declared that there is a surplus of cattle and beef in the United States. I call attention to the fact that only yesterday the Secretary of Agriculture announced his intention of purchasing 221 million pounds of beef this year.

Mr. McCLELLAN. I asked whether such a declaration had been made.

Mr. BARRETT. I do not think there has been any direct declaration that the Secretary has found and determined that beef and cattle are surplus in the United States, but his action in announcing that they intended to buy 221 million pounds of beef during the rest of the year, for the school-lunch program, for the Greek Army, and for Army purposes, indicates very clearly that he came to that very conclusion.

Mr. McCLELLAN. I would be glad to modify the amendment so as to insert "meats and meat products," but I am not convinced that we should insert "livestock." I do not know how many animals probably would be purchased. I am not familiar with that situation. But I am sure some meat is purchased. I think it helps some farmers, at least, just as much if they are able to sell meat, as if they are able to sell cotton, tobacco, wheat, corn, and other commodities.

Mr. BARRETT. Mr. President, will the Senator from Arkansas yield further?

Mr. McCLELLAN. I yield.

Mr. BARRETT. I think it would be desirable to leave livestock in as well as meat and meat products. It seems to me there may be several nations that would want to purchase live cattle, and, of course, this would help materially if they would acquire a considerable number of our surplus cows. Our cattle population jumped from 78 million head 4 years ago, up to 93 million head today, and it is anticipated that by the first of next year it will reach 100 million head. The difficulty is that cows have not been going to slaughter.

A program which would enable the Secretary of Agriculture as agent for these foreign powers to purchase let us say 750,000 head or 1 million head of cows would enable these countries to get started with base herds that will make it possible for them to support themselves.

Mr. McCLELLAN. Mr. President, I think the Senator from Wyoming should submit an amendment of his own for that purpose. I would not wish to modify this amendment to that extent. This amendment provides for purchases through regular channels of trade, and not by having the Government make shipments to another country.

Mr. BARRETT. I think the same result would be achieved if the funds were made available to a foreign country. Then it could purchase in the United States, through normal trade channels in terminal markets for livestock or from packers in the same manner that the Secretary of Agriculture does at the present time.

Mr. CASE. Mr. President, will the Senator from Arkansas yield further to me?

Mr. McCLELLAN. I yield.

Mr. CASE. I do not think there would be too much difficulty with the language of paragraph (4) on page 2 of the amendment, which now reads:

> That the purchase of agricultural commodities produced in the United States with dollar exchange provided under such agreement shall be conducted through private trade channels.

Mr. McCLELLAN. That is correct; it says "private trade channels."

Mr. MUNDT. Mr. President, will the Senator from Arkansas yield to me?

Mr. McCLELLAN. I yield.

Mr. MUNDT. Yesterday the Department of Agriculture announced, as the Senator knows, that it was going into the market to the extent of purchasing 221 million pounds of various beef products.

It seems to me that the amendment of the Senator from Arkansas is drawn in such fashion that certain criteria would have to be established, in any event—perhaps by the Appropriations Committee, after consultation.

Mr. McCLELLAN. That is correct.

Mr. MUNDT. So perhaps it would be necessary to modify the amendment, in order to provide for that detail.

Mr. McCLELLAN. I am willing to modify the amendment so as to provide for "meat and meat products."

Mr. MUNDT. I think the Senator from Arkansas might also follow the other suggestion of my colleague, so as to include "live animals."

Mr. McCLELLAN. I am more familiar with meat than I am with animals.

Mr. MUNDT. If one can be included, of course, the other can be, in order to attain the same objective. It is entirely possible that a foreign country might need both meat and live animals.

Mr. McCLELLAN. I wonder whether there is a possibility that a foreign country would wish to buy live animals.

Mr. MUNDT. In South Korea, for instance, the cattle have been killed by bombings and gunfire, as a result of enemy action; and when peace comes, the South Koreans will have to establish a new foundation herd. That is a specific case. I assume that live animals are also needed in India.

The amendment, as thus modified, would simply give the Government additional authority, if and when it became desirable to use it.

Mr. CASE. Mr. President, will the Senator from Arkansas yield further to me?

Mr. McCLELLAN. I yield.

Mr. CASE. I should like to give a little direct evidence on this point.

When the two Senators from South Dakota introduced a bill proposing an aid program of this type for South Korea, I received from the Ambassador from South Korea a letter in which he commented upon the introduction of the bill and expressed his appreciation for it.

In his letter he stated:

> May I tell you that the news of this proposal of yours in Korea will immediately better the morale of the Korean people. It is a tragic thing, as you have pointed out, that our Korean soldiers at the front, who represent 60 percent of the line, are so woefully underfed that their diet and the diet of the Korean people also is much less than what the American authorities, in observance of the Geneva Convention, feed the prisoners of war.

Following the receipt of that letter, I communicated with the South Korean Ambassador, and said that I should like to visit with him a little. He came to my office, thereafter. He is a very interesting man. He is a doctor, by profession. Perhaps his information about the diet of the Korean people is better for that reason.

We had a conference for several hours, during which we reviewed the whole situation regarding food and so forth, in South Korea. At the conclusion of the conference, I asked him if he would write me a letter setting forth some of the things we had discussed.

I now have before me a copy of the letter, which is dated March 25. One

paragraph of the letter is directly directed to the point about which the Senator from Arkansas inquired. I now read that paragraph:

> You may remember my comments on farm animals. The losses in virtually all forms of livestock have been very heavy, and there has been a sharp decline in the number of draft animals for tilling the soil. I am sure that the amelioration of this situation would mean an increase in agricultural production in South Korea.

In discussing draft animals, he said:

> Do not send us horses—

Because of the feed problem, and so forth—

> but send us cattle, because we can milk some of them and can use them for transportation, or in the final analysis we can eat them.

He pointed out that they had carts, and that the availability of cattle to pull the carts would restore their transportation system, and also their ability to till the soil.

So I think livestock is an essential part of this problem, and will go right along with the production of meat.

Mr. McCLELLAN. Mr. President, this matter will have to be worked out in conference, in any event. If the amendment is adopted, it will go to conference, and the Appropriations Committee will have to consider it, and could amend it by providing for the inclusion of livestock, and so forth. In other words, we shall get another look at the amendment.

I am not opposing the modification the Senators from South Dakota have suggested. If we can sell more livestock, that will be satisfactory, of course.

Mr. MUNDT. Mr. President, will the Senator from Arkansas yield further to me?

Mr. McCLELLAN. I am glad to yield.

Mr. MUNDT. If the amendment goes to conference, and if livestock is included in the amendment at this time, if the conferees decide that the inclusion of livestock is unwise, it can be omitted at the conference. On the other hand, if livestock is not included in the amendment now, it cannot be included in conference. So I think it wise to include livestock now.

Mr. McCLELLAN. That is true. As I say, the amendment could go to conference, where consideration could be given. As the Senator from South Dakota has pointed out, the word "livestock," if now included, could be stricken out in conference, but could not be included for the first time there.

Mr. MUNDT. Precisely.

So I am hopeful that the Senator from Arkansas will modify his amendment in order to accomplish that purpose. But in a broader sense, Mr. President, I should like to associate myself very definitely with the objective of the Senator's amendment. I think it is very constructive. It undertakes to deal with a problem with which the Congress has been concerned for some time. In the Senate Committee on Agriculture and Forestry for several months, awaiting action and hearings and governmental reports, there has been a proposal somewhat analogous to that of the Senator from Arkansas, a proposal which is broader in scope, because it does not deal only with particular countries, as suggested by the Senator from Arkansas, but it seeks in some way to utilize the purchasing power represented by American agricultural surpluses in the open markets of the world.

There are countries which need our foods and fibers. We have the commodities available, and they have in their local currencies the money with which to purchase them. We need to establish some clearinghouse arrangement, some common denominator, so that they can pay for the foods and fibers we have, and may pay for them in the kinds of currencies which are available to them. The Senator's amendment, at least in this small sense, is an opening of the door in that direction, and I hope it will be agreed to.

Mr. McCLELLAN. I thank the distinguished Senator.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, I am very much in favor of the amendment of the Senator from Arkansas. I think the adoption of the amendment would do a great deal of good. We are desirous of increasing our trade with other nations. The cry at the present time is that those nations do not have the dollars with which to buy. The Senator's proposal would provide them with the necessary dollars with which to buy. It would encourage exports of our commodities to those nations.

Furthermore, if we do not enact such provision as this, the United States will have to pay out several million dollars, since surpluses have already been built up in respect to many commodities, including cotton, corn, and wheat, and at the present time there is a question in regard to beef. If the Government should have to take over these surpluses, it would eventually cost the Treasury perhaps millions upon millions of dollars.

I am glad to say that in the past certain of the commodities such as cotton have not cost us anything; indeed we made $268 million as a result of the Federal Government's action in taking over cotton. We shall have to take over still more cotton, and we may not be so fortunate this time as we have been in the past. We have sufficient cotton and probably sufficient wheat to meet our requirements for another year in advance. What are we going to do with it? The amendment offered by the Senator from Arkansas, in my opinion, will remedy the situation. Therefore, I am very much in favor of the amendment.

Mr. McCLELLAN. I thank the distinguished Senator from South Carolina. Mr. President, I modify my amendment on page 1, in subparagraph (1), after the word "commodities," by inserting the words "livestock, meats, and meat products."

The PRESIDING OFFICER. The Senator from Arkansas modifies his amendment accordingly.

Mr. AIKEN. Mr. President, will the Senator yield to enable me to make a brief statement? I am required to leave the floor to attend to another matter.

Mr. McCLELLAN. I am glad to yield to the Senator from Vermont.

Mr. AIKEN. I am not undertaking in any way to decry the Senator's amendment. I think it has a valuable objective, an objective similar to that of several bills introduced in the Congress during the present session.

Let me say, first, that the business and commercial interests of the country desire to be heard on this matter. They have asked permission to be heard, in the expectation that the Committee on Agriculture and Forestry would conduct hearings on one or more of the bills which have been introduced.

For myself, I may also say that I want to know more about the effect on the currencies of the world this proposal would have. I think it is too tremendous a subject to be handled by way of amendment to a mutual aid authorization bill.

Mr. McCLELLAN. If the Senator will permit, I may say I do not see how it could have any adverse effect on currencies. Will the Senator tell me how it could affect the currencies of the world?

Mr. AIKEN. On that point I should like to hear from some of the people who are dealing in international currencies and in international trade.

But what I really rose to say was that the Committee on Agriculture and Forestry has contemplated beginning hearings during the early part of the week following next week. We cannot begin next week, because we have wheat allotments and cotton allotments and 2 or 3 other matters to consider; but, at the beginning of the week following, I had expected to begin hearings on this matter. If the amendment of the Senator from Arkansas is not agreed to, we shall proceed with the hearings as contemplated, and shall give notice almost immediately of the date of the hearings.

If the Senator's amendment is adopted, it will then be my intention to wait until after the House and Senate conferees shall have met. If the conferees accept the amendment, there will be little need and little use of holding further hearings at this time. If the amendment is rejected by the conferees, it would then be my purpose to set a date, possibly a week following the time of its rejection, for the beginning of hearings. Whether that would be too late to enable us to take action this year, I could not say. But let us not attempt to do anything like this without letting the business and commercial people of America have a chance to express themselves.

Mr. McCLELLAN. Mr. President, let me say we have been dealing with programs of mutual aid and security for years, and certainly if the Committee on Agriculture and Forestry is so much exercised and concerned about it, the committee has had ample time in which to conduct inquiries in the past. I offered a similar amendment to certain appropriation bills, 2 or 3 years ago. I want to see the Senate get away from a pro-

posal which I think would make a complete giveaway. I want to see the pending bill become what it ought to be, namely, a mutual security and mutual aid bill. I want to have something reciprocal about it, something that is material and concrete, something we can see and feel and know.

Mr. AIKEN. Mr. President, if the Senator will let me make a further statement, I may say that, of course, I shall abide by the decision of the Senate. If the Senate enacts legislation in this manner without giving the people who are most interested in it an opportunity to be heard, that will be the will of the Senate, and I shall accept it.

I had intended later today to announce a time for starting hearings on this entire subject, at which hearings we would be glad to have the Senator from Arkansas present his amendment, either as an amendment to another bill or as a separate bill. I can assure the Senator it would receive the fullest consideration. But if the Senate accepts this amendment, then the only thing to do will be to postpone announcement of the hearings until after the conferees have concluded what to do about it. I think I ought to say this much in fairness to Senators and also in fairness to the people who are concerned with the matter.

Mr. McCLELLAN. Let me say to the Senator, I do not see why he should feel constrained to do what he suggests. In the event the amendment is agreed to, if the Senator wants to conduct hearings for the purpose of improving it or doing something else about it, there will be no reason for him to throw up his hands. If the Senator feels that something further is necessary, he will be perfectly free to proceed.

Mr. AIKEN. It would be difficult to legislate on the same subject within a month, under two different proposals.

Mr. McCLELLAN. The Senator may conduct hearings on my amendment, if he wishes to do so.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Arkansas yield, so that I may ask a question of the Senator from Vermont?

Mr. McCLELLAN. I am glad to yield, with the understanding that I do not thereby lose the floor.

Mr. SMITH of New Jersey. I should like to ask the Senator from Vermont whether the legislation which he contemplates would include the very valuable point which the Senator from Arkansas makes in his present proposal?

Mr. AIKEN. It would include the proposal of the Senator from Arkansas, and it would include other things which I feel would be very necessary in order to provide a well-rounded program of world trade and interchange of currencies. But I do not know all the details of the plans. I want to hear the views of the people who are familiar with the intimate problems of world commerce.

Mr. SMITH of New Jersey. I thank the Senator for answering my question.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. McCLELLAN. I will yield to the Senator from South Carolina, although I desire to conclude as soon as I can.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. JOHNSTON of South Carolina. I should like to ask the Senator from Vermont whether this amendment would interfere with the bill on which we have been holding hearings with reference to building up trade between nations. The amendment involves surplus commodities. The bill relates altogether to trade and business, to try to encourage business between the United States and all other nations.

Mr. AIKEN. We cannot have one standard of ethics as to commodities owned by the Commodity Credit Corporation and another standard of ethics for other commodities. Such an arrangement would not work.

Mr. GORE. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. GORE. If that be true, it certainly condemns either the bill introduced by the distinguished Senator from Vermont or all free trade. If they cannot live together we must choose between the two. It seems to me there is real merit in the amendment of the distinguished senior Senator from Arkansas, and perhaps in it there is a revitalization of trade germ—not free distribution of wealth in the form of agricultural commodities. I have studied this amendment as best I can, and I think it is far from perfect. It is not exactly free trade nor is it exactly barter, but it is a combination, it seems to me, of the two, which may help in tearing down some of the unfortunate barriers between nations. I am glad to support the amendment.

Mr. McCLELLAN. I thank the Senator from Tennessee.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. AIKEN. There is great merit in the Senator's amendment. I am simply saying that the action proposed should not be taken without giving the interested parties, the commercial and business interests of the country and the farmers, an opportunity to be heard.

The bill which I introduced yesterday is subject to such limitations as the Congress may see fit to place upon it, or Congress may reject it completely. I claim no perfection for it. In fact, I can see 2 or 3 weaknesses in it. I had seen the bill only a short time before I introduced it. I can conceive that the time may come when 50 million or 75 million bushels of wheat and other commodities in the hands of the Commodity Credit Corporation might well change the course of empire, or of the world, I had better say, and vitally affect the security of the United States. I am simply asking that the people who are so vitally concerned be given an opportunity to be heard before we enact this type of legislation which may have some profound effects. I do not know what the effects may be. I want the witnesses to tell us.

Mr. McCLELLAN. I do not think the Senator need be concerned about the farmers of the United States opposing this amendment. I think he will find that they strongly favor it. They know it is to their benefit to have increased foreign trade in the commodities which are in surplus in this country. I see no reason in the world why the Senator from Vermont should not proceed immediately, whether this amendment be adopted or rejected, with the bill which he has introduced, hold hearings on it, and receive expressions from all who may be interested and who may be concerned with additional legislation on the subject.

I want to thank those Senators who have contributed to the discussion of the amendment, and I now offer it as modified, Mr. President.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Arkansas, as modified.

Mr. McCLELLAN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with, and that it be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment, as modified, offered by Mr. McCLELLAN, is as follows:

On page 2, line 1, after "SEC. 540.", insert "(a)"; strike out the quotation marks at the end of line 13; and between lines 13 and 14 insert a new subsection as follows:

"(b) Such amounts of the funds authorized to be appropriated by subsection (a) of this section as may be specified in the act appropriating such funds shall be used by the President, under such rules and regulations as he may prescribe, to provide military assistance to countries eligible to receive such assistance under this act through currency conversion agreements entered into in accordance with this subsection. The President is authorized to enter into an agreement with any such country which shall provide—

"(1) for the conversion into currency of the United States of such amounts of the currency of such country as may be specified in such agreement, and for the use of such United States currency for the purchase of agricultural commodities, livestock, meat, and meat products, produced in the United States which are determined by the Secretary of Agriculture to be in surplus supply;

"(2) for the use of the currency of such country received by the United States under such agreement to procure military equipment, materials, and services in such country for the purpose of carrying out the provisions of this act;

"(3) satisfactory assurance that an amount of dollar exchange, equivalent to the dollar exchange used by such country during the fiscal year beginning July 1, 1952, for the importation from the United States of each commodity covered by the agreement, will be made available by such country during the fiscal year beginning July 1, 1953, from sources other than dollar exchange made available under this section of the act for the purchase of each such commodity; and

"(4) that the purchase of agricultural commodities produced in the United States with dollar exchange provided under such agreement shall be conducted through private trade channels."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arkansas, as modified.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be vacated, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, I think we clearly realize the need for some kind of program dealing with farm surpluses or agricultural commodity surpluses. This is not a temporary problem. It will recur from year to year, or at least from time to time, because the agricultural segment of our economy will require some kind of effective farm program in the nature of price supports, and at times that will involve surpluses.

In my judgment, the amendment of the Senator from Arkansas [Mr. McCLELLAN] comes nearer than anything else before the Senate toward envisioning a long-range view of some kind of permanent program that can be worked out by trial and error or by experiment through the mutual security program.

It has the added virtue that it does not contemplate another plan to give away something, but it is based on the sound principle of getting something in return for the goods. At the same time it follows the old, sound principle of human nature, that one who helps himself will receive help from others.

There is another phase of the plan proposed by the amendment that I think gives rise to hope for permanence, because, like it or not, I think there will be some type of mutual security program for many years to come. Under the part of the plan that will create funds in foreign countries, we will supply commodities, and take foreign currency, rather than demand dollars. Their money will be left within the country, to be spent at home. Certainly it would be in line with our present needs relating to military construction.

I am not at liberty to disclose all the figures I have before me, because they involve the numbers of men stationed in various places, but everyone knows that we are spending thousands of dollars for military construction in foreign countries. Much of the military construction is to be used by our men, but eventually it will become the property of those countries.

A subcommittee of the Committee on Armed Services, headed by the Senator from South Dakota [Mr. CASE], at his suggestion, compiled figures not long ago. It was disclosed that under the present mutual security program or its predecessor approximately $20 million in funds is available in France that could be spent for military construction.

The Senator from South Dakota turned over the figures to the Committee on Appropriations, in the hope that the Committee on Appropriations would require that the funds be used for military construction. In the course of the investigation, he ascertained that there were $220 million in applications, or for possible uses, and only $20 million available.

So there is a demand for this type of funds. There is a demand greater than 10 to 1 for funds that were not spent in the foreign countries, whether available in so-called counterpart funds or otherwise.

This plan will supply commodities to people who need the commodities in their hands. To a great extent, it will relieve us of surpluses not needed in the United States for the time being. We will take the money or currency of the using nations. They will be permitted to pay for the commodities with their own money, and we will then spend that money in their countries.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. ROBERTSON. Is it not true that the report on the pending bill shows that the Mutual Security Agency has a fund of approximately $12 billion, most of which has been obligated but not spent, a part of which is for rehabilitation, for which we receive definite counterpart funds, and that those funds, aside from the $5.3 billion, or whatever amount Congress might provide in the budget, would leave enough to help further the program the Senator from Mississippi is discussing?

Mr. STENNIS. That is correct. I have no illusions about any great or immediate accomplishments through this amendment toward disposing of our agricultural surpluses. It will help somewhat along that line, but I believe that within the terms of the amendment lies the germ of a plan that can be developed by trial and error into a real, permanent system of benefit to us and to the people who would use the commodities. Certainly it is not inconsistent with any larger scale plan which might be adopted as a temporary measure in accordance with the President's message which was received yesterday afternoon. There is no conflict between the amendment and some type of temporary bill that might be passed later in the session, based upon that recommendation.

Let us place this amendment in the bill and use it as a trial and error method in an effort to work out some plan in the future to take care of the recurring problems of agricultural commodity surpluses.

I strongly support the amendment.

Mr. KNOWLAND. Mr. President, I rise in opposition to the amendment of the Senator from Arkansas. My opposition is based primarily upon the action the opposition raised last night to various amendments having different connotatons of the same general idea as has been presented today.

It has been pointed out that the chairman of the Committee on Agriculture and Forestry has before that committee proposed legislation on this subject. There is no question about it, from what the distinguished Senator from Vermont has said, that hearings will be held, and that the committee will give full consideration, and it will, I believe, give prompt consideration to the several proposals.

In fairness, I should say that the distinguished Senator from Arkansas [Mr. McCLELLAN] has developed the thought regarding the situation in such a way that I believe it is entirely possible that more permanent and more far-reaching legislation might take the general path the Senator from Arkansas has indicated in his amendment. As he has said, he did not intend his amendment to be a giveaway proposal, but I believe that under all the circumstances the amendment should not be attached to the mutual security bill.

The effect of this amendment would be to authorize the Appropriations Committees to earmark some portion of the funds, requested by the administration for military assistance programs, to be used instead to purchase American surplus agricultural commodities, with equivalent amounts of local currency collected from the foreign importers being used to procure military equipment, materials, and services in the country where such local currency was acquired.

For the reasons outlined by MSA and the Defense Department they are opposed to this amendment. In the first place, the amendment is undesirable because it would constitute a departure from the sound principle that MSA appropriations should not be earmarked for particular commodities to promote the interests of special groups of producers. Once this rule is breached, the doors are open to demands for similar privileges for any other group, and the impression would be created that the military aid program would then be transformed to a program to unload American surpluses on other nations regardless of their needs.

In the second place, it would not be possible for the Appropriations Committees to estimate with any degree of accuracy the portion of military end-item funds which could be diverted, or tied down, to the purchase of surplus agricultural commodities. It has been estimated during the hearings that the administration intends to use well in excess of $1 billion of the military end-item funds authorized under section 540 of the bill for offshore procurement of military end-items and services in Europe. If the proposed amendment were adopted and the appropriations act thereafter specified that any substantial portion of the amount intended for offshore procurement should be available only to the extent tied down to the purchase of American surplus commodities, it is probable that the military end-item procurement objectives of the new legislation would not be met. This is because the countries in which it is proposed that we place offshore procurement orders would be unable to utilize fully and effectively such earmarked funds. The prices of some of the American surplus agricultural commodities are at present so high in relation to world prices that private importers in the countries receiving military aid would in many cases refuse to use dollar exchange made available under the proposed plan to buy American agricultural commodities.

Meritorious as this proposal may be, considered from the standpoint of either temporary or permanent legislation, the orderly way to take care of the subject is to have the amendment considered by

the Committee on Agriculture and Forestry. I have talked with the distinguished chairman of the Committee on Agriculture and Forestry [Mr. AIKEN]. He stated that he hoped the Senator from Arkansas would appear before the committee. It might well be that, after considering the legislation which the President proposes with reference to the relief of famine and emergency conditions, the Congress, in its judgment, would wish to enact permanent legislation of broader scope.

Frankly, I think the Senator from Arkansas has many excellent points in his proposal. I consider it to be an improvement in many respects on some of the other proposals which have been made. However, in view of the fact that the Committee on Foreign Relations heard testimony in this regard and determined, in drafting this legislation and presenting it to the Senate, that proposals for the disposal of surplus commodities should not be included in the bill; and in view of the fact that both the Mutual Security Administration and the Defense Department feel that it would be a mistake to include language such as this in the pending bill, I hope the Senate will not include it in the Mutual Security bill, but that the Committee on Agriculture and Forestry will consider it, along with the other proposals which have been made.

Mr. McCLELLAN. Mr. President, the statement was made this afternoon by the distinguished junior Senator from Oklahoma [Mr. MONRONEY] that he did not wish to wreck the program. Let me say, in all kindness and deepest sincerity, to all Members of this body, that the way to wreck the program is to continue to fail to find a way to provide some reciprocal benefit from the program. We can wreck the program by such a failure. We hear people say that they are becoming disgusted with the entire program. Some say, "Let us do something for once to help America a little."

I cannot understand why the Mutual Security Administration, which I am sure is going to support the President's proposals to make surpluses available for dumping or giving away, should oppose every effort to find some way to get a little something in return. I cannot understand the logic or reasoning of the Mutual Security Administration.

We can wreck this program. The American people want to provide some assistance. They want to provide mutual security. But they are tired of a one-way street. This amendment would open up a little avenue for increasing trade in commodities of which we have a surplus in this country, and which other people need.

Mr. President, I hope the amendment will be agreed to. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senator answered to their names:

Aiken	Green	McClellan
Anderson	Griswold	Millikin
Barrett	Hayden	Monroney
Beall	Hendrickson	Morse
Bennett	Hennings	Mundt
Bricker	Hickenlooper	Murray
Bridges	Hill	Neely
Bush	Hoey	Pastore
Butler, Md.	Holland	Payne
Butler, Nebr.	Humphrey	Potter
Carlson	Hunt	Purtell
Case	Jackson	Robertson
Chavez	Johnson, Colo.	Russell
Clements	Johnson, Tex.	Saltonstall
Cooper	Johnston, S. C.	Schoeppel
Cordon	Kennedy	Smathers
Dirksen	Kerr	Smith, Maine
Douglas	Knowland	Smith, N. J.
Dworshak	Kuchel	Sparkman
Eastland	Langer	Stennis
Ellender	Long	Symington
Ferguson	Magnuson	Taft
Flanders	Malone	Thye
Frear	Mansfield	Watkins
George	Martin	Welker
Gillette	Maybank	Wiley
Goldwater	McCarran	Williams
Gore	McCarthy	Young

The PRESIDING OFFICER. A quorum is present. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. DUFF] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. TOBEY], and the Senator from New York [Mr. IVES] are absent by leave of the Senate, the Senator from New York having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Virginia [Mr. BYRD] and the Senator from West Virginia [Mr. KILGORE] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from New York [Mr. LEHMAN] are absent by leave of the Senate.

I announce further that, if present and voting, the Senator from Tennessee [Mr. KEFAUVER] would vote "yea."

The result was announced—yeas 49, nays 35, as follows:

YEAS—49

Barrett	Hoey	McClellan
Case	Holland	Monroney
Chavez	Humphrey	Mundt
Clements	Hunt	Murray
Dworshak	Jackson	Neely
Eastland	Johnson, Colo.	Payne
Ellender	Johnson, Tex.	Potter
Frear	Johnston, S. C.	Robertson
George	Kerr	Russell
Gillette	Kuchel	Smathers
Goldwater	Langer	Sparkman
Gore	Long	Stennis
Green	Magnuson	Symington
Griswold	Malone	Welker
Hayden	Maybank	Young
Hennings	McCarran	
Hill	McCarthy	

NAYS—35

Aiken	Dirksen	Pastore
Anderson	Douglas	Purtell
Beall	Ferguson	Saltonstall
Bennett	Flanders	Schoeppel
Bricker	Hendrickson	Smith, Maine
Bridges	Hickenlooper	Smith, N. J.
Bush	Kennedy	Taft
Butler, Md.	Knowland	Thye
Butler, Nebr.	Mansfield	Watkins
Carlson	Martin	Wiley
Cooper	Millikin	Williams
Cordon	Morse	

NOT VOTING—11

Byrd	Fulbright	Kilgore
Capehart	Ives	Lehman
Daniel	Jenner	Tobey
Duff	Kefauver	

So Mr. MCCLELLAN'S amendment, as modified, was agreed to.

Mr. GOLDWATER. Mr. President——

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). The Senator from Arizona.

Mr. AIKEN. Mr. President——

Mr. GOLDWATER. Does the Senator from Vermont wish to make an insertion in the RECORD?

Mr. AIKEN. No. I have an emergency bill to introduce. I wish to try once more to maintain our economy.

Mr. GOLDWATER. Mr. President, I call up my amendment identified as "6-30-53—B," which lies at the desk.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, in line 23, after the word "States", it is proposed to insert a colon and the following:

Provided, That no such expenditure shall be made until the Government of France gives satisfactory assurance to the President of the United States that an immediate declaration will be made to the people of the Associated States setting a target date for the adoption of a constitution for such States, and for the establishment of their complete independence.

Mr. GOLDWATER. Mr. President, 177 years ago this week a group of men met in Philadelphia and labored over a declaration, and 177 years from Saturday next, the 4th of July, the great patriot, Thomas Jefferson, reported the Declaration of Independence.

I should like to call the attention of the Senate to the first sentence of the second paragraph of that Declaration:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness.

Mr. President, I also wish to call to the attention of the Senate the fact that that great man, Thomas Jefferson, and the other great men associated with him, in their wisdom, by adopting that Declaration, said that all men are created equal, and that all men—not some men—are endowed by their Creator with certain unalienable rights.

Mr. President, the same doctrine was expressed wonderfully here the other day by the able Senator from New Jersey [Mr. SMITH], when he said:

The United States has never been a colonial power in the European sense. Where we have acquired colonial interests, our record of enlightened administration and of steady progress toward self-government and independence is second to none. Cuba, the Philippines, Puerto Rico, Hawaii, and Alaska are living testaments to our good faith in this regard. In view of our history, we could not have done otherwise. We, ourselves, were once part of a colonial empire. Americans, of all people, understand and sympathize with the desire of people everywhere to shape their own destinies and to forge their own futures.

Mr. President, in the pending bill, Senate bill 2128, to which I have offered my amendment, in section 304, on page 3, there appears an item of $400 million that is to be spent "for the procurement

of equipment, materials, and services required by and are to be made available to, or are necessary for the support of, the forces of France and the Associated States of Cambodia, Laos, and Viet-Nam."

Mr. President, for 7 long years a war has been raging in that area. The people who live there have been fighting for the same thing for which 177 years ago, the people of the American Colonies fought. The people of the Associated States of Cambodia, Laos, and Viet-Nam are fighting for freedom. Many, many times during the past 7 years France has made promises to these people that their independence will be forthcoming, that they will be allowed the opportunity to write a constitution and to become free people.

Yet here today, on the floor of the United States Senate, we are proposing to support a country, France, that has colonial intentions; we are going against the wonderful second paragraph of our Declaration of Independence, which probably is the greatest collection of words that has ever been written by men in their attempts to govern themselves. We are saying to the great men who penned that document and whose ghosts must haunt these halls, that we do not believe entirely in the Declaration of Independence, that perhaps all men are not created equal, that perhaps they are not endowed by their Creator with certain unalienable rights, and that perhaps we have a right to support countries who wish to enslave other peoples.

Mr. President, the purpose of my amendment is to say to France, "If we give you this money, we expect you to do something in return for it"—because, Mr. President, as surely as day follows night, our boys will follow this $400 million.

The one way to stop it is to ask France, in the decency the French possess, to grant independence and the right of freedom to these people, who have fought so long for their independence and freedom.

Mr. CASE. Mr. President, will the Senator from Arizona yield to me?

Mr. GOLDWATER. I yield.

Mr. CASE. Mr. President, from the standpoint of the cold war, there is no amendment that could be offered to this bill that would be more important than the amendment which has just been offered by the Senator from Arizona.

People have forgotten how we got into this peril in Indochina. But on August 13, 1950, almost 3 years ago, we began to send military aid there. We sent that military aid in connection with a proclamation which the then President of the United States, Harry Truman, made in the inauguration of a Voice of America broadcast.

I hold in my hand the New York Times of August 14, 1950. Mr. President, with the indulgence of the Senator from Arizona, I should like to read 3 paragraphs of the article regarding the broadcast, to show that the United States was committed to the principle at that time.

Mr. Truman said:

> With the inauguration of the Vietnamese language broadcast of the Voice of America, the people of the United States will have an immediate means of communication with the people of the Associated States of Viet-Nam, Laos, and Cambodia for the purpose of developing mutual understanding and friendly relations.
>
> The United States has begun an economic assistance program which was developed after direct discussions with the leaders and technicians of Indochina. This program is designed to stimulate conditions under which the people of Indochina may develop institutions compatible with their religion and culture which will best serve the interests of the people.

Mr. President, note the following, please, from the same statement by the then President Truman:

> Military assistance is also being extended to provide the internal security for a vigorous, healthy, and prosperous life in Viet-Nam, Laos, and Cambodia. These programs of economic and military assistance have been developed to assist you. I hope you will study them, understand them, and support them.

Then there is the following concluding paragraph:

> Americans have looked with sympathy upon the desires of the people of Viet-Nam, Laos, and Cambodia for self-government within the French Union. On this occasion, I wish to extend my greetings to the men and women of the Associated States of Indo-China and to your leaders who are working so that the Associated States within the French Union may take their place among the other free nations of the world.

Mr. President, within the past week we sent a new military mission to Indochina. I hold in my hand a clipping from the Washington Post of Tuesday, June 23, 1953, which was within the past week, containing an Associated Press dispatch from Saigon, Indochina, reading as follows:

> SAIGON, INDOCHINA, June 22.—Well-informed American sources here today said the United States will ask to participate directly in military planning against the Communist-led Viet Minh in a new program promising vastly-stepped-up supplies of United States arms.

Mr. President, the military program began 3 years ago when we sent some motorized equipment, consonant with the statement made at the time by President Truman. But within the past week—and now I return to the reading of the Associated Press dispatch of June 22:

> A top-level United States military mission headed by Lt. Gen. John W. O'Daniel, United States Army Pacific commander, arrived here Saturday. An announcement said it was essential to integrate closely United States assistance with the plans developed by the authorities of France and of the Associated States of Viet-Nam, Cambodia, and Laos.
>
> French sources said they had no knowledge of any application for direct American participation in the planning of operations. France in the past had been opposed to such a move.

On the very same day, June 26, there came from Bangkok an Associated Press dispatch from which I read:

> A Cambodian government spokesman said today "Cambodians are ready to die for independence. This means an independence war but the king is first watching French movements and awaiting initiative."
>
> The spokesman, Krengnill, said young King Norodom Sihanouk authorized the statement.

The dispatch continues at some length. Other dispatches appeared at that time. In other words, today we are increasing our military aid in this area. It has gone in apparently without the application or consent of the French; but the eyes of France are undoubtedly on it, for in the New York Times of Tuesday, June 30, there was another dispatch by the United Press from Pnompenh, Cambodia, from which I read:

> Cambodian Army units moved into this capital today and took over all official buildings as tension between the French and Cambodians mounted. The army command, apparently by direction of King Norodom Sihanouk, ordered in reinforcements to offset a similar move by the French last Friday.
>
> * * * * *
>
> Last week the French sent several battalions of colonial infantry and marines into Cambodia to protect French lives and property in case of emergency.
>
> Many units of the royal army are commanded by French officers.

The dispatch continues:

> French officials awaited anxiously the decisions of the new Paris Government on Cambodian demands for full independence as the only means of preventing further deterioration of the situation.

Mr. President, I have risen to support the amendment of the Senator from Arizona, because it seems to me the Senate ought to realize that it is here proposed that we take action which will definitely go into the statutes for the first time, listing the names of France and Cambodia and Laos and Viet-Nam. We started on this 3 years ago through the proclamation of the President, under which aid was sent to China; but in the pending bill it is proposed that we specify these 3 countries.

Mr. President, are we going into the Far East for the purpose of sustaining the French colonial rule, or are we going there to become an ally of these three states that are seeking their independence, to try to get them on their feet and then to help them resist the aggression or onrush or operation, whatever it may be, of the Communists? That is the issue.

The Senator from Arizona has correctly posed the issue before the Senate by saying we should declare that this aid will become available only if and when the French Government clearly fixes a date for the independence of the three states.

The United States achieved some strength in its position in the Pacific when we fixed a date for the independence of the Philippines. That strengthened our hand in the Pacific area. But what the Senator from Arizona is saying is that we should strengthen our hand in the cold war by asking the French, before they receive this aid, before they use it simply as a means of repressing the desires of these states for independence, to pick the date for the independence of these three states, and then our aid can be given in the true sense of which the Senator from Arizona speaks, to encourage the spirit of courage and strength of these people who are associated together against the forces of communism.

I commend the Senator for offering the amendment. I think it is altogether important that it be adopted. Without it we shall be in the position of giving

aid to those countries or of going into those countries in order to sustain the position of a French colonial empire, and to suppress the desires for independence. It will be an intolerable position for us, and it will plague us from now on, if we fail to adopt this amendment.

Mr. GOLDWATER. I thank the distinguished Senator for his contribution.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield to the Senator from Washington, who has just returned from the section of the world of which we are speaking.

Mr. MAGNUSON. I should like to say to the Senator from South Dakota that the situation is not quite so simple as he indicates, although I think I am somewhat in agreement with him. The Senator from Illinois [Mr. DIRKSEN], who went with me to Indochina, whence we returned about 10 days ago, knows that we talked not only to many of the French people there, but we also talked to our own people and to many of the Vietnamese on both sides. We talked to them about their desire to have an independent status.

I do not think I can say categorically that the French are using the equipment furnished to them merely for the purpose of sustaining a poor, archaic, colonial establishment. It is true, however, that some of the French who are present in those countries are colonials, though I do not know that we could say categorically to France herself that the money we are providing is being spent to increase and make more firm her colonial empire. It is being used to fight communistic influence, not only in Viet-Nam, but throughout the entire southeastern part of Asia. The Senator from Illinois may correct me if I am in error in what I say, but I think we came to the conclusion after all our conferences and after seeing all the things that came to our attention, that sooner or later France must assure the people in question that they are going to have an independent status. If she does not, she could then go ahead to win a military victory and still not have the people of those three states with her.

Whether we should state our position on this question in a bill such as the pending measure I do not know. There are three factors involved. There is, first, the problem of French colonialism. Second, there is the problem of independence. Third, there is the problem of the Communists, who are using independence as a means whereby they hope to recruit some of these people and continue the communistic war in southeastern Asia. The way in which the King of Cambodia dramatized this situation was on the basis of independence; but there is also the Communist angle, and, once the French were to leave, or once we were to stop our aid, should the Communists, using independence as a screen, come in and take over Viet-Nam, then in my opinion—and it is only my own personal opinion—we might say, "There goes southeastern Asia." So we think these questions are important. It is not quite so simple as is supposed.

I desire to say, because I think it very important, that we have approximately 70 men in our military missions. Our general who is in charge of the men is, in my opinion, a man of ability. He knows what he is doing.

We also know where the equipment is going. A pretty thorough check was made on it. The equipment is being used very effectively. It is true it is being used by the Vietnamese Army, and that Army is being used by the French.

How many troops the French have within that area I do not know. The Senator from Illinois and I had an opportunity to review the Vietnamese troops on their 4th of July. It was a small army, but most of the fighting is being done by the Vietnamese themselves. Many of them consider the struggle to be a civil war, although the Communists have come in to take advantage of what may be termed guerrilla warfare. We have seen that the Vietnamese and the French hold the ground in the day time, and the Viet-Nam Communist forces hold it at night. The Senator from Illinois and I heard in Saigon, the capital of French Indochina, that on one occasion they had met with some of our officials. There were armed guards outside, and there were lights on the bushes, in order that someone might not take a potshot at the Americans. That is the kind of war that is going on there.

France is putting into the Indochinese war approximately a billion and a half dollars, possibly more than that. I remind Senators that a billion and a half dollars in the French budget is a considerable item.

I suspect in part the trouble France is encountering today in connection with the formation of her cabinets is the issue of Indochina. It has been one of the major issues. France has failed to form a cabinet because of that issue. If France pulled out of that area and if we did not go ahead with this equipment, although Vietnamese independence is a part of the picture, the Communists would move right in. I do not like either French colonialism or communism, but if the latter should result, the people would have a government worse than the French colonialism has inflicted upon them.

I am inclined to agree with the conclusions of the Senator from Arizona [Mr. GOLDWATER], and I think the Senator from Illinois [Mr. DIRKSEN] would also agree, but whether the amendment should be placed in the pending bill, stated so categorically, I do not know, because three or four complex problems are involved. It is a serious situation. There are a large number of French people who want to go ahead. Whether they can succeed or not I do not know, but they are trying to work it out.

We have sent some economic aid which has been administered quite well.

The emphasis has been placed upon medical information and treatment and education. We have heard of instances of teams being sent into the villages where there is eye trouble among the population, and those fighting on the other side will cross the line and obtain treatment, and then go back to fight the next day. We have furnished treatment for their eyes.

It is a serious problem. The Senator from Illinois and I impressed this upon the President of the United States when we made our report, in the hope that the situation would be brought up in the Bermuda conference. I hope it will be taken up on July 10 when the meeting will be held in Washington.

The Senator from Illinois and I spent 5 or 6 days interviewing people. In that time it is possible to see nearly everyone in Saigon except the guerrillas in the hills. We talked to many persons on all sides of this question, but the thing that impressed me most was the importance of not allowing Communists to take over because of the effect such a thing would have upon the rice bowl of southeastern Asia. I think it would be only a matter of time before we lost central Asia.

Mr. CHAVEZ. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I shall be happy to yield as soon as I answer the Senator from Washington.

Mr. President, I realize full well the implications mentioned by the Senator from Washington. In fact, I debated with myself at some length as to whether to submit an amendment such as this, feeling that during the past 20 years we have considered that in our foreign relations it was wrong to interfere in the internal affairs of any other Nation. This country has given away billions of dollars to stop communism, but I do not believe we have given much money to East Berlin. The people of East Berlin are among the few who have ever put up any kind of a fight against communism. They did it with fists and rocks in their determination to secure freedom.

I realize that it is a three-legged affair in Indochina, but why can we not support one strong leg of the desire for freedom? The desire of man for freedom cannot be defeated. The East Berliners showed us that a few days ago. I am glad the Senator from Washington has brought up that point, because it is an important thing to consider.

Mr. President, I now yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I desire to congratulate the Senator from Arizona for offering his amendment. I heard him read from the Declaration of Independence, and I think that if the amendment of the Senator from Arizona is not adopted, we shall have no justification whatsoever to vote for the bill.

Mr. President, the same kind of an argument—communism was not involved in those days—was made against the American Colonies at the time they engaged in the struggle with England. Who was it who dared to plot against England in those days and fight for the freedom of the Colonies? It was France herself. While the Colonies were fighting for freedom, Mr. Franklin was in France appealing to the liberty-loving emotions of the French people, and finally convinced them that it was to the interest of free people everywhere that France support the American Colonies.

I am very happy the Senator from Arizona has offered his amendment. It has been stated in American magazines and over the radio by commentators that once upon a time the French Intelligence

Service captured a poor Indochinese fellow who was plotting against the French. They wanted to get some information as to his political philosophy. They asked him, "For what are you fighting?" He replied, "A handful of rice."

Under the terms of the amendment it may be that the poor natives who also believe in freedom and liberty may get a second handful of rice.

Mr. President, I am glad to be associated with the Senator from Arizona in supporting his amendment.

Mr. GOLDWATER. I thank the Senator from New Mexico.

Mr. AIKEN. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. For what purposes?

Mr. AIKEN. I should like the floor for a few minutes in my own right, after the Senator completes his statement. I have a very important matter to present.

Mr. GOLDWATER. Mr. President, I yield the floor.

Mr. DIRKSEN. Mr. President, I should like to say that I concur very substantially in the observations made by my colleague from the great State of Washington [Mr. MAGNUSON]. I found him a most congenial traveling companion. After we had finished our program in Indochina I think we saw nearly eye to eye with reference to the basic problem in that country.

We are fully sensible to the fact that a very complicated situation exists in Indochina. We are dealing with three loose governments. The largest of the three is Viet-Nam, with a population of approximately 24 million.

If the French interest were the only thing involved, I would not be so zealous about the amendment offered by the Senator from Arizona, but the fact is that we have an interest just as important. When we send $500 million worth of equipment to a country 12,000 miles from home, we have committed our country. That is precisely what we have done.

The Senator from Washington and I kept pretty careful notebooks, and we have come to the conclusion that, first of all, the purpose of American aid in the associated states is to win a victory; second, we cannot win a victory unless we have mass support; third, we cannot get mass support unless we define and establish an objective.

I think my colleague from Washington will bear me out when I say that involved in the problem are, No. 1, the Vietnamese who are integrated in the French union forces. No. 2, the Red enemy; and, No. 3, the fence-sitters. So far as I know, they are probably evenly divided. Everyone who has had a chance to make observations there—and I believe I paraphrase the observations of more than 50 people who have reported to us in that area—says that a victory cannot be won unless there is mass support, and that there will be a continuing military stalemate, no matter how much equipment is sent, until, first, the ideological problem is solved.

It is not alone for the French to define the objective; it is for us to define it with them, because we have sent equipment, planes, antiaircraft guns, small arms, ammunition, and practically everything else needed to win a war. All of us in this country are up to our necks in Indochina today. So let us not dissociate ourselves. Let us place the problem on a dual basis.

We must make an assertion as to what the objective shall be for the humble people of Viet-Nam and the Associated States, and we must insist that the French join with us, as a condition for additional aid. If we do not, the stalemate continues—we have been engaged now for more than 7 years over there, and are no closer to victory than we were when we started—I simply say that the country is a potential Korea, unless we go back to the great tradition of America, which will be observed this week, when we add the 177th candle to the Nation's birthday cake. We cut the chains of colonialism 177 years ago, and we must not depart from character. We must make sure that other humble people have an equal opportunity.

I respectfully suggest to the Committee on Foreign Relations, first, that they accept the amendment; second, that they take it to conference; third, that they consult the State Department and others to see whether or not acceptable language can be contrived. I am confident that if the Senate accepts the amendment on that condition, a wave of assurance and encouragement will go across half the earth, to the other side of the globe where we sit and contemplate this afternoon. We will lift the hearts and spirits of humble people. In my considered judgment, we will accelerate the end of the very vicious, difficult conflict that has no battleline, where the line changes night and day from Viet Minh to the French, and back again; a conflict that can deeply involve our country and bring us great embarrassment.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I yield to the Senator from New Jersey.

Mr. SMITH of New Jersey. I wish to ask one or two questions. I appreciate the statement of the Senator from Arizona with reference to my remarks on Monday, because the Senator knows I am entirely in accord with the views he has expressed. I am disturbed from the standpoint of a delicate situation which I am reasonably confident exists today, in relation to an attempt being made, in a matter which has been before us in private discussions to bring about action and cooperation on the part of the French to attain the very objectives which the Senator from Arizona seeks to reach.

I am not clear in my own mind that it would be right for us to declare an ultimatum so strong as the Senator has proposed in his amendment. If we could adopt other language that would indicate our support for the Vietnamese and other native people and the French, in an effort to enable them to arrive at freedom and independence, and solve the question on a basis whereby the country would be safe against the present menace of communism that is sweeping down over them, I would be more favorable to the proposal.

A part of the problem there is the Communist menace. We cannot leave those people alone. We cannot simply say to the French, "Give those people freedom." They need our help, and the help of the French, in order to bring about the very objective the distinguished Senator from Arizona is seeking.

I wonder whether it would not be possible to modify the language of the amendment which the Senator suggests by some language which would express the same idea he has in mind, but which would not give the ultimate impression that we were attempting to pinpoint the French as the difficult problem. I know from my acquaintance with certain French people that this matter has been worked on for many months. They are trying to devise a formula to settle the problem, while, at the same time, giving adequate protection, with our support and French support, to the Vietnamese against the danger of imminent Communist invasion.

The Senator from Massachusetts [Mr. KENNEDY] has an amendment which is not quite so strong and not in such pinpointing terms as that of the Senator from Arizona. It is possible that a modification of that amendment might be offered as a substitute for the amendment of the Senator from Arizona, or that a combination may be made of the amendment of the Senator from Massachusetts and the amendment of the Senator from Arizona.

I am entirely in sympathy with what the Senator from Arizona is seeking to do, but I do not want to put it in the form of an amendment which, if accepted, may cause complications in a situation that is oversensitive.

Mr. DIRKSEN. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I will yield in a moment.

As I have said, I gave this subject much thought, recognizing that the United States has, in negotiations with France, brought up the question repeatedly. I have heard repeated promises from France on this subject. I wrote the amendment in strong language so that there would be no misunderstanding.

We who live in the West have never learned to use polite, evasive language. Maybe that is a fault of westerners; but if the language is what we want, it is put down as we want it. If we feel that the French should take the action, I think the thing to do is to tell them so. If other language can be suggested that will accomplish the same purpose, I have no objection to changing my amendment. I have no pride of authorship. My desire is merely to accomplish something that will prevent many of our boys from ending up in the jungles of southeastern Asia.

Mr. KNOWLAND. Mr. President, will the Senator yield at that point?

Mr. GOLDWATER. Yes, gladly.

Mr. KNOWLAND. I merely wish to point out to the distinguished Senator from Arizona that there is a very critical and a very difficult situation in Indochina, as I am certain he appreciates. I think he has accomplished much by his remarks on the floor, as did the distinguished Senator from Massachusetts [Mr. KENNEDY] the other day, in pointing out the ultimate objective of grant-

ing freedom to the people of the Associated States.

Many people are coming more and more to the realization of the importance of the people of the Associated States, Viet-Nam, Laos, and Cambodia, achieving an independent status, and they desire that status to be brought about. But I remind the distinguished Senator from Arizona that had the situation been reversed at the time the United States had the Philippines as a possession, and before the Philippines gained their independence, and the legislative body of a foreign country had passed a resolution or attached as a condition precedent to the receiving of funds that the Philippines must be freed, it would have been a perfectly normal, human reaction on our part to have slowed up the process.

I also call to the Senator's attention that there are many people in France who have been highly dubious as to whether southeast Asia, important as it is from the standpoint of strategic concept in keeping the remainder of Asia from falling into the hands of communism, is worth the great effort the French have made and the expenditures in blood and resources to prevent Southeast Asia, and what used to be called French Indochina, from going behind the Iron Curtain.

I merely submit to the distinguished Senator from Arizona and to other Members of the Senate that an attachment of this kind to the bill as a condition precedent, which could very easily be misinterpreted, might have a bad effect on the body of opinion in France, where it required 30 days finally to select a premier and install a new government. It might bring about such a condition that a sufficient number of people in France would say, "Under these circumstances why should we not pull out entirely?"

The practical situation is that unless this Government or some other nation were prepared at that point to take up the burden, the people in the Associated States of Viet-Nam, Laos, and Cambodia, who desire their freedom and who desire to remain outside the Iron Curtain could not by themselves possibly maintain their freedom against the combined forces of Ho Chi-minh and Mao Tse-tung. Consequently I think we must proceed with the greatest caution in this matter.

We have an example in recent history, in the case of Greece. The burden in Greece became so heavy that overnight Great Britain gave notice to this Government that it could no longer carry it. The President of the United States came to Congress, and practically overnight we had to pick up the burden which Britain laid down.

I plead with the distinguished Senator from Arizona and other Senators who have served a very useful purpose in bringing this subject to the attention of the Senate and of the American people, that it is one thing when a Senator, or 96 Senators, express an opinion on a question; but it is quite another thing when they attach a condition precedent which might place in a very difficult position the country we have as an ally, and with which we hope to work toward the common objective which I think we all have.

We are dealing, of course, with a very difficult and highly inflammable area of public opinion in foreign relations. I suggest to the distinguished Senator from Arizona that it would not be in the interest of the people we want to help to have France lay down her burden, and for us at that point to take it up, as we had to do in the case of Greece. I submit to the distinguished Senator that if France lays down the burden and we do not pick it up, the people in those states will not be in a position to defend themselves. We might lose all of southeast Asia, including Malaya, Thailand, and Burma, and perhaps then have the Communist forces under Mao Tse-tung on the very borders of India and Pakistan.

This is the type of situation we are dealing with in connection with an amendment of this kind. I may say to the distinguished Senator from Arizona that I have not been more concerned in the 8 years I have served in the Senate, with the ultimate implications of an amendment, than I have been with respect to this amendment, should the Senate adopt it.

Frankly, I would not want to see a vote rejecting the amendment, for the reason that we might thus give an indication to the people of the Associated States that we did not hope that ultimately they might gain their freedom.

I think we will all work, in conjunction with our great ally, France, toward the freedom of the people in those states. However, it seems to me that the cause of freedom in the free world would be better served if the amendment were not pressed, and if the RECORD could stand with the statements which have been made by distinguished Senators, including the Senator from Arizona [Mr. GOLDWATER], the Senator from Illinois [Mr. DIRKSEN], who has just returned from that area of the world and the Senator from Washington [Mr. MAGNUSON] who accompanied the Senator from Illinois.

The other day on the floor of the Senate the distinguished Senator from Massachusetts [Mr. KENNEDY] expressed the same general view. I say, with all the sincerity I possess, that I think this amendment would create a grave danger to the very objective which I am sure the Senator from Arizona seeks.

Mr. DIRKSEN. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I yield.

Mr. DIRKSEN. Frankly, I am not insensible of the point made by the acting majority leader. On the other hand, I point out that there is no analogy between this situation and the one in the Philippines, because it is the money of the American taxpayer we are spending 12,000 miles from home.

I have before me the report of the businessmen who were sent to southeastern Asia by Governor Stassen. I am not at liberty to quote from it, because the restrictive feature has not yet been removed. However, I can say that more than 50 good observers said that military aid will not break the stalemate in Indochina, but that something more is required. The question is, Shall we continue to pump money into a continuous stalemate which may one day become aggravated and prove to be a potential Korea, or shall we assert something formal which will take care of the situation?

I think the point made by the Senator from New Jersey [Mr. SMITH] is well taken. I am never happy when we must attach a restrictive condition to the use of money in order to accomplish an ideological purpose. I think I would be willing to compromise, if the committee were willing to do so, on language to the effect that it is the sense of the Senate that the President of the United States be urged to contrive a satisfactory declaration with France to set a target date for the adoption of a constitution in the Associated States and for the establishment of their complete independence. That does not tie it up to the use of the appropriation. However, I think we would be lacking in fidelity to an ideal, and that we would be overlooking an opportunity and rendering a disservice to our country and to the taxpayers if we should fail to take some kind of formal action which will be registered on the other side of the earth.

Mr. KENNEDY. Mr. President, will the Senator yield to me for the purpose of offering a substitute for the amendment of the Senator from Arizona?

Mr. GOLDWATER. I yield.

Mr. KENNEDY. I offer the amendment which I send to the desk as a substitute for the amendment offered by the Senator from Arizona.

The PRESIDING OFFICER. The amendment in the nature of a substitute offered by the Senator from Massachusetts will be stated.

The LEGISLATIVE CLERK. On page 3, line 23, after the word "States," it is proposed to insert a colon and the following:

Provided, That the expenditure and distribution of the funds, equipment, materials, and services authorized under this or any other section of this act on behalf of the Associated States of Cambodia, Laos, and Viet-Nam, to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this act, shall be administered in such a way as to encourage through all available means the freedom and independence desired by the peoples of the Associated States, including the intensification of the military training of the Vietnamese.

Mr. KENNEDY. Mr. President, I am in complete agreement with the viewpoint expressed by the Senator from Arizona [Mr. GOLDWATER], the Senator from Illinois [Mr. DIRKSEN], the Senator from Washington [Mr. MAGNUSON], and other Senators who have been concerned about the situation in this area.

Obviously, there is little reason for the United States to devote large sums of money to give military assistance to the French in that area if there are not present in the area conditions under which native groups can be rallied to the support of the independence movement. At the present time, because of the extensive French controls, which I discussed yesterday, and which the Senator from Arizona has pointed out, those

conditions are not present, and there is no indication that the native armies which the French have attempted to rally in that area are crusading armies. In fact, the majority of the population today appears to be in sympathy with the Communist movement of Ho Chi-minh. Therefore, I believe it is of vital importance that the United States place emphasis upon and use its prestige to advance the movement for independence for the people of the Associated States not only because such action will help the military operations in that area, but because it is most important, as the Senator from Arizona has pointed out, that in all of Asia the position of the United States be firmly understood.

The only objection I have to the amendment of the Senator from Arizona is that it is in the nature of an ultimatum to the French. There are substantial groups in France who would be pleased to pull out of a long and bloody war. After all, the French are bearing the military burdens. Our assistance is primarily economic. Therefore, feeling as they do, the amendment of the Senator from Arizona, if accepted, may be regarded by the French as an adequate excuse for withdrawing their effort. The amendment which I have offered as a substitute merely places us in the position of stating that the money should be used for the purposes set forth in the act, and also in such a way as to encourage aspirations of the Associated States for independence and to provide military training for the Vietnamese, which is most important.

I believe that my amendment would accomplish the objectives which the Senator from Arizona is seeking, and at the same time not run the risk which as the Senator from California so ably pointed out, we would run if we were to accept the amendment in the form in which the Senator from Arizona originally offered it.

Mr. DIRKSEN. Mr. President, I am in sympathy with the objective stated; but the recital is still on the soft and gentle side, which actually, in the administration and distribution of the supplies, would not mean a thing. I believe the Senate ought to go somewhat further than that. This is not only their program in that area, as I pointed out a moment ago; we are in it, and it is our program, too. I do not want to have the whole burden carried by the Republic of France. I want our country to assume its proper responsibility. In doing so, there must be an assertion from this country as well.

It occurs to me that the President at least ought to be urged, if not directed, to enter into such negotiations or conversations as may be necessary which will look to fixing a target date. If there is a failure to establish a target date, and to make that kind of assurance, I believe we will fail in the endeavor, and I am not sure the expenditure would not be wasteful.

I wish to emphasize one point. I recognize the heroic contribution which the French have made. They have left some of the finest flowers of St. Cyr, Fontainebleau, and other military schools on the steaming soil of the jungles of Indochina. The French fully recognize it. Former Premier Mayer failed by only 14 votes to become their latest Premier, and that happened in the face of preliminary assurances that he was in favor of pulling out of Indochina. I know the situation is delicate, but, at the same time, there is the residual fact we cannot escape, namely, that there will be a continuing stalemate, as every competent observer says, unless we devote some effort to it, and that effort must be more than rhetoric; it must be in the way of a realistic assurance.

Mr. KENNEDY. Mr. President, I wish to reply to the Senator from Illinois. I think it is obvious, as I have stated, that the conditions are not present within the Associated States for the French and the United States to secure the devoted support of the people of that area, because of the heavy degree of French control. The State Department has made pious declarations during the past 3 years, since the United States first began to give heavy assistance to that area, that it was in favor of independence for the Associated States; but it has been continually afraid that the French would pull out. The fact that one who attempted to become Premier of France, and who called for negotiations with Ho Chi-minh, failed by only 13 votes to become Premier shows the strength of the people of France who favor withdrawal from French Indochina.

If the Senate stated that we would not give any more assistance unless the French took such a major step, the effect might well be unfortunate.

It seems to me the amendment which I have offered, which is not so restrictive as the amendment offered by the Senator from Arizona, lessens the chance that such an unfortunate step might be taken; but at the same time it indicates that this Nation is behind the desires of the people of the Associated States to gain their independence.

Mr. DIRKSEN. Mr. President, I know it is a difficult and delicate situation. I recognize the force of the argument.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. GOLDWATER. I yield.

Mr. FLANDERS. I should like to suggest to the Senator from Arizona that I am on record as being deeply concerned with the matter he has presented. I brought up the subject in the colloquy with the Senator from Iowa [Mr. GILLETTE] last evening, and I brought it up in a speech earlier this afternoon.

However, Mr. President, I share the doubts of the acting majority leader with regard to the wisdom of approaching it, even though the verbiage is softened, in the way suggested by the junior Senator from Massachusetts.

I make, instead, another suggestion. This subject lies primarily within the jurisdiction of the President of the United States, and the Secretary of State. It would seem to me that for a long time past, they have not realized the seriousness of the situation and have not looked far enough ahead to see into what sort of trouble we were headed. It would seem to me to be highly appropriate for the Senate of the United States, by resolution, to call this situation to the attention of the President and the Secretary of State, and thereby indicate our strong interest indeed, more than our strong interest, our very strong feeling that these things will have to be done.

So I suggest to the Senator from Arizona that this proposal be put, instead, in the form of a resolution, which I shall gladly support personally. I cannot support the effort in the form of an amendment to the pending bill.

Mr. GOLDWATER. Mr. President, as I stated earlier, I recognize full well the dangers involved in such an amendment, but I feel that the subject has been discussed so thoroughly this afternoon that there can be no question in the minds of the people as to its intent.

Particularly during this anniversary week of our own independence it is important that we express again to the people of the world our inherent belief in the wonderful words of the Declaration of Independence in which we so firmly believe.

Mr. President, I accept the amendment offered by the Senator from Massachusetts [Mr. KENNEDY], and I ask for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona, as modified.

EMERGENCY AGRICULTURAL LOANS

Mr. AIKEN. Mr. President, on behalf of the junior Senator from New Mexico [Mr. ANDERSON] and myself I ask unanimous consent to offer a bill for appropriate reference. I wish to explain the bill.

The PRESIDING OFFICER. Is there objection?

Mr. MAGNUSON. Mr. President, I wonder whether the Senator from Vermont would permit the Senate to vote on the pending amendment. After the amendment is disposed of he could have the floor. The Senate is ready to vote on the pending amendment, I believe.

Mr. AIKEN. With the understanding that there will be an immediate vote on the pending amendment and that I may have the floor after the vote is had—no; I have the floor, and I had better keep it.

The PRESIDING OFFICER. Objection is heard.

Mr. AIKEN. There seems to be too much talk in the offing for me to yield the floor at this time. I do not know when I would get it back.

The PRESIDING OFFICER. The Chair would remind the Senator that objection was made, and, therefore, he may not introduce the bill at this time.

Mr. AIKEN. Very well.

Mr. MAGNUSON. Mr. President, I did not object. If what I said was understood to be an objection, I withdraw the objection.

Mr. AIKEN. I may say to the Senator from Washington——

The PRESIDING OFFICER. The objection has been withdrawn, and the Senator from Vermont may proceed.

Mr. AIKEN. Mr. President, the bill which I am offering on behalf of the Senator from New Mexico [Mr. ANDER-

son) and myself proposes to amend Public Law 38, 81st Congress, to give additional authority for helping farmers and stockmen in emergencies such as now exist in the disaster and flood areas.

The bill would provide supplemental sources of credit for farmers in disaster areas. It would facilitate the administration of programs for furnishing feed and seed to farmers in areas determined by the President to be disaster areas.

All loans and expenditures provided for in the bill would be made from the disaster-loan revolving fund established by Public Law 38, 81st Congress—approved April 6, 1949.

Public Law 38 dissolved the Regional Agricultural Credit Corporation and transferred the assets of the revolving fund—amounting to $45.5 million—created by section 84 of the Farm Credit Act of 1933, as amended, to the new disaster loan revolving fund. An additional $30 million was added to the fund by the Flood Rehabilitation Act, 1952, in October of 1951 to take care of additional needs arising out of the floods in Kansas, Missouri, and Oklahoma.

As of June 12, 1953, there was a balance of approximately $17 million in this fund, with anticipated collections of $36 million during the fiscal year 1954 which, if realized, would make approximately $53 million available during the course of the year. Since much of the money is loaned out in the drought area already, it now seems unlikely that collections will be as good as estimated.

Loans for production disasters presently authorized under Public Law 38 have varied from about $21 million to $50 million each year since the establishment of the fund. The balance on hand in the fund would be enough to start the program provided for in the bill. The programs authorized in the bill, however, will very likely involve substantial funds. Therefore, immediate consideration will have to be given to requesting an addition to the revolving fund.

The following is a brief analysis of the bill:

1. Section 2 (b), economic disaster loans: This section would authorize loans to farmers and stockmen in areas determined by the President to be major disaster areas, if the Secretary found that an economic disaster, such as price declines, had also caused a need that recognized lenders, including Farmers' Home Administration, could not meet. The bill contemplates that the authority would be relied upon only for temporary periods. It could be used to meet emergency situations in such areas where Farmers' Home Administration was out of money, until the matter could be brought to the attention of the Appropriations Committees of the Congress.

2. Section 2 (c), special livestock loans: This provision, which is largely self-explanatory, sets up a lending authority out of the old RACC revolving fund, substantially similar to the authority of the regional agricultural credit corporations, which have been liquidated. The administrative and procedural work of making and collecting the loans would be handled by Farmers' Home Administration. The approval of the loans, however, would be by committees designated by the Secretary for areas of 5 or 6 counties, meeting perhaps once each week, and loan servicing would be under the jurisdiction of those committees. Loans in excess of $50,000 would have to be approved by the Secretary.

Under the bill a rancher or a stockman, in order to get a loan, would need to have a reasonable chance of working out of his difficulties with this supplementary financing, and if existing creditors were willing to cooperate. The borrower would give such security as he had available. Existing creditors would not be asked to subordinate their indebtedness, but would be expected to cooperate by giving standby agreements.

The authority for making these livestock loans would be limited to a period of 2 years.

3. Section 2 (d), emergency assistance in furnishing feed and seed: This section would enable the Department to continue to do substantially what it is now doing in the way of helping farmers get feed and seed in the disaster areas as determined by the President. The Department would not have to rely upon the President's emergency fund, however, for the money necessary to carry on the functions. It would use funds in the revolving fund for those purposes, and that fund would be under the jurisdiction of the Secretary of Agriculture.

It has been recognized for some time that the Department of Agriculture should have its own funds with which to carry on these functions for farmers when the President finds that assistance is required by an emergency.

4. The last section of the bill makes technical amendments to the existing provisions of Public Law 38, so as to make it possible to use the revolving fund for the purposes of these amendments. It also carries an authority for additional appropriations to be made to this fund in the regular way.

Mr. President, I ask unanimous consent that the bill, which is not long, be printed in the RECORD. I also ask unanimous consent that if other Senators wish to join in sponsoring the bill, they may do so. For that purpose, I ask that the bill lie at the desk for an hour, so that if there are other Senators who desire to be cosponsors in this effort to assist the administration in helping to maintain a prosperous agriculture in the United States, they may have an opportunity to do so. I make this request for the reason that several Members of the Senate have indicated a desire to join in sponsoring the bill, but I have not had an opportunity to see them this afternoon.

The PRESIDING OFFICER (Mr. BUSH in the chair). Without objection, it is so ordered.

There being no objection, the bill (S. 2267) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, introduced by Mr. AIKEN (for himself, Mr. ANDERSON, Mr. YOUNG, Mr. LANGER, Mr. MUNDT, Mr. BARRETT, Mr. CASE, Mr. JOHNSON of Texas, Mr. CLEMENTS, Mr. STENNIS, Mr. MONRONEY, Mr. MCCLELLAN, Mr. KERR, Mr. JOHNSON of Colorado, Mr. MCCARRAN, Mr. MILLIKIN, Mr. THYE, Mr. DANIEL, Mr. SCHOEPPEL, Mr. BENNETT, Mr. CARLSON, Mr. WELKER, Mr. GILLETTE, Mr. BRICKER, Mr. MALONE, Mr. TAFT, Mr. KUCHEL, Mr. GOLDWATER, Mr. WATKINS, Mr. DWORSHAK, Mr. COOPER, Mr. KNOWLAND, Mr. HENDRICKSON, Mr. HICKENLOOPER, Mr. JACKSON, Mr. EASTLAND, Mr. JOHNSTON of South Carolina, Mr. HOEY, Mr. HOLLAND, Mr. DOUGLAS, Mr. MANSFIELD, Mr. MORSE, Mr. HUNT, Mr. MURRAY, Mr. KEFAUVER, Mr. FULBRIGHT, Mr. GREEN, Mr. HILL, Mr. SPARKMAN, Mr. MAYBANK, Mr. HUMPHREY, Mr. BUTLER of Nebraska, and Mr. GRISWOLD), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That section 2 of the act of April 6, 1949 (63 Stat. 43, as amended), is hereby further amended by adding these new subsections as follows:

"ECONOMIC DISASTER LOANS

"SEC. 2. (b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to make loans to farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if he finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"SEC. 2. (c) For a period of 2 years from the effective date of this act loans for $2,500 or more may be made to established ranchers or stockmen (including corporations or associations engaged in the business of financing cattle if they are owned and controlled by ranchers and stockmen engaged in the business of buying and selling cattle) who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of 3 years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 percent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding $50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local financing institutions, livestock operators, and persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding $25 for each day spent on the work of the committee, and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regualtions.

"EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

"SEC. 2. (d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to furnish to established farmers, ranchers or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, but

the Secretary may waive repayment in whole or in part if in his judgment circumstances so require. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and may reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for administrative expenses necessary in performing such functions."

AMENDMENTS TO EXISTING PROVISIONS

The last sentence of subsection 2 (a) is renumbered as subsection 2 (e) and a comma and the word "reimbursement" shall be inserted after the word "loans" in said subsection.

The letter (a) in the last clause of subsection 2 (b) is deleted, the subsection is renumbered as subsection 2 (f), and there shall be added at the end thereof the following new sentence: "There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine."

Mr. AIKEN. Mr. President, I ask unanimous consent that, if a meeting can be arranged, the Committee on Agriculture and Forestry be authorized to sit in hearing on this bill on Monday afternoon.

The PRESIDING OFFICER. Without objection, consent is granted.

Mr. LANGER. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. LANGER. Do I correctly understand that livestock loans are to be made for a period of only 2 years?

Mr. AIKEN. The loans may be made for a period of 2 years. They may be made, I believe, during the next 2 years, under the provisions of the bill.

Mr. LANGER. When will they be due? Will they be due in 2 years?

Mr. AIKEN. The loans to be made would be similar to the original Regional Agricultural Credit Corporation loans, I am sure. The usual time of such loans is 2 years, but if the need warrants it, I am sure that they can be renewed. The purpose of the bill is to give the livestock people such time as they may need to work their way out of their difficulties, if they appear to have a possible chance of doing so.

Mr. CASE. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. CASE. The purpose of the bill is also to relieve them of the necessity of having to liquidate bank loans, under such conditions; is that correct?

Mr. AIKEN. Yes, that is the main purpose, namely, to permit them to hold their young cattle, their unfinished cattle, and their foundation herds, and not to have to send them to market and take the very low prices which they are having to take today in the drought area.

Mr. CASE. And, conversely, where the equity on an existing loan is fairly well wiped out, to permit them to carry the loan until satisfactory banking conditions can be had; is that correct?

Mr. AIKEN. Yes. The banker will not be required to subordinate his loan to the Government loan, but he will be asked to stand by and wait until the owner of the cattle can recoup and find his way out of his difficulties.

Mr. CASE. I hope the Senator from Vermont will add my name to the bill, as a co-sponsor.

Mr. AIKEN. I shall place the bill at the desk and let Senators add their own names. I spoke to two or three Senators. I hope that all Senators who wish to add their names as cosponsors will do so.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. BARRETT. Is there to be any limitation on the amount that can be loaned by the new agency, as proposed?

Mr. AIKEN. The Department has been working on this bill steadily for about 3 days. I see no limitation on the amount of loan that can be made, except that loans of $50,000 or more must be approved by the Secretary, as well as by the local committee.

Mr. MUNDT. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. MUNDT. I think I understood the Senator from Vermont to state, in his reading of the analysis of the bill, that economic disasters and acts of God will be added as justification for the making of the loans.

Mr. AIKEN. That is true.

Mr. MUNDT. So they will be made available anywhere in the country where sheepmen or cattlemen find themselves in serious economic straits. Is that correct?

Mr. AIKEN. Yes, where the economic straits are sufficiently serious to warrant the making of a declaration that the area is a disaster area.

Mr. MUNDT. That is correct—in other words, where they are sufficiently serious to justify the making of such a declaration; is that true?

Mr. AIKEN. That is right.

Mr. LANGER. Mr. President, I ask that my name be added to the bill, as cosponsor.

Mr. AIKEN. Mr. President, I yield the floor.

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

Mr. HENDRICKSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New Jersey will state it.

Mr. HENDRICKSON. Do I correctly understand that the pending question is on agreeing to the amendment of the Senator from Arizona [Mr. GOLDWATER], as modified by the amendment of the Senator from Massachusetts [Mr. KENNEDY].

The PRESIDING OFFICER. That is correct.

Mr. HENDRICKSON. Mr. President, I wish to speak briefly on this question.

First, I wish to commend the able Senator from Arizona, and the able Senator from Massachusetts for the vision they have shown and the leadership they have furnished on this issue.

When this bill was before the Armed Services Committee, I was very much concerned about the possible effect and implication of section 304 if enacted. Indeed, I was so seriously disturbed that in the committee I moved to strike out the section. After further discussion, at the request and largely on the advice and counsel of the distinguished chairman of the Armed Services Committee [Mr. SALTONSTALL], I later withdrew my motion.

I am delighted this afternoon, as I have said, that such fine leadership has been afforded us, and that we now have before the Senate what I regard as a sound vehicle for the solution of what seemed to me to be a dangerous situation which might well have confronted not only the United States but also the entire free world, as a result of the language in section 304. As presently written as one member of the Armed Services Committee, I shall be very happy to support the amendment offered by the distinguished Senator from Arizona, as modified by the amendment of the Senator from Massachusetts.

While I am on my feet, Mr. President, I wish to commend all Senators who have so ably supported this amendment during the discussion this afternoon.

Mr. COOPER. Mr. President, I wish to associate myself with the position taken by the distinguished Senator from California, the acting majority leader [Mr. KNOWLAND] in his opposition to the pending amendment and with the distinguished Senator from Vermont [Mr. FLANDERS] in the suggestions he made a few minutes ago.

I speak not only in opposition to the amendment which was originally proposed by the distinguished Senator from Arizona [Mr. GOLDWATER], but also in opposition to the amendment as modified by the distinguished Senator from Massachusetts [Mr. KENNEDY]. I will state my reasons.

The amendments which have been proposed are moved by our tradition of freedom and independence. They are charged with our deepest sentiments and our profoundest hopes for the people of the Associated States of Indochina. I am sure that every Member of the Senate holds the hope that France will not have a decision forced upon her by circumstances and events in Indochina, but that France will make its decision, and will give to those states the assurance of a day for their independence. I agree wholly with the statement made by the distinguished Senator from Illinois [Mr. DIRKSEN], that if such a decision were to be made, it would give incentive, it would give a cause for those who fight in those lands. Yet, I believe that the amendments, with their mandatory provisions, carry with them great danger not only to the eventual success of the objective of independence for those people, but also to our own cause and our own security. If the amendment which has been proposed by the Senator from Arizona should be adopted, in its original form, and if France then should not accept its ultimatum, and in consequence our aid should be withheld, we may contribute to the success of the

Communist guerrillas, and we shall have denied forever, or for a long time, the very objective which is implicit in these amendments. If the people of these countries fall under Communist domination, the hope of freedom is gone.

It may be said that the amendment as modified removes this danger. I do not think so. From a careful reading of the amendment it will be noted that it says that aid shall be administered only in such a way "as to encourage through all available means" the freedom and independence desired by the peoples of the Associated States, including the military training of the Vietnamese. If these words mean anything, they mean that aid will be withheld unless it is used to secure or promote the freedom of the Associated States. I do not see how France could accept such a proposal, when implicitly it conveys the same ultimatum as that contained in the amendment proposed by the Senator from Arizona.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. COOPER. If I may finish, I shall be glad to yield to the Senator in a moment. I believe our first great objective in the Pacific and the Far East today is our own security, and we should take no step which would endanger that security. We are hoping very much that there will be a successful conclusion of the negotiations in Korea; and certainly one of the pressures which bears in our favor against the Chinese Communists, is the aid we give in Indochina. It would be folly to withdraw at this time one of the favorable pressures in our truce negotiations for the dearest hope we have today—the ending of the war in Korea.

The independence of the people of these areas is our hope. Yet, if we should adopt this amendment, and if it should become necessary, in order to adhere to its terms, to withdraw our aid, I repeat that in all probability we might be denying them the chance of their ever obtaining freedom.

I remember that after aid had been granted to the Nationalist Government in China, limitations were imposed upon that aid by the Government of the United States. Conditions were imposed upon the Nationalists and the aid was not given. Many have believed and many have charged that because of those limitations and the consequent withholding of aid, China fell, and that we were placed in the position of grave danger in which we now find ourselves. Let us not do today the same thing for which we have condemned the administration of our friends upon the other side of the aisle.

Finally, we have many delicate connections with France in many places. They have forces and their sons in Korea. We are in a vital and delicate situation with France in connection with the European Defense Community. These connections affect our security and that of the free countries of the world.

In closing, I say again, that all of us agree that the countries in question should attain independence, but if we want our views and sentiments known let us act in the way proposed by the distinguished Senator from Vermont [Mr. FLANDERS]; namely, by a resolution expressing the sense of the Senate, in a way that will not defeat the very aims we seek.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. KENNEDY. The Senator from Kentucky has stated that my amendment would withhold money unless certain conditions were met by the French. That is incorrect. The words are:

Provided, That the expenditure and distribution of the funds, equipment, materials, and services authorized under this or any other section of this act on behalf of the Associated States of Cambodia, Laos, and Viet-Nam, to the extent that it is feasible and does not interfere with the achievement of the purposes set forth in this act, shall be administered in such a way as to encourage through all available means the freedom and independence desired by the peoples of the Associated States, including the intensification of the military training of the Vietnamese.

That reflects an entirely different spirit than to say that if France does not give these States their freedom, the aid will be withheld.

The second point I wish to make, in answer to the statement of the distinguished Senator is this: The United States has put its prestige directly behind the French in this struggle. Moreover, it has devoted large sums of money in rendering assistance; yet, the Senator knows, as I know, that the conditions are not now present in French Indochina that would permit a victory for the French forces. Indeed, indications are against such a victory, regardless of the steady increase in United States assistance since 1950. Continuation of an obviously fruitless campaign will certainly be more likely to result in the French withdrawing. The amendment which I have suggested will stimulate local self-government in those countries, thereby stimulating the support of the native population for the war effort, support which is not now there. It seems to me that the prospects of total success and of the French remaining will be enhanced by such conditions of popular support being established in French Indochina, rather than by the United States doing nothing while the French continue to dominate those areas. It is the latter which could bring negotiations which might be disastrous by causing the French to pull out completely.

Mr. COOPER. I agree entirely with the Senator's objectives. All I have said is that I do not believe this is a proper method of attaining them. I think our influence can be directed in better ways.

Mr. FERGUSON. Mr. President, I desire to say a few words regarding the amendment now pending. This is not the time for the consideration of such an amendment. I think it would be a mistake for the Senate to adopt this amendment because of the effect it would have on our foreign relations. France has just formed a new government. France's new government has had very little time to act. I believe that a proposal so important as the one suggested by the Senator from Arizona [Mr. GOLDWATER], which has been modified by the acceptance as a substitute of the amendment offered by the Senator from Massachusetts [Mr. KENNEDY], should be discussed by this Nation on a very high policy level.

The President of the United States, who is familiar with all of the facts and circumstances, is the one to conduct this kind of negotiation with a country which at the present time is at war in Indochina. I am not unmindful that the question of independence plays a great part in the conflict in Indochina.

I conferred at one time, while in Saigon, with the cabinet of Indochina and I know the feeling it has in relation to the question of independence. I was told there were thousands of persons fighting on the Communist side who were patriotic as are those upon the French side.

Mr. President, I feel that it is not advisable to adopt the amendment at this time. The new Government of France must know how America feels with reference to independence. As the 4th of July anniversary of our own independence is approaching, we all appreciate and fully realize what independence means to other peoples. It is very vital to these people of the Associated States.

We are furnishing supplies to Indochina, which is engaged in a war against communism, and all it stands for. In my judgment, we in the Congress should not attempt to legislate upon this particular subject which involves foreign relations. We know that our relations with other allies in the free world are strained at the present time because of what is going on in Korea. Do we want now to accentuate these strained relation between the United States and her foreign allies by an act of Congress? Would it not be better to let the President know how we, as Members of the Senate, feel personally about the subject?

I hope the Senate will not adopt the amendment, even though we are in sympathy with the independence of the people of Indochina.

Mr. HENDRICKSON. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. HENDRICKSON. Do I understand from the remarks made by the Senator from Michigan, that he objects to the timing but is not opposed to the principle involved. Is that correct?

Mr. FERGUSON. I am opposed to trying to solve the problem by actions of Congress. A very delicate situation is involved, and negotiations should be conducted by the President of the United States, who is in charge of our foreign activities concerning the French and the Indochinese, so far as the war there is concerned. I feel that Congress should not be legislating foreign policy when a war is now actually in progress.

Mr. HENDRICKSON. We are legislating the authority, are we not?

Mr. FERGUSON. We are acting on legislation proposing to give aid to certain other peoples as the President of the United States shall determine.

Mr. HENDRICKSON. Which is quite within our power.

Mr. FERGUSON. Yes; it is within our power to say that independence

must be given prior to the receipt of any money. We can do that; there is no question about it. The question is as to the advisability of doing so.

Mr. CASE. Mr. President, will the Senator from Michigan yield?

Mr. FERGUSON. I yield.

Mr. CASE. Does not the Senator feel that it is certainly within the responsibility of the Congress to say whether we want to provide assurance to the taxpayers of the country that these huge sums of money will be used to strengthen the forces against communism?

Mr. FERGUSON. There is no doubt about that.

Mr. CASE. Does not the Senator feel that the strongest support we could give in the fight against communism in Indochina today is to let the people of the Associated States know that we believe they should have independence?

Mr. FERGUSON. I would say that letting them know we favor their independence is a desirable thing, but I doubt if an attempt to provide for their independence in legislation by telling them that the French must give them their independence today would strengthen their battle for independence. I am conscious that I do not have sufficient facts upon which to act.

Mr. CASE. We set a target date in connection with granting independence to the Philippines. We set a date on which independence would be forthcoming. It seems to me we could do nothing which would do more to weaken the Communist appeal in Indochina today than to make it clear that our aid is in support of independence as well as against communism.

The articles which I have read and the reports I have heard state that the strongest appeal the Communists have to maintain their fighting forces in that area is that they are fighting for independence. If we rob them of that battle cry, we shall have weakened the Communist position no end.

Mr. FERGUSON. But does the Senator have sufficient facts to enable him to say that if independence were given today communism would not overrun the country and destroy their independence?

Mr. CASE. I read in the statement of the Senator from Massachusetts that one of the leaders said there would not be any war if it were not for the independence question.

Mr. FERGUSON. I realize that the question of independence is involved in the war, but I am not assured that if independence were given it would not be lost, because I think it would be engulfed by communism.

Mr. CASE. I certainly think we have sufficient information to give assurance to the taxpayers of the United States that we are not committing money and American boys to a war in that kind of a terrain and under that kind of conditions unless the people of Indochina are fighting for the principles of freedom.

Mr. FERGUSON. Today are we saying in Korea that independence must be given to all the people of Korea?

Mr. CASE. I hope we are trying to give the Koreans a chance to survive.

Mr. FERGUSON. I hope we are, but we are not saying to them that we are going to guarantee their freedom and independence.

Mr. CASE. We do not say that under the language proposed in the amendment, but we do express the sentiment.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Millikin
Anderson	Hendrickson	Monroney
Barrett	Hennings	Morse
Beall	Hickenlooper	Mundt
Bennett	Hill	Murray
Bricker	Hoey	Neely
Bridges	Holland	Pastore
Bush	Humphrey	Payne
Butler, Md.	Hunt	Potter
Byrd	Jackson	Purtell
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Clements	Johnston, S. C.	Saltonstall
Cooper	Kennedy	Schoeppel
Cordon	Kerr	Smith, Maine
Dirksen	Knowland	Smith, N. J.
Douglas	Kuchel	Sparkman
Dworshak	Langer	Stennis
Eastland	Lehman	Symington
Ellender	Long	Taft
Ferguson	Magnuson	Thye
Flanders	Malone	Watkins
George	Mansfield	Welker
Gillette	Martin	Wiley
Goldwater	Maybank	Williams
Gore	McCarran	Young
Green	McCarthy	
Griswold	McClellan	

The PRESIDING OFFICER. A quorum is present.

Mr. GEORGE. Mr. President, the pending amendment, which, as I understand, is a substitute proposed by the distinguished Senator from Massachusetts [Mr. KENNEDY] for the amendment offered by the distinguished Senator from Arizona [Mr. GOLDWATER] to the bill, presents a very serious question. With the general purpose of the two amendments no one would wish to quarrel, certainly not those of us in the Senate who feel keenly the responsibility of our service as representatives of our people, who themselves love liberty and have had an experience not dissimilar to that of other peoples elsewhere in the world.

But the problem presented is one of extreme difficulty. Basically, the question is whether we desire to continue the efforts we have begun to bring about a cessation of the aggressive movements of a very hostile philosophy and government against the liberties which we ourselves cherish. Of course, we might with perfect propriety place a condition upon any grant, whether by way of gift or loan, to any country or to any people. That is unquestioned. We might impose conditions upon any grant we might wish to make, but the question is whether it is wise to do so if we are seriously undertaking to accomplish anything by the efforts we are making.

I know that many American people lose their patience with a great part of this program because of things that are happening around the world. The question is, Have we faith enough in the program to continue it, whether as a part of the defense operations of the Government, as a part of the State Department, or through an independent agency, as it is now conducted? I expressed my view on this point earlier in the day.

If we have faith enough to continue it, in any form, through any agency, then I think we must be extremely careful in what we are attempting to do by these amendments. Either of these amendments, or any similar amendment attached to the bill—which is, after all, an aid bill—as a condition would have the indirect effect of challenging another nation on which we are very greatly dependent for the success of all operations in Western Europe.

I have long believed, and I have said so on this floor many times, that there would be no ultimate hope without Germany of building a military force in Europe that could withstand a determined aggressive movement by the Soviet Union. I believe that profoundly. At the same time, it is very difficult to conceive of a defensive military program in Western Europe that would wholly ignore the existence of France.

There is but one safe course for a free people with a history such as ours to pursue. In our intercourse with other nations we should restrain ourselves from interference in their own domestic affairs. At the moment the war in Indochina is an affair of France's, and in an area of the world which bears some relationship to the Government of France and to the people of France.

It is true that we have a great sympathy with people of Indochina who are struggling there for their liberty; but at the same time we ought not to interfere or attempt to interfere in any way with the internal affairs of France at this particular time, a crucial time in her history, if we wish to make the whole enterprise on which we have embarked at such great sacrifice to our people and with such high hopes and enthusiasm, a real success.

If because of our interference France is compelled to forego further assistance under the mutual-security program, or if she is forced to make a declaration which individually as Senators we might greatly desire to hear made and to witness, then I propound this one question: How long will it be before France will have most serious difficulties in other areas of the world?

Not only is France engaged in Indochina. France has interests in Morocco and Tunisia. We cannot interfere in the internal affairs of a friendly ally with any degree of safety or assurance that we are not defeating the very purpose which we have so loudly proclaimed.

Mr. President, it is most unfortunate, in my judgment, that these amendments have been offered, because if such an amendment should be adopted in any form and go to conference, and the conferees should find it necessary, acting with reasonable prudence and care, and with the utmost sympathy for the motives which have prompted Senators in offering these amendments, to eliminate the amendment, then we would certainly be misunderstood in many parts of the world.

If France is forced to withdraw from Indochina, or if she voluntarily with-

draws from Indochina, what assurance have we that Indochina will not itself fall a victim to Red China? What assurance is there? We assume a burden if we follow such a course. If there is an aggressive movement toward Indochina, we assume the burden of sending troops to that far corner of the world. At least we assume a moral obligation.

What would be the effect, Mr. President, if France should act affirmatively upon these amendments, or either one of them, or a similar amendment in any form or language? What would be the effect in France herself? How would France resist the Soviet propaganda of the Soviets in France if the French people were reminded daily, "You have had to yield in order to obtain largesse and gifts from America. You have had to yield in a matter of vital concern to the French people." Would they resist such propaganda? I do not think so.

Much as I am concerned about what goes on in the East, and in the Far East, I am still concerned about what goes on in Western Europe. If France should now decline to accept further assistance, or if France should be forced to take a political action which she is not yet able to take because of the conditions which we would impose upon her by this or some similar amendment, then I think it would be very difficult to prevent the NATO organization from falling apart.

In any event, the future is not without its danger signs and signals, even under the best of conditions. With a thorough understanding of the motives prompting these amendments, and of the sentiments which have been expressed in favor of them, and with a thorough sympathy for those motives, I nevertheless feel strongly that the free peoples of this world should not do something which might defeat every effort made in Western Europe.

Mr. President, I have never been very emotional on this subject; but if the Iron Curtain ever falls upon the shores of the Atlantic, then the difficulties in America will be immeasurably increased, and the final safety and economic independence of our own people will be very gravely threatened and circumscribed.

Mr. President, it is known in the State Department, it is known in the executive offices of this Government, it is known by all of us who have tried to keep abreast of what is going on in Indochina, that a great effort has been made to bring France herself to a decision which would obviate the necessity of this kind of amendment or resolution.

How close that decision may be at this moment is not proper and not possible for me to say, but progress has been made.

France may be compelled to withdraw from Indochina. Believe me, Mr. President, the total withdrawal of France from Indochina at this moment might present us with graver problems than the continuation of the unhappy state and condition that exist in that quarter of the globe at this time.

But France undoubtedly will and France undoubtedly can handle this problem in her own way. We cannot be helpful by officious intermeddling in the affairs of a friendly nation. I am profoundly convinced it would be so much better, as long as we continue this program, to abstain, and to religiously abstain, from any disposition or purpose to interfere with the internal affairs of a friendly ally, even though we are concerned by the affairs that take place in other nations, and although we may disapprove, and heartily disapprove, of some things that have occurred and will continue to occur.

But, Mr. President—and I have said all that I desire to say on this matter—in my judgment, it would be most unfortunate if through the adoption of these amendments, or the sense of them, we have to take the proposal to conference, and it is either confirmed or rejected. If rejected, a question will arise. If approved by the conference and reported back to the Senate and the House, beyond all doubt we will have given offense to a sorely beset and sorely pressed friend and ally, although we may not be able to rely upon that friend and ally to the same extent we would like to be able to depend upon her because of her present condition and the state of affairs in the world.

Mr. President, since we have put our hand to this task, whether wise or unwise—and we have been working at it at a vast cost to the American people for 7 years—I hope we will not do anything which may lead, and easily may lead, to the defeat of the main purpose for which we have at least been honorably striving as a part of the legislative branch of the American Government.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. GOLDWATER], as modified.

Mr. GOLDWATER. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. DUFF], the Senator from Indiana [Mr. JENNER], and the Senator from Nebraska [Mr. BUTLER] are necessarily absent.

The Senator from Delaware [Mr. WILLIAMS] is absent on official business.

The Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from West Virginia [Mr. KILGORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official committee business.

I announce further that, if present and voting, the Senator from Delaware [Mr. FREAR] and the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

The result was announced—yeas 17, nays 64, as follows:

YEAS—17

Barrett	Goldwater	Magnuson
Case	Hendrickson	Malone
Clements	Jackson	Watkins
Dirksen	Kennedy	Welker
Douglas	Langer	Young
Dworshak	Long	

NAYS—64

Aiken	Hennings	Morse
Anderson	Hickenlooper	Mundt
Beall	Hill	Murray
Bennett	Hoey	Neely
Bricker	Holland	Pastore
Bridges	Humphrey	Payne
Bush	Hunt	Potter
Butler, Md.	Johnson, Colo.	Purtell
Byrd	Johnson, Tex.	Robertson
Carlson	Johnston, S. C.	Russell
Cooper	Kerr	Saltonstall
Cordon	Knowland	Schoeppel
Eastland	Kuchel	Smith, Maine
Ellender	Lehman	Smith, N. J.
Ferguson	Mansfield	Sparkman
Flanders	Martin	Stennis
George	Maybank	Symington
Gillette	McCarran	Taft
Gore	McCarthy	Thye
Green	McClellan	Wiley
Griswold	Millikin	
Hayden	Monroney	

NOT VOTING—14

Butler, Nebr.	Frear	Kilgore
Capehart	Fulbright	Smathers
Chavez	Ives	Tobey
Daniel	Jenner	Williams
Duff	Kefauver	

So Mr. GOLDWATER's amendment, as modified, was rejected.

CIVIL-SERVICE RETIREMENT BENEFITS TO CITIZENS OF FOREIGN COUNTRIES

Mr. CARLSON. Mr. President, on June 4 on the floor of the Senate, the distinguished Senator from Delaware [Mr. WILLIAMS] made a statement relative to a major loophole in our civil-service retirement law whereby citizens of foreign countries are being given full benefits under our retirement system.

At that time I stated that the staff of the Senate Post Office and Civil Service Committee would do some research relative to this matter. As a result of that research I am informed that these aliens were placed on the retirement eligibility list by the Retirement Act of January 24, 1942, which placed all Federal employees other than certain temporary employees on the retirement eligibility list.

Some of these people never took a civil-service examination, but they had worked for some branch of the United States Government, and as the civil-service law now stands we seem to be bound under law to pay these annuities.

There are aliens in 67 countries or islands now drawing an annuity from the United States Government. As of June 1953 there was a total of 3,554 aliens drawing a grand total of $168,785.87 in annuitants per month.

I have in my possession a tabulated list of countries with the number of annuitants for each country and the gross monthly annuity payments for each country. The information furnished herewith is based on records maintained in connection with the withholding of income tax from nonresident aliens.

Such tax withholding has been in effect only since January 1, 1952.

I ask unanimous consent that the table may be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Name of country	Number of annuitants	Gross monthly annuity payments
Canal Zone	713	$38,881.80
Puerto Rico	2	90.00
Canada	16	702.00
British Honduras	1	78.00
Barbados	11	870.00
Jamaica	40	2,392.00
British Leeward and Windward Islands	7	316.00
Trinidad and Tobago	4	240.00
Netherlands West Indies	1	62.00
French West Indies	4	342.00
Mexico	6	254.00
Costa Rica	3	56.00
Guatemala	2	133.00
Panama	38	1,351.98
Cuba	128	6,456.00
Haiti	3	45.00
Netherlands Guiana	1	18.00
Argentina	4	289.00
Brazil	7	492.00
Chile	8	224.00
Colombia	6	175.00
Peru	8	159.00
Uruguay	1	91.00
Spain	11	502.00
United Kingdom	46	2,467.00
Malta	1	121.00
Netherlands	5	539.00
France	17	1,431.00
Portugal	5	368.00
Sweden	10	647.00
Finland	1	46.00
Germany	10	473.00
Switzerland	6	530.00
Austria	1	68.00
Hungary	4	339.00
Yugoslavia	2	167.00
Greece	3	203.00
Republic of Ireland	10	722.00
Free Territory of Trieste	1	34.00
Belgium	1	55.00
Italy	13	484.00
Norway	3	144.00
Union of South Africa	3	330.00
Nigeria	5	108.00
Sierra Leone	1	113.00
Morocco French Zone	1	58.00
Tunisia	1	61.00
Egypt	3	119.00
Ethiopia	1	10.00
Tangier	3	308.00
Belgian Congo	2	12.00
India	31	768.00
Pakistan	2	103.00
Singapore	1	6.00
Hong Kong	12	785.00
Indonesia	1	19.00
French Indochina	5	85.00
Turkey	13	1,174.00
Iran	2	91.00
Lebanon	2	236.00
Thailand	6	21.00
Philippines	2,252	99,251.00
Japan	5	202.00
Guam	3	228.00
American Samoa	35	1,532.00
Marianas Island	1	124.00
Australia	2	124.00
Total	3,554	168,785.87

MUTUAL SECURITY ACT OF 1951, AS AMENDED

The Senate resumed the consideration of the bill (S. 2128) to amend the Mutual Security Act of 1951, as amended, and for other purposes.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. SALTONSTALL. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 15, it is proposed to strike out lines 3 to 6, inclusive, and to insert:

(2) Funds appropriated under the authority of this act shall, if obligated before such date, remain available for expenditure for one year following such date in the case of assistance other than pursuant to the Mutual Defense Assistance Act of 1949, as amended, and for two years following such date in the case of assistance pursuant to the Mutual Defense Assistance Act of 1949, as amended, and shall be available during such period for obligation.

Mr. SALTONSTALL. Mr. President, the purpose of the amendment is, I believe, a very simple one. This afternoon I was approached, as chairman of the Armed Services Committee, because earlier today there was considerable debate, and the date of termination was changed from June 30, 1956, to June 30, 1955. The junior Senator from Montana [Mr. MANSFIELD] first proposed that the date be changed to June 30, 1954. The termination date agreed upon was June 30, 1955, with 1 year following that as the date of termination of contracts.

The difficulty from the Defense Department's point of view, particularly in the case of contracts made for procurement abroad, is that 1 year is too short a time in the case of some of the long-lead items. The procurement will be placed far short of the termination date of the act, if that provision is complied with.

I talked to the acting majority leader [Mr. KNOWLAND] and the senior Senator from Georgia [Mr. GEORGE] and the junior Senator from Montana [Mr. MANSFIELD], who are interested in this matter.

I believe I state correctly that it is agreeable to them to have the economic aid end 1 year after the termination date, but to allow the military items to go on for 2 years, because otherwise some of the most important items, such as jet airplanes, will be adversely affected, because their completion requires that long a lead time.

Therefore, I hope the amendment will be adopted and taken to conference.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. SALTONSTALL].

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. CASE. Mr. President, I had printed an amendment intended to be proposed by me, for myself and the Senator from Wyoming [Mr. BARRETT]. The amendment is identified as "6-30-53-A." It would have authorized the President in his discretion to transfer not to exceed 5 percent of the funds appropriated under the authority of this act to a special fund for economic defense, and would have made possible the purchase of commodities, including meat products and live animals, to be sent to other countries with whom the United States has a mutual assistance pact, and provided that local currencies could be received in payment therefor.

The purpose of the amendment has largely been accomplished by the amendment of the Senator from Arkansas, which already has been adopted, and which I supported, and which in fact was modified by the suggestion I made, so as to include meat products and livestock.

Therefore, I do not wish to call up my amendment.

I now ask unanimous consent that my amendment be printed at this point in the RECORD, and that following it there be printed in the RECORD a letter from the Korean Ambassador, to which I referred earlier this afternoon, in the course of the debate, and also several other letters which I have received in support thereof.

I offer these documents for the RECORD because they express some of the hopes I had in mind for the amendment, which I now transfer to the language placed in the bill as a result of adoption of the amendment offered by the Senator from Arkansas [Mr. MCCLELLAN]. I should like to have these letters and documents printed in the RECORD, in order to show the legislative history.

There being no objection, the amendment and accompanying papers were ordered to be printed in the RECORD, as follows:

Amendment intended to be proposed by Mr. CASE (for himself and Mr. BARRETT) to the bill (S. 2128) to further amend the Mutual Security Act of 1951, as amended, and for other purposes, viz: At the proper place in the bill add a new section as follows:

"SEC. . The President, in his discretion, may transfer not to exceed 5 percent of the funds appropriated under the authority of this act to a special fund for economic defense and may expend such funds for the procurement and delivery of such commodities, including meat products and live animals, as may be declared by the Secretary of Agriculture to be surplus to domestic needs, to countries with whom the United States has a mutual assistance pact and may receive local currencies in payment therefor which, in his further discretion, may be used for the local currency needs of the United States in such countries, including rehabilitation and reconstruction from damage by war: *Provided*, That the President may loan to any such countries cargo vessels owned by the United States for the transportation needs of such countries, particularly in transporting any supplies made available under the authority herein."

KOREAN EMBASSY,
Washington, D. C., March 25, 1953.

The Honorable Senator FRANCIS CASE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR CASE: It was a great pleasure for Mr. Han, our counselor, and me to meet you and your assistant this morning, and I want to thank you for taking time out to talk with us.

Again, I wish to repeat what I have written to you and what I have told you, namely, that I am very grateful to you for having given serious thought to the whole problem of relieving our very grave economic needs in Korea.

In compliance with your request, I wish to state the following:

As you well know, this horrible war has been going on for the last 3 years in Korea, and more than 1,000 villages have either been destroyed or seriously crippled. More than 50 cities and towns have met the same fate during the course of the fighting in

Korea. Ten million of our people have been made homeless, and there are more than 100,000 innocent children who have become orphans. Bombing from the south, bombing from the north, bombing from the east, and bombing from above cause a great deal of destruction in Korea, and this explains why most of our agricultural production has been seriously disrupted. Furthermore, there are virtually no facilities for the production of consumer goods.

I am sure that you can understand very readily why we need help. We have to feed these homeless people, we have to clothe them, and particularly the unfortunate orphans must be fed and clothed also.

Naturally, the food problem is one of the most acute difficulties our people face. We have to supply our population and particularly our armed forces, and, despite the fact that many well-meaning non-Korean organizations have been assisting us, the problem still remains serious. That is why whatever you can do in this respect would be a tremendous contribution to the betterment of the general well-being of our people. Grains such as barley, wheat, rice, corn, soyabeans, and even flour would be most welcome to us. Any poultry products, as well as other meats, would be an invaluable addition to the task of meeting the shortage of food in Korea. However, dairy produce such as cheese, butter, and liquid milk would not be suitable, because the Korean dietary habits have not as yet been developed to include a taste for these items. On the other hand, it is my firm belief that powdered milk would be very useful, particularly for the children in Korea.

Any assistance that can be given to relieve the suffering of our people, particularly with regard to the need for food and clothing materials such as woolen and cotton goods, would mean a tremendous uplift in the morale of my countrymen.

I am sure that you will agree with me that, if the families and dependents of our soldiers in Korea as well as the police, who also have shared the burden of fighting in Korea, are given a more ample supply of food and clothing, the morale of our fighting soldiers and police would be greatly strengthened. Such help would make a direct contribution to the even more essential military operations in Korea.

As I told you this morning, due to the poor living conditions, because of the war, 30 percent of our people are tuberculosis cases. If something is not done to alleviate this situation, it may mean national suicide.

You may remember my comment on the farm animals. The losses in virtually all forms of livestock have been very heavy, and there has been a very sharp decline in the number of draft animals for tilling the soil. I am sure that in ameliorating this condition it would mean an increase of agricultural produce in Korea.

I also called to your attention our need for ships. Early in 1952 a bill was introduced by Senator WARREN MAGNUSON to authorize the transfer of 50,000 tons of ships to be used by Korea. This was passed in the Senate, but to our great regret, the bill failed to get recommendation in the House.

In the last few years, kindhearted American people, through their churches, other organizations, and, in many cases, individuals, have collected large quantities of relief goods for our refugees in Korea. May I call to your attention that many times in the past these goods have failed to reach Korea because of the lack of transportation.

If we had, for example, 10 Liberty-type ships, there could be a continuous flow of transportation not only for our relief goods but also for grains that have been purchased now in the process of being sent to Korea. It would mean further that these ships could go to Korean ports directly instead of stopping first in Japan. This would eliminate piling up of goods due to lack of shipping space. Our Government, despite its very difficult financial situation, has been using its meager dollar funds for the purchase of grain in this country and elsewhere as well as for the transportation of these grains at a cost of up to $13 per ton. If we had these ships, the cost for transportation could be greatly reduced, and, naturally, this reduction would help us immensely. Ten of these ships could transport 40,000 to 50,000 tons of cargo per month.

The above is about the gist of our conversation this morning, and if there is anything I can do, please do not hesitate to call on me.

Very sincerely yours,

YOU CHAN YANG,
Korean Ambassador.

[From the New York Times of March 28, 1953]

MORE THAN BULLETS NEEDED TO WIN THE BATTLE OF KOREA—PROBLEMS OF RELIEF AND OF RECONSTRUCTION CAN BE MET ONLY BY UNITED NATIONS AND FREE WORLD

(By Howard A. Rusk, M. D.)

Although the peoples of the free world understand the ideological and political reasons for the presence of United Nations troops in Korea, only the person who has actually been there can understand the full impact of the war upon the Korean civilian population. Four years of fighting have resulted in nearly 1 million civilian casualties and complete destruction of nearly 500,000 homes. Other statistics are equally staggering—9 million dislocated people, 100,000 orphans and 300,000 war widows.

The problem of relief and of the economic and social reconstruction of Korea are so great that they can be met only by the United Nations and the national governments of the free world. To supplement this official assistance, however, Korea must have the warm, personal assistance of "people to people." This is essential if the eventual military victory is to be effective, for our military efforts will have been in vain unless Korea emerges from the war as a strong independent, democratic nation.

The spirit of the Korean people, their thirst for education and their respect for individual rights and liberties are the basic ingredients from which true democracies grow, but Korea must have help if this is to be achieved and the peace won.

The American and other United Nations troops fighting in Korea, who have come to know and respect the Korean people and to recognize their suffering and needs, have responded with overwhelming generosity from their own small incomes. There is hardly a military unit in Korea that has not adopted a hospital, orphanage or participated in some social welfare project. The best children's hospital in Korea—the Children's Charity Hospital in Pusan, which serves the orphans of that city—is largely financed by military members of the Masonic Lodge and their friends at home. The best orphanage, Happy Mountain, also in Pusan, is operated primarily with funds contributed by the officers and enlisted men of the Korean Base Section. The First Corps men in the front lines have contributed $100,000 for the care of child amputees at Severance Hospital in Seoul and at other facilities.

Almost every issue of the Korean edition of the Stars and Stripes carries a story of G. I.'s providing scholarships for a houseboy, equipment for an institution or assistance to widows and orphans. In addition, thousands of service men have written home for packages of food, clothing and other supplies that they pass on to the Koreans.

Through a plan instituted recently by CARE, service personnel may now order CARE packages for Korean institutions and individuals from their own post exchanges. As one prominent Korean official said: "If it hadn't been for the GI's, this nation would have folded."

No actual monetary reckoning can be made of the amount of aid that American military personnel have personally contributed to Korean relief, but it undoubtedly has been far in excess of the 22 million pounds of commodities worth $15,500,000 that nongovernmental agencies in the world have contributed to Korea in the last 3½ years.

Included in this amount, which has been sent through groups, such as CARE, American Relief for Korea, Seventh Day Adventists, War Relief Services (National Catholic Welfare Conference), Church World Service, American Friends Service Committee, Lutheran World Relief, and the Committee for Free Asia, has been wearing apparel and household goods valued at $13 million, 6 million pounds of food valued at $1,500,000, medical and hospital equipment and supplies valued at $121,000, agricultural equipment valued at $42,500, and educational supplies valued at $163,000.

Newest of the voluntary agencies to help Korea is the American-Korean Foundation, of which Dr. Milton Eisenhower is chairman. In addition to direct relief, this new group hope to engage in creative, productive projects that will assist the Koreans to produce goods and services themselves. The foundation's leaders envision it as a permanent body to eventually fill in Korea the role the Near East Foundation has played in that area.

The food, clothing, and other assistance that voluntary groups have contributed to Korea have been so desperately needed that the amount of voluntary help seems larger to the Koreans than it actually has been, for there is no place in the world today where so little goes so far and accomplishes so much. An orphan can be maintained, for example, for about 20 cents a day, a child kept in school for less than 5 cents a day, a student sent to college for $200 a year, and a hospital bed maintained at less than a dollar a day.

Although $15,500,000 is a sizable sum, it is not large by international philanthropic standards. Worldwide donations for Dutch flood disaster relief, for example, totaled $27 million in cash and 22 million articles of clothing, far more than has been given to Korea in 3½ years.

How all Americans can best support the efforts of their sons, brothers, and friends who are fighting in Korea was summed up by a wounded corporal in an . merican military hospital. In response to a query from this writer last week, he said:

"Doctor, I'm being well taken care of. There isn't anything I need, but there are thousands upon thousands of orphans and sick people here who need help. We in the military will do our job at the front and what we can do to help these people, but the folks at home ought to do more to help these people. That's the best way they can help us."

COUNTRY GENTLEMAN,
Philadelphia, Pa., March 16, 1953.

The Honorable FRANCIS CASE,
United States Senate,
Washington, D. C.

DEAR SENATOR CASE: We think your bill to divert some of our surplus food and other commodity stocks to the aid of South Koreans is a good idea. We are expecting a lot of those folks and they are putting up a game fight. Certainly the least we can do is to see that they are fed and clothed so that they can continue to fight, especially when we will have a job of rehabilitation on our hands, anyway. We hope the bill goes through.

Sincerely yours,

E. H. TAYLOR.

WASHINGTON, D. C., *March 9, 1953.*

The Honorable EZRA T. BENSON,
Secretary, Department of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: Attached you will find a copy of an informal draft of a bill which I propose to introduce in the Senate today which would authorize you to sell the Republic of Korea food and clothing commodities and to receive in payment legal currency of the Republic of Korea. The exact form and details are subject to revision, of course, but I hope that the general proposition will appeal to you and may have your support.

You will note that the bill also directs the Treasury to credit such currency against debentures of the Commodity Credit Corporation and to place it in a Korean Reconstruction Fund and creates a Joint Committee of the Congress to investigate conditions in Korea and recommend a program of reconstruction through the use of the fund so created.

On February 26, the Associated Press reported Korean Defense Minister Shin Tae Young as saying: "The ROK soldier is getting only about one-third the calories he needs from rice and a few side dishes."

Last week, in the Senate Committee on Armed Services we heard Lt. Gen. James Van Fleet say that both the military and civilian populations of South Korea were living on a diet below that which we provide for our prisoners-of-war under the Geneva Convention.

General Van Fleet also testified that fewer South Korean troops would go to the hospital, that more South Korean men could qualify for military service, that efficiency at the front would be improved if they had a better diet. He also said that many of the civilians are wearing the ragged remnants of the clothes they had on their backs when the invasion took place almost 3 years ago.

Eventually, the United States will rehabilitate South Korea. That would be in keeping with our traditions and the spirit of our people toward an ally to say nothing of the destruction occasioned by our own troop movements.

Why not help ourselves by helping the South Koreans now, using some of the fiber and food products which the Commodity Credit Corporation is buying, thereby translating these growing stocks into strength at the front and providing the local currency funds that can be used in Korean rehabilitation later on?

Using food to win the war and build the peace beats putting bluing on potatoes or burning wheat or killing pigs.

Respectfully submitted.

FRANCIS CASE,
United States Senator, South Dakota.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 2, 1953.

Hon. FRANCIS CASE,
United States Senate.

DEAR SENATOR CASE: This will acknowledge receipt of your letter of March 13, 1953, enclosing a copy of your bill, S. 1230.

We have received a request for a report on this bill from the chairman of the Senate Committee on Agriculture and Forestry. We are giving careful study to the bill as it would affect the programs and responsibilities of this Department and are discussing it with the other departments concerned with United States programs in South Korea.

We will complete our report and transmit it to the committee as promptly as possible.

Sincerely yours,

TRUE D. MORSE,
Acting Secretary.

UNITED STATES DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION,
Washington, D. C., May 7, 1953.

Hon. FRANCIS CASE,
United States Senate.

DEAR SENATOR CASE: I appreciate your thoughtfulness in sending me your letter of April 24, 1953, and the attachments relative to your bill, S. 1230, to authorize the sale of food and fiber to South Korea for Korean currency.

This is a very important matter and one to which we are giving serious consideration and study. We understand other segments of the executive branch of the Government are working on this subject and we hope a satisfactory decision can be reached at an early date.

We are pleased to know of your interest in our programs and value your advice and recommendations.

Sincerely yours,

JOHN H. DAVIS,
President.

KOREAN PACIFIC PRESS,
Washington, D. C., March 17, 1953.

Hon. Senator FRANCIS CASE,
United States Senate Office Building,
Washington, D. C.

DEAR SENATOR CASE: Your secretary was kind enough to send me copies of your correspondence to Secretary Benson and of Senate bill 1230, which relate to the use of fiber and food products for Korean rehabilitation.

I have read your letter to Secretary Benson and the bill with high interest and warm enthusiasm. You are most correct in stating "Why not help ourselves by helping the South Koreans?" The need in South Korea, as you have eloquently pointed out, is tremendous, and we can accomplish two goals with your suggested program.

I am taking the liberty of forwarding directly to President Syngman Rhee copies of your correspondence and the bill. I know that he will appreciate most deeply your good thoughts and splendid efforts.

If there is any information or any assistance whatsoever that this office can furnish you to support you on this matter, we will be delighted to serve. I stand ready at any time, personally, to help you in any way possible.

Thanking you, I am,

Sincerely yours,

S. M. VINOCOUR,
Manager.

SOUTH DAKOTA FARMERS UNION,
Huron, S. Dak., March 21, 1953.

The Honorable FRANCIS CASE,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: Received your letter of recent date with your letter to Mr. Benson, Secretary of Agriculture, and your proposed Senate Bill No. 1230. We believe that your proposed legislation is sound, not only in the dealing with our surplus farm commodities, but the humanitarian thinking in alleviating hunger and malnutrition for our allies, particularly South Korea. I assure you, Senator, that the South Dakota Farmers Union will assist you in every way to get this legislation approved in the Congress.

Yours sincerely,

PAUL W. OPSAHL,
President.

SOUTH DAKOTA STATE GRANGE,
Rapid City, S. Dak., March 20, 1953.

Hon. FRANCIS CASE,
Washington, D. C.

DEAR MR. CASE: I am very much impressed with your plan to use the surplus food and fiber, now in the hands of the Government under the farm program, to feed and clothe the South Koreans.

Your plan is very humanitarian and is also being proposed on a very businesslike basis. I am for it and hope that you can get early support for the plan.

I feel very much encouraged over stands taken by the new administration and I am especially pleased with the definite stand taken toward England on the China situation. We feel that as time goes on we will see the situation improved.

Respectfully yours,

ALNER G. SNESRUD.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. LONG. Mr. President, on behalf of myself and the Senator from Idaho [Mr. WELKER], I move that Senate bill 2128 be recommitted to the Committee on Foreign Relations, with instructions to report it back to the Senate not later than July 15, 1953, with an amendment limiting the total amount of the authorizations contained in the bill to $3,318,732,500. This is a motion to recommit with instructions for the committee to cut by $2 billion the total authorizations provided in the bill.

I notice that some economy was achieved on the House side, and that the House report indicates that a reduction of more than $400 million was made on that side. Very little reduction has been made on this side.

At one time I had the privilege of sitting on a committee which was looking over one of these bills. The best I can determine regarding these matters, based on that experience and also on my several years of service in the Senate, is that there is simply no sufficiently detailed information available to assist one in determining how much money should be spent on these matters. The justifications are vague and very loose, and there are very few criteria to assist one in determining how much these items should be reduced or exactly how much should be added.

It seems to me that the guiding principle which has been followed in the preparation of this bill is how much money the Agency thinks it can get.

It is interesting to note from page 6 of the report that we have spent on these foreign-aid programs, since 1946, $41 billion. On the same page of the report we find the following statement:

> This sum includes neither loans made during this period nor moneys appropriated but unspent. These unexpended balances amounted to an estimated $12 billion as of March 31, 1953.

Mr. President, the junior Senator from Louisiana is not one of those who are anxious to postpone the date when the people of this Nation can have the tax reduction they hope for and expect. The Senator from Louisiana knows that the House is very reluctant to override the chairman of the Ways and Means Committee of the House to extend expiring taxes. Of all the money that we are spending for defense the expenditures which are least certain to contribute anything to our salvation are those provided for in this bill.

This bill authorizes another $5.3 billion in foreign aid. It has been stated that the expense of maintaining our troops in Europe calls for another $6.8

billion. In those items there is no assurance that any of that money will be used to assist in our own defense. In the event we have to fight a war there is no assurance that any of those companies will be fighting beside us. We have various unrelated commitments of allies in various situations, but it is entirely possible that we might be forced into war under such conditions that none of the countries aided in this bill would come to our aid. We can wisely make this reduction with more safety than we can reduce funds we will find in the military appropriations. I believe, if we are to have any hope of balancing the budget some day, we will have to muster the courage to cut down the foreign-aid program. So far as the junior Senator from Louisiana is concerned, I believe that now would be a good time to do it. Therefore, I hope the amendment will be agreed to.

Mr. President, I ask for the yeas and nays on the motion to reduce the appropriation by $2 billion.

The yeas and nays were ordered.

Mr. TAFT. Mr. President, I supported the bill in committee, and I intend to vote for it, with the understanding that I do not commit myself to any specific amount when the appropriations come before this body. It seems to me to be perfectly clear that the Appropriations Committee is in a far better position to determine what cuts can be made. This is largely a military-aid program. It is closely integrated with our own military program, so that the Appropriations Committee can consider both. In certain cases it may be cheaper for us in the long run to arm our allies than to provide additional American troops that might be necessary. It seems to me that the Appropriations Committee should consider the matter in detail. The committee can go over the various programs which are presented and can judge as to those programs. The only effect of recommitting the bill until July 15 would be to delay the Appropriations Committee. That committee cannot proceed until the authorization law is passed.

I feel very strongly that the question of the amount of this program is one that ought to be determined in connection with the appropriation bill, and therefore I intend to vote as I have voted heretofore for such bills, for this authorization, without the slightest commitment on my part. I do not think the Senate ought to consider that there is any commitment to appropriate the full sum authorized by this bill.

It seems to me it would only delay matters, and certainly I think the amendment of the Senator from Louisiana should be voted down, and that we should pass the bill. We should then seriously consider in connection with the appropriation bill the question of where savings can properly be made.

Mr. FERGUSON. Mr. President, I share the views of the distinguished Senator from Ohio. I believe that in the committee it was the understanding when this sum was placed in the bill that the Appropriations Committee would have to consider it very seriously in connection with other money being appropriated for the defense of America and of the free world.

Mr. MAYBANK. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. MAYBANK. I want to say for the RECORD that the distinguished Senator from Michigan and myself, in the Appropriations Committee last year, voted to reduce, on three different occasions, the amount called for in the authorization bill which was sent to the Appropriations Committee.

Mr. FERGUSON. That is correct.

Mr. MAYBANK. That was done together with the chairman of the committee at that time, Senator McKellar. I am reserving the same right, as I said last night on the floor, to reduce the authorization in the Appropriations Committee when it comes before the committee and when the hearings are held. I happened to be on the subcommittee with the Senator from Michigan last year. We met for several days. We finally reduced the amount, but not so much as I had hoped to reduce it. I may say that I would be embarrassed if I were called upon to vote for a $2 billion reduction, or to vote to recommit the bill, with the requirement of a report by July 15, without one word of testimony having been taken. The distinguished chairman of the committee, the Senator from New Hampshire [Mr. BRIDGES], has told me that he intends to start hearings immediately after the Fourth of July, possibly on the 6th or 7th.

Mr. FERGUSON. I think that is correct.

Mr. MAYBANK. As a member of the committee, I should at least have the benefit of hearing what the witnesses have to say with respect to the use of the pruning knife, or whatever it might be called, on such amounts as are included here. There is authorized by the previous bill, for example, one item of $11,400,000,000 that is carried over. It may be necessary to cut the amount by $1 billion, perhaps $2 billion, or possibly more. I merely wanted to have the record clear. I thank the Senator.

Mr. FERGUSON. Mr. President, this is a matter which must be considered by the Appropriations Committee, because of the items in the defense appropriations bill. Many of the items in that bill are acquired through the same agency as the items in the pending bill. I have felt for a considerable time that this matter should be one to be considered by the military alone, not by a civilian agency, since it relates to the common defense, and should be treated as a part of the defense of America. In voting against the amendment and for the bill, I shall do so with the distinct understanding—and I know the Senator from New Hampshire, who is chairman of the Committee on Appropriations, feels the same way—that the bill will be considered on its merits in the committee. It is of a great importance.

Coming late, as it does, the appropriation is always considered by the whole committee rather than by a subcommittee. It is felt that the military items must be considered as military items, and that the other items must be considered as items of aid. No Senator should consider that when he votes today for this bill, he is voting for the amount specified in the bill. It is an authorization, it is a ceiling, and nothing more. I was under the impression that the report so stated, but I find that that is not in the report, and I felt that I should make the statement for the record.

Mr. SCHOEPPEL. Mr. President, I have listened to the discussion about this being an authorization measure. Frankly, I want to say my position as the senior Senator from Kansas would be one of serious doubt, if I felt that the amount of money authorized by this bill would have to be appropriated. As I said earlier in the day, I think it is sound to expect that the Appropriations Committee, when these authorizations come before it, will go over them with a fine-toothed comb, and will cut out many of the expenditures which can justifiably be eliminated. I would not think of voting for this bill as an authorization of the whole amount, if I did not feel that that was the situation. I wanted to make by position crystal clear.

Mr. CASE. Mr. President, in view of the statements that have been made, I move that the motion of the Senator from Louisiana be laid on the table.

The VICE PRESIDENT. The question is on the motion of the Senator from South Dakota to lay the motion of the Senator from Louisiana on the table.

Mr. LONG. Mr. President, on behalf of the Senator from Idaho [Mr. WELKER] and myself, I withdraw the motion.

I now move that the bill be recommitted, and that it be reported back to the Senate not later than July 15, with an amendment reducing the amount to $3,818,732,500.

The VICE PRESIDENT. The yeas and nays having been ordered on the motion of the Senator from Louisiana, the Senator may withdraw his motion only by unanimous consent. Is there objection to the request of the Senator from Louisiana that he be permitted to withdraw his motion? The Chair hears none. Without objection, his motion is withdrawn.

Mr. LONG. Mr. President, on behalf of the Senator from Idaho [Mr. WELKER] and myself, I move that the pending bill be recommitted to the Committee on Foreign Relations, with instructions to report it back to the Senate not later than July 15, 1953, with an amendment, with the total amount of authorization to be contained in the bill being a sum of $3,818,732,500. That would be a reduction of $1.5 billion.

Mr. President, I wish to say that if the bill is reduced in the fashion the junior Senator from Louisiana is recommending, we shall have the benefit of the administration's advice as to where the cut should be made; but if we do not reduce the bill on this floor, it will be an invitation and a request that the administration justify every dollar asked for in the measure. Last year I was successful as a member of the Armed Services Committee in advocating reductions of authorized expenditures for

air bases by approximately 25 percent. We had to do it without one bit of help, without one bit of advice from those responsible for the program, although we were successful in borrowing a few civilian engineers from the military who were willing to be helpful in giving us some idea as to when they thought we were sound in our views and when they thought we were unsound. If my motion carries, the administration will have to advise where the cuts should be taken instead of requiring the Appropriations Committee to make reductions blindly.

Every time a reduction is made someone will want to put the entire amount back. The military authorities always try to justify the expenditure of every nickel. Every time a Senator tries to reduce the amount requested, someone will stand up and say, "Are you going to listen to a five-star general who is a professional expert in the field or to a United States Senator who has little, if any military experience?"

Mr. President, if we do what I am asking we shall have the benefit of a five-star general saying, "Here is where you should make the cut." We shall be better advised on how to reduce expenditures if we require the administration, from General Eisenhower, our President, on down the line, to give us their advice as to where reductions should be made, rather than asking them to justify an expenditure of $5,300,000,000. If we want to reduce it we shall have a great deal better advice when we reduce it if the Senate votes for my motion than if witnesses are called to try to justify every nickel involved.

Mr. McCLELLAN. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. McCLELLAN. Does the Senator know the amount of the deficit this year?

Mr. LONG. No, but I should like to be advised by the Senator from Arkansas.

Mr. McCLELLAN. It is in excess of $9 billion. It is approximately $9,380,000,000.

Mr. LONG. Mr. President, I am advised by the distinguished Senator from Arkansas that the deficit this year is more than $9 billion. We hope to begin to balance the budget, and we are telling the American people that it is unfair for them to pay such high taxes, but if we are going to balance the budget we shall have to cut down on spending.

Mr. President, I ask for the yeas and nays on my motion.

The yeas and nays were ordered.

Mr. CASE. Mr. President, I move that the motion of the Senator from Louisiana [Mr. LONG] be laid on the table.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from South Dakota.

Mr. RUSSELL and other Senators asked for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from South Dakota to lay on the table the motion of the Senator from Louisiana.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from West Virginia [Mr. KILGORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official business.

I announce further that if present and voting, the Senator from Delaware [Mr. FREAR] would vote "nay."

The result was announced—yeas 48, nays 34, as follows:

YEAS—48

Aiken	Hennings	Mundt
Beall	Hickenlooper	Murray
Bennett	Hoey	Neely
Bridges	Holland	Pastore
Bush	Humphrey	Payne
Butler, Md.	Jackson	Potter
Carlson	Kennedy	Purtell
Case	Knowland	Robertson
Cooper	Kuchel	Saltonstall
Cordon	Lehman	Smith, Maine
Douglas	Magnuson	Smith, N. J.
Ferguson	Mansfield	Taft
Flanders	Martin	Thye
Green	Maybank	Watkins
Griswold	Millikin	Wiley
Hayden	Monroney	Young

NAYS—34

Anderson	Gore	McCarthy
Barrett	Hendrickson	McClellan
Bricker	Hill	Morse
Byrd	Hunt	Russell
Clements	Johnson, Colo.	Schoeppel
Dirksen	Johnson, Tex.	Sparkman
Dworshak	Johnston, S. C.	Stennis
Eastland	Kerr	Symington
Ellender	Langer	Welker
George	Long	Williams
Gillette	Malone	
Goldwater	McCarran	

NOT VOTING—13

Butler, Nebr.	Frear	Kilgore
Capehart	Fulbright	Smathers
Chavez	Ives	Tobey
Daniel	Jenner	
Duff	Kefauver	

So Mr. CASE's motion to lay on the table the motion of Mr. LONG was agreed to.

Mr. LONG. Mr. President, on behalf of the Senator from Idaho [Mr. WELKER] and myself, I move to recommit the bill to the Committee on Foreign Relations, with instructions to report back, not later than July 15, an amendment limiting the total amount to not more than $4,318,733,500. This would be a reduction of $1 billion, slightly less than 20 percent of the authorization.

Again I urge that if Senators wish to reduce the amount proposed by the bill, they would do well to have the advice of the military as to where reductions should be made, rather than to do without such advice, and to vote strictly upon their whims and caprices, without the best judgment they could have. If Senators want to reduce the amount contained in the bill, now is a good time to take such action.

Mr. President, I ask for the yeas and nays on this motion.

The yeas and nays were ordered.

Mr. HUNT. Mr. President, I wish to associate myself with the junior Senator from Louisiana in the motion to recommit. For 5 years I have been voting for huge sums of money in mutual security assistance bills, a definite statement being made each year that the following year the amount would be reduced, and that, in all probability, in 2 or 3 years the program would end.

Each succeeding year, as I have voted favorably upon the appropriations, I have hoped that we would reach an end to this giveaway, giveaway, giveaway. Now, with $12 billion unexpended, and with a smaller amount as yet unauthorized, I appreciate this opportunity to let my constituents back home know that finally I have gotten around to voting for a reduction of expenditures.

The VICE PRESIDENT. The question is on agreeing to the motion of the junior Senator from Louisiana [Mr. LONG] to recommit the bill with instructions. The yeas and nays have been ordered, and the Secretary will call the roll.

The Chief Clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. TOBEY] are absent by leave of the Senate.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from West Virginia [Mr. KILGORE], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The Senator from Delaware [Mr. FREAR] is absent on official committee business.

I announce further that on this vote the Senator from Delaware [Mr. FREAR] is paired with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Tennessee would vote "nay."

I announce further that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

The result was announced—yeas 34, nays 48, as follows:

YEAS—34

Anderson	Dworshak	Johnson, Colo.
Barrett	Ellender	Johnston, S. C.
Bricker	Gillette	Kuchel
Bridges	Goldwater	Langer
Byrd	Griswold	Long
Case	Hickenlooper	Malone
Dirksen	Hunt	Martin

Maybank	Russell	Welker
McCarran	Schoeppel	Williams
McCarthy	Smith, Maine	Young
McClellan	Stennis	
Mundt	Watkins	

NAYS—48

Aiken	Hayden	Monroney
Beall	Hendrickson	Morse
Bennett	Hennings	Murray
Bush	Hill	Neely
Butler, Md.	Hoey	Pastore
Carlson	Holland	Payne
Clements	Humphrey	Potter
Cooper	Jackson	Purtell
Cordon	Johnson, Tex.	Robertson
Douglas	Kennedy	Saltonstall
Eastland	Kerr	Smith, N. J.
Ferguson	Knowland	Sparkman
Flanders	Lehman	Symington
George	Magnuson	Taft
Gore	Mansfield	Thye
Green	Millikin	Wiley

NOT VOTING—13

Butler, Nebr.	Frear	Kilgore
Capehart	Fulbright	Smathers
Chavez	Ives	Tobey
Daniel	Jenner	
Duff	Kefauver	

So Mr. LONG's motion was rejected.

Mr. LONG. Mr. President, on behalf of the Senator from Idaho [Mr. WELKER] and myself, I move to recommit the bill to the Committee on Foreign Relations with instructions to report the bill back with an amendment limiting the total amount of authorizations to $4,998,000,000. I arrive at that figure because that is the figure the House allowed.

Some Senators say they want to cut the bill in the Appropriations Committee. Let us not kid ourselves. The House of Representatives will be the body to cut the appropriation. It will be the same old story. The House will cut the bill substantially and a fight will be made in the Senate to get the money back. The House has already cut this pending bill by almost $500 million. The fight in conference will be to restore the higher figure. The same thing will happen in the Committee on Appropriations. The appropriation bill must originate in the House of Representatives. The House will make a substantial reduction. When the bill reaches the Senate side, it will be referred to the Committee on Appropriations. The Committee on Appropriations will then go along with the judgment of the majority of the committee and they will be joined by members of the Committee on Foreign Relations. In resisting further reductions most of this group will support the Appropriations Committee, and it will be almost impossible to reduce the appropriation when it reaches the floor.

Why can we not go along with economy for a change? Why can we not go along with the House in effecting economies? That is what I am asking here.

I have mentioned the date of July 15. The committee could report the bill back sooner than that. Why must the Senate always be the body which tries to restore the cuts which the House endeavors to make?

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. ROBERTSON. If we are to accept the House figure, why move to recommit the bill at all? Why not reduce the amount to the House figure, so that we can vote it up or down?

Mr. LONG. It seems to me that it is possible that our committee might find some reductions which would be even more wise and prudent than those which the House committee made.

Mr. ROBERTSON. Some of us must serve on the Appropriations Committee. We would like to have the opportunity to hear the evidence on this subject before July 15. The Senator's first motion to recommit included a plan to delay action. If the Senator is interested only in economy, and he wishes to effect economies to the extent of a reduction to the House figure, why does he not amend his motion and let us vote on that specific issue, without compelling us to send the bill back to committee, thus delaying the entire program and perhaps keeping us here until September?

Mr. LONG. I have not prepared a motion in that form. I believe it would be wiser to ask the committee to make reductions where they can best be made. The committee would certainly have the benefit of advice in doing so.

Mr. President, on my motion, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. KNOWLAND obtained the floor.

Mr. LEHMAN. Mr. President——

The VICE PRESIDENT. The Senator from California has the floor.

Mr. KNOWLAND. Mr. President, I urge the Senate not to recommit the bill. We have had three motions to recommit tonight. The Committee on Foreign Affairs has gone into this subject. It held long hearings. I fully subscribe to the statement by the distinguished Senator from Michigan [Mr. FERGUSON] and the Senator from Ohio [Mr. TAFT], that this is not a mandatory authorization in any sense of the word. The committee itself made it very clear that the authorization figure is a ceiling.

Time after time the Congress passes authorization bills, in connection with rivers and harbors improvements, civil functions, Interior Department matters, military establishments, and other subjects with respect to which appropriations are not made at the time. This bill is in no sense mandatory upon the Congress. It is in no sense mandatory upon the Appropriations Committee.

I submit that if we are to complete the legislative program, we cannot be continually sending bills back to committee. The committee would finally report by the 15th of the month. As the Senator from Louisiana says, the committee might report earlier. The committee might or might not report earlier. We have already completed three days of debate on the bill. After the committee reported the bill back, we would reopen the entire debate. We would still be on the authorization bill. We would still have to act on the appropriation bill.

If Senators wish to spend the remainder of the year in Washington, I am willing to stay here with them, but I submit that no Senator is bound in the slightest by the authorization figure. It is a ceiling amount, and not a floor amount in any sense of the word.

In view of the fact that we have had several test votes on motions to recommit, I ask Members of the Senate to reject the pending motion, because I think they will then have more time to consider the appropriation bill and vote their convictions, so far as public policy is concerned, in connection with the appropriation bill.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. ROBERTSON. Let me say to the distinguished majority leader that the junior Senator from Virginia is hoping that when all the evidence is before us we can reduce the appropriation, in view of the carryover of $12 billion in addition to what is now authorized in the bill.

I am absolutely unwilling to vote, as the distinguished Senator from California has said, to delay, to delay, to delay. I agree with him that we should oppose the motion, with the full understanding that not only those of us who are on the Committee on Appropriations but the entire membership of the Senate shall be perfectly free, when the appropriation bill comes before us, to cut it as much as we see fit.

Mr. WILEY. Mr. President, in the last 2 days I have not had too much to say, particularly because I have a cold in my head. When Senators say that we have not cut the bill, I want to cite some facts. The Truman budget request was for $7,600,000,000. The administration requested $1,762,000,000 less. The revised administration request was $354 million less than that. The committee, after weeks and weeks and weeks of deliberation, cut the figure another $156 million, making a total reduction from the Truman budget of $2,282,000,000.

It has been said several times today that there has not been any reduction made. Those are the figures.

Mr. President, I have a short statement which I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

Before the Senate votes on final passage of this bill, I want to reemphasize briefly what is involved here.

First. The bill will make a vital contribution to the security of the United States and to the cause of world peace.

Second. The amounts have been carefully screened and greatly reduced. They have been judged by our experts to be essential to do the job which the defense of the free world requires.

Third. President Eisenhower himself has assured us that the funds authorized in this bill will buy more security for the United States per dollar than a similar amount spent on our own Armed Forces.

Fourth. The authorization is well within the capacity of the American economy to support. Administration leaders who are most anxious to reduce Federal expenditures—including the Secretary of the Treasury—have testified to that fact.

This is perhaps the most opportune moment of the last 3 years for bold and forthright action; but not only is such action opportune at this juncture in world affairs, it is imperative.

We have come up a long, hard road, Mr. President. We may be nearing the top, and it is always the last few feet which are the most difficult. But if the battle is hard for us, we can draw renewed strength from the knowledge that it is also hard for the enemy.

This is the time when a little extra effort can result in very great progress. But if we

falter, we fall back and lose much of the progress which we have already made at such great cost.

Mr. President, the mutual security program is beginning to pay off. The Iron Curtain is beginning to come apart at the seams. We see tangible evidence in Berlin, in Czechoslovakia, and in other satellites. The Far East may be next. The Chinese people are not going to kowtow to Moscow forever.

We have got the Kremlin on the run. This is no time to ease the pressure. This is no time to lose the momentum we have built up over the past few years. This is the time to pour it on.

The irresistible power of freedom is at work in the world today, Mr. President. Although it is plain that the general trend of events is in our favor, no one can foresee the precise turn which events may take at any point. In the days ahead, the President of the United States may have to make decisions as momentous and as far-reaching as any which have ever been made by an American Chief Executive. It is no surrender or diminution of the constitutional prerogatives of the Congress to remind the Senate that these decisions may very well be of a kind which can be made only by the President. He can have—and I am sure he will have—the advice and counsel of his Cabinet, of his experts, and of the Congress. But when the advice is given, when the experts pack their briefcases and depart, the decisions remain to be made by the President. He is the constitutional head of our Government. He is the Commander in Chief of our Armed Forces. His is the responsibility which cannot be delegated—and it is a terrible responsibility, Mr. President, exercised at times in terrible loneliness.

It is at times such as this that we owe it, not only to the President but also to ourselves and to the country, to give him the fullest possible measure of support. We may later, with the benefit of hindsight, debate the wisdom of what he has done. But from the leisurely vantage point of history, we can never feel the awful pressure which was upon him when he did it. And we cannot, in the heat of the moment, have all the facts which the President has.

And so, Mr. President, speaking as one individual Senator who deeply feels his constitutional responsibilities and who is deeply aware of the peril in which we live today, I take this opportunity to give public assurance to the President of the United States that, whatever difficulties may lie ahead for him and for us in this world, he will have my unwavering support. My heart and my prayers are with him.

As one measure of that support, I shall vote "aye" on the passage of this bill.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. WELKER. Mr. President, I offer an amendment, as follows:

SEC. 610. Notwithstanding the amounts authorized in the act, the aggregate of such amounts shall be reduced by $1 billion.

Mr. President, that completely nullifies the argument we have heard made to the effect that we are engaging in dilatory tactics and that we want to delay the bill.

I want to say again, as I said last year, that we had better start giving the American taxpayer some consideration. I have repeated over and over again that I believe this is the way to economize. I am happy to join with the distinguished Senator from Louisiana.

By voting on my amendment we would have a direct vote on the matter, and we could not be accused of dilatory tactics. Senators who want to economize will have the opportunity to do so, and to have their names called when the vote is taken.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. MALONE. Mr. President, will the Senator yield?

Mr. WELKER. I yield.

Mr. MALONE. I should like to ask the distinguished Senator from Idaho if he agrees with the junior Senator from Nevada that the taxpayer is the forgotten man.

Mr. WELKER. I certainly agree 100 percent with the distinguished Senator from Nevada, that in this country the American taxpayer is the forgotten man.

The VICE PRESIDENT The motion to recommit takes precedence over the amendment offered by the Senator from Idaho [Mr. WELKER]. The question is on agreeing to the motion to recommit.

Mr. WELKER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Chair will inform the Senator from Idaho that the motion to recommit takes precedence over the amendment which the Senator from Idaho has offered.

Mr. WELKER. May I ask my distinguished colleague and coauthor, the Senator from Louisiana [Mr. LONG], to withdraw his motion to recommit?

Mr. LONG. The yeas and nays have been ordered. I would withdraw my motion with the understanding that I would offer my motion again after a vote is had on the Senator's amendment. If I am given unanimous consent to do so, I will withdraw the motion.

Mr. KNOWLAND. I object.

The VICE PRESIDENT. Objection is heard. The question is on agreeing to the motion of the Senator from Louisiana [Mr. LONG] to recommit the bill.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. CASE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CASE. Would a motion to amend the motion to recommit be in order?

The VICE PRESIDENT. The Senator could move to amend the instructions.

Mr. CASE. Could the Senator from Idaho offer an amendment to amend the instructions by changing the date?

The VICE PRESIDENT. The Senator from Idaho could do so.

Mr. WELKER. I do not wish to do that, because I want to get away from the accusation that we are indulging in dilatory tactics. I want to follow a fair and honest course toward a vote on whether or not we in the Senate want to economize.

Mr. CASE. My suggestion was that the motion could be amended by changing the date. It would not have to be July 15. It could be July 10, for example. The motion could be amended to instruct the committee to report back at an earlier date. It could be July 10, for example.

Mr. LEHMAN. Mr. President, I have heard a great deal of glib talk about economy. I am in favor of economy as much as is anyone, any other Senator. But it is not economy to cut appropriations, certainly not appropriations for defense. That is what is proposed to be done today. I do not like taxes any more than does anyone else. I wish they could be cut. I wish the budget could be reduced so that it could be brought into line with revenue. At the same time I am not willing to sacrifice the security of our Nation to the principle of balancing the budget or cutting taxes. That is what is proposed to be done today.

As the Senator from Wisconsin, the distinguished chairman of the Committee on Foreign Relations, has stated, the original recommendation of President Truman, when he submitted his budget, was for $7,600,000,000. It was reduced by President Eisenhower to approximately $5,600,000,000, and it was reduced by the committee by $300 million more. So that there has been already proposed a reduction of $2 billion. We simply cannot take the chance of cutting it more than that.

Mr. WILEY. It has been reduced by $2,282,000,000.

Mr. LEHMAN. A reduction has already been made of $2,282,000,000.

SEVERAL SENATORS. Vote! Vote! Vote!

Mr. LEHMAN. It is proposed to cut these very necessary appropriations, which would help to strengthen our allies at a time when we need allies, and when we cannot afford to go it alone.

The senior Senator from Georgia [Mr. GEORGE] said that if ever the Iron Curtain dropped at the Atlantic shore it would be tragic. Of course, it would be tragic. However, unless we encourage our allies abroad, in Europe, and in other areas of the world, to do their part—and they are not able to do it all by themselves—we will find ourselves without any allies and we will find ourselves alone. Though such a course has been proposed by some persons, it would be the greatest calamity that could possibly occur in the history of our Nation.

So I very much hope that neither the proposal of the distinguished Senator from Louisiana nor the proposal of the distinguished Senator from Idaho will prevail.

I do not think what they propose is economy at all. It is quite the opposite. I think it is extravagance. I believe anything that jeopardizes the safety and the security of our country and the safety and the security of the free world is extravagance, not economy.

Of course it is very easy to talk about economy and about making cuts. All of us would like to do it. However, I beg Senators not to make cuts in appropriations or authorizations which will jeopardize the security of our country and the security of the free world, which of course are completely intertwined. That is what would happen if we further cut the authorizations in the bill.

I feel very sad that we have not authorized a larger amount for mutual security, just as I feel very sad to think that the appropriations for the Air Force are proposed to be cut. I do not believe we can afford to do it. I think we are in a very critical state. I think we are fighting for survival. Some people say they want to fight communism, but they are not fighting communism in the place where it should be fought, and that is abroad. I believe that anything which will weaken our ability to fight the threat of communism,

the threat of aggression, whether against the United States or against other parts of the free world, is a very great threat to the peace of the world.

I very much hope the motion of the Senator from Louisiana will be rejected.

Mr. LONG. Mr. President, I modify my motion by changing the date to 4 p. m., July 2. I do this in order to meet any objection on the basis of delay. The motion as thus modified will expedite the taking of action on the bill, because the total authorizations voted by the Senate and the total authorizations voted by the House will be identical, and the only point of difference will be whether individual items should be slightly greater or slightly less.

So the result of agreeing to my motion, as modified, would be that, actually, faster action would be taken; and I submit that by agreeing to the motion, we would be assuring that we would be voting to achieve the same kind of economy the House of Representatives voted to achieve when it passed House bill 5710 and sent it to the Senate.

The VICE PRESIDENT. Since the yeas and nays have been ordered on the motion, the time has passed when the Senator who made the motion can modify it. However, the Senator from Louisiana can move that the motion be amended, and the Chair puts that question at this time:

The question is on agreeing to the motion of the Senator from Louisiana to amend his motion in the way stated.

The motion to amend the motion to recommit was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the motion, as amended, of the Senator from Louisiana, on behalf of himself and the Senator from Idaho, to recommit the bill, with instructions.

On this question the yeas and nays have been ordered, and the Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. DIRKSEN (when his name was called). The majority leader, the Senator from Ohio [Mr. TAFT], has been compelled to leave the Chamber. I have a pair with him. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." Under the circumstances, I withhold my vote.

The call of the roll was resumed and concluded.

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Nebraska [Mr. BUTLER], the Senator from Pennsylvania [Mr. DUFF], the Senator from Indiana [Mr. JENNER], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. TOBEY], and the Senator from New York [Mr. IVES] are absent by leave of the Senate; the Senator from New York having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from Florida [Mr. SMATHERS] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official committee business.

The Senator from Delaware [Mr. FREAR] is paired on this vote with the Senator from Tennessee [Mr. KEFAUVER]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Tennessee would vote "nay."

I announce further that if present and voting, the Senator from Arkansas [Mr. FULBRIGHT] would vote "nay."

The result was announced—yeas 38, nays 42, as follows:

YEAS—38

Anderson	Hickenlooper	McClellan
Barrett	Hunt	Mundt
Bricker	Johnson, Colo.	Potter
Bridges	Johnston, S. C.	Robertson
Byrd	Kennedy	Russell
Case	Kuchel	Schoeppel
Douglas	Langer	Smith, Maine
Dworshak	Long	Stennis
Ellender	Malone	Watkins
Goldwater	Martin	Welker
Gore	Maybank	Williams
Griswold	McCarran	Young
Hendrickson	McCarthy	

NAYS—42

Aiken	Hayden	Millikin
Beall	Hennings	Monroney
Bennett	Hill	Morse
Bush	Hoey	Murray
Carlson	Holland	Neely
Clements	Humphrey	Pastore
Cooper	Jackson	Payne
Cordon	Johnson, Tex.	Purtell
Eastland	Kerr	Saltonstall
Ferguson	Kilgore	Smith, N. J.
Flanders	Knowland	Sparkman
George	Lehman	Symington
Gillette	Magnuson	Thye
Green	Mansfield	Wiley

NOT VOTING—15

Butler, Md.	Dirksen	Jenner
Butler, Nebr.	Duff	Kefauver
Capehart	Frear	Smathers
Chavez	Fulbright	Taft
Daniel	Ives	Tobey

So the motion to recommit, as amended, was rejected.

The VICE PRESIDENT. The bill is open to further amendment.

If there be no further amendment to be proposed, the Chair calls attention to House bill 5710, on the same subject, which is on the calendar.

Mr. WILEY. Mr. President, I move that the Senate now proceed to the consideration of House bill 5710, to amend further the Mutual Security Act of 1951, as amended, as for other purposes; that all after the enacting clause of the bill be stricken out, and that there be substituted therefor the text of Senate bill 2128, as amended.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Wisconsin.

The motion was agreed to.

The VICE PRESIDENT. The question now is on the engrossment of the amendment and third reading of the House bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, shall it pass? [Putting the question.]

The bill (H. R. 5710) was passed.

Mr. WILEY. Mr. President, I move that the Senate insist on its amendment, request a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. WILEY, Mr. SMITH of New Jersey, Mr. HICKENLOOPER, Mr. KNOWLAND, Mr. GEORGE, Mr. GREEN, and Mr. SPARKMAN conferees on the part of the Senate.

The VICE PRESIDENT. Without objection, Senate bill 2128 is indefinitely postponed.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the bill be printed showing the amendment of the Senate.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION OF TRADE AGREEMENTS ACT

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 5495, Calendar No. 474.

The VICE PRESIDENT. The clerk will state the bill by its title.

The LEGISLATIVE CLERK. The bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. KNOWLAND. Mr. President, for the information of the Senate, let me say that if this motion is agreed to, the acting majority leader intends, following such routine matters as may come before the Senate and such remarks as Senators may desire to make, to move a recess of the Senate until 10 o'clock tomorrow morning, when we shall take up the then pending legislation.

The VICE PRESIDENT. The question is on the motion of the Senator from California to proceed to the consideration of House bill 5495.

The motion was agreed to, and the Senate proceeded to consider the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes, which had been reported from the Committee on Finance with amendments.

ORDER FOR RECESS UNTIL 10 A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent that, when the Senate completes its business this evening, it stand in recess until 10 o'clock tomorrow morning.

The VICE PRESIDENT. Without objection, it is so ordered.

EXTENSION Of TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 5495) to extend the authority of the President to enter into

trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes.

THE FOREIGN TRADE AUTHORITY—SUBSTITUTE FOR EXTENSION OF 1934 TRADE AGREEMENTS ACT

Mr. MALONE. Mr. President, I send to the desk a substitute which I propose to offer at the proper time to the pending bill, H. R. 5495, and I ask that it be printed and lie on the table.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Without objection, it is so ordered.

Mr. MALONE. Mr. President, the proposed substitute provides that the Congress shall reassume its constitutional responsibility to regulate foreign trade through the proper adjustment of the duties, imposts, and excises, in accordance with the Constitution of the United States. House bill 5495 extends the 1934 Trade Agreements Act for 1 year, namely, to June 12, 1954, and it extends for that length of time the uncertainty of the workers and investors in the small businesses and occupations of this Nation.

Mr. President, I ask unanimous consent that the proposed substitute be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection the amendment in the nature of a substitute, submitted by Mr. MALONE, to the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes, was ordered to lie on the table, to be printed, and to be printed in the RECORD, as follows:

DECLARATION OF POLICY

SECTION 1. It is declared to be the policy of the Congress—

(a) to establish a sound fair-trade basis for the exchange of goods with the foreign nations of the world;

(b) to adjust flexible duties, imposts, and excises on the basis of fair and reasonable competition through the Foreign Trade Authority, a reorganized Tariff Commission as an agent of Congress;

(c) to develop and promote a well-balanced, integrated, and diversified production within the United States to maintain a sound and prosperous national economy on our wage standard of living and employment in industry and agriculture;

(d) to establish fair and reasonable competition between American and foreign workers and investors in relation to imports;

(e) to provide necessary flexibility of import duties, thereby making possible appropriate adjustments in response to changing economic conditions; and

(f) to assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

RESTATEMENT OF EXISTING IMPORT DUTIES

SEC. 2. Title I, paragraphs 1 to 1559, inclusive, of the Tariff Act of 1930 are hereby amended by repealing the classifications and rates therein contained and substituting therefor the classifications and rates obtaining and in effect on June 12, 1953, by reason of proclamations of the President under section 350 of the Tariff Act of 1930 or otherwise.

FORMATION OF FOREIGN TRADE AUTHORITY

SEC. 3. Title III, part II, section 330, of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 330. Organization of the Foreign Trade Authority

"(a) Membership: The United States Tariff Commission shall be reorganized and reconstituted as the Foreign Trade Authority (hereinafter referred to as the 'Authority') to be composed of six directors to be hereafter appointed by the President by and with the advice and consent of the Senate. The original directors of the Authority shall be the same persons now serving as Commissioners of the United States Tariff Commission, each such person to serve as a director of the Authority until the date when his term of office as a Commissioner of the United States Tariff Commission would have expired. Thereafter the term of office of any successor to any such director shall expire 6 years from the date of the expiration of the term for which his predecessor was appointed except that a director appointed to fill a vacancy occurring for any reason other than the expiration of a term as herein provided shall be appointed only for the remainder of the term which his predecessor would otherwise have served. Directors shall be eligible for appointment to succeed themselves if otherwise qualified therefor. No person shall be eligible for appointment as a director unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the provisions of this act. Not more than three of the directors shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"(b) Chairman, Vice Chairman, and salary: The President shall annually designate one of the directors as Chairman and one as Vice Chairman of the Authority. The Vice Chairman shall act as Chairman in case of absence or disability of the Chairman. A majority of the directors in office shall constitute a quorum, but the Authority may function notwithstanding vacancies. Each director shall receive a salary of $15,000 a year. No director shall actively engage in any business, vocation, or employment other than that of serving as a director."

APPOINTMENT OF SECRETARY

SEC. 4. Title III, part II, section 331 (a), of the Tariff Act of 1930 is hereby amended to read as follows:

"(a) Personnel: The Authority shall appoint a secretary who shall receive compensation in accordance with the Classification Act of 1949, and the Authority is hereby empowered to employ and, in accordance with the Classification Act of 1949, fix the compensations of such special experts, examiners, clerks, and other employees of the Authority as it may find necessary for the proper performance of its duties."

ADMINISTRATION OF TRADE AGREEMENTS

SEC. 5. Title III, part II, of the Tariff Act of 1930 is amended by adding at the end of section 331 the following new section:

"SEC. 331a. Administration of trade agreements

"(a) All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign trade agreements entered into pursuant to section 350 of the Tariff Act of 1930 are hereby transferred to, and shall be exercisable by the Authority, including, but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

"(b) The Authority is hereby authorized and directed—

"(1) to terminate as of the next earliest date therein provided, and in accordance with the terms thereof, all the foreign trade agreements entered into by the United States pursuant to section 350 of the Tariff Act of 1930;

"(2) to prescribe, upon termination of any foreign trade agreement, that the import duties established therein shall remain the same as existed prior to such termination, and such import duties shall not thereafter be increased or reduced except in accordance with the Tariff Act of 1930, as amended by this act."

PERIODIC ADJUSTMENT OF IMPORT DUTIES

SEC. 6. Title III, part II, section 336, of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 336. Periodic adjustment of import duties.

"(a) The Authority is authorized and directed from time to time, and subject to the limitations hereinafter provided, to prescribe and establish import duties which will, within equitable limits, provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the Authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for the domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

"(b) In determining whether the landed duty paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Authority shall take into consideration, insofar as it finds it practicable—

"(1) The lowest, highest, average, and median landed duty paid price of the article from foreign countries offering substantial competition;

"(2) Any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments;

"(3) The policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably low and uneconomic prices to secure additional dollar credits;

"(4) Increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each;

"(5) The actual and potential future ratio of volume and value of imports to volume and value of production, respectively;

"(6) The probable extent and duration of changes in production costs and practices;

"(7) The degree to which normal cost relationships may be affected by grants, subsidies (effected through multiple rates of export exchange, or otherwise), excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

"(c) Decreases or increases in import duties designed to provide for fair and reasonable competition between foreign and domestic articles may be made by the Au-

thority either upon its own motion or upon application of any person or group showing adequate and proper interest in the import duties in question: *Provided, however,* That no change in any import duty shall be ordered by the Authority until after it shall have first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties have an opportunity to be heard.

"(d) The Authority, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this act, prescribe specific duties or ad valorem rates of duty upon the foreign value or expert value as defined in sections 402 (c) and 402 (d) of the Tariff Act of 1930 or upon the United States value as defined in section 402 (e) of said act.

"(e) In order to carry out the purposes of this act, the Authority is authorized to transfer any article from the dutiable list to the free list, or from the free list to the dutiable list.

"(f) Any increase or decrease in import duties ordered by the Authority shall become effective 90 days after such order is announced: *Provided,* That any such order is first submitted to Congress by the Authority and is not disapproved, in whole or in part, by concurrent resolution of Congress within 60 days thereafter.

"(g) No order shall be announced by the Authority under this section which increases existing import duties on foreign articles if the Authority finds as a fact that the domestic industry operates, or the domestic article is produced, in a wasteful, inefficient, or extravagant manner.

"(h) The Authority, in the manner provided for in subdivisions (c) and (f) in this section, may impose quantitative limits on the importation of any foreign article, in such amounts, and for such periods, as it finds necessary in order to effectuate the purposes of this Act: *Provided, however,* That no such quantitative limit shall be imposed contrary to the provisions of any foreign-trade agreement in effect pursuant to section 350 of the Tariff Act of 1930.

"(i) For the purpose of this section—

"(1) the term 'domestic article' means an article wholly or in part the growth or product of the United States; and the term 'foreign article' means an article wholly or in part the growth or product of a foreign country;

"(2) the term 'United States' includes the several States and Territories and the District of Columbia;

"(3) the term 'foreign country' means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions);

"(4) the term 'landed duty paid price' means the price of any foreign article after payment of the applicable customs or import duties and other necessary charges, as represented by the acquisition cost to an importing consumer, dealer, retailer, or manufacturer, or the offering price to a consumer, dealer, retailer, or manufacturer, if imported by an agent.

"(j) The Authority is authorized to make all needful rules and regulations for carrying out its functions under the provisions of this section.

"(k) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles with respect to which a change in basis of value has been made under the provisions of subdivision (d) of this section, and for the form of invoice required at time of entry."

AMENDMENT OF SECTION 337

SEC. 7. Title III, part II, section 337, of the Tariff Act of 1930 is hereby amended as follows:

(a) Subdivision (a) thereof by striking out the word "President" and substituting therefor the word "Authority".

(b) Subdivision (b) thereof is hereby repealed.

(c) Subdivision (d) thereof is hereby repealed.

(d) Subdivision (e) thereof is hereby amended to read as follows:

"(e) Exclusion of articles from entry: Whenever the existence of any such unfair method or act shall be established to the satisfaction of the Authority, it shall direct that the articles concerned in such unfair methods or acts, imported by any person violating the provisions of this act, shall be excluded from entry into the United States, and upon information of such action by the Authority, the Secretary of the Treasury shall, through the proper officers, refuse such entry."

(e) Subdivision (f) thereof is hereby amended to read as follows:

"(f) Entry under bond: Whenever the Authority has reason to believe that any article is offered or sought to be offered for entry into the United States in violation of this section, but has not information sufficient to satisfy it thereof, the Secretary of the Treasury shall, upon its request in writing, forbid entry thereof until such investigation as the Authority may deem necessary shall be completed; except that such articles shall be entitled to entry under bond prescribed by the Secretary of the Treasury."

(f) Subdivision (g) thereof is hereby amended to read as follows:

"(g) Continuance of exclusion: Any refusal of entry under this section shall continue in effect until the Authority shall find and advise the Secretary of the Treasury that the conditions which led to such refusal of entry no longer exist."

CONTINUANCE OF PERSONNEL, FUNDS, ACTIONS, AND SO FORTH

SEC. 8. Section 339 of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 339. Effect of enactment.

"(a) All personnel, property, records, balance of appropriations, allocations, and other funds available (or to be made available) to the United States Tariff Commission shall be transferred to the Authority for use in connection with the exercise of its functions; and such transfer shall not operate to change the status of the officers and employees transferred from the Commission to the Authority. No investigation or other proceeding pending before the Commission at such time shall abate by reason of such transfer but shall continue under the provisions of this act.

"(b) Wherever in the Tariff Act of 1930, or in any other law, the terms 'United States Tariff Commission' or 'Commission' occur, such terms shall be construed to mean the 'Foreign Trade Authority' and the 'Authority', respectively."

REAPPLICATION OF SECTION 516 (O)

SEC. 9. Section 17, subsection (c), of the act of June 25, 1938, chapter 679, is hereby repealed.

STATISTICAL ENUMERATION

SEC. 10. Title IV, part III, section 484 (e), of the Tariff Act of 1930 is hereby amended to read as follows:

"(e) Statistical enumeration: The Chairman of the Foreign Trade Authority is authorized and directed to establish from time to time, after consultation with the Secretary of the Treasury and the Secretary of Commerce, a statistical enumeration of imported articles in such detail as he may consider necessary and desirable to effectuate the purposes of this act. As a part of each entry there shall be attached thereto or included therein an accurate statement giving details required for such statistical enumeration. The Secretary of Commerce is hereby authorized and directed to make such reasonable and proper digests from, and compilations of, such statistical data as the Chairman requests. In the event of a disagreement between the Chairman and the Secretary of Commerce, as to the reasonable and proper nature of any request the matter shall be referred to the President whose decision shall be final."

REVISED TEXT OF TARIFF ACT

SEC. 11. The Authority, as soon as practicable, shall prepare and cause to be printed as a public document available for public distribution a complete revised text of the Tariff Act of 1930 as amended.

EFFECTIVE DATE

SEC. 12. This act shall take effect as of June 12, 1953.

Mr. MALONE. Mr. President, the extension for 1 year of the 1934 Trade Agreements Act, named "reciprocal trade," to sell "free trade" to the American people, is provided by House bill 5495.

The proposed substitute providing for a Foreign Trade Authority and a reorganized Tariff Commission would establish a fair-trade basis with foreign countries instead of "free trade."

The Foreign Trade Authority, as an agent of Congress, would continually adjust the duties or tariffs on the basis of fair and reasonable competition, provided that a negative joint resolution by Congress would prevent any certain duty or tariff set by the Authority from becoming effective.

Mr. President, the Senate has just passed by a voice vote an appropriation of the American taxpayers' money to the extent of another $5¼ billion. Another sum of several billions of dollars from the same source will be sent to Europe for offshore purchases and contracts for equipment and repairs. Additional large amounts, already arranged for, will be sent through the World Bank, and Export-Import Bank, point 4, and other trick organizations.

Mr. President, I may say at this point that for 20 years the extensions of the 1934 Trade Agreements Act was, particularly by the State Department of the past administration, tied up with the appropriations of taxpayers' money to be sent to Europe and to nations elsewhere, in order to make up the trade-balance deficits of those nations until such time as, through this free-trade device, misnamed "reciprocal trade," there could be sold to the American people the idea that the markets of this Nation could be shared in such a way that theoretically there would be no trade-balance deficits.

Mr. President, it will be remembered that repeatedly in the Senate for many years a national trade organization was proposed. The junior Senator from Nevada takes considerable credit for killing the idea. But though we killed the idea temporarily, it seems to be intended to bring it back to life. There is now functioning an international materials congress, and it will be remembered by some that last summer in Mexico City there was an international conference which was attended by about 35 nations. The one idea which resulted from the conference, which the delegates took

home to study, was that each nation—meaning the United States, of course—that sold more to other nations than they themselves purchased would make up the difference in cash at the end of the year.

Those three things are what we used to call three-part free-trade proposals to destroy this Nation. They constitute an economic attack on this Nation for the purpose of leveling our standard of living to that of the other nations of the world, so that theoretically there would be perpetual peace. That is the idea of the World Federalists. It leads to one government. The idea was advanced by an English historian, in a book entitled "The Next Step in History." The next step in history, as described by the author, was one government for the Atlantic Pact nations, with other nations to be taken in from time to time. In order to bring that about we would be cut down to their size economically. Then, of course, the one economic world would be here, and the one political world would follow naturally.

I say, Mr. President, that the workers and investors and the taxpayers are truly the forgotten men of this Nation.

THE ASSOCIATED PRESS

Mr. MORSE. Mr. President, the next item contains something which I think is somewhat amusing. It pertains to my attitude toward the Associated Press. I hold in my hand a letter that I have received from a prominent New York City doctor, who was interested in the newspaper treatment a speech of mine of June 24 received. He took it upon himself to call the Associated Presss office in New York City in protest, and was told that, although they carried some 400 words about the speech, they considered it hogwash.

That means, Mr. President, that I am making great progress in my criticism of the Associated Press. It means that my criticisms are beginning to get under the skins of the officials in charge of the Associated Press. I intend to continue to make criticisms on the floor of the Senate with reference to the Associated Press, so long as they follow the dirty yellow journalism which characterizes that particular news service. I shall continue to bar their reporters from my office until I receive an official apology from the Associated Press for the insulting conduct of their correspondent toward me on the floor of the Senate which caused me to announce that I would refuse all interviews with Associated Press reporters.

I do not give up, Mr. President. I know how vicious and dangerous is the Associated Press as a propaganda organization for poisoning the minds of the American people against any official who they are out to smear. Now, at least from their conversations with some of the people who are calling them and expressing, as they check the RECORD, their criticisms of the way the Associated Press has been handling the speeches of the Senator from Oregon, I am satisfied I am making progress in focusing attention on the brand of journalism of the Associated Press. This letter from a New York City doctor is good proof in support of that conclusion of mine.

I have other evidence that I am making progress, Mr. President. In the last few weeks four newspaper editors in this country have communicated with me, three by writing and one by a personal interview. They said that at first they thought my criticisms of the AP were unfounded and unfair; they could not believe that "Grandma," as they refer to the Associated Press, could possibly be guilty of the unfair journalism of which I had accused the AP. Nevertheless they said they proceeded to apply the test which I have asked on the floor of the Senate to have applied to AP stories about me. They took a series of Associated Press stories and compared them with the CONGRESSIONAL RECORD.

The editors have told me that they wanted me to know that they now believed my criticisms to be fair and justified. They are not big editors on the basis of circulation but their research had satisfied them I was right. They have told me that they propose to make known their criticisms to the big publishers who control the AP service of misrepresentation.

As more and more persons do the kind of checking this doctor did, the editors to whom I have referred, the people in charge of the Associated Press will wake up to the fact that the Senator from Oregon has not been making irresponsible charges on the floor of the Senate against the Associated Press. Other members of the Associated Press will reach the same conclusion as the four to whom I have referred today. They will come to realize that my criticisms are fair and that an Associated Press housecleaning is in order. I am simply calling attention of American readers to the fact that the Associated Press has been following a deliberate course of distortion, misrepresentation, and lying about the Senator from Oregon in story after story. The Associated Press writers have been using very clever phrases and snide adjectives to poison the minds of the people of my State against their Senator.

I tell the Associated Press that I shall fight them to the finish until the members of the Associated Press wake up to what its writers are doing and take the necessary steps to correct the injustice. In the speeches that are to follow in the State of Oregon I shall take the documentation to the people of the State and prove that some of the big editorial writers of Oregon who have been writing in support of "Grandma" are wrong. The readers of my State will discover that I have been correct in my statements about the dirty journalism of the Associated Press.

CONVENTION WITH CANADA RELATING TO PRESERVATION OF HALIBUT FISHERY OF NORTH PACIFIC OCEAN AND BERING SEA—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). As in executive session, the Chair lays before the Senate Executive P, 83d Congress, 1st session, a convention between the United States and Canada for the preservation of the halibut fishery of the northern Pacific Ocean and the Bering Sea, signed at Ottawa on March 2, 1953. Without objection, the injunction of secrecy is removed from the convention, and the convention, together with the President's message, will be referred to the Committee on Foreign Relations, and the President's message will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a convention between the United States and Canada for the preservation of the halibut fishery of the northern Pacific Ocean and the Bering Sea, signed at Ottawa on March 2, 1953.

I transmit also, for the information of the Senate, the report by the Secretary of State with respect to the convention.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 1, 1953.*

(Enclosures: (1) Report of the Secretary of State. (2) Convention for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea, signed at Ottawa March 2, 1953.)

RECESS

Mr. KNOWLAND. Mr. President, pursuant to the prior unanimous-consent agreement, I move that the Senate take a recess until 10 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 55 minutes p. m.) the Senate took a recess, the recess being under the order previously entered, until tomorrow, Thursday, July 2, 1953, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 1 (legislative day of June 27), 1953:

UNITED NATIONS

John Alanson Perkins, of Delaware, to be a representative of the United States of America to the second extraordinary session of the General Conference of the United Nations Educational, Scientific, and Cultural Organization.

IN THE AIR FORCE

The following-named officers for promotion in the Regular Air Force under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947. All officers are subject to physical examination required by law:

To be colonels

AIR FORCE

Wilson, Ellis Harold, 743A.
Wilson, Ronald Francis, 748A.
Spillinger, Harry Gordon, 770A.
Hughes, Clayton Earl, 863A.
Monahan, Francis Harold, 1030A.
Cairnes, William Denton, 1225A.
Simpson, Oliver Tillman, Jr., 1306A.
Curbo, Andrew Jackson, Jr., 1313A.
McDowell, George Caldwell, 1344A.
Cain, William Joseph, Jr., 1364A.
Thorpe, Charles Audley, 1383A.
Harman, Leo Vernon, 1410A.
Batterson, Robert Marshall, Jr., 1411A.
Brischetto, Roy Ray, 1455A.
Sisco, Gibson Emerson, Jr., 1456A.
Sims, Richard Elam, 1457A.

Coleman, John Boddie, 1464A.
Bastin, Henley Vedder, Jr., 1473A.
Hudson, Guy Leonard, Jr., 1475A.
Stone, James Joseph, Jr., 1482A.
Jones, Harold Lewis, 1483A.
West, Herbert Madison, Jr., 1484A.
Shoemaker, Francis Dodge, 1485A.
Councill, William Haldane, 1489A.
Remington, Peter Havens, 1491A.
Malcolm, Marion, 1497A.
Volin, Herbert Reed, 1512A.
Eklund, Harold S., 1526A.
Hunker, Joseph Frederick, 1532A.
Wilhelm, Don Louis, Jr., 1538A.
Bond, Graeme Stewart, 1542A.
Schwanbeck, Raymond Victor, 1544A.
Wackwitz, Ernest Frederick, Jr., 1549A.
Carlson, Arthur Charles, Jr., 1558A
Harris, Clyde Charles, Jr., 1578A.
Woltz, Eugene Carl, 1594A.
Martin, Leslie Ethridge, 1600A.
Moore, Howard Wendell, 1618A.
Ruegg, Robert George, 1620A.
Thorne, Ola Paul, 1622A.
Birchard, Glen Robbins, 1623A.
Johnson, Kenneth Leonard, 1624A.
Delahay, William Arnold, 1628A.
Pugh, Robert Johnson, 1629A.
Goldsworthy, Harry Edgar, 1631A.
McCollom, Loren George, 1632A.
Whitaker, Narce, 1633A.
McTague, Hugh O'Neill, 1635A.
Rader, William Staats, 1636A.
Rogers, Delmer Joseph, 1637A.
Samuel, John Spoor, 1638A.
Crawford, Roscoe Campbell, 1639A.
Jumper, George Yount, 1640A.
Newcomer, Henry Crandall, 1641A.
Perry, Joseph George, 1642A.
Curtin, Robert Harriman, 1643A.
McGowan, Norman James, 1644A.
Bowman, Josephus Alan, 1645A.
Miller, Robert Benjamin, 1646A.
Carpenter, John Wilson, 3d, 1647A.
O'Hern, Wayne Laverne, 1648A.
Howard, George Edmund, Jr., 1649A.
Breckenridge, Adam Kirk, 1650A.
Boughton, Roland Wallace, Jr., 1651A.
McDavid, John Arthur, 1652A.
Holloway, Rufus Hardy, 1653A.
Hersberg, Allen Forrest, 1654A.
Sullivan, Henry Riggs, Jr., 1655A.
Dickman, Joseph Lawrence, 1656A.
Long, Paul Joseph, 1657A.
Phelan, Roger Edwards, 1659A.
Wray, Robert Merwyn, 1660A.
Kinney, Andrew John, 1661A.
Romig, Eugene Allen, 1662A.
Rigley, Orin Henry, Jr., 1663A.
Meals, Elbert Owen, 1664A.
Latoszewski, Edwin John, 1665A.
Curtin, Richard Daniel, 1666A.
Iseman, Frank Wallace, Jr., 1667A.
Knapp, James Barclay, 1668A.
McFarland, Cecil Cerel, 1669A.
Glawe, Benoid Earl, 1670 A.
Sears, Robert Carver, 1671A.
Greer, Robert Evans, 1672A.
FitzGerald, Shepler Ward, Jr., 1673A.
Little, Robert Roy, 1674A.
Evans, Albert Leslie, Jr., 1675A.
Whitehouse, Thomas Bernard, 1677A.
Tatum, Daniel Farrington, 1678A.
Zethren, George Wallace Roger, 1679A.
Hardwick, Strother Banks, Jr., 1680A.
Richardson, Robert Charlwood 3d, 1681A.
Bestic, John Brereton, 1682A.
Brombach, Charles Urban, 1683A.
Vandevanter, Elliott, Jr., 1684A.
Bailey, Wilbur Winston, 1685A.
Higginson, George Mercer, 1686A.
Merrell, Jack Gordon, 1687A.
Boyd, William Stein, 1688A.
Smith, William Thomas, 1689A.
Walton, Alfred Virgil, 1690A.
McDowell, William Lee, Jr., 1691A.
Will, Ray Joseph, 1692A.
Rogers, Robert John, 1693A.
Hoisington, Perry Milo 2d, 1694A.
Manzo, Salvatore Edward, 1695A.
Palmer, Leonard Neil, 1696A.
Martin, William Kemp, 1697A.
Gideon, Robert Royce, Jr., 1698A.
Reardon, James Vincent, 1701A
Kingsley, Joseph Theodore, Jr., 1702A.
Habecker, John Christian, 1703A.
Edwards, John Carlos, 1704A.
McCoy, John Louis, 1705A.
Schmid, Edwin Peter, 1708A.
Stocking, Lewis Wilson, 1709A.
Adams, Milton Bernard, 1712A.
Leland, Edwin Sterling, 1714A.
Miller, Edwin Bruce, Jr., 1717A.
Fletcher, Eugene Batchelder, 1720A.
McNickle, Marvin Leonard, 1721A.
Ingenhutt, William Weeks, 1722A.
Lawhon, Brooks Albert, 1723A.
Helton, Elbert, 1727A.
Viccellio, Henry, 1728A.
Gray, Frederic Colbert, Jr., 1729A.
Wassell, Ralph Lowell, 1730A.
Ritland, Osmond Jay, 1731A.
Anderson, Victor Lenvik, 1732A.
Schneider, Joe Gordon, 1733A.
Adkison, Bourne, 1734A.
Greene, George Benjamin, Jr., 1736A.
Crain, George Kenneth, 1737A.
Stetson, Loring Franklin, Jr., 1738A.
Eubank, William Emanuel, Jr., 1741A.
Creer, William Edward, 1742A.
Zemke, Hubert, 1743A.
Kight, Richard Thomas, 1744A.
Bohnaker, William John, 1745A.
McGehee, James Crawford, 1746A.
Warner, Jo Kyle, 1747A.
Chennault, John Stephen, 1748A.
Robinson, George Leroy, 1749A.
Snavely, Eugene Herbert, 1750A.
Northcutt, Robert Edward, 1751A.
Neely, Clarence Arthur, 1752A.
Cheney, Howard Alton, 1753A.
Pechuls, John Allison, 1754A.
Sullivan, John Lynn, 1755A.
Williams, Hiette Sinclair, Jr., 1756A.
Stevers, Fred Delaway, 1757A.
Nye, Glenn Carlyle, 1758A.
Agan, Arthur Columbus, Jr., 1759A.
Coats, Lee Bannerman, 1761A.
Basye, William Edwin, 1763A.
Thurman, Wayne Earl, 1764A.
Ramage, Edwin Miles, 1765A.
Coupland, Don, 1765A.
Quick, Quentin Timson, 1767A.
Warren, Beverly Howard, 1768A.
Anderson, James Wilbur, Jr., 1770A.
Aynesworth, Horace Daniel, 1771A.
Elder, William Erwin, 1772A.
Davis, William Edgar, Jr., 1774A.
Gibson, Kenneth Hodder, 1775A.
Barrett, Thomas Jay, 1776A.
Ohlke, Harold Walter, 1777A.
DeShazo, Robert Vernon, 1778A.
Setchell, James Frederick, 1783A.
Dunlap, Donald Stuart, 1785A.
Price, Bruce Burns, 1786A.
Tate, David Arnold, 1788A.
Culbertson, Allman Tenney, 1789A.
Greening, Charles Ross, 1791A.
Ballard, Norman Luellen, 1793A.
Bagby, Robert Clyde, 1794A.
Storm, Leonard Boston, 1795A.
Manson, Hugh Boyd, Jr., 1800A.
Emrick, Paul Stanley, 1801A.
Bird, A. J., Jr., 1802A.
Zipp, Marvin Stoll, 1803A.
Moore, Thomas Estes, 1804A.
Hampton, Edgar Wade, 1805A.
Rowland, Robert Richard, 1806A.
Rouse, John Albert, 1807A.
Kurtz, Frank Allen, 1808A.
Hughes, Louis Rector, Jr., 1809A.
Chapman, James William, Jr., 1810A.
Jones, David Mudgett, 1811A.
Philbrick, Richard Warren, 1812A.
Peterson, Clair Arthur, 1813A.
Kleine, Bingham Trigg, 1815A.
Cleveland, William Hubbert, 1816A.
Reed, William Benjamin, 1817A.
Coulter, Theron, 1819A.
Wasem, Clinton Curtis, 1820A.
Greasley, Philip Henry, 1821A.
Schwartz, William Henry, Jr., 1824A.
Putnam, Walter Bennett, 1825A.
O'Neill, Brian, 1826A.
Fitzwater, John Timothy, 1827A.
Pinkston, Gladwyn Earl, 1828A.
Cellini, Oliver George, 1829A.
MacDonald, Charles Henry, 1830A.
Kelly, Joseph Anthony, 1831A.
Wilson, Monty Duran, 1834A.
DeBolt, Arthur Ray, 1835A.
Moore, Joseph Harold, 1836A.
James, Frank B., 1837A.
Tucker, Theodore Wightman, 1838A.
Rudell, Raymond Frank, 1839A.
Rodieck, Ralph William, 1840A.
Van Sickien, Norton Harding, 3d, 1841A.
Chandler, Charles Gardner, Jr., 1842A.
Roberts, James Edwin, 1846A.
Compton, Keith Karl, 1849A.
Saunders, Jack William, 1850A.
Dougherty, John Eugene, 1852A.
Droz, Paul Christian, 1853A.
Tipton, James Baird, 1854A.
Dunning, John Affleck, 1855A.
Strickland, Eugene Lee, 1856A.
Bailey, Dalene Edward, 1857A.
Smith, Pinkham, 1859A.
Edmundson, James Valentine, 1863A.
Huston, Vincent George, 1865A.
Holt, Harry Joseph, 1866A.
Wheeler, Ansel James, 1867A.
Dusard, Leo Francois, Jr., 1869A.
Hester, John Kenton, 1870A.
Wade, Horace Milton, 1872A.
Nevitt, William Renwick, 1873A.
Ashkins, Milton Herbert, 1876A.
Jenkins, Jack Simmons, 1878A.
Mears, Frank Henry, 1879A.
de Russy, John Huie, 1882A.
Yancey, William Rufus, 1883A.
Feeney, Francis Robert, 1884A.
Heflin, Clifford John, 1885A.
Cavenah, Kenneth Andrew, 1886A.
Chadwell, George Theodore, 1887A.
Westbrook, Sam Wilkins, 1890A.
McNickle, Melvin Francis, 1891A.
Aylesworth, Theodore Romaine, 1892A.
Wrigglesworth, William James, 1893A.
Blakey, George Addison, 1894A.
Holzapple, Joseph Randall, 1897A.
Ensign, Lewis Plank, 1901A.
Veal, William Watterston, 1902A.
Robertson, John Clayton, 1904A.
Downer, Charles Benson, 1905A.
Poage, Oren James, 1908A.
Cornett, James Ira, 1909A.
Watkins, Tarleton Harvin, 1910A.
Delashaw, Robert Lee, 1913A.

MEDICAL

Hall, Francis Whitney, 19059A.
Christenson, Earle Henry, 19075A.
Neece, Gus Warlick, 19091A.
Tinsman, Clarence Asa, 19100A.
Blount, Robert Henry, 19118A.

DENTAL

Puderbaugh, Homer LeRoy, 18823A.
Corniah, Paul Allen, 18836A.
Moore, George Stanley, 18848A.

VETERINARY

Van Sant, Willard Merrill, 18978A.
Leach, Benjamin Francis, 18979A.

MEDICAL SERVICE

Dell, Harry, 19379A.

CHAPLAIN

Patterson, James Francis, 18727A.

NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 1, 1953

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God of all grace, may we begin this new day with a sincere desire and determination to surrender ourselves unreservedly to Thy divine will which we

know is far higher, holier, and wiser than our own.

Show us to what nobler qualities and loftier heights our human life may ascend in character and service when we follow Thy leading.

Grant that daily we may face our problems without timidity, our successes without pride, our disappointments without sullenness, and our failures without despair.

Inspire us to be tirelessly active in the great spiritual and social ministry of bringing release and redemption to the weary and heavy laden, the forlorn and forsaken, the haggard and hungry, and all who are in desperate plights and tormented by fear and foreboding.

Hear us in the name of the Captain of our salvation. Amen.

The Journal of the proceedings of yesterday was read and approved.

SENATE ENROLLED BILLS SIGNED

The SPEAKER. The Chair desires to announce that pursuant to the authority granted him on yesterday, June 30, he did on that day sign the following enrolled bills of the Senate:

S. 1081. An act to provide authority for temporary economic controls, and for other purposes; and

S. 2103. An act to amend the National Housing Act and other laws relating to housing.

THE NINE FUDDLED MEN

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include an editorial from the Washington Times-Herald.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, the Washington Times-Herald in its issue for today, July 1, has an editorial entitled "The Nine Fuddled Men." It deals with the activities of the Federal Supreme Court, which during the last few years seems to have reached the conclusion that it is the function of the Supreme Court to bypass the legislative branch of the Government, and through judicial legislation change the existing laws of the land, and further to bypass not only the legislative branch of the Government, but also the people and the individual States, and to remake the Constitution according to the ideas of those who at the moment compose the Supreme Court.

The Court has become so notorious in recent years in its efforts to remodel and make over our Government and our Constitution according to the latest radical philosophies that the press and the public are becoming alarmed. I am glad indeed to see that editorial notice is being taken of the efforts of the Supreme Court to usurp legislative functions. I commend and congratulate the Times-Herald upon the above-mentioned editorial, and I insert it herewith as a part of these remarks:

THE NINE FUDDLED MEN

The Supreme Court has recessed for the summer and its members have scattered. Before it got away, it was forced into extraordinary session by the stay of execution granted in defiance of the Court majority by Justice Douglas to the Rosenberg atomic spies. The Court had to reconvene in order to decide, by 6 to 3, that the legal point discerned by Douglas as "substantial" was, in fact, nonexistent.

Douglas, of course, dissented and was joined by Justices Black and Frankfurter. Whatever the majority might say, Douglas insisted, he remained "right." Black agreed. It took Frankfurter several additional days to work up an opinion which he modestly submitted as a contribution to "history." This contribution consisted of a suggestion that the Court should have taken more time, though Frankfurter would not promise that he would have voted in support of the spies in the end.

With this, it might have been supposed that the Court could safely be forgotten for the summer, but it kept bringing itself to notice. The next incident concerned only one Justice—Tom Clark, Mr. Truman's former Attorney General. When the House Judiciary Committee decided it would like to hear Clark testify concerning nine different matters which came up during his tenure as Attorney General, the Justice drew his robes about him and assumed an admirable counterfeit of haughtiness.

Clark responded that a Justice should keep himself aloof from mundane affairs of legislative life and partisan politics. Oddly enough, the committee accepted this stuffy reproof, deciding not to slap a subpena on the Justice and hold him in contempt if he refused to appear. An objective view would be that Clark's pretenses were hollow. The acts concerning which the Congressmen sought to inquire had nothing to do with his service on the bench, but involved sundry instances of fixing and crookedness when he himself was deeply involved in partisan politics.

Though the past session of the Court is receding in time, its curious decisions still glimmer with a dim phosphorescent light. They are not still alive, but neither are they wholly dead. They have a sort of half life.

One of these that still sputters faintly is the decision by which the Court, for the second time in 8 years, saved Harry Bridges from prison and deportation as an alien Communist. The boss of the longshoremen's union was convicted of conspiracy in a perjured affirmation that he had never been a Communist when he acquired his papers as a citizen.

The facts were not vulnerable to challenge, but the Court turned up a technicality to get Bridges off the hook. It said that the statute of limitations had run on the offense before he was indicted and that a wartime suspension of the statute did not apply in this case. Here the decision was 4 to 3, with Justice Burton, the only Republican on the Court, writing the majority opinion. Black, Frankfurter, and Douglas again were on the side favoring softness for Reds.

As Chief Justice Vinson and Justices Reed and Minton constituted the minority upholding the conviction, it might be thought that this makes them look good. But the fact is that this trio distinguished itself with one of the "goofiest" and most dangerous doctrines ever enunciated by any group of Justices on the Court. They constituted the minority which tried to assert that Mr. Truman's seizure of the steel industry was proper though the Constitution specifically forbade it and though there was no statute authorizing it.

The thesis written for the group by Vinson contended that inasmuch as the Senate had ratified the United Nations Charter, the United States thereby had accepted "in full measure its responsibility in the world community." From there Vinson contended that this responsibility entailed an obligation "for the suppression of acts of aggression." Consequently, Vinson argued, when U. N. called on its members to render every assistance to repel aggression in Korea, the President was thereupon authorized to take every action to render that assistance, including the seizure of private property.

In face of this decision, there are still people who say there is no need for the Bricker amendment to the Constitution, which says positively that no domestic application of a treaty is of any force or effect unless it would be constitutional and lawful in the absence of a treaty.

From the absence of his name, it might be assumed that Justice Jackson did not share his colleagues' penchant for being on the wrong tack some time or other. But to concede this much would be to ignore Jackson's magnificent perversity as the American agent in drafting the infamous ex post facto war crimes charter under which the defeated leaders of Germany and Japan were hanged for being on the losing side of the last great war. Jackson's contribution to hypocrisy and injustice may exceed even that of his associates.

So that's the lot. Which is your favorite?

REDUCTION OF VOTING AGE OF CITIZENS

Mr. WAINWRIGHT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WAINWRIGHT. Mr. Speaker, I ask the indulgence of the House for the privilege to speak out of order for 3 minutes on a subject which I hope will become of considerable importance to the gentlemen of this Congress.

Yesterday I introduced a joint resolution to amend the Constitution to reduce the voting age of the citizens of the United States from the present 21 years to 19 years.

There are three specific reasons of the many which could be put forth why I believe this resolution should be given careful consideration:

The first, which everyone of you has heard before, is probably the most cogent. It was suggested to me by a cartoon appearing in a daily paper, Newsday, which won a Pulitzer award for Edward K. Kuekes, of the Cleveland Plain Dealer, and by an excellent editorial in the News-Review, a Long Island weekly paper. The cartoon, which appeared not long after the November election, depicts two medics carrying a desperately wounded or dead buddy back from the front line on a stretcher. One stretcher bearer says to the other, "Wonder if he voted?" and the answer from the second, "No; he wasn't old enough." Several of my colleagues have introduced bills to reduce the voting age to 18. I also support these resolutions, but I have specifically selected the age of 19 as that age corresponding most closely to the one when a man is actually drafted. Should he be drafted in his 19th year, he is not liable to enter into combat for at least 6 or 8 months. In other words, if the argument, "if he is old enough to die, then he is old enough to vote" is the right argument, then age 19 is the most realistically correct.

The second major reason for proposing this amendment to our Constitution was evolved after researching the history of suffrage, the history of our vote. I discovered that the origin of age 21 as the voting age stemmed from the early common law of England. It was linked by an iron chain to the property concept. You will realize undoubtedly that ownership of real property was the principal prerequisite for voting in the 17th and 18th centuries. At the time our Constitution was written the property requirement was, again, the principal requirement. By the middle of the 19th century this requirement, along with many others, disappeared. Yet the English common law concept of majority has so instilled itself into the traditional thinking of this country that it has been in the past extremely difficult to come forward successfully with any other viewpoint. Summarizing, then, my second reason, I say: Conform the voting age to the existing facts and recognize the maturity of our country. This leads to my third argument in favor of this resolution.

The general level of education in the United States today compared with the 1770's is as different as black from white. Our high schools annually turn out many, many educated men and women. In fact, based on a knowledge of civics, I believed that these 19- and 20-year-old citizens have a far greater grasp of government and politics, on a comparative basis, than the average person 20 or 30 years older.

A 19-year-old person today, if he is in college or even if he is not in college, probably has a job, pays his taxes to run this Government, may well be married and have a family, and, as I indicated earlier in my remarks, fights and dies for his country without having any participation in the selection of those who make the decisions.

Therefore, I urge upon this Congress to adopt a progressive and forward-looking viewpoint by granting suffrage to this group of our fellow citizens.

THE FINALY CHILDREN

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, the press of the country in recent days has given much attention to the matter of the two Finaly children, Jewish boys orphaned by the Hitler death mills. The family first sought refuge in France. There the Nazi monsters caught up with their parents, Dr. and Mrs. Finaly. Prior to their annihilation the parents entrusted their children, Robert and Gerald, to friends who found safe refuge for them in a Catholic institution. When peace was restored on the Continent a misguided Catholic lady, in order to keep these children from their Jewish relatives, had them baptized into the Catholic faith. Long and bitter court controversy ensued with the decision finally requiring the children to be returned to the custody of an aunt and uncle residing in Israel. Instead of complying with the court order, a church dignitary, acting not for the church and, in fact, contrary to church directives, kidnaped the children and secreted them in Spain.

Upon gathering the full facts of this tragic occurrence, I called upon the Ambassador from Spain to the United States, His Excellency Jose F. de Lequerica. He listened most sympathetically and, more, his action was immediate and most cooperative. He placed the entire matter before the proper governmental authorities in Spain and received from them most promptly a commitment, which His Excellency the Ambassador communicated to me, to the effect that if and when the children were located within the borders of Spain, and upon a request from France, which up to that time had not yet been received from the French Government, the children would be turned over to the French authorities for return to France.

His Excellency, the Ambassador from Spain, and I kept in constant touch with each other with reference to the matter and immediately upon my receiving authoritative information as to where the children were in Spain I passed this information on to him and he in turn forwarded it to his government at home.

I am happy to report that when the children were located in Spain, the Spanish authorities moved efficiently and expeditiously, took them into custody, turned them over to French officials in accordance with the request from the Government of France, and the children have now been safely returned to France.

I want to take this moment to pay my compliments to the Spanish Government and particularly to His Excellency, Ambassador de Lequerica, for their humane and splendid cooperation in this matter.

All too frequently we are inclined to let our emotions run away with us when we find something we do not like and do not approve, and take to the hustings to loudly condemn. Much too infrequently do we take for granted compliance with the humanities and ignore the opportunity to commend others for their kindnesses.

I cannot let this moment pass without publicly acclaiming what has been done in this instance by the Spanish Government and its officials, and done without outside pressures and without thought of gain.

TRANSPORTATION OF FIREWORKS

Mr. NICHOLSON, from the Committee on Rules, reported the following privileged resolution (H. Res. 313, Rept. No. 696) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 116) to amend title 18, United States Code, so as to prohibit the transportation of fireworks into any State in which the sale of such fireworks is prohibited. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. TABER. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 73]

Alexander	Ellsworth	Kearney
Barrett	Engle	Kersten, Wis.
Becker	Fallon	Klein
Bentley	Fine	Lucas
Blatnik	Fogarty	McVey
Brooks, La.	Gamble	Mack, Ill.
Byrne, Pa.	Garmatz	Morgan
Case	Granahan	Morrison
Celler	Green	O'Konski
Chatham	Gregory	Philbin
Chudoff	Gwinn	Powell
Colmer	Hale	Rayburn
Condon	Hart	Reed, Ill.
Coudert	Heller	Regan
Crosser	Hillelson	Richards
Dawson, Ill.	Hoffman, Mich.	Rivers
Dies	Holifield	Roosevelt
Dingell	Ikard	Shafer
Dollinger	James	Sheehan
Dolliver	Javits	Smith, Kans.
Donovan	Jensen	Teague
Durham	Jones, N. C.	Wigglesworth

The SPEAKER. On this rollcall 362 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. HESELTON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may sit during general debate in the House today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DEPARTMENT OF DEFENSE AND RELATED INDEPENDENT AGENCIES APPROPRIATION BILL, 1954

Mr. SCRIVNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5969) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5969, with Mr. ALLEN of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule debate will continue for the full day, to be equally divided between and controlled by the gentleman from Kansas [Mr. SCRIVNER] and the gentleman from Texas [Mr. MAHON].

The Chair recognizes the gentleman from Kansas.

GENERAL LEAVE TO REVISE AND EXTEND

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent that all Members speaking during general debate may revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, my appearance here is as the acting chairman of the Subcommittee on Military Appropriations. I appear because of the illness of the gentleman from Massachusetts, RICHARD WIGGLESWORTH, who is the chairman of the subcommittee, who, I am quite happy to state, has now been released from the hospital and is recuperating and hopes to be back on the floor with us in another 15 days. This, incidentally, is the first bill to be acted upon by the House of Representatives ever bearing the name of SCRIVNER upon it; and many times as I have appeared on the floor seeking to reduce expenditures, to find this first bill asking you to appropriate over $34 billion almost stuns me.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Florida.

Mr. SIKES. I want to say to my good friend, for whom I have the highest admiration and the utmost respect and esteem, that, while his name may not have been on bills heretofore, he surely did leave his tracks on a lot of them, and they were good tracks.

Mr. SCRIVNER. I thank the gentleman from Florida for his kind comment.

Before going further I do want to pay tribute to this entire committee. We have had to work under extraordinarily difficult circumstances this year, as you can well understand. All of them—the gentleman from Michigan [Mr. FORD] who is chairman of the Subcommittee on the Army; the gentleman from New York [Mr. OSTERTAG] who has had to pick up the ball after the gentleman from Massachusetts, Mr. WIGGLESWORTH's illness; the gentleman from Nebraska [Mr. HRUSKA] who worked with me on the Air Force; the gentleman from Maryland [Mr. MILLER], working with the gentleman from Michigan [Mr. FORD] on Army; and the minority members, the gentleman from Texas [Mr. MAHON] on the Air Force Subcommittee; the gentleman from California [Mr. SHEPPARD]; and the gentleman from Florida [Mr. SIKES]—have all been most helpful and most cooperative. Yet, in all fairness, I must say that there was an occasion or two when there was not complete unanimity on all matters, and that is to be expected.

The staff has done a remarkably fine job. I think as you read the report and the bill you will concede that yourself.

I want to pay particular tribute to Mr. Corhal Orescan, Earl Silsby, clerks on the full committee; and Paul Wilson, Navy; Sam Crosby, Air; and Bob Michaels, Army.

As you have probably read, the Appropriations Committee has had working for several months a staff of investigators who have done a magnificent job. These men were all topflight men, coming, as they did, from the outstanding accounting firms in the country, as well as business executives from some of the greatest business institutions in America.

While the entire bill calls for an appropriation of more than $34 billion, there are some spots that are brighter than that. For instance, you will find that in this bill there is a rescission of $285 million from Army stock funds and $250 million from Navy stock funds, making a total rescission into the Treasury of $535 million.

Further than that, you will find that $2.6 billion from funds appropriated in 1951 and 1952 will revert to the Treasury June 30, 1954. There will, of course, be some claims filed against that $2.6 billion. However, a very substantial amount of that will remain in the Treasury, which will help a great deal in balancing the budget.

You will also find as you go through these reports and as you hear the discussion that the Defense Department for fiscal 1953 and prior years as of today has $6,200,000,000 which they have not obligated, and by "obligated" I mean that they have not let contracts for that much money.

In addition to that, from fiscal 1953 and prior year funds you will find that the Defense Department in January, when the supplemental budget was before us, absorbed $1,200,000,000 to meet the pay raise which the Congress provided last year for the Military Department. In other words, there are $7,400,000,000 that had been previously appropriated in excess of the actual needs of contract obligations of the military services.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Ohio.

Mr. VORYS. Is that "obligated" figured under the new Comptroller's rules? They have had an artificial system of obligations down there for years. I understand they changed it this spring. Is this under the new rules?

Mr. SCRIVNER. As the Appropriations Committee discusses obligations, we are talking about the firm fixed contracts where there is liability upon the Defense Department and the Government.

Mr. VORYS. And the $6 billion represents money that is not obligated?

Mr. SCRIVNER. That is correct.

If you will turn to page 2 of the report, you will find there a breakdown. You will find in discussing this bill before you today that we have no funds whatever for military public works. That comes to you in a separate appropriation bill. You will find that under the independent agencies down to the Secretary of Defense that there has been a reduction of $17,500. You will find in the Office of Secretary of Defense itself we have reduced the request under what we call the revised estimate, which is the budget submitted to us under the Eisenhower administration some $10 million. The Army has been reduced $689 million, the Nacy $398 million, and the Air Force $244 million. All these amounts will be discussed with you in detail as we come to each one of those departments in the bill. So that you will see in the fourth column on page 2 of the report that we are recommending in this bill the appropriation of $34,434,140,500. This is a reduction of $12,750,000,000 under what was appropriated in 1953. It is $6,285,790,000 under the budget presented to us in January, and, as I stated a moment ago, $1,337,000,000 under the revised estimate.

As I stated a moment ago, when we are talking about obligated funds, we are talking about funds that have been contracted for to such a degree that a legal liability rests upon the Defense Department.

As you turn to page 3 of the report you will find that excluding military public works, which is an unobligated figure of $3,100,000,000, which is available for contracting and obligating this year, you will find in 1952 a carryover of $4,034,000,000, and that is available to the Department of Defense for the fiscal year 1953, the year which has just closed, that there was available to the Department of Defense for contract financing $48,705,000,000. It is estimated that the carryover as of yesterday, June 30, is $3,140,000,000. That $3,140,000,000 almost without exception is carried over in this bill, and none of it was rescinded, so that with the $34,354,000,000 that we are appropriating this morning, or this week in this bill, the Defense Department will have for the purpose of making contracts $37,494,000,000, and even in this day and age that is not a small amount.

Now, when we come to expenditures, that is somewhat different. When we talk about expenditures we mean just that; that is the money which either has been spent or which is available for spending. You will find, of course, as you go along, even though we might appropriate, let us say, $2 billion for some construction of planes this year, only perhaps $200 million of that would be actually spent; I mean, to actually go out of the Treasury, so that we see a different picture when it comes to expenditures. You will find that in fiscal 1953 there was available $99,350,000,000 for expenditures by the Defense Department, and when you come down to 1954 the carryover now is $57,670,000,000, so that added to that figure what will be appropriated here of $34,434,000,000, there will be available for spending from the passage of this bill $92,104,000,000, and it is estimated that the Defense Department this year will spent about $43,200,000,000. So you can see from that

figure that exclusive of public works, that is equivalent to spending for the Defense Department of almost 2½ years; not quite.

You will also see as you read the report that included in this $34 billion we have included almost $2 billion for financing the Korean war. In previous years that has not been considered in the primary defense request; it has always come to us in the nature of a supplemental request. This time, and in this bill, the $2 billion is included.

The basic philosophy which has guided us throughout all of these considerations is the fact that we must try to balance defense needs against the dangers of an unbearable burden on our economy.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. The gentleman mentioned the $2 billion included in this bill for the Korean operations. Has the gentleman any estimate as to what change might be made in the figure in the event of a real truce, which we all hope for?

Mr. SCRIVNER. That estimate is practically impossible to make at this particular time. In discussing that, we would have to discuss a great many things that took place off the record, and which perhaps should not be discussed here on the floor. Perhaps the gentleman from Michigan [Mr. FORD], who handled the Army hearings, where the major portion of the $2 billion is, can give the gentleman some explanation.

Mr. FORD. If the gentleman will yield, the Army subcommittee asked that question of the Department of the Army, and we received a detailed analysis which indicates that if we have a Korean truce the Army will voluntarily request the withdrawal of little over $500 million.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Florida.

Mr. SIKES. In further amplification of the answers given, the Army made the statement to our subcommittee that in the event of a truce they would suggest rescission of a half billion dollars and gave as their reasons for not suggesting a larger rescission, first, that the Army stocks have been seriously depleted by the Korean war. There is a real need to build up reserves. Second, a considerable part of the $2 billion is to go to the ROK troops. The buildup and supply of ROK troops will have to be continued whether or not there is a truce, so that they will be in a position to defend their own country if a further emergency develops.

Mr. BYRNES of Wisconsin. As I understand, this figure that has been mentioned is for the Army?

Mr. SCRIVNER. The major portion of it.

Mr. BYRNES of Wisconsin. The Navy and the Air Force would have a proportionate reduction in their amount, or does this $2 billion apply only to the Army?

Mr. SCRIVNER. The major portion applies to the Army. Some of the $2 billion is for the Air Force.

Mr. BYRNES of Wisconsin. Then there might also be some saving in the Air Force expenditure?

Mr. SCRIVNER. The items covered in this would not nearly be comparable to those in the Army, because the purposes for which they are appropriated would not nearly be the same.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. Will the gentleman be kind enough to review again those figures of the accumulated authorized but unexpended appropriations, and lead up again to the $92 billion, so that we will have those figures clearly in our minds?

Mr. SCRIVNER. I could, but possibly it would serve the purpose just as well if I pointed out on page 3 where they are found. Then each Member can analyze them for himself. They are found in the first two paragraphs of page 3 of the report.

Mr. VAN ZANDT. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Pennsylvania.

Mr. VAN ZANDT. Could the gentleman give us in round figures what the Korean war has cost to date?

Mr. SCRIVNER. I do not think anybody can tell you what the Korean war has cost. Some of the costs would have gone on anyway. But the estimates have run all the way from $750 million a month to $1,200,000,000 a month, not counting the more than 140,000 casualties.

To go a little further, you will find that while these requests are large, and there have been reductions, if Congress had given to the Defense Department all the funds they had asked for since 1950 you would have had requests for almost $100 billion more than you have granted. As you go through the hearings you will find that since the war in Korea started Congress has appropriated to the Defense Department more than $150 billion in addition to the $9 billion already available to them when the war broke out.

We have gone through all these items and through piles upon piles of itemized justifications and heard hundreds of witnesses. Having done that, and having heard the witnesses, we have tried to guide ourselves by the rule of reason. We have found in many cases that the lead time which has been proposed has been greatly overestimated. We have looked at these huge unobligated balances and have found that Congress is losing control and that we should get our appropriations more closely related to the obligations and expenditures. We have found that the deliveries are not coming along as rapidly as they had anticipated. We have found that the consumption, particularly in spare parts is grossly exaggerated. So we find, as we go through these matters, we can justify to you every item in this bill, and particularly we can justify the cuts which have been made even under the revised estimates.

This $34 billion plus will give you an Army of the average annual strength during the year of 1,470,000 officers and men. The Navy will have 768,163 officers and men. The Marines will have 241,556. The Air Force will have 970,000, which will give you a defense force totaling almost 3,500,000 men in uniform—and, of course, some women.

The item of civilian personnel, of course, always comes up in these hearings. It seems sometimes as though it is almost impossible to get them down to the number you really would like to, but it takes people to do so many jobs whether they are in uniform or whether they are civilians. So that you must some place hit a happy medium of so many civilians otherwise you will be called upon to have men in uniform doing certain jobs. The same thing is true in the military. If you cut down so far, then you have a request for additional civilians. So that is not an easy task. I think on the whole, as you look over the hearings, and the individual reports of these various departments in the Department of Defense, you will find we have tried and have succeeded fairly well in bringing it into fairly good balance.

On page 6 of the report, you will find we are providing in the bill approximately 1,231,623 civilians. We find that in many places if the Department of Defense would make more use of the indigenous personnel, the nationals of Germany, France, England, Korea, and Japan and Okinawa and other places all over the world where we can obtain civilian help to do a very good job for very much less than we pay an American citizen, further savings could easily be made.

In addition to that, you would not be called upon to transport at great expense our civilian Americans to foreign shores together with their families and their dependents, and then maintain commissaries and supply all the food and requirements necessary for them. In many places, we find as we tried to get detailed information about the civilian picture, the information so far as dollars are concerned was pretty good, but when we tried to find the actual information relative to the civilians, the people, it was scanty and poor. Next year, there must be many improvements made. There are any number of items we could discuss here, but one of the more important items is research and development. That has been a program with which we have been not only very generous, but in some cases it seems almost profligate. We have given them for research and development almost every nickel they ever asked for. It is getting completely out of hand, and we find in many places there is research going on just for the sake of research—little empires being built up which must be torn down if we are to get effective results from our research and development.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. AUGUST H. ANDRESEN. With reference to research, I have had a little experience. For instance, they have been working for 3 years on establishing specifications for egg cases, and finally I believe they say about 6 months from now, they may conclude that research and development program.

They have another research project which has been going on for years.

Mr. SCRIVNER. The gentleman is not talking about the Department of Defense now, is he?

Mr. AUGUST H. ANDRESEN. Oh yes.

Mr. SCRIVNER. Is that in the Department of Defense?

Mr. AUGUST H. ANDRESEN. Yes, sir.

Mr. SCRIVNER. That is one I did not hear of.

Mr. AUGUST H. ANDRESEN. And here is another example. They had a research project on the kind of dishes they are to use. The Navy wants a blue crockery dish in navy blue and the Army and the Air Corps are satisfied with a tray. So a controversy is raging now, and a great deal of money is being spent on research to get the proper dishes to go with the sterling silver that the Navy uses.

Mr. SCRIVNER. I thank the gentleman for his contribution. I wish I had heard about some of those before the hearings had been concluded; we might have gotten some more information.

But sufficient to say that where we can tie down and identify funds for research and development, there is included in this budget almost $2 billion, just for research and development. If it were bringing us combat effectiveness, we would not complain so much. But when you get into some of the studies, which will be discussed later and see some of the subjects that are in this research, you will find that the cut which we have made is very minor.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the chairman of the Armed Services Legislative Committee.

Mr. SHORT. I hesitate to interrupt the gentleman, who is making such a comprehensive and splendid statement, but I am glad that he has mentioned research and development. We all know the high importance and great significance of it, and will agree that we can never match, man for man, the hordes on the Asiatic Continent; and our only hope of victory, if we should have a third world war, is in the superiority of weapons and the superior skill of the men who use those weapons. But, as the Deputy Secretary for Defense, Mr. Kyes, testified before our legislative committee—and no doubt he testified the same way before the gentleman's committee—all civilian industry in the United States spends only $1 billion annually in research and development. It was his thesis that you cannot go beyond a certain limit in spending money profitably on research and development. Last year, I think the Congress voted $1,500,000,000. If anything, you have not made enough cut in this, in order to get maximum efficiency. But if you have given them $2 billion, certainly that is enough for any organization at any place in the world to have, because our armed forces were developing 27 different kinds of bombsights at one time. That was the Air Force. They were developing 27 bombsights and, as you say, it is a spawning, a sprawling, a mushrooming growth; they build up little empires. You have a lot of hacks attempting to do research and development who have no business in those departments or activities. As the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has pointed out, they take an interminable time to arrive at any decision, because they want to hold on to their jobs, in the hope of a promotion and an increase in salary.

Mr. SCRIVNER. I thank the gentleman from Missouri [Mr. SHORT] for his observation. He has stated the case, as usual, much more eloquently and logically than I could. But I would point out to the Members of the House that there are over 6,000 different kinds of projects being discussed under "Research and development," employing in the Department of Defense alone over 114,000 people, 39,000 of them military. Their pay is reflected in the military pay and not in research and development funds.

It is, as the gentleman from Missouri [Mr. SHORT] has so well pointed out, a field for a great deal of study and huge economy.

You will see, on page 6 of the report, that the unexpended balances in research and development have kept gradually growing and growing and growing from somewhere in the neighborhood of $2 million in 1950 to an estimate, as of yesterday, of $1,600,000,000, unexpended. That is enough to carry them without new funds for a year.

Military air transport is discussed, and it should be set up on a more business-like basis, similar to the military sea transport.

There is one situation to be discussed later on, and that relates to the limitation on officers, the Davis amendment. We had hoped that the Armed Services Committee would come in with permanent legislation on this matter. They did bring out Public Law No. 7 last year, but that expired June 30 this year. We were faced with the necessity of making a limitation on the number of officers in the various services.

Section 631 of the bill brings in an item which should be discussed at this point relating to flight pay. You will find from the Department of Defense these figures, that these are the numbers of people who are drawing flying pay. That includes pilots, bombardiers, observers, some stewards, mechanics, and what not. We divorced the Air Force from the Army a few years ago, but again we find that in the Army there are 3,885 men drawing flying pay. We set up our own little Army aviation; and, incidentally, I have flown with some of those Army pilots last year in Japan and Korea, and I will state to you that they are doing a fine job.

The Navy has 19,334 drawing flying pay; Marines, 4,755; and the Air Force, 20,445, making a total drawing flying pay of 98,419.

What do we find? You would expect to find that all those men would be in the cockpits of planes, would you not? But you do not. You find many of them filling armchairs in administrative offices. It is not their fault; they have been assigned there. In the Navy in fiscal 1954 you will find that of the number given you a while ago there are 13,000 as pilots drawing flying pay and 4,153 in nonflying jobs. In the Marine Corps there were 3,204 pilots receiving their flying pay and flying, but 853 of them are in administrative jobs. In the Air Force, out of the 49,688 that we will have in fiscal 1954—that is, those that are pilots—28,688 will be flying planes, but 21,000 will be occupying jobs which do not call for any cockpit work except professional flying. So that is what is known as minimum individual training proficiency flying; and in order to get their flying pay, those particular administrative officers have been required to fly 100 hours.

Flight pay in itself is not a great amount of money, but the cost to make it possible for these administrative officers to receive their flying pay is tremendous, even using the average cost of $100 an hour for maintaining these proficiency-flying planes, it is costing, with the 100 hours, $10,000 a year just to let some lieutenant, some major, some general, receive his flying pay which is perhaps one-fifth of that amount. It is proficiency flying that costs; it is the proficiency flying that you read about where men go out, for instance, to the Dakotas—and I would like to go there this fall myself and do some pheasant hunting. It is proficiency flying where they go to a football game, where they go down to Florida—much as I love BOB SIKES, I would like to stop them from doing that.

We are not touching flying pay. We have proposed a very simple solution to this which will save the American taxpayers better than $100 million this coming year. It is simply this, that those officers who have training proficiency for more than 15 years need not fly at all to get their flying pay; they just do not have to go out on any of those junkets to football games, duck hunts, pheasant hunts—they can stay here on the job and do the job we are paying them to do without losing any further time.

As for those who have less than 15 years' flying rating, they may fly when prescribed to do so by their respective department 48 hours, 12 hours each 3 months, with a leeway of 30 minutes, more or less. That will cut the cost of proficiency flying in half, and the table I will insert here will give you the number of officers involved, the costs involved, and so forth. I think the savings will be at least—and this is a very con-

servative estimate—at least, on a very conservative estimate, $109 million in the Air Force and $25 million in the Navy, as shown by the following table:

Pilots on MIT flying status, fiscal year 1954

[MIT=Minimum individual training]

	Number of pilots on MIT flying	Total flying hours	Total cost at $100 per flying hour	Estimated savings
AIR FORCE				
100 hours per year	21,000	2,100,000	$210,000,000	
48 hours per year	21,000	1,008,000	100,800,000	$109,200,000
Pilots with over 15 years' service:				
48 hours per year	3,727	178,896	17,889,600	
Assuming one-half of 15-year pilots are on MIT flying				8,944,800
Total savings possible				118,144,800
NAVY				
100 hours per year	4,153	415,300	41,530,000	
48 hours per year	4,153	199,344	19,934,400	21,595,600
Pilots with over 15 years' service:				
48 hours per year	1,788	85,824	8,582,400	
Assuming one-half of 15-year pilots are on MIT flying				4,291,200
Total savings possible				25,886,800

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. Is it not also a fact that in addition to these savings that will be reflected here there are many hours consumed by these officers and gentlemen who are on nonflight duty in taking time to get to the planes and taking time in the air, which is not producing anything as far as the national defense is concerned and that under this program they will be able to work their full time on the job they are supposed to carry out?

Mr. SCRIVNER. The gentleman is correct.

What else will it do? It keeps them from wearing out these planes. You do not have to maintain them. The hundreds of millions of gallons of gas saved is beyond computation.

Mr. WILLIAMS of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Mississippi.

Mr. WILLIAMS of Mississippi. I realize that the committee had a very worthy purpose in mind in reducing the time that is to be given to these men to 48 hours a year. This means, of course, 4 hours a month. Does the gentleman realize that there is a very practical problem involved in maintaining proficiency in these airmen, particularly the pilots, in giving them 4 hours a month which, in the case of these heavy aircraft, amounts to only 1 flight a month. I used to kick those things around a little bit in World War II and I think I have had sufficient experience to state with a great deal of reason that an individual cannot maintain pilot proficiency with 1 flight a month in these heavy aircraft such as our Air Force uses. I certainly would not want to get in an airplane with a pilot flying a heavy plane who was only given 4 hours a month flying time because he would be a dangerous pilot.

I wonder if the committee has given thought possibly to permitting them to continue the 100 hours under certain circumstances and perhaps just taking the others off of flying status completely?

Mr. SCRIVNER. Yes, we thought about that.

Mr. WILLIAMS of Mississippi. I wonder what the Air Force says about that proposition of cutting them down to 4 hours?

Mr. SCRIVNER. You can get a divided opinion in the Air Force on that like you can get a divided opinion in the Air Force on many subjects.

Mr. WILLIAMS of Mississippi. Did the gentleman have anyone before the committee who recommended that?

Mr. SCRIVNER. If the gentleman was an airman he knows the practical situation just as well as I do.

Mr. WILLIAMS of Mississippi. Yes.

Mr. SCRIVNER. You know that these men would hesitate to say anything like this for the record, although they will tell you in private, as many of them have told me. I would not care to embarrass a single solitary one of them because oftentimes though we find fault with them, we love each one of them individually and we admire their services and would not embarrass them in any way. That will be discussed under the 5-minute rule.

Mr. WILLIAMS of Mississippi. I will not press it any further at this time.

Mr. SCRIVNER. Here is another item that brought about a considerable saving. We found that officers and civilians who are traveling throughout the country and eating at enlisted men's messes have been subsidized to the extent of $5 million a year. So we are now requiring them to pay $2.25 a day which is a more realistic charge for the meals.

As pointed out earlier, the National Security Council will be continued on and we have given them an increase of $65,000 because they are operating more as a Security Council now should, meeting each week, and they felt they need that.

The National Security Training Commission, which relates as you understand to the UMT, is carried the same as last year.

In the Office of Secretary of Defense we have made a 10 percent reduction or $1,200,000. That was their own suggestion and is in the form of retired pay. There is a modification to what has been called the Van Zandt amendment, namely we had language in there which some of them seemed to think was not complimentary when we permitted them to retire upon order of the Secretary of Defense and the Secretary of Defense found that retirement was in the interest of the Government. We have reversed that so that now it can be done if the Secretary of Defense does not find it contrary to the best interest of the Government. We have provided that those officers and men who served in World Wars I and II, and now in Korea, may also retire. We thought that was fair and proper.

The last item I will discuss is a new item of half a billion dollars which is set aside to the office of the Secretary of Defense to provide in an emergency $500 million for the providing of stockpiling of certain special machine tools which takes a long time to build, and which we must have on hand if we are to do an effective production job.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman made reference to a provision for UMT. Was there any evidence before the gentleman's committee that this administration is moving now to resurrect universal conscription?

Mr. SCRIVNER. There was not.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Connecticut.

Mr. MORANO. The gentleman made some reference to the fact that military public works will be in another bill. Would the gentleman explain that a little further?

Mr. SCRIVNER. As to military public works, hearings are now being held, with the gentleman from Wisconsin [Mr. DAVIS] as chairman.

Mr. MORANO. Will that be a supplemental appropriation?

Mr. SCRIVNER. No, that will come in a separate appropriation bill.

Mr. MAHON. Mr. Chairman, I yield myself 45 minutes.

Mr. Chairman, when one wrestles over a period of weeks and months with a $34 billion appropriation, he finds himself in a state of, shall I say, legislative combat fatigue. The able chairman of our subcommittee had to go to the hospital by reason of the rigorous hours and responsibilities imposed upon him in connection with this bill, but the rest of us are still on our feet. Our chairman, the gentleman from Massachusetts [Mr. WIGGLESWORTH], is recuperating, for which we are very happy.

Mr. Chairman, this is the first year in some time that representatives of the Republican Party have had the responsibility of reporting a military bill. I want to say that the gentleman from New York [Mr. TABER], the gentleman from Massachusetts [Mr. WIGGLESWORTH], the gentleman from Kansas

[Mr. SCRIVNER], and all the members of the majority were most cooperative with the members of the minority in giving us time and opportunity to develop testimony in connection with the issues before the committee.

We live, of course, in a very difficult world when nobody knows today what tomorrow's headline may be. It is certainly a very dangerous time, and all of us who have a responsibility in conection with this matter are compelled to approach this problem of what to do about the national defense with a high degree of sobermindedness. It is a terrific responsibility.

Members will be going back to their home districts in a few days and waving the flag on July 4th and expressing the hope that Old Glory will continue to remain triumphant among the flags of the nations of the world. I think most of them will be saying, "My fellow countrymen, if this nation is to err at this time in matters involving the national defense, let us err on the side of greater power and effectiveness." I think those Fourth of July day speakers will again repudiate the philosophy of weakness and appeasement. I think they will say that the Soviets apparently understand only one language, and that is the language of strength. I think they will want to say that they supported what they thought was right when the issue came to the fore in the consideration of this bill, and we will have the issue involving air power on the floor and perhaps in a motion to recommit if it is not adopted on the floor.

I think no one has any right to complain how one votes on matters of this kind if one uses his own best judgment. Nobody can absolutely divine what the future holds. We have a great leader in the White House. I yield to no one in my respect and admiration for President Eisenhower. But General Eisenhower does not know nor do you and I just what the future may hold. We know that there are foreboding shadows on the horizon.

I remember quite well in March of 1950 writing my personal friend, General Eisenhower, who I believe then was president of Columbia University, and asking him to come before the military subcommittee. Just a few weeks prior to that time he had acted for quite some time as the Acting Chairman of the Joint Chiefs of Staff. We were considering at that time the appropriation bill for the military under the leadership of Louis Johnson, the then Secretary of Defense, and the bill included for the Army, the Navy, and the Air Force approximately $14 billion.

General Eisenhower wrote back in his characteristic way and said, "Whenever the Congress calls on me I am ready to serve." He came before our committee and gave his views to us with respect to what we should do about the military budget.

His views at that time, and this was only a very few weeks before Korea, were that the $14 billion was, when military and economic factors were taken into account, reasonably adequate under the circumstances. But a few weeks later he was making a speech in New York City and said, "I think perhaps we ought to increase this $14 billion by about $1,500,000,000 in the interest of additional airpower, in the interest of greater antisubmarine strength in the Navy, and in the interest of the development of new weapons for the Army."

When members of the United States Senate subcommittee read an account of General Eisenhower's speech in the paper, they asked him to come before the Senate committee, and they asked him what he meant when he said he thought we ought to appropriate an additional $1,500,000,000 for the Armed Forces. General Eisenhower came back to Washington and testified that he was satisfied with the $14 billion—I use round figures—except for about $1,500,000,000 additional. At that time he wrote a letter to Louis Johnson, the then Secretary of Defense, and that letter was on April 25, precisely 2 months before the Korean war broke.

I quote from the CONGRESSIONAL RECORD of August 25, 1950. General Eisenhower said:

> DEAR LOUIE: I have just read a copy of the statement that General Gruenther tells me you propose to deliver before the Senate Appropriations Committee tomorrow, the 26th—

That was the 26th of April.

> As I understand its terms, you recommend—

Then he lists these items amounting to about $1½ billion, which I have heretofore mentioned.

Then in his final paragraph, General Eisenhower said to Secretary Johnson:

> So far as I can determine, your recommendations accord exactly with what I personally believe should now be done. I hope the committee agrees with you in detail.
>
> With warm regards,
>
> Cordially,
>
> IKE.

Mr. Chairman, I read that record which was made 2 months before the Korean war started, not in an effort to embarrass General Eisenhower, because I do not think it would embarrass him. After all, I myself was a member of the committee and, while I did not personally endorse all aspects of the budget, I believe I was the man who presented the low budget of $14 billion to the House at that time, which the House accepted. But after all we must all accept the facts of life, which were that we went along 2 months before Korea with a $15 billion military budget. We were all sincere, of course. It was often called the Eisenhower budget, as he had done much of the spade work on the military budget. As I say, I relate this history not to reflect upon the Congress or on our able President, but to show that nobody in the White House or in the United States House of Representatives can foretell what the future holds.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I am glad to yield to my friend, the gentleman from Pennsylvania.

Mr. GAVIN. If I recall correctly, the chairman of our committee, the gentleman from Georgia [Mr. VINSON] vigorously protested at that time, and you were talking about 1950, against the budget you had proposed. So when you say no Member of the House—if I recall, and the gentleman from Georgia [Mr. VINSON] is here and he can correct me—the gentleman from Georgia did make a vigorous protest against the budget you had presented to the House as well as to the Committee on Armed Services.

Mr. MAHON. I believe the gentleman is correct. As I recall, the gentleman from Georgia [Mr. VINSON] appeared before the subcommittee and urged the appropriation of some additional funds, say $2 billion, which, of course, was a mere drop in the bucket compared to the tens of billions of dollars which became necessary by reason of the Korean war.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. HINSHAW. I think the gentleman must admit there were others of us in the House who likewise protested that budget and also the recapture of funds or the rescission of funds which were made by the President. He refused to allow the Air Force to spend $1,700,000,000 which we had appropriated for them. The gentleman will remember, I am sure, those occasions.

Mr. MAHON. The gentleman is correct except the figure was $800 million. Many Members of the House were dissatisfied with that budget, and many of us felt that the funds provided should have been greater. The gentleman from California and the gentleman from Texas were among those Members. There were many Members, but none of us foresaw we would be in the Korean war in 60 days, and none of us proposed the tens of billions of dollars which would have been necessary in connection with that matter.

Mr. HINSHAW. The gentleman will admit that probably the only man who foresaw the Korean war was the gentleman from Minnesota [Mr. JUDD].

Mr. MAHON. I have great respect for the gentleman from Minnesota [Mr. JUDD], but as much as I respect him, he does not know what the future holds though his judgment is quite good, and I have been pleased to follow him upon many occasions.

The gentleman from California raised the question of our appropriating for airpower during the 80th Congress about $800 million, which was impounded by the Government and not used. I think that was an affront to the Congress. I said so then and I say so now.

Someone was speaking to me last evening about the defense budget, and I was told that the present Secretary of Defense had said that regardless of what the Congress did toward appropriating additional funds for airpower, he would ignore the appropriation and not expend the money. I hope that statement is not true. I cannot quote it except from hearsay. But the Congress with its authority and responsibility under the Constitution to raise and equip armies is entitled to a voice in national defense, and if the Congress appropriates additional funds for airpower, in my judgment it is the responsibility of the Sec-

retary of Defense to let the air arm of the Government expend the funds which are appropriated, rather than flaunt the will of the people and the Congress in that matter.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I am pleased to yield to the gentleman from New York.

Mr. TABER. Has the gentleman any specific citation or quotation from the present Secretary of Defense to support what he has just said? I would like it, because I want to check.

Mr. MAHON. I want to check it.

Mr. TABER. I do not think we ought to make such statements unless we have good reason to believe that they are correct.

Mr. MAHON. I agree with the gentleman. I want the RECORD to show the true position of Secretary Wilson, and I am not inclined to believe that he would flaunt the will of Congress in this manner. I am inclined to believe he would expend the funds appropriated by the Congress.

Mr. TABER. I am going into committee and I am going to call the Department of Defense and I am going to ask for a statement on that question.

Mr. MAHON. I would be very glad for the gentleman to do it. I would like to have a statement appear in the RECORD in connection with my remarks with respect to that issue. If not, I would like for the gentleman to insert the facts in the RECORD before adjournment today. I only said it had been reported to me. Whether that is correct or not, I do not know, but it seems unbelievable.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I read in the newspaper about 2 weeks ago, and I have the news item on my desk, where Secretary Wilson is quoted as having said that they are preparing a defensive budget. Does the gentleman remember that? A defensive budget is what they are preparing. That is a dangerous thing in this day and age, for us to have a purely defensive budget.

Mr. MAHON. I think the gentleman from New York [Mr. TABER] should get in touch with the Secretary with respect to that question, and I hope the gentleman from New York, or some of the members of the committee, can get an affirmative statement to this effect; that if the judgment of Congress is that we should provide $1,175 million additional for the Air Force, the money will be spent in keeping with the recommendation of Congress. I think that would be proper.

Mr. TABER. Will the gentleman yield further?

Mr. MAHON. I yield.

Mr. TABER. I am disturbed about the way this thing has come up, because I feel it is absolutely necessary that we decide the question of how much money is to be provided by this bill. It should be done on the merits of the needs of the Air Force and not on some side issue that somebody trumps up. That is the reason I feel rather disturbed about that question.

Mr. MAHON. I think with the gentleman from New York, that what we should do about funds for the Air Force should be determined not upon politics, not upon pressures, not upon anything but the welfare of our country. As far as I am concerned, I have the greatest respect for the Secretary of Defense, Mr. Wilson, and for those who work in the Pentagon with the Congress in connection with the military appropriations.

Mr. McCORMACK. Will the gentleman yield further?

Mr. MAHON. I yield.

Mr. McCORMACK. If the quotation alleged to be made by Secretary Wilson is correct, that he was planning for a defensive budget, and the Congress believes that we ought to have an armed service capable of offensive purposes in case of attack, I do not think that is any side issue. I think that is an important issue, whether we are going to have an armed service to repel an attack or one capable not only of repelling an attack but of taking the offensive in case of attack.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield right there?

Mr. MAHON. I yield.

Mr. SCRIVNER. Secretary Wilson has never made any such statement as that to our committee.

Mr. MAHON. No, no; he did not.

Mr. SCRIVNER. And in all the war plans that have been discussed as long as I have been on the military appropriations, since 1946, the first and primary objective of our Defense Establishment is the defense of the United States; is that not correct?

Mr. MAHON. The defense of the United States is, of course, our object and our aim. Of course, when attacked, we must have the power to launch a successful counteroffensive. I think the gentleman would agree with me that the Department of Defense should carry out the will of Congress, whatever it may be, with respect to the airpower budget.

Mr. SCRIVNER. I am sure that this administration will carry out whatever we do in this body and in the Senate.

Let me comment further; of course, the gentleman mentions statements—neither the gentleman from Texas when he was chairman of the committee, nor General Eisenhower when he was Chief of Staff, or anybody else knew that we were going to be plunged into war in Korea on June 25, 1950.

Mr. MAHON. The gentleman is correct, and I have no criticism of General Eisenhower. As I say, I respect his leadership and under the circumstances at the time I found no fault with his decision which happened to be like mine and yours, somewhat in error. But we could not foresee what the future held at that time; and I relate that fact in order to say that as we could not tell on the 25th of April 1950 what the future held, neither can we tell today what may come forth from this troubled and chaotic world within the next 60 days, within the next year or two. I read from a morning front-page headline: "General Clark Summons Chief Aides as Latest Truce Move Fails."

Failing in the Orient. What is the trouble? Too much talk, too little strength; that is the trouble.

Close behind the Iron Curtain in Eastern Germany a little hope is gleaming in the heart and eye of the oppressed peoples of the world. They know their only hope has a relation to a strong United States of America. President Eisenhower launched in a most magnificent way a peace offensive some time ago, and we are all behind him in his efforts toward peace, but he needs strength to back up his peace efforts.

There are other things on the horizon—trouble in Indochina, trouble in north Africa, trouble all the way around the globe today. Let us run up the signal in Washington that a little truce talk—and it may be phony—in Korea is not going to throw America off balance. Let the world know that with every passing headline we do not change our policy and our viewpoint with respect to national defense.

This military bill was reduced by the committee not with concurrence of all members, but it was reduced by the committee by something over $1,300,000,000. In an amendment which I shall offer I shall propose that the bill be increased by $1,175,000,000 for the Air Force in order to move more rapidly toward the 143-wing group. If the amendment is adopted, this Department of Defense bill will still be below the budget estimate, which I think is a happy situation under all the circumstances. When the amendment is offered and when the motion to recommit is offered, if it is, we can all use our best judgment as we will divide ourselves into two camps. On one side will be those who belong to the I-believe-in-airpower group, and on the other side will be those who belong to the I-believe-in-airpower-but group. There is some logic and argument on each side of this question and every man is entitled to his own view.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Rather than as the gentleman has stated the choice, is not the question really whether the Congress is to adopt the Eisenhower budget, including the interim 120-wing proposal or the Vandenberg 143-wing Air Force? Is that not really the question?

Mr. MAHON. The gentleman poses a very interesting question. I turn to page 390 of the Department of Defense hearings in order to quote from the record of the hearings. This is under the heading, "Reduction in Air Force Budget." Deputy Secretary Kyes, Secretary Wilson, and Assistant Secretary McNeil were present, I believe. Under the heading, "Reduction in Air Force," I quote the following:

> Mr. MAHON. Who made the decision, whose idea was it that we make a defense cut of $5 billion in the Air Force? Was that done by the civilians in the Pentagon?
>
> Mr. KYES. I think I can answer that one. I was the most surprised man in the Pentagon when I found that was the result. We were

going on an operational basis, and that happened to be the statistical result.

So I have been surprised, too, along with probably 100 million other Americans, as to the cut. I am pleased to note that the Secretary was, at least for a time, also surprised.

Mr. MAHON. Who arrived at this statistical result?

Mr. KYES. That was the way it happened to come up. It was worked up on an operational basis.

Mr. MAHON. Did the Bureau of the Budget suggest the $5 billion cut in the Air Force?

Mr. Wilson comes into the picture on page 391:

Mr. WILSON. No.

The Bureau of the Budget did not suggest the $5 billion cut.

Mr. MAHON. Did the President suggest it? Secretary WILSON. No, sir.

Mr. SCRIVNER. Where is the gentleman reading? I have turned to page 390.

Mr. MAHON. There are four volumes. Look at the Department of Defense hearings. That was the trouble with people in the higher echelons of the Pentagon, they could not find the need for continuation of our air-power program which Congress had set up and agreed upon time and time again. I quote again:

Mr. MAHON. Did the Bureau of the Budget alter materially the recommendations of the Pentagon?

The Bureau of the Budget and the White House did not change one figure, did not dot one "i" or cross one "t," did not alter what had been done by the new group in the Pentagon, Mr. Wilson or Mr. Kyes and those who worked with them. In other words, we had before us a budget made up by civilians, inexperienced in military matters. They are geniuses in production and in many other fields, but they are not military geniuses. Yet that is the budget which we had.

Now, if you want to call it the Eisenhower budget, he did submit it to the Congress; but the President has many things to do, more than any one man can possibly do. The budget was submitted to the Congress by the President and if you want to call it the President's budget, all right, but it does not necessarily represent the decision of the President with respect to all these matters. He has to more or less accept it or tell these men who had come in here at great personal sacrifice: "I have to repudiate you." As I understand the situation, the President did not make the budget or suggest the Air Force cut, but he submitted the budget; it is his budget, and he could do no other than to stand behind it. I do not condemn the President for that.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Connecticut.

Mr. MORANO. The gentleman says he is going to offer an amendment to restore the $1 billion.

Mr. MAHON. One billion one hundred and seventy-five million dollars, which is at this time the minimum figure which the representatives of the Air Force say would be necessary to continue in an orderly way toward the 143-wing Air Force by the 30th of June 1953.

Mr. MORANO. Why does not the gentleman follow the recommendation of the military men in the Pentagon——

Mr. MAHON. That is the military judgment.

Mr. MORANO. And offer an amendment to restore the $5 billion that he says has been cut out?

Mr. MAHON. The gentleman has asked a very easy question to answer, which is as follows: Five months' time has been frittered away with hobbles on the Air Force. That time is lost and cannot be regained and therefore all the money originally required cannot be wisely spent. So the $5 billion is no longer needed this year. Some of it can come later, and that is the military judgment. It was the recommendation of General Vandenberg, Chief of Staff of the Air Force.

I wish, if you could, you would turn to page 694 of the Air Force hearings and read just what the proposed amendment which I shall offer would do. I would like to ask you, if you have time, to read the testimony of General Bradley, Chairman of the Joint Chiefs of Staff, with respect to this issue. Many people have been troubled about it. I have been troubled about it for months. I want to go along as far as I can with Mr. Wilson. I respect him. He is trying to do a good job, and I am not trying to discredit him. I want to make the true picture clear. I hope the House will understand this.

The Joint Chiefs of Staff are military advisers. We do not have to take their advice, but we ought to always have it before us. The Joint Chiefs of Staff are the advisers of the Secretary of Defense. He does not have to take their advice, but he should always have their advice.

If you will turn to page 7732 of the CONGRESSIONAL RECORD of yesterday, you will see what the hearings show on that issue. General Vandenberg was asked "Were the Joint Chiefs of Staff counseled with respect to the $5 billion reduction?" The answer was "No." "Was the Chief of Staff of the Air Force counseled as to the reduction?" "No." In other words, the $5 billion cut in air power, thwarting the will of Congress with respect to the building up of 143 wings, was done by civilians in the Pentagon without their even requesting the advice of the Joint Chiefs of Staff, and the record is as plain as the noonday sun. I do not believe in that type of operation, and I do not hesitate to express my views with respect to it.

Mr. WINSTEAD. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Mississippi.

Mr. WINSTEAD. Did we not follow General Vandenberg's recommendation prior to the Korean war when the gentleman from New York [Mr. TABER] offered an amendment to increase the appropriation to build toward the 70-group Air Force?

Mr. MAHON. Yes.

Mr. WINSTEAD. We did not follow President Truman or Secretary Louis Johnson, and if I remember correctly, President Truman called in the then General Eisenhower, now President Eisenhower, as an adviser, civilian adviser, to the Military Establishment prior to that. Now, if we followed General Vandenberg at that time on air power, and yet the Executive refused to go along, I do not know but what it might be wise to consider the recommendation of General Vandenberg at this time.

Mr. MAHON. When General Vandenberg dresses for military occasions, custom dictates that he has to wear his combat ribbons. There is nobody who has touched this budget who has faced the fire of the enemy and flown over the enemy targets and knows the airpower at firsthand as well as General Vandenberg. There are some who would like to repudiate him now because it is not convenient to agree with him, but when he won those combat ribbons and when he led the Ninth Air Force in Europe, and during other times of service, the American people had great confidence in his skill and judgment. I still think his testimony is the best airpower testimony before the Congress at this time.

Now let me proceed, if I may.

The Joint Chiefs of Staff sat down and over a period of months they worked out a war plan. They said, "What will we have to have if we get into a big war?" That is their business, you know. They said, "We will have to have 21 Army divisions, 408 combat ships, and 143 wings for the Air Force." The Joint Chiefs said that in 1951. The Congress approved it and reapproved it. The Joint Chiefs of Staff said it again in March 1953. Yet they are kicked overboard and not even consulted by the Secretary of Defense with respect to the $5 billion cut in the Air Force budget. Is not that unthinkable?

If you were a top civilian in the Department of Defense and were compelled to make an important military decision involving the fate of this country, would you not push the buzzer and tell the clerk in the office to please call in the Joint Chiefs of Staff, including the Chairman, and say, "Sit down, gentlemen, and make yourselves comfortable. We are considering a $5 billion cut in the Air Force. What is the military judgment of the Joint Chiefs on that issue?"

I do not see why any schoolchild would not have thought of that procedure, but that was not the procedure followed. The Joint Chiefs of Staff were not consulted.

I am pleased to see that if the amendment which is offered is adopted we will still be within the framework of the budget on the entire bill. When we vote in the Committee and on the motion to recommit, if necessary, we can have the assurance that we are not exceeding the Bureau of the Budget figures with respect to this thing. We can have in mind that we are backing up the Joint Chiefs of Staff on our war plans.

It is said the new Joint Chiefs will make another study, but I do not want to throw away the plan we have until somebody gives me a better plan. Do you not see the fallacy of that? Is it not fallacious? They say, "Let us stop our buildup toward the 143 wings as agreed on and as voted for, and take a few months off to decide what we are going

to do." I say, let us not stop a program which we have approved until we have ready a substitute and better program. Is there anything wrong with that?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. May I call the attention of the House to the fact that General Twining, who is the new member of the Joint Chiefs of Staff representing the Air Force, when he was up for confirmation only a few weeks ago absolutely said that 143 air wings were necessary. He admitted it was necessary, in response to a question by a Senator.

Mr. MAHON. Of course the people in the Pentagon must be subservient to the recommendations of the Bureau of the Budget. It is true that General Twining did say he was supporting the 143-wing program. He has to say now that he is supporting the President's program, and it is proper that he should do so. I do not want to embarrass General Twining, but in my judgment if there is any top officer in the Air Force who does not agree that we should proceed more rapidly toward the 143-wing group I have not heard his name mentioned.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield at this point so that I might quote General Twining's own words?

Mr. MAHON. I will yield if the gentleman will be brief.

Mr. SCRIVNER. This is General Twining's language, I cannot make it shorter. On page 277, General Twining said:

> What the force should be, I could not say. Maybe it is more than 143 wings and maybe it is less, but I do feel it is time to take a good look at it.

Mr. MAHON. That is a very excellent statement, but the Congress cannot go on a basis of maybe it ought to be this and maybe it ought to be that. Today is the hour of decision. Today is my responsibility and your responsibility. General Twining says we ought to take a good look at it. The Joint Chiefs of Staff have a continuing study every week and every month with respect to our requirements, and they may change from time to time, but as late as March of 1953 they reaffirmed their belief that it would imperial the security of this Nation if we should set our target below the 143-wing program.

Mr. Chairman, may I ask how much time I have consumed?

The CHAIRMAN. The gentleman from Texas has consumed 39 minutes.

Mr. MAHON. Well, 39 minutes on $34 billion is perhaps not too long.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield.

Mr. BONNER. The gentleman is most persuasive, but he does not answer the questions some of us have in mind about the unnecessary expansion of the Air Force on the ground. We are all in favor of the Air Force in the air, but it has been clearly shown there has been an unnecessary expansion of the Air Force on the ground, duplicating the services and facilities that the Army rendered to the Air Corps during World War II. In your amendment, or in the provisions you intend to offer, is there any assurance that the expansion on the ground will be curbed and that the Air Force will be built in the air?

Mr. MAHON. Let us say we are now under a new leadership in the Pentagon. We have had in the past years men of great ability. Now men of management genius are sitting in places of high responsibility there. They are civilians and they do not know too much about military strategy, but they do know something about management and production. It is to be hoped that every effort will be made, and they have assured us they will make every effort to streamline our program and get a dollar in value for every dollar that is spent. No one can jump up and down any faster and shout any louder than I can about waste and inefficiency. But that is not the issue today. The issue is a 143-wing program as soon as possible in accord with the military experience of the greatest Nation on earth or it is compromise with the security of the Nation on the 120-wing program. Everybody believes in air power but some believe in air power more than others. As for myself I will say, "I am going forward at this critical time to make this Nation stronger because we now are in a time of crisis which may endure for a number of years, and it is going to be necessary for us to put on a bold front if we are to make the right progress in the direction of the settlement of the Korean war, and in the direction of world stability." There is a hot war in Korea and the biggest cold war known to mankind all over the earth. I say the best way to try to meet that situation is with that thing we call strength—strength—strength.

Mr. BONNER. Mr. Chairman, will the gentleman yield further?

Mr. MAHON. I yield.

Mr. BONNER. There is no Member of the House who wants to see the Air Force built as strong as the gentleman wants it to be built, but if any Member of the House would take a tour over the country and visit the various establishments of the Air Force, they will see with their own eyes an additional army being built on the ground. That is the question I want to have explained. Will there be some curbing here of the building of the Air Force on the ground, and will the Air Force be built in the air and not on the ground?

Mr. MAHON. Well, we do not want to have an Air Force in the air so high and so far from the earth that they cannot come down when it is necessary to refuel.

Mr. PRICE. Will the gentleman yield?

Mr. MAHON. I yield.

Mr. PRICE. The gentleman from Kansas, our very good friend, Mr. SCRIVNER, read only partly from the testimony of General Twining. I would like to read a little further from that testimony.

Mr. MAHON. It would be most enlightening. I do not have the time to find the place in the record.

Mr. PRICE. The gentleman from Kansas was reading on page 277 of the Air Force hearing where General Twining was being questioned by Mr. HRUSKA, who evidently was exploring General Twining's position on the 143-wing program. Mr. HRUSKA asked if it was not a calculated risk which we were taking in an interim period in building this force that nothing drastic and nothing unfavorable will happen and General Twining replied, "That is right."

> Mr. HRUSKA. Are you prepared to say whether or not in your judgment it is a calculated risk which is worth taking, General?

And General Twining replied:

> Well, I think we are always taking a calculated risk. We pointed out with the 143-wing program, as you will remember, we thought that was pretty low at the time, 2 years ago. We thought that was a little risky then. We have been trying our best to build up to it. We have not quite made it.

So it is evidently clear that General Twining believes that 143 wings is the minimum goal by 1955.

Mr. MAHON. If there is anyone on either side of the aisle, Democrat or Republican, who doubts that General Twining would be in favor of a 143-wing program as soon as possible, I think it would be rather difficult to identify him.

We see, in connection with these war plans which have been made by our best planners, the Army is approximately at its strength; the Navy is approximately at its strength, and the Air Force has achieved only 60 percent of its strength.

This is not a political question. It is a question of defense. I think an uneasy peace has been kept by the American Air Force. We should make that force stronger and that is what is being proposed today.

The Soviets fear our Navy and our Army, no doubt. But the unstoppable offensive which our Air Force would be expected to launch if the bell should ring, is the thing that deters any aggressor nation in the world today. I think there is no blinking that fact. It is crystal clear.

The amendment which will be offered is only $1,175,000,000; a considerable sum, of course. But if we can resolve this controversy and put the responsibility squarely on the back of the Air Force and look to the Air Force to deliver, because that is what they said they had to have in order to proceed as wisely as possible toward the goal, then it seems to me we are making the right decision.

The CHAIRMAN. The Chair will announce that the gentleman from Texas [Mr. MAHON] has consumed 45 minutes.

Mr. SCRIVNER. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the gentleman from Texas [Mr. MAHON] is usually quite calm and usually quite fair. I have been amazed at some of the statements that he has just made. I am not going to try to raise any wave of hysteria. I am going to follow the advice that the gentleman from Texas [Mr. MAHON] gave us back in April of 1950 when he quoted General Eisenhower so approvingly,

when he said that the general had told us, "Gentlemen, we cannot have national defense by hysteria." And that was at the time when the gentleman from Texas [Mr. MAHON] was engaged in a little forensic display and when he said that this was the time of the year when flying saucers were coming over the horizon, and unidentified planes were appearing. Again he urged us, quoting something that somebody had said about Russia planning a new Pearl Harbor, and so forth.

Mr. MAHON. I am glad to have the gentleman quote me, but I would suggest that he quote me accurately.

Mr. SCRIVNER. I will refer to the CONGRESSIONAL RECORD, volume 96, part 4, page 4688. The gentleman said:

> Mr. Chairman, but I say to you that Eisenhower was never more everlastingly correct than when he said we cannot have legislation by hysteria.

Mr. MAHON. And I wish to reassert that there never was a truer statement made than that we should not have legislation by hysteria. We do not want to be intimidated by the Pentagon into repudiating the 143-wing program. We do not want to lose our temper or raise our voices; we merely want to proceed to do what is best for this country and throw aside the hysteria which some would undertake to generate.

Mr. SCRIVNER. I will say quite frankly that nobody from the Pentagon ever tried to intimidate me.

Mr. MAHON. I should not say that the Pentagon was trying to intimidate. I believe the word is too strong.

Mr. SCRIVNER. Reference was recently made to "calculated risks." I do not like to do this, but I remember very definitely that about a year before the time mentioned, the gentleman from Texas then told us that our country proceeds on the theory that our best interests are promoted by taking certain calculated risks; and I think that is true.

Mr. MAHON. That is right, the gentleman is right, and the Joint Chiefs have said that we have to take calculated risks. But the very minimum strength is 143 wings as soon as we can get them, and the Joint Chiefs wanted to expedite the air buildup in view of the atomic bomb in possession of the Soviets.

Mr. SCRIVNER. As the gentleman from Texas has said, there is one issue before you for decision, the choice between President Eisenhower's fully manned modern combat-ready 120-wing program, or the much-vaunted Vandenberg 143 wings, many of them mythical paper wings. If it is mere numbers of wings you want, Secretary Wilson could activate many more of them for you tomorrow. All he has to do is write a letter and he has activated a wing. We are not acting for today only.

Mr. YORTY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. YORTY. Is the gentleman contending that we are fighting the air war in Korea with paper wings?

Mr. SCRIVNER. If the gentleman from California had sat during the hearings and heard some of the things I did he would not even ask that question, because he would know what the facts are.

Mr. YORTY. I not only read your hearings but I sat through the Senate hearings and I think I know what the answer to the question is.

Mr. SCRIVNER. Of course they are not paper wings over in Korea. I will get to paper wings a little later.

Mr. YORTY. I do not want to take the gentleman's time because it would not be fair to him, but just because you activate a wing does not mean that it is ready, there is much to be done after it is activated.

Mr. SCRIVNER. I have heard General Vandenberg talk about that several times. At this time you should realize that you are not acting for today, you are acting for today and for the future. To carry on and operate 143 wings will cost according to the conservative estimate of the Air Force $16,800 million per year. For 120 wings the annual cost will run to $14,600 million, according to this conservative estimate. This is something you have got to live with from here on out for a long time.

I am quite sure that the gentleman from Texas [Mr. MAHON], would agree that if it is to be the 120 wings we decide on that the cuts made are very modest. Would not the gentleman agree to that if that is to be the program?

Mr. MAHON. The gentleman would agree that if the House wishes to slow down our Air Force effort, as that is contemplated in 120 interim wings, I think the reductions made by the committee are very modest.

Mr. SCRIVNER. I do not accept the gentleman's statement that we are slowing down the Air Force effort.

Mr. MAHON. We have set a rate of effort and we are not going to accomplish the effort, evidently, as rapidly as had been hoped.

Mr. SCRIVNER. Let us see what we see. Let me make one point clear: In all of the discussion relative to finances for 120 wings that the program is an interim or temporary program it does not necessarily mean abandonment of the 143-wing program if, and I repeat, if after review of all the facts, and it should be made, a review of all the world conditions, and that should be made, and our financial status, and that review should be made, and many other material matters, then if President Eisenhower decides we should have 143 wings or more, they will be recommended.

There is no magic in the figure 143. I have quoted you General Twining's language where he said it is difficult to state, that he does not know whether it should be 143 or less or more. General Bradley was not wedded to the magic number 143. He said in the hearings it might be more and it might be less.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Texas.

Mr. MAHON. The Joint Chiefs said in March that it ought to be 143 wings. There is no magic about that figure, of course.

Mr. SCRIVNER. I am talking about what General Bradley said in our committee. If the gentleman will go back and read the record he will find he said it might be 143, perhaps less or it might be more. He was not married to 143.

Mr. MAHON. General Bradley was supporting the 143-wing program, however.

Mr. SCRIVNER. I am just telling the gentleman what General Bradley said during our hearings. You can go on later and find that he modifies that statement again and said that it certainly should be looked over.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Ohio.

Mr. VORYS. Would the gentleman tell us or insert in the RECORD what a wing is? I have known for some years that a wing means from 25 to 75 planes.

Mr. SCRIVNER. We talk about groups or wings.

Mr. VORYS. Can the gentleman get it down to airplanes or bodies?

Mr. SCRIVNER. It runs from 30 bombers to 75 fighters. Does that answer the question?

Mr. VORYS. No.

Mr. SCRIVNER. I cannot give it to the gentleman any better than that.

Mr. VORYS. How many planes or how many bombers? How many are involved in 120 wings? Do you multiply by 30 or 75?

Mr. SCRIVNER. You have to multiply by a series of figures.

Mr. VORYS. Could the gentleman insert the series of figures so that we may understand them?

Mr. SCRIVNER. I could, but I cannot give the detail because that is one thing we cannot disclose, the planes we have. We will have to go into a series of computations which would take more time than I have. I will go this far and this is a definition which might help you out. This is the official definition of a wing:

> A wing is normally composed of 1 combat group, 1 maintenance and supply group, 1 airbase group, and a hospital group. The wing headquarters commands the combat, service, and base units with which it is associated, and is both tactical and administrative. The wing is capable of independent operations.

With bombers, it is 30 planes that are capable of independent operation with all the supporting facilities that go with them. If it is a fighter unit, it is 75 planes with all the facilities that go with them.

Now, as a matter of fact, if you will consider it carefully, the 23 modernly equipped National Guard wings added to the proposed 120 regular Air Force wings in substance gives us a modified 143-wing program because in the original 1954 program or budget there was no provision whatsoever made for the modernization of the Air National Guard to the extent that is contemplated in these hearings of giving 23 modernly equipped Air National Guard wings in a period of 2 years' time. Of course, the 120 wings instead of 143 means fewer generals and staffs. Maybe that is one of the reasons why we hear some of the talk that is going around.

Your national defense is not just the Air Force, your air power is not just your

Air Force. Your national defense embraces the Air Force, the Army, the Navy, and the Marines with their reserve units. Further than that, part of our defense must include, of course, our vast far-flung early warning radar system, which is an important part of our defense and last, but by no means least, although General Vandenberg treated the matter rather lightly, our guided missiles which are going to cost us more billions are a very important part in our airpower and air defense.

An unbalanced budget can destroy our country through the fires of inflation just as surely as fires from enemy bombs could destroy us.

Let us look at some of these figures. Why could we do this? What is the story? What is the situation? I intended to wait until later in the debate this afternoon to discuss these things, but inasmuch as they are answers to some of the statements made by the gentleman from Texas [Mr. MAHON], I feel that this is the proper time to bring them out.

Since the Korean war started—and nobody knew it was going to start as much as 72 hours before it started—the Congress has given the Air Force, including this year's funds, for planes and parts—that is all we are talking about—aircraft and parts, $35,400 million. They have given the Navy and Marines for planes and parts $12,500 million, making a total of $48 billion for planes and parts. Now, $48 billion is a lot of money. I do not know whether you can visualize it or not. But, if you will mentally take—and I hope you do not take it any other way—1,000 $1,000 bills, you have $1 million, and then if you take those and put them in a pile, if they are nice, crisp, clean ones, it will make a pile 8 inches high. A billion dollars is a thousand million dollars. That means a stack of $1,000 bills 8,000 inches high or 111 feet higher than the Washington Monument. And, we have appropriated more than 47 such stacks for our air defense. If $47 billion will not give us air power, $48,100 million will not either. If $36 billion will not give us a potent air force, $37,100 million will not either, and if $36 billion that we have already given will not and has not given us a top flight Air Force, more dollars and mere dollars is not the answer. If the $74 billion appropriated for the Air Force since Korea has given us, as General Vandenberg termed it, a one-shot air force, then it is a good thing for this country that there have been some changes made. Planes are only part of the defense funds.

Our total appropriations, as I told you earlier in the morning, for the military since Korea, are more than $150 billion, not including this year's funds at all. In addition to the billions of dollars for planes, we have given our armed services scores of billions for other items of military equipment. As the result of these dollars huge stores of supplies and war material were on hand, and more are being delivered every day. For that reason lesser amounts can now be appropriated without weakening our defense. As of June 30, 1953, $1,300 million previously appropriated to the Air Force remains unobligated and available to them for future contracts, and in addition to that, as I mentioned in my opening statement, $6,200 million remains unobligated and available for the Defense Department as a whole. If that is not enough to prove that we have been appropriating far more than enough money, you will find, as I told you this morning, that June 30, 1954, $2,600 million is going back into the Treasury from fiscal 1951–1952 funds, because they will not be spent. I cannot tell you how many planes we now have but I can tell you, and this is a very important point which should be noted by all, that with 1953 and prior year funds, with the exception of one type plane not yet ready for production, enough money has been provided to give all—not just part—but all, modern combat planes for 143 wings. The funds herein appropriated will provide the money necessary to keep 143 modern wings modernly equipped without another cent.

Since the Korean war started the Air Force has been given money for and has ordered 21,000 aircraft. There will be 2,300 more planes delivered this year than there were last year. There will be planes to equip 120 combat wings and 23 Air National Guard combat wings, plus about 7 Air Reserve wings, and they will not be cardboard or paper wings or without a full force of men, as you find many of them today. In fact, witnesses, and they were somewhat reluctant, admitted that the 120 wings will be more fully and more modernly equipped than the much discussed 143 wings.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Texas.

Mr. MAHON. I would direct the attention of the House in connection with the gentleman's remarks to page 870 of the Air Force hearings. The gentleman from Kansas will recall that in revising and reducing the Air Force program Secretary Wilson has eliminated 1,930 planes. That is the total. There is a good discussion on that whole thing on page 870.

Mr. SCRIVNER. And 871. Only combat planes. Practically all the planes that General Vandenberg is asking to be restored are not combat planes.

Mr. MAHON. They are different types of planes.

Mr. SCRIVNER. They are support planes.

Mr. MAHON. I believe five combat wings are eliminated, not just planes but wings. There is no blinking the fact that there is a reduction in the rate of our buildup of the Air Force.

Mr. SCRIVNER. There might be for a moment till we get a new look. But remember, if you will read it all down here on page 871, Colonel Zoeckler, who was a very good witness, explains the entire story of how the reductions were arrived at and the amounts involved. It is a very clear, concise, commonsense, logical statement.

Mr. MAHON. It is a very interesting statement, which all Members should read in making up their minds on this question.

Mr. HRUSKA. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Nebraska, a member of the subcommittee.

Mr. HRUSKA. Is it not true that the 5 combat wings spoken of a little bit ago that were taken out of the 143-wing program are all planes that are not developed to a point where they are now ready for production?

Mr. SCRIVNER. That is right, plus the fact that some of them are supporting planes.

There is not any magic in any number of wings. Whether it is 120 or 143, or 163, there is no magic in it. It is the number of planes that you can get into combat that counts. A paper or cardboard wing cannot stop a bomber or drop a bomb on an enemy.

In connection with this statement I call your attention, without further comment, and every Member of the House should be here to note this one thing, that there was a recent news story, and it has been discussed openly in the other body, that as of today 10 of these so-called 126 presently activated wings have no combat planes whatsoever.

In the hearings during General Vandenberg's last appearance, you will find reference to at least one wing that had not had a combat plane and which had been activated for 11 months or more. Without saying anything further, and since the gentleman from Texas [Mr. MAHON] has talked about the record, let us go back to page 600 and page 603 where after the disclosures as to the exact situation of the Air Force and its wings as of today, the gentleman from Texas [Mr. MAHON] said that he was shocked at the disclosures that had been made in our off-the-record discussion. Again on page 603, he said he was not exaggerating when he said he was shocked and he said, "I think the Congress and the country will be shocked if they had a way of finding out that that will by no means be the case."

I only wish I could tell you here on the floor of the House just exactly what the situation was as it related to the combat readiness of our Air Force.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. MAHON. The gentleman is quoting the gentleman from Texas as saying I was shocked over the inadequacy of our Air Force. I wish to reassert I have been shocked by it, and it is for that reason I am supporting an acceleration of the Air Force program. That is the whole object that I have been trying to put before the House.

Mr. SCRIVNER. At this point, let me agree that I also was shocked at the disclosures made, and they were undoubtedly the reason why there has been a decision made to give us 120 wings, modern wings, modernly equipped which we can have as a solid foundation on which to build for the future instead of the flimsy foundation we have had.

Mr. MAHON. The gentleman is aware we have provided generally for funds for a 143-wing program in previous appropriations insofar as aircraft is concerned. I think the gentleman will agree there is no magic in numbers, but there is punch and power in Air Force

wings, and the object is to get the very best strength that we can out of 143 wings.

Mr. SCRIVNER. That is just exactly what we are trying to do under the Eisenhower budget, as has been proposed.

Mr. MAHON. In respect to the inability to buy planes, I would like to call the attention of the gentleman to the testimony which is shown on page 872 of the Air Force hearings:

Mr. HRUSKA. And we are quite sure, are we not, that the 2,501 plus the 148, would not have been delivered pursuant to the schedule they were set for because of slippages in delivery that occurred from time to time under that program?

The answer by Colonel Zoeckler who I thought was one of the ablest witnesses who appeared before the committee is as follows:

On the contrary, that is one place the Air Force is in a great deal better position than it has been during the expansion. Those airplanes were scheduled in much reduced quantities and at lower production rates from facilities which had already attained their maximum production rates and were tapering off.

You see we were slowing down in the production of planes.

Colonel Zoeckler continued:

Therefore, there is little doubt but that we could obtain at least this number of aircraft and perhaps even a greater number had they been required by the Air Force.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. McCORMACK. There seems to be some difference of opinion as to what General Twining said. The gentleman from Kansas [Mr. SCRIVNER] quoted what the general said in his testimony before the committee, and I made a statement as to what he said before the Senate committee. There seems to be some question and I do not like to have any statement I made questioned because if I am wrong, I would correct it.

Mr. SCRIVNER. I was not questioning the statement of the gentleman from Massachusetts, I was just reading the record of what General Twining had said before our committee.

Mr. McCORMACK. On May 28, 1953, Senator SYMINGTON asked General Twining the following question, which appears on page 34 of the Senate hearings on armed services:

Do you think the 143-wing Air Force is necessary—

Note that word "necessary."

To repeat, the questions is:

Do you think the 143-wing Air Force is necessary for the security of the United States?

And General Twining replied:

I do.

You will note there is no qualification. The answer is plainly "I do."

Mr. SCRIVNER. I again call attention to what he told our committee. I do not sit on the Senate side of the Capitol. I sit on this committee, and that is what I was quoting. I was not questioning the report you made. I assume it is correct.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. Yes; I yield.

Mr. McCORMACK. I had my doubts about the reorganization plan, but when I read that testimony it settled my mind, because I knew here was a man who had just been appointed, not yet confirmed, yet having the courage to take his position. That testimony of General Twining played a very important part in making up my mind in support of the plan. I not only supported it in committee, but I made a speech in support of it on the floor of the House. That is what we all want, whether we agree with him or not. His testimony played an important part in making up my mind.

Mr. SCRIVNER. Of course, it would not do any good for me, if your mind is made up; it would not do much good to continue with some of these facts.

Mr. McCORMACK. Pardon me. What I said was that General Twining's testimony before the Senate committee played an important part in enabling me to make up my mind on the Defense Department reorganization plan.

Mr. SCRIVNER. You put us in a strange position, because when General Twining said it was time to study this over; that he was not married to 143 wings; it might be more, it might be less after making a study—his words convinced me that the administration's program here suggested was correct.

Mr. McCORMACK. Of course, this answer—there were some other questions asked by Senator SYMINGTON, but he said:

Do you believe the recent fiscal manipulations in the Department of Defense——

Mr. SCRIVNER. I cannot yield further. I think we have covered the Twining statement pretty carefully on the 143 wings.

Mr. McCORMACK. He said:

I would say it is going to delay the building of 143 wings.

Then Senator SYMINGTON said:

Do you think that a 143-wing Air Force is necessary for the United States?

General TWINING. I do.

Mr. SCRIVNER. That is substantially what was reported in the papers. He said he did, but I still go back to what he told us, and I think we are entitled to rely upon it. I still do, because I think it is a commonsense approach. At any rate, you have your choice of a cardboard or a fully manned wing. It is up to you to make your choice. We have given them enough money, because from 1953 and prior year funds the Air Force will have $28.5 billion unexpended. With this $11.2 it gives them $39.7 billion for spending. They are spending only $15 billion on the Air. That gives them 2½ years. Last year, when there were some high cries made about the way we were cutting the Air Force, you remember when we cut $627 million from maintenance and operation, they went over to the Senate and pleaded for its restoration. But the Senate cut a further $222 million. In addition to that, they were able to take $400 million from maintenance and operation, and transfer it to meet pay raises. They have had plenty of money. On top of that there will be $414,000 of it coming back into the Treasury. So we gave them more than they needed.

Actually, last year we gave the Defense Department, yes, the Air Force also, too much money—more than they could wisely spend.

You recall the supplemental budget that was presented in January. The Defense Department absorbed that deficiency of $1.2 billion, and still have $6 billion unobligated, that is not contracted for, as of June 30. The Air Force has $3.3 billion unobligated, which added to the $11.2 billion will give them $14.5 billion, which is pretty close to what was originally presented to the Truman budget.

Of this $3.3 billion unobligated, $1,777,691,000 is for plane procurement. That large unobligated sum, of course, is one reason some savings in appropriations can be made this year.

New money appropriated this year for aircraft procurement is the amount requested in the Eisenhower budget—$3,495 million. This amount added to the $1,777 million gives the Air Force $5,272,691,000 to procure new aircraft and related procurement.

Unobligated sums we have discussed. I might point out that during all this time since Korea—they talk about production schedules. There has not been one single, solitary month where the scheduled delivery of combat planes has been up to the schedules they made. They had to revise them time after time, month after month.

There are any number of ways we could save. As pointed out by Colonel Zoeckler, and admitted by General Vandenberg, we can cut down to a realistic lead time. That saves $600 million. We can cut down on the spares program, because you will find that they now have $10 billion worth of airplane spares on order or on the shelf, and with this $1,238,000,000, nearly $12 billion worth of plane spares, that is enough to last them, by their own calculation, for at least 4 years.

PLANE SPARE PARTS

Let us look at the funds of this spare program a little more in detail.

Since Korea the requests for spare parts—both initial and repair for maintenance—have as seen, been huge—nearly $13 billion.

In fiscal year 1951, $2,420,083,000 was appropriated for these spares. The parts and spares used in fiscal year 1951 was $267 million—about one-tenth. That left $2,152,910,000 worth of spares on hand or order, as of June 30, 1951.

In fiscal year 1952 an additional $4,894,535,000 was appropriated. $369 million worth was used. That added to the items on the shelf and on order provided $4.5 billion dollars worth of spare parts.

In fiscal year 1953 Congress gave the Air Force money to buy another $4,150 million worth of plane spares. The Air Force again used about 10 percent—$479,636,000—leaving a balance on hand or order of $3,671 million from that year's funds to be added to the $5,678,261,000 heretofore accumulated—a grand total of $10,349,361,000 worth of

spares to start out fiscal year 1954. That explains why this year the requirements can be cut to $1,238 million, and perhaps should have been reduced more.

All told that simply says that since Korea, the Air Force has been given money for spare plane parts in the total of nearly $12 billion. In the 3 years past and estimated for 1954, they will use $1,680 million worth of spares in repairs and modifications. That is just a little more than 10 percent, and leaves as of June 30, 1953, on hand and coming from the factories over $10 billion worth of plane spare parts. As has been suggested by the Defense Department, take off a billion dollars for war reserve—that leaves $9 billion; then take off one-half billion dollars for maintaining stock levels—that leaves $8.5 billion, as I pointed out earlier, enough to last at least 3 to 5 years. And yet General Vandenberg asks for $50 million more for spares.

Let me illustrate what is meant by "initial spares." When an order is placed for certain planes, the Air Force orders certain spare parts—engines, landing gear, wing and tail assemblies, and so forth, sufficient to supply the plane 1 year and start a shelf stock of spares. Prior practices have been to order 47 spares. In other words, for 100 planes, spare parts the equivalent of 47 planes is ordered at the same time. Most of those spares are engines. That ratio has been proven too high. In this budget, initial spares for planes is reduced by $165 million just because experience has proven for example, the B–47 engines are running many more hours than it was first thought that they would. In addition thereto, $40 million fewer are requested for J–47 spares—page 137.

That same practice is true in electronics, a very expensive item, some parts costing almost as much as a plane. The rule of thumb previously used was to procure 60 percent as much in spares as was spent for the equipment. That has now been reduced to 40 percent—more hundreds of millions saved.

There are any number of places where you can reduce. You can have a more realistic training attrition rate. Turn, as we told you a while ago, to the discussion on page 71 and you will find how these reductions were made:

PLANES NOT BOUGHT

When it comes to plane procurement, you have heard many statements. The hearings specifically show that no contracts will be canceled because of this reduction in funds. However, they will be canceled for other reasons, one of which is that some producers are not giving us as much for our money as we can get elsewhere, or because the cost of a particular noncombat plane will be so much more than anticipated when the program was proposed.

A very good example of that is in connection with trainer planes which will not be procured, which accounts for nearly one-third of the 1,145 noncombat planes deducted from the original request. These trainers we now find will cost twice as much as expected. Production has not started. Contracts will not be let. We have plenty of planes available for training so there is no crippling here. That accounts for approximately $250 million more that can be saved and no crippling.

There will be a number of the flying boxcar cargo-type planes which will not be procured although General Vandenberg suggests we keep on buying them. That will account for almost a quarter of a billion dollars of the decrease. I think you will agree that after all of the talk about the high-cost Kaiser contract, and in view of the recent tragic crash in Korea, the world's most disastrous, where 143 GI's lost their lives, we should take another long look at this program. Perhaps we are better off by using more planes with smaller capacity, especially for hauling personnel. Then, of course, there are some plush-seat VIP planes that will not be procured, in addition to other type of transports similar to those we have in large numbers in MATS and some helicopters will not be procured because they are yet in the experimental stage. This accounts for nearly one-half of a billion dollars.

All in all these commonsense reductions which in addition will include a few combat planes, which will not be needed for training uses, account for a total of around $2 billion. On page 968, you will find that General Vandenberg himself is not worrying about the plane production.

WAITING WINGS

In fact, Mr. Chairman, when you see the equivalent of several wings of transports sitting, crews waiting—just in case they may be needed some day to fly a division or so of infantry some place, it causes you to wonder why some other program cannot be worked out to make more use of these planes each day. That wonder grows as we see additional wings of transports set aside for Air Materiel Command and still more wings waiting to move Strategic Air Command men and equipment some unknown day to some unknown place. Wonder does not cease as we see several interceptor wings waiting—waiting—waiting in some particular area for the raid that may never come, especially when other fighters are immobilized for the protection of certain air bases, here in the Zone of the Interior. Better planning a different more elastic mobile plan for use of these planes avoiding this immobility would undoubtedly give us more efficient use of the expensive planes along with their trained and costly crews—and thus cut down on some requirements.

CONSERVATIVE PLANE PROGRAM

The next big savings in plane procurement funds was brought about by not crashing programs. In other words instead of starting out at full speed on a new plane before it is thoroughly tested, before the bugs are out, it will be brought into being at a lower, more conservative rate. By slowing down this program and by not going into production with some newer models not yet ready to go, another billion dollars has been cut. This conservative approach will result in better testing, a better finished product and much less expensive in rebuilding and modifying, such as we have experienced with the B–47 and F–86, F–89, and F–94, programs costing hundreds of millions of dollars.

OTHER BUYING

Plane procurement is but one of several large budget items.

Major procurement other than aircraft calls for added billions.

This is a comparatively new program begun in the fiscal year 1951 with $686 million transferred from another similar program to which was added $924 million new money. That gave the Air Force, in fiscal year 1951, $1,610 million available for spending. They spent $186 million, leaving $1,424 million available at the start of 1952 when $1,775 million was appropriated. That made the total available $3,199 million. They spent $467 million. The Air Force started fiscal year 1953 with $2,732 million available. They got $900 million more bringing the total available for spending to $3,632 million. They spent $650 million. They now have to start fiscal year 1954 $4,298 million unexpended and $313 million unobligated. They requested $625 million this year to bring the available expenditure funds to $3,607 million. They are spending at the rate of about $75 million per month or $900 million a year. $3,607 million would be enough to keep them running 4 years even if no money is given next year. Is it any wonder we felt we could safely trim a mere $25 million instead of adding $50 million as requested by General Vandenberg—we were justified in cutting far more and requiring a "new look" if that "look-see" had not already been promised.

The funds go to buy general purpose trucks—7,000 now stored in Chicago—special purpose trucks, fork-lift trucks, electronics, radar equipment, a thousand and one different items—a large reserve being on hand now. Now that the Air Force is going to go on a local purchase program, parts can be used from the huge supply on the shelf and in the pipe line before entering on the local procurement program which need not be started at once.

WASTED MANPOWER

Manpower is wasted. It takes 40 military men and 10 civilians to keep each flier in the air. Some of you old infantry first sergeants drop in on an Air Force orderly room and see what you find. You can save men there. Ninety Air Force bands—you can save there. Fifty-nine thousand air police—you can save there. There are far more Air Force men in the hospital personnel in proportion to the number of occupied beds than other services.

Larger numbers of students for each trainer, better use of warehouse employees are fertile fields for economy. You can save there and so on down the line and not dull the fighting edge. In fact, General Picher stated that the cuts will not be at the expense of the fighting edge.

New expensive electronic devices are being procured which will save manpower. One device alone to be procured from these funds, in one installation, will save 240 airmen.

There are too many clerks, chauffeurs, aides, and orderlies—savings can be made here also. Do you think the Air Force needs 122 economists?

HOUSEKEEPING FUNDS

The last field of big spending to be discussed at this time is M. & O. "Maintenance and operations," which was mentioned briefly a while ago. That is the catchall where many sins are hidden. That is the housekeeping, the utilities—oil and gas—spare parts for planes and vehicles, repairs and base operations, and civilian employees. Here, too, you will find huge stocks of spare parts of all kinds—enough, according to our investigators, to run the Air Force 4 to 5 years.

Good management alone, good business methods, can reduce this program by hundreds of millions each year. Better use of manpower increased rather than decreased use of German, Japanese, and other indigenous personnel overseas will pay huge rewards in dollars, in good will, and an improved economy in that country. It will save us the expense of transporting, maintaining, and supplying our civilians and their dependents.

Our Appropriations Committee has for years been critical of this operation which included the spare-parts program we discussed a moment ago.

You may have read recently where the Air Force shipped 142 miles of 9-foot chain fencing to an air depot that did not even exist.

Investigation shows that the Air Force is far overstocked on fencing just as they are on many other items. This reduces the need for funds this year. As brought out in the hearings, the Air Force bought 250,000 steel-measuring tapes. Do you thing they need a tape for each four airmen?

Those are examples where savings can be made in maintenance and operation.

Further money can be saved by elimination of skeet shooting, and closing at least one base whose prime purpose seems to be for duck hunting. Furthermore we are well along the road to a good mobilization reserve supply of equipment which is readily procurable. Here again some reduced spending is made possible.

EXCESSIVE TRAVEL

Money can be saved in travel. The hearings convinced me that there was not an airman or officer who would not travel somewhere this year. With a better planning of transfers I am sure the Air Force can reduce travel by 5 to 10 percent.

Communications can be used more judicially—and so it goes. You, yourself, probably know, or have heard of many places where economy can be practiced with resulting savings. The $15 million reduction made on these, and other minor items is modest.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. BATES. I have been looking over General Vandenberg's statement on page 695 of the hearings where he testified to $1,240 million but I failed to note therein any reference to combat planes or bombers.

Mr. SCRIVNER. There is none.

Mr. BATES. Which can strengthen the combat forces of our country.

Mr. SCRIVNER. As far as I know there is none.

Mr. BATES. He requests some 447 planes for the air lift and support and some money for a major program other than aircraft, for real property, for maintenance and operation and military personnel requirements, but I see no remarks whatsoever concerning combat planes, either bombers or fighters.

Mr. SCRIVNER. The gentleman is absolutely correct; they are all support planes of which we have any number that could be used for that purpose and especially when they are not being used for the so-called proficiency flying.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. AUGUST H. ANDRESEN. One of the disturbing things to me is the frequent announcement by some man high in the Air Force or in the former administration that Russia had the best air force in the world, the best planes in the world.

Mr. SCRIVNER. The gentleman has just anticipated my next remarks.

Mr. AUGUST H. ANDRESEN. I would like to have the gentleman's comment on that.

Mr. SCRIVNER. I have military intelligence reports that convince me that the Russian production, its all-out capacity is not nearly as great as ours. We have many more men in our air defense, the Army, Navy and Marines, than they have in their combined air forces. We have in being and production far more and better long-range bombers than Russia. Their longest is of the B-29 type TU-4 capable of a one-way mission only. We are beating their MIG's 15 to 1 in Korea.

I am giving you this information because the Congress and the public should know it. We have been given too many bogeymen. I have not raised any fear or hysteria. I do not have any myself. I do not have any fear of invasion of this country. I have confidence in our strength, in our military might, in our air defense, and I have an undying faith in the divine providence that has always guided and guarded this country. Perhaps that is the reason I do not have the fear that some others have expressed.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from California.

Mr. SHEPPARD. A few moments ago the gentleman referred to the Kaiser cancellation and the cancellation of contracts, also to the fact that we have lost some of those planes. I would assume from a knowledge of the gentleman's understanding that there is no compatibility insofar as the actual loss of the plane is concerned and the production of them because it is generally known that the loss of those planes was due to manual failure and not to the failure of the plane itself; is that correct?

Mr. SCRIVNER. I am not so sure. We have not had a full report on the boxcar crash over in Japan, at least I have not, but the week before that we did receive word that those boxcar planes were grounded because of defective motors which were setting the planes on fire.

Mr. SHEPPARD. That is correct.

Mr. SCRIVNER. That is a defect.

Mr. SHEPPARD. That was in connection with the manufacture of the motors.

Mr. SCRIVNER. Perhaps.

Mr. SHEPPARD. What I am bringing out is, we did have a serious accident.

Mr. SCRIVNER. We did; the most tragic in air history.

Mr. SHEPPARD. We had an accident of that category of plane, but it was not attributable to the plane itself; it was attributable to manual failure.

Mr. SCRIVNER. I do not know what the gentleman means by that.

Mr. SHEPPARD. A failure upon the part of the pilot and not a mechanical failure.

Mr. SCRIVNER. I have not seen the final report on exactly what did bring about that very tragic and sad affair. That is one of the things we would not want no matter what the cause was.

Mr. YORTY. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Califorina.

Mr. YORTY. I thank the gentleman for yielding. I have been wondering about one point. When the gentleman from Texas asked the gentleman from Kansas to be brief in reading General Twining's testimony, the gentleman from Kansas in trying to be brief read only a part of the answer that General Twining gave. I think the RECORD should show the full answer was:

> Well, I feel that the forces of the three services should be looked at very critically and as promptly as possible to come up with the solution as soon as we can.

Mr. SCRIVNER. What page is the gentleman reading from?

Mr. YORTY. That is where the gentleman read on page 277. The gentleman started reading at this point in the answer:

> What the force should be I could not say. Maybe it is more than 143 wings, or maybe it is less. But I do feel it is time to take a good look at it.

Mr. SCRIVNER. I find no fault with General Twining's statement there.

Mr. YORTY. I thought the gentleman would want the full statement in the RECORD.

Mr. SCRIVNER. I was confining my response in the discussion with the gentleman from Texas [Mr. MAHON] to the 120 or 143 wings. I agree all the forces should be looked at. I think the whole defense program should be looked over by the new Joint Chiefs of Staff.

Mr. YORTY. I think the gentleman will agree that in saying all three should be looked over is an entirely different thing from what appears to be happening, as the Air Force is taking the brunt of the looking over.

Mr. SCRIVNER. The new Joint Staff is not installed. They are the ones who are going to look over the program, together with all existing war plans. We should have a report back here not later than January 1 when we reconvene.

I do not like to take the time of the committee but these are things that were raised and I feel they must be answered so that you may have the opportunity of all sides and phases in the discussion.

General Vandenberg did tell us in one statement that Russia has some light bombers which they are producing, with

which they can get to any point in Europe in an hour and thereby imperil the U. N. forces there. He did not say "will." He said "can." If the situation is so acute as he and others have inferred, then we better get our thousands of civilians and their dependents back home as quickly as possible. If it is safe for those thousands of civilians and dependents to be there, the danger is not as imminent or grave as some of the calamity howlers would lead us to believe; that we have wasted a lot of money in building bases and a lot of installations over there.

The gentleman from Texas has been making quite a few statements on the floor as to whose budget it is and what General Eisenhower's philosophy may be. I have tried as best I could to make it quite clear to him and all other members of the committee, and of the Congress of the United States, what President Eisenhower's statements have been and what his position in the past has been. I have placed these statements in the RECORD so that it could be read.

THE EISENHOWER PHILOSOPHY

President Eisenhower, who beyond any doubt is the Nation's most outstanding and successful military leader, has said:

This reduced military budget will not jeopardize national security.

On another occasion he told the Nation:

We are not going to cripple this Nation and we are specifically to keep up its airpower.

The President also told you in that speech that 3 planes can now deliver the destructive power carried by 2,700 planes in 1945 at the Normandy breakthrough. Is not that in itself a "Stop, look, and listen" sign? Does not that warrant a new study by our new military chiefs? Until someone with equal or better military knowledge and experience than President Eisenhower tell us something different, you and I can well depend upon his assurance.

While we are speaking of President Eisenhower, let me point out that the need for balancing our economic stability with our national defense is no new position with him.

In 1950, when appearing before a Senate committee, the then retired General Eisenhower said:

So when we talk about our security let us remember the first thing that is necessary is to retain a very strong and healthy economy.

In that same appearance he stated, in substance, it is not the duty of the soldier to advise the Congress on the money phase of the budget.

If there is any man in Government that knows all of the tricks of military men, it is President Eisenhower. If he says they can save, you can rest assured he knows what he is talking about.

Knowing that there would be some charges made that it was not President Eisenhower's budget, I made an inquiry of him and asked him just exactly what the situation was, and I think you should know, and all the Members of the House should be here to hear it.

This letter is headed "The White House, Washington, June 30, 1953":

THE WHITE HOUSE,
Washington, June 30, 1953.

DEAR MR. SCRIVNER: Your letter concerning the defense budget affords me about the only remaining medium—correspondence—by which to reiterate publicly that this budget represents my own views and bears my personal endorsement in all major particulars. As you know, I have attempted previously to make this clear on radio and television programs and in press conferences in the White House.

The force levels—Army, Navy, Air Force, and Marine Corps—and the total sums requested for expenditure and obligation have been carefully considered by the National Security Council in meetings over which I have presided. In addition, and during the same 8-month period in which the budget was evolved under the aegis of the Council, I met frequently with the Secretary of Defense and his Deputy, discussing in detail fundamental defense problems, including budgetary matters and force goals. I am, therefore, fully conversant with the budget you have under consideration.

I recognize that in these times of international strain and of enormously destructive weapons there is a powerful tendency for some of us, in and out of the services, to seek after total or at least disproportionate military protection and to ignore the certainty that total military protection is unattainable. Indeed, the attempt to achieve it, sustained over an appreciable time would demand a state of prolonged and total mobilization—which means, practically, regimentation. There is also the ever-present struggle, with which all of us are familiar—

"There is also the ever-present struggle, with which all of us are familiar"—

of service partisans for a larger proportion of the defense dollar—an issue that is never resolved to the full satisfaction of any service.

These attitudes, among others, find expression in the current effort to pile dollars upon unexpended dollars in Air Force appropriations. Actually, the major portion of the Air Force reduction is simply application of rationality to requests for new appropriations so that previous overfunding of Air Force requirements can be eliminated. Through better programing and organization, resulting in part from the recent Congressional approval of the defense reorganization plan, we will attain more combat air power more swiftly than would otherwise have been likely of achievement.

I should like to re-emphasize that our plan for national security, in contrast to earlier programs, envisages a long-range undertaking capable of continuing national support. It seeks to avoid the exceedingly costly, demoralizing, short-range effort premised upon an imaginary date of maximum danger and incapable of being sustained for a prolonged period. It will provide us with solid military force based on a dynamic economy, both capable of rapid expansion in an emergency.

I hope you can make it clear that the present program is neither static nor an end goal in itself, nor should any program of this nature be permitted so to crystallize. The new Joint Chiefs of Staff are soon to examine our entire program with meticulous care and will submit their recommendations as promptly as possible. Any needed modifications can and will be accomplished without impairment of any essential of our strength or delay in attainment of desired force levels.

To repeat—I have studied this budget throughly and am in full accord with it, recognizing of course that your Committee's detailed analysis of the budget presentation may reveal some areas where further reductions may be made without impairment of the force goals and over-all defense objectives.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield to the gentleman from Texas.

Mr. MAHON. Is it fair to say that the proper interpretation of the situation is that Secretary Wilson was right when he said as shown in the record today, that this budget was made in the Pentagon, that it was not changed in the Bureau of the Budget?

Mr. SCRIVNER. No, I do not think the letter said that at all.

Mr. MAHON. Is it fair to say that Secretary Wilson was right when he told the committee that President Eisenhower did not suggest the Air Force reduction, that the Bureau of the Budget did not make the suggestion, and that the whole military program was worked out in the Pentagon? However, the President did submit this budget which had been made by his people. He had to accept it or repudiate it. He did present it, and he tells us that it has his wholehearted backing and support.

Mr. SCRIVNER. Plus the fact that he has intimate knowledge of the whole thing.

Mr. MAHON. Not that he wrote the budget in any particular, but that he supports it and backs it up. I think that it a fair interpretation.

Mr. SCRIVNER. You can make your own interpretation, but I think your imagination has been stretched to come to the conclusions you have reached. But you are entitled to your conclusions. I do not agree with the conclusions you have just stated.

Mr. MAHON. The gentleman will agree that the budget was written in the Pentagon.

Mr. SCRIVNER. I do not know where it was written.

Mr. MAHON. I mean the testimony shows that it comes from Secretary Wilson.

Mr. SCRIVNER. I didn't so read it. Of course, the office of the Secretary of Defense is in the Pentagon.

Mr. MAHON. That is right.

Mr. SCRIVNER. That is where the Chiefs of Staff are and that is where the comptrollers and all the budget directors and so on have their offices so I suppose probably you could wind up by saying that is where it comes from.

Mr. MAHON. That is where it is really made up.

Mr. SCRIVNER. Well, among other places, plus the National Security Council, plus the White House, plus the Bureau of the Budget, plus many other places, I expect.

Mr. MAHON. But there is no intimation in the testimony, in the hearings, that the Bureau of the Budget changed one figure or one word in connection with the whole budget. I believe the gentleman will agree to that. I am just trying to get this thing in a fair and proper perspective.

Mr. SCRIVNER. You are trying to put your interpretation on the whole thing, which I do not accept. You can express

your views, certainly, but I do not happen to agree with all of them.

Mr. Chairman, I must decline to yield further.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. BYRNES of Wisconsin. As I heard the gentleman read the letter, it seems to me the President said he reviewed it personally.

Mr. SCRIVNER. He did.

Mr. BYRNES of Wisconsin. And he approved of it, and the National Security Council also checked this budget.

Mr. SCRIVNER. That is right.

Mr. BYRNES of Wisconsin. And they checked the forces and the figures contained in it and approved of it.

Mr. SCRIVNER. Yes, sir; and he discussed it with the Secretary of Defense, and officials in the Defense Department, certainly.

Mr. BYRNES of Wisconsin. So that it could not be said that it was written by one man or Secretary Wilson or anybody in some exclusive way and in a vacuum so to speak.

Mr. SCRIVNER. Of course it was not, and the gentleman from Texas realizes that.

Mr. VURSELL. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield briefly to the gentleman.

Mr. VURSELL. Is it fair to assume that the National Security Council and the Joint Chiefs of Staff and the Secretary of Defense, and all of them including President Eisenhower with his vast military experience, after they have passed on it, that the Congress should take their advice rather than the advice of the gentleman from Texas [Mr. MAHON].

Mr. SCRIVNER. I am perfectly content to follow their advice.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I decline to yield further at this time.

As I have said, I have perfect reliance upon the integrity, patriotism, the intimate military knowledge of the President of the United States. When he says he is acquainted with the details of this budget, and he has accepted it, and it is his, I am satisfied thoroughly, and I accepted it as President Eisenhower's budget.

In that same hearing in 1950, General Vandenberg, Air Force Chief of Staff, who is now asking us to take his version of the budget, and add $1.1 billion more than President Eisenhower has requested, said this:

> The amount of money that should be allocated to the Air Force for its part of national defense is the responsibility of a higher echelon than the Chief of Staff.

If it was true then, it is true today.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. The gentleman quoted from General Vandenberg. Let me quote him a while. General Vandenberg said:

> It is the job of my civilian superiors and the Congress to balance military needs against other national needs. In that balancing process, we military leaders have neither the responsibility, the training, nor the staff to engage. It is simply out of our province.

This is still General Vandenberg talking:

> Therefore, I desire to make it a matter of record that, of course, I support wholeheartedly whatever decision may finally be made as to the money allocated to the Air Force. It then becomes our job after the appropriation of this money to obtain the best defense possible with that money.

I repeat that is General Vandenberg's testimony.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield briefly to the gentleman.

Mr. MAHON. Mr. Chairman, I do not wish to appear to be heckling the gentleman from Kansas because I have no such desire. I think it is true it is up to the civilians in the Government to determine what the figure shall be. It is up to the military to measure the strength required. If we can get the 143 wings for much less money, it is up to us to get it. But the strength is the thing the military men should recommend.

Mr. SCRIVNER. Let these new Chiefs of Staff work on this awhile. Let them come up with the answer, and whatever they come up with, I shall go along with the gentlemen, if it is anywhere near reasonable.

General Bradley is quite often quoted by the gentleman from Texas [Mr. MAHON]. General Bradley has always said, and did then, that by the elimination of bad practices in the military services, we could save a lot of money. He said:

> We must not destroy our country and its strength by spending too much from year to year.

General Bradley said that we must not throw this country into economic collapse and spoil its industrial potential. He emphasized the point that it was the President and Congress and not the military that was to determine how much economic conditions should govern. Mr. SYMINGTON also said that destruction through economic chaos could be as bad as destruction in battle, and he stated, finally, that it was beyond the scope of the Air Force responsibility or authority to decide how much money should be appropriated or how it should be allocated between the services.

EISENHOWER PROGRAM

More recently, before the junior chamber of commerce, as you can read in the hearings, President Eisenhower said:

> I wish to speak simply of two of these truths. The first is this: Our military strength and our economic strength are truly one, and neither can sensibly be purchased at the price of destroying the other. * * *
>
> The defense against this peril then must be carefully planned and steadfastly maintained. It cannot be a mere repetition of today's reflex to yesterday's crisis. It cannot be a thing of frenzies and alarm. It must be a thing of thought and order and efficiency.
>
> Precisely such a defense is now being built for our country. I personally believe it does several things. It soberly promises more efficient military production. It realistically assesses our long-term economic capacity. It demands the elimination of luxury, waste, and duplication in all military activity. And it allocates funds as justly and wisely as possible among the three armed services.
>
> First. We must remember always that reasonable defense posture is not won by juggling magic numbers, even with an air of great authority. There is no wonderfully sure number of planes or ships or divisions—or billions of dollars—that can automatically guarantee security. The most uncompromising advocates of such magic numbers have themselves changed their calculations almost from year to year. Such changes are reasonable, as technological advance requires. But the insistence that the latest change is final, definitive, and unchallengeable—that is not reasonable.
>
> Second. We must remember that all our plans must realistically take account—not just this year but every year—of colossal and continuing technological change. We are living in a time of revolution in military science. Today 25 aircraft equipped with modern weapons can in a single attack visit upon an enemy as much explosive violence as was hurled at Germany by our entire air effort throughout 4 years of World War II.

Mr. Eisenhower is consistent, as a general, as a retired officer, and as Commander in Chief of the Armed Forces. His views on a healthy balance between military and economic strength are the same.

Others might do well to be consistent, too.

In closing, Mr. Chairman, this is a sound program. It is a program that will give us a strong defense without further weakening us financially. It is a program we can carry, though with difficulty, until we can have greater assurance of peace. It is a program that permits a new look at the defense program and forces in this age of astoundingly rapid atomic development. It is a program for an adequate national defense, with reduced spending, based on elimination of waste, luxury, and duplication; realistic procurement; proven business practices and sound business economy.

It is a program recommended by President Eisenhower, whose military judgment is based on sound and varied experience of many years, in many capacities, including serving as Supreme Commander of the Allied Forces in Europe in World War II, and as Chairman of the Joint Chiefs of Staff. It is a program that we have to support, because it is based upon facts and not upon a fictional magic number. The choice is yours to make. Will you choose Vandenberg's mythical wings or President Eisenhower's real combat-ready wings?

Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. FORD], who is chairman of the Army subsubcommittee of the Military Appropriations Committee.

The CHAIRMAN. The Chair wishes to state that the gentleman from Kansas has consumed an hour and 40 minutes and the gentleman from Texas 45 minutes.

The gentleman from Michigan [Mr. FORD] is recognized for 20 minutes.

Mr. FORD. Mr. Chairman, in presenting the Army portion of the military appropriation bill for the fiscal year 1954 I shall try to approach the various problems candidly and as unemotionally as possible. I am delighted to present this part of the budget to the Committee as the unanimous report from our sub-sub-

committee or Army section of the full Military Subcommittee of the Committee on Appropriations.

It has been an extreme pleasure for me to participate in these long and complicated hearings and to work on this part of the bill in detail. We have a sub-subcommittee of three members. One of the three is the distinguished gentleman from Maryland [Mr. MILLER], a man who has contributed immeasurably to our work because of his long experience as a member of the Army in World Wars I and II. Another superb member of our sub-subcommittee and the minority member is the distinguished gentleman from Florida [Mr. SIKES], who had in previous years been chairman of the group. His long experience in this field, his vast knowledge, and his great analytical ability were invaluable to the work of the committee. It has been a pleasure and honor for me to be chairman of this fine team.

It would also be unforgivable on my part if I did not congratulate and give due recognition to the subcommittee clerk, Bob Michaels. His fine ability, his great energy, and his analytical talent have been most helpful to our group.

The revised budget was developed and presented by the Army under the new Secretary, Mr. Robert Stevens at a time when the Army was in a period of transition from the previous administration to the new one. In my opinion the new Secretary of the Army has done a magnificent job in handling his responsibilities in this very difficult period for the Army, doing that job with a minimum of difficulties in upsetting the routine of the Army itself. We should compliment Gen. J. Lawton Collins for his able stewardship of the Army for the past 4 years. He has achieved an enviable record and set a high standard for his successors. Mr. Chairman, all of us wish him well in his new responsibility.

The sub-subcommittee report complimented the Army for its overall presentation of the justifications. I want to reemphasize that point. General Honnen, his staff, and those who testified on the budget details did a very commendable job.

One matter has developed since the Army hearings were published, a matter that is of grave concern not only to the three of us on the Army subcommittee but to every member of the military appropriations subcommittee because that subcommittee over a long period of time before I ever became a member of the group has had the highest reputation for integrity in protecting the secrets of the Department of Defense. Consequently, every member of that subcommittee was dumbfounded—amazed—to read a newspaper story emanating from the Associated Press in Washington which appeared in most newspapers throughout the country under various headlines.

I have in my hand the story as it appeared in the Christian Science Monitor under date of June 25, 1953. The headline is as follows: "Pentagon Appalled—Security Secrets Leak Out."

I will not bother the committee with the details contained in the Associated Press article, but there is one vital paragraph that reads as follows:

PENTAGON JARRED

Army officials expressed amazement and appeared appalled when copies of the 1,667-page printed testimony released by the subcommittee reached the Pentagon.

For your information, I hold in my hand a copy of that newspaper clipping.

This same article appeared in various other newspapers throughout the country. I have here the article as it appeared in the Grand Haven Daily Tribune. The Daily Tribune article shows a byline of Elton C. Fay. The article is somewhat shorter but it contains the particular paragraph which disturbs our subcommittee.

Upon reading those news stories, I called the Secretary of the Army. Other members of the subcommittee likewise contacted responsible people in the Defense Department. A very careful examination of the entire situation was made and within a day or so after this news story by the Associated Press I received the following letter from the Secretary of the Army which I will read to the membership of the committee because it clears up a point that I believe all of us are interested in and I am sure the people at home are concerned about. This letter is dated June 26, 1953, and reads as follows:

DEPARTMENT OF THE ARMY,
Washington, June 26, 1953.

Hon. GERALD R. FORD, Jr.,
Chairman, Subcommittee on Department of the Army Appropriations, United States House of Representatives, Washington, D. C.

DEAR MR. FORD: In driving to my office this morning I was greatly surprised to see newspaper stories about some so-called security slips—allegedly contained in your committee's currently released report of its appropriation hearings.

As soon as I reached my office I asked that the staff present me with all the facts before the close of business. This afternoon the Vice Chief of Staff, accompanied by the Deputy Chief and the senior and responsible staff officers who had edited the Army's testimony met in my office—where the subject was discussed in great detail. As a result I am convinced of two things. First, that there actually was no security slip; that we in the Army were pursuing the policy of making available, "on the record," to the committee as much information as possible. Secondly, that the committee's printed report contained only the edited testimony submitted to it by the Army and cleared by the Army for inclusion in the printed record.

All of us in the Army realize that the committee has handled this matter in the same excellent manner and with the same security consciousness that it has always accorded such testimonies. We know full well that we can strike out or eliminate from the record any item where the matter of security is involved.

I sincerely regret the nature of the publicity which has occurred and wish to assure you of my great appreciation of the meticulously careful manner in which the committee always deals with security matters.

With highest personal regards, I am
Yours sincerely,
ROBERT T. STEVENS,
Secretary of the Army.

One further point on this matter. I think it is important to put in the record the precise method by which all three sub-subcommittees proceed when we conduct our hearings on the Department of Defense budget. Witnesses are first heard in executive session, where the only people in attendance are the members of the committee, the committee staff, and the witnesses for the Army, the Navy, and the Air Force. No other person is permitted to be in the committee room. Secondly, when a witness testifies, that witness has the prerogative of saying right from the outset, "I want this testimony off the record." And if he makes that request the reporter does not take down one word. In other words, from the very beginning if the Army, the Navy, or the Air Force witnesses wish to leave something off the record, it is never taken down by the reporter in any way whatsoever.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. Does it not also even go to the questions asked? When members of the committee ask a question, if the question is even considered perhaps bordering on a security risk, the question is also taken off the record?

Mr. FORD. That is absolutely correct.

The next precaution, and this is scrupulously and meticulously carried out, if the reporter takes down the statements made by the witnesses and the questions asked by those interrogating. The typewritten transcript—and I have in my hand a copy of a part of that to which the Associated Press article referred—is taken over to the Pentagon; it is given to the Army officials with the specific direction that they have authority to strike from the typewritten transcript that which they feel should not be printed in the final printed hearings of the committee. And, I have here the testimony showing what the Army did in this particular situation. It indicates that the Army did delete a substantial part of what they testified to before the committee.

However, this is not the last precaution that is taken by the committee. After the typewritten transcript has been carefully edited by the Army to remove every word, phrase, every sentence and every number that is secret, the typewritten transcript goes to the printer. We then receive what is called a page proof, and I have in my hand the page proof which refers to the story that appeared in the Associated Press article. This page proof is sent to the Department of the Army for perusal and they have full authority again to read and delete any material that they wish to strike from the printed record on the basis its publication would involve national security.

In substance, that procedure is what is followed in every instance. This subcommittee on the Department of the Army has never questioned the right of the Army to strike from the record anything involving national security.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Florida.

Mr. HERLONG. Does the gentleman know or have any information which

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would throw some light on where the Associated Press got such a story?

Mr. FORD. I have no idea. It is my understanding the Secretary of the Army is making an investigation.

The thing that bothers me is this: In the first place, the committee has been scrupulously, meticulously careful in this matter. The responsible officials in the Department of the Army have assured our committee through the letter which I read that they feel there was no violation of security. Furthermore, they believe that the committee's procedure is ideal as far as they are concerned. It is disturbing that some minor official in the Department of the Army, who for some reason or other refuses to reveal his identity, has misinformed the public and created the erroneous impression that there has been a failure of responsibility by the Congress and the Department of the Army. It is dangerous and unhealthy for some minor, anonymous official in the Department of the Army to spread this inaccurate and erroneous story.

The Department of the Army's original budget request, made on January 9, 1953, was for $12,109,591,000. The so-called revised budget, which was presented to the committee later in the year after review by the new administration, requested the amount of $13,671,000,000.

One of the statements made here earlier today by one of the Members would leave the impression that the Army's budget as revised was larger whereas the comparable budgets for the Air Force and Navy were smaller. Superficially that is correct, but that analysis is in reality inaccurate and unfair. In truth the Army sustained a reduction of approximately a billion dollars in the review between the original budget and the revised budget. The exact figures are shown on page 16 of the committee report. The Army increase over the original January 9, 1953 budget results from two new budget policies of the Department of Defense.

For the first time since the outbreak of the Korean war the Department of Defense presented a budget which contemplates the continuation of the Korean war in the next fiscal year for the full 12-month period. That was a broad policy change that was followed through all three branches of the service.

Furthermore, in the Army's budget there are additional funds for a substantial augmentation of fighting ROK units in Korea. The net result means the Department of the Army in the revised budget requested a dollar figure over the so-called original budget. We should not forget that the Army itself, in dollars in the budget review, sustained a $1 billion cut. The $2,500,000,000 increase results from the recognition that we should budget in advance for 12 months of a Korean war, and that it is to our advantage to augment and supply the Korean ROK forces.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. MILLER of Maryland. Is it not also a fact that in the Army budget the sum of $350 million, amounting to approximately 2½ percent of the budget, is for funds that are used exclusively for the support of the two other services, and which do not directly benefit the Army in any way?

Mr. FORD. That is entirely correct. The gentleman from Maryland has brought out a very important point.

The Department of the Army's budget contains in many instances funds which, in the end result, are principally beneficial for the other two branches of the service. I feel, and I believe the other members of our subcommittee concur, that these expenditures should be charged to the other two branches of the service rather than make that a responsibility of the Army's budget.

Mr. MILLER of Maryland. There is also another item there which, due to a peculiar budget situation, reflects in a way against the Army. Is it not a fact that, in the Korean war expenses, all of the major combat expenses, particularly for the Marines and ROK troops engaged in action there, are also charged in the Army's budget?

Mr. FORD. That is absolutely correct.

The committee reduced the Army's budget from $13,671,000,000 to $12,982,000,000, or a reduction of $689 million. However, of that $689 million, $240,137,418 was volunteered by the Department of the Army and the Department of Defense. So slightly over one-third of the amount recommended for reduction for the Army was volunteered either by the Department of Defense or the Department of the Army. The net result is this. The Army's budget under the two policy changes is approximately 1 percent higher than it was in fiscal year 1953. It is approximately 7.2 percent higher than the January 9 submission. It is approximately 5 percent lower than the revised budget as presented to the committee.

Turning to the individual items, first let us take up Military Personnel—Army. This is discussed in detail on page 18 of the committee report. The net reduction here totals $67,314,000. The revised budget for the fiscal year 1954 totaled $4,776,173,000 for Military Personnel—Army. The reduction proposed by the committee amounts to a cut of 1.4 percent.

One of the significant changes are as follows: The committee reduced the ratio of officers to enlisted personnel, as presented by the Department of the Army back to the ratio that existed on July 1, 1951. It was the feeling of the committee from its analysis that that ratio was preferable to the one presented to the committee by the Army. The committee views are so expressed on page 19 of the committee report.

Subsequent to the preparation of this report, responsible officials in the Department of the Army have come to me, to the distinguished minority member of our subcommittee [Mr. SIKES], and to the other member on the majority side [Mr. MILLER], with the request that we do not hold the Army in this instance to the committee's recommendation. It was contended that we picked a bad month to fix the ratio between enlisted men and officers. The committee does not wish to be arbitrary about this matter even though the committee believes its point is well taken. In a desire to give the Department of the Army flexibility, it is the view of our Army sub-subcommittee that if the Army is willing to absorb the same dollar reduction of $19,864,000, our sub-subcommittee has no objection to relieving the Department of the Army from that precise officer-enlisted man ratio which we recommended.

There is, however, one point which we want to make, and I am sure the gentleman from Florida [Mr. SIKES] and the gentleman from Maryland [Mr. MILLER] will confirm it. We do not want that $19,864,000 absorbed by the Department of the Army by refusing to give enlisted personnel their deserved and earned promotions. There is ample money provided for the proper promotion of enlisted personnel, and we expect the Department of the Army to leave those funds untouched. In other words, we expect the Department of the Army to absorb $19,864,000 out of other areas, and I think we can have their assurance on that point.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Florida.

Mr. SIKES. At that point I want to concur in what the chairman has said, and to state that it meets with my complete approval.

Mr. FORD. I thank the gentleman.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. MILLER of Maryland. In order to keep the record straight, and as the third member of that group, I am very glad to concur with the chairman in his remarks, and also the remarks of our respected friend from Florida [Mr. SIKES].

Mr. FORD. I thank the gentleman.

Rather than go into some of the details about individual reductions, I refer you to the committee report, which sets out in detail the basis for the reductions that have been made by our sub-subcommittee.

Now, turning to "Maintenance and operations—Army," the revised budget called for an appropriation of $4,720,000,000. The committee recommended $4,329,594,000. That is a decrease of $390,406,000. It is a percentage cut of 8.3.

There is one item which is rather large, which needs some explanation. One hundred ninety-seven million dollars of the $390,406,000 refers to a change in language which the committee approved, which had been recommended by the Department of Defense and the Department of the Army. The Department wanted authority to accept currency, commodities, services, and properties in areas throughout the world.

The subcommittee has agreed to permit the Department of the Army and the other branches of the service to accept commodities, property, and services from other nations. By that change in language we have been able to save $197 million in the maintenance and operation portion of the Department of the Army budget. To give you the details

of this part of the Department of the Army budget would take considerable time. I would prefer to refer you to the specific details as outlined in the committee report on pages 20 to 23.

The next item is "Procurement and production, Army." The revised budget called for the appropriation of $3,395,266,000. The committee bill is $3,224,633,000. It is a decrease of $170,633,000, a 5-percent cut. Again I refer you to the details explaining the reduction as carried in the committee report on pages 23 and 24.

There is one point I want to emphasize, however: Seventy percent of the new funds in procurement and production are for ammunition and ammunition facilities. The committee has some concern about whether or not the Army is not now embarking upon an overexpansive ammunition program. That is understandable because of all the discussion that occurred in recent months about the alleged ammunition shortage. I think it would be well for every Member of the House to read the committee's comments on page 24 of the committee report.

We did make some reasonable reductions in the procurement and production portion of the budget of the Army. The basis on which those reductions are made is set forth on page 24 at the top of the committee report. We have been careful, we have been analytical. I think the Army can live and do a fine job within the committee's recommendations.

We have been meticulously careful to give the Army the authority to go ahead with weapons. Practically all of the reductions made by the committee refer to support items. The reductions in this field are particularly aimed at the items of procurement which we think can be obtained off the shelf from the civilian economy without all the additional modifications that the Army from time to time likes to add to these commercial vehicles.

The next item is military construction, Army civilian components. The revised budget was $9,094,000. The committee has made no reduction whatsoever in this item, and we have in addition later in the bill given the Department of the Army authority to go ahead with non-Armory construction without any contribution by the various States.

The next item is Reserve personnel requirements.

We have made a realistic reduction in this item. The revised budget request totaled $102,909,000. The committee bill is $85,500,000, a reduction of $17,409,000, a cut of 16.9 percent. This reduction was made because in the past the Reserve program of the Army has not come up to the predicted strength. The record in this regard is most disappointing to the committee.

The committee has stated in the committee report beginning on page 25 that if the Reserve officials can show they are meeting their quotas the committee will be glad to entertain and approve a request for additional funds. The Reserve officials have said that by October 1 of this year, they will know the answer. If the answer is that they need more money this committee will be glad to have a request for additional funds. We want a strong Reserve, but to date we have been extremely disappointed in the monthly strength figures.

The next item is the Army National Guard. The revised budget called for the appropriation of $211,273,000. The committee recommends $210,035,000, a decrease of $1,238,000, a cut of 6 percent.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. SCRIVNER. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. FORD. Mr. Chairman, the committee is pleased with the progress of the Army National Guard. They have been meeting their monthly strength requirements and I believe that they will in the months and years ahead continue to meet their requirements. The Army National Guard is an integral and important part of our national-defense program. A very minor reduction was made in the Army National Guard budget. Their air or aviation program was badly presented. The Army National Guard requested $20,000 for station allowances in Alaska. We specifically deleted that amount in the budget.

The committee made some other very minor adjustments. We believe the Army National Guard can do the job adequately with the funds we have recommended. The cut is a very minor reduction in their program.

The next item is research and development. The revised budget called for the appropriation of $370 million. The committee has proposed $345 million, a cut of $25 million, a 6.8 percent reduction. The committee sincerely believes in research and development. It is vital to national security. General Nichols and his staff did an excellent job in presenting most of the funds for the projects they requested. The committee has set forth in its report on pages 26 and 27 the reason why it made a reduction of $25 million. We think the research and development program in the Department of the Army can proceed well and effectively with the money we have appropriated.

The next item is the promotion of rifle practice. The committee had a request for $100,000 for this program. The committee has gone along with that recommendation with certain policy suggestions as set forth on page 27 of the committee report.

The committee in the next item, Operation and Maintenance, Alaska Communications System, made no cut whatsoever. The revised budget for the Alaska communications system was $11,185,000 and it was approved without change.

During the testimony before the committee it was brought out that in Alaska the Alaska communications system had not raised its telephone rates since 1945. The Department of the Army owns and operates the telephone and telegraph system in Alaska. In the hearings the committee made rather strong statements to the effect that the Army should take an immediate look at the situation. The committee is pleased to report that on June 10 the committee received a letter from the Under Secretary of the Army, Earl D. Johnson, that as of July 15, 1953, an increase in rates will be made for telephone service on calls of 100 miles or less. The committee is not convinced that that is enough, however. The committee believes that the increase in telephone rates should include long-distance calls. We do not believe that the justification given for the failure to do so is sound or adequate. We look forward to notification that the long-distance rates, as well as those rates under 100 miles, will be increased in the very near future.

The next item pertains to civilian relief in Korea. The budget request was $75 million. The committee reduced that to $58 million, a reduction of $17 million, a cut of 22.7 percent. The reason for that reduction is spelled out in the committee report on page 28.

Mr. Chairman, in conclusion let me say this: In my opinion the Department of the Army can do its job effectively and well with the money that we have recommended. It will permit 20 divisions, 18 regiments and regimental combat teams. It will permit 100 antiaircraft battalions and 150 combat battalions. It will be a strong Army, an Army of which we can all be proud. It will be well led, properly clothed and fed, excellently trained and competent on the battlefield. I urge the members of the committee to support the bill as reported.

Mr. MAHON. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I have not at any time served on a subcommittee where there was greater harmony between the members or a more sincere and conscientious effort on the part of everyone to do the best job possible. It has been a most pleasing experience to go through week after week of extremely difficult work where that feeling prevailed. I want to pay sincere tribute to the men who served with me on the subcommittee. The chairman, the gentleman from Michigan [Mr. FORD], did an excellent job. He was always fair and courteous, always anxious to get all the facts, and in his assignment as a committee chairman—which certainly is a major assignment—he has covered himself with distinction. I want to pay tribute, too, to the gentleman from Maryland [Mr. MILLER], a member of the subcommittee, who because of his great interest and because of an excellent background of information and experience, gave invaluable aid throughout the hearings and preparation of the bill. We were very fortunate, too, in having the services of one of the ablest clerks of the congressional staff, Robert L. Michaels. What I have said about the Army subcommittee I want to extend without stint to the full Subcommittee on Military Appropriations. The chairman, the acting chairman, and all of the members of the majority were completely fair, conscientious, and cooperative in their work and in their efforts to bring out a good bill. On my own side of the aisle I benefited, as I have on previous occasions, by the excellent leadership,

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ability, cooperation, and help of the gentleman from Texas [Mr. MAHON] and the gentleman from California [Mr. SHEPPARD]. All of us benefited, aided materially by enjoying the benefit of the work of an excellent committee staff, the best staff, I think I have ever seen assembled in Congress. Previously, as chairman of the Army subcommittee, I had ample opportunity to recognize and appreciate the good work of Corhal D. Orescan, executive secretary to the subcommittee.

You have been given a rundown of the figures for the Army from the standpoint of appropriations and from the standpoint of strength. I am not going to repeat those figures.

In my part in the preparation of this bill the principal questions considered appeared to me to be, No. 1, Is there a lessening of the threat to world security by communism? Obviously there is no such lessening of that threat, nor would any witness before our committee state that there was a lessening of that threat.

No. 2, Will the Army be as strong militarily under the fiscal year 1954 budget which is now before us as it has been in previous years or would have been under the earlier January budget?

To me, these facts stand out. Under the new budget proposal the Army is going to be smaller. The average strength of the Army will be 70,000 lower than it was during fiscal 1953. In addition, fewer dollars are going to be available. The apparent or visible increase in funds is altogether for the conduct of the Korean war and for ROK troops. There was an actual reduction of a billion dollars in overall Army funds before the addition of those funds and there is an additional reduction of $700 million as the result of the action of the subcommittee.

According to the testimony given us by the Secretary of the Army and by the Chief of Staff, it will be possible under good management in fiscal 1954 to have a force about as strong as the force that we have in fiscal 1953 and in some particulars stronger.

I fear there will be danger in subsequent years when we may be weaker as the result of the budget structure under which we are working unless improvements greater than anything now pointed out are realized in the utilization of Army strength and in new economies.

Now I realize full well that any hope of a balanced budget must rely on inclusion of cuts in our defense funds. That puts this committee squarely in the middle of a quandary. We who have lived close to the military budget are not anxious to cripple military effectiveness. But we feel the necessity for making reductions in the military budget if they can be done with propriety. Therefore, within the budget structure developed under President Eisenhower's leadership, I feel that the Army picture that we bring you is a satisfactory one for the fiscal year 1954, and I subscribe generally to the cuts made within the framework of that budget. But I renew my warning that the future may hold trouble. We are taking a deliberate chance.

We have been very careful to apply cuts at specific points rather than offer general cuts. In each case we have tried to be sure of what we are doing. We have avoided cuts which may be crippling in strategic areas of the Military Establishment, particularly in those areas where we may anticipate most serious trouble in the event of further conflict in the years immediately ahead. For instance, we have encouraged:

First. Development of weapons and techniques for combating mass attack by ground forces.

Second. The defense against air attack of cities and industrial areas.

Third. Defense against attack involving gas and bacteriological warfare.

Fourth. Development of methods of attack over the beaches where use of ports is denied, as they may well be in atomic warfare or if large land areas should be overrun by the Reds.

The United States can be proud of its Army. Ours is a magnificent fighting force. Since those dark days of 1950 when our Army fought against odds of 20 and 30 to 1 and was subjected to new mass assault tactics, a splendid new force has been developed which has taken the best the Reds could throw at them and hurled them back.

But I ask that you consider this most carefully. Over and over again we have seen that nothing is decided in warfare until the territory of the enemy has been occupied and held. The foot soldier is still the basic and primary key to victory. One day we may realize again that wars are won when the enemy's armies are destroyed, and only then. It is not necessary to ruin his cities and kill and maim his women and children. The only thing that is essential is to destroy his armies, and in warfare that should be our first objective. Failure to recognize that fact will lengthen any struggle, increase its cost in men and materiel, and indict us in the eyes of history for our tactics.

We must always bear in mind that we cannot match the manpower of Communist countries. Their forces are six times as large as ours. Nor do we feel it most economical just to quantitatively match their military armament. Our intention is to make the maximum application of our technical skills in order that the American soldier can defeat a greater number of the enemy. Our effort is to defeat the enemy superiority in manpower by utilizing better weapons and better techniques and, at the same time, devote every effort to minimize the losses of American manpower.

In achieving this overall objective we must pay particular attention to cost effectiveness. We recognize that it is not within the potential of our Nation to provide every type of weapon in the numbers and quality that science and the man in uniform can dream up. For every weapon we must balance carefully the cost against what it can achieve. Here research and development is making a great contribution.

A question arose in the full committee whether this bill guarantees the close support needed from the Air Force by ground troops. Marines do have careful coordination teams with close air support. There has been criticism of failure of the Air Force at times to supply similar close support to Army ground forces.

Obviously, this bill can carry no such guaranty. Congress has no authority over the action of troops in the field, and rightfully has none. That is a staff matter which should be resolved by the Joint Chiefs. But I want to point out that this bill carries the dollars to do the job well and I think the Congress will want the Department of Defense to know that it is conscious of the need for the fullest support by all services of the men on the ground. The boys who do the hard and dirty work of the infantry need all the help they can get, and Congress wants them to have it. I think we should say here that Congress wants the Joint Chiefs to know that we will view most critically any lack of support between any of the services which may be caused by faulty staff work and failure of coordination.

One truly significant development is the atomic cannon. I realize the value of this gun has been questioned both by economy advocates and by some Air Force proponents. However, General Collins, a most distinguished soldier who has contributed greatly to the military strength of this Nation, made a striking point in his testimony before the subcommittee. He said that in two world wars he had been under fire from enemy artillery which could outshoot American artillery and that he had determined that he would try to correct that situation. It has been corrected very well. There can be little doubt but that the atomic cannon is one of the most accurate and useful pieces of conventional artillery the Army has ever possessed. If it is never used for atomic shells, it will still be an important weapon. But now that nuclear physicists have succeeded in adapting an atomic shell to the cannon, its utility is vastly increased. In my opinion, the devolopment of an atomic shell is almost as significant as the development of the atomic bomb itself because as Congressman STERLING COLE, chairman of the Congressional Atomic Energy Committee, said, the nuclear physicists have concentrated into capsule form what once filled an entire bomb bay.

Contrary to some of the statements that have been made, the big cannon can be moved over any roads and bridges and off and on to any landing craft on which a medium tank and other divisional equipment can be moved. It can be placed in firing position or reloaded on its trailers in a matter of a very few minutes. Its projectile carries almost the explosive force of the atomic bombs which were dropped on Hiroshima and Nagasaki. It is an all-weather weapon. It is not tied down by bad weather as aircraft may be. This gun may hold the perfect answer to the mass attacks which have been one of the favorite military devices of the Reds. It is costly, yes. But, so is everything else that we buy in the way of military equipment. It is much less costly than planes and much less vulnerable to destruction.

Ironically, a regular appropriations bill carries funds for the first time for

the conduct of the Korean war. Part of the money will be used by our own forces. Part of it is for ROK troops. If a truce is granted, some funds intended for our own forces should be used to build up badly depleted reserves. Funds for the ROK forces will in large part be needed regardless of a truce, for their buildup must be continued for the security of South Korea. The amount included for Korean costs is something in excess of $2 billion.

One of the brightest pictures of the past year and a half has been the development of a dependable ROK army. Starting from a nucleus of 25,000 scared and undependable troops, we have trained and equipped a Republic of Korea Army of one-half million men who are giving excellent account of themselves in the fighting in Korea and who now are manning two-thirds of the battleline. Present plans for increasing that army by several divisions will make it possible for them to man nearly all of the battleline. There has never been a finer portrayal of the effectiveness of American training methods or of the value of cooperative action with an ally. One of the great problems of the French in Indochina is the fact that they will not train officer and noncommissioned personnel capable of leading native units. We have tried time and again to encourage them to use the same methods which we are using so effectively in the development of a ROK army.

Under this budget there should not be any question about an adequate ammunition supply. The greater part of procurement funds in this bill is for ammunition. It is difficult to comprehend the enormous quantities of ammunition which have been consumed in the 3 years of war in Korea. This would not have been possible without the tremendous reserves of World War II stocks which have been rehabilitated and used. Now those stocks in many categories are exhausted. It is necessary to set up new supply lines to replace them. Since June 1950, we have fired against the Communists in Korea almost as much artillery ammunition as was shot during the whole of World War II in the Mediterranean and Pacific theaters combined, and almost as much artillery ammunition as was expended in all theaters during World War II in 1944, the year when our supplies were at their biggest throughout the world and when expenditures were the heaviest. When you consider the tiny size of Korea in comparison, you realize the concentration and intensity of the conflict there.

In this measure, the comfort and safety of American troops is again of paramount concern. We are proud of the fact that they are the best fed, best clothed, best paid troops with the best medical care in the world. An interesting development of recent months has been the armored vest which has prevented many battle casualties. These vests, which are of laminated nylon, are bulky and uncomfortable, but much less so than a piece of shrapnel in your middle. The Army is now seeking to improve them to give protection to the throat and to the groin and upper legs.

I never cease to marvel at the record of our medical force. Only 2½ percent of our battle casualties die after reaching medical treatment facilities. In World War II the ratio was 4½ percent and in World War I 8⅒ percent. At present, by proper disease prevention and sanitation measures, the battle admissions for disease into hospitals is only one-half the rate of what it was in World War I. The number of men not available for duty because of nonbattle diseases is less than one-half the number not available in World War I and considerably less than the number not available for duty in World War II.

The committee gave its usual solicitous consideration to the reserve components. It wrote in language which will require unlimited enrollment in ROTC at the freshman and sophomore level in college instead of permitting the military services to restrict enrollment at that level. The committee felt that greater selectivity should be provided in advanced ROTC at junior and senior level, and that the greatest possible number of students should receive basic military training in college.

The committee finds disappointing what it considers continued dallying in Reserve components construction. The committee still is going along in providing funds which it seriously doubts will be spent. Nevertheless the facilities are needed in the various States and towns of the country for Reserve and National Guard units. The Congress wants the responsibility for failing to provide those facilities placed squarely where it belongs, in the Department of Defense or in those States which have failed to work out proper agreements with the Federal bureaus.

From my standpoint, I find a cut which has been inflicted by the Department of Defense or by the Bureau of the Budget in the size of the officer candidate schools most disappointing. I would be prepared to vote for a requirement that every officer in the military service first have service as an enlisted man. I feel most strongly that enlisted men should be given an opportunity to rise from the ranks to commissioned status when they show the ability and the initiative. In this bill the number who will have an opportunity to do so will be considerably lessened—not because of any action by this committee, but because of what I consider a most shortsighted policy on the part of the Department of Defense in reducing OCS training facilities.

I do want to call attention to a specific statement in the testimony to us which states that the enlisted promotions provided in these estimates will be adequate. Heretofore, there has been a tendency on the part of the Department of Defense to try to shift the blame to Congress when enlisted promotions were not made That is a totally unfounded accusation. Congress has never failed to provide money which it was stated would be needed for meritorious promotions of enlisted personnel, and the record shows this very clearly.

In this measure, we have eliminated some activity which we consider boondoggling — physical studies — expensive special-use equipment which shows little promise—Rube Goldbergs.

In this connection, while I speak of strange and unfamiliar activities, I want to discuss one fund which in particular is vastly misunderstood. I want to tell you about some of the contributions in nonmilitary values resulting from Chemical Corps research in the biological warfare areas. Surprisingly perhaps, these studies produce everyday values which benefit all walks of life in time of peace. The illustrations I shall list are only a few of those which might be listed:

Advances in treatment of several infectious diseases.

Method for treatment of blue babies.

Studies of immunity development in humans and animals.

Increased knowledge of use and effect of antibiotics.

Production and isolation of pure bacterial toxins and their use in preparation of toxoids.

Developments for rapid means of detection of minute quantities of disease-producing agents.

Improvements in methods of mass production of micro-organisms and their products.

Information on production and control of plant diseases.

Development of protective devices and techniques for safe handling of pathogenic micro-organisms and their toxic products.

Methods of control of infectious diseases in farm crops.

Studies of chemical agents for regulation of plant growth.

Development of methods in production and use of certain toxoids and vaccines.

The committee has done some good in various other ways. For instance, we prodded the Alaskan Communication Service into placing more realistic charges on telegraph and telephone service to civilians, thereby cutting cost to the Government quite materially. The charges heretofore made did not reflect replacement cost or include service cost. I know of no reason why people using those services should not pay rates comparable to those paid by people in other parts or possessions of the United States. This has been an example of behind-the-times military thinking.

We continued the ban on construction of bakeries and laundries by the services in areas within the United States where needed services can be performed by local facilities.

We made one specific cut which I think will meet with general approval. We have again reduced the authorization for the total number of civilian employees.

We have seen a need for other improvements. As an example, we urged in our report the use of foresters from the United States Forest Service in care and marketing of timber from military reservations. The Government owns not thousands, but millions of acres in military reservations. On some of these there is valuable timber. Some of that timber has been wasted by careless logging methods occasioned directly by the failure of the military authorities to request the advice and counsel of the United States Forest Service.

We took no action on some matters which made a profound impression. The

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Board of Promotion of Rifle Practice made a good case for issuance of free .22 ammunition to junior rifle clubs. The great majority of American youths today do not have the opportunity enjoyed by earlier generations for almost unrestricted rifle practice. The junior rifle clubs, particularly in the larger cities, would benefit materially if free ammunition could be provided.

The committee saw grounds to question some practices which appear to show the need for more stringent supervision. For instance, it feels that there is a distinct possibility that little, if any, supervision is given to pleasure trips by high-ranking officers using Government air transportation at high cost to the taxpayers. Some of us feel that there is a distinct possibility that too free use has been made of air and naval attaché planes assigned to the diplomatic missions to attend Madam Mesta's parties and for similar purposes, past and present.

The committee laid to rest the ghost of P. I., variously interpreted as political influence or political interference. Every Member of Congress knows that there exists the widespread feeling among servicemen that a letter in his behalf from a Congressman is sure death to his chances for success in whatever activity that he may aspire to. This would be a sad state of affairs indeed if the personnel of the Department of Defense were so narrow in their thinking that they took it out on a defenseless serviceman when an elected representative of the people spoke a word in that man's behalf. We received assurances from the Department of Defense in some detail in the current hearings and, in much greater detail in earlier hearings which were not published, that, and I quote:

> No Army records of individuals have ever been marked with a "P. I." or any other designator to denote "political interference." Individuals who are the subject of correspondence from Congressmen and others in Government are in no way discriminated against because of such correspondence. Papers are sometimes marked for the personnel information section of the Adjutant General's Records Branch. This mark is usually "P. I. 201 File." This serves as an address for the papers concerned, and means they are to go to a 201 file in the personnel information section. This mark is commonly used for all papers going to this address, and not just those from Congressmen or other Government officials.
>
> The Navy, Marine Corps, and Air Force do not in any way, except by inclusion of the correspondence, mark an individual's record to indicate that he is the subject of congressional correspondence.

I am glad to say that we in the Army Subcommittee found much evidence of good management on the part of the Army. There has been a consistent improvement in recent years. Also we found, as always, some disappointing aspects, and those are not confined to the Army. Most of us saw an article which appeared in Life magazine a few weeks ago showing that an officer had caused a bushel basket worth 50 cents to be crated and shipped home for him by the Government at a cost to the Government of approximately $25. If necessary, I think the Congress should write in its own regulations to put a stop to abuses of transportation charges servicewide.

Before I close, I want to give credit to the people who train the Army. I should like to point out that in this period of partial mobilization and demobilization, the Army has tremendous training problems. As you know, it is the Army that is suffering the greatest share of casualties in Korea. This puts a great responsibility on those charged with training. It must be good, it must be the best available, because it means so much. The individual product of our training is, in fact, a young man, trained to fight the enemy. His training may be the difference between success and failure. It may mean life or death. Battle experience has shown that our training is very good.

Now let me say again as I close, this, I think, is a most realistic fiscal picture. I assure you that Army funds have been carefully screened in minute detail. A conscious effort has been made to bring about reductions wherever possible. We have been equally sincere in our desire not to cripple necessary functions. I honestly feel we can give the Army portion of this bill our earnest backing.

Mr. SIEMINSKI. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. SIEMINSKI. Does the distinguished gentleman from Florida feel that this bill makes a sincere attempt to answer the question surely uppermost in the mind of every mother, father, wife, or sweetheart as they bid their beloved one goodby: "Come the dawn or the night on any outpost, or in any field of fire, will Uncle Sam's boy feel just a little less alone than his daddy did? Will this bill enable him to see the genius and to feel the full impact of 158 million Americans in his support? Will this bill enable Uncle Sam's boy to be covered by fields of fire that will allow him to maneuver with the greatest possible speed to accomplish his mission and to return to those he loves, particularly as related to close in support from the air?

Mr. SIKES. If any man in this Congress has the right to ask that question, my friend, the gentleman from New Jersey [Mr. SIEMINSKI] has. And may I say to him, insofar as Congress is able to go by providing the money and writing in the guaranties that are within our jurisdiction, it does.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my good friend from Florida.

Mr. HERLONG. In addition to the other qualities you have ascribed to this atomic cannon, it is also about as mobile as any piece of heavy artillery we have ever had.

Mr. SIKES. My friends has put his finger on a most important point. His statement is entirely correct.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my chairman.

Mr. FORD. I believe it is a fair statement that our subcommittee strongly believes in and highly endorses this program which was inaugurated by General Collins, not only because of the atomic artillery weapon's conventional possibilities but because of its atomic possibilities.

Mr. SIKES. I could not have said the words more effectively.

Mr. YORTY. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield.

Mr. YORTY. I apologize to the gentleman for interrupting him here but I was so happy to hear him talk about the training program of the United States Army in Korea. I think Gen. Cornelius Ryan there deserves the praise of every one of us for his outstanding effort in training these ROK divisions and bringing them up to a high level of proficiency. I think the gentleman will recognize too that in addition to their own divisions, many ROK's have been integrated into the American divisions where they are acquitting themselves with equal heroism.

Mr. SIKES. I agree with every word the gentleman has said.

Mr. SCRIVNER. Mr. Chairman, I yield 20 minutes to the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, it has been a rare privilege to have been associated with the fine members of the subcommittee having to do with the Army part of this budget, as well as the 10 members of the full Defense Committee. It has been a great privilege and a great experience.

Mr. Chairman, in a few minutes here today it is rather difficult to touch on even the high spots of the matters that we have considered and slept with for the last 6 months. I want to say before I get off the personnel of the committee that so far as the Army 3-man committee is concerned, our committee has brought in a bill covering nearly $13 billion in that section. As has been stated by my chairman and my distinguished colleague, the gentleman from Florida [Mr. SIKES], we are in complete agreement on the bill that we bring to you today in that section, and there is substantial agreement throughout the whole defense picture. We owe a great deal to the distinguished gentleman from Florida [Mr. SIKES], who has just addressed you. I know that his experience and services, particularly his experience as the former chairman of this subcommittee, has been invaluable to the members of this group. We approached this thing with the seriousness, I believe, that anyone knows it deserves, because anything that involves as does this bill nearly $34,500,000,000 is a matter that has a tremendous impact upon all of our citizens. In addition to that, this bill involves the very safety of our beloved country because it involves our defense program. We have 4 volumes of printed hearings totaling approximately 4,600 pages and, as has been pointed out by my colleagues, a great deal of the hearings never got into print, perhaps the most spicy or interesting part unfortunately having to be left out of the record for security reasons.

I would like to say at the outset, however, that the impression that the Army part of this budget has been increased, as it may seem from the figures, should

not mislead anyone. As a matter of fact, the Army has taken, I think, very rigid cuts. It has already been pointed out that the costs of the Korean war, the major part of which are borne by the Army, were added to the January budget under a change of policy which, incidentally, our committee strongly recommended, the policy of meeting the facts as they are and not as we wish they were. Something over $2 billion was automatically added to the original January budget, and then, before the recommendations of the Department of Defense ever came to our committee, under the revised budget, something over $1 billion was cut from the Army's original request.

On top of that, as has already been pointed out, there are $350 million included in those sums from which the Army gets no direct benefits whatever, because they are used to pay for supplies furnished and services performed for the Air Force or for the Navy.

Then, finally, our committee has cut the revised estimates by $689 million. The Army has taken a pretty sharp pruning.

In that connection, I know that every Member of this body, desirous as he is to have a balanced budget, looks with some hesitation, and properly so, on any cuts in defense spending. Certainly I do, after having seen American casualties in two wars caused by lack of training or equipment.

Back in 1917 I was first introduced to the Army, when I became a member of the Infantry Reserve. As a matter of fact, I am still a member. Only a few weeks after I became identified with the infantry I learned that phrase that has been one of the very sad ones in our past history, "Too little and too late." I did not have to wait very long. Within a few weeks, in the first big, sprawling military camp we had in early 1917, there were some troubles in those days, as there are likely to be in any time of war, with sabotage, and it became necessary for green troops to mount guard to protect the camp. When we came to issue arms for the newly indoctrinated guards and sentinels, we had to give them baseball bats, because then, in the early summer of 1917, we did not have rifles. At that time I received something of a shock to think that our great country, with its great productive powers, was so short of the tools of war that our young men in the first draft this country had ever experienced had to mount post for serious guard duty with baseball bats.

But that was just a beginning. For many months we trained with rifles that had been handed down from the Spanish-American War. When we went overseas to serve on the very bloody western front of 1918, we sailed without gas masks and without machine guns because they were not yet available. We were forced to go into the lines oftentimes with equipment that we had received so recently that there had been no proper chance to train with it.

During World War I no piece of American-made artillery, with the exception of a few naval guns on railroad cars, was ever fired in Europe on the western front. I could go on indefinitely with the stories of "too little and too late," the flying coffins of 1918, the outgunned tanks of 1943.

In 1941, on maneuvers with the First Army after the fall of France, when the security of our world was greatly threatened, there again we were confronted with too little and too late. You well remember the stories of the troops out on maneuvers in New York State and in the Carolinas where broomsticks were used to simulate machineguns, where ice trucks were labeled tanks and where our young men of that period were training for battle without the needed weapons which they should have had. Although no longer young, I was there.

I learned another phrase at that time, and one saw it in the papers every day. The phrase, "On hand or on order." As we all know too well, a fine group of weapons on order is not of much help when meeting the enemy on the field of battle. So I am sure that many Members of this House are interested in knowing just what we have done to the Army, Navy, and Air Force in making these large cuts. We have been assured that there will be no losses of combat weapons occasioned by any of these cuts, in the Army portion of this bill. We are assured there will be no reduction in combat forces as a result of any of the cuts made by the subcommittee. We have stressed the fact that weapons and tools of war should be accumulated and acquired as quickly as is feasible in order that our troops, our ground forces, our Air Forces, and our Navy, shall have the things that they need should it become necessary to go into battle. I think I am safe in saying that in all three of the services, the attempt of this committee has been to make certain that any reductions made are in the nonfighting or nonweapons part of the program. We have followed the same line of thought with respect to research and development. It is true we have made some cuts here and there in research. Basic research in psychological warfare, for example, does not appeal to me as an item of immediate necessity. We may have cut basic research in a few places, but we have stressed the fact that the best and newest of weapons should be on hand and be available as soon as practicable. We are assured that the figures that we bring before you, cut though they may be, will not reduce the number of effective combat units in the ground force or the Navy, and is not going to reduce the fighting strength of our Air Force.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to my distinguished colleague from Maryland.

Mr. DEVEREUX. In connection with research and development, I suppose there is sufficient flexibility with respect to the funds so that they may be channeled in one way or another as the situation may develop.

Mr. MILLER of Maryland. The research and development program is a very broad program, and it is also to a great degree as highly secret program, as the gentleman will understand. The funds allotted in this bill to both the Department of Defense, the Army, the Navy, and the Air Force research and development programs are not itemized or spelled out. There is complete control within the Department of Defense as to how these funds shall be allocated as between projects. In addition to that, under the recent reorganization act which went into effect on midnight the other day, as I understand it, there is going to be an Assistant Secretary of Defense who is responsible for the control of the overall channeling of these funds to avoid duplications and maintain priorities. Our committee has wholeheartedly stood behind the overall program of supplying weapons of the best kind and sufficient quantity for our various combat forces.

Mr. DEVEREUX. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Maryland.

Mr. DEVEREUX. Directing myself to another point which the gentleman from Maryland brought out, the question of increasing our combat efficiency, we will have to make reductions in other fields on that account. Is it not true that the American people will have to realize that perhaps we will not have as many soda-water fountains and moving-picture facilities at the various posts and stations, and this Congress should be prepared to back up the committee in the general approach, despite the fact that many of our constituents may write to us and say that their boys are not living as comfortably as they might otherwise.

Mr. MILLER of Maryland. We have taken the position that all elements of American economy, fighting forces as well as the rest, will have to tighten their belts as far as certain luxuries are concerned; but I can assure the gentleman, as the gentleman from Florida [Mr. SIKES] said, our service personnel will continue to be the best fed, the best clothed, and the best housed soldiers, sailors, marines, and airmen in the world.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Ohio.

Mr. BENDER. Does not the gentleman feel that a few more cancellations like the Kaiser-Frazer contract will have a very healthful effect on our expenditures for defense?

Mr. MILLER of Maryland. I will tell the gentleman from Ohio I am very much encouraged by the attitude which seems to be abroad in the Department of Defense, to scrutinize what is happening to the dollars that have been given it to spend. I believe more economies will be achieved and waste checked after the new team gets thoroughly organized and gets to work. I think what the gentleman mentions is a good example of the sort of thing we hope is going to be accomplished in the future.

So much for the overall Army situation. There are many things I might say. Our committee is opposed to the rather lush type of station allowances

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of which we have had reports. We have taken steps to stop the plan that special pay be given to troops who are at home when they are on duty in such places as Alaska or Hawaii. We see no reason why they should receive an extra pay scale while at home. I am speaking of the National Guard, Reserves, and civil employees primarily, when they go on duty, where the personnel lives. Why should they receive the extra benefits which are accorded to those who have to go away from home to live overseas?

I would like to touch briefly on one overall point that has been challenged. I refer to the so-called stretchout or slowdown. One of the very important things in the whole military picture is a broad, ready production base. If we knew that at a certain time or on a certain day we might be called to go into all-out war, the whole picture would be different. But the concept of the Defense Department and the majority of your committee today might be illustrated in a homely way, by using the title of a song, "If I Had Known You Were Coming I Would Have Baked a Cake." It may be looked at in this way.

If a housewife knows the day that company is arriving and she wants to have a cake ready, she can bake a cake and have it fresh and ready when they arrive. But M-day and D-day are not predictable in advance. If the housewife is going to be prepared at all times she will have to bake a new cake every day or so. Even so, unless she bakes a cake every day, when the guests unexpectedly arrive the cake may not be too fresh. If the housewife has unlimited money, she can bake a cake every day, just as in case that is M-day or D-day, but if she is a prudent housewife and has a limited income like Uncle Sam, she has to adopt another procedure. She should have a good stove and cake mixer in the kitchen, supplies of flour, butter, sugar, and eggs on hand, so that when she sees the guests coming down the road she is able to get the cake together in a hurry. A production base is having the cake mixer ready, the flour on hand, and the know-how to make the cake in a hurry. In many ways that is a much safer approach to defense problems than to have the storerooms filled with finished material. In these days of rapid developments obsolescence begins almost as soon as the product comes off the assembly line in many cases. Many of these cutbacks, therefore, assure the maintenance of production and assembly lines, and employed skilled workers. If we acquire a full stock the factories close down, we lose the workmen and their skills, lead time doubles or triples on new orders and the production base shrinks. It is desirable that some production be slowed down a little so that the factories have a continuous line of business. Tnis places us actually in a stronger position than if we produced our needs in the quickest time possible and filled our shelves with stock and material that would become obsolete and rusty. That is the essence of the reasoning behind so-called stretchouts or slowdowns. Unless the Department of Defense has made a serious mistake, we have not in this whole bill caused the loss of a modern plane that the Air Force needs and wants to be delivered in these next 2 years, whether it is building 143 wings or 120 wings.

So far as Navy Air is concerned, I understand it will be vastly stronger at the end of this year than at the present time even though there may be a few less planes.

Quality rather than quantity is all-important when we are faced with the defense problem we have in this country where we must make American soldiers, sailors, or airmen the fighting equal of several times as many potential enemies. One good airplane is worth 25 or 100 obsolete aircraft under many circumstances. If we are going to maintain our economic strength and be ready for the guests to arrive, or for M-day, we must look at our defense program as a long-term item. For that reason we cannot afford to set up 143 or any other number of air wings or groups if they are not going to be first-class fighting units not only now but in the foreseeable future.

As to paper organizations, I have seen some of them over the years. Paper organizations may have staffs, they may have personnel, but if they do not have trained fighting men and weapons their combat value is nil. So, Mr. Chairman, I urge this committee and the House to support the bill we have brought here today. We have done our best; we have worked hard on it. We have probably made mistakes, but I do not think any mistakes we may have made are vital, and we do not know what they are. Had we known we would not have left them in the bill. I do not think this bill either provides too little or schedules it too late.

Mr. SCRIVNER. Mr. Chairman, I yield to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, it is a known fact that the Soviets have had the atomic bomb since September 1949, that they now have a stockpile of atomic bombs, that they are adding to this stockpile day by day, and, what is most important, that they have the capability of launching atomic attacks on American cities.

This thumbnail summation of the Russian atomic capability, and the evil it portends for this country and for all civilization, was fully recognized and accurately forecast back in 1947 and 1948 by the congressional Aviation Policy Board and the President's Air Policy Commission.

The congressional Aviation Policy Board, in submitting its report to the Congress on March 1, 1948, stated the following:

> National defense, in the traditional sense, is no longer possible. More devastating weapons and more competent weapon carriers than those which struck Hiroshima are in existence. The cycle of history has turned and once again civilization stands vulnerable to annihilation.
>
> It is folly to pretend that the world does not live under a sense of impending tragedy. Deliberately and continuously we are faced with the possibility of aggressive attack.
>
> It is the judgment of the * * * Board that the capability of the United States most likely to discourage an aggressor against attack upon this Nation, most effective in thwarting such an attack if launched, and most able to deal out retaliation to paralyze further attack, is airpower.

In submitting its report to the President on December 30, 1947, the Air Policy Commission said:

> Our national security must be redefined in relation to the facts of modern war. Atomic weapons will not long remain our monopoly. Other nations will have atomic * * * weapons in quantity sufficient to make a sustained attack on the United States.
>
> We need a new strategic concept for the defense of the United States. This strategic concept must be based on airpower.

Mr. Chairman, this most accurate assessment of the world situation confronting us today was based on the best information obtainable in 1947 and 1948. Events which have transpired in the intervening years have only served to point up the wisdom of the observations and recommendations of the Board and of the Commission.

What kind of an offensive and defensive force are we planning and building today to meet the atomic threat? What cold, hard logic, if any, are we applying to the creation of this force—logic which must look into the future, logic which must recognize the impact on the conduct of war of the technical revolution we see taking place all around us. We are in the era of the technological breakthrough, the era of the weapons system, of atomic stockpiles, and of the application and influence of science and technology on our force levels and force concepts. We no longer enjoy the happy asset of space. Our traditional geographical isolation has been eliminated forever.

During the 3 or 4 years prior to consideration of the fiscal year 1950 appropriation for the Air Force, a 70-group program had been advocated as the minimum peacetime Air Force capable of providing adequate security for the United States. This 70-group program had the support of Generals Eisenhower and Spaatz, the President's Air Policy Commission and the Congressional Aviation Policy Board. The reports of these two governmental policy groups were important factors in substantiating Air Force policy and the thinking of the Congress in recreating the strength of the Air Force, through an orderly expansion toward the 70-group goal.

During this same period, the House of Representatives was strongly advocating a program which would give the country an Air Force greater than the 48 groups proposed in the budget estimates for fiscal year 1950. The enactment of the National Military Establishment Appropriations Act of 1950 confirmed the position of the Congress as to the need for an increase in the strength of the Air Force.

The fiscal year 1950 appropriations bill which finally passed the Congress called for a 58-group program, leading to the 70-group buildup. President Truman impounded $851 million of these 1950 funds, thereby reducing the Air Force program from 58 to 48 groups. This move by the President, this shortsightedness of the Democratic administra-

tion, was the first major roadblock to the building of our postwar Air Force.

Mr. Chairman, it was neither the desire nor the intention of the Congress, in providing Air Force funds in excess of budget estimates for fiscal year 1950, to permit President Truman or his Secretary of Defense to impound these funds.

Article I, section 8, of the Constitution of the United States, provides the following:

> The Congress shall have the power * * * to declare war * * * to raise and support armies * * * to provide and maintain a Navy.

It is quite evident, therefore, that, under the Constitution, Congress is given the responsibility of providing for the national defense. In passing the 1950 National Military Establishment Appropriations Act, a major question of policy was determined by the Congress, funds were provided to implement that policy, but the will of the Congress was circumvented by the impounding action of President Truman.

There is no warrant, nor justification whatsoever, for the thwarting of a major policy of Congress by the executive branch, through the impounding of funds already appropriated for a specific purpose. If this principle were accepted as a matter of practice, Congress would be totally incapable of carrying out its constitutional mandate of providing for the defense of the Nation.

Had the Air Force been authorized to follow the will of the Congress and obligate the entire appropriation enacted for fiscal year 1950, we could have continued the buildup to the 58-group level—and ultimately to the 70-group level recommended by the Congressional Aviation Policy Board and the President's Air Policy Commission—and would not have been caught in the embarrassing position of only having a 48-group "second best" Air Force at the start of the Korean war in June 1950.

On December 16, 1950, world affairs and the Korean war had reached the point where it became necessary for President Truman to declare a state of national emergency. A decision was then made, belatedly, to build the Air Force to a 95-wing level not later than the end of fiscal year 1952. Public Law 759 of the 81st Congress, the General Appropriation Act of 1951, appropriated $1.711 billion for aircraft procurement. Included in this figure was $726 million impounded by the President from the appropriations act of 1950.

The main level of air strength now required to assure our national security has been carefully determined by our best military planners and thinkers. In May of 1952 the Chairman of the Joint Chiefs of Staff, General Bradley, stated that—

> The Joint Chiefs of Staff desire to reaffirm that they consider the general period of 1954 to be the most dangerous for the security of the United States in the foreseeable future.

And that—

> Based on the entire war situation, the Joint Chiefs of Staff recommend that the following Air Force and naval aviation force levels be provided in being not later than December 31, 1954:
>
> 1. Air Force: One hundred and twenty-six modern combat wings, seventeen heavy and medium troop carrier groups and supporting units, a total of one hundred and forty-three wings.
>
> 2. Navy: Sixteen carrier air groups, nineteen antisubmarine warfare squadrons, including four helicopter squadrons, thirty-four heavier-than-air plus four lighter-than-air patrol squadrons, and three marine air wings.

Once again, through a series of cuts and parings by the Democratic administration and the Department of Defense, the Air Force budget required to meet the 143-wing goal by the end of fiscal year 1954 was reduced from an initial figure of $26.7 million to $20.7 million. The fiscal year 1953 appropriations bill finally enacted by the Congress and approved by the President on July 10, 1952, precluded the Air Force from building to 143 wings until approximately the middle of 1955.

These cuts in new obligational authority and the limitations imposed by the Democratic administration on Air Force expenditures in fiscal year 1953 resulted in what has been called the stretchout.

General Bradley, commenting on the stretchout before a committee of the Congress, stated:

> In general, the effect of the stretchout on security will be to postpone until 1956 the full realization of the United States military capabilities originally planned for achievement in 1954. Thus, the stretchout program will seriously reduce the anticipated military capabilities of the United States and the North Atlantic Treaty Organization to withstand successfully any all-out attack on the part of Russia prior to 1956.

Mr. Chairman, it does not take a great military strategist or highly trained technical expert to deduce the simple fact that our major offensive and defensive effort must be keyed around the atomic bomb—around the means for its delivery and around a defense against it. These simple ground rules are not a one-way street meant for this Nation alone. They apply equally as well to the military planning of the Soviets. It is obvious, however, that as taxpayers and American citizens—and as a Nation—we cannot continue indefinitely to carry the excessively high rates of expenditures required to build, maintain, and operate a modern, highly technical military machine, without seriously affecting the American economy.

One of the first and most important tasks confronting the new Joint Chiefs of Staff, which will take office this summer, will be the reexamination of our world strategy. It will be their responsibility to review and reevaluate our present force levels and strategic concepts. I fully appreciate their responsibilities in this area and the fact that our strategic plans and our total forces are continually being evaluated and revised by the President, the National Security Council, the Secretary of Defense, the Armed Forces Policy Council, and the Joint Secretaries. This is a sound procedure. It lacks, however, one essential element—the direct participation of the people of the country in the preparation of the war plans. The role of the public in shaping national policies under a representative system of government is usually an indirect one. There are certain national policies, however, which cannot be made by the elected representatives alone—policies which reach into the very heart of the people. The defense of the country in an atomic age is one such policy—the most important one confronting the American people today.

The time, therefore, is at hand—and, in fact, has been long overdue—for a reexamination and reassessment by the people of the country of our overall national strategy—on land, on the sea, and in the air—as it relates to the balance of forces required and the offensive and defensive strategy needed to cope with the complex problems of atomic warfare. This reexamination and reassessment should be accomplished now by a high-level working group of American citizens, established and backed by the President and by the National Security Council, with full and complete authority to examine into the entire field of our military strategy; the relationship between the strength of our land, sea, and air forces, and the missions assigned to each of these forces.

This group or committee should be composed of men of the highest caliber, unbiased in viewpoint, having no connection with the Government, and drawn from the fields of management, industry, and science. They should be willing and able to devote their full time and attention to the problem for an extended period of time—approximately 12 to 15 months. Adequate funds should be made available to them and they should be authorized to employ such organizations and/or groups of individuals, including scientific institutions, as may be required to assist them in their tasks.

The group should have access to facilities which will permit them to work in a climate of warmth, understanding, and trust—one with the other—in order that they might properly develop a complete understanding of all the facts bearings on an objective evaluation of our overall strategy. The group should submit a report of its findings and recommendations to the President, to the Congress, and to the people of the United States—a report which will tell us exactly where we stand and where we should be going in the all-out atomic struggle looming ahead of us.

Mr. Chairman, that is the only way I can see to bring the Military Establishment to its maximum overall efficiency. Meantime, statutory roles and missions assignments are causing serious duplications, not only in weapons but in manpower. But worse yet is the fact that there is an urge in all of the services to "get in on the act" for fear of sinking in appropriations and affection of the Congress and the people. This has to stop.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. KILDAY].

Mr. KILDAY. Mr. Chairman, I rise to speak in favor of the amendment which my colleague the gentleman from Texas [Mr. MAHON] proposes to offer on tomorrow to add $1,175,000,000 to the appropriations contained in this bill for the Air Force. I am not one of those who

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takes the position that the military budget cannot be cut just the same as any other budget may be cut. I have felt all along that there are economies which can be effected in the military budget and in the other budgets. So at this time I do not propose to raise any question as to the cuts made by the committee in its consideration of this bill in any of the services including the sum of $224 million or $240 million which was cut from the Air Force by the committee. What I propose to discuss is the overall policy question of the program for the number of wings to be within our Air Force.

Most unfortunately this is not the first time we have had a similar or identical question before the House. My memory goes back to 1939 when we attempted for the first time to expand the Air Force. At that time we were asking that the total number of planes within the Air Force be 5,500—trainers, fighters, bombers, transport, and whatnot, 5,500. And at that time we met with violent opposition on the floor of this house. Many of the arguments of the type that we hear today for a smaller Air Force were made at that time.

I recall also that after the very bitter fight we had in the committee, which was then the Committee on Military Affairs, in 1939, in 1944 about 14 members of that committee, and I was 1 of them, were in Namur, Belgium, then close to the front and while we were there a bombing mission came over from England on its way to Germany. We watched them as they went overhead, and I reminded some of the gentlemen who voted against the 5,500 planes that up above were almost as many as we were attempting to provide for the entire service. I can say to you some of them were not pleased to be reminded of that situation and the action which they had taken just a few years before.

When we go to 1948 during the 80th Congress, when the Republican Party was in control of the House, the gentleman from New York [Mr. TABER] was chairman of the Committee on Appropriations as he is now, we had what I believe to be the identical question that we have before us today in every portion of the facts relating to it and every implication which comes from it. I was glad to hear the gentleman from Maryland [Mr. MILLER] with his long military experience, relate about balanced forces. That is one of the things involved in this discussion here today, but back in 1948 it seemed as if the question of a balanced defense was regarded as the question of balancing the money; that you would take the total amount of money to be included in the defense budget, cut it three equal ways, and that you would have a balanced defense which, of course, has never in the very nature of things been true. But, at that time President Truman took the position that there would be a total defense budget of approximately, as I recall it, $17 billion and it was divided equally between the three services, which resulted in the Air Force being short $922 million of being able to continue its program at that time of providing 70 air groups for our Air Force.

Those of us who were here then and participated in that debate and discussion recall just how bitter it became. We recall that it was quite comparable to the situation we have today as to whether or not we should have 143 or 120 wings. I might throw in parenthetically, because I have been asked, What is a wing, that a wing is a group capable of maintaining itself in the field. We used to speak of groups and now we speak of wings. So, it is a group, numbers of planes, running from 30 to 75, those planes being capable of being kept in the air by the supply and maintenance groups which accompany them within the wing. It is the field organization capable of taking the field and maintaining itself.

After we had had much discussion and much debate as to whether we would have 70 groups or not, the gentleman from New York [Mr. TABER], then chairman of the Committee on Appropriations, offered an amendment to increase the contract authorization by $822 million, $100 million less, but as he explained at that time, he felt with better procurement procedures that the $822 million would provide a 70-group program.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from New York.

Mr. TABER. But that was for fighting planes, whereas what General Vandenberg wants is transport planes and trainers of which we have plenty in stock. That is the difference between that situation and this.

Mr. KILDAY. I thank the gentleman.

But the gentleman from New York did offer the amendment to increase that authorization by $822 million in order to continue the 70-group program. That was in 1948.

Korea came in 1950, and I have a very vivid recollection of last summer and last fall hearing individuals on the radio and on television proclaiming how strong they had been for the 70-group program in 1948 so that we would not have been caught short of airpower when Korea came.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California, because he was one of those who formulated the 70-group program.

Mr. HINSHAW. I thank the gentleman. I was vice chairman of the Air Policy Board. It is true that the gentleman from New York [Mr. TABER] approved of the additional authorization of $822 million in that year, and then in the next year there was an additional $700 million appropriated by the 81st Congress, all of which totaled $1,700,000,000, which was impounded by the order of the President.

Mr. KILDAY. I am coming to that.

The gentleman from California was vice chairman of the Congressional Aviation Policy Board and I was a minority member. That also was in the 80th Congress.

The $822 million was adopted as an amendment here, much to the—what should I say? Perhaps "anger" would be the word—of the President of the United States, Mr. Truman. He had opposed any such program as 70 groups for our Air Force and seemed to be quite vindictive about it, because at the time that he signed the bill appropriating the funds for the Defense Department he issued a directive to the Secretary of Defense that if any request was made for the obligation of any of the funds contained in the $822 million, the Secretary of Defense, the late James Forrestal, was to analyze them most carefully to determine whether or not those funds should be obligated. The gentleman from California [Mr. HINSHAW] expressed it correctly when he said that the President froze those funds, because the directive which he sent to the Secretary of Defense was in all respects a freeze.

Now we have come to the same situation. I would like to say here, as a preliminary to this amendment, that we should always remember that no airplane the design of which went on the drawing board after Pearl Harbor ever participated in World War II. A long lead time is required for airplanes of new types. You must have the appropriation and the authority or you cannot order them, and if you do not order them you will not get them.

The gentleman from Maryland [Mr. MILLER] stated that the funds contained in this bill would produce the planes needed in the fiscal years 1954 and 1955. I am positive as to 1954 you will get those planes. I am not so positive as to 1955. I will say this. If you take out every dime in this bill for the procurement program, you will get just as many planes in 1954 as if you continue the funds in this bill or if you add $1,175,000,000, because those planes were ordered and the funds appropriated and authorized 2, 3, and 4 years ago. But where are you going to be in the fiscal year 1956 and fiscal 1957 unless you add to this bill the $1,175,000,000? There is the chance I do not want to take.

In 1939 the military were correct when they said 5,500 was the absolute minimum. They were proven to be correct. In 1948 they were correct when they said 70 groups, and those who voted against them were mighty sorry for it by the time November 1952 rolled around. Every military man now except the President, for whom I have great admiration, who has examined this from a military standpoint has said that 143 is the absolute minimum. Of course, the President says that it is his budget. It is. I have a letter here which shows this cut came about by the letter from Mr. Dodge, the Director of the Budget, just exactly and just identically as it came about in 1948, when President Truman said, "Your total budget will be $17 billion, and you are going to come within it." That is the way this thing came about.

I have great admiration for General Eisenhower. I have tremendous admiration for him as a military leader, but I know and you know, because you have been in Washington as I have, that he did not formulate this budget. He was not in a position to take the time to do all that. Mr. Dodge and Mr. Wilson, on

whom he must rely to balance his budget, came up with this figure. What is he going to do? Get into an open break with his own administration? He hopes to be able to carry it out, I am sure.

The President has said in his letter to the gentleman from Kansas that the new Joint Chiefs of Staff will reevaluate this matter very promptly. I am sure that is true. But suppose by fall when we have adjourned and are gone, they decide that 143 wings is the absolute minimum, as have all their military predecessors? What are they going to do about it? We have lost 6 months already because of the restrictions placed upon them within the Department. If they come up in the fall with 143 as a minimum, are they going to be able to proceed and provide what is now said by the military chiefs to be the minimum necessity? President Truman froze $822 million that we provided in 1948. Some question was raised here this morning as to whether any suggestion that the money might not be spent might constitute a reflection upon the administration. In my opinion, it does not. Ever since I have been here we have complained of most of the Government departments staying open until midnight on June 30th in order to commit all of their funds. That is something against which we have ranted and raved constantly. So if somebody is to accept the responsibility for reducing the Air Force from 143 to 120 wings, let us know who that person is. I, for one, do not want to accept that responsibility and the implications that go with it so far as the safety of my Nation is concerned. I shall vote for the additional $1,175,000,000. If others prefer to vote to the contrary, well and good, but let us have it on the record. Let us stand up and be counted on this. If the executive department says this is not necessary, let them take the responsibility. Let us make the funds available, and if they do not want to use them, they do not have to. But if they do not use them and disaster comes, it will be clear and plain to all who brought it about.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield.

Mr. SCRIVNER. If the gentleman will look at page 5, you will find in section 623 of the bill the general provisions permit the President to exempt the Department of Defense funds from any deficiency law which means that if they decide to go ahead, they have all the power and money necessary to do it.

Mr. KILDAY. After a fight of this kind in the Congress and on the radio and on the television and the speeches that have been made in the other body, should the House and Senate say that funds shall be available for only 120 wings does the gentleman mean to say after his long experience in Washington and his experience with the executive department and with the military that they will go to the contrary of what the House and Senate had done under those circumstances? Certainly, funds must be made available, if they are going to act, and if we are going to rest content that we will be secure to the maximum degree possible.

Mr. MAHON. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. PRICE], another member of the Committee on Armed Services.

Mr. PRICE. Mr. Chairman, as we debate this afternoon on the appropriations for the Department of Defense for fiscal year 1954, I hope my colleagues in the House will give serious consideration to the unwarranted cuts in funds for the United States Air Force.

I am certain everyone in the House wants America to have the world's best air force. I am sure there are a great many of my colleagues who mistakenly believe the United States now has the No. 1 air force. If they did not so believe, I feel they would not be giving encouragement to the ill-advised reduction in Air Force funds.

The issue before the Congress in the matter of reductions in appropriations for airpower is a simple one: Should the United States have a No. 1 air force?

If we want America to have the best air force in the world, we should favorably consider amendments which will be offered to the appropriations bill which will restore at least a substantial part of the funds cut from the Air Force budget by Secretary of Defense Wilson.

If we want the best air force, we must restore these funds to attain it.

If we agree with Secretary Wilson and appropriate funds sufficient only for the second-best air force, then we are being extravagant, because we will not be providing adequate protection for our investment in national security.

Wilson's recommendations for airpower cuts are extravagant as well as dangerous, and threaten our national survival. His action folds the umbrella of our aerial protection.

The jokes about the Soviets' fantastic claims for inventions they have discovered have become standard. I am surprised that the Soviets have not yet laid claim to inventing the game of poker. Certainly in the game of international poker politics we have much to learn from them. We can no longer afford to let our laughter keep us from learning from these people we still think of as the "backward Russians."

Regardless of who invented the game of international poker politics, the Soviets have shown that they are top-notch players. No one can keep a better poker face. They know when to bluff. They know when to stand pat. They know when to throw in their hand and wait for the next deal. They know that when the chips are down the second best hand is no good.

I had always thought Americans knew how to play poker too. That is why it is so hard for me to understand why we are apparently willing to have a second-best Air Force. Maybe we do not realize the stakes we are playing for—our national survival.

At any rate we do not yet seem willing to admit that we have come of age. Instead of admitting the facts of life we persist in living in an adolescent dream world of peace, prosperity, and a balanced budget. Let us not lose sight of those ideals, but let us recognize present realities.

The simple fact is that our Air Force, if not a one-shot air force, is right now no better than second best. The new budget as drawn up by Admiral McNeil and supported by Wilson is apparently designed to make sure that our Air Force stays that way.

The Soviet Air Force itself has more than 20,000 aircraft assigned to combat-type units. This represents more than twice the number in the combat units of our Air Force, Navy air and Marine air combined. They have an additional 20,000 aircraft in reserve.

Total numbers do not, of course, tell the whole story. The quality and type of its airplanes have a great deal to do with an air force's capability. In the past, we have tended to be complacent about the quality of the weapons produced by other countries because of the great faith we have in our technical know-how and mass production methods. We can no longer afford to be complacent about the quality of the Red Air Force.

About half of the planes assigned to the combat units of the Red Air Force are now jets. It has been estimated that within a few years they will have virtually an all-jet air force. Some people like to take comfort from the fact that our F–86 has been shooting down the MIG–15 at a rate of better than 10 to 1. We should not rely too much on this fact, however. First of all, we should realize that the F–86 is the only aircraft we have assigned to combat units which is better than the MIG. We should also remember that the Communists have used Korea primarily as a training ground for their pilots. By using better pilots, and it appears that they do have better pilots, the score might not be quite so lopsided. We should also not lose sight of the fact that the production of MIG–15's far exceeds our production of F–86's. Lastly, we cannot afford to ignore reports on the production of improved versions of the MIG.

When we come to the field of light bombers, the Soviets have a decided advantage. They have hundreds of twin-jet light bombers. By contrast, we do not have any assigned to combat units. These twin-jets are capable of hitting any spot on the European Continent from bases behind the Iron Curtain. When we consider this formidable tactical air support along with the overwhelming size of the Soviet Army, the position of our troops in Europe seems precarious indeed. It is easy to understand why General Ridgway says that airpower is the weakest link in NATO's defense. I, for one, do not see how our Army in Europe would have even a reasonable chance of survival in the event of a Soviet land and air invasion of Western Europe.

Yet this cut in the Air Force's budget seems to hit hardest at this very part of our airpower—those units intended for the tactical air support of our Army. Instead of 40 combat tactical Air Force wings, we are only to have 25. It really seems to me that the whole concept of our defense of Western Europe needs to be reevaluated. Even without this deemphasis on our air support of the NATO

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organization, I question whether we are building a force that has any realistic hope of stopping a Soviet invasion of Western Europe. I wonder whether we should not place even more emphasis on airpower for the European defenses. To my mind, more airpower for Western Europe with less emphasis on the stationing of American troops there promises a more realistic strategy. I am sure that this problem will be considered by the new Joint Chiefs of Staff. For our security and the lives of our people, let us hope that they will not be rigidly bound by the outmoded concepts of traditional warfare.

Fortunately, when it comes to strategic air strength we are in a somewhat better position. The existence of our strategic air arm with its capability of atomic attack has unquestionably been the main deterrent to all-out Soviet aggression since the end of World War II. Although we no longer have a monopoly on the A-bomb, our capability of delivering a powerful attack on the Soviet homeland is still bound to give the Soviet leaders pause.

We still have more long-range bombers than the Soviets, but they have more than enough for an all-out atomic attack against the United States.

Recent estimates indicated they have about 200 atomic bombs. In 2 more years they are expected to double this number.

It is true that the bulk of the Soviet strategic air arm is made up of their version of our B–50, but they are also reported to have a transcontinental bomber comparable to our B–36. I have seen no authoritative figures on how many of these heavy bombers they have, but it would seem reasonable to assume that they have been able to build quite a number since this aircraft was first identified more than 2 years ago.

Against this long-range Soviet atomic capability we have no adequate defense. The Air Force has always recognized that its air-defense wings represented a submarginal force. I am able to gain little consolation from the fact that Mr. Wilson's budget does not call for any reduction in this force which is already submarginal. By contrast, the Soviets have an elaborate warning system with between 3,000 and 4,000 MIG's.

These facts of Soviet power are not new. In fact, Soviet military power has developed during the last 2 years substantially as predicted. Logically, this development would seem to confirm the wisdom of our military program which was designed to keep pace with this development.

Childlike, we are apparently unable to fix our attention on any project for a reasonable period of time. Childlike, we ignore the facts because there are no new scares. We are getting tired of the same old bogy man. Maybe the Communists are right; maybe we do not have the guts to face up to the problem; maybe we are temperamentally unable to create strength and remain strong over an extended period of time.

Most of us had, of course, recognized the difficulty of maintaining our military strength for the 10 or more years which we were told might be necessary. I would never have thought, however, that Americans were so devoted to the idea of a firmly balanced budget that we would be unwilling to build the minimum military power for our Nation's security.

Despite the catchy slogan "more defense for less," that is just what we are doing. Maybe we will be building almost as many combat planes, although this is open to considerable doubt, as I pointed out 2 weeks ago. Maybe we can cut down on our orders for combat planes next year and still get them when we need them, although this too is open to question.

But an air force is made up of more than combat planes. An air force must have men to fly the planes, and bases from which to fly them. It must also have noncombat planes for its own support and the support of the Army. And most important, all the elements must be phased in together into organized wings so that the potential of the individual elements of airpower can be transformed into combat-ready power in being.

No responsible person has challenged the need for a combat-ready force of 143 wings in the light of the Soviet threat. The juggling of numbers may obscure certain facts. But no juggling of figures can change the fact that this abomination we call a budget will give us 23 fewer combat wings in being.

On the one hand, we know that the Soviets' air defense system is being rapidly improved. On the other, we cut back 5 strategic wings. On the one hand, we know that the Soviets are improving on their existing capability of all-out atomic attack on the United States. On the other, we take pride in the fact that we are not cutting back on our submarginal air defense wings. On the one hand, we are fully aware of the capability of the Soviets' tactical air strength in the Far East and in Europe. On the other, we cut back 15 tactical wings, niggardly refusing our soldiers the air support they have a right to expect and further weakening the weakest link in the NATO defenses.

On the one hand, we recognize the importance of mobility in modern war. On the other, we cut back 3 troop carrier wings. On the one hand, we know that the increasing complexity of warfare requires strong support units. On the other, we cut out flying units totaling 4 wings, 11 groups, 47 squadrons, and 2 flights, plus 89 nonflying support units. If we keep up at this rate, we will not longer have a second-best Air Force. We are likely to end up third best.

For some reason, people just do not seem to understand that a cut in wings means a cut in airpower. We can all understand that a cut in Army divisions or in Navy combat ships means less fighting power. Why do we refuse to recognize facts when it comes to Air Force wings? Maybe we are too old. Maybe we will have to wait until a younger generation with an understanding of airpower takes our place. But that will probably be too late, so let us look at the effect of the new budget on some of the elements other than wings.

One thousand one hundred and fifty aircraft are deleted, including 200 B–47's and most of the new C–123 assault transports intended to increase the Army's mobility. Orders for 700 aircraft will be deferred, including not only transports and trainers but also fighters and bombers. The pitifully small aircraft combat reserve is eliminated entirely.

Research and development funds are cut from the Air Force April estimate of $542 million to $440 million. Some 3 to 5 years from now we will appreciate the full impact when we compare our outmoded aircraft and weapons systems with the latest Soviet models. I suppose we are expecting too much from our production expert. We cannot expect him to appreciate the importance of research for the future as well as immediate production.

Civilian personnel are cut almost 25 percent, from almost 400,000 to a little over 300,000. Military personnel for next year are cut from the April estimate of $1,092,000 to 960,000—or 20,000 below present strength, while wings are supposed to go up by 10. The annual pilot-training rate is cut from 12,000 to 7,200. These facts will not only require the Air Force to release trained men but will make it impossible to have enough trained men for the 143-wing strength until after 1957, even if the 143-wing goal is reaffirmed later this year. At the same time, we are severly restricting promotions. At the same time, we are increasing their cost of living. I suppose we are expecting too much from our production expert. We cannot expect him to appreciate the importance of personnel and their morale.

The planned base structure is cut severely. This is not, of course, at issue right now since base construction is to be handled in a separate bill. I suppose we are still expecting too much from our production expert. We cannot expect him to appreciate the importance of adequate bases properly dispersed.

Flying hours are to be cut from 10.6 million to something below 8.1 million. The number of hours required for proficiency flying for a pilot is to be cut from a minimum of 100 hours a year to a maximum of 48. This action as much as any other shows the real design of the budget—the wrecking of the Air Force. It strikes at the very heart of the Air Force's striking power. Next year as the toll of plane crashes and deaths mounts, we will want to forget that we were responsible for reducing minimum flying proficiency requirements in the interest of a short-range, false economy. Again I suppose we are expecting too much from our production expert. We can't expect an auto producer to appreciate the need for flying practice if our Air Force is to be combat ready.

But let's not compound the failings of our production expert. Let it not be said that this Congress out-Wilsoned Wilson.

Instead, we should insure that our present second-best Air Force will be given a chance to become the best Air Force in the world at some reasonable date in the future. We cannot, of course, turn back the hands of time. It is already impossible to have a 143-wing Air Force by 1954 or even by 1956. At the very least we should add to this bill the $1,415 billion which is the minimum necessary now for 143 wings by 1957.

At the very least, we should eliminate the restrictive section on flying hours which cuts at the heart of the Air Force.

We should provide money for the 447 additional aircraft General Vandenberg says the Air Force needs, as well as 50 million more for other procurement. We should provide money for a force next year of 1,035,000 so the Air Force will be able to train enough men to man 143 wings by 1957. We should provide money for the maintenance and operations funds so that the Air Force can have a sound flying hour program. I do not see how we can dare to reduce Research and Development below Mr. Wilson's ceiling.

Let us balance the men, the planes and the bases of our Air Force first. Then we can tackle the problem of balancing the budget. When our men are slaughtered in the Far East, when our troops are pushed out of Europe, when our homes and factories are blasted by atomic attack, we will gain little consolation from the fact that in death we stuck to our principle—a firmly balanced budget. Soldiers used to be proud that they died with their boots on. Are we to be proud that we wore a sound fiscal policy to our graves?

Vandenberg restoration ($1,175,000,000) plus committee cut ($240,000,000)

	Delete	Insert
1. Aircraft and related procurement	$3,495,000,000	$3,848,000,000
2. Major procurement other than aircraft	600,000,000	675,000,000
3. Maintenance and operations	3,050,000,000	3,800,000,000
4. Military personnel requirements	3,270,000,000	3,472,000,000
5. Research and development	440,000,000	475,000,000

The above will constitute an increase of $1,415 million which will restore the cuts made by the Appropriations Committee and provide for the additional funds requested by General Vandenberg in reference to the budget submitted by the Secretary of Defense. Although General Vandenberg had requested $1,435 million, this figure included $260 million for acquisition and construction of real property which is not covered by this bill. If you wish to restrict yourselves to the $1,175 million Vandenberg restoration, the amendments would be as follows:

Vandenberg restoration ($1,175,000,000)

	Delete	Insert
1. Aircraft and related procurement	$3,495,000,000	$3,848,000,000
2. Major procurement other than aircraft	600,000,000	650,000,000
3. Maintenance and operations	3,050,000,000	3,650,000,000
4. Military personnel requirements	3,270,000,000	3,442,000,000

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. Does the gentleman mean to express his opinion to the effect that at the moment we have not the best Air Force in the world?

Mr. PRICE. That is exactly what I am saying. And I think that any Member who thinks that we have is making a mistake.

Mr. MILLER of Maryland. The gentleman means to say, then, what he apparently is saying, that he does not think we have the best Air Force in the world?

Mr. PRICE. That is exactly what I am saying, and I think the Members of the House should realize it and should cast their votes tomorrow in favor of the amendment which will be offered by Mr. MAHON of Texas to make certain that we do have the best Air Force in the world. The cuts in appropriation for air power must be restored in the interest of national security.

Mr. SHEPPARD. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois [Mr. YATES], a member of the committee.

Mr. YATES. Mr. Chairman, I take the time of the committee to call attention to an amendment which I propose to offer when the bill is read under the 5-minute rule. I believe the committee has done a good job on the whole with respect to the Army section of the bill. Yet in one respect I think the funds are inadequate. The fault is not the committee's, however, it is that of the Department of the Army in not having requested sufficient funds with which to carry out a training program which I consider to be essential not only to our national security but also to the development of our young men.

On January 1, 1952, the Junior ROTC program consisted of 383 officers and 799 men. Last year the Army set about systematically cutting down the number of officers and men who were assigned to the Junior ROTC program so that in the city of Chicago, for example, the officers who had been assigned to that program had been reduced by 87.5 percent and the number of enlisted men by 55.4 percent. I understand that comparable reductions are taking place throughout the country. It seems to me after having gone through the debates on universal military training that we had in the House a few years ago, remembering the efforts that were being made at that time to find some program for training our young men in the high schools of the country rather than compelling them to undergo universal military training at the conclusion of their high school education, it seems to me it is only commonsense to evolve a good program for the training of young men who are going into the service. Such a program should be effective and a high school ROTC program can be effective. I propose when I offer the amendment to restore the strength of this program to what it was on January 1, 1952, when it was carried out on a reasonable basis.

Mr. SHEPPARD. Mr. Chairman, I yield such time as he may desire to the gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Chairman, I am deeply disturbed by certain aspects of this bill.

Much of the debate on the cut in the Air Force budget seems to gloss over two fundamental facts. The first is that the Communists have time and again made crystal clear their intent to secure the eventual domination of the world. Although Communist policy may zig or zag according to the opportunities of the moment, they have never lost sight of their aim of conquering the world. The second fact is that the Communists have the greatest military machine in the world.

Now I do not believe that we need a military establishment as huge as that of the Communists. We are a peace-loving Nation. We have no designs to conquer the world. But we must have military forces which will discourage the Communists from trying to complete their plans for world conquest by military means. We must have military forces which will stop them in their tracks if our strength does not deter them from trying.

Thus we should not be arguing whether the proposed budget will provide 110 or 114 wings next year. We should not be arguing about unobligated and unexpended funds. We should not be arguing about the mistakes the military services have made in construction or procurement. We should not forget about economy. We must continue to insist that the armed services make every effort to get the most defense possible per dollar. But we must not allow these side issues to obscure our goal. We must provide a budget which will give us a reasonable degree of security in view of the known Soviet threat.

The size and nature of that threat are not new. Apparently, we are inclined to forget about it, because we have been living with it so long. We cannot afford to be forgetful or complacent. I think a brief reminder of the strength of the Red military menace is in order.

The Soviet Army itself numbers more than 3 million men. This is, roughly, twice as large as our Army. The Russians, however, do not have the same high standard of living as we do. They do not worry about decent food, clothing, medical attention, and recreational facilities which we feel our boys are entitled to. Thus, the Soviet Army with less overhead has over 175 divisions. Even when we take into account the fact that their divisions are somewhat smaller than ours, it is obvious that their combat strength far exceeds the 20 divisions in our Army. But this is not the whole picture.

When we count the military forces of the Soviet satellites in Asia and Eastern Europe, we arrive at a staggering total of between eight and eleven million men under arms. These are standing forces. They do not include the huge manpower reserves provided by the Asiatic hordes. We must not forget that with the advance of Soviet technology, these armies are more than large masses of men. They are modern, well-equipped forces. The excellence of Communist tanks and artillery in Korea have shown us that they do not depend on numbers alone.

Many of us like to take consolation from the statement that the Soviet Union is strictly a land power. We like to feel that even though the Soviets could easily overrun Western Europe or Iran or French Indochina, that the United States itself is safe because the Soviets have no Navy. This is no longer true. In terms of men, the Soviet Navy is three-fourths the size of our own. It

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is true, of course, that the air strength of the Soviet Navy poses no great threat. The Soviet submarine force, however, should give us real concern. The Soviets are reported to have more than 370 submarines. They should have been able to equip most of them with the schnorkel, or underwater breathing device. Thus, they have a much larger and more modern fleet that the German U-boats which took such a heavy toll of our shipping during World War II.

The most important fact, however, is that the Soviet Air Force is now the largest and most modern in the world. Not counting the growing air strength of her satellites, the Soviet Air Force itself has more than 20,000 aircraft in combat-type units. This is more than twice the number in organized combat units in all of our military services. Furthermore, more than half of these 20,000 are already jet-propelled, and within a year or two we can expect the Soviet Air Force to be made up almost entirely of jets. They also now have an additional 20,000 aircraft in reserve. In their long-range bombing force they have about a thousand planes which are capable of hitting most of the strategic locations in the United States. Three months ago Hanson Baldwin estimated that the Soviets had between 75 and 160 atom bombs. Think what havoc the Soviets could wreak using only 50 bombs on our population and industrial defenses.

It seems obvious that the United States cannot hope to match the Soviet military strength on a man-for-man basis. Even if we shared their disregard for human life, we just would not have enough people. We must, therefore, depend on the greater mobility and greater firepower of our military forces.

It is only common sense then that the Joint Chiefs of Staff arrived at the decision to create an Air Force of 143 wings. Each review by the Joint Chiefs since this goal was established has reaffirmed the need for that goal. I know of no responsible military opinion which has challenged the need for a 143-wing force. As a matter of fact, the air experts have continually pointed out that a combat-ready force of 143 wings represented the absolute minimum for adequate national security. I understand that if the Air Force had its way, we would establish a minimum of 155 wings.

For the sake of our Nation's well-being, let us forget about the side issues, let us establish a bipartisan military policy. Let us create a military force that gives us at least a minimum degree of security. If, on the grounds of economy, we insist on a force which is below the minimum, we might as well go all the way, and do away with our standing forces completely.

Common sense demands that we continue to build a modern 143-wing Air Force as fast as possible until the responsible military opinion of the new Joint Chiefs tells us that a new national strategy no longer makes it necessary.

Mr. SHEPPARD. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. YORTY].

Mr. YORTY. Mr. Chairman, ever since this cut in the Air Force was first announced I have tried as diligently as I could to find out what the basis for the cut was. I have studied the record, I have listened to the testimony, I have made inquiry of the Defense Department and other departments, and after studying it over the only conclusion I can come to is that these cuts get back to the campaign promises made last year which could not be kept, promises which we pointed out at that time could not be kept, such as balancing the budget and cutting taxes, without weakening our defenses.

This budget, the gentleman from Kansas [Mr. SCRIVNER] has said, is adequate because he has faith in the Almighty and he is certain that we do not have to have as much fear as some of us feel from the lack of the best kind of a defense that America can possibly devise. I share his faith in the Almighty, but I do have some fear about this situation, because I feel that this budget is based upon the worship of Mammon. If we are going to base our security on defeatism, on an exaggerated notion about the economic strain or lack of the capacity and ability of our country to produce the defense we need, we are certainly taking a chance with the liberty and the freedom of the people of America that is not warranted.

It is unprecedented for the Congress of the United States, and an administration, in the midst of an unresolved war, where we are on the battle line, where our boys are actually fighting, and where, in addition to that, we have a cold war that can get hot in many places at any time, to announce that we cannot go ahead with the kind of a defense of the United States that will give us at least a minimum level of security. And that phrase "minimum level of security" is not mine. It is the one used by the Joint Chiefs of Staff when they set up the force levels for the three services and the Marine Corps.

We are already in Korea, I think, seeing the results of this defeatist attitude at home—this announcement that we cannot go forward and build the strength that America ought to have; that we cannot go on and build the biggest Air Force in the world. We are finding that the diplomatic blunders that have been committed over there, the giving of the truce terms to the South Koreans only 1 hour before they were handed over to the Communists, with the loss of face to Syngman Rhee, against which he acted violently, as we might have known he would—with those diplomatic blunders and with the announcement at home that we are weakening our defenses, now the truce that we evidently could have had is hanging in the balance, with our enemies encouraged by the defeatist attitude of the administration at home this defeatist gospel that America has to quit in this race toward supremacy in air power; that we have to concede superiority during the next few years, at least, to the forces of the Communists.

I think it is very significant that the Joint Chiefs of Staff who originated and who approved the 143-wing force level for the Air Force were not consulted when this cut was decided upon.

I think it is singular, too, that General Twining, the new Chief of Staff of the Air Force, has already had his new look, and he says that we need the 143-wing program. General Ridgway, in testifying before the Committee on Foreign Affairs of this House, said, that if this cut affected the forces in NATO, that he was against it. How could it help but affect the forces of NATO when you are reducing your tactical wings from 40 down to 25?

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. YORTY. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I would like to ask the gentleman if the newspapers this week did not report that we shot down 78 planes in Korea, and for the last 2 years we have been doing the same thing, with very little damage so far as we can ascertain, to our own planes? Does that not show that our Air Force is up to its maximum in doing what it is expected to do?

Mr. YORTY. If the gentleman has studied the situation, as I know he has, over in Korea you are having no test of airpower. As you know, the Communist planes, outside of a few nuisance raids lately, are not committed to all-out battle over there, and we are not. So, you do not have any real test of airpower in Korea, and the opinion of experts is that the Communists are using their interceptors near the Yalu for training purposes only, and are not leaving their best pilots there. So, I do not think you should use Korea as a basis for deciding anything about the strength of our Air Force or the ultimate effect of airpower when fully applied.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. YORTY. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I think probably if the gentleman will just read the figures which, of course, cannot all be made public, he will find there is no cut as he has suggested from 40 to 25 tactical wings.

Mr. YORTY. I will say that I have read the figures, and they were made public over in the other body, and the figures given us show a cut from 143 to 120 wings, which included the elimination of 5 strategic command wings, and I call the gentleman's attention to the fact that that is the only force we have to retaliate at once against our greatest potential enemy in case they attack the United States. In addition to that, the record shows that the 120-wing goal would reduce the tactical command from 40 fighter bombers or tactical wings down to 25.

Mr. SCRIVNER. I think he will find, if he will read the record, there would be no light bombers for those tactical wings about which he is speaking. They are not ready for production and delivery.

Mr. YORTY. The gentleman may, if he reads the record, also find that they cut out three wings of B–47 bombers. They classified them as trainers, but those B–47's which would have been used to train crews on such planes could have been available for strategic missions, and they will not be available because of these budget cuts.

Now about this new look—we were told that this is only an interim goal, and, of course, that interim description was used after the administration backed down on the original announcement that they were simply cutting the Air Force back. They devised this interim idea, claimed this was only an interim goal. They said they would give us less wings a few years from now, but a chance then, maybe, to go back toward adequate defense strength. The so-called reduction of lead time is misleading. If I had the time I could show it is not always a saving in appropriations; it is merely a postponement. If you say we do not have to order the planes this year because we can produce them faster and wait to order them until next year, this simply means that we have to appropriate more money next year. That means maybe less appropriations this year but more next year.

In view of the directive from the Bureau of the Budget to the Department of Defense and the other departments, I cannot see how by postponing these appropriations from this year to the next you are going to carry out the fiscal goal announced by the administration for next year, namely a balanced budget. Here is a letter that Mr. Dodge wrote to the Secretary of Defense. He told him to start cutting down on expenditures right now. When he wrote it, and that was on May 7, he said, "We are going down to an expenditure limitation next year of a little over $15 billion. In order not to have an abrupt drop at the end of the fiscal year, we want you to start cutting back to that expenditure level right now." So of course Secretary Wilson started wildly throwing on restrictions and freezes and all kinds of contradictory orders. He threw the whole Air Force program out of gear. So, as all of you know who have studied the situation or the record, even if you restore the funds now the whole program is delayed at least 6 months and probably longer.

In fact this is the only reason why the comparatively small increase which will be offered by the gentleman from Texas [Mr. MAHON] tomorrow would put us back on the road toward the 143-wing goal, but that can only be done if the Wilson restrictions are taken off. If I had time, I have copies, and I could show you some of the restrictions that were sent by the Secretary of Defense to the Air Force. These threw the whole program out of gear.

Getting back to this directive from the Bureau of the Budget to the Secretary of Defense, after telling the Secretary to cut down toward the expenditure limitation level which they expect to reach the next year, he said this:

> Also, you are reminded that action on the fiscal year 1954 level of expenditures should be related to the budget objectives for fiscal year 1955.

Therefore the Department of Defense is under orders during this next fiscal year to start chopping down to where they can actually have a figure that will balance the budget in the following fiscal year.

In view of that, what is this new look going to amount to? Are the Joint Chiefs going to be given to understand that in taking their so-called new look and recommending the force levels we should have for security, they are not going to have to watch the fiscal authorities in the Government ignore their advice and refuse to give the United States a reasonable level of defense because of the fiscal program they are outlining in this letter, and because of the promises they are still making in many of their speeches about a balanced budget for next year, and also tax reduction?

There has been a great deal of talk about how this budget came about and what evidence it was based upon, but Secretary Wilson indicated over in the other body that the cut was not based upon any testimony or evidence at all; in fact, that is exactly what he said. He was talking about General Vandenberg and his testimony relative to the need for the 143-wing program. Secretary Wilson said:

> I think he did the right thing of saying just what he thought to you people. I think you ought to weigh it in the light of what he said. He said he still thought that was the minimum requirement to defend the country. There is no testimony or evidence to the contrary. I am not claiming that there is.

Mr. Chairman, I have tried to discover if there is evidence to the contrary. I have not found any, except in the fiscal testimony to the effect that we must balance the budget even if we take a greater risk or we are going to bankrupt the country, especially if we go on with the 143-wing program.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. YORTY. I yield to the gentleman from Michigan.

Mr. FORD. I think the gentleman from California shows an amazing lack of knowledge and information as to how a military budget is prepared by the executive branch of the Government in the first place. This revised military budget throughout was based on a careful, analytical study of each and every item. To say that no testimony was taken on it shows an amazing lack of knowledge as to what takes place when a budget is made up, but that is understandable for he has had no experience in this field.

Mr. YORTY. The gentleman himself shows a lack of knowledge of how this budget was made up. There was no testimony taken on this budget as far as Mr. Wilson was able to ascertain before he submitted it to the Congress. Of course, it is obvious there was a lot of testimony taken here in the Congress. The record shows that. But Mr. Wilson did not base it on any testimony.

I want to say this further, quoting Mr. Wilson on how this budget came about. When he was asked how it came about and tried to pass the question over to Secretary Kyes, Senator HILL said to him:

> I was asking you. You had the primary responsibility.

This is what Secretary Wilson said:

> I was in Europe. Before I left I had a conference with the President and I told him what I thought we could do. I did not divide it up between any number of wings, or between how much the cut would be for the Air Force or the Army, or anything else. But I said our studies had shown, including the one we had made when we tried to cut it down to where we balanced the budget, we had a whole bunch of figures and we were working day and night on them and Mr. McNeil here has been through it so many times that he is really not so bad on the figures in getting them together. I do not know how he does it like he does.
>
> I went to Europe. When I came back I found some figures, I went over them quickly. They were satisfactory to me. I could see where this lead time and this big amount of money that have been carried over and had not been spent; here is a big sheet, I have it all on here. I am sure it is a good sound program.

So you see the Secretary went to Europe and when he came back, he found some figures. He went over them quickly and that is how the defense of the United States is to be handled by this particular Secretary of Defense.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. YORTY. I yield.

Mr. SCRIVNER. Would it not be reasonable in view of the statement that has been made by the President to suppose that these figures which Mr. Wilson referred to came from the National Security Council and were concurred in by the President, of course?

Mr. YORTY. You know if you followed the testimony on the other side what happened? A budget was submitted to the Security Council. It was a gross amount not broken down as to Services. General Vandenberg was present as Acting Chairman of the Joint Chiefs. He was not asked to comment, and in fact could not have protested because nothing was said about how any cuts would be applied. From the record, it appears that Mr. Wilson then went to Europe. When he came back Mr. McNeil had some figures which he went over quickly and approved. Later he and Mr. Kyes were surprised when Secretary Talbott called the result to their attention. They were surprised that practically all the cut was in the Air Force budget.

Mr. SCRIVNER. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. OSTERTAG], the acting chairman of the Navy's subcommittee.

Mr. OSTERTAG. Mr. Chairman, at the outset I want to tell the Committee that this is my first experience as a member of this important Armed Services Appropriations Subcommittee. It has been a distinct pleasure and a privilege to work with the members of this committee. I also want to mention that under our setup, the gentleman from Massachusetts [Mr. WIGGLESWORTH], has served not only as chairman of this subcommittee but also as chairman of the sub-subcommittee on the Navy. I am sure we are all of the same mind and feeling and heart in wishing him a speedy recovery and his rapid return to his duties in the House of Representatives. I pay tribute also to my good friend and colleague from California [Mr. SHEPPARD], who is the minority member of the sub-subcommittee on the Navy. He has been very kind and considerate to me as a freshman member of this important committee during our deliberations. It is a pleasure to work with him, and I

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suspect that he has forgotten more about the Navy than I shall ever know.

Mr. Chairman, the defense bill which is now before us, represents the concerted and dedicated efforts of members of the Appropriations Committee, from both sides of the aisle, to strengthen this country's defenses. We have sought to take waste and extravagance out of the defense program. We have sought to eliminate duplicate and overlapping services. We have sought to get down to realistic estimates of our needs and capabilities, and to provide funds to meet those estimates.

It is sometimes said that, in these huge appropriation bills, we must deal with departmental requests either with faith or the meat ax. In this case, however, our faith was supplemented by careful, analytical scrutiny of the departmental requests, while the meat ax was discarded entirely in favor of sharper and more precise tools.

I should like to say at this point, that the committee's labors were immeasurably assisted by the work of our staff of investigators, who, in the comparatively short time at their disposal, amassed a vast amount of information for us, which proved invaluable to our deliberations.

Without this information, we would be brash indeed to come here today and advise you that the budget could safely be reduced by another $1.3 billions. But on the basis of this material, we can do so with complete confidence.

I certainly could not let this opportunity pass without also paying tribute to the tireless and devoted work of the committee staff itself, whose unremitting efforts were a key factor in the accomplishment of our gigantic task.

If you will examine the bill carefully, together with the report and the hearings, you will find that the amounts recommended represent a careful balancing of requirements against production capabilities, and within that framework, I believe you will agree that ample funds have been provided to do the job.

Our overriding concern was not dollars, but strength. If we could have been shown that more dollars would have provided substantially greater strength, I assure you we would have recommended them. On the contrary, the huge carryovers from previous appropriations are themselves the best evidence, that it is planning and production that are the bottlenecks in our defense buildup, rather than insufficient funds.

We have no evidence that essential planning or production were stymied through lack of funds, but we received extensive and documented evidence that an overabundance of funds had led to many types of waste, duplication, and inefficiency. In fact, one group of contractors who were canvassed by the committee's investigators pinpointed a wide variety of avoidable faults in the field of planning and production. Without going into detail, I might say that more than half of the contractors queried, found that their production costs were substantially increased because orders were placed by the services before the products were adequately tested or were ready for quantity production; more than three-fourths found that the contracts were too tight in relation to the primary need for the product; and an almost equally high percentage felt there was unnecessary waste and red tape in the negotiation and renegotiation of contracts. A large number of similar faults were disclosed, and the contractors estimated that, if they were avoided or eliminated, savings ranging up to 30 percent of the contract prices would result.

It is not my purpose to find fault, or to deplore what is past. We have sought to profit by these findings, however, and to present to you a budget which is not designed to underwrite such practices, but rather to encourage avoidance of them, a budget whose sole objective is to provide maximum strength in land, sea, and air forces to defend this country. In this objective, there is no such thing as partisanship. Everyone of us has but one goal where our country's safety is concerned. If this budget is substantially lower than the estimates contained in the January budget, and even lower than the revised estimates, we are convinced that it is also geared to greater strength and efficiency. I might add that, with a continuance of the policies now being established in the Defense Department, we have every reason to hope that, barring all-out war, we may achieve in another year, even further cuts and an operational program approaching the high-powered technical efficiency that has made American arms the envy of the world.

Finally, while I am speaking of the bill generally, I want to emphasize that, for the first time, it contains a recommended sum, in excess of $2 billions, for the conduct of the Korean war. We have learned through bitter experience that the Korean conflict is one of the grim and major facts of life in this age of peril. We have learned, that defense begins where the boys from home are actually fighting, namely, on the bloody ridges of Korea. We have learned to plan for this fact, and not after it.

With respect to the appropriation for the Navy, Mr. Chairman, the committee recommends a total of $9,384,383,000 for fiscal 1954. This is some $2 billion less than the January budget estimates, and $398 million below the revised estimate.

The committee is also recommending a rescission of $250 million from the Navy stock fund.

The objective of the Navy's program this year is not numerical expansion, but the maintenance of operating forces in a high state of combat readiness and effectiveness, through the modernization of aircraft and of combat vessels, the acquisition of new combat vessels and the acquisition of other types of equipment now on order. This was the objective as stated to the committee by the Secretary of the Navy, and the committee is in full accord with it.

In general, the bill provides for the operation of 1,131 ships and vessels in the active fleet, with new and more modern vessels, completed during the year, replacing obsolescent craft. Thus while the current strength of the fleet will be maintained, its fighting capabilities will be increased.

Construction of new vessels is provided for at a substantially higher rate than in 1953, though below the rate envisioned in the January budget. The third large carrier of the *Forrestal* class is included. As you know, the Navy hopes to construct 1 such carrier each year for 10 years. Two are already laid down, the first of which, the *Forrestal*, will come off the ways in 1955. The second, the *Saratoga*, is expected to follow shortly thereafter.

Carriers, of course, are the Navy's primary offensive weapon. The *Forrestal* class provides highly mobile air bases for every type of aircraft in our naval air program. Both the defensive and offensive capabilities of these huge vessels are tremendous, because of the anti-aircraft protection provided on the carriers themselves, and on the accompanying task forces. It is important to keep in mind, in that respect, that not one of the fast carriers of the *Essex* class was lost in World War II; and the protective features, both in construction and armaments, on the *Forrestal* class have been greatly improved as compared with the *Essex* class.

I might say here that we now have 3 carriers of the *Midway* class and 24 of the *Essex* class, in addition to the *Forrestal* class. We also have the *Enterprise* in the mothball fleet, although her combat potential is probably not very great. Fifteen of the *Essex* carriers have been or are being converted to carry modern planes and weapons.

Altogether there are 1,500 ships in the so-called mothball fleet for which provision has been made for modernization and upkeep. These are an important part of our mobilization reserve.

With respect to operating aircraft for the Navy, the bill provides for maintenance of the currently authorized and active strength—that is, for 9,941 planes. The January budget called for an additional 759 aircraft. However, as in the case of the active fleet, it was felt that it would be preferable to strengthen the combat capabilities of the existing wings with a constant access of new, high-performance aircraft, than simply to expand the air arm numerically. Thus, the carrier air groups and marine air wings will be maintained at current strength, but with increased combat power.

The aircraft procurement program is geared to produce an airfleet 80 percent modernized by December 1955. A total of $7.4 billions in unexpended but obligated funds for aircraft will keep a constant flow of new planes feeding strength into our naval air arm through 1954 and 1955, so that its combat potential will continue to climb steadily.

The Marine Corps will be maintained at a strength of 3 combat divisions and 3 combat air wings.

Some reduction in naval and marine personnel is contemplated, but in no case is this to be accomplished at the expense of fighting strength. The bill envisions naval strength of 745,066, which is a reduction of 47,884 below the June 1953 strength, while Marine Corps strength of 230,021 will be some 19,821 before the present level. In the case of the Navy, the reductions will be made in shore support activities, and the marine reduc-

tions will be accomplished in combat support and housekeeping units.

The bill provides for increased pilot training, and it contemplates a substantial strengthening of the Naval and Marine Corps Reserves in the conviction that they are vital to our total defense.

Some of the savings which are being accomplished in the Navy appropriations are the result of the large carryovers in funds from previous years. On June 30 last year, the Navy had unexpended balances of $16.2 billions; this year its unexpended balances will be $16.8 billions, and on June 30 of next year it is estimated that its unexpended balances will be $14.1 billions. These cumulative balances are due in some measure to so-called slippages on deliveries, and to items which require a long time to produce. The committee anticipates a cutting down of both during the coming year, and would be the first to applaud if the expected balance of June 1954 were substantially reduced, with a corresponding increase in our combat strength and readiness.

As I said earlier, and as our investigators amply demonstrated, the provision by this Congress of billions of dollars in excess of annual need has, in many cases, not substantially increased our strength but has only increased the appetite of the spenders. This is not so much a criticism of the armed services as of human nature itself.

The committee will, I suppose, be accused of rushing in at one point where angels fear to tread, and that is in recommending a reduction in the research and development funds provided for all of the services. Research has become a sacred word in our times, and rightly so. I am not disrespectful of it. We have the most powerful armaments the world has ever seen because of research. But because a billion dollars may be wisely and fruitfully spent for research, it does not follow by any means—although many people appear to think it does—that several times as much money will be several times as effective in this field. There comes a point of diminishing returns, and our investigations indicated that we have long since passed it, with respect to much research now going on.

The committee found a total of some $2 billion allocated in the January budget to research and development under identifiable titles. The research program of the armed services alone consists of more than 6,000 different projects, which utilize about 50 percent of the total research facilities of the Nation. Approximately 114,000 persons are employed in this activity in the Department, of whom 39,000 are military personnel and 11,000 are officers. And this does not take into account the supporting personnel necessary to test the end products.

Moreover, as is the case in other categories of the military budget, Congress, since Korea, has been providing money for research faster than it could be spent, resulting in a constantly growing unexpended balance. It is estimated that the unexpended balance for research and development at the beginning of this fiscal year is $1.6 billion.

The present bill provides a total of more than $1.2 billion in additional funds, making a total available for expenditure in fiscal 1954 of $2.8 billion.

While, as I wish to emphasize, the committee regards the major part of this program as of vital importance, we also felt, on the basis of data submitted to us, that there was much duplication and waste in this program. A more careful screening of projects, better coordination to insure that maximum benefits are derived by all the services from the results of research, and a careful pruning of some projects which appear to be of little or no value would cut costs, restore confidence, and insure continuing support of necessary research. Much of the research work in the social sciences, and extraneous projects, such as the Air Forces Study of the Soviet Social System, might well be eliminated.

Let me say in conclusion, Mr. Chairman, that the budget we are submitting to you represents the joint and dedicated efforts of representatives of the Defense Department and of the armed services, in cooperation with the committee and its diligent staff. We believe it provides a sound and adequate financial base on which to carry forward our great rearmament program. We are all keenly aware that we can lose the struggle against communism on the economic battlefield, just as well as on the military battlefield. We are also aware that, with disciplined determination, we can win the struggle on both fronts. Discipline and determination are the keywords. The budget we are presenting to you is a challenge to both.

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Missouri.

Mr. KARSTEN of Missouri. In the report there is a statement that a third large carrier of the Forrestal class is provided for. The gentleman is chairman of the Subcommittee on the Navy?

Mr. OSTERTAG. That is correct.

Mr. KARSTEN of Missouri. I wonder if that was approved by the Joint Chiefs of Staff, this third large carrier of the Forrestal class?

Mr. OSTERTAG. I am sure it was approved not only by the Navy but the entire Defense Department.

Mr. KARSTEN of Missouri. My recollection of the bill last year is that it was not approved on the basis that the Joint Chiefs of Staff opposed it.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Perhaps I can answer that question. You will find in the Navy procedure that they are allocated by tonnage.

Mr. KARSTEN of Missouri. I realize that. But what about this new look? Are the new Joint Chiefs going to take a look at this? I do not believe it has been passed on by the new Joint Chiefs of Staff.

Mr. SCRIVNER. I assume they will look at all aspects of national defense.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from California.

Mr. SHEPPARD. In response to the gentleman's suggestion, it has not been reviewed by the Joint Chiefs of Staff. When the chairman of our committee requested a priority list, one was supplied, and I can only assume, following normal procedure, that somebody in authority would have been responsible for putting that ship in a prior category.

Mr. OSTERTAG. I might point out to the gentleman that $50 million has been eliminated from the shipbuilding conversion program, but the Navy itself has complete jurisdiction in determining the priority in the use of these funds.

Mr. KARSTEN of Missouri. Will there not be an obligation incurred before the new Chiefs take a look at this item?

Mr. OSTERTAG. I cannot answer that, because it would be up to the Defense Department. Funds are provided in the bill under "Shipbuilding and conversion" and authorization has heretofore been made. The Navy establishes its own priority.

Mr. KARSTEN of Missouri. There probably would be some obligation, would there not, before they get a chance to take a new look at it?

Mr. OSTERTAG. The Navy has established its own priority, and the Defense Department no doubt has approved of that priority. In the complete reorganization and review of the defense program, I take it that the ship-construction program, which will include not only the carrier but even the submarines and other heavy vessels, will be reviewed by the Defense Department, and their priority will be determined in accordance with any new determination.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Iowa.

Mr. GROSS. Has the ammunition shortage been solved? Can the gentleman tell me?

Mr. OSTERTAG. Well, they say that it has.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Texas.

Mr. LYLE. The House has great respect for the gentleman, and I have been listening with considerable attention to his statement. As I gather it, he is complaining that the Congress has heretofore appropriated more money than it should have, and more money has unwisely been used; is that correct?

Mr. OSTERTAG. Well, the gist of my point in that respect is that, while more funds have been appropriated, it was necessarily appropriated in the interest of a broad program, recognizing the long lead time, contracts necessary to produce tanks and vessels and aircraft, all of which involves a matter of time. However, in the interim there has been much waste and extravagance and I was particularly referring at the time that I yielded to the funds that have been going into research and development.

Mr. LYLE. I was very much impressed with the gentleman's analysis of the situation. We are faced with a very

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disagreeable situation each year of having recommended to us for expenditure billions and billions of dollars by the gentleman's committee. We have no other foundation upon which to base an intelligent vote except the recommendations the gentleman's committee makes. What I want to know is, after listening to the gentleman's speech and being convinced that there is waste and duplication, what we can do about it as Members of Congress except rely upon the recommendations the gentleman's committee brings in.

Mr. OSTERTAG. The revised budget which came to us some several weeks after the original budget had been submitted carried a considerable reduction and indicates that many of the unnecessary or duplicating and wasteful items of expenditure were eliminated.

May I also point out that within the limits of the capacities of our committee we have found it possible to comb out $1,300,000,000 more. In the light of the reorganization of the Defense Department, there is every indication that the Department will get down to the problem on a realistic basis and provide what is best for the greatest amount of security, during the course of the year and we may reasonably expect further reduction.

As has been pointed out, it is an almost impossible task to bring out a foolproof budget. We must depend on efficient military administration. Nevertheless, I think the committee has done a good job, and I think to a certain extent the Members of the House should have faith in the committee.

Mr. LYLE. The gentleman spoke of the spenders. Suppose we vote for this bill as the gentleman has recommended, and it turns out, as will appear from day to day in the newspapers, that somebody has found that somebody is cheating, somebody is wasting. Am I then one of the spenders to whom the gentleman referred?

Mr. OSTERTAG. No. I am talking about the people who actually do the wasting and the spending. We are just making it available. We are hoping to get an honest return for our dollars.

Mr. LYLE. I am, too, but I want something to put my faith in, because the only important thing is the future of our country. However, I wanted to be sure what the gentleman meant by spenders and by the waste and the other matters to which the gentleman was calling attention. I want somebody to follow. Do I follow you, or whom?

Mr. OSTERTAG. I would suggest the gentleman follow the President and the Defense Department, and that we within reason make it possible for them to do a real job in the interest of the security of this country.

Mr. MAHON. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. SHEPPARD], a member of our subcommittee.

Mr. SHEPPARD. Mr. Chairman, I feel that it would be amiss at this time if I did not pay tribute to the gentlemen with whom I have worked, including our clerks especially, and to the gentleman from New York [Mr. OSTERTAG], who is chairman of our Subcommittee on Appropriations for the Navy. He is a very personable gentleman, very gracious, and at no time belligerent in the sense I would apply that terminology. I am very grateful to him for the courtesy he extended to the minority. I hope I may be able to participate in that courtesy for another 2 years. Beyond that point, perhaps, we can be courteous one to the other in reverse.

With reference to the bill that has been under discussion today, we have heard many reactions to the presentation of this bill. In the first place, there seems to be a great deal of stress laid upon whose budget this is. To me that is a rather extreme viewpoint for any of us to take, because in the final analysis—and there is not an oldtimer on the floor of the House who does not know that I am correct in this statement—when the budget is presented by the Bureau of the Budget and the President of the United States, the theory, the suggested procedure, is there, but in the final analysis it is what happens to that suggestion that really becomes the budget, and that is vested in this House, with the concurrence of the Senate and the ultimate signature of the President, as we all know. So at the moment I would like to look at this budget as a budget of the Congress of the United States of America establishing what in its best judgment should occur to the national security of America. I am not going to quarrel and I am not going to use any select verbiage with reference to the political aspects of this bill, because I think our country's interests are far more important. I am not in complete accord with the composition of the bill in its entirety. But I am willing to observe the judgment of the majority and then see what happens. I feel like the gentleman who takes out insurance on his furniture, his piano, and on his automobile, and his wardrobe, who believes that he is paying a premium for his future security. The question then resolves itself around one basic fact. How much of a premium am I willing to pay for the security of my Nation that I deem necessary? I do not believe there is a man in the city of Washington, whether he be found in the Department of Defense, the White House, or in the other body or in this body of the House, who could guarantee to you or to me today what eventuality may occur, militarily speaking, in Europe tomorrow. If there is anyone with such a mentality, I would be very happy to meet that person and get a decision so that I can base my final judgment pertaining to this appropriation bill. On the other hand, in the absence of that kind of information, I feel it is incumbent upon me to the best of my ability to provide for such national security as may appear to be necessary so far as I individually can control it.

Secondly, I do feel there has been too much of a risk taken in the appropriations which were presented to the Congress in this bill. How right can I be or how wrong can I be remains to be developed.

There is the old adage that 50 million Frenchmen cannot be wrong. From what has been expressed on the floor of the House today, I am inclined to believe that 50 million may be more right than me. But in a situation of this kind, I would rather see expenditures cut and funds to provide for such expenditures taken from other agencies of the Government instead of as is proposed to cut funds from our Department of Defense, which could result in a detriment to the general welfare and our national security. I think it would be one of the finest things in the world if we could balance our budget and reduce taxes in this country. I know personally I would be very happy in that kind of a situation. But apparently from recent discussions that cannot be done at the moment. Consequently, if we are to jeopardize the economic existence of our country, I believe a great deal more of reductions percentagewise could have been taken from other agencies of Government and this bill could have been left in its original form. That is my personal thinking on the issue. I know it is not agreed to by many.

Again the question resolves itself to the question of who is going to determine what is going to occur here. Tomorrow I hope sometime during the day these differences of opinion will be resolved pertaining to the issue which is presently under consideration. Whatever the majority of this body determines in its wisdom, or lack of wisdom, so far as I am concerned, I will accept that determination—perhaps reluctantly but nevertheless I will accept it. I do not believe in the policy of vindictiveness. I do not believe in the policy of undue and unfair criticism. Constructive criticism to me is always welcome. Other types of criticism I am not interested in. I am not in complete accord with statements in their entirety which have been made on many occasions on the floor of the House and through the press where apparently we are damning and condemning the procurement officers of the Military Establishment. The reason I take the position I do is, I think we have handed, as a result of lack of really intelligent application and survey to the industrial potential of this country an insurmountable job to accomplish under past appropriation bills. In other words, no one in my opinion, and if such is the case I have not been advised of it, has appeared during the hearings and reported to the Members of the Congress and to the Committee on Appropriations what was the total production capacity within the field of military procurement requirements. I have never heard that testimony specifically. But the Congress went ahead under the presentation that was made and did appropriate a large amound of funds. We found they could not expend the funds intelligently or otherwise. We should not overlook the fact that in this country today we have what I, in my capacity, diagnose as a dual economy. We are going along on the one hand with business as usual producing sewing machines, deep-freeze units, television and whatnots, and on top of that we come along with a tremendous appropriation further burdening our productive capacities and expect to get results out of that kind of an operation. To me such a policy is a

fallacy and is utterly impossible of accomplishment.

I am surprised that the military have been able to procure as much, considering the economic market in which they had to buy, as they have been able to do. When the time comes that individually I cannot look upon the majority of the military who appear before our committee as gentlemen of integrity, I shall resign my position in Congress, because I would not want existing responsibilities under circumstances of that kind.

I think the time has come where, frankly, these differences of concept between the services have to be resolved, so far as the policies of our Government are concerned, whatever administration may be in power at the time.

If we, as the Congress, do not agree, we have our inherent right to vote as we see fit. That is our privilege. In the final analysis, I have no worry about the concept of President Eisenhower, whom I respect; neither do I have any concern particularly about that of Mr. Wilson, whom I respect, or Mr. Kyes, or anyone else in that department. My concern is going to be the will of this Congress, as that will is evidenced at the conclusion of this bill. Then that responsibility will be in the proper hands, that of the Congress. I do not think we have any right to throw bricks at anybody else, or try to shed the responsibility that we asked for when we came to the Congress.

Before I yield back the balance of my time, there is a subject which was presented to me, to which I should like to address myself.

Mr. KARSTEN of Missouri. Mr. Chairman, will the gentleman yield at this point?

Mr. SHEPPARD. I yield.

Mr. KARSTEN of Missouri. On page 39 of the report it says:

> A third large carrier of the *Forrestal* class is provided for.

Frankly, Mr. Chairman, the brevity of the language in the report is a little disturbing to me. Who provided for it?

Mr. SHEPPARD. Will the gentleman repeat his question?

Mr. KARSTEN of Missouri. At the top of page 39, the brevity of the language is a little disturbing to me. I would like to know who provided for it.

Mr. SHEPPARD. I do not get the point of the gentleman's question.

Mr. KARSTEN of Missouri. The question I am asking is this: I have here the reports from the Air Force and the Army. The Chief of Staff and the Joint Chiefs of Staff oppose a second *Forrestal* in connection with the bill that our distinguished colleague, the gentleman from Georgia [Mr. VINSON], introduced. I am trying to find out who authorized this carrier. The brevity of the language is a little disturbing to me, I will say to the gentleman.

Mr. SHEPPARD. I am quite sure the gentleman wants to get the answer in the RECORD, because he was discussing this matter with my colleague from California.

Mr. KARSTEN of Missouri. I did not discuss this with the gentleman's colleague from California.

Mr. SHEPPARD. Let us keep the RECORD straight. I will be glad to straighten this matter out for the RECORD.

In answer to the troublesome question about authority relative to the big carrier or flat top:

First. It is true that the rules of the House forbid appropriations for purposes not authorized by law; and it has long been the custom of this body to provide a tonnage authorization for building warships before making appropriations for them.

This case is no exception to our custom.

There are over 1,300,000 unobligated tons available for warship construction on the statute books right now—ample to care for the seventy-thousand-odd tons of warship tonnage carried by this bill.

This unobligated warship tonnage stems from the Vinson-Trammell Act which became law in 1932 and has since that date carried through by way of amendment and addition all of the authority necessary to construct our combatant Navy both in peace and in war.

If authority be needed, as the gentleman suggests, we have that authority in great abundance—more than a million tons of it.

The situation with respect to the carrier provided in this bill is no different from the carrier the Congress appropriated for last year. That carrier is being built and charged to unobligated tonnage then available just as unobligated tonnage is available now.

I assure you that if the Appropriations Committee proposed to expend money for warship tonnage which was not authorized by the basic law, the membership of the Armed Services Committee would be the first to object.

My second point. It is a rule of the House that forbids appropriations not authorized by law. It is not a legal requirement nor a constitutional requirement.

Now if both bodies of the Congress appropriate money for this carrier and the President signs the bill, the carrier may be built no matter how many rules of Congress may have been neglected during the passage of the bill.

If this were not true the Comptroller General would certainly have refused payment for many items appropriated for in the past where no authority prior to appropriation had been made by Congress. The Comptroller General has never done so.

If anyone wants details, see page 599, part 1, of our Navy hearings.

Mr. KARSTEN of Missouri. I wondered if we were going to do that before taking a new look; that is what I want to find out.

Mr. SHEPPARD. I am sorry; I did not understand the gentleman.

Mr. KARSTEN of Missouri. If we have the authority under this tonnage procedure to go ahead with this flat-top I wonder if we are going to do it before we get this new look that we have been talking about this afternoon.

If the gentleman will yield, I picked it up on the other side, I may say to the gentleman.

Mr. SHEPPARD. New look! I construe that to be a review by Secretary Wilson, Mr. Kyes, and others in position of authority—it was to resurvey the entire military requirement picture and then perhaps at that time come back to the Congress and present to them additional requirements.

There has been nothing from the Appropriations Committee that would even remotely give Mr. Wilson, President Eisenhower, or anybody else any concept that it was not the intent of Congress to see this flat-top built.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I will be happy to yield to the gentleman from Florida.

Mr. SIKES. First let me say that we on the committee are completely in accord on the need for the additional carrier, but when we consider the valiant and important service over many years contributed to the cause of national defense by our distinguished colleague and when we consider the love and esteem felt for him in the Congress, I think we might well designate the new carrier as the Sheppard class carrier.

Mr. SHEPPARD. May I say to the gentleman thanks but his suggestion creates a remote possibility hence I want to be serious for a moment.

Mr. YORTY. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. Just one moment, if the gentleman please. I do have the faculty once in a while of becoming slightly facetious in my work with the committee, and I say to the gentleman from New York [Mr. TABER] that I am addressing myself to his attention. While we were in the committee as a whole I had occasion to address myself about the conduct of the gentleman from New York [Mr. TABER] during a portion of the hearings in a somewhat facetious manner. I referred likewise to the gentleman from Kansas [Mr. SCRIVNER], also in a fecetious manner, and I think my friends the gentleman from New York [Mr. TABER] and the gentleman from Kansas [Mr. SCRIVNER] accepted it as such. We have known each other over the years and worked together over the years. We have our little differences, but as man to man we sit down together, work things out, and forget differences. I do not want any member of the press to put any misconstruction on some facetious pleasantry. I did not mean one serious thing to either my friend the gentleman from New York [Mr. TABER] or my friend the gentleman from Kansas [Mr. SCRIVNER]. I want you both to know that.

Mr. TABER. I never thought there was anything to it. You and I were kidding each other a little bit, and maybe that is against the rules. Maybe there are some folks around who take it seriously when you do those things, but you and I never have been of that class.

Mr. SHEPPARD. That is correct.

Mr. SCRIVNER. May I add my word, too, that, of course, we have bantered back and forth. Maybe our job is so serious that we are not entitled to any lighter moments, but we have had them and we have kidded back and forth, but

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I can assure the gentleman from California that it has not affected our friendship. I appreciate the gentleman's interest and hard work, and I think I understand the gentleman's reference to me entirely. But I will say to the gentleman that when the bill was on the floor last year the gentlewoman from Massachusetts [Mrs. ROGERS] tried to put the carrier back in the bill, but the committee did not put in the budget last year in the House. It was put back in the Senate.

Mr. SHEPPARD. That is correct. The Senate used good judgment; so did the conferees. It was put back in the Senate?

Mr. SCRIVNER. That is correct.

Mr. YORTY. I will confess to the gentleman I am a little bit surprised that the committee put the third *Forrestal* carrier in the budget this year when the budget is being reduced and the Air Force is being sharply cut, when they did not see fit to do it last year when we were a little bit more liberal. I do not know about the tonnage authorization, but I do know that the gentleman from Georgia [Mr. VINSON] put in a bill last year to authorize a second and third *Forrestal* class carrier. The Department of Defense and the Department of the Air Force reported unfavorably because they said the first one was a prototype carrier and no more were to be built until tested out, and it would not be tested out for several years. I mention this not because I want to start any interservice fight, but I think I do see Mr. McNeil's fine hand in this budget, both in cutting the Air Force and in including the carrier which was not in last year when the bill went from the House to the Senate.

Mr. SHEPPARD. I am not in position to comment about the thoughts of any other person. I do not know what Mr. McNeil may have had to do with this particular aspect of the bill. I do know that so far as the authorization by the Legislative Committee on the Armed Services under the then existing law that extra authorization could well have been considered superfluous. It was not necessary unless they had eliminated other tonnage that was granted to them under the Vinson-Trammell Act.

Mr. YORTY. I notice in the report of Secretary Forrestal on the Key West Conference he specifically said that if the Navy were to build one of these large carriers they might not be able to justify it on a naval mission, but based upon naval missions plus its collateral strategic mission, it might be justified provided it was approved by the Joint Chiefs of Staff. Now that was Secretary Forrestal's statement.

In answer to a question presented to him by a member of the other body, Mr. Wilson said that he understood the Joint Chiefs of Staff did not have to approve the carrier. So he is in conflict on that with Secretary Forrestal. I do not know which one is right, but I do feel that the gentleman from Georgia [Mr. VINSON] did not introduce his bill to authorize the second and third *Forrestal* carriers simply as a gesture. There must have been some question about the authorization, or I cannot understand why he would do that.

Mr. SHEPPARD. Well, the letter I read, Mr. Chairman, was one that came from supposedly one of our top legal experts on the expenditure of funds. That is why I put it in the RECORD.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. SIKES. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. SHEPPARD. I regret that it is necessary to take the additional time, but perhaps I earned it in committee hearings.

I do not care to enter into any interdepartmental squabbles about whether the Army should have this type of cannon to consummate their job or the Air Force shall have this type of plane to consummate their job. I look upon the men in those respective branches as having better judgment than I when they are using a monkey wrench to tighten up a nut. So I am not going to intermingle in that squabble. I do not see any occasion at this time why the big carrier or the flattop, whatever you may call it, should be put in here as a compromise for an additional air force or air wing.

Mr. YORTY. As the gentleman knows, I have supported the carrier programs. I have not supported them in lieu of a strategic air command or in lieu of an air force. All of the force levels were previously set. Two of them have practically reached their goals and only the Air Force is being stopped in midair. If the Air Force is going to have to compete for the same reduced funds, you are going to have to set up some priorities and evaluate perhaps the *Forrestal* carrier and the carrier task forces against the 5 strategic air wings and other wings which you are losing. I do not think that has been done. Admiral McNeil has seen to it that the Navy has fared well. The Air Force is taking the brunt of this thing. Secretary Wilson said he was in Europe. He said he came back and Mr. McNeil showed him some figures that looked all right. He looked them over and he approved them. I think the gentleman is entitled to his opinion. I am not raising this question because I am against carrier aviation. I raise it because I think it just demonstrates how this budget was made up and by whom it was made up.

Mr. SHEPPARD. The gentleman is entitled to his opinion. When you take free speech away from Members of this House, it will be terrific.

I would like now to address a question to the gentleman from Michigan [Mr. FORD] relative to a matter that I would like to have clarified in the RECORD. This was presented to me with the request that I get some clarifying answer. This has to do with section 640. It seems to be the consensus of those in the Canal Zone, if they were to be included in the language under that section, because of whatever position they occupy under the organic laws, or what not, that it is going to create a tremendous hardship. I wonder if the gentleman could tell me what the situation might be?

Mr. FORD. The question that the gentleman asks is this, Shall we, under this section, section 640, consider employees who reside in the Canal Zone in the same category as those who are resident of Alaska, Hawaii, and Puerto Rico?

Mr. SHEPPARD. Briefly, that is it.

Mr. FORD. Or any other place in our Territories and possessions.

Mr. SHEPPARD. That is the basis upon which the question is asked.

Mr. FORD. I am informed that the General Accounting Office in the past has made an interpretation that the people who reside in the Canal Zone are not in the same category as those who are citizen-residents of other Territories and possessions. We have not had an opportunity to check that entirely adequately, but that is the best information we have to date. I can assure the gentleman of this, that the primary concern of this subcommittee was not the Canal Zone, but rather the situation as it existed in Alaska, Hawaii, and Puerto Rico. It would seem to me wise for us to pursue the matter with the General Accounting Office, to have them supply us with an accurate interpretation as to whether or not the citizen-residents of the Canal Zone are in the same category as those in the Territories and possessions. Then if we find that there has been some misconception, that the matter be straightened out in the other body and eventually in conference between the two Houses.

Mr. SHEPPARD. I thank the gentleman. That is a very fair explanation and attitude for the gentleman to take, and I am sure the other members of the committee, whom I talked with rather sketchily when we handled the general provisions of the act, feel the same way, because equity is what we want to prevail in circumstances of this character.

Mr. SCRIVNER. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I appreciate the courtesy of the gentleman from Kansas [Mr. SCRIVNER] for allowing me time. I am not a member of the Committee, but I have followed the statements made on the Department of Defense appropriation bill, H. R. 5969, and wish to comment on one item which has just been under discussion; namely, the matter of the construction of the new carrier.

I am disturbed, Mr. Chairman, at certain inferences indicating a service struggle, and I hope consideration will be given to the arguments in favor of the need of an aircraft carrier without reference to the adequacy or lack of adequacy of Air Force appropriations.

Next, regarding the question which was just raised of authorization, as the gentleman from California [Mr. SHEPPARD] stated, the Vinson-Trammell Act, amendments to that act, and other acts of Congress set up an authorized tonnage pool for construction of naval vessels. As I understand it, before construction of each individual ship, the Congress must appropriate funds to cover the complete cost of such ship, earmarked by fiscal years, and then the approval must be obtained by the Navy, not of the Joint Chiefs of Staff, but of the President, to actually begin construction. As stated, currently there is a balance of unused but authorized tonnage for construction

of naval vessels in excess of 1 million tons.

Now, as to the need of a third 60,000-ton carrier—I think someone said 70,000 tons, but I have understood it is 60,000 tons—I am told there are technically seven major reasons why we must build these modern aircraft carriers:

First. The increased weight of aircraft.

Second. The need for increased fuel capacity due to jet propulsion.

Third. The need for more catapults for launching modern fighters.

Fourth. The need for more aviation ordnance space.

Fifth. The increased overall dimensions of modern aircraft.

Sixth. The increase in aircraft landing speeds.

Seventh. The need for better protection against torpedoes, bombs, and other weapons.

The carrier which contributed so much to the winning of World War II was the *Essex* class. We have 24 of these, though I believe some are in "mothballs." These ships were designed in 1940 and, while they are being modernized, their hulls are not able to handle the airplanes of the future. Then, as was stated, we have three of the *Midway* class, which were designed in 1943. Dimensions of present aircraft nearly exceed the capabilities of this class of carrier. The *Forrestal* class carriers are to handle the type of planes which will be available before the ships are completed.

Aircraft carriers form the backbone of the Navy's offensive power. Recent testimony made public discloses that the Navy has carrier aircraft capable of delivering the largest atomic bombs on long-range missions at a 700-a-mile-an-hour speed. The supersonic plane's combat ceiling is more than 40,000 feet and can carry all the newest type of weapons, bombs, and air-launched missiles.

One argument in favor of carriers is that no international agreements, commitments, or prearranged bases on foreign soil need precede their use. A carrier force is mobile, flexible, and supportable, which can cover over 71 percent of the globe.

How much money is appropriated for travel and transportation of families and their furniture to the 49 countries in which we are active in a civilian and a military sense, I do not know. The other day, I checked on the cost of one family which was being sent to Japan. The transportation costs were $5,545.62. This included rail fare, transportation and shipping of household goods. I venture to say that there is far more than the cost of a new carrier, which I understand is $217 million, in this budget for this kind of transportation for foreign bases. Both types of airbases may be necessary, but certainly from my viewpoint, a carrier is preferable.

In any event, how are we going to keep our sealanes open to the bases we have established throughout the world, unless we have a modern Navy, with ships capable of launching and receiving modern aircraft? We have experienced in the past the moods and whims of year-to-year military policy. We have entered the valleys and climbed the peaks in our spending. Let us, who are responsible for the security of our country resolve to maintain a sustained program of strength. Such a policy has been studied and recommended to us. Our best military minds, those who are qualified in naval strategy and technological developments, tell us that we must have modern carriers. Let us support them. A strong, modern Navy is the best assurance that we have that our program of encouraging resistance to Communist aggression will be successful. A strong and modern Navy is our best assurance against attack. With all the vehemence at my command, I say the words of the Bible: "Let us look to ourselves that we lose not the things we have wrought." Let no layman say we shall not build a modern carrier. Let us listen to the authorities who know about such matters. All history proves that the Nation which commands the seas remains free. Let us be free.

Mr. KARSTEN of Missouri. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. KARSTEN of Missouri. Mr. Chairman, I have listened to the debate on the proposed reduction in the Air Force budget. Apparently it is sought to create the impression that previous Air Force goals were set too high.

I deplore a defeatist attitude. If we had listened to the defeatists at the beginning of World War II we might have lost before we actually began to fight. That is happening this afternoon. We are losing a strong Air Force even before we make a real effort to secure it.

As one who has followed this matter rather closely, I know we set a high goal for ourselves when we adopted the Air Force's 143-wing program. In my opinion this goal is the minimum requirement to insure national security. Failure to attain that goal on time weakens our physical force, but in addition it has the effect of psychologically deteriorating the position we have achieved in our air strength. All of us knew it would be very difficult for the Air Force to bring about this expansion.

Perhaps for this reason more than anything else the announcement that Mr. Wilson would be the new Secretary of Defense met with general approval. The American people expected a businesslike and efficient administration. Moreover, they expected with his broad production experience that he would be able to expedite the Air Force program in order that the goals could be achieved. We did not expect excuses. We did not expect to be told that it is a difficult job. We already knew that. We did not expect him to cut back production or to lower the goals below the minimum requirement necessary for our security.

We did not expect miracles. We did not expect the impossible. But on the other hand we had the right to expect that the new Secretary would not also adopt a defeatist attitude as expressed in the budget for his Department. With the power of the new administration and public opinion behind him we had the right to expect more than he has demonstrated since he has been in office.

There is one thing that disturbs me even more than the defeatist attitude. The record seems to be clear that the actions of the new Secretary, since January, have actually resulted in delays in the programed buildup of the Air Force. It seems the very least he could do is to refrain from placing additional obstacles in the way of the Air Force program. If he cannot improve the program then he should not make it more difficult.

Yet, since January, ceilings on civilian personnel have been lowered twice. These reductions were made at the very time when the Air Force actually should have been hiring additional civilians to support the planned increase in the Air Force's striking power. Similarly, the Department of Defense has announced that the Air Force's military personnel will be reduced by 20,000 by the end of the next fiscal year. This took place at a time when the Air Force strength was already 80,000 men below the strength calculated to be the minimum necessary for the end of fiscal year 1954. This took place at a time when the Air Force felt it was necessary to raise the minimum by 30,000. The net effect—the Air Force is to have 130,000 men fewer than it needs.

Similarly, General Vandenberg recently pointed out that the construction review by the Secretary of Defense caused a 3-month deferment in contracts amounting to more than half a million dollars and a consequent slippage in that part of the Air Force's base program.

These restrictive actions are all in addition to fiscal restrictions imposed by the proposed budget. The net effect of these actions is that the possibility of achieving 143 wings has been delayed until the end of fiscal year 1957—3 years beyond the date when they are needed.

Thus as a result of the actions of Mr. Wilson himself it has become impossible to achieve the 143 wings as originally scheduled. Some people will undoubtedly be quick to say that this proves Mr. Wilson was right all along, that the program could not be met as scheduled.

We should not be deceived. We should not lose sight of the fact that according to the Air Force, the goals could have been met but for the actions of the new Defense team.

Let us then appropriate an additional $1.5 billion for the Air Force now. Let us at least appropriate this amount which according to General Vandenberg is required if we are to have 143 wings by 1957. Let us assure ourselves that the Secretary of Defense will not impose new obstacles to stretch out the Air Force's buildup even further than he already has.

Mr. SIKES. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Chairman, I strongly urge every Member to support the Mahon amendment, which will restore $1,195,000,000 to this bill.

We have heard a lot of talk recently to the effect that the proposed cut in the

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Air Force budget will give us a stronger Air Force. We are told we are going to get more defense for less money, and we have been given a confusing mass of facts and figures which are supposed to prove this point.

Frankly, it just plain does not make sense to me. I cannot see how cutting out $5 billion can possibly give us the same airpower, much less more airpower. I cannot see how the proposed 120 wings can possibly represent the power that 143 wings would have. Let us look and see what the facts really are.

First of all, the Air Force will have 23 less wings than planned. We have been told that the air-defense wings will continue as planned but that 5 strategic wings and 18 tactical and airlift wings will be cut out. In addition, flying-support units, totaling 4 wings, 11 groups, 47 squadrons, and 2 flights are to be deleted from the program. Finally, an additional 89 non-flying-support units are to be cut out. How in the name of commonsense can anyone possibly say that this means no reduction in our airpower?

The proponents of the cut have pointed out that the 120-wing program will provide for the modernization of 23 Air National Guard and Air Reserve wings which were not provided for in the original 143-wing program. I am delighted to see that Mr. Wilson intends to modernize the Air Guard and Air Reserve, for I have always felt that we should pay more attention to these components, which are so important a part of our national security. I am distressed, however, at the reasoning behind this action. Apparently, Mr. Wilson felt that it would be impolitic to reduce the number of aircraft which had been scheduled for combat units. Apparently, as an afterthought, Mr. Wilson figured that the Air National Guard and Air Reserve would form a handy dumping ground.

I strongly feel that the Air National Guard and Reserve should be modernized, but I do not see how that will increase our strength, if, at the same time, we cut out the same number of units from the Regular Air Force. At best, we are merely discarding 23 wings which would have had a combat capability even though not fully equipped with modern aircraft.

I realize, of course, that the proposal to modernize the Air Guard and Reserve at the expense of the Regular Air Force has considerable political appeal. When our national security is at stake, however, we should not play politics.

Again I want to emphasize the fact that I am in favor of modernizing the Air Reserve and Air Guard. But I do not think it does anybody any good to give them the aircraft if we do not provide the supplies and equipment which would be required if these units were to be mobilized in the event of war. The new budget does not provide these necessary reserves.

Furthermore, when we talk about the 143-wing Air Force program, we must remember that it was to be a standing combat-ready force ready for immediate retaliatory action when the bell rings. Even if the proposed budget did provide the necessary mobilization reserves, it would still take time to mobilize the Air National Guard and Air Reserve for combat deployment. The 143-wing Air Force was designed to enable us to withstand an initial attack to give us time to mobilize our reserve manpower as well as our economic and industrial material reserves.

Now, I can see some justification in deleting tactical air units from the Regular Air Force and in equipping instead a like number of Air National Guard and Air Reserve units. To the extent that these tactical air units would be used primarily for close air support, they would not be needed until the Army units they are to support could be deployed. On the other hand, the use of these aircraft on strategic missions and on interdiction missions prior to the Army's combat deployment would unquestionably make the Army's job easier and less costly in terms of lives. Similarly, we must not forget the corollary mission of air defense for which these tactical air units could be used prior to their deployment overseas in support of the Army.

The most dangerous cut, however, seems to be the deletion of five strategic wings. Any way you figure it, they seem to be a loss to our Air Force's striking power. Their deletion simply means that both our deterrent and retaliatory forces are just that much less.

Let us not be misled by specious arithmetic and by a mass of facts and figures. Let us provide a standing Air Force equipped to do the job in the face of the realities of the Soviet threat. Let us modernize the Air National Guard and Air Reserve, in addition to providing the 143-wing Air Force, which is necessary to give them the time to mobilize in case of war.

Mr. Chairman, I hold in my hand a magazine which came out today, the Air Force, edited by the Air Force Association. It expresses my thoughts on this matter before us. On the front cover is a tombstone on which is inscribed, "One Hundred and Forty-three Wings—Missing in Action."

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. WICKERSHAM. I should like to finish my thought if I may.

Mr. SCRIVNER. Would you subscribe to the statement that all 143 wings are missing in action?

Mr. WICKERSHAM. No, sir; I would not, but I do fear the results of the administration's cut from 143 wings to 120 wings. I am not only interested as a Representative in Congress, but I personally am interested; in fact I have a son-in-law who has completed his service in the Army, and who is now in the National Guard; I have another son-in-law who is in the Navy, and a nephew who is over in Korea in the Air Force; furthermore, I have a son in the Army, and I think that we had better be careful in reducing our Air Force. I recall the attacks made by some Members that were made on our defense program immediately prior to the time of Pearl Harbor. I recall the arguments that were made in early 1941; I recall the reductions that were made in the 80th Congress, although I did not happen to be here during that time.

Later events proved those Members in error.

I wish to speak in behalf of the amendment which will be offered by the gentleman from Texas [Mr. MAHON], tomorrow, to restore the $1,195,000,000. Personally, I think it is very unfortunate that the Secretary of Defense did not give the go ahead signal 6 months earlier. It is too bad the Air Force did not have the total of $5 billion additional early this year. Recently the Secretary of Defense informed us that we could have more defense for less money. I do not see how that could be. He said we could cut $5 billion out and get a better Air Force. That is impossible. He indicated that 120 wings could afford us as much protection as 143. That is absolutely impossible. We will have 18 fewer tactical wings of airpower and 5 fewer strategic wings as a result of the reduction in this budget. A further deletion reduces flying support wings to the extent of 4 wings, 11 groups, 47 squadrons, and 2 fleets. Other items deleted were 14 airbases that this Congress previously authorized and appropriated funds for.

Earlier today, one Member said that we could rest assured that the Secretary of Defense would follow the wishes of Congress. I cannot rest assured of that because in the past he has deleted from consideration 14 airbases and many other material bases recommended by the Air Force, former Secretary of Defense, Joint Chiefs of Staff, Bureau of the Budget, the former President, for which this Congress had made the authorizations and the appropriations. The funds there were available for the Secretary of Defense to spend.

It is imperative that we have an Air Force that will be second to none and that will be ready at 4 o'clock in the morning of any day, and we do not know when that day is coming.

General Vandenberg said that we must have 143 wings to offset an initial attack, to give time to mobilize in the face of the realities of Soviet possibilities.

I base my opinions on my 10 years' experience here in Congress, my membership on the House Armed Services Committee, my firsthand study of Russia myself with a group of other Members some years ago, the information that Gordon Dean gave us on last Sunday's program wherein he said that we have ample atom bombs but we must have the planes to carry them; I also base my position on my personal knowledge, the experience of General LeMay, a man who certainly is able, qualified, and knows what our needs in planes are and who has fearlessly warned the Secretary of Defense and this Congress of the danger of any reduction; also of my firsthand knowledge of the atom bomb; likewise, I base my judgment on the basis of the fact that we are not only faced with the serious problems in Korea but we are compelled to consider the various areas where we are committed. There are many hotspots such as the area where there are 70 billion barrels of oil reserves in Iraq, Iran, Saudi-Arabia, and the island of Bahrein, the Balkans, the Dardanelles, Indochina, Tokyo, Berlin, and even Alaska.

I have formed some of my opinions voiced by many able Senators and Members of Congress, including Congressmen RICHARD W. HOFFMAN, PAUL KILDAY, GEORGE MAHON, MELVIN PRICE, RICHARD BOLLING, FRANK M. KARSTEN, LLOYD BENTSEN, SAMUEL W. YORTY; Senators MONRONEY, MCCLELLAN, SYMINGTON, MAYBANK, SPARKMAN, and KERR. Also men with military experience like Lovett, Finletter, and Bradley.

General Vandenberg testified that this 143-wing group was approved by: One, the Joint Chiefs of Staff; two, the Department of Defense, the Bureau of the Budget, the President, the House, and the Senate, and he said that it is absolutely essential to our worldwide resistance to Communist power. I believe he knows what the facts are better than anyone.

There were 4 events which brought about the 143-wing decision: One was the explosion of the atom bomb by the Soviets in September 1949; another was the Communist invasion of South Korea in June 1950; and still another was the fact that the Chinese Communists came into Korea in November 1950; and, finally, the commitment of the United States forces to assist in the defense of Western Europe.

The calculation by the Joint Chiefs of Staff, based on the best available information, is that by the middle of 1954 the Soviet Union will be able to launch an all-out attack against the United States.

The Air Force first recommended 155 wings. The Joint Chiefs of Staff cut this to 143. As recently as March 1953 the Joint Chiefs of Staff stated to the Secretary of Defense that any reduction in the program of 143 wings—to be attained as soon as practical after the fiscal year 1954—would increase the risk to national security beyond the dictates of national prudence. We cannot afford to take this chance. Many delays have been caused by directives by the present Secretary of Defense, the limitations placed on new bases which he issued in February, the freezing on advertising for bids issued in February, then the personnel limitations which were made in March 1953, for the reduction of at least 10,000 men. Limitations on civilian personnel still in effect cause us to be short 93,000 civilian employees of the number required for the building toward 143 wings; then more recently a ceiling on the military personnel requiring a reduction of 20,000 in the next 2 years, also the limitation on requests for appropriation and the limitation on the future expenditure of previously appropriated funds remaining unspent.

Gen. Hoyt Vandenberg has given his story to the public and he has given it to you Members of Congress. The men in the service from the generals on down know that when the need arises for an air force then and there is the time when we really need it.

An air force essentially is composed of three elements: First, the people; second, the planes; and, thirdly, the bases. It is necessary to have all 3, and you have to have adequate repair facilities, and so forth, to keep all of these 3 elements in perfect operation.

We have had an acute personnel situation and we will be having an additional personnel condition when men are returned from Korea. Those who have entered since the Korean war and who will be going home will need to be replaced.

Research has been cut tremendously. All of the Members of Congress on both sides of the aisle know the importance of research. If we had not had research we might be flying the Winnie Mae or the Spirit of St. Louis rather than the jet bombers of today and rather than having the atomic bombs of today.

We need a long lead time, not just a few weeks. To get the jets in 1956 we have to provide the funds in 1953. Of this money that the Secretary of Defense says has not been spent, to wit: the $28½ billion which was carried over, $25.2 billion has been obligated by contracts and $3.3 billion items that are planned and programed for which no contracts have been made.

Mr. Chairman, I warn you we must be fully prepared and we had better adopt the amendment to be offered by the gentleman from Texas.

Gen. Hoyt Vandenberg said that a 143-wing Air Force is a minimum risk and even that is a calculated risk. I really believe that 155 wings more nearly covers a minimum force upon which we could risk our survival. The Russian jet bomber time from inside the Iron Curtain across Western Europe and the Mediterranean is just a little over 1 hour. A Soviet medium bomber can carry bombs 2,000 miles and return and can deliver the atomic bomb through staging bases already prepared in Siberia and northern Russia to any target in the United States of America on a 1-way mission. The Russian buildup has continued upward substantially as expected. We must provide protection to the people of the United States, to our vital installations, to our industry, aid and protection to our Allies, and long-range bombers delivering weapons against enemy forces and installations within the country of the enemy. In the event of a sneak attack by the enemy, we have a one-shot air force and no reserve. The Soviet is fully prepared for both a defensive and an offensive attack.

On Friday, June 19, 1953, the Kelly committee said "the Soviet Union is militarily capable today of a surprise attack on the United States, which could cause heavy losses," and the committee further stressed the importance of continuing our development of an atomic offensive as a major part of our overall defense.

On May 15, 1953, General of the Army Omar N. Bradley said that he knew of no letup in Soviet military preparations and appealed for a constant defense program that would not place economy ahead of the national security.

On May 27, 1953, Thomas K. Finletter, civilian chief of the Air Force during the military buildup after the start of the Korean war, called attempts to curb the growth of the Nation's air atomic power a reversion to ground soldier thinking and an apparent blindness to the Soviet Union's surge in both air and atomic capability. These cuts, Mr. Finletter declared, could result only in seriously "jolting the Air Force's growth toward the planned point where it could match the Soviet air force."

My statements today are not to be construed as criticism of the present Secretary of Defense. I think that he is a fine businessman but I do think that some of the civilians who are advising him have given him unsound advice.

Again, I strongly urge the adoption of the amendment.

Mr. SIKES. Mr. Chairman, I yield 10 minutes to the Delegate from Alaska [Mr. BARTLETT].

Mr. BARTLETT. Mr. Chairman, during my period of service here I have tried faithfully to make it a rule not to take up unnecessarily the time of the House; yet I hope I shall never be absent from this well when an effort is being made to do that which in my judgment would discriminate against the people I have the honor to represent. I submit to you that section 640 of this bill, found on page 52, points to just such discrimination. That section was mentioned a few minutes ago in an exchange between the gentleman from California [Mr. SHEPPARD] and the gentleman from Michigan [Mr. FORD].

I was very glad to hear it said that it was not intended the employees of the Panama Canal Zone should be included within its provisions because they should not be; but the residents of other territories and possessions should not be, either.

Mr. Chairman, here in brief is what this section seeks to do.

It would prohibit adminstrative agencies from paying residents of Alaska or the other territories or possessions the cost-of-living-allowance provided they worked in the territory of their residence. To put it in another way—two people are working for the Department of the Army in Anchorage; they have the same grades for the same kind of work; one was recruited in Fairbanks, one in New York; their pay checks are exactly equal and each includes a 25 percent cost-of-living-allowance. Now if section 640 is adopted the Alaskan will lose that allowance. He will be expected to work at the very same job for 25 percent less pay. Now the Alaskan's home is several hundred miles distant from Anchorage and how it can be calculated he can live cheaper in Anchorage than the New Yorker is simply beyond me.

The cost-of-living allowance was first granted under Executive agreement and then was put into the law by section 207 of the Independent Offices Act of 1949, as amended. On several occasions in recent years efforts have been made in particular bills to remove that cost-of-living allowance. Every such effort, I am happy to say, has failed.

But the section under discussion here now, section 640, goes further. It seeks not only to do away with the cost-of-living allowance for personnel working for the Department of Defense in the Territories and possessions, but for every other department of the Federal Government. I have examined to the best of

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my ability the hearings before the committee on this bill. They are voluminous; there are many words. I cannot say that I have read everything in those hearings but I have been altogether unable to find any testimony on this point whatsoever. I do know we who oppose this provision were not invited to testify.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the gentleman from Michigan.

Mr. FORD. The hearings on the Army National Guard do bring out this particular point. In the Army National Guard requests for funds for fiscal year 1954 there was an item of $20,000 for station allowance for the Army National Guard. The Army station allowance is somewhat different than section 640 pertains to, but it was all involved in the same general problem.

Mr. BARTLETT. If the gentleman will permit me to say so, I prefer to differ with him. I do not think it is the same general problem. My understanding is that the Department of Defense is vastly disturbed by this provision, as are other departments, and I wonder if the gentleman knows that there are before the Congress at this time two bills, the bill in the House being introduced by the gentleman from Minnesota [Mr. HAGEN], and in the Senate by the junior Senator from Kansas [Mr. CARLSON], to remove the unrealistic 25-percent ceiling which now prevails on account of section 207 of the Independent Offices Act. That legislation came up here for introduction with clearance from the Bureau of the Budget. Now a similar bill was presented on the Senate side last year. Voluminous testimony was taken at that time. The bill passed the Senate but did not have time to be considered in the House.

Mr. FORD. I am not familiar with that legislation, but do I understand that that proposal means that you are going to add to the 25 percent rather than take away from that amount?

Mr. BARTLETT. Just exactly that, because representatives of practically all the departments came up and testified that the 25-percent ceiling in certain sections of Alaska—Alaska was the area that they were concerned about especially—was so low that there was a constant turnover of personnel. Why, the Regional Administrator of the CAA told the committee when he was testifying over there that the tremendous turnover had cost the Government $260,000 in an 8-month period.

Let me say this: I have an opinion that many members of the committee in reporting out this section did so under the impression that it is primarily a recruitment device, and I want to say now, and emphatically, that it is no such thing. That is emphasized by the testimony given before the Senate committee last year by a high officer of the Civil Service Commission. He told the committee that the cost-of-living allowance is just exactly that. It is in recognition of the higher cost of living in the Territories. They do not have to pay 25 percent. If the cost of living in a particular Territory should be less, the lesser figure would be paid. In Hawaii, for example, it is only 20 percent.

Mr. FORD. The net effect, however, in Alaska, as I understand, is that they do pay the full 25 percent.

Mr. BARTLETT. Yes, indeed, they do. The last time a survey was made of the living costs was unfortunately over 2 years ago. Living costs have been going up since then, as we all know, or at least have not declined. The cost of living at Fairbanks was 47 percent higher than in Seattle, which was just about the same as Washington, D. C., and in Anchorage, 40 percent. So I believe the gentleman will understand that for those areas and many other regions in Alaska the 25-percent ceiling was altogether too low.

What would you have if this section went in? You would have outright discrimination against the Alaskan because he would have his salary chopped 25 percent right now, and he would be expected to do the same work as someone else in the same grade for 25 percent less. Of course, the consequence would be that he would quit his job.

Let me read to you a wire received only a few minutes ago from Dr. I. J. Montgomery, who is supervisor of the Territorial merit system. He said:

> If cost-of-living allowance is removed from Federal employees in Alaska, we can expect no further recruiting problems for Territorial agencies. The best of the Federal employees will immediately be available.

I wonder if it is understood when the Federal Government recruits a worker in a State it transports him and his family and his household goods to Alaska. The average cost of this transportation is $2,0000. The Government enters into a contract with the employee to pay the same costs when the employment is terminated, so it is $4,0000 per individual. All right. How do you know and how does anyone know that when that worker goes up to Alaska he will like the place he is sent to or the working conditions he finds there? Would it not be much more sensible to hire a local person and pay him a realistic wage, because you know he is familiar with the country and will stay there? He will not throw up his hands in disgust because he does not like the work or the climate or what not, and leave immediately. I say you will not save any money by this device. On the other hand, the ultimate effect will be to add considerably to the cost of Federal Government operations in Alaska, and I assume that is true elsewhere in the Territories and possessions.

This testimony was given by a high civilian official of the Air Force in appearing before the Senate last year. He said, "Even with the situation as it is now, we have a terrific time in recruiting because private industry, contracting firms, are outbidding us. We can only go so high on account of this 25-percent ceiling, and we come out second best in competition with industry."

I intend to offer an amendment to this bill tomorrow, and I do hope the committee will support it.

Now I should like to present some additional material relating to this matter which is of some vital importance to several thousand Americans.

When S. 2008 came before the Senate Committee on Post Office and Civil Service last year, it was explained by Mr. Joseph E. Winslow, then Assistant Executive Director of the Civil Service Commission, that this cost-of-living provision is not basically an instrument for recruiting. The Commission, by the way, is the agency charged with primary responsibility in administering section 207 of the Independent Offices Act, 1949, as amended. Mr. Winslow said:

> Two kinds of additional compensation may be paid in territorial areas. They are (1) a territorial cost-of-living allowance, based on living costs substantially higher than in the District of Columbia, and (2) a territorial post differential, based on conditions of environment which differ substantially from conditions in the States and warrant additional compensation as a recruitment incentive.

It is the cost-of-living allowance for territorial residents which is at stake here so far as Alaska is concerned. That allowance is being paid in Alaska because the cost of living is higher there than in the District of Columbia; and for no other reason. The Alaskan who is hired by the Federal Government is subjected to precisely the same living costs as a Federal worker brought in from the States. If that statement is not literally true, then it is because whatever difference there may be could rest in favor of the person brought in from the States. For example, a man hired by the Alaskan Command who had made his home in Anchorage as a resident of that city would doubtless continue to live in the same dwelling. But there is the possibility, although not a probability, that the worker recruited from the States could obtain Government housing at lower rates than those paid by the Anchorage resident and have more ready access to post exchanges and other facilities.

The committee report represents a saving of $3,800,000 will be made for the Army if section 640 is adopted. I do not know how that purported saving might be calculated for Alaska, but I do know and know emphatically that it will not be made.

The Alaskan, by and large, will be forced to quit his job. He will have to. In the tremendously inflated economy in which he lives he is in most cases barely able to make ends meet now. Surely, he could not be expected to continue on with his salary reduced by 25 percent.

Then what will the Government do? It will come to the States and seek to recruit replacements, moving in an already tight labor market. It will pay the transportation costs to Alaska of those recruited.

Mr. Plett, Regional Administrator of the Civil Aeronautics Administration in Alaska, testified before the Senate committee last year on S. 2008 that—

> We had a 71-percent turnover in the communicator personnel at our Anchorage Communications Station, and 69 percent of the radio technician complement. At Fairbanks, during the same period, turnover was 82 percent of the entire complement. These people are highly trained, generally at Government expense. When we add training costs and transportation expenses, the Government has an investment of approximately $2,000 in each of these employees. * * * We have computed the total dollar loss to the Government during the sample 8-months in

training costs and travel expenses, for Anchorage and Fairbanks alone, at about $200,000.

And that is only one Government agency.

At the same hearing the Deputy Chief, Department of Air Force, Directorate of Civilian Personnel, said that the Department of Defense then had approximately 6,500 total employees in Alaska, of whom about half were under the classification system and about half under the wage board system. He told about living costs 2 years ago being 40 percent higher in Anchorage and 47 percent higher in Fairbanks than in Seattle.

It is very difficult to recruit persons in the United States for most defense jobs in Alaska, yet it is necessary to do so since the local labor supply is inadequate and the Department of Defense is at a disadvantage in competing for locally available personnel, principally because of the higher rates of pay and amounts of overtime offered by other employers—

He said. Adoption of section 640 would only serve to make an already critical situation worse.

I am today advised that the Civil Aeronautics Administration, one of the principal employers in Alaska, has 1,088 employees eligible for the cost-of-living allowance. Of this number 435 were recruited in Alaska. I am informed that Government salary rates, including cost-of-living allowances, are far below rates in private industry. For example, industry rates for skilled trades are 50 to 75 percent above Government craft, protective and custodial rates, including cost-of-living allowances.

The general Alaska wage trend in private industry has advanced this spring with construction trades receiving increases of 12 cents or more per hour.

The fact is that at the present time, Federal employees in Alaska are receiving less real compensation than is received for like positions in the States, due to inadequate cost-of-living allowances. A radiogram to me on this subject stated that—

With the loss of the present allowance it is impossible to see how any employee could exist on his base salary. Inability to recruit locally would require recruitment almost entirely from the States, greatly increasing cost to the Government due to transportation expense and higher rate of turnover.

In another field of Federal activity in Alaska, namely, the Alaska Native Service of the Bureau of Indian Affairs, it is categorically stated that action of the kind contemplated by section 640 would force closing of many schools and hospitals and would require recruitment from the States of new employees at great expense to the Government.

It has been suggested that if enforced section 640 would delay opening of the new Anchorage hospital and staffing of the expanded Bethel Hospital, and seriously cripple operations at all Alaska Native Service installations.

The National Federation of Federal Employees' chapter at Juneau estimates that 50 percent of all Federal employees in Alaska, excluding those of the Department of Defense, for which no precise figures are readily available, would be affected by section 640. The NFFE estimates that the cost to the Government of moving an employee and his dependents and household goods from the States to Alaska averages approximately $2,000 each, and the Government immediately incurs an obligation to return each such recruited employee upon completion of the employment agreement to the place of recruitment, making the total cost to the Government around $4,000 for each employee.

It should be emphasized that territorial and municipal salaries equal or exceed present salaries, including cost-of-living allowances, for comparable positions. It is well pointed out by the NFFE that no private employer in Alaska would consider discriminating against employees on the basis of residence. Elsewhere, I am informed that in interior Alaska Territorial government salaries are equal to or 15 percent higher than Federal salaries, including cost-of-living allowances.

I have heard that resentment has been expressed because some Americans receiving cost-of-living allowances in foreign lands with cheap housing, cheap food, and cheap services are indulging in lavish living on a scale far beyond any they previously had. I know nothing about that. If it is true, section 640 would not correct it. Section 640 goes only to the Territories and possessions.

I maintain that administration of section 640 would be an impossibility. It gives no definition of a resident. Would the man who went from New York a year ago to work for the Department of Defense and then transferred last month to the Fish and Wildlife Service be considered an Alaska resident and thus subject to 25 percent less salary? This question could be put with infinite variations.

One thing is certain. Section 640 discriminates against one group or class of Americans because they have seen fit to settle in the Territories with the hope of making their homes there. From now on, if section 640 is adopted, any resident of Alaska or Hawaii or one of the possessions who ever wants to work for the Federal Government would most surely deny himself the privilege of local legal residence no matter how badly he wanted it.

Mr. SCRIVNER. Mr. Chairman, I yield 5 minutes to the Delegate from Hawaii [Mr. FARRINGTON].

Mr. FARRINGTON. Mr. Chairman, I want to join the Delegate from Alaska in appealing to the committee to reconsider the position it has taken in this section of the Defense Department appropriation bill, section 640. It seems to me perfectly evident from the questions raised by the gentleman from California [Mr. SHEPPARD] concerning its application to the Canal Zone and the point of view expressed by the Delegate from Alaska that the proposal is entirely unsound, as the results of its application in different areas will produce such conflicting results.

I do not think the committee has given any thought to what the application of this section is going to do to Guam or to American Samoa or to the trust territory, where great difficulty is found in getting suitable personnel. There is, moreover, a law on the statute books under which this problem can be dealt with on a basis that is sound. The amendment to the Independent Offices Act of 1948, which provided for the payment of the differential on the basis of the cost of living, provides a realistic and proper method for dealing with this problem.

In Alaska, the cost of living is something like 47 percent higher than what it is in Seattle. On the other hand, in Hawaii the cost of living is only 20 percent higher than it is in the States.

An investigation of this problem was made in Hawaii something less than a year ago at the request of the Civil Service Commission by the Bureau of Labor Statistics. The Civil Service Commission has it within its power to adjust and reduce this differential.

I say that is the way in which to handle the problem instead of in a manner that has not permitted us of the Territories any opportunity whatsoever to present our point of view and the committee itself has not had the time to give it the study it needs.

It is unfair and unwise to establish in the Territories and possessions one standard of compensation for people coming in from the States, and another for people who live in these areas. It proved unwise and unsound during the war. To pay people who came from the States 25 percent more than the people doing the same job who live within the city of Honolulu, for instance proved extremely objectionable. Experience has demonstrated this beyond question.

We should not expect the people of the Territory who pay the same taxes as the people of the States, and who live under exactly the same conditions, to work for the Federal Government for 20 percent less than the people who come in from the States.

We have gone through this argument and debate a good many times in the past. In every instance, the effort to write this kind of rider into an appropriation bill has failed. It failed when an attempt was made to put it in an Interior Department appropriation bill, and it failed when an attempt was made to work it into an Agriculture Department appropriation bill. This is not the way to handle it. There is a law on the statute books which provides a proper basis for meeting it. I want to express the hope that the amendment to strike this section from the bill, which will be offered by the Delegate from Alaska at the proper time, will be supported by the committee.

Mr. MAHON. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, earlier in this debate, my good friend the distinguished gentleman from Florida [Mr. SIKES] kindly yielded to me for a question. It was on the firepower this bill provides should the guns go off. Obviously, my question was directed from the vision of a father and mother bidding their boy Godspeed, safe return home.

What I say now deals with people, their safety and morale, in and out of the armed services, and not with hardware.

This is a pretty rugged globe. It can fend for itself. It has taken glaciers,

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icecaps, lava flows and floods in its stride, and bombings, too. The bomb saturation above the Pusan perimeter in the summer of 1950, viewed from the air a few months later, resembled bowling balls on the green.

Gutted homes, schools, factories and churches can be restored. So can roads, powerplants, reservoirs, and generally, the works of man. But not man himself, maimed or dead.

Hence, what follows is directed at people; their safety and morale, in and out of the armed services.

Morale! How precious! The lubricant that keeps men fighting. It wins wars, saves nations, promotes vigor, prevents decay. Toward these ends, Mr. Chairman, and with unanimous consent, listed below are four letters.

Because his letter does so much to contribute to the team spirit of our fighting men, I trust General Collins will forgive me for citing it below. I did not think it fair for me to share alone the wisdom and the judgment of so distinguished a message. I trust the anonymity of the two other letters will be preserved. They were written with the highest motives.

DEAR AL: Last night I returned from a very interesting and extremely educational trip to find your letter awaiting me. In view of your assurances, I am only too glad to try to be of some help and even if I were not to be protected, I would be willing to stick my neck out if I thought the future security of our country could be improved.

I don't think any personalities are appropriate or necessary, but I would like to preface my remarks by reminding you that I have no ax to grind. I have little to complain about. I am sure that we are at a low point now, and that things are bound to improve, but it's going to take some mighty strong friends of the Army like yourself to start us on the upswing. I can't tell you how much it means for us to know we have some real friends in Congress.

As I told you over the phone, I am concerned with the bleak outlook for the Army in the future if we let things continue on their present trend. This being the case, I would never encourage my son to try to go to West Point and I know hundreds of other career officers who feel the same way. The main bone of contention is the failure of our Government to live up to the contract it made with us when we were commissioned: little things that, in themselves, could be taken in stride but which mount up in the aggregate.

To begin with, I assume you are concerned with Army prestige and morale; the two go hand in glove and are hard to separate. The reasons for the low point in the curve are, I believe, two-fold. One, the one you are concerned with mostly, is due to Congress and the short-sightedness that has been exercised in places in order to cut budgets. The other, which I shall discuss briefly later, is within the service and can be corrected by appropriate actions at the proper levels.

ARMY AND NAVY

I saw the questions you had posed on the floor as they were reprinted in the Army and Navy Journal a few issues back and was delighted. Since you are so vitally interested, it might pay you to subscribe to the Journal for a while: it certainly covers the waterfront as far as pointing out what is needed to improve service prestige. I am taking the liberty of inclosing a few clippings from only one issue, the most recent.

One point to remember is that no matter what the lawmakers do to rectify conditions, they cannot please everyone. Another is that the most important one thing they can do would be to make the career Army (the word is well chosen for many Reserves are, in fact, career officers these days, and the permanent establishment is what we want to work on) feel as though they were appreciated and wanted. This can best be accomplished by a series of little things rather than something like an across-the-board 100 percent increase in pay, for instance. And these little things are the very sort that will be easiest to put across. I don't say they won't cost anything for there's a price on all commodities and if they are dear enough to us, we're willing to pay the price. Like you, I certainly think we should pay something to raise our service prestige and morale, especially if we look upon it as life insurance—insurance that we'll be strong where we're needed when the chips are down.

Well, that's a lot of moralizing that probably doesn't interest you too much. The places where corrective action (in small amounts) is needed are many and I cannot possibly cover all of them adequately in one letter. In the main they consist of:

(a) A pay raise in keeping with the cost of living and comparable civilian salaries adjusted on a sliding scale.

(b) Reverting to equitable retirement benefits. This includes adequate pensions for service disability retirements and decent pensions for widows and children.

(c) Announced policies and sticking to them.

(d) A buildup of the backbone of our Army through fair promotion policies for the best qualified NCO's and officers.

(e) A fair efficiency report system. (Not a matter for Congress.)

(f) A return to personalities rather than dealing in serial numbers and MOS's. Chiefs of the combat branches would tend to this.

(g) Restoration of the old privileges: values at commissaries and post exchanges, adequate medical care, veterinary service, etc.

(h) Insecurity due to rapid turnovers, frequent overseas assignments, separation from families for prolonged periods.

(i) Inadequate housing. (Partly corrected by Wherry.)

(j) Inequitable taxes out of proportion to pay rates, cost of living, and nonreimbursable service-connected expenses.

(k) Restoration of household transportation costs in full.

(l) Permitting tired old colonels to retire when they are no longer of service.

Each of the above (not listed in any priority) deserves a page of explanation to the uninitiated but I am certain you know the background of most. If any one in particular stumps you, please drop me a note and I'll explain in further detail.

Paragraph (e) above needs a little clarification. To me an efficiency report should serve only one purpose: to spur the individual on to higher efficiency or to maintain his high level. But when the rated officer never sees his report (unless he is fortunate enough to visit the Pentagon several years later) how can he know where to direct his improvement? Further, when the rating officer has no idea what the final numerical value assigned is, how can he be absolutely fair to his subordinate? Remember how upset J. W. was about the foul report he gave H. S. when he tried to rate him superior?

In line with this is the terrible predicament many of our good officers are in when they have been passed over for promotion and career (mis)management won't tell them why. There are two outstanding cases here, both of whom I know to be superior officers regardless of what some superior may have thought of them over a relatively short period of time. Instances are legion I am sure, and the Government is no longer getting full efficiency out of these discouraged individuals. The point is, if they have failed they should be told why.

Probably the greatest single cause of low morale is uncertainty. Paragraph (c) is to blame for much of this. No one knows from one day to the next what's in store for him. Remember the frustration over in Korea, reaching the top of the rotation list only to have the policies changed overnight? Every study coming out of World War II indicated that 180 days in the line was all that should be expected of any man, yet 6 months in those rugged Korean hills were seldom enough for a ticket home.

Training is suffering terribly everywhere due to the constant turnovers. Troop tests suffer because critical specialists are removed just prior to or during a test. The training of tank crews had to be suspended because of instructor personnel shortages.

Now to touch briefly on the points we in the service can correct ourselves, given time. The erroneous idea that we no longer needed sharpshooters but could spray the enemy with a volume of fire, left the man on the thin red line with no feeling of confidence. Worse still, it left us with no really qualified instructors in rifle marksmanship. Much more emphasis is needed here and it's going to take time to build up our militiamen.

I personally feel that it was a mistake to try to boost the infantryman's morale by decking him out like a Christmas tree. He looks like hell now with his blue scarf and trimmings: You can't manufacture morale that way.

Somewhere along the line we adopted a kid-gloves policy, with the result that we are lacking realism in our training. Being a little rough on the men in the Z. I. will certainly pay off in lives on the other side of the drink. But most of all, when treated too softly, the individual has no pride in "belonging." Unit esprit is essential also, and we've got to keep our men in the same unit longer than we are now.

Al, I could go on indefinitely, but I may not be offering you what you want. Please let me know how best I may offer you the material you need for ammunition.

Sincerely,

——— MATT.

DEAR ALFRED: During our last chat, I promised that I would write you a letter about certain matters pertaining to the Army which I have noted in my nearly two decades of service.

When I came into the service there were 35 vacancies for medical officers in the Regular Army. The appointments were to be made on the basis of a competitive examination and a prolonged interview with a medical board, but also a very difficult examination in all branches of medical science. Despite all this redtape, some 600 doctors took the examination at that time. Contrasting that situation to the present one, in which the Army is short some 500 officers in the Regular Army Medical Corps, has been short this number for 7 or 8 years, and has no prospect at the present time of filling these vacancies, it is obvious that there must be some reason for this marked discrepancy between the situation then and the situation in 1953.

In 1945, a survey was conducted by the Surgeon General to determine why doctors would not come into the Regular Army. Results of this survey indicated that the following reasons were given most often for reluctance to join the Regular Army:

1. Frequent moves which disrupted family life.

2. Lack of opportunity for professional advancement.

3. Lack of adequate monetary return for the expensive and prolonged medical education required to become a doctor.

The reasons given above are still the same reasons why doctors will not come into the Army today. If you ask why no steps have

been taken during the 6 years since the survey to correct these conditions, official spokesmen for the Surgeon General will tell you that measures have been taken to correct the deficiencies listed above. This answer is only partially true. The measures taken have not been adequate in any way to correct the deficiencies concerning which doctors complained about in 1945, and these deficiencies still exist. If they did not exist the problem of obtaining medical officers would not exist, either. When doctors complained that frequent moves disrupted their family life, the Surgeon General stated that tours would be stabilized at 3 years, but this has not been done, except in theory. In my own case, my family has moved many times during the past years and my children have never been in the same school for 2 successive years except when I have been overseas. I have been away from my family for more than one-third of my military service and I cannot help but notice that other officers with the same length of service as I have not been separated from their families at all.

When military officers complained that professional opportunities in the Army were lacking, a series of residencies were initiated in both civilian and military hospitals in order to increase professional opportunities for advancement. However, these residencies have been used mostly as a means for inducing young officers to come into the military service, and the officers who were already in the service were passed by and were not given a due proportion of these residencies. Many of the young officers who came in for the residency training have sent in resignations repeatedly in an attempt to leave the service when they have repaid to the Government the contract time which they owed. The medical officers who came in before 1947, when these residencies were initiated, have been told that they are too old for these residencies, or that they have too much rank, or that they are needed for administrative positions. This does not lead to a happy situation among the older officers who must form the nucleus of the permanent Military Establishment. Moreover, when these officers are questioned by younger officers concerning the opportunities available for professional advancement in the Army, they cannot be very enthusiastic if they have been shoved aside repeatedly and have not been given opportunities to advance professionally.

When the 1945 survey indicated that medical officers were dissatisfied with their monetary remuneration, the Department of Defense induced Congress to pay each medical officer $100 extra per month in order that his lifetime pay would be equalized with that of the line officer who was able to begin to earn sooner because of the shorter time required for his education in contrast to the prolonged preparation needed by the medical officer. This extra pay was for a 5-year period. This 5-year period ends in September 1953, and already there is talk of discontinuing it. I know that many of my colleagues of many years service will resign if this pay is discontinued. These people point out that even with the $100 monthly increase which was granted them, their financial reward is only approximately half of what the ordinary doctor clears in civilian life. It is even less than other branches of the United States Government pay to doctors. To cite a case in point, I went to a VA hospital on my return from Korea and I was offered a position at $9,800 per year for a 40-hour week. Such a position would not entail long separations from my family, nor the risks of combat in an alien land, nor the expenses and inconveniences of frequent moves. My salary today is some 25 percent less than what the VA offered me and I work some 60 to 90 hours each week in contrast to the 40 hours of the VA week. Moreover, in a stabilized situation such as would be true if I worked for the VA I could take the leave which I accumulated by law. This is not true in the Army. When I went to Korea I had accumulated many days leave. During the 20 months when I was in Korea, nobody was allowed to take leave and I accumulated more leave than the law allowed me to retain, so that I lost 2 weeks through no fault of my own. There is no compensation for this leave either in cash or in leave credited. Those of us in this situation feel that it is an injustice. Since we were placed in a position where the leave could not be taken because of the war situation, we should receive some compensation for having lost this time.

A year or two ago, all civil service employees of the Government were given a 10 percent "cost of living" increase. The military was eventually given approximately a 4 percent increase many months after the civilians received it. There is much feeling about this throughout the military service and throughout all ranks. Does Congress feel that a man who is restricted to the rigid military life with its long hours and hazards, needs the money less than its other employees? Most of us find that our expenses almost double when we are separated from our families and must maintain ourselves apart from the family. Every move we make costs considerably more than we are compensated for, and as I pointed out above, moves have been very frequent throughout the service in the past few years. In 1949, when the new pay scale was instituted, the committee which studied this matter took into consideration such benefits as low-cost purchases which could be made through the post exchange and the Government commissary. Many of these benefits have been taken away from us, but there has been no compensatory increase in pay as a result. The feeling is general throughout the service that there is a constant attempt by Congress to whittle away the fringe benefits of the military service to the extent that this whittling increases the cost of living and amounts to a breach of contract with those of us who have been in the service for many years.

One of the big changes that has occurred lately is a cut in the weight allowance of moving to 9,000 pounds. At my rank, this amounts to a drop of 1,500 pounds and means that every move I am ordered to make will cost me several hundred dollars. We do not live luxuriously, but because we frequently do not find quarters available at Army stations we have an electric stove and refrigerator which must be carried from station to station. These two items are approximately 1,000 pounds in weight. In addition, we have a clothes washing machine, a clothes drying machine and a small deep freeze. Since I am a doctor, I have a considerably large professional library which I have collected over a period of 20 years. We do get an allowance for the transfer of professional books, but I had considerable difficulty even with this since I have an extensive library. My next move will make it necessary for me to pay for the movement of 4,000 pounds out of my own pocket. It is not a pleasant prospect when moves have been so frequent lately.

Many men are attracted to military service because it used to be possible to retire on half pay after 20 years' service. I came into the service expressly because of this, as did many others. Reserve officers who have permanent enlisted status can still retire under this provision, but Regular Army officers can no longer do this because of riders which Congress has put on appropriation bills. Having served a majority of the 20 which I had planned, I feel that the Government has committed a flagrant breach of contract in this respect.

I have tried to give you a résumé of my thoughts concerning the military as a career for the medical officer. I have many similar complaints from officers in other branches. I feel that some remedial action should be taken by Congress to make the military service more attractive to all ranks in general and to the Medical Corps in particular. Unless this is done soon, the hard core of Regular medical officers will be lost and the advances made during the last two armed conflicts will be lost with time. You cannot have an efficient organization unless you keep your officer corps happy.

Sincerely yours,

ZEKE.

UNITED STATES ARMY,
THE CHIEF OF STAFF,
April 8, 1953.

Hon. ALFRED SIEMINSKI,
House of Representatives.

DEAR MR. SIEMINSKI: Thank you very much for your recent letter asking for information on the pros and cons of having a Chief of Infantry in the Department of the Army. I was also interested to note your address to the House touching on this subject several days ago. Needless to say, the deep personal interest you have continued to take in the welfare of our troops and your desire to add to the Nation's security are indeed greatly appreciated.

The following comments give essential background information and will, I feel, be helpful to you in understanding the present thinking of the Army on both sides of the question which you have posed. Prior to World War II the Army had a Chief of Infantry, as well as chiefs of the other combat branches, their main function being to develop the latest and most effective combat and training doctrine for their respective branches and to supervise the career management of officers assigned to those branches. The success of the United States Army during World War II bears witness to the effectiveness of the training doctrine which was developed in great part by the chiefs of combat branches.

Until finally abolished by the Army Organization Act of 1950 (Public Law 581, 81st Cong.), the positions of the chiefs of combat branches were statutory. However, under the authority of the First War Powers Act, President Roosevelt ordered into effect on March 9, 1942, the reorganization of the Army which eliminated the Chief of Infantry, along with the chiefs of the other combat branches. This reorganization concentrated responsibility for all ground combat training in the commanding general, Army ground forces, and was most effective in welding all the individual branch skills into combined arms units capable of extended combat on a worldwide basis.

Specifically, the main points in favor of having a Chief of Infantry are that it would provide an agency with the sole responsibility for developing and keeping current infantry tactics and combat doctrine, as well as provide an agency with the sole responsibility for looking after the interests of infantry personnel, such as schooling, varied assignments, morale, and esprit, and in general to represent the Infantry.

On the other hand, the most successful combat doctrine developed in modern war is the combined arms concept composed of the three combat arms (Armor, Artillery, Infantry) supported both by air and naval power and supplied by the logistical and administrative services. In it great stress is placed on teamwork between and among the various arms and services. While this teamwork is simple in concept, it requires long training to perfect, and to be most effective this training must be conducted under a commander who has had wide experience in the combat employment of all arms. That is the reason for the great emphasis being placed on understanding the role of all of the various components in service schools today.

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As you know, in the current organization of the Army the development of training doctrine of all arms is carried out by the Commanding General, Army Field Forces, who is charged with integrating the doctrines of Armor, Artillery, and Infantry into the vital team concept which has proven so successful.

Responsibility for the career management of infantry officers, as well as Armor and Artillery officers, now rests with the Career Management Division of the Adjutant General's Office, which functions under the General Staff supervision of the Assistant Chief of Staff, G–1. This office is able to resolve such complex problems as branch quotas to advanced schools, civil schooling, and proper utilization of combat arms officers to fill important positions where branch is immaterial but wide experience is essential. The Infantry section of the Career Management Division is, of course, manned by Infantry officers who are alert to the interests of branch members. This applied to the armor and artillery branches as well.

Another point bearing on this subject which I feel should be stressed is the relationship of the fighting in Korea to the combat doctrine of the Army. It is of tremendous importance that this combat experience be evaluated properly in the light of past experience and possible future employment. This problem is being followed continuously by the commanding general, Army field forces and his staff, which is made up of proportionate members of the three combat arms.

As you can see from the above the Army is cognizant of the value of the functions that would be performed by chiefs of combat services and has made provisions for the discharge of these functions. To achieve the cooperation and team work we must have, it is almost mandatory that these functions be performed by an agency with a broader outlook than would be likely under a system providing for separate chiefs of the combat branches.

Again, thanks for writing to me as you did, and I wish to assure you that the Army is not unmindful of the benefits of having combat branch chiefs, even though it is felt they are outweighed by the need for furthering the teamwork concept. If I may be of any further assistance to you in this matter, please do not hesitate to let me know.

With kindest regards.

Sincerely yours,

J. LAWTON COLLINS.

APRIL 15, 1953.

Gen. J. LAWTON COLLINS,
The Chief of Staff, United States Army,
Pentagon Building,
Washington, D. C.

DEAR GENERAL COLLINS: Thank you very much for your exceedingly informative letter of April 8, 1953, reference the Department of the Army's thinking with respect to having a "Chief of Infantry" in its setup.

It is indeed gratifying as a Member here in the House to know that the lessons learned in prior wars are not being forgotten, and that the evolution of the "teamwork concept" will continue with an ever-developing efficiency and cooperation.

Comes the dawn or the night on any outpost or in any field of fire, I want Uncle Sam's boy to feel just a little less alone than his daddy did. I want him to see the genius and to feel the full impact of 155 million Americans and their allies in his support. I want him to be covered by fields of fire that will allow him to maneuver with the greatest possible speed to accomplish his mission and to return home to those he loves.

Warm personal regards,

Cordially,

ALFRED D. SIEMINSKI,
Member of Congress.

Mr. MAHON. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I had occasion to make some inquiry concerning the funds that are available for the construction of armories. It seems that funds are appropriated in this bill for the construction of armories on a State basis. Some States do not have enabling legislation which permits them to use the funds. I am wondering why those funds, since they are appropriated, are not used in areas where they are needed. There are many places where they have a great need for armories. I wonder why the Defense Establishment does not allocate those funds on the basis of need. I wonder if there is anything in the law or in the action of the Committee on Appropriations that keeps them from allocating those funds.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. MARSHALL. I yield.

Mr. SIKES. I will attempt to answer the gentleman's question. There is no disposition on the part of the committee to break down the funds for the armory construction on a basis of allocation by States. We take the recommendations which are brought to us by the Department of Defense, and we act on them in their entirety. The military services know when they come to us where they propose to build the armories. We do not attempt to allocate them by States, and we do not feel that it is our responsibility to say where funds are to be spent. We leave it to the Department to decide where they need the armories the most.

The gentleman has touched on something that I think I should speak on further. This committee has been disappointed in the progress that has been made in armory construction. There have been several reasons. One of them is the fact that some of the States have not enacted the necessary basic legislation, in their own legislatures, and entered into the necessary agreements to participate in the armory construction program. We, in Congress, have no control over that. The other is that there appears to have been general dallying on the part of the Department of Defense, in constructing armories. I am sure they could make much better progress than they are making, and should make better progress. This committee has so stated to the Department of Defense.

Mr. MARSHALL. I appreciate that information from the gentleman from Florida [Mr. SIKES], who is well informed. There is a great need that exists today, to distribute the funds that are appropriated on a basis of need. They are not tied down on the basis of State allocation. It is permissible, so far as the Congress is concerned, that those funds be used where they need it for the defense of this country?

Mr. SIKES. My friend is correct.

Mr. MARSHALL. I thank the gentleman.

Mr. FORD. I might say to the gentleman from Minnesota [Mr. MARSHALL], if he will yield, that in the hearings on the Department of the Army, beginning at page 384 and running through page 387, he will find the armory projects which are under construction and those which are contemplated to be under construction during the next fiscal year. A quick check indicates that in two instances in Minnesota there is contemplated construction. That is set forth on page 386. It is our hope that under the budget, and particularly as a result of the urgings of our sub-subcommittee, that the armory construction for the National Guard will be expedited more rapidly than it has been in the past.

Mr. MARSHALL. I thank the gentleman. The armories proposed to be constructed lie in the Iron Range where they are very badly needed as a matter of defense. The gentleman knows how important the iron mines are to the economy of our country. There are a number of other places, also in Minnesota, where it would be of assistance in the defense of this country to have places where equipment can be stored and where men can be trained. Oftentimes people overlook the fact that Minnesota is the northernmost State in the United States, the closest to an invasion from over the Arctic.

Mr. MAHON. Mr. Chairman, I yield 6 minutes to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, I should like to address a question to the members of the committee in connection with some of the Navy's appropriations, and before I address that question, I should like to preface it with 1 or 2 comments in connection with the particular branch of Navy's operations about which I shall make the inquiry.

Under the Unification Act, the Navy took jurisdiction over all sea transportation, including that which was formerly handled by the United States Army Transport Service under the Army. Since that time there has been recognized by many of us what we regard as a great expansion of these operations by the Navy, beyond what some of us feel is perhaps necessary even in the face of the outbreak of the Korean hostilities. The Navy has been not only carrying troops, which everybody will admit is the function of the Military Sea Transportation Service, and has been carrying field equipment, but is carrying all sorts of general cargo and using whole passenger ships for carrying dependents to foreign ports; cargo and persons which heretofore had been carried in private American ships.

I have been trying to find out where the funds for the Military Sea Transportation Service, generally referred to as MSTS, show in the committee's records. I fail to find any reference to that in the report or in the bill and I would like to make some inquiry of the committee as to where they may be and if they are not specifically set forth in the bill if this committee of the Congress or any committee that anybody knows of has ever had a complete and full accounting from the Navy as to what amount of money it is costing to operate the Military Sea Transportation Service.

Mr. SCRIVNER. The gentleman from New York [Mr. OSTERTAG], probably has some information on that.

Mr. OSTERTAG. As I understand the gentleman's inquiry is where the funds come from. It comes out of the industrial revolving fund.

Mr. SHELLEY. Without any specific earmarking for its use by the Military Sea Transportation Service?

Mr. OSTERTAG. It is paid for out of appropriations, of course.

Mr. SHELLEY. It must, of course, come from some appropriations.

Mr. OSTERTAG. What I mean is that it is not without control, if that is what the gentleman has reference to.

Mr. SCRIVNER. I did not have the opportunity of sitting in on the Navy hearings. The gentleman from Massachusetts [Mr. WIGGLESWORTH] was chairman of that subcommittee and, as the gentleman knows, he is ill.

I understand this is operated from the revolving fund; in other words, it has a regular industrial capitalization; it is a going concern the same as any other ship line; and they, of course, carry military goods and military passengers for the Army, the Air Force, and other governmental agencies; and of course then they bill those various branches for the services which they have rendered. But perhaps that does not answer the gentleman's question. If it does not, perhaps the gentleman from California [Mr. SHEPPARD] can answer it.

Mr. SHELLEY. May I say this to the acting chairman and to the members of the committee: The Merchant Marine Committee of which I happen to be a member had some discussions with Admiral Denebrink and we went into that phase of it. I do not think anybody quarrels about the need of their operation, but we also found they were operating cargo vessels and passenger vessels which were carrying not only the dependents of military personnel but employees of other departments and dependents of employees of civilian Government departments and carrying other than straight military cargo.

Mr. SCRIVNER. Perhaps I did not make myself clear. It is all Government cargo. It is all Government cargo that is carried by the MSTS.

Mr. SHEPPARD. If the gentleman will yield, he is actually directing his question as to whether or not this is one of the operations of which the Navy could properly divest itself; a certain type of the cargoes carried by the Military Sea Transportation Service is commercial cargo. Is not that the gentleman's question?

Mr. SHELLEY. That is exactly the point.

Mr. SHEPPARD. Insofar as I know, unless my colleagues have had some information that has not been presented in my attendance there has been nothing wherein we have inquired into that line that demarks that operation. The analysis I saw was given to us before amalgamation took place. We have not gone into that sufficiently so we would know where the line of demarcation was there. The gentleman is right in his position.

Mr. SHELLEY. That is exactly the point I wish to make, failure to follow its operations. I think that somewhere there should be an explanation demanded as to how these funds will be used, because I think the policy for which the Military Sea Transportation Service was originally set up is being far exceeded today to the point that it has caused the laying up of private American flag vessels, that MSTS is carrying goods that actually should be carried by private vessels under the American flag. The gentleman is right.

Mr. SCRIVNER. Mr. Chairman, I yield such time as he may desire to the gentleman from New Jersey [Mr. WOLVERTON].

Mr. WOLVERTON. Mr. Chairman, committee report on this appropriation bill is enlightening. From it I learned for the first time that the Army, Navy, and Air Force were all seeking increases in funds to be contributed to operation of the Armed Services Textile and Apparel Procurement Agency. I have opposed continuation of this agency because of a conviction that it cannot and will not operate efficiently and economically. Although it might have been better to cut ASTAPA off without a penny, it was encouraging to see that the committee had declined to approve any increase in its operating funds.

It may be preferable that the committee so acted. Our refusal to permit the use of appropriated funds for operation of such a joint procurement agency might have prevented the Department of Defense from putting its own house in order. Perhaps the Department can now take full advantage of its reorganization and adopt more economical operating techniques. ASTAPA offers to the Department of Defense a tailor-made opportunity to demonstrate its desire to give us more defense for less money.

If some of the recent administration utterances mean what they appear to mean we may expect some action to be taken toward abolition of costly experiments. Both President Eisenhower and Defense Secretary Wilson have made statements which may be interpreted as challenging the concept which supports the Armed Services Textile and Apparel Procurement Agency.

More recently the Deputy Secretary of Defense, Mr. Roger M. Kyes, in explaining Reorganization Plan No. 6, said that it was the purpose of the Department to delegate back to the services those operational matters which have become the duty of the Munitions Board over the past few years. He expressed a departmental opinion that the Munitions Board and its committee systems were too cumbersome for satisfactory management of supply and logistics. The use of committees in such operations makes larger demands for personnel, Mr. Kyes said, than any other type of system.

The Armed Services Textile and Apparel Procurement Agency epitomizes the evils of the committee system. It is an example of a committee supervising a committee supervising a committee.

If such committees are, as they appear to be, anathema to the new Department of Defense, then we may expect some radical changes in the methods of purchasing clothing, textiles, and apparel for the Armed Forces. If ASTAPA were to be abolished it would probably result in a decrease in operating costs. But more than that, it would lead to other economies, other decreased costs, and—in the words of Mr. Kyes—establishment of "a clear point to which all can look, to an official who has authority and who will be clearly responsible."

The appropriation bill and the Defense Department reorganization are interrelated. Although it is impossible to predict with complete precision whether the reorganization plan will in fact save us money, it has the potential to do so. If the plan does not work, perhaps we can take other steps. As the New York Times said in an editorial yesterday:

There is nothing irrevocable about the reorganization.

Mr. SCRIVNER. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. BRAY].

Mr. BRAY. Mr. Chairman, I am interested in discussing the sugested $5 billion addition to the Air Force appropriation. I do not know exactly how great an amount the proponents of this increase will ask when this appropriation bill is open for amendment tomorrow. Originally they had suggested an amount in excess of $5 billion. Now a lesser increase is being suggested. In this speech I will consider the amount of the suggested increase as $5 billion. Economy and commonsense must be applied in weighing the merits of this appropriation the same as in any other appropriation.

I well realize that any effort that we may make to bring commonsense into the spending by the Air Force will be met by loud denunciation from certain writers, commentators, and interested groups in America. I well realize that to suggest economy in defense exposes one to the allegation of being a pacifist and numerous other abuses. However, if I can, in a small way, assist in bringing commonsense into the spending of our taxpayers' money, I am willing to take such abuses.

No one on this floor is any more interested in defending America and in protecting the interests of America at home and abroad than I. I have spent 28 years in the armed services, either active or inactive. I served more than 5 years in the last war, 4 of those years in the Asiatic Pacific theater, and I am now an active member of a Reserve component of the Army. I am a member of the Armed Services Committee. I participated in the efforts of the William Allen White committee prior to World War II in attempting to get our Government to adequately prepare for defense. I only mention these matters to point out that I am now and have always been a supporter of adequate national defense.

However, I do want to point out that the most dangerous course that we can take regarding our defense is to wreck the great economy of America; that economy which has made us the strongest and most powerful Nation on earth. It has also given us the highest standard of living ever known. Today, however, we are approaching our national debt limit of $275 billion, and it is apparent that bad times lie ahead if our Government does not cease spending money faster than our economy can stand.

We talk of billions of dollars as though they meant nothing at all, but we must remember that every one of those billions of dollars was produced by the labor of America. The wealth of

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America is not in the gold at Fort Knox. Our strength does not lie in the blare of trumpets and the roar of guns and bombs. Our wealth and strength lie in the production of our working men and women. Everything we possess, the homes we live in, the clothes we wear, the food we eat, is the result of the labor of men and women producing those things from the resources God placed in the land, sea and air. Every useless expenditure of the taxpayers' money for defense or for any other purpose is morally wrong and injures our capabilities toward defense.

Let us immediately proceed to the actual facts of this Air Force budget. Allow me to give you the amount of money, in round billions, which was appropriated for the Air Force for the last 3 fiscal years and the amount of money which that Department was unable to spend during each of these 3 fiscal years from the money appropriated. In most cases, in the defense appropriation, the unexpended balance at the end of the fiscal year goes over into the next year. There are contracts for construction made in one year that are finished in the next year or even later. For the fiscal year ending in July 1951, a total of $16 billion was appropriated. At the end of the year a total of $13 billion was unexpended. In the fiscal year ending July 1, 1952, a total of $22 billion was appropriated; and a total of $23 billion was left unexpended at the end of that fiscal year. For the fiscal year just ending on July 1, 1953, the amount of $22 billion was appropriated for the Air Force, and there is an estimated unexpended amount of $29 billion. Now the Appropriations Committee who has made a careful study of our defense needs requests $11 billion additional appropriation for the fiscal year ending July 1, 1954. This, with $29 billion already unexpended, leaves the Air Force $40 billion which it can spend during the next year, that is the year ending July 1, 1954. That is more than twice the amount which the Air Force has been able to spend in any one of the 3 preceding years.

Nevertheless, we find a group of people in the Air Force and some Members of the Congress who say that we will wreck the Air Force if we do not give them an additional $5 billion. The President of the United States, who is the Commander in Chief of all of our Armed Forces, the Secretary of Defense and the Secretary of the Air Force, all state that the Air Force could not intelligently spend this additional $5 billion if it is appropriated.

President Eisenhower has approved the Air Force budget and is against this attempted increase. He is unquestionably one of the most capable and best informed military leaders of our time. He has the greatest and most solemn obligation to defend the United States. If he would make any error in our defense plans, it would be to err on the side of a stronger defense, and that is as it should be. During all of this debate, please keep in mind that President Eisenhower is against this attempt to increase the Air Force appropriation.

The question which has been worrying me is why in the face of these facts, a group of people is demanding $5 billion more than our Commander in Chief says the Department can spend. It is most unusual to attempt to give a department more money than the head of that department, and also the Commander in Chief, states can be used. I am not placing all of the blame for this demand on the Air Force. I wish to make it clear that I believe that we have a fine Air Force—flight crews, technicians, and other personnel second to none.

Any department in the Government, or for that matter any group of people that is allowed limitless money and power, would behave in the same manner as the Air Force. It is the duty of the Congress to regulate these departments of the Government to the benefit of all. The blame for the extravagance of the Air Force lies right here in the Congress. For years Congress has been voting the armed services more money than they could spend. We have been acting as a father who feels that he has carried out his obligation to his son merely by giving him more money than he needs. Our obligation in Congress, for the defense of America, consists of more than merely appropriating more money for defense than can be spent. We have a most sacred obligation to preserve the safety and welfare of all America. That obligation is to see that the taxpayers' money is spent in the best interests of our country and in accord with our economic capabilities. The job of the Congress is to keep in mind the entire economy and welfare of all of the people, which not only includes the guns and the planes, but its taxpayers, workers, farmers, businessmen, the needy, and all phases of our economic and social existence. When the needs and demands of the military rides supreme, then we have militarism and all of its attendant ills. Such militarism has wrecked every country that has bowed to it.

I fear that this extravagance of the Air Force has resulted from our year-after-year giving it more money than it could use. Perhaps our country as a whole has fallen into a line of thinking wherein money is everything; wherein money and money alone can buy us a sound economy, and can defend us against all dangers and ills, both domestic and foreign. Money alone never gave security to any individual nor to any nation. Croesus sitting on his mountain of gold and jewels discovered that centuries ago when he met the rugged and capable army of Cyrus the Great.

It would take hours to point out the extravagance of our armed services which have recently come to light, but allow me to mention only a few. The scandals of the air-field construction program abroad are still resounding in our ears.

It was recently discovered that the Army, which wanted to spend money more rapidly, purchased $45 million worth of overcoats that are of no use to the service, and are now hidden in various warehouses. The misuse of armed services' personnel is common gossip.

Incidentally, this talk of economy has already had a very wholesome effect on the Air Force. A few days ago it was disclosed that the Air Force was paying Fairchild Manufacturing Co. $260,000 for a certain type plane. It was paying Kaiser-Frazer $1,200,000 for the same plane. Why? Could it be that Congress has taught the Air Force that money has no value. At any rate, the Air Force has now canceled that absurd contract with Kaiser-Frazer and will save around $100 million of the taxpayers' money.

On June 11 the Air Force announced a cancellation of the contract to manufacture 193 planes being made by the Beech Aircraft Corp. and 227 of the same planes being made by Canadier of Montreal, Canada. The Air Force officials decided the planes are not needed. The total contract involved a sum of $225 million. It will probably cost the Air Force $100 million to settle the contract, but even that is better than spending $225 million for planes that could not be used.

On June 18 the Air Force cut the number of giant presses which it had ordered from 17 to 10. This number was later cut to two as the Air Force said that it had no need for the presses. This contract involved $400 million.

These are typical examples of the results when any Department of the Government is given more money to spend than is actually needed. Yes, these stories could go on for hours, but I am not so interested in pointing out errors of the past. Let us look to the future. From now on let us use a little sanity in our spending. We should get the taxpayer a dollar's value for every dollar spent. The American people are insisting that we do just that.

There has been a great deal of discussion about the number of air wings that we should have in our Air Force. That is a technical matter, and would take considerable time to explain. A wing is a tactical and administrative organization of varied strength in planes and personnel and is somewhat similar to a division in the Army. For instance, a medium-heavy bomber wing is composed of 30 planes. A light bomber wing is composed of 48 planes. A fighter wing is composed of 75 planes. In addition, there are reconnaissance wings, troop-carrier wings, and so forth. The number of wings does affect the number of generals and the number of high officers which can be promoted. The number of wings, however, does not determine the capabilities of an Air Force. A wing can be understrength in the number of planes or the planes can be obsolete and of little use. For instance, a 100-wing Air Force, if filled with the best and most modern planes and manned by the most efficient personnel, can be a most effective fighting force. On the other hand, 200 wings, if they do not have the full component of planes and if the planes they have are obsolete or do not meet the combat requirements of the times, could be next to useless. I do not mean to say that the number of wings is immaterial to our air strength, but I do want to point out that the discussion of the number of wings can be very confusing. It is most vital, however, that we have the best planes in sufficient numbers, and that they be manned by the best-trained personnel.

The Secretary of Defense tells us that adding $5 billion to this appropriation would not get us one extra plane, and that without this $5 billion there will be no cutback in the proposed production of planes.

Before we vote $5 billion more to the Air Force, which would give it $45 billion to spend the following year, let us, for a moment, think of what $5 billion really means. This amount of money would pay for 1 year of higher education for 5 million students, which is more than twice the number of students that are in attendance at all of the institutions of higher learning in the United States. This $5 billion would build one-half million homes in America. This $5 billion is more than twice the money that is being spent by the Federal Government, by the States, and by the local governments combined for all old-age pensions, all blind pensions, and all aid to dependent children for this year. I do not think that there is a doubt that the pouring of untold billions into our defense effort without an adequate plan to use it has done our defense effort, and our national economy, great harm.

America did not become great because of war. America became great through peaceful pursuits, through hard work of honest citizens. It became great because of the work in the fields—in the mines—in the shops—the stores—in every phase of our economic life. It became great because of the American home—because of our churches and our schools. A dollar spent for shelter and for food and the comforts of life adds to the strength of America, but every dollar spent for defense which is not needed is a dollar spent toward destruction—not toward growth. To say that war and destruction help our economy is the same as saying that the way toward a healthy life is to constantly take morphine.

Let me repeat that I believe in and will fight for a strong defense in America. If there ever is a cut made which we later find would injure our defense effort, there is no question that the Congress would appropriate the necessary money in a matter of hours. I am a strong believer in air power. I believe that today it is most important that we have a strong and a vitalized Air Force. But I believe that it has been demonstrated that a reckless and extravagant use of money not only keeps us from getting a strong defense, but can destroy our fine economy in America, without which all of our defense would fail. America's future lies in peaceful pursuits.

Every Member on this floor knows that as long as America is strong and free all the forces in the world cannot destroy her; but every student of history knows that when the militarist takes over a country the freedom and dignity of man suffer; that militarism has destroyed every country that has embraced it. The purpose of the Air Force must always be to protect America and its interests; and we must never have the situation in America where the civilian economy exists for the purpose of supporting the military. Let us not let the tail wag the dog.

Mr. SCRIVNER. Mr. Chairman. I yield 20 minutes to the gentleman from Nebraska [Mr. HRUSKA], who served on the Air Force Subcommittee.

Mr. HRUSKA. Mr. Chairman, last January when the list of those to serve on the Appropriations Committee confirmed my name being one of its members, I appeared before Dr. MILLER, my distinguished colleague from Nebraska, and thanked him for his help as one of the Committee on Committees for getting the assignment for which I had expressed a preference. He suggested that I withhold my thanks for the next 4 or 5 months and come back to him and see if I would thank him as sincerely that much later as I was doing in January. As the weeks wore on I got an idea of what he had in mind, because the sessions were grinding, they were tedious at times and it is hard work. However, I do not retract my thanks to the gentleman from Nebraska because it has been my privilege for the last 4 months to serve on a committee that is very eminent, indeed, in my judgment. This is particularly true of the subcommittee on which I serve. The chairman of the full committee, the gentleman from Kansas and the gentleman from Texas, are charitable, tolerant, Christian gentlemen in their liberality toward a novice on the committee. I gratefully acknowledge also the help of the committee staff.

Mr. Chairman, the subject of the Air Force and air defense has tremendous publicity and demagogic capabilities. Many of them have been heavily exploited in recent weeks. Too often facts, figures, and information elicited or utilized have afforded much aid and comfort to enemy intelligence services, so great has been the zeal of those who want to fight a cause. Oftentimes, such facts, figures, and other information have been used in such a way that they do not lend themselves to refutation; not because of lack of proper and contrary facts and information, but because the use of such proper facts and information would in and of itself lend further and more satisfying aid and comfort to the enemy.

Fortunately, in spite of such tactics, the case for the present budget bill can be made without going into forbidden territory; and I assure you that our committee, although possessed of official information, will exercise such restraint as is necessary to the end that rules of security will continue to be observed.

COMMITTEE FOR STRONG AIR FORCE

First of all, Mr. Chairman, I mention a point which should hardly be necessary for the thoughtful mind. Our Armed Services Committee and our Appropriations Committee are for a good, strong Air Force. After weeks of specific study of the place and indispensability of air power in modern national security, no one is more thoroughly convinced of the necessity of a strong, modern, and alert air defense than my colleagues of the committee and myself. Our labors have been toward that end.

NO REDUCTION OF AIR FORCE CONTEMPLATED—CONTRACTS CANCELED

Before discussing budget figures proper, I should like to comment briefly on the popular belief that a cut in the Air Force is being considered. It arises, no doubt, from the fact that there is so much talk about a 143-wing program against an interim 120-wing program. A great many people, probably most of them, think we have 143 wings. There is now talk about 120 wings. The difference is obviously 23 wings. But let me impress this thought upon you: We do not have 143 wings. No reduction of Air Force is contemplated. It will be stronger 6 months from now and again a year from now than it is today. Its combat strength on the basis of present interim plans will be as great and possibly greater than planned under the so-called 143-wing program. The plain answer to questions raised in this direction is that one cannot cut something which you do not have. We do not have 143 wings. Hence, we cannot cut therefrom. Even without slippage, under our present schedule, it would not be until June 30, 1956, that we could expect a 143-wing strength. We are a long way from it now.

Today we have 106 wings officially activated. But let us not be fooled by that term "activated." Ten or more of these wings have no combat planes, and they are supposed, eventually, to have them. The balance of the wings are in varying states of combat readiness and modernization. The popular mind has it that an "activated" wing is one equipped with planes, fully armed, supplied, manned, and ready to take off into the "wild blue yonder." It is no such thing. It takes only the signature on a very brief typewritten document to officially activate a wing, and no enemy planes have been shot down yet by a newly activated wing.

No, we are not reducing our Air Force, but rather continuing to build it. The reduction actually being made is in terms of dollars, and the basic reason for this, as I will shortly detail, is the fact that the amounts of reduction, if appropriated now, would be planned for expenditure so far in the future, that the committee and others have come to the conclusion that it would be for the common welfare that less money actually be appropriated than was requested. The amount of the reductions had better remain subject to the control of this Congress, not alone for the sake of control itself, but to further insure its judicious and careful spending when it is really needed.

ANNUAL PUBLIC DEPRECIATION OF AIR FORCE

Some so-called friends of the Air Force, in their zeal to advance its cause according to their own lights, have gone into great detail with statistics and descriptions of the inadequacies and the obsolescence of our Air Force. The apologetic semblance to an Air Force which results is scarcely recognizable after they get through. Such words as "deplorable" or "sad and disgraceful" or "totally lacking in capacity to adequately defend itself," have often been resorted to. The disastrous effects of constant reprograming, of stretchouts, of replanning, of economy drives, cutting of production, and delay in development, it is said, add up to this frightful nightmare which America designates as its Air Force.

In the first place, I want to say that such an approach does not meet much

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sympathy of our commitee. We cannot subscribe to the thought that our Air Force is either inferior or second best. In the second place, we should like to call attention to the fact that if such deplorable condition and its antecedence actually obtain, it was not at the hands of those currently in charge, but rather the hands of their predecessors. Thirdly, it must be said that the end result, so dolefully described, is a branch of our Armed Services which, from July 1, 1950, to June 30, 1953, has received appropriations totaling $62 billion, 29-plus billions of which were specifically for aircraft production. It is suggested that after all this and more of the country's financial and other resources have been made available, and if the results are so deplorable, then the reason for shortcomings and the remedy do not lie in the inadequacy of money. Dollars alone will not do the job. They must be effectively and intelligently used, without waste, insofar as that is possible in an undertaking so vast and so complex.

CRASH-TYPE PROGRAM

Mr. Chairman, in the past 3 years, there have been instances of waste, of poor planning and expensive, misdirected activities. This is neither the time nor place to judge those responsible for such things. It should be evident to anyone who has gone over the program that many of these things were inherent in the crash type of program on which we embarked right after the Korean war started. Methods, then best calculated to achieve desired results, have been disproved by actual trial. We know better now because of many of those experiences. We propose to capitalize on them. It is lucky we get this second chance. It is lucky that it was not the real McCoy with which we were faced in 1950, instead of a time when an all-out effort was needed.

These mistakes will be corrected They are in the process of correction now. But it cannot and will not be done by the timeworn and outmoded formula so often prescribed and used in the past 20 years, to wit: Another astronomical appropriation, following the voting of which the Congress heaves a few self-satisfied sighs and promptly lapses into another period of complacency and pseudo-happiness, safe and secure in the thought that everything has been done that can be done. The rude awakening comes when the time comes for another deficiency appropriation request.

There is a list of the reasons why the reductions were made in this Air Force budget contained on page 4 of the report, I will not detail them here again. I should like to refer however to the evolution of the budget as we have it. It was suggested here a little bit ago that the Air Force really did not ask for more than they should have. I should like, if you have a pencil and something to write on, for you to take down 4 figures, and they are simply these: We start out in the January budget with $16.8 billion, which is the requested budget for the Air Force. In March there was a voluntary reduction by the Air Force of $1.6 billion, so the next figure will be $15.2 billion. Then we drop down to the $11 billion plus figure which the June budget, or the new proposed budget, contained. Now we have a proposal that we add $1.4 billion, making a total of $13.1 billion, including military construction, which will give us the same overall result it is said, by way of the 143-wing goal that we were going to achieve under the $16.8 billion, except for a delay of 6 months which was suffered by reason of the freeze order and so on. I might say that in December 1952 the Air Force revised budget as presented to the Department of Defense was $19.5 billion, so that if we compare that with the present figure of $11 billion there was a cut of $8.5 billion. Now we are told that if we restore $1.4 billion of the $8.5 billion everything will be lovely except the time that was lost in the freeze orders and other restrictions that were imposed in February and March and succeeding months.

There is one account in particular to which I should like to call attention; that is, the spare-parts account. The spare-parts account was referred to earlier today by the gentleman from Kansas. That particular account since the outbreak of the Korean War has had a total of $12.7 billion appropriated to it. That includes the appropriation we are now considering. For the time from the Korean war until June 30 of next year, a year from yesterday, the estimated expenditures from that fund will be $1.7 billion, leaving an unused balance in stock or on order of some $11 billion. It is that type of thing multiplied many times which resulted in the large unexpended balances with which we were confronted and which have been a great factor in enabling reduction of the budget so greatly.

This sort of bandying about in terms of tens of billions of dollars has not been an unusual thing in past years. The total Air Force budget requests for the fiscal years from 1951 to 1954 inclusive exceeded by $32 billion the amounts recommended by President Truman for those 4 years, and President Truman's reputation was not that exactly of a tight-fisted administrator of funds.

The question has been asked as to where these cuts have been made. It has been suggested by the gentleman from California that he has been looking diligently for them; that he has been trying to find where they are and what they consist of, but has not been able to find them. Mr. Chairman, they are in the record. If we turn to pages 285 and following of Air Force hearings, Mr. James Douglas, Under Secretary of the Air Force, we find him testifying way back on May 22, in substance as follows: "We started out with the January budget of $16.8 billion, and then on March 6 that was reduced to $15.2 billion by the voluntary action of the Air Force." Mr. Douglas broke down the reduction from $15.2 billion to $11.7 billion as follows: Aircraft procurement $1.6 billion. Lead time out of that was $1.5 billion. The carryover, which was not programed at all, was $300 million, and later it turned out that that carryover was $633 million. That is the amount we later added to the aircraft procurement account.

The second item was that of construction, in which there was a reduction of $300 million, and even at that, about $1.6 billion remained unobligated in the construction account as of June 30, 1953.

There was maintenance and operations, principally in the item of spares and spare parts. Maintenance and operations accounted for $1 billion; a manpower saving of $200 million, and major procurement other than aircraft, three-tenths of a billion, making approximately $3.5 billion. That is the breakdown.

Now let us get into this question of wings and the idea of reducing our Air Force from 143 wings to 120 wings. The first thing I would like to say is that there seems to be a conscious effort to sort of misrepresent what is happening here. There actually is no such thing as a reduction of the Air Force contemplated. We do not have 143 wings. Not having them, we cannot cut them. Yet we constantly find many referring to a reduction in our Air Force. It is so easy to subtract 120 from 143 to make the difference of 23 that that error is probably made.

There was some discussion here this morning as to whether or not the 143-wing or some other wing goal would be the proper goal. The fact is, when the entire plan was submitted to us it was submitted to us on an interim basis. I think the designation of the description is rather unfortunate. If it had been simply designated as another stretch-out, and we have had a half dozen stretch-outs until now, and another one would have scarcely been noticed or if it had been referred to as a modified 143-wing program, I think it would have hardly been noticed. But the fact is, as testified by Mr. Talbott when he came before our subcommittee, the 143-wing Air Force has not been abandoned. I quote from his testimony:

> I do not for one moment consider that we have abandoned the 143-wing Air Force. I think our job is to build toward this goal with the most efficient types of military aircraft.
>
> This we are doing, and the reduction in our request for funds in fiscal year 1954 will not change delivery schedules of bomber, fighter, and reconnaissance aircraft, nor will it prevent our carrying out the 143-wing aircraft program in these categories if appropriate reorders of production items are executed by July 1954. I am satisfied that it is now practical to reduce reorder lead times in most of our combat aircraft, and doing so permits the elimination of many aircraft heretofore programed for purchase from 1954 funds.

The basis for that, of course, is this determination to study and restudy the entire program that we have before us in the Department of Defense.

There has been a good deal of discussion here on the kind of budget that we have. Is it a civilian budget? Is it a military budget? There was some attempt to place a construction on what the record showed. I do not think the kind of record I am going to read to you now will need any construction or any interpretation placed upon it. It is my opinion that it will not. Here is a question asked by the gentleman from Texas [Mr. MAHON] of General Vandenberg when he appeared before our committee on June 12. The question was asked

whether or not General Vandenberg had been consulted about this cut in the budget and this new plan, and whether the Chiefs of Staff had been consulted or not. The question by the gentleman from Texas [Mr. MAHON] reads as follows—page 992, Air Force hearings:

I would like to understand for sure whether or not you were given an opportunity to, and if you did, participate in arriving at this revision of the Air Force goals and so forth.

The answer by General Vandenberg:

There were through the Air Staff and through the civilian secretariat many consultations between the Air Force and the Department of Defense. The Chiefs of Staff—not as Joint Chiefs, but as chiefs of service, were given an opportunity at an earlier cut, which was much more drastic than the one finally given to us. We had an opportunity to prepare a paper and point out the implications. All of the chiefs took advantage of this. I had my day in court. I protested it. I protested through my Secretary, as he has stated publicly, and also the Under Secretary. It was not necessary to do this officially, because my views within the Air Force were well known by the civilian Secretary, Mr. Talbott, and the Under Secretary.

Mr. YORTY. Mr. Chairman, will the gentleman yield?

Mr. HRUSKA. I yield.

Mr. YORTY. I think the gentleman is exactly right in that testimony up to a point. What the gentleman is saying is that they had an "exercise" on the previously proposed budget which would have cut defense as much as necessary to balance the overall Federal budget. The services studied the effects of the proposed cut and told the Security Council what that would do to national security. When they looked it over in the Security Council nobody could accept the result. But later, when they decided on this new figure, they did not submit it to the services and let them report back to the Security Council as to just what these proposed cuts would do. Instead they just presented the overall figure to the Security Council. General Vandenberg was there representing the Joint Chiefs. He was acting Chairman of the Joint Chiefs. He was not asked to comment and he could not have volunteered comments without being insubordinate. He has, however, said that even if he had been asked, he could not have estimated the effect of the cut because the overall defense figure was in no way broken down by services and he did not know then what it would do to the Air Force. Nobody did.

Mr. HRUSKA. I find on May 11 I have the testimony of Secretary Wilson in this regard. And again Mr. MAHON is interrogating him. He asks of Mr. Wilson, on pages 388 and 389, Department of Defense hearings:

Who actually wrote down this figure, compiled it, and agreed that that was the defense budget for the three services—you, Mr. Kyes, Mr. McNeill, and the three civilian Secretaries?

Secretary WILSON. The Secretaries and all their staffs, all the people who were available to us. We discussed all major points before a decision was reached.

Question by Mr. MAHON:

Was this budget made up in the Pentagon, then by you and your assistants in the Pentagon?

I suggest it is that question which sort of leads to wishful thinking on the part of the gentleman from Texas. He wants to have that construction placed on it, but the answer does not permit it, because it says:

That is right, and the National Security Council either established or approved the basic policy decisions, and the actions on the several appropriations reflect these policy considerations and decisions.

Then, on the next page, Mr. MAHON:

This is not the budget of the military; it is the budget of the civilians?

And Secretary Wilson answered:

It is a result of the combined efforts, military and civilian. There are two important things, one is money. But it is not only the money but is the effort of the people—

And so on. I do not think there is too much question about where this budget came from. It was a composite, the judgment by a lot of people.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SCRIVNER. Mr. Chairman, I yield the gentleman 10 additional minutes.

I wonder if the gentleman will yield to me.

Mr. HRUSKA. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I just want to make this comment; namely, that the gentleman from Nebraska [Mr. HRUSKA] has justified the faith of those who recommended him to this committee.

Mr. HRUSKA. I thank the gentleman.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HRUSKA. I yield.

Mr. CURTIS of Nebraska. The gentleman is making a very fine statement, and it reflects many hours of diligent effort, and I am sure is most helpful to the House.

Mr. HRUSKA. I thank you very much.

There is 1 other thing before we go into 2 other points under "Wings." We have had a lot of discussion about activated wings, and so on. That is another sort of a trap, if you want to call it that, because we are told today that we have 106 activated wings; and we have. Yet we know that 10 or more of them do not have any combat planes at all. They are supposed to have combat planes.

I hold in my hand this 2-page letter, mimeographed in form, which, when signed, results in an activated wing. That is all it takes to activate a wing. When that letter is signed there is another activated wing in being. It simply recites, "There shall be a wing" of such and such character, "and it shall be located at" such and such a point; and from there on the wing results.

Now, it has been suggested that "President Eisenhower needs strength at the counsel table. Our enemy knows only strength. If this Nation is to err, let us err on the side of greater power and effectiveness in the air." That is begging the question, because it assumes that more appropriations, and especially $1.4 billion, will be transferred into greater effectiveness in airpower. I have already pointed out, and the record of the last 3 years proves, that dollars do not make airpower. If the $73 billion appropriated from July 1, 1950, including the present proposal, if that amount of money will not have brought about this greater effectiveness and greater power, then I think we can despair of the additional $1.4 billion resulting in any cure-all under the circumstances.

There is a breakdown of that $1.4 billion, which in due time I will discuss. I think I will defer that until tomorrow, however.

This is my final point. Further language used here today is "that ours is the decision today. Ours is the responsibility, and we are going to divide ourselves into 2 camps; 1 which says, 'I believe in airpower,' and the other which will, by voting against the amendment, say, 'I believe in airpower, but.'"

Then there is the further statement, "I do not want that responsibility of reducing the Air Force." Nobody is reducing the Air Force. Our Air Force will be stronger 6 months from now than it is now. It will be stronger a year from now than it is now. It will continue to grow and continue to be stronger.

Now I am wondering if there is not in this situation a basic clash of concepts of our national defense. After all, we have on the one hand a World War II leader and a commander of air strength of high repute and of great knowledge in the field of air war.

General Vandenberg when he addressed our committee had an imposing array of decorations and I am sure that every one of them was properly and meritoriously awarded. On the other hand we have this fact, Mr. Chairman, this budget has received the personal study, review, and the blessing of another man who is also on the top of the heap, if you want to put it that way, militarily speaking, because all of us have heard it said, that President Eisenhower is without peer as a military man in his own right. Now, I am wondering if there is not a basic clash here. Certainly with each of them contending for something that is different, both of them earnestly contending for it, they must be approaching solution from different viewpoints. I will tell you what I think it is. Here is the thing General Vandenberg is still talking about. He is still stubbornly, or, rather, persistently hanging on to the idea as expressed on page 983, Air Force hearings:

We are talking about an air force as of a day that we must be ready to meet the Soviet air force in order to avoid disaster—a day.

And then at another place:

Now, anybody can pick any date they want. My date is 1954. That is the last time I think we can afford to fiddle with this business.

That is the position, that is the concept upon which this 143-wing force was first based for completion, if you please, originally by June 30, 1954; and since then, continuously, and on several occasions stretched out—this time it is not being stretched out, we have an interim goal which is unfortunate. Very likely if the term "modified 143-wing goal" had been used, this furor and agitation may conceivably never have occurred.

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What has President Eisenhower said about his concept? Here is what he said not too long ago as set out on page 322, Defense Department hearings:

The basic elements of the strategic problem have not materially changed in recent years and certainly not in recent days. The areas and peoples vital to our Nation's support are the same as they have been for a long time. What we are going to do is to adopt a new policy for the solution of that problem. * * * The essence of the change is this: We reject the idea that we must build up to a maximum attainable strength by some specific date theoretically fixed for a specified time in the future. Defense is not a matter of maximum strength for a given date; it is a matter of adequate protection to be projected as far into the future as the actions and apparent purposes of others may compel us.

Do you not see the diametrically opposite effect of this philosophy? Both of these men have been most capable in their respective fields but there is this basically different approach and plan. Does not this discussion get down to where the ultimate control and decisions lie? Shall it lie in the hands of the military or shall it lie in the hands of the civilian authorities? I do not think we are ready yet in America to abandon the principle that the ultimate decision of such matters as this shall lie in the hands of those in civilian government. Fortunately for us, fortunately for the country and the world, the freedom-loving part of the world, we have at the head of our Government a man who in his own right and apart from his office as President could say: "This is what I believe" and he would command, I believe, as much respect on that basis as he does under the present official title which he holds.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. HRUSKA. I yield.

Mr. HAND. The gentleman certainly knows that all the money in the world would not permit the Armed Forces to complete their 143-wing program in 1954, does he not?

Mr. HRUSKA. I do.

Mr. HAND. That would be physically impossible.

Mr. HRUSKA. It is physically impossible, and it was so recognized; and that was why it has already been stretched out. There is another stretchout but unfortunately it has been designated as an interim goal of 120 wings. That is unfortunate for the composition of the wings is not changed and we can keep building on toward a 143 wing goal.

Mr. HAND. And provision is made to modernize the National Guard air arm.

Mr. HRUSKA. Twenty-three wings have been provided to modernize the National Guard air arm which was not contemplated in the original 143 wing force.

Mr. HAND. The gentleman also knows that habitually over a period of years Congress has appropriated money to the armed services and to other agencies faster than they found it possible to spend or to obligate.

Mr. HRUSKA. That is true; and it is considered that it is good policy for Congress to repossess itself of the control of those funds not for the sake of control in itself but for the sake of a more judicious and careful spending of the money when expenditure will be necessary.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HRUSKA. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. On that reasoning and on that theory, why should we not say we will appropriate nothing for this year? We have plenty of money floating around, so we will not appropriate anything.

Mr. HRUSKA. The gentleman from Massachusetts is a very experienced debater, but he uses the old technique of all or none. That is the same argument I referred to a little bit ago about the reduction in Air Force and the statements that we are killing the Air Force, we are going to stop building the Air Force. There is not any merit to that at all. We cannot resort to that argument of all or none because no one has proposed it. This is an intelligent scaling down of an excessive budget, one which possessed and which originally contained way too much lead time. It is on that basis that the reductions are made.

Some remarks were made about the new look we are going to take. After the thing got in trouble—that is, the 120-wing proposal got in trouble, then hurriedly somebody worked up the idea, so it is stated, and we are going to restudy this thing. It may be all right to indulge in thoughts of that kind but they do not reflect the fact. On May 11 when Secretary Wilson was before our committee, when he appeared and brought us this budget he made a statement, and I refer to page 319 of the hearing of Department of Defense:

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SCRIVNER. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HRUSKA. Mr. Wilson made the following statement:

During the summer and fall of 1953, it is planned to take a new look at the entire defense picture. This will involve an intensive and detailed study of all aspects of defense—forces, missions, weapons, readiness levels, strategic plans, and so forth—and will provide the basis for the fiscal year 1955 budget. The force plans I have outlined above are subject to whatever change may be indicated by this forthcoming review.

That statement was made on May 11, 1953, at the same time that this revised budget was proposed. We have a basic proposition here of what we will consider as the final source of authority on the thing. Will it be a general who has one concept of our national defense, speaking airwise, or the civilian authority headed by the Chief Executive of our Nation, who will prescribe ultimate policy such as that which we have before us in this bill?

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HRUSKA. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Under the present policy the 143 air wing group was a compromise. One hundred and sixty-five was considered, 150-odd was considered, and the 143 was a compromise by the Joint Chiefs of Staff that this body overwhelmingly supported in the last Congress, that figure to be attained by the middle of 1955, is that correct?

Mr. HRUSKA. My recollection is that it was earlier than 1955. I thought it was 1954.

Mr. McCORMACK. Well, that was back prior.

Mr. HRUSKA. Through a stretchout, and another one, and still a third one.

Mr. McCORMACK. I think we provided for 1955. But what will the stretchout be now?

Mr. HRUSKA. The stretchout effect is that concentration is being had on the combat wing aspects of a 143-wing Air Force. There are certain supporting units, like the trainers, transports, helicopters, and others which are being left out. They can be produced almost any time with a minimum of reorder lead time. The theory is to sharpen and to broaden and to perfect our fighting edge so that we will be possessed of that thing which will best and most effectively help us in the event of an attack.

Mr. McCORMACK. I want to compliment the gentleman from Nebraska. He is well prepared and his presentation was very nice and very interesting. He made a very favorable impression. While I disagree in part with the gentleman, I thoroughly respect his views. The thoroughness of his preparation and then his presentation are appreciated by all, whether we completely or partially agree or disagree with the gentleman. I just wanted to make those observations. It has been a pleasure to listen to the gentleman. There is an honest disagreement, but the gentleman presented his views very ably.

Mr. HRUSKA. I thank the gentleman from Massachusetts.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. SCRIVNER. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. TABER].

Mr. TABER. Mr. Chairman, I am only going to take a very few moments. Some questions were raised here this morning, and I undertook the job of running down the answers. I am authorized to say this:

The Department of Defense states that no remarks have been made by Secretary Wilson which state or infer that "no matter what Congress did with reference to the Air Force he was not going to pay any attention to it." In this connection an examination of the record of the hearings shows no indication of any remark of this kind.

So that we may have an answer to another question which was raised, I obtained the record of the Senate hearings on the appropriation bill presently pending before this House. They clearly demonstrate the complete lack of foundation for the alleged statement attributed to Secretary Wilson to the effect that the United States plans only a defense air force. This question was raised specifically by Senator MAYBANK during the hearings, and I should like to quote the following colloquy from page 14 of these hearings:

Senator MAYBANK. I thoroughly agree with you, and I thought you did the right thing

on cutting out these new bases, but I want to know if this is going to be an offensive air force with strategic air power able to do what is set up to do and able to do what we spent billions and billions of dollars for on atomic energy, because that is the purpose.

Secretary WILSON. If you want a simple answer to that, the answer is "Yes."

Senator MAYBANK. Thank you. It is going to be an offensive air force?

Secretary WILSON. Yes.

Senator MAYBANK. I am glad to hear you contradict the newspapers who quoted you some 2 weeks ago.

Now I would like to read what took place a little before that, on page 9:

Senator MAYBANK. I understand that, but do you think this is an offensive air force or defensive air force?

Secretary WILSON. It will be—I mean there is nothing taken out of the program for 1954.

Senator MAYBANK. That will hurt our offensive air force in the case we get in a war, which we all hope and pray we won't, because the statement that I read in the paper was that that was enough to defend America; but that is exactly what the distinguished General Van Fleet said; he had enough ammunition to defend him on the Peninsula but he did not have enough ammunition in Korea to progress it as it should be; and the only interest I have got in the air force is not any bases—you are right in cutting out these new bases, because I do not see that they are necessary, but I want to make certain that we have got enough air force pilots and navigators and bombardiers or whatever you have to have for an offensive air force if we need it. That is the only question I wanted to ask.

Secretary WILSON. Perhaps to make that other statement of mine a little clearer, I have the conception of our military program as a nation, being ample to defend the country and to strike back if war is forced upon us; but we are not ourselves accumulating a big war machine to use it on somebody.

Senator MAYBANK. I join in that.

Secretary WILSON. That is the difference.

Senator MAYBANK. But you believe that this is an offensive air force as well as a defensive air force?

Secretary WILSON. That is undoubtedly true.

Mr. McCORMACK. Mr. Chairman, with the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. What date was that?

Mr. TABER. It was Tuesday, May 19.

Mr. McCORMACK. I have a news item on my desk in which Secretary Wilson was quoted as stating that it was a defensive budget. If that testimony is subsequent to the news item, of course I am glad to get that information.

Mr. TABER. Senator MAYBANK said:

I am glad to hear you contradict the newspapers, who quoted you some 2 weeks ago.

Mr. McCORMACK. Probably what Senator MAYBANK referred to is what I saw in the newspapers, but it was extensively carried and there was a quote. Usually when there is a quote we assume the newspapermen are careful about such matters. Of course, we know they in good faith and unintentionally make mistakes. I brought the matter into the debate, and I am very glad the gentleman has read what he has because under no circumstances would I want to inject anything into the debate that was not consistent with the facts. If the Secretary has denied it subsequent to the appearance of the news item, which would appear to be the case, that is sufficient for me, as far as the statement is concerned. I reserve my own judgment, of course, as to whether or not the Air Force is adequate in the light of the condition of the world today. In view of the statement, I accept the testimony given by my friend from New York, assuming that it comes subsequent to the news item.

Mr. TABER. What I have is a copy of the page proof of the Senate hearings.

Mr. McCORMACK. That is what I understood. In view of having injected it into the debate this morning, I want the RECORD to show that I accept the gentleman's testimony as clearly indicating that the Secretary of Defense was misquoted.

Mr. TABER. I thank the gentleman.

Mr. Chairman, I do not think I care to say anything more at this time.

Mr. SCRIVNER. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DAWSON].

Mr. DAWSON of Utah. Mr. Chairman, I seldom avail myself of the opportunity to take the floor, and I assure you I am not going to take much of your time now. However, occasionally I do run onto something which rather disturbs me, and I cannot resist the opportunity to unburden myself.

I want to put a plug in for the Appropriations Committee. I think they have done a splendid job, and they certainly deserve our support. None of us would condone any cuts which would really endanger our defense, but I also am convinced that we can make a good many cuts in this defense budget, without hurting us one single bit.

I want to give you a little example. We have heard a good many times of some of the departments just before the fiscal year is to end urging their agencies out in the field to spend all the money they have on hand so they can be in a good position to get more appropriations for the coming fiscal year. I ran across one of these in my own State, and I want to give you a little concrete evidence.

I have in my hand a copy of a wire which was sent by the Chief of the National Guard Bureau here in Washington to our local guard in the State of Utah. I want to read it to you. This wire is dated February 17 of this year, and this is what the Chief in Washington said to our local adjutant:

Subject is employment of National Guard civilian employees. Data compiled in Bureau indicates that many States are not employing maximum number of employees considered necessary to administer units and maintain equipment. These vacancies exist in spite of the fact that States have at their disposal allotted funds which have not been obligated. All States are urged to activate authorized Public Law 461 units, and get them federally recognized at the earliest possible date. Immediately following Federal recognition of Public Law 461 units the authorized civilian employees should be hired. It is imperative that the States utilize the services of National Guard civilian employees to the maximum extent possible within allotted funds and at once. Repeat, at once. Failure to do so will jeopardize the anticipated allotment of funds to support this program for the fourth quarter of this fiscal year, and also the NGB budget estimates for support of this program during fiscal year 1954. Your cooperation is urgently solicited.

That can only be interpreted in one way. I think it is very plain. That is a directive from Washington for these local guard bureaus to get busy and hire these people. The adjutant in my State, I am informed, went ahead and hired the maximum that he was allowed to hire, which in this case happened to be 5 additional civilian employees. What else could he do? He had a directive right from the head authority here. He, of course, being a national guard officer, is supposed to follow authority. I just simply call this to your attention because as I have called it to the attention of Secretary Wilson and the Governor of my State to do with as you please. I think it is about time we stiffened our spine back here and gave some support to Secretary Wilson and the Appropriations Committee in their efforts to stop wasteful expenditure of the taxpayers' money. There is plenty of excess moisture that can be squeezed out of this budget yet, and so far as I am concerned, I am going right down the line with the committee as I hope some of the rest of us will do who feel that we should balance this budget and do something toward restoring solvency in this country.

Mr. SCRIVNER. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. ARENDS], a member of the Committee on Armed Services.

Mr. ARENDS. Mr. Chairman, section 631 of H. R. 5969 in effect is a continuation of the so-called Davis amendment, which was superseded last year by Public Law 7. Public Law 7 expired on June 30, 1953, and the intent of section 631 is to continue legislative restrictions upon the promotion of officers in the Armed Forces for the grade of major and above. The report of the Committee on Appropriations indicates that the number of officers by service contained in this section represents the individual services estimates of requirements for the fiscal year.

The report further states:

It is hoped that sometime before the end of the fiscal year the legislative committees of the Congress will bring out legislation to finally resolve this issue.

Mr. Chairman, this is a serious problem. After Public Law 7 was enacted, a subcommittee, of which I am chairman, began hearings on the promotion of officers in the Armed Forces, confining ourselves to generals' and colonels' billets. We have held 19 meetings and have taken 1,339 pages of testimony. We have covered the Navy, Marine Corps, and Air Force, but have not yet started on the billets for generals and colonels in the Army. I doubt very much whether we will be able to resume hearings on this subject until the next session of the Congress, since we cannot spend all of our time on this very complex subject.

Our objective has been to determine the justification for the number of officers serving in the grades of general and colonel. I am confident that we will eventually recommend to the House a sliding-scale percentage distribution system for temporary promotions based on the total number of officers on active

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duty in each service, but before we can make any intelligent estimate as to the needs of the services in these grades it is first necessary for us to determine, to the best of our ability, whether the present distribution by grade is sound or whether it is excessive.

Now in that connection, I want to make this flat statement. I don't believe that any committee or subcommittee of the Congress could ever completely analyze the officer requirements of our Armed Forces. This is the biggest business of the United States. I think it would take 100 task forces of 3 men each over 2 years to thoroughly analyze the various billet assignments, and justifications therefor, for officers in our Armed Forces.

I have personally come to the conclusion that there are some officer billets in the Navy and Air Force which are unnecessary or which could be filled by officers of lesser rank. At the same time there are billets that should be occupied by officers with higher rank. Probably the biggest single area where the billets for some officers could be eliminated are in those military fields which require specialization, are permanent in nature, and could be filled by civilians. The problem is to find civilians who are qualified, and who will take those jobs with the salaries prevailing under the Classification Act. I know that there are many instances in which the Armed Forces have had to assign officers to jobs that are not exclusively military in nature, but for which civilians cannot be obtained—either because of budgetary limitations or low salaries.

I do not mean to infer that all of these jobs are unnecessary, but there are areas in which those jobs could be filled by civilians if qualified civilians will accept the positions.

In spite of these reservations with regard to doing a thorough job on the question of distribution of officers, I am nevertheless aware of the fact that the House wants some type of statutory limitation on the promotion of officers. Our committee fully realizes that there is no statutory limitation on temporary promotions in the Army and Air Force. In the next session of the Congress we will present for your consideration such a limitation.

But bear in mind that you are dealing with national security—something in which we cannot be second best. If we keep imposing limitations on promotions to such an extent that the cumulative effects bring about long periods of stagnation in promotion it is our national security that will suffer. No young man will make the service a career if his opportunity for promotion is drastically limited. Now let me give you an example of what I am talking about:

Applying the Davis amendment contained in the 1953 Appropriation Act to 100 second lieutenants who enter the Marine Corps today, you might be interested to learn that only 10 can hope to attain the rank of colonel and those colonels will be 55 years of age. The lieutenant colonels will be 48 years of age. Under the Officer Personnel Act and without the Davis amendment, 17 second lieutenants could expect to be colonels by the time they had attained the age of 48, and they would be lieutenant colonels by the time they attained the age of 41.

If you want the battalion commanders of the Marine Corps to be 48 years of age and if you want to retard their opportunities for promotion to such an extent that only 10 out of 100 can expect to make full colonel, then you must be willing to accept the consequences.

I am fundamentally opposed to the action of the Appropriations Committee in making provisions of this type which so seriously affect the welfare and morale of the officers in our Armed Forces. And I would think that after the grevious consequences of the Davis amendment last year that the Members of this body would be getting a little bit sick of it too. I merely want to offer this as a word of caution based on past experience. I will not offer an amendment to strike the section, but I will offer an amendment to rectify one serious situation which I am convinced will develop if this section remains as written.

You will recall that in arriving at the figures contained in the proposed section 631, the report indicates that the Appropriations Committee used figures based upon the individual services estimates of requirements for the fiscal year. But these were grade strengths anticipated on June 30, 1954. They are not grade strengths to be effective on July 1, 1953. So as a result of the language now contained in section 631, 142 majors in the Air Force will be demoted and each major selected for demotion must refund all pay and allowances earned after July 1, 1953, while in the grade of major.

Please follow what I have said carefully. Because of the effective date of the section, 142 majors in the Air Force must be demoted and in addition every penny of their pay and allowances from July 1, 1953, until they are demoted to captains, must be refunded.

Now, Mr. Chairman, I propose to offer an amendment to this section which will make the section effective in the month of June 1954. This will then permit the services, and particularly the Air Force, to arrive at the limitations contained in this section in an orderly fashion. I sincerely hope that amendment will be adopted because it will have the same effect as Public Law 7 and will obviate this very unpleasant situation which will otherwise develop in the Air Force.

Now I have indicated to you that our subcommittee, after 19 meetings, has not yet completed a study of billet justification for generals and colonels in our Armed Forces. I mention this because we are trying to do a thorough job, but there are many, many factors surrounding promotions that must be considered. When another committee of the Congress, which cannot, in the nature of things, be as familiar with this subject as the Committee on Armed Services, reports a bill with a section contained in it which drastically affects the careers of thousands of men serving in our Armed Forces, and actually forces a loss of total pay, plus demotion, for 142 officers, then I think you can appreciate why many of us in the Armed Services Committee are opposed to this type of legislative rider. I am not quarreling with your objective, but I think you are treating a serious subject too lightly.

I sincerely hope that in the next session of the Congress the Committee on Armed Services will be able to present a bill to this House which will provide for a reasonable and steady flow of promotion and at the same time permit some reduction in the total number of officer requirements in the higher grades, especially in those fields where it may be possible to replace officers with civilians.

In the meantime, I hope the House will appreciate the devastating effect section 631 will have upon the services, and especially upon 142 majors who will be demoted and who will lose every penny of their pay from July 1, 1953, until the day they are demoted to the grade of captain. It can be avoided by amending section 631 so as to make it effective in the month of June 1954.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MAHON. Mr. Chairman, I yield the gentleman 1 minute to ask him a question.

I wish to say that I as one member of the committee share the concern which has been expressed by the gentleman from Illinois with respect to section 631. I much prefer that this sort of thing be handled by the Armed Services Committee and I do not want to see a rider placed upon an appropriation bill work the injustice which has been forecast by the gentleman from Illinois. As one member of the subcommittee I would like to work with him in seeing that no injustice is done. We really need a full-scale review and reconsideration of this whole matter by the Armed Services Legislative Committee.

Mr. ARENDS. May I say to the gentleman from Texas that I deeply appreciate the fine work this committee has done. There is no doubt that you have done a splendid job. However, as I say, unless some corrective action is taken a terrible hardship will be worked on these officers. Because of the many technicalities involved we found it impossible to find a correct solution to the problem in such a short time.

Mr. MAHON. There is no doubt about the desirability of the objectives sought to be achieved by the committee.

Mr. ARENDS. I think we are all looking in the same direction; how to accomplish it is the big question.

Mr. SCRIVNER. We are all in accord on the desirability of meeting this whole problem, and I am sure we recognize the immensity of the problem.

Mr. Chairman, I have no further requests for time on this side.

Mr. MAHON. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, when I contemplate what $35 billion could accomplish in the good works of peace, I am not happy that the world situation and the necessities of our national security have brought before us a bill of appropriation of $35 billion, not for food and clothing, not for education and recreation and culture, not for the

broadening of human existence and the easing of the pressures, but for armaments.

In 1910 I was editing a magazine, and I remember only too well the feature article in the July issue of 1910 or 1911. It was devoted to the amounts, staggering according to the calculations of the times, that France, England, and Germany were expending on armaments. Because we then seemed so far away, and distance gave such clarity to our vision, we wondered how the peoples of France, England, and Germany could be so stupid as not to know that a race of armament is the prelude of a conflict. In 1914 the war came. Then an interlude of peace and the resumption of hostilities in World War II. What is the situation today of France, England, and Germany? Are they as strong in economical, political, and moral power, are the peoples of those countries as well off and contented, as they would have been had the money spent in a race of arms and the two wars resulting been spent in the good works of peace?

I am not happy that 1,953 years after the Prince of Peace counseled on earth with men of good will we find ourselves engaged in this debate today. I am not happy that in the span of my own lifetime my country has been engaged in 3 major wars and a number of smaller ones. In the prime of every American generation there have been 2 major wars. Veterans of the Revolutionary War fought in the War of 1812. Veterans of the War of 1812 fought in the war with Mexico. Veterans of the war with Mexico again were in uniform in the war between the States. Veterans of the war of 1861–65 fought in the war with Spain. Veterans of the war with Spain again were in service in World War I. Many World War I veterans served again in World War II. That is the story. Two major wars in the fighting prime of every American generation.

It cannot go on. That is, if mankind is to go on. Sometimes I wonder—and I say this perhaps because I am a little older than some—if that is the way it is to be. Is mankind, in its inability to exercise a proper stewardship over the powers that scientific and inventive minds have bestowed upon it, to use those powers for its own destruction? Once we played with bows and arrows, then with dynamite, now with atomic power. Now only one false step is necessary to end our civilization, leaving remaining but a thin remnant of human life to begin again the long hard climb back from the caves to a new civilization.

I realize, Mr. Chairman, that I am not addressing myself to the particularities of the bill we have under discussion. I shall come to that in a moment. For the present I am giving expression to what I think must be in the mind of every member of this body. I am certain it is what is in the mind of the American people. I have thought it no waste of the time of this body to give emphasis to the passion of our people and of ourselves, a passion not for war but a passion for peace. We want all the world to know that the passage of a bill of appropriation of $35 billion for armaments is a measure exclusively for defense. It is not an expenditure for the waging of war. It is the costly price of making it inexpedient for anyone to make war on us.

I have listened with interest to the debate concerning the Air Force. I thought I discerned in the controversy a considerable degree of interservices jealousy. The Air Force is a new separate service, and apparently the older services are gunning for it. One of my distinguished and respected colleagues said that he was for the Air Force when it was in the air but the trouble with him was the Air Force was also building up an army on the land. I have too deep and abiding an affection for one who went to the Aleutians with the Air Force prior to the Dutch Harbor attack, and went through the experiences of that period with others on the ground crew, to find my colleague's implication either palatable or convincing.

While the debate was raging I stepped into the cloak room. Here I read today's Washington News. Let me read a few sentences for you:

> Today he is Mr. Hoyt Sanford Vandenberg. It took just 37 minutes at Bolling Air Force Base yesterday to make him a civilian again after 30 long years. Whatever he felt, he didn't show it. He stood there stern and erect in the 97° heat.
>
> President Eisenhower, whose name headed the list of 600 official guests invited to the farewell review, wasn't there. Defense Secretary Charles E. Wilson wasn't either.

It seems to me a lot on the shabby side. Why was General Vandenberg being given the "cold shoulder" on his retirement after 30 years of outstanding service to his country? The reason, of course, is the position General Vandenberg has taken on the matter of curtailing the Air Force.

Mr. Chairman, I am sure there are many places where money can be saved, but as far as we are concerned in Chicago, the last place to be sacrificed is in the Air Force. In the event of an atomic war the great industrial center in metropolitan Chicago is a natural target.

That we know perfectly well. The only real defense we would have would be air. And in such an emergency we would feel much more confident if our counsel came from General Vandenberg instead of General Motors. I do not intend that remark as a reflection upon the great abilities of the Secretary of Defense within the broad limitation of his own activities and past experiences. It is just, Mr. Chairman, that I would have a little stouter confidence in General Vandenberg if I were conferring with Col. William H. Sexton or some other good friend in the city hall of Chicago when the word came that an atomic bomb was heading for Chicago. If such time should come, I am sure it would occur to me that on the 1st day of July of 1953 we in the Congress had our opportunity of taking General Vandenberg's advice on how to prepare adequately and in time our best defense to meet just such a situation.

Mr. Chairman, I have put emphasis on the purpose of this appropriation. It is not a gesture toward war. It is a bill to advance the cause of peace. The money is for defense, not for aggression. The committee has spent endless hours of hard and conscientious work. There is no disagreement among the members of the committee on the necessity of a large defense appropriation. The disagreement is on some matters of relative unimportance except the controversy over the Air Force item.

The gentleman from Nebraska, in his able address, complimented by Members including those not in entire agreement with him, stated that the controversy over the Air Force stemmed from General Vandenberg's acceptance of 1954 as the year of greatest danger and, therefore, the necessity of having ready within the intervening time our maximum defense. The gentleman stated that the administration on the other hand, planned a continuing defense strength. That is, that we must get to our maximum defense position by planning and building, not fixing any year as the one of the greatest potential danger.

I concede that as long as there is peril, we must be prepared to meet that peril. But I do not relish the suggestion that we must look forward to endless years of $35 billion apppropriations for armaments. My suggestion rather would be that we approach the present problem of defense with the thought that it is not a problem which will stay forever to vex us.

Mr. MAHON. Mr. Chairman, I have no further requests for time on this side.

The CHAIRMAN. There being no further requests for time the Clerk will read the bill for amendment.

The Clerk read down to and including line 3 on page 8.

Mr. SCRIVNER. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALLEN of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 5969, Department of Defense appropriation bill, 1954, had come to no resolution thereon.

AMENDMENT TO SECTION 2879 (B) OF THE INTERNAL REVENUE CODE

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 314, Rept. No. 700) which was referred to the House Calendar and ordered to be printed:

> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5407) to amend section 2879 (b) of the Internal Revenue Code. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill. At the conclusion of such consideration, the committee shall rise and report the bill to the House, and the previous question shall be considered as ordered on the bill to final passage without intervening motion, except one motion to recommit.

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OMNIBUS SOCIAL SECURITY BILL

Mr. ELLIOTT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Speaker, today I am introducing an omnibus social security bill to effect major revisions and liberalizations in our present law and to extend coverage of the act to many millions of our citizens presently excluded from its provisions.

The bill, entitled the "Social Security Act Amendments of 1953," would bring social security legislation as nearly up to date with present needs and conditions as, in my opinion, it is possible to do in a bill of this kind. It is completely in accord with the spirit of the original Social Security Act. It would more fully guarantee to our citizens adequate protection against the insecurities which arise from old age, physical disability, and death. It would contribute in immeasurable ways to a strengthened democracy.

Its comprehensive provisions for extending coverage under the social security program would bring more than 8½ million additional persons under the act in a single month. It is estimated that in the course of 1 year, about 13½ million more persons would be working under social security.

Widespread popular support for more complete social security coverage is probably best evidenced by the expressions of leading members of both political parties during the recent national campaign. A large number of proposals have already been set forth which would bring one group or another under the provisions of the Social Security Act. This bill has the advantage of including each of the prominent outstanding groups in its provisions for extending coverage, thus making possible comprehensive extension in a single piece of legislation.

Among the 8½ million persons estimated to be immediately brought under old-age and survivors insurance coverage if this bill is enacted would be 3.2 million farmers whose net farm income equals at least $400 a year. The same protection presently offered to other self-employed individuals would be extended to self-employed farmers.

In addition, the insurance system would be extended to all farm and domestic workers whose cash wage from an employer during a calendar quarter equals $50. The bill would exclude the present requirement that these workers must work a certain number of days for an employer in order to be covered.

Persons employed in the professions, including ministers employed by religious and other nonprofit organizations, would also be covered by the provisions of this bill. This would include nearly 500,000 persons in professional groups whose net income from their professions equals at least $400 a year, as well as 190,000 ministers who would be allowed to elect coverage.

Opportunities to obtain coverage would, in addition, be given to persons employed by State and local institutions of higher learning, by public housing authorities, and by several groups of public employees who have expressed a desire for coverage. This latter group includes Tennessee Valley Authority employees.

Persons on active duty with the Armed Forces would be included, too, in the social security program under the provisions of the bill. Coverage in this case would be the same as for civilian workers and would mean a person need experience no break in his old-age and survivors insurance record while serving with the Armed Forces.

A major effect of this legislation would be to increase benefits for all beneficiaries. The benefit formula would no longer be based on average earnings throughout the worker's entire coverage period, but rather on his average earnings over the highest 10 consecutive years of earnings.

The new benefit formula under the bill would replace 55 percent of the first $100 of average monthly wage plus 20 percent of the next $400, rather than 15 percent of the next $200 as the present law provides. This provision would be of particular benefit to earners in the middle income brackets.

An increment in the benefit amount each year of work in covered employment, a part of the act removed by 1950 amendments, would be restored by this bill. The one-half of 1 percent a year increment would offer deserved recognition to those persons who, through many years of coverage under the program, have contributed substantial sums to the social-security fund. Delayed-retirement credit would also be offered under the bill to individuals who delay the date of retirement. Benefits would be increased at a rate of 2 percent a year for persons who are eligible for retirement benefits but delay drawing them.

Other liberalized provisions of the bill include:

First. The minimum benefit for a retired or disabled worker would be raised from $25 to $35.

Second. The limit on total family benefits would be increased from $168.75 to $200 and the minimum amount from $45 to $70, or 1½ times the insured worker's primary insurance amount. Total benefits over this minimum could not exceed 80 percent of the worker's average monthly wage.

Third. The maximum annual amount of wages and self-employment income taxable under the program and creditable for figuring benefits, now $3,600, would be set at $6,000.

Fourth. The amount beneficiaries under the age of 75 may earn each month without suspension of benefits would be raised from $75 to $100 a month.

The proposals in this bill for rehabilitation services and insurance benefits for the totally disabled would go a long way toward meeting a great need and a serious shortcoming in our present laws.

Our workmen's compensation laws offer at least some protection to those workers whose disability is work connected. However, according to recent statistics, only 1 severe disablement in 20 is work connected and thus eligible for workmen's compensation benefits. Yet disability means a crushing hardship for a large percentage of the 5 percent of our working force which on an average day is suffering a disability preventing them from working.

This bill would provide for rehabilitation services, using existing State rehabilitation facilities and paid for with trust-fund moneys, to benefit all insured persons with long-term total disability. These persons would also be provided monthly benefits, called rehabilitation insurance benefits, and would be qualified for these benefits after a 6-month waiting period and after certification by a State rehabilitation agency as rehabilitable. Benefits in this case would be computed in the same manner as benefits for retired persons.

Permanent and total disability insurance benefits would be provided monthly for insured persons disabled for at least 6 months and for whom rehabilitation cannot be effected. These benefits would be computed also in the same manner as retirement benefits.

Dependents of persons entitled to rehabilitation insurance benefits or permanent and total disability insurance benefits are provided with dependent benefits in the same amounts and under the same eligibility requirements as provided for the dependents of old-age insurance beneficiaries. Permanently and totally disabled children, entitled to child's benefits, could continue to receive these benefits after reaching age 18 if they are still permanently and totally disabled.

Much more widespread in occurrence than long-term or permanent disability is, of course, the temporary disability resulting from accident or illness and afflicting many hundreds of thousands among our working population each year. This bill would provide for cash benefits for insured workers who are temporarily incapacitated due to sickness. Workers in this category would be allowed benefits for up to 26 weeks in a year with amounts and eligibility related to earnings.

Financing this new program can be accomplished at only a very small additional cost, made possible by additional revenue provided by the new groups which would be included under the program and by the increase in the maximum taxable wage from $3,600 to $6,000. New, though still modest, contribution rates are set up in the bill in order to continue the entire program on a self-supporting basis.

Through the revision of existing social security provisions, the inclusion of disability insurance benefits, and the extension of social security protection to additional groups in our society, this bill seeks to protect the American people from the unforeseen and blameless financial hardships forced upon them in limiting or completely curtailing their ability to provide for themselves and their families.

Mr. Speaker, this bill, or rather the amendments proposed by this bill are, of course, not perfect. I submit the bill as a vehicle on which the House of Representatives may begin its considerations which I trust will lead to a greatly improved social security law, with coverage broad enough to meet the needs of our own people.

SOCIAL SECURITY

Mr. SHELLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SHELLEY. Mr. Speaker, bearing in mind that both the Democratic and Republican Parties made solid commitments during the last campaign to broaden and extend social security coverage and benefits on a comprehensive scale, I have been watching closely for action during this session of Congress looking toward fulfilling those commitments. Unfortunately, the progress in that direction has been infinitesimal—more accurately, I should say that the only progress made has been backward.

A great many bills have been introduced by individual Members of Congress aimed at correcting some of the deficiencies of the present social security system and broadening its scope. I have introduced a number of such bills myself and have urged quick action pointing out that the situations my bills were designed to correct were so obvious that no prolonged study of the merits of the case was required. It is quite apparent, however, that the leadership of the Ways and Means Committee intends to take no action on remedial legislation in the near future. Six months of study of a problem which has been the object of innumerable studies in the past has failed to produce any concrete results in the way of recomended legislation. It would seem that if a real will to live up to the Republican Party's campaign promises existed, the Republican leadership in Congress could have made an attempt to do so by this time. I know of no better device for stalling real action on the issue than continuing protracted studies, as is now being done.

A strong campaign is now under way on the part of various business organizations to break down the social security system and to prevent any improvement in it. Members of Congress and the public are being subjected to tons of printed propaganda supporting a so-called pay-as-you-go plan. Under this plan the wage earner would pay and industry's financial obligations under the present system would go. In view of the harmful effects of this propaganda, and the particular effect it seems to be having in delaying committee action on needed reforms of the social security system, other groups who are genuinely interested in a real improvement in the system have conducted private studies of the problem. They have succeeded in preparing a comprehensive plan for bringing social security coverage and benefits up to a decent standard, and to modernize the system in keeping with the needs of the times. I am today introducing in the House a bill embodying the results of those studies, which, unlike others now going on, have produced something to show for their efforts. I am informed that a similar bill will also be introduced in the Senate by Senator LEHMAN, and that several of our colleagues in the House are to put bills in as well.

Mr. Speaker, President Eisenhower has recently reiterated his campaign statements and has urged specifically that millions not now covered be brought under social security. He has pointed out the urgency for such action. Since the bill I am introducing today will do just that, I urge the House and the Ways and Means Committee to take concrete action to put the recommended improvements into effect without further unnecessary delay.

THE MOST REVEREND BRYAN JOSEPH McENTEGART

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, it is a pleasure for me to include in my extension of remarks an editorial appearing the Washington Star of June 30, 1953, relating to the appointment of the Most Reverend Bryan Joseph McEntegart, bishop of Ogdensburg, N. Y., as rector of the Catholic University of America.

Bishop McEntegart is not only one of the outstanding members of the Catholic hierarchy of America but of the world. He is well equipped to perform the duties of this important assignment he has received from the Holy Father.

NEW RECTOR AT CATHOLIC UNIVERSITY

The Most Reverend Bryan Joseph McEntegart, appointed rector of the Catholic University of America in succession to the late Bishop Patrick Joseph McCormick, will come to Washington again at 60—the prime of his life. He knows the Capital well from having been here as a student in 1918 and from numerous official visits since that date. Many of the national aspects of his work have centered in this community. He was an active participant in the White House Conference on Children in a Democracy in 1940. During the Second World War he was a member of the Board of Directors of the United Services Organizations, and was here repeatedly in relation to that responsibility. He likewise has been in Washington often in connection with the enterprises of the National Catholic Welfare Conference.

But Bishop McEntegart more directly has been identified with his church in his native New York. He did duty at Saint Patrick's Cathedral and in the parishes of Sacred Heart and Saint Francis de Sales. For more than two decades he was in charge of the Child Care Division of the Catholic Charities of New York. This assignment gave him a wealth of experience which he has used in every subsequent endeavor. When he was chosen to head the important Diocese of Ogdensburg in 1943, he was welcomed by Canadian sociologists as well as the Canadian clergy as a helpful neighbor. Similarly, his influence reached out to New Orleans and Latin America, then to the Near East and eventually to Europe, where he toured the zones of occupation for the War Department in 1947.

Bishop McEntegart's elevation to the rectorship of the Catholic University seems a natural result of his whole history, but it most particularly traces back to two specific circumstances—his teaching at Fordham University and his systematic survey of Catholic University in 1946, which led to the creation of the new School of Social Service here. He has prepared for the crowning labor of his career ever since he was in Washington as a youth. So it is proper to say that he is coming home in a constructive double sense.

CONSENT CALENDAR AND SUSPENSIONS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the Consent Calendar be called on Tuesday next, also suspensions which are in order on Monday next may be called on Tuesday next.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

HOSPITALIZATION ENTITLEMENT OF VETERANS

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, as I previously announced to the House, the chairman of the Subcommittee on Hospitals, the Honorable B. W. KEARNEY, has scheduled hearings to commence on July 8 to consider the matter of hospitalization entitlement of veterans.

Mr. KEARNEY has indicated that while some operational problems are likely to come up, it will be his purpose to concentrate, insofar as possible, on the eligibility for hospitalization rather than the operations of the Medical Department of the Veterans' Administration.

This is a subject of vital interest and importance to each Member, attention having been most recently focused on it by the legislative rider in the appropriation bill, H. R. 5690.

The particular question raised by the legislative rider in the appropriation bill had to do with restricting hospitalization entitlement for certain non-service-connected cases. It is interesting to note that several bills introduced in the 80th Congress were apparently designed to produce the opposite effect. The point is that this is not a new problem and I believe it will be helpful to Members briefly to review the history of hospitalization entitlement for veterans and the construction program for a nationwide system of veterans' hospitals.

The first legislative provision for purely medical benefits was approved by Congress in the form of an amendment to the War Risk Insurance Act—38th Statute, page 711. The act of October 6, 1917—40th Statute, page 398—amended the War Risk Insurance Act by adding section 302 (3) which provided with respect to service-connected conditions that—

> The injured person shall be furnished by the United States such reasonable governmental medical, surgical, and hospital services and with such supplies, including artificial limbs, trusses, and similar appliances, as the Director may determine to be useful and reasonably necessary.

Section 4 of the act of March 4, 1923—42d Statute, page 1521—further amended

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the War Risk Insurance Act, as amended, by providing:

That all hospital facilities under the control and jurisdiction of the United States Veterans' Bureau shall be available for veterans of the Spanish-American War, the Philippine Insurrection, and the Boxer Rebellion suffering from neuropsychiatric or tubercular ailments and diseases, including transportation as granted to those receiving compensation and hospitalization under the War Risk Insurance Act.

Although this legislation in itself did not authorize hospital treatment for a large number of veterans, additional hospitals were gradually authorized until at the close of the fiscal year 1923, approximately 15,402 beds were being furnished in United States Veterans' Bureau hospitals. In general, these hospital facilities were adequate until the passage of the World War Veterans' Act, 1924. Subsections (6), (9), and (10) of section 202 of that act in general restated the provisions of the War Risk Insurance Act, as amended, regarding hospitalization and provided liberalized hospitalization privileges, whenever existing Government facilities were available, to veterans of any war, military occupation, or expedition since 1897, not dishonorably discharged, without regard to the nature or origin of their disabilities. Preference in admission was provided for those veterans who were financially unable to pay for their hospitalization and the necessary traveling expenses. This stemmed from the recommendation of President Coolidge relating to veterans which was a part of a message which he personally delivered to a joint session of the Congress on December 6, 1923. His general statement with respect to veterans was:

No more important duty falls on the Government of the United States than the adequate care of its veterans. Those suffering disabilities incurred in the service must have sufficient hospital relief and compensation. Their dependents must be supported. Rehabilitation and vocational training must be completed. All of this service must be clean, must be prompt and effective, and it must be administered in a spirit of the broadest and deepest human sympathy. If investigation reveals any present defects of administration or need of legislation, orders will be given for the immediate correction of administration, and recommendations for legislation should be given the highest preference.

He then followed with this specific recommendation which is here pertinent:

At present there are 9,500 vacant beds in Government hospitals. I recommend that all hospitals be authorized at once to receive and care for, without hospital pay, the veterans of all wars needing such care, whenever there are vacant beds, and that immediate steps be taken to enlarge and build new hospitals to serve all such cases.

The act of July 2, 1926—44th Statutes, page 790—later amended section 202 (10) by eliminating the date 1897 and extending the benefits described above to the veterans of any war, military occupation, or expedition—a veteran population of approximately 5 million men and women. This caused a large influx of veterans of all types into Government institutions.

On March 20, 1933, Public No. 2, 73d Congress, was enacted which, among other things, repealed all public laws granting medical or hospitalization treatment or domiciliary care to veterans who served in or subsequent to the Spanish-American War. Section 6 of this law, as amended by section 1 of Public Law 78, 73d Congress, June 16, 1933, authorized the Administrator of Veterans' Affairs, under limitations prescribed by the President within the limits of existing hospitals, to furnish to men discharged from the armed services for disabilities incurred in line of duty and to veterans of any war hospitalization and domiciliary care providing such veterans were suffering from permanent disabilities, tuberculosis, or neuropsychiatric ailments.

Pursuant to this law, Veterans Regulations Nos. 6, 6 (a), and 6 (b) were promulgated by the President in the form of Executive orders. They specified a certain order of preference in furnishing hospitalization benefits and restricted such hospital and domiciliary care (a) to veterans with service-connected disabilities and (b) to veterans with no adequate means of support who were suffering from permanent disabilities, tuberculosis, or neuropsychiatric ailments of nonservice origin or such other conditions requiring emergency or extensive hospital treatment which incapacitated them from earning a living. Veterans Regulation No. 6 (b) was made effective January 19, 1934.

During the 1934 fiscal year, 63,900 veterans were admitted to hospitals and homes for treatment as compared with 136,626 for the year 1933. The decrease was due to the legislation of March 20, 1933, and the Presidential regulations pursuant thereto, which eliminated hospitalization to veterans with non-service-connected disabilities of a temporary nature.

On March 26, 1934, Public Law 141, 73d Congress, was enacted, section 29 of which further amended section 6 of Public Law 2, 73d Congress, by adding a proviso thereto as follows:

Provided, That any veteran of any war who was not dishonorably discharged, suffering from disability, disease, or defect, who is in need of hospitalization or domiciliary care, and is unable to defray the necessary expenses therefor (including transportation to and from the Veterans' Administration facility), shall be furnished necessary hospitalization or domiciliary care (including transportation) in any Veterans' Administration facility, within the limitations existing in such facilities, irrespective of whether the disability, disease, or defect was due to service. The statement under oath of the applicant on such form as may be prescribed by the Administrator of Veterans' Affairs shall be accepted as sufficient evidence of inability to defray necessary expenses.

Veterans regulation No. 6 (c) was promulgated on June 30, 1934, and amended previous veterans regulations of the No. 6 series by providing needed hospital or domiciliary care to veterans of any war not dishonorably discharged who swear that they are unable to defray the expenses of necessary hospitalization or domiciliary care, when suffering with any disability, disease, or defect.

It appears from the legislative history of Public Law 141, 73d Congress, that the intention of Congress was not to reenact the liberal provisions of the World War Veterans' Act, but rather to limit hospitalization in non-service-connected cases to veterans unable to defray their own hospital expenses. Moreover, by the provisions of the last sentence of section 6 of Public Law 2, as amended by section 29 of Public Law 141, Congress provided in effect that the veteran should be the sole judge as to whether he is able to pay for his own hospital expenses and the transportation incident thereto. Accordingly, if the applicant for hospitalization makes a statement under oath that he is not financially able to pay necessary expenses of hospitalization, his statement must be accepted as sufficient. As long as the answers to the pertinent questions on the prescribed form—VA Form 10–P–10—are answered in the negative, hospitalization or domiciliary care can be granted, providing the applicant is otherwise qualified.

Prior to World War II, the Veterans' Administration, in collaboration with the Federal Board of Hospitalization, developed a construction program designed to meet the World War I peak load of veterans' hospitalization. This program contemplated a total of 103,000 beds of all types. Before it was completed, World War II had started and during the war years, while some beds were added through new construction, no large construction programs were undertaken due to the difficulty in obtaining materials that were urgently needed in the war effort, although returning World War II veterans were placing a sizable load on existing facilities.

The Servicemen's Readjustment Act of 1944 authorized and directed the Administrator and the Federal Board of Hospitalization to expedite and complete the construction of additional hospital facilities for war veterans. It authorized to be appropriated a sum of $500 million for the construction of additional hospital facilities. Accordingly, the Veterans' Administration, the Federal Board of Hospitalization, and the Bureau of the Budget made detailed studies of the hospital needs of the Veterans' Administration. As a result of these various investigations, there were developed and the President approved construction and expansion programs which would have provided an additional 55,106 beds. This original construction program called for the construction of 90 new hospitals, 76 of which were in the so-called 1946 program and 14 in the new 1947 program.

In his budget message to the Congress of January 1949, President Truman announced that, while the construction program had been proceeding as planned and authorized during and immediately after the war, he had reviewed that program in the light of postwar experience and had found that to continue with the construction of the full number of 90 authorized hospitals would result in serious overbuilding, in terms of beds needed to meet foreseeable requirements. He stated that he had, therefore, directed that the program which he had previously authorized be curtailed by approximately 16,000 beds; that he had requested the Administrator to recommend specific adjustments in the pro-

gram to accomplish this curtailment, and had approved the Administrator's recommendations for the cancellation of 24 hospital projects and the reduction in planned capacity of 14 additional hospitals. He recommended a net rescission by the Congress of $337 million in contract authorizations by reason of this reduction in the hospital construction program.

Pursuant to the directive of the President, the Veterans' Administration selected for elimination 23 proposed hospitals and one major addition on which construction has not yet begun and the reduction in bed capacity of 14 other hospitals, to make up the approximate 16,000-bed cutback directed by the President.

The net result, after taking into account the 16,000-bed curtailment of the original construction program, is that the new revised program will produce a total of about 131,000 permanent beds.

I believe it is clear to all that no question has been raised as to the eligibility of service-connected cases. That leaves for consideration the non-service-connected cases, many of whom have claims for service connection pending determination.

On June 4, under leave to extend my remarks in the RECORD, I included a very interesting article prepared by Vice Adm. Joel T. Boone, Chief Medical Director of the Veterans' Administration. It is an examination of certain popular misconceptions concerning the medical and hospital program of the Veterans' Administration. It commences on page A3283 of the CONGRESSIONAL RECORD, and I commend it as worthy of your study.

The article describes the nature of the disabilities currently being treated in that portion of the total bed facilities allocated to the care of veterans with non-service-connected disabilities only; that is, the group representing 52.4 percent of the total patients. He states that this group can be initially subdivided as 31.8 percent, patients with conditions which are known to be chronic in nature; 20.6 percent, patients with presumed nonchronic conditions. In the first group he has included veterans hospitalized for the treatment of tuberculosis or psychosis as well as those hospitalized for some other chronic disability as evidenced by the fact that on the particular census day, they had already been hospitalized for more than 90 days.

Admiral Boone's analysis continues:

These undisputedly chronically ill patients total 34,426, or 31.8 percent of all patients. The rest of the patient load, veterans with presumably nonchronic disabilities, constitute 20.6 percent of the total patients. When we examine the composition of the so-called nonchronic cases, we find evidence to suggest that many of them are in truth chronically ill. For example, of the 23,306 veterans with presumed nonchronic disabilities, 9,184 patients, or 8.5 percent of all patients, are in receipt of or have applied for a VA pension for a permanently and totally disabling non-service-connected condition. These veterans, in addition to their severely incapacitating disability, must have incomes less than $1,400 a year if without dependents, or $2,700 with dependents, to be eligible for VA pension. While these veterans had been hospitalized for less than 90 days when the census was taken, it appears likely that because of their severe disabilities they will require long-term hospitalization. More than half of these veterans were being treated for one of the following chronic conditions: Cardiovascular disease, cancer, neurological disease, or arthritis.

Another small subcategory of interest which had been included in the nonchronic, non-service-connected class is 1,198 patients (or 1.1 percent of the total patient load) who on the day of the census had a claim for compensation for a service-incurred disability pending adjudication action. A significant percentage of these claims for compensation are subsequently adjudged to be service-incurred or service-aggravated disabilities and therefore would permit the reclassification of these veterans to the service-connected category.

The residual group of nonchronic, non-service-connected veterans in hospitals comprise 11,656 patients or 10.8 percent of the total patient load. How many of these patients may require long-term hospitalization is a moot point. One-third of these patients are found to be suffering from one of the following serious disabilities: Cardiovascular disease, cancer, or neurological disease, or arthritis.

That concludes the portion of the article to which I desire to invite your attention at this time. I believe that you will agree with me that in the light of even such brief reflection and analysis as I have given, any hasty action by the Committee on Veterans' Affairs or the Congress in this matter would be most inadvisable.

A number of your colleagues with whom I am privileged to be associated and who played a part in the establishment of this great system know that the road has been long and at times the going has been hard. We saw much of it hastily eliminated by the so-called Economy Act of 1933, only to be substantially reinstated shortly thereafter. Experience counsels against hasty action. The law should be changed only after full hearings and convincing evidence that the change is warranted.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. TABER and to include an address by James A. McConnell, executive vice president, GLF Exchange.

Mr. PRELINGHUYSEN and to include an article.

Mr. DAVIS of Georgia and to include extraneous matter.

Mr. MULTER in two instances and to include extraneous matter.

Mr. MAHON the remarks which he will make today and to include extraneous matter.

Mr. SUTTON and to include an article.

Mr. SIEMINSKI the remarks he made in Committee today and to include extraneous matter.

Mr. PATMAN and to include copy of a letter.

Mr. NEAL.

Mr. HRUSKA and to include extraneous matter.

Mr. ARENDS.

Mr. BROWNSON (at the request of Mr. ARENDS) and to include a magazine article.

Mr. PATTERSON (at the request of Mr. ARENDS) and to include a statement by the Honorable W. STERLING COLE.

Mr. MARSHALL on the anniversary of the First Minnesota Regiment.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 14 minutes p. m.), under its previous order, the House adjourned until tomorrow, Thursday, July 2, 1953, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

317. Under clause 2 of rule XXIV, a letter from the Secretary of Commerce, transmitting a draft of a bill entitled "A bill to extend emergency foreign merchant vessel acquisition and operating authority of Public Law 101, 77th Congress, and for other purposes", to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McCORMACK: Committee on Government Operations: Part 2, additional views on H. R. 5228. A bill to amend section 303 of the Budget and Accounting Act, 1921 (42 Stat. 23); without amendment (Rept. No. 684). Referred to the Committee of the Whole House on the State of the Union.

Mr. NICHOLSON: Committee on Rules. House Resolution 313. Resolution providing for the consideration of H. R. 116. A bill to amend title 18, United States Code, so as to prohibit the transportation of fireworks into any State in which the sale of such fireworks is prohibited; without amendment (Rept. No. 696). Referred to the House Calendar.

Mr. RADWAN: Committee on Foreign Affairs. H. J. Res. 253. Joint resolution, to amend the joint resolution of June 16, 1938, creating the Niagara Falls Bridge Commission; with amendment (Rept. No. 697). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 314. Resolution providing for the consideration of H. R. 5407. A bill to amend section 2879 (b) of the Internal Revenue Code; without amendment (Rept. No. 700). Referred to House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 4047. A bill validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in the county of Alameda, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved

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July 2, 1864 (13 Stat. L. 356); with amendment (Rept. No. 698). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on the Judiciary. H. R. 3350. A bill for the relief of Ralston Edward Harry; without amendment (Rept. No. 699). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DINGELL:

H. R. 6034. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. BOLLING:

H. R. 6035. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. ROOSEVELT:

H. R. 6036. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. HERLONG:

H. R. 6037. A bill to authorize the adoption of a certain rule with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6038. A bill to provide for the purchase of brood cows; to the Committee on Agriculture.

By Mr. JOHNSON:

H. R. 6039. A bill to amend section 47c of the National Defense Act; to the Committee on Armed Services.

By Mr. SMITH of Mississippi:

H. R. 6040. A bill to amend certain provisions of the Agricultural Adjustment Act of 1938, as amended, relating to cotton-marketing quotas; to the Committee on Agriculture.

By Mr. CELLER:

H. R. 6041. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. DODD:

H. R. 6042. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. EBERHARTER:

H. R. 6043. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. ELLIOTT:

H. R. 6044. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. HOWELL:

H. R. 6045. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H. R. 6046. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. WINSTEAD:

H. R. 6047. A bill to amend certain provisions of the Agricultural Adjustment Act of 1938, as amended, relating to cotton marketing quotas; to the Committee on Agriculture.

By Mr. BOLAND:

H. R. 6048. A bill to provide for a suitable and distinctive lapel button which may be worn by veterans of the Korean hostilities; to the Committee on Armed Services.

By Mr. KEARNS:

H. R. 6049. A bill to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes; to the Committee on Education and Labor.

By Mr. MARTIN of Iowa:

H. R. 6050. A bill relating to the excess-profits-tax ceiling for new corporations for taxable years ending after June 30, 1953; to the Committee on Ways and Means.

By Mr. SHORT:

H. R. 6051. A bill to authorize certain members of the Armed Forces to accept and wear decorations of certain foreign nations; to the Committee on Armed Services.

By Mr. REES of Kansas:

H. R. 6052. A bill to readjust postal rates, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HAYS of Arkansas:

H. R. 6053. A bill, Drought Disaster Relief Act of 1953; to the Committee on Agriculture.

By Mr. HOPE:

H. R. 6054. A bill to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes; to the Committee on Agriculture.

By Mr. SHELLEY:

H. R. 6055. A bill to repeal section 2 of the act of February 20, 1931 (Public Law 695, 71st Cong., 46 Stat. 1192); to the Committee on Public Works.

H. R. 6056. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. BARDEN:

H. R. 6057. A bill to exempt certain commissioned officers retired for disabilities caused by instrumentalities of war from the limitation prescribed by law with respect to the combined rate of retired pay and of compensation as civilian employees of the Government which retired officers may receive; to the Committee on Post Office and Civil Service.

By Mr. BLATNIK:

H. R. 6058. A bill to allow certain persons to deduct for income-tax purposes amounts paid for meals and lodging when employed away from home; to the Committee on Ways and Means.

By Mr. MILLS:

H. R. 6059. A bill to authorize the adoption of a certain rule with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALBERT:

H. R. 6060. A bill to extend for an additional 6 months the time for filing certain claims arising out of the construction of the Denison Dam and the impounding of the waters of Lake Texoma, and for other purposes; to the Committee on the Judiciary.

By Mr. BAKER:

H. R. 6061. A bill for the relief of James E. Savage; to the Committee on the Judiciary.

By Mr. HELLER (by request):

H. R. 6062. A bill for the relief of Yehuda Willinger and Mrs. Rozalia Willinger; to the Committee on the Judiciary.

H. R. 6063. A bill for the relief of Samuel Rubin and Mrs. Rachela Rubin; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 6064. A bill for the relief of Raffaele Merlino; to the Committee on the Judiciary.

By Mr. O'NEILL:

H. R. 6065. A bill for the relief of Anthony Asprakis; to the Committee on the Judiciary.

By Mr. POAGE:

H. R. 6066. A bill for the relief of Edward Mixson; to the Committee on the Judiciary.

By Mr. RAY:

H. R. 6067. A bill for the relief of Santiago Gonzalez Trigo; to the Committee on the Judiciary.

By Mr. SHELLEY:

H. R. 6068. A bill for the relief of Mrs. Adelaide Dibbs; to the Committee on the Judiciary.

By Mr. SMITH of Wisconsin:

H. R. 6069. A bill for the relief of Paul Christian Davidson; to the Committee on the Judiciary.

H. R. 6070. A bill for the relief of Gregory Peter Livas; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

380. By Mr. REED of New York: Petition of Mrs. Elsie M. Johnson, of Jamestown, N. Y., and 260 other signers, all from the 43d Congressional District of New York, urging Congress to either keep at present rate or increase present taxes on alcoholic beverages in order to help pay for the ever-increasing cost of crime and disease (physical and mental) caused by the consumption of alcoholic beverages; to the Committee on Ways and Means.

381. By Mr. SMITH of Wisconsin: Resolution unanimously adopted at a mass meeting of Lithuanian Americans of the city of Kenosha, Wis., held under auspices of the local branch of the Lithuanian American Council, Inc., on June 21, 1953; to the Committee on Rules.

SENATE

THURSDAY, JULY 2, 1953

(Legislative day of Saturday, June 27, 1953)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Rev. Edward Hughes Pruden, minister, First Baptist Church, Washington, D. C., offered the following prayer:

O God and Father of us all, we approach Thee in reverence and praise as

we assume the great responsibilities of this hour. Grant to us the humility which causes men to recognize their need of Thee, and put from us all ulterior motives, unworthy ambitions, and foolish pride. Help us to be worthy of the confidence which has been placed in us, and give us those personal qualities of mind and heart which we admire most in others.

May we make some genuine contribution to the welfare of our country today, and give added encouragement to all the influences that make for harmony and good will in all the earth.

Through Jesus Christ, our Lord, the Prince of Peace, we pray. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 1, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 1, 1953, the President had approved and signed the act (S. 1993) to amend the National Housing Act, as amended, and the Servicemen's Readjustment Act of 1944, as amended, with respect to maximum interest rates, the veterans' direct home-loan program, and for other purposes.

LEAVES OF ABSENCE

On his own request, and by unanimous consent, Mr. AIKEN was excused from attendance on the session of the Senate for the remainder of the day.

On his own request, and by unanimous consent, Mr. YOUNG was excused from attendance on the sessions of the Senate from 3 o'clock today for the remainder of the week, so that he may attend a very important REA meeting in Columbus, N. Dak.

On his own request, and by unanimous consent, Mr. THYE was excused from attendance on the sessions of the Senate from 5 o'clock today through the remainder of this week.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Foreign Relations was authorized to meet today during the session of the Senate.

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on the Judiciary was authorized to meet today during the session of the Senate.

On request of Mr. KNOWLAND, and by unanimous consent, the Subcommittee on Investigations of the Committee on Government Operations was authorized to meet today during the session of the Senate.

CONFIRMATION OF NOMINATIONS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that, as in executive session, the Senate proceed to the consideration of nominations on the Executive Calendar under the heading "New Reports."

The PRESIDENT pro tempore. Without objection, it is so ordered.

The clerk will state the nominations on the calendar under the heading "New Reports."

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

The Chief Clerk read the nomination of Leonard P. Walsh, of the District of Columbia, to be chief judge.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Edward A. Beard, of the District of Columbia, to be an associate judge.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Mildred Emily Reeves, of the District of Columbia, to be an associate judge.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be notified immediately of the confirmation of these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting several nominations, and withdrawing the nomination of Joseph H. Freehill to be Director of Price Stabilization, which nominating messages were referred to the Committee on Banking and Currency.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. WILEY, from the Committee on Foreign Relations:

Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary to Ceylon; and

Roy Tasco Davis, of Maryland, to be Ambassador Extraordinary and Plenipotentiary to Haiti.

By Mr. SMITH of New Jersey, from the Committee on Foreign Relations:

Convention between the United States of America and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on October 28, 1948 (Ex. I, 81st Cong., 1st sess.) (Ex. Rept. No. 2);

Convention between the United States of America and Belgium, signed at Washington on September 9, 1952, modifying and supplementing the Convention of October 28, 1948, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income (Ex. A, 83d Cong., 1st sess.) (Ex. Rept. No. 2);

Convention between the United States of America and the Commonwealth of Australia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on May 14, 1953 (Ex. I, 83d Cong., 1st sess.) (Ex. Rept. No. 2);

Convention between the United States of America and the Commonwealth of Australia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, signed at Washington on May 14, 1953 (Ex. J, 83d Cong., 1st sess.) (Ex. Rept. No. 2); and

Convention between the United States of America and the Commonwealth of Australia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on gifts, signed at Washington on May 14, 1953 (Ex. K, 83d Cong., 1st sess.) (Ex. Rept. No. 2).

By Mr. SALTONSTALL, from the Committee on Armed Services:

Charles Francis Wills, and sundry other officers, for promotion in the Regular Air Force.

NOMINATION OF MAJ. GEN. C. V. R. SCHUYLER TO BE LIEUTENANT GENERAL

Mr. SALTONSTALL. Mr. President, as in executive session, from the Committee on Armed Services I report favorably the nomination of Maj. Gen. Cortlandt Van Rensselaer Schuyler, Army of the United States—brigadier general, United States Army—for appointment as Chief of Staff, Supreme Headquarters, Allied Powers, Europe, with rank of lieutenant general, and as lieutenant general in the Army of the United States.

I ask unanimous consent for the immediate consideration of the nomination, as in executive session, for the reason that Major General Schuyler is to take the place of General Gruenther, who in turn is taking the position formerly held by General Ridgway. Major General Schuyler is to be sworn into office on Monday, and it is desired to have him sworn in in his new rank, so that he will occupy a fitting position with officers of the other NATO countries. For that reason, the Committee on Armed Services considered and approved the nomination this morning.

I have taken the matter up with the acting majority leader and with the minority leader, and I believe that both of them will agree to the unanimous-consent request.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. JOHNSON of Texas. We discussed the nomination, and I have no objection.

The PRESIDING OFFICER. The clerk will state the nomination.

The legislative clerk read the nomination of Maj. Gen. Cortlandt Van Rensselaer Schuyler, Army of the United States—brigadier general, United States Army—for appointment as Chief of Staff, Supreme Headquarters, Allied Powers, Europe, with rank of lieutenant

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general, and as lieutenant general in the Army of the United States.

Mr. KNOWLAND. Mr. President, in view of the explanation by the distinguished chairman of the Armed Services Committee that the nomination was unanimously reported by the committee; also, in view of the fact that he has discussed it with the minority leader and with me, and particularly in view of the time element involved, I have no objection to taking up the nomination without its being placed on the Executive Calendar.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none. Without objection, the nomination is confirmed.

Mr. SALTONSTALL. I ask that the President be immediately notified of the confirmation.

The PRESIDING OFFICER. Without objection, the President will be notified immediately.

AUTHORITY FOR ACTION ON CERTAIN MATTERS DURING RECESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that during the recess of the Senate the Secretary may be permitted to receive and refer messages from the President and from the House of Representatives, that committees may be permitted to submit reports, and that the Vice President be authorized to sign bills found truly enrolled.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call, Senators may be permitted to introduce bills and joint resolutions, make insertions in the RECORD, and transact other routine business, under the usual limitation on speeches of 2 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	Maybank
Barrett	Hayden	McCarran
Bridges	Hendrickson	McClellan
Butler, Md.	Hill	Millikin
Byrd	Hoey	Payne
Carlson	Hunt	Russell
Clements	Johnson, Tex.	Saltonstall
Cooper	Knowland	Schoeppel
Cordon	Lehman	Smith, N. J.
Ferguson	Magnuson	Stennis
George	Mansfield	Wiley
Gillette	Martin	Young

Mr. SALTONSTALL. I announce that the Senator from Illinois [Mr. DIRKSEN] and the Senator from Indiana [Mr. JENNER] are necessarily absent.

The Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from New Hampshire [Mr. TOBEY], and the Senator from New York [Mr. IVES] are absent by leave of the Senate; the Senator from New York having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Minnesota [Mr. HUMPHREY] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official committee business.

The PRESIDENT pro tempore. A quorum is not present.

Mr. KNOWLAND. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDENT pro tempore. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. ANDERSON, Mr. BEALL, Mr. BENNETT, Mr. BRICKER, Mr. BUTLER of Nebraska, Mr. CASE, Mr. CHAVEZ, Mr. DOUGLAS, Mr. DUFF, Mr. DWORSHAK, Mr. ELLENDER, Mr. FLANDERS, Mr. GOLDWATER, Mr. GREEN, Mr. GRISWOLD, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. JACKSON, Mr. JOHNSON of Colorado, Mr. JOHNSTON of South Carolina, Mr. KENNEDY, Mr. KERR, Mr. KILGORE, Mr. KUCHEL, Mr. LANGER, Mr. LONG, Mr. MALONE, Mr. MCCARTHY, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. MURRAY, Mr. NEELY, Mr. PASTORE, Mr. POTTER, Mr. PURTELL, Mr. ROBERTSON, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SPARKMAN, Mr. SYMINGTON, Mr. TAFT, Mr. THYE, Mr. WATKINS, Mr. WELKER, and Mr. WILLIAMS entered the Chamber and answered to their names.

The PRESIDENT pro tempore. A quorum is present.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF SECTION 8 (e) OF SOIL CONSERVATION AND DOMESTIC ALLOTMENT ACT

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act (with an accompanying paper); to the Committee on Agriculture and Forestry.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

COMPACT BETWEEN STATES OF NEW JERSEY AND NEW YORK

A letter from the Governor of the State of New Jersey, transmitting a copy of the Waterfront Commission Act of that State, which, together with similar legislation of the State of New York, would create a compact between those two States requiring congressional consent (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

PETITION

The PRESIDENT pro tempore laid before the Senate the petition of Mr. and Mrs. Deogracias Velez, of New York, N. Y., relating to the claim of their son, Edward R. Velez, which was referred to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BEALL, from the Committee on the District of Columbia:

S. 2118. A bill to increase the salaries of employees of the Board of Education of the District of Columbia, and to provide for a study of the pay scales and classifications of such employees; with an amendment (Rept. No. 493).

By Mr. SALTONSTALL, from the Committee on Armed Services:

S. 2038. A bill to amend the act approved July 8, 1937, authorizing case relief for certain employees of the Canal Zone Government; with an amendment (Rept. No. 494); and

S. 2078. A bill to provide for the orderly transaction of the public business in the event of the death, incapacity, or separation from office of a disbursing officer of the military departments; without amendment (Rept. No. 495).

By Mr. CASE, from the Committee on Armed Services:

S. 1995. A bill to provide certain construction and other authority for the military departments in time of war or national emergency; with amendments (Rept. No. 498).

By Mr. SMITH of New Jersey, from the Committee on Foreign Relations:

S. Con. Res. 36. Concurrent resolution expressing the hopes of the American people for the early reunification of Germany by free elections and for the achievement by the people of East Germany of their basic human rights and freedoms; without amendment (Rept. No. 499).

EXTENSION OF AUTHORITY FOR FURNISHING INFORMATION AND CIVILIAN EDUCATION FOR PERSONNEL OF ARMED FORCES—REPORT OF A COMMITTEE

Mr. SALTONSTALL. Mr. President, from the Committee on Armed Services, I report an original bill to extend the authorization for the furnishing of information and civilian education for personnel in the Armed Forces until July 1, 1954, and I submit a report (No. 496) thereon.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2276) to extend the authorization for the furnishing of information and civilian education for

personnel in the Armed Forces until July 1, 1954, reported by Mr. SALTONSTALL, from the Committee on Armed Services, was received, read twice by its title, and placed on the calendar.

LOAN OF TWO SUBMARINES TO GOVERNMENT OF ITALY, AND A SMALL AIRCRAFT CARRIER TO GOVERNMENT OF FRANCE

Mr. SALTONSTALL. Mr. President, from the Committee on Armed Services, I report an original bill to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France, and I submit a report (No. 497) thereon.

The PRESIDENT pro tempore. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2277) to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France, reported by Mr. SALTONSTALL, from the Committee on Armed Services, was received, read twice by its title, and placed on the calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of New Jersey:

S. 2273. A bill for the relief of George Hartman;

S. 2274. A bill for the relief of Dr. Sin-I Cheng and his wife, Jeanie Sing Cheng; and

S. 2275. A bill for the relief of Sung Ling Yao and his family; to the Committee on the Judiciary.

By Mr. SALTONSTALL:

S. 2276. A bill to extend the authorization for the furnishing of information and civilian education for personnel in the Armed Forces until July 1, 1954; and

S. 2277. A bill to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France; placed on calendar.

(See the remarks of Mr. SALTONSTALL when he reported the above bills from the Committee on Armed Services, which appear under separate headings.)

By Mr. SALTONSTALL (by request):

S. 2278. A bill to further amend the act of May 26, 1948, entitled "an act to establish Civil Air Patrol as a civilian auxiliary of the United States Air Force and to authorize the Secretary of the Air Force to extend aid to Civil Air Patrol in the fulfillment of its objectives, and for other purposes"; and

S. 2279. A bill to amend the act entitled "an act to establish Civil Air Patrol as a civilian auxiliary of the United States Air Force and to authorize the Secretary of the Air Force to extend aid to Civil Air Patrol in the fulfillment of its objectives, and for other purposes; to the Committee on Armed Services.

By Mr. DOUGLAS:

S. 2280. A bill for the relief of Inge Krarup; and

S. 2281. A bill for the relief of Mrs. Cecilia Altamira and her daughters, Maria Altamira and Cecilia Altamira; to the Committee on the Judiciary.

By Mr. MORSE:

S. 2282. A bill for the relief of Aina Briza; to the Committee on the Judiciary.

INDEPENDENCE FOR PEOPLES OF ASSOCIATED STATES OF CAMBODIA, LAOS, AND VIETNAM

Mr. POTTER. Mr. President, as a result of the stimulating debate yesterday on the mutual assistance program, particularly with respect to the amendments offered by the Senator from Arizona [Mr. GOLDWATER] and the Senator from Massachusetts [Mr. KENNEDY], as they related to the Associated States of Indochina, I submit for appropriate reference a concurrent resolution which would state the sense of the Congress as to the position of the American people with respect to the subject.

The concurrent resolution reads:

Whereas the American people subscribe to and believe in the spirit of independence and liberty and freedom as exemplified in its own history and tradition; and

Whereas the Government of the United States of America demonstrated this spirit in its own affairs by providing for the independence of the Republic of the Philippines; and

Whereas the peoples of the Associated States of Cambodia, Laos, and Vietnam have expressed a strong national desire for freedom and independence even though challenged by communism which has endeavored to appeal to the nationalistic desires of these peoples: Therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress recognizes the desire for freedom, independence, and self-government of the peoples of the Associated States of Cambodia, Laos, and Vietnam, and hopes the Government of France will encourage and make preparation for the independence, self-government, and freedom of these associated states at a time determined and agreed by the Governments of these associated states and the Government of France.

Mr. President, I have no pride of authorship in submitting the concurrent resolution, and I submit it merely as a vehicle. I should certainly appreciate suggestions with respect to any changes in the language from either the Senator from Massachusetts [Mr. KENNEDY] or the Senator from Arizona [Mr. GOLDWATER], or from any other Member of the Senate who may wish to suggest changes in the language. However, particularly as a result of the debate which took place yesterday, I feel that some persons may have gained a misconception as a result of the vote that was taken. Therefore, I believe it to be only fitting at this time, when we are about to celebrate the anniversary of our own independence, that we at least look again at our traditional policy of being the champions of the national desires of peoples throughout the world to enjoy the type of independence and freedom which it has been our privilege to enjoy.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr POTTER. I yield.

Mr. KNOWLAND. I understand the Senator from Michigan is merely submitting the concurrent resolution at this time and is asking that it be appropriately referred to the Committee on Foreign Relations. Is that correct?

Mr. POTTER. That is my purpose.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 37), submitted by Mr. POTTER, was referred to the Committee on Foreign Relations.

REQUEST FOR CERTAIN INFORMATION CONCERNING REMOVAL OF BOOKS FROM UNITED STATES INFORMATION CENTERS

Mr. HENNINGS. Mr. President, I submit for appropriate reference a concurrent resolution requesting certain information concerning the removal of books from United States Information Centers, and favoring the formulation of a policy on purchases and removals of books for such centers. I ask unanimous consent that statements by me, together with letters from me to the Secretary of State and the reply of the Secretary of State be printed in the RECORD.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred; and, without objection, the statements and letters will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 38), submitted by Mr. HENNINGS, was referred to the Committee on Foreign Relations, as follows:

Whereas the Congress in enacting the United States Information and Educational Exchange Act of 1948 (Public Law 402, 80th Cong.) declared that "the objectives of this act are to enable the Government of the United States to promote a better understanding of the United States in other countries, and to increase mutual understanding between the people of the United States and the people of other countries; and

Whereas it appears that the recent confusion surrounding the operation of this act, insofar as it concerns United States overseas libraries, has brought embarrassment to our country and discredit to our country's sacred traditions of freedom of thought and expression; and

Whereas this confusion has resulted in the loss of United States prestige abroad and raised questions both within the United States and in the minds of the peoples of free nations and in the press of these nations as to the objectives of United States foreign policy; and

Whereas individual Members of the Congress, newspapers throughout our country and members of the general public have repeatedly requested that the directives under which books and other media have been removed from shelves of United States overseas libraries and that the titles and authors of such books and media be made public; and

Whereas the Secretary of State has declined to make public such directives and such books and authors; and

Whereas the President of the United States in his press conference on July 1, 1953 indicated that the Secretary of State is giving careful consideration to the formulation of a new policy directive concerning books in the overseas libraries, but inasmuch as no information is available to the Congress, the press or the general public as to when such policy directive shall be formulated: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring)—

(1) That the President of the United States is requested to direct the Secretary of State and/or other appropriate officials of the executive branch to make available to the Congress and for public information the directive or directives (together with policy memoranda and instructions) relative to the

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removal of books and other exchange media from the United States information centers which have been issued by the Secretary of State, the Director of the United States International Information Administration and other officials having responsibilities in the operation of this program; and

(2) That the President is requested to direct the Secretary of State and/or other appropriate officials of the executive branch to (a) formulate as soon as practicable a clear policy concerning the purchases and acquisition of books for and the removal of books from the United States information centers and (b) issue instructions for the detailed implementation of said policy on books in these centers: *Provided*, That in the formulation of policy directives and operational instructions for overseas libraries, the Secretary of State shall be guided by the applicable laws relating to the establishment and operation of these libraries, and by the highest American traditions of freedom of thought and freedom of expression promulgated in the Constitution of the United States, and by the ideals expressed by the President of the United States in his speech at Dartmouth College on June 14, 1953 and further amplified in the letter of the President of the United States under date of June 24, 1953, addressed to the American Library Association.

(3) That the President is requested to direct the Secretary of State, immediately upon the issuance to the personnel of the United States International Information Administration of policy directives and instructions referred to in (2), to make available to the Congress and for public information said policy directives and instructions; and

(4) That the President is requested to direct the Secretary of State to make available immediately to the Congress and for public information a complete record of books and other media which have been removed from United States information centers, including (a) names of authors, illustrators, editors or composers; (b) titles; (c) number of copies of such titles; and (d) the reason for their removal.

The statement and letters presented by Mr. HENNINGS are as follows:

STATEMENT BY SENATOR HENNINGS

More than 1 month ago a storm of protest broke out in newspapers throughout the free world in response to a campaign of book burning which had just been initiated by our overseas libraries acting under instructions from our Department of State. The press abroad was incredulous over what appeared to be the type of thought control in conflict with our free American institutions. By coincidence, some self-appointed censors in this country were, at the same time, attempting to purge books from the public libraries in a few of our own cities. To our friends overseas, it looked as though we were forsaking our traditions of freedom of thought and of expression.

The free press of our own country, greatly alarmed by this situation at home and abroad, asked the State Department for an explanation and were met with conflicting statements and confusion. Apparently deeply moved by the state of affairs, President Eisenhower, at Dartmouth College on June 14, denounced book burners and reaffirmed before the world the American principles of freedom.

So heartened was I by his eloquent words that on June 16, I took occasion in the Senate to commend the President for his stand, but I noted at the same time that it was the President's own men who were responsible for the book burning overseas. I suggested that if the administration wanted to suit the deed to the word, all the State Department had to do was to stop burning books.

The next day, June 17, the President, in his regular press conference, discussed the subject of book purging in some detail and made certain observations which, in the opinion of many people, appeared in conflict with his stand at Dartmouth and left many people in doubt as to his meaning.

In an effort to clarify the situation, on June 18 I addressed a letter to the Secretary of State noting the confusion and suggesting that it was in our national interest to make public the following information:

1. The standards used to determine the suitability of a book for overseas use.

2. The directive or directives which set forth administration policy on the overseas library purge.

3. A list of books that had been or are to be removed from each overseas library.

LETTER FROM SENATOR HENNINGS

WASHINGTON, D. C., June 18.—United States Senator THOMAS C. HENNINGS, JR. (Democrat, of Missouri), today released a letter addressed to Secretary of State John Foster Dulles and delivered to him at the State Department.

Senator HENNINGS said that his letter was written in the public interest and in the hope that the Secretary's reply "will clarify the misunderstandings which have arisen in the past few days from disclosures of what may be arbitrary censorship in removing from overseas libraries, books written by certain Americans of unquestioned loyalty and patriotism." The Senator referred to statements in the press citing the removal of books by Secretary Dulles, former Ambassador Joseph E. Davies, Alan Barth, Gen. Joseph Stilwell, and Bert Andrews, whose works, he said, "are of the greatest value in reflecting American thought and spirit for the benefit of the peoples in other countries." The text of HENNINGS' letter follows:

"Dear Mr. Secretary: The controversy of the past several days over that portion of President Eisenhower's speech at Dartmouth College concerning book burning has, it seems to me, reached a point of great and almost farcical confusion. The President made a fine, forthright statement there. I have commended him wholeheartedly for what I believe to be a straightforward defense of freedom of the mind. Many other Americans were likewise heartened and encouraged by his leadership in denouncing book burners.

"The question of specific details which fall within or without the realm of the President's meaning in his Dartmouth address is, of course, highly significant because, in the eyes of other nations, and rightfully so, the man occupying the great office of the American Presidency speaks for all the American people. I am hopeful that the questions raised on this subject at yesterday's press conference will be so clarified that no misunderstanding nor uncertainty can prevail.

"The fact nevertheless remains that, according to the newspaper accounts, you have indicated that the more primitive forms of book purging, including the literal burning of books, have to some extent been employed by the State Department. The newspaper reports further state that you have declined to specify what books were burned or the sites of the actual book burning or removals, inasmuch as the process of checking the details of book purging in the 285 overseas libraries would be a costly undertaking. I cannot understand why it should be an expensive undertaking to require that all libraries furnish you with lists of books which have been removed. I am constrained to point out, however, that purging books from libraries, whether through the crude method of actually applying a torch or by removing them to warehouses or elsewhere, involves a question of basic policy, with far-reaching implications to our American concept of the free flow of ideas.

"I fully agree with the thought expressed by the President in his press conference that it would be the acme of silliness for this Government to spread doctrines advocating the overthrow of the United States. Stocking our libraries with Communist propaganda would likewise do violence to ordinary common sense. I believe, however, that we are doing serious harm to our prestige abroad and subjecting ourselves to ridicule and gross misinterpretation when, according to newspaper reports, one or more books written by you are removed from our overseas libraries, as well as books by such distinguished and loyal Americans as former Ambassador Joseph E. Davies, Washington Post writer Alan Barth, the late United States Gen. Joseph W. Stilwell, and even that Pulitzer prize winner, Washington Witch Hunt by Bert Andrews, chief Washington correspondent of the New York Herald-Tribune. This action places our country and our Government in such a false light and in a position so offensive to our democratic traditions that I believe the public is entitled to full information on the entire matter.

"I respectfully request, therefore, that you make public the following information: (1) The standards used to determine the suitability of a book for overseas use; (2) The directive or directives which set forth administration policy on the overseas library purge; (3) A list of books that have been or are to be removed from the shelves of each overseas library.

"Since the question is one of policy and not of personalities, and since I have no desire to indulge in recrimination against any employee of the State Department who may have been acting under confused directives, I have deliberately refrained from asking who was responsible for the kind of censorship which would presage a swift return to the Dark Ages. I firmly believe that any cost involved in securing this information is a worthwhile investment in the future of our democratic process, and I strongly urge that you present the full details to the American people who, after all, bear the full cost of our Overseas Information program.

"Sincerely yours,

"THOMAS C. HENNINGS, JR."

FURTHER STATEMENT BY SENATOR HENNINGS

After a week had elapsed without any acknowledgement from the Secretary of State, I wrote to him again on June 25 reiterating my three requests and expressing my satisfaction that Hawthorne, Emerson, Thoreau, and Mark Twain had apparently escaped the purge. I pointed out also that the report on Overseas Information Programs of the Hickenlooper Committee had stated that the Administrator of this program must establish specific criteria to guide his subordinates and be prepared to explain the criteria to the public. This report also stated that the committee was convinced that if clear-cut, commonsense criteria, based on what is useful in terms of the objectives of the program set down and properly explained, they would find general acceptance on the part of all who seek to protect and advance the interests of the United States. In urging the Secretary of State to make public the full information on book purging, I assured him, men of good will in both political parties would give him wholehearted support if he would exercise his proper authority to carry out these reasonable recommendations.

The text of my second letter to Secretary Dulles is as follows:

"MY DEAR MR. SECRETARY: On June 18 I wrote you noting the public interest in the State Department's current purge of books from United States Overseas Information centers, and requesting that you make public the following information: (1) the standards used to determine the suitability of a book for overseas use; (2) the directive or

directives which set forth administration policy on the overseas library purge; (3) a list of books that have been or are to be removed from the shelves of each overseas library.

"I have been patiently awaiting the formal release of such information or some statement from you explaining why this should not be done. So far, the only word from the State Department formally reported in the press has changed from 'No comment' to 'The whole question is under review and State Department officials will not talk about it until the study is completed.'

"On Monday the New York Times devoted several pages to a survey made by its correspondents in 20 overseas capitals. According to the New York Times story, several hundred books by more than 40 authors had been removed from the shelves of United States overseas libraries pursuant to confidential directives issued by the State Department between February 19 and June 21, 1953.

"Tuesday's New York Times carried a news story datelined The Hague and indicating that the works of Mark Twain had been approved or cleared by the State Department under Infoguide bulletin 303 for inclusion in the United States overseas libraries. The Times story went on to say Infoguide bulletin 303 did not indicate what tests or standards had been applied to Mark Twain's writing. It did state that there was no indication that Mark Twain had at any time been proscribed. The story in addition stated that a United States spokesman at The Hague indicated that a State Department directive had set up as a critical date for judging literature, October 1917, the date of the Russian revolution. The news story did not state how this date—October 1917—was used, that is, whether an author had to have died before or after that date or perhaps to have learned to read before that date. The same article also listed a number of other American classics in portable form as having also been cleared by your Department. Other authors listed as fortunate enough to make the grade were Emerson, Thoreau, and Hawthorne—all controversial figures of their day—and for that matter so even today. Thoreau, you may remember, advocated downright anarchy in his essay on Civil Disobedience and went to jail as a matter of principle rather than pay taxes.

"I was, of course, extremely glad to see Hawthorne, Emerson, and Thoreau on the approved list, but I was especially pleased to see Mark Twain 'cleared,' as he is not only one of my favorite writers but, as you know, a fellow Missourian.

"I can readily understand, Mr. Secretary, your reluctance to make public the directives your Department has issued on this subject. From what the newspapers have already said about them and from what your aids told the House Governmen. Operations Committee yesterday, I, too, would hesitate to release them. But as I pointed out to you in my earlier letter, the confusion over their contents has reached the point of being ridiculous. Now that Mark Twain and Thoreau are cleared, the public will wait expectantly for the next episode in this literary comedy to unfold. While the indisputable facts about book purging are unearthed and reported by correspondents overseas, continued efforts of the State Department to conceal the information and the directives here at home are both foolish and indefensible.

"The press has already indicated that there will be a move in some quarters to make scapegoats of individual State Department employees who may have been instrumental in the removal of some volumes that even the most ardent purgers do not find offensive. Efforts will be made, apparently, to show that some employees did not properly interpret your Department's directives. Before this happens, it would seem to be only fair to release these directives so that the discharge of State Department personnel, which appears imminent, may be examined by an informed public in the full light of day.

"The Hickenlooper committee on overseas information programs of the United States, I think, summed up the situation clearly. In its report on overseas information programs it stated on page 28 the following:

" 'On the issue of selection of controversial books, the committee feels that the Administrator must establish the specific criteria to guide his subordinates and be prepared to explain these criteria. He cannot delegate this responsibility to others. The committee is convinced that if clear-cut, commonsense criteria, based on what is useful in terms of the objectives of the information program are set down and properly explained, they will find general acceptance on the part of all who seek to protect and to advance the interests of the United States.'

"I therefore again urge you, Mr. Secretary, to make public the full information on book purging. As a member of the minority party, I can assure you that men of good will in both parties will give you wholehearted support if you will exercise your proper authority to carry out these reasonable recommendations.

"Sincerely yours,

"THOMAS C. HENNINGS, Jr.,
"United States Senate."

FURTHER STATEMENT BY SENATOR HENNINGS

On the the same day, Secretary Dulles sent me a letter which crossed my letter in transit. It is as follows:

JUNE 25, 1953.

The Honorable THOMAS C. HENNINGS, Jr.,
United States Senate.

MY DEAR SENATOR: I have your letter of June 18 inquiring about the policy with relation to the overseas libraries of the International Information Administration. These libraries, unlike the usual reference libraries, are special purpose libraries, designed in accordance with the United States Information and Education Exchange Act of 1948 to "disseminate abroad information about the United States, its people, and policies promugated by the Congress, the President, the Secretary of State, and other responsible officials of Government having to do with matters affecting foreign affairs."

The administration itself is a semiautonomous agency and the excutive branch of the present Government has, since it took office, contemplated that it should become an independent agency. Under the reorganization plan now pending before the Congress, this will occur on July 30, 1953.

However, pending such complete legal separation, I felt an obligation to act to correct what seemed to me abuses which had developed. The overseas book program, I had reason to believe, was disseminating information which could not with any reasonable interpretation fall within the congressional mandate. In particular I wanted to make sure that it would not disseminate information which might advance the cause of Soviet communism.

On February 24, 1953, with the President's approval, I appointed Dr. Robert L. Johnson to become Director of the International Information Administration, and on March 17, 1953, I advised him that I did not think that the IIA should make the works of Communist authors a part of its foreign libraries or subscribe to periodicals which are receptive to international Communist propaganda. My memorandum to Dr. Johnson concluded "if you find these ideas acceptable, I must rely on you to translate them into what is an appropriate and practicable 'working level' directive." I have not since personally intervened in this matter.

Dr. Johnson did find the above guidance from me acceptable and, I am informed, issued one or more directives designed to reflect it at the working level. These directives, however, seem to have been interpreted and applied in different ways in different overseas libraries, with some results of which I, and I am confident Dr. Johnson, cannot approve.

Dr. Johnson tells me that he and his advisers and staff have recently been conducting a review of the situation with a view to seeking a more practicable "working level" directive.

Sincerely yours,

JOHN FOSTER DULLES.

FURTHER STATEMENT BY SENATOR HENNINGS

It seemed clear to me that his reply was not responsive to my earlier letter

The following day, President Eisenhower's letter to the American Library Association appeared in the Nation's newspapers. In this letter, the President reaffirmed the strong position that he took at Dartmouth and pointed out, in effect, that we cannot fight the Communist conspiracy with totalitarian methods.

At yesterday's press conference, the President stated that he meant every word he had said at Dartmouth and in his letter to the American Library Association in denunciation of book burners and indicated that Secretary Dulles was formulating a new policy directive on the overseas libraries. As yet, however, there is no indication as to when this new policy will come into being. Nor can we be sure that this policy will be made public.

In consideration of all these facts, I have today submitted a Senate concurrent resolution which, in effect, calls on the President to make public the past policies, and the new one when it has been formulated.

AMENDMENT OF INTERSTATE COMMERCE ACT RELATING TO REQUESTS OF COMMON CARRIERS FOR INCREASED TRANSPORTATION RATES—AMENDMENT

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (S. 1461) to amend the Interstate Commerce Act, as amended, concerning requests of common carriers for increased transportation rates, which was ordered to lie on the table and to be printed.

REPAIR AND RESTORATION OF FRIGATE "CONSTELLATION"—AMENDMENT

Mr. GREEN submitted an amendment intended to be proposed by him to the bill (S. 2246) to provide for the repair and restoration of the frigate *Constellation*, which was referred to the Committee on Armed Services and ordered to be printed.

NOTICE OF HEARING ON S. 1106, RELATING TO RENDITION OF MUSICAL COMPOSITIONS ON COIN-OPERATED MACHINES

Mr. WILEY. Mr. President, on behalf of the Standing Subcommittee on Patents, Trade-Marks, and Copyrights of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Wednesday, July 15, 1953, at 10 a. m., in room 424,

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Senate Office Building, on S. 1106, relating to the rendition of musical compositions on coin-operated machines. Persons desiring to be heard should notify the committee so that a schedule can be prepared for those who wish to appear and testify. The subcommittee consists of myself, chairman, the Senator from Indiana [Mr. JENNER], and the Senator from Mississippi [Mr. EASTLAND].

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. MILLIKIN:

Address entitled "The Sound Dollar and Debt Management," delivered by Senator BUSH at a luncheon in New York, N. Y., of the Bond Club of New York, on Thursday, July 2, 1953.

By Mr. JOHNSON of Texas:

Article entitled "Senator Puts Courts on Guard," written by Lowell Mellett and published in the Washington Evening Star.

By Mr. THYE:

Editorial entitled "Why Limit Earnings of Retired People?" published in the Saturday Evening Post of July 1, 1953.

Editorial entitled "French Rent Controls Stifle Building Boom Before Birth," published in the Saturday Evening Post of July 1, 1953.

By Mr. MAYBANK:

Editorial entitled "Fort Moultrie Neglected on Carolina Day," published in the Charleston (S. C.) News and Courier of June 28, 1953.

By Mr. LEHMAN:

Editorial entitled "Emergency Immigration," published in the Washington Post, June 25, 1953.

Editorial entitled "KNOWLAND Flubs the Job," published in the Washington Post, of June 25, 1953.

Article entitled "Listen, Grownups" written by Margaret Vance Means, and published recently in the Progressive.

By Mr. DWORSHAK:

Article relative to award of the Medal of Honor to Sgt. David B. Bleak, written by Frank Hewlett, and published in the Salt Lake Tribune.

By Mr. McCLELLAN:

Essay written by Walter L. Pope, Little Rock., Ark., on the subject How Can We Plan and Pay for the Safe and Adequate Highways We Need?

By Mr. WILEY:

Memorandum containing refutation of certain points in the majority report of the Senate Judiciary Committee on Senate Joint Resolution 1.

By Mr. KNOWLAND:

Supplementary memorandum entitled "Postscript to the Rosenberg Case," prepared by the staff of the Senate majority policy committee, under date of June 25, 1953.

By Mr. KEFAUVER:

Letter addressed to him by William L. McAllester, of Chattanooga, Tenn., describing activities of the Reconstruction Finance Corporation.

DECLINE OF FARM PRICES—ARTICLE FROM U. S. NEWS & WORLD REPORT

Mr. YOUNG. Mr. President, I ask unanimous consent to have inserted in the body of the RECORD an article appearing in the July 3 issue of the U. S. News & World Report on the subject, Here's the Farmers' Story.

This article, Mr. President, is an excellent appraisal of the farmers' thinking. The reporter who gathered this information apparently got beyond the country clubs, chambers of commerce, and country estates and had a real down-to-earth visit with farmers. This is an article which I believe every Member of Congress should read.

The decline of farm prices, which has been increasing in severity month by month for the past year, already is having a pronounced effect on our overall national income. If it continues, our budget deficit next year may well be far more than our present $9 billion.

Mr. President, I ask unanimous consent to insert as a part of my remarks a table from a Government record which proves conclusively that our national income since 1929 has always been almost exactly seven times our farm income.

The PRESIDENT pro tempore. Is there objection to the request of the Senator from North Dakota?

There being no objection, the article and the table were ordered to be printed in the RECORD, as follows:

HERE'S THE FARMERS' STORY—THEY'LL TAKE CROP CONTROL TO GET FIXED PRICES

(Farmers who voted for Ike aren't ready to junk everything the Democrats gave them. They are out to keep price supports high. It doesn't matter that high supports mean crop controls. That's a nuisance they are willing to take to keep prices up. How farmers see the surplus problem is reported hereby a member of the board of editors of U. S. News & World Report.)

DES MOINES.—All through the heart of this country's food-raising belt farmers are getting set for a return of strong Government controls over their businesses. Farmers seem to be ready to vote for a limit upon acres they can plant and for quotas limiting what they can sell—in return for Government support of prices at a fixed level.

That is true in the Wheat Belt of the Southwest and the Corn Belt of the Midwest. The impression is that it is the dominant viewpoint of farmers in all sections. Weeks spent in sampling farmer sentiment turned up little support for the idea of Government action limited to "disaster insurance" as favored by Ezra T. Benson, Secretary of Agriculture. Likewise, the idea of sliding-scale price supports seems to have little enthusiastic backing.

In Kansas many farmers are convinced that Government price supports have kept wheat from breaking to $1.50 a bushel or lower. The support price is around $2.25 for the farmer and is being applied to much wheat stored on the ground as well as to wheat in normal storage. There is every evidence that wheat growers will vote heavily in favor of a 15-percent cut in acreage for the 1954 crop and will agree to marketing quotas that will fix the amount each farmer can sell.

It's much the same story in the Corn Belt. Iowa farmers this year are going all-out for planting of corn, with acreage 10 to 15 percent above a year ago. There is assurance of Government support for the 1953 crop at $1.52 a bushel without any limit on production. Corn growers, however, are aware that this kind of windfall cannot go on forever and they are thinking in terms of controls over acreage in 1954.

The average farmer appears to be strongly convinced that fixed support of prices by Government is justified and that production and marketing controls are a necessary accompaniment of price supports.

Attitudes seem to be typified by the statement of a young corn-hog farmer near Algona, Iowa, who said: "I'll take the supports with the controls."

Another farmer, near Emmetsburg, Iowa, is willing to cut his corn acreage 10 to 15 percent next year in order to keep the support price. His explanation: "We have got to do something to hold the support. It's no good growing a lot of corn and getting nothing for it."

Similarly, a farmer near Garner, with a healthy crop of corn on 32 of his 160 acres, said he wasn't worried about an acreage cut. His view was that "it's better to get $1.50 a bushel for less corn."

Wheat growers generally talk the same way about the more drastic control they face in the marketing quota that is to be voted on by July 25. One wheat farmer in southwest Kansas said he did not object to the quota—he thought it inevitable. This farmer has wheat on 240 of his 700 acres.

Another Kansan, who specializes more in feeding cattle and hogs than in growing wheat on his 3,600 acres, put the case for controls this way:

"I believe the 90 percent support is the only thing for wheat and corn farmers. For feeders, it is a little lopsided. But, if we voted down the quota and lost the 90-percent support price, I believe wheat would sell under $1 a bushel. Corn, if that price were withdrawn, would go down to 50 cents. The farmers would go broke, and a lot of small merchants would be out of business, too."

Opposition to high price supports, where it is heard, comes largely from the cattle feeders. Many complain that corn and wheat prices are so high as to make cattle feeding prohibitive.

Added to this group is a hard core of individualists who have resisted controls since the New Deal days. Their attitude is typified by an elderly farmer in the Dodge City, Kans., area who said: "I'm not going to take any wheat acreage cut. I'll sue the blankety blanks. The Government can't tell me what to do."

Still other farmers are opposed to controls, but want to keep high price supports. It is their view that large reserves of grain are needed, and that such reserves are not burdensome surpluses.

Those opposed to controls, however, are in the minority. It is apparent, too, that many of the large farm operators who once talked of junking Government farm programs are swinging back to the view that high supports and acreage controls are needed if farm incomes are to keep pace with the cost of living.

There is little doubt that the wheat farmers will approve marketing quotas by the required two-thirds vote. Many rural bankers, operators of grain elevators and Government fieldmen expect the margin of approval to be even greater.

The whole question of farm subsidies, and what to do about them beyond next year, is coming in for wide attention in the corn-hog and wheat areas. Farmers may not like the idea of subsidies, but they have not yet figured out a substitute. In the meantime, they are inclined to hang on to what they have.

As a result, the sampling of farmer thinking now being taken by Secretary Benson may not be too revealing.

Any time anybody comes up with a substitute plan for high, fixed price supports, the farmer listens carefully, but usually ends up by rejecting it. Minimum supports, the "disaster insurance" idea of Mr. Benson, are not very popular. The two-price system has some appeal, but not much. This is the plan that would give the farmer a fixed, high price for crops sold at home, but let him take his chances on price for the portion of his crop sold abroad.

Flexible price supports, the most discussed alternative, have some backing, but

this backing is spotty. The owner of a diversified farm of 700 acres in Kansas explained the sentiment in his area in this way:

"I believe flexible supports are fairer to farmers and taxpayers. But I am in the minority. My neighbors feel when they get a crop—they don't always—that they must get a good price for it."

What is heard most in traveling through the Wheat and Corn Belts is this kind of talk: "I and most of my neighbors favor 90-percent supports as the best thing in sight. I don't know anyone who favors the sliding scale."

It is easy to find the reasons for this attitude. Nobody knows what the support would be under a flexible plan. Farmers are wary of the phrase "sliding scale." They think of most things as sliding down, not up.

The 75-percent floor that goes with the plan strikes the farmer as dangerously low. Wheat farmers, who expect to lose 1 or 2 crops out of 5, say they could not live on that. When they get a good crop, they expect a good price.

There is doubt, too, that lower support prices would lead to lower production. An Iowa corn farmer expressed the thinking of many when he said: "If the price were low, everybody would plant all he could to make up for the low price. Then we would lose out."

This is the kind of talk that is making politicians sit up and take notice. One Republican farm leader had this to say publicly: "Everybody from Mr. Benson and Allan B. Kline down should quit talking about sliding scales and flexible supports. Those words only scare the pants off the farmer." Kline is president of the American Farm Bureau Federation.

Farmers are assured of high price supports for the rest of this year, and are not showing much concern right now with politics. But things will be different in another year if Republicans have not come up with an answer to the surplus problem that suits them. The heat already is on Secretary Benson, and his troubles could be just beginning.

Why crop controls are coming back

	Billion bushels
In wheat:	
Supply in sight	1.7
Demand in sight	1.0
Surplus in sight	.7
In corn:	
Supply in sight	3.9
Demand in sight	3.0
Surplus in sight	.9
	Million bales
In cotton:	
Supply in sight	20.5
Demand in sight	13.5
Surplus in sight	7.0

Supply in sight is new crop plus leftover from last crop.

Demand in sight is domestic demand plus exports.

Year	Gross farm income	National income
	Billions	Billions
1929	$13.852	$87.4
1930	11.430	75.0
1931	8.378	58.9
1932	6.400	41.7
1933	6.919	39.6
1934	8.019	48.6
1935	9.012	56.8
1936	10.349	64.7
1937	10.949	73.6
1938	9.591	67.4
1939	9.663	72.5
1940	10.198	81.3
1941	13.163	103.8
1942	$17.942	$137.1
1943	22.235	169.7
1944	23.337	183.8
1945	24.581	182.7
1946	28.195	180.3
1947	33.688	198.7
1948	34.263	223.5
1949	31.578	216.3
1950	31.803	239.2
1951	36.445	277.6
1952	36.982	291.2
Total	448.830	3,171.4

Average turn of gross farm income: 7.06.

Source of data: Agricultural income—Bureau of Agricultural Economics, U. S. Department of Agriculture; national income—Survey of Current Business, U. S. Department of Commerce.

FARM LEGISLATION SURVEY IN NORTH DAKOTA

Mr. YOUNG. Mr. President, recently Secretary of Agriculture Benson asked various farm organizations to make a survey as to what farmers wanted by way of farm programs. You will note our farmers favor the continuance of 90 percent supports.

I am happy to note that the North Dakota Farm Bureau, in the State which gave the second highest percentage of votes to President Eisenhower, was the first organization to report its findings. They have made excellent recommendations which I strongly favor.

I ask unanimous consent to have printed at this point in the RECORD an article entitled "Farmers Favor Continuation of High Supports on Wheat," published in the Fargo Forum, Fargo, N. Dak., June 30, 1953.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARMERS FAVOR CONTINUATION OF HIGH SUPPORTS ON WHEAT

CARRINGTON, N. DAK.—The findings of a statewide rural-opinion poll indicate North Dakota farmers favor continuation of a high Government support level on wheat until a more workable support program is found.

The farmers also will give close study to the two-price system of marketing wheat and will seek to introduce the factor of quality as to human consumption, in setting loan and purchase rates through the Commodity Credit Corporation.

The poll, conducted by the State Farm Bureau at the request of the United States Department of Agriculture, was summarized at a meeting here of about 100 producers, including delegates from 60 meetings held during the past month. W. A. Plath, Davenport, State vice president of the Farm Bureau, was chairman.

The Carrington group took action on the support issue by recommending that the agricultural act of 1949 be continued as amended.

The 82d Congress passed a law which makes a 90 percent of parity price support level mandatory for the basic commodities in 1953 and 1954 and extends the dual parity provision of the 1949 act until December 31, 1955.

G. J. Stafne, Fargo, secretary of the bureau, said a detailed summary of the 60 earlier meetings is being sent to Washington this week. He added he hoped North Dakota would be first in the Nation to respond to USDA Secretary Benson's request for a grassroots opinion.

Twelve questions were asked at each hearing, Stafne said, with the following summaries prepared by the Carrington delegates:

Federal crop insurance: Continue the program, but discourage aspects of the system that lead to farming for the insurance profit; lower the premium after 4 (instead of 7) years of participation; give counties more say in the program; change the name of the program to make it clear that farmers pay the premiums.

Protecting North Dakota wheat acreage: Classify wheat (hard, soft, durum, winter, etc.), and tailor support programs for each.

Controls: Approved a reduction of about 15 percent next year in the Nation's wheat acreage, with a 66-million-acre minimum. The group was also in favor of exempting the smaller growers of the Nation from controls by limiting the number who will vote in any wheat referendum. In order to vote a producer must plant 25 acres and grow at least 40 bushels instead of 15 acres and 200 bushels, if the recommendation is followed.

Farm storage: Liberalize and encourage construction of on-the-farm storage.

Diverted acres: Let the farmer have full control of diverted acres (land taken out of production by controls) as long as he is using good soil-building practices.

Acreage allotments: Assignments of State wheat acreages should be made on the basis of a 10-year history, rather than on 5 years, as presently recommended.

Agricultural conservation payments: Should be made to farmers only for so-called permanent practices. At present payments are made through PMA mostly for summer fallowing.

Two-price system for wheat: Make close study of the plan and present it to farmers this fall. The system would provide parity support on wheat used domestically, with the world price prevailing on all wheat exports.

Exports-imports: Approve signing reciprocal trade agreements with other nations but give USDA authority to set up tariff barriers immediately whenever the price on a commodity under a Government support program drops below parity. When imports are permitted, the Secretary should regulate them to get an orderly marketing process, such as is presently accomplished by CCC.

Stafne said he believed North Dakota wheat men will vote favorably on any referendum asking permission to trim acreages.

At Carrington, he stated, their resolution said, "We are willing to accept reasonable and necessary curtailments on our wheat production as USDA deems required to carry on a support program."

Representative durum producers from North Dakota's famed durum triangle also asked that their product remain within next year's USDA production controls.

The group agreed to recommend the procedure after durum growers said they were dismayed by attempts to get the CCC to exempt durum wheat from acreage quotas next year.

Under the method chosen by the Carrington group, producers of durum will make their acreage cuts next year from their hard wheat acreages. Most durum growers also produce other types of wheat, it was pointed out.

"We will have every wheat man in the Nation trying to grow durum and requests for durum seed from every States if durum is left out," one producer told the group. "We are making an honest effort to keep a North Dakota industry intact," he said.

FRANK YATES

Mr. KILGORE. Mr. President, I desire to take 2 minutes under the unanimous-consent agreement, for a brief tribute to Frank Yates, Assistant

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Comptroller General of the United States, who passed away recently.

The PRESIDENT pro tempore. The Senator from West Virginia is recognized for 2 minutes under the unanimous-consent agreement.

Mr. KILGORE. Mr. President, the Federal Government has lost an able and devoted public servant and I have lost a close and valued friend in the sudden death of Frank Yates, Assistant Comptroller General of the United States.

Mr. Yates was an outstanding Christian and civic leader in his community and his death is a loss not only to the Government and his wide circle of friends, but to the whole Washington area.

Mr. Yates' death was sudden and unexpected. On Sunday morning he attended the ground-breaking ceremonies at St. Patrick's Episcopal Church where he was senior warden and chairman of the building fund campaign.

This valued public servant was born at Kabletown, W. Va., on January 23, 1894. He attended Shepherd Preparatory College, Shepherdstown, W. Va., where he was graduated in 1912. He received his bachelor of arts degree at West Virginia University in 1921 and his bachelor of laws degree at George Washington University in 1922. The same year he was admitted to the bar of the District of Columbia. After teaching high school in West Virginia, he served with distinction in World War I as a captain in the infantry and the Adjutant General's Department of the United States Army from 1917 to 1919.

Mr. Yates entered the Government service as a civilian employee in the office of the former Auditor for the War Department in October 1919. Transferred to the General Accounting Office upon the creation of that office in 1921, he held many positions in that Office, including those of attorney, special assistant to the Comptroller General, and attorney-conferee in the Comptroller General's Office. On May 1, 1943, he was appointed by President Roosevelt as Assistant Comptroller General of the United States for a 15-year term.

Mr. Yates was a member of the board of trustees of George Washington University, which conferred upon him its achievement award for public service in 1943. He was also a member of the board of directors of the District of Columbia Society for Crippled Children, and a member of the American Legion, Sigma Nu fraternity, which he served as national president from 1933 to 1935, and Phi Alpha Delta legal fraternity.

Mr. Yates' many friends in the United States Congress I know will join with me in extending our heartfelt sympathy to his bereaved family.

TREASURY AGENT REPORT ON JOHN LA ROCCO AND OTHERS

Mr. WILLIAMS. Mr. President, on March 5, 1953, I requested from the Treasury Department certain information regarding a report prepared by Treasury Agent Andrew J. Susce involving John La Rocco and other notorious Pittsburgh racketeers and their alleged payoffs to certain public officials.

On April 10, 1953, I was officially advised by the new Commissioner, Mr. Andrews, that this report was missing from the Department files.

With the report still missing, on Tuesday, June 23, 1953, I outlined in the Senate certain details of how this case had been handled from the beginning, and pointed out that not only had this report disappeared from the Treasury files, but also the record showed that the Treasury agent who had prepared the report had been fired because when the district office failed to take any action, he had submitted to the top officials in Washington the charge that certain Treasury officials in the Pittsburgh area were suppressing his report and requesting that he cooperate in its destruction.

Commenting on my remarks, Commissioner Andrews released to the press the following statement:

The Susce report was submitted to the Bureau almost 10 years ago. It is missing from the files. We have been trying diligently to locate it and to find out who was involved in the handling of it, ever since Senator WILLIAMS inquired about it, but we still have further investigation to make.

Therefore, we are not in a position to comment on Senator WILLIAMS' statement. The present management of the Internal Revenue Service had nothing whatsoever to do with this case, of course, since it took charge only last February.

Two days later, on Thursday, June 25, 1953, Mr. Andrews called my office and reported that the file had just been found and that he would submit a letter of explanation. The letter arrived under date of June 30, 1953, and the explanation is as follows:

In the several weeks during which we carried on the search for this report, we combed a tremendous number of files here in Washington and in our Philadelphia and Pittsburgh offices, and I must say that it was nothing short of a stroke of genius on the part of one of our investigators that enabled us to find the report. Often, as in this case, it isn't easy to find out what somebody else did 10 years ago.

Without going into the details of how this investigation was conducted, I will just say that after looking through all the files in which we might reasonably have expected to find the report, one of our investigators reasoned that if the report was still in our possession, it would have to be some place where it would not ordinarily have been put.

This reasoning bore fruit; we found it at Philadelphia in some old general files relating to personnel, without identification as to either the La Rocco case or the case against Susce.

Upon receipt of this letter, yesterday a conference was arranged with Mr. Andrews and two other Members of the Senate, at which time we discussed this case, and Mr. Andrews assured us that while all this happened before he took office, a diligent effort was being made to establish all the facts surrounding the handling of the report and also to check on what action, if any, was taken on the allegations contained therein.

PROPOSED RESTUDY OF ANTITRUST LAWS

Mr. McCARRAN. Mr. President, I hold in my hand two of the numerous newspaper stories which were printed last week about the proposal of the present administration for a restudy of the antitrust laws.

I intend to speak briefly on this subject, and I ask unanimous consent that I may do so.

The PRESIDENT pro tempore. Without objection, the Senator from Nevada may proceed.

Mr. McCARRAN. Mr. President, I now ask unanimons consent that the two newspaper stories to which I have referred may be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

BROWNELL REPORTS PLANS MADE FOR ANTITRUST LAWS RESTUDY

(By Edward P. Ryan)

A complete restudy of the antitrust laws has been ordered by the Eisenhower administration, but there is to be no letup in enforcement or wholesale dismissal of pending cases.

This was spelled out yesterday by Attorney General Herbert Brownell, Jr., in terms underscoring administration adherence to a middle-of-the-road policy in the antitrust field.

Brownell told the appellate judges of the fourth circuit in their conference at White Sulphur Springs, W. Va., that he has been given President Eisenhower's go-ahead to set up a committee for an all-out review of antitrust laws and administration.

PRESIDENT'S MESSAGE

He gave the judicial conference this message:

"I believe that the Attorney General's national committee to study the antitrust laws will provide an important instrument to prepare the way for modernizing and strengthening our laws to preserve American free enterprise against monopoly and unfair competition. It is requested that all departments and agencies of the Federal Government give full cooperation to insure its success."

Brownell said he expects to announce the committee organization in August at the Boston meeting of the American Bar Association. He indicated the committee will be made up of lawyers and economists "who will be guided by the broadest viewpoint of what is best for the American economy."

Cooperating with the large advisory committee, he said, will be a smaller working committee whose assignment will be to draft, possibly for congressional approval, an "agreeable statement of national antitrust policy that will confirm the principles of private competitive enterprise, and * * * combine certainty with flexibility."

FAIR, FIRM ENFORCEMENT

As for the present antitrust picture, Brownell declared that the administration from the President down believes in fair and firm enforcement.

He said the administration is determined that there will be "no slackening of effort to protect free enterprise against monopoly and unfair competition—no winking at violations of the law and no wholesale dismissals of pending suits."

His own view of antitrust regulation, said Brownell, is that it should be "in keeping with a middle-of-the-road political philosophy and aimed primarily at the elimination of predatory practices."

BROWNELL WILL NAME GROUP TO CLARIFY ANTITRUST LAWS

WHITE SULPHUR SPRINGS, W. VA., June 26.—Attorney General Brownell Friday proclaimed a middle-of-the-road policy in the antitrust field, but he said there will be "no winking" at violations of the monopoly laws.

Brownell pledged no wholesale dismissals of the big batch of antitrust actions which he inherited for prosecution from the Democratic administration.

At the same time, he announced he proposes to set up the Attorney General's National Committee To Study the Antitrust Laws.

WILL SEEK CLARIFICATION

Composed of lawyers, economists, and jurists, the group will survey every angle of the present statutes dealing with business regulations, Brownell said. Its stated mission is to clarify application of the laws and to arrive at "an agreeable statement of national antitrust policy that will confirm the principles of private competitive enterprise, and insofar as possible, combine certainty with flexibility."

Brownell's statements, his first comprehensive discussion of antitrust policies since taking office last January, were in an address prepared for the annual conference of the Fourth Judicial circuit.

The Attorney General brought to the conference a message from President Eisenhower which said:

"I believe that the Attorney General's National Committee To Study the Antitrust Laws will provide an important instrument to prepare the way for modernizing and strengthening our laws to preserve American free enterprise against monopoly and unfair competition. It is requested that all departments and agencies of the Federal Government give full cooperation to insure its success."

DELAYS APPOINTMENTS

Brownell did not immediately disclose who will serve on the study group. He said he plans to have preliminary organization ready for announcement when the antitrust section of the American Bar Association meets in Boston in August.

The committee, he said, will function in two sections, one devoting its time to a study of the basic antitrust laws and the other surveying the best procedure that can be taken under them. He said:

"Once we accept the desire of the public to confirm private competitive enterprise under the theory of limitations placed on freedom of commercial action, which is what we call American capitalism, the problem is the extent to which such enactments should control business.

"I am one of those who is proud of that American capitalism, despite the seeming conspiracy existing to avoid use of such words. But I am old-fashioned enough to believe just as thoroughly that this control should be in keeping with a middle-of-the-road political philosophy, and aimed primarily at the elimination of predatory practices."

FELL HEIR TO 136 CASES

Brownell fell heir to the biggest collection of antitrust prosecutions ever handed on from one administration to another—136 in all. The three previous Democratic Attorney Generals had set a record for initiating such action.

The pending cases include, among others, monopoly prosecution against the Nation's five largest oil companies; the du Pont family and their controlling stock interests in General Motors and United States Rubber Co.; General Electric Co., A. & P. grocery chain, American Telephone & Telegraph Co., and its subsidiary, Western Electric; major motion picture film producers, the National Football League, and some of the biggest soap manufacturers.

Brownell himself has initiated about a dozen lesser cases since taking office.

Mr. McCARRAN. Mr. President, another document also pertinent to this subject, is Senate Resolution 14, submitted by me on January 7, 1953, and reported favorably by the Committee on the Judiciary on February 10, 1953. I ask unanimous consent that the resolution may be printed in the RECORD at this point, together with the full text of the Judiciary Committee report thereon.

There being no objection, the resolution (S. Res. 14) and the report (No. 37) of the Committee on the Judiciary were ordered to be printed in the RECORD, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized and directed to make a complete and comprehensive study and investigation of the antitrust laws of the United States and their administration, interpretation, operation, enforcement, and effect and to determine the nature and extent of any legislation which may be necessary or desirable to—

(a) clarify existing statutory enactments, and eliminate any conflicts which may exist among the several statutes comprising such laws;

(b) rectify any misapplications and misinterpretations of such laws which may have developed in the administration thereof;

(c) supplement such statutes to provide any additional substantive, procedural or organizational legislations which may be needed for the attainment of the fundamental objects of such statutes; and

(d) improve the administration and enforcement of such statutes.

SEC. 2. The committee, or any duly authorized subcommittee thereof, is authorized to sit and act at such places and times during the sessions, recesses, and adjourned periods of the Senate, to hold such hearings, to require by subpenas or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and, within the amount appropriated therefor, to make such expenditures as it deems advisable. The cost of stenographic services to report hearings of the committee or subcommittee shall not be in excess of 40 cents per hundred words. Subpenas shall be issued by the chairman of the committee or the subcommittee, and may be served by any person designated by such chairman.

A majority of the members of the committee, or duly authorized subcommittee thereof, shall constitute a quorum for the transaction of business, except that a lesser number to be fixed by the committee, or by such subcommittee, shall constitute a quorum for the purpose of administering oaths and taking sworn testimony.

SEC. 3. The committee, or duly authorized subcommittee, shall have power to employ and fix the compensation of such officers, experts, and employees as it deems necessary in the performance of its duties, and is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of the heads of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

SEC. 4. The expenses of the committee, which shall not exceed $75,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee on or before March 31, 1954.

was referred the resolution (S. Res. 14), au-

The Committee on the Judiciary, to which thorizing a study of the antitrust laws of the United States, and their administration, interpretation, and effect, having considered the same, reports favorably thereon, with amendments, and recommends that the resolution, as amended, do pass.

STATEMENT

The Committee on the Judiciary under the Legislative Reorganization Act has jurisdiction over the subject matter of the "protection of trade and commerce against unlawful restraints and monopolies."

This resolution, as amended, proposes that a complete and comprehensive investigation be made of the Federal antitrust laws. It should be noted that the basic law, the Sherman Act, is now 63 years old, the Clayton Act is almost 40 years old, and the Robinson-Patman Act is 17 years old. During this 60-year period, no attempt has yet been made by the Congress to survey the entire field of antitrust laws with a view toward a comprehensive revision and coordination of these basic laws. During past years controversy has arisen as to whether these basic policies may have become outdated. Because of the many differences of opinion about the objectives of these antitrust statutes, suggestions have been made in many sources that now is the time for a study of our antitrust policy.

Criticism has been raised regarding the procedures and remedies of the antitrust laws. The overlapping of jurisdiction of Federal antitrust agencies, highlighted especially by the overlap in jurisdiction of the Department of Justice and Federal Trade Commission, has generated demands for congressional action to centralize antitrust administration and enforcement in one source of authority, or at least to coordinate through a central agency the concurrent jurisdiction of the several Federal agencies. Questions have been raised as to whether the legislative policies embodied in these laws are intrinsically sound in approach, and whether the separate provisions of these statutes and their relationship to one another are sufficiently consistent and coordinated to effectuate a unified Federal policy of maintaining competition.

Because of the tremendous technological progress in the past 60 years in American industry, it is necessary that a thorough review be made of the entire antitrust field in order to achieve such realinement of the antitrust laws as may be shown necessary by such review.

If the committee is to discharge its responsibility as imposed by the Legislative Reorganization Act, it is the view of the committee that the resolution, as amended, be approved by the Senate, in order to provide the necessary funds for the proposed study and investigation of the antitrust laws, as outlined in Senate Resolution 14.

Mr. McCARRAN. Now, Mr. President, let me point out that the resolution which has just been ordered printed in the RECORD provides for a complete investigation and restudy of the antitrust laws. As indicated earlier, I submitted the resolution on January 7 of this year. I submitted a similar resolution, Senate Resolution 86, of the 82d Congress, on February 26, 1951.

As I have said, my resolution was reported favorably to the Senate from the Judiciary Committee on February 10, 1953, and was thereupon referred to the Committee on Rules, where it has been pigeonholed ever since.

It must be admitted, Mr. President, that there are some grounds for believing that the proposal announced by the Attorney General at White Sulphur Springs, W. Va., to appoint a committee for a review of the antitrust laws and the administration of those laws, is another instance of an attitude which we have seen evidenced before with respect to other matters, the attitude of "if this is going to be done, the executive branch

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of the Government ought to do it, not the Congress."

I submit, Mr. President, that if there is to be any revision of the antitrust laws—and I am one of those who have long felt revision is needed—that revision must be made by the Congress. There is no other way in which the laws can be revised. Therefore, eventually Congress must study this matter, unless the Congress is to accept some ready-made verdict arrived at by a committee working under the executive branch of the Government. Previous Congresses have been known to accept such verdicts, but I do not believe this Congress will do so, or that any Congress in the foreseeable future will do so.

I do not want to leave the impression that I oppose the idea of a restudy of the antitrust laws and their enforcement, by a committee appointed by the Attorney General. I prefer to reserve judgment on that point until we have seen the caliber of the members named to that committee by the Attorney General, and until we know something more of the scope and latitude which will be allowed the Attorney General's committee, and the degree of freedom from control which that committee will enjoy.

I am somewhat concerned, I may say frankly, by the Attorney General's statement that it is his intention to compose his so-called National Committee To Study the Antitrust Laws of lawyers and economists. Without any intention to detract in any way from the importance of economics as a study, or to demean in the slightest the practice of economics as a professon, yet I feel that the job of restudying the antitrust laws with a view to proper revision is a job for the best lawyers who can be induced to undertake that task. Many of the troubles which have arisen in connection with enforcement and administration of the antitrust laws in the past have come about because of efforts to use those laws or some of them to prove or disprove or establish or support one or another economic theory, or to achieve or prevent certain economic results.

I do not mean to imply, of course, that the economic effects of the antitrust laws are not deserving of attention; and if the Attorney General's National Committee on the Antitrust Laws is so constituted and so mandated that the job of preparing proposed revisions to the antitrust laws is reserved for able lawyers, I shall have no complaint.

I do feel that since the Congress eventually must pass upon whatever is to be done by way of revising the antitrust laws, the Congress should maintain very close liaison with the Attorney General's national committee. I do not believe the Senate should now take the attitude that, since the Attorney General has announced he is going to do something about this matter, the Senate is either foreclosed from proceeding or should defer its action until the Attorney General's committee has accomplished its purpose and disbanded. On the contrary, I feel that the action taken by the Attorney General, with, as he announced, the approval of the President, is a clear indication of the importance with which this subject is regarded by the executive branch of the present administration; and I earnestly hope that the leaders in the Senate will accord the subject a similar degree of importance and recognition. I even venture to hope, further, that they will manifest their recognition of the importance of this subject matter by retrieving my resolution, Senate Resolution 14, from the Rules Committee, where it has been pigeonholed for many months.

EXTENSION OF TRADE AGREEMENTS ACT

The PRESIDENT pro tempore. The morning business having been concluded, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 358 of the Tariff Act of 1930, as amended, and for other purposes.

The PRESIDENT pro tempore. The Senator from Colorado is recognized.

Mr. MILLIKIN. Mr. President, House bill 5495, the bill now before the Senate, would extend until June 12, 1954, the authority of the President to enter into trade agreements with foreign countries.

It would establish a bipartisan body to be known as the Commission on Foreign Economic Policy which would be authorized to recommend policies, measures, and practices for stimulating the sound enlargement of international trade. The Commission would be equipped with organization and authority for a thorough study of the subject, including influences affecting the volume, nature, and direction of international trade, its relationship to our foreign policy and national security objectives.

In addition to these features of the bill, there are several proposed administrative improvements in the operation of the Trade Agreements Act. For example, one, sponsored by the House, would reduce from 1 year to 9 months the period within which the Tariff Commission must make its investigation and report on applications for relief under the escape clause. Another, an amendment proposed by the Senate Finance Committee, would bring to the President information in escape-clause actions when there are certain tie or split votes within the Tariff Commission.

Later on, the features of the bill which have been mentioned, and others, will be discussed at greater length.

It is strongly contended that delay on the proposed extension of 1 year causes the nations with which we have entered into agreements to wonder whether we are signalling that their trade relations with us, and indeed the trade relations between all nations which are bound together under the reciprocal trade system, are imperiled; and there is much speculation as to our ultimate intentions.

It is urged that in this trouble-torn world, it would seem desirable not to add needless strains through meritless inaction on our part.

It is well to remember that we have reciprocal trade agreements with 43 other nations. Those nations account for more than 80 percent of the world's international trade.

Having in mind the undesirable uncertainties created by the lapsed extension, having in mind that there are only a few weeks before we may end the first session of this Congress, and considering the extent and duration of hearings on these subjects so familiar to the Senate Finance Committee, it was concluded that the usual committee procedures should be shortened, and that the bill should be brought before the Senate as rapidly as possibly.

The committee decided that it would invite all those who had made requests to appear before the committee to send in written statements of their positions on House bill 5495 as it came to us from the House.

All statements submitted by those who responded to the committee's invitation are included in the record before the Senate.

One or two statements came in after the deadline, and later on I shall request unanimous consent of the Senate to include them in the Appendix of the RECORD.

Summaries of these statements were brought to the attention of the committee and they are included in the record before us.

This record also includes the testimony and cross examination in full of Cabinet members who appeared in favor of extension legislation.

It contains a digest of all testimony before the House Ways and Means Committee on H. R. 4294, a bill which originally contained the proposed extension legislation now before us as well as other matters not included in the present bill.

Let me outline briefly some of the pertinent history of the subject.

In 1934, the Congress delegated to the President of the United States authority to enter into trade agreements with foreign governments and to proclaim such modifications of existing duties and other import restrictions as were required or were appropriate to carry out those agreements. No Presidential proclamation, however, was to be made increasing or decreasing by more than 50 percent the rates existing on June 12, 1934. The President was not granted the privilege of transferring any article between the free and the dutiable lists. Approximately 60 percent of the value of our imports are on the free list.

A few agreements involving changes in some rates of duty were made between 1934 and 1938, but no major duty changes were proposed until the year 1938 when trade agreements with Canada and the United Kingdom were negotiated. These agreements were made effective January 1, 1939.

The President's original authority under the Trade Agreements Act of 1934 had by several extension acts been continued from its first expiration date in 1937 until 1945.

In 1945 the extension granted to the President authority to increase or decrease rates of duty up to 50 percent of the rates existing on January 1, 1945. This made it possible for the President to decrease duties further even though they might have already been decreased by 50 percent of the 1930 rate.

In passing, it is observed that since 1934 no duty has ever been raised as a result of the negotiation of our trade agreements. Since then the average duty on our imports has been reduced from about 50 percent to about 12½ percent of value.

In the extension of 1948, which was for only 1 year, the so-called peril-point amendment required the Tariff Commission to submit to the President a report on each commodity upon which the President intended to negotiate. This report was to state the maximum action that could be taken by the President without causing serious injury or the threat of it to domestic producers. This report was to be submitted to the President within 120 days of the issuance by him of a list of the articles upon which he intended to negotiate.

The President was not required to follow the recommendations of the Tariff Commission, but, if he did not, the reasons were to be transmitted to Congress.

The 1948 escape clause provided that a domestic producer which felt that it was being injured as a result in whole or in part of the duty or other customs treatment reflected in a trade agreement concession could appeal to the Tariff Commission for an investigation into the matter. If the Tariff Commission found serious injury, or the threat of it, and so reported to the President, he could withdraw the concession or modify it in order to mitigate the injury. The President was not required to follow the Commission's recommendations, but, if the President did not, he was to state his reasons to Congress.

In June 1949 Congress repealed the 1948 act and extended the President's authority to enter into new agreements for 3 years from June 1948. This carried the extension to June 1951.

The 1951 extension was for 2 years, until June 12, 1953. That extension provided for the restoration of the peril-point and escape clause features as well as other amendments designed to improve the overall operation of the Trade Agreements Act. The 1951 Extension Act was approved by a Senate vote of 72 to 2.

Now our President has asked for a 1-year extension.

Section 101 of the bill before us provides for that.

The 1951 act required the Tariff Commission to make reports under the escape clause within 1 year after the filing of the application under which the investigation was instituted. One year is a long time for an applicant to wait when he believes he is being injured.

It is a longer time than is necessary for the Tariff Commission to make its reports. The original House bill, H. R. 4294, cut the time to 6 months, but after further consideration of the matter the House set it at 9 months, and that is the period provided for in section 102 of the pending bill. The Tariff Commission has not objected to this change, and most everyone seems to be satisfied with it.

Section 201 of the bill as reported contains a provision for getting to the President for his consideration and for his optional action, reports from the Tariff Commission even though that agency does not make a majority finding.

The Tariff Commission is now composed of six members. It is possible, especially in escape clause cases, for certain combinations of votes by the Commissioners to result in no recommendations to the President.

For example, should a case arise where half the voting members conclude there is injury to a domestic producer because of a tariff concession, and the other half should unanimously disagree with that finding, nothing would pass to the President in an escape clause action.

The proposed amendment in the bill before the Senate would eliminate that possibility by requiring the Commission to submit both sets of findings to the President.

The amendment does not add to or subtract from the President's present right to disregard the Commission's report if he chooses to do so. It merely sees to it that split or tie votes do not prevent a report from being sent to the President.

In an assumed case where, for example, 3 members of the Commission were to find injury and were to recommend the withdrawal of a concession, and where 2 of the remaining 3 found no injury, but the 1 other found some injury, but recommended only a slight modification in the concession, the President would be able to decide whether he wanted to act on the findings and recommendations of the 3 unanimous votes as the majority vote.

The House apparently was troubled by the possibility of such tie and split votes in the Tariff Commission which might prevent the President from having the benefit of findings and recommendations to guide the exercise of his discretion in the field of escape-clause proceedings.

Its version of the bill called for the addition of a seventh member of the Commission. The Senate Finance Committee did not agree with that provision, and proposed to amend the bill by deleting it and substituting for it the provision which I have just discussed.

Also, the committee had it in mind that the proposed Commission on Foreign Economic Policy is charged with the duty of studying the Tariff Commission and its operations, and hence will have the opportunity to reach conclusions and recommendations on the membership of that body.

The President has asked for a thorough study of the economic foreign policy of the United States and the relationship of international trade to our overall foreign policy.

The President states in his letter to Congress on April 17 of this year:

> The extension for 1 year of the present Reciprocal Trade Agreements Act will provide us the time necessary to study and define a foreign economic policy which will be comprehensive, constructive, and consistent with the needs both of the American economy and of American foreign policy.

Section 301 of the bill before the Senate would set up the study Commission.

The Commission will make its report before the lapse of the extension of the Trade Agreements Act provided in the bill. Under section 308, the Commission will report within 60 days after the convening of the second session of this Congress.

The report of the Commission should present to Congress the most comprehensive, modern study ever made in preparation for legislation concerning our trade relations with the world.

This should have a clarifying effect on the heated clamor for trade reforms ranging from exclusionary protectionism to all the way across the board free trade.

Section 302 of the bill provides for a Commission of 17 members: 5 from the House of Representatives, appointed by the Speaker of the House, 5 from the Senate appointed by the Vice President, and 7 appointed by the President. The bill provides that not more than 3 members from the House, 3 from the Senate, and 4 appointed by the President shall be members of the same party.

Title III of the bill, which includes the sections to which I have referred, is almost a repetition of Senate Joint Resolution 78 approved by the Senate Finance Committee and passed by the Senate on May 18 without a dissenting vote.

There are some differences in title III between the bill as sent to us by the House and Senate Joint Resolution 73. In all cases of minor changes we have accepted the House version. We accepted their plan to have 17 members on the Commission, rather than 11 members proposed by us in Senate Joint Resolution 78.

I now note two instances in which we have not accepted the House provisions in title III, having to do with the study Commission.

The House bill would have required a majority of each of the three groups of appointees to be present before a quorum could be constituted.

That would mean that a quorum of members who were Senators, plus a quorum of members from the House, plus a quorum of presidential appointees would have to be present before a quorum of the whole Commission could perform. The effect of this might be that as many as 14 of the 17 members could be present and yet no official business could be transacted because, under the House provision, no quorum of the whole Commission would be present.

Section 304 of the Finance Committee's amendment provides that any 9 of the 17 members shall constitute a quorum.

Under section 309, the House bill confined the activities of the Commission within "the framework of our foreign policy and national security objectives."

Our foreign policy and national security objectives in their general aspects are not always fully disclosed and are of changing character. Our trade relations and foreign economic policies have general worldwide significance, but they also have country-by-country significance, and so do our foreign policy and national security objectives. Here, too, our foreign policy and national security objectives are not always fully disclosed and are of changing character. Therefore, it would not seem to be wise or practicable to confine the entire study within that kind of a framework. In section 309 of the bill as reported, there are specific provisions for the study of the proper

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relationships of our foreign trade, our foreign economic policies, our total foreign policy and national security objectives, and for recommendations thereon. These should not be prejudged.

I respectfully urge prompt completion of Senate action on the bill.

Mr. President, I ask unanimous consent that H. R. 5495, the Trade Agreements Extension Act of 1953, as proposed to be amended and as reported by the Committee on Finance, may be considered as the original text of the bill for purposes of amendment.

The PRESIDING OFFICER (Mr. POTTER in the chair). Is there objection? The Chair hears none, and it is so ordered. The committee amendments will therefore be considered to have been agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

On page 2, after line 14, to strike out:

"SEC. 301. Membership and terms of office.

"(a) In general: Subsections (a) and (b) of section 330 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1330), are hereby amended to read as follows:

"'(a) Membership: The United States Tariff Commission (referred to in this title as the "Commission") shall be composed of seven Commissioners appointed by the President by and with the advice and consent of the Senate. No person shall be eligible for appointment as a Commissioner unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the laws administered by the Commission. Not more than four of the Commissioners shall be members of the same political party.

"'(b) Terms of office: The term of office of a Commissioner shall expire 7 years from the expiration of the term for which his predecessor was appointed; except that any Commissioner appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.'

"(b) Effective date: Notwithstanding section 330 of the Tariff Act of 1930, as amended by subsection (a)—

"(1) the term of office of any Commissioner in office on the date of the enactment of this act, and the term of office of any Commissioner appointed to fill a vacancy in a term of office which commenced before such date of enactment, shall expire at the time provided therefor by such section 330 as in effect on the day prior to such date of enactment;

"(2) the term of office of the Commissioner appointed to succeed the Commissioner whose term of office expires June 16, 1953, shall expire at the close of June 16, 1959; and

"(3) the first term of office of the additional Commissioner provided for by the amendment made by subsection (a) shall expire at the close of June 16, 1960."

On page 4, after line 2, to insert:

"SEC. 201. Effect of divided vote in certain cases.

"Section 330 of the Tariff Act of 1930, as amended, is hereby amended by adding a new subsection (d) reading as follows:

"'(d) Effect of divided vote in certain cases: Whenever, in any case calling for findings of the Commission in connection with any authority conferred upon the President by law to make changes in import restrictions, a majority of the Commissioners voting are unable to agree upon findings or recommendations, the findings (and recommendations, if any) unanimously agreed upon by one-half of the number of Commissioners voting may be considered by the President as the findings and recommendations of the Commission: *Provided*, That if the Commissioners voting are divided into two equal groups each of which is unanimously agreed upon findings (and recommendations, if any), the findings (and recommendations, if any) of either group may be considered by the President as the findings (and recommendations, if any) of the Commission.'"

On page 6, after line 5, strike out:

"Four members of the class specified in paragraph (1) of section 302 (a), three members of the class specified in paragraph (2) thereof, and three members of the class specified in paragraph (3) thereof shall constitute a quorum; but a lesser number may conduct hearings."

And insert:

"Nine members of the Commission shall constitute a quorum."

On page 9, after line 3, to strike out:

"(a) In general: The Commission is directed, within the framework of our foreign policy and national security objectives, to examine, study, and report on the subject of the foreign economic policy of the United States and to recommend policies, measures, and practices that will encourage further investment overseas and currency convertibility; and foster the highest possible levels of trade consistent with the national security and a strong domestic economy."

And insert:

"(a) In general: The Commission is directed to examine, study, and report on the subject of international trade and to recommend policies, measures, and practices for stimulating its sound enlargement."

Mr. MILLIKIN. Mr. President, I send to the desk, for immediate consideration, an amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, after line 12, it is proposed to insert the following new section:

SEC. 103. General agreement on tariffs and trade not affected.

The enactment of this act shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the general agreement on tariffs and trade.

Mr. MILLIKIN. Mr. President, this is a routine amendment. It is taken verbatim from the Extension Act of 1951. Prior to that time there was similar language in the reports of the Senate Committee on Finance. I suggest that the language be included in the pending bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. MILLIKIN].

The amendment was agreed to.

Mr. MILLIKIN. Mr. President, I send to the desk another amendment, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 4, line 21, after the period, it is proposed to insert the following:

In any case of a divided vote referred to in this subsection the commission shall transmit to the President the findings (and recommendations, if any) of each group within the commission with respect to the matter in question.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Colorado [Mr. MILLIKIN].

The amendment was agreed to.

The PRESIDING OFFICER (Mr. POTTER in the chair). The bill is open to further amendment.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that there be printed in the RECORD a letter dated June 22, 1953, addressed to the chairman of the Senate Finance Committee, by the Cundy-Bettoney Co., Inc., of Boston, Mass., together with the enclosures. Senators will remember that the chairman of the Senate Finance Committee has already stated that he would ask unanimous consent to include in the RECORD any statements made by persons who wished statements in connection with the bill to be made a part of the RECORD. This letter arrived after the deadline. That is the reason for my request.

There being no objection, the letter and enclosures were ordered to be printed in the RECORD, as follows:

THE CUNDY-BETTONEY CO., INC.,
Boston, Mass., June 19, 1953.

CHAIRMAN OF THE SENATE FINANCE COMMITTEE,
Washington, D. C.

GENTLEMEN: This is in reference to the reciprocal tariff hearings.

I would like very much to appear before your committee and be questioned regarding the allegations that I have sent to many Congressmen, a copy of which is enclosed. However, I understand that you will accept only written comments. If my allegations are true, the act should be thrown out in its entirety. There should be no defending, no matter how high-sounding the phrases, of an act that has not only been made a political football but that has been used by both Americans and foreigners for their own profit. It all depends on who knows who. There is a lot of chicanery being hidden under high-sounding phrases, but all the chlorophyl in the world will not kill the stench when it eventually will be brought before the public.

It is too bad that changes cannot be made now rather than wait until there is a recession and the pendulum swings to the other extreme.

Very truly yours,
THE CUNDY-BETTONEY CO., INC.,
By ARTHUR E. HASTEDT,
Vice President.

[From the Wall Street Journal of June 15, 1953]

LONDON CABLE—A REPORT ON THE FOREIGN SCENE FROM WALL STREET JOURNAL BUREAUS ABROAD

LONDON, ENGLAND.—Americans may lose some of the appeal they've had for European exporters.

Gaining momentum in European capitals is a move to abolish special rewards for exporters who earn dollars from America. Prominent among those nations have been Holland and Germany, where exporters received permission to keep a portion of their dollar earnings in greenbacks for resale at a premium in the free market.

The European governments which instituted these dollar-incentive schemes now are losing their affection for them. Their big reason is a threat by Britain, which hasn't yet resorted to such measures, to institute a similar scheme if the continental countries don't start scrapping their systems soon. On the Continent, components manufacturers argue they should receive similar concessions as those granted sellers of fin-

ished products, or that the incentive plans should be abolished.

The Organization for European Economic Cooperation is expected to push for abolition of these incentive schemes over the next 6 months. It will advise dollar-hungry governments to use other methods of boosting their greenback earnings.

In reference to H. R. 4294 you may be interested in the following:

Do you know that the original reason for the Reciprocal Tariff Act was to take tariffs out of the hands of Congress, so it would not be subject to politics?

Do you know that there is more politics in tariffs than ever before?

Do you know that when the tariff on watches was reduced a relative of a now ex-Vice President of the United States was on the board of directors of a foreign watch manufacturer?

Do you know that President Truman ordered an increase in the tariff on hats, 3 days before the 1950 election, which was won by the Democratic Senator from Connecticut by 1,500 votes? The industry is in Connecticut.

Do you know that President Truman got a $100 hat free on his next birthday from a pal in the business?

Do you know that the first tariff negotiations for the United States were carried on by a confessed Communist?

Do you know that tariff reductions have been made on politically weak industries and politically strong industries were not touched?

Do you know that foreign countries have imposed embargoes to offset tariff concessions?

Do you know that the last tariff negotiations were held at Torquay, England, a famous spa noted for the quality of its liquor?

Do you know that tariff reductions were made without regard for facts?

Do you know that the United States tariff laws are now being made by foreign individuals or cartels for their own profit?

Do you know that the escape clause of the reciprocal tariff is meaningless? Practically no industry, except as stated above, has received benefits from it.

Do you know that the woodwind industry was turned down on their application for relief under the escape clause because "it does not appear that the decreased production of woodwind instruments in 1952 was accompanied by a considerable lack of employment for workers that had formerly been employed in the production of woodwind instruments"?

Do you know that foreign governments are subsidizing exports of woodwinds and other goods?

Do you know that when there is no American competition foreign prices are excessive? Remember rubber before synthetics?

Do you know that the $776 million in gold drawn out of this country by foreign governments (Wall Street Journal, April 22, 1953) in the last 6 months increased their dollar shortage?

Do you know that there will be another slogan by importers when "trade not aid" is worn out?

Do you believe that you are incapable of judgment, but must leave decisions to some junior secretary who is responsible to no one?

Don't you think it's time to put authority for tariff laws back in the legislative branch where it belongs?

Mr. CARLSON. Mr. President, the distinguished chairman of the Senate Finance Committee [Mr. MILLIKIN] has made a very able presentation and report from the committee on the measure pending before the Senate. As was stated, the committee did not hold hearings; and no amendments, aside from amendments which were generally approved, were accepted by the committee.

A number of statements and reports were filed by organizations which felt that they should have relief from the present situation. There are some very difficult problems in several fields of our economy. There is a difficult problem in the mining industry. The same is true of agriculture, especially with respect to wool and other products such as rye, oats, and such crops. It is true of the oil industry. For a moment I should like to invite the attention of the Senate to the situation existing in the oil industry.

It is not my intention to offer as an amendment the bill which I have introduced, because I feel that it is important that the pending legislation be approved in its present form at the earliest possible date. However, I sincerely hope that the House will take such action as is necessary on what is known as the Simpson bill and send it to the Senate in order that we may be able to consider it and offer such amendments and changes to it as we think are necessary to protect our own economy.

In a speech to the Senate on April 14, 1953, I warned that indiscriminate application of the trade-not-aid philosophy, where essential defense materials are involved, could render this Nation defenseless. I want to repeat and emphasize that there is nothing in our history that justifies aiding others by trading away our security.

In considering the extension of the Trade Agreements Act, the Senate should recognize what I believe to be a serious and basic flaw. That is the failure to differentiate, either by law or through administrative procedure, between trade in strategic materials versus trade in general commodities.

I suggest that the security of the United States and the free world is directly involved in the question of importing and exporting defense materials. Certain materials, for military and essential industrial and civilian uses, must be available in the United States in adequate quantities to meet any emergency. We cannot afford to trade away our strength in those materials. They should be given specific and separate consideration in our foreign trade policy and under the trade agreement program.

President Eisenhower fully recognizes this problem. On April 14, the same day that I discussed my bill to limit petroleum imports, the President sent a message to the Congress relating to our rubber supplies. He referred to the Rubber Act of 1948 and pointed out that the policy of the United States with respect to rubber, as set forth by the Congress in that act, provides:

> It is the policy of the United States that there shall be maintained at all times in the interest of the national security and common defense, in addition to stockpiles of natural rubber which are to be acquired, rotated and retained pursuant to the Strategic and Critical Materials Stockpiling Act, a technologically advanced and rapidly expandible rubber-producing industry in the United States of sufficient productive capacity to assure the availability in times of national emergency of adequate supplies of synthetic rubber to meet the essential civilian, military and naval needs of the country.

In his message the President stated that he was in hearty accord with that policy determination of the Congress. The same policy is applicable to oil, coal, steel, and other materials where an adequate supply in the United States is our first line of defense.

If we permit the Trade Agreements Act to continue in its present form and application, we will fail to discharge our full responsibility to national security and common defense. We need to clarify our foreign trade policy with regard to strategic materials. We need to differentiate between healthy foreign trade and trade that weakens our productive strength in basic commodities.

I recognize that it is a difficult task to reconcile the many conflicting interests involved in this question; much study is required and we have taken a constructive step in authorizing a special commission to review our foreign trade policies and procedures. The Commission's study should include a specific and comprehensive investigation of the relationship of foreign trade policies to the maintenance of adequate domestic supplies for those critical materials essential to our safety and defense.

While this study is in progress, it is necessary to have definite assurances that there will be no weakening of our supply position as to these critical materials. An immediate problem, in this respect, is presented by the excessive importations of petroleum which are retarding and restricting the domestic industry.

On behalf of the Senator from Pennsylvania [Mr. MARTIN], the Senator from Wyoming [Mr. HUNT], the Senator from West Virginia [Mr. KILGORE], and myself, I have introduced S. 1552, which is a bill to establish reasonable limitations on the importation of petroleum and petroleum products into the United States.

At the time S. 1552 was introduced, I made a detailed statement to the Senate explaining the provisions of the bill, the necessity for its enactment, and the effect of such proposal.

I do not now desire to restate these facts, but do desire to again call them to the attention of the Senate.

I want to reaffirm the necessity for its passage and approval at the earliest possible time.

The condition I described to the Senate in introducing S. 1552 on April 14 of this year has not improved. In fact, the necessity for such legislation is greater.

Petroleum imports have continued at excessive levels. This has been true despite the fact that since the introduction of S. 1552 the entire domestic petroleum industry has made constant appeals for restraint on the part of the importing companies. While a few companies have made token reductions in their import programs, others have increased. Except for seasonal changes, there has not been a single barrel of reduction in total oil imports.

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The governors and officials of many States have appealed for restraint on excessive imports. State legislatures have passed resolution asking relief from petroleum imports.

The Secretary of the Interior, in his appearance before the Ways and Means Committee of the House, said that domestic production had been reduced and that there should be a corresponding cut in imports. Since his appearance bebefore the Ways and Means Committee, the Secretary has appeared before the National Petroleum Council, an advisory body to the Secretary on petroleum problems. That meeting was attended by representatives of all divisions of the petroleum industry, including the companies importing oil. The Secretary referred to his testimony before the Ways and Means Committee when he discussed the need for a downward adjustment in imports. He then stated:

My belief that the industry, acting individually, will effect such adjustments in the level of imports is based upon faith that the individual interests of each importing company will lead to that desirable level of imports necessary to preserve the health of the domestic industry and the security of this Nation more readily than can be achieved by resorting to undesirable and inflexible statutory restraints.

I am hopeful that those companies importing crude oil or products will show industrial statesmanship in this important matter and that each company, acting individually and wholly on its own individual judgment, will exercise that restraint in respect of imports necessary to the health and security of the Nation.

I have discussed this matter with President Eisenhower, and the National Security Council. I can say to you that President Eisenhower concurs in these views.

The Secretary's expressed hope for voluntary action by the importing companies was concurred in by the President. Yet, nothing has happened, although that statement was made several weeks ago. There was no public response from any company. Imports continue at a rate that prevents the proper development of our domestic resources.

We are committed to a trade agreements program. I have hoped that this program would provide sound trade policies.

I am prepared to delegate such detail as is necessary to a sound trade program. I am not prepared to delegate without further supervision the constitutional responsibility of the Congress on matters of vital concern to our Nation's security.

On such matters, if we cannot assure full understanding and consideration through delegation, I believe final responsibility rests with the Congress.

There are some facts in regard to the importation of oil and the maintenance of a sound program of oil production that should be presented to this Senate.

Prior to World War II, 1935–41, total petroleum imports averaged about 5 percent of domestic demand. During the war years, 1942–45, they continued at about 5 percent. In the postwar period imports increased rapidly averaging about 10 percent during 1946–51. In 1952 they averaged about 13 percent. Currently, imports average in the neighborhood of 14 or 15 percent.

Loss of markets to imports is curtailing the incentive and ability of the domestic industry to expand in proportion to the Nation's defense program and normal growing oil needs. Defense and military officials agree that domestic oil productive capacity is insufficient for war emergency requirements. The Petroleum Administration for Defense, the Government agency responsible for defense program oil supplies, established a drilling program of 50,000 wells for 1952 and 55,000 wells for 1953. In 1952 the industry drilled approximately 46,000, dangerously below the goal. So far during the year 1953 the drilling rate has been even less favorable in relation to the goal of 55,000 wells.

At the beginning of World War II, the domestic industry was capable of producing approximately 1 million barrels daily over and above current requirements. This reserve was vital during the war. Today the domestic industry, although capable of supplying peacetime needs, does not have an adequate reserve producing capacity ready for use. If we are to provide that reserve capacity which we had at the beginning of World War II, the domestic industry's drilling program will have to be stimulated considerably.

Oil imports are the primary problem facing the domestic oil producer today. There has been a continued increase in the average daily importation of oil since 1942, in which year we imported less than 100,000 barrels daily. The present rate of importation is in excess of 1 million barrels per day. As a result of this, crude-oil production in this country has been reduced substantially in recent months and the production is being curtailed through proration in the various oil-producing States.

Unless some provision is made to reduce the oil importation, further curtailment in domestic production will be required. Should this occur it would mean less income to the domestic industry, less drilling, less reserves found, less productive capacity. In short, less security as to oil.

The growing threat of excessive imports requires a sound foreign trade policy as to petroleum that will assure the maintenance of a fair and equitable relationship between imports and the United States petroleum demand.

Mr. President, I wish to again state that it is my hope that representatives of the oil companies that are bringing in large daily importations of foreign oil will follow the suggestion of President Eisenhower and the Secretary of the Interior, Mr. McKay in working out a reasonable basis for these imports.

I will admit that I feel our nation has not had the voluntary cooperation of these companies that I believe it should have. Therefore, I believe it is absolutely essential that action be taken by Congress.

If my bill is not adopted as an amendment to H. R. 5495, the pending measure—and I said I will not offer it unless amendments are being adopted—I am going to continue my fight for what I believe to be a fair and reasonable solution of a problem that is important from a national defense standpoint, as well as our domestic economy. Every effort will be made to secure favorable consideration of my bill, S. 1552.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUTLER of Maryland. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Millikin
Anderson	Hendrickson	Monroney
Barrett	Hennings	Morse
Beall	Hickenlooper	Mundt
Bennett	Hill	Murray
Bricker	Hoey	Neely
Bridges	Holland	Pastore
Butler, Md.	Hunt	Payne
Butler, Nebr.	Jackson	Potter
Byrd	Johnson, Colo.	Purtell
Carlson	Johnson, Tex.	Robertson
Case	Johnston, S. C.	Russell
Chavez	Kennedy	Saltonstall
Clements	Kerr	Schoeppel
Cooper	Kilgore	Smathers
Cordon	Knowland	Smith, Maine
Douglas	Kuchel	Smith, N. J.
Duff	Langer	Sparkman
Dworshak	Lehman	Stennis
Ellender	Long	Symington
Ferguson	Magnuson	Taft
Flanders	Malone	Thye
George	Mansfield	Watkins
Gillette	Martin	Welker
Goldwater	Maybank	Wiley
Gore	McCarran	Williams
Green	McCarthy	Young
Griswold	McClellan	

The PRESIDING OFFICER. A quorum is present.

Mr. KERR. Mr. President, I send to the desk an amendment, and ask that it lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be received and will lie on the table.

Mr. MARTIN. Mr. President, we have all listened with great interest to the very careful analysis of the bill by the distinguished chairman of the Committee on Finance [Mr. MILLIKIN].

Pennsylvania is an important industrial, agricultural, mining, and oil- and gas-producing State. In connection with all these activities, we should like to see restrictions upon reciprocal trade agreements. But it seems to me that, under present circumstances, it would be wise to wait until what is known as the second Simpson bill is on the calendar before proposing such limitations.

I have before me a long list of labor organizations and business concerns in Pennsylvania which desire modifications of the present law. I am of the opinion, however, that we should go along with the modifications suggested by the chairman of the committee.

Among those in Pennsylvania who are disturbed by importations presently coming to the United States are:

American Watch Manufacturers Association; American Watch Workers' Union, independent; American Glassware Association; American Flint Glass Workers Union, AFL; American Lace Manufacturers' Association; North American Lace Co.; Amalgamated Lace Operatives of America, independent; American Dry Milk Institute; National Milk Producers' Association.

Altogether, the list contains more than 30 manufacturing and labor associations and organizations, including oil operators, coal operators, and the United Mine Workers of America in Pennsylvania.

Already in Pennsylvania 100,000 mine workers are out of work because of the importation of residual oil. The importation of such oil is not only detrimental to the mine workers and coal operators of Pennsylvania, but also to the oil operations of our State. Moreover, the importation of residual oil has curtailed the use of railroads, which means that a great number of railroad workers are now unemployed.

These groups have suggested to the Pennsylvania legislature a resolution protesting importation and the resolution has been adopted by the legislature.

Nevertheless, I feel that the bill as amended by the Committee on Finance should be enacted. I think the proper way to proceed is to wait until the other bill to which I have referred is before the Senate.

In order that the Senate may have before it a complete list of organizations protesting, together with their reasons therefor, I ask unanimous consent to have printed at this point in the RECORD a statement by the Pennsylvania Employer-Wage Earner Job Protection Association, dated June 29, 1953, together with a concurrent resolution approved by the Pennsylvania Senate on June 24, 1953.

There being no objection, the statement and concurrent resolution were ordered to be printed in the RECORD, as follows:

JOB SECURITY FOR THE WAGE EARNERS MUST BE SUPPORTED BY JOB PROTECTION

PENNSYLVANIA EMPLOYER-WAGE EARNER JOB PROTECTION ASSOCIATION,
Harrisburg, Pa., June 29, 1953.

To the Honorable Members of the House of Representatives, General Assembly of Pennsylvania:

Senate Concurrent Resolution, Serial No. 126 (copy attached), has been approved by the honorable members of the senate. This resolution memorializes the Congress of the United States to provide adequate safeguards in proposed trade and tariff legislation, now before Congress, to prevent the destruction of Pennsylvania's industries, and the labor and living standards of our wage earners.

The same resolution has been introduced in the house by the Honorable William Z. Scott (Serial No. 74, Resolution No. 56). Another resolution urging that the Members of Congress be memorialized to provide an adequate limitation upon the imports of residual oil, and also for adequate tariffs upon imports of residual oil to protect Pennsylvania's coal industry, and the jobs of the mine workers and related industries, has been introduced in the house by the honorable members, Charles A. Auker, George E. Jones, and Daniel H. Erb. This resolution is serial No. 40, resolution No. 33.

Senate resolution No. 126 not only urges relief against the injury from the imports of residual oil, but also covers all other foreign imports affecting the industry, agriculture, and labor groups of the State.

The widespread damage to Pennsylvania's industrial and labor groups from cheap foreign imports can be realized by the great number of protests to Congress from those being injured in the State. During the recent hearings of the House Ways and Means Committee of Congress a great amount of evidence was received. The following industrial associations, companies, and labor unions, with interests in Pennsylvania, are some of those whose protests can be found in the printed testimony of the committee hearing.:

American Watch Manufacturers' Association.
American Watch Workers' Union (independent).
American Glassware Association.
American Flint Glass Workers Union, A. F. of L.
American Lace Manufacturers' Association.
North American Lace Co., Philadelphia.
Amalgamated Lace Operatives of America (independent).
American Dry Milk Institute.
National Milk Producers' Association.
National Creameries' Association.
American Cotton Manufacturers' Institute.
National Association of Cotton Manufacturers.
National Association of Wool Manufacturers.
American Paper and Pulp Association.
Hammermill Paper Co., Erie.
American Federation of Labor, George Meany, president.
Anthracite Institute.
National Coal Association.
Pittsburgh Consolidation Coal Co.
Rochester & Pittsburgh Coal Co., Indiana, Pa.
New York Central System.
The Pennsylvania Railroad.
United Mine Workers of America (independent).
Brotherhood of Firemen and Enginemen.
Order of Railway Conductors.
Brotherhood of Railway Trainmen.
Mushroom Growers' Cooperative Association.
Brandywine Mushroom Corp.
Cordage Institute.
Hat Institute, Inc.
United Hatters, Cap, and Millinery Workers' Union, A. F. of L.
Bradford District, Pennsylvania Oil Producers' Association.
The Middle District, Pennsylvania Oil Producers' Association.
United States Potters' Association.
Shenango Pottery Co., New Castle.
Vitrified China Association, Inc.
International Brotherhood of Operative Potters, A. F. of L.
The National Labor-Management Council on Foreign Trade Policy.
Pin, Clip, and Fasteners' Association.
United Wall Paper Craftsmen and Workers of North America, A. F. of L.
Synthetic Organic Chemical Manufacturers' Association of the United States.
Luggage and Leather Goods Manufacturers of America, Inc. (75 plants in Pennsylvania).
United Textile Workers of America, A. F. of L.
Book Manufacturers' Institute, Inc.
International Brotherhood of Bookbinders, A. F. of L.
Soft Fibre Manufacturers' Institute, Inc. (plants in Philadelphia, Hanover, Reading, and Allentown).
Trojan Powder Co., Allentown.
International Photo Engravers' Union, A. F. of L.
New Jersey Zinc Co., Friedensburg, Pa.
Wood Screw Manufacturers.
Wine Association of Pennsylvania.

The American Federation of Labor, through its president, Hon. George Meaney, has filed a strong protest with the House Ways and Means Committee against the destruction of American wage standards by cheap foreign imports.

President Meany furnished the committee with the detailed reports of action by the delegates at the annual convention of the federation, held in San Francisco, Calif., in September 1951. In a letter to Hon. DANIEL A. REED, chairman of the committee, under date of April 30, 1953, President Meany stated:

"These two statements make it clear that the American Federation of Labor favors a maximum of trade, subject, however, to the conditions that imports from low-wage countries do not undermine our wage standards."

The Members of Congress from Pennsylvania are fighting hard for the protection of the State's industries and the jobs of the wage earners. Their efforts in behalf of Pennsylvania merit the recognition, endorsement, and cooperation of the Legislature by the support of Senate Resolution No. 126 when it comes before the House for action by the Members.

RESOLUTION INTRODUCED BY SENATORS A. H. LETZELER AND MURRAY PLELOR IN THE SENATE APRIL 15, 1953

Senate Concurrent Resolution, Serial No. 126

Whereas increased importation of numerous products that come into competition with the output of factories, farms, and mines of Pennsylvania, replacing the products of Pennsylvania's industries, is a constant menace to the State's continuing economic stability;

Whereas the lower wages paid abroad make it impossible for many of our own smaller and medium sized producers to compete with imports without resorting to ruinous price cutting, which in turn would result either in financial losses or heavy pressure for wage reductions and outright unemployment;

Whereas our national obligations have reached such extreme proportions that the national income must be maintained at its present unprecedented high level, or close thereto, lest we become insolvent;

Whereas pressure that comes from imports of residual fuel oil, having risen from an average of 50 million barrels in the 1946–48 period to more than 125 million in 1952, or the equivalent of 31 million tons of coal; from imports of pottery, watches and parts, glassware, lace, carpets and other textiles, hats and millinery, chemicals, scientific apparatus, cutlery, dairy products, wallpaper, luggage and leather goods, and many other articles, will render the upholding of the economy at its high levels most uncertain and difficult unless all import trade is placed on a fair competitive basis and the potential injury therefrom thus contained;

Whereas a maximum of such trade results from a prosperous domestic economy freed from the threat of a breakdown resulting from unfair import competition: Therefore be it

Resolved (the house of representatives concurring), That the General Assembly of the Commonwealth of Pennsylvania hereby memorialize the Congress of the United States that adequate safeguards be provided in tariff and trade legislation against the destruction or lowering of our American standard of living, the labor standards of our workmen, and the stability of our economy by unfair import competition and that existing trade-agreements legislation be amended accordingly; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States, the Vice President of the United States, the Secretary of State, the Secretary of Commerce, the Secretary of Labor, the Secretary of Agriculture, the Chairman of the United States Tariff Commission, the President of the United States Senate, the Speaker of the House of Representatives, and each Senator and Representative from Pennsylvania in the Congress of the United States.

Referred to committee on mines and mining.

Approved by the senate June 24, 1953.

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Mr. MAGNUSON. Mr. President, I desire to call up my amendment designated 7–1–53–C, and ask that it be stated.

The PRESIDING OFFICER. (Mr. WELKER in the chair). The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 13, it is proposed to insert the following:

SEC. 103. Section 8 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong., 1st sess.) is hereby amended by adding a new subsection (c) at the end thereof, reading as follows:

"(c) Subsections (a) and (b) of section 22 of the Agriculture Adjustment Act, as amended (U. S. C., title 7, sec. 624), are hereby amended to read as follows:

"'SEC. 22. (a) Whenever any article or articles are being or are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the domestic market place, or any program or operation undertaken under this title or the Soil Conservation and Domestic Allotment Act, as amended, or section 32, Public Law 320, 74th Congress, approved August 24, 1935, as amended, or any loan, purchase, or other program or operation undertaken by the Department of Agriculture, or any agency operating under its direction with respect to any agricultural commodity or product, or to reduce substantially the amount of any product processed in the United States from any agricultural commodity or product thereof with respect to which any such program or operation is being undertaken, the Secretary of Agriculture shall, and any interested party may, petition the United States Tariff Commission to make an immediate investigation. Upon receipt of any such petition an immediate investigation shall be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts. Such investigations shall be made after due notice and opportunity for hearing to interested parties, and shall be conducted subject to such regulations as the Tariff Commission shall specify. The Tariff Commission shall make and publish its report to the President at the earliest possible date but in no event more than 6 months after the day on which a petition for investigation was filed.

"'(b) If, on the basis of such investigation, the Tariff Commission finds and reports to the President the existence of such facts, he shall, within 30 days, by proclamation impose such fees not in excess of 50 percent ad valorem or such quantitative limitations on any article or articles which may be entered, or withdrawn from warehouse, for consumption as the Tariff Commission has found and declared in its report to be necessary in order that the entry of such article or articles will not render or tend to render ineffective, or materially interfere with the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the domestic market place, or any program or operation referred to in subsection (a) of this section, or reduce substantially the amount of any product processed in the United States from any such agricultural commodity or product thereof with respect to which any such program or operation is being undertaken: *Provided*, That no proclamation under this section shall impose any limitation on the total quantity of any article or articles which may be entered, or withdrawn from warehouse, for consumption which reduces such permissible total quantity to proportionately less than 50 percent of the total quantity of such article or articles which was entered, or withdrawn from warehouse, for consumption during a representative period as determined by the Tariff Commission: *And provided further*, That in designating any article or articles, the Tariff Commission may describe them by physical qualities, value, or use, or upon such other basis as it shall determine.

"'In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President'."

Mr. MAGNUSON. Mr. President, I ask unanimous consent to modify the amendment on page 3, line 5——

The PRESIDING OFFICER. The Parliamentarian advises the Chair that at this stage the distinguished Senator has the right to modify his own amendment without unanimous consent.

Mr. MAGNUSON. I wish to modify it as follows:

In subparagraph (b), on page 3, after line 4, in line 5, after the word "investigation," insert the words "and report" and then strike the words "the Tariff Commission finds and reports to," and after the word "President," insert the word "finds."

Let me say by way of explanation that this changes the first two lines of subparagraph (b) to read as follows:

(b) If, on the basis of such investigation and report, the President finds the existence of such facts, he shall—

And so forth. The effect of this change is to make it clear that the recommendations of the Tariff Commission are not binding on the President, and to make it clear that the President, as the Chief Executive in the field of foreign policy, has the right to exercise his own judgment as to whether or not to follow the recommendations of the Tariff Commission. I am confident that in most cases he will and should follow such recommendations, but this change will give him some leeway. As modified, the language substantially conforms to the language presently contained in section 22 on this point.

There has been some suggestion to the effect that the amendment in its original form would have the effect in some cases of bypassing the judgment of the President on these matters. I wish to modify the amendment so that the language will be clear.

I have prepared a statement on the subject, because it is a technical subject. It may be a new subject to some Senators who have not heard it discussed previously, but it is not a new subject in the Senate. I think I have brought this question up on 5 different occasions, and five different times the Senate has debated the subject at great length and in great detail. However, it is somewhat technical. With the modification to which I have referred, which leaves no question about bypassing the judgment of the President of the United States, whoever he may be, the language substantially conforms to the language in section 22.

Let me say at the outset that I have always taken the position, as have many other Senators and many Members of the House, that the language in section 22 of the Agricultural Adjustment Act either should be repealed or made effective. Our experience has been that it has not been effective. The procedures are clumsy. There has never been any consummation of the intent of Congress, except in two cases which I shall point out in my statement, in some 17 years. The act has not been effective. I think it is quite important that we make it effective.

My amendment to the pending bill is in reality an amendment to section 2 of the Agricultural Adjustment Act. It permits an affected agricultural industry to present its case directly to the Tariff Commission when imports threaten to impair or destroy price supports, marketing orders, acreage allotments, or similar programs authorized by the Agricultural Adjustment Act.

Before discussing the amendment itself, I wish to reiterate my position on the entire question.

Mr. CORDON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Oregon?

Mr. MAGNUSON. I yield.

Mr. CORDON. The Senator from Oregon is interested in the modification which the Senator from Washington has just made in his amendment. He has a question in mind as to whether the modification was intended—or, if not intended, whether it has that effect—to place in the President the final responsibility for a finding in accordance with the investigation and report of the Tariff Commission as to the facts with respect to possible danger to agricultural products.

Mr. MAGNUSON. Danger to a governmental program.

Mr. CORDON. Danger with respect to agricultural products the prices of which are supported under a governmental support program. The question is whether the President must accept, as a part of such findings, the conclusion of the Tariff Commission as to exactly what remedy he, the President, must adopt. The modification made by the Senator clearly gives the President the final decision as to the existence of the facts of danger to our support program, and to the products supported. Could the President also, under the Senator's modified amendment, use his own discretion as to the remedy which is necessary? In other words, could he use his judgment with respect to a percentage increase in the import fee, or could he use his own judgment with respect to the quota to be determined?

Mr. MAGNUSON. I should say that under the provisions of my modified amendment he could use his judgment, as the Senator has pointed out. I thought he could even under the other language. In practical effect, he would be doing so anyway. Suppose the Tariff Commission said to the President, "With respect to this particular item, we recommend so and so." Even without the modification, as a practical matter, un-

til the President put the recommendation into effect there would be no way in which the recommendation could have any effect upon the product. I maintain that the President always had such authority. If he did not have, I do not know what anyone could do about it. Therefore, by modifying this amendment we make it clear that the President is a part of the picture. After the Tariff Commission makes its finding, the President can change it. I presume that in 99 out of 100 cases he would either approve the recommendation of the Tariff Commission or disapprove of it entirely, and not make any changes with respect to facts or specific recommendations.

Mr. CORDON. Will the Senator further examine his amendment on page 3, beginning in line 5 and running through lines 11 and 12, and advise the Senator from Oregon whether that language makes mandatory the acceptance by the President of the conclusions of the Tariff Commission as to remedy once the President has made his finding as to facts?

Mr. MAGNUSON. If I correctly understand the question of the Senator from Oregon, I may say the amendment provides that the President shall act within 30 days, but under this language the President is not bound to act.

Mr. CORDON. I do not believe the Senator understood my question.

Mr. MAGNUSON. I must have misunderstood the Senator.

Mr. CORDON. It is not a question of the time within which the President shall act. It is not a question of whether the President has the final responsibility for determining whether action shall be taken. It is a question of what action he must take if he reaches agreement with the report of the Tariff Commission that some action should be taken.

Mr. MAGNUSON. I believe I understand what the Senator means. As the amendment now reads, the President, as the Senator points out, would have to act one way or the other. He would have to say "Yes" or "No." He would put the report of the Tariff Commission into effect, or he would disapprove of it under the language of the amendment as it now reads. I believe I understand the Senator.

Mr. CORDON. That is the way the amendment reads.

Mr. MAGNUSON. Even if the amendment had not been changed, as a practical matter the President would have to do it anyway.

Mr. CORDON. I could understand that a situation could arise in which the President, after a careful study of the Tariff Commission finding, might reach the conclusion that something should be done.

Mr. MAGNUSON. Yes.

Mr. CORDON. And done at once. But his conclusion might differ from that of the Tariff Commission as to how far he should go.

Mr. MAGNUSON. Yes.

Mr. CORDON. It occurs to me, if we are to give him final authority to determine the facts, that we should give him discretion with respect to the extent and character of the remedy. It seems to me that it would fit the philosophy of the modified amendment if such discretion were vested in the President.

Mr. MAGNUSON. We give him the same authority he now has with respect to the imposition of import fees up to 50 percent, ad valorem, namely, flexibility with respect to it. I suppose that the President, as he does now, would recommend some action to the Tariff Commission, and I believe he has taken such action with respect to a different percentage or a different quota, or a different amount of a quota.

Mr. CORDON. Mr. President, will the Senator yield for a further question?

Mr. MAGNUSON. I yield.

Mr. CORDON. What I am calling to the Senator's attention I will do by skeletonizing the language of the amendment.

Mr. MAGNUSON. I believe the Senator is reading from page 3 of the amendment.

Mr. CORDON. Yes. I am at line 6, and I will skeletonize the language.

The President shall, within 30 days, by proclamation impose such fees as—

Now I am down to line 11—

the Tariff Commission has found and declared in its report to be necessary.

That indicates to me that he is bound by the finding of the Tariff Commission as to what fee or what quantitative limitation he may impose.

Mr. MAGNUSON. The language does say that.

Mr. CORDON. It would seem to me that we should give him discretion as to both.

Mr. MAGNUSON. But it also gives him authority to do nothing.

Mr. CORDON. Yes; he could refuse wholly.

Mr. MAGNUSON. Which is what has been done on many occasions.

Mr. President, I desire to make my position clear on the whole broad subject, because on the many occasions when such proposals as this were before the Senate I believe they were somewhat misunderstood.

Some of us who have supported the streamlining and strengthening of section 22 of the Agricultural Adjustment Act have been misunderstood by some of the strong advocates of the whole reciprocal-trade program.

I believe in the reciprocal-trade program. I am convinced it provides the best method yet devised for reducing tariffs and for promoting freer trade insofar as reduction of tariffs will contribute to that objective. In 17 years now, both in the House and in the Senate, I have been a strong supporter, and still am, of the reciprocal-trade program.

I offer this amendment because I am thoroughly convinced that its adoption will prolong the life of two vital and progressive programs: Reciprocal trade itself and full parity prices for the farmers of this Nation. Both of these programs I have supported in the past and intend to support in the future.

Our proposal is directly related to the pending bill, even though in reality it is an amendment to section 22 of the Agricultural Adjustment Act.

There is precedent for including the amendment in reciprocal trade legislation. Let me document that statement.

The 82d Congress passed the Trade Agreements Extension Act of 1951. Section 8 of that act contains an amendment to subsection (f) of section 22 of the AAA Act. The 82d Congress thought it entirely appropriate to include this amendment in the Trade Agreements Extension Act of 1951.

The amendment we are offering is directly related to the pending bill for another reason. Reciprocal trade legislation deals with tariffs and revenues. Because it deals with tariffs and revenues, the House Ways and Means Committee and the Senate Finance Committee have jurisdiction.

Section 22 of the Agricultural Adjustment Act likewise deals with revenues. That section authorizes the President to place quotas on agricultural imports, thereby reducing revenues. Likewise, this section authorizes the President to impose import fees, thereby increasing revenues.

Mr. President, the reciprocal trade legislation, as we all know, was sponsored by a great Secretary of State and a great President—Cordell Hull and Franklin D. Roosevelt. Congress first approved the program in 1934. I started voting for it in 1936. The following year the Congress added section 22 to the Agricultural Adjustment Act, and in 1936, after full consideration of its relationship to reciprocal trade, Congress reenacted this section. This sequence of events proves that President Roosevelt, his Secretary of State, and a Democratically controlled Congress recognized the necessity of protecting our farm program from excessive imports. They recognized that reduction of tariffs through reciprocal trade agreements might produce adverse effects on marketing agreements, acreage allotments, and other programs undertaken pursuant to the Agricultural Adjustment Act.

I mention this because there are some extremists who throw up their hands in horror every time any Member of Congress or individual has the temerity to suggest that it is inconsistent and, in fact, nonsensical to spend millions of dollars to stabilize farm prices in this country—and we are having more trouble now than ever on that score—and then permit excessive imports to impair the effectiveness of our domestic effort.

To me the issue is simple. The more successful we are in achieving a respectable level of prices for domestic farm production, the greater the incentive we create for imports of the same and competing products.

The whole objective of the farm programs authorized by Congress is to maintain a price level in this country that will produce a fair return to the farmers. As we achieve this objective, it is inevitable that prices of farm products in the United States will be higher than in the world market. This situation serves as a magnet to draw imports. Unless we are prepared to support world prices, therefore, we must have reasonable and effective tools with which to control imports.

I go so far as to assert that we are on the horns of a dilemma. Either we must abandon the whole concept of Federal assistance to the farmer, or we must

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protect the program we authorize, and on which we spend millions of dollars, from impairment or outright destruction by imports.

It is my conviction that the American people desire a continuation of the farm programs now in effect, because they realize the relationship between farm income and the prosperity of the Nation. Further it is my conviction that our foreign friends can readily understand that it would be foolish, unbusinesslike, and even disastrous for the United States Government to encourage a high level of prices at home and then throw the door wide open to certain imports. Were the circumstances reversed, I am sure that England, France, Italy, Japan, and our other allies would not engage in such an unbusinesslike procedure.

As I have pointed out on the floor of the Senate on many occasions, when we drew up the Geneva Charter which was designed to lay the basic groundwork for reciprocal trade agreements, the other nations took cognizance of that fact, and a part of the charter allows flexibility for countries which support, governmentallywise, their farm programs; and such countries would do the same thing.

It is true that our foreign friends need American dollars. I believe they are smart enough to understand that they will actually receive fewer dollars for the farm products they ship to us if those imports are permitted to come in in such excessive quantities that they depress the prices of the product in the American market.

At this point I should like to quote briefly from testimony presented by Secretary Benson to the Senate Agriculture Committee. I believe he stated the proposition accurately and well. He said:

> In recognition of the fact that a stimulation of imports can impose an intolerable burden on a price support program, the Congress enacted section 22 of the Agricultural Adjustment Act. This section provides for the imposition of import quotas or import fees whenever imports of any agricultural commodity or product thereof render or tend to render ineffective or materially interfere with any price support or marketing order (and certain other) program. This is permanent legislation.
>
> Although section 22 was originally enacted in 1935, it was very little used. It calls for investigations by the Tariff Commission after recommendation by the Secretary of Agriculture. Only 5 such investigations have been instituted in the past 17 years. Experience has shown that these investigations are long drawn out and this procedure has proved to be wholly ineffective to meet the problem.

That is what I have been trying to say on the floor of the Senate on many occasions.

Mr. LANGER. Mr. President, will the Senator from Washington yield to me?

Mr. MAGNUSON. I yield.

Mr. LANGER. I wish to ask the distinguished Senator from Washington if it is not true that practically every farm organization and practically every consumers' organizations has endorsed the so-called Magnuson amendment. Is it not true that practically all those organizations are wholeheartedly in favor of the amendment?

Mr. MAGNUSON. Yes; so far as I know, the major organizations are.

Mr. LANGER. Those of the East, the West, the North, and the South favor the amendment—organizations all over the country favor it—do they not?

Mr. MAGNUSON. Yes. They feel that either we should do what the Secretary of Agriculture says should be done, according to the Secretary's statement which I have just been reading, or we should take such other action as would serve the purpose. Let me point out that, strangely enough, the Secretary of Agriculture has changed his mind about some of the sections, as I shall show a little later by reading from a letter he wrote. But he has constantly said, "Either repeal section 22 or make it effective."

If there is any quarrel about the matter, I wish to point out that our only purpose is to make section 22 effective. These organizations say it makes no sense for the Government to spend money to keep farm-commodity prices stable, on the one hand, and, on the other hand, to allow one or more commodities—perhaps only one, in some years, although in other years a great number of products are involved in this respect—to interfere or to tend to interfere with or to wreck the program, as the Secretary of Agriculture has pointed out.

What we propose is within the framework of the reciprocal trade agreements program, because such action is provided for, both in our case and in the case of the other countries concerned. The result of such action will be to encourage trade, to bring about more trade.

Mr. President, I do not need tell any Member of Congress or any member of the farm groups or groups of growers of certain products what the procedure is in the attempt to take care of such a problem. The procedure often drags out for a period of 18 months, 2 years, or in some cases 3, 4, or 5 years. By that time one is simply locking the barn door after the horse has been stolen.

We are merely trying to make the procedure simple. If section 22 should remain on the statute books, then we wish to provide for a simple procedure for relief, when necessary.

All the organizations to which my distinguished friend, the Senator from North Dakota, has referred have never been able to understand why we have not done something about this matter, because I think everyone believes in the theory of the program under section 22 of the act.

The present Secretary of Agriculture also said:

> We feel strongly that Congress intended section 22 to be used, and used effectively, whenever necessary to protect price support and other programs.

If that section is not going to be used for that purpose, certainly it is futile.

The Secretary of Agriculture further said:

> The statutory history clearly so indicates. I am sure that some effective means of controlling imports of agricultural commodities and products is absolutely essential to the success of many of this Department's programs. If commodities which are susceptible to import competition are supported in price or if marketing is limited by marketing orders, marketing quotas or the like, the quantity of the domestic product withdrawn from the market, in absence of such controls, will simply be replaced by imports of like competitive products from abroad. Such imports impair or destroy the effectiveness of the Department's programs and prevent American growers from deriving the benefits the programs are designed to afford them. With increasing competition appearing from abroad and with increasing surpluses developing in this country, the future success of many of our programs is largely dependent upon the existence of adequate machinery for import controls and its prompt and effective utilization in all proper cases.

Mr. President, I could develop a little further the Secretary's statement about increasing surpluses, which I think have a great deal to do with the problem confronting us, and which I am sure are giving the Secretary of Agriculture and also the Congress great concern at the present time.

The Secretary of Agriculture further said:

> Section 22 can and should be strengthened to meet this need. The President's authority under section 22 covers all agricultural commodities, and products thereof, for which the Department of Agriculture has a program. Moreover, it is embodied in permanent legislation. The problem is not a temporary one; it will be with us as long as we have any programs that keep our domestic prices above the world level.

I repeat, Mr. President, that the Secretary of Agriculture has stated the proposition well. His remarks constitute an excellent argument for adopting the amendment my colleagues and I are suggesting.

Mr. President, the Secretary's statement makes good sense. I am sure that no Member of Congress and no one else in the country who understands the problems expects us not to keep farm prices above at least the present world levels or not to keep our agricultural programs alive.

Mr. HUNT. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. HUNT. Does the Senator from Washington have the understanding I have, namely, that our national income is always, consistently, and has been throughout the life of the Nation—almost exactly seven times the farm income?

Mr. MAGNUSON. I believe that is what the figures show.

Mr. HUNT. And in our economic history each and every year when the farm income has dropped, so has our national income dropped proportionately, has it not?

Mr. MAGNUSON. That is correct.

Mr. HUNT. Therefore, I rise to emphasize the point the Senator from Washington has just so well made, namely, that the prosperity of the Nation depends primarily on the farm income.

Mr. MAGNUSON. Mr. President, I am not an economist—I looked around for the professor, and find he has gone—but I have read a great deal about some of the economic problems throughout

our history. I am sure the Senator from Minnesota, the Senator from Wyoming, and the Senator from Colorado will agree with me; in fact, I believe that anyone who has examined the economic problems of the Nation will find that the warning signal, the red flag of an economic depression, has always been the decline of farm prices and farm income. That happened in 1927. It also happened in 1891, 2 years before the panic of 1893. Before every depression or panic, the forerunner, the red flag of warning, has been a decline in the purchasing power of the farmers. That is why I think this matter is all the more important.

I have read what the Secretary of Agriculture said in regard to this proposition.

Now, Mr. President, I wish to discuss briefly the provisions of section 22 and the changes proposed by the amendment. Those changes are highly technical, and I shall therefore describe them briefly. When imports threaten the effectiveness of a price support, marketing agreement, acreage allotment or other program, section 22 authorizes the President to impose an import quota on the product reducing the quantity to not less than 50 percent of the imports during a representative period. It also authorizes the President under those circumstances to impose an import fee of not more than 80 percent ad valorem. We are not changing this authority in any way in our amendment. We do propose to simplify and strengthen the procedure—the procedure under which an affected agriculture industry gets its case before the Tariff Commission for consideration.

I can best illustrate the procedural change by tracing the steps required under the present law. This is what the complaint is about, mainly.

At present the affected agricultural industry must take its case to the Secretary of Agriculture. If the Secretary of Agriculture thinks there is substance to a complaint, he will investigate. If after investigation he finds the facts so warrant, he submits a recommendation to the President that an investigation be made by the Tariff Commission. The President can decide to request the Tariff Commission for an investigation or he can refuse to do so. If he decides to request an investigation, the Tariff Commission holds a hearing to develop the facts.

The Commission may decide that no action is warranted, or it may recommend to the President that an import quota or an import fee be imposed. The President can then decide to follow the Tariff Commisson's recommendations or to modify it or to ignore it altogether.

It can be seen from the procedure I have outlined that an industry cannot even get its day in court—cannot even get its case before the Tariff Commission, unless it has the approval first of the Secretary of Agriculture and then of the President.

Mr. President, I need not go into the record of the length of time consumed in attempting to achieve those two things, or the time consumed when such matters finally come before the Tariff Commission. Some industries have simply disappeared. They have experienced 6 or 7 crises in the matter of crops before a decision is rendered.

Under our amendment an effected industry would be guaranteed its day in court—would be guaranteed an opportunity to present its case to the Tariff Commission. The amendment provides that "the Secretary shall, and any interested party may, petition the United States Tariff Commission to make an immediate investigation" whenever imports threaten to impair or destroy a domestic farm program.

To prevent the Tariff Commission from being swamped with frivolous applications for investigation, the amendment stipulates that investigations "shall be conducted subject to such regulations as the Tariff Commission shall specify." This provision authorizes the Tariff Commission to set up criteria or regulations that will be sound and reasonable. I am sure the Congress can trust the members of the Commission to handle this aspect of the problem.

Our amendment further provides that the Tariff Commission shall complete its investigation and report to the President within 6 months from the day the petition for an investigation was filed. The Commission would make its report public, thus giving the effected industry an opportunity to know where it stands. In the past it has often been impossible to ascertain what decision the Commission made and the basis on which its decision was reached. In other words, some of those who felt they had a case woke up, after many months, to find that no action has been taken; why, they do not know; and the condition continues.

The Interstate Commerce Commission, the Federal Power Commission, Federal Communications Commission, other commissions and our courts publish their decisions. They do not decide a case and then keep the verdict secret. It seems to me an agricultural industry seeking action under section 22 has a right to know where it stands. This particular provision is the same as that now contained in escape-clause actions.

The Commission would have to decide on the basis of all the facts whether to recommend that the President impose an import fee or quota. Obviously the Commission would obtain facts from all branches of the Government as well as from all outside parties at interest, including the industry. Based on these facts, the Commission would decide what recommendation, if any, to make to the President.

If the Commission, after weighing all the facts, finds that imports are impairing or threatening to destroy the marketing agreement, acreage allotment, or price support program, it would recommend action to the President, and the President would be under heavy compulsion to follow that recommendation. He would not be forced to follow the recommendation because there is really no way to force the President to take affirmative action.

There is one substantive change in the amendment we are offering in that we provide authority for the President to deal with an emergency situation while the case is pending before the Tariff Commission. I refer to the last sentence of the amendment, which reads as follows:

> In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting recommendations of the Tariff Commission, such action to continue in effect, pending report and recommendations of the Tariff Commission and action thereon by the President.

That would merely mean that in certain rare emergencies some action could be taken while the case was pending, but the action would be effective only while the case was pending.

The language I have just quoted is taken from a bill introduced by the Senator from Vermont [Mr. AIKEN], chairman of the Senate Committee on Agriculture and Forestry, for himself and the senior Senator from Florida [Mr. HOLLAND]. The bill was introduced on April 17. I understand the language it contains has the endorsement of the Secretary of Agriculture.

I assume it also has the full support of the senior Senator from Vermont and the senior Senator from Florida, who introduced the bill, since they are cosponsors.

Since we are suggesting a method of streamlining and strengthening section 22, it seemed to me appropriate that this language be included in our amendment. The provision is the same as the one contained in many escape clauses.

Mr. President, I have already stated my belief that we cannot support prices of domestic farm products without having an effective tool for regulating imports. We cannot in good conscience ask the farmers of this country to regulate the flow of their products to the market place through marketing agreements and then permit an unregulated flow of imports to destroy the effectiveness of their efforts. We cannot in good conscience ask the farmers of this country to accept acreage allotments—to restrict their production—and at the same time permit imports to destroy the effectiveness of that action.

We must either abandon the whole concept of assistance to agriculture contained in the AAA Act or make section 22 an effective tool for dealing with the import problem. There is no point in having a section 22 on the books that will not work. We might as well quit kidding ourselves and our farmer friends on that point. Let me cite an example.

We now have in effect a quota on wheat imports—of 800,000 bushels a year. We are supporting the price of wheat at approximately $2.10 a bushel. The world market price for wheat is substantially under that figure. We had in the hands of Commodity Credit Corporation on June 8, 310 million bushels of wheat—with the prospect of having to purchase another 140 million bushels within the next few weeks. Simultaneously, we are negotiating an International Wheat Agreement designed to dispose of another 185 million bushels of our domestic production. Now, would it make sense to eliminate or increase the 800,000 bushel quota thereby encouraging additional imports? Obviously no

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one would suggest such a course of action. But that is what has been happening under section 22 with respect to other agricultural products, for the past 17 years. We must either protect the price support programs on wheat from excessive imports, or abandon the program entirely.

On two previous occasions the Senate has passed an amendment similar to the one we are now proposing.

In 1949 the Senate passed a similar but more drastic amendment by a substantial majority—as a part of the Anderson farm bill. The amendment, however, was emasculated in conference with the House.

In 1950 the same amendment was approved unanimously by the Senate Agriculture Committee and passed the Senate without objection as a part of the Commodity Credit bill. We again lost it in conference.

Mr. President, when I speak about the wheat situation, I may also point out for the RECORD that the only two commodities which have these quotas, as I understand from checking into the matter, are wheat and tobacco. But we saw fit to do something with respect to those, and I think we ought to have a simplified procedure, which would enable the Secretary of Agriculture and the Tariff Commission to take action of that kind with respect to other products.

Mr. YOUNG. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. YOUNG. I think oats and rye are excellent examples of imports which are completely wrecking our agricultural prices, and we have been unable to get action.

The national production of rye amounts to approximately 17 million bushels. Our visible supply is 2 million bushels, or less. Still, the price is far below support levels because much of our requirements are coming from Canada. Any person who wants rye knows he can get it in Canada any time he desires. So the price of rye continues low.

We are importing approximately 70 million bushels of oats a year. That amount, in comparison with our total production of approximately 1,250,000,000 bushels, is not so much, but when we consider that only approximately 250 million bushels of oats reach the cash market, and that amount determines the price of the whole crop, 70 million bushels imports, becomes an important factor.

We have been endeavoring for more than 2 years to get some action with respect to oats and rye imports. The Agricultural Department wants to help; it has made favorable recommendations on oats, but it has not yet had any result with the tariff commission.

I favor the amendment of the Senator from Washington.

Mr. MAGNUSON. I appreciate what my friend from North Dakota has said. He is an expert on these matters. Many not realizing that the production figures as against a certain amount of imports, not realizing that the production figures do not represent what goes to the market place. Sometimes a small percentage of oats or rye can affect the price overnight.

Mr. YOUNG. That is absolutely correct. The average support price for oats in North Dakota is 72 cents a bushel, which is 85 percent of parity. The average price of oats in my State today is less than 50 cents a bushel. We would not have to prohibit imports entirely, but only to limit them in a reasonable amount.

Mr. MAGNUSON. Two years ago a similar amendment was laughed at in the Senate, because it then happened that the emergency products included one little item called blue cheese, which was a prime example of what can happen. The amendment became known as the blue cheese amendment. But we are talking about all agricultural commodities. I can remember the time when citrus fruit was in a similar situation. We desire only some action for the emergency. That does not mean that we should not import a reasonable amount of citrus fruit or any other product.

I can remember when the tree nut growers were in the same situation. Only twice in 17 years has anything been done under section 22. Even then, as the Senator from North Dakota points out, things happen so rapidly that if we should wait for the normal procedure to be followed, the farmer would be out of business. He would have raised possibly 3 or 4 more crops before his last crop was reached. He would be 5 or 6 crops behind in his problem.

As of June 8 there were in the hands of the Commodity Credit Corporation 310 million bushels of wheat. The cost involved is $837 million. Within the next 10 days, as I have pointed out, we shall have to buy another 140 million bushels of the 1952 crop.

Mr. President, no one is suggesting that we violate the concept of reciprocal trade agreements. As I said before, when we drew up the charter in Geneva there was no such idea in mind. All nations realized the situation and also realized that when the Government has such an important agricultural program there should be an escape clause. No one suggests the abandonment of the program.

I see my good friend from Wyoming [Mr. HUNT] is present. I do not know anything about the wool problem. I know only what I have been told about it, but the woolgrowers, whether their case is just or not—I assume it is just—have been before the Tariff Commission for 18 months, and there has been no action taken. Recently the administration requested the Tariff Commission, by letter, to withdraw the wool-producers' application.

There is an example of what we are trying to reach. No one wants to violate the reciprocal trade agreements. There is not a Senator on the floor who has not supported it. I have supported it during all the years I have been a Member of the House and of the Senate. Other nations do not want us to be unbusinesslike about it.

Under date of June 30, 1953, the Secretary of Agriculture sent a letter to me—I do not know what the shift is—in which he makes some suggestions with reference to the bill. I do not know whether I need to discuss the letter. Later, I shall ask to have it printed in the RECORD.

We have corrected one item by a modification of the amendment. The Secretary suggested that the President might not be involved, that we might be dealing him out of the new procedure. We corrected that situation.

The Secretary says:

> I am in full accord with and strongly support the national objective of achieving full parity prices for agricultural commodities in the market places. However, I doubt the wisdom of broadening section 22 at this time in the manner proposed. All price-support legislation is now under review.

Mr. President, we are not broadening it; we are constricting it, so we can go down a straight street and get a decision. We take care of that situation on page 2, line 3, of the bill.

The whole objective, as the Senator from North Dakota well knows, is to achieve parity at the market place. That is the whole objective of our parity legislation.

The writer of this letter says he thought it might be unwise to allow applications to be filed directly with the Tariff Commission by any person, in view of the requirement that the Commission thereupon begin an immediate investigation. He says he believes there should be some screening authority.

That is taken care of by the provision that the Commission may make their own regulations.

I think that whatever suggestions the Secretary of Agriculture had made as of June 30, as a part of his very strong statement before the Committee on Agriculture and Forestry, on the matter now under consideration, are taken care of by the amendment.

Mr. President, I have not much more to say on the subject. There is ample precedent for including in the Reciprocal Trade Act the amendment to section 22. Much could be said on that subject.

Like the distinguished Senator from North Dakota, I do not know of any organization, any group of consumers, or any other group interested in the problems of farmers, or any farm organizations themselves, who are not in agreement with the objective of the amendment. I think it will do much to support freer trade. Keeping our farm economy stable will mean more trade, more exports, and more buying power.

No one says the proposal would be a violation of trade agreements, legally speaking, but arguments have been made that the concept of trade agreements would be violated. That is not so at all; trade agreements would be strengthened.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. YOUNG. I believe the Senator knows that at present more farm commodities are being imported into the United States than are being exported. Some imports are in huge amounts. The value of our coffee imports is more than $1 billion a year. We are importing two-thirds of our sugar requirements, and about two-thirds of our wool requirements. If only there were a limitation on wool imports, as there is on sugar imports, the price of wool would be much

higher. The price-support program would not be needed at all, and the interests of not only the farmers but of the whole Nation would be best served.

Mr. MAGNUSON. I agree with the Senator. The amazing thing about opposition to this kind of proposal is that it comes from persons who, when they are concerned about their own commodity, in one section of the country, such as sugar, do not think anything of going to the proper authorities and urging them to make the right kind of agreement to restrict imports. I am in agreement with that practice. As I have said, we are not in the amendment directing that anything be done; we are merely suggesting that the Committee on Agriculture and Forestry have a chance to present the case and get something done, before the Government loses 10 times the amount involved in trying to support parity prices under marketing agreements.

I ask unanimous consent to have printed in the RECORD, following my remarks, the letter of the Secretary of Agriculture, to which I have referred, and also a brief I have prepared regarding the germaneness of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the letter and brief were ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, June 30, 1953.

Senator WARREN G. MAGNUSON,
United States Senate.

DEAR SENATOR MAGNUSON: In response to your letter of June 26, I am glad to give you my views with respect to the proposed amendment to H. R. 5495 attached to your letter.

Your letter refers to appearances which I have made before committees of the Congress and recommendations that section 22 of the Agricultural Adjustment Act be strengthened. I have suggested that section 22 can be made an effective instrument by improved administrative procedures and by supplementing it with authority, in an emergency, to impose the quotas or import fees within the limits specified by the section, on an interim basis, pending decision by the Tariff Commission and action by the President. I feel that so strengthened, section 22 would assure the protection of the Department's price support and other programs against interference or nullification by the distortions in international trade which such programs are likely to create.

The addition of emergency authority above described is the only change that I have suggested in section 22. Such a change does not appear in your proposed amendment.

The changes in section 22 contained in your proposed amendment appear to be as follows:

(1) Makes interference with "the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the market places," a basis for action under section 22.

(2) Provides that the Secretary of Agriculture report directly to the Tariff Commission rather than to the President, who in turn issues a directive to the Tariff Commission.

(3) Provides authority to any interested party to petition the Tariff Commission for section 22 relief and requires an immediate investigation upon filing of such petition.

(4) Requires the Tariff Commission to make its report to the President within 6 months after the filing of a petition for investigation.

(5) Makes finding of the Tariff Commission that fees and quotas be proclaimed, binding on the President.

(1) I am in full accord with and strongly support the national objective of achieving full parity prices for agricultural commodities in the market places. However, I doubt the wisdom of broadening section 22 at this time in the manner proposed. All price-support legislation is now under review. One of the basic questions is how full parity is to be achieved. In addition, we must not overlook the effects of section 22 actions on international trade objectives. One of our current problems in agriculture stems from declining export markets. It would seem advisable that this proposal be submitted to the Commission on Foreign Economic Policy provided for in H. R. 5495, now pending before the Senate. I believe this, together with other proposals for improving legislation relating to foreign trade, should be thoroughly studied by the proposed Commission before being incorporated in the statutes.

(2) I believe it is unwise to exclude the President from participation in the determinations and directions with respect to the institution of an investigation under section 22. When a section 22 investigation is instituted by the Tariff Commission, the Secretary of Agriculture and his representatives appear as a party to that proceeding. They appear for the purpose of protecting the Department's price support and other programs, as well as for the purpose of aiding the Tariff Commission in its investigation. The Department is thus an interested party. It seems to me unwise that such a party should be granted the sole authority to direct the Tariff Commission to institute the investigation. Such a function is more appropriately exercised by the Chief Executive of the Government who does not subsequently appear in the Tariff Commission proceeding as an interested party.

(3) I believe it would be unwise to allow applications for section 22 investigations to be filed directly with the Tariff Commission by any party, in view of the requirement that the Commission thereupon begin an immediate investigation. I believe there should be some screening authority. If applications are to be filed with the Tariff Commission, that Commission should have discretion in determining whether to proceed with an investigation upon such an application. I believe the present procedure is preferable. That requires interested parties to file their applications with the Secretary of Agriculture and the Department, after investigation, determines whether there is sufficient basis for the belief that imports are interfering with departmental programs to warrant recommendation that an investigation be instituted. Such screening procedure appears to be desirable, in view of the fact that when the President directs the Tariff Commission to institute a section 22 investigation, the Commission is required to institute the investigation immediately.

(4) I doubt the wisdom of a rigid requirement that these investigations of the Tariff Commission must be completed within 6 months of the filing of an application. There may well be cases when all parties, including the Commission, would agree that further time was desirable. After the institution of an investigation, conditions may change, making it desirable that proceedings in the investigation be suspended for a time. Rather than imposing a rigid requirement of this kind, I would favor the strengthening of section 22 by providing authority for emergency action along the lines above suggested. With such emergency authority, there would be no need for a requirement that the Commission render its report within any prescribed period of time.

(5) Under the present law the President proclaims such fees and quantitative limitations as he finds are shown to be necessary by the investigation and report of the Tariff Commission. This permits an independent review of the facts by the President which is not afforded by your amendment. I believe that the President should not be excluded from participation in the determination of the changes affecting international trade which result from section 22 actions.

For the foregoing reasons, it is my view that there is no need at this time for the changes in section 22 which your amendment proposes. I believe that a strengthened section 22 would be adequate to protect the departmental programs at least during the coming year when it is expected that the whole matter will be under review and study by the Commission on Foreign Economic Policy which the legislation now pending before you will create. The prompt and effective action recently taken in connection with dairy products and certain other commodities heretofore subject to import control under section 104 of the Defense Production Act demonstrates the efficacy of the present section 22 procedure.

If we can be of any further service to you, please feel free to call upon us.

Sincerely yours,

E. T. BENSON,
Secretary.

GERMANENESS OF AMENDMENT

There is ample precedent for dealing with amendments to section 22 in the reciprocal-trade legislation. In 1951, the 82d Congress passed the Trade Agreements Extension Act of 1951. Section 8 (b) of that act reads as follows:

"Subsection (f) of section 22 of the Agricultural Adjustment Act, as amended, is hereby amended to read as follows:

" 'No trade agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of this section.' "

The Senate Finance Committee adopted that language after testimony by the senior Senator from Washington and others. The Senate and House approved the language. The 82d Congress, therefore, considered it entirely appropriate to deal with section 22 in the reciprocal-trade bill because section 22 is so closely related to the subject matter covered in the Trade Agreements Extension Act.

There is an even more basic reason why the amendment we are offering to section 22 is germane. The Trade Agreements Extension Act deals with tariffs and, hence, with revenues. For precisely this reason, the extension bill is always referred to the House Ways and Means Committee and to the Senate Finance Committee.

Section 22 authorizes imposition of import quotas and import fees. If an import quota is imposed, the tariff revenue from the product involved is reduced. If an import fee is imposed, the revenue is increased.

While section 22 is related to our farm programs, it likewise is directly related and germane to the bill now under consideration.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington [Mr. MAGNUSON].

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

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Mr. HUNT. Mr. President, I was greatly interested in the presentation made by the distinguished Senator from Washington [Mr. MAGNUSON]. I am very much in favor of the amendment he has offered. While he did not specifically refer in his remarks to the wool industry, his amendment will be exceedingly beneficial to that industry.

As I remember, it was about 42 years ago that I first went to Wyoming. One of the very familiar sights at that time was the long wool freight outfits. Many teams of horses were hauling many wagons loaded with wool. At that time my State was second in the production of wool in the United States, and I think the same situation prevails today. Natrona County, Wyo., was at that time sixth among all the counties in the United States in the production of wool. As of today, a neighboring county, Carbon County, is second among all the counties of the United States in the production of wool. Only Valverde County, Tex., produces more wool than does Carbon County.

Beginning in the early 1930's, domestic wool production in the United States, and in my State, started downward, and imports of foreign wool began to increase, until today—and this is a rather startling statement of what has happened to one of the great props in the economy of my State—we are producing in the United States only 27 percent of the wool we consume. In other words, domestic production amounts to only 27 percent, while the other 73 percent of wool consumed in the United States is being imported. In my own county of Fremont wool production has dropped 60 percent in 10 years.

The future of the wool industry in the United States is jeopardized not alone by the importation of foreign wool, but also by the great inroads being made by synthetic products which are used in wearing apparel, rugs, automobile upholstery, and dozens of other lines.

Realizing the desperate plight of the Wyoming wool producer, the senatorial delegation of Wyoming went to work more than a year ago, in cooperation with all western Senators, Republicans and Democrats alike. We were able to induce Secretary Brannan to initiate a wool price support program. As a result of the purchases, the Commodity Credit Corporation still holds approximately 50 percent of last year's production, and there is no way to estimate how low the price of wool in the United States might be today had it not been for this action.

We were also successful in having the United States Tariff Commission make a study of wool imports with the objective in mind of increasing the tariff on wool imports. Hearings were held beginning September 29, but to date the Tariff Commission has made no report.

On June 17 of this year I wrote the President, congratulating him on his proclamation imposing quotas and fees on imports of cheese and other dairy products. As Senators know we have millions of pounds of excess production of butter. The President has secured this action by the Tariff Commission in exactly 2 months to the day, and he deserves to be congratulated.

I should like to read my letter into the RECORD. I said to the President:

DEAR MR. PRESIDENT: Your proclamation of June 8 imposing quotas or fees on imports of cheese and other dairy products has been well received by the dairy industry of Wyoming. May I congratulate you on the forthright manner in which you acted.

For several years those of us who represent the wool growing industry, Republican and Democrat alike, have joined in efforts to secure positive action for this segment of our economy.

As a military leader, you undoubtedly appreciate the necessity of insuring a domestic production goal of 320 million pounds of shorn wool which is established by the Agricultural Adjustment Act. The Department of Defense has recognized the essential nature of the domestic wool industry to our defense needs.

The wool industry has gone down from 56 million head of sheep 10 or 12 years ago to around 25 million head at this time. Imports of foreign wool are largely responsible for this condition.

Secretary of Agriculture Benson recently told the House Committee on Agriculture of the efforts we initiated early last year seeking to bring about the imposition of tariffs on foreign wool imports under section 22 of the Agricultural Adjustment Act. Upon the recommendation of former Secretary Brannan, the United States Tariff Commission held hearings on this problem commencing September 29, 1952. Up to this date, I understand, no report has been made by the Tariff Commission.

Contrast this lack of action with the speed with which the Tariff Commission acted in the cheese and dairy instance. On April 8, 1953, you directed the Commission to make an immediate investigation in accordance with the provisions of section 22 of the Agricultural Adjustment Act. Public hearings were held on May 4 and 7, and on June 8, 2 months later, you issued your proclamation.

Secretary of the Treasury Humphrey only a few weeks ago imposed countervailing duties on wool tops imported from Uruguay. This was a step in the right direction, and we all applaud the action.

May I point out, however, that figures furnished me by the Tariff Commission show that Uruguayan wool top imports totaled 17,140,000 pounds last year. Raw wool imports, which are not affected by Secretary Humphrey's action, amounted to 379,677,094 pounds. In other words, only 4 percent of the wool imported last year was wool tops from Uruguay. Ninety-six percent of the total was raw wool sent into this country by the foreign wool growing areas of the world. That 96 percent is still coming into the United States.

The major threat to our domestic wool industry comes from imports of raw wool.

I know that you are pressed with the consideration of multitudinous matters of state, and would not write you except that I feel this problem is so urgent to the West.

May I solicit your earnest consideration of this problem?

I may add that on many occasions I telephoned the Tariff Commission. I was in constant communication with the Tariff Commission, but always to no avail. They simply reported no progress and no information was obtainable with reference to the date upon which it was thought they might make a report.

The President acknowledged my letter and advised me that an answer would be coming forthwith. However, much to the surprise and disappointment of the wool industry, the President, on June 25, addressed a letter to the Chairman of the Tariff Commission from which I quote briefly:

The program of the Department of Agriculture involved in this investigation (tariff on wool imports) was for the year which, as extended, ended April 30, 1953. With the program year already ended, a report by the Tariff Commission at this late date would serve no useful purpose in relation to the present program year.

The National Wool Growers' Association were—and I quote from their letter to me—"caught completely by surprise, and all of us think this is beyond all understanding. It means complete dismissal of the old case and we would have to go through all the same procedures again to get another hearing. It is a very disappointing conclusion to a lot of hard work by the industry and our friends on Capitol Hill."

Wool growers, hoping to accomplish something to support their industry at this session of Congress, have requested the Senator from Washington [Mr. MAGNUSON], to offer an amendment to the Trade Agreements Extension Act, House bill 5459, which is now before the Senate, for the sole purpose of strengthening the act. The section to be amended provides that when imports of agricultural commodities destroy the effectiveness of price supports, the President can impose an import quota up to 50 percent or an import fee up to 50 percent ad valorem. Because of procedural administrative defects, the present law has never been effective, and the proposed amendment is very important.

I am also advised, Mr. President, that we may find the amendment in conflict with the President's announced program of "trade, not aid." However, I am hopeful that the membership of the Senate, both Democratic and Republican, will look first to the preservation of an industry in the West which has been a key prop of our economy ever since the West became a part of the Nation.

As an example of what the wool producer in the United States is up against, let me point out that the total cash cost per animal a year in Australia, the source of our greatest wool imports, including labor, shearing, and taxes, is $1.91, while in the United States the cost is $8.45.

Shearing 1 sheep in the United States costs 40 cents; in Australia, 12 cents; in Argentina, from which we get a great deal of wool, 6 cents; in New Zealand, 18 cents.

It is therefore very easily understood why the price of wool in the United States has dropped 38 percent in the past 2 years.

In my State, 2 years ago, wool sold for as high as $1.45 a pound. I note that yesterday a large clip was sold for 51 cents a pound.

I say something must be done to save this industry.

Mr. President, at this point in my remarks I ask unanimous consent to have printed a series of cost comparisons and other statistics on the wool industry in the United States.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Cost comparisons

Per head	United States	Australia
Hired labor	$3.02	$0.52
Shearing	.40	.12
Taxes	.84	.09
Total cash costs per animal per year, including the 3 items listed above	8.45	1.91

1. From BAE study of sheep operations in the intermountain region of the United States and Australian Commissioner of Agriculture reports for year 1949 (official figures).

2. Other statistics show the cost for shearing sheep per head in Argentina is 6 cents, in New Zealand 18 cents.

American industry most efficient in the world but between 30 and 40 percent of total production cost is labor, and it is impossible to compete with low labor standards such as these.

United States production, mill consumption, and imports for consumption of raw wool, average 1935–39 and 1947–52

[Millions of pounds, clean basis]

Year	Production (all apparel)	Consumption		Imports		Imports as percent of consumption apparel
		Total	Apparel	Total	Apparel	
1935–39	207	377	281	152	56	20
1947	153	698	526	390	259	49
1948	137	693	485	479	246	51
1949	120	500	339	273	155	46
1950	110	635	437	467	250	57
1951	118	484	382	361	272	71
1952	123	493	347	366	249	72

Source: Wool Bureau, Inc., from Government statistics.

Sheep shorn and wool production, 1942–52

Year	Number sheep shorn	Production shorn wool, grease basis
	Thousands	*Thous. pounds*
1942	49,287	388,297
1943	47,892	378,843
1944	43,165	338,318
1945	38,763	307,976
1946	34,647	280,908
1947	30,953	251,425
1948	28,649	231,770
1949	26,382	212,899
1950	26,387	215,422
1951	27,357	225,545
1952	28,172	232,373

Source: U. S. Department of Agriculture, Bureau of Agricultural Economics.

This chart shows wool weights based on weight at the time of shearing. This is called grease basis because it still contains grease, dirt, etc. When cleaned, weights shrink 50 percent and more. Some charts included in this statement use grease basis and some use clean basis as terminology changes at cleaning stage of preparation.

Changes in wool economy, consumption of carpet and apparel wool

	World	United States	World, excluding United States
1934–48, average:			
Consumption million pounds, clean	2,058	330	1,728
Population...millions	2,133	128	2,005
Per capita consumption pounds	0.96	2.6	0.86
1946–52, average:			
Consumption million pounds, clean	2,402	601	1,801
Population...millions	2,377	149	2,228
Per capita consumption pounds	1.01	4.0	0.81
Percent change, prewar to postwar:			
Consumption	+17	+82	+4
Population	+11	+16	+11
Per capita consumption	+5	+54	−6

Source: Wool Bureau, Inc., from Government sources.

General imports of wool tops into the United States, principal countries, 1949–52

[Thousands of pounds]

Countries	1949	1950	1951	1952	Index 1949=100 percentage increase		
					1950	1951	1952
Uruguay	276.1	1,319.4	6,146.7	15,592	478	2,226	5,647
France	113.7	113.7	1,654.8	1,425	100	1,455	1,253
United Kingdom	253.9	781.4	361.0	378	296	137	143
Belgium-Luxembourg	36.4	11.6	673.4	383	32	1,850	1,052
Union of South Africa	57.6		200.9	257		349	446
Argentina	373.4	2,659.0	3,945.6	231	712	1,057	62
West Germany	14.7	16.3	62.4	1,098	111	424	7,469
All other							
Total	1,602.1	5,706.9	13,474.7	19,845	295	697	1,027

Source: Wool Bureau, Inc. from Government sources.

Examination shows that wool top imports was over 10 times the 1949 volume. In 1949 wool top imports was 1.1 percent of domestic production of top. In 1952 such importation constituted 11.8 percent of domestic production. This, of course, displaces domestic wool.

National Association of Wool Manufacturers state "woolen exports to United States have jumped 642 percent from 1948 to 1952, while worsteds in the same period have gained 306 percent."

1. Imports of woven woolens and worsted fabrics in 1952 reached a 30-year peak of 24 million square yards.

2. Imports of wool tops rose from negligible quantities in 1947 to over 23 million pounds in 1952.

Why our interest in imported wool top, woolen, and worested fabrics? Because the domestic manufacturer is the domestic wool's only customer, and the importation of such commodities not only take away jobs for American workers, but displace the use of domestic wool.

Mr. HUNT. Mr. President, I am very hopeful that all Senators will take note of the situation and will sympathize with the plea of the wool producers of the West. I am hopeful that the very fine amendment offered by the Senator from Washington [Mr. MAGNUSON] will be adopted.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. WELKER in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Beall	Gordon	George
Butler, Md.	Dworshak	Gore
Carlson	Ellender	Griswold
Hoey	Magnuson	Potter
Holland	Malone	Purtell
Hunt	Martin	Schoeppel
Johnson, Colo.	Millikin	Welker
Knowland	Monroney	Wiley
Langer	Payne	

The PRESIDING OFFICER. A quorum is not present.

The clerk will call the names of the absent Senators.

The legislative clerk proceeded to call the names of the absent Senators.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded and that further proceedings under the call be dispensed with.

Mr. LANGER. Mr. President, I object. The Senator from Nevada [Mr. MALONE] is about to speak. He is one of the great orators of the Senate. He will speak on a very important question. I wish to have a real, actual quorum present to hear him.

The PRESIDING OFFICER. Debate is not in order and unanimous consent cannot be given, because the absence of a quorum has already been announced.

The clerk will resume calling the names of the absent Senators.

The legislative clerk resumed calling the names of the absent Senators; and Mr. AIKEN, Mr. ANDERSON, Mr. BARRETT, Mr. BENNETT, Mr. BRICKER, Mr. BRIDGES, Mr. BUTLER of Nebraska, Mr. BYRD, Mr. CASE, Mr. CHAVEZ, Mr. CLEMENTS, Mr. COOPER, Mr. DOUGLAS, Mr. DUFF, Mr. FERGUSON, Mr. FLANDERS, Mr. GILLETTE, Mr. GOLDWATER, Mr. GREEN, Mr. HAYDEN, Mr. HENDRICKSON, Mr. HENNINGS, Mr. HICKENLOOPER, Mr. HILL, Mr. JACKSON, Mr. JOHNSON of Texas, Mr. JOHNSTON of South Carolina, Mr. KENNEDY, Mr. KERR, Mr. KILGORE, Mr. KUCHEL, Mr. LEHMAN, Mr. LONG, Mr. MANSFIELD, Mr. MAYBANK, Mr. MCCARRAN, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MORSE, Mr. MUNDT, Mr. MURRAY, Mr. NEELY, Mr. PASTORE, Mr. ROBERTSON, Mr. RUSSELL, Mr. SALTONSTALL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. SMITH of New Jersey, Mr. SPARKMAN, Mr. STENNIS, Mr. SYMINGTON, Mr. TAFT, Mr. THYE, Mr. WATKINS, Mr. WILLIAMS, and Mr. YOUNG entered and answered to their names when called.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the perfecting amendment as modified, submitted by the Senator from Washington [Mr. MAGNUSON].

Mr. MALONE addressed the Chair.

The PRESIDING OFFICER. For what purpose does the Senator from Nevada address the Chair?

FAIR TRADE, NOT FREE TRADE—THE FOREIGN TRADE AUTHORITY SUBSTITUTE FOR THE 1934 TRADE AGREEMENTS ACT TO ESTABLISH FAIR TRADE WITH FOREIGN NATIONS

Mr. MALONE. Mr. President, I desire to be recognized for the purpose of discussing a subject in which I am very much interested.

The PRESIDING OFFICER. Does it relate to the perfecting amendment offered by the Senator from Washington?

Mr. MALONE. I desire to speak on the bill itself and on my substitute to be proposed thereto.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

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CONGRESS ABDICATED CONSTITUTIONAL RESPONSIBILITY

Mr. MALONE. Mr. President, House bill 5495 would continue for 1 year a 20-year policy of the Congress, namely, the abdication by the Congress of its constitutional responsibility to regulate foreign trade through the adjustment of duties, imposts, and excises, commonly referred to as tariffs and import fees.

CONGRESS GAVE PRESIDENT "POWER OF ATTORNEY"

The 1934 Trade Agreements Act gives the President what may be called a "power of attorney" to exercise the constitutional responsibility of the Congress to adjust duties and tariffs in the regulation of foreign trade.

Under the provisions of that act the President of the United States may remake the industrial map of our Nation in accordance with the plans of an internationally minded State Department, and for 20 years he has been presuming to do just that.

THE NEW INDUSTRIAL MAP

All the small businesses of the Nation, including those engaged in the production of machine tools, precision instruments, tile, watches, textiles, minerals, wool, crockery, fish, cattle, as well as the thousands of individuals and business organizations of the Nation, have suddenly realized that they do not appear in the remade industrial map.

THE SUBSTITUTE FOR THE PENDING BILL

I am submitting an amendment in the nature of a substitute for the pending bill, House bill 5495, a bill which would cancel the "power of attorney" given the President by Congress through the 1934 Trade Agreements Act.

CANCEL THE PRESIDENT'S POWER OF ATTORNEY

The delegation of a constitutional responsibility of the Congress to the President to adjust the duties or tariffs and to regulate foreign trade would be canceled.

PROTECTION OF WORKINGMEN AND SMALL BUSINESS

Flexible duties and tariffs in connection with the regulation of foreign trade were long considered to be instruments of big business. The situation is now completely reversed. The big businesses are generally for free trade and the workers and small business are for a flexible duty or tariff adjusted on a fair-trade basis with foreign nations. By big business I mean a business that may be described as of such size and of such nature that it can establish branch plants behind the sweatshop labor curtain, employ assembly-line methods, and use our latest machinery in order to produce goods for exportation into this country below the cost of production under our higher standard of living wage. Such organizations are generally for free trade, and consequently support the extension of the 1934 Trade Agreements Act, as proposed in House bill 5495.

Small business may be defined as business of such a size and a nature that it cannot establish branch plants in foreign countries, but must depend upon the domestic markets for the sale of its product, at the same time paying American standard-of-living wages.

Small business, as thus defined, favors flexible duties or tariffs adjusted upon the basis of fair and reasonable competition administered by the suggested Foreign Trade Authority, a reorganized Tariff Commission, as an agent of Congress.

WORKERS AND SMALL BUSINESS DO NOT SEEK ADVANTAGE

The small businesses of this Nation, and the workers in small business, have never sought an advantage. They have never requested duties or import fees above the differential in the cost of production represented by the difference in wages at home and abroad.

FAIR TRADE, NOT FREE TRADE

The workingman and the small businesses of the United States ask only for an even break in their own markets. They ask for fair trade, not free trade.

Mr. President, under the proposed substitute the Foreign Trade Authority amendment I am submitting for the pending bill, the flexible duties or tariffs would be adjusted to establish fair trade with foreign nations.

A CONSPIRACY TO DESTROY THE AMERICAN WORKINGMEN AND SMALL BUSINESS

The free-trade program, which was and is the objective of the 1934 Trade Agreements Act, represents a conspiracy to destroy the workers and small business of America.

In addition to free trade, or what is virtually free trade, whenever duties or tariffs are lowered to a level below the differential of cost, it becomes necessary to lower the wages of the workers and for investors to write down their investments, in order to meet the competition; otherwise, they go out of business; the national defense, the ability of this Nation to defend itself is being seriously impaired.

NATIONAL DEFENSE IMPAIRED

Mr. President, the national defense of this Nation is threatened through the very extenson of the act, the reason being that we are encouraged by the one-economic-worlders to secure the products needed by this Nation in its industry wherever we can get them the cheapest.

Those are the words they use. Of course, what they mean is, that we want to buy from the sweatshop-labor nations of Europe and Asia, where the lowest cost labor is located, in competition with the workers of this country. They can mean nothing else, Mr. President.

This means that we become dependent upon the far-flung areas of the world for the minerals and materials which we cannot fight a war or maintain our economic structure without—so we are utterly dependent upon areas which we cannot defend in an emergency.

Mr. WELKER. Mr. President, will the Senator from Nevada yield?

Mr. MALONE. I yield.

BRIAR-PIPE INDUSTRY—VICTIM

Mr. WELKER. Is the Senator from Nevada familiar with probably the original and one of the most unique examples which have been brought to the attention of the American people on the Ed Murrow national television show with respect to the dilemma of the briar-pipe industry in America and the many hundreds of workers who are being deprived of work as a result of the free imports of English briar?

Mr. MALONE. Yes; I am generally familiar with that dilemma. They are one of thousands of industries in which it is cheaper to use the low-cost labor of England or Scotland and ship them into this country in competition with the product of our higher labor standards of living costs.

Mr. WELKER. Will the Senator further agree that in that portrayal to the American people many workers testified as to the ruination of the only occupation they knew, and that by virtue of this free trade in briar they were actually destitute and left without work?

Mr. MALONE. It is exactly the same situation in which every other small industry finds itself when it is of such a nature and of such size that it cannot establish branch plants behind the low-wage curtain, and, therefore, must pay American wages. When small business organization in this country do that, the difference is very largely the difference in wages, because foreign nations have all the advantage of any new machinery or new methods which are applicable to a certain industry.

All the nations in the world have access to our methods and machinery.

In a foreign nation, or in any part of this nation where there are temporarily lower wages, as in the South, as compared with those in New England, we find that same situation.

The newest type of textile machinery went into the South, where wages were lower. The same thing is happening internationally, so that a whole industry will move to a lower wage area.

The briar pipe industry got caught in the international squeeze. The State Department can take the responsibility for such a condition but the Congress is responsible.

Congress has given away its constitutional responsibility so it should be held responsible. The "power of attorney" was given to the President by Congress, who transferred responsibility to the State Department.

Mr. WELKER. Mr. President, will the Senator from Nevada yield for an observation?

Mr. MALONE. I shall be very happy to yield for an observation.

Mr. WELKER. Mr. President, the distinguished Senator from Nevada has made a deep study of the problem which he is now discussing.

I doubt if any other Member of the Senate has taken one-fiftieth of the time to study this important question that has been devoted to it by the junior Senator from Nevada. He has spoken throughout the State of Idaho and has received there a fine reception, because my people in the State of Idaho realize the importance of the problem which the distinguished Senator from Nevada is trying to present to the American people. I commend the Senator for his courageous act.

Mr. MALONE. I thank the Senator from Idaho.

1934 TRADE AGREEMENTS ACT A SUBTERFUGE

Mr. President, the extension of the 1934 Trade Agreements Act for 1 year while the subject of foreign trade is being studied looks reasonable on the face of it until the facts are examined, together with their relation to the entire international Socialist pattern.

THE ACHESON-FRANKFURTER-HISS GROUP THREE-PART FREE-TRADE POLICY

The Acheson-Frankfurter-Hiss group tied the domestic economic policy and the foreign policy of this Nation together through the 1934 Trade Agreements Act, the division of the markets of the United States through the free-trade policy adopted under the Trade Agreements Act, the practice of making up the trade balance deficits of European nations through the lend-lease extension, the surplus-property disposals, cash and gifts each year, called variously UNRRA, International Bank, International Monetary Fund, the Export-Import Bank loans, the $3,750 million loan to England the Marshall plan, ECA, Mutual Security, and point 4—coupled with the original proposed International Trade Organization, to make the division of the wealth permanent.

ACHESON AND THORP

Dean Acheson, then Secretary of State, and Willard Thorp, his assistant, testified many times before congressional committees that it was difficult to separate the domestic and foreign policies. I would say, Mr. President, after they operated for 14 years, it was really difficult to separate the domestic and international policies. While the Constitution of the United States pointedly separates them, the administration headed by Mr. Acheson tied them together through utilizing the very legislation which now proposes to extend for 1 year 1 part of the 3-part free-trade policy of the past administration.

REPUBLICAN PLATFORM

Mr. President, if there was one common plank in the platform of all Republicans running for office last year, it was the pledge to return to constitutional government and to stop government by bureau and by Executive order.

SUBSTITUTE—FOREIGN TRADE AUTHORITY

Mr. President, I call up at this time my amendment in the nature of a substitute for H. R. 5495, and ask that it be stated.

The PRESIDING OFFICER. The Chair rules that while a perfecting amendment is pending, it is not in order to propose an amendment in the nature of a substitute. An amendment in the nature of a substitute may be offered at any time when no other amendment is pending. A perfecting amendment subsequently offered would have precedence over a vote on a substitute. Therefore, the amendment in the nature of a substitute is not in order.

Mr. MALONE. I shall defer offering the amendment in the nature of a substitute. However, I shall read a portion of the proposed substitute and ask that it be printed in the RECORD at this point, as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MALONE. The amendment in the nature of a substitute would act simply:

(a) to establish a sound fair trade basis for the exchange of goods with the foreign nations of the world.

(b) to adjust flexible duties, imposts, and excises on the basis of fair and reasonable competition through the Foreign Trade Authority, a reorganized Tariff Commission as an agent of Congress.

(c) to develop and promote a well-balanced, integrated, and diversified production within the United States to maintain a sound and prosperous national economy on our wage standard of living and employment in industry and agriculture.

CONTRARY TO 175 YEARS OF COMPETITIVE LEVELOPMENT

I point out to the Senate that putting such power into the hands of the President or the Secretary of State, and making the Executive an agent of Congress to reorganize the industrial map of the United States, is in entire contradiction of 175 years of development, on a competitive basis, of the diversified industries that make up the economic structure of the United States.

DETERMINE INDUSTRIES THAT ARE TO SURVIVE

The authority is now vested in the Department of State, through the procedure now in effect, to determine what industries will survive and what industries will be sacrificed on the altar of one economic world. In other words, the executive branch now has the power to rearrange the industrial map of the United States which has been developed on a competitive basis for 175 years.

(d) to establish fair and reasonable competition between American and foreign workers and investors in relation to imports.

We should not encourage imports of products produced by low cost labor in competition with goods produced by higher wage standard of living workers of the United States, but should permit the import of those products only which are produced by workers who enjoy a standard of living that is on a fair and reasonable competitive basis. In other words, there should be fair trade with foreign nations. The tariff or duty continually adjusted to represent that differential of cost would create the fair trade basis.

TAKE THE PROFIT OUT OF SWEATSHOP LABOR

There should be a quid pro quo: an hour's labor for an hour's labor.

When trading is done under those standards, it will be found that, when the difference in wages is paid into the United States Treasury as a duty, impost, excise tax, tariff, or import fee, as it is now commonly called, the profit will be taken out of sweatshop labor in the nations of Europe and Asia. Those countries will then be encouraged to raise the wages or pay of their workers, instead of paying the money into the United States Treasury.

FAIR TRADE

If the wages of workers of foreign nations were about the same as in this country, there would be no objection on the part of American workers to foreign products coming into the United States on what would then be a fair-trade basis.

When foreign wages go up, and the standard of living in the nations of the world improve, our flexible import fees would be adjusted downward; and when the foreign standard of living had reached approximately our standard of living, free trade would then be almost an automatic and immediate result.

(e) to provide necessary flexibility of import duties, thereby making possible appropriate adjustments in response to changing economic conditions.

Duties or tariffs would go down, as the standard of living in the world went up.

(f) to assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

DEALING WITH NATIONS—NO CONCEPTION OF OUR LIVING STANDARD

Our standard of living is subject to international agreements made with nations that have no conception of our standard of living or of our kind of government, but they have one vote the same as this Nation. We are dealing with them on an even basis.

The peril point included in the proposed extension of the 1934 Trade Agreements Act determined, as I have pointed out, prior to the making of agreements, gives the foreign nation the opportunity to manipulate their currency and defeat the terms of any agreement.

AGREEMENTS TO FORMER TARIFFS

So-called trade agreements really are not trade agreements; they are agreements to lower tariffs. The peril point at all times should of course be the tariff or duty.

But because of the changing economics of the two nations and their relationships, it makes it impossible for the State Department to deal with the situation. That situation can be dealt with by the proposed Foreign Trade Authority, the reorganized Tariff Commission, on a basis of fair and reasonable competition. The 1934 Trade Agreements Act provides no machinery for adjustment—it is a rigid agreement. Ten minutes after an agreement is made with a foreign nation, that country can change the value of its money, which is one of many methods followed for trade advantage—they can raise the value of its currency in terms of dollars and in effect, put the tariff on its currency, and the State Department has no recourse.

DEAN ACHESON-WILLARD THORPE

In connection with statements made by Mr. Dean Acheson, Secretary of State, and Mr. Willard L. Thorpe, Assistant Secretary of State, that it was almost impossible to separate the domestic economy from the foreign policy, I wish to read a statement made by Dean Acheson on January 24, 1929, when he appeared before a congressional committee. He said:

It is hardly possible any longer to draw a sharp dividing line between the economic affairs and political affairs. Each complements and supplements the other. They must be combined in a single, unified, and rounded policy.

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REMAKING THE INDUSTRIAL MAP OF THE UNITED STATES

In 1949 the State Department had then had control for 15 years of the remaking of the industrial map of the United States and had tied the domestic economy to the foreign policy to a point where it was almost impossible for anyone to determine between domestic economic policy and foreign policy.

THE THREE-PART FREE TRADE POLICY

On January 24, 1949, Mr. Willard L. Thorp, Assistant Secretary of State, was for the first time very definite in testifying before the House Ways and Means Committee in support of the 3-year extension of the 1934 Trade Agreements Act, when he said—and this is an important announcement by an Assistant Secretary of State, which clarifies the atmosphere and makes forever clear what the objective is—

(1) The European recovery program (Marshall plan or ECA) extends immediate assistance on a short-term basis to put the European countries back on their feet.

(2) The trade-agreements program is an integral part of our overall program for world economic recovery.

(3) The International Trade Organization, upon which Congress will soon be asked to take favorable action, provides a long-term mechanism. Each part of this program is important. Each contributes to an effective and consistent whole.

DOUBTS OF ULTIMATE OBJECTIVE SHOULD BE RESOLVED

If there is any doubt about where we are headed under this program, and whether the bill before the Senate today to extend for 1 year 1 part of the 3-part program, according to Mr. Willard Thorp—if there is any doubt in any Senator's mind as to the objective, it should be resolved today.

I thought it would be resolved when I first quoted the Secretary of State and the Assistant Secretary of State, Willard L. Thorp, in the debate on the floor of this body in 1949, 4 years ago.

I read from what I said at that time on the floor of the Senate. After finishing the quotation which I have just repeated, I said:

So says the Assistant Secretary of State. It will be seen from the statements of the administration spokesmen that there positively cannot be a bipartisan foreign policy without extending to national economic affairs, in which case there can be no disagreement on either national or international economic policy, or on the administration's hybrid economic programs, by any bipartisan advocate, which in the humble opinion of the junior Senator from Nevada, will complete the job of wrecking the economic system of the United States.

RESOLUTIONS—CALIFORNIA, IDAHO, NEVADA

To show the Senate what some of the States think about this great program we are slipping through this afternoon as a part of the adopted program of the Republican Party, I read a resolution from the Nevada State Legislature, under the heading "Nevada Legislature, Foreign-Trade Policies." I read from my statement on page 1944 of the CONGRESSIONAL RECORD of March 13, 1953:

NEVADA STATE RESOLUTIONS

I have just received a letter from Mr. Fred H. Settelmeyer, the Nevada State senator from Douglas County, enclosing a copy of Senate Joint Resolution No. 15 of the Nevada Senate. The resolution reads as follows:

"Senate Joint Resolution 15

"Senate joint resolution memorializing Congress and the National Government to bar foreign products produced by underpaid foreign labor

"Whereas livestock prices are experiencing a severe period of readjustment; and

"Whereas the members of the livestock industry, employees and employers alike, are meeting their problems with customary independence and fortitude, firm in their devotion to the principles of our free enterprise system, but the task is being made dangerously difficult by the permitted admission of cheap foreign imports produced under economic conditions grossly at variance with the high standards of wages and living existing in the United States; and

"Whereas it is essential for the economic stability and continued prosperity of our Nation, upon which rests the fate of human freedom, that our agriculture industry be assured of its place in a free American market: Now, therefore, be it

"*Resolved by the Senate and Assembly of the State of Nevada (jointly)*, That they do urge the Congress and the executive officers of our National Government that immediate action be taken to insure that our world trade policies are conceived and administered within the historic principle that foreign products produced by underpaid foreign labor and under substandard economic conditions shall not be admitted to our country on terms which endanger living standards of the American people or threaten financial injury to a domestic industry; and be it further

"*Resolved*, That a copy of this resolution be forwarded to the President and the Secretaries of State, Commerce, and Agriculture of the United States, and to our Representatives in Congress."

A further resolution was forwarded to me on March 9 by the Secretary of State, enrolled as Senate Joint Resolution 12. It was received in the Office of the Secretary of State on March 9, 1953. It reads as follows:

Senate Joint Resolution 12

Joint resolution memorializing the Congress of the United States to approve legislation designed to provide a stabilized market for the products of domestic mines

Whereas the base metal mining industry of the United States has suffered serious curtailment, and is threatened with further curtailment, through dumping of lead and zinc from low-wage foreign countries; and

Whereas the domestic lead and zinc miner has suffered from the effects of currency devaluation and the monopolistic practices of foreign governments in the purchase and sale of metals; and

Whereas Nevada, as well as many other sections of the United States, is in a large measure dependent upon the new wealth created by the mining and processing of these metals for the maintenance of its economy and for the purchasing of commodities needed by Nevada but not produced in Nevada; and

Whereas unemployment and loss of production caused by dumping from low-wage countries is depriving local, county, and State governments of much-needed tax income; and

Whereas the American taxpayer has been called upon to finance the expansion of foreign production of metals and minerals in competition with home production to the detriment of the development of reserves vitally needed in this country for national security; and

Whereas propaganda from Washington during recent years has endeavored, without foundation, to place this country in a have-not class, to the end that tariffs on basic commodities, including metals, should be abandoned: Now, therefore, be it

Resolved by the Senate and Assembly of the State of Nevada (jointly), That the Congress of the United States be, and it is hereby, memorialized to approve legislation for the stabilizing of the market for metals at prices consistent with the prevailing domestic economic level through the enactment of constructive legislation providing for a sliding scale stabilization import tax. This legislation will promote the development of our natural resources and protect our domestic economy in the interest of national security; be it further

Resolved, That duly certified copies of this resolution shall be forwarded to each member of the Nevada congressional delegation, to the President of the United States Senate and the Speaker of the House of Representatives.

NEVADA ADVISORY MINING BOARD

A resolution by the Advisory Mining Board of the State of Nevada, signed by the Governor, Charles H. Russell, the chairman of the Advisory Mining Board, Roy A. Hardy, and the Secretary of the Nevada Mining Association, Louis D. Cordon, reads as follows:

PROPOSED RESOLUTION BY THE ADVISORY MINING BOARD OF THE STATE OF NEVADA

Whereas the mining industry in Nevada has in the past, and is now suffering because of low prices on their minerals which has been brought about by the importation of minerals produced in foreign countries, who have low wage and standards of living; and

Whereas there is now an active campaign, sponsored by certain foreign countries and American citizens who consume these minerals, under the slogan "Trade, not Aid" to convince Congress that we should continue to give foreign aid in the form of free trade rather than direct, even though our mines close; and

Whereas the means of accomplishing this is through a continuation of so-called reciprocal trade agreements, which past experience has shown to be the cause of unemployment in the mining industry; and

Whereas the political party in power in Nevada has pledged itself to protect American labor and industry from unfair foreign competition by establishing the principle of flexible import fees: Now, therefore, be it

Resolved, That we are opposed to any extension of the Reciprocal Trade Agreements Act and ask that Congress again assume the responsibility of protecting the American workman and investor against unfair competition from abroad. We do favor the establishment in this country of a market for goods of foreign nations on the basis of fair and reasonable competition which will protect workers and investors against foreign low wages and low standards of living, and maintain a healthy domestic mining industry. Equalization of the difference between wages and standards of living here and abroad can best be accomplished by the adoption, by Congress, of the flexible import fee principle; be it further

Resolved, That the above resolution is a recommendation to Gov. Charles H. Russell, of Nevada, and we ask that he forward a copy of this resolution to Senator GEORGE W. MALONE, Senator PATRICK MCCARRAN, and Congressman CLIFTON YOUNG.

CHARLES H. RUSSELL,
Governor.
ROY A. HARDY,
Chairman, Advisory Mining Board.
LOUIS D. CORDON,
Secretary, Nevada Mining Association.

Mr. President, the people of the United States are discovering that they are not on the reorganized industrial map of

the State Department. The important small-business industries, including the cattle industry and the mining industry, are not on the reorganized industrial map of the United States of America, as visualized by the former Secretary of State, Dean Acheson and his assistant, Mr. Willard Thorp, and as continued under our present Secretary of State, Mr. Dulles. Mr. President, the workingmen and small-business organizations are beginning to wake up and realize that they simply are not on the remade industrial map.

CALIFORNIA STATE RESOLUTION

I have before me a note from the president of the senate of the State of California, Senator Harold Powers, with which he encloses a joint resolution adopted by the Legislature of the State of California at the 1953 session, on March 18, 1953. The joint resolution reads:

Joint resolution concerning the restoration to Congress of the fixing of tariffs

Whereas it is essential to the protection of the American standard of living and the American way of life that products of foreign countries be admitted to this country only on a basis which will not endanger the living standards of the American workingman and the American farmer and will not threaten serious economic injury to any domestic industry; and

Whereas promotion of world trade by the Government of the United States should adhere to this principle so that the economic status of the American people may be maintained and not reduced to that in the depressed areas of the world where work is performed behind the sweatshops curtain; and

Whereas while recent imports of live cattle and frozen and canned beef from Mexico, Canada, New Zealand, and other areas have dramatically highlighted the problem with respect to one industry, yet it is a problem affecting all of the branches of agriculture, industry, and commercial production; and

Whereas the Congress of the United States abandoned its traditional function of fixing tariffs on foreign commerce entering the United States under the Trade Agreements Act of 1934 to the executive department of the Government, which has carried out policies inconsistent with the welfare of American agriculture, industry, and commerce: Now, therefore, be it

Resolved by the Senate and Assembly of the State of California (jointly), That the Legislature of the State of California most respectfully memorializes the Congress of the United States to return to its traditional method of fixing tariffs based on principles of protection of American agriculture, industry, and commerce, and the standard of living for all American citizens created thereby; and be it further

Resolved, That until Congress so acts, the executive department of the Government exercises its powers to fixing tariffs only in accordance with the traditional principles of American policy as set forth in this resolution; and be it further

Resolved, That the secretary of the senate send copies of this resolution to the President of the United States, the Secretary of State, the Secretary of Commerce, the Secretary of Agriculture, the Chairman of the United States Tariff Commission, the President of the United States Senate, the Speaker of the House of Representatives, and each Senator and Representative from California in the Congress of the United States.

IDAHO STATE RESOLUTION

Mr. President, I have before me a letter dated March 5, 1953, from Ira H. Masters, secretary of state of the State of Idaho. It is addressed to the junior Senator from Nevada, and reads:

STATE OF IDAHO,
SECRETARY OF STATE,
Boise, March 5, 1953.

Hon. GEORGE W. MALONE,
Chairman, Senate Mines Committee,
Washington, D. C.

DEAR SIR: I have the honor to transmit herewith copy of Senate Joint Memorial 7 as passed by the 32d session of the Legislature of the State of Idaho.

Respectfully,

IRA H. MASTERS,
Secretary of State.

Mr. President, the resolution deals with the same subjects which the joint resolutions adopted by the States of California and Nevada dealt, namely, the ruinous free-trade policy adopted by the State Department under the 1934 Trade Agreements Act.

I ask unanimous consent to have the resolution printed in the RECORD at this point, as a part of my remarks.

There being no objection, the joint memorial was ordered to be printed in the RECORD, as follows:

Senate Joint Memorial 7

To the Honorable DWIGHT D. EISENHOWER, President of the United States; the Honorable CHARLES E. WILSON, Secretary of Defense; the Honorable DOUGLAS MCKAY, Secretary of the Interior; HOWARD I. YOUNG, Deputy Administrator, Defense Materials; J. D. SMALL, Chairman, Munitions Board:

We, your memorialists, the Senate and House of Representatives of the State of Idaho, in legislative session, duly and regularly assembled, most respectfully present the following preamble and resolution, to wit:

"Whereas the base mining industry of the United States has suffered serious curtailment, and is threatened with further curtailment, through dumping of lead and zinc from low-wage foreign countries creating an unemployment situation for a large number of the American metal miners; and

"Whereas the domestic lead and zinc miner has suffered from the effects of currency devaluation and the monopolistic practices of foreign governments in the purchase and sale of metals; and

"Whereas Idaho as well as many other sections of the United States, is in a large measure dependent upon the new wealth created by the mining and processing of these metals for the maintenance of its economy and for the purchasing of commodities needed by Idaho but not produced in Idaho; and

"Whereas unemployment and loss of production caused by dumping from low-wage countries is depriving local, county, and State governments of much needed tax income; and

"Whereas the American taxpayer has been called upon to finance the expansion of foreign production of metals and minerals in competition with home production to the detriment of the development of reserves vitally needed in this country for national security; and

"Whereas propaganda from Washington during recent years has endeavored, without foundation, to place this country in a have-not class, to the end that tariffs on basic commodities, including metals, should be abandoned: Now, therefore, be it jointly

"Resolved by the Senate and the House of Representatives of the 32d session of the Legislature of the State of Idaho (the Governor of the State of Idaho concurring therein), That the Congress of the United States be and is hereby memorialized to approve legislation for the stabilizing of the market for metals at prices consistent with the prevailing domestic economic level through the enactment of constructive legislation providing for a sliding scale stabilization import tax. This legislation will promote the development of our natural resources and protect our domestic economy in the interest of national security; be it further

"Resolved, That the secretary of state of the State of Idaho, be, and he hereby is, authorized and directed to send copies of this joint memorial to the Honorable Dwight D. Eisenhower, President of the United States; Secretary of Defense Charles E. Wilson; Douglas McKay, Secretary of the Interior; Howard I. Young, Deputy Administrator, Defense Materials Procurement Agency; J. D. Small, Chairman, Munitions Board; Hon. Henry C. Dworshak, United States Senate; Hon. Herman Welker, United States Senate; Hon. Hamer H. Budge and Hon. Gracie Pfost, United States House of Representatives; Hon. Richard M. Nixon, Vice President of the United States; Hon. Joseph W. Martin, Jr., Speaker of the House; Hon. George W. Malone, chairman, Senate Mines Committee, and Hon. A. L. Miller, chairman of House Internal and Insular Affairs Committee."

This Senate joint memorial passed the Senate on the 21st day of February 1953.

EDSON H. DEAL,
President of the Senate.

This Senate joint memorial passed the House of Representatives on the 27th day of February, 1953.

R. H. YOUNG Jr.,
Speaker of the House of Representatives.

I hereby certify that the within Senate Joint Memorial 7 originated in the Senate during the 32d session of the Legislature of the State of Idaho.

BRITT NEDRY,
Secretary of the Senate.

RESOLUTION—ALLIED WOOL INDUSTRY GROUPS

Mr. MALONE. Mr. President, I have before me the action taken by the Allied Wool Industry Groups at the Emergency Wool Conference, Denver, Colo., on February 2 and 3, 1953. The resolution deals with the subject of wool and the sheep business generally in the same manner as the joint resolutions of the 3 States which I mentioned. I ask unanimous consent to insert in the RECORD at this point as a part of my remarks the resolution by the Allied Wool Industry Groups adopted at their Emergency Wool Conference, held in Denver, Colo., February 2 and 3, 1953.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

ACTIONS TAKEN BY ALLIED WOOL INDUSTRY GROUPS AT EMERGENCY WOOL CONFERENCE, DENVER, COLO., FEBRUARY 2 AND 3, 1953

1. Formed an Allied Wool Industry Committee to carry out program adopted, set up method of operation, and retained Robert Franklin as public relations counsel to manage the action program under direction of the committee.

2. That at this time we renew our efforts to bring to the attention of the Secretary of the Treasury section 303 of the Tariff Act of 1930 and urge he ask the imposition of additional duties on dutiable wool imported into the United States from countries which have subsidized raw, semimanufactured and manufactured wool and wool products for export to the United States; this subsidization to include manipulation of currency exchange.

3. We recommend that section 336 of the Tariff Act of 1930 be reactivated. It is now prohibited by Trade Agreements Act of 1934 as amended (sec. 2, Public Law 316, 73d Cong.). We recognize that this would take legislative action.

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4. We, the members of the allied wool groups, are opposed to the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong., extending authority of the President under sec. 350 of Tariff Act of 1930 amended); however, if agreements are entered into, the escape clause, section 6 of the same law shall be mandatory for negotiating new agreements and (2) make the peril point provision mandatory for negotiating new agreements.

5. We, the allied wool groups, demand that the Secretary of the Treasury immediately impose additional duties on foreign subsidized wool as provided under the Antidumping Act of 1921, which reads: "That whenever the Secretary of Treasury * * * finds that an industry in the United States is being or is likely to be injured * * * by reason of the importation * * * of foreign merchandise * * * being sold * * * at less than its fair value, then he shall make such findings public to the extent he deems necessary. Where the Secretary has made a public finding * * * there shall be levied, collected and paid, in addition to the duties imposed thereon by law, a special dumping duty in an amount equal to such difference" and ask simultaneously for the Congress to investigate why the collector has not complied with the provisions of the Antidumping Act to hold up the importation of such subsidized wool.

6. We recommend that favorable action be taken by the President of the United States under section 22 of the Agricultural Adjustment Act as amended (U. S. C. title 7, sec. 624), which reads: "Whenever the Secretary of Agriculture has reason to believe that any article * * * is being imported * * * under such conditions and in such quantities as to render or tend to render ineffective or interfere with any program [support program] * * * he shall advise the President" relative to the Department of Agriculture and producer segments which was presented before the Tariff Commission on September 30, 1952, in support of additional duties on wool to protect the Government wool support program.

7. Establishment of a general legislative policy to modernize and establish all necessary tariff laws and regulations to provide adequate protection for domestic wool production.

8. Oppose any extension of the Trade Agreements Act (propagandized as the "Reciprocal Trade Agreements Act") or any other measure which would give to the executive branch the right to enter into foreign-trade agreements without the advice and consent of the Senate, as provided in article 2, section 2 of the Constitution.

9. To seek the amendment of section 22 of the Agricultural Adjustment Act to make its provisions mandatory and transfer to the Department of Agriculture the duties now imposed upon the Tariff Commission under this section.

10. Seek the inclusion of the Berry amendment, as provided in the Defense Appropriations Act expiring June 30, 1953, as a part of the basic Buy-American Act.

11. To press for adoption of a royalty payment tariff to provide funds for the promotion and support of the United States sheep industry.

12. Enact legislation to impose a parity tariff on all foreign wool imports, whenever domestic wool prices are being supported by any Government program.

13. Request that the Congress, by resolution, establish the general policy that a strong domestic sheep industry is essential to the well-being of the United States and therein to request the cooperation and consideration of this position in all administrative acts involving the industry.

14. Endorsed O. R. Strackbein and Bertrand Gearhart for appointment to the United States Tariff Commission.

15. Accepted in principle the organization of a United States Wool Stabilization Corporation with the discussion and findings of this group to be submitted to the Department for their guidance and with each segment to have the opportunity after the articles of incorporation are drawn up to make constructive suggestions for additions or changes and that a copy of this resolution be put in the hands of the Secretary of Agriculture through this organization.

(This proposal embodies the idea of industry operation of support programs rather than through Government agencies insofar as laws will permit.)

16. Requested information of a committee with C. J. Fawcett of the National Wool Marketing corporation as chairman for the purpose of working out the problems created by the entry duty-free of carpet wool.

17. Adopted a policy on foreign trade stating: "The promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer or threaten serious injury to a domestic industry."

18. Adopted as policy and sent the following telegram to Secretary of Agriculture Ezra Benson:

"At a meeting of allied wool interests called to assemble by the National Wool Growers Association in Denver today it was unanimously voted to request that the Commodity Credit extend the maturity date of all loans made under the 1952 wool support program to September 1, 1953, at the grower's option and that the grower retain the privilege of redeeming his wool by paying the loan plus accumulated charges. The reason we are asking for this extension is to provide a more orderly marketing for the remaining 1952 wool clip. We feel that the present demoralized condition of the wool market is due largely because our domestic markets for wool are now being flooded by foreign importations which are subsidized by exporting countries through the manipulation of currency exchange which in effect nullifies tariff protection provided by law which we are hopeful will be corrected by your administration.

"RAY W. WILLOUGHBY,
"President, National Wool Growers Association."

19. Obtain ruling from Armed Services Technical and Procurement Division that mere scouring of the United States of wool of foreign origin does not entitle it to protection of Berry amendment.

20. Authorized the raising of funds to carry out the program of the allied wool committee with immediate subscribing to the fund, without solicitation, of $1,000 by Leland Ray and M. A. Smith and $500 by Ray Willoughby. The industry is being asked to contribute. Make all checks payable to Allied Wool Committee and mail to 414 Pacific National Life Building, Salt Lake City, Utah.

RESOLUTION—NATIONAL WOOL GROWERS ASSOCIATION

Mr. MALONE. Mr. President, I have before me a pamphlet which includes a resolution adopted by the National Wool Growers Association at its 88th annual convention, held in Chicago, Ill., December 9 and 10, 1953. The resolution reads:

We respectfully urge that Congress repeal the existing reciprocal trade agreements and hereafter reserve to itself the procedure of ratification contemplated by article 6 of the Constitution of the United States.

RESOLUTION—DAUGHTERS OF AMERICAN REVOLUTION

Mr. President, I have before me a resolution adopted by the 62d Continental Congress, National Society, Daughters of the American Revolution, April 20–24, 1953, held in the city of Washington, D. C. I read briefly from the resolution under the heading "Foreign Trade":

Whereas the promotion of world trade should be on the basis of fair and reasonable competition and must be done within the principle long maintained that foreign products of underpaid foreign labor shall not be admitted to the country on terms which endanger the living standards of the American workingman or the American farmer, or threaten serious injury to a domestic industry;

Resolved, That the National Society, Daughters of the American Revolution, urge the United States Congress to resume its constitutional responsibility of regulating foreign commerce through the adjustment of duties, imposts, and excises through its agent the Tariff Commission and allow the 1934 Trade Agreement Act, the so-called Reciprocal Trade Act which transferred such responsibility to the President, to expire in June of this year.

INDUSTRIES—SMALL BUSINESS—NOT ON REMADE INDUSTRIAL MAP

Mr. President, this has reference to the very Trade Agreements Act we are discussing today, which House bill 5495 proposes to extend for another year.

I would say the States of California, Idaho, and Nevada and the national growers and the DAR have looked over the new industrial map contemplated by the Secretary of State under the 1934 Trade Agreements Act, as extended; and those States and organizations have decided that the principal industries in which they are interested do not appear on the reconstructed map, and they do not like it—as evidenced by the resolutions adopted by their legislatures, representing every precinct in those States.

RESOLUTION—AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION

Mr. President, I have before me a memorial to the Congress and to the Secretary of Agriculture, adopted by the executive committee of the American National Cattlemen's Association at a special meeting held in Denver, Colo., on April 28–29, 1953. I read from the memorial:

4. TARIFFS

Whereas in 1934 Congress authorized 50-percent reductions in the tariff rates existing under the Tariff Act of 1930, and again in 1945 authorized a further reduction of 50 percent from rates then in effect; and

Whereas the freetraders are again demanding either that all tariffs be eliminated or that further sharp reductions be made in the low-tariff rates remaining as a result of the two 50-percent reductions referred to above; therefore, we reiterate our opposition to any further wholesale cuts, and insist that action be taken through the escape clause of the Reciprocal Trade Act or otherwise to provide more adequate tariff protection for American industry, labor, and agriculture.

TOYNBEE'S NEXT STEP IN HISTORY

Mr. President, apparently the American National Cattlemen's Association have also reviewed the new industrial map that the administration is continuing to compile, following 20 years of

prior administrations' manipulations and decisions as to what industries shall survive and what industries shall be sacrificed, under that great theory that all countries will live alike, that the standards of living of all the nations of the world will be averaged, and that there will be a one-world government, as Mr. Toynbee so ably outlined, as set forth in an article appearing in the November 17 issue of Look magazine.

"TRADE, NOT AID"

Mr. Toynbee's article appeared in the midst of the great propaganda program which was carried on in an effort to sell to the American people the idea of "trade, not aid."

Mr. President, the "trade, not aid" slogan was invented by the British Chancellor of the Exchequer, Mr. Butler, who now is taking Mr. Churchill's place in international negotiations.

Certainly it is clear and apparently it is clear to the 3 States and the organizations, according to the resolutions which I have mentioned; it is clear to the American National Cattlemen's Association and to the National Wool Growers' Association and to the miners of the United States and to the DAR that the principal industries in which they are interested do not appear on the new industrial map that the Secretaries of State, over a period of 20 years, have laboriously been making, under the "power of attorney" granted them by the Congress of the United States.

The State Department has been made an agent of Congress and has in effect a "power of attorney" from Congress—and the Congress has no redress—yet we are here today about to extend for 1 year the power of life and death of the workingman and the small business of our Nation.

Mr. President, I now read the fifth paragraph of the memorial addressed to the Congress and to the Secretary of Agriculture by the executive committee of the American National Cattlemen's Association at a special meeting at Denver, Colo., on April 28–29, 1953:

5. BUY AMERICAN

The appropriation for the armed services has for several years carried a "Buy-American" provision, which has resulted in large purchases of beef for the Armed Forces; and

Whereas the freetraders are now attacking this provision;

Therefore we urge the continuation of the program in order to continue this outlet for beef.

CONTRACT TO INSTALL ELECTRICAL EQUIPMENT

Mr. President, a little while ago we had an interesting experience in connection with the letting of a contract by the Army. Bids were being taken for electrical-generating equipment. The Army turned down the first bids, including one which had been made by an English firm. Of course, in England the average wage of workers in the electrical industry is 37 cents an hour, whereas in the United States the average wage of workers in our electrical industry is $1.84.

As I said, the Army rejected the first bids, including one by an English company. The Army did not award the bid to an American company, but rejected all the first bids, and asked for new ones.

WAGE—STANDARD OF LIVING—HERE AND ABROAD

As I just stated, Mr. President, the average wage of workers in the electrical industry in the United States is $1.84 an hour, while the English wage for similar work is 37 cents per hour. A large percentage of electrical equipment is hand finished.

It is to be noted that the difference, percentagewise, between the low bid by the English company to which I have just referred and the lowest bid by a United States company did not amount to the difference between the average wage of electrical workers in England and the average wage of electrical workers in the United States.

The actual difference between the bids was approximately $600,000, in the case of a total bid of $10 million or $11 million. There was a difference of approximately 15 percent between the English company's bid and the United States company's bid.

PROPAGANDA INFLUENCED THE DEPARTMENT OF DEFENSE

However, the Army rejected all those bids and called for new ones. When the new bids were submitted, there had been so much propaganda from international sources and from our internationally minded friends that the Army felt obliged to award the contract to the English bidder. Of course, the performance of the contract involves a very great number of hours of labor, so the awarding of the contract to the English firm represented a direct attack upon workers of the United States and the investors and small businesses of this Nation.

Of course, United States small businesses are not in a position to establish branch plants in foreign countries, and thus be able to advocate or to profit from free trade.

NATIONAL DEFENSE IMPAIRED

However, that is not the most serious aspect of that case. The most serious aspect is that after one of those English-built generators begins to generate electric power, to be used by the United States for national-defense purposes, in time of emergency—and, incidentally, Mr. President, in this connection I point out that for years we have gone from one emergency to another, with no sign of getting out of them, but in a real emergency, when the chips are down, if anything happened to any one of those generators, how would we be able to obtain repair parts?

Could they be obtained from England at such a time? Obviously they could not be, for during a period of submarine warfare, a cargo ship would have no chance of reaching the United States from England.

However, as a result of permitting the English firm to install English-made generators at an important site in the United States, in connection with the development of electrical energy, we have placed ourselves in the position of being dependent upon overseas areas for the products without which we cannot fight or maintain our national economy. If that process is continued, we shall soon be dependent upon the entire world and cannot survive economically or defend ourselves.

Mr. CARLSON. Mr. President, will the Senator from Nevada yield at this point?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Nevada yield to the Senator from Kansas?

Mr. MALONE. I am very happy to yield.

Mr. CARLSON. Mr. President, I am very glad the distinguished Senator from Nevada has discussed the contracts for the transformers to be installed at Chief Joseph Dam. I myself am somewhat familiar with that matter.

I am wholeheartedly in accord with the views of the Senator from Nevada regarding the letting of that contract. It is true that the British bid was somewhat lower than the American bid, and it is also true that after the first bids were rejected and after new bids were called for, the bid of the British firm was still the lowest. However, I wish to say that, even though there is a feeling on the part of some persons that the United States is not doing all it could do to assist foreign countries in connection with international trade problems, yet we must remember that there is a great difference between the wages paid in the United States, and the wages paid in other countries, including Britain.

Mr. President, the point I wish to stress is that the United States has just signed an International Wheat Agreement with 45 other nations, but Great Britain has refused to sign the agreement because of a difference of 5 cents a bushel between the United States price and the United Kingdom price. It seems to me that if the British want to have the cooperation of the United States, the British must remember that cooperation must be a two-way street.

I am very glad the distinguished Senator from Nevada has mentioned the generator item.

NEVER A TWO-WAY STREET

Mr. MALONE. Mr. President, I appreciate the comment the distinguished Senator from Kansas has made. Certainly this matter is vital. The program under the Reciprocal Trade Agreement Act has never amounted to a two-way street, and up to date the State Department has shown no indication of wanting to make it a two-way street.

The process which has been followed in connection with this program amounts to leveling or averaging the living standards of the various nations of the world. When such a program is carried out, of course the United States is the first Nation to suffer, because the standard of living in the United States is the highest in the world.

AMERICAN WORKERS' JOBS—NO NATION EVER KEPT THE SPIRIT OF A TRADE AGREEMENT

Mr. President, I can say without fear of successful contradiction—that no foreign government has ever kept a trade agreement with the United States. So why should we proceed with this idiotic method of extending an act which, up to date, has almost ruined many of our industries?

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If I were to read all the briefs submitted by injured industries, particularly small industries and small business—and they represent only perhaps a small faction of the industries affected in the United States—Congress would not adjourn this week.

I have no intention of reading the briefs, but I do intend to read from a few of them for the RECORD; and I also intend to read a few resolutions, merely a few of the resolutions that I have received from industries and areas, that are really suffering.

ESCAPE CLAUSE A FAKE

I should like to say to the distinguished Senator from Kansas that so far as the escape clause is concerned, it is a fake that has been foisted on the American people.

Only 3 applications for relief out of the 50 filed, were granted under the escape clause; and the relief granted was less than needed.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the Senator from Kansas.

Mr. CARLSON. Mr. President, while we are still discussing the matter of transformers at Chief Joseph Dam, I think it should be made clear that, had the British transformers been imported into the United States, the tariff or duty on them would have been 15 percent; but, if the situation had been reversed, and we had sold transformers to Great Britain, the British duty would have been 20 percent. That is the duty we would have paid on products of our own manufacture. Yet we hear a great deal about free trade, and of how anxious Great Britain is to cooperate.

EUROPEAN NATIONS HAVE NEVER LIVED UP TO AGREEMENTS

Mr. MALONE. Mr. President, the distinguished Senator from Kansas has put his finger on the sore spot. At the moment, the European nations will not even trade with each other.

They not only have tariffs, but within an area only half as large as the United States, with approximately twice as many people, they also have quotas, specifications, and manipulations of currency for trade advantage between and among themselves.

OVERPOPULATION REAL TROUBLE

Their real problem is overpopulation. There is nothing we in the United States can do in the way of devoting our wealth to the support of other nations that will bring their standard of living up to ours. That must be apparent to anyone who will study the situation.

Great Britain has no intention of making it a two-way street.

MANIPULATIONS OF CURRENCY FOR TRADE ADVANTAGES

As the junior Senator from Nevada has previously stated, when our State Department makes a trade agreement, the other country immediately creates one or more additional prices for its currency. As a matter of fact Great Britain, in the sterling bloc, had as high as 28 different values for the pound at one time, and all of them were superficial.

They are in no way unique—practically all foreign nations do the same thing.

DEVALUATE CURRENCY—RECOGNIZE COMMUNIST CHINA

At the time—I believe it was in 1949, when representatives of Canada, Great Britain, and the United States were meeting here—the junior Senator from Nevada stated on the floor of the Senate that when those representatives went home following the conference, they intended to devaluate their currency and to recognize Communist China.

All the foreign-minded free-trade papers on the eastern coast howled to high heaven that such a statement should be made. But, the minute those representatives arrived in their respective countries—and we had already agreed to follow them in the recognition of Communist China, an agreement we have never repudiated—as a matter of fact, they did devalue their currencies and immediately to that extent upset all the existing trade agreements.

NO REMEDY UNDER 1934 TRADE AGREEMENTS ACT

We have no way of combating such action; we have no remedy; we have nothing. We had nothing to do in determining the official price of $4.03 for the British pound or with cutting its price to $2.80. Both those prices were fixed by the British.

There were at that time about 28 different values of the currency in the sterling-bloc countries.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. MALONE. I am happy to yield to the distinguished Senator from Oregon.

Mr. MORSE. I have to attend a conference, and I cannot be present on the floor to hear the remainder of the speech of the Senator from Nevada. I do not know when he began. I am simply asking for information. I heard the Senator say something about the fact that he was not going to present certain material, because of the time it would take for him to present it. I trust he will make a complete record and will not desist from whatever discussion he thinks appropriate, at whatever length he believes necessary, merely because some Senators want to get away for the 4th of July. I do not know why this bill cannot be voted on Monday, as well as on Friday. I wanted the Senator to know that. I hope he will speak at whatever length of time he may think necessary. In my absence, when a request is made to fix a time for the vote, I wish the Senator from Nevada would extend to me the courtesy of objecting in my behalf.

SENATE AND HOUSE MEMBERS BYPASSED IN RUSH

Mr. MALONE. I certainly appreciate the remarks of the distinguished Senator from Oregon, and I think he is exactly correct. Such measures as this are being rushed through in the 83d Congress, and I am sure that not all the Members of the House and Senate can spend the time necessary in order to become entirely familiar with the effects of the bill we are asked to pass.

PEOPLE WOULD MOVE ON CONGRESS

From what I know of the people of Nevada, Oregon, Idaho, Illinois, and perhaps two-thirds of the States of the Union, if they were really to understand the probable effect of the pending bill, they would move on the Senate. They would not even wait to have us come home in order to reach us.

AMERICAN COMPANY—WESTINGHOUSE VERSUS ENGLAND

Mr. President, I have a clipping from the Washington Evening Star of June 17, by the Associated Press, pointing out that—

A British firm has won part of the controversial contract for power equipment at Chief Joseph Dam in Oregon.

It goes on to say that a number of British officials voiced a word of complaint. This was when the generators were first turned out. I read:

A number of British officials put in a word of complaint, taking the view that the affair was a "buy American" move. They contended that rejection of the bids from overseas was a bad omen of the trade policy of the administration.

RECOGNIZED COMMUNIST CHINA—TRADING WITH ENEMY

Mr. President, the same British Government has recognized Communist China; and Great Britain and most of the Commonwealth countries have traded with the enemy continually.

I may say that the junior Senator from Nevada, 2 years ago, placed in the RECORD 96 trade treaties, at which time he enumerated many of the particular items which under the 96 trade treaties they had with Russia and with the Iron Curtain countries were being sent by the Marshall plan countries to Russia and her satellites. The items included almost everything that would be needed in order to fight world war III against us.

TRADE WITH ENEMY COUNTRIES

That trade was continued by them even after Mr. Truman brought about the famous—or infamous—police action in Korea and still continues.

They have continued to send to Communist China tin, rubber, and everything else they needed, and have continued to send material to Russia and to the Iron Curtain countries, whence it found its way into Communist China and into Korea.

SENT MATERIAL TO KILL OUR BOYS

Under the present act, as I have stated several times previously, from 50 to 75 percent of the materials used to kill American boys in Korea was furnished by our so-called allies.

In view of that fact, and in view of the fact that the distinguished Senator from Kansas has said that if we were to send electrical equipment to Great Britain, we would pay a 20 percent duty, whereas, as a matter of fact, our production costs us much more because of our higher labor costs and labor is the chief ingredient in the manufacture of electrical equipment—we could not compete in any case; they would not allow us to do so. Yet they said the rejection of the British bid was a bad omen of the trade policy of the administration.

Thank God, there was one person at that time in the national Defense Department who had the guts to reject it; but later the pressure could not be withstood and a good part of the contract was awarded to England in the face of the obvious fact that no repairs could be secured for such machinery in the event of a real emergency.

Mr. President, while the British officials were voicing a complaint over the rejection of the first bid on the Chief Joseph Dam generators and transformers the American workers were having something to say about acceptance of the foreign bids.

The Journal of Commerce of New York on Wednesday, June 17, 1953, carried an article with a Pittsburgh dateline from the Associated Press. The headline of the article is "Foreign Bidders Called Job Threat." The subhead is "Westinghouse Reports Millions Lost to Firm by Federal Awards."

The article reads in part:

A Westinghouse Electric Corp. official told 8,000 employees at a mass meeting today that awarding of Government contracts to foreign firms is endangering the jobs of American workers.

John K. Hodnette, vice president in charge of the company's industrial products division, said foreign competitors often are able to underbid United States firms because of cheap labor.

Speaking at the unveiling of a giant new manufacturing building at Westinghouse's East Pittsburgh plant, Mr. Hodnette said the plant alone since January 1, 1952, has lost more than $7 million worth of business and about 1 million man-hours of work by factory employees on Government contracts given the foreign companies. On this business, he declared, "the United States Government has lost more than $1.8 million in taxes."

NATIONAL DEFENSE ENDANGERED

Mr. President, while the attack on American labor and American business is a very serious thing to our our wage standard of living, it could be much more serious in a time of emergency to be depending upon obtaining repairs for English electrical equipment and supplies and to transport them 3,000 miles across the ocean. It could result in a shutdown and a loss to a particular plant in the United States, with whatever consequences might accrue because of lack of power in a particular defense area.

RESOLUTION—NATIONAL WOOL GROWERS ASSOCIATION

Mr. President, under the heading "Reciprocal Trade, Statement No. 12," the National Wool Growers Association, in their 87th convention, December 4 to 7, 1951, held in Portland, Oreg., had this to say:

The power of making reciprocal trade agreements is inherently vested in the Congress. We demand that Congress regain its power and authority and that no such treaties be made except by action of our National Congress. In our opinion, the most-favored-nation clause should be eliminated.

THE MOST-FAVORED-NATION CLAUSE

Everyone knows, I suppose, what that clause is. When a treaty is made between this Nation and any other nation, under the 1934 Trade Agreements Act, every nation in the world is given the same privilege and an advantage over us but not over the other nation a party to the agreement, without giving or agreeing to anything in return.

RESOLUTION—TEXAS SHEEP AND GOAT RAISERS ASSOCIATION

Mr. President, I have before me a resolution adopted by the annual convention of the Texas Sheep and Goat Raisers Association, November 10–12, 1952, which reads as follows:

The stand of the American wool grower on a protective tariff is traditional and should now be well known to everyone. However, in order that no one will get the impression that our views have changed, we hereby reaffirm our age-old position of solid support for a protective tariff on wool and all livestock products and manufactures thereof. We call attention of the Congress to the fact that our present tariff rates are made ineffective by the policy of certain foreign governments in subsidizing their wool exports and manufacturers through manipulation of foreign-exchange rates which permit the wool tops to come into this country duty-paid at a price below that which domestic manufacturers can meet. There is a law that provides for countervailing duties in such cases.

The present administration has failed to take advantage of this provision. We urge Congress to correct this situation.

We further call attention to what, in our opinion, is an unwise policy of this Government—which is to allow any foreign product to enter this country at a price below our domestic parity price on that product.

It is a waste of Federal funds to support the price of a product and then allow foreign imports to enter at a figure that impairs the support price.

This can be prevented by establishing a parity tariff amounting to the difference between the foreign price and parity. We urge Congress to establish such a parity without disturbing the present tariff schedules.

We feel more keenly than ever that the Reciprocal Trade Agreements Act is a vicious law. It is legislation by treaty and replaces the industry in its primary purpose to promote peace and good will for the United States among the other nations of the world.

It leaves domestic products at the mercy of governmental theorists who are beyond the reach of voting citizens of this country—people who usually know nothing of the practical side of the industry. We ask Congress to permit the act to expire.

AT THE MERCY OF A BUREAU OFFICIAL

Mr. President, the Secretary of the Treasury did finally invoke the countervailing duties section.

I might say that while the President of the United States wrote a letter directing the Tariff Commission to drop all investigations instituted on the application of the wool industry for relief under the escape clause from the duties set by the State Department, there has been so much commotion over the country that he has now said he will direct the Tariff Commission to again take up the matter.

Mr. President, I desire to point out that that is another thing pointing up the danger of the pending legislation.

Congress abdicated its constitutional responsibility when it transferred the authority to the Secretary of State giving the Secretary the power of attorney so that he can put his magic finger on an industry and say that it shall be destroyed, or that it shall be saved—with Congress standing helplessly by.

He does not put it in those words, but the effect is the same—he can say, destroy this industry, preserve that industry. Take 10 percent of one industry and give it to a foreign nation, and take 20 percent of another industry and give it to another foreign nation.

OUR ECONOMIC STRUCTURE—A PUNY BUREAU

Mr. President, I was thinking a few days ago about what I could possibly say regarding the Trade Agreements Act that I had not said many times before on the floor of the Senate, and how I could describe the attempt of a puny bureau official to regulate all the factors that mesh into our economic structure and make it what it is.

Mr. President, thousands upon thousands of economic factors are involved. They include the actions of citizens in various sections of the country, labor groups, the amount of wages paid; industrial groups controlling thousands of highly diversified industries; the agricultural group, with its myriad of economic factors; and many more, all of which mesh into the entire economy, if principles are adhered to and allowed to operate.

We have developed in the past 20 years a strange breed of persons who come out of colleges and other places; indeed, we hardly know where they come from.

They know little about this complicated economic structure and are not familiar with the problems connected with it.

HAVE ALL OF THE ANSWERS, BUT DO NOT KNOW THE PROBLEMS

I recall that in 1946, when I first ran for office, the only office I ever ran for in the State of Nevada, I told my people, "I do not know all of the answers to these problems, but I do know the problems; at least, I know enough about them to study them and to listen to the evidence and to arrive at an approach to the answer."

I further said that the trouble in this country is not caused by men who know the problems and are willing to study them and to effect an approach to the necessary remedy.

The trouble is caused by persons who come up with all the answers when they do not even know the problems.

That is the best way in which I can describe this strange race of people that developed over the past 20 years who think they can handle all the hundreds and thousands of economic factors that enter into the economic structure of this country.

They remind me of someone who says, "Nature is not very well qualified to take care of the growth of the trees, of grass, of insects, and so forth. Turn it over to us.

"We will determine, in our infinite wisdom, how fast the leaves should grow; what kind of insects should survive and what kind should be destroyed.

"We will determine exactly how often it should rain and what effect it will have; what areas shall be put into cultivation, and what crops shall be raised."

It would be just as reasonable to have some bureau official in charge of all nature, so that he can sit, wearing his great know-all cap, and direct the infinite number of things that go to make up the growth and development of the whole countryside.

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That is just as reasonable as to think he can sit there and handle every economic factor that goes to make up the hundreds and thousands of factors that make up our great and complicated economic structure. It simply cannot be done. No human being has the mind that can even approach it.

WE CREATE OUR OWN PROBLEMS

So we cure one thing we can see and create a hundred other problems. Then we pass another bill, and try to fix the problems we create.

THREE CORN AND WHEAT CROPS—HUNGRY CATTLE

We now have a third unused corn crop and third unused wheat crop coming up, and we will appropriate money to build additional bins for those crops.

We will have corn bins and wheat bins scattered all the way from the middle of Kansas east to the Atlantic Coast, and hungry cattle and sheep spread out over the ranges all the way from the middle of Kansas west to the Pacific Coast, and the trick is to get the cattle and sheep to the corn and wheat—after 20 years of supervision by the boys who are so smart that they never even learned about the real problem.

HOW TO FEED $3 CORN TO $20 CATTLE

What we need is a recipe from the smart boys now, as to how to feed $3 corn to $20 cattle. If we would let the water settle a while it might be possible that the sensible folks could work out the problem. If Congress would lay down the principle, but we have not yet adopted a principle of procedure, the people at home might know what to do to help themselves.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD resolutions unanimously adopted by the Texas Sheep and Goat Raisers' Association in annual convention at San Antonio, Tex., November 28 to 30, 1949.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTIONS UNANIMOUSLY ADOPTED BY THE TEXAS SHEEP AND GOAT RAISERS' ASSOCIATION IN ANNUAL CONVENTION IN SAN ANTONIO, TEX., NOVEMBER 28–30, 1949

1. We reiterate our previous stand in favor of retention of clear channel broadcasting stations and higher power on clear channels for adequate service to rural areas; and we furthermore request that the State Department be instructed by the proper authority to maintain a firm position to protect the rights, radiowise, of the United States against further inroads by other North American countries.

2. In our opinion the Reciprocal Trade Agreement Act is the most overrated piece of legislation ever passed by the National Congress. The purpose of the act was to promote trade with foreign nations which in turn was supposed to promote peace throughout the world. This act has been in effect now since 1934 and in spite of it, we have had the worst war the world has ever known and conditions at present are certainly far from being peaceful.

In spite of the fact that our tariff duties have been reduced on most lines by 50 percent, the relation between imports and exports remains about the same as before the law was passed. For many years we have exported roughly about twice as much as we import. Anyone familiar with the tariff knew that it could not have been otherwise, for under the Smoot-Hawley tariff law, 67 percent of all our imports came in free of duty and on those that were dutiable, undervaluation abroad reduced the tariff to be paid by a considerable amount.

Our exports now are very large on a dollar basis because of inflation of domestic values. We are exporting about $12 billion worth of goods yearly, but it is probably not realized that the volume of goods being exported could actually be less than when our exports were six billion annually. Compare the present export value of wheat at around $2.50 per bushel with the normal value of around $1.50 a bushel; compare the export value of cotton during the last year or two with its normal value; compare the value of practically any export with its normal value and the significance of this statement can be seen.

On the other hand, most of our duties on imports, except agriculture items, are levied on the advalorem or percentage basis. That is, we collect in duties a percentage of the foreign value of the article. Importers, by and large, practice all sorts of skulduggery to undervalue their imports. In many cases it is impossible to determine the foreign wholesale price and while our customs inspectors are diligent, it is impossible to ferret out the tricks of importers.

Furthermore, we hold with the generally accepted belief that our State Department is incapable of protecting the interests of domestic producers. We feel that the matter of negotiating trade agreements should be carried on by businessmen rather than by diplomats. Our State Department works diligently and usually is successful in being outsmarted.

We will not at this time recite the many instances where our State Department has consummated an agreement in all seriousness and sincerity only to have its effectiveness entirely nullified by exchange restrictions, currency manipulations, licensing provisions, quotas, embargoes, or some other escape scheme being imposed by the foreign nation which was a party to the contract.

Therefore, in view of the inefficient manner in which the Reciprocal Trade Agreements Act has been administered, we hereby request the Congress to thoroughly investigate the trade treaties which have been accomplished thereunder and the effect which they have had upon our economy and that such corrective measures be instituted which will bring some manner of order out of the chaos that is now upon us.

We furthermore petition Congress to reenact the so-called peril point clause which will in a manner give some protection to domestic industries.

3. We are in favor of the continuation of the wool and mohair purchase plan by the Commodity Credit Corporation at 90 percent of parity and also request the CCC to handle these commodities on a modified purchase agreement plan, similar to that now used in the handling of grain, said agreement to be cancelable by the grower at any time prior to the end of the wool and mohair year.

4. The funds appropriated by Congress for predatory animal control are altogether insufficient for the purpose and are very meager as compared to the appropriations made by the States for the same purpose. Predatory animals are raised in large numbers on Government-owned lands, such as the national parks, where at present no control is attempted or allowed.

We, therefore, request that the present Federal appropriation to the Fish and Wildlife Service of the United States Department of the Interior for predatory animal control be increased at least 50 percent in order that Federal funds may be available to bear an equitable part of the cost of the predatory animal control program in general and the cost of controlling predators on and near federally owned lands in particular. We urge our delegates in Congress to support more adequate funds for the predatory animal control program of the Fish and Wildlife Service and also sponsor and support legislation which will require that the National Park Service control or permit the control of predators in park areas to the end that such animals shall not drift out and become a menace to livestock in adjacent areas.

5. We reaffirm our position opposing the proposed change of the present 28 to 36 hour law governing the time livestock can be confined while in shipment by rail, and strongly urge that such bills not be enacted into law.

6. We reaffirm our position with reference to repeal of the 3-percent Federal tax on transportation of property and most urgently petition the Congress to remove this unjust burden as quickly as possible.

7. We respectfully request and strongly urge the active help of the Secretary of Agriculture and Members of Congress in providing funds for existing agencies to establish a sound, well-supported research program in Texas and the Southwest for improving range forage conditions through studies on (1) control of brush and other undesirable plants; (2) grazing management, and (3) reseeding of improved grasses and legumes. These research activities are badly needed because (1) there are 80 to 90 million acres of Texas rangeland covered by undesirable brush which has seriously reduced livestock and grass production; the brush is increasing at the rate of one-half million acres per year; (2) there are 15 to 20 million acres of the brush country that need reseeding; (3) public agencies and individual stockmen have spent over $50 million unsuccessfully trying to solve this problem without adequate research.

NOT ON THE REMADE INDUSTRIAL MAP

Mr. MALONE. Mr. President, those sheep and goat raisers have discovered that they do not appear on the reorganized industrial map which the State Department has prepared, and is looking forward to using, so that every nation in the world can produce whatever it desires to produce, as cheaply as possible. We are expected to use that map.

I may say for the benefit of the distinguished Senator from Wyoming [Mr. BARRETT] that I placed in the RECORD a resolution from the National Wool Growers Association. They, too, have discovered they are not on the reorganized industrial map.

PRIVATE INVESTOR STYMIED

By extending the trade act for 1 year, we shall be extending for 1 year the problem we now face as a result of the first enactment of that "free-trade" act in 1934.

No private investor in his right mind will put $2 into the sheep business, the mineral business, or any other business, unless he brings the Government—the taxpayer in as his partner. Through short amortization periods, guaranteed unit price, or borrowing the money from the RFC or General Services.

The individuals and companies in the mineral business have found out that by making the Government their partner, by means of such a guaranteed unit price, or through a loan from the RFC or General Services, with short amortization periods, they will have a better chance to survive.

Nevertheless, every small business in America has suddenly discovered that it does not appear on the reorganized industrial map which the Secretary of State and the administration have been working on for 20 years.

LORD KEYNES AND OUR $270 BILLION DEBT

It will be remembered that Lord Keynes, of England, sold the people of the United States a bill of goods early in the past administration, to the effect that the more money one owed, the richer he was.

I call attention to the fact that we are now $270 billion in debt and Lord Keynes is dead; and the President and leaders of the administration that got us into this muddle are gone.

THE MORE WE DIVIDE OUR MARKETS—THE MORE WE HAVE

The Chancellor of the Exchequer, Mr. Butler, tells us that the more we divide our markets with the nations of the world, the greater our markets will be. They say, "We will produce it cheaper with our sweatshop labor, and you can save money buying our products."

Only two things stand in the way. First, the record shows that when they finally freeze the American worker and businessmen or farmers out of their respective businesses, they then take what the traffic will bear for the product. It is no longer cheap.

DEVALUED CURRENCY—TAKE WHAT THE TRAFFIC WILL BEAR

As an illustration, when Great Britain devalued her currency in 1949 from $4.03 to $2.80, she immediately lowered the prices of her competitive products, so that they could come into the United States under the trade agreement we had at the moment, without any check at all. But as to Scotch whisky and a few other products where there was no competition in this country, she immediately raised the prices about 40 percent to make up the difference in the devaluation of the pound from $4.03 to $2.80.

There was no reduction in the noncompetitive products—that should be an object lesson to us.

FOREIGN TRADE—FOREIGNERS LIVE BY THEIR WITS

The men of the nations of Europe have lived by their wits, in the matter of foreign trade, for the last 100 years, and they understand it. Americans do not understand it.

USED THE CHEAPEST LABOR WHEREVER FOUND

If we follow through to the logical conclusion the theory that every nation in the world should make what it can produce for the cheapest price, it would mean production with the cheapest labor, wherever found, since the same kind of machinery is available to all nations and areas.

If followed through to the logical conclusion, then our entire working force and the small business of the Nation is in direct competition with the sweatshop labor of Europe and Asia, and they all must reduce their wages and write off their investments to meet the competition or go out of business.

THE WORKERS AND SMALL BUSINESSES ARE THE CONSUMERS

They must meet the competition and then they would not even have the money with which to purchase the foreign goods at the lower price.

The people have not thought the problems through. If this extension of the 1934 Trade Agreements Act passes this afternoon we will have a year in which to think it through.

I hope the subject will not be dropped by the workers and small businesses of this Nation, who are also the consumers.

THE CLEAR DIVISION OF THOUGHT

The clear division of thought on this important question is readily apparent. The free trade group, as represented by the 1934 Trade Agreements Act, the so-called Reciprocal Trade Act, is made up, first, of those who sincerely believe that only by a leveling of our wage standard of living to that of the world standard can there be perpetual peace.

A good many people have argued with me, mostly in foreign countries, that as long as the United States has a higher standard of living than the other nations of the world, we cannot expect perpetual peace, because there will be a competitive urge to reach us, so there cannot be world peace. Many of our people are working on the theory that when all peoples are living alike, there will be no reason for concern, because other nations will have just as much wealth as we have; therefore, there will be perpetual peace without competition.

THE NEXT STEP IN HISTORY

Arnold J. Toynbee, in a 3-page article published in Look magazine November 18, 1952, entitled the Next Step in History, had one paragraph, which was all of the article that interested me, in which he said that the Atlantic Pact Nations will not remain long under separate governments; that they will insist, if they are going to move by majority vote, they will insist upon one government.

That one government will start with the Atlantic Pact nations, later being enlarged to take in other nations, as they become available or acceptable, until they have grown, presumably, to take in the whole world.

He called it the next step in history. Do not discount that idea for a moment, Mr. President. If we proceed on our present basis very much longer, we shall have a one world government, simply because, when we reach that point, we will not be able to defend ourselves or anyone else, will be forced to join them for our own protection—that is the plan.

Mr. President, the second crowd in favor of free trade are the large business interests who can establish their branch plants behind the sweatshop labor curtain and, through the installation of American machinery and know-how can undersell goods produced by American workers in our own country. This is the source of the propaganda that foreign investments should be tax-free as an incentive for such foreign investments. Mr. President, we have not seen anything yet. The next proposal that will be made—and I believe it has already been discussed through our State Department, although I suppose they would not admit it—will be for four or five billion dollars, or some very large amount of money, to stabilize the sterling bloc currency, and the currencies of other nations, at their fictitious values.

The next proposal will be that investments going from America to foreign countries shall be free of taxes, in addition of course to the privilege of shipping their products back into this country on a free-trade basis.

So in fact, Mr. President, we already have in sight the "one world" spoken of by the historian Arnold J. Toynbee.

It creeps up on us one step at a time. We may say with respect to each step, "We will take this one, it does not look so bad."

We have been taking these steps for 20 years. It is time we total up the book. It will appear a lot more formidable when we add them altogether. It is certainly a case of world politics making strange bedfellows.

FAIR TRADE GROUP

The second group, the supporters of the "fair trade" and not "free trade" principle with foreign nations as represented by an adjustable duty or tariff on imports based upon "fair and reasonable competition" want to maintain our wage standard of living while assisting foreign nations to raise their own.

That is the group to which I belong.

The first is the theoretical group, which believes that if we level our standard of living there will be peace forever. They were joined by the group selfish in its design with the whole world its oyster. They believe they can invest money in any or all nations of the world, tax-free, or partially so, and through free trade bring into the United States the products produced with labor earning from 40 cents to $3.50 a day. American workers and small businesses will then either have to reduce wages or go out of business.

That group has nothing in common with the first group except one thing, and that is free trade. They are, indeed, strange bedfellows.

Supporters of the fair-trade principle, who advocate a flexible tariff, import fee, or duty, as the Constitution of the United States calls it, adjusted upon the basis of fair and reasonable competition, are the group which I represent here today.

This group wants Congress to reassume its constitutional responsibility in the regulation of foreign commerce, and to adjust duties, imposts, and excises, commonly known as tariffs or import fees, on a fair-trade basis; that is, on the basis of fair and reasonable competition.

Then, as the world standard of living improves, such duties or tariffs can be correspondingly lowered, and when the world standard approximates our own, free trade will be the almost automatic and immediate result.

PITTING THE FOREIGN SWEATSHOP LABOR AGAINST AMERICAN LABOR

If the President and the State Department, as an agent of Congress, persist in pitting the sweatshop labor of Europe and Asia against American workers and small business, I predict that the American workers will soon insist that their wives look for the American label on the products before buying.

SENATE SMALL BUSINESS COMMITTEE USELESS

We have a Small Business Committee in the Senate. It really tries to help

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small business to obtain Government contracts.

But while they are trying to secure a fair share of Government contracts for small business, to enable it to hold its head above water, the Congress itself continues to pull the economic rug out from under their feet by dividing their markets with the sweatshop labor of the world through free-trade policies—called reciprocal trade to sell the free-trade idea to the American people.

I have observed the small-business organization in the Senate for 7 years, beginning in 1947.

We always talk about what we intend to do for small business. We render it lip service, and then destroy it utterly and purposely. It cannot be otherwise than by design if we persist in pitting the American workers and the same small business against the sweatshop labor of Europe and Asia. Why we do this I cannot say. There is a missing link or a slip somewhere in the thinking of the Senate.

LABOR A GREAT PART OF THE COST

The American businessman and worker cannot compete in industries in which labor plays such a great part in the cost of the product. I refer to such industries as electric machines, machine tools, watches, precision instruments, the wool and sheep business, the cattle business, the mineral business, and hundreds and thousands of others in which labor is the paramount part of the cost of production.

Such industries in this country cannot compete against American capital and know-how invested in branch plants behind the sweatshop labor curtain with their assembly lines and cheap foreign labor paid from 40 cents to $3.50 a day.

FAIR-TRADE DUTY—FARM PRODUCTS

If we had a fair-trade duty or tariff adjusted on the basis of fair and reasonable competition with respect to farm products, 80 to 85 percent of the farm products would not need a subsidy.

The reason a subsidy is necessary is that we allow farm products to come in from every other nation in the world.

Not very long ago potatoes were coming in from Canada so fast that we finally had to paint them blue and feed them to the hogs, or buy kerosene and burn them.

Many of them were not our potatotes. They were foreign potatoes, for which we paid so much a bushel out of the pocket of the American taxpayer.

Any farm boy could tell us that if we guarantee a profit on potatotes, in 2 years we could have potatoes 10 feet deep between here and San Francisco. The same is true of raising little pigs. Guarantee a profit, and you have pigs—and fast.

THE WHEAT AGREEMENT—COSTS US 60 CENTS PER BUSHEL

The distinguished junior Senator from Kansas [Mr. CARLSON] stated that England had refused to sign a wheat agreement, because it would cost her 5 cents a bushel more. I am glad she did not sign the agreement. I would vote against any such agreement coming before the Senate because we can only get the worst end of it in any event.

The people of the country may not be aware of the fact that every bushel we sell under such an agreement has cost the taxpayers of America 60 cents. Of course, 60 cents sounds small to Members of Congress but not to the taxpayers, after being nicked for 5 or 6 billion dollars a year in cash and materials for foreign countries.

In addition several billion dollars more is going for off-shore purchases and contracts for repairs to machinery.

We are getting the same treatment we always get in connection with such contracts. I hope some committee will investigate the operation—I suppose they will after the money is gone.

SURPLUS CROPS

What are the crops of which we produce too much? We are encouraging an increase in such production through our policies.

Such crops include wheat, cotton, and tobacco as the three principal surplus crops.

Wheat, cotton, and tobacco are a problem; but we could tackle the problem and give the producers of those commodities an opportunity to slowly decrease their acreage, so that they would not outproduce the domestic market—the amount that could be consumed in this country.

But when we allow such products to come into the country without a tariff or import fee or duty, as the Constitution calls it, then we augment the supply. We aggravate the problem. The adjustable duty or tariff on the basis of fair and reasonable competition in the hands of the proposed Foreign Trade Authority would cure the problem of imports.

The State Department of "free trade" under the 1934 Trade Agreements Act simply further aggravates it.

PRODUCTION OF AUTOMOBILES

Mr. President, the United States production of automobiles is more than 50 percent of the world's production, although the United States has less than 7 percent of the world's population. This production is possible, because

First. The free competitor's enterprise system has brought the highest scale of living ever known, and has thus provided a mass buying market. Without a high per capita income, there could be no such demand for automobiles anywhere.

EVERY WORKINGMAN POTENTIAL AUTO BUYER

Mr. President, I should like to say at this point, when Mr. Ford and others like him came out for free trade it probably caused his grandfather to turn over in his grave. Every man in the United States on a payroll is a potential candidate for the purchase of an automobile, if he does not have one already; and if he does have one already he is a candidate for turning it in as soon as it is a year old. He has the money.

What are we doing in knocking the wage standard of living down in this country through encouraging investments in foreign nations which sell the products here through the "free trade" arrangement under the 1934 Trade Agreements Act?

Mr. President, 500 employees in Africa at 40 cents a day, or 200 in another nation at $2 a day, or 150 at $3.50 a day, taken together in each case are just about a candidate for the purchase of an automobile.

Second. The mass market and competitive conditions have concentrated production, enabling the survivors to buy the very best equipment, special purpose machinery and facilities to reduce their costs, so that each reduction in price has resulted in increasing the potential market. The prosperity of the manufacturers and competition for labor has enabled millions of Americans to raise their incomes directly, and millions more to profit indirectly. The lower prices have enabled American manufacturers to invade the foreign fields and thus to increase their production and again further their cost reduction progress.

Third. The demand for cost cutting, production increasing equipment and facilities has had a most beneficial effect on machine toolbuilders and allied producers and designers, so that they, too, have the benefit of mass production and, in some cases, have been able to invade the foreign markets.

Some automobile executives now favor free trade, believing that the removal of tariff barriers, restrictive quotas on imports, and currency controls would greatly increase their foreign business.

Have these advocates of free trade stopped to consider the overall effects of such a policy? We know that costs of any article consist of labor, material, and overhead plus such other expenses incurred before delivery to the customers, such as transportation costs, advertising, and selling expenses. And we know there must be a profit, or the business cannot be financed for continued growth. Now, if any of these elements of cost is a high percentage of the price, the producer must be able to keep that element of cost down to the proper relation to his competitor's costs whether that competitor be in the United States or in any other country where the article is to be sold at competitive prices, or, I might add, where that article must be shipped back into this country on a free-trade basis.

If we start with the raw materials required to produce an automobile we must include the coal needed for power, iron, and steel production, transportation, and so forth, and the highest cost element in coal production is labor—labor in the mines, in the shipment, in the handling of coal for producing power, and converting other necessary ores to provide iron, steel, copper, brass, lead, and so forth. If we analyze every piece, and every service, such as public utilities and transportation, we find that the cost of labor is accumulating from the point of origin of the prime materials right through to the finished product or service rendered and it is seldom less than 80 percent of the final cost of the finished product.

If, therefore, we are to open up the world to free trade, the only advantage we have is due to our mass production methods, and we are at a distinct disadvantage when we must compete

against any product or service on which hand labor is the biggest item of cost. Whether the hand labor is the skilled work of the toolmaker, the instrument maker, or the back breaking toil of transporting goods over mountains or through jungles, or the hand picking of grapes, berries, and other agricultural products, we can only hope to meet such poorly paid foreign competitive labor by mechanized and power-driven equipment.

George Washington warned his countrymen of the need for protective tariffs to enable the citizens of the infant republic to build up the necessary industrial resources to provide for natural defense. Protective tariffs are still necessary to build up infant industries, and to prevent the bankruptcy of industries in which labor costs cannot be reduced by power-driven mechanical equipment.

That same power-driven mechanical equipment is available in foreign countries. Therefore there is no advantage at all, Mr. President, except labor costs, and that is what will be found to be behind the movement to pit the low-cost labor of the world against the high-cost labor in the United States.

As we find need for new mineral requirements, or have to resort to the development of low-grade ores, or small ore deposits which cannot be developed by mass-production methods in time of national emergencies when we are cut off from foreign sources, we must have protective tariffs or private owners cannot be expected to develop these resources.

GOING-CONCERN INDUSTRIES—PRINCIPLE

Mr. President, I wish to say at this point that what we need in this country and what we must have in this country, not only in the mineral industry but in the precision industry—such as the watch industry and the machine-tool industry—are going-concern industries.

How can we have going-concern industries when we have no principle to go by, and when we must meet the competition of the low-cost labor of the world, running from 40 cents a day—when they get it—up to $3.50 a day?

MORE EMOLUMENTS HERE THAN WAGES ABROAD

I will say to you, Mr. President, that in this Nation our employers pay more in industrial insurance, social security, unemployment insurance, and other emoluments to the worker than is paid in wages in many nations of the world, which are in free competition with the American worker under this free-trade system—set up by the State Department as an an agent of Congress.

Our country had to buy all tinplate abroad, until the McKinley tariff bill brought protection to American producers. In 1946, our Government shipped tinplate to our allies at 7 cents per pound. Some civilian requirements of Americans could only be met by importing tinplate from Great Britain at a cost of 17 cents per pound. How could our Armed Forces have been supplied with food, or at what cost, if we had not developed our own tin plate production? And after the war we set up a modern tinplate plant in Great Britain of the very latest type which now cannot operate profitably, because it cannot be operated full time. If we reduce tariffs on tinplate, the tin cartel can set prices so the British mill can run full time by shipping its production to our country; and eventually our dependence on Great Britain will follow.

CARTELS—MANIPULATION OF CURRENCY VALUES FOR TRADE ADVANTAGE

I wish to point out again, Mr. President, that the countries of Europe know nothing except how to operate through cartels, through manipulations of currencies for trade advantage, through quotas, through specifications, through trade and exchange permits and other subterfuges, to prevent our products from reaching their buying public.

I point out an agreement was made under which people believed they could ship automobiles to Bermuda. However, upon investigation it was found that the specifications of the automobile that could be driven on the roads of Bermuda were for an automobile made only in England. That is only one example. There are hundreds of such examples.

As soon as a few great American industries are flattened by foreign low labor cost imports, we shall have a depression, and every cut in our per capita income will reduce our markets for all other American products. Then the market for automobiles will shrink, and costs will rise as a natural result—followed by further reductions in demand.

UNCLE SAM HAS NO UNCLE

If the United States, now producing nearly half of all the manufactured products of the world, should lose its position, as a result of a flood of imports from countries where wages are from 50 to 80 percent lower, who will help our unemployed? Who will give us the cash with which to balance our budget?

Mr. President, Uncle Sam has no uncle. No nation in the world will appropriate money and send it to us.

Under the "trade, not aid," slogan, foreign governments will take our trade, but they will not offer us aid, and we are refused access to their markets. As our domestic production declines under the State Department policies, foreign cartels will raise their prices, just as they raised them as much as 100 percent in 1950, when we became involved in the Korean affair and were forced to buy abroad in order to meet our vital needs.

REMEMBER THE RUBBER-PRICE MANIPULATION

Mr. President, all of us remember that when the United States was dependent upon rubber from the Far East, from the sterling-bloc countries, the price of rubber was raised more than 100 percent.

During those years rubber sold for more than $1 a pound. Since then we developed a synthetic substitute, and therefore we can hold the price of natural rubber to a reasonable level. That situation is only an example. It is obvious that if the United States goes out of a particular business through the announced policies and objections of the State Department, the foreign countries of the world in that business will demand as high a price as the traffic will bear. Then other countries will have both control of the raw materials and an expanded industrial machine, operating with low-wage labor which will operate to ruin our economy and will reduce our living standards to as low a point as their own.

A VESTED RIGHT IN SWEATSHOP LABOR

Mr. President, under a free-trade program, we encourage the other nations to hold down the wages paid to their workers, because in that way they can profit to the extent of the difference between the production costs and the prices the traffic will bear, in connection with sales in the United States, whereas if there were a flexible tariff or import fee, duty, or whatever it may be called, to make up for the difference between the wages paid in foreign countries and the wages paid in the United States, in my humble opinion those countries would not long pay that tariff or import fee into the United States Treasury.

On the contrary, once they made up their minds that the free-trade party was over, they would realize that they might just as well permit the wages paid to their workers to rise, instead of paying that tariff or import fee into the United States Treasury, and thereby establish a worthwhile market at home.

Mr. President, we can foresee what will happen. However, if going along with the free-traders, just to prove the error of their ways we may find that it is difficult, if not impossible, to free ourselves from this trade trap, once it is sprung.

Mr. President, I have previously mentioned the wool business and the wool producers. I submitted two resolutions which their organizations have adopted.

The plight of the 400,000 and more wool growers in the United States shows the most compelling reason why the present foreign-trade policies should not be continued, for in that case the sheep industry of the United States will be wiped out by bankruptcy. Over 90 percent of the sheep growers left in business have now been forced to borrow their operating capital, and most of the growers are mortgaging land and other capital investments in order to maintain their operations. Imports of foreign wools into the United States forced the price down to such a level that one-half of the domestic clip went into a Government loan program, and the Government now owns about 100 million pounds of American wool, with foreign wool taking our market.

Considering the fact that the United States consumed 700 million pounds of grease apparel wool in 1952, while domestic growers produced only 232,373,000 pounds, it is evident that foreign-produced wool imported into the United States, under our cost of production, created the price decline on domestic wools which forced American growers into a support program, and has made the domestic wool industry an unprofitable business.

TAX MONEY CAN BE SAVED

Mr. President, with a flexible tariff or duty, as the Constitution of the United States calls it, adjusted on the basis of fair and reasonable competition, it will not be necessary for Uncle Sam to buy the wool crop. That is one place and

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there are hundreds of others, where tax money can be saved.

The American market was completely demoralized by export actions of foreign governments and foreign producers, and even currency manipulation was used to circumvent the lowered tariff negotiated under the Trade Agreement Act.

MARKET MANIPULATIONS

Mr. President, it may be of interest to you to refer to some of the methods of market manipulations by foreign countries. I shall mention just one of the methods. It would require a long, long time for me to enumerate all the market manipulations that are known to me.

I do not attempt to say that I thoroughly understand all of the ramifications of the subject, although I have studied it for many years.

Let us refer to the Argentine, for instance. If a producer in Argentina sells raw Argentine wool to the United States and gets dollars for it, he can cash the dollars for pesos, getting a certain number of pesos for each dollar. On the other hand, if an Argentinian manufactures the wool into processed commodities, he then will get a larger number of pesos for each dollar. Therefore, through manipulation, Argentina can create a new value for the Argentine peso, for any purpose.

Under those circumstances, Mr. President, how is a naive, inexperienced State Department going to deal with countries that have every process of market manipulation at their fingertips, and thus manipulate their currencies, and utilize every known subterfuge for trade advantage?

Under the trade agreements with wool-producing countries, the foreign growers whose cost of production is low are able to transport their wool halfway around the world, pay the lower tariff, and still undersell our producers, because of their low cost of production. Some of the imported wools are subsidized by the foreign governments, and that gives an even greater advantage in underselling the nonsubsidized wool growers in this country.

In hearings before the House Ways and Means Committee, when it was testified that the sheep population of the United States today is approximately 28 million, and that import competition had accounted for a decline of more than 46 million head in 1940, Representative THOMAS MARTIN, of Iowa, made a strong statement. He said that wool is the main agricultural commodity listed as strategic and critical for purposes of national defense. I should like to quote from the statement made by Representative MARTIN, as it appears on page 207 of the hearings on the Trade Agreement Extension Act of 1953:

> We do not know our peril defensewise. We are dragging our feet. You are going in the wrong direction very rapidly on the sheep population and wool production in this country. * * * For the life of me, I do not know who blindfolds our Government officials to the point where they can do that and rest at night.
>
> I am very much interested in your statement here because you have given us some very valuable information, and I think it is up to us to bear in mind that you do represent one of the largest agricultural commodities listed as strategic and critical.
>
> I cannot see how we as a Nation can lightly dash off the wool-production industry. You know better than most people that the sheep population is our best insurance on wool supply; that it is very hard to stockpile in large enough quantity to do what I am talking about for national defense.

Mr. President, in 1940, just before Pearl Harbor, importation of foreign wool amounted to 38 percent of domestic production, and a strong American industry was ready to produce needed apparel wool for the Armed Forces. Now, 12 years later, after the lowering of tariffs under the trade agreements, foreign wool imports in 1952 amounted to 72 percent of the domestic consumption of the United States.

Attempts of the American producers to solve their other problems of production have been to no avail in the face of this importation of foreign wool at prices below American costs of production, with the result that 41 percent of the wool and lamb producing ewes on the sheep ranches of the United States have been sent to the slaughter houses—and this in the face of warnings from the Government that even the national welfare is involved in the decline of the production of wool in the United States.

The 1950–51 Yearbook of the United States Department of Agriculture states, on page 489:

> We want to keep our wool industry vigorous because wool is essential to our national health and security; the Armed Forces consider wool a strategic and essential material.
>
> Domestic wool production, even in peacetime, has never been equal to consumption. Normally we produce only from one-fourth to one-third of our total requirements. To meet any emergency we should produce at least two-thirds of our normal requirements of apparel wool.

The United States Senate Joint Committee on the Economic Report says in Senate Document 100 of the second session of the 82d Congress, on page 1:

> Our domestic wool clip "is averaging only about half" the rate of production required for military use during World War II, and "the foreign wool which we are using today to supplement our domestic production requires shipping over sealanes of minimum distances of 5,000 to 8,000 miles. To depend upon imports over extended supply lines in time of war is not realistic."

PREPARING TO FIGHT WORLD WAR I AGAIN

Mr. President, I would say that next time we are going to fight a different kind of war. We are apparently getting ready to fight World War I again. That was my war. In that war our men were in the trenches. In World War II the men moved along at a faster pace—they had planes and submarines.

It seems to me we are forgetting what kind of war we are to fight the next time. We are certainly not going to fight either World War I or World War II over again. It will be fought in the air and under the sea next time.

ADVICE FROM THE DEPARTMENT OF AGRICULTURE

Some good advice is gleaned from the 1950–51 Yearbook of the United States Department of Agriculture, at page 489, I continue:

It is self-evident that there is no possibility of building a strong domestic sheep industry or even maintaining the welfare of the present industry production so long as the market place and market price are controlled by subsidized and cheap foreign imports while a major portion of the domestic clip is in the hands of the Government under a loan support subsidy program.

The solution to our problem lies in the immediate discontinuance of the present trade-agreement program as it has been carried out under the the present Trade Agreements Act.

ACT—UNITED STATES VERSUS AUSTRALIA

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a table of cost comparisons in the sheep industry.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cost comparisons

	United States	Australia
Per head:		
Hired labor	$3.02	$0.52
Shearing	.40	.12
Taxes	.84	.09
Total cash costs per animal per year, including the 3 items listed above	8.45	1.91

(1) From BAE study of sheep operations in the intermountain region of the United States and Australian Commissioner of Agriculture reports for year 1949 (official figures).

(2) Other statistics show the cost for shearing sheep per head in Argentina is 6 cents, in New Zealand 18 cents.

(American industry most efficient in the world but between 30 and 40 percent of total production cost is labor and it is impossible to compete with low labor standards such as these.)

Mr. MALONE. Mr. President, it will be noted that the cost comparisons are based on the cost, per head, of sheep raised and marketed within the United States and Australia. It will be noted further that the total cash cost per animal a year, including the three listed items, are, for the United States, $8.45, and for Australia, $1.91.

UTTER IDIOCY OF THE "FREE TRADE" PROGRAM

But, Mr. President, this is not the worst feature. There are other countries in which the cost is less. It would seem unnecessary to pile evidence upon evidence, as to the utter idocy, considering our standards of living, of a free-trade program in competition with sweatshop-labor countries, a program of open competition, pitting their labor costs against ours; but we are doing that in every business in which our people are engaged.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a release by the United States Tariff Commission, dated June 26, 1953, marked "Public Information," and bearing the heading "Tariff Commission Receives Letter From the White House Regarding Wool and Wool Tops."

There being no objection, the release was ordered to be printed in the RECORD, as follows:

[U. S. Tariff Commission, Washington—Public Information]

TARIFF COMMISSION RECEIVES LETTER FROM THE WHITE HOUSE REGARDING WOOL AND WOOL TOPS

The following letter regarding the Tariff Commission investigation on wool and wool tops (investigation No. 5) was received on

June 26, 1953, by the Tariff Commission, from, and its release authorized by, the White House:

THE WHITE HOUSE,
Washington, June 25, 1953.

DEAR MR. CHAIRMAN: By letter dated August 15, 1952, the then Secretary of Agriculture, Charles F. Brannan, recommended that the President request the Tariff Commission to institute an investigation pursuant to section 22 of the Agricultural Adjustment Act, as amended, with respect to wool and wool tops. He stated they were being or practically certain of being, imported into the United States under such conditions and in such quantities as to tend to render ineffective, or materially interfere with, the price-support program for wool undertaken by the Department of Agriculture.

Under date of September 2, 1952, the President addressed a letter to the Tariff Commission, pursuant to the recommendation of the Secretary of Agriculture, directing the Tariff Commission to make an investigation in accordance with Executive Order No. 7233 (November 23, 1935) which promulgated regulations governing investigations under said section 22. The letter of the President further directed that the investigation and report of findings and recommendations of the Tariff Commission should be completed as promptly as possible and that the Commission should determine whether wool or wool tops are being or are practically certain of being imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the wool price support program.

The program of the Department of Agriculture involved in this investigation was for the year which, as extended, ended on April 30, 1953. With the program-year already ended, a report by the Tariff Commission at this late date would serve no useful purpose in relation to the present program-year. However, I direct the Commission to keep under continuous review the Department of Agriculture programs for wool and wool tops and the conditions as they may develop so that it may be in a position to report to me promptly in the event such a report is requested in the future.

Sincerely,

DWIGHT D. EISENHOWER,

Hon. EDGAR B. BROSSARD,
Chairman, United States Tariff Commission, Washington, D. C.

THE TARIFF COMMISSION—AND WOOL INVESTIGATION

Mr. MALONE. Mr. President, in effect, the President is telling the wool industry that there is no chance for relief.

The program of the Department of Agriculture involved in this investigation was for the year which, as extended, ended on April 30, 1953. With the program-year already ended, a report by the Tariff Commission at this late date would serve no useful purpose in relation to the present program-year. However, I direct the Commission to keep under continuous review—

But in this letter the President orders the Tariff Commission to desist, stating that no further adjustment will be undertaken at this time.

More recently, within the past 2 or 3 days, the President has ordered another investigation of the wool business by the Tariff Commission.

FURTHER EVIDENCE OF NEED FOR CONGRESSIONAL PRINCIPLE

I point out that this is further evidence of the uneasiness of the private investor and of those engaged in producing wool within the United States. But, no matter how kindly a President or a Secretary of State may be, or how well disposed he may be toward industry, the Congress of the United States has given both of them the power to destroy, and has made them the agents of the Congress, in order that they, by Executive order, may do what the Congress itself should now do, and what the Congress is directed by the Constitution of the United States to do, namely, to study and then to fix the duties, imposts, and excises on imports, and to regulate foreign commerce, not haphazardly, but in conjunction with carrying out a foreign policy established, and rightly so on a basis of fair and reasonable competition, because the Constitution of the United States places upon the Congress the responsibility of regulating foreign trade.

The Constitution of the United States placed on the Congress not only the duty but the responsibility of regulating foreign trade, of regulating duties, imposts, and excises, commonly known now as import fees or tariffs, and to regulate foreign trade.

THE PRESIDENT FIXES FOREIGN POLICY

The Congress has nothing to do with the fixing of a foreign policy; but the Secretary of State of the past administration, and the Assistant Secretary, as heretofore set forth in the RECORD, said that we cannot distinguish between the domestic economic policy and the foreign policy. It is hard to distinguish between the two they said. They said no one could distinguish between the two after they had for 15 years made both the domestic economic policy and the foreign policy.

THE THREE-PART FREE TRADE PROGRAM AGAIN

It was stated by the then Secretary of State, Dean Acheson, and his assistant Willard Thorp, that three methods adopted under that administration were necessary, each one playing its own part in making up the trade-balance deficits. There was the 1934 Reciprocal Trade Agreements Act, under which markets were being divided; so that theoretically there were no trade-balance deficits. There was the cash to foreign nations under various plans. There was also the International Trade Organization, proposed for several years, abandoned temporarily, I think, then there was created what is known as the International Materials Conference which is now in full force and effect, without approval by the Congress. Last of all, in August 1952, 54 nations led by the sterling bloc countries and the United States of America, met in Mexico City. The concluding admonition to the members of the conference when they went home was to study the proposition that any nation, meaning us, which sold more goods in foreign countries than it purchased should make up the difference each year in cash. It is not hard to determine where we are headed, Mr. President. We are headed for economic oblivion unless we about face and start looking after the United States of America for awhile.

EXECUTIVE AN AGENT OF CONGRESS

In making the Executive an agent of Congress through the 1934 Trade Agreements Act with an internationally minded State Department actually making such trade agreements the power is in the Executive and the State Department to remake and rearrange the industrial map of the United States of America.

Certainly if the industrial map of America, established over a period of 175 years through competitive efforts of its citizens is to be rearranged, an internationally minded State Department is not the agency to do the job.

CERTAIN INDUSTRIES ELIMINATED

Many smart young bureau officials have long said that, of course certain industries will be eliminated but the workers in those industries can be retrained for other jobs.

In other words, we are to have and do have, under the 1934 Trade Agreements Act, a supergovernment, and a superindustrial boss who can say to the textile workers in a certain phase of that industry, to the wool growers, to the mineral producers, to the watchmakers, to the machine tool producers and to all other domestic producers whose product can be produced cheaper in Australia, Switzerland, Scotland, India or in any of the nations behind the sweatshop wage curtain of Europe and Asia, that we will import the specific product at the cheap labor price and the American workers will be retrained to go into another industry or another business.

TRAIN SHEEPHERDERS TO MAKE WATCHES

I suppose, Mr. President, we can train sheepherders to make watches. I suppose the steelworkers or the machine-tool workers can be trained to become precision-instrument workers.

PIT AMERICAN LABOR AGAINST THE SWEATSHOP LABOR OF EUROPE AND ASIA

What they actually mean, and what they say, practically, is that they are going to trade American labor and small business down the river in favor of cheap foreign labor and foreign business, so that the international bankers and large industries of such a nature and such a size that they can establish branch plants behind the low-wage curtain, will get the business, and American labor can have lower wages and American businessmen can write off their investment or go out of business.

There never was anything more stupid than the idea of training grown and trained workers in one business to go into another business. Of course, nothing of the kind is even anticipated. It is lipservice until the principle is beyond changing. But the workers will be unemployed.

It will be recalled that during World War II there was an order issued through the War Production Board that all gold mines would be shut down, on the theory that the gold miners would go into other branches of mining. Of course, if one knows anything about miners, he knows that they are attached to their area and their method of work. They are not going to be pulled up by the roots and put away in another area to work. No doubt these were the same Bureau officials who, when told that we were short of iron and steel, suggested that the shoes be removed from the horses at night to save the iron.

BUREAU OFFICIALS TOP BOSSES

Mr. President, early in the past administration there were some theorists who wanted authority to build new

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towns, to take workers from here and place them there. They wanted authority to sit at the top and run the entire economic structure. They did it for a while. They were doing it up until the last election.

I never thought I would see the day, however when our administration would accept their policies and continue them almost in infinite detail.

THE STUDY COMMISSION

It sounds very well to say we are going to have a commission to study this intricate question. We have had several commissions in past years. There was the National Resources Board. Then we had the Paley report and the Bell report, and we have had many other reports by the theoretical built up erstwhile economists, all pointing to one thing, that if we do not have the necessary minerals and raw matcrials in this Nation, so we must ship them here from abroad.

We will try to build large manufacturing industries at the expense of other industries both here and abroad, and in the last analysis such industrialists can put branch plants behind the low-wage curtain and force the standard of living of this Nation down as compared to that of foreign countries.

BRANCH PLANTS BEHIND THE SWEATSHOP CURTAIN

Our corporations and individuals representing the mass production industries, such as those manufacturing automobiles, business machines, typewriters, watches, and similar products, whose products are of a nature and whose businesses are large enough, put their branch plants behind the low wage sweatshop curtain, manufacture the goods and ship them into this country cheaper than they can be produced here under our standard of living wages. This trend is increasing and the workers of America and the small business people will eventually be destroyed.

THE NEW INDUSTRIAL MAP

In the remaking of the industrial map of the United States it is very evident at this time that a majority of the products of the relatively small individual producers such as the wool industry, the watch industry, the mineral industry, and any number that can be mentioned, are not shown on the new industrial map, and I am sure they are not willing that a State Department official, inexperienced in industrial affairs, shall be their final judge.

It is obvious that only one conclusion can be reached; our State Department and other Government officials want to import goods that can be produced cheaper elsewhere. What do they mean by producing cheaper elsewhere? They mean by cheaper labor the sweatshop labor of the world. Therefore, with the European and Asiatic producers including our own people who invest in branch plants in these areas, there is established a vested right in the sweatshop labor and their profit is gained by holding down the labor price which is competitive with our own, and they profit from that difference. Under those circumstances there is little incentive to raise wages. If in Europe and Asia we want to raise the standard of living as we say we want to do, an import fee based on fair and reasonable competition would help to accomplish this objective.

FAIR TRADE FLEXIBLE IMPORT FEE

Free trade encourages foreign nations to hold their wage standard of living down; they have a vested interest in their low wages; an adjusted flexible duty or tariff would protect the American producer and workers.

When the foreign producer wants to sell his product on the American market he must pay the difference in the cost of production, based on fair and reasonable competition, into the United States Treasury, he would be inclined instead to pay his employees a higher wage, their living standard would be raised, their purchasing power increased, and the American taxpayer would be relieved from such burdens as mutual security program. They would not have wage differentials to be made up each year out of the American taxpayers' money.

THE RESPONSIBILITY OF CONGRESS

The Constitution of the United States provides in article I, section 8, that the Congress shall have power to lay and collect taxes, duties, imposts, and excises, and to regulate commerce with foreign nations.

In 1934, as a temporary measure to attempt to relieve the then existing economic depression, a strong-willed President prevailed upon a subservient Congress to transfer its constitutional responsibility to regulate foreign commerce and to lay and collect duties, imposts, and excises commonly referred to as tariffs and import fees, to the executive branch, to be administered by the State Department instead of by the Tariff Commission, which is an agent of Congress.

Mr. President, the Congress of the United States gave the President of the United States the "power of attorney" to regulate foreign trade and commerce, which is the constitutional responsibility of the Congress of the United States.

As a result of this transfer of constitutional responsibility, the State Department has set about to remake the economic map of the United States through a free-trade program brought about by agreements with foreign countries to cut the tariffs.

That act is the basis for a well-calculated domestic and foreign program designed to divide our source of income, the markets of this Nation, with the foreign nations of the world.

Under the terms of that act the State Department has made many agreements which have been called "trade agreements," but they are in fact only agreements to lower tariffs.

THE 1934 TRADE AGREEMENTS ACT NOT RECIPROCAL

There are no trade agreements made under the act. The act itself is not a reciprocal trade act. That name is a misnomer. It is only a catch phrase to sell free trade to the American people.

The tariff and import fee reductions made under these agreements are effective only against the United States, which has no alternative but to live up to its part of the agreement. The other countries entering into these agreements may at any time thereafter avoid the agreements through numerous methods of evasion, such as the manipulation of currency, quotas, subsidies, import and export licenses, and other similar evasive methods.

In 1934, when the Trade Agreements Act was first passed, it was advertised as a "reciprocal trade" act. The phrase "reciprocal trade" does not occur in the act, and the word "reciprocal" is simply a catch phrase to sell free trade to the American people.

Any form of reciprocity in trade relations with the foreign nations of the world would generally be impossible under the "most favored nation" clause, since any benefits from the so-called trade agreements are automatically available to all nations without requiring those nations to give any real concessions or benefits in return.

Mr. President, as I have heretofore stated, the agreements to lower our tariffs and import fees have had a very serious effect on American industry, and have allowed the State Department to remake the economic map of the United States, causing unemployment and severe economic hardships in many industries. This, of course, has a demoralizing effect on all industries. The inevitable result is the exporting of American jobs and the lowering of the floor under American wages.

FREE TRADE AND FREE IMMIGRATION

Mr. President, one cannot possibly favor free trade, and the bringing of sweatshop labor products into the United States without the payment of a tariff, duty, or import fee, unless he also favors free immigration. In the final result, there is absolutely no difference between bringing in the products of sweatshop labor and bringing in low-cost labor itself.

AGREEMENTS TO LOWER TARIFFS

The so-called trade agreements, which are in reality agreements to lower the tariff and import fees, do not accomplish their announced objective of expanding the foreign markets for the benefit of the products of American industry, but are in reality agreements to turn over the American markets to the products of low wage employees from behind the sweatshop curtain.

The manipulation of the currency for trade advantage by foreign nations, which I have previously mentioned, as well as the imposition of quotas, embargoes, licensing, specification systems, and other forms of control, are basically dishonest, and are merely methods of evading the terms of the so-called trade agreements in which the State Department has made concessions to these other nations. This form of piracy constitutes the greatest source of unrest and distrust among the nations of the world.

Mr. President, I believe there is a desperate need in the United States at this moment for an American policy that fits America, and there must be an immediate separation of the domestic economic policy and the foreign policy of this Nation, which were tied together by former Secretary of State Acheson and the administration of which he was a part.

The tariff or import fee policy is a domestic matter which should not be tied to a relief program for foreign nations, such as the mutual security program which we have recently debated and passed here on the Senate floor, but the domestic economic policy and foreign policy must be kept separate and distinct.

WE ARMED OUR ENEMIES

Of course, what we have done under the policy of sending the taxpayers' money to Europe has been simply to arm our enemies through the Marshall plan and continue to give them the advantage of building up their industries. The industrial capacity of the European Marshall-plan countries now averages from 145 to 160 percent above what it was prior to World War II. Therefore, the only place where those countries can find sufficient markets is either in Russia and the Iron-Curtain countries or the United States of America.

When they send anything to this country, it simply means that our people will produce that much less; anything that we send to the countries in Europe means that they will produce that much less.

UNREASONABLE TO FORCE TRADE BETWEEN TWO PROCESSING AREAS

In other words, it is the most unreasonable thing in the world to try to force trade between two processing and manufacturing areas such as the United States of America and old Europe.

STATE DEPARTMENT DESTROYED THE TARIFF STRUCTURE

Pursuant to the terms of the 1934 Trade Agreements Act the State Department has adopted a free trade policy and in many cases has lowered the tariffs and import fees as much as 75 percent without regard to the differential of the cost of production between domestic industry and foreign industry, which is due primarily to the difference in the wage standards.

Unless a sensible trade policy, predicated on flexible import fees, based on fair and reasonable competition is affirmatively adopted our domestic economy will be irrevocably damaged through the importation of man-hours of low cost labor from behind the sweatshop curtain.

EXPORTING AMERICAN JOBS TO FOREIGN COUNTRIES

The inevitable result of this policy of exporting the jobs of American workers and importing sweatshop man-hours is to reduce our standard of living to a lower world average. Such a policy is certainly not the answer to the so-called dollar shortage of foreign nations.

DOLLAR SHORTAGE—A GREAT HOAX

As I have said many times in the Senate, the dollar shortage theory is one of the greatest hoaxes that has ever been sold to the American people. There are only two sources of dollar shortage: First, when one spends more than he earns; second, when a foreign nation fixes the value of its currency above the market value, and no one will pay the price except a very misguided Congress. Certainly no one in business will pay it. These are the reasons for dollar shortages.

NOTHING WRONG THAT SIMPLE HONESTY WILL NOT CURE

There is nothing wrong with the currency systems of the world that simple honesty in current exchange values will not cure.

MAINTAIN "GROWING CONCERN" DIVERSIFIED INDUSTRY

Our national security, increased employment and the development of more taxable property depends on a diversified domestic industry, and would be impossible under the free-trade program of the State Department.

It has been advocated under this free-trade program that domestic industries which may be hurt thereby, should be subsidized by the Government, such an idea is unfair to the American taxpayers. While tariff and import fees are collected from the ultimate consumer of the imported goods, the subsidies are collected from all of the taxpayers and paid to certain domestic producers.

TAKE PROFIT OUT OF FOREIGN SWEATSHOP LABOR

In that connection, when we collect the differential between the cost of sweatshop labor and the higher standard of living wages in this country, in the form of a tariff or a duty on a flexible basis, and thereby establish a basis of fair trade with foreign nations, the money will go into the United States Treasury and can be used to pay debts or to lower taxes. It will take the profit out of foreign sweatshop labor.

TARIFFS OR SUBSIDIES

But when there is free trade, and we must collect money from the taxpayers of the United States to pay subsidies to hold up a standard of living for an industry that cannot survive in competition with sweatshop labor, it becomes necessary to impose additional taxes. We cannot lower taxes and at the same time pay subsidies. We must pay subsidies if we desire to have free trade. It is as simple as that.

NO QUESTION OF HIGH OR LOW TARIFF

The constitutional authority for fixing tariffs and import fees rests with the Congress of the United States, and it is a dangerous delegation of authority to put the power to destroy the workingman and the industry of this Nation solely in the hands of a Secretary of State.

Under the Foreign Trade Authority bill which I have introduced and offered as a substitute for the 1934 Trade Agreements Act, there is no question of a high or low tariff, or import fee, but the tariff will be set on a fair trade basis to be determined by the declared-customs value and offered-for-sale price in the event the Foreign Trade Authority cannot determine foreign costs.

TAKE INTO ACCOUNT FOREIGN MANIPULATIONS

The Foreign Trade Authority, or the reorganized Tariff Commission, would have plenty of latitude to determine and adjust tariffs and import fees, in order to take up the slack and to offset any manipulation of currency by foreign countries, or subsidies paid to foreign countries.

Only through a flexible-import fee based on fair and reasonable competition will foreign nations be encouraged to raise their own living standards since such an increase in wages would result in a corresponding reduction in the flexible-import fee and the difference would be paid to the workers in each foreign country instead of being paid into the United States Treasury.

Under such a policy the investments of capital in domestic industries will be encouraged since competitive imports will be controlled through a definite long-range policy established by the Congress of the United States and administered by its agent, the Foreign Trade Authority, which would be very similar to the present Tariff Commission.

LONG-RANGE PRINCIPLE FOR INVESTORS

There would be a policy, a long-range principle, adopted, upon which private investors could depend, so that they would be enabled to make investments which might require 1, 2, 3, 5, or 10 years to show results, because they would be only pitting their judgment against that of their fair competitors.

RETURN CONSTITUTIONAL RESPONSIBILITY TO CONGRESS

The Foreign Trade Authority bill which I have introduced as a substitute for Senate bill 5495 would return to the Congress of the United States its constitutional responsibility to regulate tariff matters on a basis of fair and reasonable competition, and on a fair trade basis with foreign nations.

The responsibility for establishing tariff was placed in the Congress by the Constitution. For many years in connection with tariff legislation the result was that such legislation was debated on the floors of both Houses of Congress, and did produce the unfortunate result usually called log-rolling.

The 1934 Trade Agreements Act, according to its proponents, was supposed to be a great advance over this unsatisfactory method.

However, I point out that the 1930 Tariff Act provided for such a flexible method for adjusting duties and tariffs. It made provision for the utilization of such flexibility by the Tariff Commission in setting duties and tariffs on a flexible basis without interference by Congress. The problem had already been met.

The flexible import fee bill would accomplish both—the return of jurisdiction over tariffs to the Foreign Trade Authority an agency of Congress in accordance with the Constitution of the United States, and would effectively prevent any so-called log-rolling, if, in fact, any existed after the 1930 Act.

MAKING EXECUTIVE AN AGENT OF CONGRESS NOT THE ANSWER

As unsatisfactory as was the former method of making tariffs, the delegation of that responsibility to the Executive was not the correct answer, because in the past the President, with the advice of the State Department, has been all too eager to use this delegated authority to advance their foreign policy. In other words, the Secretary of State would sell an industry down the river to purchase some fancied favor in foreign policy, probably in the long run not secured. It is necessary, therefore, to return to

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the Congress its constitutional responsibility for the determination of any tariff policy.

PRINCIPLE LAID DOWN BY CONGRESS

The proposed Foreign Trade Authority would administer tariff rates according to the principles laid down by the Congress, on the basis of fair and reasonable competition and any adjustments in the duties or tariffs proposed by the Authority would be submitted to the Congress, which, if it so desired, could disapprove any specific change by concurrent resolution within 60 days.

Congress, therefore, would not only again become the policymaking body in the domestic economic field, but would also retain the veto power over any proposed tariff changes made by its agent, the Foreign Trade Authority, without, however, debating the tariff question in the Congress.

The fact, alone, that Congress could take definite action to disapprove any tariff change recommended by the Authority would give Congress complete control over its agent, the Foreign Trade Authority, a reorganized Tariff Commission.

DUTIES OR TARIFFS A DOMESTIC MATTER

Historically tariffs have always been a domestic matter, because they are instituted for the protection of the domestic economy. For that reason alone the administration of tariffs by the State Department under the authority of the 1934 Trade Agreements Act, as has been the practice in the past 19 years, is an absurdity.

FOREIGN RELATIONS—DUTY OF STATE DEPARTMENT

The duties of the State Department are in the field of foreign relations; and to give such an agency the power to determine the fate and the nature of the national economy as constituted by its many competitive industries, is plainly contrary to good judgment.

CONTINUITY OF THE WORK PROVIDED

Under the provisions of this amendment the present Tariff Commission would be transformed into the foreign-trade authority, and the present Commissioners would automatically become its directors. Thus this amendment would provide for continuity of the work, as well as the personnel of the present Tariff Commission.

FAIR AND REASONABLE COMPETITION

The flexible-import-fee substitute would introduce the principle of fair and reasonable competition. Imports from low-wage countries would come into this country on a fair-trade basis after paying tariffs and import fees. It is no more than reasonable to domestic producers and foreign producers alike to require them to compete in the United States on the basis of reasonable price equality.

CARTELS AND MONOPOLIES

In a great deal of domestic legislation we have attempted to break up monopolies and cartels and to provide the domestic market with a set of fair competitive standards, whereas through the 1934 Trade Agreements Act as administered by the State Department foreign imports have been able to enter our markets with a great competitive advantage.

The flexible import fees, as administered under the Foreign Trade Authority amendment, would make it useless for foreign producers eager to sell on the American market to keep wages down, since any increase in the standard of living abroad would be reflected in a reduction of duties applicable to such imports. Standards of living abroad would tend to improve under that principle.

NATIONAL DEFENSE ADVANCED

The national security would be advanced by the provision of adequate tariff rates for products which have been coming into the country in increasing quantities. Above all, venture capital available for the development and growth of business, including mining enterprises, would increase, and most of the mines now closed would reopen because of the increased confidence that "fair trade" tariffs would sustain continued domestic production.

WOULD NOT NEED GOVERNMENT AS PARTNER

In other words, it would not be necessary in the future, if this amendment were put into full force and effect, for the businessmen and the mining men of the Nation to have the Government as a partner before they would be willing to invest their money.

In addition, research and development for the utilization of low-grade mineral deposits would go forward.

PERIL POINT AND ESCAPE CLAUSE A DELUSION

Under the present law the so-called peril point and escape clause are simply reminders or notes of caution to the President, but are not mandatory provisions and serve to delude the public.

The peril point is determined in advance, and the trade agreements or the agreements to lower tariffs are supposed to be based upon such determinations. Then the foreign nations, with which such agreements are made, manipulate the price of their currency, raising the price of their money in terms of the dollar, and, in effect, put a tariff on their money.

ESCAPE CLAUSE RARELY APPLIED—AND NOT TO EXTENT NECCESSARY

So far as the escape clause is concerned, of the 50 applicants who have filed applications for relief under the escape clause during the past year, only 3 were actually granted relief.

This situation seems to substantiate the fact that it has been the prevailing policy of the executive departments to divide the markets of this Nation with the other countries of the world.

REAL PROBLEM OVERPOPULATION

The real problem in Europe and Asia is overpopulation. That is the real meat in the coconut, and the root of all their troubles.

IMPORTING EITHER PRODUCTS OR CHEAP LABOR DESTROYS OUR WORKERS

We cannot successfully import European and Asiatic cheap labor any more than we can import the products of sweatshop labor without destroying our wage standard of living, and destroying with it our workers and the small businesses of this Nation.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a statement by O. R. Strackbein, of the Joint Labor-Management Council, on the Foreign Trade Policy, before the National Small-Business Men's Association at Washington, D. C.

The PRESIDING OFFICER. There being no objection, the statement and list of members of the council will be inserted at this point in the RECORD:

SMALL BUSINESS AND TARIFF

Oscar Strackbein, of the Joint Labor-Management Council on Foreign Trade Policy, said of "trade, not aid" and the reciprocal trade agreements as they affect small business: that in the abounding propaganda which has covered the country in the last few months on the subject of "Trade, Not Aid," one of the points generally made is that we have nothing to fear from imports, that the United States' producers can outproduce the world.

He said he felt this concept was taken almost entirely from our large mass production industries which can and do out-produce other countries.

Our small industries cannot withstand import competition to the same degree as our larger industries. There is no mystery about this.

The struggle today on the tariff issue is entirely different from what it was 40 or 50 years ago. The tariff was long characterized as the instrument of Wall Street, of the big interests, of concentrated industry.

Now a complete shift has taken place. You find those same big industries which previously were characterized in cartoons as wearing the silk hats and gold chains across the breast, now on the other side. The fox is running with the hounds.

It is small industry, small business, in this country which has the greatest stake in the tariff, and it is no longer big business. A complete change has taken place, and the people do not know it yet. I hope that, in informing you of this, you will tell others about it, because it has become extremely difficult to get our story into the newspapers.

Do not let anybody say that the tariff today is the instrument of big business or of Wall Street, or anything of that kind. The tariff today is the instrument of small and medium-sized business and of agriculture.

LIST OF ORGANIZATIONS REPRESENTED AT MEETING ON TARIFFS AND TRADE, WASHINGTON, D. C., MARCH 5, 1953

Almond Growers Exchange, California.
Band Instrument Manufacturers, Domestic, tariff committee.
Bicycle Institute of America, Inc.
Book Manufacturers' Institute, Inc.
Bookbinders, International Brotherhood of, AFL.
Camillus Cutlery Co.
Cattlemen's Association, American National.
Chemical Manufacturers' Association, Synthetic Organic.
Chemical Workers' Union, International, AFL.
Chemists' Association, Inc., Manufacturing.
Cherry Growers and Industries Foundation.
Maraschino Cherry and Glace Fruit Association.
New York Cherry Growers Association, Inc.
New York State Canners and Freezers Association.
China Association, Inc., The Vitrified.
Coal Association, National.
Cordage Institute.
Cotton Manufacturers Institute, American.
Dairy Industry Committee:
National Cheese Institute.
American Butter Institute.
National Creameries Association.
Milk Industry Foundation, etc.

Diamond Match Co., The.
Fig Institute, California.
Fish Canners' Association, California.
Fish Cannery Workers and Fishermen's Union, Pacific Coast, AFL.
Fisheries Association, Massachusetts.
Fishermen's Union, Atlantic, AFL.
Fishery Products Division, National Canners' Association.
Fishing Vessel Owners' Association, Inc., of Seattle.
Florida Fruit & Vegetable Association.
Glass Workers' Union of North America, America Flint, AFL.
Glassware Association, American.
Glove Manufacturers, Inc., National Association of Leather.
Grain Cooperatives, National Federation of.
Handwear Association, American Knit.
Harley-Davidson Motor Co. (motorcycles).
Hat Institute, Inc., The.
Wool Hat Manufacturers Association.
Hatters' Fur Cutters Association of the U. S. A.
Straw Hat Group.
Hatters, Cap, and Millinery Workers' International Union, United, AFL.
Hot House Vegetable Growers, National Association of.
Kimberly Clark Corp. (paper).
Lace Manufacturers Association, Inc., American.
Meat Packers Association, National Independent.
Meat Packers Association, Inc., Western States.
Milk Producers Federation, National.
Mine Workers of America, United.
Mushroom Institute, The.
Nut Growers Association, Northwest.
Oakville Co. Division, Scovill Manufacturing Co. (metal products).
Paper & Pulp Association, American.
Pen & Pencil Association, Fountain.
Petroleum Association of America, Independent.
Photo-Engravers' Union of North America, International, AFL.
Pin, Clip & Fastener Association.
Potters Association, United States.
Regens Lighter Corp. (cigarette lighters).
Renderers Association, National.
Reynolds Metals Co. (Aluminum).
Risdon Manufacturing Co., The (metal and wire goods).
Scientific Apparatus Makers Association.
Seafarers' International Union of North America, AFL.
Seafood Producers' Association of New Bedford, Inc.
Shenango Pottery Co.
Sunkist Growers (citrus).
Tuna Research Foundation.
Vegetable Products, Inc., Basic.
Walnut Growers Association, California.
Wine Institute, The.
Wood screw industry—United States Wood Screw Bureau.
Wool Growers Association, National.
Wool Growers, Pacific.
American Mining Congress.
American Tunaboat Association.
Anthracite Institute.
Clock Manufacturers Association of America, Inc.
National Small Businessmen's Association.
Optical Manufacturers Association.
Southern Coal Association.
United Textile Workers of America, AFL.
United Wall Paper Craftsmen and Workers of North America, AFL.

GIVE THE AMERICAN WORKER AND SMALL BUSINESS AN EVEN BREAK

Mr. MALONE. Mr. President, I close with the statement that I believe we should give the American workingman an even break in his own market. We should give small business an even break in the American market. We should give the American investors an even break in their own market.

TAX ADVANTAGE FOR FOREIGN INVESTORS

At present there is discussion not only of the advantage of free trade, using the low-cost labor in foreign nations with our know-how and our equipment and importing the goods into this Nation without tariffs or import fees or duties, as the Constitution of the United States calls them, but there is even discussion of a tax advantage for foreign investors.

EXPORTING JOBS TO FOREIGN SOIL

That, of course, would be the last straw. When a man invests his money abroad and takes it away from this country, exporting jobs to foreign soil, and then we give him a tax advantage, it seems to me that even the past administration would have hidden its head in shame in suggesting any such arrangement.

UNITED STATES TO BECOME A PART OF THE STERLING BLOC

Through our internationally minded State Department, as an agent of Congress, we are moving toward becoming, in effect, a member of the British sterling block nations.

NO HIGH OR LOW TARIFFS

I close by saying that if the Foreign Trade Authority, a reorganized Tariff Commission, should be accepted as a substitute for the pending measure, there would be no discussion of a high tariff or a low tariff.

There would be a flexible import duty or tariff adjusted upon the basis of fair and reasonable competition, upon the principle of fair trade with foreign nations.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a list of firms and individuals who have registered their opposition to H. R. 5495, as well as a list of firms and individuals who have filed statements and briefs with me opposing free trade.

The PRESIDING OFFICER. There being no objection, the list of firms and individuals will be inserted at this point in the RECORD.

Some briefs and statements opposing the free-trade principle of the 1934 Trade Agreements Act sent from the following companies and organizations to Senator GEORGE W. MALONE, United States Senator from Nevada:

Company	Representative	Product
American Tariff League	Richard H. Anthony	Generally against free trade.
National Federation of Independent Businesses.	George J. Burger	Do.
Voland & Sons	James C. Jacobson	Balances and weights.
Bicycle Institute of America, Inc.	Ruth M. Herriek	Bicycles.
International Photo-Engravers' Union.	Edward J. Volz	Books.
National Cheese Institute, Inc.	E. W. Gaumnitz	Cheese.
Libby, McNeill & Libby	L. J. Stuart	Canned fruits and vegetables.
Maraschino Cherry & Glace Fruit Association.	DeWitt C. Reed	Cherries.
The Homer Laughlin China Co.	J. M. Wells	China.
Shenango Pottery Co.	George B. Zahniser	Do.
Clothespin Manufacturers of America.	W. A. Penrose	Clothespins.
Chesapeake & Ohio Ry Co.	Horace L. Walker	Coal.
Island Creek Coal Co.	Rolla D. Campbell	Do.
Anthracite Institute	Frank W. Earnest, Jr.	Do.
National Coal Association		Do.
Norfolk & Western Ry Co.	Stuart T. Saunders	Coal.
Pittsburgh Consolidation Coal Co.	G. A. Lamb	Do.
Wine Institute	Edward W. Wootton	Wine and brandy.
United States Band Instrument Industry.	Walter W. Mueller	Woodwind instruments.
National Wool Growers Association	J. M. Jones	Wool.
Tuna Research Foundation	Edwin L. Morris	Tuna.
Columbia River Salmon and Tuna Packers Association.	James H. Cellars	Do.
American Tunaboat Association	Harold F. Cary	Do.
Cannery Workers Union of the Pacific.	James Waugh	Do.
United Wall Paper Craftsmen and Workers of North America.	M. C. Firestone	Wallpaper.
American Paper and Pulp Association.	E. W. Tinker	Paper pulp.
American Glassware Association	William F. Dalzell	Glassware.
National Association of Leather Glove Manufactures.	James H. Casey	Gloves.
American Knit Handwear Association.	Harry A. Moss, Jr.	Do.

This list of business organizations and firms have registered their opposition to H. R. 5495 and its extension of the free-trade policy:

Name	Organization	Place
Brown, Norman D.		Smith Valley, Nev.
Cook, Harry H.	American Flint Glass Workers Union of North America	Toledo, Ohio.
Davidson, William H.	Harley Davidson Motor Co.	Milwaukee, Wis.
Fulstone, F. M.		Smith, Nev.
Hodnette, John K.	Westinghouse Electric Corp.	Pittsburgh, Pa.
Jackson, Robert C.	The American Cotton Manufacturers Institute, Inc.	Washington, D. C.
Johnson, Victor W.	Oregon Wool Growers Association	Pendleton, Oreg.
Murchison, Claudius T.	[The American Cotton Manufacturers Institute, Inc.	Washington, D. C.
	[National Council of Farmer Cooperatives	Do.
Rice, Thomas D.	Massachusetts Fisheries Association, Inc.	Boston, Mass.
Swallow, George N.	United Stockmen's Association	Ely, Nev.
Wing, W. P.	California Wool Growers Association	San Francisco, Calif.

CERTAIN TRUST FUNDS HELD BY THE SHOSHONE AND ARAPAHO TRIBES OF THE WIND RIVER RESERVATION

Mr. BARRETT. Mr. President, I ask unanimous consent that Order No. 265, H. R. 444, be included on the call of the calendar on next Monday, notwithstanding the fact that it is not included among the measures to be considered on the call of the calendar on that day.

Mr. KNOWLAND. Will the Senator state the calendar number?

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Mr. BARRETT. It is incorrectly shown on today's calendar as No. 365. It should be 265. It is H. R. 444, to amend the act of May 19, 1947, so as to increase the percentage of certain trust funds held by the Shoshone and Arapaho Tribes of the Wind River Reservation which is to be distributed per capita to individual members of such tribes.

Mr. KNOWLAND. I have no objection.

Mr. HENDRICKSON. I have no objection.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). Without objection, it is so ordered.

EXTENSION OF TRADE AGREEMENTS ACT

The Senate resumed the consideration of the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes.

Mr. MILLIKIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hendrickson	Millikin
Barrett	Hennings	Monroney
Beall	Hickenlooper	Morse
Bennett	Hill	Mundt
Bricker	Hoey	Murray
Bridges	Holland	Neely
Butler, Md.	Humphrey	Pastore
Butler, Nebr.	Hunt	Payne
Byrd	Jackson	Potter
Carlson	Johnson, Colo.	Purtell
Case	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Clements	Kennedy	Saltonstall
Cooper	Kerr	Schoeppel
Cordon	Kilgore	Smathers
Douglas	Knowland	Smith, Maine
Duff	Kuchel	Smith, N. J.
Dworshak	Langer	Sparkman
Ellender	Lehman	Stennis
Ferguson	Long	Symington
Flanders	Magnuson	Taft
George	Malone	Thye
Gillette	Mansfield	Watkins
Goldwater	Martin	Welker
Gore	Maybank	Wiley
Green	McCarran	Williams
Griswold	McCarthy	
Hayden	McClellan	

The PRESIDING OFFICER (Mr. HICKENLOOPER in the chair). A quorum is present.

The question is on agreeing to the modified amendment of the Senator from Washington [Mr. MAGNUSON], submitted for himself and other Senators, number "7-1-53-C."

Mr. MILLIKIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Colorado will state it.

Mr. MILLIKIN. Is the pending amendment the so-called Magnuson amendment?

The PRESIDING OFFICER. Yes. The question is on agreeing to the modified amendment, identified as "7-1-53-C," offered by the Senator from Washington [Mr. MAGNUSON], for himself and other Senators.

Mr. MILLIKIN. Mr. President, the Magnuson amendment reflects discontent with the administration of section 22 of the Agricultural Adjustment Act. I shall not rub old sores. All I wish to say is that President Eisenhower and the Secretary of Agriculture are very much alert to the need for sustaining the Department of Agriculture's price-support program and other agricultural programs which have the protection of that act against assaults by destructive imports.

For example, on April 10, 1953, the President ordered the Tariff Commission to make an immediate investigation to ascertain whether, if section 104 of the Defense Production Act became ineffective, imports of products covered by that section would be likely to interfere with domestic agriculture programs.

Early in June 1953 the Tariff Commission reported to the President on the following items: Butter, buttermilk, dried whole milk, dried cream, dried skim milk, dried malted milk, compounds of and substitutes for milk, several kinds of cheese—including blue mold, Cheddar, Italian type of cows' milk, Edam, and Gouda; peanuts, peanut oil, flaxseed, linseed oil, tung nuts, and tung oil. The Tariff Commission reported that in each instance imports would tend to interfere with domestic programs, except in the case of tung oil already embargoed from China, the only important source.

On June 8, 1953, the President by proclamation ordered quotas or import fees upon all the above-mentioned products except tung oil and tung nuts, to go into effect on July 1, 1953.

I mention that example to show there is no inaction and no failure of appreciation of the impact of imports upon our domestic agricultural programs.

As another example, let me say that the wool industry is in dire distress. I am authorized to say that the Secretary of Agriculture has requested the President to instruct the Tariff Commission to make a section 22 wool investigation for the current wool year. I am also authorized to say that early next week the President will instruct the Tariff Commission to make that investigation and to report to him.

Moreover, the President will ask the Economic Commission, which will be established by this bill, to study the basic difficulties and predicaments of the wool industry not entirely answered by section 22 action, with the hope that constructive recommendations will be made which will help that important and ailing part of our economy.

The point is that there is no purpose to slough off responsibility under section 22. There is no official insensitiveness to the problems of our producer farmers who should have the protection of section 22.

The Senator from Washington [Mr. MAGNUSON] asked the Secretary of Agriculture to comment upon his amendment. In a letter under date of June 30, 1953, to the Senator from Washington, the Secretary of Agriculture analyzed and severely criticized several features of the amendment, which is now before the Senate.

The Senator from Washington made the point that he thought his amendment was in line with testimony which the Secretary of Agriculture had given before the Committee on Agriculture and Forestry.

I now read the letter from the Secretary of Agriculture to the Senator from Washington [Mr. MAGNUSON], under date of June 30, 1953, which is self-explanatory:

DEAR SENATOR MAGNUSON: In response to your letter of June 26, I am glad to give you my views with respect to the proposed amendment to H. R. 5495, attached to your letter.

Your letter refers to appearances which I have made before committees of the Congress and recommendations that section 22 of the Agricultural Adjustment Act be strengthened. I have suggested that section 22 can be made an effective instrument by improved administrative procedures and by supplementing it with authority, in an emergency, to impose the quotas or import fees within the limits specified by the section, on an interim basis, pending decision by the Tariff Commission and action by the President. I feel that so strengthened, section 22 would assure the protection of the Department's price support and other programs against interference or nullification by the distortions in international trade which such programs are likely to create.

The addition of emergency authority above described is the only change that I have suggested in section 22. Such a change does not appear in your proposed amendment.

Mr. President, I should say—and I shall discuss it later—that the Senator from Washington now has language in his proposed amendment touching on that particular criticism. I continue:

The changes in section 22 contained in your proposed amendment appear to be as follows:

1. Makes interference with "the national objective of achieving full parity prices for agricultural commodities, or products thereof, in the market places," a basis for action under section 22.

2. Provides that the Secretary of Agriculture report directly to the Tariff Commission rather than to the President, who in turn issues a directive to the Tariff Commission.

3. Provides authority to any interested party to petition the Tariff Commission for section 22 relief and requires an immediate investigation upon filing of such petition.

4. Requires the Tariff Commission to make its report to the President within 6 months after the filing of a petition for investigation.

5. Makes finding of the Tariff Commission that fees and quotas be proclaimed, binding on the President.

The Senator from Washington has made certain changes in his original amendment, I think, to accommodate that point. The Secretary proceeds:

1. I am in full accord with and strongly support the national objective of achieving full parity prices for agricultural commodities in the market places. However, I doubt the wisdom of broadening section 22 at this time in the manner proposed. All price support legislation is now under review. One of the basic questions is how full parity is to be achieved. In addition, we must not overlook the effects of section 22 actions on international trade objectives. One of our current problems in agriculture stems from declining export markets. It would seem advisable that this proposal be submitted to the Commission on Foreign Economic Policy provided for in H. R. 5495, now pending before the Senate. I believe this, together with other proposals for improving legislation relating to foreign trade, should be thoroughly studied by the proposed Com-

mission before being incorporated in the statutes.

2. I believe it is unwise to exclude the President from participation in the determinations and directions with respect to the institution of an investigation under section 22. When a section 22 investigation is instituted by the Tariff Commission, the Secretary of Agriculture and his representatives appear as a party to that proceeding. They appear for the purpose of protecting the Department's price support and other programs, as well as for the purpose of aiding the Tariff Commission in its investigation. The Department is thus an interested party. It seems to me unwise that such a party should be granted the sole authority to direct the Tariff Commission to institute the investigation. Such a function is more appropriately exercised by the Chief Executive of the Government who does not subsequently appear in the Tariff Commission proceeding as an interested party.

3. I believe it would be unwise to allow applications for section 22 investigations to be filed directly with the Tariff Commission by any party, in view of the requirement that the Commission thereupon begin an immediate investigation.

I interpolate to say it is perfectly apparent that all sorts of requests for investigations could be expected to be made, many of them without the slightest foundation; many of them having crank significance, many of them in bad faith.

The Secretary goes on to say:

I believe there should be some screening authority. If applications are to be filed with the Tariff Commission, that Commission should have discretion in determining whether to proceed with an investigation upon such an application. I believe the present procedure is preferable. That requires interested parties to file their application with the Secretary of Agriculture and the Department, after investigation, determines whether there is sufficient basis for the belief that imports are interfering with departmental programs to warrant recommendation that an investigation be instituted. Such screening procedure appears to be desirable, in view of the fact that when the President directs the Tariff Commission to institute a section 22 investigation, the Commission is required to institute the investigation immediately.

4. I doubt the wisdom of a rigid requirement that these investigations of the Tariff Commission must be completed within 6 months of the filing of an application. There may well be cases when all parties, including the Commission, would agree that further time was desirable. After the institution of an investigation, conditions may change, making it desirable that proceedings in the investigation be suspended for a time. Rather than imposing a rigid requirement of this kind, I would favor the strengthening of section 22 by providing authority for emergency action along the lines above suggested. With such emergency authority, there would be no need for a requirement that the Commission render its report within any prescribed period of time.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. MILLIKIN. I yield.

Mr. THYE. Does the Senator from Colorado propose that such emergency authority be placed in the present Reciprocal Trade Agreements Act by amendment?

Mr. MILLIKIN. Personally I would prefer that it not be. I think all these matters ought to be studied by the appropriate agricultural committees.

Mr. THYE. There is a mere reference to an emergency authority. Would that be available now, administratively, if it were desired to use it administratively?

Mr. MILLIKIN. I assume from what the Secretary says that he does not consider that he can act with the speed with which he would like to act in such emergencies. I should say that I would not object strongly. In fact I am willing to say that, if the amendment here proposed were confined to the field in which the Secretary thinks there should be emergency legislation, I would urge that it should go to conference.

Mr. THYE. Mr. President, if the Senator will yield further for a very brief comment on this subject, I may say that earlier this year the Secretary of Agriculture appeared before the Senate Committee on Agriculture and Forestry and made mention of the cumbersomeness of section 22 of the Reciprocal Trade Agreements Act, and of the fact that too great a delay was entailed in going through the necessary processes prescribed by section 22 so that oftentimes imports which could be disastrous to our entire agricultural economy would continue because the machinery of section 22 could not be set in motion to achieve some sort of embargo against them.

I know we discussed it, and for that reason proposed legislation was introduced, upon which no action has been taken. I have seen a proposed amendment which is to be offered by the Senator from Oregon [Mr. CORDON]. The only reason I make mention of it is that I must leave the Chamber by 5 o'clock, and I cannot be present to participate in the vote, but I want it to be known to all Members of the Senate, that if the emergency proposal, which I know is contained in the amendment of the Senator from Oregon should be offered, I would if present vote for it, because I think it constitutes an emergency safeguard which is needed and which will permit immediate and speedy action under section 22 which that section does not at present provide.

I hope the proposal offered by the distinguished Senator from Oregon will be acted on favorably, and then we shall have within section 22 what is necessary to make it administratively effective.

Mr. CASE. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. CASE. What does the Senator for Colorado understand to be the definition of "any interested party"?

Mr. MILLIKIN. I take it, it is the business of the Secretary of Agriculture and the Department of Agriculture to devote themselves to the protection of the farmers' interest——

Mr. CASE. Mr. President, I am interested in the use of the term "interested party," as used in the amendment, where it is stated that the Secretary of Agriculture shall and any interested party may petition the Tariff Commission.

Mr. MILLIKIN. I beg the Senator's pardon. I thought he was referring to the letter of the Secretary of Agriculture. So far as the language in the Magnuson amendment is concerned, I think there is a serious defect there, as was pointed out by the Secretary of Agriculture, because anyone claiming interest can come forward with an application for an investigation. The entire processes and working abilities of the Department could be swamped. Capricious applications could be made. Persons could make senseless applications which should be dismissed as soon as they were read. On the other hand, there would be some legitimate applications, perhaps many of them. But someone must obviously screen all of them.

Mr. MAGNUSON. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I yield.

Mr. MAGNUSON. Mr. President, I merely want to say that that is true of any legislation we might pass. Anyone may file an application, under the law, before the Interstate Commerce Commission, the Federal Communications Commission, the Civil Aeronautics Board, or any other commission; but the commissions themselves establish rules and regulations which require a certain background before an application is given consideration. In this particular amendment we merely follow the procedure which has been followed in all Government commissions, such as the Tariff Commission, and prescribe that they establish their own rules and regulations as to the applicant and as to whether his application is capricious. The term "interested party" is used in all types of legislation. An interested party might be a farm group or a business group.

Mr. MILLIKIN. Unless there is a purpose to broaden the applications which the Secretary of Agriculture may now receive, there is no point to the language in the Senator's amendment.

Mr. President, I continue to read from the letter of the Secretary of Agriculture to the Senator from Washington:

(5) Under the present law, the President proclaims such fees and quantitative limitations as he finds are shown to be necessary by the investigation and report of the Tariff Commission. This permits an independent review of the facts by the President which is not afforded by your amendment. I believe that the President should not be excluded from participation in the determination of the changes affecting international trade which result from section 22 actions.

For the foregoing reasons it is my view that there is no need at this time for the changes in section 22 which your amendment proposes. I believe that a strengthened section 22 would be adequate to protect the departmental programs at least during the coming year when it is expected that the whole matter will be under review and study by the Commission on Foreign Economic Policy which the legislation now pending before you will create. The prompt and effective action recently taken in connection with dairy products and certain other commodities—

I again interpolate to say that I read those products a little while ago—

heretofore subject to import control under section 104 of the Defense Production Act demonstrates the efficacy of the present section 22 procedure.

Mr. President, I interpolate again to say that the action the President will

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take early next week with respect to wool is a further demonstration.

I read further:

If we can be of any further service to you, please feel free to call upon us.

Mr. President, in view of the criticisms of the Secretary of Agriculture, which seem to me to be valid and which have been met in the amendment of the Senator from Washington only in the respects which I have mentioned, leaving unsatisfied three or four other important criticisms, the Senate should not adopt the amendment.

Mr. MAGNUSON. Mr. President, will the Senator from Colorado yield?

Mr. MILLIKIN. I have not yet finished.

I yield to the distinguished Senator from Oregon [Mr. CORDON].

Mr. CORDON. Mr. President, I would inquire of the Senator from Colorado——

Mr. MAGNUSON. Mr. President, I do not know what kind of procedure this is.

Mr. MILLIKIN. I thought the Senator from Oregon asked me to yield.

Mr. MAGNUSON. Does the Senator still claim the floor?

Mr. MILLIKIN. I claim the floor and would ask the Senator from Oregon if he desires me to yield.

Mr. CORDON. I desire to ask a question on the subject matter.

Mr. MILLIKIN. I yield for that purpose.

Mr. CORDON. Would the views of the Secretary of Agriculture be met by an amendment to the pending bill that would provide the type of authority for emergency action which the Secretary has indicated as most needed and desirable at this time, and with no further provision than that?

Mr. MILLIKIN. I would certainly answer the question in the affirmative. That is the only thing in which the Secretary of Agriculture seems to be interested and seems to want to have done in the near future.

Mr. CORDON. Mr. President, I desire presently to have the floor in my own right, but I believe the Senator from Washington had tentative recognition, and I certainly do not want to dispute him. I desire in due time to offer an amendment with which the Senator is acquainted.

Mr. MAGNUSON. Mr. President, I appreciate the Senator's statement. I merely wanted to have the floor at this time in view of what the distinguished Senator from Colorado said with regard to the Secretary's letter. I placed that letter in the RECORD this morning and discussed portions of it at some length. It is sort of an odd reply after reading his testimony given a few days ago before various committees of the Senate.

However, I think that the major objection the Senator now speaks of has been taken care of. One of his objections was that advice or action by the President on this matter was not included. That has been taken care of in the amendment.

The second question was whether the applications should be screened. I cannot see valid objection to any bill that says an interested party, a citizen of the United States, shall have the right to file an application. Whether or not the application will be acted upon or investigated depends upon the rules and regulations of the Tariff Commission, which the Commission is empowered to make by the amendment itself.

All commissions of the Government make rules and regulations. One can make an application before any commission, but that does not mean the commission will give full consideration and make a full investigation. I assume the commission would determine that itself. So I cannot see any valid objection on that score.

The Senator objects to the limitation of 6 months. One of the real reasons for the amendment, and one of the real reasons for strengthening section 22, is to simplify procedure. The Secretary of Agriculture himself testified to the effect that the procedure was cumbersome. The reason it has been cumbersome is the length of time it has taken to obtain action.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MILLIKIN. The Senator's amendment, after reciting the preliminaries leading to this language, says:

The Secretary of Agriculture shall, and any interested party may, petition the United States Tariff Commission to make an immediate investigation. Upon receipt of any such petition an immediate investigation shall be made by the United States Tariff Commission, which shall give precedence to investigations under this section to determine such facts.

Mr. MAGNUSON. If the Senator will read further on page 2, in line 25, he will see that the Tariff Commission is empowered to establish rules and regulations in regard to the applications.

Mr. MILLIKIN. But the language still remains that an investigation shall be made. Under the mandate to make an investigation, when the investigation is made there are some rules for conducting it.

Mr. MAGNUSON. If the Senator will examine the organic acts creating other commissions, he will see that the same thing is true. The Interstate Commerce Commission, the Federal Trade Commission, and other commissions, have authority delegated to them to make investigations if an interested party desires to proceed, but it does not mean that the Commission makes a long investigation. Sometimes the application is denied on its face.

Mr. MILLIKIN. The Senator's amendment says that on application by the Secretary of Agriculture or any interested party, an investigation shall be made. The amendment does not give discretion; it provides that an investigation shall be made.

Mr. MAGNUSON. I shall be glad to delete the words "interested party," and use some other language that would prevent capriciousness, because I should think the rules and regulations of the Tariff Commission, which the Commission is empowered to establish under the act, would take care of that.

I could file a petition with the Federal Trade Commission, the Interstate Commerce Commission, or some other commission, and the Commission would be empowered under its rules and regulations, provided for in its organic act, to determine whether the petition was capricious. Sometimes an investigation of the application is made on its face, and the application is denied.

Mr. MILLIKIN. I am not questioning the Senator's purposes.

Mr. MAGNUSON. I understand.

Mr. MILLIKIN. But I submit that if he did not intend to change the rule as it exists, he would not have changed the language. At present an applicant can file a petition with the Secretary of Agriculture, but the Secretary of Agriculture at present is not required to conduct an investigation. That is the difference.

Mr. MAGNUSON. In answering the letter or acknowledging receipt of a petition to begin an investigation, the Secretary may deny the application at once. That is true of all commissions.

Mr. MILLIKIN. Perhaps the best judgment would be that of the Secretary of Agriculture, and the Secretary has pointed out the criticisms which I have voiced.

Mr. MAGNUSON. I wish I could agree with the Senator that the Secretary is a good judge of this question.

Referring again to the 6 months' time limitation, I think it is one of the merits of the amendment, that determination will be made in a reasonable time, and will not run on for 18 or 20 months, or sometimes 3 or 4 years.

The Secretary of Agriculture has said that perhaps the Commission would not want to make its determination in 6 months. Perhaps both parties would agree that they did not want a determination in that time. All they would have to do would be to say, "We have agreed not to have a determination within the time limit. There should not be any criticism. We have agreed. We are before the quasi board or Commission, but we have all agred to waive the 6 months' limitation."

That would be sufficient.

Mr. MILLIKIN. I suggest there is grave doubt whether when the law says that one shall do something within 6 months, 2 parties can get together by themselves behind an ash can in the alley and say they will not pay any attention to it.

Mr. MAGNUSON. They will not be behind any ash can in an alley. When anyone goes before the Tariff Commission on a matter such as this, he will be up front, shouting, on the main street. If the parties desire to agree that a matter should go over, the Tariff Commission would have a right to say that it should go over. That would satisfy the requirement that the Commission make a determination within 6 months.

As has been pointed out by the Senator from Colorado, there is another very important section of the amendment which was mentioned by the Senator from Minnesota, namely, the emergency clause, which is also, I believe, going to be included in the amendment to be of-

fered by the Senator from Oregon [Mr. CORDON].

Of course, that was taken from the testimony before the Committee on Agriculture and was also the subject of a piece of legislation introduced, I believe, by the Senator from Vermont [Mr. AIKEN] and the Senator from Florida [Mr. HOLLAND] on the subject of emergency matters. So that is quite important.

I cannot quite understand the suggestion of the Secretary. I do not think he made any serious criticisms. He suggested that section 22 be strengthened. He said in his letter a few days later that he did not think it should be broadened. I do not believe the amendment broadens section 22; I think it simplifies it. I believe it will help the administration do what the Senator from Colorado has suggested, and I am very much pleased to hear that the committee will do something about these things.

The letter of the Secretary of Agriculture, which I placed in the RECORD and discussed at some length this morning, in some cases completely reverses, in a general way, what the Secretary said a few weeks ago before the Committee on Agriculture. I think his fears regarding the 6 months limitation are somewhat unfounded. If he is sincere in wanting to do something about section 22, here is a chance to do it.

Perhaps there may be in the amendments some language the Senator from Colorado and I might not agree upon, but that is a matter that could go to conference. I am certain that the objective of all of us is the same. I think that even the Secretary of Agriculture wants a simplified section 22. I think he wants an emergency clause. I think he wants to have the procedure such that there can be relief granted where there is merit.

Mr. MILLIKIN. It seems to me the test of whether there should be a change in the law is whether the law is working properly. The President and the Secretary of Agriculture have given proof that they can act quickly. They ordered 16 investigations, and acted upon them within 2½ months. That is the kind of action we have been praying for. Now we are getting it. We are getting it with respect to wool.

When we are getting the kind of action we want, there is not a great deal of urgency about changing the law. As I understand from the Senator from Oregon [Mr. CORDON], he intends to propose an amendment which would take care of what the Secretary of Agriculture thinks would help him in emergency cases.

Mr. MAGNUSON. Mr. President, I think the emergency question is an important segment, but that would be new legislation. I cannot agree with the Senator from Colorado, even assuming that something has been done already under the procedures of section 22, that the kind of action we want, or the kind of action we could get under the proposed amendment would not be better in the protection of our agricultural industry. I am pleased to know that something is being done, and I am pleased to know that it is intended that some action be taken with respect to wool. That is a serious matter.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MUNDT. It seems to me that the Senator from Colorado [Mr. MILLIKIN] has placed undue emphasis on the fact that the proposed amendment suggests that any interested party may petition the United States Tariff Commission to make an immediate investigation, and that an immediate investigation will follow. I am sure that none of us wants to deny to any interested party the right to petition the Tariff Commission for redress, or for the correction of difficulties.

I think we can agree also that under this amendment the Tariff Commission would continue to maintain control of its operations. It would continue to define what is an investigation. It would set the time limit. The case might involve a quick reading of some report and an immediate reply. It might require several months. However, I think no one will challenge the fact that there is nothing in the amendment which spells out the detail or scope of an investigation which might be proposed.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I think what I shall do is yield the floor, so that I will not be guilty of what I suggested was going on.

Mr. MILLIKIN. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Washington still has the floor if he claims it.

Mr. MUNDT. Mr. President, I should like to be recognized long enough to suggest a possible modification in the amendment offered by the Senator from Washington.

Mr. MAGNUSON. I yield to the Senator from South Dakota.

Mr. MUNDT. If the Senator will yield to me also to propound a question to the Senator from Colorado, I should appreciate it.

The PRESIDING OFFICER. Let the Chair state the parliamentary situation.

The Senator from Washington has the floor at this time, and has yielded for certain purposes to the Senator from South Dakota. What does the Senator from Washington wish to do further in connection with that request?

Mr. MAGNUSON. Mr. President, I was in conversation with the Senator from Missouri [Mr. HENNINGS]. I was inquiring whether he wished to speak on the bill. He must meet a deadline, so I will yield to him.

The PRESIDING OFFICER. The Chair reminds the Senator from Washington that he has already yielded to the Senator from South Dakota. Does he wish to withdraw that yielding?

Mr. CORDON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. CORDON. I make the point of order that the Senator from Washington has lost the floor. The Senator from Washington has yielded beyond his right under the rules, and has therefore lost the floor.

Mr. MUNDT. Mr. President, I should like to be heard on the point of order, because I was about to ask a question in conformity with parliamentary procedure.

Mr. MAGNUSON. Mr. President——

Mr. CORDON. Mr. President, a point of order.

Mr. MAGNUSON. Mr. President, I had forgotten that I had promised the Senator from Missouri I would yield to him. I was trying to protect my promise to him. However, if the Senator from Oregon wishes me to take my seat, I shall be glad to do so.

Mr. CORDON. I shall be happy to withdraw the point of order if we can only have order, and move along.

The PRESIDING OFFICER. Technically the Senator from Washington still has the floor, and up to this moment has yielded to the Senator from South Dakota. Does the Senator from Washington desire to withdraw that yielding?

Mr. MAGNUSON. I yield to the Senator from South Dakota for a question.

Mr. MUNDT. Mr. President, I wonder if the Senator from Washington would consider modifying the amendment on page 2, in lines 19 and 20, by striking out the word "immediate." It would then read:

> And any interested party may, petition the United States Tariff Commission to make an investigation. Upon receipt of any such petition an investigation shall be made by the United States Tariff Commission—

And so forth. It seems to me that would remove from the argument any strength of rebuttal which has been injected into it in that connection by the distinguished Senator from Colorado.

Mr. MAGNUSON. Mr. President, in answer to the Senator from South Dakota, I will say that I would have no objection to the suggested modification. The only reason for using the word "immediate" and in providing the 6-month limitation was the hope that we might be able to speed up some of the procedures. If the suggested modification would not affect the 6-months period, I should be glad to accept the modification.

Mr. MUNDT. It would leave the latitude in the hands of the Commission, where it rightfully belongs.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MILLIKIN. I should like to point out that even if we eliminate the word "immediate," if a petition is filed, the result is an obligation to make an investigation. There are no "ifs," "buts," or "maybes" about it.

Mr. MAGNUSON. I cannot agree with the Senator from Colorado on that point.

Mr. MILLIKIN. That is what the language says.

Mr. MAGNUSON. The language is basic, and the literal interpretation has always been that the agency would proceed with the investigation. Even the denial of an application by letter, if it came within the rules, would be action

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upon the application. That is true in connection with the procedures of all commissions.

Mr. HENNINGS. Mr. President——

Mr. MAGNUSON. I now yield to the Senator from Missouri.

The PRESIDING OFFICER. For what purpose does the Senator yield to the Senator from Missouri? Does he yield for a question?

Mr. HENNINGS. For the purpose of submitting a concurrent resolution, and a unanimous-consent request.

Mr. MAGNUSON. I yield for that purpose.

The PRESIDING OFFICER. Does the Senator from Washington ask unanimous consent that he may yield for the purpose without losing the floor?

Mr. MAGNUSON. I do.

The PRESIDING OFFICER. Is there objection?

Mr. CORDON. Mr. President, reserving the right to object, does the Senator from Missouri desire to take only time enough to submit his concurrent resolution?

Mr. HENNINGS. I shall require no more than 1 minute.

Mr. CORDON. I have no objection.

The PRESIDING OFFICER. The Senator may proceed.

(At this point Mr. HENNINGS submitted a concurrent resolution on the subject of the removal of books and other exchange media from United States Information Centers, together with a statement for printing in the RECORD. The matters referred to appear elsewhere in today's proceedings under the appropriate heading.)

Mr. MAGNUSON. Mr. President, that is all I have to say on the subject. I wish to conclude merely by saying that I cannot quite agree with some of the interpretations of the language in the amendment. Time and time again, the Secretary has expressed his desire to strengthen section 22. I think this amendment would simplify the whole reciprocal trade program. It would aid it. It would simplify many cumbersome procedures. If the present administration intends to go ahead, as is suggested by the Senator from Colorado, I think the amendment would help it do a better job in this field.

As I said earlier today, this is a question which has been before the Senate on many occasions. This provision has been twice approved by the Senate. I believe that all Senators on the other side of the aisle voted for it on both occasions. This is the same amendment. It has the same purposes and objectives. I hope the Senate will agree to it, and that it will be taken to conference, where it can be discussed.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield the floor.

The PRESIDING OFFICER. Is the Senator from Washington under the impression that he has modified his amendment? The Chair does not so understand.

Mr. MAGNUSON. The Senator from South Dakota [Mr. MUNDT] suggested that I modify it by striking out the word "immediate" in lines 19 and 20 on page 2.

The PRESIDING OFFICER. The Senator has the right to modify his own amendment.

Mr. CORDON obtained the floor.

Mr. HUNT. Mr. President, will the Senator from Oregon yield to me so that I may ask the chairman of the committee a question?

Mr. CORDON. Mr. President, I ask unanimous consent that I may yield to the Senator from Wyoming for that purpose without losing the floor.

The PRESIDING OFFICER. Without objection, the Senator may yield for that purpose.

Mr. HUNT. Mr. President, will the distinguished chairman of the committee be kind enough to restate the promise or the commitment made with reference to wool?

Mr. MILLIKIN. I shall be very glad to do so. The Secretary of Agriculture has informed me that he has requested the President to instruct the Tariff Commission promptly to institute an investigation in connection with wool, under section 22 of the Agricultural Adjustment Act.

The White House informs me—and has said that I might disclose the fact—that early next week the President will instruct the Tariff Commission to make that investigation for the current wool year, and that the President will also bring the whole wool problem before the Economic Commission, which is provided for in the pending bill. The President believes there are some basic things, not fully answered by section 22 action, which are troubling the wool industry, and he hopes for some constructive suggestions along that line.

Mr. HUNT. Mr. President, I thank the distinguished chairman of the committee for repeating that statement. I also wish to express the appreciation of the wool growers of Wyoming to the President for the immediate action which he promises to take.

Mr. CORDON. Mr. President, I ask that the amendment, in the nature of a substitute, which I have sent to the desk, be stated.

The PRESIDING OFFICER (Mr. HICKENLOOPER in the chair). The amendment will be stated.

The CHIEF CLERK. In lieu of the language proposed by the Senator from Washington [Mr. MAGNUSON] insert the following:

SEC. . Section 8 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong., 1st sess.) is hereby amended by adding a new subsection (c) at the end thereof, reading as follows:

"(c) Subsection (b) of section 22 of the Agriculture Adjustment Act, as amended, is amended by adding at the end thereof the following:

"'In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President.'"

Mr. CORDON. Mr. President, let me say, first, that I make no claim of authorship of the language of the amendment; nor did I originate the thought. I have discussed its contents with the Senator from Washington [Mr. MAGNUSON]. I had hoped that we might have a meeting of minds, and that he would be willing to accept this particular provision in lieu of the total provision in his amendment.

He felt that the circumstances were such that he could not do it. So I am offering the amendment now in the nature of a substitute, soley for the purpose of getting the amendment in the right place in the pending bill, and in the right place in section 22 of the Agricultural Adjustment Act, if my motion prevails.

The language which I offer is the language contained in the last paragraph of the amendment offered by the Senator from Washington [Mr. MAGNUSON]. It is the language which appears in a bill which has been introduced by the Senator from Vermont [Mr. AIKEN] and cosponsored by the Senator from Florida [Mr. HOLLAND] and which I believe is now pending before the Committee on Agriculture and Forestry.

The bill was a direct answer to the appearance before the Committee on Agriculture and Forestry of the Secretary of Agriculture, at which time, in what I took to be his formal presentation before the Committee on Agriculture and Forestry, he called attention to the need for additional legislation amending section 22 of the Agricultural Adjustment Act and conferring power on the Chief Executive to act immediately in cases of emergency, and to impose either additional import duties or to impose quotas in cases where such action was needed before the Tariff Commission could go through the processes of an investigation and a report.

I shall read what the Secretary said on that subject. It is found on page 14 of the hearings before the Committee on Agriculture and Forestry of the United States Senate, 83d Congress. The hearings were held from April 10 through April 17 of this year. I quote from the statement of the Secretary of Agriculture, Mr. Benson:

As I have already shown, section 22 has not been administered in the past in such a manner as to meet the problem. But it can be made an effective instrument by improved administrative procedure and by supplementing it with authority, in an emergency, to impose the quotas or import fees within the limits specified by the section, on an interim basis pending decision by the Tariff Commission and action thereon by the President.

I interpolate to call particular attention to the concluding sentence of the paragraph:

So strengthened, section 22 would assure the protection of the Department's price-support and other programs against interference or nullification by the distortions in international trade which such programs are likely to create.

Mr. President, it seems to me that the extent to which we ought to go in connection with the extension of the Reciprocal Trade Agreements Act for another year is to provide such implementation as is absolutely essential, so

that emergencies which arise as a result of any so-called dumping, or any type of excessive import of agricultural supplies and products, can be met immediately, without going through any process, either processes contemplated, on the one hand, in the bill, or any shorter processes contemplated in the amendment of the Senator from Washington, on the other hand. In such cases immediate action is needed.

I wish to say that this language appears in the amendment of the Senator from Washington. I have supported him in the past in proposals to put teeth into section 22, in an effort to get something in the way of a law which had mandatory provisions, and upon which the agriculture of the country could rely.

If we cannot work out such a plan as is now proposed, and if the new economic commission does not come up with what appears to me to be some sound answers, I will be found again with the Senator from Washington, if he still maintain his views, fighting with him to have enacted into law in another session some such amendment as he proposes.

I have no criticism to make of the decision he has made. I am in agreement with him. I am merely suggesting that what I have proposed seems to me to be what is needed until we can have a complete "look see" and until a complete study can be made and a report submitted, and then full hearings and final action.

The emergency provision, in my opinion, is all we need now.

I do not want to be critical, but nevertheless I desire to call attention to what I believe to be 1 or 2 bad spots in the Senator's amendment. I call attention to them because, while I favor the basic proposition he is presenting, I realize that his amendment has not had the study which I believe it should have had before it was submitted on the Senate floor for debate.

The Senator from Colorado very properly, and I believe wholly accurately from a legal standpoint, called attention to the fact that the provisions are mandatory with respect to action by the Secretary of Agriculture. In the first instance, while they are discretionary with respect to action by other interested persons, they are mandatory as to what the Tariff Commission shall do. The Tariff Commission may, even without express direction, make such rules and regulations as are necessary to carry on its business in an orderly fashion, but it cannot make rules and regulations which repeal a provision of law.

Consequently, the requirement that the Tariff Commission proceed with its investigation and finish it within 6 months is a mandatory provision, and rules and regulations cannot change that fact. The Commission must go forward. The only answer that could be made would be the answer that might well arise as a result of so many applications being filed by so many interested parties that the Commission would be overwhelmed and could not do its job.

Mr. President, that would militate against every application that had been filed, including any application by the Secretary of Agriculture. The Commission would not have any discretion in that field, if a petition which was filed were to set forth the jurisdictional facts called for and referred to in this amendment. That is horn-book law.

Mr. MAGNUSON. Mr. President, will the Senator from Oregon yield?

Mr. CORDON. I yield.

Mr. MAGNUSON. Does not the Senator from Oregon think he is becoming a little excited about the application of the words "interested party"?

The same situation exists in the case of all commissions. They are not overwhelmed by capricious applications. This amendment merely would provide the application procedure which is applicable to all commissions. I do not think the amendment would result in bogging down the Commission in any way. The rules and regulations of the Commission could take care of that situation.

Mr. CORDON. The Senator from Washington overlooks the fact that in the amendment he sets a time limit in respect to the Tariff Commission itself.

Mr. MAGNUSON. That is what we want.

Mr. CORDON. Ordinarily when petitions are filed, they take an orderly course. It might be weeks or it might be months before the last of the petitions filed on a given day was reached, even for consideration. However, the amendment of the Senator from Washington requires that all petitions be taken up forthwith, and that investigations and examinations be made and reported on within 6 months. As a result, if 6 applications were filed on 1 day, the examination in connection with one of them would have to begin at once; the examinations in connection with the other 5 would have to be completed by the cut-off date; and the reports on all 6 of them would have to be made by the cut-off date. In the case of a following group of applications, a similar procedure would have to be followed under mandate of the Congress.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I yield.

Mr. PASTORE. Does the amendment of the Senator from Washington apply only to agricultural products; or does it apply to all products?

Mr. CORDON. It applies only to agricultural products.

Mr. PASTORE. Why does it not apply to all products?

Mr. CORDON. Because it is an amendment to section 22 of the Agricultural Adjustment Act, which itself applies only to agricultural products.

Mr. BARRETT. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I am glad to yield.

Mr. BARRETT. I should like to have the Senator from Oregon tell me precisely what is meant by the phrase in his amendment which reads "that a condition exists requiring emergency treatment."

In order that the Senator from Oregon may understand exactly what I have in mind, I call attention to the fact that the wool production of this country last year amounted to 232 million pounds. The consumption of wool in the United States in the same year was 825 million pounds. Wool was supported under the support program. The Commodity Credit Corporation was called upon to make loans on 125 million pounds of the 1953 clip, or more than one-half of all wool produced in the United States. The Commodity Credit Corporation took title to most of that wool, during the latter part of May of this year, because it was impossible to sell it for more than the loan. Foreign wool flooded the markets of this country and took over and preempted the market entirely.

Mr. President, nearly the same facts apply to the wool produced in this country during 1951. In that year our domestic production was 240 million pounds of wool. We consumed 875 million pounds of wool in America that year. On the other hand, more than one-half of all the wool produced in America that year is still owned by American citizens and unsold; and, on the other hand, 557 million pounds of foreign wool was dumped on our markets.

Mr. President, let me remind the Senate that the sheep business of this country is in terrible shape. In 1942 we had a sheep population of 46 million head. Today we have 27 million sheep. We produced 450 million pounds of wool in this country in 1942, and today we produce just about half that amount of wool. Yet our domestic producers are unable to sell their wool in competition with foreign producers. Is it not strange that in our own markets, that consumed 700 or 800 million pounds of wool, our domestic wool producers could not sell 230 million pounds, in preference to foreign producers?

If you wonder why Mr. President, I can tell you that according to the Bureau of Agricultural Economics, the total out-of-pocket cost of carrying a ewe per year in the 11 Western States is $8.45 per head, compared to a total annual cost in Australia of $1.91.

My question is this: Is such a condition one which, in the judgment of the Senator, would require action under the emergency clause of his amendment?

Mr. CORDON. Let me say to the Senator from Wyoming that to my mind he has certainly spelled out an emergency. However, I will not make the determination when the time comes.

Mr. BARRETT. I appreciate that I will say to the distinguished Senator; but I am sure it will have great weight if the question should arise.

Mr. CORDON. Of course it is a matter of sound judgment on the part of the executive department. The facts in each case would have to be carefully examined. In this instance the decision would, of course, be that the Secretary of Agriculture, in the first instance, in presenting to the President his conclusion that an emergency existed; and the final decision would be made by the President, on the basis of the application made by the Secretary of Agriculture.

I can only say that both have the confidence of the American people. Both are able men. If we cannot trust men of that type, who are at the top, we should replace them with men we can

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trust. I cannot give a clearer explanation than the one I have given.

Mr. BARRETT. Mr. President, will the Senator from Oregon yield further to me?

Mr. CORDON. I yield for a question.

Mr. BARRETT. I wish to thank the Senator from Oregon for his comments. I feel precisely as he does.

I may say that the last Secretary of Agriculture so felt, and he made such a complaint to the President, and requested the making of an investigation by the Tariff Commission.

As the junior Senator from Colorado indicated just a moment ago, the present Secretary of Agriculture this week made such a finding and made a request of the President of the United States, and the President is going to act upon it, as I understand, next week.

So it seems to me the language is clear and unequivocal; and it seems to me that the situation confronting the wool industry of America constitutes an emergency and requires drastic action if it is to be corrected.

If I may trespass a moment longer on the time of the Senator, let me quote the language of the Department of Agriculture in its 1951 yearbook on the wool industry:

> We want to keep our wool industry vigorous because wool is essential to our national health and security; the Armed Forces consider wool a strategic and essential material. Domestic wool production, even in peacetime, has never been equal to consumption. Normally we produce only from one-fourth to one-third of our total requirements. To meet any emergency we should produce at least two-thirds of our normal requirements of apparel wool.

Mr. WATKINS. Mr. President, will the Senator from Oregon yield to me?

Mr. CORDON. I yield for a question.

Mr. WATKINS. I should like to be associated with the remarks of the Senator from Wyoming in respect to wool.

In Utah a similar situation prevails. The wool growers there have communicated with me and the other members of the Utah Congressional delegation, and have urged us to support an amendment of this kind.

I wish to be sure and they wish to be sure that in the opinion of those who are proposing the amendment there is contemplated a situation such as that now existing with respect to the wool industry because of the lack of sales and low prices which are inadequate to support the industry. If that is the understanding, and if a situation of that kind is had in mind in connection with offering the amendment, then the legislative history will help considerably in getting something done in that field.

Mr. CORDON. Mr. President, I appreciate very much the statement the Senator from Utah has made. Of course, he is a distinguished lawyer in his own right, and he fully understands the meaning and intent of the language of the amendment. He is better acquainted than I am with the genesis of the language in the hearings before the Committee on Agriculture and Forestry.

I feel that the language is clear and means what it says. I do not wish to mislead anyone. I could not mislead the Senator from Utah in this matter if I tried, and I do not wish to try. I desire it to be understood that in the last analysis, what constitutes an emergency, under the language of the amendment, would be what the Secretary of Agriculture felt was an emergency and what the President felt was an emergency, after hearing from the Secretary of Agriculture. That is as far as we can go if we are to leave this matter in the discertionary field, where I believe it must be.

Mr. WATKINS. Mr. President, will the Senator from Oregon yield further to me?

Mr. CORDON. I yield.

Mr. WATKINS. I should like to call attention to the fact that at the hearing held by the Senate Committee on Agriculture and Forestry the committee received testimony to the effect that in five typical sheep outfits, last year there was a loss of $5.31 per head in the operation. That was mainly because of the failure to sell the wool at an adequate price or, in fact, to sell it at all.

In that situation the Senator from Oregon can understand that we are interested in knowing whether that is the kind of emergency which can be taken care of under this amendment.

Mr. CORDON. That it can be there can be no question.

Mr. President, I do not wish to take up too much time. I know that all Members are anxious to leave.

I desire, however, to indicate several other portions of the amendment of the Senator from Washington which I believe to be questionable, and I shall indicate them solely because I believe that ultimately this type of proposed law should be considered by a committee, where it could be worked over carefully, for we want legislation of a type that will be workable before we put it on the statute books.

Mr. MAGNUSON. Mr. President, will the Senator from Oregon yield at this point?

Mr. CORDON. I yield.

Mr. MAGNUSON. What does the Senator from Oregon mean by his use of the word "questionable"?

Mr. CORDON. I mean questionable as to their practicality only.

Mr. MAGNUSON. I see. I believe the Senator should make that clear.

Mr. CORDON. I believe it is clear. I do not raise any question regarding the Senator from Washington. I have already stated that I have worked with him, and I would work with him again. I would not stand on the floor and raise a question to which both of us would be subject. When I question the language of the amendment, I do so because it seems to me there is doubt as to its meaning; and if we can agree on the meaning of the amendment, then there is doubt as to whether it can do the job that is sought to be done by means of it.

The Senator from Washington has modified his own amendment, so as to provide that the President must find the existence of adequate facts, after he receives a report from the Tariff Commission, at the conclusion of one of these investigations. The amendment fails to indicate any time limit. So if the President were so inclined, he might take another 6 months to make up his mind. Once he has made his finding, then, under the language of the amendment, he must act within 30 days. I want it to be understood that I do not believe any President would violate the spirit of an act.

I simply call attention to the fact that it is a matter that ought to be corrected. It is a mistake in language. There is, however, one thing which bothers me particularly, and which I hope will receive attention at the proper time. As the amendment of the Senator from Washington now stands, after having been modified, it provides that, while the President may use his own judgment as to whether the facts presented are sufficient to require action by him—and he, of course, must depend upon the report of the Tariff Commission for his information—and while he has the election to say that there are sufficient facts or that there are not sufficient facts once he has concluded that the facts warrant action, he is then committed not to use his judgment as to what action he shall take, but to accept at that time the conclusions of the Tariff Commission. If the finding and report is made to him, and in that finding and report, after setting forth facts, the Tariff Commission says, in substance, "We recommend that the import quota be increased by 30 percent or 40 percent" or any other percent up to the 50 percent provided—"we recommend that the quota be cut from 100,000 tons a month to 2 tons a month," or to any other number of tons, the President must then implement his decision with that particular, special, exact provision. He cannot use his judgment with respect to the remedy he imposes.

Mr. President, I think that is a bad provision of the amendment which ought to be corrected, but, if and when we get to it, we follow generally the basic proposition outlined in the Senator's amendment. I want to say that I shall look with favor upon it.

Mr. President, in offering my substitute, I may say it is, in words, the last paragraph of the amendment of the Senator from Washington. It is the exact wording of the bill of the Senator from Vermont and the Senator from Florida. It is in exact accord with the expressed views of the Secretary of Agriculture. I believe that, if my substitute shall be adopted, there will be at least an even chance, and I think better than an even chance that it may go through conference. It is sound legislation and it does not disturb the status quo more than is absolutely necessary in order to take care of emergency situations.

The PRESIDING OFFICER. Is the Chair to understand that the Senator

from Oregon is offering the language of his amendment which was forwarded to the desk as a substitute for the amendment offered by the Senator from Washington?

Mr. CORDON. That is correct. It is so noted.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, after line 13, it is proposed to insert the following:

SEC. 104. Section 8 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong., 1st sess.) is hereby amended by adding a new subsection (c) at the end thereof, reading as follows:

"(c) Subsection (b) of section 22 of the Agriculture Adjustment Act, as amended, is amended by adding at the end thereof the following:

"In any case where the Secretary of Agriculture determines and reports to the President with regard to any article or articles that a condition exists requiring emergency treatment, the President may take immediate action under this section without awaiting the recommendations of the Tariff Commission, such action to continue in effect pending the report and recommendations of the Tariff Commission and action thereon by the President."

The PRESIDING OFFICER. The question is on the substitute offered by the Senator from Oregon [Mr. CORDON] to the amendment offered by the Senator from Washington [Mr. MAGNUSON].

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Oregon yield for a question?

Mr. CORDON. I yield.

Mr. JOHNSON of Colorado. I have a question, but it may be a question the Senator cannot answer.

Mr. CORDON. It may well be.

Mr. JOHNSON of Colorado. I find myself in this predicament. I prefer the amendment proposed by the Senator from Washington over the substitute offered by the Senator from Oregon. But if the amendment of the Senator from Washington cannot be adopted, I would then be most happy to have the substitute agreed to. But, if it is the other way around, if the amendment of the Senator from Washington is defeated, we cannot return to the amendment of the Senator from Oregon, I do not know how I shall vote. I do not want to burn the bridges behind me. I should prefer to have the amendment of the Senator from Oregon than to have no amendment. I would rather have half a loaf than no loaf. That is the situation I am in. Perhaps my colleague from Colorado can assist me.

Mr. MILLIKIN. Mr. President, will the Senator yield, that I may reply to my colleague, the senior Senator from Colorado?

Mr. CORDON. I yield to the Senator from Colorado [Mr. MILLIKIN], after which I shall yield to the Senator from Colorado [Mr. JOHNSON].

Mr. MILLIKIN. Mr. President, I would say to my distinguished colleague that the amendment is practically the same as the provisions of the so-called Simpson No. 2 bill in the House; and if the Cordon substitute prevails, and if the House acts on Simpson bill No. 2—I think there will be a strong effort to do so—we may have a chance to operate on the other provisions of the Magnuson amendment. I got the impression that my colleagues thought we might be foreclosed.

Mr. JOHNSON of Colorado. Yes.

Mr. MILLIKIN. The Simpson bill No. 2 is in the House Ways and Means Committee, and I am told there is a very good chance that it will be reported by the committee next week. I have been given to understand that the leaders in the House will allow the bill to come to the floor. So I would say there is a very good chance of the Senate's getting the Simpson bill No. 2, which contains almost exactly the same provisions as the Magnuson amendment.

Mr. MAGNUSON. Mr. President, I wish to address myself briefly to the amendment of the Senator from Oregon. The senior Senator from Colorado [Mr. JOHNSON] is entirely correct in saying that this is half a loaf. Of course, what we are trying in my amendment is to get as much as we can in order to protect what we think should be protected, and in order to do away with cumbersome procedures.

The junior Senator from Colorado [Mr. MILLIKIN] said Simpson bill No. 2—I do not know what the designation means—is somewhat identical with the amendment of the Senator from Washington; and he strongly suggests that Simpson No. 2 bill may get to the Senate, so we can consider it. I am wondering what position we would be in at that time, in view of all the criticism that has been made of the language of my amendment, which criticism would also apply to the language of Simpson bill No. 2. I think we would be in a somewhat embarrassing position.

I, too, am a little bit amused at some of the interpretations placed upon the language of my amendment, not only once, but on two occasions. Most of the Senators who have talked about the amendment have approved of it in principle; indeed, they have approved almost the identical language.

I do not wish to delay the Senate. The substitute of the Senator from Oregon, of course, as the Senator from Colorado [Mr. JOHNSON] has pointed out, is better than no amendment.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CORDON. Would the Senator permit me to say that the Senator from Oregon approves in principle the entire amendment of the Senator from Washington. He believes it needs some corrections in language, he believe it needs a little more care and study; but he approves of the basic principle involved, so long as section 22 remains in the law. He believes that the whole subject needs to be worked over.

Mr. MAGNUSON. I remember that on two previous occasions, by record votes, all Senators, practically, particularly Senators on the other side of the aisle, voted for a bill containing similar provisions.

The Senator from Oregon has talked a great deal about the necessity of care and study. We have, so to speak, kicked this proposal around for many, many months, in fact, for years. The language is not new. We have given it a great deal of care and study. The Senator from Oregon may not like the language, but that does not mean that there has not been a great deal of care and study of the language in question by all interested parties.

The amendment of the Senator from Oregon is better than nothing at all. I doubt if under its terms any benefit will accrue to the woolgrowers or agricultural producers. It takes care of the fire after the building has been burned. We are trying to provide a good fire-alarm system which may prevent the fire before it can get started. The amendment of the Senator from Oregon is an emergency amendment. We provide the same procedures in the amendment which we propose, and also additional ones.

Mr. CORDON. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. In a moment.

I should like to say to the Senator, when he asks me if I will accept the amendment, that I have no right to accept it. There are many cosponsors of my amendment. It is not simply my amendment. I probably have less direct interest in it than has any of the cosponsors, so far as agricultural produces are concerned. I am sorry I cannot confer with them on the matter, but I have no right to accept the amendment.

Mr. HOLLAND. Mr. President, I feel that I should say, in the absence of the distinguished Senator from Vermont [Mr. AIKEN], who was the introducer of the bill, S. 1680, which has, in effect, become the substitute amendment offered by the distinguished Senator from Oregon [Mr. CORDON], that I was glad to join the Senator from Vermont in the introduction of that bill.

The Committee on Agriculture and Forestry had been conducting, in March and April of this year, extensive hearings on the question of export and import of agricultural products. One of the questions arising was the nonuse of section 22, and also of section 8 (a) of the last extension of the Reciprocal Trade Agreements Act. Section 8 (a) refers only to highly perishable commodities, such as fruits and vegetables.

When the Secretary of Agriculture expressed a sincere desire to use that section, and also a sincere desire to use section 22, he expressed the feeling that the administration of the act had not been sufficiently speedy and sympathetic and he wanted a chance to show the beneficial capacity of section 22 when administered with sympathy and with speed. The Senator from Vermont and the Senator from Florida were so impressed with the fact that there was a sincere desire to act speedily and sympathetically under the section, that although our committee does not have jurisdiction in this field, we sponsored, as a result of the investigation, this bill which we understood would be considered as an amendment when the extension of the Trade Agreements Act came on for study and debate. We felt that the mere making available of emergency

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machinery would meet the problem, at least for this year, and that any long or extensively worked out program would hardly be interpreted during the year, and we understood the act would be extended for only a 1-year period, during which time a more careful study of the whole situation could be made. So we introduced the bill which has been mentioned, S. 1680; and now it has become not only a part of the amendment offered by the distinguished Senator from Washington, but the whole of the substitute amendment offered by the Senator from Oregon. If the findings of the members of the Committee on Agriculture and Forestry, which went into that matter, are of value, I would simply say that at least the Senator from Vermont and the Senator from Florida felt this emergency provision would be adequate. I gathered from the expression of the Senator from Minnesota [Mr. THYE], who has left the Chamber, and of other Senators on our committee that they feel likewise. Under the amendment, the President would not have to await action of the Tariff Commission, but could act at once to meet the situation at least for this year.

So, Mr. President, I hope the substitute of the distinguished Senator from Oregon will be accepted, and I hope it will be acceptable to the Senator from Washington [Mr. MAGNUSON], who has certainly been diligent and aggressive in pressing this whole subject. I hope he will see that the whole subject matter is so complicated that it will be highly probable that the emergency section taken out of his own amendment and from S. 1680 would be much more helpful than anything else which has been suggested for this 1-year period of time.

Mr. MILLIKIN. Mr. President, I should like to say that I think the substitute of the Senator from Oregon meets all the immediate necessities of the situation, and I shall support it.

SEVERAL SENATORS. Vote! Vote!

Mr. HUNT. Mr. President, I ask unanimous consent that there be inserted in the RECORD at this point in my remarks a letter addressed by the President to the Chairman of the Tariff Commission under date of June 25, 1953, and a telegram addressed to me by the National Wool Growers' Association, under date of June 27, 1953.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, June 25, 1953.

DEAR MR. CHAIRMAN: By letter dated August 15, 1952, the then Secretary of Agriculture, Charles F. Brannan, recommended that the President request the Tariff Commission to institute an investigation pursuant to section 22 of the Agricultural Adjustment Act, as amended, with respect to wool and wool tops. He stated they were being or practically certain of being imported into the United States under such conditions and in such quantities as to tend to render ineffective or materially interfere with, the price support program for wool undertaken by the Department of Agriculture.

Under date of September 2, 1952, the President addressed a letter to the Tariff Commission, pursuant to the recommendation of the Secretary of Agriculture, directing the Tariff Commission to make an investigation in accordance with Executive Order No. 7233 (November 23, 1935) which promulgated regulations governing investigations under said section 22. The letter of the President further directed that the investigation and report of findings and recommendations of the Tariff Commission should be completed as promptly as possible and that the Commission should determine whether wool or wool tops are being or are practically certain of being imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the wool price support program.

The program of the Department of Agriculture involved in this investigation was for the year which, as extended, ended on April 30, 1953. With the program-year already ended, a report by the Tariff Commission at this late date would serve no useful purpose in relation to the present program-year. However, I direct the Commission to keep under continuous review the Department of Agriculture programs for wool and wool tops and the conditions as they may develop so that it may be in a position to report to me promptly in the event such a report is requested in the future.

Sincerely,

DWIGHT D. EISENHOWER.

Hon. EDGAR B. BROSSARD,
Chairman, United States Tariff Commission, Washington, D. C.

WASHINGTON, D. C., *June 27, 1953.*

Senator LESTER C. HUNT,
Senate Office Building,
Washington, D. C.:

Late Friday, Tariff Commission released letter from President Eisenhower ordering Commission to make no report on request for tariff protection for United States wool industry from foreign imports which forced prices so low one-half of domestic 1952 wool production went into Commodity Credit stockpile. Industry had been waiting since hearings were held last September under section 22 of Agricultural Act in hope of action which would help halt the decline of wool production in United States. This seems to us positive proof of need for strengthening section 22 as requested by Secretary Benson in testimony before Senate Agriculture Committee. We understand Senator MAGNUSON, of Washington, plans to introduce such an amendment when trade-agreements extension H. R. 5495 goes to Senate floor this week. Domestic sheep industry strongly urges you contact Senator MAGNUSON to study proposed amendment and if possible please join with him in offering the amendment as a cosponsor. This arbitrary action of refusing a Tariff Commission decision on wool and wool tops makes it imperative we have the aid of Congress if our industry is to survive. We are not opposing foreign trade but it must be on a fair and equitable basis with some measure of protection for domestic industry. Wool production, classed as most critical and essential of all agricultural products by Defense Department, now being wiped out in United States. We are now producing only 27 percent of domestic consumption. We would appreciate your calling Senator MAGNUSON immediately as time element extremely important at this point.

NATIONAL WOOL GROWERS ASSOCIATION,
RAY W. WILLOUGHBY,
President.
J. M. JONES,
Secretary.

Mr. BUTLER of Nebraska. Mr. President, I shall be very brief.

Once more we are considering the extension of the Trade Agreements Act. Looking at it in the light of the proposed foreign-aid appropriations, I wonder if we are not taking another step toward the economic ruin of our country. The "Trade Not Aid," theory has been expounded as a happy solution to our dilemma. Judging from the size of this year's mutual aid appropriation and the provisions of the Trade Agreements Act, our policy appears to be trade and aid.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a brief statement, including a table supporting my theory that our policy is trade and aid.

There being no objection, the statement and table were ordered to be printed in the RECORD, as follows:

United States exports to and imports from foreign countries

[Millions of dollars]

Country	1947 total		1948 total		1949 total		1950 total		1951 total		1952 total	
	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
Total	5,259.9	695.3	4,182.6	977.5	4,075.7	842.4	3,166.3	1,261.0	4,825.3	1,909.2	4,814.4	1,841.2
Austria	107.3	4.4	146.4	8.8	151.0	9.6	105.5	16.3	105.7	26.1	77.6	26.8
Belgium-Luxembourg	534.6	58.6	308.6	103.8	307.7	94.2	270.3	139.7	376.7	214.9	280.6	190.9
Denmark	77.9	5.1	53.8	6.1	92.9	6.6	55.4	12.2	65.9	20.6	50.4	25.4
France	817.2	47.0	591.3	73.0	497.1	61.5	349.7	131.7	423.9	263.5	365.8	167.0
Germany (total)	585.6	8.3	862.8	31.7	822.1	45.5	439.9	103.7	520.2	232.0	443.3	212.3
Greece	166.6	16.6	238.6	19.3	186.7	15.7	97.9	17.3	96.9	20.9	65.1	18.6
Iceland	15.7	3.1	10.2	4.0	8.4	2.2	6.0	4.4	6.9	8.4	12.5	12.1
Ireland	88.8	2.8	37.0	2.7	62.6	1.7	45.5	2.6	52.9	7.6	38.4	9.8
Italy	499.9	43.8	417.9	94.0	458.0	70.8	345.1	109.5	455.9	140.2	411.2	156.8
Netherlands	383.7	26.5	309.2	43.5	263.4	59.3	228.0	84.1	287.4	115.5	276.0	156.9
Norway	147.0	22.1	84.7	33.8	90.5	30.7	71.1	40.8	88.6	49.9	78.1	52.0
Portugal	94.5	21.0	76.2	19.9	52.7	13.6	32.5	20.8	39.6	28.1	38.7	32.3
Sweden	397.6	92.6	118.0	91.4	87.4	54.4	99.4	71.4	134.3	104.7	123.1	90.4
Switzerland	194.4	83.4	171.5	105.8	142.6	98.1	129.4	109.9	193.0	133.9	150.7	142.2
Trieste			11.5		11.9		11.7		15.6	.2	6.0	
Turkey	82.2	57.2	100.9	50.1	120.6	55.7	70.4	61.2	60.1	76.4	63.4	61.1
United Kingdom	1,103.2	294.9	644.0	289.6	706.2	227.6	520.2	334.8	898.9	466.3	673.1	485.4

Explanatory footnotes omitted.

Mr. BUTLER of Nebraska. In the last 13 years, the United States has spent about $100 billion in foreign aid. This year, over $5 billion is going in that direction. This is bad enough, but to add insult to injury, our domestic industries, after bearing their share of this burden, are being faced with a heavier burden under the provisions of the Trade Agreements Act. Take for example the American jeweled watch industry. I do not know what their share of the foreign aid bill has been, but, like all of us, they have paid dearly. They have paid even further, under our foreign trade policy, by being practically put out of business. Foreign imports now account for 80 percent of the market of this industry. This problem is not unique with the jeweled watch industry. Manufacturers of glassware, china, chemicals, to mention only a few, are also steadily feeling the crimp.

Meanwhile, the burden of foreign aid has continued heavy, year after year. In some cases, the results have been encouraging; in most cases, extremely disappointing. Whatever the result may be to foreign countries, it will be small comfort to the United States if it totally wrecks our domestic industries and sends us into bankruptcy.

The trade agreements extension and our foreign assistance program has been labeled as a temporary and emergency measure. Such a description has become almost a joke, but the amount it has added to our national debt is no joke. Neither is it temporary. How long it will take us to pay for all of this is anybody's guess. But it is pretty safe to say that the folks who are too young to understand anything about foreign aid or trade agreements, will bear their share in footing the bill for a long, long time.

I have prepared a chart comparing our imports and exports with Western European countries from 1947 through 1952. Figures were furnished by United States Customs Data, Department of Commerce.

The following is allotment total by individual countries in European program from April 3, 1948 to April 30, 1953. It includes allotments made under the Mutual Defense Assistance Program economic assistance funds transferred to MSA/ECA beginning July 1, 1950:

Cumulative total to date

[Millions of dollars]

Total	14,432.2
Austria	711.8
Belgium-Luxembourg	555.5
Denmark	276.9
France	3,013.8
Germany (Federal Republic)	1,412.8
Greece	748.9
Iceland	31.4
Ireland	146.2
Italy	1,555.0
Netherlands, excluding Indonesia	977.3
Indonesia	101.4
Norway	253.5
Portugal	50.5
Sweden	107.1
Trieste	32.6
Turkey	267.5
United Kingdom	3,580.9
Yugoslavia	205.0
General freight account	43.8
European payments union—capital fund	361.4

The top three in the size of the allotments were United Kingdom, France, and Italy. I hope these expenditures have been worth while, but it certainly has been no source of pride to see Great Britain transport materials to Red China; Italy to barely escape Communistic control; and France unable to form a government.

Mr. MAGNUSON. Mr. President, I move to amend the substitute by adding to the Cordon amendment an amendment which includes the amendment offered by me on behalf of myself and several other Senators, but omits the emergency clause. That will give us a vote on my amendment first, and then a vote on the Cordon amendment.

Mr. CORDON. Mr. President, is that action in accordance with the rules?

The PRESIDING OFFICER. The amendment of the Senator from Washington is in the third degree and is, therefore, out of order. The Senator from Washington can offer his own amendment.

Mr. MAGNUSON. Mr. President, I move to amend my own amendment to cover all except the emergency clause.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The Chair is informed that the Senator has the right to modify his own amendment at this stage, but he cannot offer a substitute or an amendment to the amendment of the Senator from Oregon.

Mr. MAGNUSON. Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. Does the Chair correctly understand that the Senator from Washington withdraws his amendment?

Mr. MAGNUSON. Yes, Mr. President.

The PRESIDING OFFICER. Does the Senator from Oregon offer his substitute as an amendment?

Mr. CORDON. I do.

Mr. MAGNUSON. Now, Mr. President, I offer my amendment, all of it except the emergency clause, as a substitute for the amendment of the Senator from Oregon.

The PRESIDING OFFICER. The question recurs upon the substitute offered by the Senator from Washington to the amendment offered by the Senator from Oregon.

Mr. MAGNUSON. Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER (putting the question). The "nays" seem to have it; the "nays" have it, and the substitute offered by the Senator from Washing [Mr. MAGNUSON] to the amendment of the Senator from Oregon [Mr. CORDON] is rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. CORDON].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. GORE. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 8, line 9, it is proposed to strike out "284, or 1914," and insert in lieu thereof "or 284."

Mr. GORE. Mr. President, I offer the amendment to raise a question that gives disturbance to me. If after discussion the apprehensions which I entertain are allayed, I shall be glad to withdraw the amendment. If a real question is involved, I hope the committee will see fit to accept the amendment and take it to conference.

Title III of the bill establishes a Commission on Foreign Economic Policy. The importance of the Commission cannot be exaggerated.

Mr. MILLIKIN. Mr. President, will the Senator state his amendment, please?

Mr. GORE. The amendment I offer strikes out, on page 8, line 9, "1914."

That particular section is the conflict of interest statute, relating to the drawing of outside compensation by Government employees. Several statutes are waived for employees of the proposed Commission, namely, sections 281, 283, 284, and 1914.

I have no doubt about the propriety of exempting employees of the Commission from the application of sections 281, 283, and 284 of the penal code, but I have real doubt as to the advisability of permitting the Commission to be staffed with persons who may be in the pay of outside corporations, businesses, or interests. I doubt if that would be in the interest of fair and impartial study. I doubt if it would lend dignity to the Commission itself.

Mr. MILLIKIN. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MILLIKIN. This particular language was not in the Senate resolution which went to the House on the subject of the Economic Commission.

So far as I am concerned, as chairman of the Committee on Finance, I would be willing to have the objectionable part stricken out; and if good reasons are advanced in conference as to why it should be replaced, I would be willing to bring it back to the Senate.

Mr. GORE. That would be satisfactory.

Mr. FERGUSON. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield.

Mr. FERGUSON. In other words, would the Senator make the criminal

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sections apply to all persons, even including the members of the Commission?

Mr. GORE. The bill does not so read. If the Senator will turn to page 7, he will see the following language:

Except for members of the Commission appointed by the Vice President or the Speaker of the House, and except for any member of the Commission who may be appointed by the President from the executive branch of the Government—

So the exemption from section 1914 would apply only to members of the Commission appointed from private life, and to the staff of the Commission.

I am not certain that I would not be willing to have all members of the Commission exempted from that language; but for all the staff of the Commission to be exempted from the conflict of interest statute raises a very serious doubt.

Mr. FERGUSON. I agree with the Senator.

Mr. GORE. I thank the Senator from Michigan.

I appreciate the statement of the distinguished Senator from Colorado, who is chairman of the committee, that he will be willing to take the amendment to conference.

Mr. MILLIKIN. Mr. President, I would be willing to dispose of the matter by accepting the amendment of the Senator from Tennessee and taking it to conference.

Mr. LEHMAN. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield. However, since the amendment has been accepted, I do not wish to prolong the discussion.

Mr. LEHMAN. I wish to direct the attention of the distinguished junior Senator from Colorado to one point. I am thoroughly in favor of not waiving the provisions of the conflict of interest sections with regard to any members of the staff or any temporary employees. I discussed the matter with the Senator from Tennessee, and told him I felt very strongly that way about it.

However, I have very grave doubts about the wisdom of making the section apply to any member of the Commission although I fully believe in the value of the conflict-in-interest sections of our statutes. Under the bill, as I read it, members of the Commission would not be full-time Government employees but would be paid on a per diem basis of $75 a day when they serve. They may serve only once a week or once a month. There would be no continuity of service as is the case with a departmental head or other employees.

It seems to me that it would very materially increase the difficulties of getting the right type of men to serve on the Commission by Presidential appointment if the conflict-in-interest provisions were to apply in the case of those persons who are definitely merely part-time officials and who have no administrative duties or authority. I speak with some experience, because I have served on governmental commissions and have received per diem allowances of $50 or $75 a day. I served on the ECA Advisory Board and I was called only once every 2, 3, or 4 weeks. I believe it would have been a very great hardship to my very distinguished colleagues had they been expected to give up any outside compensation to which they might have been entitled by virtue of their permanent employment. In my own case, it did not make any difference, because I did not receive outside compensation. But in the case of my fellow Members who were heads of the great labor organizations, the great farm organizations, and big-business organizations, they could not have afforded to give up their permanent positions in order to accept temporary per diem employment.

I believe there would be less effective commission by Presidential appointment. I hope the conference will take the situation into consideration.

Mr. MILLIKIN. Mr. President, if we are permitted to take the amendment to conference, we will ascertain exactly what was in the minds of those who changed the Senate text, and handle ourselves accordingly upon the facts as they then appear.

Mr. GORE. I am very glad to have that statement. The distinguished and able junior Senator from Colorado is very generous, indeed. I think what he suggests is a proper solution.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Tennessee [Mr. GORE] is agreed to.

The bill is open to further amendment.

Mr. MALONE. Mr. President, I call up my amendment in the nature of a substitute, designated 7-1-53-D, and ask that it be stated.

The PRESIDING OFFICER. Does the Senator desire to have the amendment read in full?

Mr. MALONE. I should like to have the title and the preamble read.

The PRESIDING OFFICER. Does the Senator desire to have his amendment printed in its entirety in the RECORD, in lieu of having it read?

Mr. MALONE. I do.

The PRESIDING OFFICER. Without objection, the amendment will be printed.

Mr. MALONE's amendment is as follows:

Strike out all after the enacting clause and insert the following:

"DECLARATION OF POLICY

"SECTION 1. It is declared to be the policy of the Congress—

"(a) to establish a sound fair-trade basis for the exchange of goods with the foreign nations of the world;

"(b) to adjust flexible duties, imposts, and excises on the basis of fair and reasonable competition through the Foreign Trade Authority, a reorganized Tariff Commission as an agent of Congress;

"(c) to develop and promote a well-balanced, integrated, and diversified production within the United States to maintain a sound and prosperous national economy on our wage standard of living and employment in industry and agriculture;

"(d) to establish fair and reasonable competition between American and foreign workers and investors in relation to imports;

"(e) to provide necessary flexibility of import duties, thereby making possible appropriate adjustments in response to changing economic conditions; and

"(f) to assure the accomplishment of these objectives by returning to and maintaining hereafter in the United States the control over American import duties now subject to international agreements.

"RESTATEMENT OF EXISTING IMPORT DUTIES

"SEC. 2. Title I, paragraphs 1 to 1559, inclusive, of the Tariff Act of 1930 are hereby amended by repealing the classifications and rates therein contained and substituting therefor the classifications and rates obtaining and in effect on June 12, 1953, by reason of proclamations of the President under section 350 of the Tariff Act of 1930 or otherwise.

"FORMATION OF FOREIGN TRADE AUTHORITY

"SEC. 3. Title III, part II, section 330, of the Tariff Act of 1930 is hereby amended to read as follows:

"'SEC. 330. Organization of the Foreign Trade Authority.

"'(a) Membership: The United States Tariff Commission shall be reorganized and reconstituted as the Foreign Trade Authority (hereinafter referred to as the "Authority") to be composed of six directors to be hereafter appointed by the President by and with the advice and consent of the Senate. The original directors of the Authority shall be the same persons now serving as Commissioners of the United States Tariff Commission, each such person to serve as a director of the Authority until the date when his term of office as a Commissioner of the United States Tariff Commission would have expired. Thereafter the term of office of any successor to any such director shall expire 6 years from the date of the expiration of the term for which his predecessor was appointed except that a director appointed to fill a vacancy occurring for any reason other than the expiration of a term as herein provided shall be appointed only for the remainder of the term which his predecessor would otherwise have served. Directors shall be eligible for appointment to succeed themselves if otherwise qualified therefor. No person shall be eligible for appointment as a director unless he is a citizen of the United States, and, in the judgment of the President, is possessed of qualifications requisite for developing expert knowledge of tariff problems and efficiency in administering the provisions of this act. Not more than three of the directors shall be members of the same political party, and in making appointments members of different political parties shall be appointed alternately as nearly as may be practicable.

"'(b) Chairman, Vice Chairman, and salary: The President shall annually designate one of the directors as Chairman and one as Vice Chairman of the Authority. The Vice Chairman shall act as Chairman in case of absence or disability of the Chairman. A majority of the directors in office shall constitute a quorum, but the Authority may function notwithstanding vacancies. Each director shall receive a salary of $15,000 a year. No director shall actively engage in any business, vocation, or employment other than that of serving as a director.'

"APPOINTMENT OF SECRETARY

"SEC. 4. Title III, part II, section 331 (a), of the Tariff Act of 1930 is hereby amended to read as follows:

"'(a) Personnel: The Authority shall appoint a secretary who shall receive compensation in accordance with the Classification Act of 1949, and the Authority is hereby empowered to employ and, in accordance with the Classification Act of 1949, fix the compensations of such special experts, examiners, clerks, and other employees of the Authority as it may find necessary for the proper performance of its duties.'

"ADMINISTRATION OF TRADE AGREEMENT

"SEC. 5. Title III, part II, of the Tariff Act of 1930 is amended by adding at the end of section 331 the following new section:

"'SEC. 331a. Administration of trade agreements

"'(a) All powers vested in, delegated to, or otherwise properly exercisable by the President or any other officer or agency of the United States in respect to the foreign trade agreements entered into pursuant to section 350 of the Tariff Act of 1930 are hereby transferred to, and shall be exercisable by the Authority, including, but not limited to, the right to invoke the various escape clauses, reservations, and options therein contained, and to exercise on behalf of the United States any rights or privileges therein provided for the protection of the interests of the United States.

"'(b) The Authority is hereby authorized and directed—

"'(1) to terminate as of the next earliest date therein provided, and in accordance with the terms thereof, all the foreign trade agreements entered into by the United States pursuant to section 350 of the Tariff Act of 1930;

"'(2) to prescribe, upon termination of any foreign trade agreement, that the import duties established therein shall remain the same as existed prior to such termination, and such import duties shall not thereafter be increased or reduced except in accordance with the Tariff Act of 1930, as amended by this act.'

"PERIODIC ADJUSTMENT OF IMPORT DUTIES

"SEC. 6. Title III, part II, section 336, of the Tariff Act of 1930 is hereby amended to read as follows:

"'SEC. 336. Periodic adjustment of import duties.

"'(a) The Authority is authorized and directed from time to time, and subject to the limitations hereinafter provided, to prescribe and establish import duties which will, within equitable limits, provide for fair and reasonable competition between domestic articles and like or similar foreign articles in the principal market or markets of the United States. A foreign article shall be considered as providing fair and reasonable competition to United States producers of a like or similar article if the Authority finds as a fact that the landed duty paid price of the foreign article in the principal market or markets in the United States is a fair price, including a reasonable profit to the importers, and is not substantially below the price, including a reasonable profit for the domestic producers, at which the like or similar domestic articles can be offered to consumers of the same class by the domestic industry in the principal market or markets in the United States.

"'(b) In determining whether the landed duty paid price of a foreign article, including a fair profit for the importers, is, and may continue to be, a fair price under subdivision (a) of this section, the Authority shall take into consideration, insofar as it finds it practicable—

"'(1) the lowest, highest, average, and median landed duty paid price of the article from foreign countries offering substantial competition;

"'(2) Any change that may occur or may reasonably be expected in the exchange rates of foreign countries either by reason of devaluation or because of a serious unbalance of international payments.

"'(3) The policy of foreign countries designed substantially to increase exports to the United States by selling at unreasonably low and uneconomic prices to secure additional dollar credits.

"'(4) Increases or decreases of domestic production and of imports on the basis of both unit volume of articles produced and articles imported, and the respective percentages of each.

"'(5) The actual and potential future ratio of volume and value of imports to volume and value of production, respectively.

"'(6) The probable extent and duration of changes in production costs and practices.

"'(7) The degree to which normal cost relationships may be affected by grants, subsidies (effected through multiple rates of export exchange, or otherwise), excises, export taxes, or other taxes, or otherwise, in the country of origin; and any other factors either in the United States or in other countries which appear likely to affect production costs and competitive relationships.

"'(c) Decreases or increases in import duties designed to provide for fair and reasonable competition between foreign and domestic articles may be made by the Authority either upon its own motion or upon application of any person or group showing adequate and proper interest in the import duties in question: *Provided, however,* That no change in any import duty shall be ordered by the Authority until after it shall have first conducted a full investigation and presented tentative proposals followed by a public hearing at which interested parties have an opportunity to be heard.

"'(d) The Authority, in setting import duties so as to establish fair and reasonable competition as herein provided, may, in order to effectuate the purposes of this act, prescribe specific duties or ad valorem rates of duty upon the foreign value or export value as defined in sections 402 (c) and 402 (d) of the Tariff Act of 1930 or upon the United States value as defined in section 402 (e) of said act.

"'(e) In order to carry out the purposes of this act, the Authority is authorized to transfer any article from the dutiable list to the free list, or from the free list to the dutiable list.

"'(f) Any increase or decrease in import duties ordered by the Authority shall become effective 90 days after such order is announced: *Provided,* That any such order is first submitted to Congress by the Authority and is not disapproved in whole or in part, by concurrent resolution of Congress within 60 days thereafter.

"'(g) No order shall be announced by the Authority under this section which increases existing import duties on foreign articles if the Authority finds as a fact that the domestic industry operates, or the domestic article is produced, in a wasteful, inefficient, or extravagant manner.

"'(h) The Authority, in the manner provided for in subdivisions (c) and (f) in this section, may impose quantitative limits on the importation of any foreign article, in such amounts, and for such periods, as it finds necessary in order to effectuate the purposes of this act: *Provided, however,* That no such quantitative limit shall be imposed contrary to the provisions of any foreign-trade agreement in effect pursuant to section 350 of the Tariff Act of 1930.

"'(i) For the purpose of this section—

"'(1) the term 'domestic article' means an article wholly or in part the growth or product of the United States; and the term 'foreign article' means an article wholly or in part the growth or product of a foreign country;

"'(2) the term "United States" includes the several States and Territories and the District of Columbia;

"'(3) the term "foreign country" means any empire, country, dominion, colony, or protectorate, or any subdivision or subdivisions thereof (other than the United States and its possessions);

"'(4) the term "landed duty paid price" means the price of any foreign article after payment of the applicable customs or import duties and other necessary charges, as represented by the acquisition cost to an importing customer, dealer, retailer, or manufacturer, or the offering price to a consumer, dealer, retailer, or manufacturer, if imported by an agent.

"'(j) The Authority is authorized to make all needful rules and regulations for carrying out its functions under the provisions of this section.

"'(k) The Secretary of the Treasury is authorized to make such rules and regulations as he may deem necessary for the entry and declaration of foreign articles with respect to which a change in basis of value has been made under the provisions of subdivision (d) of this section, and for the form of invoice required at time of entry.'

"AMENDMENT OF SECTION 337

"SEC. 7. Title III, part II, section 337, of the Tariff Act of 1930 is hereby amended as follows:

"(a) Subdivision (a) thereof by striking out the word 'President' and substituting thereof the word 'Authority.'

"(b) Subdivision (b) thereof is hereby repealed.

"(c) Subdivision (d) thereof is hereby repealed.

"(d) Subdivision (e) thereof is hereby amended to read as follows:

"'(e) Exclusion of articles from entry: Whenever the existence of any such unfair method or act shall be established to the satisfaction of the Authority, it shall direct that the articles concerned in such unfair methods or acts, imported by any person violating the provisions of this act, shall be excluded from entry into the United States, and upon information of such action by the Authority, the Secretary of the Treasury shall, through the proper officers, refuse such entry.'

"(e) Subdivision (f) thereof is hereby amended to read as follows:

"'(f) Entry under bond: Whenever the Authority has reason to believe that any article is offered or sought to be offered for entry into the United States in violation of this section, but has not information sufficient to satisfy it thereof, the Secretary of the Treasury shall, upon its request in writing, forbid entry thereof until such investigation as the Authority may deem necessary shall be completed; except that such articles shall be entitled to entry under bond prescribed by the Secretary of the Treasury.'

"(f) Subdivision (g) thereof is hereby amended to read as follows:

"'(g) Continuance of exclusion Any refusal of entry under this section shall continue in effect until the Authority shall find and advise the Secretary of the Treasury that the conditions which led to such refusal of entry no longer exist.'

"CONTINUANCE OF PERSONNEL, FUNDS, ACTIONS, AND SO FORTH

"SEC. 8. Section 339 of the Tariff Act of 1930 is hereby amended to read as follows:

"SEC. 339. Effect of enactment.

"'(a) All personnel, property, records, balance of appropriations, allocations, and other funds available (or to be made available) to the United States Tariff Commission shall be transferred to the Authority for use in connection with the exercise of its functions; and such transfer shall not operate to change the status of the officers and employees transferred from the Commission to the Authority. No investigation or other proceeding pending before the Commission at such time shall abate by reason of such transfer but shall continue under the provisions of this act.

"'(b) Wherever in the Tariff Act of 1930, or in any other law, the terms "United States Tariff Commission" or "Commission" occur, such terms shall be construed to mean the "Foreign Trade Authority" and the "Authority", respectively.'

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"REAPPLICATION OF SECTION 516 (c)

"SEC. 9. Section 17, subsection (c), of the act of June 25, 1938, chapter 679, is hereby repealed.

"STATISTICAL ENUMERATION

"SEC. 10. Title IV, part III, section 484 (e), of the Tariff Act of 1930 is hereby amended to read as follows:

"'(e) Statistical enumeration: The Chairman of the Foreign Trade Authority is authorized and directed to establish from time to time, after consultation with the Secretary of the Treasury and the Secretary of Commerce, a statistical enumeration of imported articles in such detail as he may consider necessary and desirable to effectuate the purposes of this act. As a part of each entry there shall be attached thereto or included therein an accurate statement giving details required for such statistical enumeration. The Secretary of Commerce is hereby authorized and directed to make such reasonable and proper digests from, and compilations of, such statistical data as the Chairman requests. In the event of a disagreement between the Chairman and the Secretary of Commerce, as to the reasonable and proper nature of any request the matter shall be referred to the President whose decision shall be final.'

"REVISED TEXT OF TARIFF ACT

"SEC. 11. The Authority, as soon as practicable, shall prepare and cause to be printed as a public document available for public distribution a complete revised text of the Tariff Act of 1930 as amended.

"EFFECTIVE DATE

"SEC. 12. This act shall take effect as of June 12, 1953."

The PRESIDING OFFICER. The question is on agreeing to the amendment, in the nature of a substitute, offered by the Senator from Nevada [Mr. MALONE].

THE SUBSTITUTE—FOREIGN TRADE AUTHORITY FOR H. R. 5495—THE EXTENSION OF THE 1934 TRADE AGREEMENTS ACT

Mr. MALONE. Mr. President, the amendment in the nature of a substitute proposed by the junior Senator from Nevada would substitute for the 1934 Trade Agreements Act extension as provided in H. R. 5495, which, in effect, continues the President an agent of Congress and gives him a "power of attorney" for the Congress in the adjustment of the duties, imposts, and excises which the Congress is directed by the Constitution of the United States to regulate. This power is delegated to the President to regulate foreign trade.

SECRETARY OF STATE REMAKES INDUSTRIAL MAP

The Secretary of State has, by that authority, the right to remake the industrial map of the United States, and has proceeded to remake it for the past 20 years.

BIG BUSINESS NOW FOR FREE TRADE

In the beginning tariffs were generally supposed to be for the protection of big business, but the situation now is entirely reversed. The business of this country, which has grown big enough to put branch plants behind the low-wage curtain and take advantage of sweatshop labor in foreign countries, using American know-how and American machinery and low-cost labor, which is paid from 40 cents to $3.50 a day in Africa, Europe, and Asia, and is enabled, through the free-trade methods of the State Department and the Executive, to return those products to the United States and sell them cheaper than they could be produced in the United States, using the higher-wage standard of living in this country. Those who are in a position to operate in that fashion are for free trade.

SMALL BUSINESS AND WORKERS FOR PROTECTION

On the other hand, small business, defined as business of such a nature and such a size that it cannot put its branch plants behind the low-wage curtain and supply this market, but must remain dependent upon American markets and pay the American wage standard of living wages, is for protection.

THE FOREIGN TRADE AUTHORITY

The Foreign Trade Authority would be merely a reorganized Tariff Commission. It would be the agent of Congress, and have full authority to adjust the flexible duties, imposts, and excises, commonly known as tariffs and import fees, on the basis of fair and reasonable competition.

FAIR TRADE IN PLACE OF FREE TRADE

In other words, it would establish fair trade instead of free trade.

The Senate must be entirely familiar by now with the methods used by foreign countries to escape imports from this Nation through the manipulation of the price of their currency. When a trade agreement is made, it is not really a trade agreement, at all. It is an agreement to lower tariffs.

THE PERIL POINT

The Trade Agreements Act contains a peril point paragraph. When the Tariff Commission is asked to find the peril point, which is supposed to be the proper place for the tariff, and would be at that particular time, it is submitted to the President and the State Department.

TARIFF UPON CURRENCY

Let us assume that the State Department uses that peril point, which it seldom does, and makes an agreement with a foreign nation to lower tariffs based upon the peril point.

Almost immediately, as the record shows, that foreign nation establishes another value for its currency, with respect to any particular product which may be offered for import into that country from the United States, and raises the price of its money in terms of the dollar, and, in effect, placing a tariff on its money. That is only one of the subterfuges.

They have quotas, specifications, trade permits, exchange permits, and dozens of other ways of dodging the responsibility under the trade agreement.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MALONE. I yield to the Senator from North Dakota.

Mr. LANGER. The real purpose of this amendment is to prevent our competitors from juggling their currency to the detriment of the American manufacturer or importer.

Mr. MALONE. That is exactly right. My amendment would provide machinery to adjust the duties or tariffs to compensate for the manipulation of currencies by other nations, and other subterfuges to take advantage of us in such trade agreements.

Mr. LANGER. For example, today Argentina has three forms of currency. If there is something they want, they offer a basis of exchange of 5 to 1. If it is something they want to keep out of Argentina, to the detriment of our manufacturers, the rate is made 17½ to 1.

Mr. MALONE. The principle is correct.

Take the wool industry as an example. Everyone knows that the wool industry in this country is destroyed. No one in his right mind would put $2 into the sheep business at this moment. The Congress has no policy and the State Department has a policy of "free trade" ruinous to the workers and to small business.

DIFFERENT RATE FOR DIFFERENT PURPOSE

If Argentine raw wool is shipped into this country and they get dollars for it, Argentina will give a certain number of pesos for that dollar. If, on the other hand, the wool is processed and manufactured into some processed product by the producer and shipped into this country and they receive dollars, the Government will give a greater number of pesos for that dollar.

So they are encouraged and subsidized in their manufacturing business, in competition with the United States.

THE AMERICAN WORKERS AND PRODUCERS MUST LOSE

It is sufficient to say that under the policy followed for 20 years American workingmen and producers have been the losers. They have had no chance on earth to win.

The only idea of the State Department is to divide the markets of this country, exactly as Dean Acheson and Willard Thorp said many times during their regime, to the point where, theoretically, there are no trade balance deficits in foreign countries. In the interim, we will continue to appropriate money, as we did yesterday to the extent of $5¼ billion dollars to make up the trade balance deficits until the markets of this country are divided equally with foreign nations through the 1934 Trade Agreements Act. I say "we" because of my inability to stop such appropriations. We would appropriate money to make up trade-balance deficits, and refer to it as recovery from World War II when, as everyone knows, foreign nations have already recovered to the extent of 145 to 160 percent on that basis. Their manufacturing machinery, their plants, and their production capacity are so far beyond their consuming capacity that they now are advocating further trade with Communist China, Russia, and the Iron Curtain countries, if further trade is possible. They have been trading with those countries ever since World War II, without letting up one iota.

So I say to the Senate that my amendment in the nature of a substitute would provide the machinery with which an agent of Congress could act with full authority to adjust the duties, impost, and excises commonly known as tariffs and import fees, on a basis of fair trade with foreign nations—upon a basis of fair and reasonable competition, at all times taking into account and adjusting for the various manipulations of currency

and other subterfuges of foreign countries for trade advantages. My substitute would establish fair trade with those nations.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from Nevada [Mr. MALONE].

Mr. MALONE's amendment in the nature of a substitute was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KERR. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma will be stated.

The CHIEF CLERK. At the proper place in the bill it is proposed to insert the following:

That section 1700 (a) (1) of the Internal Revenue Code (relating to tax on admissions) is hereby amended by adding at the end thereof the following new sentence: "The tax imposed under this paragraph shall not apply to the amount paid for admission to a moving-picture theater if the principal amusement offered with respect to such admission is the showing of moving pictures."

The amendment made by the first section of this act shall apply only with respect to amounts paid, on or after the first day of the first month which begins more than 10 days after the day on which this act is enacted, for admissions on or after such first day.

Mr. KERR. Mr. President, the Senator from Oklahoma had hoped that a bill identical in language with this amendment, and known as the Mason bill, heretofore introduced in the House, might by this time have been reported by the House Ways and Means Committee to the House, and might have been before the Senate for consideration. However, that has not happened, and the session is now drawing toward a close.

The Senator from Oklahoma feels that this is one of the most burdensome of the excise taxes now in the law. The situation has become so critical for the motion-picture theaters that it should certainly be corrected during this session of the Congress. The Senator from Oklahoma would earnestly urge the distinguished chairman of the Committee on Finance to accept the amendment and take it to conference.

Mr. MILLIKIN. Mr. President, I regret very much that I cannot agree that the amendment should be taken to conference. I am thoroughly conscious of the deep trouble the motion picture people are in, and it is not getting any better. A bill is pending in the House, but I cannot say that I have certain assurances that it will reach the Senate. It involves an enormous sum of revenue, and I believe the subject ought to be considered separately and carefully when the House bill comes to the Senate.

I may say that if the House bill comes to the Senate, so far as I am concerned, the Committee on Finance will give it careful and prompt attention.

I believe the Senator from Oklahoma is properly impressed with the distress of many moving-picture houses. I believe the tax, as he has described it, is burdensome and oppressive, and I think it would be highly advisable if we could get rid of it consistent with all of our fiscal requirements. I feel a deep sense of sympathy with the problems of the moving picture operators. I will assure the Senator from Oklahoma that when the bill comes from the House—and I understand there is much support for it there—we will expedite consideration of it in the Committee on Finance. I hope the Senator will not press the amendment.

Mr. FERGUSON. Mr. President, I appreciate what the Senator from Oklahoma has in mind. I understand the moving-picture people have had to call upon cities and States to reduce the taxes on their properties in order that they may keep their doors open. They are having great financial difficulty. I hope, as the Senator from Oklahoma hopes, that the amendment may be taken to conference. I know the situation all over the Nation deserves the quick attention of the Senate, because in the Small Business Committee we have had this problem presented to us, and in other ways also. I should like to see the amendment taken to conference, because I believe the moving-picture people need relief.

Mr. MILLIKIN. Mr. President, I do not believe that any effective purpose could be served by taking the amendment to conference. I do not think the conference would accept it. The House has before it a pending bill, and under the disturbed circumstances over there, which I shall not expand on, I think they would be especially sensitive to an effort of the Senate to prod them by sending something to them on which they are already working. I hope the Senator from Oklahoma will not press his amendment.

Mr. KERR. Mr. President, I have profound respect for the distinguished chairman of the committee. I am so keenly aware of the acuteness of this problem, as I believe and feel he also is, I had hoped that he would see his way clear to take the amendment to conference. If he cannot do so, in view of his comforting reassurances that we will be permitted to have a bill before us in the near future in connection which this matter can be considered, I will not press the amendment, if he feels he cannot accept it.

The PRESIDING OFFICER (Mr. HICKENLOOPER in the chair). The Senator from Oklahoma withdraws his amendment.

The bill is open to further amendment.

Mr. DOUGLAS. Mr. President, I should like to call up my amendment 7-1-53-B, which is at the desk. I do not believe it will be necessary to read the amendment.

The PRESIDING OFFICER. The clerk will state the amendment by title.

The CHIEF CLERK. The Senator from Illinois proposes an amendment on page 12, after line 3, to insert certain language.

The PRESIDING OFFICER. The amendment is a very long one. Without objection, the reading of the amendment will be dispensed with, and the amendment will be printed in the RECORD.

The amendment offered by Mr. DOUGLAS is as follows:

On page 12, after line 23, insert the following:

"TITLE IV—CUSTOMS SIMPLIFICATION

"SEC. 401. Short title and effective date.

"This title may be cited as the 'Customs Simplification Act of 1953' and shall be effective, except as otherwise specifically provided for, on and after the 30th day following the date of its enactment.

"Table of contents

"Sec. 401. Short title and effective date.
"Sec. 402. Repeal of obsolete accounting provisions.
"Sec. 403. Effective dates of rates of duty.
"Sec. 404. Marking.
"Sec. 405. Transportation of lead-bearing and zinc-bearing ores.
"Sec. 406. Repeal of certain obsolete reciprocal provisions.
"Sec. 407. American goods returned.
"Sec. 408. Free entry provision for travelers.
"Sec. 409. Free entry for noncommercial exhibitions.
"Sec. 410. Temporary free entry for samples and other articles under bond.
"Sec. 411. Supplies and equipment for vessels and aircraft.
"Sec. 412. Drawback.
"Sec. 413. Administrative exemptions.
"Sec. 414. International traffic and rescue work.
"Sec. 415. Value.
"Sec. 416. Signing and delivery of manifests.
"Sec. 417. Certified invoices and entry of merchandise.
"Sec. 418. Verification of documents.
"Sec. 419. Amendment of entries.
"Sec. 420. Commingled merchandise.
"Sec. 421. Correction of errors and mistakes.
"Sec. 422. Conversion of currency.
"Sec. 423. Transfers of goods in bonded warehouse.
"Sec. 424. Customs supervision.
"Sec. 425. Saving clause.

"SEC 402. Repeal of obsolete accounting provisions.

"(a) The following sections of the Revised Statutes (relating to obsolete functions of customs officers and functions of such officers now provided for by other laws) are hereby repealed:

"Revised Statutes 2621, as amended (U. S. C., 1946 edition, title 19, sec. 33).

"Revised Statutes 2622, as amended (U. S. C., 1946 edition, title 19, sec. 34).

"Revised Statutes 2623, as amended (U. S. C., 1946 edition, title 19, sec. 35).

"Revised Statutes 2626, as amended (U. S. C., 1946 edition, title 19, sec. 39).

"Revised Statutes 2639, as amended (U. S. C., 1946 edition, title 19, sec. 42).

"Revised Statutes 2640, as amended (U. S. C., 1946 edition, title 19, sec. 43).

"Revised Statutes 2641, as amended (U. S. C., 1946 edition, title 19, sec. 44).

"Revised Statutes 2643, as amended (U. S. C., 1946 edition, title 19, sec. 45).

"(b) Section 439 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1439) is amended by deleting "the comptroller of customs for the district in which the port of entry is located" and substituting therefor 'such employee as the Secretary of the Treasury shall designate,' and by deleting 'said comptroller of customs' and substituting therefor 'such employee designated by the Secretary.'

"(c) Section 440 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1440) is amended by deleting 'the comptroller of customs for the district in which the port of entry is located' and substituting therefor 'such employee as the Secretary of the Treasury shall designate.'

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"(d) Section 523 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1523) is amended to read as follows:

"SEC. 523. Examination of accounts.

" 'The Secretary of the Treasury or such officer or employee as he shall designate, shall, under regulations and instructions prescribed by the Secretary—

" '(1) examine the collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise; and

" '(2) verify, to such extent as the Secretary of the Treasury shall direct, assessments of duties and taxes and allowances of drawback.'

"SEC. 403. Effective dates of rates of duty.

"(a) Section 315 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1315), is further amended to read as follows:

" 'SEC. 315. Effective dates of rates of duty.

" '(a) Except as otherwise specially provided for, the rate or rates of duty imposed by or pursuant to this act or any other law on any article entered for consumption or withdrawn from warehouse for consumption shall be the rate or rates in effect when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury, except that—

" '(1) any article released under an informal mail entry shall be subject to duty at the rate or rates in effect when the preparation of the entry is completed; and

" '(2) any article which is not subject to a quantitative or tariff-rate quota and which is covered by an entry for immediate transportation made at the port of original importation under section 552 of this act, if entered for consumption at the port designated by the consignee, or his agent, in such transportation entry without having been taken into the custody of the collector under section 490 of this act, shall be subject to the rate or rates in effect when the transportation entry was accepted at the port of original importation.

" '(b) Any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, overcarriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of this section, but only if the article is returned to such port or place within 90 days after the date of removal and the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury.

" '(c) Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation.

" '(d) No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of 30 days after the date of publication in the weekly Treasury Decisions of notice of such ruling; but this provision shall not apply with respect to the imposition of antidumping duties.'

"(b) Section 484 (f) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1484 (f)), is further amended by changing the period at the end to a semicolon and adding 'except that, in the case of articles not subject to a quantitative or tariff-rate quota, entry for the entire quantity covered by an entry for immediate transportation made under section 552 of this act may be accepted at the port of entry designated by the consignee, or his agent, in such entry after the arrival of any part of such quantity at such designated port or at such other place of deposit as may be authorized in accordance with regulations prescribed by the Secretary of the Treasury.'

"SEC. 404. Marking.

"(a) Paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1940 ed., title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553) are amended as follows:

"Paragraph 28 is amended by deleting from subparagraph (f) 'the immediate container and.'

"Paragraph 354 is amended by deleting the second proviso.

"Paragraphs 355, 357, 358, 359, 360, and 361 are amended by deleting the provisos.

"Paragraph 1553 is amended by deleting both provisos.

"(b) The following sections of the Revised Statutes are repealed:

"Revised Statutes 2934 (U. S. C., 1946 ed., title 19, sec. 134).

"Revised Statutes 2885 (U. S. C., 1946 edition, title 19, sec. 273).

"Revised Statutes 2886 (U. S. C., 1946 edition, title 19, sec. 274).

"(c) Section 304 (a) (3) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1304 (a) (3)), is further amended by deleting "or" at the end of subdivision (I); by changing the period at the end of subdivision (J) to a semicolon and by adding "or"; and by adding a new subdivision (K) as follows:

" '(K) Such article cannot be marked after after importation except at an expense which is economically prohibitive, and the failure to mark the article before importation was not due to any purpose of the importer, producer, seller, or shipper, to avoid compliance with this section.'

"SEC. 405. Transportation of lead-bearing and zinc-bearing ores.

"(a) Paragraph 391 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1001, par. 391), is further amended by changing the colon at the end of the first proviso to a period; and by amending the rest of the paragraph to read as follows: 'The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.'

"(b) Paragraph 393 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1001, par. 393), is further amended by changing the colon at the end of the first proviso to a period; and by amending the rest of the paragraph to read as follows: 'The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.'

"SEC. 406. Repeal of certain obsolete reciprocal provisions.

"(a) Paragraph 812 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812), is amended by deleting the proviso (relating to the importation of spirits in certain containers).

"(b) Section 320 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1320), relating to reciprocal agreements covering advertising matter, is repealed.

"SEC. 407. American goods returned.

"Paragraph 1615 (f) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1201, par. 1615 (f)), is further amended by adding at the end thereof the following new sentences: 'When because of the destruction of customs records or for other cause it is impracticable to establish whether drawback was allowed, or to determine the amount of drawback allowed, on a reimported article excepted under subparagraph (e), there shall be assessed thereon an amount of duty equal to the estimated drawback and internal-revenue tax which would be allowable or refundable if the imported merchandise used in the manufacture or production of the reimported article were dutiable or taxable at the rate applicable to such merchandise on the date of importation, but in no case more than the duty and tax that would apply if the article were originally imported. In order to facilitate the ascertainment and collection of the duty provided for in this subparagraph, the Secretary of the Treasury is authorized to ascertain and specify the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and to exempt from the assessment of duty articles or classes or kinds of articles excepted under subparagraph (e) with respect to which the collection of such duty involves expense and inconvenience to the Government which is disproportionate to the probable amount of such duty.'

"SEC. 408. Free entry provisions for travelers.

"Paragraph 1798 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1201, par. 1798), is further amended to read as follows:

" 'PAR. 1798. (a) Professional books, implements, instruments, and tools of trade, occupation, or employment, when imported by or for the account of any person arriving in the United States by whom or for whose account they were taken abroad.

" '(b) In the case of any person arriving in the United States who is not a returning resident thereof—

" '(1) wearing apparel, articles of personal adornment, toilet articles, and similar personal effects; all the foregoing, if actually owned by and in the possession of such person abroad at the time of or prior to his departure for the United States, and if appropriate for his own personal use and intended only for such use and not for any other person nor for sale;

" '(2) automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar means of transportation, and the usual equipment accompanying the foregoing; any of the foregoing imported in connection with the arrival of such person and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance; and

" '(3) not exceeding $200 in value of articles accompanying such a person who is in transit to a place outside United States customs territory and who will take the articles with him to such place.

" '(c) In the case of any person arriving in the United States who is a returning resident thereof—

" '(1) all personal and household effects taken abroad by him or for his account and brought back by him or for his account; and

" '(2) articles (including not more than 1 wine gallon of alcoholic beverages and not more than 100 cigars) acquired abroad as an incident of the journey from which he is returning, for his personal or household use, but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury, up to but not exceeding in aggregate value—

" '(A) $200, if such person arrives from a contiguous country which maintains a free

zone or free port (see subparagraph (d)), or arrives from any other country after having remained beyond the territorial limits of the United States for a period of not less than 48 hours, and in either case has not claimed an exemption under this subdivision (A) within the 30 days immediately preceding his arrival; and

"'(B) $300 in addition, if such person has remained beyond the territorial limits of the United States for a period of not less than 12 days and has not claimed an exemption under this subdivision (B) within the 6 months immediately preceding his arrival.

"'(d) In the case of persons arriving from a contiguous country which maintains a free zone or free port, if the Secretary of the Treasury deems it necessary in the public interest and to facilitate enforcement of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey, he shall prescribe by regulation or instruction, the application of which may be restricted to one or more ports of entry, that the exemption authorized by subdivision (2) (A) of subparagraph (c) shall be allowed only to residents who have remained beyond the territorial limits of the United States for not less than a specified period, not to exceed 24 hours, and after the expiration of 90 days after the date of such regulation or instruction allowance of the said exemption shall be subject to the limitations so prescribed.

"'(e) Any article imported to replace a like article of comparable value previously exempted from duty under subdivision (c) of this paragraph shall be allowed free entry if the article previously exempted shall have been exported, under such supervision as the Secretary may prescribe, within 60 days after its importation because it was found by the importer to be unsatisfactory.

"'(f) All articles exempted by this paragraph from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed upon or by reason of importation.

"'(g) If any jewelry or similar articles of personal adornment having a value of $300 or more which have been exempted from duty under subdivision (1) of subparagraph (b) or any article which has been exempted from duty under subdivision (2) (B) of subparagraph (c) is sold within 3 years after the date of importation, or if any article which has been exempted from duty under subdivision (2) of subparagraph (b) is sold within 1 year after the date of importation, without prior payment to the United States of the duty which would have been payable at the time of entry if the article had been entered without the benefit of this paragraph, such article, or its value (to be recovered from the importer), shall be subject to forfeiture. A sale pursuant to a judicial order or in liquidation of the estate of a decedent shall not be subject to the provisions of this subparagraph.

"'(h) The Secretary of the Treasury shall prescribe methods and regulations for carrying out the provisions of this paragraph. No exemption provided for in this paragraph shall be applied to any article which is not declared in accordance with such regulations.'

"SEC. 409. Free entry for noncommercial exhibitions.

"(a) Paragraph 1809 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809), is amended by inserting 'within 5 years after the date of entry hereunder' after 'used contrary to this provision'; by inserting 'within such 5-year period' after 'at any time'; and by deleting 'and the preceding.'

"(b) The conditions of any bond in force on the effective date of this title in respect of articles previously entered under the provisions of paragraph 1809 or the corresponding provisions of any Tariff Act prior to the Tariff Act of 1930 shall be deemed to have been satisfied upon the effective date of this title or upon the expiration of 5 years from the date such articles were entered, whichever is later, except with respect to any violation which has occurred or which shall have occurred before such time.

"SEC. 410. Temporary free entry for samples and other articles under bond.

"(a) (1) The part of section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308) following the heading and preceding the numbered items is amended to read as follows:

"'The following articles, when not imported for sale or for sale on approval, may be admitted into the United States under such rules and regulations as the Secretary of the Treasury may prescribe, without the payment of duty, under bond for their exportation within 1 year from the date of importation, which period in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial 1 year, shall not exceed a total of 3 years:'.

"(2) The amendment made by paragraph (1) shall be effective with respect to articles imported before or after this section is enacted.

"(b) Section 308 (3) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1308 (3)) is amended by inserting immediately after the word "Samples" the following: '(but not including photoengraved printing plates imported to be reproduced.'

"(c) Section 308 (4) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1308 (4)) is amended to read as follows:

"'(4) Articles intended solely for testing, experimental, or review purposes, including plans, specifications, drawings, blueprints, photographs, and similar articles for use in connection with experiments or for study, and upon satisfactory proof that any such article has been destroyed because of its use for any such purpose the obligation under such bond to export such articles shall be treated as satisfied;'.

"(d) Section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1308 (5)), is further amended to read as follows:

"'(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents for the purpose of taking part in races or other specific contests;'.

"(e) Section 308 (7) of the Tariff Act of 1930 (U. S. C., 1946 ed., title 19, sec. 1308 (7)), is amended to read as follows:

"'(7) Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose;'.

"(f) Section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1308), is further amended by changing the period at the end thereof to a semicolon and adding the following new subdivisions:

"'(10) Animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor;

"'(11) Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions; and

"'(12) Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States.'

"(g) Paragraph 1607 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1607), is amended to read as follows:

"'PAR. 1607. (a) Teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe.

"'(b) Wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit.'

"(h) Paragraph 1747 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1747), is amended by changing the second semicolon to a period and deleting the remainder of the paragraph.

"(i) Paragraph 1808 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1808), is repealed.

"SEC. 411. Supplies and equipment for vessels and aircraft.

"(a) Subsections (a) and (b) of section 309 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1309 (a) and (b)), relating to articles for certain vessels and aircraft, are further amended to read as follows:

"'(a) Exemption from duties and taxes: Articles of foreign or domestic origin may be withdrawn, under such regulations as the Secretary of the Treasury may prescribe, from any customs bonded warehouse, from continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone free of duty and internal-revenue tax, or from any internal-revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax—

"'(1) for supplies (not including equipment) of (A) vessels or aircraft operated by the United States, (B) vessels of the United States employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or (C) aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; or

"'(2) for supplies (including equipment) or repair of (A) vessels of war of any foreign nation, or (B) foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign vessels is permitted; or

"'(3) for supplies (including equipment), ground equipment, maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where trade by foreign aircraft is permitted. With respect to articles for ground equipment, the exemption hereunder shall apply only to duties and to taxes imposed upon or by reason of importation.

"'(b) Drawback: Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone, and articles of domestic manufacture or production, laden as supplies upon any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign vessel or aircraft, shall be considered to be exported within the meaning of the drawback provisions of this act.'

"(b) Section 317 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition,

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title 19, sec. 1317 (b)), is amended to read as follows:

"'(b) The shipment or delivery of any merchandise for use as supplies (including equipment) upon, or in the maintenance or repair of any vessel or aircraft described in subdivision (2) or (3) of section 309 (a) of this act, or for use as ground equipment for any such aircraft, shall be deemed an exportation within the meaning of the customs and internal-revenue laws applicable to the exportation of such merchandise without the payment of duty or internal-revenue tax. With respect to merchandise for use as ground equipment, such shipment or delivery shall not be deemed an exportation within the meaning of the internal-revenue laws relating to taxes other than those imposed upon or by reason of importation.'

"(c) Section 3115 of the Revised Statutes, as amended (U. S. C., 1946 ed., title 19, sec. 258), is further amended by--

"(1) striking out the comma at the end of paragraph (2) and inserting in lieu thereof '; or' and inserting after paragraph (2) the following new paragraph:

"'(3) that such equipments, or parts thereof, or materials, or labor, were used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo;'; and

"(2) striking out 'such equipments' the last place it appears in such section and inserting in lieu thereof 'such equipments or parts thereof or materials.'

"SEC. 412. Drawback.

"(a) Section 313 (b) of the Tariff Act of 1930, as amended (U. S. C. 1946 edition, title 19, sec. 1313 (b)), is further amended by deleting 'one year' and substituting therefor 'three years.'

"(b) Section 313 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1313 (e)), is amended by inserting 'or shipped without the consent of the consignee' after 'sample or specification'; by deleting 'thirty days' and substituting therefor 'ninety days'; and by inserting 'unless the Secretary authorizes in writing a longer time', following 'after release from customs custody,'.

"(c) Section 313 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313), is further amended by revising subsections (h) and (l) thereof to read as follows:

"'(h) Time limitation on exportation: No drawback shall be allowed under the provisions of this section unless the completed article is exported within 5 years after the importation of the imported merchandise.

"'(l) Regulations: Allowance of the privileges provided for in this section shall be subject to compliance with such rules and regulations as the Secretary of the Treasury shall prescribe, which may include, but need not be limited to, the fixing of a time limit within which drawback entries or entries for refund under any of the provisions of this section or section 309 (b) of this act shall be filed and completed, and the designation of the person to whom any refund or payment of drawback shall be made.'

"SEC. 413. Administrative exemption.

"Section 321 of the Tariff Act of 1930, as amended (U. S. C., 1946 ed., title 19, sec. 1321), is amended to read as follows:

"'SEC. 321. Administrative exemptions.

"'(a) The Secretary of the Treasury, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, is hereby authorized, under such regulations as he shall prescribe, to—

"'(1) disregard a difference of less than $3 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon; and

"'(2) admit articles free of duty and of any tax imposed on or by reason of importation, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty shall not exceed—

"'(A) $10 in the case of articles sent as bona fide gifts from persons in foreign countries to persons in the United States, or

"'(B) $10 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States who are not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this act, or

"'(C) $1 in any other case.

The privilege of this subdivision (2) shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision (2).

"'(b) The Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified in subsection (a) and to prescribe exceptions to any exemption provided for in such subsection whenever he finds that such action is consistent with the purpose of such subsection or is necessary for any reason to protect the revenue or to prevent unlawful importations.'

"SEC. 414. International traffic and rescue work.

"The Tariff Act of 1930, as amended, is further amended by adding immediately following section 321 (U. S. C., 1946 edition, title 19, sec. 1321) a new section reading as follows:

"'SEC. 414. International traffic and rescue work.

"'(a) Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the application of the customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.

"'(b) The Secretary of the Treasury may provide by regulation or instruction for the admission, without entry and without the payment of any duty or tax imposed upon or by reason of importation, of—

"'(1) aircraft, equipment, supplies, and spare parts for use in searches, rescues, investigations, repairs, and salvage in connection with accidental damage to aircraft;

"'(2) fire-fighting and rescue and relief equipment and supplies for emergent temporary use in connection with conflagrations; and

"'(3) rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.

Any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States.'

"SEC. 415. Value.

"(a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1402), is further amended to read as follows:

"'SEC. 402. Value.

"'(a) Basis: Except as otherwise specifically provided for, the value of imported merchandise for the purposes of this act shall be—

"'(1) the export value;

"'(2) if the export value cannot be determined satisfactorily, then the United States value;

"'(3) if neither the export value nor the United States value can be determined satisfactorily, then the comparative value; or

"'(4) if neither the export value, the United States value, nor the comparative value can be determined satisfactorily, then the constructed value; but

"'(5) in the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, the value shall be the American selling price of such domestic article.

"'(b) Export value: The export value of imported merchandise shall be the market value or the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States.

"'(c) United States value: The United States value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar imported merchandise is freely sold or, in the absence of sales, offered for sale in the principal market of the United States for domestic consumption, packed ready for delivery, in the usual wholesale quantities and in the ordinary course of trade, with allowances made for—

"'(1) any commission usually paid or agreed to be paid on merchandise secured otherwise than by purchase or agreement to purchase; or, on merchandise secured by purchase or agreement to purchase, the addition for profit and general expenses usually made by sellers in such market on imported merchandise of the same class or kind as the merchandise undergoing appraisement;

"'(2) the usual costs of transportation and insurance and other usual expenses from the place of shipment to the place of delivery, not including any expense provided for in subdivision (1); and

"'(3) the ordinary customs duties and other Federal taxes currently payable on such or similar merchandise by reason of its importation or Federal excise taxes on, or measured by the value of, such or similar merchandise, for which vendors at wholesale in the United States are ordinarily liable.

"'If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisement, the United States value shall be determined, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is so sold or offered at the earliest date after such time of exportation but before the expiration of 90 days after the importation of the merchandise undergoing appraisement.

"'(d) Comparative value: The comparative value of imported merchandise shall be the equivalent of the export value as nearly as such equivalent may be determined by the appraiser on the basis of the export or United States value of other merchandise exported from the same country at the time the merchandise undergoing appraisement was exported which is comparable in construction and use with the merchandise undergoing appraisement, with appropriate adjustments for differences in size, material, construction, texture, or other differences.

"'(e) Constructed value: The constructed value of imported merchandise shall be the sum of—

"'(1) the cost of materials and of fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise undergoing ap-

praisement which would ordinarily permit the production of that particular merchandise in the ordinary course of business;

"'(2) an addition for general expenses and profit equal to that which producers in the country of production whose products are exported to the United States usually add in sales for exportation to the United States, in the usual wholesale quantities and in the ordinary course of trade, of merchandise of the same general class or kind as the merchandise undergoing appraisement; and

"'(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise undergoing appraisement in condition, packed ready for shipment to the United States.

"'(f) American selling price: The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other expenses incident to placing the merchandise in condition packed ready for delivery, at which such article is freely sold or, in the absence of sales, offered for sale for domestic consumption in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

"'(g) Taxes: The value of imported merchandise determined in accordance with this section shall not include the amount of any internal tax, applicable within the country of origin or exportation, from which the merchandise undergoing appraisement has been exempted or has been or will be relieved by means of refund.

"'(h) Definitions: As used in this section, the following terms shall have the meanings respectively indicated:

"'(1) "Freely sold or, in the absence of sales, offered for sale"—sold or, in the absence of sales, offered to all purchasers at wholesale, or to one or more selected purchasers at wholesale at a price not less than that at which it would be sold to all purchasers at wholesale, without restrictions as to the disposition or use of the merchandise by the purchaser, except restrictions as to such disposition or use which (A) are imposed or required by law, or (B) limit the price at which or the territory in which the merchandise may be resold, or (C) do not substantially affect the value of the merchandise to usual purchasers at wholesale.

"'(2) "Ordinary course of trade"—the conditions and practices which, for a reasonable time prior to the exportation of the merchandise undergoing appraisement, have been normal in the trade under consideration with respect to merchandise of the same class or kind as the merchandise undergoing appraisement.

"'(3) "Purchasers at wholesale"—purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either of the foregoing categories, then all other purchasers who buy in the usual wholesale quantities.

"'(4) "Such or similar merchandise"—the merchandise undergoing appraisement shall be considered "such" merchandise; and other merchandise shall be considered "such" merchandise if—

"'(A) it is identical in physical characteristics and was produced in the same country by the same person; or

"'(B) when no value meeting the requirements of the definition of value under consideration can be determined under (A), the merchandise is identical in physical characteristics and was produced by another person in the same country.

Merchandise shall be considered "similar" to the merchandise undergoing appraisement if it is not within the foregoing definition of "such" merchandise but—

"'(C) it was produced in the same country as the merchandise undergoing appraisement, by the same person, of like materials, is used for the same purpose, and is of approximately equal commercial value; or

"'(D) when no value meeting the requirements of the definition of value under consideration can be determined under (C), the merchandise is correspondingly similar and was produced by another person in the same country.

"'(5) "Usual wholesale quantities"—the quantities usually sold in the class of transactions in which the greater aggregate quantity of the "such or similar merchandise," in respect of which value is being determined, is sold in the market under consideration.'

"(b) Paragraph 27 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 27 (c)), is amended by changing 'subdivision (g)' to 'subdivision (f)' and by changing 'subdivision (e)' to 'subdivision (c).'

"(c) Paragraph 28 (c) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 28 (c)), is amended by changing 'subdivision (g)' to 'subdivision (f)' and by changing 'subdivision (e)' to 'subdivision (c).'

"(d) Section 336 (b) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1336 (b)), is amended by changing 'section 402 (g)' to 'section 402 (f).'

"SEC. 416. Signing and delivery of manifests.

"Section 431 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1431), is amended by designating the matter now therein as subsection (a) and by adding a new subsection to read as follows:

"'(b) Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any way in respect of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity.'

"SEC. 417. Certified invoices and entry of merchandise.

"(a) Section 482 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1482 (a)), is amended by substituting 'required pursuant to section 483 (b) of this act to be certified' for 'covering merchandise exceeding $100 in value' in the first clause.

"(b) Section 484 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1484 (a)), is amended by deleting 'forty-eight hours' and substituting therefor "five days.'

"(c) Section 484 (b) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1484 (b)), is amended to read as follows:

"'(b) Production of certified invoice: The Secretary of the Treasury shall provide by regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted entry under the provisions of this section without the production of a certified invoice.'

"(d) Section 498 (a) (1) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1)) is amended to read as follows:

"'(1) Merchandise, imported in the mails or otherwise, when the aggregate value of the shipment does not exceed such amount, not greater than $250, as the Secretary of the Treasury shall specify in the regulations and the specified amount may vary for different classes or kinds of merchandise or different classes of transactions;'.

"(e) Section 498 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1498 (a)) is further amended by deleting subdivision (11) and substituting therefor a new subdivision to read as follows:

"'(11) Merchandise within the provisions of paragraph 1631 of this act.'

"(f) The act of June 8, 1896 (U. S. C., 1946 edition, title 19, secs. 472–475), is hereby repealed.

"SEC. 418. Verification of documents.

"Section 486 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1486) is amended by changing the heading to read—

"'SEC. 486. Administration of oaths—verification of documents.'

and by adding at the end thereof the following new subsection:

"'(d) Verification in lieu of oath: The Secretary of the Treasury may by regulation prescribe that any document required by any law administered by the Customs Service to be under oath may be verified by a written declaration in such form as he shall prescribe, such declaration to be in lieu of the oath otherwise required.'

"SEC. 419. Amendment of entries.

"(a) Section 487 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1487) is amended by deleting therefrom 'or at any time before the invoice or the merchandise has come under observation of the appraiser for the purpose of appraisement.'

"(b) Section 489 of the Tariff Act of 1930 (U. S. C. 1946 edition, title 19, sec. 1489) is amended by deleting the first two paragraphs.

"(c) Section 501 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1501), is further amended by changing the period at the end of the first sentence to a comma and by inserting thereafter 'or (3) in any case, if the consignee, his agent, or his attorney requests such notice in writing before appraisement, setting forth a substantial reason for requesting the notice.', by inserting in the second sentence after 'appraiser' the clause ', including all determinations entering into the same,', and by deleting the third sentence of the section.

"(d) Section 503 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1503), is amended by deleting subsection (b), by redesignating subsection (c) as subsection (b), and by amending subsection (a) to read as follows:

"'(a) General rule: Except as provided in section 562 of this act (relating to withdrawal from manipulating warehouses), the basis for the assessment of duties on imported merchandise subject to ad valorem rates of duty shall be the final appraised value.'

"(e) The act of July 12, 1932 (ch. 473, 47 Stat. 657; U. S. C., 1946 edition, title 19, sec. 1503a), is repealed.

"(f) Section 562 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1562), is further amended by changing the third sentence to read as follows: 'The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be the adjusted final appraised value, and if the rate of duty is based upon or regulated in any manner by the value of the

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merchandise, such rate shall be based upon or regulated by such adjusted final appraised value.'

"SEC. 420. Commingled merchandise.

"Section 508 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1508) is amended to read as follows:

"'SEC. 508. Commingling of goods.

"'(a) Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.

"'(b) Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within 30 days after the date of personal delivery or mailing, by such employee as the Secretary of the Treasury shall designate, of written notice to the consignee that the merchandise is commingled, unless the Secretary authorizes in writing a longer time. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.

"'(c) The foregoing provisions of this section shall not apply with respect to any part of a shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that such part (A) is commercially negligible, (B) is not capable of segregation without excessive cost, and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and (2) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes as a part of the merchandise, subject to the next lower rate of duty (including a free rate), with which it is commingled.

"'(d) The foregoing provisions of this section shall not apply with respect to any shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated; (2) that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise; and (3) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate (including a free rate) applicable to the material present in greater quantity than any other material.'

"SEC. 421. Correction of errors and mistakes.

"Subdivisions (1) and (2) of section 520 (c) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1520 (c)), are further amended to read as follows:

"'(1) a clerical error, mistake of fact, or other inadvertence not amounting to an error in the construction of a law, adverse to the importer and manifest from the record or established by documentary evidence, in any entry, liquidation, appraisement, or other customs transaction, when the error, mistake, or inadvertence is brought to the attention of the customs service within 1 year after the date of entry, appraisement, or transaction, or within 60 days after liquidation or exaction when the liquidation or exaction is made more than 10 months after the date of the entry, appraisement, or transaction; or

"'(2) any assessment of duty on household or personal effects in respect of which an application for refund has been filed, with such employee as the Secretary of the Treasury shall designate, within 1 year after the date of entry.'

"SEC. 422. Conversion of currency.

"(a) Section 25 of the act of August 27, 1894, as amended and reenacted (U. S. C., 1946 ed., title 31, sec. 372 (a)), is repealed, and section 522 of the Tariff Act of 1930 (U. S. C., 1946 ed., title 31, sec. 372) is amended to read as follows:

"'SEC. 522. Conversion of currency.

"'(a) The Secretary of the Treasury shall keep current a published list, expressed in United States dollars, of the par values which he finds are maintained by foreign countries for their respective currencies. For the purposes of all provisions of the customs laws, whenever it is necessary to convert into an amount expressed in currency of the United States any amount expressed in a foreign currency for which such a par value was maintained for the date as of which the value or cost requiring conversion is to be determined, such conversion, except as specified in subsection (d), shall be made at such par value.

"'(b) If no such par value was so maintained for such date, the conversion shall be made at the buying rate for the foreign currency in the New York market at noon on the date as of which the value or cost requiring conversion is to be determined, or if banks are generally closed on such date in New York City, then the buying rate at noon on the last preceding business day. For the purposes of this subsection, such buying rate shall be the buying rate for cable transfers payable in the foreign currency in which the amount to be converted is expressed, and shall be determined by the Federal Reserve Bank of New York and certified to the Secretary of the Treasury, who shall make it public at such times and to such extent as he shall deem necessary. In ascertaining such buying rate, such Federal Reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange or from the last ascertainable transactions and quotations outside the United States in or for exchange payable in United States currency or other currency.

"'(c) If, pursuant to subsection (b), the Federal Reserve Bank of New York certifies more than one rate of exchange for a particular foreign currency for any date the conversion for customs purposes of amounts expressed in that currency for that date shall be made by applying the applicable rate or rates so certified which reflect effectively the value of that foreign currency in commercial transactions.

"'(d) When there are one or more rates of exchange which vary by more than 5 percent from the par value for any foreign currency listed pursuant to subsection (a), the list shall so indicate. In that event such additional rates of exchange may be certified in the manner set forth in subsection (b) and the par value and any certified rates shall be applied in the manner prescribed in subsection (c).'

"(b) Section 481 (a) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1481 (a)) is amended by deleting subparagraph (7) and by renumbering subparagraphs (8), (9), and (10) as (7), (8), and (9).

"(c) Section 481 (b) of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1481 (b)) is amended by deleting ', stating whether gold, silver, or paper.'

"SEC. 423. Transfers of goods in bonded warehouse.

"(a) Section 557 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1557 (b)), is further amended to read as follows:

"'(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury and upon the filing by the transferee of a bond in such amount and containing such conditions as the Secretary of the Treasury shall prescribe. The bond shall include an obligation to pay, with respect to the merchandise the subject of the transfer, all unpaid regular, increased, and additional duties, all unpaid taxes imposed upon or by reason of importation, and all unpaid charges and exactions. Such transfers shall be irrevocable, shall relieve the transferor from all customs liability with respect to obligations assumed by the transferee under the bond herein provided for, and shall confer upon the transferee all rights to the privileges provided for in this section and in sections 562 and 563 of this act which were vested in the transferor prior to the transfer. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise the subject of the transfer, but shall have no right to file any protest under section 514 of this act except as to decisions with respect to his rights under subsection (c) of this section or under section 562 or 563 of this act or against a decision as to the rate or amount of duty, tax, charge, or exaction when such rate or amount has been changed by statute or proclamation on or after the date of the transfer. The transferee shall have no right to file an appeal for reappraisement under section 501 of this act, except when subsequent to the transfer and before a withdrawal for consumption has been deposited for the merchandise, it has been changed in condition pursuant to the provisions of section 562 or 311 of this act in a manner which necessitates that it be appraised in its changed condition in order that the correct amount of duties may be assessed. No new or separate liquidation, reliquidation, or determination shall be made in the name of, or on behalf of, a transferee, except with regard to any matter which may rise under subsection (c) of this section or section 562 or 563 of this act when the transferee has invoked either of these sections, and in the case of a statutory or proclaimed change in the rate of duty, tax, charge, or exaction applicable to the merchandise the subject of the transfer and effective on or after the date of the transfer. A transferee may further transfer the right to withdraw merchandise, subject to the provisions of this subsection relating to original transfers.'

"(b) Notwithstanding any other provision of this title ,the foregoing subsection (a) shall be effective with respect to merchandise entered after the date of the enactment of this title and to merchandise which has been entered before that date and is the subject of a transfer within the purview of section 557 (b) of the Tariff Act, as amended by this

title, and made after the date of the enactment of this title.

"SEC. 424. Customs supervision.

"The Tariff Act of 1930, as amended, is further amended by adding following section 645 (U. S. C., 1946 edition, title 19, sec. 1645) a new section 646, reading as follows:

"'SEC. 646. Customs supervision.

"'Wherever in this act any action or thing is required to be done or maintained under the supervision of customs officers, such supervision may be direct and continuous or by occasional verification as may be required by regulations of the Secretary of the Treasury, or, in the absence of such regulations for a particular case, as the principal customs officer concerned shall direct.'

"SEC. 425. Saving clause.

"Except as may be otherwise provided for in this title, the repeal of existing law or modifications thereof embraced in this title shall not affect any act done, or any right accruing or accrued, or any suit or proceeding had or commenced in any civil or criminal case prior to such repeal or modification, but all liabilities under such laws shall continue, except as otherwise specifically provided in this title, and may be enforced in the same manner as if such repeal or modification had not been made."

Mr. DOUGLAS. Mr. President, the amendment which I have proposed will add a new Title IV on the subject of custom simplification in the pending bill.

The substance of this amendment has been taken from the bill introduced in the House by Congressman JENKINS, H. R. 5877. This is the bill which is substantially similar to H. R. 5106, previously introduced by Congressman JENKINS, on which the Ways and Means Committee held hearings on May 27–29, 1953. According to the notation in the CONGRESSIONAL RECORD Daily Digest for June 19, 1953, the committee approved this bill with certain amendments and instructed that a clean bill be drafted and introduced embodying those half dozen changes. H. R. 5877 was the result.

These two House bills in the 83d Congress are very similar in form to H. R. 5055 of the 82d Congress which passed the House of Representatives October 15, 1951.

It was sent to the Senate, but the Senate Committee on Finance did not act on it.

I believe it is generally understood that the substance of the bill on which my amendment is based was drafted and sent up by one of the executive departments of this administration.

The principal purpose of my amendment—as it is the purpose of H. R. 5877—is to modernize and simplify the administrative and procedural laws affecting customs in order to give improved service to the importing public; to reduce the difficulties, delays, and risks now confronting businessmen; and to reduce the costs of the customs service to taxpayers.

This general objective is aimed at by provisions in my amendment which, among other things, will do the following:

First. Simplify and make more just the formulas for appraising merchandise for the assessment of ad valorem duties.

At the present time there are approximately five different bases of value which are used, and it is never clear which basis is to be used. Restrictive court interpretations have increased the difficulties.

Second. Provide a more modern method for converting amounts in foreign currency to amounts in American currency.

Third. Eliminate special marking requirements and require only such marking as will indicate the country of origin of the imported merchandise, with additional authority for relief in hardship cases.

Fourth. Authorize the institution of a modern program of internal audit.

Fifth. Eliminate time-consuming and cumbersome procedures in connection with warehouse transfers.

Sixth. Permit correction by customs officers of admitted errors without appeal to the courts.

This also is important, in view of the fact that the United States Customs Courts have a terrific backlog of over 60,000 cases of appeals for reappraisement alone, with which they have not dealt. Tariff classification cases pending at the end of 1952 aggregated over 80,000.

Seven. Repeal the provision for undervaluation penalties.

The amendment proposes no change in the tariff structure.

A few brief comments about some of the principal features of the amendment will serve to demonstrate its importance.

VALUATION

The most important provision of this amendment, section 415, would result in the elimination of "foreign value" and the use of "export value," if ascertainable, as the preferred method of valuation. Since the present law stipulates the mandatory determination of foreign value for almost all commodities subject to valuation, this change would eliminate a large volume of work by the Customs Service and by businessmen. Moreover, "export value" more closely approximates the actual price of import goods. Treasury officials have testified that this provision would not appreciably affect the level of valuation or the amount of customs collections.

The bill proposes other changes to bring closer into line with business practices such customs valuation concepts as "usual wholesale quantities," "ordinary course of trade," and "such or similar merchandise." It would also rectify the present inequity due to the inclusion in customs value of internal taxes imposed by many producing countries.

The Bell report, issued earlier this year by the advisory board headed by Daniel W. Bell, highlighted some of the difficulties in the present valuation system as follows:

> Under the present valuation system, delay and confusion are so common that the law must be regarded as unworkable. In recent years, as imports have become varied and numerous, the number of invoices held by customs appraisers for more than 90 days has increased sharply and was just short of 100,000 on June 30, 1952. By the end of 1952 this backlog had shot up to 124,000. Despite efforts by the Customs Service to limit foreign investigations, more than one-third of these cases are awaiting the results of value or cost of production investigations in foreign countries. Another third are awaiting action by examiners or replies from the Customs Information Exchange, which collates information on value and classification from the many customs offices around the country. The Exchange reported 6,496 cases in the fiscal year 1952 for which appraisers' values differed. These differences are resolved by the appraisers or, in the case of persistent disagreement, by the Customs Bureau in Washington.
>
> After an appraisal is finally made, many cases are appealed to the Customs Court, mainly by the importer and, in rare cases, by collectors of customs, for reappraisal. At the end of the fiscal year 1952, the number of such pending appeals was 63,000 and was rising rapidly. During the last 2 fiscal years nearly 30,000 cases were received by the Customs Court, but only 4,266 cases were decided.

In other words, less than one-sixth of the number of reappraisal cases submitted were decided.

The amendment which I am offering would improve these valuation procedures in such a way as to eliminate the major causes of these costly delays and uncertainties.

CURRENCY CONVERSION

The provisions of the amendment for conversion of currency (sec. 422) will eliminate the obsolete requirement that the Secretary of the Treasury publish quarterly the gold content of foreign coins, and it will facilitate economical administration of the customs laws by permitting customs officers to employ par values of foreign currencies from a list kept current by the Secretary. When there is no such par value, or when there are one or more rates of exchange which vary by more than 5 percent from the par value, the applicable rates would be those certified by the Federal Reserve Bank of New York.

If greater certainty can thus be introduced into the determination of the rate of currency conversion to be employed, as well as into valuation methods, one of the great hindrances to importation will be removed. Some instances were reported to the House Committee in 1951 in which it took more than 10 years for the Customs Service to determine the proper conversion rate.

MARKING REQUIREMENTS

The proposed amendment—in section 404—would also repeal the burdensome and arbitrary "special marking" requirements for many classes of imported goods. These articles would, however, still be subject to the general marking provisions of the Tariff Act, and thus give consumers information on the country of origin of the products they buy. This change has been recommended particularly because of the desire of medical men and scientists in this country to secure needed instruments for their purposes. Relief is also made available by action of the Secretary in hardship cases involving marking. Thus some relief would be afforded from the inflexibility of present, detailed legal requirements relating to the marking of imported goods.

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VARIOUS IMPROVEMENTS

In addition to modernizing the internal accounting procedures of the Bureau of Customs—section 402—eliminating delays in warehouse transfers—section 423—permitting correction of customs officers' errors without court action—section 421—and removing the inequitable penalties on undervaluation—section 419—this amendment will help to achieve further economy of administration in a number of respects.

ECONOMY OF ADMINISTRATION

First, in the case of American goods returned, the amendment will eliminate unnecessary investigations, paper work, and search of records to establish trivial amounts of draw-back or tax refunds which may have been paid on export of the American goods being returned.

In the case of free entry for noncommercial exhibitions, the amendment will make the preservation of customs bonds on such exhibits after 5 years unnecessary.

In the section on free entry for travelers, the amendment will eliminate unnecessary touring permit procedure and bonding procedure covering nonresidents' automobiles.

In the case of administrative exemptions, the amendment will eliminate waste of customs manpower in assessing and collecting trivial amounts of duty.

In the case of customs supervision, the amendment will ratify existing practice in assigning such supervision as necessary, and will make it clear that a direct and continuous supervision, imposed without regard to more pressing needs for the services of customs personnel, is not required.

EASING OF PROCEDURAL REQUIREMENTS FOR IMPORTERS

The amendment will ease procedural requirements for importers in many of the sections to which I have earlier referred and in addition (a) by eliminating detailed documentation required to establish nonreceipt of drawbacks or refunds on export; (b) eliminating customs bonds on the baggage of nonresidents in transit up to a value of $200, and eliminating such bonds or touring permits in connection with nonresidents' automobiles; (c) by making it unnecessary to reexport and reenter samples when further use in the United States is desired after a lapse of 1 year; (d) by permitting authorized agents, and not just plane pilots, to sign cargo manifests; (e) by increasing the use of informal procedures and eliminating complicated documentation for the entry of small value shipments; (f) by simplifying the verification of documents; and so forth.

The importance of making the improvements I have mentioned, and others which are included in the amendment, to reduce the delays and uncertainties, is further underlined by the tremendous backlog of unliquidated customs entries. As of December 30, 1952, according to the Bell report, 723,077 unliquidated formal entries, valued at over $100 million, were reported on hand by collectors' offices. These were entries on which duty or compliance with other laws had not been finally determined by customs.

I know, Mr. President, that the recital of these detailed facts and provisions may seem somewhat boring. But if we really want freer trade and if we wish to make it more possible for a larger volume of trade to occur, a simplification of customs procedures is one of the most essential things for us to do.

I am sorely afraid that in renewing the Reciprocal Trade Act for 1 year, all we are doing is giving paper support and lip service to the idea of reciprocal trade, but that, in effect, nothing will happen. We need a bold, forward step to broaden trade, to permit European countries to sell more to us, and to permit us to sell more to them, because we cannot continue to export unless we import. This amendment will be a real administrative contribution to the cause of freer trade.

Mr. President, I submit that the amendment provides for a carefully thought-out procedure which comes from the administration. It was requested by the previous administration, and it has been requested by the present administration. I hope both parties will join in making it really possible to have freer trade between the nations. The adoption of this amendment will be a major step in that direction.

The PRESIDING OFFICER (Mr. PORTER in the chair). The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

Mr. MILLIKIN. Mr. President, the amendment proposed by the distinguished senior Senator from Illinois covers a very complicated subject matter. The Senator from Illinois wants action in order to bring about customs simplification.

The Jenkins bill is in the House of Representatives, and there have been several weeks of hearings on it, and I am informed that the plan is to move forward with the bill next week.

I do not know how often we have to repeat that under the Constitution the House of Representatives originates revenue bills. The Senate may amend them, and sometimes the Senate has amended them in important respects.

When the House is in the midst of doing the very job the senior Senator from Illinois wishes to have done, and is moving with expedition, and has held hearings, to propose in the Senate now a measure on the same subject, and to think for one moment that it will be accepted in conference, under the circumstances I have detailed, is extremely naive of the extremely sophisticated Senator from Illinois. Such a measure would die in conference. The House is extremely jealous of its prerogative to originate revenue legislation, and should be.

As I have said, there have been times when the Senate has added important amendments to tax measures; but it can be taken as a certainty that there is no chance for the Senate to do anything of that kind now and to have it accepted by the House of Representatives, especially since, as I have already pointed out, the House of Representatives has undertaken to meet the very objectives the Senator from Illinois wishes to have met.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KEFAUVER. Mr. President, for myself and other Senators, whose names I shall state presently, I desire to offer an amendment to strike out title I and insert in lieu thereof the substance of Senate bill 2138. I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. It is proposed to strike out title I of House bill 5495 and to insert in lieu thereof the following:

SEC. 2. The period during which the President is authorized to enter into foreign-trade agreements under section 350 of the Tariff Act of 1930, as amended and extended (19 U. S. C., sec. 1351), is hereby extended for a further period of 3 years from June 12, 1953.

SEC. 3. Sections 3 and 4 of the Trade Agreements Extension Act of 1951, approved June 16, 1951, are hereby repealed.

SEC. 4. Section 4 of the act entitled "An act to amend the Tariff Act of 1930," approved June 12, 1934, as amended (19 U. S. C., sec. 1354), is hereby amended by striking out the matter following the semicolon and inserting in lieu thereof the following: "and before concluding such agreement the President shall seek information and advice with respect thereto from the United States Tariff Commission, the Departments of State, Agriculture, Commerce, and Defense, and from such other sources as he may deem appropriate."

SEC. 5. The provisions of subsection (b) of section 516 of the Tariff Act of 1930, as amended (19 U. S. C., sec. 1516), shall not apply with respect to any article of a class or kind which is named or described in any obligation undertaken by the United States in a foreign-trade agreement entered into under section 350 of the Tariff Act of 1930 (19 U. S. C., sec. 1351).

SEC. 6. The President is authorized to suspend the application of section 5 or section 11 of the Trade Agreements Extension Act of 1951 in the case of any country, when he finds that such action will contribute to the establishment of international good will or promote the cause of world peace.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, this amendment is offered for myself and other Senators: namely, the Senator from Missouri [Mr. HENNINGS], the Senator from Montana [Mr. MURRAY], the Senator from Illinois [Mr. DOUGLAS], the Senator from Iowa [Mr. GILLETTE], the Senator from Rhode Island [Mr. GREEN], the Senator from Oregon [Mr. MORSE], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the Senator from Minnesota [Mr. HUMPHREY], and the Senator from New York [Mr. LEHMAN].

The purpose of the amendment is to turn back the clock; it seeks to return the reciprocal trade agreements program to the status it once enjoyed when it was conceived by Cordell Hull and enacted into law under the administration of Franklin D. Roosevelt, in 1934. It eliminates many of the limitations placed on the program since that time.

Mr. Hull, a great Tennessean, felt that trade was an avenue not only to economic

stability among the nations of the world, but also to peace.

I was rereading Mr. Hull's memoirs the other day. I was greatly interested in one homey little story that he told in his memoirs. He said that when he was a boy on the farm in Tennessee they had two neighbors who disliked each other exceedingly. The neighboring farmers would not speak when they met at church or in the country store. Then one year each had a problem. One of the farmers had a mule that went lame before he had completed his spring plowing. The other ran out of corn to feed his hogs. The one with the lame mule had a good supply of corn and the one without the corn had a good strong mule to spare. A friend intervened and arranged a trade. The one with the strong mule sold his mule to the farmer who needed to do the plowing and the other, in turn, sold his corn to the neighbor who had no corn. Both of them thus pulled through their plight, because, as Mr. Hull points out, a mutually beneficial trade was arranged and thereafter they became the best of friends.

Mr. President, what is true of the two farmers is certainly true of nations.

We have been at times in our history a so-called high tariff protectionist Nation. There was a time when this may have been partially justified. There was a time when we, the youngest of the nations, were building up our own domestic manufactures and as a matter of public policy, correctly or incorrectly, decided that we would erect high tariff barriers.

If such a policy were justified, it is certainly no longer needed. Our domestic manufacturers have long since passed the stage when they need protection in any substantial way from foreign competition. We pride ourselves under our free-enterprise system of having developed the most efficient manufacturers in the world. Certainly with their efficiency and know-how they can more than beat any foreign competition as far as the domestic market is concerned.

On the other hand, they stand to benefit tremendously from an expansion of foreign markets in which they can do business. It is inconceivable that these foreign markets can possibly expand and enable other nations to buy our goods unless we in turn show our willingness and desire to buy from them. Otherwise, they cannot get the dollars with which to make purchases. This is particularly true as we cut down on foreign aid, for in many ways the foreign-aid program constituted a subsidy to foreign trade. With foreign-aid contracting—and I think we all agree that it should be cut and that eventually it must be eliminated—then the thing to take its place is trade. Actually, a healthy economy for both ourselves and our allies is best obtainable from trade, for when we are selling to our friends that means that we are manufacturing at home; that means that our plants are working and giving employment to our people; and in return it means that they are selling to us, also having their plants in full production, and giving employment to their peoples.

Mr. President, the proposal we are sponsoring has a number of sections which I should like to discuss rather briefly, after which I will yield to answer any questions Senators may have to ask. The proposal I present differs from the bill under consideration in the following ways:

First, it extends the reciprocal trade agreements for a period of 3 years rather than for 1 year. The President has asked for a 1-year extension. I think that Democrats and Republicans, industry and labor, have applauded him for having done so. He has stated that he wants to set up a commission to study our trade policies and at the end of 1 year the commission will have reported and further legislation can then be enacted by the Congress, based upon the recommendations of that commission. I think that it is a well-established fact that a period of 1 year is too short a period to give foreign traders any confidence at all in the stability of the trade policy of this Nation. One engaged in foreign trade would therefore be very hesitant about his business arrangements and agreements if he should think that they might be jeopardized at the end of a brief 1-year period. There would be little incentive for a business or manufacturing firm to make large-scale investments in trade which they have no way of knowing might be made economically impossible or at the very least economically unfeasible at the termination of the short period of months. Since the extension date is from June 12 the proposal contained in the pending bill would not even amount to a full year's extension.

Mr. President, the businesses and industries of our Nation seem to be substantially unanimous in the feeling that there should be a longer extension than 1 year. For example, the United States Chamber of Commerce, with which I do not often agree, but with which I certainly do agree in this instance, says:

> The limited period for which the act runs and the necessity, therefore, for periodic reenactment of the legislation—possibly with stultifying amendment—makes it difficult for business men both abroad and at home to enter into long-range planning.
>
> The automatic termination provisions has made it difficult for the United States to develop a long range trade program and to retain the confidence of the rest of the world in the leadership of the United States. * * * Although this has allowed an opportunity for the Congress to examine the operation of the program it has cast considerable doubt on the stability of the United States trade policy.

I read from the testimony of Meyer Kestnbaum, president of Hart-Schaffner & Marx and chairman of the board of trustees of the Committee for Economic Development, which appears at page 1702 of hearings on Trade Agreement Extension Act of 1953, House Ways and Means Committee:

> Reducing barriers to international trade should be a basic permanent part of American policy. The authority for reciprocal trade agreement should be renewed for a period sufficiently long to reflect that fact. * * * Business at home and abroad should not be subject to the uncertainties that result from annual debate over its renewal. * * * Accordingly we recommend that consideration be given to an extension of the authority that would stand unless repealed by law.

Mr. President, the reciprocal trade agreements program, since it was enacted in 1934, has become a sound part of the national policy of this Nation. It has from time to time been renewed, but much of the effectiveness of the trade program in arranging long-time agreements with the nations with whom we do business has been lost by reason of the short extensions made on previous occasions.

Mr. President, I am for the study proposed by President Eisenhower. This amendment does not touch that feature of the bill. I hope the study will proceed and the recommendations will be sent to the Congress. If we make a 3-year extension, there is certainly no reason why we ourselves cannot proceed to study the recommendations of the President's commission whenever they are received and incorporate into law any we think are justified. But there is no reason to discourage the foreign trade of this Nation while waiting for the recommendations of the President's commission.

Second, my proposal differs from the bill under consideration in that it does away with the peril-point provision. My amendment restores the language of the original Trade Agreements Act, requiring the President, before concluding an agreement, to seek information and advice of the United States Tariff Commission, among others. The peril point, on the other hand, substitutes the judgment of the Tariff Commission for the judgment of the President and his Cabinet officials as to what tariff concessions should be offered in trade-agreement negotiations. Therefore, it sets up an arbitrary figure based not upon the consideration of all factors involved. In many ways it may be the reverse of the spirit of the reciprocal trade agreement program. I think this is actually the most important feature of the amendment I am proposing, and I hope to show in further discussion of this proposal that it does not open the door to wild or extensive cuts in tariffs which would in any way jeopardize domestic industry.

Third, Mr. President, my amendment also provides that protests against specific rates and classifications shall not apply with respect to an article of a class or kind covered by a reciprocal trade agreement. This provision was in the original Trade Agreements Act. It was eliminated in 1951. I should like to see it restored, mainly for the psychological benefit it might have in convincing foreign countries that we mean it when we say we want to embark upon a trade, not an aid, program. I frankly do not think it would have much actual result other than the psychological benefit that it would achieve in encouraging the expansion of trade.

Fourth, my amendment also authorizes the President of the United States to suspend the application of section 5 and section 11 of the Trade Agreements Extension Act of 1951 when the President finds that such action will contribute to the establishment of international good will or promote the cause of world peace.

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In other words, sections 5 and 11 of the Extension Act of 1951 would remain in effect unless the President felt that some contribution, in his judgment, would be made to the cause of peace by making some amendments or changes in tariffs which are covered by the limitations in those sections.

The two sections which I have indicated of the 1951 Extension Act apply specifically to the Soviet Union or Communist China, or to any nation which might be under Communist domination. At present we are not trading with Communist China, and I do not propose that we engage in such trade at any time in the foreseeable future. Certainly we would not trade with China while we are engaged in a war with the Communist Chinese in Korea. However, the President has enunciated a stirring foreign-policy message in which he has challenged the leaders of the Kremlin and the satellites to join with us in seeking peace.

This proposal of President Eisenhower was applauded by Democrats and Republicans alike in the Congress and by the American people. I can foresee that in seeking to implement that speech, the President might very well need to have the authority which I am here undertaking to grant him in reestablishing trade with the nations which we have challenged to join us in establishing peace.

I am willing to trust the President of the United States, who is of a different political party than the one to which I adhere, with that authority, as I believe sincerely and honestly that he would use it only in the furtherance of the best interests of the United States. I believe that President Eisenhower would use it only in our own hard-headed self-interest.

We know that the effort of the Soviets is to try to grab all the trade in the world it can get. I believe the President should be able to hold out a prize to those who may break away from Communist domination and who might be willing to come to our side in this world struggle. I think we ought to be able to show them the possibility of entering into trade negotiations, if that will strengthen our hand or help to bring about world peace.

We have been much stirred by what has taken place in East Berlin recently. It shows that there might be possibilities, if the President of the United States has a prize of trade which he can hold out to nations that may break away from their Communist masters, of obtaining some concessions that would be beneficial to us.

Mr. President, these are the only provisions of my amendment that are different from those in the extension bill. They are, at least, in the spirit of encouraging rather than of retarding the trade of the United States. I think that for our own selfish interest, as well as for our interest stemming from a higher motive, it is absolutely essential that we do something, and do it quickly, to encourage trade.

Mr. President, I have made the point that this does not mean that there would be any sudden or extensive elimination of remaining tariffs. I want to emphasize that there is nothing in my proposal that need cause any disturbance to domestic manufacturers despite the fact that the peril point amendment is eliminated. In order to make this plain, I would like to review briefly some of the things that have taken place under the reciprocal trade agreement programs since they were originally conceived and inaugurated.

The original Trade Agreements Act was passed in 1934. It contained certain basic limitations. Among them the limitation that no duty could be decreased or increased by more than 50 percent; that no article could be transferred from the dutiable to the free list; and that the agreements must be renewed and reviewed periodically.

Between 1934 and 1947, trade agreements were negotiated bilaterally with 29 countries. In 1947 the general agreements on trades and tariffs—commonly known at GATT, was negotiated with 22 countries and later was expanded to include some 34 contracting parties. These agreements in effect replace some 13 of the most important bilateral agreements that had previously been negotiated. Meanwhile, Congress in 1945 in renewing the act had imposed the 50 percent limitation on rates in effect in 1945. The effects of these trade negotiations has, of course, been a considerable reduction in many commodities below the 1939 and 1945 rates so that in many instances the large part of the 50 percent leeway which Congress gave the President has been used up. While my amendment repeals the peril point, it therefore does not open the door for any wholesale reduction of duties because all that the President would have the authority to do would be to continue the negotiations within the remaining part of the 50 percent authorization which he has not yet used.

I have a list of the remaining reduction authority on a number of articles, which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Tariff schedule	United States dutiable imports 1949	Reduction in rates from Jan. 1, 1945, to Aug. 1, 1951	Remaining reduction authority
	Thou. dol.	*Percent*	*Percent*
1. Chemicals, oils, and paints	78,451	34	16
2. Earths, earthenware and glassware	59,461	32	18
3. Metals and manufactures of	338,414	28	22
4. Wood and manufactures of	97,551	38	12
5. Sugar, molasses, and manufactures of	345,179	31	19
6. Tobacco and manufactures of	75,337	41	9
7. Agricultural products and provisions	484,893	22	28
8. Spirits, wines, and other beverages	89,800	44	6
9. Cotton manufactures	22,649	22	28
10. Flax, hemp, jute and manufactures of	141,755	42	8
11. Wool and manufactures of	234,209	25	25
12. Silk manufactures	21,477	44	6
13. Manufactures of rayon or other textile synthetic	7,233	44	6
14. Papers and books	21,399	35	15
15. Sundries	223,359	21	29
Free list taxable	454,419	0.5	49.5

Mr. KEFAUVER. Mr. President, although the remaining negotiating authority as shown in some of these categories still seems considerable, experts in foreign trade have testified that actually little negotiating room remains. The reason for this is that the bulk of the items of particular interest to most countries with which we do business have already been considerably reduced in agreements with those countries. There would certainly be a large area for new agreements with Japan and part of our foreign policy is to build up Japan as a bastion of democracy in the Far East. On a country by country basis, the remaining possibility for negotiating seems to be about as follows:

Some authority remains for negotiations with the United Kingdom—which authority would be increased if the peril point provisions were repealed. But, even in that event, little or no authority, for practical negotiating purposes, remains vis-a-vis Italy, France, Austria, Greece, Turkey, Norway or Sweden. There is somewhat, but not much, more authority vis-a-vis Canada. On wool, reductions of 25 percent of the 1945 rate are still authorized, but wool has always been the subject of special scrutiny in the Congress: further negotiations with Australia, New Zealand, and South Africa would largely depend on this situation. It is very difficult to predict how attractive concessions still available would seem to Belgium, Holland, and Luxembourg.

Mr. President, I stated a while back that it was absolutely essential that we do something to revitalize our foreign trade. An example of rapidly declining world markets is proof enough of that conception.

Take the case of cotton. For the current marketing year which ends the 31st of this month cotton exports will be 3½ billion bales. This is a 2-billion-bale decline from the marketing year which ended last July 31 and is 1 million bales below the 5-year postwar average. European spinners are buying cotton on a day-by-day basis because they do not have the funds with which to stock it. They will not have the funds unless trade is encouraged on a two-way basis—with us buying from Europe in order that we might sell to Europe.

Mr. DOUGLAS. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield.

Mr. DOUGLAS. Is not what the Senator from Tennessee says is true of cotton also true of tobacco?

Mr. KEFAUVER. Yes; it is true of tobacco. I have here statistics that foreign exports in tobacco fell 25 percent in the past year.

Mr. DOUGLAS. Is it not true that exports of tobacco have declined still further during the first 6 months of 1953?

Mr. KEFAUVER. I understand that exports of tobacco have declined. I saw the figure, but I have forgotten it. Possibly the Senator from Illinois can supply it. It has been a substantial decline.

Mr. DOUGLAS. Is it not also true that the export market for wheat is shrinking?

Mr. KEFAUVER. My information is that the exports of wheat fell more than

6 percent from 1951 to 1952. In the last 6 months there has been proportionately an even greater decline.

Mr. DOUGLAS. By reason of the failure of Great Britain to sign the International Wheat Agreement, is there not a prospect that there will be a still further decline in the exportation of wheat?

Mr. KEFAUVER. Yes; I am certain the Senator is correct. I believe there will be a further substantial decline in the exportation of all our agricultural products, but especially wheat, by reason of the failure of Great Britain to sign the International Wheat Agreement.

Mr. DOUGLAS. Has the Senator noticed a falling off in the sale of farm machinery to farmers during the spring months of this year?

Mr. KEFAUVER. I have been advised by dealers in farm equipment that there has been a substantial falling off. The same is also true of manufacturers, whose production is much less.

Mr. DOUGLAS. Is it not true that farm machinery is a product we could sell abroad, if foreign countries had dollars with which to buy it?

Mr. KEFAUVER. That is true. Foreign countries want American farm equipment. Our farm equipment is the best manufactured. We can compete with manufacturers of farm equipment in other countries.

Mr. DOUGLAS. Is that not also true of automobiles? If we take more Australian and New Zealand wool, those countries, in return, will want to buy their automobiles and trucks from us.

Mr. KEFAUVER. I believe that is especially true of automobiles, which are made on a mass production basis in the United States. Not only would Australia and other nations that buy automobiles be benefited, but by making more automobiles, we would have a larger domestic market for cotton and many other farm products.

Mr. DOUGLAS. Is not that true of adding machines, machine tools, and a wide variety of other products, as well?

Mr. KEFAUVER. The Senator is entirely correct.

Mr. DOUGLAS. How can we build up the exportation of those goods unless we permit foreign countries to sell to us?

Mr. KEFAUVER. It is impossible. There must be a 2-way street. I think all of us agree that we have not been making progress in our trade program during the past few years. Of course, we have had many difficulties, but now is the time when we must have a great renewal of our foreign trade, both from the viewpoint of sound domestic economy, and from the viewpoint of meeting the increasing economic effort that is being put forth by countries under Communist control.

Mr. DOUGLAS. Does not the Senator believe that unless there is a broad expansion of trade, we are likely to have a depression in this country, and that the responsibility will be, in large part, on those who follow a do-nothing policy, so far as trade is concerned?

Mr. KEFAUVER. I think the Senator is exactly correct. Unless we can bring about an expansion and enlargement of foreign trade, there is likely to be a repetition of the kind of depression we experienced before, which to some extent, at least, resulted from the building of high tariff barriers, which brought foreign trade to a virtual standstill.

Mr. DOUGLAS. Does the Senator remember the Hawley-Smoot-Grundy tariff of 1930, which raised tariffs to an all-time high, and had two results: First, shutting off our foreign markets; and second, reprisals against us in the form of retaliatory tariffs imposed by other nations of the world; so that the final result was an intensified depression in this country, and a worsening of international relations?

Mr. KEFAUVER. I certainly do remember that. I agree with the Senator from Illinois that high tariff barriers built up at that time had much to do with, and probably were directly responsible for, the depression in the United States.

I think also that the high tariffs played their part in building up the power of Hitler and Mussolini, by forcing the industries of those countries to allow their governments to do their bargaining for them. It gave them increased power, and resulted in blocked currencies, barters, and the rise of the influence of Hitler and Mussolini.

Mr. DOUGLAS. Does the Senator find himself somewhat disappointed at the failure of the administration to adopt a bolder policy in stimulating trade?

Mr. KEFAUVER. I think President Eisenhower and the administration are to be complimented upon asking that the reciprocal-trade-agreements program be renewed substantially in its present form for a year. However, I personally—and I think a great many other Americans, including certainly a great many people interested in agriculture and industry, as well as organized labor—have expressed disappointment that there has not been a bolder effort, that there has not been an effort to extend the reciprocal-trade-agreements program for a longer time.

Mr. DOUGLAS. Is it not also true that the estimable purposes of the President would be furthered if we could adopt the amendment which the Senator from Tennessee is proposing, and if we could really move forward into a bold and aggressive policy of foreign trade, instead of a timid policy which permits the child of foreign trade to be stifled in the confines of the Tariff Commission?

Mr. KEFAUVER. The Senator is correct. It seems to me that we are now at a place where the soundness of the reciprocal trade agreements program has been tested over a long period of years. It is not a partisan program by any means. It has bipartisan support. It is a sound part of our established foreign policy. The urgent need for a bold step to extend foreign trade is illustrated by what is taking place in the world today, and particularly by the bid being made by the Communists to gobble up trade with many other nations, trade which we ought to be seeking. We need a longer extension of the program in order to seek it effectively.

Mr. DOUGLAS. Does the Senator from Tennessee agree with the Senator from Illinois that what is likely to happen is that the dominant group will be able to wash their hands of responsibility in this matter by saying that they have renewed the reciprocal trade agreements program for a year, but, through packing the Tariff Commission and through other methods, they will prevent any extension of trade, and in effect narrow the channels of trade rather than widening and deepening them?

Mr. KEFAUVER. That is certainly an argument which will be made with respect to what is in the minds of some who are seeking the 1-year extension. That argument would not be justified if a bolder step were taken, if a 3-year extension were asked, and if no effort were made to enlarge and pack the United States Tariff Commission.

Mr. President, I appreciate the contribution of the Senator from Illinois and his elaboration upon the necessity for a bolder step in furthering the foreign policy and the trade policy of the United States.

There are many nations today which will trade either with us or with our competitor in the world. I think we need to give the President and the administration the greatest possible freedom commensurate with our own responsibilities, to enable them to enter into trade agreements. We have been told that we cannot foster a trade program successfully if it is to be in effect for only a short time. It will be difficult to persuade other nations to enter into agreements which might be changed in a short time. We cannot go through the process of renewing such agreements from year to year, which would be necessary with the 1-year limitation.

In addition to many of the things which we manufacture, and with respect to which our exports are down, I should like to call attention to the fact that exports of dairy products are down nearly 50 percent from last year.

Another important crop in my own State is tobacco. Exports of tobacco are down 25 percent. Mr. President, I mention these just as examples and because I happen to be very familiar with them because of their importance to my own State. However, what I have said about them is true, in differing degrees, of many agricultural and manufactured products.

Farm exports in 1952 fell 15 percent in annual value—from $4,040,000,000 in 1951 to $3,425,000,000. Wheat is down 6 percent. Dairy products are down nearly 50 percent.

Comparing last year with 1951, let me mention declines in exports in various manufactured products.

Synthetic fibers and manufactures are down 9 percent.

Coal and related products are down 16 percent.

Automobiles and related products are down 16 percent. I might mention parenthetically that this condition is not even good for General Motors, and therefore certainly cannot be good for the country.

Chemicals and related products are down 16 percent.

Office machines and parts are down 25 percent.

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Cotton manufactures are down 20 percent.

The Senator from Illinois is eminently correct in stating that unless we can find some way to increase our foreign trade we shall have unemployment; we shall have a recession or a depression of some kind. However, aside from the domestic situation it is absolutely necessary, in the interest of our foreign policy, to try to build good will with other nations, to try to win other nations away from domination by the Soviet Union. The President should have wider authority, and over a longer period of time, to enter into reciprocal trade agreement programs.

Everyone who has studied this problem has stated that we must seek to simplify our tariff structure if we are to maintain a healthy economy at home, and help our friends abroad maintain healthy economies, so that they will be in position to join with us in maintaining the democratic system in the world.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5495) was read the third time and passed.

Mr. MILLIKIN. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MILLIKIN, Mr. BUTLER of Nebraska, Mr. MARTIN, Mr. GEORGE, and Mr. BYRD conferees on the part of the Senate.

Mr. MILLIKIN. Mr. President, I ask unanimous consent that the bill be printed showing the amendments of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 5710) to amend further the Mutual Security Act of 1951, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. CHIPERFIELD, Mr. VORYS, Mr. JUDD, Mr. RICHARDS, and Mr. BATTLE were appointed managers on the part of the House at the conference.

ORDER FOR CALL OF THE CALENDAR

Mr. KNOWLAND. Mr. President, I ask unanimous consent that on Monday next the Senate proceed to the consideration of unobjected-to bills on the calendar, beginning at the point where the previous call ended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. KNOWLAND. Mr. President, in addition to the unobjected-to bills, beginning at the point where the previous call of the calendar ended, my attention has been called by the clerk to the fact that at the last call of the calendar—and I invite the attention of the minority leader to this—calendar No. 220, House bill 662, went over until the next call of the calendar. So I think it is very clear that that bill would be included in the calendar call.

Calendars Nos. 274 and 379, being respectively, Senate bill 879 and Senate bill 1748, were passed to the foot of the calendar, at the last call of the calendar, but apparently were not reached. The situation with respect to those two bills is not so clear. I have consulted with the minority leader. I believe those two bills should be included in the next calendar call, and I ask unanimous consent that they be so included.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I would remind the Senate that earlier in the day, after consultation with the minority leader and, I understand, with some Senators who originally had raised some objection, the Senator from Wyoming [Mr. BARRETT] asked that Calendar No. 265, H. R. 444, be included in the calendar call on Monday. Unanimous consent has been given to do that, but I wanted the entire information available at one place in the RECORD, both for the benefit of the respective calendar committees and the Members of the Senate as a whole.

Mr. President, I am about to move that the Senate proceed to the consideration of Calendar No. 479, H. R. 5246, making appropriations for the Departments of Labor and Health, Education, and Welfare, which will be the order of business on Tuesday, following the call of the calendar of unobjected-to bills on Monday.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Some Senators, who do not have any special interest in the calendar call, are making certain plans. So far as I am informed, no controversial matters are likely to be brought before the Senate on Monday. Can the majority leader give us any information on the subject?

Mr. KNOWLAND. I will say to the distinguished minority leader that I know of no controversial matters which will be brought before the Senate on Monday.

I have no plan to do anything other than to have the call of the calendar. The only additional business which I would want to be able to handle would be that if a conference report came from the House on which immediate action was necessary, but which was not of a highly controversial nature, I would wish to take it up also on Monday.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that it be ordered that upon the conclusion of its business today the Senate stand in adjournment until 12 o'clock noon on Monday, July 6, 1953.

The PRESIDING OFFICER (Mr. POTTER in the chair). Is there objection? The Chair hears none, and it is so ordered.

EXPRESSION BY CONGRESS FOR THE AMERICAN PEOPLE IN BEHALF OF THE RIGHTS AND FREEDOMS OF EAST GERMANY

Mr. KNOWLAND. Mr. President, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 36, which was unanimously reported today by the Committee on Foreign Relations. The matter has been discussed with the minority leader. The Senator from Utah [Mr. WATKINS] is prepared to make a statement regarding it and also why he believes action should be taken on it today.

The PRESIDING OFFICER. The concurrent resolution will be stated by its title for the information of the Senate.

The LEGISLATIVE CLERK. A resolution (S. Con. Res. 36) expressing the hopes of the American people for the early unification of Germany by free elections and for the achievement by the people of East Germany of their basic human rights and freedoms.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. WATKINS. Mr. President, in recent weeks the Soviet Government has found that it cannot subjugate free people. The Kremlin is sitting on a powder keg of subjugated people. The people of East Germany have dropped a spark into the tinder box and the Soviet Union does not know what to do.

Mr. President, there is one thing we in this Congress can do. We can let the people of East Germany know that we are aware what they struggle for. They struggle for the basic, inalienable, God-given rights and freedoms for which we fought in 1776. Our hearts and our sympathies are with them.

The resolution itself is the best statement of its objectives and purposes. I ask unanimous consent that the clerk may read the resolution. It is not very long.

The PRESIDING OFFICER. Without objection, the clerk will read the concurrent resolution.

The legislative clerk read the concurrent resolution (S. Con. Res. 36), as follows:

Whereas the American people have long accepted the basic principles set forth in the American Declaration of Independence of 1776 in the following words: "• • • that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty and the pursuit of Happiness. That to secure these rights, Governments are in-

stituted among Men, deriving their just powers from the consent of the governed,—That whenever any Form of Government becomes destructive of these ends, it is the Right of the people to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness."; and

Whereas the people of East Berlin and East Germany have so courageously demonstrated their strong devotion to these principles of freedom and justice by their heroic resistance to the Soviet-controlled East German regime and mindful that the United States secured its freedom by popular revolt against tyranny; and

Whereas the Soviet regime, being unable to win the allegiance of the people under its rule, knows no other method of achieving the compliance of the people to their dictatorship than by force of arms, terror, murder, imprisonment, reprisals, and mass deportation; and

Whereas the cause of freedom cannot be contained and will eventually triumph: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States in behalf of the American people hereby expresses the firm conviction that the people of East Germany are entitled to their basic, inalienable God-given rights and freedoms for which they are now struggling.

SEC. 2. It is further expressed to be the firm conviction of the American people that the people of Germany, now presently divided, have the right to be a unified nation governed by their own consent by the free expression of popular will in free elections.

SEC. 3. The Congress of the United States further expresses in behalf of the American people its friendship and sympathy with the people of East Germany, particularly those who have suffered at the hands of the Communists because of their patriotic defiance of Communist tyranny, and denounces the action of the Communist regime in killing, imprisoning, and deporting those who have openly demonstrated their love of liberty and justice, and asserts that this sacrifice for freedom will aid the cause of freedom in all the Communist enslaved nations and will inspire freedom-loving people everywhere.

Mr. WATKINS. Mr. President, it is very appropriate, on the eve of the 177th anniversary celebration of our Declaration of Independence, that we should express for the heroic people of East Germany and of other satellite sections of the globe our sympathy and our support, and to point out to them that people can win freedom even though they be not armed as their oppressors are armed. By their action in East Germany they destroyed the myth of Communist invincibility. They stood with their bare hands—hundreds of thousands of them—in protest and they were able to win some concessions. They were not fighting merely for an increase in wages or better terms or more food or something of that sort. Their protest was an expression of the human spirit for freedom such as we acquired back in the Revolutionary days of this Republic.

Mr. President, I have a statement which was made by the Secretary of State on June 30, 1953, on the subject of the uprisings in East Germany, and I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

CAPTIVE PEOPLES

At his news conference today, Secretary of State John Foster Dulles made the following remarks:

"I have long believed and preached that the Soviet was overextended, having under its control some 600 million non-Russians representing what had been 15 or more independent nations. I have been confident that these people could not be molded into the Soviet Communist pattern, particularly if the free peoples kept alive the hope of the captives and showed them that they were not forgotten.

"There has now developed extensive unrest within the satellite countries of Europe. It demonstrates that the people do retain their love of God and love of country and their sense of personal dignity. They want to run their own affairs and not be run from Moscow.

"The unquenchable spirit of the people was dramatized in East Berlin, where unarmed youths tore up paving stones from the streets to hurl in defiance at tanks. Such a spirit can never be repressed, and this love of freedom is more and more manifesting itself through the captive peoples.

"The cry everywhere is for 'free elections.' The people want to be governed by those whom they select as responsive to their needs and their desires, rather than to be ruled by those who take their orders from aliens and who give their orders with a view to achieving their own ambitions without regard to the welfare of the people concerned.

"In my book, War or Peace, written over 3 years ago, I said 'the Communist structure overextended, overrigid, and ill-founded, could be shaken if the difficulties that were latent were activated.' I went on to point out that this does not mean an armed revolt which would precipitate a massacre, but that short of this the people could demonstrate an independence such that the Soviet Communist leaders would come to recognize the futility of trying to hold captive so many peoples who by their faith and their patriotism can never really be consolidated into a Soviet Communist world.

"The developments of recent weeks show the correctness of that diagnosis."

Mr. WATKINS. Mr. President, on June 26 Mr. Theodore Lit, of the Division of Foreign Labor Conditions, Bureau of Labor Statistics, of the Department of Labor, made a radio address entitled, "Insurrection in East Germany."

It is a very eloquent statement of the situation, and what it means, and what these brave German people did in their uprisings and in their standing as one for their own freedom. I ask unanimous consent that it be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

INSURRECTION IN EAST GERMANY

The insurrectionary riots which swept through East Germany last week like a sullen flame were dramatic in the highest sense and like all true historic drama they bear the most fruitful political and military implications. These events surpass in importance even such milestones in the East-West struggle as the Berlin airlift and Tito's defection from the Kremlin. Because of the terror and suppression imposed upon it by the Soviets the East Zone of Germany has been named the Zone of Silence. The silence has been broken.

The one thing that stands out above all other considerations is the almost unbelievable courage shown by the people, particularly the working people of Sovietized Germany. Untold thousands of workers have dared to demonstrate and strike against the awful might of the Soviet military, hurling against rolling tanks nothing but rocks and slogans. Moved by a common impulse for freedom, virtually an entire population—desperate after 8 years of oppression and exploitation—poured into the streets to express its rage. Behind the unanimity of demands and the uniformity of action spreading through the entire zone from East Berlin to the borders of Poland and Czechoslovakia, one could sense the absence of a specific immediately realizable goal. This was not meant to be the showdown. It was a challenge flung to Moscow and an appeal to the free West. It was the dress rehearsal. Communist propaganda would have the world believe that the uprising was the work of western agents and provocateurs. If these be western agents, then we have virtually 18 million western agents in East Germany down to the two boys whose picture we have all seen throwing stones at Soviet tanks on Leipzigerplatz in East Berlin.

What has been going on in the Soviet Zone of Germany and in East Berlin that could explain these tremendous events? What could have goaded people who value their lives as dearly as you and I value ours, to disregard all ordinary considerations of caution and self-preservation and dare to do what has never before been done on such a scale in the cruel Soviet Empire?

The East Zone is a smaller model, with some variations of its own, of the U. S. S. R.—in a word, a satellite police state held in the iron grip of the Kremlin. Soviet control has been maintained through a network of institutions and power organs which up to now has effectively stifled any of the freedoms which are for us the very air we breathe. The native population suffers not only all the indignities borne under the Nazi regime, but also the unendurable additional agony of squirming under the heel of a foreign power. The methods of control and suppression are by now well known. In the first line there is the Soviet Army ready at all times to intervene and crush in its infancy any sign of revolt. This has been tragically demonstrated this last week. There has also been set up the East German Communist Party, whose function it is to furnish the Bolshevik theoretical window dressing for Soviet exploitation. And, of course, to complete the melancholy picture, there slithers through the population the ever-present secret police, spying and denouncing, sending hundreds of thousands to concentration camps and to forced labor in the Soviet-owned uranium mines.

What is the condition of the workers in Soviet Germany? As we all know, the Communists claim that they are building a workers' paradise in their orbit. In fact, however, the workers in East Germany live under conditions—to quote a West German labor leader—incomparably worse than those prevailing in the darkest days of the early industrial revolution.

Their standard of living, in terms of food, clothing, and housing, is barely marginal, except for favored highly skilled workers. This sad situation is the result of many factors. In line with general Soviet policy, the main emphasis is on heavy industry, with a cynical disregard for the production of consumer goods. Heavy industry, after all, is needed for the Russian Soviet war machine. As for consumers goods, there is always more than enough produced to satisfy not only the needs, but the greed of the ruling elites, the big boys in the army, and the party and the secret police, not to speak of the managers of the state-owned plants.

In addition to being underpaid and underfed, the East German worker is subjected to a speedup system which has never been seen

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in the Western World. He is driven by so-called trade unions, whose function is not to protect the interests of the worker but to see that labor productivity is constantly increased. The union functionaries are officially directed to devote the major part of their activity to whipping up more production. This evil became so apparent that the Communist Party was forced to admit that there are innumerable factories where the union officials appear as the agents of the factory manager, slinking through the plant like terrified orphans, anxious not to make trouble and not accepted by the workers as their representatives.

The speedup system in the East Zone, an ingenious device, follows the Russian Soviet model. It is based on three elements—piecework, the so-called norm, and Socialist competition. The norm, simply expressed, is the amount of production the worker or groups of workers must put out in order to receive their regular pay. The inhuman aspect of the Soviet work system is the fact that the norm is constantly being raised in an unfair and unbureaucratic manner. The result is that when the norm is raised, in order to receive his accustomed wage the worker is forced to work almost beyond human endurance. Should he be unable to produce more, the worker, in effect, receives a wage cut. As you will no doubt recall, it was the administrative raising of the general work norms by 10 percent that touched off the recent strikes and demonstrations.

The so-called Socialist competition is another technique devised by the Soviets to increase the speedup in the workers' paradise. The work arrangement is so set up that workers individually or in groups, vying for prizes or monetary premiums, race against each other in increasing production by fulfilling or overfulfilling the economic plan.

An analysis of East German collective agreements, which are, of course, collective agreements in name only, reveals other gimmicks which would serve only to infuriate any free worker. Thus work norms are established not by the average worker but by the fastest worker. Any worker who introduces an improvement which raises the work norm is himself permitted to work at the old norm for 4 months. The work force is organized into brigades which are paid as a group; a special bonus is paid to the brigade leader if his work brigade exceeds its norms. As a result, each worker is tempted to drive the other, and the brigadier drives all of them. Also typical of the Soviet work system is the arrangement whereby workers promoted to a higher wage category must perform satisfactorily for 3 months before receiving the pay increase; those transferred to a lower category receive a pay cut after 2 weeks.

These are the conditions faced by the average East German worker. The darkest aspects of Soviet German life are the forced labor conditions in the uranium mines. At one such center at Aue, of the 300,000 persons living in the region about 200,000 suffer from venereal disease. There are no medicines available. Neither the Soviets who run the mines nor the East German Communist authorities show any interest in meeting the problem.

Most workers are recruited by threats and pressure or for refusal to enlist in the military forces. Ironically, one of the worst of the forced labor mining camps bears the name of Progress. The removed German ore is sent to the Soviet Union without compensation, under the peculiar theory advanced by the East German Communist Party that this helps the peaceful reconstruction of the Soviet Zone of Germany.

It is out of this social background and this pent-up mass rage and frustration that there emerged the short-lived storm that shook the Communist world. All its final consequences are not yet in sight.

The events started simply. A demonstration of East Berlin construction workers protested against the recent raising of work norms by 10 percent. Some say the demonstration was actually arranged by the Soviets so they could graciously yield to these demands as part of their peace offensive. However this may be, the situation soon got out of hand. Other East Berlin workers started larger demonstrations, the shouted slogans went beyond the first demands. Thousands demanded better general living conditions, and soon political issues emerged. The masses demanded free elections, a unified Germany, and for the first time the cry was heard: "Ivan, go home." As though by plan, and who can say there was not some plan, the strikes and slogans rolled over all of East Germany. One dared to hope this was the beginning, the first beginning, of the end.

We know what happened. The near-revolution was put down. Heads will roll. Heads have already rolled. The Soviets granted some concessions. They rescinded the increase in the work norm. What is more, they promised reductions in train fare, higher pensions, better quality clothing. The East German workers will grasp these concessions with both hands. But they will not be satisfied. It is freedom they seek. Men do not die for a reduction in train fare.

There is much to be learned from the riots, some of which we knew. It is clear that the satellites are not reliable from the Soviet point of view, that they will not make good Soviet soldiers. It is also clear that the East Germans seek German unification and that they despise their native Communist quislings.

But the great, the monumental achievement, was the destruction of the myth of Soviet invincibility. The fact that the unarmed East Germans could stand up to the Russian military shows that a free decisive West can roll back the Soviet might, the Soviet doctrine and the Soviet myth, which is its greatest asset.

Something else is clear. In the East Germans, we have a real ally.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

Mr. STENNIS. Mr. President, I wish to commend the Senator from Utah for the very fine resolution which he has submitted, both for its spirit and its substance.

I believe the most encouraging sign that has come out of Europe since the end of World War II has been the uprisings and revolts behind the Iron Curtain in East Germany.

In 1949 I walked the streets of East Berlin, behind the Iron Curtain, and saw the people going to and from their work in a sad, dejected, and defeated way. At the same time, the Russian soldiers were walking there with rifles and bare sabres. It was unthinkable that those people could rise in revolt so soon.

Yet less than 4 years later we have not merely a little uprising, but a consistent uprising, continuing for days, with men fighting with nothing but their fists and brickbats. I believe it is one of the most encouraging signs that have come out of Europe. There is evident a spirit of freedom and a spirit of looking to the future and of hope, which certainly should be encouraged in every way we possibly can. This resolution expresses, on behalf of the American people, sympathy and hope, and lends encouragement to their aspirations for freedom.

Being the representatives here of the American people, I am glad opportunity is afforded in this manner to reflect in well-chosen words the fine sentiments which I know emanate from our people.

I think it is most timely that the Senator from Utah has submitted the concurrent resolution, and I hope it will be adopted by unanimous vote.

I hold in my hand a brief statement on this subject. It is not original with me. I ask unanimous consent to have it printed at this point in the RECORD, as a part of my remarks. The statement includes a few paragraphs stating sentiments along the same line as those expressed in the resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

We, the Congress of the United States in the name of the sovereign American people whose representatives we are, salute the people of Soviet-occupied Germany.

We have witnessed with amazement and unfeigned admiration the uprising of unarmed German workers and their wives against the Communist tyrants whose brazen disregard of the law of all nations and the normal promptings of the human heart have for so long gone unpunished.

This deed of the German people in the Soviet Zone so magnificent in its audacity and courage will never be forgotten. It may prove the turning point of the present civil war of mankind. At one stroke German workers have demolished the myth that communism is founded upon love of the people and desire to promote the welfare of all.

The people of Soviet-Occupied Germany have given the people of the United States new hope. They have strengthened the resolution of all men who truly believe in the soundness and sovereignty of the people and who desire to see a new and universal day of freedom, justice, and brotherhood.

This day will come. Wrong will not remain forever on the throne.

We bid you, friends in the Soviet Zone of Germany, to be assured meanwhile that your heroic acts have not been in vain. You are not deserted and you will never be deserted. The people of the United States will not rest until yours is "the land of the free" as well as "the home of the brave."

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 36) was agreed to.

The preamble was agreed to.

RESOLUTION OF WESTERN UNITARIAN CONFERENCE ON UNIFORM PROCEDURES CONSISTENT WITH DUE PROCESS IN CONGRESSIONAL INVESTIGATIONS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, as part of my remarks, a resolution, adopted by the Western Unitarian Conference, on the subject of uniform procedures consistent with due process in investigations conducted by the Congress of the United States.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

WESTERN UNITARIAN CONFERENCE,
Indianapolis, May 2, 1953.

RESOLUTION ON UNIFORM PROCEDURES CONSISTENT WITH DUE PROCESS IN INVESTIGATIONS CONDUCTED BY THE CONGRESS OF THE UNITED STATES

Whereas the authority and power to conduct public investigations is essential to the discovery of facts before the enactment of legislation by the Congress of the United States; and

Whereas unregulated by uniform procedures consistent with due process for the conduct of these investigations, the authority of congressional committees to conduct public investigations is being misused to violate traditional American principles of safeguarding the rights of individuals—to the serious impairment of the reputations and the livelihood of many persons: Now, therefore, be it

Resolved by the delegates of the Western Unitarian Conference, That we call upon our Senators and Representatives in the Congress of the United States to enact legislation prescribing uniform procedures consistent with due process to govern all investigations conducted by all committees and subcommittees of the Senate and the House of Representatives of the Congress; and be it further

Resolved, That we commend to all American citizens, and especially to all members of the Unitarian churches, immediate study of and support of the bills drafted by Senator WAYNE MORSE, of Oregon, and Senator ESTES KEFAUVER, of Tennessee, detailing such uniform procedures consistent with due process to protect the rights of individuals summoned before investigations conducted by the Congress of the United States; and be it further

Resolved, That we urge all citizens to demand counterpart legislation to be enacted by the legislatures of the several States of the Union prescribing uniform procedures consistent with due process to be followed in all investigations to be undertaken by legislative committees of the State governments.

CARE FOR DISABLED, SICK, AND NEEDY VETERANS—RESOLUTION OF PORTLAND, OREG., DISABLED AMERICAN VETERANS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as part of my remarks, a resolution adopted by Portland Chapter No. 1 of the Disabled American Veterans.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas it has come to the attention of Portland Chapter No. 1, Disabled American Veterans, through the records of the press that the American Medical Association has called upon Congress to enact such laws as are necessary to end the free medical care now received by veterans in veterans' hospitals for non-service-connected cases; and

Whereas only a short time ago the said American Medical Association did solicit and receive help from the various national veteran organizations to defeat a bill creating socialized medicine; and

Whereas under the plans as advanced by the American Medical Association it would be impossible for hundreds of thousands of veterans to receive proper medical attention as a very small percentage of such veterans are financially able to finance such proper medical attention as now received: Now, therefore, be it

Resolved by this 32d annual convention of the Disabled American Veterans of the State of Oregon in regular session assembled, That if and when such legislation as suggested by the American Medical Association is passed, that we, through our national department, immediately press for the passage of such nationalized medicine laws as will properly care for all disabled, sick, and needy veterans as would be denied medical treatment as now received under the present Veterans' Administration laws, rules, and regulations. Further, that a copy of this resolution be drafted and presented to both the State conventions of the American Legion and the Veterans of Foreign Wars for their consideration; and be it further

Resolved, That a copy of this resolution be immediately sent to the national department of the Disabled American Veterans for introduction at the next convention of our national department and that we ask for its immediate passage and enactment at our national convention; and be it further

Resolved, That the department adjutant send a copy of the same to each of our Senators and Congressmen from the State of Oregon.

T. M. KERRIGAN,
Adjutant, Portland Chapter No. 1, Disabled American Veterans.

RESOLUTIONS OF OREGON NEWSPAPER PUBLISHERS ASSOCIATION

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, resolutions adopted at the 66th annual meeting of the Oregon Newspaper Publishers Association, held at Gearhart, Oreg.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

JUNE 22, 1953.

At the 66th annual meeting of the Oregon Newspaper Publishers Association held last Friday at Gearhart two resolutions were adopted which we hope will be supported by you.

The first resolution has to do with rates charged for second-class postage:

"Whereas there is a definite indication that the Post Office Department appears to be disposed to ignore the historic principle of recognizing the public-service feature of second-class entry, and that the Department is considering further and substantial increases in postal rates for newspapers under such second-class mailing: Be it

"*Resolved,* That this association go on record opposing such increases except as recommended by the Senate Committee on Post Office and Civil Service following its investigations and findings."

The second resolution relates to H. R. 573:

"*Be it further resolved,* That the Oregon Newspaper Publishers Association endorse its approval of H. R. 573—a measure to prevent the Post Office Department from printing, selling, and distributing stamped envelopes with return addresses and in competition with private printers."

RECREATIONAL FACILITIES, ETC., IN THE NATIONAL FORESTS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD, as part of my remarks, a resolution adopted by the Lane County Parks and Recreation Commission.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas it has come to the attention of the Lane County Parks and Recreation Commission that there are pending in the National Congress of the United States two legislative acts, H. R. 1972 (introduced by Congressman HOWARD BAKER) and S. 1173 (introduced by Senator WATKINS), which proposed acts would provide funds for the development, maintenance, and operation of recreational facilities in the national forests, and improve and maintain wildlife habitat on the national forests, and provide for adequate safety, sanitation, and health in connection with public use of the national forests; and

Whereas it is the opinion of this commission that either of these bills, if passed, would be of untold benefit, not only to the citizens of Lane County but the State of Oregon and the Nation at large, since such facilities as are now provided for recreation within the boundaries of the national forests are deteriorating steadily for lack of maintenance funds; and

Whereas the proposed method of providing funds would not reduce funds available for other purposes from the receipts of the national forests, but would provide that 10 percent of such receipts be set aside for the development, maintenance, and operation of recreational facilities in the national forests, thereby enabling all of the citizens to enjoy these great resources to their fullest extent now and in the future: Now, therefore, be it

Resolved, That the Lane County Parks and Recreation Commission, meeting in regular session June 4, 1953, herewith goes on record as approving the spirit and purpose of the aforementioned proposed national legislative acts and urges wide public response in support of these bills and urges passage thereof; and be it further

Resolved, That the Board of Lane County Commissioners is respectfully urged to forward copies of this resolution to Congressman CLIFFORD HOPE, chairman, House Committee on Agriculture; Senator HUGH BUTLER, chairman, Senate Committee on Interior and Insular Affairs; Oregon Senators GUY CORDON and WAYNE MORSE; and Oregon Representatives HOMER ANGELL, WALTER NORBLAD, SAM COON, and HARRIS ELLSWORTH; and Secretary of the Interior Douglas McKay, urging early and favorable consideration of H. R. 1972 and S. 1173.

Respectfully submitted.

LANE COUNTY PARKS AND RECREATION COMMISSION,
ROY A. ELLIOTT, *Chairman.*
PAULINE S. BURRIS, *Secretary.*

Dated this 25th day of June 1953.

RESOLUTION URGING REJECTION OF APPLICATION BY IDAHO POWER CO. TO BUILD OXBOW DAM, AND FAVORING FEDERAL CONSTRUCTION OF HELLS CANYON DAM

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD, as a part of my remarks, a resolution in the form of a letter received by me from the Morrow County Pomona Grange.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

BOARDMAN, OREG., *June 29, 1953.*

Mr. WAYNE MORSE,
Oregon Senator, Washington, D. C.

DEAR HONORABLE MORSE: We the members of Morrow County Pomona Grange assembled

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here in regular session this 27th day of June 1953 and representing some 500 members, urgently request that the application for the license to build Oxbow Dam by the Idaho Power Co. be rejected and every effort be made to see that the Federal Hells Canyon Dam be constructed at the earliest possible date.

Respectively,

C. A. TANNEHILL,
Master, Morrow County Pomona Grange.
FLOSSIE COATS,
Secretary, Morrow County Pomona Grange.

RESOLUTION OF DIRECTORS OF WILLAMETTE, CENTRAL OREGON, SOUTHERN OREGON, KLAMATH, AND MID-COLUMBIA PRODUCTION CREDIT ASSOCIATIONS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a resolution adopted by the directors of the Willamette, Central Oregon, Southern Oregon, Klamath, and Mid-Columbia Production Credit Associations.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ON S. 1505 AND H. 4353

"Whereas the directors of the Willamette, Central Oregon, Southern Oregon, Klamath, and Mid-Columbia Production Credit Associations representing 3,120 farmer-stockholders of the above associations, assembled at their annual conference in Medford, Oreg., have considered the provisions of S. 1505 and H. 4353 as amended in committee; and

"Whereas the fundamental changes embodied in these bills are considered in the best interest of the further development and improvement of the Nation's agricultural credit structure: Now, therefore, be it

"*Resolved*, That this group endorses the above-mentioned bills and urges upon the Congress of the United States the adoption of the proposed legislation."

Dated this 2d day of June 1953.

N. L. WEIGAND,
President, Central Oregon Production Credit Association.
A. R. CAMPBELL,
Vice President, Klamath Production Credit Association.
H. A. BARNES,
President, Willamette Production Credit Association.
W. R. BAILEY,
President, Mid-Columbia Production Credit Association.
LAWRENCE A. LUY,
President, Southern Oregon Production Credit Association.

Certified a true copy of original resolution on file with the records of the 12th District PCA Advisory Committee.

E. W. MCMINDES,
Secretary-Treasurer, District Committee.

LETTER FROM A SOLDIER IN KOREA

Mrs. SMITH of Maine. Mr. President, earlier this week I received a letter from a soldier in Korea—a soldier I do not know or never heard of, a soldier who is not from my State of Maine, but a soldier whose expressions impress me greatly and, I feel, will impress the Members of this legislative body.

He sent from Korea a moving and timely message about the spirit of Independence Day, which we celebrate day after tomorrow. I ask unanimous consent to have his letter printed in the RECORD, and I invite the attention of every Member to it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KOREA, *June 21, 1953.*

Hon. MARGARET CHASE SMITH,
United States Senate,
Washington, D. C.

DEAR MRS. SMITH: You do not know me, which makes no difference whatever. Nor am I a constituent of yours. Nor do I seek political favor. I have singled you out from among others of the Congress as the one to address myself to because I admire your intellectual honesty, integrity, and what I believe to be your devotion to principle above political considerations, partisan or otherwise.

As the Fourth of July and another anniversary of the independence of our Nation approaches, it occurs to me that Americans, all of us, i. e., the humblest citizens and the mightiest persons in the councils of state, might take time to pause a few moments and reflect on what we are, where we came from, and along which path honor and a regard for the memory of our forebears so clearly demand that we set our feet both as individuals and as the one Nation the Supreme Being has so generously favored over all others.

I believe with all my heart in the innate goodness of America and Americans; in our willingness and even desire to do our duty according to the dictates of our conscience. However, even as we are a youngster, so to speak, in the great family of nations, so do we sometimes in the manner of children become preoccupied with our pursuit of happiness and neglect or forget those chores which are a necessary, though sometimes distasteful, adjunct to our well-being. It is at such times that, like children, we must be reminded in a voice that can be heard above the chatter and the shouting, of what is good for us, and at such times, like the well-bred children that we are, we put aside our toys and individual interests and get on with the tasks that must be accomplished.

I believe that such a time is now at hand. I believe further that the message I have put into the enclosed poem will suffice, though admittedly, others could do better; and finally, I believe that yours is the clear, calm voice that would be heeded and that the Fourth of July provides the ideal occasion.

No harm can come from the dissemination of these words, Mrs. SMITH, and there is the possibility that they would evoke a heartfelt emotion in the hearts of those who hear which would result in a great urge to duty. I am no wise man; on the contrary, I am a very simple soldier and have been for all of my adult life which covers a span of some 20 years; however, to me the duty of America and Americans in this contracted and divided world is quite plain. What Lincoln said in referring to our Nation as a house divided is in these times equally true of our modern world. It simply cannot exist half slave and half free. This is a truth that cannot be safely or sanely ignored, search though we may for a more pleasant solution. If this truth is accepted, then it follows that either the forces of freedom or those of slavery must of necessity be overthrown. There can be no compromise nor can a faltering or timid leadership win out. On our side is right and we have sufficient might. We have a man in General Eisenhower who is capable of the leadership required. We must not be persuaded by either voices from within or without to compromise our basic principles or beliefs. I cannot help but feel that at this time of our 177th anniversary of our Declaration of Independence, we are faced with decisions every bit as momentous as were those wise and brave men who acted so courageously in Philadelphia many years ago. Let us be certain that those upon whose shoulders their mantle has descended are at least no less courageous. History is in your hands, be sure you mold it well. May God bless you.

ALBERT W. FOSTER.

INDEPENDENCE DAY

Be proud today Americans, of the fight your fathers won,
For the right to live in liberty, 'neath the light of freedom's sun,
Go forth to the public places, and extol the virtues true,
Of the stouthearted men of vision, who made this land for you,
Praise Washington and Jefferson, Tom Paine and Franklin too,
Nor yet forget young LaFayette, and Salomon the Jew;
There's Patrick Henry and Nathan Hale, and ridin' Paul Revere,
And the Polish General Pulaski, whose heart could hold no fear.
Yes, go today and homage pay, to these your noble forebears,
Be proud their dream you've kept alive, through these the troubled years,
And when the gay events today, you have faithfully attended,
When the last great speaker has had his say, and all parades are ended,
When the ball game's over and fireworks out, and you rest in solitude,
Perhaps your thoughts freed from the noise, may turn to gratitude.
And if they do, think clear and true—put pride without your mind,
Remember your fathers were humble men, and strive to be their kind,
True, some were rich, of noble stock, of cultured taste and mien,
Still others though were common bred—had known the convict's chain,
But all were bound by common cause, and pledged their mutual aid,
To found a state where men might, live, unfettered—unafraid.
And not too proud were they to ask, and even humbly send,
To other lands across the sea, for such as they would lend
In terms of gold and arms and men—if nothing more, goodwill,
Yet all they pledged in sure return, was a dream of freedom still.
Remember that this land of yours, is like a youth in years,
That comes now out the ivy'd halls, to battle with man's fears,
A youth who's met and passed the test, of courage and of brawn,
And now must lead the weaker ones, on toward some greater dawn.
As ever was and will be, with rights come duties too,
And if duty's shirked along the way, then right is forfeit too.
So be alert Americans, in the midst of newfound fame,
Hold high your fathers' noble cause, be worthy of your name,
Their dream can never be fulfilled, while tyrants still exist,
Yours is the task, if faith you'd keep, their evil to resist.
Let not this dream be dimmed by those, who thrive on greed and hate,
Whose only aim is personal gain, from doubts they would create,
You have the wit, the inner light, to find the honored way,
The world's oppressed send their appeal, to you this honored day.

—*Albert W. Foster.*

AUTHORIZATION OF APPROPRIATION FOR ANNUAL MEETING OF THE INTERPARLIAMENTARY UNION

The PRESIDING OFFICER (Mr. POTTER in the chair) laid before the Senate the joint resolution (H. J. Res. 234) authorizing an appropriation to defray the expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C., which was read twice by its title.

Mr. KNOWLAND. Mr. President, House Joint Resolution 234, authorizing an appropriation to defray the expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C., has been taken up with the distinguished minority leader, the senior Senator from Texas [Mr. JOHNSON], and also with the acting minority leader, the junior Senator from Tennessee [Mr. GORE]. The Senator from Michigan [Mr. FERGUSON] is prepared to discuss the joint resolution.

Mr. FERGUSON. Mr. President, I wish to say a few words on the joint resolution.

Last year the Senate and the House issued an invitation to the Interparliamentary Union to meet in Washington, D. C., this year. In compliance therewith, and at the suggestion of that organization, this joint resolution was introduced in the House of Representatives and was referred to the House Committee on Foreign Affairs. Subsequently, the joint resolution passed the House.

Day before yesterday, I received from the Secretariat of the Interparliamentary Union a message stating that they had to have information about the invitation.

The joint resolution authorizes an appropriation of $150,000 to defray the expenses of the annual meeting of the Interparliamentary Union for 1953, to be held in Washington, D. C. This joint resolution differs somewhat from the joint resolution I introduced in the Senate, in that House Joint Resolution 234 would facilitate the issuance of visas to bona fide members of the Interparliamentary Union and to the members of their immediate families, without requiring them to comply with the Immigration and Naturalization Act, and would permit them to be admitted into the United States, notwithstanding section 212 (a) (28) of that act, and would permit them to enter the United States for 30 days without registering and being fingerprinted.

Mr. President, this privilege has always been extended to United States citizens who are members of the Interparliamentary Union, in going to other countries. Therefore, I believe that genuine members of a parliament who are elected by their people should be permitted to come to this important event in the United States. I urge the passage of the joint resolution.

The PRESIDING OFFICER. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H. J. Res. 234) was ordered to a third reading, read the third time, and passed.

Mr. KNOWLAND. Mr. President, let me suggest that, if agreeable to the Senator from Michigan, the text of the joint resolution be printed at this point in the RECORD, as part of his remarks.

Mr. FERGUSON. Yes, Mr. President, I ask unanimous consent that the text of the joint resolution be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the resolution (H. J. Res. 234) was ordered to be printed in the RECORD, as follows:

Whereas the Interparliamentary Union has been invited, pursuant to Senate Concurrent Resolution 90, (82d Cong., 2d sess), to hold its annual meeting for the year 1953 in Washington, D. C.; and

Whereas it appears that the Interparliamentary Union will accept such invitation, and it is necessary that funds be made available to defray the expenses incident to such meetings: Therefore be it

Resolved, etc., That there is authorized to be appropriated the sum of $150,000 for the purpose of defraying the expenses incident to the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C. Funds appropriated pursuant to this authorization shall be disbursed on vouchers approved by both the President and the executive secretary of the American Group of the Interparliamentary Union, and such approval shall be final and conclusive upon the accounting officers in the auditing of accounts incident to said annual meeting.

SEC. 2. Bona fide members of the Interparliamentary Union and members of their immediate families, may be issued without cost to them nonimmigrant visitors' visas under section 101 (a) (15) (B) of the Immigration and Nationality Act, and admitted into the United States notwithstanding section 212 (a) (28) of the said act for a period not exceeding 30 days to proceed as delegates to the annual meeting of the Union without being registered and fingerprinted, and shall, solely for the purpose of this Act, be accorded the status defined in paragraph (A) (i) of section 101 (a) (15) of the Immigration and Nationality Act.

APPOINTMENT OF SENATORIAL DELEGATION TO PARTICIPATE IN EXERCISES COMMEMORATIVE OF THE ADOPTION OF THE DECLARATION OF INDEPENDENCE

The PRESIDING OFFICER. The Chair has been requested by the Vice President to announce the selection by him of the following Members of the Senate, one from each State, to participate in the commemorative observance in Philadelphia on July 4, 1953, of the adoption of the Declaration of Independence, authorized by House Concurrent Resolution 85, agreed to on June 30, 1953, namely, Mr. HILL, Alabama; Mr. GOLDWATER, Arizona; Mr. MCCLELLAN, Arkansas; Mr. KNOWLAND, California; Mr. MILLIKIN, Colorado; Mr. BUSH, Connecticut; Mr. WILLIAMS, Delaware; Mr. HOLLAND, Florida; Mr. GEORGE, Georgia; Mr. DWORSHAK, Idaho; Mr. DIRKSEN, Illinois; Mr. CAPEHART, Indiana; Mr. HICKENLOOPER, Iowa; Mr. SCHOEPPEL, Kansas; Mr. COOPER, Kentucky; Mr. ELLENDER, Louisiana; Mrs. SMITH, Maine; Mr. BUTLER, Maryland; Mr. SALTONSTALL, Massachusetts; Mr. FERGUSON, Michigan; Mr. THYE, Minnesota; Mr. EASTLAND, Mississippi; Mr. HENNINGS, Missouri; Mr. MURRAY, Montana; Mr. BUTLER, Nebraska; Mr. MALONE, Nevada; Mr. BRIDGES, New Hampshire; Mr. SMITH, New Jersey, Mr. CHAVEZ, New Mexico; Mr. IVES, New York; Mr. HOEY, North Carolina; Mr. LANGER, North Dakota; Mr. TAFT, Ohio; Mr. KERR, Oklahoma; Mr. CORDON, Oregon; Mr. DUFF, Pennsylvania; Mr. GREEN, Rhode Island; Mr. MAYBANK, South Carolina; Mr. MUNDT, South Dakota; Mr. KEFAUVER, Tennessee; Mr. JOHNSON, Texas; Mr. WATKINS, Utah; Mr. AIKEN, Vermont; Mr. BYRD, Virginia; Mr. MAGNUSON, Washington; Mr. KILGORE, West Virginia; Mr. WILEY, Wisconsin; and Mr. BARRETT, Wyoming.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1954

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of the bill (H. R. 5246) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 5246) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

ADJOURNMENT TO MONDAY

Mr. KNOWLAND. Mr. President, pursuant to the unanimous-consent agreement previously entered into, I now move that the Senate adjourn until Monday next, July 6.

The motion was agreed to; and (at 7 o'clock and 39 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, July 6, 1953, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 2 (legislative day of June 27), 1953:

SECURITIES AND EXCHANGE COMMISSION

The following-named persons to be members of the Securities and Exchange Commission:

A. Jack Goodwin, of Alabama, for the remainder of the term expiring June 5, 1954, vice Donald C. Cook, resigned.

J. Sinclair Armstrong, of Illinois, for the term expiring June 5, 1958.

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CONFIRMATIONS

Executive nominations confirmed by the Senate July 2 (legislative day of June 27), 1953:

MUNICIPAL COURT FOR THE DISTRICT OF COLUMBIA

Leonard P. Walsh, of the District of Columbia, to be Chief Judge of the Municipal Court for the District of Columbia.

Edward A. Beard, of the District of Columbia, to be an Associate Judge of the Municipal Court for the District of Columbia.

Mildred Emily Reeves, of the District of Columbia, to be an Associate Judge of the Municipal Court for the District of Columbia.

IN THE ARMY

Maj. Gen. Cortlandt Van Rensselaer Schuyler, O14905, Army of the United States (brigadier general, U. S. Army), for appointment as Chief of Staff, Supreme Headquarters, Allied Powers, Europe, with rank of lieutenant general, and as lieutenant general in the Army of the United States, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 2 (legislative day of June 27), 1953:

OFFICE OF PRICE STABILIZATION

Joseph H. Freehill, Director of the Office of Price Stabilization.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 2, 1953

The House met at 10 o'clock a. m.

Rev. John Donaho, minister, First Methodist Church, Corpus Christi, Tex., offered the following prayer:

Eternal God, our Father, we lift our hearts unto Thee in gratitude for the potential freedom that Thou hast given to all mankind.

Grant unto these who represent the people of our Nation a new consciousness of Thy creative power. May their minds be sensitive to truth. May courage and integrity possess them. May confidence undergird them. May they seek and find justice tempered by mercy, righteousness tempered by humility, conviction tempered by understanding.

Grant unto all of us the vision of citizenship in Thy kingdom. Strengthen our faith that we may assume the calculated risk involved in progress.

To Thee be honor and glory, world without end. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5710. An act to amend further the Mutual Security Act of 1951, as amended, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILEY, Mr. SMITH of New Jersey, Mr. HICKENLOOPER, Mr. KNOWLAND, Mr. GEORGE, Mr. GREEN, and Mr. SPARKMAN to be the conferees on the part of the Senate.

CALL OF THE HOUSE

Mr. SMITH of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. TABER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 74]

Bentley	Gathings	O'Konski
Bonner	Hale	Phillips
Brooks, La.	Hart	Rayburn
Celler	Heller	Reed, Ill.
Colmer	Hillelson	Regan
Condon	Hinshaw	Richards
Curtis, Mass.	Hoffman, Mich.	Rivers
Dawson, Ill.	James	Shafer
Dies	Kearney	Sheehan
Dingell	Lucas	Smith, Kans.
Dolliver	McVey	Teague
Durham	Mack, Ill.	Vursell
Ellsworth	Miller, N. Y.	Wigglesworth
Engle	Morrison	Wilson, Ind.
Fogarty	Moulder	Wolcott
Gamble	O'Brien, Ill.	

The SPEAKER. On this rollcall 374 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON AGRICULTURE

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on H. R. 4353.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

DEPARTMENT OF DEFENSE AND RELATED INDEPENDENT AGENCIES APPROPRIATION BILL, 1954

Mr. SCRIVNER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 5969) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 5969, with Mr. ALLEN of Illinois in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had read down to and including line 3 on page 8 of the bill.

Mr. SUTTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this morning I received a telegram from the Nashville Banner, of Nashville, Tenn., quoting an article they had received from the PIO at Fort Campbell, Ky. This telegram was printed in full in the Nashville Banner yesterday. After receiving this telegram this morning I received three long-distance telephone calls from my district in Tennessee, from mothers whose sons had been drafted and are now in Korea, complaining about such activity by the Army.

The telegram is as follows:

The following story printed as received from Fort Campbell PIO:

"FORT CAMPBELL, July 1.—Candlelight, soft music, and Dubonnet decor will introduce Major William R. Finks to Fort Campbell officers and their ladies.

"Officially titled secretary of officers' clubs, Major Finks has the job of facelifting the country club and main officers' club. His first project is the Dubonnet room which grandly opens tomorrow evening. Gift cocktails will accompany the Dubonnet room's debut and coupled with its elaborate menu. The opening is guaranteed to please.

"The New York supper club atmosphere will not interfere with the room's utility for cafeteria styled breakfast and lunch will be served at the appropriate hours.

"Thusly, does Major Finks and the main officers' club manager, Capt. Charles D. Baker, tee off on a general plan of renovation. The Mardi Gras bar of the main club is next on the list. The plans include interior decoration and nightly small combo music. With the bar's completion, Major Finks will move to the ballroom and the talk is of weekend dances set in original decorations.

"The major has a background of Army shows and entertainment. His plans for the Fort Campbell clubs are ambitious, but formulated to please and entertain. A 2-weeks booking of Mr. Music, presently the star of Nashville's Plantation Club, is an example of his efforts to these ends."

BANNER STATE DESK.

That article appeared in the Nashville Banner. It is a press release from the public information officer at Fort Campbell, Ky. A large part of Fort Campbell, Ky., is in my district in the State of Tennessee. As I say, I received three long-distance calls from my district, from mothers who have boys in Korea who were drafted and are now over there fighting. Mr. Chairman, I do not know how much of the money in this appropriation bill goes to pay majors and captains and colonels who are carrying on activities of this kind—I do not know. The members of the Committee on Appropriations do know. If perchance in this appropriation bill we are providing money to pay the salaries of people who are in the Army just to improve cocktail lounges, Dubonnet decor, and install Mardi Gras bars, while other boys are in Korea fighting, I think we should cut this appropriation. However, I think the reduction should be left to the appropriate committee, and the Committee on Appropriations, I am sure, has studied this matter. I agree with those three mothers—I do not like to see a major in the Army designated only to carry on the building up of an officers' club with free cocktails and carrying out such tactics as set out in the press release. I hope this Committee on Appropriations will cut out, and has cut out, the paying of officers' salaries in such cases.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. FORD. In answer to the gentleman from Tennessee, first, I believe, there is a legitimate objection to the inclusion of funds for public information officers along the line of releases that the gentleman has indicated.

Mr. SUTTON. That is right.

Mr. FORD. For the gentleman's information, our subcommittee unanimously has agreed to close down the Fort Slocum Public Information Training School so that we are not training people to issue press releases of that sort and press releases of a related nature.

Secondly, I do not think we can condone nor do I believe we should condone the assignment of officers for functions such as the gentleman has described.

Mr. SUTTON. I agree and I hope the committee will do something about it.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. SIKES. I think the gentleman from Tennessee is to be commended for calling this situation to the attention of the House. Secondly, we should put first things first. We are in a war in Korea, which has not been won. As a matter of fact, now we appear to be losing that war. We certainly want no part of the kind of thing that the gentleman has described. The committee should realize that the renovation of these club quarters that the gentleman has told us about comes from nonappropriated funds. It is not money that the Congress appropriates for that purpose. But a person is in charge of the place and the work is being done from those funds. I do not think we want anything like that.

Mr. SUTTON. I thank the gentleman and I agree with him wholeheartedly.

Mr. SHORT. Mr. Chairman, I move to strike out the last word.

(Mr. SHORT asked and was given permission to proceed for 5 additional minutes and to revise and extend his remarks.)

Mr. SHORT. Mr. Chairman, this is by far the largest appropriation bill which will be voted upon at this session of the Congress. Further, I want to congratulate this subcommittee of the Committee on Appropriations under the leadership of the distinguished gentleman from Massachusetts [Mr. WIGGLESWORTH], who, we are sorry, is ill as a result of the hard work entailed in studying these matters. I congratulate the gentleman from Kansas [Mr. SCRIVNER] who is the acting chairman of the subcommittee and those members of the committee on both sides of the aisle. I happen to know something of the patience and perseverance and diligence and hard work of these men who have spent weeks and months on this most difficult subject. On the whole, I think they have done a splendid job. The first thing I would impress upon the membership of the House is how terribly big our Defense Department really is.

When the new Secretary of Defense, Mr. Charles Wilson, paid me a courtesy call at my office following his confirmation by the Senate, I told him I felt flattered and highly honored to have him call on me, and that I considered we were fortunate in having a man of his broad business experience, the head of perhaps the largest industrial concern on the face of the earth, employing 486,000 people and doing an annual volume of business of almost $7 billion, to head this most difficult Department of Defense that drove one man to jump out the window, another to resign, and his last predecessor to go out feeling that he had been hog-tied and hamstrung in many respects.

Mr. Chairman, the Department of Defense, as I told the Secretary, is really the biggest business on earth. I said to him, "You have been the head of General Motors, but that is really just peanuts. You are now the head of a business that employs not 486,000 people but almost 5,000,000 people; 3½ million in the armed services, 1,280,000 civilians; more civilians employed by that single Department of Defense than all of the other departments in the President's Cabinet, State, Treasury, Post Office, Interior, Commerce, Labor—all combined, they do not employ as many civilians as the single Department of Defense. And in addition to those civilians, there are 3½ million of the military. So it is a staggering establishment not only in the personnel but in the amount of funds expended."

Last year the Department of Defense spent $3 billion more than the 19 largest, most powerful corporations in the country. Think of it—not only General Motors but Ford and Chrysler, U. S. Steel, Bethlehem Steel, Monsanto, Du Pont, International Harvester—I called the roll, and the Secretary of Defense himself was a little shocked at the words that came from this Ozark hillbilly, a jenny driver, down near the Arkansas line.

I said, "You have been dealing in peanuts. You are really in big business now, Mr. Secretary. Last year we spent almost two-thirds of all the taxpayers' money, 66 cents out of every dollar, for defense."

So it is a huge, staggering Department, not only from the standpoint of the money spent but the number of people employed.

These men on this subcommittee have had to wrestle with this problem. We realize that as long as there is unrest abroad and there are aggressors in the world, this Nation, out of sheer self-defense and the necessity for survival, must remain strong on land, sea, and in the air, regardless of the cost. Onerous as is the burden, high as are the taxes, great as is the load we are carrying to maintain a strong national defense and to make the security of this Nation sure, I think the American people are willing to dig deep into their pockets, sacrifice and suffer, as long as they feel that they are getting their money's worth.

But you cannot measure the defense of any nation in terms of dollars. You have got to measure it in the number of planes, the number of men, of ships, of guns. Of course, Soviet Russia has many more of these weapons of war and more men than we have. But we know that she does not expend nearly as much money, because most of what she gets is at a nominal price and by slave labor.

So, in judging our national defense, do not be led astray by the amount of money that is spent. The significant thing is, Are we getting our money's worth?

I think that by wise management, by honest administration, we can cut expenditures without seriously impairing our national defense. And when you talk of national defense, do not think merely of ships and tanks and guns and planes. I want to say that the first line of defense of any nation is its financial solvency.

And what does President Eisenhower want? He wants security, but he wants security with solvency, because he knows that a bankrupt nation never licked anybody and it never will.

You can talk to Eisenhower, Marshall, MacArthur, or Bradley; you can talk to Nimitz, King, and Halsey; you can talk to Vandegrift, Cates, or Shepherd; or Spaatz, Kenny, Doolittle, all your generals and admirals will tell you that notwithstanding the heroic sacrifices and the gallant fighting men on land, sea, and in the air, that the thing after all that won World War II was America's industrial might and productive capacity.

It was in our mines, on our farms, in our factories and forests where we produced the food and the fiber to feed and clothe 12 million men and women in our own armed services as well as our civilian population, and help our allies; it was our factories, our industrial might, our mines, and the productive capacity that produced the sinews of war.

When you speak of national defense it can never be stronger than the productive capacity necessary to maintain it, and you have got to have a strong, healthy domestic economy. Military might cannot exist apart from economic strength. You have got to consider these two things together; they are one and inseparable. I certainly, as chairman of the Armed Services Committee charged with the responsibility to a great degree for the security of my country want to see us strong and invincible in every respect.

The few mornings I have been down to the White House I sat there and looked at President Eisenhower. I could almost weep. On his right is the Secretary of the Treasury, George Humphrey, and the Director of the Budget, Joe Dodge, who are doing everything in their power to cut this Government's expenses, to stop this vicious spiral of inflation, to hold down the cost of living, to balance the budget, to restore some purchasing power to the dollar. I know the pressure the President is under from the right. Then on the left you will find another group of men who want to spend more, and more, and more; and then you will run into rivalry between the different branches of the armed services.

For my own part I think that General Eisenhower is just a human being. After all, I would not claim infallibility for him, and I think he would be the last to claim it for himself. But if he does not know our military needs, he knows nothing and has no business being Commander in Chief of the United States. I know what the President wants; he wants a strong and happy America; he wants to avoid both extremes of those who want to spend too much and those

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who want to spend too little. He wants to find the Aristotelian golden mean between the two extremes of bringing about some balance, some equilibrium between military might and economic power.

We all know that it was Lenin who said that this capitalist America would eventually and inevitably spend herself into bankruptcy. We know that it was Joseph Stalin, Malenkov, Voroshilov, Bulganin, and Kaganovich in the Kremlin today who are hoping that the United States will spend itself into bankruptcy. As long as they can engage us in costly wars, siphoning off the wealth of this country in economic and military aid to every nation on earth; bleed us white as far as our resources are concerned; sap our strength by piping out the oil, hewing down the forests, by depleting our mineral deposits; then if Russia can just continue to have America overextend herself and expend herself beyond hope of recovery, she is hoping for an economic collapse, a depression with widespread unemployment, with dissension among our people. Then, using the same technique that Adolf Schickelgruber, the Austrian paperhanger used, she will begin her psychological penetration. Next, subversive infiltration.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. COLE of Missouri. Mr. Chairman, I ask unanimous consent that the gentleman from Missouri may proceed for 10 additional minutes.

Mr. SHORT. Two will be sufficient. I thank the membership for being so gracious and generous, but two will be sufficient.

The CHAIRMAN. Without objection, the gentleman may proceed for 2 additional minutes.

There was no objection.

Mr. SHORT. One and all, you are very gracious. This is the only time I have taken on this bill.

With the exception of 1 or 2 things I think it is a splendid bill. I am a little worried about cutting down the flying pay to 48 hours a year.

I think of Charlie McDonald and Johnny Meyer, I think of these boys who have served with greatest distinction and I do not think these boys would be alive today if they could not have kept themselves in good trim. The gentleman from Mississippi [Mr. WILLIAMS] brought this point out yesterday. I think we can work it out satisfactorily. I hope so.

Then there is an amendment that should be offered to section 631. I merely offer these interpolations for whatever they may be worth. But let me finish the thought I was on.

These men in the Kremlin are hoping that America will knock herself out by her own profligacy. We can spend ourselves into bankruptcy. A nation is no different from an individual. It cannot continue forever spending more money than it takes in without getting into serious difficulty. God help us to exercise intelligence, reason, and good sense when we consider this bill. Who can say we have been niggardly when the Congress, since the outbreak of the Korean war, has voted one hundred and fifty thousand million dollars for our national defense, and with this $34 billion-plus budget that the committee has brought in—I had hoped we might keep it at the size of the revised budget but it is only $1,300,000,000 less, this present budget of $34 billion, plus the carryover, will give us $92 billion from yesterday to spend during this coming fiscal year, the present fiscal year 1954. Of course, only a little less than half of it, $43 billion, can possibly be spent. Each Department, if you please, will have more money than it can appropriately, wisely, and profitably spend in the length of time they have to spend it.

Let us keep ourselves militarily strong, but let us realize that that military might must be based upon economic strength, that the two go together. Let us not defeat ourselves from within. I plead with the membership of this House to accept this bill as it has been brought in by the Subcommittee on Appropriations involving our national defense after many weeks, yes, several months, of long, hard, arduous, and patriotic consideration.

Mr. McCORMACK. Mr. Chairman, I move to strike out the requisite number of words and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Chairman, I have listened with a great deal of interest to my friend from Missouri, not only because I like him but because he is chairman of one of the most important committees of the Congress, the Committee on the Armed Services, to which the people of the country look for the legislative enactments that will assure either a powerful national defense, a medium or a weak national defense.

There is much to what the gentleman said that nobody takes issue with. We all recognize the importance of the economic strength of our Nation in connection with our military strength. Let me observe for the benefit of my friend that his administration inherited the most prosperous situation that this country has ever enjoyed when they took over the Government on January 20, with no unemployment. If unemployment or a recession comes it might result from inept leadership in connection with interest rates. Such publications as the New York Times and the Wall Street Journal have expressed serious doubt about the policies of the present administration in connection with the increase in interest rates alone.

What is involved here is a difference of one-billion-some-odd-million dollars. Everyone who has taken the floor to oppose the 143-air-wing suggestion voted for it within the last year and a half. Within the last year and a half they voted for appropriations to build up our Air Force to 143 wings. Now, they take the opposite position. Why the change?

I was for it a year and a half ago and I am for it now. My friend from Missouri, as I remember, voted for it a year and a half ago.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Missouri.

Mr. SHORT. The gentleman from Missouri is still for it. We are not abandoning the 143 wings. We are building up to it, but we are doing it gradually, in an orderly and effective manner.

Mr. McCORMACK. Does my friend favor a stretchout that will bring it about in 1958, possibly 1959?

Mr. SHORT. In the present circumstances we want planes with combat effectiveness.

Mr. McCORMACK. All right. The gentleman has answered my question. The chairman of the Committee on Armed Services tells this country that now he favors a stretchout in the buildup of our 143 Air Force wing to 1958 or 1959.

Mr. SHORT. Now the gentleman is putting words in the mouth of the gentleman from Missouri.

Mr. McCORMACK. I beg the gentleman's pardon.

Mr. SHORT. The gentleman is putting words in my mouth.

Mr. McCORMACK. Well now, the gentleman from Massachusetts never interntionally put words into anybody's mouth.

Mr. SHORT. The gentleman from Missouri would much prefer to have 100 good fighting combat planes, with trained personnel, than to have 500 with parts that cannot be used and that would be ineffective.

Mr. McCORMACK. All right. That is a very smart observation, but it is contrary to the facts. It is amusing to me to read in the paper about Secretary Wilson and the present administration talking about actually having a 120-air-wing group. The buildup that has already taken place since January 20 and is going to take place in our Air Force during this year, 1954, and that is all due to what took place in 1951, 1952, and 1953 before the Republicans took over. How do you suppose these planes are coming out of the production line? Overnight? They started 2 years ago. The money had to be appropriated. We took the responsibility. They are coming out of the production line now, and instead of one party trying to claim credit for it, when they got it started 10, 15, and 20 months ago, we ought to give everybody credit.

Now, there is a billion one hundred-odd million dollars difference, and here with 435 Members, honest, sincere men and women, there is an honest difference of opinion. I know my friend from Missouri would like to see a 143-air-wing group by middle 1954 if he could. I know that, and I know that by 1955 my friend from Kansas, Mr. SCRIVNER, would.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Kansas, since I mentioned the gentleman's name.

Mr. SCRIVNER. Sure, if it were possible. Let me make one point clear.

Mr. McCORMACK. Of course it is possible; that is the difference.

Mr. SCRIVNER. It is not possible, and I do not want to go into some of the facts at this time, but here is what I would like to say.

Mr. McCORMACK. All right, except by reason of delays, it would be possible early in 1956.

Mr. SCRIVNER. What I was going to point out is the fact that the committee has recognized and pointed out and suggested that we are getting all of combat planes for 143 wings with 1953 and prior years money. There has been no argument about that.

Mr. McCORMACK. The gentleman cannot drive down into the minds of people that you are cutting out this appropriation and you are going to get the same results. You are talking about lead time. There is some mystery. How much is the lead time reduced? Mr. Wilson was with General Motors. He helped to make the lead time. Can he make better lead time as Secretary of Defense than he could when he was president of General Motors, or chairman of the board, whatever he was? He was the head of it. Does that mean to say that his company had a longer lead time when the Democrats were in control than they can get while the Republicans are in control? If that is so then he is taking the position of showing that he was trying to delay under the Democrats, and deliberately so. But, I do not take that position and I do not say that he does.

Now, my friends, there is a difference of one billion one hundred odd million dollars. Why can we not get together on that? Why cannot both sides get together on that?

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. Of course I yield.

Mr. TABER. The increase that is going to be proposed here, the Vandenberg program, is entirely in noncombat planes, and we do not need them, and that is why they are not carried in the budget.

Mr. McCORMACK. Well, now, the gentleman from New York talks about the Vandenberg plan.

Mr. TABER. I have it here.

Mr. McCORMACK. Just a minute. It is the Joint Chiefs of Staff plan.

Mr. TABER. No.

Mr. McCORMACK. Wait a minute. The Joint Chiefs of Staff agreed upon a 143 air wing group in 1950. It was agreed upon after 20 months of consideration by the Joint Chiefs of Staff. And one of the main considerations that brought about this decision was the sudden knowledge learned about that time that the Communists (Soviet Union) had developed the A-bomb. That was not something idly arrived at. They considered the 165 or 168 air wing group. Then they considered 150-odd. They finally resolved on a 143 air wing group. Then in the last Congress when the appropriations were not made for it the Senate put them into the bill. We had a dramatic fight in this House when it came back to this body and we put into the bill the appropriations to bring about a 143 air wing group by middle 1955.

If you want to take a chance, you can, but I do not want to take a chance. I am not talking as a Democrat. I am talking as an American. My friend, who is the chairman of the Committee on Armed Services, ought to be trying to bring about harmony. His best support will be the Democratic Members of the House. The best support that President Eisenhower has on national defense and foreign affairs is not going to be his own party, it is going to be the Democratic Party. Your own party is split.

We talk about a billion-one-hundred and-some-odd-million dollars to build up speedily a 143-air-wing group. The increase in the interest rate of three-quarters of 1 percent, the arbitrary increase in the interest rate on the long-term indebtedness alone, when they are all refinanced, as they will have to be, will cost the taxpayers of this country $525 million or more a year in interest. That was one move that is not at all necessary. It was an arbitrary increase, not responsive at all to the law of supply and demand. You raise the interest rate from 2½ percent to 3¼ percent. You are going to apply it to all the long-term issues, and that will cost $525 million a year more in interest. Also, the interest is increased on every private loan, the interest is increased on every State, county, and city loan, and the interest is increased on mortgages for everybody, not for a year but for 20 to 30 years, the term of the bond or the mortgage. Here we are talking about $1,100,000,000, that will assure the speedy building up of a 143-air-wing group, and they are talking about that cost when it concerns the security of the United States of America.

We have behind the Iron Curtain manifestations of a breakdown. This is the time to take advantage of it, to send a message to the world, those outside the Iron Curtain and those behind the Iron Curtain, that America is going to be strong, that if we are going to err in our judgment we are going to err on the side of strength rather than on the side of weakness.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, there will be no politics in my remarks unless injected by someone else.

I do not know whether there is any money in this particular bill on a direct appropriation basis for the hauling of pets back and forth across the Atlantic, but indirectly we are spending a substantial amount of money in this connection. Not so long ago there came into my hands the following:

DEPARTMENT OF THE NAVY,
MILITARY SEA TRANSPORTATION SERVICE, ATLANTIC AREA,
58th Street and 1st Avenue, Brooklyn, N. Y.

COMSTSLANTAREA INSTRUCTION 4600.2

From: Commander, Military Sea Transportation Service, Atlantic Area.

Subject: Investigation of deaths of pets occurring in MSTSLANTAREA Ships; procedure for.

I am quoting only excerpts:

1. Purpose. To establish a procedure for investigating deaths which occur among pets while they are being transported in MSTSLANTAREA ships.

a. Appointment of an informal board of investigation.

Here is what happens when a pet dies aboard ship at sea, a military transport:

(1) Immediately, upon being informed that a pet has died COMILDEPT, when assigned, shall appoint an informal board to conduct a preliminary investigation of the circumstances attending its death. Boards appointed by a COMILDEPT shall consist of three commissioned naval officers. On ships having no COMILDEPT assigned, masters shall appoint a board consisting of three licensed civilian marine officers. When available, an officer of the Medical Corps or the Army Veterinary Corps shall be appointed as a member. The junior officer shall act as recorder.

c. Disposition of pets at sea: (1) Masters shall cause the body or bodies of pets that have died while at sea from unknown causes to be wrapped securely in heavy wrapping paper and placed in a suitable box with close-fitting cover, to be retained on board under refrigeration (at a temperature of 32 degrees to 38 degrees F.) until the ship's arrival in port. Bodies of pets that have died as a result of clearly defined accident shall be properly disposed of at sea.

Mr. DAWSON of Utah. Mr. Chairman, will the gentleman yield?

Mr. GROSS. It is a pleasure to yield to my friend from Utah.

Mr. DAWSON of Utah. I can appreciate the concern that the owners of these pets would have over the death of a pet. I am wondering if there is anything there with regard to notifying them if such a death takes place.

Mr. GROSS. I thank the gentleman for his question. The answer is under report of death by message, we find the following:

(1) The master shall report deaths of pets when occurring and appointment of an informal board of investigation to COMSTSLANTAREA by deferred radio message.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield.

Mr. HAYS of Ohio. Will the gentleman tell us the date of that communication?

Mr. GROSS. The date of the communication is October 1952.

Mr. HAYS of Ohio. I thought it was pretty old—I just wanted to make sure.

Mr. GROSS. I am sure the gentleman understands that like many other instructions or regulations issued during the Truman administration it often takes time to bring them to light.

The next item is format of report of formal investigation. It is as follows:

4. Format of report of an informal investigation:

a. The format shall be in letter form to COMSTSLANTAREA. The first paragraph should set out a chronological history of the investigation, viz:

(1) The subject matter of the investigation—event, time, and place.

(2) The date that the board was appointed and the members.

(3) The date that the board met to investigate the matter.

(4) The persons that were interrogated and the date of each testimony.

b. The second paragraph shall include all findings of fact and shall set out clearly the causes and circumstances of the event as determined by the board. This paragraph shall include a report of the disposition of the deceased pet.

c. The third paragraph shall set forth any recommendations of the board to correct any conditions that they have discovered in this investigation. If there shall be more than one recommendation, they shall be listed and numbered.

Mr. TABER. Mr. Chairman, will the gentleman yield?

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Mr. GROSS. I yield to the chairman of the Appropriations Committee.

Mr. TABER. Do they pay as much attention as that if a child should die?

Mr. GROSS. I am not sure of that procedure, sir.

It seems to be the old story in the Navy: "If it moves, salute it; if it stands still, paint it; and if it has to be written, make nine copies in triplicate." The Committee on Armed Services or the Committee on Appropriations should investigate this matter with a view to ending it promptly.

Obviously, this ridiculous procedure calls for the time and services of many military personnel at an unreasonable and unnecessary cost to the taxpayers.

I like dogs, cats, and other pets as well as anyone else, but in view of the terrific drain on the taxpayers for the support of purely military functions, I am sure it is only logical that those who desire to take pets on overseas missions or bring them to their homes in this country be compelled to ship them on commercial vessels and at commercial rates.

Let us put a stop to this business and at the earliest date.

Following is the verbatim copy of the instructions:

DEPARTMENT OF THE NAVY,
MILITARY SEA TRANSPORTATION SERVICE, ATLANTIC AREA,
58TH STREET AND 1ST AVENUE,
Brooklyn, N. Y., October 27, 1952.

COMSTSLANTAREA INSTRUCTION 4600.2

From: Commander, Military Sea Transportation Service, Atlantic Area.

To: Distribution list.

Subject: Investigation of deaths of pets occurring in MSTSLANTAREA ships; procedure for.

Reference: (a) COMSTSLANTAREA instruction 4600.1A.

Enclosure: (1) Pet transportation conditions and agreement (3ND-MSTSA-391 (Rev. 6/52)).

1. Purpose: To establish a procedure for investigating deaths which occur among pets while they are being transported in MSTSLANTAREA ships.

2. Procedure: When, in the opinion of the ship's medical officer or, in the case of cargo ships, in the opinion of the master, death from unknown causes (not as a result of accident) occurs among pets while they are being carried in MSTSLANTAREA ships, the following procedures shall be carried out:

a. Appointment of an informal board of investigation:

(1) Immediately, upon being informed that a pet has died COMILDEPT, when assigned, shall appoint an informal board to conduct a preliminary investigation of the circumstances attending its death. Boards appointed by a COMILDEPT shall consist of 3 commissioned naval officers. On ships having no COMILDEPT assigned, masters shall appoint a board consisting of 3 licensed civilian marine officers. When available, an officer of the Medical Corps or the Army Veterinary Corps shall be appointed as a member. The junior officer shall act as recorder.

(2) When a report of death among pets while in transit is received by COMSTSLANTREA, the Director, Medical Division shall nominate a medical officer from headquarters personnel to serve as an informal board of one to investigate the circumstances attending the death(s).

b. Report of death by message: (1) The master shall report deaths of pets when occurring and appointment of an informal board of investigation to COMSTSLANTAREA by deferred radio message.

c. Disposition of pets at sea: (1) Masters shall cause the body or bodies of pets that have died while at sea from unknown causes to be wrapped securely in heavy wrapping paper and placed in a suitable box with close-fitting cover, to be retained on board under refrigeration (at a temperature of 32° to 38° F.) until the ship's arrival in port. Bodies of pets that have died as a result of a clearly defined accident shall be properly disposed of at sea.

d. Post mortem examination of pets: (1) On ships carrying medical officers an autopsy may be performed if, in the opinion of the senior medical officer, such procedure is considered practicable. Arrangements will be made by COMSTSLANTAREA through the port authorities for the accomplishment of a post mortem examination of the deceased pet(s) upon arrival in port, and a request will be made of the examining activity by COMSTSLANTAREA for prompt forwarding of a report of the findings to the ship concerned and COMSTSLANTAREA.

3. Duties of the informal boards of investigation:

a. The informal board of investigation appointed from shipboard personnel shall:

(1) Convene as soon as practical after the death(s) have occurred.

(2) Conduct an investigation and report upon the circumstances surrounding the death(s). This shall include housing of the animals during their entire voyage; temperatures to which they have been exposed; symptoms of illness or discomfort reported as having been observed among the affected animal(s) and nonaffected animals; their dietary habits; frequency and consistency of discharges of fecal waste; nervousness or irritability factors which may have been exhibited by the animals; attention to duty and apparent familiarity with their duties in case of the personnel assigned to the care of the animals; medication given and the animal's reaction to treatment; exercise periods observed; sanitation and cleaning routines conducted in and around the animal's quarters; and any other factors which may have bearing on the death of the animal(s). In the report animals shall be referenced by shipping number and the date of death shall be noted.

b. The Headquarters medical officer appointed to conduct an informal investigation shall:

(1) Meet the ship upon arrival in the port of New York.

(2) Make arrangements well in advance of the ship's arrival with the port veterinarian, NYPE, to have a member of the Veterinary Corps accompany him. The port veterinarian shall be requested to conduct and report upon a post-mortem examination of the bodies of all animals returned under refrigeration as soon as practicable.

(3) Review the findings of the shipboard informal boards of investigation and, when necessary, further investigate the circumstances attending the death(s) while in transit.

(4) Render a prompt report of his findings and those of the port veterinarian to COMSTSLANTAREA and make recommendations for the correction of any deficiencies in the care of the animals which may have been discovered during the course of his investigation.

(5) Upon completion of findings, the Headquarters Medical Officer appointed as an informal board of one shall, by letter report, notify the owner(s) of the probable cause(s) of death. In preparing this letter he shall use reference (a) and enclosure (1) as a guide. The investigations conducted in accordance with this instruction shall in nowise indicate to the owner that MSTS has assumed responsibility for the injury or loss of the pet(s) and that the purpose of the investigations constitutes an attempt to find only the facts in order to preclude recurrence in the shipment of other animals.

4. Format of report of an informal investigation:

a. The format shall be in letter form to COMSTSLANTAREA. The first paragraph should set out a chronological history of the investigation, viz.,

(1) The subject matter of the investigation—event, time and place.

(2) The date that the board was appointed and the members.

(3) The date that the board met to investigate the matter.

(4) The persons that were interrogated and the date of each testimony.

b. The second paragraph shall include all findings of fact and shall set out clearly the causes and circumstances of the event as determined by the board. This paragraph shall include a report of the disposition of the deceased pet.

c. The third paragraph shall set forth any recommendations of the board to correct any conditions that they have discovered in this investigation. If there shall be more than one recommendation, they shall be listed and numbered.

d. It is not necessary that this report be extensive, but it must be enough to give a clear report to the reader of all the facts involved. Inclusion of testimony by witnesses is not required. Substance of such testimony shall be contained in paragraph 2 of the report.

5. Disposition of pets on arrival in port: a. Bodies of animals returned to the port of New York shall be disposed of after post-mortem examination in accordance with the desires of the animal owners or, if infected with a communicable disease or a suspected communicable disease, in accordance with the instructions of USPHS and the port veterinarian.

6. Precautionary measures: a. When a highly contagious disease of serious, but not necessarily fatal consequence occurs in epidemic proportion among pets aboard ship, the Senior Medical Officer, or the Master when no medical officer is on board, shall make a letter report to COMSTSLANTAREA. COMSTSLANTAREA Medical Officer shall then notify Cargo Division that the ship is not to be nominated to carry pets for a period of 30 days after pets are off-loaded.

b. In addition to the foregoing, it shall be the Master's responsibility to ensure that areas occupied by pets are thoroughly scrubbed and disinfected upon completion of each voyage immediately after all pets are off-loaded.

J. M. WELL.

Authenticated:

M. VEY,
Head, Mail and Records Branch.

Distribution: COMSTS and all MSTS AREA commanders; all MSTSLANTAREA Offices; COMILDEPTS—Passenger Ships (LANTAREA); masters, passenger ships (LANTAREA); masters, cargo ships (LANTAREA); commanding officers, commissioned ships (LANTAREA); CG NYPE.

Mr. DORN of South Carolina. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I listened with a great deal of interest a few moments ago to my distinguished friend, and chairman of the Armed Forces Committee, the gentleman from Missouri [Mr. SHORT]. Over the past few years, it has been seldom that I have found myself differing very much with the gentleman. However, I remember a telephone call in the early part of 1951 from a great American, the minority leader of the other body, the late Kenneth Wherry. He called me on the telephone one morning and personally asked that I come over and wit-

ness before a joint committee meeting of the Foreign Affairs Committee and the Armed Forces Committee of the other body. I remember going to a prior meeting in his office. At that meeting were Gen. Carl Spaatz, and Alexander P. De Seversky. Herbert Hoover could not be there at this particular meeting because of ill health, but he had previously made his position crystal clear. We went before that committee at the personal request of this fine leader of the great Republican Party in the other body as witnesses for adequate national air strength. I remember the testimony as given there. General Spaatz said, "We need at least 243 groups," which was the air strength of this country at the close of World War II. He advocated an immediate buildup. He said the situation was imperative, and advocated an immediate buildup to that strength.

I wonder what has come over the great Republican Party. I understood at that time Senator TAFT and others on that side of the Capitol, and the gentleman from Missouri [Mr. SHORT] were very much in favor of building up adequate air strength in this country. They felt that was the only thing which would prevent the onward march of the ruthless Communist forces. So I wonder today why this great party on the other side of the aisle has completely reversed the position of such a short while ago.

I remember also the 80th Congress. I am not one of those who went all over this country lambasting the 80th Congress. I think much constructive legislation came out of the 80th Congress, including the 70-group Air Force, which I supported and which many of us on this side of the aisle supported. I do believe that had the President of the United States not impounded the money appropriated by the 80th Congress for a 70-group Air Force there would not have been any Korean war. I believe if the President had backed up that authorization of Congress and immediately launched into a great air program and let the world know that America was going to put its emphasis on the great strategic concept of airpower, there would not have been any Korea. The American people, Mr. Majority Leader, went along with the 80th Congress. They approved your action. They do not understand the action of your great party today. We are not putting the proper emphasis on an overwhelming, strategic air command. You know what the question is here today. You cannot meet on the ground the 502 infantry divisions of Soviet Russia and her satellites. That is what the question is here today. America cannot send ground troops all over the world with any hope of success. We simply do not have the manpower. I am pleading here, as I have pleaded for the last 7 or 8 years, for a greater emphasis on air supremacy. America can build and maintain air superiority indefinitely. It would be power for peace and security.

We have the science and mass production. We have men who can make the best pilots in the world.

We have the technical know-how. I remember what General Koller of the German Army said in 1945. He said that the nation that controls the air will dominate the sealanes of the world. The nation that controls the air will dominate the land masses of the world. He said for the next 100 years America can dominate the world through a great strategic Air Force. That is what the Republican Party has stood for these many years, and I am asking the question today, Why is it that they are departing from this program and the strategic concepts of Herbert Hoover, Bob Taft, the late Kenneth Wherry, a great American who fought in the traditions of William E. Borah and other great leaders?

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. DORN of South Carolina. I yield.

Mr. SCRIVNER. If the gentleman had been here during all the debate yesterday, he would have heard many things, including the one specific fact that there is no abandonment of the 143-wing goal during this present interim, to see what we have and what we do not have and what we are going to do with it.

Mr. DORN of South Carolina. I can assure the distinguished gentleman I was here yesterday as the record will indicate. I only wish there was no abandonment of the 143-group Air Force.

Mr. SCRIVNER. The gentleman has known me for quite some time, and I am sure I have never said or done anything to cause him to feel that I was not telling the truth. We have so stated in the report.

Mr. DORN of South Carolina. You have done a wonderful job in this House. I have the highest regard for the gentleman, as he well knows; but I do think that possibly the gentleman can be wrong about the air program which will affect the defenses of this whole free world.

Mr. SIKES. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman from Florida rise?

Mr. SIKES. Mr. Chairman, I ask that the Clerk read.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. GAVIN. Mr. Chairman, I object, and rise in oppositon to the pro forma amendment.

The CHAIRMAN. The gentleman from Pennsylvania is recognized.

Mr. GAVIN. Mr. Chairman, I want to compliment the committee on turning in a very satisfactory bill. I am suprised that my good friend from Florida would make such a request at this time in view of the fact that the committee consumed most of the 6 or 7 hours of debate yesterday and this is the first opportunity the Members have had to say anything.

Mr. SIKES. Mr. Chairman, will the gentleman yield for just a moment?

Mr. GAVIN. Please permit me to continue. I have only 5 minutes. I just want to say that I listened with a great deal of interest to my good friend the gentleman from Missouri [Mr. SHORT]. He tried to point out that this appropriation is for approximately $34 billion, and with accumulated, authorized but unexpended, appropriations there will be ninety-two billions or ninety-two thousand millions for the defense program. That is quite a considerable sum of money. There will be ninety-two billion or ninety-two thousand million to take care of our defense program for the next 2 years and a half; and I believe I am correct when I say that with unexpended balances and the appropriation in this bill there is thirty-seven billion or more setup for the Air Force. May I ask the gentleman from Kansas what approximately is the total that the Air Force will have for the next 2 years?

Mr. SCRIVNER. Over $40 billion.

Mr. GAVIN. Over forty billions. That is a lot of money to spend in the next couple of years, so let us not be too alarmed that the Air Force will not have sufficient money. I do want to call attention to my good friend the gentleman from Massachusetts, JOHN MCCORMACK—I do not see him here—and he is my friend, a friend whom I admire very much. He spoke about security. I am glad to see that he is concerned about security as we all are. Now, if I recall correctly, in 1949 the Armed Services Committee, of which I am a member, made a recommendation of $17 billion for the year 1949–50. That budget was cut back by the administration about 2 months before Korea to around $13 billion. That was a cut at the wrong time and place. The administration at that time had suddenly become economy minded.

While we are talking about security now it is regrettable that some of the membership were not more concerned about security at that time, because I recall that my very good and able friend, one of the greatest Secretaries of Defense this Nation has ever had, the late Secretary of Defense Jimmy Forrestal, was replaced by Louis Johnson, and the budget was cut back from $17 billion to $13 billion; and the 70 air group money was impounded, and the 70 air group was cut back from 70 to 48.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. GAVIN. Not at this time as I have but a few minutes.

Mr. McCORMACK. Did not the gentleman mention my name?

Mr. GAVIN. Will the gentleman secure for me additional time?

Mr. McCORMACK. I never refused to yield to a man whose name I mentioned.

Mr. GAVIN. Nor can I refuse to yield to my friend from Massachusetts.

Mr. McCORMACK. I just wanted to observe that I remember that the gentleman fought the cut. So did I.

Mr. GAVIN. I am glad to hear my friend say that.

Mr. McCORMACK. And at that time I was leader, too. I fought it. I am consistent.

Mr. GAVIN. The gentleman is right. I know his position on matters of this nature. He has always been for building a great national defense. I just want to refresh the memories of some on the other side who are concerned about cuts.

Mr. McCORMACK. But I was concerned.

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Mr. GAVIN. I know the gentleman was. I wish everybody on the gentleman's side had been more concerned at that time, for we would have been further ahead than we are today. The cuts that were made at the time set us back, certainly held back our defense program buildup.

There has been talk here about holding back the Air Force and I note in the press the attacks on Mr. Wilson and demanding his resignation. Is this a form of cooperation with the President at a critical time? Mr. Wilson is a great civic patriot as far as I am concerned. He laid aside the tools of business to come to Washington to take on a tough job, and it is a terrific job—I will get to that later if I have time—but to me he is turning in a magnificent performance and deserves our hearty commendations and thanks rather than our censure. Now let me return to the 1949 program. The budget was curtailed from seventeen billion to thirteen billion 2 months before Korea. They cut back the 70-group Air Force to 48; the carrier was canceled; the fleet was mothballed; Admiral Denfeld was let out; they cut back the ground forces; they cut back the Navy Air Force; and then the first thing you know we moved into Korea. We had little to fight with, as you well know. We had but few tanks and bazookas and we were almost pushed back into the sea at Pusan in the early part of the war, the most embarrassing and humilitating incident that ever occurred in this great Nation's history.

Let me now direct my remarks to my good friend, the gentleman from Texas [Mr. MAHON]. I listened to him yesterday at great length. He is very much concerned now.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. GAVIN was allowed to proceed for 5 additional minutes.)

Mr. GAVIN. Mr. Chairman, the gentleman from Texas [Mr. MAHON] yesterday dramatized our security and asked what would happen or what would befall this Nation unless we increased this budget appropriation a billion dollars even though the Air Force has forty billion to spend in the next 2 years. He went on to point out the fears that exist and ultimately what may befall our country. I carefully listened to him yesterday and I am gratified to know he has changed his thinking since 1950 and reversed his position.

Now, listen to what the gentleman from Texas [Mr. MAHON] had to say on April 4, 1950, when he had a colloquy with my very good friend, one of the most distinguished and able Members of the House with some 30 or more years of service and experience behind him on the Naval Affairs and Armed Services Committee, the gentleman from Georgia [Mr. VINSON]. Mr. VINSON at that time was making a vigorous protest against cuts in the defense appropriations. He was for increasing and building up our military strength at the most critical time in the life of the Nation and he was right as time has proved.

Here is what Mr. MAHON said at that time:

Well, that was the request we made of the Joint Chiefs and the Secretary of Defense some time ago. This committee will not, if we are supported, let our air power wither on the vine.

It might be pointed out that one of the significant things General Eisenhower said was that we cannot have national defense by hysteria. While he points out that he never saw this bill, or the final budget, he can speak generally and authoritatively in military matters, but not with complete accuracy, not having read the details of the program. Repeating, one of the most important things he said was, "Gentlemen, we cannot have national defense by hysteria." He decried hysteria.

It has been my observation, and I say this in all kindness, that about the time we have our military bill each year on the floor, the flying saucers begin to sail across the western horizon and the unidentified submarines flit to and fro in the Pacific waters and even our friends come out and say in the headlines of the press, and I quote, "Russia is planning a new Pearl Harbor," and things of that nature. I am glad to be warned, and it is true we are faced with a grave peril, Mr. Chairman, but I say to you that Eisenhower was never more everlastingly correct than when he said: "We cannot have legislation by hysteria, that we must not underrate the enemy, neither should we overrate the enemy."

What is the potential threat to Washington, D. C., today? The Russian airpower. How many heavy bombers does Russia have? None; not one. How many medium bombers does Russia have? About 300, maybe 400. How many do we have? Hundreds and hundreds and hundreds. Russia has a few of the B-29 type. Of course, a nation with three or four hundred bombers in making an attack is going to get some of them through and that would be gravely serious in an atomic war, but if we had, instead of 5,000 bombers 50,000 bombers, an enemy could still penetrate our defenses to some extent. So while we do not want to underestimate the potential enemy, we do not want to overrate him, either.

And, at that time let me say we did not overrate him either as subsequent events have proved.

Now, I want to say I do not think we are underestimating him now when this great Nation of ours, even with a debt of $267 billion hanging over the heads of the American taxpayers, is willing to set up appropriations, with the accumulated stockpile and authorizations, and unexpended sums, of some $92 billion. Why, the industrial productivity of the country cannot absorb that kind of a spending program for military equipment in the next 2½ or 3 years, and many changes may take place in military equipment or weapons.

So, I think we are well set up. This appropriation bill should be left as it is because President Eisenhower has said that he is satified with it. The President is schooled in the art and technique of warfare and in international affairs, and there is no question but what he should know, and if President Eisenhower is satis fied, we should be satisfied.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, it has been most refreshing to listen to the able gentleman from Pennsylvania [Mr. GAVIN] attempt to mimic me on the floor of the House. The gentleman is most artistic. I had never known before that I had appeared with such grace and eloquence as the gentleman has demonstrated. I note, however, that the gentleman, in the waving of his arms and the raising of his voice, indicated some hysteria himself. But, generally speaking, I can find no fault with this man, the gentleman from Pennsylvania.

I regret that I do not recall at the moment the exact phraseology which I used in a speech in the House in 1950. However, I wish to say again and add with increased emphasis that I agree with President Eisenhower on the dangers of legislation by hysteria.

The gentleman from Pennsylvania has quoted from a speech which I made in 1950. I made the speech in the House, as I recall it, about 3 months before the outbreak of the Korean war. I was speaking about the $14 billion military budget which was before us at that time.

Let me point out, as I did in 1950, that General Eisenhower was reasonably well satisfied with the defense budget, the relatively small $14 billion defense budget upon which we were operating just prior to the outbreak of the Korean war. However, General Eisenhower suggested in the spring of 1950 that the budget should be increased by $1,500,000,000 and his recommendation was followed. My point is that General Eisenhower and the Congress were somewhat satisfied just 2 months before the Korean war began with an inadequate defense budget. Future events proved us to have been wrong in 1950. At that time we were of course, considering economic demands along with military considerations, and, to some extent, we are required to do the same thing today. As I said yesterday, I yield to no one in my admiration and respect for the President. What I have said is not to discredit him or anyone else. I am simply trying to demonstrate the inability of any human being to accurately foresee future developments.

General Eisenhower could not, I could not, and the gentleman from Pennsylvania could not foresee the future on April 25, 1950. By the same token, I dare say that our able President and our Members of Congress cannot now foresee what the future holds.

The gentleman from Pennsylvania has pointed out that General Eisenhower is satisfied with the present budget. Our effort here today is not to make a drastic change in it. However, since we were mistaken in 1950, we could be mistaken in 1953. That is what I am trying to say.

There is another angle to this thing which has not been brought to the fore. When General Eisenhower was advocating the $15 billion budget—it was frequently known as the Eisenhower budget because he had done so much of the spade work on it—it was not known with certainty that the Soviets had in production the atomic bomb, which threatens us today. Moreover, the words that were spoken in 1950 must be taken into consideration in connection with facts as they existed in 1950. I repeat that we should not legislate by hysteria; that we should not overrate the enemy; that we should not underrate the enemy. We should calmly provide, in my judgment, in this bill today, substantially the

budget figure of about $35 billion which was submitted by the President. The amendment which I will offer will not increase the bill above General Eisenhower's figure.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Kansas, my distinguished chairman.

Mr. SCRIVNER. I want to point out that among others who could not foresee what was going to happen on the 25th of June 1950, were the Joint Chiefs of Staff, one of whom is the present lately retired General Vandenberg.

Mr. MAHON. The gentleman is correct. Nobody can foresee the future.

Mr. SCRIVNER. They did not know 24 hours before it happened that it was going to come.

Mr. MAHON. No; we do not blame anybody for it. It is on an exemplification of the fact that no one can now look on the troubled horizon of our world and tell us what will happen tomorrow. That is the reason I am a little more in favor of a stronger defense program than the gentleman from Kansas.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McCORMACK. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

Mr. NICHOLSON. Reserving the right to object, Mr. Chairman, I just want to say that we were here yesterday 6½ hours, and a great many of us did not have an opportunity to say anything then. While I shall not object to the gentleman's having 5 additional minutes, he has had at least an hour, and the rest of us cannot get 5 minutes. I withdraw my reservation of the right to object.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. MAHON. The gentleman from Pennsylvania declined to yield to me, but inasmuch as I myself am not in a state of hysteria, I am able to yield to my friend from Pennsylvania.

Mr. GAVIN. A moment ago the gentleman referred to the $15 billion as the Eisenhower budget.

Mr. MAHON. Yes, the hearings will to some extent, so show.

Mr. GAVIN. This is what the gentleman said at that time:

> While he points out that he never saw this bill or the final budget, he can speak generally and authoritatively on military matters, but not with complete accuracy, not having read the details of the program.

So the gentleman charges it with being an Eisenhower budget.

Mr. MAHON. The gentleman has quoted me out of context. He is not giving the correct picture. If the gentleman will read the hearings, General Eisenhower was the Acting Chief of Staff and an adviser during a part of the time the budget was in the making in 1949 and 1950. That is the time when the plan was made. General Eisenhower was doing his duty at Columbia University at the time the budget was actually received. He came down and testified before the Senate committee on about April 25, 1950, or thereafter, and said of the revised budget in a letter which I read into the RECORD yesterday:

> This is precisely what I think should be done at this time.

I presume he did that after some study of the budget. Of course General Eisenhower did not work out the details of the budget in 1949 and 1950 and he could not be charged with responsibility for it. I do not expect infallibility on the part of General Eisenhower or the gentleman from Pennsylvania, nor do I claim it for myself.

Mr. GAVIN. But the gentleman referred to it a few minutes ago as the Eisenhower budget.

Mr. MAHON. It was at times referred to as the Eisenhower budget because in the Pentagon discussions the recommendations of General Eisenhower had great weight.

Mr. GAVIN. If the gentleman agrees that Eisenhower was a man of recognized ability and experience and well qualified to recommend at that time, why does the gentleman differ with him now?

Mr. MAHON. I still generally agree with the President. He is certainly well qualified to recommend at this time and he was qualified to make recommendations in 1950. My amendment does not increase the President's budget; it merely calls for an adjustment in the application of $1,175,000,000 in a $34 billion bill in order that the Congress may express its will in building up the Air Force more rapidly. The Congress does not need to be a rubber stamp. We do not need to be straight-jacketed President Eisenhower would be the last man on earth to deny to the gentleman from Pennsylvania the right to have his ideas and his opinions with respect to legislation pending in the Congress.

Mr. Chairman, I must decline to yield further. I have yielded at great length and I think with some degree of patience to the gentleman. I will have more to say when the amendments are presented.

Mr. Chairman, I yield back the balance of my time.

Mr. HAYS of Ohio. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I think all of us can agree that while there may be an honest difference of opinion about the amount of money we should spend for air power, the committee has worked long and hard and the Congress is meeting before this holiday to settle this matter in which all of us are deeply and vitally interested. But I had experiences sometimes when we were in the majority that some of the appointed officials who do not have to go back to their constituents and explain their actions put us in an embarrassing position. I want to commiserate a little with the majority today. I want to read to you a dispatch which just came over the wire. It is dated Watertown, N. Y. Secretary Dulles has "forgotten the Korean situation for the Fourth of July weekend. Dulles, who will spend the holiday at his main Duck Island home at the eastern end of Lake Ontario, arrived yesterday aboard an Army plane. He told reporters he did not want to talk about the Korean situation."

The Congress has not forgotten the Korean situation. We are here, as a lay group, if you please, trying to figure out how much to appropriate and how much we need to take care of this Korean situation and other situations which may arise. But Secretary Dulles has gone away and forgotten it, in his own words, for the weekend. I would not object to that too much, but I understand that he has only spent about 30 days since he has been Secretary of State down here at his office. He has been going away to forget something all the time, and so far as I am concerned, if he will stay away for weeks, we all could forget him probably, and that would not be too bad, because I think a lot of his thinking while he is away forgetting things is about how he is going to make the American people swallow his idea of recognition of Communist China because he is going to propose that to us one of these days.

I just want to say further, I have heard a lot of arguments about this and a lot about who is at fault in the Korean situation and who is not at fault. I do not point the finger at any person because I do not think any of us had the foresight to see that situation was going to arise, but I do think we all know that the boys who are over there fighting in Korea are not going to forget about it over the Fourth of July weekend, and maybe it will be better if Mr. Dulles came back here to Washington and tried to straighten out that situation so that they could forget about it.

Mr. DEVEREUX. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I rise in support of the appropriation bill. I would like to remind the membership that it was just a few days ago when the question on the Reorganization Plan No. 6 came before us. Any number of Members stood up and supported that reorganization plan primarily on the ground that General Eisenhower was the best qualified person to present this plan because it concerned military affairs. I personally took objection to that as you may or may not know. I took the position that it was not a purely military matter. The situation we have before us today, in my humble opinion, is certainly a military matter. You Members who supported that Reorganization Plan No. 6 the other day said there was nobody better qualified to evaluate a military situation than our President. Today any number of people are getting up here and pitting their judgment against the person whom they supported just a week ago, because of his background and ability to evaluate and come to a conclusion on a question which is purely military. I, for one, am going to support the President in his recommendations on this bill.

Mr. MILLER of Maryland. Mr. Chairman, will the gentleman yield?

Mr. DEVEREUX. I yield to the gentleman from Maryland.

Mr. MILLER of Maryland. As I understood the remarks of one of the distinguished members of the Armed Services Committee yesterday, the gentleman from Illinois [Mr. PRICE], he said that it was his considered opinion that

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we have now a second-rate Air Force. What is the view of the gentleman from Maryland with respect to the present strength of the Air Force, insofar as it compares with other air forces in the world?

Mr. DEVEREUX. I will say to the gentleman from Maryland that I have not been privy to the councils of the higher echelons. I think it is a terrible admission for us to make, if that thought is true, that we have a second-rate Air Force. But I do not believe there can be any doubt whatsoever that the Congress has given ample funds in the past few years to build up a really strong Air Force. I believe they are working toward it. We must realize that the Air Force is a very young service. They have undoubtedly made many mistakes, they are suffering from growing pains but I believe that as we go along with a sound program, such as is now presented in this appropriation bill, they will come out, if they are not now, as one of the finest air forces in the world.

Mr. PRICE. Mr. Chairman, will the gentleman yield to me, since my name has been brought into the discussion?

Mr. MILLER of Maryland. The gentleman from Maryland [Mr. DEVEREUX] has yielded to me and I would like to finish this one question, if I may.

Does not the gentleman think that there is a little hysteria here in assuming that we have a second-rate air force, after the record that our Air Force has made, not only in World War II but only the day before yesterday, when they shot down 15 enemy jets without a loss?

Mr. DEVEREUX. I believe there is a great deal of hysteria.

Mr. PRICE. Since my name has been brought into the discussion, will the gentleman yield to me?

Mr. DEVEREUX. I did not bring the gentleman's name into the discussion.

Mr. PRICE. The gentleman from Maryland [Mr. MILLER] was referring to me, as having made a statement, but it was not the statement that I had made. I did not say that we had a second-rate Air Force. I think we have a good Air Force. The men in the Air Force are the finest fighting men you can find in the world. I said that at the present time we had the second best Air Force and that because of actions such as that taken here now, reducing appropriations to that Air Force. I say that we need the best Air Force in the world, and we want the best Air Force in the world. We have the men who are capable of making it the best Air Force in the world, if we do not hamper them and if we continue to build up the Air Force. We will then have the best Air Force in the world in a very short time.

I would like to point out to the gentleman from Maryland [Mr. MILLER] that we do not now have the Air Force that we had in World War II.

Mr. DEVEREUX. And I do not believe that numerically the potential enemy has the air force that it had during the last war. However, as I have said before, I am not in a position to know exactly what the potential enemy has today. So it is rather difficult to make a comparison. And I do not believe that many of the people here on the floor of the House have that information at hand.

Mr. Chairman, I yield back the balance of my time.

Mr. SIEMINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, unless evidence to the contrary is presented during this debate, I believe a squaring up to the situation will give us the 143 air wings quicker than otherwise. It is my intention to back up the disclosures reported in executive session of the Appropriations Committee the other day on the problem of the Air Force.

I want to suggest, though, in the interest of performing a possible service to the Air Force, that it pull its own rip cord and instead of talking only about the Air Force, it start talking about the strategic, the tactical, and the logistical branches of its own set-up. If it starts talking about strategy, and tactics, and logistics it will get more support in this House and there is going to be less confusion.

We all remember, it is within our memory, that it was the strategic air force of Hitler that hit Warsaw but did not knock the Polish people out. It was Pearl Harbor that woke us up. It did not knock us out—again strategic. It was the battle of Britain—Hitler's fliers came over London. It did not knock the British out; it just woke them up. And we in Korea, the enemy has not thrown any air at us in 3 years. We have thrown lots at them. They are not knocked out, and neither are we.

When you talk about air power, I want to hear something about strategy and tactics and logistics, something about fire power, something about support of the ground troops.

How the world thrilled in World War II when planes went over in a thousand-plane wave to attack and hit the enemy, spitting out lead to back up the boys on the ground with their bayonets. That it what you want to hear about when you talk about air force—what fire power do they have, how many guns do they carry? Mothers want to know what support their boys are getting on the ground.

Mr. BENTSEN. Mr. Chairman, will the gentleman yield?

Mr. SIEMINSKI. I yield.

Mr. BENTSEN. I would like to point out that in the discussion yesterday one of the things that was shown where one of the specific cuts was made was on transport planes, and I agreed with the chairman of the committee that that was something that should not be done because it should begin to help keep up the Army's mobility.

Mr. SIEMINSKI. Sir, I cannot go back to my folks back home talking about wings any more than I can talk about budgets to people who want bread on the table, who want jobs, who want health.

When you talk about wings I want to know how much fire power is going to come out of those guns. This is a fire power bill. What is going to happen when the guns go off? How much lead are you going to be able to spit out of those guns, and lead is the one thing we want to be able to spit out when it comes to tactics.

Mr. BENTSEN. I thought the gentleman wanted to talk tactical air.

Mr. SIEMINSKI. I did, and I am talking tactical air. Tactical air is how those planes will operate and what will come out of those guns. You can use boats, as they used them at Dunkerque, to save men, but when the enemy aircraft come at you you have got to shoot guns, you have got to shoot real stuff at them. That to me is tactics.

Mr. JAVITS. Mr. Chairman, I move to strike out the last word.

Mr. LYLE. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. JAVITS. I yield to the gentleman from Texas.

The CHAIRMAN. The gentleman will state his inquiry.

Mr. LYLE. What amendment is pending?

The CHAIRMAN. Pro forma amendments.

Mr. SCRIVNER. Mr. Chairman, will the gentleman from New York yield?

Mr. JAVITS. Certainly.

Mr. SCRIVNER. I suggest, inasmuch as there seems to be a desire to get on with the bill—while I do not like to limit debate, there is no actionable amendment pending—I wonder if we might reach some agreement as to time so that the Clerk may proceed to read the bill. I ask unanimous consent that all debate on these pro forma amendments end in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas.

Mr. YORTY. Mr. Chairman, I object, unless I can be allowed at least 5 minutes. I have been on my feet ever since we met seeking recognition.

The CHAIRMAN. Objection is heard.

Mr. JAVITS. Mr. Chairman, it is my intention to support the administration on this bill, and I rise only because I think there are two reasons for that which have not been covered in the debate which I would like to bring to the attention of the House.

First, we are not legislating on this bill in a vacuum because this is not the only appropriation which covers the security and defense of the United States.

The Secretary of State has testified that he is presenting to the country a package for the security of the country. That package consists of appropriations for the Armed Forces which we are here to discuss today. It also consists of appropriations for the Armed Forces and for strengthening of our allies in the struggle for freedom, which we discussed and passed here the other day to the extent of about $5 billion. It consists also of appropriations for the education, information, and similar services of the United States; it consists also of appropriations which we will consider for the establishment of bases and military structures around the world. This is the package which the administration presents to us. Every element of that package is vital to the security of the United States. That is point 1, and I think very important for all of us to consider.

Let us note, too, that the opposition to the acceptance of the administration's

program is mixed and there is a grave danger that a mixed opposition often defeats a desirable measure for reasons inherently antagonistic one to the other. There are those here who consider themselves special friends of the Air Force and of airpower, also there are those here who believe in every way against foreign aid and against any international position by the United States. They are marshaled on the same side. So I ask you, when you listen to these arguments—and, of course, there is the usual political business which we are all accustomed to of trying to build up a case so that, if anything goes wrong, the other side can be blamed for it—remember those are the three categories of arguments which are here. I think those who are listening here with an ear single to the interests of our country had better be very clear in separating the impact of these arguments and the sources from which they come.

One final point. My colleague, General DEVEREUX, of Maryland, mentioned the fact that many Members argued here for the President's armed services reorganization plan and are now contradicting themselves and arguing that his military judgment is not what they said it was the other day.

This is not only true here in the Congress, but must be considered also in terms of the country. The country elected Dwight D. Eisenhower last November for a salient reason. The country felt that in this particular international situation it would be secure with him, it could trust his judgment and it could trust his judgment particularly on the way America should marshal its resources for the purpose of preserving its own security and for the defense of the free world.

Now, President Eisenhower presents a complete program to us in every feature of our important national life, foreign aid as well as armed services. Now we are arguing such a short time after the mandate from the American people over giving him a vote of confidence on this specific issue. This is his great skill. If we do not give him a vote of confidence here I do not think we are keeping faith with the job which we all undertook in backing the President in whom the country reposed so much confidence so far as this particular issue is concerned.

I think he is entitled to a full opportunity to make good with this package, which is the administration package, not only this bill but the other measures to which I have referred.

I for one shall support the President. I believe he is entitled to the overwhelming support of the House regardless of party.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. JAVITS. I yield to the gentleman from California.

Mr. SHEPPARD. May I ask the gentleman, in accordance with the statement just made, I can only conclude the gentleman would not approve of the billion three hundred million plus that the Congress proposes to reduce the budget?

Mr. JAVITS. That is true. I will vote against every committee cut of the administration's proposal to the Congress. I am going to offer an amendment to restore the research and development programs. The President needs the backing of the Congress just as he got the backing of the country last November.

Mr. SHEPPARD. I want to compliment the gentleman on his stand.

Mr. BENTSEN. Mr. Chairman, the remarks I made on this subject yesterday in Committee were inadvertently omitted. I ask unanimous consent that they be included at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SIKES. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Chairman, Secretary of Defense Wilson pointed out recently:

> We believe that national security and national solvency are mutually dependent. The arms program should be reexamined in the light of economic capabilities.

If we are to defend ourselves successfully against Communist aggression, then we must walk an economic-military tightrope.

Up to this point then, it is difficult to to quarrel with the administration's plan for reducing Government expenditures. They have clearly recognized that in order to reduce taxes, we must first cut down on Government spending. I agree with the civilian Secretary of Defense setting the limit of what our Nation's economy can afford for defense, but I sharply disagree with his making the tactical apportionment of the funds contrary to the recommendations of the Joint Chiefs of Staff and without even consulting with the military expert in command of the service which bears almost the entire brunt of the cut.

It is comparable to a businessman involved in a lawsuit who has retained the most experienced attorneys in the country and after setting the fee then not only does not follow their advice in the trying of the case, but does not even consult them.

I can see no good reason why we should take almost all of this cut out of the Air Force. I have heard no reasonable explanation why the Air Force should be cut $5.1 billion when the total military budget is to be cut $5.2 billion.

Secretary Wilson himself has stated that he recognizes the predominant importance of airpower for our Nation's security. After all, this is simply a matter of common sense. We know that the Communist nations have a total of between 8 and 11 million men in uniform. We know that the Soviet Army itself has 175 divisions compared to our 20. We know that the Communist nations have tremendous manpower reserves which can be called up in case of war. It is clear that even if we wanted to, we would be unable to match the Communists on a man-for-man basis. Even if every mother's son in America had to be drafted, we would be unable to match the swarming hordes of the Asiatic nations.

Our strategy then must take full advantage of our industrial and economic strength, and of our technical know-how. We must exploit this advantage so that if war is forced upon us, we can choose our own battlefield. We must not allow ourselves to be drawn into a traditional type of warfare on the ground in which we would surely be overwhelmed.

If we are to exploit our advantage, if we are to lead from strength rather than from weakness, it is axiomatic that we must place primary emphasis on our Nation's airpower. If we are to take full advantage of our atomic achievements, we must not shackle the best means of delivering our atomic weapons.

I do not subscribe to the theory of talking tough and carrying a little stick.

Wilson says he doubts Russia will have enough A-bombs to attack us in 1954. But General Bradley says they do. So does General Vandenberg. The Civil Defense Administration 5 months ago said Russia could A-bomb 89 United States cities now, causing 11 million casualties.

Generals Vandenberg, Twining, and Ridgway have said that airpower is our greatest weakness.

We must create an Air Force whose atomic capability is such that it will deter any reasonable dictator from aggression. Since dictators are not always reasonable men, we must create a combat-ready force which will be able to make immediate retaliatory action and give us sufficient time to mobilize our country's vast potential resources for war.

This the present budget fails to do.

If our efforts to rearm come in time and Russia thereby lacks the courage to attack us, there are those who will never let us hear the end of it. What! All that spending and no war? Like the wife who kept complaining at her husband because he bought a fire extinguisher and they had not had a fire yet.

But it is better to have the strength and not need it, than to need it and not have it.

I do not question Mr. Wilson's sincerity in thinking that the budget provides for a better Air Force. In this case, however, it appears he has simply made a mistake. He has preempted the field of the military experts. He has presented this budget to the Congress without taking advantage of the expert military advice at his disposal. In fact, General Vandenberg has testified that as late as March the Joint Chiefs of Staff stated that "any reduction of the program of 143 wings to be attained as soon as practicable after fiscal year 1954 would increase the risk to the national security beyond the dictates of national prudence."

We know the Soviet has the atomic bomb and planes adequate to deliver it. Why the abandonment of the goal of a strong Air Force, which is our only arm of immediate retaliatory striking power?

Modern weapons have annihilated space and time as bulwarks of defense. To me it seems to make sense to listen to military experts when we are confronted with a purely military problem such as apportionments of military expenditures. I can think of no one better qualified to evaluate the military adequacy of our airpower than the Air Force Chief of Staff, backed up by the other Chiefs of

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Staff. Thus, when it comes to a choice between Mr. Wilson's opinion and the Joint Chiefs of Staff's opinion on a military question, I do not see how we can reasonably ignore the military recommendation.

A stretchout to 1957 means we have deliberately delayed the date when our strength will entitle us to some feeling of security.

Weapons which are merely drawn upon the drafting board are of no use in the event of attack. Unfinished armaments do not insure that our defenses will be strong enough should the enemy attack. Our present actual strength is always the important item. The greatest industrial establishment on earth will be of little avail if it cannot be defended.

During the last war Germany was far ahead of us in research on jet aircraft. Toward the end of the war they had even commenced the construction of factories to build those jets that could have wiped us from the skies in our outmoded planes.

But they did not do it. Why? Because they never achieved sufficient production. Because we knew the location of those factories and bombed them out of existence without the jet planes available to defend them.

Blueprints have never yet stopped an aggressor, and never will.

The Air Force insists that its military personnel ceiling must be increased even if they are not to achieve the 143-wing strength until the middle of 1957. Their need for personnel is based in part on the recognition of the fact that there is a lead time in the training of personnel as well as a lead time in the procurement of aircraft. The Air Force insists that additional bases are necessary for effective operations. If the Air Force is to achieve the desired combat flying efficiency, additional money is needed for maintenance and operations. Since the program already has been stretched out, General Vandenberg's request for additional funds for maintenance and operation is logically less than that originally requested.

This request for appropriations brings out another point which I think needs emphasizing.

Some people have alleged that military people are never satisfied with the money they are given, that they are always out for all the money they can get. The Air Force's action in this present controversy clearly shows that this is not the case in this instance. First of all, the Air Force, on its own initiative, recommended reductions from the Truman budget of about $1.6 billion. This was a result of their recognition of production slippages and their adoption of a more conservative policy on the introduction of new aircraft into quantity production.

Furthermore, after the Air Force was given time to study the budget which Mr. Wilson had submitted to the Congress, they recognized the wisdom of some of his proposals. They are not asking that we appropriate the amount of money originally contained in the Truman budget, but they are asking for about a billion and a half dollars more than provided by Mr. Wilson's. This is the additional amount which the Air Force feels it can efficiently spend in building toward a force of 143 wings. This hardly indicates that the Air Force is out to get all the money it possibly can.

But stop-and-go defense is what costs real money, yet here we find this budget resulting in cancellation of aircraft contracts with the resulting damage payments to contractors. Today we are paying for the Louis Johnson era. Let us learn and profit from the mistakes of that policy rather than adding to them.

As a result of the controversy on the Air Force budget, the problem of waste has again been highlighted. Department of Defense officials have gone to some lengths to point out that waste exists in Air Force operations and planning. They have left the implication that the Air Force budget can be reduced because there is so much waste involved in it.

I am sure that there are many areas in which the Air Force could be more efficient. I sincerely doubt, however, that wasteful operation is a monopoly of the Air Force. I am sure that the Army and the Navy, as well as the Air Force, have inefficient operations. Why, then, should we take it all out on the Air Force?

The Air Force, on its own initiative, attempted to reduce its manpower requirements. The Air Force had first figured that 1,700,000 men would be needed for a 143-wing Air Force. By exercising stringent manpower economy and stringent controls, the Air Force reduced this number by a half million men. Apparently we are now going to penalize them for being economical by reducing this ceiling by another 200,000 men.

I am in favor of the overall cut for defense proposed by the Secretary of Defense. I do not feel, however, that the Secretary of Defense is qualified to set the tactical apportionment of forces without consulting the Joint Chiefs of Staff. I do not feel that previous military decisions should be ignored unless they have been supplanted by a new military evaluation. Maybe military people do not understand economics, but when military problems are at issue, the Secretary of Defense should consult these men who have spent their lives in the military service.

I believe that men who have heard a shot fired in anger, who have worn this country's uniform, know the most about tactical apportionment of military funds.

The present budget shows a trend of returning to the old theory of balanced defense. We are going back to the theory that by giving the three services the same amount, we can stop squabbling among the services. A well-balanced defense does not mean that we should provide the same amount of money for each service any more than a balanced diet means we should eat equal amounts of meat, potatoes, and vegetables. What we need are people with the courage to spend the money where it will do the most good.

Both the Army and the Navy are very close to the force levels corresponding to the 143-wing Air Force. The Air Force, on the other hand, has much further to go since it started from a much lower level. Since there has not yet been a new military evaluation of the force levels, it does not make sense to arbitrarily stop the Air Force from continuing to build toward 143 wings. The Air Force has stated that an increase of $1.435 billion would permit it to build toward 143 wings by 1957. In view of the existing strength of the Army and the Navy, it appears that apportionate amounts of the 5 billion cut could have been made from their budget without stopping them from reaching their force levels by 1957. The budget would then have been based on interim goals which would have made it possible for all the services to reach the final force levels if those are reaffirmed by the new Joint Chiefs of Staff.

Let us hope that future budgets presented to Congress will adequately reflect the expert opinions of the military as well as the expert advice of the civilian heads. Then we will truly be able to say that our national military policy is based both on economy and security.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. BENTSEN. I yield.

Mr. SCRIVNER. I think you will find that these matters have been discussed, and that Secretary Wilson has discussed them with some of his advisers—military advisers. Perhaps he has not taken General Vandenberg's advice, but he has told us that the Joint Chiefs of Staff were all represented at every meeting of the National Security Council where these matters were thoroughly discussed, and as you heard the President's letter, that has been done for the last 3 months.

Mr. BENTSEN. Yes, I am sure there has been a great deal of discussion after the opposition arose as to this particular cut.

Mr. TABER. Mr. Chairman, will the gentleman yield?

Mr. BENTSEN. I yield.

Mr. TABER. Does the gentleman believe that the addition of transport planes is going to increase the national defense. You know that is all that General Vandenberg was talking about.

Mr. BENTSEN. Permit me to answer the gentleman on that. I do not agree that transport planes was all Vandenberg talked about but even on the question of transport planes, I would say that today mobility of the Army is of primary importance. I know that these transport planes can be utilized for that purpose. I know one of the chief objections of Air Force critics has been that the Air Force has not paid enough attention to the tactical support of the armies and their mobility. Here we find that very thing that would help them in the transportation of our Armed Forces being deleted. Yes, I do think it deeply hurts our defense program.

Mr. YORTY. Mr. Chairman, will the gentleman yield?

Mr. BENTSEN. I yield.

Mr. YORTY. I just want to say to the gentleman on the point as to whether or not the Joint Chiefs were consulted by Secretary Wilson, I think the record is perfectly clear that they were not. General Vandenberg made that statement and so did General Twining. In addition to that, General Vandenberg testified that when he attended the Security Council meeting and when the

overall figure was finally decided upon for the military budget, it was not even broken down into categories and he did not even know how much of a cut the Air Force, the Army or the Navy was taking. It was simply an overall figure, and the breakdown was apparently done later by Mr. McNeil while Mr. Wilson was in Europe.

Mr. BENTSEN. I thank the gentleman.

Mr. MAHON'S amendment will allow us to remain within the limits of the overall defense budget set by Secretary Wilson while at the same time helping us approach the force levels recommended by the Joint Chiefs of Staff. It means better defense with economy remaining an integral part of the defense budget. It is the expertise of both military and civilian authorities. It provides the balance rod as we walk this economic-military tightrope.

Mr. HOLIFIELD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

THE CONFORMING AIR FORCE AND GENERAL VANDENBERG'S RECOMMENDATION

Mr. HOLIFIELD. Mr. Chairman, the Air Force was given a very belated chance to express its thought on the budget cut proposed by Secretary Wilson, but it made an earnest, a laudable and it seems to me a wholly successful effort to conform to the wishes of the Secretary and accept a cut in its initial budget.

The proposed cut of $5.1 billion made by Secretary Wilson in the original Air Force budget of $16.8 billion came as a surprise to the Air Force. The Secretary presented it to Congress in spite of the warning of the Joint Chiefs of Staff of the continuing threat to American security. The Air Force had had no opportunity to express an opinion of the effect of such cuts on Air Force operations, or to defend the 143-wing program.

On request of certain Members of the Senate, General Vandenberg was asked to make a professional military adjustment of the Air Force budget to Secretary Wilson's proposed cut. General Vandenberg transmitted to the Chairman of the Senate Appropriations Committee, a figure which he contends is the lowest possible at this late date to permit continuation of the 143-wing program. The estimate, General Vandenberg pointed out, resulted from deferment of appropriations for every item than can possibly be deferred to the next fiscal year. The estimate takes into consideration the lead-time changes proposed by Secretary Wilson, and recognizes and adjusts to restrictions on personnel ceiling and public works funds ordered by the Defense Department.

In other words, the Air Force accepted the rules and regulations laid down by the Department of Defense even though it questioned the judiciousness of such rules. So far from being individualistic and behaving like a prima donna among the services, the Air Force revealed itself as conforming and objective in compliance with the wishes of the Secretary of Defense, and adapting them by professional analysis to realistic conclusions, based on past experience.

Out of this experience the Air Force has asserted that the Wilson budget would not give the wings Secretary Wilson has claimed on the time schedule he has set forth. Secretary Wilson said that his budget would give the Air Force 114 wings by the end of fiscal year 1954, and 120 wings by the end of fiscal year 1955. The Air Force states that the Wilson budget would permit only 110 wings by the end of fiscal year 1954 and 115 wings by the end of fiscal year 1955. The 120-wing "interim goal" set by Secretary Wilson could not be achieved, the Air Force says, until the end of fiscal year 1956.

On the other hand, the Air Force proposes a budget that would permit achievement of the Secretary's interim goal of 120 wings by the end of fiscal year 1955, but if supported by adequate appropriations in later years would permit achievement of 136 wings by the end of fiscal year 1955, 141 wings by the end of fiscal year 1956, and 143 wings by the end of fiscal year 1957.

Secretary Wilson has not accepted this proposed adjustment to his budget, realistic as it is. On the other hand, he has dismissed it with a gesture of disdain. But the gesture is anything but a courteous recognition of the desire of the Air Force to cooperate and conform, and to effect that great compromise between defense requirements and budget burdens that a democracy requires.

Secretary Wilson, more by this subsequent refusal than by his initial proposal, has indicated that he is prepared to tell the Air Force that it doesn't know how to operate airpower.

If this Congress follows the Wilson lead and makes the appropriations requested in the Wilson budget, it too will be falling into the error of discrediting the service itself has established to give air security to the United States.

Mr. Chairman, by now we all know that when the Secretary of Defense prepared the budget now being considered by Congress, it was without consultation with the Joint Chiefs of Staff. The Chief of Staff of the Air Force was given no opportunity to comment on the cut proposed in the Air Force budget until he was requested to do so by the chairman of the Senate Committee on Appropriations. In proposing restoration of certain items cut by the Department of Defense General Vandenberg displayed a commendable willingness to go along with Secretary Wilson, and accept a number of the cuts proposed.

What may be called the substitute budget presented by General Vandenberg accepts the fact that limitations established since January have already delayed the achievement of 143 wings until the end of fiscal year 1957. Since such a stretchout affects all segments of the program, the Air Force does not ask for restoration of the program as originally established. Time lost cannot be regained. It would be futile and fantastic to try to recapture it.

On the other hand, the Air Force accepts Mr. Wilson's positive statement that lead time can be reduced, and that he knows how to reduce it. The Air Force has tried consistently to reduce lead time. It has achieved some success in reduction. If Mr. Wilson can accomplish a greater reduction, the Air Force welcomes it. And the Air Force has adjusted its budget to this promise by the Secretary of Defense.

The Air Force likewise accepts a stretchout in research and development, though with considerable misgivings. Research can be postponed, but only at the risk of having it accomplished elsewhere. Science knows no national boundaries. The spirit of science permeates the atmosphere. A hundred years ago, ether was discovered separately but almost simultaneously in Massachusetts and Georgia. Men experimenting in a new and challenging field like nuclear physics must out of self-interest exchange ideas. No Rosenbergs or Fuchs are necessary to help another nation achieve what we ourselves are seeking,. though they may hasten the achievement. We may indeed postpone research, and delay development—but we do so as a calculated risk.

The Air Force also accepts Secretary Wilson's cut in training aircraft and other types of support aircraft. Training can be accomplished in many ways. I heard once of a successful pianist who as a child practiced on a phony keyboard painted on a piece of lumber. No sound of music came from the board, but the child learned the finger exercises that are fundamental to piano technique. The Air Force can do without some of the training aircraft it asked for. There may be delays in training, as a result; there may be casualties and a letdown in efficiency. But the Air Force accepts the cancellation. In this way also the Air Force goes along with the Secretary of Defense in effecting economies.

Finally the Air Force accepts the Secretary's decision to eliminate combat reserve aircraft designed to replace wartime losses for a very short period of combat. If we became involved in war, we would require more aircraft to meet attrition than we could hope to keep in reserve. It would be necessary then to speed up production, cut down on lead time, and increase output. The Air Force accepts the elimination of combat reserve aircraft from the fiscal year 1954 budget as realistic.

Mr. Chairman, it seems to me that the adjusted Air Force budget presented by General Vandenberg represents compliance with the spirit of the Wilson budget. Between two opposite points of view there must always be compromise. General Vandenberg has made a proposal which puts the burden of compromise on the Air Force, and which makes it easy for Secretary Wilson to accept.

To me personally, Mr. Chairman, the difference between $0 billion and $1.4 billion is very great indeed, because to me a billion dollars is a great deal of money. But in the defense budget the difference between $0 billion and $1.4 billion is not very great. As the gentleman from Illinois pointed out a few days ago, that is a difference of only 5 cents out of the tax dollar appropriated for defense. And in terms of defense, of lives saved, of war avoided, of peace secured, it is nothing at all.

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With compromise made so easy, at so cheap a figure as $1.4 billion, it would seem in the interest of national defense for Secretary Wilson to accept the compromise. Under his budget, the Air Force would be granted $11.7 billion anyway. The Air Force asks for only $1.4 billion in addition.

I think it would do much to restore public confidence in Secretary Wilson for him to accept the restoration of that amount to his budget. And I think it would make the citizens, whose money is being appropriated, feel additionally secure to know that there was harmony in the Defense Department.

Security and harmony together are worth a good deal more than the whole defense budget. And they are absolutely essential to the national morale.

Mr. YORTY. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, we have heard the word "hysteria" used around here a great deal. It just seems to me it would be better if we did act from a little more sense of urgency. We are in the middle of an unresolved war. It is most shocking that at this time, even for psychological reason that we should announce to the world that we are actually cutting down the strength of the United States armed services, particularly the Air Force.

I asked for this time because I wanted to talk for a moment about these supporting units that the gentleman from New York says are not necessary.

In the report which the Air Force originally made showing what these cuts would do to them they made the following statements:

> In addition to the reduction of 23 wings, it will be necessary to eliminate from the flying support units of the Air Force 4 wings, 11 groups, 47 squadrons, and 2 flights. Included in this reduction are such units as MATS squadrons, Air Rescue squadrons, air reconnaissance groups, assault wings, and liaison squadrons. Also eliminated are 89 nonflying logistical support units. In addition to these reductions of major forces and supporting units, the manpower limitations make it necessary to reduce further manning standards in all elements of the Air Force, except the combat groups.

So, I think for a moment it would be worthwhile to see just what these supporting units do and whether or not they are important to the Air Force as a fighting unit.

The flying support units that have been eliminated from present programs are a necessary part of the Air Force. These include the following:

MATS squadrons representing the air logistic capability to deploy SAC and provide rapid supply and reenforcement to Army and Air Force units in the field. An example where this type of operation had historic impact was in the air supply of Patton's Third Army during the dash across France.

Air rescue groups. The Air Force is ferrying a large number of jet aircraft each month across the Atlantic. The cut-back in air rescue groups means that the Air Force cannot adequately cover this vital flight route and other areas. The Air Force acts as a global Coast Guard in its air search and rescue service, taking care of civilian and military aircraft that may find themselves in trouble. An example is the Navion that went down in the vicinity of Salisbury, Md., on June 12, 1953. Another is the commercial air liner that crashed in the jungle in Colombia last year which was located by USAF air search and rescue service that dropped the doctors, medicine, etc., and made the rescue possible.

Several assault groups, some equipped with fixed wing aircraft and some with helicopters. The C–123's were part of this program. This eliminates the ability to perform an assault transport service for the Army in the combat zone as well as reducing general airlift capabilities. Is the Army now going to procure similar aircraft and establish similar units under Army programs in order to continue the function? This is not known. If the Army does do this, there is no saving; indeed there is a greater expense. If the Army does not, the function is lost.

Several squadrons for aerial refueling of our SAC units. This cuts range. The Air Force will have the planes but some of them won't be able to fly the distances needed.

Several air evacuation squadrons. Do existing facilities insure that air evacuation as accomplished during the Korean war will be available in hostilities which may later occur? The air evacuation of wounded is performed for all services—Army, Navy, Air and Marines.

Mapping and charting squadrons. These units utilize modern methods of aerial photographic mapmaking for the benefit of both the Army and the Air Force. They are important for the purpose of getting accurate up to date maps for combat areas and for potential combat areas. There are large parts of the world for which accurate, up-to-date maps do not exist in the United States. The photographic mapmaking process is a rapid one, usable in circumstances where ground survey would be impossible or would involve intolerable delay. Success of military operations can depend on the right maps.

Long-range weather reconnaissance squadrons. These are designed to determine the weather at points of the globe where these provide the only means of knowledge. This has obvious importance for military operations, particularly air operations. It is also important to the civilian population as a means of forecasting weather in the United States.

Tow target squadrons. These units are used to provide targets for Army AA fire. In the absence of these the Army's ability to perform its AA function in air defense of the United States is bound to be reduced.

Nonflying units that have been eliminated include the following:

Several aircraft control and warning radar installations planned for the polar approaches. The elimination of these obviously reduces the warning net designed to detect enemy approach.

Several photographic squadrons. These are trained to process rapidly reconnaissance photographs so that reconnaissance activities can be productive.

Various communications units, the elimination of which reduces the assurance that in the event of hostilities communications between vital areas could be maintained.

A large number of logistic units. These are very difficult for some to understand, but to any military man in any service they are of the utmost importance. Any service can operate only on the basis of its supply. The elimination of these units will cause fewer flying hours and less training in peacetime. In wartime they will produce less effective units, operating at a lower rate and for a shorter period. These can be cut out, and they give the appearance of economy; but what this means is that the combat units you are buying are worth only a percentage of what they would be worth if they had proper logistic support. It is the old numbers racket—"Build up the numbers regardless of their effectiveness." This is the kind of attitude that produces a show-window Air Force.

To the casual reader the reduction in supporting units in the Air Force is little more than a statistic and a technical term. Examination shows, however, that this reduction means much more in terms of defense of the United States. It means that our ability to return sick and wounded from the overseas areas of Europe and Korea is seriously reduced and in the event of war it would not be possible to speedily return our military men of all services to proper medical facilities and the best medical care.

This reduction means that we cannot move our Strategic Air Command into the bases that we have planned to use in the event of war. The Strategic Air Command cannot move and then fight with its bombers alone. The reduction in transport units makes it impossible for them to carry out existing plans.

Aerial refueling units have been eliminated. This has the effect of removing the service station upon which these forces depend for longer range, greater effectiveness and greater protection to our forces and to the United States.

Rescue facilities have been seriously curtailed. This means our airmen lost or forced down in the areas over which they must operate in both peace and war will have less chance of survival.

This reduction means far fewer planes for our airborne forces with the result that they must go to battle by truck, by rail or by boat in an era when speed and flexibility are vital to successful defense. It reduces our ability to reenforce or to carry our soldiers into the battle.

This reduction in support units means less defense for the United States, fewer radar stations guarding the border approaches, gaps in our defense and less early warning of enemy attack.

While the forces that have been reduced are called supporting units, they have a direct effect on our defense and on the services that we can render our military men. The present budget requires the Air Force to cut; it was a difficult decision to eliminate these so-called supporting units which mean so much to our defense. The only alternative is to make further cuts in already reduced combat units. And this is unacceptable. Taking the combat planes and leaving out other elements is merely a trick to fool the American people.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. YORTY. I yield to the gentleman from Kansas.

Mr. SCRIVNER. Would the gentleman benefit me with the citation he has read? I listened to the hearings, and I did not hear that.

Mr. YORTY. I read from an analysis of what these eliminated units do, based on the report that I received from the Air Force.

Mr. SCRIVNER. I am surprised at that showing. I listened to the Air Force testimony, and I did not get that information.

Mr. YORTY. As a further example of the need for support units I know myself that a battle can turn on whether or not you have accurate maps. In New Guinea we were handicapped severely because we did not have accurate maps of the areas, and we had to map them during the course of hostilities. If we had had them ahead of time, it would have saved many lives.

Mr. JOHNSON. Is the gentleman talking about existing units that will be eliminated if this billion dollars is not appropriated, or is he talking about future units that might be placed in various parts of the world?

Mr. YORTY. I am talking about units that will be eliminated if we cut back from the 143-wing program to the 120-wing program.

The CHAIRMAN. The time of the gentleman from California has expired.

(Mr. YORTY asked and was given permission to proceed for 3 additional minutes.)

Mr. YORTY. I have tried to outline to you what they are doing in order to say that they are not cutting combat planes. They propose to go ahead and take the combat planes that were ordered several years ago. They are not going to have the previously planned wings to put them in, so they are shunting off these first-line aircraft into Air Reserve and National Guard units that were already taken into consideration when the 143-wing program was announced; but because they want to say they are not cutting combat planes, they are cutting out these vital support units which affect very greatly the ability of the Air Force to perform its mission.

In other words, what they are trying to do, in order to cover up the drastic effect of these cuts, is to set up a show-window Air Force that will look good in combat planes but will not have the other components to make it a really effective fighting force.

I still believe the United States should have and can afford to have the biggest and best Air Force in the world. I agree wholeheartedly with the Hearst newspapers, who have said that any other kind of an Air Force is not economy. They have said we ought to have an Air Force that will insure peace if possible and victory if necessary. We are not going to have that kind of Air Force unless we go back as speedily as possible to the 143-wing program. I think it is a shame and a disgrace that in the midst of a war we are delaying the program. Mr. Wilson's obstructions have already made it impossible to meet the original goal. His obstructions have stretched it out no matter what we do. He has taken it out of our power to get back to the 143-wing program at the earliest possible date when we should have had it. But let us not countenance any further delay. Let us get the kind of Air Force which we ought to have.

Mr. ZABLOCKI. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ADEQUATE DEFENSES ARE VITAL

Mr. ZABLOCKI. Mr. Chairman, in the interests of the security of our Nation, I feel that it is my duty to rise and voice my strong and earnest objection to the serious cuts made in the funds for the Armed Forces, particularly for the Air Force.

For the past 2 months, I have carefully studied the reasons advanced by administration spokesmen, and then by the Appropriations Committee, for the severe curtailment of our defense budget. I want to note at the outset that I am just as anxious as any member of this body to see Federal expenditures kept down to a minimum, and the Federal budget balanced. But I cannot see how we can—with a clear conscience—jeopardize our national security for the sake of attaining those goals. And in all the arguments brought forward in support of this crippled budget, there is nothing that would convince me that we are not risking our national safety for the sake of saving money.

I fully concur with the President's view that total military protection is unattainable. No matter how much we spend on our national defense, we will not thereby eliminate all danger of war destruction. But we ought to seek adequate defenses. The legislation before us does not appear to make adequate defense possible.

It would take much too long to comment on the entire defense budget. Therefore I want to concentrate on its most obvious weakness—the proposed reduction of the end strength of the Air Force from 143 wings to 120 wings or less.

This retreat in air power is a paradox. Up to now the majority party has been demanding more air power. The administration spokesmen have been trying to assure us that we will get more air power, faster, and for less money. Yet the fact remains that under the proposed budget we will not attain the programed 143-wing strength certainly not by 1955 and possibly not by 1957. We may attain it some years later, but in 1955 we will probably have only 120 wings. And 120 wings certainly do not have as much power, and do not offer us as much security, as 143 wings.

Mr. Chairman, in the fall of 1951, the National Security Council adopted the recommendations of the Joint Chiefs of Staff and of the Secretary of Defense Robert Lovett, and approved a 143-wing goal for the Air Force. It was generally admitted that such a force was the minimum needed to carry out the primary missions of our air power. These missions are threefold:

In the first place, to maintain an adequate atomic striking force as our principal shield against Soviet aggression;

Secondly, to give us the necessary and needed defense of the continental United States;

And, thirdly, to provide air support to our own forces and those of our NATO allies.

In the judgment of our best military men, the fulfillment of these three missions will require not less than 126 combat air wings, and 17 wings equipped with troop-carrier aircraft and air transports to back up and give the necessary mobility to the combat wings.

I want to make this clear: this 143-wing objective represented the combined result of many judgments by both military experts and civilian officials. There was no cushion or safety factor in this estimate. One hundred and forty-three-wing Air Force was considered as the minimum necessary to give us a reasonable assurance of security.

The factors on which the above estimate was based have not changed much since the new administration took over the reins of our Government. In fact, with the continual rapid growth of the Soviet air power, the situation may have become more critical than it was 2 years, or 1 year ago. Let us look at the facts.

At the present time, about one-third of our air power is reportedly engaged in the Far East. Our Air Force has made a good record there. Yet, despite these factors, it is alleged we are not strong enough in Korea to cope with the Chinese, and North Korean, and Russian Communists should they decide to send their planes over our territory instead of limiting themselves to purely defensive missions.

In Europe, according to testimony recently submitted by General Ridgway and General Gruenther, our air power is the weakest link in our defense. Reinforcements are greatly in need.

Here at home, our air defense system is at present estimated to be capable of stopping at most only 30 percent of a potential Soviet atomic striking force.

Now we should bear these facts in mind. We should also remember the recent testimony of the Secretary of Defense Wilson, of other administration spokesmen, and of men like General Vandenberg who should know what they are talking about when they say that our present defenses are inadequate. Mr. Wilson himself recently stated before a congressional committee that he found no evidence that the threat and danger to the free world has appreciably lessened. He also said that our state of preparedness is considerably short of what it should be, and pointed out that of the 103 wings which the Air Force has activated so far, 10 have not yet been provided with their planned quotas of combat aircraft.

Under those circumstances, I do not feel that the proposed stretchout in the buildup of our air power is in the national interest. I earnestly urge the membership of this body to give serious consideration to at least this one vital

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portion of the defense budget and to restore the funds necessary to carry out the programed attainment of a 143-wing Air Force by 1955.

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

THE RUSSIAN AIR FORCE IS A FACT

Mr. PRICE. Mr. Chairman, we have known for years now that the Russians are capable of dropping atomic bombs on American cities, and that their stockpile of these weapons is growing. We know also that the Russian Air Force, with several thousands of jet fighters already in operation, is now concentrating on building bombers with which they could launch an atomic attack against this country as well as against our allies.

Neither we nor our allies have an adequate defense against the huge Russian Air Force, and we all know it. We also know that only a superior air force can offer the kind of protection we need today, and that we may need even more desperately tomorrow. We know that the only counterthreat we have today against the massive Russian Army and Air Force is the atomic-bombing capability of our own long-range Air Force. But our long-range bombers are largely obsolete leftovers from World War II. Our short-range Air Force is small, is still engaged in Korea, and is outnumbered many times by the Russian tactical air force. Moreover, we have yet to build a respectable air-defense system either for our allies or for our own country.

The program to bring the Air Force up to date and to increase its combat strength by about 50 percent was just getting under way when Secretary Wilson called a halt. He himself admitted, last May, that we had only 103 wings of the 143-wing program activated, and that only 93 of them were combat-ready. It was only a few days later that he said all we should have was 120.

But the Air Force has never said that a 143-wing Air Force was all that would be needed to fight and win a war. Neither have the Joint Chiefs of Staff. The 143-wing Air Force is a minimum Air Force for peace. In all-out war a 143-wing Air Force would be partially used up in a very few months, and it could not be replaced for several years even if, by some miracle, our industries escaped serious damage. But we cannot achieve the 143-wing Air Force for defense against war unless we stop this bickering and get along.

Even the 143-wing Air Force was a compromise, a compromise made almost 2 years ago. It was a compromise achieved by the Joint Chiefs of Staff, after the Air Force had presented its own program for 155 wings. Incidentally, the Air Force program was closer by 2 wings than the Joint Chiefs of Staff program was to the 150-wing Air Force former Senator Lodge, of Massachusetts, said we should have. The Senator, as a leader of his party, presumably expressed his party's views on the importance of airpower.

But compromise or not, without the 143-wing Air Force, our whole strategy makes no sense at all. We have no right to ship American soldiers to Europe and Asia where they are hopelessly outnumbered without providing an Air Force just as fast as we can, that would at least be able to hold its own against the Russian air force.

The truce in Korea may be signed, and again it may not. But whether it is signed or not, we need Air Force in Korea to protect the troops who, as Secretary Wilson said, cannot come home for at least 6 months. Either we have to bring our men home and try to protect them here, or build an Air Force to protect them and support them where they are. We cannot protect them without airpower.

What I say, I say not out of fear, but because it is commonsense. Even if our cities were immune to air attack, and they certainly are not, we would still have to have an Air Force capable of challenging the Russian air force. Without such an Air Force we cannot protect ourselves and certainly we could offer no real protection or assistance to our allies or to our troops overseas.

I sympathize completely with all efforts to save money. But in an effort to save a little money we are in danger of losing everything. Let us not be deceived by Russian promises and propaganda; and let us not deceive ourselves about the fact of the Russian air force.

This is still a time when action is more important than talk. We need to get on with the job.

Mr. Chairman, there has been a great deal said about a balanced budget being the first line of defense. I look forward to when we can have a balanced budget in this country. The budget is a pretty big volume, 6 or 7 inches thick. It is a pretty heavy weapon, but I cannot foresee the time when we can arm our troops with these books instead of planes and guns. I do not believe we can defeat future enemies by throwing budget books at them. They will provide a poor defense.

In all this discussion about what we can afford and what we cannot afford in the way of airpower, there is 1 fact that we dare not forget for 1 minute. The fact is that Russia has the biggest air force in the world. I made that statement yesterday and I repeat it today. I think it cannot be successfully contradicted.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I do not know whether Russia has one plane or what, and I am wondering where the gentleman gets his information.

Mr. PRICE. I can say to my friend that I have some very reliable information. I think if the House understood the real situation there would be no hesitancy on the part of every Member in supporting the amendment the gentleman from Texas [Mr. MAHON] will offer. The truth of the situation is that we have gone down in our airpower since World War II and the Russians have gone steadily forward, until today they have the largest air force in the world. We should recognize that fact.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from California.

Mr. JOHNSON. Is it not a fact that while the Soviets have the largest air force in numbers our Air Force is far superior in quality? For instance, in the long-range bombers the best the Soviets have is the B–29's, which we consider obsolete today for effective long-range bombing.

Mr. PRICE. That is no longer true. They have a far better jet air force than we now have, both in fighters and bombers.

Mr. JOHNSON. The information I have is that it is a fact that they do not have planes comparable to the B–36. They have B–29 bombers, which are now a second-rate plane.

Mr. PRICE. The gentleman is partly right on that situation, but they have a new jet bomber that is threatening our air superiority. The Soviets have a decided edge in the field of light bombers. They have hundreds of twin-jet light bombers. By contrast, we have none assigned to combat units. We still have more long-range bombers than the Soviets, but they have more than enough for an all-out atomic attack against the United States. I think we should be aware of that fact. We should never underestimate or underrate a potential enemy. So I think you underestimate the airpower of the Soviet when you support these unwarranted cuts in airpower.

Mr. JOHNSON. Of course, the gentleman knows that the one thing you have to have in air warfare is the most modern type of plane. France had the greatest air force in Europe in 1940.

Mr. PRICE. That is exactly the reason I am going to support the amendment to be offered by the gentleman from Texas [Mr. MAHON], because we have been lagging behind Russia in the production of the most modern types of airplanes, and if it had not been for the rude awakening we got at Korea, we would probably be still further behind.

Mr. JOHNSON. In Korea, we have a 15 to 1 superiority over the jets of the Russians. We also have a great jet bomber. You will remember, and the gentleman is a well-informed man, I know that, in 1940 France had the biggest air force in Europe and it just toppled over like ducks in a shooting gallery because the planes were outmoded and obsolete.

Mr. PRICE. I am trying to point out to the gentleman that Russia is not standing still. Russia is producing every day. Speaking of Korea, I invite your attention to the remark of Major Jabarra, one of our jet aces with 14 MIG's to his credit—"Give me a MIG and I'll fly circles around the F–86." So let us not underrate our opponents.

Mr. JOHNSON. We are not standing still either, but are merely making our Air Force more combat worthy.

Mr. PRICE. Russia is advancing in her air force, and if we continue to

stretch out our airpower program every year, we will be further and further behind. The gentleman is a member of the Committee on Armed Services. He knows that the 143-wing program was justified before our committee. I did not hear anybody in our committee challenge the military leaders when they testified in favor of the 143-wing program 2 or 3 years ago. But each year we come here and stretch out the program 1 more year and then 1 more year. When are we ever going to get down to business and make certain that we do have a No. 1 Air Force? We cannot continue to guess about this thing.

Mr. JOHNSON. The point is that the Air Force is trying to readjust its program so that we will have first-class planes next year, and we will gradually build up to the 143-wing Air Force with planes that are up to date. We will get that in time.

Mr. PRICE. I say that the best way to readjust our Air Force is to supply it with the best planes possible every year—this year and next year, and keep on supplying them with the best planes that we have from year to year.

Mr. JOHNSON. That is exactly the program that they are trying to carry through.

Mr. PRICE. I do not agree. They ask us to wait each year until a new look is taken. Every year a new look. Every year a stretchout and a delay in reaching a minimum level of airpower necessary for security. I would say to the gentleman that Secretary Wilson, while he may use that argument when it comes to buying planes for our Air Force, does not advocate to the buyer of an automobile that he not buy the 1953 model because General Motors is coming out with a new model in 1954, does he?

The Clerk read as follows:

RESERVE PERSONNEL REQUIREMENTS

For pay, allowances, clothing, subsistence, transportation, travel and related expenses, as authorized by law, for personnel of the Army Reserve while on active duty undergoing Reserve training or while performing drills or equivalent duty, and for members of the Reserve Officers' Training Corps; subsistence for members of the Army Reserve for drills of 8 or more hours duration in any 1 calendar day; $85,500,000.

Mr. MILLER of Maryland. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am taking these few minutes to make clear a matter which appears in the report. You will note in the present bill there is a cut of some $17,409,000 in the allowances for Reserve personnel requirements. The committee, and certainly I do personally, want to make very clear the fact that our committee is in full sympathy with the problems of the civilian component sections of our Armed Forces, and we believe that a strong reserve program is highly desirable. We have no intention of attempting to retard its development by reducing the appropriation.

However, the facts are these: The Reserves had something over $40 million appropriated in 1953 or on hand available from prior years that they could not spend in the last fiscal year because the program had not developed as they and we would have liked it to develop. Actually, this year we are appropriating $85,500,000 for personnel of the Army Reserves which, although it is below what was requested, is in the considered judgment of the committee sufficient. Unless we get a break for the better, that is more money than they will be able to effectively spend this year.

Again may I call attention to what is stated on page 25 of the report, as follows:

In the event that this policy should prove productive of additional manpower and the estimated goals be reached at an early stage, the committee would be willing to undertake consideration of a supplemental fund request.

Personally, because I believe the Reserve National Guard program is one of the most economical ways to keep our defenses strong, I sincerely hope that the Army Reserve program will work out and that more money will be needed.

I take this time to emphasize that we do not have any intention of doing anything that might make it appear that we are out of sympathy with the Reserve program.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from California.

Mr. JOHNSON. I appreciate the remarks the gentleman made about the civilian components. At the present time we are trying to write a realistic Reserve bill that will put the Reserves, in their qualifications and in their benefits, equal to the Regulars. I am glad to hear the gentleman say that in event this program is worked out the Appropriations Committee will be glad to give them whatever money they need.

Mr. MILLER of Maryland. I am glad to hear that your great committee is working on that. There is much work that needs to be done. I am confident that as the program gets going there will be no trouble about the Appropriations Committee providing additional funds.

Mr. JOHNSON. I appreciate that comment. We have had exhaustive hearings already, and we are about to rewrite the bill, and I hope we may be able to bring the bill to the House soon.

Mr. YATES. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. YATES: On page 12, line 5, strike out "$85,500,000" and insert "$87,337,000."

Mr. YATES. Mr. Chairman, I want first to commend the committee upon its splendid job in fixing the appropriations for the Department of the Army. Ordinarily, I would not move to change any of its recommendations, but I believe that the program to which my amendment applies is of such importance that it deserves further consideration. We have heard a great deal of discussion this morning about the number of planes for our Air Force, and it is well that this subject should engage our attention because of its urgency to the security of our Nation. Yet it is equally, if not more important, that we concern ourselves as well with the men in our Armed Forces and with the training of our men. That is the purpose of my amendment, to protect the program of training our high-school students through the Junior Reserve Officer Training Corps.

The high-school ROTC program has been an excellent one. Year after year it has given good, fundamental military training to more than 66,000 boys a year on the average, throughout our Nation. The schools were satisfied with it, the boys were satisfied with it and presumably the Armed Forces were satisfied with it. Yet last year, for some unaccountable reason, the Army began the progressive destruction of the high-school ROTC program, an action which in my opinion was unfortunate, unnecessary, and unwarranted. It demonstrates a deplorable lack of judgment on the part of the Army.

On January 1, 1952, the Army had assigned 383 officers and 799 enlisted men as instructors under the program. The total cost to the Army for the year was $4,436,000. This year the number of instructors has been cut by the Army to 212 officers and 504 enlisted men, a cut of almost 40 percent. It has requested only the sum of $2,599,000, which has been allowed in full by the subcommittee.

Last year the blow fell without warning on the high schools in the city of Chicago when the Army removed 87.5 percent of the officers who had been assigned to the high-school training program. The enlisted personnel was cut by 55.4 percent. In response to the deluge of protests that followed its action, the Army increased to some degree the number of its instructors, but the revised numbers included 64.5 percent fewer officers and 53.5 percent fewer enlisted men than the Army had previously maintained. For example, Lane Technical High School, an institution in Chicago which maintained an ROTC unit of 700 boys, was given 1 sergeant by the Army to carry on all of its work.

It is not that the Army does not believe the program is a good one. Take a look at page 418 of the hearings. Mr. SIKES, a member of the subcommittee, is interrogating the witness, General Milton, as follows:

Mr. SIKES. Do you feel that you are getting value received for the money that is being spent for the junior ROTC work?

General MILTON. We think that military training at the high-school level has value but we do believe that we ought to delineate between training at the high-school level and training at the college level, and what we are proposing to do is to put all of our junior units in exactly the same basket and give them all the same credit, if any.

Mr. SIKES. I agree with that.

General MILTON. At the high-school level.

Mr. SIKES. What is your interpretation of value? Is it value to the boy or value to the country?

General MILTON. It is both, sir. From the standpoint of citizenship training, there is no better training in the world than high-school military training.

Yet the Army wants to cut this program.

Mr. SIKES. The average youngster today needs the discipline that he gets in military training. What other value is it?

General MILTON. To the boy, I think it is of inestimable value. I think it teaches him the discipline that is so necessary.

Mr. SIKES. We are agreed on that. What other values are there?

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General MILTON. From the country's standpoint, they are potential noncommissioned officers. When they go into the draft they have a little edge on those who have not had the training.

And yet the Army wants to cut this program.

Let me read you the unsolicited letter of a boy who has been through the ROTC program in Chicago and is now assigned to Fort Bragg, N. C., where he is a sergeant. The letter says:

FORT BRAGG, N. C., *October 31, 1952.*

Col. ARTHUR L. WARREN,
Professor of Military Science and Tactics, Chicago Public High Schools, Chicago, Ill.

DEAR SIR: Since I graduated from Bowen High School in June 1950, I've been following the doings of the RO in the Tribune. I read where the Army plans to cut the military instructors and just had to sound off.

I want to say I believe the ROTC was the best military training I had. While in school, I joined the National Guard (and of course) it could never even approach the ROTC in weapons training, drill and command, and any other military subject.

Since I've been in the Army, and the airborne, I haven't seen a group of men drill as good as our old picked platoon. I even compare the NCO's to my old military instructor, M. Sgt. Frank Marnul. Even while I was an assistant instructor down at Benning on the small arms committee, I never did encounter an instructor that had the military bearing or knowledge and appearance of Sergeant Marnul. I realize that a school's RO unit is only as good as the military instructors and even if you do have one good man at each school, he couldn't possibly do a halfway effective job with the cadets.

Sir, I only wish every kid would realize how much RO would help him in the Armed Forces in this day and age. I took some ribbing when I was in the RO but now I have the last laugh on everybody. The training I got in the good old junior ROTC was the best yet as far as I'm concerned. It was as good as the infantry school in many ways, and better in some.

I do hope that something can be done to keep the ROTC at its maximum efficiency. Maybe sometime in my military career, I can have the honor of being chosen to take a part in its training program.

Respectfully yours,

Sgt. JOSEPH E. HYEY,
RA 26338186, Company C., 325 Airborne Infantry Regiment, 82d Airborne Division.

The Army likes the program, the students like the program—what about the school system? The Chicago schools heartily endorses the program. Let me read to you the letter dated May 7, 1953, which I received from Mr. Herold C. Hunt, general superintendent of schools of the city of Chicago, which shows what he thinks about the program:

BOARD OF EDUCATION,
CITY OF CHICAGO,
Chicago, Ill., May 7, 1953.

Hon. SIDNEY R. YATES,
Member of Congress, House of Representatives, Washington, D. C.

DEAR CONGRESSMAN YATES: I have had your letter of April 28 before me and have considered what might be said briefly. Actually, the many reasons for a restoration of our ROTC instructor personnel to the former levels are so many and so involved as to defy brevity. I have therefore covered the situation at some length so that you may be adequately informed and attach a less voluminous summary for readier reference.

The authorization of personnel to the ROTC of the Chicago high schools, which includes 33 high schools, a central coordinating office for the officer in charge and an ROTC supply, where supplies, equipment, and training aids are received, stored, issued, and accounted for, included up to last summer 31 officers and 74 enlisted men. With this group and under the direction of the experienced colonel in charge, who constantly pushed his personnel to their limiting capacities, we had an unprecedently successful school year 1951–52. However, for the year 1951–52, as for several preceding years, the board of officers making the annual Federal inspection, a group of officers experienced with the junior ROTC, recommended that to adequately conduct a prescribed 3-year course of instruction, additional instructors were even then necessary in order that three instructors might be available in the schools to meet the three different year classes during those extensive periods when indoor classroom instruction was scheduled and made necessary because of the weather, which precludes outdoor instruction so much of the year in this area. For the outdoor and formation drills for the experience of cadet officers and noncommissioned officers in the most important subject of leadership, drill, and command, it is obvious that instruction groups for any given instruction period should be complete tactical units, i. e., battalion, companies, or platoons so that a proper distribution of ranks and grades could be present if adequate experience in leadership and command was to be had. This requires scheduling students of all 3-year groups for such periods. At the time of the last inspection in June 1952 there were 10 schools with but 2 instructors and there would have been 6 more except for a temporary overstrength due to early arrival of replacement personnel while those leaving were still here. In consequence, the proper authorization for the Chicago schools as reflected by the experienced officers of the board of inspectors should even have been 16 sergeants greater, not less as has since resulted.

Without warning last summer the Army suddenly proposed to reduce our ROTC instructor group, already short of the recommendations of the experienced inspectors, by 87.5 percent of its officers and 55.4 percent of its sergeant-instructors. This was ostensibly due to staff additional senior ROTC units in many small colleges, allegedly to produce more commissioned officers. However, this was noted as being at a time when the press and service journals carried reports from the Army of an excess of officers and many were reported as being discharged to civilian life. Coincidently, the majority of the officer candidate schools, from which all but two officers presently on this detail were appointed, were closed or enrollments greatly restricted after the establishment of these new units.

The cutback of last summer was according to a so-called formula which subsequently proved to be inadequate and ill-planned from the beginning. This formula was later, December 16, 1952, superseded by another formula under which we are now operating to a degree. While based on very different criteria, both formulas have proven inadequate to provide the instructors needed for an adequate program.

The present formula provides to the Army area commander 1 officer per 500 students or fraction thereof and 1 noncommissioned officer per 200 students or fraction thereof enrolled in junior ROTC. For Chicago the resulting apportionment made by the Fifth Army commander from this latest allocation has been a reduction of 64.5 percent of officers and 53.5 percent of enlisted men from the authorization of last year which your bill proposed to restore.

With the evident thought that the present authorization, established December 16, 1952, of officers and enlisted men was insufficient to maintain the ROTC units, the commanding general, Fifth Army, eventually discontinued the withdrawal of personnel and this school system and others locally have continued to operate with somewhat more than the authorization under the new formula. Due to the normal return of officers to civil life and in spite of the above action, our officer personnel has gradually reached that of the new formula, though our sergeant-instructors are currently 36.4 percent above that provided by the December 16 formula. Even in the face of this present excess of personnel above the provisions of the new formula, the Chicago schools have 18 high-school units with but a single sergeant-instructor—a most unsatisfactory condition.

While we are operating as best we can in an effort to approach the standards of last year these demands upon the remaining personnel cannot be continuous. A further deep concern is the inevitable loss of last year's experienced personnel and their eventual replacement with inexperienced and progressively more unreliable individuals. As the Korean situation has progressed the reliable noncommissioned officers of the past who remained on these school details for considerable periods are gone, many to be commissioned officers. The recent replacements, essentially from Korea, are in general younger, less reliable, and less stable. Always, since there is no prior training school for replacements, we have been able to team up new personnel with the older and experienced individuals for inservice training. It has in the past required 6 or 8 months and preferably a school cycle of a year before new personnel could be considered fully effective. Under this scheme the 2-year rotation policy barely permitted assigned personnel a year of full contribution. The present reduction in personnel under the so-called formula will provide for but one sergeant in practically every Chicago school. There will be no associates to bolster the less effective individuals and those who are still learning their jobs and no one with them in their schools to give the inservice training to new personnel. Noncommissioned officers coming from the Army, regardless of their individual merits, are not and should not be expected to be readymade teachers. Sergeants assigned in the past have rarely had more than a high-school education and often hardly that. Our other high-school teachers, except a limited few specialists, are required to have masters degrees and extensive training in education.

Another definite deficiency in the new formula providing but one sergeant for almost all schools is the fact that inevitable situations will require his absence from his school. There will remain no one to carry on his instructions which would have to be abandoned until his return. There is no slack in the system and no substitutes in the case of military instructors as provided for all other teachers. Illness of the sergeant, required dental attendance, emergencies at home, appearances at traffic court, and so forth, all must interrupt instructions. As examples, we have had a broken neck and a broken back among the causes of long-time absences this past year.

In the operation of the so-called formula there are other features mitigating against the larger ROTC units, the multiple units having several schools, such as Chicago, Los Angeles, Detroit, Kansas City, and so forth. ROTC units of a single school are provided an officer and a sergeant even though their enrollment be far less than 500 cadets. In a multiple unit provision is made for but one lone sergeant unless it is an unusually large unit of which there is but one in Chicago. Our situation here is that we now have a lone sergeant in 18 schools and upon full application of the formula this will be the case in probably 31 or 32 schools. Further, while the officer present in a one-unit school system is present at all times to give the necessary supervision and to handle the limited administrative requirements for the two individuals at the school, inadequate provision is made for the very impor-

tant supervision and none is made for the administrative requirements and the training directives, and so forth, required to coordinate widely separated schools covering large cities such as in Chicago where the thirty-three high schools are distributed over the city's area of 211 square miles.

In the consideration of a restoration of the number of instructors thought must be given to the fact that this should be accomplished at the earliest. While the disintegrating effect of the extensive partial reduction already effected is evident, restoration could yet be effected after a reasonable time. However, were present conditions to be long continued and especially were the full operation of the formula to be made effective for any considerable period, eventual restoration of the ROTC units to their former level of accomplishment and acceptance would probably be difficult and slow. What is now threatened is the status attained by our ROTC units over a period of almost 40 years. This is a psychological matter and cannot be turned off and on like the flow from a faucet. Once torn down, its buildup can be expected to be difficult. I have intended above to present the development of the present personnel situation which though bad is not by any means that to be expected should the present so-called formula be made fully effective, and so continued for some period.

Under present conditions we have had to organize our classes to permit emphasis on leadership, drill, and command. In consequence we have had to restrict and curtail instruction in the understaffed school units in classroom subjects to that which could be handled personally by 1 instructor in the eighteen 1-instructor schools. This has meant extensively combining the instruction of several year-groups rather than the instruction under a progressive 3-year course as should be the case. This will also mean much repetition of the prior year's work to cadets in succeeding years. A resulting drop in the level of attainment and interest can be expected.

Rifle markmanship, which is regarded as of great importance in military training, must also inevitably suffer as limited range facilities and present excessive demands upon his time permit the lone military instructor inadequate time for the necessary supervised firing of many cadets, every round of which he must personally control in the interests of safety. The time available for ROTC rifle teams and competition will likewise be curtailed.

Present conditions have made necessary the use of older cadets (cadet officers and noncommissioned officers) as instructors. While we have always used cadets to instruct in a limited group of appropriate subjects such as leadership, drill, and command, weapons and their care, etc., this has always been under the direct supervision and in the presence of the regular instructor. This system cannot well be extended to meet a deficiency in assigned instructors for several reasons. First, the time which cadets can give to the ROTC, is definitely limited by the other demands of the curriculum and their other activities. Then, too, the quality of cadet instruction could not be expected to be the standards required in formal classroom subjects, such as military hygiene and first aid, map reading, tactics, etc., as distinguished from drill and like subjects. With but one instructor, it would be impossible for him to be present and to supervise instruction in classwork in three different year-groups. Secondly, of primary consideration is the matter of accreditation.

The Chicago schools cannot permit the instructor force, in military subjects, or otherwise to prejudice any schools' accreditation by falling below the standards required by the North Central Association of College and Secondary Schools and the State of Illinois.

Military training in the Chicago school system started almost 40 years ago. It precedes the establishment of the ROTC itself by several years. It was a contribution by Chicago to national defense at that time and to the general national preparedness which was then so lacking. The Chicago schools have always supported the idea of the ROTC and have felt that the ROTC in turn has contributed much to the young men receiving its training. We feel that the training received, in addition to its military value to the national defense and to the individual in his present almost inevitable future service, has contributed much to the character, leadership, and general good citizenship of those receiving it, and has benefited materially those schools where it is offered.

To reduce the instructor personnel below that of the past cannot but injure the instruction offered. Where past instruction has been that essentially offered as basic instruction in the Army and supplemented by summer camp for firing of service weapons and maneuvers over open terrain, it might well be considered as the full equivalent for UMT credit and at great savings to the Government for rations, quarters, and other costs; the present limiting of instructor personnel will reduce the scope and quality of instruction to a point of somewhat doubtful value as military instruction.

Further, that this curtailed instruction will continue to be acceptable as the equivalent of the first year of college ROTC for those continuing with college ROTC or as satisfying the 2 years required military science for those in future attending colleges where military science is required and the student is unable or does not desire to pursue the ROTC college course is also probably more than doubtful.

Another, and possibly more important, facet is that students will not be attracted to an ROTC course which is considered inadequate or inacceptable. With so many in the present communities, fathers, brothers, etc., who have had basic training, nothing which is materially less will have standing and acceptability. Again, while the ROTC instruction under past conditions has been an asset to the schools in which it is offered, there is the present fear on the part of responsible school principals that to continue under the present curtailed instructor personnel may result in the ROTC becoming a liability in the school rather than an asset.

While the Chicago schools do not have the facilities to follow the life of its students after their graduation, there are available figures compiled shortly after January 1943. It was reported at that time that there were 4,381 former Chicago ROTC cadets then in the services. Since male high-school graduates may expect to be drafted or deferred temporarily due to enrollment in a college ROTC unit, it may be assumed that currently the 6,000 ROTC cadets of the Chicago schools are carrying their training and experience in leadership into the services and to the benefit of the national defense. Letters received from these former cadets by our military instructors indicate that they have been preferred for early promotion and in appropriate cases for officer candidate school, thereby contributing materially to the noncommissioned and officer leadership in the services. An available copy of one such unsolicited letter is attached. In many cases graduates have written back for copies of their records of military training upon the presentation of which they report their unit commanders were to appoint them as corporals. Many of our graduates on the basis of their training here have returned from Korea as master sergeants. Former cadets have written to our instructors thanking them and saying that the training received from those instructors had saved their lives in Korea.

The above will give some idea of our opinion of the value of past ROTC training and its evaluation by the former students. While the board of education has long supported and continues to support the program of military instruction in the Chicago schools, it is my opinion, and I am sure it is shared by the board, that we cannot reduce instruction now through curtailment of instructors to the point where we will offer instruction of which we cannot feel proud, which we feel is inadequate, and which might threaten in any way our accreditation.

That there may be no misconception as to the fine type of worthwhile young men who receive the ROTC training in Chicago's schools, I have at hand and am pleased, and proud, to inclose a picture recently made covering the presentation of commissions and warrants to the cadet officers and cadet noncommissioned officers of our city cadet corps staff, the overall cadet staff selected by competitive examination from the 33 schools in the city. I regret that my absence from the city did not permit me this year the pleasure of honoring these young men and of being in the picture—but I am, indeed, proud of every one of them.

We do sincerely appreciate all that you are doing to save our ROTC and to restore the instructor and supervisory personnel to the effective levels of last year.

Sincerely yours,

HAROLD C. HUNT,
General Superintendent of Schools.

In addition to the letter received from Mr. Hunt, I have received many letters from high-school principals expressing support of the program and urging that the action of the Army be rescinded and the program restored to full strength.

The veterans organizations, too, are concerned about what the Army is doing. On September 13, 1952, the American Legion called the matter to my attention and since that time I have been trying to get the Department of the Army to restore a reasonable number of instructors to the program, but to no avail. I am attaching to my remarks the letter which I received from Elliodor M. Libonati, chairman of the Americanism Commission of the American Legion, Department of Illinois, dated September 13, 1952, together with the resolution passed by the Department Executive Committee on October 3, 1952, which shows how seriously that organization views what is occurring to the training program in the Illinois high schools:

THE AMERICAN LEGION,
DEPARTMENT OF ILLINOIS,
AMERICANISM COMMISSION,
September 13, 1952.

Hon. SIDNEY R. YATES,
House of Representatives,
Washington, D. C.

DEAR SIR: I am writing you relative to a situation presently threatening the existence of ROTC in Chicago schools and in schools throughout the country.

The Army has issued an order reducing the instruction group by 87.5 percent of its officers and 55.4 percent of its instructor-sergeants. The new instructions provided for but 1 sergeant in each school and for a total of 4 officers, 1 to each 10 schools. (This would have the effect of requiring a single sergeant to attempt to instruct and supervise issues of uniforms and arms to over 700 cadets at Lane Technical High School—an impossible task here and even impracticable in smaller school units of 300 cadets—and to reducing the supervisors from 5 to 2 at a time, when the need for supervision would be greatest.)

The present orders are further inequitable in two respects: No reductions are made in personnel for college units nor for military school units (which are also junior units) and which, incidentally, are operated for profit. For these schools past authorizations

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for personnel have been and are far more generous than for public high school units.

Secondly, an unfair and inequitable distinction is made between school systems having multiple units (several high schools such as Chicago) wherein each school receives but one sergeant and school systems having a single high school, wherein the school receives both an officer and a sergeant, i. e., twice as many instructors and one of greater experience. The single unit school also has 100 percent immediate supervision by an officer whereas the multiple school with few officers and considerable distances between schools can have only very infrequent and inadequate supervision at the best.

The order creating the above situation originates within the Department of the Army, Office of the Adjutant General, entitled "Activation of ROTC Units for School Year 1952," date June 11, 1952, and is paragraph 7 of that letter, addressed among others, to "Commanding Generals, Continental Armies."

In the initial issuance of the orders above, the general superintendent of schools, Chicago, addressed commanding general, Fifth Army, a lengthy communication setting forth the destructive effects of the order and seeking relief. The commanding general, Fifth Army (then Maj. Gen. A. C. Smith) agreed that he personally believed an increase necessary and would bring the matter to the attention of the Department of the Army. Subsequent information was to the effect that favorable action was not had from the Department of the Army. However, the commanding general, Fifth Army, was still considering some measure of relief. Subsequently, the Chicago high schools are now in receipt of instructions cutting the ROTC personnel to 4 officers and 33 enlisted men, the wholly insufficient numbers reported above.

For the 33 ROTC units in the Chicago high schools, a rock-bottom minimum of 7 officers and 39 enlisted men is absolutely necessary, though 16 officers and 63 enlisted men are considered minimum to carry out in any reasonable degree the instructions which has been offered. If carried out to completion, the present orders will have the effect of reducing the military personnel in each individual school as shown below.

It is recommended that the offending provisions of the letter cited above be withdrawn by the Department of the Army and the past personnel authorizations be reestablished before irreparable harm is done to the existing units, some of which were established over 35 years ago, and 29 of the 33 were honor units in 1952.

In your district, Lane and Waller High Schools are affected. Under the present arrangement, these schools will have 1 sergeant each, while last year Lane had 1 major, 1 captain, and 8 sergeants commanding the detachment of 705 students; and Waller had 1 captain and 2 sergeants commanding 108 students.

We of the American Legion are tremendously interested in ROTC, the importance of which, in particular good citizenship and basic training in the military, I need not attempt to impress you with.

I am sorry that my letter has been so lengthy, but I felt you should have the facts.

We of the Legion would appreciate it very much if you would interest yourself in this situation.

I believe that you should render a protest to the Secretary of the Army relative to this matter, with a view to securing either a revocation of the order or some amelioration of the situation.

Sincerely yours,

ELLIODOR M. LIBONATI.

The following resolution was passed by the department executive committee of the Department of Illinois, the American Legion, at their meeting held in Bloomington, Ill., October 3, 1952.

"Whereas the Department of the Army has taken arbitrary action destructive to the junior ROTC through the withdrawal of essential instructor personnel, whereby 87.5 percent of the officers in the Chicago high schools and 55.4 percent of the instructor sergeants are being withdrawn; and

"Whereas these junior units have for almost 40 years contributed to the strengthening of the national defense and have provided thousands of young men with essential military training; and

"Whereas the need for adequate defense and military knowledge was never greater; and

"Whereas the draft will this year call into the services in large numbers young men but recently completing the junior ROTC course; and

"Whereas these young men from the junior ROTC will furnish the initial natural leadership in drafted groups and subsequently in the officer candidate schools: Therefore, be it

"Resolved by the American Legion, That we protest the administrative order of the Army which weakens the effectiveness of the junior ROTC and urge the Secretary of the Army, Frank Pace, Jr., to countermand the administrative order heretofore issued and restore immediately the instructor personnel, which has been withdrawn; be it further

"Resolved, That a copy of this resolution be sent to Frank Pace, Jr., Secretary of the Army, together with a protest of the department commander, Perce F. Brautigam, for his concurrent action here, and be it further

"Resolved, That a copy of this resolution be sent to the two Illinois Senators, PAUL DOUGLAS and EVERETT M. DIRKSEN, in Congress, and all the Representatives in the State of Illinois, for their attention and action."

LEONARD W. ESPER,
Department Adjutant.

Mr. Chairman, there are 66,000 high-school students in the ROTC program today. Sixty-six thousand boys are receiving training which would be of inestimable value to them if and when they enter military service in their later years, either through the draft or voluntary enlistment. The Army says that it considers its college ROTC program of greater value. Perhaps that is true from the Army's viewpoint, but what happens to the boys who never go to college? Are they to be deprived of additional military skill because they are unable to attend institutions of higher learning? The Army's views are persuasive but are not necessarily decisive. We want our boys to be as well trained as they can possibly be, and if they want to supplement the training they receive in later years when they enter the Armed Forces, by the preliminary program offered through the high schools, they should be given the opportunity to do so. It is the untrained soldier who is handicapped in military life, not the overtrained one.

If the Army is permitted to cripple this program by assignment of not enough instructors, it is certain that teaching must necessarily be inadequate and the training must necessarily be inferior.

Mr. Chairman, I urge the adoption of my amendment.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Illinois.

Mr. JONAS of Illinois. Can the gentleman inform us as to any information he has about what investigation was made that resulted in this cutback by the committee on this matter and related matters?

Mr. YATES. The committee has granted all of the funds requested for this program. It is the fault of the Army, not the committee. The Army is the agency that cut down the program.

Mr. JONAS of Illinois. Did anyone appear before the committee on behalf of the ROTC?

Mr. YATES. General Milton appeared on behalf of all the Reserve components and on page 418 he stated that it is a worthwhile program to the students and to the Army both.

Mr. JONAS of Illinois. The gentleman knows that many patriotic organizations are supporting him?

Mr. YATES. The American Legion is the one that called this to my attention, just as it called it to the attention of every Member of the House from Illinois, as well as the Senators. That organization is backing my amendment 100 percent.

Mr. FORD. Mr. Chairman, I ask unanimous consent that all debate on this paragraph and all amendments thereto close in 10 minutes, the last 5 minutes to be reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I rise at this time to commend the gentleman from Illinois for bringing this matter to the attention of the committee. I am not in agreement with his amendment because I do not think giving the Army additional money will in any way solve the problem. In other words, if they are out to wreck the high school ROTC program, they are going to wreck it as they have done already, in my opinion, without authority. I am particularly happy that this matter has been brought to the attention of the House so that the Members can realize what has been going on.

May I also say that the Brownson UMT substitute for the Vinson plan was the plan that the American Legion had for many years advocated. This was really an extension of the high school ROTC program and would have cost the country about one-tenth of what the Vinson UMT plan cost.

In the hearings and in the debate on the floor on UMT it was brought out how the Army in the past had commended the high school ROTC program as being one of great value and as being worthwhile. I suspect there is a real ulterior motive in the Army without authority abandoning this great program which if augmented instead of cut back would be of so much value to the country.

There is another factor I want to bring to the attention of the Members and it is one which I think is very serious.

We voted down the Vinson UMT bill last year, and as I analyze the Army procurement program of manpower in their present program, particularly with reference to vocational education, it looks like the Army is going ahead with the Vinson UMT plan in spite of the fact that the Congress of the United States

refused to go along. In digging into this vocational education program I find that the military are setting up vocational schools all over the country, although facilities already exist in our public school systems, our private vocational schools, and our industrial schools. It is complete duplication and a costly duplication. The military are not educators or trainers and they ought to get out of the business except that which pertains strictly to military training.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. YATES. Does not the gentleman feel that this may be the first step in the Army drive for UMT again?

Mr. CURTIS of Missouri. I certainly do, and I again want to commend the gentleman for bringing the matter up, although I cannot agree with going along for more money.

Mr. YATES. The reason for my asking for additional funds is the fact that had I sought to do it any other way, it would be subject to a point of order.

Mr. CURTIS of Missouri. I appreciate that.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. PRICE].

Mr. PRICE. Mr. Chairman, I endorse the amendment offered by the gentleman from Illinois. I think the junior ROTC is a definite asset to our Military Establishment and a wonderful training organization for high-school boys. I do not believe that any Member of this House wants to see the junior ROTC disturbed in any manner. I am certain that there are few Members of the House who knew that there was a step afoot to eventually destroy this program.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Missouri, our distinguished committee chairman.

Mr. SHORT. I want to simply say, Mr. Chairman, that I am heartily in accord with the amendment offered by the gentleman from Illinois [Mr. YATES]. I think it has much merit. If the armed services had paid attention to carry out the clear intent of the Congress relative to the ROTC and our Reserve forces, there would not be this continuous drive for UMT.

Mr. PRICE. I thank the gentleman from Missouri, my distinguished chairman.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. PRICE. I yield to the gentleman from Illinois.

Mr. JONAS of Illinois. I want to commend the gentleman from Illinois for the sound and sensible stand he is taking on this issue. Probably we who come from the larger areas, like the city of Chicago, where we have great institutions of learning, and who are going to have a great many ROTC units, realize more than they do in any other section of the country the necessity for maintaining the original personnel instead of cutting them down like they have done in this bill. I support the amendment.

Mr. YATES. Emphasizing what the gentleman from Illinois said, Lane Technical High School in Chicago has an ROTC unit of 700 students, and under the revised Army program today there is one sergeant in charge of that magnificent establishment. I think this amendment must be approved.

Mr. PRICE. I think the gentleman from Illinois is absolutely right. I hope the amendment offered by the gentleman from Illinois [Mr. YATES] will be adopted.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. DOYLE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DOYLE. Mr. Chairman, because I have personally observed the great benefits accruing to the boys who had the opportunity to be trained in ROTC units in several high schools in California, together with the fact that I have personally observed over a term of years great resulting benefits from the presence and activities of ROTC units in the same high schools to the community at large; and, because such result to the individual concerned as well as to the total high school populations and to the communities involved, naturally resulted in great good to our Nation, I therefore, gladly support the amendment of the distinguished gentleman from Illinois [Mr. YATES].

Why any segment of our total Military Establishment would these days, seek to cut down the number of ROTC units in our high schools, when they have so recently strenuously advocated universal military training, appears to me inconsistent and poorly conceived. Granting that they have said that they do not have trained officers to allocate to these ROTC units, yet, Mr. Chairman, I ask if there is any more important segment of our male youth population to be trained in a preliminary way, as is that segment of youth which is in the last 2 years of our senior high schools? But, because the Army has apparently taken their present position to delete a considerable number of high school ROTC's for the reasons that they claim they cannot spare the number of suitable trained officers for such work, I believe it is in the interest of our national security and defense that we add this $2 million to the budget so that our Defense Department can obtain either Active or Reserve Army personnel to furnish this strategic and essential training supervision for these American lads.

I am pleased to see that my distinguished Armed Services Committee chairman, the gentleman from Missouri [Mr. SHORT] on the Republican side of this House, also advocates this increase as represented by the Yates amendment.

May I again urge that these high school ROTC units are very essential and very valuable in the total scheme of our national military preparation, for our own national defense against Communist military aggression when and if it comes.

Now, Mr. Chairman, may I relate that I also regret that there are not more of the 1,400 junior and senior colleges in the United States who have the benefits of the college ROTC units. There are only about 450 American junior and senior colleges, I am informed, which do have the ROTC units.

Being fully aware as I am, that the policy of the present administration recites that it does not authorize the establishment of ROTC units in junior colleges for the reason, it is said, that they do not have sufficient money nor personnel to establish these units in the total number of 1,400 colleges not now having them, I also emphasize in this connection, Mr. Chairman, that here again in my judgment, is a very serious error; as it relates to our total national defense and security against any potential military aggressor.

I understand that about 50 percent of the students graduating from junior colleges in the United States continue on to undertake studies in our senior colleges and that about only 40 percent who attend senior college actually graduate. This and other factors, I recognize, may be a serious attrition percentage, between the freshmen who enter the senior college grades and those who graduate therefrom. Naturally, therefore, the Department of the Army now claims that its policy of not establishing ROTC units in junior colleges is justified.

Again, Mr. Chairman, I urge and emphasize that it be duly recognized, that it is ultimately far better to have students in our senior high schools and in our junior and senior colleges obtain as much of their military training as possible at the time they are in their respective high school or college grades or in connection with their usual high school and college attendance. This policy, even though it may cost considerable more money in the long run, I believe is sensible and sound.

Time does not permit me here this morning to state that there is, of course, a serious impact upon educational institutions which do not have an ROTC unit as compared with those that do. So I recommend that as our Military Establishment proceeds in consideration of its basic policy that it review the same as relates to ROTC units in our senior high schools and also in our junior and senior college educational institutions. Let us not miss the boat in these areas of looking after our national defense.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, in my statement in opposition to the amendmend offered by the gentleman from Illinois, I do not mean to cast any disparaging remarks concerning the junior ROTC program. It is simply a practical matter—where do we get the most results for the money spent. The Army has in its overall reserve program four different component programs. They have the regular reserve program, they have the senior college program, they have the first 2-year-college program, and then they have the junior- or high-school program.

The Army under the present strength setup has just so many officers and enlisted men they can assign to this type of a program, and the Army has to make a decision as to whether or not they get the most value out of assigning these

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people to the regular reserve program, which is an important part of our reserve-training setup, or whether they should assign their training personnel, officers and enlisted men, to a high-school-student group.

It is the considered opinion of the Army that they get more value for the defense of the country out of the assignment of their training personnel to the reserve program as such, the senior-college program and the first 2-year-college program. They feel they must assign their officer and enlisted strength to those particular programs.

The Army has its problem. They have so many officers and so many enlisted men. The Congress demands that they keep up their combat strength. If you do that, you have to have some reductions along the line elsewhere. We believe, based on the Army's presentation, that if they make the proper allocations we can get adequate officer and enlisted personnel in these various junior-high-school programs.

I have talked with the gentleman from Illinois about it, and I think that the Army has unfairly treated the city of Chicago in the allocation of the officers and enlisted men to this program. I have assured him, as he well knows, that I will work with him in trying to get from the Army a more realistic assignment. If we approach it that way, rather than adding dollars, I think we can achieve success.

One more thing. There is a technical objection to the gentleman's amendment. Actually this place in the bill is not the proper place for more money for more officers and enlisted men for this program. The pay of the Army is in the first paragraph of the Department of the Army section, so that in reality this amendment should come in the part relating to military personnel, Army.

In closing, let me reemphasize and reiterate one point. The Army feels, as we brought out in the testimony on page 417, that the Army is not getting the maximum value out of this program. The Army supplies the personnel for the training, the Army pays the bill, but a large percentage of those who get the training eventually go into the Navy or into the Air Force. The Army believes that this should be a servicewide supported program and not a charge against the Army as such.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Illinois.

Mr. YATES. With reference to what the gentleman has stated about the Army position that its college programs are more important, we know there are many high-school boys who do not go to college and they should be given the opportunity to have additional training, such as that offered by the high-school ROTC program. Second, when the Army talks about the fact that it does not have sufficient personnel, let me refer the gentleman to the Army Times of September 27, 1952—I think the gentleman from Florida spoke about it yesterday—which stated that the Army is cutting back its OCS schools so that the Army itself is depriving itself of the officers who could logically go into this program.

Mr. FORD. We are cutting back our OCS programs because we now have an even flow of officers coming from our various training programs. We have built up to where we can actually produce officers at the required rate.

In conclusion, let me say again that the Army feels that in this program they are not getting the best value for the dollar expended, when you compare it with the regular Reserve Corps, when you compare it with the college Reserve training program, and when you compare it with the first 2-year-college-training program.

Mr. Chairman, I urge the defeat of the amendment offered by the gentleman from Illinois.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. YATES].

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 29, noes 76.

So the amendment was rejected.

The Clerk read as follows:

RESEARCH AND DEVELOPMENT, ARMY

For necessary expenses of basic and applied scientific research, evaluation, and development, including maintenance, rehabilitation, lease and operation of facilities and equipment, not otherwise provided for; $345 million, to remain available until expended.

Mr. NELSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. NELSON: On page 13, line 19, at the end of the sentence add the following new sentence to the paragraph: "No part of any funds herein appropriated shall be used to maintain or aid in maintaining a tire-testing facility for any of the technical services of the Army at any place within or without the continental limits of the United States either directly or in collaboration with any other department or agency of the Government or with any private concern."

The CHAIRMAN. The gentleman from Maine [Mr. NELSON] is recognized in support of his amendment.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield.

Mr. FORD. I have consulted with the gentleman from Maine, and I think he has also consulted with the ranking minority Member, the distinguished gentleman from Texas. Inasmuch as this amendment conforms to the committee recommendation as expressed on page 27 of the committee report, we have no objection to the inclusion of this language in the bill.

Mr. NELSON. I thank the gentleman from Michigan.

Mr. Chairman, I offer this amendment on behalf of the gentleman from Ohio [Mr. HESS], who is chairman of the Subcommittee on Defense Activities of the Committee on Armed Services.

This committee has without much fanfare been devoting a great deal of time to investigations of various phases of procurement by each branch of the armed services in an effort to eliminate waste and extravagance.

Some time ago it completed an investigation of a tire-testing station at Camp Bullis, Tex., which has been operated by the Army in conjunction with the Reconstruction Finance Corporation. The operation of this station cost over $2 million in 1953 and was estimated to cost more in 1954. The tests conducted at this station exactly duplicate similar tests conducted by private industry on tires furnished to the Army and to the Government, whose performance is guaranteed by the private industry furnishing them. But as is usual, it is not a duplication but an embellishment. Where a private manufacturer for similar test purposes employs 99 people, the Government at Camp Bullis was employing 284.

Upon recommendation of our subcommittee, the Appropriations Committee, on page 27 of its report directs that the Army cease using appropriated funds for this purpose. It is the thought of our subcommittee that the Army should be specifically directed by law not to use any of its funds for this purpose, either at Camp Bullis or anywhere else within or outside the continental United States. It is for this purpose that the amendment is offered.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maine [Mr. NELSON].

The amendment was agreed to.

Mr. JAVITS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS: On page 13, line 18, strike out "$345,000,000" and insert "$370,000,000."

Mr. JAVITS. Mr. Chairman, my amendment proposes to restore to the bill the amount requested by the administration in its revised 1954 budget for research and development on the part of the Army. Mr. Chairman, in order to economize on the time of the House, I would like to say that if this amendment should carry, I would propose to offer similar amendments to other sections of the bill which relate to research and development in order to restore those amounts to the amounts for that purpose requested by the administration. It would in total mean a restoration of $107,400,000 which is the aggregate of the amounts cut by the committee in the items for the Army, Navy, and Air Force, and would result in restoring the bill in respect to research and development to the budget amounts requested by the administration.

Mr. Chairman, the fundamental argument in this is twofold. First, we are all thoroughly aware of the critical importance of the whole research and development program to the future of our country in terms of our own national security. This, too, is one area in which the rivalry is tremendous between ourselves and the Soviet Union and in which we have to be extremely alert and do an outstanding job.

Mr. Chairman, when one looks at the various projects—and I have tried to read into the situation—which are being worked on by the Army, the Navy, and the Air Force, and find that they include, among many other major headings, guided missiles, surface to surface in the Army; guided missiles for defense

and attack in the Air Force; rockets of various kinds in the Army; combat armor in the Army; treatment of casualties in the ground forces; and, of course, innovations in the whole field of jet-propelled aircraft one realizes the critical importance of this whole situation.

My amendment, Mr. Chairman, involves a fundamental question of policy. It is perfectly true that the committee could differ with the administration upon what it will allow in this highly important field of research and development. I may say the administration itself cut $270 million out of the aggregate research and development program for all of the armed services from the amount recommended by the Truman administration—cut it down from one billion and seven hundred plus millions of dollars to $1,500,000,000 in round figures. The committee will tell you, and it is quite true, that there are indirect items contained in this appropriation bill which will make the aggregate figure for research and development roughly $2 billion. The committee has cut items of approximately $910 million, which can be identified in the bill, by $107 million, so you have something over a 10-percent cut in the bill in the specific research and development items. I think this involves the fundamental principle for those of us who have decided we will go ahead and back the administration in its complete package for the national security of the country, that we should stand up for the administration's program to the letter, and, therefore, restore the items of the administration's request which have been stricken out, such as this one.

If we are going to take the arguments as to the administration's position in respect to the cut of the aircraft figures, then let us at least stick by the administration in all of its recommendations as to what it thinks is necessary on research and development. If you want the administration to carry the responsibility of its budget requests, give it the authority.

This is the first instance, so far in this bill, where the House is being asked to restore a figure to exactly what the administration asked for in its so-called 1954 version.

I should like to read what the Chairman of the Research and Development Board, which handles the coordination and advisory end of this program for all of the armed services, had to say. He is Dr. Whitman, a very distinguished scientist, and a leader in this whole field; and, as I say, the head of the Research and Development Board of the Defense Administration.

> Based upon full consideration of the evaluation of the threat of foreign aggression, it is my conviction that we can secure technical superiority in weapons and techniques in order to offset the great numerical superiority of our probable enemies, and from my knowledge of the research and development programs for military purposes, I sincerely believe that any marked reduction in the research and development fund would gravely compromise the security of the Nation.

I emphasize those words, "would gravely compromise the security of the Nation."

When you look at the committee report and see why the committee made the cuts—and we understand the anatomy of committees in this House only too well—they made the cuts apparently because their general reaction was that the item ought to be cut down somewhat. They say so in practically so many words on page 26 of the committee report under the heading "Research and Development" relating to the Army. This is what they say:

> The committee recommendation is based on a number of general reactions obtained during the hearings on this item.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JAVITS. I ask unanimous consent, Mr. Chairman, to proceed for 1 additional minute.

Mr. SCRIVNER. Mr. Chairman, I dislike very much to do it, but I am constrained to object.

The CHAIRMAN. Objection is heard.

Mr. JAVITS. The amount involved in the last amendment adopted as to tire testing was only $500,000 so that we should not be confined by that on the amendment I offer.

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from New York [Mr. JAVITS] has offered an amendment to increase the funds to be appropriated for research and development for the Department of the Army. If you will listen for a minute you will see the sound reasons why our subcommittee did take such action in making the recommendation of $345 million for research and development for the Army for the fiscal year 1954.

As of June 30, 1953, the research and development program for the Department of the Army will have $39,875,000 which they have not obligated, much less spent. This figure of $39,875,000, which they have not obligated as of June 30, does carry over into the fiscal year 1954. That figure was not anticipated to be as large at the time the revised budget was submitted to the Congress.

In addition to the unobligated funds, the research and development program for the Department of the Army has $437 million unexpended. That is considerably more than the figure they requested for the fiscal year 1954.

I repeat again two figures: The research and development program, Department of the Army, has unobligated $39,875,000; and they have unexpended $437 million.

Our committee during the testimony on this program was presented with an excellent group of witnesses by General Nichols and his staff. They did an outstanding job in explaining to the subcommittee what the research and development program of the Department of the Army was trying to do. Not one member of our committee wants to hurt or harm in any way whatsoever any of the worthwhile research and development programs.

We cut the program only 6.8 percent, and our reductions are explained in the committee report. But let me give you several specific examples. I refer to page 1546 of the committee hearings where the gentleman from Florida [Mr. SIKES] brought this point up and I am quoting:

> Mr. SIKES. Here is something from the personnel research section of the research and development progress report under subtask 5 entitled, "A Method for Synthesis of Factor Analysis Studies." It states here:
>
> "The technique of factor analysis is a widely used and important research tool aimed at giving a better understanding of the underlying abilities that personnel tests measure. In the area of test construction and administration, the method of factor analysis can be used to answer the question: How many traits, or abilities—or for convenience, factors—are measured by a given test or set of tests? Such information is used in improving the effectiveness of tests and test batteries. To date the technique of factor analysis has been developed to produce this information for the tests used in only one study at a time."

I repeat that our committee felt that the research and development program of the Department of the Army could do away with some of this kind of research.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. SIKES. It is perfectly all right for the gentleman to quote me as saying that I still do not know what it means.

Mr. FORD. It was the consensus of the other members of the committee along with the gentleman from Florida that we did not understand the explanation.

Mr. JAVITS. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. JAVITS. Will the gentleman say it is a standard of judgment for the Congress on research and development that the committee must understand the project before it can approve it?

Mr. FORD. We think they ought to be able to supply the committee with some kind of an explanation that ordinary people can understand.

Mr. JAVITS. I think that is normally true; but at the same time I do not think that in a highly technical research and development program you can set as a standard of judgment the proposition that nonscientists should understand a scientific subject.

Mr. FORD. Mr. Chairman I urge the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS].

The amendment was rejected.

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent that title III of the bill be considered as read and be open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. Is there amendment to title III?

Mr. KING of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I wish to address myself briefly to a portion of House Report

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No. 680 from the Committee on Appropriations on Department of Defense appropriation bill for 1954, the item promotion of rifle practice on page 27.

It is encouraging to note the committee recommends an appropriation of $100,000 for National Board purposes.

The committee further reports, however, that—

> It is the sense of the committee that the National Board should spare no effort in attempting to make available .22 caliber ammunition to the junior rifle clubs, and should, in fact, do its utmost to encourage the junior clubs.

The committee is to be commended for recognizing the importance of promotion of rifle practice among the juniors. However, since there is no appropriation for purchase of ammunition, which stocks are virtually exhausted, it is not understood how the National Board will be able to carry out this expressed sense of the committee.

As was pointed out by several witnesses appearing before the committee, the amount of $100,000 will provide the administrative machinery whereby essential equipment such as rifles, target carriers, range accessories, and so forth, can be loaned to civilian clubs enrolled in the program, and ammunition and marksmanship materials can be sold to those citizens who implement the program at the local level—sales which, incidentally, have averaged over a million dollars annually for the past several years.

I cannot overemphasize the importance of this $100,000 item. It provides the means to enable a small group of patriotic citizens to spend their own money in direct support of national defense and to keep alive an agency of the utmost importance to the defense of this Nation. However, it does not provide the $80,000 necessary to purchase 10 million rounds of .22 caliber ammunition for issue to juniors engaged in this training.

Should the thousands of patriotic citizens giving of their time and facilities also be expected to furnish all the ammunition for training these juniors? Or are we to make the youngsters buy all of their own? Have no fear. I can assure my colleagues that any ammunition issued for juniors under this program is used for training and reports are made on its expenditure. I, therefore, urge upon the House the necessity of providing some money for ammunition so the National Board can carry out the sense of the committee.

I quote again from the committee report:

> The senior rifle clubs, deprived of a partial potential membership by the Selective Service Act, are more and more composed of the "hobby shooters," generally older persons and more able to provide their own necessities. Services for this older group may well be abandoned in favor of concentration on the age group 12 to 18 years wherein basic elements of the handling of arms must still be taught.

I fail to see how the statement "senior rifle clubs, deprived of a partial potential membership by the Selective Service Act" is a statement related to fact.

It is well known that the million young men entering service every year are replaced in the civilian community by the million who come out of service each year. Let us not get our facts mixed. The Selective Service Act has nothing to do with the potential of senior rifle club activities except as those who have left service are, in ever-increasing numbers, engaging in markmanship training in an effort to improve their proficency while they retain a Reserve obligation.

As for the statement that the senior rifle clubs are "more and more composed of 'hobby shooters'"—no matter what you label it, hobby or not, that trained shooter is a man prepared to spring to defense of his country in war either in military uniform or if over military age as a member of State militia, or as an instructor of others.

The seniors are the strength and foundation of any junior program. To say that services for the senior group may well be abandoned in favor of concentration on the age group 12 to 18, is to deny the importance of maintaining marksmanship proficiency to all ablebodied citizens. The National Defense Act of 1916 and the 1924 law authorized and provided in part for "instruction of ablebodied citizens of the United States in marksmanship."

Several witnesses before the committee appealed for fiscal authority for transfer of surplus service ammunition to the National Board in likelihood of an early Korea truce. When an armistice takes place it is inevitable there will be in the long pipeline of supply considerable excess service ammunition. Since all services are now on cost-accounting system there is needed a legislative or fiscal authority to enable transfer of surplus ammunition to National Board uses.

There is so much to be gained in preparation of our citizens for defense of our country at such a small cost that I urge upon the House a favorable consideration of the comments here made on the committee report.

The CHAIRMAN. If there are no further amendments to title III, the Clerk will read.

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent that title IV be considered read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. BENNETT of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. BENNETT of Florida: Page 16, line 8, after the first semicolon, strike out "$63,300,000" and insert "$65,970,000."

Mr. BENNETT of Florida. Mr. Chairman, constituents of mine have written to me protesting the approximately 60-percent cut in the Naval Reserve program for the nonpaid Reserve personnel in the Navy. The funds involved provide for short, active duty, training periods. If this amendment is agreed to, it is my understanding that the Navy's program in this for the current year will be reestablished instead of being cut 60 percent.

As I understand it, the request of the Navy was for 10,800 officers and 4,000 enlisted men, while the grant given by the Bureau of the Budget was for 4,025 officers and 1,490 enlisted men. That is the situation in men. In dollars, the cut could be restored by adding $2,670,000 to the amount allowed in this bill, $1,262,682, to make a total of $4,932,682.

Mr. SHEPPARD. Mr. Chairman, will the gentleman yield?

Mr. BENNETT of Florida. I yield to the gentleman from California.

Mr. SHEPPARD. Is it not a fact that what the gentleman is referring to is a subject matter which was deleted from the bill by the Bureau of the Budget. It was not before the committee considering the bill and the committee now presenting the bill?

Mr. BENNETT of Florida. It is my understanding that this cut was made by the Bureau of the Budget, not by the committee.

Mr. Chairman, in reference to the Naval Reserve program it seems to me when we have these men who are willing to give their time and effort without pay to themselves they should be encouraged rather than discouraged. The major attraction for them, in many cases, is the fact that they get this period of training cruises, of 14 days of active duty every year, in the Naval Reserve. It seems to me that it is false economy to cut this money out of the bill, a cut which is drastic, so far as the nonpaid Naval Reserve is concerned. If we could have such a popular training program in the Army and in the Air Force I think we would certainly jump at the opportunity to see it established as an attraction for an adequate training of all Reserves.

It seems to me false economy to discard these thousands of officers and enlisted men in the Naval Reserve program simply on the theory of a little economy which cuts out these cruises and training periods.

My amendment would put the money back into the bill so that we will know that the program will continue as it is now with regard to these nonpaid enlisted men and officers in the Naval Reserve program.

Mr. OSTERTAG. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Florida [Mr. BENNETT].

Mr. Chairman, I desire to point out that the committee was very sympathetic, very interested and very cooperative in approaching what appeared to be the military policy in providing for a strong Reserve. I would like to point out the language of our report, in that the committee has allowed $63,300,000 for military personnel, Naval Reserve, an increase of $1,330,000 over the January budget and about $5,393,000 more than the estimated obligations of last year. This increase has been granted. In view of the importance of the Reserves to the adequate manning of the Navy in time of mobilization insofar as numbers are concerned, the bill provides for an increase from 140,000 to 152,000 men by June of 1954, and it is in line with the ultimate goal of 277,000. In addition to Naval Reserve I would like to point out that the Marine Corps Reserve calls for a build-up from 20,000 to 33,000 by June of 1954. These are pay units, of course.

Mr. BENNETT of Florida. Mr. Chairman, will the gentleman yield?

Mr. OSTERTAG. I yield to the gentleman from Florida.

Mr. BENNETT of Florida. I want to draw that distinction. The figures the gentleman refers to are for the pay and not the nonpay group to which this amendment refers.

Mr. OSTERTAG. The amendment that the gentleman from Florida has offered was not recomended in the budget by the Department of the Navy. What we have provided for is a strong Naval Reserve in line with the general policy.

Mr. BENNETT of Florida. Of course, it was not recommended by the Navy, because the Navy's hands are tied. On the other hand, it was not denied by the Navy. Once the administration decision has been made about the budget, the Navy has no right to come in and make recommendations, as the gentleman well knows. Their hands are tied. After they were turned down by the administration they were again turned down by reason of the fact that their hands were tied.

Mr. OSTERTAG. The gentleman is referring to both administrations, the Truman administration and the present administration?

Mr. BENNETT of Florida. I am not making any issue as between which administration.

Mr. OSTERTAG. I am not either except to point out that the administrations, past and present, have never presented a program along the line the gentleman's amendment calls for.

Mr. BENNETT of Florida. That may be, but it is a sad mistake to cut this money.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. BENNETT].

The amendment was rejected.

Mr. SHEPPARD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, with specific reference to the gentleman from Kansas [Mr. SCRIVNER] and the gentleman from New York [Mr. OSTERTAG] in order to avoid going into the general provisions of the bill as reflected on page 42, and I think is apropos under title 4, I would like to call your attention to section 618. Under the interpretations that have presently been given by the Office of the Secretary of Defense, it is indicated that they are about, if they have not already done so in some instances, to issue instructions to include an interpretation under section 618 that it would include patients. Of course, during the entire discussion of the bill "patients" was not included in the concept of the committee when section 618 was considered.

Mr. SCRIVNER. Mr. Chairman, if the gentleman will yield, that is correct. There was never any question about hospital patients being affected by this section; none whatsoever. The gentleman's interpretation is correct.

Mr. SHEPPARD. The reason why I am not offering an amendment to clarify this situation is because we were advised if the intent of Congress was clearly expressed on the floor, that the Department of Defense would not interpret section 618 to include patients.

Mr. SCRIVNER. Patients are not included, because it was not intended that they should be.

Mr. SHEPPARD. I thank the gentleman and this should remove any doubt that patients were included and clearly express the will of Congress.

Mr. OSTERTAG. Mr. Chairman, will the gentleman yield?

Mr. SHEPPARD. I yield to the gentleman from New York.

Mr. OSTERTAG. I, too, want to concur in the point the gentleman from California [Mr. SHEPPARD] has made and concur in what the gentleman from Kansas [Mr. SCRIVNER] has said, that it was not the intent of the committee and we did not believe that such an interpretation would be put upon the language of the report. Therefore, if it is clear now, we can assume that the administration will carry out that intent.

Mr. SHEPPARD. I have that assurance.

Mr. OSTERTAG. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Chairman, in order that the record may be clear, I should like to say just a few words about an item of $135,000 the committee eliminated from the appropriation service-wide operations for a proposed Office of Analysis and Review. As stated in the report, we felt that this office would be another layer of personnel superimposed on those already functioning in review of the budget requirements in the Navy and the Office of the Secretary of Defense.

The Secretary of the Navy has expressed some concern that the language of the committee report flatly denies the Navy the opportunity to establish this review group which would be in his office and report directly to him. While the committee still has serious doubts about the matter, and in any event does not believe added funds should be granted, if the Secretary nevertheless feels strongly that the office should be established, the committee is not inclined to object to a reprograming of funds otherwise available to cover minimum necessary expenses.

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent that title V, relating to the Department of the Air Force, be considered as read, and that amendments be in order to that title at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MAHON. Mr. Chairman, I have a series of four amendments which provide for an increase in the Air Force figures by $1,175,000,000. I have at the Clerk's desk four separate amendments. I also have at the Clerk's desk one consolidated amendment, which would carry out the so-called Vandenberg program for accelerating the Air Force buildup. I ask unanimous consent that all four of those amendments be considered en bloc.

The CHAIRMAN. The gentleman can offer all four amendments as one amendment.

Mr. MAHON. I offer the consolidated amendment which changes the figures in four places in the bill. I do not know whether that is entirely agreeable to the majority.

Mr. SCRIVNER. Inasmuch as the entire section has now been considered as read, I can see no objection. I think it should be realized that we are considering four amendments instead of just one, and we should govern ourselves accordingly.

May I make one inquiry of the gentleman from Texas. I have not had time to do the arithmetic. Do these four amendments include the increases as suggested by General Vandenberg?

Mr. MAHON. They do.

Mr. PASSMAN. Mr. Chairman, I move that the Committee do now rise, and on that I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SCRIVNER and Mr. MAHON.

The Committee divided; and the tellers reported that there were—ayes 7, noes 114.

So the motion was rejected.

Mr. MAHON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON:

Aircraft and related procurement: On page 27, line 13, strike out the symbol and figures "$3,495,000,000" and insert in lieu thereof the following: "$3,848,000,000."

Major procurement other than aircraft: Page 27, line 18, strike out "$600,000,000" and insert in lieu thereof "$650,000,000."

Maintenance and operation: Page 29, line 8, strike out "$3,050,000,000" and insert in lieu thereof "$3,650,000,000."

Military personnel requirements: Page 31, line 10, strike out "$3,270,000,000" and insert in lieu thereof "$3,442,000,000."

Mr. MAHON. Mr. Chairman, in a word, the amendment which I have offered represents the minimum requirements of the Air Force to continue as rapidly, as reasonably possible, toward the achievement of the 143-wing program as determined by the Joint Chiefs of Staff. Under the program before us in the revised budget estimate, we would have, at the beginning of 1956, 120 wings. This amendment provides that by June 30, 1957, a 143-wing program would be achieved. The component parts of this amendment are well outlined on pages 694 and 695 of the hearings. There is explained on those pages by the technicians of the Air Force precisely what each increase in appropriation would provide. I invite your attention to that portion of the Air Force hearings.

Mr. Chairman, when I was a small lad I recall seeing a motto on the wall of a country home. The words of that motto have lain dormant in my mind for years, but as this controversy has waged in the House they have come back to my memory. Those words were—

For when the One Great Scorer comes to write against your name
He marks not that you lost or won, but how you played the game.

I think the House of Representatives is the greatest legislative body in the world, and I think the Members of the House yesterday acquitted themselves with dignity and with strength in discussing the

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major issue in this bill. I think the country has reason to be proud of the Congress for abstaining from personalities, and debating this great and far-reaching question strictly on the basis of the merits of the case. That is where we must keep this battle pitched today. I had rather lose in a cause that will one day be vindicated than to win in a cause that will one day be repudiated.

This issue before us today is far-reaching in its consequences, and each Member will have the opportunity to stand and be counted on one side or the other. Those who are on one side will be just as sincere and honest as those on the other side will be. Let us lay that down as fundamental.

I could chide in good humor some of my colleagues who oppose this amendment and who are members of the committee. We had weeks and weeks of hearings, and about 4,000 pages of the hearings were printed. The issue was discussed at great length in the hearings, but it seems that those who were determined to oppose this amendment were not willing to trust themselves to the tender mercies of the House, based upon a printed record which had been developed over weeks of hearings. They have undoubtedly been resting somewhat upon an uneasy pillow.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MAHON. Mr. Chairman, I ask unanimous consent to proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. MAHON. So those fine and sincere opponents of my amendment ran up the distress signal on yesterday and called on the President in the White House for relief. The letter of the President was read to us yesterday. It was a fine, dignified letter. In my judgment, no man in America, or in the free world for that matter, would applaud any more sincerely the efforts of Members of Congress to express their views and do what, in their judgment, is best for the country, than President Eisenhower in the White House. I think if he had the opportunity to make a rubber stamp out of the 83d Congress he would refuse to do so. I think he wants every Member of Congress to follow his own judgment, based upon the facts and circumstances, and he does not want the Congress of the United States placed in a straitjacket. Every man is entitled to his views, and that goes for the Congress as well as for the executive branch of the Government.

This budget, as was pointed out yesterday, generally speaking, was devised and contrived in the Pentagon, as the budget always is, chiefly this time by our civilian officials, but with some assistance, of course, from the military officials. That fact is brought out crystal clear on page 390 of the defense hearings, and I quote the record:

Mr. MAHON. Who made the decision, whose idea was it that we make a defense cut of $5 billion in the Air Force? Was that done by the civilians in the Pentagon?

Deputy Defense Secretary KYES. I think I can answer that one. I was the most surprised man in the Pentagon when I found that was the result.

Mr. MAHON. Did the Bureau of the Budget suggest the $5 billion cut in the Air Force?

Secretary WILSON. No, sir.

Mr. MAHON. Did the President suggest it?

Secretary WILSON. No, sir.

Mr. MAHON. Did the Bureau of the Budget alter materially the recommendations of the Pentagon?

Secretary WILSON. No.

I skip a few lines here which are not material.

This request for new money which is really what we are talking about here today, was worked out in the Pentagon.

That is not inconsistent with other things that have been said on both sides of the aisle. There is no blinking the fact that our Chief Executive, whom we all honor and admire, was trying to bring down the expenses of the Government, a very laudable objective; and the effort was made to balance the budget at first, and it was seen that that was not possible. Then the word was passed down: "See if you can make a $5 billion cut in the Department of Defense and help us that much toward balancing the budget." There is nothing improper or dishonorable about that; it was a laudable undertaking to bring the budget into balance if possible. Then the decision was worked out, generally speaking, in the Pentagon that the $5 billion cut would be taken out of the Air Force and President Eisenhower submitted the budget that way. It was not he who originated the idea that the great cut be made in the Air Force. Yet he adopted the budget and is familiar with the budget; there is no doubt about that. He is a man of great capacity and understanding, and he is endorsing the budget. Let us not try to place the President in a wrong position; he is doing what he thinks is best for the country. I applaud him for following his best judgment and I merely ask the same right for Members of Congress.

Yes; I also applaud the attitude of Congress in trying to maintain its own integrity and in seeking to represent its own viewpoint. That has been done not only by Chairman REED but by many other Republican Members of the House. We somehow have a way in the House of Representatives—and praise the Lord for it—of standing on our two feet and voting our own convictions. When we have done that, we can sleep at night, but if we become totally subservient to any person or to any group, democracy is dead.

If, of course, the Department of Defense does not spend the money we cannot compel officials to do so, but here we are offering to make it available to them in order that they can proceed more rapidly toward the objective of a 143-wing Air Force program. We have done our duty and expressed our hopes. We may be wholly wrong. History may prove—and I hope it does prove—that I will have to eat my own words in the future and that out ahead of us is peace, understanding, no war, and no necessity for large military programs.

That may possibly be what the future holds. We must do the best we can under the facts and circumstances as they confront us today. As for me, I think the future looks pretty grim, and I am not willing to play partisan politics with national defense or retard the well-ordered, planned, and approved buildup of the United States Air Force.

The budget before us cuts down our objective of a 10,000 per year pilot training program to 7,200 per year. Those who vote for the amendment which I have offered vote for training 10,000 pilots a year rather than 7,200.

In the Pentagon, since the first of the year, our aircraft-production program has been altered, and if you will turn to page 870 of the hearings, you will observe that 1,900 planes have been eliminated. Some of those planes have proved not to be good, but I would prefer that adequate funds be appropriated in order to continue our air buildup of the best approved type planes in view of the fact that we are outnumbered in some very important fields of airpower.

Secretary Wilson's revised program for the Air Force eliminates some of those planes eliminated by cancellations and readjustments of previous programs. Twelve hundred of them are eliminated by the reduction in the current budget. There are those who favor such a drastic course, but I am not one of them.

Another significant thing in this is that while the Department of Defense officials knew something about what was going on in the slowdown of our military buildup, the facts are unrefuted that the Joint Chiefs of Staff were never called together and asked for a composite opinion as to what should be done. I quote again the following from the testimony of General Vandenberg, a member of the Joint Chiefs of Staff:

Question. Did the Air Force or its Chief of Staff approve the reduction of the Air Force to an interim goal of 120 wings?

Answer. The Air Force did not, and I did not.

Question. Have the Joint Chiefs of Staff approved a reduction of the Air Force program from 143 wings to 120 wings, either on an interim or any other basis?

Answer. They have not. As recently as March 1953 the Joint Chiefs of Staff stated to the Secretary of Defense that any reduction of the program of 143 wings to be attained as soon as practicable after fiscal year 1954 would increase the risk to national security beyond the dictates of national prudence.

Question. Are there any strategic factors which either reduce the Soviet threat below what it was when the 143-wing program was established or which reduce the air forces required to meet that threat?

Answer. There are no such factors known to me.

The Joint Chiefs of Staff in 1951, after the atomic bomb had been exploded in the Soviet Union, had a long series of meetings and stated at that time that our war plan required a minimum of 143 wings, 21 air divisions, 408 combatant ships. The Army and Navy have achieved approximately their objective but the Air Force is only within 60 percent of its objective. And the Air Force part of the program is the most sensitive and important of all. It represents the greatest deterrent to global war.

The only difference insofar as my amendment is concerned is that there are those who want to go more rapidly

toward our important air-power objective and there are those, on the other hand, who think we can afford to take a slower approach and rely for an interim period on a weaker Air Force.

Let me approach the issue in a little less formal way.

A few years ago I heard the teenagers singing a song which caught my fancy:

You've got to accentuate the positive, eliminate the negative, latch on to the affirmative, don't mess with Mr. In Between.

I am one of those who is not willing to mess around with Mr. In Between, with a slowdown interim program, if you please. I want the affirmative program to go forward at the earliest possible date.

This is not a political issue. I condemn the Democratic administration and my own party for not having gone forward more rapidly on this air-power program in the past. By the same token I condemn Secretary Wilson's interim program of delay. There is no partisanship about this thing to me. I think today of the boys in Korea and I remember that stern face of General Van Fleet when he was before the committee.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

(On request of Mr. HARRIS, and by unanimous consent, Mr. MAHON was given 5 additional minutes.)

Mr. MAHON. Mr. Chairman, General Van Fleet sat there in our committee room giving his testimony, by which I was deeply moved. I asked him:

What is your advice?

He was fresh from the horrible battlefields of Korea. I asked:

What is your advice based upon your experience as to what this committee should do toward providing funds?

Here is what General Van Fleet said:

I will answer that very frankly and tell you I am disgusted with the luxury of America and the paucity of preparedness.

That is what he said. He stated further:

I express my views as an American who pays a lot of taxes, and I am still willing to pay taxes to put America in better shape for my children and grandchildren.

That is the reason I am offering this amendment today, because I believe, if adopted, it will place us in a better position in the cold war which encircles the globe and in the hot war in Korea, where American boys are dying today. That is the whole point.

I am just wondering how the boys in Korea would vote today on the issue of greater military strength. No, I am not wondering. I know.

Now, there are those who say that I said on a previous occasion that we should not have legislation by hysteria. I stand by that statement and I repeat it. I also say we should not have legislation which indicates that Congress is forgetting the men in the fighting area of Korea and around the world, and their loved ones here in this country, who need a Military Establishment which is sufficiently strong to bring this hot war to an end and to win the initiative for the Western World in the globe-encircling cold war. That is the high level on which I approach this situation and I think that is the level from which we must approach it. We cannot bankrupt this country, as the President pointed out so ably and well. We should not now fully mobilize, that is true; we would not be in favor of it; nor can we let the partisans of the various services distort our defense needs. We just need to face the facts of life in this matter and follow what we said we were for last year and the year before and what the Joint Chiefs of Staff said they were for on March 5, 1953, the 143-wing airpower program.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I cannot recall, but perhaps the gentleman can point out in the testimony, where it was ever said by anybody that this program would take one single solitary plane out of Korea.

Mr. MAHON. If I made any such implication, it was not intended. The gentleman knows I have not.

Mr. SCRIVNER. That is the inference I gained.

Mr. MAHON. I just said that the new program cuts out 1,900 aircraft from the strength of the American Air Force, by cancellation and reevaluation of other programs, budget cuts, and otherwise. I cite page 870 of the Air Force hearings—the figures are not in dispute.

We must take into consideration the economic aspects of this question, my friends, in all calmness and quiet deliberation. This amendment will keep the President's budget intact with my amendment we will still be below the President's budget. Why should we not exercise our rights and duties as the elected representatives of the people. Poor little Congress cannot we have the right and the courage to change a few figures that have been sent down to us by the Bureau of the Budget. Why can we not exercise our judgment if we are worthy of our hire? If my amendment is adopted we will still be under the figure which the President said in his budget message was the amount of money required for national defense. We have made some readjustments which we have a perfect right to do, whether we are right or whether we are wrong. I have no patience with those who will hide behind the cloak of the President, whom we all respect, on the one hand, and then cut his defense budget by $1.3 billion. We were sent here to use our judgment, and I propose to do just that. I am pleased that those of us who are supporting an economy program, and I am, can rest assured that if my amendment is adopted the bill will still be below the President's budget.

In my judgment the duty of those who want a stronger voice on the part of our Nation for peace and stability is clear. Yet let no one be over persuaded. Each Member is responsible for his own vote.

Mr. HALLECK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Texas always makes an eloquent speech, but I could not find much in what he had to say in justification for his amendment. It was more difficult for me to understand his profession of respect for the ability and knowledge and capacity of our great President, Mr. Eisenhower, and then at the same time take such violent issue with him as to the adequacy of the amount provided by the committee for the Air Force.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I would like to point out that the gentleman from Texas did not question the wisdom of the President in the funds that he provided for the Army and the Navy.

Mr. HALLECK. Well, as I say, it has seemed to me somewhat inconsistent, to say the least.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. MAHON. Permit me to say that I do think the President's budget was too drastically cut in reference to those services.

Mr. HALLECK. Apparently the President does not think so, because he has written a letter under date of June 30 indicating his approval of this committee action.

It does seem to me that if you have that degree of confidence in him and those around him that has been expressed here so many times you might say, "Well, this bill is all right."

I have listened to a speech or two which tried to make it appear, it seemed to me, that the Republican Party is not for national defense. Certainly no insinuation or statement such as that will stand up, because through all the years we have been for a strong, adequate national defense.

Mr. MAHON. I wish to say that I fully agree with the gentleman that the Republican Members of Congress are strong for national defense.

Mr. HALLECK. I appreciate that. I did not mean to indicate that the gentleman from Texas so said.

Some suggestions have been made to me that this controversy may not have helped our position in the world. Let me just say that if such an end result as that has been brought about, it has in considerable measure, been brought about by what I consider highly intemperate, inflammatory statements that were made principally by Members on that side of the aisle and others who started at the outset to criticize and to excoriate the administration for this proposed cut, with demands, almost before the first words were spoken, that Secretary of Defense Wilson, one of the very ablest men ever to be in that position, resign. I say that does not contribute anything to the standing of the country or the support of our Government.

I do not think it contributed anything here for the acting minority leader to refer to the great prosperity that we Republicans inherited when we took over in the administration and in the Congress. If one wanted to talk about inheritances, one might say, "Yes, we

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have inherited the biggest debt that any nation ever had. We have the biggest spending and the highest taxes. Yes, and we have inherited a hot war and a cold war, and the necessity is put to us of appropriating upwards of $34 billion to carry on in the hot and the cold wars."

Now let us get down to the proposition that is before us. Of course, if one argued for the maximum of security for the Nation militarily he would say, "Let us go on a complete all-out mobilization. Let us shoot the works. Let us shut down all the automobile factories in Detroit, as we did in World War II, and put them to the production of war goods. Let us regiment everybody. Let us go all the way. That is the maximum."

We all know that if we went that far the end results could be completely disastrous for this country because, as you go that far, or to a position closely approximating it, you get to the point where you break down the strength of the Nation at home.

If you get to that point, what are you going to do if you do not have a war? Are you going to war anyway?

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. This is the great controversy in this bill, and as far as I know, the only one. It has been discussed here for hours and hours and hours. I do not know whether I am adding anything to the consideration, but I feel compelled to say something. I do hope, and I certainly do not want to transgress myself, that we can go on and conclude with this amendment and the consideration of the bill.

Mr. HARRIS. Mr. Chairman, if the gentleman will yield at this point, and I do not like to interrupt him, but I think it is very important to consider this point in connection with this amendment.

As I recall, in 1948 the President of the United States requested funds for a 48-group Air Force. The Congress of the United States gave to the President funds for a 70-group Air Force. The President of the United States did not see fit, as I recall, to utilize those funds for a 70-group Air Force. What could the gentleman tell us, if anything, with reference to the attitude of the present administration should these additional funds be appropriated that it has not requested?

Mr. HALLECK. Should they?

Mr. HARRIS. Yes.

Mr. HALLECK. Why, the President's letter, which has been read here and which is in the RECORD, makes it very clear and is evidence of the fact that the President and his administration are satisfied with these funds here provided in the bill. I have spoken of this all-out total mobilization. No one is arguing for that. The question then is, What balance do we strike between total mobilization and the necessities of our situation here at home? That is the important phase to consider. Before we consider that particular matter of balance, I think it is also necessary that we figure the balance between the armed services themselves. We all know of the competitive bidding that is constantly carried on for more and more of the taxpayers' dollar between the services, and some argue that we ought to appropriate enough for each of the armed services to completely defend the country without regard to the efforts of any other part of the service. I say the administration in its recommendations here has undertaken to bring about that sort of a reasonable balance between the different branches of the Armed Forces. Likewise, I think the administration and this great committee who have brought this bill to us has undertaken to balance the necessities of our security against armed aggression; and also the necessities of our situation at home.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. MASON. Does the gentleman know of any man in the world who is better qualified to adjust the jealousies and arguments between the Armed Forces of our Nation than the President of the United States?

Mr. HALLECK. So far as I am concerned, I think he is the outstanding man in the country, and I am very happy that in these critical times we have a man of his training, experience, and background as President of the United States.

Mr. Chairman, I heard President Eisenhower make a report in the Congressional Library when he returned from Europe. He made a statement which made a deep impression on me, and which to me is still a guiding light. He said the Armed Forces of the country are but the cutting edge of a great tool—the cutting edge of a great machine, and that great machine is the great productive enterprise capacity of the United States of America. What a tragedy it is going to be if we appropriate untold billions and billions of dollars and by appropriating too much, lose the very freedom that we seek to preserve for ourselves and our posterity—and lose that without firing another shot outside of Korea. I know there is concern on the part of many people about the fact that we are spending too much money. We hear it on every hand. It is evident in the cries of the people for tax relief. They say, "Keep your expenditures down." But I am sure no one wants to do that at the expense of our national security. At the same time there must be a reasonable balance and a reasonable determination of what is in the best interests of our country.

I think we have that reasonable balance. I know that this is a responsibility. I sensed some of the undertones in the speeches of the gentleman from Texas and others that one day we may regret this vote. Well, if the third world war comes, and certainly I hope it does not, but if it does I suppose those of us who oppose this amendment will be accused of having sold the country down the river. I still hear about that little vote concerning the harbor improvements at Guam—and, of course, that did not have anything to do with what happened at Pearl Harbor. But here again all I can do is to approach this on the basis of my responsibility as I see it.

What I am getting at is that I think plenty of money has been provided here for the Air Force. I think it is all that they can use and use well. I think it does achieve a measure of balance. I know some people would hope that we could have an Air Force that would prevent the first bomb even from being dropped on Detroit or Chicago or Pittsburgh or Washington. We are told that no definite assurance can be given of that, but the gentleman from New Jersey [Mr. SIEMINSKI], in his very able speech, pointed out something that we ought to remember, when he said that surely, our planes blasted German cities in World War II; and it was claimed that they were wiped out. And then in 2 or 3 weeks they had to go back again with the Air Force because, somehow or other, they got going and they had twice as much production coming out as they had before. Of course, no one blow is going to render this country helpless. You can knock off the roof of a lot of these machines, and then they will get the debris out of the way and continue producing the products they had been making.

I went over to the Union Station when that train forgot to stop and went on into the station. Such a scene of destruction and devastation I never saw, and as I looked at it I thought, my goodness, it will be months before they ever get that straightened out. I went back in 2 days and you would not have known that there had been a locomotive and a couple of cars in the Union Station. It is true they were cutting the engine up down in the basement, but business was going on as usual.

As we consider the whole matter, the matter of balance, may I say again, in conclusion, that this new team under President Eisenhower is intent on giving the people of this country a dollar's worth of defense for every taxpayer's dollar that they spend. They have come up with this as a balanced program, a balance between the services and a balance between the services and our economy. And that being true, I sincerely hope that those of you who profess great confidence in the President, and in those around him, will support us in our opposition to this amendment, because opposition to this amendment is the Eisenhower program.

Mr. HRUSKA. Mr. Chairman, I rise in opposition to the amendment, and I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. HRUSKA. Mr. Chairman, we have been told that it would be well not to err on the side of weakness; if we are going to err we should err on the side of strength. We have been told that it is not well to hide behind the cloak of our President, and we should not have patience with those who do. We have been told that we should not suffer these cuts to be made in an Air Force budget that is down to a point where the cuts are more than enough.

We have been asked why we have completely reversed our position from the 143-wing program which we approved here in previous Congresses, and now we are taking steps to wreck that Air Force and to wreck that program.

I think it might be well if we discard that type of generality in favor of discussing the amendment proper. We should first bear in mind that no one is advocating here a cut in the Air Force. No one here is advocating an Air Force but what will be stronger 6 months from now than it is now, much stronger than that 12 months later, and progressively on.

In essence, the modified 120-wing program is simply this. It is simply that we are taking out of that 143-wing program certain wings which do not bear on combat strength, and we are deferring those noncombat wings in favor of an early execution of that portion of the 143-wing program consisting of combat wings. That is what is being done, and that is why it is being done. One hundred and twenty wing interim goal. In the meantime there will be a complete restudy of the situation by the new Joint Chiefs of Staff. It will be submitted in December and acted upon by this Congress in its new appropriations actions. It should also be said that all of the 143 wings, with the exception of the B–66's, are provided for in 1953 and prior appropriations. The only reason for asking moneys here is for the purpose of further modernizing additional combat wings. The planes going into the combat wings which are being formed now are being paid for out of appropriations for 1953 and prior money.

As to whether or not the 143-wing plane force is abandoned, I quote from Secretary Talbott's testimony:

I do not for 1 moment consider that we have abandoned the 143-wing Air Force.

He further states:

The reduction in our request for funds in fiscal year 1954 will not change delivery schedules of bomber, fighter, and reconnaissance aircraft, nor will it prevent our carrying out the 143-wing aircraft program in these categories if appropriate reorders of production items are executed by July 1954. I am satisfied that it is now practical to reduce reorder lead times in most of our combat aircraft, and doing so permits the elimination of many aircraft heretofore programed for purchase from 1954 funds.

Now, getting down to the amendment itself—I think it was quite observable in the argument so far made up until this time that we have had no discussion about the basis of the allocation of this $1,175,000,000, and I propose to overcome that deficiency right now.

First, aircraft. In the proposed amendment a request for $353 million on an item in which there is presently ready for obligation and ready for expenditure a total of $23,157,000,000. There will be a carryover into 1955 of $16,157,000,000 after the next 12 months of expenditures have been executed. If the amount of $353 million requested by the Vandenberg amendment for that purpose is allowed, the rate of expenditure we will experience in the next 12 months will result in that additional authority lasting for an additional 20 spending days.

If the additional 447 airlift and support aircraft stated by Vandenberg as required are found to be necessary in that finance period, they can be financed, says Secretary Wilson, by reducing further finance lead time in the aircraft-funding program.

I tell you right now that while General Vandenberg is eminent in his own field this is not necessarily true as to the field of production and finance. Secretary Wilson, in my judgment and in the judgment of many, is preeminent in that field.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. HRUSKA. I yield.

Mr. SCRIVNER. I also point out that if some of these contracts are to be canceled which are now being discussed that will give funds that can be deobligated and add still further funds for the procurement of new craft.

Mr. HRUSKA. That is right, and 10 days ago we witnessed the cancellation of a contract which fell in that category.

The next major item is "Major procurement other than aircraft," where request is made for $50 million. On that score we have in the January budget a request for $900 million. That has been cut to $600 million. In the January budget no carryover funds were considered whatsoever. Since that time $340 million has been uncovered in the carryover fund. Add the $600 million which is in the budget to the $340 million in the carryover and we have available for this major procurement item as virtually new authority the sum of $940 million, which is $40 million more than what the January budget contained. Hence the $50 million addition recommended by General Vandenberg is not necessary.

The next item is military construction. General Vandenberg wants $260 million more for this purpose. We have presently, as of June 30, 1953, unobligated in 1953 and prior-year funds a total of $1,641,000,000, plus obligated funds of $987 million, making a total of over $2,628,000,000 available for expenditure for the construction of air bases and military construction for the Air Force. Now, then, we have an amount of money, $1,641,000,000, which was not even obligated on June 30. For anyone to come here and say he wants $260 million more so that it only adds to that already on hand and unobligated, then one wonders what useful purpose can be served thereby.

It might be said that there was a freeze order in February. It might also be said that the funds, of which $1,641,000,000 is a part, were appropriated last July, so there was time to obligate those funds if there had been an effort made to do so and if the need is as urgent and pressing as now represented.

As to maintenance and operation, the request is made for $600 million for that account. I might direct your attention to page 49 in the report wherein the spares and spare parts account is discussed. The bulk of those spares and spare parts is found either in maintenance and operation or aircraft procurement.

In brief, since July 1, 1950, here is the history of that spares account: A total of $12,700,000,000 has been appropriated for the spares and spare parts account, initial spares as well as subsequent spares. Out of $12,700,000,000, which takes us up to June 30, 1954, a total of only $1,700,000,000 will have been spent by June 30 of next year, so that we have a carryover, Mr. Chairman, in that spares account of $11 billion as of that time. Yet there is a request for additional funds.

I ask, Why do we need additional funds when the only result will be to add to already excessive advance financing.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

(On request of Mr. SCRIVNER, and by unanimous consent, Mr. HRUSKA was given 3 additional minutes.)

Mr. HRUSKA. Mr. Chairman, in conclusion, as I said yesterday, it seems to me that we have here two approaches to this entire subject. There are two basic concepts involved here. One concept is founded on the idea that there is one day against which we must plan by way of air preparedness. That is the concept that General Vandenberg had because he said in his testimony on June 12 about an air force:

We are talking about an air force as of a day that we must be ready to meet the Soviet Air Force in order to avoid disaster—a day.

Anyone can pick any day they want to. My date is 1954.

General Eisenhower, on the other hand, in discussing this budget says:

The essence of the change is this. We reject the idea that we must build up to a maximum attainable strength for some specific date theoretically fixed for a specified time in the future. Defense is not a matter of maximum strength for a single date. It is a matter of adequate protection to be projected as far into the future as the actions and apparent purposes of others may compel us.

Mr. Chairman, here is a matter of major policy to be decided. Is that not what we are called upon to decide today, not loyalty to the President, but adoption of major policy from two choices, one coming from the military and one from civil authorities.

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Mr. Chairman, I repeat what I said yesterday. I firmly believe that America has not yet reached the place where we are willing to repudiate the civilian authority, duly constituted and residing in the executive branch, in favor of the military on this kind of situation.

Mr. SCRIVNER. Mr. Chairman, I rise in opposition to the amendment and ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Chairman, I wonder if we can reach any agreement as to time. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close at 3:15.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. SCRIVNER. Mr. Chairman, in the more than 10 years that I have now been a Member of the House, I have never, at any time, as far as I can recall, ever called any personal attention to myself. Those of you who have read the CONGRESSIONAL RECORD know what my military service has been. Following my military service for more than 30 years as a member of the American Legion, as post commander, and past department commander I have advocated a strong and adequate defense, and I am today doing that very same thing. This is not weakening the national defense at all. It is an attempt to give you an even better and stronger defense than you have today by far.

I would point out that some of those who have been quoted as authorities, General Vandenberg, General Bradley, and General Eisenhower when he was Chief of Staff, stated emphatically it was not the job of the Chief of Staff to discuss dollars in the budget, yet General Vandenberg is attempting to do that very thing. All three of them said it was the province of the civilians, it was the province of the Secretary of Defense, it was the province of the National Security Board, it was the province of the President to say how much should be budgeted for all agencies, including national defense.

You can rest assured of one thing, and you can tell every boy in Korea, that this is not taking one combat plane away from them.

Let us look at some of the figures General Vandenberg has submitted. They are General Vandenberg's figures, they are not the figures of the Air Force. The Air Force supported this budget.

He wants more money for maintenance and operations, $600 million. We cut this appropriation. We should have cut it much more. Yet when you sit down and check his calculations, or whoever made them for him, you will find that flying hours as figured in the bill were rated at $376 per flying hour for maintenance and operation, but when you check the request here for an additional 1,200,000 hours for $600 million, that makes it cost us $500 an hour for these added hours. So how reliable are his figures?

Then he comes down to military personnel. He wants $172 million more. If you sit down and figure, as we have in the committee, you will find that for the number of men in the Air Force, 970,000, the appropriation provides $3,371 for each, but to add this $172 million for the men he wants raises that cost to $4,586, or an increase of almost 30 percent. So how good are those figures?

We heard something said yesterday, much to my amazement, about our having a second-class or a second-rate Air Force. If it is, who has been the Chief of Staff that gave us a second-class Air Force? It is the General Vandenberg upon whom they now rely.

If you will read the RECORD, you will see that the gentleman from Texas expresses shock at the disclosures that were made about our Air Force. Ten wings of the present 106 wings do not have any combat planes. If you knew how many were rated 33 percent or less combat ready, or if you knew how many were rated 66 percent or less combat ready, you would realize the commonsense approach we are taking here to make these 120 wings fully manned, fully equipped with the latest planes, and ready to go. You cannot drop a bomb, you cannot stop a bomber, with a paper wing. It is not the number of wings, it is the number of planes that you can get into the air to defend your own country and get over military targets. This program will give you more planes and better manned planes than you have today or would have under the proposed 143-wing program.

Somebody referred to a showcase or show-window Air Force. No; it is not. We have a good one, and it is going to be better a year from now. This program will give you 120 solid wings upon which you then can move to build to 143 if the conference of the Joint Chiefs of Staff and the President recommends it. I give you my word that after they have studied this, if they say more than 120 wings are needed, they will get my support for that program, and I am sure they will get support from every Member of Congress. The choice before you today is simply stated. Are you going to follow the advice and recommendations contained in this budget as established by President Eisenhower, who without doubt is today's outstanding military expert in all its phases? He is the man who led our troops to victory in World War II in Europe. He is the man upon whose experience and sound judgment the American public have placed their confidence for the future. He is the man upon whom they put their resounding stamp of approval last November. Or are you going to follow the advice and request and plea of General Vandenberg?

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YOUNGER].

Mr. YOUNGER. Mr. Chairman, I do not come before you as an expert. I do rise in opposition to this amendment because I have tried to find out what is meant by this mythical number of 143 air wings. Recently you heard the program Youth Wants To Know. General Vandenberg was on that program, and the youth asked him the question: "How many planes are in a wing?" He came back with the answer, and said he was surprised that there was a general lack of information on that question. His answer was, "Any number of planes which a man can command in the air." That was his answer. Any number of planes which a man can command in the air. What if we had the same relationship in the Infantry and we had the same number of soldiers that a man can command in the field? You would not have any commands at all, because one man can command a great many more than another. That is not all. I have statistics here, and I am going to insert them in the RECORD. Dating from 1951, there have been 8 different guesses of the Air Force as to how many men are required in an air wing, and it ranges from 11,158 down to 7,043. There is no question but that these are mythical numbers that we are talking about. By their own figures, they do not apply to the protection of our country and to the number of effective combat planes that we need.

How many men does the Air Force need?

The guesses	In men	In wings	Men/wing
Guess 1: The pre-1951 authorization	1.06 million	95	11,158
Guess 2: The 1951 Air Force long-range proposal	1.7 million	143 by 1954	11,111
Guess 3: 1951 revision approved by President and Joint Chiefs and supported by Air Force.	1.2 million	do	8,462
Guess 4: Truman budget submitted to 83d Cong	1.061 million	133 by 1954	7,977
	1.14 million	143 by 1955	7,956
	1.155 million	143 by 1956	8,076
Guess 5: Present Air Force strength	980,000	106 (in being)	8,481
Guess 6: Wilson cuts presented to 83d Cong	900,000	110 by 1954	8,727
	915,000	115 by 1955	7,956
—and as revised	900,000	do	7,043
	(No figure)	120 by 1956	
Guess 7: Air Force estimate of minimum needs for Wilson's 120 wings by 1956.	965,000	do	8,042
Guess 8: Vandenberg's compromise presented to Senate Appropriations Committee, June 18, 1953.	1.035 million	120 by mid-1954	8,625

Source: Wilson testimony, Vandenberg testimony, USAF statements in CONGRESSIONAL RECORD, and Aviation Week, whose alleged but now-unconfirmed source is USAF.

Air Force money, men, and airplanes, 1946 to present

Year	Appropriations (Aircraft and related only)	Expenditures (Aircraft and related only)	Aircraft on hand: Combat	Aircraft on hand: Total	Personnel (active, military)
	Millions	*Millions*			
1946	$393.2	$370.7	26,077	44,782	455,515
1947	477.5	370.7	17,186	30,035	305,827
1948	1,641.6	630.6	13,118	23,814	387,730
1949	731.2	601.6	9,031	20,066	419,347
1950	1,656.9	1,269.1	8,004	17,222	411,277
1951	8,114	1,939	8,159	17,337	788,381
1952	11,882	4,000	----------	[1] (20,000)	[2] 973,474
1953	12,665	6,000	----------	[3] (22,000)	[4] 960,000

[1] Includes 16,000 active inventory and 4,000 active. No details available.
[2] Does not include 9,787 engineers in Army uniform but paid by the Air Force.
[3] Unspecified round figure given by Wilson in hearings. No details available.
[4] Estimated.

Sources:
Appropriations and expenditures—Defense Department and Aviation Week, Mar. 2, 1953, p. 47.
Aircraft on hand—Legislative Reference Service and Aviation Week, Mar. 2, 1953, p. 4507, who both give USAF for source. But USAF now declines to confirm.
Military personnel—Air Force Desk, Press Branch, Office, Secretary of Defense.

Not only that, but this matter of piling appropriations upon appropriations only leads to waste. Let me look at the figures here. In 1948, the Congress appropriated $1,641,000,000 to the Air Force, and it was not until 1951 that they were able to spend that amount of money. In 1951, they appropriated $8,114,000,000 for the Air Force, and up until 1953 they have only been able to spend $6 billion in any one year. I ask you if that is an intelligent way to appropriate, by piling appropriation upon appropriation, which only leads to waste—and I do not care to what department of Government it is given—when we pass that kind of an appropriation, it will only lead to waste.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I rise in opposition to the Mahon amendment.

On the 18th of February last, one of the most experienced Members of this House, at least experienced in handling military appropriations, had this advice to give to the new civilian team that was placed in charge of our Defense Establishment. These are some of the words that he used:

> They must not permit themselves to become the captives of the admirals and the generals, and yet they must not ignore sound military advice.
>
> The problem is cutting military spending without reducing military strength. If I were to write an open letter from the floor of the House this afternoon to the Secretary of Defense and his businessmen associates, I would say to them: When you are convinced that economies can be made, national defense promoted, and the taxpayer served, do not let anyone, not even the top brass in the Pentagon, the admirals and the generals, dissuade you. In other words, in the language of the current song: Don't Let the Stars Get in Your Eyes. Our plea is that you do a job for the taxpayer and the American people on the defense budget.

The man who gave us those sage words of advice in February is the man who is the author of this amendment today, the man who is not now willing for us to take the advice of the civilian chiefs in the Defense Department who have submitted this budget to us. Instead, he would take the advice of one of the generals that he says we should not let his stars get in our eyes, General Vandenberg.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Wisconsin. I have only 3 minutes. I cannot yield.

Mr. Chairman, I do not yield. I hope this interruption will not be taken out of my time.

No one here will contest General Vandenberg's ability as a combat leader, but I think any of you who have served on committees where his testimony has been given can fairly say that he does not qualify as an expert witness on matters of personnel, on matters of procurement, on matters of materiel, or on matters of administration. I am satisfied that these civilian leaders who have jumped into this breach to attempt to save some money for the American taxpayers, and give us a good defense at the same time, are better quailfied to serve as expert witnesses than is General Vandenberg.

In one sentence I would say they are better prepared to turn our dollars into tools of defense than is this one general.

Just this morning we completed testimony on the Air Force military construction program for 1954.

We heard, as the final witness, Mr. Frank Creedon, the retiring Director of Installations in the Office of the Secretary of Defense. Frank Creedon is a man for whom our subcommittee has gained great respect. He does not happen to be a member of the new civilian team in the Defense Department. He told us, as a holdover expert on construction, how he had turned down a request for new Air Force public works authorizations because the Air Force needed to digest what they already had authorized.

Now General Vandenberg recommended, at the same time he made the recommendations on which the Mahon amendment is based, that the Air Force have an additional $260 million for military construction.

I think that Mr. Creedon's words on military construction apply to the other items in General Vandenberg's recommendations for more money. The Air Force should have an opportunity to digest the billions they have.

This is not a case of less dollars for less defense. It is instead, I am convinced, a case of more real tangible defense with less money.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. WHEELER].

(Mr. WILLIAMS of Mississippi by unanimous consent granted the time allotted to him to the gentleman from Georgia [Mr. WHEELER].)

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. WHEELER. I yield to the gentleman from Texas.

Mr. MAHON. I want to thank the gentleman from Wisconsin [Mr. DAVIS], for making reference to my remarks of a few weeks ago that we do not want to let the stars get in our eyes. We do not want to let the stars get in our eyes, but we do want to get the 143 wings in the skies, and that is the objective of the Mahon amendment.

Mr. WHEELER. Mr. Chairman, I have hesitated to take the floor of the House on this subject. In the first place, I do not qualify as a military expert. I do not qualify as a budget expert. I have the most intense regard for the wisdom and sincerity of the people who are serving on this committee. But as I have heard the debate on the particular issue involved instantly, I have detected the ghost of one Billy Mitchell roaming through these hallways. I do not know how many planes you need to accomplish the purpose we all seek. I do not know what the division should be as between tactical and strategic planes. I do have a considered opinion that if you are going to have peripheral wars throughout the world you might well justify emphasis on the tactical. I for one hope we can find some way out of our present muddled international situation which will not require us to fight peripheral wars requiring tactical planes.

As I have already said, I am not an expert; I am not even a war hero. I served 4 years in the Air Force, half of which time was spent teaching glider pilots infantry tactics. I am this kind of war hero: I enlisted to keep from getting drafted; I stayed there 4 years because they would not let me get out any quicker; and I did what they told me to do while I was there because I was scared not to. That is the kind of war hero I am, so I cannot even qualify on that score.

But a few weeks back as I stood on a barren hillside out in the State of Nevada and saw an atomic bomb tested I wondered what shape Germany would be in today if instead of dropping those thousands of tons of traditional trinitrotoluene bombs we had dropped bombs of even the size that I saw tested. My contemplation of that possibility was completely staggered when I received expert testimony to the effect that the bomb I saw tested was a pigmy compared to the awful potential capacity of those that can be dropped.

I think you have got too much money in this bill, from a layman's standpoint. I am not up here asking that you spend more money in addition to the total provided in the bill, but I am impressed with the idea that you could command the skies whenever and wherever in the world a situation might require such command if proper emphasis were placed on the economical spending of even less money than you propose in the bill as reported if most of the money is spent on the strategic air force. You know as I do that we lost thousands of men

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in the Pacific in the last war needlessly. Why? Simply because ground-groveling generals and barnacle-bound admirals refused to listen to Billy Mitchell in 1925. Those people who discredited Billy Mitchell were still thinking in the time-honored concepts composed of paeans of praise sung to such men as John Paul Jones as he threw the sails of his galleons to the breeze. And I do not mean to discredit John Paul Jones; he was a hero without peer in his day, using the weapons that were available to him. The greatest general, in my opinion, that was developed in World War II in the division-versus-division concept was a man by the name of Patton. He was the ultimate expert in the use of the tools that the situation at that time required. But, are you going to propose to fight Russia on the land mass of Eurasia somewhere on a division-versus-division basis? No. You say we are going to have airpower, tactical airpower taking off from sinkable airbases. That is what you propose. As far as I am concerned, I should like to see most of these funds spent on a transcontinental, strategic Air Force for our only chance for safety and victory in any future war lies in our ability to command the sky anywhere in the world.

It is not my purpose to discredit any of the other fine branches of the service. They have all rendered gallant service to this country and will continue to do so. But that to which I make reference is a matter of mission and capacity to perform the mission under circumstances inherent in this modern atomic age of transcontinental travel. If we were capable of fielding twice as many ground force divisions as we are now and floating twice as much naval tonnage of all types as we now have, there would still be the necessity of engaging the enemy within range of our destructive capacity. The Navy would attempt this effort of engaging the foe but would be limited by its very nature to tactical engagement and the same is true of the ground forces. Therefore, I feel that the age of emphasis on either ground or naval forces is past.

With the admitted awful destructiveness of the atomic weapons, on which we have depended largely to deter aggression by the enemy for the past 6 years and on which we must depend to destroy the enemy in any future conflict, being capable of delivery only by a strong strategic air force, I feel strongly that we should devote our major emphasis to the building of a strategic air force capable of attaining and maintaining control of the sky anywhere in the world. It is in the full implementation of this emphasis wherein our only hope for a peaceful world lies and wherein our only hope of victory lies should peace elude the grasp of mankind's future existence.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. KILDAY].

(By unanimous consent, the time allotted to Mr. PRICE was given to Mr. KILDAY.)

Mr. KILDAY. Mr. Chairman, I think we ought to get one thing perfectly straight, and that is that the addition of $1,175,000,000 will not produce an additional airplane in the fiscal year 1954. Likewise, if we should eliminate from the bill all of the money which the committee has recommended for airplane procurement, we would still get the same number of planes in 1954.

What does that mean? It means that the money to pay for the planes coming to us in 1954 was appropriated in some year past; the gentleman from Nebraska said 1953 or before. The "before" is correct in almost every instance, I can assure you. So that this money was appropriated in 1952, 1951, or perhaps 1950 and carried forward in other appropriation bills.

Unless we add here the money which will keep the program going on a long-range basis we are going to pay for it in the lack of delivery of planes in 1955, 1956, or 1957. The issue here, though stated in money, is not money. The issue here is air wings, whether we shall continue our goal of 143 air wings, which every military man has certified to be the absolute minimum, or whether we are going to drop back to 120 wings because civilians in the Department of Defense say so, and I might say they are able men but inexperienced in matters military and thoroughly without experience in matters of strategy or tactics.

The question of the number of wings to which we are aiming involves the procurement of aircraft. But it also involves the training of personnel, not only pilots, navigators, and people of that kind, but your electronics men, your mechanics, your radiomen, your radarmen, and all of that. We have been building toward 143.

If you do not adopt this amendment the Congress has said: We have abandoned the 143-wing program, we have cut back to 120 wings. Then you go throughout the Air Force and you cut back on all of the personnel, all of the material that you were going to acquire, from 143 wings to 120 wings.

We see what happened in 1948 when a Democratic President quite stubbornly refused to follow what the Congress had recommended, based upon recommendations of military men. You see what happened when Korea came 2 years later.

From the experience I have had in my relatively short service here, I would certainly advise my friends of this House not to be taken in by the arguments that are being made here today, such arguments that this is the Air Force budget and that General Vandenberg is the only one who proposes this amendment. General Vandenberg was the only man retiring. He was the only one in position to speak. Of course, men still on active duty had to go along with the budget that was directed to be formulated by them under the letter from the Director of the Budget, Mr. Dodge.

We should do here exactly what we did in 1948 when the gentleman from New York [Mr. TABER] after bitter debate and long consideration as to whether we should aim toward 70 groups in the Air Force, offered the amendment for $822 million additional. It then became the obligation of the administration to either obligate the funds or not. If they did not obligate them, to assume the responsibility for not having done so.

The Joint Chiefs of Staff, the President tells us, are to reevaluate the military program. There is, therefore, no objection in the world to the passage of this amendment making available within the Treasury of the United States adequate funds to continue the gradual buildup to 143 wings. Should they decide that 143 wings are not necessary the funds will remain in the Treasury. If they find anything in addition to 120 is the minimum for the safety of the United States, the money is available for them to spend. The President is under no compulsion to spend these funds. I do not take any stock in this thing that it is any reflection to say that the administration might not spend all of the money made available by the Congress.

I sincerely hope that in the welfare of our Nation and its security this amendment will be adopted.

(Mr. STAGGERS asked and was given permission to yield the time allotted him to Mr. YORTY.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. YORTY].

Mr. YORTY. Mr. Chairman, I have been convinced from the very start that this budget was based not upon security but upon financial considerations, and I think Mr. Talbot more or less bore that out in his testimony before the committee which, incidentally, did a hard, conscientious job in working over this budget.

In answer to a question by the gentleman from Kansas [Mr. SCRIVNER], in which he used the usual argument about backing up the President, and the President knows the most about this and would not endanger our security, Mr. Talbot said, "Certainly not, but you must bear in mind his advisers on what the expenditures were to be." In other words, the Secretary of the Air Force was not convinced that the cut was based upon the President's judgment as to security. He evidently felt it was based upon financial considerations and was urged on the President by his financial advisers.

I think you must look at the problem realistically, forgetting about dollars as such for the moment because dollars only represent the proportion of the total production of the country that is diverted into military channels. Is there anybody who can say that we are devoting today the maximum production we can afford for the security of this Nation? I think it is obvious that we can afford to produce the kind of an Air Force we need. They keep repeating that no combat planes are being eliminated. As I tried to point out a while ago, combat planes are only part of the Air Force. The supporting units are also necessary to give it ability to fight and meet emergencies. It is simply a trick to say that none of the combat planes are being eliminated. Of course this is because the planes are ordered and coming off the line in spite of the ridiculous Wilson restrictions. Because the planes are coming off the line and some of the wing organizations are being eliminated, the planes are being sent to National Guard wings instead of Regular Air Force wings. This is inviting the same situation we had previously when we had to call back the same boys who had fought a war and send them to Korea, while the younger men, who should

have been trained in the interim, were not in shape to go there. The Republicans are cutting down the pilot and other training programs. For that reason you are not going to have the younger boys trained and ready for service if needed. You will have to go back into the factories and the professional services and industries of America and send the same boys back, not just those who fought in World War II, you will have to call back the ones who fought in World War II and also in Korea. I regard this as a most unfair thing to do. This is one of the calculated risks that is involved in this budget, which is a financial budget and not a security budget.

Let me call your attention to the fact that Secretary Wilson said that he believed General Vandenberg had a right to say we needed the 143-wing program because, as Wilson said, "there is no testimony or evidence to the contrary, and I am not claiming that there is." So, what was the cut based upon? Not upon testimony or evidence.

Mr. Chairman, I believe all the services should be treated fairly. I believe the Air Force had to take the brunt of the cut. There were cuts in the budgets of the other services, although they are not damaged nearly so much.

If you look at the committee report you will see that there is included in the budget a third *Forrestal* class carrier. I favor the carrier program. I believe in naval aviation, but not, of course, as a substitute for adequate land-based airpower. I want to point out to you that when Mr. Wilson was asked at a press conference on May 12 if the third carrier was in the program, he said, "I think it is. Whatever was in it before is in it still." He did not even know it was in his budget, and yet it represents the main element in a very expensive weapons system. He did not evaluate it. He did not, in fact, evaluate any of this program. He just took the word of the Assistant Secretary, Admiral McNeil. According to his own testimony, Admiral McNeil got some figures for him. Secretary Wilson said that when he got back from Europe he looked them over quickly and approved them. Now the significant point is this: Last year the committee refused to put the second *Forrestal* carrier in the budget, and I was one of those who tried to put it back in. They refused to report a bill with a second carrier in it, and yet this year, when they are supposedly insisting on greater economies, they put the third *Forrestal* in and cut the Air Force down. When the gentleman from Georgia [Mr. VINSON] introduced a bill last year to specifically authorize a second and third *Forrestal* class carrier, two members of the Joint Chiefs of Staff reported against it—the Department of the Army and the Department of the Air Force. The Army pointed out—and I have their report here—that the first was to be a prototype. They said that it had not been completed or tested, and that after it was completed and tested more could be authorized if needed. Therefore, the Department of the Army was opposed to building more until the first could be completed. The Department of the Air Force suggested that if strategic conditions changed and the Joint Chiefs of Staff felt a second or third was needed, they would reconsider their position, but they were against the authorization at the time.

So we are going ahead and spending money through the action of this committee on a program the Joint Chiefs are against without even submitting it to them, and we are refusing to appropriate the money for a program which both the Congress and the Joint Chiefs have approved and which they say is necessary in the interests of national security.

When Secretary Wilson was asked if he was going to hold up starting the third *Forrestal* carrier in order to take this so-called new look, he said, "I don't have to. They can't build them that fast." The truth of the matter is that they can commit the money for the third *Forrestal* carrier very fast, and, of course, they will commit the money for it. So the new look is not going to defer these other weapons systems. This new look is only going to be used to try to justify cutting down the Air Force. Incidentally, I ask anybody, what is the logic of putting all these restrictions on the Air Force and throwing the whole program out of gear without even waiting for the new look instead of going ahead with the program in the meantime so as not to lose irreplaceable time?

We have the most powerful Navy in the world now. We want to keep it that way. But the Navy does not have the deterrent effect on the Soviets that the Air Force does, and the Air Force is not as large as Russia's. Why are we cutting down the Air Force which needs strengthening badly while continuing to make stronger a service that is already stronger than its counterpart possessed by the Soviets. This does not make sense.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama [Mr. ROBERTS].

(Mr. BATTLE asked and was given permission to yield the time allotted to him to Mr. ROBERTS.)

Mr. ROBERTS. Mr. Chairman, I hesitate to take the well of this House in support of this amendment because I realize that this matter has been studied by this distinguished committee, and this committee has had facts which perhaps other Members of the House have not had at hand. However, I think this matter is so important to the security of our country and to the security of civilization itself that every Member of this House should be intensely interested in this debate.

The distinguished gentleman from Kansas yesterday, I believe, said we could well afford to go along with this cut. I am not sure that I am quoting him correctly, and it is up to him, of course, to correct me if I am wrong, but I think he said we could do so because we had Almighty God on our side. I think we all believe in the Almighty and the Christian concept, but I prefer to take the attitude the late beloved Will Rogers had. He said that when he saw a picture of the Pilgrim Fathers at prayer they usually had their muskets by their sides, and the reason they had the muskets was that they wanted to be sure they got what they prayed for. That is the attitude I am taking with reference to this matter.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield? He misquoted me, and I am sure he does not want to do that.

Mr. ROBERTS. I yield to the gentleman from Kansas.

Mr. SCRIVNER. I pray that Almighty God is on our side, but what I said was that I have an abiding faith in the divine providence that has always guided and guarded this Nation.

Mr. ROBERTS. I share the views of the gentleman on that. I am sorry if I misquoted him.

I do not believe that it has been true in the House but I do know that in the other body it has been pretty much of a nonpartisan debate. One of the distinguished Senators on the majority side over there, who has taken a great deal of interest in this debate from the very beginning and who has been very effective, I think, in her opposition to the cut seems to believe that reduction of the budget is taking precedence over national security in the air. Her position may be pointed up by the following question:

Is this appropriation bill cut to fit military objectives or budget objectives?

Senator MARGARET CHASE SMITH put her finger on the Pentagon double talk when she asked Secretary Wilson:

> How can you cut more than $5 billion from the Air Force appropriations, cut back the Air Force's strength to 114 wings, and still say that the Air Force will be more powerful in 1954 than if the original plan had been followed of building a 143-wing Air Force by 1954?

The proposed reduction in funds for the Air Force means the abandonment of the 143-wing goal. A goal which the Joint Chiefs of Staff recommended. A goal which all of the services considered necessary to the security of the United States. There were four principal events on which the recommendation of the 143-wing goal was based.

First was the explosion of the atomic bomb by the Soviet Union in September 1949.

Second was the invasion of South Korea in June 1950, followed by the entrance of the Chinese Communist armies.

Third was the commitment of American troops for the defense of Western Europe.

Fourth was the calculation by the Joint Chiefs of Staff that by the middle of 1954 the Soviet Union will be able to launch an all-out atomic attack against the United States.

General Hoyt Vandenberg has testified:

> The size and composition of the proposed force was based on an examination of all factors such as the buildup of our own atomic stockpile, the improvements to be expected in our own weapons and in the enemy's weapons, and the expected size, nature, and disposition of Communist military forces. There have been no significant or unexpected changes in weapons development or in forces since the decision was made. I know of no change in the strategy which the 143-wing Air Force was designed to enable us to carry out. Nor do I know of any alternate strategy designed to protect the security of the United States and its people which would not require an equal or greater Air Force than the 143-wing force toward which we have been building for 2 years.

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General Twining, Eisenhower's own choice for Chief of Staff of the Air Force testified before the Senate Armed Services Committee—when his nomination was being considered—that he was convinced that 143 air wings were essential to the national security.

In acting upon this proposed Air Force appropriation cut, let us keep in mind what the Soviet Union is doing. A study made by Fortune Magazine shows that—

Since the end of World War II the Soviet aircraft industry has produced about 40,000 military aircraft—about twice the estimated United States total during the period. The Soviet Air Force have about 20,000 aircraft in organized units and another 20,000 in reserve. They control also an expanding satellite pool of air power, entirely Soviet equipped, of which the Red Chinese Air Force is the most powerful, with about 2,500 aircraft.

Compare these figures with the total United States military air strength of about 10,000 in organized units, and little reserve.

The Soviet aircraft industry though operating well below capacity is producing 10,000 aircraft a year. The United States aircraft industry produced only 9,000 aircraft in 1952. The prospect for 1953 is estimated at about 11,000.

Secretary Wilson has said that part of this cut in funds can be made up by reducing the lead time. There is no doubt everyone would like to cut lead time but is that possible? Aviation Week said:

The Pentagon may order aircraft with an 18-month lead-time schedule, but this will do nothing to speed up manufacture of critical components (fire control equipment, landing gears, and electronic devices) and so reduce actual lead time.

Although the Wright brothers of this country invented the first airplane, during World War I few American planes ever got into the fight because volume production was not reached until the last months of the war. The people learned then that it takes time to build an industry to a mammoth size and that time cannot be purchased by even the biggest treasury in the world.

Gentlemen, let us learn from our mistakes, let us not repeat them. Let us vote for a second-to-none Air Force, not a second best.

Mr. BATTLE. Mr. Chairman, it is with a great deal of feeling that I rise in support of the Mahon amendment. Crippling our Air Force for future operations is unthinkable. The committee, as I understand it, cut $1,300,000,000 off of the Eisenhower defense budget. The Mahon amendment would restore only a part of this cut. The President's budget is the very minimum that I am willing to support here today for our Armed Forces. I sincerely feel that more drastic cuts at this time may very well jeopardize the security of America in a few years.

Mr. Chairman, our defense depends upon a military team composed of the Army, Air Force, Navy, and Marines. Weakening the Air Force, or any branch of the services, weakens the whole team. We need strength today and not weakness.

I sincerely hope this House in its wisdom will not cut below the Eisenhower budget, because our great leader, one of the finest soldiers in history, has presented an absolute minimum in requested funds for the military defense of our country. I hope the Mahon amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. HIESTAND].

(By unanimous consent, the time allotted to Mr. OLIVER P. BOLTON was granted to Mr. HIESTAND.)

Mr. HIESTAND. Mr. Chairman, we have these 2 days heard long and detailed and very able remarks on this subject from both sides of the aisle. Much has been said that it is just as well not to repeat, and I do not intend to take the full time allotted to me. I do think we, however, should have our eyes on the main issue. Just what is the main issue as seen from both sides of the aisle? We have both expressed the avowed intent to balance this budget and to help in balancing future budgets. The issue, as I see it, is are we going to back up the administration budget to help balance that budget whether it is the Vandenberg budget or the Joint Chiefs of Staff budget or whatever it might be? We must make this choice. We have available under the carryover amount plus the amount allotted and recommended by the committee $92 billion to spend for the military this year. Ninety-two billion dollars is far more than can possibly be spent, and far more than can possibly be spent in another year at the rate that has been explained of $43 billion per year. If we oppose this amendment, we are speaking in behalf of backing the administration, backing the civilian control rather than the military control. Those who vote in favor of the amendment are voting against the idea of trying to balance the budget. It is just as simple as that. Those who are against the amendment are voting in favor of trying to balance the budget, and the balancing of the budget is the most important thing this or any Congress has to do, because it builds a solid base for national defense and for national solidarity.

Mr. LANDRUM. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Georgia.

Mr. LANDRUM. Does the gentleman mean to tell the Congress and the country that the most important thing before this House today is the balancing of the budget, more important than providing for the common defense of all of our people? Is that what the gentleman has just said?

Mr. HIESTAND. I thank the gentleman for his question. I believe that the most important thing in our national defense is a basic economic soundness. That is part and parcel of balancing the budget.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from California.

Mr. JOHNSON. Also, in connection with what the gentleman has just said about the President, we should read the important sentence in that letter which states that this is not a static Air Force and is not intended to be so. It is intended to be one that will fit the present and which can be changed to fit any future condition or emergency.

Mr. HIESTAND. I thank the gentleman from California.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Massachusetts.

Mr. BATES. The question of economics in this matter has been brought out. I would like to direct the gentleman's attention, and also the attention of the House, to the remarks I made a few moments ago that today we are spending money overseas, in certain countries which were great and mighty at one time, militarily and economically, but today they have dissipated their wealth to such an extent that they cannot even afford to defend themselves. We do not want that condition to come to this country.

Mr. HIESTAND. I thank the gentleman for his remarks, for it enforces the idea that the national defense is based upon our economic soundness.

Mr. BATES. I just wanted to make the point that we should not belittle that factor.

Mr. HIESTAND. I thank the gentleman.

Mr. BONIN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. BONIN. Mr. Chairman, I am opposed to the amendment offered by the gentleman from Texas [Mr. MAHON]. The purpose of this amendment is to increase the defense budget in the sum of $1,175,000,000. Article I, section 8, of the Constitution of the United States, among other things, provides, "to raise and support armies, but no appropriation of money to that use shall have a longer term than 2 years."

"To raise and support armies" is a power implied from the grant of the preceding section of the Constitution "to declare war" but it leaves no question as to what department of the Government would do it, the power was expressly conferred upon Congress; for, otherwise, the President, as Commander in Chief might assume to raise armies after Congress had made the declaration of war. The President cannot raise an army, nor can Congress maintain one, by an appropriation, for a longer term than 2 years.

While the Constitution of the United States was undergoing the trial of ratification by State conventions, Alexander Hamilton said in the Federalist:

The legislature of the United States will be obliged by this provision, once every 2 years, to deliberate upon the propriety of keeping a military force on foot: to come to a new resolution on the point; and to declare their sense of the matter by a formal vote in the face of their constituents. They are not at liberty to vest in the Executive Department permanent funds for the support of an Army; if they were even incautious enough to be willing to repose in it so improper a confidence.

As the President cannot raise an army and, as Congress can maintain one for only 2 years—the length of a term of Congress—the possibility of collusion between them is very remote. Anything indicating collusion would be dealt with by the voters who can retire every Member of the House of Representatives and one-third of the Senate every 2 years and putting in those who would respect the popular will. In the Constitutional Convention, there was much opposition to the standing army; but it was felt that that danger would be averted by placing the support of it in Congress and then restricting the power of Congress to make appropriations.

The Defense Department after the present appropriation will have $92 billion to spend for the security of the United States. This amount cannot and will not be spent in the next 5 years. The pretext under which all this money is appropriated is the usual cry of emergency. I am aware of the unstable world conditions but why should the military branches of our Government make the budget instead of the Congress? It is about time we give the taxpayer a break and not just the brass hats in our Military Establishments. I say defeat this amendment and give the people at home a break.

Mr. BATES. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. BATES. Mr. Chairman, the question before us today has been a problem of the ages. It will remain with us perhaps through the life of man.

If the situation of this hour found us enveloped in an all-out war, or if we had definite assurance of war at a certain date, we would know what we must do.

Assurances of any kind are not given to us because the only thing of which we appear to be certain is a continued state of uncertainty that may last for many years. If this condition should prevail it would be reckless, indeed, exceedingly foolish, for us to arm to the teeth now, because we cannot later fight a modern war with old weapons, and this is particularly so in the air.

We should also remember that at the end of the long pull we must find ourselves in a position where we have sufficient economic strength so as to be as strong militarily as we could be today. To those who belittle the economic problem here involved, let me suggest to them that our Mutual Assistance Act was passed in an attempt to close the doors of aggression and to protect nations who were once mighty, militarily and economically, but who cannot today afford to defend their homelands.

Who would come to our aid if such should ever be our plight?

Every man and woman in this chamber is interested in the security of our Nation. There are many problems that could invoke a controversy on this bill, but there has been only one serious challenge. That is the request of General Vandenberg to provide an additional $1,435,000,000 to this bill and which has been modified by the gentleman from Texas to an increase of $1,195,000,000. The main difference between the two involves the acquisition and construction of real property, which General Vandenberg estimated at $260,000,000, and which is to be considered in another bill. The breakdown of the general's figures is as follows:

Aircraft and related procurement consisting of 447 airlift and support aircraft	$353,000,000
Major procurement other than aircraft	50,000,000
Acquisition and construction of real property	260,000,000
Maintenance and operation	600,000,000
Military personnel requirements	172,000,000
Total	$1,435,000,000

Our main concern in the air today is to provide bombers to retaliate in the event we are attacked and fighter planes for air defense and tactical use with our troops. These are our primary weapons of the air. Therein lies our combat strength and there is nothing in the proposed suggestion that will give us one additional combat plane. There is no risk in turning this request down. If the proposal was to build to 143 wings this year or next, we would be faced by a serious question, but that is not the issue before us now.

For many years we have been asking the Department of Defense to trim its budget to what is actually needed. We have decried the waste in the Military Establishment. Yet here we are today telling that Department it must take more money than it asked for, and more than the President and the National Security Council request. This amendment should be voted down.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Chairman, to me this is a matter of insurance, and I am willing to pay the premium on the policy for this type of insurance needed to maintain a free and democratic world. There has been a lot of confusion engendered in this issue. I am a little bit tired of hearing about the $92 billion that it is alleged will be available for the Air Force, money that cannot be spent this year or next year. Surely there is this money available, but we have a long pipeline to fill. There is a long lead time, and you cannot cut that lead time down. Any reduction made at this time will reflect itself 2 or 3 years from now, and if we are going to keep the pipeline full we have to appropriate money each year for that purpose. All we are doing is kidding ourselves and the American people when we say that this money is sufficient to meet the requirements for an air force that is adequate to meet the continuing needs of national defense.

I would like to go back and talk about another time that we neglected to pay the premium on defense insurance policy. Long before I came to Congress I remember there was some controversy about the fortification of the island of Guam. Oh, I know it will be said that money was never asked for that purpose. But $500,000 was asked to deepen the harbor at Guam, preliminary to fortifying that island. And Congress refused to act. Why? In the name of economy. And what price did we pay for that economy? You estimate it in dollars if you can. You cannot measure our loss in blood, in maimed bodies, distorted minds, and grim death.

I have here a statement from a speech made by Senator TAFT, as reported in the New York Herald of June 1, 1952, just a year ago.

He calls attention to the fact that we talk about air insurance when we talk about an air force, and he calls attention to the fact also that other influences have tried to destroy its influence or to weaken it—the selfish influences of other groups.

Here is what Senator TAFT had to say:

> There has been a steady deterioration of our comparative airpower which began while General Eisenhower was Chief of Staff.
>
> Control of the air is the only possible insurance of peace. * * *
>
> The ability of our Air Force to deliver atom bombs on Russia should never be open to question, and today it is being questioned, even by our own experts.

Mr. PRICE. Mr. Chairman, I personally am alarmed by the thought of what is going to happen to our Air Force, not this year or next, but in the following years, if the budget proposed by Secretary Wilson stands now.

Secretary Wilson undoubtedly has a great deal of industrial know-how. He has all but boasted, however, of scientific ignorance. He has said, no doubt partly in an attempt at humor, that he is not interested, as a military project in why potatoes turn brown when they are fried, thereby implying that a great number of Pentagon research problems are just plain silly.

But even as a military project, why potatoes turn brown is a matter of considerable importance. Since early in World War II the Quartermaster Corps Food and Container Institute in Chicago has been trying to find out why potatoes and other fresh foods turn brown and spoil when exposed to air. This "browning reaction," as the scientists call it, is the same chemical process that happens when potatoes are fried. Thus investigating this browning reaction is a matter of extreme importance not only to the Quartermaster Corps but to the whole food industry. It is not silly at all.

If in 1942 there had been a Secretary of Defense and he had shared Mr. Wilson's contempt for pure science, he might have eliminated from the defense budget any atomic research. Fortunately, the President of the United States gave the go-ahead signal, and the United States found itself suddenly in possession of the atomic bomb. The same Secretary of Defense might have pooh-poohed the idea of the proximity fuse as Secretary Wilson has dismissed the idea of an atomic plane, asserting it would be a bum plane. But the major scientific contributions of the last war were the atomic or nuclear bomb, the proximity fuse, microwave radar, and rockets. They were all achieved as the result of pure research. In the beginning of the research, it might have

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seemed a little silly to one of Secretary Wilson's persuasion.

Matter cannot be controlled unless it is understood. When pure science discovers why human beings behave as they do, it may prove possible to control them too—and eliminate the necessity for weapons, military budgets, and military services.

It is more than surprising to find the former head of General Motors taking such a cavalier attitude toward science. Many of the big industries spend vast sums on basic research. General Electric does, whether General Motors does or not, and so do Bell Telephone, Westinghouse, and Du Pont. I do not believe any of these companies would support scientific research if it were not profitable for them to do so.

The Air Force and the other armed services have supported basic research not to compete with industry but to supplement research conducted by industry. When General Spaatz made his report to the Secretary of the Air Force on his year as Air Force Chief of Staff, he pointed out that—

> Basic research, because of its tremendous scope and its very great value and importance to the commercial life and general welfare of the United States, is primarily a national rather than an Air Force responsibility. Yet the Air Force must exercise the closest coordination possible with basic research organizations, both public and private, in order to realize the maximum military potentialities of their discoveries. The Air Force must also conduct a basic research program of its own in the general fields not covered by other agencies.

General Spaatz certainly envisioned such research as a long-term proposition, not to be undertaken by fits and starts.

Mr. Wilson, however, must be warned that sudden cuts in research and development appropriations will impede the orderly progress of any scientific investigation. Basic research is not something that can be turned on and off like a faucet. It has to have evenness and continuity, and it has to go on no matter what the time lag in payoff.

Secretary Wilson is undoubtedly aware of what blood plasma and penicillin have done in saving lives of our men in Korea. And he surely knows that we did not have jet aircraft when the Germans introduced jet aircraft in November 1944, though fortunately we did have jet aircraft when the Communists introduced Russian-built jets to the Korean war in November 1950. Secretary Wilson has also warned against a letdown in defense, whether we get a truce in Korea or not. But Secretary Wilson apparently is unwilling to support a program that will give us the equivalent of penicillin or jet aircraft, or unspoiled potatoes in the next year—if it comes.

That is why, Mr. Chairman, I say that I am more alarmed by the thought of what is going to happen to our Air Force in the future than what is going to happen immediately. Because if the Wilson budget stands, the research will be cut off now; and there will be no results, because there will have been no research, to which we may look for our defense, if war should come.

And that is why, Mr. Chairman, I am opposed to the Wilson budget, and to the whole philosophy on which it was based.

The first airplane to carry man under its own power is, by today's standards, a fearfully fragile creation. Its two wings were made of wood which were covered by muslin fabric. They were supported by wooden struts and joined by wire. There was no fuselage. The pilot lay prone on the bottom wing next to the engine. Two pusher propellers were geared to the the engines by sprockets and chains. Yes, gentlemen, it is difficult to comprehend that the present sleek, powerful aircraft represents less than 50 years progress in aeronautical advancement. However trying it may be to recognize and accept this fact, we are confronted with the inescapable condition that this evolution has been accomplished. I believe it is equally important to appreciate that this tremendous scientific and technological advancement is the direct result of those funds which our country and our citizens have invested in research and development of the aircraft.

In 1946, the masters of the Kremlin stated, "We must have the most powerful air force in the world." These were not idle words. Proof of this fact is found in the current air-power strength of the Soviet Union. Today, the Soviet air force has approximately 20,000 aircraft in combat units. This is more than twice the number in all of our combat units, including Air Force, Navy, and Marines. We know that Russia is frantically engaged in developing and producing newer and better types of aircraft. It is obvious to many that it would be difficult, if not impossible, for our country to match the Soviet air force in the quantity of aircraft. It is equally apparent that we must then do everything in our power to substitute quality for quantity. In this connection, I think it is pertinent for us to consider that our Air Force received approximately $528 million for research and development in fiscal year 1953. The printed budget for fiscal year 1954 provides $537 million. The proposed DOD budget requests $475 million for this function. I think it is startling that in this period when we struggle for our survival, when we are maintaining a larger Air Force, we are being asked to spend $63 million less for our research and development. This is particularly true when we consider that we have reached that position in technological advancement when each new problem which confronts us is of extreme complexity and requires extremely extensive and expensive research in order that we may find its solution.

If we were to examine this $63 million reduction, we would find that approximately $15 million is being withdrawn for projects which are designed to replace weapons systems presently in use on our combat aircraft. We are doing this in spite of the fact that we know that the conventional armament which we now are using is at the best obsolescent. An additional $34 million is being deleted from our technical development area. Approximately $24 million of this sum was to be used in research and development for aircraft and nuclear propulsion. Lastly $4 million is being cut from funds which are used to operate and equip laboratory and testing facilities. This is a striking paradox which occurs at that moment when we are desperately trying to improve the performance of our jet engines, so that they might equal and perhaps exceed those which our foe is now using in combat.

I believe that it is evident that the lack of funds necessary to maintain real airpower prevented our Air Force from equipping properly with jet aircraft before Korea. However, the foresight of our top Air Force officers in emphasizing research and development during that same period has paid handsome dividends since June of 1950. The record tells us that we have qualitative air supremacy over Russia. The only way in which we can maintain this supremacy is to continue a healthy and aggressive research and development program.

In all of this confusion there is one fundamental certainty. We are making an immense investment in security through airpower. That investment will be only as sound as the adequacy of the continuing scientific research program, without which there is a real danger that our airpower will become second best.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, we have heard it said here today that politics has not entered into this discussion, but I would beg to differ with that statement in view of the speech made by the distinguished acting minority leader. I come from a very highly industrialized district, Summit County, in Ohio. Akron is the county seat. When the votes were counted on November 4, President Eisenhower was proved to be not as popular as they thought he would be: He lost the county by 6,000 votes. In my judgment, the main reason he lost by 6,000 votes in that county was because of the propaganda that had been spread to the effect that you cannot put General Eisenhower in the White House because the only thing on which he is an authority is military problems and there is a lot more to the running of our country than making military decisions.

I am astonished that those in the Democratic organization who spread that propaganda are today found when we have an issue coming before this House on which they admitted he was an authority, that they doubt his judgment.

You cannot make any political gain by criticizing the President's recommendation on military matters, and I feel today that, if the votes were to be counted after an election tomorrow President Eisenhower would carry this highly industrialized district because of the wise military decisions he is making and the ability of this Committee to accept his advice.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland [Mr. MILLER].

Mr. MILLER of Maryland. Mr. Chairman, there has been some discussion about giving aid and comfort to the enemy by not granting this extra money

for the Air Force. I certainly do not think that it fails to give aid and comfort to the enemy to belittle our present Air Force.

I have heard a great deal of testimony from the experts, and, while everyone is entitled to his own views, yet I think we have a very wonderful Air Force today. While it may not be the biggest in the world, I think it is the strongest. Each of us has a right to his opinion on that score.

But there is one feature of the situation where the Air Force has not distinguished itself: It has hit the target again and again in combat. And, as I said before, I think it is the best in the world as far as delivering blows with telling effect on the enemy is concerned.

The Air Force, however, has not been very successful in handling what is equally important ammunition—the dollars that have been appropriated to carry on its functions. If the Air Force were as skillful in using its dollars as it has been in hitting the target in the field we would have nothing to worry about. I am sure, however, that the administration, this Congress, and the people want to have a new look at our defense setup and we want to strengthen the whole plan. Even if our Air Force is the strongest in the world, we still want to make it stronger, but there is no use in pyramiding waste where it can be avoided.

There is more similarity, Mr. Chairman, between bullets and dollars than you may think at first glance. A bullet or a bomb is no good unless it hits the target; neither is a dollar. We have heard a lot about ammunition shortages and distribution. Ammunition of itself is no good unless you put it in the right place. A dollar is equally important because it supplies ammunition and the means of delivering the ammunition on the enemy. If it is not spent effectively it does not do any good. The Air Force has not been too successful in using its dollars.

Then we are told that because we are taking this new look we have abandoned the 143 wings and have reduced that to 120. One hundred and twenty wings that can fight are better than five hundred and fifty wings that cannot. But let us take a clear look at that situation.

I was rather surprised that some of the proponents of this amendment have referred to the 23 Guard and Reserve wings as show-window stuff. Let me tell you, Mr. Chairman, we have pilots that make up our Guard and our Reserve who are some of the best fighting men this country has ever produced. At the present time they do not have modern planes with which to work.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(By unanimous consent, the time allotted to Mr. DEVEREUX was given to Mr. MILLER of Maryland.)

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from Kansas.

Mr. SCRIVNER. The hearings show that somewhere in the neighborhood of 15 of the aces coming out of Korea were National Guard and Reserve fliers.

Mr. MILLER of Maryland. I think all of us know that the Guard and Reserve pilots, as well as the soldiers, sailors, and marines that make up the Reserves, contain some of the finest fighting men the world has ever seen.

Would you say it is window dressing to put modern equipment in their hands? There seems to be a feeling in certain parts of the Air Force that if we give those planes to the Guard and Reserves they would not be available for strategic or for some offensive action. I can assure you, Mr. Chairman, that if the sad day comes that we are under attack we will need some groups here, some wings here in this country for interceptor work and for the defense of our big industries. Where could we place modern planes better than to have them in the hands of well-trained National Guard and Reserve units who will be at home to defend their fireside?

To call those 23 wings window-dressing stuff, to count them out of the picture, is just as silly as to count out the Navy Air Force which is certainly an important part of the team. I think there is no reason to doubt that our Defense Department knows what it is doing. They are not going to cut down on air strength merely because we did not give it money those best qualified to speak say it does not need.

For that reason I hope we will back up the administration and this committee in its decision on this matter.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Maryland. I yield to the gentleman from California.

Mr. JOHNSON. The role of the National Guard Air Force is to protect the continental United States. No greater supporter of the National Guard Air Force for that purpose is found in the entire Air Force than in General Johnson, the commanding general of the Continental Command of the United States Air Force, who has to do with protecting the land between the shores of America against aggression of a foreign enemy. He has said repeatedly that in the event of trouble he will rely heavily on the National Guard Air Force. The Reserves and National Guard in every war furnish the vast bulk of the combat forces. Incidentally, we have a very good Air National Guard in California that served in Korea. That wing made an excellent record in Korea. I want to compliment the gentleman on his analysis of the situation.

Mr. MILLER of Maryland. Mr. Chairman, quality is what counts—not quantity. Quality can only be produced by the right combination of the best equipment in the hands of the best people we have to handle it.

I hope the pending amendment will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, I must confess that I am a little bit disturbed by some of the arguments I have so constantly heard during this present term of Congress. That is it looks like everything that is brought up here the argument is that President Eisenhower is for so-and-so and that he has a monopoly on all wisdom. Now, I just simply refuse to buy that and I am sure that the President does also. To tell you the truth, I do not think we are doing the President right to put him in that kind of spot and to put him in that kind of position. He is entitled to your assistance. Every Member of Congress has a responsibility also. As a matter of fact, when we went before the people and asked them to elect us to Congress, we said to them that we were able and were going to assume some responsibility, and I say in this, the gravest time in all human history, it is a little disconcerting and it is highly disappointing to see us try to decide these matters upon the opinion of any one man on earth, and I say to you that there is not any one of you who can dispute it. We have never been ready for war in all the history of this country. The day of not being ready has passed, and do not forget it. Never again will you muddle through. If you are too little and too late this time, then it is goodby civilization. General Arnold made the statement that a second-best air force was just like a second-best poker hand. It is a wonderful hand, but it can never win.

Now I want to tell you another thing. Talk about economy. This is not the place to talk economy. The people of America do not want you to practice economy on the lives of your wives and your children. They are willing to give their all if need be for defense. They are tired of your spending for appeasing minority groups and spending huge sums to set up a social revolution at a time as grave as this, but they know that trifling with our defense courts disaster.

Mr. Chairman, with this observation I am going to be through. We call ourselves leaders of the world. We are right egotistical when we assume that kind of a role, but I say this to you that, if the time comes that you need this Air Force and you do not have it, the people are going to spew you out of their mouths, and rightly so. If war comes, and God grant it does not, but we know it can, and we are found unprepared, and World War II boys and boys of Korea are again taken from their homes as expendables, we will have forfeited our rights of leadership. I yield the responsibility entrusted to me by my people to no person on earth. I owe them, so far as in my power, adequate defense, and I will steadfastly stand for it every step of the way.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, I rise to urge the adoption of H. R. 5969, the Department of Defense Appropriation Act, 1954.

As a veteran of several wars, a Reserve officer and a member of the Armed Services Committee, I have consistently worked for and supported a strong defense force for the United States. At the same time, I have firmly supported the principle that the Soviet threat is one that we must be prepared to meet, not just during the next year or two, but possibly for generations.

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Accordingly, our defense program must be one that can be supported indefinitely, if need be without imposing such a crushing burden upon the American people that it might destroy the very liberties and qualities that we seek to protect.

President Eisenhower has presented a defense program that meets our needs perfectly, and I urge the support of H. R. 5969 because it provides the funds to carry out this military program.

We have all heard a good deal of misinformation and confused statements concerning the alleged inadequacy of the amounts requested by the Department of Defense in its revised estimates for 1954. Specifically with respect to the funds requested for the Air Force.

The Appropriations Committee was able to eliminate $1.3 billion of the $36 billion requested in the revised budget without in any way impairing the defense program submitted by Secretary Wilson and approved by President Eisenhower.

In connection with this action, I should like to quote from the committee's report concerning the adequacy of the appropriations recommended:

It is altogether unreasonable to believe that this or any other nation can in this atomic age provide for 10 percent insurance for its protection against the disaster of an attack. It must be borne in mind that our strength is both military and economic. We must strive to balance minimum defense needs against dangers of unbearable burdens on the economy. We must listen to our military leaders as they present the military needs. On the other hand, our civilian leaders are presumed to have better information on what the Nation can afford—not so much in terms of dollars but in terms of the extent of continuing drains on the Nation's economy. Furthermore, our civilian leaders are the ones to determine the financial requirements for given force and materiel goals. All have one objective—the security of the Nation. Perhaps, as Secretary of Defense Wilson has stated, we may be expecting too much of our military leaders in that they are sometimes supposed to be military strategists, administrators, economists, and financial experts.

This country would be unwise to duplicate the Maginot line and thereby establish a false sense of security, regardless of the defense weapons selected for the purpose. We must keep strong by continuously reappraising our defensive strength in the light of our economic strength and capabilities to maintain a Military Establishment of a given size, not only during fiscal year 1954, but, as matters now stand, perhaps for an indefinite period. With no reflection on the integrity of the military, it might be mentioned that since the outbreak of the Korean war the three services requested of the Office of the Secretary of Defense approximately $97 billion more than was finally included in budget estimates. Some of the requests naturally overlap from year to year, but the amount does give some idea of the magnitude of the military requirements as they are initially presented by the serices.

Attention should also be called to an estimated $2.6 billion expected to go to certified claims at the end of fiscal year 1954. Most of this sum will undoubtedly be unobligated and represents, for the most part, excessive appropriations during fiscal years 1951 and 1952.

The committee believes that the total amount recommended in the accompanying bill provides adequately for our defensive requirements in light of all currently known factors. The most significant reductions in the printed budget as reflected in the revised estimates represent financing beyond necessary lead time indicated by large cash carryovers. Reductions effected by the committee cover generally (a) estimated unobligated balances in excess of the balances projected for June 30, 1953, at the time the revised estimates were prepared, (b) excessive funding, (c) excessive stocks on hand of certain equipment and material, (d) disclosure of duplication by the services, (e) reprograming of certain requirements by the services, (f) overly optimistic consumption, (g) disclosure of improper utilization of personnel, (h) restrictions on proficiency flying, and (i) plain mathematical inaccuracies.

At the end of fiscal year 1953, the Department of Defense will have an unexpended balance of $62.6 billion.

The $34.4 billion recommended by the Appropriations Committee will make a total of $97 billion available for expenditure in fiscal year 1954, excluding any amounts subsequently provided for military, public works which was not considered in this bill.

Of this, the Air Force will have $39.5 billion, or approximately 41 percent of the total, with 31 percent available for the Army, 27 percent for the Navy and 1 percent for interdepartmental activities.

Thus, the Air Force will have available for spending approximately 32 percent more than the Army and 51 percent more than the Navy.

It is certainly clear from this relative distribution of funds that first priority is being given to the Air Force.

The military program approved by President Eisenhower, the funds for which are contained in H. R. 5969, was developed after careful consideration of all the factors involved.

I believe we should accept the committee's recommendations and pass the bill as submitted to us.

I urge that there be no further decrease because I believe we can rely on Secretary Wilson to use these funds judiciously and take the necessary steps to place in reserve any funds which prove to be in excess of actual operating needs.

I am aware that there will be pleas for us to increase the amount recommended for the Air Force, on the basis that failure to do so will give us a one-shot or second-best Air Force.

The claims are baseless.

In this connection, we have the recent testimony of Secretary of Defense Charles E. Wilson who, in testifying before the Senate Appropriations Committee, said:

I assure you gentlemen most emphatically that we are not going to have the second-best air force. As long as I am responsible for this Government and to the people of the Nation for the Department of Defense, we are going to continue to have the best air force.

We can rely on that pledge, because it reflects the unyielding determination of President Eisenhower and his entire administration.

And we can rely on this program, because it is one that President Eisenhower personally approves.

We must remember that President Eisenhower's military experience and competence are unchallenged, and that he commanded air forces during World War II far greater than the world had ever before seen.

We know that the President knows the facts—all the facts—and that he would settle for nothing less than what our security requires.

Consequently, I feel we must accept his judgment, which is reflected in the military program for which the funds are recommended in this bill.

During the past month, there has been extended discussion on the floor concerning the effect of the revised budget on the Air Force.

I will not try to repeat all the facts and refute all the fallacies that were presented during these discussions.

I would like to repeat several key facts, however, which clearly demonstrate the soundness of the Eisenhower program and demolish the argument that this program is niggardly with respect to the Air Force.

In fiscal 1954, the revised budget will produce 114 Air Force wings, and in addition 7 Air National Guard and Air Reserve wings, all equipped with modern aircraft—a total of 121 wings.

Under the Truman budget only 117 modern Air Force wings would have been attained in fiscal 1954, despite the fact that a total of 133 wings were scheduled. No provision was made in the Turman budget for modernizing any Air National Guard or Air Reserve wings.

Of the 117 Air Force wings that would have been attained under the Truman budget, 17 were to be troop-carrier wings.

The revised budget provides for only 12 troop-carrier wings, so that under the revised budget not only will the total number of wings—Air Force, Air National Guard, and Air Reserve—be greater in 1954. But the percentage of combat types will be higher.

By the end of 1955, the revised budget and aircraft production schedules will produce at least 120 Air Force wings and 23 Air National Guard and Air Reserve wings, all equipped with modern aircraft, or a total of at least 143 wings—Air Force, Air National Guard, and Air Reserve.

Under the Truman budget only 137 Air Force wings equipped with modern aircraft were scheduled for this time, and this included 17 troop-carrier wings.

The Truman budget did not contemplate any modernization of Air National Guard and Air Reserve wings in fiscal 1955.

Thus under the revised budget not only will the total number of modern wings—Air Force, Air National Guard, and Air Reserve—by the end of 1955 be greater than under the Truman budget, but the percentage of combat types will also be higher.

Air Force combat aircraft scheduled for delivery in the period from July 1, 1953, to December 31, 1955, are increased by at least 7 percent—75 aircraft—in the budget submitted by President Eisenhower in May, as compared with the January budget of the Truman administration. This is almost enough aircraft to equip a modern fighter wing.

Adjustments have been made in support-type aircraft, which includes trainers, transports, helicopters, and liaison

aircraft, resulting in a reduction of about 850.

This has resulted from changes in requirements—the biggest single change being the deletion by the Air Force of 420 navigational trainers—elimination of duplication and elimination of procurement of special-mission aircraft for VIP's.

As for the Navy and Marine Air arms, there will be no reduction 1954 or 1955 in combat units.

With a total of 9,941 operating aircraft, they will maintain 16 carrier groups, 15 antisubmarine warfare squadrons, 34 patrol squadrons, and 3 marine wings.

They will absorb a reduction in total operating aircraft amounting to roughly to 200 in 1954 and about 500 in 1955.

These will be taken out of support units. Modernization will continue as rapidly as practicable in view of design and development problems being encountered in the newest type of aircraft desired by the Navy.

For example, development problems in connection with the turbo-prop engine is holding up the production of certain new types which it had hoped would be in quantity production by this time.

However, the Navy will still be receiving more than 3,000 new, modern aircraft a year.

On the subject of air defense of the United States, there is no change expected in the number of interceptor wings in the new budget.

There is no reduction either in the budgeting for the radar network either this year.

Under both the new budget and the Truman budget, the same number of antiaircraft battalions are scheduled for both years, with modernization progressing as guided missiles and new equipment become available.

Under aircraft procurement planned in the revised fiscal 1954 budget, the Air Force is scheduled to receive over 2,600 more aircraft from production difficulties for a number of new types desired, the Navy is scheduled to receive 250 more aircraft in fiscal 1954 than during fiscal 1953.

When those difficulties have been overcome, production can be increased.

Under the Truman budget, by 1956 there were scheduled 143 wings, although based on past experience the goal might not have been met.

As far as present considerations are concerned, the Air Force has been told to plan on 120 wings until there has been an opportunity to review the requirements by the Joint Chiefs, the Security Council, and the President.

The results of this review cannot be predicted since there could be 143, 150, or 110 wings, depending on what the review turns up.

Should the review develop the need for additional wings it will be practicable to alter aircraft schedules for 1956 as late as the spring of 1954.

It is contemplated that this review will reexamine the overall strategic concept and reevaluate the weapons of defense and offense in this atomic age.

It must reassess the capabilities of our allies, for their contribution to the combined might of the free world has direct bearing on the size and nature of our own military programs.

This points up the important relationship of the foreign-aid program to our defense budget.

Modern fighter aircraft are now in production in five European countries as well as Canada, which has been manufacturing the American F–86 for some time.

The foreign-aid program has contained substantial funds for offshore procurement of European-made aircraft, with a view toward equipping more NATO wings and helping establish an air industry in those countries that will eventually take care of their own defense needs.

In conclusion, no doubt I find myself like many other Members of Congress disturbed over the inference created by some that the Air Force is being neglected.

I am disturbed because I am in favor of providing an Air Force second to none.

But after digesting a lot of discussion on the subject that appeared in the newspapers and over the radio as well as in the printed hearings on this bill and the committee report, I am convinced that I should accept the judgment of President Eisenhower because the scheduled review of our defense needs to be made by the new Joint Chiefs of Staff is added assurance that the security of this Nation will not be jeopardized at any cost.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. CHELF].

Mr. CHELF. Mr. Chairman, I rise in support of the Mahon amendment.

Mr. Chairman, I have refrained from saying anything about this bill yesterday and so far today. Yesterday I was trying desperately to make up my mind as to how I would vote. Frankly, I was afraid to vote for the Mahon amendment due to the fact that we now have a staggering debt of some $272 billion. Yet on the other hand, Mr. Chairman, I was afraid not to vote for this amendment for the simple reason that I did not want to play poker or shoot craps with the security of this country.

I have come to the conclusion that I shall support this amendment. True, it is going to cost us money, but we cannot take chances with our freedom. Back in August 1949, I stated in a speech on the military aid to Atlantic Pact nations: "If we are to err—I prefer to err on the side of preparedness to prevent another war."

I sincerely hope that there will be no misunderstanding of my position today. I am not criticizing President Eisenhower, the administration, the House committee in charge of this legislation, or anybody else. I am merely afraid not to support the Mahon amendment for the following reasons: After World War I we made some sad mistakes. We made a mistake in that we allowed the League of Nations to become scuttled. We sank and decommissioned our ships, we allowed our planes to become obsolete, we allowed our tanks and artillery pieces to rust away, we authorized the early return of our oversea army. Yes, we disbanded our splendid Army of nearly 3 million fighting men, and before long we had only 75,000 officers and men left. A mere hollow shell of its former strength. It was then that the seeds of World War II were sown by our folly and neglect. Yes, when we abandoned Germany, we allowed the would-be world conquerors to come into power. There came out of World War I mistakes a rug-chewing, paperhanging demagog, named Hitler, who beat the drums, waved the flags, and rallied all of the dissatisfied people, still smarting from their World War I defeat, into an integrated, well-organized army with the avowed purpose to occupy and dominate the entire world. When the war clouds of World War II were gathering, we paid no attention until the storm actually broke. It was only when Czechoslovakia had fallen, Poland was gobbled up, France was beaten to her knees, Britain was tottering on the brink of destruction and despair, that we at long last bestirred or interested ourselves.

Mr. Chairman, then what happened here? Back in 1941 this House finally saw fit to continue and to keep intact our Selective Service Army by only one vote majority. Nobody has ever accused George Washington of being an alarmist. It is true that he made the statement, among others as has been pointed out here that we should keep out of entangling alliances. But, Mr. Chairman, that was in the days of the horse and buggy and the gas lamps. Today, due to aviation, we really live in a small world. You can be in Germany or Russia or any other part of the globe in the time it would take me to get back to my home in Kentucky by automobile. I say to you that when George Washington made the statement, "The most effectual means of preserving the peace is to be prepared for war," is just as true today as it was in 1790. It is as if he had arisen from his tomb to warn us that we must beware of the leadership of Russia.

Mr. Chairman, the Russians are running their factories day and night. They were doing it in 1945 when I was in Moscow, and you can bet your life that they have not stopped since. Russia is therefore preparing for World War III now just as we allowed Hitler and Tojo to prepare for World War II. Why do not we wake up? In 1949 I said on this floor, "Will it take another Pearl Harbor to bring us to our senses?"

I am going to read you a quote from Lenin, who wrote the Russian bible. Lenin says:

> We are living not merely in a state, but in a system of states and it is inconceivable that the Soviet Republic should continue for a long period side by side with imperialist (democratic) states. Ultimately one or the other must conquer. * * * Meanwhile, a number of terrible clashes between the Soviet Republic and the bourgeois state is inevitable.

Get that, "Ultimately one or the other must conquer." Now, what do you think of Russia's attitude? She says what she intends to do just as Hitler said what he was going to do in his book entitled

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Mein Kampf. Civilization cannot stand world war III.

The buzz bombs, guided missiles, robot planes, B–36's, and the atomic bomb would blot out all civilization throughout the world. Mr. Chairman, the fate of America, the fate of the world is in the balance; it is for these reasons therefore, that I shall support this amendment. God grant another war will never come, but if it does, let us be in a position to "praise the Lord and pass the ammunition," so that the words of that beautiful War II song might prevail everlastingly:

There will be bluebirds over
The white cliffs of Dover;
Tomorrow just you wait and see;
And there will be love and laughter
And peace forever after;
Tomorrow when the world is free.

War is costly business. So is preparation and building up military strength, especially airpower. However, our freedom is worth any sum that it may cost us.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, under the Eisenhower budget for the Air Force, the personnel and strength for July 1, 1954, will be 960,000. Under the Mahon amendment the end strength of the Air Force on July 1, 1954, will be about 1,035,000.

On July 7, 1952, the Senate Preparedness Committee, chairmaned by the distinguished Senator from the State of Texas, LYNDON JOHNSON, made a report on the utilization of manpower. At that time the personnel for the Air Force totaled approximately 973,000. This figure is more than what the Eisenhower Air Force program recommends and less than what the Mahon amendment proposes. Here is what the Johnson Preparedness Committee on page 3 had to say about the manpower utilization by the Air Force:

In the field of manpower, however, our studies have produced a totally different result. Here we have found a high degree of waste—inexcusable waste—and an unconscionable amount of inefficiency. There is no reason why this waste cannot be removed to the benefit both of our defenses and our economic health.

Then the committee had this to say. I repeat this is the report under the jurisdiction of the senior Senator from the State of Texas, an experienced military authority in the Congress. Here is a further comment in this report which was issued last July:

The old Army game of using 5 men to do the work of 1 does not appear to have been discarded when the Air Force divorced the Army.

Then there is another comment by this Preparedness Committee under the jurisdiction of the senior Senator from the State of Texas, the present minority leader of the other body:

For that period—for the period of the international tensions—we must resign ourselves to huge defense budgets. But we must not—we cannot—resign ourselves to budgets so swollen that our economic structure threatens to burst at every seam and let loose upon our citizenry a floodtide of inflation and bankruptcy.

The sins of the past—the failure of every American to wage a coordinated and ruthless campaign against waste—have caught up with us. Already, there are responsible officials who appear to believe that we have spent so much money already that we do not dare to spend more for weapons that are vitally needed.

The Mahon amendment should be defeated. The personnel requirements under the Eisenhower Air Force program are sound and in accord with observations, comments, and recommendations of the 40th Report of the Preparedness Investigating Subcommittee of the Senate Committee on Armed Services. Senator LYNDON B. JOHNSON of Texas, Democrat minority leader in the 83d Congress, was chairman of this group. The other members of the subcommittee were Senator ESTES KEFAUVER, Senator LESTER C. HUNT, Senator JOHN C. STENNIS, Senator STYLES BRIDGES, Senator LEVERETT SALTONSTALL, and Senator WAYNE MORSE. The members of this investigating subcommittee should individually support the Eisenhower Air Force budget for their suggestions are practically identical.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. TABER], the chairman of the committee, to close debate.

Mr. TABER. Mr. Chairman, the gentleman from Michigan has just analyzed one of the items involving $172 million in this amendment. He has done it magnificently. That item is clearly not needed. There is nothing in this amendment that would bring an increased number of air wings one day earlier. It only provides for transport planes and training planes of which an inventory taken by the Department showed that they had plenty in sight and on order.

This budget was made in this way: In January it was $16,800,000,000. The Air Force itself, the military end of it, then cut it by $1,600,000,000. The cut made by the heads of the Departments of the revised budget was only $3,500,000,000. The plane-construction item would not do any good. The $600 million additional for maintenance and operation simply allows them to make worse their present record where they have 1½ people doing the work that 1 person ought to do. I know this from going around and seeing it. What is the use of our adding $1,095,000,000 to this bill when it cannot do any good and it cannot help our national defense? We have had placed in charge of the Air Force and in charge of the Department of Defense the very best business people that the United States could produce. They have gone through this situation, and as a result they have reduced the lead time from approximately 24 months to approximately 16 months on plane construction. That is the average. They are going to give us full-fledged national defense. Let us give them a chance. Do not give them money which they do not need, and which they themselves say they do not need, and which will not produce a single, additional wing for the Air Force. Why should we waste money when it is perfectly apparent that we are just throwing it down the river. I do not like to approach my responsibility in that way. I hope this House will defeat this amendment and preserve sanity in our Government.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

The CHAIRMAN. If there are no further amendments to title V, the Clerk will read.

Mr. TABER. Mr. Chairman, I ask unanimous consent that title VI may be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TABER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time to pay tribute to the chairman of the Subcommittee of the Committee on Appropriations for the Department of Defense, Hon. RICHARD WIGGLESWORTH, of Massachusetts.

He was taken sick about 2½ weeks ago and had to go to the hospital. I am glad to say he is now out of the hospital and is recuperating at his place on the north shore.

He has been the most devoted worker I have ever known on this committee, working day and night at his job. I really believe that the strain under which he placed himself and the continuous devotion to his duties and his responsibility caused his sickness. I am glad to report that he seems to be on the way to recovery and I wish him the best of everything.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I wish to concur in the remarks which have just been made by the chairman of the Committee on Appropriations, the gentleman from New York [Mr. TABER], with regard to the No. 2 Republican member of that committee, the gentleman from Massachusetts, DICK WIGGLESWORTH. All members of the committee on this side share those views, I would like to say to the gentleman from New York.

If there has ever been a more devoted patriot in the Congress than DICK WIGGLESWORTH, I cannot identify him at this time. He has worked long hours through the years and he has been a stalwart supporter of the cause of national defense and good government.

We are sorry he cannot be here, but we expect to see him soon and we wish him well.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. TABER. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. Mr. Chairman, I want to thank the gentleman from New York and the gentleman from Texas because DICK WIGGLESWORTH does typify old New England and Massachusetts.

Mr. TABER. I thank the gentleman.

The CHAIRMAN. Are there amendments to title VI?

Mr. UTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. UTT:

Page 55, after line 12, insert section 646, which reads as follows:

"SEC. 646. None of the funds appropriated by this title may be used in the preparation or prosecution of the pending suit in the United States District Court for the Southern District of California, Southern Division, by the United States of America against Fallbrook Public Utility District, a public service corporation of the State of California, and others."

Page 55, on line 13, strike out "section 646" and insert in lieu thereof "section 647."

Mr. SCRIVNER. Mr. Chairman, the committee will accept the amendment.

The CHAIRMAN. Without objection, the amendment is agreed to.

There was no objection.

Mr. POWELL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, 9 years ago when I came to this House I introduced an amendment to abolish segregation in the Armed Forces and each time this bill or any bill concerning the Defense Department came up I did likewise. When the Korean conflict began I made a speech saying I would not introduce such an amendment during this conflict. I have introduced each year my bill which this year is H. R. 562, to prohibit race segregation in the Armed Forces of the United States. I appealed to Congressman DEWEY SHORT, chairman of the Committee on Armed Services, for a hearing on this bill. Congressman DEWEY SHORT forwarded to me a letter received from John G. Adams, Acting General Counsel for the Office of the Secretary of Defense, which was received by me on June 24. The following is a copy of that letter:

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on H. R. 562, a bill to prohibit race segregation in the Armed Forces of the United States.

The purpose of this bill is stated in its title.

Executive Order 9981, July 26, 1948, declared it to be the policy of the President that there shall be equality of treatment and opportunity for all persons in the armed services without regard to race, color, religion, or national origin, and directed that this "policy shall be put into effect as rapidly as possible, having due regard to the time required to effectuate any necessary changes without impairing efficiency or morale."

The Department of Defense has taken steps to assure compliance with Executive Order 9981, and it is the approved policy of the Department of Defense to provide equality of treatment and opportunity for all members of the Armed Forces.

This policy has been fully implemented in the Navy, Air Force, and Marine Corps. In the Army, the gradual assignment of Negro and white personnel to the same unit has progressed from the Far East Command to all major overseas commands. In the continental United States all Army training divisions, military schools, Regular Army divisions and many nondivisional units are integrated. This gradual movement is operating without major difficulties or disruption of military efficiency. While no definite completion date is feasible, the continuation of this process will, within a reasonable time, fully accomplish the purpose of H. R. 562.

In view of the foregoing, it is believed that the enactment of H. R. 562 is unnecessary.

The Bureau of the Budget advised that there is no objection to the submission of this report to the Congress.

It is interesting to note, in the letter from the Acting General Counsel for the Office of the Secretary of Defense, Mr. John G. Adams, that he specifically points out how integration is proceeding in the Army, but says nothing concerning the Navy. He says nothing concerning the Navy because he cannot.

One-half of the Negroes now serving in the United States Navy are serving as mess men, nothing more than man servants to the admiral clique. There is absolutely no excuse for this. It is in absolute defiance of the President's orders. I am bringing this particularly to the attention of President Eisenhower. Intelligent, ambitious Negroes are boycotting the United States Navy because they are not interested in making the world safe for democracy by shining shoes, nor are they interested in fighting communism with frying pans. The last vestige of aristocracy in America is the gold braid of the United States Navy. Generals of the Army no longer have man servants. This is a modernized, 20th-century form of slavery.

In the second place, integration is not proceeding in the Pentagon, among the civilian personnel. Deliberately, definitely, and specifically, all Negroes in the Army, Navy, Air Force, and Marines are stopped at the grade-4 level. This is an agreed-upon policy. I must point out that such a policy completely ignores the Civil Service Commission's directives. This must be, and can be changed immediately.

One last criticism: The military does not provide any Reserve Officers' Training Corps for Negroes in three States of the Union—Georgia, Mississippi, and Arkansas. Yet from these States scores of thousands of Negroes are drafted, but none of them with any chance of being commissioned as officers. The result is that there is a shortage today of qualified Negroes for commissioned Army assignments. The military must, therefore, provide immediatedly ROTC training in these three States.

Finally, I want to point out that we have segregation on the run. A new bill is coming out of my committee—the Committee on Education and Labor—next week, which will give the President of the United States complete power to integrate schools on Army posts. This bill will give this power by virtue of leaving the problem up to the base commander of each Army base.

Within the next few days, a new Executive order will be issued by the White House, dealing with Government-contract compliance. This means that a little FEPC will be set up in all firms doing business with the United States.

These are the kind of secret weapons which will defeat communism at home and abroad.

Mr. SCRIVNER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Amendment offered by Mr. SCRIVNER: Page 49, line 21, after the word "During" insert "the last quarter of."

The CHAIRMAN. The question is on the committee amendment offered by the gentleman from Kansas.

The committee amendment was agreed to.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Chairman, I move to strike out the last word to announce the program for next week because in a very few minutes we will be getting to the voting stage on this bill.

On Monday there will be no business.

For Tuesday and the balance of the week, the following bills will be called up:

H. R. 5047, having to do with bonding extension on distilled spirits.

H. R. 5173, Employment Security Administrative and Financing Act of 1953.

H. R. 6049, school construction in federally impacted areas.

H. R. 6078, aid for maintenance and operation of schools in federally impacted areas.

H. R. 4351, having to do with Niagara power development.

H. R. 116, transportation of fireworks in interstate commerce.

Also, if reported and a rule is granted, custom simplification and excess profits tax extension.

I may say that the Consent and Private Calendars will be called on Tuesday, and suspensions, under the unanimous consent request granted yesterday, are in order on Tuesday.

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent that all debate on title VI and all amendments thereto conclude in 30 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MATTHEWS: On page 49, line 6, after the word "shipment" insert "For personnel with zero through two dependents, 10,500 pounds for personnel with three dependents, 12,500 pounds for personnel with four dependents, and 14,000 pounds for personnel with five or more dependents."

(Mr. LONG asked and was given permission to yield the time allotted to him to Mr. MATTHEWS.)

Mr. MATTHEWS. Mr. Chairman, I want first of all to thank my colleague, the gentleman from Louisiana [Mr. LONG], and point out to the committee that I sincerely hope they can find it possible to accept this amendment.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Kansas.

Mr. SCRIVNER. The committee has never even seen a copy of the gentleman's amendment.

Mr. MATTHEWS. I will explain it to you.

Mr. SCRIVNER. I would like to see a copy so that I can see what it does.

Mr. MATTHEWS. What this amendment does is to add a little more to the

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total freight limit that is permitted our personnel in the services. As it is now the maximum amount of freight that can be conveyed at Government expense for a permanent change of status is 9,000 pounds. Now what my amendment does is to base that amount of freight pretty largely on the number of dependents. From 0 to 2 dependents the maximum would be 9,000 pounds, as we have it in the present act, but for 3 dependents it will be extended to 10,500 pounds; for 4 dependents to 12,500 pounds; and for 5 or more dependents a maximum of 14,000 pounds.

Mr. Chairman, the cost involved here will not be very much, but I sincerely believe it is an important morale factor. I can recall when I went into the service I had 1 child and just a Ford full of freight, and when I left 4 years later I had some more children and a freight carload of furniture. When you stop now and think I know you will realize when a personnel change is made, a change from one station to another, 9,000 pounds does not give a serviceman an opportunity to take very much freight. I believe there are great possibilities of savings, and that enough money could be saved to make this change effective and possible. This may seem just a little anticlimatic coming, as it does, after we have discussed the great problems connected with the Air Force, but I know that we are all agreed that the morale of our men is the most important thing we have to think about. I believe this will help their morale. I certainly hope the committee will adopt my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The amendment was rejected.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WILLIAMS of Mississippi: On page 48, line 9, strike out all of section 628 and renumber the succeeding sections.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. SCRIVNER].

Mr. SCRIVNER. Mr. Chairman, in response to the gentleman from Mississippi whom we all admire, this matter has been studied for a long time. The gentleman realizes many of the situations that exist, which were described during the general debate yesterday. The Secretary of the Air Force is in sympathy with the goal that we are trying to attain, namely, eliminating the abuses of costly unnecessary flying in the Air Force. They have informed me as of this morning that they have a program which they will submit to the other body as a substitute for this. This amendment should be defeated to let them work out their program.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. SCRIVNER. I yield.

Mr. PRIEST. Can the distinguished gentleman tell us where in the record of the hearings we can find the testimony on this particular question?

Mr. SCRIVNER. Flying pay is scattered throughout the testimony.

Mr. PRIEST. Could the gentleman state who recommended this provision?

Mr. SCRIVNER. The committee recommended it. So, Mr. Chairman, I think at this time in view of the situation which has developed, the amendment should be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. BENTSEN].

Mr. BENTSEN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, we have already taken care of the quantity of the Air Force by this cut. I have heard a great deal of talk about what we want is quality and not quantity. So I say now, let us hold up the quality of the Air Force. There has been a great deal of talk about the superiority of the kills we have had of Sabres over MIG's. Let me tell you one of the reasons I believe we have had it is because we have had a better training of our men. I do not want to see us have a fair weather Air Force. I want to cite to you the statement of Captain Jarecki, the escaped Polish pilot. This is what he said:

I think there are two reasons why you are shooting down more MIG's in Korea than you are losing Sabres. One is your electronic gunsight, but the foremost reason is the training of your pilots.

I was a pilot in a MIG squadron, and I had less than 150 hours in the air. Of those, 100 hours were in the conventional planes or training units. Then I was assigned to a tactical unit where I got 5 hours in a two-place jet trainer, the training version of the MIG. After I had 40 hours in the MIG, I escaped. I think most of the Red pilots flying in Korea probably have had the same kind of training, and this is no match for our American training.

So I say, let us not make a fair weather Air Force out of this. I do not think that a maximum of 4 hours a month will make a competent pilot, when he has to go on instruments. You do not know what your weather will be. You may start out on a nice, clear day, but the first thing you know you are surrounded by weather and you had better know how to fly on instruments and have had sufficient training. If you lose one, or two, of a few of these expensive airplanes because of insufficient training, you will have lost not only the lives of the pilots but the planes. And in dollars alone you will have lost more than you can save.

Mr. SCRIVNER. Mr. Chairman, will the gentleman yield?

Mr. BENTSEN. I yield to the gentleman from Kansas.

Mr. SCRIVNER. There is not a limitation on training, I might say to the gentleman. These men are already trained. There is no limitation for spending on training.

Mr. BENTSEN. Training is a continuous process.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WILLIAMS].

The question was taken; and on a division (demanded by Mr. PRICE) there were—ayes 89, noes 105.

Mr. WILLIAMS of Mississippi. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. SCRIVNER and Mr. WILLIAMS of Mississippi.

The Committee again divided; and the tellers reported that there were—ayes 115, noes 137.

So the amendment was rejected.

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: On page 52, line 14, after the word "possessions," insert "except Alaska, Hawaii and the Canal Zone."

Mr. FARRINGTON. Mr. Chairman, I ask unanimous consent that I may grant to the Delegate from Alaska my time and that at the conclusion of the remarks I may insert a statement of my own.

The CHAIRMAN. Is there objection to the request of the Delegate from Hawaii?

There was no objection.

Mr. BARTLETT. Mr. Chairman, this amendment does not involve the security of the country, it does not concern the welfare of millions, but it is of vital importance to thousands of loyal Americans living in the Territories.

I seek by my amendment to change section 640, page 52, of the bill. For years Federal workers in the Territories have received a cost-of-living allowance. This section seeks to deny that allowance to Territorial residents recruited in the Territories and working there. It would be more costly instead of less to the Federal Government to do that. This was explained yesterday by the Delegate from Hawaii and myself when we discussed this subject at some length.

I want to make a few brief points.

First, the cost-of-living allowance is not a recruitment device primarily as some Members seem to think. It is a true cost-of-living allowance.

Second, it may be of interest to the committee to learn—it ought to be of interest—that the commanding general of the Alaskan Command, in charge of the military services in Alaska, is exceedingly disturbed by the provisions of section 640 and it is estimated by that command that as many as 50 percent of the classified workers might be lost if this section went into effect. I understand he urges deletion of any such provision relating to Alaska. That should be taken into consideration.

It was my original intention to offer an amendment to strike the whole section. However, I did not do so because it is my understanding no representations have been made from or by Puerto Rico and I am not intimately familiar with the situation in the other possessions. I do know that in Alaska particularly, in Hawaii, and in the Canal Zone, the residents ought to continue to receive this cost-of-living allowance.

Further, I should point out that if these people have to be recruited from the States it is going to cost the Government $4,000 to take each worker to Alaska and to bring that worker back. The

charge to the Government will be infinitely more than it how is.

Mr. FARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. BARTLETT. I yield to the Delegate from Hawaii.

Mr. FARRINGTON. Is it not true that this amendment involves a vital change in policy in connection with the appointment of Federal personnel in the territorial areas and sets up a double standard of wages, that it is being introduced into this bill without giving the representatives of the territories any opportunity whatsoever to be heard on it. We knew nothing about it until the bill was reported a few days ago.

Mr. BARTLETT. The gentleman has stated the exact truth. We had no opportunity whatever to appear. You and I and others interested knew about this for the first time when the bill was reported. It is my belief that if witnesses had been called as representatives from the executive departments of the Government they would have appeared before the committee in opposition to this section. But we did not know anything about it, as the Delegate from Hawaii has said and we were not given an opportunity to testify.

I hope my amendment will be agreed to.

I desire to quote a radiogram received earlier today from O. F. Benecke, president of the Juneau Chamber of Commerce:

> We strongly protest section added Defense Department appropriation bill denying cost of living allowance to Federal employees hired in Alaska. Inconceivable that such discriminatory legislation against resident Federal employees can be favorably considered. No member of this chamber could tolerate such a policy with their employees. Alaska resident Federal employees are citizens of the United States with same general educational background as stateside recruits and in many instances better. They pay same rents, own same type homes, live on same scale and subject to same expense for travel, medical attention, children's education, etc. All wage scales in Alaska are adjusted to greater cost of living here without regard to origin of employees. Believe civil service now has authority to adjust cost-of-living allowance to equitable figure. Policy proposed by amendment would result in resignations of practically all locally recruited Federal employees and their replacement by recruiting or transferring from States so cost-of-living allowance would be paid in addition to tremendous costs for transfer and training new recruits. Effect on economy of Alaska will be very damaging. This appears to be further insistance upon second-class citizenship for Alaskans.

Mr. FARRINGTON. Mr. Chairman, I am strongly in favor of the amendment offered by the Delegate from Alaska.

The Federal Government introduced the practice of paying a differential to civilians in its employ in the Territory of Hawaii, more than 10 years ago. Its original purpose was to induce persons in the States whose services were needed in the war effort to accept employment in Hawaii. The differential was offered originally as an inducement to these persons to leave their homes at least temporarily for this purpose.

At this time the Federal Government was recruiting tens of thousands of persons, to be employed as civilians in the military establishments, not only from the States, but from among people resident in the Territory of Hawaii itself. Many thousands who had made their homes on the other islands of the Hawaiian group moved to Pearl Harbor, Hickam Field, and other naval and military bases on the island of Oahu to participate in the defense effort.

The result was a double standard of wages.

Men and women, most of them single who had come from the States, were paid 25 percent more for the same work—the same job—than those who had come from homes in Hawaii. The arrangement was obviously so unfair, and caused such widespread discontent and complaint that it was abandoned. The policy was adopted of paying the same wages for the same work, regardless of the origin of the individuals involved.

Following the war the Federal Government decided that payment of the differential could no longer be justified as an inducement for employment in its services in Hawaii. The fact was that many individuals were being removed from the service. It did find however that in order to retain the services of individuals that were very much needed in the Federal Government a differential should be paid on the basis of the difference in the cost of living.

One reason for this is that opportunities for employment in Hawaii for persons with special skills are limited, as the economy of the islands is basically agricultural. Thus men skilled in those trades needed in the certain phases of the Federal Government work could not find employment in Hawaii except with the Federal Government and would leave unless the difference in the cost of living was recognized.

This problem was recognized by Congress in 1948. The Independent Offices Appropriations Act of that year provided for payment of the differential on the basis only of the difference in the cost of living.

The adoption of this system resulted in the reduction in the amount of the differential paid in Hawaii from 25 to 20 percent. About a year ago another investigation was undertaken by the Bureau of Labor Statistics, at the request of the Civil Service Commission, to determine, once more, the difference in the cost of living in Honolulu and in Washington, D. C.

I point this out to show that there is adequate means now available to deal with this problem fairly to both the Government and its employees, and that it is working and working well.

It is a system that is sound from every standpoint. It meets the special requirements that prevail in all outlying areas. Many of them are extremely different. In Alaska, for instance, the cost of living is extremely high. There are, as the Delegate from Alaska pointed out, two bills pending in Congress providing for payment of a differential far beyond the 25 percent. The situation in Puerto Rico is very different. And what of conditions that prevail in places like Guam, American Samoa, and the trust territory? I doubt if these have been considered in connection with the consideration of the amendment.

The action proposed in this bill would result in the abandonment of a well-established and sound method for dealing with this problem and inevitably create a new and serious problem within the service of the Federal Government in these areas.

This proposed change is grossly unfair because it establishes one standard of wages for those who come in from the States and those whose homes are in the Territories. It would encourage people who desire to live in a place like Hawaii to retain their residence in the States for the simple reason that they would get a substantial increase in pay.

It is a return to the colonial system.

It was arrived at without proper consideration and without any notice to the people principally involved. No hearings whatsoever were held. This is unfair.

The way to handle this problem is through the legislative committees involved and by giving those immediately concerned and those best equipped to judge, the opportunity to present their point of view.

We feel that the attempt to achieve this by this method is not proceeding in good faith to the people who have accepted employment under these conditions in the Federal Government in Hawaii, and ask for this if for no other reason, that the amendment proposed by the Delegate from Alaska be adopted.

CANAL ZONE HOSPITAL FACILITIES

Mr. DAVIS of Wisconsin. Mr. Chairman, recent hearings by the Civil Functions Subcommittee of the House Appropriations Committee disclosed gross duplication of hospital facilities in the Canal Zone, not only between the Army and Navy, but between the services and the Canal Zone Government. The subcommittee called this to the attention of the Armed Services Subcommittee and Mr. WIGGLESWORTH confirmed this fact in hearings on the bill now before the House.

A detailed description of the duplication involved is contained in the General Accounting Office Report on Survey of the Health Bureau of the Canal Zone Government, June 30, 1952, which was transmitted to the Appropriations Committee on March 20, 1953.

Briefly, this is the situation. There are four governmental hospitals in the Canal Zone, Coco Solo and Fort Clayton, operated by the Navy and Army respectively and Gorgas and Colon, operated by the Canal Zone Government. Of the four, only Gorgas is equipped and staffed to handle cases requiring major surgery or specialist care. Military cases involving such matters are referred to Gorgas. Shown below are two tables, first, a brief description of each of the hospitals; and, second, the total patient days in the hospitals for fiscal year 1952.

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TABLE I.—*Government hospitals in the Canal Zone*

Agency	Hospital	Location	Capacity (beds)		Beds occupied 1952
			Normal	Emergency	
Navy	Coco Solo	Atlantic [1]	60	125	50.5
Army	Fort Clayton	Pacific [2]	300	700–750	153
Canal Zone government	Gorgas	Pacific	682	1,170	[3] 332
	Colon	Atlantic	227	270	[3] 86
Total			1,269	2,165–2,215	621.5

[1] Approximately 3 miles from Colon Hospital.
[2] Approximately 7 miles from Gorgas Hospital.
[3] As of Jan. 16, 1953.

TABLE II.—*Patient days, 1952*

Navy—Coco Solo	17,778
Army—Fort Clayton	65,246
Canal Zone Government:	
Gorgas	122,224
Colon	27,207
Total	232,455

The General Accounting Office informs the committee that the total of 232,455 patient days in 1952 represents only 55 percent of the total patient days of Gorgas Hospital in the peak year of 1943 and is less than the normal present capacity of Gorgas.

A brief glance at table I will disclose that the normal capacity of Gorgas—682—is more than sufficient to care for the total hospital needs of Canal Zone residents during 1952.

It was evident to all concerned that 2 of the 4 hospitals were sufficient to meet the needs of all in the Canal Zone. Tentative estimates of the General Accounting Office show savings to be derived from such action to be in the neighborhood of $2 million annually. Despite flat disagreement to this at first even the Department of Defense now agrees with this position. Steps have been taken to close the hospitals at Fort Clayton and Colon. Current needs will be met by proper use of Coco Solo and Gorgas hospitals. Why this was not done before by the Department is not known, especially since the entire matter has been under study since 1947. The committee trusts, however, that now that the decision has been made there will be no hesitation in its implementation. It is also most desirable that the Department take steps to explore the entire matter of duplication of facilities in the Canal Zone.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the issue is very simple. Should the Federal Government pay up to 25 percent as a bonus for employment to a person who lives in Hawaii and Alaska, to work for the Federal Government? This provision as included in the bill says that we will not pay the resident of Hawaii, Alaska, or any other Territory or possession a bonus for working for the Federal Government. The policy was basically set up for the recruitment of personnel from the United States to go to these Territories and possessions. If you want to pay a citizen resident of Hawaii and Alaska and other Territories and possessions a bonus for working in their own home area, then you want to vote for the amendment offered by the Delegate from Alaska. If you want to pay a straight salary to those people who work for the Federal Government in their own Territories or possessions, then vote for the committee bill.

Mr. FARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield to the Delegate from Hawaii.

Mr. FARRINGTON. What the gentleman is doing is proposing that you pay a bonus to those who come in from the outside.

Mr. FORD. That is right.

Mr. FARRINGTON. But deny it to the people who live there, and that is discriminatory and unfair.

Mr. FORD. When the legislation was originally approved it was based on the necessity of recruiting people from the United States to work in the Territories and possessions. That is not now the case at all and there is no reason why we should pay the citizen residents of these Territories and possessions a bonus.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska [Mr. BARTLETT].

The amendment was rejected.

Mr. BARTLETT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BARTLETT: On page 52, line 14, after "possessions" insert, "except Alaska."

Mr. BARTLETT. Mr. Chairman, Alaska is, of course, a Territory with which I am intimately familiar. Is the 25-percent allowance a bonus when the cost of living at Anchorage is 40 percent higher than Seattle, and when the cost of living at Fairbanks is 47 percent above that of Seattle? It is not, and if witnesses could have been brought before the committee from the Civil Service Commission they would have so testified. This is a cost-of-living allowance, and nothing else, and I hope the amendment prevails.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska [Mr. BARTLETT].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. SIKES].

Mr. SIKES. Mr. Chairman, I am somewhat disturbed by the provision in section 622, on page 43 of the bill providing that as much as $10 million of the amounts received from sale or salvage of scrap shall be available each to the Department of the Army, the Navy, and the Air Force for expenses of transportation, demilitarization, and other preparation. I question the necessity for that allocation of funds.

It is my information that these funds have been used in the past to purchase scrap-processing equipment in a number of instances where it may not have been necessary. There are many persons who feel that there is adequate competitive private small business which is anxious to handle the scrap and in some instances can do so with a greater net return to the Government. They advocate the method followed by most private industry in arranging for more frequent disposal of scrap on a competitive bid, quarterly contract basis. This eliminates much of the storage problem and additional handling costs and gives to the established private small business the chance to do the job. There are those who feel also that the effect of this appropriation is to provide a subsidy to the steel mills.

Mr. SUTTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUTTON: On page 46, line 10, after "violence", insert the following: "or refuses to answer questions before any committee of Congress regarding his or her membership in or affiliation with such organization on the ground that such testimony may incriminate such person."

Mr. SCRIVNER. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SCRIVNER. Mr. Chairman, although the committee understands the purpose of the amendment and knows the results it might obtain, we nevertheless feel that the amendment is subject to a point of order, and insist on the point of order that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Tennessee desire to be heard on the point of order?

Mr. SUTTON. Mr. Chairman, this is a restriction on an appropriation. I talked with the chairman of the full Committee on Appropriations about this amendment and also talked to the chairman of the subcommittee handling the bill and also the ranking minority member of the subcommittee. I was hopeful they would accept this amendment. To me it is a restriction on an appropriation and is something I believe the entire Congress would be in favor of. I hope the gentleman will withdraw his point of order and let this amendment go into the appropriation bill. I still insist, Mr. Chairman, that it is a restriction.

The CHAIRMAN. In the opinion of the Chair, the amendment offered by the gentleman from Tennessee adds further legislation to that in the bill, and the amendment is not germane to the section to which it is offered. The Chair, therefore, sustains the point of order.

Mr. SUTTON. Mr. Chairman, I hope the Committee on Appropriations will include this amendment in the next appropriation bill they have. A few years ago we did not have the section in the appropriation bill known as section 625, up until 1932. I believe it was put in at that time. Since that time of necessity we have had to put these restrictions in the appropriation bills. At this time,

with so many people refusing to answer the question as to whether or not they are Communists on the ground that it might incriminate them; I hope this provision will be put into all the appropriation bills from now on by the Appropriations Committee so that a point of order cannot be raised against it. To me, anyone who refuses to answer a question as to whether or not he is a Communist on the ground that it might incriminate him is just admitting that he is a Communist. Of course, no one should draw money from the Federal Government who is a Communist or if there is any doubt as to whether or not he is a Communist.

The CHAIRMAN. The Chair wishes to ask whether or not there are any more bona fide amendments.

Mr. SCRIVNER. We have no more amendments on this side, Mr. Chairman.

The CHAIRMAN. If not, the Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

(Mr. BYRNES of Wisconsin asked and was given permission to yield the time allotted to him to Mr. LANTAFF.)

Mr. LANTAFF. Mr. Chairman, I take this time to ask the chairman of the committee a question with reference to the proposed cut in the Air Force budget. The recently announced death list on airbases did not include a base in my home district, the Homestead Airbase. I am wondering whether or not this $240 million will in any way affect the reactivation of that airbase.

Mr. SCRIVNER. My information is that it will not. There is possibly $3 billion unobligated in the Air Force. I am informed that the base to which the gentleman refers is not on the death list and will proceed.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. DAVIS].

Mr. DAVIS of Wisconsin. Mr. Chairman, I take this time to call the attention of the House to section 631, which appears on page 50, what might be called a revision of what is referred to in the report as the Davis amendment.

You will recall that in the appropriation bill last year a limitation was included on the number of officers and the rank that could be had. Because of some erroneous figuring, it was necessary to revise that, which this House did unanimously. It became Public Law No. 7 of the 83d Congress. I simply take this time not to offer an amendment—which I do not do for several reasons—but to call the attention of the committee to the fact that this law which was unanimously passed by the House in March is now being changed by the addition of 144 Navy captains, 1,342 Navy commanders, and a net of 19 generals in the Air Force. There may be justification for that, but in view of the unanimous action of the House to provide temporary legislation until such time as the Armed Services Committee can fulfill its function of providing legislation on which the House can pass, I doubt the wisdom of permitting that number of increases to take place. Yesterday, while I could not be here because of some subcommittee hearings, objection was taken to handling this matter by means of an appropriation rider. I can agree with that. The statement was made, and I quote:

> I would think after the grievous consequences of the Davis amendment last year that the Members of this body would be getting a little bit sick of it, too.

Mr. Chairman, I submit the grievous part is that such legislation had to be handled by an appropriation rider in the first place.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, the House will be interested in knowing the nature of the motion to recommit which will be offered at the proper time from this side of the aisle. The motion will be the same as the amendment offered. It will provide for an increase in the committee bill of $1,175,000,000 for the more rapid buildup of the Air Force toward the 143 wings. The motion, if adopted, will happily leave the total in the Department of Defense bill well below the President's request for national defense. We will be giving the Department of Defense and the President something less than the sum requested for national defense in the budget estimates. It is true that the Congress will have in its wisdom exercised its right to vary the purposes for which some of the money will be spent. I think that is a true description of what the motion to recommit will involve.

Mr. SCRIVNER. Mr. Chairman, I ask unanimous consent that all Members may be permitted to extend their remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. PHILBIN. Mr. Chairman, even during World War II it was quite apparent to me that this Nation and the free world would ultimately clash in a great struggle for preservation of our basic concepts of freedom. In a speech I made on this floor in 1943, I pointed out that realinements of policy and alliance would inevitably follow the war and that we as a Nation should take every precaution then not to strengthen potential enemies. Regrettably my views were not accepted and not followed. Instead, we embarked upon appeasement and a soft, conciliatory policy toward the Soviet with what results we can now all appreciate and deplore.

After the war when through diplomatic concessions and aggression the Soviet greatly expanded its territory and sphere of influence, while I worked and spoke for universal reciprocal disarmament and international control of atomic energy, until the Soviet should demonstrate sincerity and good faith by deeds as well as words, I repeatedly urged, in the House Armed Services Committee and in and out of the House, the building of an impregnable national defense on land, sea, and in the air dominated by a mighty aerial striking power capable of almost instantaneous and terrible retaliatory action against an aggressor.

I worked and fought particularly for an overwhelming air force and was the first to introduce a bill calling for 70-group air strength at a time when we had permitted our air power to be dangerously reduced. From that day to this I have labored for great strength of arms.

The present controversy is just an extension of that issue. It is a conflict between those who favor a 143-group air force, or even a larger one, and those who just as honestly strive for a smaller but what they believe would be an effective force. Frankly, I cannot accept the analysis or the reasoning of the opponents of an increased and stronger air force in this critical period in world affairs.

There is hardly a well-informed, loyal, thoughtful American who does not recognize the great deterrents to Soviet aggression. They are principally two: our large stockpile of atomic bombs and our ability to deliver them speedily and effectively. Our great economic system, with its unmatched efficiency and productivity, the skill of American scientists and working people, the great production by our agriculture of foodstuffs and fibers, the indomitable spirit of the American people—all these are great psychological and actual advantages over other nations.

But the one thing that strikes fear into the hearts of ruthless enemies is our large supply of atomic bombs and the heavy bombers we have in being to deposit them in strategic places if an attack should be made on this Nation.

Thus it appears entirely clear to me that the building of a stronger Air Force is imperative for adequate national defense. Air power is essential to the safety and prestige of our position in the world. Air power is the one field in which because of our scientific research and technological skills we have a decisive natural advantage. Air power is a peculiarly American specialty in which it would be relatively easy for us to achieve and maintain superiority and dominance over those who might be disposed to assail us. We can and must have the best Air Force in the world.

I am not impressed with the argument made here that we can have just as effective an Air Force under the bill as we could under the amendment providing $1,100,000,000 more. There is no argument for economy, however sincere and well motivated, that should be allowed to jeopardize the national security or leave the Nation without that kind of aerial striking power that will continue to deter ruthlessness and aggression and protect the Nation.

One billion dollars is a lot of money. But measured in terms of defense and total budget it is a small price indeed to pay for greater security. We cannot insure absolute immunity for the Nation against attack. But we can insure that potential enemies may know of our preparedness and that if a wanton attack should be made, it can and will be answered promptly and effectively by mighty, cosmic, atomic blows from the skies carried out by the most modern, speediest, best heavy bombers raining widespread devastation and destruction upon the enemy.

I would express the hope and heartfelt prayer that this will be the last great

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defense appropriation that we of the House shall have to vote for. I hope and pray that the great and all-powerful Prince of Peace, the arbiter of every destiny, may infuse all nations, including the Soviet, with emotions of brotherhood and friendship and human cooperation in order that universal disarmament may come to pass, that hating, conspiracy, and aggression may cease, that war may be abolished and replaced by institutions of justice, that the world may live, work, and progress in amity and universal peace.

Feeling as strongly as I do on the question of American preparedness, until that time comes, I propose as a matter of security and statesmanship to support and strive for the maintenance of a strong, invulnerable, impregnable national defense.

Mr. PATTERSON. Mr. Chairman, some consolidation of facts is necessary to sift through the welter of charges and counter charges having to do with the recommended appropriations for the Air Force.

The amount requested in the Eisenhower budget is sufficient to maintain our air strength to a point adequate for our foreseeable need. All talk of increased appropriations giving the Nation more air power for our immediate need is misleading to the extreme.

Should Congress follow the lead of the strongest air advocates and vote greatly increased funds—not one additional plane would be made available in 1954. The Air Force has at present large sums of both obligated and unspent and unobligated moneys. The productive facilities of the Nation could not build additional planes without full mobilization. Money appropriated above the budget request would not increase our 1954 air strength one iota.

The President is supremely qualified to pass on the military needs, and he has made it evident on many occasions that he approves of the reductions which have been suggested.

Lest my position be misunderstood, let me note that in the 80th Congress I strongly supported the successful effort to build our air strength to 70 groups. I am still an advocate of air power, particularly in a strategic sense. Under the amount suggested by the Department of Defense, and concurred in by the Appropriations Committee, this Nation will retain air supremacy so essential to our defense.

An insolvent nation is a weak nation, whatever its strength in materiel and manpower may be. This is not to place economy before strength, but to be realistic in our planning. Should we overexpend we sap our economic strength and weaken our position of world leadership. No insolvent nation ever won a war or survived full military action. We must reach for the middle ground which will assure military strength and keep our citizens solvent in their financial affairs.

Sound planning will give America more defense strength for fewer dollars, just as any efficient enterprise can give the consumer more value per dollar than an inefficient and wasteful one.

Mr. Chairman, I desire to take this opportunity to commend the House Appropriations Committee for the consideration which it gave to the continuance of the program for the promotion of rifle practice.

I was particularly pleased to note that it was the sense of the committee, as expressed in the report, "that the National Board should spare no effort in attempting to make available .22 caliber ammunition to the junior rifle clubs, and should, in fact, do its utmost to encourage the junior clubs."

I hope that the National Board will be able somehow to obtain sufficient .22 caliber ammunition for these young men, although its task is made the more difficult—if not impossible—by the lack of funds to purchase such ammunition. This is made most evident by the fact that $100,000, the amount recommended by the committee, is the Army's estimate of the administrative expenses of the Director of Civilian Marksmanship during the next fiscal year.

As evidence of the importance of adequate appropriations for this program, I am inserting as part of these remarks, a newspaper clipping from the New York Times of October 19, 1952. The clipping is datelined Berlin, and recites an ordinance proposed by the East German Ministry of Education for compulsory rifle and pistol training for children of both sexes from the age of 12 years upward. Both 12- and 14-year-old children would receive 1 hour per day in small-bore rifle practice. Children over 14 years receive training in the service rifle.

We should all be thankful that this program for the promotion of rifle practice accomplishes a vital objective in the traditionally American volunteer basis.

The American Legion at its last national convention recognized the importance of this program by the adoption of a resolution as follows:

"Resolved by the American Legion in national convention assembled, That the national legislative commission of the American Legion be authorized and directed to urge the 83d Congress to increase the appropriation for the National Board for the Promotion of Rifle Practice so that it might more effectively carry out the objectives of that program."

Adopted by the 34th annual convention, the American Legion, August 25–28, 1952, New York, N. Y.

The reference in the House committee report to the senior rifle clubs requires some comment in order that the Members not misunderstand this very important phase of the program for the promotion of rifle practice.

The House report states:

The senior rifle clubs, deprived of a partial potential membership by the Selective Service Act, are more and more composed of the hobby shooters.

It must be recognized that the Selective Service Act takes many young men who have the advantage of earlier training and qualification in the junior clubs. It must be emphasized, however, that the Selective Service Act instead of tapping the potential membership of the senior clubs actually acts as a pipeline for the senior clubs; as these young men returning to civilian life seek affiliation in these clubs to maintain or improve proficiency in the service rifle.

The description of hobby shooters for the men in the senior clubs ought not to be misunderstood. The statutory objectives of this program—a program which has held its own over the space of half a century—is to promote proficiency in rifle marksmanship as a necessary adjunct of national defense. If in the pursuit of that objective the hobby shooter participates in this program, then indeed we ought to hope that thousands more of these hobby shooters join up. The trained shooter is a man who believes in his weapon. When the time comes when he must rise to the defense of the Nation, he, the hobby shooter, will be well prepared and, after all, that in essence is the object of this program. It is analogous to the Civil Air Patrol, another valuable adjunct to national security. Without the hobby flyer it would take untold billions for more pilots and aircraft to do the job of the CAP.

Again, I wish to commend the committee for its consideration of the program for the promotion of rifle practice, and trust that it will heed these comments as to the importance of supplying ammunition for the junior clubs, and maintaining the senior clubs as a valuable asset to the trained reserve of the country.

[From the New York Times of October 19, 1952]

REDS WILL TEACH CHILDREN TO SHOOT—ALSO, GERMAN YOUNGSTERS AT 15 MUST LEARN COMMANDO TYPE STREET FIGHTING

BERLIN.—East Germany's plans for building a national service army of 500,000 men are moving ahead and are beginning to affect all sections of the Soviet-zone population. Hardly a single age-group is untouched.

A new ordinance proposed by the East German Ministry of Education provides for compulsory rifle and revolver training for children of both sexes from the age of 12 upward. One hour a day is to be devoted to teaching the 12-to-14-year-olds to fire a small-bore rifle.

The instructors are the members of the Communist "people's police." Over the age of 14, training is to be in the use of Wehrmacht-type army rifles and revolvers. Proficiency in marksmanship and regular attendance at these classes will be made a condition of a good school report.

In addition, all German children at the age of 15 are to receive special training for 2 hours a week in commando-type hand-to-hand and street fighting.

Steps also are being taken to call up 88,000 former Wehrmacht officers and 16,000 ex-S. S. officers now living in the Soviet Zone. They are to get 8 training courses of 14 weeks each. The best of them (the figure of 12 percent is estimated for "passes" at these courses) are to be drafted into the new East German "national" army at once. The second-bests are to be placed on reserve.

To encourage the ex-officers not to flee to the West, it is emphasized that a Nazi background will not affect chances of promotion in the new East Germany army. A warning also is given that an attempt to avoid call-up will be treated as desertion and punished with death by shooting.

To discourage any stirrings of pacifism and resistance to the new "national army," East German political police have been carrying out a thorough purge of known pacifists. In a secret report by the East German Ministry of State Security which has fallen into

Western hands, it is claimed that in the month up to June 15, 1952, 3,896 East Germans had been arrested for "defeatist and pacifist remarks and activities."

The report says that most resistance to the new army comes from the industrial areas. A much more "friendly atmosphere" exists in the country areas.

To increase production of weapons the Soviet authorities have handed back to the East Germans a vast underground armaments factory built by the Nazis near Torgau and employing many thousands.

The plant is turning out aerial torpedoes and shells for heavy guns. Several penal camps will be moved into the neighborhood to provide additional cheap labor.

Mr. JUDD. Mr. Chairman, it is with reluctance that I have come to the conviction I must vote for the Mahon amendment, when most of the members of the committee and of my party are voting the other way. The situation is similar to that on August 4, 1950, when we were debating whether to impose price and other controls on our economy. It was just after the outbreak of war in Korea. I said:

"Mr. Chairman, probably most of the Members of this body will vote on an issue like this in terms of their analysis of the present world situation. In my view it is sufficiently serious that it will take almost a miracle to get us through it without requiring controls on our economy. Therefore, if there is to be error, I would rather err on the side of doing too much too soon than on the side of too little too late, which has been our procedure too often in the past. If we do the former and it does not prove necessary, we can and will promptly take the controls off. But if we do not take action now that events prove necessary, then we will have been derelict in our duty to the point of endangering the very survival of our country."

Mr. Chairman, my vote today must be dictated by my estimate of the world situation now. As a result of our lack of will, not lack of power, to win the war in Korea when we could have done so in 1951 and 1952, I think our position is more serious today than it was then, because the net position of the Communists in Korea and in Asia is stronger. That means the danger of war is greater.

Appeasement of the Communists has always been presented as the way to prevent extension of the war. I have always opposed appeasement or weakness because I believed they would make more likely a larger war, not prevent it.

The difficulties with which we are struggling today were foreseen and warned against on every possible occasion. It is now too late for any good, easy way out, no matter how skillful our present administration. When we refused to defeat the Communists last year and the year before, "because it would cost too much in lives and money," we were choosing a course that I felt sure would lead to even greater costs in lives and money—unless a miracle occurred and the Kremlin's conspiracy weakened from within earlier than we had a right to expect.

The revolts in East Germany, Czechoslovakia, and Poland are of the greatest significance. I believe they foreshadow the beginning of the end—if we exploit the Communist weaknesses to the full. But while we hope and pray the end will be soon, it is folly to count on that. The best way to hasten the desired end is to redouble, not reduce our efforts, in order to hearten our friends everywhere and give pause to our enemies.

The statements made here by Members for whom I have the greatest respect make me doubt that the Air Force can use all these additional funds to good advantage in the next fiscal year. I realize too that none of the additional amount, if provided, will produce any additional air strength in the next year. But until the cracks in the Kremlin are much wider, we must make large provision for 2 and 3 and 4 years from now. Probably the committee bill provides enough, and now earnestly we all desire to cut down appropriations. But right at this critical juncture when the situation is so fluid and uncertain, and when the additional amount if voted keeps the total still less than that requested in the Eisenhower budget, I have been unable to get the consent of my conscience to deny this additional appropriation, hoping it will not have to be used. If the new study under the new Chiefs of Staff indicates by next January that the smaller figure is adequate or all that can be expended effectively, no one will be happier than I to rescind part of the appropriation or to have unobligated balances recovered into the Treasury. If I am to err, I must err on the side of more rather than less.

The CHAIRMAN. Under the rule, the Committee rises..

Accordingly the Committee rose; and the Speaker, having resumed the chair, Mr. ALLEN of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5969) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes, pursuant to House Resolution 310, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MAHON. Mr. Speaker, I offer a motion to recommit, which is at the Clerk's desk.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MAHON. I am in its present form.

The SPEAKER. Is there any other Member who is unqualifiedly opposed to the bill? If not, the gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MAHON moves to recommit the bill H. R. 5969 to the Committee on Appropriations with instructions to report it back forthwith with the following amendment:

Aircraft and related procurement: Page 27, line 13, strike out "$3,495,000,000" and insert in lieu thereof the following: "$3,848,000,000."

Major procurement other than aircraft: On page 27, line 18, strike out "$600,000,000" and insert in lieu thereof "$650,000,000."

Maintenance and operation: Page 29, line 8, strike out "$3,050,000,000" and insert in lieu thereof "$3,650,000,000."

Military personnel requirements: Page 31, line 10, strike out "$3,270,000,000" and insert in lieu thereof "$3,442,000,000."

Mr. SCRIVNER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. MAHON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 161, nays 230, not voting 39, as follows:

[Roll No. 75]

YEAS—161

Abernethy	Friedel	O'Brien, N. Y.
Addonizio	Garmatz	O'Hara, Ill.
Albert	Gordon	O'Neill
Andrews	Granahan	Passman
Bailey	Grant	Patman
Barrett	Green	Patten
Battle	Gregory	Perkins
Bennett, Fla.	Hagen, Calif.	Pfost
Bentsen	Hardy	Philbin
Blatnik	Harris	Pilcher
Boggs	Hays, Ark.	Poage
Boland	Hays, Ohio	Polk
Bolling	Hinshaw	Preston
Boykin	Holifield	Price
Brooks, Tex.	Holtzman	Priest
Brown, Ga.	Howell	Rabaut
Buchanan	Ikard	Rains
Buckley	Jones, Ala.	Rhodes, Pa.
Burleson	Jones, Mo.	Riley
Byrd	Judd	Roberts
Byrne, Pa.	Karsten, Mo.	Rodino
Camp	Kee	Rogers, Colo.
Cannon	Kelley, Pa.	Rogers, Mass.
Carnahan	Kelly, N. Y.	Rogers, Tex.
Celler	Keogh	Rooney
Chelf	Kilday	Roosevelt
Chudoff	King, Calif.	Secrest
Cooley	Kirwan	Selden
Cooper	Klein	Shelley
Crosser	Kluczynski	Sheppard
Crumpacker	Landrum	Sikes
Davis, Ga.	Lanham	Smith, Miss.
Davis, Tenn.	Lesinski	Spence
Deane	Long	Staggers
Delaney	Lyle	Steed
Dingell	McCarthy	Sullivan
Dodd	McCormack	Sutton
Dollinger	Machrowicz	Thompson, La.
Donohue	Madden	Thompson, Tex.
Dorn, S. C.	Magnuson	Thornberry
Dowdy	Mahon	Trimble
Doyle	Matthews	Vinson
Eberharter	Metcalf	Wheeler
Edmondson	Miller, Calif.	Whitten
Elliott	Mills	Wickersham
Evins	Mollohan	Wier
Fallon	Morgan	Williams, Miss.
Feighan	Moss	Willis
Fine	Moulder	Wilson, Tex.
Fisher	Multer	Winstead
Forand	Murray	Yates
Forrester	Nelson	Yorty
Fountain	Norrell	Zablocki
Frazier	O'Brien, Mich.	

NAYS—230

Abbitt	Andresen,	Ayres
Adair	August H.	Baker
Alexander	Angell	Barden
Allen, Calif.	Arends	Bates
Allen, Ill.	Ashmore	Beamer
Andersen,	Aspinall	Becker
H. Carl	Auchincloss	Belcher

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Bender	Haley	Osmers
Bennett, Mich.	Halleck	Ostertag
Berry	Harden	Patterson
Betts	Harrison, Nebr.	Pelly
Bishop	Harrison, Va.	Phillips
Bolton, Frances P.	Harrison, Wyo.	Pillion
	Harvey	Poff
Bolton, Oliver P.	Hébert	Powell
	Heriong	Prouty
Bonin	Heselton	Radwan
Bosch	Hess	Ray
Bow	Hiestand	Reams
Bramblett	Hill	Reece, Tenn.
Bray	Hillings	Reed, N. Y.
Brown, Ohio	Hoeven	Rees, Kans.
Brownson	Hoffman, Ill.	Rhodes, Ariz.
Broyhill	Holmes	Riehlman
Budge	Holt	Robeson, Va.
Burdick	Hope	Robsion, Ky.
Busbey	Horan	Rogers, Fla.
Bush	Hosmer	Sadlak
Byrnes, Wis.	Hruska	St. George
Campbell	Hunter	Saylor
Canfield	Hyde	Schenck
Carlyle	Jackson	Scherer
Carrigg	Jarman	Scott
Case	Javits	Scrivner
Cederberg	Jenkins	Scudder
Chatham	Jensen	Seely-Brown
Chenoweth	Johnson	Short
Chiperfield	Jonas, Ill.	Shuford
Church	Jonas, N. C.	Sieminski
Clardy	Jones, N. C.	Simpson, Ill.
Clevenger	Kean	Simpson, Pa.
Cole, Mo.	Kearns	Small
Cole, N. Y.	Keating	Smith, Va.
Coon	Kersten, Wis.	Smith, Wis.
Corbett	Kilburn	Springer
Cotton	King, Pa.	Stauffer
Coudert	Knox	Stringfellow
Cretella	Krueger	Taber
Cunningham	Laird	Talle
Curtis, Mo.	Lantaff	Taylor
Curtis, Nebr.	Latham	Thomas
Dague	LeCompte	Thompson, Mich.
Davis, Wis.	Lovre	
Dawson, Utah	McConnell	Tollefson
Dempsey	McCulloch	Tuck
Derounian	McDonough	Utt
Devereux	McGregor	Van Pelt
D'Ewart	McIntire	Van Zandt
Dondero	McMillan	Velde
Donovan	Mack, Wash.	Vorys
Dorn, N. Y.	Mailliard	Vursell
Fenton	Marshall	Wainwright
Fernandez	Martin, Iowa	Walter
Fino	Mason	Wampler
Ford	Meader	Warburton
Prelinghuysen	Merrill	Watts
Fulton	Merrow	Weichel
Gamble	Miller, Kans.	Westland
Gary	Miller, Md.	Wharton
Gavin	Miller, Nebr.	Widnall
Gentry	Miller, N. Y.	Williams, N. Y.
George	Morano	Wilson, Calif.
Golden	Mumma	Wilson, Ind.
Goodwin	Neal	Withrow
Graham	Nicholson	Wolverton
Gross	Norblad	Young
Gubser	Oakman	Younger
Gwinn	O'Hara, Minn.	
Hagen, Minn.	O'Konski	

NOT VOTING—39

Bentley	Gathings	Morrison
Bonner	Hale	O'Brien, Ill.
Brooks, La.	Hand	Rayburn
Colmer	Hart	Reed, Ill.
Condon	Heller	Regan
Curtis, Mass.	Hillelson	Richards
Dawson, Ill.	Hoffman, Mich.	Rivers
Dies	James	Shafer
Dolliver	Kearney	Sheehan
Durham	Lane	Smith, Kans.
Ellsworth	Lucas	Teague
Engle	McVey	Wigglesworth
Fogarty	Mack, Ill.	Wolcott

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Rayburn for, with Mr. Wolcott against.

Mr. Dies for, with Mr. Ellsworth against.

Mr. Heller for, with Mr. Hillelson against.

Mr. Teague for, with Mr. McVey against.

Mr. Morrison for, with Mr. Reed of Illinois against.

Mr. O'Brien of Illinois for, with Mr. Kearney against.

Mr. Lane for, with Mr. Richards against.

Mr. Brooks of Louisiana for, with Mr. Colmer against.

Mr. Gathings for, with Mr. Rivers against.

Mr. Hart for, with Mr. Shafer against.

Mr. Fogarty for, with Mr. Curtis of Massachusetts against.

Mr. Engel for, with Mr. Wigglesworth against.

Mr. Durham for, with Mr. Hand against.

Mr. Condon for, with Mr. Bonner against.

Mr. Mack of Illinois for, with Mr. Sheehan against.

Mr. Dawson for, with Mr. James against.

Until further notice:

Mr. Hoffman of Michigan with Mr. Lucas.

Mr. Dolliver with Mr. Regan.

Mr. HINSHAW changed his vote from "nay" to "yea."

Mr. SHELLEY changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. SCRIVNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 386, nays 0, not voting 44, as follows:

[Roll No. 76]

YEAS—386

Abbitt	Byrnes, Wis.	Forand
Abernethy	Camp	Ford
Adair	Campbell	Forrester
Addonizio	Canfield	Fountain
Albert	Cannon	Frazier
Alexander	Carlyle	Frelinghuysen
Allen, Calif.	Carnahan	Friedel
Allen, Ill.	Carrigg	Fulton
Andersen, H. Carl	Case	Gamble
	Cederberg	Garmatz
Andresen, August H.	Celler	Gary
	Chatham	Gavin
Andrews	Chelf	Gentry
Angell	Chenoweth	George
Arends	Chiperfield	Golden
Ashmore	Chudoff	Goodwin
Aspinall	Church	Gordon
Auchincloss	Clardy	Graham
Ayres	Clevenger	Granahan
Bailey	Cole, Mo.	Grant
Baker	Cole, N. Y.	Green
Barden	Cooley	Gregory
Barrett	Coon	Gross
Bates	Cooper	Gubser
Battle	Corbett	Gwinn
Beamer	Cotton	Hagen, Calif.
Becker	Coudert	Hagen, Minn.
Belcher	Cretella	Haley
Bender	Crosser	Halleck
Bennett, Fla.	Crumpacker	Harden
Bennett, Mich.	Cunningham	Hardy
Bentsen	Curtis, Mo.	Harris
Berry	Curtis, Nebr.	Harrison, Nebr.
Betts	Dague	Harrison, Va.
Bishop	Davis, Ga.	Harrison, Wyo.
Blatnik	Davis, Tenn.	Harvey
Boggs	Davis, Wis.	Hays, Ark.
Boland	Dawson, Utah	Hays, Ohio
Bolling	Delaney	Hébert
Bolton, Frances P.	Dempsey	Heriong
	Derounian	Heselton
Bolton, Oliver P.	Devereux	Hess
	D'Ewart	Hiestand
Bonin	Dingell	Hill
Bosch	Dodd	Hillings
Bow	Dollinger	Hinshaw
Boykin	Dondero	Hoeven
Bramblett	Donohue	Hoffman, Ill.
Bray	Donovan	Holifield
Brooks, Tex.	Dorn, N. Y.	Holmes
Brown, Ga.	Dorn, S. C.	Holt
Brown, Ohio	Dowdy	Holtzman
Brownson	Doyle	Hosmer
Broyhill	Eberharter	Howell
Buchanan	Edmondson	Hruska
Buckley	Elliott	Hunter
Budge	Fallon	Hyde
Burdick	Feighan	Ikard
Burleson	Fenton	Jackson
Busbey	Fernandez	Jarman
Bush	Fine	Javits
Byrd	Fino	Jenkins
Byrne, Pa.	Fisher	Jensen
Johnson	Multer	Shelley
Jonas, Ill.	Mumma	Sheppard
Jonas, N. C.	Murray	Short
Jones, Ala.	Neal	Shuford
Jones, Mo.	Nelson	Sieminski
Jones, N. C.	Nicholson	Sikes
Judd	Norblad	Simpson, Ill.
Karsten, Mo.	Norrell	Simpson, Pa.
Kean	Oakman	Small
Kearns	O'Brien, Mich.	Smith, Miss.
Keating	O'Brien, N. Y.	Smith, Va.
Kee	O'Hara, Ill.	Smith, Wis.
Kelley, Pa.	O'Hara, Minn.	Spence
Kelly, N. Y.	O'Konski	Springer
Keogh	O'Neill	Staggers
Kersten, Wis.	Osmers	Stauffer
Kilburn	Ostertag	Steed
Kilday	Passman	Stringfellow
King, Calif.	Patman	Sullivan
King, Pa.	Patten	Sutton
Kirwan	Patterson	Taber
Klein	Pelly	Talle
Kluczynski	Perkins	Taylor
Knox	Pfost	Thomas
Krueger	Philbin	Thompson, La.
Laird	Phillips	Thompson, Mich.
Landrum	Pilcher	
Lanham	Pillion	Thompson, Tex.
Lantaff	Poage	Thornberry
Latham	Poff	Tollefson
LeCompte	Polk	Trimble
Lesinski	Powell	Tuck
Long	Preston	Utt
Lovre	Price	Van Pelt
Lyle	Priest	Van Zandt
McCarthy	Prouty	Velde
McConnell	Rabaut	Vinson
McCormack	Radwan	Vorys
McCulloch	Rains	Vursell
McDonough	Ray	Wainwright
McGregor	Reece, Tenn.	Walter
McIntire	Reed, N. Y.	Wampler
McMillan	Rees, Kans.	Warburton
Machrowicz	Rhodes, Ariz.	Watts
Mack, Wash.	Rhodes, Pa.	Weichel
Madden	Riehlman	Westland
Magnuson	Riley	Wharton
Mahon	Roberts	Wheeler
Mailliard	Robeson, Va.	Whitten
Marshall	Robsion, Ky.	Wickersham
Martin, Iowa	Rodino	Widnall
Mason	Rogers, Colo.	Wier
Matthews	Rogers, Fla.	Williams, Miss.
Meader	Rogers, Mass.	Williams, N. Y.
Merrill	Rogers, Tex.	Willis
Merrow	Rooney	Wilson, Calif.
Metcalf	Roosevelt	Wilson, Ind.
Miller, Calif.	Sadlak	Wilson, Tex.
Miller, Kans.	St. George	Winstead
Miller, Md.	Saylor	Withrow
Miller, Nebr.	Schenck	Wolverton
Miller, N. Y.	Scherer	Yates
Mills	Scott	Yorty
Mollohan	Scrivner	Young
Morano	Scudder	Younger
Morgan	Secrest	Zablocki
Moss	Seely-Brown	
Moulder	Selden	

NOT VOTING—44

Bentley	Gathings	Morrison
Bonner	Hale	O'Brien, Ill.
Brooks, La.	Hand	Rayburn
Colmer	Hart	Reams
Condon	Heller	Reed, Ill.
Curtis, Mass.	Hillelson	Regan
Dawson, Ill.	Hoffman, Mich.	Richards
Deane	Hope	Rivers
Dies	Horan	Shafer
Dolliver	James	Sheehan
Durham	Kearney	Smith, Kans.
Ellsworth	Lane	Teague
Engle	Lucas	Wigglesworth
Evins	McVey	Wolcott
Fogarty	Mack, Ill.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Wolcott with Mr. Rayburn.

Mr. Wigglesworth with Mr. Dies.

Mr. Bentley with Mr. Morrison.

Mr. Reed of Illinois with Mr. Heller.

Mr. Smith of Kansas with Mr. Gathings.

Mr. Hand with Mr. O'Brien of Illinois.

Mr. Sheehan with Mr. Teague.

Mr. Shafer with Mr. Engle.

Mr. James with Mr. Evins.

Mr. Kearney with Mr. Lane.

Mr. McVey with Mr. Lucas.

Mr. Ellsworth with Mr. Regan.

Mr. Curtis of Massachusetts with Mr. Brooks of Louisiana.
Mr. Dolliver with Mr. Bonner.
Mr. Hale with Mr. Colmer.
Mr. Hillelson with Mr. Condon.
Mr. Horan with Mr. Fogarty.
Mr. Hoffman of Michigan with Mr. Hart.
Mr. Hope with Mr. Durham.
Mr. Reams with Mr. Richards.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMITTEE ON EDUCATION AND LABOR

Mr. McCONNELL. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may have until midnight Friday, July 3, to file reports on the bills H. R. 5691, H. R. 6049, and H. R. 6078, and that additional views may be filed by the gentleman from New York [Mr. POWELL], to accompany the reports on the bills H. R. 6049 and H. R. 6078.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

MUTUAL SECURITY ACT OF 1953

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 5710) to amend further the Mutual Security Act of 1951, as amended, and for other purposes, with Senate amendment thereto, disagree to the Senate amendment and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. CHIPERFIELD, VORYS, JUDD, RICHARDS, and BATTLE.

OAK RIDGE

Mr. BAKER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. BAKER. Mr. Speaker, I rise to call the attention of the House to the difficulties in securing application of its will to the problems created by the extensive operations made necessary under the atomic-energy program. One aspect of the Manhattan project which resulted from the need for security was the establishment of large communities behind an iron curtain. These communities were owned and controlled by the Federal Government.

Since the end of World War II the residents of these communities have earnestly sought elimination of Federal ownership and the creation of as normal community relations as possible under normal community developments practiced elsewhere in this country.

In the last Congress I introduced H. R. 4901 for this purpose. All elements affected have sought to bring about this result. There are complex questions which must be resolved, and extensive efforts have been made to work out this whole question of private participation in the atomic-energy program, in the use of atomic energy as well as in the ownership of the communities in which these developments are now located.

For example, the Atomic Energy Commission appointed a panel on community operations on Oak Ridge and Richland, which issued a report known as the Scurry report, which is pending before the Joint Committee on Atomic Energy. The Town Council of Oak Ridge and similar bodies in Hanford and Richland have participated in the discussion of pending proposals and have sought early action regarding my bill and similar bills which have been introduced before the Congress.

I am advised that the Atomic Energy Commission itself has prepared proposed legislation which the Bureau of the Budget is currently considering.

It was pending action on these proposals for private ownership of the community properties, particularly the housing, which resulted in a request of the Town Council of Oak Ridge for continuation of Federal rent control and designation of the Oak Ridge area as a critical area under Public Law 96.

The Critical Area Advisory Committee did designate the area under terms of Public Law 139, which had the identical criteria as under Public Law 96, except for the requirement that a substantial immigration of workers shall have occurred. Now in this community it was not possible to meet this criteria because the total community is a controlled community. Each house is allocated in effect by a Federal agent, and though Oak Ridge is currently faced with a tremendous expansion program unlike problems created in other communities where inmigration could be shown statistically, the methods used by the Government agencies did not provide for the kind of situation which this community faced.

In order to meet this problem, Mr. Speaker, after consultation with the members of the House Banking and Currency Committee, I introduced an amendment which the committee and the House accepted and which is currently part of Public Law 23, which reads as follows:

Amendment offered by Mr. BAKER: On page 4, line 4, immediately before the colon insert the following: "(except that clause (2) of this sentence shall not apply in any area in which is located an Atomic Energy Commission installation and the housing accommodations in such area are owned by the Federal Government. However, maximum rents under this title shall not apply to any such housing accommodations when sold by the Federal Government.)"

During the course of the discussion, Chairman WOLCOTT, of the House Banking and Currency Committee, said, and I quote from page 3698 of the RECORD:

There is some question under this criteria whether, because there has been such inmigration in Oak Ridge which would justify the continuance of rent control under the criteria. But all of the housing in Oak Ridge is owned by the Federal Government and is under control, and will continue to be under control as Government-owned property. An amendment will be offered which has been worked out to exempt Oak Ridge from the provisions of this criteria because we think—in fact, we have thought all along—that all of the atomic-energy installations could qualify under this new criteria. If it is found that Oak Ridge cannot qualify inasmuch as it is all Government-owned property, then I think an amendment will be offered which should be reasonably satisfactory which would keep Oak Ridge under control so long as the houses are owned by the Federal Government. But when the Federal Government sells any houses to private owners then those houses—because otherwise the area could not qualify—will be decontrolled.

I call the attention of the House, that the chairman of the committee in charge of drafting this legislation when the act was initially passed in 1947, and the leader of the minority in the subsequent revisions said in the above quote:

We have thought all along that all of the atomic energy installations could qualify under this new criteria.

Now, Mr. Speaker, what are the agencies doing with this expression of congressional intention?

Mr. Speaker, apparently the Congress is being ignored. I wrote to the Chairman of the Critical Areas Advisory Committee, Mr. Glenwood Sherrard, urging that he take action in accordance with the legislative history of this law and designate Oak Ridge and the other atomic energy communities involved as critical areas in accordance with the terms of the act.

Mr. Speaker, Public Law 23 was approved on April 30, 1953. In view of the fact that no action had been taken I wrote to the Chairman on June 18. Now, instead of complying with the intentions of the act, I find Mr. Sherrard, who is familiar with hotel problems in large cities, as an official of the Parker House chain in Boston, proceeding to decontrol not only virtually all critical areas in the country, but particularly communities covered by this amendment, including the atomic energy installations throughout the United States.

Mr. Speaker, it seems we have here a question of conformance by the downtown agencies with the will of the Congress. Mr. Speaker, this problem is one which has had broad consideration and wide attention. Under unanimous consent, I include herewith the full text of two press stories indicating the interest of the chamber of commerce and of the CIO, both of which have had committees studying this problem, and also a press release by the Office of Defense Mobilization showing decontrol of two major AEC communities:

[From the Oak Ridger, Oak Ridge, Tenn., of June 24, 1953]

CHAMBER OF COMMERCE ACTING TO HALT REMOVAL OF HOUSES HERE

The chamber of commerce Tuesday acted to halt the removal of houses from Oak Ridge and to speed up the property disposal program.

On the removal of houses, Tom Lane moved that the chamber go on record as opposing the removal of any more houses until there is a surplus in Oak Ridge. The motion was passed. A committee was appointed to bring the motion to the attention of AEC.

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The committee members will be Lane, Frank Wilson, and Don McKay. The AEC is now in the process of removing flattops and TDU's.

The land-sale committee of the chamber was directed to write a strong letter to Joseph Dodge, Director of the Bureau of the Budget, expressing concern over the failure of the Bureau to complete its review of the property-disposal program.

The Bureau has been reviewing legislation prior to submitting it to Congress for more than 2 months.

The chamber is to express the concern of residents that Congress may adjourn before any action is taken this year. Copies of the letter are to be sent to Senators ESTES KEFAUVER and ALBERT GORE and Representative HOWARD BAKER, including a request that each of these congressional representatives also write to the Budget Bureau.

CIO URGES NATIONAL ADVISORY COMMISSION ON ATOMIC ENERGY HOUSING AND COMMUNITY POLICY

A proposal that a national advisory commission be appointed to make a comprehensive study of housing and community policy in atomic energy centers was advanced by CIO President Walter P. Reuther in a letter to President Eisenhower, dated February 14 and made public today.

The suggestion was based on a recommendation by Harold Sandbank, a housing consultant, who surveyed the problem for the CIO National Housing Committee and the CIO Gas, Coke and Chemical Workers, which has a substantial membership in Atomic Energy Commission centers.

Mr. Reuther pointed out to the President that serious housing and community problems have developed for the workers in each atomic energy production center.

"No consistent program has been established under which workers in these atomic energy centers might solve their housing problems," he wrote. "In one place subsidized trailers have been used at great expense to the Federal Government. In another, the Government has undertaken construction of the total housing needed in the community.

"Serious problems have developed as a result for which the varying program of the Atomic Energy Commission has prevented community solution. * * *

"The CIO believes this problem deserves your serious attention. We can better win the world struggle for the hearts and minds of men if in the achievement of such significant developments as atomic energy we do not ignore the most fundamental problem of the workers employed in this industry."

Mr. Sandbank was formerly associated with the John B. Pearce Foundation in development of the initial housing proposals for the AEC community at Oak Ridge, Tenn.

A copy of his report was sent the President. It shows the need for a national policy on atomic energy center housing and community problems by reference to the present chaos. It also discusses in detail the situation at Oak Ridge, where disposal of Government-owned housing and other property is being considered.

EXECUTIVE OFFICE OF THE PRESIDENT,
OFFICE OF DEFENSE MOBILIZATION,
Washington, D. C., June 29, 1953.

Two areas now under Federal rent control will lose the designation of "critical defense housing area" after July 31, 1953, the Defense Areas Advisory Committee of the Office of Defense Mobilization announced today.

The two areas are: The Savannah River area, South Carolina-Georgia, and Arco-Blackfoot-Idaho Falls, Idaho.

An area must meet all of the following three requirements to be continued after July 31 as a critical defense housing area for rent control purposes:

1. There must be new, reactivated or substantially expanded plants or installations of the Department of Defense or Atomic Energy Commission in operation in the area;

2. There must be a substantial inmigration of defense workers or military personnel for these activities; and

3. A substantial shortage of housing must exist resulting in excessive rent increases which impede or threaten to impede the activities at the plants or installations.

The committee has reviewed the two areas on the basis of the criteria and other provisions of the law and the reports of the Housing and Home Finance Agency, Department of Labor, Atomic Energy Commission, and Department of Defense.

The committee found that in the Savannah River area the peak of construction is past and outmigration of construction workers is occurring; that there is no longer a substantial housing shortage, and additional defense housing is becoming available so that excessive rent increases should not occur.

Although there will be a seasonal increase in the number of construction workers and an increase in the number of operating employees in the Arco-Blackfoot-Idaho Falls area, a defense housing program is under way there which, with existing vacancies, should provide sufficient housing for the area, the committee said.

The actions taken today affect only rent control and do not relate to critical areas designed under the Defense Housing and Community Facilities and Services Act.

Meanwhile each of the critical defense housing areas now under rent control must be reviewed before July 31. The committee has reviewed 73 areas to date which will not be recommended for continued rent control after July 31. Announcements on the remaining areas will be made as the committee completes its review.

The localities embraced in the two areas follow:

Area: Savannah River area, South Carolina-Georgia.

Geographic definition: In South Carolina counties of Aiken, Allendale, Bamberg, Barnwell, and most of Orangeburg; and, in Georgia counties of Richmond, Columbia, McDuffie, and District 81-Wrens in Jefferson County.

Area: Arco-Blackfoot-Idaho Falls, Idaho.

Geographical definition: Butte County, Bingham County except the precincts of Sterling, Aberdeen 1 and 2; Bonneville County except precincts of Poplar, Antelope, Ozone, Palisades, Grays, Blowout, and Jackknife.

There are serious problems here. I do not intend to stand idly by while the folks living in these controlled communities are ignored in direct violation of the will expressed by this House. Mr. Speaker, this problem is one which we have just established a Commission to explore. This House has enacted H. R. 4406 establishing a Commission on Governmental Functions and Fiscal Resources. This Commission, I am sure, will make recommendations regarding the problem we are facing here.

Meanwhile, the Critical Areas Committee is obligated and required by the statute to designate this community a critical area for the continuance of Federal rent control.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Kentucky.

Mr. SPENCE. Let me say to the gentleman that one of the impelling reasons for giving the President power to declare areas critical for the purpose of continuing rent control was the necessity for that control in atomic-energy areas. I am astonished under the circumstances that those controls are being lifted after we have just given the President the power to continue them.

Mr. BAKER. I thank the gentleman.

VETERANS' ADMINISTRATION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to include a letter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, this morning I received a letter from the Acting Administrator of Veterans' Affairs, Mr. H. V. Stirling, in which he advised of a general plan of reorganization of the Veterans' Administration.

The plan, which is similar to the one developed by the former Administrator, General Gray, was approved this morning at a staff meeting of officials of the Veterans' Administration, and will be put in effect immediately. It establishes a Department of Veterans' Benefits and a Department of Insurance, in addition to the now-existing Department of Medicine and Surgery.

This reorganization plan has been under study for some time, and it is hoped that when it is in full operation it will eliminate much of the redtape and duplication of administrative details that have precluded efficient operations in the past.

Every Member of Congress is interested in this subject, and I attach hereto the letter which outlines the reorganization plan:

VETERANS' ADMINISTRATION,
Washington, D. C., July 2, 1953.

Hon. EDITH NOURSE ROGERS,
Chairman, Committee on Veterans' Affairs, House of Representatives, Washington, D. C.

DEAR MRS. ROGERS: The general plan of organization of the Veterans' Administration involving the establishment of three major operating units within the Veterans' Administration as proposed by Maj. Gen. Carl R. Gray, Jr., our former Administrator, has been approved. The concept and implications involved in the establishment of a Department of Veterans' Benefits and a Department of Insurance which together with the Department of Medicine and Surgery will operate the more than 200 field stations of the Veterans' Administration was made public November 26, 1952, and amplified and developed January 12, 1953.

I have been directed to commence the reorganization immediately. While lines of authority and communication between field stations and central office will be clarified and strengthened, the reorganization itself will take place primarily in our Washington office. In Washington there will be fewer officials reporting directly to the Administrator; staff and operating responsibilities will be clearly separated at all levels and there will be increased delegations of authority to the field.

An approved amendment to the proposed plan requires a reduction in the number of Washington subordinates reporting to the Administrator. This has resulted in estab-

lishing an Assistant Administrator for Administration who will have staff responsibility for personnel, purchasing, administrative services, and the security program. Thus the staff activities reporting to the Administrator will include the Board of Veterans Appeals, Information Service, Investigation Service, Controller, General Counsel, Assistant Administrator for Administration, Assistant Administrator for Legislation, and Assistant Administrator for Construction.

Existing lines of authority and communication will continue in full force and effect until further orders, which will be so timed as to effect the reorganization as quickly as possible consistent with maintaining service to veterans.

You are being provided under separate cover with a chart of the new form of organization. Your particular attention is invited to the fact that the internal organization of the three operating departments is subject to change as indicated on page 49 of Reorganization of Veterans' Administration—Background and Solution, which brochure was furnished January 12, 1953.

Sincerely yours,

H. V. STIRLING,
Acting Administrator.

SCHEDULE OF HEARINGS ON HOSPITALIZATION ENTITLEMENT

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I have been asked by the chairman of the Subcommittee on Hospitals, the Honorable B. W. KEARNEY, to announce the following schedule for the hearings on hospitalization entitlement which will begin before that subcommittee next Wednesday morning at 10 a. m., in room 356, Old House Office Building.

For the first 3 days we will receive testimony from the four veterans' organizations, with the Veterans of Foreign Wars testifying first on Wednesday, July 8, to be followed by the Disabled American Veterans and AMVETS, and a representative of the American Legion who desires to be heard on Friday, July 10.

It is planned then to adjourn the hearings until the following Monday, July 13, at which time we will proceed to hear the following organizations in the order indicated:

The American Medical Association, National Medical Veterans Association, American Dental Association, American Hospital Association, Accident and Health Insurance Council, Commission on Chronic Illness.

At the end of the testimony from the associations and groups indicated in the paragraph above, the subcommittee will then proceed to hear representatives of the following Government agencies:

Veterans' Administration, General Accounting Office, Department of Health, Education, and Welfare, Department of Justice, Bureau of the Budget.

It is planned, I believe, for the hearings to be held on Monday, Tuesday, Thursday, and Friday of each week until completed, with Wednesday held open for action of the full committee.

I wish to commend the Subcommittee on Hospitals for the manner in which they are approaching this problem so vital to every veteran in the Nation, and Members can readily see that this question is going to receive the careful consideration which it merits.

AUTHORIZATION TO SIGN ENROLLED BILLS

Mr. AREND. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

ADJOURNMENT OVER

Mr. AREND. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

GRAIN STORAGE PROBLEM

Mr. CURTIS of Nebraska. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CURTIS of Nebraska. Mr. Speaker, the problem of grain storage has become extremely acute. In 1948 the Democrat Party made grain storage an issue. The facts that they gave the country at that time could hardly be supported by the record. Nevertheless, they prevailed, and the grain storage situation has constantly grown worse. It is one of the inherited problems with which we must deal now.

The support-loan price on wheat at Lincoln, Nebr., is approximately $2.33½ per bushel. However, no farmer can get that. There is no storage available. The elevators a day or two ago were paying but $1.79 a bushel. In other words, the support-loan program is not effective because of the lack of storage space.

It may be that the failure to solve the problem of grain storage will play into the hands of the speculators and those who may hold some available storage space. Some farmers may be compelled to sell the grain at low prices now, and that grain may be stored by someone else and held until the support loan price is actually effective in the market place.

Government-owned storage facilities have not been a satisfactory answer. Too often this Government-owned storage is not of the modern type where the grain can be efficiently handled and where there is machinery to clean, aerate, condition, and dry the grain.

The answer to this problem is privately owned grain storage facilities everywhere—on the farm, at the local elevator, the farm cooperative elevator, the private grain-elevator company, both locally and in the terminal markets.

How can we get these storage facilities constructed by private enterprise to meet this national problem? We can do it the same way we have met national problems in our defense program when we have needed additional plants and facilities. We have successfully secured additional facilities by granting a more rapid tax amortization of the cost of constructing such facilities.

For 4 or 5 years or more, I have had a bill pending in Congress to do that very thing. My colleague the gentleman from Iowa [Mr. MARTIN] has likewise sponsored such legislation throughout the years. The previous administration opposed our suggested solution of this problem. Consequently, it has been delayed through the years. We now face a problem that is very acute. The farmer is being penalized for our failure to meet this problem.

The Martin-Curtis proposal is a simple one. Anyone wishing to build grain storage can do so and charge the cost off as depreciation over a period of 5 years. The real benefit from such a program will go to the farmers and producers, especially those who are unable to provide storage for themselves, because, when storage is available, the farmer can place his grain in that storage, take the warehouse receipt, and secure the Government support loan on it. He then is not forced to sell his grain on a depressed market.

Whether this storage is provided by the individual farmer himself on his farm, or by a farm cooperative, or by the private grain trade near the farm or at the terminal elevator, the benefits go directly to the producer.

At the present time the lack of storage is costing many wheat farmers the loss of 60 or 70 cents a bushel. This loss materially reduces the farmers net income for Federal income-tax purposes. Consequently, the Federal Treasury has a stake in this problem. By providing storage we not only do justice to the farmer and prevent him from being gouged and forced to sell at far below the support price, but we cause millions and millions of dollars to flow into the Treasury in the form of Federal income taxes from the farmers.

I am convinced that if the cost of providing grain storage space can be written off from taxable income over a period of 5 years, many individual farmers, farm cooperatives, and grain companies will immediately start to build. I am reliably informed that experienced men in the grain trade are ready and anxious to proceed with such a program. Some of the large, modern elevators can build additional space adjacent to their existing elevator at a cost of approximately 35 to 60 cents per bushel. This means the providing of most modern storage that can handle the grain and prevent it from deteriorating. Better storage is one answer to the troublesome problem of the inspection of grain in interstate commerce and to the charge that some of the grain is unfit for human consumption.

Mr. Speaker, I am happy to report that the Department of Agriculture, under the leadership of the new administration, is

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interested in advancing the objectives of the Martin-Curtis proposal. I have reason to believe that the Treasury Department will, likewise, support this proposal. It will provide a sound solution to a most distressing problem. Time is of the essence. I hope that this bill can be advanced without delay.

PERSONAL ANNOUNCEMENT

Mr. REAMS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. REAMS. Mr. Speaker, on the final rollcall on the appropriation bill under consideration today, I was not present in the Chamber. I was in the radio-recording studio and was not able to get here for the final rollcall vote on the bill. If I had been here, I would have voted for the bill on final passage.

DEPARTMENT OF THE INTERIOR

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked for this time in order to join my colleague, the gentleman from the Fourth District of West Virginia [Mr. NEAL], in his protest against the practice of the Procurement Division of the Department of the Interior in awarding a contract to a Japanese firm in competition with a firm doing business in his district. In this particular instance it was a manufacturer of porcelain material, and the bid was on insulators for high-tension wires. The Japanese firm underbid the American firm by $30,000. I protest the continuation of that practice.

AIDING AND ASSISTING SMALL BUSINESS?

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I was deeply disturbed to learn from press releases that the Department of Commerce—allegedly because of inadequate appropriations—is closing 11 of its 42 field offices this month. Additional field offices are supposed to be closed in the near future.

One of the offices which are being closed on July 31 is located in Milwaukee, Wis. The Milwaukee field office has been of tremendous help to small business in our city, and in our entire State. It has assisted small business with such problems as Government procurement, import and export licenses, materiel allocations, management aids, and by furnishing various statistical data.

I am very distressed that these services will no longer be rendered by the Department of Commerce in Milwaukee. The Department informs me, of course, that they have made some arrangements with the Milwaukee Chamber of Commerce, whereby that organization will take over some of the functions exercised by the Commerce field office. The Milwaukee Chamber of Commerce will now become a cooperative office, and disseminate information about imports, exports, licenses, statistics, and so on.

But the Department officials admit that the Milwaukee Chamber of Commerce will be unable to render all of the services expected from the Department of Commerce by small business. So, in many cases, small-business men in Wisconsin will now have to seek such assistance from the Department's central office in Washington, or from a field office located in some other State. This means expense and delays.

Is this the kind of help and treatment that small business can expect from the present administration? Are the services to be rendered by the new cooperative office in Milwaukee going to be as adequate and as impartial as those rendered by the Department of Commerce field office? Or will they tend to cater to prominence rather than to need?

Time will tell how this proposed change will affect the small establishments which have come to look up to the Department of Commerce for cooperation and assistance in solving the many complex problems that they have to face. It appears to me, however, that the closing of the Milwaukee field office is not very consistent with the generous promises made to small business during the last election campaign by the Republicans who are presently in power.

For those who may have forgotten, this is what the Republican platform promised to small business:

> We will aid small business in every practicable way. * * * We will maintain special committees in Congress whose chief function will be to study and review continuously the problems of small business and recommend legislation for their relief. We shall always be mindful of the importance of keeping open the channels of opportunity for young men and women.
>
> We will follow principles of equal enforcement of antimonopoly and unfair competition statutes and will simplify their administration to assist the businessman who in good faith seeks to remain in compliance. At the same time, we shall relentlessly protect our free-enterprise system against monopolistic and unfair trade practices.

That is a part of what the Republican platform promised to small business. It seems to me that the curtailment of vital services and the closing of important field information and assistance centers is certainly not the way to help small business.

POLICY OF MASSACHUSETTS COOPERATIVE BANK LEAGUE OF BOSTON, MASS., TO MAKE HOME LOANS TO VETERANS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to address the House for 2 minutes and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I received a very fine letter recently from Warner M. Allen, executive secretary of the Massachusetts Cooperative Bank League, of Boston, Mass., which reads as follows:

> By direction of the executive committee of the league, I write to inform you that the cooperative banks in Masachusetts have made great numbers of loans to veterans, in the amount of many millions of dollars.
>
> They stand ready to continue to do so, and want it to be known that in Massachusetts there will be no lack of service to the veterans who may be referred, without hesitation, to any of our 173 cooperative banks, most of whom will find themselves in position to help the veteran to become the homeowner that we want him to be.
>
> In localities where the demand for money has seriously shortened the supply veterans can and will find, as you, yourself, are well aware, cooperative banks in nearby communities which will welcome their inquiries.
>
> It is the committee's desire that this be generally known.

I am very happy to receive this letter from Mr. Allen and in accordance with his desire and the desire of the member banks of his league, to give the contents of his letter as wide publicity as possible so the veterans of Massachusetts might know of the fine spirit of cooperation with them entertained by the 173 cooperative banks in Massachusetts that constitutes the Massachusetts Cooperative Bank League, showing the recognition and assumption by the member banks of the league of their responsibilities. In other States, if this same policy has not been adopted, and is not being followed, the policy and action of the members of the Massachusetts Cooperative Bank League constitues a pace and a leadership for them to follow.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday next be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Messrs. CUNNINGHAM, BATES, NELSON, WILSON of California, HARDY, HÉBERT, FISHER, RIVERS, and HESS, from July 6 to July 11, on account of official business.

Mr. SCHERER, for July 6, 7, and 8, 1953, on account of hearings of the Committee on Un-American Activities in New York City on said dates.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. SMITH of Wisconsin in two instances and to include extraneous matter.

Mr. ALEXANDER and to include extraneous matter.

Mr. JONES of Alabama in three instances and to include editorials.

Mr. O'HARA of Illinois in three instances.

Mr. MASON and to include an article by Ruth Montgomery.

Mr. WOLVERTON in three instances and to include extraneous matter.

Mr. LAIRD in two instances and to include extraneous matter.

Mr. REES of Kansas and to include a sermon.

Mr. CRETELLA and to include an editorial.

Mr. MCGREGOR and to include an article.

Mr. YATES to revise and extend his remarks in the Committee of the Whole and to attach thereto letters and miscellaneous material.

Mr. SHUFORD and to include an editorial.

Mr. RHODES of Pennsylvania in three instances and to include extraneous matter.

Mr. WICKERSHAM and to include extraneous matter.

Mr. MORGAN and to include extraneous matter.

Mr. MULTER and to include extraneous matter.

Mr. ADAIR and to include an article.

Mr. MAHON, also to revise and extend his remarks in the Committee of the Whole today and include extraneous matter.

Mr. FINO and to include an article.

Mr. DAWSON of Utah and to include extraneous matter.

Mr. DAVIS of Wisconsin (at the request of Mr. ARENDS) to extend his remarks immediately following the remarks of Mr. BARTLETT and to include extraneous matter.

Mr. HALLECK (at the request of Mr. ARENDS) and to include a resolution.

Mr. BECKER (at the request of Mr. ARENDS) and to include an editorial.

Mr. JUDD in three instances and to include extraneous matter.

Mr. CURTIS of Nebraska and to include a speech delivered by him.

Mr. GROSS to include in his remarks in the Committee of the Whole certain extraneous matter.

Mr. WIDNALL and to include an editorial.

Mr. YOUNGER and to include two tables.

Mr. JARMAN and to include extraneous matter.

Mr. BARTLETT to revise and extend his remarks in the Committee of the Whole and include extraneous matter.

Mr. MADDEN and to include an editorial.

Mr. RODINO (at the request of Mr. ZABLOCKI) and to include extraneous matter.

Mr. HAGEN of Minnesota in three instances and to include extraneous matter.

Mr. GAVIN in two instances and to include extraneous matter.

ADJOURNMENT

Mr. ARENDS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.), under its previous order, the House adjourned until Monday, July 6, 1953, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

818. A letter from the Secretary of Agriculture, transmitting a draft of a bill entitled "A bill to amend section 8 (e) of the Soil Conservation and Domestic Allotment Act"; to the Committee on Agriculture.

819. A letter from the Commissioner, Immigration and Naturalization, United States Department of Justice, transmitting copies of orders suspending deportation, as well as a list of the persons involved, pursuant to the act approved July 1, 1948 (Public Law 863), amending subsection (c) of section 19 of the Immigration Act of February 5, 1917, as amended (8 U. S. C. 155 (c)); to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HOPE: Committee on Agriculture. H. R. 4353. A bill to increase farmer participation in ownership and control of the Federal Farm Credit System; to create a Federal Farm Credit Board; to abolish certain offices; to impose a franchise tax upon certain farm credit institutions; and for other purposes; with amendment (Rept. No. 701). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HESELTON:

H. R. 6071. A bill to create a National Petroleum Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HOLIFIELD:

H. R. 6072. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. HYDE:

H. R. 6073. A bill to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia; to the Committee on District of Columbia.

By Mr. KILDAY:

H. R. 6074. A bill to amend the act of July 15, 1940, pertaining to emergency officers' retirement benefits; to the Committee on Armed Services.

By Mr. SMITH of Mississippi:

H. R. 6075. A bill to amend the Internal Revenue Code to provide that State welfare agencies may be furnished with information regarding the income-tax exemptions claimed by individuals receiving or applying for certain public-assistance benefits; to the Committee on Ways and Means.

By Mr. WINSTEAD:

H. R. 6076. A bill to repeal those provisions of law which exclude from the Federal old-age and survivors insurance system service performed by an individual in the employ of his son, daughter, or spouse, and service performed by a child in the employ of his father or mother; to the Committee on Ways and Means.

By Mr. YOUNGER:

H. R. 6077. A bill to permit the State of California to fix, charge, and collect tolls for the use of bridges and similar crossings of San Francisco Bay; to the Committee on Public Works.

By Mr. KEARNS:

H. R. 6078. A bill to amend Public Law 874 of the 81st Congress so as to make improvements in its provisions and extend its duration for a 2-year period, and for other purposes; to the Committee on Education and Labor.

By Mr. BOLAND:

H. R. 6079. A bill to provide for loans to enable needy and scholastically qualified stucents to continue post-high-school education; to the Committee on Education and Labor.

By Mr. FALLON:

H. R. 6080. A bill to authorize the appropriation of funds for the construction of certain highway-railroad grade separations made necessary by the Federal highway system, and for other purposes; to the Committee on Public Works.

By Mr. METCALF:

H. R. 6081. A bill to amend the act of June 28, 1934 (48 Stat. 1269), commonly known as the Taylor Grazing Act, as amended June 26, 1936 (49 Stat. 1976), July 14, 1939 (53 Stat. 1002), July 30, 1947 (61 Stat. 630), August 6, 1947 (61 Stat. 790), and June 19, 1948 (62 Stat. 533), in order to provide for the maximum beneficial use of the public lands by authorizing the Secretary of the Interior to appoint more representative district advisory boards and permitting the Secretary of the Interior to exercise his discretion and authority in order to improve the administration of the public lands involved in the above-enumerated statutes by operation and utilization of such lands and range resources under a multiple-use program that will adequately protect both the private values and public interest in such lands; to the Committee on Interior and Insular Affairs.

By Mr. POAGE:

H. R. 6082. A bill to authorize the Secretary of Agriculture to guarantee loans to farmers and livestock producers under certain circumstances; to the Committee on Agriculture.

By Mr. ROBSION of Kentucky:

H. R. 6083. A bill to incorporate the National Woman's Relief Corps, Auxiliary to the Grand Army of the Republic; to the Committee on the Judiciary.

By Mr. WILSON of Texas:

H. R. 6084. A bill to relieve the acute shortage in the municipal water supply of the cities of Grand Prairie, Tex., and Irving, Tex.; to the Committee on Public Works.

By Mr. HARRISON of Nebraska:

H. J. Res. 289. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H. J. Res. 290. Joint resolution creating a committee to assist in the celebration of the 200th anniversary of the Congress of 1754, held at Albany, N. Y., on June 24 of that year; to the Committee on the Judiciary.

By Mr. SHORT:

H. J. Res. 291. Joint resolution to determine the number of members of the Ready Reserve of the Armed Forces of the United States necessary for the national security to be ordered to active duty involuntarily during the fiscal year 1954, to authorize such number of members and retired members of the Regular components to be ordered to active duty, and for other purposes; to the Committee on Armed Services.

By Mr. CHIPERFIELD:

H. Con. Res. 126. Concurrent resolution expressing the sense of the Congress that the Chinese Communists should not be recognized to represent China in the United Nations; to the Committee on Foreign Affairs.

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By Mrs. CHURCH:

H. Con. Res. 127. Concurrent resolution opposing the admission of Communist China to membership in the United Nations; to the Committee on Foreign Affairs.

By Mr. BATTLE:

H. Con. Res. 128. Concurrent resolution opposing the admission of Communist China to membership in the United Nations; to the Committee on Foreign Affairs.

By Mr. CHIPERFIELD:

H. Con. Res. 129. Concurrent resolution expressing the sense of the Congress that the Chinese Communists are not entitled to and should not be recognized to represent China in the United Nations; to the Committee on Foreign Affairs.

By Mr. D'EWART:

H. Res. 315. Resolution requesting the Secretary of the Interior to negotiate a fair and just settlement with the Crow Tribe of Indians for use of tribal property in construction of the Hardin project; to the Committee on Interior and Insular Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. LANTAFF: Memorial of the State of Florida urging discontinuance of encroachment and usurpation of legal and traditional rights of the State to control and supervise the education of its people; to the Committee on Veterans Affairs.

By the SPEAKER: Memorial of the Legislature of the State of New Jersey relative to a compact with the State of New York for the reduction of criminal and corrupt practices in the handling of waterborne freight within the port of New York district and the regularization of the employment of waterfront labor, etc.; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FERNANDEZ:

H. R. 6085. A bill for the relief of Alma S. Wittlin-Frischauer; to the Committee on the Judiciary.

By Mr. HAYS of Arkansas:

H. R. 6086. A bill for the relief of the estate of Preston Leon Stubblefield; to the Committee on the Judiciary.

By Mr. HESS:

H. R. 6087. A bill to provide relief for Clopay Corp.; to the Committee on the Judiciary.

By Mr. HRUSKA:

H. R. 6088. A bill for the relief of Vaclav Majer, Irma Majer, and Vaclav Majer, Jr.; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 6089. A bill for the relief of Valentin M. Sara; to the Committee on the Judiciary.

By Mr. KING of Pennsylvania:

H. R. 6090. A bill for the relief of Frank (Franz) Homolka, Olga Homolka (nee Mandel), Adolf Homolka, Helga Maria Homolka, and Frieda Homolka; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 6091. A bill for the relief of Jacob Vandenbergh; to the Committee on the Judiciary.

By Mr. MAILLIARD (by request):

H. R. 6092. A bill for the relief of Miss Elsa Huni; to the Committee on the Judiciary.

By Mr. MORGAN:

H. R. 6093. A bill for the relief of Ornello Cerilli; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 6094. A bill for the relief of Aron Gluck, Hela Gluck, and Moses Leon Joseph Gluck; to the Committee on the Judiciary.

H. R. 6095. A bill for the relief of Milton Szamet; to the Committee on the Judiciary.

By Mr. WINSTEAD (by request):

H. R. 6096. A bill for the relief of Sachiko Fujikawa; to the Committee on the Judiciary.

By Mr. WOLVERTON:

H. R. 6097. A bill for the relief of Toni Rotkopf; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

382. By Mr. GOODWIN: Petition of the City Council, City of Malden, Mass., relative to their opposition of cutback and layoffs at Boston Naval Shipyard; to the Committee on Armed Services.

383. By the SPEAKER: Petition of Grass Roots Cattlemen, Vega, Tex., relative to the drought and the decline in the cattle market, and requesting the Government to assist in the present problem which threatens our national welfare; to the Committee on Agriculture.

SENATE

MONDAY, JULY 6, 1953

The Chaplain, Rev. Frederick Brown Harris, D. L., offered the following prayer:

Our Father God, we come conscious that the regal fact of Thy fatherhood ties us to every son and daughter of Thine under the spreading canopy of Thy universal love and care. May the great causes that concern Thy human family, the selfless ministries that heal the world and rebuild it, the attitudes that create good will and make abiding peace possible at last, gain the utter allegiance of our labor and our love. As leaders of the Nation in these tempestuous days grant to Thy servants, who here deliberate, clear thought, kind hearts, and quiet faith. And among ourselves, in this dear land of the free, and in our dealing with all the peoples of the world, in nations great and small, may we be so transparently just and fair that falsehood and expediency and every evil that shuns the light may be banished by the truth which makes men free. In the dear Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 2, 1953, was dispensed with.

MESSAGE FROM THE HOUSE RECEIVED DURING ADJOURNMENT

Under authority of the order of the Senate of July 2, 1953,

The Secretary of the Senate received, on July 3, 1953, the following message from the House of Representatives:

That the House had passed a bill (H. R. 5969) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED DURING ADJOURNMENT

Under authority of the order of the Senate of July 2, 1953,

The bill (H. R. 5969) making appropriations for the Department of Defense and related independent agencies for the fiscal year ending June 30, 1954, and for other purposes, was read twice by its title, on July 3, 1953, and referred to the Committee on Appropriations.

EXECUTIVE REPORTS OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of July 2, 1953,

Mr. WILEY, from the Committee on Foreign Relations, submitted, on July 3, 1953, the following executive reports:

Executive D (83d Cong., 1st sess.), an agreement on German external debts, signed at London on February 27, 1953, by the Federal Republic of Germany, and by the United States and 17 other creditor countries (Ex. Rept. No. 3);

Executive E (83d Cong., 1st sess.), an agreement between the United States and the Federal Republic of Germany, regarding the settlement of the claims of the United States for postwar economic assistance (other than surplus property) to Germany, signed at London on February 27, 1953 (Ex. Rept. No. 3);

Executive F (83d Cong., 1st sess.), an agreement between the United States and the Federal Republic of Germany, relating to the indebtedness of Germany for awards made by the Mixed Claims Commission, United States and Germany, signed at London on February 27, 1953 (Ex. Rept. No. 3); and

Executive G (83d Cong., 1st sess.), an agreement between the United States and the Federal Republic of Germany, concerning the validation of German dollar bonds, signed at Bonn on April 1, 1953 (Ex. Rept. No. 3).

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE—ENROLLED JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the enrolled joint resolution (H. J. Res. 234) authorizing an appropriation to defray expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C., and it was signed by the Vice President.

LEAVES OF ABSENCE

On request of Mr. JOHNSON of Texas, and by unanimous consent, Mr. DANIEL was excused from attendance on the sessions of the Senate during this week.

On request of Mr. JOHNSON of Texas, and by unanimous consent, Mr. HUNT was excused from attendance on the sessions of the Senate for the next several days.

On request of Mr. JOHNSON of Texas, and by unanimous consent, Mr. KEFAUVER was excused from attendance on the session of the Senate today.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet today during the session of the Senate.

On request of Mr. BEALL (for Mr. WATKINS), and by unanimous consent, the Subcommittee on Immigration and Naturalization of the Committee on the Judiciary was authorized to meet tomorrow during the session of the Senate.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations, under the heading "New Reports."

The motion was agreed to, and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting the nomination of James Hopkins Smith, Jr., of Colorado, to be Assistant Secretary of the Navy for Air, and withdrawing the nomination of Elmer F. Kelm, of Minnesota, to be collector of customs for customs collection district No. 35, which nominating message was referred to the Committee on Armed Services.

The VICE PRESIDENT. If there be no reports of committees, the nominations on the Executive Calendar under the heading "New Reports" will be stated.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Roy Tasco Davis, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ceylon.

Mr. LANGER. Mr. President, reserving the right to object, and I shall not object to any of these appointments, I noticed that the two nominees whose names have just been read are from Maryland.

Recently the Senate approved the nominations of two ambassadors, one appointed from Maryland and one from the District of Columbia. I wish to serve notice now that unless in the future some of the smaller States of the Union are to be represented in the appointment of ambassadors, I shall enter an objection. A number of States have never had citizens nominated to the diplomatic service. At present North Dakota is represented in the diplomatic service by one ambassador. There is nothing personal about the matter, but some States have not received a single appointment. Yet four appointments have been made from a very small area almost within 10 days. I call that fact to the attention of the majority leader.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

REGULAR AIR FORCE

The Chief Clerk read sundry nominations in the Regular Air Force.

Mr. KNOWLAND. Mr. President, I ask that the nominations in the Regular Air Force be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Regular Air Force are confirmed en bloc.

This completes the nominations under the heading "New Reports."

Mr. KNOWLAND. I ask that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

CALL OF THE ROLL

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Is there objection?

Mr. McCARRAN. Mr. President, I do not think this procedure is right. It seems to me that Senators should be advised of the call of the calendar. A quorum call at this time is certainly essential. I object.

The VICE PRESIDENT. Objection is heard. The quorum call will proceed.

The Chief Clerk resumed and concluded the call of the roll, and the following Senators answered to their names:

Aiken	Ferguson	Knowland
Barrett	George	Kuchel
Beall	Gillette	Langer
Bennett	Goldwater	Lehman
Bush	Gore	Long
Butler, Md.	Griswold	Magnuson
Butler, Nebr.	Hayden	Malone
Byrd	Hendrickson	Mansfield
Carlson	Hennings	McCarran
Case	Hickenlooper	McClellan
Chavez	Hill	Millikin
Clements	Holland	Monroney
Cooper	Humphrey	Morse
Cordon	Johnson, Colo.	Mundt
Duff	Johnson, Tex.	Murray
Dworshak	Kennedy	Neely
Ellender	Kilgore	Payne
Potter	Smith, Maine	Watkins
Robertson	Smith, N. J.	Welker
Russell	Stennis	Wiley
Schoeppel	Symington	Williams
Smathers	Tobey	

Mr. KNOWLAND. I announce that the Senator from Ohio [Mr. BRICKER], the Senator from New Hampshire [Mr. BRIDGES], the Senator from Illinois [Mr. DIRKSEN], the Senator from Vermont [Mr. FLANDERS], the Senator from Indiana [Mr. JENNER], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Wisconsin [Mr. MCCARTHY], the Senator from Connecticut [Mr. PURTELL], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Ohio [Mr. TAFT], the Senator from Minnesota [Mr. THYE], and the Senator from North Dakota [Mr. YOUNG], are necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent on official business.

The Senator from New York [Mr. IVES] is absent by leave of the Senate having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Mississippi [Mr. EASTLAND], the Senators from Rhode Island [Mr. GREEN and Mr. PASTORE], the Senator from North Carolina [Mr. HOEY], the Senator from Washington [Mr. JACKSON], the Senator from Oklahoma [Mr. KERR], the Senators from South Carolina [Mr. JOHNSTON and Mr. MAYBANK], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Wyoming [Mr. HUNT], and the Senator from Tennessee [Mr. KEFAUVER] are absent by leave of the Senate.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official committee business.

The VICE PRESIDENT. A quorum is present.

Inasmuch as the Senate has met this morning following an adjournment, there is a morning hour.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

SALE OF CERTAIN VESSELS TO GOVERNMENT OF BRAZIL

A letter from the Secretary of State, transmitting a draft of proposed legislation to authorize the sale of certain vessels to Brazil for use in the coastwise trade of Brazil (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

INTERIM REPORT OF WEATHER BUREAU

A letter from the Secretary of Commerce, transmitting, pursuant to law, the fifth interim report of the Weather Bureau, relating to causes and characteristics of thunderstorms and other atmospheric disturbances (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

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GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

REPORT ON PERSONNEL OF NATIONAL LABOR RELATIONS BOARD

A letter from the Chairman, National Labor Relations Board, transmitting, pursuant to law, lists containing the names, salaries, and duties of all employees and officers in the employ or under the supervision of that Board for the year ended June 30, 1952, together with a list of all cases heard by that Board during the year ended June 30, 1952, and a list of cases in which the Board rendered decisions during the same period (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF NATIONAL LABOR RELATIONS BOARD

A letter from the Chairman, National Labor Relations Board, transmitting, pursuant to law, a report of that Board for the year ended June 30, 1952 (with an accompanying report); to the Committee on Labor and Public Welfare.

VETERANS' HOME AND FARM LOANS BY TERRITORY OF HAWAII

A letter from the Secretary of Hawaii, transmitting a copy of Act 211 of the Hawaiian Legislature, entitled "An act relating to the purchasing and making of veterans' home and farm loans by the Territory, providing for the issuance of general obligation bonds to obtain funds therefor, providing for administration thereof by the Territorial treasurer, and making appropriations therefor" (with an accompanying paper); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the western branch, American Public Health Association, Berkeley, Calif., favoring the enactment of legislation to provide supplemental health funds to the States for the fiscal year 1954 in an amount not less than the President's budget; to the Committee on Appropriations.

A resolution adopted by the Council of the City of Richmond, Calif., favoring the impounding of tolls on the San Francisco-Oakland Bay Bridge to construct two additional crossings of San Francisco Bay; to the Committee on Public Works.

By Mr. MILLIKIN:

A joint resolution of the Legislature of the State of Colorado; to the Committee on Interior and Insular Affairs:

"House Joint Memorial 2

"Joint memorial memorializing the Congress of the United States to enact legislation prohibiting the further acquisition, trade, or purchase of private property by any agency of the Federal Government other than for certain specified purposes, except with the approval of the local governmental authorities concerned

"Whereas various agencies of the Federal Government are continuing to acquire private property in the State of Colorado, thereby making it increasingly difficult for local governments in the State to obtain necessary revenues to support their functions and activities, because of the removal of such property from the tax rolls; and

"Whereas the Federal Government is now the owner of 37.35 percent of all the land in Colorado, and the owner of an even greater percentage in several of the Mountain and Western States; and

"Whereas it appears that various agencies of the executive branch of the Federal Government may desire to acquire additional land in Colorado and thereby increase the tax burden upon individual property owners; and

"Whereas we, the members of this assembly, deplore the further acquisition of any additional land as being contrary to the best interests and economy of this State, other than for purposes of public buildings, sites of dams and reservoirs, and national and State defense: Now, therefore, be it

"Resolved by the House of Representatives of the 39th General Assembly of the State of Colorado, in first extraordinary session convened (the Senate concurring herein), That this general assembly hereby respectfully petitions the 83d Congress of the United States to enact legislation prohibiting the further acquisition, trade, or purchase of private land in the various States by any Federal agency other than for the purposes above specified, except upon the approval of the local governments of the political subdivisions wherein such private property is located; and be it further

"Resolved, That a duly attested copy of this memorial be transmitted to each Member of the Congress of the United States from the State of Colorado.

"DAVID A. HAMIL,
"Speaker of the House of Representatives.
"LEE MATTIES,
"Chief Clerk of the House of Representatives.
"JORDAN ABBOTT,
"President of the Senate.
"MILDRED H. CRESSWELL,
"Secretary of the Senate."

RESOLUTIONS OF HARRIS COUNTY (N. DAK.) MEDICAL SOCIETY

Mr. LANGER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, two resolutions adopted by the Harris County (N. Dak.) Medical Society, relating to the care of non-service-connected disabilities in Veterans' Administration facilities, and an amendment to the Constitution relating to the making of treaties and executive agreements.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Labor and Public Welfare:

"Whereas the Harris County Medical Society, in regular business session on April 15, 1953, adopted a resolution relative to the care of non-service-connected disabilities in Veterans' Administration facilities; and

"Whereas a special committee on Federal medical services has been appointed by the board of trustees of the American Medical Association; and

"Whereas the above-named committee has issued a report stating in part that 'with respect to the provision of medical care and hospitalization benefits for veterans in Veterans' Administration and other Federal hospitals that new legislation be enacted limiting such care to the following two categories:

"'(a) Veterans with peacetime or wartime service whose disabilities or diseases are service-incurred or aggravated; and

"'(b) Within the limits of existing facilities veterans with wartime service suffering from tuberculosis or psychiatric or neurological disorders of non-service-connected origin, who are unable to defray the expenses of necessary hospitalization.

"'Your committee recommends that the provision of medical care and hospitalization in Veterans' Administration hospitals for the remaining groups of veterans with non-service-connected disabilities be discontinued and that the responsibility for the care of such veterans revert to the individual and the community, where it rightfully belongs': Therefore be it

"Resolved, That the Harris County Medical Society, in business session on June 24, 1953, wholeheartedly endorses this portion of the report of the special committee on Federal medical services of the American Medical Association with the addition to item (b) 'until such time as the local community can take care of these problems'; and be it further

"Resolved, That, in accordance with the report of the above-named committee, the Harris County Medical Society feels that in connection with those patients stipulated in (b) above 'That the entire question of whether the care of these patients is a local or a Federal responsibility must be reanalyzed by the Congress'; and be it further

"Resolved, That a copy of this resolution be spread on the minutes of this society, and that copies be sent to the officers and trustees of the American Medical Association and to all Members of the Senate and the House of Representatives of the United States, and others."

Ordered to lie on the table:

"Whereas recent treaties proposed by various international organizations would establish universal socialized medicine; and

"Whereas numerous other treaties proposed by various international organizations would seriously jeopardize the freedom of the citizens of the United States, even allowing for the trial of American citizens in time of peace for alleged offenses committed in the United States without right of trial by jury, or presumption of innocence; and

"Whereas 'one of the so-called international crimes for which it is proposed to try an American in such a court is that of "unfairly" criticizing the personalities or policies of a foreign government, where it is charged that such criticism tends to "aggravate" our relations with a foreign state'[1]: Therefore be it

"Resolved, That the Harris County Medical Society in business session on June 24, 1953, wholeheartedly endorses Senate Joint Resolution 1, as reported by the Senate Judiciary Committee; and be it further

"Resolved, That a copy of this resolution be spread upon the minutes of this meeting and that copies be sent to all Members of the Congress of the United States, and others."

CONTINUANCE OF CIVIL-SERVICE SYSTEM—RESOLUTION OF NATIONAL ASSOCIATION OF POSTAL SUPERVISORS, BRANCH 16, MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the National Association of Postal Supervisors, Branch 16, Minneapolis, Minn., at their meeting held on May 15, 1953, favoring a continuance of the civil-service system, be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on

[1] The Erroneous Arguments of the Opponents of a Constitutional Amendment on Treaties and Executive Agreements, pp. 5, 6, by Frank E. Holman, past president of the American Bar Association.

Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

NATIONAL ASSOCIATION OF POSTAL SUPERVISORS,
Minneapolis, Minn., June 29, 1953.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.

DEAR SIR: The following resolution was passed at our last regular meeting and is submitted in the hope that consideration will be given by you to maintain the status quo of the civil service:

"Whereas there is real concern that top career posts may be taken out of the merit system; and

"Whereas there is an abundance of evidence that employee morale has risen since World War II; and

"Whereas public confidence in the postal system will be destroyed by a return to the spoils system, which is not an ingredient in good administration; and

"Whereas career posts were recommended by the Hoover Commission, a nonpartisan commission: Now, therefore, be it

"*Resolved*, That Branch 16, National Association of Postal Supervisors, Minneapolis, Minn., meeting at Minneapolis, Minn., this 15th day of May 1953 go on record as favoring a continuance of the civil-service system, which protects at all levels the job rights of all civil-service employees; and be it further

"*Resolved*, That copies of this resolution be sent to the Congressmen and Senators of the State of Minnesota, to the national office of the National Association of Postal Supervisors, and to all other officials as will be directly concerned."

Respectfully yours,

EARL E. BROWN,
Secretary, Branch 16, NAPS.

FUNDS FOR MEDICAL CARE AND SERVICES TO VETERANS—RESOLUTION OF THIRD DISTRICT, DEPARTMENT OF MINNESOTA, THE AMERICAN LEGION, CHASKA, MINN.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the third district of the American Legion, Department of Minnesota, at their meeting in Chaska, Minn., on June 22, 1953, to provide adequate funds for medical, hospital and domiciliary services to veterans, be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Appropriations, and ordered to be printed, in the RECORD, as follows:

Whereas the budget for the Veterans' Administration for the fiscal year 1954 as proposed by the Bureau of the Budget drastically cuts funds for administration, medical, hospital and domiciliary services by approximately $280 million; and

Whereas a subcommittee of the House Appropriations Committee has held hearings on the proposed budget at which only officials of the Veterans' Administration were admitted; and

Whereas this subcommittee is expected to report to the full committee shortly following which such full committee will frame a bill containing such budget for the VA for the fiscal year 1954; and

Whereas budget curtailment in the year just past has resulted in more than 2,300 beds being inactivated in VA hospitals, 108 of which were at the Minneapolis VA hospital; and

Whereas the proposed drastic cut will cause further inactivation of another two to three thousand beds at a time when disabled veterans are returning from the Korean conflict and long waiting lists are prevalent everywhere; and

Whereas the present high standard of excellence in the medical program of the Veterans' Administration is threatened because of dissatisfaction among medical personnel who feel that the future of this program is insecure because of recurring reductions; and

Whereas it is believed that the sum of $921,100,000 which has been requested for administrative, medical, hospital, and domiciliary services is justified and should be approved for the fiscal year 1954: Now, therefore, be it

Resolved by the third district of the American Legion, Department of Minnesota, in convention assembled at Chaska, Minn., this 22d day of June 1953, That we respectfully request the Congress to provide not less than the minimum of $921,100,000 necessary to carry on these services to veterans of all wars; be it further

Resolved, That copies of this resolution be forwarded to all Representatives in Congress and United States Senators from the State of Minnesota.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LANGER:

S. 2283. A bill relating to the effect, under certain circumstances, of a divorce decree granted in a foreign nation; and

S. 2284. A bill for the relief of Thomas J. McNulty and Eugenia Mary McNulty; to the Committee on the Judiciary.

By Mr. WELKER:

S. 2285. A bill for the incorporation of the Ladies of the Grand Army of the Republic; and

S. 2286. A bill for the relief of certain aliens; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 2287. A bill for the relief of George Scheer, Magda Scheer, Marie Scheer, Thomas Scheer and Judith Scheer; to the Committee on the Judiciary.

By Mr. GRISWOLD (by request):

S. 2288. A bill for the relief of Dr. Paul H. Thorough; to the Committee on Armed Services.

By Mr. KNOWLAND (for himself and Mr. KUCHEL):

S. 2289. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the Bay of San Francisco; to the Committee on Public Works.

By Mr. MALONE:

S. 2290. A bill for the relief of Gloria B. Tuason; and

S. 2291. A bill for the relief of Demetrios Floras; to the Committee on the Judiciary.

By Mr. COOPER:

S. 2292. A bill for the relief of John Y. Johnson; and

S. 2293. A bill conferring jurisdiction upon United States district courts to adjudicate certain claims of Federal employees for the recovery of fees, salaries, or compensation; to the Committee on the Judiciary.

S. 2294. A bill to provide for Federal financial assistance to the States and Territories in the construction of public elementary and secondary school facilities; to the Committee on Labor and Public Welfare.

By Mr. TOBEY:

S. 2295. A bill for the relief of Irma Mueller Koehler Cobban; to the Committee on the Judiciary.

By Mr. BUTLER of Nebraska:

S. 2296. A bill to amend section 24 (c) of the Internal Revenue Code so as to allow certain deductions for expenses incurred and interest accrued; to the Committee on Finance.

EFFECT OF MAJOR LEGISLATION UPON ULTIMATE CONSUMER INTERESTS

Mr. GILLETTE submitted the following resolution (S. Res. 128), which was referred to the Committee on Agriculture and Forestry:

Resolved, That the Committee on Agriculture and Forestry, or a duly appointed subcommittee on consumer interests which it may create pursuant to this resolution, is authorized and directed to make a full and complete study and investigation of all major existing legislation within its jurisdiction as defined by section (1) (a) of rule XXV of the Standing Rules of the Senate for the purpose of determining the extent to which the interests of the ultimate consumer may be adversely affected by such legislation, and also of recommending such remedial legislation as may be necessary to provide adequate protection of consumer interests.

In carrying out its duties under this resolution, the committee, or its duly authorized subcommittee on consumer interests, shall give special attention but shall not limit its attention to study and investigation of the costs of producing and processing the products of farm and forest and of the costs and methods of distributing such products to the ultimate consumer so as to determine all the cost components in the spread in prices between what the farmer receives and the consumer pays for such products.

The committee shall report to the Senate from time to time the results of its study and investigation pursuant to this resolution together with its recommendations.

For the purpose of this resolution, the committee, or its duly authorized subcommittee on consumer interests, is authorized to sit and act during the 83d Congress at such times and places, whether or not the Senate is sitting, has recessed, or has adjourned; to employ on a temporary basis, and, without regard to the Classification Act of 1949, as amended, to fix the compensation of such experts, consultants and technicians and such clerical, stenographic and other assistants; and with the consent of the head of the department or agency concerned, to borrow from Government departments and agencies such special assistance, and to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government; to hold such hearings, to require by subpena (to be issued by the chairman of the committee or by the properly designated chairman of the subcommittee on consumer interests, or by any member designated by such chairman) or otherwise the attendance of such witnesses, and the production of such books, papers, and documents; to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems necessary.

The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this resolution. The expenses of the committee under this resolution shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. GILLETTE submitted the following resolution (S. Res. 129), which was referred to the Committee on Banking and Currency:

Resolved, That the Committee on Banking and Currency, or a duly appointed subcommittee on consumer interests which it may

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create pursuant to this resolution, is authorized and directed to make a full and complete study and investigation of all major existing legislation within its jurisdiction as defined by section (1) (d) of rule XXV of the Standing Rules of the Senate for the purpose of determining the extent to which the interests of the ultimate consumer may be adversely affected by such legislation, and also of recommending such remedial legislation as may be necessary to provide adequate protection of consumer interests.

In carrying out its duties under the resolution, the committee, or its duly authorized subcommittee on consumer interests, shall examine the manner in which major existing legislation within its area of responsibility is being administered with particular reference to the effect of such administration on the ultimate consumer, and shall determine whether or not the agencies charged with administration of such legislation have provided a regular and systematic method by which the views of consumers may be ascertained in the administration of such legislation.

The committee shall report to the Senate from time to time the findings of its study and investigation pursuant to this resolution, together with its findings, and recommendations, if any, for corrective legislative action.

For the purpose of this resolution, the committee or its duly authorized subcommittee on consumer interests, is authorized to sit and act during the 83d Congress at such times and places, whether or not the Senate is sitting, has recessed, or has adjourned; to employ on a temporary basis, and, with regard to the Classification Act of 1949, as amended, to fix the compensation of such experts, consultants, and technicians and such clerical, stenographic, and other assistants; and, with the consent of the head of the department or agency concerned, to borrow from the Government departments and agencies such special assistance, and to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government; to hold such hearings, to require by subpena (to be issued by the chairman of the committee or by the properly designated chairman of the duly authorized subcommittee on consumer interests, or by any member designated by such chairman) or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems necessary.

The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this resolution. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers, approved by the chairman of the committee.

Mr. GILLETTE submitted the following resolution (S. Res. 130), which was referred to the Committee on Finance:

Resolved, That the Committee on Finance, or a duly appointed Subcommittee on Consumer interests, which it may create pursuant to this resolution, is authorized and directed to make a full and complete study and investigation of all major existing legislation within its jurisdiction as defined by section (1) (h) of rule XXV of the Standing Rules of the Senate for the purpose of determining the extent to which the interests of the ultimate consumer may be adversely affected by such legislation, and also of recommending such remedial legislation as may be necessary to provide adequate protection of consumer interests.

In carrying out its duties under this resolution, the committee, or it duly authorized Subcommittee on Consumer Interests, shall give special attention but shall not limit its attention to the study and investigation of Federal excise taxes, tariff rates, and import quotas so as to determine the effect on prices paid by the ultimate consumer for goods and services subject to such taxes, tariffs, and quotas.

The committee shall report to the Senate from time to time the results of its study and investigation pursuant to this resolution, together with its recommendations.

For the purpose of this resolution, the committee, or its duly authorized Subcommittee on Consumer Interests, is authorized to sit and act during the 83d Congress at such times and places, whether or not the Senate is sitting, has recessed, or has adjourned; to employ on a temporary basis and, without regard to the Classification Act of 1949, as amended, to fix the compensation of such experts, consultants and technicians, and such clerical, stenographic and other assistants; and with the consent of the head of the department or agency concerned, to borrow from Government departments and agencies such special assistance, and to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government; to hold such hearings to require by subpena (to be issued by the chairman of the committee or by the properly designated chairman of the subcommittee on consumer interests, or by any member designated by such chairman) or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems necessary.

The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this resolution. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. GILLETTE submitted the following resolution (S. Res. 131), which was referred to the Committee on Interstate and Foreign Commerce:

Resolved, That the Committee on Interstate and Foreign Commerce, or a duly appointed Subcommittee on Consumer Interests which it may create pursuant to this resolution, is authorized and directed to make a full and complete study and investigation of all major existing legislation within its jurisdiction as defined by section (1) (j) of rule XXV of the Standing Rules of the Senate for the purpose of determining the extent to which the interests of the ultimate consumer may be adversely affected by such legislation, and also of recommending such remedial legislation as may be necessary to provide adequate protection of consumer interests.

In carrying out its duties under this resolution, the committee, or its duly authorized Subcommittee on Consumer Interests, shall examine the manner in which major existing legislation within its area of responsibility is being administered with particular reference to the effect of such administration on the ultimate consumer, and shall determine whether or not the agencies charged with administration of such legislation have provided a regular and systematic method by which the views of consumers may be ascertained in the administration of such legislation.

The committee shall report to the Senate from time to time the findings of its study and investigation pursuant to this resolution, together with its findings, and recommendations, if any, for corrective legislative action.

For the purpose of this resolution, the committee or its duly authorized Subcommittee on Consumer Interests, is authorized to sit and act during the 83d Congress at such times and places, whether or not the Senate is sitting, has recessed, or has adjourned; to employ on a temporary basis, and, without regard to the Classification Act of 1949, as amended, to fix the compensation of such experts, consultants, and technicians and such clerical, stenographic, and other assistants; and, with the consent of the head of the department or agency concerned, to borrow from the Government departments and agencies such special assistance, and to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government; to hold such hearings, to require by subpena (to be issued by the chairman of the committee or by the properly designated chairman of the duly authorized Subcommittee on Consumer Interests, or by any member designated by such chairman) or otherwise the attendance of such witnesses and the production of all such books, papers, and documents; to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems necessary.

The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this resolution. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. GILLETTE submitted the following resolution (S. Res. 132), which was referred to the Committee on Interior and Insular Affairs:

Resolved, That the Committee on Interior and Insular Affairs, or a duly appointed subcommittee on consumer interest which it may create pursuant to this resolution, is authorized and directed to make a full and complete study and investigation of all major existing legislation within its jurisdiction as defined by section (1) (m) of rule XXV of the Standing Rules of the Senate for the purpose of determining the extent to which the interests of the ultimate consumer may be adversely affected by such legislation, and also of recommending such remedial legislation as may be necessary to provide adequate protection of consumer interests.

In carrying out its duties under this resolution, the committee, or its duly authorized subcommittee on consumer interests, shall examine the manner in which major existing legislation within its area of responsibility is being administered with particular reference to the effect of such administration on the ultimate consumer, and shall determine whether or not the agencies charged with administration of such legislation have provided a regular and systematic method by which the views of consumers may be ascertained in the administration of such legislation.

The committee shall report to the Senate from time to time the findings of its study and investigation pursuant to this resolution, together with its findings, and recommendation, if any, for corrective legislative action.

For the purpose of this resolution, the committee or its duly authorized subcommittee on consumer interests, is authorized to sit and act during the 83d Congress at such times and places, whether or not the

Senate is sitting, has recessed, or has adjourned; to employ on a temporary basis, and, without regard to the Classification Act of 1949, as amended, to fix the compensation of such experts, consultants, and technicians and such clerical, stenographic, and other assistants; and, with the consent of the head of the department or agency concerned, to borrow from the Government departments and agencies such special assistance, and to utilize the services, information, facilities, and personnel of all agencies in the executive branch of the Government; to hold such hearings, to require by subpena (to be issued by the chairman of the committee or by the properly designated chairman of the duly authorized subcommittee on consumer interests, or by any member designated by such chairman) or otherwise the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems necessary.

The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104, inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this resolution. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. GILLETTE submitted the following resolution (S. Res. 133), which was referred to the Committee on the Judiciary:

Resolved, That the Committee on the Judiciary, or a duly appointed Subcommittee on Consumer Interests which it may create pursuant to this resolution, is authorized and directed to make a full and complete study and investigation of all major existing legislation within its jurisdiction as defined by section (1) (k) of rule XXV of the Standing Rules of the Senate for the purpose of determining the extent to which the interests of the ultimate consumer may be adversely affected by such legislation, and also of recommending such remedial legislation as may be necessary to provide adequate protection of consumer interests.

In carrying out its duties under this resolution, the committee, or its duly authorized Subcommittee on Consumer Interests, shall examine the manner in which major existing legislation within its area of responsibility is being administered with particular reference to the effect of such administration on the ultimate consumer, and shall determine whether or not the agencies charged with administration of such legislation have provided a regular and systematic method by which the views of consumers may be ascertained in the administration of such legislation.

The committee shall report to the Senate from time to time the findings of its study and investigation pursuant to this resolution, together with its findings, and recommendations, if any, for corrective legislative action.

For the purpose of this resolution, the committee or its duly authorized Subcommittee and Consumer Interests, is authorized to sit and act during the 83d Congress at such times and places, whether or not the Senate is sitting, has recessed, or has adjourned; to employ on a temporary basis, and, without regard to the Classification Act of 1949, as amended, to fix the compensation of such experts, consultants, and technicians and such clerical, stenographic and other assistants; and, with the consent of the head of the department or agency concerned, to borrow from the Government departments and agencies such special assistance, and to utilize the services, information, facilities and personnel of all agencies in the executive branch of the Government; to hold such hearings, to require by subpena (to be issued by the chairman of the committee or by the properly designated chairman of the duly authorized subcommittee on consumer interests, or by any member designated by such chairman) or otherwise the attendance of such witnesses and the production of such books, papers and documents; to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems necessary.

The cost of stenographic services to report such hearings shall not be in excess of 25 cents per hundred words. The provisions of sections 102 to 104 inclusive of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this resolution. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. GILLETTE submitted the following resolution (S. Res. 134), which was referred to the Committee on Labor and Public Welfare:

Resolved, That the Committee on Labor and Public Welfare, or a duly appointed subcommittee on consumer interests which it may create pursuant to this resolution, is authorized and directed to make a full and complete study and investigation of all major existing legislation within its jurisdiction as defined by section (1) (L) of rule XXV of the Standing Rules of the Senate for the purpose of determining the extent to which the interests of the ultimate consumer may be adversely affected by such legislation, and also of recommending such remedial legislation as may be necessary to provide adequate protection of consumer interests.

In carrying out its duties under this resolution, the committee, or its duly authorized subcommittee on consumer interests, shall examine the manner in which major existing legislation within its area of responsibility is being administered with particular reference to the effect of such administration on the ultimate consumer, and shall determine whether or not the agencies charged with administration of such legislation have provided a regular and systematic method by which the views of consumers may be ascertained in the administration of such legislation.

The committee shall report to the Senate from time to time the findings of its study and investigation pursuant to this resolution, together with its findings and recommendations, if any, for corrective legislative action.

For the purpose of this resolution, the committee or its duly authorized subcommittee on consumer interests, is authorized to sit and act during the 83d Congress at such times and places, whether or not the Senate is sitting, has recessed, or has adjourned; to employ on a temporary basis, and, without regard to the Classification Act of 1949, as amended, to fix the compensation of such experts, consultants, and technicians and such clerical, stenographic, and other assistants; and, with the consent of the head of the department or agency concerned, to borrow from the Government departments and agencies such special assistance, and to utilize the services, information, facilities and personnel of all agencies in the executive branch of the Government; to hold such hearings, to require by subpena (to be issued by the chairman of the committee or by the properly designated chairman of the duly authorized subcommittee on consumer interests, or by any member designated by such chairman) or otherwise the attendance of such witnesses and the production of such books, papers and documents; to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems necessary.

The cost of stenographic services to report such hearings shall not be in excess of 25 cents per 100 words. The provisions of sections 102 to 104 inclusive, of the Revised Statutes shall apply in case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this resolution. The expenses of the committee under this resolution, which shall not exceed $, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS—AMENDMENT

Mr. SMITH of New Jersey submitted an amendment intended to be proposed by him to the bill (H. R. 5246) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. HUMPHREY submitted an amendment intended to be proposed by him to House bill 5246, supra, which was ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. KNOWLAND:

Address delivered by the Vice President at the Fourth of July celebration held in Independence Hall, Philadelphia, Pa.

By Mr. STENNIS:

Address entitled "American Responsibilities in the Free World" to be delivered today by Senator ROBERTSON at the Institute of Public Affairs of the University of Virginia.

By Mr. BUSH:

Message from Senator BYRD to the citizens of the Commonwealth of Connecticut, read at the Rochambeau Pageant at Lebanon, Conn., on June 27, 1953.

By Mr. BEALL:

Address entitled "Symbol of Freedom," delivered by Governor McKeldin, of Maryland, at the opening of the B. & O. Transportation Museum at the Mount Clare Roundhouse on July 2, 1953.

By Mr. SYMINGTON:

Letter written by Representative JOHN TABER to the editor of the Boston Herald, and published in that newspaper of Wednesday, July 1, 1953, and an editorial entitled "Answer to Representative TABER—I" published in the Boston Sunday Herald of July 5, 1953.

Article entitled "No Safe Air Cuts," in the form of an interview with former Secretary of the Air Force, Thomas K. Finletter, published in the News Week Magazine of July 6, 1953.

By Mr. LANGER:

Article entitled "Foreign Entanglements Headache to United States," written by Ray Tucker and published in the Tulsa Daily World of June 29, 1953.

Article entitled "Oil Industry Boasts of Big Profits To Be Made From Offshore Oils," published in the International Oil Worker of June 8, 1953.

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By Mr. SCHOEPPEL:

Article entitled "Markets Blow Hot and Cold," written by Bruce Behymer and published in the Wichita Eagle of June 28, 1953.

By Mr. CASE:

Statement by the Goodwill Industries of America, entitled "A Declaration of Independence for the Physically Handicapped."

By Mr. SMATHERS:

Editorial entitled "Shift Some of Big Government Back to States, Communities," published in the Miami Daily News of Sunday, June 28, 1953.

By Mr. WILEY:

Messages received from the deans of the law schools of the University of Wisconsin, Harvard University, the University of Pennsylvania, Tulane University, and Northwestern University, regarding Senate Joint Resolution 1, known as the Bricker amendment to the Constitution.

By Mr. BUTLER of Maryland:

Article entitled "Banking Under Decontrol," written by Joseph M. Naughton and published in the June 1953 issue of Burrough's Clearing House.

CALL OF THE CALENDAR

The VICE PRESIDENT. The morning business is concluded. Under the order entered on Thursday last, the calendar will now be called for the consideration of measures to which there is no objection.

BILLS INCLUDED IN THE CALL OF THE CALENDAR

Mr. McCARRAN. Mr. President, I ask unanimous consent that Senate bill 16, Calendar 153, may be included in the call of the calendar today. The bill was before the Senate on previous occasions, and was discussed at length for 2 or 3 hours. Each time no quorum was present, and the Senate was forced to adjourn without taking action on it.

Mr. KNOWLAND. I will say to the distinguished Senator from Nevada, so far as the acting majority leader is concerned, I have no objection to the bill being included in the call of the calendar today, unless there is some reason why the calendar committees would object.

Mr. HENDRICKSON. I may say for the benefit of Senators that, at the request of the Senator from Ohio, the bill will be objected to if it is called on the calendar.

Mr. KNOWLAND. Would the Senator from New Jersey have any objection to its being called up?

Mr. HENDRICKSON. No.

The VICE PRESIDENT. Is there objection to including Calendar 153 in the call of the calendar today? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, I ask unanimous consent that Calendar No. 264, H. R. 3480, to amend section 509 of title V of the Agricultural Act of 1949, to extend for 3 years the period during which agricultural workers may be made available for employment under such title, be included in today's call of the calendar.

The bill deals with the extension of the Mexican Farm Labor Act. As Senators will recall, consideration of the bill has been postponed on several occasions, and I believe it is the understanding of Senators that the bill would come up today.

The VICE PRESIDENT. Is there objection?

Mr. KNOWLAND. Again, on the same basis, I do not know what instructions may have been left with the calendar committees in connection with the bill. However, so far as having it included on the calendar is concerned, I have no objection to that being done.

Mr. ELLENDER. I understand there is no objection to the consideration and passage of the bill today.

The VICE PRESIDENT. Without objection, the bill will be included in today's call of the calendar.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that there be included in today's call of the calendar Order of Business 389, Senate bill 1396, to authorize the adoption of certain rules with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes. I spoke to the acting majority leader about it on Saturday.

Mr. KNOWLAND. Again, without any commitment on the part of the calendar committees as to what their position will be, I have no objection to including the bill in today's call of the calendar.

The VICE PRESIDENT. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered.

The clerk will call Calendar No. 153, Senate bill 16.

GRANTING OF IMMUNITY TO WITNESSES BEFORE EITHER HOUSE OF CONGRESS OR ITS COMMITTEES—BILL PASSED OVER

The bill (S. 16) to amend the immunity provisions relating to testimony given by witnesses before either House of Congress or its committees was announced as first in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SMATHERS. Mr. President, I have an objection to it, by request, but I shall withhold it if the Senator from Nevada wishes to make a statement.

Mr. McCARRAN. I should like to make a statement, and I would appreciate it if the Senator from Florida would withhold making his objection.

Mr. President, it has become obvious that this bill cannot pass on a call of the calendar. This is the bill to close a loophole in the existing immunity statute with respect to witnesses before congressional committees, so as to effectuate the purpose of that statute and put the Congress and its committees in a position to secure the testimony of a witness even though the witness may elect to enter a claim of privilege under the fifth amendment. This would be accomplished, as Senators know, by extending to the witness an immunity from prosecution equally as broad as the fifth amendment privilege which he claims.

I have sought information with respect to the intentions of the majority leadership with respect to this bill. I renew my request for information on that point.

I respectfully call the attention of the acting majority leader to the statement of the majority leader, the Senator from Ohio [Mr. TAFT], who on May 12, 1953, the day on which he moved to displace this bill by taking up the proposal with respect to temporary economic controls, said:

> Under all the circumstances I think it would be better to lay the bill aside temporarily. I can assure the Senator from North Carolina that within 2 weeks, or a reasonable time, I shall move to take up the bill again.

Mr. President, I wish to know whether the acting majority leader will let the bill come before the Senate and remain before the Senate for the necessary time, which in my opinion will not exceed 3 hours at the utmost, and probably will be a much shorter period of time, to secure a determination by the whole Senate, through a vote, as to whether the bill should or should not pass.

Mr. KNOWLAND. Mr. President, I assume that the Senator from Nevada is addressing his inquiry to me. In view of the statement made by the majority leader of the Senate, the Senator from Ohio [Mr. TAFT], who is temporarily away from his duties, and in view of the statement of the Senator from Nevada that he believes debate on the bill to which he has referred will not exceed 2 or 3 hours, I would hope that sometime during the week—and I shall discuss the matter with the majority policy committee tomorrow—after we finish action on the Labor-Federal Security appropriation bill, and perhaps before the next appropriation bill is ready, opportunity may be afforded to consider the bill.

Mr. SMATHERS. Mr. President, I object to the present consideration of the bill.

The VICE PRESIDENT. Objection being heard, the bill will be passed over.

MR. AND MRS. JOSEPH W. FURSTENBERG

The bill (H. R. 662) for the relief of Mr. and Mrs. Joseph W. Furstenberg was considered, ordered to a third reading, read the third time, and passed.

EMPLOYMENT OF MEXICAN FARM LABOR

The Senate proceeded to consider the bill (H. R. 3480) to amend section 509 of title V of the Agricultural Act of 1949, to extend for 3 years the period during which agricultural workers may be made available for employment under such title which had been reported from the Committee on Agriculture and Forestry with an amendment, in line 5, after "December 31", to strike out "1956" and insert "1954."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to amend section 509 of title V of the Agricultural Act of 1949, to extend

for 1 year the period during which agricultural workers may be made available for employment under such title."

Mr. ELLENDER. Mr. President, the bill just passed provides for a 1-year extension of the Mexican farm labor program. The Committee on Agriculture and Forestry recommended a 1-year extension, instead of a 3-year extension, because the Department of Labor is making an intensive study of the program and our negotiations with Mexico. It is felt any further extension of the program should be considered along with the results of the study.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a correction which was made with respect to the report accompanying the bill.

There being no objection, the correction of the report was ordered to be printed in the RECORD, as follows:

On page 2 of the committee report on H. R. 3480, it was stated that construction of the 5 migration centers in the Republic of Mexico and the 5 reception centers on the border cost more than $1 million. The statement is incorrect as the costs referred to are administrative costs for the year beginning February 1, 1953. The migration centers in Mexico are furnished by the Mexican Government and the reception centers on the border are rented, with the growers paying approximately 80 percent of the cost of the rent. Rents and utilities for all reception and migration centers including the construction of kitchen and sanitary facilities at the Harlingen Reception Center from the beginning of the program total $150,202. The estimated cost for all objects including rent, construction, and administration from the beginning of the program to June 30, 1953 is $2,166,930.

DISTRIBUTION OF TRUST FUNDS HELD BY SHOSHONE AND ARAPAHO TRIBES OF THE WIND RIVER RESERVATION

The bill (H. R. 444) to amend the act of May 19, 1947, so as to increase the percentage of certain trust funds held by the Shoshone and Arapaho Tribes of the Wind River Reservation which is to be distributed per capita to individual members of such tribes was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SMATHERS. May we have an explanation of the bill, Mr. President?

Mr. BARRETT. Mr. President, the purpose of this bill is to increase the per capita payments to the members of the Shoshone and Arapaho Indian Tribes in Wyoming. Under legislation that I sponsored several years ago when I was a Member of the House, these Indians were allowed semiannual per capita payments equal to two-thirds of the receipts from royalties on oil and gas produced on their own tribal lands. This bill merely increases the proportion distributed from two-thirds to 80 percent of the receipts. The money involved belongs exclusively to the Indians.

I may say to my good friend, the junior Senator from Florida, that the Indians have handled this money in a very satisfactory fashion. Not all of the money received from these sources is distributed. It was thought then that if $1 million were kept in the trust funds from the receipts, that would be entirely adequate for any emergency purpose. Even after distributing two-thirds of the income the remaining one-third has increased the funds remaining in the Treasury to the credit of the tribes totaling nearly $3 million. These funds draw 4 percent interest.

As I have said, the purpose of this bill is to permit these Indians to use a trifle more of their own money—the difference between two-thirds and 80 percent. The record is that they have done an admirable job of managing their own business and providing for themselves, and they have made great progress in the past 6 years.

Mr. SMATHERS. I thank the Senator.

Mr. President, I have no objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 444) was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF LIFE INSURANCE IN THE DISTRICT OF COLUMBIA

The bill (S. 879) to amend section 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia" was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. BEALL. Mr. President, there is also on the calendar House bill 2582, Calendar No. 458, which is identical with Senate bill 879.

I now move that the Senate proceed to the consideration of House bill 2582, Calendar No. 458, in lieu of Senate bill 879. The reason is that the House bill has already been passed by the House.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Maryland.

The motion was agreed to; and the Senate proceeded to consider the bill (H. R. 2582) to amend section 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia."

The VICE PRESIDENT. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. BEALL. Mr. President, I ask unanimous consent that the further consideration of Senate bill 879 be indefinitely postponed.

The VICE PRESIDENT. Without objection, it is so ordered.

INCORPORATION OF NATIONAL FUND FOR MEDICAL EDUCATION

The Senate resumed the consideration of the bill (S. 1748) to incorporate the National Fund for Medical Education.

Mr. COOPER. Mr. President, I desire to point out that the amendments to the bill were agreed to during its consideration on a former call of the calendar.

The VICE PRESIDENT. That is correct.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 1748) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the following persons: Donald C. Balfour, Rochester, Minn.; Margaret Culkin Banning, Duluth, Minn.; E. N. Beesley, Indianapolis, Ind.; James F. Bell, Minneapolis, Minn.; Mary McLeod Bethune, Daytona Beach, Fla.; Elmer H. Bobst, New York, N. Y.; Henry C. Brunie, New York, N. Y.; Earl Bunting, Washington, D. C.; Carl Byoir, New York, N. Y.; Colby M. Chester, New York, N. Y.; Champ Carry, Chicago, Ill.; Paul F. Clark, Boston, Mass.; Lucius D. Clay, New York, N. Y.; S. Sloan Colt, Westhampton Beach, N. Y.; William E. Cotter, Scarsdale, N. Y.; C. R. Cox, New York, N. Y.; Howard S. Cullman, New York, N. Y.; Walter J. Cummings, Chicago, Ill.;

Raoul E. Desvernine, Washington, D. C.; Michael Francis Doyle, Philadelphia, Pa.; Victor Emanuel, New York, N. Y.; Theodore R. Gamble, New York, N. Y.; Bernard F. Gimbel, Greenwich, Conn.; William B. Given, Jr., New York, N. Y.; David M. Heyman, New York, N. Y.; Oveta Culp Hobby, Houston, Tex.; Herbert Hoover, New York, N. Y.; B. Brewster Jennings, Glen Head, N. Y.; Eric A. Johnston, Washington, D. C.; Devereux C. Josephs, New York, N. Y.; Meyer Kestnbaum, Chicago, Ill.; Allan B. Kline, Chicago, Ill.; Edgar Kobak, New York, N. Y.;

Frank H. Lahey, Boston, Mass.; Robert Lehman, New York, N. Y.; Samuel D. Leidesdorf, New York, N. Y.; Leroy A. Lincoln, New York, N. Y.; Ralph Lowell, Boston, Mass.; Benjamin E. Mays, Atlanta, Ga.; Neil McElroy, Cincinnati, Ohio; George W. Merck, West Orange, N. J.; George G. Montgomery, San Francisco, Calif.; Seeley G. Mudd, Los Angeles, Calif.; Charles S. Munson, New York, N. Y.;

Herschel D. Newsom, Washington, D. C.; Edward J. Noble, New York, N. Y.; William S. Paley, New York, N. Y.; Thomas I. Parkinson, New York, N. Y.; F. D. Patterson, Tuskegee, Ala.; Joseph M. Proskauer, New York, N. Y.; B. Earl Puckett, New York, N. Y.; Victor F. Ridder, New York, N. Y.; Owen J. Roberts, Philadelphia, Pa.; Winthrop Rockefeller, New York, N. Y.; Anna M. Rosenberg, New York, N. Y.; T. J. Ross, New York, N. Y.; Howard A. Rusk, New York, N. Y.;

Lester N. Selig, Chicago, Ill.; Eustace Seligman, New York, N. Y.; Spyros P. Skouras, New York, N. Y.; Alfred P. Sloan, Jr., New York, N. Y.; Harold E. Stassen, Washington, D. C.; J. P. Stevens, Jr., New York, N. Y.; W. C. Stolk, New York, N. Y.; Juan T. Trippe, Greenwich, Conn.; Thomas J. Watson, New York, N. Y.; Ernest T. Weir, Pittsburgh, Pa.; George Whitney, New York, N. Y.; Robert E. Wilson, Chicago, Ill.; Robert W. Woodruff, Atlanta, Ga.; John S. Zinsser, Philadelphia, Pa.; and their successors, are hereby created and declared to be a body corporate by the name of the National Fund for Medical Education (hereinafter referred to as the corporation) and by such name shall be known and have perpetual succession of the powers, limitations, and restrictions herein contained.

PURPOSES OF CORPORATION

SEC. 2. The purposes of the corporation shall be to promote and foster the following objectives:

(1) The interpretation of the needs of medical education to the American public;

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(2) The encouragement of the growth, development, and advancement of constantly improving standards and methods in the education and training of all medical manpower in the Nation;

(3) The preservation of academic freedom in the institutions of medical education and the aiding of these institutions in offering the equality of educational opportunity to all those who are qualified to seek to enter the medical profession.

USE OF INCOME AND ASSETS

SEC. 3. No part of the income or assets of the corporation shall enure to any of its members, directors, or officers, or to any individual, or be distributable to any of them during the life of the corporation or upon its dissolution or final liquidation. Nothing in this subsection, however, shall be construed to prevent the payment of compensation to officers of the corporation in amounts approved by the executive committee of the corporation.

NONPOLITICAL NATURE OF CORPORATION

SEC. 4. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for elected public office.

TRUSTEES

SEC. 5. The directors of the corporation shall be termed trustees, and the first board of trustees shall consist of the 13 persons whose names and addresses are as follows: Earl Bunting, Washington, D. C.; Colby M. Chester, New York, N. Y.; S. Sloan Colt, Westhampton Beach, N. Y.; William E. Cotter, Scarsdale, N. Y.; Victor Emanuel, New York, N. Y.; William B. Given, Jr., New York, N. Y.; Herbert Hoover, New York, N. Y.; Devereux C. Josephs, New York, N. Y.; Samuel D. Leidesdorf, New York, N. Y.; Leroy A. Lincoln, New York, N. Y.; Eustace Seligman, New York, N. Y.; Juan T. Trippe, Greenwich, Conn.; John S. Zinsser, Philadelphia, Pa.

PRINCIPAL OFFICE

SEC. 6. The principal office of the corporation shall be located in New York City, N. Y., but the activities of the corporation shall not be confined to this place, but may be conducted throughout the various States, Territories, and possessions of the United States.

VOTING RIGHTS

SEC. 7. Each member of the corporation shall have the right to one vote at all meetings of the members of the corporation.

DISTRIBUTION OF ASSETS ON DISSOLUTION OR LIQUIDATION

SEC. 8. Upon dissolution or final liquidation of the corporation, after the discharge of all outstanding obligations, the remaining assets, if any, of the corporation, shall be distributed in such manner as the board of trustees shall determine, subject to the provisions of section 3 above.

CORPORATE POWERS

SEC. 9. The corporation shall have power—

(1) to have succession by its corporate name;

(2) to sue and be sued, complain and defend in any court of competent jurisdiction;

(3) to adopt, use, and alter a corporate seal;

(4) to choose such officers, managers, and agents as the business of the corporation may require;

(5) to ordain and establish, by action of the board of trustees, bylaws and regulations, not inconsistent with the laws of the United States of America or any State in which such corporation is to operate, for the management of its property and the regulation of its affairs;

(6) to contract and be contracted with;

(7) to take and hold by lease, gift, purchase, grant, devise, or bequest any property, real or personal, necessary for attaining the objects and carrying into effect the purposes of the corporation, subject, however, to applicable provisions of law of any State (A) governing the amount or kind of real and personal property which may be held by, or (B) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State;

(8) to transfer and convey real or personal property; and

(9) to borrow money for the purposes of the corporation, and issue bonds therefor, and secure same by mortgage subject in every case to all applicable provisions of Federal or State law.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 10. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

DISTRICT OF COLUMBIA AGENT

SEC. 11. The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation; and notice to or service upon such agent, or mailed to the business address of such agent, shall be deemed notice to or service upon the corporation.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 12. (a) The financial transactions shall be audited annually by an independent certified public accountant in accordance with the principles and procedures applicable to commercial corporate transactions. The audit shall be conducted at the place or places where the accounts of the corporation are normally kept. All books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the corporation and necessary to facilitate the audit shall be made available to the person or persons conducting the audit; and full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians shall be afforded to such person or persons.

(b) A report of such audit shall be made by the corporation to the Congress not later than January 15 of each year. The report shall set forth the scope of the audit and shall include a verification by the person or persons conducting the audit of statements of (1) assets and liabilities, (2) capital and surplus or deficit, (3) surplus or deficit analysis, (4) income and expense, and (5) sources and application of funds. Such reports shall not be printed as public documents.

OFFICERS

SEC. 13. The officers of the corporation shall consist of a chairman of the board of trustees, a president, one or more vice presidents, a secretary and one or more assistant secretaries, and a treasurer and one or more assistant treasurers, and such other officers as shall be provided in the bylaws. The bylaws shall provide for the election of trustees annually at a meeting of the members of the corporation and for the election of the officers by the trustees.

BOOKS AND RECORDS

SEC. 14. The corporation shall keep correct and complete books and records of accounts and shall also keep minutes of the proceedings of its members, board of trustees, and committees having any authority under the board of trustees; and it shall also keep at its principal office a record of the names and addresses of its members entitled to vote. All books and records of the corporation may be inspected by any member entitled to vote or his agent or attorney for any proper purpose at any reasonable time.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 15. The corporation shall have no power to issue any shares of stock, nor to declare or pay any dividends.

LOANS TO OFFICERS OR TRUSTEES

SEC. 16. The corporation shall not make loans to its officers or trustees. Any trustee who votes for or assents to the making of a loan or advance to an officer or trustee of the corporation, and any officer who participates in the making of such a loan or advance, shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 17. The right to alter, amend, or repeal this act is expressly reserved.

BROADCASTING OR TELECASTING OF PROFESSIONAL BASEBALL EXHIBITIONS—BILL PLACED AT FOOT OF CALENDAR

The bill (S. 1396) to authorize the adoption of certain rules with respect to the broadcasting or telecasting of professional baseball exhibits in interstate commerce, and for other purposes, was announced as next in order.

Mr. JOHNSON of Colorado. Mr. President, I ask unanimous consent that the bill be placed at the foot of the calendar.

Mr. LONG. Mr. President, I object, because I wish to study the bill at greater length.

Mr. JOHNSON of Colorado. I am asking only that the bill be placed at the foot of the calendar.

Mr. LONG. If I were to be here at that time, I would be glad to have that action taken. But I dislike to have to wait until that time comes.

Mr. JOHNSON of Colorado. The Senator from Louisiana can leave his objection with another Senator, if he wishes to do so.

Mr. LONG. Very well; I withdraw my objection.

The VICE PRESIDENT. Without objection, the bill will be placed at the foot of the calendar.

GRANTING OF STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 34) favoring the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months, was considered and agreed to.

(For text of above concurrent resolution, see CONGRESSIONAL RECORD of June 15, 1953, p. 6450.)

BILL PASSED OVER

The bill (S. 144) for the relief of the Cavalier County Fair Association was announced as next in order.

Mr. GORE. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

CONFERRING OF CITIZENSHIP POSTHUMOUSLY UPON HENRY LITMANOWITZ (LITMAN)

The bill (S. 296) conferring United States citizenship posthumously upon Henry Litmanowitz (Litman) was con-

sidered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, Henry Litmanowitz (Litman), the son of Mr. and Mrs. Morris Litmanowitz (Litman), of Cleveland, Ohio, who was killed while serving with the United States Armed Forces in Korea, shall be held and considered to have been a citizen of the United States at the time of his death.

ANNA SOLENNIANI

The bill (S. 385) for the relief of Anna Solenniani was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Anna Solenniani, shall be held and considered to be the natural-born alien child of Lt. and Mrs. John Howard Birrell, citizens of the United States.

ALFRED THEODOR EX

The bill (S. 508) for the relief of Alfred Theodor Ex was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Alfred Theodor Ex may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act.

EDWARD JOSEPH WENTWORTH

The bill (S. 559) for the relief of Edward Joseph Wentworth was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Edward Joseph Wentworth, shall be held and considered to be the natural-born alien child of Capt. and Mrs. Earle T. Wentworth, citizens of the United States.

CHARLES CHARDON BROOKS

The bill (S. 561) for the relief of Charles Chardon Brooks was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Charles Chardon Brooks, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Shepherd Brooks, citizens of the United States.

DAMIANO MARIO CARMINE PALUSCI

The bill (S. 648) for the relief of Damiano Mario Carmine Palusci was considered, ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of the Immigration and Nationality Act, Damiano Mario Carmine Palusci shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon the payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARY BETHE HINES

The bill (S. 722) for the relief of Mary Bethe Hines was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Mary Bethe Hines, shall be held and considered to be the natural-born alien child of Col. James Fayne and Frances Hines, citizens of the United States.

PETER PENOVIC, MILOS GRAHOVAC, AND NIKOLA MALJKOVIC

The bill (S. 1432) for the relief of Peter Penovic, Milos Grahovac, and Nikola Maljkovic was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of Immigration and Nationality Act, Peter Penovic, Milos Grahovac, and Nikola Maljkovic shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

JOSEPHINE SCHAITEL

The bill (S. 1016) for the relief of Josephine Schaitel was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A), 101 (b) (1), and 205 of the Immigration and Nationality Act, the minor child, Josephine Schaitel, shall be held and considered to be the natural-born alien child of Capt. and Mrs. Leonard J. Schaitel, citizens of the United States.

EDDIE L. BENNETT, JR. (JOJI CHITOSE)

The bill (S. 1363) for the relief of Eddie L. Bennett, Jr. (Joji Chitose), was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Eddie L. Bennett, Jr. (Joji Chitose), shall be held and considered to be the natural-born alien child of Capt. and Mrs. Eddie L. Bennett, citizens of the United States.

DR. JOSE MONTERO

The bill (S. 1366) for the relief of Dr. Jose Montero was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Jose Montero shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

SIMONELLA EVONNE MAGLIULO

The bill (S. 1380) for the relief of Simonella Evonne Magliulo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Simonella Evonne Magliulo, shall be held and considered to be the natural-born alien child of M. Sgt. and Mrs. Silvestro A. Magliulo, citizens of the United States.

JOSE DEANG

The bill (S. 1443) for the relief of Jose Deang was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Jose Deang shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

PATRICK DEVINE

The bill (S. 1467) for the relief of Patrick Devine was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Patrick Devine, shall be held and considered to be the natural-born alien child of Communication Technician First Class and Mrs. James J. Devine, citizens of the United States.

ANTONY TIMOTHE FAIRCHILD (ISHIDA MAKOTO) AND MARIE DOLORES FAIRCHILD (SHIMIZU REIKO)

The bill (S. 1659) for the relief of Antony Timothe Fairchild (Ishida Makoto) and Marie Dolores Fairchild (Shimizu Reiko) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act the minor children, Antony Timothe Fairchild (Ishida Makoto) and Marie Dolores Fairchild (Shimizu Reiko), shall be held and considered to be the natural-born alien children of Sgt. and Mrs. Alex B. Fairchild, citizens of the United States.

PAUL STANLEY BLOW (PAUL STANLEY MATSUMURA)

The bill (S. 1701) for the relief of Paul Stanley Blow (Paul Stanley Matsumura)

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was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Paul Stanley Blow (Paul Stanley Matsumura), shall be held and considered to be the natural-born alien child of Capt. and Mrs. Stanley A. Blow, citizens of the United States.

WILLIAM LANCE McKINLEY (BIRO TAKEDO)

The bill (S. 1705) for the relief of William Lance McKinley (Biro Takedo) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, William Lance McKinley (Biro Takedo), shall be held and considered to be the natural-born alien child of Capt. and Mrs. Merle H. McKinley, citizens of the United States.

CATHALINA FURUKAWA

The bill (S. 1758) for the relief of Cathalina Furukawa was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Cathalina Furukawa, shall be held and considered to be the natural-born alien child of Capt. and Mrs. Emil J. Farney, citizens of the United States.

LEONG WALK HONG

The bill (S. 1791) for the relief of Leong Walk Hong was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Leong Walk Hong, shall be held and considered to be the natural-born alien child of Leong Sik Fo (Robert Leong), a citizen of the United States.

DONALD GRANT

The Senate proceeded to consider the bill (S. 381) for the relief of Donald Grant which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "fee", to strike out "and head tax", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Donald Grant shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MAMERTAS CVIRKA AND MRS. PETRONELE CVIRKA

The Senate proceeded to consider the bill (S. 551) for the relief of Mamertas Cvirka and Mrs. Petronele Cvirka which had been reported from the Committee on the Judiciary with an amendment, in line 8, after the word "fees", to strike out "Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Mamertas Cvirka and Mrs. Petronele Cvirka shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

WINFRIED KOHLS

The Senate proceeded to consider the bill (S. 730) for the relief of Winfried Kohls which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "fee", to strike out "and head tax", so as to make the bill read:

Be it enacted, etc., That, for the purposes of immigration and naturalization laws, Winfried Kohls shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DR. JAWAD HEDAYATY

The Senate proceeded to consider the bill (S. 973) for the relief of Dr. Jawad Hedayaty which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "fee" to strike out "and head tax", so as to make the bill read:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Dr. Jawad Hedayaty shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FRANS GUNNINK

The Senate proceeded to consider the bill (S. 247) for the relief of Frans Gunnink which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause, and insert:

That, notwithstanding the provisions of paragraph (9) of section 212 (a) of the Immigration and Nationality Act, Frans Gunnink may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Frans Gunnink."

CONSTANTINOUS TZORTZIS

The bill (H. R. 2201) for the relief of Constantinous Tzortzis was considered, ordered to a third reading, read the third time, and passed.

FRANCISZEK JARECKI

The bill (H. R. 5238) for the relief of Franciszek Jarecki was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. LANGER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of Senate bill 1908 for the relief of Franciszek Jarecki, and that the Senate bill may be substituted for House bill 5238, and be now considered. The bills are identical.

The VICE PRESIDENT. Without objection, the Committee on the Judiciary is discharged from the further consideration of Senate bill 1908.

Mr. McCARRAN. Mr. President, I did not understand the request of the Senator from North Dakota.

Mr. LANGER. I merely stated that the Senate and House bills are identical, but the Senator from Michigan [Mr. FERGUSON] is desirous that the Senate bill be considered ahead of the House bill, and I therefore asked that the Senate bill be substituted for the House bill.

Mr. McCARRAN. Has the House bill been passed by the House?

Mr. LANGER. It has been passed by the House.

The VICE PRESIDENT. Is there objection?

There being no objection, the bill (S. 1908) for the relief of Franciszek Jarecki was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Franciszek Jarecki shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-

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control officer to deduct one number from the appropriate quota for the first year that such quota is available.

BILL PASSED OVER

The bill (S. 2150) providing for the creation of the St. Lawrence Seaway Development Corporation was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. HENDRICKSON. I ask that the bill be passed over.

The VICE PRESIDENT. The bill will go over.

INVESTIGATION BY CIVIL SERVICE COMMISSION OF PERSONS RECEIVING ATOMIC ENERGY COMMISSION FELLOWSHIPS — BILL PASSED OVER

The bill (S. 1569) to amend the Independent Offices Appropriation Act, 1953, so as to provide for the investigation by the Civil Service Commission in lieu of the Federal Bureau of Investigation of persons receiving Atomic Energy Commission fellowships was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. MORSE. Mr. President, may we have an explanation?

Mr. COOPER. Mr. President, the Senator from Kansas [Mr. CARLSON], who reported the bill, is not present, but I think I may state the purpose of the bill. The Independent Offices Appropriation Act contained riders providing that the investigations of persons receiving Atomic Energy Commission fellowships should be conducted by the Federal Bureau of Investigation. This bill provides that investigations of the Atomic Energy Commission fellowships shall be conducted initially by the Civil Service Commission. If it then appears that further investigation is needed, the matter is transferred to the Federal Bureau of Investigation; this is simply to carry out the provisions of law which have been delegated to the Civil Service Commission.

The VICE PRESIDENT. Is there objection?

Mr. McCARRAN. I ask that the bill go over.

The VICE PRESIDENT. The bill will go over.

EMPLOYMENT OF LT. GEN. GRAVES BLANCHARD ERSKINE TO CIVILIAN POSITION IN THE OFFICE OF SECRETARY OF DEFENSE

The bill (H. R. 5527) to authorize the employment in a civilian position in the Office of the Secretary of Defense of Lt. Gen. Graves Blanchard Erskine, upon retirement from the United States Marine Corps, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

SERVING OF OLEOMARGARINE OR MARGARINE IN NAVY RATIONS — BILL PASSED OVER

The bill (S. 1806) to amend the Navy ration statute so as to provide for the serving of oleomargarine or margarine was announced as next in order.

Mr. CASE. Let the bill go over.

Mr. STENNIS. Mr. President, will the Senator withhold the request?

Mr. CASE. I withhold the request temporarily as a courtesy to the Senator from Mississippi, but I certainly am going to ask that the bill go over.

Mr. STENNIS. I appreciate the Senator's courtesy. I would much rather the Senator agree to listen to the argument, and consider letting the bill be passed. The bill would simply permit, not require but permit, the Navy to use oleomargarine as a part of its rations. That is now permitted, of course, to the Air Force and to the Army. The Congress has already settled the matter of policy, whatever policy matter there was to be decided, by a general law passed a few years ago removing the tax from oleo. But, by a quirk of the law, the provision regarding rations for the Navy was written into the body of the law, and it excludes the use of oleomargarine.

Mr. President, the bill has already been approved by the Senate Armed Services Committee in 1952 and again in 1953, and I believe that on its merits it should become law. I hope the Senator from South Dakota will give it his best attention and will permit the bill to become law; otherwise, justice would be further and greater delayed.

Mr. CASE. Mr. President, in view of the current distress reported in certain dairying districts, I certainly feel constrained to object, and I ask that the bill go over.

The VICE PRESIDENT. Objection is heard, and the bill will go over.

BILL PASSED OVER

The bill (S. 848) to prescribe policy and procedure in connection with construction contracts made by executive agencies, and for other purposes, was announced as next in order.

Mr. HENDRICKSON. Mr. President, this, quite obviously, is not a bill that should be considered on the call of the consent calendar. I ask that it go over.

The VICE PRESIDENT. The bill will be passed over.

MARY THALIA WOMMACK WEBB

The Senate proceeded to consider the bill (S. 953) for the relief of Mary Thalia Wommack Webb which had been reported from the Committee on Finance with amendments, on page 1, line 6, after the name "Mary", to strike out "Thalia" and insert "Thaila"; in line 7, after the word "the", to strike out "unmarried"; and after line 9, to insert:

SEC. 2. If by reason of the enactment of this act, Mary Thalia Wommack Webb is determined, upon application being filed with the Veterans' Administration within 1 year from date of enactment, to be otherwise entitled to payment of death pension benefits, the award in such case shall be made effective December 6, 1951.

So as to make the bill read:

Be it enacted, etc., That, for the purpose of any laws administered by the Veterans' Administration, conferring rights, privileges, or benefits upon widows of former members of the Armed Forces, Mary Thalia Wommack Webb shall be deemed to be the widow of Jim Henry Webb (Army serial No. 4267346), who served in the United States Army from August 1918 until April 1919.

SEC. 2. If by reason of the enactment of this act, Mary Thalia Wommack Webb is determined, upon application being filed with the Veterans' Administration within 1 year from date of enactment, to be otherwise entitled to payment of death pension benefits, the award in such case shall be made effective December 6, 1951.

The amendments were agreed to.

Mr. COOPER. Mr. President, would the Senator from Colorado [Mr. MILLIKIN] explain the effect of the amendments? I direct your attention to this particular inquiry. As I understand the bill, it would treat the claimant as if she were the legal wife of a deceased veteran, with respect to death benefits. It seems to me that the bill might create a dangerous precedent.

Mr. MILLIKIN. Mr. President, I may say to the distinguished Senator that there is a question as to whether the beneficiary of the bill was the legal wife of Mr. Webb. Mr. Webb was married previously, and he and his wife apparently thought they had been divorced. He had been unable to trace the record of the divorce, but Webb was married to the present Mrs. Webb for 18 years, and the former Mrs. Webb married again, apparently thinking that she, too, was divorced. And she is now living with her husband. The Senate Finance Committee considered all the equities involved and thought an equitable case was presented.

Mr. COOPER. Does the Senator consider that the passage of this bill will bring forth a flood of similar bills?

Mr. MILLIKIN. The Senate Finance Committee is conscious of the subject of precedents, and the committee considered that question very carefully in connection with this bill. We doubt that there are many instances of persons who participated in a marriage and were divorced, or thought they were, each of whom remarried and lived openly with the second spouse. Considering all the circumstances, we thought that particular precedent would not arise very often.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Mary Thalia Wommack Webb."

TRANSFER TO STATE OF IOWA OF FORT DES MOINES—BILL PASSED TO NEXT CALL OF CALENDAR

The bill (H. R. 4978) to repeal the act of September 30, 1950, authorizing the transfer to the State of Iowa of Fort Des Moines, Iowa, was announced as next in order.

Mr. MORSE. Mr. President, I ask that the bill go over.

Mr. KNOWLAND. Mr. President, may I ask that it go to the foot of the calendar?

Mr. MORSE. Only, Mr. President, with the understanding that the Senator

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from Oregon is on the floor at the time the bill is called. If that cannot be agreed to, I renew my objection to the consideration of the bill.

Mr. KNOWLAND. Mr. President, I have no particular interest in this bill. I thought, in view of the fact that the Senator who reported it was not present, passing it to the foot of the calendar would be an easy way to handle it. But it can be passed over to be taken up on the next call of the calendar.

Mr. HENDRICKSON. Mr. President, I was going to suggest a unanimous-consent agreement that the bill go over to the next calendar call.

The PRESIDING OFFICER (Mr. BENNETT in the chair). Without objection, the bill will be passed over to the next call of the calendar.

BILL PASSED TO NEXT CALL OF CALENDAR

The bill (H. R. 5349) authorizing the United States Government to reconvey certain lands to W. C. Pallmeyer and E. M. Cole was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill? It is subject to the same conditions as affected Calendar No. 453.

Mr. HENDRICKSON. Mr. President, I ask that the bill be passed over until the next calendar call.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONVEYANCE OF CERTAIN LAND TO STATE OF TEXAS—BILL PASSED OVER

The bill (H. R. 4823) to convey by quitclaim deed certain land to the State of Texas was announced as next in order.

Mr. MORSE. I object.

Mr. GORE. Mr. President, will the Senator withhold his objection for a moment?

Mr. MORSE. I withhold my objection.

Mr. GORE. Mr. President, this bill authorizes by quitclaim deed the conveyance to the State of Texas of certain land, consisting of 160 acres which is to be used only for public park and recreational purposes. The park is to be called Eisenhower Park. It is in the community in which the present President of the United States was born. The bill was introduced by the former Speaker of the House and the present minority leader of the House of Representatives. I wonder, in case the objection is pressed, if the distinguished majority leader would consent to have the bill called up later in the week.

Mr. KNOWLAND. Mr. President, I would say to the distinguished Senator from Tennessee that the minority leader spoke to me about it, and I told him that I would take the matter up with the majority policy committee tomorrow, and that I felt, in view of the program this week, that we might be able to consider this proposed legislation this week if it were objected to today.

Mr. MORSE. Mr. President, the acting majority leader and the Senator from Tennessee are welcome to adopt any parliamentary tactics they may desire to adopt, but the Senator from Oregon, who, along with the Senator from Tennessee, is a member of the Committee on Public Works, made a very reasonable suggestion at the meeting of the committee in regard to this bill. The taxpayers of the country are entitled to see to it that a precedent is not established by this bill. The bill as it now stands, to all intents and purposes, circumvents the Morse formula. I shall continue to vote for a fair return on property belonging to the people of the country. All I can do is to object when bills of this kind come before the Senate. This bill should not have been reported by the committee without some action along the line of the recommendation made by the Senator from Oregon, but, as the record of the committee will show, it received no consideration by the committee. I should like to suggest to Texas that she use some of the royalties from her tidelands profits to pay for this property. I object to the consideration of the bill.

The PRESIDING OFFICER. Objection is heard.

BILL PASSED OVER

The bill (S. 2175) to amend title VI of the Legislative Reorganization Act of 1946, as amended, with respect to the retirement of employees in the legislative branch, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. HENDRICKSON. Mr. President, at the request of the chairman of the Committee on Post Office and Civil Service, I ask that the bill go over for further study.

The PRESIDING OFFICER. The bill will be passed over.

ACTIVE-DUTY STATUS FOR ALL UNITED STATES PROPERTY AND FISCAL OFFICERS

The bill (S. 2217) to amend sec. 67 of the National Defense Act, as amended, to provide for an active-duty status for all United States property and fiscal officers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the third paragraph of section 67 of the National Defense Act, as amended (32 U. S. C. 49), is amended to read as follows:

"Property and fiscal officers: The Governor of each State and Territory and the commanding general of the National Guard of the District of Columbia shall appoint, designate, or detail, subject to the approval of the Secretaries of the Army and Air Force, a qualified officer of the National Guard of the United States or the Air National Guard of the United States, who is an officer of the National Guard or Air National Guard of the State, Territory, or District of Columbia and who shall be the United States property and fiscal officer. The President may with the consent of the officer concerned, if such officer is not on active duty, order him to active duty to serve as United States property and fiscal officer of the State, Territory, or the District of Columbia, for which appointed, designated or detailed, and, upon relief from assignment as United States property and fiscal officer, he shall revert to his National Guard or Air National Guard status. The United States property and fiscal officer shall receipt and account for all funds and property belonging to the United States in possession of the National Guard or Air National Guard of the State, Territory, or the District of Columbia, and shall make such returns and reports pertaining thereto as may be required by the appropriate Secretary. Before entering upon his duties as property and fiscal officer he shall be required to give good and sufficient bond to the United States, the amount thereof to be determined by the Secretaries of the Army and the Air Force, for the faithful performance of his duties and for the safekeeping and proper disposition of the Federal property entrusted to his care. He shall receive pay and allowances provided by law. The appropriate Secretary shall cause an inspection of the pertinent accounts and records of the United States property and fiscal officer to be made by an Inspector General of his Department at least once each year. The Secretaries are empowered to make joint rules and regulations necessary to carry into effect the provisions of this section."

DEPOSITS OF SAVINGS FOR MEMBERS OF THE ARMY AND AIR FORCE

The bill (S. 1422) to continue the effect of the statutory provisions relating to the deposit of savings for members of the Army and Air Force, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act of December 18, 1942 (56 Stat. 1057), as extended by the Emergency Powers Continuation Act (66 Stat. 330), is amended by—

(1) striking out ", but shall be forfeited by desertion" appearing in section 1 thereof;

(2) amending section 3 thereof to read,

"SEC. 3. The amendments herein provided by sections 1 and 2 shall be effective until July 1, 1954."; and

(3) adding at the end thereof the following new section:

"SEC. 4. (a) Section 1305 of the Revised Statutes, as amended, is amended by striking out ', but shall be forfeited by desertion'.

"(b) The act of February 9, 1889 (ch. 119, 25 Stat. 657), is hereby amended by striking out ', but shall be forfeited by desertion'.

"(c) The proviso to section 2 of the act of June 15, 1943 (ch. 125, 57 Stat. 152), is hereby repealed."

RECOVERY, CARE, AND DISPOSITION OF REMAINS OF MEMBERS OF THE UNIFORMED SERVICES

The bill (S. 1999) to provide for the recovery, care, and disposition of the remains of members of the uniformed services, and certain other personnel, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of the Army, the Secretary of the Navy, the Secretary of the Air Force, the Secretary of the Treasury, the Secretary of Commerce, and the Secretary of Health, Education, and Welfare (hereafter in this Act individually and severally referred to as the Secretary) are hereby respectively granted the powers and authorities hereafter in this Act enumerated and defined.

SEC. 2. The Secretary is authorized to provide for the recovery, care and disposition of the remains of persons within the classes enumerated in section 3 hereof and, incident thereto, to pay the necessary expenses in-

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curred for (a) notification to the next of kin or other appropriate person; (b) recovery and identification of remains; (c) preparation of remains for burial (including cremation of remains, upon request of the person recognized as the one to direct the disposition of the remains); (d) furnishing of a casket or urn, or both, with outside box; (e) hearse service; (f) funeral director's services; (g) transportation of remains and an escort of one person, including round-trip transportation and prescribed allowances for such escort, to the town or city, or national or other cemetery, designated by the person recognized as the person to direct the disposition of the remains or, in the absence of such designation, to a national or other cemetery designated by the Secretary in which burial of the decedent is authorized; (h) furnishing of a uniform or other articles of clothing; (i) presentation of a flag of the United States to the person recognized as the one to direct the disposition of the remains, except that the presentation of a flag shall not be authorized in the case of a military prisoner who dies while in his custody and whose sentence includes a discharge other than honorable; and (j) interment of remains.

SEC. 3. The expenses authorized by section 2 hereof may be incurred by the Secretary in respect of (a) military personnel, including commissioned officers of the Coast and Geodetic Survey and the Public Health Service, who die while on active duty; (b) members of a reserve component of the Army, Navy and Marine Corps, Air Force, Coast Guard, Coast and Geodetic Survey, and Public Health Service, of the federally recognized National Guard or Air National Guard (in respect of duty for which they are entitled by law to receive pay from the Federal Government), or of the National Guard or Air National Guard of the United States, who die while on active duty, active duty for training, or while performing authorized travel to or from such service, or who die while on inactive duty training pursuant to proper authority, or who die while hospitalized or undergoing treatment at Government expense, as authorized by law, for injuries, illness, or disease contracted or incurred while on such service or inactive duty training or such authorized travel; (c) members of a Reserve Officers' Training Corps of the Army, Navy, and Air Force who die while attending training camps or on authorized practice cruises, pursuant to proper authority, or while performing authorized travel to or from such camps or cruises or while hospitalized or undergoing treatment at Government expense, as authorized by law, for injury, disease or illness contracted or incurred while attending such camps or on such cruises or authorized travel; (d) accepted applicants for enlistment in the Army, Navy and Marine Corps, Air Force, and Coast Guard; (e) former enlisted members of the Army, Navy and Marine Corps, Air Force, and Coast Guard who shall have been discharged in United States Government hospitals and who continue as patients in such hospitals to the date of their death; (f) retired members of the Army, Navy and Marine Corps, and Air Force and the reserve components thereof, hospitalized during periods of extended active duty, who continue as patients in United States Government hospitals to the date of their death; and (g) military prisoners who die while in his custody.

SEC. 4. The benefits of this Act shall not be denied in respect of a person within the classes enumerated in subsections (a), (b), (c), (d), (e), and (f) of section 3 hereof on the ground that such person was temporarily absent from active duty with or without leave at the time of his death, unless such person shall have prior to the time of his death been dropped from the rolls of his organization.

SEC. 5. The Secretary is authorized to provide for the care and disposition of the remains of prisoners of war and interned enemy aliens who die while in his custody, and, incident thereto, to pay the necessary expenses incurred for (a) notification to the next of kin or other appropriate person; (b) preparation of the remains for burial (including cremation); (c) furnishing of a casket or urn, or both, with outside box; (d) transportation of remains to the town, city, or cemetery designated by the Secretary; (e) furnishing of articles of clothing; and (f) interment of remains.

SEC. 6. The Secretary is authorized to provide for the care and disposition of the remains of pensioners and indigent patients who die in hospitals maintained and operated by him and persons dying on military reservations, and, incident thereto, to pay the necessary expenses incurred for (a) notification to the next of kin or other appropriate person; (b) preparation of remains for burial (including cremation); (c) furnishing of a casket or urn, or both, with outside box; (d) furnishing of articles of clothing; (e) transportation to a cemetery designated by the Secretary; and (f) interment of remains. However, no expenses shall be incurred pursuant to this section unless proper disposition of such remains cannot otherwise be made.

SEC. 7. (a) The Secretary is authorized, in the case of dependents of military personnel, including commissioned officers of the Coast and Geodetic Survey and the Public Health Service, on active duty, who die while residing with such military personnel at a place of duty outside the continental limits of the United States or in Alaska or while in transit to or from such place of duty, to provide for, and to pay the necessary expenses incurred for, the transportation of remains to such person's home or to such other place as the Secretary shall determine to be the appropriate place of interment. Mortuary services and supplies may be furnished, if practicable, by the Secretary in respect of such dependents on a reimbursable basis where local commercial mortuary facilities and supplies are not available, or if available, the cost thereof is prohibitive in the opinion of the Secretary. Reimbursement for the cost of mortuary services and supplies furnished under the authority of this subsection shall be collected and credited to current appropriations available for the payments of such costs.

(b) Section 1 of the act entitled "An act to defray the costs of returning to the United States the remains, families, and effects of officers and employees dying abroad, and for other purposes," approved July 8, 1940 (54 Stat. 743), is amended by adding a new section 2 thereto to read as follows:

"SEC. 2. In the case of dependents of a civilian officer or employee who died while residing with such civilian officer or employee performing official duties at a place outside the continental United States or in Alaska or while in transit thereto or therefrom, the head of the department concerned is authorized to pay the necessary expenses incurred for the transportation of remains to such person's home or to such other place as the head of the department concerned shall determine to be the appropriate place for interment. Mortuary services and supplies may be furnished, if practicable, by the department concerned in respect of such dependents on a reimbursable basis where local commercial mortuary facilities and supplies are not available, or if available, the cost thereof is prohibitive in the opinion of the head of such department. Reimbursement for the cost of mortuary services and supplies furnished under the authority of this subsection shall be collected and credited to current appropriations available for the payment of such costs."

SEC. 8. In the case of death occurring outside the continental limits of the United States or in Alaska, if local commercial mortuary facilities and supplies are not available, or if available the cost thereof is prohibitive in the opinion of the Secretary, mortuary services and supplies may be furnished by the Secretary on a reimbursable basis in respect of citizens of the United States who are (a) employees of humanitarian agencies accredited to the Armed Forces of the United States, such as the American Red Cross and United Service Organization, Inc.; (b) civilians performing services directly for the Secretary by virtue of employment by an agency under contract with the Secretary; (c) masters, officers, and members of crews of merchant vessels operated by or for the account of the United States through the Secretary; (d) personnel on duty with the Armed Forces of the United States who are paid from nonappropriated funds; (e) persons within a class not specifically enumerated in this section, upon the specific request of the Department of State; or (f) dependents of citizens of the United States within the classes enumerated in this section who at the time of death reside abroad with the supporting citizen concerned. Government transportation for the remains of persons specified in this section to a port of entry in the United States may be furnished by the Secretary on a reimbursable basis. Reimbursement for the cost of services, supplies, and transportation furnished under the authority of this section shall be collected and credited to current appropriations available for such costs.

SEC. 9. The Secretary is authorized, when such action is necessary for the temporary interment of remains pending transportation to a designated cemetery as authorized by this act, to acquire by purchase or otherwise, and to provide for the care and maintenance of, single or multiple grave sites in commercial cemeteries, or to acquire the right to use such grave sites for burial purposes. In the case of death occurring in locations outside continental United States where temporary commercial grave sites are not available on a reasonable basis, the Secretary is authorized to acquire land, or the right to use land, necessary for the temporary interment of remains as authorized by this act.

SEC. 10. The Secretary is authorized to provide for the removal of remains from cemeteries on military reservations (including installation cemeteries), when such cemeteries have been, or are to be, discontinued, to national cemeteries, other installation cemeteries, or other cemeteries and for the removal from places of temporary interment, abandoned graves or abandoned cemeteries to national cemeteries, of the remains of military personnel whose last service terminated honorably by death or otherwise.

SEC. 11. In any case where expenses which are allowable under section 2 of this act are borne by individuals, reimbursement to such individuals or their representatives may be made by the Secretary for such expenses in an amount not in excess of the cost normally incurred by the Secretary in furnishing such services or supplies as authorized herein. No reimbursement, however, shall be made under this section for any expenses incurred prior to the date of the enactment of this act which would not have been a proper charge against the Government at the time of the incurring of such expenses. The reimbursements authorized herein shall be in lieu of but not in addition to reimbursements for like purposes which may be otherwise authorized by Federal law or regulation, but a person entitled to any reimbursement under this section may elect under which provision of Federal law or regulation to claim such reimbursement.

SEC. 12. The Secretary may issue such regulations as may be necessary to carry out the purposes of this act. The person recognized under such regulations as the person to direct the disposition of the remains of a deceased person shall be either a surviving

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spouse, a blood relative, or an adoptive relative of the deceased person, or, if none of such persons can be ascertained and located, a person standing in loco parentis to the deceased person.

SEC. 13. There are authorized to be appropriated from time to time such amounts as may be necessary to carry out the provisions of this act.

SEC. 14. (a) Section 212 (a) (1) of the Public Health Service Act, approved July 1, 1944 (58 Stat. 682), is amended by deleting therefrom the phrase "burial payments in the event of death,".

(b) Section 506 of the Public Health Service Act, approved July 1, 1944 (58 Stat. 682), is amended by adding at the end therof a new sentence reading as follows: "Appropriations available for carrying out the provisions of this act shall also be available for the payment of such expenses relating to the recovery, care, and disposition of the remains of personnel or their dependents as may be authorized under other provisions of law."

(c) The following laws or parts of laws are hereby repealed:

(1) The act of March 9, 1928 (45 Stat. 251, ch. 162), as amended by the act of May 17, 1938 (52 Stat. 398);

(2) The act of May 26, 1928 (45 Stat. 767, ch. 779);

(3) The fourth sentence and the first proviso of the act of June 15, 1936 (49 Stat. 1507);

(4) The act of April 20, 1940 (54 Stat. 144); and

(5) Title 14, United States Code, sections 504, 505, and 506.

SEC. 15. Section 9 of the act of January 19, 1942 (56 Stat. 6), as amended by section 4 of the act of March 29, 1944 (58 Stat. 129), is further amended by deleting the words "provisions of sections 1 to 5, inclusive, of the act of April 20, 1940 (54 Stat. 144), relating to the burial expenses of Navy personnel, and the".

RETIREMENT OF NONREGULAR OFFICERS OF THE ARMY AND AIR FORCE

The bill (S. 2000) to authorize the retirement of non-Regular officers of the Army and Air Force having more than 30 years' active Federal service under the same conditions presently provided for such officers having less than 30 years' service, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., that that portion of section 5 of the act of July 31, 1935 (49 Stat. 507), as amended, which was amended by section 202 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 (62 Stat. 1081, 1084), is amended by striking out the words "or more than thirty."

SEC. 2. This act shall be effective on the first day of the first calendar month after the date of enactment of this act.

USE OF AMERICAN NATIONAL RED CROSS IN AID OF THE ARMED FORCES

The Senate proceeded to consider the bill (S. 2079) to provide for the use of the American National Red Cross in aid of the Armed Forces, and for other purposes, which had been reported from the Committee on Armed Services with an amendment, on page 4, after line 9, to insert a new section, as follows:

SEC. 7. For the purpose of this act, employees of the American National Red Cross shall not be considered to be employees of the Federal Government of the United States.

So as to make the bill read:

Be it enacted, etc., That whenever the President shall find the cooperation and use of the American National Red Cross with the Armed Forces to be necessary, he is authorized to accept the assistance tendered by the said Red Cross, and to employ the same under the Armed Forces. The Secretary of Defense shall prescribe such rules and regulations as may be necessary for the implementation of this act.

SEC. 2. Whenever the said Red Cross cooperation and assistance with the Armed Forces shall have been accepted by the President, the personnel entering upon the duty specified in the first section of this act may be transported while proceeding to their place of duty, while serving thereat, and while returning therefrom, at the cost and charge of the United States as civilian employees employed with the said forces; be furnished meals and quarters, providing the cost thereof is borne by such personnel or by the American National Red Cross, except that in instances where civilian employees are furnished quarters without cost, employees of the American National Red Cross may also be furnished quarters on the same basis without cost; and be furnished office space, warehousing, wharfage, and means of communication, without charge, when such facilities are available: *Provided*, That no passport fee shall be charged or collected for any passport issued to such personnel so serving or proceeding abroad to enter upon such service: *Provided further*, That such Red Cross equipment and supplies as may, in accordance with the rules and regulations prescribed as provided for in the first section hereof, be determined to be necessary in the furnishing of the assistance herein provided, including Red Cross supplies that may be tendered as a gift and accepted for use by the Armed Forces, shall be transported at the cost and charge of the United States.

SEC. 3. The fifth paragraph of section 127a of the act of June 3, 1916, as added by section 51 of the act of June 4, 1920 (ch. 227, 41 Stat. 785), is amended to read as follows:

"Each Secretary of a military department may grant permission, by revocable license, to the American National Red Cross to erect and maintain on any United States military installation under the jurisdiction of the Secretary concerned building suitable for the storage of supplies, or to occupy for that purpose buildings erected by the United States, under such regulations as the Secretary concerned may prescribe, such supplies to be available for the aid of the civilian population in case of serious national disaster."

SEC. 4. The act of January 5, 1905 (ch. 23, 33 Stat. 599), as amended, is further amended as follows:

(a) The first clause of section 3 is amended by deleting the word "armies" and inserting in lieu thereof the words "Armed Forces."

(b) The fourth clause of section 3 is amended (1) by deleting the words "Army and Navy" wherever they appear therein and inserting in lieu thereof the words "Armed Forces," and (2) by deleting the words "and naval."

(c) Section 6 is amended (1) by deleting immediately following the words "Secretary of" the word "War" and inserting in lieu thereof "Defense," and (2) by deleting the words "War Department" wherever they appear therein and inserting in lieu thereof the words "Department of Defense."

SEC. 5. The third paragraph under the heading "WAR DEPARTMENT" of the act of May 29, 1920 (ch. 214, 41 Stat. 659), is amended by deleting the words "War Department" and inserting in lieu thereof the words "Department of Defense."

SEC. 6. The act of April 24, 1912 (ch. 90, 37 Stat. 90), as amended, is hereby repealed.

SEC. 7. For the purpose of this act, employees of the American National Red Cross shall not be considered to be employees of the Federal Government of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN PROPERTY TO THE CITY OF RUPERT, IDAHO—BILL PASSED OVER

The bill (S. 122) directing the conveyance of certain property to the city of Rupert, Idaho, was announced as next in order.

Mr. MORSE. Mr. President, this bill would convey to the city of Rupert, Idaho, three tracts of land without any compensation whatsoever to the Federal Government.

Even if the three tracts in question are to be devoted to public purposes, the bill does not meet the Morse formula. Under the formula, Federal property conveyed to local governments for nongovernmental purposes must be paid for at 100 percent of fair value. Where the transferred property is to be dedicated to public purposes, the formula requires payment of 50 percent of that value.

The report does not disclose any necessity for a departure from this policy, which was originally established by the Armed Services Committee and has since been followed not only by me but by most Members of the Senate.

Unless special circumstances which are not now apparent are shown to justify giving these tracts to the city of Rupert for no compensation, I will continue to object to the passage of this bill.

Mr. DWORSHAK. Mr. President, will the Senator from Oregon withhold his objection for a moment?

Mr. MORSE. Yes.

Mr. DWORSHAK. Mr. President, I am sure the Senator from Oregon, after due consideration, will agree that this bill does not come within the purview of the yardstick which has been established in some cases.

This bill provides for the conveyance of certain Federal property to the city of Rupert, Idaho, in conformity with the provisions of an act enacted in 1906, not 1946. The act of 1906 provided for development of the Minidoka project, Idaho, and also provided for the ultimate grant to the city of Rupert of the lands described in this bill. Thus, although this bill might appear to be in violation of our usual rule against granting Federal lands without compensation, in fact, it simply carries out the provisions of a prior act of Congress, which established the townsite of Rupert, Idaho, as an adjunct of the Minidoka irrigation project.

I feel certain that, if the Senator from Oregon would scrutinize the details involved, he would ascertain that the bill merely carries out a commitment made by the Federal Government in 1906 to make a few small tracts of land available for public purposes to the municipality of Rupert. Under the circumstances, I am sure the Senator from Oregon would not contend that his so-called formula in any way should prevent approval of the bill.

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Mr. MORSE. The so-called 1906 act pertains only to 2 of the 3 tracts. Of course, that still raises a question as to what value the Federal Government has in the property, and that question should be ironed out on the basis of the evaluation, which would take place if the formula were adopted, and would be considered in determining what the fair market value of the property is, taking into account the Federal interest. I object to the consideration of the bill.

The PRESIDING OFFICER. Objection is made to the bill.

Mr. DWORSHAK subsequently said: Mr. President, I ask unanimous consent that Calendar 465, S. 122, which was objected to, may be considered as legislative business later in the week, under the regular procedure. Will the majority leader consider the suggestion that that be done?

Mr. KNOWLAND. I may say to the Senator from Idaho, as I did to the Senator from Tennessee a short time ago, that I shall take up with the Policy Committee tomorrow the possibility of including the bill in the program of legislative business during the week.

I may say that I know of no absolute veto the Senate exercises in the case of any bill. It may be that, after hearing arguments pro and con on either one or both of the bills, the Senate might decide either not to pass them or to pass them. But certainly there is no binding commitment on the Senate that it cannot consider proposed legislation to which there has been objection. Otherwise, the Senate could not function in a legislative capacity.

Mr. DWORSHAK. I thank the Senator.

Mr. MORSE. I think the statement of the Senator from California is a perfectly fair and reasonable one. At the same time it seems to me the objections ought to be considered on their merits by the Policy Committee and by the Senate as a whole. I certainly ask for no final and binding veto on the United States Senate. However, Mr. President, let us take a look at the parliamentary situation. This is not the first time the Senator from Oregon has noted that, because he has consistently, since 1946, insisted that the taxpayers of the United States get something in return for their property, various devices have been used to circumvent the formula.

I am perfectly willing to have my objections, each time they are raised, considered on their merits. But I want the majority leader to know that I shall exercise great care in determining the question whether bills are being considered on their merits, or whether what is afoot in the Senate is a plan to undermine the significance of the unanimous-consent calendar. If it should develop that what we are faced with in the Senate is concerted action on the part of a group of Senators to destroy the effectiveness of the unanimous-consent requirement of the calendar, I assure the Senator from California that the Senate will not get away by August 1, nor will it adjourn by September 1.

Mr. KNOWLAND. Mr. President, the acting majority leader is not going to be threatened or intimidated by the statement of the Senator from Oregon. I have stated the logical procedure in carrying out of the rules of the Senate. There are certain days on which legislation is considered by unanimous consent, but the Senate has never adopted a policy, nor do I think it should adopt a policy, that because there is objection to a particular bill, thereafter it cannot be considered in the orderly discussion of the business of the Senate. We have acted in this orderly fashion time and time again in the past, and we shall continue to do so in the future. Regardless of the implication of the statement by the Senator from Oregon, the business of the United States Senate will not be tied up merely because he makes a single objection.

Mr. MORSE. Mr. President, I have already explained to the Senator from California that I think his proposal to consider measures on their merits is a fair and reasonable one. I may say to the Senator from California that I do not threaten, but I serve notice that if I ever become convinced that there is a concerted drive by parliamentary technique to prevent the consideration of proposed legislation on its merits, I shall exercise all my rights on the floor of the Senate, and I shall explain to the American people why I believe it is important to their welfare that I continue to make the fight I am making in the Senate to see to it that the property of the people of the United States is not turned into a grab bag for politicians to get votes in their States by way of special legislation. [Manifestations of applause in the galleries.]

The PRESIDING OFFICER. The Chair must remind visitors in the galleries that they are present as guests of the Senate and are bound by the same rules of decorum as are Members of the Senate on the floor. Visitors must not make spontaneous demonstrations of their opinion, approval, or disapproval of statements made on the floor.

ADDITION OF LAND TO APPOMATTOX COURTHOUSE NATIONAL HISTORICAL MONUMENT, VA.—BILL PASSED TO FOOT OF CALENDAR

The bill (H. R. 1528) to authorize the addition of land to the Appomattox Courthouse National Historical Monument, Va., and for other purposes, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. SMATHERS. Mr. President, because the author of the bill is not now on the floor, I wonder if the bill might go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar.

Mr. HENDRICKSON subsequently said: Mr. President, I make the same request with respect to Calendar 466, H. R. 1528; I ask unanimous consent that it go over to the next call of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and H. R. 1528 will be included in the next call of the calendar.

USE OF SACKETS HARBOR MILITARY CEMETERY FOR BURIAL OF VETERANS

The bill (H. R. 490) to authorize the use of the Sackets Harbor Military Cemetery for the burial of war- and peacetime veterans of the Armed Forces of the United States, was considered, ordered to a third reading, read the third time, and passed.

REESTABLISHMENT AND CORRECTION OF BOUNDARIES OF THE QUINCY NATIONAL CEMETERY—BILL PASSED OVER TO NEXT CALENDAR CALL

The bill (H. R. 3411) to direct the Secretary of the Army to reestablish and correct the boundaries of the Quincy National Cemetery by the exchange of Government-owned lands in the Quincy-Graceland Cemetery, Quincy, Ill., was announced as next in order.

Mr. MORSE. Mr. President, it is my understanding that the bill involves an exchange of property, and a proper exchange of property so far as the problem of value is concerned. Nevertheless, for the purpose of the RECORD, I should like to have an explanation.

Mr. HENDRICKSON. Mr. President, I suggest that the bill go over to the next call of the calendar.

The PRESIDING OFFICER. Without objection, the bill will go over until the next call of the calendar.

ADDITION OF CERTAIN GOVERNMENT LANDS TO THE CAPE HATTERAS NATIONAL SEASHORE RECREATIONAL AREA

The bill (H. R. 1532) to provide for the addition of certain Government lands to the Cape Hatteras National Seashore Recreational Area project, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED TO FOOT OF CALENDAR

The bill (H. R. 3380) to authorize the exchange of lands acquired by the United States for Prince William Forest Park, Prince William County, Va., for the purpose of consolidating Federal holdings therein, and for other purposes, was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. STENNIS. Mr. President, will the Senator withhold his objection?

Mr. MORSE. I did not object; I asked for an explanation.

Mr. STENNIS. I am not prepared to give an explanation, but the Senators from Virginia are unavoidably detained and, therefore, are not on the floor. Therefore, I request that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the bill will go to the foot of the calendar.

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CONVEYANCE OF CERTAIN LANDS TO THE STATE OF ARKANSAS—NEXT CALL OF CALENDAR

The bill (H. R. 163) to provide for the conveyance of certain lands in Monroe County, Ark., to the State of Arkansas was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. SMATHERS. Mr. President, the author of the bill is not at present on the floor. I ask unanimous consent that the bill go to the foot of the calendar until the Senator can be located.

The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar.

Mr. SMATHERS subsequently said: Mr. President, since the Senator from Oregon is present at this time, I ask unanimous consent that we may return to the consideration of House bill 163, Calendar 471.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 163) to provide for the conveyance of certain lands in Monroe County, Ark., to the State of Arkansas.

Mr. SMATHERS. Mr. President, I invite the attention of the Senator from Oregon, who has raised some question about this bill. I may say the bill provides for the return to the State of Arkansas of 7 acres of land originally given to the Federal Government by the State of Arkansas in 1937 to become a part of the White River National Wildlife Refuge. This particular land, consisting of 7 acres, has never been included in the refuge. The National Government has never really had title to it. So, since the Federal Government does not use it, the State is merely asking it be returned to the State.

Mr. MORSE. Mr. President, I should like to have time to study the bill, because, while this is a case which, on the face of things, is of as de minimus nature nevertheless, a very important principle is involved by way of a possible precedent being established. The fact that a State has given property to the Federal Government does not entitle it at a later date to get the property back for nothing. There have been a great many such cases in recent years, in connection with which there has been an insistence that some payment be made, either because of increasing value, or because, in some instances, money has been spent by the Federal Government for improvements. There are a host of actions the Federal Government may take in relation to land donated to it by States, which entitle it to compensation.

I am not prepared on the basis of the explanation offered to say today whether this case falls within any of the exceptions. But I want to say to the Senator from Florida and to the Senator from Arkansas, whom I see on the floor, that I shall give this bill my careful attention between now and the next calendar call, and if it is in line with the policy which has heretofore been established in relation to such transfers of property originally donated by the States, I certainly shall not raise an objection. If it is not, I shall object. So I respectfully ask that the bill go over to the next call of the calendar.

Mr. McCLELLAN. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I yield to the Senator from Arkansas.

Mr. McCLELLAN. I ask the distinguished Senator from Florida whether this is not an instance of property the State is asking be deeded back to it which is actually surplus to the needs of the Federal Government; that is, the Federal Government finds it does not need it, and it has never been included in the reserve. Is that correct?

Mr. SMATHERS. The Senator is absolutely correct. The Department of the Interior, the Budget Director, and all the Federal agencies concerned stated very clearly that tract was outside the boundaries of the wildlife refuge, and that there was no need of it. As a matter of fact, they were not even going to clear the title to it.

Mr. McCLELLAN. I may say to the distinguished Senator from Oregon, I believe he will find that is the true situation. I have no objection to having the bill go over until the Senator has an opportunity to study it further.

The PRESIDING OFFICER. The bill will go over.

Mr. McCLELLAN. Mr. President, I may say that if the Senator has any question about the bill later, I shall be very glad if he will let me know.

Mr. SMATHERS. Mr. President, am I correct that it is now understood that the bill will be called at the next call of the calendar?

The PRESIDING OFFICER. That is correct.

DISPOSITION OF CERTAIN LANDS TO SCHOOL BOARD OF MECKLENBURG COUNTY, VA.—BILL PASSED TO FOOT OF CALENDAR

The bill (H. R. 4072) relating to the disposition of certain former recreational demonstration project lands by the Commonwealth of Virginia to the School Board of Mecklenburg County, Va., was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. STENNIS. The bill relates to a small strip of land in Mecklenburg County, Va., which borders on each side of United States Highway No. 1. In 1943 the land was conveyed by the Federal Government to the State of Virginia, with its use being confined to an area for public park, recreational, and conservation purposes.

The only effect of this bill would be to permit this land to be used for public-school purposes. It would not affect the reversionary interest in the Federal Government at all. This particular strip, on one side of the highway, has been found to be particularly adapted to public-school use, for which it is now needed, and with respect to which plans provide that it be used immediately, if possible. The bill would merely permit an additional use of the land for public-school purposes. Otherwise, it would not affect the reversionary interest of the Federal Government in the strip of land.

Mr. MORSE. Mr. President, will the Senator yield for a question?

Mr. STENNIS. I am very glad to yield.

Mr. MORSE. When the land was conveyed to Virginia in the first instance, it was for the specific purpose of park purposes, was it not?

Mr. STENNIS. The Senator is correct; and the limited use was so stated in the conveyance.

Mr. MORSE. If it ceased to be used for park purposes it was to revert to the Federal Government?

Mr. STENNIS. That is the substance of the conveyance, as the Senator from Mississippi understands it.

Mr. MORSE. So the proposal now is to donate to Virginia for school purposes property which has been used for park purposes, with a reversionary interest in the Federal Government.

Mr. STENNIS. The Senator from Mississippi is advised that it is now being used for park purposes in some respects, at least. The lay of the land, having the highway through the center of it, makes it, as I understand, particularly adaptable for school use, and there is an immediate need for it. That is why the bill was introduced.

Mr. MORSE. What troubles me in connection with legislation of this type is that there is a very important principle involved; that is, the donation to the States of public land for school purposes on the basis of legislation by way of exception. Of course, the Federal Government has a financial interest in this property. If anyone does not think so, let it be offered for sale at auction, and see how much it would bring.

I am troubled about letting a bill go through which, to all intents and purposes, means that we single out one State and give it some land for school purposes. As Senators know, I am strong for Federal aid to education, but I think it ought to be done on a uniform basis, and not by way of the exception route.

Only because of the principle involved, and not because of the purpose for which it is sought, do I object. It is not easy for a Senator to object to a measure when he believes an important purpose is to be served by it, but in this case I think a bad precedent would be established. I believe that under the circumstances Virginia ought to pay 50 percent of the fair market value of whatever reversionary interest the Government has in the property. I object.

Mr. STENNIS. I know the Senator's sincere interest in these matters, and I appreciate his position. Both Senators from Virginia happen to be absent, and the chairman of the committee is not present. I therefore ask unanimous consent that the bill go to the foot of the calendar. Perhaps there will be time later today to confer on the subject and obtain further facts which may satisfy the Senator from Oregon.

The PRESIDING OFFICER. Does the Senator from Oregon withdraw his objection so that the bill may go to the foot of the calendar?

Mr. MORSE. I withdraw my objection so that the bill may go to the foot of the calendar.

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The PRESIDING OFFICER. Without objection, the bill will go to the foot of the calendar.

CONVEYANCE OF CERTAIN FEDERAL LAND FOR PUBLIC-SCHOOL PURPOSES IN GETTYSBURG NATIONAL MILITARY PARK

The bill (S. 630) to authorize the conveyance for public-school purposes of certain Federal land in Gettysburg National Military Park, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 1, line 10, after the word "to", to strike out "sell and to"; on page 2, line 3, after the word "made", to strike out "on such conditions as the Secretary may consider necessary in the public interest" and insert "in exchange for non-Federal land of approximately equal value, which land, upon acceptance by the United States, shall become a part of Gettysburg National Military Park"; and after line 7, to strike out:

Funds received by the Secretary from the sale of such park land for school purposes shall be deposited by him in a special receipt account and shall be available to the Secretary for use in his discretion and without further authority for the procurement of other property for the Gettysburg National Military Park which the Secretary finds to be desirable for purposes of that park, as established pursuant to the act of February 11, 1895 (28 Stat. 651; 16 U. S. C., 1946 ed., sec. 430g).

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is hereby authorized to have competent and disinterested appraisals made as to the value of not more than 20 acres of land in Gettysburg National Military Park, in the State of Pennsylvania, such land lying generally between East Confederate Avenue and Wainwright Avenue, and being situated adjacent to the present high-school property in that area. Upon the basis of such appraisals, the Secretary is authorized to convey such property for public-school purposes to the State of Pennsylvania, or the appropriate local agency thereof, the conveyance to be made in exchange for non-Federal land of approximately equal value, which land, upon acceptance by the United States, shall become a part of Gettysburg National Military Park.

Mr. COOPER. Mr. President, this bill was introduced by the Senator from Pennsylvania [Mr. MARTIN] for himself and his colleague [Mr. DUFF]. At the proper time I wish to offer an amendment, merely to change the number of acres involved from 20 to 23.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. COOPER. The bill provides that the Secretary of the Interior shall have an appraisal made of the value of 20 acres of land in the Gettysburg National Military Park in Pennsylvania, and shall be authorized to convey this land to the appropriate school authority of the State or local district, for school purposes.

The bill provides that the conveyance shall be in consideration of a similar conveyance of land to the Government. I quote the exact language of the bill: "in exchange for non-Federal land of approximately equal value, which land, upon acceptance by the United States, shall become a part of Gettysburg National Military Park."

The bill calls for an equal exchange of land, land contiguous to the park being received by the Federal Government in exchange for other land.

Mr. MORSE. Mr. President, that is why I asked for an explanation. It was to show for the RECORD how I think these transactions ought to be accomplished. I wish to commend the Senators from Pennsylvania for the principle which they have protected in this bill. This bill seeks to provide the taxpayers throughout the United States with land of equal value for land which is being exchanged. I think if we were consistent about it—and it is so easy to be consistent in these matters—and if we were to follow the established principle, we would not get into embarrassing and irritating situations. There would not be created the bad feeling which arises when a Senator takes the position which I have taken over the years in connection with such matters. If the Senators from Pennsylvania can do it in this way, I respectfully suggest that all other Senators can do it.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

Mr. COOPER. Mr. President, I now offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, after the words "more than", it is proposed to strike out "twenty" and insert "twenty-three."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADOPTION OF REPORT RELATING TO SEEPAGE AND DRAINAGE DAMAGES ON THE ILLINOIS RIVER, ILLINOIS

The bill (H. R. 4779) to authorize the adoption of a report relating to seepage and drainage damages on the Illinois River, Ill., was considered, ordered to a third reading, read the third time, and passed.

CONSTRUCTION OF MARKHAM FERRY PROJECT ON THE GRAND RIVER IN OKLAHOMA

The bill (S. 119) to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma, was announced as next in order.

Mr. HENDRICKSON. Mr. President, may we have an explanation of this bill for the RECORD?

Mr. MONRONEY. Mr. President, the purpose of this bill is to deauthorize the construction of a Federal dam on the Grand River, which was authorized in 1938, the present cost of which would be about $38,450,000, and to permit the State of Oklahoma, through the Grand River Dam Authority, to construct this multiple-purpose dam and to build in connection with it the same flood-control storage which the original Federal project guaranteed, and for which the Federal Government would pay a $6,500,000 share of the construction costs of the project. In other words, for $6,500,000, the Federal Government would get the same amount of flood storage as it would be buying in the entire $38 million project.

The State of Oklahoma, through its Grand River Dam Authority, which already operates one large dam upstream, would pay for the Federal power pool and all other costs of the dam out of revenues accruing from the generation of power on this stream.

The President, in his letter of 1952, stated that the administration would have no objection to the project if certain conditions were met, namely that the river would be developed under the Federal Power Commission Act, and in compliance with those terms, it would be constructed in general conformity with the Federal Government's present plans for development of the project, and provided the Authority coordinated its operations in the Grand River project with the operations of Federal projects on the stream.

A further condition was that the Federal contribution to the cost of construction of the project be limited to the amount properly allocable to flood control.

After a long period of study and consideration of the actual costs of building in the flood pool, which will provide for 233,000 acre-feet of flood-water storage, the Army engineers came up with the figure of $6,500,000. That figure was arrived at by the very best minds of the Army engineers and represents the proper cost of the building of the flood-control features of the dam.

The bill is approved not only by the Army engineers and the Secretary of the Army, but by the Federal Power Commission and by the Bureau of the Budget, as to the findings of the cost properly chargeable to the Federal Government.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. LONG. Mr. President, reserving the right to object, will the distinguished Senator from Oklahoma tell us how far upstream the dam is to be located?

Mr. MONRONEY. It would be located at Mile 47 on this extra-large tributary of the Arkansas. It would complete the flood-control features of the largest tributary flowing through Oklahoma and give added protection on the lower reaches. It is at the identical spot at which the Army engineers had programed and planned this dam and for which Congress voted authorization

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in 1938 and has continued authorizations through the years.

Mr. LONG. Are we to understand that the dam site will be at the same location, regardless of whether it is built under the provision of the pending bill or under the provision of the prior authorization?

Mr. MONRONEY. The Senator is absolutely correct. It will be built at identically the same spot, and the general specifications will be the same.

The only difference is that the State will construct and operate it, under the supervision of the Army engineers. However, the State will float the bonds and pay for the bonds out of revenues derived from the operations.

Mr. LONG. I do not see the Senators from Arkansas on the floor. Is there any objection to the bill on the part of the Senators from Arkansas? Are they familiar with the bill?

Mr. MONRONEY. I may say that I have conferred with the senior Senator from Arkansas about the bill, and I am certain that if he were on the floor he would tell the Senate of his enthusiasm for the bill and the protection it would give to the State of Arkansas. Also, I believe he served as chairman of the subcommittee which unanimously approved this bill before.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the general comprehensive plan for flood control and other purposes approved by the act of June 28, 1938, for the Arkansas River Basin, as modified, by the acts of August 18, 1941, and July 24, 1946, is hereby further modified to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma, in accordance with the terms of the Federal Power Act and in general conformity with the recommendations of the Chief of Engineers in House Document No. 107 of the Seventy-sixth Congress and House Document No. 758 of the 79th Congress, such project to have the same number of acre-feet of flood storage and the same flood control and power pool elevations as recommended by the Chief of Engineers, with provision for emergency operation for surcharge storage 3 feet above the normal flood control pool.

SEC. 2. To the extent that it may be mutually agreed between the Grand River Dam Authority and the Secretary of the Interior, operation for power production of this and other installations of the Grand River Dam Authority on the Grand River in the State of Oklahoma shall be coordinated with the power operations of the Federal projects in the area: *Provided*, That nothing herein stated with regard to any such agreement shall be construed in any way to modify or repeal any existing authority vested in the Federal Power Commission by this or any other act or to modify or repeal any authority of the Secretary of the Army or the Chief of Engineers pursuant to section 7 of Public Law 534, 78th Congress.

SEC. 3. There is hereby authorized to be appropriated not to exceed $6,500,000 as a monetary contribution by the United States for flood-control storage in the Markham Ferry project: *Provided*, That such funds as may be appropriated under the foregoing authorization shall be administered by the Chief of Engineers in a manner which shall assure (1) that the Grand River Dam Authority shall comply with the provisions of this act relating to the construction of the Markham Ferry project, and (2) that the total payment made by the Chief of Engineers to the Grand River Dam Authority shall be $6,500,000 less the sum of (a) such amount as he shall determine to represent the cost to the Government, including acquisition and conveyance of lands acquired in the Markham Ferry project area by the United States with flood-control appropriations and conveyed to the Grand River Dam Authority pursuant to section 4 of this act, and (b) such amount as he shall determine to represent the fair market value of any other lands acquired by the United States and Public Domain lands, or interests therein, lying within the project area, and conveyed to the Grand River Dam Authority pursuant to section 4 of this act: *Provided further*, That the acceptance by the Grand River Dam Authority of the foregoing amount shall constitute the agreement of the Grand River Dam Authority to hold and save the United States free and harmless from all claims heretofore or hereafter asserted of whatever nature including but not limited to acquisition of land, relocation, construction, operation and maintenance of the dam and reservoir: *Provided further*, That the foregoing authorization shall be in addition to authorizations heretofore made for appropriations for flood-control projects for the Department of the Army.

SEC. 4. The sale, transfer, assignment, grant, or conveyance to the Grand River Dam Authority of such land, easements, and flowage rights owned by the United States of America as may be necessary for the construction, operation, and maintenance of the Markham Ferry project by the Grand River Dam Authority is hereby authorized and directed. The conveyance of such lands or interest therein shall be made by the Secretary of the Army, notwithstanding the provisions of any other law or requirement to the contrary. Other officials having jurisdiction over such lands are authorized and directed to transfer custody of such land to the Secretary of the Army. Reimbursement for the fair market value of said lands will be made by the Chief of Engineers from funds appropriated pursuant to this act. No such conveyance shall be made until funds have been appropriated pursuant to section 3 of this act and until a license for the Markham Ferry project has been issued by the Federal Power Commission. In addition to the foregoing monetary contribution, the Secretary of the Army is authorized and directed to transfer engineering data including maps, survey reports and data, drilling records and designs as will be of value to the Grand River Dam Authority in planning, construction, maintenance, and operation of the Markham Ferry project.

AMENDMENT OF THE ATOMIC ENERGY ACT OF 1946

The bill (S. 2239) to amend the Atomic Energy Act of 1946 was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, on June 29, the Joint Committee on Atomic Energy favorably reported this bill. It is designed to enable the Commission to enter into long-term contracts with TVA and 2 private utility companies for some 5½ million kilowatts needed in the operation of the AEC's gaseous diffusion plants.

Under present law, the AEC cannot exceed $57 million in cancellation payments for contracts of this type. The committee reports that the proposed contracts are of such magnitude and special capital outlays on the part of TVA and utilities that $57 million is inadequate and the bill provides for a maximum charge of $340 million.

I would point out that TVA is to provide well over half of the power required by AEC. Clearly, that is not creeping socialism. I would also point out that the capital costs of providing this power is some $65 million less than what it will cost the 2 private utilities to provide the lesser amount of power. Further, I would point out that the cancellation payments to TVA would be $80 million less than that to be paid the private utilities should the contracts be cancelled.

But reserving the right to object, I wish to have the answers to certain questions:

First. Do the contemplated contracts with the private utilities provide for a recapture of facilities? If not, why not?

Second. Why is it that the contracts do not provide for an option on the part of the Government to resell the power cancelled? It is my understanding that the contracts provide that the Government, in the event of cancellation, can transfer the use of the power to other Government agencies. Clearly, if the contracts provided for a general power of resale, the large cancellation payments would be unnecessary and the Government, the private utilities, and consumers in the TVA area would benefit.

Third. Does the contemplated contract with TVA depend upon the construction of the TVA steam plants, appropriations for which were eliminated by the House from the second independent offices appropriations bill? If there is any relation between those steam plants and the proposed contract, it would seem wise to defer action upon this measure until the second independent offices appropriations bill is put into final form.

Fourth. Will the two private utilities receive accelerated amortization certificates for the installations which are to provide this power, or has any other provision been made for accelerated amortization? If any amortization arrangement has been made, what consideration was given to this factor in arriving at the proposed cancellation payment?

It is my understanding that the amount provided for cancellation, although declared not to be excessive by the Federal Power Commission, is quite large due to the fact that AEC's bargaining position was weakened by lack of authority to provide its own electric power.

I am also disturbed by the size of the figure provided for cancellations because experience in the Bonneville region has shown that such payments reduce the incentive of private utilities to resell power up to their capacity.

In my view, this measure requires further study and the Senate should have further information along the lines I have indicated.

Mr. GORE. Mr. President, I ask that Senate bill 2239 go over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HICKENLOOPER subsequently said: Mr. President, I have a very brief

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statement which I wished to submit in connection with Senate bill 2239. I think it would be well to have the statement printed in the RECORD at the point where it was called on the calendar. The statement gives further information regarding the bill, which will be considered further at a later time.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HICKENLOOPER

This legislation, S. 2239, simply places in the Atomic Energy Act of 1946 the authority to enter into long-term power contracts which the AEC now has in the Supplemental Appropriation Act of 1953, and removes the $57 million limitation on cancellation costs of these contracts which the Appropriations Act imposed. This limitation imposed no undue restriction on the AEC in fiscal year 1953, but very serious damage to the atomic weapons program of the country will result if new legislation is not enacted this month.

The gaseous diffusion plants under construction at Oak Ridge, Paducah, and Portsmouth at a cost of $2 billion will require about 6 million kilowatts of generating capacity. The powerplants to supply this energy will cost over $1 billion, and are now under construction by three public utilities: Ohio Valley Electric Co., Electric Energy, Inc., and TVA. The power companies undertook this construction after signing contracts with AEC, which have clauses permitting cancellation on about August 1, if the $57 million limit on cancellation is not removed. The contracts were based on the authority already given the AEC in the Supplemental Appropriations Act of 1953. Thus, under the terms of the contracts, by August 1, 1953, the $57 million limitation on cancellation payments in existing law will result in termination of those power contracts.

Construction of these vital power plants will immediately stop because the insurance companies and banks financing the building of these powerplants will not put up more than $57 million until the present cancellation-payment limit is removed. Without funds construction cannot proceed.

Any delay in powerplant completion will result in the enforced idleness of gaseous diffusion plants with concurrent loss of weapons production.

It is therefore urgent to our national security that S. 2239 be passed before August 1, 1953.

The bill has the approval of the Bureau of the Budget. The Federal Power Commission has stated that "the cancellation charges on the whole are reasonably fair to the Government, to the power companies, and to the public."

The committee favorably reported the bill by a vote of 14 ayes and no nays.

Mr. HICKENLOOPER. Mr. President, I should like to have the attention of the Senator from Oregon [Mr. MORSE], if I may. He very kindly gave me his list of questions regarding Senate bill 2239, Calendar 478, which reaffirms the authority for the Atomic Energy Commission to enter into power contracts which provide for payment of cancellation costs, and also removes the limitation previously imposed.

The Senator from Oregon has some rather extensive questions which I would not feel warranted in attempting to answer between now and the close of the calendar call today. I wish the Senator from Oregon to have answers as nearly exact as possible, and to have as full information as we can obtain for him. I do not believe it will be possible to do that during the call of the calendar today.

However, the Joint Committee on Atomic Energy had the bill under consideration for a considerable period of time. As the Senator from Oregon himself pointed out in his statement, the Federal Power Commission examined this matter and gave us their opinion that the contract was fair and equitable. The contract involves equities which I believe can be sustained and proved.

Nevertheless, I wish to submit to the Senator from Oregon as full, complete, and accurate answers to his questions as I can. I wish to suggest that, instead of having the bill go to the foot of the calendar today, we automatically have the bill go to the next call of the calendar, with the understanding that as quickly as I can get to the Senator from Oregon the answers to his questions, and as quickly as I can discuss these matters with him—or he can discuss them also with any other persons with whom he may wish to discuss them—that will be done. The committee feels that the bill is vital to the operation of the Paducah plant, and so forth.

Mr. MORSE. Mr. President, let me say that I would join with the Senator from Iowa in having the bill brought up on motion.

Mr. HICKENLOOPER. That is what I was about to suggest, although I would not favor having such a motion made until I have supplied the Senator from Oregon with the best answers we can obtain to his questions. I do not wish to have the bill brought up on motion without first giving the Senator from Oregon the answers to his questions and then notifying him of my intention to have the bill brought up on motion.

Mr. MORSE. Mr. President, I think the Senator from Iowa knows the very high regard I have for him in respect to all atomic energy matters. I have received from him at all time the very finest cooperation and help.

There are objections, of course, on the basis of public power.

Mr. HICKENLOOPER. There certainly are.

Mr. MORSE. I would not seek to block consideration of the bill. I wish to have it come up on motion. However, I do not think the bill should be passed during the call of the calendar today. I understood that the Senator from Tennessee [Mr. GORE] objected to having the bill even go to the foot of the calendar today, and wanted the bill to go over, which means to go to the next calendar call.

But be that as it may, the bill involves an important matter of public policy, and I wish to have the bill brought up on motion, on a subsequent day.

Let me say that this bill is quite different from certain bills to which I have been objecting, which involved the transfer of Federal property without compensation. Those bills involved the principles of requiring the payment of 50 percent of the appraised fair market value of the property, if the use is for a public purpose, and 100 percent if the use is for a private purpose.

Over a period of years my objection to the giving away of Federal property without compensation has established, since 1946, the clear principle, which has been acceded to by many Senators, of requiring payment for Federal property.

It is not fair to have some Senators introduce bills requiring payment, and then have other Senators "get by," by way of the parliamentary technique of calling up, by motion, a bill providing for giving away the property of the taxpayers.

Since 1946, I have saved the taxpayers of the United States a great many hundreds of millions of dollars by my fight for this principle, which has come to be known as the Morse formula. I do not intend to surrender simply because standing for what I believe is right causes some irritation among some of my colleagues.

Mr. President, I hasten to add that Senate bill 2239, Calendar 478, is not one of the class of bills to which I have just referred. I certainly wish Senate bill 2239 to come up on motion, and I thank the Senator from Iowa for his consideration of my questions.

Mr. HICKENLOOPER. It was my thought, also, to have the bill brought up on motion on another day, so that at that time if the Senator from Oregon or other Senators wished to have the bill discussed at greater length than would be possible under the 5-minute rule, there would be opportunity to do so, after information had been developed along the line of the questions submitted by the Senator from Oregon.

So, Mr. President, it might be better to let the bill go to the next calendar call, and thereafter bring up the bill on motion.

However, I shall consult further with the Senator from Oregon.

Mr. GORE. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. GORE. I would not like my objection to be taken as indicative of an ultimate objection. Let me say that as a member of the minority legislative review committee, I undertake to give careful study to each bill on the calendar. We have just passed a weekend which I was able to enjoy by visiting with my family at the beach. Thus I did not take time to study this bill as carefully as it is entitled to be studied.

Mr. HICKENLOOPER. Let me say to the Senator from Tennessee that the bill is a very important one. By no stretch of the imagination would I wish the bill to be passed, even against the mild opposition of any Senator, during the call of the Consent Calendar.

Mr. GORE. Mr. President, will the Senator yield further?

Mr. HICKENLOOPER. I yield.

Mr. GORE. I have been able to give the necessary study required for my own satisfaction, in the case of most of the bills on the calendar.

As the Senator from Iowa has said, this bill is a very important and complicated one. I have not been able to give it the careful study to which I think it is entitled. That is the basis on which I registered the objection.

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Mr. HICKENLOOPER. The Senator from Tennessee is perfectly within his rights, particularly in view of his interest in that area.

I wish to emphasize that the bill is a good one, and should be passed.

So I shall be very happy to supply answers to the questions of the Senator from Oregon, and also to give the Senator from Tennessee every opportunity to examine the bill. If he has any questions after he examines the bill, we shall try to get the answers for him, if they are not otherwise available.

APPOINTMENT OF SPECIAL POLICEMEN BY COMMISSIONERS OF THE DISTRICT OF COLUMBIA

The bill (S. 1001) to amend the act approved March 3, 1899 (30 Stat. 1045, 1057, ch. 422), to provide for the appointment by the Commissioners of the District of Columbia of special policemen, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That so much of the first section of the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1900, and for the purposes" approved March 3, 1899 (30 Stat. 1045, 1057, ch. 422; sec. 4-115, D. C. Code, 1951 ed.), under the caption "For Metropolitan Police," as reads "That the Commissioners of the District of Columbia, on appplication of any corporation or individual, or in their own discretion, may appoint special policemen for duty in connection with the property of, or under the charge of, such corporation or individual; said special policemen to be paid wholly by the corporation or person on whose account their appointments are made, and to be subject to such general regulations as the said Commissioners may prescribe." is amended to read as follows:

"The Commissioners of the District of Columbia or their designated agent, on application of any government, association, corporation, organization, partnership, or individual, may, in their or his discretion, appoint special policemen for duty within the District of Columbia in connection with the property of, or under the charge of, such government, association, corporation, organization, partnership, or individual; said special policemen to be paid wholly by the government, association, corporation, organization, partnership or individual on whose account their appointments are made, and to be subject to such general regulations as the said Commissioners may prescribe."

AMENDMENT OF DISTRICT OF COLUMBIA TEACHERS' LEAVE ACT

The bill (S. 1393) to amend the District of Columbia Teachers' Leave Act of 1949 was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 6 of the District of Columbia Teachers' Leave Act of 1949, approved October 13, 1949 (63 Stat. 842), as amended, is amended by inserting after the word "pay" the words "or on leave without pay."

SEC. 2. This act shall become effective as of July 1, 1949.

AUTHORITY TO REGULATE VACATION AND ANNUAL LEAVE OF CERTAIN SCHOOL EMPLOYEES OF THE DISTRICT OF COLUMBIA

The bill (S. 1945) to amend the act entitled "An act to provide that the Board of Education of the District of Columbia shall have sole authority to regulate the vacation period and annual leave of absence of certain school officers and employees of the Board of Education of the District of Columbia," approved March 5, 1952, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the act entitled "An act to provide that the Board of Education of the District of Columbia shall have sole authority to regulate the vacation periods and annual leave of absence of certain school officers and employees of the Board of Education of the District of Columbia," approved March 5, 1952 (66 Stat. 14), is amended by adding thereto the following new section:

"SEC. 2. Notwithstanding the provisions of any other law to the contrary, no individual whose position is within the purview of this act shall, by virtue of the enactment of the first section of this act, be entitled to lump-sum payment or payments for annual leave accrued or current as of March 5, 1952, but all such individual's annual leave, accrued or current as of March 5, 1952, shall be credited to him for his use and benefit, and to be used in accordance with rules promulgated by the Board of Education."

AUTHORIZATION FOR NATIONAL SURVEY OF FOREST RESOURCES

The Senate proceeded to consider the bill (S. 725) to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources, which had been reported from the Committee on Agriculture and Forestry with an amendment, in line 7, after "16 U. S. C.", strike out "581h" and insert "581h", so as to make the bill read:

Be it enacted, etc., That to authorize and direct the Secretary of Agriculture to extend the nationwide forest survey authorized and directed by section 9 of the act of May 22, 1928, as amended (45 Stat. 699, 702; 58 Stat. 265; 63 Stat. 271; 16 U. S. C. 581h), to the Territories and possessions of the United States, said section is amended by inserting after the word "State" a comma and the words "Territory or possession", and after the words "products in the United States" the words "and its Territories and possessions."

The amendment was agreed to.

Mr. SMATHERS. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. AIKEN subsequently said: Mr. President, a short time ago, before I arrived in the Chamber, Calendar 483, S. 725, was passed over for lack of explanation. The bill relates to a survey of forests in Alaska. I ask unanimous consent that we may revert to the consideration of the bill, because I am prepared to make a statement with respect to it now.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate resumed the consideration of the bill (S. 725) to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources.

Mr. AIKEN. I think I can explain the bill in no better way than to read a letter I have received from the Department of the Interior, as follows:

UNITED STATES DEPARTMENT
OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D. C., July 3, 1953.

Hon. GEORGE D. AIKEN,
Chairman, Committee on
Agriculture and Forestry,
United States Senate,
Washington, D. C.

MY DEAR SENATOR AIKEN: This is in reply to the request of your committee for a report on S. 725, a bill "to amend section 9 of the act of May 22, 1928, as amended, authorizing and directing a national survey of forest resources."

I recommend that S. 725 be enacted.

S. 725 would amend section 9 of the McSweney-McNary Forest Research Act of 1928 so as to make it clear that the comprehensive Forest Survey provided for in that act may be extended to the territories and possessions of the United States. Since Alaska is the only territory or possession having large areas of commercial forest land, the new surveys would largely be confined to that one territory.

The timber resources of Alaska constitute a substantial part of the Nation's forest resources. Therefore, early extension of the Forest Survey to Alaska is essential to an adequate appraisal of the Nation's timber situation and to the development of sound national forest policies. Throughout its history, Alaska's timber resources have been used primarily for limited local purposes. Today, however, a large expansion of the forestry industry in Alaska is in progress and consequently there is a growing need for more accurate information on location and condition of forest strands, volume and quality of timber, growth rates, drain from timber cutting and destructive agents such as fire, insects and disease, and other resource information obtainable by the Forest Survey. During 1952 construction of a large pulp mill was started in southeast Alaska, various pulp mill sites are being investigated, and plans are being developed for expansion of sawmills and other forest industries in that same portion of Alaska.

In the interior of Alaska there are an estimated 125 million acres of forests and woodlands considered to have present or prospective commercial value which are under the jurisdiction of this Department. It is roughly estimated that the timber on this area totals some 350 billion board-feet. At present only a small volume of this timber is being used locally by settlers, trappers, and others. However, the volume and character of the timber would support a greatly expanded forest-products industry. The timber and other conditions are very similar to those prevailing in Canada where the pulp and newsprint industry has grown to such importance. Forest Survey information for this area is urgently needed in order that adequate timber management and fire control plans may be developed to utilize and protect the full potential of this valuable resource.

In coastal Alaska there are approximately 25 million acres of forest land under the administration of the Department of Agriculture. The Forest Service estimates that this timber aggregates some 85 billion board-feet.

The very rough estimates of volume now available as indicated above provide no breakdown of information by areas or by types of timber and are totally inadequate

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to guide industry in the making of capital investments or Government agencies in the development of the forest resources in Alaska. A comprehensive inventory and appraisal of the forest resources on these public lands in Alaska would have great importance to the future of Alaska and its ability to assume the responsibilities of statehood.

It is understood that arrangements will be worked out where practicable for this Department to cooperate with the Department of Agriculture in its investigations of the timber resources of Alaska.

To correct a clerical error it is recommended that at line 7 of S. 725 the designation "518h" be changed to "581h."

The Bureau of the Budget has advised this Department that there is no objection to the submission of this report to your committee.

Sincerely yours,

ORME LEWIS,
Assistant Secretary of the Interior.

Mr. SMATHERS. Mr. President, I withdraw my objection to the bill.

The PRESIDING OFFICER. The objection is withdrawn.

Mr. AIKEN. To summarize, the letter simply states that it is roughly estimated that the amount of timber in the area totals 350 billion board-feet on 125 million acres of forest land in Alaska, and there has been no accurate survey made. The bill would simply extend to Alaska the law which is already applicable to the States.

The PRESIDING OFFICER. When the bill was previously considered the amendment was agreed to.

The question is on the engrossment and third reading of the bill. The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

CONVEYANCE OF CERTAIN NATIONAL FOREST LAND, BASALT, COLO.

The Senate proceeded to consider the bill (S.894) to provide for the conveyance of certain national forest land, Basalt, Colo., which had been reported from the Committee on Agriculture and Forestry with an amendment, in line 9, after the word "lots", strike out "26, 27, and 28 of tract 47" and insert "26 and 27 of block B", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed, to Alfred M. Sloss, of Basalt, Colo., subject to such terms, reservations, exceptions, and conditions as the Secretary may deem necessary to safeguard the interests of the United States and in return for the payment of the fair market value of the land conveyed as determined by the Secretary, lots 26 and 27 of block B ing the town of Basalt, Eagle County, Colo.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MORSE subsequently said: Mr. President, I ask unanimous consent that the Senate reconsider the vote by which Senate bill 894, Calendar No. 484, was passed.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, the vote is reconsidered, and the bill is before the Senate.

Mr. MORSE. If I may have the attention of the Senator from Colorado [Mr. JOHNSON], I should like to say that I was discussing with the Senator from Iowa [Mr. HICKENLOOPER] my questions on the atomic-energy bill, when Senate bill 484 came before the Senate. It was my intention to call upon the Senator for an explanation of the bill. I wonder if he would agree to do so, so that I may determine whether I wish to object to the consideration of the bill at this time.

Mr. JOHNSON of Colorado. I do not have the report before me, but my understanding of the measure is that it provides for an exchange of lands. The land in question is located in Basalt, Colo. It is not in the forest itself. The bill provides for the sale of the land at the fair market value.

Mr. MORSE. That is sufficient explanation for me. I desired the Senator to know that I did not want to be sitting on the floor of the Senate and have a bill go through which violated the principle I have been trying to protect, and later to be charged by someone with inconsistency. I was engaged in conversation at the time the Senator's bill was passed. I thank him for the courtesy. So long as I have his assurance that the bill provides for the sale of the property at the fair market value, I have no objection to the consideration of the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate resumed the consideration of the bill (S. 894) to provide for the conveyance of certain national forest land, Basalt, Colo.

The PRESIDING OFFICER. The committee amendment has been agreed to. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to convey by quitclaim deed, to Alfred M. Sloss, of Basalt, Colo., subject to such terms, reservations, exceptions, and conditions as the Secretary may deem necessary to safeguard the interests of the United States and in return for the payment of the fair market value of the land conveyed as determined by the Secretary, lots 26 and 27 of block B in the town of Basalt, Eagle County, Colo.

BILL PASSED OVER

The bill (S. 1152) to extend for a period of 5 years the authority of the Secretary of Agriculture to make loans to fur farmers was announced as next in order.

Mr. HENDRICKSON. Mr. President, by request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

EXPANSION OF CROP INSURANCE PROGRAM

The Senate proceeded to consider the bill (S. 1367) to amend section 508 (a) of the Federal Crop Insurance Act so as to extend for 4 years the authority of the Federal Crop Insurance Corporation to expand the crop insurance program into additional counties, which had been reported from the Committee on Agriculture and Forestry with an amendment, in line 6, after the numerals "1954" to strike out "1955, 1956, and 1957" and insert "and 1955", so as to make the bill read:

Be it enacted, etc., That the third proviso of section 508 (a) of the Federal Crop Insurance Act, as amended (7 U. S. C., sec. 1508 (a)), is amended by striking out "and 1953" and inserting in lieu thereof "1953, 1954, and 1955."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to amend section 508 (a) of the Federal Crop Insurance Act so as to extend for 2 years the authority of Federal Crop Insurance Corporation to expand the crop-insurance program into additional counties."

CONTROL OF SERIOUS MINOR OUTBREAKS OF DISEASES OF ANIMALS

The bill (S. 2055) to amend the act of May 29, 1884, as amended, to provide for the control and eradication of scarpie and blue tongue in sheep and incipient or potentially serious minor outbreaks of diseases of animals, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 11 of the act of Congress approved May 29, 1884, entitled "An act for the establishment of a Bureau of Animal Industry, to prevent the exportation of diseased cattle, and to provide means for the suppression and extirpation of pleuropneumonia and other contagious diseases among domestic animals" (21 U. S. C. 114a) is hereby amended to read as follows:

"SEC. 11. The Secretary of Agriculture, either independently or in cooperation with States or political subdivisions thereof, farmers' associations and similar organizations, and individuals, is authorized to control and eradicate tuberculosis and paratuberculosis of animals, avian tuberculosis, brucellosis of domestic animals, southern cattle ticks, hog cholera and related swine diseases, scabies in sheep and cattle, dourine in horses, scrapie and blue tongue in sheep, incipient or potentially serious minor outbreaks of diseases of animals, and contagious or infectious diseases of animals (such as foot-and-mouth disease, rinderpest, and contagious pleuropneumonia) which in the opinion of the Secretary constitute an emergency and threaten the livestock industry of the country, including the purchase and destruction of diseased or exposed animals (including poultry), or the destruction of such animals and the payment of indemnities therefor, in accordance with such regulations as the Secretary may prescribe. As used in this section, the term 'State' includes the District of Columbia and the Territories and possessions of the United States."

BILL PASSED OVER

The bill (S. 1276) to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. GORE. Let the bill go over.

The VICE PRESIDENT. The bill will be passed over.

DISTRIBUTION OF SURPLUS EQUIPMENT AND SUPPLIES DURING MAJOR DISASTERS

The Senate proceeded to consider the bill (S. 2199) to allow State and local governments during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government, which had been reported from the Committee on Public Works with an amendment, on page 1, after line 7, to strike out "(c) by giving equipment and supplies determined under then existing law to be surplus to the needs and responsibilities of the Federal Government, to States and local governments for use or distribution, by them, in such a way as, in the judgment of the responsible representatives of such States and local governments, will best alleviate the damage, hardship, or suffering caused by such major disaster," and insert "(c) by donating or lending equipment and supplies, determined under then existing law to be surplus to the needs and responsibilities of the Federal Government, to States for use or distribution by them for the purposes of the Act including the restoration of public facilities damaged or destroyed in such major disaster and essential rehabilitation of individuals in need as the result of such major disaster", so as to make the bill read:

Be it enacted etc., That section 3 of the act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950 (64 Stat. 1109), as amended, is amended by striking out clause (c) and inserting in lieu thereof the following:

"(c) by donating or lending equipment and supplies, determined under then existing law to be surplus to the needs and responsibilities of the Federal Government, to States for use or distribution by them for the purposes of the act including the restoration of public facilities damaged or destroyed in such major disaster and essential rehabilitation of individuals in need as the result of such major disaster;".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government."

BILLS PASSED TO NEXT CALL OF THE CALENDAR

The bill (S. 1400) to permit the Secretary of Agriculture to release the reversionary rights of land located in Wake County, N. C., was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. SMATHERS. Mr. President, I ask that the bill go over to the next call of the calendar. The author of the bill was the late junior Senator from North Carolina, Mr. Smith. We shall have to get the senior Senator from North Carolina [Mr. HOEY] to explain the bill. So, for the time being, I ask that the bill go over, to be called at the next call of the calendar.

The VICE PRESIDENT. The bill will be passed over to the next call of the calendar.

The bill (S. 2163) to authorize conveyance to the State of North Carolina of certain lands and improvements constituting the United States cotton field station located near Statesville, N. C., was announced as next in order.

Mr. MORSE. Mr. President, may we have an explanation, please?

Mr. SMATHERS. Mr. President, I make the same request; namely, that this bill also go to the next call of the calendar, with the understanding that the bill will be called at that time.

The VICE PRESIDENT. The bill will go over to the next call of the calendar.

INCREASE IN SALARIES OF EMPLOYEES OF BOARD OF EDUCATION, DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 2118) to increase the salaries of employees of the Board of Education of the District of Columbia, and to provide for a study of the pay scales and classifications of such employees, which had been reported from the Committee on the District of Columbia with an amendment, to strike out all after the enacting clause and insert:

That (a) the salary rates for all salary classes in title I of the District of Columbia Teachers' Salary Act of 1947, as amended, except class 29, are hereby increased as follows: 10 percent of the first $3,000 of each such salary rate; 8 percent of so much of each such rate as is in excess of $3,000 up to and including $5,000, and 6 percent of so much of each such rate as exceeds $5,000.

(b) This section shall take effect on July 1, 1953.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the time time, and passed.

TRANSACTION OF PUBLIC BUSINESS IN THE EVENT OF DEATH, ETC., OF A DISBURSING OFFICER OF THE MILITARY DEPARTMENTS

The bill (S. 2078) to provide for the orderly transaction of the public business in the event of the death, incapacity, or separation from office of a disbursing officer of the military departments was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That in the case of the death, incapacity, or separation from office of a disbursing officer of any of the military departments the accounts of such disbursing officer may be continued and payments made in his name by his deputy disbursing officer for a period of time not to extend beyond the last day of the second month following the month in which such death, incapacity, or separation shall occur. Such accounts and payments shall be allowed, audited, and settled in the manner prescribed by law; and the checks signed in the name of the former disbursing officer shall be honored by the Treasurer of the United States, in the same manner as if the former disbursing officer had continued in office. The former disbursing officer, his estate, or the surety on his official bond, shall not be subject to any legal liability or penalty for the official acts and defaults of the deputy disbursing officer acting in the name or in the place of the former disbursing officer under this act, but the deputy disbursing officer and his surety shall be responsible therefor under his bond. The bond of the deputy disbursing officer shall be an amount at least equal to the minimum amount of the bond required of the disbursing officer. The Secretary of the military department concerned may, from time to time, require the deputy disbursing officer to renew and increase his bond to the United States.

AUTHORIZING CASH RELIEF FOR CERTAIN EMPLOYEES OF THE CANAL ZONE—BILL PASSED TO NEXT CALL OF CALENDAR

The bill (S. 2038) to amend the act approved July 8, 1937, authorizing cash relief to certain employees of the Canal Zone government, which had been reported from the Committee on Armed Services with an amendment, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. WILLIAMS. Mr. President, may we have an explanation?

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. COOPER subsequently said: Mr. President, I ask unanimous consent to return to Calendar 494, Senate bill 2038. The Senator from Delaware requested information about the bill. The Senator from Delaware not being now on the floor, I should like to file a statement explaining the bill, and I ask that it be printed in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR COOPER ON S. 2038

The sole purpose of S. 2038 is to permit a modest increase in the cash relief payments now being made to certain employees of the Canal Zone Government.

Under the so-called Cash Relief Act of July 8, 1937, the Canal Zone Government was authorized to pay to certain employees who were disabled because of age or disease cash relief at the rate of $1 per month for each year's service, with a maximum of $25 per month. S. 2038 would increase this rate to $1.50 per month for each year's service, with a maximum of $45 per month.

The increase in the cost of living since 1937 makes the payments under the 1937 act inadequate. The larger payments will in some measure meet the increased costs of living.

In order to be eligible for relief, employees must have had a total of 10 years' service and be found by a disability relief board to be totally disabled by either age or disease. The 1937 Relief Act does not apply to United States citizens employed by the Canal Zone Government. It applies only to aliens, most of whom are Panamanian citizens.

There are 12,762 employees who would probably be affected by the cash relief system. Of this total, 1,406 are employed by the Canal Zone Government and 11,356 by the Panama Canal Company. The employees of the Panama Canal Company are not expressly covered by either the 1937 act or S. 2038. The system established by the 1937 act has been extended, however, by the Panama Canal Company to its own employees, and the increases provided for in S. 2038 would likewise be extended.

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BUDGET DATA

S. 2038 will not result in any expense to the United States Treasury. The costs payable by the Canal Zone Government, while initially financed out of the appropriations, would be repaid annually to the Treasury out of the operating revenues of the Canal Zone Government and the Panama Canal Company. Under the 1937 act, relief costs have been financed in this manner.

Mr. COOPER. Mr. President, I ask unanimous consent that on the next call of the calendar the bill S. 2038, calendar order 494, be included.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSTRUCTION AND OTHER AUTHORITY FOR THE MILITARY DEPARTMENTS IN TIME OF WAR OR NATIONAL EMERGENCY

The Senate proceeded to consider the bill (S. 1995) to provide certain construction and other authority for the military departments in time of war or national emergency which had been reported from the Committee on Armed Services with amendments, on page 1, line 6, after the word "thereafter", to insert "or until July 1, 1954, or until such date as may be specified by a concurrent resolution of the Congress, whichever is the earliest"; on page 2, line 8, after the word "maintenance", to insert "storage"; in line 9, after the word "thereof", to insert "and of those established pursuant to the provision of the act of July 2, 1940 (54 Stat. 712), as amended (50 U. S. C. App. 773, 1171 (a), and the act of December 17, 1942 (56 Stat. 1053), as amended (50 U. S. C. App. 1201)," in line 15, after the word "Government" to insert "*Provided*, That as soon as practicable prior to the submission of a budgetary request to the Congress for the purchase of equipment or machine tools pursuant to this section, the Secretary of Defense shall inform the Committees on Armed Services of the Senate and of the House of Representatives in detail with respect to the proposed program therefor." On page 3, after line 2, to insert:

SEC. 2. The Secretary of Defense shall report semiannually to the Committees on Armed Services of the Senate and of the House of Representatives with respect to those activities authorized in section 1 which are not otherwise the subject of reporting under law.

And in line 8, to change the section number from "2" to "3", so as to make the bill read:

Be it enacted, etc., That the Secretaries of the Army, Navy, and Air Force are respectively authorized, during the national emergency proclaimed by the President on December 16, 1950, and for 6 months thereafter, or until July 1, 1954, or until such date as may be specified by a concurrent resolution of the Congress, whichever is the earliest, to provide for the acquisition, construction, establishment, expansion, rehabilitation, conversion, and installation, on land or at plants privately or publicly owned, of such industrial-type plants, buildings, facilities, equipment, machine tools, utilities, and appurtenances or interests therein, including the necessary land therefor by purchase, donation, lease, condemnation, or otherwise (without regard to sections 1136, 3648, and 3734 of the Revised Statutes, as amended, and prior to approval of title to the underlying land by the Attorney General), as may be necessary for defense production or mobilization reserve purposes, and to provide for the maintenance, storage and operation thereof and of those established pursuant to the provision of the act of July 2, 1940 (54 Stat. 712), as amended (50 U. S. C. App. 773, 1171 (a)), and the act of December 17, 1942 (56 Stat. 1053), as amended (50 U. S. C. App. 1201), either by means of Government personnel or qualified commercial manufacturers under contract with the Government: *Provided*, That as soon as practicable prior to the submission of a budgetary request to the Congress for the purchase of equipment or machine tools pursuant to this section, the Secretary of Defense shall inform the Committees on Armed Services of the Senate and of the House of Representatives in detail with respect to the proposed program therefor. When the Secretary concerned deems it necessary in the interest of the national defense, he may lease any such plants, buildings, facilities, equipment, utilities, appurtenances, and land, under any terms as he may deem advisable, and without regard to the provisions of section 321 of the act of June 30, 1932 (47 Stat. 412).

SEC. 2. The Secretary of Defense shall report semiannually to the Committees on Armed Services of the Senate and of the House of Representatives with respect to those activities authorized in section 1 which are not otherwise the subject of reporting under law.

SEC. 3. Nothing in this act shall be construed to repeal or modify section 601 of the act of September 28, 1951 (65 Stat. 336), relative to coming into agreement with the Committees on Armed Services of the Senate and of the House of Representatives with respect to real-estate actions.

Mr. CASE. Mr. President, I ask unanimous consent that a statement regarding this bill be printed in the RECORD prior to the action on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR CASE ON S. 1995

The purpose of S. 1995 is to extend authority for the stockpiling of machine tools and equipment and for the expansion of productive capacity in the event that international conditions should become more critical than they are at present.

The normal procedure is for the military departments to request specific authorization for those installations and facilities proposed to be constructed. In time of war or international stress, however, it is not practicable to predict accurately the productive facilities that will be required, particularly with reference to those affected by technological change and scientific development.

The military departments, since 1941, have had authority to expand Government-owned and privately owned plants without a specific authorization therefor, but this authority will expire on July 31. S. 1995, as introduced, would have continued the authority during the national emergency proclaimed by the President on December 16, 1950, and for 6 months thereafter. Recognizing that the authority granted is necessarily broad, the Committee on Armed Services amended the bill to provide for termination of the authority granted on July 1, 1954, or on such earlier date as may be specified by a concurrent resolution of the Congress.

In addition, committee amendments require the submission to the Armed Services Committees of the Congress of detailed reports with respect to the proposed program for the purchase of equipment or machine tools prior to the submission of a budgetary request therefor to the Appropriations Committees of the Congress.

Another committee amendment requires semiannual reports to the Armed Services Committees concerning the construction and expansion of plants not involving acquisition of real estate costing more than $25,000. Real-estate activities by the military departments involving more than $25,000 are already the subject of reporting under title VI of Public Law 155, 82d Congress.

The enactment of the bill, as amended by the committee, would result in the Congress being informed beforehand of the purchase of machine tools and equipment, and "after the fact" of the expansion of Government-owned and privately owned plants not involving the acquisition of real estate. While it would obviously be more desirable to be informed beforehand of all transactions contemplated under the authority granted by this bill, such action seems impracticable in view of the fact that the bill is made necessary because it is impossible to accurately predict in detail those acquisitions contemplated under the authority of this legislation.

The PRESIDING OFFICER. The question is on agreeing to the amendments reported by the committee.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LOAN OF CERTAIN NAVAL VESSELS—BILL PASSED TO NEXT CALL OF CALENDAR

The bill (S. 2277) to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France was announced as next in order.

Mr. GORE. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. HENDRICKSON subsequently said: Mr. President, I ask unanimous consent that we may return to Calendar 496, Senate bill 2277, a bill to authorize the loan of 2 submarines to the Government of Italy and a small aircraft carrier to the Government of France.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HENDRICKSON. Mr. President, for the benefit of Members of the Senate, for their perusal between now and the next calendar call, I should like to make a brief statement on this bill.

Members of the Senate may recall that during the 2d session of the 82d Congress, authority was given to lend to the Government of the Netherlands, for a period of not more than 5 years, 2 submarines for use in training naval personnel in that nation in antisubmarine tactics.

The proposed bill recommends a similar loan be made to the Government of Italy for the same general purpose.

Further, the bill recommends in section 2 that the Government of France be loaned a small aircraft carrier for a period of not more than 5 years, or until 6 months after the cessation of hostilities in Indochina, as determined by the President.

Section 3 of the bill specifies that these naval craft shall be returned in substantially the same condition as when loaned, unless damaged as a result of enemy action.

Section 4 of the bill requires that the estimated cost of activating the 3 vessels—approximately $14 million—shall

be charged to funds programed for the respective governments under the Mutual Security Act. The bill does not, therefore, authorize any additional appropriations.

I would conclude, Mr. President, by pointing out that these vessels are to be manned exclusively by personnel from Italy and France. Further, the craft are to be modernized first, and are to be returned subsequent to the period of the loan. At the end of that period, they will be available to our own forces, and in the meantime will have been fully modernized. The Committee feels that this procedure constitutes one of the best possible uses of Mutual Security Act funds of which we are aware.

Mr. President, I ask that this bill be passed over, to be included in the next call of the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

FURNISHING OF INFORMATION AND CIVILIAN EDUCATION FOR PERSONNEL IN THE ARMED FORCES

The bill (S. 2276) to extend the authorization for the furnishing of information and civilian education for personnel in the Armed Forces until July, 1954, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That section 1 (a) (5) of the Emergency Powers Continuation Act (66 Stat. 330), as amended, is amended to read as follows:

"(5) Act of June 5, 1942 (ch. 340, secs. 7 and 11, 56 Stat. 316, 317; 50 U. S. C. App. 767, 771)."

SEC. 2. Until July 1, 1954, the Secretary of the Army is authorized, out of any moneys available for the Department of the Army, to provide for entertainment and instruction in connection with the welfare of enlisted personnel; to provide for the employment of interns who are graduates of or have successfully completed at least 4 years' professional training in reputable schools of medicine or osteopathy in the Army Medical Service, at not to exceed $720 per annum.

The PRESIDING OFFICER. The Senate will now proceed to the consideration of bills which were passed to the foot of the calendar, and they will be considered in order.

BROADCASTING OR TELECASTING OF PROFESSIONAL BASEBALL EXHIBITIONS

The bill (S. 1396) to authorize the adoption of certain rules with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes, was announced as next in order.

Mr. JOHNSON of Colorado. Mr. President, I should like to have the attention of the acting majority leader. The Senator from Louisiana [Mr. LONG] offered an objection to the bill when it was called on the calendar today, and I should like to explore the possibility with the acting majority leader with reference to bringing the bill up on the floor for consideration and debate. There is nothing strange about this bill. The committee held 5 days of hearings on it. We invited everyone interested to come forward and discuss it. After the hearings were concluded, we left the way open for 6 days to hear anyone who had any objection. No one showed up. The objections came from individual Senators. I should like to have the bill come up on the floor of the Senate so that it can be threshed out and so that we can determine whether there are valid objections to the bill, what they are, and what the opposition may be.

I will say to the Senator from California that I do not think it would take more than an hour to debate the bill; certainly, not over 2 hours. The bill is of tremendous importance to minor-league baseball, and it is of especial interest on the Pacific coast. I know that would not be a convincing argument, except that it is nationwide in its effect. The Pacific Coast League is being put out of business very rapidly by the oversaturation of broadcasting. The purpose of the bill is to modify the broadcasting, so that both broadcasting and minor-league baseball may live. I should like to discuss it with my colleagues on the floor in an open debate, to see if we cannot arrive at a decision. If, after we have discussed it, it is thought the bill should not pass, certainly I could not offer any objection to that; but I do want an opportunity to bring it before my colleagues and discuss it with them.

Mr. KNOWLAND. Mr. President, I will say to the Senator from Colorado that I have made note of his request. The majority policy committee will hold a meeting tomorrow, and I shall bring the bill to its attention. If prior legislation, such as appropriations bills, and so forth, has been taken care of, I believe we may be able to find a place within the next week, or 2 weeks, at the most, for this proposed legislation, particularly with the statement of the Senator that he does not believe it will require prolonged debate.

Mr. JOHNSON of Colorado. I promise the Senator that I shall not discuss it at any great length. I shall try to answer questions with respect to it, and to explain it fully, so that Senators may know the purpose and the effect of the bill. I do not think it would take very long.

Mr. LONG. Mr. President, reserving the right to object, I have not had adequate time to study this bill. It was only a few days ago that someone stated there was objection to it. Since that time, as one Member of the Senate, I have desired to give some study to the bill.

As I understand, it would prohibit, in most instances, the televising of big-league baseball games. I can understand, of course, that would favor the minor leagues. Perhaps they need such protection. But, so far as the general public is concerned, I believe Senators realize that the public would like to see big-league baseball games televised. If we are going to outlaw televised baseball, we should give the subject some further study and consideration.

I understand no one testified against the bill. Such things happen many times. People enjoy seeing some sort of entertainment. Suddenly, some day, they cannot see it any longer, and they find that Congress passed a law to outlaw it in order to protect a private interest. The public likes to see games televised. I think we should give some further thought and consideration to the subject.

I understand some persons did not know the bill was before the committee. If they had known it, they might have presented objections to it.

The Senator from Colorado informed me that no one appeared to testify against the bill. Nevertheless I understand that there are objections from those who operate television stations, who would like to have the right to televise baseball games.

I do not have a closed mind on the subject at all, Mr. President, but it does seem to me that we should study the bill further before we outlaw the televising of baseball games. If we are going to protect the minor leagues by prohibiting such televising, are we similarly going to protect the smaller promoters of boxing matches?

Mr. JOHNSON of Colorado. Mr. President, will the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. JOHNSON of Colorado. The Senator has a completely mistaken idea of the purpose and effect of the bill.

Under the provisions of the bill, there would be more televising and more broadcasting than there would be if the bill were not enacted. It does not prohibit telecasting. It promotes it, under certain conditions. I do not want to discuss it at this time, but at some time when the bill can be brought up I should like to discuss it with my colleagues, and if I cannot convince them, so be it.

The PRESIDING OFFICER. The bill will be passed over.

CONVEYANCE BY QUITCLAIM DEED OF CERTAIN LAND TO THE STATE OF TEXAS

Mr. GORE. Mr. President, I ask unanimous consent to return to Calendar No. 455, House bill 4823, to convey by quitclaim deed certain land to the State of Texas.

I have conferred privately with the distinguished junior Senator from Oregon [Mr. MORSE]. I expect to offer an amendment to the bill.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H. R. 4823) to convey by quitclaim deed certain land to the State of Texas.

Mr. GORE. Mr. President, I offer an amendment, on page 1, line 10, after the word "fair", to insert "market." The line will then read: "not to exceed 160 acres, at fair-market value."

Mr. MORSE. Mr. President, the Senator from Tennessee and I are members of the Committee on Public Works, as are also the Senator from Florida [Mr. HOLLAND] and the Senator from South Dakota [Mr. CASE]. As they know, I lean over backward in an effort to be fair in these matters.

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The Senator from Tennessee was not present at the committee meeting when I offered the amendment which he now offers. By coincidence he offers the same amendment which I offered in committee.

Because the Senator from Florida and the Senator from South Dakota are here, I want to make this statement for the RECORD. I think the amendment contains language which should be in the bill. The argument made in committee was that inserting the word "market" might result in the Government's obtaining less money than it would obtain if the word "market" were not inserted.

But the principle which I have been advocating works both ways. I do not have any desire to take advantage of the purchaser, either. He ought to be required to pay only what the fair-market value is. The Government should not exact from him something more than the fair-market value. Therefore, so far as my formula is concerned, it is quite immaterial whether the Government would get less or more, under the language proposed.

My point is that since we have the rule, we should follow it consistently, and not make exceptions to it. Thus, in the long run, the taxpayers will be saved a great deal of money.

I do not know what the fair-market value of the property is, because it will be found, if an examination of the facts of the case is made, that here again some reversionary interests are involved. Perhaps the property does not have much value at all, but whatever it may be, I want the Government to get it, and no more.

As a result of this policy, the record is perfectly clear that since 1946 I have saved the taxpayers of the United States a good many hundreds of millions of dollars by insisting on this principle. I am perfectly willing to accept the amendment, but it is the one I offered in committee, as I want the Senator from Tennessee to understand. There was no particular discussion of it at all. It was quickly said that the Government might not get as much, to which I said, "So what?"

I think the amendment is a fair one and makes the bill acceptable, so far as I am concerned.

Mr. CASE. Mr. President, since I also am a member of the Committee on Public Works, and as I heard my name mentioned by the Senator from Oregon, I call attention to the fact that the report on the bill contemplated that the return would be the fair market value, so there should be no objection to the amendment. I call attention to the fact that the report itself, on page 2, says:

> It should be noted that the amount received for the land in question will be determined by the Secretary of the Army from appraisal of its present fair market value.

On page 1, the report says:

> The purpose of this bill is to authorize the Secretary of the Army to convey by quitclaim deed to the State of Texas, for public park and recreational purposes only, certain lands within the Denison Dam and Reservoir project, Texas, designated as Eisenhower State Park, to provide sites for permanent buildings and other improvements, but not to exceed 160 acres, at fair market value and under such terms as the Secretary of the Army shall deem advisable to assure that use of the areas by the State will not interfere with the operation of the project.

Certainly the bill is consistent with the intent of the report as approved by the committee, to provide for fair market value, and I see no objection to the amendment.

Mr. MORSE. That is the observation I made in committee. That is why I could not understand why it was not desired to include the word "market."

One of the things to which I object in these cases is the giving of discretionary power to the Administrator without providing any standards. In my judgment, "fair value" does not provide an adequate standard binding upon the Secretary, but if he is tied down to market value, then there is a standard by which to test whether or not he exercised capricious discretion when he came finally to selling the property. I think it is simply a safeguard to include the word "market." That is a standard. The Senator from South Dakota is correct. I think that is what the committee report intended, and I think the word "market" should be included in the bill.

Mr. COOPER. Mr. President, the chairman of the Committee on Public Works, the Senator from Pennsylvania [Mr. MARTIN] has prepared a statement on the bill, and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MARTIN ON H. R. 4823

> The purpose of this bill is to authorize the Secretary of the Army to convey by quitclaim deed to the State of Texas for public park and recreational purposes only, such areas, not exceeding 160 acres, within that portion of the Denison Reservoir project, Texas, to be designated Eisenhower State Park, as the Secretary shall deem essential to provide building sites for permanent buildings and other improvements for public park and recreational purposes. The amount to be received for the land will be determined by the Secretary of the Army from appraisal of its present fair market value, but in no event less than the cost to the Government of acquiring said area. The bill provides for reversion of title to the United States in the event construction is not started within 5 years or the property ceases to be used for park and recreational purposes for a period of 2 years. The use of said areas by the State will not interfere with the operation of the reservoir project.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. GORE].

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

ADDITION OF LAND TO APPOMATTOX COURTHOUSE NATIONAL HISTORICAL MONUMENT, VA.

The Senate proceeded to consider the bill (H. R. 1528) to authorize the addition of land to the Appomattox Courthouse National Historical Monument, Va., and for other purposes which had been reported from the Committee on Interior and Insular Affairs with an amendment, to strike out all after the enacting clause and insert:

> That the Secretary of the Interior is authorized to exchange lands of the Appomattox Courthouse National Historical Monument, Va., for non-Federal lands of approximately equal value when, in his opinion, such action is in the interest of the United States. Lands acquired pursuant to this act shall be within a distance of 1½ miles from the historic Appomattox Courthouse site, Virginia, and shall become a part of the monument upon acquisition of title thereto by the United States. The total area of this national monument as it may be revised pursuant to this act shall be no greater than its present acreage.

Mr. SMATHERS. Mr. President, I ask unanimous consent that Calendar No. 466, H. R. 1528; Calendar No. 470, H. R. 3380; and Calendar No. 472, H. R. 4072, go over until the next call of the calendar.

The PRESIDING OFFICER. That was earlier so ordered.

Mr. CORDON. Mr. President, did the Senator include Calendar No. 466, H. R. 1528, in his request?

Mr. SMATHERS. Yes.

Mr. CORDON. Is the Senator from Florida able to give an explanation of the bill now?

Mr. SMATHERS. The junior Senator from Oregon was the one who raised the question originally.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. MORSE. I asked for an explanation of the bill, and no Senator was present who could explain it. Therefore, I ask that the bill go to the foot of the calendar.

Mr. CORDON. I understood that that was the situation.

House bill 1528, a bill to authorize the addition of land to the Appomattox Courthouse National Historical Monument, Va., and for other purposes, was reported from the Committee on Interior and Insular Affairs. The committee felt that the bill as it came to the committee from the House, carrying authority for the acquisition of lands within a radius of a mile and a half from Appomattox Courthouse, was too uncertain, because there was no limitation of any kind with respect to the amount of land that might be acquired or the price that might be paid for it. So the committee recommended an amendment in the nature of a substitute, limiting the authority of the Department of the Interior to an exchange of lands owned by the Government for lands privately owned within the same radius, the lands to be of approximately or substantially equal value.

The purpose of the exchange was to enable the Government to secure in exchange for lands that, while they are in the general area of the Appomattox Courthouse surrendered, do not include certain sites where events of history and of historical importance happened, such as, for example, the place where Lee and Grant met, and a second and third item of that nature. It is the purpose of the Park Service to exchange lands in

the general area now owned by the Government for lands having a peculiar historical interest at the present time.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CORDON. I yield.

Mr. MORSE. Am I to understand from the explanation of my colleague, for which I thank him, that all the bill involves, so far as the consideration feature is concerned, is a trade of land of equal value for land already owned by the Federal Government?

Mr. CORDON. The Senator is correct.

Mr. MORSE. I have no objection. My friend from New Jersey [Mr. HENDRICKSON] asked to have the bill go over. I suggest that on the basis of this explanation, the bill should be passed.

Mr. HENDRICKSON. Mr. President, I asked that the bill be passed.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to authorize the exchange of lands of the Appomattox Court House National Historical Monument, Va., for non-Federal lands."

REPEAL OF ACT TRANSFERRING FORT DES MOINES TO THE STATE OF IOWA.

Mr. CASE. Mr. President, I ask unanimous consent to return to Calendar No. 453, House bill 4978, a bill reported from the Committee on Public Works.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to consider the bill (H. R. 4978) to repeal the act of September 30, 1950, authorizing the transfer to the State of Iowa of Fort Des Moines, Iowa.

Mr. CASE. Mr. President, the Senator from Oregon [Mr. MORSE] asked that the bill be explained when it was first called. I did not have the responsibility for reporting the bill. However, an examination of the bill reveals that it is a bill to repeal a former law which authorized the transfer, under certain conditions, of a tract of land to the State of Iowa. The State of Iowa does not care to accept the land under those conditions. The land is surplus to the needs of the United States Government. It is the desire of the General Services Administration to handle the land under the general law. Consequently, to avoid a cloud on the title, it is desired to repeal a prior law which authorized transfer of the land under certain conditions.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CASE. I yield.

Mr. MORSE. It is my understanding that at one time the State of Iowa thought it wanted this particular piece of property. However, certain conditions were imposed on the transfer of the property from the Federal Government. The State of Iowa now does not want the property. Does the bill seek to reestablish Federal title, without cloud thereon, so that the General Services Administration, under its regular procedure, can proceed to sell the property?

Mr. CASE. That is correct.

Mr. MORSE. I have no objection.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

TEMPORARY INCREASE OF MEMBERSHIP OF COMMITTEES ON ARMED SERVICES AND LABOR AND PUBLIC WELFARE—RESOLUTION INDEFINITELY POSTPONED

Mr. KNOWLAND. Mr. President, as I understand, that completes the call of the calendar for the consideration of unobjected-to bills.

The PRESIDING OFFICER. The Senator is correct.

Mr. KNOWLAND. I have consulted with the junior Senator from Oregon [Mr. MORSE]. I invite the attention of the acting minority leader, as well as that of the Senator from Oregon, to page 17 of the calendar where there is listed Senate Resolution 97, to discharge the Committee on Rules and Administration from the further consideration of Senate Resolution 32. Inasmuch as this is a matter upon which the Senate has already acted—that is, the change in the rules has already been acted upon by the Senate—the resolution is no longer alive. To keep our calendar as clear as possible, I ask unanimous consent that action on Senate Resolution 97 be indefinitely postponed.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 97) to discharge the Committee on Rules and Administration from the further consideration of Senate Resolution 32, temporarily increasing the membership of the Committees on Armed Services and Labor and Public Welfare.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

Mr. MORSE. Mr. President, in the interest of nicety of form of our calendar, I join with the acting majority leader in the request he now makes. I only wish to say, good naturedly and somewhat facetiously, that the issue, however, is a live one, and will meet the Senate in future when the parliamentary situation makes it appropriate for the Senator from Oregon again to raise the issue.

The PRESIDING OFFICER. Without objection, Senate Resolution 97 is indefinitely postponed.

FURTHER CONSIDERATION OF BILLS PASSED OVER

Mr. CORDON. Mr. President, were there not some other bills which went to the foot of the calendar, and were not passed over?

Mr. KNOWLAND. I think we have covered all those which went to the foot of the calendar. They have either been passed or have gone over until the next call of the calendar.

Mr. HENDRICKSON. Mr. President, that is correct. However, I believe the Senator from Oregon refers to Calendar No. 468, House bill 3411, relating to the Quincy National Cemetery.

Mr. CORDON. The Senator is correct.

Mr. HENDRICKSON. That bill was passed over until the next call of the calendar, by unanimous consent. However, since the senior Senator from Oregon is present to explain the bill, we might return to the bill and dispose of it.

Mr. CORDON. I should like to do so if possible.

Mr. KNOWLAND. Mr. President, I have no particular objection to doing so, if the bill was passed over merely because lack of an explanation. However, I would be hesitant to go back over bills which had been passed over because there was objection, when Senators who objected may have left the Chamber.

Mr. HENDRICKSON. Mr. President, the bill was passed over principally because an explanation was not forthcoming.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HENDRICKSON. I yield.

Mr. MORSE. The Senator from New Jersey is entirely correct. I was the one who asked for the explanation. I shall be glad to hear the explanation from my colleague.

Mr. KNOWLAND. Mr. President, in view of the statements of the junior Senator from Oregon and the Senator from New Jersey, who raised the question, and in view of the fact that the bill was passed over merely because of lack of explanation, I shall not object to its present consideration. However, it seems to me that in the interest of orderly procedure, when we reach the end of the calendar, we should not continue to go back beyond the point of prior agreement.

Mr. HENDRICKSON. Mr. President, I agree with the distinguished acting majority leader wholeheartedly. I do not think we should make a practice of it.

Mr. SMATHERS. Mr. President, in addition to Calendar No. 468, House bill 3411, Calendar Nos. 470 and 472, being, respectively, House bill 3380 and House bill 4072, originally went to the foot of the calendar, and then were passed over until the next calendar call, because no explanation was forthcoming. I should like to ask the senior Senator from Oregon whether or not he can also explain House bill 3380 and House bill 4072.

Mr. CORDON. I think I can explain Calendar No. 470, House bill 3380. I am not prepared to explain Calendar No. 472, House bill 4072, at the moment, although I believe I have sufficient data before me to explain it. However, I have not had an opportunity to review the data I can explain the other two.

Mr. SMATHERS. I should like to have the Senator from Oregon begin with Calendar 468, and go as far as he can.

Mr. KNOWLAND. Mr. President, if we have the approval of the calendar com-

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mittees of both the majority and the minority, inasmuch as all three bills are in the same general status, I have no objection to their consideration at this time.

REESTABLISHMENT AND CORRECTION OF BOUNDARIES OF THE QUINCY NATIONAL CEMETERY

The PRESIDING OFFICER. Is there objection to the present consideration of Calendar No. 468, House bill 3411?

There being no objection, the Senate proceeded to consider the bill (H. R. 3411) to direct the Secretary of the Army to reestablish and correct the boundaries of the Quincy National Cemetery by the exchange of Government-owned lands in the Quincy-Graceland Cemetery, Quincy, Ill.

Mr. CORDON. Mr. President, with respect to House bill 3411, to direct the Secretary of the Army to reestablish and correct the boundaries of the Quincy National Cemetery by the exchange of Government-owned land in the Quincy-Graceland Cemetery, Quincy, Ill., the facts, as presented to the Committee on Interior and Insular Affairs, are these:

There were some 20,000 square feet of land within the Quincy-Graceland Cemetery, which was acquired by the United States from the Quincy Cemetery Association. A recent survey of the national cemetery indicates that, in the erection of a fence to surround that national cemetery, a part of the land conveyed to the Government was excluded from the fenced area, and that land owned by the cemetery association was included within the physical boundaries established by the fence.

This legislative proposal would direct the Secretary of the Army to convey to the Quincy-Graceland Cemetery Association approximately 584 square feet of land outside the fenced area, and to accept from the association in exchange therefor approximately 10,455 square feet of land located within the fence surrounding the cemetery, thus giving to the Federal Government all the area within its fence and turning back to the cemetery association a small part of the land.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CORDON. I am happy to yield to my colleague.

Mr. MORSE. I understand that this is another case of a land trade.

Mr. CORDON. That is correct.

Mr. MORSE. We are trading a certain parcel of land for another piece of land of approximately equal value.

Mr. CORDON. The Senator is correct.

Mr. MORSE. I have no objection.

The PRESIDING OFFICER. The question is on the third reading and passage of the bill.

The bill was ordered to a third reading, read the third time, and passed.

ORDER FOR RECESS TO 11 A. M. ON TUESDAY

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it take a recess until tomorrow morning at 11 o'clock.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, tomorrow the Senate will consider the unfinished business, the appropriation bill for the Departments of Labor and Health, Education, and Welfare. Consideration of that bill will not be taken up this afternoon, even though it is the unfinished business. I wanted to make that statement so Senators may be on notice that when the Senate has concluded consideration of the three bills now being considered, it is the understanding, which I have with the minority leader, that no controversial legislation will be taken up this afternoon. The only business we expect to have taken up during the afternoon will be the making of several speeches by some Senators.

CONSOLIDATION OF FEDERAL HOLDINGS IN PRINCE WILLIAM FOREST PARK, PRINCE WILLIAM COUNTY, VA.

The PRESIDING OFFICER (Mr. DUFF in the chair). The next bill passed to the foot of the calendar will be stated.

The CHIEF CLERK. A bill (H. R. 3380) to authorize the exchange of lands acquired by the United States for Prince William Forest Park, Prince William County, Va., for the purpose of consolidating Federal holdings therein, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. CORDON. Mr. President, referring to House bill 3380, this is another case of exchanging land for land. The bill would authorize the exchange of land acquired by the United States for Prince William Forest Park, Prince William County, Va., for the purpose of consolidating Federal holdings therein, and for other purposes. The bill provides authority for the Federal Government to exchange certain acreage within the park, which is owned by the Federal Government, for other acreage within the park now privately owned. The bill provides that the privately owned lands are to be approximately of equal value with the lands owned by the Government, which are considered not to be essential for the administration and control and operation of the park.

There is another provision in section 2 of the bill, which would provide for straightening out and placing in the appropriate position within the park certain rights-of-way for electric lines and underground pipes for the distribution of power and gas. The bill contains authority for the Park Service to grant a new right-of-way and to take in exchange the old right-of-way, the grant to carry the usual provision that the land must be used solely for utility purposes, and that in the event of any restriction, and so on, the interest therein is to be returned to the Federal Government.

Mr. MORSE. Mr. President, I am inclined to think that between now and the next call of the calendar, on the basis of the explanation of my colleague, I probably will not have any objection to the bill. However, certain representations have been made to me in regard to the timber policy that is alleged to be involved in the proposed transfer, and I should like to check those allegations against the bill, the report, and the very clear explanation which my colleague has made. Therefore, I respectfully request that the bill go over to the next call of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be passed over to the next call of the calendar.

DISPOSITION OF CERTAIN LANDS TO THE SCHOOL BOARD OF MECKLENBURG COUNTY, VA.

The PRESIDING OFFICER. The clerk will state the next bill passed to the foot of the calendar.

The LEGISLATIVE CLERK. A bill (H. R. 4072) relating to the disposition of certain former recreation demonstration project lands by the Commonwealth of Virginia to the school board of Mecklenburg County, Va.

Mr. SMATHERS. I wonder whether the junior Senator from Oregon would make the same comment with respect to the pending bill that he made to the previous bill?

Mr. MORSE. I am perfectly willing to hear the explanation of my colleague. I will not make any commitment until I have heard the explanation.

Mr. SMATHERS. Can the Senator from Oregon explain Calendar No. 472, H. R. 4072?

Mr. CORDON. Mr. President, the bill would remove a limitation on the use which may be made by the Commonwealth of Virginia of certain lands conveyed to it in 1942 in connection with the former Mecklenburg wayside recreational demonstration project. The land is owned by the Commonwealth of Virginia. It may not be used for any purpose except for recreation and conservation. The bill would permit a small tract to be used for public-school purposes, and would authorize the State to convey that land to the school board of Mecklenburg County, Va. The school board is desirous of building a school on the tract.

No expenditure of Federal funds is involved. It is a case where Federal land was conveyed to the State of Virginia conditioned upon the State using it for two public purposes. The State would like to convey a small portion of it to the county for another public purpose, namely school purpose. It cannot be done because of the original restriction.

Mr. MORSE. Mr. President, for the reasons I have set forth in my remarks earlier this afternoon, I certainly should like to have more time in which to study the principles involved in the bill. I seriously question, if we were asked to make an out-and-out donation to a school district of Federal land, on which

to build a school, that we would be inclined to do it. The reversionary interest is worth something to the Government. I am not inclined to give consent at this time, but I wish to assure my colleague that between now and the next call of the calendar, as I have stated to the junior Senator from Virginia [Mr. ROBERTSON], I shall go into the matter in great detail. Therefore I must now object.

The PRESIDING OFFICER. Without objection, the bill will be passed to the next call of the calendar.

The consideration of the calendar is now concluded.

AN EXAMPLE OF AMERICAN RESOURCEFULNESS, INITIATIVE, AND ABILITY

Mr. WELKER. Mr. President, I should like to speak for a few minutes about an example of American resourcefulness, initiative, and ability reported to me from my State of Idaho, on the part of the sons and daughters of the pioneers who settled there. At a time when the concept of Federal handouts and financing continues to be actively supported by various pressure groups and interested parties, this account of how a group of Idaho farmers and businessmen solved a critical problem affecting their welfare, without Federal aid, seems to me both admirable and an example to keep in mind.

Franklin County is a community of about 10,000 people in the southeastern part of the State of Idaho. These are farm people, of good, solid and self-reliant stock. Their parents and grandparents were pioneer settlers who came west to a land of opportunity opened up after 1860 by that remarkable western colonizer, Brigham Young.

One of the first acts of these pioneers was to clear the land, and to build an irrigation stream to carry water to their thirsty acres. Since that time no less than 15 irrigation projects have been built and paid for by these farm folk and their descendants. Until quite recently, no Federal or State money had ever been given or loaned on any of their irrigation projects.

A devastating landslide wiped out a large section of the Preston, Riverdale and Mink Creek Canal Co., and because of this emergency situation money was borrowed from the Federal Government to rebuild the canal in question. This money is today being repaid with interest by the people of the area.

During the past 20 years, coinciding with the fantastic period of solving every problem through the Federal slush-fund route, a serious erosion of valuable farmland occurred in Franklin County. A small stream which a few years ago could have been stepped across grew into a muddy, meandering river 100 feet in width, carrying thousands of tons of topsoil into the Bear River, and eventually into Great Salt Lake. What was once a small gully became a yawning chasm 300 feet wide and 100 feet deep, and through it washed away some of the best acres in the Dayton Bench area.

Here was a serious problem to the farm people of the area. The land upon which their very existence and future security depended was washing away before their eyes.

For various reasons, the Bureau of Reclamation, the Soil Conservation Service, and the Army engineers were all extremely reluctant to do anything about the situation, principally, I suppose, because the soil was sandy and easy to wash downstream. Also, I am told, they used as a reason the statement that the soil could be easily blown about by the wind.

Such a condition made the apparent feasibility of a reclamation project debatable, at the best.

In 1951, the Soil Conservation Service sent out a corps of engineers and specialists to survey the situation, and returned with a series of highly complex recommendations. The point here is that the cost of this preliminary survey—and I would like to stress the term "preliminary survey"—was in excess of $30,000, with nothing at all accomplished in the way of a positive program.

Engineers who would hazard a guess as to the total cost of stopping the erosion placed the cost as high as $500,000.

So what did the residents of Franklin County, Idaho, do?

These frugal, economy-minded people, always fearful of Government encroachment on their liberties, and thoroughly convinced that Federal interference would mean just one more fabulously costly muddle, decided to go it alone. They made up their minds to take care of their problem in their own way. Once their minds were made up, things began to happen.

On May 5, 1952, members from both Idaho and Utah water users associations met in the Franklin County Courthouse and voted to try to solve the problem themselves. Under the direction of Thomas Heath—a former Republican State chairman and for many years a distinguished Senator in the Idaho Legislature—and the county agent, Daniel Roberts, the committee was set up. Mr. Heath was chosen as chairman, and Mr. Roberts became secretary.

Their goal was to raise money with which to build a check dam in the Five Mile Stream which would eliminate erosion and stop subsequent silting of the Bear River which was causing great damage downstream.

L. M. Winsor, a consulting engineer of practical ideas, instead of theoretical leanings, was hired; and under his direction native materials and local labor were used in construction of the project. Stones from nearby mountains, black willows from adjacent streams, and earth from local areas were used.

Financing the project did not come easy, but nobody gave up or lost hope. This was a community project recognized as essential by all, and public support was given. Chairman Heath was in charge of finances, and to the everlasting credit of the farmers of the area the first contribution was theirs—in the amount of $2,025. They dipped into their own pockets for $500, $100, $25, $5, and even $1. Nobody set up a cry that it would be far simpler to go hat in hand to the bountiful Federal Government and ask for the cash with which to do the job. These people were out to put over a project, and they had made up their minds to do it by themselves.

The merchants of the city of Preston contributed. The Franklin County Sugar Co., the Sego Milk Co., California Packing Corp., dairies, creameries, banks, farm implement dealers, the Utah Power & Light Co., and the Union Pacific Railroad are all listed as contributors—with many more unmentioned.

Many times it appeared as though there would be no money for the next payments, but each time it was raised. On one occasion, Chairman Heath personally advanced the funds to meet the labor payroll. Famous words to the ears of all committeemen on the Five Mile project were:

> The only kind of men we need on this committee are men who are willing to give and to work.

That was the battle-cry of the community.

Mr. President, last week's issue of the Preston Citizen, the local newspaper, shows a picture of the completed project, with the statement that it is entirely finished, and that all bills down to the last dime have been paid—in the amount of $39,745.

The entire project, Mr. President, was completed for $39,745, although Government specialists, engineers, and consultants spent in excess of $30,000 for only a "preliminary survey." Thirty-nine thousand seven hundred and forty-five dollars was spent to complete the project, although conservative estimates, by those who would state one for the record, went as high as $500,000.

I leave it to one's own imagination to surmise what this project probably would have cost the taxpayers of this country, had the Federal Government handled it in its customary fashion. I venture to state that the end result would have been in no way superior to that achieved by the good people of Franklin County, Idaho, who went to work and both did the job and paid for it themselves.

Mr. President, on this occasion I can do no less than pay my deepest respects to those residents of Franklin County for their courageous example of real American independence and ingenuity and leadership. My hat is off to them, and I can truly say that it is a high honor indeed to have the privilege of representing such people in the Senate of the United States. Indeed, Mr. President, I would love to see more instances of the wonderful example which has been set by the people of Franklin County, Idaho.

Mr. MALONE. Mr. President, will the Senator from Idaho yield?

Mr. WELKER. I am happy to yield to the Senator from Nevada.

Mr. MALONE. I have been very much interested in the method the people of the Senator's State of Idaho have used to obtain the improvement they required. I should like to ask my colleague whether he believes it would have helped them materially if the administration coming into power this year had secured the enactment of the bill, introduced by me, which would abolish

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the individual wartime income tax of approximately 11 percent, on June 30, instead of allowing it to continue to December 31, 1953; and also if the excess-profits tax had been allowed to expire in the regular way on June 30, last, as advocated by Representative REED; and if the entertainment and transportation tax, ranging from 15 to 25 percent—25 percent in the case of telegrams and from 15 to 25 percent in the case of transportation—had been abolished. Does the Senator from Idaho believe that might really have helped those people?

Mr. WELKER. In reply, I may say to my distinguished friend and colleague from the neighboring State of Nevada that he well knows how I stand on the fiscal policies of the past administration and the taxation policies as of now. I merely stated a glowing example to America, to show that pioneers still exist in our country, and that the people do not have to come creeping to Washington, with hat in hand, with the assistance of pressure groups, seeking assistance from the Federal Government.

Mr. MALONE. Mr. President, if the distinguished Senator from Idaho will yield further to me, I should like to ask him another question: If we continue the present policy of making annual payments or gifts of $5 billion or $6 billion to other countries, plus another $5 billion or $6 billion in offshore purchases, and other payments calculated to build up foreign lands by means of free trade, following the extension for 1 year, by the Republicans themselves, of the 1934 Trade Agreements Act; and if cattle, wool, sheep, and other commodities are allowed to enter the United States without the payment of any tariff, import fee, or duty, as the term is used in the Constitution of the United States, does the Senator from Idaho believe that in due time even a pioneer spirit could be broken?

Mr. WELKER. Mr. President, I hope the distinguished Senator from Nevada will not think me quite so naive as his question might imply. There is no one who can read or write but knows that the fiscal policies we have been following for the past 20 years would eventually bring about the destruction of this, as they would of any other country that adopted them. I am a great believer in following in the footsteps of the great senior Senator from Virginia [Mr. BYRD], who has consistently contended that the fiscal policies of this country must be straightened out, and economy and the pioneering spirit must again prevail, or we will end in bankruptcy. Paraphrasing the famous words of Stalin, "We will cause them to spend themselves into bankruptcy, bleed them white from within, and we will take them without firing a shot."

Mr. MALONE. Mr. President, if the distinguished Senator from Idaho will yield further, I take it that he agrees that there are two methods of approach on the part of those who would destroy this Nation: First, it is the political approach, which has been pretty well identified as communism. It might include any "ism," socialism or fascism, for the final objective of all three are the same, namely, government ownership, with the individual owning nothing. The Communists have a little different approach in that they use force and might to make people adopt their system of government, while the Socialists would merely spend us into it. The Communist is only a sort of emaciated Socialist. We have the Communists pretty well identified. Two fine committees are working on that phase of it, and the American people are more or less cognizant of the evils of communism.

There is a second approach, which is the economic approach, to further which there are used billions of dollars of the taxpayers' money, money of the little people—not capitalists—just described by the distinguished Senator from Idaho, many of whom are to be found in Nevada. They are people who acquired what they have by their own work; in other words, they acquired it the hard way. It may be said they own what they own. They do not know how to take it off the top, as is done in some of the larger Eastern States.

One phase of this approach is marked by the billions of dollars our country sends to Europe, and to almost every country on the globe. The other phase is indicated by the efforts to divide the markets of this Nation with the sweatshop-labor nations of the world. Does the Senator from Idaho agree with the junior Senator from Nevada that those two approaches combine to make the great danger we are facing today?

Mr. WELKER. I have repeatedly so stated, I may say to my distinguished friend from Nevada. In my remarks I desired to portray for the Nation a description of the great pioneering spirit which, in my opinion, made the people of Franklin County, Idaho, admirable. The account of what they have done and the principles they hold should be read by every Senator who sits in this body. My friend from Nevada has visited the beautiful valley in Franklin County, and he has many times been impressed by the fact that there the pioneer spirit is in action. Those people do not ask for handouts. They know that, in the end, someone must pay the bill. They are frugal and industrious. They constitute one of the most wonderful groups of people any man could represent.

Mr. MALONE. Mr. President, if the Senator from Idaho will yield further, I should like to say to him that in the opinion of the junior Senator from Nevada there are many such people; in fact, they constitute the great majority in every State of the Union. The difficulty, however, seems to be that in the city of Washington, the city of New York, and in the other great cities of the United States there seem to be many professional racketeers whose object is to take the cream off the top. They have forgotten the little people who earn their living the hard way. But it is the humble opinion of the junior Senator from Nevada—and I should like to know whether the junior Senator from Idaho agrees with me about this—that if given an opportunity to make their voices heard it would be apparent to us, if we listened to them, that the great majority of the people in every State of the Union still possess the pioneering spirit, and would manifest that spirit if their Congress would but let them alone and give them a chance.

Mr. WELKER. Mr. President, I do not wish to criticize my colleagues in the Senate, but as my friend from Nevada knows, I have consistently ever since I have been in the Senate voted against the giveaway aspects of foreign aid. I am very happy to say that my people in Idaho have not asked me for any giveaway programs for their benefit and they never will for they have the pioneering spirit. They come from pioneering stock. We need more of the pioneering spirit. I doubt that this speech of mine will be read by many people, but I think it should be read, because I am very proud of the people of my State, and their attitude is but one example of hundreds I might cite of their pioneering spirit, a spirit possessed also by the people of the Senator's State of Nevada.

Mr. MALONE. Mr. President, if the distinguished Senator from Idaho will yield further, I may say that I heartily agree with him, and I believe he has done the Senate a great service today in giving voice to the sentiments of the people of Idaho and Nevada and of the great area between the Rocky Mountains and the Sierra Nevada Mountains. I am not attempting, of course, to detract from the credit due to the miners and stockmen of other areas, but their localities are now industrializing as a result of a considerable amount of low-cost power. The miners wanted to come up out of the shafts, as my distinguished friend and I, for I formerly worked in the mines, have seen them do many times. They do not know anything about the shenanigans that take place in our dealings with foreign nations or the methods used to prevent anyone in this country from sending anything abroad unless it is already paid for or subsidized in some way. Many of them still believe that people in other nations are as honest as are we—and they are. It is hard for them to believe, in fact, it is almost impossible for people like those who live in Idaho, Nevada, and other vast areas in the West, to believe that anyone could be opposed to a government such as ours. That has been one cause of our trouble.

I desire to say again that I believe the distinguished Senator from Idaho has rendered a great service to the Senate today. I hope that other Senators will bear in mind the kind of people who have really sent us to the Senate. After we get here, we begin to attend parties and we listen to the talk we hear. Everyone who is here more than 3 months should go to some place where he can contemplate somebody who is making a living the hard way.

Mr. President, if one were to stretch a tent over this city, all that would be under the tent would be an international lobby. That is the opinion of the junior Senator from Nevada. It is a distressing thing. However, I am able to see certain signs of abatement, some signs of recovery. If we could but have a few more speeches such as the speech just made by

the Senator from Idaho, I think it would be most helpful to the Senate of the United States.

Mr. WELKER. Mr. President, I thank my distinguished colleague from Nevada very much for his kind remarks.

PROPOSED FURTHER REDUCTIONS IN THE MILITARY STRENGTH OF THE UNITED STATES

Mr. SYMINGTON. Mr. President, earlier today I placed in the RECORD a letter written by the chairman of the House Appropriations Committee to the editor of the Boston Herald.

This letter criticized that paper for its editorial position with respect to the proposed further reductions in the military strength of the United States, as recommended by the civilian heads of the Department of Defense.

This great New England newspaper has been performing a magnificent public service by presenting to the American people why the recent policy of "strength through weakness" endangers the security of the United States.

This letter to the Herald stated:

> The situation is this: On construction of airplanes, the only planes removed from the program to be contracted for were transport planes and planes that were used for training.

But 200 B–47 bombers of the newest type were eliminated from the program. The B–47 is the latest and best combat bomber now in production.

In addition, assault transports, 6 wings, are consistently characterized by the Department of Defense as noncombat aircraft.

This effort to classify assault transports as noncombat planes would be bitterly argued against by those paratroopers who jumped over Normandy and Arnhem; and also by the pilots who flew those jumpers in.

In recent years the Air Force has been constantly criticized for not asking for enough planes to support Army ground troops.

But today the Air Force is being criticized for asking for just such airplanes.

The letter in question continues:

> Already we have 45 wings of transport planes and a surplus of training planes, so that the money for these was unnecessary.

The Air Force has nothing like 45 wings of transport planes.

Actually, Mr. President, it has approximately 16 wings of transport planes, plus some 35 squadrons, which would make considerably less than 45 wings.

But in any case the number of air transports available in no way reduces the number required by our strategic military plans.

The transport planes now available are insufficient to provide that airlift necessary to carry out such critically important plans as lifting the personnel and equipment of the strategic air command to overseas bases in case of emergency.

The danger resulting from the new plans to eliminate this particular equipment cannot be overestimated.

Details of how we plan to deliver the atomic bomb cannot be discussed on the floor of the Senate. But I will say this. This reduction in what the Department of Defense calls "noncombat airplanes" would seriously affect our ability properly to deliver atomic or hydrogen bombs in case of all-out war.

The troop carrier wings taken out also lessen our ability to meet the Army peacetime needs for training; and, of course, this means that Air Force capacity to serve the Army will be just that much less, if the present war expands.

As illustration, the advance of General Patton was stopped in the summer of 1944 because of lack of gasoline trucks. The advance of our strategic air attack, from forward domestic and foreign bases, would also be retarded because of the elimination of these supply planes.

There was no surplus of training planes until the Department of Defense arbitrarily reduced the pilot-training program by several thousand pilots a year.

It is really a simple manipulation: Personnel is reduced because of not enough planes, then planes are reduced because of not enough personnel; or vice versa.

The letter to the Boston Herald continues:

> The issue is: "Do we want a fighting Air Force such as Wilson proposes, or do we want a paper Air Force, which General Vandenberg proposes and which we have at the present time—paper wings?"

The term "paper wings," now being bandied around by the inexperienced Pentagon civilians in their attacks against the Air Force is another method of manipulation.

Cut the personnel, then call the wings paper, or route the planes away from the Regular Air Force, and then call the wings paper.

One of the chief reasons some wings have not received their aircraft is because of base restrictions imposed on the Air Force by the Department of Defense.

The reduction-in-strength program of the Department of Defense now plans to put into the National Guard and Air Reserve those modern aircraft which can no longer be flown or maintained by the Regular Air Force because of cutbacks in that regular personnel required to fly and maintain them.

The Air National Guard and Air Reserve are very valuable—but the fact remains that this policy of the Department of Defense means a weekend Air Force; and, therefore, a weakened Air Force.

If all-out war is forced on the United States, these fine people in the Reserves nevertheless cannot be thrown into the air battle immediately. If they are at their business, or in their homes, 20 or 30 miles away, they can be of little use against a sudden surprise atomic attack of enemy bombers.

Also these men cannot be as thoroughly trained.

A good illustration is that of the great young congressional war veteran, Bob Coffey, who, against the advice of the Air Force, continued to fly jets whenever he could get time away from his duties in the House of Representatives. I might say that several times I argued with him, myself.

Finally, although a brilliant pilot, he was killed in his jet on takeoff.

At this moment the Regular Air Force is maintaining pilots on instant alert at air defense airdromes throughout the United States.

We hear much talk around the skillfully concocted and misleading slogan "paper wings." I repeat, apparently this slogan means planes without personnel or personnel without planes.

We are now using the taxpayers' money to provide planes, but not enough trained people.

Consider how long it takes to train pilots and mechanics to handle a multimillion-dollar jet plane efficiently, and then decide whether a policy of continuing plane production but stopping the training of people necessary to fly and maintain those planes is either efficient or economical.

Let us consider how this pennywise pound-foolish policy affects our national security.

An airplane without a pilot or mechanic is just as useless as an atomic bomb in a cave without ability to transport it to the target. A pilot or mechanic without an airplane is just as useless as a bomber without a bomb.

The letter to the Herald continues:

> Mr. Wilson proposes that just as fast as possible we get 120 wings in the Air Force that are capable of fighting.

I am sorry to say this statement is not correct. The Wilson-McNeil program now imposed delays obtaining 120 wings until 1955; whereas, under the former program, by that time the Air Force would have had least 10 more combat wings in addition to the proposed 120.

The letter continues:

> I receive complaints every day about overstaffing of positions with personnel in the Air Force. On top of that, we know that they have 59,000 military police in the Air Force as against 20,000 in the Army, and the Air Force has less than two-thirds as many personnel.

This is an extraordinary criticism. The number of Air Force military police is based on the number of installations and highly secret aircraft and equipment it is necessary to protect. It has no ratio relationship whatever to total personnel.

A multi-million-dollar airplane could be sabotaged in a matter of seconds.

The Air Force has more overseas bases requiring such protection than all other services combined. A 24-hour individual armed guard is maintained on many aircraft, as well as on all major items of equipment of a "sensitive" nature.

If the Soviet decided on an all-out atomic attack against this country, they would have the greatest success if they could first destroy our capacity to retaliate. In other words, they might well consider the strategic air commands at Omaha or Fort Worth more important to knock out initially than such great industrial centers as Detroit or Pittsburgh.

Accordingly these bases are kept constantly on armed alert—and that watchfulness is now being twisted into another criticism of the Air Force.

One of the chief criticisms of that subcommittee of the Senate Armed Services

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Committee which was chaired by my distinguished colleague, the junior Senator from Louisiana, was that many air bases abroad were inadequately defended against sudden attack. But this part of the letter to the Herald now criticizes the recommendations of that Senate report.

The letter to the Herald continues:

The Air Force has 58,000 military personnel training 38,000 trainees of one kind of another. Fifty percent of the number would be more than adequate.

The ratio of trainers to trainees is far different in the Air Force from that of some of the other services.

Whereas 100 infantrymen could be turned out annually by 1 trainer, an Air Force trainer can turn out only 6 or 7 experts qualified in such fields as electronics.

The letter to the Boston Herald continues:

There is a further situation in connection with the better utilization of military personnel which we are trying to force on the Air Force, and which I believe will appear immediately.

A recent report of a civilian committee chaired by Gen. David Sarnoff, nationally known head of the Radio Corporation of America, reported on personnel in some detail. This report included civilian civil service along with the Army, Navy, Air Force, and Marine Corps.

In its findings, the report stated that, among these five groups, the cooperation toward savings in manpower received from the Air Force was exceeded only by that of the Marine Corps.

It should be obvious to any fairminded person that the Air Force cannot continue to take further meat-ax reductions in personnel without severely impairing its combat strength and effectiveness; and thereby endangering our national security.

The letter states:

Your editorials indicate an utter lack of knowledge of what Mr. Wilson has proposed and the ridiculous attitude that General Vandenberg has taken. If you only had Mr. Vandenberg's statement, which is to be printed in full in the hearings of the committee, with Mr. Wilson's analysis of it, you would begin to realize what kind of sabotage Mr. Wilson was up against from Vandenberg and the "crew" that is trying to cover up their own iniquities by making false statements about what the situation is.

Any citizen, in or out of office, has the right to criticize the Boston Herald for utter lack of knowledge. But in making such a charge, the least the accuser should do is justify it with facts. However, no citizen at any level has the right to accuse General Vandenberg and his "crew," meaning the Air staff, of making false statements in an effort to cover up "iniquities."

The dictionary defines "iniquity" as "wickedness."

A great officer graduates from West Point. He serves his country for over 30 years. He becomes the head of General Eisenhower's tactical Air Force in Europe. He is highly decorated for personal gallantry in action.

His reward, as he leaves his country's service, is to be accused of making false statements, of being a "saboteur" against his country's interest.

In effect, General Vandenberg is giving to the American people the same message General Mitchell gave many years ago.

Mitchell was also pilloried by higher authority.

Why should the four-star general who led our tactical Air Force in Europe to great victory be so heavily attacked for giving his honest views to Congress? He gave those views at the direction of the Congess.

The day this letter was received by the Boston Herald, General Vandenberg received from a grateful Nation his third Distinguished Service Medal.

General Vandenberg talked from his mind and his heart about air power. Based on his great experience, he but bespoke his concept of the truth when asked about the future security of his country.

These bitter and inaccurate personal attacks against the Air Force and its military leaders come as no surprise.

Much, if not most, of the information about a service comes to the Appropriations Committees of the Congress from the Office of the Comptroller of the Department of Defense; and for years the head of that office has spoken and written against the Air Force.

The Comptroller's Office told me weeks ago that evidence of waste would be used against the Air Force if this reduction program was resisted in Congress, or anywhere else.

Recent events prove only too conclusively that this threat was no idle boast.

But up until now, no one had accused the Chief of Staff of the Air Force, and also his staff, of being iniquitous saboteurs because they answered, in good conscience, questions put to them by Congress.

Mr. President, there is one reduction in the Air Force that the group of "money-first men" have made with complete success.

Their bitter attacks against people to justify these money cuts have now seriously reduced Air Force morale.

Unless witnesses can come before Congress and give their best professional judgment without being subjected to bitter personal attack, Congress cannot perform its independent function, and can only become a rubberstamp for the executive department.

Mr. President, this is a subject to which, in my humble judgment, the Senate should give serious consideration, because it has much to do with the security of our country, and therefore with the freedom of every citizen.

THE DROUGHT IN THE SOUTHWEST

Mr. JOHNSON of Texas. Mr. President, I desire to speak to the Senate a few minutes this afternoon on behalf of a people who face economic catastrophe. They are the farmers and the stockmen of the great Southwest.

For many of them, the blow has fallen already. They have gone so deeply into debt that only a miracle can save them. There is little left other than liquidation of their remaining assets.

This is the greatest farm tragedy since the Dust Bowl. Unless it is checked, it will be an even greater tragedy. The whole Nation will feel the effects.

At the moment, the combination of drought and economic pressure has flooded the markets of the Southwest with cheap cattle. Prices have reached record lows. But even market prices do not reflect the truly grim circumstances.

In many instances, the cattle are simply too weak to make the trip to Fort Worth or Dallas or San Antonio. The rancher takes them into the nearest town and peddles them on the auction block for what they will bring—3, 4, 5, or 6 cents.

These low prices are of little or no benefit to the consumer. I have checked carefully with the top experts of the Agriculture Department. Most of this cattle is unfinished—the type that does not show up on the retail counter.

As far as the consumer is concerned, the effect will not be noticeable for many months. Then it may show up in the form of a fresh beef shortage, which will mean even higher prices. The foundation herds will not be available to keep stocks of beef cattle at proper levels.

The situation among row crop farmers is fully as severe. It has not made the headlines as yet, but they are fully in need of help—as much so as are the ranchers.

Mr. President, this situation obviously requires national action. The whole national economy is at stake. The problem is now centered in the Southwest. But if it is left unsolved, it will spread throughout the United States.

Thus far the Secretary of Agriculture has taken three steps:

First. Eight million dollars has been set aside for drought relief.

Second. He has released some stocks of surplus commodities and secured lower freight rates, so that the commodities may be sold as feed in the drought areas at relatively low prices.

Third. He has launched a program to buy 200 million pounds of beef in the form of canned beef and gravy, hamburger, and processed meat.

Mr. President, this program is good as far as it goes. But it does not go very far. It is like giving a man two shots of penicillin when an operation is needed to save his life.

Even should the amounts of money be increased, the program would still be insufficient. It does not strike at the heart of the problem. It does not make more than a dent in the price structure, which is the factor that is driving our ranchers to ruin.

Eight million dollars divided among the cattle in the Texas drought area alone would amount to less than 60 cents a head. How much hay can be bought for 60 cents?

Two hundred million pounds of canned beef means about 800,000 head of lower grade cattle. What effect will this have in bolstering the price structure when millions of cattle are in the drought area?

A constituent from Dallas writes to me:

In the morning papers I see that the sum of $8 million has been set aside for drought

relief. This amount is so totally inadequate one wonders if the Secretary of Agriculture is not thinking of a county rather than of the Southwest. It would provide each cow in the area with less than one bale of hay.

A rancher of Shamrock, Tex, writes:

The beef-buying program is a total and dismal disappointment to the disaster area. Can you help us?

These are only two letters of hundreds which I have received. But they are typical letters. They come from ranchers both small and big—from men working land that was settled by their grandfathers and from men struggling to get a start.

There may be some who believe that the men struggling to get a start have no business in the cattle industry and should not be helped. Personally, I cannot go along with that idea. The suffering is felt by all. They all face the same conditions. They all should be treated alike.

Even the old-timers face bankruptcy. Listen to this letter from Dozier, Tex.:

The drought has ruined us financially.

The prices are second in destroying us and finances third, to make a long story short.

I have been here on same farm all my life. Have 2,500 acres land—150 cows. Raise calves to sell; farm wheat and cotton.

Owed $15,000 little over 3 years ago. Now owe $75,000. Lose $20,000 per year trying to beat drought. It has got the best of me. So we need some help that can pay back when this thing is over.

These cows have been bred from the time when my father came here in 1892 and have bred up to where they are good but will have to sell them in week or two.

This is but one of the many personal tragedies that are taking place in the drought area all over Texas. I ask unanimous consent to insert other letters I have received in the record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, the letters may be printed in the RECORD, as requested.

(See exhibit 1.)

Mr. JOHNSON of Texas. Mr. President, the problems of these people cannot be solved merely by loans and the shipment of a small amount of feed into the disaster area. At best, this kind of a program is merely postponement of disaster.

I am always for postponing disaster when it is possible. But the American way has always been to take steps that will avoid disaster altogether.

It is not the drought alone that is driving our ranchers to the wall. It is the drought plus a price structure that keeps his feed prices high at the same time that beef on the hoof is plunging to all-time lows.

We support wheat, corn, cotton, tobacco, rice, and peanuts at 90 percent of parity.

But beef is sold on the free market. And right now all the pressures in that market are driving prices down—not just below the profit level but below the existence level.

Under those circumstances, loans and subsidized feed will not persuade the rancher to keep his unfinished cattle on the range. He will not do so until he has some assurances of a stable market.

That stable market will not be found by buying up 200 million pounds of low-grade beef. We might as well try to fill the Rio Grande with an eye dropper and a bucket of water.

More drastic action is needed—far more drastic action. That is why I supported the amendment of the distinguished Senator from Arkansas to the mutual security bill. It offered a real prospect of removing some of this glut from the market and stabilizing prices.

The Secretary of Agriculture has the authority to launch a $118 million program. He could move now without further congressional action to stabilize the market.

His authority is clear under an act approved by Congress on August 24, 1935, which has never been repealed. It sets up a fund composed of 30 percent of the Nation's annual custom receipts.

That fund is intended primarily to accomplish two purposes—to encourage the export of agricultural commodities and to encourage their domestic consumption.

The authority granted under this statute is almost unlimited. It has since been amended to authorize specifically the use of 25 percent of the total for any one perishable agricultural commodity.

My staff checked the figures this morning with Mr. Roy Madden, Chief of the Price Support and Supply Branch, Department of Agriculture. According to his figures, 30 percent of the customs receipts during the calendar year 1952 amounted to $172,417,342. In addition to that sum, there is a carryover of approximately $300 million from preceding years.

Mr. President, the total is well over $472 million. Twenty-five percent of that amounts to about $118 million. That money could be used immediately—without redtape or delay—to buy up cattle and stabilize the market.

The $8 million thus far authorized will not even slow down the current plunge in prices. But the $118 million—or even part of it—would be a potent force in relieving the ranchers of the Southwest of their misery.

It may be that the Secretary of Agriculture is unaware of his authority. If so, I invite him to check the statute books and act. If he knows of this provision, I believe the people of the Southwest are entitled to an explanation.

The Secretary of Agriculture also has price-support authority within his jurisdiction. He has indicated he will not exercise it. Perhaps he thinks the present program is enough—and that he should go no further.

A few months ago he was describing farm programs as "disaster insurance." Now we have the disaster and it turns out that what he was talking about was "burial insurance"—just enough to liquidate the remaining assets and provide a coach ticket out of the disaster area.

Mr. President, I call upon the Secretary of Agriculture to reconsider his statement. I call upon him to step into this situation with authority that is clearly his. I call upon him to act as Congress clearly intended that he act and stabilize the market while there is still time.

As Americans, all of us—whether we are from Texas or Ohio—from Oklahoma or Vermont—stand to lose. As Americans, all of us—regardless of section or party—should stand together to stave off this economic disaster.

We have the means, the resources, the ability. All we need is the will and the determination to act.

It is with a great deal of pleasure and satisfaction that I note from the news ticker tape, which has just been made available to me, that the House Agriculture Committee voted this morning, after a very brief hearing, to authorize millions of dollars in Government loans to cattlemen and farmers in the drought-stricken areas. I am informed that the Senate committee, which had previously planned to meet this afternoon, has postponed its meeting until tomorrow. I hope the members of that committee will consider the legislation pending before them and take prompt and effective action. The time is short, and I hope there will be no further delay.

SHAMROCK, TEX., *July 1, 1953.*

Hon. LYNDON B. JOHNSON.

DEAR SIR: The beef-buying program is a total and dismal disappointment to the disaster area. Can you help us?

The Government is buying beef on the open market, which means that the lush grazing areas of eastern Texas, Oklahoma, and Kansas will profit and we will sit here with a deficiency judgment at our bank.

Inasmuch as this is a district line of demarcation drawn of the disaster area the Government should and must buy only cattle from this area and they should be bought at parity instead of present market prices.

Yours truly,

A. F. WISCHKAMPE, Jr.

DALLAS, TEX., *June 30, 1953.*

Hon. LYNDON JOHNSON,
Senate Building, Washington, D. C.

DEAR SENATOR JOHNSON: In the morning papers I see that the sum of $8 million has been set aside for drought relief. This amount is so totally inadequate one wonders if the Secretary of Agriculture is not thinking of a county rather than of the Southwest. It would provide each cow in the area with less than one bale of hay.

The drought has adversely affected the cattle business over the entire Nation because increased sales have depressed prices to the point that it has become catastrophic for industry outside as well as inside the drought area.

The cattlemen cannot be saved by borrowing more money. Something must be done to restore the market. In spite of the low price of cattle, I have been unable to find a restaurant in Dallas that has marked down prices on steak or meat lunches. Prices have not been reduced in grocery stores except where some "distress beef" is offered for sale or a chainstore is making meat a leader.

My opinion is that low-interest-rate loans will help but the only effective relief will be a "killing" program, similar to that in 1934 except the meat and hides should be saved and distributed where needed, to foreign countries if necessary.

Sincerely yours,

J. W. BASS, M. D.

COOPERATIVE EXTENSION WORK
IN AGRICULTURE AND HOME ECONOMICS,
Dickens, Tex., June 29, 1953.

Hon. LYNDON JOHNSON,
United States Senator,
Washington, D. C.

DEAR MR. JOHNSON: The farmers, ranchers, and businessmen of Dickens County drew up

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some recommendations for the Secretary of Agriculture while on his visit to Texas. That you might have this information, we are sending you a copy of these recommendations.

Very truly yours,
CHARLES A. TAYLOR,
County Agricultural Agent.

In view of the worst drought in the history of Dickens County, we, the farmers, ranchers, and businessmen of Dickens County, recommend the Federal Government initiate the following measures to correct some of the conditions that now exist in the drought-stricken area of Texas.

1. Make available to farmers and ranchers some workable form of long-term low-interest credit. Also provide credit for refinancing outstanding indebtedness on farm equipment, livestock, land payments, and farm supplies. Farmers and ranchers in this area have suffered two failures in succession and are now unable to meet obligations on farm machinery, loans obtained for seed, supplies and operating expenses.

2. Make available to farmers and ranchers cheaper feed in the form of hay and Commodity Credit Corporation held stocks of grain, cottonseed meal and protein range feeds. The price for these feeds to be in line with the prevailing price of livestock. We recommend hay be furnished at $10 per ton and cottonseed meal and protein range feeds be furnished at $25 per ton.

3. Make available to farmers and ranchers Commodity Credit Corporation held stocks of small grain to be used for seed to sow fall-sown crops. Fall-sown crops will relieve the tight feed situation and also prevent further damage to the soil from wind erosion. By storing these grains locally they would be easily accessible to farmers if and when moisture is received. We recommend this seed supply be furnished to farmers at reasonable rates for such grains. Very few farmers have a supply of seed stored on the farm at the present time.

4. Make available to farmers and ranchers lower freight rates on livestock supplies shipped to and from the drought area.

5. We recommend that price supports be established on livestock.

6. We recommend that regulations be passed prohibiting the importation of beef to this country.

7. We recommend the above proposals be initiated immediately.

These proposals were adopted at a called meeting in which approximately 300 farmers, ranchers, and businessmen attended at Dickens, Tex., on the 26th day of June 1953.

JOE M. ROSE.
O. L. KELLEY.
CHARLES TAYLOR.

B. L. SMITH & SONS.,
Swearingen, Tex., July 1, 1953.

Hon. LYNDON B. JOHNSON,
Hon. WALTER ROGERS,
Washington, D. C.

DEAR SIRS: We here in the drouth area have noted with pride your splendid cooperation in securing and making aid possible for the farmer and cattleman in this emergency.

However we know the program, as outlined by Secretary Benson is going to fall far short of reaching the farmer and cattle raiser, who needs this aid most.

A loan by FHA would solve his problems, were he able to qualify.

In all fairness, is it right to ask the banker, or other lending agencies who have stood by the farmer and cattleman to their legal limit to subordinate their loans and sign standby agreement, in order that clients can secure FHA loans and continue to operate?

A more flexible policy than FHA now has is needed, where subordination of existing loans is not possible, FHA should be empowered to take up the loan, and acquire first lien on all chattels together with crops.

We feel that the buying of from 2 to 4 million cows and heifers on the hoof at 12 to 14 cents for canning and processing would have been of much more lasting effect and benefit to the cattleman, than the buying 200 million pounds of canned beef and gravy, as recently announced.

No doubt the packers and processers of meat will benefit by this order.

It is difficult to see how the cattleman is to benefit from the $8 million allocation by the President. Unless further credit is arranged, who will pay for the cheaper cake, hay, and so forth, made available?

With existing prices for cattle (which has declined 60 to 75 percent) if shipped to market would not pay present bank loans.

Many breeding cattle have been shipped from this area to grass, and unless adequate long term credit is afforded, they too will be forced to liquidate.

Assuring you of our appreciation for your efforts in these matters, I am,

Sincerely yours,

B. L. SMITH.

SAN ANTONIO, TEX., *June 30, 1953.*

Sen. LYNDON B. JOHNSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSON: I want to take this opportunity to thank you personally and in behalf of all the farmers and ranchers for everything you are doing to relieve our situation.

It is really a disastrous situation and I feel that it is the weak spot in the economy. I am speaking from personal experience of most of the agricultural areas of Texas and also the Southwest. Merchants, filling station operators, automobile and implement dealers, and many others are complaining bitterly and everything seems to be bogging down rapidly. I do not think that other prices should be brought down, at the present time, in line with cattle prices, but that drastic measures should be taken, if necessary, to bring the cattle prices up to a more favorable position with other prices.

The cattle have to be moved through their normal channels before this thing can be straightened out and the feed lot operators are not going to use high priced Government supported grains to fatten cattle when cattle are bringing such a low price. They have to be fairly sure of a certain spread to make it profitable.

Cheaper feed and all the credit that we can get from Government aid will not help as long as cattle bring such a low price and I think that this aspect of the situation has not been sufficiently emphasized.

With kindest personal regards to you and your family, I am,

Sincerely,

ALFRED W. NEGLEY.

AMARILLO, TEX., *July 2, 1953.*

Senator LYNDON JOHNSON,
Washington. D. C.

DEAR MR. JOHNSON: I hope this gets past your secretary and you read this personally.

I am going to inform you of conditions in the western part of your State. Not because you are dumb, but because no one could possibly realize the severity of this drought unless he was living in it each day. You are one of two Senators from a State, the entire western portion of which is now beginning to experience a depression on account of a drought so severe that here at Amarillo within the first 6 months of this year we have had 2 inches of moisture. This means a 4-inch moisture year in a country geared economically to an average of 22 inches. This is on top of the year before which was the shortest we had ever had. The cattle industry is practically wiped out of existence. One section of good grassland that ordinarily supported 20 to 50 head of cattle now will not support 1 head without feeding hay. Almost all of us little ranchers started feeding high-priced hay last fall and fed until about a month ago when we gave up and sold at ruinous prices about two-thirds of all our cattle and shipped the remnants, for a possible seed crop to the north or the mountains hoping that we might get enough rain this summer to bring them back in the fall and start over. But we have had no rain, so it looks as if we will have to give them away this fall. Good cows now will bring about 6 cents per pound.

Yes, we read that the administration is going to do something. The news is that they are going to reduce freight rates, but nothing is said about making it retroactive for the 80 percent that have already shipped out. Benson says he is not going to bail out the part-time rancher and farmer. If they discriminate they cannot help an industry already sick unto death. They are going to make cotton-seed cake available at lower prices. That is fine but nothing is said about hay, and they cannot live in this country now without hay and a cattleman could only afford to pay about $2 per ton at the present price of cattle. They are going to buy 200 million pounds of meat products over a 20-week period. This would be about like a multimillionaire giving 50 cents to the Red Cross for it would dispose of about 350,000 head, when the Government needs to dispose of 5 million. We have got to have parity supports under cattle to revive the industry and what we need is a sponsor in Washington.

The Republican administration through Secretary Benson has within 6 months' time lost the entire farmer and rancher vote of the Nation. People definitely want supports and are going to vote for supports. This administration in this part of the country is already being compared on a par with the Hoover administration, and the people are now so independent in their voting that everyone in Washington belongs to this administration.

Why don't you rise up and publicly demand the resignation of Secretary Benson, and actively sponsor parity supports for cattle. This would divorce you from this administration in the minds of the voters and would make you popular enough in this southwestern part of the country to become President as far as they were concerned.

What a shame that you are representing a State in the United States Senate, when the western part of that State is suffering a severe depression with the rest of the Nation prosperous, and that this condition was allowed to happen and break every cowman in the State and wipe out one of the main industries of that State, before Washington even began to talk about help. This is a situation that demands drastic action now and not just talk or ordinary moves. In 1932 wheat went to 32 cents per bushel. Cattle have now gone from $250 for a good cow to $50 right at this time. In 1932 that brought on a depression. What do you expect this to do.

If someone like you doesn't rise to the occasion, we are all ruined and so is this administration. I believe you are the man to do it.

Hoping so, I remain,

Yours very truly,

LELAND W. ABBOTT.

WELLINGTON, TEX., *June 30, 1953.*

Senator LYNDON JOHNSON,
Washington, D. C.

DEAR SENATOR JOHNSON: I notice you are interesting yourself in the drought-disaster condition here in Texas. There are a number of us who have been keeping herds of

Jersey cows, raising the heifers, and selling the cows when fresh. At present these cattle are living on Russian thistles. I have understood that there is not too many dairy cows in the country. Since the problem is different from the beef-cattle problem, I have wondered if the Government could not arrange for buying these cattle at as fair price as possible and selling them where there is need for them. My cows, for instance, sold at $225 until the drought. I'd be glad to get half of that now.

Very truly,

WILLIE G. WILLARD.

DALHART, TEX., *June 29, 1953.*

Mr. LYNDON JOHNSON,
United States Senate.

DEAR SIR: The program which Mr. Benson outlines to help farmers and ranchers will help some. But, in my opinion, a price for our livestock and products equal to the things we have to buy will be most effective.

Most everything we have to buy is up since controls have been taken off.

Of course, we have 90-percent parity on grain through 1953, but if we do not keep a parity of grain and get a fair price for our livestock, how are we going to pay labor, which has not gone down? Groceries have gone up here in the last month with the exception of meat. Machinery, cars, and trucks are still up. How can we buy this stuff?

J. B. AYRES.

ENCINAL, TEX., *June 30, 1953.*

Senator LYNDON JOHNSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSON: It is near ridiculous to think that $8 million will mean much toward relief for cattlemen in Texas and Oklahoma. Our company has spent more than one-half million for feed in the last 2 years, and we have had now going on 5 years' drought.

Last year areas in many States were declared emergency areas, but even then their dry spell was no older than months. Texas did get some hay out of that deal. I believe that program used several million dollars to pay for freight on hay alone.

I am more pleased with the start, of course, than critical. Those who formulate the program must be reminded of the inadequacy of it, if it is not just a start.

It is the hope of all the people I converse with that a large number of cows and plain beef-producing animals will be purchased and used by means that will take them out of the normal consumption in this country.

I have been told that Monday (yesterday) the purchase of this class of meat was stepped up. Surely the program will not be contemplated in scale with the 8 millions for relief in Texas and Oklahoma.

The Missouri River got many millions in relief. Massachusetts, I believe, got 100 million already this year. I feel drought has caused more loss in Texas that the combined destruction of the flood in both above areas.

In order of importance, I would say of Mr. Benson's four points for a program that—

First. Buying cows and/or plain beef-producing animals is of equal importance to—

Second. Emergency credits for livestock breeders.

These animals need to be taken out of production to make those remaining worth something. We cannot wait around and have 99 million cattle in 1955. This cannot happen, of course, in my opinion, since cattlemen will not be operating for 2 more years in the dry West with present prices prevailing. There must materialize an enormous liquidation of cows and other livestock this late summer and fall. Purchase of these cows in orderly fashion now and a demand for them will avert a crisis, I and many others reason.

Third. Lower cost of emergency feed; and

Fourth. Drought freight rates will be a gesture, but comes after feed needs are very limited, and cattle numbers for outmovement materially reduced.

I feel we cannot afford to buy feed for the cattle remaining on our ranch. We now have 2 where we should have 10 head.

It is apparent after talking with you by telephone that you need no prompting. You certainly understand well the problems we confront.

Relief for the cattlemen must not be considered for the drought area alone. Cattlemen are in distress the Nation over—it matters not that some may have ample forage or pasture. It is only easier for those fortunates to abide time.

This does not require an answer. I only hope it may give some courage to help bring about action long overdue.

Sincerely,

JOE FINLEY.

THE FIRST NATIONAL BANK,
Childress, Tex., July 1, 1953.

Hon. LYNDON B. JOHNSON,
Senate Chamber, Washington, D. C.

DEAR SENATOR JOHNSON: Following my telegram of June 30 in reference to some refinancing plan over a 3- to 5-year period for drought-stricken farmers in this area. You might be interested in a transcript of a recent meeting of the Commissioners' Court, Childress County, a copy of which I am enclosing herewith.

Senator JOHNSON, I am sure you understand this drought is the most serious one that we have ever encountered in this part of the country. It has made it doubly hard by the reason of the very high prices that the producer has to pay for what he has to buy. Anything short of some long-term financing plan will not meet the crisis with which we are confronted. Why could not some plan be worked on a 3- to 5-year basis for an overall refinancing of farmers' and stockmen's obligations and if need be allow a 2 percent interest differential in favor of the Government over and above the regular interest rate of 3 to 4 percent. This would in my opinion absorb all losses over a period of time. This is as you know done in connection with all FHA financing for home builders—in other words on title I FHA loans three-fourths of 1 percent is remitted to the FHA out of the interest earned and about one-half percent on the other FHA loans.

It's going to take a lot of money for this if it is to halfway get the job done. The banks throughout the rural area are the hardest hit in this matter and we are perfectly willing to carry our part of the load and cooperate in every way that we can.

At your convenience I would appreciate hearing from you along this line as to just what might be worked out. Whatever is done should be done as soon as possible.

With kindest personal regards, I am,

Yours very sincerely,

J. H. HARRISON,
Executive Vice President.

MINUTE NO. 289, COMMISSIONERS' COURT OF CHILDRESS COUNTY, TEX.

Whereas Childress County is presently suffering from a severe drought and the ranchers and farmers are in dire need of financial assistance; and

Whereas the farmers of Childress County have had two poor crops, same being in 1951 and 1952 and they were more or less crop failures, and there is no outlook of any crop whatsoever for the year 1953; and

Whereas the ranchers of Childress County are without water, grass, or feed for their cattle, and said cattle are having to be sacrificed at the present low market price; and

Whereas a large percentage of Childress County farmers and ranchers are in debt to their limit with the banks and the local lending agencies, and are unable to borrow any additional funds, in that all of their collateral is presently mortgaged, and these same farmers and ranchers are also indebted to the Farmers' Home Administration: Therefore, I, Louis Richards, commissioner, precinct No. 4, Childress County, Tex., moves and C. T. Anderson, commissioner, precinct No. 2, Childress County, Tex., seconds the motion that the Honorable Allen Shivers, Governor of the State of Texas, be requested to declare Childress County to be in the disaster area, and need immediate Federal assistance for the farmers and ranchers of Childress County. Said assistance should be such as to refinance the farmers and ranchers present indebtedness and loan them additional sums so that they might continue their farming and ranching operations and said refinancial loan to be payable by the farmers and ranchers over a long-term period of from 3 to 5 years. A copy of this resolution is also to be furnished to the Honorable WALTER ROGERS, Member of Congress.

Motion carried unanimously.

Respectfully submitted.

RICHARD D. BIRD,
County Judge, Childress County, Tex.

Hon. LYNDON JOHNSON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: We are humbly submitting to you our petition on the cattle situation.

The list of signatures attached is only a partial list of all who have signed, the other petitions are still out and we have decided to send what we had instead of waiting to get all petitions back. The feeling and facts expressed are so important at this particular time.

Thanks for your consideration of our problem.

Sincerely yours,

GRASS ROOTS CATTLEMEN,
By F. M. BROWN.

P. S.—This is a copy of original petition and signatures we have sent to the President.

F. M. B.

Hon. DWIGHT D. EISENHOWER,
President of the United States,
White House, Washington, D. C.

DEAR MR. PRESIDENT: We are the grassroots cattlemen. We are located in the great cattle-producing area of the United States. We do the leg work, the thousands of detail tasks it takes to keep the great cattle industry going. By telephone, car, plane, personal contacts, and economists' reports we keep our fingers on the cattle industry 24 hours per day. We know the hazards of drought and winter cold and snow. We trade hard but fair, but we don't understand the language of "Whereas and wherefore": we trade on our word. We love cattle and the tradition of the cattlemen and cattle industry. We are loyal Americans and we despise double talk.

We believe the cattle business to be a great factor in the economy of our Nation. Cattle prices have dropped dangerously low since July 1952. We cattlemen are all broke and we sit around trimming our toenails with our boots on. This dangerous financial situation likewise has fastened its tentacles on the well-being of other peoples and industries in this vast cattle producing area, so much so that they, too are suffering in various degrees and will suffer more unless something is done about the situation promptly.

We analyze the present situation this way:

The drought is very serious but has little to do with the break in cattle prices. Those who have feed and pasture and the money with which to buy cattle fear depression greatest of all. Consequently they are not buying our cattle. They fear cattle prices will go all the way to the bottom and carry the national economy with it. We doubt

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seriously the propaganda about overproduction of cattle when for 10 years or more we have shipped the packers our fat heifer calves and our heifer yearlings have gone principally to the wheat fields, thence to the feed lots and thence to the packers. We have consistently sold our old cows and many times our young cow herds have gone to the feeder and on to the killer. Consequently our cow herds in this vast cattle-producing country are not now as great as they were several years ago.

We have followed the plan of marketing our cattle as feeders and the close culling of our cow herds for the reason that cattle were a good price and a fat cow was worth more on the market than she was for breeding purposes. The numbers of our breeding stock are down to a bare minimum. We have long since learned that we could produce more pounds of beef from fewer cows because we could maintain our range land in better condition by not overstocking our lands. We, of course, know that 10 head would be an overproduction if there were no buyers.

We don't believe in or go along with the idea that support prices should be pulled from corn and other feeds stuffs since that would only hurt another vast segment of our agricultural industry thus further endangering the economy of our country. Cattle prices should be adjusted so that the feeder can make a profit by feeding parity priced corn and protein products, such as cottonseed and soy bean meal. We don't think it sound economy or sensible to hurt the general farmer or feed manufacturer.

We feel that every phase of our entire national economy is regulated or favored by special legislation of some kind or other, subsidized either openly or hiddenly, this in some manner is aided by the Federal Government with the exception of the cattle industry. If every other industry or group in our economy will throw away Federal assistance, we are ready to rough it with them, but we feel that policy would not help but it would only lead to chaos and disaster. We, too, feel that it is not a sound economy for our country to pursue a plan whereby one industry, which happens to be our industry this time, at a dangerously low level of economy. In other words, we feel that we cannot have a sound economy if one-half of our industries is operating on a profit basis and the other one-half on a starvation basis.

We cattlemen have no political fortunes to protect or promote, we are not interested in "saving face" or blaming anybody, causing any hard feeling or starting any "I told you so campaign." We want to be bigger than to be controlled by personal feelings or political promise or party.

We believe our situation is so serious as to merit your finest and best effort to correct the current economic collapse of our industry. Sixty or 90 days ago our economic situation was a different story. It has gone from bad to worse. We, therefore, feel that something should be done to assist in clearing up this chaotic situation.

We believe the United States Government, by means of its vast power and the weight of its authority, is the only force great enough to halt the destructive decline now taking place in the cattle market and that the Government can and should with equity and justice support the price of cattle and support the credit of the cattle industry immediately and by so doing stop this disastrous nonsense.

We aren't Communists or Socialists or beggars; we don't want charity but only a fair chance to help ourselves. We are cool-headed, red-blooded, hard-driving Americans, who believe that the only government is the government of the people, by the people, for the people, and that to promote the general welfare is the duty of the Government. We believe that if we fail in this crisis and allow this economic disaster to again crush us that our kind of government may be temporarily, if not permanently, destroyed. We don't believe you want this to happen.

We, therefore, petition you and the Secretary of Agriculture and Congress to move immediately to prevent further injury and chaos, not only to the great cattle industry but also to other industries which are likewise in jeopardy.

Surely it is no accident that interest rates are up, that labor has been and is being given substantial raises, that steel and steel products are up, and other segments of the complicated branches of our economy are booming as they have never boomed before. Taxes, labor, feed, steel, and other high-priced products go to make up the vast amount of commodities that we have to buy in order to carry on the cattle industry. All of these ingredients are at the highest levels they ever reached in our entire history.

As a consequence of this attention in which our economy now finds itself, it costs the cattlemen more than $80 per head to raise a good calf. At our level, good calves are being purchased at our local market levels from $38 to $50 per head, depending upon quality and weight, and cows and calves have been selling freely for as low as $80 per pair; and thus the cattleman loses from $30 to $50 every time he sells a calf. We believe that if the men who have the feed and money know that the cattle markets could be stabilized they would buy our distressed cattle at a fair price and thereby relieve us of some of the distress in which we now find ourselves. We feel that the cattle industry could be helped by placing parity loan values on cattle, such loans to be handled through our regular banks using their facilities and loan inspectors. We shall not attempt to say with accuracy what the loan values should be, but we believe that prices on all classes of livestock should be based on $35 per hundredweight for prime cattle in Chicago.

We submit this petition in a spirit of constructive action firmly believing that we are fair in asking the Government to assist us in a problem which so seriously threatens our national welfare. We propose to submit copies of this petition to the House and Senate leaders and the Secretary of Agriculture.

(Signed by the following:)

F. M. Brown, rancher, Adrian, Tex.; A. R. Logsdon, cattleman, Hollis, Okla.; Everett Wiseman, rancher, Vega, Tex.; Leon Ledbetter, cattleman and farmer, Vega, Tex.; Kenneth Cook, cattleman, Vega, Tex.; O. E. Hairgrace, cattleman, Amarillo, Tex.; Dennis Tanner, stockman, Amarillo, Tex.; C. J. Camble, cattleman, Amarillo, Tex.; Jack Starts, cattle truck, Amarillo, Tex.; H. B. Watson, farm and ranch, Claude, Tex.; F. R. Proliman, cattle truck, Amarillo, Tex.; Ted Cunningham, dealer, Clinton, Okla.; Leland W. Abbot, stock raiser, Amarillo, Tex.; Gene Brian, stockman, Amarillo, Tex.; Dale K. Schooler, raiser and feeder, Albany, Mo.; Wallace C. Coode, rancher, Amarillo, Tex.; John R. Goodin, farmer and rancher, Claude, Tex.; Kenneth W. LaFon, rancher, Amarillo, Tex.

Nancy Binford, rancher, Wildorado, Tex.; Cap Crawford, cattleman, Amarillo, Tex.; S. D. Riley, dealer, Brisco, Tex.; John Oldham, dealer, Shamrock, Tex.; W. D. Christopher, cattle and land, Amarillo, Tex.; B. G. Hunter, rancher and farmer, Amarillo, Tex.; Art L. Wagner, general cattle business, Amarillo, Tex.; B. B. Jones, rancher and farmer, Vega, Tex.; Mrs. W. B. Jones, rancher and farmer, Vega, Tex.; I. H. Pickon, farmer and rancher, Lockney, Tex.; A. B. Hale, cattleman, Vega, Tex.; R. L. Morris, stock farmer, Vega, Tex.; Roger Morris, Jr., stock farmer, Vega, Tex.; Melvin Cook, farmer and rancher, Vega, Tex.; S. R. Elliott, cattleman, Amarillo, Tex.; Jim Funderberg, cattleman, Amarillo, Tex.; George H. Prilley, leather and cattle, Amarillo, Tex.; L. L. Pollard, cattleman, Amarillo, Tex.

Tom Steward, cattleman and trucker, Vega, Tex.; Boots Montgomery, rancher, Vega, Tex.; Leland Wood, cattleman, Claude, Tex., Ed. Johnson, cattleman, Amarillo, Tex.; Raymond Moore, cattleman, Twitty, Tex.; Bill Leslie, cattleman, Adrian, Tex.; G. H. Beuchamp, cattleman, Amarillo, Tex.; Schanbecker, rancher, Abilene, Tex.; W. C. Briggs, cattle and sheep, Adrian, Tex.; Claude Wells, rancher, Adrian, Tex.; Fred Cotton, Federal land bank, Amarillo, Tex.; J. M. Smith, stockman, Adrian, Tex.; E. E. Allen, farmer, Adrian, Tex.; H. D. Tomlinson, farmer, Adrian, Tex.; F. R. Bales, cattle, Adrian, Tex.; C. A. Elein, cattle, Adrian, Tex.; Jimmy Brown, cattleman, Adrian, Tex.; Francis Donegan, rancher, Broadview, N. Mex.

Johnny Cavitt, cattleman, Adrian, Tex.; Frank Shepard, cattleman, Channing, Tex.; Jim Proctor, cattleman, Channing, Tex.; R. H. Boyle, cattleman, Adrian, Tex.; E. B. Pounds, cattleman, Adrian, Tex.; Elbert Whitten, cattleman, Adrian, Tex.; Ray G. Brown, cattleman, Adrian, Tex.; Earl W. Brown, cattleman and farmer, Adrian, Tex.; Clyde Fincher, cattleman, Adrian, Tex.; W. M. Franks, merchant, Adrian, Tex.; Earnest Franks, merchant, Adrian, Tex.; B. F. Kinsey, farmer and rancher, Adrian, Tex.; Wayne Pinnell, farmer and rancher, Adrian, Tex.; Bill Ussery, farmer and rancher, Adrian, Tex.; Paul Jones, farmer and rancher, Adrian, Tex.; L. A. Worsham, farmer and rancher, Adrian, Tex.; Claude Heaton, cattleman, Adrian, Tex.; Roger Gruhlkey, farmer and cattle, Adrian, Tex.; Brub Beavers, cattleman, Adrian, Tex.

Roy Begeman, farmer and cattle, Amarillo, Tex.; C. L. Morris, cattle and farm, Vega, Tex.; Shag McCown, cattleman, Adrian, Tex.; John Skaggs, cattle and farm, Adrian, Tex.; E. R. Pinnell, stock and farm, Adrian, Tex.; R. M. Gruhlkey, farm and cattle, Adrian, Tex.; John Marton, rancher and farmer, Adrian, Tex.; Charles L. Pingle, farmer and cattle, Vega, Tex.; William U. Launts, cattle truck, Amarillo, Tex.; W. V. Tolbert, farmer and cattle, Vega, Tex.; C. R. Chaddrik, farmer, Plainview, Tex.; C. J. Rice, cattle truck, Wichita, Kans.; R. A. Gruhlkey, farmer, Adrian, Tex.; G. W. Hinks, farmer, Adrian, Tex.

HEREFORD, TEX., *July 2, 1959.*

Senator LYNDON JOHNSON,
Washington, D. C.

DEAR SENATOR: Enclosed is a clipping from our local paper. Every cowman I talk to wants price supports on cattle. If not supports, we should kill 8 times the 200 million pounds that Secretary Benson says he favors over the next 20 weeks.

The drought is still with us.

Yours truly,

O. G. HILL.

[From the Hereford (Tex.) Brand of July 2, 1953]

COUNTY DROUGHT RELIEF COMMITTEE IS FORMING

Three of the five possible members of a drought relief committee for Deaf Smith County met Wednesday morning in the office of County Agent Hugh Clearman.

Chairmanned by N. E. Gass, head of the county Production and Marketing Administration committee, the drought relief committee will also have Walter Johnson, of the Farmers' Home Administration, Clearman, a banker, and a farmer or rancher.

"We still don't know anything about how the drought relief money is going to be handled, or what the committee is supposed to do," Clearman said.

WAITING FOR INFORMATION

"Just as soon as we do know what we are supposed to do and can do, we will get that information out to the public."

In the meantime, disaster relief money which is available from the Farmers' Home

Administration has been called on to some extent.

"We have had a constant flow of applications and inquiries since news of the availability of the money was spread," Johnson said. "We have a number of applications being processed at the present time, and quite a few persons have asked about the plan, and said they might be back if money is not available from present credit sources."

BENSON'S VISIT

Though the drought situation in parts of Oklahoma and Texas had been serious for several weeks, the Government did not move to furnish adequate drought relief funds in a hurry until last weekend's visit by Secretary of Agriculture Ezra Taft Benson to Lubbock, where he spoke at the National Cotton Congress.

Benson talked to several hundred people during his stay in Lubbock and during his visits to the surrounding territory. A petition bearing 47 Deaf Smith County names was given to him by a group consisting of J. R. Allison, O. G. Hill, Bill Decker, O. G. Hill, Jr., and Jack Bradley.

Tuesday afternoon a telegram was received by N. E. Gass, chairman of the Deaf Smith County Production and Marketing Administration committee, telling him that he was appointed chairman of the drought committee for this county. Specific operating instructions are to be sent to him soon, according to B. F. Vance, chairman of the State PMA committee, who signed the telegram.

FEED EXPECTED

Just exactly how the aid program for drought-stricken farmers and ranchers will be handled was not known here Wednesday, but it seems certain that quantities of cattle feed will be sent in to help hold cattle on the ranges and in the feed lots to bolster the sagging market for beef.

News of the order from President Dwight D. Eisenhower that $8 million had been set aside from emergency funds to help the drought-hit counties of Texas and Oklahoma came only a few days after O. G. Hill received a telegram from Senator LYNDON JOHNSON.

TELEGRAM

"I discussed with President Eisenhower yesterday extremely serious drought situation in Texas and told him of the pleas I was receiving from Texas cattlemen and farmers who find themselves in extremely critical condition. I urged upon him importance of taking immediate steps to bring assistance. I received the impression that the President expects to confer with directors of Texas and Southwestern Cattle Growers' Association seeking to arrive at a clear understanding of what needs to be done.

"Also, it is expected that Secretary of Agriculture Benson * * * will get first-hand information from cattlemen and farmers. I have also discussed situation with leaders in the Senate. They agree with me that immediate decision should be made as to necessary measures and then action should be taken at once. * * * The cattle producers and farmers of the drought-stricken areas must have assistance and very soon.

"LYNDON B. JOHNSON."

DIDN'T "GREEN-UP"

County Agent Hugh Clearman reports that out of the Irrigation Belt in Deaf Smith County the grass did not even "green-up" this spring.

Beef cattle, bought for high prices, have consumed large quantities of feed, likewise bought at a high price, because of the Government loan on cottonseed and cottonseed products.

The Government lifeline may be only lower priced feed, or it may be that plus a beef-purchase program which would help to put a solid floor under the price of cattle as well as aid for farmers who have been raising row crops.

MORTON, TEX., *July 2, 1953.*

Hon. LYNDON JOHNSON,
Senate, Washington, D. C.

DEAR MR. JOHNSON: Thought perhaps you might be interested in the recommendations worked out by the Cochran County Drought Relief Committee in a meeting on July 1, 1953. Enclosed please find copy of these recommendations.

Yours very truly,

HOMER E. THOMPSON,
County Agricultural Agent.

The Cochran County Drought Disaster Relief Committee met July 1, 1953, at Morton, Tex. The committee designated by the State office included Homer E. Thompson, county agricultural agent; R. C. Cross, FHA supervisor; L. L. Taylor, chairman, PMA committee; and Joe Nicewarner, banker. This committee met and appointed C. H. Silvers, rancher, Morton, Tex., as a fifth member of this committee.

The committee then met and estimated 15,000 head of cattle existed in Cochran County to be eligible for the drought relief feed program, and the cattle support price program for cattle.

After a thorough study of the present cattle situation and drought-relief problems in general in Cochran County by this committee, the following recommendations were unanimously passed by all the committeemen.

We, the Drought Relief Committee of Cochran County, do hereby recommend—

(1) That all surplus Government stored feed be made available at once to farmers and ranchers.

(2) That since much Government feed is stored in the Lubbock, Tex., area, that this feed be made available first to farmers and ranchers of said area.

(3) That since cottonseed cake, cottonseed meal, corn, or hay may be made available in this area to farmers and ranchers, the individual farmer or rancher should be permitted to select the kind of feed he desires to fit the feeding requirements, and feeding facilities on hand.

(4) That feed is in desperate need at this time, and to save shipping expenses, handling, rehandling, loading, and to save time en route, that individual farmers be permitted to truck his feed out of the Lubbock area, or to designate a local shipping point at his discretion.

(5) That feed shipped in, if found not to be as represented, be rejected at local point at no expense to the farmer or rancher.

(6) That alfalfa hay of good quality be shipped in immediately—as it is a cheaper and more sustaining feed under hot weather conditions.

(7) That emergency loans be made available to farmers and ranchers at once to purchase this drought relief feed as most of them are out of funds and have very limited credit.

(8) That loans be made available and authorized by the Secretary of Agriculture for refinancing on long term low rate of interest for cattle, equipment, and other obligations already committed by farmers and ranchers.

(9) That cattle prices be supported to 90 percent of parity, to keep them on farms and off the flooded markets.

(10) That emergency loans be made available not only for feed for cattle, but other needed farm supplies, equipment, machinery, and family subsistence including medical assistance in drought-stricken areas. This loan may be for any agricultural assistance to retain farmers and ranchers on their present land.

(11) That all transportation cost of relief feed be subsidized by Government, that may be made available to the distressed farmer and rancher, to eliminate speculation by outsiders.

We, the Cochran County Relief Committee, especially urge that these 11 recommended measures be favorably accepted, and that should existing emergency laws be inadequate, that new emergency laws be passed by Congress to alleviate the strain under which the Secretary of Agriculture is operating.

L. L. TAYLOR,
Chairman, Cochran County Drought Relief Committee and PMA Chairman.

HOMER E. THOMPSON,
County Agricultural Agent.
R. C. CROSS,
FHA Supervisor.
JOE NICEWARNER, *Banker.*
C. H. SILVERS,
Rancher, Member.

ROBSTOWN CHAMBER OF COMMERCE,
Robstown, Tex., June 30, 1953.

Hon. LYNDON B. JOHNSON,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR MR. JOHNSON: Enclosed is a copy of the resolution just passed by the board of directors of the Robstown Chamber of Commerce, concerning the severe drought that has engulfed this section of the State.

This resolution has been sent to you in the hope that as much attention as possible can be focused on this disaster territory.

Sincerely,

BILL GATLIN,
Manager, Robstown Chamber of Commerce.

The Robstown Chamber of Commerce, of Robstown, Nueces County, Tex., learned with great appreciation that the Secretary of Agriculture has promised immediate help and support to cattlemen, dairymen, and farmers of the drought-stricken southwest Texas ranch- and farm-land.

We want to give full support to the four-point program that the Nueces County Farm Bureau has adopted and submitted to the Federal Government for the help and support that is expected in the drought-stricken territory.

Confident that Nueces County and the neighboring Kleberg and Jim Wells Counties will be included in the disaster area and will get the help and support of the Federal Government, we want to bring to the attention of the Federal Government that this territory is depending in its economical structure totally on the income from agriculture. Therefore, this year's total crop failure creates a severe economic problem for Robstown and other rural cities in this territory. For this reason, we request that the Federal Government rush its help and support as much as possible and use the legal trade channels in this territory for the distribution of the material help that ranchers, dairymen, and farmers will receive, in order to maintain the functioning of our legal trade channels during this disaster period.

J. WADE HILL,
President, Robstown Chamber of Commerce.

DOZIER, TEX., *June 28, 1953.*

Senator LYNDON JOHNSON,
Washington, D. C.

DEAR FRIEND: You told us when we need your help after we elected you at Amarillo to let you know. Now is the time—it has happened—and all we can do is look to you.

The drought has ruined us financially. The prices are second in destroying us and finances third to make a long story short.

I have been here on some farm all my life. Have 2,500 acres land, 150 cows, raise calves to sell, farm wheat and cotton.

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Owed $15,000 little over 3 years ago, now owe $75,000; lose $2,000 per year trying to beat drought. It has got the best of me. So we need some help; that can pay back when this thing is over.

These cows—my father came here in 1892—and have bred up to where they are good but will have to sell in week or two.

Yours truly,

J. A. COLEMAN.

REPORT OF REPRESENTATIVE OF INDEPENDENT PARTY

Mr. MORSE obtained the floor.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. For what purpose?

Mr. HUMPHREY. I wish to propound several unanimous-consent requests.

Mr. MORSE. I yield provided I do not lose the floor.

(At this point Mr. HUMPHREY submitted an amendment intended to be proposed by him to House bill 5246, the appropriation bill for the Departments of Labor, and Health, Education, and Welfare, together with several resolutions, which appear elsewhere in today's RECORD under appropriate headings.)

Mr. HUMPHREY. Mr. President, let me say that at the conclusion of the address of my distinguished friend from Oregon I shall seek the floor in my own right. I shall now listen with pleasure to the distinguished Senator from Oregon.

Mr. MORSE. Mr. President, the Senate did not meet on Friday last. Therefore, I shall give today last week's report of the representative of the Independent Party on issues which he feels should be called to the attention of the American people, acting, again, in my capacity as a member of the Committee of the Whole.

Let me say goodnaturedly, Mr. President, that I have been attending the meetings of the committees to which I have been relegated after 8 years of service in the Senate; namely, the Committee on the District of Columbia and the Committee on Public Works. Of course, they are important committees, and I find their work very interesting. But I do not find that my work on those committees is any substitute at all for my rights, which were taken away from me, as a member of the Committee on Armed Services and as a member of the Committee on Labor and Public Welfare. For 8 years I had prepared myself through service on those committees—and I am perfectly willing to have the RECORD speak for itself—and had expected to continue my service on them. I have been denied, and more particularly the people of my State have been denied, equal representation in the Senate, in keeping with the constitutional guaranty of equal representation. I must continue, as I stated at the time I was denied those rights, to perform my functions on the floor of the Senate as a member of the Committee of the Whole, and thus this report today.

I have not any unkind things to say about the press today in particular. I will take up the subject of the press in a later committee report. I did receive this morning from a former member of the Associated Press reporting staff what I consider to be a desirable motto for the Associated Press. It is so good that I think I should make it a matter of record today. He said, "Senator, I should like to make the suggestion that, instead of referring to the initials 'A. P.,' you substitute the words 'Always Polluted.'" I thought that was very appropriate.

In view of the very dirty journalism which has characterized the Associated Press in my experience, I thought that the word "pollution" would be appropriate. Of course, the people of my State understand that word, in view of the serious problem of stream pollution that confronts us, and about which I have been trying to do something, too.

Of course, I am not getting very far with my efforts in view of the very backward policies of the Eisenhower administration in connection with the whole field of natural resources. Apparently the Eisenhower administration thinks that anything that will help industry make more profits, irrespective of its effect on the people, is all right.

Mr. President, I wish to say it is a shameful thing that we are not making greater strides in this country in controlling stream pollution, because our streams are a great natural resource and involve enormous wealth belonging to the people. I believe we should follow a course of action in the conservation of our natural resources which will assure unpolluted streams, so that American boys and girls, as well as adults, can enjoy their wealth in our streams and the right to use them for recreational purposes without endangering their health.

During the past weekend, over the Fourth of July, I thought it was rather disgraceful that so many streams in the East, as well as in the West, were not available to our holidaygoers for recreational purposes, because we have not had the foresight and farsightedness to rid them of contamination. Instead we have been very shortsighted, in that we have permitted vested interests to follow a selfish economic course of action which, in many instances, has resulted in depositing filth in the streams of America.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I am delighted to yield to my friend provided I do not lose my rights to the floor.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may make a brief statement in line with the Senator's remarks.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. HUMPHREY. I ask that I may do so without his losing his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I thank the Senator from Oregon and the Presiding Officer. I was very much interested in what the Senator had to say about stream pollution. It is a problem of serious concern in my own State. As the Senator knows, a number of paper-processing plants are located in the northern area of my State. About a year ago a very serious problem developed in what is known as Rainy Lake, which is just beyond the headwaters of the Mississippi River. It caused a great deal of trouble to thousands of people and great damage. We were able, through concerted action on the part of the conservation department of the State and action on the part of the Federal Government at that time, to get some stream-pollution control.

However, of all the examples of flagrant violations of the rules of conservation, health, and decency, none is worse, none is more explicit than that affecting the beautiful Potomac River, running through the Nation's Capital. It is a polluted river. It is a national disgrace.

I may add that the same thing is true with respect to beautiful Rock Creek Park. Rock Creek runs through the District and through a part of Montgomery County, Md., and, after every rainstorm, vast areas of it are polluted.

I speak from experience, because Rock Creek runs within three blocks of my home in this city. Children like to go down to the creek to play baseball, and families like to have their picnics along the banks. But, after every rainstorm, or after any degree of rain or moisture has fallen in the area, signs are placed along the creek reading "This area is polluted." That situation obtains for many days. It is the most beautiful area in Washington, D. C.

If anyone wants a shocking experience, all he has to do is to go down to the Potomac River. That river should be kept beautiful in every way. It should have beaches useful to the public. That is particularly so because it is located in an area where people do not know what a good lake looks like. I am fortunate to come from a State which boasts 11,000 lakes. Yet one of the great rivers of America is filthy. Why? It is because we do not have an antipollution program, and, of course, as a result, great damage is caused.

Effective antipollution measures are really good economy. They are good economy in terms of the health of our citizens. The pollution of our streams certainly is not good economy in terms of contagious diseases which strike down our children. It is up to the States and Federal Government to exercise effective control over pollution, and it is up to the States and the Federal Government to set good examples in that regard.

I will say to the Senator from Oregon that in fact, instead of setting a good example, the Federal Government sets the example of being the worst offender. The Federal Government is not only the worst offender with respect to stream pollution in the District of Columbia, but it is one of the worst offenders in that regard throughout the Nation so far as pollution of streams on Federal property is concerned.

I thank the Senator from Oregon for calling our attention to these subjects. They may not be world shaking, but they are very important when we think of them in terms of our own children who may be stricken by an infection. I saw it happen in my family, so I speak from personal knowledge.

I repeat, there is nothing more disgraceful than to live in the District of

Columbia and find the dangerous pollution which exists in Rock Creek and the Potomac River. Those who are responsible for such a condition ought to be ashamed of themselves.

Mr. MORSE. I do not know how to thank adequately the distinguished Senator from Minnesota for his comments. I completely agree with his observations. He will recall that when I was relegated by the Senate to service on the District of Columbia Committee, the first statement I made following my appointment to the committee was that I would do all I could to eradicate pollution from Rock Creek and the Potomac River.

Poets sometimes refer to the river as the beautiful Potomac; but no realist could take a boat ride on the Potomac today and refer to it as either beautiful or perfumed—using the expression "perfumed" in the pleasurable sense. Instead, it has become a stinking river. It could be one of the great boating rivers of the United States. The boat trips to Mount Vernon and to other historic sites could be a source of pleasure, as once was the case. But no longer is it so, Mr. President.

I think the Senator from Minnesota is completely correct when he makes the economic argument. Certainly stream pollution cannot be justified from an economic standpoint. The profits corporations make as a result of dumping their refuse into America's rivers are very costly profits from the standpoint of the people of the United States. The alleged "savings"—and when used in this connection, the word should be placed in quotation marks—that any city makes from dumping raw sewage into a river belonging to the people constitute an economic waste in the long run. There is no saving at all to it, if we consider the cost in epidemics, which over the life span of a city, may thereby result. There is no economy to it even if we do not consider the loss of human life—although who would wish to put a dollar sign upon a single human life?

Mr. President, with all the modern scientific developments that have overtaken our society, it is sad that we still let ourselves remain a filthy people. That is a nasty word, but it is true that we are a filthy people when it comes to the problem of the pollution of our streams. We boast to the world about our modern plumbing and our bathrooms, as material evidence of the progress of our civilization; but we do not follow through as is apparent when we observe the sad results of the present means of disposal of raw sewage. In city after city in the United States a filthy, uncivilized practice, dangerous to the health of American boys and girls, is followed. I have talked to doctors about it. We look in vain for any competent medical authority to justify from a health standpoint the dumping of raw sewage into any river in a populous area.

Mr. President, I should like to say a further word regarding this problem, because I believe that by using a sharp pencil and by a little exercise of the cortex, one can demonstrate that it is to the economic advantage of the people of the United States as rapidly as possible to end the pollution of our streams. I recognize that that cannot be done overnight by pressing a button, but, nevertheless, substantial starts can be made.

The increased property values and other substantial benefits which will flow from the proper handling of human and industrial waste will demonstrate that it is an economic thing to do, as well as an esthetic thing to do. After all, a civilization is judged in part by its esthetics. We should be very careful not to subject ourselves to the criticism that, as a people, we are inclined to "sweep our dirt under a rug."

As the representative of the Independent Party, I call attention to the picture we saw in the local press the other morning regarding the disgraceful slum area within, figuratively speaking, a stone's throw of the Capitol. I talked about it some years ago in a speech on the floor of the Senate at a time when I was a member of a Senate committee which, one weekend, made an extensive tour of the whole area to the south of the Capitol and the House Office Building in northeast Washington. It would not be very pleasant to have a group of taxpayers from remote States parade through that area. They would wish to know why we in Congress were letting those horrible slum conditions exist in a city which, as the Senator from Minnesota has pointed out, should be a model city in the United States. However, Mr. President, Washington, D. C., is far from being a model city. I did not have to serve on the Committee on the District of Columbia, either, to discover that; I knew it before.

Mr. President, we should do something about this situation. We should recognize that the great social savings which would result from devoting our attention to human values would also be great economic savings. Again I think the use of a sharp lead pencil and a little use of the cortex would demonstrate that if we would tear down such slum areas and rebuild them by using Federal funds, on the basis of a Federal housing project, we would save money, and make an economic saving for society. I favor such action.

Mr. McCARRAN. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. McCARRAN. If the Senator from Oregon will examine the RECORD, he will find that some years ago it was my privilege to be chairman of the Committee on the District of Columbia, and at that time I advocated and brought before the Senate exactly such a program as the Senator from Oregon has mentioned.

Mr. MORSE. Yes; the Senator from Nevada was a member of the committee which, 3 or 4 years ago, made the study, to which I just referred.

Mr. McCARRAN. But I was met with an onslaught of opposition coming from various sources. I think if those who were in opposition had paused to think for a moment they would have realized that by this time—the present hour—if our program had been put into effect the city of Washington, D. C., would have benefited a great deal.

It is a great pity that the program I suggested at that time was not carried out.

Mr. MORSE. Mr. President, the Senator from Nevada is correct. I do not think he will object to my saying—I shall assume responsibility for saying it—that one of the sources of the opposition he met was the real-estate group. Throughout the country that is a typical source of opposition to such a program. The real-estate owners charge exorbitant rents for the hoghouse-like hovels into which they force human beings to live in the Capital of the Nation. The owners collect exorbitant tribute from those poor, unfortunate human beings. A study of the fight for slum clearance across the Nation will disclose that time and time again the selfish real-estate interests have not wanted any public funds to be used in behalf of a slum-clearance program, because the construction of such projects would mean an end to the kind of profiteering out of human misery such persons are collecting from some of our unfortunate fellow citizens.

My point is that if we use a sharp lead pencil and if we do a little thinking, we shall see that the program I am advocating on this subject is economically sound from the standpoint of the improved health conditions it actually will bring about for the Nation as a whole.

Mr. HUMPHREY. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. The Senator from Oregon is stating the point very well with regard to the economic losses caused by slum areas. He has also made what I believe to be a fair statement, namely, that the expenditure of some public funds in order to clean out slum areas would be constructive, not only in terms of the social and human values involved, but also in terms of the economic values.

At one time it was my privilege to be the mayor of a city of approximately 500,000 persons—the city of Minneapolis. During the time of my service in that capacity, we made a study of what we called the rundown and submarginal areas of the city, the older districts. I shall not discuss at the moment the great human, social values involved in having good homes and good neighborhoods.

Those values are uncontested, and I do not think anyone will deny them. But in referring only to the economics involved, let me point out that the very persons who oppose the expenditure of public funds, on the part of either a State, a municipality, or the Federal Government, for the purpose of cleaning out slums are the same persons who close their eyes to the expenditure of public funds to maintain the slums.

I found out that the cost of fire and police protection, which took a good share of our municipal budget, was 15 times as high in 1 block of the slum area as it was in the middle-income area, and 30 times as high as it was in some of the better housing areas. Because of the incidence of diseases, such as tuberculosis and other contagious diseases, the cost is terrific. The taxpayers'

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money could well be siphoned into slum areas to try to blot out such cesspools of disease and social infection.

How do we want to spend the public money? After all, the taxpayer who pays to the local government is the same one who pays to the Federal Government. A taxpayer is a taxpayer, and it makes no difference to whom he pays his taxes. The real question is, Do we want to pay out public funds for the purpose of cleaning up the slums and to rehabilitate such areas, or do we want to pay out public funds to maintain the slums? Strange as it may seem, a wise and prudent America has in the main chosen to pay, in millions and hundreds of millions of dollars every year, to maintain slums rather than clean them out. I make the assertion that for every dollar America spends on slum clearance, we spend a thousand dollars to maintain slums; and I do not think anyone can disprove it. So, merely from the economic standpoint, nothing could be more stupid than to continue to maintain slum conditions by failure to eradicate them through effective public works and effective neighborhood rehabilitation on the part of public and private groups.

I feel strongly on this question. Discussions of this subject are not heard very much any more, I may say to the Senator from Oregon. We have quit talking anything about a great many of the social problems. We talk about a great many other things when, in fact, these conditions, constituting festering sores on the body politic, are still with us. In practically every great city of America there are problems which are overwhelming, such as garbage collection, public health, and fire and police protection.

There is talk about conditions in Washington, Mr. President, and there is talk about conditions within the Federal Government; but let me say that the problems in America today are not those of the National Government. The real problems are in the various localities, in the State, and in the communities, and at those problems the American public's eyes are being blinked. Whenever there is a private interest, whenever the special-privilege boys want to blot out the American people's social eyesight, they start saying, "Look at Washington," while they should have a scoop-shovel working for them back home.

I have spent a good deal of time in the study of local government, and whenever I hear the hue and cry about socialism in Washington, I know there is a great deal of greedy exploitation going on back home. I warn the American people to keep their eyes on their own governments, on their own city councils, on their own State legislatures, on their own county boards; and then, when they have an opportunity, to spend a little time looking at Washington. In other words, keep the eyes moving around with respect to all levels of government. At present there is a fixation on the Capitol dome, at the expense of taking care of social conditions at home. It is back home, in localities, counties, and State governments, and in the slum areas, that the real problems of America exist. Yet some people do not want to look at them.

I thank the Senator from Oregon.

Mr. MORSE. Mr. President, once again I am greatly indebted to the Senator from Minnesota for his contribution to the discussion. It is the kind of evidence he has offered, based upon his experience as a mayor of one of the great cities of America that needs to be called to the attention of the people of the United States. Once they come to understand the economic facts, I am satisfied their mandate will be clear. They will say, "Clean up the slums: stop listening to the demagogic cry about creeping socialism; clean up the slums; recognize that both under the Declaration of Independence and the Constitution of the United States, our forefathers were devoted to promoting the general welfare as the overall objective of our form of representative government."

I may say also—and I hope not to the detriment of the Senator from Minnesota—that it is the quality of humanitarianism, the appreciation of human values, the recognition that it is the dignity of the human individual that counts, to which the Senator from Minnesota is so clearly devoted, as his public-service record shows, and which causes me once again to say to the people of Minnesota: "Next year reelect HUBERT HUMPHREY, by an overwhelming majority, to the Senate of the United States, because this body needs him." We need him, not only to keep the membership complete, but also to increase the membership of the little band of liberals in the Senate of the United States, who on the record have been fighting for human values; and who will continue the fight. That causes me to turn to the major subject of my address this afternoon, the money policy of the Cadillac crusade; but before I do so I should like to make one more point with reference to the question of stream pollution.

We have a good example of what I mean, Mr. President, in a beautiful river, which is having many of its recreational features destroyed, and many of its commercial values, including the commercial fishing, greatly injured. The Willamette River of Oregon flows through my hometown and on into Portland. Our fishing industry has been very much disturbed from time to time by the damage caused to the fishing industry by the building of multipurpose dams, although I am happy to say that, based upon experience, they were more fearful than was justified. The Army engineers, the Reclamation engineers, and the Fish and Wildlife Service have done a remarkably fine job in designing fish ladders, resulting in a very slight loss of fish, which causes me to say, Mr. President, that I am satisfied, from my reading on the subject of fishing as it affects my State, that a greater loss of fish is suffered each year because of the pollution of our streams. Take the Willamette River, for example. Scientific fish surveys show that when the young fish go from the spawning grounds to the mouth of the river, the pollution of that river is a great cause of the loss of fish life. What causes it? Research studies disclose that the industrial plants along the river from Eugene to Portland, pouring tons and tons of refuse into the river, particularly refuse from the operation of lumber mills and paper-pulp mills, are the great cause of fatality, so far as fish life is concerned.

In this fight to diminish, at least, the pollution of our streams, including the Willamette River, I should like to enlist the aid of the fishing interests, who have not been particularly friendly, because of my insistence on the building of multipurpose dams in order to provide our section of the country with cheap power. But I want to say to them today from this desk that they are losing more fish because the activities of some of their business friends in the corporations which are dumping refuse into the Willamette River than they are from the construction of any of the dams on our rivers.

So once more I say that if we will simply use a sharp pencil and at least a part of the cortex, if we do not wish to put the whole brain to work, it will not take very much figuring to show that, from an economic standpoint, we cannot justify the pollution of our streams. The pollution of the Willamette River with raw sewage and industrial waste from plants along the river from Eugene to Portland cannot be justified from a dollars and cents standpoint, nor can it be justified from an esthetic standpoint. I repeat that, after all, one can judge and grade a civilization on its devotion to esthetic values.

Mr. President, with the unanimous consent understanding that I do not lose my right to the floor, I now yield to the senior Senator from South Dakota [Mr. MUNDT].

(At this point Mr. MORSE yielded to Mr. MUNDT, who addressed the Senate on the subject of book burning. His remarks appear in the RECORD at the conclusion of Mr. MORSE's speech.)

THE "CADILLAC CRUSADE FOR TIGHT MONEY"

Mr. MORSE. Mr. President, I turn now to the major topic of my committee report this afternoon, namely, the "Cadillac Crusade for Tight Money."

Mr. President, there is on the calendar, with a unanimous report from the Committee on Agriculture and Forestry, a measure S. 1276, to authorize the Farmers Home Administration to increase the interest rate on farm ownership loans made by it or guaranteed by it.

I would have objected to the consideration of this bill today if someone else had not, for I believe that those of us who are opposed to the Administration's tight money policy must call a halt and make a fight every step of the road to block the antediluvian economic policies of the Hoover-Mellon era.

I understand that this measure was sponsored by an organization interested in increasing the opportunity of worthy tenants, young farmers and veterans to acquire homesteads, and that that is the worthy purpose of its author, the Senator from North Dakota [Mr. YOUNG].

The farm ownership loan program finds itself in the same position as the FHA and VA housing programs: private capital is not interested in making loans at old interest rates since the bankers at

1500 Pennsylvania Avenue, who call the money signals to 1600 Pennsylvania Avenue, have jacked up interest rates 3 or 4 notches in a single step.

A BOOST NOT NECESSARY

We are told that these statutory interest-rate increases or authorizations are made necessary by the administration's previous action; that there is nothing else to do. There is something else to do.

The proposed bill authorizes increasing by 1 percent the rate on two types of farm ownership loans, those made by private investors and insured by the Government, and loans made directly by the Government through Farmers' Home Administration.

First, we do not have to increase the Government interest rate. Second, if there is need of more loan funds, and private capital does not want to make loans at satisfactory interest rates, we can increase the Federal loan authorization. I understand that the Farmers' Home Administration is permitted to insure up to $100 million of loans in the coming year. I suggest that the Congress consider increasing direct-loan authorization in that amount. It is not an expenditure but a capital investment.

Less than two short decades ago, Congress had to appropriate money to meet interest payments of farmers in excess of 3½ percent on Federal land loans. We can still borrow money for the United States Government and lend it to farmers without loss at the old farm ownership loan rates. I would prefer for many reasons to make more direct Federal farm ownership loans at reasonable interest now, than to appropriate money later to bail the farmers out of the inevitably tragic consequences of the money policy being pursued by the present banker administration of our affairs.

INTEREST RAISING IS NOT OVER

I am fearful that some of my colleagues are under the impression that the tight-money advocates have stubbed their toes and surrendered; that, if we let things adjust to the new 3¼-percent long-term Government-bond interest rate, the whole fiasco will be over and there will be no repetition.

Let us not fool ourselves. Let no one be misguided.

The Secretary of the Treasury said on a nationwide broadcast that interest rates are still low. The senior Senator from Oklahoma [Mr. KERR] reported that to us a month ago. And, while there has been a temporary halt in the interest-raising activities, there has been absolutely no breath of any assurance from 1500 Pennsylvania Avenue NW., and from 1600 Pennsylvania Avenue NW., or from the Federal Reserve bankers that the spiral will not be jacked up another notch whenever it pleases the tight-money crusaders here and in New York City.

I am aghast at the selfishness of the American banking fraternity. When we are confronted with a economic crisis, when we have a national debt of more than $267 billion, when we are operating an administration with a deficit so far of more than $9 billion, the banking fraternity of America insists upon an increase in interest rates as its price tag for making loans.

I know that selfishness seems to have no bounds. But let us not forget that the banking fraternity is composed of interests which were saved by the Federal Government back in 1932. Bank after bank would have closed its doors, but for the action of a friendly and cooperative Government which saved the banking institutions. Yet, in 1953, so short is the memory of some bankers, the banking fraternity is insisting that it must be paid higher interest rates. It means, of course, increasing our national debt and passing to future generations of American boys and girls a financial obligation which our generation ought to meet by economic sacrifices, and which ought to be our patriotic challenge.

Apparently bankers were ever so, ever since they were driven from the temple. Yet I say the time has come for those who object to the Cadillac crusade of tight money policy to insist on Government checks on the banking fraternity. I will be perfectly willing to stand up and take the abuse and criticism of being called a creeping Socialist for insisting upon Government regulations which will protect the people as a whole. That needs to be done, because since the present administration has come into power the little people of America have been set upon by selfish economic interests, which see an opportunity to exploit them for their own selfish ends.

So I say, Mr. President, that there is absolutely no assurance that when we come back here next January, we will not have to pass a new batch of bills, authorizing another twist in the economic garrote being applied to farmers, home owners, and the economy as a whole. As a matter of fact, as I shall show a little later on there is every indication we will be asked to twist the cord tighter and tighter.

We are not going to have an opportunity to vote on the Murray-Patman proposal to stabilize Federal interest rates. Our action on this measure to lift agricultural interest rates—and that is what it is, whether it is a directive or an authorization—may be our last opportunity to express our views in any way, until next year, on the crusade for lower living standards and insecurity.

That is what the Eisenhower crusade has become. Look at the record. It is a crusade, when translated into its real meaning, for lower living standards and insecurity for the little people of America, and more profits for the already rich profiteers.

THE PLAN FOR FEDERAL POWER FACILITIES

Several weeks ago I reported to the Senate for the Independent Party on the ultimate plan behind the administration's public-power giveaway. That is the Wilson plan to sell all hydroelectric facilities, the Tennessee Valley Authority's plants, Bonneville Power Administration properties, and all Federal transmission facilities to the private power companies.

We are now in a period of attrition in preparation for the take over.

We have passed Interior and civil-functions appropriations bills weakening the Federal power program, cutting off new generating starts and transmission lines to reach public and cooperative customers. Shortly we will be asked to hamstring the Tennessee Valley Authority by denying it funds for sufficient generating facilities to meet its needs in that great valley.

In a very short time, our yardstick power operations will be so short of energy customers will be dissatisfied and the the private power interests will be offering to take over and relieve the power shortage which they, themselves, deliberately brought on through the Eisenhower-McKay administration of power.

Mr. TOBEY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. TOBEY. Does the Senator from Oregon agree with me that the Federal Power Commission has perhaps the most far-reaching influence on the American consuming public of any Commission in America?

Mr. MORSE. It has a tremendous influence, certainly.

Mr TOBEY. Does not the Senator feel that its influence should be exerted in the interest of the consuming public?

Mr. MORSE. That is correct; and not in behalf of the representatives of private utilities. Certainly the administration should not pick as chairman of the Power Commission someone out of Langlie's entourage in Washington, when Langlie has been one the bitterest enemies of public power.

Mr. TOBEY. The Senator from Oregon is apparently referring to Chairman Kuykendall. Is that correct?

Mr. MORSE. That is correct.

Mr. TOBEY. He is tops in my book.

Mr. MORSE. His whole record is against public power, and in my judgment he is disqualified for the office he holds.

Mr. TOBEY. I think he has the consumer's interest at heart always.

Mr. MORSE. He has not demonstrated that to be a fact.

Mr. TOBEY. Give him a chance. He has just taken office.

Mr. MORSE. I have heard for 6 months the plea, "Give these fellows a chance." What are they doing, Mr. President? We have been giving them chances all along. I say that the Eisenhower administration honeymoon should have been over with Eisenhower's speech at Boise during the campaign. The honeymoon should have been considered as being over with the proposal to withdraw from the Hells Canyon Dam hearing. The honeymoon should have been considered as being over when we found what it was doing in the field of natural resources.

I say to my good friend from New Hampshire that he is welcome to place his faith in the Chairman of the Federal Power Commission. However, knowing something about his record in the State of Washington, I am satisfied that his appointment was motivated, in part at least, by the hope that with his chairmanship the proposal to grant to the Idaho Power Co. monopolistic rates, by withdrawing from the Ox Bow hearings, would be granted. I point also to the report which the Secretary of the In-

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terior kept bottled up from February 25, 1953, until recently. We may yet put the Federal Power Commission in such a position that it will not dare deny to the people of the Pacific Northwest their full heritage in the potential power resources of the Snake River.

I do not share the view that the Department of the Interior withdrew from the Ox Bow hearings simply because it did not want to be a special pleader in the hearing. I take the position that the administration had the public duty and trust to see to it that the interests of the people were represented at the hearing.

I think it is an interesting coincidence that there should be appointed as Chairman of the Federal Power Commission a man from the entourage of a group in the State of Washington that has fought public power and applauded the decision of the Secretary of the Interior to withdraw from the hearings.

THE PLAN BEHIND TIGHT ECONOMY

Today I want to report for the Independent Party on the plan behind the tight-money policy. The interest spiral which was set off by lifting the long-term Government interest rate from 2¾ percent to 3¼ percent was barely a beginning, as the Secretary of the Treasury has indicated by his statement that interest rates are still too low.

I have no idea how high rates will go before the Secretary of the Treasury Humphrey, formerly of the National City Bank of Cleveland, and W. Randolph Burgess, formerly of the National City Bank of New York City, will consider them high enough. Obviously, we are not there yet, although increased interest charges that will ultimately cost borrowers more than $3 billion—one-half of 1 percent on United States debt of $270 billion and private debt of $330 billion equals $3 billion—a year already have been turned loose by administration action.

The objective goes beyond higher interest rates. The ultimate objective may be the destruction of the Employment Act of 1946, the repeal of effective farm price supports, reversing the gains of labor, wiping out the social gains of the last 20 years, and returning to Hoover-Mellonism.

ANDREW MELLON'S FORMULA

What was Andrew Mellon's formula? Mr. Hoover reports at page 30 in his book The Memoirs of Herbert Hoover: The Great Depression, 1929–1941:

> Mr. Mellon had only one formula: Liquidate labor, liquidate stocks, liquidate the farmers, liquidate real estate. He insisted that when people get an inflation brainstorm, the only way to get it out of their blood is to let it collapse, and he held that even a panic was not altogether a bad thing. He said, "It will purge the rottenness out of the system. High costs of living and high living will come down. People will work harder, live a more moral life. Values will be adjusted and enterprising people will pick up the wrecks from less competent people."

It is not put quite so bluntly today. It is couched in less harsh and heartless language. But this same philosophy, this same formula, has come to the desks of all of us within the past month. I will comment on that exhibit in a moment. However, let us not forget that Andrew Mellon was a Cabinet officer in a Republican administration. Let us not forget that he enunciated there a political philosophy which has characterized one wing of the Republican Party for a long time, namely, that depressions are inevitable; that, after all, the human suffering that flows from them is good for the people, and if an inflation binge occurs—as though the people themselves were the cause of it—let them get it out of their system.

Mr. President, I am glad I do not belong to a party that even has a wing that holds to that philosophy of human cruelty. Let me say from this desk today that the American people know they need not suffer the cruelty of a depression if they have a government that will face the facts and will keep faith with the great tenet of Republicanism which was set forth so clearly on so many occasions by the great Lincoln; namely, that a government that is representative of the people has the obligation of doing for the people the things that must necessarily be done to protect them from the kind of human cruelty, suffering, and hardship that flow from a depression.

If the Republican Party leads us into another depression—and there is much evidence that we are already on the way toward one—in my judgment, it will be the end of the Republican Party, and a new political alinement will be born in the United States, just as occurred at the time when the Republican Party itself came into existence, as the result of a third-party movement. The American people need not suffer the human cruelties of a depression. But, Mr. President, the American people need to "get wise" before it is too late, to the political "soap selling" slogans and propaganda the reactionary wing of the Republican Party is trying to sell them over television shows, some even staged at the White House, and by means of advertisements of some United States corporations, particularly private utilities, which in the last analysis are paid for by the consumers of the electricity they sell—a propaganda program, carefully phrased by means of the use of "catch slogans," in an effort to try to make the American people think the Republican Party will save them from what has been called "creeping socialism." Mr. President, the people will get wise to that propaganda as soon as they come to realize that, for example, the tight-money program of the Eisenhower administration will wreak hardships on the little people of the United States. The people will get wise to it when they come to realize that the Eisenhower administration already is far on its way to a program that is endangering a sound conservation program insofar as our natural resources are concerned. Unless the Cadillac crusade turns around and really heads toward a program that seeks to protect the interests of the little people of the Nation, I am confident that the American people in 1954 and 1956 will set up some political roadblocks which will bring to a sudden halt the exploiting program of the Cadillac crusade.

Mr. President, at this time I wish to refer to an exhibit I have in my possession. It is a very interesting document, expensively printed, entitled "The Federal Reserve Reexamined." It was sent without charge to several Senators by the New York Clearinghouse Association. I shall have considerable to say about this document, because it is a part of the propaganda scheme of the Cadillac crusade.

THE BANKERS' 7-POINT PROGRAM

Mr. President, this document sets forth the bankers' 7-point program. It is printed in large, easily read type, with subheads in the wide margins printed in color. There are attractive color graphs. Obviously, this is a document produced by people of substance and means, not some shirt-sleeve dreamer or curbstone philosopher.

As we near the conclusion of this beautiful document we learn that—

> The major challenge which faces the [Federal] Reserve System is the problem of resisting these influences tending to debase the value of money and of combatting them effectively whenever they are in the ascendent.

What are the awful influences? I quote again from the report:

> Among the more important inflationary factors in the last 3 decades, other than the 2 world wars themselves, are (1) a rising trend in Government expenditures compounded by the cost of postwar rearmament and of maintaining a defense establishment; (2) an expanding public and private debt with a resulting bias favoring cheap money; (3) an unbalanced foreign trade sustained in the 1930's by a rising gold stock and more recently by intergovernmental loans and grants; (4) the mushroom growth of governmental agencies engaged in lending and guaranteeing credits to promote special objectives; (5) the adoption of "full employment" as a principal goal of economic policy; (6) the demands of labor for wage increases exceeding gains in productivity; and (7) support of agricultural prices at a high parity level.

These things must go, we are told; these are the things which must be combatted whenever they are in the ascendant, and they are the very things that we have seen combatted by the Cadillac crusade in the present session of Congress.

I hope that the Members of the Senate have preserved this expensive book of propaganda from the New York Clearing House Association.

It is a map of the road over which the Eisenhower administration is taking us on a Cadillac tour, back to Hoover-Mellonism.

NO CONSTRUCTIVE PROPOSALS

Mr. President, you will not find anywhere inside its covers any effort to reconcile improved standards of living, a better deal for the farmers, a better deal for labor, a better deal for the great mass of citizens of this Nation with dollar stability. You will find no new thinking, no constructive new suggestions. You will find only the road back to the old deal. Mr. President, is it not remarkable that they would comment about full employment as if it were a cause of inflation, or that they would oppose wage increases to the laboring group beyond corresponding gains in productivity?

Let me make a brief comment on both those observations by this group of bankers. I do not know how anyone could be more insistent than I have been that labor must increase its productivity. But increasing productivity is not the sole answer to labor's right to a decent standard of living, because if we ever followed such a principle when it comes to collective bargaining over wages, then we would peg the wages of labor at a certain static point, and we would say, "Never can labor obtain an increase in wages beyond that point unless labor can show a corresponding increase in productivity."

Mr. President, do you see what that represents? It represents the theory that profits are to be treated with sanctity, but that an improvement of labor's standards may be had only if labor can show an increase in productivity.

Anyone who has wrestled in a difficult labor case with the various criteria for determining wages knows that a single criterion cannot properly be singled out and pegged as the determining criterion for any advance in wages.

As I shall show later in this address, I can realize why selfish interests would like to have a ready pool of the unemployed; but what about the human values? What social justification can there be for adopting the economic criterion of a pool of unemployed as a check on labor? Are we to treat laborers as second-class citizens, really to be considered as part of the economic auction block, or are we to treat laborers as the human equals of bankers and of every other economic group?

Mr. President, I am never going to be a party to the economic philosophy, with its dangerous political and social philosophy, as set forth in the excerpts from The Federal Reserve Reexamined, I have just read to the Senate. We have made too much progress to retreat into Andrew Mellonism and the Hoover formula for depression.

The American people have come to understand too clearly that they have a right to look to their Government for the imposition of the necessary checks upon selfish interests, so that there will be no need for the onset of another depression. I am at a loss to understand how men could sanction such a reactionary policy as that set forth for the economic life of our country in the book I have in my hand; yet there it is, and I tell you, Mr. President, it is a road map, an economic road map of fiscal policies which the Eisenhower administration has demonstrated at least to date. I am confident that if we can succeed in getting the American people to understand the tortuous trail of economic suffering the Eisenhower administration is following, they will vote in 1954 and 1956 for some new drivers who can find their way without following the trail of economic suffering the Cadillac crusade is now traveling.

Mr. President, on this map of the Cadillac crusade, some familiar signs may be recognized—some road signs we have passed in the present session of the Congress. An example is the proposal which I mentioned earlier—the proposal to authorize an increase in the farm ownership interest rates of the Farmers' Home Administration, which is on the calendar. That loan program is one of the institutions to be resisted under item 4 in the Clearing House Association's 7-point program. A program to let worthy tenants, young farmers, and veterans get started toward farm ownership under reasonable interest rates must not, of course, be permitted to get in the ascendant. Nor an REA program, nor an effective Farm Credit Administration program, nor an RFC, nor an FHA or VA housing program.

The present tight-money crusade is not a policy developed by Dwight David Eisenhower during the campaign, after he came back from Europe and plumbed the depths of American political, economic, and social problems.

The beginnings of the present crusade to lead America back to the formula of the Hoover-Mellon era occurred in 1946—the same year that Congress passed the Employment Act.

Some business managers—employers—detest the thought of full or even high employment. As the National City Bank of New York said in a recent issue of its Monthly Letter, May 1953:

> Full employment invites demands for greater compensation for labor.

There are those who believe that "a floating pool of unemployed" is highly desirable to maintain the "spur of insecurity" about which our Secretary of Agriculture talks, and to keep labor docile and content with low pay. Is that not awful, Mr. President? Is it not awful that the National City Bank of New York should have the brazen audacity to take the position, as it did in its May letter, that full employment invites demands for greater compensation by labor, as though that were some kind of economic crime? Of course, Mr. President, if what otherwise would be some of the profits were distributed to the little homes of America, for the benefit of the mother and the father and the children of these homes, that would be bad. A man who stands for such distribution is likely to be charged with being a "creeping Socialist." But it is perfectly all right to follow an economic program which would return the economy of America to the period of the 1920's, when the rich took more and more, and when the poor received less and less. I cannot follow such a program in an era of our civilization when, figuratively speaking, we are in a death-grip struggle, in my judgment, with the Communist segment of the world, and are seeking to demonstrate—as we can, if we have the courage and the vision to do the things necessary—the superiority of enlightened capitalism over economic enslavement. A selfish economic program of this kind is the kind of program from which the Communists make their propaganda for dissemination over the Voice of Moscow. The truth is, that if we follow a program of enlightened capitalism, there will be plenty for reasonable profits, and there will be an increasing standard of living for the American people.

I desire to dwell on that point for a moment, Mr. President, because I am opposed to the static boys. I am opposed to those who plead not an economic philosophy, but economic static. I believe the strength of the capitalistic system has vitality and the power of expansion, and growth. I do not take the position that the capitalistic system is dependent upon holding down the standard of living in the masses of our people. I do not follow the economic philosophy of the National City Bank as set forth in the exhibit from which I have been quoting.

In my opinion, Mr. President, we have not yet scratched the surface of the expanding potentialities of the capitalistic system for the benefit of all our people. Those who are following a program for a return to Hooverism and Mellonism are economic defeatists. They do not begin to have the confidence in the capitalistic system that I have. They are going to pull their own house down on their heads, because what they propose really amounts, in effect, to a laissez-faire economy, and it is impossible, Mr. President, to return to a system of laissez-faire economy and to survice economically in America as it is impossible for us to turn the hand of the clock back to the dark ages—unless we want a new dark age.

It is based also, Mr. President, upon another economic principle that prevailed before the advent of the industrial era. It cannot function in the industrial era. It cannot function in the period of expansion which lies ahead of the capitalistic system if we have the courage to walk boldly into the future. It is the law of supply and demand; it is the jungle law of economics. We cannot permit it to operate with no notice given by the Government of its consequences. It is a matter of balance and degree. It is not an all-hands-off policy by the Government, or, on the other extreme, a complete Government program. That is not what the Senator from Oregon has ever pleaded for on the floor of the Senate or ever will plead for, but it does involve the maintaining of the minimum controls necessary to protect the economic weak, which means we simply have to recognize that the jungle law of supply and demand brings forth unchecked human suffering, is inflationary in cause and effect, and is also one of the disturbing factors in our economy that give rise in part to depression-making economic influences.

The tight-money policy of the Cadillac crusade is another one of those causes.

Dr. John D. Clark, a former vice president of the Standard Oil Co. of Indiana, testifying before the Joint Committee on the Economic Report in February 1949, as a member of the Council of Economic Advisers, said:

> We have had presented to us repeatedly in our conferences with representatives of business that very proposal: That the best thing that could happen would be to have a larger degree of unemployment in order that there might be at the factory gate each morning a list of jobhunters * * * because that would make labor more eager and more productive.

That is a philosophy that labor is a commodity, not human beings. That is a philosophy that labor should be bought and sold on the auction block. That is a philosophy based upon a subsconscious

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belief—at least, I say subconscious—that labor consists of some kind of second-class citizenship in our society, that the only first-class citizens are the employing class. It is an advocacy that we return to the already and, I hope, forever discredited economic theory that labor is to be bought and sold on the basis of the law of supply and demand.

In my opinion, any society that permits of a large pool of unemployed confesses its own shortcomings, its own failure to solve the human factor in the economic system.

In 1946, bankers were also extremely unhappy with interest rates.

The computed rate of interest on the Federal debt in 1946 was just a little under 2 percent—1.996 percent to be exact—compared to 3.8 and 3.9 back in the Hoover-Mellon era.

I ask unanimous consent to have published in the RECORD at this point a table of interest payments on the Federal debt and average interest rate on debt since 1900, which appears in a Public Affairs Institute manuscript by Gross and Lumer on the drive for higher interest rates.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Federal debt, interest payments, and average interest rate on debt, 1900–52

[Millions of dollars]

June 30—	Interest-bearing debt	Computed annual interest charge	Computed rate of interest
1900	1,023	33	3.278
1901	987	30	3.018
1902	981	27	2.958
1903	915	25	2.793
1904	895	24	2.701
1905	895	24	2.701
1906	895	23	2.597
1907	895	22	2.417
1908	898	21	2.351
1909	913	21	2.330
1910	913	21	2.330
1911	915	21	2.331
1912	964	23	2.364
1913	966	23	2.365
1914	968	23	2.365
1915	970	23	2.365
1916	972	23	2.376
1917	2,713	84	3.120
1918	11,986	469	3.910
1919	25,234	1,054	4.178
1920	24,061	1,017	4.225
1921	23,737	1,030	4.339
1922	22,711	963	4.240
1923	22,008	927	4.214
1924	20,982	877	4.180
1925	20,211	830	4.105
1926	19,384	793	4.093
1927	18,251	723	3.960
1928	17,318	671	3.877
1929	16,639	657	3.946
1930	15,922	606	3.807
1931	16,520	589	3.566
1932	19,161	672	3.505
1933	22,158	742	3.350
1934	26,480	842	3.181
1935	27,645	751	2.716
1936	32,756	838	2.559
1937	35,803	924	2.582
1938	36,576	947	2.589
1939	39,886	1,037	2.600
1940	42,376	1,095	2.583
1941	48,387	1,218	2.518
1942	71,968	1,644	2.285
1943	135,380	2,679	1.979
1944	199,543	3,849	1.929
1945	256,357	4,961	1.936
1946	268,111	5,351	1.996
1947	255,113	5,374	2.107
1948	250,063	5,455	2.182
1949	230,762	5,606	2.430
1950	255,209	5,613	2.200
1951	252,852	5,740	2.270
1952	256,863	5,981	2.329

Sources: 1900-1915, Historical Statistics of the United States, 1789-1945, U. S. Department of Commerce; 1916-52, Statistical Abstract of the United States, 1952.

Mr. MORSE. Mr. President, in 1946 it was quite natural that those eager to have a floating pool of unemployed and the unhappy bankers should come together in their common yearning for what they considered "the good old days" of low wages, high interest, and busted farmers.

There was established that year the Committee on Public Debt Policy, an amalgamation of the two groups, as is indicated by the two top officers in the committee. They were:

Chairman: W. Randolph Burgess, vice chairman of the National City Bank of New York, later to become chairman of the bank's executive committee. He has since been transferred from that post to manager of the Federal debt and fiscal policy in the United States Treasury Department.

Vice Chairman: John S. Sinclair, president of the National Industrial Conference Board, the national research organization which serves the National Association of Manufacturers.

Other members of the committee included the presidents or other officers of the American Security & Trust Co., the First National Bank of Chicago, the Burlington Savings Bank, the Bank of Hartsville, the Cleveland Trust Co., Bowery Savings Bank, the Bank of Manhattan, and the Mutual Life Insurance Co. of New York.

The committee got finance from the Falk Foundation and the crusade was on. A series of seven pamphlets on public debt policy was produced, all in a style and technique to get the viewpoint of the banks and industrialists across to busy people; all in restrained terms and dignified language, and all accompanied by a note from Mr. Randolph Burgess that additional copies would be furnished free for library and classroom use.

There was no railing against low interest rates or full employment. Nor was there any revelation of these basic interests on the part of those behind the series of pamphlets.

In one crucial conclusion the committee said:

> We must restore flexibility to interest rates so as to give monetary authorities more freedom in determining credit policies. Rates must have more scope for performing their economic function of adjusting the supply of savings to the demand for investment funds. This will help to discourage extremes of boom and bust.

This very moderate statement, arousing any latent prejudice against boom and bust in support of flexible interest rates, did not intimate that the bankers on the committee were interested in one-way flexibility for interest rates; that the only flexibility bankers are interested in is up, always up. I shall drop the substitutes for the teeth the horse kicked out a few years ago if ever I come to the floor of the Senate and find that a banker in America has suggested a lowering of interest rates. It is always up. They have been at it since 1946 after the Government saved them in 1942. They want to make an economic killing out of the little people of America—out of veterans and tenant farmers who need loans. Yet, Mr. President, anyone who suggests that more Government funds be provided to serve as a loan pool for the little people is a "creeping Socialist."

I understand that a few nights ago a radio broadcaster had the courage to suggest that we ask what was happening in the Government-bond maneuver on the part of banks, insurance companies, building and loan associations, and other investors in bonds of the Government of the United States. Government bonds are bought at 3¼ percent below par, so the financiers make a double killing. Of course, they get the interest rate, they get the bond for less than par, and the Government eventually pays it back at par to the big investors.

I did not hear the radio broadcaster, but he asked his listeners to check to see how much money the banks were paying them for their savings, or what rate of interest building and loan associations were paying them by way of interest on their savings. A half percent or 1 percent is the average. So the broadcaster suggested the question, "Who is making the profit out of your money?"

Oh, certainly, I admit that there is an economic advantage in being able to go to the counter and draw one's money on demand. But now that the Government provides deposit insurance, the banks do not have any problem on that score. They are in economic clover. You and I, Mr. President, keep them there. It is in the public interest that there be deposit insurance and that the public be protected, but the radio broadcaster suggested the cleanup the bankers are making on the money which the small investors of America deposit in the banks at a half percent interest. He suggested that perhaps it would be a good thing if small investors could find another place for their savings.

Mr. President, I understand that he and his sponsors have been simply flooded with protests from banks, insurance companies, and building and loan associations. Some of the protests would seem to attempt to make a subversive out of the commentator, because he merely called the attention of the American people, the little people, to an economic fact.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I will yield in a moment.

Oh, Mr. President, the banks, building and loan associations, and insurance companies all over the country take in millions and millions of dollars each month from depositors, on which the depositors in some instances receive no interest at all; they are lucky they do not have to pay a service charge for putting their money in the bank for safekeeping. I refer, of course, to checking account arrangements.

The commentator suggested that bankers were making an economic killing off the small investors. I understand that the big boys would like to take him off the air. Such talk makes the little people wise to the financial practices of the bankers, who are getting the money in such large quantities practically for nothing. Yet that is not good enough. They still must have more interest and more guaranties from the

Government, so that they can make greater profits.

Mr. President, I welcome the opposition of that economic group. I already have it, but, believe me, I welcome it, because they know they cannot tell me what to do, what to say, or how to vote in the United States Senate, because I do not belong to their economic party. Of course, they do not have an interest in a political party unless it is their economic party. That is exactly what the Cadillac crusade is.

I now yield to the Senator from Minnesota.

Mr. HUMPHREY. I thank the Senator. I was very much intrigued by and interested in his comments about the radio commentator who had the courage or, as some people might term it, the audacity to expose some of the manipulations.

Would the Senator say that the commentator undoubtedly attacked a sacred cow, or would it be better to say a golden calf? At least, it was a bovine species that was attacked?

Mr. MORSE. The Senator can have it anyway he wishes. Any symbol he wishes to use to signify the graft and profiteering of the people who are taking advantage of the little people of America is good enough for me.

But the Senator is quite right. What the commentator did in his broadcast was to give the little people of America an economic lesson in language they could understand.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. MORSE. Not only is there much resentment on the part of bankers against the commentator, but great resentment is being voiced against a Cadillac crusade that will permit, without imposing necessary controls, the kind of economic exploitation that has already been described, and there will be more of it. I do not need to tell the Senator from Minnesota that those interests have not heard the last from us, This speech will not be the last. It is one of the introductory speeches of the Senator from Oregon as we go through the next few years, and, from the political rostrums of America, point out to the American people that if they do not check the economic policies of the Eisenhower administration, those policies will take them back to Hoover and Mellon.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. The Senator is making a very valuable contribution to the knowledge or information of the American people. I hope that it will be fully reported and brought to their attention.

Mr. MORSE. The Senator did not say anything about expectation.

Mr. HUMPHREY. I said I hope.

Mr. MORSE. That is still quite different from expectation.

Mr. HUMPHREY. Indeed.

Mr. MORSE. The Senator can join with me in taking judicial notice that the speech will not be properly reported by, at least, the Associated Press.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. HUMPHREY. I am certain the junior Senator from Oregon recalls very well that early in the session the junior Senator from Alabama [Mr. SPARKMAN], the senior Senator from Montana [Mr. MURRAY], the junior Senator from New York [Mr. LEHMAN], the junior Senator from Minnesota, and others, joined in an expression of deep concern over the fiscal policy, and particularly the high-interest-rate-policy, of the Eisenhower administration. I recall the journalistic, editorial shellacking some of us took. I recall the volume of mail that came to my office saying, "Oh, you simply want to spend and spend. You do not want to curb inflation. Your economic policies are nothing more or less than New Deal, Fair Deal, socialistic policies."

The Senator may recall that on about the 9th day of June the junior Senator from Minnesota spoke in this Chamber on very much the same subject as that to which the Senator from Oregon is now giving his attention. I pointed out then that if the Treasury Department pursued the high-interest policy it was pursuing, there was only one out, and that was for the Federal Reserve Board to lower the reserve requirements. I was told that that would not happen. Yet, I recall that only about 10 days ago the reserve requirements were lowered. They will be lowered again.

Mr. MORSE. They were lowered to the extent of $6 billion.

Mr. HUMPHREY. I point out to the Senator what a clever scheme this is. First, they rig up the interest rates——

Mr. MORSE. The bankers keep their interest.

Mr. HUMPHREY. The bankers keep their interest. That is the first point. Second, the price of bonds is lowered, so that the big investors can buy them in under par. The interest rates are up, bonds are selling under par, and the big investors move in. Then what happens? The Federal Reserve Board pegs the price of bonds, permitting exploiters—and that is what they are—to get the full value of the bond plus the new high interest rate, plus what? An additional $6 billion worth of credit which was created out of thin air. No more money was put in the banks, not a dollar.

Mr. MORSE. It is the old shell game.

Mr. HUMPHREY. The Federal Reserve Board simply said, "There is $6 billion more credit." Credit means what? It means interest. The fellow who invented interest was the greatest inventor in the world. I really respect that man.

In this case the bankers get $6 billion more credit, to do what? To charge the consuming public about 5 or 5½ percent. And, so help me, an agency of this Government says to the banks, "You have $6 billion more credit now." How did they get it? The Government agency just said so. This is wonderful. This is the kind of paradise in which I want to live. Someday I want to say, "I am rich," and have it happen. That is exactly what the Federal Reserve Board did. It said, "Here is $6 billion more credit." Mr. Banker gets the privilege of extracting from the Government and the credit-consuming public 3½ percent, and 2½ percent from the Government on short-term, 9-month certificates. That is like printing greenbacks, as any honest economist knows.

Mr. MORSE. The rate is 3¼ percent.

Mr. HUMPHREY. The rate is 3½ percent on long-term issues. The banks extract that as their charge from the consuming public—for what? For an official action of the Government. That is what it amounts to. In other words, the Eisenhower administration said, "We will give you higher interest rates. We will give you a chance to buy Government bonds in the market at below par, and you can hold them until they get up to par." After it is all figured out and the interest level over the country has been boomed up, the Federal Reserve Board says, "Here is $6 billion which you did not have to earn. You did not even have to go to bed and get a good night's sleep to earn it. You simply get it."

If the workingman should get another 20 cents an hour, the cry would be, "Oh, that is inflation." If the poor grocer makes a little extra profit, it is said that he is grabbing. If the farmer gets an extra price for his eggs, his potatoes, or his wheat, the cry is, "Socialism; subsidies are ruining the moral fiber of the farmers." I wonder what is happening to the moral fiber of investors. It must be about as stiff as a bowl of jello.

Mr. MORSE. The Senator's comment is based upon the assumption that they started with some.

Mr. HUMPHREY. I always want to presume the best. Right now they make a bowl of jello look like concrete.

Mr. MORSE. I thank the Senator from the bottom of my heart.

Mr. HUMPHREY. That is a tender observation upon the practical economic facts of our time.

Mr. MORSE. I completely agree.

I should like to direct the attention of Collier's magazine to my next sentence.

Mr. HUMPHREY. Mr. President, will the Senator yield for one purpose before doing so?

Mr. MORSE. Yes.

Mr. HUMPHREY. For fear that someone might think that the junior Senator from Minnesota has some rather unorthodox ideas on the subject, I should like to ask unanimous consent, if I may, to have incorporated in the RECORD at this point in the Senator's remarks an article dated July 5, from the Washington Post, entitled "Business Outlook," by J. A. Livingston. The subhead is "Yule Comes in July for Bankers."

Ordinarily Santa Claus arrives at our house on December 25. It is standard practice throughout the country. Children of all races, creeds, and nationalities expect Santa Claus on December 25. But not the bankers.

Mr. MORSE. Also children are supposed to get their presents only as a result of good behavior.

Mr. HUMPHREY. Or good friends.

Let me read this little paragraph from the article:

Sometimes something happens that just had to happen, yet comes as a complete surprise. Like the bike you got when you

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were a kid. You talked about it, hoped for it, but didn't dare ask for it. Then at Christmas it gleamed alongside the tree.

Just such a Christmas came to bankers this July. Without a hint, the Federal Reserve Board handed them $5½ billion of increased lending power. A greater gift has no man for a banker—unless it be $10 billion of new lending power.

The Reserve Board decided that, starting July 9, banks in New York and Chicago would have to carry only $22 of reserves against each $100 of the deposits of their customers. The requirement had been $24. On the same date, reserve requirements for banks in most other large banking centers, such as Philadelphia, Richmond, St. Louis, Kansas City, San Francisco, will be cut from 20 cents on the dollar to 19 cents.

It is pointed out that even the country banks get in on it. This Santa Claus is a busy fellow.

I should like to ask a very simple, naive question. Where do they get the $5½ billion? How can it be made so fast? It is really a very interesting question. I think we ought to put Mr. Einstein to work on that problem. We have learned how to split the atom, but the bankers have learned how to split the reserve, but in splitting the reserve they are able to get extra interest. What a policy! That is a good one.

Mr. President, I ask unanimous consent to have the entire article printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUSINESS OUTLOOK

(By J. A. Livingston)

YULE COMES IN JULY FOR BANKERS

Sometimes something happens that just had to happen, yet comes as a complete surprise. Like the bike you got when you were a kid. You talked about it, hoped for it, but didn't dare ask for it. Then at Christmas it gleamed alongside the tree!

Just such a Christmas came to bankers this July. Without a hint, the Federal Reserve Board handed them $5½ billion of increased lending power. A greater gift has no man for a banker—unless it be 10 billions of new lending power.

The Reserve Board decided that, starting July 9, banks in New York and Chicago would have to carry only $22 of reserve against each $100 of deposits of their customers. The requirement had been $24. On the same date, reserve requirements for banks in most other large banking centers, such as Philadelphia, Richmond, St. Louis, Kansas City, San Francisco, will be cut from 20 cents on the dollar to 19 cents.

For "country banks"—banks in smaller cities—the gift went into effect July 1. Their required reserves were reduced from 14 percent to 13 percent. Out of each $1,400 of reserves formerly required, these banks now have $100 of free, or excess, reserves. These excess reserves can be used to expand loans sevenfold, or United States is $6-to-$6 per $1 of reserves.

Though bankers were direct beneficiaries of the gift, the Treasury, investment bankers, and the bond market were secondary beneficiaries. Thus, the Treasury was able to announce new financing last week. Investment bankers, whose vaults were crowded with hard-to-sell municipal bonds, suddenly found their wares highly merchantable as bond prices rose.

To some financial and business analysts, the action seemed like a reversal in Government policy, a return to Truman-Snyderism. Instead of tight money, we'd have easy money; instead of rising interest rates, we'd have falling interest rates. It would mean booming the boom, adding to inflation pressures, changing the business outlook. But is it a reversal?

The surprise was ordained by conditions. If nothing were done, money was bound to become tighter.

Secretary of the Treasury George M. Humphrey has to raise, before December 31, no less than 6 billions to cover the Federal deficit. At the same time, businessmen have to finance fall and Christmas trade. Last year, between July and the end of the year, bank loans rose $6 billion.

RESERVE OPTIONS

Where was the money to come from? Sure, banks could sell Government securities to meet the needs of the butcher, the baker, and the television maker—as in the past. But that would have put Secretary Humphrey in a fine fix. When he needs to raise money, banks dump his securities on the market. That wouldn't do.

To help out, the Federal Reserve had these other options:

1. To lower the rate at which banks can borrow from the Reserve System. But that's a passive policy. Banks don't like to go into debt to the Federal Reserve. Some would much rather sell governments—even at a loss. Further, that would be a complete reversal—cutting interest rates.

2. To buy Government securities. That's a positive policy. Every time the Reserve buys a million dollars worth of Treasury bills, say, it adds to bank reserves. In the last 2 months, because of the tightness in the money market, the Reserve has bought a billion dollars of Treasury short-term obligations, thus easing the money market. But the Reserve Board doesn't want to play Atlas to the Treasury.

NOT AN INDIAN GIVER

By reducing reserve requirements, the Reserve makes a semipermanent addition to the Nation's credit base. It would be unusual for the Reserve System to be an Indian giver on Reserves. That is to boost requirements within 6 months or a year. If a further change takes place, it would probably be downward. Thus, the gift of new lending power has implications of still further gifts if money gets tighter.

Yet, the change isn't a reversal of policy. As has been said by this writer before, the Federal Reserve-Treasury purpose is to keep credit tight, like a rubber band, but not so tight that the rubber band snaps. The Reserve can still sell Government securities—bonds, certificates, or bills—to sop up excess reserves if credit becomes too easy. Or, it can raise the rediscount rate to discourage borrowing by banks.

The meaning of the action thus becomes clear: A shortage of money won't be allowed to strangle business any more than a redundancy of money will be permitted to inflate prices. Credit won't be loose, but it will be there.

Mr. HUMPHREY. I thank the Senator from Oregon.

Mr. MORSE. I thank the Senator from Minnesota.

As I was about to say, I wish to direct the attention of Collier's magazine to my next statement. In a radio broadcast some months ago, when the submerged lands bill was before the Senate, I referred to it as a political steal. The result was a very critical editorial in Collier's magazine, as well as similar editorials in various newspapers. Collier's magazine became very much agitated because a Member of the Senate should make such a statement in a nationwide broadcast, suggesting that the Eisenhower administration was guilty of a political steal. It was said that one should not say such a thing about a President.

I replied to the editorial by repeating the statement in a series of broadcasts. I not only make the same reference today but I say that the fiscal policy of the Eisenhower administration is both a political and an economic steal. It is a political steal, and it is an economic steal against the little people of America.

I am certainly glad that I do not belong to any political party in which I would feel under any obligation whatsoever to try to support it or rationalize it, or alibi for it—including the oft-repeated Republican alibi, "After all, he is so naive about these things. He has not had time to learn."

No party can justify nominating a person that naive, if the attempt is made to excuse his action on the ground of naivete. But, of course, I do not. He knows what the result of this fiscal policy is—a grand gift to the bankers and the big investors of the country, at the expense of the little people of the country.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. The Senator is so right about its being a grand gift to the investors, and a grand steal from the ordinary consuming citizen.

Does the Senator recall that this new, bold, forthright fiscal policy was to be directed toward the purpose of controlling inflation?

Mr. MORSE. Yes.

Mr. HUMPHREY. That was the explanation of it.

Does the Senator further recall that, when the first $1-billion long-term issue was made, the Secretary of the Treasury announced that it was only the first of many long-term issues? I have a question to ask of Secretary Humphrey and the President of the United States: "When do you plan to hatch up another one of those long-term issues?"

Mr. President, they issued one long-term bond issue. That is the last. The one I am hearing about, the present $6 billion issue, is for 9 months. I repeat, Mr. President, 9-month certificates are like printing greenbacks. If the junior Senator from Oregon or the junior Senator from Minnesota were to stand on the floor of the Senate and accuse the administration of running the printing presses to create money we would be hooted out of the Chamber, so to speak. But I say that creating credit to the tune of $6 billion by action of the Federal Reserve Board is the same as printing greenbacks, except that it is left in the control of the banks, and the banks are able to extract interest. I therefore say that issuing 9 months' certificates of indebtedness, commonly known as short-term paper, at 2½ percent interest, is exactly the same thing as printing greenbacks—it takes 9 months for greenbacks even to circulate in the country—except that we pay the investment companies 2½ percent interest, and they do not deserve 2½ percent interest on short-term credit. They do not deserve 2½ percent interest on short-term credit, particularly when a little investor, a fellow who is trying to

save a few dollars, gets one-half percent or 1½ percent on his time deposits.

The Senator from Oregon is again doing a great service in reminding the people of the Nation that there are two policies which this administration has followed and two great accomplishments which it has had. They are, first, the giveaway of the tidelands oil; and, second, the hike of interest rates for the lending institutions of America at the expense of the American taxpayers and the American public as a whole.

Those are the two great economic policies thus far of the present administration. Both of them have cost the public billions of dollars. Neither one of them is defensible. Neither one can be defended on the basis of soundness of or as being good for the economy. They are doing what was done back in the 1920's.

Mr. MORSE. Mr. President, again I am indebted to the Senator from Minnesota for his contribution to the discussion of the tight-money policy.

Recurring to my point that the bankers and the big investors are only interested in interest rates going up, and never in interest rates going down, I point out that the group to whom I have been referring did not mention any desire for a "pool of unemployed" on the part of another group of the sponsors.

It was just for flexibility and against boom and bust.

The seven pamphlets, edited by W. Randolph Burgess, came out as a book in 1949, published by Harcourt, Brace & Co., of New York City.

The Committee on Public Debt Policy, having performed its educational function, was dissolved.

Then came the political campaign.

We heard a great deal in the campaign about a sound dollar. But we did not hear in that campaign how a sound dollar was to be achieved.

No one outlined the seven-point program.

No one told us during that campaign that farm-price supports were an "influence tending to debase the value of money" that would have to be combatted "whenever they are in the ascendant" as indicated by the committee.

No one told us that "full employment as a principal goal of economic policy" was "an influence tending to debase the value of money" that would have to be combated "whenever [it is] in the ascendant."

No one said during the campaign that labor was getting more than an equitable share of income as wages—that that tendency would have to be combated.

Quite to the contrary, the farmers, for example, were encouraged to believe that they would get 100 percent of parity through the new administration—not 90 percent, but 100 percent.

Of course, that statement, made in the State of the Senator from Minnesota by the Republican candidate, was in line with the strategy of his campaign: "Anything to win." The cry was, "Say whatever you have to say to get votes. Put up there at the top of the banner the slogan 'Political expediency,' and trample into the dirt political principle."

That was the campaign. That is why I left the Republican Party. I would be no party to it, as proposal after proposal of that type was made to me in my office before I resigned. Spokesman after spokesman said to me, "We have got to win." But at what price of principle, Mr. President?

What happened to the tight-money crusade since the new administration took office is not so well appreciated—possibly even here in the Senate—as in the banking world. In banking circles, it is generally recognized that the tight money crusaders have taken over, lock, stock, and barrel.

U. V. Wilcox & Associates publish a banking letter called Banktrends. In their May 25 issue this year they report:

> The fact that the Eisenhower administration is dominated by bankers is a source of pride to many in the financial world.

That is the quotation.

Banktrends then lists a few of the bankers who have been placed in high policy positions, as follows: R. B. Anderson, of the Reserve Bank of Dallas; W. Randolph Burgess, a director of the New York Federal Reserve Bank; Joseph M. Dodge, director of the Detroit branch of the Chicago Federal Reserve Bank; Marion B. Folsom, director of the New York Federal Reserve Bank; Gay M. Gidney, president of the Reserve Bank of Cleveland; John A. Hannah, director of the Detroit branch of the Chicago Federal Reserve Bank; W. I. Myers, director of the New York Federal Reserve Bank; Robert T. Stevens, chairman of the New York Federal Reserve Bank; Philip Young, director of the New York Federal Reserve Bank; Robert Cutler, Boston banker; Albert J. Robertson, Des Moines banker, and Kenton R. Cravens, St. Louis banker.

Still quoting from Banktrends, it reports:

> All the foregoing are what the critics call big bankers, and used synonymously with big business.

Mr. George M. Humphrey, the Secretary of the Treasury, is not included in the Banktrends list, but he also is a banker, a member of the executive committee of the National City Bank of Cleveland, Ohio.

Thanks to this illuminating article in the trade paper, I do not need to review here how the bankers moved in after the election.

Having taken over, it was then time to outline the program to be followed.

The promotion of the program of the moneyed interests, in the absence of its previous intellectual leader, Mr. Burgess, who had moved into the Treasury, has now devolved upon the New York Clearing House Association, which has presented us with the beautiful volume, the Federal Reserve Reexamined.

I hope that all of my associates, and particularly any of them who may think that the interest rate fight has been won because it was slowed down recently, will read the Federal Reserve Reexamined carefully. It tells us:

> There is an inherent conflict—

Note that language. It is the language of bankers. It is the economic and political philosophy of bankers.

> There is an inherent conflict between "full employment"—at least the popular understanding of the term—and price stabilization.
>
> Full employment properly should refer to the optimum utilization of all resources, human and material. Even under optimum conditions there will always be some unused resources. Some persons will be unwilling to offer their services at existing wage rates and there will exist also some unused obsolete plants and equipment and some land of inferior grade.

That, Mr. President, is the fancy way to say there should be a constant pool of unemployed, with semantic lace panties.

It appears from this New York Clearing House document that one of the very serious conditions from which we have been suffering is overemployment. Too many people have had jobs and purchasing power, and that is something against which we should guard. We are advised in the report:

> Overemployment requires that the money supply be increased at a rate sufficient to offset not only the growth in expenditures at rising prices but to provide sufficient additional cash balance to meet any rise in demand for cash reserves.

The Secretary of Interior, Mr. Douglas McKay, told an audience at the Press Club, soon after his appointment, that we had been having things too good; that his salesmen had forgotten how to sell cars; that we needed to tighten up; that people just walked into his General Motors agency and bought automobiles.

I never realized until then what a dreadful thing that was, or that it was a terrible manifestation of a diseased economy, until I read the analysis of the New York Clearing House Association. We were suffering from overemployment.

How tragic can things really get? How awful that nearly every citizen who wanted to work could get a job.

On page 17 of the report we learn that inflationary price rises are not caused by an inadequate supply of goods, but by too much money floating around. I quote the New York Clearing Association:

> The argument in favor of low interest rates, even in inflationary periods, is that they facilitate the expansion of productive capacity and that "in the long run the basic solution to shortages which initiate or aggravate inflation is to increase the supply of goods." This viewpoint is based on the erroneous assumption that inflation is caused by inadequate supplies of goods rather than, as is the case, by excessive monetary purchasing power in relation to productive capacity.

In this volume there is no middle ground. There is no uncertainty. They have a rule of thumb, a formula, for controlling inflation.

The idea that shortage of goods can initiate or aggravate a price inflation was advanced in a document issued by our Joint Committee on the Economic Report, back in the days when that committee functioned. But the New York Clearing House Association tells us that such an idea is wrong—period.

One wonders whether in the future we are to get our economic analysis from the New York Clearing House Association, instead of from our own Joint Committee on the Economic Report. By the way, I am sure that the Clearing House

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would be glad to prepare anything we want. I am unaware of any hearings or reports from our own group during the present session of the Congress. Think what economy it would be just to abolish our own economic agencies and let the bankers do all that work for us.

But to proceed with the free advice already given us, the Clearing House Association tells us that:

It is quite clear that pressure in recent years has come both from an excessive money supply in relation to need for money in terms of physical growth and from institutional factors, such as agricultural price support program and automatic adjustment of wages to increases in cost of living and in gain in output per man-hour. Wage increases in excess of increases in productivity raises costs.

(The January 1953 report of the Council of Economic Advisers says that wage increases have not kept up with increases in productivity.)

Mr. President, I should like to say that the road back to Hoover-Mellonism has been fully mapped for us. We are told that farm price supports must go or must be greatly weakened. We are told that overemployment, full employment, or even maximum employment must go. We are told that an end must be put to Government lending programs, including credit for small business, the farm credit programs, FHA and VA housing programs—all of the "mushroom growth of governmental agencies engaged in lending and guaranteeing credits to promote special objectives."

Mr. President, much as I would like to see worthy farm tenants and worthy young people given an opportunity to own their own farms, I cannot support Senate bill 1276, because in my judgment it is not the answer to the problem.

I seriously question that it would result in having any additional credit attracted from private capital sources. So long as the Secretary of the Treasury stands on his statement that interest is still too low, and so long as he refuses to indicate how high he intends to let interest go, private capital is going to hold back waiting for the high dollar—the peak of the interest bubble that Mr. Humphrey and Mr. Burgess are inflating for their banker associates.

In the long run, the increased interest rates would only decrease the possibility that these worthy families can find real security on the land. It would take another turn in the price-cost neck-noose being applied to agriculture. The tight money crusade is barely started, and we must take all possible steps to abolish it.

Thus far we have traveled only a mile on the road back to the antediluvian farm, labor, and economic policies, mapped by the Committee on Public Debt Policy in 1946 to 1949, now more clearly programed for us by the New York Clearing House Association, and being followed by those bankers who, according to Banktrends, dominate the Eisenhower administration and are the source of pride to many in the financial world.

I see no reason why we should make the trip back to economic stagnation easier by ratifying the choice of turns every time we are asked to do so.

It is only a matter of time until we shall be asked to ratify another rise in home and farm ownership interest rates, or to abolish the programs altogether.

I prefer to oppose at the first turn the destruction of these programs.

Despite the analysis of the Federal Reserve System which has been supplied to us, one more reexamination of that agency would be timely.

The organizational structure of the system assures its domination by bankers. Each of the 12 regional Reserve banks is controlled by a board of 9 directors. Only 3 of these directors are selected by the national board of governors—all of them Presidential appointees. The remaining 6 are selected by the commercial banking institutions in each district.

The 12-man Open Market Committee of the Federal Reserve System is composed of the 7 members of the board of governors and five presidents of regional banks. That committee theoretically decides when the Reserve bank shall or shall not support Government securities.

Marriner Eccles, a former Chairman of the Board of Governors, has pointed out to us:

When a Reserve bank president sits as a member of the Federal Open Market Committee, he participates in vital policy decisions * * * which affects all banking. So far as I know, there is no other major governmental power entrusted to a Federal agency composed in part of representatives of the organizations which are the subject of regulations by that agency.

Of course, Mr. Eccles wrote that before the present administration took office and foxes were put into the chicken coops everywhere.

The other day, the senior Senator from Oklahoma [Mr. KERR] inquired of me and other Senators about the ethical considerations involved in the Treasury Department's calling in an inside group of investor representatives to consult about interest rates on Government securities before they are issued.

He did not actually need a reply. In fact, let me say they should not have been called in as consultants or advisers. They should have been called in as witnesses. They should have been called before an appropriate committee, and their testimony should have been taken there, as witnesses; and those who held different views should also have been called as witnesses. In my judgment that would have been the proper procedure. Yet, under the Cadillac crusade for tight money, they are used as advisers, despite their selfish interest.

There is nothing new about that in this administration. That was begun on January 20, 1953. That was begun at the time of the making of the nominations of members of the Cabinet. That was begun when the nomination of the Secretary of Defense was made—the nomination of a man who helped negotiate approximately $5 billion worth of contracts for the corporation of which he was president. He was nominated to be in charge, and was put in charge, of the Defense Establishment. As a result, from his office in the Pentagon Building he is administering the very contracts he helped negotiate. Who will say that he does not sit there with a self-interest?

Mr. President, in the intervening months the reactions have been very interesting. The Senator from Minnesota [Mr. HUMPHREY] will recall how I was castigated on January 20 and on the days immediately following it because I stood at this desk and objected to the requested unanimous consent for immediate confirmation of the nominations of those members of the Cabinet. I said the nominations should not be confirmed until we could take a look at the record. When we took a look at the record we saw plenty, too. We saw enough to convince some of us that there was a self-interest involved regarding some of them, including the Secretary of Defense, and that we should not vote for confirmation.

Mr. President, as the intervening months have passed I know of no action I have taken in the Senate of the United States during this session of the Congress that has won for me greater commendation from people who at one time were bitterly opposed to me than the fight I made for the application of the checks and balances of the Constitution to Cabinet nominations. People are beginning to see that self-interest permeates this administration. Here again we have an example of it; it is no new policy. So I say, in reply to the question put by the Senator from Oklahoma, he did not actually need a reply. He indicated in his address to the Senate that it was just as unethical as taking a look at another man's hand in a poker game. That is as good a description of the ethics as could be given. These insiders were put in a position of knowing, in advance of other bondholders, what the Treasury intends doing as to interest rates, and in a position to adjust their own portfolios in advance of public announcment of Treasury action.

The Senator from Oklahoma called on the floor for a list of the participants in these inside briefing sessions. I understand that other inquiries have been made by Members of Congress privately, but to no avail.

Mr. President, we take very elaborate precautions in some departments of the Government to prevent leaks of information to speculators, traders, or anyone who could benefit from them.

In the Department of Agriculture, those working on crop reports are locked in from the beginning of the tabulation until it has been publicly released. If a citizen—even a banker—walks into the section of the Agriculture Building where the report is being prepared, he must remain until it has been released to the public.

Certainly the same sort of standards and care should be exercised in the case of Government bond offerings.

A reexamination here in Congress of banker domination of Federal Reserve, and banker participation in the fiscal operations of the Government which directly involve their interests, is certainly timely.

Instead of authorizing an increase in farm ownership interest rates, the Independent Party favors an investigation of the sources of our fiscal policy, which is now aimed against farmers, labor, small business—and at another great depression.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. HUMPHREY. Mr. President, first I desire to commend the Senator from Oregon again for his suggestion, in fact for his insistence, that there be some investigation made as to the sources of the advice and counsel regarding America's fiscal policy. But is it not strange that, so far as I am aware, nobody in this country, except, I suppose, an inside group, knew that there was to be an immediate change? There was no publicizing of meetings.

It will be recalled that elaborate preparations are made now to see to it that nobody gets inside information on what is going to happen to crop reports, for example. Serious investigations have been conducted in the Congress to ascertain whether anybody in the Government has confided to others any specialized information as to what might happen along certain lines. This is true of contracts with the Government. If a bidder tries to obtain advance information, tries to go around the corner to get pipelines into the seats of authority, he is subject to the penalties of the law.

Yet is there anything more important, is there anything for which a man will go further in the effort to make greater profit and to gain an advantage, than to learn what is going to happen in the financial markets? Every precaution is taken. For example, if the Food and Drug Administration wants to make a ruling regarding a particular commodity, before it can even make the ruling, the Administrative Procedure Act requires advance information; it provides for hearings, for the cross examination of witnesses, indeed, for every protection that the law can give. If the Department of Agriculture proposes to make a ruling upon the disposal of certain surplus commodities, there is supposed to be advance notice. Yet when we come to the fiscal policy of our country, I think the record is plain. The Banking and Currency Committee of neither the House nor the Senate was consulted, so far as I know. The Joint Committee on the Economic Report was not consulted. I think it fair to say, and I believe the record will bear me out, that there was not even a council of economic advisers available for consultation. There was but one economic adviser who may have been consulted. We are not even sure that the Federal Reserve as such was consulted officially. We happen to have information that there were held private meetings outside, so to speak, of the Government offices. But I think the procedure followed, and the methods used were very questionable, and even shocking.

Mr. MORSE. To use a very undignified but pointed statement in two words, it looks like "sharp practice."

Mr. HUMPHREY. I think the Senator is correct.

Mr. MORSE. Mr. President, again I thank the Senator from Minnesota. His remarks only bear out in my judgment the justification for the announcement I now make. I shall probably have to do it merely for the RECORD, but I hope my colleagues in the Senate, on the Appropriations Committee, will take action in line with the argument I have made this afternoon. I am having prepared a resolution that calls for the very type of investigation of the Federal Reserve System to which I referred in the closing paragraphs of my address today.

Mr. President, this closes the report of the Independent Party today, for last week. Come Friday, the Senate in session, I shall make the report for this week, which will be in the form of another speech on natural resources, dedicated to George W. Norris, if I can finish preparation of the speech between now and Friday; if not, it will be on some other matters which, time does not permit me to take up today, because of an evening engagement, but which are of as great importance in my opinion to the welfare of the little people of America as the subject of my address today, namely, the Cadillac crusade for tight money.

RETURN OF WEST GERMAN PROPERTY SEIZED IN WORLD WAR II

During the delivery of Mr. MORSE'S speech,

Mr. McCARRAN. Mr. President, the Senate has recently resolved that the unification of Germany, now divided into the free nation of West Germany and the Soviet puppet state of East Germany, is a highly desirable objective to which the United States should give its full and unqualified support. It seems abundantly clear that German unity and the friendship of the German people are essential to the prosperity and peace of the free world.

This resolution has won widespread approval from the press and public in the United States and West Germany as well as from our Allies in the Atlantic community. I have no doubt that the 18 million inhabitants of East Germany, who on the 17th of June defied Russian tanks and firing squads to demonstrate their yearning for freedom from Soviet oppression, fully share the aspirations expressed in this resolution.

At this time I believe it is important for the United States to demonstrate by deeds as well as words that we regard the people of West Germany as valuable and indeed indispensable allies in the world struggle against communism. Since the end of hostilities in World War II the United States has contributed almost $4 billion to rebuild war-shattered Western Germany and to win the friendship and respect of its people. However, many West German citizens greatly resent the fact that in one important respect we have continued to treat West Germany as a conquered enemy country. I refer to the continued retention by the Alien Property Custodian of the properties of German nationals which was seized in this country at the beginning of World War II. While this action was entirely proper and necessary during the war in order to prevent this property from being used by an enemy government to support its own war effort, it is completely incongruous with the whole trend of our present foreign policy for us to continue to hold the property of West German individuals 8 years after the war is over. It must be particularly galling to the citizens and government of West Germany to see Italian property returned to its Italian owners while West German citizens are still denied what rightfully belongs to them.

As recently as June 27, two of my distinguished colleagues agreed on the floor of the Senate that people of West Germany should have restitution made to them of their property seized from them during the war. This view as expressed by the Senator from Illinois [Mr. DIRKSEN] and the Senator from New Mexico [Mr. CHAVEZ] strikingly embodies the difference between the American conception of international justice and that of Soviet Russia. Traditionally Americans have always been concerned with safeguarding the rights of the individual, whereas Soviet Russia continues to divest the individual of his innate rights.

Evidence that Russia is still looting the property of the unfortunate residents of East Germany on a piratical scale is provided by the newspaper story of July 4 describing how 12 trains laden with so-called reparations destined for Soviet Russia was stopped in protest by victims of the Soviet tyranny at the border between East Germany and Poland. This action by itself illustrates the resentment which can be engendered by confiscation of private property.

Let me digress for a moment to point out that the recent riots in East Germany have triggered similar demonstrations in Poland. Let us hope that the Polish people, long distinguished for their history of valiant resistance to oppression, will soon see an end to the dark night of slavery which now enfolds them and will rejoice in a new dawn of freedom. Let them be sure that the hand of American friendship is now extended to them and will still be there when they are free to clasp it.

By returning West German property now we will give the citizens of East Germany additional incentive and hope for the eventual unification of their country. They will realize that the German people are now regarded as being potentially equal partners with the United States, subject to no limitations or disabilities as an aftermath of the war, and they will be all the more eager to join the Atlantic community under a democratic government of their own choosing.

So much for the ways in which restitution of the property of individual West Germans will strengthen our foreign policy. It seems to me equally important that this action is in harmony with the fundamental American respect for the rights of the individual. The United States cooperated to the best of its ability with the German people in an endeavor to restore the civil rights destroyed by Hitler. The success of that endeavor is witnessed by the present government of West Germany, where individuals have the right to worship

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freely, to speak freely, and to vote freely. It would ill become the United States at this time to appear indifferent to the property rights of individual West German citizens by arbitrarily retaining property of theirs which happened to be in this country at the time the war began.

Let us be consistent in our adherence to the principles of justice, and, integrated with our program of aid for West Germany, as we will appropriate taxpayers' dollars in the legislation that will pass during this session, render fair play to West Germany and the American taxpayer as well. In my opinion, it was just to seize German property during wartime. Now, under an entirely different set of circumstances, it is only just to return this property to its individual owners. This will amount to a concrete and immediate demonstration of our sincerity in unanimously approving the resolution of July 2, designed to encourage and support the German people in their fight for the rights of the individual.

BOOK BURNING AND THE UNITED STATES INFORMATION PROGRAM

During the delivery of Mr. MORSE'S speech,

Mr. MUNDT. Mr. President, I express to my colleague, the distinguished junior Senator from Oregon, my thanks for his courtesy in yielding to me. I am considerably interested in any program he can develop which is an effective and workable plan for the correction of stream pollution, because one of the first bills I introduced when I became a Member of the House of Representatives in 1938 dealt with the subject of stream pollution.

The present occupant of the chair, the distinguished junior Senator from Pennsylvania (Mr. DUFF), was formerly attorney general of the Commonwealth of Pennsylvania, and under his courageous leadership the State of Pennsylvania did a wonderful job in the correction of pollution by having had passed a bill which was a model for similar pollution correction laws, but which could not be followed effectively throughout the country as a whole, because there seems to be a kind of Gresham's law working with respect to the correction of pollution.

I am very greatly interested in any new approach, continuing approach, or reasonably workable approach, the Senator from Oregon can find toward solving the problem of pollution of our Nation's streams.

Mr. President, I rise today, however, to speak on the general subject of book burning, because much has been published in the press during the dog days of the last weeks of June and the first week of July on the subject of book burning. Probably more has been said about it which does not apply to the specific problems at hand than would be justified. Consequently, I wish to relate briefly the headlines, stories, editorials, and comments about book burning to a very practical situation which now confronts us, namely, the United States information program.

I have read very carefully everything anyone in authority has had to say on the subject, from the President on down, and can find nothing even remotely connecting his position on book burning, and the almost universal American position on book burning, to anything relating to the foreign information program of the United States.

As a member of the Senate Committee on Government Operations, which has been investigating somewhat the expenditures of public funds on certain types of books for use in overseas information centers, I can say that at no time and at no place in all our hearings has any member of the committee, or has the committee itself, suggested that books which should not be on the shelves should be burned.

However, I point out that in carrying out the mandate we have under the Reorganization Act, public funds are to be spent for purposes which the laws provide, and we have raised serious objections to the purchase and distribution of books written by Communists, and certainly books favorable to communism, for use as a part of our information program abroad.

It seems to me that we should get down to realities as to what the United States Information Service actually is. First, it never provided and never proposed that the American taxpayer should subsidize a private system of libraries throughout the world for general distribution to the public abroad, and for distribution of general knowledge in foreign countries. That was never the intention. It happened that I wrote the first version of Public Law 402, which has come to be known as the Smith-Mundt Act, which, in the House of Representatives, in the 80th Congress, consumed more time in debate on the floor than did the debate in the same Congress which resulted in the enactment of the Taft-Hartley Act. The question was thoroughly reviewed, and long and deliberate hearings were held. At no time, anywhere, did anyone propose that the poor American taxpayer be taxed for the purpose of establishing general purpose libraries abroad.

Libraries as we understand them in this country are repositories of information. They are not engaged in propagandizing, publicizing, or selling any point of view. We have great libraries in our municipalities, we have libraries of the type provided by the Carnegie interests in our cities, and we have the Library of Congress and other great institutional libraries, to which students may go to obtain points of view through careful research.

What we are providing in foreign countries are not general purpose libraries. Let me quote briefly from Public Law 402 of the 80th Congress, under which the Department of State has been circulating books abroad in accordance with the Reorganization Act, by means of a separate agency of Government.

The objectives of Public Law 402 are set forth in title I, section 2, as follows:

> The Congress hereby declares that the objectives of this act are to enable the Government of the United States to promote a better understanding of the United States in other countries, and to increase mutual understanding between the people of the United States and the people of other countries.

Thus our information centers and reading rooms abroad, which the State Department rightfully refers to in quotations, and which in an article written by Walter H. Waggoner, and published in the New York Times of July 1, 1953, are referred to as "special purpose" libraries, if we propose to use the word "libraries" at all, actually are exhibition centers. Actually they are reading rooms; actually they are placed in foreign countries as centers in which foreigners may learn about America and may learn better to understand basic American concepts, beliefs, and ideals.

I think section 203 of title II, on page 2, would be very informative in connection with commenting on what our committee is proposing to do from the standpoint of prohibiting, if we can, the use of public funds to purchase Communist books for placement in information libraries overseas. Certainly it would be conducive to more authentic observations on the part of the press and those who editorialize and comment so freely on the subject. Section 203, on page 2, might be informative to those who prefer to comment without going back to the basic facts. It read as follows:

> The Secretary is authorized to provide for assistance to schools, libraries, and community centers abroad, founded or sponsored by citizens of the United States, and serving as demonstration centers for methods and practices employed in the United States. In assisting any such schools, however, the Secretary shall exercise no control over their educational policies and shall in no case furnish assistance of any character which is not in keeping with the free democratic principles and the established foreign policy of the United States.

Obviously, therefore, whoever in the State Department, under Dean Acheson, when he was Secretary of State, authorized the purchase of books written by Communists and their distribution abroad, was operating in direct violation of the law. I think that a part of the functions of the Committee on Government Operations is to see that public funds are spent in conformity with public laws which provide for their expenditure.

The point is brought out again in title V, section 501, of the basic Smith-Mundt Act, known as Public Law 402 of the 80th Congress:

> The Secretary is authorized, when he finds it appropriate, to provide for the preparation, and dissemination abroad, of information about the United States, its people, and its policies, through press, publications, radio, motion pictures, and other information media, and through information centers and instructors abroad.

What we are talking about is not libraries, when we talk about the hearings now being conducted by our committee. We are not talking about libraries, as we understand the term in the United States, but about information centers, reading rooms about America, which are established for a special purpose, and that is to get across to people who do

not understand our basic concepts the truth about our American ideals. I think it is a little unfortunate that there has been so much careless conversation, so much inaccurate writing, and so much dishonest commentary on the radio with respect to a purpose and a program clearly set out in the law, which any honest reporter or any faithful editorial writer or any commentator of integrity could read. He could go back to the basic law to ascertain the facts with respect to what he proposes to proclaim.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the news item from the New York Times to which I have referred, written by Mr. Walter H. Waggoner. It brings out the point very specifically.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DULLES' AIDES CITE MISSION ON BOOKS—SAY SPECIAL PURPOSE IN LAW GIVES LIBRARIES A ROLE THAT IS OVERLOOKED BY PUBLIC

(By Walter H. Waggoner)

WASHINGTON, June 30.—The State Department, under heavy attack for its so-called book-burning or book-banning policies, has begun to show some concern over what its highest officials believe is a misunderstanding of its overseas information task.

These quarters not only deny that a threat to basic academic freedom is inherent in excluding certain books or authors from United States information centers abroad, but also point out that the law establishing those centers specifically limited the type and scope of information that should be available at them.

The State Department has been charged with confusion in the administration of policy directives barring the use of books by Communists, pro-Communists or certain controversial figures and the department has acknowledged some confusion.

It is the opinion of some officials whose views are shared by John Foster Dulles, the Secretary of State, that there also is some public confusion over the role that the State Department is authorized to play.

Critics of the department's directives for weeding out or barring certain books from overseas libraries fail to make the distinction, according to these persons, between a general public or academic library and a library of special purpose.

LANGUAGE OF LAW QUOTED

The United States overseas libraries received a special purpose in the United States Information and Exchange Act of 1948, as follows:

To "disseminate abroad information about the United States, its people and policies promulgated by the Congress, the President, the Secretary of State, and other responsible officials of Government having to do with matters affecting foreign affairs."

This definition, say the authorities responsible for conforming to it, means that the United States overseas libraries are comparable to medical or engineering libraries. Who, they ask, would argue that detective stories or treatises on communism should be bought or maintained with funds given specifically for medical or engineering scholarships?

It is a matter of some distress to State Department officials, however, that United States information policies that exclude such books as having no connection with information about the United States, are regarded as an abridgment of academic freedom.

LIBERAL ATTITUDE FAVORED

Secretary Dulles, it is known, believes that there is ample room for disagreement on the application of the law to the contents of overseas libraries, and he personally is in favor of applying the law liberally.

But he also has said, as in his recent letters to Democratic Senators THOMAS C. HENNINGS, JR., of Missouri, and HENRY M. JACKSON, of Washington, that the law that plainly marks the United States information centers as "special purpose" rather than "all purpose" libraries cannot be ignored.

With the announcement last week that the State Department was preparing a new information directive designed to clarify its policies and end excesses of eagerness on the part of individual information officers, interest in the book-burning issue has markedly subsided here.

Secretary Dulles' news conference this morning failed to elicit a single question about books burned or banned, and this apparently was a great surprise to the Secretary and his aids.

Mr. MUNDT. Mr. President, I also ask to have printed in the RECORD at this point as a part of my remarks a very informative and accurate column written by Dorothy Thompson, under the heading, "Some Libraries Can't Be Neutral."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOME LIBRARIES CAN'T BE NEUTRAL—SHOULD ANTI-ARAB VOLUMES BE PLACED ON USIS SHELVES IN DAMASCUS OR ANTI-GERMAN BOOKS IN GERMANY?

(By Dorothy Thompson)

The manifesto of the American Library Association, entitled "Freedom to Read," is a fine document. We are glad President Eisenhower backed it up.

It is needed. Citizens' committees are invading public libraries and demanding the removal of books and publications from the shelves.

Yet the American Information Libraries abroad do represent a special problem, which involves the purpose of these libraries and the standards of professional judgment that govern the selection of their contents and determine what books express the finest ideals of responsible freedom.

These libraries have been, say the librarians, "operated with a single-minded devotion to the interests of the United States."

This, it seems to me, begs the question. Is it the function of a free library, as the librarians conceive it, to promote any political or national interests.

The United States Information Services are an adjunct of American foreign policy. That policy is to fight worldwide ideological war against communism, to intervene with military force wherever Communist governments use force to expand; to check and contain Communist power that exists, and if possible cause it to retreat.

But libraries as such are ideologically neutral. Their function is not to screen the private lives or public opinions of authors but to make available every sort of opinion. Censorship of any kind impedes that function.

Such neutrality is incompatible, however, with an international religious (ideological) crusade. For every crusade, every war, cold or hot, rules out neutrality and limits freedom.

The overseas libraries are part of the cold war, and involved in American cold-war policy. The question was, therefore, bound to arise, whether books by Communists, or strongly critical of American life, or American wartime or postwar policy, belong on their shelves.

The 188 United States libraries abroad average 10,000 volumes. That is relatively small—size and funds necessitate selection. But how shall the selection be made? Liberal intellectuals say that Howard Fast has a right to be heard. But Fast is a Communist propagandist. Do they also think that John T. Flynn's "The Roosevelt Myth" should be on United States library shelves, of the works of such Roosevelt critics as Charles Austin Beard and George Morgenstern?

Should the books of American isolationists, hostile to the U. N., be distributed by the pro-U. N. government?

How about American books criticizing the manners, morals, and mores of the countries in which the libraries are situated? Are Zionist anti-Arab books in the United States library in Damascus? Are books which criticized the Nuremberg trials in the United States library in West Germany? Or the copious American literature recently arguing that all Germans at all times have been knaves, militarists and racialists, responsible for every European war?

A library exists, among other things, to pass on the heritage of past thought. An American library abroad should contain, one would think, the state papers and speeches of our greatest Presidents; the works, not only of contemporary but of past historians, all the American poets; the outstanding novelists, biographers, political thinkers, and social reformers of the past. They don't, because they can't. Many of the greatest American writers and thinkers—and not even of the remote past—are out of print, and can be found only in public or university libraries, or, by long search, through second-hand bookdealers. The Government has no mandate to republish the American classics.

The mass of Information Service books is contemporary. The service selects 1,000 volumes out of the approximately 12,000 annually published, and sends this reduced list to the various centers for further selection. But selection there is, of necessity. Eleven-twelfths of new books are banned at the outset.

The State Department inherited Army libraries, assembled primarily for GI's. We suspect they contained a large number of whodunits, westerns, comics. Should these all be kept, or some eliminated? Would their elimination be book burning?

We suggest that a small nonpolitical committee of librarians and scholars go over the whole setup and recommend a selection policy, which, from the utter confusion of conflicting directives, seems never to have existed.

But as long as the cold war lasts these libraries will be in politics.

They are political instruments.

Mr. MUNDT. I invite attention to two paragraphs from Miss Thompson's very comprehensive, intelligent, accurate, and informative column. She says:

The United States Information Services are an adjunct of American foreign policy.

That is correct. That is in conformity with the law. Anyone certainly must realize that a library can never be an adjunct of foreign policy. So when we are talking about our special-purpose libraries—if we must use the term "library" at all—we are actually talking about reading rooms, exhibition rooms, information centers, conducted by the American taxpayer abroad for the specific purpose of carrying the American story to the people living in other lands.

I quote one further paragraph from Miss Thompson's article:

The overseas libraries are part of the cold war, and involved in American cold-war policy.

That also is a statement of fact. I take the time to say this—and I thank my colleague from Oregon [Mr. MORSE] for his generosity in allowing me to in-

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terpolate these remarks at this time—because I am quite sure that a great many people who should have read Public Law 402 before they spoke have not gone back to the basic law to see what authority is established for the conduct of information centers overseas.

I think if the facts are once established it will be realized that the Committee on Government Operations is acting in conformity with its mandate under the Reorganization Act, to call to the attention of the public violations of the law—which, indeed, there are—in accepting Communist books as a part of the American cold-war technique, and putting them in an American information center overseas.

If those limitations are kept in mind, I believe we can limit our dog-days discussion of book burning, if we must have one, to those who would burn books from the shelves of American libraries at home. I am not in that category. I would not burn such books. I do not know who would. Neither am I one who believes that we should continue to leave unnoticed and uncorrected a program which, under the previous Secretary of State, Dean Acheson, and perhaps under his predecessors, involve promotion of the purchase of books written by Communists, books derogatory to America, inimical to our interests, and antagonistic to our foreign policy, and sending them to American information centers overseas, which are established under the law for the purpose of trying to win friends overseas for freedom and trying to place before the peoples of other countries those things about America of which we are proud and which we would like to have them accept and emulate.

Mr. HUMPHREY. Mr. President, I rise again to thank the Senator from Oregon for his timely remarks. I can think of no subject that is of greater importance to the well-being of this country than the Nation's fiscal policy. I wish the same vigilance were maintained on the part of the administration for a sane and constructive fiscal policy as they seem to insist upon maintaining, according to their lights, at least, with respect to other matters of great concern.

Mr. President, I have before me the July 3 issue of U. S. News & World Report. I commend its reading, at least pages 20 and 21, to my colleagues. I have always considered this magazine to be a most interesting and readable document, as well as very informative. In fact, on many occasions there is no important difference of view as to the editorial policy of the U. S. News & World Report. I found it to be very helpful in being able to bring together important economic and political data. I refer to an article entitled "Is United States Depressionproof?" with the subhead, "Standby Gadgets Will Sharpen Any Letdown." The second subhead reads: "Why Washington Expects No Repetition of 1929":

Money is plentiful. Banks are safer. There's less speculation. Mortgages are insured. Farmers get special help. Federal spending stays high.

Also, Government has more power, more economic tools for fighting downturns, staving off depression. It kept hands off in 1929.

Mr. President, accompanying the article, there is a very interesting graphic chart entitled "Built-In Business Stabilizers: Nation Can Turn Them On As Needed."

The first paragraph of the article is, I think, very revealing in view of what I have been hearing throughout the years. Having been a supporter of every one of the built-in business stabilizers which are herein mentioned, having, as a private citizen, and now as a public official, expressed my support of them, and having done everything within my physical capacity to further these built-in stabilizers of our economy, I am rather proud to know that a conservative, respectable publication such as U. S. News & World Report now finds these things to be all right. Time after time I have heard on the floor of the Senate, and I have also heard from partisan critics, speeches condemning every last one of these built-in stabilizers as wrecking the economy.

The new administration is somewhat concerned lest it might have a recession on its hands. The press has been filled with articles saying that there is a special group in the White House building up work projects, all forms of programs, to see to it that no recession and no depression shall get under way.

Mr. President, that is good old New Deal doctrine. Those of us who have been fighting for programs of social welfare and public works throughout the years have suddenly become baptized with the waters of Republican respectability. We find now that such programs are really all right, so long as the Republicans are adopting them. But I submit, Mr. President, that a man becomes a hero not when the parade is on, but when the fighting is going on. It was back in the past 20 years when the fighting and the hard work had to be done when many of these business stabilizers were built in.

Listen to them, Mr. President:

Dollar abundance—money supply easily expanded.

I recall when Mr. Roosevelt and Mr. Truman were ridden out of town on a rail, symbolically speaking, for the very thought of having an available money supply. Their critics wanted a tight-money supply, very tight—hard money for hard times from hardhearted people.

What is the next built-in stabilizer?

Old age insurance, an income for those who retire.

I recall, Mr. President, when the great prophets of the GOP called that socialism.

The article points out:

Unemployment pay was totally lacking, on any broad and important scale, in 1932, when the jobless numbered around 12 million. But even a slight recession will bring this antidepression gadget into play now.

Then it points out:

About 30 million workers have a nest egg of around $8.4 billion in the unemployment-pay reserve at this time.

Nothing like that was available in the 1929–32 period.

When unemployment compensation was inaugurated, some persons thought that a scourge had come to the earth. It was the abomination of all evil. It looks pretty good now.

What is the next one of these built-in stabilizers?

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. The Senator from Minnesota is aware of the fact that the unemployment fund is proposed to be cut; is he not?

Mr. HUMPHREY. Oh, yes. The new administration proposes to do a lot of things to the social-security program. It may end up in becoming neither social nor secure. They may destroy both features.

Another built-in stabilizer is insured bank deposits. That was bad, too. Now bank deposits are insured up to $10,000.

Mr. MORSE. That was not for the benefit of the bankers.

Mr. HUMPHREY. No. It was assailed and condemned. It is one of the built-in stabilizers to which this splendid article refers.

Another is Government banking, with machinery on hand for business loans.

When we go down further into the article it has this to say:

Government loans, moreover, will be passed out quickly and lavishly, in all likelihood, should any real economic trouble threaten. Federal loan machinery available in the early stages of the last depression was primitive and minute in size, compared with today's big agencies.

There already are special loan programs for veterans, farmers, businessmen and local governments. All these could be expanded quickly, and new programs started in a short time. Care is being taken, in the changes now being made in Washington, not to wipe out such depression-born outfits as the Reconstruction Finance Corporation and the agencies of the Agriculture Department that lend to cooperatives and needy farmers.

Mr. President, is it not interesting that, all at once, these programs become very important, very worthwhile? They are approved now. They have been given every bit of the cloak of respectability which they long ago deserved.

Here is another built-in gadget to stabilize business:

Amortized mortgages; no wave of foreclosures.

What does that mean, Mr. President? FHA, and a whole series. The article goes on to say:

An even broader mortgage insurance program is envisioned by Congress for the future.

But when such programs were outlined and fought for they were called regimentation. I remember the campaign of that great Kansan, Mr. Landon, when he went up and down the land crying out against interfering with people's individualism and people's private property, and how the Government was regimenting the people. It looks pretty good now.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. Does the Senator remember how strong they were for rugged individualism, with the emphasis on the word "rugged"?

Mr. HUMPHREY. Yes. Someone said rugged individualism enabled a man to maintain his independence. Someone else said recently that it is ragged individualism, and that one may find himself in destitution. Ragged individualism had to give way to common sense.

Another built-in business stabilizer, according to this magazine article, is price supports, with farm income bolstered.

There are two paragraphs in the article on farm prices. I shall read only a few words:

> Farm prices are being stabilized at this time in a way that was hardly dreamed of in the 1920's.

I noticed in the Washington Post of today a feature article outlining some of the views of the present chairman of the Senate Committee on Agriculture and Forestry with reference to the same subject. I thought all these programs were socialism, Mr. President. They were once condemned and assailed. I have heard on the floor of the Senate, through the press, and over the radio, that these things were bad, and when the new administration came into power they would be changed. They may be changed. Some of them are being changed, but I notice that the sensible publicists of the country, those who are writing about economic facts, point out that some are very important.

The article in the U. S. News & World Report mentions minimum wages. That is another built-in protection against depression.

We remember when the Labor Standards Act was under consideration wages started at 20 cents an hour. It would be thought that we were going to stabilize everyone in the Nation to the extent of 20 cents an hour. This magazine says it is one of the great protectors against depression.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. The Senator knows of the effort to cut the funds for enforcement of the minimum-wage law?

Mr. HUMPHREY. Oh, yes; of course. I recall that in the early days of this administration the President asked that the Department of Labor be made one of the strong departments. They have done everything they could to it except to take out the bones. There is not much flesh left on the body.

Mr. MORSE. The Senator from Minnesota is speaking about the attitude which was expressed some 15 or 20 years ago in regard to these great pieces of social legislation. Just for the fun of it, let us put into the RECORD today the observation that those of us who believe there is great merit in an annual wage guarantee in mass-production industries have been taking the kind of name calling abuse that we take now whenever we propose such legislation. Probably, if we do not live long enough, at least our descendents will live long enough, to see men stand on the floor of the Senate 25 or 30 years from now and make exactly the same observations about such legislation as the Senator from Minnesota is making today in regard to the observations which were made at the time the minimum-wage law was passed.

Mr. HUMPHREY. I am sure the Senator is correct. I think he has prophetic vision in this instance that is well documented by past history.

Mr. President, I shall conclude my comments upon this article by simply saying that, during the past 20 years, a number of great programs have been developed, many of them in their embryonic or their beginning stage. Many of them have been improved; some of them have been set aside as no longer being needed. But I think it is to the eternal credit of those who guided the destiny of this country that as a result of the policies of the Government today, even the most severe critics of those policies when they were enacted, admit, confess, and state that they have been the protectors, the guardians against depression, recession, and let-down.

Think of what the social-security program means. Think of minimum wages, farm-price support, veterans' programs and benefits. Think of the assistance of Government lending agencies to small business. Think of the tremendous number of policies and programs in public works the Government of the United States has planned and perfected for the good of the country.

The Eisenhower administration is the recipient of 20 years of careful planning, 20 years of building strength into the economy of the Nation. Never did an administration receive an economy or an administration that was so healthy, so productive, or so expansive—I did not say "expensive"; I said "expansive"—as the Eisenhower administration received on January 20. There was full employment, which, of course, as the Senator from Oregon has pointed out, has been frowned upon by some. There were heavy payrolls, reasonably good profits, and stability in the financial structure.

That was a far cry from what happened in 1933, when there was a change-over. I am glad of this, but all I ask is that it be protected. I warn the American people that unless these built-in gadgets, "the automatic machinery," as the magazine article says, which "will come into play, to counter forces of deflation, such as those that led to the 1929–33 depression," are improved and protected, rather than weakened and repealed, we could very well find ourselves in very serious trouble in the days to come. I see in some of the efforts which are being made an attempt not to improve them or to perfect them. I see an attempt being made to weaken them and to set them aside because of political expediency.

I am proud of the fact that it has been my privilege as a plain, ordinary American citizen, and as a public official in local government, and now in Federal Government, to back these policies. I have no apologies to make for them. My criticism of the policies of yesterday is not that they did too much, but that they did too little. My criticism of the programs of housing and of social welfare is not that there was too much done, but that there was so much more left to be done.

I commend the article to the reading of those who may have doubts as to the validity of programs and policies which have been adopted throughout the past 20 years.

RECESS TO 11 A. M. TOMORROW

Mr. MORSE. Mr. President, I believe it was the understanding that when the Senate finished its work this afternoon, it would stand in recess until tomorrow morning at 11 o'clock.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). The Senator is correct.

If there is no further business to come before the Senate, pursuant to the order previously entered, the Senate will stand in recess until 11 o'clock tomorrow morning.

Thereupon (at 6 o'clock and 2 minutes p. m.), the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Tuesday, July 7, 1953, at 11 o'clock a. m.

NOMINATION

Executive nomination received by the Senate July 6, 1953:

DEPARTMENT OF THE NAVY

James Hopkins Smith, Jr., of Colorado, to be Assistant Secretary of the Navy for Air, vice John F. Floberg who has resigned.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 6, 1953:

DIPLOMATIC AND FOREIGN SERVICE

Roy Tasco Davis, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Haiti.

Philip K. Crowe, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ceylon.

REGULAR AIR FORCE

The nominations of Charles Francis Wills et al. for promotion in the Regular Air Force, under the provisions of sections 502, 508, and 509 of the Officer Personnel Act of 1947 and section 306 of the Women's Armed Services Integration Act of 1948, which were confirmed today, were received by the Senate on June 24, 1953, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Charles Francis Wills, which is shown on page 7163, and ending with the name of Jean Mackey Ertwine, which appears on page 7170.

WITHDRAWAL

Executive nomination withdrawn from the Senate July 6, 1953:

COLLECTOR OF CUSTOMS

Elmer P. Kelm, collector of customs, customs collection district No. 35, with headquarters at Minneapolis, Minn.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 6, 1953

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou infinite and gracious Spirit, as we go forth into the hours of this new day, may we be numbered among the seekers, the finders, and servers of God.

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Grant that in these moments of prayer our minds and hearts may be made ready and adequate for the stern demands of every task and responsibility that we may meet on life's highway.

Help us to manifest the right spirit in all of our human relationships, and may that spirit bear the imprint of the mind of our blessed Lord, whose thoughts concerning His fellow men were always those of kindness and good will.

God forbid that we should ever look at mankind with a cold and supercilious stare, but inspire us with attitudes of sympathy and understanding.

Give us a clearer vision of the worth and dignity of the humblest member of the human family, created in the image of God and with a capacity to be like Thee in spirit.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, July 2, 1953, was read and approved.

MESSAGE FROM THE SENATE

The SPEAKER laid before the House the following communication, which was read by the Clerk:

JULY 6, 1953.

The honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to authority granted on July 2, 1953, the Clerk received on July 3 from the Secretary of the Senate the following messages:

That the Senate has passed without amendment House Joint Resolution 234, entitled "Joint resolution authorizing an appropriation to defray the expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C."

That the Senate has passed with amendments the bill H. R. 5495, entitled "An act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes;" and

That the Senate insist upon its amendments to the bill H. R. 5495, requests a conference and appoints Mr. MILLIKIN, Mr. BUTLER of Nebraska, Mr. MARTIN, Mr. GEORGE, and Mr. BYRD to be conferees on the part of the Senate.

That the Senate has passed Senate Concurrent Resolution 36, entitled "Concurrent resolution expressing the hopes of the American people for the early reunification of Germany by free elections and for the achievement by the people of East Germany of their basic human rights and freedoms."

Very truly yours,

LYLE O. SNADER,
Clerk of the House of Representatives.

SPECIAL ORDER GRANTED

Mr. SMITH of Wisconsin asked and was given permission to address the House today for 15 minutes, following the legislative business of the day and special orders heretofore entered.

FACTORY INSPECTION BILL

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight tonight to file a report on the factory inspection bill, as well as a minority report by Mr. O'HARA of Minnesota.

The SPEAKER. Is there objection?

There was no objection.

RAILROAD RETIREMENT ACT

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may have until midnight to file a report dealing with the dual-benefit clauses of the Railroad Retirement Act, together with a minority report.

The SPEAKER. Is there objection?

There was no objection.

COMMITTEE ON RULES

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file any reports and resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMERICAN BLOOD OR SOUTH KOREAN FACE?

Mr. HERLONG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. HERLONG. Mr. Speaker, I have in my office a letter from a young friend who is with the Marines in Korea. I should like to read into the RECORD a part of that letter. He says:

The war is in one h— of a mess and for the first time in my life I'm afraid at night in the tent. We sleep with loaded guns in our hands. They try to break into our area about every night during the blackouts. They got through the barbed wire the other night and we shot at two but they got away. They are supposed to be our friends, the South Koreans. Everyone here is mad as h— and wants to get out or kill all Koreans. I don't know if I'll spend Christmas at home or in a prison camp somewhere. We don't know who in the h— is the enemy over here.

I hope the people who are doing the negotiating with Mr. Rhee will give consideration to what our boys are going through. I wonder if, in these top-level discussions, they talk on such a high level that they do not get down to the basic facts. The blood of American boys has been spilled to help the South Koreans. They speak gratitude, but how do they act? And actions speak louder than words. As I recall it, we went over there to stop aggression—there was not anything said about unifying Korea. If they want it to be unified, let it be done by free elections. Let us not get our boys in the position where they may have to fight their way out through South Koreans. I would rather save American blood than South Korean face.

UNIFORM FEDERAL GRAZING ACT

Mr. METCALF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, during the course of the recent hearings before the Committee on Interior and Insular Affairs on the so-called Uniform Federal Grazing Act, H. R. 4023, the Taylor Grazing Act and its administration was criticized.

The adoption of the Taylor Grazing Act 19 years ago was acclaimed as an important step toward stabilization of individual grazing rights on the public domain and, at the same time, protection and conservation of the public interests in the public lands. Nineteen years of experience with the law has revealed some defects which should be corrected.

Many of the witnesses against H. R. 4023 opposed those provisions of the act which would extend the Taylor Grazing Act to regulation and administration of the national forests and not only criticized the extension of the Taylor Grazing Act to other public lands but also criticized the Taylor Grazing Act itself.

Members of the committee in all sincerity asked these witnesses if the Taylor Grazing Act was so bad why proposals for its amendment had not been made before. This question inspired me to make an investigation and study of the Taylor Grazing Act to bring it into line with accepted conservation concepts and enlightened multiple land use programs.

Therefore, I have introduced H. R. 6081, a bill to correct the Taylor Grazing Act, to remove provisions from the act that have not worked as anticipated, and to protect the public interest in watershed protection, wildlife conservation, timber growth, and recreational uses of the public domain.

FEDERAL UNEMPLOYMENT TAX COLLECTIONS

Mr. FORAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include therein two amendments which I understand I will be permitted to offer under the rule to the bill H. R. 5173, along with an explanation of those amendments.

The SPEAKER. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

Mr. FORAND. Mr. Speaker, amendment No. 1 is:

Page 6, strike out line 23 and all that follows through line 7 on page 8 and insert in lieu thereof the following:

"(c) Amounts credited to the account of a State pursuant to subsection (a) shall be used only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration."

On page 13, line 12, strike out "(a)" and all that follows through line 10 on page 14; and reletter the remaining subsections of section 5 of the bill accordingly.

Amendment No. 2 is:

Page 12, strike out line 5 and all that follows through line 11 on page 13 and insert in lieu thereof the following:

"(2) If—

"(A) an advance or advances were made to the unemployment account of a State under title XII of the Social Security Act before January 1 of the taxable year; and

"(B) on December 1 of the taxable year any balance of such advance or advances is outstanding; and

"(C) the Secretary of Labor determines and certifies to the Secretary of the Treasury on or before December 1 of the taxable year that either (i) the adjusted balance of the unemployment fund of such State at the beginning of the taxable year equals or exceeds the total compensation paid out of such fund during that one of the five preceding calendar years during which the total amount so paid out was the highest, or (ii) the contribution rate or rates in effect during the period beginning with the quarter after the quarter in which the first advance in respect of such balance was made and ending with the close of the preceding taxable year, when applied to the remuneration which constitutes wages subject to contributions under the law of such State during such period and which was reported to the State before August 1 of the taxable year, results in a figure which is less than 2.7 percent of the total remuneration so reported, then the total credits (after other reductions under this section) otherwise allowable under this section for the taxable year in the case of a taxpayer subject to the unemployment compensation law of such State shall be reduced by 5 percent of the tax imposed by section 1600 with respect to the wages paid by such taxpayer during the taxable year which are attributable to such State, and, if the taxable year is a succeeding consecutive taxable year for which the conditions specified in subparagraphs (A), (B), and (C) exist, by an additional 5 percent for each succeeding consecutive taxable year.

"(3) For the purposes of paragraph (2)—

"(A) the adjusted balance of the unemployment fund of any State at the beginning of any taxable year is the amount by which the balance of such fund exceeds the sum of the outstanding advances to the unemployment account of the State under title XII of the Social Security Act; and

"(B) wages are attributable to a particular State if they are subject to the unemployment compensation law of the State, or, if not subject to the unemployment compensation law of any State, if they are determined (under rules or regulations prescribed by the Secretary) to be attributable to such State."

EXPLANATION OF AMENDMENTS WHICH I PLAN TO OFFER TO H. R. 5173

These amendments are designed to correct what I consider to be two major defects in the bill.

To understand these amendments, a brief explanation of the bill is also necessary. The bill has two major features. The first feature is to earmark in a special fund all Federal unemployment tax collections in excess of the amounts that are appropriated for Federal and State unemployment insurance and public employment service administrative expenses. Such excess at present amounts to about $60 million annually. When a fund of $200 million is accumulated, any further excess-tax collections will be transferred to the State unemployment accounts in the Federal unemployment-trust fund. The bill at present provides that the States may use such excess funds either for the payment of unemployment compensation or for employment security administrative expenses in addition to the Federal grants to the States for administration. Since the Social Security Act provides that the Federal Government shall grant such money as is necessary for the proper and efficient administration of unemployment insurance and the Wagner-Peyser Act of 1933, as amended, provides for the payment of all expenses of the public employment service, it is, in my opinion, unnecessary for the States to use these excess-unemployment taxes distributed to them for administration. My first amendment would therefore limit the use of these excess taxes to the payment of unemployment compensation. This is done by striking out the provisions in the bill which permit the States to use excess-unemployment taxes for administrative purposes.

My second amendment modifies the second major feature of the bill. This feature provides for the payment of advances—that is, noninterest bearing loans—from the special $200 million fund previously mentioned, to States whose unemployment funds are nearing exhaustion because of unusually high unemployment benefit expenditures. Under the bill, when such advances are made to a State, repayment commences automatically on the second January following the advance through an increase in the portion of the Federal unemployment tax which each employer covered by the State law pays to the Federal Government. As you may know, employers contributing to approved State unemployment insurance systems secure a 90-percent credit against the 3-percent Federal unemployment payroll tax. Under the bill, this credit would be decreased by 5 percent during the second year after an advance is made to a State, and the 5 percent would be applied against the advance. The credit is decreased by an additional 5 percent each year until the advance is repaid.

This automatic repayment device could commence while a State unemployment fund is still in financial difficulty and the employers are still having difficulty meeting their taxes because of adverse economic conditions. My second amendment, therefore, provides for a delay in the repayment of the advance until the State fund is out of danger. It does this by providing that repayment of the advance through the decreased tax offset is delayed until the State fund is rebuilt to an amount equal to the highest annual benefit expenditures paid out during any one of the five preceding calendar years. For example, if the highest annual amount paid out in the past 5 years was $30 million, the State fund would have to reach $30 million before employers started paying back the advance through increased payments under the Federal unemployment tax. However, in order for a State to secure this delay in repayment, employers must have paid to the State an average contribution rate of 2.7 percent of taxable wages during the grace period. The amendment further provides that if after 2 or more years of repayment the State unemployment fund again falls below an amount equal to the highest annual benefit expenditures in the past 5 years, the amount of additional Federal unemployment taxes that the State's employers must pay in starts over again at 5 percent of the Federal tax, with an increase of 5 percent each year thereafter. The same new start would occur if a State in a later year has to get a second advance because of a downturn in its fund. For example, suppose a State gets an advance or loan in 1961 and repayment commences in 1964 and continues through 1966. In 1964 the employer pays an additional 5 percent, an additional 10 percent in 1965, and an additional 15 percent in 1966. If the State has to get another advance in 1967, nothing is repaid that year, but when the State fund again equals the highest annual benefit expenditures in the last 5 years, the employers again pay 5 percent of the Federal tax in repayment of the advances, and the employers' rates continue to increase by 5 percent of the Federal tax each year until the loan is repaid.

In short, this amendment provides that repayment of any advance made to a State by the Federal Government does not commence until the State fund is out of danger, and every time the State has a bad year the rates of repayment start over again.

H. R. 116 AND H. R. 5173: FIREWORKS CONTROL AND STATE UNEMPLOYMENT INSURANCE

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, it is a pleasure to receive correspondence on Federal issues. It is an added pleasure to obtain permission for constituents whose servants we are to be heard from the well of this House.

Accordingly, under unanimous consent, I rise to read two messages from two distinguished sources. The message on H. R. 116 is from Hon. John V. Kenny, mayor of Jersey City, and his eminent colleagues, Hon. Bernard J. Berry, director of public safety, and Hon. Donald Spence, director of revenue and finance, of Jersey City, N. J. It deals with the enforced prohibition of selling or bootlegging fireworks on an interstate basis. The message on H. R. 5173 is from Mr. Irving T. Gumb, able and alert executive vice president of the New Jersey State Chamber of Commerce. It concerns State unemployment insurance funds. I trust the Congress, in its wisdom, will act speedily and effectively on both measures.

The messages follow:

JUNE 30, 1953.

Representative ALFRED D. SIEMINSKI,
House Office Building,
Washington, D. C.:

It is imperative that immediate action be taken to encourage and support the passage of H. R. 116, re transportation of fireworks interstate, prohibiting sale or use, so that effective measures at a national level could be enforced prohibiting the sale and bootlegging of fireworks on an interstate basis. Any delay in your efforts will delay the adequate protection of our children and our lives.

JOHN V. KENNY,
Mayor of Jersey City.
BERNARD J. BERRY,
Director of Public Safety Commission.
DONALD SPENCE,
Director of Revenue and Finance.

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NEWARK, N. J., July 7, 1953.

Hon. ALFRED D. SIEMINSKI,
House Office Building,
Washington, D. C.:

The Reed bill, H. R. 5173, earmarking for employment-security purposes all revenue collected from the Federal unemployment-compensation tax, would also create contingency reserve from which States with seriously depleted unemployment compensation trust funds may borrow interest-free loans to continue unemployment-benefit programs. The New Jersey State Chamber of Commerce endorses these principles which would strengthen and preserve State systems of unemployment insurance. The Forand amendments to H. R. 5173 would nullify these principles by preventing any relief from present Federal purse-string control over unemployment administration and by encouraging States to keep unemployment compensation reserves low to avoid repayment of loans. We urge your support of H. R. 5173 without the Forand amendment.

IRVING T. GUMB,
Executive Vice President, New Jersey State Chamber of Commerce.

OATIS CASE IS SAMPLE OF OUR WORLD'S PUZZLES

Mr. EBERHARTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. EBERHARTER. Mr. Speaker, a short time ago an article appeared in the Pittsburgh Post-Gazette, one of the leading morning newspapers in the East, by its editor, Mr. Andrew Bernhard, entitled "Oatis Case Is Sample of Our World's Puzzles." This article is especially noteworthy in that it shows some hard and sound thinking on the varying aspects of the criminal laws of the Soviet Union and her satellites and those of the United States. It suggests that under the criminal laws of Czechoslovakia perhaps William N. Oatis was indeed guilty. But, under United States criminal law such an idea would be preposterous.

The chairman of the Allegheny County (Pa.) American Legion Committee on Americanism, Col. John H. Shenkel, who has adequately held that post for 18 consecutive years, presents the proposal that in view of these conditions it might be well to require every member of the United Nations to place on record at the United Nations headquarters a copy of its criminal code together with its Constitution. This would give every visitor, and particularly news correspondents, an opportunity to at least acquaint himself somewhat with the knowledge that what we consider eminently proper and entirely innocent, may be considered heinous crimes elsewhere.

I recommend the article to everyone's reading and, under unanimous consent, I place it in the RECORD at this point:

OATIS CASE IS SAMPLE OF OUR WORLD'S PUZZLES

(By Andrew Bernhard, editor of the Post-Gazette)

You can sense a certain bewilderment in the public reaction to the way William N. Oatis answered—or parried—questions when he returned to this country after his release from a Czech prison.

A lot of people seemed to feel that the Associated Press man should get right up on a soapbox and holler about his experience, and should describe in detail the means used to get him to make an open confession that he was guilty of espionage.

When he didn't do it, and when he went on to say that he had not, except for the fact of his imprisonment for 2 years, been badly treated, people wondered.

SHATTERING EXPERIENCE

Now, I have not the faintest idea of what was or is in Mr. Oatis' mind but I certainly wouldn't expect him to come out of a Czech prison and pick up his life where he had left it 2 years ago.

Imprisonment for most men is a shattering experience. Mr. Oatis was cut off from the world even more than most. The fact that he knew nothing of Stalin's death or Eisenhower's election would lead one to suspect that he underwent something close to solitary confinement. That would hardly be good preparation for free and easy repartee with a batch of questioning reporters.

But what seems to have bothered people more than anything else was Mr. Oatis' unwillingness to say flatly that he was innocent of the charge of espionage on which he was convicted.

IN A DIFFERENT WORLD

And right here we come to one of the prime confusions of our times. It is quite possible that Mr. Oatis was indeed guilty of espionage—under Czech law. He could be guilty under Czech law while utterly blameless under our own. But as Mr. Oatis himself said, when the question was put to him, he was working not in the United States but in Czechoslovakia, where the United States writ does not run.

Actually, under the laws and edicts of Russia, and doubtless of Russia's satellites, anyone who tells a foreigner the rate of steel production, the average yield of the wheat crop, or almost anything more secret than the time of day is guilty of handing out state secrets.

By the same token, the man who sends such information abroad must be guilty of breaking the Communist laws against espionage, however harmless we would regard the information.

INNOCENT, BUT CONVICTED

This state of affairs has the effect of confronting every correspondent in a Communist country with a situation in which he can legally be convicted of crimes arising from actions he thinks of as utterly innocent.

Col. John H. Shenkel, who for 18 years has been chairman of the American Legion's Committee on Americanism in Allegheny County, has come up with an idea that I think merits the consideration of our people in Washington.

He suggests that every nation that is a member of the United Nations be required to place on record at U. N. headquarters a copy of its constitution and a copy of its criminal code, especially with reference to what the nation considers crimes against its national security. Thus, anyone heading, say, for Prague could look up Czech criminal law and know where he stood. At least, he would have some idea of the difficulties he might encounter instead of being without information, as he is now.

EVEN REDS MIGHT HESITATE

I suppose that placing a copy of the constitution on record would not be so important, since national constitutions are generally available anyway. But the copy of the criminal code would be another matter.

You can argue that a Red country can interpret its laws to suit itself and would not be bound to live up to its own rules.

True, but, having placed itself on record before the world, it might hesitate a little. Even the Russians play to public opinion.

NATIONAL MILITARY UNITS OF ESCAPEES FROM COMMUNIST COUNTRIES CAN HELP STOP BLOODSHED BEHIND IRON CURTAIN

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, events indicate that President Eisenhower was right when last August he advocated a foreign policy of liberation. Certainly the instances of resistance now flaring up behind the Iron Curtain indicate that there is great unrest among the peoples behind the Iron Curtain who seek liberation from Communist enslavement.

The way in which the Soviet Union will seek to put this resistance down is through the military force under their control; therefore, great bloodshed can be avoided if we set up national military units now with their own uniforms and flags of freedom so that we may provide a place for the defecting elements of the military from the Soviet-controlled areas. Our law provides for that and it should be done at once. It should not be delayed.

If we do this we will then deprive the Soviet of the means by which they may inflict widespread bloodshed. The only way they can do that is through their military. There are great forces of defection over there that we should implement and encourage if for no other reason than to prevent widespread bloodshed behind the Iron Curtain.

NAMELESS BABIES—COLD WAR PAWNS

Mrs. FRANCES P. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. FRANCES P. BOLTON. Mr. Speaker, we know that the result of war is always, unfortunately, a group of illegitimate children. This has been brought particularly to our attention recently by a very fine article written by Malvina Lindsay which appeared in the Washington Post of July 1 in which she directs attention to the fact that the Kremlin has ordered home—Moscow—29,000 children said to be born of Russian fathers in East Berlin. We are told, however, that among them are 467 fathered by American Negroes.

The Kremlin has no compunction about cutting off the tenuous roots that bind them to Germany—but she does

recognize their tie with the U. S. S. R. and proposes to bring them up in the atheistic, immoral philosophy of communism.

As Americans we would not and could not follow such an example. But it seems to me that as Americans we do have need to examine our consciences and determine a more Christian method than the one of setting aside all consideration of our obligation to these youngsters. Miss Lindsay and the New York Times do well to remind us of the tragic situation that exists wherever any and all armies have gone.

We were told some years back that there were many children of American fathers in England. We know there are thousands of children of Japanese mothers and American fathers who are having a particularly difficult time of it because of the basic overpopulation of the islands. We can be certain that wherever armies go there are similar problems. In Western Germany a very excellent job was done to prepare for the entry of such children into the schools. Children of Negro GI's might have been a serious problem—but most of these 5- and 6-year-olds melted the hearts of all who contacted them.

One of the results of our neglect of this difficult and complex problem will quite certainly be a group of rootless, discontented young people who will be fertile soil for any and all "isms." We are told of 100,000 American-fathered war babies in Japan, 50,000 in Germany, 70,000 in Britain. Have we no responsibility? Can we not see it as a long-range human interest and do for the waifs in Japan at least what we have helped Western Germany accomplish?

I would like to urge you to join with me in thoughtful consideration of what we as Americans can and should do to give these thousands of youngsters a constructive childhood. After all, are they not a segment of America's participation in the future of the world?

NAMELESS BABIES—COLD WAR PAWNS

(By Malvina Lindsay)

Many grievances against Soviet rule apparently have piled up in East Germany. One small one, fraught with emotional dynamite, may be the "calling home" by the Kremlin of the 29,000 illegitimate children of Red Army soldiers.

This action, according to a Berlin dispatch to the New York Times, has caused great distress among many of these children's mothers, who have had to say final goodbys when their offspring were loaded on trains bound for Russia. Pitiful scenes are said to have taken place at railway stations as mothers pleaded to be allowed to travel with their children.

A Soviet order has decreed that all East German children whose fathers are Russians must take Soviet citizenship at the age of 5. At that time they are put in Communist kindergartens in East Germany—where their mothers may visit them once a month—and kept until they are sent to Russia to be reared as Communists.

The Times dispatch also reports that the Kremlin has ordered transferred to Russia 467 children whose fathers were Negro soldiers of the United States stationed in East Germany at the end of the war.

It is true that part of these children, now pawns of the world's ideological war, were in orphanages. Some had been deserted. Yet many were in private homes, either with their own mothers, many of whom had subsequently married, or with foster parents.

Officials here familiar with the fatherless-child situation in the American zone in Germany are sure the order must be causing many heartaches and much resentment. They say many West German families showed responsibility and affection for the war babies born out of wedlock, and that the same attitude undoubtedly exists among many East Germans.

This Soviet action shows the zeal of totalitarians to get a hold on the young mind. All over the world Communists are thus stockpiling propagandists for the future.

A visitor here from Iran recently said to this writer: "While you Americans spend millions on your demonstrations and your highly trained technicians to send to us, the Russians are propagandizing in a cheaper and more effective way. They merely kidnap our children and youth across the border, train them to be fanatical Communists, then send them back to work among their own people. Naturally, these natives have more influence than do foreigners from the western world."

Pressed as to how this kidnaping is accomplished, the visitor explained it is largely by lures of food, comforts, promises of better living, and, for older youth, jobs. The appalling poverty in which many of the prospects for capture live, the visitor pointed out, makes them susceptible to Soviet enticement. Once on Soviet territory, they are not allowed to return until thoroughly indoctrinated.

How can this Nation counter such strategy? Certainly not by calling home its 100,000 American-fathered war babies in Japan, its 50,000 in the American zone in Germany, its 70,000 in Britain. Certainly not by enticing Mexican children across the border and indoctrinating them with Americanism.

However, it does have an obligation and an opportunity to show a humanitarian interest in the thousands of half-American nameless children around the world who are products of war's displacements. Their care and education is in this Nation's long-range interest. Now, as they start to kindergarten and school they are making their first bid for public acceptance.

In Western Germany much care was taken last fall to prepare for the school entry of such children and to prevent their being discriminated against. There was much fear that children of Negro GI's would find this step especially difficult. But most of these 5- and 6-year-olds showed special capacity for winning friends.

In Japan the support and education of the children the GI's left behind is especially difficult because of the critical population pressure. Their future also is obscure. One way in which this country could help these children would be to cut some of the redtape surrounding American adoption procedures—which have also been handicapped by severity of immigration laws.

Private agencies in this country are giving much help to foreign governments and charitable grops in caring for children who have been deserted, or whose mothers are unable to support them. But the question of official welcome to this country, both now and later, as these children realize their heritage, is something that will have to be met.

(MRS. FRANCES P. BOLTON asked and was given permission to revise and extend her remarks and to include an article.)

A NATIONAL PLUMBING CODE

Mr. BOW. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. BOW. Mr. Speaker, I desire to call the attention of the House to a series of conferences and to the publication of reports and recommendations which have apparently created the false impression that there has been an enactment of the Congress or authority by some United States Government agency establishing a national plumbing code. There is no such law and there is no such authority vested in any agency of Government.

In a matter such as this, where health and sanitary standards are involved, there should be no interference, actual or implied, by the Federal Government or by any of its employees with a State's or local community's choice of its plumbing methods and materials. No single code, except it be so general or so minimum in its requirements as to be of questionable worth, can possibly cover the multitude of sanitary problems varying with local soil conditions, local water supplies, local living standards, population densities, and industrial concentrations. Local sanitary engineers and plumbing inspectors, who have for so many years rendered outstanding service, with their knowledge of local requirements, are neither required nor expected to surrender their authority in such matters to any Federal agency. Here again, Mr. Speaker, is another attempt of Federal bureaucrats to invade the field of authority of States and local communities.

By common usage and dictionary definition, the word "code" means "enactment, law, statute, regulation, or ordinance." It is unfortunate that recently published documents appear under such titles as "National Plumbing Code," "The National Plumbing Code: Illustrated," with references to a "Report of the Coordinating Committee," and a "National Plumbing Code Committee," the former of which is not a Government appointed body and the latter of which seems to be the figment of someone's imagination.

Such titles and expressions by design or mischance give any person not familiar with the facts the mistaken belief that the United States Government has chosen and recommends certain plumbing materials and practices.

Some Government employees have taken advantage of their positions to exploit themselves in private ventures by reason of this unfortunate trend in Government.

In like manner as emphasized by the Illinois chapter of the American Society of Sanitary Engineering, when referring to the above-mentioned publication, the National Plumbing Code: Illustrated, in that chapter's resolution adopted July 15, 1952, where it says:

Whereas said illustrated booklet should not imply as set forth that the report of the coordinating committee is a national plumbing code—

In like manner, it should be emphatically stated before this 83d Congress and made clear to local and State governments, to the public, to plumbing inspectors and to manufacturers of plumbing supplies everywhere that there is no United States Government national plumbing code which has the force and

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effect of law; that it is misleading for any person or persons to promote the idea that there is such a document and that no representative or employee of the United States Government can rightfully lend himself to any promotion, advice or inference indicating that the reports and documents to which I have referred have any sanction by congressional enactment or by Federal authority.

AN INDEPENDENCE DAY FOR GERMANY AND PEACE IN EUROPE

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. SMITH] is recognized for 15 minutes.

Mr. SMITH of Wisconsin. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SMITH of Wisconsin. Mr. Speaker, the United States is engaged in a two-front war, a situation that every military man has sought to avoid since wars began.

At this moment we are so preoccupied with the debacle in Korea that we have failed to grasp the real significance of the revolt in East Germany and in other satellite countries. This golden opportunity to exploit the present difficulties of the Communists in those places may be lost to us forever unless we act quickly.

It is a dangerous policy to sit tight and hope that conditions in Germany will ultimately turn favorably toward us. This seems to be our policy and it appears to be based on the possibility that by some good fortune Mr. Adenauer, President of West Germany, will be reelected this fall, with the result that full approval of the European Defense Community will follow.

This is a policy of wishful thinking, Mr. Speaker, and a very dangerous one. Reliable reports reaching this country from West Germany are less rosy than some people would have us believe. The fact is that the Social Democrats, Adenauer's opponents, may win the next election, and if they do there will be no European Defense Community, and it might well be the end of the North Atlantic Treaty Organization.

It is true that resolutions have been introduced in this Congress lauding the people of East Germany for their revolt against tyranny and their Soviet aggressors, that President Eisenhower has expressed approval of their courage and of their desire to be free and united with the rest of Germany, but what have we done officially to exploit the present situation? Why are we waiting? Whom do we fear? If we are sincere in our desire to see a free and united Germany, the time has come to act.

Mayor Ernst Reuter, of West Berlin, a sincere friend of the free world admonishes us not to miss the opportunity to take full advantage of the trouble in East Germany. He feels that the moment is here for immediately opening negotiations with Soviet Russia which would give Russia a chance to escape its bankrupt German policies. Such a move would permit them to save face and prestige and on the international checkerboard of diplomacy this is exceedingly important.

Mr. Speaker, the time for bold and fearless action is at hand. This is not a time for timid souls nor for appeasers. President Eisenhower is a man of courage and a man who wants to bring peace to a troubled world in his lifetime.

I repeat, a top-level conference should be called by the President, Mr. Speaker, to include Soviet Russia. This would provide the Communists a means to withdraw their military forces from the Eastern Zone of Germany.

At the same time, as a matter of good faith, the United States, Great Britain, and France should agree to withdraw all their military forces from all of Germany, thus leaving it free and unified, if this is the wish of the people. The wishes of the people could be expressed in free elections in the East and West of Germany.

The alternative to my suggestion might very well be an invitation by Russia to West Germany to join with East Germany in free elections to decide upon a unified Germany. Either we shall make the first move for unification or the Russians will do it as a way out of their present dilemma.

There is little doubt in the minds of many German observers that Mr. Adenauer's government could not resist an invitation by Russia to unify Germany by withdrawing its occupation forces if that invitation was offered. We are on notice that it might happen. If it does, then our fight to destroy communism in Western Europe will have been lost. It would present a difficult situation for Mr. Adenauer and his government and we must protect him if we can.

Unification is the foremost German aspiration and there will be no stability in Europe until Germany again resumes its position in the family of nations without the threat of a blatant militarism.

Once reestablished Germany will stand forever in the path of Russian aggression in the West.

We cannot afford to equivocate, Mr. Speaker, we must not appease either allies or enemy; there is a first job to do—get Russia out of East Germany and allied troops out of the occupied zones of West Germany. This is a positive move toward peace; this is a step leading to the reduction of a crushing rearmament program that is about to bankrupt the free world.

Mr. Speaker, we have just celebrated the 177th birthday of the Declaration of Independence. At that time a courageous group of men lit a torch for freedom which has burned for all these years, inspiring people everywhere with the words, "that all men are created equal, that they are endowed by their Creator with certain inalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, Governments are instituted among men, deriving their just powers from the consent of the governed."

Let our leaders sit down at the conference table on this important issue; let there be no petty quibbling over details of a program for unification of Germany; let there be no recrimination and no desire for vindictive terms, remembering the words of the Bible: "Vengeance is mine," saith the Lord.

Mr. Speaker, I have introduced House Concurrent Resolution 124 which aims to carry out the thoughts that I have expressed in these brief remarks. Adoption of my resolution will encourage the German people to believe that an independence day is possible for them, too.

And to countless millions all over the world who would be encouraged to believe that peace in this atomic age can become a reality.

We must show the way to peace in Western Europe and it can be done under the leadership of Dwight D. Eisenhower.

House Concurrent Resolution 124

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby expresses its great approbation and commendation of, and its deep admiration for, the heroic efforts of the German people in the zone of Germany under the control of the Union of Soviet Socialist Republics to free themselves of the oppression and tyranny of the Union of Soviet Socialist Republics.

The President is hereby respectfully requested to take such action as may be necessary and appropriate in order to make clear to the World that the United States urges and insists upon the withdrawal from Germany of the armed forces of the Union of Soviet Socialist Republics, the Republic of France, Great Britain, and the United States of America, the unification of all Germany, and the holding of free elections in Germany, after withdrawal of such armed forces, in order to achieve the unification of the German people.

[From the U. S. News & World Report of June 26, 1953]

THE ONLY WAY OUT

(By David Lawrence)

The whole world has witnessed in the East German revolts of the last few days the exercise of the greatest power known to man, the power of mass action by peoples.

No atomic weapon can rival it, because even the hand that would order the bomb dropped on another country can be paralyzed by the command of a peace-seeking people, the final source of authority.

The premise that 200 million persons in Soviet Russia can at any moment overthrow the small group of evil men who rule them has been established by the precedents of history.

Nobody thought that in the midst of war the despotic and all-powerful government of the Russian czar could be overthrown, but an almost bloodless revolution in 1917 drove him from his throne, and the czar's own troops looked on with acquiescence.

Nobody thought the Imperial German Government in Berlin, supposedly supported by a well-disciplined people and the Prussian militarists, could be upset in a matter of hours during a war in which patriotism was at fever heat, but a mutiny of sailors at Kiel touched off revolution in 1918, and the Kaiser fled into exile.

What is this power, this sudden panic of courage which seizes a populace that has long been suffering under oppressive rule? It is merely the concerted will of a vast number of human beings who want their liberty, their freedom, their emancipation from tyranny.

Now is the time to lift high the torch of hope, of liberation for the oppressed peoples of Europe. When they begin to rebel, they must look for moral, if not physical, support to the nations of the world which want them to attain their freedom.

To implement the idea of liberation requires imagination. There are persons, even in the Western World, here and abroad, who for partisan reasons have belittled it as dangerous and foolhardy.

This is a species of reactionary thinking which has typified our policies and those of our allies in recent years—always fear, always timidity, always frustration, and finally appeasement of the enemy.

Now is the time for the free governments of the world to speak out and encourage the peoples in Soviet Russia and the satellite countries—to tell them we shall assist with food, with farm machinery, and with economic measures when they establish a free government.

For, if peace comes, the world will be spared many billions of dollars of expenditure for armament. As President Eisenhower so wisely said in his speech of April 16 before the American Society of Newspaper Editors, we would gladly spend some of those same billions in a world war against poverty, malnutrition, and disease.

The significance of what is happening in East Germany and in other countries under Soviet domination is that, without the aid of foreign armies, thousands of people have stood up defiantly before the military force of their oppressors. The outbursts may be quelled temporarily but, once the people really feel their power, the urge to resist will grow. Revolutionary inspiration spreads like wildfire. Eventually the Soviet troops will hesitate to continue to shoot down unarmed persons. Russian soldiers, too, want liberty.

This is the time to be firm and not to weaken, as some of our allies are doing with their speeches that propose the admission of Red China into the United Nations. Rather we should be talking of expelling the Moscow Government from the U. N. because of its perfidy. For the Soviet Government has publicly told the United Nations Assembly that it has been supplying arms and ammunition to Red China—formally declared by the U. N. in 1951 to be an aggressor. How can we overlook that crime of aiding aggression?

Every step we take to dignify and build up the prestige of the Moscow clique as a legitimate Government—when we know it is a menace to world peace and that there are many nationalities in the Soviet Union which do not feel such a Government is representative of them—tends to postpone the day when the masses can rise up in revolt.

There should be no four-power meeting with Malenkov. There's trouble behind the Iron Curtain and we must not build up even temporarily the stature of a totalitarian government and thereby discourage the aspirations of the people for freedom.

With all the censorship and the devices of suppression, ideas do penetrate the heaviest curtain of secrecy. The power of an idea is infinite—and the peoples of Soviet Russia and the neighboring states must be told that the people of the West are with them in the heartfelt hope that they can soon rise up en masse to recover their rights. This is a propitious moment in history. The peoples in all Iron Curtain countries should be apprised that we and our allies will be ready to give them the moral help and the economic help they need. Military help from the outside will be unnecessary when revolution from within is astir.

It is the only way out—the only way to real peace.

REVIEW OF THE BUY AMERICAN ACT

Mr. NEAL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. NEAL. Mr. Speaker, a few days ago I called to the attention of this House a pending $420,000 contract for insulators to supply the Bonneville power project.

Under authority of the Buy American Act, bids were extended to foreign competitors, although the bid announcement did not state that foreign competitors would be included. One of these bids, after figuring import duty and percentage differentials is declared to be $29,216 under the lowest American bidder, which happens to be the Porcelain Products Co., a firm doing business in my district.

In looking into some of the ramifications of this new trade innovation, I have discovered some interesting facts. I am informed that the production and packaging of this material will require approximately 50,000 man-hours at an average rate of $2 per hour, representing a payroll of $100,000. In addition to this, the payrolls and man-hours to produce and transport necessary raw materials must be considered. A few figures will show clearly the uneconomic principle here involved since they disclose a three way loss extending to the very roots of our domestic economy.

First, the State of West Virginia will lose 2 percent gross sales tax on $420,000, $8,400; 2 percent consumers' tax on take-home pay, estimated $1,600; undisclosed corporation State tax.

Second, the United States Government will lose social-security assessments on $100,000 wages, $3,000; withholding tax from wages estimated at 10 percent $10,000; unemployment compensation, 50,000 man-hours, 40 hours per week, 1,250 weeks at $25 per week, $8,750.

Third, the loss to wage earners in excess of their unemployment insurance for the 1,250 weeks so unemployed, $68,750.

Thus, we will substract from the successful operation of a self-propelling American economy an overall sum approaching $100,000 to save $29,000 in a shortsighted belief that we can build up foreign competitors with no regard for our own industrial economy. The above figures reflect the situation locally as it applies to one American firm and does not go into the question of import duties. It certainly seems timely that terms and interpretations of the Buy American Act should be given careful scrutiny to explore and publicize its far-reaching effects on the American economy. Industrial workers are entitled to such review, and will demand it. In the meantime, this particular contract should be awarded to the American bidder.

NATIONAL HISTORICAL PUBLICATIONS COMMISSION

The SPEAKER. Pursuant to the provisions of title 44, section 393 (a), United States Code, the Chair appoints as a member of the National Historical Publications Commission the gentlewoman from New York, Mrs. ST. GEORGE.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. GATHINGS (at the request of Mr. NORRELL), through Thursday of this week, on account of the death of his mother.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. ANGELL and to include extraneous matter.

Mr. SMITH of Wisconsin and to include an article.

Mr. WOLVERTON in nine instances and to include extraneous matter.

Mr. DONDERO and to include a letter.

Mr. PRICE in five instances, in each to include extraneous matter.

Mr. PATMAN in three instances and to include statements and excerpts.

Mr. EDMONDSON and to include a telegram.

Mr. METCALF and to include an article.

Mr. SHEEHAN (at the request of Mr. HALLECK) and to include an article.

Mr. HARRIS and to include an editorial.

Mr. JONES of Alabama and to include a resolution.

Mr. KERSTEN of Wisconsin in five instances, in each to include extraneous matter.

Mr. HILLINGS in three instances and to include extraneous matter.

Mr. RHODES of Arizona and to include a petition with 200 signatures.

Mr. KEATING in four instances and in each to include extraneous matter.

ENROLLED JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 234. Joint resolution authorizing an appropriation to defray expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 25 minutes p. m.) the House adjourned until tomorrow, Tuesday, July 7, 1953, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from

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the Speaker's table and referred as follows:

820. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated March 27, 1952, submitting a report, together with accompanying papers and illustrations on a cooperative beach erosion-control study of the State of Connecticut, area 3, New Haven harbor to Housatonic River, prepared under the provisions of section 2 of the River and Harbor Act approved on July 3, 1930, as amended and supplemented (H. Doc. No. 208); to the Committee on Public Works and ordered to be printed.

821. A letter from the Chairman, National Labor Relations Board, transmitting the 17th annual report of the National Labor Relations Board for the year ended June 30, 1952, pursuant to section 3 (c) of the Labor-Management Relations Act, 1947; to the Committee on Education and Labor.

822. A letter from the Chairman, National Labor Relations Board, transmitting lists containing the names, salaries, and duties of all employees and officers in the employ or under the supervision of the National Labor Relations Board for the year ended June 30, 1952, pursuant to section 3 (c) of the Labor Managament Relations Act, 1947; to the Committee on Education and Labor.

823. A letter from the Secretary of Commerce, transmitting the fifth interim report on causes and characteristics of thunderstorms and other atmospheric disturbances, pursuant to Public Law 657, 80th Congress; to the Committee on Interstate and Foreign Commerce.

824. A letter from the Commissioner of Immigration and Naturalization Service, United States Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to section 4 of the Displaced Persons Act of 1948, as amended; to the Committee on the Judiciary.

825. A letter from the Secretary of State, transmitting the draft of a proposed bill entitled "A bill to authorize the sale of certain vessels to Brazil for use in the coastwise trade of Brazil"; to the Committee on Merchant Marine and Fisheries.

826. A letter from Frank L. Roberts, authorized board member, the Renegotiation Board, transmitting the draft of a proposed bill entitled "A bill to extend and amend the Renegotiation Act of 1951"; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 2, 1953, the following bills were reported July 3, 1953:

Mr. McCONNELL: Committee on Education and Labor. H. R. 6049. A bill to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes; without amendment (Rept. No. 702). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCONNELL: Committee on Education and Labor. H. R. 6078. A bill to amend Public Law 874 of the 81st Congress so as to make improvements in its provisions and extend its duration for a 2-year period, and for other purposes; without amendment (Rept. No. 703). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCONNELL: Committee on Education and Labor. H. R. 5691. A bill to provide for an annual report by the Commissioner of Education regarding educational activities carried on by or under the supervision of, or with the aid of, the executive branch of the Government; without amendment (Rept. No. 704). Referred to the Committee of the Whole House on the State of the Union.

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HINSHAW: Committee on Interstate and Foreign Commerce. S. 1981. An act to continue in effect certain provisions of section 6 of the act of February 4, 1887, as amended, relating to military traffic in time of war or threatened war, for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter, or until such earlier date as may be established by concurrent resolution of Congress; without amendment (Rept. No. 705). Referred to the Committee of the Whole House on the State of the Union.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. H. R. 5740. A bill to amend the Federal Food, Drug, and Cosmetic Act, so as to protect the public health and welfare by providing certain authority for factory inspection, and for other purposes; without amendment (Rept. No. 708). Referred to the Committee of the Whole House on the State of the Union.

Mr. O'HARA of Minnesota: Committee on Interstate and Foreign Commerce. H. R. 5016. A bill to amend sections 502 (i) and 507 of the Federal Food, Drug, and Cosmetic Act in order to identify the drug known as aureomycin by its chemical name, chlortetracycline; without amendment (Rept. No. 706). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 316. A resolution providing for the consideration of H. R. 5173, a bill to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes; without amendment (Rept. No. 707). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MAILLIARD:

H. R. 6098. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the Bay of San Francisco; to the Committee on Public Works.

By Mr. ALLEN of California:

H. R. 6099. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the Bay of San Francisco; to the Committee on Public Works.

By Mr. CAMP:

H. R. 6100. A bill to amend section 447 of the Internal Revenue Code; and

H. R. 6101. A bill to amend section 435 (d) of the Internal Revenue Code; to the Committee on Ways and Means.

By Mr. EBERHARTER:

H. R. 6102. A bill to extend the Renegotiation Act for 2 years; to the Committee on Ways and Means.

By Mr. KILDAY:

H. R. 6103. A bill to amend section 514 of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended; to the Committee on Veterans' Affairs.

By Mr. REED of New York:

H. R. 6104. A bill to extend and amend the Renegotiation Act of 1951; to the Committee on Ways and Means.

By Mr. SCUDDER:

H. R. 6105. A bill to authorize the conveyance to Lake County, Calif., of the lower Lake Rancheria; to the Committee on Interior and Insular Affairs.

By Mr. UTT:

H. R. 6106. A bill to amend the Internal Revenue Code to provide that governmental units shall not be liable for the document tax imposed on deeds transferring real estate; to the Committee on Ways and Means.

By Mr. KERSTEN of Wisconsin:

H. Con. Res. 130. Concurrent resolution expressing the hopes of the American people for the early reunification of Germany by free elections and for the achievement by the peoples of East Germany, Poland, Czechoslovakia, Rumania, Hungary, Bulgaria, Albania, Lithuania, Latvia, Estonia, and other Communist-dominated countries of their basic human rights and freedoms; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of New Jersey transmitting a copy of the Waterfront Commission Act of the State of New Jersey, as amended; to the Committee on the Judiciary.

Also memorial of the Legislature of the Territory of Hawaii, relative to the purchasing and making of veterans' home and farm loans by the Territory, providing for the issuance of general obligation bonds to obtain funds therefor, providing for administration therefor by the Territorial treasurer, and making appropriations therefor; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BRAMBLETT:

H. R. 6107. A bill for the relief of Ibrahim Hilmi Voskay; to the Committee on the Judiciary.

By Mr. KLEIN:

H. R. 6108. A bill for the relief of Frank Zovic; to the Committee on the Judiciary.

By Mr. REED of New York:

H. R. 6109. A bill for the relief of Gilbert Bing Noon Mar and Mrs. Margaret Wan Yuin Yang Mar; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

384. By the SPEAKER: Petition of the National Association of Retail Grocers, Chicago, Ill., requesting support of Senate bill 1357, to strengthen the Robinson-Patman Act, and asking opposition to all bills that will weaken this act; to the Committee on the Judiciary.

385. Also petition of Ephil V. Palmquist and others, of Miami, Fla.; requesting passage of H. R. 2446 and H. R. 2447, social-security legislation, known as the Townsend plan; to the Committee on Ways and Means.

SENATE

TUESDAY, JULY 7, 1953

(Legislative day of Monday, July 6, 1953)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, in a world where all without is change and decay and within fear of failure and the unknown future haunting our hearts, at the springs of Thy abiding presence, at the altar of prayer, we would keep alive our faith in values that are permanent and in the kindly light behind all the shadows. Whatever the future may hold, whether of joy or of pain, fulfillment or disappointment, even though the waters roar and though the mountains are shaken into the seas, still may we be upheld by an encompassing strength which is not of ourselves, but of Thee. And by that sustaining power may we be enabled to face the light of any day or the terror of any night. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 6, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Hawks, one of his secretaries, and he announced that on July 6, 1953, the President had approved and signed the act (S. 1550) to authorize the President to prescribe the occasions upon which the uniform of any of the Armed Forces may be worn by persons honorably discharged therefrom.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the following bills of the Senate:

S. 140. An act for the relief of John W. McBride;

S. 152. An act for the relief of Fred P. Hines;

S. 173. An act for the relief of Socorro Gerona de Castro;

S. 226. An act for the relief of Keiko Tashiro;

S. 297. An act for the relief of Dr. Arthur Tye;

S. 314. An act for the relief of Cornelius A. Navori;

S. 315. An act for the relief of Owen Lowrey;

S. 349. An act for the relief of May Ling Ng;

S. 458. An act for the relief of Angelo Gurisetti Podesta;

S. 505. An act for the relief of Rev. John T. MacMullen;

S. 604. An act for the relief of Maria Neglia and Angelo Neglia;

S. 616. An act for the relief of Dr. Albert Haas;

S. 719. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

S. 971. An act to authorize films, and related material, for educational use to be transmitted through the mails at the rate provided for books;

S. 1078. An act to authorize the use of certificates by officers of the Armed Forces of the United States, in connection with certain pay and allowance accounts of military and civilian personnel;

S. 1082. An act to approve a conveyance made by the city of Charleston, S. C., to the South Carolina State Ports Authority, of real property heretofore granted to said city of Charleston by the United States of America;

S. 1262. An act for the relief of Stefanos A. Spilios, also known as Stephen A. Harrison;

S. 1422. An act to continue the effect of the statutory provisions relating to the deposit of savings for members of the Army and Air Force, and for other purposes;

S. 1529. An act to amend the act of July 28, 1942 (ch. 528, 56 Stat. 722), relating to posthumous appointments and commissions, and for other purposes;

S. 1544. An act to repeal the authority to purchase discharge from the Army, the Navy, the Air Force, and the Marine Corps;

S. 1579. An act for the relief of Mieko Kristine;

S. 1684. An act to facilitate civil-service appointment of persons who lost opportunity therefor because of service in the Armed Forces after June 30, 1950, and to provide certain benefits upon appointment;

S. 1995. An act to provide certain construction and other authority for the military departments in time of war or national emergency;

S. 2000. An act to authorize the retirement of non-Regular officers of the Army and Air Force having more than 30 years' active Federal service under the same conditions presently provided for such officers having less than 30 years' service, and for other purposes; and

S. 2079. An act to provide for the use of the American National Red Cross in aid of the Armed Forces, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to the bill (H. R. 4823) to convey by quitclaim deed certain land to the State of Texas.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REED of New York, Mr. JENKINS, Mr. SIMPSON of Pennsylvania, Mr. COOPER, and Mr. DINGELL were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 444. An act to amend the act of May 19, 1947, so as to increase the percentage of certain trust funds held by the Shoshone and Arapaho Tribes of the Wind River Reservation which is to be distributed per capita to individual members of such tribes;

H. R. 490. An act to authorize the use of the Sackets Harbor Military Cemetery for the burial of war and peacetime veterans of the Armed Forces of the United States;

H. R. 662. An act for the relief of Mr. and Mrs. Joseph W. Furstenberg;

H. R. 1532. An act to provide for the addition of certain Government lands to the Cape Hatteras National Seashore Recreational Area project, and for other purposes;

H. R. 2201. An act for the relief of Constantinous Tzortzis;

H. R. 2582. An act to amend section 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia";

H. R. 3411. An act to direct the Secretary of the Army to reestablish and correct the boundaries of the Quincy National Cemetery by the exchange of Government-owned lands in the Quincy-Graceland Cemetery, Quincy, Ill.;

H. R. 4779. An act to authorize the adoption of a report relating to seepage and drainage damages on the Illinois River, Ill.;

H. R. 4978. An act to repeal the act of September 30, 1950, authorizing the transfer to the State of Iowa of Fort Des Moines, Iowa; and

H. R. 5527. An act to authorize the employment in a civilian position in the Office of the Secretary of Defense of Lt. Gen. Graves Blanchard Erskine, upon retirement from the United States Marine Corps, and for other purposes.

COMMITTEE SERVICE

On motion of Mr. JOHNSON of Texas, and by unanimous consent, it was

Ordered, That the Senator from North Carolina, Mr. HOEY, be, and he is hereby, excused from further service as a member of the Committee on Government Operations.

Ordered further, That the Senator from Arkansas, Mr. MCCLELLAN, be, and he is hereby, assigned to service on the Committee on the Judiciary, to fill an existing vacancy thereon.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Interstate and Foreign Commerce, and the Permanent Subcommittee on Investigations of the Committee on Government Operations were authorized to meet during the session of the Senate today.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the usual morning hour, to permit Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual practice of a 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

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Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

TEMPORARY EXTENSION OF RIGHTS OF PRIORITY TO NATIONALS OF JAPAN AND GERMANY RELATING TO APPLICATIONS FOR PATENTS

A letter from the Acting Secretary of State, transmitting a draft of proposed legislation to extend temporarily the rights of priority of nationals of Japan and certain nationals of Germany with respect to applications for patents (with an accompanying paper); to the Committee on the Judiciary.

DUNCAN M. CHALMERS AND CERTAIN OTHER PERSONS

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation for the relief of Duncan M. Chalmers and certain other persons (with an accompanying paper); to the Committee on the Judiciary.

SUPERVISION AND CONTROL OF CERTAIN SCHOOLS AND COLLEGES BY VETERANS' ADMINISTRATION—RESOLUTION OF FLORIDA LEGISLATURE

Mr. HOLLAND. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Legislature of the State of Florida, relating to the supervision and control of certain schools and colleges by the Veterans' Administration.

There being no objection, the resolution was referred to the Committee on Labor and Public Welfare; and, under the rule, ordered to be printed in the RECORD, as follows:

MEMORIAL TO THE CONGRESS AND THE PRESIDENT URGING THE DISCONTINUANCE OF ENCROACHMENT AND USURPATION OF LEGAL AND TRADITIONAL RIGHTS OF THE STATE TO CONTROL AND SUPERVISE THE EDUCATION OF ITS PEOPLE

Whereas the United States Veterans' Administration, following the enactment of Public Law 550 (the Korean GI bill), has launched a nationwide campaign of direct inspection and supervision of educational institutions in which returned veterans have enrolled; and

Whereas returned veterans of the armed services are civilians and are enrolled in public institutions operated by and under control of the several States; and

Whereas 16 Federal inspectors are now visiting educational institutions in Florida under directives of the Washington central office of the Veterans' Administration to "determine whether the institutions and their courses of instruction fail to meet any requirements of the act"; and

Whereas these Federal employees are further directed to close out each compliance survey of an educational institution by "discussing findings with school officials * * * suggesting remedial action to be taken by the institution * * *" and to make periodic followups "to ascertain whether corrections, changes, and variations have been observed and placed into active practice by the institutions"; and

Whereas the inspection and supervision of educational institutions enrolling veterans is clearly recognized and set forth in Public Laws 346 and 550 as a function of the State; and

Whereas the State of Florida is performing its proper function in the inspection, approval, and supervision of educational institutions for the training of veterans, as required by law; and

Whereas the power and responsibility to control and to regulate public education is not delegated in the Constitution of the United States to the Federal Government, and thus, under the residual powers amendment thereto, devolves upon the several States; and

Whereas section 263, Public Law 550, 82d Congress, contains the following restriction: "No department, agency, or officer of the United States, in carrying out this title, shall exercise any supervision or control, whatsoever, over any State approving agency, State educational agency, or State apprenticeship agency, or any educational institution or training establishment"; and

Whereas it is the sense of this body that the action of the Veterans' Administration in this instance constitutes a serious and forthright usurpation of basic and traditional rights and responsibilities of the State, and is clearly in violation of the above cited provisions of Public Law 550; and

Whereas this attempt of the Veterans' Administration to supervise and control educational institutions, if carried out, would involve the expenditure of millions of dollars of public tax funds in duplication of responsibilities specifically assigned to the States; and

Whereas numerous protestations and expressions of concern have come from educational institutions and citizens of this State over this encroachment upon legal State functions and responsibilities; and

Whereas it is the observation of this body that the President of the United States has recently demonstrated his interest in and desire for improved Federal-State relations by calling a conference of the governors of the various States to consider such matters; and

Whereas it is our firm belief that the Congress of the United States did not intend this usurpation by the Federal Government of traditional State functions in the enactment of Public Laws 346 and 550: Now, therefore be it

Resolved by the Legislature of the State of Florida, That the Congress of the United States and the President are hereby memorialized and respectfully urged to take appropriate steps through budgetary restriction and/or legislative enactment to bring about an immediate termination of the supervision and control currently being attempted by the Veterans' Administration over schools and colleges of this State which have enrolled veterans under Public Laws 346 and 550; and be it further

Resolved, That copies of this memorial be transmitted forthwith by the chief clerk of the House and secretary of the Senate of the State of Florida to the President of the United States, the Senators and Representatives of the Federal Congress from the State of Florida; and be it further

Resolved, That a copy of this memorial be spread upon the journal of both the Senate and House of Representatives of the State of Florida and copies thereof be furnished to the press.

DEVELOPMENT OF POWER AT NIAGARA FALLS—RESOLUTION OF AMERICAN PUBLIC POWER ASSOCIATION, BOSTON, MASS.

Mr. LEHMAN. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted at the annual convention of the American Public Power Association on May 14 of this year, at Boston, Mass., relating to the development of power at Niagara Falls.

There being no objection, the resolution was referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

NIAGARA FALLS RESOLUTION ADOPTED MAY 14, 1953, AT ANNUAL CONVENTION AMERICAN PUBLIC POWER ASSOCIATION, BOSTON, MASS.

Whereas the United States Senate on August 9, 1950, unanimously approved the Niagara Redevelopment Treaty with Canada to protect the scenic spectacle at Niagara Falls from further erosion and to permit increased use of Niagara waters in a new hydroelectric project with a capacity of 1,330,000 kilowatts on the United States side of this international stream; and

Whereas the Senate also unanimously approved a reservation to the treaty expressly reserving the right of the United States to provide by act of Congress for redevelopment of the United States share of the waters of the Niagara River for the public use and benefit; and

Whereas Canada is already proceeding with the construction of a project to utilize the Canadian share of the diversion from this international stream under which project Niagara power will be publicly developed, transmitted, and distributed throughout the Province of Ontario: Now, therefore, be it

Resolved, That we urge speedy enactment of legislation to provide for the redevelopment of Niagara Falls by appropriate public agencies to the end that the potential benefits which should accrue from the use of this invaluable natural resource be made available to the ultimate consumer in accordance with the principles stated by this association in its declaration of Federal power policy, September 26, 1949.

INCLUSION OF CLERGYMEN IN PROVISIONS OF FEDERAL SOCIAL SECURITY ACT—RESOLUTION OF NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE U. S. A.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD and appropriately referred a resolution which was adopted by the National Council of the Churches of Christ in the U. S. A., in reference to the inclusion of clergymen in the provisions of the Federal Social Security Act.

I make note of the fact that the resolution refers to a bill I have introduced, which would give clergymen the option of being in the social-security program or not.

There being no objection, the resolution was referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

EXCERPT FROM NATIONAL COUNCIL OF THE CHURCHES OF CHRIST IN THE U. S. A., GENERAL BOARD, CONGRESS HOTEL, CHICAGO, ILL., MAY 19, 1953

C. Inclusion of clergymen in provisions of Federal Social Security Act:

It was—

Voted that the general board declares its opinion that permissive provision for the voluntary participation of clergymen in the old-age and survivors insurance plan of the Federal social security is advisable and authorizes its officers and staff to make appropriate representations to Congress in support of measures to achieve it, with provision

for appropriate recognition of and use of existing pension plans without impairment.

Voted to adopt the recommendation as amended.

RESOLUTIONS OF OREGON STATE FEDERATION OF LABOR

Mr. MORSE. Mr. President, I am in receipt of a letter from the Oregon State Federation of Labor, signed by J. T. Marr, executive secretary, Portland, Oreg., dated June 26, 1953, transmitting copies of resolutions adopted by that federation, relating to certain legislative proposals in Congress. I ask unanimous consent that the resolutions be appropriately referred and printed in the RECORD.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Appropriations:

"Resolution 2

"Whereas the Congress of the United States frequently adopts amendments to departmental appropriation bills which are not related to said appropriations but which are legislative in character, and commonly called rider; and

"Whereas such legislative riders are usually detrimental to the best interests of Federal employees: Therefore be it

"*Resolved*, That the Oregon State Federation of Labor request the Oregon State congressional delegation to oppose the practice of attaching legislative riders to appropriation bills which have the effect of injuring the rights and privileges of Federal employees."

To the Committee on Finance:

"Resolution 10

"Whereas a large amount of money is obtained by the Government through its collection on excess-profits tax; and

"Whereas the repeal of excess-profits tax would not reflect in a beneficial manner to the consumer, but, on the contrary, might give impetus to even higher consumer prices; and

"Whereas in a country like ours where there is freedom of commerce, an obligation is due from commerce to assume an equitable share of responsibility for support of our Government; and

"Whereas repeal of the excess-profits tax would leave the Government with a loss of revenue to be made up by other means of taxation which may even entail an inequitable national sales tax; and

"Whereas the excess-profits tax, by its very nature, has proven itself one of the most equitable of all taxes: Therefore be it

"*Resolved*, That the Oregon State Federation of Labor go on record requesting Congress to reenact the present excess-profits tax law, and that copies of this resolution be sent to our Congressmen, Senators, our national officers, the Oregon State Federation of Labor, the Central Labor Council, and any other body that may be interested, for their concurrence."

"Resolution 12

"Whereas we believe that in periods of high employment and high business activity the Federal budget should be balanced; and

"Whereas we reaffirm our belief that taxes should be levied with consideration for ability to pay; and

"Whereas the present administration is conducting a study of the tax system with the intent of making adjustments in the tax structure to correct so-called gross inequities; and

"Whereas we believe that any reductions made should be made equally to all persons, and this can only be accomplished by increased personal exemptions, or reduction of excise taxes: Therefore be it

"*Resolved*, That this body go on record as being in favor of increasing the individual income-tax exemption per person from the present unrealistic figure of $600 without any increase in the present tax rate; and the reduction of excise taxes, these to be the first downward revisions in the present tax structure, when such downward revisions are compatible with our National Security and well-being; and be it further

"*Resolved*, That this body forward this resolution to our Congressmen and Senators, the Secretary of the Treasury, the American Federation of Labor, the Oregon State Grange and the Farmers Union, with the request that they concur and give active support to this proposal."

"Resolution 39

"Whereas virtually all workmen have a difficult time securing employment after reaching the age of 60 years; and

"Whereas the present provision of the Social Security Act does not permit anyone to draw old-age benefits under the act until after reaching the age of 65, thus leaving several years of possible unemployment without income: Now, therefore, be it

"*Resolved*, That this convention of Oregon State Building and Construction Trades Council in Coos Bay, Oreg., June 13–14, 1953 go on record as favoring amendment of the Social Security Act for the purpose of lowering the age limit for old-age benefits from 65 to 60 years; and be it further

"*Resolved*, That the Oregon Members of Congress be petitioned to initiate a bill effecting such an amendment of the Social Security Act; and be it still further

"*Resolved*, That copies of this resolution be sent to the convention of the Oregon State Federation of Labor at Coos Bay, June 15–19, 1953, for their consideration."

"Resolution 51

"Whereas paid fire fighters are compelled by the nature of their work to maintain and supply food for themselves at their working station while maintaining like facilities and food in their normal home life; and

"Whereas this constitutes an excessive and abnormal expense: Therefore be it

"*Resolved*, That the sum of $200 per annum be allowed as a deductible item for all fully paid fire fighters in computing their Federal and State income taxes; and be it further

"*Resolved*, That the Oregon State Federation of Labor go on record as supporting any legislation that may bring this about."

"Resolution 23

"Whereas a report from Washington, D. C. states that the Government intends to levy a national sales tax on the people of this country; and

"Whereas the voters of Oregon on several occasions have seen fit to defeat a State sales tax by overwhelming majorities; and

"Whereas the burden of this tax falls most heavily on those least able to bear it: Therefore be it

"*Resolved*, That the Oregon State Federation of Labor go on record as being unalterably opposed to its passage by the Government; and be it further

"*Resolved*, That a copy of this resolution be sent to our Congressmen and Senators with the request that they do all in their power to help defeat this measure."

To the Committee on Interior and Insular Affairs:

"Resolution 57

"Whereas the interests and opinions of the working people of the United States are greatly under-represented in the Congress of the United States; and

"Whereas Senator WAYNE L. MORSE, of Oregon, has done a great deal to uphold and present the interests and views of our working people, in company with certain other conscientious and clear-thinking Congressmen and Senators; and

"Whereas Senator MORSE has done a very great deal to save the Continental Shelf oil fields and the Hells Canyon hydroelectric power and other natural resources for the people of the United States in opposition to the policy of giving our resources to private interest groups: Now, therefore, be it

"*Resolved*, That the fifty-first annual convention of the Oregon State Federation of Labor commend and thank Senator MORSE for his diligent and effective representation of the interests and opinions of the working people of Oregon, the Pacific Northwest, and the United States; and be it further

"*Resolved*, That this convention urge and encourage Senator MORSE and his congressional colleagues to continue their efforts on behalf of the people of Oregon and of the United States to safeguard and develop the natural resources of our country for the benefit of the people as a whole by all means at their command and be it further

"*Resolved*, That the Oregon State Federation of Labor and its member unions and councils pledge their strongest support and assistance to Senator MORSE and his colleagues in their efforts to safeguard and develop our natural resources for the benefit of all the people of the Pacific Northwest and of the United States; and be it further

"*Resolved*, That copies of this resolution shall be sent to the Honorable Senator WAYNE L. MORSE, to the Oregon Farmers' Union, the Oregon State Grange, the Oregon State Council of Industrial Organizations and their national organization, the American Federation of Labor, Hon. Douglas McKay, Secretary of the Interior, President Dwight D. Eisenhower and to all the members of the Oregon delegation in Congress."

To the Committee on the Judiciary:

"Resolution 41

"Whereas Senator WARREN MAGNUSON, of the State of Washington, has introduced Senate bill 805 making the first Tuesday after the first Monday in November in every even-numbered year a legal holiday to be known as National Election Day; and

"Whereas this bill (S. 805) is now pending in the Judiciary Committee of the Senate; be it

"*Resolved*, That this Oregan State Federation of Labor in its 51st annual convention assembled go on record in favor of the passage of this bill and the secretary of this body shall inform Senator MAGNUSON on this action attaching a copy of this resolution."

To the Committee on Labor and Public Welfare:

"Resolution 18

"Whereas the Congress of the United States of America has, by action in passing the Taft-Hartley law, caused the members of organized labor to work under unbearable conditions; and

"Whereas the efforts on the part of organized labor to have this unjust law repealed or amended has up to this point been in vain; and

"Whereas the members of the International Typographical Union have been forced to spend upward of $20 million in defense of their 100-year-old trade union against persecution under the provisions of the Taft-Hartley law; and

"Whereas these persecutions and court actions against organized labor under Taft-Hartley are a deterrent to the working people as a whole; and

"Whereas labor as a whole has spent many more millions in its defense against persecution; and

"Whereas these aforesaid persecutions and court actions could be a planned campaign on the part of the National Association of

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Manufacturers to bankrupt all labor organizations; and

"Whereas should this happen a breakdown in free collective bargaining and the American way of life as we know it would disappear from the face of the earth; and

"Whereas Senator MURRAY and Representatives DINGELL and RHODES have offered to the Congress the Murray-Dingell-Rhodes bill, which would amend the Taft-Hartley law and alleviate to some extent the injustices which are occurring under its provisions: Therefore be it

"Resolved, That the Oregon State Federation of Labor at its annual convention at Coos Bay, Oreg., go on record as endorsing the Murray-Dingell-Rhodes bill and urge our Senators and Congressmen to vote for its passage; and be it further

"Resolved, That a copy of this resolution be forwarded to the President of the United States and to the Oregon Senators and Representatives in Congress."

"Resolution 63

"Whereas the Eisenhower administration has pledged itself to a policy of bringing government closer to the people so that those concerned with and affected by the programs of the Federal Government will have an opportunity to participate in the formulation of policies; and

"Whereas the Pacific Northwest is a region with special and peculiar problems of particular concern to labor, which require the assistance of the Department of Labor for solution; and

"Whereas labor in Oregon and the Pacific Northwest has been greatly benefited by the establishment of the past 2 years of regional offices of the Bureau of Employment Security and the Bureau of Apprenticeship in the Pacific Northwest, whereas before such programs were administered from San Francisco which is too remote from the problems of the Pacific Northwest; and

"Whereas other important functions of the Labor Department, such as wages and hours, labor statistics, labor standards, do not now have regional offices in the Pacific Northwest: Now, therefore, be it

"Resolved, That the Oregon State Foundation of Labor request the Secretary of Labor to establish within the Pacific Northwest regional offices of the other bureaus of the Department of Labor, so that the services that can be rendered by these agencies will be properly available to the labor movement of this region, and to assist the Secretary in obtaining the necessary funds, copies of this resolution be sent to the Oregon Congressional delegation."

To the Committee on Post Office and Civil Service:

"Resolution 3

"Whereas the Congress of the United States has under consideration several bills to increase salaries of annual Federal employees; and

"Whereas annual Federal employees have not received an increase in salary since July 1951; and

"Whereas the cost of living since July 1951 has increased considerably; Therefore be it

"*Resolved*, That the Oregon State Federation of Labor go on record to request the Oregon congressional delegation to support salary increase legislation for annual Federal employees."

"Resolution 30

"Whereas the various AFL international unions representing Federal employees have in Washington, D. C., an organization designated as the A. F. of L. Government Employees' Council; and

"Whereas this council in its actions with regard to Federal legislation is working for the best interest of Federal employees: Therefore be it

"Resolved, That the Oregon State Federation of Labor contact the Oregon congressional delegation requesting them to support the program of the A. F. of L. Government Employees' Council in Washington, D. C."

"Resolution 31

"Whereas the Congress of the United States has during this session had under consideration legislation which, if adopted could permit heads to summarily dismiss Federal civil-service employees, without regard to civil-service regulations; and

"Whereas the adoption of such legislation could destroy the civil service; and

"Whereas the adoption of such legislation would create undue hardship and be grossly unfair to all civil-service employees: Therefore be it

"Resolved, That the Oregon State Federation of Labor go on record to request the Oregon congressional delegation to oppose all legislation which would permit the arbitrary dismissal of Federal civil-service employees without due regard to civil-service rules and regulations."

"Resolution 32

"Whereas the Congress of the United States has under consideration numerous bills affecting annual leave of Federal employees; and

"Whereas such bills would have an injurious effect upon Federal employees: Therefore be it

"Resolved, That the Oregon State Federation of Labor go on record to request the Oregon congressional delegation to oppose annual-leave legislation detrimental to the welfare of Federal employees and to support annual leave legislation beneficial to Federal employees."

To the Committee on Public Works:

"Resolution 20

"Whereas a recent move by the Federal Government indicates its intention to abdicate plans to construct the Hells Canyon Dam and abandon its plans to the Idaho Power Co., which may build one or more small dams, has implications of profound and far-reaching injury to the interests of the entire Northwest and presents a serious threat to the welfare of the entire Northwest; and

"Whereas abdicating to the Idaho Power Co. will enable it to construct one or more lower dams that will be tantamount to handing over to the power company for its exploitation one of the greatest natural resources in the whole world; and

"Whereas the study made by competent Army engineers in 1932 and covered in Report No. 308, presenting the vast possibilities of the dam on the original site for electric energy, irrigation, flood control, and recreation offers a potentiality that will be lost if the Idaho Power Co. is given the privilege of starting its program with construction of the Ox Bow Dam; and

"Whereas surrendering this great natural resource to the private company, which largely is owned by eastern capital, would jeopardize the economic future of the Northwest by denying the low power rates that would be possible if the originally planned Hells Canyon Dam were built by the Federal Government or by a local Northwest association of publicly owned and operated power systems: Therefore be it

"Resolved by the Oregon State Federation of Labor, in convention assembled, That we reiterate the approval which the Federation in many conventions has given to the construction of the Hells Canyon multi-purpose dam as the only plan which contains the greatest economic possibilities, and that the officers of the Federation be instructed to join in a united effort with the organization now being formed to protect the economic interest of the Northwest area; and be it further

"Resolved, That this Federation join with other groups and associations in petitioning the Federal Power Commission to postpone for at least 90 days the hearing on the Idaho Power Co.'s application for a permit to build the Ox Bow Dam, the hearing now being scheduled for July 7, such postponement being for the further purpose of providing time to prepare and present to the Commission our case in opposition to granting the Idaho Power Co. a permit; and be it further

"Resolved, That the Oregon State Federation of Labor call on all unions to immediately contribute through the State Federation of Labor to a fund that is necessary to effectively protect the rights of citizens of the Northwest, and thereby aid in saving this great natural resource for the benefit of all citizens in this vast Northwest empire."

To the Joint Committee on Atomic Energy:

"Resolution 60

"Whereas the United States Atomic Energy Commission has indicated that it is considering giving permission to private corporations and individuals to take out patents and receive other exclusive rights to the use of power derived from atomic fission; and

"Whereas the taxpayers of the United States have spent billions of dollars for the development of this source of energy for the benefit of our entire people: Therefore be it

"Resolved by the 51st annual convention of the Oregon Federation of Labor here assembled in Coos Bay, Oreg., That it is strongly opposed to permitting any private corporation, firm, or individual to secure exclusive rights of development, use, or sale of power derived from atomic fission, and that it is strongly in favor of the continued development, use, and eventual sale of power derived from atomic fission entirely and solely by the Government of the United States for the benefit of all the people; and be it further

"Resolved, That copies of this resolution be given to the press and be sent to the members of the Atomic Energy Commission and to all the Members of the Oregon delegation in Congress."

CONDUCT OF CONGRESSIONAL INVESTIGATIONS—LETTER FROM GENERAL SYNOD OF REFORMED CHURCH IN AMERICA, PELLA, IOWA

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Reformed Church in America, General Synod, New York, N. Y., signed by J. E. Hoffman, stated clerk, embodying a resolution adopted by the General Synod of that church at a meeting held in Pella, Iowa, June 4–9, 1953, relating to the protection of witnesses before congressional investigations.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

REFORMED CHURCH IN AMERICA,
New York, N. Y., June 25, 1953.

Hon. WAYNE MORSE,
United States Senator,
Washington, D. C.

SIR: The General Synod of the Reformed Church in America at its meeting held in Pella, Iowa, June 4–9, 1953, adopted the following resolution:

"That we remind our congressional investigating committee that their real function is to discover such facts as will help and guide legislators in writing laws and that they are not supposed to usurp the function

of the courts in punishing wrongdoers; further, we urge support of Senate Resolution 83 (author: WAYNE MORSE, Oregon) and House Resolution 178 (A. C. KLEIN, New York), which provide for procedural protections."

Respectfully yours,

J. E. HOFFMAN,
Stated Clerk.

PROHIBITION OF CERTAIN GAMBLING INFORMATION IN INTERSTATE COMMERCE—REPORT OF A COMMITTEE

Mr. TOBEY. Mr. President, from the Committee on Interstate and Foreign Commerce, I report an original bill to prohibit transmission of certain gambling information in interstate commerce by communications facilities, and I submit a report (No. 500) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

The bill (S. 2314) to prohibit transmission of certain gambling information in interstate commerce by communications facilities, reported by Mr. TOBEY, from the Committee on Interstate and Foreign Commerce, was read twice by its title, and placed on the calendar.

INCREASE IN LIMIT OF EXPENDITURES FOR INVESTIGATION RELATING TO INTERSTATE AND FOREIGN COMMERCE, AND EXTENSION OF TIME FOR REPORT THEREON

Mr. TOBEY, from the Committee on Interstate and Foreign Commerce, reported an original resolution (S. Res. 135); which, under the rule, was referred to the Committee on Rules and Administration, as follows:

Resolved, That the limit of expenditure contained in Senate Resolution 41, agreed to January 30, 1953 (authorizing the Committee on Interstate and Foreign Commerce to investigate certain problems relating to interstate and foreign commerce), hereby is increased by $150,000, and the time within which the committee may complete the said investigation hereby is extended to July 31, 1954.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 2297. A bill for the relief of Matheos Tsatsaronis; and

S. 2298. A bill for the relief of Andreas Tsatsaronis; to the Committee on the Judiciary.

By Mr. MANSFIELD:

S. 2299. A bill to permit weekly newspapers to suspend publication for not more than two issues in any one calendar year without loss of second-class mail privileges; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. MANSFIELD when he introduced the above bill, which appear under a separate heading.)

By Mr. CARLSON:

S. 2300. A bill to simplify the handling of postage on newspapers and periodicals; to the Committee on Post Office and Civil Service.

By Mr. WATKINS:

S. 2301. A bill for the relief of Katherina Picerkona and her minor son, Helmut; to the Committee on the Judiciary.

By Mr. CARLSON (by request):

S. 2302. A bill to amend the Classification Act of 1949, as amended; to the Committee on Post Office and Civil Service.

By Mr. BUTLER of Maryland:

S. 2303. A bill to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia; to the Committee on the District of Columbia.

By Mr. GRISWOLD:

S. 2304. A bill to provide for stabilizing the cattle raising industry; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. GRISWOLD when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 2305. A bill to promote safe driving, to eliminate the reckless and financially irresponsible driver from the highways, and to provide for the giving of security and proof of financial responsibility by persons driving or owning vehicles of a type subject to registration under the laws of the District of Columbia; to the Committee on the District of Columbia.

By Mr. CAPEHART:

S. 2306. A bill to encourage increased production, and for other purposes; to the Committee on Finance.

(See the remarks of Mr. CAPEHART when he introduced the above bill, which appear under a separate heading.)

By Mr. MORSE:

S. 2307. A bill for the relief of Harold George Wetzlmair; to the Committee on the Judiciary.

By Mr. WILLIAMS (for himself, Mr. MARTIN, Mr. WELKER, Mr. SCHOEPPEL, Mr. BUTLER of Maryland, Mr. POTTER, Mr. HENDRICKSON, Mr. GRISWOLD, Mr. KUCHEL, Mr. BENNETT, Mr. LANGER, Mr. CASE, Mr. BEALL, Mr. THYE, Mr. JENNER, Mr. DWORSHAK, Mr. MALONE, Mr. WATKINS, Mr. COOPER, Mr. PAYNE, and Mr. BUSH):

S. 2308. A bill to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. WILLIAMS when he introduced the above bill, which appear under a separate heading.)

By Mr. SALTONSTALL (by request):

S. 2309. A bill to provide for the restoration and maintenance of the U. S. S. *Constitution* and to authorize the disposition of the U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon*, and for other purposes;

S. 2310. A bill to amend section 201 of the Federal Civil Defense Act of 1950, by adding thereto a new subsection authorizing financial contributions to the States for the purpose of providing compensation for injury or death sustained by any person serving in the United States Civil Defense Corps;

S. 2311. A bill to facilitate the settlement of the accounts of deceased members of the uniformed services, and for other purposes; and

S. 2312. A bill to authorize the Secretary of the Navy to transfer to the Commonwealth of Puerto Rico certain lands and improvements at the United States Naval Station, San Juan, P. R., in exchange for certain other lands; to the Committee on Armed Services.

(See the remarks of Mr. SALTONSTALL when he introduced the above bills, which appear under a separate heading.)

By Mr. KENNEDY (for himself, Mr. BARRETT, and Mr. YOUNG):

S. 2313. A bill to amend the Commodity Exchange Act in order to include wool among the commodities regulated by such act; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. TOBEY:

S. 2314. A bill to prohibit transmission of certain gambling information in interstate commerce by communications facilities; placed on the calendar.

(See the remarks of Mr. TOBEY when he reported the above bill from the Committee on Interstate and Foreign Commerce, which appear under a separate heading.)

By Mr. DIRKSEN:

S. 2315. A bill to authorize the payment of certain war claims; to the Committee on the Judiciary.

By Mr. HILL:

S. 2316. A bill for the relief of the Birmingham Iron Works, Inc.; to the Committee on the Judiciary.

SECOND-CLASS MAIL PRIVILEGES FOR CERTAIN WEEKLY NEWSPAPERS

Mr. MANSFIELD. Mr. President, I introduce for appropriate reference a bill to permit weekly newspapers to suspend publication for not more than 2 issues in any 1 calendar year without loss of second-class mail privileges. The bill would allow weekly newspapers which have been accorded second-class mail privileges to suspend publication for vacation purposes for not more than 2 issues in any 1 calendar year without the necessity of applying for reentry as second-class matter on account of a change in frequency of issue.

The daily newspapers can, in general, afford to give their employees vacations and they all have managers, as well, who can oversee affairs when the publisher wants time off. The small weeklies, the backbone of the newspaper industry, are usually run by a man or woman who has to be publisher, editor, printer, advertising man, and reporter, all in one. These people, I believe, are entitled to the privilege of a vacation without having to reapply for a second-class reentry, which not only takes time but costs $10 as well.

The passing of the bill by Congress will, when the States affected change their laws covering legal notices, be of inestimable value to the weekly publishers and give them the chance to take much needed vacations which they are all barred from having now. It will give the little fellows in the newspaper field a break; it will confer no special favor; it will not cost the Government anything; and it will recognize a needed adjustment in a field that needs this assistance and needs it now. I sincerely hope that this measure will receive the support of the Committee on Post Office and Civil Service.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2299) to permit weekly newspapers to suspend publication for not more than 2 issues in any 1 calendar year without loss of second-class mail privileges, introduced by Mr. MANSFIELD, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

UNIVERSITY OF MICHIGAN LIBRARIES

STABILIZATION OF THE CATTLE INDUSTRY

Mr. GRISWOLD. Mr. President, I am introducing a bill today which I believe would go far toward correcting the serious situation which presently exists in the cattle business. For several months we have been greatly concerned about the serious economic plight in which the cattle producers of this country find themselves. Everyone seems to agree that the basic cause is that we have too many cattle.

Now we find that a great drought in the Southwest has forced to the market a great many poor cattle, cattle that are poor because of the drought, causing a lack of grass in that particular area. This has forced extensive distress selling on the market; but I think it is well for Members of the Senate to remember that the serious effect in the drought-stricken area is also reflected in the market price of cattle in all parts of the United States. The drought has created a serious situation throughout the entire Nation.

The bill which I am introducing is in some respects similar to the price-support plan which is applied to wheat, corn, and cotton. Under the provisions of my bill the Secretary of Agriculture would be given authority to pay a minimum of 10 cents a pound for breeding cows. If we want to reduce the number of cattle in the Nation the best way to do it is to reduce the number of breeding animals in existence today. All stockmen's organizations are urging their members to sell more cows this year, and thereby reduce the number of cattle within the next few years. The bill which I am introducing today would have that very effect. I do not know how many cows it will be necessary to buy at the price of 10 cents, but if many cows are purchased quickly—this year or within the first 6 months of next year—that much more quickly we shall find the remedy to the situation by reducing the number of cattle. If many are sold, the situation will be remedied that much more quickly. I point out that action under the bill which I am introducing would eventually eliminate the need for such a law. In other words, if the Government buys a large number of cows, that much more quickly will it be found unnecessary to keep the law in effect.

My bill is different in that respect from price supports with respect to wheat, corn, or cotton, because as a floor is maintained under those products, it means that much more will be planted, while under the operation of this bill, if the cows are purchased the number of cattle will be reduced that much more quickly, because the seed in the cattle industry will be killed off.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GRISWOLD. I yield.

Mr. MORSE. I am not quite sure that I understand the proposal. Is it the purpose to buy the cattle alive and keep them alive until they are ready to sell?

Mr. GRISWOLD. No. The purpose is to buy the cattle alive, kill them, can them, and store them. The Secretary of Agriculture would have authority to dispose of them as he saw fit, and under such rules and regulations as he might provide.

Mr. MORSE. Would the farmer who is forced to dump thin cattle because he cannot get the feed to fatten them receive the price which thin cattle would bring on the market, or would he receive what would be a fair price if he could obtain the weed with which to fatten them?

Mr. GRISWOLD. He would receive a minimum of 10 cents a pound under the terms of the bill for the cows which he sold.

This measure would also have some effect in the dairy industry, which is faced with an oversupply in the butter market. What I am talking about purchasing is all the cows, both beef and dairy cows, which are made available, at a price of at least 10 cents a pound. That would bring about a correction of the serious problem which exists in the dairy industry. I feel that such a bill would be much better than a drought-relief bill, such as the Agriculture Committees of the House and Senate are considering at this time. I am introducing my bill in the hope that the committees will consider it at the same time they consider the other bills.

Mr. CASE. Mr. President, will the Senator yield?

Mr. GRISWOLD. I yield.

Mr. CASE. Would the Senator's bill establish a ceiling in numbers, or in dollars, as to the extent of the purchase program?

Mr. GRISWOLD. It would not. In my judgment, if a great many cows are bought, the situation which prevails would be corrected that much more quickly. In other words, if 3 million cows are purchased by the Government, just that much more quickly will the situation which prevails in the cattle industry be corrected.

Mr. CASE. Does the Senator believe that as the program proposed proceeds the market would establish its own floor above the 10 cents a pound?

Mr. GRISWOLD. Yes; I do.

Mr. MORSE. Mr. President, will the Senator further yield?

Mr. GRISWOLD. I yield.

Mr. MORSE. I wish to be sure that I understand this proposal. It seems to me offhand that this is a feeder cattle bill. This protects the men who own the fat cattle. But what about the poor fellow who has the thin cattle, and who is forced to dump them at 10 cents a pound?

Mr. GRISWOLD. I cannot see that this bill has anything to do with protecting the feeder. Even today there are no fat cattle selling for as little as 10 cents a pound. This bill would provide a better price to the producers of cattle.

Mr. MORSE. But it is not a fair price. Ten cents a pound is not a fair price, merely because the producer is caught in a drought. A price of 10 cents a pound would not help him. That would afford him no support. What we should do is to provide real relief for him.

Mr. GRISWOLD. I will say to the Senator that it is a better price than he is getting today for such cattle.

There is one further provision in the bill which I would like to discuss. In the bill I propose to give the Secretary of Agriculture authority to pay a certain number of dollars—although the amount is not specified in the bill—for the spaying of heifers, because if we can cause a greatly increased number of heifers to be spayed, just that much more quickly will we reduce the breeding stocks of cattle and bring about a reduction in the national cow herd. I feel that that is another way in which to bring about the correction which is desired. In connection with this part of the program, which would be a subsidy for the spaying of heifers, the operation of the law itself would bring about a condition under which the continued operation of the law would not be necessary.

If Congress wishes to bring our cattle numbers into balance and save the economy in great areas of this country, I feel that the bill which I am introducing today is entitled to serious consideration.

Mr. President, I ask unanimous consent to introduce the bill at this time, and also to have the bill itself, which is very brief, printed in the body of the RECORD at the conclusion of my remarks.

Mr. BUTLER of Nebraska. Mr. President, will the Senator yield?

Mr. GRISWOLD. I yield to my senior colleague.

Mr. BUTLER of Nebraska. I wish to commend my colleague for the introduction of his bill. It is an attempt to improve a situation which is becoming very critical in the Southwest and the western areas which have been hit by the drought. The price is low, but, as the junior Senator from Nebraska has said, it is not nearly so low a price as that at which some cattle are selling at this time. It is high enough to offer an inducement to bring cattle to the market. I think that for that reason it should receive the earnest attention of the Committee on Agriculture and Forestry.

The VICE PRESIDENT. Without objection, the bill introduced by the Senator from Nebraska will be received, appropriately referred, and printed in the RECORD.

The bill (S. 2304) to provide for stabilizing the cattle-raising industry, introduced by Mr. GRISWOLD, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That in order to bring about such reductions in the number of cattle in the United States as are necessary to establish an economic balance between the Nation's supply of cattle and the present and expected future demands for beef and beef products, and in order to minimize losses to producers in accomplishing such reductions, the Secretary of Agriculture is authorized and directed, in accordance with such rules and regulations as he shall prescribe—

(a) to purchase brood cows in such numbers, at such times prior to July 1, 1954, at such places, at such prices (not less than 10 cents per pound), and upon such other terms and conditions as he may deem necessary to effectuate the purposes of this act;

(b) to contract for the slaughtering of such brood cows and for the processing, canning, transportation, and storage of the products thereof;

(c) to hold and dispose of such products at such times and at such prices as he shall determine, including disposition for the purpose of providing assistance or relief to foreign countries under laws in effect or hereafter enacted; and

(d) to pay to any producer of cattle with respect to each heifer spayed by such producer prior to July 1, 1954, an amount determined by the Secretary to be equal to the reasonable costs of such spaying plus such additional amount, if any, as the Secretary may determine to be necessary to effectuate the purposes of this act.

SEC. 2. The Secretary is authorized to utilize the facilities and funds of the Commodity Credit Corporation in carrying out the provisions of this act.

ENCOURAGEMENT OF INCREASED PRODUCTION

Mr. CAPEHART. Mr. President, I introduce for appropriate reference a bill to encourage increased production, and for other purposes. I ask unanimous consent that a statement by me as to what the bill will do, together with a statement of the purpose and intent of the bill, and the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statements and the bill will be printed in the RECORD.

The statements entitled "What the bill will do" and "Purpose and intent of bill," presented by Mr. CAPEHART, are as follows:

WHAT THE BILL WILL DO

(As explained by its author, Senator CAPEHART)

1. Its provision for 5-year amortization for capital investment will offer an incentive toward relief of the housing shortage by erection of rental units.

2. It will serve to create small-business enterprises by permitting the plowing back of profits into the business until the institution becomes a going concern.

3. Veterans with business training will find greater opportunity for investment in capital assets, for the bill will permit a period of business stabilization necessary to new business.

4. Expansion of industries can be realized with a degree of certainty that the cost of the added investment can be met during an earlier period of the enlarged facility.

5. Stabilization of employment and production through the attraction of risk money for new and expanded businesses. Risk money is now falling to a dangerous low in this country.

6. Increasing the production facilities to lower prices and at the same time raise the standard of living.

7. Balancing capital assets against employment. Capital assets are now falling far behind employment, creating a condition of mechanical cannibalism.

8. Give the Nation greater capital assets which will mean greater national wealth and income.

9. Increase the Federal revenue potential for the future through capital gains and increased production and business.

10. Give the Nation the production strength and growth it possessed in wartime and which it would again need for war.

11. Create more jobs, more purchasing power, and higher standard of living.

PURPOSE AND INTENT OF BILL

(As explained by its author, Senator CAPEHART)

HOUSING

My bill will permit the amortization of new rental units in the 5-year period, which will assist in the construction of rental units to meet the tremendous demand by millions of families seeking shelter at reasonable prices.

By writing off the construction costs in 5 years, the rental-property investor is given an incentive to invest in that type of property.

SMALL BUSINESS

This bill offers the veterans and others their best chance of gaining a start in business, because in the 5-year amortization period the new businessman can meet the early hurdles of the enterprise by plowing his profits back into the business.

Here we find new sources of production and employment and new capital investment in a nation where the life expectancy of capital investment per worker has declined 20 percent since 1929.

EXPANDED PRODUCTION FACILITIES

The bill is the greatest weapon at our command with which to defeat inflation and to forestall depression.

Expanded plants are needed to produce the materials necessary to a world that is still rebuilding from destructive wars. More machinery is required with the expansion of the plants.

With amortization of both the factory and machinery over a 5-year period, industry will have greater incentive to move toward expansion.

I believe billions of dollars now being withheld from investment in capital assets because of the strain of heavy taxation against early operations of the plant, will be poured forth to meet world demands for American products.

We experienced that effect during the war when a 5-year amortization provision applied to needed production plants. In that short period more than $86½ billion was invested in production facilities which meant the difference between victory and defeat.

I believe the same result from this bill will mean the difference between inflation and possible collapse of the free-enterprise system and a strong, prosperous Republic of freemen.

STABILIZATION OF EMPLOYMENT AND PRODUCTION

One of the most significant products of economic research in the past 20 years has been the definite demonstration of the relationship between new investment and business prosperity.

Fluctuations in expenditures of plant and equipment have been recognized as an important influence contributing to prosperous business conditions, as well as to major downswings in economic activity.

Capital outlays by private business provide a market for the savings of individuals and corporations, channeling an important component of the national income into uses which increase the efficiency of the business community as a whole.

In a period in which rising prices threaten the stability of many markets, this increased efficiency and the investment which creates it are of the utmost importance.

By such stabilization of industry and production we naturally stabilize employment.

This same program accomplished gigantic productive expansion for war; it can do the same in peacetime. But it can do even more—it can stop the fluctuation of industrial costs, thereby stabilizing production and employment for the future.

The aim of this bill is to meet the emergency by stimulating American industry to invest $10 billion in 2 years to increase production.

INCREASE REVENUE POTENTIAL

The immediate effect of this bill would reduce the Nation's corporate income tax for a limited period.

But further consideration of the overall effect of the act on tax revenue is necessary to obtain the true picture of the situation created by the change in depreciation rates.

First, insofar as price increases are halted, revenue requirements are less than they would be were inflation to continue.

Second, because new investment activity tends to increase national income, increased yields of all taxes may be anticipated. Specifically, net income before taxes of business corporations will increase and therefore afford an offset to the decrease resulting from higher depreciation changes.

Finally, even if the practice of accelerated depreciation fails to improve business conditions and national income, total business income subject to tax is not, over a period of years, significantly altered.

Under these conditions current accelerated depreciation necessarily involves future decelerated depreciation, hence higher future profits, and therefore higher corporate tax yields tomorrow.

Thus, even assuming that the practice has no favorable indirect effects to offset the direct decline in corporate tax yields, it can only postpone the receipt of these taxes.

An essential fact should be realized: If a taxpayer takes his full rates of amortization under this act, he merely hastens the time when he will not be permitted a tax deduction for depreciation. The Government only is postponing the tax in order to encourage plant expansions that otherwise would not be consummated at this crucial time.

Roswell Magill, former Under Secretary of the Treasury, headed a committee of civilians appointed to assist the House Ways and Means Committee in its study of tax revisions. That committee said in its report on November 4, 1947:

"There is much futility and needless expense in controversies about depreciation, since in any event the taxpayer will only recover the cost of the asset; and if he takes too much or too little depreciation this year, the overage or deficiency will necessarily be adjusted in future years.

"We therefore recommend that, for taxable years commencing on or after January 1, 1948, in cases of assets with a life of more than 5 years, a deduction shall be allowed for the appreciation claimed by the taxpayer on his return, in accordance with the method of computing depreciation and the rate used in his books of account.

"The taxpayer, once having determinated a rate and method of depreciation for an asset, will be required to continue its use, unless permission to change is granted by the Internal Revenue Commissioner."

It is also interesting to note the statements of Prof. Sumner H. Slichter, noted Harvard University economist. In an article in the New York Times of November 30, 1947, Dr. Slichter said:

"There can be no doubt that the plant of industry is too small for the present labor force and that much of it is old and obsolete. During the last 18 years, from 1929 to 1947, there has been very little net capital formation in American industry. If one measures capital as one should, by its unused life, American industry has about one-fifth less capital per worker today than in 1929.

"An expenditure of about $50 billion would be required to raise capital per worker to the level of 1929 and a considerably larger outlay to raise capital per worker to the level which would be normal in view of the long-term tendency of capital per worker to increase at the rate of about 2 percent per year.

"I believe this bill is one of the most important measures presented for congressional action to halt inflation and to give the Nation stability in its future economic life."

UNIVERSITY OF MICHIGAN LIBRARIES

The bill (S. 2306) to encourage increased production, and for other purposes, introduced by Mr. CAPEHART, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That chapter 1, subchapter C, of the Internal Revenue Code, is amended by adding at the end of section 124A the following new section:

"SEC. 124B. Amortization deduction.

"(a) General rule: Every person, at his election, shall be entitled to a deduction with respect to the amortization of the adjusted basis (for determining gain) of any amortization facility (as defined in subsection (c)), based on a period of 60 months. Such amortization deduction shall be an amount, with respect to each month of such period within the taxable year, equal to the adjusted basis of the facility at the end of such month divided by the number of months (including the month for which the deduction is computed) remaining in the period. Such adjusted basis at the end of the month shall be computed without regard to the amortization deduction for such month. The amortization deduction above provided with respect to any month shall be in lieu of the deduction with respect to such facility for such month provided by section 23 (l), relating to exhaustion, wear and tear, and obsolescence, and in lieu of sections 124 and 124A of this code.

"(b) Election of amortization: The election of the taxpayer to take the amortization deduction shall be made only by a statement to that effect in its return for the taxable year in which the facility was completed or acquired. The election shall be irrevocable.

"(c) Definition of amortization facility: As used in this section, the term 'amortization facility' means any facility, land, building, machinery, or equipment, or part thereof, to the extent constructed, reconstructed, erected, installed, or acquired after December 31, 1953. No acquisition after December 31, 1953, shall be deemed to be the acquisition of an amortization facility within the meaning of this section, unless certified by the Commissioner as not acquired for the principal purpose of evading and avoiding Federal income taxes by securing the benefit of the amortization deduction provided for under this section.

"(d) Capital gains on sale of amortization facility: Anything to the contrary in this title notwithstanding, any gain realized upon the sale or other disposition of any property with respect to which any amortization deduction has been claimed shall to the extent of any such amortization deduction be considered gain realized on the sale or other disposition of a capital asset held for a period of less than 6 months.

"(e) Life tenant and remainderman: In the case of property held by one person for life with the remainder to another person, the deduction shall be computed as if the life tenant were the absolute owner of the property and shall be allowable to the life tenant."

SEC. 2. The amendment made by the first section of this act shall be effective with respect to taxable years beginning after December 31, 1953.

INVESTIGATION OF CERTAIN OFFENSES BY ATTORNEY GENERAL

Mr. WILLIAMS. Mr. President, on behalf of the Senator from Pennsylvania [Mr. MARTIN], the junior Senator from Idaho [Mr. WELKER], the Senator from Kansas [Mr. SCHOEPPEL], the senior Senator from Maryland [Mr. BUTLER], the Senator from Michigan [Mr. POTTER], the Senator from New Jersey [Mr. HENDRICKSON], the Senator from Nebraska [Mr. GRISWOLD], the Senator from California [Mr. KUCHEL], the junior Senator from Utah [Mr. BENNETT], the Senator from North Dakota [Mr. LANGER], the Senator from South Dakota [Mr. CASE], the junior Senator from Maryland [Mr. BEALL], the Senator from Minnesota [Mr. THYE], the Senator from Indiana [Mr. JENNER], the senior Senator from Idaho [Mr. DWORSHAK], the Senator from Nevada [Mr. MALONE], the senior Senator from Utah [Mr. WATKINS], the Senator from Kentucky [Mr. COOPER], the Senator from Maine [Mr. PAYNE], the Senator from Connecticut [Mr. BUSH], and myself, I introduce for appropriate reference a bill to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes.

I ask that the bill be printed in the RECORD at this point in my remarks.

There being no objection, the bill (S. 2308) to authorize and direct the investigation by the Attorney General of certain offenses, and for other purposes, introduced by Mr. WILLIAMS (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That notwithstanding section 4047 of the Internal Revenue Code and the provision of section 3056 of title 18 of the United States Code, as amended, which authorizes the United States Secret Service to detect and arrest any person violating any laws of the United States directly concerning official matters administered by and under the direct control of the Treasury Department, and notwithstanding any other provision of law, any information, allegation, or complaint received in any department or agency of the executive branch of the Government that any person has committed, or has attempted to commit, or has conspired with any other persons to commit, concerning official matters administered by or under the control of any department or agency: bribery; fraud against the Government; the making of any false claim against the Government; theft, embezzlement, illegal possession, receiving, or destruction of Government property; impersonation of any Federal officer; or any other act which may constitute a violation of any provision of title 18 of the United States Code, notwithstanding that it may also constitute a violation of another provision of law, unless the responsibility to perform an investigation with respect thereto is specifically otherwise assigned by another provision of law shall be expeditiously referred to the Attorney General by the head of the department or agency receiving such information, allegation, or complaint, and investigation with respect to any such information, allegation, or complaint shall be performed by the Attorney General, or by such other officer, or by such department, agency, or employee, as he may authorize: *Provided*, That the several departments and agencies may conduct with respect to any such information, allegation, or complaint relating to an officer or employee thereof such investigation as may be appropriate to the determination of administrative action to be taken against such officer or employee: *And provided further*, That the Attorney General shall have primary jurisdiction to investigate any acts information concerning which is required to be referred to him under this statute, and no department or agency shall interfere with any such investigation.

Mr. WILLIAMS. Mr. President, the bill has been prepared by the Department of Justice and is being introduced with their approval.

It specifically clears up the controversy which existed within the executive branch during the past administration whereby it was held that the Department of Justice did not have the authority to investigate any alleged irregularities on the part of employees in the Treasury Department.

Under the policy as adopted under the last administration when any alleged irregularity involving employees of the Treasury Department was called to the attention of the Department of Justice or the FBI the only action they could take under the then existing policy was to refer the charges to the Treasury Department with the suggestion that they investigate themselves, and if they found their own employees guilty and if they wished them to be prosecuted, they could refer the investigation report and the charges to the Department of Justice.

However, if, as actually developed, the Treasury Department decided to ignore its own intelligence unit reports and merely allow their employees to resign for reasons of health, thereby whitewashing the case, the Department of Justice was helpless.

Judge McGranery, the former Attorney General, recognized this problem, and in conversations which I had with him during the latter part of 1952, he expressed his approval of some such legislation as that now being introduced.

The history of this policy is that it was first established by administrative decisions around 1942. Then when the tax scandals began to break in 1951 and 1952 numerous charges were automatically called to the attention of the Department of Justice.

Then apparently to make sure that the policy would not be reversed and the Treasury Department investigated by the Justice Department, the record shows that the Secretary of the Treasury and the Commissioner of Internal Revenue joined in recommending the enactment of Public Law No. 79 of the 82d Congress, approved July 16, 1951. Under this law the Treasury Department, and the Treasury Department only, would have a right to investigate itself.

This proviso giving to the Treasury Department the sole investigative authority of itself was incorporated in an innocent-looking paragraph included in the bill which related many other subjects.

When the new administration took office I discussed this problem with representatives of the Department of Justice, and it was mutually agreed that affirmative legislation specifically spelling out the authority and the responsibility of the Department of Justice to investigate or prosecute alleged irregularities on the part of the employees in the Treasury Department as well as in other departments of the Government is essential.

It is not the purpose of this bill to set up the FBI as a super Gestapo over Government employees and it would not

have that effect. It would merely allow the Department of Justice when allegations are submitted to them regarding possible fraud or criminal actions on the part of employees in any Government agency to investigate such charges and, if necessary, to prosecute.

As explained before, first under a policy adopted by the past administration and later, in 1951, affirmed by legislation, the Department of Justice was powerless either to investigate or to prosecute alleged irregularities in the Treasury Department which were then being called to their attention.

The various agencies will still under the law be allowed to continue their own intelligence staffs for the purpose of maintaining a proper check upon their employees. Everybody recognizes the importance of each agency's trying to keep its own house in order. However, in such cases as when a dual investigation might be underway both by the agency and by the Department of Justice, then the Justice Department will have priority.

Only, if as during the recent years under the former administration there again developed a situation where the top officials of the tax collecting facilities under the Treasury Department came under suspicion, it would be useless to expect these officials to recommend action against themselves.

Mr. President, I urge that the Committee on the Judiciary give this bill immediate attention.

ARMED FORCES LEGISLATION

Mr. SALTONSTALL. Mr. President, by request I introduce for appropriate reference four bills relating to the armed services. Two of the bills are recommended by the Department of Defense, 1 by the Comptroller General of the United States, and 1 by the Federal Civil Defense Administration, and they are accompanied by letters of transmittal explaining the purpose of the bill in each case.

I ask that the accompanying letters be printed in the RECORD immediately following the listing of bills introduced.

The VICE PRESIDENT. The bills will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The bills, introduced by Mr. SALTONSTALL (by request), were received and referred to the Committee on Armed Services, as follows:

S. 2309. A bill to provide for the restoration and maintenance of the U. S. S. *Constitution* and to authorize the disposition of the U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon*, and for other purposes.

The letter accompanying Senate bill 2309 is as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., January 9, 1953.

Hon. ALBEN W. BARKLEY,
President of the Senate.

DEAR MR. PRESIDENT: There is forwarded herewith a draft of legislation, "To provide for the restoration and maintenance of the U. S. S. *Constitution* and to authorize the disposition of the U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon*, and for other purposes."

This proposal is a part of the Department of Defense legislative program for 1953 and the Bureau of the Budget has advised that there is no objection to the presentation of the subject draft proposal for the consideration of the Congress. The Department of Defense recommends that it be enacted by the Congress.

PURPOSE OF THE LEGISLATION

This proposed legislation involves the restoration or disposition of the five historic naval relics, U. S. S. *Constitution*, U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon*. The proposed draft bill would authorize the restoration and maintenance of the U. S. S. *Constitution* and the disposition by sale or scrapping of the U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon*.

With the exception of the U. S. S. *Constitution*, all of these naval relics are in poor condition. In some cases, there is danger of loss by fire, capsizing, or flooding. Funds to maintain these relics are available only to the extent that moneys are diverted from the repair and overhaul of active and reserve fleet vessels. Consequently, and again with the exception of the U. S. S. *Constitution*, annual maintenance expenditures have been kept to the absolute minimum required to prevent their destruction. As a result, each of the relics has progressively deteriorated.

In recent years no public funds have been available to restore the U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon*. Limited funds have been made available to repair the U. S. S. *Constitution*, but it is estimated that at least $800,000 would be required to complete her restoration.

The act of March 13, 1948 (62 Stat. 79) authorized the restoration of the U. S. S. *Constellation* subject to the provision that 75 percent of the estimated cost of said restoration be first obtained by public donation. As of January 23, 1951, a total of only $65 had been collected through public donations.

The current annual expenditure for the maintenance of the *Constitution* and limited maintenance of the other 4 naval relics amounts to $45,050. The cost of restoring all five relics and the annual maintenance costs (exclusive of pay and subsistence of the crew) after restoration is estimated as follows:

	Restoration cost	Annual maintenance cost
U. S. S. Constitution	$800,000	$41,000
U. S. S. Constellation	4,525,000	41,000
U. S. S. Hartford	1,950,000	55,000
U. S. S. Olympia	3,725,000	46,000
U. S. S. Oregon	24,000,000	46,000

The proposed legislation authorizes the repair, equipment, and restoration of the U. S. S. *Constitution* by the Secretary of the Navy, the appropriation of $800,000 for such repair, equipment, and restoration, and the appropriation annually of such sums as may be necessary for her future maintenance. The retention of the *Constitution* is considered warranted not only because of her superlative value as an inspiration and symbol, but also because of the relatively small amount of money required to restore her and to provide for her maintenance after restoration.

The proposed legislation futher provides for the disposition of the U. S. S. *Constellation*, U. S. S. *Hartford*, U. S. S. *Olympia*, and U. S. S. *Oregon* by sale or by scrapping in the discretion of the Secretary of the Navy. The draft bill includes a provision authorizing the removal of any parts of historical interest prior to sale or scrapping of the vessels, the parts removed to be retained by the Department of the Navy, or loaned or donated to nonprofit historical or educational institutions. The Secretary of the Navy would be authorized to sell other parts or pieces of the scrapped naval relics which are suitable for use as relics, souvenirs, or mementos.

The act of March 13, 1948 (62 Stat. 79), which relates to the restoration of the U. S. S. *Constellation* is repealed by the proposed bill. Provision is made for the return to the donors of donations or contributions made pursuant to that act, except that in any case where donations cannot be returned such amounts will be deposited and covered into the Treasury as miscellaneous receipts.

LEGISLATIVE REFERENCES

An identical proposal, included in the Department of Defense legislative program for 1952, was transmitted to Congress by this Department by letter dated May 7, 1952, with the recommendation that it be enacted. That proposal was introduced as H. R. 7812, 82d Congress. (It is noted that the first sentence of section 3 of H. R. 7812, as introduced, refers to the United States ship *Constitution* instead of *Constellation* but it is assumed that this represents an inadvertent error in transcription.)

COST AND BUDGET DATA

If this proposal is enacted into law, and it is determined to restore the U. S. S. *Constitution*, the initial amount needed ($800,000) will be derived from existing appropriated amounts available for expenditure. No additional appropriations will be requested for maintenance of the vessel during fiscal year 1953 or 1954. Thereafter, however, appropriations will be requested to cover maintenance costs of an estimated amount of $41,000 per annum.

DEPARTMENT OF DEFENSE ACTION AGENCY

The Department of the Navy has been designated as the representative of the Department of Defense for this legislation.

Sincerely yours,

ROGER KENT,
General Counsel.

S. 2310. A bill to amend section 201 of the Federal Civil Defense Act of 1950, by adding thereto a new subsection authorizing financial contributions to the States for the purpose of providing compensation for injury or death sustained by any person serving in the United States Civil Defense Corps.

The letter accompanying Senate bill 2310 is as follows:

FEDERAL CIVIL DEFENSE ADMINISTRATION,
Washington, D. C., June 29, 1953.

The PRESIDENT OF THE SENATE,
United States Senate.

DEAR MR. PRESIDENT: There is enclosed a draft of a proposed bill entitled "A bill to amend section 201 of the Federal Civil Defense Act of 1950, as amended, by adding thereto a new subsection authorizing financial contributions to the States for the purpose of providing compensation for injury or death sustained by any person serving in the United States Civil Defense Corps," with the request that it be introduced and considered for enactment at the earliest practicable date.

The proposed bill is similar to S. 1924, 82d Congress, on which hearings were held by a Subcommittee of the Committee on Armed Services, United States Senate.

The purpose of the proposed bill is to authorize the Federal Civil Defense Administrator to make financial contributions to the States on such terms or conditions as he may prescribe for the purpose of providing compensation for personal injury or death sustained by any person who is a member of or registered for membership in the United States Civil Defense Corps while in the performance of his duties or while engaged in authorized training. The States would be required to match such grants.

The Federal Civil Defense Administration continues to be seriously concerned over the representations by many State and local civil defense directors that the absence of com-

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pensation coverage for volunteer civil defense workers seriously hampers the development of a strong United States Civil Defense Corps.

If we should suffer an enemy attack, the members of this corps, the vast majority of whom will receive no monetary compensation, would be expected to undertake arduous and hazardous civil defense duties of vital importance. The manner in which these duties are discharged would have a direct effect upon the safety and survival of our people. For this reason it is essential that our volunteer civil defense workers be well-organized and well-trained.

The responsibility for organizing and training our civil defense workers is a Federal-State obligation. In the event of enemy attack, the Federal Government, through this Administration, would be responsible for providing or assisting the States to provide relief and emergency care, temporary rehabilitation, and the making of emergency repairs to damaged vital facilities. Such responsibility might be discharged directly to the extent authorized by title III of the Federal Civil Defense Act of 1950 or by making available to the States Federal resources and by reimbursing the States in part or in whole for civil defense requirements resulting from enemy attack during a civil defense emergency. The necessary services include fire-fighting activities; rescue, emergency medical, health, and sanitation services; monitoring for specific hazards of special weapons; unexploded-bomb reconnaissance; and essential emergency repair or restoration of damaged vital facilities.

Acting pursuant to the authority contained in subsection 401 (c) of the Federal Civil Defense Act of 1950, this Administration has requested each of the States to establish and organize within its respective jurisdiction units of civil defense workers to be known collectively as the United States Civil Defense Corps. The Administration has issued regulations governing the organization of the Corps. Most of the States have now qualified their units for membership in the Corps. Additional personnel is needed largely on a volunteer basis and it is estimated that the members of the Corps may aggregate 15 million persons during a civil defense emergency. However, as previously stated, recruitment is being hampered by reason of the fact that in many States there is no provision for the payment of compensation for personal injuries sustained by civil defense workers in the performance of their duties.

It is our view that a system of personal injury compensation should be generally established for the protection of volunteer civil defense workers in the event they are injured either in training or in the performance of their duties whether before, during, or after an attack.

The obligation to provide such compensation is in part a national obligation and in part a State obligation. It is thought that enactment of the proposed legislation would do much to encourage the States to provide a system of disability and death benefits for volunteer civil defense workers.

If enacted, the proposed legislation would not materially increase the administrative workload of this or any other Federal agency. Generally, all of the States or the political subdivisions thereof provide a system of disability compensation for their own employees and it is thought that the proposed legislation could be administered in conjunction with such systems. As would be expected, the details of such systems vary in different States. However, the proposed legislation is flexible enough to permit each State to develop its own pattern of compensation or benefits for civil defense workers. Another desirable feature of the proposed legislation is that it would authorize the payment of uniform benefits within each State and thus not create possible unfairness which might arise were an attempt made to establish a standard rate for volunteer civil defense workers throughout the United States.

With respect to the cost of the proposed legislation, insofar as peacetime injuries are concerned, the cost per worker to the Federal Government would not be great. We estimate that the probable peacetime yearly cost would not exceed 50 cents per worker. Since such cost would be shared with the States, the actual cost to the Federal Government would be 25 cents or less per year per worker.

For obvious reasons accepted actuarial principles do not lend themselves to an appraisement of the prospective losses which might be occasioned by an atomic war. Hence we have not been able to arrive at a worthwhile estimate of the probable war cost of the proposed legislation.

Advice has been received from the Bureau of the Budget that there would be no objection to the submission of the proposed legislation to the Congress.

Sincerely,

VAL PETERSON.

S. 2311. A bill to facilitate the settlement of the accounts of deceased members of the uniformed services, and for other purposes.

The letter accompanying Senate bill 2311 is as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington July 1, 1953.

Hon. LEVERETT SALTONSTALL,
Chairman, Committee on Armed Services,
United States Senate.

MY DEAR MR. CHAIRMAN: There is enclosed for your consideration a draft of a proposed bill to facilitate the settlement of the accounts of deceased members of the uniformed services, and for other purposes, which bill is designed to simplify the settlement of the accounts of deceased members of the uniformed services, and to expedite payment of the amounts found due.

The proposed legislation is patterned after Public Law 636 (81st Cong., 64 Stat. 395), applicable to civilian officers and employees of the Government, and would authorize members of the uniformed services to designate a beneficiary or beneficiaries to receive the amount found due from the Government in the settlement of their accounts at the time of death. In the event no beneficiary is designated, payment of the amount due would be made to the member's surviving spouse; his child or children and descendants of deceased children by representation; his parents or their survivors; each class to the exclusion of the latter. If none of these relatives survive, the amount due would be payable to the legal representative of the decedent's estate or, if none, to the person determined to be entitled under the laws of descent and distribution of the decedent's domicile.

The proposed bill provides that amounts payable under the legislation would be paid by the department concerned or upon settlement by the General Accounting Office as the Comptroller General of the United States may by regulation authorize and direct. This would leave to the Comptroller General the determination by regulation of the types or classes of claims which could be paid by the service involved and those which would be settled by the General Accounting Office. Should the bill be enacted, it is contemplated that regulations would be promptly promulgated extending to the services involved the authority to pay all claims where there exists a designated beneficiary, as is now being done in the case of civilian officers and employees. It is further contemplated that consideration would be given in the future, based upon a study of the percentage of members who designate beneficiaries and of the other factors involved to authorizing the services to make payment to certain of the other classes of beneficiaries named in the bill. Payments of amounts due would be made at the direction of the service, subject to a post audit by the General Accounting Office and subject to settlement by the General Accounting Office of any disputed claims. It is the opinion of this office that such procedure will adequately protect the interests of the United States as well as the interests of the beneficiaries.

It has been the experience of the General Accounting Office under Public Law 636 that prompt payment has been effected by the administrative office, where a beneficiary to receive compensation has been designated under that act, without the necessity of settlement by the General Accounting Office. It is assumed that the services would by regulations and instructions insure the designation of a beneficiary by practically all service personnel. In these circumstances it is believed that payment of the accounts of practically all deceased service personnel could be promptly effected by the services, that the payments would be expedited and that substantial savings of administrative costs both to the services and to the General Accounting Office would result. Also, it is believed that by permitting the amounts to be paid to a designated beneficiary, there would be eliminated to a great extent the troublesome problems faced by the services and by the General Accounting Office in the multiple widow, foster parent, father desertion, and illegitimacy cases.

The bill provides further that designations of beneficiaries under the act and changes therein shall be made under regulations promulgated by the Secretaries of the services concerned and that such regulations shall be uniform for all services insofar as practicable. However, with certain exceptions, provision is made that any designation of beneficiary made for the purposes of any 6-month death gratuity available to the Department before the effective date of the payment provisions of the proposed bill shall be considered as a designation of beneficiary for the purposes of this legislation in the absence of a specific designation of beneficiary thereunder. Since the payment provisions would not be effective until the sixth month after enactment, there would be adequate time for Members so desiring to make a different designation for the purposes of this legislation.

It has been the experience of the General Accounting Office that Public Law 636 has resulted in the more prompt settlement of the accounts of deceased civilian officers and employees of the Government as well as in substantial savings of administrative costs to the agencies and to the General Accounting Office. The enactment of similar legislation for members of the uniformed services, as is here proposed, should result in similar advantages to the survivors of members of the services and to the United States.

The legislation proposed herein has been discussed informally with representatives of the Department of Defense and it is believed that it meets generally with their approval.

I believe that the enactment of the legislation proposed will result in an improvement in the manner of the handling of payments of the type involved, that it will facilitate such payments and will result in substantial administrative savings to the Government. I, therefore, recommend that the matter be given early consideration by your committee and would appreciate an opportunity for representatives of the General Accounting Office to appear to furnish any additional explanation or information desired by the committee.

Sincerely yours,

LINDSAY C. WARREN,
Comptroller General of the United States.

S. 2312. A bill to authorize the Secretary of the Navy to transfer to the Commonwealth of Puerto Rico certain lands and improvements at the United States Naval Station, San Juan, Puerto Rico, in exchange for certain other lands.

The letter accompanying Senate bill 2312 is as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., July 7, 1953.

Hon. LEVERETT SALTONSTALL,
Chairman, Committee on Armed Services, United States Senate.

DEAR MR. CHAIRMAN: There is forwarded herewith a draft of legislation "To authorize the Secretary of the Navy to transfer to the Commonwealth of Puerto Rico certain lands and improvements at the United States Naval Station, San Juan, Puerto Rico, in exchange for certain other lands."

This proposal is a part of the Department of Defense legislative program for 1953 and the Bureau of the Budget advises that it has no objection to the transmittal of this proposal to the Congress for its consideration. The Department of Defense recommends that it be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The proposed legislation would authorize the Secretary of the Navy to convey to the Commonwealth of Puerto Rico an unimproved parcel of land containing 3.57 acres and a 0.46 acre parcel with improvements in consideration of the conveyance by the Commonwealth of Puerto Rico to the United States of three parcels of land containing 3.28 acres, 0.55 acre, and 0.12 acre respectively. All the lands proposed to be transferred are located adjacent to or near the United States Naval Station, San Juan, Puerto Rico.

Pursuant to an act of the Legislative Assembly of Puerto Rico, dated April 9, 1939, Puerto Rico, by deed dated November 7, 1939, conveyed to the United States of America a tract of land at San Juan containing 293.24 acres. The act provides that in the event the United States fails to establish a naval air base upon the above lands within 2 years from the date of conveyance, or, if after establishing a naval air base, the United States discontinues and abandons the use of these lands for naval purposes title thereto would revert to and revest in Puerto Rico upon written demand of the Governor filed with the Secretary of the Navy of the United States. All of the above-mentioned tract of land, except 3.28 acres, is inclosed by a fence and is used in connection with the naval station at San Juan, Puerto Rico.

In view of the fact that these 3.28 acres have been used for access road purposes only, the Governor of Puerto Rico, by letter to the Secretary of the Navy dated May 8, 1950, requested that title to this particular parcel be reverted to and revested in Puerto Rico in accordance with the provision of the act referred to above. However, subsequent to this request the Governor of Puerto Rico proposed the exchange of lands between Puerto Rico and the United States described above.

The access road from Fernandez Juncos Avenue to the main gate of the Naval Station traverses the above-mentioned 3.28 acres, and the 0.55 acre and 0.12 acre parcels described in the draft bill which lie between the 3.28 acres and the avenue. All three tracts proposed to be transferred to the United States are unimproved and their appraised values are $175,608.46, $75,697.41 and $16,515.80 respectively, totaling $267,821.67.

Previously, individuals have built very poor structures having no sanitary facilities on these lands and have attempted to tap the station's water mains. This, in addition to constituting a nuisance to the station, creates a security problem. For these additional reasons it is deemed most desirable that the land from Fernandez Juncos Avenue to the station fence line be under the control of the Department of the Navy.

In exchange for the lands to be transferred to the United States it is proposed to convey to the Commonwealth of Puerto Rico a 3.57 acre tract of land valued at $80,614.68 and 0.46 acre parcel valued at $10,387.33 on which is located a storehouse valued at $11,500, totaling $102,502.01.

Inasmuch as there is no present or foreseeable future naval need for the property to be transferred by the United States and the United States will acquire fee simple title to the three tracts required to provide an access road from the Naval Station to Fernandez Juncos Avenue, it is considered that the proposed exchange is both beneficial and desirable.

DEPARTMENT OF DEFENSE ACTION AGENCY

The Department of the Navy has been designated as the representative of the Department of Defense for this legislation.

Sincerely yours,

JOHN G. ADAMS,
Acting General Counsel.

INCLUSION OF WOOL UNDER PROVISIONS OF COMMODITY EXCHANGE ACT

Mr. KENNEDY. Mr. President, on behalf of myself, the Senator from Wyoming [Mr. BARRETT], and the Senator from North Dakota [Mr. YOUNG], I introduce for appropriate reference a bill to amend the Commodity Exchange Act in order to include wool among the commodities regulated by such act. I ask unanimous consent that a statement by me explaining the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the statement will be printed in the RECORD.

The bill (S. 2313) to amend the Commodity Exchange Act in order to include wool among the commodities regulated by such act, introduced by Mr. KENNEDY (for himself, Mr. BARRETT, and Mr. YOUNG), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

The statement presented by Mr. KENNEDY is as follows:

STATEMENT BY SENATOR KENNEDY

I have today introduced a bill to curb excessive speculation and price manipulation in wool. This bill, cosponsored by two prominent Senators from wool-growing States, Senator FRANK A. BARRETT, Republican of Wyoming, and Senator MILTON R. YOUNG, Republican, of North Dakota, would add the word "wool" to the list of commodities regulated by the Commodity Exchange Act.

Illicit speculators are no friend of either the wool grower or the wool manufacturer and the woolen textile industry is entitled to the protection given to all other processors by the Commodity Exchange Act. Although this amendment is primarily of a corrective nature, inasmuch as wool was omitted from the coverage of the act only because of historical development, it is nevertheless an important step for maintaining the stability of the woolen textile industry. My office has received reports from several wool manufacturers warning of the opportunity for abuse on the wool futures market and it is well known that excessive speculation has harmed the textile industry in other countries. The Commodity Exchange Act is the only legal protection by which our farmers and processors are safeguarded from excessive speculation, futures price manipulation, cornering of a market and other improper operations of the commodity exchange.

Regulations of the wool futures market under the Commodity Exchange Act will not only protect the wool growers and wool manufacturers, but will also protect the reputation of those engaged in legitimate trading on the market—an important function—from unsubstantiated charges.

I might add that the bill is one of the new proposals contained in my recent program concerning the economic development of New England.

INCREASE IN LIMIT OF EXPENDITURES BY COMMITTEE ON BANKING AND CURRENCY

Mr. CAPEHART submitted the following resolution (S. Res. 136), which was referred to the Committee on Banking and Currency:

Resolved, That the Committee on Banking and Currency is hereby authorized to expend from the contingent fund of the Senate, during the 83d Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act of 1946, approved August 2, 1946.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949—AMENDMENTS

Mr. DIRKSEN submitted amendments intended to be proposed by him to the bill (S. 690) to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to enter into lease-purchase agreements to provide for the lease to the United States of real property and structures for terms of more than 8 years but not in excess of 25 years and for acquisition of title to such properties and structures by the United States at or before the expiration of the lease terms, and for other purposes, which were ordered to lie on the table and to be printed.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. CARLSON, from the Committee on Post Office and Civil Service:

Consuelo Northrup Bailey, of Vermont; Richard Berlin, of New York; John Coleman, of Michigan; Richard J. Gray, of Ohio; Roland Jones, Jr., of South Dakota; Curtis McGraw, of New Jersey; and Charles White, of Ohio, to be members of the Advisory Board for the Post Office Department.

By Mr. TOBEY, from the Committee on Interstate and Foreign Commerce:

Owen Clarke, of Washington, to be an Interstate Commerce Commissioner, vice William J. Patterson; and

Charles A. Schoene, and sundry other persons for permanent appointment in the Coast and Geodetic Survey.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc.,

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were ordered to be printed in the Appendix, as follows:

By Mr. WELKER:

Independence Day address delivered by Senator DWORSHAK at Boise, Idaho, July 4, 1953.

Editorial regarding the Air Force budget, printed in the Idaho Daily Statesman for July 3, 1953.

By Mr. JOHNSON of Texas:

Address delivered by Secretary Hobby on July 2, 1953, at dedication of Clinical Center, National Institute of Health, Public Health Service, Bethesda, Md.

Address delivered on June 20, 1953, by Dr. George W. Cox, State health officer of Texas, on drought conditions in Texas.

By Mr. HOLLAND:

Editorial entitled "Bitter With the Sweet," published in the Tampa (Fla.) Sunday Tribune of July 5, 1953.

By Mr. WATKINS:

Article entitled "Anybody Want Me?" written by Donald S. Stroetzel, and published in the Pathfinder magazine for June 1953, relating to the adoption of foreign orphans.

By Mr. WILEY:

Editorial comment regarding the Bricker amendment and a constructive foreign policy.

By Mr. ANDERSON:

Editorial entitled "New AEC Chairman," written by Robert McKinney, and published in the Santa Fe New Mexican of recent date.

By Mr. MARTIN:

Editorial from the Pittsburgh Post-Gazette of July 3 commenting on economy in the government of Allegheny County, Pa.

By Mr. GOLDWATER:

Editorial entitled "Just Plain Sick," published in the Mesa (Aris.) Tribune of June 16, 1953, dealing with the situation in Korea.

By Mr. BUSH:

Treasury Department press release dated June 11, 1953, relating to the first Federal security sold to finance the Civil War.

Press release by Northeastern State Safety Coordinators, dealing with highway safety.

By Mr. HILL:

Address delivered by Senator SPARKMAN before the American Legion convention in Alabama, at Mobile, on July 6, 1953.

By Mr. KEFAUVER:

Article entitled "Pirating Charged to TVA Called Error," published in the National Tennesseean of July 5, 1953.

Article entitled "Closing Doesn't Make Sense to Hospital Patients Staff," written by Ida Clemens, published in the Memphis Commercial Appeal of May 27, 1953.

EFFECT OF MAJOR LEGISLATION UPON ULTIMATE CONSUMER INTERESTS—STATEMENT BY SENATOR GILLETTE

Mr. GILLETTE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement I have prepared in relation to seven resolutions, Senate Resolution 128 to Senate Resolution 134, inclusive, which I submitted yesterday providing for an investigation of the effect of major legislation upon ultimate consumer interests.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR GILLETTE RELATING TO SEVEN CONSUMER RESOLUTIONS

On Monday, May 18, 1953, two actions were taken in the Senate of the United States which effectively blocked for an indefinite time any possibility of this Nation's consumers obtaining from their Government the economic facts they need for their own protection and guidance.

During the morning of May 18, the Banking and Currency Committee held an executive session for the purpose of considering Senate Resolution 38, a proposal sponsored by 28 Members of this body to create a Select Committee on Consumer Interests. This is the same resolution which was introduced by 23 Senators in the 82d Congress and which was reported by the Rules Committee last year too late for final action in this Chamber. The resolution seeks to establish in the Senate an instrumentality by which the interests of the consumers of America can be adequately protected in the legislative and governmental process. It has the strong support of powerful national organizations representing millions and millions of farmers, workingmen, teachers, housewives, and other consumers.

Since the Banking Committee consideration of this proposal took place in secret, I am not at liberty to divulge what was said before the committee. I have written to the chairman urging that the transcript of the hearings, which surely is inoffensive to anyone and which surely has no bearing on the Nation's military security, be made public, but to date I have received no indication that it will ever become available for other Senators or the general public.

The afternoon of May 18 the entire Senate took a second action against the consumer when it voted down an amendment by the Senior Senator from North Dakota, who is one of the staunchest friends the consumers have in this body. The Langer amendment to the Independent Offices Appropriations bill, it will be recalled, would have stricken an anticonsumer rider adopted earlier by the House specifically forbidding the Federal Trade Commission from making any study of the breakdown of the consumer dollar.

The implications of these two actions is clear to all. The consumer is not to be allowed to know the economic facts of life. Neither the Senate acting through a special Consumer Interests Committee nor the executive branch acting through the Federal Trade Commission is going to be permitted to make the necessary consumer studies precedent to sound remedial legislation.

Why this curtain of silence? What is the reason for hiding the facts about our economy? Who is afraid to let the consumers of America learn where their dollar goes? Who is afraid to let the farmers of America learn why only 46 cents of the consumer dollar spent for farm products ever reaches the farmer who produced those products?

Those of us who for almost 2 years have been striving to bring about creation of a Senate committee dedicated to the protection of the consumer have heard again and again the same arguments against our proposal. Until May 18 one of the two principal arguments leveled against it was that consumer protection was a proper function of the executive branch, not of the legislative. We were told it should be the job of executive agencies to make studies of economic facts and analyses of other conditions affecting the consumer. The Senate, we were informed, should keep hands off and let the properly constituted Government agencies do the job.

But what did the Senate do last May 18 when it had a chance to permit the Federal Trade Commission, a Government agency, to make precisely the sort of consumer study that is so vitally needed? The Senate defeated that effort by a vote of 45 to 30.

I call attention to the record of that vote. It will come back to haunt the Republican Party in future elections. Exactly 4 members of the Republican majority supported Senator LANGER's amendment to strike the anticonsumer rider from the appropriations bill, while 36 of our Republican friends voted to keep the anticonsumer rider in the bill. On the Democratic side of the aisle, 25 Members supported the Senator from North Dakota in his valiant attempt to give a break to the consumer, while only 9 opposed him.

By that vote the Senate knocked into a "cocked hat" the argument that executive agencies should do the job of watching out for the consumer's interest. The Senate went so far as to approve a specific prohibition against an executive agency doing the job. In years past a famous figure in our history was noted for his cry: "The public be damned." Are we now in a period when the Senate shall cry: "The consumers be damned"?

Another argument repeatedly raised against the idea of a special consumer committee is that it would cut across the jurisdiction of the standing committees and upset the plan of the Reorganization Act of 1946. It is argued that the standing committees have the task of protecting the consumer within the area of their own responsibility. It is said that this is the best way of doing the job. The suggestion is made that each standing committee could create a subcommittee to deal with consumer problems and thereby afford the required protection. My only comment has always been: It is true the standing committees could do this, but the fact is they have not done so. Faced with that fact, a large group of Senators and I have concluded that the only way the job will ever be done is by the establishment of a separate new committee charged specifically with doing it.

We have seen argument No. 1 disposed of when the Senate voted to kill the power of the Federal Trade Commission to study the consumer dollar. Now the Senate will have the opportunity—in fact, it will have seven separate opportunities—to see if argument No. 2 (the subcommittee of standing committee approach) is a valid argument or if it is merely another way of preventing effective protection of the consumer.

Yesterday I submitted 7 separate resolutions, each of which authorizes and directs one of 7 different standing committees of the Senate to undertake a full and complete study and investigation of the consumer aspect of legislation falling within its jurisdiction.

And since one of the auxiliary arguments against a select committee is that it would have no legislative power, I am providing in each of these resolutions that the committee in question shall make recommendations for remedial legislation if need therefor is found to exist as a result of its study and investigation.

Furthermore, the resolutions will permit each of the seven standing committees concerned to create a subcommittee on consumer interests to carry out the provisions of the respective resolutions. When the resolutions will be before the seven committees, they will have the necessary legislative instrument to do the job by the subcommittee approach.

All seven resolutions contain the identical first paragraph, which reads as follows:

"The committee * * *, or a duly appointed subcommittee on consumer interests which it may create pursuant to this resolution, is authorized and directed to make a full and complete study and investigation of all major existing legislation within its jurisdiction as defined by section (1) of rule XXV of the Standing Rules of the Senate for the purpose of determining the extend to which the interests of the ultimate consumer may be adversely affected by such legislation and also of recommending such remedial legislation as may be necessary to provide adequate protection of consumer interests."

That is the identical power given to each of the 7 committees affected, and these 7 committees, in my judgment, deal with legislation that has the most important effects on the ultimate consumer.

The first resolution is in some ways the most important of the seven. It has a special feature which offers an opportunity to Congress to remedy the worst effects of the

vote against the consumer dollar study. It authorizes the Committee on Agriculture and Forestry not only to carry out the general consumer investigation of legislation under its jurisdiction which all the affected committees are authorized, but also to make a special study of the spread in prices between what the farmer receives and the consumer pays for the products of farm and forest.

Every farmer in America has a direct interest in this particular resolution, just as he has an indirect interest in each of the other resolutions. The farmer, as we must never forget, is a consumer not only of farm equipment, seed, fertilizer, and other items required to operate his farm but also of all of the other goods and services which every citizen consumes.

The second resolution, while giving the Committee on Finance the same general authority given to other committees affected by these resolutions, also gives it special authority to examine excise taxes, tariff duties, and import quotas to determine their effect on the prices consumers pay for goods and services subject to such taxes, duties, and quotas.

The remaining five resolutions are identical with each other. They clothe five committees with the necessary authority to conduct inquiries and make legislative recommendations within their respective areas of responsibilities. The committees are: The Committee on the Judiciary, the Committee on Interstate and Foreign Commerce, the Committee on Labor and Public Welfare, the Committee on Banking and Currency, and the Committee on Interior and Insular Affairs.

The second paragraph of the last five of the resolutions—those directed to the Committees on the Judiciary, Interstate Commerce, Labor, Banking and Currency, and Interior—reads as follows:

"In carrying out its duties under this resolution, the committee, or its duly authorized Subcommittee on Consumer Interests, shall examine the manner in which major existing legislation within its area of responsibility is being administered with particular reference to the effect on the consumer of such administration and shall determine whether or not the agencies charged with administration of such legislation have provided a regular and systematic method by which the views of consumers may be ascertained in the administration of such legislation."

Thus, seven standing committees of the Senate will have before them proposals giving them each legislative authority to study all aspects of the consumer problem falling within their jurisdiction; five of them will be clothed with authority in addition to examine how laws are administered with respect to the interests of the consumer; one of them will be authorized to study the effect of certain taxes and duties on consumer prices; and the seventh will have authority to make a thorough study of all cost factors entering into the spread—the ever-widening spread—between what the farmer is paid for his products and what the ultimate consumer pays for those products at the store.

If it appears that there may be some duplication and overlapping, that is not the fault of these resolutions. That is the fault of the present defective structure of the Senate. This body has not yet seen fit even to mention the term "consumer" in the rule defining the functions of the various standing committees. We who are sponsoring Senate Resolution 38 believe there should be a Special Committee on Consumer Interests established to correct the defect now existing in the Senate's committee structure. It is quite evident, however, that the full Senate will have no opportunity even to consider our proposal, that it will remain bottled up in the Banking Committee, and that neither the Senator from Iowa nor any other Senator will be given a chance to vote on it on the floor of the Senate.

It will be of great interest to me and to millions of America's consumers to see what happens to the resolutions. The seven standing committees affected by the proposals will now have available to them legislative instruments for assuring adequate protection to the consumer. If the committees do nothing to implement the resolutions, the second argument against creating a separate Committee on Consumer Interests will fall to the ground, to lie beside the other argument that some Federal agency be charged with the task.

PROPOSAL BY SENATOR WILEY FOR SETTLEMENT OF THE KOREAN CONFLICT

Mr. WILEY. Mr. President, I have released, as of this afternoon, a statement pleading for United States-South Korean agreement on sound truce terms.

The statement is based on the obvious interest of our country in a prompt, reasonable settlement, in view of our 137,000 casualties to date and our grim average of 1,600 casualties every month as the war drags on and on.

I have presented this statement in a frank, realistic way, but with all due respect to gallant ally, South Korea, and its distinguished President, Dr. Syngman Rhee, who has devoted his life to the cause of freedom and the sovereignity of his nation.

I ask unanimous consent that the text of the statement be printed in the body of the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

PRESIDENT SYNGMAN RHEE GRAVELY ENDANGERS WORLD PEACE—THREATENS U. N. CATASTROPHE

I want to express my deepest concern over the continued obstinate attitude of South Korean President Syngman Rhee on the issue of the truce terms.

I am not now attempting to speak for the Senate Foreign Relations Committee or for anyone else, but only for myself personally.

I want to express the firm view that President Rhee is doing his nation, his Allies, the United Nations, as a whole, and the cause of world peace—infinite damage by his continued reckless attitude.

The unilateral action which he has already taken in violation of his commitments to the United Nations Command and the unilateral action which he has indicated he may take—are actions unworthy of his own fine record as a spokesman for free peoples.

It is obvious that Members of the Senate and House of Representatives who have spoken publicly on this matter deeply respect President Rhee's lifetime of personal sacrifices on behalf of his nation.

No one who thrills to a man's sacrifices for his native land can fail to have a tremendous admiration for a venerable patriot who has so courageously down through the years fought for his country.

Today, however, he has carried his views to such an illogical extreme as to jeopardize the efforts of the free world to protect his country.

President Rhee, in his patriotic zeal, his displayed an unfortunate extremism, obstinacy, and arbitrariness which have caused infinite grief to the parents of every boy in the United Nations forces, serving alongside the South Korean divisions.

If the present situation deteriorates to its most dangerous potentialities, the lives of 300,000 American boys in South Korea will be directly endangered.

As an American and as a United States Senator, I cannot be silent while these boys are placed in grave jeopardy, in addition to the boys from other nations. I cannot be silent, moreover, when such a catastrophe looms up, possibly to render completely in vain the sacrifices of some 25,000 American dead.

The brave South Korean boys who are holding two-thirds of the battle line today, could by rash independent action, for example, taking a suicidal offensive and severing themselves from the United Nations Command, end up destroying not only themselves but the United Nations. A military disaster in Korea would mean a political disaster from which the U. N. might never recover. This could shatter the chances for world peace in our time.

President Rhee has been playing with global dynamite. He has been tossing matches about in an utterly reckless manner.

Our long time respect for him, our feeling that his allies had, in the past, not always treated him with the full respect to which he has been entitled—none of this alters the fact that we Americans abhor the idea that one man should endanger the peace of the world. We Americans have never accepted the idea of a man who says: "I'll have my way or else."

I want to commend our great President, Dwight D. Eisenhower, our able Secretary of State, John Foster Dulles, and our competent Assistant Secretary of State, Walter Robertson, for their untiring efforts to secure a meeting of the minds.

It is the hope and prayer of the American people and of all the peoples of the world that the negotiations with Dr. Rhee will lead to success. But time is running out.

Surely, men with the same noble objective—unification of Korea—can reason their way through to a successful agreement.

Surely, President Eisenhower and Secretary of State Dulles have amply demonstrated to Dr. Rhee that the United States is willing to go to any reasonable end to find an amicable basis for settlement, without compromising principle, or rendering the truce impossible.

No one has profited from the present stalemate but the Communists. Let us hope that the situation will be resolved successfully and soon. It would be tragic if Dr. Rhee, who has worked so selflessly in opposition to the Communist cause should unwittingly play into the hands of the Communists. It would be tragic if we who came to the defense of South Korea in the name of world law and order should come to see a solemn armistice contract violated by South Koreans who have threatened to fight on—regardless of U. N. agreement on truce terms. How can South Korea invoke the idea of respect of pledges if it breaks pledges itself?

"CREEPING McCARTHYISM" AND THE FRANKING PRIVILEGE

Mr. LEHMAN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter dated June 30, addressed to me by the Senator from Wisconsin [Mr. McCARTHY], and my reply thereto of July 6.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

REPLY BY SENATOR LEHMAN TO LETTER FROM SENATOR McCARTHY ON "CREEPING McCARTHYISM" AND THE FRANKING PRIVILEGE

Senator HERBERT H. LEHMAN today made public a letter addressed to him last week by Senator JOSEPH McCARTHY and a reply to that letter delivered today.

UNIVERSITY OF MICHIGAN LIBRARIES

The text of the two letters follows:

I. FROM SENATOR HERBERT H. LEHMAN TO SENATOR JOSEPH R. M'CARTHY

JULY 6, 1953.

Hon. JOSEPH R. MCCARTHY,
United States Senate,
Washington, D. C.

DEAR SENATOR MCCARTHY: I have your letter of June 30, which I am glad to answer, impudent and deliberately misleading as it is.

You ask for my "thoughts" on whether I consider proper my use of the frank in mailing out (1) copies of my speech, "Creeping McCarthyism" and (2) letters, written in reply to inquiries, advising my correspondents where they can get copies of the Senate report on McCarthy. You ask further how many of each I have sent out.

As you very well know, my use of the frank in both these instances is both legal and proper. The law says that all congressional mail involving public business may be sent under frank. Under the law, the Postmaster General has the sole authority to judge whether matter thus mailed under frank, is, in fact, public business. It has always been the practice, never questioned by the Postmaster General, to consider as public business speeches by Members of Congress as well as public statements, press releases, and even weekly newsletters. Should the Postmaster General at any future time modify this interpretation, I would be among the first to accept such a ruling.

It is, however, perfectly obvious that your interest is not in my use of the frank in sending out my speeches and correspondence. Your objection is to the content of my speeches and correspondence, namely my efforts to arouse the country to the danger of the creeping paralysis of our freedom in thought and action, arising from such activities as yours.

It is no coincidence that the speech whose mailing arouses in you this new-found interest in the abuse of the franking privilege is a speech entitled "Creeping McCarthyism." And the letters to which you refer are those you described as urging recipients to purchase an article entitled "McCarthy's Finances." Actually these letters, as you very well know from their content but deliberately omitted to mention, were sent in reply to inquiries from my constituents asking where they could obtain copies of the official report of the Senate Subcommittee on Elections and Privileges, the so-called Hennings report on MCCARTHY. This report, only a handful of copies of which were printed, was reprinted and issued, in response to a widespread demand, by the Americans for Democratic Action. ADA is a fine and patriotic organization whose record of anti-Communist activity long pre-dates your own, despite your reckless and irresponsible statement that it is Communist influenced.

I consider it very much a matter of public business to advise my correspondents where they can obtain a copy of this official Senate report, reflecting the unanimous views of the Republican and Democratic members of the Hennings subcommittee. That report made extraordinarily serious allegations concerning your conduct as a Senator, and told of certain business dealings you conducted while a Member of the Senate. To these allegations you have never, to my knowledge, made any reply or given any explanation, either to the committee or otherwise. Hundreds of my constituents have written to me demanding that something be done about this and asking for a copy of the report. I have replied to those letters by referring my correspondents to the ADA reprint.

The public interest in this and other aspects of your activities is truly extraordinary. The original mailing of my speech, "Creeping McCarthyism," was, as cited by me in the CONGRESSIONAL RECORD of June 15, 1953, about 18,000. Since that time, however, after you made your public attack upon me for this mailing, I have received so many hundreds and even thousands of requests for additional copies, that all the remaining number I had on hand, about 2,000, was quickly exhausted, and I am now in the process of having an additional number printed.

I am encouraged, indeed, that so many Americans are interested in what is now going on in Washington, and are rousing themselves to demand leadership in the fight to defend their freedoms and liberties, and to ask, further, for an accounting of unseemly conduct in public office.

Very sincerely yours,

HERBERT H. LEHMAN.

II. FROM SENATOR JOSEPH R. M'CARTHY TO SENATOR HERBERT H. LEHMAN

UNITED STATES SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
June 30, 1953.

Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.

DEAR MR. LEHMAN: As chairman of the Appropriations Subcommittee on Treasury and Post Office, I have as you know, taken some interest in the improper use of the franking privilege.

Since our discussion on the Senate floor, I have had sent to me a number of your franked envelopes, some containing a copy of your speech, "Creeping McCarthyism," and others urging the recipient to purchase an article entitled "McCarthy's Finances," put out by the leftwing and, as you know, to a great extent Communist-influenced ADA.

Would you please give me your thoughts as to whether this is the proper use of the frank, and if not, then I would appreciate getting an estimate of the number of pieces of this material you mailed out under the frank.

Awaiting an early reply, I remain,

Sincerely yours,

JOE MCCARTHY.

THE DYNAMIC GROWTH OF THE ECONOMY AND INDUSTRY OF THE SOUTH

Mr. RUSSELL. Mr. President, on June 10, the distinguished senior Senator from South Carolina [Mr. MAYBANK] delivered an able address in the Senate on the dynamic growth of the economy and industry of the South. He set forth in some detail the reasons for the development. His address evoked a great deal of editorial comment. I have before me only a few of the numerous editorials which discussed the Senator's address. I ask unanimous consent that seven editorials be printed in the body of the RECORD at this point, as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Columbia (S. C.) State of June 26, 1953]

FIGHTING FOR COMPETITIVE TEXTILE CONTRACTS

As readers of the State know, Senator MAYBANK earlier this month delivered a strong speech in the United States Senate on the South's dynamic Americanism, in which he pointed out the phenomenal growth of industry in this section.

"It is appropriate," he said at the outset, "that the South's rise to a position of leaderships in the economic, spiritual, and industrial life of our great country be reviewed, not at all for reasons of sectional pride, great though our pride be, but because this record of achievement in the face of great handicaps can well serve as an example and inspiration to Americans everywhere."

Senator MAYBANK stressed the growth and development of the textile industry. Later he will discuss progress of other leading segments of our economy.

When Senator MAYBANK spoke of textiles, he was, of course, speaking especially of South Carolina, since there are more active spindles in this State than in any other.

"You are, of course, familiar," he said, "with the statistics—the records on productive capacity which tell the expansion of Southern textile spindles and the gradual concentration of the textile industry's productive capacity in the Southeastern States. But more meaningful are the figures which tell about jobs and opportunities and earnings for thousands of men and women. Here is the picture of growth in the country's four largest textile States on a basis of their cotton system spindles, South Carolina, North Carolina, Georgia, and Alabama. In 1919, earliest year for which Census Bureau totals are available, the textile industry in these 4 States operated 1,220 plants, provided 176,000 jobs and paid out a total of $136,447,000 in wages. During 1951, 32 years later, these 4 States had 1,756 textile plants—an increase of 500; their textile employment added up to 508,000 jobs—a fivefold increase; and total wages and salaries paid out in that year came to $1,308,000,000—10 times more than in 1919.

"It almost defies comprehension to consider the effects of this sensational growth on individual buying power, the ability of the average worker to have more things for his home and family, the effects on the many service and supply businesses for which the textile mills, the textile workers, and the textile communities are primarily customers; the effects in terms of Government revenues and new public facilities—schools, highways, hospitals, and all the rest."

The Senator praised those who have made the textile industry in this State what it is today. It is because of the excellent equipment, modern technique and unusually capable workmen that the mills in this section have been able to take the lead. They are able to offer such fine competition that other sections, particularly New England, are worried about the situation and have turned to the Government for help, even to the point of ignoring the lowest bidder on the grounds that the work is needed elsewhere."

Senator MAYBANK is fighting continually this idea of giving Government textile contracts to New England when southern firms make the best offer. It is an outrage, and is setting a very bad precedent. When a contract the South should get goes elsewhere it hurts every segment of the industry—those who are employed in the plants as well as the owners, as the effect is felt even in unrelated fields.

Approximately $7 million worth of Government contracts have already been channeled into New England and it is reported that in the neighborhood of $17 million more will likewise be sent to New England firms. Senator MAYBANK is to be encouraged and commended in his efforts to put Government textile contracts strictly on a business basis.

[From the Greenville (S. C.) News of June 11, 1953]

LET MAYBANK CONTINUE

Senator MAYBANK'S speech in the United States Senate yesterday was, of course, a generalized reply to the series of three speeches recently made by Senator JOHN KENNEDY, of Massachusetts.

In like manner, Senator MAYBANK says he also is to make a trio of speeches, for which we are glad. Because the first speech does little more than lay the groundwork for what should follow. He has not made the mincemeat of his colleague that the opportunity presents.

Senator KENNEDY was elected to the present seat because he persuaded the voters of his State that his predecessor, Senator Lodge, had not exhausted all legislative devices to stem the textile tide from North to South. By declaring the textile industry of his region a distress one, he would have the Federal Government extend legislative fiat to circumvent an economic development.

In short, KENNEDY'S program called for the awarding of Government contracts to his so-called distress industry without the formality of competitive bidding, thus short-circuiting the South which can usually do it cheaper. He would raise the minimum wage in the hope of equalizing pay between the regions. He would give New England a better break than the South on freight rates. He would subsidize the development of more hydroelectric power there to provide cheaper electricity, although the waterfalls of the Southeast developed mainly by private enterprise provide natural resources with which New England cannot compete. These are but a few of his paternalistic measures, all of which fall into the category of trying to save the textile industry of New England at the expense of the southern industry and the taxpayers of the Nation.

Senator MAYBANK'S rejoinder took the form of a general denial, as they say in court, in the mode of affirmative statement. The textile industry has "come" South, not primarily by way of migration, but because the South has been on the job. The South has built new and modern mills, which can and do operate more efficiently than those of New England. The South has used its own capital in research to try to learn how to manufacture textile products better and cheaper than its competitors. Stockholders, management, workers—and last, but not least—communities have joined in a common effort to make a success of each and every industrial unit.

"As a result of these developments," says the South Carolina Senator, "the South becomes an even greater and more vital part of the national market. The saying is that 50 million Frenchmen can't be wrong. Neither can two million new industrial jobs created in the South in the years since World War II. This upsurge, this burgeoning of productive activity in the southeastern corner of America is an irresistible, undeniable fact; it is like an ever-rising tide which no one, even if he wanted to, can stem or turn back."

Not, of course, unless the legislative wheels of the Nation are used for that purpose. Let the Senator continue. If New England can use Federal machinery to keep the South from outdistancing it in textiles, what is to prevent the Midwest from putting a clamp on our beef cattle progress?

[From the Charlotte (N. C.) Southern Textile News of June 20, 1953]

DYNAMIC AMERICANISM

Senator BURNET MAYBANK, of South Carolina, a grand old statesman, recently delivered a speech before the Senate that gave a wonderful portrayal of the new industrial South. Pointing to the South as an example which may well be studied by the rest of the Nation, Senator MAYBANK attributed the growth of this area to increased productivity, the harmony of man, advancing technology, and economic statesmanship. This, we believe, is an effective and proved formula for success.

The increased productivity of southern mills has been the subject of much comment since the end of World War II. Willingness of the operators of these plants to turn back a large share of their earnings into new buildings and equipment has given the textile industry some of the most modern and efficient plants in the world.

An interesting portion of the Senator's address was that devoted to "economic statesmanship."

"When you travel from one southern community to another," he said, "you find evidence everywhere of industry's constant striving to create a wealth of greater human values." As examples of this trend, the Senator cited the dozens of schools, recreation buildings, and hospitals which have sprung up in many textile communities as a direct result of industry's interest in the people. In this field, especially, the textile industry has led the way. The Senate leader, chairman of the Senate Banking and Currency Committee, described these contributions to public health and morale as a duty of "simple good citizenship."

The tremendous scale on which southern industry is conducting research and searching for better ways of doing things was cited as another effort which has contributed much to the American standard of living. This research and study is being made possible because the South now has capital of its own, Senator MAYBANK said.

In the face of these accomplishments of Southern industry, the Senator sounded an optimistic note regarding the future outlook:

"Instead of viewing the prospect of eventual peace, or a balanced and more economical Federal budget as a signal of economic danger, my opinion is that most red-blooded Americans would prefer to consider the future as a new era in which all the forces of a dynamic free-business system can be brought into play for greater accomplishments in the years ahead."

Southern Textile News feels that the above words of Senator MAYBANK are a fitting expression of the South's dynamic Americanism, and they could be adopted as a credo for those who are willing to face the future with faith and determination instead of with fear and misgivings.

[From the Textile Bulletin, Charlotte, N. C., for June 1953]

SOUTHERN PROGRESS—A POSITIVE THING

Regions which claim to have a so-called mature economy, such as New England, might take a lesson from the South's economic statesmanship and simple good citizenship which combine to make it the fastest developing part of the country, according to BURNET MAYBANK, Democrat Senator from South Carolina and ranking member of his party on the Senate Banking and Currency Committee. In a long speech to his colleagues on the Senate floor the afternoon of June 10, Senator MAYBANK did not mention New England by name, but the inference was obvious.

He did not mention directly the repeated attacks of New England politicians on the textile South and their continued efforts to force punitive legislation on the region to curb its efficiency and greater productivity, but he effectively told them the South's amazing story. And the reasons behind this vast resurgence of the South, he said, should give hope and inspiration for parallel events elsewhere in the Nation under a new era in which all the forces of a dynamic free-enterprise system can be brought into play to produce a greater flow of human dividends.

Acceptance of advancing technology, business foresight and willingness to provide "fair measure for fair value received," he continued, along with a rejection of "petty tyranny," are permitting the Southeast to pass an equitable measure of productivity benefits along to the consumer in the form of lower and competitive prices. After all, he said, what most Americans are striving for is the greater goal of a constantly higher scale of living, more and better products, and the money with which to buy a fair share of them.

"If all industry, labor, and agriculture can move ahead together toward this greater goal, the well-being and security of the entire national community will ever be uplifted and America need never fear for the future," he added. "Southern industry is doing research on a tremendous scale and is applying the scientific approach to its work and to its markets. It can do this because now the South, for the first time in its long and glorious and at times painful history, has capital of its own, and the South knows how to use that capital."

Neither stockholders nor the great majority of production workers in southern mills have opposed technological advances which make for more and better products at lower cost, for they understand that to ignore or oppose those improvement is to oppose their own best interest, he said. "There is," he continued, "obviously wide recognition of the fact that the distribution of these benefits (of increased productivity) must be fair and equitable, in accordance with best managerial judgment as dictated by given economic and business conditions. As a result, distribution of the benefits of increased productivity is among employees in the form of reasonable wages and good working conditions, among stockholders in the form of reasonable earnings on their investments, and among consumers in the form of goods which the public wants at a price the public can pay."

Senator MAYBANK said, however, that "economic statesmanship" encompasses more than an equitable sharing of productivity benefits; also, he stressed, it involves "the husbanding of resources, prudent policies of public spending at the local and State levels of government, and the reinvestment of industry earnings in plants and machinery, with a constant awareness of the truth that if managerial judgment should be faulty or should be forced to give way to outside pressures, the resulting maldistribution of productivity benefits would most certainly paralyze progress."

For these reasons, he said Southern States have not plunged into "lavish projects based on deficit financing" and the populace of the South "refrains from burdening southern industry unduly by financial demands which would increase the cost of doing business in the region." Thus, he pointed out, industry finds greater incentive to plow back earnings into bigger and better productive facilities "and in this manner industries and the whole economy are continually undergoing a process of self-rejuvenation, keeping young and vigorous."

Senator MAYBANK asserted that regions or countries which profess to have reached so-called economic maturity frequently have perplexing problems which suggest that their maturity is in reality a condition of approaching old age or weariness or of becoming worn out.

"Can it be," he asked, "that such regions are paying the penalty of failure or inability to translate their scientific progress into lower prices for the buyers of their products? Is it perhaps possible that in their zeal to promote expensive social welfare schemes, they have stifled industrial initiative by running up the costs of doing business? Have they, either blindly in their altruism, or in surrendering to various kinds of pressures, lost the sense of economic balance? Have they saddled themselves with burdens too heavy for their industries to bear, in the face of the competitive situation both domestically and abroad?"

Declaring that the new South offers America a "living example" of the dynamic driving force of free enterprise which has made it great, the southerner admonished: "Let us keep uppermost in mind the fact that America's progress has always been directly related to the continued expansion of her business and industry. From the day the Constitu-

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tion came into being, this Nation has never stood still for long. America's basic economic power stems from its determination and its ability to grow, to expand from the base, to develop something new, to find better and more efficient ways of doing things, to provide more and better things for more people."

In an obvious reference to New England, he asserted "no good can come by one region trying to impose upon other regions that are more adaptable for certain industries the very faults and ailments which cause its own hardships."

He said the southern industrial revolution is a continuing, dynamic upsurge because its leadership seems convinced that "apparently there are no visible limits to the variety or volume of human consumption" and "the capacity of man to enjoy the fruits of his labor recognizes no boundaries."

"New processes, new techniques, new designs for plants, the ingenious use of raw materials and supplies of power and water—these are the demands of modern industry and these demands are being met promptly and adequately in the South."

Senator MAYBANK cited that since 1919, earliest year for which Census Bureau figures are available, the four largest textile States on a basis of thir cotton system spindles—the Carolinas, Georgia, and Alabama—have seen textile jobs pyramid from 176,000 to 508,000, a three-fold increase, and total wages and salaries rise from $136,447,000 annually to $1,308,000,000 in 1951, a ten-fold increase.

Senator MAYBANK said friendly civic attitudes as well as economic statesmanship and a recognition that industry's responsibility to economic and social progress go beyond matters of individual gain and expediency have made vital contributions to the South's industrial development. "When you travel from one Southern community to another," he said, "you find evidence everywhere of industry's constant striving to create a wealth of greater human values. Some simple manifestations of this are to be seen in the fine new school buildings in many of the textile areas, the community centers, the ultra-modern hospitals, the recreational facilities—advantages to be used and enjoyed by all the people."

The Southerner asserted "the evolution in civic and social consciousness" on the part of industry, as so well exemplified in the South today," had to come about gradually, and could not be forced or legislated, but rather "had to take place in the human heart and soul of business.

"The popular support given various programs of social reform undertaken by Government during recent years furnished ample evidence of a generally felt need for industry's acceptance of these greater obligations," he continued. "However, it was largely a case of putting the cart in front of the horse."

Senator MAYBANK described the greater-than-ever responsibility of industry to economic and social progress as "that point where the decision to install new machinery or to build an employee health clinic is not made as an expedient for self-aggrandizement under the compulsion of competition alone, but as a duty of simple good citizenship." This attitude, he said, is common in the Southeast.

[From the Charleston (S. C.) News and Courier of June 12, 1953]

NEW SOUTH ON ITS WAY

Senator MAYBANK's address to the United States Senate on industrial growth in the South is both proper and timely. His remarks, to be amplified in two more speeches, follow and in some measure answer a spokesman for New England.

As New England's old and tired industrial machine slows down, the South is picking up. It is high time. We have come a long way, and we still have far to go. Borrowing a phrase of the late F. D. Roosevelt, "We are on our way." That way, we hope, will be based on the brawn and brains and natural resources of the South and not on Government handouts.

Senator KENNEDY of Massachusetts recently suggested Federal spending had helped the South attract industries, and now New England wants some, too.

Southern progress comes from much more than Federal spending. The textile industry, on which Mr. MAYBANK dwelt in his first speech Wednesday, is a splendid example. The spinning and weaving mills used to be centered in New England. Today the center is in the Carolinas, where more than half the country's textiles are produced.

More mills are moving in. Cotton and synthetics already are here and wool is coming. Our region seems ideally suited for textiles. And this is no Government venture. It is free enterprise.

New England had her chance and now is losing the mills. Senator MAYBANK touched on some of the reasons. We shall not attempt today to exhaust the subject, but the results are self-evident.

Textiles are not the only industry coming South. Wood products are a vast source of wealth. So is the chemical industry.

Along with the rest of the South, Charleston is flexing its industrial muscles. The same issue of the News and Courier that reported Mr. MAYBANK's speech announced the good news from the Charleston Development Board that a new $2 million plant would be located here. Though the name has not yet been divulged, we are informed this is to be a new branch of a New England concern—not a textile factory. One of the reasons for locating here, we presume, is to reach the southern market, for wealth begets wealth. The more basic industries a region has, the greater its ability to buy products and services of other industries.

As John Temple Graves expressed it, the South is playing leapfrog. Late in exploiting the industrial revolution, it can profit by the mistakes of other regions. We do not want to be a carbon copy of Boston, Pittsburgh, Detroit, or Youngstown, Ohio. We want to stay southern, with a proper balance between industry and agriculture. We want to preserve our customs and our culture. And we want to accept prosperity like gentlemen.

Let us not be dominated by other people's thinking. We do not need them to show us the way. We have made it alone so far. We welcome those who join us in peace and harmony. We shall not be taken over by a new wave of carpetbaggers.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5246) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes.

Mr. THYE. Mr. President, I ask unanimous consent that House bill 5246, the 1954 appropriation bill for the Departments of Labor, and Health, Education, and Welfare, as proposed to be amended by the Committee on Appropriations, be considered as an original text for the purpose of amendment.

The VICE PRESIDENT. Is there objection?

Mr. HILL. Mr. President, reserving the right to object, as I understand, if any Senator wishes to offer an amendment to a committee amendment he will have the right to do so.

Mr. THYE. That is correct.

Mr. HILL. No amendment to a committee amendment will be foreclosed.

Mr. THYE. That is correct.

Mr. HILL. I have no objection.

The VICE PRESIDENT. Without objection, it is so ordered. Therefore, the committee amendments will be considered as having been agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

On page 2, line 14, after the figures "$1,350,000", to strike out "*Provided*, That the compensation of the Solicitor shall be $14,800 per annum", and insert "*Provided*, That hereafter the compensation of the Solicitor shall be at a rate equal to the rate established by law for grade GS–18."

On page 3, line 7, after the word "exhibits", to insert "and expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Bureau of Labor Standards", and in line 9, after the amendment just above stated, to strike out "$624,000" and insert "$700,000."

On page 3, line 25, after "(29 U. S. C. 50)", to strike out "$3,400,000" and insert "$3,230,000."

On page 4, at the beginning of line 9, to strike out "$5,100,000" and insert "$5,225,000."

On page 5, line 1, after "(66 Stat. 684)", to strike out "$187,300,000" and insert "$197,110,000", and in line 6, after the word "paid", to insert "or salary costs."

On page 7, at the beginning of line 7, to strike out "$41,000,000" and insert "$38,500,000."

On page 9, line 7, after "(5 U. S. C. 55a)" to strike out "$5,250,000" and insert "$5,345,000."

On page 9, line 12, after the word "exhibits", to strike out "$360,000" and insert "$350,000."

On page 10, line 1, after the word "Division", to strike out "$6,000,000" and insert "$6,250,000."

On page 10, after line 10, to insert:

"SEC. 103. Not to exceed 5 percent of any appropriation in this title may be transferred to any other such appropriation, but no such appropriation shall be increased by more than 5 percent by any such transfer: *Provided*, That no such transfer shall be used for creation of new functions within the Department."

On page 10, after line 16, to insert:

"SEC. 104. Terminal leave: On request of the Secretary of Labor, the Secretary of the Treasury is authorized to transfer such amounts as may be necessary, but not to exceed $300,000, from unobligated balances of appropriations for the Department of Labor, fiscal year 1953, to an appropriation acount to be established for the payment of annual leave of employees separated from the service as a result of reductions of appropriations provided herein in excess of the average turn-over of employees in said Department over the period 1947–1952, to remain available until December 31, 1953."

On page 11, after line 19, to insert:

"For an additional amount for the construction of buildings to accommodate deaf children at the Columbia Institution for the Deaf, $41,100."

On page 12, line 11, after the word "operations", to strike out "$5,000,000" and insert "$5,200,000."

On page 14, line 8, after the word "buildings", to strike out "For the purchase and installation of a vacuum pump in the steam

system, $20,000" and insert "For the alteration and improvement of power plant facilities, including engineering and architectural services, $170,000."

On page 14, line 21, after the word "year", to insert a colon and *"Provided further,* That not more than $450,000 of this appropriation shall be available for vocational education in distributive occupations."

On page 15, line 17, after the figures "$2,500,000", to insert "of which not less than $480,000 shall be available for the Division of Vocational Education as authorized."

On page 16, after line 5, to insert:

"School construction: The amount made available under this head in the Federal Security Appropriation Act, 1953, for necessary expenses of technical services rendered by other agencies is increased from '$750,000' to '$1,250,000.' "

On page 16, line 20, after the word "agency", to strike out "$23,000,000" and insert "$21,850,000", and on page 17, line 3, after the word "purposes" to insert a colon and the following additional proviso: *"Provided further,* That after payment of amounts certified to be due for prior fiscal years, the funds herein appropriated shall be apportioned among the States in accordance with regulations promulgated by the Secretary to insure equitable maintenance and improvement of the State programs; and the obligation of the United States to any State under such act for fiscal year 1954 shall not exceed the amount so apportioned to such State."

On page 18, at the beginning of line 4, to strike out "$690,000" and insert "$655,500."

On page 19, line 6, after the figures "$13,250,000," to insert "of which not more than $2,400,000 shall be available for personnel services."

On page 19, line 14, after the figures "$5,000,000", to insert "of which not less than $400,000 shall be used for studies, prevention, and control activities on poliomyelitis."

On page 19, line 24, after "(33 U. S. C. 466–466(j))", to strike out "$3,000,000" and insert "$3,325,000."

On page 20, line 15, after the word "expended", to strike out "$50,000,000" and insert "$60,000,000."

On page 20, line 25, after the word "amended", to strike out "$750,000" and insert "$1,000,000."

On page 22, line 18, after the word "others", to strike out "and the proceeds thereof may be credited to this appropriation" and insert "at rates determined by him to be sufficient to recover the cost of such operation and the proceeds thereof shall be credited to this appropriation."

On page 23, line 5, after the word "Act", to strike out "$17,887,000" and insert "$20,487,000."

On page 23, at the beginning of line 9, to strike out "$10,895,000" and insert "$12,345,000."

On page 23, at the beginning of line 12, to strike out "$12,000,000" and insert "$15,418,000."

On page 23, line 16, after the word "conditions", to strike out "$1,650,000" and insert "$1,740,000."

On page 23, line 19, after the word "diseases", to strike out "$5,000,000" and insert "$7,000,000."

On page 23, line 24, to strike out "$5,479,200" and insert "$5,738,000."

On page 24, line 2, after the word "blindness", to strike out "$4,000,000" and insert "$4,750,000."

On page 25, line 3, after the word "such", to strike out "other funds appropriated in this act to the National Institutes of Health as the Surgeon General may determine, to remain available until expended: *Provided,* That any stocks of supplies and equipment of the Public Health Service related to services financed under this fund may also be used to capitalize said fund" and insert "unobligated balances of 1953 appropriations of the National Institutes of Health as the Surgeon General may determine, to be available without fiscal year limitation: *Provided,* That supplies, materials, stocks, and equipment heretofore or hereafter derived by transfers to this fund may also be used to capitalize said fund: *Provided further,* That such funds may be reimbursed in advance from available funds of organizations covering estimated or actual charges for services, supplies, and materials furnished and operating expenses, including reserves for accrued annual leave."

On page 27, line 1, after the word "For", to strike out "beginning" and insert "preparing for"; in line 7, after the word "expended", to strike out the colon and the following provisos: *"Provided,* That appropriations for the foregoing purposes shall be transferred to the General Services Administration, but the selection of the site and the building plans shall be subject to approval by the Secretary: *Provided further,* That the total cost of the project herein authorized shall not exceed $27 million, but this limitation may be exceeded, or shall be reduced, by an amount equal to the percentage increase or decrease, if any, in construction costs generally dating from January 1, 1953, as determined by the Administrator of General Services."

On page 28, line 2, to strike out "$1,600,000" and insert "$1,550,000."

On page 28, at the beginning of line 9, to strike out "$1,500,000" and insert "$1,450,000."

On page 29, line 5, after the word "State", to insert a colon and the following additional proviso: *"Provided further,* That, in computing allotments to States under sections 502, 512, and 521 (a) of such act for the current fiscal year, balances in allotments previously made to States which remain available in the Federal Treasury for payment to them as of July 1, 1953, shall be taken into account by (1) adding the total of such balances to the appropriation herein made, and (2) subtracting from each resulting allotment to any State under section 502 (a), 512 (a), or 521 (a) any balance in any year prior allotment under such section which remains available in the Federal Treasury for payment to it as of such date but with such adjustments as may be necessary to assure that this proviso does not operate to deprive any State of any balance in an allotment previously made to it under such section."

On page 31, line 8, after the word "exceed", to strike out "$168,000" and insert "$175,000."

On page 31, line 17, after the word "exceed", to strike out "$20,000" and insert "$25,000", and at the beginning of line 20, to strike out "$355,000" and insert "$375,000."

On page 32, line 2, after the word "health", to strike out "$450,000" and insert "$255,000."

On page 32, after line 2, to insert: "Working capital fund: The working capital fund established in the Federal Security Appropriations Act, 1953, shall hereafter be available for financing such control services as the Secretary determines may be performed more advantageously on a reimbursable basis."

On page 33, line 11, after the word "on", to strike out "the date of approval of this act" and insert "June 30, 1954."

On page 33, line 25, after the word "exceed", to strike out "$25,000" and insert "$100,000", and on page 34, line 3, after the word "made", to insert a colon and the following proviso: *"Provided,* That hereafter appropriations to the Public Health Service for salaries and expenses shall be available for reimbursement to commissioned officers of the Service for the use of taxicabs and other means of conveyance (including reimbursement for use of privately owned vehicles) within and around their designated posts of duty, such reimbursement to be on the same basis and subject to the same limitations as for civilian officers and employees, and subject to the approval of the Surgeon General or his authorized agent."

On page 35, after line 2, to insert: "SEC. 207. In order to more effectively administer the programs and functions of the Department, the Secretary is authorized to transfer not to exceed 2½ percent of any appropriation in this title available for salaries and expenses to any other such appropriation but no such appropriation shall be increased by more than 2½ percent by any such transfer: *Provided,* That no such transfer shall be used for the creation of new functions within the Department."

On page 35, after line 10, to insert: "SEC. 208. Terminal leave: On request of the Secretary of Health, Education, and Welfare, the Secretary of the Treasury is authorized to transfer such amounts as may be necessary, but not to exceed a total of $300,000, from unobligated balances of appropriations for the Department of Health, Education, and Welfare, fiscal year 1953, to an appropriation account to be established for the payment of annual leave of employees separated from the service as a result of reductions of appropriations provided herein in excess of the average turnover of employees in said Department over the period 1947–52, to remain available until December 31, 1953."

On page 37, line 20, after the word "than", to strike out "$200,000" and insert "$181,000."

On page 38, line 8, after the word "Board", to insert "purchase of one passenger motor vehicle, for replacement only."

Mr. THYE. Mr. President, the amount of the bill as it passed the House was $1,980,706,461. The net amount added by the committee was $27,729,300. The total of the bill as reported to the Senate is $2,008,435,761. The amount of the original 1954 budget estimate was $2,098,062,861. The revised budget estimate was $2,021,513,470. The amount of the 1953 appropriations was $2,254,781,300.

I state these figures so that at the beginning of the consideration of the pending bill we may have a clear understanding and knowledge of the figures as of 1953 and the figures which the committee considered, first in the original recommendations of President Truman, and then the revised recommendations of President Eisenhower's administration.

The bill as reported to the Senate is $89,627,100 below the original budget estimate. It is $13,077,709 below the revised budget estimate. It is $246,345,539 below the 1953 appropriations.

Mr. President, the committee increased the amount for health in a very substantial manner, particularly in the research field in connection with cancer, heart, and other diseases.

I should like to read the specific figures which relate to the National Cancer Institute, in order that Senators may know what the committee has done.

In 1953 the appropriation for the National Cancer Institute was $17,887,000. In the original budget recommendation the amount recommended was $22 million. The revised estimate called for $15,780,000. The House allowed $17,887,000. The committee recommendation is $20,487,000, for cancer research.

It will be noted that the committee has recommended a very substantial increase. I may say that, from all the information which we were able to gather through the hearings, we reached the conclusion that cancer research, heart

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research, and the other health research programs will go forward with all the haste and with all the effectiveness that could possibly be given to the programs by the moneys allowed for such research purposes.

Mr. LANGER. Mr. President, will the Senator from Minnesota yield for a question?

Mr. THYE. I yield to the Senator from North Dakota.

Mr. LANGER. I have received a great many telegrams advising me that the cut in the tuberculosis appropriation amounts to approximately $3 million. I wonder whether the Senator could give me some information in that regard.

Mr. THYE. We followed the revised estimates in that connection, I will say to the Senator from North Dakota.

Mr. LANGER. In my State the State health department is very much concerned about it. In North Dakota, as the distinguished Senator from Minnesota knows, a great many Indians are suffering from tuberculosis.

Mr. THYE. Yes.

Mr. LANGER. The State of North Dakota operates a tuberculosis home at Dunseith, N. Dak. It was felt that the cut was too severe. I wonder what the distinguished Senator has to say relative to the appropriation for tuberculosis research.

Mr. THYE. As I have said, the committee followed the revised budget recommendations. The information which we had was to the effect that the program could be carried on very effectively with that amount. That was the reason why the Committee on Appropriations followed the revised recommendations of the Budget Bureau on that item.

Mr. LANGER. Was there any specific hearing held on the subject of tuberculosis?

Mr. THYE. Oh, yes. Hearings were held with respect to all health measures. If the Senator will glance at a report of the hearings, he will find that testimony was heard on all the items in the appropriation bill.

Mr. LANGER. Does the distinguished Senator from Minnesota himself personally believe that the amount is sufficient?

Mr. THYE. It is the best judgment of the Budget Bureau and of the Committee on Appropriations that the sum of money recommended can serve the purpose and carry forward the health program in the tuberculosis field.

Mr. LANGER. I wish to inquire further on that subject. I wonder whether the distinguished Senator from Minnesota is aware of the fact that under the displaced persons program there came into this country some displaced persons who, it was later found out in Europe, had been admitted into this country while suffering from tuberculosis. The public health officials got hold of those cases later. There are now in New York State alone hundreds of such cases which are costing the State of New York over a million dollars a year to take care of. These are cases of displaced persons suffering from tuberculosis. I wonder whether any testimony was taken on that point.

Mr. THYE. Not insofar as displaced persons are concerned and the problem the Nation is confronted with in connection with tuberculosis among them. However, in the overall, general health measures, particularly with respect to tuberculosis, the feeling was that in the past, because of the extensive field research conducted by the mobile X-ray units, not only have the States become acquainted with the problem and advanced themselves in that field, but the National Government has done much work along that line. It was felt that we have progressed sufficiently so that the recommended appropriation can carry on the search for persons afflicted with tuberculosis and also provide the necessary cure and care. I think we are underway, and that there will be available sufficient funds with which to continue the program as the Senator from North Dakota and I would like to see it carried forward. Of course, there is no limit to what we could spend for general health research because it is such a vast field.

Mr. LANGER. How does the amount appropriated this year compare with the amount appropriated last year?

Mr. THYE. Last year there was appropriated $8,240,000. President Truman's budget recommendation was $7,645,000. The revised estimate was $5,725,000. The amount allowed by the House was $5,725,000. The Senate committee has recommended the same amount, $5,725,000.

So, taking into consideration all the work which had been done by the mobile units, and what had been accomplished in the past, it was felt that the appropriation in this year's bill could be safely reduced.

Mr. CASE. Mr. President, will the Senator yield for a question?

Mr. THYE. I yield.

Mr. CASE. Mr. President, I share the concern of the Senator from North Dakota about adequate funds being provided for research in the field of tuberculosis, and for somewhat the same reason the Senator from North Dakota has expressed. The battle against tuberculosis among the Indian tribes has been a difficult one because of the housing conditions under which the Indians are required to live or have lived.

I wish to speak in commendation of the committee report with respect to the other health fields. I note from the committee report that the National Cancer Institute, under the recommendations of the committee, will receive $20,487,000, as against $17,887,000 in the current year. I commend the committee for that recommendation.

It happens that within the past 10 days I have lost a very dear friend, himself a doctor, who was head of a branch of the Veterans' Administration in Washington for a good many years, and also served in the field. Although he knew and although those whom he consulted knew some things that might have been done, they did not know all that could be done. I have a feeling that his life might have been spared if we had progressed just a little further in this field. So I commend the committee for its recommendation regarding that item.

I point out that the committee's recommendation for mental-health activities exceeds the appropriation for the current year. The appropriation for the current year is $10,895,000, and the committee's recommendation is $12,345,000. I trust there was no serious opposition in the committee to that recommendation.

Again I wish to commend the committee for its consideration of the program of the National Heart Institute. The appropriation for the current year is $12 million. The committee has recommended an appropriation of $15,418,000.

Mr. THYE. Mr. President, every committee member realized the importance of the health research these items cover. Therefore, the committee felt justified in increasing the amount not only over what was appropriated for the fiscal year 1953, but also over the revised budget estimates. I have the feeling—and I can speak for the other members of the Appropriations Subcommittee—that in the field of research, whether it be research relative to cancer or research relative to heart diseases or research relative to mental conditions or research relative to any other field of health, a few million dollars can do a tremendous amount of good in aiding the scientists who are engaged in that work.

We would like to have some additional funds made available for building programs; but I have the positive assurance that the general research in these fields will not suffer even though funds are not made available for building expansion. In that connection I read from page 635 of the committee hearings. I asked:

> That is the question that I had in mind here: Would the research be curtailed unless there was an expansion in the physical plants?

Dr. Scheele replied:

> No, sir.

So I wish to assure the Senate that we took into consideration the question of whether we should appropriate funds for additional buildings or for expansion of the physical facilities of the research laboratories. With the assurance of Dr. Scheele, the surgeon general of the Public Health Service, that the general research activities would go forward even though we did not provide funds for expansion of the physical plants, we felt that if we provided increased appropriations for the research activities, they would go forward.

As a committee, we shall examine very carefully what the building needs are, and we have so instructed the committee staff. At the next session of Congress we shall have available adequate information to enable us to reach a decision as to what appropriations we wish to recommend for plant expansion in the field of scientific research.

Mr. CASE. Mr. President, the assurance of the Senator from Minnesota on that point is most encouraging. It indicates that the proposed increases in appropriations will actually be devoted to the work for which these various programs were instituted.

Mr. THYE. Yes.

Mr. CASE. I should also like to refer to the item for arthritis and metabolic disease activities. It is one in which I have an especial interest. Here, again, I note that the committee has recommended an increased appropriation in the amount of $7 million, whereas the appropriation for the 1953 fiscal year was $4,568,900. Thus, the committee's recommendation indicates a definite expansion of the program.

Let me say that I have referred to the appropriations for the current year in each instance, rather than the budget estimates, because to the layman and the Senator who does not serve on the Appropriations Committee, the appropriation for the current year, when compared to the recommended appropriation for the next fiscal year, indicates, in the case of the items to which I have referred, an increase in the activities themselves. When we examine the budget estimates, it is difficut to know what the comparison means; but when we know what the current appropriation is and when we find that an increase over the current appropriation has been recommended, the layman can understand that it is proposed that the work actually be expanded.

I am glad to have the assurance of the chairman of the subcommittee regarding the committee's recommendations in all four of these fields.

Mr. THYE. Mr. President, the subcommittee devoted a great deal of time to its study of health items and permitted all persons who wished to testify at the hearings, in regard to those items of the bill, to do so. We heard much testimony, as the printed hearings indicate.

It was our best judgment that whenever the facts justified it, we should recommend the appropriation of such funds as could wisely be expended in the field of research, in order to advance as rapidly as possible the work of the scientists who are seeking to find the answers in the case of diseases which are causing so much grief in the homes of persons afflicted with such diseases.

Mr. HAYDEN. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Minnesota yield to the Senator from Arizona?

Mr. THYE. I yield.

Mr. HAYDEN. I wish to invite attention to the item of salaries and expenses, under the Bureau of Employment Security, on page 4, lines 1 to 11. I am not satisfied with the appropriation the committee recommended for that purpose.

Mr. THYE. I wish to say to my distinguished friend, the Senator from Arizona—and let me say there is no member of the Appropriations Committee who is better informed on any of these items than is he—that if I had been permitted to make my complete statement, I would already have said there are three specific groups of items in reference to which I personally feel the committee was too conservative. I shall mention those items in the order in which they appear in the bill.

The first is the item for salaries and expenses for the Office of the Secretary of Labor. I think we were a little conservative regarding our recommendation of appropriations for the Secretary of Labor.

I also believe in all sincerity—and I have made a thorough study of the entire question—that we were too conservative in the case of the item of administrative funds for the United States Office of Education.

Furthermore, in the case of the appropriations for the Children's Bureau, I say in all frankness, as chairman of the subcommittee, that we were a little conservative.

I make this statement in order that the Senate may examine those items very carefully, in order to make any necessary corrections on the floor of the Senate.

Mr. President, this morning I received by messenger from President Eisenhower a letter which refers specifically to the appropriations for the Department of Health, Education, and Welfare. President Eisenhower calls specifically to my attention and to the attention of the Senate that he has the feeling that the committee recommended possibly almost $600,000 less than what is actually needed for the Department of Health, Education, and Welfare. He has expressed the hope that $426,000 can be reinstated in the appropriation for the Office of Education. He has also expressed the hope that $151,000 might be restored to the item for the support of the Office of the Secretary; and, that, if there is concurrence on the part of the Senate, amendments to increase these items may be adopted.

Of course, previously I have stated that I believe the committee has been slightly conservative regarding the item for the Secretary of Labor, and for the work of the Children's Bureau.

Mr. HAYDEN. Mr. President, in the case of the appropriation for the Bureau of Employment Security, salaries and expenses, I did not realize at the time when we were marking up the bill that last year there was placed on that Bureau an added load which amounted to $350,000, when it agreed to take over the unemployment-compensation work of the veterans' program. Last year the Bureau of Employment had an appropriation of $5,679,000 for salaries and expenses and then revised budget estimate reduced the amount they are to have this year to $5,435,000. The House of Representatives allowed only $5,100,000. The Senate Committee on Appropriations added only $125,000 to the amount allowed by the House of Representatives which is $200,000 short of the revised budget estimate and $761,000 below the original 1954 estimate submitted by President Truman last January.

In view of the additional load this Bureau had to take on, it seems to me it would be the part of wisdom to take to conference, in the case of this item, the amount of the revised budget estimate. That is as little as this Bureau can function with, if it is to perform the work required of it. After all, Congress passed a bill directing that the work be done, and it should make provision for the necessary personnel and funds with which it can be done. The figure under consideration represents a substantial reduction below the Truman budget, and we should at least allow the $5,435,000 recommended by the Eisenhower budget.

Mr. THYE. In respect to this particular item, the committee studied the matter very carefully, and, in the exercise of its best judgment, recommended an increase of $125,000 over the House allowance, which is $210,000 under the revised estimate. The Bureau, with the restoration here recommended, will be enabled to allocate the full amount of its budget request to the collection and interpretation of information regarding the labor market, and to the farm-placement service; the remainder of the increase to be used to assist in maintaining the public-employment service. This represents the best judgment of the committee.

There is one item of the Labor Department's appropriation regarding which I think the committee erred and that is in the recommendation that there be established a $10 million contingent fund.

In providing for that fund, I believe we took too great an amount from the administrative funds. I think we might well reconsider the recommendation of $10 million, and reduce the contingent fund to $5 million. We would then provide another additional $5 million for the purpose of administration; as a result of which the appropriation contained in the bill would be adequate for that field.

Mr. HAYDEN. The item to which I am referring limits the amount of salaries that can be paid in the Bureau of Employment Security. As the bill stands now, the amount is $5,225,000. As I have said, the Bureau took a cut in the last Congress of $350,000. I should like to see appropriated for the Bureau what the Eisenhower budget requested. An amendment to that effect could be taken to conference. I think the committee has trimmed it down too closely; it has reduced it to such a point that the Bureau cannot do the work it is required to do.

Among other things, we must realize that the Bureau saves the Government a great deal of money. As I have said it carries on the unemployment compensation work of the veterans' program, and maintains a central file in order to detect duplicate applications for unemployment compensation. Last year it was discovered that there were 675 duplicate claims. By duplicate claim I mean a case in which a man applies in one State, and then goes to another State to apply again. The aggregate amount of those duplicate claims during the past 6 months was about $340,000. If this service is not maintained throughout the United States, the Government will suffer a much greater loss than the $200,000 which my amendment would add to this appropriation.

The Bureau handles agricultural employment, and arranges for transporting agricultural labor from one State to another. So far as the farming interests of the Nation are concerned, agricultural labor is needed. I therefore move to strike out "$5,225,000" and restore the revised budget estimate of $5,435,000.

The PRESIDING OFFICER. Will the Senator from Arizona state the page

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and line on which the amendment would be made?

Mr. HAYDEN. It is on page 4, line 9. I propose to strike out the "$5,225,000" and insert "$5,435,000."

Mr. THYE. Mr. President, will the Senator withhold his motion for a moment?

Mr. HAYDEN. I withhold it.

Mr. THYE. I ask unanimous consent that the President's letter dated July 7, 1953, be printed in the RECORD following my reference to the letter, in order that the full text may appear in the RECORD in connection with my remarks.

The PRESIDING OFFICER. Is there objection?

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. LEHMAN. I wonder whether the Senator would be good enough to read the letter. After all, if it is printed in the RECORD, none of us will have an opportunity to study it before tomorrow, by which time the bill may have been passed. I think it would be very enlightening for us to know what is in the letter.

Mr. THYE. Mr. President, I send the letter to the desk, and request that it be read for the benefit of all Members of the Senate.

The PRESIDING OFFICER. Without objection, the clerk will read the letter for the information of the Senate.

The letter was read as follows:

THE WHITE HOUSE,
Washington, July 7, 1953.

Hon. EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR THYE: I learn that your committee has completed action on the appropriation for the Department of Health, Education, and Welfare, placing the matter now before the Senate for consideration. Admittedly at a very late date, therefore—and only because of their importance to the Nation—I bring to your attention two recent developments which, in my judgment, warrant an increase in your committee's recommended action in an amount of slightly less than $600,000.

Let me first refer to the assumption of the duties of office, last Thursday, by Dr. Lee M. Thurston, the new Commissioner of Education. This has relevance to the proposed reduction below the revised budget for the Office of Education in an amount of $426,000.

In addition, there is a proposed cut of $151,000 for the support of the office of the Secretary. You may recall my message to the Congress requesting legislation to establish the Commission on Intergovernmental Relations. Therein I pointed out that the "activities between Federal and State Governments, including their local subdivisions, are the product of more than a century and a half of a piecemeal and often haphazard growth," and I stressed the necessity of making "a thorough study of grant-in-aid activities" and "the need to review and assess with prudence and foresight the proper relations of the State and local governments."

It is imperative that this Commission get promptly under way if it is to complete its report in time for consideration by the next session of Congress, as I suggested in my message.

For this to be possible, much of the work of providing the Commission with fundamental information and technical assistance will unavoidably devolve upon the Department of Health, Education, and Welfare. I anticipate, as a matter of fact, that possibly as much as two-thirds of the problems with which this Commission will concern itself will fall within the purview of this newest Department.

All this vitally important work is in addition to that normally falling upon the Secretary. In the Secretary's office, moreover, must be reviewed all the planning for producing effectiveness and economy in this whole field of Federal responsibility; to make this relatively minor saving will seriously impair the ability of the Secretary to plan efficiently. Consequently, I urgently request the restoration of $151,000.

Now going back to the first item, it is my view that our educational process is and must remain the primary responsibility of local communities and the States. But this is not to say that the essential and traditional functions of the Federal Government in this area should be fundamentally altered. On this, I am sure we are in accord.

For over 80 years the Congress has required the Office of Education to diffuse information respecting the organization and management of schools and school systems and methods of teaching. The purpose has been to aid the people in the establishment and maintenance of efficient school systems and otherwise to promote the cause of education throughout the country. In keeping with this statutory mandate, the Government has assisted the States for scores of years by research, publication, consultation, and, in case of need, by grants-in-aid, to sustain and strengthen our system of popular education. Such services must, of course, retain their vitality. It is our purpose to increase their effectiveness to the greatest possible degree. I was pleased to note your Committee's own endorsement of this objective when you expressed the hope in your report that "the administration of the Office will be strengthened during the coming year."

As I mentioned earlier, only last Thursday Dr. Lee M. Thurston was sworn in as the new Commissioner of Education. I have full confidence in his ability. Without the $426,000 Dr. Thurston's office will be severely handicapped.

Believing that the results of both these cuts are as little desired by you and your colleagues as by me, I hope that the Senate will restore these critically needed funds.

I am confident that if these funds are provided, the Congress as well as the executive branch will be highly gratified by their efficient administration under the sound leadership of Secretary Hobby and the new Commissioner of Education, Dr. Thurston.

Sincerely,

DWIGHT D. EISENHOWER.

The PRESIDING OFFICER. The clerk will state the amendment submitted by the Senator from Arizona.

The LEGISLATIVE CLERK. On page 4, line 9, it is proposed to strike out "$5,225,000" and insert "$5,435,000."

Mr. THYE. Mr. President, the subcommittee and the full committee gave much consideration to this item in the appropriation bill, but it was the best judgment of the committee that the item we recommended, which would increase the House appropriation by $125,000, would enable the Bureau adequately to carry on its program. Therefore, Mr. President, I regret that my distinguished friend from Arizona has offered his amendment, because I do not like to be in disagreement with him.

Mr. HAYDEN. Mr. President, this particular appropriation must go to conference, anyway, and there an amount somewhere between the budget estimate and the amount appropriated by the House will be allowed. I am convinced that in the committee we did not take into consideration the fact that this Bureau had absorbed $350,000 last year by taking on work, which was not paid for, in handling veterans' compensation matters, and that now it is proposed to make an additional cut.

What I am asking for is the sum contained in the revised budget estimate submitted by the President. The Senate should allow it and take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Arizona [Mr. HAYDEN].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I yield.

Mr. SMITH of New Jersey. Mr. President, I should like to call up my amendment designated "7–6–53—B."

The PRESIDING OFFICER. The clerk will state the amendment proposed by the Senator from New Jersey.

The LEGISLATIVE CLERK. On page 2, line 11, it is proposed to strike out "$1,250,000" and insert "$1,448,000."

Mr. SMITH of New Jersey. Mr. President, in support of this amendment I should like to state that I talked the matter over very fully with the Secretary of Labor, and, in asking this relatively small increase, I am trying to cooperate with him in connection with the difficulties of his program.

I have a statement with reference to the matter which I should like to read to the Senate.

In the Department of Labor, the work of the Secretary's Office is as important to economy in the whole Department's operations as it is to efficiency.

This is because this Office provides central administrative services in handling personnel, processing of documents, library work, budget and management problems, instead of having this work done by people scattered throughout the nine operating bureaus and offices. This is obviously the economical way to handle these problems, and it provides economy and coordination that could not otherwise be obtained.

Most of the employees in the Secretary's Office are assigned to these central services, and it is plain that much of the efficiency of the operating bureaus depends upon adequate staffing of the Secretary's Office.

I may say, also, Mr. President, that the figure takes care of the salary not only of the Secretary himself, but of the Under Secretary, and the Assistant Secretary. So the amount is larger than that which was considered by the full committee.

There is a second consideration in the Secretary's Office appropriation. President Eisenhower has thrown upon the shoulders of Secretary Durkin an increased load of policy determinations in the field of labor and industrial relations, instead of retaining much of this work in the White House as President Truman did. Secretary Durkin needs a strong team to handle this increased load of policy work.

It is for these reasons that I am introducing an amendment to restore the

budget for the Secretary's Office to the level originally recommended by the Subcommittee of the Appropriations Committee.

The Secretary's Office in fiscal year 1953 operated on a budget of $1,764,000, with 313 employees, most of whom are relatively low-paid workers in service jobs, engaged in administrative service operations. The Truman budget proposed to reduce this figure to $1,585,000, and Secretary Durkin came before the Senate Appropriations Committee 3 months ago and volunteered an across-the-board departmental reduction, including a cut in his own Office to $1,525,000.

The bill before us would reduce this further to $1,250,000, and the Secretary's staff would be reduced to 230 persons.

This cut amounts to 25 percent, and is deeper relatively than any of the cuts made in the other bureaus which make up the Department. I submit that it is not compatible with the Administration's policy.

My amendment would raise the appropriation to $1,448,000. This is $77,000 less than the amount asked for by Secretary Durkin.

I have talked it over with the Secretary of Labor and he has agreed to my offering this amendment.

The Secretary's Office handles coordination of national and local manpower activities, working with the White House, Defense Department, and procurement agencies, and the proposed curtailment will curtail the work of Secretary Durkin's Department in providing information and expert assistance in this field. I do not believe that anyone acquainted with this situation foresees any great reduction in our efforts to meet conditions which may exist in the event the Nation had to mobilize quickly. This manpower effort is the center of our planning to maintain high levels of employment, and to coordinate action to get work and jobs into the areas which now have substantial labor surpluses.

The world situation is still unsettled, and it is still necessary to get our basic defense plans in order, including those for manpower. The administration is continuing every reasonable effort to make the Nation ready for all eventualities, and the Department of Labor has the significant responsibility of preparing the manpower mobilization plans. Restoration of the Secretary's Office appropriation to the reduced figure I have proposed will enable the Secretary to carry forward his part in this program.

This entire Secretary's Office appropriation amounts to only about one-half of 1 percent of the Labor Department appropriation, and I believe that it is a very reasonable price for leadership, of the kind that Martin Durkin can give this Department, if he has the tools with which to do his job.

So, Mr. President, as chairman of the Committee on Labor and Public Welfare, I feel that I have a responsibility to give the Secretary of Labor support in asking that this very reasonable increase be made in the item which appears on page 2, line 11 of the bill.

Mr. THYE. Mr. President, I will say to the distinguished Senator from New Jersey that in my opening remarks I stated that I thought we had been too conservative in the item of administrative expenses for the Secretary of Labor. The subcommittee recommended $1,448,000, but in the full committee that amount was reduced. For that reason, Mr. President, it is my strong conviction that the Senate should accept the amendment offered by the Senator from New Jersey, because it is in accordance with what the subcommittee felt was the appropriate amount. That was its recommendation after going through lengthy hearings on the question.

So, Mr. President, as chairman of the subcommittee, I am perfectly willing to take the amendment to conference.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. CHAVEZ. Mr. President, will the Senator from Minnesota yield?

Mr. THYE. I should like to yield, first, to the Senator from New York.

Mr. LEHMAN. Mr. President, I wish to speak on a different question.

Mr. THYE. Then I shall be happy to yield to the Senator from New Mexico [Mr. CHAVEZ].

Mr. CHAVEZ. Mr. President, I am most happy that the Senator from Minnesota has accepted this amendment and will take it to conference. The subcommittee, after the hearings and after listening to the testimony, recommended the amount stated by the Senator from Minnesota, which amount was reduced by the full committee. I am glad that the Senator will take the amendment to conference and will try to work it out.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Jersey [Mr. SMITH].

The amendment was agreed to.

Mr. THYE. I yield to the Senator from New York [Mr. LEHMAN].

Mr. LEHMAN. Mr. President, I wish to return for a moment to the item of control of tuberculosis. The appropriation for 1953 was $8,240,000. The original budget estimate for 1954 was $7,645,000. The amount recommended in the bill is $5,725,000.

Mr. BUSH. Mr. President, would the Senator from New York mind telling us from what he is reading?

Mr. LEHMAN. I am reading from page 28 of the report, under the Public Health Service.

The amount recommended in the bill before the Senate is $5,725,000, which represents a decrease from the appropriation of 1953 of $2,515,000, or about 30 percent.

Of course, I realize that very great progress has been made in the control of tuberculosis, so perhaps some decrease from the amount appropriated last year may be justified. But the proposed appropriation, being 30 percent less than that which was voted last year, and which was used, I believe, constructively and effectively, is so much lower than it would appear to me that we would be taking a very great step backward if we made the reduction.

Both the Senator from Minnesota and I, while we were Governors of our respective States, had experience with the continuing efforts which must be made to control tuberculosis. There is no question that much progress has been made along these lines. However, I should very much dislike to see taken a step backward, which would result in a growth in the incidence of tuberculosis, which I think can be controlled successfully, provided a reasonable amount of money is appropriated for the purpose.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. LANGER. I think the distinguished Senator from New York was not on the floor when I brought up the matter the first thing this morning. I have in my hand various telegrams relating to this item. Has the Senator from New York offered an amendment?

Mr. THYE. No; he is speaking to the item in the bill.

Mr. LEHMAN. I have not offered an amendment; I am speaking to the item in the bill.

Mr. THYE. The Senator from New York is speaking to the same question raised by the Senator from North Dakota.

Mr. LEHMAN. Like the Senator from North Dakota, I have received a number of telegrams protesting this very drastic reduction in amount.

Mr. LANGER. I have a telegram from James A. Swomley, executive director, North Dakota Tuberculosis and Health Association, Bismarck, N. Dak., asking that the amount be restored.

I have also a telegram from the Hettinger County Tuberculosis and Health Association, signed by Kasper Niederkorn, secretary, stating:

> Restoration of the $2,515,000 cut by the House from Federal tuberculosis appropriation is urgently requested. To permit this cut at this time would jeopardize the whole tuberculosis control movement which has done so much toward control of this dread disease in the State of North Dakota as well as throughout the Nation.

At this time I move that the amount cut from the appropriation, $2,515,000, be restored.

Mr. THYE. Mr. President, the Senator from New York had been recognized, so the motion of the Senator from North Dakota would be out of order for the moment, because the Senator from New York was speaking to the very same question.

Mr. LEHMAN. I shall finish very shortly, in order to give the Senator from North Dakota an opportunity to submit his proposed amendment. In the meantime, I would ask the Senator from Minnesota to allow me to advise the Senate that I have in my hand a strong telegram from George J. Nelbach, of the Committee on Tuberculosis and Public Health, of the State Charities Aid Association, of New York, urging restoration of the cut. Also, I have a telegram to the same effect from the president of the Brooklyn Tuberculosis and Health Association of the State of New York, and a letter from the executive director of the Queensborough Tuberculosis and Health Association, also urging restoration of the cut.

I thank the Senator from Minnesota.

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Mr. THYE. Referring to the committee recommendation with respect to the appropriation for control of tuberculosis, it was the best judgment of the committee that the amount allowed was sufficient, because it is the amount of the revised budget recommendation. It is the amount the House appropriated, in which the Senate subcommittee and full Committee on Appropriations concurred. We took into consideration all the mobile units, and we suggested to the administrators that they might use mobile units in the smaller cities of the Nation, since smaller cities in all probability could not afford extensive research in control of tuberculosis, as larger cities could. We felt that since the larger metropolitan areas of the Nation had really pioneered in the use of mobile units, and had done the initial research work in that field, mobile units should be used in smaller cities, in order to aid smaller cities to locate persons afflicted with tubercular diseases, because a smaller city could not afford a mobile unit, whereas a metropolitan center could afford one.

After careful study and consideration of the question, the committee felt the amount agreed on was a proper amount for the Federal Government to appropriate toward tubercular disease control. I regret to have to oppose any request in the field of health, but that was the conviction of the committee on this item.

Mr. LANGER. Mr. President, I call the distinguished Senator's attention to the fact that nowhere is the fight against tuberculosis more important than among the Indians. A short time ago, in company with Mrs. Langer, I was in New Mexico and spent a week among the Navahos. We found the situation there to be very bad. The situation in North Dakota is also bad. I wish to read again a telegram I have received from North Dakota. It comes from people who have been fighting tuberculosis for years. The telegram reads:

> Restoration of the $2,515,000 cut by the House from Federal tuberculosis appropriation is urgently requested. To permit this cut at this time would jeopardize whole tuberculosis control movement which has done so much toward control of this dread disease in the State of North Dakota as well as throughout the nation.
>
> HETTINGER COUNTY TUBERCULOSIS AND HEALTH ASSOCIATION,
> KASPER NIEDERKORN, *Secretary.*

As the Senator from South Dakota [Mr. CASE] said earlier today, there is no disease in that region that has done more harm among the Indian population and among poor and underprivileged people than tuberculosis.

Mr. THYE. I may say to the Senator from North Dakota that health work among the Indians comes under the jurisdiction of the Department of the Interior.

Mr. LANGER. I understand.

Mr. THYE. So far as the Senator is speaking to that question, the matter is related to the Bureau of Indian Affairs of the Department of the Interior. What we are now considering is an entirely different field from that of care of Indians.

Mr. LANGER. Indians are admitted into the tuberculosis institution at Dunseith, N. Dak. They may be only one sixty-fourth Indian, or, as the distinguished Senator from Vermont has said, one one-hundred-and-twenty-eighth. I appeal on behalf of all underprivileged people in North Dakota, regardless of race, because our tuberculosis home is so overcrowded that it cannot take care of those who apply.

Mr. CHAVEZ. Mr. President, will the Senator From Minnesota yield?

Mr. THYE. I yield.

Mr. CHAVEZ. With reference to the statement made by the Senator from North Dakota, there is no question that the Government does not do enough for the health of Indians. I am positive of that. But it happens that, generally speaking, the particular item we are now discussing affects Indians very little.

Mr. THYE. That is correct.

Mr. CHAVEZ. I would join at any time in increasing tenfold the appropriation for the Interior Department for public health work among the Indians. It is true that they are neglected, forgotten, and sick. However, so far as this particular item in the bill is concerned, it affects the Indians very little. I have received telegrams from my State, which I read before the committee. The item affects generally those who are non-Indians.

Mr. LANGER. Let me say in response that I am appealing not only for the Indians. I mention them purely incidentally.

The mobile units referred to by the Senator from Minnesota have been organized and have done a magnificent job all over the United States. Apparently because they have done a good job, we are about to penalize them by cutting off a part of their appropriation. I am only asking for the same amount which was allowed for mobile units last year. I therefore move, on page 18, line 24, that the figures——

Mr. THYE. Mr. President, in order that the RECORD may be clear, and in order that there may be no misunderstanding as to whether the United States Government does anything for Indians in connection with general health and welfare, let me say that the Interior Department has an appropriation for the Bureau of Indian Affairs for health, education, and welfare services. The committee this year recommended $52,300,000, and the Senate approved that amount. So there can be no question as to care and Government assistance in the case of Indians, including tuberculosis control and hospital care. Our Indian people are definitely taken care of in the Interior Department appropriations.

Mr. LANGER. Is it not true that last year the Department of the Interior appropriation bill provided for the Indians $52 million, and that in addition there was appropriated the sum of $8,240,000?

Mr. THYE. Last year, in the appropriation bill for the fiscal year 1953, we appropriated $51,801,000. This year we have recommended $52,300,000. So there is an increase in that item in the 1954 appropriation.

Mr. LANGER. That would just about take care of the increase in population among the Indians from last year to this year. However, it still does not take care of all the white folks.

Mr. THYE. The item about which the Senator is now speaking would not reach the Indians to whom he has referred.

Mr. LANGER. I understand that; but in the State of North Dakota we take care of Indians in the State tuberculosis home. We do not differentiate because a man is one-fourth Indian. We do not keep him out of the tuberculosis home at Dunseith, N. Dak.

Mr. CHAVEZ. That is the way it should be.

Mr. LANGER. That is the way it should be.

Mr. CHAVEZ. I am hoping to see the day when we will appropriate money in this bill for the benefit of every citizen in the country, whether he be an Indian or non-Indian.

Mr. LANGER. All we are asking is the same amount we had last year.

Mr. CHAVEZ. But, when we appropriate for the Indian Bureau, we provide money for work in the field of tuberculosis among the Indians. I wish the situation were different. I do not like to differentiate as between Indians and other races.

Mr. THYE. Mr. President, the information which the committee obtained in the hearing showed that in the beginning these mobile units had to be initiated and organized. There was the cost of procuring the unit and introducing the program, and there were other costs incidental to the initiation of the program. However, as we have advanced in the technique of mobile units, we certainly can reduce the appropriation, because the educational work has been carried on in previous years. So far as anyone afflicted with tuberculosis is concerned, he will have the benefit of care, and constant research in that field will go forward even though the item is curtailed. Much research has been done in previous years in the field of tuberculosis, in connection with the use of mobile units. I believe that some of the local municipalities have leaned on the Federal Government more heavily than they should have.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. MURRAY. This program has been very effective in the State of Montana. A fine job has been done there, and the people are very fearful that the proposed reduction will do considerable damage to the program. This is one program the medical profession is supporting along with the general public. It seems to me that it would be unwise to reduce the appropriation at this time. I think it would do serious injury to the program in our State.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. THYE. Does the Senator from Kentucky wish to speak to this item?

Mr. COOPER. No. I wish to send to the desk an amendment to the pending bill, on behalf of myself and the Senator from Oklahoma [Mr. KERR], and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment offered by the Senator from Kentucky will be stated.

The LEGISLATIVE CLERK. On page 2, line 14, it is proposed to strike out "$1,350,000," and insert "$1,600,000."

Mr. COOPER. Mr. President, the amendment which I offer is directed to title I, in the item "Office of the Solicitor."

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. Should we not vote now on the amendment of the Senator from North Dakota [Mr. LANGER]?

The PRESIDING OFFICER. The Chair is advised that the Senator from North Dakota has not yet offered his amendment.

Mr. LANGER. Mr. President, I thought I had offered it. I shall offer it as soon as the pending amendment is disposed of.

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. COOPER. Mr. President, my amendment is directed to the item headed "Office of the Solicitor," under title I, on page 2. The language reads:

Salaries and expenses: For expenses necessary for the Office of the Solicitor, $1,350,000.

The amendment which I have submitted would increase the item for salaries and expenses in the Office of the Solicitor by the sum of $250,000.

As the distinguished Senator from Minnesota stated in his opening explanation of the bill, the appropriation for the current fiscal year for this item is $1,764,600. The original 1954 estimate was in the same amount. The revised estimate submitted by President Eisenhower calls for an appropriation of $1,714,600, a reduction of $50,000. The House reduced this amount to $1,350,000, a reduction of $364,600 from the estimates in President Eisenhower's budget.

I am informed that the Senate Appropriations Subcommittee, headed by the distinguished Senator from Minnesota [Mr. THYE], which gave thorough consideration to the bill recommended to the full committee the sum of $1,600,000. So the increase which is proposed by my amendment would restore the amount of $1,600,000 recommended by the subcommittee which considered the bill.

If the amount fixed by the full committee is retained, it will represent a reduction in funds to the Office of the Solicitor of $364,600 below the estimates of President Eisenhower. I am informed that it would reduce the number of attorneys and clerical help in the Department from 300 to 230. There would be a reduction in the number of attorneys from 176 to 128.

I should like to make it clear that I am not offering this amendment merely to assure the continuance of jobs in the Office of the Solicitor. In fact, even if my amendment is adopted it will not restore all the positions, because it will represent a cut of approximately $114,000 from the estimates submitted in the budget of President Eisenhower.

Mr. THYE. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. THYE. If the Senator from Kentucky does not mind an interruption, I will say to him that this is one of the items to which I referred when I stated at the opening of my remarks on the bill that I thought we had been too conservative. Our subcommittee recommendation was for $1,600,000. The subcommittee recommendation was not sustained by the full committee. I felt, however, that the full committee had made a mistake, and I referred to it in my remarks and stated I thought the committee had been too conservative. What the Senator from Kentucky is proposing is to reinstate the subcommittee's recommendation.

Mr. COOPER. That is correct.

Mr. THYE. Which would be an increase of $250,000. Speaking now as the chairman of the subcommittee, I am perfectly willing to take the amendment to conference, because I have the conviction that the amount recommended by the full committee is too conservative.

Mr. COOPER. Mr. President, I am grateful to the distinguished Senator from Minnesota. I have introduced the amendment because I am interested in making certain that the office will be able to perform its functions properly in administering and enforcing a great number of laws, vital to the country—vital to employee and employer alike. Among them are the Fair Labor Standards Act, the Bacon-Davis and Walsh-Healey Acts, designed to assure minimum wages and decent working standards; giving advice to the Federal employment and unemployment insurance services; assisting the Korean Veterans Readjustment Program; enforcing the child labor laws and other laws, which is its responsibility to enforce. As the distinguished Senator having charge of the bill has announced his support of my amendment I will not endanger my position by speaking further. I am afraid that if I did so, I might say something—I do not think I would—that might change the Senator's mind. I thank him sincerely.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] on behalf of himself and the Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, I wish to express my appreciation to the distinguished Senator from Minnesota for the statement he has made with reference to the amendment submitted by the Senator from Kentucky [Mr. COOPER] for himself and for me. I certainly hope that the Senate will agree to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] on behalf of himself and the Senator from Oklahoma [Mr. KERR].

The amendment was agreed to.

Mr. THYE. Mr. President, I am authorized by the committee to offer an amendment, which I send to the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 16, line 6, before the period it is proposed to insert the following:

Provided further, That for the fiscal year beginning July 1, 1952, and for each succeeding fiscal year, all land lying within the boundaries of the Boulder Canyon Project Reservation shall be considered Federal property within the meaning of Public Law 874, 81st Congress, second session; but this proviso shall not be construed as to interfere with State taxation of leasehold interests: *Provided further*, That any tax collected for school purposes on any leasehold interest within the boundaries of the Boulder City Union School District on and after July 1, 1953, shall be deducted under section 3 (g) of said act.

Mr. McCARRAN. Mr. President, I should like to make an explanation of the amendment which has been offered on behalf of the Senate Appropriations Committee by the distinguished Senator from Minnesota, who is in charge of the pending bill.

Mr. President, Boulder City, Nev., is a Federal municipality located a few miles north of Hoover Dam. Boulder City is operated by the Bureau of Reclamation and contains the headquarters of several Federal agencies which are concerned with the operation of Hoover Dam and power plants, the Lake Mead area and so forth. It is also the regional headquarters of the Bureau of Reclamation. It is a community of several thousand, and in layout is a model city. It is wholly located within the Boulder Canyon Project Reservation, and the land has been owned by the Federal Government ever since it was acquired from Mexico under the Treaty of Guadalupe Hidalgo on February 2, 1848. The Boulder City School District was created by the State of Nevada to take care of the educational needs of the citizens of Boulder City, most of whom are Federal workers. From its inception the Boulder City schools have faced a series of unique problems due to the fact that they lie wholly within a Federal reservation, cannot assess real estate taxes and so are increasingly dependent on the Federal Government for support, as their school population continues to increase.

Mr. President, the purpose of this amendment is to make it possible for the Boulder City schools to continue to receive Federal aid under the provisions of Public Law 874, which was approved on September 30, 1950. Under that law local school districts have received Federal aid where the impact of Federal activities has placed an undue burden on such schools. Prior to the passage of Public Law 874, the Boulder City school district, lying wholly within a Federal reservation, received a direct appropriation in the annual Department of Interior Appropriation bill. When Public Law 874 was passed, the direct appropriation was discontinued, as it was the belief that all of these cases should be taken care of under provisions of that law. Since September 1950 that has been done. Matters have been going smoothly

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and the Boulder City schools have been doing an excellent job. However, a few weeks ago the attorneys in the Department of Health, Education, and Welfare decided that the Boulder City schools must take a very serious reduction in the amount they receive from the Federal Government. This decision that the school funds must be cut was predicated upon a new interpretation of the definition of "Federal property" contained in the act. This definition reads as follows:

SEC. 9. (1) The term "Federal property" means real property which is owned by the United States or is leased by the United States, and which is not subject to taxation by any State or any political subdivision of a State.

Mr. President, in Boulder City the Federal Government has entered into leases with the local residents on the ground covering their homes or businesses. The amount of acreage covered by these leaseholds amounts to approximately 674 acres out of a total of 67,200 acres in the Federal reservation, or just about 1 percent of the total. Of course, this leased land belongs to the United States and is not subject to any State tax; but a leasehold interest held by a private citizen is taxable, and Clark County has applied a school tax on the possessory interest in these leaseholds. The lawyers in the Department of Health, Education, and Welfare have now held that, by so doing, the county has eliminated all these leased lands from being considered in determining the entitlement of the local schools under Public Law 874. While these 674 acres constitute only about 1 percent of the total acreage in the Federal reservation, this leased property generates over one-half of the local enrollment in the schools. Thus, under this new interpretation the Boulder City schools stand to lose an estimated $70,000 in Federal funds because of a leasehold tax which returns approximately $2,600 per year to the county.

Mr. President, I wish to emphasize that the Boulder City schools are located wholly within a Federal reservation; and unless Federal help is continued, they will have to close. The majority of the children attending school have parents who are bona fide Federal employees and who work for various agencies of the Federal Government, such as the Bureau of Reclamation, Bureau of Mines, National Park Service, and so forth. Recognizing that this community is wholly federally owned and operated, the Congress in the past has appropriated funds to build school facilities; and these have now been completed, and compare favorably with any in the United States. Therefore, it would be doubly disastrous if these schools were now to be forced to close because of misinterpretation of the term "Federal property" contained in Public Law 874.

Mr. President, Public Law 874 expires on June 30, 1954, and I note that the House committee has just reported an extension of the act. I am further advised that this bill carries a broadened definition of "Federal property," so as to take care of situations such as the one which has arisen at Boulder City. However, I submit, Mr. President, it is entirely possible that due to the press of last-minute business, the Congress might not enact this extension of Public Law 874. Therefore, I hope this amendment will be adopted. If by chance the bill now before the House is passed by this Congress before it adjourns, no harm will have been done, as this amendment is not in conflict in any way with the clarifying provisions in the new bill. But if by chance the Congress does not pass the new bill, then as a result of the adoption of the amendment the Boulder City schools will be able to continue to meet the educational needs of this fine community, and the children of regularly employed Federal workers will not be denied an education.

Mr. President, the amendment offered by the distinguished chairman of the subcommittee on behalf of the Senate Appropriations Committee would very simply provide that all land lying within the Boulder Canyon project reservation would be considered Federal property for the purpose of carrying out Public Law 874. It would further provide that any moneys collected for school purposes by the imposition of the local leasehold tax would be deducted from the Federal payment; that such tax may continue to be imposed; and that the amendment will not be construed so as in any way to increase the present boundaries of the Boulder Canyon project reservation. The amendment is retroactive to the beginning of the fiscal year just ended, due to the fact that the Department has stated that it will have to ask that the Boulder City school district refund all money received during that fiscal year.

Mr. President, again I wish to emphasize that unless this amendment is adopted, these schools will have to close, as there is absolutely no other source of revenue open to them. This is in no way the fault of the people of Boulder City or of the State of Nevada. It simply arises because Boulder City is a wholly owned and operated Federal installation.

Mr. President, I hope the Senate will adopt this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. THYE] on behalf of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MURRAY. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 36, in lines 10 and 11, it is proposed to strike out "$9 million" and to insert in lieu thereof "$9,500,000."

Mr. MURRAY. Mr. President, the purpose of my amendment is to restore to the appropriation for salaries and expenses of the National Labor Relations Board the amount of $500,000 which was recommended by President Eisenhower and is contained in the Eisenhower budget estimate, but which was eliminated by the House of Representatives. The Senate Appropriations Committee failed to restore the $500,000 when it reported the pending measure.

Mr. President, the elimination of these necessary funds is false economy, and in the long run will prove far more costly to the taxpayers of America than what is reported to us today as a saving. The cost of delay in the administration of the so-called Taft-Hartley Act is difficult to estimate with any degree of accuracy, but it is perfectly clear that it falls most heavily upon litigants involved in a labor-management dispute coming within the jurisdiction of the Board. When it is realized that the Board's jurisdiction has been extended to cover almost every conceivable kind of business enterprise, it is equally clear that those costs must ultimately be borne by the taxpayers of this country. There is one indisputable fact upon which both labor and management unanimously agree, and that is the absolute need for expediting the administrative processes of the National Labor Relations Board so as to avoid interminable, exhausting, and unreasonable delay incident to the processing of cases and final decision by the Board. During the 81st and 82d Congresses the Senate Committee on Labor and Public Welfare authorized certain investigations and studies of this problem. One of the most important facts disclosed was that the average time consumed in handling and processing unfair labor practice cases, from the time of the filing of the charge to the time of the issuance of a Board decision, was 480 days, or almost 1½ years. Mr. President, it should be borne in mind that this is an average figure for all unfair labor practice cases processed by the Board at that time. In far too many cases the time consumed was over 2 years. The disastrous effect of such delays upon both management and labor is too obvious to require repetition here today. But it is very apparent that delays lead to strikes, and strikes are costly to everyone—labor, management, and the general public.

It is significant that when Congress appropriated adequate funds for fiscal year 1953 to be used for the purpose of increasing the staff personnel of the Board the average time-delay factor in unfair labor-practice cases was substantially reduced from a high of the aforementioned 480 days to approximately 1 year. This record of case disposition compares favorably with that of the Federal courts in their processing of civil cases.

Mr. President, the reduction of the administrative funds for the National Labor Relations Board is proposed at a time when the Board is making steady progress toward the elimination of unreasonable delay in its administrative processes. The reduction simply means that the services of trained and competent employees presently handling these cases will have to be terminated. However, Mr. President, the cut will go much deeper than simply the elimination of the services of certain individuals, because those destined for dismissal must, under the law, be given 30 days' notice

and also must be granted their accumulated terminal leave. This means they will have to be kept on the payroll for approximately 3 months after the receipt of dismissal notices. During this time, cases which normally would be referred to these employees will become part of a vast backlog which ultimately will have to be disposed of by others, when time permits. The backlog of unreferred cases results in what the former Chairman of the Board, Mr. Paul Herzog, referred to as "dead time," or the time lost when each case has to await assignment.

Mr. President, the National Labor Relations Board has absolutely no control whatever over the number of cases it will review. If, because of inadequate funds for continuing the services of trained personnel, there is inevitably created a backlog of cases, the Congress will begin to hear directly from both labor and management, with the result that next year we shall be forced to back down from our so-called economy stand and to appropriate even larger sums of money for the hiring of new and, in most cases, untrained personnel in order to cut down the backlog. I am reliably informed that it takes from 3 to 6 months to train new personnel to handle efficiently the processing and review of these cases. Hence, by refusing to appropriate sufficient funds we encourage delays which can result only in costly and ineffective enforcement of the Taft-Hartley Act's provisions.

Therefore, Mr. President, I most earnestly hope the Senate will adopt my amendment so we may be assured of prompt and expeditious processing of cases by the National Labor Relations Board, in order that it may maintain and, if possible, improve its present record of case disposition. If the Congress is sincere in its oft-expressed wish that the Taft-Hartley Act be fully and effectively enforced, then I may suggest that it is in the interests of sound administration of the act that the Senate restore the amount of $500,000 as recommended by President Eisenhower.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY].

Mr. THYE. Mr. President, I have listened to the statement presented by the Senator from Montana [Mr. MURRAY] in support of his amendment. It was the firm belief of the committee that $9 million would be sufficient, since $9 million was appropriated for this Board in the 1953 appropriations. We could not foresee that in this year there would be a greater load upon the Board than what it had to carry last year. For that reason, the committee recommended the same amount, $9 million, for the fiscal year 1954. I can only say, therefore, that the committee, upon the basis of all the information which it gathered on the subject, was justified in recommending $9 million. I regret that I must find myself opposing the amendment of the Senator from Montana.

Mr. MURRAY. Mr. President, it seems to me that Mr. Paul Herzog, who was Chairman of the Board, should be in a better position to determine this question than we in the Senate. He pointed out that the backlog of cases at one time was constantly increasing; that the delays were so great that the efficiency of administration of the act was being impaired and, in addition, was becoming more costly. It seems to me that in the interest of having an efficient administration of the law, we should not hamstring the Board by refusing to provide sufficient funds with which to carry out the program.

Mr. THYE. Mr. President, I must say to my distinguished friend that the subcommittee, when it conducted hearings, endeavored to obtain all the facts possible; and, after we had obtained all the facts, the committee, according to its best judgment, recommended an appropriation of $9 million.

Mr. MURRAY. Does the record not show that the administration claims it will be necessary to fire 100 employees if the $500,000 is not restored? That is in the record. If the Senator will look at the record, I think he will find it.

Mr. THYE. The record shows, of course, that the revised budget recommendation was $9,500,000; and that is what was requested. But the best judgment of the committee, after studying all the facts, was that $9 million should be allowed.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MURRAY]. [Putting the question.] The Chair is in doubt.

Mr. DOUGLAS. Mr. President, I ask for a division.

Mr. DWORSHAK. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Griswold	McClellan
Anderson	Hayden	Millikin
Barrett	Hendrickson	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Mundt
Bricker	Hill	Murray
Bush	Hoey	Neely
Butler, Md.	Holland	Pastore
Butler, Nebr.	Humphrey	Payne
Byrd	Jackson	Potter
Capehart	Jenner	Purtell
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Clements	Kennedy	Schoeppel
Cooper	Kerr	Smathers
Cordon	Kilgore	Smith, Maine
Dirksen	Knowland	Smith, N. J.
Douglas	Kuchel	Sparkman
Duff	Langer	Stennis
Dworshak	Lehman	Symington
Ellender	Long	Thye
Ferguson	Magnuson	Tobey
Flanders	Malone	Watkins
George	Mansfield	Welker
Gillette	Martin	Wiley
Goldwater	Maybank	Williams
Gore	McCarran	Young
Green	McCarthy	

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Wyoming [Mr. HUNT] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] and the Senator from Tennessee [Mr. KEFAUVER] are absent on official business.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official committee business.

The PRESIDING OFFICER. A quorum is present. The pending question is on agreeing to the amendment offered by the Senator from Montana on page 36, lines 10 and 11, of the bill, to change the figure from "$9,000,000" to "$9,500,000." [Putting the question.] The "noes" seem to have it; the "noes" have it.

Mr. MURRAY. Mr. President, I ask for a division.

The PRESIDING OFFICER. The Chair had announced the result of the vote.

Mr. LEHMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. LEHMAN. Is the Chair correct in stating that a Senator cannot ask for a division after the result of a vote has been announced?

The PRESIDING OFFICER. That is correct.

Mr. THYE. Mr. President, I ask unanimous consent that there may be a division on this question, because a division was asked for before the absence of a quorum was suggested.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate proceeded to divide.

On a division, Mr. MURRAY's amendment was rejected.

Mr. HUMPHREY. Mr. President, I wish to call up my amendment designated "7-6-53—A."

The PRESIDING OFFICER. The clerk will state the amendment of the Senator from Minnesota.

The LEGISLATIVE CLERK. On page 3, line 9, it is proposed to strike out "$700,000" and insert "$800,000."

Mr. HUMPHREY. Mr. President, the amendment which I have called up would increase the amount appropriated for the work of the Bureau of Labor Standards from $700,000 to $800,000 for the next fiscal year. The amount which I have suggested in my amendment is $38,000 less than the appropriation provided for the fiscal year 1953. It is $128,000 less than the appropriation requested by President Eisenhower in his revised budget estimate, and it is $198,000 less than the original budget estimate.

The committee figure of $700,000 is $228,000 less than the amount the President requested in his revised budget. The $700,000 committee figure for the Bureau of Labor Standards is $298,000 less than the Truman budget.

My amendment proposes to increase the appropriation from $700,000 to $800,000, which would still leave the funds available for the Bureau of Labor Standards $128,000 less than the budget figure requested by the President of the United States.

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It is my understanding that the subcommittee originally recommended $800,000, the same figure which I now propose. I deeply regret that the subcommittee's recommendation was overruled by the full committee, which cut the amount for the Bureau of Labor Standards to $700,000, which is $228,000 less than the amount asked for by the President.

The proposed cut is more than a cut in the fat; it is a cut into what I believe to be the lean meat of essential services now being provided by the Department of Labor in the effort to maintain the high labor standards authorized by the law of the Nation. It is a cut contrary to the President's program, as stated in his budget message, and is certainly contrary to the intent of the laws which the Department of Labor is asked to administer.

Many segments in the United States depend upon the Bureau of Labor Standards for current information on labor laws.

I might digress to say, in connection with what the distinguished senior Senator from Montana [Mr. MURRAY] pointed out, that information on labor legislation supplied to respective State labor offices is very important to the maintenance of effective peaceful labor-management relations. I do not believe the situation is in any way improved by having labor-legislation information withheld from employer-employee groups throughout the country.

Mr. THYE rose.

Mr. HUMPHREY. I yield to the senior Senator from Minnesota.

Mr. THYE. The Senator is correct. The subcommittee did recommend $800,000, but, after giving further consideration to the entire question, the final decision of the full committee on this item is as follows:

The committee recommends an increase of $76,000 over the House allowance, but an amount of $228,000 under the revised estimate.

The committee directs the Bureau to allocate to its safety program not less than the amount budgeted in the revised estimate, $425,572. The committee had been advised that under the House allowance this program would be reduced by $200,000, a reduction of 46.92 percent. It is the consensus of the committee that this safety program is the major justification for this Bureau.

The committee concurs with the House recommendation that no funds are allowed for increased activity in the field of migratory labor.

The committee also recommends the inclusion of the following language after the word "exhibits": "and expenses of attendance of cooperating officials and consultants at conferences concerned with the work of the Bureau of Labor Standards."

That was the action of the full committee. They gave much consideration to this very item in the appropriation bill, and after careful study the full committee proposed $700,000, and it was included as a committee recommendation. I believe the program can be administered with the $700,000 now recommended in the bill.

Mr. HUMPHREY. I thank the distinguished senior Senator from Minnesota and compliment him and his subcommittee for taking what I deem to be considered and reasonable action in approving the sum of $800,000, which my amendment calls for. As the Senator has pointed out, the full committee reduced that amount by $100,000.

The House reduced President Eisenhower's request by more than $300,000 for one bureau in the Department of Labor. I am very much intrigued with the kind of mathematics involved in reference to the safety division and industrial safety program of the Bureau of Labor Standards, which, as the distinguished Senator from Minnesota has pointed out, is one of the most vital and important functions. The safety program involves almost one-half the budget request for the Bureau. Yet the Senate committee has reduced the Bureau's funds by one-fourth. In spite of that, its report, as the senior Senator from Minnesota has pointed out, "directs the Bureau to allocate to its safety program not less than the amount budgeted in the revised estimate, $425,572."

What does this mean? It means that when the President sent to Congress the budget for this particular bureau, with a figure of $925,000 incorporated, he said that $572,000 out of that $925,425 should be devoted to promoting industrial safety. This was after the budget had been reduced from the original Truman budget estimates, and after the economy cuts had been made. So what has been the result of the advice from the President? The House of Representatives reduced the amount to $624,000, which would, of course, literally obliterate the programs.

The Senate Committee on Appropriations restored $76,000, which brought the amount up to $700,000. The fact is that the industrial safety program will be jeopardized unless the funds which are necessary are appropriated. If we allocate the full $425,000 to industrial safety, we literally wreck the other programs.

Let me state what some of the other programs are. As I pointed out previously, the States receive information as to standards, administrative procedures, and labor measures which have been tried by the Federal Government and the States. There has in recent years been developed an admirable system of Federal-State agreements in labor-law administration, which has eliminated much duplication in inspection, and has established harmonious cooperative relationships between Federal and State departments of labor.

In Congress there is a movement to place more authority in the States in the field of labor law. I submit that if that is done, and Congress reduces the funds which are necessary to keep the 48 States fully informed as to the effects of labor laws, and their relationship to the Federal Government, we are going to have a madhouse of labor legislation, administrative duplication, and administrative difficulties.

Actually the budget has saved a good deal of money by eliminating duplication and in removing the necessity for Federal inspection, simply because States have had the benefit of cooperative efforts among themselves as a result of the exchange of information.

Another important function of the Bureau of Labor Standards is carried out in its program affecting child labor and youth employment. The proposed cut would eliminate 7 out of the present 18 persons engaged in the program of administering the Fair Labor Standards Act as it applies to child labor. Actually only a short time ago there were as many as 50 employees in that section. The Bureau of Labor Standards had a staff of 50 persons for the enforcement of the Fair Labor Standards Law as it applied to child labor. That number has been reduced to 18. If the appropriation recommended by the committee is agreed to, the number will be cut to 11. In other words, 11 officials will remain in a bureau which seeks to aid 160 million people in the 48 States in the enforcement of the Fair Labor Standards Act, so far as child labor in the United States is concerned.

I think that would make a mockery of the law. There is no use having on the books a law under which employers can be prosecuted, unless there can be adequate personnel for the enforcement of the fair labor standards.

Another point I wish to call to the attention of the Senate, in view of certain exposés which have been made as a result of racketeering in the United States is that under the Taft-Hartley Act the Department of Labor has the responsibility to obtain specific financial and organizational information from labor organizations that desire to use the services of the National Labor Relations Board.

The Union Registration Division of the Bureau of Labor Standards was formed to carry out that function. In other words, before a union can get certification from the National Labor Relations Board, it must be certified, and it must have its organizational structure and its union financial certificate or financial statement approved and registered by the Union Registration Division of the Bureau of Labor Standards. To carry out this task, Congress appropriated in 1948, which was the year of the economy-minded 80th Congress, approximately $95,000. The request for this year by the administration is $28,355. That is what the President asked for. The staff has been reduced from 34 to 7 as a result of simplifying methods and procedures which the Bureau has been adopting. Further to reduce the staff, as would be required under the appropriation cut recommended by the Appropriations Committee, would literally cripple or do away with this Division. Congress either ought to repeal the union financial registration part of the Taft-Hartley Act, or provide sufficient funds and personnel with which to get the job done.

One further point, and I shall call for a vote. If we are to have a program of industrial safety, if we are to have a Bureau of Labor Standards, I think the least we can do is to give it enough to operate upon. I am not asking in this amendment for the Truman budget figure, which was substantially $938,000. I am not asking even for the Eisenhower budget figure, which was approximately $928,000. I am asking that we restore the figure to $800,000, which was recommended by the subcommittee, which

heard all the testimony and evidence. Even when that is done, we shall have a very weak Bureau of Labor Standards.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, before a vote is taken on my amendment, I remind the Senate that my amendment proposes merely to restore the amount recommended by the subcommittee. It would still leave the amount $138,000 below the Eisenhower recommendation, and would still provide for a substantial cut in the appropriation for those who feel that that is necessary. I recommend $800,000 instead of $700,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY]. [Putting the question.] The Chair is in doubt.

Mr. HUMPHREY. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have incorporated in the RECORD a statement which I have prepared on the subject of the amendment offered by me.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HUMPHREY

The gap between promises and performances of the present administration is growing wider and wider.

Contrary to assurances from the President during the campaign that he intended building up and strengthening the Department of Labor, disabling cuts in operating funds for the Department are contained in the appropriation bill as passed by the House, and are continued to a great degree in the bill now before us as reported out by the Senate Appropriations Committee.

Under date of March 4, 1953, President Eisenhower wrote a letter to Secretary of Labor Martin P. Durkin, reading, in part, as follows:

"I commend the Department of Labor for its useful services and contributions to the Nation over the last 40 years. In the assistance, research, statistical, and law-enforcement operations of the Department, you are building up the strength of the whole economy. As I said in my state of the Union message last month, the administration intends to strengthen and improve your services to the worker and to the whole national community. * * *

In government, as in other walks of life, we must go forward. We cannot stand still without stagnating. Your Department, I am confident, is marching ahead and helping lead our people on to better, happier, and more prosperous lives."

The Republican leadership of the Congress is apparently unaware of this administration attitude. It apparently believes, instead, in open season on the Labor Department. In the Department of Labor's appropriations as reported by the House Appropriations and passed by the House last month, slashes amounted to some $30 million below the administration's revised budget estimates, and nearly $40 million below the original 1954 estimates. Unfortunately, our Senate Appropriations Committee has restored but a very small amount of these drastic cuts. The Senate bill before us is still $22,055,600 under the administration's own estimates, and $33,958,000 under the original Truman budget.

These cuts are not "fat" being removed. They are deep and disabling cuts into the lean meat of public services performed by the Department of Labor, in direct violation of the administration's pledge to build up the Department and its services.

How long are the American people expected to be fooled by the lip service from high places in the administration, if the majority party in Congress continues to repudiate in performance the promises contained in statements of high purpose from the White House?

I urge that these reductions be examined very carefully, with the realization that they go far beyond the economy squeeze already put on the Department's budget requests by the President's Budget Director.

In addition to crippling cuts in operating funds for the Department, without adequate justification the appropriation bill cuts down the grants to States, earmarked for the purpose of administering the State unemployment insurance and public employment office programs, by almost $16½ million.

This seems to have been done, as far as I can tell, on the fallacious belief that there will be no soft spots in our economy, no industrial layoffs, no workers moving from one job to another. In addition, by restricting the money available to pay the State employees in the employment and unemployment insurance offices, we appear to be forbidding any increase in their salaries to catch up with the cost of living. In my opinion, the State grants should be restored as a measure of economic insurance.

The economic skies still appear bright today. Employment may be at its highest, and unemployment lowest. But there are some people who see threatening clouds on the economic horizon. The unemployment insurance and public employment systems are important factors in stabilizing our economy, and taking up slack in local and seasonal slumps. It is shortsighted to weaken this system.

The cuts in the Department of Labor's very small operating budget have even more serious implications.

This smallest of Cabinet Departments administers several labor laws, including the Fair Labor Standards Act, the Walsh-Healey Public Contracts Act, and the Davis-Bacon Prevailing Wage Act for public-construction projects. It handles the Federal part of the unemployment insurance and public employment office programs. One of its bureaus is charged with the promotion of better industrial-safety programs, through training and assistance to the State labor commissions. The Bureau of Apprenticeships has a broad program of promoting management and labor cooperation in the training of more skilled workers all over the country, which is of the utmost importance to our whole technology.

Hence, it is very serious that the cuts made strike most heavily at the most vital programs.

The Secretary's own office provides the whole Department with overall policy planning and central administrative and budget services. This operation was cut by one-fourth. A cut of this magnitude cannot be absorbed by a speed up of the remaining workers, or assigning them additional duties. It means that some of the office's coordination of policy and operations, and some of the central services rendered to the operating bureaus, will be discontinued. That work will not be done, and the public served by the Department will simply not receive the action or the information requested.

The Solicitor's office was also cut by one-fourth, the result being that the Department loses some of its specially trained and experienced lawyers. This means that many of the violators of the Federal labor laws cannot be brought into court. It means that studies of legislation, and legal help requested by other Departments, Congressmen, and businessmen, cannot be furnished. It means that the wage determinations required by contractors under the Davis-Bacon law as a preliminary to defense building jobs cannot be made as expeditiously.

The 22-percent cut in the Wage and Hour and Public Contracts Division is perhaps the most damaging cut of all.

The cut will reduce this bureau to its lowest personnel strength since Congress enacted the Fair Labor Standards Act in 1938, establishing a wage floor, overtime for over 40 hours, and banning oppressive child labor. This law protects more than 22 million workers engaged in interstate commerce against sweatshop, cut wage, and unfair employers. The staff of this bureau investigates complaints of violations, and does a preventive job of enforcement by informing employers of their responsibility under the law. Its investigators in the past have inspected annually only about 4 percent of the establishments covered by the law. If the cut stands, this figure will be reduced drastically. That will mean violations will go unpunished and uncorrected, and that workers will lose millions of dollars in wages and overtime due them under the Federal laws.

Businessmen and farmers both will be hurt by the depletion and elimination of Labor Department services which they have been using constantly for many years. My own State's farmers depend upon the Farm Labor Service, operating through the Bureau of Employment Security and the State employment offices, for large numbers of migratory and seasonal workers for cultivation and harvest of their crops. A program of the Bureau of Labor Standards, to provide voluntary help to local communities looking to improvement of housing, education, and other facilities for the 1 million or more migratory workers of the country, is destroyed by the reductions in this bill.

Businessmen are hurt by the reduction in the size and efficiency of the Employment Security Bureau, by the cutback in funds for the Bureau of Labor Statistics, and especially by the heavy cut in the Bureau of Labor Standards which directs the industrial safety program.

Because Labor Department officials rightly protested that House cuts to the Bureau of Labor Statistics would virtually eliminate collection of figures on housing starts and other construction statistics, and cuts to the Bureau of Labor Standards would mean slashing the safety program almost 50 percent, the Senate committee has come up with some hocus pocus whereby the appropriations are still slashed, yet the Labor Department is ordered not to cut the housing statistics and to maintain the safety program at the same level.

The safety program, for example, originally amounted to nearly half the budget requests for the Bureau of Labor Standards. Yet the Senate committee has reduced the Bureau's funds by one-fourth—and still asks that the safety program be maintained at the same level. I just don't believe it can be done.

This safety program has been successful in reducing the 1952 accident rate to a record low, even though job accidents still run at the appalling figure of 2 million a year. The program provides special instruction and technical help to the safety inspectors who work for the State labor commissions. It is a service which the States request. Its effectiveness has been demonstrated many times in many States by actual experience and figures demonstrating a reduction in the number of injured workmen. We should keep on trying to cut down this annual toll of human life and suffering instead of ruthlessly applying the "economy whip" at the expense of human resources.

The Department of Labor serves all parts of our Nation.

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Despite its smallness it touches importantly vast numbers of people in every segment of our population and economic life—business, labor, farmers, universities, civic groups, children, minority groups, builders, home owners—everyone. All of us will be hurt by this proposed heavy and disproportionate cut in its operating funds, undermining programs and services the Congress has voted into effect by crippling the Department and preventing proper enforcement of our laws for the protection of working men and women.

Mr. AIKEN. Mr. President, I have an amendment which would restore the appropriation for the Children's Bureau to the amount requested by the administration. The senior Senator from Oklahoma [Mr. KERR] and the junior Senator from Kentucky [Mr. COOPER] join me in offering the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 28, line 9, it is proposed to strike out "$1,450,000" and to insert in lieu thereof "$1,500,000."

Mr. AIKEN. Mr. President, the amount requested for salaries and expenses for the Children's Bureau in the Eisenhower budget is $1,550,000. The amount was cut to $1,500,000 by the House and was cut an additional $50,000 by the Senate Committee on Appropriations.

The appropriation for last year was $1,550,000, which is the amount requested in the Eisenhower budget for this year. If the reduction is permitted to stand, it will mean a cutting down of the work of the Children's Bureau. I am sure everyone agrees the work of that Bureau has been very much worth while. It has been an important bureau. It was established under the administration of William Howard Taft and has been under the leadership of Miss Lenroot and Dr. Martha Elliot most of the time since its establishment. I do not know how long they have been connected with it, but I am sure it is most of the time that the Bureau has been in existence.

The Bureau has already been cut down since 1947 from 339 employees to 234. To let the figure stand as now written in the bill would mean that the work of the Bureau would be cut much more and its work curtailed. I shall not go into detail as to what the work of the Bureau is.

This morning the Committee on Agriculture and Forestry very properly voted to approve a bill which would provide loans for the livestock people of the United States. The total amount of such loans will undoubtedly reach $100 million. In the very near future the Appropriations Committee will be asked to make the money available for those loans. It seems to me that asking for $100,000 for the children of our country is not asking too much. I hope the amendment will be approved.

Mr. THYE. Mr. President, in my introductory remarks on the pending bill I stated the items on which I thought the committee had been too conservative. The item in connection with which the Senator from Vermont offers an amendment to provide necessary funds for the Children's Bureau is one of the items on which I stated we had been too conservative. The work of the Children's Bureau is most constructive and should be adequately supported. Therefore I am very happy to take the amendment to conference.

Mr. AIKEN. I thank the chairman of the subcommittee.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont [Mr. AIKEN] on behalf of himself, the Senator from Oklahoma [Mr. KERR], and the Senator from Kentucky [Mr. COOPER].

The amendment was agreed to.

Mr. AIKEN subsequently said: Mr. President, a short time ago I offered an amendment to restore the amount in the child labor appropriation requested by President Eisenhower. I made a correct reference on the floor, but I find I have made an error in the amendment which I offered, and I ask unanimous consent to change my amendment so that it will properly fit the remarks which I made on the floor, and increase the amount of the appropriation to $1,550,000.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERR. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. KERR. The Senator is requesting unanimous consent to conform his amendment to the figure stated in his remarks on the floor; is that correct?

Mr. AIKEN. The Senator is entirely correct. On reading a statement by the wire service I found I had made a mistake in the amendment itself.

Mr. SMITH of New Jersey. Mr. President, we have just had a vote by which the Senate rejected the amendment of the Senator from Montana [Mr. MURRAY], to increase the amount of the appropriation for the National Labor Relations Board. I have taken up with the members of the Board the situation in which they find themselves. While the Senate has turned down the amendment to increase the appropriation to $9,500,000, I ask that the bill be amended to provide $9,250,000. My amendment comes in on page 36, line 10. It proposes to insert $9,250,000 in lieu of the $9 million now provided in the pending bill.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 36, line 10, it is proposed to strike out "$9,000,000" and to insert in lieu thereof "$9,250,000."

Mr. SMITH of New Jersey. I offer the amendment because, as chairman of the Committee on Labor and Public Welfare, I am aware of a problem confronting the National Labor Relations Board. It is the problem of the backlog of work. I realize that the amount of $9,500,000 was considered as being too high by the subcommittee, and the Senate voted against the amendment offered by the Senator from Montana [Mr. MURRAY]. I feel, however, it is very important not to let the cases pile up in the Board, because to do so interferes with the successful operation of management-labor relations.

While the National Labor Relations Board is not under the jurisdiction of the Committee on Labor and Public Welfare, nevertheless, I consider it to be the committee's responsibility to do everything we can to help the Board function effectively.

Therefore I ask that the Senate provide $9,250,000 for the work of the Labor Relations Board, as the next suggestion in line with the amendment previously offered by the Senator from Montana [Mr. MURRAY].

Mr. MURRAY. Mr. President, I am very glad that the Senator from New Jersey has offered his amendment. If sufficient funds are not provided to carry on the program, much will be lost. There will be great delay in the processing of the cases, which will mean an added expense.

Mr. SMITH of New Jersey. I thank the Senator from Montana. I ask the Senator from Minnesota [Mr. THYE] whether they will take the amendment to conference?

Mr. THYE. Mr. President, I must inform the Senator from New Jersey that it was the best judgment of the committee that $9 million should be the sum to be allowed.

Now the Chairman of the Committee on Labor and Public Welfare has indicated a fear, as the Senator from Montana did previously, that the board will not be able to carry on its work efficiently unless it receives more than $9 million. With not only two members of the Committee on Labor and Public Welfare, but with the chairman of that committee also, asking a second time that we increase the amount, this time by $250,000 after we have rejected an amendment to increase the amount by $500,000, I will agree to take the amendment to conference.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. MORSE. Mr. President, I am glad to hear the Senator from Minnesota say that he is agreeable to taking the amendment to conference. It ought to go to conference. The money will be wisely expended, I believe, by the National Labor Relations Board.

We might as well face the fact that more money is needed if the Board is to assume a certain responsibility which I think we should give to it by law. I refer to amending the law so that the Board will assume jurisdiction over cases charging communism within unions. Apparently that is a no man's land in the law today.

As conditions now are an employer who in good faith says he is not going to negotiate with a union because he is satisfied the union is Communist-dominated cannot get any relief from the Board because the courts have ruled that the law as presently written does not give the Board jurisdiction.

I am in favor of supplying the Board with sufficient funds so that it may assume jurisdiction in cases charging Communist dominated unions, once we amend the law to give it such jurisdiction. That is why I dissented from a report on Communist influence in a few labor unions, which report was issued by the subcommittee on Labor-Management Relations, when I was a Member of the labor committee. In fact, I was

quite surprised that a majority of my colleagues went along with the majority report on that issue. We have failed to provide any procedure to protect an American employer who in good faith says, "I do not want to negotiate with this union because it is Communist-dominated." Where is he going to go for relief?

It is perfectly obvious that he should go to the National Labor Relations Board, and the Board should be given such jurisdiction.

That is why I take this opportunity to reinforce the position I took as a dissenter in the Committee on Labor and Public Welfare, when, to my complete surprise, that committee went along with the notion that the National Labor Relations Board should not be the tribunal which should assume jurisdiction over the issue of communism in labor unions. If the Board is not given jurisdiction over that issue, what agency will assume such jurisdiction? We are just playing ducks and drakes on this issue, Mr. President.

We should stop "kidding" ourselves about it. We should give the National Labor Relations Board the necessary funds and staff, so that it can get to the bottom of the question of communism in American trade unions. Not many American unions are Communist dominated. But when a union is Communist dominated, it should not have the benefit of the services of the National Labor Relations Board, but should be told, "You will not receive any service from this Board until you clean out communism in your union."

So, Mr. President, I am glad the amendment adding $250,000 to the appropriation will be taken to conference.

Mr. THYE. Mr. President, I wonder whether the question may be put on agreeing to the amendment of the Senator from New Jersey, which I said I would agree to take to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Jersey [Mr. SMITH].

The amendment was agreed to.

Mr. BUSH. Mr. President, I should like to ask a question of the distinguished Senator from Minnesota. On page 5, in line 2, the bill as reported carries the figure "$197,110,000." That is an increase of nearly $10 million over the amount voted by the House of Representatives. The subcommittee of which the Senator from Minnesota is chairman reported a larger amount, namely, $202,920,000. Subsequently, the full committee voted to reduce the amount to $197,110,000.

I wish to say to the Senator from Minnesota that the commissioner of labor and others in my State are very much concerned about the reduction voted by the House of Representatives, and they are a little worried even about the amount voted by the Senate committee.

I wish to say further to the Senator from Minnesota that if an insufficient amount is allowed it will have a serious effect upon the labor department in my State, with respect to the collection of delinquent taxes, for instance, which very much more than pay for the small group who are engaged in that work. Last year 26 persons were employed in that particular activity, which cost the State $88,400, but they collected $524,000 in delinquent taxes, and they made possible additional tax assessments of $202,000. Certainly it is a good investment when, by spending $88,000, $700,000 is obtained.

Does the Senator from Minnesota feel that the committee can be absolutely firm on this particular figure in conference?

Mr. THYE. As we review the entire question, we find in the publication the Labor Market and Employment Security, issued by the Department of Labor under Secretary Durkin, the following statement:

> Unemployment dropped by 276,000 from April's 1.6 million to a phenomenal low for the month of May of 1.3 million, or 296,000 below May 1952 and 303,000 below May 1951.

That indicates that there is full employment. However, $10 million of this appropriation is placed in a contingent fund. It is impounded, in other words. If there should be a greater demand upon the Department, because of unemployment, and so forth, over and above what has been anticipated, of course, the Department could draw upon the contingent fund.

It is my belief that the contingent fund is larger than is necessary.

I believe it should be $5 million, and that the other $5 million should be placed in the general administrative fund. In that manner the overall figure would not be changed, but $5 million would be added to the administrative fund and $5 million would be held as a contingent fund. I would be willing to accept such an amendment because I believe that would be proper. In view of present trends, I do not believe a contingent fund of more than $5 million will be needed.

So I would support such an amendment, namely, on page 5, in line 2, to make such a reduction in the item of $10 million in connection with which the following statement appears in the bill on page 5: "of which 10 million shall be available only to the extent that the Secretary finds necessary to meet increased costs of administration resulting from changes in a State law or increases in the numbers of claims filed and claims paid or salary costs over those upon which the State's basic grant (or the allocation for the District of Columbia) was based, which increased costs of administration cannot be provided for by normal budgetary adjustments."

If we thus reduce the contingent fund to $5 million and increase the administrative fund by $5 million, I believe we shall be providing ample funds for administration, and shall still be safeguarding ourselves against an unforeseen load.

Mr. BUSH. Mr. President, I offer the following amendment: On page 5, in line 2, strike out "$10 million" and insert in lieu thereof "$5 million."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. BUSH].

The amendment was agreed to.

Mr. MORSE. Mr. President, I wish to direct the attention of the Senate to the appropriation for the Food and Drug Administration and to the figure "$5,200,000," appearing on page 12, in line 11.

The appropriation for the Food and Drug Administration has been cut $400,000 below the 1953 figure, and $463,000 below the original 1954 estimate. The Senate committee has recommended $200,000 more than the House has voted for this item.

On the White House TV show, Mrs. Hobby announced that her Department was about to recommend legislation to improve food and drug inspection laws. The proposed legislation, which has not been introduced, so far as I know, would permit inspectors to enter premises at reasonable hours without the owners' permission. Last year the Supreme Court in the Cardiff case held that the present act requires such permission. Mrs. Hobby represented her proposal as a major step forward in social legislation.

Mr. President, I think there is great need for us to exercise vigilance in protecting the health of the American people through the administration of the pure food and drug law.

What is the value of improved inspection laws, if funds for inspection are cut? I desire to cite as an example the situation in my own State; and my comments apply to any other State where a similar situation exists.

The Portland subdistrict office, established some 10 years ago, has been operating for at least the last 5 years with a staff of 3 inspectors, 3 chemists, 1 laboratory helper, and 1 clerk. Food and Drug advise that unless funds are restored, there will be one less inspector and the chemical analysis required will be done in the Seattle office, whose personnel will also be cut.

A major task of the Portland office has been to carry on inspections in the immense cannery industry in the Portland area. During the packing season, it has been necessary to have inspectors come down from Seattle to supplement the Portland staff. Under proposed cuts, such outside assistance would be improbable and the local force would be doing even less than it has done in years past.

The question arises whether this is economy. Certainly, it subjects the consuming public to greater hazards. It is also unfair to the great majority of responsible canners who wish to maintain high standards of sanitation and purity. Where Federal inspection is inadequate, less responsible producers will feel more free to cut corners to reduce expenses. This places the responsible business community at a competitive disadvantage.

The Oregon office will save some $6,000 by the discharge of a laboratory helper and a clerical employee. The consolidation of chemical functions may produce some additional slight savings, which would be offset by the disruption of present practices and the cost of transfer of materials, records, and the like.

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I use the Oregon office only as an example of the kind of appropriation cut which is supposedly designed to effect economies but which, in effect, amounts to partial repeal of existing law. In addition, the cost to the Nation in products of lower standards and possible impairment of the health of many citizens may very well offset the relatively few dollars which are being saved. Apparently we must be careful to make sure that the health of the Nation is not expendable.

Therefore, Mr. President, I offer an amendment on page 12, line 11, to strike out "$5,200,000" and insert "$5,400,000," an increase of $200,000.

I should like to ask the chairman of the committee to take the amendment to conference, to see what can be worked out with the House. If I am correctly advised, as I believe I am, the saving which is sought will be at the expense of the administration of the inspection laws of the country, and we can take judicial notice of the fact that if that is an accurate statement, we are saving at the expense of the American people, in that we are endangering their health. In my opinion we cannot justify taking that risk. I am talking about insurance; I am talking about an insurance premium which the American taxpayer ought to be willing to pay to make certain that there is adequate and efficient administration of the inspection laws. I submit the amendment, and respectfully ask that it be taken to conference.

The PRESIDING OFFICER (Mr. KUCHEL in the chair). The clerk will state the amendment.

The CHIEF CLERK. On page 12, line 11, it is proposed to strike out "$5,200,200" and insert "$5,400,000."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oregon [Mr. MORSE].

Mr. THYE. Mr. President, the revised budget estimate for this item was $5,648,000. The House bill called for $5,000,000. The Senate Appropriations Committee increased that by $200,000. We definitely had a feeling that the increase over the House figure would probably be as much as we would be able to support in conference or would be able to agree to in conference. There was some supporting evidence for the budget recommendation of $5,648,000.

If I were to object to the increase proposed by the Senator from Oregon in the amount of $200,000, I would not stand on too firm ground, since both the original and the revised budget estimate called for a greater sum even than the total that would be provided in the bill, with the proposed $5,400,000, which includes the increase proposed by the Senator from Oregon in his amendment. The Senate bill would then provide $5,400,000, whereas the budget recommendation was $5,648,000. So I will agree to take the amendment of the Senator from Oregon to conference, because in so doing I do not believe I shall be going contrary to the wishes of the Senate committee on this question. The question, to be perfectly frank, was rather one of whether we could get the House to agree to a greater sum than $5,200,000.

Mr. MORSE. The Senator from Minnesota has been very reasonable and I appreciate his courtesy.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Oregon [Mr. MORSE].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. THYE. Mr. President, in my opening remarks I referred to the fact that I thought the committee had been too conservative with the Office of Education, as well as with the Department of Labor. For that reason, and inasmuch as President Eisenhower sent a letter in which he referred specifically to items in the appropriation bill which he thought should be increased, notably, one item which he thought should be increased by $426,000, and another item which he thought should be increased by $151,000. I move on page 15, line 17, to strike out "$2,500,000", in lieu thereof to insert "$2,926,000." That would increase the item in the appropriation bill for the Office of Education, salaries and expenses, by $426,000.

The PRESIDING OFFICER. Will the Senator send the amendment to the desk?

Mr. THYE. I am pleased to do so.

Mr. President, it is unusual for a subcommittee chairman to offer an amendment to increase an appropriation, but in this instance the question has been very thoroughly studied. The Office of Education has been reorganized, and it has had more time within which to study the overall question in the interim between the time the committee concluded its hearings and today, when we are considering the bill itself. Inasmuch as the Office of Education has been reorganized, and has conducted a thorough study of all of its administrative problems, and inasmuch as both the Secretary of the Department of Health, Education, and Welfare, Mrs. Hobby, and the President of the United States have referred to this item and have expressed the hope that the appropriation might be increased, I am offering the amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 15, line 17, it is proposed to strike out "$2,500,000" and insert "$2,926,000."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota [Mr. THYE].

The amendment was agreed to.

Mr. THYE. Mr. President, I have a second amendment, which is, on page 31, line 7, strike out "$1,075,000" and insert "$1,226,000." This is for salaries and expenses of the Office of the Secretary. It will increase the appropriations under the bill by $151,000. I could repeat in regard to this item the statement I made when the previous item was under consideration, since the recommendation was contained in the letter of the President, and since Mrs. Hobby likewise had approved it.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 31, line 7, it is proposed to strike out "$1,075,000" and insert "$1,226,000."

The PRESIDING OFFICER. The question is on the amendment of the Senator from Minnesota [Mr. THYE].

Mr. MORSE. Mr. President, I am very happy to support both amendments offered by the Senator from Minnesota, because I think it is self-evident that we cannot maintain the educational needs of American boys and girls without adequate funds for the purpose. We owe it to those boys and girls to appropriate the necessary funds. In my judgment, the compromise the Senator from Minnesota has worked out—and it is a compromise; it is not all the Department would like—is fair and equitable. It is certainly one which should receive our consideration.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a telegram which I have received from William G. Carr, executive secretary of the National Education Association.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 6, 1953.*

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.:

National Education Association convention at Miami Beach, Fla., July 1, telegraphed plea to President Eisenhower for help in getting the Senate restoration of $426,000 House cut in Budget Bureau Director Dodge's request for $2,926,000 for Office of Education salaries and expenses. Through Attorney General Brownell, the President sent the following message to the convention July 3:

"This cut would damage the essential services of the Office of Education which are provided by that office for the benefit of State and local school services. Therefore, President Eisenhower, with solid Cabinet backing, will use every effort to see that the cut in appropriation for the Office of Education is restored in full."

In view of the President's statement, we hope that move will be made on Senate floor Tuesday, July 7, to make full restoration of the $426,000 House cut. National Education Association urges your support of the $2,926,000 for Office of Education salaries and expenses as originally requested by President Eisenhower through Secretary Hobby.

WILLIAM G. CARR,
Executive Secretary.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota.

The amendment was agreed to.

Mr. DOUGLAS. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Illinois.

The CHIEF CLERK. On page 10, line 2, it is proposed to insert, in lieu of the figure "$6,250,000", the figure "$7,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois.

Mr. DOUGLAS. Mr. President, my amendment would increase the figure recommended by the committee for the Wage and Hour Division by $750,000. That Division is charged with the enforcing of the Federal wage and hour law,

including the minimum 75-cents-an-hour provision, with the 40-hour week, and also the Federal child-labor laws.

The funds for this work have always been inadequate and have been very greatly diminished in recent years. For example, in the appropriation for 1952, the amount provided was over $8½ million. The appropriation for the fiscal year just past was $7,639,000, a drop of $910,000.

The House reduced the figure in the pending bill for 1954 to $6 million. The Senate committee raised it by $250,000, or to a total of $6,250,000. It is still $1,400,000 less than the amount for the past year and over $2¼ million below the 1952 appropriation. It is more than a million dollars below the Eisenhower budget for the fiscal year 1954. Even my amendment would result in a reduction of $300,000 below the Eisenhower budget.

In view of the fact that the Congress of the United States and the people of the country have shown that they want wages to be a minimum of 75 cents an hour, that they want a 40-hour week, that they want effective child-labor legislation, we should provide sufficient funds for inspection and enforcement. In the years just passed, the Wage and Hour Division has had enough money to inspect only approximately 6 percent of the establishments covered by this law.

I may say that it finds a very large percentage of violations. In the 41,000 inspections made in fiscal 1952, approximately 58 percent of the cases inspected show violations of the wage-and-hour law. There is a very substantial percentage of violations of the child-labor law, particularly in the case of farm child labor, children working on big commercial farms and plantations.

If we adopt the committee's recommendation of $6,250,000, we shall still further reduce the possibility of making inspections, so that instead of inspecting 6 percent of the establishments involved, the Department may be able to inspect only a little over 4 percent, and the enforcement of the 75-cent-an-hour wage and the 16-year minimum age of labor by children will be seriously weakened.

We should provide at least a modicum of the funds necessary to enforce these laws.

I hope very much that, since the chairman of the subcommittee, the very distinguished senior Senator from Minnesota [Mr. THYE], seems to be in a generous mood today, he will accept my amendment.

Mr. THYE. Mr. President, I should like to be in a generous mood. The subcommittee made a very thorough study, and some of the generosity shown today was based upon the fact that the subcommittee had not been fully supported in its views when the full committee gave the matter its consideration. Therefore, Mr. President, the attitude of the chairman of the subcommittee may have been weakness rather than generosity.

As to this particular item I most regretfully state that the subcommittee, although it was very firm in its view and went into it at considerable length in trying to study and determine what should be the action of the Appropriations Committee, finally arrived at the amount which has been stated. It is true that the amount recommended is below the budget recommendation, but it is above what the House allowed. Therefore, inasmuch as we did increase the House recommendation by $250,000, and we are so close to the revised budget recommendation, I feel that we would not be justified in accepting the amendment which has been proposed by the Senator from Illinois.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. THYE. I yield.

Mr. DOUGLAS. Is it not true that the amount recommended by the committee is over a million dollars below the amount requested by the President, who recommended $7,339,000? This committee is proposing to appropriate only $6,250,000, which is virtually $1,100,000 less than the amount recommended by the President. As a matter of fact, the Senate cut is one of the largest which has been experienced by any administrative agency of the Government.

I assure the Senator from Minnesota that I do not believe he wants to sabotage the child-labor provisions of the law or the 75-cents-an-hour basic wage law, but the amount recommended by the committee will seriously cripple these enforcement measures.

Mr. THYE. It is not a question of what we want; it is a question of what the facts are as we have found them to be. The committee feels that adequate enforcement can be brought about with the funds recommended. There is no limit to the amount the agency might desire. Human nature being what it is, it would be perfectly natural for them to say, "There is a field here which we ought to investigate." They do investigate many fields and they render an excellent public service. They safeguard the public and safeguard child labor from abuses. But the best judgment which the committee was able to exercise, after lengthy hearings and study of the overall question, was that the amount recommended would be ample to carry on the program in the manner proposed by the Congress in the legislation heretofore passed.

We certainly increased the sum recommended by the House, but I think we shall find that the House will not agree even to the $6,250,000 figure we have recommended.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. THYE. I yield.

Mr. DOUGLAS. Is it not true that there are two ways of killing the prevention of child labor; two ways of killing social reform measures? One is to refuse to pass any legislation in the first place; the other is to pass such legislation, but not to provide funds for its enforcement. I have much more respect for those who will openly oppose legislation and kill it openly with the sword than I have for those who while giving lip service to the principle will deny funds for adequate enforcement and hence kill the cause with a kiss.

The record shows that the basic wage-and-hour laws are being violated in a large percentage of cases. In 58 percent of the establishments visited in the fiscal year of 1952 there were violations of the wage-and-hour law. In one-eighth of the factories and establishments inspected there were violations of the child-labor law. In 80 percent of the farms visited there were violations of provisions of law relative to child labor.

So there is real need for enforcement. Yet the committee is proposing to cut funds by $1,400,000 below the appropriation for this past year, and by almost $1,100,000 below the amount recommended by President Eisenhower. The committee's figure would necessitate the closing of 23 field offices and reduce inspections by 20 to 25 percent. Even with the increase provided in my amendment, the inspections which the Wage and Hour Division could make would be reduced 10 to 12 percent below last year's level.

I do not think I can be accused of being a wasteful spender, but I do not wish to see laws gutted, and people who cannot defend themselves, primarily women and children, deprived of protection through the gross failure of Congress to appropriate.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Griswold	McClellan
Anderson	Hayden	Millikin
Barrett	Hendrickson	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Mundt
Bricker	Hill	Murray
Bush	Hoey	Neely
Butler, Md.	Holland	Pastore
Butler, Nebr.	Humphrey	Payne
Byrd	Jackson	Potter
Capehart	Jenner	Purtell
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Clements	Kennedy	Schoeppel
Cooper	Kerr	Smathers
Cordon	Kilgore	Smith, Maine
Dirksen	Knowland	Smith, N. J.
Douglas	Kuchel	Sparkman
Duff	Langer	Stennis
Dworshak	Lehman	Symington
Ellender	Long	Thye
Ferguson	Magnuson	Tobey
Flanders	Malone	Watkins
George	Mansfield	Welker
Gillette	Martin	Wiley
Goldwater	Maybank	Williams
Gore	McCarran	Young
Green	McCarthy	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DOUGLAS].

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. May the amendment be stated by the clerk for the information of the Senate?

The PRESIDING OFFICER. Without objection, the amendment will be stated.

The CHIEF CLERK. On page 10, line 2, in lieu of "$6,250,000," it is proposed to insert "$7,000,000."

Mr. DOUGLAS. Mr. President, I ask for a division.

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On a division the amendment was rejected.

VETERANS' EMPLOYMENT SERVICE—SUBSTITUTE ORIGINAL BUDGET—WORLD WAR I, II, AND KOREAN VETERANS

Mr. MALONE. Mr. President, I offer an amendment on page 4, line 9, to substitute the original budget recommendation of $1,100,000 for the figure of $981,000, for the Veterans' Employment Service.

The PRESIDING OFFICER. Will the Senator send the amendment to the desk?

Mr. MALONE. I have no written amendment. My amendment is to substitute $1,100,000 for $981,000, on page 4, line 9.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4, line 9, it is proposed to strike out "$981,000" and insert in lieu thereof "$1,100,000."

VETERANS' EMPLOYMENT DISTRICTS

Mr. MALONE. Mr. President, I am entirely familiar with the Veterans' Employment Service only in my own State and the western district. The western district or region includes Washington, Oregon, California, Nevada, Arizona, Utah, Idaho, Wyoming, New Mexico, and Colorado. The remaining States of the Union are divided into five additional districts.

SUCCESSIVE REDUCTION IN VETERANS' EMPLOYMENT SERVICE

I point out that in 1948 there were 738 employees in this service; in 1949 the number was cut to 410; in 1950 to 265; in 1951-52, to 165. This proposal would reduce the number to 145, in the 48 States, Hawaii, Alaska, and Puerto Rico.

Mr. President, the Veterans' Employment Service is more important at this moment than it has ever been in the history of this Nation. We have about 3½ million holdovers from World War I. We have about 16 million from World War II; we now have about 1,898,000 Korean war veterans who have been discharged—a total of 20,088,000 veterans.

RESOLUTION—AMERICAN LEGION—OCTOBER 1950

In that connection I should like to read into the RECORD at this point a resolution by the American Legion:

Whereas the American Legion foresaw the need for, and designed the provisions under title IV, Public Law 346 (GI bill of rights) of the 78th Congress, passed June 22, 1944; and

Whereas this enactment created the Veterans' Employment Service (a Federal agency) for the purpose of cooperating with and assisting the United States Employment Service to the end that "there shall be an effective job counseling and employment placement service for veterans and that to this end policies shall be promulgated and administered so as to provide for them a maximum of job opportunity in the field of gainful employment"; and

Whereas the total position strength of the Veterans' Employment Service in the Nation has been reduced from 738 in 1948 to 410 in 1949, and to 265 during 1950, and that of the staff in Montana from a total of 7 to 3; and

Whereas such reductions in staff have seriously jeopardized veterans' representation, protection, and aid in the field of gainful employment: Therefore be it

Resolved, That the American Legion in national convention assembled at Los Angeles, Calif., October 9-12, 1950, earnestly and vigorously recommend and request restoration of the Veterans' Employment Service staff requirements sufficiently adequate to comply with the purpose, intent, and provisions of title IV, Public Law 346.

PITIFULLY SMALL ORGANIZATION FOR THE JOB

Mr. President, there are only 162 positions in the entire area just named, the 48 States and the possessions. That is the total number of positions in the entire Veterans' Employment Service. Before the recent cut there were 152 field positions. Fifty-two were veterans' employment representatives, 35 assistant veterans' employment representatives, and there were 59 clerical workers. That represents the total for the entire United States—a pitifully small organization for the workload.

KOREAN VETERANS ON WAY BACK

I point out to the Senate today that with the Korean veterans on their way back the problem is growing worse by the day. The purpose of this service is to try to help veterans get jobs. The healthy veterans who come back mentally fit and physically fit do not require much help.

However, those who are mentally upset are in a different category. I have watched this situation since World War I—that was my war—through World War II, and thus far in world war III, which, regardless of Mr. Truman or anyone else, it is world war III.

Mr. President, I request unanimous consent to insert in the RECORD at this point an outline of factual information regarding the Veterans' Employment Service.

There being no objection, the data were ordered to be printed in the RECORD, as follows:

The Veterans' Employment Service activities are based on the statutory requirements of the Wagner-Peyser Act, the Servicemen's Readjustment Act of 1944, as amended, and the Veterans' Readjustment Assistance Act of 1952. It is the responsibility of the Veterans' Employment Service and its representatives in all the States and Territories to exercise functional supervision of the services to veterans through local offices of the State employment security agencies to insure that an effective job counseling and employment placement service is maintained for veterans. The State veterans' employment representatives must insure that the policies of the Secretary of Labor and the policies and procedures of the Bureau of Employment Security on special services for veterans are carried out by the State agencies. The successful rehabilitation of disabled veterans, the reabsorption into the labor force of large numbers of reservists who have been inducted into the Armed Forces for the second time in less than a decade, the most advantageous use of the training benefits available to veterans, the number of veterans who will draw unemployment compensation, and the overall readjustment of veterans as a group will depend largely on the manner in which these policies and procedures are carried out.

Since 1947 the Veterans' Employment Service has experienced reductions in its staff from 795 positions to 163 as of December 31, 1952. Since July 1951 the staffing pattern of the Service fell from 253 to 163. During this same period the monthly discharge rate of the Armed Forces has been steadily increasing as has the workload in local employment service offices. The present appropriation action of the Senate and House subcommittees allows $981,000 for the operation of the Service for the fiscal year 1953-54. This will reduce the positions allocated to the Service from 163 to 145. The following is a breakdown:

	1952-53 positions	1953-54 positions
Field	153	135
Veterans' employment representatives	52	52
Assistant veterans' employment representatives	36	20
Staff field representatives	6	0
Clerical	59	53
Departmental	10	10

As of May 1953 there were 20,880,000 living veterans of the wars of the United States of which 1,898,000 were veterans of the services since the start of the Korean campaign. The employment counseling and job finding assistance required by this significant segment of the working population can best be illustrated by the number of veterans served by local offices in the past fiscal years. From July 1951 through June of 1952, 1,349,352 veterans registered for employment. From July 1952 through April of 1953, 1,314,804 had registered. From July 1951 through June of 1952, 1,454,437 veterans were placed by the cooperative efforts of the Veterans' Employment Service, the State Employment Services, and the United States Employment Service. From July 1952 through April of 1953, 1,351,905 veterans were placed. The last few months' operations indicate that there will be increases in the number filing new applications, the number requiring counseling and testing services and the resulting demands for increased placement activities.

The casualties from the Korean campaign and the servicemen disabled in training and other accidents will continue to require special attention on the part of all employment service personnel, particularly the Veterans' Employment Representatives. The successful rehabilitation of disabled veterans requires close cooperation on the part of the training and placement agencies and demands constant vigilance to insure the necessary interagency referral, training in occupations in which there is a reasonable expectancy of a job after training and prompt placement in positions for which they have been trained .

It is generally recognized that a period of military service initially places a worker at a disadvantage in the labor market due to one or more reasons directly traceable to his service such as lack of civilian work experience, older than the normal entrance age for apprenticeships or on-job training, inability to utilize military skills in civilian occupations, existence of a service-connected disability, etc. As a result it is necessary to stimulate an interest and a sympathetic understanding on the part of employers and the public in this problem. After nearly 10 years of war and national emergencies, it is becoming increasingly more difficult to maintain this interest and to persuade employers to give veterans special consideration. Consequently, the Veterans' Employment Service and its field representatives must devote more time and effort to this activity.

Approximately 1 million servicemen will be released from the Armed Forces during the current fiscal year and each of the next several years. At the present time servicemen are being separated in significant numbers from approximately 120 different military installations and 63 military and naval hospitals. The Veterans' Employement Service with its representatives in every State and Territory must assume the primary responsibility for working out with the commanding officers of these military installations and hospitals the necessary procedures to insure that discharges are informed of all their rights, benefits, and services which are

administered by the Department of Labor. State Veterans' Employment Representatives must see that competent employment service personnel are assigned to separation centers and military hospitals whenever the workload warrants such assignment and that military counselors at all other installations have the necessary materials and knowledge to provide this information to dischargees. This will require State Veterans' Employment Representatives to visit all military installations within their respective States at regular intervals.

The staff field representatives of the Veterans' Employment Service have rendered invaluable aid to the employment services of the Nation and to the many Federal, State, and local government agencies and organizations interested in the employment of veterans. They were men of long experience in the affairs of veterans. They were able to counsel both specifically and in general terms individuals and organizations with an accuracy that could be gained only by reason of their experience and operating facility. Their services were in constant demand not only by their operating duties but upon requests from veteran organizations, regionwide and Statewide groups in both management and labor fields. Theirs was a niche which in my opinion is more needed today than ever before. It was not their primary duty to supervise but rather to augment and aid the capable efforts of the individual State veterans' employment representatives and State directors of the Employment Service.

WHEN A MAN NEEDS A FRIEND

Mr. MALONE. When a man comes back from war mentally upset because of the tremendous bombardment to which he has been subjected, he is just as bad off as though he were physically injured, and maybe worse.

What he needs is a little friendly advice. His chief asset is the veterans' employment organization within his State.

There he gets friendly service. If it is believed that training would help him, those in the veterans' employment organization know how and it is their job to refer him to the Veterans' Administration for such training as that organization affords.

If they can get him a job and assist him to settle down, and then counsel him in what to him may be real emergencies he has an opportunity to settle down, keep his job, become a taxpayer and raise a family—otherwise he could well end up as a Veterans' Bureau pensioner and be accused as many are accused of being "goldbrickers"—when as a matter of fact it may well be that it is Congress who is at fault.

If this Veterans' Employment Service is cut to the point where it is no longer effective and it has been cut almost to that point previously—the situation could well be very serious.

CUTS THE FIELD REPRESENTATIVES

I point out that this cut takes away 6 field representatives. I am not familiar with the work of the other representatives. I am familiar with the work of representatives in the 10 Western States. The number of representatives in the State employment services is very small, as I have just described. In the State of Nevada we have 1 man and 2 girls for the entire State, a State 600 miles long and 400 miles wide, with probably 20,000 or 25,000 veterans.

RECOMMENDATION FOR ADDITIONAL EMPLOYEES IGNORED

As a matter of fact the recommendation was for 16 additional employees made necessary since the job situation is tightening, with the veterans coming back in increasing numbers from Korea.

NO TIME TO ECONOMIZE ON UNEMPLOYED VETERANS

I point out Mr. President that this is no time to economize at the expense of unemployed and wounded veterans; especially when we send $6 billion in cash and materials into foreign countries for no good reason at all—with additional billions expended in offshore purchase and repair contracts, with its attendent graft and waste.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE].

Mr. THYE. Mr. President, I assure the Senator from Nevada that no cut is involved in the Veterans' Placement Service, because the bill provides that $981,000 shall be available for carrying into effect the provisions of title IV. I will say to the Senator from Nevada that the services of the six field men to which he has referred were terminated some weeks ago. Regardless of the amount appropriated, it would have no effect on the staff field supervisors, because their services have been terminated.

I will be perfectly frank in saying that I would not deny funds to provide proper veterans' services in the various States, but I will say with equal frankness that the men who were roving across the country from one State to another were not in any sense aiding in placing veterans. I have checked on that matter very carefully, and I believe the Bureau of the Budget had recognized the same situation to exist. They took it into consideration in making their recommendations. I was informed by the Secretary that the reorganization plan had contemplated the termination of the services of the field supervisors before the committee ever gave consideration to the 1954 budget recommendations.

I believe the bill appropriates every dime the Secretary has recommended for this particular service. In fact, we increased the amount over that appropriated by the House by $125,000. Therefore I cannot help but speak in opposition to the proposed amendment.

Let me read from the committee report. This is the best opinion of the committee:

> The committee recommends an increase of $125,000 over the House allowance, but an amount $210,000 under the revised estimate. The Bureau will be enabled with the restoration here recommended to allocate the full amount of its budget request for the collection and interpretation of labor market information and for the farm placement service, and the balance of the increase to assistance in maintaining public employment services.

Mr. President, I believe the department will render the service to which the Senator from Nevada has referred, but the work of the six field supervisors was terminated some weeks ago, and regardless of what we appropriate, they will not be reinstated unless the policy of the department is changed.

REDUCED BUDGET NOT VOLUNTARY

Mr. MALONE. Mr. President, I thoroughly disagree with the Senator from Minnesota, for whom I have the highest regard. I have just discussed the matter with the Labor Department and have been informed that the recommendation from that source was for 16 new employees to assist in carrying the much-increased Korean load.

I assure you that the reduced budget was not voluntary.

A FINE RECORD WITH THE LOAD INCREASING

Let me say Mr. President, that there are now on file 365,000, as of this date, active applications from veterans for jobs.

In 1951 1,454,000 veterans were placed in jobs. The number of applications was 1,349,362.

From July 1952 to April 1953 the new applications numbered 1,314,804. In the same period there were placed in jobs 1,351,905 veterans.

Mr. President, many of those men will continue to be restored to a sound place in society, with the help of this service. There is no question of the need for it.

I say to you that it is not the time to cut the Veterans' Employment Service, which has been carried all these years through the peak of employment, now that the employment situation is tightening. The President is trying to end the war in Korea and the veterans will be coming back in increasing numbers and the trained, experienced Veterans' Employment Service is the only real understanding sympathetic organization to which they can turn.

RETURNING VETERANS NEED FRIENDLY RECEPTION

Many of these boys are mentally upset. Many Senators on this floor have served in time of war and they know what it means to face the danger and the terrific explosions with the attendant nervous tensions that are a part of any war.

Many of them may outwardly have nothing wrong with them, except that they are mentally upset. They are suffering from mental instability—as well as bodily fatigue. If they can be met upon their return by friendly people in the Veterans' Employment Service, they may settle down to a job and escape the sanitarium.

In the Veterans' Employment Service they have been and will be greeted by friendly people who will say to them, "Do not worry, we will place you. Take your time. We will try to get you a job you can handle."

IT CAN MAKE THE DIFFERENCE

In that way they will have a chance to return as citizens and taxpayers of a community, and become family men as though the war had not interrupted their lives.

Otherwise there is every opportunity for them to drop unnoticed into the fast-moving streams of the generally employed and unemployed and just not be able to pull the load in competition with those who either did not go to war or who have already dug in and oriented

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themselves in the economic structure of the community and Nation.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Minnesota with respect to an amendment in line 9, page 28, regarding the Children's Bureau. I have received communications from a number of communities expressing concern that the appropriation is being cut a little too low. I understand the amount has been increased on the floor. I am glad it has been raised. I wonder whether the chairman of the subcommittee could tell me to what amount it was raised.

Mr. THYE. The amendment as originally offered by the Senator from Vermont [Mr. AIKEN] proposed to increase the amount by $50,000. That amendment prevailed. Subsequently, the amendment was corrected on the request of the Senator from Vermont so that the Children's Bureau will receive an increase of $100,000 over the amount in the committee bill.

Mr. SALTONSTALL. With reference to the Bureau of Public Assistance, that figure remains unchanged, as I understand.

Mr. THYE. That remains unchanged.

Mr. SALTONSTALL. I thank the Senator.

Mr. HUMPHREY. Mr. President, I should like to ask the Senator from Minnesota a question with reference to page 3, line 25, the Bureau of Apprenticeship. My question is, Was the $3,400,000, which is the amount the House appropriated, the revised budget estimate of the administration?

Mr. THYE. The revised estimate was $3,324,000. There has been no amendment offered to the appropriation recommended by the Senate committee.

Mr. HUMPHREY. Mr. President, I should like to offer an amendment.

The PRESIDING OFFICER (Mr. BEALL in the chair). An amendment is now pending. The question is on agreeing to the amendment offered by the Senator from Nevada [Mr. MALONE].

Mr. MALONE. Mr. President, since there has been a lull in the proceedings, I ask unanimous consent that the clerk restate the amendment I have offered.

The PRESIDING OFFICER. Without objection, the clerk will restate the amendment.

The CHIEF CLERK. On page 4, line 9, it is proposed to strike out "$981,000" and insert in lieu thereof "$1,100,000."

BUDGET RECOMMENDATION MINIMIZES EFFICIENT OPERATION

Mr. MALONE. Mr. President, I have moved to have the Senate restore the amount of the budget recommendation, which is the very minimum to operate the Veterans' Employment Service efficiently.

The Veterans' Employment Service has been systematically reduced by Congress during the last 4 years to a dangerous extent, especially in view of the fact that we are trying to end the war and the fact that the Korean war veterans are returning to the United States in increasing numbers.

Mr. THYE. Mr. President, I do not wish to argue the question, but I point out that the committee gave considerable study to the overall item. The committee's recommendation is included in the bill. It represents the best judgment of the committee, after much study and consideration, and is supported by the Secretary, and is in line with the revised budget recommendation, not the Truman budget.

MR. FAULKNER AND THE REDUCED BUDGET

Mr. MALONE. Mr. President, this situation came about because Mr. Perry Faulkner, a veteran and one of the finest men I know, who is head of the service, was practically instructed at the hearing to reduce the original request.

I intend to put the case of the unemployed veteran before the Senate—and while I happen to be working for the Government at this time, it is in a quite different capacity.

The only folks who can discharge me are 3,000 miles from Washington, D. C., and I do not believe that they approve of such tactics either.

SENATE SHOULD DECIDE—WRONG TIME TO CUT VETERANS' SERVICE

So I should like to have the Senate itself decide this question, considering that the veterans service has had its funds cut in half twice during the last 5 years by Congress, and that the veterans are now returning from the Korean war in increasing numbers. If there is an armistice in Korea, the rest of the troops may return to the United States. They will undoubtedly be replaced as new men can be sent abroad.

Certainly this is the wrong time to reduce the appropriation for the Veterans' Employment Service, for when the veterans return to the United States, they rely upon this service for help in getting jobs and settling down.

The PRESIDING OFFICER (Mr. BEALL in the chair). The question is on agreeing to the amendment of the Senator from Nevada. [Putting the question.] The noes seem to have it.

Mr. MALONE. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. POTTER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 16, line 20, it is proposed to strike out "$21,850,000" and insert "$23,000,000."

Mr. POTTER. Mr. President, this amendment will restore to the Office of Vocational Rehabilitation the funds which have been requested by the Eisenhower Bureau of the Budget. The amendment will restore the amount which was voted by the House of Representatives, but which was reduced to the extent of $1,150,000 by the Senate Appropriations Committee.

Mr. President, in connection with this amendment, I find myself in a strange position. Inasmuch as I have constantly advocated economy in Government, I find now that I must ask for an increase in an appropriation item.

Mr. President, those who believe in and advocate economy in Government of course will have to support the amendment of the committee; and those who believe in conservation of our human resources will want to support the amendment I have offered. The amount recommended by President Eisenhower, after careful study, is to provide for a program in which the new Secretary of the Department of Health, Education, and Welfare is vitally interested.

When the House Appropriations Committee considered this item, it voted to reduce it to $20,600,000. However, by a bipartisan effort on the part of the Members of the House of Representatives, and by a vote of nearly 2 to 1, the House restored the item to the amount requested by the Bureau of the Budget, namely, $23 million.

The $23 million, as recommended by the administration, is the amount necessary to maintain the program and to carry it on in the various States at the present level. The cost of providing rehabilitation service has continued to rise, as has almost every other item with which Congress has to deal.

The practical effect of the reduction proposed by the subcommittee is as follows: The reduction of $1,150,000 will result in having approximately 3,200 fewer persons rehabilitated in the year 1954, as compared with the number who were rehabilitated in 1953. In other words, fewer persons will receive the benefit of rehabilitation service.

The United States Government will lose $800,000 in income taxes which would have been paid in the first year by the 3,200 persons who would have been rehabilitated. That money will be lost to the Federal Treasury.

The Nation will lose more than 6 million man-hours of production and $6 million of wages, which these 3,200 persons would have earned. These figures have been substantiated by the Bureau of the Budget and by the Bureau of Internal Revenue.

The reduction proposed by the committee will leave on public assistance rolls approximately 700 persons, who otherwise would have been removed from these rolls as a result of the work of the rehabilitation service. In other words, 700 persons will draw approximately $500,000 annually in public assistance.

Those facts and figures offer eloquent testimony to the effect that the cut recommended by the committee, instead of resulting in a gain to the Federal Government, will actually result in a net loss, since the public assistance costs made necessary by the reduction will be greater than the actual amount of the reduction itself. In other words, the reduction of $1,150,000 will cause a loss of $800,000 in income taxes which otherwise would be paid into the Federal Treasury, and will cause a loss of 6 million man-hours of production and $6 million in the wages the 3,200 persons would have earned. The proposed reduction, is retained, will keep on the public-assistance rolls 700 persons who otherwise would be removed from the rolls if the larger fund were made available.

Mr. President, if for no other reason than the purely selfish one of economy, it is necessary that the amendment calling for a restoration of the fund be adopted.

Frequently we have heard great concern expressed by many Members of the

Senate regarding conservation of our great natural resources. I favor good, sound conservation policies; but, Mr. President, no conservation is more important than conservation of our human resources; and in no program of the Federal Government is there better conservation of our human resources than in the program carried on by the Office of Vocational Rehabilitation.

For instance, that Office is of very great assistance to those who have been crippled by accident or disease or at birth. The funds provided for this agency are used for the training of such persons, with the result that, rather than being wards of the States, they will be active members of our society and will take their full role in the productive capacity of the Nation, will pay taxes into the Federal Treasury, and will have all the dignity our great Nation affords its individual citizens.

Thus, Mr. President, the cut recommended by the Appropriations Committee will not result in economy. On the contrary, it represents a spendthrift policy.

Therefore, Mr. President, I sincerely hope the committee will see fit to accept my amendment.

In the committee report I notice that one of the reasons stated for the committee's recommended reduction of $1,500,000 in the item for this program is that the committee felt the States themselves could contribute more to the program. Mr. President, by Federal statute the Federal Government assumes responsibility for the entire administrative costs and for the counseling costs, and the States assume responsibility, on a 50–50 matching basis, for certain other services. If we wish the States to assume greater responsibility in connection with the program, we should amend the statute under which this service is provided. But the Federal Government should not assume this responsibility and then attempt to chastise the States because they do not provide the funds the Federal Government said it would provide under the enacting legislation. So, Mr. President, I sincerely hope the Senate will see the wisdom of restoring the funds as proposed in the amendment.

Mr. HUMPHREY. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. I am very happy to yield to the Senator from Minnesota.

Mr. HUMPHREY. I may state to the Senator from Michigan that he has performed a very great service to the Senate in bringing out the great economic as well as the human importance of the appropriation for vocational rehabilitation. If the record is examined, I am sure it will be found that the funds which are placed in rehabilitation programs actually pay tremendous economic dividends, as well as large dividends in the form of human welfare. The Senator from Michigan has pointed out that cutting the item in question represents a spendthrift policy rather than a sound economic policy, because without Federal vocational rehabilitation, as the Senate must know, county after county, State after State will have a tremendous burden of public assistance for those who are handicapped. The vocational rehabilitation program has restored fine citizens to useful and gainful employment and production, has made them self-sustaining, and, in fact, has fulfilled some of the most vital needs of American industry.

I recall, for example, that some of the programs involve delicate-instrument making which has to do with a kind of industrial capacity which is hard to obtain in this country. The vocational rehabilitation program has been responsible for the training of more specialists in delicate instrument manufacturing and other delicate work than any other single program which the Government supports. The Defense Department, in connection with another appropriation bill, praised the industrial rehabilitation service for having provided much-needed manpower from among those who were handicapped who were being given training in order that they might fill a need in particular areas of American industry.

The Senator from Michigan has indeed a very good amendment. Not only should the amendment be adopted, but, as the Senator pointed out, it was agreed in the House overwhelmingly that the amount of the Budget figures should be restored by a bipartisan vote on the part of Members of the House who know what this program provides, and who will surely support it.

Mr. POTTER. I thank the distinguished Senator from Minnesota for his comment. I may say that for every dollar spent on this program $10 is returned to the Federal Treasury.

Mr. SCHOEPPEL. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. I yield to the distinguished Senator from Kansas.

Mr. SCHOEPPEL. I wish to say to the distinguished Senator from Michigan that the program to which he has referred is very important. I have received many inquiries from my State indicating alarm over the cut in this appropriation and the resulting injurious effects it would have upon the rehabilitation program.

I know that in other more densely populated centers the percentage of handicapped persons is increasing quite noticeably, and in those centers there is a strong demand for the continuation undiminished of this program, but even in my State of Kansas, where it is viewed better from an impartial standpoint, there are many who are alarmed by this cut.

They point out that Congress is very generous in the appropriation of funds for use in other countries of the world, indeed, that we have stood at the front with respect to such matters in other parts of the world. They emphasize that it would be false economy for us to ignore the vital need for vocational rehabilitation to which the Senator has adverted so eloquently on the floor of the Senate. I feel constrained to support the amendment of the Senator from Michigan, and I shall do so.

Mr. POTTER. Mr. President, the comments made by the Senator from Kansas are very timely. Our Government is spending more money on vocational rehabilitation in foreign countries than it is spending on a similar program in the United States of America.

Mr. STENNIS. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. I am very happy to yield to the Senator from Mississippi.

Mr. STENNIS. I certainly commend the very forceful presentation of this matter by the Senator from Michigan. As I understand, his amendment proposes only an additional $1,150,000, which will restore the House figure.

Mr. POTTER. That is correct.

Mr. STENNIS. If we are to reduce the figures for this year, or for any other year, should we not at least give one year's notice in advance, in order that the States or counties, if they are going to have to assume all the cost, may at least have an opportunity to make preparation for so doing?

Mr. POTTER. The Senator is entirely correct.

Mr. STENNIS. Without such notice, it would be impossible for the program to continue without interruption and without reduction.

Mr. POTTER. If this cut is allowed to stand, many of the States which through their legislatures, will have appropriated funds for matching purposes will find that the contribution on the part of the Federal Government has not been provided. In respect to some of the items, by act of Congress the funds are to be provided entirely by the Federal Government, and in such instances the State will either have to pay for the services as to which the Federal Government has said, "We will take care of these, ourselves," or they will have to return the money to their own treasuries.

Mr. STENNIS. Merely from the dollars-and-cents standpoint, the returns from the vocational-rehabilitation program are so great that the Senator from Mississippi feels certain that anyone who really acquaints himself with all the facts will be tremendously impressed, and will strongly support the Senator's amendment.

Mr. POTTER. I thank the Senator.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. POTTER. I am very happy to yield to the Senator from Oklahoma.

Mr. MONRONEY. I should like to associate myself with the remarks of the distinguished Senator from Michigan, in his excellent presentation of the subject covered by the amendment, not only as an important humanitarian consideration, but also a great economic program. The figures I have show that more than 2 million people in this country are so badly handicapped as to be unemployable, but if given proper rehabilitation, they would become self-sustaining, self-supporting, and taxpaying citizens, producing in their own right.

Furthermore, I am informed that to this number of 2 million there are added each year 250,000 people who become disabled because of industrial accidents, automobile accidents, or other misfortunes. So there is an increasing total, of whom, under present programs, and even with the amount requested by the distinguished Senator from Michigan, it will be possible to rehabilitate through public, Federal, and State sources only 65,000 of the 2 million, plus the 250,000 each year who are being added to that

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number. All types of private agencies and private foundations are rehabilitating only about 35,000.

So, even with the proposed restoration of funds, which has been so ably advocated by the distinguished Senator from Michigan, we shall still be losing ground in our effort to restore the self-respect, self-esteem, and ability to support our Government in time of crisis, both with their hands and with their minds and also with their taxes, those who constitute this valuable reservoir of people who today are unemployable because no one paid enough attention to their rehabilitation.

On top of that, Mr. President, I should like to say that medical science each year is discovering new ways of restoring to useful life and productive capacity people who heretofore have been considered completely and totally and permanently disabled. This is true of the paraplegics. Some veterans are suffering from injuries which are taken care of by the Government itself; but there will be other cases in civilian life that cannot be taken care of in that manner.

As medical science makes new steps in its progress, I think it is pathetic that the Congress of the United States and this great Government of ours, cannot find sufficient funds to enable it to help carry this program forward on an advancing front, rather than on a retreating front.

I should hate to look into the faces of the 3,200 persons who will be arbitrarily cut off from a useful life of production and happiness because the Senate of the United States would not restore the funds for which the President of the United States has asked, which the House of Representatives has provided, and which I believe a majority on both sides of the aisle in the Senate would like to see restored.

I should like to read to the Senate the amounts paid out to disabled persons:

One hundred and forty million dollars is paid annually to 140,000 disabled breadwinners of 370,000 dependent children; $92 million is paid annually to 159,000 permanently and totally disabled adults; $63 million is paid annually to 96,000 needy blind; $100 million is paid annually for general assistance to 180,000 disabled men and women.

There we have a list, Mr. President, totaling in excess of $300 million, yet we are asking that only $23 million be spent to help to trim down the costs which will go on and on for 30 or 50 years, whereas money spent to rehabilitate disabled persons not only takes them off the list for permanent relief but adds to those who will help to carry the load for other disabled persons who have not been rehabilitated.

Mr. POTTER. Mr. President, I wish to thank the Senator from Oklahoma for his eloquent comments regarding this amendment. I should like to emphasize a little bit what the Senator has stated. We are merely scratching the surface in the great conservation program which we are discussing today, and even if the full amount were provided, we would be only holding our own. So, Mr. President, I sincerely hope that the Senate will see fit to adopt my amendment.

Mr. KERR. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. I yield.

Mr. KERR. Mr. President, I am happy to associate myself with the Senator from Michigan in this very worthy amendment.

Recently a survey, which was made in four counties in Oklahoma by the joint staffs of the Department of Public Welfare and the Vocational Rehabilitation Division, developed some very interesting facts. According to that survey, 1,000 families in the State were receiving aid for dependent children because the heads of the families were disabled. In each case the family could be removed from the status of having dependent children on the rolls if vocational rehabilitation were made available to the head of the family. On the average, these families have been on public-assistance rolls for a period of approximately 3 years, and it is estimated that if $500,000 had been expended in rehabilitation 3 years ago, it would have resulted in the saving of approximately $5 million.

As I recall, there are approximately 5 dependent children, on the average, for each 2 disabled heads of families. Assistance to the one who is disabled, making him a contributor to society instead of a recipient, a producer instead of one who is only a consumer, is of the utmost importance, but of equal importance is what it does for the children to have the confidence and the morale-building effect of knowing that their father, instead of being a disabled person, receiving aid and having to accept it for his dependent children, has become one who can hold his head up and his shoulders back among those who support their families and are upstanding, producing American citizens.

I think we should unhesitatingly support the amendment offered by the distinguished Senator from Michigan.

Mr. POTTER. Mr. President, I wish to thank the Senator from Oklahoma.

Mr. MURRAY. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. I yield to the distinguished Senator from Montana.

Mr. MURRAY. I wish to join with other Senators on this side of the aisle in favoring the important amendment offered by the junior Senator from Michigan, and I wish to commend him for coming to the aid of a program the value of which should be apparent to all Members of the Senate.

I understand that the House of Representatives, disagreeing with its committee, restored the full amount recommended by both President Truman and President Eisenhower. I sincerely hope this Senate will do the same.

Mr. President, everyone coming, as I do, from a State in which mining, one of the most hazardous of all occupations, plays such an important role, knows how desirable, how essential, and how valuable a strong program of vocational rehabilitation can be. But it should be equally obvious to everyone who has ever shown concern for a fellow man stricken by accident or disease and forced suddenly to learn a wholly new way of living and of working, or to become miserably dependent on others. If this were a program which called for an outlay of millions and promised not a penny in return, I would nonetheless insist that we appropriate for it every dollar that could conceivably be used effectively. Our humanitarian instincts, our sense of human decency, and our recognition of the fact that it is only through the grace of God that any one of us here may have so far escaped the need for rehabilitation, should in themselves prompt us to vote the full appropriation without a moment's hesitation. But if there are those who feel that they are obligated to be hard-boiled and to think in terms of economy rather than humanity when we are considering budgets and appropriations, then I insist that they too should vote the full amount requested by the President. For if there ever was a program which returned to the taxpayer more than he has put into it, it is this program of vocational rehabilitation. Even the most penurious and flint-hearted observer must admit that when we spend a few dollars to help a man reestablish himself as a productive member of society; as a wage-earner or an independent businessman instead of a relief-recipient; as a taxpayer instead of a tax-consumer, we are money ahead. The record proves it.

I find the committee's explanation of why it wants to cut this program unacceptable, or, at the very least, ill-timed. It may well be that the States should be doing a great deal more in this field than they now are. I think they should. But if this Republican Congress thinks it can justify putting off any consideration of its pledge to expand social security and other programs until long drawn out studies of Federal and State relationships in the tax field are completed, then certainly it can put aside the temptation to cut this program until those same studies are completed.

I urge the adoption of the amendment.

Mr. HENNINGS. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. I yield to the senior Senator from Missouri.

Mr. HENNINGS. Mr. President, I am happy to join with the able and distinguished junior Senator from Michigan in support of the restoration of funds for vocational rehabilitation. Along with many others, I have always felt that this is a sound and worthwhile program and that it is, in a very real sense, an investment rather than an expenditure. The returns on the investment can be calculated not only in the salvaging of human lives but in terms of the ultimate reduction of public relief rolls and a return of income to our National Treasury from once helpless and disheartened men and women who, through vocational rehabilitation assistance, are able to become self-supporting, taxpaying citizens.

I should like to quote just a few sentences from several of the letters that have come to me urging support of this program.

From Kansas City I received the following:

We heartily endorse the Congress' program of reduction in governmental spending, but we feel that a cut in this particular program will mean increased cost to the Government because there will be a smaller number of people rehabilitated and these others will, in turn, have to be supported through direct

relief or other tax measures. Expenditures for vocational rehabilition are nonrecurring costs, and the recipients, in turn, become tax producing, and for that reason we feel such a proposed cut will defeat the purpose of the economy.

From Jefferson City, Mo., comes the following:

It is extremely important to the handicapped of Missouri that the full amount requested in the budget be allowed to vocational rehabilitation. Any substantial cut in the amount requested will mean that services cannot be extended to 271 blind persons who were awaiting service on March 31, 1953, in the State of Missouri. Vocational rehabilitation is self-liquidating, as handicapped people who are restored to useful employment return to the State and Federal Government in taxes many times the amount that is spent on their rehabilitation.

From St. Louis, Mo., come the following comments:

We work very closely with the office of vocational rehabilitation in both the State of Missouri and the State of Illinois. We train a large number of handicapped people for each of these organizations and I know how careful they are with the funds they have, in making them stretch and do the largest job possible. I also know of the hundreds of handicapped, people that need the services of these agencies, both in Illinois and Missouri, and have to be turned down because of lack of funds. * * * If we continue to cut the allocations for the office of rehabilitation, we will be adding more handicapped people onto the public aid, which is expensive in dollars and cents, but even more expensive in the cost to human personalities. When people want to become self-supporting individuals, we should give them the chance to get the training that is necessary so that they can quit being tax consumers and can start becoming tax contributors.

Mr. President, I ask unanimous consent to have printed in the RECORD a few of the letters and telegrams which stress the need for restoration of the funds for vocational rehabilitation, in line with the budget recommendations of the President.

There being no objection, the letters and telegrams were ordered to be printed in the RECORD, as follows:

NEW YORK, N. Y., *July 6, 1953.*
Hon. THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.

DEAR TOM: I urge your full support of appropriations for the Office of Vocational Rehabilitation coming up for vote today. Casting aside all humanitarian and social implications of this program, I know of no expenditure by the Government which pays such direct returns to the Government by converting disabled persons, many of whom are on public assistance, into employed, tax-paying citizens. Many thanks.

HOWARD A. RUSK, M. D.

HANNIBAL, MO., *June 30, 1953.*
Senator THOMAS C. HENNINGS, Jr.,
Washington, D. C.:

The vocational rehabilitation bill, H. R. 5246, is now before the United States Senate. We need the appropriation as designed by the House bill. Will you give this bill your earnest consideration?

Dr. D. F. GILLOOLY.

KANSAS CITY, MO., *June 29, 1953.*
Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.:

We have just been informed that the appropriation for vocational rehabilitation has been cut in the Senate Appropriations Committee. We earnestly hope that you can help restore this to the original appropriation and refer you to our letter of May 26 outlining why we feel this bill of vital importance not only to the disabled but to our economy.

HOMER E. PARIS,
President, Rehabilitation Institute.

JEFFERSON CITY, MO., *June 29, 1953.*
Senator THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.:

Rehabilitation funds to States being cut 5 percent. An amendment being offered to restore this cut back to original recommendation of $23 million. Would appreciate your support in this matter. Thanks.

MARY KROWN,
State of Missouri Department of Education.

HANNIBAL, MO., *June 30, 1953.*
Senator THOMAS C. HENNINGS, Jr.,
Washington, D. C.:

House bill 5246 relative to vocational rehabilitation is now before the United States Senate. This bill carries the appropriation needed for rehabilitation services. Will you give your earnest consideration to the bill as presented by the House?

B. L. MURPHY.

THE REHABILITATION INSTITUTE,
Kansas City, Mo., May 26, 1953.
Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR HENNINGS: With a great deal of concern we learn that the appropriation for vocational rehabilitation has been recommended for a cut of some $2,400,000 from the proposed budget figure and some $600,000 from the previous appropriation.

As a nonprofit agency providing services through a rehabilitation center, we have worked closely with the Vocational Rehabilitation Division in both Kansas and Missouri and know how much the service means to the welfare of these States. We heartily endorse the Congress' program of reduction in governmental spending, but we feel that a cut in this particular program will mean increased cost to the Government because there will be a smaller number of people rehabilitated and these others will in turn have to be supported through direct relief or other tax measures. Expenditures for vocational rehabilitation are nonrecurring costs and the recipients in turn become tax-producing, and for that reason we feel such a proposed cut will defeat the purpose of the economy.

It is necessary to depend on vocational rehabilitation to provide physical restoration and vocational training not possible through any other source, and at the present time we can cite disabled persons who cannot be served in Missouri until after July 1 because funds have been exhausted for this year. With a backlog of cases like that, new patients referred through 1954 may not be served because the funds have already been allotted to these old cases.

In order to point up the seriousness of the problem both socially and economically we would like to quote Dr. Howard Rusk, one of the nationally known authorities in the field of rehabilitation, who says that there are now some 28 million disabled persons in the United States and we are adding by disease and accident from 400,000 to 800,000 a year. Unless an all-out program of rehabilitation is carried on, by 1980 every able-bodied person will be supporting 1 chronically ill, 1 seriously disabled, and 1 aged person either through taxes or other means. This is a staggering picture, but not an impossible one to solve if both the State and Federal Governments, together with many private agencies such as ours, work together.

The Federal Office of Vocational Rehabilitation has given leadership to the States, and many local centers have been organized with their guidance and a limitation of funds will hamper the development of local programs that will in time lighten the load on the Federal level. Therefore we feel very much that, if anything, appropriations should be increased rather than decreased for a program that in the long run pays for itself.

We have brought this information to your attention because we wanted you to know how important the Board of Directors of the Rehabilitation Institute feels the work of vocational rehabilitation is to this State and to the country as a whole. We earnestly hope that you will give this program serious study and add your assistance, if you feel the program warrants your support. We will appreciate hearing your views.

Very sincerely,

HOMER E. PARIS,
President.

GOODWILL INDUSTRIES,
St. Louis, Mo., May 28, 1953.
Hon. THOMAS C. HENNINGS, Jr.,
United States Senate,
Washington, D. C.

DEAR SENATOR HENNINGS: I read in the daily paper with considerable alarm the notice that considerable criticism had been heaped on the Office of Vocational Rehabilitation and that the budget for that organization had been cut very materially below the figure President Eisenhower had set.

As you know, our organization is a private welfare organization in the field of rehabilitation and this last year had over 500 handicapped people come to our plant, received work and training, and over 300 of these are holding down self-supporting jobs in regular industry.

We have rather a remarkable record in our organization that for every dollar given to us we have been able to pay out enough wages to handicapped people while they were working for us so the withholding tax we took out for Uncle Sam amounted to $1.20. When we consider the amount that is earned by the individual in regular industry after his rehabilitation, it means that Uncle Sam gets back in withholding tax nearly $30 for every dollar we receive in donations.

During the current 2 years, our Goodwill Industries in Kansas City and St. Louis will spend more money in wages and training for handicapped people than the combined Federal and State grants for the State of Missouri.

I tell you this not to boast as to how much we are doing, but to bring to your attention the inadequacy of the present appropriation that is being allowed for rehabilitation services.

We work very closely with the Office of Vocational Rehabilitation in both the State of Missouri and the State of Illinois. We train a large number of handicapped people for each of these organizations and I know how careful they are with the funds they have, in making them stretch and do the largest job possible. I also know of the hundreds of handicapped people that need the services of these agencies both in Illinois and Missouri and have to be turned down because of lack of funds.

One very simple example is: There are a tremendous number of people being graduated from Koch Hospital in St. Louis. As they leave the hospital, they are arrested cases of TB and many of these folks, when placed on a job, fail. I believe national figures show that only 23 percent are successful in their first job, something like 53 percent are successful on their second job, and about 87 percent are successful on their third job. We have been trying to work out a system whereby these folks could be brought to Goodwill Industries and be given a 30- to 60-day work-hardening program that would get their habits changed from those of a hospital patient to an employee and would place self-confidence back in them again. Everyone sees the need for the pro-

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gram and wants to go ahead with it, but with the limited funds available, it has been impossible. As a result, these people are not only failing to become self-supporting citizens, but are going through all the discouragement and heartbreak that goes along with getting a job and getting fired from it, knowing you are a failure.

The cost in our State of keeping a person on relief is approximately $750 a year. The cost of rehabilitation runs approximately $500. There are thousands of people on our relief rolls today that, if given the opportunity for proper rehabilitation, could become self-supporting individuals and could be contributing to the Treasury of the United States, rather than drawing from it.

If we continue to cut the allocations for the Office of Rehabilitation, we will be adding more handicapped people on to the public aid, which is expensive in dollars and cents, but even more expensive in the cost to human personalities. When people want to become self-supporting individuals, we should give them the chance to get the training that is necessary so that they can quit being tax consumers and can start becoming tax contributors.

I hope you will do all in your power to see that this action is reversed and that the amount allocated to the Office of Vocational Rehabilitation is returned to the figure recommended by President Eisenhower.

On behalf of all the handicapped people here in our State, I urge you to do everything in your power to bring about this action.

R. C. ADAIR,
Executive Director.

DIVISION OF WELFARE,
STATE DEPARTMENT OF PUBLIC HEALTH AND WELFARE,
Jefferson City, Mo., May 18, 1953.

Hon. THOMAS C. HENNINGS, Jr.,
Senate Office Building,
Washington, D. C.

DEAR TOM: The Labor-HEW appropriation bill for 1954, reported to the House Friday, May 15, carries $20,600,000 for vocational-rehabilitation grants to the States, a reduction of $2,400,000 below the budget and $1,650,000 below the present appropriations.

It is extremely important to the handicapped of Missouri that the full amount requested in the budget be allowed to vocational rehabilitation. Any substantial cut in the amount requested will mean that services cannot be extended to 271 blind persons who were awaiting service on March 31, 1953, in the State of Missouri.

Vocational rehabilitation is self-liquidating, as handicapped people who are restored to useful employment return to the State and Federal Government, in taxes, many times the amount that is spent on their rehabilitation.

The present appropriation requested by the Division of Welfare for the coming biennium has increased the amount of State funds to match Federal funds for case services, from $25,000 to $50,000 per year. We will deeply appreciate your help in restoring the proposed cut in Federal funds.

Very sincerely yours,

PROCTOR N. CARTER,
Director, Division of Welfare.

Mr. THYE. Mr. President, will the Senator from Michigan yield?

Mr. POTTER. I yield to the distinguished chairman of the subcommittee.

Mr. THYE. In support of the committee's action I can only state that it was not taken because the committee did not have a heart. I know they had a heart, because the matter was discussed at some length. But it was felt that the States had not made the contribution to this very worthy program they should have made. The Federal Government has carried 67.67 percent of the expenses of the program. The committee endeavored to express this thought by recommending a reduction in the appropriation.

But I may say to the junior Senator from Michigan that I personally share the same feelings and thoughts he has expressed concerning vocational rehabilitation. Therefore, I will agree to accept the amendment, and that will end the matter.

Mr. POTTER. I thank the Senator from Minnesota.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

ORDER FOR RECESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it take a recess until tomorrow at 12 o'clock noon.

The PRESIDING OFFICER (Mr. DUFF in the chair). Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, I should like to make an announcement of the legislative program. It will not take more than a minute or two. The only reason I interrupt at this time is that there is a meeting of the Foreign Relations Committee, which is now in conference on the mutual aid bill, and I am due at the conference.

I have supplied this information to the secretary for the minority, to be transmitted to the Senator from Texas [Mr. JOHNSON], and I preliminarily discussed it with the Senator from Texas prior to our policy committee meeting today.

After the pending appropriation bill is disposed of—and it is the intention of the acting majority leader to have the pending bill finished today, if that be possible, even if it be necessary to hold a night session—we intend to take up a number of bills which were passed over on the Consent Calendar and to which various Senators have requested that consideration be given. They will be taken up in the following order, if Senators care to make a note of the calendar numbers:

First, Calendar No. 496, Senate bill 2277, to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France.

Next, Calendar No. 494, Senate bill 2038, a bill to amend the act approved July 8, 1937, authorizing cash relief for certain employees of the Canal Zone Government.

Next, Calendar No. 395, Senate Resolution 115, increasing the limit of expenditures for the Select Committee on Small Business.

Next, Calendar 153, Senate bill 16, to amend the immunity provision relating to testimony given by witnesses before either House of Congress or their committees. I invite the attention of the distinguished Senator from Nevada [Mr. MCCARRAN] to that bill.

Next, Calendar No. 389, Senate bill 1396, to authorize the adoption of certain rules with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes, to which I invite the attention of the Senator from Colorado [Mr. JOHNSON].

Next, Calendar No. 478, Senate bill 2239, to amend the Atomic Energy Act of 1946, as amended.

We would not want to be held precisely to taking the bills up in that order. I am assuming that Senators who are to handle the bills will be available, and we should like to take them up in that general order. There might be some variation of the order.

As soon as the emergency drought bill is ready, and the report has been printed, we shall be prepared to give it priority over any of the proposed legislation to which I have referred.

Mr. AIKEN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. AIKEN. Mr. President, I do not know whether we shall have the report ready to print tonight. If not, it will be ready to be printed tomorrow, and by tomorrow night I think we shall be able to report a wheat allotment and quota bill which has to be acted upon this week if it is to meet the deadline of July 15.

Mr. KNOWLAND. Mr. President, I will say to the Senator from Vermont that we will be prepared to give those bills the necessary priority if and when they are ready to be taken up by the Senate.

Mr. President, I should like to direct the attention of the Senate to the treaties which are on the Executive Calendar.

From tomorrow on the Senate should be prepared to take up treaties. Two groups of treaties are listed, the first having been reported under date of July 2, 1953, dealing with debt settlements and taxation. It is the second group the Senate should be prepared to consider and act upon first. Subsequent to that we shall take up the first group of treaties, which are the so-called status of forces agreements. They would be next in order.

I understand the Committee on Appropriations will have a meeting tomorrow to consider the second independent offices bill. I hope the bill will be reported by the committee tomorrow, and that the Senate will be prepared to take it up on Saturday.

I serve notice that the Senate should be prepared to hold Saturday sessions from now until the date of adjournment, which it is hoped will come approximately in the period around July 31 or August 1. In order to meet that date the Senate will be required to hold evening sessions, and Saturday sessions as well.

However, because a number of Senators have asked about it, and since it is proposed to take up next the group of bills to which I have referred, when action is completed on the present appropriation bill, I would not expect the Senate to continue in session to a late hour this evening unless action has not been completed on the appropriation bill, in

which case we shall continue in session until the bill is passed.

Tomorrow being the day when it is proposed to consider the group of bills I have mentioned, which I hope will not entail prolonged discussions, it is not planned to hold an evening session Wednesday. But if Senators would arrange their plans accordingly, it may be necessary to hold evening sessions on Thursday and Friday, and depending on whether an appropriation bill is ready on Saturday, it may be necessary to meet all day Saturday, and perhaps into the evening. That is about as far in advance as I can now outline the program for the information of the Senate. However, with particular reference to the excess-profits tax and customs simplification measures, as soon as the House has acted and the Senate Committee on Finance has reported those measures to the Senate, the Senate should be prepared to find a place in the legislative program for consideration of those bills as well.

DEPARTMENTS OF LABOR, AND HEALTH, EDUCATION, AND WELFARE APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5246) making appropriations for the Departments of Labor, and Health, Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes.

Mr. HILL. Mr. President, on behalf of myself, the Senator from New Jersey [Mr. SMITH], the senior Senator from South Carolina [Mr. MAYBANK], the Senator from Mississippi [Mr. STENNIS], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Minnesota [Mr. HUMPHREY], the junior Senator from South Carolina [Mr. JOHNSTON], the Senator from Rhode Island [Mr. PASTORE], the Senator from Florida [Mr. SMATHERS], the Senator from Pennsylvania [Mr. DUFF], the Senator from Kentucky [Mr. CLEMENTS], the Senator from New York [Mr. LEHMAN], and the Senator from Montana [Mr. MURRAY], I submit an amendment, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 20, line 16, it is proposed to strike out "$60,000,000" and insert in lieu thereof "$75,000,000."

Mr. HILL. Mr. President, this amendment would provide $75 million for hospital construction, under the Hospital Survey and Construction Act. The amendment was not approved by the committee, nor was it really rejected by the committee, because the vote in the committee was a tie, 8 to 8.

I now offer the amendment in the strong hope that the Senate will resolve the tie and agree to the amendment, providing $75 million, as carried in the original estimate for hospital construction.

I had the honor, along with the former Senator from Ohio, Mr. Burton, of introducing the bill which became the Hospital Survey and Construction Act. Immediately after the introduction of the bill, Senator Burton, as we know, was appointed Associate Justice of the Supreme Court of the United States. It was at that time that our esteemed colleague, the distinguished majority leader, the senior Senator from Ohio [Mr. TAFT], lent his wise and able counsel to the development of the provisions of the bill, which became a law, and the drafting of regulations under the law.

The law and the result of the program have up to this time been an excellent example of bipartisan cooperation, with the major purpose of assisting the States to provide adequate hospital, clinical, and similar health services to all the people. It is an example of cooperation between the local communities, the States, and the Federal Government. Each of those partners has an important role to play in acquiring the hospitals and health facilities urgently needed by our country today. Under the law, the local community has the responsibility for leadership in the initiation of the projects, raising the matching funds, and determining the location and construction of the buildings. Finally, it has the responsibility for administration and control of the hospital when completed, without any form whatever of Federal control or interference.

The State has the responsibility of establishing the basic State plan. Senators may recall that under the law before any Federal funds can go to any State the State is required to make a survey of its hospital needs and its hospital resources; and, as a result of such survey, to develop a State plan for the construction of hospitals. That is to make sure that the money will be expended where it is most needed, and that the better part of wisdom will be followed in the location and building of the hospitals.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend from Minnesota.

Mr. HUMPHREY. First of all, I wish to commend the Senator for offering the amendment, which I strongly support.

It seems to me that one thing we ought to bear in mind when we discuss the Hill amendment for the additional $15 million is the fact that under the State plans there is a pretty general rule that State institutions for the care of the chronically ill—for example, those with mental illness, tuberculosis, or other chronic diseases—receive some priority under the limited funds for hospital construction. I want my colleagues to remember that if they are interested in a community hospital, a hospital in the town of ten or fifteen thousand, the general-purpose hospital. If they want such a hospital to receive Federal aid under the Hill-Burton Act, we shall have to appropriate the money for which the Senator from Alabama is asking.

I have just returned from my home State. I met with the hospital board in Willmar, Minn. I mention that to give an example in which the Senator may be interested. If the funds as now limited by the House action are all that are to be given by the Congress in the form of an appropriation, a large number of what we call regional or community general-purpose hospitals cannot be constructed because the State gives priority to mental institutions and other institutions which are needed for the chronically ill. So if we wish to take care of acute cases of illness in local communities, we shall have to support the Hill amendment or there will be no money. I think our colleagues ought to know that, because hundreds of communities are interested in the problem.

Mr. HILL. I thank the Senator for his contribution. I was just about to point out that each State, and not the Federal Government, determines the priority of the projects, and also determines the percentage of Federal participation in the cost of each project.

This law was enacted to provide aid to the States. It is not a Federal program. It is a program of aid to the States, leaving to the States the right and the power to make most of the decisions. The Federal Government prescribes certain minimum standards, but I emphasize the word "minimum." Even in fixing those minimum standards, the United States Public Health Service must have the approval of those standards by the Federal Hospital Council, which, as the Senator knows, is composed of people from all over the United States, representing various fields of endeavor and different schools of thought. We have thrown every safeguard around the program to insure that it will be a State program.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. HILL. I yield.

Mr. HUMPHREY. The point I wish to make—and I think it is well taken, because of my own conversations and observations in the State of Minnesota—is this: As the Senator has said, each State has its own standards

Mr. HILL. Subject to minimum standards which must be met.

Mr. HUMPHREY. That is correct.

Mr. HILL. We had to establish minimum standards, to make sure that the program was properly carried out. However, the States determine the projects, and they determine the priorities.

Mr. HUMPHREY. That is correct. My point is that there is a great deal of pressure on the States to take care of the chronically ill, which is, of course, understandable, and a very worthy purpose. But in respect to my own State of Minnesota I suggest that, unless the funds which the Senator from Alabama is seeking by this very moderate amendment are forthcoming, a number of communities which have already raised their matching funds, communities which have already purchased land sites, and have already done what I call the stage 1 work, will not be able to participate. Senators ought to know that, as it applies to their respective States.

Mr. HILL. Not only have many communities selected sites and perhaps purchased land, but many of them have issued bonds on which they must pay interest. Many of them have levied special taxes for the purpose of building hospitals. In other words, the States have assumed burdens for the construction of the hospitals; and unless funds

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are available, they will not be able to build them.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. HILL. I yield.

Mr. HUMPHREY. If the House figure remains without the amendment which the Senator from Alabama proposes, a large number of the general-purpose hospitals in the local communities cannot be constructed. I think that is the point we need to make perfectly clear.

Mr. HILL. The Senator from Minnesota is absolutely correct. I thank him for the contribution he has made, and for emphasizing this point. The building of many of what might be called community hospitals will not be possible unless this amendment is adopted so as to provide the necessary funds. The distinguished Senator from Minnesota is one of the coauthors of the pending amendment. I thank him for his contribution.

Mr. McCLELLAN rose.

Mr. HILL. Mr. President, I now yield to another coauthor of the pending amendment, the distinguished Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I thank the Senator, especially for yielding to me at this time, because I may have to leave the Chamber at any moment to attend an important committee meeting scheduled for 3 o'clock this afternoon.

I wish to call attention to the fact that there are 52 hospital projects in the United States which will be denied funds if this amount of money is not restored. Fifty-two projects will be denied the Federal share of contribution for this year, although the States established the projects in anticipation that the Federal Government would provide this money.

The fact that the Bureau of the Budget has not recommended sufficient funds does not relieve us of our responsibility to carry out in good faith at least the moral obligation of the Federal Government to make funds available.

Mr. HILL. As the Senator knows, the original estimate of the Bureau of the Budget was $75 million. The act authorizes an appropriation of $150 million. The Congress has never yet appropriated less than the $75 million which my amendment now seeks to have appropriated.

Mr. McCLELLAN. That is true. Will the Senator further yield?

Mr. HILL. I yield further.

Mr. McCLELLAN. The States cannot proceed with these programs and make their plans without reliance upon the Federal Government. They make their plans in good faith, in anticipation that a reasonable appropriation will be made in order to enable them to proceed with construction.

The distinguished Senator from Minnesota [Mr. HUMPHREY] was referring to a particular type of patients for whom many of these hospitals are intended to provide service. I invite attention to the fact that in my State we are building a large State institution. The State has acted in good faith in raising its money and in making appropriations. The hospital is now under construction. It would be a breach of faith with my State—and I am sure that is true of other States—for the three projects not to receive their share of the Federal contribution, which they have every right to expect, and upon which the State relied when it started its program.

I may say that there are only three such cases in my State, according to the list which will be found at page 805 of the hearings. One of those is the University of Arkansas Medical Center. It is a State hospital that is being provided.

Mr. HILL. I think that is the most important type. It is the very fountainhead, so to speak, for the training of doctors and the training of nurses. Its effect is felt in every city, hamlet, and community of the State.

Mr. McCLELLAN. Next is St. Vincent's Infirmary. It is a Catholic institution which is building a marvelous hospital in Little Rock. They have in good faith made their plans on that basis. Then there is another one at Hope, Ark. It is a small hospital.

As I have said, there are only three in my State, whereas in other States there are many more. In Georgia there are 10. Indiana, I believe, has six. Kentucky, I believe, has 11. So on down the line. While there are only three in my State, I say, since the Committee on Appropriations was equally divided on the question of whether these funds should be placed in the bill, that very fact makes one of the strongest appeals to us as the representatives of the people, who themselves, as taxpayers and whose communities have met their share of the responsibility. Therefore, it behooves us to meet our responsibility and make sure that the program is carried on. Certainly in the case of the projects that are listed it would be a terrible burden to deprive them of these funds now.

Mr. HILL. I thoroughly agree with the Senator from Arkansas. I want to emphasize everything he has said and to thank him for his very fine contribution.

Mr. McCLELLAN. I wish to say, too, that I must leave the floor for a committee meeting, but I hope to return before the debate has been concluded.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HILL. I am glad to yield to the Senator from Oregon.

Mr. MORSE. I wish to associate myself with the remarks made by the Senator from Arkansas, and I want to assure the Senator from Alabama that he certainly has my support for the amendment he has offered.

I should like to call attention to a very interesting fact with regard to our fiscal policy. We have no hesitancy at all in providing a $3 billion subsidy for the private utilities of America in the form of a tax-amortization program, which is merely a nice technical way of saying what many people do not understand, namely, that we, the taxpayers, are building for the private utilities their plants and giving the plants to them, to the tune of $3 billion. Yet we must make a fight on the floor of the Senate, to get this very small appropriation, comparatively speaking, for human welfare and for the protection of the sick, and to help those who are hospitalized, and to carry out what I think is the clear duty and function of our Government, namely, the placing of human values above the material values of private utilities, for example.

Of course, the fact that we have to make this kind of fight on the floor of the Senate to protect human values is only one of the many examples that can be cited to show how material values are placed above human values.

Mr. HILL. Mr. President, I thank the distinguished Senator from Oregon for the very strong argument which he has made in favor of the amendment, and his fine contribution to the debate.

Mr. MAYBANK rose.

Mr. HILL. Mr. President, I yielded to my distinguished friend from Arkansas because he had to attend a committee meeting. Unless Senators are under great pressure, or feel they must leave the floor, I would appreciate it if they would wait until I have continued with my remarks. I had hardly started speaking when I was asked to yield. I would appreciate it if Senators would permit me to proceed to the point where I begin to refer to the various States and what would happen if my amendment were not adopted.

Mr. MAYBANK. I merely wish to say that harm would be done to all the States.

Mr. HILL. I appreciate that fact.

Mr. MAYBANK. To the whole United States.

Mr. HILL. That is correct.

Mr. MAYBANK. I shall await the Senator's remarks.

Mr. HILL. The Senator is correct. Not only would harm be done to the several States, but harm would also be done to the whole United States of America.

Mr. MAYBANK. And to all the people.

Mr. HILL. The Senator is exactly right.

Mr. President, it is significant to note that the Hill-Burton program began as a 5-year program in 1946; was extended on October 25, 1949, by Public Law 380 in the 81st Congress to June 30, 1955; and currently, the Senate last month passed the bill introduced by the Senator from Ohio [Mr. TAFT] and myself to extend the program to June 30, 1957. In the House, the extension for 2 years as provided in the bill introduced by Representative OREN HARRIS, of Arkansas, has been acted on favorably by the Interstate and Foreign Commerce Committee of that body.

Every one of my colleagues in the Senate has had not one but many hospitals and health facilities constructed in his State under the program. All of us have constituents whose health has been restored, whose lives have been bettered and in many cases saved because of these "houses of mercy." Judged from every criteria of worth, we must continue to preserve at a high level this program of good health, good economics, good security, and good faith and trust in each other. It has been carefully administered by able officials at State and Federal levels, acclaimed by the majority of our citizens in the local communities, recognized and incorporated into the legislative records of all of our States and Territories, and copied and emulated by foreign nations.

In that connection, all of us know that one of the finest programs in which the Federal Government has ever participated and one that has contributed much to the welfare of the people of the United States is our public roads program.

I understand that the cost of administration of that program has been approximately 3 percent. The cost of the administration of the hospital program has been less than 1 percent. That shows how efficiently and how well and how economically the program has been administered at the Federal, State, and community levels.

In an effort to evaluate the program after 6 years of operation, the board of trustees of the American Hospital Association directed its council on government relations to conduct a series of four regional conferences during March, April, and May 1953. Two-day conferences were held in Washington, D. C., for the northeastern area; in New Orleans, La., for the southern area; in Salt Lake City, Utah, for the western area; and in Chicago, Ill., for the central area of the United States. The conference participants were delegates from the hospital field in each of the 48 States and directors of the official State areas. These conferences were an honest search for the values and criticisms of the program. Facts and opinions of those persons who were closely associated with the operational aspect of the program and of those persons who were authorities in the hospital field but not connected with the program were freely presented, critically examined by the group, debated, and voted upon in the conference.

The following conclusions can be drawn from the expressions of the conferences:

First. There has been wide community acceptance of the principles of the Hospital Construction Act; it is one of the most popular domestic programs in which the Federal Government has ever participated, and local citizens' interest in providing good hospital services has been greatly stimulated and furthered, with a wide measure of community participation.

Second. For the first time in our history there has been statewide planning.

Third. Improved architectural design—more important in a hospital than in any other building.

I remind Senators that there is no other building in which architectural design is quite so important as it is in a hospital. Fumes from a kitchen or from a leaky valve cannot be permitted to enter a hospital operating room. Hospitals must have the best possible architectural design. Great improvement in their design has come about because of the work which has been done under this program.

Fourth. State licensure and improved hospital standards.

Fifth. Priority and assistance to many communities that otherwise would not have a hospital, and great efforts to meet the health needs of areas without facilities.

Sixth. Means of helping rural communities to attract and maintain physicians. Many communities that could not get a physician or have an adequate number of physicians because they had no hospital, now have the physicians they need.

Mr. President, we know that today, after a young physician has made the investment which is required of him in the way of education—after he has spent a number of years in obtaining an academic education, education in a medical school, and education through internship and hospital residency—he is unwilling to waste his ability in a community which is without the tools which he must have if he is to do his best work. He cannot have such tools unless a hospital is available. Therefore, nothing is more important than a hospital in enabling a community to have the services of competent physicians.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Alabama yield for a question on this point?

The PRESIDING OFFICER (Mr. DUFF in the chair). Does the Senator from Alabama yield to the Senator from New Jersey?

Mr. HILL. Mr. President, I yield to the distinguished senior Senator from New Jersey, who is a coauthor of the pending amendment, and also is chairman of the Committee on Labor and Public Welfare, which has jurisdiction over hospital and health matters.

Mr. SMITH of New Jersey. Mr. President, in a few minutes I shall address the Senate on this subject. Meantime I inquire whether the Senator from Alabama agrees that it is a fact that the increased number of hospitals provide additional facilities for young doctors to obtain the necessary training, through internship, and thus expand the facilities for the development of adequate medical care in the Nation?

Mr. HILL. Mr. President, the Senator from New Jersey has made a good point, and I thank him for it.

Seventh. Good planning in the location of facilities has assisted in better distribution of doctors and other health personnel. That is the very point the Senator from New Jersey has just made. A great contribution has been made to the quality of patient care, improving the physical health and resultant economic well-being to both individuals and to communities, with the standards of health care in communities substantially raised.

Eighth. Early diagnosis of disease and better preventive medicine in health centers and hospitals.

Mr. President, as the Senator from New Jersey knows, in addition to the construction of hospitals, more than 400 centers for the early diagnosis of disease and for better preventive medicine have been constructed.

Ninth. Reactivation of inactive professional hospital personnel, especially nurses. Considerable numbers of professional personnel have come out of retirement, to work in the local hospitals. Nurses, for instance, who would not go to a city to work, have been willing to serve and work in the hospital in their own community. The new hospitals are training large numbers of new hospital personnel and are helping to relieve the shortages of health personnel.

Tenth. Costs have been in line with the costs of other hospitals not built under the program, and considerably lower than hospitals built entirely by the Federal Government—such as veterans' hospitals and hospitals for the Indians. I emphasize the point that the hospitals built under this program have been much lower in cost than have such federally built hospitals.

Eleventh. The existence of the program is insurance against socialization of health services, since the community itself is required to participate in the construction cost, and is further required to maintain the hospital after it has been built.

In other words, instead of a program of socialization by the Federal Government, under this program the responsibility, control, administration, and authority are vested in the local community, right at the grassroots. In that way, and by providing for hospital care and for better medical care for the people, and by making such care much more available to all the people, we are effectively combating any so-called socialized medicine programs.

Mr. President, we have the problem of meeting the needs of our people for hospitalization and for medical care. Socialized medicine cannot be defeated simply by denouncing it. The way to defeat socialized medicine is by meeting the problem. That is exactly what we are doing by building these hospitals. In that way we are cutting the ground from under any movement for socialized medicine.

Twelfth. The construction of the hospitals has greatly stimulated enrollment in voluntary prepayment plans, such as Blue Cross, Blue Shield, and hospitalization insurance. Many hospitals have given great encouragement and help to enrollment in the voluntary plans, and have contributed much to lessening the demand for socialized medicine.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield.

Mr. HUMPHREY. I am delighted to have the Senator from Alabama bring this matter to the forefront, because he was very active in the furtherance of the voluntary hospitalization insurance program, such as the Blue Cross, and the voluntary prepaid medical-care program, the Blue Shield. They are only two of many private programs of that sort; but in the main, all of them are dependent upon the availability of a hospital and adequate clinical facilities. It will be impossible to promote voluntary health insurance and prepaid medical care on a voluntary basis unless the necessary hospitals are available.

Mr. HILL. Mr. President, the Senator from Minnesota is entirely correct. What good would health insurance be if the necessary medical facilities were not available? There must be both.

Mr. HUMPHREY. Is it not true that in many of the smaller communities or in the areas which sometimes are referred to as rural, the greatest shortage of doctors and the greatest shortage of health facilities exist? Therefore, in connection with the attempt to meet the health and medical needs of the people of those areas, the establishment of a proper hospital may mean the difference between proper medical care and

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no medical care, particularly in view of the shortage of doctors.

Mr. HILL. That is entirely correct. Many of our hospitals have been integrated with voluntary prepayment programs—for instance, the so-called Blue Cross or Blue Shield. It has been in the interest of the patient and in the interest of the hospital to stimulate such programs and, insofar as possible, to tie them in with the hospitals. One of the best achievements of the program has been its stimulation and encouragement of voluntary health insurance.

Mr. STENNIS. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield to the distinguished Senator from Mississippi, who is one of the coauthors of the pending amendment.

Mr. STENNIS. As I interpret the schedules appearing on pages 805 to 807 of the hearings conducted by the subcommittee, I find that the increase of $15 million in the appropriation would not add any additional funds for the State of Mississippi under this allotment. However, I wish to point out, especially in reference to the matter the Senator from Alabama was mentioning, namely, the inability of rural counties to obtain a sufficient number of doctors unless some sort of program is made available, that in my home country only one new doctor located there since prior to 1920, until we had a hospital under this program. Since that time we have had an abundance of doctors, and we have a list of applicants. That has occurred because the facilities are available. The doctors there can practice their profession with every advantage which they could have in a large city.

At the time when the hospital was constructed, I thought it would be a liability and would place a great carrying charge on the county. We anticipated that there would have to be a heavy levy in order to subsidize the hospital. However, under the insurance plan, to which reference has been made, although the hospital is not yet fully self-sustaining, it is well on the way to being so. That is a fine illustration of the importance of the program. Without it the hospital would not be there.

Mr. HILL. That is correct.

Mr. STENNIS. Without the insurance program it could not have been self-sustaining. At this time everyone is cared for by facilities and hospitals staffed by well-trained doctors. Everyone is paying his way, and we are well on the way to a greatly improved condition, whereas, before that, to my personal knowledge, there was actually a lack of proper medical facilities, with no chance to get young doctors for the purpose of replacing those who were passing out of the picture.

I commend the Senator from Alabama for offering the amendment and supporting it so ably.

Mr. HILL. Mr. President, I may say I know of no Senator who has been more interested in this program or who has worked harder for it than has the distinguished Senator from Mississippi. I know that he bears testimony to the efficacy and the success of the program as the result of his personal investigations. I know that he has traversed his own State, visting the hospitals, to observe how the program is working. I thank him for his contribution.

Mr. MAYBANK rose.

Mr. HILL. I wonder whether I might be permitted to go a little bit further, since I am nearing the end of my remarks. I do not want to cut off my friend from South Carolina. He knows that he is my beloved friend.

Mr. President, I shall enumerate some of the assets of this program, as brought out in conferences which were held throughout the United States under the auspices of the Hospital Association.

Thirteenth. The next asset I desire to emphasize is one that has been mentioned before. It is the complete freedom of action by State and local hospital construction agencies, with States' rights preserved and absolutely no Federal control. Excellent Federal, State, and local community cooperation in solving needs in the area of hospital and health care.

I come now to the last asset to which I shall refer.

Fourteenth. An asset to civil defense in providing many hospitals outside of our big cities and our great, concentrated industrial centers.

With such manifold benefits to the States and to the people of the country, it is not surprising that since 1946 Congress has appropriated $542,500,000 for the Hill-Burton program, as follows:

Fiscal year 1948	$75,000,000
Fiscal year 1949	75,000,000
Fiscal year 1950	150,000,000
Fiscal year 1951	85,000,000
Fiscal year 1952	82,500,000
Fiscal year 1953	75,000,000

These Federal funds have been matched by over $1,100,000,000 in local or local and State funds. The program to date is one of $1,600,000,000. The funds have been matched by more than 2 to 1. The heavy burden has been borne, not by the Federal Government, but by the States and the local communities.

As of June 1, 1953, 2,078 hospitals, public health centers and related facilities had been approved—1,212 of these were completed, open and rendering a community service. Seven hundred and seven were under construction. The remaining projects were in the planning or drawing board stages.

These projects are adding 101,000 hospital beds and over 400 public health centers to our Nation's resources. Nearly three-fourths of the total projects are for general hospitals; 16 percent for public health centers; and the remaining 10 percent for mental, tuberculosis and chronic-disease hospitals. Over 1,200 or 59 percent of the projects are completely new facilities; 41 percent are additions, alterations and expansion of existing facilities.

Of the 900 completely new general hospitals being built under the program, 450 are located in communities that had no hospital facility, and 150 are located in communities where the only hospital was substandard and not acceptable.

Of the 1,200 new facilities, 56 percent are located in communities of less than 5,000 population. Fifty-seven percent of the new hospitals have fewer than 50 beds and only 21 percent have 100 beds or more. They are getting into communities that desperately need hospitals, but that have been unable to get them in the past. On the other hand, nearly 170 larger projects, such as teaching hospitals approved for intern and residency training are utilizing $91 million of the total Federal funds made available to date. Similarly, 21 teaching facilities at university medical centers in 18 States, which are the capstones of our entire State medical system, have been allocated over $23 million. The program, therefore, is not overlooking the needs of the larger institutions in their vital role of training physicians, nurses and other medical personnel and particularly for utilization in staffing the small hospitals and health centers.

The original surveys made by the States indicated that in the Nation there was a deficiency of more than 900,000 beds. Senators will recall that I mentioned the fact that these surveys had to be made before a single dollar could be spent within a State. While the program has added 101,000 beds to our hospital reservoir and while a substantial amount of hospital construction has taken place outside of the program, the need for beds has increased commensurate with population increases. The current State plan revisions indicate that our total needs today in hospital beds approach the 2-million mark, of which we have approximately 1,057,000 acceptable beds, and a deficiency of 850,000. Even when one takes into consideration the existence of 117,000 Federal hospital beds such as those administered by the Veterans' Administration and the Indian Service, our national hospital bed deficiency still stands at 733,000. Although substantial progress in constructing hospital beds has been made during the past 6 years, the Nation is still confronted with a tremendous hospital bed deficiency. While the progress made with respect to general hospital bed construction is gratifying, progress in meeting the specialized needs of chronic disease and mental disease beds in particular, has been slow. Increasing emphasis must be given to satisfying our needs for such specialized hospital services. Furthermore, the factors of increasing bed need due to population increase and obsolescence cannot be overlooked.

The population increase of more than 2 million annually has been estimated to require in excess of 24,000 beds. Approximately 6,000 hospital beds become obsolete and need replacement annually. Senators will recall that during the depression, during World War II, and during the defense period, very few hospitals were constructed. The result is that today our national hospital-bed deficiency still stands at 733,000, with 6,000 beds becoming substandard or unacceptable each year, and with 24,000 additional beds needed merely as a result of the increase in our population.

Occupancy rates are frequently quoted as direct evidence of the need of a community for a hospital. One must realize that many factors influence occupancy rates. A hospital built in a community which had a 100 percent occupancy rate immediately would indicate

that the community should have built a larger hospital. It is a well-known fact that the small hospital cannot expect high occupancy rates at all times because it cannot hope to provide all of the special services required in all types of cases. The Hill-Burton Act took cognizance of this fact when it included the principle of the base, regional and district hospital—ranging in size downward—in the Hill-Burton program. We must have available beds in all our hospitals if we are to adequately cope with the too-frequent highway accidents, emergency cases, disasters due to wind, flood, fire and disease, and epidemics. What would Massachusetts and other tornado stricken areas have done but for available hospital beds? I can assure you that today the hospitals in the city of Montgomery in the State of Alabama struggling with an outbreak of poliomyelitis are utilizing their beds.

Our hospitals like most of our public service institutions must be on a standby basis for any eventuality. I like a statement which is attributed to Assistant Surgeon General Frederick C. Smith, retired, of the United States Public Health Service. He wrote these words over 25 years ago when he had charge of the Division of Hospitals of that Service:

A hospital pays higher dividends in usefulness than any other public building. A department, bureau, agency, or court, post office or custom house is open only a third of each 24 hours and is closed 52 Sundays and many holidays each year. A hospital is never closed. Its lights are an eternal fire on the altar of service. Its door is never locked; its windows never darkened.

When vacation grass grows lush on silent schoolhouse grounds, the hospital knows no respite. While the cathedral drowses many days each week over empty pews, the hospital vibrates through every crowded moment with never-failing service to humanity. Through long, hot summer days and nights, as in winter storm and autumn blast, the hospital carries on. In public disaster, when other enterprise is dazed and crippled, the hospital never fails.

The best that is in men and women is brought out in the crises that try the soul. In operating room and ward is forged, in the fire of sacrifice and renunciation, the character that ennobles. Pious resignation, courage and generosity are here daily witnessed. To the hospital come both saint and sinner, the victim of wasting disease, of violence or of his own vicious habits. Whether they march to the drums of war or the pipes of peace, the sick and maimed seek refuge where pain is eased and life held sacred and find there, true to hospital traditions, not only scientific efficiency, but tolerance, kindness, and understanding sympathy.

In the planning for hospitals there are 34 of the 53 States and Territories phasing the construction allocation of Federal funds over several years. A project phased out in this manner is known as a "split" project. It is the only way in which a State, in many instances, due to existence of great need for hospitals, can acquire them with a small State allocation of Federal funds. In other States large teaching hospitals with many expensive technical equipment items require quite large sums to build and as a result are phased out over several years. There are certain types of hospitals we should not try to build. It takes much time to build them. They should be built very carefully.

Lack of a firm basis of known Federal assistance makes planning for hospitals and the allocation of Federal funds very difficult for the State agencies.

The representative of the American Hospital Association, Mr. A. V. Whitehall, testifying before the Senate Appropriations Committee a few days ago, declared:

We are disturbed, Mr. Chairman, about the suggestion that the current appropriation or the Hill-Burton bill should be curtailed. There are two major arguments against such curtailment.

First, it takes more than a year to plan a hospital project, raise funds in the community, and complete construction. As a matter of fact, community leaders may have 2 or 3 years of aggressive planning and fundraising before they can apply for Hill-Burton funds.

One strength of the Hill-Burton program has been its stability and continuity. The fact that community leaders can plan ahead and depend on the Federal Government for help has made long-range planning possible on projects that are most needed. In several States communities have raised funds and begun construction of hospitals anticipating that Federal funds would be available in an orderly manner.

Uncertainty and fluctuation in annual appropriations do severe harm to this orderly planning and discourage communities from building needed hospitals.

A second argument against curtailment of Federal funds is that, of all Federal programs involving use of Federal funds for hospital construction, the Hill-Burton program has unique features that we should encourage. It requires planning of the hospitals' location. It requires community participation in the cost of construction. A maximum amount of hospital construction is accomplished at a minimum cost to the Federal Government.

Why upset the program now, Mr. President, and leave it in confusion, doubt, and uncertainty, after it has succeeded so well?

Mr. PASTORE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to my distinguished friend from Rhode Island, who is one of the authors of the pending amendment.

Mr. PASTORE. Mr. President, I desire to congratulate the distinguished Senator from Alabama for the fine appeal he has made. The question which is disturbing me is, What reasons have been given for the reduction of $15 million? Is it a meat-ax cut, or is there some reason given for the reduction? Certainly, the need for hospitals is pressing, and the distinguished Senator makes a fine appeal for them.

Mr. HILL. I have found no sound or solid reason for cutting the program. I know of no reason why the program should be cut down. If any reason has been given in the hearings, I have not found it anywhere.

Mr. GORE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. GORE. Mr. President, I was very much pleased a few days ago to read an editorial which, in my opinion, paid true and proper tribute to the great service rendered not only to the State of Alabama, but to all America by the distinguished, able, generous, and good senior Senator from Alabama. Having followed the distinguished Senator in the past in his brilliant leadership in support of this program, I am very pleased now to follow his leadership in this legislative body.

He has made one of the most eloquent appeals it has ever been my privilege to hear. This is an extremely worthwhile program, one which has brought untold benefits already and which will continue to bring even greater benefits in the future.

Mr. HILL. Mr. President, I thank my distinguished friend from Tennessee for his more than generous and gracious words, and I express to him my deep appreciation for them and also for his fine words of support of the program and of the pending amendment.

Mr. CLEMENTS. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. CLEMENTS. Mr. President, I recognize the fact that the Senator from Alabama does not want to be questioned on certain phases of the subject——

Mr. HILL. I am just about to reach the part of my statement to which, I think, the Senator from Kentucky has reference.

Mr. CLEMENTS. I understood the Senator to suggest that there is a shortage of more than 700,000 beds.

Mr. HILL. The Senator is correct.

Mr. CLEMENTS. To continue this program at the rate of $50 million or $60 million a year, or to continue it at the figure which the Senator from Alabama is suggesting in his amendment, how many decades will it take to meet the requirements of the people of America for the necessary number of hospitals in the areas where they are most needed.

Mr. HILL. The Senator from Kentucky should take into account the fact that some hospitals become obsolete and unusable each year, and should also take into account the fact that additional hospitals will be required to meet the increase in population. I cannot tell how many decades it will take, but I am sure it will take a great many.

Mr. CLEMENTS. More decades than the Senator from Alabama would suggest that any Member of this body might be on this earth.

Mr. HILL. I do not think any Member of this body will ever see the program completed.

Mr. CLEMENTS. Mr. President, I should like to associate myself with the remarks of the Senator from Tennessee [Mr. GORE] when he paid his respects to the Senator from Alabama and expressed his appreciation for the very valuable work that had been done under the program which has been sponsored by the Senator from Alabama. To my mind, Mr. President, there is no grant-

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in-aid program that has done so much with so little dissension at the local level, the State level, and the national level as has this program. Later on I should like to discuss some matters pertaining to my State.

Mr. HILL. I wish to thank the Senator for his kind words and also for his excellent contribution.

On the basis of $60 million for the Hill-Burton program, as provided in the committee amendment, 10 States will be denied sufficient funds to cover the approved split projects in the coming fiscal year, 1954. Sixty-four communities will be adversely affected. These communities are all advanced in their planning or in their contracts and construction beyond the wishful thinking stages. They have spent local funds for architects' plans, some have issued bonds, some have levied taxes, and 45 of them have their projects under contract or actually under construction. They must have Federal funds to carry through to completion the hospital and health facility projects which have received approval under the program.

It seems clear, as the distinguished Senator from Arkansas [Mr. McCLELLAN] brought out earlier, that Congress has the moral responsibility, at least, to make certain that the States and communities are not hurt because of their reliance on the fact that Congress would not make an appropriation that amounted to less than half the $150 million authorized by the act.

As I have said before, Congress has never yet appropriated less than the $75 million provided in the pending amendment. In a number of years Congress has appropriated more than $75 million. The States to which I have adverted are Arkansas, Georgia, Indiana, Mississippi, New Jersey, Ohio, Rhode Island, South Carolina, Utah, and Kentucky.

In addition to those 10 States, 7 States, if the amendment is defeated, will receive less than $100,000 each for any new projects. In other words, the programs in those 7 States will almost come to an end. Those States are Arizona, Florida, Montana, New Mexico, New York, Vermont, and Virginia.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HILL. I yield to the distinguished Senator from New York. I have just spoken of the fact that his State, unless the amendment shall be agreed to, will get less than $100,000 for new projects.

Mr. LEHMAN. I may say to the Senator from Alabama that away back, long before I ever thought of coming to the Senate, he was one of the men of whom I had heard, whom I admired, and who was universally respected for his great service to the health and educational needs of the entire Nation. I am very happy, indeed, to associate myself with the remarks that have been made previously this afternoon.

I wish to ask the Senator from Alabama: Did not the original authorization call for an annual appropriation of $150 million?

Mr. HILL. That is true.

Mr. LEHMAN. I believe that for many years appropriations either reached that figure or came within a fair distance of it. Is it not a fact that the amount proposed to be appropriated by the committee amendment, if it is adopted, will be the smallest amount ever to be appropriated. I hope the Senator's amendment will prevail, but if Congress should appropriate as little as $60 million, would not that constitute substantially the smallest amount of money for hospital construction under existing legislation in the history of Congress?

Mr. HILL. It would constitute the smallest amount of money appropriated since the act was passed in 1946. Furthermore, I may say to the Senator that $60 million today is not what it was in 1946, when the act was passed. Instead of being $60 million in contemplation of the act, the amount would be perhaps $50 million, which would mean that Congress would be appropriating not more than one-third of what the act authorized.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. HILL. I yield to the Senator from New York.

Mr. LEHMAN. Is it not a fact that the need for hospital construction in many States of the Union such, for instance, as Alabama, New York, Arkansas, Tennessee, Kentucky, is certainly as great today as it has ever been in the history of the country, if not greater?

Mr. HILL. The Senator from New York is absolutely correct. I have sought to emphasize that by referring to the increase in population, to the large number of beds which become unusable each year by reason of obsolescence, and to the fact that for a long time, during the depression during the defense program before World War II, during World War II, and even during the Korean war, it has been necessary to curtail the construction of hospitals.

Mr. LEHMAN. Like the Senator from Alabama, I have been in public life for a great many years. With respect to virtually every activity I have observed during the 30 years I have been in public life, I have heard some criticism. It may not have been justified criticism, but at least I have heard some criticism of one activity or another, of this point of view or that point of view. However, I am happy to be able to say that in all the years my memory takes me back, I have never heard any criticism raised against the Hospital Construction Act or any question raised with regard to its value. Is the Senator from Alabama not in agreement with that point of view?

Mr. HILL. I have heard no valid criticism and I think there has been no valid criticism of the act.

Mr. LEHMAN. I am willing to go a step further and say that I have never heard any criticism from thinking people.

Mr. HILL. I thank the able Senator from New York.

Mr. President, there is an important conference committee meeting which the distinguished Senator from New Jersey [Mr. SMITH] wishes to attend. He is one of the authors of the amendment. I am very anxious to have him say something about the amendment before he leaves for the conference committee meeting.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD two tables which tell the story as to the 10 States to which I have referred, and the critical situation which will confront them if Congress does not appropriate the full $75 million.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I

State	Amount in split projects for 1954	Allotment based on $60,000,000	Difference
Arkansas	$1,646,136	$1,322,676	$323,460
Georgia	2,417,275	2,172,443	244,832
Indiana	1,421,280	1,397,206	24,074
Kentucky	2,016,514	1,855,945	160,569
Mississippi	1,907,067	1,721,175	185,892
New Jersey	1,538,606	1,185,653	352,953
Ohio	2,634,535	2,306,027	328,508
Rhode Island	319,776	247,602	72,174
South Carolina	1,800,000	1,458,276	341,724
Utah	381,000	317,151	63,849
Total	16,082,189	13,984,154	2,098,035

TABLE II

State	Amount in split projects for 1954 under construction only	Allotment based on $60,000,000	Difference
Arkansas	$1,646,136	$1,322,676	$323,460
Georgia	25,417	2,172,443	0
Indiana	1,421,280	1,397,206	24,074
Kentucky	2,016,514	1,855,945	160,569
Mississippi	763,067	1,721,175	0
New Jersey	1,538,606	1,185,653	352,953
Ohio	2,042,535	2,306,027	0
Rhode Island	319,776	247,602	72,174
South Carolina	1,800,000	1,458,276	341,724
Utah	None	317,151	0
Total	11,573,331	13,984,154	1,274,954

NOTE.—Arizona, Florida, Montana, New Mexico, New York, Vermont, and Virginia, less than $100,000 for new projects.

Mr. HILL. Mr. President, according to recent reports from the States there exist applications sufficient to cover $153 million in Federal funds in fiscal year 1954.

The difference of $15 million between the $75 million and the $60 million would mean the loss of the construction of at least 3,000 new and additional hospital beds to help meet the shocking deficiency in beds today.

I have taken the time of the Senate at some length in an effort to clearly present the facts. I am of the firm conviction that the Hospital Survey and Construction Act has truly and well served the interests of all the people and of the Nation. It is essential that the serious deficit in our Nation's hospital facilities be reduced as a part of our economic and our security program. I am certain that the Federal funds appropriated for assistance to the communities of our Nation to acquire badly

needed hospitals is a wise and sound investment in times of peace as well as emergency. We must recognize that the fate and the fortunes of our country lie in its strength. In building hospitals we are building the health of our people, we are building the strength of our people, we are building the strength of America. We are making America strong that we may keep America free.

In the words of Edmund Burke, "Economy is a distributive virtue, and consists not in saving but in selection. Parsimony requires no providence, no sagacity, no powers of combination, no comparison, no judgment."

I urge the adoption of my amendment.

Mr. SMITH of New Jersey and Mr. MAYBANK addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Alabama yield; and if so, to whom?

Mr. HILL. I wish to yield first to the Senator from New Jersey, who must shortly attend a conference committee meeting. I shall be delighted to yield later to the Senator from South Carolina.

Mr. MAYBANK. I have no desire to delay the Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I rise to support, with all the force at my command, the amendment offered by the Senator from Alabama. During 8 years of experience on the Committee on Labor and Public Welfare, which has been during my entire service in the Senate, there has been no subject, outside of immediate labor problems, that has concerned me more than the health of our people. I had the privilege of being a member of the committee when the Hill-Burton Act was passed. I remember the hearings on that act.

In my judgment no act in which the Senator from Alabama has participated during his valuable service in the Senate is of greater importance than this act. We have tried various approaches to the question of safeguarding the health of our people. In this act, in my judgment, we have done more, with comparatively small appropriations, to bring about the extension of an intensive and effective health service than under any other program.

I have had prepared, for the purpose of my few remarks, a statement which I shall not read, but I shall presently ask to have printed in the RECORD. It contains many of the facts which the Senator from Alabama has covered in his address.

This program has been in operation for 5 years. This is the 6th year. Because of that fact a number of States, including my own, have undertaken hospital projects relying in perfectly good faith on the probability—they never could say the certainty—that the Congress would continue a program of this importance which would justify the States in undertaking projects which might require more than 1 year to carry through.

To indicate what I mean by what I have just said, and to indicate why I feel that the States were justified in relying upon what has been done in the past, I shall call attention, year by year, to the actual appropriations under the Hospital Construction Act since 1948.

In 1948 the appropriation was $75 million. In 1949 it was $75 million. In 1950 it was $150 million. In 1951 it was $85 million. In 1952 it was $82,500,000, or a total of almost $550 million. The important thing is that that was the Federal contribution. The figures show that in various communities where the Federal money was applied and used the actual contribution by the people of such communities was $1 billion. So we have been able, through this legislation, to provide $1½ billion worth of hospital construction, because a contribution of $2 for $1 was made locally.

I mention that because I wish to point out that the suggested $60 million appropriation for this year, which amount is proposed by the Senate committee, and also, more unfortunately, the $50 million approved by the House, would leave half way between sea and sky a great many projects which were undertaken in good faith, and for which Federal money was scheduled. Local organizations, such as the bureau of institutions and agencies in my State of New Jersey, gave certain assurances to those who were raising money and to those who were given the contracts for the construction of the hospitals.

All those facts have placed us in such a position that, if this money is not appropriated this year, there will be a total, in dollars, of more than $16 million so-called split projects throughout the country, and there will be a deficit, in the event the $60 million figure is appropriated, of approximately $2 million. Taking my own State of New Jersey, the deficit would amount to $352,000 plus, for which we are committed, for which we have entered into contracts—obligations which we are unable to meet because we have drained every source we could to match Federal funds, relying on the expectation of a $75 million appropriation for this year.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared covering some of these points.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMITH OF NEW JERSEY IN SUPPORT OF SENATOR HILL'S AMENDMENT FOR HOSPITAL CONSTRUCTION

The Hospital Survey and Construction Act (Hill-Burton program), as enacted in August 1946, authorized an appropriation of $75 million each fiscal year to assist in the construction of needed hospitals and other health facilities in the States with Federal participation limited to 33⅓ percent. In October 1949 the act was amended by Public Law 380, 81st Congress, increasing the annual authorization for construction purposes to $150 million and abolishing the arbitrary one-third participation in each State by substituting a provision permitting the States to establish the rate of Federal participation varying from 33⅓ percent to 66⅔ percent.

Beginning with the fiscal year 1948 the Congress has made available Federal funds for construction purposes for each fiscal year as follows:

1948	$75,000,000
1949	75,000,000
1950	150,000,000
1951	85,000,000
1952	82,500,000
Total	542,500,000

As of June 1, 1953, only some $15 million of the total $542,500,000 has not been allocated to specific projects.

During the 6 years for which the Congress has made funds available for construction purposes 2,078 projects adding approximately 101,000 hospital beds and over 400 health centers have been approved. The total cost of these projects represents approximately $1,600,000,000 of which the Federal Government is contributing slightly over $500 million and the project sponsors more than $1 billion. During the same period of time only approximately $650,000 or slightly more than one-tenth of 1 percent, of the more than $500 million appropriated has been returned to the Federal Treasury.

On the basis of a $60 million appropriation 10 States will receive allotments which are insufficient to meet the tentative commitments to split projects in the 1954 fiscal year. There are seven additional States which, after meeting the tentative commitments on split projects, would have less than $100,000 available for the approval of new projects. For all practical purposes seven States would be unable to approve new projects. On the basis of a $50 million appropriation, 18 States would be unable to meet tentative commitments to split projects for the 1954 fiscal year or after meeting these commitments will have a balance of less than $100,000 available for the approval of new projects.

The value of the Hill-Burton program should not be considered solely in terms of the hospital beds and health centers added to the available supply of such facilities in the country. For example, during the 6 years that the program has been in operation the total dollar volume of health facility construction outside of the program has been roughly twice as much as under the program. There is no question but that the program has stimulated the construction of needed health facilities by pointing up the great need for additional construction, as reflected in the construction programs developed by the State agency, and by providing funds to assist the construction in the most needy areas. According to the programs developed by the State agencies there still is a need for the construction of more than 700,000 hospital beds and over 1,500 health centers in order to achieve the goal which is to provide adequate hospital, clinic, and similar services to the people of the country.

The majority of the facilities constructed with Federal aid are in rural or semiurban areas of the country and not the large metropolitan cities and industrial centers. This may be providential in that many of these facilities could well become the evacuation centers for the large metropolitan and industrial areas under a war emergency.

Mr. SMITH of New Jersey. Mr. President, I also ask unanimous consent to have printed in the RECORD a table designated as "Table 1," and headed "States receiving insufficient funds under an appropriation of $60 million to cover split projects in fiscal year 1954." The table shows in parallel columns those projects now under construction and projects not already under construction, but which have been provided for. The States are Arkansas, Georgia, Indiana, Kentucky, Mississippi, New Jersey, Ohio, Rhode Island, South Carolina, and Utah.

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There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—*States receiving insufficient funds under an appropriation of 60 million to cover split projects in fiscal year 1954*

State and project	Under construction Federal share	Not under construction Federal share
Arkansas:		
Little Rock, University of Arkansas Medical Center	$509,000	
Little Rock, St. Vincent Infirmary	697,136	
Fort Smith, St. Edwards Mercy	80,000	
	1,646,136	
Georgia:		
Brunswick, Glynn County Health Center	25,417	
Covington, Newton County		$114,816
Ellijay, Watkins Memorial		52,967
Marietta, Kennestone		157,500
Statesboro, Bulloch County		126,000
Bremen, Bremen		53,000
Columbus, Muscogee County Health Center		70,892
Macon, Macon City		846,170
Savannah, Memorial Hospital		753,830
Oglethorpe, Macon County Health Center		11,581
Waycross, Ware County		200,000
Milledgeville, Baldwin County Health Center		5,102
	25,417	2,391,858
Indiana:		
Terre Haute, the Union Hospital	166,875	
Fort Wayne, Methodist Hospital	479,169	
Elkhart, Elkhart General	194,162	
Goshen, Goshen Hospital	63,484	
Terre Haute, St. Anthonys	16,095	
Evansville, St. Marys	501,495	
	1,421,280	
Kentucky:		
Lexington, Good Samaritan	$150,000	
Ashland, Kings Daughters	33,333	
Danville, Ephraim McDowell	83,581	
Georgetown, John Graves Ford	101,250	
Bellefonte, Bellefonte	254,546	
Fort Thomas, Campbell County General	407,825	
Elizabethtown, Hardin County	176,548	
Paducah, Riverside Hospital	153,097	
Shelbyville, Shelby County	178,312	
Louisville, Jewish Hospital	428,022	
Bowling Green, Bowling Green-Warren	50,000	
	2,016,514	
Mississippi:		
Jackson, University Teaching Hospital	390,000	
Newton, Newton County	45,000	
Gulfport, Memorial Hospital	328,067	
Vicksburg, Mercy Hospital, Street Memorial		$349,000
Vicksburg, Lutheran Hospital		349,000
Yazoo City, Kings Daughters		400,000
Kilimichael, Kilimichael Clinic		46,000
	763,067	1,144,000
New Jersey:		
Mount Holly, Burlington County	23,696	
Cedar Grove, Overbrook	70,000	
Plainfield, Muhlenburg	193,850	
Paterson, St. Josephs	38,761	
Hackensack, Hackensack Hospital	250,680	
Trenton, St. Francis Hospital	511,150	
Summit, Overlook	285,499	
Ancora, Fourth State Hospital	165,000	
	1,538,606	

TABLE I.—*States receiving insufficient funds under an appropriation of 60 million to cover split projects in fiscal year 1954*—Continued

State and project	Under construction Federal share	Not under construction Federal share
Ohio:		
Barberton, Barberton Citizens	160,088	
Akron, Peoples	479,339	
Warren, Trumbull Memorial	250,000	
Bay Village, Bay View	20,357	
East Liverpool, East Liverpool City	199,278	
Cleveland, Fairview Park	250,000	
Marion, Marion	400,000	
Youngstown, Youngstown	232,677	
Cuyahoga Falls, Green Cross General	50,796	
Youngstown, St. Elizabeth		492,000
Warren, St. Josephs Riverside		100,000
	2,042,535	592,000
Rhode Island:		
Pawtucket, the Memorial	5,000	
Cranston, Osteopathic General	55,000	
Providence, Miriam	126,601	
Providence, Roger Williams General	133,175	
	319,776	
South Carolina: Charleston, Medical College of State of South Carolina	1,800,000	
Utah: Provo, Utah State Hospital		381,000
Total	11,573,331	4,508,858

Mr. SMITH of New Jersey. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks table II, showing the amount in split projects for 1954, the allotment based on an appropriation of $60 million in each case, and the deficit.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE II

State	Amount in split projects for 1954	Allotment based on $60,000,000	Deficit
Arkansas	$1,646,136	$1,322,676	$323,460
Georgia	2,417,275	2,172,443	244,832
Indiana	1,421,280	1,397,206	24,074
Kentucky	2,016,514	1,855,945	160,569
Mississippi	1,907,067	1,721,175	185,892
New Jersey	1,538,606	1,185,653	352,953
Ohio	2,634,535	2,306,027	328,508
Rhode Island	319,776	247,602	72,174
South Carolina	1,800,000	1,458,276	341,724
Utah	381,000	317,151	63,849
Total	16,082,189	13,984,154	2,098,035

Mr. SMITH of New Jersey. Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a third table, showing the amount in split projects for 1954, representing projects actually under construction; the allotment based on a $60-million appropriation; and the deficit.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III

State	Amount in split projects for 1954 under construction only	Allotment based on $60,000,000	Deficit
Arkansas	$1,646,136	$1,322,676	$323,460
Georgia	25,417	2,172,443	0
Indiana	1,421,280	1,397,206	24,074
Kentucky	2,016,514	1,855,945	160,569
Mississippi	763,067	1,721,175	0
New Jersey	1,538,606	1,185,653	352,953
Ohio	2,042,535	2,306,027	0
Rhode Island	319,776	247,602	72,174
South Carolina	1,800,000	1,458,276	341,724
Utah	None	317,151	0
Total	11,573,331	13,984,154	1,274,954

Mr. SMITH of New Jersey. Without going into all the details, the total deficit in the projects today under construction throughout the United States amounts to $1,274,954, on the basis of an appropriation of $60 million.

Let me say further that I realize the difficulties under which we are operating. The Governor of my State and the head of the Bureau of Institutions and Agencies have called upon me, as have representatives of the hospital projects. I refer to my State only as an example. I am speaking just as much in behalf of other States.

With respect to my own State, I have been asked what could be done. I took the subject up with Mrs. Hobby, Secretary of Health, Education, and Welfare. She has been most eager to cooperate, but she indicates that she will be bound, of course by the appropriation which may be made this year. Therefore we have tried all sorts of combinations. We have considered the possibility of an appropriation only to take care of deficits. But if that plan is followed we shall not be carrying out the spirit of the Act. The only way we can see to meet the situation, to take care of the deficit, and to continue the spirit, the punch, the inspiration, and the vision of this great health program is to continue the appropriation which we have made for the past few years, and upon which our people have relied. That appropriation would be the $75 million which the distinguished Senator from Alabama is asking, instead of the $60 million which appears in the Senate committee recommendation, or the $50 million which appears in the House bill.

So, with all the power at my command, and as chairman of the Committee on Labor and Public Welfare, I urge that the amendment offered by the Senator from Alabama be adopted.

Mr. HILL. Mr. President, will the Senator from New Jersey yield to me for a moment?

Mr. SMITH of New Jersey. I yield.

Mr. HILL. I merely wish to emphasize the fact that the distinguished Senator from New Jersey is one of the authors of this amendment. We are proud that he is.

Mr. SMITH of New Jersey. I am proud to be one of the coauthors.

Mr. HILL. I strongly commend the Senator from New Jersey for the fine

speech he has made in support of the amendment.

Mr. SMITH of New Jersey. I thank the Senator very much. But let me say to him that I look upon the Hill-Burton Act as the child of the distinguished Senator from Alabama. I am delighted to be associated with him. However, he deserves the credit for thinking the problem through and getting us all to work on it when I was on the Senate committee with him. He has been responsible for following through with the program, and for the great success which has attended it. I am glad to pay that tribute to him.

Mr. HILL. I am deeply grateful to the Senator.

Mr. SMITH of New Jersey. I hope that the amendment of the Senator from Alabama will receive wholehearted support on both sides of the aisle.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. HILL].

Mr. HILL. Mr. President, may we have the yeas and nays?

The yeas and nays were ordered.

Mr. AIKEN. Mr. President, during the years I have been a Member of this body I have seen few pieces of legislation enacted which have been productive of a greater amount of permanent good than the Hospital Construction Act, the appropriation for which is now before us. I have seen small hospitals, desperately in need of facilities, grow until they were able to serve their communities. I have seen improvements in public health in every area. I have seen more and more people taking advantage of the facilities which have been offered.

But the work is not yet done. There are still some hospitals, even in my own State, which is a small State, which need to continue the work of improving their facilities and their plants. I think this work ought to continue at the full level at which it has been carried on until the need is more fully met than it is today. For that reason I shall support the amendment offered by the Senator from Alabama.

Mr. THYE. Mr. President, there is nothing I or anyone else could say in opposition to the amendment offered by the Senator from Alabama. I could offer the same fervent plea for $150 million as has been offered by the Senator from Alabama, and other Senators who support the amendment providing a $15 million increase in the appropriation. There is no question in my mind that during the years since it was first inaugurated, and appropriations have been made for it, the hospital-construction program has been a very worthy one. In 1948 there was appropriated $75 million. In 1949 another $75 million was appropriated. In 1950, when we thought we were at peace, we appropriated $150 million. In 1951 we appropriated another $75 million. We added to that, by way of a supplemental appropriation, an additional $10 million. In 1952 we appropriated $82,500,000. In 1953 we appropriated $75 million.

I can only say, Mr. President, that the Bureau of the Budget, in its revised budget, requested $60 million. I presume that they had in mind the terrific burden upon the taxpayers and upon the Treasury of the United States for our national defense. We have the highest employment in the history of the Nation, which has made a great demand upon our manpower. I presume that the Bureau of the Budget had all of those factors in mind when it recommended that for fiscal 1954 the amount of the appropriation should be $60 million.

As I stated, I could sincerely and honestly advance a plea of even $150 million, but the Bureau of the Budget, after giving consideration to all the problems with which the Government of the United States is confronted, including the employment and the financial situation, recommended for fiscal 1954 $60 million.

As chairman of the subcommittee, I was very happy that the subcommittee concurred in recommending $60 million, and that the full committee supported the recommendation of the subcommittee. In doing so, we support the Bureau of the Budget and the policy of the administration.

As chairman of the subcommittee, I would not be fulfilling my duty were I to disregard the recommendation of the Bureau of the Budget and support an amendment proposing to increase the appropriation by $15 million.

I must consider the fact that the administration has taken all factors into consideration when it made the recommendation.

No one will deny that hospital construction has brought to every community which has been fortunate enough to share in the program, better care for those in need, both medical and physical. I should like to support the amendment offered by the Senator from Alabama and his associates, because my heart is in the program. I would not want to turn a hand in any way to prevent the continuation of the hospital construction program. Nevertheless, I must support the administration when it states that, in its judgment, considering all the burdens our Nation has upon its shoulders in connection with the national defense, and all its commitments with respect to foreign countries, not more than $60 million should be appropriated for this purpose. That is the only reason why at this time I am opposed to the amendment offered by the Senator from Alabama. Not in heart, but because of the financial question, must I stand against the amendment.

Mr. CHAVEZ. Mr. President, I think it is proper to tell the Senate at this time something about the work performed by the chairman of a subcommittee on this bill. I am associated with the Senator from Alabama in asking that this appropriation be increased; but, let it not be said that the Senator from Minnesota [Mr. THYE] the chairman of the subcommittee, was either negligent or unconcerned about this item or any other item in the pending bill. It is a human bill that comes before this body for attention.

I wish to take the opportunity to say a few words in appreciation of the fine work done by the chairman of the subcommittee, the Senator from Minnesota. He is handling the pending bill containing appropriations for the various agencies. The bill has to do with humanity; it has to do with health; it has to do with schools; it has to do with the Children's Bureau, with babies, and with countless other matters affecting the welfare of living persons.

The Senator from Minnesota has shown a deep understanding of all these matters. He has been patient to the extreme in listening to the testimony of witnesses at the hearings. I feel that the Senator from Minnesota has rendered a noble service in connection with this appropriation bill. I appreciate his efforts and work and, even though he is opposed to the amendment, I want Senators to realize the fine understanding and human work done by the Senator from Minnesota.

Mr. MAYBANK. Mr. President, much has been said about the human elements contained in the bill, and I thoroughly agree with what has been said on that point. Much has been said about the distinguished chairman of the subcommittee, whom I know. I am aware how he feels about this matter. Much has been said about the need for the health program, to which I heartily subscribe. But very little has been said about the contracts which the Federal Government has entered into in the various States. Unless $75 million is appropriated, many of the contracts will be violated. I am not going to read the entire letter which I hold in my hand, but shall ask to have all of it printed in the RECORD. It is from the president of the Medical College of South Carolina, and in the letter he says:

> The State of South Carolina and its medical college proceeded in full faith in what is believed to be an obligation of the Federal Government. It has had the full cooperative approval of the Federal agencies concerned. Proper and necessary allocations of funds provided and to be provided were made. Contracts have been made that depend upon full provision of the funds involved in these commitments.

In other words, the State of South Carolina—and the detailed list is given in the letter—has put up $7,178,000. So far, from Hill-Burton funds, the Federal Government's allocation for hospital construction amounts to $5,851,201.51. Moreover, the State has made contracts with contractors to finish the work. What will happen? The Legislature of South Carolina has adjourned. How can the work be finished unless $75 million is provided by Congress? I could refer to some small hospitals in connection with which the Federal Government has entered into contracts. Whether or not the Federal Government had the legal authority to do it before appropriations were made is a question in my mind, but they did it nevertheless. The Senator from Alabama knows that I supported the legislation which he and the former distinguished Senator from Ohio, Mr. Burton, who was a member of the Appropriations Committee at that time, sponsored. These contracts have been made. How can the Federal Government get out of the contracts. That is what I want to ask the Senate.

Mr. HILL. Mr. President, will the Senator from South Carolina yield?

Mr. MAYBANK. I yield.

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Mr. HILL. Mr. President, I wish to say that since the inception of this program, beginning with the passage of the Act of 1946, the program has had no stancher or more loyal supporter than the distinguished senior Senator from South Carolina [Mr. MAYBANK]. At session after session he has worked very hard for the program; and, of course, he is one of the sponsors of the pending amendment.

Mr. MAYBANK. Mr. President, the Senator from Alabama and I submitted in the committee an amendment to increase the fund to $75 million, but there was a tie vote on that amendment, so it did not carry. Later we submitted an amendment calling for $60 million, and the committee accepted that amendment.

After a State has put up $7 million under a program sponsored by the Federal Government, I do not see how the Senate, or the Congress can abdicate its responsibility on the ground that because of the present strain on the finances of the Federal Government, the Bureau of the Budget thinks only $60 million should be appropriated.

I favor economy, and I have consistently voted for it, but in this case a definite contract is involved.

Mr. HILL. Mr. President, will the Senator from South Carolina yield to me at this point?

Mr. MAYBANK. I yield.

Mr. HILL. As the Senator from South Carolina has said, a definite contract is involved. Unless this amendment is adopted, $341,724 of Federal funds required under contracts which already have been let will not be available.

Mr. MAYBANK. That is correct. The State Legislature of South Carolina has adjourned, so at this point the State is dependent upon action by the Federal Government.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter from Dr. Ben F. Wyman, secretary of the South Carolina Board of Health, and State health officer; a letter from Mr. Jacque B. Norman, hospital consultant, of Greenville, S. C.; a letter from Richard G. Roach, president of the American Hospital Association; and a letter from Dr. Kenneth M. Lynch, president of the Medical College of South Carolina.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

SOUTH CAROLINA STATE BOARD OF HEALTH,
Columbia, May 5, 1953.

Hon. BURNET R. MAYBANK,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAYBANK: On the 20th day of January 1953, we were notified by the United States Public Health Service of the Federal Security Agency that we would have allocated, for the fiscal year beginning July 1, 1953, the sum of $1,849,853 for hospital construction.

On the 24th day of April 1953, we received from the Department of Health, Education, and Welfare, information that the allocation for hospital construction had been severely reduced. This was based on the revised budget estimates now pending before the Congress. They infomed us that we would have a reduction of $391,577 for the fiscal year beginning July 1, 1953, and ending June 30, 1954.

This is a serious interference with the proposal of the State to construct the teaching hospital at the Medical College of South Carolina. This actually means a loss to the college, in the year mentioned, of $341,724, as most of the funds received in this fiscal year went to the college.

We simply cannot forego construction of the medical college hospital, and we urge and request that you take the matter up with the necessary dispatch so that the Hill-Burton hospital-construction appropriation will not be reduced from $75 million to $60 million.

This has been the topic of some publicity in South Carolina being carried on in the newspapers and quoting Mrs. Hobby, Secretary of the authority.

With kindest personal regards.

Very truly yours,

BEN F. WYMAN, M. D.,
State Health Officer.

GREENVILLE, S. C., *June 6, 1953.*

Hon. BURNET R. MAYBANK,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAYBANK: This is to confirm telegram of today as follows:

"Cut in Hill-Burton appropriations will be very disastrous to the South Carolina Medical College Teaching Hospital as practically all funds for year 1954 go to this hospital which is under contract. May I urge your support of increase in this appropriation to assist Fairfield, Gaffney, Woodruff, Camden, Orangeburg and others who are planning hospitals.

"In the past 20 years I have worked very close with many Government agencies such as WPA, FWA, PWA, USCNC, etc. Hill-Burton program is far superior to any other program which I attribute to the way the original act was passed and adequate administrative funds. Please give your support to an appropriation sufficient to administer this program.

"During the past 5 years I have been associated with over 30 hospital construction projects in Louisiana, Tennessee, Alabama, South Carolina, Georgia, North Carolina, and Florida. It takes from 2 to 3 years to plan a hospital project hence, State agencies and communities must be able to anticipate future appropriations to properly plan hospitals. Again may I urge consistency in the annual appropriation of $75 million. If I can help you in this or any other matters please call me."

I hope you will give this serious consideration and effort. It is one program that has the highest public acceptance and one that has rendered a real service to the public. Please let me have your reaction to this.

Kind personal regards,

Cordially yours,

JACQUE B. NORMAN.

GREENVILLE, S. C., *June 6, 1953.*

Hon. BURNET R. MAYBANK,
Senate Office Building,
Washington, D. C.:

Cut in Hill-Burton appropriations will be very disastrous to South Carolina Medical College teaching hospital as practically all funds for year 1954 go to this hospital which is under contract. May I urge your support of increase in this appropriation to assist Fairfield, Gaffney, Woodruff, Camden, Orangeburg, and others who are planning hospitals. In the past 20 years I have worked very close with many Government agencies such as WPA, FWA, TWA, USCNC, etc. Hill-Burton program is far superior to any other program, which I attribute to the way the original act was passed and adequate administrative funds. Please give your support to an appropriation sufficient to administer this program. During the past 5 years I have been associated with over 30 hospital construction projects in Louisiana, Tennessee, Alabama, South Carolina, Georgia, North Carolina, and Florida. It takes from 2 to 3 years to plan a hospital project, hence State agencies and communities must be able to anticipate future appropriation to properly plan hospitals. Again may I urge consistency in the annual appropriation of $75 million. If I can help you in this or any other matters please call me.

JACQUE B. NORMAN.

ORANGEBURG REGIONAL HOSPITAL,
Orangeburg, S. C., May 16, 1953.

Senator BURNETT R. MAYBANK,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MAYBANK: I have just learned through the American Hospital Association that the administration is recommending that the Hill-Burton appropriation be reduced from $75 million to $60 million for 1954.

I feel that the curtailment of this program is not desirable at this time, in that there are many communities in South Carolina still in need of hospital and health facilities. I hope that you will support a minimum of $75 million appropriation for this most worthy cause.

With best regards, I am,

Sincerely yours,

RICHARD G. ROACH,
Director.

MEDICAL COLLEGE OF SOUTH CAROLINA,
Charleston, S. C., May 29, 1953.

Senator BURNET R. MAYBANK,
United States Senate,
Washington, D. C.

DEAR SENATOR MAYBANK: We are alarmed over the threat of serious reduction of the appropriation related to the hospital construction under the Hill-Burton Act, and I wish to present the arguments that impress us as entirely adequate to justify restoration to the full amount anticipated. I am sending two extra copies, for such use as you may desire.

1. The State of South Carolina has appropriated for construction of the medical college hospital and related clinic and laboratory quarters	$4,828,000.00
The State has also appropriated for the purchase of land related to this project	100,000.00
It has also passed an act by which the Medical College of South Carolina will borrow for the construction of a related nurses' building about	900,000.00
Further, the medical college has let contracts for the construction of a dormitory building, based upon a revenue bond issue purchased by the Federal Housing and Home Agency in an amount of	1,000,000.00
Charleston County provided land for the hospital site at a cost of more than	350,000.00
All told, the State, Charleston County, and the medical college itself have provided to this project, of which the medical college hospital is the key unit, more than	7,178,000.00
The Federal allocations (Hill-Burton) made for the hospital construction amount to	5,851,201.51

Furthermore, the city of Charleston, the Medical College Alumni Association, the Medical Society of South Carolina, and the National Cancer Institute have made contributions in money and land of a value of many thousands of dollars.

2. In addition to the highest priority position given to the medical college hospital as the central State unit in the South Carolina hospital-construction plan under the Hill-Burton program, the Medical College Hospital was fully recognized by all authorities and interests concerned as having a very special basis for Federal assistance on the grounds of—

(a) Critical need for additional hospital facilities in this defense area on account of large population increases in personnel of Federal installations located here—Navy yard, air base, Navy minecraft base, and so forth.

(b) Critical need of more doctors, dentists, nurses, and other medical personnel of national level and for actual Federal service. Almost the entire medical and prospective dental products of the medical college are destined by Federal law for immediate military and defense service.

(c) Participation in research in cancer, heart disease, and other pressing health problems, in which the Federal Government is a heavy contributor and in which the medical college is already involved, is planned for expansion in the Medical College Hospital.

(d) The Federal departments also need more dentists as well as doctors, nurses, and medical technicians of all kinds, which completion of the medical college hospital would help to supply.

(e) The State of South Carolina has by law committed itself to the construction and operation of a school of dentistry, the success of which is as dependent upon completion of this hospital as is the increase of doctor production.

(f) Completion of the Medical College Hospital in full is absolutely necessary if the Medical College shall continue its expanded production of medical personnel and if it shall make the research contribution of which it is capable.

3. The State of South Carolina and its Medical College have proceeded in full faith in what is believed to be an obligation of the Federal Government. It has had the full and cooperative approval of the Federal agencies concerned. Proper and necessary allocations of funds provided and to be provided were made. Contracts have been made that depend upon full provision of the funds involved in these commitments.

It is hardly conceivable that a thorough examination and understanding of the cooperative processes and commitments in this enterprise could result in a conclusion that would halt it at the present stage when actual construction is more than one-half completed or that would jeopardize its full and early fruition.

Sincerely yours,

KENNETH M. LYNCH, M. D.,
President.

Mr. MAYBANK. Mr. President, probably 100 other letters on this subject have been sent to me as a member of the Appropriations Committee. I have also received many telegrams on this subject. However, I shall not submit, for printing in the RECORD, all the letters and telegrams; I merely have asked that the four letters to which I have just referred be printed in the RECORD.

Mr. CLEMENTS. Mr. President, will the Senator from South Carolina yield to me?

Mr. MAYBANK. I yield.

Mr. CLEMENTS. The same condition to which the Senator from South Carolina has referred, in speaking of his State, exists in Kentucky. On page 806 of the hearings on the Departments of Labor, and Health, Education, and Welfare appropriation bill, are listed 11 hospitals in Kentucky.

Mr. MAYBANK. I am well aware of that, for I discussed the matter with the distinguished Senator from Kentucky, both in connection with this bill and the civil functions appropriation bill.

Mr. CLEMENTS. That is correct.

Mr. MAYBANK. So I am quite familiar with this matter.

Mr. CLEMENTS. The Kentucky hospitals listed on page 806 of the committee hearings are the following: Good Samaritan Hospital, Lexington; Kings Daughters, Ashland; Ephraim McDowell Memorial, Danville; John Graves Ford Memorial, Georgetown; Bellefonte Hospital, Bellefonte; Campbell County General, Fort Thomas; Hardin County, Elizabethtown; Riverside Hospital, Paducah; Shelby County, Shelbyville; Jewish Hospital, Louisville; Bowling Green-Warren County, Bowling Green.

So I point out that contracts similar to those the Senator from South Carolina has said have been entered into for hospitals in South Carolina, have been entered into for hospitals in Kentucky. If the appropriation of $75 million is not made, those contracts cannot be met.

Mr. MAYBANK. That is similar to the information I have received from the president of the Medical College of South Carolina, and from medical authorities in several other States. I have also received a telegram from the distinguished editor of Southern Agriculture, Dr. Clarence Poe, who is very well known.

Mr. JOHNSTON of South Carolina. Mr. President, the requested increase of $15 million in this appropriation is very small when we consider how much money the Senate voted to appropriate last week, namely $5,300,000,000, to be sent to foreign countries. In this case we are proposing an additional appropriation of only $15 million to care for sick persons in the United States. I have not heard one Senator state or one witness testify that even one of the hospitals being built at the present time is not needed. If any Senator can tell me that too much money is being spent for the construction of hospitals in the United States, I should like to have him do so.

I may state that an additional appropriation of $15 million for this purpose will enable the people of South Carolina to get out of the very embarrassing situation in which we find ourselves at the present time. Our legislature already has acted, and the program is ready to be proceeded with.

If this additional appropriation is not made, I do not know what we shall do, unless the legislature at its next term makes up the deficit, which is about what the difference will amount to.

Let me say that I have received a letter from Dr. Ben F. Wyman, who is State health officer for South Carolina. In his letter he points out the condition in which we find ourselves at the present time. I ask unanimous consent to have his letter printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SOUTH CAROLINA BOARD OF HEALTH,
Columbia, May 5, 1953.

Hon. OLIN D. JOHNSTON,
Senate Office Building,
Washington, D. C.

DEAR SENATOR JOHNSTON: On the 20th day of January, 1953, we were notified by the United States Public Health Service of the Federal Security Agency that we would have allocated, for the fiscal year beginning July 1, 1953, the sum of $1,849,853 for hospital construction.

On the 24th day of April, 1953, we received, from the Department of Health, Education and Welfare, information that the allocation for hospital construction had been severely reduced. This was based on the revised budget estimates now pending before the Congress. They informed us that we would have a reduction of $391,577 for the fiscal year beginning July 1, 1953 and ending June 30, 1954.

This is a serious interference with the proposal of the State to construct the Teaching Hospital at the Medical College of South Carolina. This actually means a loss to the college, in the year mentioned, of $341,724, as most of the funds received in this fiscal year went to the college.

We simply cannot forego construction of the medical college hospital, and we urge and request that you take the matter up with the necessary dispatch so that the Hill-Burton hospital construction appropriation will not be reduced from $75 million to $60 million.

This has been the topic of some publicity in South Carolina being carried on in the newspapers and quoting Mrs. Hobby, Secretary of the Authority.

With kindest personal regards.

Very truly yours,

BEN F. WYMAN, M. D.
State Health Officer.

Mr. HILL. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. HILL. The Senator from South Carolina is one of the authors of the amendment, and he has always been a staunch, loyal friend of this program. He has always been in the front line of the fight for adoption of this program.

Mr. JOHNSTON of South Carolina. Certainly experience has proved that the money which has been spent under the Hill-Burton Act has been spent in localities where it was most needed. For that reason, I have advocated and I have spoken in behalf of the appropriation required for carrying on this work, which I think is very much needed.

So, Mr. President, I wish to let the Senate and the people of the country know that I am in favor of the amendment, and am a coauthor of it.

Mr. President, the senior Senator from Alabama has always been a leader in the effort to obtain appropriations for hospital construction. I commend him for what he has done. Certainly we must move forward in this field.

Let me point out that in connection with every war in which we have been engaged, we have found that many millions of our youth have not been physically fit for military service. In many cases proper medical care would enable their physical defects to be corrected, thus enabling them to serve their country in time of war. Thus, Mr. President, this amendment is really a defense measure.

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Mr. STENNIS. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. STENNIS. My colleague has pointed out that no one has denied the great need for the program. Is it not also true that there has been no criticism of the way the program has been administered or of the way the money is being spent? Does not that mean that there is uniform approval throughout the Congress?

Mr. JOHNSTON of South Carolina. I have not heard of any criticism about how the money has been spent. No allegations of any sort have been made to the effect that the money has been mishandled or misused.

Mr. STENNIS. Let me add to what the Senator from South Carolina has said regarding the making of contracts in connection with the program, that in my State several counties and towns are paying interest on bonds which they issued from 3 to 5 years ago. They have been waiting all that time for the appropriation of these funds. Their expenses are accumulating. Certainly it would be false economy not to make the necessary appropriation at this time. Even under the provisions of the amendment, as I understand it, those groups will not be permitted to participate in the program. However, the amendment will hasten the day when they will be permitted to participate in it.

Mr. SMATHERS. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. SMATHERS. I should like very much to associate myself with the able senior Senator from Alabama [Mr. HILL], the able Senators from South Carolina [Mr. MAYBANK and Mr. JOHNSTON], and the other Senators who are very much in favor of the so-called Hill amendment.

At the present time in Florida nine hospitals are under construction. I have been advised by the Director of the Improvement Commission that unless the additional $15 million is made available—of course that additional amount will be distributed among all the States—not only will we not have new hospital facilities, but the hospitals now being constructed will not be completed; their construction will have to be suspended. That will cause great waste to the Federal Government and also to the people of Florida.

My State is growing rapidly. More people come to Florida every week and every month. If we have one specific need, it is the need for additional hospital beds.

So I am very happy to associate myself with the Senator from Alabama, the Senators from South Carolina, and the other Senators who are in favor of the amendment.

Mr. JOHNSTON of South Carolina. Mr. President, the junior Senator from Florida always is of great assistance in connection with matters of this kind.

Mr. President, I now ask unanimous consent to have printed in the RECORD a telegram I received from Dr. Kenneth M. Lynch, president of the Medical College of South Carolina. In his telegram he explains how the building of the medical college hospital project will be jeopardized if the additional amount is not appropriated.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

CHARLESTON S. C., *May 2, 1953.*

Hon. OLIN D. JOHNSTON,
United States Senate Office Building, Washington, D. C.:

Beg to call your attention to Secretary Hobby's statement to House Appropriations Subcommittee and your support for her plea against reduction of Hill-Burton hospital construction appropriation from previous seventy-five million to sixty million as this reduction would slash $341,724 allotted to Medical College Hospital project now under contract and construction and thereby jeopardize its completion.

KENNETH M. LYNCH, M. D.,
President, Medical College of South Carolina.

Mr. SCHOEPPEL. Mr. President, I desire to associate myself with the Senator from Alabama and the other sponsors of the amendment. The Senator from Alabama knows that for a number of years, when these items have come before the Senate, I have supported the Hill-Burton Act and the expansion of our hospital program.

Mr. President, I said earlier this afternoon on this floor, in supporting an amendment offered by the distinguished junior Senator from Michigan [Mr. POTTER], that we have been voting billions of dollars in foreign aid and for divers and sundry other activities and matters that are important, or that seem to be important. So it is not going to hurt my conscience to support the pending amendment, and to support it wholeheartedly in the interest of better hospitalization and in the interest of expanded hospital facilities, not only in my section of the country, but also in the entire Nation.

I took the trouble to make a little survey in my State to ascertain what the attitude of the people might be and what the discouraging effects might be in the event the original amount requested were cut. I have in my hand 10 communications which I have received from different sections of my State, which I think very clearly set forth the need for the appropriation, the need of supporting the amendment now before the Senate, and the need of passing the pending bill as amended. I ask unanimous consent that, as part of my remarks, there be printed in the RECORD at this point the letters to which I have referred and which I now send to the desk.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MOUNT CARMEL HOSPITAL AND SCHOOL OF NURSING,
Pittsburg, Kans., June 27, 1953.

Hon. ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: We of the Hospitals of the Sisters of St. Joseph are greatly alarmed at the proposed $25 million slash in Hill-Burton Act funds for relieving the critical need for additional hospital beds. We believe you will share this anxiety when you learn, as we did, that to meet the urgent need for additional hospital beds in critical areas of Kansas and to carry out the businesslike State plan of hospital construction of the Kansas State Board of Health, sufficient Federal funds must be enacted. This Federal aid can be provided only by the Hill-Burton Act.

Some locations in Kansas are desperately in need of hospital expansion and are now running well over 100-percent occupancy. This is true particularly in Wichita, Lawrence, and Kansas City.

We hope you will confer with Senator BRIDGES and other members of the Senate Appropriations Committee, to which the House-adopted Hill-Burton Act funds slash has been referred, and call their attention to the urgent need for additional hospital beds in critical areas. The health of Kansas and the Nation is at stake.

Sincerely,

Sister M. ANGELA,
Administrator.

PRATT COUNTY HOSPITAL,
Pratt, Kans.

Hon. ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: We of the Hospitals of the Sisters of St. Joseph are greatly alarmed at the proposed $25 million slash in Hill-Burton Act funds for relieving the critical need for additional hospital beds. We believe you will share this anxiety when you learn—as we did—that to meet the urgent need for additional hospital beds in critical areas of Kansas and to carry out the businesslike State Plan of Hospital Construction of the Kansas State Board of Health, sufficient Federal funds must be enacted. This Federal aid can be provided only by the Hill-Burton Act.

1. The Kansas Advisory Hospital Council has been notified that cutting the proposed $75 million Hill-Burton Act budget to $50 million, as was done by the House, will limit grants in Kansas during 1954 to about $667,000, compared to $812,847 allocated this State during the past year.

2. This serious cutback will prevent construction of any new hospitals in Kansas being started next year. Thus, those communities which are planning to relieve their bed shortages will be stopped before they get going.

3. In some communities where local funds have been raised to match Hill-Burton Act funds on a 60–40 split, hospital projects will be abandoned or postponed because of insufficient Federal aid. This, in effect, will constitute a broken pledge by the United States Government.

4. Some of the places desperately in need of hospital expansion are Wichita, Lawrence, and Kansas City, Kans. Because Wichita is one of the fastest growing cities in the Nation and because the area which the Wichita hospitals serve supersedes county and State boundaries, the hospitals are critically overcrowded. In fact, St. Joseph Hospital in Wichita has an average bed occupancy of 103 percent. Similar situations exist in Lawrence and Kansas City, Kans.

5. The plight of hospitals in Wichita, in Kansas and in the entire United States—where an acute shortage of 848,567 hospital beds exists, according to United States Public Health Service standards—can largely be remedied by restoration of the Hill-Burton Act hospital fund appropriation to the originally proposed budget figure of $75 million.

We hope you will confer with Senator BRIDGES and other members of the Senate Appropriations Committee, to which the House-adopted Hill-Burton Act funds slash has been referred, and call their attention to the

urgent need for additional hospital beds in critical areas. The health of Kansas and the Nation is at stake.

Sincerely,

Sister M. ETHELBERDA,
Administrator.

BOB WILSON MEMORIAL HOSPITAL,
Ulysses, Kans., June 25, 1953.

Hon. ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: I should like to appeal to you in behalf of our hospitals in Kansas concerning the proposed House cut in the Hill-Burton Act funds which relieves or would help relieve the critical need for additional hospital beds. We believe you feel as we do that the critical bed shortage can only be relieved with the aid of Federal funds.

The bed capacity in the hospitals of Kansas has been overcrowded beyond description. The proposed slash would hinder greatly Federal aid for hospital expansion, a program so necessary to our communities today. The situation in Kansas is critical, and this may be fully realized in one of our own hospitals—St. Joseph's in Wichita, where the bed shortage has affected that community for the past 2 years.

According to United States Public Health Service standards, an acute shortage of 848,567 hospital beds now exists in the United States. Surely you can realize our great concern over the proposed $25 million cut which has been referred to your committee. Should this be approved, those communities which are planning to relieve their bed shortage by construction within the next year would greatly feel the effects of such action and, in all probability, would not be able to proceed with their plans.

I sincerely hope you will confer with Senator BRIDGES and other members of the Senate Appropriations Committee, to which the House-adopted Hill-Burton Act funds slash has been referred, urging them to realize the dire need for additional beds in the hospitals of Kansas. The committee's action to restore the Hill-Burton budget figure to $75 million may have its effect upon the health of our Nation.

Sincerely yours,

Sister M. BERNICE,
Administrator.

ELLINWOOD DISTRICT HOSPITAL,
Ellinwood, Kans., June 25, 1953.

Hon. ANDREW F. SCHOEPPEL,
United States Senate
Washington, D. C.

DEAR SENATOR SCHOEPPEL: We of the Hospitals of the Sisters of St. Joseph are greatly alarmed at the proposed $25, million slash in Hill-Burton Act funds for relieving the critical need for additional hospital beds. We believe you will share this anxiety when you learn—as we did—that to meet the urgent need for additional hospital beds in critical areas of Kansas and to carry out the business-like State Plan of Hospital Construction of the Kansas State Board of Health, sufficient Federal funds must be enacted. This Federal aid can be provided only by the Hill-Burton Act.

1. The Kansas Advisory Hospital Council has been notified that cutting the proposed $75 million, Hill-Burton Act budget to $50 million, as was done by the House, will limit grants to Kansas during 1954 to about $667,000, compared to $816,847 allocated this State during the past year.

2. This serious cutback will prevent construction of any new hospitals in Kansas being started next year. Thus, those communities which are planning to relieve their bed shortages will be stopped before they get going.

3. In some communities where local funds have been raised to match Hill-Burton Act funds on a 60-40 split, hospital projects will be abandoned or postponed because of insufficient Federal aid. This, in effect, will constitute a broken pledge by the United States Government.

4. Some of the places desperately in need of hospital expansion are Wichita, Lawrence and Kansas City, Kans. Because Wichita is one of the fastest growing areas in the Nation and because the territory which the Wichita Hospitals serve supersedes county and State boundaries, the hospitals are critically overcrowded. In fact, St. Joseph Hospital in Wichita has an average bed capacity of 103 percent. Similar situations exist in Lawrence and Kansas City, Kans.

5. The plight of hospitals in Wichita, in Kansas and in the entire United States—where an acute shortage of 848,567 hospital beds exists, according to United States Public Health Service standards—can largely be remedied by restoration of the Hill-Burton Act hospital fund appropriation to the originally proposed budget figure of $75 million.

We hope that you will confer with Senator BRIDGES and other members of the Senate Appropriations Committee, to which the House-adopted Hill-Burton Act funds slash has been referred, and call their attention to the urgent need for additional hospital beds in critical areas. The health of Kansas and of the Nation is at stake.

Sincerely,

Sister M. ROSALIE,
Administrator.

WICHITA ST. JOSEPH HOSPITAL,
Wichita, Kans., June 24, 1953.

Hon. ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: We of the Hospitals of the Sisters of St. Joseph are greatly alarmed at the proposed $25 million slash in Hill-Burton Act funds for relieving the critical need for more hospital beds. We believe you will share this anxiety when you learn—as we did—that sufficient Federal funds must be enacted if the urgent need for additional hospital beds in critical areas of Kansas is to be met, and if the business-like State Plan of Hospital Construction of the Kansas State Board of Health is to be carried out.

We have been advised that the Kansas Advisory Hospital Council has been notified that cutting the proposed $75 million Hill-Burton Act budget to $50 million, as was done by the House, will limit grants in Kansas during 1954 to about $667,000, compared to $812,847 allocated our State during the past year.

This serious cutback will prevent construction of any new hospitals in Kansas being started next year. Thus, those communities which are planning to relieve their bed shortages will be stopped before they get going.

In some communities where local funds have been raised to match Hill-Burton Act funds, hospital projects will be abandoned or postponed because of insufficient Federal aid. This, in effect, will constitute a broken pledge by the United States Government.

Three cities in Kansas desperately in need of hospital expansion are Wichita, Lawrence, and Kansas City. The hospitals in Wichita are critically overcrowded because the city is one of the fastest growing in the United States and because the area the hospitals in Wichita serve know no State or county boundaries. In fact, St. Joseph Hospital in Wichita, of which I am the administrator, this year has an average bed occupancy of 103 percent. That means we never have enough beds to meet the demand. Similar situations exist in other Wichita hospitals and in Lawrence and Kansas City.

For these reasons, we hope you will confer with Senator BRIDGES and other members of the Senate Appropriations Committee, to which the Hill-Burton Act has been referred, and point out the urgent need for additional hospital beds in critical areas of Kansas.

Yours truly,

Sister M. ANTHONY, *Administrator.*

MERCY HOSPITAL,
Parsons, Kans., June 26, 1953.

Hon. ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: We of the Hospitals of the Sisters of St. Joseph are greatly alarmed at the proposed $25 million slash in Hill-Burton Act funds for relieving the critical need for additional hospital beds. We believe you will share this anxiety when you learn—as we did—that to meet the urgent need for additional hospital beds in critical areas of Kansas and to carry out the businesslike State plan of hospital construction of the Kansas State Board of Health, sufficient Federal funds must be enacted. This Federal aid can be provided only by the Hill-Burton Act.

1. The Kansas Advisory Hospital Council has been notified that cutting the proposed $75 million Hill-Burton Act budget to $50 million, as was done by the House, will limit grants in Kansas during 1954 to about $667,000, compared to $812,847 allocated to this State during the past year.

2. This serious cutback will prevent construction of any new hospitals in Kansas being started next year. Thus, those communities which are planning to relieve their bed shortages will be stopped before they get going.

3. In some communities where local funds have been raised to match Hill-Burton Act funds on a 60-40 split, hospital projects will be abandoned or postponed because of insufficient Federal aid. This, in effect, will constitute a broken pledge by the United States Government.

4. Some of the places desperately in need of hospital expansion are Wichita, Lawrence, and Kansas City, Kans. Because Wichita is one of the fastest growing cities in the Nation and because the area which the Wichita hospitals serve supersedes county and State boundaries, the hospitals are critically overcrowded. In fact, St. Joseph Hospital in Wichita has an average bed occupancy of 103 percent. Similar situations exist in Lawrence and Kansas City, Kans.

5. The plight of hospitals in Wichita, in Kansas, and in the entire United States—where an acute shortage of 848,567 hospital beds exists, according to United States Public Health Service standards—can largely be remedied by restoration of the Hill-Burton Act hospital fund appropriation to the originally proposed budget figure of $75 million.

We hope you will confer with Senator BRIDGES and other members of the Senate Appropriations Committee, to which the House-adopted Hill-Burton Act funds slash has been referred, and call their attention to the urgent need for additional hospital beds in critical areas. The health of Kansas and the Nation is at stake.

Sincerely,

Mother M. BAPTISTA.

ST. ANTHONY HOSPITAL
AND SCHOOL OF NURSING,
Dodge City, Kans., June 25, 1953.

Hon. ANDREW F SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: We, of the Hospitals of the Sisters of St. Joseph, are greatly alarmed at the proposed $25-million slash in Hill-Burton Act funds for relieving the critical need for additional hospital beds. We believe you will share this anxiety when you learn—as we did—that to meet the urgent need for additional hospital beds in critical areas of Kansas and to carry out the busi-

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nesslike State Plan of Hospital Construction of the Kansas State Board of Health, sufficient Federal funds must be enacted. This Federal aid can be provided only by the Hill-Burton Act.

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We hope you will confer with Senator BRIDGES and other members of the Senate Appropriations Committee, to which the House-adopted Hill-Burton Act funds slash has been referred, and call their attention to the urgent need for additional hospital beds in critical areas. The health of Kansas and the Nation is at stake.

Sincerely,

Sister M. THEODORE,
Administrator.

ST. MARY'S HOSPITAL,
Winfield, Kans., June 26, 1953.

Hon. ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: We of the hospitals of the Sisters of St. Joseph are greatly alarmed at the proposed $25 million slash in Hill-Burton Act funds for relieving the critical need for additional hospital beds. We believe you will share this anxiety when you learn, as we did, that to meet the urgent need for additional hospital beds in critical areas of Kansas and to carry out the businesslike State Plan of Hospital Construction of the Kansas State Board of Health, sufficient Federal funds must be enacted. This Federal aid can be provided only by the Hill-Burton Act.

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Sincerely,

Sister MARY AGNES,
Administrator.

HOSPITALS OF SISTERS OF ST. JOSEPH,
Wichita, Kans., June 19, 1953.

Hon. ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: We of the Hospitals of the Sisters of St. Joseph are greatly alarmed at the proposed $25 million slash in Hill-Burton Act funds for relieving the critical need for additional hospital beds. We believe you will share this anxiety when you learn—as we did—that to meet the urgent need for additional hospital beds in critical areas of Kansas and to carry out the businesslike State Plan of Hospital Construction of the Kansas State Board of Health, sufficient Federal funds must be enacted. This Federal aid can be provided only by the Hill-Burton Act.

1. The Kansas Advisory Hospital Council, of which I am a member, has been notified that cutting the proposed $75 million Hill-Burton Act budget to $50 million, as was done by the House will limit grants in Kansas during 1954 to about $667,000, compared to $812,847 allocated this State during the past year.

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Sincerely,

L. E. STOLZ,
General Business Manager.

METZLER FURNITURE CO.,
Paola, Kans., May 28, 1953.

Senator ANDREW F. SCHOEPPEL,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: I have watched with interest your work in the Senate. We have been proud of you and your work. Thank you for your independence.

I write in the matter of shearing the budget so heavily in the proposed appropriation for hospital construction under the Hill-Burton Act. Seems the bill coming out of the Ways and Means Committee now wants to reduce this budget item by almost a third.

We had just gotten a start in building long-needed hospitals over the country. They are so expensive that they will not be built without Federal grants.

There would be no one hurt if you would reduce the amount of money that our country will give to foreign aid by $1 billion. Surely our own people should not be cut any larger percentage than the budget for foreign giveaway is reduced.

Foreign countries all hate us anyway, and even France and England are doing everything to thwart what President "Ike" is trying to do to bring about an honorable peace. Why cast our pearls to the swine? Why not take care of our sick and poor at home a little now?

Hope you will work to restore this item in the budget as it should be. We will thank you for it.

Sincerely,

L. F. METZLER,
Committeeman, Fourth Ward.

Mr. SCHOEPPEL. Mr. President, I commend the Senator from Alabama for having brought this matter to the attention of the Senate, and upon the able manner in which he has presented it. I shall vote for the amendment, because I think it is a practical approach to the solution of our hospital problem.

Mr. MURRAY. Mr. President, I wish to join with other Senators in urging the support of the very important amendment offered by the distinguished Senator from Alabama. Throughout the time I have served on the Senate Committee on Labor and Public Welfare, I have been deeply interested in legislation of this sort, and I have always found the Senator from Alabama taking the lead in support of the hospital program.

I do not believe there is anything I could say today which would add to the arguments already presented in justification of the amendment proposing to increase the appropriation. Certainly nothing has been said to justify its defeat. I need not attempt to restate the importance of the hospital construction program, nor need I advise the Senate with reference to the excellence of the local, State, and Federal relationships which have developed under its administration. That has been discussed at some length during the course of the

debate this afternoon. These things are well known. They cannot be questioned.

The only issue before the Senate is the issue of blind, reckless, and wasteful "economy" on the one hand, and intelligent, purposeful planning for the general welfare on the other. On this issue, I should like to call the attention of my colleagues on the other side of the aisle to two factors worthy of their consideration.

The first is that, thanks to the ill-conceived hard-money policy of the Treasury, a round of interest rate increases has already occurred. This, in the opinion of competent observers, may well have a stifling effect on many phases of our economy within the next several months. If so, certainly the construction industry and workers in the building trades will be among the first to be hit. I understand, too, that the White House has a staff at work trying to plan measures to be invoked should a business recession set in. Certainly the construction of needed hospitals would be part of any such program. I would suggest, therefore, that, wholly apart from the intrinsic values of our hospital-construction program, this is no time to make cuts in a building-construction program of proved value.

The second point I should like to make in connection with this so-called "economy" move involves a simple declaration of principle. If this Republican Congress wants to economize in a truly intelligent way; if it wants to lower the tax burden and increase our revenues through measures which will not cost us more in the long run than they appear to save at first glance, then I am ready to cooperate to the fullest extent. If, instead of giving away our natural resources, we start to develop them in the interest of all the taxpayers and to the advantage of the entire Nation, that would mean true economy. Such economy I would favor 100 percent.

But if the leadership of this Congress means to carry out its ill-conceived campaign pledges of economy in Government at the expense of the American people, and particularly if it is to be at the expense of rural areas where Hill-Burton hospitals are planned, and are so badly needed, so be it. I, for one, shall have no part in wielding the budget-slashing economy knife if it is going to drip with the blood of a farm child whose life might have been saved had we carried out our pledge to help build hospitals where, in the opinion of the States themselves, they are unquestionably needed.

I would prefer, of course, that we appropriate the entire $150 million authorized in the carefully drafted, thoroughly considered Hill-Burton Act. The very least we can do is to vote for the $75 million appropriation which I believe the States have a right to expect of us as a minimum. I urge support of the amendment.

I certainly hope the amendment of the Senator from Alabama will be agreed to, because, in my judgment, it relates to one of the most important matters before the Senate today.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Griswold	McCarthy
Anderson	Hayden	McClellan
Barrett	Hendrickson	Millikin
Beall	Hennings	Monroney
Bennett	Hickenlooper	Morse
Bricker	Hill	Mundt
Bush	Hoey	Murray
Butler, Md.	Holland	Neely
Butler, Nebr.	Humphrey	Pastore
Byrd	Jackson	Payne
Capehart	Jenner	Potter
Carlson	Johnson, Colo.	Purtell
Case	Johnson, Tex.	Robertson
Chavez	Johnston, S. C.	Russell
Clements	Kefauver	Saltonstall
Cooper	Kennedy	Schoeppel
Cordon	Kerr	Smathers
Dirksen	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Duff	Kuchel	Sparkman
Dworshak	Langer	Stennis
Ellender	Lehman	Symington
Ferguson	Long	Thye
Flanders	Magnuson	Tobey
George	Malone	Watkins
Gillette	Mansfield	Williams
Goldwater	Martin	Young
Gore	Maybank	
Green	McCarran	

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Alabama for himself and other Senators, on which the yeas and nays have been ordered.

Mr. KNOWLAND. Mr. President, I desire to speak in opposition to the Hill amendment and to state the reasons for my opposition.

When the Senator from Alabama [Mr. HILL], former Senator Burton, and a number of other Senators joined in securing the enactment of the hospital construction legislation I was a sponsor of it and have supported it since coming to the Senate. But here we have a situation where the committee's recommendation is already $10 million above the amount allowed by the House of Representatives. It is now $60 million, which is the amount recommended in the revised budget submitted to Congress by the President of the United States.

I have no doubt, Mr. President, that an argument could be made for the amount in the amendment proposed by the Senator from Alabama, who I know is very sincerely interested in this subject, as are other Members of the Senate. It is a very appealing subject. An amendment could be offered for a considerably increased amount over and beyond that which is contained in the pending amendment and a strong argument could be made for it. But I invite the attention of the Senate to the fact that we are operating on borrowed money. The national debt is in excess of $265 billion. Despite the reductions which have been proposed in the several appropriation bills which have been passed, we ended the fiscal year, which closed on June 30, with a deficiency of approximately $9 billion. Even with the reductions which have been proposed, it is quite possible that next year may end with a deficiency and with the budget out of balance.

The American people are now bearing the highest tax burden in the history of the country, and it is questionable whether the Senate or the House will do any more than to extend the present tax legislation. Certainly, Mr. President, I doubt that anyone really believes there can be brought forth any tax legislation calling for increases over the presently existing high rates. I believe the Senate of the United States and the Congress will have to face up to the very real budgetary problem which is confronting the Nation. The security of the country is involved; not only the security of the country from the point of view of national defense, but the security of the country from the point of view of the stability of our currency and of the credit of the Nation.

The distinguished Senator from Minnesota, the chairman of the subcommittee, has today accepted a number of amendments in order to correct what some of the Members felt were reductions over and beyond those recommended by the Budget Bureau. But I invite the attention of the Senate to the fact that that is not the case with this amendment. The amount which is proposed by the committee is precisely the amount which was recommended by the Budget Bureau. It is not a reduction in that amount.

I think a sense of responsibility with regard to the budget problem which is facing the Nation would require that the amendment be not accepted at this time. If, in the course of the next 6 or 8 months the dangers incident to the foreign situation should lessen, and we can cut the enormous defense expenditures and bring the budget into balance, the administration may present to the Congress of the United States a supplemental bill to carry on not only this program but many other programs in which all of us would like to join. But now the money is not being voted out of excess funds in the Treasury; it is coming out of additional borrowing. We are living on borrowed money.

Under those circumstances, Mr. President, it seems to me the Senate should uphold its Appropriations Committee, uphold the Director of the Budget, and not increase the appropriation by an additional $15 million.

Mr. CASE. Mr. President, one Senator speaking this afternoon in behalf of the amendment said that, in one way, this was not a bad program. That is exactly correct. I sat through all the debate this afternoon, and I did not hear anyone say the hospital construction program was a bad program. No one rose in the Senate and objected to it. Every Senator who spoke, regardless of his particular approach, spoke of it as a good program. It is a program in which all of us believe, and which all of us have supported from time to time.

But when we come to the question of the budget, the issue is not whether a program is a good or a bad one. One may have a wholly good program, but sooner or later it is necessary to decide how much is to be spent on the program. There comes a time when a decision must be made.

Every person in his own financing arrives at a point where he says, "I would like to have a new car. I would like to buy a new house. I would like to buy a

new suit." But once in a while he comes to a point where he must say, "I cannot do it at this particular time."

As the acting majority leader has said, we have arrived at a point where we are pushing the debt limit. At some point we shall have to make cuts. Economy means nothing if we apply it to things we do not need. Economy means something if we apply it to things we need.

As was pointed out earlier in the debate, Congress has never appropriated less than $75 million for this program. Once it was $75 million; one time it was $85 million; one time it was $150 million.

The most urgent phases of the program ought to be under way in most of the States, and I believe they are. The particular appeal which has been made for increasing the budget estimate and the committee recommendation on this particular item today is that some States find themselves in a difficult position, because they have been adopting a practice which, while never banned by law, at least was not contemplated when the basic Hill-Burton Act was passed; that is, they have operated under the split-project method. Instead of making allocations to complete the hospital program, some 32 States have adopted the method of making allocations for the amount of money which was expected to be needed for bills which were maturing on hospital projects in a particular year.

Possibly it is true that it is necessary to begin more hospital projects, but there has never been any statement in the act or by anyone responsible for administering the act on the part of the Federal Government that if the States followed the split-project method, they could commit the Federal Government in the next year to appropriate enough to carry on the program for the vast number of projects that may be started.

Sixteen States have not adopted the split-project method, because they saw the penalties involved. They saw that a time might come when Congress might not appropriate sufficient money to allow allocations for all the projects which might be started.

Personally, I think there ought to be a clear-cut statement of policy by the Federal Government. Either all States ought to be permitted to adopt the split-project method, and to get a number of partially built hospitals, with a moral commitment on the part of the Federal Government, or at least an implied moral commitment, to provide enough money to take care of all the projects that might be started, or none of the States should be so favored. However, until that is done, the Federal Government does not have an obligation to make an appropriation to carry on all projects that may be started.

The committee report very well says:

> The committee feels that the Public Health Service should restudy the split-project method of financing. It feels very strongly that should such method be continued, there must be a clear understanding that this does not constitute a moral commitment for the Congress to provide additional funds and that the local sponsors may start building only with the understanding that they may have to provide the full amount necessary to complete the projects.

Certainly at present there is no moral commitment on the part of the Federal Government to appropriate enough money to make an allocation for all hospitals which may have been started under the split-project method, when the Federal Government is not itself a party to determining what allocations should be or what projects should be built.

I do not believe there is a Member of the Senate who would not like to vote for this amendment. There is not a Member of the Senate who would not like to vote for more than $75 million. There is not a Member of the Senate who would not like to vote for the full $150 million provided by the basic authorization. But if our statements about economy and about trying to balance the budget mean anything, once in a while it is necessary to put an end to going above budget estimates, even for projects such as these, much as we would like to have them.

It seems to me, since an opportunity to vote is presented, that in this case Senators who believe in balancing the budget will have an opportunity to stay with a balanced budget, and to vote "no" on the amendment.

Mr. THYE. Mr. President, the amount recommended by the Senate committee is $27,729,000 over the amount appropriated by the House. This afternoon we have added to that amount, by amendments already accepted, $3,035,000. That makes it practically $30 million above the House bill.

Mr. President, again I must call attention to the fact that at the outset, in 1948, $75 million was appropriated for hospital construction. In 1949, a similar amount was appropriated. In 1950, when we thought we were at peace with the world, we appropriated $150 million to proceed with hospital construction.

When the Korean war compelled the Nation to make heavy defense expenditures, Congress then reduced the amount to $75 million. In the years 1951 and 1952 Congress appropriated $82,500,000. For the fiscal 1953 the amount was $75 million.

As I said earlier, I believe the Budget Bureau took into consideration the Nation's financial responsibility, its unbalanced budget, and the high taxes imposed upon taxpayers, and they considered they were justified in reducing the hospital construction program to $60 million, which is the amount the Senate Committee on Appropriations has recommended to the Senate.

I can only say to Senators that if they raise this appropriation another $15 million, they will be going far above the amount recommended by the Budget Bureau.

For that reason, even though I strongly favor the law, and, in fact, would like to see appropriated the maximum amount authorized, $150 million, I feel that since we are engaged in huge defense expenditures, I must support the Budget Bureau. Therefore, since the yeas and nays have been ordered, I shall vote "nay" on the amendment, even though I should desire to speak in support of it.

Mr. DIRKSEN. Mr. President, I have grave doubt whether Congress actually wants to balance the budget. I feel a sense of frustration over the experience I have had on the Committee on Appropriations. I serve on five subcommittees, and I believe Senators who are associated with me in that endeavor will bear me out when I say that I have made repeated efforts to cut all along the line, but have failed more often then I have succeeded. As a matter of fact, my failures in that respect show a score of almost 100 percent. I have just about given up, reluctant as I am to say so, in my efforts to cut or chisel some money from the budget estimates, in the hope that we can march in the direction of a balanced budget.

Let me say to the sponsors of the amendment that if this particular amendment is placed on the basis of need, they should not be so picayunish. They might as well make the sky the limit. I sat and heard the testimony as to the estimated deficit in beds over the country. Witnesses said to the committee, "We need from 733,000 to 850,000 beds." If this proposal is put on the basis of need today, then let us make the sky the limit. Let us put in $150 million or $200 million. Let us put in all that is necessary in every section of the country, notwithstanding the fact that there is much good private testimony which suggests that the entire program ought to be evaluated.

Mr. KERR. Mr. President, will the Senator yield?

Mr. DIRKSEN. Not for the moment.

In the first place, we can get plenty of adequate and authentic testimony to the effect that people do not stay in hospitals as long as they once did. I am wondering whether or not the entire program should be evaluated.

I come back to the basic premise, namely, that either we are going to give some consideration to a balanced budget or we are not. Certainly we shall be held accountable by the people of the country. Evidently the budget is going to be out of balance in the fiscal year 1954. I am not so bold as to prophesy or predict what the condition will be in the fiscal year 1955. However, I will say to the sponsors of the amendment that I am not insensible of the fact that in the past 22 years the budget has been balanced only twice. That was in the 80th Congress. We balanced it in 1947 and 1948. I was on the Appropriations Committee of the House of Representatives at the time.

We heard no great squawking from the people of the country because we denied a good many desirable things, things which everyone knew were desirable. But we must cut the cloth to suit the purse.

We balanced the budget in the 80th Congress. Along with the balanced budget we earmarked $3 billion the first year of the 80th Congress for the mutual-security program or the Marshall program. We then gave the taxpayers a little filip, as a matter of an appreciative gesture, I suppose. But it was a demonstration that at a time like that it could be done. However, it will not be done this time unless there is a will in Congress to do it. It will not be done unless

there is a determination to stand up against every clamor and say, "Desirable as it may be, there is a larger duty, and that duty is to the solvency of the country." That is the question that is involved here.

I tried to keep increases from coming into the bill. I voted against them. I voted against the increases represented in the pending bill. I voted against the increase for the National Health Service, and other desirable items.

I should like to see a record of something a little more tangible. Since 1944 we have spent $141 million on cancer research. I am not so sure but that the Kettering-Sloan Foundation, with a modest amount, has shown better results in researches in the field of leukemia cancer than we have shown in the Government. We have stockpiled a great many technicians and scientists. We have constructed a great many buildings. But people are still dying of this dread disease. It seems to me that we should see a few more tangible results as a consequence of the work done from 1944 to 1953, a period of 9 years, with an expenditure of $141 million.

I voted against this particular increase. I know that there will be clamor and I know that there will be a scolding, but that will not make a particle of difference to me, because I think we have reached that point in our national life where we are either going to attain solvency and roll back the inflationary fevers which are the direct and proximate result of deficit spending, or we will simply let it go down the drain.

So I intend to resist this proposal, along with all other amendments for increases, as my modest contribution to Federal solvency.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama [Mr. HILL] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. GILLETTE (after having voted in the negative). I had forgotten that I have a pair with the Senator from Mississippi [Mr. EASTLAND]. I understand that if he were present and voting he would vote "yea." I therefore withdraw my vote.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from Idaho [Mr. WELKER] is unavoidably detained.

The Senator from Wisconsin [Mr. WILEY] is absent on official business. If present and voting the Senator from Wisconsin [Mr. WILEY] would vote "yea."

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Wyoming [Mr. HUNT] are absent by leave of the Senate.

The Senator from Mississippi [Mr. EASTLAND] is absent on official business.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official committee business.

I announce further that if present and voting the Senator from Texas [Mr. DANIEL] and the Senator from Arkansas [Mr. FULBRIGHT] would each vote "yea."

The result was announced—yeas 43, nays 41, as follows:

YEAS—43

Aiken	Jackson	Morse
Anderson	Johnson, Tex.	Murray
Chavez	Johnston, S. C.	Neely
Clements	Kefauver	Pastore
Cooper	Kennedy	Payne
Douglas	Kerr	Russell
Duff	Kilgore	Schoeppel
George	Langer	Smathers
Gore	Lehman	Smith, N. J.
Green	Magnuson	Sparkman
Hayden	Mansfield	Stennis
Hennings	Maybank	Symington
Hill	McCarran	Tobey
Hoey	McClellan	
Humphrey	Monroney	

NAYS—41

Barrett	Ellender	Martin
Beall	Ferguson	McCarthy
Bennett	Flanders	Millikin
Bricker	Goldwater	Mundt
Bush	Griswold	Potter
Butler, Md.	Hendrickson	Purtell
Butler, Nebr.	Hickenlooper	Robertson
Byrd	Holland	Saltonstall
Capehart	Jenner	Smith, Maine
Carlson	Johnson, Colo.	Thye
Case	Knowland	Watkins
Cordon	Kuchel	Williams
Dirksen	Long	Young
Dworshak	Malone	

NOT VOTING—11

Bridges	Fulbright	Taft
Daniel	Gillette	Welker
Eastland	Hunt	Wiley
Frear	Ives	

So the amendment offered by Mr. HILL for himself and other Senators was agreed to.

Mr. HILL. I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. McCLELLAN. I move to lay on the table the motion to reconsider.

The PRESIDING OFFFICER (Mr. DUFF in the chair). The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. PAYNE. Mr. President, I offer an amendment, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 10, line 2, it is proposed to strike out "$6,250,000" and to insert in lieu thereof "$6,750,000."

Mr. PAYNE. Mr. President, the reason for offering the amendment is not that I do not have the greatest admiration and respect for the chairman of the subcommittee, the Senator from Minnesota [Mr. THYE], who heard testimony in connection with this bill particularly on behalf of the requirements for funds in the Wage and Hour Division, but rather because of the fact that the amount recommended is considerably below the amount which President Eisenhower recommended in the budget request submitted to Congress.

As I refer to the record in connection with the hearings before the committee, I note with a great deal of interest the report which was made by the Hoover Commission with regard to the effectiveness of this particular division of the Labor Department, and I am concerned that reducing the funds for the operation of the division to the extent recommended by the committee will result in a curtailment of the work of a very effective division of the Labor Department.

Mr. President, no one, after reviewing the facts, has been more concerned about economy and making effective budget reductions wherever possible than the Secretary of Labor, as is evidenced by the recommendations contained in the budget submitted to Congress. It is my hope, therefore, that the amendment offered by me may be given favorable consideration, because it will place the amount available for the Wage and Hour Division of the Department of Labor halfway between the amount recommended by the Committee on Appropriations and the amount recommended by the President in his revised budget.

Mr. THYE. Mr. President, I must remind the Senate that at an earlier hour today an amendment was offered by the Senator from Illinois [Mr. DOUGLAS] which proposed to raise the amount by $750,000. Now the Senator from Maine proposes to raise the amount by $500,000. I must call to the attention of the Senate the fact that the committee recommends an increase of $250,000 over the amount allowed by the House, but $1,089,000 below the revised estimate.

The increase recommended will permit the division to retain the most essential positions in the activity, promotion of compliance, and enforcement, but the committee directs that none of the 50 positions in the administrative category be reinstated.

The committee has made a very careful study of the entire question. I believe the committee has recommended a sum sufficient to permit the division to function adequately and properly and to carry on the functions which it must perform. I regret exceedingly that an amendment has been offered to increase this appropriation.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maine [Mr. PAYNE].

Several Senators requested the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Maine [Mr. PAYNE]. [Putting the question.] The "noes" appear to have it.

Several Senators requested a division.

On a division the amendment was rejected.

Mr. AIKEN. Mr. President, I am advised that the appropriation allowed for the Mexican farm labor program will undoubtedly not be adequate to carry that program along as required by the act and its anticipated renewal. At the time when the budget for the Mexican farm labor program was made up, the Senate had not voted to renew the act.

Yesterday the Senate voted to renew the act for another year; and that measure will go to conference with the House

of Representatives. Undoubtedly a renewal for some length of time will be made.

The total amount appropriated for the program last year was $2,800,000, of which $2,705,000 was actually spent. The original estimate of the Truman budget for the first 6 months of the fiscal year 1954 was $1,760,000.

The Eisenhower budget reduced that estimate to $1,600,000. The House voted to appropriate $1,250,000, or a reduction of $350,000.

I understand that the Senate committee made a careful examination of the situation, and concluded that $1,520,000 would be required to carry the program through the next 6 months, or from July 1, 1953, to January 1, 1954. Of that amount, however, $100,000 was allowed to liquidate the program, inasmuch as at that time the act had not been renewed or was not then in an effective process of being renewed.

If the reduction is made, the funds appropriated will be used, as I understand, as follows: $930,000 will be used for operation of the centers through which the Mexican labor is imported, and $314,000 will be used to carry out the terms of the international agreement and the requirements of Public Law 78. That would mean the elimination of the activities carried on within the borders of the United States.

Under the law, the Secretary is required to find whether sufficient domestic workers are available for agricultural employment, and to see that the employment of Mexican workers does not adversely affect the wages and working conditions of United States workers similarly employed, and to determine whether reasonable efforts have been made to attract United States workers at wages and hours similar to those offered to such Mexican agricultural workers.

If we eliminate the item of $100,000 for liquidation of the program, but make an appropriation of $1,420,000, instead of $1,250,000, we shall be increasing the appropriation in the amount of $170,000.

So, Mr. President, I move, as an amendment, that on page 7, in line 13, "$1,250,000" be stricken out, and that there be substituted, in lieu thereof, "$1,420,000."

Mr. THYE. Mr. President, since the committee approved this item, a bill extending the Mexican farm labor authorization for 1 year's time has been passed. Therefore, there has been submitted to the House of Representatives a supplemental budget request to include funds for the total fiscal year. For that reason, there can be no objection to the amendment proposed by the Senator from Vermont. If the amendment is approved, it will be in conference at the same time when the House is considering the supplemental bill to take care of the administration of the Mexican farm-labor program for the entire year.

Of course, at the time when the committee approved this bill, we had before us proposed legislation to authorize the continuation of the program only through December 1953. Therefore, we were proposing the appropriation of funds for the 6 months' period.

However, now that the law has been extended, there is no reason to object to the amendment of the Senator from Vermont.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). Does the Chair correctly understand that the Senator from Minnesota is accepting the amendment?

Mr. THYE. Yes.

Mr. DWORSHAK. Mr. President, let me inquire whether the amendment of the Senator from Vermont is intended to cover the entire year.

Mr. AIKEN. No. A supplemental appropriation will be required, anyway, because the other appropriation was for only 6 months, and the committee added an appropriation of $100,000 for liquidation of the program.

Mr. DWORSHAK. So the Senator from Vermont now proposes that this item be increased to $1,400,000, for Mexican agricultural labor to be imported into the United States; is that correct?

Mr. AIKEN. I propose that this item be increased to $1,420,000, which will allow for appropriation of the amount which the appropriations subcommittee determined to be advisable, less the $100,000 which was intended to be used for liquidation purposes.

Mr. DWORSHAK. Mr. President, will the Senator from Vermont yield further to me?

Mr. AIKEN. I yield.

Mr. DWORSHAK. Is the Senator from Vermont confident that that amount is needed in order to carry on this program in an orderly way?

Mr. AIKEN. I think so.

Mr. DWORSHAK. Has there been any evidence to justify that conclusion?

Mr. AIKEN. I have never taken part in this recruiting and placement program. I have to take the word of those who I think have done as well as they could under the circumstances.

Mr. CHAVEZ. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. CHAVEZ. As the Senator from New Hampshire knows——

Mr. TOBEY. That is all right; we shall be glad to claim him. [Laughter.]

Mr. CHAVEZ. Pardon me; I meant to say that as the Senator from Vermont knows, I opposed the original bill providing for the importation of Mexican nationals to works on farms in the United States. However, as a result of investigations which have been made in the field—in Texas, New Mexico, Arizona, and California—I am convinced that if the crops of those States, including crops of fruits and vegetables, among which are potatoes, celery, and tomatoes, are to be harvested, it is absolutely necessary that this class of labor be available. Those crops cannot be harvested unless this class of labor is available, I am convinced. That is due to the fact that around Carlsbad, N. Mex., in California, and Ocean City—an area close to Camp Pendleton, the Marine base—such low wages are being paid for common labor that people in that area will not work on the farms. I have been informed by the farmers themselves and by those connected with the program that it will be impossible for the farmers of southern California to harvest those crops, which are worth millions and millions of dollars, without having this class of labor available.

I think the appropriation being requested is a very modest one, considering the program.

Mr. GOLDWATER. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. GOLDWATER. I have before me some interesting statistics which I should like to present to the Senate in regard to this particular item. I am very much indebted to the Senator from Vermont for bringing up the matter this afternoon.

The figures I have are based upon the reduced amounts of appropriations as proposed by the Secretary of Labor. We find that there is a total of 296 employees, according to his estimate. My tally shows 298.

The Senator from Vermont suggests that a larger appropriation be made for this purpose. I wish to ask a few simple questions about this situation, because it is typical of what happens when we begin with something simple, which ultimately blossoms into a full-blown bureaucracy.

For instance, I should like to know why 118 of the employees are in Washington, D. C., rather than in the field. Among them I find that there are, for instance, 23 labor economists. I do not know why labor economists are needed to tell us about Mexican agricultural workers to be employed in the United States. We find that included in the employees of this agency is a group of agricultural employment specialists. Each one of these officials is augmented by a full staff of clerks, typists, and so forth. We find that the employees in Washington include placement assistants, position classifiers, space analysts, and others. There is a program development and evaluation branch, and there is an agricultural employment specialist. As I have said, 118 persons are working here in Washington to administer the activities of a total of 170 persons who are spread over Texas, New Mexico, Arizona, California, and in many places in Mexico.

Despite the good work the Secretary of Labor attempted to do in reducing this program, I do not feel that he has gone far enough. I repeat that I hold in my hand evidence of the typical spread of bureaucracy in Washington, D. C.

I may say that these figures and this list of job classifications only bear out what the distinguished Senator from Illinois said earlier this afternoon namely, that if we are going to practice economy, we must really do so.

This is a type of foolishness we must eliminate from the Government. Certainly we need a farm-labor program under the existing law, but I contend that we do not need all of the extra, fancy, tinsel trimmings which have been applied within the past 20 years, and which the Republican Party was put into office to eliminate.

Mr. AIKEN. Mr. President, I would not consider that the program resulted

from an act of foolishness. I want to say that the program recommended by the Eisenhower administration represents a substantial reduction in the number of employees recommended by the Truman budget. In the Truman budget 342 employees were recommended; in the Eisenhower budget, 296. The amount allowed by the House and by the Senate committee would provide for 195 employees. That is roughly 1 employee for 1,000 Mexicans who come over the border. It seems to me that is about as few as it is possible to get along with. It would seem that difficulties will be encountered in getting farm labor this year. It also looks as if some difficulty might be experienced by our Government in getting together with the Mexican Government and arranging for a limitation. At least, the two Governments have not been able to get together thus far. However, from the overall viewpoint, I would say that having these programs would result in getting labor in a much more orderly manner than as if we had no program at all, and there would probably be fewer violations involved. The House has voted an extension for 3 years. Yesterday, the Senate voted an extension for 1 year. We do not know what the outcome of the conference may be. We do not know how long the Mexican farm-labor program may be continued. But I do know that the farm operators of the Far West and of the Southwest are desirous of having the program continued. As I say, the motion I made would provide for some inspection within the United States.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Louisiana.

Mr. ELLENDER. The Senator from Vermont is aware of the fact, is he not, that the $1,250,000 provided in the bill was for a 6 months' period only?

Mr. AIKEN. That is correct.

Mr. ELLENDER. And that $170,000 has been added to that. Is that not correct?

Mr. AIKEN. That is correct.

Mr. ELLENDER. As the Senator from Minnesota has just indicated, the budget estimate for the remaining 6 months amounted to $900,000. I wonder whether the Senator would agree to modify his amendment so as to increase the amount to $2,150,000 in order to provide sufficient funds.

Mr. AIKEN. I do not know. I understand the House is already conducting hearings on the supplemental request for $900,000 to continue the program for the last 6 months of the year.

Mr. ELLENDER. That will be included in a supplemental bill. My idea was that, since the law was extended yesterday, we might as well provide sufficient funds to carry the program for an additional year.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. Before replying to the Senator from Louisiana, I yield to the Senator from Minnesota. I shall then see where we stand.

Mr. THYE. Mr. President, so far as the Senate is concerned, we would, of course, have to have an authorization, and the Appropriations Committee would have to conduct hearings on the supplemental bill to carry out the program for the next 6 months. But, since the Senator has yielded, I desire to call attention——

Mr. ELLENDER. Mr. President, will the Senator yield at that point?

Mr. THYE. I yield to the Senator from Louisiana.

Mr. ELLENDER. An authorization is already provided in the original bill.

Mr. THYE. Then I will correct myself by saying the authorization need not be extended, but that we shall have to conduct hearings for the purpose of determining the amount of the appropriations.

Mr. ELLENDER. I understood that the Bureau of the Budget had sent an estimate of $900,000, which, if added to the $1,250,000, would provide funds with which to carry on the program for the entire year.

Mr. THYE. Such a budget request has been sent to the House, and the House at the present time is conducting hearings on it.

I should like to comment upon the statement of the distinguished Senator from Arizona [Mr. GOLDWATER] by saying that the Senate Appropriations Committee, under the revised budget request, has reduced the number of positions from 342 to 296. The House allowed 195 positions. But I must call attention to the fact that at the present time there is the highest employment rate we have had in the history of this Nation. That means that we must depend upon imported labor to carry on the seasonal stoop-labor to enable the farmers to harvest their crops.

I was in Minnesota on Saturday, the 4th of July, and Sunday, July 5. At that time I noted across the countryside, even though there was a holiday, the Fourth of July, that nevertheless the farmers were harvesting the pea crop. The pea crop is canned. I also noticed that they were harvesting the field peas on Sunday. That crop must be harvested as soon as it reaches maturity, otherwise there is an absolute loss. I noted that imported farm laborers were engaged in handling the peas, both in the field and at the vinery, to which the peas are brought for the purpose of being shucked. It is necessary to use imported labor at a time when there is high national employment, as at present; otherwise it would be impossible to harvest the crops when they are ready for harvesting.

So whatever criticism may be made about bureaucracy being developed, we must, nevertheless, have the personnel necessary to administer the program; otherwise workers might be congregated at the border, and not spread across the Nation to supply the needs of the farmers for labor when the harvesting season is on, whether it be in Minnesota, Montana, in the extreme Northwest section of the country, or in the New England area. While the program may be criticized, I do not know how we are to get a proper allocation of the imported workers unless we know where they are to be used, and when they are to be needed.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. AIKEN. Let me say a word before yielding to the Senator from Idaho. I think the Senator from Minnesota has aptly pointed out that it would be impossible to appropriate for the last 6 months of the fiscal year until the bill which passed the Senate yesterday had been completely processed and signed by the President, thus giving an authorization. In further reply to the Senator from Arizona, I may say I cannot guarantee that some of the money in question will not be wasted. In the case of all our appropriations to Government agencies, I presume it would be difficult to find a single agency in which there was not some money wasted or spent inefficiently.

The amount which I am proposing is $180,000 below the Eisenhower budget request and $320,000 below the Truman budget request. So I think I can say, at least, that if any of it is wasted, there will not be as much wasted as there would be if they had several hundred thousand dollars more. They will have to very economical.

It has been pointed out by the Senator from Minnesota [Mr. THYE] that we may have a very tight farm-labor situation. I noticed in a report on the ticker today that something like 1½ million persons have been added to our employment numbers for the month of June, which shows that employment is still on the upgrade, and it is getting more difficult every year to get people to get down on their knees for almost any purpose whatever.

Mr. DWORSHAK. If the Senator's amendment is agreed to, and $900,000 is added subsequently, what would the total be?

Mr. AIKEN. It would be $2,320,000. But we must remember that the item of $900,000 is now under hearings by the House committee. It has to pass the House committee and the House, and the Senate committee and the Senate, before it becomes available for use.

Mr. DWORSHAK. Can the Senator tell us what the reduction will be from the past fiscal year to the next fiscal year, under the program?

Mr. AIKEN. It is very difficult to tell exactly. The number of positions provided for in the Truman budget was 342; by the Eisenhower budget, 296; by the House recommendation, 195; by the Senate subcommittee's restoration, 270.

I am suggesting taking 100 off the subcommittee's recommendation, so I would say it would bring the number down to the neighborhood of 240, or approximately 100 fewer employees than provided for in the Truman budget.

Mr. DWORSHAK. If there is a reduction of approximately 100 in personnel, I should like to know the amount which the Senator would anticipate would be provided for the entire year, as compared with $2,700,000. Will there not be far more funds available than would be needed to take care of the situation, with a proposed reduction of 100 employees?

I should like to know whether we are merely having additional personnel to sit in some building on the banks of the Potomac River to help the farmers harvest their crops, or whether we are merely retaining a lot of holdover politicians who like their jobs and who probably have little regard for helping the farmers of the country harvest their crops.

Mr. AIKEN. A few minutes ago I made a rapid calculation in mental arithmetic for the Senator from Idaho, but he now propounds a problem which is a little too deep for me to do offhand. So long as jobs are available and money is available to pay high salaries, undoubtedly there will be no lack of applicants for the jobs. I am simply taking it for granted that the Eisenhower Budget Bureau made a study of the situation, including what amount was necessary, and, as I say, I am taking $180,000 off the recommendations.

Mr. DWORSHAK. Mr. President, will the Senator from Vermont yield further?

Mr. AIKEN. I yield.

Mr. DWORSHAK. I am fully aware of the record of the Senator from Vermont for economy, and I believe he wants to handle the subject in an equitable manner and not provide funds in excess of what will be required to carry on an efficient program in connection with Mexican labor.

Mr. AIKEN. That should be the aim of all of us.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Vermont. [Putting the question.] The ayes seem to have it.

Mr. DWORSHAK. Mr. President, I ask for a division.

On a division, the amendment was agreed to.

Mr. LANGER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from North Dakota.

The CHIEF CLERK. On page 18, line 24, it is proposed to strike out "$5,725,000" and insert in lieu thereof "$7,025,000."

Mr. LANGER. Mr. President, we thoroughly discussed this amendment this morning. It deals with the proposal to cut the appropriation for tuberculosis research. The amendment is in response to various telegrams, one of which I read, asking for the restoration of $2,515,000. I discussed the matter with the distinguished Senator from Minnesota, and also with the cosponsors of the amendment, the Senator from South Dakota [Mr. CASE], the Senator from New York [Mr. LEHMAN], and the Senator from Kentucky [Mr. CLEMENTS], and we find that the grants-in-aid to States would be covered if there were an additional appropriation of $1,300,000.

Mr. THYE. Mr. President, $1,300,000 is $1,300,000, and that is a large sum of money, when we consider that the item proposed to carry out the purpose of section 314 of the act calls for only $5,725,000. If we add another million dollars to that amount, we are increasing it tremendously.

It was brought out that the Interior Department receives an appropriation for a tuberculosis program among the Indians. I thought the Senator from North Dakota was proposing to raise the amount only by $150,000 or $125,000. I would accept a $125,000 increase, but I certainly could not agree to consider an increase of $1,300,000. That is just too much money, Mr. President.

Mr. CLEMENTS. Mr. President, will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. CLEMENTS. I understand the amendment of the Senator from North Dakota would add $1,300,000 covering grants in aid to the several States.

Mr. LANGER. That is correct.

Mr. CLEMENTS. Would it not put the figure back to what it was a year ago?

Mr. LANGER. It would make it exactly what it was a year ago.

Mr. CLEMENTS. The figure a year ago was approximately $5 million, the figure for the next fiscal year is $4 million, and the Senator is asking that it go back to the figure of 1 year ago; is that correct?

Mr. LANGER. That is correct.

Mr. CLEMENTS. Mr. President, will the Senator from North Dakota yield further?

Mr. LANGER. I yield.

Mr. CLEMENTS. I do not want to detain the Senate by reading it, but I have in my hands a statement of what each State in the Union received for fiscal 1953, and also what they would receive under the proposed allocation for fiscal 1954. It shows $5,300,000 as the 1953 appropriation, and $4 million for the next fiscal year. I notice that in the State of Minnesota there would be a reduction of $21,000.

Mr. President, I ask unanimous consent to place in the RECORD at this point a letter from the National Tuberculosis Association, and include a table showing what each State will be reduced by an appropriation of $4 million.

There being no objection, the letter and table were ordered to be printed in the RECORD, as follows:

NATIONAL TUBERCULOSIS ASSOCIATION,
New York N. Y., July 6, 1953.

The Honorable EARLE C. CLEMENTS,
Senate Office Building,
United States Capitol,
Washington, D. C.

DEAR SENATOR CLEMENTS: I am enclosing a table showing the amounts of money allocated by the United States Public Health Service to the States for tuberculosis control work within those States as per your request.

I am enclosing also a publication of the National Tuberculosis Association entitled, "Less Money For Tuberculosis Control Means More Tuberculosis," in which we have stated the reasons of tuberculosis associations for opposing the reduction in funds for tuberculosis control.

Your consideration of this matter and assistance in the reinstating of some funds for the tuberculosis appropriation when H. R. 5246 is considered by the Senate would be most appreciated.

Sincerely yours,

N. J. SWEARINGEN,
Legislation and Veterans.

Grants to the States for tuberculosis control from the U. S. Public Health Service

State	Allocation, 1953	Proposed allocation, 1954
Total	$5,300,000	$4,000,000
Alabama	123,500	92,300
Arizona	56,400	46,100
Arkansas	86,200	65,900
California	283,900	227,100
Colorado	43,800	31,500
Connecticut	73,700	51,600
Delaware	19,500	17,500
District of Columbia	48,500	38,200
Florida	111,800	78,300
Georgia	160,300	112,200
Idaho	16,800	14,700
Illinois	266,500	190,100
Indiana	107,900	80,800
Iowa	45,700	36,300
Kansas	56,600	39,600
Kentucky	144,400	107,300
Louisiana	104,700	78,900
Maine	29,900	24,200
Maryland	105,100	78,100
Massachusetts	172,600	120,800
Michigan	171,400	129,200
Minnesota	71,700	50,200
Mississippi	118,000	82,600
Missouri	123,900	92,100
Montana	21,800	17,900
Nebraska	32,300	23,300
Nevada	10,600	8,500
New Hampshire	17,100	13,700
New Jersey	133,400	106,700
New Mexico	39,000	29,800
New York	423,200	338,600
North Carolina	153,400	107,400
North Dakota	36,800	23,800
Ohio	228,700	168,000
Oklahoma	88,700	62,100
Oregon	48,400	33,900
Pennsylvania	267,500	216,000
Rhode Island	28,800	22,300
South Carolina	112,600	78,800
South Dakota	22,200	17,900
Tennessee	151,900	113,200
Texas	190,900	155,700
Utah	18,000	15,300
Vermont	19,200	15,800
Virginia	151,400	108,000
Washington	67,300	48,000
West Virginia	73,700	54,200
Wisconsin	85,900	59,900
Wyoming	11,700	10,500
Territories and possessions	323,000	254,100

Mr. LANGER. Even if the amount be raised in accordance with the amendment, it will still be $1,300,000 less than it was 2 years ago.

Mr. LEHMAN. Mr. President, will the Senator from North Dakota yield for a question?

Mr. LANGER. I yield.

Mr. LEHMAN. Is it not a fact that the cut proposed is approximately a 30 percent overall cut?

Mr. LANGER. Yes.

Mr. LEHMAN. That is an extremely serious cut, is it not?

Mr. LANGER. That is true.

Mr. LEHMAN. Is it not a fact that in the past 15 years we have steadily made progress in the treatment of tuberculosis, so that today we see a chance of minimizing the effect and the incidence of the disease?

Will not the proposed cut of 30 percent, or $2,500,000, at a time when we are making progress set the program back possibly for years and thus jeopardize the lives of thousands, if not hundreds of thousands, of people in our country?

Mr. LANGER. I can best answer the Senator by reading a telegram I have received from the Hettinger County Tuberculosis and Health Association:

Restoration of the $2,515,000 cut—

That has been reduced to $1,300,000 by my amendment—

by the House from Federal tuberculosis appropriation is urgently requested. To permit this cut at this time would jeopardize

whole tuberculosis control movement which has done so much toward control of this dread disease in the State of North Dakota as well as throughout the Nation.

My distinguished friend, the senior Senator from South Dakota [Mr. CASE] joined with me this morning in the discussion. The proposed reduction would jeopardize all the work that has been done on tuberculosis research in the last 20 years. As the Senator from New York said, wonderful progress has been done toward wiping out the disease.

Mr. LEHMAN. I have no doubt that as a practical step the Senator from North Dakota has been wise to reduce the amount he is asking for in his amendment to $1,300,000. Of course, I shall support the amendment as it now stands, but I have no hesitation in saying that even if that amount should be granted, it would be completely inadequate for the needs of the country.

We in New York, like the people in the State of the distinguished Senator from North Dakota, are doing and have been doing a good job on tuberculosis control and have made great progress. The reduction proposed will place in jeopardy our entire program, in which we have made progress so laboriously.

Mr. CASE. Mr. President will the Senator from North Dakota yield?

Mr. LANGER. I yield.

Mr. CASE. My understanding of the item is that last year $8,240,000 was appropriated. The Senator's figure of $7,025,000 is practically $1,250,000 less than was appropriated for fiscal 1953. Is that correct?

Mr. LANGER. That is correct.

Mr. CASE. The figure $7,025,000 is more than $500,000 below the original budget estimate for this year. Is that correct?

Mr. LANGER. That is correct.

Mr. CASE. Was not that figure used because it represents the amount necessary to meet the matching commitments of the States?

Mr. LANGER. That is correct.

Mr. CASE. And also because State legislatures already have met and have made appropriations to meet the figure which would be allocated on the basis of $7,025,000?

Mr. LANGER. The Senator has stated the facts correctly.

Mr. CASE. But if it is made, the reduction will fall on the overhead, or something of that sort?

Mr. LANGER. My amendment would still provide $1,200,000 less than the sum provided a year ago.

Mr. CASE. But enough to match the amounts the States are putting up?

Mr. LANGER. That is correct.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. HUMPHREY. Does the Senator from North Dakota view his amendment as a means of fulfilling commitments which have already been made on the part of States and localities under this program?

Mr. LANGER. I do.

Mr. HUMPHREY. In other words, does the Senator believe that in order to continue the kind of program which has been carried on to date, and which apparently is authorized by respective localities and States, the sum he is recommending is needed?

Mr. LANGER. I do.

Mr. HUMPHREY. What is the Senator's understanding of the amount presently recommended in the bill?

Mr. LANGER. It is entirely inadequate and will result in disaster, if the program is to be carried out, especially in the Northwest. As a matter of fact, it will be disastrous throughout the country, wherever tuberculosis is being battled. Wonderful progress has been made. We shall be cutting $1,200,000 from the amount appropriated a year ago, even by adopting the amendment.

It seems to me that a reduction of $1,200,000 from $8 million is a very substantial cut.

Mr. HUMPHREY. Am I correct in understanding the Senator to say that even with the amendment of the Senator from North Dakota we shall still be short $1,200,000, as compared to the sum appropriated for the last fiscal year?

Mr. LANGER. That is correct.

Mr. HUMPHREY. What would be the total shortage as compared with the amount appropriated for the last fiscal year?

Mr. LANGER. One million two hundred thousand dollars.

Mr. HUMPHREY. What would be the difference under the committee proposal?

Mr. LANGER. The committee took off $2,515,000.

Mr. THYE. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. THYE. In the 1953 appropriation, for the control of tuberculosis, $8,240,000 was provided. The original budget estimate as submitted by the Truman administration called for $7,645,000. The revised budget estimate calls for $5,725,000. The Senator will note that there was a substantial reduction proposed by President Truman in the 1954 budget. His original budget request made a substantial reduction from what was contained in the budget for fiscal 1953. However, the revised budget estimate reduced that sum to $5,725,000. I simply call the Senator's attention to the fact that the Truman administration saw the need for a reduction.

It must be recognized that mobile units were really introduced for investigational and research activities with a view to tuberculosis control. Mobile units moved into Pittsburgh, New York, Portland, Ore., and other large cities of the Nation, and conducted so-called X-ray demonstrations and made X-ray findings in cases of tubercular afflicted persons.

The time has arrived when the educational aspect of the program has been carried out. Great numbers of people throughout the Nation have been made acquainted with the need to have chest X-rays.

My criticism has been that larger cities, instead of smaller cities, have had the benefit of mobile units. Smaller cities could not afford to operate or to own mobile units. The program was often financed in the larger cities with funds in excess of what the Federal Government provided to conduct so-called scientific research into this particular health activity.

So I believe that if the whole question were reviewed, it would be seen that even the Truman administration saw the need for a reduction from the amount appropriated in 1953.

The committee has studied the revised budget recommendation. If the Senate should increase the recommendation of the Bureau of the Budget on this item, I do not know why we would need to stop at even a million dollars. There need be no limit, if we do not wish to pay any attention to the Budget Bureau or any attention to what the House has done. I do not know where we would go. We might just as well go on and make ourselves merry.

Mr. CLEMENTS. Mr. President, will the Senator from North Dakota yield, so that I may ask a question of the senior Senator from Minnesota?

Mr. LANGER. I yield.

Mr. CLEMENTS. Would the amendment of the Senator from North Dakota bring up the appropriation for grants-in-aid to the amount that was appropriated a year ago?

Mr. LANGER. That is correct.

Mr. CLEMENTS. A year ago the amount was $5,300,000, and the Senator's amendment would bring the amount up to exactly the figure of a year ago for grants-in-aid?

Mr. LANGER. That is correct. The amount appropriated in grants to States for tuberculosis control activities in the 1953 appropriation was $5,300,000. The original 1954 estimate was $5,300,000. The revised estimate was $4 million. But for the overall amount, this sum would be added to it.

Mr. CLEMENTS. Would not the overall appropriation for last year be greater than the amount for this year, even with this amendment?

Mr. THYE. The overall appropriation last year was $8,222,000. Last year the program called for 421 positions. President Truman saw fit, in the 1954 budget recommendation, to reduce the number of positions from 421 to 375.

Mr. LANGER. Mr. President, let me simplify this question——

Mr. THYE. He also proposed a budget recommendation of $7,645,000, as against a 1953 appropriation of $8,222,000.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. CLEMENTS. Is it not correct that if the amendment of the Senator from North Dakota were adopted, the appropriation for next year would still be $1 million under what was expended a year ago for this purpose?

Mr. THYE. That is true; but the Truman budget recommendation reduced it before the Eisenhower budget recommendation came forward.

Mr. CLEMENTS. But it was not reduced below the figure which is being proposed by the Senator from North Dakota at this time.

Mr. THYE. That is true. However, the new administration reviewed the entire question and made a recommendation in which the House concurred. The Senate Appropriations Committee also concurs in it. Therefore, I cannot accept the amendment proposing to increase this appropriation by $1,300,000.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BUSH. I merely wish to make a brief explanation to my distinguished friend, the Senator from North Daokta. This morning when he told me that he proposed to offer this amendment, I expressed a sympathetic interest in it. I think he might have been justified in feeling that I would support it. Let me say to my good friend that after most careful consideration this afternoon I have concluded not to support it. I felt that I owed that explanation to the Senator from North Dakota.

Mr. LANGER. I thank the Senator very much.

Mr. President, the situation is simply this: Mr. Truman recommended $600,000 less than was spent a year ago. The Eisenhower administration came along and took $900,000 more from the estimate. All we are doing is asking to restore enough so that we can match what the legislatures of a great many States have already appropriated. The amount involved is $1,300,000, which would still leave a total of $1,200,000 less for tuberculosis control than was spent a year ago. The proposal is as simple as that.

Mr. NEELY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. NEELY. I inquire of the able Senator from North Dakota if it is not a fact that, in view of the rapid increase in population, the necessity for the appropriation for which he is asking is much greater than it was a year ago?

Mr. LANGER. That is true; but we would not even get the amount appropriated a year ago. We would still be $1,200,000 short, even with my amendment.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. HUMPHREY. I think the Senate might be interested in noting, on page 744 of the hearings, how the respective States would be affected. Take, for example, the State of West Virginia. In 1953, last year, the State of West Virginia received $73,700. Under the committee proposal, it would receive $54,200. It would lose about $19,500.

Mr. LANGER. And the Senator's own State of Minnesota would lose more than $18,000.

Mr. HUMPHREY. Minnesota had $71,700 in 1953. Under the present proposal it would have $50,200, which would be a difference of some $21,500 as compared with last year. A similar situation applies to other States.

Mr. President, the very first city in the United States to have the tuberculosis-control program was the city of Minneapolis. I was fortunate enough to be president of the board of public welfare at the time the program was inaugurated. We were the pilot or pioneer city. It is a great program, which has produced amazing results. The incidence of detection of disease is simply phenomenal.

I agree with what the chairman of the subcommittee says as to the importance of this program progressing into the smaller communities. But let us not forget for a minute that there is still from 30 to 40 percent of the urban population which has not been X-rayed or tested. So there is no need of curtailing the program in the cities. It is merely a question of expanding it in the smaller communities.

Mr. NEELY. Mr. President, will the Senator yield for another question?

Mr. LANGER. I yield.

Mr. NEELY. In my opinion, if the reduction suggested in this appropriation for West Virginia were submitted to its voters, every Republican and every Democrat in the State would unhesitatingly vote "no." They would eagerly approve the appropriation which is being asked for by the Senator from North Dakota. We need more money for tuberculosis control in West Virginia. I sincerely hope that the Senator's amendment will prevail.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. LANGER].

Mr. LANGER. I ask for a division.

Mr. THYE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. THYE. Mr. President, as chairman of the subcommittee——

The PRESIDING OFFICER. The point of no quorum has been made. The clerk will call the roll. Does the Senator from Minnesota wish to withdraw his suggestion of the absence of a quorum?

Mr. THYE. I simply wished to make clear——

The PRESIDING OFFICER. Does the Senator wish to withdraw his suggestion of the absence of a quorum?

Mr. THYE. Let the quorum call proceed.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hendrickson	Millikin
Anderson	Hennings	Monroney
Barrett	Hickenlooper	Morse
Beall	Hill	Mundt
Bennett	Hoey	Murray
Bricker	Holland	Neely
Bush	Humphrey	Pastore
Byrd	Jackson	Payne
Capehart	Jenner	Potter
Case	Johnson, Tex.	Purtell
Chavez	Johnston, S. C.	Russell
Clements	Kefauver	Saltonstall
Cooper	Kennedy	Schoeppel
Cordon	Kerr	Smathers
Dirksen	Kilgore	Smith, Maine
Douglas	Knowland	Smith, N. J.
Duff	Kuchel	Sparkman
Dworshak	Langer	Stennis
Ellender	Lehman	Symington
Ferguson	Long	Thye
Flanders	Magnuson	Watkins
Goldwater	Malone	Welker
Gore	Mansfield	Wiley
Green	Martin	Williams
Griswold	Maybank	Young
Hayden	McClellan	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr. LANGER].

Mr. THYE. Mr. President, none of us would object to granting aid to the States in connection with their efforts to reduce the number of tuberculosis patients. But I must call attention to the fact that on the Senate floor this afternoon we have raised the appropriations in the bill $5 million over the revised budget recommendation. In the event we increase this appropriation by $1,300,000, we will add that much more to the deficit. For that reason I must recommend that we stay within the Budget Bureau's recommendation. Therefore, I must oppose the amendment offered by the Senator from North Dakota, even though it is in the health field.

Mr. MAGNUSON. Mr. President, I had not intended this afternoon to say much, if anything at all, on the health items in the bill, because I thought the bill would go through the Senate after some minor amendments were adopted on which we have had a great deal of testimony. Ever since I have been in Congress I have been particularly interested in, and have sponsored legislativewise, many of the health items. As a matter of fact, I was one of the cosponsors of the National Cancer Institute when I was a Member of the House. I do not want some statements made today to go unchallenged.

The distinguished Senator from Minnesota, who is the chairman of the subcommittee, stated that if we adopt the pending amendment of the Senator from North Dakota effecting tuberculosis research we will have increased the bill by some $5 million.

Mr. THYE. If the Senator will yield at that point, I said that we have already voted to appropriate $5 million more than the Budget Bureau's recommendation. We have at the present time voted $18,205,000 more than the committee recommended.

Mr. MAGNUSON. I meant to say that there would be an increase of $5 million over the revised budget estimates.

Mr. THYE. We have voted, without including the pending amendment, $18,205,000 over what the Committee on Appropriations recommended. If we add $1,300,000—and I know there are at least one or two more amendments to be offered which would increase the amount by another million dollars—we will exceed the recommendations of the Budget Bureau by that much more. I thought I should call that fact to the attention of the Senate.

Mr. MAGNUSON. I do not criticize the Senator for doing so. I merely wish to make my observations. I have heard a great many impassioned speeches today about economy in government. I believe all of us are in favor of economy in government. The disagreement comes with our definition of economy. Assuming the amount for the health needs of the country is $25 million or $50 million. Some people have made impassioned pleas. Yet they are the very ones who never raised a voice when a few weeks ago, by an action of the administration, the interest rates on Government bonds were raised, which action will cost the taxpayers $2,500,000,000. I believe when we start to talk about economy we ought to start to pick and choose where we will economize. That one action has cost the taxpayers of the United States almost $3 billion. I am informed by members of the Committee on Banking and Currency that it has

cost $300 million to refinance the one issue. Maybe that is all right. But I cannot become greatly moved by impassioned speeches of those who would allow that sort of thing to go on without at the same time raising a voice at least once in a plea for the health needs of the American people, even if the cost should be $25 million. That is less than the cost of one light cruiser. We will save many more lives, perhaps a thousand fold or more, by an investment in the health field, even though a light cruiser may be needed.

Some one said to my distinguished friend the Senator from Illinois, "We have spent $114 million for cancer research, and I want to see some results."

Since 1944, even if we have spent a billion dollars, if some results have been obtained, the expenditure will have been worth while. It is false economy not to go ahead with the health programs. I do not know what the exact figure should be.

I know that the Senator from Minnesota must defend the work of his committee. However, the plea for economy, "Where are we going to economize?" and the plea, "Why don't we economize on items like these?" in my opinion represent false economy when other extensive programs are carried on. All the money we have appropriated for health in the past 7 years, will not add up to what one action in the past weeks has cost the taxpayers, which is 10 or 20 fold the cost we are talking about.

When we talk about economy, we ought to keep the record straight. All of us are in favor of economy. Of course, we have cut down on the needs of Alaska, where all the Indians suffer from tuberculosis.

Mr. THYE. Mr. President, if the Senator will yield, the pending bill does not provide for the Indians in Alaska.

Mr. MAGNUSON. I know; they are covered in a later portion of the bill. It is on the next page, I believe.

Mr. THYE. The Indians are covered in the Interior Department appropriation bill.

Mr. KILGORE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I shall be glad to yield the floor a little later.

Mr. KILGORE. I should like to ask the Senator a question.

Mr. MAGNUSON. I am glad to yield for a question.

Mr. KILGORE. I am not opposed in any way at all to the farm program. We have what we call a farm support program. Does not the Senator believe that it would be advisable to have a health support program also, so we will keep the consumers healthy to eat the products of the farms?

Mr. MAGNUSON. Certainly. Someone is always making the odious comparison that we spend 60 times more for bug or insect research than we do for health research. I am for both types of research. Every time we consider a little amount of money for the health needs of the nation we always meet with the same opposition: "When are we going to economize? Here is where we can economize."

I suggest to some of those who have made impassioned pleas today that they talk to the Treasury Department about saving some money. There seems to be no difficulty in appropriating billions of dollars in favor of the financial interests of the country; but when we seek to have a very modest appropriation made for cancer research, for instance, there is strong opposition. I do not know how far the work in cancer research has progressed. Most of the work which has been done thus far by the scientists has been done without charge to the Federal Government.

Certainly this program is a sound investment. I agree that the appropriation requested may be somewhat in excess of the revised budget estimate, but this item is one for which the appropriation which is made should be in excess of the revised budget estimate.

Mr. President, I have made these brief observations because of the statements which have been made about the necessity for our beginning to economize, in view of the fact that the attempt to economize is made in regard to this item. Some of us are convinced that not nearly enough has been appropriated for this program.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield to me?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Does the Senator from Washington recall any protest which was made regarding the appropriation of $350 million or $400 million to prevent the spread of the hoof and mouth disease into the United States?

Mr. MAGNUSON. I do not think there was any protest about that appropriation.

Mr. MANSFIELD. I am afraid Congress thinks more about the admirals and generals than it does about the welfare of the Nation.

Mr. MAGNUSON. Mr. President, the appropriation requested for the cancer research program is certainly little enough, when we realize that 1 out of every 8 persons within the sound of my voice either has cancer or will have it.

Some say to us that before the appropriation is made, some results of the work done thus far should be shown. Shame on those who oppose the making of an appropriation to combat such a deadly disease. Shame on those who are willing to have Congress make large, liberal appropriations for Wall Street interests, but are not willing to have Congress make even a modest appropriation for the purpose of this vital program. Whenever we propose an appropriation for this program, some Members of Congress favor the making of cuts in the item.

Mr. President, I repeat that in view of the tremendous appropriations which are made for the Defense Establishment, certainly Congress should not hesitate to make this appropriation, which will enable real progress to be made in the endeavor to prevent thousands and thousands of American citizens from suffering from this dread disease.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota [Mr. LANGER] on page 18, in line 24.

Mr. KEFAUVER. Mr. President, on this question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk called the roll.

Mr. SALTONSTALL. I announce that the Senator from New Hampshire [Mr. BRIDGES], the Senator from Nebraska [Mr. BUTLER], the Senator from Kansas [Mr. CARLSON], the Senator from Ohio [Mr. TAFT], and the Senator from New Hampshire [Mr. TOBEY] are necessarily absent.

The Senator from Wisconsin [Mr. McCARTHY] is absent on official committee business. If present and voting the Senator from Wisconsin [Mr. McCARTHY] would vote "nay."

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from Colorado [Mr. JOHNSON], and the Senator from Nevada [Mr. McCARRAN] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Wyoming [Mr. HUNT] are absent by leave of the Senate.

The Senator from Delaware, [Mr. FREAR] is absent by leave of the Senate on official committee business.

I announce further that if present and voting, the Senator from Iowa [Mr. GILLETTE] would vote "nay."

The yeas-and-nays resulted—yeas 39, nays 38, as follows:

YEAS—39

Aiken	Jackson	Maybank
Anderson	Johnson, Tex.	McClellan
Case	Johnston, S. C.	Monroney
Chavez	Kefauver	Morse
Clements	Kennedy	Murray
Douglas	Kerr	Neely
Duff	Kilgore	Pastore
Gore	Langer	Russell
Green	Lehman	Smathers
Hayden	Long	Sparkman
Hennings	Magnuson	Stennis
Hill	Malone	Symington
Humphrey	Mansfield	Young

NAYS—38

Barrett	Flanders	Payne
Beall	Goldwater	Potter
Bennett	Griswold	Purtell
Bricker	Hendrickson	Saltonstall
Bush	Hickenlooper	Schoeppel
Butler, Md.	Hoey	Smith, Maine
Capehart	Holland	Smith, N. J.
Cooper	Jenner	Thye
Cordon	Knowland	Watkins
Dirksen	Kuchel	Welker
Dworshak	Martin	Wiley
Ellender	Millikin	Williams
Ferguson	Mundt	

NOT VOTING—18

Bridges	Frear	Johnson, Colo.
Butler, Nebr.	Fulbright	McCarran
Byrd	George	McCarthy
Carlson	Gillette	Robertson
Daniel	Hunt	Taft
Eastland	Ives	Tobey

Mr. WELKER. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from Idaho is recorded as voting in the negative.

Mr. WELKER. I thank the Chair.

Mr. GOLDWATER. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from Arizona is recorded as voting in the negative.

Mr. GOLDWATER. I thank the Chair.

Mr. MARTIN. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from Pennsylvania is recorded as voting in the negative.

Mr. PURTELL. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from Connecticut is recorded as voting in the negative.

Mr. SALTONSTALL. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from Massachusetts is recorded as voting in the negative.

Mr. BENNETT. Mr. President, how am I recorded?

The PRESIDING OFFICER. The Senator from Utah is recorded as voting in the negative.

On this question the yeas are 39, the nays 38. So the amendment of the Senator from North Dakota [Mr. LANGER] is agreed to.

Mr. GORE. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. On page 21, lines 9 and 10, it is proposed to strike out "$32,500,000" and insert "$33,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. GORE. I yield to the Senator from Michigan.

Mr. FERGUSON. I desire to ask the Senator whether he will accept an amendment to his amendment, to add another $500,000, which would make possible the opening of a hospital in Detroit, as well as the one in Memphis. The amendment would then increase the amount by $1 million, which is about $50,000 less than the recommendation of the Bureau of the Budget.

Mr. GORE. Mr. President, in view of the fact that both the United States Public Health Service hospital located at Memphis and the hospital located at Detroit serve similar purposes, the one in Detroit serving largely the Great Lakes area and the one in Tennessee serving the inland waterways area, both hospitals being now filled with United States Employment Compensation Commission patients, I accept the amendment, since they are both within the budget estimate, and each would serve a similar purpose. I accept the amendment of the distinguished Senator from Michigan.

The PRESIDING OFFICER. The Chair understands that the amendment, as modified, would propose to substitute $33,500,000.

Mr. THYE rose.

Mr. GORE. Mr. President, I yield to the distinguished chairman of the committee, the Senator from Minnesota.

Mr. THYE. Mr. President, I was informed of the amendment, and, as chairman of the subcommittee, I am willing to take it to conference. It was discussed in committee.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Tennessee [Mr. GORE], as modified.

The amendment, as modified, was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. THYE. Mr. President, there are a few correcting amendments I should like to call to the attention of the Senate.

The Committee on Appropriations recommended an initial sum of $41,000 for the construction of buildings at the Columbia Institute for the Deaf. Instead of $41,000, through an error in the printing of the bill, there appears on page 11, in line 22 the sum "$41,100." The Senate Committee on Appropriations, in its report No. 478, at page 6, comments on the recommendation and states the figure as being "$41,000," as also appears by reference to the table on page 27 of the report. I move that, on page 11, line 22, "$41,100" be stricken out, and that "$41,000" be inserted in lieu thereof.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. THYE. There is another correcting amendment, on page 32, line 5, with reference to the working capital fund, to strike out the word "control," and insert "central." This correction is in accordance with the language to be found on page 22 of the report above referred to, under the heading, "Working capital fund."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. THYE. Mr. President, inasmuch as amendments were adopted this afternoon which increased the amount of funds for the Rehabilitation Service, I believe that the bill should be amended so as to increase the amount of money for the rehabilitation service to the District of Columbia, since we have increased the overall amount; therefore, the amount of $175,000, which appears in the bill, on page 16, in line 21, should be increased to $195,000. I ask that the bill be amended accordingly.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The bill is open to further amendment.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. THYE. Yes, indeed. I am most happy to yield.

Mr. KEFAUVER. Mr. President, 1 of the 10 regional wage and hour offices is located at Nashville, and serves a very important area, which includes portions of several States. There has been a great deal of concern, both on the part of manufacturers and also on the part of workers within that area, relative to the possibility of closing the Nashville regional wage and hour office. The language found on page 5 of report No. 478 of the Committee on Appropriations is to the effect that the reductions will be applied so that none of the 10 present regional offices will be closed. At any rate, that is the intention. Is that the understanding of the distinguished chairman of the subcommittee?

Mr. THYE. I will say to my friend, the distinguished Senator from Tennessee, that we raised this question with the Secretary and were positively assured that the 10 regional offices would be continued. Therefore, I can assure the Senator that the committee has concerned itself with the question. The Senate bill provides $6,250,000, and the House bill provides $6,000,000.

Mr. KEFAUVER. I wanted to make that clear, and I thank the Senator from Minnesota very much.

Mr. HUMPHREY. Mr. President, will the senior Senator from Minnesota yield?

Mr. THYE. I shall be happy to yield.

Mr. HUMPHREY. I should like to ask the Senator in reference to page 3, line 25, of the bill. I have in my possession a letter from the Secretary of Labor in reply to a communication from me in which I inquired as to the budget problems of State employment security agencies as affected by the pending appropriation bill. I informed the Secretary that I had received a number of inquiries and protests. The Secretary said, in part, in his letter, that if the cuts made by the Senate committee are not restored, it will be necessary to bring about some retrenchment in the activities of the Bureau of Apprenticeship.

I should like to ask the Senator whether the $3,230,000, which is below the President's budget estimate, was discussed with the Secretary of Labor and whether the Senator feels that with that sum, in view of the fact that I have this communication from the Secretary of Labor, it will be possible to continue the regional programs?

Mr. THYE. So far as the regional programs are concerned, I cannot see how they will be affected.

The committee took into consideration, when it reduced the amount, the fact that there was a reduction in the workload. I read from page 3 of the committee report:

> A review of the workload summary reveals that in comparison with fiscal year 1948, the workload for fiscal year 1952 had decreased 8.08 percent in programs; 3.79 percent in establishments participating; and 23.30 percent in apprentices; while the appropriations had increased 48.77 percent and employees had increased 25.51 percent. And in consequence the committee feels that this slight reduction of 5 percent under the House allowance, and 2.62 percent under the revised estimate, is justified.

It was really the workload reduction which brought about the reduction in the appropriation. We did not foresee that there was any need of the elimination of any of the so-called programing.

Mr. HUMPHREY. I have read the committee's report, and I assumed that was the reason for the cut.

In the section of the bill which pertains to unemployment compensation, under the title of "Bureau of Employment Security," I notice on page 5 the figure of $197,100,000. This is a substantial increase, being $800,000 above the House figure. I have in my possession, and I am sure the Senator has seen it, a letter which came to my office today from the Commissioner of the Department of Employment Security in the

State of Minnesota, stating that he is somewhat concerned over the limitation of funds. He also encloses a report of the State of Wisconsin Industrial Commission. The commissioner in that State is likewise very much concerned. I should like to ask the Senator for an explanation of the reduction, so that we may have it in the RECORD.

Mr. THYE. If the Senator will look at line 2, on page 5, it will be noted that there was a contingent fund provided in the amount of $10 million. In other words, the funds to that extent were impounded unless there were certain changes in the anticipated workload. An amendment was offered proposing to reduce the contingent fund from $10 million to $5 million, so $5 million will be made available for an administrative fund, which would increase the $197,110,000 by $5 million.

I think that should allay the fears expressed in the letter to the junior Senator from Minnesota. I received a similar letter which I discussed with the Labor Department, and I think we have met the need by transferring from the impounded fund $5 million.

Mr. HUMPHREY. The Eisenhower budget figure was $213,600,000. That is a substantially larger sum than appropriated. I was somewhat disturbed that we might find ourselves in a serious situation. I suppose that situation could be met by a supplemental or deficiency appropriation at a later time.

Mr. THYE. It could be. That was the reason why the contingent fund was set up.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have placed in the RECORD the letters to which the senior Senator from Minnesota and I have referred.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF MINNESOTA,
DEPARTMENT OF EMPLOYMENT SECURITY,
St. Paul, Minn., July 6, 1953.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Senate Office Building,
Washington, D. C.

DEAR SENATOR HUMPHREY: The Wisconsin agency has prepared a very concise and clear-cut statement on the budget problem of State employment security agencies as affected by the pending appropriation measure, H. R. 5246. It points up the problem so well that I am sending it on to you for your information.

You note the postscript says that substantial layoffs are now occurring in Wisconsin. In Minnesota, the employment is still at a relatively high level, however, all but 1,300 of the 29,000 increase in manufacturing jobs between 1950 and 1953 was in the defense related metalworking industries. A worsening of the agricultural situation plus reductions in defense employment would, without question, substantially increase unemployment in the State.

I would like to add this one point to the Wisconsin letter. If Congress appropriated $207.1 million that would leave for the fiscal 1953 workloads $197.1 million ($207.1 million less $10 million) which would be exactly the same as was required for fiscal 1953. That, however, would really be a cut because of higher prices generally, and that is why the Eisenhower budget provided a cushion of about $6 million.

We would appreciate any assistance you can give us on the matter.

Sincerely yours,
VICTOR CHRISTGAU,
Commissioner.

THE STATE OF WISCONSIN,
INDUSTRIAL COMMISSION,
July 2, 1953.

Subject: Grants to States, H. R. 5246, page 5, line 2.

If you were responsible for the American economy this new fiscal year, as you are, would you throw away the only "horseshoe nail" we now have to help handle unemployment?

Is it safe or wise for you, or the Senate, or the Congress to gamble on less unemployment in 1953–54?

When unemployment occurs, on what programs must our economy and our jobless workers rely, for stopgap benefits and for finding new jobs?

On the State unemployment compensation and employment service programs, clearly.

Is this a good time for Congress to cripple these key State programs, by slashing their operating money for fiscal 1954 not only below the Eisenhower budget but even below the fiscal 1953 level?

These vital State programs depend on the amounts provided by H. R. 5246, at page 5, line 2, for "Grants to States for unemployment compensation and employment service administration."

The House figure for such grants was $26 million below the Eisenhower budget.

The Senate Appropriations Committee figure, $197,110,000 is still 16½ million below the Eisenhower budget figure of $213,600,000.

Don't be misled by the $197,110,000 figure shown in H. R. 5246, at page 5, line 2. It may look the same as the fiscal 1953 actual appropriations figure; but it isn't the same in fact. Here's why. The $197,110,000 total includes two parts:

(1) The $10 million "contingency" portion, which will not be available—under House report language—to handle in fiscal 1954 the basic workload volume experienced in fiscal 1953.

(2) The basic appropriation of $187,110,000 (left after subtracting the $10 million "contingency" portion from the $197,110,000 total figure).

That basic remainder—$187.1 million, for fiscal 1954—is the figure to compare with the $197.1 million total available in fiscal 1953. Why? Because it's supposed to handle the same basic workload volume.

To permit decent State administration, the Eisenhower budget figure of $213,600,000 should be restored on the Senate floor—in place of the inadequate $197,110,000 total now carried by H. R. 5246.

We strongly urge you to help restore the missing $16½ million for grants to the States.

Those $16½ million are mighty good—and cheap—insurance against unemployment.

Adequate grants to the States will help them to preserve decent back-home government.

Neither you nor jobless workers nor employers would like the unavoidable results of inadequate grants to the States—delayed benefit payments, fewer and tardier placements, less policing of benefit claims, etc.

We understand that Senate floor action on H. R. 5246 will probably occur on Tuesday, July 7.

We hope you'll be in there pitching.

Sincerely,
VOYTA WRABETZ,
Chairman, Industrial Commission of Wisconsin.

P. S.—Substantial layoffs are now occurring in Wisconsin.

The PRESIDING OFFICER. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

Mr. MURRAY. Mr. President, I ask unanimous consent to have printed in the RECORD statements which I have withheld in order to expedite the consideration of the bill.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENTS BY SENATOR MURRAY

The action taken by the Appropriations Committee in failing to restore to the appropriation for the Department of Labor the full amount recommended by the Bureau of the Budget is, in my opinion, unwise. Any alleged saving which would result from the reduction of operating funds for the Department would be made at the expense of the working men and women of this country who look to the Department of Labor as the single governmental agency charged with the responsibility of fostering and encouraging the growth and progress of the labor movement. These valuable services of the Department of Labor should be expanded rather than reduced.

It is a recognized fact that the industrial growth and prosperity of the Nation depend in no small measure upon the maintenance of continued full employment and high wage levels. The Department of Labor performs a most important function in the maintenance of the high standards which characterize our American free enterprise system. It performs valuable services not only to the workers but to the employers through such programs as apprenticeship training, which provides an adequate supply of highly skilled and competent craftsmen for the various fields of industrial activity.

The Department of Labor has also rendered real service to the farmers of America through the administration of the Mexican farm labor program, providing for the recruitment of farm labor. Another function of the Department which is of primary importance to the industrial life of America is that of the Bureau of Labor Statistics. This important agency is the oldest bureau in the Department of Labor and one of the oldest in the Federal Government. It has functioned continuously for nearly 70 years. Throughout this period the Bureau has developed into a service organization of primary importance to the industrial life of the United States and today produces more current statistics bearing upon general economic conditions than any other agency of the Federal Government. It covers the broad fields of manpower and employment, price statistics, wage and industrial relations statistics, construction statistics, productivity statistics, statistics of industrial injuries and several other smaller programs. Any reduction in funds for this Bureau would seriously cripple these vital and necessary functions.

Another important agency of the Department of Labor is the Wage and Hour Division, whose responsibility is to administer the Fair Labor Standards Act and the Walsh-Healey Act. Mr. President, we should keep in mind that the proper administration of these acts is important not only to wage earners, through the establishment and maintenance of minimum wage levels, overtime pay provisions and other minimum fair labor standards, but also to protect employers engaged in interstate commerce from the unfair competition of other unscrupulous employers who sometimes seek to perpetuate conditions which the Congress, in the passage of the Fair Labor Standards Act and the Walsh-Healey Act, has deemed to be unjust, unfair, and uneconomic.

The result of the failure of Congress to appropriate sufficient funds for the operations of the Department of Labor will be to cripple its vital functions so that the sole

agency of Government dedicated to the progress and welfare of America's working men and women would be reduced to the status of a second-class department. This policy, in my opinion, is extremely shortsighted and unsound because services vital to the growth and prosperity of American labor will be eliminated, and this in turn will inevitably result in lowered living standards and depressed wages for the workers. While at the present time we have been able to maintain high levels of employment and wages, nevertheless it is quite clear that this is due in large part to our defense effort and the spending of Government funds for procurement of war materiel. If, Mr. President, as all of us hope, there should be a lasting peace, then, inevitably, defense spending will taper off. In the resulting readjustment period there will undoubtedly be considerable unemployment. For that reason alone, to cripple the vital functions of the Department of Labor by failing to appropriate adequate funds at this time is an unsound and unrealistic policy based, I presume, upon some false notion of economy.

For these reasons I sincerely urge the Senate to restore the full amount of funds recommended by the Bureau of the Budget for the operation of the Department of Labor for the coming fiscal year.

I am glad that the Senate committee agreed with the House that no reductions should be made in so important a program as vocational education. In my own State of Montana its value is apparent to everyone. There is no question but that every expenditure we have made to date for vocational education has paid prompt and real dividends not only to Montana but to the Nation as well. Our vocational education people are doing an excellent job. I sincerely hope that as the future makes it possible to divert our attention and our energies from costly crisis in foreign lands, we will devote a good part of them to expanding our programs of vocational education and to seeing to it that the fine men and women working in that field receive much more adequate recompense than is the case today. It is long overdue them.

STATEMENT RE APPROPRIATIONS FOR NATIONAL INSTITUTES OF HEALTH

If there is one thing that is crystal clear in connection with this appropriation bill, it is that in this one instance at least the national interest, the interests of both Republican and Democratic Parties, and the self-interest of each and every one of us here on the floor of the Senate, should be as one in recommending that we appropriate at least as much money for the National Institutes of Health as has been approved by our committee.

As one of the sponsors of the legislation which created these great centers of research into the causes and cure of those devastating diseases now under study through the Institutes of Health, I, myself believe we could well afford to appropriate the entire $125 million which competent and expert witnesses testified could well be used for this research during the forthcoming year. Just so long as one trained investigator is willing to devote his science, his skill, and his life to the attempt to solve the mysteries of cancer, heart disease, mental health, arthritis, neurology, or blindness but is prevented from doing so for lack of funds, I will maintain that we are either being negligent in our duty to the Nation and its people or are, at the very least, guilty of attaching greater importance to ways of taking life than to ways of saving life. I believe that with the billions upon billions we are appropriating for divers causes, we could well afford to appropriate one and a quarter million for these hope-inspiring, life-giving projects.

I know I need not talk at length of the inestimable values which can accrue from this sort of research. I need not take your time to explain at length how it happens that a dollar devoted to medical research is not a dollar spent but is rather a dollar invested in an enterprise guaranteed to return rich dividends. These are facts recognized as such on both sides of the aisle. But I should like to briefly review some of the evidence that has accumulated over the past several decades which highlight these values.

Let us look at the record. Over the 12-year period from 1937 to 1949, medical research gave the average American the gift of 7½ more years of life expectancy. In that short span of time, the life expectancy of the average American rose from 60 years to almost 68 years. Many Members of this distinguished body are here today, giving of the wisdom of their mature years to our deliberations, only because medical research has developed drugs to fight off premature death.

Most of us here can remember just several decades back to the time when such diseases as diphtheria, yellow fever, typhoid, and scarlet fever struck terror into every home. There are many of us here who lost loved ones—a mother, a father, a sister, or a brother—to one or another of these killers.

Today, death from diphtheria or typhoid or scarlet fever is a rarity in this country. Why? Has this been produced by an act of magic? On the contrary. It has been the direct result of the devotion of a small band of medical researchers, who with comparatively limited funds at their disposal, fought through to victory against death. Many of these gallant researchers gave up their own lives in the fight.

I remember the days not so long ago when the very word "pneumonia" brought a chill to the spine, when many a household was saddened by the loss of a beloved child to the ravages of this disease.

Today, we hear little talk of pneumonia. In the 7 years from 1944 through 1951, the death rate from pneumonia declined 46 percent, due largely to the discovery of sulfa drugs and penicillin.

Look at some of the other miracles due to the same medical research which produced sulfa and the antibiotics, including penicillin. In just 6 years, following World War II, the appendicitis death rate has decreased more than 50 percent and the maternal death rate 57 percent. Tuberculosis, which used to smash the body and frequently consign it to a living death, is gradually being conquered—in these past 6 years, the tuberculosis death rate has dropped 50 percent, largely due to streptomycin and case finding.

The United States Public Health Service has been in the forefront of this battle against disease. A few years back, a number of Public Health Service officers gave up their lives in the fight against Rocky Mountain spotted fever. Through its own direct research program out at Bethesda, Md., and more importantly, through grant programs to medical researchers in medical schools, hospitals, universities, and small laboratories in every 1 of the 48 States, the Public Health Service has been instrumental in writing the world's most brilliant chapter in the advance of medical research and in the saving of lives.

The Congress certainly need not apologize for the appropriations it has made to date to and through the Public Health Service to carry on this work. Not even the most vociferous advocate of economy need be afraid to stand up and proclaim that for this medical research he violated an otherwise established rule. The people of America—in every part of America—are solidly in favor of these efforts to combat disease. I, myself, as I have said, believe we should and could appropriate twice as much for this purpose as the committee has recommended. Yet, I know that the members of our Committee on Appropriations are just as much interested in this program as am I. I know too that they have had to weigh its needs and their desires against the exigencies forced upon us and our economy by those who would enslave the world and force political thought control even on men of science engaged in objective medical research. And, so I wish to congratulate the members of our committee on the position they have taken. Most certainly we must not allow these funds to be reduced one penny below the amounts they have approved.

Mr. DWORSHAK. Mr. President, I should like to point out that members of the Appropriations Committee, and, particularly, of the subcommittee, which handled this appropriation bill, are not necessarily lacking in sympathy for many of the programs, merely because they are unwilling to increase various items beyond the revised budget requests. At a time when we are trying to bring about greater economy, it is certainly unreasonable to contend that because we deny all the funds requested by some of the advocates and supporters of agriculture, we are against the farmer. If we apply the same principle to the Interior Department or the Veterans' Administration, we should not be accused of being against programs in these departments. Every activity is expected to assume its share of economy.

During the debate insinuations were made that we were trying to resort to ill-conceived economy. One Senator made the charge, I am sure inadvertently, that a certain witness appearing before the subcommittee had been browbeaten and abused by the chairman or some other member of the committee.

I wish to point out that the hearings on this bill comprised about 1,550 pages. As a member of the subcommittee, I desire to pay a tribute to the chairman of the subcommittee, the senior Senator from Minnesota [Mr. THYE]. I attended most of the hearings, and I state unequivocally that no one could have been more courteous, more sympathetic, or more tolerant than was the distinguished chairman of the subcommittee.

I have made these brief remarks because I think it was entirely uncalled for and unfair for anyone to have made such charges against the chairman of the subcommittee.

The PRESIDING OFFICER (Mr. BUSH in the chair). The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. THYE. Mr. President, I move that the Senate insist on its amendments, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. THYE, Mr. KNOWLAND, Mr. BRIDGES, Mr. YOUNG, Mr. CHAVEZ, Mr. RUSSELL, and Mr. HILL conferees on the part of the Senate.

DROUGHT DISASTER RELIEF BILL PERMISSION TO SUBMIT REPORT DURING RECESS

Mr. AIKEN. Mr. President, I ask unanimous consent to report the drought disaster relief bill after hours tonight. I think we can get the report ready in time to be printed, so that we shall have it tomorrow; but I doubt that we shall be ready to report it before the Senate recesses tonight unless the Senate continues in session longer than it apparently intends.

The PRESIDING OFFICER. Without objection, it is so ordered.

LOAN OF TWO SUBMARINES TO THE GOVERNMENT OF ITALY AND ONE SMALL AIRCRAFT CARRIER TO THE GOVERNMENT OF FRANCE

Mr. HENDRICKSON. Mr. President, I move that the Senate proceed to the consideration of Calendar 496, Senate bill 2277.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2277) to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Jersey.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 2277) to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France.

Mr. McCARRAN. Mr. President, may we have an explanation of the bill?

Mr. SALTONSTALL. I believe an explanation was made when the bill was called on the calendar yesterday. The Senator from Nevada may recall that during the 2d session of the 82d Congress authority was given to lend to the Government of The Netherlands, for a period of not more than 5 years, two submarines to be used in training naval personnel of that nation in antisubmarine tactics. Senate bill 2277 authorizes the loan of two submarines to Italy for the purpose of training Italians in submarine warfare.

It also authorizes the loan of one small aircraft carrier to France, for use in Indochina for a period of 5 years, unless the war in Indochina ends before that time.

From the point of view of the United States, the bill is more favorable than was the bill providing for the loan of submarines to the Netherlands, for the reason that the submarines to be loaned to Italy and the aircraft carrier to be loaned to France must be returned in the same condition as they were delivered to the respective countries.

To place in proper condition the two submarines and one aircraft carrier, which are now in mothballs, will cost about $14 million. This amount is to be paid out of Mutual Security Administration funds and, therefore, is to be a deduction from the amount of such funds. Furthermore, since the submarines and the aircraft carrier must be returned to the United States in the same condition as that in which they were delivered to the foreign countries, actually it will not cost the United States Government any funds except those of the Mutual Security Administration. We shall be having two submarines and one aircraft carrier activated, and they will be returned to the United States in 5 years, in the condition in which they were turned over to the respective foreign countries. That is the purpose of the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 2277) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the President is authorized to lend to the Government of Italy, for a period of not more than 5 years, two submarines for use by that Government to provide training for Italian units in antisubmarine warfare.

SEC. 2. The President is authorized to lend to the Government of France a small aircraft carrier until 6 months after the cessation of hostilities in Indochina, as determined by the President, or 5 years after the date of this act, whichever is earlier.

SEC. 3. The loan of the submarines and the aircraft carrier shall be made subject to the condition that they be returned in substantially the same condition as when loaned unless damaged or lost through enemy action.

SEC. 4. All expenses involved in the activation of the submarines and the carrier from the reserve fleet, including repairs, alterations, outfitting, and logistic support, shall be charged to funds programed for the respective governments under the Mutual Security Act.

AUTHORIZATION OF CASH RELIEF FOR CERTAIN EMPLOYEES OF THE CANAL ZONE GOVERNMENT

Mr. HENDRICKSON. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar 494, Senate bill 2038.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2038) to amend the act approved July 8, 1937, authorizing cash relief for certain employees of the Canal Zone Government.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (S. 2038) to amend the act approved July 8, 1937, authorizing cash relief for certain employees of the Canal Zone Government, which had been reported from the Committee on Armed Services with an amendment, to strike out all after the enacting clause and insert:

That section 1 of the act entitled "An act authorizing cash relief for certain employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act," approved July 8, 1937 (50 Stat. 478), is amended by striking out the proviso therein and inserting in lieu thereof the following: "*Provided*, That such cash relief shall not exceed $1.50 per month for each year of service of the employee so furnished relief, with a maximum of $45 per month, nor be granted to any employee having less than 10 years' service with the Canal Zone Government and its predecessor agencies, including any service with the Panama Canal Company, and its predecessor agencies, on the Isthmus of Panama."

SEC. 2. The provisions of this act shall take effect the first day of the month in which it is enacted.

Mr. McCARRAN. Mr. President, may we have an explanation of the bill?

Mr. SALTONSTALL. The explanation of the bill is as follows: Under the so-called Cash Relief Act of July 8, 1937, the Canal Zone Government was authorized to pay to its disabled employees who were not United States citizens $1 a month, based on their years of service in the Government, but not to exceed $25 a month.

Senate bill 2038 increases the amount from $1 to $1.50 for each year of service, not to exceed $45 a month.

The persons affected are all employees of either the Canal Zone Government or the Panama Canal Company, who are not United States citizens, and who have been disabled mentally or physically while working in the service of the Government.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. SCHOEPPEL. Are there any other areas in which this type of measure would apply or would be considered to be a precedent?

Mr. SALTONSTALL. I would answer "No." So far as I know, there is no other zone outside the United States like the Panama Canal Zone.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. WILLIAMS. It was called to the attention of the Senate recently that the United States is now paying between $165,000 and $170,000 a month in retirement benefits to citizens of other countries, and the Senator from Kansas [Mr. CARLSON] placed in the RECORD some figures relative thereto. I am wondering what kind of precedent we shall be establishing if we begin to pay cash relief benfits to citizens of Panama.

Mr. SALTONSTALL. I may say to the distinguished Senator from Delaware that the bill would not establish a precedent. It would merely change the amount that was provided in the 1937 act to meet current conditions, by raising the payment from $1 to $1.50 for each year of service, not to exceed $45 a month, whereas in the 1937 act the maximum payment was fixed at $25 a month.

The bill applies to 12,762 noncitizen employees. Of this total, 1,406 were employed by the Canal Zone Government, and 11,356 were employed by the Panama Canal Company.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. SALTONSTALL. I yield.

Mr. WILLIAMS. How much did the same employees pay into the retirement fund from which they are obtaining this benefit?

Mr. SALTONSTALL. So far as I know, they paid nothing into it. They are noncitizens who were disabled physi-

cally or mentally while in the service of the Canal Zone Government or the Panama Canal Company, and who were retired for reasons of physical disability.

Mr. WILLIAMS. How do we treat citizens of the United States who are retired similarly?

Mr. SALTONSTALL. They are covered by civil-service laws and do not come within the terms of the bill.

Mr. WILLIAMS. They are covered by civil-service retirement benefits only if they have worked a minimum of 5 years. Suppose an American citizen works 4 years. How do we protect him?

Mr. SALTONSTALL. The persons affected by the bill must have had at least 10 years of service before they can come within the terms of the bill.

Mr. WILLIAMS. They must have had at least 10 years of service?

Mr. SALTONSTALL. Ten years.

Mr. WILLIAMS. Must the injuries to which the Senator has referred have taken place while the employees were working for the Government, or may they have been off-duty injuries?

Mr. SALTONSTALL. Oh, no. So far as I know, they must have occurred while the employee was working for the Government. I make that statement carefully. The evidence presented was that the 1937 act applies to persons who become physically and mentally disabled while working for the Canal Zone Government.

Mr. WILLIAMS. I should like to say to the Senator from Massachusetts that I could see some merit in the proposal if the injuries took place while the employees were working for the Government. But I wish we could clear that question up definitely before voting on the bill.

Mr. SALTONSTALL. I will say to the Senator that the situation is covered by the 1937 act. I cannot answer his question honestly beyond what I have said.

Mr. WILLIAMS. Would the Senator be willing to have the bill go over until tomorrow, so that we may find the answer to that question?

Mr. SALTONSTALL. So far as I am concerned, I am perfectly willing.

The PRESIDING OFFICER. The bill will be passed over.

Mr. SALTONSTALL subsequently said: Mr. President, I shall not ask the pending bill be disposed of tonight. I ask unanimous consent that immediately after my prior remarks the following additional remarks may be included.

The act to which the bill is an amendment is chapter 443 of the 75th Congress, 1st session, July 8, 1937. In answer to the question of the Senator from Delaware, the words read:

> May pay cash relief to such employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act as may become unfit for further useful service by reason of mental or physical disability resulting from age or disease.

I ask unanimous consent that there be printed at this point in my remarks the text of chapter 443, from which I have read an excerpt.

There being no objection, the act was ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the Governor of the Panama Canal, under such regulations as may be prescribed by the President of the United States, may pay cash relief to such employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act as may become unfit for further useful service by reason of mental or physical disability resulting from age or disease, and also to such former employees of the Panama Canal not coming within the provisions of the Canal Zone Retirement Act as have within 3 years prior to the date of enactment of this act been separated from the service because of unfitness for further useful service by reason of such disability: *Provided*, That such cash relief shall not exceed $1 per month for each year of service of the employee so furnished relief, with a maximum of $25 per month, nor be granted to any employee having less than 10 years' service with the Panama Canal, including any service with the Panama Railroad Co. on the Isthmus of Panama.

SEC. 2. That there is hereby authorized to be appropriated annually such sums as may be necessary to carry out the provisions of this act.

Approved July 8, 1937.

SURPLUS FOOD AS MUTUAL SECURITY AID

Mr. HUMPHREY. Mr. President, I wish to make a brief statement in reference to what I hope may take place within the conference committee on the mutual-security bill.

At the time the Senate considered the mutual-security bill we gave very serious discussion and consideration to the inclusion within that measure, as a part of the mutual-security bill, of authority to the President of the United States to utilize some of the abundance of American agriculture for purposes of our national security and for strengthening our foreign policy.

As a result of that discussion and consideration an amendment was adopted known as the McClellan amendment, which has certain limited objectives with respect to the use of American surplus agricultural commodities.

It will be recalled that the President sent a message to Congress which outlined a much broader program. Later a bill was introduced which was appropriately referred to the Senate Committee on Agriculture and Forestry, following the objectives of the President's message.

The junior Senator from Minnesota also offered an amendment. I regret to say that that amendment was not adopted. However, I do feel that at least it offered a basis for serious consideration by the conference committee. This is my hope:

First, that the conference committee will find in its midst, out of the many proposals which have been advanced thus far—such as the proposal of my distinguished friend from Kansas [Mr. SCHOEPPEL], the proposals which were advanced in the House of Representatives, and the proposals here in the Senate, as well as the President's proposal—a means of utilizing the surplus agricultural commodities and the abundance of American farm production.

Let me make it crystal clear—and I will say that I think the record has been unfortunately misrepresented or misunderstood in this instance—that it is not a matter of a gift. It is not a matter of a giveaway. That is not what the President was talking about, in my judgment, nor is it what I was talking about as one of the proponents of an amendment. However, it is my feeling that the President, who has the power to send our young men anywhere in the world, the power to dispatch the Air Force or the Navy of the United States anywhere in the world, ought at least to have some authority to utilize some of the material production of America, particularly its agricultural production, when it is necessary for the furtherance of our foreign policy and our national security.

I am not very much impressed with the argument that we seek to give the President blanket authority in the use of surplus agricultural commodities and that we should deny him that authority, when the Congress permits this President or any other President—it permitted it in the instance of Korea, and will permit it again—to send men, materiel, and American equipment at great cost to any part of the world.

The junior Senator from Minnesota outlined what he believes to be a sensible proposal which follows pretty much the recommendations of the American Farm Bureau Federation. Representatives of the American Farm Bureau Federation testified before the Senate Foreign Relations Committee. I suggest that those recommendations at least afford a base for the conference committee to draft a separate section in the Mutual Security Act.

What do I think that ought to include?

First, authority to the President, if need be, to give some American surplus agricultural commodities.

Second, the authority to the President to sell at normal market prices.

Third, authority to the President to sell at concessional prices, when it may be in our national interest.

Fourth, authority to the President to enter into negotiations which may result in a long-term loan for the sale of American agricultural commodities, as was done in the case of the India wheat loan.

Fifth, authority to the President to sell American surplus commodities in exchange for native currencies of the recipient countries, those currencies to be utilized after the manner of counterpart funds, to further the mutual security efforts between the recipient countries and the United States of America, all such native currencies to be utilized to purchase commodities which can be used for our stockpile program.

What I am saying is that the President needs a wide array of tools and means of getting the job done. It is not wise to impose handicaps and restraints upon the President's authority to utilize the tremendous commodity known as American food abundance.

Let me give an example. At this very hour tonight, if this country were on the job, if we were doing what we ought to do, we would send word to Germany

that some of our agricultural surplus would be sent to the starving people of East Germany. There are ships in the harbor in the Hudson River loaded with wheat ready to go, or which could be made ready to go in short order, to be sent to Berlin. The people of East Berlin who have had the courage to revolt against their bosses and their Communist masters and tyrants are hungry. Nothing could be more important to American foreign policy tonight than to send the word through Europe that the President of the United States, supported by the Congress, is sending wheat which could be milled into flour and made into bread which could be made available to the people of East Germany who are hungry tonight because of the outrageous policies and programs of the Soviet Union in that beleaguered area of the world.

I am unhappy that our President must wonder whether or not he has such authority. That is why the junior Senator from Minnesota believes that the Mutual Security Act should include within its provisions an extra arm of American strength, the arm of American strength which Americans love and which the world loves, namely, American production, not only of military equipment, but of food and fiber. Food and fiber are needed tonight. Wherever patriots raise their voices and their hands against tyrants, America ought to be prepared, whenever it is in her interest, and whenever it is in the interest of the security and peace of the world, to offer food and fiber to people who need it.

The people behind the Iron Curtain are in trouble. Yet, as a corridor into the Iron Curtain area, we have the city of Berlin. How happy the Mayor of Berlin would be tonight if the word were flashed to him that the city of Berlin, which has had to receive hundreds of thousands of hungry refugees, was to receive American food and American aid.

Mr. President, it is a shameful and shocking disgrace that wheat lies on the ground tonight in the United States spoiling, when people who have the courage to fight the Communist tyrants go hungry. I submit that no Congress can defend such a situation. Wheat, which is covered by price supports, is lying on the ground in the southwestern part of America. That wheat is being destroyed by weather and rodents.

There are surpluses in America today that are spoiling. A nation which can afford to send billions of dollars in military assistance can afford to send some bread and butter. What they need in some parts of the world tonight is the hope of bread and butter.

I am not at all impressed by the arguments which I have heard too often in the Senate and elsewhere, that we are giving the President too much authority. When the President can commit the lives of millions of young men and women in this country without any complaints from Congress, he ought to be able to commit a few bushels of American wheat which we do not even know what to do with, and a few pounds of American butter which we cannot even eat.

I would remind the conferees on the mutual-security bill that here they have a golden opportunity. There will never again be an opportunity like this one. This is a fast-moving world, Mr. President. Tonight Poland is in revolt. A short time ago it was Yugoslavia. Last week it was East Germany. Three weeks ago it was Czechoslovakia. The Soviet empire is in trouble, and this is no time for the American Republic and the American Government to be dilly-dallying. This is the time to take the initiative with everything we have—propaganda, information, economic aid, military assistance, military alliances, and food and fiber.

So, Mr. President, I have made my comments tonight because deep in my heart I believe this is one of the most important things we can do.

I may say again that the parentage of the amendment or who is responsible for it is not important at all, but I do think it is important the conference committee come forth with proposals that will do the job that is necessary to be done. Let me make the record clear that this is no monstrous giveaway, and this is no international Brannan plan. What it amounts to is an application of Christian democracy. What it amounts to is an application of applied Christianity and a little commonsense, all of which we can well use in this country.

I do not think anyone in America can defend the situation in which we now find ourselves, running over with an abundance of food and concern about its use, and yet unwilling to apply it to the great programs of international policy which we support at tremendous costs.

So I would commend to the members of the conference committee on the Mutual Security bill that during every hour in which they debate the issue they think of East Germany. If Germany goes the wrong way and falls into the Communist orbit, the cost to America will be untold. No one will be able to add up the cost. Think of the need there may be in other parts of the world, caused by floods in Japan, and floods and disaster elsewhere among our allies. I do not say that we should be an international Santa Claus. We have the prudent judgment of a greater leader, Mr. President. However, a great leader knows when to do things. We should not give too little too late, because that is the most expensive policy this country can possibly follow. It is better to give a little too much right away, if we must have an error on one side or the other.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an editorial which appeared in yesterday's Washington Star. It is entitled "Food As Weapon."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOOD AS WEAPON

In asking Congress for authority to use surplus food stocks worth more than $3.2 billion for famine and other emergency relief to friendly countries, the President is seeking a flexible foreign policy which can take advantage of Communist weakness wherever and whenever it occurs.

When put beside the grant of 1 million tons of wheat to Pakistan, approved last week, it creates a basis for the sort of diplomacy without guns which recent events have been demanding from us. Food is a major weapon over the greater part of the earth's surface, and since we have so much of it we would be foolish not to use it as a weapon. This the President is apparently anxious to do.

The first reaction in Congress, as might be expected, is one of caution from Republicans, indignation from Democrats. The White House request does presuppose a grant of virtually unrestricted power, and the customary complaints and hesitations are being voiced. They will come up against the same inescapable fact they always come up against: In foreign affairs there is simply no way to avoid giving the President great flexibility of movement, because that is the only way he can operate in that field. It may be bad in principle, and in the past has frequently been bad in practice. But nobody has yet devised a sound alternative.

There is also the Democratic outcry, led by Georgia's DICK RUSSELL and Tennessee's ALBERT GORE. A certain lively appreciation of political factors is present here. Senator RUSSELL calls it "the Brannan plan on an international scale." Senator GORE said it is "the most monstrous giveaway" in American history. Both referred to Henry Wallace. Mr. RUSSELL said the plan surpassed Mr. Wallace's proposal for giving "milk to the Hottentots." Mr. GORE said he didn't think Mr. Wallace "ever had as wild a dream" as this.

With all this said, leaving aside the political comments and admitting the objections on principle, it still would seem that there is a sound core of reasoning in the President's plan. Although the administration hasn't said so in so many words at the moment, the plan permits the President to make definite moves when definite moves are needed. A million bushels of wheat to West Germany, for instance, the implied promise to East Germany that it would get the same if rebellion continued, could have a profound effect on the course of events there. In the same way butter could be used, or potatoes, or any other commodities in which production is outstripping domestic needs.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point, as a part of my remarks, an article entitled "Capitalize on Satellites' Unrest," written by Thomas L. Stokes, and published in the Washington Star of yesterday.

Mr. Stokes refers to what I have been discussing, as well as to the Flanders resolution. We plead for our country's taking the initiative and for doing what needs to be done at the time it needs to be done.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITALIZE ON SATELLITES' UNREST—RESOLUTION BY FLANDERS AND 32 SENATORS FAVORING DISARMAMENT WOULD GIVE HOPE TO SLAVES AND EMBARRASS MOSCOW

(By Thomas L. Stokes)

There has been much hasty scrambling around here over ways to capitalize on the unrest and rebellious outbreaks among Russia's Eastern European satellites, including East Germany, and to aid and encourage the tugging at the Communist yoke.

The Senate Foreign Relations Committee came up with a resolution, which it approved unanimously, to express the sympathy of our Nation, through Congress, with the East German revolters, and to declare our approval of their aim of a unified and free Germany.

There is another resolution all ready and waiting, and has been since June 3, which would seem a most fitting corollary to the one above mentioned. It has a bigger and broader aim and carries hope to all people

everywhere who are yearning for a peaceful world and for easing of the crushing burden of armaments which is made necessary by the threat of Russian aggression.

This is the concurrent resolution sponsored by Senator RALPH E. FLANDERS, Republican of Vermont, and 32 Senators of both parties. It would put the stamp of approval of Congress on the disarmament and world rehabilitation proposal made by President Eisenhower in his notable speech before the American Society of Newspaper Editors here last April 16.

That address, which at the time lifted the spirits of people all over the world, has been submerged meanwhile in the clamor and confusion over immediate and plaguing problems—the controversy over how many billions of dollars our own defense budget should provide, the disillusionment over a Korean truce, the squabble over taxes, and such.

But that speech did stir a responsive chord in the Senate, and it found a practical vehicle in the Flanders resolution, and quite naturally; for President Eisenhower adopted an idea originally proposed by a Senator, and a New Englander also—the late Brien McMahon, Democrat of Connecticut, who campaigned for it tirelessly until his untimely death.

It envisaged an incentive to disarmament by providing that, once disarmament is achieved, the money formerly devoted to arms be pooled in a revolving fund of the United Nations that would be used to relieve poverty and distress and to build up the underdeveloped areas of the world.

Giving legislative sanction to the McMahon-Eisenhower project, the Flanders resolution would put us once more on record for enforceable disarmament through agreements within the United Nations, and would request the President to continue to seek a practical program for disarmament and to "develop a plan for the transfer of resources and manpower now being used for arms to constructive ends at home and abroad."

Elaborating further, the resolution requests the President to "recommend similar action to the United Nations and member states, such plans to give due consideration to the possibilities for vastly increased trade with other nations, and to the vital share which the United States and other nations should undertake in helping to overcome hunger, disease, illiteracy, and despair, which have been among the prime causes of war."

Passage of this resolution now, in this session of Congress, would serve once again to dramatize the fact that it has been Russia which has constantly blocked attempts in the U. N. to get disarmament and international control of atomic weapons—and this at a time when Russia is under pressure in her satellite constituencies.

The 32 Senators who joined Senator FLANDERS in sponsoring his resolution represent every shade of opinion in the Senate. Consequently, it should not be difficult to get approval of this resolution which restates the high aims of our President and our people and at a time when this could be most helpful.

"Its passage," Senator FLANDERS said, "would reaffirm to the world the United States genuine desire for permanent peace. Such unity in support of this purpose among all free nations would result in great pressure on the Soviet Union to join such a program. We have no guaranty that the pressure would be sufficient to produce eventual Soviet acceptance, but it is certainly worth trying. And so long as a United States offer and a Soviet refusal are extant, the Soviet Union is to that extent disadvantaged in the battle for men's minds and hearts."

INTERNATIONAL CONVENTION TO FACILITATE IMPORTATION OF COMMERCIAL SAMPLES AND ADVERTISING MATERIAL—REMOVAL OF INJUNCTION OF SECRECY

The PRESIDING OFFICER (Mr. BUSH in the chair). As in executive session, the Chair lays before the Senate Executive Q, 83d Congress, first session, a convention to facilitate the importation of commercial samples and advertising material, dated at Geneva November 7, 1952. Without objection, the injunction of secrecy is removed from the convention, and the convention, together with the President's message, will be referred to the Committee on Foreign Relations, and the message from the President will be printed in the RECORD. The Chair hears no objection.

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith a certified copy of an international convention to facilitate the importation of commercial samples and advertising material, dated at Geneva November 7, 1952.

I transmit also, for the information of the Senate, a report by the Secretary of State with respect to the convention.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 7, 1953.*

(Enclosures: (1) Report of the Secretary of State. (2) Certified copy of an international convention to facilitate the importation of commercial samples and advertising material, dated at Geneva November 7, 1952.)

RECESS

Mr. KNOWLAND. In accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 26 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Wednesday, July 8, 1953, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 7 (legislative day of July 6), 1953:

NATIONAL LABOR RELATIONS BOARD

Guy Farmer, of the District of Columbia, to be a member of the National Labor Relations Board for the remainder of the term of 5 years expiring August 27, 1955, vice Paul M. Herzog, resigned.

FEDERAL MARITIME BOARD

Eldon Claggett Upton, Jr., of Louisiana, to be a member of the Federal Maritime Board for the term of 4 years, expiring June 30, 1957, vice Albert W. Gatov, term expired.

IN THE NAVY

Winfield F. Hock, Jr. (Naval Reserve Officers' Training Corps), to be an ensign in the Supply Corps in the Navy, in lieu of ensign in the Navy as previously nominated and confirmed, subject to qualification therefor as provided by law.

John M. Drabelle, Jr. (Naval Reserve Officers' Training Corps), for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to qualification therefor as provided by law.

The following-named (Army Reserve Officers' Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to qualification therefor as provided by law:

Raymond D. Stultz, Jr.
William J. Sullivan

The following-named civilians to be lieutenants (junior grade) in the Chaplain Corps in the Navy, subject to qualification therefor as provided by law:

Walter C. Hitchens
Harrison R. Thompson

Clair E. Wilcox, officer, for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to qualification therefor as provided by law.

The following-named officers to be lieutenants (junior grade) in the line in the Navy (special-duty officers), subject to qualification therefor as provided by law:

Stanley L. Beck
Thomas R. Cochran
Harland B. Cope
William A. Gregory, Jr.
Patrick J. Madden
Arthur R. Maier, Jr.
John P. Wahlquist

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 7, 1953

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou God of all grace and goodness, in these times of crisis and confusion, may we daily call upon Thy great and holy name not as a last resort but as our first desire and supreme delight.

May we never come unto Thee in a spirit of sullen submission but with joyous gratitude and with renewed trust and confidence.

Wilt Thou inspire us with a more willing and wholehearted obedience to Thy divine laws and a greater reverence for the moral and spiritual imperatives which Thou hast ordained.

Grant that our American way of life may be a strenuous and steadfast pursuit of those lofty ideals and principles which are the foundation stones of the noblest civilization.

Help us to understand that the mission and strength of our democracy consists in something more than negations and rejections and protests against wrong philosophies of government and society but in a clear and convincing witness to the more excellent way of brotherhood and good will.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H. R. 444. An act to amend the act of May 19, 1947, so as to increase the percentage of

certain trust funds held by the Shoshone and Arapaho Tribes of the Wind River Reservation which is to be distributed per capita to individual members of such tribes;

H. R. 490. An act to authorize the use of the Sackets Harbor Military Cemetery for the burial of war and peacetime veterans of the Armed Forces of the United States;

H. R. 662. An act for the relief of Mr. and Mrs. Joseph W. Furstenberg;

H. R. 1532. An act to provide for the addition of certain Government lands to the Cape Hatteras National Seashore Recreational Area project, and for other purposes;

H. R. 2201. An act for the relief of Constantinous Tzortzis;

H. R. 2582. An act to amend section 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia";

H. R. 3411. An act to direct the Secretary of the Army to reestablish and correct the boundaries of the Quincy National Cemetery by the exchange of Government-owned lands in the Quincy-Graceland Cemetery, Quincy, Ill.;

H. R. 4779. An act to authorize the adoption of a report relating to seepage and drainage damages on the Illinois River, Ill.;

H. R. 4978. An act to repeal the act of September 30, 1950, authorizing the transfer to the State of Iowa of Fort Des Moines, Iowa; and

H. R. 5527. An act to authorize the employment in a civilian position in the Office of the Secretary of Defense of Lt. Gen. Graves Blanchard Erskine upon retirement from the United States Marine Corps, and for other purposes.

The message also announced that the Senate has passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 1528. An act to authorize the addition of land to the Appomattox Court House National Historical Monument, Va., and for other purposes;

H. R. 3480. An act to amend section 509 of title V of the Agricultural Act of 1949, to extend for 3 years the period during which agricultural workers may be made available for employment under such title; and

H. R. 4823. An act to convey by quitclaim deed certain land to the State of Texas.

The message also announced that the Senate had passed bills and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 119. An act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma;

S. 247. An act for the relief of Frans Gunnink;

S. 296. An act conferring United States citizenship posthumously upon Henry Litmanowitz (Litman);

S. 381. An act for the relief of Donald Grant;

S. 385. An act for the relief of Anna Solenniani;

S. 508. An act for the relief of Alfred Theodor Ex;

S. 551. An act for the relief of Mamertas Cvirka and Mrs. Petronele Cvirka;

S. 559. An act for the relief of Edward Joseph Wentworth;

S. 561. An act for the relief of Charles Chardon Brooks;

S. 630. An act to authorize the conveyance for public-school purposes of certain Federal land in Gettysburg National Military Park, and for other purposes;

S. 648. An act for the relief of Damiano Mario Carmine Palusci;

S. 722. An act for the relief of Mary Bethe Hines;

S. 725. An act to amend section 9 of the act of May 22, 1929, as amended, authorizing and directing a national survey of forest resources;

S. 730. An act for the relief of Winfried Kohls;

S. 894. An act to provide for the conveyance of certain national forest land in Basalt, Colo.;

S. 953. An act for the relief of Mary Thalia Womack Webb;

S. 973. An act for the relief of Dr. Jawad Hedayaty;

S. 1001. An act to amend the act approved March 3, 1899 (30 Stat. 1045, 1057, ch. 422), to provide for the appointment by the Commissioners of the District of Columbia of special policemen, and for other purposes;

S. 1016. An act for the relief of Josephine Schaitel;

S. 1363. An act for the relief of Eddie L. Bennett, Jr. (Joji Chitose);

S. 1366. An act for the relief of Dr. Jose Montero;

S. 1367. An act to amend section 508 (a) of the Federal Crop Insurance Act so as to extend for 2 years the authority of Federal Crop Insurance Corporation to expand the crop insurance program into additional counties;

S. 1380. An act for the relief of Simonella Evonne Magliulo;

S. 1393. An act to amend the District of Columbia Teachers' Leave Act of 1949;

S. 1422. An act to continue the effect of the statutory provisions relating to the deposit of savings for members of the Army and Air Force, and for other purposes;

S. 1432. An act for the relief of Peter Penovic, Milos Grahovac, and Nikola Maljkovic;

S. 1443. An act for the relief of Jose Deang;

S. 1467. An act for the relief of Patrick Devine;

S. 1659. An act for the relief of Antony Timothe Fairchild (Ishida Makoto) and Marie Dolores Fairchild (Shimizu Reiko);

S. 1701. An act for the relief of Paul Stanley Blow (Paul Stanley Matsumura);

S. 1705. An act for the relief of William Lance McKinley (Biro Takedo);

S. 1748. An act to incorporate the National Fund for Medical Education;

S. 1758. An act for the relief of Cathalina Purukawa;

S. 1791. An act for the relief of Leong Walk Hong;

S. 1908. An act for the relief of Franciszek Jarecki;

S. 1945. An act to amend the act entitled "An act to provide that the Board of Education of the District of Columbia shall have sole authority to regulate the vacation periods and annual leave of absence of certain school officers and employees of the Board of Education of the District of Columbia," approved March 5, 1952;

S. 1995. An act to provide certain construction and other authority for the military departments in time of war or national emergency;

S. 1999. An act to provide for the recovery, care, and disposition of remains of members of the uniformed services and certain other personnel, and for other purposes;

S. 2000. An act to authorize the retirement of non-Regular officers of the Army and Air Force having more than 30 years' active Federal service under the same conditions presently provided for such officers having less than 30 years' service, and for other purposes;

S. 2055. An act to amend the act of May 29, 1884, as amended, to provide for the control and eradication of scrapie and blue tongue in sheep, and incipient or potentially serious minor outbreaks of diseases of animals; and for other purposes;

S. 2078. An act to provide for the orderly transaction of the public business in the event of the death, incapacity, or separation from office of a disbursing office of the military department;

S. 2079. An act to provide for the use of the American National Red Cross in aid of the Armed Forces, and for other purposes;

S. 2118. An act to increase the salaries of employees of the Board of Education of the District of Columbia, and to provide for a study of the pay scales and classifications of such employees;

S. 2190. An act to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government;

S. 2217. An act to amend section 67 of the National Defense Act, as amended, to provide for an active-duty status for all United States property and fiscal officers;

S. 2276. An act to extend the authorization for the furnishing of information and civilian education for personnel in the Armed Forces until July 1, 1954; and

S. Con. Res. 34. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens.

AMENDING PUBLIC LAW 874

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 317, Rept. 711), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6078) to amend Public Law 874 of the 81st Congress so as to make improvements in its provisions and extend its duration for a 2-year period, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SCHOOL FACILITIES IN AREAS AFFECTED BY FEDERAL ACTIVITIES

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 318, Rept. 712) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6049) to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment

under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

EDUCATIONAL ACTIVITIES OF FEDERAL AGENCIES

Mr. McCONNELL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 5691) to provide for an annual report by the Commissioner of Education regarding educational activities carried on by or under the supervision of, or with aid of, the executive branch of the Government.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. McCORMACK. Reserving the right to object, Mr. Speaker, has the leadership on this side been consulted in this matter?

Mr. McCONNELL. I have discussed the matter with the gentleman from Texas [Mr. RAYBURN].

Mr. McCORMACK. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That the purpose of this act is to enable the Commissioner of Education more effectively to carry out his duties under the act of March 2, 1867 (20 U. S. C., ch. 1), establishing the Office of Education, and to provide a central source of information regarding educational activities of the Federal Government, to be available to the Congress and its committees.

SEC. 2. Under the direction and supervision of the Secretary of Health, Education, and Welfare, the Commissioner of Education shall make a report to the Congress, on or before December 31 of each year, regarding educational activities which are in the nature of classroom instruction, where a teacher-pupil relationship exists, as opposed to activities designed to convey information to the general public, and which were carried on during the fiscal year ending on the preceding June 30, by or under the supervision of a department or other agency in the executive branch of the Government (hereinafter referred to as a "Federal agency"); and regarding payments made during such fiscal year by a Federal agency in aid of educational activities of such a nature which were not carried on by or under the supervision of a Federal agency.

SEC. 3. With respect to activities carried on by or under the supervision of a Federal agency, such report shall include the statutory authority for the activities involved, and the direct and indirect costs of such activities; the number of students, teachers, and classes involved, and the location of such classes; the subjects taught; and such other information as may be necessary to indicate the size, scope, and character of the Federal activities involved, and the manner and extent to which such activities may overlap, conflict with, or duplicate one another.

SEC. 4. With respect to payments by a Federal agency in aid of educational activities, such report shall include the statutory authorization for the payments involved; the basic facts supporting the agency's determinations to make such payments; the amount of such payments; the number of students assisted by such payments; and such other information as the Commissioner of Education considers appropriate to carry out the purposes of this act and the act of March 2, 1867, establishing the Office of Education.

SEC. 5. The head of each Federal agency shall furnish the Commissioner of Education, at his request and upon forms to be furnished by him, with such information regarding the activities of such agency as may be necessary to carry out this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. ANGELL asked and was given permission to address the House today for 30 minutes, following the legislative business of the day and any special orders heretofore entered.

NATIONAL MILITARY UNITS FROM ESCAPEES FROM IRON CURTAIN COUNTRIES AND UNREST BEHIND THE IRON CURTAIN

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, we see from day to day the continued evidence of resistance behind the Iron Curtain in the satellite countries under the control of the Communists. This is the situation foreseen by General Eisenhower when he spoke before the American Legion last August and by Secretary of State John Foster Dulles when he wrote his famous article in Life magazine in May of last year. This is a situation, the principal one, for which the free world and the United States have long been waiting: Manifestation of general popular resistance which indicates very clearly that the vast and overwhelming majority of people behind the Iron Curtain are anti-Communists, and are willing to die for liberty rather than live in slavery.

Most significantly, members of the military have defected from the Communist-controlled forces, from the satellite countries. You will recall that the other day the newspapers carried a story of 15 or 16 Soviet officers being executed by the Soviets because they did not shoot the liberty-loving people who are resisting Communist control. Because of the armed forces under Communist control we have big taxes, and a huge defense budget. If we respond to this popular resistance and use these incidents we could help to turn them to good account and find the solution for the cold war. One very practical way to aid the resistance and accelerate the military defection is to form national military units, Polish, Czechoslovak, Hungarian, Rumanian, and including Russian units, for which the law now provides such units to be a haven for those defecting members of the military under control of the Communists. If we set up these national military units we will strike a heavy blow at the Soviet war potential.

We must support the policy of liberation outlined by General Eisenhower as he outlined it before the American Legion last August.

MRS. ADELAIDE JOHNSON

Mr. WICKERSHAM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. WICKERSHAM. Mr. Speaker, the usual advocate or sponsor of a bill rises to the defense of that measure. He answers attacks on the expediency of such legislation. He defends its justice, its constitutionality.

There is no need for me to defend H. R. 193. But, then, H. R. 193 is no usual bill. The need to act quickly in this matter is, or will be, obvious to all. Justice is inherent in it. It is certainly constitutional since its passage, its ultimate enactment into law, would be to the furtherance of the general welfare of every American.

My friends, I repeat that H. R. 193 is no usual legislation because it provides for the sum of $25,000 to be awarded to our national pioneer of culture, Mrs. Adelaide Johnson. This amount would serve a double purpose: First, it would repurchase the historical studio-museum which was once the property of this 106-year-old sculptress, preserving the priceless records and objects of art for our posterity; and, second, it would bring proper medical and nursing care, together with a few simple necessities, to the twilight of a long and useful life.

Scarcely one among you is unaware of who Mrs. Johnson is and what she has done. Newspapers and magazines have carried her fame into every nook and corner of this country. The world knows of her. Acclaim for her is international in its scope.

She has witnessed every inauguration from Lincoln on down, including Lincoln's inauguration.

The Hearst newspapers have honored her. The January 31, 1953, issue of the Saturday Evening Post carried a double article about her. The Sesquicentennial Commission gave her a silver medal. The Federation of Women's Clubs have paid tribute to her. She was selected as honor guest at the Hall of Fame during the presentation of a statuette of Susan B. Anthony—the first woman to be accorded this great accolade. New York City opened its arms to her. A vice president of a cab company was her chauffeur. A nationally important automobile company gave her the use of a new car. The mayor conducted her about the city. Thousands of admirers gathered to shout their approbation and their homage.

But you cannot buy potatoes with publicity. And you cannot pay off mortgages with magazine articles. Honors, adulation, and tributes cannot halt eviction for inability to advance rent.

Mrs. Johnson built her home-studio-museum with the express intent of giving this receptacle of living culture to the United States of America. While this fact was widely known, Congress did not act 13 years ago when she lost that shrine in a tax sale. Seven years ago, in 1946, she was evicted. However, her loyal friends have managed, up until now, to pay the monthly rent. Now, she is about to lose those priceless art possessions which will be carried to the police warehouse, stored, and in 3 years be auctioned off as common trash.

She will lose them? No. We will lose them. Our children and our children's children will point the finger of scorn at us and say, with terrible justice, "These men deprived us of our cultural birthright, preserved for us by Mrs. Adelaide Johnson."

She was born in 1847. Gold was yet to be discovered in California. She grew from childhood into womanhood during the tragic War Between the States. She was presented to Queen Victoria, an event which influenced her to believe that women had a real, a practical, a contributing place in modern society. She was a friend of H. G. Wells and George Bernard Shaw. She studied in Rome under the personal tutelage of Italy's noted sculptors, Monteverde, and Sabji Altini. She was the leading authority of her time on Michelangelo. She maintained studios in Rome, London, New York City, Ontario, Chicago, and Washington. She crossed the ocean 76 times. She delivered the major address at the International Council of Women in London in 1888. She was the trusted repository of the records of the Women's Suffrage Association—those records of a vanished era which may be irreplaceably lost through our neglect. There was no limit to her interest in all of the arts. There was no limit to her devotion to her continuing ideal—the eternal emancipation of American womanhood.

We know her best, perhaps, because she fashioned the superb statue, now reposing in the crypt of the Capitol, immortalizing the faces of three great progressive American women—Lucretia Mott, Elizabeth Cady Stanton, and Susan B. Anthony. The hand that chiseled that stone helped to strike the bonds of political serfdom from American women, to give them the greatest heritage of democracy—the right to vote.

This House of Representatives has provided social security benefits to millions. It has passed legislation bettering the lot of the veterans of our wars. It has made possible generous retirement measures for Government workers. It has voted pensions for wives of presidents.

Shall the woman whose life has spanned the eras between the Conestoga wagon and the commercial airline turn from us empty handed? My answer to this question is a resounding "No."

Let us go back to the time-honored three-way test for legislation. Let us apply this test to H. R. 193. This is the test: Is it expedient? Is it just? Is it constitutional?

H. R. 193 is expedient because time is of the essence. The records which took her a lifetime to accumulate are about to be lost. Her works of art are about to be scattered to the four winds. The time for action is now. The personal aid for Mrs. Johnson is an immediate "must." She is 106 years old. Her recognition by Congress, the Congress she has always loved, must be a living recognition. With the knowledge of her contribution constantly before us, a posthumous recognition would be an affront, rather than a gesture of approbation. Again, the time for action is now.

H. R. 193 is just because it remedies an inequity. Mrs. Johnson was about to give America a $60,000 property. She was unable to complete that gift. We can help her complete it. Other Congresses allowed the author of Home Sweet Home to perish without a home. Other Congresses permitted Stephen A. Foster to stumble into a pauper's grave. Kindness to a deserving servant of her people, together with the preservation for posterity of records and objects of art symbolic of an era of national progress, is the highest type of justice. We must not, we will not, fail, as other Congresses have failed, to give justice where justice is most certainly due.

H. R. 193 is constitutional. It provides for the general cultural welfare of the American people. Within this Nation, it establishes a monument of art and compassion. Abroad, it gives the most effective answer to Communist psychological warfare accusations that this is a land of barbarians, of soulless materialists. Properly broadcast, over the Voice of America, it would be the greatest single stroke of our own psychological warfare since American planes carried the stranded Mohammedan pilgrims to Mecca. Art is universal. The best way we can show our respect for art is to respect the artist. In this manner, the general welfare of the American people will be advanced in every art-loving nation of the world.

Mr. Speaker, it is not necessary to defend H. R. 193.

H. R. 193 is inherently good. And what is good does not require a defense.

With every fiber of my being, with all the sincerity and earnestness of which I am or ever will be capable, I urge the consideration and passage of this humane, this American legislation.

PERSONAL PRIVILEGE

Mr. CONDON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. CONDON. Mr. Speaker, on next Tuesday, July 14, I am going to rise to a point of personal privilege in connection with certain newspaper stories that have appeared relating to me and my relationship with some executive departments. At that time I will ask for 1 hour's time but, at this moment, I do not expect to consume that much time.

UN-AMERICAN ACTIVITIES

Mr. JACKSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. JACKSON. Mr. Speaker, to allay any fears, this mass of papers is not a speech; and I shall not ask to extend or revise them in any way. These rolls are petitions which represent the expressions of 100,000 American citizens who are very much concerned over the infiltration of individual Communists into some of the churches of this country. I do not know whether there are 70, 700 or, as has been alleged, 7,000, who have played the Communist game or who have lent aid and comfort to the Communist Party; but we do know beyond peradventure of doubt that there are some ministers in this country occupying the pulpit and using it on behalf of the Communist cause.

These petitions, represent the thinking of 100,000 loyal Americans of all faiths in 20 States. The petition states very briefly and succinctly:

We, the undersigned citizens of the United States, who are members of churches, respectfully petition the Committee on Un-American Activities of the House of Representatives of the United States Congress to investigate Communists in religion. Communists wherever found should be in no way shielded or protected.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

NATIONAL SCIENCE FOUNDATION ACT OF 1950

The Clerk called the bill (H. R. 4689) to amend the National Science Foundation Act of 1950.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

AMENDING ACT OF CONGRESS APPROVED MARCH 4, 1915 (38 STAT. 1214), AS AMENDED

The Clerk called the bill (H. R. 1802) to amend the act of Congress approved March 4, 1915 (38 Stat. 1214), as amended.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SAYLOR. Mr. Speaker, reserving the right to object, if unanimous consent is given to consider this bill, may I ask the objectors whether or not they will object to an amendment to this bill? The amendment which I propose to offer is on page 3 to strike out all of lines 3 to 14, inclusive. This is a preference right which is given in this bill.

Mr. MILLER of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I might say, Mr. Speaker, that the objectors have been contacted by letter. The amendment suggested by the gentleman from Pennsylvania [Mr. SAYLOR] has been agreed upon by the full committee, and I would recommend that the amendment be adopted, without objection from the objectors.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress approved March 4, 1915 (38 Stat. 1214), being an act to reserve lands of the Territory of Alaska for educational uses, and for other purposes, as amended by the act approved March 5, 1952 (66 Stat. 14), is hereby further amended by adding to the first section the following:

"All deposits of oil, gas, oil shale, phosphate, sodium, and potassium in the reserved lands together with the lands containing such deposits shall be subject to disposition under the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended, and all deposits of coal in the reserved lands together with the lands containing such deposits shall be subject to disposition under the Alaska Coal Leasing Act of October 20, 1914 (38 Stat. 741), as amended. Any such disposition shall be upon conditions providing for compensation to any Territorial lessee for resulting damages to crops or improvements on, or impairment of the lessee's utilization of, the reserved lands. The entire proceeds or income derived by the United States from any disposition of the minerals in the reserved lands under the mineral leasing laws as herein provided are hereby appropriated and set apart as permanent funds in the Territorial treasury, to be invested and the income expended for the same purposes and in the same manner as hereinbefore provided for.

"Any person qualified to hold an oil and gas lease who, on the date of this amendment, had first filed in point of time and had pending an offer or application for an oil and gas lease for any lands subject to this act, which lands on said date were within the limits of a unitized area created by unit agreement approved by the Secretary of the Interior, and which lands on the date the application was filed were not situated within the known geologic structure of a producing oil and gas field, shall have a preference right over others to an oil and gas lease of such lands, without competitive bidding.

"Upon the transfer to any future State erected out of the Territory of Alaska of title to any of the reserved lands, the provisions of this amendment shall cease to apply to the reserved lands title to which is so transferred. Any lease, permit, or contract made pursuant to this amendment which is in effect at the time of any such transfer of title to the lands covered by the lease, permit, or contract shall not be terminated or otherwise affected by such transfer of title; but all right, title, and interest of the United States under such lease, permit, or contract, including any authority to modify its terms and conditions that may have been retained by the United States, shall vest in the State to which title to the lands covered by the lease, permit, or contract is transferred.

"The Secretary of the Interior is hereby authorized to make all necessary rules and regulations in harmony with the provisions and purposes of this act for the purpose of carrying the same into effect."

With the following committee amendments:

Page 2, line 5, strike all of the language beginning with the word "Any" through line 15 and insert in lieu thereof the following: "Ninety percent of the entire proceeds or income derived from the United States from any disposition of the minerals in the reserved lands under the mineral leasing laws, as herein provided, are hereby appropriated for payment to the Territorial treasury, where such sums shall be set apart as permanent funds, to be invested and the income expended for the same purposes and in the same manner as hereinbefore provided for. The other 10 percent of the entire proceeds or income shall be deposited in the United States Treasury as miscellaneous receipts."

Page 2, line 16, strike the comma following the word "who."

Page 2, line 17, strike the words "on the date of this amendment."

Page 2, line 18, following the word "pending" add the words "on January 15, 1953."

Page 2, line 22, following the word "application" add the words "for an oil and gas lease."

Page 3, line 1, change the comma to a period and strike the words "without competitive bidding."

Page 3, line 20, following the word "effect" add the following: ", including such provisions as he may deem equitable to assure compensation of surface lessees for damages to crops or improvements on, or impairment of the surface utilization of, the reserved lands by the holder of a mineral lease, or contract issued under this act: *Provided*, That such damages, if any, may be subject to judicial review'."

The committee amendments were agreed to.

Mr. SAYLOR. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 3, strike out lines 3 to 14, inclusive.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEFINE SURFACE RIGHTS VESTED IN LOCATOR OF A MINING CLAIM

The Clerk called the bill (H. R. 4983) to define the surface rights vested in the locator of a mining claim hereafter made under the mining laws of the United States, prior to issuance of patent therefor, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, I call the attention of the House to the fact that this bill deals with surface rights relative to mining. Under some twists of interpretation of the Reorganization Act there is now in the Committee on Agriculture a bill on mining that deals with surface rights and mines entirely, not with tobacco, cotton, rice and peanuts, but with minerals. How the bill got into the Committee on Agriculture I am not sure, but under the Reorganization Act the House Interior Committee assumes the legislative power over bills dealing with public lands. The time will approach when the Congress will have to ask that there be a line of demarcation between what the Committee on Agriculture does and what should properly be a matter for consideration by the Committee on Interior and Insular Affairs. The Reorganization Act requires that forests carved out of the public domain shall be under the jurisdiction of the Interior Committee. The Committee on Agriculture has a bill upon which they will soon hold hearings that deals in surface rights and minerals. In my opinion it properly belongs to the Interior Committee.

Mr. Speaker, I withdraw my reservation of objection. I must say to the gentleman from Kansas [Mr. HOPE], chairman of the Committee on Agriculture, who objects to this bill on consent calendar that it is the intention of certain members of the Interior and Insular Affairs Committee to object to the Committee on Agriculture from dealing with minerals on public lands. The bill before his committee should be sent to the Interior Committee.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. HOPE]?

Mr. PRICE. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. I object, Mr. Speaker.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, the National Wildlife Federation and other conservation organizations of the country have informed me of their serious concern regarding the problem of false mining claims on the national forests, particularly in the western public-land States where the national forests, having been withdrawn from the public domain, are subject to the Federal mining laws. No reasonable person wants to interfere with or handicap the legitimate prospector or miner, who is interested in the discovery and development of mineral resources. The mining industry is essential to the economic welfare and security of our Nation. A great many of the claims filed in the national forests, however, are motivated by other interests than mining.

The 1872 mining law is so loose and outmoded it offers an inducement to individuals whose real motive is to get their hands on a piece of extremely valuable timber, or upon a preferred site for a fishing camp or a summer cottage on a mountain stream.

At present there are some 84,000 mining claims tying up approximately 2 million acres within the national forests. It is significant that fewer than 3 percent of these are actually producing minerals.

It is possible under the present law for a mining claimant to invest only $1,000 in assessment and survey work, then pay the Government another $50—20 acres at $2.50 per acre—and thereby secure fee simple title to standing timber worth from $20,000 to $30,000. This has been done in the Douglas fir stands of Washington and Oregon. This is clearly contrary to the intent of the mining laws, and needs to be corrected.

When the present mining-claim law was passed in 1872, timber resources were worth only a tiny fraction of their present value. Now, in many national forests, the marketable timber may be worth many times the value of the minerals beneath the surface.

These bogus mining claims greatly handicap the Forest Service in the management of the national forests. These 20-acre tracts—or 160-acre tracts in the case of association placer claims—cannot be included in timber sales, or timber-stand improvement work, and on occasions the Forest Service has had to go to court to secure the right to build timber-access roads across unpatented claims.

Under present law, mining claims are filed in the local county courthouse without notification of Federal agencies. The Forest Service is forced to spend time and labor, at considerable public expense, searching through county records just to find out which of the lands under its jurisdiction have been tied up by mining claims.

Under present law a mining claimant can hang onto his location indefinitely without applying for a patent, but by filing an annual affidavit, again at the county courthouse, that he has done a mere $100 worth of assessment work. One gouge with a bulldozer, or construction of a tiny shack often passes for assessment work.

The claimant can fence his location, or post it against trespass, thereby impairing other public uses of the National Forests, such as grazing, recreation, and wildlife management.

Legislation has been introduced by Senator CLINTON P. ANDERSON—S. 783—and by the gentleman from Kansas, CLIFFORD HOPE—H. R. 5258—which would solve the problem by the simple device of separating surface rights from mineral rights in claims filed on national forests. All rights of the legitimate miner would be protected, and he could use as much of the surface and even as much of the timber as he reasonably needs in his mining operation. The rest of the timber, and other surface resources, would remain in public ownership and subject to management by the Forest Service.

The Anderson and Hope bills would do away with the inefficient courthouse filing system and require refiling of all claims within 3 years in a district land office. This in itself will help sift and eliminate the worthless or bogus claims. Further, claims made on the national forests would automatically become invalid if no application for patent were made within 10 years after establishment of the claim. Under present law a claim may be held indefinitely by virtue of annual assessment work only.

Another bill has been introduced by the gentleman from Texas, the Honorable KEN REGAN, which would get at the problem by removing deposits of sand, gravel, stone, pumice, pumicite and cinders from the operation of the mining laws and putting disposal of these materials on the public lands under a permit system. This bill is H. R. 334.

The bill introduced by the gentleman from Montana, H. R. 4983, would provide none of these needed, corrective measures. It merely defines the rights of claimants on unpatented claims to be filed in the future, and declares the right of the United States, its permittees and licensees, to use the surface of the location for access and management of timber and forage, so long as such use does not interfere materially with the mining operation. It would have no effect whatever upon the 84,000 claims now cluttering the national forests and complicating their management. It would retain the old courthouse filing system. It would still give the patentee full title to the timber and all other surface resources.

I object to H. R. 4983 because its passage would tend to prevent or discourage consideration of the kind of legislation needed to solve this serious problem.

AMERICAN NATIONAL RED CROSS

The Clerk called the bill (H. R. 5637) to provide for the use of the American National Red Cross in aid of the Armed Forces, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. SHORT. Mr. Speaker, I ask unanimous consent that a similar Senate bill (S. 2079) be considered in lieu of the House bill.

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That whenever the President shall find the cooperation and use of the American National Red Cross with the Armed Forces to be necessary, he is authorized to accept the assistance tendered by the said Red Cross, and to employ the same under the Armed Forces. The Secretary of Defense shall prescribe such rules and regulations as may be necessary for the implementation of this act.

SEC. 2. Whenever the said Red Cross cooperation and assistance with the Armed Forces shall have been accepted by the President, the personnel entering upon the duty specified in the first section of this act may be transported while proceeding to their place of duty, while serving thereat, and while returning therefrom, at the cost and charge of the United States as civilian employees employed with the said forces; be furnished meals and quarters, providing the cost thereof is borne by such personnel or by the American National Red Cross, except that in instances where civilian employees are furnished quarters without cost, employees of the American National Red Cross may also be furnished quarters on the same basis without cost; and be furnished office space, warehousing, wharfage, and means of communication, without charge, when such facilities are available: *Provided*, That no passport fee shall be charged or collected for any passport issued to such personnel so serving or proceeding abroad to enter upon such service: *Provided further*, That such Red Cross equipment and supplies as may, in accordance with the rules and regulations prescribed as provided for in the first section hereof, be determined to be necessary in the furnishing of the assistance herein provided, including Red Cross supplies that may be tendered as a gift and accepted for use by the Armed Forces, shall be transported at the cost and charge of the United States.

SEC. 3. The fifth paragraph of section 127a of the Act of June 3, 1916, as added by section 51 of the act of June 4, 1920 (ch. 227, 41 Stat. 785), is amended to read as follows:

"Each Secretary of a military department may grant permission, by revocable license, to the American National Red Cross to erect and maintain on any United States military installation under the jurisdiction of the Secretary concerned buildings suitable for the storage of supplies, or to occupy for that purpose buildings erected by the United States, under such regulations as the Secretary concerned may prescribe, such supplies to be available for the aid of the civilian population in case of serious national disaster."

SEC. 4. The act of January 5, 1905 (ch. 23, 33 Stat. 599), as amended, is further amended as follows:

(a) The first clause of section 3 is amended by deleting the word "armies" and inserting in lieu thereof the words "Armed Forces."

(b) The fourth clause of section 3 is amended (1) by deleting the words "Army and Navy" wherever they appear therein and inserting in lieu thereof the words "Armed Forces", and (2) by deleting the words "and naval."

(c) Section 6 is amended (1) by deleting immediately following the words "Secretary of" the word "War" and inserting in lieu thereof the words "Defense", and (2) by deleting the words "War Department" whenever they appear therein and inserting in lieu thereof the words "Department of Defense."

SEC. 5. The third paragraph under the heading "War Department" of the act of May 29, 1920 (ch. 214, 41 Stat. 659), is amended by deleting the words "War Department" and inserting in lieu thereof the words "Department of Defense."

SEC. 6. The act of April 24, 1912 (ch. 90, 37 Stat. 90), as amended, is hereby repealed.

SEC. 7. For the purpose of this act, employees of the American National Red Cross shall not be considered to be employees of the Federal Government of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent, at the request of Mr. SHORT, a similar House bill (H. R. 5637) was laid on the table.

REPEAL OF SECTION 205 (b) OF THE ARMED FORCES RESERVE ACT OF 1952

The Clerk called the bill (H. R. 2331) to repeal section 205 (b) of the Armed Forces Reserve Act of 1952.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 205 (b) of the Armed Forces Reserve Act of 1952 (66 Stat. 481, 483), is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POSTHUMOUS APPOINTMENTS AND COMMISSIONS

The Clerk called the bill (S. 1529) to amend the act of July 28, 1942 (ch. 528, 56 Stat. 722) relating to posthumous appointments and commissions, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of July 28, 1942 (ch. 528, 56 Stat. 722), is amended as follows:

(a) By deleting the words "Secretary of War or the Secretary of the Navy," and the words "Secretary of War and the Secretary of the Navy" wherever they appear therein

and inserting in lieu thereof the words "appropriate Secretary";

(b) By deleting the words "in the military or naval service" wherever they appear therein and inserting in lieu thereof the words "in the military service";

(c) By deleting the words "War or Navy Department" wherever they appear therein and inserting in lieu thereof the words "military department concerned";

(d) By deleting the words "be, and they are hereby, severally" in section 4 and inserting in lieu thereof the word "is"; and

(e) By renumbering section 5 as "SEC. 6" and inserting immediately after section 4 a new section 5 as follows:

"SEC. 5. For the purposes of this act, in any case where the date of death is established or determined under the Missing Persons Act, as amended, the date of death is the date of receipt by the head of the department concerned of evidence that the person is dead, or the date the finding of death is made under section 5 of that act, as amended."

SEC. 2. This amendatory act is effective June 25, 1950.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REPEALING AUTHORITY TO PURCHASE DISCHARGE FROM THE ARMY, NAVY, AIR FORCE, AND MARINE CORPS

The Clerk called the bill (S. 1544) to repeal the authority to purchase discharge from the Army, the Navy, the Air Force, and the Marine Corps.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 4 of the act of June 16, 1890 (26 Stat. 158), and that part of the act of March 3, 1893 (27 Stat. 717), which provides "and in time of peace the President may in his discretion, and under such rules and upon such conditions as he may prescribe, permit any enlisted man to purchase his discharge from the Navy, or the Marine Corps, the amounts received therefrom to be covered into the Treasury," are hereby repealed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPENSATION OF VETERANS

The Clerk called the bill (H. R. 631) to provide that compensation of veterans for service-connected disability, rated 20 percent or less disabling, shall be paid quarterly rather than monthly.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice. I might say that they have to convince me that checks should be sent out every 3 months to any of our veterans instead of every month.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. ROONEY. Mr. Speaker, I trust that this action of the gentleman from Massachusetts [Mr. MCCORMACK] will finally dispose of this bill. I am unalterably opposed to it. Too many of the service-connected disabled war veterans now entitled to receive checks must have them monthly. Many of them are married, have families, and cannot wait for their disability payments without having to borrow money for the necessities of life.

Mr. TEAGUE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TEAGUE. Mr. Speaker, H. R. 631 provides that compensation to veterans for service-connected disability rated 20 percent or less disabling shall be paid quarterly rather than monthly. H. R. 631 will carry out one of the recommendations of the Booz-Allen-Hamilton management firm. You will recall, Mr. Speaker, that last year the Veterans' Administration engaged the Booz-Allen-Hamilton firm to make a management study of the operations of the Veterans' Administration. One of the recommendations of Booz-Allen-Hamilton was that compensation checks to veterans with service-connected disability rated 20 percent or less disabling should be paid quarterly rather than monthly. According to Booz-Allen-Hamilton, this procedure would effect a saving of $1 million per year.

Booz-Allen-Hamilton has pointed out that 56.9 percent of all veterans classified as disabled have ratings of 20 percent or less. Forty percent, or about 800,000, have ratings of 10 percent. If all the 10- and 20-percent cases were paid on a quarterly basis, the preparation and processing of more than 9 million checks annually could be eliminated. The postage savings alone would be in excess of $225,000. Booz-Allen-Hamilton have estimated that elimination of the envelopes, checks, and of the labor necessary to prepare and reconcile the checks, would effect a total saving of $1 million annually.

The Veterans' Administration has estimated that enactment of H. R. 631 would save about $600,000 annually and has pointed out that enactment of the bill would eliminate the issuance of about 9 million checks per year at a cost of about 6½ cents per check. Apparently, the Veterans' Administration has not made an attempt to estimate savings by the Post Office Department.

Enactment of H. R. 631 would not reduce the total compensation or pension payable to any veteran by one cent, but it would provide the basis for a considerable saving to the Federal Government. It seems to me that, at a time when we are all so concerned with balancing the budget, we should give serious consideration to administrative changes of this nature which do not hurt anyone but at the same time lower administrative costs.

Mr. METCALF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Speaker, H. R. 631 should be given much more consideration than it has received at this time. I am inclined to oppose the bill for two reasons.

First, it is another step away from uniform treatment of disabled veterans with service-connected disabilities.

Already there has been discrimination against disabled veterans, rated less than 50 percent disabled, in the cost-of-living increase granted by the last Congress and against those rated less than 60 percent disabled in dependency allowances. This bill sets up still another class, those with 20 percent or less disability ratings will receive their checks quarterly instead of monthly.

The present system of compensation for service-connected disabled veterans is based upon a percentage system. The creation of different categories within that percentage system is a departure from basic and fundamental procedure that should be made only after thorough hearings and debate. This legislation might be regarded as piecemeal encroachment on the prevailing system.

Second, we have an implied contract with disabled veterans that they will be paid monthly. They have come to rely upon these monthly payments. On the basis of this anticipated income they have entered into installment contracts, monthly payment agreements $15 to $30 in excess of their regular monthly incomes.

These private contracts cannot be rewritten. One of my constituents has written me that he will have to borrow to keep up his installments if this bill is enacted.

The anticipated savings of H. R. 631 are largely interdepartmental; the losses in interest payments are out of the meager incomes of disabled veterans. In this sense, any saving to the Government is only a subsidy to the loan shark.

Let us not break faith with these veterans and, without very thoughtful consideration, change the established methods of payment.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts that the bill be passed over without prejudice?

There was no objection.

TOTAL OR PERMANENT DISABILITY RATINGS IN FORCE 20 YEARS OR MORE

The Clerk called the bill (H. R. 2984) to prohibit reduction of any rating of total disability or permanent total disability for compensation, pension, or insurance purposes which has been in effect for 20 or more years.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PENSIONS FOR CERTAIN PERSONS

The Clerk called the bill (H. R. 5380) to extend pension benefits under the laws reenacted by Public Law 269, 74th Congress, August 13, 1935, as now or hereafter amended, to certain persons

who served with the United States military or naval forces engaged in hostilities in the Moro Province, including Mindanao, or in the islands of Samar and Leyte, after July 4, 1902, and prior to January 1, 1914, and to their unremarried widows, child, or children.

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. MACK of Washington. Mr. Speaker, this bill, H. R. 5380, would provide long-delayed justice to a small group of about 500 patriotic and valiant Armed Forces veterans who served our country nobly about half a century ago in stiff fighting in the Moro Province and on the islands of Samar and Leyte, in the Philippine Islands.

Legally and technically, the war with Spain and the Philippine Insurrection ended on July 4, 1902, with a presidential proclamation of peace. Actually, however, the fighting and hostilities did not end with that date but continued for a period of several years thereafter. During these years there was stiff fighting in the Moro Province and in the islands of Samar and Leyte. In this fighting, there were 1,548 casualties and deaths from diseases in the Armed Forces involved. Congressional Medals of Honor were awarded 13 of those engaged in this fighting.

These veterans of the hostilities in the Moro Province and the islands of Samar and Leyte, despite the severity of the fighting, have never been recognized as wartime fighters and have been denied veterans' pensions for these many years, despite the fact that veterans of other hostilities have been granted the benefit of veterans' pensions.

Half a century has elapsed since these hostilities and only about 500 veterans of this fighting survive. The average age of these veterans is now 78. They, together with about 300 surviving wives and dependent children of such veterans, should as a matter of simple justice and fairness, it seems to me, be entitled to the same pensions as are paid veterans of the Spanish-American War.

The Veterans of Foreign Wars and the United Spanish American War veteran organizations take this same position and over a number of years have advocated the paying of pensions to this limited number of Moro Province and Leyte and Samar fighters.

The advanced age of these veterans makes it certain that any belated pensions now granted this group would not be for long, since the average age of these veterans is 78 years.

This bill is not a new proposal. In the 78th Congress, somewhat similar bills were reported favorably by the Veterans' Committees of both the House and the Senate and passed, under unanimous consent, by both Houses. President Roosevelt vetoed that bill on the ground that it would have the effect of changing the closing date of a war and might establish a precedent which might become costly.

In the 79th Congress, 2 years later, the House Veterans' Committee unanimously approved and the House again unanimously passed a similar bill but the Senate did not act upon it.

In the 80th Republican Congress the Veterans' Committee again approved this bill but no action was taken on it by the House.

The present bill is the fourth bill of this kind approved by the House Veterans' Committee.

Since the time of the previous bills, the Korean police action has occurred and a pension system has been approved by Congress for Korean veterans, although the Korean action is not an officially declared war.

The Moro Province and Samar and Leyte Island hostilities were similar to what has been happening in Korea and the surviving veterans of these hostilities of 50 years ago, just as those in Korea, should be granted, even at this late date, pensions in keeping with the American tradition of granting special considerations to those who served the Nation honorably and courageously in the face of an armed enemy.

FURTHER PRESUMPTION OF SERVICE CONNECTION FOR ALL TYPES OF TUBERCULOSIS

The Clerk called the bill (H. R. 5636) to amend veterans' regulations to establish for persons who served in the Armed Forces during World War II a further presumption of service connection for tuberculosis other than pulmonary.

Mr. FORD. Mr. Speaker, in the light of the fact that the Veterans' Administration recommends against favorable consideration of this bill, I ask unanimous consent that the bill be passed over without prejudice.

Mrs. ROGERS of Massachusetts. Reserving the right to object, Mr. Speaker, I wish very much that the gentleman would give this bill study if he is going to object to it, because I think he will find there will be very few cases involved, and the medical testimony proves it is unfair for the benefits of this presumption to be denied men who, for instance, have tuberculosis of the bone or tuberculosis of the throat or tuberculosis of certain organs. This benefit has been given to veterans of World War I, and it seems only fair to take this step in regard to these cases. There will be very few of them.

Mr. FORD. I have studied this bill and the committee report. It seems to me in the light of the recommendation of the Veterans' Administration that this is certainly not legislation which should come before the House for consideration by unanimous consent. There seems to be some difference of opinion. It would seem to me a wise policy to bring this bill up under suspension if it is to be considered.

Mrs. ROGERS of Massachusetts. I believe if the gentleman will reread the report from the Veterans' Administration, he will see they state it is only fair to include these cases. Then, in order to get it off the calendar quickly and have the matter brought up under suspension, I object to the request of the gentleman from Michigan that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. I object, Mr. Speaker.

AMENDING THE ARMY AND AIR FORCE VITALIZATION AND RETIREMENT EQUALIZATION ACT OF 1948

The Clerk called the bill (H. R. 2871) to authorize the retirement of non-Regular officers of the Army and Air Force having more than 30 years' active Federal service under the same conditions presently provided for such officers having less than 30 years' service, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent for the consideration of a similar Senate bill (S. 2000) to authorize the retirement of non-Regular officers of the Army and Air Force having more than 30 years' active Federal service under the same conditions presently provided for such officers having less than 30 years' service, and for other purposes, in lieu of the House bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That that portion of section 5 of the act of July 31, 1935 (49 Stat. 507), as amended, which was amended by section 202 of the Army and Air Force Vitalization and Retirement Equalization Act of 1948 (62 Stat. 1081, 1084), is amended by striking out the words "or more than 30."

SEC. 2. This act shall be effective on the first day of the first calendar month after the date of enactment of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 2871) was laid on the table.

CONTINUING IN EFFECT STATUTORY PROVISIONS RELATING TO SAVINGS DEPOSITS OF MEMBERS OF THE ARMY AND AIR FORCE

The Clerk called the bill (H. R. 4214) to continue the effect of the statutory provisions relating to the deposit of savings for members of the Army and Air Force, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, it is my understanding there is an identical Senate bill (S. 1422) to continue the effect of the statutory provisions relating to the deposit of savings for members of the Army and Air Force,

and for other purposes. Therefore, I ask unanimous consent that the Senate bill be considered in lieu of the House bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the act of December 18, 1942 (56 Stat. 1057), as extended by the Emergency Powers Continuation Act (66 Stat. 330), is amended by—

(1) striking out ", but shall be forfeited by desertion" appearing in section 1 thereof;

(2) amending section 3 thereof to read, "SEC. 3. The amendments herein provided by sections 1 and 2 shall be effective until July 1, 1954."; and

(3) adding at the end thereof the following new section:

"SEC. 4. (a) Section 1305 of the Revised Statutes, as amended, is amended by striking out ', but shall be forfeited by desertion.'

"(b) The act of February 9, 1889 (ch. 119, 25 Stat. 657), is hereby amended by striking out ', but shall be forfeited by desertion.'

"(c) The proviso to section 2 of the act of June 15, 1943 (ch. 125, 57 Stat. 152), is hereby repealed."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 4214) was laid on the table.

SUN RIVER IRRIGATION PROJECT, MONTANA

The Clerk called the bill (H. R. 1991) relating to certain construction-cost adjustments in connection with the Greenfields division of the Sun River irrigation project, Montana.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is hereby empowered and directed to make certain construction-cost adjustments in connection with the Greenfields division of the Sun River irrigation project, Montana, in that the reimbursable construction costs relating to that part of the Greenfields main canal between station 0 and station 278 (5.26 miles) in the amount of $297,752 shall be deducted from the obligation undertaken by the Greenfields irrigation district in its contract with the United States dated June 22, 1926.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE FEDERAL REGISTER ACT

The Clerk called the bill (H. R. 1806) to amend further the Federal Register Act, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 11 of the Federal Register Act (49 Stat. 503), as amended, is hereby further amended to read as follows:

"SEC. 11. (a) The Administrative Committee of the Federal Register is authorized, with the approval of the President, to require, from time to time as it may deem necessary, the preparation and publication in special or supplemental editions of the Federal Register of complete codifications of the documents of each agency of the Government which have general applicability and legal effect, which have been issued or promulgated by such agency by publication in the Federal Register or by filing with the Committee, and which are relied upon by the agency as authority for, or are invoked or used by it in the discharge of, its activities or functions, and are in force and in effect as to facts arising on or after such dates as may be specified by the Committee.

"(b) Any codification published pursuant to subsection (a) of this section shall be printed and bound in permanent form. As far as practicable, each title in such codification shall constitute a separate book. Each book shall include an index thereto, and a pocket for cumulative supplements. A general index to the entire edition shall be separately printed and bound and shall be provided with a pocket for cumulative supplements.

"(c) Cumulative supplements to the codifications may be published annually. Such supplements shall contain the full text of all changes and additions issued since the codification date specified by the Committee which are still in effect. Individual books, including the cumulative supplements thereto, may be collated and republished when deemed necessary by the Committee.

"(d) The Federal Register Division shall prepare, index, and published the codifications and supplements thereto including the collations as authorized by subsection (c) of this section.

"(e) The codified documents of the several agencies published in the supplemental edition of the Federal Register pursuant to the provisions of this section, as amended by documents subsequently filed with the Division and published in the daily issues of the Federal Register, shall be prima facie evidence of the text of such documents and of the fact that they are in full force and effect on and after the date of publication.

"(f) The Administrative Committee of the Federal Register shall prescribe, with the approval of the President, regulations for carrying out the provisions of this section.

"(g) The provisions of this section shall apply to the Code of Federal Regulations, 1949 Edition, authorized by and published pursuant to Executive Order No. 9930 of February 4, 1948."

With the following committee amendment:

On page 2, line 24, strike out the word "published" and insert in lieu thereof the word "publish."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL SAFETY COUNCIL

The Clerk called the bill (S. 1105) to incorporate the National Safety Council.

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDING PART III OF THE INTERSTATE COMMERCE ACT

The Clerk called the bill (H. R. 3792) to amend part III of the Interstate Commerce Act, so as to authorize the Interstate Commerce Commission to revoke, amend, or suspend water carrier certificates and permits under certain conditions.

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMEMORATING THE 300TH ANNIVERSARY OF THE FORMATION OF WESTMORELAND COUNTY, VA.

The Clerk called the next business, House Concurrent Resolution 28, commemorating the 300th anniversary of the formation of Westmoreland County, Va.

There being no objection, the Clerk read the concurrent resolution, as follows:

Whereas Westmoreland County, which is in the Commonwealth of Virginia, was created in the year 1653; and

Whereas Westmoreland County has given to the United States and the Commonwealth of Virginia an extraordinary number of distinguished citizens and patriots, among them George Washington, the Father of his Country; James Monroe, fifth President of the United States; Robert E. Lee, commander in chief of the Confederate Armies; Bushrod Washington, nephew of General Washington and Associate Justice of the Supreme Court of the United States; Richard Henry Lee, author of the famous "Westmoreland Resolution" protesting the Stamp Act and signer of the Declaration of Independence; Gen. Thomas Stuart Garnett, of Chancellorsville fame; Gen. R. L. T. Beale, dashing cavalryman of the Confederate Army; Gov. Henry (Light Horse Harry) Lee, general, United States Army, and Member of Congress; Francis Lightfoot Lee, Member of Congress and signer of the Declaration of Independence; Col. George Eskridge, attorney for the King in Westmoreland County, member of the House of Burgesses, and guardian of George Washington's mother, Mary Ball; Daniel McCarty, member of the House of Burgesses for many years and Speaker of the House in 1715 and 1718; Willoughby Newton, Member of Congress and founder of the Virginia Agriculture Society; James Critcher, Member of Congress and eminent jurist; and many other illustrious persons: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress joins the county of Westmoreland in commemorating its tercentennial anniversary, and acknowledges its contribution to the development and progress of the Nation.

SEC. 2. A copy of this resolution, suitably engrossed and duly authenticated, shall be transmitted to the clerk of the board of supervisors of Westmoreland County.

The concurrent resolution was agreed to, and a motion to reconsider was laid on the table.

PROVIDING TRANSPORTATION ON CANADIAN VESSELS

The Clerk called the bill (S. 719) to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, until June 30, 1954, notwithstanding the provisions of law of the United States restricting to vessels of the United States the transportation of passengers and merchandise directly or indirectly from any port in the United States to another port of the United States, passengers may be transported on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation: *Provided*, That such Canadian vessels may transport merchandise between Hyder, Alaska, and other ports and points herein enumerated.

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. TOLLEFSON. Mr. Speaker, I do not rise to object to S. 719, which would continue until June 30, 1954, the privilege which Canadian vessels have to transport goods or passengers to specified points in Alaska from the continental United States, or between the specified points in Alaska. Although the bill represents a departure from the historic policy of the United States to reserve its coastwise trade to vessels of the United States, I believe that adequate justification exists for it because of the prospective continued inadequacy of United States-flag service to the areas in question in Alaska.

I do wish to take this opportunity, however, to point to a Canadian practice which is discriminatory insofar as American-flag vessels are concerned. Under the Canada Shipping Act of 1934, vessels registered in any part of Her Majesty's dominions are not required to pay pilotage dues unless pilots are actually employed. Vessels of other than British Dominion registry, including American-flag vessels, are required, however, to pay pilotage dues even though they do not employ a pilot.

Masters of American-flag vessels operating between Pacific coast ports of the United States and Pacific coast ports of the Dominion of Canada are men with years of experience in the trade, and are as familiar with Canadian waters as masters of Canadian vessels. There is no reason under such circumstances why American owners should have to pay for pilots which are not used.

This discrimination has been under study by various groups in the American steamship industry, and I hope that our Canadian friends will be able to resolve it to their satisfaction. However, if a solution satisfactory to American operators is not developed, I think that we should question the wisdom of granting future privileges of the nature provided in S. 719 to operators of Canadian vessels while this discrimination continues.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOSPITAL SURVEY AND CONSTRUCTION

The Clerk called the bill (H. R. 5419) to extend the duration of the Hospital Survey and Construction Act (title VI of the Public Health Service Act).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

CONVEYANCE BY THE CITY OF CHARLESTON, S. C., TO SOUTH CAROLINA STATE PORTS AUTHORITY

The Clerk called the bill (S. 1082) to approve a conveyance made by the city of Charleston, S. C., to the South Carolina State Ports Authority, of real property heretofore granted to said city of Charleston by the United States of America.

There being no objection, the Clerk read the bill, as follows:

Be it enacted etc., That the provision in the act of Congress approved May 27, 1936 (49 Stat. 1387), and in the deed made pursuant thereto by the United States of America to the city of Charleston, which prohibits the city of Charleston from transferring the title of the property conveyed thereunder shall not be deemed applicable to the conveyance of a portion of the said property, made without consideration, by the city of Charleston, to the South Carolina State Ports Authority, an agency of the State of South Carolina.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PREVENTION OF COLLISIONS ON CERTAIN INLAND WATERS

The Clerk called the bill (H. R. 2234) to amend the rules for the prevention of collisions on certain inland waters of the United States and on the western rivers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That so much of the act entitled "An act to adopt regulations for preventing collisions upon certain harbors, rivers, and inland waters of the United States," approved June 7, 1897, as amended (33 U. S. C. 154), as reads "That the following regulations for preventing collisions shall be followed by all vessels upon the harbors, rivers, and other inland waters of the United States, except the Great Lakes and their connecting and tributary waters as far east as Montreal, and the waters of the Mississippi River between its source and the Huey P. Long Bridge and all of its tributaries emptying thereinto and their tributaries, and that part of the Atchafalaya River above its junction with the Plaquemine-Morgan City alternate waterway, and the waters of the Mobile River above Choctaw Point and all of its tributaries, and the Red River of the North; and are hereby declared special rules duly made by local authority;" is amended to read as follows: "That the following regulations for preventing collisions shall be followed by all vessels upon the harbors, rivers, and other inland waters of the United States except the Great Lakes and their connecting and tributary waters as far east as Montreal, and the waters of the Mississippi River between its source and the Huey P. Long Bridge and all of its tributaries emptying thereinto and their tributaries, and that part of the Atchafalaya River above its junction with the Plaquemine-Morgan City alternate waterway, and the Red River of the North, and are hereby declared special rules duly made by local authority:".

SEC. 2. Section 4233 of the Revised Statutes of the United States, as amended (33 U. S. C. 301), is amended to read as follows:

"SEC. 4233. The following regulations for preventing collisions shall be followed by all vessels upon the waters of the Mississippi River between its source and the Huey P. Long Bridge and all of the tributaries emptying thereinto and their tributaries, and that part of the Atchafalaya River above its junction with the Plaquemine-Morgan City alternate waterway, and the Red River of the North; and are declared special rules duly made by local authority."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CIVIL-SERVICE APPOINTMENTS AND RELATED BENEFITS FOR RETURNING VETERANS

The Clerk called the bill (H. R. 5706) to facilitate civil-service appointment of persons who lost opportunity therefor because of service in the Armed Forces after June 30, 1950, and to provide certain benefits upon appointment.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Speaker, I understand an identical Senate bill, S. 1684, is on the Clerk's desk. I ask unanimous consent that it may be considered in lieu of the bill H. R. 5706.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted, etc., That (a) any person (1) who serves in the Armed Forces of the United States at any time after June 30, 1950, and prior to the expiration of the authority to induct persons into the Armed Forces under the Universal Military Training and Service Act, as amended, (2) whose name appears on any civil-service register after June 30, 1950, with respect to a position in the Government of the United States or in the municipal government of the District of Columbia, and (3) during whose service in the Armed Forces subsequent to June 30, 1950, another eligible standing lower on such list of eligibles received a probational appointment therefrom, shall be entitled to be placed on the original or appropriate successor register for certification for probational appointment.

(b) The Civil Service Commission is authorized and directed to place such persons on such original registers or appropriate successor registers with the same priority accorded persons entitled to the benefits of the act entitled "An act to provide benefits for certain employees of the United States who are veterans of World War II and lost opportunity for civil-service appointments by reasons of their service in the Armed Forces of the United States," approved July 31, 1946 (Public Law 577, 79th Cong.), as amended.

(c) Upon the probational appointment of any such person as a result of such restored eligibility, he shall, for the purpose of determining (1) his rate of basic compensation, (2) his seniority rights, (3) in the case of a position in the postal field service, his grade and time-in-grade, and (4) in the case of a position to which the Classification Act of 1949, as amended, applies, his within-grade step increases (including credit for that period of time not used in determining his rate of basic compensation), be held to have been appointed to such position as of the earliest date the Civil Service Commission finds, in accordance with section 1 (a) of this act, a lower ranking eligible was probationally appointed.

(d) No regular employee in the postal field service shall be reduced to substitute status by reason of the enactment of this act.

SEC. 2. (a) No person shall be entitled to the benefits of this act unless—

(1) he shall have been separated or relieved from active duty under honorable conditions from the Armed Forces;

(2) he is qualified to perform the duties of the position for which the register on which he is to be placed is established; and

(3) he makes application to be placed on such original register or appropriate successor register within 90 days after (A) the date of his separation or relief from active duty from the Armed Forces, (B) the date of the termination of hospitalization continuing for a period of not more than 1 year after his separation or relief from active duty from the Armed Forces, or (C) the date of enactment of this act, whichever is later.

(b) No person shall be entitled to the benefits of this act who—

(1) voluntarily continues service (including reenlistments) in other than a Reserve component of the Armed Forces and who serves more than 4 years (plus any additional service imposed pursuant to law) or

(2) serves more than 4 years after the date of entering upon active duty, or serves beyond the date upon which he is able to obtain orders relieving him from active duty following 4 years of service, in the Armed Forces (other than for the purpose of determining his physical fitness) whether or not voluntarily, in response to an order or call to active duty.

SEC. 3. No person shall be entitled to any basic compensation by reason of the enactment of this act for any period prior to the date of his probational appointment in accordance with this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H. R. 5706) was laid on the table.

USE OF CERTIFICATES BY OFFICERS OF THE ARMED SERVICES

The Clerk called the bill (S. 1078) to authorize the use of certificates by officers of the Armed Forces of the United States, in connection with certain pay and allowance accounts of military and civilian personnel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That certificates of officers of the Army, Navy, Air Force, Marine Corps, and Coast Guard of the United States, executed on and after December 8, 1941, attesting to the existence of the stated facts, and which are filed with and relate to vouchers and papers involving pay and allowances of civilian and military personnel of the departments concerned shall be accepted as supporting such payments so far as said facts are concerned without the necessity of any other supporting evidence or certificates. The Secretaries of the departments concerned shall prescribe regulations governing the conditions under which, and the classes and types of facts to which, the above authority will be applicable, and those regulations shall, as far as practicable, be uniform. Such regulations prescribed by the Secretaries of military departments shall be subject to the approval of the Secretary of Defense.

SEC. 2. This act shall take effect on April 2, 1953, and shall terminate upon the issuance of a proclamation by the President, or the adoption by the Congress of a concurrent resolution, terminating the national emergency existing on the date of the enactment of the act, or on April 1, 1954, whichever is earlier.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REMOVING LIMITATIONS ON THE RANK OF THE LEADERS OF THE MILITARY AND NAVAL ACADEMY BANDS

The Clerk called the bill (S. 1644) to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the director of music, the leader of the Military Academy Band, and to remove the limitation upon the pay of the leader of the United States Naval Academy Band, and to authorize the appointment of Lt. Comdr. Charles Brendler, United States Navy, to the permanent grade of commander in the Navy.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, this bill in and of itself probably may have some merit, although I am dubious. However, I think the situation should be called to the attention of the Army, the Navy, and the Air Force, that every time they put one of these people in the rank that they try to do under this legislation it makes it more difficult for them to live under the rank limitation to which they have always objected, namely the so-called Davis amendment. Although it is just one out of many officers in these rank categories, the cumulative effect is detrimental to their officer program. The Army, Navy, and Air Force should be forewarned that it is not putting them in an enviable position when this type of legislation approved when subsequently they come up and complain about the rank limitations which the Congress imposes.

I withdraw my reservation of objection.

The SPEAKER. Is there objection?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of May 27, 1940 (54 Stat. 223), as amended (10 U. S. C. 1086), is amended to read as follows: "That from and after the date of approval of this act the director of music, the leader of the Military Academy Band, shall have such rank as may be prescribed by the Secretary of the Army and shall be entitled to receive the pay and allowances of an officer of such grade: *Provided*, That in the computation of the pay and allowances of such director of music all active service in the Army, including service as teacher or director of music, shall be counted as if it were commissioned service: *Provided further*, That the said leader of the Military Academy Band shall, at such time as the President in his discretion may direct, be retired as director of music with the highest rank in which he satisfactorily served for not less than 6 months while on active duty, as determined by the Secretary of the Army, and when so retired, shall be entitled to receive the same retirement pay as is now or may hereafter be provided by law or regulation for an officer in the Army of the same grade with length of service computed as above: *And provided further*, That the dependents of said director of music shall be entitled to the same pensions, death gratuity, and other benefits as are now or may hereafter be provided for an officer of the Regular Army of corresponding grade with corresponding length of service."

SEC. 2. The act of February 14, 1931 (46 Stat. 1111), is amended to read as follows:

"Be it enacted, etc., That the Naval Academy Band shall hereafter consist of one leader with the pay and allowances of such grade as may be prescribed by the Secretary of the Navy; one second leader with the pay and allowances of a warrant officer; and of such enlisted men and in such ratings as may be assigned to that band by the Navy Department: *Provided*, That the ratings and the proportionate distribution among the ratings of the enlisted men shall be substantially the same as in the Navy band: *Provided further*, That the leader, second leader, and the enlisted men of the Naval Academy Band shall be entitled to the same benefits in respect to pay, emoluments, and retirement arising from longevity, reenlistment, and length of service as are or hereafter may become applicable to other officers and enlisted men of the Navy."

SEC. 3. The President is authorized to appoint Lt. Comdr. Charles Brendler, United States Navy, to the permanent commissioned grade of commander in the Navy. Such appointment pursuant to this act shall be deemed to be not in the line of the Navy or in any staff corps of the Navy.

With the following committee amendment:

Page 3, line 17, strike out all of section 3 and insert the following:

"SEC. 3. The President is authorized to appoint the present leader of the United States Navy Band to the permanent commissioned grade of commander in the Navy. Such appointment pursuant to this act shall be deemed to be not in the line of the Navy or in any staff corps of the Navy."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the director of music, the leader of the Military Academy Band, and to remove the limitation upon the pay of the leader of the United States Naval Academy Band, and to authorize the appointment of the present leader of the United States Navy Band to the permanent grade of commander in the Navy."

A motion to reconsider was laid on the table.

PUBLISHING OFFICIAL REGISTERS FOR ARMY, NAVY, AND AIR FORCE

The Clerk read the bill (H. R. 2272) to authorize the Secretaries of the Army, the Navy, and the Air Force, with the approval of the Secretary of Defense, to cause to be published official Registers for their respective services.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretaries of the military departments, with the approval of the Secretary of Defense, are authorized to have published, annually or at such times as they may designate, official Registers containing the names of and pertinent data relating to such officers of the regular and reserve components of their respective services and such other lists as they may deem appropriate.

SEC. 2. All laws or parts of laws requiring the periodic publication of an official Register of the Army, of the Navy and Marine Corps, and of the Air Force, and prescribing the contents thereof, including, but not restricted to, provisions relating to lists of names, grades, pay and emoluments, and personal data inconsistent with the provisions of this section are repealed and such repeal shall include but shall not be limited to the following acts or parts of acts:

(a) Section 2 of the act of June 18, 1878 (20 Stat. 149).

(b) So much of section 1226, Revised Statutes (18 Stat. 215), as reads, "The highest volunteer rank which has been held by officers of the Regular Army shall be entered, with their names respectively, upon the Army Register."

(c) So much of section 1256, Revised Statutes (18 Stat. 218), as reads, "continue to be borne upon the Army Register, or Navy Register, as the case may be, and shall."

(d) The ultimate proviso of section 1 of the act of May 24, 1928 (45 Stat. 735).

(e) The words "and directed" in the seventh line of the act of February 28, 1929 (45 Stat. 1409).

(f) So much of the first sentence of section 201 of the act of June 29, 1948 (Public Law 810, 80th Cong.), as reads "to be published annually in the official Register of the service concerned."

(g) So much of section 301 (a) of the act of June 29, 1948 (Public Law 810, 80th Cong.) as reads "to be published annually in the official Register of the service concerned."

(h) So much of section 1457, Revised Statutes (18 Stat. 253), as reads "and continue to be borne on the Navy Register."

(i) So much of section 1406, Revised Statutes (18 Stat. 248), as reads, "and shall be entered upon the naval Register."

SEC. 3. There are hereby authorized to be appropriated such funds as may be necessary to carry out the purposes of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALE OF CERTAIN ARMED FORCES STORES TO CIVILIAN EMPLOYEES

The Clerk called the bill (H. R. 5258) to authorize the sale of Army, Navy, and Air Force stores at Military Establishments to civilian employees of the Government, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

CERTAIN TORT CLAIMS AGAINST THE WAR DEPARTMENT

The Clerk called the bill (H. R. 2977) to further amend the act of July 3, 1943, entitled "An act to provide for the settlement of claims for damage to or loss of destruction of property or personal injury or death caused by military personnel or civilian employees, or otherwise incident to activities, of the War Department or of the Army" by removing certain limitations on the nature of personal injury and death claims.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the third sentence of the first section of the act of July 3, 1943 (ch. 189, 57 Stat. 372), as amended, is hereby amended by deleting "The amount allowed on account of personal injury or death shall be limited to reasonable medical, hospital, and burial expenses actually incurred, except that", and by capitalizing the next following word, "no."

SEC. 2. The amendment made by the first section of this act shall be effective with respect to claims accruing after the date of its enactment.

With the following committee amendments:

Strike out all after the enacting clause and insert:

"That the second sentence of section 1 of the act of July 3, 1943 (ch. 189, 57 Stat. 372), as amended, is hereby amended by striking out the words 'one year' and inserting in lieu thereof the words 'two years.'

"SEC. 2. That the second proviso of section 1 of said act is hereby amended to read as follows: '*Provided*, That if such accident occurs in time of war or armed conflict, or if war or such armed conflict intervenes within 2 years after its occurrence, any claim may, on good cause shown, be presented within 2 years after peace is established or such armed conflict terminates. The dates of commencement and termination of an armed conflict for the purposes of this act shall be established by concurrent resolution of the Congress or by determination of the President.'

"SEC. 3. That the third sentence of the first section of said act is hereby amended by deleting therefrom the words 'The amount allowed on account of personal injury or death shall be limited to reasonable medical, hospital, and burial expenses actually incurred, except that,' and by capitalizing the next following word 'no.'

"SEC. 4. That the amendment made by the third section of this act shall be effective only with respect to claims accruing after the date of its enactment."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to further amend the act of July 3, 1943 (ch. 189, 57 Stat. 372)."

A motion to reconsider was laid on the table.

THE STATE OF CALIFORNIA

The Clerk called the bill (H. R. 3191) conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPACE TO BE FURNISHED TO STATE VETERAN AGENCIES IF AVAILABLE

The Clerk called the bill (H. R. 3685) to amend the Servicemen's Readjustment Act of 1944, as amended, so as to authorize the Administrator of Veterans' Affairs to furnish space and facilities, if available, to State veteran agencies.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

COVERAGE OF ROTC MEMBERS UNDER SERVICEMEN'S INDEMNITY ACT OF 1951

The Clerk called the bill (H. R. 5314) to extend the coverage of the Servicemen's Indemnity Act to members of the Reserve Officers' Training Corps when ordered to active training duty for periods in excess of 14 days.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 2 of the Servicemen's Indemnity Act of 1951 is amended by inserting immediately after "including the National Guard when called or ordered to active duty or active training duty for 14 days or more;" the following: "members of the Reserve Officers' Training Corps, the Naval Reserve Officers' Training Corps, and the Air Force Reserve Officers' Training Corps, when called or ordered to active training duty for 14 days or more while on such active training duty;".

SEC. 2. The amendment made by this act shall take effect as of April 25, 1951.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AUTOMATIC RENEWAL OF TERM INSURANCE

The Clerk called the bill (H. R. 5705) to amend the existing law to provide for the automatic renewal of expiring 5-year-level-premium-term policies of United States Government and national service life insurance.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the second proviso of the first paragraph of section 301 of the World War Veterans' Act, 1924, as amended, is hereby amended to read as follows: "*Provided further*, That at the ex-

piration of any term period any United States Government life insurance policy issued on the 5-year-level-premium-term plan which has not been exchanged or converted to a permanent plan of insurance and which is not lapsed shall be renewed as level-premium-term insurance without application for a successive 5-year period at the premium rate for the attained age without medical examination."

SEC. 2. The first proviso of subsection (f) of section 602 of the National Service Life Insurance Act of 1940, as amended, is hereby amended to read as follows: *"Provided*, That at the expiration of any term period any national service life insurance policy issued on the 5-year-level-premium-term plan which has not been exchanged or converted to a permanent plan of insurance and which is not lapsed shall be renewed as level-premium-term insurance without application for a successive 5-year period at the premium rate for the attained age without medical examination."

SEC. 3. The first exception specified in the second sentence of subsection (a) of section 621 of the National Service Life Insurance Act of 1940, as amended, is hereby amended to read as follows: "(1) such insurance may not be exchanged for or converted to insurance on any other plan;".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. PROUTY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. PROUTY. Mr. Speaker, the purpose of H. R. 5705 is to make automatic the renewal of 5-year-level premium term policies of United States Government life insurance and national service life insurance.

Under existing procedure, about 90 days before the expiration date of a term period a veteran who has one of these policies is mailed a form letter explaining the requirements for renewal. If the veteran does not send in the necessary forms for renewal within 30 days, another application is mailed enclosing the same type of form letter stamped "This is your final notice." In addition, the premium notice for the last month in the expiring term is hand-stamped "Final notice on this term contract." If the veteran policyholder still fails to comply by making application and paying the new premium, his insurance lapses and cannot be reinstated.

H. R. 5705, if enacted, would do away with the paper work which I have just described by providing that a 5-year-level premium term policy when the term expired would be automatically renewed and the veteran billed for the higher premium at the then attained age.

The administrative requirements with regard to the renewal of term insurance will be greatly simplified and would bring about economy in operations. Furthermore, it would provide the veteran with increased protection by assuring him of the maintenance of his term policy. If a veteran has no desire at the expiration date of his term policy to seek a renewal of his insurance, the policy will merely lapse after 31 days for nonpayment of premiums.

The enactment of this legislation would not result in any additional cost to the Government, but rather would result in substantial savings and it is for this reason that the Veterans' Administration, General Accounting Office, and the Bureau of the Budget have all strongly recommended passage of H. R. 5705.

In a report to the Honorable EDITH NOURSE ROGERS, chairman of the Committee on Veterans' Affairs, H. V. Stirling, Deputy Administrator of the VA, stated:

It is estimated that approximately 270,000 term policies will be renewed in fiscal year 1954. On that basis it is estimated that if the bill is enacted savings for that year of approximately $600,000 may be realized in the underwriting activities of the Veterans' Administration.

While it is general policy of the Administrator to refrain from recommending for or against veterans' benefit legislation, this proposal is regarded as one involving primarily a matter of administrative procedure which will improve the efficiency and economy of our insurance operations. Accordingly, the Veterans' Administration recommends favorable consideration of H. R. 5705 by your committee.

The Honorable Lindsay C. Warren, Comptroller General of the United States, in a report to the chairman of the Committee on Veterans' Affairs indicated the advantages which would accrue to the Government if the aforementioned proposal were adopted by stating:

While recent administrative procedures have been developed and installed by the Office of Insurance which have eliminated certain application and underwriting activities with respect to renewal action, the proposed legislation would provide further for the elimination of the requirement that the initial premium for the new term be paid prior to the expiration of the old term. The elimination of these various administrative actions will undoubtedly result in considerable administrative savings.

Under these circumstances, this Office perceives of no objection to the favorable consideration of H. R. 5705.

Mr. Rowland Hughes, Assistant Director of the Bureau of the Budget, stated that H. R. 5705, if enacted, would result in the simplification of administrative procedures in the VA and would save a minimum of $600,000 each year. He concluded:

It would eliminate a recurrent administrative problem of the Veterans' Administration and at the same time simplify and improve the service rendered.

The purpose of H. R. 5705, as I have outlined before, is to provide greater protection for the veteran and at the same time streamline the operation of our veterans' insurance program. The bill was reported unanimously by the Committee on Veterans' Affairs and has merited the approval of the Veterans' Administration, the Bureau of the Budget, and the Comptroller General. Because I believe it is the intent of Congress that the VA operate as efficiently as possible and because H. R. 5705 will bring about administrative efficiency in the VA and at the same time increase the insurance protection which our veterans now enjoy, I believe the proposal should be adopted.

Mr. PROUTY. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. SELDEN] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. SELDEN. Mr. Speaker, as members of the Insurance Subcommittee of the Committee on Veterans' Affairs, the gentleman from Vermont [Mr. PROUTY] and I both introduced bills providing for the automatic renewal of term insurance. The bill we have under consideration today—H. R. 5705—was introduced by the gentleman from Vermont and is similar in all details to H. R. 5798 introduced by me. I, therefore, rise in support of this legislation and would like briefly to point out its merits.

Under the present law, World War I, World War II, and Korean veterans who have term insurance may renew it every 5 years. Every fifth year the premium rate increases. Sixty days before the expiration of his term insurance, the veteran receives a VA form permitting him to apply for renewal. If this form is not completed within 30 days, another notice is sent him 30 days prior to the expiration of the term. If the veteran elects to continue the insurance, the form for renewal must be completed and the premium at the new rate tendered. Thus it is obvious that a considerable amount of paper work is necessary to complete this process. Such work results in extra expense for the Veterans' Administration that I believe should be eliminated.

The bill under consideration, as well as the bill introduced by me, provides that the veterans' insurance will be automatically renewed when the term expires and the Veterans' Administration will bill him at the new premium rate. If the veteran does not submit the premium within the 30-day grace period, the VA will assume that he no longer wishes to continue the insurance, and it will automatically lapse.

It is estimated by the Veterans' Administration that $600,000 will be saved in the underwriting section of the VA alone if this legislation is passed. This does not include postage or printing. In addition to the saving of a considerable amount of money, it appears that this plan may keep more term insurance in force.

I feel that this legislation has considerable merit, and I urge the House to give this proposal an affirmative vote.

REFUND OF CERTAIN INSURANCE PREMIUMS

The Clerk called the bill (H. R. 5773) to provide for the refund, under certain conditions, of money paid as premiums on United States Government life insurance or national service life insurance which is canceled for fraud.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. BONIN. Mr. Speaker, I object.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, I object.

BOOK POSTAGE RATES FOR EDUCATIONAL FILMS

The Clerk called the bill (S. 971) to authorize films and related material for educational use to be transmitted through the mails at the rate provided for books.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 204 (d) of the Postal Rate Revision and Federal Employees Salary Act of 1948 (39 U. S. C., sec. 292a (d)) is amended by inserting "(1)" after "(d)" and by adding at the end thereof the following:

"(2) The rate provided in paragraph (1) for books may apply to 16-millimeter films and 16-millimeter film catalogs when sent through the mails except when sent to commercial theaters."

SEC. 2. Section 204 (e) of the Postal Rate Revision and Federal Employees Salary Act of 1948 (39 U. S. C., sec. 292a (e)) is amended by inserting "(1)" after "(e)" and by adding at the end thereof the following:

"(2) The rate provided in paragraph (1) for books may apply to 16-millimeter films, filmstrips, projected transparencies and slides, microfilms, sound recordings, and catalogs of such materials when sent to or from (A) schools, colleges, universities, or public libraries, and (B) religious, educational, scientific, philanthropic, agricultural, labor, veterans', or fraternal organizations or associations, not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CITY AND COUNTY OF DENVER, COLO.

The Clerk called the bill (H. R. 2750) for the relief of the city and county of Denver, Colo.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I would like to have the distinguished gentleman from Colorado [Mr. ROGERS] explain the basis for this bill.

Mr. ROGERS of Colorado. In response to the question of the gentleman from Michigan, may I state that the relief is in the sum of $4,741.72. It is to repay to the city and county of Denver for street, gutters, and other facilities constructed on Government property adjacent to Lowry Field. This property is now being occupied by personnel from Lowry Field. It is part of a city improvement district, and this is just the proportionate part that is assessed to all property owners in that district.

Mr. FORD. If that property had been owned by individual citizens and the improvements were put through, the individual property owners would have been assessed a comparable amount?

Mr. ROGERS of Colorado. That is absolutely correct. All property owners in these two improvements districts have been assessed their proportionate share. This amount is only to enable the Government to pay its proportionate share. The property owners in that district, and it is a part of the city and county of Denver, are paying their part of it. This is just asking the Government to pay its share.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the city and county of Denver, Colo., the sum of $4,741.72. The payment of such sum shall be in full settlement of all claims of the city and county of Denver, Colo., against the United States arising out of certain improvements to property adjoining Lowry Air Force Base, made pursuant to Municipal Ordinance No. 125, approved July 20, 1949, and Municipal Ordinance No. 134, approved June 8, 1950: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

INTERNATIONAL BRIDGE AUTHORITY OF MICHIGAN

The Clerk called the bill (H. R. 4302) to revive and reenact the act entitled "An act authorizing the State of Michigan, acting through the International Bridge Authority of Michigan, to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the St. Marys River, from a point in or near the city of Sault Ste. Marie, Mich., to a point in the Province of Ontario, Canada," approved December 16, 1940.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act approved December 16, 1940, authorizing the State of Michigan, acting through the International Bridge Authority of Michigan, to construct, maintain, and operate a toll bridge or series of bridges, causeways, or tunnel and approaches thereto, across the St. Marys River, from a point in or near the city of Sault Ste. Marie, Mich., to a point in the Province of Ontario, Canada, be, and is hereby, revived and reenacted: *Provided*, That this act shall be null and void unless the actual construction of the bridge herein referred to be commenced within 3 years and completed within 6 years from the date of approval hereof.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LONG-TERM UTILITY CONTRACTS

The Clerk called the bill (H. R. 4905) to amend the Atomic Energy Act of 1946, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 12 of the Atomic Energy Act of 1946, as amended, is amended by adding a new subsection (d) as follows:

"(d) The Atomic Energy Commission is authorized in connection with the construction and operation of the Oak Ridge, Paducah, and Portsmouth installations of the Commission, without regard to section 3679 of the Revised Statutes, as amended, to enter into new contracts or modify or confirm existing contracts to provide for electric-utility services for periods not exceeding 25 years, and such contracts shall be subject to termination by the Commission upon payment of cancellation costs as provided in such contracts, and any appropriation presently or hereafter made available to the Commission shall be available for the payment of such cancellation costs: *Provided*, That the first proviso under the appropriation to the Commission for 'Plant and equipment' in the Supplemental Appropriation Act, 1953, is hereby repealed."

With the following committee amendments:

Page 1, line 7, strike out "and" and insert "or."

Page 2, line 6, after the word "cancellation", strike out the balance of the line and all of lines 7, 8, and 9 and insert the following: "costs. Any such cancellation payments shall be taken into consideration in determination of the rate to be charged in the event the Commission or any other agency of the Federal Government shall purchase electric-utility services from the contractor subsequent to the cancellation and during the life of the original contract.

"SEC. 2. The first proviso under the appropriation to the Commission for 'Plant and equipment' in the Supplemental Appropriation Act, 1953, is hereby repealed."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JURISDICTION OF DISTRICT COURT IN SUITS TO RECOVER TAXES

The Clerk called the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That paragraph (1) of section 1346 (a) of title 28 of the United States Code is amended to read as follows:

"(1) Any civil action against the United States for the recovery of any internal-revenue tax alleged to have been erroneously or illegally assessed or collected, or any penalty claimed to have been collected without authority or any sum alleged to have been excessive or in any manner wrongfully collected under the internal-revenue laws."

SEC. 2. (a) Section 2402 of title 28 of the United States Code is amended to read as follows:

"§ 2402. Jury trial in actions against United States.

"Any action against the United States under section 1346 shall be tried by the court without a jury, except that any action against the United States under section 1346 (a) (1) shall, at the request of either party to such action, be tried by the court with a jury."

(b) The second item in the analysis of chapter 161 of title 28 of the United States Code, is amended to read as follows:

"2402. Jury trial in actions against United States."

With the following committee amendment:

Page 2, line 1, strike out all of section 2.

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts."

A motion to reconsider was laid on the table.

VENUE IN SUITS TO RECOVER TAXES

The Clerk called the bill (H. R. 4401) to amend title 28, United States Code, so as to permit certain suits for the recovery of taxes to be brought in the district of the taxpayer's residence.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 1396 of title 28, United States Code, is amended by inserting "(a)" immediately before "Any civil action", and by adding at the end thereof the following new subsection:

"(b) Any civil action against a collector (or former collector) of internal revenue or his personal representative for the recovery of internal-revenue taxes (including penalties and additions to the tax) may be brought in the district of the taxpayer's residence, if such district is within the State where the liability for the tax accrued or where the return was filed."

With the following committee amendments:

On page 1, line 7, strike out the word "collector" and insert in lieu thereof "director."

On page 1, line 7, before the word "or", strike out the parenthesis and insert after the word "former" the words "director or."

On page 1, line 8, strike out the parenthesis.

On page 1, line 9, strike out the parenthesis and insert in lieu thereof a comma.

On page 1, line 10, strike out the parenthesis and insert in lieu thereof a comma.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 303 OF THE BUDGET AND ACCOUNTING ACT, 1921

The Clerk called the bill (H. R. 5228) to amend section 303 of the Budget and Accounting Act, 1921 (42 Stat. 23).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HILLELSON. Mr. Speaker, I object.

CIVIL GOVERNMENT FOR ALASKA

The Clerk called the bill (H. R. 1568) to amend section 6 of chapter 786 of the act of June 6, 1900, entitled "An act making further provision for a civil government for Alaska, and for other purposes" (31 Stat. 323; title 48, sec. 108, U. S. C.).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 6 of chapter 786 of the act of June 6, 1900, entitled "An act making further provision for a civil government for Alaska, and for other purposes" (31 Stat. 323; title 48, sec. 108, U. S. C.), be amended by adding to said section the following:

"Each Commissioner may, with the approval of the district judge for the division, appoint a deputy, who shall have full power and authority to act for and in the name of the Commissioner, in every capacity and with all of the power and authority possessed or exercised by the Commissioner, the compensation of such deputy to be paid by the Commissioner out of receipts of the office in an amount fixed by the district judge with the approval of the Director of the Administrative Office of the United States Courts.

"Each Deputy Commissioner shall, before entering upon the duties of his office, execute a bond, with sufficient sureties, to be approved by the court, or a judge thereof, in a penalty fixed by the court, for the faithful performance of his official duties, and file the same with the clerk, who shall send a certified copy thereof to the Director of the Administrative Office of the United States Courts."

With the following committee amendments:

Page 1, line 8: strike all language beginning with "Each" on line 8 through the word "deputy" on line 9 and insert in lieu thereof the following: "The judges of the district courts may appoint deputy Commissioners."

Page 2, line 2, strike the word "Commissioner" and insert in lieu thereof the word "Commissioners."

Page 2, line 3, strike the word "Commissioner" and insert in lieu thereof the word "Commissioners."

Page 2, line 5, after the word "Commissioner", insert the following: "in the precinct for which appointed."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMEND ACT OF JULY 31, 1947 (61 STAT. 681)

The Clerk called the bill (H. R. 334) to amend the act of July 31, 1947 (61 Stat. 681).

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. D'EWART. Mr. Speaker, reserving the right to object, it is my intention to offer an amendment to this bill. I want to say that the amendment has been approved by the Committee on Interior and Insular Affairs. It has the approval of the author of the bill, and copies of the amendment have been sent to the objectors for their consideration.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That the following sections are hereby added to the act of July 31, 1947 (61 Stat. 681), as amended by the act of August 31, 1950 (64 Stat. 571; 43 U. S. C., 1946 edition, supp. IV, secs. 1185–1188):

"SEC. 5. Deposits of sand, stone, gravel, pumice, pumicite, and cinders when situated on public lands of the United States shall not be subject to acquisition under any law other than this act, except a law providing for the disposition of such materials on specified areas or authorizing their disposition for the purposes and in a manner provided in the Federal reclamation law (act of June 17, 1902, 32 Stat. 388, and acts amendatory thereof or supplementary thereto): *Provided*, That this shall not prevent the location and patenting under the United States mining laws of lands containing such materials, if such locations are based upon the discovery in said lands of other minerals, specifically named in the notice of location, which are subject to location under the mining laws. Rights acquired under such mineral location and any subsequent patent issued pursuant thereto, however, shall be subject to and shall not interfere with the rights of any purchaser to purchase and remove materials which have been sold under the terms of this act where such contracts of sale were made pursuant to notice of sale first published prior to the date of the recordation of said mineral location.

"SEC. 6. The provisions of this act insofar as it relates to the materials described in section 1 shall apply to lands in national forests and such materials when situated on national-forest lands may be disposed of by the Secretary of Agriculture pursuant to the terms, conditions, and limitations of this act, as hereby amended. All moneys received from the disposal of materials by the Secretary of Agriculture under this act shall be disposed of in the same manner as other receipts from the land from which the materials are disposed of. The word 'Secretary' as used in said act shall refer to the Secretary of Agriculture where lands within the national forests are involved."

With the following committee amendments:

Page 1, line 7, after the word "sand", insert "common" and after the word "gravel", strike out "pumice, pumicite."

Page 3, line 2, strike out "said act" and insert "sections 5 and 6 of this act."

Page 3, line 5, insert:

"SEC. 7. Nothing in sections 5 and 6 shall affect validity or patentability of any valid mining claim located before the date of their enactment."

The committee amendments were agreed to.

Mr. D'EWART. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. D'EWART: Page 2, line 7, strike out "specifically named in the notice of location."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DECLARING COURT OF CLAIMS A CONSTITUTIONAL COURT

The Clerk called the bill (H. R. 1070) to amend title 28, United States Code.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 171 of title 28, United States Code, is amended by adding at the end thereof the following:

"Such court is hereby declared to be a court established under article III of the Constitution of the United States."

SEC. 2. Section 291 of title 28, United States Code, is amended by changing present subsection (c) to subsection (d), and adding the following as section 291 (c):

"(c) The Chief Justice of the United States may designate and assign temporarily any circuit judge to serve as a judge of the United States Court of Claims, when requested so to do, upon a certificate by the chief judge of such court that it is in need of such assistance."

SEC. 3. Section 292 of title 28, United States Code, is amended by adding the following as section 292 (d):

"(d) The Chief Justice of the United States may designate and assign temporarily any district judge to serve as a judge of the United States Court of Claims, when requested so to do, upon a certificate by the chief judge of such court that it is in need of such assistance."

SEC. 4. Paragraph (a) of section 792, title 28, United States Code, is hereby amended to read as follows:

"(a) The United States Court of Claims may appoint 15 commissioners who shall be subject to removal by the court."

SEC. 5. Section 793 of title 28, United States Code, is repealed.

SEC. 6. Section 795 of title 28, United States Code, is hereby amended to read as follows:

"The United States Court of Claims may appoint a marshal who shall be subject to removal by the court.

"The marshal shall attend the court, preserve order, and perform such other necessary duties as the court directs."

SEC. 7. Section 1491 of title 28, United Sates Code, is hereby amended to read as follows:

"The United States Court of Claims shall have jurisdiction to render judgment upon any claim against the United States—

"(1) founded upon the Constitution; or

"(2) founded upon any act of Congress; or

"(3) founded upon any regulation of an executive department; or

"(4) founded upon any express or implied contract with the United States; or

"(5) for liquidated or unliquidated damages in cases not sounding in tort.

"Nothing herein shall be construed to give the Court of Claims jurisdiction in suits against, or founded on actions of, the Tennessee Valley Authority, nor to amend or modify the provisions of the Tennessee Valley Authority Act of 1933, as amended, with respect to suits by or against the Authority."

SEC. 8. Section 1493 of title 28, United States Code, is repealed.

SEC. 9. Section 1494 of title 28, United States Code, is hereby amended to read as follows:

"The United States Court of Claims shall have jurisdiction to determine the amount, if any, due to or from the United States by reason of any unsettled account of any officer or agent of, or contractor with, the United States, or a guarantor, surety or personal representative of any such officer, agent or contractor, and to render judgment thereon, where—

"(1) claimant or the person he represents has applied to the proper department of the Government for settlement of the account;

"(2) 3 years have elapsed from the date of such application without settlement; and

"(3) no suit upon the same has been brought by the United States."

SEC. 10. Section 2508, title 28, United States Code, is hereby amended to read as follows:

"Upon the trial of any suit in the United States Court of Claims in which any setoff, counterclaim, claim for damages, or other demand is set up on the part of the United States against any plaintiff making claim against the United States in said court, the court shall hear and determine such claim or demand both for and against the United States and plaintiff.

"If upon the whole case it finds that the plaintiff is indebted to the United States it shall render judgment to that effect, and such judgment shall be final and reviewable.

"The transcript of such judgment, filed in the clerk's office of any district court, shall be entered upon the records and shall be enforceable as other judgments."

SEC. 11. Section 2510, title 28, United States Code, is repealed.

SEC. 12. Section 2511, title 28, United States Code, is hereby amended to read as follows:

"Notice of suit under section 1494 of this title shall be given to the Attorney General, and to the head of the department requested to settle the account in question.

"The judgment of the Court of Claims in such suit, or of the Supreme Court upon review, shall be conclusive upon the parties, and payment of the amount found due shall discharge the obligation.

"The transcript of such judgment, filed in the clerk's office of any district court, shall be entered upon the records, and shall be enforceable as other judgments."

With the following committee amendments:

On page 1, line 9, strike out all of line 9 and insert in lieu thereof the following: "(d) and inserting after subsection (b) the following new subsection (c):"

On page 2, line 11, strike out the word "Paragraph" and insert in lieu thereof the word "Subsection."

On page 2, line 14, strike out the word "fifteen" and insert in lieu thereof the word "twenty."

On page 2, between lines 15 and 16, insert the following section 5:

"SEC. 5. Subsection (a) of section 14 of the act of July 1, 1944 (41 U. S. C. 114) is amended to read as follows: 'For the purpose of expediting the adjudication of termination claims, the Court of Claims is authorized to appoint not more than 10 auditors.'"

On page 2, line 16, strike out "SEC. 5." and insert in lieu thereof "SEC. 6."

On page 2, strike out all of section 6, lines 18 to 23, inclusive.

On page 5, line 2, strike out "repealed." and insert in lieu thereof: "amended to read as follows:

"'The Comptroller General may transmit to the Court of Claims for trial and adjudication any claim or matter of which the Court of Claims might take jurisdiction on the voluntary action of the claimant, together with all vouchers, papers, documents, and proofs pertaining thereto.

"'The Court of Claims shall proceed with the claims or matters so referred as in other cases pending in such court and shall render judgment thereon.'"

On page 5, line 6, insert a comma after "Attorney General" and insert after the comma "to the Comptroller General."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OPERATION AND MAINTENANCE OF NOGALES SANITATION PROJECT

The Clerk called the bill (H. R. 2972) to authorize an agreement between the United States and Mexico for the joint operation and maintenance by the International Boundary and Water Commission, United States and Mexico, of the Nogales Sanitation project, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I wonder if somebody would explain why the United States Government in this instance would assume to pay part of the costs that under all normal situations are borne by the cities themselves in the case of sanitation projects.

Mr. JACKSON. The gentleman is quite correct. We have here an unusual situation in that the sanitation project was constructed under a treaty between the United States and Mexico. Nogales, U. S. A., and Nogales, Sonora, are in actuality one community separated physically by a fence through the community. The disposal system which was constructed as one of the facilities of the project lies in Nogales, U. S. A., and the topography is down hill.

This bill authorizes the Secretary of State to enter into negotiations with the Government of Mexico for the purpose of arriving at some plan for the maintenance and operation. There is a precedent for such action in the Douglas, Ariz., project which was constructed by the International Boundary and Water Commission. Under the provisions of that project the Mexican Government carries 50 percent of the operating costs and maintenance cost. While no restrictions are placed upon the Secretary of State in negotiating this agreement, if the bill does pass, it is hoped that the Mexican Government will carry 50 percent of the maintenance cost as they carry 50 percent of the construction project. Douglas, Ariz., in the other project of like nature, pays 75 percent of the 50 percent which is not paid by Mexico, and the United States Government pays 25 percent. The reason this is unusual is that it is in the nature of an international joint agreement. The budget of Nogales, Ariz., is obviously going to be very sadly depleted if it is found necessary for it to carry the entire cost of maintenance of a project which is used jointly by the two countries.

Mr. BYRNES of Wisconsin. I can see the advisability of entering into an agreement for the sharing of the cost by these two adjoining cities, but the question I asked the gentleman is, How can we justify the Federal Government's coming to the assistance of the taxpayers of Nogales, Ariz., when the Federal Government does not come to the assistance of the taxpayers in other cities having sanitation districts?

Mr. JACKSON. Eighty percent of the population of Nogales live on the Mexican side. Unless some action is taken the status quo will require that the city of Nogales carry the entire operation, including the Mexican part of it. There will be no contribution made by the Mexican Government. It was felt that it would be proper to authorize the Secretary of State to enter into some sort of negotiation to settle the problem, as was done in the case of Douglas, Ariz. While the load is not serious at the present time, it is estimated that within the next few years it will reach 90 million gallons a month. This is a serious problem for Nogales without any outside United States assistance.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. JACKSON. I yield to the gentleman from Indiana.

Mr. ADAIR. Is it not true, then, that if this legislation were agreed to a treaty might be entered into, as the gentleman has pointed out, under the terms of which the Federal Government would be contributing to the operation of facilities for sanitation, specifically a sewage-disposal project?

Mr. JACKSON. Yes. As I say, presently that is the case in connection with Douglas, Ariz., and Agua Prieta. It is another international-boundary matter. That would be the case. They would be contributing. As the report states, it is hoped that the Government would not make an agreement which would require payment of more than 25 percent of the American half of the operational cost. It is estimated that that would be about $1,800 a year if the same formula were used as was used at Douglas-Agua Prieta.

Mr. ADAIR. While I see the point the gentleman has so well explained, I feel this is an improper field for the operation of the Federal Government. Therefore, Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

NIAGARA FALLS BRIDGE COMMISSION

The Clerk called the joint resolution (H. J. Res. 253) to amend the joint resolution of June 16, 1938, creating the Niagara Falls Bridge Commission.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the joint resolution entitled "Joint resolution creating the Niagara Falls Bridge Commission and authorizing said Commission and its successors to construct, maintain, and operate a bridge across the Niagara River at or near the city of Niagara Falls, N. Y.," approved June 16, 1938, as amended, is hereby amended by inserting after section 10 the following new section:

"SEC. 10A. In addition to the powers herein conferred upon the Commission, it is authorized, subject to the contractual rights of the holders of any of its outstanding bonds, to exercise the following powers:

"(1) For the purpose of acquiring, rebuilding, reconstructing, or repairing existing bridges and, when hereafter authorized by act or joint resolution of the Congress of the United States, constructing new bridges across the Niagara River, at or north of the city of Niagara Falls, and for the purpose of refunding bonds of the Commission heretofore or hereafter issued, the Commission may issue bonds payable solely from the revenues of all bridges now or hereafter operated by the Commission. The provisions of section 4 of this joint resolution so far as practicable shall apply to the issuance and sale of such bonds.

"(2) The Commission may, in the resolution authorizing the issuance of bonds under the authority of this section, covenant with the holders of such bonds that, subject to the rights of the holders of any bonds of the Commission then outstanding, it will fix rates or tolls for the use of the bridges operated by it and adjust such tolls from time to time so as to provide a fund sufficient to pay the reasonable cost of maintaining, repairing, and operating its bridges and the approaches thereto under economical management, and to provide a sinking fund sufficient to pay the principal and interest of such bonds as the same shall fall due and the redemption or purchase price of all or any thereof redeemed or repurchased before maturity and, subject to the rights of the holders of any bonds of the Commission issued under the provisions of other sections of this joint resolution, all tolls and revenues from said bridges are hereby pledged to such uses and to the application thereof in the manner provided in the resolution authorizing the issuance of such bonds.

"(3) Whenever the Commission shall have issued bonds under the authority of this section, title to all bridges, the revenues of which shall be pledged for the payment of the principal and interest of such bonds, shall remain in the Commission, notwithstanding any other provision of this joint resolution, until payment of such bonds and the interest thereon or until a sinking fund sufficient for such payment shall have been provided and shall be held for that purpose, whereupon title to such bridges shall be conveyed to the State of New York and to the Canadian interests in the manner provided in section 6 hereof.

"(4) Whenever the Commission shall determine that any bridge operated by it should be replaced by a new structure in order to facilitate the movement of international commerce at the approximate location of the bridge to be replaced, it may construct, maintain, and operate such new bridge and approaches thereto across the Niagara River, at a point north of the city of Niagara Falls, approximately at the location of the bridge to be replaced, and upon the completion of the new bridge the Commission may with the approval of the proper authorities in the Dominion of Canada close the old bridge to traffic or may continue to maintain and operate it. The net revenues of such new bridge shall be subject to the same pledges, if any, previously made of the net revenues of the bridge replaced by it. Such new bridge shall be constructed in accordance with the provisions of an act entitled 'An act to regulate the construction of bridges over navigable waters', approved March 23, 1906, and subject to all applicable provisions, conditions, and limitations contained in this joint resolution and to the approval of the proper authorities in the Dominion of Canada."

With the following committee amendment:

Page 4, lines 4 and 15, strike out "Dominion" and insert "Government."

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER CARRIER CERTIFICATES AND PERMITS

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to return for immediate consideration to Consent Calendar No. 130, the bill (H. R. 3792) to amend part III of the Interstate Commerce Act, so as to authorize the Interstate Commerce Commission to revoke, amend, or suspend water carrier certificates and permits under certain conditions.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That part III of the Interstate Commerce Act, as amended, is amended by inserting immediately after section 312 the following new section:

"REVOCATION OF CERTIFICATES AND PERMITS

"SEC. 312a. Certificates and permits shall be effective from the date specified therein, and shall remain in effect until suspended or terminated as provided in this section. Any certificate or permit may, upon application of the holder thereof, in the discretion of the Commission, be amended or revoked, in whole or in part, or may upon complaint, or on the Commission's own initiative, after reasonable notice and opportunity for hearing, be suspended, changed, or revoked, in whole or in part, for willful failure to comply with any provision of this part, or with any lawful order, rule, or regulation of the Commission promulgated under this part, or with any term, condition, or limitation of such certificate or permit. The right to engage in transportation in interstate or foreign commerce by virtue of any certificate or permit, or by virtue of any application filed pursuant to section 309 (a) or any temporary authority granted under section 311 (a), may be suspended by the Commission upon reasonable notice of not less than 15 days to the carrier, but without hearing, for failure to comply, and until compliance, with the provisions of section 306 (a) or 306 (c) or with any lawful order, rule, or regulation of the Commission promulgated thereunder."

SEC. 2. The table of contents in section 301 of the Interstate Commerce Act, as amended (49 U. S. C., sec. 901), is amended by inserting immediately after and below

"SEC. 312. Transfer of certificates and permits."

the following new item:

"SEC. 312a. Revocation of certificates and permits."

With the following committee amendment:

Page 2, line 10, after the period strike out the balance of the line and down to and including line 20.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This completes the call of the eligible bills on the Consent Calendar today.

EXTENDING AUTHORITY OF PRESIDENT TO ENTER INTO TRADE AGREEMENTS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 5495) to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New York? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. REED of New York, JENKINS, SIMPSON of Pennsylvania, COOPER, and DINGELL.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

JOHN W. McBRIDE

The Clerk called the bill (S. 140) for the relief of John W. McBride.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That sections 15 to 20, inclusive, of the act entitled "An act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (5 U. S. C. 765–770), are hereby waived in favor of John W. McBride for compensation for disability caused by an injury allegedly sustained by him on or about March 13, 1943, while in the performance of his duties as an instructor at the Army Air Forces Technical School, Sioux Falls, S. Dak., and his claim is authorized and directed to be considered and acted upon under the remaining provisions of such act, as amended, if he files such claim with the Bureau of Employees' Compensation not later than 6 months after the date of enactment of this act. No benefits shall accrue by reason of the enactment of this act for any period prior to the date of its enactment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TERRY L. HATCHETT

The Clerk called the bill (H. R. 4097) for the relief of Terry L. Hatchett.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. JARMAN and Mr. TRIMBLE objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

OTHO F. HIPKINS

The Clerk called the bill (H. R. 4799) for the relief of Otho F. Hipkins.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Otho F. Hipkins, the sum of $25,000. The payment of such sum shall be in full settlement of all claims of the said Otho F. Hipkins against the United States for services performed and expenses incurred in connection with the planning, development, and demonstration of a practical traction device for the United States Army, the United States Court of Claims (congressional No. 17866, decided April 7, 1953, pusuant to House Resolution 734, 81st Cong., 2d sess.) having found that the United States received substantial benefits from the work and efforts of claimant.

Mr. ROBERTS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS: On page 1, line 5, after the words "the sum of", strike out "$25,000" and insert "$10,000."

The amendment was agreed to.

Committee amendment: At the end of bill add ": *Provided*, That no part of the amount appropriated in this act in excess of 25 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

Mr. ROBERTS. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ROBERTS to the committee amendment: On page 2, line 5, after the words "in excess of", strike out "$25,000" and insert "$10,000."

The amendment to the committee amendment was agreed to.

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AV-EQUIP MANUFACTURING CO.

The Clerk called the resolution (H. Res. 256) providing for sending to the United States Court of Claims the bill (H. R. 4661) for the relief of the Av-Equip Manufacturing Co.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H. R. 4661) entitled "A bill for the relief of Av-Equip Manufacturing Co.," together with all accompany papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections and report to the House, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand, as a claim legal or equitable, against the United States, and the amount, if any, legally or equitably due from the United States to the claimant.

The resolution was agreed to, and a motion to reconsider was laid on the table.

MRS. ALBERTA S. ROZANSKI

The Clerk called the bill (H. R. 5410) for the relief of Mrs. Alberta S. Rozanski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the national service life insurance (FV—1217165, V–1241985) granted in the amount of $10,000 to the late Dr. Frank S. Rozanski, effective January 26, 1951, shall be held and considered to have been in full force and effect at the time of his death on March 5, 1951, and the Administrator of Veterans' Affairs is authorized and directed to pay such insurance to Mrs. Alberta S. Rozanski, widow of the said Dr. Frank S. Rozanski and designated beneficiary of such insurance.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARA GABRIEL

The Clerk called the bill (H. R. 5511) for the relief of Clara Gabriel.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the limitation placed upon the time within which notice of claim for return of property may be filed under section 32 (a) of the Trading With the Enemy Act, as amended, is hereby waived in favor of Clara Gabriel, a citizen of Germany, and her claim for return of her share of the estate of Teresa Gabriel (Alien Property Custodian file No. D-28-9051; vesting order No. 5981) shall be received, considered, and acted upon under such section 32 (a), if she files such notice of claim for return with the Alien Property Custodian not later than 60 days after the date of the enactment of this act.

SEC. 2. After considering and acting upon the claim of the said Clara Gabriel as provided for in the first section of this act, the Alien Property Custodian shall certify to the Secretary of the Treasury the amount, if any, to which the said Clara Gabriel is entitled under such section 32 (a), and the Secretary of the Treasury shall pay to the said Clara Gabriel, out of any money in the Treasury not otherwise appropriated, the amount so certified, in full settlement of all claims of the said Clara Gabriel against the United States for the return of her share of the estate of Teresa Gabriel (Alien Property Custodian file No. D-28-9051; vesting order No. 5981).

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLIAM F. THOMAS

The Clerk called the bill (H. R. 948) for the relief of William F. Thomas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to William F. Thomas, postmaster at the United States post office, at Rich, Miss., the sum of $370.39. Payment of such sum to the said William F. Thomas represents reimbursement to him for the amount which he was required to pay the United States by reason of the theft of post-office funds on March 31, 1951, from the United States post office at Rich, Miss. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HARRY CLAY MAULL, JR.

The Clerk called the bill (H. R. 2396) for the relief of Harry Clay Maull, Jr.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for 60 days after the date enactment of this act, the United States Government life insurance (K 855097; FK 697573), issued, in the amount of $5,000, to Harry Clay Maull, Jr., shall be held and considered to be in full force and effect for the purpose of renewing such insurance. The Administrator of Veterans' Affairs is authorized and directed to renew such insurance (in the same manner and to the same extent that such insurance could have been renewed prior to August 1, 1948), if the said Harry Clay Maull, Jr., within 60 days after the date of enactment of this act, files an application requesting such renewal and tenders the appropriate premiums therefor.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed and a motion to reconsider was laid on the table.

MRS. FLORENCE D. GRIMSHAW

The Clerk called the bill (H. R. 3217) for the relief of Mrs. Florence D. Grimshaw.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the United States Government life insurance (K926994) granted to the late David W. Grimshaw in 1932 and converted in the amount of $2,500 effective June 1, 1937, shall be held and considered to have been in full force and effect at the time of his death on July 14, 1951, and the Administrator of Veterans' Affairs is authorized and directed to pay such insurance to Mrs. Florence D. Grimshaw, widow of the said David W. Grimshaw and designated beneficiary of such insurance.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

FRANK ST. CHARLES

The Clerk called the bill (H. R. 4104) for the relief of Frank St. Charles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $125 to Frank St. Charles, of 343 South Main Street, Butler, Pa., in full settlement of his claim against the United States for erroneous induction into the Armed Forces and service therein for a period which lasted from September 30, 1950, to June 1, 1951; *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendments:

Page 1, line 5, strike out "$5,000," and insert "$125."

Page 1, line 8, after the word "for", insert "expenses sustained as a result of his."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

ESTATE OF MARTIN A. GLEASON

The Clerk called the bill (H. R. 4958) for the relief of the estate of Martin A. Gleason.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $800 to the estate of Martin A. Gleason, of Flushing, Long Island, N. Y., in full settlement of all claims against the United States for property damage sustained as the result of an accident involving a United States Maritime Commission vehicle bearing license No. 15MC–E96, at the intersection of Clintonville Road and 14th Road, county of Queens, State of New York, on November 26, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. RUTH R. EKHOLM

The Clerk called the bill (H. R. 711) for the relief of Mrs. Ruth R. Ekholm.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, the alien, Mrs. Ruth R. Ekholm, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

Page 1, line 3, strike out "immigration and naturalization laws" and insert "Immigration and Nationality Act."

Page 1, line 8, strike out "and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ABRAHAM G. SAKIN

The Clerk called the bill (H. R. 823) for the relief of Abraham G. Sakin.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Abraham G. Sakin shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. VINCENZO GUZZO

The Clerk called the bill (H. R. 828) for the relief of Dr. Vincenzo Guzzo.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Vincenzo Guzzo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ORSOLA JACOPELLI LEGGIO

The Clerk called the bill (H. R. 871) for the relief of Orsola Jacopelli Leggio.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provisions of the 11th category of section 3 of the Immigration Act of 1917, as amended, Orsola Jacopelli Leggio, the wife of an American citizen, may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of the immigration laws.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Orsola Jacopelli Leggio may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EDITH SMITH

The Clerk called the bill (H. R. 954) for the relief of Edith Smith.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Edith Smith may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTER AUGUSTA SALA

The Clerk called the bill (H. R. 1111) for the relief of Sister Augusta Sala.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Sister Augusta Sala shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien, as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, for the purposes of the Immigration and Nationality Act, Sister Augusta Sala and Sister Elvira Stornelli shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota for the first year that such quota is available."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Sister Augusta Sala and Sister Elvira Stornelli."

A motion to reconsider was laid on the table.

MISS AIKO IKEHARA

The Clerk called the bill (H. R. 1629) for the relief of Miss Aiko Ikehara.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration laws, the alien, Miss Aiko Ikehara, the fiancée of Chester Rilinger, of Pueblo, Colo., a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Miss Aiko Ikehara is coming to the United States with a bona fide intention of being married to the said Chester Rilinger, and that she is found otherwise admissible under the immigration laws. In the event that the marriage between the above-named parties does not occur within 3 months after the entry of the said Miss Aiko Ikehara, she shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of the Immigration and Nationality Act. In the event that the marriage between the above-named parties shall occur within 3 months after the entry of the said Miss Aiko Ikehara, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Miss Aiko Ikehara as of the date of the payment by her of the required visa fee.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, in the administration of the Immigration and Nationality Act, Miss Aiko Ikehara, the fiancée of Chester Rilinger, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Aiko Ikehara is coming to the United States with a bona fide intention of being married to the said Chester Rilinger and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Aiko Ikehara, she shall be required to depart from the United States, and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Aiko Ikehara, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Aiko Ikehara as of the date of the payment by her of the required visa fee."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HENRY TY

The Clerk called the bill (H. R. 1688) for the relief of Henry Ty.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Henry Ty shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following amendments:

Page 1, line 3, strike out "immigration and naturalization laws" and insert "Immigration and Nationality Act."

Page 1, line 8, strike out "and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LEE LAI HA

The Clerk called the bill (H. R. 1792) for the relief of Lee Lai Ha.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Lee Lai Ha, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Bill Lee, of Needles, Calif., citizens of the United States.

With the following committee amendment:

Page 1, line 6, strike out "Mr. and Mrs. Bill Lee, of Needles, Calif., citizens of the United States" and insert "Mr. Bill Lee, a citizen of the United States."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NICOLA, LUCIA, AND ROCCO FIERRO

The Clerk called the bill (H. R. 1892) for the relief of Nicola, Lucia, and Rocco Fierro.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor children, Nicola, Lucia, and Rocco Fierro, shall be held and considered to be the natural-born alien children of Mr. and Mrs. Nicola Fierro, citizens of the United States.

With the following committee amendments:

Page 1, line 4, strike out the word "minor."

Page 1, line 6, after "natural-born", insert the word "minor."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SISTERS ADELAIDE CANELAS AND MARIA ISABEL FRANCO

The Clerk called the bill (H. R. 2504) for the relief of Sisters Adelaide Canelas and Maria Isabel Franco.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Sisters Adelaide Canelas and Maria Isabel Franco shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees and head taxes. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct two numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

With the following committee amendments:

On lines 3 and 4, strike out the words "immigration and naturalization laws" and insert in lieu thereof the following: "Immigration and Nationality Act."

On line 8, strike out the words "and head taxes."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MISSIONARY SISTERS OF THE SACRED HEART

The Clerk called the bill (H. R. 2506) for the relief of certain members of the Missionary Sisters of the Sacred Heart.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, the following members of the Missionary Sisters of the Sacred Heart shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of enactment of this act, upon payment of the required visa fees and head taxes: Mother Attilia (Rose Bolzoni); Mother Agnes (Luisa Gallucci); Mother Clelia (Francesca Giancane); Mother Gaetma (Marie Ve-

ronelli); Mother Gerarda (Beatrice Fusari); Mother Lorenza (Guiseppina Turconi); Mother Lina (Brigida Tagliabue); Mother Pierina (Paolina Ghezzi); Mother Domitilda (Rachele Arnold); Mother Albertina (Angelina Vianelli); Mother Berta (Maurina Montanelli); Mother Ildefonsa (Giulia Ghitti); Mother Irma (Tecla Lunghi); Mother Teodore (Lucia Valade); Mother Serafina (Massimina Denti), Mother Celsa (Virginia Corti); Mother Francesca (Marie Di Caprio); Mother Adeodata (Anita Gatti); Mother Ferdinda (Bianca Romano); Mother Edvige (Allessandrima Sommariva); Mother Alfonsina (Margherita Toce); Mother Natalina (Rose R. Vigano); Mother Ricarda (Antoinietta De Cola); and Mother Francesca (Cesarina Brachi). Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to make appropriate deductions from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

Page 1, line 3, strike out "immigration and naturalization laws" and insert "Immigration and Nationality Act."

Page 1, line 9, strike out "and head taxes."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALFONSO GATTI

The Clerk called the bill (H. R. 2507) for the relief of Alfonso Gatti.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws Alfonso Gatti shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee and head tax. Upon granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendments:

On lines 3 and 4, strike out the words "immigration and naturalization laws" and substitute in lieu thereof the words "Immigration and Nationality Act."

On line 7, strike out the words "and head tax."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SACHIKO YUDA

The Clerk called the bill (H. R. 2816) for the relief of Sachiko Yuda.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Sachiko Yuda, the fiancée of Ralph E. Kline, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of 3 months: *Provided*, That the administrative authorities find that the said Sachiko Yuda is coming to the United States with a bona fide intention of being married to the said Ralph E. Kline and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Sachiko Yuda, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of section 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Sachiko Yuda, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Sachiko Yuda as of the date of the payment by her of the required visa fee.

With the following committee amendment:

Page 2, line 5, strike out "241 and 242" and insert "242 and 243."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read a third time and passed, and a motion to reconsider was laid on the table.

TAMIKO NAGAE

The Clerk called the bill (H. R. 3027) for the relief of Tamiko Nagae.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Tamiko Nagae, shall be held and considered to be the natural-born alien child of John C. Frame and Viola C. Frame, citizens of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WALTRAUT BENTELER LaMONTAGNE

The Clerk called the bill (H. R. 3142) for the relief of Waltraut Benteler LaMontagne.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Waltraut Benteler LaMontagne may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GISELA KORB (NEE UNRUH)

The Clerk called the bill (H. R. 3223) for the relief of Gisela Korb (nee Unruh).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Gisela Korb (nee Unruh) may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. NATHALIE ILIINE

The Clerk called the bill (H. R. 3630) for the relief of Mrs. Nathalie Iliine.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Mrs. Nathalie Iliine shall be held and considered to have physically resided continuously in the United States during the period beginning June 10, 1947, and ending May 11, 1951.

With the following committee amendment:

On line 7, after the date "May 11, 1951" change the period to a comma and add the following: "and shall be permitted to file a petition for naturalization in accordance with the provisions of section 334 of that act".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TOM GWIN

The Clerk called the bill (H. R. 947) authorizing the Secretary of the Interior to issue to Tom Gwin a patent in fee to certain lands in the State of Mississippi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon the filing of an application meeting the requirements of this act within 1 year from the date of this act, and the payment of the purchase price to be fixed by the Secretary of the Interior through appraisal or otherwise, but not less than $1.25 per acre, the Secretary shall issue a patent to Tom Gwin, Greenwood, Miss., for the following lands: All that part of the northwest quarter of the southwest quarter lying south of the Summitt and Mars Hill Public Road; and also the west 50 acres of the south half of the southwest quarter; all in section 14, township 4 north, range 6 east, county of Amite, State of Mississippi.

SEC. 2. The Secretary may issue the patent under this act if it shall be shown to his satisfaction that such tract has been held in good faith and in peaceful, adverse, possession by Tom Gwin, his ancestors or grantors, under claim or color of title, either (a) for more than 20 years, and that valuable improvements have been placed on such lands or some part thereof has been reduced to cultivation, or (b) for the period commencing not later than January 1, 1901, to the date of application during which time they have paid taxes levied on the land by State and local governmental units.

SEC. 3. The issuance of such patent shall operate only as a conveyance of all the right, title, and interest of the United States in and to the land described herein, but shall not affect any valid adverse rights of third parties should any such rights exist.

With the following committee amendments:

Page 1, line 7, following the word "acre", insert the words: "nor less than the cost of any survey necessary to identify the lands."

Page 2, line 3, strike the word "may" and insert the word "shall" in lieu thereof.

Page 2, following line 18, add the following new section:

"SEC. 4. The Secretary of the Interior shall issue a patent for said lands without any reservation of minerals if the claimant can establish to the satisfaction of the Secretary that the requirements of section 2 have been complied with by him or his predecessors since January 1, 1901, or earlier."

The committee amendments were agreed to.

Mr. D'EWART. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. D'EWART: Page 2, strike out all of lines 1 and 2 and insert "53 and the east half of the southeast quarter of the northwest quarter of section 24, and lot 12 of section 23."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SOCORRO GERONA DE CASTRO

The Clerk called the bill (S. 173) for the relief of Socorro Gerona de Castro.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Socorro Gerona de Castro shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

KEIKO TASHIRO

The Clerk called the bill (S. 226) for the relief of Keiko Tashiro.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Keiko Tashiro, shall be held and considered to be the natural-born alien child of Juro and Shizuko Yoshioka, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

DR. ARTHUR TYE

The Clerk called the bill (S. 297) for the relief of Dr. Arthur Tye.

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That, for the purpose of the immigration and naturalization laws, Dr. Arthur Tye shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORNELIUS A. NAVORI

The Clerk called the bill (S. 314) for the relief of Cornelius A. Navori.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Cornelius A. Navori shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OWEN LOWREY

The Clerk called the bill (S. 315) for the relief of Owen Lowrey.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Owen Lowrey, shall be held and considered to be the natural-born alien child of Edna Lowrey, a citizen of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MAY LING NG

The Clerk read the bill (S. 349) for the relief of May Ling Ng.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, May Ling Ng, shall be held and considered to be the natural-born alien child of Lun Foo Ng, a citizen of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ANGELO GURISETTI PODESTA

The Clerk called the bill (S. 458) for the relief of Angelo Gurisetti Podesta.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Angelo Gurisetti Podesta, shall be held and considered to be the natural-born alien child of Mr. and Mrs. John Podesta, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

REV. JOHN T. MACMULLEN

The Clerk called the bill (S. 505) for the relief of Rev. John T. MacMullen.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Rev. John T. MacMullen may be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA NEGLIA AND ANGELO NEGLIA

The Clerk called the bill (S. 604) for the relief of Maria Neglia and Angelo Neglia.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Maria Neglia and Angelo Neglia shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. ALBERT HAAS

The Clerk called the bill (S. 616) for the relief of Dr. Albert Haas.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dr. Albert Haas shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. LUCILLO GRASSI

The Clerk called the bill (S. 1039) for the relief of Mr. and Mrs. Lucillo Grassi.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the immigration and naturalization laws relating to loss of nationality, Mr. and Mrs. Lucillo Grassi shall not be considered to have lost their United States citizenship by reason of voting in a foreign election or because of any period of residence outside the United States prior to the enactment of this act.

With the following committee amendment:

Strike out all after the enacting clause and insert "That pursuant to the provisions set forth in section 402 (j) of the Immigration and Nationality Act, Lucillo Grassi and his wife, Alberta Grassi, shall be held to be eligible to take the oath required by section 337 of that act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STEFANOS A. SPILIOS

The Clerk called the bill (S. 1262) for the relief of Stefanos A. Spilios, also known as Stephen A. Harrison.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Stefanos A. Spilios, also known as Stephen A. Harrison, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

MIEKO KRISTINE

The Clerk called the bill (S. 1579) for the relief of Mieko Kristine.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Mieko Kristine, shall be held and considered to be the natural-born alien child of Mr. and Mrs. James W. Pulver, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RUFIN MANIKOWSKI

The Clerk called the bill (H. R. 3619) for the relief of Rufin Manikowski.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the immigration and naturalization laws, Rufin Manikowski shall be held and considered to have been born in Germany and that in the administration of section 2 (a) of the Immigration Act of May 26, 1924, as amended, and regulations made thereunder, he shall be considered as having been registered on the nonpreference waiting list under the German quota as of his original registration in 1948.

With the following committee amendment:

Strike out all after the enacting clause and insert "That, for the purposes of section 202 (a) of the Immigration and Nationality Act, Rufin Manikowski shall be held and considered to have been born in Germany."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LAU HONG SHEE

The Clerk called the bill (H. R. 4100) for the relief of Mrs. Lau Hong Shee.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of section 101 (a) (27) (B) of the Immigration and Nationality Act, Mrs. Lau Hong Shee shall be held and considered to be a returning resident alien.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HIDENORI UTADA

The Clerk called the bill (H. R. 4101) for the relief of Hidenori Utada.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, the minor child, Hidenori Utada, shall be held and considered to be the natural-born alien child of Itaru Kono and Nancy Mieko Kono, citizens of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JULIA S. CRISWELL

The Clerk called the bill (H. R. 4375) for the relief of Julia S. Criswell.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provisions of section 352 (a) of the Immigration and Nationality Act, Julia S. Criswell shall be held and considered to have retained her United States citizenship regardless of her extended residence abroad.

With the following committee amendment:

Strike out all after enacting clause and insert: "That the provisions of section 352 (a) (1) of the Immigration and Nationality Act shall not apply to Julia S. Criswell."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HILDE KRETZ SFORZA

The Clerk called the bill (H. R. 4440) for the relief of Hilde Kretz Sforza.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, notwithstanding the provision of section 212 (a) (9) of the Immigration and Nationality Act, Hilde Kretz Sforza may be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that act: *Provided*, That the exemption shall apply to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATALE JOSEPH JOHN RATTI

The Clerk called the bill (H. R. 4620) for the relief of Natale Joseph John Ratti.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, the provisions of section 101 (a) (27) (B) should be held and considered to be applicable to Natale Joseph John Ratti.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUISE KADEN AND ELKE BEATE KADEN

The Clerk called the bill (H. R. 5118) for the relief of Louise Kaden and Elke Beate Kaden.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, in the administration of the Immigration and Nationality Act, Louise Kaden, the fiancée of Sgt. James T. Waters, a citizen of the United States, and her child, Elke Beate Kaden, shall be eligible for visas as nonimmigrant temporary visitors for a period of 3 months: *Provided*, That the administrative authorities find that the said Louise Kaden is coming to the United States with a bona fide intention of being married to the said Sgt. James T. Waters, and that Louise Kaden is found otherwise admissible under the immigration laws, other than the provisions of section 212 (a) (9) of the Immigration and Nationality Act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice have knowledge prior to the enactment of this act. In the event the marriage between the above-named persons does not occur within 3 months after the entry of the said Louise Kaden and her child, Elke Beate Kaden, they shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within 3 months after the entry of the said Louise Kaden and her child, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Louise Kaden and her child, Elke Beate Kaden, as of the date of the payment by them of the required visa fees.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SALVATORE MARIO VELTRI

The Clerk called the bill (H. R. 5470) for the relief of Salvatore Mario Veltri.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Salvatore Mario Veltri shall be held and considered to be lawfully admitted to the United States for permanent residence as of the date of enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOROTHY SONYA GOLDSCHMIDT

The Clerk called the bill (H. R. 3631) for the relief of Dorothy Sonya Goldschmidt.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, for the purposes of the Immigration and Nationality Act, Dorothy Sonya Goldschmidt shall be held and considered to have been born in the Dominion of Canada.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The Clerk called the concurrent resolution (H. Con. Res. 110) favoring the granting of the status of permanent residence to certain aliens.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent that the concurrent resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

PLACER COUNTY, CALIF.

The Clerk called the bill (H. R. 127) to quitclaim interest of the United States to certain land in Placer County, Calif.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That all title and interest of the United States in and to the following-described land in Placer County, Calif., is hereby quitclaimed to the original patentee, Central Pacific Railroad Co., its successors, and assigns: the northeast quarter and the north half of the southeast quarter of section 25 township 14 north, range 10 east, Mount Diablo base and meridian.

With the following committee amendment:

Page 1, line 8, strike out "25" and insert "35."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAVORING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 26) favoring the suspension of deportation of certain aliens.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the concurrent resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

FAVORING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The Clerk called the concurrent resolution (S. Con. Res. 33) favoring the suspension of deportation of certain aliens.

Mr. TRIMBLE. Mr. Speaker, I ask unanimous consent that the concurrent resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

FRED P. HINES

The Clerk called the bill (S. 152) for the relief of Fred P. Hines.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Administrator of Veterans' Affairs is authorized and directed to pay, out of any money available for the payment of compensation and allowances to veterans, to Fred P. Hines (C-2389074), of Minot, N. Dak., the sum of $778.78, representing the amount necessary to pay private medical and hospital expenses incurred by him incident to an emergency operation when his physical condition was such that he could not be removed to a Veterans' Administration hospital: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WILLARD L. GLEESON

The Clerk called the resolution (H. Res. 284) providing for sending to the United States Court of Claims the bill (H. R. 5683) for the relief of Willard L. Gleeson.

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

CHARLES R. LOGAN

The Clerk called the bill (H. R. 4175) for the relief of Charles R. Logan.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles R. Logan, East Liverpool, Ohio, the sum of $2,799.93, plus interest and taxes. Such sum represents the amount of salary which the said Charles R. Logan would have received during the period beginning September 6, 1944, and ending November 4, 1945, if he had been employed during such period as a city carrier in the post office at East Liverpool, Ohio. The said Charles R. Logan was unjustifiably discharged from his position as city carrier in such post office on September 5, 1944, and was ordered reinstated, effective November 5, 1945, by the Civil Service Commission: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, strike out "$2,799.93, plus interest and taxes" and insert "$800."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PAUL D. BANNING

The Clerk called the bill (H. R. 5210) for the relief of Paul D. Banning, chief disbursing officer, and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of $3,278.63 of which amount not to exceed the sum of $838.73 shall be credited in the accounts of Paul D. Banning, chief disbursing officer, Division of Disbursement, Treasury Department; not to exceed the sum of $1,716.69 shall be credited in the accounts of E. J. Brennan, former chief disbursing officer, Division of Disbursement, Treasury Department; not to exceed the sum of $524.01 shall be credited in the accounts of G. F. Allen, deceased, former chief disbursing officer, Division of Disbursement, Treasury Department; not to exceed the sum of $69.50 shall be credited in the accounts of H. H. Barraclough, regional disbursing officer, Boston, Mass.; not to exceed the sum of $90 shall be credited in the accounts of E. A. Hudson, regional disbursing officer, Birmingham, Ala., and not to exceed the sum of $39.70 shall be credited in the accounts of C. A. Wood, regional disbursing officer, Atlanta, Ga., such credits being allowed to adjust certain erroneous and overpayments in such accounts.

SEC. 2. That the Administrator of Veterans' Affairs is authorized and directed to pay the sum of $177.78 out of the current appropriation for salaries and expenses, Veterans' Administration, through the chief disbursing officer, Division of Disbursement, Treasury Department, to Minnie M. Linam, agent cashier, Veterans' Administration Hospital, San Fernando, Calif., such amount

to reimburse the said Minnie M. Linam for an amount which she made good to cover a deficiency in her accounts for November 1948 caused by the erroneous cashing of a check for a hospitalized veteran.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RALPH S. PEARMAN AND OTHERS

The Clerk called the bill (H. R. 4919) for the relief of Ralph S. Pearman and others.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Ralph S. Pearman, 309 Douglas Street, Paris, Ill., $178.70; Martin D. Raab, 266 Coleridge Street, Brooklyn, N. Y., $253; Gerald Paul Richards, 330 East Sixth Avenue, Roselle, N. J., $166.30; Bob H. Roark, Arden Route, San Angelo, Tex., $349.50; Daniel G. Robert, 902 South Second Street, Champaign, Ill., $234; Howard Glen Roecker, 518 South Clifton Avenue, Park Ridge, Ill., $153.50; John P. Rooney, 2056 West Jarvis Avenue, Chicago, Ill., $283.14; Louis Rosen, 130–40 225th Street, Laurelton, Long Island, N. Y., $181.45; Conrad H. Ross, 609 South Seventh Street, Jackson, Mich., $200.34; Melvin N. Routman, 1501 South Second Street, Springfield, Ill., $179; Jerome C. Rzepecki, 1909 West Armitage Street, Chicago, Ill., $401; David A. Sauer, 3220 Beaver Avenue, Fort Wayne, Ind., $148.75; Collin W. Scarborough, 211 Hough Avenue, Norfolk, Va., $59.20; Clarence A. Schlueter, 811 West Oregon Street, Urbana, Ill., $304.08; John A. Schoen, 1934 South 19th Avenue, Maywood, Ill., $302.95; William J. Scudder, Box 66, Wimberley, Tex., $217.75; Frank D. Skinner, Box 881, Chautauqua, N. Y., $70.80; David Smith, 6221 North Fairfield Street, Chicago, Ill., $246.25; 2d Lt. Lowell Warren Smith (Army service number O–1893468), Co. A, COC, 2A, ASASR, 8622, AAU, Fort Devens, Mass., $70; Robert B. Snow, 512 West Stanton Street, Streator, Ill., $8.35; Robert F. Sonderskov, 713 West Green Street, Champaign, Ill., $266.80; Robert F. J. Sowka, 3072, North Haussen Court, Chicago, Ill., $112; Glenn W. Speer, 727 North 20th Street, Mattoon, Ill., $28.75; Bryan S. Spencer, 907 14th Street, Galveston, Tex., $298.80; Willard B. Spring, 1523 Dean Street, Schenectady, N. Y., $22; David Sternlight, Box 19, MIT East Campus, Cambridge, Mass., $154.42; 2d Lt. George W. Stetson (Army service number O–1893469), Co. A, ASASR, 8622 AAU, Fort Devens, Mass., $406.45; Roland S. Strawn, R. F. D. No. 4, Canton, Ill., $248.64; Alfred C. Switendick, 19 Richmond Avenue, Batavia, N. Y., $121.50; William H. Thompson, 10817 Muscatine Street, Houston, Tex., $168.19; John A. Trevett, 487 Commonwealth Avenue, Boston, Mass., $198.50; Ira Vail, care of Mrs. C. E. Miller, Sublette, Kans., $50.75; Robert J. Vinsec, 535 Wilson Avenue, Downers Grove, Ill., $81.85; Paul S. Wahlberg, 858 West 41st Street, Houston, Tex., $253.81; Richard J. Watson, 117½ West Church Street, Champaign, Ill., $171.73; William V. Whiteley, Route 8, Box 212, Tyler, Tex., $423.75; Wayne G. Woltman, 199 Rex Boulevard, Elmhurst, Ill., $130.35; Thorpe Edwin Wright, 1101 West Pennsylvania, Avenue, Urbana, Ill., $118.20; Irwin M. Yarmo, 62 Lakewood Place, Highland Park, Ill., $191.50; Duane H. Yetter, 1203 West Springfield Avenue, Urbana, Ill., $141.75; Anthony T. Zaia, 103 Felton Street, Waltham, Mass., $144.80; Roland T. Zapata, 608 North Hamilton Street, San Antonio, Tex., $149.24; and Louis J. Zeleznikar, 920 Oakland Avenue, Joliet, Ill., $127.32. The payment of said sums shall be in full satisfaction and final settlement of all claims of the above-named claimants against the United States for damage to or loss or destruction of personal property as a result of a fire that occurred on July 22, 1952, in the building in which they were quartered at Fort Devens, Mass.: *Provided*, That no part of the amounts appropriated in this act in excess of 10 percent of any claim shall be paid to or received by any agent or agents, or attorney or attorneys, on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed and a motion to reconsider was laid on the table.

DR. DUDLEY A. REEKIE

The Clerk called the bill (H. R. 975) for the relief of Dr. Dudley A. Reekie.

There being no objection the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dr. Dudley A. Reekie, Dallas, Tex., a sum representing compensation for the unused annual leave standing to the credit of the said Dr. Dudley A. Reekie on January 31, 1942, when he resigned his position with the Tennessee Valley Authority when ordered to active duty with the Public Health Service. No part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ARTHUR OPPENHEIMER, JR., AND MRS. JANE OPPENHEIMER

The Clerk called the bill (H. R. 1329) for the relief of Arthur Oppenheimer, Jr., and Mrs. Jane Oppenheimer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Arthur Oppenheimer, Jr., and Mrs. Jane Oppenheimer, Boise, Idaho, the sum of $38,538.18. Payment of such sum shall be in full settlement of all claims of the said Arthur Oppenheimer, Jr., and Mrs. Jane Oppenheimer against the United States, for income taxes erroneously collected for the years 1938 through 1947, both inclusive: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 1, line 6, after the figures and period, insert "*Provided*, That no interest shall be paid on such sum."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PERFECTING TITLE OF C. A. LUNDY TO CERTAIN LANDS IN THE STATE OF CALIFORNIA

The Clerk called the bill (H. R. 2779) to provide for perfecting the title of C. A. Lundy to certain lands in the State of California heretofore patented by the United States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed to C. A. Lundy, of Blairsden, Calif., all of the right, title, and interest of the United States in and to the following-described portions of the tract of land and mineral location heretofore patented by the United States to Mammoth Gold Mining Co. as the Mammoth Quartz Mine:

Lots 19, 21, 24, 25, 32, 37, 41, 42, 45, 46, 49, 52, and 53 of section 24, and lot 12 and the east half of the southeast quarter of the northwest quarter of section 23, township 22 north range 11 east, Mount Diablo meridian, Plumas County, Calif., containing approximately two hundred eight and nineteen one-hundredths acres.

Mr. D'EWART. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. D'EWART, of Montana: On page 2, strike out all of lines 1 and 2 and insert in lieu thereof the words "53 of the east half of the southeast quarter of the northwest quarter of section 24 and lot 12 of section 23."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF CERTAIN LANDS WITHIN THE SANTA FE NATIONAL FOREST, N. MEX.

The Clerk called the bill (H. R. 3956) to provide for the conveyance of certain lands within the Santa Fe National Forest, N. Mex., and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That, upon recommendation of the Secretary of Agriculture, the Secretary of the Interior is authorized to convey to Ed Clements, subject to the reservation of all minerals, at the appraised value as determined by the Secretary of Agriculture, the following described land of the United States: South half northeast quarter northeast quarter and north half southeast quarter northeast quarter of section 25, township 17 north, range 11 east, New Mexico principal meridian: *Provided*, That the appraisal shall be exclusive of any increased value resulting from the development and improvement of the land by said Ed Clements or his predecessors in

possession, and shall give full consideration to his equities.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VALIDATING CERTAIN CONVEYANCES HERETOFORE MADE BY CENTRAL PACIFIC RAILWAY CO. AND SOUTHERN PACIFIC CO.

The Clerk called the bill (H. R. 4047) validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in the county of Alameda, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356).

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the conveyances hereinafter particularly described and heretofore executed by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain lands or interest therein, in the county of Alameda, State of California, and forming a part of the right-of-way of said Central Pacific Railway Co., granted by the Government of the United States of America by an act of Congress, approved July 1, 1862, entitled "An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean and to secure to the Government the use of the same for postal, military, and other purposes" (12 Stat. L. 489), and by said act as amended by act of Congress, approved July 2, 1864, entitled "An act to amend an act entitled 'An act to aid in the construction of a railroad and telegraph line from the Missouri River to the Pacific Ocean and to secure to the Government the use of the same for postal, military, and other purposes', approved July 1, 1862" (13 Stat. L. 356), are hereby legalized, validated, and confirmed, with the the same force and effect as if the land involved therein had been held at the time of such conveyances by the corporations making the same under absolute fee-simple title.

The conveyances recorded at the office of the county recorded of Alameda County, Calif., in books of official records, which are hereby legalized, validated, and confirmed are as follows:

1. Deed dated May 9, 1947, between Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to George F. Tubbs, recorded May 29, 1947, in liber 5084, page 65, official records.

2. Deed dated February 24, 1947, between Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to Occidental Stove Co., a corporation, recorded March 20, 1947, in liber 5029, page 86, official records.

3. Deed dated December 7, 1943, between Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, to Edna S. Overacker, a widow, recorded January 4, 1944, in liber 4437, page 470, official records: *Provided*, That such legalization, validation, and confirmation shall not in any instance diminish said right-of-way to a width less than 50 feet on either side of the center of the main track or tracks of the said Central Pacific Railway Co. as now established and maintained: *Provided further*, That nothing herein contained is intended to or shall be construed to legalize, validate, or confirm any rights, title, or interests, based upon or arising out of adverse possession, prescription or abandonment, and not confirmed by conveyances heretofore made by Central Pacific Railway Co. and its lessee, Southern Pacific Co.: *And provided further*, That there shall be reserved to the United States all oil, coal, or other mineral in the land, and the right to prospect for, mine, and remove the same under the applicable mineral land laws.

With the following committee amendment:

Page 2, line 15, following the word "confirmed", add the following: ", as far as the interest of the United States is concerned."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RALSTON EDWARD HARRY

The Clerk called the bill (H. R. 3350) for the relief of Ralston Edward Harry.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. CURTIS of Massachusetts and Mr. MEADER objected, and, under the rule, the bill was recommitted to the Committee on the Judiciary.

The SPEAKER. That completes the call of bills on the Private Calendar.

ISSUING PATENT IN FEE TO TOM GWIN

Mr. D'EWART. Mr. Speaker, I ask unanimous consent to return to Private Calendar No. 267, the bill (H. R. 947) authorizing the Secretary of the Interior to issue to Tom Gwin a patent in fee to certain lands in the State of Mississippi and to vacate the proceedings by which the bill was ordered to be engrossed and read a third time, was read the third time and passed.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That, upon filing of an application meeting the requirements of this act within 1 year from the date of this act, and the payment of the purchase price to be fixed by the Secretary of the Interior through appraisal or otherwise, but not less than $1.25 per acre, nor less than the cost of any survey necessary to identify the lands, the Secretary shall issue a patent to Tom Gwin, Greenwood, Miss., for the following lands: All that part of the northwest quarter of 53 and the east half of the southeast quarter of the northwest quarter of section 24, and lot 12 of section 23 half of the southwest quarter; all in section 14, township 4 north, range 6 east, county of Amite, State of Mississippi.

SEC. 2. The Secretary shall issue the patent under this act if it shall be shown to his satisfaction that such tract has been held in good faith and in peaceful, adverse, possession by Tom Gwin, his ancestors or grantors, under claim or color of title, either (a) for more than 20 years, and that valuable improvements have been placed on such lands or some part thereof has been reduced to cultivation, or (b) for the period commencing not later than January 1, 1901, to the date of application during which time they have paid taxes levied on the land by State and local governmental units.

SEC. 3. The issuance of such patent shall operate only as a conveyance of all the right, title, and interest of the United States in and to the land described herein, but shall not affect any valid adverse rights of third parties should any such rights exist.

SEC. 4. The Secretary of the Interior shall issue a patent for said lands without any reservation of minerals if the claimant can establish to the satisfaction of the Secretary that the requirements of section 2 have been complied with by him or his predecessors since January 1, 1901, or earlier.

Mr. D'EWART. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. D'EWART: Page 2, line 1, insert "the southwest quarter lying south of the Summitt and Mars Hill Public Road; and also the west 50 acres of the south" and strike out "53 and the east half of the southeast quarter of the northwest quarter of section 24 and lot 12 of section 23."

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROVIDING CERTAIN CONSTRUCTION AND OTHER AUTHORITY FOR THE MILITARY DEPARTMENTS IN TIME OF WAR OR NATIONAL EMERGENCY

Mr. SHORT. Mr. Speaker, I move to suspend the rules and pass the bill (S. 1995) to provide certain construction and other authority for the military departments in time of war or national emergency.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretaries of the Army, Navy, and Air Force are respectively authorized, during the national emergency proclaimed by the President on December 16, 1950, and for 6 months thereafter, or until July 1, 1954, or until such date as may be specified by a concurrent resolution of the Congress, whichever is the earliest, to provide for the acquisition, construction, establishment, expansion, rehabilitation, conversion, and installation, on land or at plants privately or public owned, of such industrial-type plants, buildings, facilities, equipment, machine tools, utilities, and appurtenances or interests therein, including the necessary land therefor by purchase, donation, lease, condemnation, or otherwise (without regard to sections 1136, 3648, and 3734 of the Revised Statutes, as amended, and prior to approval of title to the underlying land by the Attorney General), as may be necessary for defense production or mobilization reserve purposes, and to provide for the maintenance, storage, and operation thereof and of those established pursuant to the provision of the act of July 2, 1940 (54 Stat. 712), as amended (50 U. S. C. App. 773, 1171 (a)), and the act of December 17, 1942 (56 Stat. 1053), as amended (50 U. S. C. App. 1201), either by means of Government personnel or qualified commercial manufacturers under contract with the Government: *Provided*, That as soon as practicable prior to the submission of a budgetary request to the Congress for the purchase of equipment or machine tools pursuant to this section, the Secretary of Defense shall inform the Committees on Armed Services of the Senate and of the House of Representatives in detail with respect to the proposed program therefor. When the Secretary concerned deems it necessary in the interest of the national de-

fense, he may lease any such plants, buildings, facilities, equipment, utilities, appurtenances, and land, under any terms as he may deem advisable, and without regard to the provisions of section 321 of the act of June 30, 1932 (47 Stat. 412).

SEC. 2. The Secretary of Defense shall report semiannually to the Committees on Armed Services of the Senate and of the House of Representatives with respect to those activities authorized in section 1 which are not otherwise the subject of reporting under law.

SEC. 3. Nothing in this act shall be construed to repeal or modify section 601 of the act of September 28, 1951 (65 Stat. 336), relative to coming into agreement with the Committees on Armed Services of the Senate and of the House of Representatives with respect to real-estate actions.

The SPEAKER. Is a second demanded?

Mr. McCORMACK. Mr. Speaker, I demand a second.

Mr. SHORT. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Missouri [Mr. SHORT] is recognized for 20 minutes, and the gentleman from Massachusetts [Mr. McCORMACK] will be recognized for 20 minutes.

Mr. SHORT. Mr. Speaker, I am glad that the gentleman from Massachusetts [Mr. McCORMACK] demanded this second. I know he did it merely for a word of explanation concerning this Senate bill (S. 1995). It passed the Senate yesterday. It is practically identical with the bill H. R. 5508, which was unanimously reported by our House Committee on Armed Services.

The Senate version of the bill varies from the House version in only one minor respect. The House bill was reported out as being effective during the current emergency, plus 6 months or until July 1, 1954, whichever is the earlier. The Senate has added an additional time limitation to those two as follows: "or until such date as may be specified by a concurrent resolution of the Congress, whichever is the earliest."

Mr. Speaker, I can see no objection to this Senate amendment, because the meat of both measures is simply to authorize the expenditure of $500 million for the stockpiling of machine tools and the acquisition of certain industrial war plants; $400 million to be spent on stockpiling of machine tools and $100 million for the acquisition of war plants or installations.

I want to say to the Members of the House that this sum was included in the Defense Department appropriation bill which passed the House last week, so this is merely to make legal that expenditure.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. SHORT. Yes, I am happy to yield to the gentleman from Massachusetts.

Mr. McCORMACK. As I understand it, the members of the committee on the Democratic side concur in the position taken by the chairman and in the remarks made by the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. I can assure the gentleman that the bill was reported unanimously and that there were no objections.

Mr. McCORMACK. Mr. Speaker, I have no requests for time, and I yield back the balance of my time.

Mr. SHORT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALLEN of Illinois). The question is on the motion of the gentleman from Missouri [Mr. SHORT] to suspend the rules and pass the bill.

The question was taken; and, two-thirds having voted in the affirmative, the rules were suspended and the bill was passed.

AMENDING SECTION 303 OF THE BUDGET AND ACCOUNTING ACT OF 1921

Mr. BONNER. Mr. Speaker, I move to suspend the rules and pass the bill (H. R. 5228) to amend section 303 of the Budget and Accounting Act, 1921 (42 Stat. 23).

The Clerk read as follows:

Be it enacted, etc., That section 303 of the Budget and Accounting Act, 1921, approved June 10, 1921, is amended by adding at the end thereof the following:

"Any Comptroller General who shall be so retired for age after serving at least 10 years in his office, or who completes his term, shall receive an annuity during the remainder of his life equal to the salary payable for his office at the time of retirement or completion of term, except that the annuity of any Comptroller General who completes his term shall be reduced by one-fourth of 1 percent for each full month he is under the age of 65 at such completion. Any Comptroller General who becomes permanently disabled from performing his duties shall be retired, and shall receive an annuity during the remainder of his life equal to the salary payable for his office at the time of retirement if he has served at least 10 years therein or equal to one-half of such salary if he has served less than 10 years. The annuities provided for herein shall be paid by the General Accounting Office. No person receiving benefits under this act shall receive any other retirement benefits under any other law of the United States."

The SPEAKER. Is a second demanded?

Mr. HOFFMAN of Michigan. Mr. Speaker, I demand a second.

Mr. BONNER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CALL OF THE HOUSE

Mr. HILLELSON. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. HILLELSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifteen Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 77]

Barrett	Granahan	Nelson
Bates	Green	O'Brien, Mich.
Blatnik	Hagen, Minn.	O'Brien, N. Y.
Bolton, Oliver P.	Hardy	O'Neill
Bow	Harrison, Nebr.	Osmers
Brooks, La.	Hays, Ark.	Philbin
Byrne, Pa.	Hays, Ohio	Phillips
Canfield	Hébert	Powell
Case	Heller	Radwan
Chudoff	Hess	Reed, Ill.
Clardy	Hinshaw	Rees, Kans.
Condon	Holifield	Rivers
Coudert	Horan	Robsion, Ky.
Cunningham	Ikard	Rogers, Tex.
Dawson, Ill.	Javits	Roosevelt
Dollinger	Kearns	St. George
Dolliver	Kelley, Pa.	Scherer
Donohue	Kilburn	Shafer
Dorn, N. Y.	Kilday	Shelley
Dorn, S. C.	Kluczynski	Sikes
Dowdy	LeCompte	Smith, Miss.
Durham	Lesinski	Sutton
Ellsworth	Lucas	Thompson, Mich.
Evins	McCulloch	Thompson, Tex.
Fino	McVey	Thornberry
Fisher	Machrowicz	Velde
Fogarty	Madden	Walter
Frazier	Merrow	Weichel
Fulton	Miller, N. Y.	Wigglesworth
Gathings	Morgan	Wilson, Calif.
	Moulder	

The SPEAKER. On this rollcall 335 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON AGRICULTURE

Mr. SIMPSON of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

AMENDING SECTION 303 OF THE BUDGET AND ACCOUNTING ACT OF 1921

Mr. BONNER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from North Carolina [Mr. BONNER] is recognized for 20 minutes and the gentleman from Michigan [Mr. HOFFMAN] will be recognized for 20 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HOFFMAN of Michigan. Will the bill be open to amendment?

The SPEAKER. No; not under the rules.

Mr. BONNER. Mr. Speaker, I yield myself such time as I may require, and I reserve the balance of my time.

Mr. Speaker, the enactment of H. R. 5228 is a matter of simple justice and is long overdue.

The Congress a number of years ago provided a retirement system for Federal judges in recognition of their particular status in our Government. The office of Comptroller General of the United

States is an office quite similar in character, tenure, and independence to that of a Federal judge. The bill before you is patterned after the judges' retirement system.

The Comptroller General is the representative of the Congress to see that the laws passed by the Congress relating to accounting and expenditures of public funds are faithfully carried out. The Congress when it established the position in 1921 wisely provided that the Comptroller General should be appointed for a 15-year term; that he could not be reappointed; and that he could be removed from office only by congressional action. The term of office was so established in order to bring about a complete independence from the executive branch of the Government.

The enactment of H. R. 5228 will go one step further to insure this independence of action by the Comptroller General which is absolutely essential in our three-branch system of Government. In addition, the enactment of the bill will establish an office which, by reason of a 15-year term and an adequate retirement, will make it possible for the American people to have always a Comptroller General of mature judgment and unquestionable ability, and a man of proven earning capacity who would feel he could accept the position by reason of the measure of security offered.

I most strongly urge favorable action by this body.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield myself 10 minutes, and I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN of Michigan. Mr. Speaker, while the administration and some Members of the House quarrel over the proposition as to whether we shall first cut taxes or balance the budget, the Congress lets one opportunity after another to make savings which would at least assist in balancing the budget and in reducing taxes slip by.

Recent hearings before some of our committees have shown, and the press carried the statement Sunday, that in one year in connection with a Government contract for planes $500,000 was added to the price, was paid to roving stewards of the unions who performed no services. In another year $600,000 was paid to roving stewards of the union who performed no services. There was $1 million. Did the Congress do anything about it?

It did not. That situation has been known for some time. There was $1 million that might have been saved. Did the Congress make a move to stop it? It did not. I have today introduced a bill which I hope will put an end to that vicious practice.

This bill before us this morning does not involve $1 million; it does not involve $100,000. It is a comparatively small and insignificant item of expenditure; nevertheless, it establishes a precedent which creates liabilities that no one is prepared to estimate, for it is but one of many bills to follow.

The present Comptroller General is a very able and conscientious man who has performed a valuable service to the United States. I served with Lindsay Warren from the beginning of 1935 and until he became Comptroller General. In my judgment, no man was more conscientious in the performance of his duty, brought to his task greater ability—no man was more jealous of protecting the rights of the people, the sovereignty of the Federal Government, may I add—and during the 18 years I have served here, I have observed the activities of many Congressmen. Since he became Comptroller General, Lindsay Warren has never hesitated to give his utmost in the performance of his duties. By his direction and under his supervision that Office has rendered invaluable service, not only to the Congress as a whole but to the individual Members, many of whom, as have I, sought information and guidance. I can, therefore, appreciate the desire of the Members of the Congress to be generous in providing for his retirement.

The proposed legislation, however, is a general pension plan applicable to any man who, in the future, happens for 1 day or for 15 years to be Comptroller General of the United States.

Under its provisions a person who serves as Comptroller for a day or month and then for some reason completely disconnected with the functions of his office, becomes disabled, will nevertheless receive one-half of his salary, or at the present rate, $8,750, each year for the rest of his life.

A person who serves 10 years as Comptroller General and then becomes disabled or reaches the age of 70 will receive his full salary, or, at the present rate, $17,500, each year for the rest of his life.

These payments will come out of the Treasury of the United States, not out of any fund to be built up by persons who serve as Comptrollers General.

Social security is highly desirable, but with the tax burden already as heavy as it is, I doubt the propriety of Congress' authorizing such generous financial payments from the Public Treasury, completely out of line with those that most of our people can ever hope to get from their lifetime labors.

While, therefore, I voted to report this proposal out of committee, I did so in accordance with my general policy that the House should have the opportunity of debating and voting on matters which have substantial support.

I cannot support H. R. 5228 which will establish a precedent for legislation creating liabilities which cannot be estimated.

The fact that Mr. Warren served as Comptroller General so long is a complete answer to at least one-half of the argument advanced by the gentleman from North Carolina [Mr. BONNER], who just left the floor. His argument was that we must have a pension in order to get adequate service from a Comptroller General. We have had the best kind of service from Lindsay Warren over the years; there is no question about that; and he did not get a pension during that time, nor did he expect one. He served faithfully. No man could have served more capably or with greater ability or with greater industry. No; he served because he wanted to serve his country.

Then the other argument that the bill is similar to that for retirement of judges falls completely flat. If you will just take the United States Code, title 28, section 294, and read it, you will find that Federal judges, including the Justices of the Supreme Court, are subject to call to duty after retirement, and almost without exception they have served after retirement.

I can understand the gentleman from North Carolina in offering this bill. He served with Mr. Warren as his secretary when Mr. Warren was a Member of the House. I can understand the attitude of the older Members of the House who served with Mr. Warren, and of some of the younger Members who have seen the wonderful service he has rendered. But that does not answer the question as to whether we should now enter upon a system of establishing pensions not only for the Comptroller General but also later on for the Librarian, perhaps, the Architect, the Public Printer, and a host of others. How far are we to go? It is not difficult for me to understand the attitude of Members of the House; to realize that this bill will go through. As I recall, there were no hearings as such on the bill. I think the gentleman from North Carolina [Mr. BONNER] came in and testified or made a statement. No hearings were printed, but one and all—well, no; not one and all, but a majority of the committee—reported it out and signed—Republicans and Democrats—a report; practically the same report that was prepared by the gentleman from North Carolina [Mr. BONNER].

It is all right; it is commendable; it is fine to be charitable to reward service if you do it with your own money. It is easy to vote, and I regret that I stand here today to oppose this bill—it is so easy, oh, it is so easy to vote away the taxpayers' money as a reward for good and faithful service.

This bill is simple, let me repeat, What does it do? The Comptroller General, as the gentleman said, was appointed because the Congress wanted a representative, its representative, to check on the expenditures in the executive department. We created that office; we fixed the term of office at 15 years, and we provided that a man could serve but 1 term, 15 years. The salary has been fixed at various sums as the years went on. Today it is $17,500 a year. This bill proposes that, if after 10 years of service the Comptroller General is disabled or reaches the age of 70, he may retire on a pension of $17,500 per year for life. If before that time he is disabled, he shall receive half his annual salary. There it is; that is all there is to it. Just follow your kindly feelings; be generous if you wish; that is your business, not mine, but why, to enjoy good feeling, do a kindly act—be generous with the taxpayer's, not your own dollars. No criticism is offered, if you like to do that, but let me call to your attention that little by little we are just avoiding opportunities to make savings, establishing first one precedent and then another for continual spending. We talk economy; we practice

extravagance. To my Republican friends, may I say that, if the papers are right, we will have a deficit of something like 6, 8, or 9 billion dollars. Oh, how our friends over on the other side will rejoice, if and when we fail to keep faith with the people.

Mr. BONNER. Mr. Speaker, I yield 1 minute to the gentleman from Minnesota [Mr. JUDD].

Mr. JUDD. Mr. Speaker, I rise in support of this bill. First, as a matter of principle, the United States Government ought to be fair in providing adequately for the retirement due to age or disability of those who have served it well, especially in such a position as that of head of the General Accounting Office, who is appointed for 15 years and not eligible for reappointment.

Certainly, this official ought to have substantially the same treatment that our Federal judges are accorded. We are not thereby doing him a special favor. Our Government is discharging honorably a legitimate obligation. Whoever serves in this Office serves in a unique sense as the agent of the Congress and is uniquely responsible for guarding the public purse in making sure expenditures are in accord with legislation passed by us. There is no man in the whole Federal Government upon whom greater responsibility lies for protecting the property and the expenditures of our Government, except perhaps the President himself.

I am sure that the Congress will correct this long overlooked need for providing decently, fairly, properly, and in a dignified way for the retirement of the man who serves in this difficult post. It is particularly important that we do it now, for the present occupant of the position will soon be retiring after 15 years of distinguished service. And never was there a public official more deserving than Mr. Lindsay Warren, because of his fearless conduct of the arduous duties of the Office, without fear or favor, and his many outstanding contributions to the public welfare.

Mr. BONNER. Mr. Speaker, I yield such time as he may desire to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I rise in support of this resolution, and call the attention of the Members of the House, to a second report which was filed on this bill. I am fearful that many of you have only received the one report, with this bill, which was filed by the gentleman from Michigan [Mr. HOFFMAN]. This second report carries the additional views of the 24 members of the Committee on Government Operations who favor the passage of this bill.

It just happens that the present Comptroller General, Lindsay Warren, is a Democrat. It also happens, that 13 members of the committee who signed this report of additional views supporting this legislation are Republicans. They believe the Comptroller General's position is not a political one. The Comptroller General is the agent of the Congress, who, as such, somehow or other has been overlooked in all of the legislation which has been enacted throughout the years to give retirement privileges to various officials of the Government.

I remember at one time there was an attempt made to put the Comptroller General under the executive branch of the Government, rather than under the Congress. The Congress resisted that attempt, and defeated it. Had the position been put under the executive branch of the Government as a judicial or quasi-judicial officer the Comptroller General would be able to retire and draw a fine retirement pay.

It seems to me that out of fairness we should pass this legislation because, after all, the Comptroller General sits as a quasi-judicial official representing the Congress. In that position we must have an absolutely honest man. Thank God we have had only honest men occupy this position in the past. The present Comptroller, Lindsay Warren, has saved the people of the United States untold millions of dollars by his good judgment and hard work.

It is only fair that we provide for him and future Comptroller Generals, the same sort of retirement pay we furnish those who serve in judicial positions. Every Federal judge in the country, is given the same kind of retirement benefits our committee wants to give to Lindsay Warren who has been such a faithful, able, public servant. I hope all my colleagues in the House, and especially my Republican colleagues, will join with the 24 members of the Committee on Government Operations who signed this report in supporting this legislation. It is a measure for which we can all vote, for, in my opinion, it is only fair and just that we extend to the Comptroller General the same sort of retirement benefits and rights which have so long been extended to the Federal judges of the country.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. HILLELSON].

Mr. HILLELSON. Mr. Speaker, I rise in opposition to this bill. First of all I would like to say that I consider this special legislation for one person which I think is contrary to public policy and also contrary to the general intents of Congress. First, this bill violates the spirit of the civil-service laws that now exist. All civil-service employees must pay in a certain amount of their salaries each month, or each pay day, in order to receive the benefits of the pension. This bill would provide for a pension to be given to an individual without any payments of that kind.

Secondly, as I understand it, the present Comptroller General, Mr. Warren, is already entitled to a pension which is based on his service as Comptroller General, and he is also entitled to receive benefits by reason of his time spent as a Member of the Congress. There is one thing that we must remember, and that is we are pledged to economy in Congress and in our Federal Government. We have not raised the salaries of our civil-service employees and we have not raised their pensions, and I see no reason at this time to single out one person as an exception.

Mr. BONNER. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Speaker, it is ridiculous for anyone to contend that we are not interested in economy. We have reduced expenditures thus far in this session of Congress by about 25 percent. We not only believe in economy, but we are doing something about it. However, we believe in justice and fair play as well.

The job of Comptroller General should be as attractive as possible to as capable a man as we can find anywhere in America. As for Mr. Warren, with whom I served in Congress for many years, I am sure any Member of either House will agree that he is entitled to this consideration on the basis of his performance. Whoever else should occupy this job should be paid handsomely and provided for abundantly at retirement, especially since he is appointed for 1 term of 15 years. Why be mulish about this? Why be intolerably disagreeable?

There may be occasions when being a little cantankerous is in order, but not when a deserving matter such as that which confronts us is involved.

Mr. HOFFMAN of Michigan. Mr. Speaker, I yield 5 minutes to my colleague from Illinois [Mrs. CHURCH].

Mrs. CHURCH. Mr. Speaker, I take this time with a certain amount of reluctance, but to make my own record clear on this bill.

I do not think it is necessary for me to say that I share the full admiration and respect of the rest of the committee for the Comptroller General. I know of his vast contribution not only in saving money but as a man of character in our Government. I would certainly feel that he ought to have security.

However, after informing the committee that I would do so, I have been waiting for 2 weeks to offer an amendment to this bill. It had not occurred to me that a bill of this far-reaching nature would be brought up under a suspension of the rules, which makes amendment impossible.

Perhaps you would let me start with this: I do not fall in with the group that thinks that promised security at any age induces or insures honesty. In fact, I think that I am paying more tribute to the present Comptroller General when I say that no promise of a pension could have been in his case any stimulus to integrity. Nor can honesty ever be legislated or bought.

However, I take distinct exception not so much to the provision for the $17,500 pension to the Comptroller General at full retirement as to that sentence which begins on page 2, line 3:

> Any Comptroller General who becomes permanently disabled from performing his duties shall be retired, and shall receive an annuity during the remainder of his life equal to the salary payable for his office at the time of retirement if he has served at least 10 years therein or equal to one-half of such salary if he has served less than 10 years.

To me, that sentence represents poor legislation and implies a possible ridiculous situation because, though a man who is appointed Comptroller General has to be a man of proven capacity and

consequently is not apt to be young, there is nothing to prevent the appointment of a Comptroller General at age 40 who might be retiring at age 55, or a Comptroller General appointed at any age who might serve 1 hour, 1 month, 6 months, or 2 years, and then become entitled by permanent disability to one-half of his salary. To me, that does not even make good commonsense.

In committee I offered an amendment to strike that provision from the bill. I was sorry that the amendment did not pass, although it had good support. I was told by the gentleman from North Carolina, for whom I have great admiration, that he would have accepted that amendment at that time; but he was not a member of the committee and could not indicate such acceptance.

Mr. MILLER of Kansas. Mr. Speaker, will the gentlewoman yield?

Mrs. CHURCH. I yield.

Mr. MILLER of Kansas. I would like to associate myself with everything the gentlewoman has said up to now.

Mrs. CHURCH. I thank the gentleman. I am going to follow along in the same thought, merely pointing out that I think it is a poor plan in the first place to draw legislation for any one given situation, no matter what the need, no matter what the merit, no matter what the personal admiration involved. I think especially that it is folly to write into Federal law a provision that a man may serve 24 hours or less and receive half his salary if he becomes permanently disabled.

I could not let pass this opportunity to point out to the House that I had full intention of presenting a case for the removal of this clause if I had been able to present such an amendment. I repeat, then, that whatever may be the value and wisdom of the first part of the bill, the second part indeed does not make sense; and I regret from every viewpoint that the House was deprived of an opportunity to remove this unwise and extravagant provision.

Mr. BONNER. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Speaker, I think this piece of legislation is timely and wise. It does not relate to just one man, it relates to an office of the Government of the United States which, in my opinion, in importance is second only to the presidency of the United States. Upon his shoulders, whoever he may be, whether he is a Republican or a Democrat, rests such tremendous responsibilities which demand so much of that individual that I believe the least we could do would be to remove some of the hazards that might require part of his time in thinking of the future. I do not like to think of this as just a personal bill for an individual. But if one should care to so characterize it, I would like to call your attention to the fact that in my opinion there is no man who has ever occupied that office who has meant so much to the Government of the United States and to the taxpayers and people in general of this country as Lindsay Warren, the man who now occupies it. He occupied the Comptroller General's office and is now occupying it during terrific times and under very trying conditions. I sincerely hope the bill will be passed by the House.

Mr. BONNER. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, this matter was called to my attention some time ago. I was impressed with the equities involved. It was suggested that the matter might be called up under unanimous consent, but I demurred to that. I said I thought the bill should be introduced and referred to the proper committee for action. Certainly no one undertook by this action to take advantage of anyone who might have wanted to offer an amendment. Suspensions are frequently used in matters of this sort where it is thought that the necessary votes can be had. Had a suggestion been made to of the desirability of an amendment, or of a request to offer an amendment, possibly this action might, possibly this action might have been foregone. But I had no information to that effect, and very likely it would not have happened.

Mr. Speaker, I have been impressed by the additional views to which the gentleman from Ohio [Mr. BROWN] referred. I think it is very clearly pointed out that the office of the Comptroller General in its tenure and in its responsibilities very closely approximates the position of the Federal judges who are treated in much this same way. I do not think you can fairly criticize this legislation as being a provision for just one individual simply because there is just one Comptroller General in the Government of the United States. I do not know of any other position which involves the same sort of situation as does the position of the Comptroller General. So while it will apply only to him, I think it is proper that the bill be drafted this way because he does have that position, and it is a position of tremendous responsibility. I would not say with the gentleman from North Carolina [Mr. BARDEN] that it is the second most important job. I think that the Speaker of the House of Representatives has the second most important job—but the office of Comptroller General is an important job, and I well recall when a reorganization plan was proposed here once to destroy the independence of the Comptroller General, a great wave of indignation broke out. I think that fact probably had much to do with turning back the whole proposal.

Reference has been made to the possibility of the appointment of a very young man or a younger man who might come to this retirement at an early age. I think that the additional views properly answer that argument when they point out that the responsibilities of the job require a man of great background and great experience, a man of maturity—just what we have had in Lindsay Warren.

So I would seriously question whether or not in the future a situation would arise where retirement pay was being given to a man who had come to that point at too young an age.

So, Mr. Speaker, I think this legislation should be adopted, and I trust it will be adopted. And may I say at this point that I have no quarrel with anyone who has any different view, but because in many ways it is something of a close question, it might be urged, perhaps, that this ought to be a contributory pension. On the other hand, as I say, for myself, I think it more nearly approximates the situation of the retirement benefits accorded to the Federal judges. So I am going to support it.

Mr. BONNER. Mr. Speaker, may I ask as to the situation of the remaining time available?

The SPEAKER. The gentleman from North Carolina has 5 minutes remaining; the gentleman from Michigan [Mr. HOFFMAN] has 6 minutes remaining.

Mr. HOFFMAN of Michigan. Mr. Speaker, to relieve the gentleman's anxiety, I shall use the balance of our time.

Mr. Speaker, you have all heard the words of praise for our Comptroller General. Nothing has been said that I cannot agree with. I have been waiting patiently to hear our former Speaker [Mr. RAYBURN] pay his tribute, waiting for the majority leader and the minority leader each to pay his tribute, and so on down the line. But I do not go along with the idea that in order to get service the Federal Government must pay in dollars. I wonder how many of the men at the top, on either side, are serving here for the dollars that they get out of it.

Mr. MASON. I am not.

Mr. HOFFMAN of Michigan. I know. The gentleman from Illinois [Mr. MASON] says he is not. The gentleman is serving here in the mistaken idea, such as I had, that he thought he could do something to put us on the right course. That is why he came to Washington. And there are many others who came for the same reason. And we all found it more of a job than we thought.

They have been telling us that those in the executive departments have to have high pay in order to get men of ability. That is nonsense. It was demonstrated to be nonsense only recently. How many thousands of dollars—was it not a hundred thousand dollars or more—was it that Mr. Wilson gave up in order to serve as Secretary of Defense? And did we not have the same situation as to Mr. Kyes? Does anyone think those men are serving here in Washington for other than patriotic reasons? I do not.

I see over there on my left a former governor, the gentleman from New Mexico [Mr. DEMPSEY]. Is he here because of the dollars he is being paid or because of his patriotism? We all know it is the latter.

Back there on the aisle is a gentleman who served here in the early thirties, the gentleman from Texas [Mr. DIES]. Could he not make more money out on the lecture platform? Could he not make more dollars, if that is what he is after, out on the lecture platform than he can here in Congress? Why is he here? He is here for the same reason that some others are here—because he sincerely believes the country needs his services. Well qualified as he is, able, patriotic, he is here for just one reason—because he wants to see this Government restored to the people.

And the same is true of many other Members; it is because they are patriotic; because they think, perhaps mistakenly, but nevertheless because they believe they can render service to the country.

Money cannot buy service here any more than it can buy friendship abroad. Just get that. If this were a bill to give the Comptroller General a certain sum of money for past services, I would be able to go along, I think, as a reward for extraordinary service. But when you seek to establish a precedent to give first this man, and then that one, a pension, I think we are on the wrong track, if we ever intend to balance the budget and reduce taxes.

We have taken care of our Speaker. First we took care of the President. If I recall correctly, right after we had the Hoover Commission's recommendations, we gave the President $50,000 spending money and we increased his salary. We increased the compensation of the speaker; also of the majority leader—well, no, we did not do that; we just gave him some extra help and an automobile. I do not remember whether it was an automobile, or extra clerks, or what. Something anyway. But the tendency all along, and all down the line, is to give everybody more, in spite of the fact, my colleagues, that it always tends to give us a little more inflation, and it throws the budget further out of balance. Yes, I will go along with every word of praise that may be said in behalf of our Comptroller General; but I just cannot vote for a proposition that will establish a precedent here so that in years to come man after man in the service of the Government is going to come up and ask for an additional pension. Even though he has not contributed anything to the fund from which it is to be paid.

As has been stated, Mr. Warren will have a pension as a Congressman if he has kept it up, and I assume he has; and I can see no reason why now we should establish this precedent.

I do not know who comes next; as I said before, it may perhaps be the Public Printer; maybe it will be the Architect or the Librarian of Congress.

Listen, now, please, just how absurd can we get? This bill provides—page 2, lines 8, 9, and 10—that a Comptroller General who has served 1 day of his term will, if he becomes disabled from performing his duties, receive one-half of his salary, or $8,750, for each and every year that he shall live thereafter—and, mind you, he will not have contributed 1 cent toward the creation of that fund except as every other taxpayer has contributed.

How can one talk about economy, about balancing the budget, about lowering taxes, and vote to establish a precedent of that kind?

Mr. BONNER. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, as the gentleman from Ohio said, 24 members of the committee signed an accompanying report. We are in a rather strange and unusual position: A bill being reported out by the chairman of a committee and the chairman opposes it. That is the strange situation that confronts our Committee on Government Operations.

My good friend the gentlewoman from Illinois is for the bill but she would like to have had her amendment adopted. This bill simply gives to the Comptroller just what we give to judges now. Under the law if a judge has had less than 10 years of service and is permanently disabled he can be retired. I cannot conceive of any President appointing as Comptroller General a man who is permanently disabled at the time of appointment.

The Bureau of the Budget interposes no objection to this bill. The Civil Service Commission interposes no objection to the bill; and we know that a report of that kind is a favorable report. So it seems to me, this being an agency of the Congress, that this is not a bill for a man, but for a position. As a matter of fact the amendment the gentlewoman from Illinois wanted to offer would not apply to Mr. Warren even were it adopted. I am thinking of the future. A man who had had under 10 years of service and became permanently disabled could not get a pension. It certainly would not have applied to Mr. Warren, it would apply to some future Comptroller General. With all due respect I felt that if a man after appointment becomes permanently disabled there ought to be provision made for him just the same as we have made provision for the judges. I think it is a meritorious bill and I hope the rules will be suspended and the bill passed.

Mr. BONNER. Mr. Speaker, I yield the remaining time on this side to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, I did not think it would be necessary on a bill like this to have even as much conversation as we have had, but it seems from the last remarks of the gentleman from Michigan [Mr. HOFFMAN] that he expected me to say something and in order to delight him I am going to say a word or two.

I cannot conceive of our not treating one of our servants like we treat other people. The Comptroller General of the United States is the agent of the Congress of the United States; he is not a part of the executive department. An effort was made here at one time to put the Comptroller General under the executive department, but Congress refused to do that.

Let us take the case of a Federal judge. If he is appointed at 69, serves until he is 70, then becomes disabled, he draws full salary. Lindsay Warren has served nearly 15 years in this capacity and there is no adequate law to take care of him and his future, his peace of mind, and for the comfort of himself and his family. Of course, there is a little something personal that goes into this, because so many of us served here with Lindsay Warren. He was a great chairman of committee in this House, chairman of the Committee on Accounts. He saved this Government many dollars as chairman of that committee; and I think as Comptroller General of the United States he has served the Government of the United States during his activity there, his fine sense of justice, and his fine judgment, has saved this Government millions upon millions of dollars. I think it is but a little thing for us to give him this compliment, to give him this retirement that will give him comfort and peace throughout the remainder of his life.

I do trust that the Members of the House will pass this bill under suspension of the rules.

Mr. DEANE. Mr. Speaker, I make the point of order a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and twenty-five Members are present, a quorum.

The question is on the motion of the gentleman from North Carolina [Mr. BONNER] that the rules be suspended and the bill be passed.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

PROVIDING CERTAIN CONSTRUCTION AND OTHER AUTHORITY FOR THE MILITARY DEPARTMENTS IN TIME OF WAR OR NATIONAL EMERGENCY

Mr. SHORT. Mr. Speaker, earlier this afternoon we passed a House bill similar to the bill S. 1995. I ask unanimous consent that the House bill, H. R. 5508, be laid on the table.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF BONDING PERIOD FOR CERTAIN DISTILLED SPIRITS

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 314 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5407) to amend section 2879 (b) of the Internal Revenue Code. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, and the previous question shall be considered as ordered on the bill to final passage without intervening motion, except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. LYLE], and yield myself such time as I may desire.

Mr. Speaker, this is a closed rule. It provides for 1 hour of general debate, and, of course, amendments are not in order.

Now, some might hold—and I want to emphasize this—that this might be considered a so-called wet or dry bill. Well, that is absolutely not true because scores of the most unspoken foes of liquor favor passage of this measure, because of the eventual increased revenue it will bring into the United States Treasury. These House Members are positive this will happen. There were extensive hearings held, and after much deliberation it finally resulted in a more or less compromise bill, which has been agreed upon.

I say, Mr. Speaker, that this could better be considered as a relief bill, a relief bill for a lawful industry, because distilleries are just as lawful as any other industry. Although I have not gone into the full merits of this bill it appears to me that the main object of it is to provide relief for our own business people; at least, to put them on a par, or at least, give them the same advantage as they enjoyed by the business people of Canada and foreign countries. So, I say, Mr. Speaker, this is a relief bill for particularly the small distilleries. I think our small-business people should be put on an equality with foreign manufacturers or producers irrespective f what that product might be.

Mr. Speaker, as far as I know there is little opposition to this bill. It was passed unanimously by the Committee on Ways and Means. It then came before the Committee on Rules, and I know that there it was passed practically unanimously.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Michigan.

Mr. DINGELL. I want to say that when first the bill came before us it was agreed on both sides that it ought to be sent back to the industries so that they might level their differences between them, which they have now done, and it is practically the unanimous consent of the committee that the bill ought to pass without any opposition.

Mr. ALLEN of Illinois. I thank the gentleman. I, too, feel that it should pass.

Mr. DINGELL. It is not a wet or dry bill, as the gentleman has pointed out.

Mr. ALLEN of Illinois. As far as I know, there is little opposition to it, Mr. Speaker.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Ohio.

Mr. JENKINS. I would like to agree with the distinguished gentleman from Illinois [Mr. ALLEN], chairman of the Committee on Rules, that it is not a matter of temperance. The only real question involved here is whether there will be a loss of revenue, that is, internal revenue. That matter was discussed fully in the committee. Some of us who have always been on the side of temperance held out against the bill until it was clearly shown that there would be no loss of taxes. This liquor has already been made and it is not a matter of manufacturing any more whisky.

Mr. ALLEN of Illinois. I thank the gentleman.

In conclusion, Mr. Speaker, I wish to say that within the next 2 or 3 days we are hopeful to have legislation on the floor of this House to take care of a distressed people in Texas, the home State of the gentleman from Texas [Mr. LYLE], with regard to the cattle industry and others. That is the way it should be.

Mr. JOHNSON. If the gentleman will yield, I cannot find any definition of distilled spirits here, but I assume it includes brandy, in which I am interested. I should like to have some member of the Committee on Ways and Means answer that question.

Mr. ALLEN of Illinois. I do not know, but I will yield to some member of that committee to answer the question. I think brandy is fermented and I think whisky is distilled. Is that true, may I ask the gentleman from Illinois [Mr. MASON]?

Mr. MASON. That is true, and we do not keep that in bond.

Mr. ALLEN of Illinois. I repeat, Mr. Speaker, that I see no opposition to this measure, and I urge the adoption of the resolution and the passage of the bill.

Mr. LYLE. Mr. Speaker, I yield myself such time as I may require for the little opposition I may put up to this unusual if spirited bill.

I am sure my distinguished and loveable friend from Illinois had no purpose in mind on raising the question of the tragic situation that exists throughout the Southwest with reference to our parched and devastated lands, and the aid that this Congress may see fit to grant soon. I am quite confident that he did not do so because I am opposed to this bill. I am sure he was using that simply as a means of argument.

I hesitated somewhat to oppose this measure because it is not too popular to oppose anything that Mr. Reed supports. You do not win too easily when you oppose the distinguished gentleman from New York, but I am sure he will understand that I oppose it because I feel it is improper to have it before the Congress of the United States.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. This bill, may I inform the gentleman, was introduced by the gentleman from Pennsylvania [Mr. SAYLOR], not by the gentleman from New York [Mr. REED].

Mr. LYLE. The name of Mr. REED is on the report.

Mr. EBERHARTER. But it is the Saylor bill.

Mr. LYLE. I am certain that the gentleman from Pennsylvania [Mr. SAYLOR] introduced it.

Mr. Speaker, it seems to me to be below the dignity of the House of Representatives that the first tax-relief measure that comes to this floor is for the liquor industry of America. We have had all the pressure that it is possible to put upon people to extend the excess-profits tax, a burden under which many of the struggling young businesses of America are staggering and dying. The bill H. R. 1 has been held in the Committee on Rules. It provides tax relief for the individual taxpayer. Yet this bill comes to the floor with the recommendation, I am sure, of the leadership of this House, giving the first tax relief, and I repeat, tax relief, because it has no other purpose except to give a tax moratorium to the liquor industry. It says so in the report written by the gentleman from New York [Mr. REED].

If the liquor industry contributes one single, useful, decent thing to the American economy, it is the taxes it pays. This bill provides that it may if it desires have a 4-year moratorium on those taxes.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Michigan.

Mr. DINGELL. My friend knows, if he knows anything about the process of liquor production——

Mr. LYLE. No; I do not know anything about the process of liquor production.

Mr. DINGELL. The gentleman knows that this bonded liquor will remain in a bonded warehouse and not one dime will be lost to the Federal Government, because when it comes out of the warehouse a tax will be paid on the barrel head.

Mr. LYLE. If the Government of the United States said to me, "You don't have to pay any taxes for 4 years, provided at the end of 4 years you will pay them," it would not cost the Government one dime, would it? It would give me a 4-year moratorium, and that is what you are doing for the liquor industry. Unfortunately, not for me——

Mr. DINGELL. But you are not producing anything.

Mr. LYLE. I do not know. Some people think I am producing something.

Mr. DINGELL. Here is a product in a warehouse that they cannot dispose of now without taking a terrific loss. There is a surplus.

Mr. LYLE. Yes, that is right. They have overanticipated what the American people would drink—thank God.

Mr. DINGELL. They are merly asking for an additional period of time for the liquor to remain in the Government-bonded warehouse.

Mr. LYLE. They are asking that for a period not to exceed 4 years. They can leave it there without paying taxes upon it.

Mr. DINGELL. But there will not be one cent of loss on it.

Mr. LYLE. Let me read you something. Here is why this bill is before us, as the gentleman from New York [Mr. REED] says in his report:

> It should be promptly enacted in order to ease a serious situation within the distilled spirits industry resulting from an excessive accumulation of distilled spirits in bonded storage.

Mr. REED of New York. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. REED of New York. I just want to keep the record clear. The gentleman said, and it was true, that this was the first so-called tax relief bill.

Mr. LYLE. Yes, sir.

Mr. REED of New York. But I am sure you will recall there is a bill, H. R. 1, which would relieve 50 million people. The gentleman from Texas is on the

Committee on Rules, and I thought the gentleman might be of help to get that bill out.

Mr. LYLE. Well, sir, I have not had an opportunity to vote for it. The gentleman from New York has been a Member of the House long enough to know that I, individually, have no control over what comes before the Committee on Rules.

Mr. REED of New York. I am sorry to hear that.

Mr. LYLE. I am sorry, too. I voted with the gentleman from New York in the Committee on Rules, as he knows, when they tried to take the excess-profits tax bill away from his committee.

Mr. REED of New York. I thank the gentleman.

Mr. LYLE. I am disappointed that your committee has seen fit to report this bill for the relief of the liquor industry.

Mr. REED of New York. I thank the gentleman for his fine cooperation.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. EDMONDSON. Mr. Speaker, it is difficult for me to consider this proposal for an extension of the bonding period on distilled spirits as anything other than a tax-relief measure for the whisky industry.

No matter what language may be used in supporting the measure, and I say this with all respect for the distinguished members of the Committee on Ways and Means, the effect of the law's enactment will be to make possible the deferment of payment of taxes for as much as 4 years on large quantities of whisky now in storage. Under existing law these taxes are due after 8 years of storage, and the bill proposes to make possible 12 years of storage without any tax payment.

A deferment of tax payments for as much as 4 years would we welcomed by most every farmer, every businessman, and every workingman in the country. It means a reduction of tax revenues for the country at a time when we are needing every tax dollar we can collect to pay the Government's bills.

Perhaps I am prejudiced by reason of the fact that I come from a State in which the whisky industry is illegal, but I do not believe that I would be faithful to my constituents if I remained silent while the Congress voted a special measure for tax relief to the whisky industry. I am sure that the same case to justify deferment of taxes could be made by many industries, and I can see no reason for special treatment in favor of the distillers of whisky.

For this reason, Mr. Speaker, I must state my position in opposition to H. R. 5407, and urge upon the Members, in all fairness to the other taxpayers of this country that this measure be defeated.

Surely this administration does not want to make a record of affording the first tax relief to be voted since they took office, to a single industry, and to an industry which is not legal in many counties and in several States of this Union.

Mr. DAVIS of Georgia. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. DAVIS of Georgia. Mr. Speaker, I appreciate the stand the gentleman is taking, and I concur in the sentiments which he has expressed, and join with him in his efforts to defeat this bill.

Mr. LYLE. I thank the gentleman.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I am delighted to yield to the gentleman from Illinois, a member of the Committee on Ways and Means.

Mr. MASON. I thank the gentleman. I wish to say I concur also in the sentiments expressed by the gentleman from Texas who now has the floor. There may be a loss of revenue.

Mr. LYLE. What would it be? Were you able to get information as to the tax loss or deferment?

Mr. MASON. The question with regard to the loss of revenue is simply this. At the present it is $10.50 a gallon, and after next year it may be $9 or go back to $9 because that brought in more than $10.50 brings in now. So if it goes back to $9 and you postpone this for 4 years, it may come out to where it will be a $9 tax instead of a $10.50 tax—then there would be a loss.

Mr. LYLE. Mr. Speaker, I am certain the House will understand that in my opposition to the bill, I make no reflection upon the character, honesty, or intention of any Member who feels he should support this bill. I think it ought to be known who is responsible for the measure being here, and if it passes it should be known who is responsible for its passage. I do not want this baby on my doorstep. I do not believe this body should take cognizance of the financial plight of the liquor industry.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Ohio.

Mr. JENKINS. In line with the remarks of my friend, the gentleman from Illinois [Mr. MASON], suppose the tax goes up on this liquor. Suppose the tax on liquor of this kind is increased from $10 to $11. Then when it is taken out they will have to pay the increased tax. They must pay whatever the tax is when it is taken out. I do not think there is any chance of reducing the tax on liquor in this country. I have never heard anyone make much of an argument in that respect. As I said, I do not think there is any chance for a loss of taxes to the Government. Consequently, here is a business that I do not indulge in and I am not for, as far as that is concerned, and I do not patronize it; but I am only one individual. However, it is a legitimate business in the country, and we will not lose any taxes, I say again.

Mr. LYLE. It is a legal business, but whether it is legitimate or not, of course, there is a great deal of debate.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Washington.

Mr. HOLMES. I congratulate the gentleman on the remarks he is making. Regardless of how you figure the tax, there is a deferment. There is a tax deferment of 4 years. In trying to balance the budget I think that item is of great importance. There is another item in this bill that I do not care about, and that is the labeling of this distilled liquor, that places a penalty on a man if he labels correctly over 8 years of age. I do not think that is good legislation. I voted against this bill in committee, and if I have a chance I will vote against it on the floor.

Mr. LYLE. I thank the gentleman.

Mr. MILLER of Kansas. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. MILLER of Kansas. I want to associate myself with everything the gentleman has said. I come from the State of Kansas, wherein this legalized business has become the illegitimate child of our neighbors across the line.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Michigan.

Mr. DINGELL. The gentleman [Mr. MILLER of Kansas] who has just spoken comes from a State where they held undisputed championship for the consumption of Peruna during prohibition days, which was nothing more nor less than mislabeled booze.

Mr. LYLE. If I may continue, this bill has a provision that is most unusual. It provides that if you do leave distilled spirits in bond more than 8 years you may not tell the people that you left it longer than 8 years. Customers are required to guess. The report explains this provision by saying that it will make it unfair to the people who did not leave it in there 8 years. We certainly cannot afford to put one whisky against another. We must let the people guess which they want and which is best.

I call your attention to the resolution. I have the deepest respect for the Committee on Rules. If I had my choice I would prefer it over all other committees, but this is an unusual resolution. As it is brought here it denies the Committee on Ways and Means, the committee itself, an opportunity to offer a single amendment.

Mr. ALLEN of Illinois. Mr. Speaker, will the gentleman yield?

Mr. LYLE. Yes, I yield.

Mr. ALLEN of Illinois. The gentleman has been a member of the Rules Committee long enough to know that when the Ways and Means Committee ask for rules they are always closed rules.

Mr. LYLE. Not this type. The average closed rule—and the gentleman will remember I called it to his attention—the average closed rule provides that no amendment shall be offered except by direction of the committee.

Mr. ALLEN of Illinois. The committee did not request it; is that not true?

Mr. LYLE. That is correct. I am not saying that the gentleman from Illinois did not do what the committee asked. But here you have a committee that did not even want an opportunity to offer an amendment under the direction of the committee. Why? Because this bill is for the liquor industry. Apparently the committee did not want to get into a position where somebody might offer an amendment to protect the people or to pass H. R. 1, or to extend the excess-profits tax.

Mr. Speaker, we make a mistake if we pass this legislation today.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. GROSS. I, too, want to laud the distinguished gentleman from Texas for his usual forthright stand in opposition to special-privilege legislation. Is not this setting a dangerous precedent? What about other manufacturers who have their shelves loaded with merchandise they cannot get rid of? Are we going to give all of them tax deferments because they are in perhaps temporary distress?

Mr. LYLE. I doubt it very much.

Mr. DINGELL. If the gentleman will yield, let me say by way of information for the gentleman's sake, that what is on the shelves of merchants is really not involved.

The point I had in mind to call to the gentleman's attention at the moment, since he is suffering so much in his wonderful State of Texas from the affliction of drought was that this present bill may be of great help to the farmers in this regard, that it will permit the use of grains which are surplus, whether it be corn, wheat, rye, or some other grain, and put it into liquid form for a while. That will mean much to everybody in this country. I am not a farmer and do not have any farmers in my district; it does not make any difference to me, but it does to the gentleman and others. You might wish before long you could put some of your cattle into bottles.

Mr. LYLE. Yes. Well, of course, I cannot justify any support for this legislation because my people are suffering and because they might be able to sell some grain.

Mr. Speaker, we are making a serious mistake if we pass this legislation for easing the financial conditions of an industry whose only contribution, I repeat, whose only contribution is the taxes it pays.

I do not oppose this legislation from the standpoint that whisky is bad. It is a bad precedent. It is a serious mistake, Mr. Speaker, for this administration to bring to the floor a bill giving the first tax relief to the whisky industry.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield.

Mr. PATMAN. How much does it involve? If the taxes were paid how much money would it be?

Mr. LYLE. The committee was unable to get that information—so they told me; they had no idea.

Mr. PATMAN. Is it rather unusual that a committee does not know what is involved in a bill they sponsor?

Mr. LYLE. Yes; I think the whole procedure is rather unusual. I sincerely hope this measure is defeated.

Mr. Speaker, I yield 3 minutes to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Speaker, I have the highest regard for my colleague from Pennsylvania, the author of this legislation, but I feel compelled to oppose this rule. I am opposed to the rule because I am opposed to the legislation which it proposes to make in order.

Why am I opposed to it? I have repeatedly in the last month or 6 weeks told the Members of this House about the bad economic situation existing in the State of West Virginia where forty or fifty thousand coal miners and railroaders are out of work, where the glass industry is working less than half time, and where only one out of four of my pottery employees is working. This bill seems inoffensive, but as the gentleman from Texas has said, it grants a moratorium of 4 years on the payment of these taxes. It is in the nature of relief. But nobody says anything about declaring a moratorium on grocery bills and the cost of the necessities of life for the unemployed people in the State of West Virginia.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. Not at this moment.

How does it affect my industry over in West Virginia? We are large manufacturers of glass bottles in which they bottle this liquor. Leave it in the warehouse for 4 additional years and it is going to decrease the demand for liquor bottles to bottle it as they must do within 8 years. In the State of West Virginia, if you please, are more than 100 small mills engaged in the manufacture of staves which are used in making the barrels in which this liquor is stored. If it remains in the barrels for 8 years, you double the amount of storage time and cut in half the demand for staves, for they can use the barrels but once, and you are just cutting down another industry in the State of West Virginia, throwing additional glassblowers and stave cutters out of employment.

Mr. EBERHARTER. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. It might be interesting to the gentleman from West Virginia to know that the workers who are organized, union labor, favor this measure wholeheartedly, are one of the best backers of the measure because they say, if passed, it will give them more employment.

Mr. BAILEY. The gentleman has never taken the trouble to advise the gentleman from the Third West Virginia District of that situation, and I do not know as it would affect me anyway.

Mr. EBERHARTER. I am sorry I was derelict, but I did not consider it necessary to advise the gentleman individually. I did not want to take upon myself that responsibility.

Mr. BAILEY. I sincerely hope this bill will be defeated.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. BAILEY. Mr. Speaker, I demand a division.

Mr. ALLEN of Illinois. Mr. Speaker, I make the point of order that the gentleman's request comes too late.

Mr. BAILEY. I was on my feet and I was one of those who voted in opposition to the rule.

The SPEAKER. The Chair did not see the gentleman standing, but he will ask the gentleman individually, and if he says in all honor that he was on his feet, the Chair will recognize him.

Mr. BAILEY. Mr. Speaker, I was walking around here.

The SPEAKER. Did the gentleman rise and demand a division?

Mr. BAILEY. Will the Chair repeat that statement?

The SPEAKER. Was the gentleman standing in his place demanding a division?

Mr. BAILEY. No; I was walking.

The SPEAKER. The Chair rules that the gentleman is too late in demanding a division.

QUITCLAIMING CERTAIN LAND TO THE STATE OF TEXAS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 4823) to convey by quitclaim deed certain land to the State of Texas, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 1, line 10, after "fair", insert "market."

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

EXTENSION OF BONDING PERIOD FOR CERTAIN DISTILLED SPIRITS

Mr. REED of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5407) to amend section 2879 (b) of the Internal Revenue Code.

The SPEAKER. The question is on the motion offered by the gentleman from New York.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5407, with Mr. DONDERO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The bill is as follows:

Be it enacted, etc., That section 2879 (b) of the Internal Revenue Code is hereby amended by adding at the end thereof the following new paragraphs:

"(2) In the case of distilled spirits which, at the beginning of the day on which this paragraph is enacted, are either in internal revenue bonded warehouses or are in transit to such warehouses, the time within which such distilled spirits are required by existing law to be withdrawn therefrom and the tax paid thereon is hereby extended so that such time will end 12 years from the date of the original entry of such spirits for deposit in an internal revenue bonded warehouse.

"(3) Paragraph (2) shall apply at any time to distilled spirits which are either in an internal revenue bonded warehouse or in transit to such warehouse only if—

"(A) the proprietor of such warehouse has filed with the Secretary (i) a notice of his

desire to retain distilled spirits in bond beyond the 8-year period specified in paragraph (1), and (ii) his consent to this paragraph and paragraph (4) and to subsections (e) (6) and (f) (6) of section 5 of the Federal Alcohol Administration Act, and

"(B) the warehousing bond covering such spirits has been suitably endorsed, under such regulations as the Secretary shall prescribe, to extend the liability of principal and surety for the period for which the extension made by paragraph (2) is granted.

"(4) Notwithstanding the provisions of any other law or regulation, no advertisement of, or label or stamp affixed or applied to, any distilled spirits retained pursuant to paragraph (2) in internal revenue bonded warehouse after the 8-year period specified in paragraph (1) shall bear any statement which shall represent or imply that the age, or period of storage, of such distilled spirits exceeds 8 years. The retention pursuant to paragraph (2) of any distilled spirits in internal revenue bonded warehouse after the 8-year period specified in paragraph (1) by any person who has any right, title, or interest in or to such spirits, the acquisition by any person of any right, title, or interest in or to distilled spirits which have been so retained, and the withdrawal by any person from warehouse of distilled spirits which have been so retained, shall each constitute consent by such person to this paragraph and to subsections (e) (6) and (f) (6) of section 5 of the Federal Alcohol Administration Act.

"(5) No distilled spirits retained in bond pursuant to paragraph (2) shall be bottled in bond after the expiration of the season in which the period of retention thereof in bond reaches 8 years; but nothing in this paragraph shall prevent the retention in bond for the period authorized by paragraph (2) of such spirits after bottling in bond."

SEC. 2. (a) Subsection (b) of section 2879 of the Internal Revenue Code is hereby amended by striking out

"(b) Time for payment of the tax: The" and inserting in lieu thereof the following:

"(b) Time for payment of the tax:

"(1) Except as provided in the succeeding paragraphs of this subsection, the."

(b) The first paragraph of section 5 (e), and the first sentence of section 5 (f), of the Federal Alcohol Administration Act (27 U. S. C., sec. 205) are each hereby amended by inserting before the period at the end thereof a semicolon and the following: "and (6) in the case of distilled spirits which have been retained in bond pursuant to paragraph (2) of section 2879 (b) of the Internal Revenue Code after the 8-year period specified in paragraph (1) of such section, as will prohibit any statement which would represent or imply that the age, or period of storage, of such distilled spirits exceeds 8 years."

Mr. REED of New York. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the little spanking that has been attempted here has not blistered me. It reminds me of an early experience I had in my first campaign. I was not known in the district. I went over into the southern part of my county. I come from a dry district and have been elected as a dry all these years. While I was speaking—it was a very hot day—I saw a little woman very busily going from one person to another, then pointing up to me. It was very embarrassing because I could not imagine what was wrong. I found out afterward that she was going around saying: "He claims he is a dry but look at that red face of his."

So I have had all sorts of accusations in regard to my position on the liquor question. I had quite an experience in that connection. There were people who came to me at the time they were going to submit repeal of the 18th amendment and said: "The sentiment of your district has changed. You better come over to the wet side." I said, "I do not act that way." The next morning I gave out a release to all the newspapers in my district that I was against the repeal of the 18th amendment or even its resubmission, and I think I got one of the largest votes I ever had. I am a dry, but when business comes before our committee that relates to any business that is legal, I propose to see that they get a fair hearing and that the bill comes to the floor. I have been charged with holding up legislation in committee, but I notice that I have a bill, H. R. 1, to relieve some 50 million people of the tax promised in the recent campaign, and it is still in that morgue up there known as the True committee and I still do not know who voted for or who voted against it. But, anyway, it is there; it is still held up, "bottled up."

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I know the gentleman realizes it, although he has not said it, but you cannot please them anyway. I report everything out, and do I not catch it? Of course, the gentleman does.

Mr. REED of New York. Of course, the fight is still on to try to give the people an opportunity on this floor to vote on H. R. 1. The Ways and Means Committee voted out H. R. 1 by a vote of 21 to 4.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Michigan.

Mr. DINGELL. Is it not, as a matter of fact, true that had your H. R. 1 been brought out when it should have been or might have been, it would have been the No. 1 so-called tax-relief bill and not this little bill which involves no tax relief or no moratorium?

Mr. REED of New York. The approach to this is entirely wrong. The people that are opposed to this bill—I will not name any specific individual, of course—want all this liquor to be thrown on the market, and unless you pass this bill it is all going to be poured on the market, and the wets will want all they can get. Now, by deferring this for an extra period of 4 years the people that want to get drunk every day will not have the opportunity of buying a surplus of liquor, and it is possible that if we can hold this up in bond for an extra 4 years, why the alcohol people, perhaps, can be reformed. So, you have heard the most violent plea here on the part of those who want more liquor, and want it now—hope to get their liquor by defeating this bill. So, of course, they are making quite a case in opposition to this bill.

These people have in bond now all of this liquor that they will have to throw on the market, and, of course, the liquor thus forced on the market will be cheaper for fellows who want it; there is no question about that. So, this very bill here is going to stop a lot of this drunkenness in this country, and if I could extend the time of holding liquor in bond to 15 or 20 years, I would do it. So, do not come here and tell me, a dry, who has voted dry all his life, that you can deceive me or my people as to my stand on this proposition.

Mr. DINGELL. Not only votes dry but drinks dry, too. Some of these people who vote dry drink wet, but the gentleman from New York is consistent. He is a dry through and through.

Mr. REED of New York. I have been dry, of course, all of these years, but I am telling you something and I want this whole House to know that when we appeared before the Committee on Rules there was not a person there who did not get up and say how dry he had been; that he never took a drink in his life.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. No; I cannot yield now. The gentleman has had his chance and I want mine. I like to be courteous, of course, but now the gentleman has had a good deal of fun here at my expense and that is all right. Now, if you cannot take it, all right.

Mr. LYLE. I wanted to correct a statement that the gentleman just made. I did not testify in the Committee on Rules that I never took a drink. I said I would refuse to get into any kind of a controversy with these people unless they would swear themselves in.

Mr. REED of New York. I accept the gentleman's apology.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from New York.

Mr. CELLER. If this whisky or spirits is forced out of bond, the distillers could ship it abroad, and when it is shipped abroad there would be no payment of taxes whatsoever. Is not that correct?

Mr. REED of New York. That is absolutely correct. I think everybody in the House realizes that this so-called loss of revenue is a joke because that is just exactly what they are doing—sending it to Canada to come back here. They can even hold it in customs without paying any storage at all.

Mr. Chairman, H. R. 5407, to extend the bonding period for certain distilled spirits, was favorably reported by the Committee on Ways and Means on June 5, 1953, after the committee had held public hearings on the subject.

This proposed legislation was introduced by the distinguished Member from Pennsylvania, the Honorable JOHN P. SAYLOR, and has as its purpose the amendment of section 2879 (b) of the Internal Revenue Code so as to provide for an extension of the bonding period on distilled spirits from 8 to 12 years. Under existing law, a maximum period of 8 years is provided during which distilled spirits may be retained in internal-revenue bonded warehouses before payment of the $10.50 per proof-gallon excise tax. H. R. 5407 would make that period 12 years for certain distilled spirits.

The Federal excise tax imposed on distilled spirits is unusual in that it becomes due at the end of a prescribed period of time rather than becoming due at the time of sale, as is the case with most excises.

Because of abnormal conditions existing in the industry following World War II and continuing to date, many distillers now find themselves with large inventories of whisky which were entered into bond in 1946 and the subsequent years which preceded the outbreak of hostilities in Korea. This has resulted in a situation where in the absence of this legislation distillers will be compelled to pay large amounts in excise taxes on whisky becoming 8 years old in the next few years and for which there is no consumer market at the present time. To pay the tax without marketing the whisky would entail prohibitive financing by the distillers. The alternative would be to dump the 8-year-old distilled spirits on the market without regard for the consequences, the result of which would be to create chaos in what is now a stable whisky market.

This bill provides safeguards for those distilling companies which do not have substantial stocks of whiskies reaching the age of 8 years in the near future. These safeguards take the form of a preclusion of age claims in excess of 8 years on the advertising and labeling of the product. The privilege of a company availing itself of the extension in the bonding period is conditioned on the agreement to these advertising restrictions.

Relief action of the sort contemplated in this legislation has been granted by the Congress to meet similar situations on previous occasions. There is substantial acceptance of this proposed legislation in the industries affected. The legislation has been developed with the cooperation and assistance of the Treasury Department.

Mr. COOPER. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, the pending bill would amend the Internal Revenue Code so that distilled spirits may be kept in Internal Revenue bonded warehouses up to 12 years before taxes have to be paid on them. Under present law, the tax must be paid on distilled spirits when they are withdrawn from an Internal Revenue bonded warehouse or when they have remained in such a warehouse for 8 years.

Representatives of the distilled spirits industry appeared before our committee urging that this 8-year period be extended to 12 years, for the reason that there has been an excessive accumulation of distilled spirits in Internal Revenue bonded warehouses. These representatives stated that if the period were not extended, many of them would be forced to pay the tax on whisky which they cannot sell or to sell their distilled spirits at any price which they could receive, and orderly marketing under such forced sales would be impossible. It was also stated that either immediate payment of the tax or forced sales would cause serious financial hardship to many members of the distilled spirits industry.

During the testimony on this legislation, there was concern expressed about the possibilities of an unfair competitive advantage resulting to some members of the distilled spirits industry who have accumulated large stocks of distilled spirits which are presently reaching the 8-year limit, and who, if the period were extended, would be in a position to market distilled spirits at an age in advance of 8 years, whereas other companies in the industry would not be in such a position.

It was developed during the hearings that the public generally considers the age of a whisky as very important in determining its quality. It was felt that if consumers had a choice between two whiskies of about the same price, they would tend to favor the one which was older.

It was for this reason that the committee delayed action on this legislation after the hearings, pending an agreement within the distilled spirits industry as to a compromise which would defer the payment of the taxes on the distilled spirits, while at the same time alleviating the fears as to the possible competitive advantage for some members of the industry who would have available for the market whiskies of an age greater than 8 years.

The committee worked out a compromise in the pending bill which provides that if any member of the industry should want to take advantage of the privilege provided in the bill of retaining distilled spirits in bonded warehouses up to 12 years without having to pay the $10.50 per gallon excise tax, he must consent to a restriction on his advertising preventing any representation that the whisky involved exceeds 8 years of age. The committee felt that this would give the relief desired by a deferment of the tax, while at the same time protecting some members of the industry from a possible competitive disadvantage based on the claim of age.

It is my understanding that there is agreement within the industry on the pending bill.

Mr. Chairman, I would like to emphasize the one main point in closing. This is not a tax relief for the distilled spirits industry or for the relief of anybody else. This is simply a deferment of the payment of the tax on distilled spirits. All the revenue will be collected which would be collected under the law now. The only question presented here is whether or not the people engaged in this industry shall have this additional period of time to so adjust and regulate the affairs of their business that they can market their product in a more orderly manner and thereby not suffer the tremendous financial losses which it appears they will sustain if this product is forced out on the market at this time.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield.

Mr. CHELF. Is it not a fact that when we get down to the basic and fundamental fairness of this particular piece of legislation that this is just giving to a legitimate industry justifiable help, that pays a terrific tax—which contributed during the war not only by the payment of taxes which ran into the billions of dollars, but in addition an industry that did their part in making industrial alcohol for ammunition purposes and doing everything else that they could to aid and assist in our war effort? As I see the situation, we are not giving the liquor industry anything special. This is simply a bill to give to a legitimate industry the same rights and privileges that every other legitimate-business man is entitled to and now has according to the laws of the land. For instance, with reference to the tobacco we buy. We do not pay the tax on it in advance which is true on bonded whiskies. We do not pay the taxes on tobacco until the tobacco is actually made into cigarettes, and that is when the stamps are bought. It is a consumer tax, and that is when the tax ought to be paid. The same thing applies to the jewelry business and cosmetics and automobiles and any other industry. The tax we are talking about now is a tax which is paid actually in advance on bonded whisky in warehouses, and this bill would only give to this legal industry the right to the same treatment as every other legitimate industry now enjoys.

Let me say further, that my great district in Kentucky is made up of 20 counties. Fifteen counties are as dry as a covered bridge, while the other 5 counties have several small distilleries and bonded warehouses. So one can see that what I am saying is not coming from a so-called whisky district because the number of little distillery owners and employees are small.

My friend, the gentleman from West Virginia [Mr. BAILEY], a while ago said that miners in West Virginia are out of work. That well may be, but there are several hundred of my people who earn their living by working in about nine little independently owned distilleries in my district who not only have been thrown out of work, but who also belong to labor unions.

It is now estimated that nearly 4,000 to 5,000 distillery employees are out of work in the State of Kentucky, and our little counties are suffering as a result of the lack of payment of local liquor withdrawal taxes. Kentucky is having trouble financing their schools today. We do not have a sales tax and the board of education in Franklin County had great difficulty in paying its teachers. And one of the so-called big bad wolves of the liquor industry, if you please, upon learning of this critical situation, paid their county taxes a year in advance to the county of Franklin, I am reliably informed, so as to help them to pay their schoolteachers, something that has never been done before. So let us get back to the issues involved here, and let us be fair. This is not a wet and dry fight—that issue was settled by the American people years ago. I appreciate the gentleman yielding to me, but I get out of patience at these cries of "big bad wolf" and constantly using a legitimate industry as the proverbial whipping boy just for votes. We were very severe with this industry last year in our investigation of the Justice Department. There were those who said last year that I was too

rough on the liquor industry during our hearings. All our committee did was to take the industry out to the woodshed—give them a good tanning and got them to straighten up and fly right. Let us be fair—give them only what they deserve—no more. I can say that I have signed the discharge petition to get H. R. 1 on the floor in order to give the little fellow in America a tax cut. However—this particular bill does not cut the industries tax—it gives them a little time to pay.

Mr. ROGERS of Florida. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Florida.

Mr. ROGERS of Florida. I should like to get the gentleman's observation on this question: Does he not think that this is some discrimination against other corporations, with reference to the matter of suspending taxes for a period of 4 years? In other words, suppose we suspend the payment of taxes for all the other corporations and industries that we have in this country. Is not this more or less discriminatory, in the gentleman's opinion?

Mr. COOPER. The gentleman should bear in mind that this does not deal with income taxes. These corporations producing distilled spirits pay income taxes just like all other corporations.

Mr. ROGERS of Florida. But the bill does suspend the collection of taxes, does it not?

Mr. COOPER. If the gentleman will permit me, this does not have anything to do with income taxes. All the corporations of the country, subject to the income tax, pay it. Those who are engaged in this line of business, as well as every other business, pay the same income taxes. The question of income taxes is not involved here. All this talk about deferring somebody's taxes has no application to the question here before us at all.

In addition to all the income taxes that everybody pays, this industry has to pay an excise tax of $10.50 a gallon on its product. I do not know of any other business in the country that produces any product that has to pay any such excise tax as has to be paid by this industry. So the question of the income tax should not be confused here with this excise tax. They are entirely separate and different things, and there is no comparison involved here whatsoever.

Mr. ROGERS of Florida. According to the statement the gentleman made, this would suspend the payment of taxes for a period of 4 years on liquor in bonded warehouses. Suppose that some certain liquor has been in there for 7½ years. Under this bill they would have to pay no taxes on that liquor for a period of, instead of half a year, a period of 4½ years; is not that correct?

Mr. COOPER. After this bill is enacted, they would have to pay, just as they do now, on the distilled spirits when they withdraw them from a bonded internal-revenue warehouse. Under the law now they have to pay the tax on the distilled spirits in the bonded warehouse at the end of 8 years, whether they withdraw them or not. Under this bill they would be allowed not to exceed 4 additional years, during which they could be held within the bonded warehouse, before the tax has to be paid.

It is simply a deferment; it is not any tax relief. It is simply a deferment of the payment of the tax for an additional period, to give the people of this industry an opportunity to adjust their situation so that they can have a more orderly marketing of their product and pay the required excise tax at the time it is withdrawn, similar to the situation as it exists now.

Mr. RABAUT. Mr. Chairman, will the gentleman yield?

Mr. COOPER. I yield to the gentleman from Michigan.

Mr. RABAUT. I want to ask the gentleman just one question. Would he explain the significance of this 8-year period? At the present time, whisky may be held for 8 years, or any period of more than 4 years, and before it leaves the bonded warehouse they must pay the tax. Is that correct?

Mr. COOPER. The tax is paid whenever the distilled spirits are withdrawn from the bonded warehouse. Then the tax has to be paid. If it is not withdrawn at the end of 8 years, the tax has to be paid, whether it is withdrawn or not.

Mr. RABAUT. In the bill it says that if it is held for more than 8 years, they may not advertise that fact. Would the gentleman explain, in justice to the people who are interested, may they still say that this whisky is 8 years old?

Mr. COOPER. This simply provides that if they request permission to take advantage of the provisions provided under this bill they must enter into an agreement that they will not advertise the product as being more than 8 years of age.

Mr. RABAUT. But they can use the term "8 years" as a maximum.

Mr. COOPER. They can advertise it, whatever the time is, but not to take advantage of this special permission provided here to advertise the product as being more than 8 years of age.

Mr. RABAUT. I thank the gentleman.

The CHAIRMAN. The gentleman from Tennessee has consumed 13 minutes.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. SAYLOR], author of the bill.

Mr. SAYLOR. Mr. Chairman, I would like to take this opportunity to explain to some of those people who have expressed opposition to this bill their mistaken ideas.

I would like to congratulate the chairman of the Ways and Means Committee, the gentleman from New York [Mr. REED], also the ranking minority member of the committee, the gentleman from Tennessee [Mr. COOPER], for their presentation of this bill which I have introduced. I introduced it because I do have in my congressional district a large segment of the distilling industry, and many of the people employed by that industry are out of work. They are out of work because they are faced with unfair competition which has arisen because there is a different law applied to spirits imported into this country than to spirits produced in this country.

As has been explained before, the liquor industry is the only industry that is required to pay its excise taxes before the commodity is sold to the public.

Mr. MORANO. Mr. Chairman, will the gentleman yield at that point?

Mr. SAYLOR. I yield.

Mr. MORANO. Is it not true that they have to pay the taxes whether the product is sold or not?

Mr. SAYLOR. They have to pay the taxes when withdrawn from the warehouse and at the end of 8 years under the present act whether there is any market for the domestic spirits or not they must pay the tax.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield.

Mr. CELLER. I am in sympathy with the gentleman's bill because I offered a companion bill myself. Let us consider for a moment what the situation will be if we do not pass this act. There will be forced out of the Government Internal Revenue warehouses something like 185 million gallons of spirits between now and 1960. If that is forced out the distillers who own that whisky, or those who own warehouse receipts, or banks who hold warehouse receipts as collateral, would have to pay upward of $3 billion in taxes. Now it is almost barbarous to ask any industry to advance $3 billion for taxes along without having yielded to them one-half a penny for the value of the goods themselves. So if we do not pass this bill we not only have those who are presently out of employment in the gentleman's district but there will be many more thousands unemployed throughout the Nation.

Mr. SAYLOR. The gentleman is correct. One of the important things that the members of this committee should realize is that this situation is caused probably by Congress itself. If you will recall your history you will realize that the tax on distilled spirits was increased from $6 to $9 per gallon as a war measure, and the hearings at that time indicated that upon the termination of hostilities the tax would be returned to $6 per gallon. Instead of returning it to $6 per gallon, Congress found itself confronted in 1950 with the Korean situation and in looking for sources of additional revenue it increased the tax on distilled spirits from $9 a gallon to $10.50.

The distilling industry at that time, having remembered what occurred during World War II when they were called upon to produce not only spirits but a tremendous quantity of industrial alcohol, laid down large quantities of spirits. The industry, I am frank to tell the members of this committee, is faced with bankruptcy because of the rule which we applied in this country that at the end of 8 years, whether there is a market or not, the tax must be paid.

For the information of members of the committee I would like to remind them that an entirely different rule applies with regard to foreign spirits. They can be manufactured in their own country and no tax whatever paid, regardless of how long they are kept until they are

actually bottled and in the case of our neighbor to the north—Canada—put on the shelves of the territory stores, and the tax is collected upon the actual sale of those products.

When one of those companies decides to bring foreign spirits to our country we have adopted an entirely different rule. We will allow them to place their spirits in a bonded warehouse in this country and we give them a certificate and allow them to keep it there for 3 years; but, then, we will give them as many additional 1-year extensions as they will require until they can find a market, thereby giving those who are importing into this country a tremendous advantage over the domestic producer.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Michigan.

Mr. DINGELL. Some years ago in the consideration of a liquor bill by the Committee on Ways and Means, we learned that the cost of production of liquor at the distillery—in other words, whisky or spirits—was about 50 cents or 55 cents a gallon. I assume probably that cost has doubled to where today it is perhaps $1 a gallon. The whisky industry today, the distilleries, is paying a tax on their product of 10½ times the actual cost of production. There is nothing else in this country that is standing that kind of a jolt, whether it is wet or dry.

Mr. SAYLOR. The gentleman is correct. It is interesting to note this 8-year bond period was established when the tax on distilled spirits was 10 cents a gallon.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Connecticut.

Mr. SADLAK. First of all, I believe the gentleman should tell the committee that his original bill was H. R. 1215, about which we have had so much controversy, and that the present bill is a new or revised measure. In the second place, I have heard it said there is no precedent for this. Actually there has been a precedent in legislation of this nature because the Congress gave an extension back in 1878 and again in 1894.

Mr. SAYLOR. That is correct.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from New York.

Mr. CELLER. I think that is in error. The bonding period in 1868 was 1 year. Then we established a precedent in 1880 at which time we increased the period to 3 years, then we increased the bonding period in 1894 to 8 years. It has been that way since 1894. So there have been numerous instances where the Congress has increased the bonding period. We are not doing anything novel by passing this bill.

Mr. SAYLOR. That is correct.

I would like to point out that this is an emergency measure because it does not affect spirits put into storage after its passage. This is only a matter of temporary relief to allow our domestic industry to safely and carefully market the product it now has in storage.

I would like to call attention to the fact that some Members have said that this will cost a loss of revenue. Spirits which are coming due now are those which were laid down when the tax was $9 and practically all of the spirits that are in bond at the present time will be those which have been laid down when the tax was $9. I think the distinguished member of the Committee on Ways and Means who talked about the possible loss will realize that there is no possible reduction of this tax.

I would also like to tell the Members of this Committee that it is impossible for the domestic industry to finance the amount of whisky which will be forced out of bond unless this measure is passed. It is impossible for them to secure financing. It is not only those distillers in my district, but distillers all over the country who have wired telling me of the trouble which they are having with their bankers when the period of 8 years is about up. It is necessary for them to look for relief, because they cannot find a market.

If this relief measure is not passed we will see happen during the next 8 years a duplication of what occurred last year. The average number of gallonage of spirits which was transported out of this country over the past 10 years was 500,000 gallons per year. Last year when some of the distilleries begain to feel the effect of having laid down larger quantities than the market could consume, there were five times that amount transported to Canada upon which this Government received absolutely no revenue whatever.

So, Mr. Chairman, I would urge, since the Treasury Department has given a favorable report in stating that this will not cause a loss of revenue but will allow the United States Government to collect revenue on all of the spirits in bond, that this measure be considered favorably by the House.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. SAYLOR. I yield to the gentleman from Connecticut.

Mr. MORANO. In other words, if we fail to pass the measure the Government may lose revenue?

Mr. SAYLOR. If we fail to pass the measure the Government stands to lose within the next 8 years over $3 billion.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I hope the Committee will not pass upon this measure under any misunderstanding of the issue. It is not a question whether you are personally dry; it is not a question of whether you come from a wet district or a dry district. The gentleman from New York [Mr. REED] has stated to you, and I know you all know it is a fact, that he is personally a dry; that he comes from a dry district, and that he favors this measure. I am certain you all know that the gentleman from Tennessee [Mr. COOPER] is personally dry, and that he comes from a so-called dry district. I am certain you all know that the gentleman from Ohio [Mr. JENKINS] is personally dry and he comes from a dry district. Those gentlemen indicated to you that they have considered the measure on its merits and they have considered it objectively, and they strongly favor the measure.

I say to you in all sincerity, Mr. Chairman, that if this measure today is defeated it will be a great boon, and I repeat that, a great boon, to the producers of liquor in foreign countries. The producers of liquor in foreign countries have a tremendous market in this country. They were originally opposed to this measure; in fact, they would be very pleased, in my opinion, if this measure were defeated. The producers of liquor in foreign countries do not have any period of limitation in which they must pay their tax. They can keep their liquor under bond for an unlimited period of time and need pay no tax on it.

The tax the producers of liquor in America are compelled to pay is different from any other excise tax. You must pay the tax at the end of 8 years whether or not you can sell the goods or whether or not you withdraw them from the warehouse. That is why your domestic producers are at a disadvantage right now.

I say also, in all sincerity, Mr. Chairman, that if this measure does not pass it means that many of the smaller distillers in this country will go bankrupt because they do not have the cash to pay this tax on the liquor that is becoming 8 years of age. They cannot borrow the money from the banks to pay this tax that is due when the liquor becomes 8 years of age. Under the law they are compelled regardless to pay this tax.

They have no market. There is too much liquor. What will be the result if this law does not pass? The result will be that the small distilleries, particularly, who cannot raise this cash to pay this arbitrary tax will be compelled to sell it for whatever price they can get. The result will be the country will be flooded with this liquor. In every place there will be a surplus of liquor. Naturally it will affect the distribution of liquor to such an extent that the marketing conditions will be chaotic, and many of the sources of revenue to this country will be dried up. You will absolutely destroy the distilleries, the small ones particularly, because the big ones can get the cash to pay this tax on the liquor becoming 8 years of age. But you will also hurt the distillers all over the country, and the retailers and, as I said before, and I repeat it in all sincerity, you will flood the country with liquor simply because they are not able to market in an orderly fashion.

In that respect, the Government will lose revenue in the future. It will lose revenue right now. Or perhaps the Government itself would have to take over this liquor and hold on until it can dispose of it.

So I plead with you really to understand the issues, and because you come from a congressional district that is dry, do not believe you should vote against this measure, because you are doing more harm to the cause of prohibition if you flood the country with this liquor that they cannot pay the tax on. As I

said before, the domestic producers are at a disadvantage with foreign producers. In addition, the period on which the tax must be paid is different than any other excise tax. Any other excise tax is paid when the goods are withdrawn from the warehouse, and that is all we are asking you to do, to let them have up to a period of 12 years, to allow the whisky people, the distillers, to pay the tax when they take it out of the warehouse for consumption. So it is not a question of wet or dry. It is a question of getting more revenue and doing the fair thing, and helping to sustain a legitimate industry.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. EBERHARTER. I yield.

Mr. CHELF. The gentleman is exactly right. In my own bailiwick last year at this time I had 14 little independent distillers. They were very small ones. Today there are only nine. Five were sold and have gone out of business because of this pressure, as I understand it.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, I do not know that I can add very much to the discussion on this bill, but at the risk of being repetitious, I ask consideration of the following points which I consider very important in reaching your conclusions on this bill. What we have to keep in mind is that the manufacturers of alcoholic beverages pay the tax when they put the goods on the market. They do not pay the tax, as most people do, after the goods have been sold or at the time of sale. They pay it in advance. In addition to that, they must pay it under existing law on the day when the beverage is 8 years old. They must pay it on that day whether they have a market for the goods or not. They must pay it on that day regardless. Consequently when that day comes around, if they cannot sell it to the public, they will either ship it outside the United States and thus avoid the payment of the taxes with the resulting loss to the Treasury of the United States or they will borrow money and pay the tax, if they can borrow the money. Or they will take a third course, which is the one most likely to be taken, and that is the one which alarms most of us on the committee, namely, that they cut the price and start a price war and dump the product upon the American market at a little over the cost of production or possibly less and make it available in every nook and cranny of our country at times and in ways which we do not want. I believe it is highly important as a public service to pass this legislation which does nothing more than delay the day of the payment of that tax until the time that the liquor can be sold in an orderly manner. It is very important, as I see it, from the standpoint of the industry—yes—but it is more important from the standpoint of the domestic policy for the handling of alcoholic beverages, to have an orderly and a continuing orderly manner of distribution of whisky and similar products. Consequently, I think the Committee on Ways and Means in recognizing this problem has done a proper service to the Congress and to the country in bringing this bill before you because, and I repeat, if we do not pass it we are going to find the surplus amount dumped upon the market and made available in such a way to the consuming public that greatly increased numbers may begin to use it. It will then be sold to the disadvantage of orderly management and distribution of alcoholic products. So I think it is not a question of a wet or dry issue in the slightest. If there is any intimation of that issue being involved, it is my considered opinion, and I think I know what I am talking about, when I say that in the interest of prohibition or orderly consumption of whisky and alcoholic products, it is far better to enact this type of legislation than to permit the law, as it exists today, to operate and force this material on the market at greatly reduced prices.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield.

Mr. EDMONDSON. Mr. Chairman, I would like to ask the gentleman in support of that argument if he knows of any dry organization or any prohibition organization that is supporting this bill on the ground that it would be a temperance measure.

Mr. SIMPSON of Pennsylvania. I know of no association supporting it, nor do I know of anyone opposing it. It may be—of course, it is of interest to me, but by no means controlling because the study given by this committee, which was considerable let me inform the gentleman, clearly indicated to a substantial majority of the committee, that we had to recognize the problem and do something about it to maintain the orderly marketing procedure.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. SIMPSON of Pennsylvania. I yield to the gentleman from Kentucky.

Mr. CHELF. For my part, I want to say to the gentleman that I want to thank the Ways and Means Committee for its consideration of this legislation. As the gentleman has said, and as other Members have said, it is not political. It is a matter of simple justice to a very sick industry. This is the iron lung to a very sick industry. The Federal Government is losing a terrific amount of money in taxes. This is a compromise because of the little fellows who have got together with the big fellows. It may be interesting to the membership to know that for 6 months they have worked hard and diligently trying to get into agreement where the big fellows would not have it over the little fellows. I want to thank the members of the Ways and Means Committee for bringing in this bill.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Chairman, this is not a wet and dry proposition. It is purely an economic proposition. As has been stated, if we do not pass this bill there will be forced out of Government bonded warehouses between now and 1960, upward of 183 million proof gallons of whisky. At $10.50 a gallon that involves roughly about $2 billion. I cannot conceive of how the distillers or even the banks that hold a great deal of the paper of the distillers could lay their hands on so much money so as to pay the United States Government that vast sum.

In addition, if the distillers were compelled to pay that money they would be confronted with this dilemma: They would have to go into bankruptcy, because they could not lay their hands on that money, or they would have to allow the Government to confiscate the goods; and there might be a third alternative. To recoup their losses, they might be compelled to sell or ship out of the country a goodly portion of that liquor. If it is shipped out of the country no revenue whatsoever would be yielded to the Government, according to statute. Whisky may be exported out of bond tax for free. So the Government would not get any money whatsoever on that score. Confiscation or forfeiture of the whisky for lack of payment of the tax after 8 years would yield no revenue. That whisky would be destroyed.

It has been stated that this is a moratorium. There is no moratorium involved here, because from time immemorial the tax was only paid on the liquor at the time and point of withdrawal. So that is not a moratorium. The distillers stand to lose a vast sum of money, in this sense: If the excise tax is increased, for example from $10.50 to a higher amount, then the distillers would have to pay that additional tax over and above $10.50. Contrawise, I admit, if the excise tax is reduced, then the distillers would pay a lesser amount. It works both ways. But all that is only problematical. I do not know what this Congress will do, whether it will decrease or whether it will increase the tax.

Why is there so much of this liquor in bonded liquor houses today? The reason is as follows: When the Korean war developed the distillers feared there might be restrictions placed upon the use of grain. They were caught in the switches during the Second World War, and they could not get proper supplies of grain to manufacture whisky. There were shortages of grain and therefore shortages of whisky, and the price ballooned almost out of reach. In order to avoid that difficulty the distillers, using common sense, distilled more than the usual current supplies during the period from the outbreak of the Korean difficulties for 2 years thereafter. Therefore, there is a larger amount than usual of whisky in the bonded warehouses. Over and beyond that, because of the high excise tax, the highest in history, we have created a bonanza for the bootlegger.

When you go into a store and buy a fifth of whisky and you lay down $4.27 of your hard-earned money, only $1.91 goes for the whisky; $2.36 goes to the Government for taxes. Because we have inflicted upon the industry those high taxes we have created consumer resistance. They will not pay the high price for whisky—high price caused by inordinate excise taxes. Because of high price, we have given tremendous incentive to

the moonshiners and the hooch runners. We are resurrecting these bootleggers. All of that adds up to the following: There is a vast supply of liquor in Government bonded warehouses; there is increasing consumer resistance toward purchasing the liquor; because of the incentive that we are giving to the bootleggers throughtout the length and breadth of the Nation, you can buy illegal liquor in every nook and cranny of the country, and you can buy it in every district of every man who is going to vote against this bill.

No other industry carries the staggering load of taxes. It was bad enough to freeze the $3 increase on excise taxes which was added onto the $6 during World War II. That was to be a temporary tax, as you remember. But it was not thawed out. Not only that, another $1.50 was added and the illicit distilling business has progressively and mathematically increased, as a result.

Bootlegging today is a bigger business than it has been at any time since the 18th amendment went off the books in 1933. Right now it is approaching the peak prohibition days. In 1931 and 1932 Government agents were seizing about 22,000 stills annually. Last year, Federal and State officials seized about 20,000 illegal stills. And these stills had a daily producing capacity of about 677,000 gallons—about 200,000 gallons a day in excess of the daily production of the legal industry. And the illegal production is still growing.

Getting back to the 20,000 illegal stills knocked off last year, just how much money did the Government and taxpayers like you and me lose?

If these stills operated just 1 day, at the present tax rate of $10.50, we lost $7,100,000 in taxes.

If they operated 10 days, the loss to the Government was $71 million.

If they operated 30 days, it was $213 million, and, if they operated 90 days, it would have been $639 million. This staggers the imagination.

Not only that but we do not know how many illegal stills go unnoticed. We do know that a responsible Government official during prohibition said that for every still seized, 10 others kept operating at full blast. For goodness sake, do not let ourselves sink so low in our complacency that we say in effect: "'Tis mean to rob a hen roost or a hen, but stealing thousands makes them gentlemen."

Even more important than the lost revenue, in my opinion, is the threat to the moral health of our country. We are bringing back a new era of crime, violence, and racketeering. Privileged outlaws are growing like weeds. Crime never comes singly. Crime begets other crimes. The contagion spreads like the plague.

A list of today's bootleggers reads like the roster of Murder, Inc.—plug-uglies, bandits, pimps, rapists—they are the members of the fraternity of moonshiners and bootleggers.

These high excise taxes thus encourage illegal liquor, discourage legal liquor, cause the bonded warehouses to bulge with aging liquor and thus makes it necessary to grant some relief.

Canada, Scotland, England, Ireland, France, Mexico, Portugal, Spain—none have bonding period restrictions. Spirits can be kept in bond everywhere indefinitely except in the United States. Only we force distilled spirits out of bond after a period. The duration of bonding is now 8 years. There is no earthly reason why the duration is limited to 8 years. There is no legitimate reason to oppose extension to 12 years. Apparently the drys who die hard are offering objection. That is unfortunate.

This bill was reported out of the Ways and Means Committee last year, but too late for action. Congress adjourned soon after it emanated from that committee.

I do not wish to muddy the waters, but I cannot as a lawyer, nor as ranking member of the House Judiciary Committee, omit comment upon some of the provisions of the measure. I refer to the prohibition against marking whisky at its proper age, if it remains in bond beyond 8 years. At the bottom of page 4 commencing at line 21 we have the following amazing language, to wit:

> No advertisement of, or label, or stamp affixed to any distilled spirits * * * shall bear any statement which shall represent or imply that the age * * * of such distilled spirits exceeds 8 years.

Then there is language in effect stating that whenever anyone avails himself of the extension privilege and holds the spirits in bond over 8 years that ipso facto shall constitute consent—consent to the prohibition of marking goods over 8 years.

Whose fertile imagination hatched such a preposterous proposal? What mental aberration developed this idea of cheating or fooling the public?

The members of the Ways and Means Committee must have checked their common sense at the door.

These restrictions say in effect that the distiller cannot under penalty of forfeiture and confiscation of the liquor, and penalty of withdrawal of permit to do business, truthfully mark his wares.

The idea is not amoral. It is immoral. You force distillers to tell an untruth. You cannot make that which is false true by legislative fiat. You can not tell me that I cannot mark my goods as 9 or 10 or 11 or 12 years when they are those ages. It is just plain fraud to say those whiskies are not over 8 years of age when they are.

I have been in Congress many years. I have never known such a monstrosity legislated into law.

It is unprecedented to say all distillers, all warehouse receipt holders for bonded liquor, all banks holding those receipts as collateral, consent to such skulduggery by the passage of this act. You cannot have consent save by mutuality. Consent cannot be achieved by such stand-and-deliver method.

These provisions violate the sanctity of contract, one of the terms of which is to label the truth, the exact age. The bill if passed might well violate the Constitution as to due process, as to equality of the law. Scotch whisky can be labeled as 10 years. French brandy as 25 or 50 years and can be sold as such. American distillers can only sell as 8 years or under. Such discrimination brands the bill as unfair as well as unconstitutional.

Congress cannot, dare not, tell the distiller to deceive his customers. It might just as well, like Canute, try to stop the tides. Take two furniture dealers. One sells modern furniture, the other sells antique pieces. Could Congress make the latter sell his genuine Chippendale or Sheraton furniture as modern? Of course not.

The age of whisky is a degree of value of the whisky. That value is a property right. Congress cannot deprive a person of his property without just compensation. That is fundamental. Eight-year whisky is worth more than 4-year-old; 10-year-old whisky is worth more than 8-year-old; 12-year-old whisky is worth more than 10-year-old.

Those extra years' value are filched from a distiller if he cannot proclaim on the stamp or label the exact age. If he cannot advertise the older whisky he gets less value for it. The report of the committee recognizes this. I quote from page 2 as follows:

> Testimony before your committee developed that the public considered the age of a whisky as highly important in determining the quality of the product, and that most consumers who have a choice between two products of the same price will tend to favor the one which is represented as being the older.

The bill is as unsubstantial legally as gossamer.

Its unconstitutionality is as clear as a pikestaff.

Any certificate holder, let alone distiller, could knock the law, if passed as presented to us, into a cocked hat in any court.

I hope the Senate will show more sense and strike out these ridiculous provisions. I know they are the result of a compromise. But a compromise must also be constitutional as well as honest.

Usually we passed statutes like the truth in fabric law, which compels a manufacturer or dealer to give truthfully the contents of a fabric or textile. If it is wool or shoddy, it must be marked as such. If it contains both, the percentage of each must be stated. Here we compel the manufacturer or dealer to lie. It is all beyond comprehension.

Congress has power under the commerce clause of the Constitution to regulate interstate commerce, to prevent fraud or deception, to safeguard health. It has no power to prevent the expression of the truth.

Mr. REED of New York. Mr. Chairman, I have no more requests for time on my side. If the gentleman from Tennessee cares to use the 5 minutes remaining to me that will be satisfactory to me.

Mr. COOPER. I appreciate the gentleman's kindness.

Mr. Chairman, I yield 3 minutes to the gentleman from Kentucky [Mr. CHELF].

Mr. CHELF. Mr. Chairman, I had not intended to say anything on this legislation, believe me. That may be hard to believe, but I want you to understand my predicament. As I said a while ago, I come from the great Fourth District of Kentucky comprised of 20 fine agriculture counties. Of the 20, as I stated, 15

are dry. I am not going to be very popular as a result of anything I may say today that could in the least be misinterpreted as being favorable toward the liquor industry because, as you can see, 15 to 5 is a ratio of 3 to 1 dry. I had hoped in my mind that maybe—I would like to be honest with you—that there would not be a rollcall vote today because I thought that from a standpoint of political expediency it might be best for me to remain quiet during this rather warm debate. A fellow can never get hurt politically over something he has never said, and especially when he takes no side in a given fight. However, the Chelfs have never been cowards either mentally, physically, or politically. If I were to sit here today on the floor and not speak up when I know that the facts in this debate have been badly mangled by the opposition, I would not be worthy of the confidence placed in me by my people. I shall never remain quiet if I think I am right. In this matter before us, I know I am right.

If the time ever comes that FRANK CHELF, representing the Fourth District of Kentucky, will not stand up on his feet and say something on behalf of a legitimate taxpaying industry, simply because it might not be a popular thing to do, then it is time for him to go back home, because he has outlived his usefulness. My people would be far better off if they just mailed a post card up here. A Congressman without courage is like a surgeon without instruments and a hospital—he cannot operate very successfully.

Mr. KING of California. Mr. Chairman, will the gentleman yield?

Mr. CHELF. I yield.

Mr. KING of California. If the gentleman is a bit concerned about how citizens of his dry counties might feel, I would say this to the gentleman, that sitting through the many hours that we did on this bill and hearing the witnesses interested, the better part of being a sincere dry—and I feel that that is an extraneous matter that has no part in it, but it has been brought in—if he would please the intelligent person who is interested in temperance in this country—and let me say only about a "Yes" and "No" vote, the gentleman has my opinion that any vote in favor of the bill would fill that part very well; and I might say to the gentleman that I am acquainted with the officers and the movement of the WCTU and church groups in my district. I have not received one letter even cautioning me about this bill, let alone voting against it.

Mr. CHELF. I thank the gentleman and my friend from California for his remarks. I want to endorse the statement made by the gentleman from New York [Mr. CELLER] a while ago. There is no doubt of an increase in illegal bootlegging; to be perfectly frank about it, they are in their seventh heaven today; they are in clover up to their tummy because they never had it so good. The legal distiller has to pay $10.50 per gallon Federal tax—county and State another $1.50 per gallon—totaling $12 per gallon tax. The bootlegger is not paying a dime tax, so he can sell his wares 12 times cheaper than our lawful distiller. Not only that, but with the consumption of legal whisky off over 32.6 percent since this time last year, the Government is really losing badly needed revenue. The Treasury has endorsed this bill.

When I served as chairman of the Subcommittee To Investigate the Department of Justice last year, we had this very startling information—it came from Judge Guy Shearer, of Kentucky's ABC Board, and it has to do with the illegal distilleries. He testified that there were 19,000 illegal distillers or moonshiners who were caught in the United States in 1949, and that they had a combined capacity production of 529,000 gallons of whisky a day, which is about 120,000 gallons more per day than the combined legitimate liquor industry produced in 1949. While it is estimated that 19,000 illegal stills were caught, there were 4 times that many not caught. Can you imagine that? Now, who is really getting hurt? Why, Uncle Sam's Treasury, of course.

I repeat, this legislation is a compromise after long months of study and hard work, both in the committee and between the so-called big distillers and the little fellows who are almost the vanishing Americans. Truly this bill is an iron lung necessary for a very sick industry and tax-revenue-losing Federal and State Governments.

The bill does not reduce taxes for the industry as has been stated here. It does not cost the Treasury a cent. The fact is, the Treasury, realizing the situation, is favorable to it. The only thing this bill does is to give a sick industry time in which to take a pill and try to get well.

Mr. DINGELL. And that 19,000 illegal stills were only those who were caught.

Mr. CHELF. That is what is happening today. The Federal Government is losing taxes. As I have stated, I hated to get into this thing, I did not want to get into it at all, but I hope the time will never come when I cannot stand up here and say what I mean and mean what I say in any debate.

Mr. DINGELL. Those were the illegal distillers that were caught.

Mr. CHELF. Yes, sir.

Mr. DINGELL. There were four times as many that were not caught.

Mr. CHELF. That is true.

Somebody said awhile ago in debate here that it was a shame that the first tax bill out of Congress was to reduce the whisky people's taxes. I defy any opponent of this bill to show me where the industry gets a tax cut. That statement is not only incorrect but it reeks with putrefaction. I will bet those who are using that argument have not seen fit to sign the petition bringing H. R. 1 to the floor. Well I have signed it because I want the little fellow in the street to get a tax cut. But that has nothing to do with this bill. Cutting taxes is one thing—giving time to pay them in is quite another.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

TWO BILLION DOLLARS IN REVENUE INVOLVED

Mr. PATMAN. Mr. Chairman, I am also interested in this bill from the standpoint of revenue in addition to other good reasons. I could not find out how much was involved by reading the report, but I finally got hold of a letter written by the Treasury Department last year—1952—which indicates there are 185 million gallons of liquor involved. At $10.50 a gallon it occurs to me this involves over $2 billion.

Why should we grant a moratorium of $2 billion? I thought we wanted to balance the budget. I do. I have even said—I have not promised anybody I would—that I would vote for an extension of the excess-profits tax, $800 million to help balance the budget.

It is rather ironical that we have to let the liquor interests off with $2 billion, then pass that so-called iniquitous, bad tax of $800 million to make up for part of it. Why should not every person or corporation that is charged with the duty of paying an excise tax come in and be entitled to the same claim that the liquor interests are getting? Take the automobile industry; they pay their taxes when the cars are sent out to the retailers. Several billion dollars are paid in excise taxes every year by the automobile and other industries, just the same as the liquor interests pay taxes. If we let the liquor industry off, why not let all the rest of them off, automobiles and the others? Some of them can make a good claim. For instance, these automobiles are backed up, many of them cannot be sold right off, yet the taxes are paid. Why are they not entitled to a moratorium, too?

DOUBLE GAG RULE

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I am sorry that I cannot yield to the distinguished gentleman from Michigan. This bill is brought in under a closed rule. We have to vote it up or down. It is one of these unusual gag rules. I have voted for a lot of gag rules, but this is sort of a double gag rule. I have not seen one like this for a long time. We are asked to set a bad precedent here. That precedent is to let the liquor interests off. They claim possibly that they are in such a financial plight that they cannot pay this tax. I do not know whether they are or not. Probably some are, but they should pay it just as the automobile manufacturer or the manufacturers of all the rest of the products have to pay an excise tax. If you are going to let them off, why not let all of them off? The first thing you know we will have to give up any idea of balancing the budget. I cannot understand this business of balancing the budget and letting people off on a moratorium without even paying interest on the deferred taxes as proposed here.

What about these people in the drought-stricken areas in the several States—not only Texas but several others are involved? They owe the Federal Government a lot of income taxes. Why not let them off for 4 years and not pay the 6 percent interest? They have as good or better case than the liquor interests have. Whenever you extend this example, set this precedent, you are digging up a lot of very vicious bad snakes to kill and I am afraid you will have difficulty killing all of these snakes.

The question is, where are we going on this? Are we going to extend the excess-profits tax and make up what we do not collect from the liquor interests, by that excess-profits tax, with a $9 billion deficit this year, maybe a $15 billion deficit next year? We are not balancing the budget. We are going in the opposite direction. This is no time to commence granting moratoriums even without any paying of interest, as I suggested; just a moratorium for 4 years or 12 years. I cannot figure out exactly whether it is 4 years or 12 years, but do not forget that this involves about $2 billion. It sets a bad precedent, one that we will have other cases come up on, and there will be no chance in the world of balancing the budget.

Now, I hate to vote for tax bills, and I certainly hate to vote for an excess-profits tax bill. I heard administration leaders, like the Secretary of the Treasury and the great chairman of the Committee on Ways and Means talk about how vicious that excess-profits tax is and how wrong it is; that it is double taxation and it is viciously wrong, but then to bring in a bill like this and ask us to vote for it and then vote for the excess-profits tax, I cannot understand. It is at least confusing. It looks like an effort to grant a very valuable special privilege to the liquor interests.

Mr. COOPER. Mr. Chairman, I yield myself sufficient time to read the following statement from the report of the Treasury Department. The gentleman from Texas is in error in the figures that he used here. I quote this statement from the Treasury Department report on the bill H. R. 1215, which was the same as the pending bill in that respect and the predecessor of the pending bill:

> The failure to extend the bonding period could force out whisky and lead to greater consumption as a result of distressed sales or more intensive sales promotion. The immediate effect would be an increase in excise-tax receipts. However, the reaction on the corporation income tax would be unfavorable. On balance it does not appear that there would be a significant change in total tax collections as the result of the enactment of H. R. 1215. In this respect the Treasury Department has no objection to the passage of the bill.

The CHAIRMAN. All time has expired. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DONDERO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5407) to amend section 2879 (b) of the Internal Revenue Code, pursuant to House Resolution 314, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

CALL OF THE HOUSE

Mr. GAMBLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and fifty-five Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 78]

Barrett	Fogarty	Merrow
Bates	Frazier	Morgan
Bennett, Mich.	Fulton	Nelson
Bentley	Gathings	Oakman
Bentsen	Gentry	O'Brien, Mich.
Boland	Granahan	O'Brien, N. Y.
Bolton, Oliver P.	Green	O'Neill
	Hagen, Minn.	Philbin
Bow	Harrison, Nebr.	Poage
Brooks, La.	Harvey	Powell
Byrne, Pa.	Hays, Ark.	Radwan
Canfield	Hays, Ohio	Reed, Ill.
Case	Hébert	Rees, Kans.
Chatham	Heller	Rivers
Chudoff	Hess	Robsion, Ky.
Clardy	Horan	Rogers, Tex.
Cooley	Ikard	Roosevelt
Coudert	Javits	Scherer
Cunningham	Kearney	Shafer
Dawson, Ill.	Kearns	Sikes
Derounian	Kelley, Pa.	Smith, Miss.
Dollinger	Kilburn	Staggers
Dolliver	Kilday	Thompson, Tex.
Donohue	Kirwan	Thornberry
Dorn, N. Y.	Kluczynski	Velde
Dorn, S. C.	LeCompte	Vinson
Dowdy	Lucas	Walter
Durham	McCormack	Weichel
Ellsworth	McCulloch	Wharton
Evins	McVey	Wigglesworth
Fino	Machrowicz	Wilson, Calif.
Fisher	Madden	

The SPEAKER. On this rollcall 337 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. BAILEY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BAILEY. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

> Mr. BAILEY moves to recommit the bill H. R. 5407 to the Committee on Ways and Means.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit offered by the gentleman from West Virginia [Mr. BAILEY].

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 97, noes 140.

Mr. PATMAN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. PATMAN) there were—ayes 143, noes 106.

Mr. PATMAN. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill, H. R. 5407.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EMPLOYMENT SECURITY ADMINISTRATIVE AND FINANCING ACT OF 1953

Mr. SCOTT. Mr. Speaker, I call up House Resolution 316 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

> *Resolved*, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of H. R. 5173, a bill to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes, and all points of order against said bill and any provisions contained in said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill, except that it shall be in order for any member of the Committee on Ways and Means to offer either or both of the proposed amendments printed in the CONGRESSIONAL RECORD of July 6, 1953, page 8037, and said amendments shall be in order, any rule of the House to the contrary notwithstanding, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. SCOTT. Mr. Speaker, I yield 30 minutes to the gentleman from Texas and I now yield myself 3 minutes.

Mr. Speaker, I rise to urge the adoption of House Resolution 316 making in order the consideration of the bill (H. R. 5173) to establish and maintain a $200 million reserve in the Federal Unemployment Account which will be available for advances to the States, and for other purposes.

The purpose of this bill is to insure that the money collected for distribution under the Federal-State unemployment insurance program be used only for projects that are in line with the basic purposes and programs of this insurance program. In past years the surplus amounts that have been collected and not used for this Federal-State unemployment insurance program have been used for many different purposes, and

have even been turned in to be used as general funds of the Treasury.

H. R. 5173 proposes that the collection surpluses, after all expenses of the program have been taken care of, shall be used to establish and maintain a $200 million reserve in the Federal Unemployment Account. This money may be borrowed in time of need by the States to be repaid later on. It has been determined that since the start of this program between $700 million and $1 billion have been collected over and above the amount actually disbursed in administering this program. It is estimated that approximately $60 million more will be taken in annually in the next few years than will be used for this program.

This bill by specifying that the excess moneys shall be used only for the purposes for which it was collected, and by distributing it to the States, is in line with long-time Republican convictions on this subject. We have favored this type of management for these funds for years, and I most earnestly hope that at this time the House will see fit to adopt the rule which will permit consideration of this very commendable bill, that has been reported out by the Committee on Ways and Means.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Speaker, H. R. 5173, which this rules makes in order, is really a bill introduced by the gentleman from Arkansas [Mr. MILLS], 2 years ago, on which a subcommittee of the Committee on Ways and Means held extensive hearings last year, and which the committee has amended in conformity with a protest from the Treasury Department on the financial situation, but has refused to amend according to a protest from the Labor Department.

In substance, this bill is before you to try to resolve or to correct a controversy that has been going on between the State unemployment compensation directors for the last 10 or 15 years and the Labor Department of the Government.

This is the situation: Uncle Sam has been collecting from the three-tenths of 1 percent Unemployment Compensation Administration fund something like 260 or 270 or 280 million dollars a year. They have been handing back to the State unemployment compensation funds something like 200 or 210 million dollars for the administration of the unemployment compensation in each of the States. Uncle Sam has been keeping the surplus, which amounts to around sixty or seventy million dollars a year, and spending that for regular Federal expenditures each year. That fund has amounted to almost a billion dollars over a period of years, but it has been spent entirely for general Federal expenditures. The States have been protesting this. They have been saying it is collected for one definite purpose and then spent for general purposes. In essence, they have said that it is a misappropriation of funds. This bill seeks to correct that. This bill seeks first to set up a $200 million revolving loan fund in the Federal Government for loans to States which may get into financial difficulties on their unemployment compensation fund, and after that $200 million loan fund has been set up, then the surplus each year, fifty or sixty or seventy million dollars, or whatever it is, shall automatically go back to the States for their unemployment compensation purposes in proportion to the payrolls in each State from which this money is collected.

That in substance is what this bill seeks to do. The Labor Department of the Federal Government who administered this naturally does not want to give up control over the money. It is really a question, let us say, of States' rights versus Federal control of these surplus funds. I believe that funds collected for a definite purpose, whether it is collected by the States or by Uncle Sam should not be diverted to other purposes; I believe it should be applied to the purpose intended, and the only way to do that is automatically each year to divert this surplus back to the States.

Mr. JONAS of Illinois. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield.

Mr. JONAS of Illinois. I do not think it has been explained as to who has charge of these funds; that is, is there any separate agency? And does it require commissioners to distribute it? Or who is the sole arbiter or who administers these funds?

Mr. MASON. Each State has an unemployment compensation setup administered by an administrator. Each State has its own administrator.

Mr. JONAS of Illinois. I understand that; what about the Federal Government?

Mr. MASON. The funds are collected, dumped into the Federal Treasury, and then we appropriate back to the States the amount which the Labor Department here says the particular State needs for administrative purposes.

Mr. JONAS of Illinois. How does your bill change existing practice? What difference is there between existing practice and what you propose to do?

Mr. MASON. The bill changes it in this way, that after this $200 million revolving fund is set up—similar to the George loan—then automatically this sixty million or whatever it is goes back to the States, must be returned to the States in proportion to the payrolls in each State.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield.

Mr. JENKINS. Let me state that this is a very complicated matter, but at the same time it is one in which everybody is interested. The gentleman from Illinois [Mr. MASON] is an expert. I would be glad if he would make an illustration of payments made by a concern, take any employer in any State; then where the money goes, how it goes, and why.

Mr. MASON. I think that will come our naturally in debate on the bill.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. MASON. I yield.

Mr. MORANO. Was any thought given to the proposition that if these surpluses increased sufficiently there would be a reduction in this .3 percent tax charged against the employer?

Mr. MASON. No; under the law that was established some 15 years ago or more the Federal Government has the right to levy .3 percent of the payroll.

Mr. MORANO. Suppose there is a big surplus, are we still going to let the rate stand at .3 percent?

Mr. MASON. There will not be any surplus if each year the surplus goes back to the States. The States will use it.

Mr. LYLE. Mr. Speaker, I yield myself such time as I may use.

Mr. Speaker, I am very pleased to say that I am in accord with this rule and with the action of the Committee on Ways and Means, and I sincerely hope that both the rule and the bill will be adopted. At this time, Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Speaker, I merely want to advise the House that there are some differences of opinion among the membership of the Committee on Ways and Means as to some of the provisions of this measure. I hope the Members will have an opportunity to read the minority views which are presented in the report on page 18.

I may say also that there are many protests throughout the United States including the labor organizations very much opposed to some of the provisions of the bill and that on tomorrow at the proper time amendments will be offered. During the debate they will be explained.

It is our contention that it is an unwise fiscal policy to turn over to the States money collected by the Federal Government which money they will use for administrative purposes, money which should be used for benefits.

I might also call attention to the fact that under proposal to set up a commission on governmental functions and fiscal resources as they relate to the finances of the States and Federal Government, we will have a chance to study these subjects during the next 12 months. We really should wait until they have made a report before this change from what has been the law since 1937, from what has been the law the past 15 years. So we hope you will take advantage of the opportunity to study the minority views.

Mr. SEELY-BROWN. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Under the present setup, if you develop a surplus in the Federal Treasury and certain areas have a large unemployment problem, is not that surplus available to aid in those areas?

Mr. EBERHARTER. Each year the Appropriations Committee of the Congress appropriates what is needed by the various States for administration of the unemployment compensation law. The State directors make their application to the Federal Administrator, who checks and audits the application, takes into consideration all the factors; then the Appropriations Committee of the Congress appropriates what is deemed necessary for proper administration under the guiding Federal law.

In further answer to the gentleman's question, the purpose of the amendments that will be offered will be to retain this surplus in case there is a change from a prosperity situation or a prosperous economy, and we need more funds for the administration of a proper unemployment setup, we can draw on the surplus and not turn the money over to the States so that they can use it for administrative purposes right away.

Mr. SEELY-BROWN. We should maintain in the Federal Treasury a surplus to provide a cushion?

Mr. EBERHARTER. Yes.

Mr. SEELY-BROWN. For those areas which might be subjected to some sudden change which would result in unemployment?

Mr. EBERHARTER. Which would result in high unemployment, thereby requiring more administrative funds, because the higher your unemployment is the more money you need to administer the benefits. There are more investigations necessary to see that the law is properly administered, to keep chiseling down, and so forth.

Mr. CURTIS of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. Is it not true these funds returned to the States are to be used for benefit payments only unless the legislature of the State acts to make them available for administrative purposes?

Mr. EBERHARTER. That is one of the provisions contained in the present bill and is a departure from what has been our experience during all of these years. We are opposed to that.

Mr. CURTIS of Nebraska. The State administrator cannot use these funds for any purpose other than benefit payments unless the legislature specifically acts?

Mr. EBERHARTER. That is correct, but whenever you turn over to the States money that has been collected by the Federal Government, difficulties will arise.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Michigan.

Mr. RABAUT. If a situation arose whereby more money would be required under the proposals set forth in this bill, then the Appropriations Committee of the Congress will have to appropriate additional funds out of the Federal Treasury; is that not correct?

Mr. EBERHARTER. If more money is required, you have the power to appropriate what is necessary.

Mr. RABAUT. But after we have turned it back to the States, suppose it became necessary, what happens then?

Mr. EBERHARTER. We will have to appropriate money out of the general fund.

Mr. RABAUT. Out of Federal money?

Mr. EBERHARTER. Out of Federal moneys in order to help the States.

Mr. RABAUT. In other words, instead of helping out the Treasury of the United States, by the terms of this bill we are helping out the States; is that correct?

Mr. EBERHARTER. In some respects this bill would help the Treasury situation. Perhaps it would be better to let this discussion go over until tomorrow.

Mr. RABAUT. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Michigan.

Mr. RABAUT. Explain how it will be beneficial to the Treasury.

Mr. EBERHARTER. We have had the experience that the present rate of three-tenths of 1 percent brings in a little in excess of what has been required in order to properly administer the law. Of course, we have had a period of prosperity, and in this bill it is provided to set that aside, sort of impound it in a special fund, for the purpose of drawing upon it when it is needed, and it will not enter into the Federal fiscal situation at all. In other words, we set it aside and put it in a fund as a special account for use of administration and benefits.

Mr. RABAUT. Administration by whom?

Mr. EBERHARTER. Administration by the State administrators, checked up on by the Federal Administrator, to see that they are complying with the basic law of the United States Government.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. EBERHARTER. I yield to the gentleman from Connecticut.

Mr. MORANO. Is it not true that ever since the enactment of this legislation there has always been an excess of taxes collected over what has been expended?

Mr. EBERHARTER. Well, I would not say in every year. I could not say that definitely, but there is generally an excess because of our prosperous times.

Mr. MORANO. Is it not true that there has been an excess of at least a billion dollars in these taxes?

The SPEAKER. The time of the gentleman from Pennsylvania has expired.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, the unholy alliance of Frank Bane, of the Council of State Governments; Stanley Rector, the highly paid lobbyist of Unemployment Benefit Advisors, Inc., and the big corporations, along with some unduly influenced State directors of the employment security programs, are the moving factors behind this bill.

I have forewarned this House on several occasions about the attempt that is being made here today to in effect start the trend of turning over the unemployment compensation programs to employer-dominated groups in the States, where they will be eating out of the employers' hand. Just as surely as this bill is passed it will be the beginning of the end of an effective unemployment compensation program in the States.

This is an underhanded attempt to sneak in the back door and stab in the back existing unemployment compensation programs. The instigators of this infamous scheme well know that they cannot directly destroy these programs because of the general acceptance of them by the public and the proven fact that on many occasions these programs have prevented economic disaster in many sections of our country, in temporary periods of dislocation.

The employers' mouthpiece in Washington, Mr. Rector, has already hinted to his so-called subscribers in his publication, the Advisor, dated March 24, 1953, that the next step will be a complete relinquishment of the Federal Government from the unemployment tax field. His statement was:

> Won't it be relatively easier for the Federal Government to decide at some future time to vacate a tax jurisdiction which was yielding no profits whatsoever—simply headaches?

Mr. Rector was referring to the provision in the pending bill which would turn back to the States excess-tax collections.

And while I am on the subject of Mr. Rector, I would like to direct attention to his report which he filed April 17, 1953, where he made the tongue-in-cheek claim that the services of his organization, the Unemployment Benefit Advisors, Inc., as regards legislative matters, consisted primarily of interpreting and factually reporting the status and contents of proposals relating to the social-security system. He modestly stated that he did not consider that his services came under the Lobbying Act, but due to his inability to definitely decide whether or not they did, he was submitting the required reports. If there ever was a lobbyist, Mr. Rector is one, and I might say, a most successful one.

The fact alone that Mr. Rector supports this bill is, in and of itself, reason why any friend of the workingman should oppose it. If anyone should need proof of that, I will direct his attention to the attached list of contributors to Mr. Rector's organization for the first quarter of 1953 and the fourth quarter of 1952. Just look at them—if you can find anyone on this list who would be remotely interested in the improvement of the unemployment compensation programs, I will be much surprised.

And just why do you suppose these companies contributed to Mr. Rector's organization? Mr. Rector would tell us, very probably, it is because he interprets and factually reports proposals relating to the social security system. You can bet your bottom dollar that this was not worth $3,500 to General Motors for the fourth quarter of 1952, or $2,500 to Allis-Chalmers Manufacturing Co., or $1,000 to E. I. du Pont de Nemours, or any of the rest which you will find on either of the attached lists. And when I say that Mr. Rector is a successful lobbyist, I am not overstating it by any means. Just look at the fact that, for the calendar year 1952, the amounts contributed where the contributions were $500 or more, were $143,189.

Mr. Speaker, Mr. Rector and his cohorts are the spider in the web which, by means of the pending bill, are attempting to strangle every unemployment compensation program in the country. This is the second step in the direction of yielding to the dictates of employers. The infamous Knowland amendment of a couple of years ago was the first. Mr. Rector has already hinted that the third one will be a hundred percent capitulation of the Federal Government from the unemployment tax field.

I am in agreement with the earmarking of Federal unemployment tax collections for the purposes of the employ-

ment security programs, and the establishment of a fund which would be available to States whose unemployment funds are facing insolvency. At this point, I begin to disagree completely with the pending bill. It is my contention that there should not be any allocation of the excess-tax collections back to the States; however, if allocations are to be made, in no event should these funds which are turned back be available for anything other than benefit payments.

I would also much prefer to see the bill provide that grants would be made from the earmarked excess tax collections to help States who, through no fault of their own, are or may be in difficulty. If we must have this situation taken care of by loans, the least we can provide is some means whereby a State can build its reserve back to a safe level before being forced to repay the loan.

It is my understanding that the gentleman from Rhode Island [Mr. FORAND] will offer two amendments to the bill, one providing that the excess tax collections which are turned back to the States can only be used for benefit purposes, and the other permitting a State to rebuild its unemployment reserve fund to a safe level before being forced to repay a loan. I am going to support these amendments.

List of contributors of $500 or more, first quarter, 1953, Unemployment Benefit Advisors, Inc.

AMOUNT CONTRIBUTED FIRST QUARTER, 1953

Pittsburgh Plate Glass Co., Pittsburgh, Pa	$1,000
Marshall Field & Co., Chicago	750
Beech-Nut Packing Co., Canajoharie, N. Y.	500
Union Bag & Paper Co., New York City	500
S. S. Kresge Co., Detroit, Mich	750
Union Carbide & Carbon, New York City	2,000
General Electric Co., Schenectady, N. Y.	2,000
Standard Oil of New Jersey, New York City	1,500
Republic Steel Corp., Cleveland, Ohio	1,000
U. S. Rubber Co., New York City	500
Atlantic Refining Co., Philadelphia, Pa	1,000
Eastman Kodak Co., Rochester, N. Y.	500
Standard Oil of California, San Francisco, Calif	1,000
Sheaffer Pen Co., Fort Madison, Iowa	500
Westinghouse Electric, Pittsburgh, Pa	500
Retail Merchants Association of Pittsburgh, Pa	500
Aluminum Co. of America, Pittsburgh, Pa	1,000
Caterpillar Tractor Co., Peoria, Ill	1,000
Koppers Co., Pittsburgh	500
Associated Dry Goods Corp., New York City	500
Allied Stores Corp., New York City	1,000
Sun Oil Co., Philadelphia, Pa	1,000
Shell Oil Co., New York City	1,000
Alabama Power Co., Birmingham, Ala	500
Timken-Detroit Axle Co., Detroit, Mich	500
Federated Department Stores, Cincinnati, Ohio	1,000
American Cyanamid, New York City	1,000
Lead, S. Dak	500
Peoples Gas, Light and Coke, Chicago	1,000
Wieboldt Stores, Inc., Chicago	1,000
Carson, Pirie & Scott, Chicago	500
Firestone Tire & Rubber Co., Akron, Ohio	500

List of contributors of $500 or more, first quarter, 1953, Unemployment Benefit Advisors, Inc.—Continued

Transcontinental Gas Pipe, Houston, Tex	$2,500
Libby-Owens-Ford Glass Co., Toledo, Ohio	500
Total	30,000
Total receipts (designated as "retainer") for first quarter, 1953	[1] 38,810

[1] The difference between this amount and the $30,000 total shown above presumably represents contributions of less than $500.

List of contributors of $500 or more, fourth quarter, 1952, Unemployment Benefit Advisors, Inc.

AMOUNT CONTRIBUTED FOURTH QUARTER, 1952

E. I. du Pont de Nemours, Wilmington, Del	$1,000
Gaylord Container Corp., St. Louis, Mo	500
Oscar Mayer & Co., Chicago, Ill	500
Humble Oil & Refining, Houston, Tex	500
Fairbanks-Morse, Chicago	500
G. C. Murphy Co., McKeesport, Pa	1,000
Gulf Oil Corp., Pittsburgh, Pa	750
Nash-Kelvinator Corp., Detroit, Mich	500
American Brass Co., Kenosha, Wis	750
Allis-Chalmers Manufacturing Co., Milwaukee, Wis	2,500
General Motors Corp., Detroit, Mich	3,500
Industrial & Self Insurer's Exchange, Boise, Idaho	1,000
Kelsey-Hayes Wheel Co., Detroit, Mich	500
Maytag Co., Newton, Iowa	500
Richfield Oil Corp., San Francisco, Calif	500
Great Lakes Steel, Detroit, Mich	500
International Harvester, Chicago	1,000
Cities Service Co., New York City	500
J. L. Hudson Co., Detroit, Mich	1,000
Clark Equipment Co., Buchanan, Mich	500
B. F. Goodrich Co., Akron, Ohio	500
American Can Co., New York City	1,000
Kennecott Copper Co., New York City	750
S. H. Kress & Co., New York City	500
Chrysler Corp., Detroit, Mich	1,000
Total	21,750
Total receipts [1] for fourth quarter, 1952	[2] 34,465
Received during previous quarters of calendar year 1952	108,724
Total for calendar year 1952	143,189

[1] Designated as "retainer."

[2] The difference between this amount and the $21,750 total shown above presumably representing contributions of less than $500.

Mr. SCOTT. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. HELLER (at the request of Mr. RABAUT) was given permission to address the House for 15 minutes on tomorrow following any special orders heretofore entered.

DROUGHT CONDITIONS IN WEST TEXAS

Mr. HILL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Speaker, at the beginning of the 83d Congress, the Committee on Agriculture, under the direction of our chairman, Congressman CLIFFORD HOPE, selected a Subcommittee on Livestock, and last Friday 5 members of the subcommittee consisting of myself; CHARLES B. HOEVEN, Iowa; ROBERT D. HARRISON, Nebraska; W. R. POAGE, Texas; and CLARK W. THOMPSON, Texas, visited the drought-stricken area of west Texas, covering by plane more than 500 miles and a hundred by automobile, inspecting firsthand the drought-stricken area of western Texas. Time did not permit a firsthand examination of Oklahoma, New Mexico, and Colorado.

The parched condition and the scorched earth in the farming sections we visited is beyond words to describe. Most of the fields were as bare as if it were midwinter. A very few sprigs or green weeds were all that was visible as we flew over the dry area. Piles of sand and dust lay like snowbanks over the farmlands. Much of the area we inspected has been short on rainfall for 3 years. Temperatures this summer have been of a searing nature rising well over 100 degrees. All records for drought and continued dry weather have been broken and much of this section has not had a 50-percent average rainfall. I was impressed with the probability of starvation facing all livestock in this area, as I never saw a single patch of roughage feed, Kaffir, corn, sudan, and so forth, that would provide any feed for livestock for the coming fall or winter months.

From appearances on the ranges and over the farms much of the cattle must have been sold, as we saw very few herds of any size and most of them were in dry lots; farmers are feeding cattle as if winter were continuing.

Now to make this situation more drastic and critical, the Weather Bureau offers little hope for any appreciable amount of rainfall for the next 30 days. This drought has been building up for more than 3 years and it does appear at the moment that this is a very crucial year in the history of agriculture for the entire southwestern area, including Colorado, New Mexico, Oklahoma, and Texas.

Secretary of Agriculture Benson acted promptly and I am enclosing as part of my remarks an Associated Press dispatch from a Fort Worth newspaper on July 3, 1953:

FIRST DROUGHT FEED COMING IN

COLLEGE STATION.—The first carloads of livestock feed in the Government's drought-disaster relief plan for Texas are due in local train stations today.

"We'll have lots of feed by the middle of next week," said B. F. Vance, College Station, head of the State Production and Marketing Administration and also head of the Government's Drought Disaster Relief Committee for Texas.

Local committees in each of the 152 counties in the drought-disaster area will have responsibility for distributing the feed.

The committees are composed of the county PMA chairman, the county agent, the director of the county Farm Home Administration, a banker and a farmer or rancher.

"The feed will go only to a bona fide rancher or farmer," Vance said. "He'll have to show he's in the ranching or farming business and needs the feed for maintenance of foundation herds."

The Commodity Credit Corporation is selling the feed from its surplus stocks at reduced prices. The loss to the CCC will be made up from the $8 million drought emergency fund set up by President Eisenhower for the drought areas of the Southwest.

Vance has called a meeting of the Texas Drought Disaster Committee here Monday at 2 p. m. He said they would review the situation by counties and set up operating policies.

Feed is coming into the area; more is promised and relief is in sight.

Yesterday, the Committee on Agriculture reported out, unanimously, a bill by Congressman HOPE, H. R. 6054, and we have hopes that this legislation can be passed through the House on the suspense calendar, and it appears that no objection will be made as this certainly is a major disaster.

This bill, H. R. 6054, would provide a supplemental source of credit for farmers in the disaster areas. It would set up special credit machinery for livestock operators whether in the disaster areas or not. It would make it easier to administer programs for supplying feed and seed and for giving other assistance in the States and counties declared by the President to be suffering from major disaster. It would apply in cases where the applicant could not secure the necessary credit elsewhere.

The bill provides for economic disaster loans. When the President found an area to be one of major disaster pursuant to Public Law 875, 81st Congress, the Secretary of Agriculture might also find that an economic disaster, such as substantial price declines, had contributed to a need that recognized lenders could not meet. The Secretary could then authorize loans from the disaster loan revolving fund to meet that need in the area. The bill contemplates that the authority for making new loans under this section would be relied upon only for the period of the emergency.

Special livestock loans would set up a lending authority out of the disaster loan revolving fund substantially similar to the authority of the regional agricultural credit corporations. It is contemplated that the procedural work incident to the disbursing, servicing, and collecting of the loans would be handled by Farmers Home Administration. It has finance offices serving all areas of the country and representatives that cover all of the 3,000 agricultural counties of the country.

Emergency assistance would be provided in furnishing feed and seed when the President determined that a major disaster existed in a certain area which warranted assistance in the way of helping farmers get feed and seed in the areas at prices they can afford to pay.

I also enclose newspaper clippings describing the situation presently existing in southeastern Colorado:

[From the Greeley (Colo.) Tribune of July 1, 1953]

EISENHOWER INCLUDES COLORADO IN DROUGHT DISASTER AREA NOW ELIGIBLE TO SECURE UNITED STATES HELP

WASHINGTON, D. C.—President Eisenhower Wednesday made drought areas in Colorado, New Mexico, Kansas, and Arkansas eligible for Federal aid.

He extended to them his disaster declaration of June 26, and notified the governors of the four States that relief funds would come out of the $8 million which he set aside Tuesday for nearly 200 counties in Texas and Oklahoma.

DENVER.—Colorado made an urgent new appeal to the Federal Government for aid Wednesday, the second in 2 days.

This time the State asked help and money to battle an infestation of grasshoppers in southern and western sections described by the State commissioner of agriculture as the worst one Colorado ever has had.

Meanwhile plans were laid hastily for an aerial war against the insects.

Governor Thornton personally made the plea for help to the United States Department of Agriculture in a long-distance telephone call barely 24 hours after asking that seven southeastern counties be included in the drought-disaster area.

DENVER.—Gov. Dan Thornton late Tuesday announced that Colorado's seven southeastern counties will receive Federal drought relief.

Thornton said he had talked with Agriculture Secretary Benson and has been assured the Colorado drought area would be declared a disaster area by the President.

Such action, the governor said, would allow Colorado to receive money from the $8 million special-disaster fund, along with counties in Oklahoma and Texas.

Immediately, the governor dispatched a wire to President Eisenhower asking inclusion of the Colorado counties.

He said Benson advised him this was a formality which was necessary before the President could act.

"The effects of drought conditions over approximately the past 3 years have accumulated and have created damage, hardship, and suffering so severe," the governor advised the President, "that Federal assistance is required in all of Baca, Bent, Prowers, Las Animas, and Huerfano Counties in the south half of Kiowa and Otero Counties, Colorado.

"The drought area appears to be enlarging continuously and the area requiring assistance may subsequently need to be expanded.

"Types of aid required include long-term low-interest loans, feed supplies at costs the area can afford, lower freight rates, a tillage program and provision for cover crops without penalty under the crop-insurance program."

[From the Denver (Colo.) Post of July 3, 1953]

FEED RATE CUT TO HELP SAVE CATTLE IN STATE

Farmers and ranchers in the Colorado drought area will be able to have at least their "foundation" herds under a Government emergency decree reducing livestock feed by as much as 50 percent.

The emergency prices, disclosed Friday in Washington, include: Corn, $1 a bushel; wheat, $1.10; oats, 50 cents; cottonseed meal or pellets, $35 a ton. The reduced price of hay has not yet been set.

Federal officials said the feed is being offered at cutrate prices to encourage the maintenance of foundation herds of cattle and sheep. It will be distributed through county committees and should start moving into Colorado within the next few days.

Establishment of the committees in the 7 affected southeastern Colorado counties was ordered Thursday by Governor Thornton, who announced also that a State coordinating committee also will be set up "to develop organization and procedure."

This committee will meet at 2 p. m. Tuesday at Lamar under the direction of Gen. Henry L. Larsen, State director of civil defense. The county groups will meet at La Junta with the State committee at 10 a. m. Wednesday.

LAND BOARD TO TOUR AREA

As another relief measure, the three-man State land board will make a tour of the drought area next week to arrange reductions in school land leases. One of the members, J. J. Sylvester, said the board has authority to amend contracts with individual leaseholders in the distressed area.

On another front, Governor Thornton threw more than $11,000 remaining in his emergency fund into a grasshopper control program to stem the advance of the insects in Huerfano, Las Animas, and Pueblo Counties.

He said the money should have reverted to the State general fund June 30 but that a delay in bookkeeping kept it available.

Thornton was confident the Federal Government would add $200,000 to fight the grasshoppers which have cut a 60-mile swath through the three southern Colorado counties.

SEVEN AREAS DESIGNATED

Huerfano and Las Animas Counties are among the seven designated by President Eisenhower as disaster areas eligible for Federal relief.

The five others are Baca, Bent, Kiowa, Otero, and Prowers.

Thornton has estimated the hopper eradication job, expected to start Monday from Walsenburg, would cost more than $600,000. He hopes to stretch available funds through use of State and county machinery and facilities.

The Governor said he probably would not attend the Lamar and La Junta meetings next week but may go to Walsenburg to watch the start of spraying operations.

The State land board announcement coincided with one from the United States Soil Conservation Service which revealed that grazing rates on federally owned land in the seven drought-stricken counties would be reduced roughly 40 percent.

In Texas Gov. Allan Shivers was proceeding with plans for a five-State governors' conference on the drought—a suggestion advanced by Thornton several days ago.

Shivers is chairman of the National Governors' Conference. He passed Thornton's idea along to the Governors of Oklahoma, Kansas, and New Mexico, and asked for further suggestions as to the five-State meeting.

MRS. EDITH NOURSE ROGERS

Mr. PRICE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, it gives me very great pleasure to call to the attention of the House a fine article which appeared in the St. Louis Post-Dispatch of Sunday morning, July 5, 1953, reviewing the remarkable record of our honored and distinguished colleague, Mrs. EDITH NOURSE ROGERS, of Massachusetts.

The article, written by Mr. Samuel J. Shelton, Jr., calls attention to the fact that Mrs. ROGERS is beginning her 29th year as a Member of the House of Representatives. Her 15 consecutive terms as a Member of the House not only make her the dean of women in Congress, but establishes for her a record as having held national public office longer than any other woman in the history of the United States. It is well that we, her colleagues in the House of Representatives, pay deserved tribute to this fine and remarkable woman whose record of achievements in her official position is unmatched. The article goes into detail on this score.

I had the pleasure of serving for 1 year on the House Veterans' Affairs Committee under Mrs. ROGERS' chairmanship. I know of no more able committee chairman in the House than this fine lady. Veterans of all wars have no greater friend in public office than Mrs. ROGERS. Her friendship for the veteran, and in particular for the disabled veteran, goes much deeper than her official duties. It is a sincere, honest, warm attachment to those men who have made sacrifices in behalf of their country.

I feel that I was honored in having had the privilege to serve on Mrs. ROGERS' committee in 1947 and all of us in the House, I am certain, feel the same in having been associated with her in our official duties.

I am very happy that one of the Nation's great newspapers, far removed from her congressional district in Massachusetts, has seen fit to give her this deserved recognition. It is a tribute well earned.

The article follows:

[From the St. Louis Post-Dispatch of July 5, 1953]

MRS. ROGERS BEGINS 29TH YEAR AS UNITED STATES REPRESENTATIVE, RECORD FOR WOMAN—72-YEAR-OLD NEW ENGLANDER SAYS HARD WORK EXPLAINS SUCCESS

(By Samuel J. Shelton, Jr.)

WASHINGTON, July 4.—Twenty-eight years ago, when Mrs. EDITH NOURSE ROGERS was elected to Congress for the first time, filling a vacancy created by the death of her husband, political observers in her home State of Massachusetts thought it was a fine sentimental gesture but her congressional tenure would be brief.

Two years later, when the diminutive and determined Republican Representative defeated her Democratic foe, a well-thought-of former Governor of the State, a new set of predictions was forthcoming—that she could be returned to Congress as many times as she sought reelection.

As it turned out, the latter prophecies, tempered by the large majority she ran up in her first regular election, were correct, and last week Mrs. ROGERS began her 29th year in the House as the Representative of Massachusetts' Fifth District.

The 15 consecutive terms served by the able and aggressive Congresswoman not only make her the dean of women in Congress now but she has held national public office longer than any other woman in the history of the United States.

At the present time there are only 9 men in the House and 1 in the Senate that have longer terms of service.

How then, it might be asked, can this 72-year-old New England woman, whose charm would seem more at home in a drawing room than on the House floor, outdo the men in the male-dominated profession of politics?

ENERGIES SEEM TO INCREASE

"Hard work," is the crisp reply given by the quick-witted Congresswoman whose energies seem to increase with the years.

But, as her many friends on both sides of the political fence in Congress will quickly add, she has been an able Representative both of the public and her district.

The district which had been represented by Mrs. ROGERS' husband, the late John Jacob Rogers, and which she took over at a special election June 30, 1925, was largely a textile mill area.

Through the years the district, which includes the Congresswoman's home city of Lowell and the historic towns of Lexington and Concord, has changed, but in general it has remained industrial with the resulting diverse population.

The incongruity of a soft-spoken woman Republican representing an industrial district might seem a political anomaly, except that her early childhood had equipped her to cope with the problems she was to inherit.

Born in 1881 in Saco, Maine, the daughter of a mill company executive, she grew up with a mill yard as a playground. As a result her knowledge of mills and the problems they faced through the years and changing times was more than adequate.

INCENTIVE TO STUDY INDUSTRY

In addition her husband's family had made a fortune in textile milling and after her marriage in 1907, she had added incentive to study the industry.

During her early years in Congress, Mrs. ROGERS worked with characteristic energy, not only for legislation to protect the millowners, but also for welfare measures and laws that would benefit the millhands and their families.

Her political friends say this work is one reason she has continued to pile up large majorities in election after election. Another reason is her interest in veterans welfare—an interest that transcends even her election to Congress and since has brought her national prominence.

After the United States entered World War I, Mrs. ROGERS, her energies and patriotism surging, wasted little time in volunteering for overseas service, and in 1917 was sent to France doing work for the Red Cross.

After her overseas service, Mrs. ROGERS worked quietly and efficiently for 4 years with disabled veterans at Walter Reed Hospital in Washington while her husband served as Congressman. Then, her work having received recognition, she was appointed by President Harding as his personal representative in charge of hospitalization and care of American veterans. The next year, 1923, President Coolidge reappointed her, and in 1929, although she now was a Member of Congress, President Hoover again named her to the post.

WORLD WAR II MISSION

In World War II, the busy and effective Congresswoman again went overseas, this time on a special assignment in 1944 from the late President Roosevelt. She surveyed hospital facilities in England and France, but stirred up more controversy by her demands that more supplies get through to Italy. The demands, incidentally, got results.

The effectiveness of the dynamic work done by Mrs. ROGERS for all veterans can be attested to by a visit to her office. On her desk and on filing cabinets around the walls are trophies and mementoes given the Massachusetts Congresswoman by appreciative veteran's groups. One gift is a model of the type automobile made available after World War II to disabled veterans—a cause for which Mrs. ROGERS worked diligently and is reported to have spent much of her own money.

Now chairman of the House Veterans' Affairs Committee Mrs. ROGERS has sponsored much significant legislation, a large proportion of it being related to veterans' welfare. Among the bills she has sponsored are the GI bill of rights, a bill for Korean war veterans' benefits and establishment of a permanent nurse corps for veterans. She also sponsored the bill establishing the first Women's Army Corps.

That her many veteran friends all over the country did not forget her election anniversary was evident as her office reported receiving hundreds of greetings.

Nor did she forget the veterans, for while on the floor of the House receiving the plaudits of fellow Congressmen and a standing tribute, she was more concerned with the fate of a bill to extend the authority of the Veterans' Administration to operate a regional office in the Philippine Islands. She needn't have worried. Later in the day the House passed the bill by voice vote.

CONCERN FOR VETERANS

But her deep concern for the future of veterans legislation was not diminished. "It's getting harder and harder to get anything for the veteran," Mrs. ROGERS said.

"They won't come right out and oppose you because it is bad politically, but they will stab you in the back," she declared with a glint in her steady eyes that indicated she was ready for a fight if one developed.

On her "anniversary" day in Congress, last Tuesday, Mrs. ROGERS wore a white linen suit and the orchid corsage that has become her trademark.

The flowers, her friends say, are the one feminine concession she makes in the masculine field of politics on Capitol Hill. Her excuse for them is simple. "I like to wear corsages and my friends know it. They send me lots of them," she remarked. She wears a corsage almost every day.

But while others extol her accomplishments as a legislator and as a woman in Congress, the calm, even-tempered New Englander remains unimpressed.

Starting out as 1 of 3 women in Congress, she has seen the fortunes of her sex advance politically until now there are 11 feminine House Members and 1 woman Senator.

Through the years the work of women Representatives has become harder instead of easier, Mrs. ROGERS believes.

"At first we were a rarity on the floor and in committees and you might say we were humored by our masculine colleagues. But now a woman in Congress has to win her place on merit, which is only as it should be," she commented.

Early in her career, it was reported that the Massachusetts Representative was in the anomalous position of having been elected to Congress even though she had opposed woman suffrage.

She denied actually opposing woman suffrage, but added she wasn't one of those who worked for it.

"NO CORNER ON MARKET"

"I feel that a woman is a citizen, too," the stanch New England Congresswoman declared in a firm voice. "Women can be good legislators the same as men, and they can be bad ones, too. Neither men nor women have a corner on that market."

When it comes to campaigning, she asks no quarter from men and gives none. It is here, too, that her seemingly boundless energy serves her well.

"During a campaign she is everywhere at once," one aide reported. "She will make speeches in different parts of the district, appear at other public functions, and then show up for a television talk in the evening fresh as a daisy while her assistants are completely worn out."

Not all of her elections have been what might be called landslides, although last November she captured more than 75 percent of the vote in her district and ran ahead of the Republican ticket.

Using the Yankee commonsense with which she is liberally endowed, Mrs. ROGERS tempered the tributes paid to her by House Members on her anniversary.

"One of those men who praised me the most has vowed to have me defeated at the next election," Mrs. ROGERS commented with a smile. "A few years ago in a redistricting, they gave me the Boston 'bedroom,' and now they are trying to take it away." The Boston suburbs have been a source of strength for her.

In view of this opposition and her many years in Congress, it might be asked what does the future hold in store for her?

The question put to Representative EDITH NOURSE ROGERS apparently surprised her.

"Why, I have no intention of stopping now," she replied quickly.

H. R. 116, A SOLUTION TO THE FIREWORKS' PROGRAM

Mrs. CHURCH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to append certain footnotes and tables pertaining thereto.

The SPEAKER. Is there objection to the request of the gentlewoman from Illinois?

There was no objection.

Mrs. CHURCH. Mr. Speaker, later in the week H. R. 116, which seeks to prohibit the shipment of fireworks into States where their sale or use is illegal, will be called for consideration by the House. I am speaking today so that the Members may be familiar with the purpose and scope of the measure when it actually comes forward for attention.

The problem which the bill seeks to meet is easily explained; the solution equally simple. Fireworks manufacturers and distributors presently ship fireworks into States where they are illegal. As a result of this practice large numbers of children and adults are killed and injured each year in fireworks accidents in States which have made every effort to stop such disasters. Because the manufacturers and distributors operate by mail order from without the State in which they sell, they are immune from prosecution under State law. H. R. 116 will stop such shipments—and let me emphasize that H. R. 116 is aimed solely at the elimination of the shipment of these so-called bootleg fireworks—or in other words, it is only in aid of the enforcement of State law. It does not touch the sale or use of fireworks in the States which have not restricted such practice. It merely, I repeat, serves to make it possible for States to enforce their own wise legislation on this vital matter. It is—as one of the members of the Judiciary Committee said in the 82d Congress—a State's rights bill.

No previous legislation at the State or Federal level has provided the necessary protection. The June and July newspapers of last summer and again this year attest the need for strong legislation on both the State and Federal levels. To demonstrate the magnitude of the problem, I am appending for your close attention two tables of statistics on the deaths and injuries caused by fireworks—all compiled by the American Medical Association—and the latest national compilations available. Table 1 gives the deaths by States for the years 1937–41 and for 1946. Table 2 shows the injuries by States for the same period.

To date 36 States have adopted comprehensive measures designed to meet this tremendous and wholly useless waste of life and limb. They are as follows:

Alabama: 1949 code, title 14, section 125, (1)–(4).

Arizona: 1941 laws, March 18, pages 101–103, chapter 46.

California: Health and Safety Code, sections 12500–12513.

Colorado: 1951 Cumulative supplement to Statutes annotated (1935), chapter 68B.

Connecticut: 1949 General Statutes, section 4143—amended 1953—Public Act 155.

Delaware: 1939 laws, September 5, pages 369–371, chapter 180.

Florida: 1944 code, sections 791.07–791.06.

Idaho: 1949 code, sections 39–2601 to 39–2604.

Illinois: 1950 code supplement, chapter 38, sections 276.1–276.8, amended 1953, to ban the sale or use of all fireworks, except for public display.

Indiana: 1943 Annotated Statutes, sections 20–1101 to 20–1106; 1947 laws, March 15, page 1465, chapter 366.

Iowa: 1950, code, chapter 732.18.

Maine: 1949 laws, page 390, chapter 390.

Maryland: 1947 code supplement, article 48A, sections 81a–81f.

Massachusetts: Laws, annotated, volume 4a, chapter 148, section 39.

Michigan: 1948, Comptroller Laws, section 750.243.

Minnesota: Annotated Statutes 616.432–616.433.

Montana: Code, sections 69–2701 to 69–2706.

Nebraska: Revised Statutes 1951 cumulative supplement, sections 28–1003.01–28–1003.05.

New Hampshire: 1943 laws, March 12, pages 88–90, chapter 66.

New Jersey: Revised Statutes, sections 21:2–1 to 21:2–35.

New Mexico: 1949 laws, page 62, chapter 26.

New York: McKinney's Penal Code, section 1894–a.

North Carolina: 1947 laws, pages 222–223, chapter 210.

North Dakota: 1947 laws, March 11, pages 277–279, chapter 199; 1951 laws, February 26, page 247, chapter 175.

Ohio: 1941 laws, March 11, pages 8–9.

Oregon: 1951 laws, page 88, chapter 64.

Pennsylvania: Code, title 35, section 1272.

Rhode Island: 1942 laws, March 19, pages 33–34, chapter 1130.

South Carolina: 1947 laws, April 18, pages 151–153, No. 113.

South Dakota: 1949 laws, page 50, chapter 41.

Utah: Code, section 29A–1–1 to 29A–1–2.

Vermont: 1947 Statutes, section 8588.

Virginia: 1950 code, 59–214 to 59–219.

Washington: 1943 laws, March 19, pages 523–525, chapter 161.

West Virginia: 1949 code, section 2813 (1)–(6).

Wisconsin: 1947 laws, July 2, pages 628–630, chapter 369.

In general outline these State statutes define "fireworks," or "special fireworks," or "dangerous fireworks," or "fireworks other than safe and sane" and prohibit their sale, use, or possession except for public displays upon proper license first obtained from an appropriate State or local official. Ten other States have statutes regulating the use or sale of fireworks in some degree, or delegating that authority to county or municipal officials. They are as follows:

Arkansas: Statutes Annotated 1947, sections 41–3308, 41–3309.

Georgia: Code, pocket part, 1951, sections 23–2701, 23–705, and 23–9910.

Kansas: General Statutes Annotated 1949, sections 14–418, 15–423.

Kentucky: laws 1950, chapter 134, page 567.

Louisiana: Revised Statutes 1950, sections 14–311, 14–318.

Mississippi: General Laws 1950, chapter 517, page 680.

Missouri: Revised Statutes 1949, sections 73.110, 74.143, 75.110, 77.570, 79.4.

Oklahoma: Statutes Annotated, title 11, sections 655, 1004 (3d).

Texas: Statutes Annotated, sections 1015 (22), 1068, 7047 (38).

Wyoming: Compiled Statutes 1945, sections 29–317, 29–430.

Only two States—Nevada and Tennessee—have no legislation whatsoever.

Despite this effort, fireworks continue to find their way into the States where they are illegal. In truth all one need do to obtain such fireworks is to clip one of the coupons now freely inserted in comic books and magazines and send it to an out-of-State distributor. Illegal fireworks are returned via express shipment and State law is flaunted. Similar illegal traffic is effected through mail order catalogs which circulate freely through the mails in every State. Indeed, the record of the hearings before the Judiciary Committee contains actual mail order catalogs recently distributed in quantity in Illinois and elsewhere which brazenly advertise the need for ordering fireworks early this year—because pending Federal legislation, H. R. 116, will prevent such shipments in the near future. I also have a number of other catalogs and comic magazines containing advertisements which illustrate the point.

The fact that such circumvention takes place on a major and disastrous scale has been demonstrated over and over again, and leads to the conviction that it is the responsibility of the Congress to give thought to the prevention of such evasion at the Federal level. Our primary concern, of course, with the present situation is the ever-present threat of personal injury to children and others in the areas where the problem was presumed to have been solved by the enactment of State law; but in addition we seek to eliminate also an exceedingly troublesome and discouraging harassment of law enforcement officials in the States and communities affected.

My own personal attention was directed to the problem by the tragedy which occurred in Chicago on June 8, 1951. On that date three children died, and five adults were injured, in a fire which was caused, as found by the late Coroner A. L. Brody in his investigation and later stated in his protest to me, by fireworks illegally obtained. The laws of Illinois—Illinois Revised Statutes 1950, chapter 38, sections 276.1, 276.8, amended 1953 to ban the sale or use of all fireworks, except for public display—then prohibited the sale and/or use of "dangerous fireworks," except for use in properly supervised public displays. The pyrotechnics involved in this tragedy serve as an excellent, if infamous, example of the manner in which State laws in this regard are easily violated. These fireworks were obtained in violation of the State law by sending a coupon into another State where the sale was legal, and were shipped into Illinois by Railway Express.

This is not an isolated case: The Illinois Society for the Prevention of Blindness has reported that in the last 2 years Illinois alone has had 486 fireworks accidents reported from fireworks that were and are illegal for sale or use in Illinois except for public display. One hundred and twelve of these were very serious eye injuries resulting in impairment of vision for many children, and in at least 13 cases children lost 1 eye or were totally blinded in 1 eye; and this is a State where the sale or use of dangerous fireworks is strictly prohibited. The States, to bring adequate protection to their children and other citizens, need Federal help.

H. R. 116 is designed to provide the needed aid by making it a criminal offense to transport fireworks into any State in which the sale or use of such fireworks is prohibited by law. Violators shall be fined not more than $1,000 or imprisoned for not more than 1 year or both. In effect, this bill will stop the bootlegging of fireworks. It puts shippers on notice that the Federal Government will not tolerate the use of interstate commerce for the purpose of circumventing State law. It does nothing more. In this respect, H. R. 116 is similar in scope and purpose to section 1262 of title 18, United States Code—act of June 25, 1948 (62 Stat. 761)—which prohibits the shipment of liquor into any State where the sale is prohibited, and which has been actually effective in stopping illicit liquor traffic. Both measures leave the manner and scope of the regulation to the individual States for proper consideration; both measures prevent the circumvention of State law in the name of interstate commerce.

The same method has been used in aid of State laws regulating or prohibiting the sale or use of convict-made goods—act of July 24, 1935 (49 Stat. 494)—gaming devices—act of June 3, 1951 (64 Stat. 1134)—and mail order dentures—act of June 25, 1948 (62 Stat. 786). Federal legislation—act of June 25, 1948 (62 Stat. 687)—has been passed to fortify State measures for the preservation of wildlife. Such legislation prohibits the shipment in interstate commerce of birds or game from States where the taking or killing is illegal. The pattern for H. R. 116 is, therefore, well established and has already proven effective.

The legislation has the active support of the American Medical Association, the American Optometric Association, the American Association of Workers for the Blind, the American Foundation for the Blind, the National Fire Protection Association, the Illinois Society for the Prevention of Blindness, the Illinois Medical Society, and the Chicago Junior Association of Commerce and Industry. In addition, many State parent and teacher organizations have expressed strong support for the measure. The legislative director of the National Federation of Women's Clubs actually filed a formal statement with the Judiciary Committee endorsing the bill in principle.

These organizations attest the need for this legislation at the Federal level. The amendments adopted by the Judiciary Committee—particularly that amendment freeing common carriers from liability—incorporate the suggestions made by the Interstate Commerce Commission and the Association of American Railroads, and in large measure meet the objections which were expressed by members of the fireworks industry. I hope, therefore, for prompt approval of H. R. 116.

STATISTICS ON DEATHS AND INJURIES CAUSED BY FIREWORKS

(Source 132 American Medical Association Journal 442 et seq. (1946))

TABLE 1.—*Deaths by States*

State	1946	1941	1940	1939	1938	1937
California	0	0	1	2	0	1
District of Columbia	0	0	1	0	0	0
Connecticut	0	0	0	0	1	0
Florida	0	0	0	1	0	1
Idaho	0	0	0	0	0	0
Illinois	0	3	0	1	1	0
Indiana	0	1	0	1	3	0
Iowa	0	0	1	0	0	0
Louisiana	1					
Maine	0	0	2	0	0	0
Maryland	0	0	0	1	2	1
Massachusetts	0	1	0	2	0	2
Mississippi	0	0	0	0	1	0
Missouri	0	1	0	0	0	0
New Jersey	1	0	1	1	0	1
New Mexico	0	1	0	0	0	0
New York	0	0	1	3	2	3
Ohio	0	1	0	0	1	1
Pennsylvania	1	0	0	0	6	0
Rhode Island	0	0	0	0	0	1
Tennessee	0	2	0	0	0	0
Texas	1	0	0	1	0	1
Utah	0	0	0	0	0	2
West Virginia	1	0	0	0	1	0
Wisconsin	1	1	0	0	0	0
Wyoming	0	0	1	0	0	0
Total	6	11	8	13	18	20

TABLE 2.—*Injuries by States*

State	1946	1941	1940	1938
Alabama		2	25	15
Arizona		1	12	16
Arkansas	4	2	5	2
California	22	231	251	309
Colorado	12	12	12	22
Connecticut	38	81	48	125
District of Columbia	11	70	68	31
Delaware		0	0	39
Florida		33	45	29
Georgia	1	1	6	7
Idaho	6	4	7	5
Illinois	91	209	400	512
Indiana	8	1	2	346
Iowa	10	5	7	6
Kansas	100	61	147	74
Kentucky	7	2	13	11
Louisiana	2	3	4	2
Maine	31	39	46	75
Maryland	5	7	211	110
Massachusetts	13	312	314	467
Michigan	4	42	83	107
Minnesota	9	42	165	143
Mississippi		0	2	1
Missouri	80	86	155	553
Montana	7	15	23	30
Nebraska	12	5	30	14
Nevada		0	1	1
New Hampshire		28	36	32
New Jersey	12	35	158	88
New Mexico	1	4	3	5
New York	106	105	1,114	1,630
North Carolina	7	5	8	2
North Dakota	6	5	5	8
Ohio	61	276	461	585
Oklahoma	28	10	49	43
Oregon	22	20	47	29
Pennsylvania	37	67	58	1,702
Rhode Island	2	141	239	210
South Carolina	2	4	0	3
South Dakota	9	17	21	8
Tennessee	3	0	6	9
Texas	27	44	42	60
Utah	3	6	1	18
Vermont		4	6	2
Virginia	8	18	11	13
Washington	10	38	32	70
West Virginia	5	4	4	41
Wisconsin	70	35	57	117
Wyoming	4	6	6	6
Hawaii	7			
Unknown		0	16	0
Total	903	2,089	4,462	7,933

The figures listed are almost certainly incomplete as hospitals not reporting and injuries treated in physicians' offices are not included in totals.

A NEW ERA DAWNS FOR AMERICA

The SPEAKER. Under previous order of the House, the gentleman from Oregon [Mr. ANGELL] is recognized for 30 minutes.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. ANGELL. Mr. Speaker, after a lapse of 20 years the party of Abraham Lincoln on January 20, 1953, returned to power and took over control of both the legislative and executive branches of our Government. The immortal Lincoln, founder of the Republican Party anchored his trust in divine providence saying:

> I have been driven many times to my knees, by the overwhelming conviction that I had nowhere else to go.* * * My own wisdom, and that of all about me, seemed insufficient for that day.

Likewise President Eisenhower cherishes a deep and abiding faith in Almighty God. On January 20 as he stood before the vast throng in the Nation's Capital to take the oath of office as President of the United States and pledge his faith in God and his devotion to the American people who had called him to serve in the highest office in their gift, he opened his inaugural address in a personal appeal for divine guidance as follows:

> Almighty God, as we stand here, at this moment, my future associates in the executive branch of the Government join me in beseeching that Thou will make full and complete our dedication to the service of the people in this throng and their fellow citizens everywhere.
>
> Give us, we pray, the power to discern clearly right from wrong and allow all our words and actions to be governed thereby and by the laws of the land.
>
> Especially we pray that our concern shall be for all the people, regardless of station, race, or calling. May cooperation be permitted and be the mutual aim of those who, under the concept of our Constitution, hold to differing political beliefs, so that all may work for the good of our beloved country and for Thy glory. Amen.

President Eisenhower took over the control of our Government in a time of worldwide unrest, discord, and war with an empty treasury in the Nation's Capital, a $262 billion Federal debt, a debased dollar worth only 50 cents, with inflation, waste, corruption, and deficit spending rampant in many departments of our Government. The Korean war was sapping our financial strength and bringing the grim spector of death to thousands of American homes.

As pointed out by the President, we are living in a world where freedom is pitted against slavery and light against dark, and we need to strengthen our dedication and devotion to the precepts of our founding documents, a conscious renewal of faith in our country and in the watchfulness of a divine providence. President Eisenhower said:

> The enemies of this faith know no God but force, no devotion but its use. They tutor men in treason. They feed upon the hunger

of others. Whatever defies them, they torture, especially the truth. • • •

Love of liberty means the guarding of every resource that makes freedom possible—from the sanctity of our families and the wealth of our soil to the genius of our scientists.

So each citizen plays an indispensable role. The productivity of our heads, our hands, and our hearts is the source of all the strength we can command, for both the enrichment of our lives and the winning of the peace.

Those of us here in the Capital with first-hand information on the progress that is being made in cleaning up the mess President Eisenhower inherited marvel at the results that have been achieved by the new administration in the short time it has been in power. President Eisenhower has inaugurated a program of teamwork between the executive department and the Congress. First of all he called into consultation the leaders in both political parties and particularly those who are in charge of committees or responsible for leadership in both branches of the Congress. Next he had put into effect a plan to have all Members of the House and Senate of both political parties in small groups meet with him at luncheon engagements at 1 o'clock at the White House. It was my privilege to be invited as one of the guests at one of these luncheon meetings where 20 Members of Congress, 10 from each political party, were in attendance together with a few other distinguished advisers of the President. In these meetings no legislative problems are discussed and there is no endeavor made to present to the guests attending these luncheons the views of the administration on any of the political or legislative issues facing us. It does, however, give opportunity for the Members of Congress to meet with the new President and his advisers and to foster cooperation and good will between the executive department and the Congress. This is a most worthy achievement and one that should result in a healthy spirit of cooperation between these two great departments of government in the attempt to find solutions to the momentous problems facing us. Unfortunately such cooperation has not existed during the 14 years that I have had the privilege of representing my district in the Congress.

The President has charted a course which will lead us out of the morass through which we have been struggling and clean up the mess in Washington. A forthright, dynamic, positive policy has been put into effect by the new administration and we may look forward to living within our income with a balanced budget and a reduction in the overhead cost of government together with the elimination of Government controls, inefficiency, graft and influence peddling that have been rampant in the administration of our Government in the past.

I was reelected to the office of Congressman for the Third Oregon District at the same time and on the same ticket with President Eisenhower. I was honored and proud to campaign for General Eisenhower, a candidate who had rendered such distinguished military service to our Nation and one with such unblemished character and lofty ideals and objectives for continued public service. I was in full accord with his program to end the Korean war with honor, to restore security and commonsense to Government, to rid our Government of Communists, graft, dishonesty, corruption, deficit spending, to balance the budget and again to live within our income. I had the same objectives in my own platform in the same election, namely:

Oust the Communists and fellow travelers from Government.

Adopt the Hoover report economies and end waste, deficit spending, graft, corruption, and moral let-down in Government.

Insure prosperity through tax reduction and full production without bureaucratic regimentation, with labor, management and the public working together as a team.

Develop Columbia Basin resources, retain State control—hydropower, water, soil, minerals, flood control, reclamation.

Abolish bureaucratic controls from Washington. Restore the good old American way of life—free enterprise without bureaucratic controls; give American free enterprise a chance under home rule by reducing taxes, and living within our income, ending graft and corruption.

Restore faith in Government by returning to the honest precepts of Washington and Lincoln.

Provide security for our aged citizens now, and without the odium of charity.

Give fair treatment to our veterans without delays and redtape in veterans' housing, loans, employment, education, and hospitalization.

With faith in divine providence, ban intolerance, racial and religious prejudices, and enforce civil rights.

The Truman administration, gone to pot, boosting taxes, with unbridled corruption, controlled by crooks and opportunists, wasting and stealing tax funds that should have gone to building military strength, was limping and blundering aimlessly from crisis to crisis.

I urged a return to honest government, as Lincoln said:

With firmness in the right, as God gave us to see the right, let us strive to finish the work we are in—to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations.

The magazine the American Press recently took a poll of 498 country editors, representing every section of the Nation, and in response to the question, "What would you say are the two most important things for Congress to accomplish at the new session?"; they voted, first, end the Korean war; second, cut Government costs and reduce taxes. The last November election demonstrated that this appraisal of the most important work of the administration and the 83d Congress is embodied in these objectives which the country editors put at the top of the workload of the Congress.

Mr. Speaker, after his election, President Eisenhower lost no time in making a personal trip to Korea and calling into consultation General MacArthur and other top military leaders to consider what should be done to end the Korean war with honor. President Eisenhower frankly said that neither he nor, in fact, anyone else can categorically answer this momentous question. It is safe to say, however, that President Eisenhower, with his long experience as the outstanding military leader of our generation, is better qualified than anyone to formulate and pursue the best plan for meeting this crucial issue.

The second most important problem facing America is balancing the budget and reducing the tax burden. It is clear that if billions are to be taken out of the swollen budget it will be necessary to make heavy reductions both in the military and in foreign spending. Seventy-five percent of the costs of Government under the inflated program under which we are now working is in military and foreign-aid spending. Many of us in the Congress believe that heavy reductions in these two categories can be made without crippling our national defense or lessening the effectiveness of our foreign relations. By cutting the waste, extravagance, and unnecessary spending in the military budget, we will not thereby eliminate any necessary functions or cripple our military machine or impair our national defense, but, on the other hand, will bring about greater efficiency and more effectiveness in this essential department of our national security.

We have been throwing American dollars around the world with utter abandon and as a result have pauperized many of the nations receiving these American dollars with the result that we are losing the respect and cooperation of the very nations we are seeking to help and with whose cooperation we are seeking to bring about world peace and national solidarity. As a result of this swollen spending for foreign aid and inexcusable waste in the military expenditures we have brought our own Nation to the verge of bankruptcy and increased the tax burden to a point where our financial structure is tottering. As I have said, I personally believe we should balance the budget; we should reduce the tax burden; we should eliminate every item of wasteful and unnecessary expenditures, reduce substantially foreign aid now, and thereby reduce the cost of Government. It is not a question of priority or which comes first, "the hen or the egg," a balanced budget or tax reduction. It is one correlated job to be carried on as one project and thereby we can balance the budget, reduce the tax burden, eliminate waste and costs of the Government, and restore honesty, sanity, and sound financing to our Government.

A report to Congress March 18 disclosed that the Federal Government began the second half of fiscal 1953 with $140,900,000,000 in unexpended appropriations and authorizations. This report was made by Senator BYRD, chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. Of this amount, $61,400,000,000 was in appropriations and other authorizations made during 1952, and more than $79,500,000,000 was from previous years. Senator BYRD said that as of December 31, the military services had unexpended appropriations totaling $86

billion, and $13,700,000,000 was available for mutual security expenditures. His report said there was $16,700,000,000 in unspent appropriations for independent offices, including $4,700,000,000 for the Atomic Energy Commission; $7,100,000,000 in appropriations in the Department of Agriculture, and $5,100,000,000 unexpended for agencies of the Housing and Home Finance Agency.

We face a danger which we never have faced before. Big Government has constantly increased in size and in power; 20 years ago the Federal Government took 6 percent of the people's income. Today they are spending 28 percent of the people's income. When we add to that about 7 or 8 percent for State and local government, we find that the total tax burden today is over 30 percent of the people's income and Government spending more than a third of the national income. That means that the Federal Government is conducting over 28 percent of the total activity of the people of this country and local governments 7 or 8 percent. The taxation required becomes oppressively burdensome, so burdensome that it is almost impossible to balance the budget, and creates an inflationary spiral which destroys the whole basis of the system on which a free economy and rewards and incentives are based. The burden on business is so great that there is little incentive to men to go into new business and start new small-business concerns so necessary to our prosperity and from which our large industries have always been built. Small-business concerns with new ideas and new energy and new methods mean the increase in production needed to maintain our economy.

As example of excessive waste in foreign spending, congressional investigators have disclosed that the State Department under Dean Acheson went on a $28 million de luxe housing spree which had never been authorized by Congress. This was brought to light by a House Government Operations Subcommittee. This elaborate housing included 5 mansions costing $151,000 each for 5 American officials. It also included an ambassador's residence costing $240,000 and a $900,000 recreation center. The State Department never came to Congress for an O. K. on the spending spree, but instead used currencies credited to the United States Government in Germany. Congressional investigators doubt whether the Department had legal authority to spend the money in this manner. These funds are supposed to be used to restore and bolster the German economy. When I was in Germany I saw with my own eyes block after block of new apartment houses constructed with Uncle Sam's money which were as commodious and luxurious as any here in Washington, all of which are to be handed over to Germany gratis.

The United States has been providing more tax dollars for the development of natural resources in foreign countries than it is spending here at home. I personally hold that it is false economy to fail to develop and utilize the great natural resources of our own country, including among others, forest products, water resources, hydropower, river and harbor development, minerals, and reclamation.

For a number of years now during this speeded-up war program we have been eliminating even the minimum essentials to maintain our public roads construction, hydroelectric powerplants, and to keep abreast of development here in our own country. As an example, on the Rhone River in France we have supplied millions of dollars from tax funds for hydrodevelopment which the French Government had put aside as uneconomical. If we are to maintain our own economy and provide tax funds for our heavy financial budget, we must utilize to the full our own natural resources.

In keeping with this program in this Congress, I have urged the appropriation of sufficient funds to keep our construction program moving full speed ahead in the Columbia Basin improvements. I introduced H. R. 4025, which has now become law, authorizing the appropriation of $75 million for projects in the Columbia River Basin, namely, Lookout Reservoir, Willamette River bank protection, and The Dalles Reservoir. The House has passed and the Senate committee has approved adequate appropriations for carrying on the work at Lookout Point Reservoir, McNary Dam, The Dalles Dam, Willamette River bank protection, and the Albeni Falls project which provides storage water for hydroelectric power in the Columbia River projects below it.

U. S. News & World Report in a recent issue, in summarizing the first 90 days of President Eisenhower's administration called attention to these accomplishments.

Dwight D. Eisenhower, in 90 days as President, has reversed trends that were 20 years in the making; big Government is beginning to shrink. Instead of expanding its power and activities, Government is contracting. More workers are being fired than hired. More projects are being stopped than started. Controls over business are being ended, not extended.

Inflation, plus controls, the objective of Government policy for 20 years is replaced by an objective of a freely working market, minus controls.

Businessmen are back in positions of power. Theorists interested in reforms are being replaced by individuals with a more practical viewpoint. The creeping trend toward more socialization, after 20 years, is being replaced by an effort to get back more closely to free capitalism.

Republicans are in a process of checking the growth of Government, not in extending or spreading it.

In that process, Congress is returning to a position of more power, the White House is regarded less a source of dictation and drive.

A whole new team has been recruited and put in charge of the vast machinery of Government. Official attitudes of a generation have been altered or replaced by new attitudes. A dollar that gradually has been undermined has regained standing and strength. Individuals who have made a success in private life—fair game for attack through the New Deal and Fair Deal years—are getting recognition.

A most noteworthy stride taken by the President was his foreign-policy speech which has been accredited far and wide as the most noteworthy statement made in recent years. David Lawrence has said that it is the greatest speech that has been made in our time. It is having a profound effect on the problem of restoration of peace throughout the world and has resulted in stepping up the program of our Government and our allies in the endeavor to bring an end to the Korean war with honor and in the interest of our own security and peace throughout the world. The outstanding provisions of the President's speech were:

First, no people on earth can be held, as a people, to be an enemy, for all humanity shares the common hunger for peace and fellowship and justice.

Second, no nation's security and well-being can be lastingly achieved in isolation, but only in effective cooperation with fellow nations.

Third, any nation's right to a form of government and an economic system of its own choosing is inalienable.

Fourth, any nation's attempt to dictate to other nations their form of government is indefensible.

Fifth, a nation's hope of lasting peace cannot be firmly based upon any race in armaments, but rather upon just relations and honest understanding with all nations.

Mr. Speaker, under Democrat rule, the United States has been following the practice for 20 years of tax and tax, spend and spend, with the result that we have collected in the last 20 years over $500 billion in taxes; and have spent $167.50 for every $100 taken in. As a result we have been putting the excess spending into the Federal debt which now exceeds $266 billion. Interest on the Federal debt alone is a heavy drag on the American taxpayers costing them $6,500,000,000 a year. It equals all of the money appropriated for veterans and exceeds the amount expended for power dams, reclamation, flood control, and atomic energy altogether. It is three times the amount spent for agriculture, including the enormous subsidies and price supports. It is more than double the appropriations for social security and five times as much as that spent for housing, education, labor, and commerce. Amazing as it may seem, it is six times the entire cost of the general expenses of the Federal Government including all the courts and the legislative branch.

Under the Democrat administration from 1932 through fiscal year 1953, $58,741,175,000 was spent for interest alone on the public debt.

The Truman administration upped the Federal tax collections $26 billion from 1950 to 1952, an increase of 66⅔. In 1950 the Federal tax was just under $39 billion but in 1952 it was more than $65 billion. These startling facts demonstrate the absolute necessity of a right-about program under which the enormous costs of Government will be cut and taxes reduced to a pay-as-you-go, balanced regime.

The following tabulation shows the foreign aid of $39 billion segregated as to countries since World War II:

To Western Europe	$29,000,000,000
To Russia and Eastern Europe	1,000,000,000
To Asia and Pacific areas	7,000,000,000
To Middle East	350,000,000
To Latin America	670,000,000
To United Nations, Red Cross, refugees, etc	1,000,000,000

Here is where the money went in Europe:

Britain	$8,100,000,000
France	6,200,000,000
Western Germany	3,700,000,000
Italy	3,100,000,000
Greece	1,900,000,000
Netherlands	1,300,000,000
Austria	973,000,000
Belgium	741,000,000
Turkey	574,000,000
Yugoslavia	534,000,000
Norway	286,000,000
Denmark	277,000,000
Other	1,200,000,000

Here is where the money went in Asia:

Japan	$2,100,000,000
China and Formosa	2,000,000,000
Philippines	1,000,000,000
Korea	1,000,000,000
India	217,000,000
Indonesia	39,000,000
Indochina	37,000,000
Other	400,000,000

And now $6 billion more for new foreign aid is being asked. The time has arrived when our own economy demands cutting foreign aid and in the near future ending it altogether.

When the late Franklin Delano Roosevelt's administration began the national debt was $21 billion. When Harry Truman turned the White House over to President Eisenhower the debt was $262.7 billion, an increase of $241.7 billion. In 1933 each of us owed on the Federal debt $162. Today each of us owes $1,607, a tenfold increase.

The Chamber of Commerce of the United States recently pointed out that all wages, salaries, rentals, interest, and dividends received by the American people from January 1 through April 22, 1953, will be required to pay the tax levy. In other words, we work almost 4 months of the year to pay our taxes.

Expenditures during the last fiscal year were $74,607,000,000; receipts were $65,218,000,000. That left a deficit of $9,389,000,000, the biggest 1-year debt in any peacetime period. The gross public debt at the fiscal year's end stood at a staggering $266,071,061,638.

Based upon a population of 159 million, the Federal spending in fiscal 1953 of $74,607,420,232 averages out to $469.23 per capita or $39.10 monthly. For a family of 4 persons the monthly average amounts to $156.40 a family. The State and local spending adds another $45.56 monthly making the total impact of all governmental spending average $201.96 per family of 4 persons a month.

This was the final Truman deficit under the tax and tax, spend and spend regime as all of the spending was planned and made necessary by President Truman, even though the last 5½ months were under the direction of President Eisenhower. Mr. Truman had figured on only a $5.9 billion deficit, but though his estimate of spending turned out to be accurate his estimate of tax revenues was wide of the mark.

The Republicans under the Eisenhower program have cut approximately $10 billion off of the Truman budget for the present fiscal year beginning July 1 which will be the first Eisenhower budget. These heavy cuts must be made in foreign aid and military waste and unnecessary spending eliminated in order to balance the budget. Tax relief should then follow. When Uncle Sam ends the tax and tax and spend and spend program and heeds the following admonitions, a new day of freedom and prosperity will dawn for America:

You cannot bring about prosperity by discouraging thrift.

You cannot strengthen the weak by weakening the strong.

You cannot help small men by tearing down big men.

You cannot help the poor by destroying the rich.

You cannot lift the wage earner by pulling down the wage payer.

You cannot keep out of trouble by spending more than your income.

You cannot further the brotherhood of man by inciting class hatred.

You cannot establish sound security on borrowed money.

You cannot build character and courage by taking a man's initiative.

You cannot really help men by having the Government tax them to do for them what they can and should do for themselves.

The program of the administration and the accomplishment thus far give hope and encouragement that a new day has dawned for America with the advent of the Eisenhower administration.

Mr. Speaker, President Eisenhower and the 83d Congress have achieved significant results during the short period of a little over 5 months, in the translation of pledge into performance and promise into actuality. In this short period the colossal job of cleaning up the mess inherited from the Truman administration is well under way.

Attorney General Brownell tightened up operations of the Department of Justice by referring 263 tax cases in which criminal prosecution was authorized to United States attorneys, by ordering full publicity on all Presidential pardons and commutations of sentences, by tightening up grants of parole, and by instituting a policy of no longer accepting pleas of poor health from defendants who thus sought to avoid prosecution in criminal tax fraud cases. In the field of security, a new Government-wide system emphasizing security rather than loyalty was instituted. All new, top-level appointees to Government posts underwent FBI investigations at their own requests, and a check was ordered of every American employed by the U. N.

This Republican administration reduced Mr. Truman's budget request by $8.5 billion or about 12 percent. Further reductions were made by the Appropriations Committee of the House which were approved by the vote in the House which as I have said will approximate a cut of $10 billion.

The Civil Service Commission reports that Federal employment has been reduced by 240,000.

Secretary of Defense Wilson has issued orders canceling planned construction at 14 airbases at a saving of $155 million, and an additional estimated saving of one million monthly on oil, gas, and coal.

Secretary of Interior McKay has ordered a 10-percent reduction in the Reclamation Bureau and the President himself has put in mothballs the Presidential yacht, *Williamsburg*, a symbol of needless luxury and a saving to the taxpayers of over $600,000 annually.

The Bureau of Internal Revenue has inaugurated a new tax-checking system calculated to save $1½ million a year.

The President has said that he believes personal income taxes should be reduced next January. Administration tax philosophy is built upon a sound and stable dollar, not one of declining value. Its tenets are: Not to spend more than we earn; to pay something on our debts instead of increasing them; to keep our credit good by properly managing the debts we have; to reduce burdensome taxes which stifle initiative; to maintain free markets in which the consumer can buy what he wants and choose for himself the price he will pay; to encourage free and equitable competition in the market place; to protect the savings, insurance, and pensions of the old; and to preserve for the young opportunities to advance and improve themselves by their own abilities and hard work.

The President has submitted to the Congress 10 plans for reorganization in the executive departments some of which have been adopted and others are still in the legislative process. Under these plans overlapping bureaus and agencies are eliminated, duplication avoided, and a greater concentration and control of functions in the executive department provided for, resulting in a greater efficiency and saving in personnel and Federal expenditures. Other reorganization plans are under consideration by the President.

The Postmaster General formulated a program to put the United States postal service on a pay-as-you-go basis which will necessitate some increases in postage rates in some of the services provided by the Post Office which the Postmaster General hopes will overcome an annual deficit of over $600 million built up in the Post Office Department during the preceding administration.

While the President has devoted his life to military activities he has always been an outstanding advocate for world peace. As a basis for world peace, the President called for an honorable armistice in Korea. He proposed the negotiation of an Austrian peace treaty; the unification of a free Germany; the cessation of Communist aggression in Malaya and Indochina; the creation of a European community including East European nations; agreements on reduction of armaments, international control of atomic energy, pledges to limit production of strategic materials for military purposes, and the enforcement of all agreements by adequate safeguards.

This Congress has passed and the President has signed a bill which will permit the shipment of 1 million tons of surplus wheat to relieve the famine in Pakistan which has continued for a long time making the situation there most critical.

The President has requested authority to make available for relief purposes surplus and other agricultural products held by the Commodity Credit Corporation and other Government agencies in order to relieve hunger and suffering in the countries of many of our allies. It would not only be humane to relieve their distress but it also would put to good use these surplus commodities which have in the past created a problem hard to solve. Under the previous administration, it should be recalled, thousands of carloads of potatoes and other edible products were destroyed rather than allowing starving communities to have them. It would seem not only to be more humane but exercising good judgment to put these surplus products which we own and which cannot be marketed in the United States to this useful purpose rather than to destroy them as was done in the past.

While the President recommended and the House has adopted a cut of some $5 billion in the appropriation for the Air Force, the administration has shown that its major emphasis is on airpower and while the suggested 143 air units was reduced to 120 units, there will be an increase in the actual number of combat planes in 1954 over the total envisaged by prior administrations. Even with this cut the Air Force will have $40 billion available in 1954 which is in excess of the amount that can be wisely spent in that time.

The Congress has settled the problem of the submerged tidelands by the passage of a bill which has returned to the States lands extending offshore within their historic boundaries. There was never any contention raised that these lands did not belong to these States until recent decisions were rendered by the Supreme Court which raised doubts with reference to the ownership being vested in the States. While the Court did not hold that the Federal Government owned these lands, it did hold that the Government had paramount rights in them. Under this legislation and legislation soon to be passed covering the remainder of the lands on the Continental Shelf extending seaward, this whole problem will be solved. In the latter legislation covering the Continental Shelf lands beyond the States' historic boundaries, provision is made for earmarking the revenues from the sale of oil and minerals in them to the States for educational purposes which is a sound solution of the problem.

The President in his inaugural address stated:

> We reject any insinuation that one race or another, one people or another, is in any sense inferior or expendable.

Following out this announcement by the President the Attorney General asked the Supreme Court to uphold two old laws banning segregation in the District of Columbia. The Supreme Court ruled that the laws were valid and as a result any operator of a licensed restaurant in the District which refuses service to any well-behaved and respectable person regardless of color or race is guilty of a criminal offense. The Defense Department also announces that in line with the President's orders all schools on Army reservations operated entirely with Federal funds will be integrated by September.

While the administration and the leaders in the Congress are urging a balanced budget before tax cuts, nevertheless it seems clear that there will be substantial tax cuts before the 83d Congress ends next year. The heavy commitments made by the Truman administration must first be liquidated as well as the accruing costs of the Truman Korean war paid before we can hope for a balanced budget and tax relief. The Eisenhower administration is making much headway toward the goal in 1954.

As David Lawrence recently pointed out the sooner the American people realize what is happening to their fiscal affairs the sooner they will insist that the administration come to grips with the main problem. For the main issue is not which taxes shall be repealed or replaced, or what unexpended balances shall be curtailed, or what domestic expenditures shall be trimmed. The main issue is when the United States will adopt a foreign policy consistent with its resources and its taxing power. If America, he says, is to continue indefinitely with a "defend the whole world" premise as the basis of our armament planning then there never will be a balanced budget in our lifetime.

Our great neighbor, Canada, has reduced taxes last year, effective in July, and again this year, effective July 1, for both individuals and corporations and has reduced excise taxes effective immediately. We have been drawing upon the taxpayers of America for heavy aids to Britain and many other foreign countries and it seems rather queer that Britain can cut her taxes while the United States continues to carry this heavy tax burden, not alone for our own needs but for foreign aid. As I have said, I favor a balanced budget and a substantial cut in taxes. It can be accomplished by reducing foreign aid and military waste and extravagance and the elimination of the excessive cost of Government in all departments. We can with reasonable assurance say now that these objectives will be accomplished at an early date under the Eisenhower administration by reason of the headway already achieved.

David Lawrence said further May 29, 1953:

> In any event, a policy of America for America is just as realistic now as the policy of Britain for Britain. The idealistic principle of collective security broke down when our allies broke faith with us on the conduct of the war in Korea. The British are still arguing that they must trade with Soviet Russia and Red China to take care of their commercial losses. Can they object logically if the American taxpayer now consults his material interests, too?
>
> America must remain solvent. We cannot afford a "defend the whole world" program. We must take the calculated risk of placing on European countries themselves the maximum responsibility for their own defense and economic development. America has poured more than $29 billion into Western Europe from 1945 to date. That is evidence of our generosity and our altruism. But the outlays never have been and never will be enough to satisfy Europe. We cannot keep up this pace without going broke.
>
> It is not tax policy that needs our main attention. It is foreign policy which is breaking our backs. If budgets are to continue unbalanced, inflation will intensify. The sound dollar then will vanish, even as the prospect of a balanced budget for the Eisenhower administration seems now to be vanishing amidst confusing estimates by the Executive and constant bickerings in Congress as to the size of our armament program. For how can the budget ever be balanced if we are to keep on appropriating vast sums each year in an effort to attain highly imaginary goals or to meet the never-ending military requirements of an "age of peril"?

Mr. Speaker, while overseas I visited most of the capitals of the European nations proceeding from Geneva, Switzerland to Spain, Portugal, The Netherlands, Denmark, Sweden, Norway, Germany, Austria, France, and a short stop in Shannon, Ireland. I made the trip by TWA trans-Atlantic airplane both going to and returning from Geneva. I was again impressed by the great gains in modern transportation which permitted me to leave Paris at 7:30 p. m. one evening and arrive in New York at 8:30 a. m. the following morning and by 9:30 a. m. Washington, D. C., after having a comfortable 10 hours' sleep en route which left me refreshed for an active day in my office and on the floor.

My purpose on this hurried trip through the European countries was to gather as much firsthand information as possible on the economy and stability of the areas visited from our diplomatic representatives and civilian agency officials who are located in these several countries, as well as the viewpoints of the local citizens. Having contributed over $30 billion to foreign aid since World War II ended, it is of interest to those of us here in the Congress to know what is being done with the American tax dollars and if the purpose is being achieved to work out a solution of our world problems and bring about world stability and protection for the free nations against the advance of communism. In the main, I found all of these nations in a prosperous condition. Most of them have reached a goal of production far in excess of that attained before the war. Many of them are operating on balanced budgets and their tax burdens do not seem to bear as heavily on the citizens as does the tax burden in America.

In most of the nations the communistic philosophy is not making much headway outside of France and Austria. Austria, as you know, is under the domination of Russia and a tight control is maintained throughout the nation. In fact, as those of us who were proceeding to the airport to depart took passage on a bus a Soviet soldier in uniform, armed with a military rifle, boarded the bus, locked the door, and stood with his back to the door, facing all of us throughout the entire journey through the Russian zone to the airport.

The peoples of these various countries with whom I came in contact seem less

war conscious than do we here in the United States. The countryside is prosperous, the farms are well tilled, the buildings kept in good repair, and a general appearance of cleanliness, frugality, and thrifty operations prevails throughout the farm areas.

I visited East Berlin which is under the control of Russia and found a marked contrast of that area as compared with the American, English and French sectors. The bomb-damaged buildings everywhere remain as they were following the war. There is little merchandise on display in the windows and Russian armed soldiers stand guard at every street intersection, and any cooperation in the control of this large city, between the east and west sectors, is nonexistent.

As our airplane winged its way back to New York harbor in the early dawn, I was reminded of the poet's lines, when he said:

> Breathes there a man with soul so dead
> Who never to himself has said
> This is my own, my native land.

It was a wonderful feeling of satisfaction to be able to set foot again in America, the last retreat for liberty in a troubled world.

In this European trip and my previous circuit of the globe I had the opportunity to observe the unrest, suffering and hardships endured by millions of people in the war-torn areas of the world. During my service of a quarter of a century in public life I have witnessed this great freedom-loving country of ours engaged in three great wars which have not only cost the taxpayers of America billions of dollars but what is more, the sacrifice on the altar of war of over 500,000 dead of the flower of the youth of America, with a million more wounded or missing. In the Korean war alone 24,119 American soldiers have died, 96,218 have been wounded and 11,345 are missing. In World War II our dead were 393,131 with 623,807 wounded. In World War I the dead numbered 126,000 with 234,000 wounded.

The other nations of the world engaged in these conflicts suffered losses immensely greater than those of our own Nation. This is a frightful price we are paying for war. While the atomic bomb was not used in Korea, more than 2,770,000 tons of ammunition has been fired by us, according to the latest official reports. The Army has fired 50 million rounds of artillery and mortar ammunition, totaling 1,250,000 tons of high explosives, far more than it used throughout all of its European operations during World War II. The Navy and Air Force together have expended 620,000 tons of bombs and shells. And the American ground forces have fired 1 million tons of small-arms ammunition thus far in the conflict.

Should an atomic war take place civilization itself would be the stakes.

I was privileged to witness recently at Frenchman Flat in Nevada, the bomb testing and proving grounds of the Department of Defense and the Atomic Energy Commission, the testing of the Army's new 280 millimeter cannon firing an atomic projectile for the first time such an atomic explosive had ever been fired from a gun. There were some 2,500 participating troops with almost a hundred Congressmen and top military and civilian officials and technicians viewing the test. This huge cannon, nicknamed "Amazon Annie," fired the nuclear shell at a point 7 miles from the target and to all intents and purposes hit the bull's eye. The projectile exploded 500 feet from the ground, as planned, and directly over the target. The target was not much more of an area than a city block. The shell was approximately 2½ feet long and weighed considerably less than a thousand pounds. The controls touching off the explosion were some 10 miles distant from the cannon itself and those of us who were observing were 7 miles from the cannon and 7 miles from the target. We felt the hot blast of the explosion at this great distance as though one were opening a blast furnace. The shock was felt some 35 miles away. The destructive power was equal to that of the bomb dropped at Hiroshima and was 20,000 times more destructive than a normal shell shot from this cannon. If such a bomb were dropped on the center of Portland there would be little left of the business area.

Since this test another test in Nevada was made. The bomb dropped in this last test was reported to have had three times the destructive power of the one we witnessed and it was of sufficient strength to rattle windows in Klamath Falls, Oreg., some 500 miles away.

The ingenious mind of man has been able to unlock the secrets of nature and release this great power stored up in the minute atom, the greatest power that has ever been given to man to control. Fortunately it is a power that may be harnessed to work for man rather than to destroy civilization itself. Scientists freely admit that with the development of the new hydrogen bomb, which is many times more destructive than the atom bomb, civilization can be wiped from the earth.

While in Germany I was deeply impressed by the hardship and suffering of the more than 10 million European refugees in Germany alone, even though over 1 million European refugees have been resettled by the International Refugee Organization, 1 out of 3 being taken by the United States. How true are the words, "Man's inhumanity to man make countless millions mourn."

Our people are in dire need of a spiritual rebirth in order to preserve our precious liberties and freedoms and fashion our lives and our affairs in a world at peace, free from war. We must revivify those qualities of diligence, courage, patriotism and faith in divine guidance which enabled our forefathers to make this Nation great.

Recently an American soldier lad on the front line in Korea wrote to his 3 year old son, from which I quote:

> Mike, we are moving up on the front lines tonight sometime after 12 midnight so a lot of things may happen to your daddy by the time you get this letter. Michael, you are a mighty young man yet to be a man of the house, but that is what it amounts to at the present.
>
> I want you to always take care of Patricia and your mother because you are going to have to be the man of the house until daddy can get back home to you.
>
> Mike, you have the sweetest mother and sister in the world * * *. If it is the Lord's will that I go to His home in heaven and not come back to you all, Mike, I want you to know that I love you more than life itself.
>
> Mike, I hope and pray that you never have to go through anything like this over here. I hope by the time you are old enough that the world will be at peace.

At midnight Mike's father moved to the front line, and he was called "to his home in heaven," leaving Mike forever. May God grant Mike's daddy's prayer:

> Mike, I hope and pray that you never have to go through anything like this over here. I hope by the time you are old enough that the world will be at peace.

God grant that the time will come in our time when the leaders of the world, realizing the cost of war and its utter futility in the solution of international political and economic problems will be willing to sit around the conference table and decide the problems which now separate them, by peaceful negotiation instead of by bombs and guns. If the lives lost in war were devoted to useful occupations and the betterment of mankind, and the immense sums of money expended in the preparation for war, waging war, and the care of the injured and rehabilitation of the destruction wrought by war were devoted to useful purposes such as great public works throughout the nations, river and harbor improvements, hydroelectric production, hospitals, schools, roads, public and private housing, higher standards of living for the downtrodden, and old-age security, the millenium would indeed have been reached.

Somewhere down through the ages we have lost the sustaining faith of our Founding Fathers that the Almighty is on our side; that He "moves in a mysterious way His wonders to perform."

When our forefathers assembled to write the Constitution, it was proposed by Benjamin Franklin that each session be opened with prayer, for said he:

> I have lived a long time, and the longer I live, the more convincing proof I see of this truth, that God governs the affairs of men. And if a sparrow cannot fall to the ground without His notice, is it probable that an empire can rise without His aid?

Billy Graham, the dynamic evangelist, was right when he recently said in the Nation's Capital:

> We are directing the Ship of State, unassisted by God, past the reefs and through the storms of time. We have dropped our pilot, the Lord Jesus Christ, and are sailing blindly on without divine chart or compass, hoping somehow to find our desired haven.

This troubled world seeking ways to solve its problems should be turning increasingly to those inexhaustible spiritual resources of divine strength and moral courage as a practical way to rebuild better government, better society, and every human activity in a misguided and troubled world beset with wars, greed, and selfishness. How these fundamental spiritual values can be applied to solve the problems that face the world today is your problem and mine, and may indeed, determine the destiny of this great Republic.

As the late Senator Vandenberg said:

With unwavering fidelity we must carry on the great adventure of life, but if there be any failure, let not the blood be upon our hands, nor the tragedy upon our souls. The United States has no ulterior design against any of its neighbors anywhere on earth. We can speak with the extraordinary power inherent in this unselfishness. We need but one rule. What is right? Where is justice? Then let America take her stand.

Let us follow in the footsteps of the immortal Lincoln who in the dark days of 1865 said:

With firmness in the right, as God gives us to see the right, let us strive to finish the work we are in—to do all which may achieve and cherish a just and lasting peace among ourselves and with all nations.

It is timely and fitting that we all join together in this prayer to Almighty God that this great Nation may return to the faith of our fathers:

Our Father in Heaven, we pray that you save us from ourselves. This beautiful world that You have made for us in which to live in peace, we have made into an armed camp. We live in mortal fear of ever-recurring, devastating wars. We are afraid of "the terror that flies by night, and the arrow that flies by day, the pestilence that walks in darkness and the destruction that wastes at noonday."

We have turned from You to go our selfish way. We have broken Your commandments and denied Your truth. We have left Your altars to serve false gods of money and pleasure and power.

Forgive us, O Lord, and help us. Now, darkness gathers around us and we are confused in all our counsels. Losing faith in You, we lose faith in ourselves.

Inspire us with wisdom, all of us of every color, race and creed, to use our wealth, our strength to help our brother, instead of destroying him.

Help us to do Your will as it is done in Heaven, and to be worthy of Your promise of peace on earth.

Fill us with new faith, new strength and new courage that we may win the battle for peace.

Be swift to save us, dear God, before utter darkness envelops us.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. KERSTEN of Wisconsin in five instances and to include extraneous matter.

Mr. HYDE.

Mr. LANE in five instances, in each to include extraneous matter.

Mr. STEED and to include extraneous matter.

Mr. PRICE in five instances, in each to include extraneous matter.

Mr. YATES and to include a magazine article.

Mr. MULTER in three instances and to include extraneous matter.

Mrs. BUCHANAN and to include an editorial.

Mr. DOYLE and to include appropriate material.

Mr. MAGNUSON.

Mr. HOWELL in two instances and to include extraneous matter.

Mr. ROBERTS and to include an editorial from the Christian Science Monitor.

Mr. WIER and to include a letter and a resolution.

Mr. BENNETT of Florida and to include an article entitled "How To Trim Expenses."

Mr. CORBETT and to include a speech by General Wedemeyer.

Mr. JACKSON and to include six editorials or articles.

Mr. ROONEY and to include an editorial from the Washington Star in reference to Frank L. Yates.

Mr. PATTEN in two instances and to include extraneous matter.

Mr. PERKINS (at the request of Mr. PRICE) and to include an editorial.

Mr. RODINO (at the request of Mr. HART) and to include an article.

Mr. BRAY in two instances and to include in one a speech by Mr. JOHN BEAMER.

Mr. WOLVERTON in two instances and to include extraneous matter.

Mr. HOLTZMAN (at the request of Mr. RABAUT) in two instances and to include extraneous matter.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WIGGLESWORTH (at the request of Mr. CURTIS of Massachusetts), for the week of July 6, on account of illness.

Messrs. HESS, CUNNINGHAM, BATES of Massachusetts, WILSON of California, HÉBERT, HARDY, RIVERS, and FISHER (at the request of Mr. SHORT), for the week of July 6 to July 12, on account of official business for the committee.

Messrs. VELDE, CLARDY, and SCHERER (at the request of Mr. ARENDS), through Thursday of this week, on account of official business.

SENATE BILLS AND CONCURRENT RESOLUTION REFERRED

Bill and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 119. An act to provide for the construction of the Markham Ferry project on the Grand River in Oklahoma by the Grand River Dam Authority, an instrumentality of the State of Oklahoma; to the Committee on Public Works.

S. 247. An act for the relief of Frans Gunnink; to the Committee on the Judiciary.

S. 296. An act conferring United States citizenship posthumously upon Henry Litmanowitz (Litman); to the Committee on the Judiciary.

S. 381. An act for the relief of Donald Grant; to the Committee on the Judiciary.

S. 385. An act for the relief of Anna Solenniani; to the Committee on the Judiciary.

S. 508. An act for the relief of Alfred Theodor Ex; to the Committee on the Judiciary.

S. 551. An act for the relief of Mamertas Cvirka and Mrs. Petronele Cvirka; to the Committee on the Judiciary.

S. 559. An act for the relief of Edward Joseph Wentworth; to the Committee on the Judiciary.

S. 561. An act for the relief of Charles Chardon Brooks; to the Committee on the Judiciary.

S. 630. An act to authorize the conveyance for public-school purposes of certain Federal land in Gettysburg National Military Park, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 648. An act for the relief of Damiano Mario Carmine Palusci; to the Committee on the Judiciary.

S. 722. An act for the relief of Mary Bethe Hines; to the Committee on the Judiciary.

S. 725. An act to amend section 9 of the act of May 22, 1929, as amended, authorizing and directing a national survey of forest resources; to the Committee on Agriculture.

S. 730. An act for the relief of Winfried Kohls; to the Committee on the Judiciary.

S. 894. An act to provide for the conveyance of certain national forest land in Basalt, Colo.; to the Committee on Agriculture.

S. 953. An act for the relief of Mary Thaila Womack Webb; to the Committee on the Judiciary.

S. 973. An act for the relief of Dr. Jawad Hedayaty; to the Committee on the Judiciary.

S. 1001. An act to amend the act approved March 3, 1899 (30 Stat. 1045, 1057, ch. 422), to provide for the appointment by the Commissioners of the District of Columbia of special policemen, and for other purposes; to the Committee on the District of Columbia.

S. 1016. An act for the relief of Josephine Schaitel; to the Committee on the Judiciary.

S. 1363. An act for the relief of Eddie L. Bennett, Jr. (Joji Chitose); to the Committee on the Judiciary.

S. 1366. An act for the relief of Dr. Jose Montero; to the Committee on the Judiciary.

S. 1367. An act to amend section 508 (a) of the Federal Crop Insurance Act so as to extend for 2 years the authority of Federal Crop Insurance Corporation to expand the crop insurance program into additional counties; to the Committee on Agriculture.

S. 1380. An act for the relief of Simonella Evonne Magliulo; to the Committee on the Judiciary.

S. 1393. An act to amend the District of Columbia Teachers' Leave Act of 1949; to the Committee on the District of Columbia.

S. 1432. An act for the relief of Peter Penovic, Milos Grahovac, and Nikola Maljkovic; to the Committee on the Judiciary.

S. 1443. An act for the relief of Jose Deang; to the Committee on the Judiciary.

S. 1467. An act for the relief of Patrick Devine; to the Committee on the Judiciary.

S. 1659. An act for the relief of Antony Timothe Fairchild (Ishida Makoto) and Marie Dolores Fairchild (Shimizu Reiko); to the Committee on the Judiciary.

S. 1701. An act for the relief of Paul Stanley Blow (Paul Stanley Matsumura); to the Committee on the Judiciary.

S. 1705. An act for the relief of William Lance McKinley (Biro Takedo); to the Committee on the Judiciary.

S. 1748. An act to incorporate the National Fund for Medical Education; to the Committee on the Judiciary.

S. 1758. An act for the relief of Cathalina Furukawa; to the Committee on the Judiciary.

S. 1791. An act for the relief of Leong Walk Hong; to the Committee on the Judiciary.

S. 1945. An act to amend the act entitled "An act to provide that the Board of Education of the District of Columbia shall have sole authority to regulate the vacation periods and annual leave of absence of certain school officers and employees of the Board of Education of the District of Columbia," approved March 5, 1952; to the Committee on the District of Columbia.

S. 1999. An act to provide for the recovery, care, and disposition of remains of members of the uniformed services and certain other personnel, and for other purposes; to the Committee on Armed Services.

S. 2055. An act to amend the act of May 29, 1884, as amended, to provide for the control and eradication of scrapie and blue tongue in sheep, and incipient or potentially serious minor outbreaks of diseases of animals; and for other purposes; to the Committee on Agriculture.

S. 2078. An act to provide for the orderly transaction of the public business in the event of the death, incapacity, or separation from office of a disbursing officer of the military department; to the Committee on Armed Services.

S. 2118. An act to increase the salaries of employees of the Board of Education of the District of Columbia, and to provide for a study of the pay scales and classifications of such employees; to the Committee on the District of Columbia.

S. 2199. An act to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government; to the Committee on Public Works.

S. 2217. An act to amend section 67 of the National Defense Act, as amended, to provide for an active-duty status for all United States property and fiscal officers; to the Committee on Armed Services.

S. 2276. An act to extend the authorization for the furnishing of information and civilian education for personnel in the Armed Forces until July 1, 1954; to the Committee on Armed Services.

S. Con. Res. 34. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 444. An act to amend the act of May 19, 1947, so as to increase the percentage of certain trust funds held by the Shoshone and Arapaho Tribes of the Wind River Reservation which is to be distributed per capita to individual members of such tribes;

H. R. 490. An act to authorize the use of the Sackets Harbor Military Cemetery for the burial of war and peacetime veterans of the Armed Forces of the United States;

H. R. 652. An act for the relief of Mr. and Mrs. Joseph W. Furstenberg;

H. R. 1532. An act to provide for the addition of certain Government lands to the Cape Hatteras national seashore recreational area project, and for other purposes;

H. R. 2201. An act for the relief of Constantinous Tzortzis;

H. R. 2582. An act to amend section 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia";

H. R. 3411. An act to direct the Secretary of the Army to reestablish and correct the boundaries of the Quincy National Cemetery by the exchange of Government-owned lands in the Quincy-Graceland Cemetery, Quincy, Ill.;

H. R. 4779. An act to authorize the adoption of a report relating to seepage and drainage damages on the Illinois River, Ill.;

H. R. 4978. An act to repeal the act of September 30, 1950, authorizing the transfer to the State of Iowa of Fort Des Moines, Iowa; and

H. R. 5527. An act to authorize the employment in a civilian position in the Office of the Secretary of Defense of Lt. Gen. Graves Blanchard Erskine, upon retirement from the United States Marine Corps, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on July 6, 1953, present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 234. Joint resolution authorizing an appropriation to defray expenses of the annual meeting of the Interparliamentary Union for the year 1953, to be held in Washington, D. C.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 9 minutes p. m.) the House adjourned until tomorrow, Wednesday, July 8, 1953, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

827. A letter from the Acting Secretary of State, transmitting a draft of a bill entitled, "A bill to extend temporarily the rights of priority of nationals of Japan and certain nationals of Germany with respect to applications for patents"; to the Committee on the Judiciary.

828. A letter from the Assistant Secretary of the Interior, transmitting a draft of a bill entitled, "A bill for the relief of Duncan M. Chalmers and certain other persons"; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 317. Resolution for consideration of H. R. 6078, a bill to amend Public Law 874 of the 81st Congress so as to make improvements in its provisions and extend its duration for a 2-year period, and for other purposes; without amendment (Rept. No. 711). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 318. Resolution for consideration of H. R. 6049, a bill to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes; without amendment (Rept. No. 712). Referred to the House Calendar.

Mr. DONDERO: Committee on Public Works. H. R. 4351. A bill to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes; without amendment (Rept. No. 713). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 6054. A bill to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes; with amendment (Rept. No. 714). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 5945. A bill conferring jurisdiction upon the United States District Court for the District of Colorado to hear, determine, and render judgment upon the claim of J. Don Alexander against the United States; without amendment (Rept. No. 709). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 5950. A bill for the relief of Gattas K. Maloof; with amendment (Rept. No. 710). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERRY:

H. R. 6110. A bill to provide that the United States shall hold certain land in trust for members of the Sioux Tribe on the Crow Creek and Lower Brule Reservations; to the Committee on Interior and Insular Affairs.

By Mr. CURTIS of Missouri:

H. R. 6111. A bill to amend section 322 (b) of the Internal Revenue Code to allow a longer period for claiming refund or credit of income tax where the claim is based upon a judicial decision affecting tax liability in a similar case; to the Committee on Ways and Means.

By Mr. CURTIS of Nebraska:

H. R. 6112. A bill to facilitate the development and construction of water conservation facilities by States and municipalities, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. DORN of New York:

H. R. 6113. A bill to amend title 18 of the United States Code, so as to increase the penalties applicable to the smuggling of goods into the United States; to the Committee on the Judiciary.

By Mr. ELLIOTT:

H. R. 6114. A bill to encourage the establishment of voluntary pension plans by individuals; to the Committee on Ways and Means.

By Mr. FINO:

H. R. 6115. A bill to amend the Social Security Act to provide that (for the purpose of old-age and survivors insurance benefits) an insured individual who is totally and permanently disabled, and who has not less than 20 quarters of coverage, shall be deemed to have reached retirement age; to the Committee on Ways and Means.

By Mr. HART (by request):

H. R. 6116. A bill to give owners of certain special-purpose vessels purchased or requisitioned by the United States an opportunity to reacquire such vessels when they are no longer needed by the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. HOFFMAN of Michigan:

H. R. 6117. A bill to provide for the orderly transaction of the public business in the event of the death, incapacity, or separation from office of a disbursing officer of the military departments; to the Committee on Armed Services.

H. R. 6118. A bill to amend title 18 of the United States Code to make unlawful assaults which interfere with the national

defense effort, and for other purposes; to the Committee on the Judiciary.

H. R. 6119. A bill to amend title 18 of the United States Code to make unlawful exactions for services not performed in connection with the national defense effort, and for other purposes; to the Committee on the Judiciary.

H. R. 6120. A bill to amend section 1951 of title 18 of the United States Code to prohibit racketeering and extortion in connection with the production of munitions of war, and for other purposes; to the Committee on the Judiciary.

By Mr. HYDE:

H. R. 6121. A bill to repeal the tax on transportation of persons; to the Committee on Ways and Means.

By Mr. JENKINS:

H. R. 6122. A bill to define the term "waterproof cloth" as that term is used in paragraph 907 of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. KEAN:

H. R. 6123. A bill to amend section 22 (b) (4) so as to provide revenue and eliminate unfair competition by taxing interest on obligations of State and local governments issued for the acquisition or improvement of real property leased to private industrial or commercial organizations; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 6124. A bill to provide for loans to enable needy and scholastically qualified students to continue post-high-school education; to the Committee on Education and Labor.

By Mr. LANTAFF:

H. R. 6125. A bill to provide that the tax on admissions shall not apply to admissions to museums and to historical sites operated by the United States, the several States, or political subdivisions thereof, or by any municipality; to the Committee on Ways and Means.

By Mr. MATTHEWS:

H. R. 6126. A bill to amend the Internal Revenue Code with respect to the averaging of income received for personal services rendered in more than one taxable period; to the Committee on Ways and Means.

By Mr. O'HARA of Minnesota (by request):

H. R. 6127. A bill to amend the act entitled "An act to create a Board for the Condemnation of Insanitary Buildings in the District of Columbia, and for other purposes," approved May 1, 1906, as amended, and for other purposes; to the Committee on the District of Columbia.

By Mr. PERKINS:

H. R. 6128. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. PHILBIN:

H. R. 6129. A bill creating a Government-owned corporation to insure against certain disasters; to the Committee on Banking and Currency.

By Mrs. ST. GEORGE:

H. R. 6130. A bill to permit a first preference for former owners of certain dwellings being sold under Lanham War Housing Act; to the Committee on Public Works.

By Mr. SHORT:

H. R. 6131. A bill to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France; to the Committee on Armed Services.

By Miss THOMPSON of Michigan:

H. R. 6132. A bill to create a Department of Peace; to the Committee on Government Operations.

By Mr. CRETELLA:

H. R. 6133. A bill to provide for promotion by merit of employees in the postal service and to establish uniform procedures for examination and appointment of candidates for promotion to supervisory positions; to the Committee on Post Office and Civil Service.

By Mr. UTT:

H. R. 6134. A bill to amend section 432 (c) of the Internal Revenue Code with respect to the computation of the unused excess profits credit adjustment; to the Committee on Ways and Means.

By Mr. BOGGS:

H. R. 6135. A bill to revise the Federal Corrupt Practices Act, 1925, and for other purposes; to the Committee on House Administration.

By Mr. HÉBERT (by request):

H. R. 6136. A bill to amend the World War Veterans Act, as amended; to the Committee on Veterans' Affairs.

By Mr. MARTIN of Iowa:

H. R. 6137. A bill to provide tax incentive for the creation of additional grain storage facilities; to the Committee on Ways and Means.

By Mr. CURTIS of Nebraska:

H. R. 6138. A bill to provide tax incentive for the creation of additional grain storage facilities; to the Committee on Ways and Means.

By Mr. McCORMACK:

H. R. 6139. A bill to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government; to the Committee on Public Works.

By Mr. DIES:

H. Con. Res. 131. Concurrent resolution to define principles of procedure for congressional committees investigating subversive activities; to the Committee on Rules.

By Mr. KERSTEN of Wisconsin:

H. Res. 319. Resolution providing a residence for pages; to the Committee on House Administration.

By Mr. HOLTZMAN:

H. Res. 320. Resolution expressing the good will and friendship of the people of the United States for the people of Japan on the occasion of the 100th anniversary of Commodore Perry's arrival in Japan; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 6140. A bill for the relief of Cristos Triantafillou; to the Committee on the Judiciary.

By Mr. BYRD:

H. R. 6141. A bill for the relief of Gerasimos Athanase Haberis; to the Committee on the Judiciary.

By Mr. DINGELL:

H. R. 6142. A bill for the relief of Antonio Alvarez; to the Committee on the Judiciary.

By Mr. HELLER (by request):

H. R. 6143. A bill for the relief of Manes Mendlovic and Mrs. Terezia Mendlovic; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 6144. A bill for the relief of Christos Constantinou Liosis; to the Committee on the Judiciary.

H. R. 6145. A bill for the relief of Mrs. Siclyn Joyce Purnew; to the Committee on the Judiciary.

H. R. 6146. A bill for the relief of Antonios Biliziotis; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H. R. 6147. A bill for the relief of Iwan Bonk, Tacianna Bonk, Mike Bonk, and Sam Bonk; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 6148. A bill for the relief of Han Jong Haing; to the Committee on the Judiciary.

By Mr. SHAFER:

H. R. 6149. A bill for the relief of Miss Ekea Jahns; to the Committee on the Judiciary.

By Mr. UTT:

H. R. 6150. A bill for the relief of Mrs. Maria Dicran Simon; to the Committee on the Judiciary.

By Mr. WILSON of California:

H. R. 6151. A bill for the relief of Mrs. Maria Dicran Simon; to the Committee on the Judiciary.

By Mr. YORTY:

H. R. 6152. A bill for the relief of Chan Tien Sou and his wife, Li Wai-Sheung; to the Committee on the Judiciary.

SENATE

WEDNESDAY, JULY 8, 1953

(Legislative day of Monday, July 6, 1953)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all life and light, turning away for this hallowed moment from the confusion of tongues we seek the quiet pavilion of prayer. As we bow in contrition before Thee may the bewildering voices of the world about us and all the clamor of wordy arguments be hushed. In Thy presence our arrogance is rebuked and our pride of opinion is mocked as we confess that we but grope in the darkness and that our sight is dim, our knowledge is partial, and our judgments fallible.

Make us honest and honorable enough to bear the vision of the truth, wherever it may lead; to have done with all falsehood, to cast aside all pretense. Save us from all compromise with principle and the expediency which warps the soul.

In the daily deliberations of this body may every mind be attentive to Thy voice, in this solemn day of our testing, that we may know the things which belong to our peace and to the peace of the world. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 7, 1953, was dispensed with.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN—REPORT OF A COMMITTEE SUBMITTED DURING RECESS

Under authority of the order of the Senate of the 7th instant,

Mr. AIKEN, from the Committee on Agriculture and Forestry, reported favorably, with amendments, on July 7, 1953, the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes, and submitted a report (No. 501) thereon.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the bill (S. 1039) for the relief of Mr. and Mrs. Lucillo Grassi, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills of the Senate, each with amendments, in which it requested the concurrence of the Senate:

S. 252. An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury; and

S. 1644. An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the Director of Music, the leader of the Military Academy Band, and to remove the limitation upon the pay of the leader of the United States Naval Academy Band, and to authorize the appointment of Lt. Comdr. Charles Brendler, United States Navy, to the permanent grade of commander in the Navy.

The message further announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H. R. 127. An act to quitclaim interest of the United States to certain land in Placer County, Calif.;

H. R. 334. An act to amend the act of July 31, 1947 (61 Stat. 681);

H. R. 711. An act for the relief of Mrs. Ruth R. Ekholm;

H. R. 823. An act for the relief of Abraham G. Sakin;

H. R. 828. An act for the relief of Dr. Vincenzo Guzzo;

H. R. 871. An act for the relief of Orsola Jacopelli Leggio;

H. R. 947. An act authorizing the Secretary of the Interior to issue to Tom Gwin a patent in fee to certain lands in the State of Mississippi;

H. R. 948. An act for the relief of William P. Thomas;

H. R. 954. An act for the relief of Edith Smith;

H. R. 975. An act for the relief of Dr. Dudley A. Reekie;

H. R. 1070. An act to amend title 28, United States Code;

H. R. 1111. An act for the relief of Sister Augusta Sala and Sister Elvira Stornelli;

H. R. 1329. An act for the relief of Arthur Oppenheimer, Jr., and Mrs. Jane Oppenheimer;

H. R. 1568. An act to amend section 6 of chapter 786 of the act of June 6, 1900, entitled "An act making further provision for a civil government for Alaska, and for other purposes" (31 Stat. 323; title 48, sec. 108, U. S. C.);

H. R. 1629. An act for the relief of Miss Aiko Ikehara;

H. R. 1686. An act for the relief of Henry Ty;

H. R. 1792. An act for the relief of Lee Lai Ha;

H. R. 1802. An act to amend the act of Congress approved March 4, 1915 (38 Stat. 1214), as amended;

H. R. 1806. An act to amend further the Federal Register Act, as amended;

H. R. 1892. An act for the relief of Nicola, Lucia, and Rocco Fierro;

H. R. 1991. An act relating to certain construction-cost adjustments in connection with the Greenfields division of the Sun River irrigation project, Montana;

H. R. 2234. An act to amend the rules for the prevention of collisions on certain inland waters of the United States and on the western rivers;

H. R. 2272. An act to authorize the Secretaries of the Army, the Navy, and the Air Force, with the approval of the Secretary of Defense, to cause to be published official registers for their respective services;

H. R. 2331. An act to repeal section 205 (b) of the Armed Forces Reserve Act of 1952;

H. R. 2396. An act for the relief of Harry Clay Maull, Jr.;

H. R. 2504. An act for the relief of Sisters Adelaide Canelas and Maria Isabel Franco;

H. R. 2506. An act for the relief of certain members of the Missionary Sisters of the Sacred Heart;

H. R. 2507. An act for the relief of Alfonso Gatti;

H. R. 2750. An act for the relief of the city and county of Denver, Colo.;

H. R. 2779. An act to provide for perfecting the title of C. A. Lundy to certain lands in the State of California heretofore patented by the United States;

H. R. 2816. An act for the relief of Sachiko Yuda;

H. R. 2977. An act to further amend the act of July 3, 1943 (ch. 189, 57 Stat. 372);

H. R. 3027. An act for the relief of Tamiko Nagae;

H. R. 3142. An act for the relief of Waltraut Benteler LaMontagne;

H. R. 3217. An act for the relief of Mrs. Florence D. Grimshaw;

H. R. 3223. An act for the relief of Gisela Korb (nee Unruh);

H. R. 3619. An act for the relief of Rufin Manikowski;

H. R. 3630. An act for the relief of Mrs. Nathalie Iline;

H. R. 3631. An act for the relief of Dorothy Sonya Goldschmidt;

H. R. 3792. An act to amend part III of the Interstate Commerce Act, so as to authorize the Interstate Commerce Commission to revoke, amend, or suspend water carrier certificates and permits under certain conditions;

H. R. 3956. An act to provide for the conveyance of certain lands within the Santa Fe National Forest, N. Mex., and for other purposes;

H. R. 4047. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in the county of Alameda, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356);

H. R. 4100. An act for the relief of Mrs. Lau Hong Shee;

H. R. 4101. An act for the relief of Hidenori Utada;

H. R. 4104. An act for the relief of Frank St. Charles;

H. R. 4175. An act for the relief of Charles R. Logan;

H. R. 4302. An act to revive and reenact the act entitled "An act authorizing the State of Michigan, acting through the International Bridge Authority of Michigan, to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the St. Marys River, from a point in or near the city of Sault Ste. Marie, Mich., to a point in the Province of Ontario, Canada," approved December 16, 1940;

H. R. 4375. An act for the relief of Julia S. Criswell;

H. R. 4401. An act to amend title 28, United States Code, so as to permit certain suits for the recovery of taxes to be brought in the district of the taxpayer's residence;

H. R. 4440. An act for the relief of Hilde Kretz Sforza;

H. R. 4620. An act for the relief of Natale Joseph John Ratti;

H. R. 4799. An act for the relief of Otho F. Hipkins;

H. R. 4905. An act to amend the Atomic Energy Act of 1946, as amended;

H. R. 4919. An act for the relief of Ralph S. Pearman and others;

H. R. 4958. An act for the relief of the estate of Martin A. Gleason;

H. R. 5118. An act for the relief of Louise Kaden and Elke Beate Kaden;

H. R. 5210. An act for the relief of Paul D. Banning, chief disbursing officer, and others;

H. R. 5228. An act to amend section 303 of the Budget and Accounting Act, 1921 (42 Stat. 23);

H. R. 5314. An act to extend the coverage of the Servicemen's Indemnity Act to members of the Reserve Officers' Training Corps when ordered to active training duty for periods in excess of 14 days;

H. R. 5407. An act to amend section 2879 (b) of the Internal Revenue Code;

H. R. 5410. An act for the relief of Mrs. Alberta S. Rozanski;

H. R. 5470. An act for the relief of Salvatore Mario Veltri;

H. R. 5511. An act for the relief of Clara Gabriel;

H. R. 5691. An act to provide for an annual report by the Commissioner of Education regarding educational activities carried on by or under the supervision of, or with the aid of, the executive branch of the Government;

H. R. 5705. An act to amend the existing law to provide for the automatic renewal of expiring 5-year-level-premium-term policies of United States Government and national service life insurance; and

H. J. Res. 253. Joint resolution to amend the joint resolution of June 16, 1938, creating the Niagara Falls Bridge Commission.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 28) commemorating the 300th anniversary of the formation of Westmoreland County, Va., in which it requested the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also further announced that the Speaker had affixed his signature to the enrolled bill (H. R. 4823) to convey by quitclaim deed certain land to the State of Texas, and it was signed by the Vice President.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour, to permit Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

INTERNATIONAL WHEAT AGREEMENT—EXECUTIVE REPORT OF A COMMITTEE (EX. REPT. NO. 4)

Mr. LANGER. Mr. President, from the Committee on Foreign Relations, I report favorably, without reservation, Executive H, 83d Congress, 1st session, an agreement revising and renewing the International Wheat Agreement, which was open for signature in Washington April 13 to 27, inclusive, 1953, and was signed during that period on behalf of the Government of the United States of America and the governments of 44 other countries, and I submit a report thereon.

The VICE PRESIDENT. The report will be received, and the agreement will be placed on the Executive Calendar.

AMENDMENT OF INTERNATIONAL WHEAT AGREEMENT ACT OF 1949—REPORT OF A COMMITTEE (SEE EX. REPT. NO. 4)

Mr. LANGER. Mr. President, in connection with the agreement I have just reported, as in legislative session, from the Committee on Foreign Relations, I ask unanimous consent to report favorably an original joint resolution to amend the International Wheat Agreement Act of 1949.

The VICE PRESIDENT. Without objection, as in legislative session, the joint resolution will be received and placed on the calendar.

The joint resolution (S. J. Res. 97) to amend the International Wheat Agreement Act of 1949, reported by Mr. LANGER, from the Committee on Foreign Relations, was read twice by its title, and placed on the calendar.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, under the heading "New Reports."

POST OFFICE DEPARTMENT

The Chief Clerk proceeded to read sundry nominations in the Post Office Department.

Mr. KNOWLAND. I ask that the nominations in the Post Office Department be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Post Office Department are confirmed en bloc.

INTERSTATE COMMERCE COMMISSION

The Chief Clerk read the nomination of Owen Clarke, of Washington, to be an Interstate Commerce Commissioner.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

COAST AND GEODETIC SURVEY

The Chief Clerk proceeded to read sundry nominations in the Coast and Geodetic Survey.

Mr. KNOWLAND. Mr. President, I ask that the nominations in the Coast and Geodetic Survey be confirmed en bloc.

The VICE PRESIDENT. Without objection, the nominations in the Coast and Geodetic Survey are confirmed en bloc.

Mr. KNOWLAND. I ask that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

CALL OF THE ROLL

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Griswold	McClellan
Anderson	Hayden	Millikin
Barrett	Hendrickson	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Mundt
Bricker	Hill	Murray
Bridges	Hoey	Neely
Butler, Md.	Holland	Pastore
Butler, Nebr.	Humphrey	Payne
Byrd	Jackson	Potter
Capehart	Jenner	Purtell
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Clements	Kefauver	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Dirksen	Kilgore	Smith, N. J.
Douglas	Knowland	Sparkman
Duff	Kuchel	Stennis
Dworshak	Langer	Symington
Eastland	Lehman	Thye
Ellender	Long	Tobey
Ferguson	Magnuson	Watkins
Flanders	Malone	Welker
George	Mansfield	Wiley
Gillette	Martin	Williams
Goldwater	Maybank	Young
Gore	McCarran	
Green	McCarthy	

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BUSH] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Wyoming [Mr. HUNT] are absent by leave of the Senate.

The Senator from Delaware [Mr. FREAR] is absent by leave of the Senate on official committee business.

The VICE PRESIDENT. A quorum is present.

REPEAL OF ACT TO AUTHORIZE DIRECTOR OF THE CENSUS TO COLLECT AND PUBLISH STATISTICS OF RED CEDAR SHINGLES

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to repeal the act entitled "An act to authorize the Director of the Census to collect and publish statistics of red cedar shingles, which, with the accompanying papers, was referred to the Committee on Post Office and Civil Service.

BURDEN OF FEDERAL TAXATION—RESOLUTION OF JERSEY CITY (N. J.) CHAMBER OF COMMERCE

Mr. SMITH of New Jersey. Mr. President, on Monday, June 22, the Jersey City Chamber of Commerce, Jersey City, N. J., adopted a resolution on the subject of the burden of Federal taxation.

I ask unanimous consent that the resolution be published in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Whereas the burden of Federal taxation has grown increasingly heavier and now takes almost a third of the average family's income; and

Whereas the mounting expenditures of the Federal Government have more than used up this heavy taxation to the extent that the Government has proved unable to place its fiscal house in order and balance its budget; and

Whereas these combined high levels of Federal taxation and excessive spending have so expanded the national governmental structure at the expense of the smaller local governmental organs as to make such grassroots organs of government increasingly dependent on Federal handouts rather than democratically self-sufficient: Therefore be it

Resolved, That the Jersey City Chamber of Commerce urge officials of the State of New Jersey to cooperate in the President's program to reduce excessive Federal spending by reviewing all Federal aids and intrastate Federal projects to determine those grants and projects which can be eliminated and thus assist the national administration and Congress to balance the Federal budget and reduce taxes; and be it further

Resolved, That the Jersey City Chamber of Commerce call upon Governor Driscoll to establish a State commission to explore the interrelations of Federal and State taxations, grants, and services with a view to a more equitable reallocation so that the State and smaller units of government may assume a greater responsibility for their own tax collections and public services; and be it further

Resolved, That copies of this resolution be sent to Governor Driscoll, State and National legislators, and the public press.

ADMISSION INTO THE UNITED STATES OF ADDITIONAL REFUGEES—LETTER FROM MINNESOTA COUNCIL OF CATHOLIC WOMEN, MINNEAPOLIS, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter from the Minnesota Council of Catholic Women, Minneapolis, Minn., relating to the admission into the United States of additional refugees.

There being no objection, the letter was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

MINNESOTA COUNCIL OF CATHOLIC WOMEN,
Minneapolis, Minn., June 27, 1953.

Mr. HUBERT H. HUMPHREY,
United States Senator, State of Minnesota, Washington, D. C.

HONORABLE SIR: The members of the Minnesota Council of Catholic Women respectfully request that you do all in your power to support the bill known as the Watkins bill, providing for the admittance of several thousand additional refugees. Our organization, representing over 60,000 women in the State of Minnesota, has gone on record in support of this measure. Rest assured, we shall greatly appreciate your cooperation.

With kindest personal regards, I remain,

Sincerely yours,

MARIE M. RYAN,
Executive Secretary.

EQUAL RIGHTS AMENDMENT—LETTER FROM CATHOLIC DAUGHTERS OF AMERICA, NEW YORK, N. Y.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a letter from the Catholic Daughters of America, New York, N. Y., relating to the equal rights amendment.

There being no objection, the letter was ordered to lie on the table and to be printed in the RECORD, as follows:

CATHOLIC DAUGHTERS OF AMERICA,
New York, N. Y., June 29, 1953.

Hon. HUBERT H. HUMPHREY,
Washington, D. C.

DEAR SENATOR: On behalf of 200,000 Catholic Daughters of America, established in 45 States, we hereby register our opposition to the passage of the proposed equal rights amendment, on the grounds that, in its present form, it does not protect the rights already established, and is not the solution for long-range legislation which we have been consistently seeking over a long period of years.

We also request your support of the Watkins bill to provide for the entry into the United States of some 200,000 refugees from behind the Iron Curtain—this from the standpoint of a Christian conscience and the manifestation of the good will of our American people toward those suffering persecution in foreign countries.

Thanking you for your interest, and for the courtesy of an acknowledgment as to your stand on these two legislative measures for the information of our Supreme Directorate, I am,

Respectfully yours,

IRENE C. HAVILAND,
National Chairman of Legislation.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT—RESOLUTION OF RAMSEY COUNTY (MINN.) BOARD OF COMMISSIONERS

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Ramsey County Board of Commissioners, St. Paul, Minn., on June 29, 1953, favoring the enactment of the bill (H. R. 5605) to amend the Federal Property and Administrative Services Act of 1949 to provide that transfers of real property from certain Government corporations to other Government agencies shall not operate to remove such real property from local tax rolls.

There being no objection, the resolution was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Whereas prior to 1943 certain property in this county was owned by a private corporation and between 1943 and 1951 by the Defense Plant Corporation, during all of which times real estate taxes were paid thereon; and

Whereas in 1951 this property was transferred by the Defense Plant Corporation to the Navy Department of the United States, since which time no real-estate taxes have been paid thereon; and

Whereas this board believes that such practice ought not to be allowed; and

Whereas it would appear H. R. 5605 of the 83d Congress would have the effect, in part at least, of mitigating such a situation: Now, therefore, be it

Resolved, That we, the Board of County Commissioners of Ramsey County, endorse H. R. 5605 and request that the delegation from this State to the United States Congress use its best efforts to secure the passage of said bill, or one having a similar effect.

EUGENE A. MONICK,
County Auditor.

By JAMES D. SWAN, Jr.,
Executive Secretary.

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT—RESOLUTION OF CITY COUNCIL OF ST. PAUL, MINN.

Mr. HUMPHREY. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the City Council of the City of St. Paul, Minn., favoring the enactment of the bill (H. R. 5605) to amend the Federal Property and Administrative Services Act of 1949 to provide that transfers of real property from certain Government corporations to other Government agencies shall not operate to remove such real property from local tax rolls.

There being no objection, the resolution was referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Whereas the City Council of the City of St. Paul is aware of the fact that transfer of property from a Federal agency which pays taxes, to an agency that does not, is a vicious and uncalled for practice, producing the exemption from local taxation of the property involved; and

Whereas such practice has actually produced loss of local taxes in this community: Now, therefore be it

Resolved by the Council of City of St. Paul, That it hereby urges passage of H. R. 5605, entitled "A bill to amend the Federal Property and Administrative Services Act of 1949 to provide that transfers of real property from certain Government corporations to other Government agencies shall not operate to remove such real property from local tax rolls"; and be it further

Resolved, That copies of this resolution be forwarded directly by the office of the city clerk to the honorable Senators and Members of the House of Representatives of the United States of America from the State of Minnesota and to the Honorable CLARE E. HOFFMAN, chairman of the House Committee on Government Operations, to which committee of the House the said bill has been referred.

Adopted by the council July 2, 1953.

Approved July 2, 1953.

JOHN E. DAUBNEY,
Mayor.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

Mr. CARLSON, from the Committee on Post Office and Civil Service:

H. R. 4091. A bill to amend the Civil Service Retirement Act of May 29, 1930, so as to make the exclusion from such act of temporary employees of Congress inapplicable to such employees who are appointed at an annual rate of salary; without amendment (Rept. No. 505); and

H. R. 5302. A bill to provide for an additional Assistant Postmaster General in the Post Office Department; without amendment (Rept. No. 503).

By Mr. TOBEY, from the Committee on Interstate and Foreign Commerce, without amendment:

H. R. 4557. A bill to amend section 319 of the Communications Act of 1934 with respect to permits for construction of radio stations (Rept. No. 507);

H. R. 4558. A bill to amend section 309 (c) of the Communications Act of 1934, with respect to the time within which the Federal Communications Commission must act on protests filed thereunder (Rept. No. 508); and

H. R. 4559. A bill to amend section 501 of the Communications Act of 1934, so that any offense punishable thereunder, except a second or subsequent offense, shall constitute a misdemeanor rather than a felony (Rept. No. 509).

By Mr. JENNER, from the Committee on Rules and Administration:

S. Res. 127. Resolution authorizing the Committee on Agriculture and Forestry to make an investigation of the importation of wheat unfit for human consumption; without amendment (Rept. No. 506).

SECOND INDEPENDENT OFFICES APPROPRIATIONS ACT, 1954—REPORT OF A COMMITTEE—NOTICE OF MOTION TO SUSPEND THE RULE—AMENDMENT

Mr. SALTONSTALL. Mr. President, from the Committee on Appropriations, I report favorably with amendments, the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, and I submit a report (No. 502) thereon.

The VICE PRESIDENT. The report will be received, and the bill will be placed on the calendar.

Mr. SALTONSTALL. Mr. President, on behalf of the Senator from South Carolina [Mr. MAYBANK] and myself, I submit a notice of motion to suspend the rule for the purpose of offering an amendment to the bill which I have just reported. The Senator from South Carolina and I are not certain that the amendment proposes language which comes within the rule, but for protection we are submitting the notice in writing with the reported bill.

The VICE PRESIDENT. The notice will be received and will be printed in the RECORD.

Mr. SALTONSTALL (for himself and Mr. MAYBANK) submitted the following notice in writing:

In accordance with rule XL of the Standing Rules of the Senate, I hereby give notice in writing that it is our intention to move to suspend paragraph 4 of rule XVI for the purpose of proposing to the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, the following amendment, namely: On page 15, line 25, after the word "Administration", insert the following: ": *Provided further*, That under any contract between a State, or any political subdivision of a State, and the Veterans' Administration providing for the furnishing of instruction in a course of institutional on-farm or other training under part VIII of Veterans Regulation No. 1 (a), as amended (Public Law 346, 78th Congress, as amended) liability authorized by this section by reason of payments of subsistence allowance which were illegal because of failure of the veteran or the course to comply with the applicable statutory, regulatory, or contractual requirements shall not be applied to the contracting State, or political subdivision, unless the Administrator of Veterans' Affairs, after investigation, finds that an employee or representative of such State, or political subdivision, conspired with the veteran by, or was guilty of fraud or gross negligence in, falsely reporting to the Veterans' Administration that the veteran was in a proper course of training, failing to report unauthorized or excessive absences from, or interruption or discontinuance of, his course of training, or not discovering the failure of the veteran to comply with the applicable statutory, regulatory, or contractual requirements and not promptly terminating the course of training of the veteran. The provisions of this proviso shall be effective as of July 13, 1950, but shall not require repayment of any funds heretofore properly recovered by agreement of the parties to any such contract, and shall not be applicable to any other liabilities or agreements pursuant to such contract."

Mr. SALTONSTALL (for himself and Mr. MAYBANK) also submitted an amendment intended to be proposed by them, jointly, to House bill 5690 making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, which was ordered to lie on the table and to be printed.

(For text of amendment referred to, see the foregoing notice.)

COMMISSION ON AREA PROBLEMS OF GREATER WASHINGTON METROPOLITAN AREA—REPORT OF A COMMITTEE

Mr. JOHNSON of Colorado. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorable, with amendments, the bill (H. R. 2236) to provide for the establishment of a Commission on Area Problems of the Greater Washington Metropolitan Area, and I submit a report (No. 504) thereon.

By direction of the committee, I ask unanimous consent that the bill be referred to the Committee on the District of Columbia for further consideration.

The VICE PRESIDENT. The report will be received, and without objection, the bill will be referred to the Committee on the District of Columbia, as requested by the Senator from Colorado.

INCREASED LIMIT OF EXPENDITURES BY COMMITTEE ON RULES AND ADMINISTRATION—REPORT OF A COMMITTEE

Mr. JENNER. Mr. President, from the Committee on Rules and Administration, I report an original resolution, increasing the limit of expenditures by the Committee on Rules and Administration.

The VICE PRESIDENT. The resolution will be received and placed on the calendar.

The resolution (S. Res. 137), was placed on the calendar, as follows:

Resolved, That the limit of expenditures authorized under Senate Resolution 333, 82d Congress, 2d session, agreed to June 12, 1952 and Senate Resolution 106, 83d Congress, 1st session, agreed to June 8, 1953 (authorizing the expenditure of funds and the employment of assistants by the Committee on Rules and Administration, or any authorized subcommittee thereof, in carrying out the duties imposed upon it by subsection (o) (1) (D) of rule XXV of the Standing Rules of the Senate), is hereby increased by $160,000.

FUNERAL EXPENSES OF LATE SENATOR WILLIS SMITH OF NORTH CAROLINA—REPORT OF A COMMITTEE

Mr. JENNER. Mr. President, from the Committee on Rules and Administration, I report favorably, with an amendment, Senate Resolution 124, submitted by the Senator from North Carolina [Mr. HOEY] on June 30, 1953, and I ask unanimous consent for its immediate consideration.

Mr. THYE. Mr. President, will the Senator from Indiana state what the resolution provides?

Mr. JENNER. It provides for the payment of certain funeral expenses of the late Senator Willis Smith of North Carolina.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The amendment of the Committee on Rules and Administration was, in line 6, after the word "the", to insert "chairman of the."

The amendment was agreed to.

The resolution (S. Res. 124), as amended, was agreed to, as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay from the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed to arrange for and attend the funeral of Hon. Willis Smith, late a Senator from the State of North Carolina, on vouchers to be approved by the chairman of the Committee on Rules and Administration.

ADDITIONAL EXPENDITURES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS—REPORT OF A COMMITTEE

Mr. JENNER. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the resolution (S. Res. 123) authorizing additional expenditures by the Committee on Interior and Insular Affairs. I ask unanimous consent for its immediate consideration.

Mr. THYE. Mr. President, will the Senator from Indiana make an explanation of the resolution?

Mr. JENNER. The resolution provides for an additional $10,000 for a standing committee of the Senate, the Committee on Interior and Insular Affairs. The chairman of that committee, the Senator from Nebraska [Mr. BUTLER], submitted the resolution on June 24, 1953:

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 123) was considered and agreed to, as follows:

Resolved, That the Committee on Interior and Insular Affairs hereby is authorized to expend from the contingent fund of the Senate, during the 83d Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946 (60 Stat. 812, 831).

ADDITIONAL EXPENDITURES BY COMMITTEE ON FOREIGN RELATIONS—REPORT OF A COMMITTEE

Mr. JENNER, from the Committee on Rules and Administration, to which was referred the resolution (S. Res. 125) authorizing additional expenditures by the Committee on Foreign Relations, reported by Mr. WILEY from the Committee on Foreign Relations on June 30, 1953, reported it favorably, without amendment, and it was considered by unanimous consent, and agreed to, as follows:

Resolved, That the Committee on Foreign Relations hereby is authorized to expend from the contingent fund of the Senate, during the 83d Congress, $10,000 in addition to the amount, and for the same purposes, specified in section 134 (a) of the Legislative Reorganization Act approved August 2, 1946.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN (for himself, Mr. DUFF, Mr. SMITH of New Jersey, and Mr. WILLIAMS):

S. 2317. A bill authorizing the modification of the existing project for navigation on the Delaware River, Pennsylvania, New Jersey, and Delaware; to the Committee on Public Works.

By Mr. JOHNSON of Colorado:

S. 2318. A bill for the relief of Jon Jeffrey Williams; to the Committee on the Judiciary.

By Mr. MURRAY:

S. 2319. A bill for the relief of Anthony Alexander Bari and Alexandra Bari; to the Committee on the Judiciary.

S. 2320. A bill to change the date for the beginning of annual assessment work on mining claims held by location in the United States, including the Territory of Alaska, from the 1st day of July to the 1st day of October and to extend the time during which annual assessment work on such claims may be made for the year beginning July 1, 1952, to the 1st day of October 1953; to the Committee on Interior and Insular Affairs.

By Mr. BUTLER of Nebraska (by request):

S. 2321. A bill to revise the Organic Act of the Virgin Islands of the United States;

S. 2322. A bill to revise the Organic Act of the Virgin Islands of the United States; and

S. 2323. A bill to revise the Organic Act of the Virgin Islands of the United States; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BUTLER of Nebraska when he introduced the above bills, which appear under a separate heading.)

By Mr. WILLIAMS:

S. 2324. A bill to amend the Social Security Act to eliminate from coverage under the old-age and survivors insurance provisions of such act services performed by an individual who is entitled, or upon filing application therefor would be entitled, to receive benefits, based on his service or disability, under any retirement system for Federal employees; to the Committee on Finance.

(See the remarks of Mr. WILLIAMS when he introduced the above bill, which appear under a separate heading.)

By Mr. ANDERSON:

S. 2325. A bill to provide for the conveyance of certain lands within the Santa Fe National Forest, N. Mex., and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. DWORSHAK:

S. 2326. A bill to impose sliding scale stabilization duties on the importation of lead and zinc; to the Committee on Finance.

By Mr. MORSE:

S. 2327. A bill providing that disabled veterans remaining in active military service who would otherwise be entitled to receive payments on the purchase price of automobiles or other conveyances shall not be precluded from receiving such payments by reason of remaining in active military service; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORSE when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. J. Res. 97. Joint resolution to amend the International Wheat Agreement Act of 1949; placed on the calendar.

(See the remarks of Mr. LANGER when he reported the above resolution from the Committee on Foreign Relations, which appear under a separate heading.)

REVISION OF ORGANIC ACT OF THE VIRGIN ISLANDS

Mr. BUTLER of Nebraska. Mr. President, by request I introduce for appropriate reference three bills. Each of the bills deals with the same subject matter, namely, revision of the Organic Act of the Virgin Islands of the United States. One of these measures is suggested by the Department of the Interior; another by the St. Thomas Chamber of Commerce of the Virgin Islands; and the third was sent me by the Legislative Assembly of the Virgin Islands. The legislative assembly is composed of the popularly elected representatives of the people of the islands.

It goes without saying that I do not necessarily favor any of these three measures in its entirety. However, I think the views of the groups sponsoring each are entitled to careful consideration by the Senate Interior and Insular Affairs Committee and by the Members of the Senate.

It is my firm intention as chairman of the committee to hold hearings this fall in the Virgin Islands on these measures during the recess of the Congress, and to give the matter early consideration in the second session of the 83d Congress.

As the Members of the Senate will recall, the Virgin Islands are the former Danish West Indies which were ceded to the United States by Denmark in the treaty of January 25, 1917. From then until 1931 the affairs of the islands were administered by officers of the Navy who were named as governor by the President.

On February 27, 1931, President Hoover took the progressive step of placing the Virgin Islands under civilian jurisdiction, transferring administrative responsibility for them from the Navy to the Department of the Interior under Executive Order No. 5556. The present organic act, or basic charter of civil government, was enacted by the Congress in 1936. The islands have progressed greatly, both politically and economically, in the 17 years since the present organic act, and the governmental structure needs streamlining and modernization. It is my belief that the bill which will be reported by the committee after the hearings can result in substantial savings to the taxpayers of the United States.

I should point out that similar bills to those I am now sending forward have already been introduced in the House. H. R. 5835, introduced by Mr. SAYLOR, is the measure drafted and recommended by the legislative assembly; H. R. 5608, also introduced by Mr. SAYLOR, is the measure of the chamber of commerce; and H. R. 5181, introduced by the chairman of the House Interior Committee, Mr. MILLER of Nebraska, is the measure proposed by the Department of the Interior.

The VICE PRESIDENT. The bills will be received and appropriately referred.

The bills, introduced by Mr. BUTLER of Nebraska, by request, were received, read twice by their titles, and referred to the Committee on Interior and Insular Affairs, as follows:

S. 2321. A bill to revise the Organic Act of the Virgin Islands of the United States;

S. 2322. A bill to revise the Organic Act of the Virgin Islands of the United States; and

S. 2323. A bill to revise the Organic Act of the Virgin Islands of the United States.

PAYMENTS ON PURCHASE PRICE OF AUTOMOBILES TO CERTAIN VETERANS

Mr. MORSE. Mr. President, in 1951, the Congress enacted a measure to provide certain educational benefits and financial assistance in the purchase of automobiles to disabled veterans.

That act applies only to veterans who have left active service. Several disabled veterans who have remained in service despite their disabilities have suggested that the policies which led the Congress to grant up to $1,600 toward the purchase of automobiles should apply to disabled servicemen who remain within the armed services. The purpose of that kind of assistance is to help overcome the difficulty that amputees experience in traveling. That inconvenience is the same whether a man is in uniform or in civilian clothes.

It seems fair to recognize that this is the case and I now introduce a bill to amend the 1951 act so as to provide the same benefits for our disabled men who stay in uniform.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2327) providing that disabled veterans remaining in active military service who would otherwise be entitled to receive payments on the purchase price of automobiles or other conveyances shall not be precluded from receiving such payments by reason of remaining in active military service, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

CONDOLENCES TO FAMILY OF THE LATE CAPT. FRANCIS T. EVANS, JR., UNITED STATES AIR FORCE

Mr. BUTLER of Maryland. Mr. President, a vivid example of heroism on the part of one of our servicemen has practically gone unnoticed. I refer to the gallantry of Capt. Francis T. Evans, Jr., of the United States Air Force who, on June 16, 1953, lost his life in the vicinity of Andrews Air Force Base, Md., while insuring that his disabled aircraft would not crash into 250 schoolchildren.

Captain Evans was killed while piloting a new and classified model of the F-86, a jet aircraft, on a routine flight. All reports seem to indicate that he was aware of the plane's faulty condition, since his last words to the tower at Andrews Field were "negative hydraulic."

Witnesses to the accident have given accounts that Captain Evans must have realized that he was confronted by an emergency landing and that he surely would crash into 250 schoolchildren at Forestville Elementary School at Forestville, Md. Since he could not reach the landing strip, he purposely steered the plane into trees to avert the children, and while attempting to get out of the plane, his parachute failed to open.

Captain Evans was 31 years of age and was recalled to active duty in the Air Force in February 1951. He flew 100 combat missions in P-47's during World War II, and was awarded the Distinguished Flying Cross and the Air Medal with 14 clusters. He was a former member of the District of Columbia Air National Guard. He served in the Normandy invasion, northern France, and in the Rhineland campaign. He is survived by his wife, Frances Evans, and a daughter, Cynthia, age 3. His father is Col. Francis T. Evans, Sr., USMC, retired, and a brother, Capt. Douglas K. Evans, USAF, is stationed in California.

His wife, who is expecting another child, and daughter reside at 1011 Barnaby Terrace SE., apartment 301, Washington. His father lives at Wellington Villa, Alexandria, Va.

All too often we overlook the heroic deeds of our servicemen while serving within the continental limits of the United States, and I, therefore, submit for appropriate reference, a concurrent resolution for the purpose of paying honor and tribute to Captain Evans.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 39), submitted by Mr. BUTLER of Maryland, was received and referred to the Committee on Armed Services, as follows:

Whereas Capt. Francis T. Evans, Jr., United States Air Force, holder of the Distinguished Flying Cross and the Air Medal with 14 clusters, lost his life while piloting a new and classified model of the F-86, a jet plane, when he crashed June 16, 1953, while on a routine flight; and

Whereas all reports indicate that Captain Evans knew that the plane's condition had become faulty; and

Whereas witnesses of the tragic accident gave accounts that Captain Evans must have realized that he might crash into the structures of the Forestville School, Forestville, Md., and endanger the lives of 250 school children in attendance at such school; and

Whereas Captain Evans purposely guided his plane into a group of trees and averted crashing into the Forestville School, thereby losing his life when his parachute failed to open: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress hereby tenders its condolences to the family of Capt. Francis T. Evans, Jr., and expresses its gratitude and its commendation for the heroic action of Capt. Francis T. Evans, Jr.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the family of Capt. Francis T. Evans, Jr.

AGRICULTURAL COMMODITIES FOR MEETING FAMINE OR OTHER RELIEF REQUIREMENTS IN CERTAIN COUNTRIES—AMENDMENTS

Mr. FLANDERS submitted amendments intended to be proposed by him to the bill (S. 2249) to authorize the Commodity Credit Corporation to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief requirements in countries friendly to the United States, which were referred to the Committee on Agriculture and Forestry and ordered to be printed.

TUNGSTEN ORES AND CONCENTRATES — CHANGES OF REFERENCE

Mr. CAPEHART. Mr. President, I ask unanimous consent that the Committee on Banking and Currency be discharged from the further consideration of the bill (S. 1619) to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes, and the bill (S. 1620) to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories and possessions, and for other purposes, and that they be referred to the Committee on Interior and Insular Affairs.

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, would the Senator tell us what those bills are?

Mr. CAPEHART. They have to do with minerals. I believe they rightfully belong with the Committee on Interior and Insular Affairs, rather than with the Committee on Banking and Currency.

Mr. KNOWLAND. Does the suggested reference meet with the approval of the chairman of the Committee on Interior and Insular Affairs?

Mr. CAPEHART. Yes; in fact, the chairman of that committee has asked that it be done.

The VICE PRESIDENT. Is there objection to the request of the Senator from Indiana? The Chair hears none, and it is so ordered.

HOUSE BILLS AND JOINT RESOLUTION REFERRED OR PLACED ON CALENDAR

The following bills and joint resolution were severally read twice by their titles, and referred or placed on the calendar, as indicated:

H. R. 127. An act to quitclaim interest of the United States to certain land in Placer County, Calif.;

H. R. 334. An act to amend the act of July 31, 1947 (61 Stat. 681);

H. R. 947. An act authorizing the Secretary of the Interior to issue to Tom Gwin a patent in fee to certain lands in the State of Mississippi;

H. R. 1568. An act to amend section 6 of chapter 786 of the act of June 6, 1900, entitled "An act making further provision for a civil govern: ent for Alaska, and for other purposes" (31 Stat. 323; title 48, sec. 108, U. S. C.);

H. R. 1802. An act to amend the act of Congress approved March 4, 1915 (38 Stat. 1214), as amended;

H. R. 1991. An act relating to certain construction-cost adjustments in connection with the Greenfields division of the Sun River irrigation project, Montana;

H. R. 2779. An act to provide for perfecting the title of C. A. Lundy to certain lands in the State of California heretofore patented by the United States;

H. R. 3956. An act to provide for the conveyance of certain lands within the Santa Fe National Forest, N. Mex., and for other purposes;

H. R. 4047. An act validating certain conveyances heretofore made by Central Pacific Railway Co., a corporation, and its lessee, Southern Pacific Co., a corporation, involving certain portions of right-of-way, in the county of Alameda, State of California, acquired by Central Pacific Railway Co. under the act of Congress approved July 1, 1862 (12 Stat. L. 489), as amended by the act of Congress approved July 2, 1864 (13 Stat. L. 356); to the Committee on Interior and Insular Affairs;

H. R. 711. An act for the relief of Mrs. Ruth R. Ekholm;

H. R. 823. An act for the relief of Abraham G. Sakin;

H. R. 828. An act for the relief of Dr. Vincenzo Guzzo;

H. R. 871. An act for the relief of Orsola Jacopelli Leggio;

H. R. 948. An act for the relief of William F. Thomas;

H. R. 954. An act for the relief of Edith Smith;

H. R. 975. An act for the relief of Dr. Dudley A. Reekie;

H. R. 1111. An act for the relief of Sister Augusta Sala and Sister Elvira Storneili;

H. R. 1329. An act for the relief of Arthur Oppenheimer, Jr., and Mrs. Jane Oppenheimer;

H. R. 1629. An act for the relief of Miss Aiko Ikehara;

H. R. 1688. An act for the relief of Henry Ty;

H. R. 1792. An act for the relief of Lee Lai Ha;

H. R. 1806. An act to amend further the Federal Register Act, as amended;

H. R. 1892. An act for the relief of Nicola, Lucia, and Rocco Fierro;

H. R. 2816. An act for the relief of Sachiko Yuda;

H. R. 2977. An act to further amend the act of July 3, 1943 (ch. 189, 57 Stat. 372);

H. R. 3027. An act for the relief of Tamiko Nagae;

H. R. 3142. An act for the relief of Waltraut Benteler LaMontagne;

H. R. 2396. An act for the relief of Harry Clay Mauil, Jr.;

H. R. 2504. An act for the relief of Sisters Adelaide Canelas and Maria Isabel Franco;

H. R. 2506. An act for the relief of certain members of the Missionary Sisters of the Sacred Heart;

H. R. 2507. An act for the relief of Alfonso Gatti;

H. R. 2750. An act for the relief of the city and county of Denver, Colo.;

H. R. 3217. An act for the relief of Mrs. Florence D. Grimshaw;

H. R. 3223. An act for the relief of Gisela Korb (nee Unruh);

H. R. 3619. An act for the relief of Rufin Manikowski;

H. R. 3630. An act for the relief of Mrs. Nathalie Iliine;

H. R. 3631. An act for the relief of Dorothy Sonya Goldschmidt;

H. R. 4100. An act for the relief of Mrs. Lau Hong Shee;

H. R. 4101. An act for the relief of Hidenori Utada;

H. R. 4104. An act for the relief of Frank St. Charles;

H. R. 4175. An act for the relief of Charles R. Logan;

H. R. 4375. An act for the relief of Julia S. Criswell;

H. R. 4401. An act to amend title 28, United States Code, so as to permit certain suits for the recovery of taxes to be brought in the district of the taxpayer's residence;

H. R. 4440. An act for the relief of Hilde Kretz Sforza;

H. R. 4620. An act for the relief of Natale Joseph John Ratti;

H. R. 4799. An act for the relief of Otho F. Hipkins;

H. R. 4919. An act for the relief of Ralph S. Pearman and others;

H. R. 4958. An act for the relief of the estate of Martin A. Gleason;

H. R. 5118. An act for the relief of Louise Kaden and Eike Beate Kaden;

H. R. 5210. An act for the relief of Paul D. Banning, chief disbursing officer, and others;

H. R. 5410. An act for the relief of Mrs. Alberta S. Rozanski;

H. R. 5470. An act for the relief of Salvatore Mario Veltri; and

H. R. 5511. An act for the relief of Clara Gabriel; to the Committee on the Judiciary.

H. R. 5228. An act to amend section 303 of the Budget and Accounting Act, 1921 (42 Stat. 23); to the Committee on Government Operations.

H. R. 2272. An act to authorize the Secretaries of the Army, the Navy, and the Air Force, with the approval of the Secretary of Defense, to cause to be published official Registers for their respective services; and

H. R. 2331. An act to repeal section 205 (b) of the Armed Forces Reserve Act of 1952; to the Committee on Armed Services.

H. R. 5314. An act to extend the coverage of the Servicemen's Indemnity Act to members of the Reserve Officers' Training Corps when ordered to active training duty for periods in excess of 14 days;

H. R. 5407. An act to amend section 2879 (b) of the Internal Revenue Code; and

H. R. 5705. An act to amend the existing law to provide for the automatic renewal of expiring 5-year-level-premium-term policies of United States Government and national service life insurance; to the Committee on Finance.

H. R. 2234. An act to amend the rules for the prevention of collisions on certain inland waters of the United States and on the western rivers; and

H. R. 3792. An act to amend part III of the Interstate Commerce Act, so as to authorize the Interstate Commerce Commission to revoke, amend, or suspend water carrier certificates and permits under certain conditions; to the Committee on Interstate and Foreign Commerce.

H. R. 4302. An act to revive and reenact the act entitled "An act authorizing the State of Michigan, acting through the International Bridge Authority of Michigan, to construct, maintain, and operate a toll bridge or series of bridges, causeways, and approaches thereto, across the St. Marys River, from a point in or near the city of Sault Sainte Marie, Mich., to a point in the Province of Ontario, Canada," approved December 16, 1940; and

H. J. Res. 253. Joint resolution to amend the joint resolution of June 16, 1938, creating the Niagara Falls Bridge Commission; to the Committee on Foreign Relations.

H. R. 1070. An act to amend title 28, United States Code; and

H. R. 4905. An act to amend the Atomic Energy Act of 1946, as amended; placed on the calendar.

H. R. 5691. An act to provide for an annual report by the Commissioner of Education regarding educational activities carried on by or under the supervision of, or with the aid of, the executive branch of the Government; to the Committee on Labor and Public Welfare.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 28) commemorating the 300th anniversary of the formation of Westmoreland County, Va., was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD as follows:

Whereas Westmoreland County, which is in the Commonwealth of Virginia, was created in the year 1653; and

Whereas Westmoreland County has given to the United States and the Commonwealth of Virginia an extraordinary number of distinguished citizens and patriots, among them George Washington, the Father of his Country; James Monroe, fifth President of the United States; Robert E. Lee, Commander in Chief of the Confederate armies; Bushrod Washington, nephew of General Washington and Associate Justice of the Supreme Court of the United States; Richard Henry Lee, author of the famous Westmoreland Resolution protesting the Stamp Act and signer of the Declaration of Independence; Gen. Thomas Stuart Garnett, of Chancellorsville fame; Gen. R. L. T. Beale, dashing cavalryman of the Confederate army; Gov. Henry (Light Horse Harry) Lee, general, United States Army, and Member of Congress; Francis Lightfoot Lee, Member of Congress and signer of the Declaration of Independence; Col. George Eskridge, attorney for the King in Westmoreland County, member of the House of Burgesses, and guardian of George Washington's mother, Mary Ball; Daniel McCarty, member of the House of Burgesses for many years and speaker of the house in 1715 and 1718; Willoughby Newton, Member of Congress and founder of the Virginia Agriculture Society; James Critcher, Member of Congress and eminent jurist; and many other illustrious persons; Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress joins the county of Westmoreland in commemorating its tercentennial anniversary, and acknowledges its contribution to the development and progress of the Nation.

SEC. 2. A copy of this resolution, suitably engrossed and duly authenticated, shall be transmitted to the clerk of the board of supervisors of Westmoreland County.

NOTICE OF HEARING ON NOMINATION OF J. SINCLAIR ARMSTRONG TO BE A MEMBER OF SECURITIES AND EXCHANGE COMMISSION

Mr. CAPEHART. Mr. President, on behalf of the Committee on Banking and Currency, I desire to give notice that a public hearing has been scheduled for Friday, July 10, 1953, at 10 a. m., in room 301, Senate Office Building, upon the nomination of J. Sinclair Armstrong, of Illinois, to be a member of the Securities and Exchange Commission. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent.

NOTICE OF HEARING ON NOMINATION OF A. JACK GOODWIN TO BE A MEMBER OF THE SECURITIES AND EXCHANGE COMMISSION

Mr. CAPEHART. Mr. President, on behalf of the Committee on Banking and Currency, I desire to give notice that a public hearing has been scheduled for Friday, July 10, 1953, at 10 a. m., in room 301, Senate Office Building, upon the nomination of A. Jack Goodwin, of Alabama, to be a member of the Securities and Exchange Commission. At the indicated time and place all persons interested in the nomination may make such representations as may be pertinent.

PRINTING OF DOCUMENT ENTITLED "WATER SUPPLY AND THE TEXAS ECONOMY, AN APPRAISAL OF THE TEXAS WATER PROBLEM"

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the document prepared by the United States Department of the Interior, Bureau of Reclamation, Area Planning Office, Austin, Tex., entitled "Water Supply and the Texas Economy, an Appraisal of the Texas Water Problem," be printed as a Senate document, with illustrations.

The VICE PRESIDENT. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, and so forth, were ordered to be printed in the Appendix, as follows:

By Mr. LEHMAN:

Address delivered by him at dinner sponsored by Washington Committee for Brandeis University, at the Woodmont Country Club, Rockville, Md., June 17, 1953.

By Mr. MARTIN:

Article by John Koenig, Jr., relative to the Fourth of July address delivered by the Vice President at Gettysburg, Pa.

Article entitled "Cop Halts Truman In Zigging on Pike," written by Gilbert Staley and published in the Pittsburgh Sun-Telegraph; an editorial entitled "Now See Here, Mr. Truman," published in the Philadelphia Inquirer of July 7.

By Mr. SMITH of New Jersey:

Farewell Greeting to the Class of 1953 of Lafayette College by the president, Dr. Ralph Cooper Hutchison.

By Mr. JOHNSON of Texas:

News dispatch of the United Press from Gainesville, Tex., regarding the effect of drought conditions on young farmers.

By Mr. HUMPHREY:

Essay written by Wendell Brustman, of St. Paul, Minn., entitled "What the United Nations Means to Me."

Article entitled "Migratory Labor Bill," published in the New York Times of July 2, 1953.

By Mr. MURRAY:

Editorial from the Tampa (Fla.) Sunday Tribune of March 22, 1953, entitled "It Tolls For Thee," and reprint of a letter to the editor of that newspaper from former Senator Claude Pepper.

By Mr. WILLIAMS:

Editorial entitled "Mr. WILLIAMS Moves To Plug a Big Hole," published in the Richmond News Leader on July 1, 1953.

THE TRUCE NEGOTIATIONS IN KOREA

Mr. KNOWLAND. Mr. President, last night the Communist forces in Korea indicated a willingness to go ahead with the signing of an armistice on the basis of the June 29 letter of Gen. Mark Clark. The joker in their acceptance rests on their interpretation of that letter. It must be clarified or, in my judgment, grave consequences may result within the year.

Under the armistice as negotiated for the past 2 years, the fiction was established and maintained that the only Communist forces in Korea were and

are the People's Republic of Korea and the Chinese People's Volunteers.

The Chinese Communist regime, which has been declared the aggressor by the United Nations and which supplied most of the armed forces, and with the help of the Soviet Union supplied the planes, tanks, guns, and ammunition, has not been a party to the negotiations, does not sign the armistice and does not guarantee that the armistice will be respected once it is entered into.

In effect, the responsibility of the Chinese Communist regime of Mao Tse-tung for making aggression or keeping the peace is ignored. No responsible official of that regime signs or underwrites anything. We, however, will be obligated, if and when we sign, by the signature of Gen. Mark Clark, United States Army and commander of the United Nations Command.

It is my personal belief, which I state on my responsibility as a Senator of the United States, that we have now arrived at one of the great turning points of history.

Mr. SMITH of New Jersey subsequently said: Mr. President, I want to identify myself with the remarks made earlier today by the Senator from California [Mr. KNOWLAND]. Any truce agreement that does not include and bind the Chinese Communist government would be useless. I hope that before any truce is signed by our Government our representative take every possible precaution to make certain that the terms are clearly understood and that the Chinese Communists are bound by the agreement along with the North Koreans.

PAYMENTS TO PRISONERS OF WAR

Mr. DIRKSEN. Mr. President, I ask unanimous consent that I may proceed for 5 minutes.

The PRESIDING OFFICER (Mr. BRICKER in the chair). Without objection, the Senator from Illinois may proceed.

Mr. DIRKSEN. Mr. President, I think every Senator will be interested in the fact that in 1948, Congress enacted a so-called proviso under which prisoners of war who had been inhumanely treated were to receive an extra $1.50 a day during the time of their incarceration; and the money from the payments was to be derived from the net proceeds of the administration of alien property under the Trading With the Enemy Act.

In 1952 the Senate provided for a subcommittee of the Judiciary Committee to investigate. One of the functions of the subcommittee was to consider the question of a reasonable and proper method of obtaining the maximum amount of funds to be made available for the payment of the claims. That subcommittee was in session in 1952, under the chairmanship of the very distinguished late Senator Willis Smith, of North Carolina.

At the beginning of the 83d Congress, I inherited the chairmanship of that subcommittee. We have conducted a number of hearings.

I thought it advisable and necessary to advise the Senate where the matter stands at the present time: 491,940 claims were filed, 222,151 were allowed and 26,414 were disallowed. There are still unadjudicated claims to the number of 242,981 representing, in the aggregate $118 million.

The fact of the matter is that the War Claims Commission is about to run out of funds. So long as there are no proceeds from the sale, liquidation, or management of alien property, there can be no funds to go into the custody of the War Claims Commission, to be used for the adjudication and payment of these claims.

So yesterday I introduced a bill (S. 2315) to appropriate $60,000,000 to the War Claims Commission, in order that the claims which have been allowed and adjudicated may be paid.

The bill contains a second proviso to the effect that the Treasury shall be reimbursed if and when net proceeds are derived from the administration activities of the Office of Alien Property. That office has already provided $150 million. However, as a matter of fact, it oversubscribed the net proceeds which were available, so that while it made $150 million available to the fund, it actually had only $120 million with which to do so. So, of course, it is trying to liquidate other properties, in order to recapture the other $30 million, so that its own accounts will be in order. At a subsequent time, when other properties are liquidated, it will be possible to reimburse the Treasury for the $60 million to be appropriated.

A number of Senators have introduced bills to extend the time for the filing of claims, or to make funds available. I may say that on July 20, the Subcommittee on Trading With the Enemy will hold rather extensive hearings and will go thoroughly into the entire matter, in the hope that liquidation can be expedited and that the rest of the proceeds can be realized. That is about where the matter stands at the present time, Mr. President.

A time factor is involved. The Office of Alien Property is administering a number of properties. Under the law as it stands today, when suits were filed by certain claimants, it was simply impossible to liquidate the property until the suits were disposed of. We have 20 properties of that sort at the present time, including 1 that is in a special category, I would say, namely, the General Aniline & Film Corp., the estimated value of which is approximately $100 million.

Of course there is a desire to liquidate and to turn over the property to private administration. However, we are faced with a rather fine constitutional question at the moment. I, for one, as chairman of the committee, would not feel free to ask the Senate to give its approval to the bill unless I were satisfied in my own mind that there was no reasonable doubt about its constitutionality.

I hope we can have some rather learned, excellent, and impressive witnesses when the hearings are resumed, so we can obtain adequate testimony on the constitutional question.

So hearings will be resumed on matters having any identity with the question of trading with the enemy. I am sure the very distinguished chairman of the Judiciary Committee, the Senator from North Dakota [Mr. LANGER], wished to have this kind of report made. He has been most anxious to have the entire matter handled and liquidated as expeditiously as possible, and he has urged me to let no time pass without attempting to liquidate these matters, most of which go back to World War II. In fact, I may say that some of them go back to World War I—a generation ago—but are still carried on the books.

At the end of the investigation I sincerely trust that we can file an excellent and satisfactory report, and will be able to dispose of all the delicate and sensitive problems which have developed.

Mr. LANGER. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield to my distinguished chairman.

Mr. LANGER. I wish to say to the Members of the Senate that an unusually good man, Dallas Townsend, has been appointed Custodian of Alien Property. Working with the distinguished Senator from Illinois [Mr. DIRKSEN] as a team, he is doing an excellent job, in the hope that in approximately 2½ years all these claims can be settled.

I understand the distinguished chairman of the subcommittee hopes that the smaller claims—those of $500 or less—will be disposed of sooner than that.

Mr. DIRKSEN. That is correct.

Mr. CHAVEZ. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I understand the Senator from Illinois has introduced a bill calling for an appropriation of $60 million for the War Claims Commission, due to the fact that no funds are now available, because of the confusion existing within the Office of Alien Property.

Mr. DIRKSEN. To be accurate, a few million dollars are left, but not nearly enough; and the War Claims Commission has represented to us that approximately $60 million in round figures, will be needed in order to pay these claims.

Mr. CHAVEZ. That amount will take care of the claims, will it?

Mr. DIRKSEN. It will take care of every claim that has been filed and adjudicated.

Mr. CHAVEZ. I see. That will take care of all the claims that have been filed up to now, insofar as their payment is concerned, will it?

Mr. DIRKSEN. That is correct.

Mr. CHAVEZ. However, measures have been introduced by various Members of Congress, calling for an extension of the time within which claims may be filed.

Mr. DIRKSEN. Of course that involves the question of whether prospective claimants were sleeping on their rights when they had an opportunity to file claims. I do not believe Congress can leave the date open forever. This matter must be wound up. It cannot be wound up if year after year the time limit is extended.

Mr. CHAVEZ. That is the point.

Of course, my chief interest is in having paid the claims of military prisoners

of war, for instance, those who were imprisoned in the Philippines.

Mr. CHAVEZ. Of course, there were some religious claims, and so forth, but there should be a definite date upon which the work of the Commission will end.

Mr. DIRKSEN. That is correct.

Mr. CHAVEZ. The $60 million may be sufficient to pay the claims up to this date. I nevertheless feel that the committee should give consideration to the new bill. But I would not like to have the program carried on forever.

I have had experience with Government commissions, and I may cite one case. In 1928 there was a hurricane in Puerto Rico. The Congress in its wisdom—or otherwise—created the Puerto Rican Hurricane Commission, which, up to a year and a half ago, was still in existence, when I think the Commission had 4 or 5 employees, and Congress was appropriating $20,000 for it. No one ever heard about the work of the Commission, except when requests came for additional appropriations.

Mr. DIRKSEN. I wish to emphasize to my friend from New Mexico that the Treasury will be reimbursed for this $60 million out of the net proceeds from the sales of alien property, when those proceeds become available.

Mr. CHAVEZ. I think that should be done; but the point I am trying to make is that the mere fact a man may have gone to sleep in filing his claim does not justify continuation of the Commission and the employment of personnel in order to keep it alive. It should be terminated as of a certain date.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had agreed to the amendments of the Senate to the bill (H. R. 1528) to authorize the addition of land to the Appomattox Courthouse National Historical Monument, Va., and for other purposes.

The message also announced that the House had passed a joint resolution (H. J. Res. 292) authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 140. An act for the relief of John W. McBride;

S. 152. An act for the relief of Fred P. Hines;

S. 173. An act for the relief of Socorro Gerona de Castro;

S. 226. An act for the relief of Keiko Tashiro;

S. 297. An act for the relief of Dr. Arthur Tye;

S. 314. An act for the relief of Cornelius A. Navori;

S. 315. An act for the relief of Owen Lowrey;

S. 349. An act for the relief of May Ling Ng;

S. 458. An act for the relief of Angelo Gurisetti Podesta;

S. 505. An act for the relief of Rev. John T. MacMullen;

S. 604. An act for the relief of Maria Neglia and Angelo Neglia;

S. 616. An act for the relief of Dr. Albert Haas;

S. 719. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

S. 971. An act to authorize films, and related material, for educational use to be transmitted through the mails at the rate provided for books;

S. 1078. An act to authorize the use of certificates by officers of the Armed Forces of the United States, in connection with certain pay and allowance accounts of military and civilian personnel;

S. 1082. An act to approve a conveyance made by the city of Charleston, S. C., to the South Carolina State Ports Authority, of real property heretofore granted to said city of Charleston by the United States of America;

S. 1262. An act for the relief of Stefanos A. Spilios, also known as Stephen A. Harrison;

S. 1422. An act to continue the effect of the statutory provisions relating to the deposit of savings for members of the Army and Air Force, and for other purposes;

S. 1529. An act to amend the act of July 28, 1942 (ch. 528, 56 Stat. 722), relating to posthumous appointments and commissions, and for other purposes;

S. 1544. An act to repeal the authority to purchase discharge from the Army, the Navy, the Air Force, and the Marine Corps;

S. 1579. An act for the relief of Mieko Kristine;

S. 1684. An act to facilitate to civil-service appointment of persons who lost opportunity therefor because of service in the Armed Forces after June 30, 1950, and to provide certain benefits upon appointment;

S. 1995. An act to provide certain construction and other authority for the military departments in time of war or national emergency;

S. 2000. An act to authorize the retirement of non-Regular officers of the Army and Air Force having more than 30 years' active Federal service under the same conditions presently provided for such officers having less than 30 years' service, and for other purposes; and

S. 2079. An act to provide for the use of the American National Red Cross in aid of the Armed Forces, and for other purposes.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 8, 1953, he presented to the President of the United States the following enrolled bills:

S. 140. An act for the relief of John W. McBride;

S. 152. An act for the relief of Fred P. Hines;

S. 173. An act for the relief of Socorro Gerona de Castro;

S. 226. An act for the relief of Keiko Tashiro;

S. 297. An act for the relief of Dr. Arthur Tye;

S. 314. An act for the relief of Cornelius A. Navori;

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S. 2079. An act to provide for the use of the American National Red Cross in aid of the Armed Forces, and for other purposes.

UNREST BEHIND THE IRON CURTAIN

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may speak for 5 minutes.

The PRESIDING OFFICER. Without objection, the Senator from Minnesota is recognized for 5 minutes.

Mr. HUMPHREY. Mr. President, I noticed in this morning's press, and also in the early editions of the afternoon press, a dramatic headline to the effect that "Soviet tanks combat new Berlin uprisings." This is clear evidence that the revolt which has started behind the Iron Curtain gains momentum.

It is also clearly evident from the news dispatches which one reads, coming from the European sector, that hunger amongst the peoples behind the Iron Curtain who are fighting for their

liberty is a very prevalent and real menace. I have in my hand, for example, a dispatch from Vienna, Austria, dated July 7, by Associated Press, with the headline, "Hunger in Satellites Adds to Red Worries." The first paragraph reads:

Widespread hunger in some areas of Communist East Europe was reported today as Czechoslovakia eased up on the whip to keep sullen workers on the job.

Mr. President, I ask unanimous consent to have this dispatch printed in its entirety in the RECORD, at this point in my remarks.

There being no objection, the dispatch was ordered to be printed in the RECORD, as follows:

HUNGER IN SATELLITES ADDS TO RED WORRIES

VIENNA, July 7.—Widespread hunger in some areas of Communist East Europe was reported today as Czechoslovakia eased up on the whip to keep sullen workers on the job.

Reports reaching Austria said food shortages are affecting millions in Hungary, Rumania, Bulgaria, Czechoslovakia, Albania, and Poland. Actual deaths from starvation were reported. In East Germany, the harvest was expected to be poor because so many farmers have fled to the West.

The food crisis and smouldering unrest appeared to be the major reasons for a rash of Communist conciliatory gestures throughout the satellites.

Radio Prague announced the government has revoked a decree making it a criminal offense for Czech workers to remain away from their jobs four times without good reason. It seemed likely the law was revoked on Moscow's orders. The government said the law no longer was necessary because the trade unions had agreed to see to it that workers stayed on the job.

East Germany and Hungary are proclaiming a policy of less police terror, more free enterprise, and more food and goods for the consumer.

East Germany today slashed the budget of its unreliable people's police by $30 million and announced the money would be used to produce more consumer goods. Spurred by reports of fresh demonstrations before empty food stores the regime sought to lure more farmers into delivering their crops by reducing their quotas and promising them credit.

Rumania has increased food rations from its reserves and ordered an amnesty for prisoners.

Albania last month forgave her peasants for their arrears in deliveries of grain, eggs, wool, and meat in 1949–52.

Hungary today also ordered a reduction in crop delivery obligations of farmers who have suffered crop damage.

Refugees said thousands of families in Hungary recently were without substantial food for days and that children were crying at the tables.

Unconfirmed reports said hungry workers and peasants have stormed Rumanian food depots.

One diplomat suggested the food situation is so critical the Western Powers should consider making offers to help—if assured that aid was not misapplied by the Communist regimes.

Diplomatic reports said Hungary and Rumania are the hardest hit. Both were vast food-producing areas until the Communists took over. Hungary, once the granary of Central Europe, reports a wheat crop 40 percent below expectations.

In Hungarian cities, milk, butter, fat, and meat are reported virtually unobtainable in state-run stores and then only at prices the average worker cannot afford. Cattle are reported to have died by the hundreds due to a fodder shortage and a foot-and-mouth disease epidemic.

Mr. HUMPHREY. Mr. President, I also make note of the fact that our Government, according to a New York Times story of July 6, is taking cognizance of the very difficult situation which exists in Europe, and is outlining steps to counter the Soviet's tyrannical methods of putting down these uprisings of freedom-loving people.

The headline reads: "United States Psychological Offensive for East Germany Is Drafted."

The subhead reads: "Steps To Counter Soviet and Aid Adenauer, Including Shipments of Surplus Food, Planned for Foreign Chiefs Friday."

I ask unanimous consent that this lead article from the New York Times, under date of July 5, a special dispatch to the New York Times from Bonn, Germany, by M. S. Handler, be printed in the body of the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES PSYCHOLOGICAL OFFENSIVE FOR EAST GERMANY IS DRAFTED—STEPS TO COUNTER SOVIET AND AID ADENAUER, INCLUDING SHIPMENTS OF SURPLUS FOOD, PLANNED FOR FOREIGN CHIEFS FRIDAY

(By M. S. Handler)

BONN, GERMANY, July 5.—United States authorities in West Germany have been instructed by Washington to recommend, as quickly as possible, methods of taking the psychological offensive against the Soviet Union in East Germany.

Committees of officials have been in almost constant session in Berlin and Bonn to satisfy this request. The target date for completing recommendations is next Friday. The aim of the administration is to submit these recommendations to the three western Foreign Ministers when they convene in Washington on that day.

One of the problems facing United States officials in Germany is to recommend steps to carry out a plan to ship huge quantities of Government surplus butter, meat, wheat, dried beans, and similar commodities to East Germany to relieve the food shortage there. The object of the plan is to embarrass the Soviet Union and to help Chancellor Konrad Adenauer win the forthcoming general elections in West Germany by associating him with a move to alleviate the hardships of the East Germans.

When the plan to send surplus food to East Germany was first advanced a few days ago, some observers said that its authors were naive in thinking that Soviet authorities would permit it. Backers replied that Soviet rejection of the plan would show that the Russians were starving the East Germans for political reasons.

According to available evidence, including public-opinion polls, Dr. Adenauer's popularity with the West German people is great. Social Democratic leaders, the Chancellor's worst enemies, concede that they cannot hope to win a majority of the electorate and can only hope to emerge as the strongest single group. According to observers, the only problem that could develop would be the proportionate strength of the three parties composing Dr. Adenauer's coalition. In a parallel to the Italian general election, parties to the right of Dr. Adenauer's Christian Democratic Union may win votes away from the center and thus diminish the Chancellor's grip.

United States officials are therefore maneuvering to strengthen the hand of Dr. Adenauer. The food shipment plan is part of the strategy.

ADENAUER FOR WESTERN ALLIANCE

COLOGNE, GERMANY, July 5.—Chancellor Konrad Adenauer said today that "Communism is on the march everywhere" and that Germany would face deep misery unless it allied itself with the West.

He predicted that the treaties rearming the West German Republic in alliance with the West would be realized despite powerful Socialist opposition.

"The treaties are not dead. They will be ratified," the Chancellor declared. "If the Socialists should take over the Government after the federal elections and scrap the treaties, it would be a gigantic shock for the world and would throw Germany into deepest economical and political misery."

So far, only West Germany has completed ratification of the 6-nation European army treaty, under which West Germany pledges to earn its sovereignty by recruiting 500,000 soldiers for a Continental defense force. The West German peace contract has been ratified by all signatories except France.

EAST ZONE TO RELAX CROP QUOTAS

BERLIN, July 5.—Premier Otto Grotewohl, of East Germany, in a statement published today, promised the peasants lower crop quotas and other concessions. He indicated that the Government was concerned about the loyalty of the rural population as well as that of industrial workers.

At the same time, Attorney General Ernst Melsheimer, of East Germany, announced that in the first 19 days of the Government's new course policy, 7,753 persons had been released from jails. The new policy stipulates amnesty for those serving terms of 1 to 3 years for various economic crimes.

Herr Melsheimer said efforts to speed the release of prisoners had been hampered because on June 17 rioters broke into Government buildings in some cities and destroyed court records. As an example, he mentioned Madgeburg, which was the scene of some of the heaviest fighting and where jails were thrown open by workers.

Meanwhile, there were continual reports of strikes and disorders in East Germany, but there was no reliable confirmation of the reports.

COOPERATIVES TO REMAIN

In his open letter to peasants, Herr Grotewohl assured production cooperatives that they would not be abandoned in the government's steps to conciliate kulaks (prosperous peasants) and other individual peasants. A drive to establish these cooperatives, which are a preliminary form of collective farms, was begun a year ago and drove a number of peasants to flee to the West.

The new machine and tractor stations modeled after those in the Soviet Union are to stay, but Herr Grotewohl said they must now give aid to individual peasants as well as collectives.

Herr Grotewohl revealed that the events of June 17 had reached into the countryside as well as the cities. He said persons in certain villages sought to incite confusion with ratcatcher songs of RIAS. That is the American-operated German-language radio station in West Berlin whose news reports of riots in the Soviet sector of the city helped spread word of the uprising throughout East Germany.

The Premier told farmers under the new policy of expanding light industries they would get more milk cans, more nails, more baby clothing, and numerous other articles. He said withholding of produce from state sales agencies was cutting one's own throat.

There have been reports that since June 17 peasants in some areas have been hoarding their crops.

"Don't let a wedge be driven between the government and the farmers," Herr Grotewohl said.

He asked that loyal peasants visit their neighbors and set forth the regime's viewpoint. He said the government assures strict adherence to the legitimate rights of private property.

The Premier said cuts in production quotas were determined June 25 after consultations with peasant representatives. Quotas for livestock, milk, eggs, grain, and oil seeds are to be reduced for all farms. The quotas for potatoes from farms of 25 acres or more will also be cut.

Livestock delivery requirements are being slashed 8 to 20 percent, the Premier said. Grain quotas of production cooperatives are being reduced 10 to 20 percent.

Deputy Premier Otto Nuschke, in a statement published today, conceded that the bitter events of June 17 had grown out of considerable discontent in many sections of the working classes in Berlin and industrial areas of East Germany.

FIFTY THOUSAND ARRESTED AS REBELS

BERLIN, July 5.—East Germany's Communist Government revealed today that 50,000 persons had been arrested for rebeling against the regime. The total, announced by Justice Minister Max Fechner, was the first public official admission of the extent of repressive measures taken to crack unrest in East Germany.

Mr. HUMPHREY. Mr. President, in the New York Times of July 3, 1953, there appeared a letter to the editor, written by Bernard Taurer. The letter was published under the heading, "Resistance in Berlin—Organized Effort Believed To Have Been Behind Recent Demonstration." I ask unanimous consent that the letter be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

RESISTANCE IN BERLIN—ORGANIZED EFFORT BELIEVED TO HAVE BEEN BEHIND RECENT DEMONSTRATION

To the EDITOR OF THE NEW YORK TIMES:

H. Brand's comment published June 26 on your correspondent's report from Berlin of June 19 raises a question of vital importance in our worldwide fight against communism, the question of spontaneous or organized resistance.

Mr. Brand says that Handler's dispatch cited "no direct evidence, but only instances of what it terms 'superior organization' of the demonstration and strikes." The instances referred to included, to quote your correspondent, the following: "One anonymous organizer told an observer he had come out with a big group from his factory and that he was expecting the arrival of several thousand more men. Shortly after this conversation took place several thousand reinforcements did arrive at the street intersection specified by the anonymous organizer."

This, as anyone with any experience in underground organization knows, doesn't at all sound like spontaneity, however one may define this somewhat slippery word. It suggests much, much more—namely, organized effort based on the authority of a number of individuals who have the confidence of the demonstrating masses; without such an effort the demonstrating mass dissolves into a rioting mob (and there are other reports that reflect this, too, as a part of the picture of the Berlin uprising).

ATTITUDE TOWARD GROUPS

Mr. Brand's comment reveals a skeptical attitude in regard to underground movements which is as natural for people living in the gentle climate of democratic liberties as it is wrong. It is unfortunately a fact that such actiivties are exaggerated by irresponsible refugees and sensationalist press accounts, and so discredited before they yield anything in the way of action. In addition to that, we have to contend with the misunderstanding flowing from the almost universal confusion of peacetime underground movements with wartime resistance movements. In the bitter reality of both there is a world of difference between them.

In wartime any (underground) resistance has the clear task to do all in its power to help defeat the regime, and there is neither a lack of weapons and money to carry on the fight nor of a concrete hope of a foreseeable end. In times of peace you can count on nothing of that sort; the task is primarily preparatory for such dreamed of but not foreseeable spontaneous outbursts of popular energy as the one which occurred in East Berlin.

What really happened in Berlin and other industrial centers of the Soviet Zone (another indication that something more than spontaneity was involved, since spontaneity isn't a germ that travels unaided through the air) will, we hope, remain a subject for discussion for a long time; we all need to learn its lesson. But while an objective, skeptical attitude is helpful for the historian, it is poison for the man of action and we have to be both.

MORAL ASSISTANCE

What the conscious, organizing, leading elements who leaven such historic explosions need like their daily bread is more than expressions of sympathy; it is moral assistance, a feeling that the "outside" understands what they're up against and that they are part of a larger whole in their fight for freedom—and that goes for those in Czechoslovakia as well as for those in Germany.

The resolution Senator H. H. HUMPHREY introduced on June 18, calling on the United States to "seize the initiative" by demanding free elections and a unified Germany, constituted an example of such moral assistance. It deserves the support of all men and women who hope to defeat communism without war.

BERNARD TAURER.

BENNINGTON, VT., *June 27, 1953.*

(The writer of the above letter was a member of the German labor underground in Berlin during the Hitler regime.)

Mr. HUMPHREY. Mr. President, I notice also that the New York World-Telegram and Sun, in a recent lead editorial entitled "One of Our Best Weapons," makes a very practical suggestion, about which I have spoken again and again, and which I believe our Government should enter upon at once. I merely quote in part from the editorial:

The United States has tons of food in storage in West Berlin while people in East Berlin are starving.

Free food stations should be opened all along the East-West border to relieve this distress. This could be done for a fraction of the cost of one jet fighter plane, and it would be a weapon the Russians could not match.

This may be our opportunity to win the cold war without firing a shot.

Mr. President, I ask unanimous consent that this very worthy and enlightening editorial be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ONE OF OUR BEST WEAPONS

The economic distress and resultant political unrest and disorder reported throughout Russia's captive empire indicates that after 8 years of exploitation, Soviet-imposed communism is reaching the point of diminishing returns.

Collective farms aren't producing and industrialization is at a standstill.

Russian rule cannot be successfully challenged so long as the Red army remains loyal, but tanks and bayonets can't plant and harvest crops.

We have waited long for this day. Yet, now that it is here, we apparently do not know what to do about it.

Our officials express their delight with developments behind the Iron Curtain, but they are doing next to nothing to take advantage of them. Our allies are just as unimaginative.

The United States has tons of food in storage in West Berlin while people in East Berlin are starving.

Free food stations should be opened all along the East-West border to relieve this distress. This could be done for a fraction of the cost of one jet fighter plane, and it would be a weapon the Russians could not match.

This may be our opportunity to win the cold war without firing a shot.

While makeshift remedies are being applied, President Eisenhower should call a White House conference and develop a broad program to wage a "peace and plenty" campaign on all fronts.

Emergency assistance should be offered wherever genuine distress exists behind the Iron Curtain provided the food is distributed to the people without cost, not by the Russians, but by their own committees. (Operating, we suggest, solely through the churches of every denomination. I. L. C.)

The Kremlin does not have the resources to match such a challenge without robbing its own people and creating hardships at home. And if the Soviets refuse to let our food shipments pass through their roadblocks, their position will become less tenable as need becomes more acute, until pressure forces them to abandon that policy.

The longer a relief program is necessary, the more difficult Russia's position will become.

Let's forget about the Big Three and the Big Four and try dealing directly with people.

With the people on our side, we can't lose.

Mr. HUMPHREY. Mr. President, I think it is imperative, it is of the utmost urgency, that our Government take immediate steps to seize the initiative in what is one of the greatest opportunities we have ever had to win the cold war. Make no mistake about it, the riots in Poland, in Czechoslovakia, in Hungary, and in East Germany and Rumania, indicate that the Soviet empire is breaking up from within, and we should give some help to the movement now in process of breaking this monstrous conspiracy over the minds and bodies and souls of the millions of people who are now behind the Iron Curtain.

I have said repeatedly that no weapon we have at our command is more important than the weapon of food, and any delay in the utilization of the food and fiber which we have can lead to nothing but real trouble for us in the future. A golden opportunity is at hand, and, Mr. President, opportunity, as the old saying goes, knocks but once. Let us take advantage of that knocking on the door of democracy, for the freedom-loving peoples behind the Iron Curtain are begging for some evidence from the United States and some demonstration that we are prepared to show creative imagination and ability.

Mr. President, I have sent a letter to the conferees on the mutual-security administration bill, both to the House managers and to the conferees on the part of the Senate, and in the letter I have outlined what I believe to be a necessary amendment to the Mutual Security Act. We have the McClellan amendment from the Senate; we have a similar amendment from the House. Both of them are limited. Both of them are worthy, to be sure, but they do not give the President the flexibility, the array and the diversity of tools that are needed to form the foreign policy of the United States.

I desire to cooperate with our President. He is our leader. He is our chief spokesman in regard to matters of foreign policy. He is our commander in chief, and I think the Congress ought to remember that in the cold war today the use of food and fiber may spell the difference between life and death for millions of people, and may mean much for the future of freedom and democracy as we know it.

So, Mr. President, I ask unanimous consent that the letter which I caused to be sent to the conferees as of this morning, be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 7, 1953.

Hon. WILLIAM KNOWLAND,
United States Senate,
Washington, D. C.

DEAR SENATOR: I am writing to you and to the other members of the House and Senate conference committee on the mutual-security bill in the hope that you will incorporate an amendment to the bill which will permit the Government of the United States, through the President, to utilize our huge agricultural stores to strengthen our foreign policy and to alleviate famine and other critical needs abroad.

You are undoubtedly aware that I was the author of an amendment designed to accomplish that objective which was first submitted to the Senate Foreign Relations Committee in early June and then to the Senate floor. Other Members of the Congress have likewise submitted similar proposals. Since then President Eisenhower has sent a message to accomplish the same objective. It was the first impression of the Senate Foreign Relations Committee to accept the substance of my amendment. Later consideration, however, plus the understanding that the administration was submitting special legislation, led the committee and then the Senate to believe that special legislation might indeed be preferable to a mutual-security amendment. I disagreed with that position and felt that an amendment to the mutual-security bill was most proper, and am pleased to find increasing support in the Congress for that procedure. It is becoming ever more apparent that food and fiber is a necessary adjunct to our foreign policy, and thus legitimately a part of the Mutual Security Administration program. It is also clear that the time to act is during the current session of Congress. The fact that the Senate later adopted the McClellan amendment to the mutual-security bill is an indication that the Senate recognized the relationship between food and fiber and our foreign policy. The House expressed a similar recognition in its version of the mutual-security bill.

I believe, therefore, that the Senate and the House of Representatives would accept an amendment to the mutual-security bill which would, with proper safeguards, use the surplus stocks of the Commodity Credit Corporation in a constructive, humanitarian way to strengthen our economy, the economy of the free world, and alleviate human suffering.

I propose that five specific provisions be incorporated in the Mutual Security amendment:

1. That the food we make available for shipment abroad be "surplus" in excess of the probable domestic and export market and in excess of the maintenance of a necessary reserve of food stores for our national security.

2. That we provide for the transfer of the food in question to foreign countries not just by the method of gift—the program adopted in the case of our aid to Pakistan law—but through sale for American dollars at normal price, sale for foreign currency with the use of that currency in the nature of counterpart funds or to acquire stocks which we need for our own stockpile, loans, or concessional prices. This flexibility is necessary to meet different problems and different needs in our negotiations with other countries. You will recall that although we provided a gift of wheat to Pakistan we provided a loan to India with the use of the interest to foster improved relations between the United States and India. We may find it to our national interest on some other occasion to provide for a concessional price sale in order to expand the economy of the free world and promote trade. Flexibility for that reason is essential.

3. The amendment should be for a short duration, perhaps not longer than a year. During that period it is my hope that the appropriate Congressional Committee will restudy this whole problem and prepare more permanent legislation for the Congress to act upon.

4. It also appears desirable to limit the amount of expenditures which may be used under the terms of this amendment. It has been suggested that a ceiling of somewhere between $100 million and $300 million would be in the public interest.

5. Finally, I suggest that the amendment authorize the President to utilize the voluntary relief and rehabilitation agencies now doing such a splendid job in supplying food to the needy people of the world. I refer specifically to organizations like CARE (Cooperatives for American Remittances to Europe), CROP (Christian Rural Overseas Program), and the other valuable relief organizations sponsored by our churches and social service organizations. You will recall that our Yugoslavian aid program utilized the experience and services of CARE.

The need for an amendment along the lines I suggest is clear. The starvation in Eastern Germany at this time is an example of the opportunity we have to build good will and assume the initiative in the struggle against totalitarianism. Had our government on the statutes today the authority which I suggest we could have already acted in Germany in time to meet the crisis.

There is, furthermore, I am certain, strong support for such a proposal not only in the Congress, but among the American people. Certainly the proposals submitted to the Congress by the Farm Bureau Federation and other proposals submitted by the National Farmers Union and other farm organizations is convincing evidence that the American farmer would like to have the food he produces used to strengthen our foreign policy and alleviate starvation. These proposals by the farm organizations afford an excellent basis upon which we can act. I am, also, fully persuaded that such an amendment is in harmony with the basic humanitarian traditions of the American people and would be warmly and wholeheartedly received by them.

I strongly urge that the conference committee on the mutual security bill accept an amendment along the lines I suggest. This would be ample evidence for the world to see that our Nation is concerned with full stomachs and not just with full cartridge belts. It is, therefore, altogether fitting and proper that this proposal be adopted as an amendment to the mutual security bill.

Sincerely yours,

HUBERT H. HUMPHREY.

Mr. HUMPHREY. Mr. President, I conclude by saying that to be sure whatever we may do will cost something, but we ought to think in terms of what it would cost if we were to fail to do what we ought to do. Let us not forget that the phrase "Too little and too late" is filled with sorrow, grief, and sadness in the history of this world.

Mr. President, the challenge to America now is to do what we need to do when the time is ripe to do it—and there is not another year to wait. The Soviet will make terrible efforts to try to put down the uprisings. It would be wonderful if America would send some of its abundance of surplus food and fiber this day, this week, on its way to Western Europe, to the mayor of Berlin, to the government of West Germany, and would say to those fine people, "Convert this wheat into flour," or let us send our own flour and say to them "Convert this flour into bread." Let us send along also a little of the butter in storage and utilize it to relieve the suffering in the satellite countries to show the people behind the Iron Curtain that America is not only a nation of military might, but also a nation with a heart of compassion. This is what is needed now.

The higgling and quibbling about what we ought to do should cease. The future of the world, at least the world of our time, may very well be written within the next few weeks in Western Europe. While our eyes are focused upon the Far East, let me remind Senators that there is an uprising behind the Iron Curtain. What are we doing about it? We are still conversing, we are still talking about it. Believe me, Mr. President, timeliness is of the essence.

So, I invite the attention of the Senate to what I believe to be a matter of urgent policy on the part of our Government, namely, to act immediately in the matter.

Mr. President, I ask unanimous consent that there be included in the RECORD at this point in my remarks a letter which I have reecived from the CARE organization, signed by Paul Comly French, in which he concurs in the statements which I have just made and suggests that there be incorporated in the Mutual Security Act a provision for the use of surplus foods, and suggests, also, that agencies such as CARE would be available to implement the distribution of such foods.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COOPERATIVE FOR AMERICAN REMITTANCES TO EVERYWHERE, INC.,
New York, N. Y., July 1, 1953.

The Honorable HUBERT HUMPHREY,
United States Senate,
Washington, D. C.

DEAR HUBERT: I was delighted to see in the paper that the President has asked for authority to use surplus commodities overseas.

Isn't there some way that this could be added as an amendment to the present mutual-security legislation? Couldn't it also include the right of the President to use private agencies like CARE in the distribution, in the light of our experience in Yugoslavia in 1950–51?

I think it should be possible to work out a program, if the Congress feels it is essential, for payment in local currencies which could be used by private agencies for socially useful projects which would be of some value to the little people.

Would this have any more possibility of support in the Senate than the proposal you have already made?

Cordially yours,

PAUL

Paul Comly French.

MILITARY POLICY—ADDRESS BY ADM. RICHARD CONOLLY, PRESIDENT OF THE NAVAL WAR COLLEGE, AT NEWPORT, R. I.

Mr. GREEN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an address delivered by Adm. Richard Conolly, president of the Naval War College, at Newport, R. I. This was the principal address given at a joint public celebration by the Rhode Island Society of the Cincinnati and the Rhode Island Society, Sons of the Revolution, held in Newport last July 4.

This admirable and informative address entitled "Military Policy" will, I believe, be of especial interest to the Members of the Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY ADM. RICHARD CONOLLY BEFORE THE RHODE ISLAND SOCIETY OF THE CINCINNATI AND THE RHODE ISLAND SOCIETY, SONS OF THE REVOLUTION, AT NEWPORT, R. I., JULY 4, 1953

My subject is Military Policy. It is a matter of true concern to every responsible citizen that we have a well-considered, sound, and adequate military policy. This leads naturally to a necessity for a proper preparedness, which has come to mean in a military sense that we have so implemented our policies as to have effected adequate military preparations for the kind of war we might have to fight.

In the history of our wars we find only one single case in which the existing Military Establishment of the United States was in any way adequate as a basis upon which to build the military strength necessary to achieve an early victory. This was the Mexican War. In both World Wars and in the recent war in Korea the outbreak of hostilities found us woefully unprepared for the type of conflict, the scope of the war, and the character of the fighing. These repeated instances of a habitual state of unpreparedness can be attributed to several factors: lack of realization of the dangerous position in which the United States had been placed by world events; insufficient appreciation of the great extent of our interests; lack of the military policy that was strong enough to support our total contemporary foreign policy; and an inadequate or tardy implementation of the advance preparations that were necessary to meet the impending emergency. As a result, we have narrowly averted disaster. The danger was potential but inevitably approaching in the case of World War I, glaring and imminent in the case of World War II, and on a smaller scale no less real in the war in Korea.

We cannot say that we have not been warned by many of our most eminent statesmen from Washington to Eisenhower and always by our most eminent soldiers from George Washington to General MacArthur, sailors from Paul Jones to Nimitz. Washington said in a recommendation to the President of the Continental Congress:

"Among the many interesting objects which should engage your attention, that of providing for the common defense will merit particular regard. To be prepared for war is one of the most effectual means of preserving peace. A free people ought not only to be armed but disciplined, to which end a uniform and well-digested plan is requisite."

He wanted a military policy. Yet, even one of our greatest war Presidents, Woodrow Wilson, with about 2 years' unmistakable warning, could not waken the Nation to a realization of its danger nor quicken it to take the by then emergency measures necessary in preparation for the war that was sure to follow. However, to his everlasting credit, President Franklin D. Roosevelt began to remedy the situation of military weakness in which he found the Nation upon assuming office and made great strides in the 2 years preceding hostilities.

Military policy needs to embrace several important factors in our present-day world due to our position of leadership and power in it. Some of the problems that must be solved in order that the policy can encompass the whole of the military situation and include all forms of warfare will be enumerated. For example:

How much of our annual national income will be expended for military purposes?

What proportion of our military budget will go to building and maintaining our own establishment and what for military aid to our allies?

What will we spend for development of new weapons; how fast should the perfected new weapons be produced; at what point will we shift production to a still newer weapon in each category; what will we spend on nuclear weapons and will they displace the conventional ones and how fast and how completely?

What is the proper proportion between our land forces, naval forces and air forces?

What mass of our force can we afford to deploy abroad and what should be maintained at home in a high state of readiness to act as a global strategic reserve?

What is the proportion between offensive aircraft, support aircraft, and aircraft for the passive defensive?

The policy must be as complex as warfare itself has become.

I will quote from a noted writer on the subject of military policy:

"Every battlefield of the war (after the first year) gave proof to the world of the valor of the disciplined American soldier, but in achieving this reputation the Nation was nearly overwhelmed with debt from which we are still suffering while nearly every family in the land was plunged in mourning. Already we are forgetting these costly sacrifices, and unless we now frame and bequeath to the succeeding generation a military system suggested by our past experience and commended by the example of other enlightened nations our rulers and legislators in the next war will fall into the same errors and involve the country in the same sacrifices as in the past."

The writer was Upton and, believe it or not, he was speaking before World War I.

Since the end of World War II and our immediate demobilization to the point of military impotency, we have been in need of a rational, consistent, military policy that realistically supports our position in the postwar world. We know pretty well what our general objectives are. Fundamentally, we want to preserve our existence and our way of life. We want on a larger scale to preserve freedom in the world, because the loss of it anywhere threatens it here. The lines are clearly drawn. How are we to accomplish our aims? It will help if we have a fitting military policy and implement it, progressively and with constant determination.

We must be ready, should war be forced upon us, to begin fighting an all-out war, or alternatively, to fight minor wars, like that in Korea, which might result from an attempt at piecemeal aggression or enemy attack upon critically sensitive areas. The peacetime standing military forces and the support ready to be given to them must provide the means for continuing any current war, such as Korea. They must be prepared to assume as well the load of the initial phases of a general outbreak of war with a major enemy. At the same time our standing forces must provide the base and the nucleus of the greatly enlarged establishments that would be required to win a general conflict, the mobilization and training bases for the future armies, fleets, and air forces.

Another important element of a state of readiness is the achievement of an acceptable mobilization base for the Nation itself, for its economy, for its industry, for its total ultimate power for waging successful war.

Meanwhile, we must build up our allies so that they may be able to defend themselves with better hope of success. We hope to do this with no greatly augmented help from us, either in very much larger peacetime United States military forces deployed abroad, nor any greatly increased military aid, nor any long continued financial transfusions. During this long-term phase, which will in this instance be inclusive of the short- and medium-term phases, we should provide for a continuous, progressive replacement of obsolete and obsolescent military equipment, lest we be stuck with an out-of-date, inadequate military machine. This replacement, modernizing and regenerative process must take place at a tempo that will exceed that required in any past experience of ours. Required now is a series of advanced types of equipment flowing from the research stage through development and engineering, test and evaluation, adaptation for use in service, production in quantity and application to a projected, large-scale employment in training or in actual active operations.

We must include the rebuilding of a psychological readiness on the part of our people to accept sacrifices, rigors, and hardships with constancy and determination. Such would imply service in our Armed Forces of a great deal of our young manhood for adequate periods of training, and it would require a tough and enduring spirit on their part. I would not doubt the devotion of our young men. I would hope it could be equaled by their elders in the part that they would have to play.

We cannot simplify our problems by setting our sights for a definitely determined date for mobilization day nor by deciding that we will be fully prepared on mobilization day. We must reach the mobilization basis as soon as may be but not by prejudicing the achievement of the character of the result sought, not by such haste as to produce vast waste, not at the expense of our national, economic, and social well-being. We must prepare our mobilization base with the expectation that it will provide the means for expanding to the upper limit of our war-making capacity within a reasonable period after the outbreak of war and at the greatest rate of acceleration consistent with attaining the ultimate limit. We must not injure and hamper our efforts by overemphasis or exclusive emphasis on any one of these factors at the expense of any or all of the others. We must have a broad consideration of the problem in all of its parts.

It is now generally admitted that the real foundation of the military power of the Western World is dependent upon the total

military potential of the United States itself. Such understanding is not enough, because it is not so clear to all that the United States must itself maintain ready Armed Forces to help bear the brunt of the early fighting if war should break out and our allies be suddenly attacked. In the early stages of a war we must help immediately or risk losing the war at the outset. Another time we cannot rely entirely for protection and the time in which to arm upon the Navy and Air Force of Great Britain and upon the armies of the Continental nations to hold Fortress Europe unaided while we take several years to prepare behind such a shield.

It seems to me that one of our greatest needs is a continuing and steady military policy that would provide the level of military forces and the military resources which would support a strong and determined national policy.

Such strength, both ready and potential, will support our diplomacy in peace and would provide the means of executing a winning strategy in case of war. To bring about such a condition the people of the United States must understand what our national policy is, what are its objectives and aims, what is the extent of the military strength which must be maintained in order to back it up, and what the cost will be. Let us not falter!

President Eisenhower said that "the only way to avoid a world war is to win the cold war." Results in this will depend to a large degree upon the soundness of our military policy and our success in implementing its programs. I am confident that the American public will willingly bear the burden of indispensable armaments, instead of incurring the risks of losing a war or the penalties and price of winning a war. I am certain that we can preserve the peace only by being militarily strong and that to be weak invites aggression and attack. Let us be unafraid to be strong!

REPORT ON AREAS IN MINNESOTA DAMAGED BY RECENT FLOODS

Mr. HUMPHREY. Mr. President, on a recent trip to Minnesota I visited areas of my State affected by flood waters. While I was there, representatives of the Corps of Army Engineers visited the flooded areas, and they have given me a report on the situation. In view of the fact that the Senate Committee on Public Works and the Senate Appropriations Committee are vitally concerned with this subject, I ask unanimous consent that the report of the Army engineers be printed in the body of the RECORD at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

JULY 3, 1953.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR SENATOR HUMPHREY: In view of the concern indicated by you in your telephone call to me on June 29, 1953, I believe that you will be interested in receiving this report of my reconnaissance of the areas damaged by floods in the city of Benson, the agricultural lands in the Chippewa River and Shakopee Creek Basins, and the city of Montevideo, all located in Minnesota.

This flooding in the west-central part of Minnesota was caused by a series of heavy rains which produced extremely high runoff because there was such a short interval between the rains that the soils remained saturated. In addition, all ponding areas remained full during this period so that as soon as rain commenced falling there was almost an immediate runoff. The precipitation at Montevideo and Benson for the last half of June was as follows:

Date	Inches of rain	
	Montevideo	Benson
June 15	0.25	
June 16	1.01	2.80
June 19	.14	
June 20	1.22	1.05
June 23	.17	.43
June 24	1.95	1.37
June 25	.81	1.83
June 27	1.02	.91
Total	6.57	8.45

Members of my staff have been in the area since June 24, observing conditions, rendering assistance to local people, and furnishing me frequent reports. Particularly critical from a standpoint of emergency activities were conditions in Montevideo where it became apparent that evacuation of some families from their homes would be necessary. However, the overall damages in the rural areas were much more extensive. On June 30, I met with Mr. Alfred I. Johnson, State representative, and several members of the Chippewa River and Shakopee Creek Flood Control Association. The names of those with whom I met on that occasion are listed in an enclosure. After a discussion of their flood problems, we visited the sewage treatment plant at Bensor and then toured the agricultural areas which had been damaged.

The level of the Chippewa River at Benson has been so high since the middle of June that it has been impossible to operate their sewage treatment plant because the river stage has been higher than the discharge line. Direct backup into the city sewers and seepage caused flooding in most of the basements in the city and produced a difficult health problem. Similar high stages in upstream and downstream reaches of the Chippewa River and along a principal tributary, Shakopee Creek, have caused direct overbank flooding of about 20,000 acres of cropland. The overall flood damages in the Benson area are estimated to be over $500,000.

On June 30, I also met with Mr. R. E. Rodeberg, acting city manager of Montevideo, and Mr. H. E. Gamble, who had been appointed to head the flood emergency activities being conducted by the city of Montevideo.

On June 29, the flood on the Minnesota River at Montevideo crested at a stage of 16.1 feet, or 2.1 feet above flood stage. The direct overbank flooding of Division Street and Gravel Road areas in Montevideo made it necessary to evacuate 17 families and caused basement flooding in about 30 other homes. In addition, the fair grounds and the city park areas were flooded, making it necessary to curtail and revise the planning for the city fiesta, a nationally known celebration scheduled annually for the July 3–5 period. In the aggregate the flood damages at Montevideo are estimated to be about $60,000.

In connection with the problems in Montevideo, I was very favorably impressed by the organization that had been developed by the city to cope with the flood problems. They did an excellent job.

On July 1, I reconnoitered other main stem communities downstream from Montevideo to observe what flood damage if any, was occurring. The communities visited were Granite Falls, New Ulm, Mankato-North Mankato, Le Sueur, Chaska, and St. Peter, all in Minnesota. None of these cities were suffering any damage from high flows in the river. However, in the reaches between cities, some low lying agricultural lands totaling approximately 5,000 acres were inundated.

I enjoyed talking with you on the telephone last Monday. I hope that this report will give you a good picture of the damages suffered. If I can be of further service please get in touch with me again.

Sincerely yours,

A. H. BAGNULO,
Colonel, Corps of Engineers, District Engineer.

Members of Chippewa River and Shakopee Creek Flood Control Association attending the June 24, 1953, meeting at Benson, Minn.: Alfred I. Johnson, chairman, Benson, Minn.; Alvin Payne, secretary, De Graff, Minn.; Mike Madden, De Graff, Minn.; M. B. Johnson, Benson, Minn.; C. A. Lindstrom, city clerk, Benson, Minn.; Carl D. Alsaker, city engineer, Benson, Minn.; Howard Peterson, Benson, Minn.

RURAL DIAL TELEPHONE SYSTEM OF THE FARMERS MUTUAL TELEPHONE CO., DAWSON, MINN.

Mr. HUMPHREY. Mr. President, some time ago I had the pleasure of dedicating a new rural dial telephone system of the Farmers Mutual Telephone Co. at Dawson, Minn., made possible through a loan under the REA rural telephone program for reorganizing and rehabilitating the system.

The occasion impressed upon me again the real need for telephones on the farms of America.

Farmers need phones for more efficient farm operation and production, and they need them for efficient marketing. Every farm is a factory in production of food and fiber—how many other types of factories would think of getting along without telephones?

Rural telephones can make an even more important contribution to fuller, richer rural life. Families need telephones for contact with their neighbors, their schools, their churches—they need them to insure the health and safety of their loved ones.

Yet the fact remains that rural telephone progress has failed to keep pace with other modern progress of recent decades. Sixty percent of America's farms—over 3,300,000 families—have no phones at all. Out of the remaining two million farmers with telephone service, perhaps one half are inadequate and antiquated—of the "whoop and holler" type.

Minnesota had fewer farms with telephones in 1950 than 30 years before in 1920, according to the United States census figures.

REA is showing the way to reverse that trend. So far, loans amounting to $6,911,000 have been made to 16 Minnesota firms to bring modern telephone service to 5,263 rural establishments for the first time, and improved service to 15,067 rural subscribers. But we also have a backlog of telephone loan applications amounting to $5,464,545 from Minnesota, as part of the national backlog of nearly $100 million—the credit needed to extend rural telephone service.

Unless adequate loan funds are approved, we are not going to reverse the backward trend of rural phone service.

But what REA has done to electrify American agriculture it can also do to bring modern communication to the

farmer, if free enterprise and the Government will work together to best serve the needs of all.

Because I believe there is still considerable misunderstanding about the telephone program, I ask unanimous consent to have published in the body of the RECORD questions and answers about how the telephone loan program works, which are contained in the booklet entitled "A Telephone for Your Farm," published by the Department of Agriculture.

There being no objection, the list of questions and answers was ordered to be printed in the RECORD, as follows:

HOW THE TELEPHONE LOAN PROGRAM WORKS

Question. I live in the country and don't have a telephone. How can this program help me to get one?

Answer. By furnishing low-cost, long-term loans to whatever company can qualify and will agree to serve you. These loans will be made to finance the extension or improvement of telephone service in rural areas. They are available to persons now providing or who may hereafter provide telephone service in rural areas and to cooperative, nonprofit, limited dividend, or mutual associations. Loans will not be made to individual telephone subscribers.

Question. How will such a loan help me?

Answer. An important item in providing telephone service is the need for capital. In a great many instances, capital is very difficult to obtain, and when it is obtainable from the usual commercial sources the cost is high. The low interest rates and the long repayment period provided by the REA program reduce this cost. That reduction may make service possible to your farm on a sound business basis. Moreover, the law specifies that the loans are to be made so they will result in providing adequate service to the widest practicable number of rural subscribers.

The program, therefore, may help you get a telephone in one of two ways: (1) An existing telephone organization, whether it is a commercial company, a mutual, or a co-op telephone association may be able, as a result of favorable REA loan terms, to extend service to you and your neighbors, or (2) a new co-op association organized by you and your neighbors may obtain a loan for the purpose of providing telephone service in your area on a nonprofit basis.

Question. How about my neighbor who has a telephone but is getting poor service?

Answer. The program may help him in much the same way as it will those who don't have service at all. Improvement of rural telephone service is one of the purposes for which loans may be made.

WHAT TO DO FIRST

Question. What should I do first to get a telephone?

Answer. Get in touch with the nearest existing telephone system. Find out whether the company can and is willing to serve you and under what conditions. By going to the company in groups you will emphasize the demand for telephone service in the community. If you and all of your neighbors get assurance of adequate service under reasonable conditions, there will be no need of bothering with other plans.

Question. What if the company says it has no money to finance the cost of building lines to us?

Answer. Call attention to the REA telephone-loan program and urge the company to write REA for an application blank and full information about the program. The address is Rural Electrification Administration, Washington 25, D. C.

Question. What can be done if, after doing all this, we find that no nearby telephone company is willing to give us adequate telephone service under reasonable conditions or if the local company will serve me but not my neighbors farther from town?

Answer. A new telephone organization in the area may be necessary. If you and enough of your neighbors are really interested in getting telephones, or improving your service, it will be up to you to get such an organization started.

Question. Could we form a co-op to get telephones just like we did to get electric service?

Answer. Yes, in about the same way. You start off by choosing a small committee from the neighborhood to look into the possibility of organizing a new telephone co-op like your electric co-op.

Question. In forming a new organization should we organize as a cooperative or as an ordinary profit corporation?

Answer. Under the rural-telephone law, preference is given to existing suppliers of rural-telephone service and to cooperatives, mutuals, and limited dividend associations. Therefore, to qualify for preference under the law, a new organization must be a cooperative or mutual organization. This means that your chances of an REA loan to provide telephone service to you and your neighbors who want it are better if you organize a cooperative, rather than a commercial telephone company.

ROLE OF ELECTRIC CO-OPS

Question. There is an REA-financed electric co-op in my neighborhood. Why can't it provide telephone service too?

Answer. In most cases, State laws and the co-op's charter provisions would prevent it. Besides, since the electric and the telephone service areas are never likely to be quite the same, electric consumers and the telephone subscribers would be two different groups. Separate organizations, therefore, would be the most satisfactory way to protect the interests of the two groups and to account for the funds used for each service. However, electric co-ops in many communities will undoubtedly be active in helping their members to get telephone service.

WHAT EXISTING MUTUALS CAN DO

Question. Can an existing farmer-owned mutual line that is switched through a commercial company in town apply for an REA loan to improve or expand its service?

Answer. Any existing telephone company, whether commercial or mutual, may apply. However, such a telephone mutual or cooperative is frequently too small to support adequately a modern telephone system even with the aid of low-cost Government financing. Also, it is generally not economically feasible to make loans for organizations consisting entirely of switcher lines and owning no central office facilities. Such a company is entirely dependent on the switching company in matters of rates, quality of service, and technical changes. Moreover, it has been general practice in the industry to deny a switcher company any share in the toll revenue from long-distance calls its subscribers originate. This puts a switcher line at a serious financial disadvantage.

Question. We have several farmer-owned mutual lines near us. Can they get together to expand and improve service throughout their area and fill in the gaps?

Answer. Yes, indeed. That might be the best way for them to help themselves as well as their unserved neighbors. Under the law, loans may not be made for the purpose of merely effecting a consolidation of telephone organizations, but a telephone system to be developed through merger or consolidation may obtain loans for the improvement and extension of rural telephone service in combined areas.

Question. But what advantage is there to the farmer who already has a telephone in such a consolidation of lines?

Answer. First, a larger organization can usually afford better management, operation, and maintenance, and give better service. Second, each subscriber on a big system has many more people he can call without extra toll. Third, each section is assured of capital for modernizing lines and equipment. Fourth, the whole community will be better off, which means that each individual who lives there will get some direct or indirect benefit.

Question. How can a group of small telephone co-ops or farmer-owned lines go about applying for an REA loan?

Answer. The manager or secretary of one of them, or the secretary or chairman of a committee set up by them, should write for a copy of REA's Preloan Procedure for Rural Telephone Cooperatives. This publication gives a detailed explanation of how a new group or a group of existing small co-ops or individuals can plan for qualifying for an REA loan. The same publication also explains how farmers without telephones can get together to form a new telephone co-op.

LOAN REQUIREMENTS

Question. What does a company or co-op have to do to qualify for an REA loan?

Answer. Two requirements that are of prime importance at the outset are that the borrower be in a position to (a) provide area coverage and (b) put up a sufficient amount of equity to safeguard the loan.

Question. What do you mean by "equity"?

Answer. That some local investment in the telephone system will have to be provided. In general, REA will lend only 50 to 90 percent of the appraised value of the security offered including the facilities financed by the loan.

Question. Does this mean that members of a new co-op may have to put up money?

Answer. Yes. Since the proposed cooperative will usually start with no property or assets, it will be necessary for prospective members to furnish some equity capital. This may be obtained through membership fees or stock subscriptions or in some other acceptable way.

Question. How much will each of us have to put up?

Answer. That depends. The amount will vary with the size, character, and cost of the telephone system needed and cannot be determined definitely until the new system has been designed. But you had better figure on $25 to $50 per subscriber.

Question. But if it costs us only $5 to join our electric co-op, why the difference?

Answer. There is a much greater risk of discontinuance of telephone service than there is of electrical service. A large number of disconnections would mean higher costs to those remaining and even a hazard to the loan security. You had to wire your farm and buy electrical appliances before you could use electricity—an expense you do not have in getting telephone service. Then you converted your farm operations largely to electric power and thus gave your electric co-op assurance you would continue to take service. In addition, your electric co-op can count on a steadily increasing revenue per patron to assure increasing financial stability. The situation is different with a telephone co-op, which has to rely largely on a fixed amount of revenue per subscriber per month. Local investment will help make up for some of the differences between the two types of service, and make the co-op a financial success. That means better security for the Government loan and better assurance to the local people of continued, adequate telephone service.

Question. Will we have to pay in the entire amount of equity before our co-op can apply for a telephone loan?

Answer. Not necessarily. However, to evidence his genuine interest in securing service, the prospective subscriber should pay at least $10 of the membership fee or stock subscription upon signing the application and agree to pay the balance at a later date.

FORMING A NEW CO-OP

Question. How do we go about forming a new telephone co-op?

Answer. The first step could well be the organization of a telephone co-op committee in your community to explore your local telephone situation, find out what your neighbors are willing to do and determine in a preliminary way what sort of telephone system would be required to serve the area.

Question. Will REA come in and organize a telephone system for us?

Answer. No. It will be up to you and your neighbors to take the initiative if you want to get telephone service. However, information is available on request from REA on what steps to take preparatory to making a loan application. Write to the Rural Electrification Administration, United States Department of Agriculture, Washington 25, D. C.

Question. Where else can we get help?

Answer. From your county extension agent, the nearest REA-financed electric co-op, offices of local farm and cooperative organizations, and other rural civic leaders. During this preliminary stage, it will be unnecessary to hire anyone to provide financial, legal, or engineering services, although such services may be needed later.

Question. How long a period is allowed to repay the loan?

Answer. Up to 35 years, depending on the circumstances of each individual case. Interest will be 2 percent.

SIZE OF GROUP NEEDED

Question. How large a group would we have to have to qualify for a loan?

Answer. Unless there are at least several hundred prospective subscribers, the chances of developing a telephone system which will give satisfactory service at low cost is not very good. There is no absolute minimum, but the group should be large enough to make it possible to employ competent management and maintenance personnel. It might be necessary to combine several neighborhoods of unserved people into one group.

Question. How soon can a new group get a loan?

Answer. Existing telephone companies, if they apply for loans, have priority during the first year of the program. But a loan may be made to a new organization at any time if (1) no existing company serving rural areas has made application to serve substantially the same subscribers, or (2) a loan application from an existing company in the area has been considered and turned down.

A FEW FACTS ABOUT TELEPHONE SERVICE

Question. What type of telephone service can farmers get through the REA program?

Answer. You can probably have either common battery, in which you pick up the phone and the operator answers, or dial service. It depends on what you are willing to pay and on certain other factors, such as the type of central-office equipment on which your line would depend for service. The most economical type of service considering first cost, operation, and maintenance, can only be determined when the ultimate telephone system can be designed for the area. REA will probably not make loans for magneto service using the old-style crank-type phones.

Question. Is it likely that I will be able to get a private line all to myself?

Answer. Perhaps, although the cost would be high. A separate pair of wires has to be run from switchboard to serve just your farm. However, it should be possible to reduce greatly the number of parties on a line if the farmers want this improvement badly enough to pay for it.

Number of parties to line

Question. How many parties would we have to have on a line?

Answer. That again depends on how much the people in your community are willing to pay for improved telephone service. An arrangement now being made on some rural systems has up to 10 parties on a line. Through the use of a technique called selective ringing, the only phone that rings is that of the party called.

Question. We had a good telephone service until we got rural electrification in our community. Now our telephone lines are so noisy we can't use them. What can we do about that?

Answer. You may have what is called a grounded telephone system. There is only one wire, and the ground serves as the other electrical conductor. No economical way has been devised for getting away from inductive interference with electrical lines with such a system. The only real remedy is to metallicize your lines—that is, install small pairs of wires rather than single wires. If the system is already metallic, studies may have to be made to see what is causing the difficulty. Some fault which can be corrected exists when a metallic line is noisy.

Cost of telephone service

Question. What will good telephone service for my farm cost?

Answer. That's hard to answer in general terms. It will depend on what kind of telephones you want, the size and density of the system, how you finance your local equity, and many other factors. Farmers all over the country have learned that it is not good to pay so little for service that the telephone company has no money for management and maintenance. That provides cheap service for a while, but when the facilities deteriorate there is no money to replace them, and then there is poor telephone service. That situation apparently is largely responsible for the great decline in the number of farms with telephones from about 1920 until the mid-1940's. Low-cost financing through REA should help in expanding and improving rural telephone service without undue rate increases, but farm people can probably expect to pay about the same rates for telephone service as the urban people in their area, provided they get service of the same quality. After all, farm people have many more uses for a telephone than do urban people. For the farm family, a telephone cuts down on the danger from fire, illness, and accident; saves the cost of lengthy business trips; helps in marketing farm crops; and brings neighbors closer together.

Question. Will I be able to make long-distance calls from my telephone?

Answer. Yes; if the company which will serve you is able to arrange a connection with the Bell system for toll service. As a matter of fact, long-distance calls provide the operator of a local telephone system with an additional and important source of revenue. So farmers who own their own telephone lines can help the financial condition of their system by learning the many ways in which they can use long-distance service to advantage in their farming business.

Use of power lines and poles

Question. Will we be able to use the power lines of the electric co-op in our area for telephones?

Answer. Maybe. Technically, it is possible. Here again, local conditions will be the deciding factor. A telephone system can use the facilities of an electric system either by stringing two sets of wires on the same pole or by carrying speech on the power conductor. Joint use of poles seems to offer prospects of construction and operating economies. The equipment for talking over the power lines is at present rather costly, and prices will have to come down a lot before this method will have much value for farmers, except perhaps in an extremely isolated area where there is no other way they can get telephone service.

Question. How do we find out about using the power lines or poles?

Answer. Talk with the officials of the electric co-op or power company in your community. The decision as to whether or not to enter into such an agreement depends on their wishes and on the practicability of joint use from an economic and engineering standpoint. REA has developed a standard form of contract which it will approve for any of the electric co-ops desiring to enter into joint use arrangements with a telephone organization. If REA's material on this subject has not come to the attention of the electric co-op officials, they can get information by writing REA.

Question. How about radio telephone service for farmers?

Answer. This is another promising new method, although it is still in the relatively early stages of development. Because of the expense the chances are that for some time it will only be suited to isolated areas where pole line construction is difficult and costly.

How a telephone co-op operates

Question. If we decide to form a co-op, who will own and control it?

Answer. A co-op is an incorporated, locally owned, private, nonprofit enterprise. The people who use its services and are its members own and control it. Each member has only one vote. This gives all members an equal share in its control. By their vote members direct co-op policies. They have the right and duty to elect directors from the membership who are capable and public-spirited. These directors are responsible to the members for the overall management of the co-op. They delegate the day-by-day management job to a paid manager.

Question. Is this a practical way to run a business?

Answer. It has been a practical and successful way for farmers to do business in a number of fields for a good many years. United States Department of Agriculture records show that of the American farmer co-ops doing business today, 1,600 have been in business more than 30 years, many of them more than half a century. Millions of Americans belong to co-ops as a means of satisfying a variety of needs.

Question. Can we hope to make a success of running a telephone system, when so many companies have stayed out of rural areas presumably because there was no money to be made there?

Answer. Many people asked the same question about electric co-ops when REA started in 1935. But today more than 900 electric co-ops, serving over 3 million rural establishments, are being run successfully by the rural people who organized them and own them. This record is particularly outstanding considering: First, that electric co-ops are obliged to repay 100 percent of their initial capital, whereas practically no other commercial utility is obligated to amortize its investment, and second, that they are doing this in territories in which commercial utilities have not been willing to risk investment because of low financial returns.

In a telephone co-op there are several factors in your favor. One is that in a business where the patrons are also the owners everyone has a personal interest in making the business a success by, for example, keeping operating costs low. Another is that a co-op operates on a service-at-cost basis. A third reason is that REA borrowers will have advantages, through participating in the REA telephone loan program, of low-cost, long-term financing, and of technical and management information accumulated from combined experience of similar enterprises.

Question. Can a co-op enterprise fail?

Answer. There are co-op successes and co-op failures. On the whole, the record is good. Any co-op which is well managed and whose members keep informed and take an active interest in its affairs need have no fear of failure. A co-op enterprise must be managed economically and efficiently just

like any other business. Its success depends also on an informed and active membership.

Question. What money risks do I run by joining?

Answer. None, except for the amount you obligate yourself to pay as a membership fee or in some other form as your share of your initial capital. Your co-op will be incorporated under the laws of your State. As a member of a co-op corporation you will have no personal liabilities for any debts or obligations of the co-op.

Effect of nonprofit operation

Question. What effect will co-op operation have on my cost of service?

Answer. That depends upon how efficiently the co-op operates. Your monthly telephone rates will be no higher than necessary to meet the expense of operating and maintaining a satisfactory system and repay the REA loan. If the co-op books show a net margin at the end of the year, that amount is considered an overpayment by the patrons and belongs to them, not to the co-op. In case of the co-ops financed by REA, this overpayment is not returned to the patron immediately because the co-op needs the amounts to pay off its loan to REA. Thus, as the loan is being repaid, the patrons are getting larger individual equities in the ownership of the co-op system. Eventually they will have it free of debt, merely by paying for service at the usual rates.

Question. Are co-ops exempt from taxes?

Answer. No. Co-ops pay property taxes and a variety of other Federal, State, and local taxes, just as other businesses do. The exact situation regarding amounts and kinds of taxes paid by co-ops varies from State to State. Co-ops which exist primarily to serve their members at cost are not subject to Federal income tax because receipts beyond the cost of doing business represents savings to the patrons and not a profit or income to the co-op. It is impossible to assess a profit tax, such as an income tax, against an organization which has no profit, whether it is a co-op or a commercial corporation.

Question. Once we get started, will REA help us run the business?

Answer. Unless REA is convinced you can operate your business successfully, it will not make you a loan in the first place. As in the case of any financing institution making a substantial loan, REA expects to keep track of your progress and to provide the amount of consultation and advisory service necessary to protect the Government's security and to achieve the objectives for which the loan was made.

AUTHORIZATION OF CASH RELIEF FOR CERTAIN EMPLOYEES OF THE CANAL ZONE GOVERNMENT

The Senate resumed the consideration of the bill (S. 2038) to amend the act approved July 8, 1937, authorizing cash relief for certain employees of the Canal Zone government.

Mr. SALTONSTALL. Mr. President, this bill was made the unfinished business of the Senate last night. There were certain questions asked by the senior Senator from Delaware [Mr. WILLIAMS] concerning it.

The purpose of the bill is to increase the cash relief payments of persons working for the Government in the Panama Canal Zone who are not citizens of the United States.

In 1937 the amount was set at $1 for each month of service if the employees had had 10 years of service, not to exceed $25 a month.

This bill increases the amount to $1.50, not to exceed $45 a month.

The senior Senator from Delaware asked if this is a form of compensation for injuries received. My answer to that question is "No." It is for cash relief. It is not in the form of a retirement payment in any way. It is cash relief for physical or mental disability.

This morning, in conversation, I ascertained from the Senator from Delaware and the Senator from Kansas [Mr. CARLSON], that there are employees of the Government of the United States in some 67 countries who are not citizens of the United States, and that the question of similar compensation for them is being considered and investigated by the Committee on Post Office and Civil Service. While I do not think the case of the Canal Zone employees is the same as that of the employees in the 67 foreign countries, which is being considered by the Committee on Post Office and Civil Service, I think there is involved a very important overall question.

Therefore, Mr. President, I move that the bill be referred to the Committee on Post Office and Civil Service to see whether it comes within the general problem which that committee is considering.

I understand from the Senator from Kansas that his commitee will give the bill prompt consideration. The Department of State is very much interested in having something done in the way of increasing these cash payments.

Mr. CARLSON. Mr. President, I have discussed this matter with the distinguished Senator from Massachusetts, and while I do not believe it is strictly a civil-service matter, it does deal with retirement compensation which our Government is paying to alien individuals in other countries. Therefore, in view of the study the committee is making of the program as a whole, as we cover various countries, and in view of the fact that it does affect the retirement pay of individuals of our own Government in the Canal Zone and the Government of Panama, I assure the distinguished Senator from Massachusetts that our committee will consider the bill immediately and make a report with reference to taking care of persons who are entitled to compensation.

Mr. SALTONSTALL. I thank the Senator. I urge immediate attention by the committee.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Massachusetts to refer the bill to the Committee on Post Office and Civil Service.

The motion was agreed to.

EXTENSION OF SOCIAL-SECURITY BENEFITS TO FEDERAL EMPLOYEES

Mr. WILLIAMS. Mr. President, several weeks ago it was called to my attention that under Executive Order No. 10180 issued by President Truman on November 15, 1950, over 900,000 Federal employees had been given social-security coverage solely by reason of their Federal employment.

This broad extension of the social-security benefits to the Federal employees was in itself surprising enough since it had always been understood that Federal employees were covered under the civil-service retirement fund and that except in rare instances were not eligible for social-security coverage.

However, that was only a part of the surprise for further inquiry developed that in many instances as a result of an administrative interpretation by the former Chairman of the Civil Service Commission, Robert Ramspeck, these same employees to whom social-security coverage was extended were simultaneously being allowed to accumulate benefits under the civil-service retirement fund.

These favored employees in certain instances not only were allowed to accumulate dual benefits under the two systems but also were given their credit for the civil-service retirement without making any contribution to that fund whatsoever during the period involved.

Recently I called this procedure, which I consider to be highly questionable, to the attention of the Senate Finance Committee, and at that time every member present expressed amazement that any such interpretation had been placed upon the 1950 Social Security Act and clearly indicated that it was not so intended.

In order that we might understand exactly how this dual benefit program operated I requested from the new Chairman of the Civil Service Commission, Mr. Young, and from the new Secretary of Health, Education, and Welfare, Mrs. Hobby, 10 specific cases to be used as examples.

A further check is being made by the departments to determine the full extent to which this give-away program has expanded, and such information will later be available for the congressional committees.

In supplying the list of 10 cases Mr. Young has wholeheartedly endorsed whatever legislation is necessary to correct this situation. I quote from his letter:

> I understand from Mr. Warren B. Irons, with whom you have discussed this matter, that you are seeking a solution to the problem of dual credit under the Social Security and Civil Service Retirement Acts for the same periods of Government service. I wholeheartedly agree with your objective. It does not seem reasonable to base a social-security benefit (in whole or in part) upon Government service if that same service is to be credited in computing annuities under the retirement system established by Congress for career employees of the Government.

These 10 cases, which I shall incorporate in the RECORD later, show how the program operates under various circumstances. Some obtained their social-security benefits through outside employment, others obtained their benefits partially through Federal employment and partially through outside employment, and in other cases benefits were obtained solely as the result of their Federal employment. Some examples show how the program affects the survivors of these employees.

Case No. 5 shows how dual benefits, under both social security and civil-service retirement, can be accumulated simultaneously—solely as the result of

Federal employment but with payments to only the social security fund.

These 10 cases were selected as a cross-check by the departments to show how the dual credit plan works under different circumstances. The names in each case are omitted.

I ask unanimous consent to have incorporated in the RECORD at this point the letter of June 2, 1953, signed by Mr. Philip Young, along with the 10 examples, which includes the information regarding each case as compiled by the two agencies.

There being no objection, the letter and attached examples were ordered to be printed in the RECORD, as follows:

UNITED STATES
CIVIL SERVICE COMMISSION,
Washington, D. C., June 2, 1953.

Hon. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: As requested in your letter of May 18, we have reviewed our retirement records for the 10 individuals whose data accompanied your letter. For your convenience we have shown the pertinent information on each data sheet and they are attached.

I understand from Mr. Warren B. Irons, with whom you have discussed this matter, that you are seeking a solution to the problem of dual credit under the Social Security and Civil Service Retirement Acts for the same periods of Government service. I wholeheartedly agree with your objective. It does not seem reasonable to base a social-security benefit (in whole or in part) upon Government service if that same service is to be credited in computing annuities under the retirement system established by Congress for career employees of the Government.

As you already recognize, the solution lies in amendatory legislation. One approach which occurs to me is to amend the Social Security Act to eliminate from credit any period of time which forms the basis for annuity under the Civil Service Retirement Act. There is ample precedent for this approach.

In amending the basic Social Security Act in 1950, Congress provided in section 217 of title II of that act that certain military service would be credited unless that military service were being credited under any other Federal system. This section also provides for an effective system of notification between agencies. It would appear that the principles and procedures established in this section are on all fours with this issue of dual credit for Federal civilian service and that the same approach could be logically followed.

If I can be of any assistance to you in the attainment of your objective, please let me know.

Sincerely yours,
PHILIP YOUNG, *Chairman.*

CASE NO. 1, BORN MARCH 17, 1886

SOCIAL SECURITY

Date of entitlement to benefits under old-age and survivors insurance, September 1952; amount of benefit, $85 monthly; other beneficiaries on the wage earner's account, none.

Total wages credited under old-age and survivors insurance	$27,849.35
(a) From non-Federal employment	20,649.35
(b) From Federal employment	7,200.00
Total employee contributions	321.76

NOTE.—Wage earner had sufficient employment covered by old-age and survivors insurance to be insured for benefits without counting covered Federal employment.

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, $82; (2) total contributions made to civil-service retirement fund, $1,643.36; (3) number of years and months of service under Civil Service Retirement Act, 7 years, 1 month; (4) was annuitant given any credit in computing civil service retirement annuity for Government service credited for social security benefits? No.

CASE NO. 2, BORN MARCH 23, 1888

SOCIAL SECURITY

Date of entitlement to benefits under old-age and survivors insurance, March 1953; amount of benefit, $72.70 monthly; other beneficiaries on wage-earner's account, none.

Total wages credited under old-age and survivors insurance	$3,935.75
(a) From non-Federal employment	
(b) From Federal employment	3,935.75
Total employee contributions	59.04

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, none; (2) total contributions made to civil-service retirement fund, none; (3) number of years and months of service under Civil Service Retirement Act, none; (4) was annuitant given any credit in computing civil-service retirement annuity for Government service credited for social-security benefits? No.

CASE NO. 3, BORN JULY 26, 1881

SOCIAL SECURITY

Date of entitlement to benefits under old-age and survivors insurance, March 1953; amount of benefit, $55.90 monthly; other beneficiaries on wage-earner's account, none.

Total wages credited under old-age and survivors insurance	$1,925.33
(a) From non-Federal employment	
(b) From Federal employment	1,925.33
Total employee contributions	23.88

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, $390; (2) total contributions made to civil-service retirement fund, $4,977.38; (3) number of years and months of service under Civil Service Retirement Act, 51 years; (4) was annuitant given any credit in computing civil-service retirement annuity for Government service credited for social-security benefits? No.

CASE NO. 4, BORN NOVEMBER 16, 1879

SOCIAL SECURITY

Date of entitlement to benefits under old-age and survivors insurance, August 1952; amount of benefit, $48.40 monthly; other beneficiaries on wage earner's account, none.

Total wages credited under old-age and survivors insurance	$1,601.51
(a) From non-Federal employment	
(b) From Federal employment	1,601.51
Total employee contributions	24.02

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, none; (2) total contributions made to civil-service retirement fund, none; (3) number of years and months of service under civil-service retirement act, none; (4) was annuitant given any credit in computing civil-service retirement annuity for Government service credited for social-security benefits? No.

CASE NO. 5, BORN FEBRUARY 1, 1883

SOCIAL SECURITY

Date of entitlement to benefits under old-age and survivors insurance, July 1952; amount of benefit, $85 monthly; other beneficiaries on wage earner's account, none.

Total wages credited under old-age and survivors insurance	$7,119.82
(a) From non-Federal employment	
(b) From Federal employment	7,119.82
Total employee contributions	106.80

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, $137; (2) total contributions made to civil-service retirement fund, $3,322.65; (3) number of years and months of service under Civil Service Retirement Act, 18 years, 11 months; (4) was annuitant given any credit in computing civil-service retirement annuity for Government service credited for social-security benefits? Yes, 1 year, 4 months. In this case social-security benefit is based entirely on this period of Federal service.

CASE NO. 6, BORN JANUARY 18, 1873

SOCIAL SECURITY

Date of entitlement to benefits under old-age and survivors insurance, June 1952; amount of benefit, $85 monthly.

Other beneficiaries on the wage earner's account: Wife, born January 30, 1870; date of entitlement, June 1952; amount of benefit, $42.50 monthly.

Total wages credited under old-age and survivors insurance	$7,200.00
(a) From non-Federal employment	916.87
(b) From Federal employment	6,283.13
Total employee contributions	108.00

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, $232.22; (2) total contributions made to civil-service retirement fund, $3,292.68; (3) number of years and months of service under Civil Service Retirement Act, 35 years, 7 months; (4) was annuitant given any credit in computing civil-service retirement annuity for Government service credited for social-security benefits? No.

CASE NO. 7, BORN FEBRUARY 11, 1880

SOCIAL SECURITY

Date of entitlement to benefits under old-age and survivors insurance, July 1952; amount of benefit, $29.70 monthly.

Other beneficiaries on wage earner's account: Wife, born December 3, 1879; date of entitlement, July 1952; amount of benefit, $14.90 monthly.

Total wages credited under old-age and survivors insurance	$1,045.43
(a) From non-Federal employment	200.71
(b) From Federal employment	844.72
Total employee contributions	15.68

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, none; (2) total contributions made to civil-service retirement fund, none; (3) number of years and months of service under Civil Service Retirement Act, none; (4) was annuitant given any credit in computing civil-service retirement annuity for Government service credited for social-security benefits? No.

CASE NO. 8, BORN MARCH 16, 1886

SOCIAL SECURITY

Date of entitlement to benefits under old-age and survivors insurance, September 1952; amount of benefit, $85 monthly; died, December 6, 1952.

Other beneficiaries on wage earner's account: Wife, born January 21, 1886; date of entitlement to wife's benefit, September 1952; amount of wife's benefit, $42.50 monthly; date of entitlement to widow's benefit, December 1952; amount of widow's benefit, $63.80 monthly; lump sum paid at death of wage earner, $255.

Total wages credited under old-age and survivors insurance	$6,307.25
(a) From non-Federal employment	
(b) From Federal employment	6,307.25
Total employee contributions	94.01

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, $15; (2) total contributions made to civil-service retirement fund, $704.52; (3) number of years and months of service under Civil Service Retirement Act, 10 years, 3 months; (4) was annuitant given any credit in computing civil-service retirement annuity for Government service credited for social-security benefits? No.

CASE NO. 9, BORN JANUARY 24, 1935; DIED MAY 29, 1952

SOCIAL SECURITY

Beneficiaries on wage earners' account: Widow, born June 15, 1933; first child, born March 22, 1951; second child, born October 8, 1952.

Date of entitlement to benefits: Widow, May 1952; first child, May 1952; second child, October 1952.

Amount of benefits: Widow, $39.60 monthly; two children, $66 monthly; lump sum paid at death of wage earner, $164.40.

Total wages credited under old-age and survivors insurance	$2,977.73
(a) From non-Federal employment	393.67
(b) From Federal employment	2,584.06
Total employee contributions	44.51

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, none; (2) total contributions made to civil-service retirement fund, none; (3) number of years and months of service under Civil Service Retirement Act, none; (4) the annuitant given any credit in computing civil-service retirement annuity for Government service credited for social-security benefits? No.

CASE NO. 10, BORN AUGUST 28, 1882

SOCIAL SECURITY

Date of entitlement to benefits under old-age and survivors insurance, October 1950; amount of benefit, $25 monthly; other beneficiaries on wage-earner's account, none.

Total wages credited under old-age and survivors insurance	$8,181.42
(a) From non-Federal employment	3,213.76
(b) From Federal employment	4,967.66
Total employee contributions	122.72

Benefits suspended on account of employment after entitlement: 1951, 12 months; 1952, 12 months; 1953, to date.

NOTE.—May be eligible for an increase in benefit as a result of Federal employment.

CIVIL-SERVICE RETIREMENT

(1) Amount of monthly benefits under civil-service retirement being paid, none; (2) total contributions made to civil-service retirement fund, none; (3) number of years and months of service under Civil Service Retirement Act, none; (4) was annuitant given any credit in computing civil-service retirement annuity for Government service credited for social-security benefits? No.

Mr. WILLIAMS. The employees of the United States Government are entitled to benefits under the civil-service retirement law, but most certainly they are not entitled to accumulate simultaneously benefits under two retirement systems, both operated by the United States Government.

There is no possible justification for this interpretation ever having been placed upon this law. It is just another typical example of how loose the past administration was when passing out the money of the American taxpayers.

I urge that the appropriate committees of Congress take notice of the liberal payments under the social-security fund as compared to the amount of contributions. These examples clearly demonstrate what a tremendous obligation will confront us in later years when the full impact of retirees start drawing upon this fund.

Let no one be disillusioned that either of these retirement funds are actuarily sound. Their stability is dependent solely upon the fact that they are anchored to the Federal Treasury.

I express my appreciation to both Mrs. Hobby and Mr. Young for their cooperation in assembling this information as well as for their support of corrective legislation.

I ask unanimous consent to introduce for appropriate reference a bill the purpose of which is to correct this particular loophole of dual credits and request that both the bill and its explanation as prepared by the Legislative Counsel be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Without objection, the bill will be received and appropriately referred, and the bill and explanation will be printed in the RECORD.

The bill (S. 2324) to amend the Social Security Act to eliminate from coverage under the old-age and survivors insurance provisions of such act services performed by an individual who is entitled, or upon filing application therefor would be entitled, to receive benefits, based on his service or disability, under any retirement system for Federal employees, introduced by Mr. WILLIAMS, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That (a) section 210 (a) (7) (C) of the Social Security Act is amended by strikng out "or" at the end of clause (xii), by inserting "or" at the end of clause (xiii), and by adding at the end of such section the following new clause:

"(xiv) in the employ of the United States, or of any instrumentality thereof which is wholly owned by the United States, by an individual who is entitled or upon filing application therefor would be entitled to receive benefits, by reason of his service or disability, under any retirement system established by the United States or any instrumentality thereof exclusively for individuals performing service for the United States or any instrumentality thereof which is wholly owned by the United States."

(b) The amendment made by subsection (a) shall be applicable in the case of services performed after the month in which this act is enacted. Such amendment shall also be applicable after the month in which this act is enacted in the case of services performed after 1950 and prior to the end of the month in which this act is enacted except (1) in the case of monthly benefits under section 202 of the Social Security Act which have been certified and paid prior to the end of the month in which this act is enacted, and (2) in the case of monthly benefits and any lump-sum death payment under such section based on the wages and self-employment income of any indivdual who died prior to the end of the month in which this act is enacted.

SEC. 2. (a) Section 1426 (b) (7) (C) of the Internal Revenue Code is amended by striking out "or" at the end of clause (xii), by inserting "or" at the end of clause (xiii), and by adding at the end of such section the following new clause:

"(xiv) in the employ of the United States, or of any instrumentality thereof which is wholly owned by the United States, by an individual who is entitled or upon filing application therefor would be entitled to receive benefits, by reason of his service or disability, under any retirement system established by the United States or any instrumentality thereof exclusively for individuals performing service for the United States or any instrumentality thereof which is wholly owned by the United States."

(b) The amendment made by subsection (a) shall be applicable in the case of services performed after the month in which this act is enacted. Such amendment shall also be applicable after the month in which this act is enacted in the case of services performed after 1950 and prior to the end of the month in which this act is enacted except in the case of services to which section 1426 (b) (7) (C) (xiv) of the Internal Revenue Code is applicable which are performed by an individual who died prior to the end of the month in which this act is enacted. Refund of tax (including penalty and interest collected with respect thereto, if any) with respect to remuneration for services to which section 1426 (b) (7) (C) (xiv) of the Internal Revenue Code is applicable, which was paid under subchapter A of chapter 9 of the Internal Revenue Code for services rendered prior to the end of the month in which this act is enacted, shall, except in the case of such services performed by an individual who dies prior to the end of the month in which this act is enacted, be made in accordance with the provisions of law applicable in the case of erroneous or illegal collection of tax. No interest shall be allowed or paid on the amount of any such refund. The amount of any such refund shall be paid out of the Federal old-age and survivors insurance trust fund.

SEC. 3. Any individual who has performed prior to the end of the month in which this act is enacted services to which the amendment made by subsection (a) of the first section of this act is applicable may count the period of service during which such services were rendered in computing his length of service under the retirement system of the type referred to in section 210 (a) (7) (C) (xiv) of the Social Security Act which is applicable to him and may secure a recomputation of the benefits payable to him under such system, if—

(1) such retirement system is a contributory system; and

(2) he pays to the officer or agency having custody of the funds used to pay benefits under such system (A) the amount which would have been deducted and withheld from his compensation during such period of service, if such period of service had been performed subject to the contribu-

tory provisions of such system, and (B) any interest payable with respect to the amount referred to in (A).

Any recomputation of benefits obtained by any individual under the provisions of this section shall be effective only with respect to benefits payable to him under the retirement system subsequent to his making the payment required by clause (2) of the preceding sentence.

The explanatory statement submitted by Mr. WILLIAMS is as follows:

MEMORANDUM RELATING TO THE EXCLUSION FROM COVERAGE UNDER THE OLD-AGE AND SURVIVORS INSURANCE PROVISIONS OF THE SOCIAL SECURITY ACT OF SERVICES PERFORMED BY CERTAIN FEDERAL EMPLOYEES

Subsection (a) of the first section of the bill would exclude from the definition of the term "employment," as used in title II of the Social Security Act, services performed in the employ of the United States or in the employ of any instrumentality of the United States wholly owned by the United States, if such service is performed by an employee who is entitled or upon filing application therefor would be entitled to receive benefits, by reason of his service or disability, under any retirement system established by the United States or any instrumentality thereof for individuals performing services for the United States or any instrumentality thereof which is wholly owned by the United States. The effect of this amendment would be to exclude from coverage under the Old-Age and Survivors Insurance provisions of the Social Security Act those Federal employees, now covered by such provisions, who are in receipt of, or have satisfied the requirements for and upon filing application would be entitled to receive, retirement benefits under the civil-service retirement system, the Foreign Service officers' retirement system, the Federal Reserve Board employees retirement system, the military retirement system, or any other retirement system for Federal employees. The amendment would not be applicable with respect to those Federal employees who have had some service under one of the retirement systems last mentioned and who will at some time in the future be entitled to retirement benefits under such system but who are not receiving or entitled to receive benefits under such system.

Subsection (b) of the first section of the bill provides that the amendment made by subsection (a) shall be effective after the end of the month in which the bill is enacted and that it shall also be effective with respect to services rendered after 1950 (the date when certain Federal employment was first made "covered employment") and prior to the end of the month in which the bill is enacted, except that it is not retroactively effective (1) to require the repayment of any monthly benefits paid prior to the end of the month in which the bill is enacted, or (2) to require the elimination from the old-age and survivors insurance benefit rolls of any surviving beneficiary of a deceased Federal employee, if such surviving beneficiary is receiving benefits based upon Federal service which was covered employment.

Subsection (a) of section 2 of the bill makes an amendment to the Internal Revenue Code corresponding to the amendment made by subsection (a) of the first section of the bill to the Social Security Act. The effect of this amendment to the Internal Revenue Code is to eliminate the Social Security tax on employers and employees with respect to the services which are eliminated as "covered employment" by subsection (a) of the first section of the bill.

Subsection (b) of section 2 of the bill provides for refunds of taxes heretofore collected with respect to services which are retroactively eliminated from "covered employment" by subsection (a) of the first section of the bill. The refunds are required to be made out of the Federal old-age and survivors insurance trust fund.

Section 3 of the bill provides that any individual who is retroactively denied "covered employment" credit for any service as a result of the enactment of subsection (a) of the first section of the bill will be permitted to count the period during which he rendered such service in computing his length of service under the Federal retirement system under which he is receiving or entitled to receive benefits. In order to do so he must pay to the officer or agency having custody of the funds used to pay benefits under such system (1) the amount which would have been deducted and withheld from his compensation during the time he rendered such service, if he had been subject to the retirement system during such time, and (2) any interest payable with respect to the amount referred to in (1). Section 3 could not be availed of by an individual to increase benefits payable under a non-contributory retirement system, such as the military retirement system.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. Is the distinguished Senator from Delaware advising the Senate at this time that former President Harry Truman, by Executive order, circumvented and bypassed Congress by establishing a drastic change in our civil-service system whereby Federal employees were permitted and enabled to be carried simultaneously on the civil-service rolls and on the social-security rolls?

Mr. WILLIAMS. Not exactly, but what the Senator has stated is partially correct. The history is that at the time Congress considered the social-security bill in 1950, it came before the committee of which I was a member. It was pointed out by the executive branch that as a result of the Korean war it would be necessary to enlarge the Federal employment purely on a temporary basis. It was pointed out also that under the law an employee who did not serve the full 5 years of service would not be eligible to receive benefits under the civil-service retirement system. Therefore the suggestion was made that we make it possible to put the temporary employees, who were being hired with no intention of keeping them long, under social security, as they would be in industry.

The committee went along with the suggestion. Frankly I approved of it myself, and I do not remember hearing any objection being made to it. However, after the bill was passed, in September 1950, in November or December of 1950, the President issued Executive Order No. 10180. That Executive order conferred upon every executive agency of Government the right to classify any of their employees, either temporary employees or their long-time employees, making them eligible for social-security benefits as outlined in the social-security law.

Later, as a result of the Executive order, the various agencies began to classify their employees by the wholesale, and made it possible for them to accumulate social-security benefits.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I should like to finish my statement first. I addressed a letter to Mr. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation, and asked him to check on the matter and determine the exact number of employees who had been so embraced under the social-security coverage as a result of the law and the interpretation of that law.

Mr. Stam's letter carries the following notation:

It is believed that there are today approximately 900,000 Federal employees who have social-security coverage solely by reason of their Federal employment.

Also, it is pointed out that the Chairman of the Civil Service Commission has confirmed the fact that in certain instances, as a result of the interpretation placed upon this ruling or law, or whatever it may be called, employees can accumulate credit under both retirement funds while working for the United States Government, and get credit under both systems, while making payment only to one fund. That was pointed out in case No. 5.

Mr. DWORSHAK. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. Does the Senator from Delaware know whether any congressional committee has ever studied the plan or given it official sanction?

Mr. WILLIAMS. The former chairman of the Committee on Finance, who was chairman of the committee at the time the bill was passed, is on the floor. I believe he will bear me out that in the debate on the bill Congress had no intention—and there is no legislative background indicating that it had—that such would be the case. Congress never thought of the matter in that light, and certainly Congress never intended that employees would get credit under the two systems while making payments to one of them. I believe the Senator from Georgia will bear me out in that respect.

Mr. GEORGE. I believe the Senator is entirely correct in his statement.

Mr. WILLIAMS. That is my understanding. I have talked also with some members of the House committee, and they, too, were surprised to hear about it. I may say that Mr. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation, expressed amazement that any such thing was possible. When I told him I had heard there were perhaps 900,000 employees involved, he said first that there might be some employees; and he referred to the law which Congress had passed, and he said the figure might reach 9,000, but surely not such a large figure as I had mentioned. However, the fact remains that the correct figure is 900,000.

Mr. DWORSHAK. Mr. President, will the Senator from Delaware yield further?

Mr. WILLIAMS. I yield.

Mr. DWORSHAK. What does the Senator from Delaware propose to do with the bill he has introduced? How would he solve the problem?

Mr. WILLIAMS. The bill which I have introduced would retroactively correct the situation that was created under the interpretation given to the law. It would correct it in all cases except where the beneficiaries have died after being

put on the retirement rolls. I thought too much complication might be involved by attempting to take care of that kind of situation; so I left out of the bill any provision with respect to deceased employees. However, the purpose of the bill is to correct the situation retroactively from 1950, and to spell out specifically that no one can accumulate benefits under two Government retirement funds, either both at the same time or one after the other. In other words employees are entitled to the benefits of only one retirement fund, certainly not two retirement funds. It was never so intended by Congress.

EMERGENCY DROUGHT RELIEF FOR FARMERS AND STOCKMEN

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar 499, S. 2267, which is the bill for emergency drought relief.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2267) to provide additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

Mr. GRISWOLD. Mr. President, I am having prepared an amendment which I expect to offer to the bill. In my judgment, the bill does not cover the needs of the cattle industry in the United States, because what is needed is a basis for relief, just as much as the additional credit. In my judgment, the bill I introduced yesterday to place a floor under cattle prices would do much more to take care of the situation than would the bill that is proposed to be made the unfinished business. However, the merits of the bill can be debated later.

So far I have not had an opportunity to study the committee report. I asked the legislative counsel to prepare an amendment, but I learned that a printed copy of the bill was not available to them. Therefore, I must object, and ask that the bill lie on the table.

Mr. KNOWLAND. For the information of the Senator from Nebraska, I may say I have moved that the Senate proceed to the consideration of the bill. There are a number of additional smaller bills to be considered, and with the permission of the chairman of the Committee on Agriculture and Forestry, I would be willing to ask that drought relief bill be laid aside temporarily, in order that the Senate might consider a resolution submitted by the Senator from Minnesota, who is chairman of the Committee on Small Business. There are also one or two other measures which might be considered. The Senator from Nebraska thus would have an opportunity to have his amendment prepared. However, because of the emergency nature of the situation confronting the Senate, the acting majority leader feels that the drought relief bill should be made the unfinished business of the Senate.

Mr. GRISWOLD. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. GRISWOLD. Would it not be better to have printed the amendment I shall propose, which I think is a very important amendment, so that all Senators may have copies available to them? Is it an impossibility to have the amendment printed on short notice?

Mr. KNOWLAND. I suggest to the Senator from Nebraska that under the procedure I have outlined, when we take up some of the other bills, the Senator might consult further with the Chairman of the Committee on Agriculture and Forestry and with the acting majority leader and the minority leader. I am certain that we will try to work out a plan which will meet the needs of the situation and the legislative requirements.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. AIKEN. As I understand, the bill introduced yesterday by the Senator from Nebraska directs and requires the Secretary of Agriculture to go into the business of buying cattle in large numbers. There has been no opportunity to hold hearings on that bill. Many persons would be affected by it if it were enacted. There has been no opportunity to refer it to the Department of Agriculture and to obtain the Department's views on it.

If action is delayed on the drought relief bill in order to consider the bill offered by the Senator from Nebraska, a great number of cattle will starve to death in some areas of the country, and many hard hit farmers will lose much more money than they have lost so far.

It is up to the Senate to decide whether it wishes to proceed with emergency legislation to help people who today are in desperate need, or whether it wishes to consider not only the proposal of the Senator from Nebraska, but also many other proposals for solving all the ills of American agriculture. I hope there will not be a delay in acting upon the proposed legislation. The committee has done everything possible to keep the speculator out of the picture.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Vermont permit a question?

Mr. AIKEN. Certainly.

Mr. JOHNSON of Texas. I wish to ask the distinguished Chairman of the Committee on Agriculture and Forestry if it is not true that the Secretary of Agriculture now has authority to buy cattle, if he deems it necessary.

Mr. AIKEN. The Secretary of Agriculture has full authority, and plenty of money with which to buy live cattle, if he believes that is the advisable course to pursue.

Mr. CARLSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. CARLSON. I sincerely hope there will be no delay in procuring action on the legislation proposed by the Senator from Vermont, who is Chairman of the Committee on Agriculture and Forestry. If I may make a suggestion, if the distinguished Senator from Nebraska [Mr. GRISWOLD] has his amendment drafted, he might well have it mimeographed, in order that Senators might see it, because I think it ought to be considered.

Mr. KNOWLAND. That is what I was proposing. However, I feel that, because of the emergency needs of the situation, the drought relief bill should be made the unfinished business of the Senate. I am willing to ask that it be temporarily laid aside, and to take up a number of minor bills that are before the Senate. By the time action is concluded on those bills, I hope the distinguished Senator from Nebraska can have his amendment prepared.

Mr. AIKEN. I might say that we have had requests from many people who wish to get in on the program. Recently I received a good many identical telegrams from bankers in Oklahoma, asking that the loans be required to go through them, and asking that they be guaranteed a margin of profit to handle the loans.

The committee has had requests from grain dealers in the drought area that the grain be handled through them, and they assumed the Government would cover the expenses, at least, or possibly a little more.

Everybody wants to get a hand in the situation confronting the Southwest farmers. Every hour we delay makes it just that much harder. I do not understand the thinking and the working of the minds of some people who, when disaster strikes their neighbors, even if they are a thousand miles away, try to find some way to profit by it.

Mr. GRISWOLD. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. GRISWOLD. In my judgment, we are doing no good to the cattlemen to lend them more money, unless we give them some hope for higher prices for their cattle in the future. To lend a cattleman money does him no good unless it brings about an increase in the value of the cattle. In my judgment, what is offered is a little opiate, to make them feel that Congress is doing something for them. It does not guarantee that grass will be brought back to the grazing lands of the Southwest. It does not offer any hope of bringing about a higher value for the cattle. In my judgment, it would not really accomplish that which needs to be done.

I point out also that while the bill may be a means of keeping alive some breeding herds in the drought area, nevertheless it was not the drought area that brought about the radical reduction in the value of cattle in all parts of the United States.

Mr. JOHNSON of Texas. Mr. President, will the Senator permit a question?

Mr. GRISWOLD. Certainly.

Mr. JOHNSON of Texas. I agree generally with what the able Senator from Nebraska is saying with regard to the help that loans would afford. I, too, think the relief proposed is only a little opiate. But the distinguished chairman of the Committee on Agriculture and Forestry has assured the Senate that the Secretary of Agriculture has authority to buy cattle, and has the money to pay for them, if the Secretary will only exercise the authority.

Upon checking the record, I find there is ample precedent in the Department of Agriculture for using the customs funds that have been set aside by section 32 for the purchase of cattle. It seems to me it is not necessary for the Senate to hold up the emergency measure in order to have printed an amendment that would give the Secretary of Agriculture authority he already has and funds he already has. If we could only get him to act, that would be all that would be necessary. No new authority or new money is needed.

Mr. AIKEN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I will yield in a moment. I only wish to say at this point that, in accordance with the proposal the acting majority leader has made, I assume the minority leader would have no objection to taking up a few minor bills, so that the Senator from Nebraska might have his amendment prepared. The Senator from Nebraska is entitled to have debate and discussion on the amendment. Therefore, I hope the distinguished Senator from Nebraska will not find it necessary to continue to object to making the bill the unfinished business.

Mr. GRISWOLD. May I ask the acting majority leader at what time Senate bill 2267 will be before the Senate?

Mr. KNOWLAND. I think I can assure the distinguished Senator that he will have a full 2 hours before we reach the consideration of that bill.

Mr. GRISWOLD. With that understanding, I shall not object.

Mr. KNOWLAND. I am glad to make a commitment to the Senator at this time, that the bill will not be taken up before 3:10 p. m. today.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. AIKEN. What the Senator from Texas [Mr. JOHNSON] has said about there being ample precedent for the purchase of live cattle may be true. However, we would have to go back about 18 years, to 1935, when live cattle were purchased by the Government. As I understand, the plan did not work very well at that time.

The bill of the Senator from Nebraska calls for the Government to pay not less than 10 cents a pound for canners and cutters. I might point out that that grade of animal was selling at from 9 to 11 cents a pound on the Chicago market yesterday, an increase of about 50 cents a hundred from the day before. So the urgency would not be apparent, except in the disaster area itself.

Mr. GRISWOLD. Mr. President, will the chairman of the Committee on Agriculture and Forestry yield for a question?

Mr. AIKEN. I do not have the floor.

Mr. KNOWLAND. Mr. President, with the unanimous consent of the Senate I ask that the distinguished chairman of the Committee on Agriculture and Forestry be permitted to respond to a question.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRISWOLD. Does the Senator from Vermont realize that the bill which I introduced yesterday, and which will be approximately what I shall propose as an amendment today, makes it mandatory for the Secretary to institute the program?

Mr. AIKEN. Yes.

Mr. GRISWOLD. It does not leave it entirely to his discretion.

It also provides that he shall pay not less than 10 cents a pound. In other words, the purpose of the bill is to get out of the market much of the breeding stock of the Nation, which is bringing about depressed prices. That affects the question of credit. If the cattlemen of the Southwest knew that there was real value in the cattle, as there was 2 years ago, they would not need this bill in order to obtain credit. The banks all over the Nation are running over with money. I do not have the figures for the State of Texas, but I feel confident that the banks in that area have plenty of funds to make loans. However, there is no confidence in the future market in that area. So we are not doing any real, constructive good to the cattlemen in the drought area.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. ANDERSON. When we consider the bill, I think there will be great value in discussing the very point which the distinguished Senator from Nebraska has made. There are at least 10 million too many cattle in this country at the present time. We shall never solve the problem unless we deal with breeding herds.

I am hopeful that, while we may have discussion, we may reserve that question for consideration by the committee, and that we shall have an opportunity to pass the emergency bill this afternoon. I recognize the fact that the distinguished Senator from Nebraska has a perfect right to offer his amendment. It may carry. I shall not be outraged if it does. But, I believe we need to have full discussion of what has brought about the lack of confidence in the cattle market at the present time.

I am happy that the distinguished acting majority leader has set a time for consideration of the proposed legislation, so as to allow sufficient time for the Senator from Nebraska to present his amendment and allow opportunity for full discussion of it.

Mr. TOBEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PORTER in the chair). Does the Senator from California yield to the Senator from New Hampshire?

Mr. KNOWLAND. I yield.

Mr. TOBEY. I should like to address a question to the Senator from Nebraska [Mr. GRISWOLD].

Is the Senator from Nebraska offering a proposal to spay the heifers?

Mr. GRISWOLD. Yes.

Mr. TOBEY. That reminds me of Henry Wallace back in 1933. He advanced a similar theory before the House Committee on Agriculture. He wanted $3 million to sterilize the cows on the range. I said, "What nonsense, Mr. Secretary. There is a better way of doing it. Do not spay the heifers, but castrate the bulls. That is the way to handle the problem."

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California that the Senate proceed to the consideration of Senate bill 2267, to provide additional emergency assistance to farmers and stockmen, and for other purposes.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

INCREASE IN LIMIT OF EXPENDITURES FOR THE SELECT COMMITTEE ON SMALL BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar 395, Senate Resolution 115.

The PRESIDING OFFICER. The resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. A resolution (S. Res. 115) increasing the limit of expenditures for the Select Committee on Small Business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with an amendment, to strike out all after the word "*Resolved*" and insert:

That the authority of the Select Committee on Small Business under Senate Resolution 329, 82d Congress, agreed to June 12, 1952, in carrying out the duties imposed upon it by Senate Resolution 58, 81st Congress, hereby is extended to June 30, 1954, inclusive.

The expenses of the committee under this resolution, which shall not exceed $32,000, in addition to the unexpended balance authorized under Senate Resolution 329, 82d Congress, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The PRESIDING OFFICER (Mr. TOBEY in the chair). The Chair will announce that Senate Resolution 115 is before the Senate. The question is on agreeing to the committee amendments.

Mr. ELLENDER. Mr. President, when the pending resolution came up on the call of the calendar a few days ago, I objected to its consideration, with a view toward placing before the Senate certain data which I have in the meantime gathered with respect to the amount of money that has been spent by the committee from its inception. It will be recalled that since the small-business group was created in 1940, it has done considerable work as an investigatory committee. During the 81st Congress, the committee was made permanent. As chairman of the Legislative Subcommittee of the Committee on Appropriations, I was instrumental in providing that the committee should have each year the same amount of funds to spend as any standing committee has. When that was done it was my understanding that the committee would perform its normal functions with the same sum of money as allotted to standing committees.

Since that time, extra funds have been requested each year in order to provide more jobs for the committee. It strikes me that the amount of money that has been allocated to the committee since it was reorganized should be sufficient. It can spend, under the present rules, as much as $95,000 per year for salaries. It can also spend, as any other committee can spend, $10,000 for the purpose of conducting investigations. Today the committee is asking for a total of $50,000, $18,000 of which is carried over from last year, plus a new appropriation of $38,000.

I should like to place in the RECORD at this point, Mr. President, a memorandum showing the amount of money spent by this committee since its inception. During the first year it began to function—in 1941—it spent $6,233.05. The next year the committee spent approximately $12,000. During 1943 expenditures totaled $51,000. In 1944, it spent $38,000. In 1945 the committee spent $66,000. It kept on growing until, in 1946, it spent $134,000. That year, Mr. President, was the banner year for Small Business Committee expenditures.

In 1952, a period since the committee has been reorganized on a permanent basis, it spent $138,054.40.

I should like to ask my good friend, the Senator from Minnesota [Mr. THYE], what he intends to do with the additional funds he requests today. As I understand, the committee has already employed four specialists who receive the highest salary paid by standing committees for professional staff members. I understand that, in addition, the committee has six clerks.

The purpose of the resolution, as I understand it, is to enable the committee to add an investigator, two additional professional staff members, and another clerk to its staff; a sum of $20,000 to be spent on travel, office supplies, and so forth, would also be available.

I wish my distinguished friend from Minnesota would tell us what he proposes to do with the money, and whether, as chairman of the committee, he will see to it that in the future the committee will live within the budget funds allocated to it each year, just as the standing committees do.

Mr. THYE. Mr. President, I shall endeavor to answer the Senator's questions.

I assumed the chairmanship of the committee in the calendar year 1953. Of course, I cannot account for what was spent in previous years. Last year the Senate appropriated to the committee $60,000, as a special fund. One reason why the committee has requested the special fund is that the workload imposed upon it, in helping small-business men obtain subcontracts as well as prime contracts under the national defense program, has compelled the committee to develop a staff that has the ability to assist such businessmen.

Mr. ELLENDER. Will the Senator from Minnesota outline the kind of work that is done?

Mr. THYE. It is almost impossible to outline it. A businessman may be endeavoring to obtain a subcontract or a prime contract from the Department of Defense, and perhaps he gets nowhere in his endeavor. He contacts the Department and tries to obtain information about a contract which is to be let, but he is unable to obtain the necessary information from the Department; and the information it does send him is so voluminous that he cannot understand it, and he cannot afford to employ a technical assistant to help him.

So he makes a telephone call to Washington.

This morning, for instance, I received a telephone call from a small-business man, who asked, "Can you help me obtain some of the information I must have?"

I could not take time for that out of my full schedule, so I had to call on the staff of the Small Business Committee, to whom I gave the details I had received during the telephone call; and they proceeded to make the contacts for that person.

Mr. ELLENDER. Why cannot Senators do that work for their constituents? I do it every day. It is very seldom, if at any time, that I call on the Small Business Committee.

Are we to understand that the Small Business Committee is a go-between for contractors and various agencies of the Government?

Mr. THYE. I will not say it is a go-between. I must say that the Small Defense Plants Administration is another Government agency that is assisting the small-business men to obtain contracts.

Mr. ELLENDER. That work is in addition to the work the Senator from Minnesota has just indicated is being done by the Small Business Committee, is it not?

Mr. THYE. Both the Small Business Committee and the Small Defense Plants Administration are endeavoring to help the small-business men in these trying times, when the Government is doing so much business in its national-defense activities.

I wish to say, further, that not only are there involved activities in trying to procure contracts for businessmen across the Nation but, in addition, the committee has held extensive hearings on the question of the nonscheduled plane operators versus the scheduled plane operators who are engaged in commercial flying. We have had to assign committee staff members to that work, and we have held hearings on it.

Another subcommittee has held hearings because of a controversy and question raised by the independent movie operators, who were unable to obtain current, desirable films unless they were willing also to enter into contracts for the showing of undesirable films. In order to develop the facts in that situation, we had to have a subcommittee proceed with hearings and an extensive study of the matter. It required the use of committee personnel.

Mr. ELLENDER. Would it not be possible to do all of that with the staff that ordinarily is provided the committee?

Mr. THYE. It was not possible last year. I was not chairman of the committee at that time, nor was the Republican Party the responsible majority party at that time. The committee was then under the control of the Democratic Party, of which the Senator from Louisiana is a member.

Mr. ELLENDER. Yes, but I objected very strenuously when the request was made last year for additional funds.

Mr. THYE. At that time Congress appropriated $60,000 as a supplemental fund, in addition to the regular committee fund.

There might be further justification for the supplemental fund now requested, in view of the present trying times, when we are so actively engaged in defense preparations. For instance, the committee is not provided with telephone service free of charge, although the standing committees are provided with free telephone service.

The Small Business Committee does not receive the funds the standing committees receive. That is one of the problems with which the committee has been faced.

Of the $60,000 which was appropriated last year as a supplemental amount to the regular appropriation, the committee turned back $18,000.

In the resolution we are requesting only $50,000. The Committee on Rules and Administration recommended, as an amendment, that the $18,000 unused balance be reappropriated, and that $32,000 be appropriated in addition, making a total of $50,000.

I assure the Senator from Louisiana that this fund is not for the purpose of hiring additional staff. Since I became chairman of the committee, I have continued the staff which was employed by the committee when its chairman was the Senator from Alabama [Mr. SPARKMAN]. I did not terminate any comittee employment, other than that of some clerks who I felt were not necessary. Otherwise, I continued the former staff, because I recognized that they were able and efficient. I did not request their resignation, in order to give employment to Republican friends. Instead, I continued the committee staff in the way it had been constituted by the Senator from Alabama. The only person I placed on the committee staff was an attorney, to fill the position of an attorney who resigned soon after I became chairman of the committee.

So, the pending resolution is not for the purpose of packing the staff with political friends. It is simply for the purpose of making it possible to carry on the activities of the staff, in handling the workload, which I know will develop, in view of our past experience with requests of businessmen for assistance by the Small Business Committee in connection with many complex problems, as they deal with the various governmental agencies that are letting military contracts.

Mr. ELLENDER. As I stated a while ago, however, the Senator agrees that the amount of money now being requested is to be used in order to put additional people on the payroll as professional or clerical assistants, in addition to the complement that is allowed a standing committee. Is that not correct?

Mr. THYE. That is correct, with the modification that it is to keep the present staff on the roll. At the present time the people about whom we are talking are members of the staff, and have been on the staff for some time. Since

the resolution has been held up, the chairman has kept his fingers crossed, because, if the resolution is not agreed to by July 15, there will be some unfortunate people, since the members of the staff will not be paid; and I have therefore kept them on.

This resolution is not for the purpose of adding new people to the staff. I am continuing the staff that was employed and that served the committee last year, with the exception of those who have resigned to take other positions. Unfortunately, two members of the staff have resigned. I was most unhappy when the last one resigned, because he was one of the best members of the committee staff. He resigned to take a better position with the Government. Therefore, I am continuing the staff that my Democratic friends, as members of the committee, had, with the exception of an attorney, whom I hired. I will correct that. Two attorneys have been hired to conduct the necessary committee hearings and to perform the legal service the committee requires as it conducts the hearings and studies.

Mr. ELLENDER. It is my belief that if my good friend from Minnesota will reexamine the entire situation and will come before the Subcommittee on Appropriations at its meeting, which I believe will take place next week, he will be able to make his presentation to the committee. I hope that we shall be able to do away with these special resolutions and special funds which are appropriated over and above the regular amounts made available to standing committees.

Mr. THYE. Mr. President, I can only say that I hope the resolution may be agreed to at this time. I have continued the staff. The staff is functioning. It is the staff that I inherited when I assumed the chairmanship of the committee. I assure the Senator from Louisiana that I shall not encumber or obligate one penny of the fund beyond absolute requirements in connection with payment of the staff and payment of travel expenses. I hope I shall be able to turn back a very substantial amount of this supplemental fund, in the event it is allowed.

Mr. ELLENDER. I feel confident that if the Senator will look into the matter, he will find that he can continue the work of his committee within the amount provided regular committees.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point in my remarks a statement of expenditures of the Senate Select Committee on Small Business since its organization, together with a summary of expenditures for the fiscal years 1950, 1951, 1952, and until May 31, 1953. This summary shows that for 1952, expenditures amounted to $138,054.40. It further shows that the committee, from its inception to May 31, 1953, spent a total of $977,527.99, exclusive of large sums which were spent on the printing of numerous reports of the committee.

There being no objection, the statement and summary were ordered to be printed in the RECORD, as follows:

Expenditures of the Senate Small Business Committee

Fiscal year:

1940	
1941	$6,233.05
1942	12,509.05
1943	51,310.74
1944	38,441.17
1945	66,394.97
1946	134,823.68
1947	119,792.14
1948	112,710.76
1949	85,347.64
1950	1,777.22
1951	104,749.96
1952	138,054.40
1953 (to May 31, 1953)	105,309.29
Total	977,454.07

Expenditures of the Senate Select Committee on Small Business for fiscal years 1950, 1951, 1952, and 1953 to May 31, 1953

	1950	1951	1952	1953
Standing committee (clerk hire)		$54,151.98	$76,668.98	$69,068.19
Legislative reorganization funds ($10,000 per Congress)		13,813.20	5,179.20	31.40
Under authority of Senate resolutions	$1,777.22	36,784.78	56,206.22	36,189.70
Total	1,777.22	104,749.96	138,054.40	105,309.29

Grand total 1950 through 1953	$349,890.87
Grand total from Oct. 8, 1940, to Jan. 31, 1949 (actually spent)	627,637.12
Total spent by committee Oct. 8, 1940, to May 31, 1953	977,527.99

Mr. THYE. Mr. President, I can only speak in defense of the expenditures by saying that, with the exception of 2 years, when the committee had as its chairman a Republican, the position of chairman of the committee was filled by a member of the party of which the Senator from Louisiana is a member.

Mr. ELLENDER. That is no reason why money should be spent unnecessarily.

Mr. THYE. No.

Mr. ELLENDER. The Republican administration rode into office on a pledge to bring about certain economies; I should like to see those economies put into effect, but they will never be realized unless spending is reduced. Here is a place we can save our taxpayers $150,000. I ask Senators to join me in practicing here on Capitol Hill the same gospel of economy we preach to executive agencies.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The resolution, as amended, was agreed to.

BROADCASTING OR TELECASTING OF PROFESSIONAL BASEBALL EXHIBITIONS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate bill 1396, which is Order No. 389 on the calendar.

The PRESIDING OFFICER. Senate bill 1396 is commonly known as the baseball bill. Is there objection to the request of the Senator from California?

There being no objection the Senate proceeded to consider the bill (S. 1396) to authorize the adoption of certain rules with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce with amendments.

The PRESIDING OFFICER. The Chair is advised that the committee amendments were agreed to on June 25, 1953.

COMMUNISM AND THE AMERICAN TRADE UNION

Mr. BUTLER of Maryland. Mr. President—

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness. That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

It was thus that the great American tradition was begun. Here was the acknowledgment that man as a creature of God possesses a dignity which distinguishes him from the animal creation. He alone is endowed with the power of reason.

As man must provide for his continued existence by the labor of his hands, and as his needs are not merely temporary, but continuing, he must by nature have the right to possess property of his own. Since man is antecedent to the state, his right to possess the fruits of his labor is also antecedent to the state.

It has been upon this philosophy that our American institutions have been built. It is because of our continued adherence to these fundamental truths that we are at the same time the envy of those who would destroy us and the hope of all men who cherish liberty.

Today we behold a world divided not merely by geographical boundaries but also by antagonistic philosophies. One is based upon man's dignity as a human being, the other upon atheistic communism. The latter, as its name discloses, denies the very existence of God. With equal fervor it regards man as a mere evolutionary phenomenon, an economic unit, a segment of the collective whole, a pawn existing for the state. By false promises it deludes man's mind. By playing upon the poor man's envy of the rich, it fosters dissension and creates turmoil. It first enslaves the mind of man and then by force and fear it destroys his liberty of action.

If communism succeeds in America, it is the workingman who will suffer most at its hands. As long as he enjoys the right to possess the fruits of his labor he is free. By transferring the possessions of the individual to the state, as the

Communist would do, the workingman would be denied all hope and possibility of bettering his condition in life. It is because of this culture of confusion which the false prophets of communism foster that the half-truths and the beguiling platitudes of their propaganda find so ready an acceptance by the unwary. In carrying out their program they are bound by no morality, for they recognize no moral law. Thus they lie and deceive, and, by every diabolical tactic and device, they penetrate, infiltrate, and seek to capture and dominate man's every legitimate organization and institution.

This communistic tactic of infiltration is not limited to any particular type of organization or institution. The avowed Communists and their fellow travelers may be found in our institutions of learning and religion, on the staffs of our newspapers and magazines, in the theater, the motion picture, radio and television industries, and in the labor unions. They have also attained high policymaking positions in our Federal Government. Witness the recent refusals of Edwin S. Smith and Nathan Witt to answer Senate investigators, on the ground that their answers might incriminate them, when asked if they had been Communist Party members while employed by the United States Government. Yet Mr. Smith served for 7 years as a member, and Mr. Witt for even longer as executive secretary, of the National Labor Reations Board, the agency entrusted with enforcement of our national labor policy. Both of these men occupied strategic posts in this sensitive agency. Mr. Smith had a powerful influence on Board decisions; Mr. Witt controlled the selection and training of all Board personnel.

It should require no extended argument to demonstrate that the Communist Party considers the trade union as one of the institutions best suited to the accomplishment of its plan of world revolution. There are many among us, however, who fail utterly to comprehend the magnitude of the menace or the proximity of the danger occasioned by the continual penetration of Communists and those who do their bidding. For those, the admonition of Lenin is recalled. He counseled that—

> It is necessary * * * to resort to all sorts of devices, maneuvers, and illegal methods, to evasion and subterfuge, in order to penetrate into the trade unions, to remain in them, and to carry on Communist work in them at all costs.

Nor was Lenin merely theorizing, for by his own admission "the Bolshevist revolution could not have lasted 2 weeks without the aid of unions." That there has been no departure from this fundamental tactic is shown by Communist literature over the past 25 years. Party directives have stressed the absolute necessity for Communists to work in and control our American labor unions.

Moreover, congressional committees during the past decade have carefully examined the extent and nature of the Communist penetration of some of our most powerful and influential national unions. In 1941, the House Committee on Un-American Activities stated in its report—House Report No. 1, 77th Congress, 1st session, pages 9 and 10:

> The evidence which the committee has gathered bears abundant testimony to the fact that throughout the years there has been a major purpose of the Communist Party to attempt to bore from within the ranks of American labor in an effort either to turn labor organizations into its political tools or to disrupt and destroy them.

Striking evidence of the fact that Communists have gained some measure of control and have used the trade union to foster Soviet foreign policy is found in the testimony of Mr. Louis Budenz before the House Committee on Education and Labor—80th Congress, 1st session, pages 3603 to 3623. Mr. Budenz testified that the 76-day strike which occurred in 1941 at the important defense plant of Allis-Chalmers Co. at Milwaukee, Wis., was directed by the Communist Party. He further testified that the purpose of this strike was not to further the legitimate aims of the workingmen, but to assist in carrying out Soviet foreign policy. According to Mr. Budenz, the strike during the same period which involved the workers of American Aviation Co. was also directed under Communist leadership.

Moreover, at the present time several of the most important national unions are deemed by various committees of Congress to be Communist dominated. The Jenner Internal Security Subcommittee, upon which I have the distinct honor of serving, has recently emphasized the strategic position held by the American Communications Association, a Communist-controlled labor organization, and concluded that it poses "a threat to the internal security of this country." It was pointed out that this union has only recently been certified by the National Labor Relations Board as the exclusive collective bargaining agent for 5,000 Western Union telegraph operators. Western Union's main office in New York handles telegraph circuits to all major cities in the country and numerous important military installations. According to the Senator from Indiana [Mr. JENNER] the danger to our Nation's security lies in the fact that in addition to being able to tie up America's vital telegraph service at a moment's notice through a Kremlin-inspired strike, members of this union are in a position to intercept Government messages including secret wires on defense matters.

The United Electrical Radio and Machine Workers of America, one of the large national unions expelled by the CIO because of its Communist domination, also continues to hold a strategic position in the Nation's electrical industry, as does the International Union of Mine, Mill, and Smelter Workers which controls much of the metal mining industry so essential to our national defense. These are but a few of the Communist-dominated unions which present a continuing threat to our national security.

It is men trained in the Communistic school where threats of death and bloody purges are merely tactics who have been assigned the task of subverting the American trade unions. As Rebecca West recently pointed out—

> The Communist Party offers its members secret advantages over their neighbors on condition that they serve the interests of the Soviet Union.
>
> The reports of the [congressional investigating] committees show that these advantages take many forms, but the most common is the jobbery of posts in the civil service and office in the trade unions. And the bribe taking is rendered morally painless, and becomes indeed the source of a sense of beatification, since there is a pretense that the bribetakers are involved in these proceedings only because they are noble souls anxious to free the downtrodden workers." (U. S. News & World Report, May 22, 1953, p. 81.)

How, you ask, can small minority groups subvert large organizations? Their work is accomplished by the very fact that although small in number, they are highly trained, sternly disciplined, shock troops of the great conspiracy. Taking advantage of the average American's laxness in attending his union meetings, the small Communist cell arrives early at the union meeting and stays late. It is well schooled in parliamentary procedure and debate, and places its members in strategic "diamond" formations to control the meeting. Each member is trained to carry out a specific assignment. The cell thus uses its superior knowledge of maneuver and tactic to guide the policy determinations of the much larger labor union.

The vast majority of the workers in plants controlled by the Communist unions are, of course, loyal Americans. But the control of jobs, grievances, and bargaining by the Communist minority acting as officers of these unions makes it next to impossible to loosen their grip on the unions. A tight control is kept over every key union post and avowed Communists serve as shop stewards. Party-liners pack union meetings and break up assemblies of workers who have the courage to take the initiative to get out from under the grip of the Communists.

Each and every worker in an electronics plant making vital materials may have been cleared after a complete check of his past and present connections and affiliations, but he takes his work problems and grievances to an organization which is dominated by Communists. The same situation can be found in numerous plants producing secret weapons, in copper mines, communication centers, and in shipping.

To handle grievances, a union representative must know everything a man does on his job, the work standards and the amount of production. The agents of communism do not always work for the contracting company and so they do not require security clearance, which they would not be able to obtain because of their Communist connections. But they can and have called slowdowns and "quickie strikes" to harass management and reduce production. They can obtain restricted information for transmission to Communist belts. They can and have struck first and taken up the grievance after the demonstration. Small specialized plants making vital

components or end products can be made to slow down or shut down at the will of the Communist agents who have only to give the word or the sign, thus bringing to a standstill production in an entire industry.

I do not wish to minimize the efforts of the Congress of Industrial Organizations or detract from its success in finally expelling 11 Communist-dominated unions which were previously affiliated with that labor organization. The fact remains, however, that those unions which have been thus condemned are still functioning. Under existing law they continue to enjoy the exclusive bargaining status. Employers in some of our vital industries are bound to recognize and bargain with them as the representatives of thousands of loyal American workers.

The inadequacy of the present law was recognized by the Subcommittee on Labor-Management Relations of the Senate in 1951 when it stated:

Whatever effect the non-Communist affidavit provision of the Taft-Hartley law may have had, there can be no question that there remain labor organizations now controlled by leaders whose loyalties are not to democratic government and democratic unionism, but to the policies and programs of the Communist Party. (Communist Domination of Certain Unions, introduction statement by Senator HERBERT H. HUMPHREY, chairman, Subcommittee on Labor-Management Relations, S. Doc. No. 89, 82d Cong., 1st sess., Oct. 19, 1951.)

Congress has found that there exists a world Communist movement, which, in its origins, its development, and its present practice, is a worldwide revolutionary movement whose purpose it is, by treachery, deceit, infiltration into other groups, espionage, sabotage, terrorism, and any other means deemed necessary, to establish a Communist totalitarian dictatorship in the free countries throughout the world through the medium of a worldwide Communist organization. The avowed Communist worker attempts to use his union card and membership as a protective shield behind which he can safely operate.

The problem posed by communistic infiltration and domination of our free institutions poses a continuing threat to the maintenance of our hard-won liberty. It is dangerous in the extreme when used to subvert the trade union, for in countries which have fallen under the Kremlin's yoke, the trade union was one of the first institutions to be taken over.

The desire to eliminate this evil situation is not enough. It is not a partisan issue, for it transcends partisanship. It is a menace which must be understood for what it is—a single aspect of the Great Conspiracy. To meet the problem requires the combined efforts of the American free labor movement, industry, the public at large, and adequate legal machinery in proper hands. Such machinery designed to accomplish this task without undue delay must be provided by the Federal Government.

The legislation which I have proposed, S. 1606, is presented in all good faith. It is my fond hope that in the hearings which will soon take place the issue will be debated with candor and with only the best interests of the citizenship of this great Republic in our hearts and minds. It is respectfully submitted that the adoption of this amendment to the Internal Security Act will provide the great free labor movement in America with the practical machinery it has long sought to purge itself forever of the small but united minority within its ranks, which is a part of the treacherous international conspiracy dedicated to the suppression and subjugation of the entire free world.

ANALYSIS OF MINORITY VIEWS ON SENATE JOINT RESOLUTION 1

Mr. BRICKER. Mr. President, on June 15, 1953, the Senate Judiciary Committee filed Senate Report No. 412 recommending adoption of Senate Joint Resolution 1. This proposed constitutional amendment involves some rather complex issues of international and constitutional law on which sharp differences of opinion exist. The issues are carefully and objectively analyzed in the committee's report. The purpose and effect of Senate Joint Resolution 1 are so clearly stated in the committee report that I shall not comment on it further at this time. I recommend its careful consideration by the Senate.

In sharp contrast to the scholarly legal analysis found in the committee report, the minority views appended to the report are heavily laden with emotional and hysterical arguments not even remotely related to the text of Senate Joint Resolution 1. The minority views possess an Alice-in-Wonderland quality. In spite of the numerous changes in language made in the amendment since February 7, 1952, the arguments of the opposition have not changed.

The minority views were signed by four Senators. Surely none of them has studied the record of the hearings, the revised text of Senate Joint Resolution 1, the majority report, or even the minority views. If they had, they would not have signed the report.

If the real author of those views made any serious study of the problem, he made some deliberately misleading statements. Other statements found in the minority views are based on ignorance of the law. Some statements in the minority views are inconsistent with other statements made therein. Other statements represent an honest difference of opinion and, therefore, serve to clarify the issues. I shall discuss these four classes of statements separately. To repeat, however, I do not associate any Senator who signed the minority views with the misstatements made therein by persons unknown to me.

THE FALSE STATEMENTS

It is impossible for any reasonably informed and honest person to make the following statements appearing in the minority views:

If the amendment were now the law, the conclusion of an armistice agreement in Korea would be virtually impossible in the absence of special congressional authority (p. 35).

On page 63 of the minority views this false statement appears:

It [the amendment] could prevent the President from making an armistice agreement in Korea.

Would any armistice agreement in Korea conflict with the Constitution or become internal law in the United States? Of course not. Section 3 of Senate Joint Resolution 1 has no effect whatever on any executive agreement—past, present, or future—until such time as Congress might enact regulatory legislation. Any proposed legislation could be vetoed by the President. If the proposed amendment had been in effect throughout the negotiations for an armistice, according to the minority views 1 of the following 2 alternatives would have been necessary:

Congress might have delegated extremely broad powers to the negotiators, in which case the amendment would be more or less inoperative and the negotiations would have proceeded as they have in actuality. Or, all negotiations might have been made ad referendum, subject to governmental approval or ratification on both sides (p. 49).

That is an untrue statement of possible alternatives. Section 3 does not prevent the President from consummating executive agreements without congressional authorization or subsequent approval. It merely provides that the President cannot make executive and other agreements contrary to law. Congress is not compelled to regulate the making of all executive agreements. If there is any desire on the part of any Member of Congress to legislate with respect to the making of an armistice agreement in Korea, it has not come to my attention.

Another series of deliberately misleading statements in the minority views concern the effect of Senate Joint Resolution 1 on plans for atomic disarmanent. Arguments leveled against section 2 of Senate Joint Resolution 1 as introduced are repeated, notwithstanding the complete elimination of that section from the revised text. There is no justification whatever for the making of such statements as these:

The proposals probably would prevent the adoption of international measures for the control and regulation of atomic energy (p. 61).

It [the amendment] could frustrate any international moves toward the effective control of atomic weapons or disarmament (p. 63).

However, even one of their chief proponents of this amendment (Dr. George A. Finch) stated that he wanted to adopt the language now appearing in this amendment to stop our own Baruch plan for atomic disarmament (p. 38).

It is inexcusable to tear out of context the words of a great international lawyer, who maintained throughout his lengthy testimony the need for international inspection and control of atomic and other armament production within the borders of each country—record of hearings, pages 1148–1151, 1193–1194. Dr. Finch did suggest that the proposed amendment would, and should, prevent the United States from surrendering by treaty or by executive agreement the ownership of lands in the United States

containing uranium and other minerals used in the production of atomic energy to any international body—record of hearings, pages 1149–1150. That is something in which the citizens of the various States of the Union are vitally interested, and in which Senators also should be interested, to see that we do not turn over the control of our lands and this source material to an international authority.

If this result was demanded by the so-called Baruch plan, the proposal was abandoned long ago. Such a proposal would vest ownership of most of the land in certain Western States in the United Nations or in some international commission. Is that what the opponents of Senate Joint Resolution 1 desire to achieve by treaty or other international agreements? I do not so understand. In any event, on the same page of the hearings cited in the minority views to prove Dr. Finch's antipathy to atomic disarmament, Dr. Finch had this to say:

I would like to see an international agreement now say we will abandon atomic energy as it means mass destruction in war. I should think we ought to be willing to have some system of international inspection to see that not only we carry it out, but that Russia carries it out. (Record of hearings, p. 1150.)

I am in wholehearted agreement with that statement. I am an enthusiastic cosponsor of Senate Concurrent Resolution 32, the disarmament resolution introduced several weeks ago by the distinguished junior Senator from Vermont [Mr. FLANDERS]. I deny categorically that the proposed amendment would interfere in any way with effective international supervision and control of atomic weapons and disarmament.

Other false statements in the minority views relate to the coming Big Three Conference in Bermuda, which has now been delayed. It is stated that the proposed amendment would require Congress to authorize the agreement to hold such a conference in advance or congressional approval after the arrangement had been negotiated. No reasonably well-informed person can honestly make such an absurd statement.

STATEMENTS BASED ON IGNORANCE

I now turn to statements in the minority views which I would describe as based on ignorance of the law rather than motivated by any desire to mislead the Senate. Most of these arguments appeared in a brief prepared by the Association of the Bar of the City of New York in April 1952. That is the only bar association in the United States, State or local, which has opposed the ratification of Senate Joint Resolution 1.

These arguments have been parroted ever since in defiance of subsequent changes in the text of the proposed amendment. The New York City Bar Association, incidentally, is the only legal organization affiliated with the American Bar Association which opposes any treaty-control amendment.

In regard to extradition, the minority views contain this startling conclusion:

The United States could not enter into a treaty of extradition and give assurance that it would be recognized by the States. This country would become a haven for criminals from other lands (p. 58).

The most charitable answer is to presume that the authors of the minority views are blissfully ignorant of the history of the law of extradition in the United States. Congress has legislated on the subject of extradition in the absence of treaty. President Lincoln and many other Presidents have surrendered fugitives to countries with whom we had no extradition treaty, and such countries have surrendered American fugitives upon request. In suggesting that the States could control extradition, the authors of the minority views obviously failed to read *Holmes* v. *Jennison* (14 Pet. 540 (U. S. 1840)). In that case, the action of the Governor of Vermont in attempting to surrender a fugitive to Canada was prevented by the Supreme Court which held that the power of extradition belonged exclusively to the Federal Government even though an extradition treaty with Great Britain was not concluded until 1843. If the authors of the minority view, had no time for independent research, they could have found this information simply by reading Dr. Finch's article reprinted at page 1133 of the Record of Hearings.

The following statement is another example of blind acceptance of the arguments of uninformed opposition witnesses:

For example, it [the amendment] probably would prevent the enactment of Federal legislation adequate to carry into effect treaties for the international regulation and control of narcotics (p. 58).

Those are the three bases for the opposition, up to the present time, to that section of the amendment—first, in regard to atomic energy; second, in regard to extradition; and third, in regard to the control of narcotics.

A short answer to this erroneous argument is that Congress in the 1942 act for the control of production and distribution of the opium poppy expressly relied on the following constitutional powers to support the legislation: "to promote the public health and general welfare, to regulate interstate and foreign commerce in opium poppies, and to safeguard the revenue derived from taxation of opium and opium products."

It is ridiculous to assert that Congress may exercise such powers to regulate the growing of wheat in Kansas, but not the raising of opium poppies in California.

Failure to read American history explains the following statement in the minority views:

Even the treaty ending the Revolutionary War could not be enforced by the Federal Government, since it protected prewar debts, and the persons, liberty, and property of British sympathizers who became United States citizens (with reciprocal protection afforded in Britain) (pp. 45, 46).

The fact is that the State debt legislation passed during the Revolutionary War had a national purpose. As a result, the reparations provisions of the treaty with Great Britain ending the war were performed by the Federal Government.

The following erroneous statement is repeated with variations throughout the minority views:

The resolution would virtually abolish the treatymaking power given to the Government under the Constitution and would leave the United States only partially sovereign. We could not deal as a coequal with other foreign powers, since there would be many vital international subjects with which we would be constitutionally prohibited from dealing by way of treaty (p. 35).

How can anyone seriously contend that Canada has virtually no treatymaking power or that Canada is only partially sovereign? In Canada, as in the United States after the adoption of the proposed amendment, a treaty cannot confer on the national legislature a power to legislate that would not exist in the absence of treaty. Thus, it was held in *Canada* v. *Ontario and Other Provinces* ((1937) A. C. 326) that labor legislation passed by Parliament to implement an ILO treaty could not supersede legislation enacted under the constitutional powers of the Provinces. That is exactly what we are attempting to secure through the enactment of this joint resolution.

This statement from the Privy Council's decision should prove to the authors of the minority views that a Federal-State system need not be left to the mercy of an unlimited treatymaking power:

It must not be thought the result of this decision is that Canada is incompetent to legislate in performance of treaty obligations. In totality of legislative powers, Dominion and Provincial together, she is fully equipped. But the legislative powers remain distributed. When Canada incurs treaty obligations dealing with Provincial classes of subjects, the exercise of the totality of powers requires cooperation between Dominion and the Provinces. While the Ship of State now sails on larger ventures and into foreign waters, she still retains the watertight compartments which are an essential part of her original structure.

That is in regard to the situation in Canada.

An historical error permeating the minority views is clearly revealed in the following statements:

The effect of this clause (S. J. Res. 1, sec. 2) would be to delete from the Constitution the treatymaking power of the United States as it was conferred on the Federal Government 164 years ago (p. 43).

And on page 44:

It has been argued also that constitutional amendment is necessary to preserve the 10th amendment, but the 10th amendment was never applicable to restrict the treaty power.

(At this point Mr. BRICKER yielded to Mr. WILEY for the purpose of making an insertion in the RECORD which, by unanimous consent, was ordered to be printed at the conclusion of Mr. BRICKER'S speech.)

Mr. BRICKER. A study of the debates in the State ratifying conventions proves that a bill of rights was demanded, in part at least, to curb possible abuse of the treaty power. As to the extent of the treaty power intended to be conferred 164 years ago, I agree with Thomas Jefferson who said in his Manual of Parliamentary Practice:

By the general power to make treaties, the Constitution must have intended to comprehend only those objects which are usually regulated by treaties, and cannot be otherwise regulated.

It must have meant to except out all those rights reserved to the States; for surely the President and the Senate cannot do by treaty

what the whole Government is interdicted from doing in any way.

Another erroneous argument contained in the minority report is that I have opposed the so-called "which" clause of section 2. Statements of mine quoted on pages 46 and 47 of the minority views were directed to the following provision recommended by the American Bar Association:

A treaty shall become effective as internal law in the United States only through legislation by Congress which it could enact under its delegated powers in the absence of such treaty.

That language I opposed because it would have left a harmful gap in the treatymaking power. That language has been revised. Senate Joint Resolution 1 as now written does not limit the subject matter of treaties to those which fall within the delegated powers of Congress.

INCONSISTENCIES IN THE MINORITY VIEWS

Mr. President, I wish to discuss certain inconsistencies in the minority views.

Of the numerous inconsistencies found in the minority views, time permits the exposure of only a few. On page 40 of the report it is said:

If it is intended to assert the supremacy of the Constitution over treaties it is unnecessary, because the section would merely state what the law is and always has been.

But on page 60 this statement appears:

It is true that the Supreme Court has never held any provision of a treaty unconstitutional.

On page 59 of the report, the author of the minority views states flatly that "a treaty cannot conflict with the Constitution." Two pages later the author suggests that the proposed amendment might make it possible to charge that inspection under an international disarmament agreement was in conflict with the Constitution.

The minority views describe the nonself-executing treaty requirement of section 2 as "cumbersome"—page 41; "rigid" and "awkward"—page 42; and "cumbersome procedural obstacles"—page 43. However, it is correctly stated on page 60 that—

Many treaties by their provisions are nonself-executing; that is, they do not automatically become domestic law in this country without legislative action by Congress.

It might be added that most treaties proposed by the United Nations would require even now the so-called cumbersome, rigid, and awkward procedure condemned in the minority views before becoming effective in the United States.

Mr. President, if we must have in this country cumbersome and awkward procedures in order to protect the inalienable, God-given rights of the American citizen, the time has come to resort to such procedures.

The minority views on page 42 of the report present this reassuring argument:

Even for a multilateral treaty, no difficulty or embarrassment would arise from a reservation which did not change the substance but merely stated when or how the treaty was to take effect as internal law.

On the very same page there appears the following State Department argument against making treaties become effective as internal law by act of Congress:

But if action by Congress is to be required in addition, it is conceivable, and in fact the amendment would be meaningless if it were not anticipated in some instances, that a treaty would receive the consent of the Senate and yet fail of implementation by Congress.

In regard to the executive-agreements section of Senate Joint Resolution 1, the minority views warn that "hampering legislation" could "reduce the President to a mere figurehead in foreign affairs." The charge is absurd even on the assumption that Congress is not to be trusted. Any such hamstringing regulation would require a two-thirds vote in both Houses. However, the authors of the minority views recognize that Congress' power of the purse can limit the President's freedom of action in foreign affairs—page 52. Abuse of the appropriations power by a simple majority of either House could render impotent the President's foreign-policy powers. The argument that two-thirds of both Houses of Congress will do what a simple majority of either House has so far failed to do, is sheer nonsense.

There is another inconsistency in the minority views of which the authors are probably unaware. They cite *Geofroy* v. *Riggs* (133 U. S. 258 (1890)), on three occasions as proof that a treaty cannot authorize what the Constitution otherwise forbids—pages 40, 44, 59. Yet Article VII of the Treaty of 1853 with France which was considered in *Geofroy* v. *Riggs* protected certain reserved powers of the States in exactly the same manner required by section 2 of Senate Joint Resolution 1.

PERTINENT ARGUMENTS IN THE MINORITY VIEWS

Mr. President, there are some pertinent arguments of the minority which I wish to discuss briefly.

After devoting so much time to false, erroneous, and inconsistent statements made in the minority views, I wish now to devote a little time to those that usefully serve to join the issue. First and foremost is the following statement on page 41:

Under these rules [of international law], sovereign states are bound by their solemn contracts, which have been concluded and ratified according to the normal rules of procedure, whether or not the treaties conflict with some internal law.

Right here I might add that the Constitution of the United States is an "internal law." Continuing the statement:

If we insist that the validity of all the treaties to be made by the United States must await some final determination as to their constitutionality, most nations will be most reluctant to make even essential treaties with the United States, and the treatymaking power will be dealt a deathblow.

Proponents of Senate Joint Resolution 1 do insist that the validity of all treaties must be determined by the standards used to judge the constitutionality of ordinary legislation. We deny that other nations will be reluctant, or have any right to be reluctant, to make treaties with us, the validity of which is subject to constitutional tests. We deny that the treaty power will be "dealt a deathblow" if the constitutionality of its exercise is finally determined by the courts. The last-quoted statement from the minority views courageously meets the issue: Which shall be supreme in case of conflict, the Constitution or treaty law?

Another group of statements in the minority views meets the issue by expressing trust in men—as, for example, that appearing on page 48:

In the words of a witness against Senate Joint Resolution 1, we "do not face the future with the fear and distrust of our elected leaders such as to require a constitutional amendment which would cripple the freedom and flexibility which has worked so well in the past."

The argument that we should trust "our elected leaders" is appealing to many, especially in a time of crisis, but I much prefer the philosophy of Thomas Jefferson, expressed as follows in the Kentucky resolutions of 1798:

In questions of power, let no more be said of confidence in man, but bind him down from mischief by the chains of the Constitution.

Mr. President, if the argument of the committee minority and of the opponents of Senate Joint Resolution No. 1 had been followed by the Founding Fathers, we would never have had a Constitution of the United States. If those arguments had been followed by the First Congress of the United States, we would never have had a Bill of Rights, because arguments of the same kind and character were persistently made against adoption of the Bill of Rights, both in the Congress and in the various States.

Another pertinent argument advanced by the opposition is that public opinion affords better protection to individual liberty than do constitutional provisions. Mr. President, how many million persons have been wrongly sent to the gas chamber, the chopping block, or the hangman's noose to appease the passions of a prevailing public opinion? Yet the minority views say this:

In a very real sense, insofar as the resolution has raised questions of policy, Senator BRICKER and the cosponsors are entitled to feel that they have stimulated the forces of public opinion, and that an informed public opinion will be a more perceptive guide to the Nation's destinies than words in a constitutional amendment (p. 39).

Mr. President, let me say in passing that there have been many times in the history of the United States when public opinion which was swept by a passing passion of the hour might have denied to individuals or to minority groups their protection under the Constitution and the Bill of Rights, had they not been in existence.

The 1st, 5th, and 14th amendments are all constitutional amendments. Have they not saved countless members of minority groups from oppression and persecution despite the forces of public opinion which a fleeting majority believed to be informed?

No, Mr. President, this constitutional structure was built as a bulwark against the power of the majority or mass of

the people that might be swept by passion to deny the rights of their fellowmen.

Finally, there is an element of truth in the following argument found in the minority views:

Secondly, no matter how artfully words are chosen, their ultimate legal effect or their interpretation cannot be anticipated with certainty (pp. 59, 60).

The identical argument was made by Alexander Hamilton in The Federalist, No. 84, in opposing the adoption of a bill of rights. Hamilton also argued, as do the opponents of Senate Joint Resolution 1, that no amendment was necessary. He asked, "why declare that things shall not be done for which there is no power to do?" But is there any loyal American today who would assert that the Bill of Rights has not served as the cornerstone of individual liberty in the United States?

In all honesty I must confess that the 83d Congress cannot anticipate the future interpretation of Senate Joint Resolution 1 with any more certainty than the 1st Congress could predict the legal effect of the first 10 amendments to the Constitution. In the final analysis, we must rest our faith, not in the wisdom of elected leaders or in public opinion, but on a rule of law based on the divine and religious concept that all men are endowed by their Creator with certain inalienable rights, and on an independent judiciary with the courage to prevent the President, the Senate, and the House of Representatives from acting either separately or in combination to impair those inalienable rights.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Treaty Amendment Essential," as published in the Manchester Union Leader of June 18, 1953.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TREATY AMENDMENT ESSENTIAL

The Senate Judiciary Committee has approved, 9 to 5, a resolution calling for a constitutional amendement to prevent treaty and executive agreement provisions from conflicting with the United States Constitution.

This resolution is a compromise between an amendment introduced by Senator BRICKER, of Ohio, for himself and 64 other Senators, and one introduced by Senator WATKINS, of Utah, for the American Bar Association.

Section 1 of the proposed amendment says that a "provision of a treaty which conflicts with the Constitution shall not be of any force or effect." Section 2 declares that "a treaty shall become effective as domestic law in the United States only through legislation by Congress that would be valid in the absence of a treaty." Section 3 lays down that "Congress shall have power to regulate all executive and other agreements with any foreign power or international organization. All such agreements shall be subject to the limitations imposed on treaties by this article."

This amendment is essential if we are to preserve our national sovereignty and our rights as Americans. For the first time in our history there is rising among us a fanatical disposition to make our national sovereignty subject to a super-world government. This disposition has already appeared in a proposed U. N. International Covenant on Human Rights now awaiting congressional approval.

The Constitution as it stands today says that all treaties shall be the supreme law of the land * * * anything in the constitution or laws of any State to the contrary notwithstanding. That makes the Charter of the United Nations, which is essentially a treaty, superior to the United States Constitution. We are the only important country in the world where a treaty becomes the law of the land without implementation by national legislation.

This defect, apparently not obvious to the Founding Fathers, ought to be corrected. The resolution approved by the Senate Judiciary Committee meets the problem exactly. The complaint has been raised by a dissenting minority in the Senate that this amendment would strip the President of his historical control of foreign relations. That, of course, is all moonshine. The treatymaking power of the President and his right to make executive agreements are not restricted in any way. All that is required is that these treaties and agreements shall not supersede our Constitution or the governmental processes of the Nation.

The attitude of the Secretary of State in this matter is somewhat contradictory. In April 1952, in an address before the American Bar Association, Dulles declared that "the treatymaking power is an extraordinary power liable to abuse." But today, having become Secretary of State, he is opposed to any move to correct that abuse. It is the old story that once a man gets the mantle of power, he does not favor any restrictions on his power, even if they are warranted.

Mr. BRICKER. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD an editorial entitled "The Bricker Amendment: More Important Than Ever," published in the Omaha (Neb.) Morning World-Herald of June 11, 1953.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BRICKER AMENDMENT—MORE IMPORTANT THAN EVER

Recent developments in Korea make it more imperative than ever that the proposed Bricker amendment to the Constitution be approved by Congress and ratified by the States.

There is, of course, no direct relationship between Korea and the Bricker amendment.

But the fact that the proposed truce was accepted by Washington reveals with blinding clarity that the State Department of mid-1953 is still, for all practical purposes, the old State Department of Alger Hiss, Owen Lattimore, and Dean Acheson. And against that crew the people of the United States need effective protection.

That is precisely what Senator BRICKER proposes to provide.

The Bricker amendment aims to establish, beyond doubt or quibble, the preeminence of the American Constitution. It would assure the people that no Executive agreement, no treaty, no action of the United Nations, or any other world organization will be allowed to override or abridge in any way the rights guaranteed by the basic law of this Republic.

It also would outlaw any treaties which would give "an international organization" control over matters which are "essentially within the domestic jurisdiction of the United States of America."

In other words this amendment would pull the teeth of the various U. N. conventions proposed by Eleanor Roosevelt and others of like mind. The provisions of such one-world measures would become effective in this country only if they were specifically enacted and implemented by the Congress.

As it now stands the Constitution is somewhat ambiguous in defining the authority of the treaty makers. Many legal authorities contend that international agreements have equal standing, at law, with the Constitution itself.

It is to set such matters straight, to make sure that some future President, aided by some future Supreme Court, will not sign away the sovereignty of this country, that the Bricker amendment is proposed.

Originally, 62 Senators of both parties joined Senator BRICKER in signing this bill. Actually many more than that were known to favor it. Support in the lower House is even stronger.

Then why hasn't the proposal gone through a-whooping?

Simply because the new Republican administration, like the Truman-Acheson people, opposes it vehemently.

Some months ago, as a private citizen, John Foster Dulles wholeheartedly supported a definitive amendment of this kind. He said flatly then that "treaties can cut across the Constitution." Now, as spokesman for the administration, he tries to minimize the danger and opposes the Bricker bill.

The situation, of course, has not changed, but Mr. Dulles has. Evidently he has been swayed by the leftwingers and one-worlders who still infest his Department.

Thus far Mr. Dulles and the others have managed to prevent a vote on the bill. At last accounts there was talk that it might be rewritten in such a way as to meet administration objections. If that can be done without weakening the basic provisions, well and good.

But we trust that Senator BRICKER and the others who are fighting with him in this good cause will not accept any shoddy compromise. This is a matter of enormous importance, and those who love America should stand up and be counted.

Mr. BRICKER. Mr. President, finally, I ask unanimous consent to have printed at this point in the RECORD, an article entitled "Bricker Amendment's Progress," published in the Ashland (Ky.) Daily Independent of June 21, 1953.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BRICKER AMENDMENT'S PROGRESS

(By J. T. Norris)

Several discussions have appeared from time to time in this column dealing with the proposed amendment to the Constitution of the United States to limit the treatymaking power of the executive branch of the Government. This is commonly called the Bricker amendment, because it was introduced by the Ohio Senator and 62 other Senators of both parties.

Its present status is that it was approved on June 4 by the Senate Judiciary Committee by a vote of 8 to 4. It is Senate Joint Resolution 1 and the House Judiciary Committee is expected to act upon it soon. There is a possibility that it will be passed by both Houses before adjournment of this Congress and thus can soon be submitted to the States.

Need for such an amendment has not appeared until recently. All sorts of treaties are being proposed by the United Nations. They would result in overriding the Constitution of the United States, including its basic Bill of Rights, if they were adopted. This would be done because a treaty entered into by this country supersedes the Constitution and any other Federal or State law.

This is the first period in our history when any treaty has even been proposed which would do that. Senator BRICKER, in a recent address before the Ohio State Bar Association at Cincinnati, explained the need for his amendment. Some excerpts from his address make better comment than the writer could offer.

Explaining the difference between treaties at the time the Constitution was written and today, Senator BRICKER said:

"The nature and function of treaties was explained by Alexander Hamilton when he wrote in the Federalist, No. 75:

"'The essence of the legislative authority is to enact laws, or in other words, to prescribe rules for the regulation of society; while the execution of the laws is the function of the Executive Magistrate. The power of making treaties is plainly neither the one nor the other. It relates neither to the execution of the existing laws nor to the enaction of new ones. Its objects are contracts with foreign nations. They are not rules prescribed by the sovereign to the subject, but agreements between sovereign and sovereign.'

"Contrary to the function of treaties as explained in the constitutional debates and in the Federalist, the U. N. is using the treaty power to prescribe rules 'by the sovereign to the subject.' That is the avowed intention of the U. N. treaty lawmakers. Some of them have admitted that the movement is revolutionary in character * * *.

"A hundred other examples could be cited to show the U. N.'s ambition to regulate by treaty all phases of the individual's civil, political, economic, social, and cultural life. We need not pause to consider the merits of these proposals except to note the observation of Dr. Charles Malik, Chairman of the U. N. Human Rights Commission, that recent amendments to the Human Rights Covenants respond for the most part, to Soviet suggestions * * *.

"The new look in treaties has made existing constitutional safeguards hopelessly inadequate * * *. Mr. John Foster Dulles said in Louisville that 'treaties can cut across the rights given the people by the constitutional Bill of Rights.' That danger was remote so long as treaties dealt exclusively with the National external affairs * * *. Today nothing is considered as beyond the reach of the treaty power.

"U. N. treaties decide what degree of freedom of the press, religion, assembly should be enjoyed by American citizens living in the United States. Domestic legislation is molded by public opinion from the day it is introduced. Yet all such legislation must satisfy constitutional standards. How much more important it is to erect a safeguard against treaty law drafted in far away places by nonelected representatives of socialist, communist and fascist governments.

"What we need, therefore, is a bill of rights against the treaty power. Lacking such protection, the only safe course would be to withdraw from the United Nations and live in isolation. It is not a happy prospect."

Senator BRICKER'S proposed amendment would remove this danger of treaty law supplanting and replacing constitutional law. It is important that it be done quickly. It is even more important that the people of the States understand the pressing need for its protection.

We are now reaping the results of contracts such as the Yalta agreement. Our predicament in Korea is another example of action taken by the Executive without the approval of the Senate. We are paying heavily in blood and treasure for Executive agreements made in lieu of treaties.

It is almost as easy to get a treaty enacted as to enter into these illegal Executive agreements. Contrary to the common public impression, it only requires approval of two-thirds of the Members of the Senate present on that day to approve a treaty. On many legislative days, this number could be small indeed.

We need this protection for our freedoms and we need it badly.

WISCONSIN SUPPORTS CONSTRUCTIVE FOREIGN POLICY

During the delivery of Mr. BRICKER'S speech,

Mr. WILEY. Mr. President, will the Senator from Ohio yield to me briefly? I am sorry that I cannot remain to hear all of his argument.

Mr. BRICKER. I am sorry, too.

Mr. WILEY. I should like to ask unanimous consent to have certain matters printed in the RECORD, with the understanding that they will appear at the conclusion of the Senator's speech.

Mr. BRICKER. Do they refer to the subject matter under discussion?

Mr. WILEY. That is correct.

Mr. BRICKER. I yield for that purpose.

Mr. WILEY. I make the request that my insertion appear at the conclusion of the Senator's presentation.

Mr. BRICKER. Yes; and following some insertions of my own at the conclusion of my remarks.

Mr. WILEY. That is correct.

Mr. BRICKER. I am sorry that the Senator cannot remain.

Mr. WILEY. I am sorry, too, because I know I would be very much informed.

Mr. President, I have commented previously with regard to the tremendous support which has been given to me by the people of Wisconsin in my efforts for a constructive foreign policy.

I have done so because there have been some people who have purported to speak for the people of Wisconsin and for the Republican Party of Wisconsin.

But they definitely have not spoken for it. They have spoken only for themselves—for their own small backward-looking minority.

I have placed in the CONGRESSIONAL RECORD samples of the hundreds upon hundreds of thinking, reassuring, understanding messages which have come to me from my State—the real voice of the people.

I have done so, not because of any personal desire to point out praise of myself.

What is at stake in this matter is not ALEX WILEY. It is an issue—a principle—of whether this country shall be adequate to the gravest challenge which it has ever faced, or which has faced any other nation in human history, or whether it shall shrink from such a challenge.

When the tiny minority engineered the stab in the back against me at the Madison State convention, it signified that it did not want legislators to support the policies of the President of the United States aimed at constructive foreign policy.

But the people of Wisconsin have denounced the stab in the back and have signified exactly where they stand—forward looking and fair playing.

And so, now, I send to the desk additional excerpts from the floodtide of messages which have poured in to me.

I am appending to these excerpts portions of an editorial which appeared in the Atlanta (Ga.) Journal.

I do so as one indication of newspaper sentiment throughout the Nation, because the thinking reactions which I have reported are not just the reactions of the people of Wisconsin but the reactions of the thinking people of America as a whole.

I also include the text of a news article carried in the Thursday, July 2, issue of the Arcadia (Wis.) News-Leader. This article describes the reaction of a former citizen of that fine Badger community.

So I ask unanimous consent that the text of the letters from Wisconsin, as well as the excerpts of the editorial from the June 22 issue of the Atlanta Journal and from the Arcadia article, be printed in the RECORD.

There being no objection, the letters and excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM WISCONSIN LETTERS COMPLIMENTING SENATOR WILEY

From Barron:

"We wish to commend you on the firm stands you have taken on foreign and domestic policies. Especially do we appreciate the support you have given the farm programs. We know you will continue to work for the best interests as you see them."

From Milwaukee:

"Although my name is probably not familiar to you, I have worked for your election in past campaigns and I have always felt that you followed your own honest directions and acted for the best interest of the people of Wisconsin.

"Frankly, I was not only surprised but very much chagrined at the unexpected action which took place at the State Republican convention. It was certainly in extremely poor taste. If the individuals responsible were determined to carry on their defamation of you, they should at least have shown the courage of presenting the resolution while you were present and given you the opportunity to answer it.

"As a member of the rules committee I know that could easily have been done. I firmly believe that private feuds should be held behind closed doors and not aired in public to the discredit of the entire Republican Party. It was an insult to the citizens of the State of Wisconsin to show such a lack of respect.

"I have worked for you in the past and I shall continue to work for you in the future, and I am sure that you will find the majority of the people of your State are for you 100 percent. Please do not allow this demonstration by a prejudiced few to dishearten you."

From Milwaukee:

"I would be remiss, however, if I did not take time to write you commending you for the fine statesmanlike manner in which you have conducted yourself not only in Wisconsin but on the Senate floor relative to the Bricker amendment.

"I note in my mail this morning a letter from one of our more active members of the Reserve Officers Association, requesting that I write urging you to vote against the Bricker amendment. Although I differ with the administration politically, I would not help handcuff it during the most critical period of our history. I urge you to keep up the fight you have undertaken, knowing that you will have the undying gratitude not only of your constituents, but of the Nation. Heaven help us if the "lunatic fringe" of this country ever take hold to conduct our foreign policy."

From Madison:

"In spite of the action taken by the State Republican Convention toward your stand on the Bricker amendment, rest assured that there are many Republicans in this State who support your stand wholeheartedly.

"We note that Governor Kohler has stated his approval of your stand. It must have been a blow to the reactionary fringe of the Republican Party in Wisconsin, who cheered him at the convention."

From Maryville, Wis.:

"A man in public life usually gets letters when he makes mistakes, but when he does a good job no one pays much attention to it. I want you to know that I wish to commend you for the fine stand you have taken on the Bricker amendment. I think your position is logical and right.

"I would not pay much attention to a small group of self-appointed politicians that think they speak for the State of Wisconsin. The days are past when one man dictates and speaks for a great number of people. There are some factions in our Republican Party that would like to take us back to the days of Sawyer and Isaac Stevensen; however, in this day of enlightenment the people are more forward looking and will not follow blind-alley leadership."

From Grand Marsh:

"As a young Republican recently graduated from college, I can only find reassurance in the positive stand you have taken to attempt to assure the President and the State Department the chance to have a foreign policy for the United States."

From Racine:

"The rank and file of the people I am in contact with daily are opposed to the Bricker amendment. We believe in the division of powers between the three branches of the Government as it has always been in the past.

"The Republicans of Wisconsin will support the administration and Senator WILEY."

From Madison:

"You have taken and are maintaining what I consider to be a sound position in regard to the Bricker constitutional amendment which would let Congress limit the treaty-making powers of the President. You are in agreement with the position of the administration and I sincerely hope your position in opposition to the Bricker amendment will prevail.

"Some criticisms have been directed your way because of your stand in opposition to the Bricker proposal and because of the fine job you are doing as chairman of the Senate Foreign Relations Committee. I hope you do not take these criticisms too seriously. They are representative only of the right-wing group of Midwest Wisconsin isolationists. Many fine, thinking people out here are grateful to you for the work you are doing and in one group meeting after another I hear favorable comments about you.

"I hope you will carry on your opposition to the Bricker amendment proposal and will continue to advance international understanding and good will as a means to peace."

From Antigo:

"I was in attendance at the State Republican convention. Unfortunately, I was late in getting to the assemblage and missed seeing you. However, I did listen to your address on the car radio as I was driving toward Madison. I was very pleased with your speech.

"I am very interested in the Bricker amendment and I am very ashamed of some of the Republicans at the convention for the manner in which they treated you after you gave a splendid address. I wish you to know that I do not condone one bit of their action."

From Appleton:

"When Governor Kohler backs you and radio commentators compliment you upon bringing back good old American courage, you need fear nothing from Republicans at Madison a few weeks ago.

"It is to be noted that Governor Kohler sees this. This is significant. He, too, sees that the purpose of backstabbers is to discredit not only you but President Eisenhower, than whom there has been no better Christian President in the White House for years.

"Long enough we have suffered under F. D. R. and also now under misguided selfish politicians who weep tears of deceit. They seek their own gains, not that of the masses, as they think of them."

From Madison:

"I should like to let you know how much I and a good many of my colleagues appreciate the courageous and statesmanlike stand you have been taking in matters of foreign policy. The action of the Republican convention here in censuring your opposition to the Bricker amendment was beneath contempt; I am sure that it does not represent the opinion of the people of Wisconsin. By all means, continue the good fight in support of President Eisenhower's policy."

From central Wisconsin:

"This letter is in regard to the "get WILEY back in line" resolution sponsored by the supporters of former President William McKinley at the senior party convention in Madison. I am one of the oldest members in length of service in the Wisconsin Federation of Young Republicans. I have been a county chairman, college group chairman, district vice chairman, State officer, and State vice chairman.

"I represent the feelings of many of the federation's real young Republican members and we in no way like, or had any part in, the actions of the convention. We believe that the action was not taken because of any strong feelings about the Bricker amendment, but because you had the audacity to think and act as you thought best for the country without clearing things with Republican Party headquarters at the Hotel Lorraine first. It was just an attempt to coerce you into line with the powers that run the State organization.

"False leaders have long tried to speak for the young Republicans of this State, but have only spoken for those that are willing to be rubberstamps (for the machine) and do no thinking for themselves.

"After working for the Citizens for Eisenhower during the campaign, I am no longer able to be as active as I would like, and I would consider it an honor to help you in any way I can."

[From the Atlanta Journal of June 22, 1953]

A BRAVE SENATOR DEFIES HIS ENEMIES

Wisconsin's State Republican convention, recently adopted a resolution censuring Senator WILEY for his opposition to the Bricker constitutional amendment. That amendment would limit treatymaking powers of the President of the United States.

Senator WILEY, as chairman of the Foreign Affairs Committee, is well informed on such issues. He now has demonstrated to his constituents that he has the courage to stand for his own views.

He has just told an audience in his own State that "if the individuals responsible for the resolution of censure thought they were going to scare me into supporting something which my conscience and my love of country would not permit me to support, then they have another guess coming."

Senator WILEY says the Bricker amendment strikes at the very core of the United States Constitution and * * * at the essence of United States preparedness—at our foreign policy leadership.

The Constitution already provides adequate safeguards, through the requirement that treaties be ratified by the Senate after they have been negotiated.

Senator WILEY sees the danger in further watering down the powers of our President. We hope he can convince Congress of the wisdom of his views. The Bricker amendment should be defeated.

FORMER ARCADIAN DEPLORES RECENT CRITICISM OF WILEY

Walter H. Maloney, former Arcadian and now an attorney at Washington, D. C., in a letter to the News-Leader, deplored the criticism of Senator ALEXANDER WILEY by Republicans in convention at Madison for his stand on the Bricker amendment to the Constitution. Mr. Maloney, a Democrat, made the following personal observations in the matter:

"Senator WILEY is chairman of the important and powerful Committee on Foreign Relations of the United States Senate. It is a long time since Wisconsin had a representative in Washington to hold the position that Senator WILEY now holds. I recall none since the days of Senator John C. Spooner; even though La Follette was a great leader, neither he nor Spooner attained the place Senator WILEY now has. WILEY is the Senator who commands a position to demand for Wisconsin what it needs. There is no one able to serve the State of Wisconsin as well as Senator WILEY. Should Wisconsin lose his services, no one now voting can possibly foresee a man from Wisconsin who will attain his commanding position. The country needs Senator WILEY and the Republican Party is in greater need of him than the country as a whole.

"Your readers will be interested to know that Senator WILEY was criticized for not supporting the Bricker amendment. Do they know what that is? That amendment would limit the power of the President to make treaties. * * * The Bricker amendment has no chance of becoming a law; Senator WILEY knows that, anybody thinking right on the subject knows it, so why criticize a wise and thoughtful Senator who does know? Calm, deliberate and consistent judgment of Senator WILEY is one of the essentials in which Wisconsin people should take comfort."

He included an editorial on the matter, carried in the Washington Post.

* * * * *

Incidentally, Governor Kohler, upholds Senator WILEY in his stand on the Bricker amendment.

CALL OF THE ROLL

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PAYNE in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Griswold	McClellan
Anderson	Hayden	Millikin
Barrett	Hendrickson	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Mundt
Bricker	Hill	Murray
Bridges	Hoey	Neely
Butler, Md.	Holland	Pastore
Butler, Nebr.	Humphrey	Payne
Byrd	Jackson	Potter
Capehart	Jenner	Purtell
Carlson	Johnson, Colo.	Robertson
Case	Johnson, Tex.	Russell
Chavez	Johnston, S. C.	Saltonstall
Clements	Kefauver	Schoeppel
Cooper	Kennedy	Smathers
Cordon	Kerr	Smith, Maine
Dirksen	Kilgore	Smith, N. J.
Douglas	Knowland	Sparkman
Duff	Kuchel	Stennis
Dworshak	Langer	Symington
Eastland	Lehman	Thye
Ellender	Long	Tobey
Ferguson	Magnuson	Watkins
Flanders	Malone	Welker
George	Mansfield	Wiley
Gillette	Martin	Williams
Goldwater	Mayhank	Young
Gore	McCarran	
Green	McCarthy	

The PRESIDING OFFICER. A quorum is present.

THE DEFICIT FOR FISCAL YEAR 1953 AND THE YEARS TO COME

Mr. FLANDERS. Mr. President, we were all disturbed, I am sure, by the announcement of the Treasury on July 1 that the budget deficit for the fiscal year just ended was $9,389,000,000. This resulted from expenditures of $74,607,000,000 with only $65,218,000,000 of receipts.

The connection may not be obvious, but I frequently pass the Archives Building and as frequently read on the Pennsylvania Avenue side the inscription, "What is past is prologue." I am unwilling to accept certain implications of this inscription. I am willing to admit that the past is irrevocable, but does it necessarily bind our future? Perhaps the prolog is to a play which we should never put on the stage.

Let us first look at the inevitability of the past. The 1953 deficit was inevitable. The expenditures had been determined by the 82d Congress and, in the long-time contracts of the Defense Department, even by the 81st Congress in the few weeks and months before the end of fiscal 1953. The expenditures, therefore, had to be made though the cutting down of Government employment and other minor economies had a small beneficial result on the total.

There is in fact one element that counts in the expenditures column which has been increased in the past fiscal year. This increase has been in the refunds of receipts, particularly the refunds on corporate and personal income taxes already collected. These amounted to $800 million more in 1953 than in 1952. This was not so much due to laxity or generosity but to a determined speeding up of the processes of deciding whether or not a refund is due. The average time for this has been greatly reduced. It has unfavorably affected the deficit situation for this past year. It is, however, a nonrecurring item and it is not expected that it will alter materially for the year 1954.

There is another item that shows an increase, though not a great one. Yet it is very much on people's minds and is very much a subject of political discussion. This is the interest on the public debt. This was $6½ billions for 1953, which was substantially the same as estimated in the January budget. A conservative estimate for 1954, the coming fiscal year, is $6,600,000,000.

The senior Senator from Washington, in the discussion of medical assistance for cancer and tuberculosis yesterday evening, spoke of the increased interest charges to the Government in terms which are liable to be misconstrued and which I am sure he would wish to correct in view of possible misunderstandings. Speaking to those of us who were trying to reduce appropriations, which we would ordinarily like to have increased, he said of us:

> Yet they are the very ones who never raised a voice when a few weeks ago, by an action of the administration, the interest rate on Government bonds were raised in which action will cost the taxpayers $2,500,000,000. I believe when we start to talk about economy we ought to start to pick and choose where we will economize. That one action has cost the taxpayers of the United States almost $3 billion.

It is highly problematical that allowing interest rates to seek their natural level will cost the taxpayers $2,500,000,000. That it has cost them almost $3 billion is certainly not so.

We must face the facts of life financially instead of living in the dream world of deficit financing, unless we are willing to take out of the pockets of the citizens of this country not $2½ billion or $3 billion but scores of billions of dollars through the process of inflation. Inflation has been brought to a halt. If it can be halted, the pensions of the aged are safe. The savings of the citizen are safe. The life insurance that the father of the family has provided for his wife and children is safe. We no longer base our fiscal policy on the sucking of the financial blood from the aged and those who wish to provide for their own future and that of their children.

The control of inflation has other and more direct savings. After the outbreak of the Korean war, Secretary Marshall testified that inflation had raised the cost of defense by $7 billions. That cost is far in excess of the amount which the Senator from Washington fears that the control of inflation will cost us.

The question is, should we finance a deficit by inflation or try other means? We have used other means as far as possible. We have drawn down the Treasury balance by $2,299,000,000. It will not be safe to reduce it much more. We have resorted to the issuing of $5½ billions of Tax Anticipation Certificates to cover the expected deficit for the calendar year. This has been put out in the not unreasonable figure of 2½ percent of interest.

We furthermore have learned that it is easier to estimate expenditures than it is to estimate income. The income for calendar 1953 was only $65,218,000,000 compared with the $68,700,000,000 that the previous administration reckoned on.

The simple fact is that in spite of the enormous turnover of the business of the country, business costs are catching up with business sales, dollarwise. Besides this there was a loss in income from the steel strike. There was not as much profit and there was not as much in the way of taxes as had been anticipated. This situation will go on into the future as it has sown itself in the recent past.

This reintroduction to the facts of life gives support to the stern necessity for continuing the excess-profits tax for 6 months. It supported the junior Senator from Vermont in voting yesterday against appropriations which he would have been glad to support. We are held in a seemingly inescapable vise between the difficulty of balancing the budget on the one hand and the temptation to increase the deficit on the other. What is our means of escape?

Mr. President, I believe that we can escape. We can put a new play on the stage, for which the past is not the prolog.

When we examine our fiscal problems, we are hit between the eyes by the mounting defense expenditures which we have been voting year after year. The major national security programs, including atomic energy, mutual defense, and so forth, have been going up from $17,800,000,000 in 1950 to $26,400,000,000 in 1951; $47,200,000,000 in 1952; $53,700,000,000 in 1953, and an expectation of about the same amount for fiscal 1954. Thank Heaven these expenditures are leveling off, but if we are to do away with unjust taxes and if we are to have more funds to spend on desirable undertakings like those we were discussing yesterday, and if we are to balance the budget, we have got to do more than level off on our defense expenditures. We have got to cut them sharply.

In the past few days we have had one development which, if the news reports are correct, would seem to require a new major commitment and corresponding expenditures. We foozled the Korean settlement. We could have offered a Christian peace months ago and given assurance to Syngman Rhee that that was our objective. We could have worked consistently and strongly toward that objective by broadcasting the peace proposals through the air and from the sky to the North Koreans and to the Communist armies. This we did not do. Syngman Rhee had no assurances of our support for a united Korea and, in the endeavor to quiet him, we seem to have offered assurances that he will be protected against invasion for an indefinite time in the future. We can hope that this report is not so. But if it is so, here is one military expenditure which will have to be carried on for years to come.

While we missed revising our expensive foreign policies in the Korean situation, there is no need that we should do so in other parts of the world. Indeed, the situation in Indochina looks very hopeful if the French will carry out actively and in good faith their offers of substantial independence to Laos, Cambodia, and Vietnam. That is the most constructive program that has been set forth in many months. Properly handled by the French, it can cut the ground out from under the Communist aggression and relieve us of an indefinite but enormous burden of expense.

The chances of a new situation and corresponding new policies in Western Europe are even greater, since we now know what many have long suspected, that the Soviet colossus rests on feet of clay.

By prompt, decisive action with respect to the Russian people and the people of the satellites, we can accelerate and make certain the disintegration of that evil structure. So far as the Russian people are concerned, it is necessary first that the Senate Foreign Relations Committee hold hearings on and report favorably to the Senate, Senate Concurrent Resolution 32, reaffirming universal guaranteed disarmament as our national policy. When this has been done, and when the House takes similar action, our Government can enter the fall meeting of the United Nations Assembly doubly reinforced in its determination to push this project night and day, week in and week out.

With this as our publicly affirmed national policy, even on the basis of past pronouncements, we can and must go to the Russian people through the air and

by other means with this message of peace. We must tell them in simple language, repeated over and over, that they can have better housing, better food, and better clothing if their government turns its expenditures into the support of the well-being of its people instead of into the amassing of armaments and the support of armies. We are ready to end all that. Why is not their government ready to join us in ending all that? Why does their government prefer that their people should toil for that which they cannot eat or wear and which will not shelter them instead of devoting the natural wealth of Russia and the work of its people to their own good?

For this we need a new technique. We need authentic news reported daily but with the same old message of effective peace repeated indefinitely.

We do not need high-salaried radio script writers. Simple truth will do. Perhaps we do not need the elaborate overseas beaming stations. Phonograph discs will do the trick, played over and over and over again. The value of the Voice of America is dubious so far as the rest of the world is concerned. It is invaluable, it is without price so far as concerns the oppressed subjects of the Soviet Government. Here, then, is an initial reduction in the costs of the Voice, but it is not so much the reduced appropriations that count as the increased effectiveness.

For the enslaved satellites we have other messages. We have the message of continued concern for their freedom. We should be able to tell them that in the United Nations we will constantly and endlessly fight out the battle of free communications and free elections. We must not urge them to revolt. Responsibility for armed revolt or passive resistance is for them to determine but we can and must assure them of our constant concern and our constant efforts for free communications and free elections.

Further than that, should there be any evidence that the Soviet armed forces are moving into the West, we should tell them that their chance has come. We should encourage them in noncooperation and even to active sabotage. When and if the Soviet armies move, they can be assured of gaining their independence.

Mr. President, action of this sort, undertaken now, will be worth a hundred divisions on the western front. Let us not put our whole faith in arms and armament. Let us seize the opportunity so providentially given us of accelerating the disintegration of Soviet power. The chance is ours. The tide in the affairs of men is rising. Will we move in with the flood?

There are many other things that might be said along this line. Let me close by again saying that the past must not be the prolog to the play which we now put upon the stage. This is a new play. The old play leads to heavier and heavier expenses, higher taxes, greater deficits, decreased attention to human wants and needs, unrestrained inflation. Mr. President, the remedy for our fiscal problems lies not in the actions which the Treasury may take, though those should be rational and judicious. The answer to our fiscal problems lies fundamentally in the statesmanship which we should be developing and resolutely applying.

Mr. President, I ask unanimous consent to have printed in the RECORD immediately following my address an article entitled "Capitalize on Satellites' Unrest," written by Thomas L. Stokes, and published in the Washington Evening Star.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CAPITALIZE ON SATELLITES' UNREST—RESOLUTION BY FLANDERS AND 32 SENATORS FAVORING DISARMAMENT WOULD GIVE HOPE TO SLAVES AND EMBARRASS MOSCOW

(By Thomas L. Stokes)

There has been much hasty scrambling around here over ways to capitalize on the unrest and rebellious outbreaks among Russia's eastern European satellites, including East Germany, and to aid and encourage the tugging at the Communist yoke.

The Senate Foreign Relations Committee came up with a resolution, which it approved unanimously, to express the sympathy of our Nation, through Congress, with the East German revolters, and to declare our approval of their aim of a unified and free Germany.

There is another resolution all ready and waiting, and has been since June 3, which would seem a most fitting corollary to the one above mentioned. It has a bigger and broader aim and carries hope to all people everywhere who are yearning for a peaceful world and for easing of the crushing burden of armaments which is made necessary by the threat of Russian aggression.

This is the concurrent resolution sponsored by Senator RALPH E. FLANDERS, Republican, of Vermont, and 32 Senators of both parties. It would put the stamp of approval of Congress on the disarmament and world rehabilitation proposal made by President Eisenhower in his notable speech before the American Society of Newspaper Editors here last April 16.

That address, which at the time lifted the spirits of people all over the world, has been submerged meanwhile in the clamor and confusion over immediate and plaguing problems—the controversy over how many billions of dollars our own defense budget should provide, the disillusionment over a Korean truce, the squabble over taxes, and such.

But that speech did stir a responsive chord in the Senate, and it found a practical vehicle in the Flanders resolution, and quite naturally; for President Eisenhower adopted an idea originally proposed by a Senator, and a New Englander also—the late Brien McMahon, Democrat, of Connecticut, who campaigned for it tirelessly until his untimely death.

It envisaged an incentive to disarmament by providing that, once disarmament is achieved, the money formerly devoted to arms be pooled in a revolving fund of the United Nations that would be used to relieve poverty and distress and to build up the underdeveloped areas of the world.

Giving legislative sanction to the McMahon-Eisenhower project, the Flanders resolution would put us once more on record for enforceable disarmament through agreements within the United Nations, and would request the President to continue to seek a practical program for disarmament and to "develop a plan for the transfer of resources and manpower now being used for arms to constructive ends at home and abroad."

Elaborating further, the resolution requests the President to "recommend similar action to the United Nations and member states, such plans to give due consideration to the possibilities for vastly increased trade with other nations, and to the vital share which the United States and other nations should undertake in helping to overcome hunger, disease, illiteracy, and despair which have been among the prime causes of war."

Passage of this resolution now, in this session of Congress, would serve once again to dramatize the fact that it has been Russia which has constantly blocked attempts in the U. N. to get disarmament and international control of atomic weapons—and this at a time when Russia is under pressure in her satellite constituencies.

The 32 Senators who joined Senator FLANDERS in sponsoring his resolution represent every shade of opinion in the Senate. Consequently, it should not be difficult to get approval of this resolution which restates the high aims of our President and our people and at a time when this could be most helpful.

"Its passage," Senator FLANDERS said, "would reaffirm to the world the United States genuine desire for permanent peace. Such unity in support of this purpose among all free nations would result in great pressure on the Soviet Union to join such a program. We have no guaranty that the pressure would be sufficient to produce eventual Soviet acceptance, but it is certainly worth trying. And so long as a United States offer and a Soviet refusal are extant, the Soviet Union is to that extent disadvantaged in the battle for men's minds and hearts."

Mr. FLANDERS. Mr. President, I desire also to read into the RECORD a letter I have reecived from a mother in Winooski, Vt., under date of July 2, 1953:

DEAR SENATOR FLANDERS: Our family was delighted to hear your statement in today's Free Press (Burlington). My other son was killed in action on June 11. If all these lives are lost to any purpose, the United States has to win this war. Behind China is Russian communism. It will expand until stopped by defeat. If the Reds want time, it must be bad for us to let them "stall" us along. We could lose all chance of survival. This truce is as bad as Munich.

My other son is single, and world war III full scale will probably call him back. But who wants to live in a satellite of Russia?

Sincerely yours,

EDITH H. PORTER.

I am sorry for the mother. I have read the letter into the RECORD to show that not everyone is in favor of ending the conflict in Korea with a dishonorable truce or upon any dishonorable terms. This mother represents the finest sort of American motherhood.

DESIGNATION OF ACTING SERGEANT AT ARMS OF THE HOUSE OF REPRESENTATIVES

Mr. JOHNSON of Colorado obtained the floor.

Mr. BENNETT. Mr. President, will the Senator from Colorado yield briefly to me for the purpose of having considered an emergency joint resolution action on which, if the Senator will yield, will enable the Senate to serve the House of Representatives quickly?

Mr. JOHNSON of Colorado. I am glad to yield, provided I do not lose the floor.

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, may I inquire what is proposed to be done? I did not understand the Senator from Utah.

Mr. BENNETT. My purpose was to move that the Senate proceed to consider an emergency joint resolution to assist the House in appointing a new Sergeant at Arms, so that the House may issue checks to its personnel.

The PRESIDING OFFICER. The clerk will state the joint resolution by title.

The LEGISLATIVE CLERK. A joint resolution (H. J. Res. 292) authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. JOHNSON of Texas. I object.

BROADCASTING OR TELECASTING OF PROFESSIONAL BASEBALL EXHIBITIONS

The Senate resumed the consideration of the bill (S. 1396) to authorize the adoption of a certain rule with respect to the broadcasting or telecasting of professional baseball exhibitions in interstate commerce, and for other purposes.

Mr. JOHNSON of Colorado. Mr. President——

Mr. GORE. Mr. President, a point of order.

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Tennessee?

Mr. JOHNSON of Colorado. No; I do not yield for the purpose of what I am convinced are dilatory tactics. I promised the acting majority leader that I would move promptly into this matter, and I wish to do so. I will not yield for the purpose of a quorum call.

I am very grateful to the acting majority leader and to the policy committee for making it possible to allow Calendar No. 389, Senate bill 1396, to have its day in court. I promised the acting majority leader I would not take very much time on the bill. I want to answer all questions pertaining to the bill, if any Senator has such questions to raise, because I am thoroughly convinced a great amount of misinformation is at large with respect to the measure. Therefore, I wish to correct the misapprehensions in every way I can.

Mr. President, the purpose and effect of the bill is to live and let live. Some conflict and controversy exist throughout the land with respect to the bill. A few broadcasting stations think they are opposed to it, but my honest belief is that they are not acquainted with the bill, its effect, or its purposes. All of baseball is in favor of the measure. Mr. Trautman, who is president of the National Association of Professional Baseball Minor Leagues, has gone so far as to say that unless some relief is afforded, the minor leagues will pass completely out of the picture. He says, "Either give us some help, or come to our funeral."

The commissioner of baseball, Mr. Ford Frick, has said that if the minor leagues are destroyed the major leagues will also be destroyed. So the broadcasting stations which are opposing this measure are taking much the same position as that taken by the greedy man in the Mother Goose story who killed the goose that laid the golden eggs. If they persist in fighting this kind of legislation and do not make it possible for the minor leagues and the major leagues to exist, then, of course, there will be no broadcasting of professional baseball games.

The effect of this bill is not to prohibit broadcasting. It is not to prohibit telecasting. The object is to curtail the oversaturation of broadcasting and telecasting of baseball games, so that the minor league baseball organizations can live. We know that the broadcasting stations will greatly profit, so long as baseball is of great interest to the people of the country.

Like most other Senators, I do not wish to injure baseball or broadcasting. Both are important American institutions. I want both to grow, prosper, and continue to serve the American people. Under the terms of my bill baseball broadcasting would not be injured. I make that as a positive statement. On the contrary, Senate bill 1396 would improve and increase baseball broadcasts by bringing order out of the present chaos. That is something which the broadcasters themselves have not been able to do. The present chaotic condition, as I say, is caused by oversaturation.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I yield.

Mr. LONG. Is the Senator sure that the difficulty in attracting gate receipts in baseball parks is the result of oversaturation of baseball broadcasting? Or is it because today more entertainment is available to the public? Television has now come into the field, reducing the gate receipts of all forms of entertainment, particularly in the motion picture industry.

Mr. JOHNSON of Colorado. Of course television has had a tremendous impact upon all branches of entertainment. There can be no question about that. That is a perfectly legitimate impact. But we have sufficient records to indicate that oversaturation of broadcasting and telecasting of baseball has completely destroyed baseball in many areas.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. JOHNSON of Colorado. Yes. I wish to answer the question in full.

In 1946 baseball adopted a rule with regard to television and radio. Under that rule baseball prospered, and so did television. So did radio. That rule was in effect for 4 years. During that time, as I say, baseball made great headway. In 1949 the Justice Department suggested that that rule be abrogated. It was alleged that there was a conspiracy, because the league, instead of a club, had agreed upon the rule.

Baseball acceded to the request of the Department of Justice and repealed its rule. Immediately baseball commenced to go down and down and down, especially in areas where there was television. In all of New England there is only one minor league left. In 1949 we had 59 leagues in the country. Today we have only 38, and fully half of them are barely living. They are ready to pass out of the picture, and they will unless legislation such as we have before us today is enacted so as to permit them to live. That is a tragic situation.

Mr. LONG. Mr. President, will the Senator further yield?

Mr. JOHNSON of Colorado. We have lost 162 clubs in the United States since 1949. Those clubs themselves have attributed their demise to the saturation of broadcasting and telecasting of baseball.

I now yield to the Senator from Louisiana.

Mr. LONG. Is it not entirely likely that those clubs would have had the same problem even if there had been complete restriction of baseball broadcasting and baseball televising? In former times there was very little a person could do in his leisure time. Very little entertainment was available. Now, however, with television there is always a good program available. The ordinary workingman and the ordinary white collar employee have only a certain amount of time available for recreation and entertainment. Nowadays, with television, even if baseball broadcasting were not available, they would still have very good entertainment in their homes, practically without cost. Can the Senator assure us that a reduction in baseball gate receipts would not have occurred anyway?

Mr. JOHNSON of Colorado. Of course I cannot prove the answer to the Senator, but it is my honest opinion, and it is the considered opinion of everyone in baseball, that baseball would have prospered if it had not been for the oversaturation of broadcasting and telecasting of baseball games.

AUTHORIZATION TO SIGN ENROLLED BILLS, ETC., DURING RECESS OF SENATE—DESIGNATION OF ACTING SERGEANT AT ARMS OF THE HOUSE OF REPRESENTATIVES

Mr. KNOWLAND. Mr. President, will the Senator from Colorado yield to me for a unanimous-consent request?

Mr. JOHNSON of Colorado. I am glad to yield if I do not lose the floor.

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). Without objection, the Senator from Colorado may yield without losing the floor.

The Senator from California is recognized.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that during the recess of the Senate the Vice President be authorized to sign enrolled bills or joint resolutions.

For the information of the Senate, I may say that the Sergeant at Arms of the House of Representatives died, and apparently, under the rules of the House, it will not be possible to open the House bank tomorrow unless a joint resolution to which reference has heretofore been made is passed. Also, unless authorization were given by the Senate, the Vice President would be unable to sign the joint resolution during the recess. This is a matter which we have discussed with the minority leader.

The PRESIDING OFFICER. The Chair understands that the Senator from

California wishes immediate consideration of House Joint Resolution 292.

Mr. KNOWLAND. Yes; and I also wish to have the unanimous-consent request approved.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, when the request was made a few moments ago by the present acting majority leader, the Senator from Utah [Mr. BENNETT], for the immediate consideration of the joint resolution, the minority had no knowledge of the condition which existed in the House. It had no knowledge of the joint resolution. Until we could inform ourselves, I objected on behalf of the minority.

Since that time the acting majority leader, the Senator from California [Mr. KNOWLAND], has gone over the resolution with me, and the majority leader of the House, Mr. HALLECK, has discussed the situation that exists there. I believe the joint resolution should be passed, and consent should be given to the Vice President to sign enrolled bills and joint resolutions, notwithstanding that the Senate may be in recess.

Mr. KNOWLAND. I wish to say to the distinguished Senator from Texas, who mentioned the acting majority leader, that I was not present at the time the joint resolution came over from the House. The distinguished Senator from Utah [Mr. BENNETT] was acting for me at the time. I am certain he would have taken it up in the normal course of events, but perhaps felt it was of a routine nature.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from California? The Chair hears none, and it is so ordered.

The PRESIDING OFFICER laid before the Senate the joint resolution (H. J. Res. 292) authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives, which was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. KNOWLAND. Mr. President, would the distinguished Senator from Colorado [Mr. JOHNSON] yield again, so that I may make another inquiry, without his losing the floor?

Mr. JOHNSON of Colorado. I am glad to yield for that purpose.

Mr. KNOWLAND. I should like to say that, as Senators will recall, some time ago we had agreed that at 3:10 o'clock this afternoon the Senate would take up for consideration the emergency drought legislation. I would say to the distinguished Senator from Colorado that if he would yield for the purpose of taking up the bill—and I do not believe its consideration would be prolonged, although there will be considerable discussion of it—that we could then discuss the proposed legislation in which he is interested. In view of the fact that the emergency drought legislation is ready for consideration and that Senators were given notice earlier that at 3:10 o'clock we would take it up, I feel we should do so. I wanted to make that explanation to the Senator.

Mr. JOHNSON of Colorado. I hope the acting majority leader understands that I have not taken up all the time in the discussion of the baseball bill since it came up for consideration.

Mr. KNOWLAND. I understand.

Mr. JOHNSON of Colorado. Several Senators who had speeches to make on it made them. I got the floor only a few minutes ago. However, I shall be very glad to yield to the Senator from California if that is his desire.

The PRESIDING OFFICER. The Chair would remind Senators that the joint resolution has not been disposed of. Is there objection to the present consideration of the joint resolution?

Mr. DIRKSEN. Mr. President, reserving the right to object—and I do so only to address myself for a moment to the Senator from Colorado [Mr. JOHNSON]—I should like to say, as the Senator well knows, I objected to Senate bill 1396 when it was reached on the call of the calendar. I have renewed that objection. I was a little surprised that it should come up for action today. I think I should take the opportunity to say that the Department of Justice, from which an opinion on the bill was sought, has submitted no opinion. The Department of Justice thought it was inappropriate to express an opinion at this time, because a comparable case, involving the broadcasting of football games is presently pending in the United States district court in Philadelphia.

I have examined all the testimony on the bill and I want to say that first of all, as my friend from Colorado knows, broadcasters are opposed to the bill. I have been deluged with telegrams from all over the country, particularly from those who are interested in minor league baseball. Thirdly, this same matter, while it differs from the matter presently in the court, does, however, directly involve the Antitrust Act. I am not sure that the bill in the first instance should not have been referred to the Committee on the Judiciary. I believe a rule was instituted by the major leagues—as I recall it is rule 1–D—regarding which they asked the Department of Justice for an opinion. The Department of Justice was of the opinion that it would involve a conspiracy and a restraint of trade.

The case that is pending in Philadelphia is identical with this, so far as the broadcasting of recreational and athletic contests is concerned. That case is presently pending. I believe the Senate should be better advised before it takes up a bill of this kind, and, considering the importance of the issue involved, I believe probably more testimony should have been taken than there was taken in connection with the bill. I have gone through the hearings very carefully. Frankly, that was the reason for my objection.

I have no hard and fast notion as to exactly what is right or wrong—and the proponents may be able to make out a case—but at this moment I have assigned a man to pursue the matter, in the hope that I can study every aspect of it to make sure that the bill is on solid ground. I hope consideration of the bill will not be renewed until a more thorough investigation can be made.

Mr. JOHNSON of Colorado. I should like to reply to the Senator from Illinois, if I may. Then I shall yield to my colleague, the Senator from Ohio [Mr. BRICKER].

The Committee on Interstate and Foreign Commerce held extended hearings, lasting for 5 days. Everyone interested was advised and knew about the hearings. Everyone who wanted to testify with respect to it came before the committee. We invited specially the Justice Department. They indicated they did not have an opinion at the present time. They stated that they had a case in Philadelphia with respect to football, which is somewhat related to the same problem, but not identical with it by any means, although there is some similarity in the two cases, and they said that, while that case was pending, they did not want to take a position with respect to the bill, and they have not taken a position with reference to it. They have not said that the bill is in violation of the antitrust laws. They never made that statement.

The PRESIDING OFFICER. The Chair suggests to the distinguished Senators who are now engaged in colloquy that the Senate has not passed on the House joint resolution.

Mr. DIRKSEN. I may say to the genial Presiding Officer of the Senate that we will get around to it. I will not labor the question long. I want the Senate to know—and I reserved my right to object—that I have before me a letter from the Department of Justice addressed to the chairman of the Committee on Interstate and Foreign Commerce. One paragraph of the letter reads:

> On March 12, 1953, the trial of United States against National Football League, and others, was concluded before Judge Allan K. Grim in Philadelphia. Inasmuch as the question now before the court for decision is the same as that with which S. 1396 is concerned, this Department feels that it would be inappropriate to make any comment on the bill, and therefore is unable to accept the invitation to send a representative to testify at the hearing on this measure.

Mr. President, it seems to me that the reasonable thing to do would be to wait for Judge Grim to hand down his decision on the very question that is involved in Senate bill 1396. Of course, if anyone is going to proceed to bring about the enactment of the bill I shall do the best I can, by what feeble talent I have in the field of parliamentary maneuver, to see to it that it does not come on for action. I may not succeed, but I believe the Senate is entitled to know how I feel about it and the equities which I believe are involved.

Mr. BRICKER. Mr. President, reserving the right to object, I should like to speak about the question raised by the distinguished Senator from Illinois [Mr. DIRKSEN] with regard to the case that is now pending. The question of law may be similar in football and baseball, but the questions of fact are entirely different. The consequences of any limitation on broadcasting are entirely different with respect to the two sports.

The problem in baseball is the killing off the supply of baseball material through the destruction of the minor leagues and the smaller teams which ordinarily depend on the gate receipts for their life.

The football leagues are dependent for their recruitment on the colleges and high schools of the country. Their material is prepared for them without any cost whatever. The broadcasting of football games does not have any effect on the supply of material.

I may say to the Senator from Illinois that there is an opinion of the Supreme Court of the United States—and it is one of the most recent cases decided—that baseball is not commerce within the purview of the antitrust law but a sport. That decision has never been in any way qualified or reversed by the Supreme Court or by any inferior court.

The Department of Justice on its own initiative started the program of attempting to prohibit broadcasting of football, and brought the suit to which the Senator from Illinois [Mr. DIRKSEN] has referred. They proceeded to ask the Commissioner of Baseball—Mr. Chandler at the time and I believe it was in 1949 or 1950—for all the data in regard to organized baseball, so that they might eventually proceed in the same manner against baseball, with the idea of preventing restriction, limitation, control, or prevention of contractual arrangements in respect to the broadcasting in minor-league territory of the games of major-league baseball teams.

As a result of that threat of action on the part of the Department of Justice, organized baseball repealed rule 1–d, which was restricting the broadcasting of major-league games and was protecting the minor-league clubs in the various communities in the Nation.

So at the present time it is not proposed that anything be done to the antitrust laws. The proposal is simply that we confirm the decision of the Supreme Court of the United States in this matter, in order to satisfy organized baseball that baseball can be played as a sport without restriction by the antitrust laws.

The consequence of that action by the Department of Justice was disastrous, so far as baseball was concerned. Five years ago there were 35 minor-league baseball teams in my State of Ohio. Today there are only 2 minor-league teams in Ohio, as well as 2 major-league teams; and they are not supporting themselves by their receipts.

So we are permitting the destruction of the minor leagues, which are the training ground of the players. Also, we shall ultimately cause the destruction of the major leagues, which are dependent upon minor leagues for their players. In doing so we shall do irreparable damage to one of the greatest sports in the world. Baseball is our national game. It is the game that all the kids have played on the sandlots in years gone by. We know the great personal benefit and development that have resulted from the playing of this game, which not only creates team spirit, but also fosters and develops initiative and self-reliance on the part of the individual players.

So, Mr. President, at this time I think we should give earnest consideration to the bill, which has been introduced by the Senator from Colorado [Mr. JOHNSON]. The action proposed in the bill will be definitely in the national interest.

Enactment of the bill will not result in the doing of damage to the broadcasting stations. They had a representative at the hearings, but at that time he did not even introduce any testimony, as I recall.

Mr. JOHNSON of Colorado. That is correct.

Mr. BRICKER. That representative has been a personal friend of mine for many years. He said to me that they might submit a letter. That was all they planned to do, although they had ample time to read the bill and to confer with the broadcasting stations and to determine what possible detriment might result to them from enactment of the bill. They are not dependent upon the broadcasting of baseball games for their life or perpetuation, but baseball is dependent upon adequate protection, if it is to survive.

Baseball is now being killed off rapidly, and will be entirely killed off if we do not give it the protection the Supreme Court already has given it.

Mr. DIRKSEN. Mr. President, will the Senator from Ohio yield to me?

Mr. BRICKER. I yield.

Mr. DIRKSEN. The thought expressed by the Senator from Louisiana [Mr. LONG] when he asked, "What proof is there that such broadcasts have had a disastrous effect upon baseball?" also occurred to me. In the hearings I found testimony along that line, but in my opinion it was not conclusive. So it is a matter of opinion as to whether such broadcasting of baseball games has had on the minor league teams the effect that has been ascribed to it.

With respect to the broadcasts, I assume that every Senator has received a memorandum from the Association of Broadcasters indicating its opposition to the bill. The small broadcasters throughout Illinois have telegraphed and written to me of their opposition to the bill. So certainly there is some opposition.

Finally, Mr. President, let me say that if the action is proposed to be taken in the interest of baseball why should not similar action be taken in all other cases in which a similar situation might be involved? Why should not similar action be taken in connection with pageants, concerts, and all other kinds of entertainment, instead of singling out one recreational sport from the entire field of entertainment in the United States?

Mr. BRICKER. Mr. President, I doubt that the Senator from Illinois could cite for our consideration any activity except football which parallels, but does not equal in importance, baseball. I doubt that any other sport or activity in the Nation is in a similar situation. If there is one that is in a similar situation, I, for one, would be in favor of exempting it also from the antitrust laws.

Certainly there is no sanctity or sacredness so far as the antitrust laws are concerned. They were enacted in the public interest. I am concerned because I believe the overall public interest is being damaged by the action of the Department of Justice, in its attempt to enforce the antitrust laws in this field, to which the Supreme Court has said the antitrust laws do not apply.

Mr. DIRKSEN. Mr. President, will the Senator from Ohio yield for a further question?

Mr. BRICKER. I yield.

Mr. DIRKSEN. I think the Senator from Ohio will agree that when the major leagues issued the so-called rule 1–d, they submitted it to the Department of Justice for an opinion. I believe everyone interested in the bill will bear me out when I say that the Department of Justice said that such activity could or might constitute a conspiracy in restraint of trade.

Consequently, we are now asked to take action on a piece of proposed legislation which, if enacted, would nullify the effect of that very informal opinion, and would give the stamp of approval to something which otherwise would constitute a conspiracy against the antitrust law.

The PRESIDING OFFICER. The question is——

Mr. BRICKER. Mr. President, has my time expired? I reserved the right to object, in order that I might speak for 5 minutes. Has that time been consumed?

The PRESIDING OFFICER. Yes.

Mr. BRICKER. I thank the Chair.

DESIGNATION OF ACTING SERGEANT AT ARMS OF THE HOUSE OF REPRESENTATIVES

The PRESIDING OFFICER. Is there objection to the request for the present consideration of House Joint Resolution 292, authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives? The Chair hears none.

There being no objection, the Senate proceeded to consider the joint resolution (H. J. Res. 292) authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives.

The PRESIDING OFFICER. The question is on the third reading of the joint resolution.

The joint resolution was ordered to a third reading, read the third time, and passed.

PROGRAM FOR THE REMAINDER OF THE WEEK

Mr. KNOWLAND. Mr. President, for the information of the Senate, when the Senate completes its business this evening it is anticipated that it will stand in recess until 12 o'clock noon tomorrow.

It is quite likely that tomorrow there will be a session in the evening, as well as sessions on Friday and Saturday.

Pursuant to the prior announcement, we hope that some time tomorrow the Senate will go into executive session to consider the second group of treaties, dealing with tax and debt matters. The status-of-forces agreements will not be taken up tomorrow, but we anticipate that they will be taken up later this week or early next week.

In the meantime, when action has been completed upon the pending legislation, it is the intention of the acting majority leader to move that Senate bill 16, Calendar No. 153, be made the unfinished business. This is a bill with respect to which a commitment was made by the majority leader, the Senator from Ohio [Mr. TAFT] some time ago to the Senator from Nevada [Mr. MCCARRAN] to take up the bill. It is a bill dealing with the immunity of witnesses appearing before congressional committees. From all indications, it is controversial. At least there are varying points of view with respect to it. At any rate, the commitment had been made that the bill would be brought up and the Senate given an opportunity to express itself on the proposed legislation.

During the time that discussion is under way, or after it has proceeded for a period of time, the acting majority leader plans to ask the Senate to go into executive session to consider the treaties to which I have referred.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Does the Senator expect to have the Senate meet at the regular time tomorrow?

Mr. KNOWLAND. Yes.

Mr. President, with the further consent of the Senator from Vermont, I ask unanimous consent that when the Senate completes its business today it stand in recess until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

Mr. KNOWLAND. Mr. President, pursuant to the yielding on the part of the Senator from Colorado, I now request the regular order.

The PRESIDING OFFICER. The regular order has been requested; and the Chair lays before the Senate the unfinished business, Senate bill 2267, to provide additional emergency assistance to farmers and stockmen, and for other purposes.

The bill has been reported with certain committee amendments, and the first amendment of the committee will be stated.

The first committee amendment was, on page 1, in lines 3 and 4, after "1949", to strike out "(63 Stat. 43, as amended)" and insert "(63 Stat. 43), as amended."

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the first amendment of the committee.

Mr. AIKEN. Mr. President, I should like to say a few words about the bill before the vote is taken on the amendment.

The pending bill would authorize the Secretary of Agriculture to make loans to farmers and stockmen who are in financial distress.

There are really two parts to the bill. At the present time loans can be made to farmers who are suffering from production disaster in areas which have been proclaimed disaster areas. The proposed legislation would also make those farmers in disaster areas, who suffer from economic disaster, particularly unwarranted and very sharp and deep price declines, eligible for loans.

The proposed loans could be made to any type of farmer, whether the producer of crops or livestock, or whatever he may be producing.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from Wyoming.

Mr. BARRETT. I should like to ask the Senator if he would have any objection to an amendment adding the words "and feeders" after the words producers in line 25, page 2, of the bill.

Mr. AIKEN. I have not quite reached that part of the bill yet. I was discussing section 2 (b), found on page 2 of the bill. That is the part of the bill which provides for loans to any type of farmer suffering from economic disaster in an area which has been made a disaster area under Public Law 875. Section 2 (c) provides for special livestock loans.

I shall take the bill up line by line. There are a few matters I wish to point out, and others will be brought up in the discussion.

Mr. BARRETT. I hope the Senator will tell the Senate, during his discussion, if section 2 (c) is meant to apply to economic disaster loans to livestock.

Mr. AIKEN. I shall come to that in a moment.

First, let me say that it is not proposed that loans shall be made for the purpose of permitting anyone to embark in the field of agriculture or to expand operations if they are already engaged in agriculture. The purpose of the proposed legislation is to keep bona fide farmers who are now on the land in business so that they may continue producing and make a decent living for themselves.

The loans under section 2 (c) will be from $2,500 up. I have been asked why the bill does not authorize loans of less than $2,500 for the accommodation of small farmers. It is because we are assured by the Department that the Farmers' Home Administration already has sufficient authority to make small loans. In fact, it can make production and subsistence loans up to $7,000, but in this bill we made the minimum $2,500 so that loans above such amount could be made from a special revolving fund, which the bill authorizes to be augmented.

I now come to the question raised by the Senator from Wyoming. As the bill was reported by the committee, section 2 (c) provides that loans may be made to producers of cattle, sheep, and goats who have a good record of operations. The question raised by the Senator from Wyoming was, Why do we not include feeders? Feeders were not included by the committee because a line had to be drawn somewhere as to where the making of loans would stop.

The bill as originally drawn provided for loans to "ranchers or stockmen, including corporations or associations engaged in the business of financing cattle if they are owned and controlled by ranchers and stockmen engaged in the business of buying and selling cattle."

That provision, which would have included feeders was stricken from the bill and the committee language substituted. Personally I have no very strong feeling with regard to it. I can see some advantages if bona fide feeders who are established in the business are permitted to come under this program.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield further?

Mr. AIKEN. I yield.

Mr. BARRETT. I appreciate the position taken by the Senator, but I should like to say that, in my judgment, the producer and the feeder are engaged in one overall operation, namely, to furnish finished beef for the market, and if the financing of the feeder is left out of the operation of the bill, we would not have any assurance at all that the producer of steers would have a market for his steers next fall.

I am very happy the Senator has agreed to an amendment and, at the proper time, I shall move to amend the bill by inserting after the word "producers" in line 25, page 2, the words "and feeders."

It seems to me that would give the Secretary all the authority he would need in order to make loans to help the industry at the present time.

I may say further to the Senator from Vermont that for the past 2 years the cattle feeders generally speaking have suffered greater losses than the growers and producers.

Mr. AIKEN. I will say to the Senator from Wyoming that I, of course, have no authority to accept his proposed amendment. There are several other amendments proposed by the committee.

When the question of extending loans to others than the persons who actually produce the livestock was brought up yesterday there was no pronounced feeling about it. The word "feeders" was omitted because we decided to confine the loans principally to those who were living on the land and who depended on the land for their living and who made their home on the land.

I can see the logic in the Senator's argument, however, that in many cases it may be necessary to maintain a market for the feeder cattle produced by the man who lives on the land himself. As I say, I have no serious objection to it personally, but I cannot speak for the committee.

Mr. CASE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. CASE. Mr. President, I think the Senator from Vermont has placed his

finger upon the key to the situation when he uses the phrase "maintain a market" for the grower. If the feeder is unable to conduct his regular operations, then the market is destroyed for the grower of feeder cattle. I hope the Senator from Vermont will support the amendment when it is offered.

I may say, further, that there are still some areas where farmers are in a distressed condition, because of the crash in the price of cattle during the period they have owned the feeder cattle, and some of them, in order to finish them to proper condition for the market, need supplemental assistance.

Mr. AIKEN. I realize that there are many farmers who, as a part of their regular farming operation, buy feeders and carry them through to heavier weights before marketing them. Under the bill, any type of farmer in a disaster area would be eligible for a loan.

Mr. CASE. That would require certification by the governor and a declaration by the President; would it not?

Mr. AIKEN. That is correct. The bill provides: "if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources."

The Secretary finds that there is an economic disaster in the area, after the President has determined that Federal assistance is required in the area, as a disaster area under Public Law 875.

Mr. CASE. In line 9, page 2, the phrase used is "for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds," and so forth.

Mr. AIKEN. That is correct.

Mr. CASE. So, I think an amendment is really needed to subparagraph (b).

Mr. AIKEN. In case of a natural disaster the governor of the State has to request the President to declare a disaster area.

Mr. CASE. In my opinion, there are as large farming operations in those areas as can be found in the so-called Corn States.

Mr. AIKEN. In the Corn States farming seems to be good. It is in the range country where they are really having difficulty.

Mr. CASE. The farmers have been affected in the corn area by what has occurred in the disaster areas. When I drove home in the latter part of May, I noticed in the area around Sioux City, Iowa, some very large feeding operations. Many farmers had been feeding in northwestern Iowa and South Dakota. They had a great many cattle.

Mr. AIKEN. The man who pays 35 cents a pound for feeders and sells them at 22 cents a pound is going to lose money.

Mr. MORSE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield to the Senator from Oregon.

Mr. MORSE. I thank the Senator from Vermont for his very fair and enlightened discussion of the amendment of the Senator from Wyoming. If the Senator from Wyoming does not object, I should certainly like to associate myself with his amendment.

I think this discussion and the comments of the Senator from Vermont [Mr. AIKEN], the Senator from Wyoming [Mr. BARRETT], and the Senator from South Dakota [Mr. CASE] have brought out a needed clarification. We would certainly be dealing in artificiality in our consideration of many cattle operations if we tried to draw a line of distinction between producer and feeder operations. Many producers are feeders and conduct feeding operations to supplement their own herds, without ever placing the cattle in a so-called feed pen. They may finally, for the finishing of the beef, in turn sell the animal to a feeder, who will finish it in a pen.

Oftentimes in many sections of the country feeding operations are carried on really by a producer, who supplements his herd by going to Baltimore, for example, if he lives in this area, buying 2 or 3 carloads of cattle for feeding purposes, turning them out to pasture, and doing what feeding he does in his own barnyard and pastures.

I think the Senator from Wyoming brought out very clearly that it is a mistake to treat the so-called feeder as really a nonagriculturist or nonfarmer. The feeder is very definitely engaged in agricultural operations, and his operations have many ramifications, too, if one wishes to ascertain the sources of his cattle.

All I wish to say in support of the amendment is that the feeding operation is one upon which the cattle producer or breeder is highly dependent. If a bill is passed which seeks only to benefit the producer, and excludes the feeder, we shall find we are not helping the producer as much as we thought we were, because if he does not have the feeder to rely upon for a good price market the legislation we are asked to pass will not be of adequate assistance to him. I think it very important, in the interest of fairness to the totality of cattle operations, that we do not draw lines of distinction between producers and feeders.

As the Senator from Wyoming has pointed out, what the feeder does to cattle is of great importance to the American consumer. We ought to pass a bill which will accomplish the economic ends we desire wherever disaster areas exist. What are those ends? First, there is the desire not to waste beef. If we do not include feeders in the legislation, we shall, in fact, establish a policy, in my judgment, that will be economically wasteful.

I am glad to hear the comments of the Senator from Vermont, because they show that he recognizes that danger. I hope that when the amendment is called up, we can have a full debate on it, because I believe it to be a very important amendment.

Mr. AIKEN. Mr. President, there is much logic in the arguments of the Senator from Wyoming [Mr. BARRETT] and the Senator from Oregon [Mr. MORSE]. The committee was concerned with eliminating the speculator from the picture to the fullest extent. We did not wish to do anything to encourage people to go into the market for low-cost livestock with the hope of feeding them and selling them at a higher price later on. We did not want to encourage the "sideline" farmer, or the type of farmer found in many of our cities, including Washington and others, who goes into the country, and, on hired land, engages in the livestock business and loses his shirt, if not his land. We did not want to encourage people to do that again.

I realize that we cannot write a bill that will be absolutely fair to everybody, or that will result in equal treatment for everybody. I do not believe we can enact legislation that cannot be abused; but we can hold the abuse to the minimum. It is entirely possible that we may have been too close to the line in our efforts to make sure that, in the main, the man who actually lives on the land shall be personally concerned.

Mr. THYE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. THYE. I am very much impressed with this subject. There is no question that there is merit in the amendment offered by the Senator from Wyoming [Mr. BARRETT]. The Senator from Oregon [Mr. MORSE] made a very pertinent observation when he said there is a need for the feeder to be included in the operation. In order to find a ready market for cattle raised in the grazing areas, they must go to feeding lots to be finished.

But there is a feature which cannot be overlooked, namely, that this is emergency legislation. If it is emergency legislation, the President must declare an area as a disaster area. Once an area has been so declared by the President, the Secretary then must find that an economic disaster question is involved.

There are cattle-feeding operations in the area of Arizona, of Oregon, and throughout the West; but usually the feeding operation is confined to a valley where there is irrigation, where there is water, so that hay and other feed crops can be produced. But the great bulk of beef cattle feeding is done in the area where corn is produced. That area is not in a disaster region, and feeders would not be buying cattle to bring into that area, unless feed was available. So if an area is not declared to be a disaster area, how can the Secretary certify that the producers or the feeders in the area would be eligible for the type of loan provided for? We must confine that type of loan to the emergency situation, and the emergency is where there is drought.

These are questions which arise in my mind. I think that if cattle are sold so cheaply that Congress must enact disaster legislation to keep them from being liquidated, the feeder has the advantage that he can go to the area and buy the cattle at a very reasonable price, ship them out, put them in his feeding lots, and feed them for 6 or 8 months. If yearling calves are involved, he may carry them for 2 years before he finishes them. If they happen to be 2-year-olds, he will try to finish them in 1 year. In that case it is only a speculator loan that is being provided. The speculator is only buying feeders in order to feed them and dispose of them. It is entirely a speculator loan that is being made available

in such a case. The speculator can go to agencies in the Government at this time and obtain a speculator loan. Or he can go to his bank. If he has a history of ability to handle cattle in a feeding lot, there is no banker who will not lend him money, if he has a reputation of being a good feeder.

I would wager that the son of the Senator from North Dakota [Mr. YOUNG] could go to his local bank in North Dakota and borrow all the money he needed to buy feeder cattle. I am not in the habit of making wagers; but what I have said is simply commonsense. The same is true in my community. Anyone who has a history of knowing how to feed and care for cattle can go to the bank today and be financed by local lending agencies or by commission firms that will advance money for a man to take feeders at the yard, and repay the loan when the cattle come back finished.

Those are normal operations, and we cannot legislate in an emergency bill to cover that type of operation. If we do, we will have to cover, for instance, an area in New England, dry or wet, an area in Minnesota, dry or wet, or an area in Illinois, where the farmers might be producing a hundred bushels of corn to the acre. We would have to make the legislation cover the entire United States.

The proposal before the Senate must be recognized as necessary to meet an emergency situation, comparable to that which existed in Kansas and Missouri when the floods devastated that area. We should look upon this as emergency legislation, not simply as broad United States insurance undertaking to underwrite all loans made in all the feeding operations across the United States. If we do, we may have to pull our hats down to cover our faces when they get a little red at some future time. I think one of the greatest mistakes would be to provide blanket loan authorization in a bill such as this. It would afford great opportunity for abuse if we did not confine the bill strictly to a disaster or an emergency situation.

Mr. AIKEN. The saving grace in the matter referred to by the Senator from Minnesota is that only an established farmer or rancher would be eligible for a loan. He must show that he is unable to get money anywhere else, and that he is not using it for expansion of business, or to go into business.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. ANDERSON. I heartily endorse what the Senator from Minnesota [Mr. THYE] has just said. This is emergency legislation. If we take it out of that category, I think we face the possibility that it may not be acceptable legislation.

In the original legislation suggested by the Department of Agriculture, there was language to the effect that loans should be made to established ranchers or stock farmers. We were trying to make it a little broader, when we sought to apply it to producers of cattle, sheep, and goats. That permits the part of a man's operation which actually relates to production to become eligible. But I think when we put the money into commercial feed lots, it may become legislation which is far too broad for the emergency situation. I think we had better stay within the purposes of the bill. I agree with the Senator from Minnesota that there is danger if we go into the feed lots.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MORSE. Let me say by way of comment on the statements made by the Senator from Minnesota [Mr. THYE] and the Senator from New Mexico [Mr. ANDERSON] that I think they are broadening the objectives of the amendment far beyond what was anticipated. I think the Senator from Vermont cited words of limitation which are pretty clear. What the Senator from Wyoming [Mr. BARRETT] and the Senator from Oregon are concerned about is feeding operations in the disaster areas.

We are not talking about making loans available to feeders outside the disaster areas unless they are directly related to historic patterns of purchasing feeders from the disaster areas. We refer particularly to feeding operations in the disaster areas or to feeders who in the past have made a practice of buying their cattle from the disaster areas. Let no one suppose that feeders in the disaster areas are out of business merely because there is a drought in those areas. Much of the feeding is done with commercial feeds, anyway, with some roughage in addition.

What we are saying is that if we do not do something to help protect feeders in the disaster areas, we shall be putting them out of business. I think they are entitled to some consideration.

We are pointing out also that feeding operations are operations of degree—from the man who does his feeding by buying commercial cattle and putting them on acreage to fatten them on grass, with some supplemental feed in the feed racks in the pasture itself, or in a barnyard feeder. I understand that there are many feeders in the disaster area who did not produce their cattle. Then there is the so-called out-and-out commercial feeder in Oklahoma, Texas, and the rest of the other disaster areas. He needs to be protected. He is not the producer of the cattle. He is a commercial operator but his operation is of vital economic importance to the producer.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I think the man referred to by the Senator from Oregon is protected by the bill, but I now yield to the Senator from Florida, who worked very earnestly in the preparation of the pending legislation.

Mr. HOLLAND. I thank the distinguished Senator.

I merely wish to make clear to the distinguished Senator from Oregon, who I think is completely right in the purpose which he advances, that that purpose is completely cared for in section 2 (b) beginning in line 4 on page 2 of the bill and extending through line 17. I think there is some confusion with regard to this bill, because of the fact that it has two completely different objectives and two completely different parts.

In the first place, the bill is a permanent amendment to a disaster relief measure, the same disaster relief measure which the Senator from Oregon and the Senator from South Dakota will recall was before the Public Works Committee for amendment only a few days ago, when both Senators were actively participating.

The permanent amendment, section 2 (b), relates only to the disaster area. Senators will recall that the governors of the States affected must first make request, and that the President must declare a particular area to be a disaster area, before such a disaster area ever comes into existence.

The purpose of section 2 (b) is to allow the making of economic-disaster loans in that area to everyone who comes within the category of established farmers or stockmen, for any agricultural purpose. Of course, it is an agricultural purpose to have feeding done, provided it is done by established farmers or stockmen in the area covered by the determination of the President.

In that same section it is declared that if the Secretary finds that economic disaster has followed the disaster of nature, and that, by reason of that fact, there is is a great need for agricultural credit for a temporary period which need cannot be met from ordinary banks, and the like, the loans can be made for anything which might be regarded as ordinary agricultural credit, but only in the disaster area.

It was the understanding of the Senator from Florida, and still is, that the ordinary type of feeders in that area would be clearly covered.

A question arises, however, when we get to section 2 (c), which has a different purpose and covers a much larger area. It covers all the United States. It is based upon the understanding of the committee, after hearing the testimony coming from the Government agencies, and also from the industries affected, that, because of the economic disaster which has followed the drought conditions in such a large part of the Southwest, conditions amounting to economic dislocation exist, affecting the producers of cattle, sheep, and goats in a much larger area, probably throughout the Nation. In order to allow for emergency loans—and not all loans anywhere in the Nation, and only to producers of cattle, sheep, and goats, because the showing was that they were the ones who were adversely affected on the broader scale, that is, in the zones outside the disaster areas—section 2 (c) was recommended for enactment. Emergency loans under that section would really be emergency loans. They would not be available except upon a showing that the producer was not able to get credit elsewhere, and except upon the willingness of the producer to render all his holdings subject to the debt which he created; and going even further as to corporate borrowers, if any should come forward, it was provided by the committee that the corporate borrowers would be required to encumber the personal credit of the owners in addition to their corporate credit.

So even section 2 (c) is by no means in any other category than emergency legislation, for a short period of time, and only for the purposes and under

the conditions set forth, which would mean that anyone who could get credit otherwise would not want to come to that source, because he would have to encumber everything he had, to avail himself of this source of credit, and would have to be really in a critical economic condition as to his own affairs and his own business before he could show his right to participate. I believe any confusion that has existed has been due to the fact that these two sections cover completely different objectives.

Mr. MORSE. Mr. President, I ask unanimous consent that the Senator from Vermont may yield, so that I may ask a question of the Senator from Florida.

Mr. AIKEN. I believe the Senator from Florida has completely explained certain features of the bill. I might point out specifically that section 2 (b) authorizes loans to sheep farmers and stockmen for any agricultural purpose in the disaster area, whereas section 2 (c) authorizes loans to producers of cattle, sheep, and goats anywhere in the country. The first group would be only in the area that suffered both economic disaster and a disaster under Public Law 875.

Mr. MORSE. I want to thank the Senator from Florida for his clarifying statement, because it certainly helps the legislative history of the proposed legislation. However, I wish to ask a hypothetical question or two which I think will clarify the subject even further. At least it will clarify it from the standpoint of the cattlemen who have been in touch with me on the feeder problem. I can say, first, that his discussion of section 2 (b) is very helpful. I would assume there would not be any objections to including three clarifying words, namely, "including feeder operators." The fact is that the out-and-out feeders in these areas are disturbed as to whether or not they are included. By using the three words "including feeder operators" any doubt would remove within the disaster area.

The second point I want to make is raised by way of a hypothetical question, and it is purely hypothetical so far as locations are concerned.

Let us take a cattle operation in the State of the Senator from Oklahoma [Mr. KERR]. Ranch X has been raising cattle for years, and the owners have been shipping 1,500 of them each year into Y's feed lot in Des Moines, Iowa, let us say. They do not have any partnership arrangement with Y, but they have a pretty good business understanding that Y's lots depend on X, and X depends on Y. Y is not in the habit of buying any feeders from any other source except X. Under section 2 (c), as explained by the Senator from Florida, it is now my understanding that if Y found himself in this hypothetical position where he could not get a bank loan and where he could not get any help at all from any commercial credit source, he could, under this act, specifically under section 2 (c), get his loan to carry the feeder load in the handling of the 1,500 head of cattle that he takes from ranch X in Oklahoma each year.

Mr. HOLLAND. That is not my understanding. My understanding is that section 2 (c) is confined in its operation to producers of cattle, sheep, and goats. It was limited so it would not apply to hogs, because there was no showing that the hog situation was affected on a nationwide basis because of conditions in the drought area.

It was not applicable to poultry. It was not applicable to other kinds of agricultural crops. Nor was it applicable to anyone other than producers who have a good record for operating, who are unable temporarily to get from recognized lenders, the credit they need, and have a reasonable chance of working out their difficulty. The requirements for security are so binding as not to be easy of fulfillment and not to be attractive to anyone who has any other place to turn.

It was the understanding of the Senator from Florida that the committee by its action did not mean that outside the disaster area people in the commercial feeder business would have access to loans under section 2 (c); but, to the contrary, they would not have access, the feeling of the committee—at least as understood by the Senator from Florida—being that feeders were in a position to get the benefit of the very low prices which prevail as to the producers, and that if there were a buildup which would encourage them to buy on a speculative basis, instead of helping to work out the big problem, it might hurt instead.

The Senator from Florida is only 1 member of the committee out of 12 or more who were present at the meeting, but it was his understanding that the action taken by the committee—and the Senator from Florida does not recall who made the motion upon this particular matter—was to rewrite the definitions included in section 2 (c) in the bill passed by the House, so as to preclude the very possibility that is covered by the hypothetical question stated by the Senator from Oregon; namely, that a feeder clearly outside the disaster area might seek to avail himself of the borrowing provisions of the act and borrow in order to buy cattle or sheep or goats from producers who were in a distressed condition and who were within the disaster area. That was the understanding of the Senator from Florida.

Mr. MORSE. If the Senator from Vermont will yield further, I will say that I believe I understand the Senator from Florida and that I also understand, as a result of his explanation, why we are hearing from some of the feeders. It is because of the variations in the feeder operations in the country.

I believe it is a mistake to assume that feeder operations in cattle follow a particular, limited, and fixed pattern. It is a very variable pattern. My hypothetical question raised the problem of the feeder who is just as affected by the disaster as though he had his feed operation in the State of the Senator from Oklahoma [Mr. KERR], in the disaster area. He is dependent on the cattle coming from that area. Another part of the problem—and I quite agree with the Senator from Florida that we should not be trying to assist the speculators—is that we ought to seek to provide relief for the feeder operator upon whom the producer in the disaster area is dependent, and help him in a way that he will not take advantage of the producer. I assume what we are trying to do is provide emergency relief so that the farmer will not have to sell for as little as the disaster market offers him. We are trying to work out a bill, if I understand it correctly, that will check the effect of the disaster on the market, and will hold up cattle prices in the disaster area, so that producers will obtain a fair return on their cattle. We are trying to provide relief so that the disaster will not have the effect of causing the liquidation of breeding herds and so that meat cattle will not be dumped on the market at bankrupting prices.

Of course, the facts of the individual case must be controlling. If the farmer can show that he is not a commercial feeder, but is a speculator, then he should not be entitled to relief. But if he has a historical pattern of purchasing relationship with ranch X in Oklahoma, so that practically all the feeding he does is in connection with cattle purchased from that ranch or from a few other ranches in the disaster area, and that therefore he is affected by conditions in the disaster area, although, as a matter of fact, he is operating near Des Moines, Iowa, he should fall within the provisions of the bill. He is as much a producer of meat—which we wish to reach the tables in the regular course—as is the breeder of the cattle. I say that such a feeder should receive the benefits of this measure.

Cannot we include in the bill some language which will have the effect of making such loans available to a feeder in Iowa if he can show on the basis of the facts—and such a showing would be his responsibility—that he himself is a victim of the disaster, just as much as is the breeder in Oklahoma? On the other hand, if the feeder cannot establish those facts, under subsection (c) of section 2 he will not obtain a loan. I do not wish to him to obtain a loan if he is a speculator.

Mr. AIKEN. Mr. President, I have been consulting with committee counsel, who advises me that by making an addition to subsection (b), of section 2, so as to make it read, in part, "loans to established farmers and stockmen, including feeders, for any agricultural purpose in the area," and so forth, we shall neither add to nor detract from the effect, because the words "for any agricultural purpose in the area" would cover the normal feeder, anyway. If he were in an area determined to be a disaster are under Public Law 875, which in addition was suffering generally from economic factors, such as price declines, and a lack of cash with which to carry on the operations, and that certainly would be eligible to be declared by the Secretary an economic disaster area under section 2 (b). But if the farmer were 1,000 miles away, surrounded by well-to-do neighbors for a distance of perhaps 100 miles, I do not think he would or could qualify.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield to me?

The PRESIDING OFFICER (Mr. KUCHEL in the chair). Does the Senator from Vermont yield to the Senator from Florida?

Mr. AIKEN. I yield.

Mr. HOLLAND. I am glad the committee counsel has borne out the understanding I had as to the meaning of subsection (b) of section 2. I believe it is very clear that that subsection does apply to all agricultural operations in the disaster area, and that the addition of the words sought to be added by the distinguished Senator from Wyoming would neither add to nor detract from the effect of the provision.

Mr. AIKEN. That is correct.

Mr. HOLLAND. Personally, I would have no objection at all to adding those words which would include feeders at that point.

In regard to adding the same words to subsection (c) of section 2, let me say in speaking, not for myself, but for what I understood to be the purpose of the committee, that I understand it was the feeling of the committee that in most cases a feeder in an area remote from the disaster area would have benefited from, rather than have been hurt by, the disaster, in that not only would the price of the cattle he bought, if he bought cattle within the disaster area, be at a low level, but even the price of cattle available to him in a more local area would be adversely affected because of the magnitude of the disaster and the fact that its effect had brought reduction in the value of livestock throughout the Nation.

It was for that reason—namely, that we felt the feeder would be more a beneficiary than a sufferer from the disaster—that that action was taken in regard to the committee's recommendation on subsection (c) of section 2.

Mr. THYE and Mr. BARRETT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Vermont yield; and if so, to whom?

Mr. AIKEN. I yield first to the Senator from Minnesota, and thereafter I shall yield to the Senator from Wyoming.

Mr. THYE. Mr. President, if this emergency measure will have the effect we hope it will have, the market will immediately be firmed, because at the present time, with the heavy run of cattle from the disaster drought area, the result is to weaken the market. The psychological effect of the situation is to create a fear that the market will be weakened even further. The feeders are likely to say, "The bottom of the market for beef cattle has not yet been reached, and therefore I will wait before putting in my order." In that situation an abnormal condition is created, and the feeders postpone their purchases, with the result that the beef market is broken.

There is no reason in the world for beef prices to have fallen as low as they have during the past 8 months. While beef prices have been falling drastically, hog prices have risen greatly. They have risen to $26 a hundred, although 14 months ago the price was $15.65 a hundred. Fourteen months ago number 1 hogs going to the Chicago market from South St. Paul were bringing anywhere from $15.65 to $16 a hundred, whereas a year later the price of pork was up to $26. However, during the same period the price of beef declined drastically. There is no common sense reason behind that market trend. Fear has caused the market for beef to decline markedly.

Therefore, if the emergency bill will have the effect, as I think it will, of reestablishing the necessary confidence on the part of the livestock feeders, they will buy feeders in the market, and there will be an end to the heavy offerings of beef to the slaughter centers.

The other effect of the bill, if enacted, will be, I believe, to free credit to the feeders who today have no credit. Then they will proceed to purchase the emergency feed which will be made available. They will buy the feed and will feed it to the cattle, and will hold the cattle in the feed lots until the rain returns. In that way a normal situation will be restored to the entire livestock industry.

When the normal situation is restored, the individual feeder—whether he be the Senator from New Mexico [Mr. ANDERSON] or any other feeder; I refer to the Senator from New Mexico simply because he is in the feeding business—will resume operations in the feeding business, and will feed the cattle he has on his feed lots, and will fill them out, preparatory to marketing them on a steady market. That is the purpose of the bill.

If emergency feed is made available to the drought-stricken area, I am willing to venture the guess—I am not an economist—that it will be only 5 or 6 months before the beef market will be refirmed in the way that the pork market has been refirmed. There is no reason why that should not occur. Today the people of the United States have the highest earning power in the history of the Nation, and there is heavy consumer demand for meat.

If the market had not been hurt last winter by political statements to the effect that, "Here is the depression that we have predicted under the Republican administration," there would today be a firmer price for beef. I am not attempting to indulge in political criticism, but it is true that any market reflects a fear or other psychological condition. For instance, from time to time the markets have been affected by the Korean war situation. When it was believed that a truce was imminent, the market broke. When it seemed that the war in Korea would be extended, the market firmed. That shows how a market reflects psychological conditions.

Therefore, I believe the pending measure and the provision for emergency feed will firm the beef market, with the result that beef prices will be such that the feeders will fill their lots with cattle and will proceed in the normal way in which they have been accustomed to handle their feeding operations.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. BARRETT. I am sorry that I find myself rather generally in disagreement with the distinguished Senator from Minnesota. In my judgment, the drought in the Southwest has complicated an already bad situation insofar as the price of cattle over the country, and has made it much worse.

Be that as it may, all of us favor giving aid and assistance to the drought-stricken area.

However, I have particularly in mind those in the Corn Belt of the Middle West who are both producers and feeders of cattle. As the Senator from Minnesota well knows, there are thousands upon thousands of small farmers who raise their own corn and run 50 or 75 head of cattle the year around, and also are in the market for 125 to 200 head of feeder steers in the fall of each year.

They are the customers of the growers and producers of the Mountain States. The Senator is very optimistic about the situation this fall. I may say to him that I have heard from many people who are experienced in this particular business, and they are not nearly so optimistic as is the Senator. I may say the situation is not altogether one of fear. Cattle prices, as the Senator knows, have declined for the past 2 years. It is not a question of Republicans or Democrats. We had a terrific decline under the Democrats last year, and I think it is possible we shall have another decline this fall. Today we have more cattle than ever in our history. As of January 1 this year we had 93,600,000 head of cattle in this country, and the estimate is that we may have 100 million head by January 1 of next year. The increase is going to continue until our producers send more heifers and cows to slaughter.

Here is the situation. If we were to try to help only the producers, as provided in the pending bill, leaving the feeder completely out of it, and leaving out the man who is both a feeder and a producer, then I am afraid we would not have many customers for steers this fall; the feeders would find themselves going to the local bankers, and the banker would say, "Well, you did not do so well last year, or the year before; and if you want to get even you better buy those steers from the producers in Wyoming, South Dakota, Montana, or Colorado, you better get them for 10 or 12 cents a pound." That is the thing we are trying to guard against. It seems to me that this provision is a sound one.

Furthermore, Mr. President, the whole thing is a matter of discretion with the Secretary and of the committee that he is going to appoint, and with the officials that he appoints to administer this program. It seems to me that unless we find some way by which to finance the feeder in his operations, we will not be attacking this problem at the vital point.

Mr. AIKEN. Mr. President, I may say, commenting on the remarks of the Senator from Wyoming, that the producer-feeder is definitely covered by both sections of the bill, I may say the commercial feeder is not covered, but the producer-feeder is.

Mr. CASE. He is covered on the theory that he is a grower.

Mr. AIKEN. One reason why they are reluctant to pay higher prices for feeders is, I believe, that they can get $1.60 a

bushel for corn in the form of a loan; and they are not going to pay high prices for feeders, whether they get a loan or not, if they can get more for their grain by following some other course.

Mr. BARRETT. The Senator is entirely correct about that. But do I correctly understand the Senator to say that a feeder would be eligible for loans for feeding purposes under both subsection (b) and subsection (c)?

Mr. CASE. If he is a grower.

Mr. AIKEN. If he is a producer-feeder.

Mr. BARRETT. What I was fearful of was that the loan would be restricted to that part of his operations pertaining to the growing of livestock or the producing of livestock, not to feeding.

Mr. AIKEN. No. I have consulted the committee counsel again—and I may say, in passing, we have a good committee counsel—and he states that the producer-feeder definitely is covered in both sections of the bill.

Mr. BARRETT. Would this include the operation I mentioned a moment ago—an operation, for example, in which a man runs 75 head of cattle, and then in the fall of the year buys 125 steers and feeds them out?

Mr. AIKEN. I may say he would be required to produce at least a part of his own cattle in order to qualify as producer-feeder.

Mr. BARRETT. But what would be the case if he produced a part of them?

Mr. AIKEN. I am subject to correction. I ask any member of the committee to correct me, if I am in error.

Mr. President, I should like to clarify further the matter I was discussing with the Senator from Wyoming. I have discussed that subject with the majority of the members of the Committee on Agriculture and Forestry, who are now present on the Senate floor, as well as with committee counsel, and it is our understanding that a producer-feeder who produces most of the cattle he feeds might well qualify for a loan on his entire operation under the pending bill. On the other hand, if he produced 15 calves a year and bought 300, it does not seem that he should be able to obtain loan on the entire operation under section 2 (c). I want to point out that section 2 (c) covers all producers of cattle, sheep, and goats. The fact that a producer is also a feeder in no way disqualifies him for a loan, although the extent of the loan would naturally be required to bear a reasonable relationship to his producing operations.

Mr. BARRETT. I thank the Senator.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. The Senator from Vermont will agree, will he not, that that is an arbitrary matter? There is no language within the bill that can be so interpreted. I think if that is the intention, it should be spelled out specifically in the bill. I may say that, as one member of the committee, I did not understand that it applied to feeders, or to the situation of the average farmer. Let us clear it up. Personally, I am opposed to putting such a provision in the bill.

Mr. AIKEN. I would say it would be impossible to find a man who was a farmer and also a feeder who did not buy a calf, a cow, or some other animal once in a while. We could not be so strict as to say that he could not buy any animals at all.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from New Mexico.

Mr. ANDERSON. I think the point made by the Senator from Oregon, and made again by the Senator from Wyoming, would have application to what is now in controversy. I see no way whereby we could specify what size business a feeder must have in order that he may get assistance from the Government. The greatest State of the Union, so far as the feeding of cattle is concerned, is the State of Iowa, and the average number of cattle fed in that State is less than 10 head per farmer. There are feed lots that contain 50, 400, 500, or 1,000 head of cattle. We cannot, therefore, say to the man in Iowa who is feeding 10 head of cattle that he is not a feeder, because more beef is produced in that State than in any other State of the Union.

We must consider what the committee is attempting to do. It is trying to aid the producers of cattle, sheep, and goats, and is seeking to extend assistance to all producers within disaster areas, no matter what kind of producers they are. In other areas of the country where, as the Senator from Wyoming so correctly pointed out, the price is affected by what is going on in Texas, some relief should be extended to farmers and cattlemen who are producing their own cattle. I do not believe they are being hurt by the purchase of the cattle they are now buying and they are being financed with respect to the cattle they have already bought.

We are trying to pass legislation that may be regarded solely as emergency legislation in order to cope with the problem. If other problems arise, I am sure the Senator from Wyoming will find plenty of allies here ready to assist him.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from South Dakota.

Mr. MUNDT. I think what the Senator from New Mexico has said is correct. I believe attention should also be called to the fact that in this particular section the loans are to be subject to approval by a special committee to be appointed by the Secretary, to serve within a particular area, as determined by the Secretary. The special committee will know whether applicants are legitimate producer-feeders or whether they are commercial feeders, and it can certainly set the proper criteria to meet the problem posed by the Senator from Wyoming [Mr. BARRETT].

Mr. CASE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. CASE. Mr. President, I should like to suggest that it is of no avail to make it possible for the grower to hang on if the feeder market is destroyed. We shall not get anywhere by making loans to the grower so that he can remain in business after the market has gone. There are many feeders around Omaha and perhaps around St. Paul who got their fingers burned when the first rollback came along. They got their fingers burned when slaughter quotas and compulsory grading were in operation. They became pretty skittish, particularly in connection with supported farm prices and rollbacks. They got scared, with reason. They did not need to have a very sharp pencil in order to get scared; they could figure it out in their heads, because they knew what was happening. We must recognize that there are feeders who are not in the class described by the Senator from New Mexico [Mr. ANDERSON]. Some of them sent their cattle to market before they were fully finished or just half finished. The banks got into a position where they had to tell them they had lost their quota. As to feeders who have been wiped out, although they may have a historical pattern, if they have suffered losses, as I know some have, of anywhere from $25,000 to $75,000 in the past few years, are we going to say there is no relief for them? If we take them out of the market, we have disturbed the future market, and it is not going to do any good merely to keep the growers alive.

Mr. YOUNG. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. YOUNG. I think we are painting far too dark a picture. There have been speculative feeders who have gotten into the business in the past 3 or 4 years and who will probably get out of it. The old-time established feeder expects profits along with his losses. The old-time feeder believes that by remaining in business year after year he will eventually make money. The old-time feeders do not go in and out, year after year; they stay in.

Mr. AIKEN. I thank the Senator from North Dakota.

Mr. GORE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. GORE. I should like to advert to a statement which the distinguished Senator from Vermont made earlier. I thought I understood him to say that he wanted to discourage the purchasing of cattle at low prices by farmers—or maybe he used the word "speculators"——

Mr. AIKEN. That is correct.

Mr. GORE. In the hope of making money out of them later.

I should like to point out that, in my humble opinion, that strikes at the heart of the great difficulty, although I doubt if it strikes exactly right. What is needed in the cattle industry more than anything else at this time is people who will buy cattle. If we can do something to instill some confidence that people can buy cattle at lower prices and later get their money back, plus a little profit, then we shall strike a blow for stability in the cattle industry. As has been pointed out by the distinguished senior Senator from Minnesota and the distinguished Senator from South Dakota,

the real difficulty arises out of a lack of confidence in the future of the cattle industry.

I realize that we cannot, in this hurry-up, emergency, disaster-relief bill, undertake to solve all the problems involved, and I should not like to take a retrogressive step even in this bill, because what we need most of all is many people who will buy cattle. If we give some encouragement to the purchase of cattle, in the hope of later making a profit, we shall open up far more markets, and that will give far more relief to the distressed situation than is at all possible by the loan or the purchase program under this bill.

Mr. AIKEN. My reference to the desire of the committee to discourage speculation was, of course, not directed toward the farmer who buys feeders at a reasonable price in the hope of making some money on them. It was directed to the sideline farmer, with no experience, who buys his feeders in the hope of getting a Cadillac automobile quickly. The bill would not authorize any loans to that person.

I also had reference to 2 or 3 lines which the committee struck out of the bill which would authorize loans to corporations, associations, and so forth, engaged in the business of buying and selling cattle. In other words, we do not want to make a loan to 3 or 4 persons who get together and have possibly a million dollars and who say, "We will buy cattle for 6 cents a pound and take them somewhere and unload them at as high a price as we can possibly get." It is that type of speculation which I had in mind.

Mr. GORE. I am in hearty accord with the objectives of the bill and with the effort to bring to the drought disaster area immediate relief. As other Senators have pointed out, however, the disaster situation in the cattle industry did not arise because of the drought. We have had very depressed and very disastrous cattle prices for some time. I hope the distinguished and able Senator from Vermont will agree with the principal context of my statement that that which is most needed in the overall situation is confidence in the stability of cattle prices in the future.

Mr. AIKEN. That is correct. I sometimes think we have contributed to the lower price levels for livestock by constantly predicting lower price levels. I think we have overdone the talk about surpluses and how they are bound to depress prices. Of course they do, but we do not need to talk about it quite so much. To a certain extent I have felt we were having psychologically depressed prices for livestock below the level of that which would normally be dictated by the law of supply and demand.

Mr. GORE. Does not the Senator think that is a very real factor?

Mr. AIKEN. I am sure it is. I recall that in the spring of 1949 hogs were 14 cents a pound and it was predicted that they were going to 10 cents a pound. The then Secretary of Agriculture came to Congress and asked for special legislation to deal with that situation. Congress did not give him any special legislation, but about that time the Secretary of Commerce issued licenses for exporting 50 million pounds of pork to Great Britain, and instead of the price going down it went from 14 cents a pound to 22 cents a pound and stayed at that point all summer. I asked Secretary Sawyer with reference to the exports of pork to Great Britain, and he laughed and said that to his knowledge not a pound was ever shipped out of this country. But the price went from 14 cents to 22 cents a pound almost immediately when the export licenses were granted.

Mr. MUNDT. Mr. President, will the Senator from Vermont yield further?

Mr. AIKEN. I yield.

Mr. MUNDT. I should like to discuss another section of the bill for the reason that some concern has been expressed because the Senate committee deleted from the House bill section 1 (d), and I think it should be made clear why the language was deleted. We set forth briefly in our committee report the reason, as follows:

> The provision contained in the bill, as introduced, for furnishing feed and seed in disaster areas would be stricken out by committee amendment, as there is ample authority for this type of assistance in Public Law 875, 81st Congress (42 U. S. C. 1855). Assistance of this type has been, and is being, furnished satisfactorily under Public Law 875 and your committee sees no reason to duplicate this authority.

I simply wish to establish for the legislative history and for the guidance of those who will administer the law that the fact this language was deleted from the bill in no sense or in nowise indicated any lack of sympathy on the part of the committee for that kind of operation or authority.

Mr. AIKEN. The Senator from South Dakota is entirely correct as to why the committee deleted from the bill the section referred to.

Mr. MUNDT. In our interrogation of officials who appeared before the committee, we were advised that everything that could be done under the language proposed by the House can be done under present legislative authority. Is not that correct?

Mr. AIKEN. The Senator is correct.

Mr. MUNDT. So unless new information is brought to us, or unless new counsel is received, everything can be done under present legislation that could have been done had the House language prevailed. If new guidance is provided us between now and the time the bill is considered in conference, we can take another look to see whether the language should be reinstated.

Mr. SCHOEPPEL. Mr. President, I may say to the distinguished chairman of the Committee on Agriculture and Forestry that I agree with the interpretation he has announced. I am certain we want to keep in mind that this is an emergency measure. The distinguished junior Senator from Tennessee [Mr. GORE] a moment ago mentioned that the cattle feed situation and the market situation were bad. We all know that to be true. What we want to do is to prevent the cattle producers in the drought-stricken areas from having to force the herds they now have left onto the market prematurely. Markets all over the country, in the big livestock-producing areas and cattle-packing areas covered by the drought have had tremendous runs. In many of these areas, even if rain begins to fall within the next few weeks, the feed situation will be bad for months and months to come. Rain will not produce overnight situations that will be ideal, by any means.

The result is that this legislation is badly needed now to give assurances to livestock producers in the areas affected by drought that they can maintain themselves because their loans will not be prematurely called and that they can tide over this period, with aid and assistance not now available. That is most important.

I say to the distinguished Senators who have participated in the discussion on the floor today that yesterday I was approached by a man from the New England area, who said, "I have been thinking about the depressed cattle market and would like to get about 400 or 500 head of cattle. Can you tell me where I can go in the State of Kansas to get them at the lowest possible price? Despite the transportation cost to my area, I should like to take advantage of the situation."

It is that kind of situation that this type of aid and assistance would prevent. If given, the people in the drought area will not have to sacrifice their herds at ruinously low prices. I do not object to a person making money through buying at the lowest possible figure, but the situation I have pictured gives the reason why I believe a commercial feeder, as such, is not entitled to the type of relief afforded by the bill. He has other avenues of assistance and does not need aid as badly as do the producers and feeders in the areas affected.

The man I am trying to protect is the one who has a little herd and has to hold it together. It is the producer-feeder in those areas who must be given assurance that he will have relief under the bill and will not be crushed and stamped out altogether.

Time is of vital importance. We could discuss and consider many other phases of helpful legislation if this emergency condition was not confronting the livestock industry in these areas sought to be covered in this legislation. I hope we can pass this bill and then if necessary consider many other important matters in other measures now in committee or to be introduced for specific reasons.

As was clearly brought out by the chairman of the committee, and also a moment ago by the Senator from Florida [Mr. HOLLAND], I feel that we must consider the situation as an emergency. When the committees are constituted to pass upon these matters, we can rely on the personnel of the committees being able to ascertain and determine conclusively who will be entitled to the credit, aid, and assistance. I believe the measure contains proper safeguards. If it was not an emergency measure we could and would have time to work out many other needed phases of legislation that would be helpful.

Mr. GORE. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I will yield as soon as I have pointed out one thing which ought to be in the RECORD.

Section 2 (b), authorizing loans because of economic disaster, would be permanent law; whereas section 2 (c), providing for special livestock loans, would run for the duration of 2 years only, although loans made during that period may run for a longer time.

Mr. CLEMENTS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Kentucky.

Mr. CLEMENTS. I am very glad the chairman of the committee has pointed out that section 2 (b) would be permanent legislation, and that section 2 (c) would be temporary, to expire in 2 years.

I listened to the statement of the Senator from South Dakota [Mr. MUNDT]. Do I understand correctly that no legislative history is being made today that would attempt to give any more authority with reference to waiving any payments than already exists in present law?

Mr. AIKEN. As I understand, that is correct.

HUNGRY CATTLE AND SURPLUS FEED "FAIR TRADE" AND NOT "FREE TRADE"

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Nevada.

Mr. MALONE. Many cattlemen have money to carry their herds, but what they need is a recipe to feed $3 corn to $20 cattle. If one were able to borrow all the money in the world, he would not dare do so.

How do we get the surplus corn and the wheat and the cattle, and the sheep together? That is the real worry west of the Rockies.

Mr. AIKEN. That is a problem which I think many people are trying to solve these days.

Mr. MALONE. I just tried to reach the Secretary of Agriculture, but I settled for an expert in the Department, who said that the relation of the price of feed to the price of cattle was not in his field.

I have not yet reached anyone with whom I can discuss that particular problem.

I realize there are many people, some in my own State, who will need loans, but what they will do with the loans if they have to buy corn and other grain at a price that, even if the feeders put on 2 pounds a day, will still lose the rancher 40 or 50 cents a day is a very pertinent question.

Mr. AIKEN. We have not. I suppose it would be poor business practice to buy corn at $3 to feed to 20-cent cattle.

Mr. THYE. I should like to know where corn is $3 a bushel.

Mr. MALONE. I did not say $3 a bushel; I was speaking of $3 a hundred.

Mr. THYE. Even at $3 a hundred.

Mr. AIKEN. A great many Midwest farmers are putting their corn under loan, rather than to feed it to their livestock.

Mr. MALONE. Corn is being purchased by the Government as high as $1.70 per bushel, for 56 pounds.

I understand Congress is appropriating more money to build more cribs to store the third crop, when full corn cribs and wheat bins are already scattered all the way from central Kansas to the Atlantic coast, while the hungry cattle and sheep are clogging the ranges from central Kansas to the Pacific coast.

BRING CATTLE AND FEED PRICES INTO FOCUS

The problem is to get the grain to the cattle and sheep at relative prices so that the owners of the livestock can at least break even, to slow up the market drive.

Many people in my State and in the western area can buy the feed and hold their stock in the feeding pens if such feed and stock prices are brought into focus.

If a principle of operations is not found to bring such prices into focus then the trek to the market of feeder stuff will continue with resultant lower prices—with a possible rebound of too high future prices.

"FAIR TRADE"—NOT "FREE TRADE"

This is an emergency now that must be faced—the deluge of imported cattle and sheep from Mexico and Canada—imported canned meat from Mexico, Canada, the Argentine, Australia, and New Zealand contributed importantly to the wide break in the cattle market.

The long range answer must be found in establishing "fair trade" and not "free trade" with foreign countries.

There must be a flexible duty or tariff regulated by the Tariff Commission as the basis of fair and reasonable competition—if this is established instead of the "free trade" policy established by the State Department under the so-called "reciprocal trade" act then 80 percent to 85 percent of farm products will not need a subsidy.

Mr. AIKEN. It is my understanding that corn is being planted this year almost into the wheel tracks, in order to grow as much as possible, with the intent on the part of many farmers to put it under Government loan.

Mr. MALONE. I do not mean to blame anyone; it is simply a condition that has to be faced when the feed, cattle, and sheep cannot be brought together.

Mr. AIKEN. It is a serious condition.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Would not the answer to the question raised by the Senator from Nevada, regarding the problem of feeders, be for Congress to put into effect flexible farm price supports, and to repeal the 90-percent formula? Is not that the way we ought to approach the whole problem today?

Mr. AIKEN. I shall not undertake to answer the question of the Senator from Delaware today. It would take too long. If it were possible to do what he suggests, I would hope to make it retroactive.

Mr. WILLIAMS. Is it not true that there is on the books a law sponsored by the Senator from Vermont and the Senator from New Mexico, which would have solved the problem years ago, if it had been allowed to go into effect?

Mr. AIKEN. The Senator from Vermont thinks the situation probably would have been better today had not certain provisions of the law been suspended.

Mr. GORE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. GORE. I shall ask the Senator to yield only once. Recently I visited the stockyards at Nashville, Tenn., and also some local stockyards at smaller markets. I point out that fact to illustrate the point which I undertook to make a few minutes ago. Ordinarily, in those local markets one farmer will sell, and another farmer will buy, particularly unfitted cattle; but upon the occasions when I recently visited those markets the farmers were selling pell-mell and no farmers were buying. The only buyers were the packers, whose packing plants were being overloaded, whose lockers or storage plants were filled. That illustrates, I hope, the point which I tried to make a few minutes ago, that what we need most of all in the overall disastrous cattle situation is to instill some confidence as to the future, and thereby encourage not only packers, but farmers and feeders, to buy cattle.

Mr. AIKEN. I thank the Senator from Tennessee for his remarks. I understand that lightweight cattle have been bought by packers, and that the cattle population is possibly being reduced this year. I understand that if the present rate of slaughter is maintained for the remainder of the year, some 36 million head will have gone to slaughter, or approximately 4 million more than anticipated. That may help the situation somewhat.

MUST DECLARE DISASTER AREA TO GET FEED OR MOVE TO FOREIGN COUNTRY

Mr. MALONE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MALONE. I understand from the Department of Agriculture that if a governor will declare his area to be a disaster area, and the President approves, feed can be sold at reduced prices. Is that the understanding of the Senator?

Mr. AIKEN. That is my understanding.

Mr. MALONE. The only way we can get the feed together with the hungry cattle and sheep is to be located in a disaster area.

Mr. AIKEN. That is the only way to get the feed from the Commodity Credit Corporation at a reduced price.

Mr. MALONE. Unless one moves to a foreign country.

Mr. AIKEN. He might do that.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MONRONEY. Perhaps the distinguished chairman has already answered this question. As he knows, the State which I have the honor in part to represent is divided in half, as between the drought emergency counties and those which have not been declared to be disaster areas, although the situation is almost similar throughout the entire State. As I understand, this bill would not limit credit facilities to those counties which have been declared to be drought areas.

Mr. AIKEN. That is correct. Any county, even though it has green grass in it, which is near enough to the drought

area so that it is suffering from economic disaster, would also qualify for loans under the bill.

Mr. MONRONEY. I am glad the distinguished chairman recognizes that fact, because the cattle runs that come into the State because of drought spread several miles beyond the immediate limits of the drought disaster area.

Mr. AIKEN. Let me clarify the statement which I made to the Senator from Oklahoma. The livestock producer in the adjoining county or counties, which perhaps still have grass and water, would be eligible for loans under section 2 (c). The row crop producer or the other type of farmer, who was not suffering from drought, would not be eligible for disaster loans, unless he were in the disaster area.

Mr. MONRONEY. But cattle producers would be eligible for loans if they had suffered economic disaster, even though they were not in the disaster counties.

Mr. AIKEN. The Senator is entirely correct. Cattle producers wherever located, would be eligible.

Mr. MONRONEY. I should like to ask one further question. As I read the bill, it is not intended that this credit be used for the bailing out or repayment of previous indebtedness. The indebtedness which exists today is supposed to be held in suspense. An additional grant of credit is made to the cattle raisers to help them recover, so that both loans may become good loans.

Mr. AIKEN. The Senator is entirely correct. A bank would have to agree to allow its loan to continue on a suspended basis in order for the producer to secure one of these emergency loans.

Mr. MONRONEY. I thank the distinguished chairman.

Mr. AIKEN. After all, the purpose of the emergency loan is to preserve the farmer, who presumably would be a good customer of the bank in the future if he were enabled to go through this disaster period.

Mr. MONRONEY. Mr. President, will the Senator yield for one further question?

Mr. AIKEN. I yield.

Mr. MONRONEY. With respect to loans to larger livestock raisers, some of whom have seen $750,000 or $1 million in cattle equity wiped out in the present disastrous decline, would such producers deal through the local committee first, and then through the Secretary of Agriculture?

Mr. AIKEN. If a cattle raiser required more than $50,000 he would deal first through the local committee, and if the loan were approved by the local committee, it would have to be approved by the Secretary of Agriculture.

Mr. MONRONEY. But if the local committee did not wish, because of the size of the loan, to send the application to the Secretary for consideration, could the loan be considered by the Secretary de novo or without commitment or comment by the local committee?

Mr. AIKEN. Does the Senator mean by bypassing the local committee?

Mr. MONRONEY. If the local committee, not having experience with large lending operations such as are sometimes required to operate a big cattle-raising enterprise, did not wish to commit itself with respect to the loan, would the Secretary be able to consult with the local committee, perhaps, if the local committee were afraid to consider a loan of such size?

Mr. AIKEN. The Secretary would appoint the committee in the first place. I should presume that any application for a loan of considerable magnitude would be referred to the Secretary, with the approval of the committee; or if the committee were in doubt, I would expect the committee to refer the application to the Secretary, and possibly ask for outside assistance in determining whether or not the loan should be made.

Mr. MONRONEY. One of the problems we have is not only that of the small raiser of cattle, the man without much capital, but even those who have been successful operators for a number of years are finding themselves in grave difficulty. If they were denied access to sufficient loans, they would be forced to liquidate their herds and further increase the runs of livestock into a depressed market.

Mr. AIKEN. The Senator is entirely correct. I have noticed that when they really are hurt, the small operator and the big operator feels about the same.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Is it not a fact that in all instances the assets of the individual borrower, both in and out of the cattle business, must be pledged as security?

Mr. AIKEN. That is true. If a person has assets outside the cattle business, and wishes a loan on cattle alone, he must pledge his outside assets.

The PRESIDING OFFICER. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Agriculture and Forestry was, on page 1, line 3, after the numerals "1949", to strike out "(63 Stat. 43, as amended)" and insert "(63 Stat. 43), as amended"; in line 5, after the word "amended", to strike out "by adding these new subsections as follows" and insert "as follows:

"(A) After the second sentence of subsection (a) add the following new subsections:."

On page 2, line 4, to strike out "SEC. 2." and insert "(b)"; in line 7, after the word "Congress", to strike out the comma and "as amended"; at the beginning of line 8, to insert "as amended"; in the same line, after the words "loans to", to insert "established"; in line 10, after the word "if", to strike out "he" and insert "the Secretary"; in line 19, to strike out "SEC. 2." and insert "(c)"; in line 20, after the word "this", to strike out "Act" and insert "subsection"; in line 21, after the word "established", to strike out "ranchers or stockmen (including corporations or associations engaged in the business of financing cattle if they are owned and controlled by ranchers and stockmen engaged in the business of buying and selling cattle)" and insert "producers of cattle, sheep, and goats."

The amendment was agreed to.

The next amendment was, on page 3, line 20, after the word "from", to strike out "local financing institutions, livestock operators, and."

Mr. ANDERSON. Mr. President, I think the committee was in error in respect to this amendment. I think the word "local" should be left in. I should like to strike out "financing institutions," but not the word "local."

Mr. AIKEN. Is the Senator referring to the committee amendment on page 3, line 20?

Mr. ANDERSON. I refer to the committee amendment on page 3, line 20, to strike out the words "local financing institutions, livestock operators, and."

The PRESIDING OFFICER. Is there objection?

Mr. AIKEN. Mr. President, I ask unanimous consent, if it has not already been granted, that the committee amendment on page 3, line 20, be amended by leaving in the word "local", so the bill would read:

The committee shall consist of at least three members appointed by the Secretary from local persons having recognized knowledge of the livestock industry.

Mr. BUTLER of Maryland. Does that mean that persons who receive benefits under the act could be appointed?

Mr. ANDERSON. Originally the word "local" was stricken, but then it occurred to someone that, under the language, a farmer might be afraid that a committee of three people from Washington might come to the locality to handle affairs in his district.

Mr. BUTLER of Maryland. I am not in favor of that happening, but I do not think that anyone should be placed on a committee who is receiving benefits under the act.

Mr. AIKEN. No.

Mr. ANDERSON. I am sure that would not happen.

Mr. AIKEN. The Secretary would not be inclined to appoint anyone to a committee who would be asking for a loan himself.

Mr. BUTLER of Maryland. There is nothing in the bill to prevent it.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment on page 3, line 20 of the bill, to strike out "financing institutions, livestock operators, and."

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The clerk will state the remaining committee amendments.

The remaining committee amendments were, on page 4, line 5, to strike out "regulations." and insert "regulations"; after line 5, to strike out:

EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

SEC. 2. (d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, but

the Secretary may waive repayment in whole or in part if in his judgment circumstances so require. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and may reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for administrative expenses necessary in performing such functions.

On page 5, after line 1, to strike out:

The last sentence of subsection 2 (a) is renumbered as subsection 2 (c) and a comma and the word "reimbursement" shall be inserted after the word "loans" in said subsection.

After line 5, to insert:

(B) The last sentence of subsection (a) is designated as subsection (d).

At the beginning of line 8, to insert "(C)"; in the same line, after the word "of", to strike out "subsection 2 (b) is deleted, the subsection is renumbered as subsection 2 (f)" and insert "subsection (b) is deleted, the subsection is redesignated as subsection (e)", and after line 14, to insert:

SEC. 2. Loans under this act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 percent of the stock or other interest in the corporation or organization.

So as to make the bill read:

Be it enacted, etc., That section 2 of the act of April 6, 1949 (63 Stat. 43), as amended, is hereby further amended as follows:

(A) After the second sentence of subsection (a) add the following new subsections:

"ECONOMIC DISASTER LOANS

"(b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended, to make loans to established farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"(c) For a period of 2 years from the effective date of this subsection loans for $2,500 or more may be made to established producers of cattle, sheep, and goats who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of 3 years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 per cent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding $50,000 shall also be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding $25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations."

AMENDMENTS TO EXISTING PROVISIONS

(B) The last sentence of subsection (a) is designated as subsection (d).

(C) The letter (a) in the last clause of subsection (b) is deleted, the subsection is redesignated as subsection (e), and there shall be added at the end thereof the following new sentence: "There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine."

SEC. 2. Loans under this act shall be secured by the personal obligation and available security of the producer or producers, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as 10 percent of the stock or other interest in the corporation or organization.

The amendments were agreed to.

The PRESIDING OFFICER. That completes the committee amendments.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the Speaker had affixed his signature to the joint resolution (H. J. Res. 292) authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives, and it was signed by the Vice President.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

The Senate resumed the consideration of the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KERR. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The CHIEF CLERK. At the end of the bill, it is proposed to insert a new section, as follows:

SEC. . The Secretary of Agriculture is authorized and directed to make immediately available through loans, purchases, or otherwise, price support to producers of beef cattle at 90 percent of parity.

Mr. KERR. Mr. President, I wish to commend the Committee on Agriculture and Forestry and its members for bringing S. 2267 to the floor of the Senate and for the work they have done in formulating its provisions, to the extent that it will meet some of the needs of some of the farmers and cattle producers in our country.

I have a feeling, however, that it is inadequate. I should like to ask the chairman of the Committee on Agriculture and Forestry, if I may—and I ask unanimous consent to do so—a question without my losing the floor.

The PRESIDING OFFICER (Mr. KUCHEL in the chair). Is there objection? The Chair hears none, and the Senator may proceed.

Mr. AIKEN. May I ask what the subject of the unanimous-consent request was?

Mr. KERR. That I may be permitted to ask a question of the Senator from Vermont.

Mr. AIKEN. That is agreeable to me.

Mr. KERR. I should like to ask the chairman of the committee if it is not a fact that under existing law all the provisions of the bill under economic disaster loans and all the benefits under that provision are now available in the disaster areas to farmers or cattle producers requiring up to $2,500 in loans.

Mr. AIKEN. May I have that question again? I did not quite understand it.

Mr. KERR. I am trying to ascertain, both to confirm an impression I have, if it is correct, and also for the RECORD, that under existing law many of the benefits of the proposed bill are now available to farmers and cattle producers in amounts up to $2,500.

Mr. AIKEN. The Farmers Home Administration has authority to make production and subsistence loans up to $7,000. The change in the proposed act makes loans available for economic disaster as well as production disaster in areas determined to be disaster areas under Public Law 875. Economic disaster might come with falling prices.

Mr. KERR. But if in any area where drought disaster has already been declared by the President to exist, that privilege is now available to farmers and cattle producers and others interested in agricultural production at this time from the Farmers Home Administration, up to $7,000.

Mr. AIKEN. From the Farmers Home Administration for production and subsistence loans, as in any other other area. I may say production disaster loans in any amount are available from the disaster revolving loan fund in appropriate cases. The pending bill authorizes putting enough money in the revolving fund so that adequate loans can be made.

Mr. KERR. I understand.

Mr. AIKEN. I read from the committee report:

The Secretary of Agriculture now has authority, under section 2 (a) of the act of April 6, 1949 (63 Stat. 43), to make loans to farmers and stockmen in areas in which a production disaster has occurred, but these loans are limited to borrowers who have

sustained production disasters on their farms. The bill would add a new section 2 (b) to the act of April 6, 1949, to permit the Secretary to make loans in areas determined to be disaster areas under Public Law 875, 81st Congress, to farmers and stockmen who have suffered from economic disasters, such as the declines in cattle prices which have occurred in the drought area.

That means authorizing loans to be made because of falling prices, in other words, so farmers can hold back cattle and not put them on a depressed market.

Mr. KERR. As I understand, it makes it possible, in the presence of economic disaster, to make loans to farmers on the basis of their showing that they are entitled to them under these specifications.

Mr. AIKEN. That is correct.

Mr. KERR. I thank the Senator. I repeat, I desire to commend the committee for bringing out this bill and for giving it the coverage which it has.

I am still convinced, Mr. President, that it does not go far enough, either to meet the requirements of the cattle producers or to prevent creeping bankruptcy, which is now taking place insofar as small farmers and cattle producers generally are concerned throughout the length and breadth of this land.

As we approach the problem it is tragic to operate on the basis of too little too late. I believe the Secretary has far more authority than he has used up to this time. In my opinion the tragedy of 1953 has been his refusal to use the authority he has had and his failure to come to Congress and ask for such additional authority as he may have felt he needed in order to prevent the economic disaster which has befallen cattle producers everywhere in the United States.

Mr. President, when bankruptcy has been thrust upon a cattle producer it is just as deadly and just as destructive in the absence of a drought as when it occurs by reason of a drought. It is just as destructive and just as much of a tragedy to a producer of any product to find that through conditions beyond his control that which he has been producing has its value destroyed and bankruptcy has come upon him, regardless of the cause of the visitation.

I wish to read a quotation from a United Press report which came over the ticker a day or two ago:

DROUGHT

Secretary Ezra T. Benson, indicated the Agricultural Department has gone about as far as it can in offering to aid drought-stricken farmers in the Southwest.

He quickly vetoed requests from 10 southern agricultural officials yesterday for a Federal floor under cattle prices. He said, "We certainly are not contemplating such a move." He said the Department's plan to buy 200 million pounds of beef in the next 20 weeks, sell feed to cattlemen at bargain prices, and handle emergency credit facilities should be enough to firm up cattle prices and prevent undue hardship.

Mr. President, to me it is tragic that the vision of the Secretary of Agriculture in this regard has been so limited. I think he is one of the finest men I have met. At the same time I think he is most unaware of the opportunities and responsibilities of his office of any man I ever saw who seemed to enjoy occupying his office as much as he does.

When he said the Department of Agriculture has gone about as far as it can go, he brought to my mind the words of a song in the great show "Oklahoma." I really believe the words of the Secretary of Agriculture are about as effective in and about as applicable to the present situation as the words of that song are applicable to the security of our country:

Ev'rythin's up to date in Kansas City—
They've gone about as fur as they c'n go.
They wanta build a skyscraper seven stories high.
About as high as buildings orta grow.
Ev'rythin's like a dream in Kansas City.
It's better than a magic lantern show.
You c'n turn the radiator whenever you want on heat,
With every kind of comfort, every house is all complete.
Y' c'n walk to the privies in the rain and never wet your feet.
They've gone about as fur as they c'n go.

Mr. President, the Secretary of Agriculture did not even begin to go as far as he could go in meeting the requirements of the cattlemen of the Nation.

I wish to refer to a telegram or two and a message or two which I have received.

In my judgment, Mr. President, we have had as clear a demonstration of a national emergency as I have seen in my lifetime. In past weeks I have heard distinguished Members of this body, standing on this floor, refer to areas upon which hurricanes have wrought terrible destruction to life and property. I have seen the President move with commendable dispatch in declaring an emergency to exist in those areas, and in making many facilities of aid and assistance available to the distressed people and the damaged communities.

Mr. President, a hurricane of destruction has hit the entire cattle-producing population of the Nation. I heard one Senator say that one vicinity in his State had suffered $30 million of damage. The cattle producers of the Nation have suffered that much economic loss each and every day, except Saturdays and Sundays, since November 4, 1952; and the damage is still continuing. The drought did not create that destruction; it only dramatized it. It only called attention to the condition in limited areas. The millions of cattle producers outside the drought areas have suffered economic destruction to the point of bankruptcy. I wish to say that is just "about as fur" as damage can go. When a man has been bankrupted, how much further can the damage to him go?

When an official who has authority to act in a way to prevent such damage, stops far short of doing that, then he is not entitled to say he has gone as far as he can go to alleviate the suffering or to prevent the disaster.

Mr. AIKEN. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield to the distinguished chairman of the Committee on Agriculture and Forestry.

Mr. AIKEN. Mr. President, the Senator from Oklahoma asks, "When a man has been bankrupted, how much further can the damage to him go?"

Let me ask the Senator from Oklahoma a question: When a nation has been bankrupted, how much further can the damage to it go?

Mr. KERR. Mr. President, I am glad the Chairman of the Committee on Agriculture and Forestry has asked that question. Because of the failure and refusal of the Secretary of Agriculture to act in meeting his responsibility, the cattle producers of the Nation have suffered a greater loss since November 4, 1952, than is represented by the deficit of the Government for the fiscal year ending June 30, just the other day.

Mr. AIKEN. Mr. President, the Senator from Oklahoma is not correct, but I will not go into that matter.

Let me ask what was done in 1940, when the average price of all beef cattle in the United States was 7 cents a pound? What price-support program was put into effect then? What brought those prices out of the valley or low point, except war?

Mr. AIKEN. Mr. President, I agree with the Senator from Oklahoma that we should find some means of maintaining prosperity, other than war; but I do not recall that any effort was made in 1940 to place supports under cattle prices.

I only wish the Senator from Oklahoma would let the farm program stay out of politics. He is doing no good to the farmers of the United States. He has done his part to drive down cattle prices. He has done everything that is not good for agriculture. I wish he would stop—not because I think what he says influences anyone, but because I believe it is part of the psychological drive which began, even before President Eisenhower took office, to knock cattle prices to pieces.

Three groups took part in that drive. One group was composed of those who sought to make money by buying cattle cheap. The second group was composed of those who sought to make political capital by having farm prices go to pieces. The third group was composed of those who sought to change the form of government of the United States. They were a strange lot of bedfellows.

Mr. KERR. Mr. President, I feel greatly censured.

Mr. AIKEN. Mr. President, the Senator from Oklahoma has done as much harm to the farmers of Oklahoma as has been done by any other factor in our whole economy.

Mr. KERR. Mr. President, I hope the Chair and the few other Senators now in the Chamber will excuse these few tears. I wish to say to my distinguished friend, the Senator from Vermont, that I have a great regard for his sincerity of purpose in the views he has with reference to agriculture. But I do not yield to him or to anyone else the privilege of saying to me what shall be my views.

I say to him that if he thinks he can ridicule those who have stood on this floor and have sought to prevail upon the Secretary of Agriculture to use his authority to stop the creeping bankruptcy of the American cattle producers and gain either confidence, esteem, or respect from the farmers of the United States, he will have the rudest awaken-

Mr. SAYLOR. I yield to the gentleman from Nebraska.

Mr. MILLER of Nebraska. I might say, Mr. Speaker, that the objectors have been contacted by letter. The amendment suggested by the gentleman from Pennsylvania [Mr. SAYLOR] has been agreed upon by the full committee, and I would recommend that the amendment be adopted, without objection from the objectors.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of Congress approved March 4, 1915 (38 Stat. 1214), being an act to reserve lands of the Territory of Alaska for educational uses, and for other purposes, as amended by the act approved March 5, 1952 (66 Stat. 14), is hereby further amended by adding to the first section the following:

"All deposits of oil, gas, oil shale, phosphate, sodium, and potassium in the reserved lands together with the lands containing such deposits shall be subject to disposition under the Mineral Leasing Act of February 25, 1920 (41 Stat. 437), as amended, and all deposits of coal in the reserved lands together with the lands containing such deposits shall be subject to disposition under the Alaska Coal Leasing Act of October 20, 1914 (38 Stat. 741), as amended. Any such disposition shall be upon conditions providing for compensation to any Territorial lessee for resulting damages to crops or improvements on, or impairment of the lessee's utilization of, the reserved lands. The entire proceeds or income derived by the United States from any disposition of the minerals in the reserved lands under the mineral leasing laws as herein provided are hereby appropriated and set apart as permanent funds in the Territorial treasury, to be invested and the income expended for the same purposes and in the same manner as hereinbefore provided for.

"Any person qualified to hold an oil and gas lease who, on the date of this amendment, had first filed in point of time and had pending an offer or application for an oil and gas lease for any lands subject to this act, which lands on said date were within the limits of a unitized area created by unit agreement approved by the Secretary of the Interior, and which lands on the date the application was filed were not situated within the known geologic structure of a producing oil and gas field, shall have a preference right over others to an oil and gas lease of such lands, without competitive bidding.

"Upon the transfer to any future State erected out of the Territory of Alaska of title to any of the reserved lands, the provisions of this amendment shall cease to apply to the reserved lands title to which is so transferred. Any lease, permit, or contract made pursuant to this amendment which is in effect at the time of any such transfer of title to the lands covered by the lease, permit, or contract shall not be terminated or otherwise affected by such transfer of title; but all right, title, and interest of the United States under such lease, permit, or contract, including any authority to modify its terms and conditions that may have been retained by the United States, shall vest in the State to which title to the lands covered by the lease, permit, or contract is transferred.

"The Secretary of the Interior is hereby authorized to make all necessary rules and regulations in harmony with the provisions and purposes of this act for the purpose of carrying the same into effect."

With the following committee amendments:

Page 2, line 5, strike all of the language beginning with the word "Any" through line 15 and insert in lieu thereof the following: "Ninety percent of the entire proceeds or income derived from the United States from any disposition of the minerals in the reserved lands under the mineral leasing laws, as herein provided, are hereby appropriated for payment to the Territorial treasury, where such sums shall be set apart as permanent funds, to be invested and the income expended for the same purposes and in the same manner as hereinbefore provided for. The other 10 percent of the entire proceeds or income shall be deposited in the United States Treasury as miscellaneous receipts."

Page 2, line 16, strike the comma following the word "who."

Page 2, line 17, strike the words "on the date of this amendment."

Page 2, line 18, following the word "pending" add the words "on January 15, 1953."

Page 2, line 22, following the word "application" add the words "for an oil and gas lease."

Page 3, line 1, change the comma to a period and strike the words "without competitive bidding."

Page 3, line 20, following the word "effect" add the following: ", including such provisions as he may deem equitable to assure compensation of surface lessees for damages to crops or improvements on, or impairment of the surface utilization of, the reserved lands by the holder of a mineral lease, or contract issued under this act: *Provided*, That such damages, if any, may be subject to judicial review'."

The committee amendments were agreed to.

Mr. SAYLOR. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SAYLOR: On page 3, strike out lines 3 to 14, inclusive.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEFINE SURFACE RIGHTS VESTED IN LOCATOR OF A MINING CLAIM

The Clerk called the bill (H. R. 4983) to define the surface rights vested in the locator of a mining claim hereafter made under the mining laws of the United States, prior to issuance of patent therefor, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

Mr. MILLER of Nebraska. Mr. Speaker, reserving the right to object, I call the attention of the House to the fact that this bill deals with surface rights relative to mining. Under some twists of interpretation of the Reorganization Act there is now in the Committee on Agriculture a bill on mining that deals with surface rights and mines entirely, not with tobacco, cotton, rice and peanuts, but with minerals. How the bill got into the Committee on Agriculture I am not sure, but under the Reorganization Act the House Interior Committee assumes the legislative power over bills dealing with public lands. The time will approach when the Congress will have to ask that there be a line of demarcation between what the Committee on Agriculture does and what should properly be a matter for consideration by the Committee on Interior and Insular Affairs. The Reorganization Act requires that forests carved out of the public domain shall be under the jurisdiction of the Interior Committee. The Committee on Agriculture has a bill upon which they will soon hold hearings that deals in surface rights and minerals. In my opinion it properly belongs to the Interior Committee.

Mr. Speaker, I withdraw my reservation of objection. I must say to the gentleman from Kansas [Mr. HOPE], chairman of the Committee on Agriculture, who objects to this bill on consent calendar that it is the intention of certain members of the Interior and Insular Affairs Committee to object to the Committee on Agriculture from dealing with minerals on public lands. The bill before his committee should be sent to the Interior Committee.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. HOPE]?

Mr. PRICE. I object, Mr. Speaker.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. HOPE. I object, Mr. Speaker.

Mr. PRICE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, the National Wildlife Federation and other conservation organizations of the country have informed me of their serious concern regarding the problem of false mining claims on the national forests, particularly in the western public-land States where the national forests, having been withdrawn from the public domain, are subject to the Federal mining laws. No reasonable person wants to interfere with or handicap the legitimate prospector or miner, who is interested in the discovery and development of mineral resources. The mining industry is essential to the economic welfare and security of our Nation. A great many of the claims filed in the national forests, however, are motivated by other interests than mining.

The 1872 mining law is so loose and outmoded it offers an inducement to individuals whose real motive is to get their hands on a piece of extremely valuable timber, or upon a preferred site for a fishing camp or a summer cottage on a mountain stream.

At present there are some 84,000 mining claims tying up approximately 2 million acres within the national forests. It is significant that fewer than 3 percent of these are actually producing minerals.

It is possible under the present law for a mining claimant to invest only $1,000 in assessment and survey work, then pay the Government another $50—20 acres at $2.50 per acre—and thereby secure fee simple title to standing timber worth from $20,000 to $30,000. This has been done in the Douglas fir stands of Washington and Oregon. This is clearly contrary to the intent of the mining laws, and needs to be corrected.

the advice of the Senator from Oklahoma instead of the advice of the so-called advisory committee the Secretary called in on March 4, 1953, whose names I shall read in a moment, I think part of the problem now confronting us on the floor of the Senate would have been nonexistent. The release of the Secretary of Agriculture, dated March 4, 1953, reads:

FINANCE ADVISORY GROUP SAYS ADEQUATE CREDIT AVAILABLE TO LIVESTOCK MEN

Recent stories stating that loans to livestock producers were being called due to decreasing meat prices were discounted today by an agricultural finance advisory group invited to meet here by Secretary of Agriculture Ezra Taft Benson. It was generally agreed that few, if any, loans have been called due to declining prices, and that loans to cattlemen were still considered a very good risk.

The group was welcomed by True D. Morse, Under Secretary of Agriculture, who pointed out that the Department was concerned with reports emphasizing the need for emergency financial assistance. The Under Secretary asked the group for their advice on these specific questions: (1) Does an acute problem exist and how intense is it? (2) Should emergency loan procedures be set up? The Under Secretary cautioned that "we must avoid unsound financing as a result of undue pressure."

It was pointed out by members of the group that there is little indication of distress even in the drought areas. They added, however, that some feed-lot operators had taken a loss this year, particularly those handling heavy cattle. They stated that feeder cattle are still considered the best kind of collateral. The group agreed that farmers in general are not concerned so much about the drop in farm prices as they are about increased costs of things they have to buy. The advisory group further agreed that existing credit facilities are adequate to take care of any foreseeable needs of the legitimate livestock producer.

The point of my remarks is to be found in the enumeration of the members of the advisory committee. There is not a cattleman on the committee. For the most part, the members are bankers. I read further:

Members attending today's meeting are: A. G. Brown, American Bankers Association, New York City; D. E. Crowley, vice president of the Northwest National Bank, Minneapolis, Minn.; R. M. Evans, member, Board of Governors, Federal Reserve System, Washington, D. C.; O. M. Krueger, the Prudential Insurance Co. of America, Newark, N. J.; R. I. Nowell, Equitable Life Insurance Society, New York City; John A. Reed, president, First National Bank, Kemmerer, Wyo.; and Glenn E. Rogers, Metropolitan Life Insurance Co., New York City. Mr. R. E. Short, Director of Agricultural Credit Services in the United States Department of Agriculture, served as chairman of the meeting.

I wish only to add, Mr. President that had the administration on March 4, 1953, been seeking some advice from the feeder cattle people, some advice from the cattle farmers in the drought areas, where it is said, as recently as March 1953, there was not a very serious financial situation existing, they would have received some advice quite the contrary to the advice given by bankers and high financiers. This release was bound to discourage cattlemen and cause them to lose confidence in the administration. A different release would have been necessary if some farmers had sat down with the bankers and the Department officials. What it illustrates is a good example of what really faces us today, the Cadillac crusade in reverse.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. AIKEN. The Senator from Oregon knows that that is not a fair statement.

Mr. MORSE. It is a fair statement, and I hope the Senator from Vermont will answer it.

Mr. AIKEN. I shall answer it.

Mr. MORSE. In the Senator's typical fashion.

Mr. JOHNSON of Texas. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. JOHNSON of Texas. Mr. President, I deeply regret that while this body is considering a measure so necessary and so essential to a large section of the country, the chairman of the great Committee on Agriculture and Forestry should seek to give us a lecture on partisanship.

I should like to ask the Senator from Oklahoma if he is aware—and I hope the chairman of the Committee on Agriculture and Forestry will follow my question—that the Committee on Agriculture and Forestry of the United States Senate asked the Department of Agriculture for a report on a bill substantially the same as section 2 (b) of the present bill, which makes credit available. The report was received by the chairman of the committee less than 30 days ago, stating that the Department of Agriculture saw no necessity for such credit legislation. Yet the chairman of the Committee on Agriculture and Forestry, the great Senator from Vermont, has the audacity to tell the Senate that the Senator from Oklahoma is destroying confidence in the livestock market.

Mr. KERR. I thank the Senator from Texas for that question. My answer is that it is my information that the Under Secretary of Agriculture did write such a letter and did say that the conditions did not warrant action.

Mr. JOHNSON of Texas. The chairman of the committee is on the floor, and if the statement is not true, I assume he will deny it.

Mr. KERR. I will say this to the distinguished Senator from Texas, that if my answer to the question is incorrect, I would solicit a statement from the Senator from Vermont calculated to correct it.

I will say further, with reference to the Under Secretary of Agriculture, that I went to see him the other day with my distinguished colleague, the junior Senator from Oklahoma, and four Oklahoma Representatives, with reference to extending the application of the designation of a disaster area to other sections of Oklahoma which might be entitled to it. In the course of the conference we discussed the question of who would be eligible to receive the benefits available under the disaster identification. I think the distinguished Under Secretary of Agriculture is a fine man; I think he is a high-type man of integrity and character, but I think he shares the limitations of his Chief in that he is unaware either of the needs of the farmers or of the responsibilities and opportunities of the Department of Agriculture with reference to their needs.

In the course of the discussion, he said:

Of course, this assistance will not be available to farmers for whom there is no hope.

We questioned him on that point, and the term "marginal farmer" crept into the conversation. He said, "Why spend money on farmers who cannot make it even with help?"

I asked him how anyone could determine whether a man could "make it" if he got some help. For many years I have heard men on this floor and elsewhere condemn what they referred to as the plowing-under policy of certain past bureaucratic officials in the Department, but I never expected to live to see the day when a man in that high office would say that which amounted to indifference to the operation of plowing under human beings—if they do not have a chance to make it, plow them under. If it is apparent that they are not going to make it, what is the use of spending money on them? That was the question of the Under Secretary.

I hope I shall be forgiven if anything I say here violates the concept of the Senator from Vermont of what the political situation might be.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oklahoma yield further?

Mr. KERR. I yield.

Mr. JOHNSON of Texas. On March 20 there was received by the committee headed by the Senator from Vermont a bill substantially the same as section 2 (b) of the present bill. That credit bill has been in the committee since March 20. On June 9 the Department of Agriculture made a report on that credit bill and said it was not necessary. Yet, today, Mr. President, we are confronted with emergency legislation highly recommended by the same Department which, 30 days ago, said the legislation which had been resting in the committee since March 20 was unnecessary.

Mr. KERR. I thank the Senator from Texas. That is but another illustration of either the indifference or the ignorance of the Department of Agriculture as to what is going on and as to the necessities of the people.

Mr. HUMPHREY. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. HUMPHREY. I listened to the colloquy and the debate in the Senate on this matter, and I sent to the lobby and obtained a copy of the CONGRESSIONAL RECORD. I think it would be enlightening to get an exact record of what transpired earlier.

For example, under date of February 4, 1953, the junior Senator from Oklahoma [Mr. MONRONEY], read into the RECORD, as I have it before me on page 875, under the headline "Decline in Beef Prices," an Associated Press dispatch, as follows:

Secretary of Agriculture Ezra Taft Benson yesterday urged disturbed cattlemen to drop their "unwarranted pessimism" about declining prices and to stop dumping beef cattle on the market.

"The United States economy is fundamentally strong," Benson said. "Employment and incomes are higher than ever be-

fore. This promises more stability to cattle prices, particularly since reductions due this year in the supply of pork will bolster the market for cattle."

Benson promised no Government action to help stabilize cattle prices. There are no price support programs for meat animals, although they are permitted by law.

Benson's appeal for an "orderly pattern" of cattle marketing—

The colloquy in this part of the debate was between the junior Senator from Minnesota and the junior Senator from Oklahoma. At that time I said:

Mr. President, the argument of orderly marketing needs careful examination. It is impossible to have orderly marketing in a depressed-price economy, unless there is extended extensive long-term credit. The reason there is disorderly marketing in the agricultural field today, particularly in regard to livestock, as the Senator from Oklahoma has pointed out, is that when the note comes due, the signer of the note pays; and how does he pay? He has to sell, and every time he sells in a depressed market, the price continues to go down, which in turn means that he must sell more in order to pay the note he signed at a time of high prices.

On February 6, 1953, as shown on page 893 of the RECORD, the senior Senator from Oklahoma [Mr. KERR] was speaking on the subject, Price Supports for Beef Cattle. The statement of the Senator from Oklahoma is as follows:

Mr. KERR. Mr. President, on January 7, I introduced Senate bill 115, the purpose of which, among other things, was to direct the Secretary of Agriculture to make available through loans, purchases, or other operations under existing law, price support for a number of additional farm commodities at 100 percent of parity. One of the items covered by the bill is beef cattle.

Then the Senator from Oklahoma pointed out that the bill would direct the Secretary to use $25 million yearly from funds in the hands of the Commodity Credit Corporation to support the price of beef cattle.

The Senator went on in his argument to point out what had been happening in the cattle market. My point is that the Senator from Oklahoma has been early and often with constructive suggestions. I wish to say that when the debate occurred in the Senate in 1949 about a price-support program at 90 percent of parity, a program that has been a lifesaver for wheat and grain producers, and for many other areas of the American agricultural economy, the senior Senator from Oklahoma was also present and helping out in that fight.

No one wishes to say these problems are easy. But I think it is unkind and unwarranted to say that any Member of the Senate has depressed farm prices. If anyone in the United States has been frightened by a depression of farm prices he has been frightened by the Secretary of Agriculture, who repeatedly tells the American farmer that he can more or less go it alone. The business of going it alone has become something more than international; it has become domestic.

While the hour is late, it is important that Congress pass some kind of legislation that will be helpful and fruitful. It is not right to say or to insinuate that the senior Senator from Oklahoma has been anything other than a vigorous, effective friend of American agriculture. I, as one Senator, pay deserved tribute to him. I pay the same tribute to the chairman of the Committee on Agriculture and Forestry.

There is a difference of opinion, but surely no Senator is trying to depress prices. I do not go home to a meeting of 1,500 farmers to hear about their prices being depressed; but farmers gather together today because they are worried about depressed prices. They are sick and tired of being told that nothing can be done about it. The senior Senator from Oklahoma has provided constructive suggestions which merit the serious consideration of the Secretary of Agriculture and of Congress.

Mr. KERR. Mr. President, I am grateful to the junior Senator from Minnesota. I have the highest regard for the sincerity of the chairman of the Committee on Agriculture and Forestry. It has never occurred to me that he did not believe in what he has advocated here. I deeply regret that I have impressed him in such a way that he is convinced that I am insincere in what I have advocated. I am amazed that he would take unto himself, in addition to all the other burdens of his office, both the prerogative and the job of judging me.

I welcome him to come to Oklahoma and to stand before the cattlemen of that State, who are today bankrupt, and to say to them that what the senior Senator from Oklahoma and the junior Senator from Oklahoma have fought for on the floor of the Senate has contributed to their bankrupt condition. I have here the words of cattlemen, and I shall read a few of them into the RECORD.

The first is a telegram from Cordell, Okla.:

Farmers and ranchers in this area interested in floor on cattle price along with feed program. Don't want to put more money in cattle without knowing they will get a return.

CORDELL CHAMBER OF COMMERCE,
HOUSTON HULIN, *President.*

The next telegram is from Holdenville, Okla.:

We urge you to put support under livestock. Don't allow rich cattlemen to break small cattlemen. Pastures burned, feed scarce, present price confiscating herds. Average cattlemen facing bankruptcy. Help the little man. Stop Peron beef.

STONA FITCH,
President, Hughes County Cattlemen's Association.

I have a telegram from Dalhart, in the great State of Texas, under date of July 5:

Hon. ROBERT S. KERR,
United States Senator:

We congratulate you on your stand for price supports on live cattle. We contend that the industry cannot exist without support prices when other commodities have them. That the position taken by the different cattlemen's organizations against supports does not represent the views of average or smaller producers. We were at the Lubbock meeting and the statement by Secretary Benson since the meeting did not represent the sentiment of the committees present regarding price supports.

S. E. Brown, O. H. Finch, Floyd Elliott, Abe Miller, A. Q. Bonner, Carl Kuper, Glen Johnson, Arnold Tovres, R. Miller, Joe Keast, R. C. Johnson, Guy McBurnett, W. O. Culbertson.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield to the Senator from Tennessee.

Mr. GORE. If the same test by which the distinguished and able Senator from Oklahoma has been condemned were applied to these farm leaders, would not they, too, stand branded, not as friends, but as enemies of the farmer?

Mr. KERR. I appreciate the question, and I must say that I am compelled to answer in the affirmative. What I am now advocating and what I have advocated heretofore is what the embattled farmers of my State have pleaded for, urged, petitioned for, and demanded.

I was present, after I made my remarks awhile ago, when the distinguished Senator from Vermont rose and ridiculed the farmers and cattlemen of Oklahoma. He said his heart burned for them, with their oil wells and their Cadillacs. He said he could see them now, coming to Washington with their hats in their hands, begging. Let me say to the Senator from Vermont that he will not hear of the cattlemen of Oklahoma marching on Washington, begging, with their hats in their hands, but he will hear of the farmers across the length and breadth of the land in 1954, marching shoulder to shoulder, with their ballots in their hands.

Mr. THYE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. THYE. I have been attacked over the years because I have advocated a price support program for perishable commodities. At various times I have adversely commented on the fact that there were mandatory supports on six basics only, and that the diversified type of farmer was not being protected. When I say "diversified type of farmer," I include the cattleman, whether he is engaged in raising beef cattle, dairy cattle, hogs, or whatever it might be.

I would agree with the Senator from Oklahoma that if we are to have a sound farm program, we shall need one that will cover all categories of farm operations, whether livestock, cotton, corn, rice, peanuts, wheat, or anything else. But I believe, and I am absolutely sincere in saying this, that what is before the Senate this afternoon is an emergency measure to deal directly with a disaster situation that has developed in the Southwest.

We see the danger of the excellent breeding herds in the Southwest being dispersed because of the drought situation. I say to the Senator from Oklahoma, let us act on this emergency legislation this evening. The legislative measure which the Senator from Oklahoma proposes would be far-reaching, because it would make mandatory a price of 90 percent of parity as applied to beef cattle. If we do that, we then have the question of hogs, the question of sheep, and the question of dairying, with respect to which the law spells out a price support of between 75 and 90 percent of parity for dairy products such as butter, powdered milk, and any other commodity processed from dairy products.

I say to the Senator from Oklahoma, Let us consider his legislative measure and hold hearings on it, and develop it in the same orderly manner we developed the 90-percent mandatory support for the six basic commodities and for dairy products, which are now covered under the act at from 75 to 90 percent of parity. But if we become involved in trying to guarantee 90 percent on beef this evening, we shall not pass this legislation tonight, and I question whether we shall pass it tomorrow or the next day. Every day we fail to enact this emergency legislation we shall see the liquidation of cattle at prices at which they should not be sold, and the market will continue to be in a demoralized state.

So, as one who fully concurs in the view of the Senator from Oklahoma that one category of our farmers should have the same support as another category of farmers, I say to the Senator from Oklahoma that I would be most happy to enter into hearings on that question. But let us act on this emergency legislation this evening. Let us get it on the statute books in order that it may be administered as rapidly as possible, because the effect of every hour of delay in enacting this emergency legislation is serious.

I would not argue against the fundamental objective which the Senator from Oklahoma seeks in the legislation to which he refers. I think we should have acted upon that question in years past. If we had done so, the livestock industry would not be in the deplorable situation in which it is today. So I say to my friend from Oklahoma, let us lay aside the question of trying to write mandatory price supports for beef, and let us act upon this emergency measure, which will immediately give relief to the Southwestern ranchers who are caught in the drought area.

Mr. KERR. Mr. President, I thank my good friend from Minnesota. I think he is one of the greatest friends of agriculture in the Senate. Two years ago I sat here and heard him and the distinguished Senator from Vermont [Mr. AIKEN] demand that a Democratic Secretary of Agriculture support the price of pork at 90 percent of parity.

Mr. THYE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. THYE. I definitely agree with the Senator. At that time the pork producer was caught in the same price decline——

Mr. KERR. Ah, but pork then was selling at about 80 percent of parity. Today beef is selling at less than 50 percent of parity.

Mr. THYE. Mr. President——

Mr. KERR. Just a moment.

Of course this amendment is far-reaching. The disaster is far-reaching. The bill would help Oklahoma and the Southwest, but I say to the Senator from Minnesota that cattle producers in his State have been driven into bankruptcy because of the collapse of cattle prices, just as happened in the drought-stricken areas of Oklahoma.

Mr. THYE. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. THYE. There is no denying that.

Mr. KERR. Then the Senator from Oklahoma asks the Senator from Minnesota to join him in adopting a far-reaching measure to reach a far-reaching tragedy.

Mr. THYE. Mr. President, if the Senator will yield and permit me to make a statement, if we are to write such a provision with respect to beef cattle, we must take into consideration other livestock.

Mr. KERR. Just a moment. At this time the price of pork is above 90 percent of parity.

Mr. THYE. Mr. President, if my good friend will permit me to get only half a word past my teeth and then cut me off, it is useless for me to rise and try to make any kind of statement. But, if the Senator will permit a sentence to be finished, I shall gladly try to join with him in aiding the farmers and producers of the Nation.

At the time we were asking the Secretary of Agriculture to buy pork, the pork producers, while they had not suffered so drastically as beef producers have suffered during the past 8 months, were suffering, nevertheless, because the price of pork had dropped from $28 a hundred down to $15.65 in about the same length of time as beef prices have been declining.

It is true that beef started at a higher level. Beef started at 141 percent of parity, and at that time pork was slightly above parity. So beef has taken a much longer slide down the price ladder. Nevertheless, Mr. President—and I say this in all seriousness—let us enact this emergency legislation and get it on the statute books, so that the Department may proceed to administer it. It will definitely be an aid, and beef prices may well recover to a considerable extent if this measure can be placed in operation.

I agree with the Senator from Oklahoma when he says that he and I shall not have accomplished our job as representatives of agricultural areas until such time as we shall have rounded out a farm program which will protect the diversified type of farmer, because he is the man who not only adds to the great economic wealth of the Nation, but who maintains the fertility of the soil so that future generations may enjoy its productivity. That is what the livestock industry does. The Senator from Oklahoma and I must protect it. He will find me standing with him in that fight. But this afternoon we have before us this emergency legislation which we should put on the statute books as speedily as possible. Then I will join the Senator in the effort to round out the farm program and make it effective.

There are those who will say to us tonight, "I cannot purchase corn at the price at which corn is selling because of the support program and feed it to cattle, the prices of which have declined to the level of cattle prices today, because every day I try to put a pound of beef on those animals, I am losing considerable money." Therefore, they cannot feed. We recognize that.

The Senator from Oklahoma has a very good argument, and I will join him in his effort; but we do have before us tonight the problem of trying to pass the pending bill and place it on the statute books so that it can be administered. If we do that, I honestly believe that we shall see the price of beef cattle strengtening in the near future.

I could offer hay for sale at $15 a ton in Minnesota tonight, but that hay could not be purchased for less than $55 or $60 in the drought area, because transportation costs must be added. Regardless of whether or not I furnished the hay for nothing in Minnesota, it would still cost around $45 a ton in the area where is it needed to feed livestock. The distance involved in transporting hay and feed is such as to be highly costly. Nevertheless there are those who would make the purchase if we could pass the emergency legislation and grant them the assurance that long-term credit is available. Then with the emergency-feed authorization they will have available not only what is in the presidential fund, which is available to the disaster area, but other emergency legislation will come to the floor of the Senate as soon as we can get to it. Such legislation will make available additional feed at a lower price, which they can afford to pay.

I will say to my colleagues that we have a problem before us. It is so acute that every day we delay action on it we are making farmers suffer financially.

Mr. KERR. Mr. President, I thank the Senator from Minnesota for several reasons. First I think the length of his remarks demonstrated entirely that I had no purpose in cutting him off in the middle of a sentence. Secondly, Mr. President, I thank him for describing the tragic situation which exists. I thank him for impressing upon the Senate the fact that every day we fail to act but adds to the misery and continues the creeping bankruptcy.

In the light of the effect of his own argument I beg him to join me in an amendment which will meet that crisis and give relief not only to the farmers of Oklahoma, but the farmers of Minnesota.

He said that he will help me get a hearing on a bill, or to move forward with a high-price support program for cattle and perishables. I remind him that I introduced a bill in January; I remind him that I introduced a bill in February, directing the Secretary of Agriculture to move to support the price of cattle. It is now July, and I have not been able to get the chairman of the committee to hold hearings on the bill.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KERR. I should like to say to him that the farmers in Oklahoma are not only bankrupted in thousands of cases, but if the Senator from Oklahoma has to await the orderly operation of the committee of the distinguished chairman, the Senator from Vermont and if the future can be a gage for the past, thousands of farmers will be dead and

buried, and the Senator from Oklahoma will be trying to get a measure passed for the benefit of their children before he can get the bill introduced by him or hearings held on it by the Committee on Agriculture and Forestry.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. ANDERSON. I merely wish to ask whether the Senator feels that we should at this time, with the emergency legislation pending, go into that question. I should like to discuss the question of 100 percent price supports, which the Senator from Oklahoma advocated. I should like to discuss it for hours. I cannot conceive of telling cattlemen how many calves they can produce in a year and the area in which they may be produced.

Mr. KERR. I believe the Senator from New Mexico will have an opportunity to go into that question this afternoon. I believe the distinguished Senator will bring forth a birth control amendment in a moment.

Mr. ANDERSON. That is what I am trying to find out, namely, whether we will spend some time on it. If so, we should send for our material. I was getting ready to spend a great many hours on the floor of the Senate in connection with what price supports cost. I have heard the statement made that they do not cost anything. On the other hand, I have figures which show that their cost runs into billions of dollars. I recognize the fact that with 100 percent price support on cattle every cow would be owned by the Secretary of Agriculture within 24 hours.

Mr. KERR. I will tell the Senator from New Mexico that they would have a poor home with Benson.

Mr. ANDERSON. I want to say to the Senator from Oklahoma that I might agree with him, if he could get the pending legislation off the floor. I should like to get through with the emergency legislation the Senator from Minnesota has suggested. I was only trying to find out what the scope of the discussion was going to be. If it is going to go into the question of whether it is right to support everything at a rigid 90 percent, then I think we should go into the subject at this time. If the Senator from Minnesota is going to withdraw his amendment finally, then I do not want to go into it. If we are to have a vote on it I think we ought to understand what is involved in a rigid 90 percent price support program, because of what has happened to the wheat farmer, who has now 750 million bushels of wheat in surplus because of the rigid 90 percent price support, which might have been avoided.

I wish the Senator from Oklahoma would indicate about how far he is going with it. If he intends to press it, then I think the distinguished acting majority leader ought to agree that adequate time be afforded for debate on the subject because we cannot possibly dispose of it in less than a week.

I want to say to my distinguished friend from Oklahoma that I found I could talk for 5 hours on a matter known as the tidelands, and I feel equal to being able to talk much longer than that on the pending question, but I do not want to talk on it while people are in distress.

I am not trying to criticize my good friend from Oklahoma for bringing up the matter. I am only trying to say that we should reach a decision as to whether we will act on the emergency legislation, devoid of these amendments. If not, we ought to put the bill over until tomorrow. We could meet early tomorrow and stay with it all this week and through next week, and discuss the question of the rigid 90-percent price support.

Mr. KNOWLAND. If the Senator will yield to me, for the information of the Senate I had earlier in the day announced, and as a matter of fact, a day or two ago also, that on Wednesday evening, this evening, we would not hold a night session. So it is not my intention to hold the Senate in session. As soon as the Senator from Oklahoma has concluded his remarks, the acting majority leader intends to move to recess until 12 o'clock noon tomorrow. The Senator may be advised of that fact.

Mr. ANDERSON. Mr. President, will the Senator yield further?

Mr. KERR. I yield.

Mr. ANDERSON. I am happy to hear the statement made by the distinguished acting majority leader. I was not trying to break into the very delightful speech being made by the Senator from Oklahoma. I merely wanted to find out whether I should start sending out for the material I should like to introduce into this discussion on the general question of price supports, not on the question of the cattle situation. I think I know something about what the cattleman has been up against in the last few weeks.

Mr. KERR. Mr. President, I want to say to my good friend from New Mexico that I am only trying to represent the farmers of Oklahoma. The emergency is on in that State. I think it is on in Minnesota. I think it is on in New Mexico. I think it is on in Texas, and I think it is on wherever farmers have cattle.

I wish to say that the only way to support the price of cattle is to support the price of cattle. The only person in whose hands the support is effective is the producer. I want to read a few more communications from producers. This communication comes from Ravia, Okla. It reads:

> One hundred and ninety-three ranchers and farmers met in Tishomingo, Okla., at 8 p. m., Friday, July 3, and adopted the following resolution: Due to the drought, the shortage of feed pastures, stock water, and credit which is forcing cattle to market under drought conditions and under present prices, we are broke and out of business unless there is some kind of immediate help. It is disastrous to the county. Therefore we request that Johnston County, Okla., be included in the disaster drought area, and that long-time credit be made available and extended to cattlemen and ranchers at a low rate of interest in the amount of 100 percent of parity. And if we are to survive feed will have to be made available and at a price comparable to the cattle we are selling.

I am talking about the emergency in the homes of thousands of Oklahoma farmers who have sense enough to know that the proposed legislation is good—yes, but it will not solve their problem and that nothing short of a price for their product will avoid bankruptcy for them, or will reinforce their credit with the banks, or will begin to meet their necessities. I continue to read from the telegram:

> And, if we are to survive, feed will have to be made available at a price comparable to the cattle we are selling. And that support prices on cattle be made directly to the producer.

The following telegram comes from Binger, Okla.:

> BINGER, OKLA., *July 2, 1953.*
>
> Hon. ROBERT S. KERR,
> *Senator From Oklahoma,*
> *Senate Office Building,*
> *Washington, D. C.:*
>
> The farmers of this area appreciate your stand on drought relief. All we want is a floor on cattle prices and to make feed stuff available for them to buy. No special loans necessary.
>
> BILLIE BRYAN,
> *Manager, Caddo Electric Cooperative.*

The following telegram comes from Boise City, Okla., which is joined on the north by Kansas, on the west by New Mexico, on the northwest by Colorado, on the south by Texas, and in the east by more of Oklahoma:

> BOISE CITY, OKLA., *July 2, 1953.*
>
> Hon. ROBERT S. KERR,
> *Senate Office Building:*
>
> It is hereby resolved by the farmers and ranchers of Cimarron County that the Secretary of Agriculture use his powers to invoke controls; set parity prices under all grades of cattle.
>
> CIMARRON COUNTY FARM AND CATTLE ASSOCIATION.

The following telegram comes from El Reno, Okla.:

> EL RENO, OKLA., *July 2, 1953.*
>
> Senator ROBERT S. KERR,
> *United States Senate,*
> *Washington, D. C.:*
>
> Joint meeting Canadian County Mobilization Committee, farmers, ranchers and bankers, July 2, directed chairman to wire favoring price support of beef at producer level. Believed present plans for emergency aid may not retard liquidation of foundation herds.
>
> JACK E. ROBINSON,
> *Drought Emergency Committee.*
> FIRST NATIONAL BANK,
> *El Reno, Okla.*
> CITIZENS NATIONAL BANK,
> *El Reno, Okla.*
> FIRST NATIONAL BANK,
> *Calumet, Okla.*
> FIRST NATIONAL BANK,
> *Yukon, Okla.*
> FIRST BANK OF OKARCHE,
> *Okarche, Okla.*
> W. H. JORDAN,
> *Committee member.*

The following telegram comes from Oklahoma City, Okla.:

> OKLAHOMA CITY, OKLA., *June 22, 1953.*
>
> Senator ROBERT S. KERR,
> *Washington, D. C.:*
>
> Continued drought and depressed cattle prices causing herds to be liquidated in unprecedented numbers. Urge immediate action by Secretary of Agriculture to use existing authority to support cattle prices at 100 percent or not less than 90 percent of parity. Such action to be in addition to any proposed stopgap purchase of processed beef. Such direct purchase will help processors but

will do little to support prices to producers and prevent herd liquidation. If direct purchase is made. Urge it be made on contractural basis with processors on guaranty that such support will be passed on to producers. In addition to immediate price-support announcement, need Government assurance of adequate credit to carry producers through disaster period.

HOMER DUFFY,
President, Oklahoma Farmers Union.

The following telegram comes from Stigler, Okla.:

STIGLER, OKLA., *June 29, 1953.*

Hon. BOB KERR,
United States Senator:

Severe drought and price drop threatens farmers and cattlemen in Haskell County. Meeting at June 27, 1953, cattlemen suggest 90 percent parity.

BOARD COUNTY COMMISSIONERS,
JIM THOMPSON,
BILL PRINCE,
E. E. HENDRIX.

The following telegram comes from Frederick, Okla.:

FREDERICK, OKLA., *July 3, 1953.*

Hon. ROBERT S. KERR,
Senate Office Building:

Stockmen called in by drought relief committee to determine needs of county under program recommended unanimously that immediate support prices 90 percent parity on livestock be established.

WAYNE C. LILES,
Secretary, Tillman County Drought Relief Committee.

Mr. President, it is not my purpose to labor this question. These telegrams are but a few of the hundreds of communications I have received from every section of Oklahoma and from many other States.

I say to you, Mr. President, that the only way to support the price of cattle is to support the price of cattle. Much as I favor all the provisions of the pending measure, I say it is still inadequate without this amendment. I urge adoption of the amendment.

The PRESIDING OFFICER (Mr. CARLSON in the chair). The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. KERR].

Mr. KNOWLAND obtained the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield.

Mr. JOHNSON of Texas. Mr. President, it is not my intention to take up any considerable time in discussing this bill. The need for relief in the drought area is too severe to permit of much delay.

As a practical man, I recognize that this measure is the fastest means of rushing some aid to Texas and the rest of the stricken Southwest. For that reason, I have joined in sponsoring the bill before us, and for that reason I urge its speedy passage.

But I would not want my vote on the bill to be interpreted as indicating a belief on my part that this measure—the program of the Secretary of Agriculture—is the answer to the drought problem. It is the beginning of the answer. It will hold out some hope to some of the suffering ranchers and stockmen. More far-reaching measures, however, will be essential to take us through this crisis.

The greater bulk of the provisions of this, the Agriculture Department's bill, sets up a loan program. It is a restricted program. The loans may be made only to established ranchers or stockmen. Those who receive the loans must have a good record of operations. They must have a reasonable chance of working out of their difficulties with supplementary financing. Their present creditors must be willing to work with the borrower to the extent of executing standby agreements for reasonable periods of time. The loans will bear 5 percent interest. The loans must be approved by special area committees.

Mr. President, these provisions could—if strictly interpreted—leave many small ranchers and stockmen without the aid they need.

There are on my desk many letters from ranchers in the drought area. They are experienced men—men who have been in the cattle business all their lives. They are also men who have lived with drought for many years. In the past year or two, they have been unable to make a profit. Despite their experience and skill, heat and dry land have been too much for them.

These losses—losses which no amount of initiative could have avoided—could be interpreted as a "poor" record of operations. They could be considered as a disqualification for a loan.

The aid authorized in the bill is allowable only to "established" farmers, ranchers, and stockmen. I would feel happier if we had a better idea of the meaning of the word "established," and the interpretation that will be placed on it.

Does this clause mean that a young man who set himself up as a farmer or rancher 2 or 3 years ago is not eligible for aid? Does it mean that he must operate a large farm or ranch in order to receive a loan? Does it mean that he must have a record of profitable operation extending back over a number of years?

One of the greatest problems in the drought area is brought about by the extent to which commercial credit is being called. There is a strong need for some method of refinancing or of temporarily postponing these calls. The only part of this bill which would meet this need is the provision which says that "creditors must be willing to work with the borrower" in the execution of standby agreements. Does this mean that a rancher will be unable to obtain a loan if his present creditors refuse to enter into standby agreements?

Mr. President, legislation is always a compromise. To offer amendments to this bill—a bill which already has the approval of the Secretary of Agriculture and, presumably, of the President—would lead to protracted delays.

I am not willing to be responsible for such delays. This measure will be of some help. Any degree of help will be welcomed. Consequently, I am voting for this bill, despite its limitations; and I am urging my colleagues to do the same.

The legislative record should be clear, however. We should let the Secretary of Agriculture know that we are expecting a liberal interpretation to be made of the terms of this bill.

We should express the view that the ordinary terms of commercial money lending do not apply to a drought disaster situation.

A loan program by itself does not attack the foundation of the problem.

It does not stabilize the market or even offer an opportunity of stabilizing the market.

Farmers and ranchers will not borrow more money—go deeper into debt—unless they have a reasonable prospect of selling their products at a fair return. Nothing in this bill holds out such a prospect.

The Secretary of Agriculture already has the authority to take the necessary steps. He can launch a vigorous program to bring feed prices and cattle prices into line.

The ranchers and stockmen are looking to him to take those steps. It is their hope—and my hope—that Congress will not have to do the job for him.

Mr. President, the junior Senator from Texas [Mr. DANIEL] is presently in Texas, on official business, by leave of the Senate. He was one of the original cosponsors of this emergency legislation. At his request, I want the RECORD to show that if the junior Senator from Texas were here, he would vote for this bill as an essential first step toward necessary relief of the critical drought situation in our State.

Mr. President, I thank the Senator from California for yielding to me.

Mr. AIKEN. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Vermont.

Mr. AIKEN. It is not my purpose to refer to the remarks of the Senator from Oklahoma tonight, regarding the effect of the proposed legislation. I do, however, want to refer to the remarks of the Senator from Oregon.

Mr. KNOWLAND. Mr. President, I would appreciate it if the Senator from Vermont would be good enough to indicate how much time he will require.

Mr. AIKEN. About a minute.

Mr. KNOWLAND. I yield to the Senator from Vermont for an additional minute.

Mr. AIKEN. The remarks of the Senator from Oregon in connection with the reading of a list of consultants or advisers who were called in by the Secretary of Agriculture, would leave the inference that all the consultants were bankers. It is true that the Secretary of Agriculture called in a group of bankers who were financially interested in the cattle situation as it existed at that time; but I want to make it clear that the Secretary of Agriculture also called in a large number of cattlemen, although naturally he did not call them in at the same time he called in the bankers. I do not think the inference should be left in the RECORD that the Secretary is depending solely upon the advice of bankers as to cattle prices. Since the hour is late, I shall not ask unanimous consent to place a list of the cattlemen who were called in by the Secretary of Agriculture as advisers, but I shall do so tomorrow.

Mr. MALONE. Mr. President, will the Senator from California yield, that I may propound a question to the Senator from Vermont?

Mr. KNOWLAND. I yield to the Senator from Nevada for that purpose.

Mr. MALONE. I should like to ask the distinguished chairman of the Committee on Agriculture and Forestry whether there has been any consideration given to the numerous suggestions that have been made from time to time to the effect that some arrangement be considered whereby there might be support for bankers' loans to the cattlemen, not particularly within disaster areas, but in areas that could very well experience disaster if some effective plan is not finally worked out for permanent loans, that is to say, 2- or 3-year loans?

Mr. AIKEN. I may say that I received 5 or 6 identical telegrams from bankers in the State of Oklahoma, urging that loans to the cattlemen be made through the banks, and that the banks be guaranteed against losses on the loans, as well as some profit for making the loans. But the committee did not spend time on the consideration of that matter, because it was felt that the most important thing we could do would be to get the pending legislation passed as soon as possible. Every day it is delayed means loss to the cattlemen of Texas, Oklahoma, and other afflicted areas.

I had hoped we could complete our consideration of the pending measure today, but unforeseen circumstances have made it impossible. I hope that we can conclude it tomorrow, or, at least, that we can conclude it this week. But I may say there is no reason why the Secretary of Agriculture and the Department of Agriculture cannot take into consideration the proposal with respect to the handling of loans, and there is no reason why they cannot consider handling the loans in any way they may see fit, through banks or otherwise. But the Department felt that in the interest of speed it was better not to work out, or attempt to work out, a program now, but, as quickly as possible, to get help to the people who need help, at a time when every hour's delay would mean more loss.

Mr. MALONE. Mr. President, will the Senator yield, that I may ask a question of the Senator from Vermont?

Mr. KNOWLAND. I yield for that purpose.

Mr. MALONE. There are areas, such as the western area, which, at least at this time, would not be classed as drought areas, but which, because of a lack of feed at a price that can be paid by the cattlemen, in view of what the cattle would bring on the market eventually, could well develop into disaster areas of another type. I merely wondered whether consideration had been given, not to guaranteeing the entire loan, but possibly a certain percentage, as has been done in times past in other situations.

I may say, however, that I agree with the Senator that this is an emergency measure, and that something should be done, if not immediately, then as rapidly as possible. But am I correct in saying that consideration has been given to the proposal to which I refer, or that consideration will be given in the near future to it?

Mr. AIKEN. The committee is giving constant consideration to all proposals of that nature. But there are only two types of loan proposed under the pending measure. The first has to do with loans to farmers of all kinds, who are in areas that have been declared to be disaster areas, and who have suffered economic disaster; and that is proposed to be a permanent part of the law. The second type of loan is that represented by the language of section 2 (c), which provides for loans to producers of cattle, goats, and sheep, wherever located, under certain conditions.

Mr. MALONE. I thank the distinguished Senator, the chairman of the committee.

Mr. MORSE. Mr. President, will the Senator yield for 2 or 3 minutes, for a brief comment on the statement of the Senator from Vermont?

Mr. KNOWLAND. I yield 3 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I am one of the cosponsors of the bill of the Senator from Vermont, and I am as much in favor of it tonight as I was when I cosponsored it initially. I think, however, there should be reasonable amendments to it. That is why I desired to clear up the question of the feeding problem.

I am willing to remain here and get the bill passed this evening, but the majority leader has given us a very good reason for not doing so. I think the bill is a "must" bill. We should pass it tomorrow as emergency legislation, and then deal with amendments with reference to the agricultural problem in the field of the cattle industry.

I think the Senator from Vermont [Mr. AIKEN] has completely misinterpreted the import and the intent of the press release which I read into the RECORD from the Department of Agriculture, dated March 4, 1953. I did not say that the Secretary of Agriculture had not called in agricultural consultants at some other time, but I pointed out that on March 4, 1953, he issued an official release from his office based upon the financial advice he obtained solely from a group of bankers, insurance company executives, and financiers, which I thought reinforced the point which the Senator from Oklahoma [Mr. KERR] was making at the time.

Talking about who destroyed confidence, Mr. President, I think such a release as the one sent out to the farmers and to the people of the country created a false impression as to the situation which confronted the country at that time.

I repeat, Mr. President, that in my judgment, the Secretary of Agriculture should have gotten advice from the people who were confronted with the financial problem at that time. Doing it subsequently does not change the fact that this impression was created on March 4 by the Secretary of Agriculture. That is the point I made, and that is the point that reinforced the argument which the Senator from Oklahoma was making at the time.

Mr. GRISWOLD. Mr. President, it is my desire to introduce as a substitute for the amendment offered by the Senator from Oklahoma [Mr. KERR] an amendment which I have prepared, and I ask that I may be permitted to offer it as a substitute for the amendment of the Senator from Oklahoma.

Mr. KNOWLAND. Mr. President, I do not think the Senator needs unanimous consent to offer his amendment.

Mr. GRISWOLD. I should like to offer it at this time so that it may be printed.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska will be received and printed.

The amendment submitted by Mr. GRISWOLD as a substitute for Mr. KERR's amendment is as follows:

At the end of the bill add a new section, as follows:

"SEC. 3. (a) In order to bring about such reductions in the number of cattle in the United States as are necessary to establish an economic balance between the Nation's supply of cattle and the present and expected future demands for beef and beef products, and in order to minimize losses to producers in accomplishing such reductions, the Secretary of Agriculture is authorized and directed, in accordance with such rules and regulations as he shall prescribe—

"(1) to purchase brood cows in such numbers, at such times prior to July 1, 1954, at such places, at such prices (not less than 10 cents per pound), and upon such other terms and conditions as he may deem necessary to effectuate the purposes of this section;

"(2) to contract for the slaughtering of such brood cows and for the processing, canning, transportation, and storage of the products thereof;

"(3) to hold and dispose of such products at such times and at such prices as he shall determine, including disposition for the purpose of providing assistance or relief to foreign countries under laws in effect or hereafter enacted; and

"(b) The Secretary is authorized to utilize the facilities and funds of the Commodity Credit Corporation in carrying out the provisions of this section."

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, as I indicated earlier in the day, it is my intention to move that the Senate take a recess until 12 o'clock noon tomorrow.

I understand there are a number of short speeches to be made and a number of insertions to be made in the RECORD before the session for today ends. I wish to have Senators have an an opportunity to make such speeches or such insertions before today's session ends.

However, because of the fact that we expect to have night sessions tomorrow night, the following night, and very likely Saturday night, and because of the fact that the clerks at the desk and the Official Reporters work long hours, even longer than the hours Senators work, I hope we shall be able to conclude the session for today in the next 15 minutes or so, and then take a recess until tomorrow.

LONG-TERM CONTRACTS FOR ELECTRIC POWER FOR ATOMIC ENERGY PLANTS AT OAK RIDGE, PADUCAH, AND PORTSMOUTH

Mr. HICKENLOOPER. Mr. President, will the Senator from California yield to me?

Mr. KNOWLAND. I yield to the Senator from Iowa, to permit him to make an insertion in the RECORD.

Mr. HICKENLOOPER. Mr. President, on Monday, in connection with the consideration of Senate bill 2239, a bill to enable the Atomic Energy Commission to enter into long-term contracts for electric power to supply certain plants at Oak Ridge, Paducah, and Portsmouth, the Senator from Oregon [Mr. MORSE] asked a number of questions, which he kindly furnished to me in writing. I have asked the Joint Committee on Atomic Energy to have the answers to the questions compiled, in cooperation and collaboration with the Atomic Energy Commission.

This afternoon I have submitted those answers, together with a letter of transmittal, to the Senator from Oregon, to whom I have also furnished a copy of a letter of approval of the answers insofar as the Atomic Energy Commission is concerned.

For the information of the Senate, I now ask unanimous consent that my letter of transmittal to the Senator from Oregon, a letter signed by Mr. M. W. Boyer, General Manager of the Atomic Energy Commission, and the attached questions of the Senator from Oregon and the answers thereto, all of which are set forth individually, be printed at an appropriate place in the RECORD, so that they may be available to the Members of the Senate.

There being no objection, the letters and documents were ordered to be printed in the RECORD, as follows:

UNITED STATES ATOMIC ENERGY COMMISSION,
Washington, D. C., July 8, 1953.

Hon. BOURKE B. HICKENLOOPER,
United States Senate.

DEAR SENATOR HICKENLOOPER: I have reviewed the attached answers to questions raised by Senator WAYNE MORSE on the floor of the Senate July 6 concerning S. 2239 which were prepared by the staff of the Joint Committee on Atomic Energy in cooperation with the Commission's staff.

These answers have our concurrence and endorsement.

Sincerely,
M. W. BOYER, *General Manager.*

JULY 8, 1953.

Hon. WAYNE MORSE,
United States Senate.

DEAR SENATOR MORSE: I take pleasure in providing the following answers to the questions you raised on the floor of the Senate July 6 concerning S. 2239, the bill to enable the Atomic Energy Commission to enter into long-term contracts for electric power to supply the demands of the gaseous diffusion plants at Oak Ridge, Paducah, and Portsmouth.

Sincerely yours,
B. B. HICKENLOOPER.

Question. It is my understanding that the amount provided for cancellation, although declared not to be excessive by the Federal Power Commission, is quite large due to the fact that AEC's bargaining position was weakened by lack of authority to provide its own electric power.

Answer. AEC originally requested, in connection with the supply of power to the Portsmouth plant, sufficient funds to allow AEC, in the alternative, to construct its own generating stations or to contract with the utility companies in that area for its power supply. After transmission of this appropriation request, and before action by the House Appropriations Committee, AEC received a proposal from the utility companies. Meanwhile AEC had employed the consulting engineering firm, Sargent & Lundy, of Chicago, to determine the cost of power if AEC were to build its own steam powerplants to supply electric power to the gaseous diffusion plant at Portsmouth.

The consulting engineers' report showed that the estimated cost of power from AEC plants would be approximately the same as the rates proposed by OVEC.

On the basis of these facts the AEC advised the House Appropriations Committee that funds for construction of the Government-owned facilities would not be necessary. Instead, AEC requested language authorizing it to enter into a long-term contract with the utility companies.

Question. Why is the capital cost for providing 2,935,000 kilowatts by TVA $65 million less than the cost of providing 2,535,000 kilowatts by Electric Energy, Inc. (EEI), and Ohio Valley Electric Corp. (OVEC)?

Answer. The capital costs of facilities for TVA and for the private utilities are not directly comparable. The TVA costs shown in this table on page 3 of the committee's report are based on an AEC estimate of the cost of TVA generating-plant capacity needed to supply the AEC load. The TVA rates were negotiated on the basis that the power to be supplied AEC would come from the TVA system but not from any specific plants. Therefore, in computing the TVA rates no facility costs were included. However, in the case of OVEC and EEI, the construction of plants to supply AEC needs is required. In these cases, therefore, facility costs are part of the contract and are taken into consideration in computing power rates.

The amount for TVA shown in the table on page 3 of the committee report does not include costs of existing transmission lines, barging facilities, and coal supply facilities. If these costs are added to TVA's capital costs, it is estimated there will be little if any difference between TVA's total costs and the total costs of the private utilities.

Question. Why are the cancellation payments to TVA $80 million less than that to be paid to private utilities, should the contracts be cancelled?

Answer. While it is true that the maximum possible cancellation costs of the two private utility companies total $210 million, whereas the maximum cancellation cost of the TVA total $130 million, or a difference of $80 million, the conditions under which cancellation actually occurs would cause this figure to vary greatly.

To achieve the maximum cancellation payments AEC would have to decide to shut down its operating plants at Oak Ridge and Paducah in July 1955, meanwhile continuing construction on Portsmouth and then in July 1956 shut Portsmouth down just as it was coming into full operation: a legally conceivable condition but a most abnormal one from an operating standpoint.

The following examples will illustrate:

Example 1: Assuming that utilities are notified on July 1, 1960, that all 3 gaseous diffusion plants will be shut down (a) immediately, (b) in 1 year, (c) in 2 years, and (d) in 4 years.

Cancellation costs in millions

July 1960	TVA	EEI	OVEC	Total
No notice	$131	$40	$122	$293
1 year	92	27	93	212
2 years	53	20	63	136
4 years	1	8	49	57

Example 2: Assuming that utilities are notified on July 1, 1965, that all 3 gaseous diffusion plants will be shut down (a) immediately, (b) in 1 year, (c) in 2 years, and (d) in 4 years.

Cancellation costs in millions

July 1965	TVA	EEI	OVEC	Total
No notice	$131	$25	$82	$238
1 year	92	12	62	166
2 years	53	5	25	83
4 years	1	4	11	16

Example 3: Assuming that TVA, and EEI are notified on July 1, 1963 that Oak Ridge and Paducah the older of the 3 plants will be shut down in 2 years and Portsmouth the newest and presumably most efficient will continue to operate.

Cancellation costs in millions

July 1963, 2 years' notice:

TVA	$53
EEI	9
Total	62

The cancellation costs of the private utilities are reduced each year that power is used. In the case of OVEC no cancellation costs are incurred after 10 years of operation, providing 2 years notice of cancellation is given. In the case of EEI, no cancellation costs are incurred after 7 years on the first 500,000 kilowatts of energy if a 1-year-notice period is given. For the additional 235,000 kilowatts a 3-year-notice period is required and cancellation payments continue for 22 years, but they are less than $9 million after 10 years operation. In the case of TVA 4 to 4¼ years' notice is required regardless of whether the contract is canceled in the 1st year or in the 15th year. In all cases if power is not taken during the notice period demand charges must be paid.

Question 1. Do the contemplated contracts with the private utilities provide for a recapture of facilities? If not, why not?

Answer. The joint committee explored fully with AEC the question as to whether the Government should have the right, in the event of cancellation, to take over the generating plants and transmission facilities being constructed upon the payment of the unamortized costs. AEC representatives explained to the committee that in the event of recapture, AEC would become involved in the utility business since it would have to assume the responsibility for finding a new market for the capacity made available. The capacity made available is extremely large and would as a practical measure have to be disposed of to the same utilities which are sponsoring OVEC and EEI. If AEC were to assume this responsibility it would be assuming the risk the companies are now obliged to take, namely, the assumption that the systems load will grow at a 6 percent rate compounded annually.

Furthermore, there is a very practical reason why both AEC and the utility companies felt that a recapture provision would be unworkable. The new facilities will be completely integrated with the existing utility systems of the sponsoring utility companies. Both OVEC and EEI are spending millions of dollars, which are not charged to the Government, in building transmission lines to connect these new stations with the existing utility systems.

By integrating the new generating stations with the sponsoring companies' facilities, the amount of reserve capacity in the new generating stations needed to supply the AEC load is approximately half of that which would have been required if integration had not been planned. Under the present arrangement, the remaining reserve capacity will be supplied from capacity in stations of the sponsoring companies. AEC does not have to pay for this reserve under the present agreements.

The entire plans for future operation and expansion of the sponsoring companies' sys-

tems is based on the project facilities being an integral part of their systems. The new plants have been deliberately located and designed with this in mind. Furthermore, by integrating the new plants with the existing systems the problem of absorption becomes less acute in the event of cancellation of the AEC load. This factor has been considered in the computation of the cancellation charges.

Question 2. Why is it that the contracts do not provide for an option on the part of the Government to resell the power canceled?

Answer. AEC's contracts do not provide for a general right of resale in the event of a reduction of AEC power requirements, although limited rights of transfer, including transfers to other Government installations, are permitted. If the Government were to attempt to resell these amounts of power, the power would have to be sold within economic transmission distances of the generating stations, which for the most part are within service areas of the sponsoring companies. The amounts of power covered by the contracts are so large that they could only be disposed of economically through the transmission and distribution facilities which exist in the area and which would be owned by the sponsoring utility companies. The alternatives would be for the Government to build duplicating transmission lines and distribution systems for direct sale to consumers, which would be prohibitively expensive, or to sell the power to the sponsoring companies. Under this latter alternative AEC would benefit only if the companies paid full cost of the power and the load growth in the area exceeded the 6-percent growth on which the cancellation charges are based. If, however, AEC insisted on having this option of resale, the companies could not reasonably be expected to take the risk they are now taking that the load growth in the area may fall below 6 percent.

The plants under consideration are of such size that the sudden acquisition of these plants by the Government by recapture would place the Government under very serious difficulties. The OVEC plants alone have as much generating capacity as is now in the State of West Virginia or two-thirds that of Indiana or one-third that of Ohio. The new OVEC and EEI plants alone could supply New York City with its annual power consumption.

Question 3. Does the contemplated contract with the TVA depend upon the construction of the TVA steam plants, appropriations for which were eliminated by the House from the second independent offices appropriations bill of 1954?

Answer. No relation exists between the AEC contracts with TVA and the new steam plants for which funds were requested by TVA and eliminated by the House in the second independent offices appropriation bill, 1954. The Congress in prior appropriation acts has provided funds to initiate the construction of all TVA power plants needed to supply power to the AEC, including the current expansions programs at Oak Ridge and Paducah which are covered by the contract referred to in S. 2239. Additional funds for continuation of construction of these plants have been provided by the House in the second independent offices appropriation bill, 1953.

Question 4. Will the two private utilities receive accelerated amortization certificates?

Answer. No certificate for rapid amortization under the Revenue Act of 1950 has been issued to either OVEC or EEI. The utilities have indicated that they have no plans to request such a certificate. The contracts with OVEC and EEI provide for amortization of the new generating stations and transmission facilities on a 25-year basis. Both OVEC and EEI have obtained rulings from the Treasury Department permitting them to deduct depreciation for Federal income tax purposes on the same basis. AEC also has an option to extend its contract beyond this period, and full credit must be given in the power rates for prior amortization of plant.

Mr. MORSE. Mr. President, I desire to thank the Senator from Iowa [Mr. HICKENLOOPER] for the great courtesy and cooperation he has shown in providing me with information in reply to the questions I asked yesterday in regard to the bill we discussed. It was suggested that from the standpoint of legislative history, the matter should be cleared. I have only scanned the answers, but I think they will be very enlightening if the bill comes up on the floor tomorrow or the next day.

WHEAT QUOTAS

Mr. ANDERSON. Mr. President, the Washington Post of July 6 carried an editorial entitled "Built-in Overproduction." Since the editorial deals with the question of wheat quotas and the basis of wheat quotas, I ask that it be printed in the body of the RECORD at this point, as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

BUILT-IN OVERPRODUCTION

Secretary Benson's order invoking wheat marketing quotas for 1954 is indicative of the way in which the administration is being forced to work at cross purposes with its agricultural objectives. This sort of Federal regulation is, of course, anathema to Mr. Benson and President Eisenhower, as well as, presumably, to many farmers. But it is the only course permitted under the law because of the record wheat supply amounting to 48 percent above normal. Unless two-thirds of the wheat growers agree to the marketing quotas in a referendum, governmental supports on next year's crop will drop from 90 to 50 percent of parity.

Here is a prime example of the absurdity of a rigid price support system that catches the country coming and going. Supports on basic crops, pegged at 90 percent of parity through 1954, encourage overproduction. They lead farmers to plant wheat, not for the market, but for the Government, at a time when the Department of Agriculture is forced to rent ships for grain storage. This situation, in turn, forces the imposition of marketing quotas and acreage allotments. So an administration which is pledged to more freedom in agriculture finds itself telling the farmers just how much they can grow. Altogether the procedure reminds one of a Rube Goldberg machine.

What is really alarming is the prospect that within a year similar controls may be needed for cotton, peanuts, and tobacco. The bite of the controls can be lessend, to be sure, by such essentially temporizing moves as that in Congress to increase the permissible wheat acreage from 55 million to 62 million, as the Senate has provided, or 66 million, as voted by the House. Some effort to increase the size of the wheat carryover may be desirable. The trouble is that rigid high price supports do not facilitate clearance of the carryover.

It is foolish to talk of an absolute surplus. There would be additional markets if the price were right. But with the free-market price of cattle low, to take one example, feeders cannot afford to buy high-priced, Government-supported grain. Meanwhile, both wheat and cotton exports are way down. Whether there is to be an increased export market depends in some part on trade and tariff measures to enable other countries to earn dollars through sales here, but it also depends on price. Rigid price supports irrespective of supply invite the specter of some sort of subsidized exports, or dumping.

One alternative would be to apply the flexible price supports provided in the Hope-Aiken and Anderson laws. The flexible scale, which would permit reduction of the support level as supplies rose, may not be the whole answer to overproduction. But it has never been tried. Congress has consistently frustrated an attempt to get away from the fixed 90 percent support level by delaying application of the flexible scale.

Surely the flexible support approach at least deserves a chance—in company with an effort to reflect the fact of mechanized agriculture in the parity standard. For it is more and more apparent that realistic help to farmers consists not of rigged prices that destroy the normal interplay of the market, but of research, marketing suggestions, and aid in shifting production. What the administration has been forced to do on the wheat surplus ought to be a reminder of Secretary Benson's promise of a new program, as well as of the basic responsibility of Congress. Price supports under the present system have become, not a form of insurance, but an end in themselves.

RECESS

Mr. KNOWLAND. Mr. President, pursuant to the order previously entered, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 56 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, July 9, 1953, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 8 (legislative day of July 6), 1953:

DEPARTMENT OF LABOR

Stuart Rothman, of Minnesota, to be Solicitor for the Department of Labor.

IN THE ARMY

The following-named officers for appointment, by transfer, in the Regular Army of the United States, without specification of branch, arm, or service:

Lt. Col. George Edward Levings, O29380, Judge Advocate General's Corps, United States Army.

Maj. James Roy Mills, Jr., O30824, Judge Advocate General's Corps, United States Army.

The following-named officers for appointment, by transfer, in the Judge Advocate General's Corps, Regular Army of the United States:

Maj. John William Burtchaell, O23764, United States Army.

Maj. John Francis Thomas Murray, O23763, United States Army.

Maj. Lee Bradley Ledford, Jr., O23775, United States Army.

Maj. Earl Vincent Brown, O24044, United States Army.

Maj. Edwin George Schuck, O33606, United States Army.

Maj. Walter John Rankin, O24455, United States Army.

Maj. Jesse Melvin Charlton, Jr., O24543, United States Army.

Maj. Henry Wallace Witcover, O45522, United States Army.

Capt. Russell Norman Fairbanks, O40747, United States Army.

Capt. William Muir Nichols, O27101, United States Army.

Capt. Thomas Joseph Nichols, O27138, United States Army.
Capt. George Thure Forsell, Jr., O27376, United States Army.
Capt. Arthur Andrew Murphy, O27951, United States Army.
Capt. Robert Bruce Bowen, O28147, United States Army.
Capt. John Thomas Jones, O28214, United States Army.

The following-named officers for promotion in the Regular Army of the United States under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law. All others have been examined and found physically qualified for promotion.

To be colonels

×Julian David Abell, O18666.
×Andrew Joseph Adams, O18579.
×Gilbert Nevius Adams, O18737.
×John Hull Adams, O38985.
×Ludlow Calhoun Adams, O29387.
×Lee Lewis Alfred, O29066.
×Charles Kissam Allen, O18677.
×William James Allen, Jr., O29725.
×Benjamin Troy Ammons, O38692.
×Alton Vernon Arnold, O41858.
×Roy William Axup, O16894.
×Charles Michael Baer, O18718.
×Harry Thomas Baker, O29618.
×John Archibald Barclay, O18420.
×Adolph Barnaby, O39758.
×John Thomas Barrett, O42015.
×Charles James Barry, Jr., O38713.
×Harold Lucas Bays, O18433.
×Dwight Edward Beach, O18747.
×Francis Leonard Beaver, O42057.
×Edwin Allen Bedell, O39722.
×John Robert Beishline, O18523.
×Stephen William Benkosky, O28852.
×Frederick Theodore Berg, O18412.
×John Anderson Berry, Jr., O18473.
×Frank Schaffer Besson, Jr., O18662.
×Philip Higley Bethune, O18449.
×Horace Freeman Bigelow, O18775.
×Paul Vernon Bissell, O41941.
×Arthur Hamblin Black, O38718.
×William Jackson Blythe, O51308.
×Alford Carl Boatsman, O29588.
×Donald Denby Bode, O29651.
×Van Hugo Bond, O18601.
×Charles Hartwell Bonesteel, 3d, O18655.
×Roland Capel Bower, Jr., O18721.
×Merle C. Bowsky, O29386.
×Richard Klemm Boyd, O18548.
×John Walter Brady, O18627.
×Wayne William Brame, O39765.
×Meyer Abraham Braude, O18802.
×Loyd William Brenneman, O29676.
×Frank Hamilton Britton, O18703.
×Edward Aloysius Brown, Jr., O18355.
×Robert Quinney Brown, O18520.
×Sidney Glenn Brown, Jr., O18393.
×Wallace Hawn Brucker, O18793.
×William Donnell Buchanan, O29594.
×Donald Frank Buchwald, O18599.
×Champlin Fletcher Buck, Jr., O18352.
×Louis Gottlieb Bumen, O29350.
×Charles Herpel Burch, O41914.
×George Davison Burch, O42013.
×Ralph Regis Burr, O39769.
×Loren Dwight Buttolph, O42053.
×Joseph Harry Buys, O29689.
×Bogardus Snowden Cairns, O18798.
×William Alden Call, O18719.
×Charles Everett Capito, O29568.
×Forrest Caraway, O18466.
×Robert Leander Cardell, O18505.
×Gunnar Carl Carlson, O18515.
×Gunnard, William Carlson, O18347.
×Roderick Leland Carmichael, Jr., O18176.
×John Edward Carroll, O41877.
×Marshall Sylvester Carter, O18359.
×Albert Frederick Cassevant, O18456.
×William Frederick Cassidy, O18354.
×Leo Wilbur Cather, O18510.
×William Anderson Cauthen, O51257.
×John William Cave, O18388.
×William Eaton Chandler, O18431.
×Jefferson Davis Childs, O18787.
×Allen Fraser Clark, Jr., O18669.
×Chester William Clark, O41908.
×Avery Madison Cochran, O18834.
×Montie Fowler Cone, O29695.
×Leo John Conway, O41903.
×Earle Fremont Cook, O18450.
×Joseph Barlow Coolidge, O18570.
×James Bertram Corbett, O18423.
×Earl Monroe Corothers, O29726.
×Marvin James Coyle, O18602.
×Lucius Nash Cron, O18411.
×Roger Moore Crosby, O51299.
×William Whitfield Culp, O18821.
×Lawrence Edward Commings, O29392.
×Gordon King Cusack, O18414.
×John Phillips Daley, O18358.
×John Kay Daly, O42011.
×Richard Robert Danek, O18617.
×George Loudon Darley, O29693.
×Ellsworth Ingalls Davis, O18658.
×John Joseph Davis, O18530.
×Kenneth Idris Davis, O39552.
×Lee Jesse Davis, O29623.
×Stuart William Davis, O41503.
×William Arthur Davis, Jr., O18446.
×Henry Lawrence Davisson, O29612.
×Gordon Evers Dawson, O29587.
×Parker Stillwell Day, O29573.
×Charles Hal Dayhuff, Jr., O38709.
×William Merle DeLaney, O29590.
×Angelo Ralph Del Campo, Jr., O18361.
×Louis Mortimer deLisle deRiemer, O17640.
×Richard James Dial, O51230.
×Irwin McClure Diamond, O39730.
×William White Dick, Jr., O18384.
×Joseph Kingsley Dickey, O18595.
×Edmund Louis Dlugensky, O39727.
×David Ivy Dodenhoff, O29611.
×Paul Luckel Doerr, O39726.
×Charles Breckinridge Duff, O18436.
×William Austin Duncan, O29638.
×Robert Dickerson Durst, O28837.
×Ernest Fred Easterbrook, O18537.
×Thomas Irwin Edgar, O18083.
×Augustus George Elegar, O81625.
×Paul Elias, O17546.
×Frederick William Ellery, O18725.
×Walter Ferris Ellis, O18378.
×Leonard Earl Engeman, O29641.
×Gerald George, Epley, O18770.
×Edward Ellis Farnsworth, Jr., O18683.
×Glenn Aloysius Farris, O18494.
×Harvey Herman Fischer, O18832.
×James Hamilton Fish, O29928.
×Merle Lucius Fisher, O18550.
×Herman Railey Fleming, O28903.
×George Edward Fletcher, O18517.
×Harry Lowe Fox, O41962.
×William Burns Fraser, O18692.
×William Henry Gaeckle, O41905.
×Walter Foster Gallup, O18513.
×Robert Marion Gant, O39767.
×John Aloysius Gavin, O18788.
×Harrison Alan Gerhardt, O18697.
×George Wareham Gibbs, O18178.
×Erwin Orlo Gibson, O29899.
×Sheldon Miller Gilman, O29624.
×Milton Skerrett Glatterer, O18843.
×Walker Raitt Goodrich, O18815.
×Harry Waring Gorman, O42062.
×Edward Clair Gorsuch, O29740.
×Alexander Graham, O18688.
×Carl Edward Green, O18460.
×Corston Arthur Greene, O29565
×Louis Greenfield, O41926.
×Fielder Price Greer, O18430.
×Gerald Joseph Greeve, O29576.
×Robert Hackett, O18380.
×William Albert Hadfield, O29727.
×Bernard Egil Hagen, O29733.
×Francis Garrison Hall, O18794.
×William Charles Hall, O18391.
×Homer George Hamilton, O39781.
×Thomas Benjamin Hanford, O29660.
×Stephen Read Hanmer, O18348.
×John William Hansborough, O18376.
×Floyd Allan Hansen, O18767.
×William Leonard Hardick, O18558.
×Donald Brooks Harriott, O29631.
×Hugh Pate Harris, O18518.
×Leander Howard Harrison, O29602.
×Richard Holmes Harrison, O18409.
×Roland Franklin Hartman, O41872.
×Edwin Simpson Hartshorn, Jr., O18716.
×Thomas Henry Harvey, O18817.
×Nelson Landon Head, O18814.
×Jonas Sternberger Heiss, O51262.
×Edward Glade Hellier, O41892.
×Hammond Porse Henderson, O39724.
×Arthur Raster Hercz, O18566.
×Curtis James Herrick, O18538.
×John Thomas Herrod, O29577.
×Robert Augur Hewitt, O18713.
×Eugene William Hiddleston, O18480.
×Louis Victor Hightower, O18502.
×Lauri Jacob Hillberg, O18710.
×Howard Malcom Hobson, O29673.
×William Carl Hoffmann, O39719.
×Cornelius Cole Holcomb, O29610.
×Paul Goodrick Hollister, O29547.
×Roger Hunt Holt, O29574.
×Warren Harlan Hoover, O18418.
×Samuel Watson Horner, 2d, O18711.
×Houston Parks Houser, Jr., O18615.
×Charles Edward Nason Howard, Jr., O18521.
×John Fredericks Howard, O38695.
×Albert Edward Reif Howarth, O18837.
×Lyiburne Madison Howell, O29042.
×Charles Edward Hoy, O18556.
×Leon Benjamin Humphrey, O29073.
×Richard Johnson Hunt, O18752.
×John Larimer Inskeep, O18396.
×Michael Martin Irvine, O18404.
×Charles Marvin Iseley, O18828.
×Richard Lee Jewett, O18339.
×Dwight Benjamin Johnson, O18722.
×Robert Daniel Johnston, O18498.
×Kenneth Paul Jones, O29720.
×Roy Kay Kauffman, O18598.
×Ervin Leon Keener, O29572.
×Henry Jervey Kelly, O41974.
×Frederick James Kendall, O51236.
×Quentin Laurier Kendall, O29745.
×James Irvine King, O18534.
×Harry Loveland Kinne, Jr., O29583.
×Orrin Charles Krueger, O18553.
×Walter Krueger, Jr., O18351.
×George Kumpe, O18660.
×Marcellus Richard Kunitz, O29642.
×William Bing Kunzig, O18825.
×Robert Carl Larson, O41548.
×Percy Hotspur Lash, Jr., O18458.
×Richard Hunter Lawson, O18526.
×J. Paul Lawther, O41937.
×John Edward Leary, O18607.
×Frederic William Cornelius Ledeboer, O29458.
×Irving Lehrfeld, O18586.
×Orville Aden Lesley, O39629.
×David Cletus Lewis, O29735.
×Gabe William Lewis, O42064.
×Cornelius Ardalion Lichirie, O18371.
×Rush Blodget Lincoln, Jr., O18656.
×Wallace William Lindsay, O38596.
×Willard Charles Link, O29028.
×Donald Cubbison Little, O18386.
×William Little, O18748.
×John Joseph Livingston, O39714.
×Francis Arkadjusz Liwski, O18777.
×John Lockett, O51292.
×Herndon Hale Long, O39759.
×Laurence Edwin Lynn, O42059.
×Archibald William Lyon, O18682.
×Victor James MacLaughlin, O18580.
×Arthur Robert MacLean, O41547.
×Mervyn MacKay Magee, O18478.
×John Thomas Malloy, O18576.
×Ashton Herbert Manhart, O18773.
×John William Mann, O39735.
×Herbert Walter Mansfield, O18429.
×Thomas Joseph Marnane, O18535.
×William Massello, Jr., O18749.
×James Lee Massey, O18838.
×George Robinson Mather, O18696.
×Ralph Davis Maxfield, O38683.
×Paul Arthur Mayo, O18621.
×John Hugh McAleer, O18572.
×Robert Henry McAteer, O29072.
×Clyde Robinson McBride, O18424.
×Camden William McConnell, O18437.

×Kenneth Adelbert McCrimmon, O18336.
×Henry Graham McFeely, O18810.
×John Hugh McGee, O18600.
×Dale Eugene Means, O18756.
×Stephen Michael Melinik, O18754.
×Edwin John Messinger, O18503.
×Lyal Clyde Metheny, O39729.
×William Henry Mikkelsen, O18844.
×Robert Daniel Miller, O41448.
×Morris Edwin Milner, O41454.
×Walker Wilson Milner, O18356.
×John Clement Monahan, O38706.
×William Barnes Moore, O18796.
×James Ulmer Moorhead, O41957.
×Aubrey Robert Morley, O29758.
×Isaac Sewell Morris, O18806.
×Meriliat Moses, O18421.
×Charles Ratcliffe Murray, O18792.
×Charles Moses Myrick, O29675.
×Harold Hulbirt Newman, O38716.
×Arvo Nikolai Niemi, O29753.
×Milton Leonard Ogden, O18687.
×Loren William Olmstead, O39721.
×John George Ondrick, O18804.
×Edward Rudolph Ott, O50935.
×Robert Outsen, O29595.
×Francis Thomas Pachler, O18488.
×Byron Leslie Paige, O18704.
×John Montgomery Palmer, O42058.
×Theodore William Parker, O18369.
×Pasquale Francis Passarella, O18485.
×Clare Passink, O39734.
×Hal Cushman Pattison, O29683.
×John Livingood Pauley, Jr., O18194.
×Charles Donald Penniman, O29616.
×Miller Osborne Perry, O18427.
×Charles Wise Peters, O51044.
×Beuford Alexander Pittman, O41913.
×Grosvenor Francis Powell, O18382.
×George Wilson Power, O18691.
×William Francis Powers, O18672.
×John Ramsey Pugh, O18790.
×Robert Everett Quackenbush, O18590.
×Hugh Lawrence Quarles, O39614.
×William White Ragland, O18344.
×William Ryland Rainford, O29626.
×Charles Walker Raymond, 2d, O18403.
×Robert Wesley Reed, O41597.
×Stanley George Reiff, O38688.
×Carlos Frank Reynolds, O29702.
×Charles Alexander Ritchie, O29586.
×Glenn Frederick Rogers, O18366.
×Buel Taylor Rose, O29592.
×Irving Donald Roth, O18708.
×Edmond Michael Rowan, O18841.
×John Frank Ruggles, O18596.
×Eber David Russell, O29591.
×Sam Carroll Russell, O18678.
×William Irvine Russell, O42010.
×Otto Theodore Saar, O42033.
×James Donald Sams, O18381.
×Jacob Samuel Sauer, O18236.
×Stanley Sawicki, O18698.
×Lawrence Mitchell Scarborough, O51323.
×Marion William Schewe, O29748.
×Peter Schmick, O18395.
×Carl Theodore Schmidt, O41862.
×August Schomburg, O18422.
×Curtis Alan Schrader, O18760.
×Oscar Adolphe Schroeter, O51295.
×Robert Earl Schukraft, O18744.
×Leo Joseph Schultheis, O29555.
×Carl Morton Sciple, O18745.
×Victor Clark Searle, O38697.
×Gordon Whitney Seaward, O18809.
×Harold Harry Shaller, O29657.
×Edward Gibbons Shinkle, O18741.
×Moyers Sidney Shore, O29589.
×Gordon Singles, O18522.
×Frank Callaway Sinsel, O28998.
×Herrol James Skidmore, O18664.
×Wilbur Manly Skidmore, O18440.
×Thomas Robert Wingate Skinner, O50971.
×Samuel Smellow, O18439.
×Charles Coburn Smith, Jr., O18434.
×Fred Charles Smith, O38703.
×Richard Dickinson Smith, O29495.
×Willis Theodore Smith, O29518.
×John Tabb Snodgrass, O29670.
×Clifford Morris Snow, O29122.
×Hugh J. Socks, O39771.
×Arnold Sommer, O18676.
×Richard Sylvester Spangler, O18457.
×George Sebastian Speidel, Jr., O18406.
×William Fletcher Spurgin, O18762.
×Tom Victor Stayton, O18417.
×Joseph Edward Stearns, O18791.
×John Chandler Steele, O18668.
×Preston Steele, O18729.
×Richard Steinbach, O18560.
×Philip Bessom Stiness, O18398.
×John Donald Striegel, O29700.
×John Barclay Sullivan, O18363.
×William Ennis Robert Sullivan, O29635.
×Harald Simpson Sundt, O18774.
×Alexander Johnston Sutherland, O18609.
×William Taylor, Jr., O18565.
×Lester William Teter, O51312.
×Maxwell Hine Thompson, O41998.
×Karl Sample Thornburg, O29582.
×Norman Ernest Tipton, O18408.
×Walter Marquis Tisdale, O18811.
×William Frew Train, O18415.
×Orlando Collette Troxel, Jr., O18487.
×Merrick Hector Truly, O18614.
×Louis Watson Truman, O18755.
×Orville Zelotes Tyler, Jr., O18511.
×Arthur David Van Orsdel, O41929.
×William Miller Vestal, O17596.
×Seiss Ertel Wagner, O18569.
×Edwin Anderson Walker, O18552.
×Harold Walmsley, O18769.
×Peter Otey Ward, O18574.
×Graden Clarence Waters, O41842.
×John Knight Waters, O18481.
×Arthur Allen Watson, O41918.
×John Oren Weaver, O41876.
×Donald Bowie Webber, O18392.
×John Henry Weber, O18680.
×Milan George Weber, O18444.
×George M. Wertz, Jr., O18357.
×John Thomas Westermeier, O18493.
×Charles Pence Westpheling, O18533.
×Horace King Whalen, O18727.
×Earle Gilmore Wheeler, O18715.
×William Roderick Whitaker, Jr., O51272.
×Albert Walter Widmer, O41911.
×Charles Louis Williams, Jr., O18795.
×Robert Lockwood Williams, Jr. O18742.
×Norton Bailey Wilson, O18476.
×Westray Edwin Wilson, O41971.
×Franklin Edward Winnie, O41992.
×Louis Russell Wirak, O18342.
×Ned Hall Woodman, O29622.
×William Rogers Woodward, O18582.
×James Karrick Woolnough, O18709.
×Frederick Raleigh Young, O18667.
×Kenneth Frederick Zitzman, O18694.

To be colonels, Judge Advocate General's Corps

×Alfred Connor Bowman, O56777.
×Howard Hillman Hasting, O39676.
×Marvin White Ludington, O29434.
×Robert Joseph O'Connor, O41888.
×Jasper Lemlie Searles, O39690.
×Harold Dean Shrader, O39677.
×Nicholas Robert Voorhis, O38691.

To be colonels, Chaplains

×Luther Weltmer Evans, O19348.
×Vernon Paul Jaeger, O18954.
×John Simeon Kelly, O19647.

To be colonels, Dental Corps

×Walter Henry Becker, O51141.
×Albert Morgan Hollenbach, O29240.
×George Emil Naselli, O29133.
×Clarence Taylor Richardson, O29236.

To be colonels, Veterinary Corps

×Philip Ray Carter, O29159.
×Russell McNellis, O18935.
×Marion Woolever Scothorn, O51144.
×Mervyn Benson Starnes, O29188.
×Edgerton Lynn Watson, O18308.
×Richard George Yule, O18948.

The following-named officers for promotion in the Regular Army of the United States under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law. All others have been examined and found physically qualified for promotion.

To be lieutenant colonels, Women's Army Corps

×Nell Elizabeth Josephine Farnham, L13.
×Verna Alice McCluskey, L215.
×Anne Christine Moe, L34.
×Helene Victoria Novak, L3.
×Rebecca Stuart Parks, L8.
×Alice Adelle Parrish, L16.
×Marjorie Cecelia Power L218.
×Julia Louise Regan, L35.
×Margaret Mary Thornton, L23.

To be majors, Women's Army Corps

×Mildred Marie Ferguson, L264.
×Marie Kehrer, L263.
×Margaret Elizabeth Onion, L117.
×Mary Louise Sullivan, L118.

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 508 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law. All others have been examined and found physically qualified for promotion.

To be first lieutenants

×Charles Pence Alter, O65505.
×Dee Ray Anderson, O67637.
×Robert James Andrews, O63759.
×Robert Arter, O63272.
×Jesse Joseph Atkins, O68072.
×Joe Bailey, O68073.
×James Bain, Jr., O68322.
×Arthur Ray Baker, O67639.
×John Randall Baker, O63265.
×Milton Symonette Baker, O67640.
×Orville Smith Beard, O63255.
×Jack Bruno Bellomo, Jr., O67643.
Kurt Beran, O67644.
×Ronald Laverne Blaine, O68079.
×Gerald Bailey Bobzien, O68081.
×Paul Oscar Boghossian, Jr., O63262.
×William Cushman Bowden, O63516.
×Wilburn Henry Bose, O65320.
DeForrest Brooke, O68083.
×Wesley Bert Brown, O65754.
Gaston Swindell Bruton, Jr., O67991.
×Frank Edward Burk, O63513.
×Marion Richards Carrigan, Jr., O63494.
×Robert Lowell Carstens, O65618.
×Eugene Hartley Cathrall, 3d, O63496.
×Allen Ross Champlin, O63511.
×George Vivian Chandler, O63493.
Niels Gunnar Christensen, O63434.
×William Cartmill Clune, O68088.
×John Edward Cobb, O65966.
×Arthur Frank Cochran, O63604.
×Raymond Lewis Cook, O68089.
×Roland Eugene Curtis, O63261.
Donald Henry Dahlene, O63257.
×William Goodwin Deaton, O67667.
×William Walter Deloach, O67668.
×Eley Parker Denson, Jr., O63702.
×Ward William Derryberry, Jr., O63519.
×Edgar Whitfield Duskin, O67671.
×David William Einsel, Jr., O63806.
×Harold Oliver Ernst, Jr., O68097.
×Van Emmett Estes, Jr., O63515.
×Leon Pious Estrada, O68098.
×John Bradford Ewing, O68099.
×Clarence Faaborg, O68100.
×Walter Wayne Fade, O65617.
×Herbert Alan Fleck, O67675.
×William Francis Flynn, O63522.
×Earl Robert Fore, O63498.
×Donald Duane Gabe, O63253.
×Joe Genualdi, O63505.
×Louis Garland Gibney, Jr., O68103.
×Alvin Warren Granade, O63754.
×Joseph Comer Greenlee, O68105.
Jack Peyton Grisham, O67687.
×Bruce Gordon Grover, O63268.
×Robert Napper Habermehl, O68010.
×Alger Edward Hageman, O63260.
×Earl Haywood Hale, Jr., O67690.

×Benjamin Mason Hamilton, O67691.
×Joseph Earl Hayden, Jr., O63512.
×Floyd Henry Henk, O63815.
×Gerald George Hennis, O63681.
×Thomas Marion Henry, O68112.
×Millard Fillmore Hill, O68115.
×Richard Andrew Hiscox, O68117.
×Leslie Lee Hittle, Jr., O63518.
John Samuel Holeman, Jr., O68118.
×Lawrence Barnett Hooper, Jr., O63263.
×Edward Aloysius Horrigan, Jr., O63442.
×LeRoy House, O67699.
Virgil Ray Hudnall, O64221.
×Kenneth Francis Jansen, O67702.
×Arthur Peter Keenan, O68122.
×John Edward Kelley, O67705.
×James Deeter Kennedy, O67707.
×Patrick Joseph Kenny, O63432.
×John Richard Kenyon, O63495.
×George Warner Keyes, O65619.
John Whelan Kiely, O67709.
×John Carl Kirsch, O63435.
×Ernest Charles Koba, Jr., O65756.
×Elvin Francis Kromer, Jr., O63749.
×Alfred Morinobu Kubota, O63437.
×Maurice Clinicus Lane, O63427.
×Gaylord Arthur Lanarud, O65620.
×Edwin George Laub, Jr., O67713.
×Eugene Greene Lawley, Jr., O63468.
×Robert Ellsworth Lazzell, O65322.
Charles Richard Livingston, O67716.
×John Morford Longstreet, O68132.
×George Wood Love, O68376.
×George Wilson Luce, Jr., O67718.
×Robert Francis Lynd, O63445.
×Raymond Marsh, Jr., O67720.
×Raymond Louie Martin, O68133.
×William James Martin, O63269.
×William Lee Martin, O68134.
×Henry Kryder Mattern, O63752.
Jack Edwin McDonald, O63251.
×Charles Devlin McKeown, O63508.
×Philip Henry Mecom, Jr., O63497.
Daniel Sherwood Miller, O63426.
James Charles Miller, O67727.
John Walter Mitchell, O67728.
×Conrad Xavier Mizer, O63509.
Donald Ross Moore, O68141.
×James Henry Moore, O68142.
×Johnson Clinton Moss, Jr., O63247.
×Michael Myron Mryczko, O63852.
×Lawrence Edward Mullen, O68144.
×Cecil Wright Muller, O65757.
×Frank William Nadeau, Jr., O63559.
×Franklyn Stewart Nelson, O63433.
×Robert Eugene Nelson, Jr., O63464.
×William Nelson, O65504.
×John Davis Nix, 3d, O63492.
×Donald John Opitz, O63510.
×James Ira Perkins, O63514.
×Floyd Ernest Petty, O68147.
×Lloyd Jennings Petty, O68148.
×John Erskine Place, O67740.
×Roy Edward Platt, Jr., O63751.
×Bryan Ray Polson, O63809.
×John Finley Porter, Jr., O63807.
×Earl Bennett Pulver, O68153.
×George Regas, O63259.
×Robert Bryan Respess, O63250.
×Raymond Roy Roth, O68156.
×Malcolm Joseph Ruhl, O63440.
Harry Kent Russell, O67750.
George Carl Rybak, O63747.
×Oscar Jeter Sanders, Jr., O68160.
×John Myron Sanderson, Jr., O68161.
×Erle Oden Sandlin, Jr., O63506.
×Kenneth Allan Sawyer, O63748.
×James Daniel Schultz, O63507.
×Philip Doyle Sellers, O63616.
×James William Shields, O63465.
×Richard Blaine Shields, O63517.
×Richard Harvey Shuford, Jr., O67756.
×Ansley Harold Shuler, O68164.
×Thomas Alexander Shuman, O63258.
×William Lee Simmons, Jr., O63439.
×Albert Thayer Smith, Jr., O68166.
×Clarence Armour Smith, Jr., O68167.
×Harrison Stewart Smith, O68168.
×Emory Marlin Sneeden, O68170.
×Thomas Alfred Spencer, O63503.
×William Berry Steele, O63267.
×Richard Nelson Stoddard, O63256.
×Tunstall Lloyd Strawhand, 3d, O63430.
×Don Carlysle Taylor, O67769.
×Francis Gregory Thomas, Jr., O63490.
×John Joseph Tominac, O68172.
×Joseph Willard Vann, O63246.
×Fort Adelbert Verser, Jr., O65321.
×Cyril Nicholas Volk, O63746.
×Bynum Paul Ward, O63536.
×Charles Faber West, O63753.
×Peter Logan White, O63504.
×William Ralph Williams, O68176.
×Curtis Talmadge Wilson, O63444.
Don Earl Wilson, O67781.
×William S. Wolf, O63436.
Corey Jefferson Wright, Jr., O67784.

To be first lieutenants, Medical Service Corps

×Cecil Roy Edward Baxter, O68076.
×Herbert Edward Christensen, O67557.
×William Jacob Christopherson, Jr., O68087.
Sidney Adrian Couch, O68090.
×Russell Robert Dalton, O68092.
×Norman Elmer Eggleston, O68096.
×Elmer Bernard Gausepohl, O68102.
×David Dillman Haworth, O68109.
×Donald Hernandez, O67578.
×Robert Smith Hiatt, O68114.
×William Gilliam Hill, O68116.
×Adam Francis Hoefling, O67579.
×William Richard Knowles, O68124.
×John James Litrio, O68129.
×Henry Chesterfield Mitchell, O68139.
×Kenneth Nevin Ports, O68151.
×Seth Thomas Reese, Jr., O67607.
×Charles Edward Sagner, Jr., O67611.
×Herbert Glen See, O68162.
Robert MacKenzie Shaw, Jr., O67613.
×William Edward Sievers, O68165.
×Ralph James Walsh, O67632.

To be first lieutenants, Women's Army Corps

×Jean Christine Altenburger, L378.
×Frances Jean Biddle, L368.
Patricia Louise Bouldin, L386.
×Janet Jawelak Burdette, L386.
Eva Mabel Burgess, L381.
×Vivian Evelyn Davis, L379.
×Alice Turner Denison, L395.
×Irene Ebel Ertell, L370.
×Irene Evans, L361.
×Pola Lavesky Garrett, L376.
×Irene Strong Gulledge, L384.
×Barbara Brown Hauck, L377.
×Nancy Adair Johnson, L397.
×Kitt Marie MacMichael, L385.
×Phyllis Joy Morsman, L360.
Kathryn Carol Pollack, L446.
×Patricia Jeanne Pomeroy, L365.
Dorothy Sherba, L373.
×Jacquelyn Rae Sollars, L362
×Barbara Jean Wardell, L375.
×Helen Audrey Way, L369.
×Elizabeth Ann Whittaker, L366.
×Kathleen Iris Wilkes, L374.

The following-named officers for promotion in the regular Army of the United States, under the provisions of section 107 of the Army-Navy Nurses Act of 1947, as amended by section 3, Public Law 514, 81st Congress, approved May 16, 1950. Those officers whose names are preceded by the symbol (×) are subject to physical examination required by law. All others have been examined and found physically qualified for promotion.

To be first lieutenants, Army Nurse Corps

×Anne Cecilia Jablunovsky, N2022.
×Josephine Julia Jankowski, N2020.
×Catherine Leona Levangie, N1939.
×Felice Rosalie Morin, N1865.
×Mabelle Alice Northey, N1866.
×Vivian Lorraine Piller, N1938.
×Patricia Marguerite Schneider, N2023.

To be first lieutenant, Women's Medical Specialist Corps

×Joan Hoyt Perry, M10096.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 8 (legislative day of July 6), 1953:

POST OFFICE DEPARTMENT

To be members of the Advisory Board of the Post Office Department

Consuelo Northrop Bailey, of Vermont.
Richard Berlin, of New York.
John Coleman, of Michigan.
Richard J. Gray, of Ohio.
Roland Jones, Jr., of South Dakota.
Curtis McGraw, of New Jersey.
Charles White, of Ohio.

INTERSTATE COMMERCE COMMISSION

Owen Clarke, of Washington, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1959.

COAST AND GEODETIC SURVEY

The following persons for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

To be commanders

Charles A. Schoene
William N. Martin
Harold J. Seaborg
Fair J. Bryant
Charles W. Clark

To be lieutenant commander

William E. Randall.

To be lieutenant

Dewey G. Rushford.

To be lieutenants (junior grade)

Julian W. Flint
David F. Romero
Arthur R. Benton, Jr.
Eugene A. Taylor
William D. Barbee
Robert A. Parker
Herbert R. Lippold
Roger F. Lanier

To be ensigns

George W. Thompson.
Floyd J. Tucker, Jr.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 8, 1953

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who hast made us for Thyself, as we again turn our thoughts toward Thee in prayer, may we feel the need and blessedness of a more intimate fellowship with Thy divine spirit.

Grant that we may also see the absolute necessity and experience, the joy of a finer spirit of union and cooperative fellowship among all mankind, for we know that attitudes of isolationism are self-defeating and divided we fall.

Encourage us to cultivate feelings of good will toward one another and inspire us with a greater unity of devotion and action in the glorious enterprise of universal peace.

May Thy name be glorified. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 5246. An act making appropriations for the Departments of Labor, and Health,

Education, and Welfare, and related independent agencies, for the fiscal year ending June 30, 1954, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. THYE, Mr. KNOWLAND, Mr. BRIDGES, Mr. YOUNG, Mr. CHAVEZ, Mr. RUSSELL, and Mr. HILL to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2277. An act to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

SUBCOMMITTEE OF COMMITTEE ON GOVERNMENT OPERATIONS

Mr. LANTAFF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. LANTAFF. Mr. Speaker, I would like to call to the attention of the Members of the House the following excerpts from an article by Columnist Peter Edson, printed in the Washington Daily News on July 3, 1953, referring to the work of investigating committees of this Congress:

A House Government Operations Subcommittee under Representative CHARLES B. BROWNSON, Republican, Indiana, has piled up a good record.

Its first project was investigation of the State Department's overseas building program. The committee disclosed numerous examples of extravagance. The program was cut.

The Brownson committee took up the case of John C. Montgomery, a State Department employee in charge of Finnish affairs. Last January 24 he hanged himself. Reason given was disappointment over inability to pass Foreign Service exams.

But all sorts of ugly rumors cropped up. Probing it, the Brownson committee discovered things nobody had known before. Mr. Montgomery had been classed IV-F in the draft. He had a neuropsychiatric case history.

In the State Department he had been put in charge of the Finnish desk without the personnel office being informed. His record had him listed as being on some other less-sensitive work.

That disclosure led to a committee examination of State Department security and personnel practice. From that came a move to completely revise State Department's Form 57 personnel record.

The new form reveals all essential information about an employee. It will give personnel officers a better summary. It will give instant warning on unsuitability for any type of work, and so prevent misassignment.

This is only the beginning of what is expected to come out of Brownson subcommittee work.

As the ranking minority member of the Brownson subcommittee of the House Government Operations Committee, I want to take this opportunity to compliment the chairman and the subcommittee staff for the thorough, impartial work they have been doing. I think that the constructive approach being taken by this subcommittee will continue, and to an increasing degree, to effect economies and efficiency in the handling of our international operations.

The Brownson subcommittee has wisely directed its efforts toward examining administrative practices, personnel procedures, and functional organization rather than foreign policy in the belief that even the soundest of policies can be put in effect only by the careful application of the best principles of public administration.

I want to thank Mr. Edson for his fair appraisal of our subcommittee's work and to join with him in predicting that this is only the beginning.

AMELIA EARHART

Mr. MILLER of Kansas. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. MILLER of Kansas. Mr. Speaker, I introduce a bill to provide for the issuance of a special postage stamp in commemoration of Amelia Earhart.

Few women of our age have captured public imagination so completely as did Amelia Earhart. Many memorials have been suggested and established. However, I firmly believe a commemorative stamp would renew in the minds of our Nation and the world her memory and bring again to our attention her spirit and her daring and noble nature.

Amelia Earhart Putnam was born in Atchison, Kans., July 24, 1898. Her flying career was phenomenal. At one time she held the altitude, speed, and distance records for women; but she will be remembered in the history of flight as the first woman to fly the Atlantic Ocean alone in 1932. In doing this she established a new transatlantic record—13 hours, 30 minutes. Prior to that accomplishment she became the first woman to cross the Atlantic in an airplane when she made a transoceanic flight, with others, from Newfoundland to Wales in June 1928. In January 1935 she became the first woman to fly from Hawaii to Oakland, Calif., and in May of that year she flew nonstop from Mexico City to New York City in 14 hours, 19 minutes.

In March 1937, accompanied by a navigator, she started on a flight around the world. She flew from California to Hawaii, but cracked up at Honolulu as she was taking off on the second leg of her trip. Returning to the United States, she prepared for another attempt to fly around the world, and on June 1, accompanied by Frederick J. Noonan, as navigator, took off from Miami, Fla. She flew south to San Juan, Puerto Rico, to Surinam, Dutch Guiana, to Brazil, across the Atlantic to Africa, across Africa to the Red Sea, along the Arabian coast to India, across India to Calcutta, to Rangoon, to Singapore, to Java, to Port Darwin, Australia, to Lae, New Guinea. On July 2, 1937, she took off for Howland Island, a tiny speck in the Pacific. Between 2:45 a. m. and 8:44 a. m. the next day the Coast Guard cutter *Itasca*, on watch for the plane near Howland Island, picked up a number of garbled messages, indicating it was having trouble. She had flown more than three-fourths of the distance around the world when she passed from our sight and was not quite 39 years old.

Amelia Earhart's activities outside her flying career were distinguished and to do her full honor we must see the whole portrait and not a profile only. Few are aware of the war years she was a hospital nurse with the Canadian Red Cross. She spent years working in Boston and New York settlement houses, and conducted English extension courses for Boston University in industrial towns in Massachusetts. She abounded in enthusiasm for the progress of women toward economic and political independence and equality. She worked tirelessly to abolish laws which discriminated against women and was vitally interested in careers for girls.

In 1931 Amelia Earhart married George Palmer Putnam, a publisher.

Just before she left on her fateful flight, amid all her work and anxiety, she sent a check toward expenses of a boys' and girls' summer camp. Writing of her experiences in settlement work, Amelia Earhart said:

The biggest job of the social worker is to give boys and girls the experience that will keep them young and that will inspire a zest for life.

That phrase would seem to reflect a shining quality of her own personality. She received the homage of the world and remained a modest, dignified, and charming woman to the end. She is counted among those pioneers in science, medicine, industry, and exploration who have erected signposts on our highway of destiny.

TRUCE IN KOREA—SUPPORT OF ADMINISTRATION AND UNITED NATIONS COMMAND

Mr. JAVITS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

I yield to no man in my admiration for that long-time fighter for the freedom and unity of the Korean people, President Syngman Rhee of the Republic of Korea, but we cannot let public sentiment in the Republic of Korea rule us in this matter. The only consideration by which we may be ruled is the policy

of repelling aggression in the best interests of all the free people. It is the function of the United Nations to do its utmost to repel aggression, but the United Nations has neither the organization nor the capability to attempt to unify Korea by force.

Those who back President Syngman Rhee in his present policy of intransigence are for a continuance or a renewal of the struggle in Korea right up to the Yalu. This means more, not less casualties, more commitments, not less, more, expenditures of money and supplies, not less.

I believe this is the time when the expression of American public opinion should be so unanimous and so vital as to show that there is unity behind President Eisenhower's administration and the U. N. command on this issue of getting a truce in Korea now on the terms already agreed upon.

ELECTION TO COMMITTEE

Mr. COOPER. Mr. Speaker, I offer a privileged resolution (H. Res. 321) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That ROBERT T. ASHMORE, of South Carolina, be, and he is hereby, elected a member of standing committee of the House of Representatives on House Administration.

The resolution was agreed to, and a motion to reconsider was laid on the table.

APPOMATTOX COURT HOUSE NATIONAL HISTORICAL MONUMENT, VA.

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 1528) to authorize the addition of land to the Appomattox Court House National Historical Monument, Va., and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Strike out all after the enacting clause and insert "That the Secretary of the Interior is authorized to exchange lands of the Appomattox Court House National Historical Monument, Va., for non-Federal lands of approximately equal value when, in his opinion, such action is in the interest of the United States. Lands acquired pursuant to this act shall be within a distance of 1½ miles from the historic Appomattox Court House site, Virginia, and shall become a part of the monument upon acquisition of title thereto by the United States. The total area of this national monument as it may be revised pursuant to this act shall be no greater than its present acreage."

Amend the title so as to read: "An act to authorize the exchange of lands of the Appomattox Court House National Historical Monument, Va., for non-Federal lands."

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Rollcall 79]

Bates	Fogarty	Phillips
Boland	Frazier	Powell
Burleson	Gathings	Reed, Ill.
Campbell	Hardy	Rivers
Canfield	Hébert	Robsion, Ky.
Case	Hess	Scherer
Chatham	Holifield	Shafer
Cooley	Kilday	Short
Coudert	King, Calif.	Sikes
Cunningham	McVey	Smith, Miss.
Dawson, Ill.	Madden	Taylor
Dolliver	Miller, Calif.	Velde
Ellsworth	Nelson	Wigglesworth
Engle	O'Brien, Mich.	Wilson, Calif.
Fisher	Ostertag	

The SPEAKER. On this rollcall 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FREE MARKETING OF DOMESTIC NEWLY MINED GOLD

Mrs. PFOST. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentlewoman from Idaho?

There was no objection.

Mrs. PFOST. Mr. Speaker, I have today introduced a bill to permit the free marketing of domestic newly mined gold. There have been introduced into both the House and Senate during the past decade or more innumerable bills designed to increase the value of gold, to permit the free coinage of gold, to restore convertibility, to allow our gold to circulate freely in world markets and for other purposes. Without exception these bills have been adversely received by the Treasury Department and each one has been protested to the Banking and Currency Committees by the Treasury and the Bureau of the Budget, and has died in committee.

My bill was drawn after a careful study of the objections which the Treasury Department has registered to the previous gold bills. While it does not go all the way in doing what the hard-money people and the free-gold people eventually want to do, it opens the whole subject up for discussion.

It is hard to see what material objections the Government can have to this measure, as it only affects gold newly mined in the United States after the act becomes law, and there will be no effect whatever on the monetary stocks of gold at Fort Knox. No price is named in the bill and the relationship of gold to the United States currency therefore is not affected. There are no provisions for export so the Government does not have to worry about this gold traveling out of the country where it might disturb the international monetary situation, unless it were smuggled out and no one would take that risk unless there were a very considerable difference between the free gold market price here and that abroad. Various blocs and embargoes imposed by other countries would not be violated. Jewelers and other fabricators or processors of gold in this country would have the option of buying through their present channels or on the free domestic market, whichever they might prefer.

Newly minded, untreated, domestic placer gold may be sold freely on the domestic market at the present time—why then not newly mined gold from other sources? The Phillipines have recently taken off their market restrictions, why should not we do the same? Several countries, notably South Africa, have brought great pressure upon the International Monetary Fund to break away from the $35 per ounce price.

Mr. Speaker, I wish to call to the attention of the Members that gold is grossly underpriced. Should the domestic free market price of newly mined gold rise above the Treasury price it would provide additional revenue for those many mines which produce gold as a by-product of mining base metals and would thus help to defray the rising costs of operation.

Mr. Speaker, I earnestly hope that the Banking and Currency Committee will hold a hearing and give the gold miners and others a chance to testify and tell us their problems. There is an appalling situation in the gold mining industry today, and steps must be taken to revive the industry and place it on a business-like basis. If this bill is not considered feasible, perhaps a new one satisfactory to the Treasury Department can be written around it in committee after industry and Government witnesses have thrashed the matter out. I have pointed out the way by introducing the bill.

SCENIC BEAUTY OF NAGARA FALLS AND RIVER

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 322, Rept. No. 717), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

COMMITTEE ON RULES

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file reports and resolutions.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

EMPLOYMENT SECURITY ADMINISTRATIVE AND FINANCING ACT OF 1953

Mr. REED of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5173) to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5173, with Mr. SELLY-BROWN in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. REED of New York. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, pending bill H. R. 5173 was favorably reported by your Committee on Ways and Means by a vote of 22 to 3.

The principles embodied in the bill constitute the views of an overwhelming number of State officials administering the unemployment compensation and employment-service programs of the respective States. In fact, the bill in the form in which it was originally introduced was drafted by a committee of the organization of State employment security officials, and these State officials at their last two annual conventions have through resolutions endorsed the principles of the proposed legislation and urge congressional action.

The measure as originally prepared by the State administrators was introduced in 1951 by the distinguished member of our committee, Representative WILBUR D. MILLS, from Arkansas. It was reintroduced in this session as identical bills by Representative MILLS and my distinguished colleague, NOAH M. MASON, of Illinois.

At the time of hearings the Treasury Department interposed objections based on the unfavorable impact that certain features of the bill would have had on the budget. The Treasury was asked to submit its suggestions for relieving the measure of these criticisms. These suggestions were furnished and fully incorporated in the rewrite of the measure into a "clean bill" under its present number.

The measure is designed to substantially improve the cooperatively administered Federal-State and employment security programs which embraces both unemployment and employment services. In the opinion of the very considerable majority of your committee the enactment would accomplish this objective. In essence the bill would achieve the improvement of the employment-security program by devoting all of the proceeds of the Federal unemployment tax to the purposes of the program.

In the unanimous opinion of your committee, and indeed of all the executive departments as well as all other parties concerned, the full amount of the tax collections from the Federal unemployment tax should be used exclusively for strengthening and improving the Nation's unemployment-insurance program as originally contemplated.

May I again stress that there is no dissent as to this fundamental proposition contained in the bill. Namely, the provision that all collections from the special payroll tax levied by the Federal Unemployment Tax Act to maintain the program should be exclusively devoted to the purposes of the program. While there are differing opinions as to the purposes for which the proceeds of the tax should be devoted there is no difference on the point that proceeds should be exclusively used in the strengthening of the program.

As you know, the Federal Unemployment Tax Act imposes a 3-percent tax on the payrolls of all employers having 8 or more workers during 20 weeks in a year in all but certain specified categories of employment. The tax is with respect to the first $3,000 of annual income of workers on the payroll. The employers actually pay only 10 percent of the 3-percent tax to the Federal Government, that is three-tenths of 1 percent; the remaining 90 percent of the tax is allowed as a credit to employers by reason of taxing provisions of State unemployment-compensation laws.

When Congress passed the unemployment taxing provisions of the Social Security Act in 1935 it was believed that three-tenths of 1 percent tax collections accruing to the Federal Government would be needed to meet the administrative expenses involved in the unemployment compensation program.

Contrary to the original intent and expectation of the Congress, the three-tenths of 1 percent tax has proved to be excessive and depending upon the basis of calculation, has yielded between $700 million and $1 billion in excess of the funds that have been disbursed to meet the Federal-State administrative costs of the program. These Federal administrative costs mainly relate to the operational expenses of the Bureau of Employment Security. State operations are exclusively financed by congressional appropriations to the Department of Labor which are then allocated by the Department to the respective States.

As I have stated, the original thought was that the three-tenths of 1 percent tax would be required to finance administrative costs. The proceeds of the three-tenths of 1 percent tax were not earmarked, but rather the proceeds were covered in the general fund of the Treasury and correspondingly the appropriations to meet administrative costs were made from the general fund. By reason of these circumstances the $700 million to $1 billion excess tax collections over disbursement for administrative costs have been used to meet the general expenses of other activities of the Federal Government.

As I have previously stated, this measure would retain the entire proceeds of the three-tenths of 1 percent tax for the purposes of the program. This would be accomplished under the provisions of the bill by earmarking at the conclusion of each fiscal year any excess collections, over disbursements for administrative costs, and the provision that these earmarked excesses be used in the program as further specified in the bill.

It is provided that annual excess tax collections are to be used in one of two ways. First, such annual excess collections are to be used in the building up of a $200-million fund in the Federal Unemployment Act. This account is already established under existing law and is a subsidiary account in the unemployment trust fund.

This $200-million fund will be available to any State with depleted funds for paying unemployment compensation benefits. Such extension of assistance from the $200-million fund would be interest free and on a reimbursement basis. Mechanics are provided for insuring the reimbursement by the States. The mechanics of repayment will be later explained by my distinguished colleague [Mr. MILLS].

At the conclusion of any fiscal year any excess tax collections not needed to maintain the $200-million balance in the fund for advances to the States are to be allocated by the Treasury to the unemployment trust funds of the respective States. It is estimated that in the ascertainable future the tax collections will exceed disbursements for administrative costs by $60 million to $70 million. This means that 3 or 4 years will be required to establish the $200-million advance fund for assisting States with depleted reserve accounts. Thereafter the sum of $60 million to $70 million will be allocated to State unemployment trust funds being held by the Treasury on the basis of relative size payrolls covered by State unemployment compensation laws.

The sums thus allocated to trust accounts are to be generally available for benefit payments under the State unemployment compensation laws, however, any State may elect to utilize the allocated sums to supplement Federal administrative grants in financing its administrative operations. In order to use these allocated sums the bill expressly provides that the allocated funds cannot be so used by a State except through a special appropriations act of its legislature.

It is clear to the very considerable majority of your committee that these provisions for utilizing the entirety of three-tenths percent tax collections for the employment-security program will serve to strengthen the program in three important particulars.

First. It relieves any State with depleted reserves from which unemployment-compensation benefits are paid of the danger of having to default on its

obligation to make unemployment-compensation payments to unemployed workers because of the insolvent condition of its reserve fund. In effect an underwriting fund is established to reinsure benefit-payment obligations under State laws and this reinsurance is provided in such manner as will still require the States to assume ultimate financial responsibility for the financing for the benefits provided under their laws.

Second. The excess-tax collections not needed to maintain the $200-million fund which will be distributed to the State trust accounts will increase the size of these trust accounts making them more able to meet benefit-payment obligations.

Third. State legislatures which believe that improvements in the administration of their employment-security programs can be achieved by the use of more money than granted by the Federal Government can try to achieve these program improvements through appropriating some of the excess-tax collections allocated to the State trust funds. Thus the States will have a degree of flexibility and latitude in administering their programs which presently is not possible with the complete dependence of the States on Federal grants.

We respectfully urge the passage of this measure.

Mr. COOPER. Mr. Chairman, I yield myself 5 minutes, and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Chairman, the pending bill provides for two basic changes in the Federal-State employment security system. The first change is a provision for the earmarking of the excess of taxes collected under the Federal Unemployment Tax Act over the cost of administration of the unemployment compensation laws and public employment offices. The second basic change is the establishment of a $200-million fund in the Federal unemployment account which will be available to the States whose unemployment funds become depleted. The States would be able to secure a noninterest-bearing advance or loan from this fund.

The $200-million fund is to be built up by earmarking the excess of the tax collections at the end of each fiscal year. At the present time, and for the immediate future, it is estimated that the excess of tax collections over administrative expenditures will run from $60 to $65 million a year. When the fund has been built to $200 million, the excess tax collections will be allocated to the trust accounts of the various States in the unemployment trust fund, in the proportion that the payrolls subject to the unemployment tax in a particular State bears to total payrolls subject to this tax in all States.

The sums allocated to the States' trust accounts are to be available for benefit payments, and if a State legislature by special appropriation authorizes it, the funds can be used for administrative purposes. The Congress would still, as at present, continue to appropriate funds for proper and efficient administration of the unemployment compensation program.

A State would be eligible for a loan if its unemployment reserve account at the end of a quarter is less than the benefits paid in that quarter and the preceding three quarters. A further qualification for eligibility for a loan would be that the State must have a contribution rate of 2.7 percent of its covered payroll.

The amount of the loan to a State in any quarter would be limited to the largest amount of benefits paid by the State in any one of the last four preceding quarters.

The loan would be repayable in either of two ways: First, by transfer of funds from the trust account of the State which received the loan, at the direction of the Governor, to the Federal unemployment account; or second, by a decrease in the 90 percent offset allowed against the three percent Federal unemployment tax. This decrease in the tax credit would begin after the second January 1 after the loan was made, if it has not been previously paid, and the decrease would be at the rate of 5 percent for that year and each of the following years in which the loan is still outstanding.

The unemployment compensation program has been a bulwark to business, industry, labor, and the entire economy during periods of dislocation and unemployment. It was unanimously agreed on the part of all witnesses appearing before our committee during hearings on this legislation that the Federal unemployment tax collections should be earmarked and devoted exclusively to the employment security programs. It was also agreed that a fund should be made available to States whose unemployment funds are near exhaustion. There was disagreement as to whether these funds should be made available to the States on a loan or grant basis, and also concern was expressed over the fact that the excess funds which would be returned to the States could be used for administrative expenses as well as for benefit purposes. Some of the witnesses felt that the excess tax collections should all be held in the fund and opposed any allocation back to the States.

I have always strongly supported the unemployment compensation and employment security programs. It is my belief that the provisions in this bill make desirable amendments to the existing system, and that they should be adopted. The great majority of the State administrators of the employment security programs support this bill.

Mr. REED of New York. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, the chairman of the Ways and Means Committee, now becoming known as the Rock of Gibraltar, and properly so, has given you a general overall picture of what this bill provides. The gentleman from Tennessee, the ranking minority member of the committee and one of the best informed men in this House on tax matters and on social security matters, has given you some specific details particularly of this loan fund which is proposed to be set up. Yesterday I tried to give the Members of the House a 5-minute bird's-eye view of the provisions of this bill. I did have prepared quite a statement giving further details; however, recognizing the restlessness and the impatience of the House I shall not present it at this time but will have it extended in the RECORD along with this table which gives the amount of the surplus that would go back to the States if the bill becomes law, naming the amount that each State, approximately, would get from this surplus which has heretofore been spent for general purposes by the Federal Government although it was allocated for a specific purpose.

In substance, the bill does two things and that is all. The bill, first, sets up this surplus each year into a loan fund of $200 million to be lent to the States when they need it in their unemployment compensation fund with the restrictions, as the gentleman from Tennessee, pointed out as to repayment of those loans.

Second, this surplus shall go back to the States to be used by them in their unemployment compensation fund. In substance, this bill might be called a States rights bill versus the Labor Department downtown here.

Some members of our committee felt that we should not take away from the Labor Department its control over this surplus. That really is what you are going to be presented with today. There will be amendments offered by members of our committee which would practically nullify the provisions of this bill, handing the surplus back to the States for their own use under the direction of their legislatures. In substance that is the situation.

If anyone is interested in what their States might get as to the approximate amount, I have a table here that I have already asked in the House unanimous consent to be included in my remarks. So if you care to you may read it in tomorrow's RECORD.

Mr. SADLAK. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Connecticut.

Mr. SADLAK. Does the gentleman's table also indicate the amount that has been put in the Treasury from each State?

Mr. MASON. No; it does not. It simply says that from the surplus, which is estimated at about $70 million, each State will get a certain amount in proportion to the percentage of their payroll to the total payroll.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Texas.

Mr. LUCAS. I should like to ask the distinguished gentleman from Illinois, not how much the State of Texas is going to get—I am not interested in that—but how much control over its own affairs would the State of Texas have if these amendments are adopted?

Mr. MASON. If these amendments are adopted, the State of Texas will have

no control because that is vested in the Congress, in the Federal Government, over the amount they allocate for administrative purposes for which this three-tenths of 1 percent is collected. But if my bill, the Mills bill really, is agreed to as written now, then the State of Texas will have control over the surplus that goes back to it, which would simply mean that the State of Texas would get $2,730,000 over which it would have control.

Mr. LUCAS. As against control by the Department of Labor.

Mr. MASON. Yes.

Mr. LUCAS. That is all I wanted to know. I thank the gentleman.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. I would like to ask the gentleman this: There is an intimation here that some of the State unemployment accounts are in trouble. Can the gentleman give us an idea which States are in trouble and, briefly, what is the reason for it?

Mr. MASON. Well, to be very specific and blunt, no State is in actual trouble. There are 1 or 2 States that are skating on thin ice, shall we say, and they anticipate trouble, and it is for their benefit that this $200 million loan fund is to be set up so as to help them out of their temporary difficulties.

Mr. BROOKS of Louisiana. Can the gentleman name those States for us?

Mr. MASON. I would prefer that the gentlemen from those States name them.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Illinois.

Mr. JONAS of Illinois. What I have in mind is this: If out of this surplus that you are trying to accumulate ultimately you are allocating to my State and your State of Illinois a certain amount of money, say $2,000,000, could the legislature allocate or direct that that money be distributed for any other purpose except for unemployment compensation?

Mr. MASON. No; for unemployment compensation and for unemployment administration, and only that, because that is what this fund was collected for in the first place.

Mr. JONAS of Illinois. That answers my question.

Mr. MASON. Mr. Chairman, our distinguished chairman [Mr. REED] has given the background of the measure under consideration. He has stressed that the measure represents the views of State officials charged with the responsibility of administering State employment security programs.

I should like to emphasize what he has already told you—namely that because Treasury objected to the measure as it was introduced by my distinguished colleague the gentleman from Arkansas [Mr. MILLS], and myself, as identical bills, the measure was rewritten to take account of these objections and follows precisely the suggestions conveyed to the committee in a letter from Under Secretary Folsom.

The chairman of our committee has explained in general terms the objectives of the bill. Apparently no one disagrees with the proposition that the entire proceeds of the three-tenths of 1 percent tax coming to the Federal Government under the provisions of the Federal Unemployment Tax Act should be exclusively devoted to the unemployment compensation and employment service programs. As he has stated, the annual excess of tax collections over disbursements made to finance the operation of the program are to be used for two purposes: First, the creation of a $200-million fund from which States with insolvent unemployment trust funds can secure advances to finance benefit payments; and second, annual excess collections not needed for this purpose are to be credited to the unemployment trust funds of the respective States.

My distinguished colleague, the gentleman from Arkansas [Mr. MILLS], will explain in detail how the $200-million trust fund is built up and how advances made to the States are to be reimbursed. I should like to explain how the excess tax collections are distributed to the State unemployment trust accounts and how the States can use the sums thus distributed.

No funds are to be distributed to the States until the $200 million balance has been built up in the unemployment trust fund. This trust fund is already established under existing law. After the $200 million balance has been achieved, in the event that advances to the States for the purpose of financing their benefit payments have reduced the fund below the $200 million level, such annual excesses of tax collections over disbursements as are necessary to reestablish the $200 million figure are to be diverted to the Federal unemployment account before there can be any distribution to the States. Excess tax collections not required to maintain the $200 million balance are to be distributed to the State trust accounts in the unemployment trust fund in the proportion that the payroll covered under the unemployment compensation law of each State bears to the aggregate of such covered payrolls in all States.

At the time of the hearings, there was considerable opposition to this proposal of crediting to the State trust accounts any of the excess tax collections. While these critics shared the universal opinion that all tax collections should be devoted exclusively to the furtherance of the program, they felt that the excess tax collections should be retained under the jurisdiction of the Department of Labor with powers granted to the Department to use the accumulated excess collections for specified purposes and in amounts to be determined by the Department. These critics of this feature of the bill did not want any of the tax collections taken from the States to be returned to the custody of the States.

Apparently this criticism has not entirely died out for you are going to be called upon to vote upon an amendment offered by my distinguished colleague, AIME FORAND, which will change the feature of the bill giving custody to the States of annual excess tax collections. The bill provides that the sums allocated to the States on the basis of the relative size of payrolls covered by their unemployment compensation accounts will be credited to the State reserve accounts in the unemployment trust fund. Moneys thus credited to the State unemployment trust accounts are to be generally available to them for making benefit payments. It is believed that moneys thus put in State trust accounts will be largely used for benefit payment purposes. However, in order to meet a basic need in the development of our program, through giving greater flexibility and adaptability in administration, any State may use moneys credited to its trust account to meet the expenses of administration in excess of the funds provided by Federal grants.

However—and I want to bear down and emphasize this and reemphasize it—before a State administrative agency can draw upon the funds credited to the State's unemployment reserve account, there must be an appropriation made by the State legislature which very specifically designates the purpose for which the moneys can be used and limits the discretion of the State official in his use of the appropriated funds.

The basic reason for opposing the giving of any discretion to the States to use moneys in excess of the administrative grants by the Department of Labor is that the Department of Labor and its associates want to maintain complete Federal purse-string control over State administrative operations. As matters stand, the States are entirely dependent upon the Bureau of Employment Security or the Department of Labor for moneys to finance their operations. It is perfectly clear, of course, that this gives the Department of Labor ultimate authority in determining just what the States can do and cannot do in running their programs. If the Department of Labor does not approve certain procedures or administrative projects, the States simply do not get the money. Grants are reserved for those who comply with the conceptions of the Department of Labor as to how a proper program should be run.

Of course, it is only human nature that such ultimate and decisive power is not relinquished voluntarily. Those holding such power either originally had, or soon developed, the frame of mind that they know best. And here I think is a basic issue—an issue in which most of us, in our thinking and in our expressions to our constituents, are already committed. I believe, and most of you believe, that the closer to the people we can bring the operations of Government, the better the Government. This permission extended to the States to use excess-tax collections does precisely this—it makes it more possible for the people of a State to determine just what they want in the way of an employment-security program.

We cannot, in this Congress, claim omniscience as to the amount of funds necessary to run the most satisfactory employment-security program, and I would deny the claim of the Bureau of Employment Security if it alleged such omniscience. Nor am I arguing that State legislatures will exercise better judgment. I am simply saying that in

this measure we are providing a means whereby State legislatures can assume the responsibility of deciding whether the States may or may not need sums in excess of the amounts coming from Washington in order to provide what is, in their estimates, more efficient employment-security programs. In the ultimate sense, it is not Federal money that we are dealing with. The moneys come from the States and they are collected in the interest of establishing a Federal-State employment security program. It seems only commonsense to me that excess-tax collections be returned to the States and as measured by their respective payrolls—this in order to permit the States to better adapt their programs to their local conditions.

State, District or Territory	Percent of State payroll to total United States payroll; calendar 1952	Approximate amount to be returned to States under H. R. 5173
Alabama	1.1	$770,000
Alaska	.2	140,000
Arizona	.4	280,000
Arkansas	.6	420,000
California	8.9	6,230,000
Colorado	.7	490,000
Connecticut	2.6	1,400,000
Delaware	.3	210,000
District of Columbia	.6	420,000
Florida	1.2	840,000
Georgia	1.4	980,000
Hawaii	.2	140,000
Idaho	.3	210,000
Illinois	7.2	5,040,000
Indiana	3.0	2,100,000
Iowa	1.0	700,000
Kansas	.9	630,000
Kentucky	1.2	840,000
Louisiana	1.2	840,000
Maine	.5	350,000
Maryland	1.6	1,120,000
Massachusetts	3.8	2,660,000
Michigan	5.3	3,710,000
Minnesota	1.6	1,120,000
Mississippi	.4	280,000
Missouri	2.3	1,610,000
Montana	.3	210,000
Nebraska	.5	350,000
Nevada	.2	140,000
New Hampshire	.3	210,000
New Jersey	4.2	2,940,000
New Mexico	.3	210,000
New York	12.9	9,030,000
North Carolina	1.7	1,190,000
North Dakota	.1	70,000
Ohio	7.0	4,900,000
Oklahoma	.9	630,000
Oregon	1.0	700,000
Pennsylvania	8.6	6,020,000
Rhode Island	.6	420,000
South Carolina	.9	630,000
South Dakota	.1	70,000
Tennessee	1.4	980,000
Texas	3.9	2,730,000
Utah	.4	280,000
Vermont	.2	140,000
Virginia	1.4	980,000
Washington	1.7	1,190,000
West Virginia	1.1	770,000
Wisconsin	2.3	1,610,000
Wyoming	.2	140,000
Total, United States	100.0	70,000,000

Mr. COOPER. Mr. Chairman, I yield 9 minutes to the gentleman from Arkansas [Mr. MILLS], one of the coauthors of the bill.

Mr. MILLS. Mr. Chairman, the distinguished gentleman from Illinois [Mr. MASON] has explained 1 of the 2 principal features of the bill—namely the provision for distribution of excess tax collections to the trust accounts of the respective States. As he has explained, these allocated sums will, in all probability, generally be used for the payment of benefits but may also be used, through express State legislative appropriation, to supplement Federal grants in the administration of State programs.

I will seek to explain the second basic principle of the measure under consideration. This has to do with the creation of the $200 million amount in the Federal unemployment account in the unemployment trust fund which, as has been explained, is already established under existing law. The purpose of this fund is to furnish the source from which States whose reserves for paying benefits become temporarily insolvent may secure advances which will permit them to continue benefit payments.

As has been stated, the excess annual three-tenths percent collections over disbursements for administrative operations are to be diverted to this fund until the $200 million balance has been attained, and thereafter this fund has a first claim on annual excess collections to maintain the $200 million figure. Advances from the $200 million fund to any State with depleted reserves are interest-free and are to be repaid. Any State whose reserve account at the end of any calendar quarter is less than the amount of unemployment compensation benefits paid in such quarter and in the preceding three quarters may apply, through its Governor, for an advance to its trust fund from the $200 million fund. As a further qualifying condition for obtaining the advance, the State must certify at the time of application that it is collecting contributions on the payroll covered by its unemployment compensation law at a rate at least equal to 2.7 percent. This is the highest standard rate of State unemployment tax collections and, as previously explained by the distinguished chairman of our committee [Mr. REED], it is the equivalent of the 90 percent tax offset permitted employers against the 3 percent tax under the Federal Unemployment Tax Act.

The largest advance which a State may receive in any quarter is the largest amount of benefits paid out by it in any 1 of the last 4 preceding quarters.

Repayment of the advances made to a State in accordance with these qualifying conditions may be made by the Governor of the State through a request to the Secretary of the Treasury for a transfer of funds from the State's trust fund to the $200 million account from which the advance had been made. Thus an opportunity is afforded to any State which has secured an advance to revise its law and administrative procedures so as to make it possible for surplus tax collections to accrue, and then to ask that this surplus be applied to liquidate the advance or advances which it has secured.

However, there is not sole reliance upon a State's voluntary action in liquidating its indebtedness to the $200 million fund. In the event that any advances made to a State have not been liquidated after the second January 1 following the making of the advances, the 90 percent credit against the 3 percent Federal unemployment tax which is allowable to the employers of the State under existing law is progressively reduced. The decrease in the 90 percent allowable credit against the 3 percent Federal tax will be at the cumulative per annum rate of 5 percent of the 3 percent Federal tax. Thus if a State has not voluntarily acted to liquidate the advances it has received within a specified period, the employers of that State will be called upon to pay Federal tax, not of three-tenths percent, but of four-and-one-half-tenths percent This applies to the first year of Federal credit. In the second year employers would be called upon to pay six-tenths percent, and this cumulative effect continues at the rate of one-and-one-half-tenths percent per year and, theoretically, could continue until the full 90 percent credit allowance was disallowed.

The additional revenue obtained by reason of this reduction in the 90-percent credit allowance would be applied against the advances which had been made to the State. In the event that the tax collections from this source for any year exceeded the amount of outstanding indebtedness, the excess would be credited to the trust account of the State.

Under existing law there is no provision for the contingency of a State's unemployment trust fund becoming insolvent. It is obvious, of course, that if such a contingency were to arise by reason of the Federal interest involved, some action would have to be taken. There is no disagreement on this fundamental proposition that there should be some kind of underwriting or reinsurance fund for assuring unemployed workers that benefit payments would continue in the event of insolvent State funds. However, there is disagreement as to the manner in which these underwriting or reinsurance funds should be provided.

During the past several years bills have been introduced which would extend to any State with insolvent reserves outright Federal grants. Under these bills a State with depleted reserves need only apply to the Federal Government for an outright and direct subsidy to permit it to continue benefit payments under the provisions of the unemployment compensation law which the State had enacted. To me it is quite clear—and I am sure it is likewise clear to you—that the provision of Federal funds in this manner would seriously impair, if not entirely remove the responsibility which the Congress has placed upon the States to meet the financial obligations flowing from the laws which they have seen fit to enact. Certainly, if States could secure any and all funds from the Federal Government to meet benefit payments which are in excess of the maximum tax rates which they see fit to enact, there would be no restraints on the States against imposing upon the Federal Treasury the costs of ill-advised and badly administered unemployment benefit systems.

In the Social Security Act Congress provided that ultimate responsibility for financing unemployment benefits would be placed upon the States. This is consistent with the full discretion lodged in the States of establishing such benefit schedules as they may elect and of providing such disqualifications and eligibility provisions as they may elect. If responsibility for financing benefits is to remain with the States, then it seems

clear that any undertaking on the part of the Federal Government to reinsure or underwrite benefit payments should be on a repayable basis.

To me it is a somewhat unique and most encouraging experience to have the States, in an overwhelming number, insist that definite, precise, and certain provisions be made for repayment of funds that might be made to finance their benefit payments. It is obvious, of course, why the States thus insist upon definite and certain repayments of any advances they may receive. It is only in this manner that the integrity of State systems can be preserved. The States realize, and I know it is realized here, that if Federal cash were to be used to finance State benefit payments, very soon, if not originally, obligations would be imposed upon the States in the way of benefit standards—defining the amount and duration of benefit payments, disqualifications, eligibility conditions, and so forth. Since the States are insistent on a definite and precise repayment formula, certainly we should accept this commendable view.

While to date no State has reached a point where it has not been able to finance its benefit payments without recourse to outside sources, a few States are in the danger zone. It seems only wise that Congress make provision for the contingency of insolvent State reserve accounts before the contingency arises. Excess tax collections could be put to no better use than in building up a substantial underwriting or reinsurance fund such as is provided in this measure. After a substantial underwriting or reinsurance fund has been built up, it is most logical that further excess-tax collections be distributed among the States and that this distribution be proportioned to the relative size of payrolls covered under State unemployment compensation laws. The relative size of payrolls is the best measure of the relative magnitude of employment security problems in the States. This distribution of excess collections to State trust accounts will have the immediate effect of strengthening these accounts and thereby decreasing the possibilities of the States having to draw on the $200 million underwriting fund.

Now I want to particularly note that the principle of a repayable advance or loan fund which is set out in this bill was at one time enacted into law by this Congress. In 1944 it was called to the attention of the Congress that reconversion during the postwar period might make it impossible for States to pay from the funds which had been collected under the unemployment-compensation tax the benefits which are due the working people of the country under that particular law. What would happen if the State of Arkansas or any other State found itself in such financial condition that it could not pay in time of depression or unemployment to employees the amounts which existing law said they were entitled to receive?

As the result of the interest which the Congress had in a solution of that matter we adopted what was then known as the George loan plan. The George loan plan designated funds which we collected by the Federal Government as a part of the unemployment tax, the three-tenths of 1 percent tax which is designated under law to come here, and which we used to defray the administrative costs of the program. The Congress at that time designated that that amount should be set aside in a fund called the George Loan Fund; that in the event any State found itself unable to pay these benefits as was outlined a moment ago, then the money in this fund could be made available in the form of a loan to that State at the request of the governor, say. Then money could be made available to pay those benefits which the working people had coming to them as the result of their unemployment.

That legislation was permitted to expire on December 31, 1951. Since that time there has been no provision whatsoever by which States may have access to additional funds that they may need to pay these unemployment benefits. It is that simple. Everyone agrees that the money which is collected for this purpose should go for the purpose of unemployment benefits and the administration of the program and for no other purpose. Yet since the enactment of this program there have been hundreds of millions of dollars, and if you figure it the way I like to think of it and have it figured, approximately a billion dollars has been collected from the employers of the United States for the purpose of administering and paying benefits to employees when they are out of employment, that has gone for every other purpose known to man, almost, from the Federal Treasury. It has gone to pay the salaries of Members of Congress, gone to pay subsidies, and everything else. Approximately a billion dollars has gone that way. I have always been of the opinion that if you levy a tax for a certain purpose the proceeds of the tax should be used for that purpose and for no other purpose.

May I ask you to bear this in mind:

All parties agree that the three-tenths of 1 percent tax collections should be exclusively devoted to the purposes of the employment-security program. The only disagreement is as to what these purposes should be and the manner in which the tax collections should be applied. With the exception of three dissenting members your committee believes that the excess tax collections can be best utilized in the strengthening and improvement of the program as provided in this bill.

Now to summarize: What do we propose in the pending bill? We designate again these funds for the exclusive purpose of unemployment compensation and the administration of that program in a little different way from that which we did before, but we certainly carry out the principle of the George loan plan which was enacted by Congress.

This year we have approximately $260 million which comes to the Government, the Federal Treasury, as the three-tenths of 1 percent of the total tax. About $200 million normally goes back to the States to administer the program and to take care of the program of employment, which is administered, as you know, in connection with the unemployment-compensation program. The remainder of that is what we are dealing with in this bill, the excess between the amount collected and the amount which goes back to the State for the administration of the program. Only that excess is before us in this bill. Nothing in this bill whatsoever has to do with benefits, nothing in this bill whatsoever has to do with any other phase of unemployment compensation, only the one thing, the amount which has been dealt with in previous legislation, the George loan plan. That is all that is here today.

What shall we do with it? Under the bill we say that we will designate that remainder of the amount, the excess, for use in a fund out of which advances may be made to States repayable, under the plan set forth in the bill, by the States. We will keep $200 million in that fund to protect the State systems against insolvency. Is that for labor or against labor? Is that for those who have benefits under the program or against those who have benefits under the program?

If there is any amount whatever in addition to this $200 million, we will put that over here into the fund which is set up and established for the State to use in paying unemployment benefits.

Now we say it must be used for that purpose and only that purpose unless the State legislature of a given State decides in its wisdom and in its right that a certain part of that which is returned by the Federal Government to the State is needed to supplement the amounts which are sent to the State by the Congress for the administration of the State program. That is all there is here.

I understand that certain Members find themselves in disagreement in 1 or 2 respects concerning this bill. First of all, my good friend the gentleman from Rhode Island [Mr. FORAND] has an amendment which will provide that these funds which are returned to the States can only be used for the one purpose of paying unemployment benefits, and that none of the funds can be used to supplement the administration of the program. We will discuss that when the amendment is offered.

The second amendment, however, I want to discuss now in the time remaining to me. His second amendment, I think, has the effect or would create the result of changing the basic principle involved in the bill of making these advances repayable. My friend is concerned over the requirement that a State be called upon to pay back the amount of this advance as is provided under the law here by increasing the amount of the tax on the employer and doing that within a 2-year period or at the end of a 2-year period. So his amendment changes the method, and in my opinion changes the basic principle from one of loan to one of grant, which I have always opposed.

Mr. Chairman, I hope the bill will be adopted.

Mr. REED of New York. Mr. Chairman, I have no further requests for time on this side.

Mr. COOPER. If the gentleman will yield time to us here, we can use it.

Mr. REED of New York. I am very glad to yield the balance of the time on

this side to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. I thank the gentleman very much.

Mr. Chairman, I yield 10 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, I am sorry, indeed, that I find myself in disagreement with the committee of which I am a member. I am deeply grateful to our chairman, the gentleman from New York [Mr. REED] for having agreed to my suggestion that instead of getting an absolutely closed rule, he ask the Committee on Rules to make provision for me to offer amendments to this bill, because, in my opinion, if this bill is passed, as it is now written, this is the entering wedge which will bring about the destruction of our social-security system. I realize that is a very serious statement, and I make it deliberately because I am convinced of that fact.

The bill H. R. 5173, if properly framed, would provide for two great improvements in our Federal-State employment security system. The proposal to devote the Federal unemployment tax collections exclusively for unemployment insurance and public employment office purposes would remove one of the major criticisms of the Federal-State employment security system. The proposal to make advances or loans to States whose funds are facing bankruptcy would remove one of the major weaknesses in the Federal-State system by placing a Federal fund as a backstop against possible insolvency of any State fund. Using the well-worn analogy that a chain is only as strong as its weakest link, it would strengthen the entire chain of State unemployment insurance systems. While my State of Rhode Island is having the most difficulty in financing its unemployment benefits because of the nature of the State's economy, it is not the only State that might need Federal assistance in times of economic recession. Such State unemployment funds as those of Alabama, Massachusetts, New Hampshire, New York, Michigan, and California also might become so depleted that they would need Federal loans under certain adverse economic circumstances.

However, I consider that there are two major defects in the bill, and my opinion is backed by the judgment of the two Federal departments responsible for administering the Federal part of the system, the Department of Labor and the Treasury Department, as well as the Bureau of the Budget. This statement is borne out by the letter from Marion Folsom, Under Secretary of the Treasury, which is included in the minority report on this bill. These defects are, first, the permission granted to the States to use excess Federal unemployment taxes distributed to them for additional administrative expenditures; and, second, the timing of repayment of advances to State funds in financial distress, which may result in a State having to repay an advance while its fund is still in financial jeopardy. I shall offer two amendments to correct these defects.

The first amendment would restrict the use of excess Federal unemployment taxes distributed to the States to the payment of unemployment benefits. I see no reason why the States should be permitted to use these excess funds for administrative purposes. The Social Security Act provides that the Federal Government shall grant to the States such amounts as are necessary for the proper and efficient administration of the State unemployment insurance laws and the Wagner-Peyser Act of 1933, as amended, provides that the Federal Government shall pay the entire cost of the administration of public employment offices.

The permission granted in H. R. 5173 for the States to use excess Federal unemployment taxes for additional administrative expenses introduces overlapping and duplication by the Federal and State Governments with respect to the responsibility for administrative financing of employment security. This overlapping responsibility is in direct conflict with President Eisenhower's announced intention to simplify and clarify the relationship between Federal and State Governments. The responsibility for providing administrative funds has been clear up to now, but this bill would create a confused picture. When the Congress, for sound reasons, decreases appropriations for administrative grants to the States, the States would be free to circumvent the congressional intent by using their shares of the excess Federal unemployment tax collections for administration.

Furthermore, it would be tempting for the States to find ways to use the excess funds for unnecessary and extravagant administrative expenditures. My amendment would prevent such possible extravagance, and require all excess funds to be used for unemployment benefits.

My second amendment would change the timing of the repayment of advances to a State whose fund is near bankruptcy. Whereas the bill requires repayment to commence the second January after an advance is made to a State, my amendment would delay repayment until the State fund is rebuilt to where it is out of danger. Specifically, my amendment would delay repayment, if necessary, until a State had rebuilt its fund to an amount equal to the highest annual benefit expenditures in any one of the preceding 5 years. This is a modest proposal. The State fund would still have just enough to carry it through another bad year similar to the year in which it got the advance. But the amendment would delay, if necessary, imposing additional Federal taxes on the employers of the State to repay the advance until the State fund is out of danger. Furthermore, in order to assure that the State is doing all it reasonably can be expected to do to rebuild its own fund, the amendment provides that the State must be collecting at least 2.7 percent of taxable payrolls from its employers—the highest amount for which employers can get credit against the 3 percent Federal unemployment tax—during the grace period before the advance becomes repayable.

The amendment provides one other safeguard to a State fund. If, after repayment of the advance has commenced, the State has another year when benefits rise above those paid in any of the 5 preceding years, repayment is suspended for that year and the rate of repayment starts over again at 5 percent of the Federal tax and increases each subsequent year by 5 percent. The same suspension would occur if the State fund again gets so low that the State must secure another advance from the Federal fund.

In other words, under the amendment, a State's employers would not be required to repay advances by increased Federal taxes during any year in which the State fund is in bad shape, so that the employers' taxes should be concentrated on financing the State's benefits.

On the other hand, the amendment still assures that advances to a State will be repaid, although possibly at a slower pace in some cases.

I believe that this amendment is quite reasonable, and would give greater assurance that a State would be able to repay advances to the Federal Government without placing too heavy a burden on the State's employers.

I therefore urge that these two amendments be adopted. I understand that these amendments would remove the two major objections of the Departments of Labor and Treasury and the Bureau of the Budget to the bill in its present form. If these two amendments are adopted, this bill will represent a great improvement in the employment security system.

I want to clear up one point. I may have misunderstood, but I understood our colleague the gentleman from Illinois [Mr. MASON] to say something about the Department of Labor having control over the excess funds that will be returned to the States. I am sure he did not mean that, because actually the excess fund going back to the States would not be under the control of the Department of Labor at all.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. MORANO. I think he meant the department of labor in a State; he did not mean the national Department of Labor.

Mr. FORAND. Whatever he meant, I would like to have the record clear on it, because I know the gentleman always wants to be right. If there was some misunderstanding I would be glad to yield to him to straighten it out.

Mr. MASON. Under the present law the Department of Labor tells the Congress what it wants appropriated to be allocated to the States for administrative purposes.

Mr. FORAND. That is right.

Mr. MASON. That has always been less than the amount collected for administrative purposes. All I was referring to was that unless this bill passes, the Department of Labor then will still control what it allocates to the States, and the surplus will not be spent for unemployment compensation but will remain in the Federal Treasury to be spent for every other thing.

Mr. FORAND. After all, the gentleman said "spent for every other thing."

He knows that that cannot be so. While actually the money is paid into the Treasury, and bonds have been issued for that money, nevertheless the trust fund will not be disturbed one iota.

Mr. MASON. I am not talking about this $200 million trust fund; I am talking about the $60 million that is left each year over and above the amount set aside.

Mr. FORAND. The excess.

Mr. MASON. Yes.

Mr. FORAND. Under the gentleman's proposal the excess would not be disturbed; is that right?

Mr. MASON. That is right.

Mr. FORAND. The Department of Labor would have no control over that.

Mr. MASON. None at all under my proposal.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, those Members who will offer these amendments agree with the provisions of the bill which provide for earmarking into a special fund of the excess of collections over the costs of administration. We do not feel that those excess collections should go into the general fund. We feel they should be held in a special fund to be used in furtherance of the purposes of the Unemployment Compensation Act.

The greatest difference of opinion comes in reference to the provisions of the pending bill which would permit the States to use these funds for administrative purposes. We believe they should be used only for benefit purposes. Under the law as it stands today and as it will exist in the future, the Congress appropriates every year the proper amount of money needed for administration of the law in every State of the Union. The Federal Government under the present statute sees that the funds are spent in a proper manner for administration.

Some sections of the country require more money for administration than do other sections of the country. Some States require more than others, percentagewise. For instance, in a highly industrialized State where there are big payrolls it is not hard to administer the unemployment compensation law, but when you get to sections of the country where there are great farming districts with no big factories, mines or mills, more money is required, to which the Federal Government rightly has been appropriating more money. If you allocate these funds under the system proposed in the pending bill you will give back to some States much more money than they need for administration and I say it would result in financial harm to those States that are less industrialized.

Take the States of New York and Pennsylvania, for example, while those 2 States also have large farming areas, it is easier to administer the unemployment compensation laws in those States than in some others. They pay in more money proportionately and under the bill they would get allocated more money, which they do not need for the administration of the law. There is where your allocation formula set out in the bill falls down. It is not a proper or needed allocation. That is a change which, in my opinion, is definitely to the detriment of the proper functioning of the unemployment law.

In the second place, we think that when excess funds are collected they should not only be earmarked as provided but they should be retained only for the payment of benefits and not for payment of administrative expenses, because the Congress every year appropriates specifically what is needed.

By the provisions of this measure, if the amendments to be offered are not adopted, you will have the Congress appropriating sufficient money to the States to administer the law, then you will have this excess money going automatically, in my opinion, to the wrong States in many instances. There will be a temptation on the part of the States to use the money for other purposes, on a pretext that it is being used for administration purposes. In other words, it may be used for some general operating expenses, and the State government will claim it is helping to administer the unemployment compensation law.

Another fault with this bill is that it penalizes the States that are in financial difficulty, or may be in financial difficulty, by requiring the employers in those States to pay an extra tax by reason of the very fact they are in difficulty. In other words, in the State of Rhode Island, which is perhaps one of the States that may need some assistance, you are going to compel the employers in that State to pay more money for their unemployment protection than other States. For that reason these two amendments will be offered, and I hope they will be adopted.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SHELLEY].

Mr. SHELLEY. Mr. Chairman, the bill now before us is the first social-security legislation to come before us during this session of Congress. It is rather strange that this particular bill should be chosen to break the roadblock on social-security bills set up by the Ways and Means Committee. Apparently the committee does not feel that legislation which will work to the benefit of employers by reducing their tax load requires the same study they contend is needed before any bills benefiting the worker can be brought to the floor. I would be interested in knowing why the reported statement of the distinguished chairman of the committee that no "patchwork" social-security legislation would be attempted at this session has been ignored in the case of this bill. H. R. 5173 is certainly basic legislation in itself and not merely the minor stopgap type of amendment to which the committee had reputedly determined to limit itself.

It may be claimed that action is urgently needed to meet the needs of those States whose unemployment insurance benefit funds are dangerously low. If that is the only reason for acting now, I see no reason why the committee could not have simply recommended reenactment of the provisions of title XII of the Social Security Act, the so-called George loan fund, which was allowed to expire on January 1, 1952. The George fund permitted meeting such situations by making loans to the States in need. By this simple device the immediate problem could be solved without endangering the future of the whole system as this bill does without question. It is particularly interesting to note that the unemployment insurance system is one of the Federal-State functions which are supposed to be the subject of intense study by the Commission on Governmental Functions and Fiscal Resources just agreed to by the House and the Senate. It is difficult to see why enactment of legislation of such far-reaching nature as we are asked to pass today cannot await this study. Apparently the committee does not attach as much importance to studies by other congressionally authorized groups as they do to the time-consuming social-security survey they are now conducting on their own initiative. Why they should feel it necessary to rush this controversial bill through without the same careful attention I do not know, unless it is because they fear that the Commission's findings would not be so much to the liking of the interests this bill would benefit as is H. R. 5173.

Before taking hasty action on this bill today, the House would do well to bear in mind that the Eisenhower administration has said it is vigorously opposed to the destructive provisions it contains. The Treasury Department, the Department of Labor, and the Bureau of the Budget concur in the view that it is ill-conceived and will contribute to a breakdown of the orderly processes of Government, as well as providing a threat to a sound unemployment-insurance program. Organized labor, as represented by both the A. F. of L. and the CIO, opposes the bill in its present form. In fact, its only supporters are the organized big-business interests, hoping to cut their unemployment-insurance tax, and certain of the State administrative agencies who are directly or indirectly influenced by those interests. Under those circumstances, the bill should be highly suspect, especially to the uninitiate who are unfamiliar with the complex problems involved. Many Members of the House may not know it, but the administrative officers of their own State agencies have been misled into supporting the Reed bill contrary to the best interests of their own States. If any aspect of the social-security program requires long study and consideration, it is the unemployment-insurance program. For any Member to support this legislation today without the benefit of an adequate understanding of all the ramifications involved is to yield to organized pressure against the interests of orderly governmental processes—processes which this bill would destroy.

I know of no one who quarrels with the thought that all of the income realized from the unemployment-insurance tax should be used in the program to pay Federal and State administrative expenses and to pay benefits to unemployed workers and nothing else. However, H. R. 5173 contains two highly objectionable provisions on which there is no such agreement. The first of these

is the provision by which excess funds collected by the Federal Government would be returned to the States for the purpose of making benefit payments and for the added purpose of paying State administrative expenses in addition to those for which funds had already been appropriated by Congress. There can be little objection to permitting the States to use such funds to increase the level of benefit payments to unemployed workers. But, there is no excuse or justification for giving the State administrative agencies uncontrolled use of Federal tax moneys over and above the amounts which Congress, through normal appropriation procedures, has determined to be sufficient to cover justified expenditures for operating the unemployment-insurance program. The majority report on H. R. 5173 states on page 6 that spending of such funds will be "subject to rigid control." However, if you will read the bill on pages 7 and 8, you will find that this "rigid control" is, in fact, no control at all. There is no limitation on the purposes or the amounts of such expenditures except for a vague statement that it must be spent for payment of expenses incurred by the State for the administration of its unemployment compensation law and public employment offices. As has been pointed out, almost any of the State's administrative expenses might be construed by that State's legislature to be incurred for those purposes. Further, although H. R. 5173 lists benefit payments to individuals as the first purpose to which these funds would be put, the bill does not spell out any priority for benefit payments nor does it impose any obligation on the State to spend the money for that purpose. Knowing some of the ways of the State agencies, and the pressures they are subjected to by employer interests, I strongly feel that in many cases not one penny of the money would go to liberalizing employee benefits; rather these excess funds over congressional appropriations would be used to find ways and means of hamstringing the broad purposes of the Federal unemployment-insurance legislation and reducing the employers' obligation to pay taxes. This provision will result in nothing more than our approval of a formula to circumvent the safeguards for the integrity of the system which Congress wrote into the basic law. If we subscribe to that by passing this bill without striking out the provisions under subparagraph (2) starting on page (7), line 3 of H. R. 5173, we will in effect permit State officials to rewrite Federal law.

The second provision in the bill to which I take strong exception is that regarding loans to States whose unemployment benefit funds are dangerously depleted. I am in thorough accord with making arrangements to prevent bankruptcy and collapse of such individual State funds. However, there are two major objections to the provision written into the present bill. Firstly, H. R. 5173 provides for repayment of the loan to the State, beginning on January 1 of the second calendar year following the year during which the loan was made, regardless of the balance in the State fund at that time. Thus a State would be given no opportunity to build its reserve up to a healthy balance before it was obligated to begin repaying the loan. Obviously in States with recurrently bad experience records through a 2-year period, this provision would simply put them in a worse position as far as their ability to make benefits payments goes. If a second Federal loan was required during that time, which is quite likely, the 5-percent penalty on the total unemployment tax imposed to cover repayment of the first loan and payable to the Federal Government directly by the employer would be doubled on the second succeeding January first, thus compounding the State's difficulties by reducing its own collections by that amount. The bill should be amended to suspend these penalty payments until the State's reserve is built up to the point where it can meet the repayment load as well as take care of its expected demands for benefit payments. I understand that our distinguished colleague from Rhode Island, Congressman FORAND, who knows as much about this subject as anyone I know, intends to offer an amendment to accomplish this purpose.

The second aspect of the State loan provisions in the Reed bill which should be changed relates to the employers' obligation to maintain a high level of tax payments into the State fund during periods in which the State fund is so low as to require a Federal loan. The Reed bill provides only that during the quarter in which application is made for a loan, the total employer contribution within the State shall equal or exceed 2.7 percent of the total wages subject to contributions. In the following quarters during which the loan is outstanding no such requirement is made. Thus, the State is not obligated to do its utmost to bring its reserve fund up to a workable balance, and many employers within that State would be able to continue an extremely low level of contributions. The bill should be amended, and I understand Congressman FORAND intends to introduce such an amendment also, to provide that during not only the initial quarter, but during any succeeding quarters in which a Federal loan to the State is outstanding, the tax imposed on employers within the State must average 2.7 percent of total taxable payrolls. By this means employers within the State affected will be required to pay their full share toward putting the State's fund back on a sound basis.

Time does not permit me to go any further into the long history behind this attempt by employer groups to destroy the unemployment insurance system, but it is my considered opinion that a vote for this bill as it now stands is a vote which by striking at the system when it is healthiest will bring about its collapse when general unemployment hits. We should now be working to put the system on the soundest possible basis so that when unemployment increases, the State and Federal accounts will be in the best possible condition to meet the demands upon them. This bill would instead dissipate the funds which should be going for that purpose and permit the system's enemies to attack its roots within the States. Mr. Chairman, unless H. R. 5173 is amended in at least these two major respects—to keep adequate Federal and congressional control over administration of the unemployment insurance system, and to put some semblance of logic into the State loan provisions—the bill should be defeated.

Mr. COOPER. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. WIER].

Mr. WIER. Mr. Chairman, I approach this legislation as it is presented to the House with some skepticism. Unless it is amended I am fearful I will have to oppose the bill if that opportunity presents itself.

In the first place, this bill seems to direct itself objectively to the surplus funds over and above the regular amounts allocated to the various States and to the Federal cost; in other words, that surplus of $260 million that has been referred to here will be redistributed, as I understand, to the 48 States. Those States in any event will have in any emergency to limit their needs to their regular allocation and the redistribution of the surplus.

I have in mind, since sitting here and listening to the remarks of the committee members, a situation that may develop as a very fine example of what could happen. Unfortunately, we have in our Nation today a very tragic drought situation in the southwestern part of the United States. Texas, Oklahoma, and Missouri are faced with a terrific economic problem. In the event this bill passes as it is presented to the House and Texas has received her regular allocation of funds and then is given the redistribution amount, and this drought and the economic condition of Texas proves to get beyond their control, with unemployment and a depressed condition, then the State of Texas is going to be called upon to operate its unemployment insurance with a depleted treasury, and they will have no recourse under this law. They will have got their money, and they will have no opportunity with the emergency that exists there to appeal to the United States for unemployment help.

The CHAIRMAN. Under the rule, the bill is considered as having been read for amendment.

The bill is as follows:

Be it enacted, etc., That this act may be cited as the "Employment Security Administrative Financing Act of 1953."

SEC. 2. So much of title IX of the Social Security Act as precedes section 904 thereof is hereby amended to read as follows:

"TITLE IX—MISCELLANEOUS PROVISIONS RELATING TO EMPLOYMENT SECURITY

"Appropriations

"SEC. 901. (a) (1) There are hereby appropriated to the unemployment trust fund, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1954, and for each fiscal year thereafter, an amount equal to the amount by which—

"(A) 100 percent of the tax (including interest, penalties, and additions to the tax) received during the fiscal year under the Federal Unemployment Tax Act and covered into the Treasury; exceeds,

"(B) the sum of (I) the unemployment administrative expenditures for such year,

(ii) the refunds of such tax (including interest on such refunds) made during such fiscal year, and (iii) the amounts appropriated by section 1202 (b) for such fiscal year.

"(2) The amount appropriated by paragraph (1) for any fiscal year shall be transferred from the general fund in the Treasury to the unemployment trust fund at the close of such fiscal year. Each such transfer shall be based on estimates made by the Secretary of the Treasury as of the close of such fiscal year, but proper adjustment shall be made in the amount transferred at the close of the succeeding fiscal year to the extent that such estimates prove to be erroneous. The Secretary of the Treasury shall make his estimate of those unemployment administrative expenditures for any fiscal year which are described in subsection (b) (1) only after consultation with the Secretary of Labor.

"(b) For the purposes of subsection (a), the term 'unemployment administrative expenditures' means, in the case of any fiscal year, the sum of—

"(1) the aggregate of the amounts expended during the fiscal year for—

"(A) the purpose of assisting the States in (i) the administration of their unemployment compensation laws (including administration pursuant to agreements under title IV of the Veterans' Readjustment Assistance Act of 1952), (ii) the establishment and maintenance of systems of public employment offices in accordance with the act of June 6, 1933, as amended (29 U. S. C., sec. 49-49n), and (iii) carrying into effect section 602 of the Servicemen's Readjustment Act of 1944; and

"(B) the performance by the Department of Labor of its functions (except its functions with respect to Puerto Rico and the Virgin Islands) under (i) this title and titles III and XII of this act, (ii) the Federal Unemployment Tax Act, (iii) the provisions of the act of June 6, 1933, as amended, (iv) title IV (except sec. 602) of the Servicemen's Readjustment Act of 1944, and (v) title IV of the Veterans' Readjustment Assistance Act of 1952; and

"(2) the amount estimated by the Secretary of the Treasury as equal to the necessary expenses incurred during the fiscal year for the performance by the Department of the Treasury of its functions under this title and titles III and XII of this act and under the Federal Unemployment Tax Act.

For the purposes of paragraph (1), payments before July 1 for any period on or after such July 1 shall be considered as expended during the fiscal year which begins on such July 1.

"Amounts credited to Federal unemployment account

"SEC. 902. Whenever any amount is transferred to the unemployment trust fund under section 901 (a), there shall be credited (as of the beginning of the succeeding fiscal year) to the Federal unemployment account so much of such amount as equals whichever of the following is the lesser:

"(1) The total amount so transfered; or

"(2) The amount by which $200 million exceeds the adjusted balance in the Federal unemployment account at the close of the fiscal year for which the transfer is made.

For the purposes of the preceding sentence, the term 'adjusted balance' means the amount by which the balance in the Federal unemployment account exceeds the sum of the outstanding advances under section 1202 (c) to the Federal unemployment account.

"Amounts credited to States' accounts

"SEC. 903. (a) So much of any amount transfered to the Unemployment Trust Fund at the close of any fiscal year under section 901 (a) as is not credited to the Federal unemployment account under section 902 shall be credited (as of the beginning of the succeeding fiscal year) to the accounts of the States in the unemployment trust fund. Each State's share of the funds to be credited under this subsection as of any July 1 shall be determined by the Secretary of Labor on the basis of reports furnished by the States and shall bear the same ratio to the total amount to be so credited as the amount of wages subject to contributions under such State unemployment compensation law during the preceding calendar year which have been reported to the State by June 1 bears to the total of wages subject to contributions under all State compensation laws during such calendar year which have been reported to the States by such June 1.

"(b) If the Secretary of Labor finds that on July 1 of any fiscal year—

"(1) a State is not eligible for certification under section 303, or

"(2) the law of a State is not approvable under section 1603 of the Federal Unemployment Tax Act, then the amount available for crediting to such State's account shall, in lieu of being so credited, be credited to the Federal unemployment account as of the beginning of such July 1. If, during the fiscal year beginning on such July 1, the Secretary of Labor finds and certifies to the Secretary of the Treasury that such State is eligible for certification under section 303, that the law of such State is approvable under such section 1603, or both, the Secretary of the Treasury shall transfer such amount from the Federal unemployment account to the account of such State. If the Secretary of Labor does not so find and certify to the Secretary of the Treasury before the close of such fiscal year then the amount which was available for credit to such State's account as of July 1 of such fiscal year shall (as of the close of such fiscal year) become unrestricted as to use as part of the Federal unemployment account.

"(c) (1) Amounts credited to the account of a State pursuant to subsection (a) shall, except as provided in paragraph (2), be used only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

"(2) A State may, pursuant to a specific appropriation made by the legislative body of the State, use money withdrawn from its account in the payment of expenses incurred by it for the administration of its unemployment compensation law and public employment offices if and only if—

"(A) the purposes and amounts were specified in the law making the appropriation,

"(B) the appropriation law did not authorize the expenditure of such money after the close of the 2-year period which began on the date of enactment of the appropriation law,

"(C) the money is withdrawn and the expenses are incurred after such date of enactment, and

"(D) the appropriation law limits the total amount which may be so used during a fiscal year to an amount which does not exceed the amount by which (i) the aggregate of the amounts credited to the account of such State pursuant to subsection (a) during such fiscal year and the four preceding fiscal years, exceeds (ii) the aggregate of the amounts used by the State pursuant to this paragraph and charged against the amounts credited to the account of such State during any of such 5 fiscal years.

For the purposes of subparagraph (D), amounts used by a State during any fiscal year shall be charged against equivalent amounts which were first credited and which have not previously been so charged; except that no amount used during any fiscal year may be charged against any amount credited during a fiscal year earlier than the fourth preceding fiscal year."

SEC. 3. Title XII of the Social Security Act is hereby amended to read as follows:

"TITLE XII—ADVANCES TO STATE UNEMPLOYMENT FUNDS

"SEC. 1201. (a) If—

"(1) the balance in the account of a State in the unemployment trust fund at the close of September 30, 1953, or at the close of the last day in any ensuing calendar quarter, is less than the total compensation paid out under the unemployment compensation law of such State during the 12-month period ending at the close of such day;

"(2) the governor of such State applies to the Secretary of Labor during the calendar quarter following such day for an advance under this subsection;

"(3) the governor certifies that the contribution rate or rates in effect for the quarter in which he applies will yield an amount which he estimates will equal or exceed 2.7 percent of the total remuneration which he estimates will constitute wages subject to contributions for such quarter under the law of such State; and

"(4) the Secretary of Labor finds that the conditions specified in paragraphs (1), (2), and (3) have been met,

the Secretary of Labor shall, from time to time, certify to the Secretary of the Treasury such amounts as may be specified in the application of the governor, but the aggregate of the amounts so certified pursuant to any such application shall not exceed the highest total compensation paid out under the unemployment compensation law of such State during any one of the four calendar quarters preceding the quarter in which such application was made. For the purposes of this subsection, (A) the application shall be made on such forms, and shall contain such information and data (fiscal and otherwise) concerning the operation and administration of the State unemployment compensation law, as the Secretary of Labor deems necessary or relevant to the performance of his duties under this title, and (B) the term 'compensation' means cash benefits payable to individuals with respect to their unemployment, exclusive of expenses of administration.

"(b) The Secretary of the Treasury shall, prior to audit or settlement by the General Accounting Office, transfer from the Federal unemployment account to the account of any State in the unemployment trust fund the amounts certified under subsection (a) by the Secretary of Labor (but not exceeding that portion of the balance in the Federal unemployment account at the time of such transfer which is not restricted as to use pursuant to section 903 (b)). Any amount so transferred shall be an advance which shall be repaid (without interest) by the State to the Federal unemployment account in the manner provided in subsections (a) and (b) (1) of section 1202.

"SEC. 1202. (a) The governor of any State may at any time request that funds be transferred from the account of such State to the Federal unemployment account in repayment of part or all of any remaining balance of advances made to such State under section 1201 (a). The Secretary of Labor shall certify to the Secretary of the Treasury the amount stated in such request; and the Secretary of the Treasury shall transfer such amount as of the close of the calendar month in which the governor makes such request.

"(b) (1) There are hereby appropriated to the Federal unemployment account, out of any moneys in the Treasury not otherwise appropriated, amounts equal to the amounts by which (A) 100 percent of the additional tax received under the Federal Unemployment Tax Act by reason of the reduced credits provisions of section 1601 (c) (2) of

such act and covered into the Treasury, exceeds (B) the amounts appropriated by paragraph (2). Any amount so appropriated shall be credited against, and shall operate to reduce, the remaining balance of advances under subsection (a) to the State with respect to which employers paid such additional tax.

"(2) Whenever the amount of such additional tax paid exceeds the remaining balance of advances under subsection (a) to the State, there is hereby appropriated to the account of such State, out of any moneys in the Treasury not otherwise appropriated, an amount equal to such excess.

"(3) The amounts appropriated by paragraphs (1) and (2) shall be transferred from time to time from the general fund in the Treasury to the Federal unemployment account or to the account of the State, as the case may be.

"(c) There are hereby authorized to be appropriated from time to time to the Federal unemployment account, as repayable advances (without interest), such sums as may be necessary to carry out the purposes of this title."

SEC. 4. Section 1601 (c) of the Internal Revenue Code (Federal Unemployment Tax Act) is hereby amended to read as follows:

"(c) Limit on total credits:

"(1) The total credits allowed to a taxpayer under this section shall not exceed 90 percent of the tax against which such credits are allowable.

"(2) If an advance or advances have been made to the unemployment account of a State under title XII of the Social Security Act, and if any balance of such advance or advances has not been returned to the Federal unemployment account as provided in that title before December 1 of the taxable year, then the total credits (after other reductions under this section) otherwise allowable under this section for such taxable year in the case of a taxpayer subject to the unemployment compensation law of such State shall be reduced—

"(A) in the case of a taxable year beginning with the second consecutive January 1 on which such a balance of unreturned advances existed, by 5 percent of the tax imposed by section 1600 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State; and

"(B) in the case of any succeeding taxable year beginning with a consecutive January 1 on which such a balance of unreturned advances existed, by an additional 5 percent, for each such succeeding taxable year, of the tax imposed by section 1600 with respect to the wages paid by such taxpayer during such taxable year which are attributable to such State.

For the purposes of this paragraph, wages shall be attributable to a particular State if they are subject to the unemployment compensation law of the State, or (if not subject to the unemployment compensation law of any State) if they are determined (under rules or regulations prescribed by the Secretary) to be attributable to such State."

SEC. 5. (a) (1) Section 303 (a) (5) of the Social Security Act is hereby amended by striking out the semicolon and inserting in lieu thereof a colon and the following: "*Provided further*, That the amounts specified by section 903 (c) (2) may, subject to the conditions prescribed in such section, be used for expenses incurred by the State for administration of its unemployment compensation law and public employment offices;".

(2) Section 1603 (a) (4) of the Internal Revenue Code is hereby amended by striking out the semicolon and inserting in lieu thereof a colon and the following: "*Provided further*, That the amounts specified by section 903 (c) (2) of the Social Security Act may, subject to the conditions prescribed in such section, be used for expenses incurred by the State for administration of its unemployment compensation law and public employment offices;".

(3) Section 1607 (f) of the Internal Revenue Code is hereby amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided further*, That the amounts specified by section 903 (c) (2) of the Social Security Act may, subject to the conditions prescribed in such section, be used for expenses incurred by the State for administration of its unemployment compensation law and public employment offices.".

(b) Section 904 (a) of the Social Security Act is hereby amended by striking out "or deposited pursuant to appropriations to the Federal unemployment account" and inserting in lieu thereof ", or otherwise deposited in or credited to the fund or any account therein".

(c) Section 904 (b) of the Social Security Act is hereby amended by adding at the end thereof the following new sentence: "Advances to the Federal unemployment account pursuant to section 1202 (c) shall not be invested."

(d) Section 904 (e) of the Social Security Act is hereby amended by adding at the end thereof the following new sentence: "For the purposes of this subsection, the average daily balance shall be computed—

"(1) in the case of any State account, by reducing (but not below zero) the amount in the account by the aggregate of the outstanding advances under section 1201 from the Federal unemployment account, and

"(2) in the case of the Federal unemployment account, (A) by adding to the amount in the account the aggregate of the reductions under paragraph (1), and (B) by subtracting from the sum so obtained the aggregate of the outstanding advances from the Treasury to the account pursuant to section 1202 (c)."

(e) Section 904 (g) of the Social Security Act is hereby repealed.

(f) (1) Clause (2) of the second sentence of section 904 (h) of the Social Security Act is hereby amended to read as follows: "(2) the excess of taxes collected under the Federal Unemployment Tax Act after June 30, 1946, and prior to July 1, 1953, over the unemployment administrative expenditures made after June 30, 1946, and prior to July 1, 1953."

(2) The third sentence of such section 904 (h) is hereby repealed.

The CHAIRMAN. Are there any amendments in order under the rule?

Mr. FORAND. Mr. Chairman, I believe I am entitled to recognition under the rule to offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND:

On page 6, strike out line 23 and all that follows through line 7 on page 8, and insert in lieu thereof the following:

"(c) Amounts credited to the account of a State pursuant to subsection (a) shall be used only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration."

On page 13, line 12, strike out "(a)" and all that follows through line 10 on page 14; and reletter the remaining subsections of section 5 of the bill accordingly.

Mr. FORAND. Mr. Chairman, this is the amendment I referred to a few moments ago.

My amendment would limit the use of these excess taxes to the payment of unemployment compensation. This is done by striking out the provisions in the bill which permit the States to use excess unemployment taxes for administrative purposes.

Since the Social Security Act provides that the Federal Government shall grant such money as is necessary for the proper and efficient administration of unemployment insurance and the Wagner-Peyser Act of 1933, as amended, provides for the payment of all expenses of the public employment service, it is, in my opinion, unnecessary for the States to use these excess unemployment taxes distributed to them for administration.

I am advised that at least seven States already have amended their laws or passed laws in anticipation that such excess funds would go back to the States and that they could use them for administrative purposes. As I said before, under the guise of administrative purposes they can set up almost any kind of program.

As Under Secretary Folsom of the Treasury so aptly stated it in his letter of May 8 to Chairman REED, "Sound administration counsels against a system whereby a legislative body appropriates funds it has no responsibility for raising." That is just what would happen if this passes as it is.

Mr. Chairman, I hope my amendment will prevail.

Mr. MASON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment which has been offered is based upon the assumption that the Labor Department, here in Washington, knows best as to how much money the State of Texas needs for administering its particular part of the unemployment compensation funds. The bill provides this: That if the State legislature in any State says they need some more money for administrative purposes in their State to hire an investigator or, too, to see who has been cheating on this unemployment compensation business in their State, they then can have that money. But, under the amendment which has been offered, the Labor Department can say, "No; you cannot have that, the Congress only appropriates for administrative purposes for the State of Illinois or the State of Texas whatever the Labor Department here in Washington decides they need, and not what the people in the various States decide." It seems to me that the legislatures of the various States, being closer to the people and being closer to the needs for administrative purposes, if they desire to have more money for administrative purposes in order to hire investigators to check on these things, that the Congress should be willing to grant that. That really is States rights as opposed to New Deal Labor Department control in Washington.

Mr. FORAND. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield.

Mr. FORAND. Will the gentleman deny under the provisions of the bill it would be very easy for a State that wants to create a little more patronage to increase its staff whether they need it or not?

Mr. MASON. I do deny it because the majority of the State legislatures can decide what they need.

Mr. FORAND. But if the State legislatures decide they want patronage, then they are going to have it.

Mr. MASON. Personally, I would prefer that the State legislatures should decide what patronage they ought to have than the Labor Department in Washington.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FORAND].

The question was taken; and on a division (demanded by Mr. FORAND) there were—ayes 36, noes 92.

So the amendment was rejected.

Mr. FORAND. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FORAND:

Page 12, strike out line 5 and all that follows through line 11 on page 13 and insert in lieu thereof the following:

"(2) If—

"(A) an advance or advances were made to the unemployment account of a State under title XII of the Social Security Act before January 1 of the taxable year; and

"(B) on December 1 of the taxable year any balance of such advance or advances is outstanding; and

"(C) the Secretary of Labor determines and certifies to the Secretary of the Treasury on or before December 1 of the taxable year that either (i) the adjusted balance of the unemployment fund of such State at the beginning of the taxable year equals or exceeds the total compensation paid out of such fund during that 1 of the 5 preceding calendar years during which the total amount so paid out was the highest, or (ii) the contribution rate or rates in effect during the period beginning with the quarter after the quarter in which the first advance in respect of such balance was made and ending with the close of the preceding taxable year, when applied to the remuneration which constitutes wages subject to contributions under the law of such State during such period and which was reported to the State before August 1 of the taxable year, results in a figure which is less than 2.7 percent of the total remuneration so reported, then the total credits (after other reductions under this section) otherwise allowable under this section for the taxable year in the case of a taxpayer subject to the unemployment compensation law of such State shall be reduced by 5 percent of the tax imposed by section 1600 with respect to the wages paid by such taxpayer during the taxable year which are attributable to such State, and, if the taxable year is a succeeding consecutive taxable year for which the conditions specified in subparagraphs (A), (B), and (C) exist, by an additional 5 percent for each succeeding consecutive taxable year.

"(3) For the purposes of paragraph (2)—

"(A) the adjusted balance of the unemployment fund of any State at the beginning of any taxable year is the amount by which the balance of such fund exceeds the sum of the outstanding advances to the unemployment account of the State under title XII of the Social Security Act; and

"(B) wages are attributable to a particular State if they are subject to the unemployment compensation law of the State, or, if not subject to the unemployment compensation law of any State, if they are determined (under rules or regulations prescribed by the Secretary) to be attributable to such State."

Mr. FORAND. Mr. Chairman, at the expense of being repetitious and, in view of the fact that the amendment is so technical and long, I feel compelled to explain once more just what that amendment would do.

This amendment modifies the second major feature of the bill. This feature provides for the payment of advances—that is, non-interest-bearing loans—from the special $200 million fund previously mentioned, to States whose unemployment funds are nearing exhaustion because of unusually high unemployment-benefit expenditures. Under the bill, when such advances are made to a State, repayment commences automatically on the second January following the advance through an increase in the portion of the Federal unemployment tax which each employer covered by the State law pays to the Federal Government. As you may know, employers contributing to approved State unemployment-insurance systems secure a 90-percent credit against the 3-percent Federal unemployment-payroll tax. Under the bill, this credit would be decreased by 5 percent during the second year after an advance is made to a State, and the 5 percent would be applied against the advance. The credit is decreased by an additional 5 percent each year until the advance is repaid.

This automatic repayment device could commence while a State unemployment fund is still in financial difficulty and the employers are still having difficulty meeting their taxes because of adverse economic conditions. My amendment therefore provides for a delay in the repayment of the advance until the State fund is out of danger. It does this by providing that repayment of the advance through the decreased tax offset is delayed until the State fund is rebuilt to an amount equal to the highest annual benefit expenditures paid out during any 1 of the 5 preceding calendar years. For example, if the highest annual amount paid out in the past 5 years was $30 million, the State fund would have to reach $30 million before employers started paying back the advance through increased payments under the Federal unemployment tax. However, in order for a State to secure this delay in repayment, employers must have paid to the State an average contribution rate of 2.7 percent of taxable wages during the grace period. My amendment further provides that if after 2 or more years of repayment the State unemployment fund again falls below an amount equal to the highest annual benefit expenditures in the past 5 years, the amount of additional Federal unemployment taxes that the State's employers must pay in starts over again at 5 percent of the Federal tax, with an increase of 5 percent each year thereafter. The same new start would occur if a State in a later year has to get a second advance because of a downturn in its fund. For example, suppose a State gets an advance or loan in 1961, and repayment commences in 1964 and continues through 1966. In 1964, the employer pays an additional 5 percent, an additional 10 percent in 1965, and an additional 15 percent in 1966. If the State has to get another advance in 1967, nothing is repaid that year, but when the State fund again equals the highest annual benefit expenditures in the last 5 years, the employers again pay 5 percent of the Federal tax in repayment of the advances, and the employers' rate continue to increase by 5 percent of the Federal tax each year until the loan is repaid.

In short, this amendment provides that repayment of any advance made to a State by the Federal Government does not commence until the State fund is out of danger, and every time the State has a bad year, the rates of repayment start over again.

Mr. MILLS. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this is the amendment to which I alluded earlier in general debate. The amendment offered by the gentleman from Rhode Island [Mr. FORAND] has not been considered by our committee. The amendment was not offered during discussion of this particular bill, as I recall, in the committee, and I will yield to the gentleman from Rhode Island if I have misstated the situation.

Mr. FORAND. It may not have been offered in the exact language, but the subject certainly was discussed in the committee.

Mr. MILLS. I will agree with the gentleman that the subject was discussed as were all sections of the bill and that the gentleman from Rhode Island offered an amendment; but, as I understood the amendment in the committee, it was considerably different from the one he has offered now.

Mr. FORAND. There was very, very little difference; and I may say for the information of the gentleman and of the House—and I thank the gentleman for yielding to me—this amendment has been gone over by the Legislative Counsel to be sure it is correct.

Mr. MILLS. I am sure the gentleman would have done that.

The basic objection which I have to the gentleman's amendment is that it could, in effect, change the provision from an advance to the States, a repayment advance, to a grant, and I will tell you why it could do that. The gentleman's amendment states that you will not require the State to repay an advance except under certain conditions, and one of those conditions, as I understood the reading of the amendment, is that the reserve fund must reach a point where it equals the highest benefit payments in any one of the 5 preceding years. In other words, in the gentleman's State of Rhode Island, for example, where the net benefit payments amounted to $31 million in the year 1949, his State, if the test were applied now, would not have to pay back this advance because the amount in its fund is not equal to the amount of $31 million. Looking at the record of the benefit payments in the gentleman's State of Rhode Island and noting the amount in the fund from the gentleman's own State, I would say it would be conceivable that it would never be possible for the gentleman's State to find itself in a position which justified a repayment of the advance, and, therefore, it would become a grant.

I know there are people throughout the country who have always advocated federalization of the unemployment insurance program. I have always believed in a Federal-State system. In the hearing just recently held on the pending legislation we had statements by certain groups very openly admitting

they favored a federalization of this program. If you once begin making grants out of the Federal Treasury from this fund which we are establishing in this bill to States in order to insure payment of unemployment compensation within the States, all sorts of pressure and everything else will come into play, and finally you can expect the entire amount to be paid out of the Federal Treasury. When that day arrives, I wonder whether or not you will have a program of unemployment benefits as we know it now.

Mr. Chairman, this is a very serious matter to me. The employers of the States throughout the country have said: We favor the repayment of this; we do not want a grant. The employees do not have to pay this tax. The tax is borne by the employer. They themselves say: Arrange it so that we have to pay an increased tax, if necessary, to repay a loan.

The State does not pay it. The employers pay it, and they are perfectly willing to pay. Why, then, should we put ourselves, the Congress of the United States, in the position of saying: No; we will not let you repay this that you want to repay according to the plan that you have in mind and which we have in this bill, but we are going to give you the money.

If it is not possible for this to amount to that, I have never read or understood an amendment before. I say to you that the amendment should be defeated because it involves a fundamental principle—the question of whether this shall be an advance to the States and repayable or whether it shall be more in the nature of a grant. I charge the gentleman's amendment can reach the sole result of a grant.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Rhode Island [Mr. FORAND].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. SEELY-BROWN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5173) to provide that the excess of collections from the Federal unemployment tax over unemployment-compensation administrative expenses shall be used to establish and maintain a $200-million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes, pursuant to House Resolution 316, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time and was read the third time.

Mr. FORAND. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. FORAND. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. FORAND moves to recommit the bill H. R. 5173 to the Committee on Ways and Means with instructions to report it back forthwith with the following amendment:

Page 6, strike out line 23 and all that follows through line 7 on page 8 and insert in lieu thereof the following:

"(c) Amounts credited to the account of a State pursuant to subsection (a) shall be used only in the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration."

On page 13, line 12, strike out "(a)" and all that follows through line 10 on page 14; and reletter the remaining subsections of section 5 of the bill accordingly.

Page 12, strike out line 5 and all that follows through line 11 on page 13 and insert in lieu thereof the following:

"(2) If—

"(A) an advance or advances were made to the unemployment account of a State under title XII of the Social Security Act before January 1 of the taxable year; and

"(B) on December 1 of the taxable year any balance of such advance or advances is outstanding; and

"(C) the Secretary of Labor determines and certifies to the Secretary of the Treasury on or before December 1 of the taxable year that either (i) the adjusted balance of the unemployment fund of such State at the beginning of the taxable year equals or exceeds the total compensation paid out of such fund during that one of the five preceding calendar years during which the total amount so paid out was the highest, or (ii) the contribution rate or rates in effect during the period beginning with the quarter after the quarter in which the first advance in respect of such balance was made and ending with the close of the preceding taxable year, when applied to the remuneration which constitutes wages subject to contributions under the law of such State during such period and which was reported to the State before August 1 of the taxable year, results in a figure which is less than 2.7 percent of the total remuneration so reported, then the total credits (after other reductions under this section) otherwise allowable under this section for the taxable year in the case of a taxpayer subject to the unemployment compensation law of such State shall be reduced by 5 percent of the tax imposed by section 1600 with respect to the wages paid by such taxpayer during the taxable year which are attributable to such State, and, if the taxable year is a succeeding consecutive taxable year for which the conditions specified in subparagraphs (A), (B), and (C) exist, by an additional 5 percent for each succeeding consecutive taxable year.

"(3) For the purposes of paragraph (2)—

"(A) the adjusted balance of the unemployment fund of any State at the beginning of any taxable year is the amount by which the balance of such fund exceeds the sum of the outstanding advances to the unemployment account of the State under title XII of the Social Security Act; and

"(B) wages are attributable to a particular State if they are subject to the unemployment compensation law of the State, or, if not subject to the unemployment compensation law of any State, if they are determined (under rules or regulations prescribed by the Secretary) to be attributable to such State."

Mr. COOPER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. REED of New York. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 93, nays 292, not voting 45, as follows:

[Roll No. 80]

YEAS—93

Addonizio	Fino	Mollohan
Albert	Forand	Morano
Angell	Friedel	Morgan
Bailey	Garmatz	Moss
Barrett	Gordon	Multer
Blatnik	Granahan	O'Brien, Ill.
Boland	Green	O'Brien, N. Y.
Bolling	Hagen, Calif.	O'Hara, Ill.
Bray	Hart	Perkins
Buchanan	Hays, Ohio	Pfost
Burdick	Heller	Philbin
Byrd	Holifield	Polk
Byrne, Pa.	Holtzman	Price
Cannon	Howell	Rabaut
Carnahan	Javits	Reams
Celler	Karsten, Mo.	Rhodes, Pa.
Chudoff	Kee	Rodino
Condon	Kelley, Pa.	Rogers, Colo.
Crosser	Kelly, N. Y.	Rooney
Delaney	Keogh	Roosevelt
Dempsey	King, Calif.	Secrest
Dingell	Kirwan	Seely-Brown
Dodd	Klein	Shelley
Dollinger	Lesinski	Sieminski
Donohue	McCormack	Staggers
Doyle	Machrowicz	Sullivan
Eberharter	Mack, Ill.	Thomas
Engle	Magnuson	Wier
Feighan	Marshall	Yates
Fernandez	Metcalf	Yorty
Fine	Miller, Calif.	Zablocki

NAYS—292

Abbitt	Clevenger	Herlong
Abernethy	Cole, Mo.	Heselton
Adair	Cole, N. Y.	Hiestand
Alexander	Coon	Hill
Allen, Calif.	Cooper	Hillelson
Allen, Ill.	Corbett	Hillings
Andersen, H. Carl	Cotton	Hinshaw
	Coudert	Hoeven
Andresen, August H.	Cretella	Hoffman, Ill.
	Crumpacker	Hoffman, Mich.
Andrews	Curtis, Mass.	Holmes
Arends	Curtis, Mo.	Holt
Ashmore	Dague	Hope
Aspinall	Davis, Ga.	Horan
Auchincloss	Davis, Tenn.	Hosmer
Ayres	Davis, Wis.	Hruska
Baker	Dawson, Utah	Hunter
Barden	Deane	Hyde
Battle	Derounian	Ikard
Beamer	Devereux	Jackson
Becker	D'Ewart	James
Belcher	Dies	Jarman
Bender	Dondero	Jenkins
Bennett, Fla.	Donovan	Jensen
Bennett, Mich.	Dorn, N. Y.	Johnson
Bentley	Dorn, S. C.	Jonas, Ill.
Bentsen	Dowdy	Jonas, N. C.
Berry	Edmondson	Jones, Ala.
Betts	Elliott	Jones, Mo.
Bishop	Evins	Jones, N. C.
Boggs	Fallon	Judd
Bolton, Frances P.	Fenton	Kean
	Ford	Kearney
Bolton, Oliver P.	Forrester	Kearns
	Fountain	Keating
Bonin	Frelinghuysen	Kersten, Wis.
Bonner	Fulton	Kilburn
Bosch	Gamble	King, Pa.
Bow	Gary	Kluczynski
Boykin	Gavin	Knox
Bramblett	Gentry	Krueger
Brooks, La.	George	Laird
Brooks, Tex.	Golden	Landrum
Brown, Ga.	Goodwin	Lanham
Brown, Ohio	Graham	Lantaff
Brownson	Grant	Latham
Broyhill	Gregory	LeCompte
Budge	Gross	Long
Burleson	Gubser	Lovre
Busbey	Gwinn	Lucas
Bush	Hagen, Minn.	Lyle
Byrnes, Wis.	Hale	McConnell
Camp	Haley	McCulloch
Campbell	Halleck	McDonough
Carlyle	Hand	McGregor
Carrigg	Harden	McIntire
Cederberg	Harris	McMillan
Chelf	Harrison, Nebr.	Mack, Wash.
Chenoweth	Harrison, Va.	Mahon
Chiperfield	Harrison, Wyo.	Mailliard
Church	Harvey	Martin, Iowa
Clardy	Hays, Ark.	Mason

Matthews	Reece, Tenn.	Thompson, La.
Meader	Reed, N. Y.	Thompson, Mich.
Merrill	Rees, Kans.	Thompson, Tex.
Merrow	Regan	Thornberry
Miller, Kans.	Rhodes, Ariz.	Tollefson
Miller, Md.	Richards	Trimble
Miller, Nebr.	Riehlman	Tuck
Miller, N. Y.	Riley	Utt
Mills	Roberts	Van Pelt
Morrison	Robeson, Va.	Van Zandt
Moulder	Robsion, Ky.	Vinson
Mumma	Rogers, Fla.	Vorys
Murray	Rogers, Mass.	Vursell
Neal	Rogers, Tex.	Wainwright
Nicholson	Sadlak	Walter
Norblad	St. George	Wampler
Norrell	Saylor	Warburton
O'Hara, Minn.	Schenck	Watts
O'Konski	Scott	Weichel
Osmers	Scrivner	Westland
Ostertag	Scudder	Wharton
Passman	Selden	Wheeler
Patman	Sheehan	Whitten
Patten	Sheppard	Wickersham
Patterson	Shuford	Widnall
Pelly	Simpson, Ill.	Williams, Miss.
Pilcher	Small	Williams, N. Y.
Pillion	Smith, Kans.	Willis
Poage	Smith, Va.	Wilson, Ind.
Poff	Smith, Wis.	Wilson, Tex.
Preston	Spence	Winstead
Priest	Stauffer	Withrow
Prouty	Steed	Wolcott
Radwan	Stringfellow	Wolverton
Rains	Sutton	Young
Ray	Taber	Younger
Rayburn	Talle	

NOT VOTING—45

Bates	Frazier	Powell
Buckley	Gathings	Reed, Ill.
Canfield	Hardy	Rivers
Case	Hébert	Scherer
Chatham	Hess	Shafer
Colmer	Kilday	Short
Cooley	Lane	Sikes
Cunningham	McCarthy	Simpson, Pa.
Curtis, Nebr.	McVey	Smith, Miss.
Dawson, Ill.	Madden	Springer
Dolliver	Nelson	Taylor
Durham	Oakman	Teague
Ellsworth	O'Brien, Mich.	Velde
Fisher	O'Neill	Wigglesworth
Fogarty	Phillips	Wilson, Calif.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Lane for, with Mr. Cooley against.

Mr. Fogarty for, with Mr. Wigglesworth against.

Mr. Buckley for, with Mr. Taylor against.

Mr. Madden for, with Mr. Scherer against.

Mr. Dawson of Illinois for, with Mr. Hess against.

Mr. Case for, with Mr. Hébert against.

Mr. Powell for, with Mr. Wilson of California against.

Mr. O'Brien of Michigan for, with Mr. Colmer against.

Mr. McCarthy for, with Mr. Sikes against.

Until further notice:

Mr. Simpson of Pennsylvania with Mr. Durham.

Mr. McVey with Mr. Gathings.

Mr. Dolliver with Mr. Hardy.

Mr. Short with Mr. Rivers.

Mr. Ellsworth with Mr. Smith of Mississippi.

Mr. Nelson with Mr. Kilday.

Mr. Shafer with Mr. Frazier.

Mr. Bates with Mr. Fisher.

Mr. MORANO changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

SPECIAL COMMITTEE STAFF ON REPORTS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Speaker, today I am introducing H. R. 6160, a copy of which I hereby quote:

By Mr. WHITTEN:

A bill to provide the House of Representatives with a staff to make reports on proposed legislation, and objective analyses of the reports from the executive branch on proposed legislation

Be it enacted, etc., That the Legislative Reorganization Act of 1946 is hereby amended by inserting after section 202 the following new section:

"SPECIAL COMMITTEE STAFF ON REPORTS

"SEC. 202A. (a) There is hereby created a special staff on reports to consist of at least 8 and not more than 10 professional staff members appointed by the Committee on House Administration of the House of Representatives without regard to political affiliations and solely on the basis of fitness to perform the duties of the office.

"(b) It shall be the duty of such staff to make a full and independent report on the feasibility and the effect of any proposed legislation whenever such a report is requested by a member of the committee of the House to which such legislation was referred, or by the author of such legislation, and to make an objective analysis of all reports and data submitted to the House of Representatives by the executive branch of the Government on any proposed legislation, whenever such an analysis is requested by a committee of the House to which such legislation was referred, or by the author of such legislation. The duties of such staff shall be performed under the general direction and supervision of the Committee on House Administration.

"(c) The professional staff members of such special staff shall be appointed by a majority vote of the Committee on House Administration. One member of such professional staff shall be designated by such committee as the chief of the professional staff on reports. Such committee is authorized to terminate the services of any professional staff member appointed under this section by a majority vote of the committee. Professional staff members appointed under this section shall not engage in any work other than their duties as a member of such staff, and no other duties may be assigned to them.

"(d) The professional staff members appointed under this section shall receive annual compensation to be fixed by the chairman of the Committee on House Administration with the approval of such committee, at rates which are not less than the minimum rate, and not more than the maximum rate, which may be paid to professional staff members under section 202."

This bill, if enacted into law, would meet one of the major problems that I have found since I have been a Member of this Congress.

Many of the bills introduced and much of the legislation needed to be enacted into law are made necessary by erroneous and harsh administrative decisions by the executive department, from which there should be some relief. Yet, under the practice which prevails in the Congress, once a bill is introduced to relieve individuals from such decisions the procedure is for the committee to which such bill is referred to ask an opinion from the department making the decision which caused the problem in the first instance.

Under the practice which prevails here an adverse decision from such department usually kills the measure. I think this is a weakness in congressional procedure. I could cite numerous examples of my personal experience with this problem. In some instances I have managed to get around an adverse decision, but it has required riders on appropriation bills, sometimes several years' delay, and sometimes you never do get around it.

Introduction of this bill at this time came about because of my efforts to get relief for veterans from what I believe to be harsh and erroneous decisions by the Veterans' Administration in individual insurance cases. I introduced legislation making it possible to correct such decisions. These bills along with other similar bills were opposed by the Veterans' Administration. Among other things, the Veterans' Administration, which had made the earlier decisions causing the problems, said it might endanger the solvency of the insurance fund, and further that the bills had been disapproved by the Bureau of the Budget as against the program of the President. The bills I introduced were H. R. 1859 and H. R. 2339. The first would provide for waiver of premiums on national service life insurance and United States Government life—converted—insurance issued to certain former servicemen who are disabled. The second would provide a 1-year period during which certain veterans may be granted United States Government life—converted—insurance or national service life insurance, and for other purposes.

The effect of the latter would be to give them a period in which to straighten out their insurance problem. These bills were introduced to correct cases which I called to the attention of the Veterans' Affairs Committee, and I repeat here my statement before that committee.

Madam Chairman and members of the committee, I appreciate this opportunity to appear before you to urge necessary changes in the present veterans' insurance law, which I believe would be of great benefit to a number of veterans. After studying the many insurance problems which have arisen, I believe this committee will take action to alleviate many problems which veterans have been having with their National Life and other veterans' insurance laws. In many cases what is happening to the veteran is much more to his disadvantage than would be permitted under regular insurance laws of the various States.

I have introduced H. R. 1859 and H. R. 2339, which would do much to correct the present unnecessary hardships imposed in individual cases and do much to give proper solutions to the many problems that exist. I have a number of cases in my files with regard to servicemen who had been carrying Government insurance and for one reason or another had allowed the insurance to lapse. Doubtless it may be said that in some

cases the veteran could have been more diligent himself. In many other instances, however, it was entirely unavoidable because of changing address, moving from one post-office service to another, and having notification not only delayed somewhat but, in some instances, notice was never received by the veteran. The Veterans' Administration has refused relief.

I would like to bring to your attention one instance where application for renewal was sent by the Veterans' Administration. The veteran did not receive it. He tendered his regular monthly payment of $6.50, but the notice which the veteran did not receive for the new term announced an increase in payment to $8.90. This veteran was advised that since he did not tender the full amount of payment his policy had lapsed. There are many similar cases.

In another instance, a premium was due on April 10. The veteran mailed in the premium. His letter was postmarked April 10; but the Veterans' Administration canceled his policy because his letter was not postmarked prior to 12 o'clock on April 9. In my opinion, that is drawing the line too fine. These men are veterans. Other veterans would not wish these individuals to be thus penalized. The VA says that to correct these unreasonable interpretations would endanger the fund. I would like to bring to your attention that the VA in 1948 had a total of $2,800,000 in dividends to be paid, $2,738,000 of which were issued. In 1951 they had $685 million, reduced to $645 million because of premiums waived, of which $639 million was issued. In 1952 the VA had $200 million, of which $145 million was issued, and for 1953 they have a total of $180 million to be paid in dividends. I may say that these dividends were made partially at the expense of these veterans of whom I have been speaking.

In this bill I propose that the veteran shall have 1 year in which to renew and get his insurance matters straightened out. In other cases, and I am sure each Member has run into this problem, under Public Law No. 23 applications for renewal of insurance would not be accepted after April 25, 1951; but where many veterans did not know of the change, and by reason of such lack of knowledge, their insurance lapsed, the veterans were prohibited under the law from applying for renewal of the insurance.

I have also been contacted with regard to veterans who had been drawing disability and obtained waivers of premium for total and permanent disability. Upon review the disability was decreased to a degree that the insurance division of the Veterans' Administration stated the veteran was gainfully employed and therefore was not entitled to waiver of premium. It is my belief a veteran who has service-connected disability, regardless of the amount of disability, should be given waiver of premium. In one instance where the veteran was totally disabled he was required to pay his premium. His term insurance ran out and he applied for renewal, which was granted. However, he made a statement that he was in as good physical shape as he had been. After his renewal was accepted the veteran died, and the VA on checking found that the serviceman had been hospitalized twice. His statement on application for renewal being determined as untrue, the VA advised the deceased veteran's beneficiaries they were not entitled to insurance.

It is my belief that when any serviceman has disability of as much as 30 percent he should be entitled without question to waiver of premium on his service insurance. I might also state that it appears that the Government is not losing any money on the different service insurance programs now in effect, since they are paying a big dividend each year.

It is my belief the insurance laws of the Veterans' Administration should be so written as to make it easier for veterans to carry this insurance. I would also suggest that consideration be given to providing for a set premium on insurance policies for veterans who have reached a certain age, possibly 50. I would also suggest that premiums be stabilized and renewals not be necessary after such age has been reached.

The veterans' insurance program is so set up at this time that those who are financially able are in conjunction to convert and pay up their insurance. But the great majority of veterans who desire to carry this insurance are not financially able to convert; and it is my position that they are entitled to consideration toward having opportunity to renew and carry their term insurance at a rate that can be afforded.

I trust this committee will report out a bill that will assist in relieving the veterans from the hardship imposed by Public Law No. 23, 1951. To follow the present strict interpretation is to go contrary to the intent of Congress. The Congress has been very fair in passing legislation, I think; but by interpretation with regard to individual veterans the decisions are harder than those of a granite-faced banker, and there is no necessity for it.

Mr. Speaker, the Veterans' Affairs Committee, following the usual practice of all committees here in the Congress, followed the Veterans' Administration decision in turning down these bills. I hold the members of that committee in the highest regard, and I know something of the problems they have. Their action in following the adverse recommendation of the Veterans' Administration, from whose erroneous decision we sought relief, is the usual and customary thing here. All members of committees work so hard that the author or individual member of the committee has little chance to overcome an adverse report from the executive department.

This same thing has happened with regard to nearly all departments, and on many subjects since I have been in Congress. Years ago, for instance, the Government was taking many thousands of acres of land in my area through condemnation proceedings. The average Member of Congress thinks that the Constitution guarantees right to trial by jury in such cases. It does not and these lands were about to be taken, as others had been, on the findings of the Federal Commissioners without any privilege of the landowner to a decision by jury as to what the land he owned was worth. It took me 4 years to even get a hearing on the bill granting jury trial, because the Department of the Army would not give a favorable report on the bill. The Army Department was, of course, the very group which was taking the property in the first instance. Fortunately, I later managed to get my hands on a long enough prize pole, or as it may be expressed, a big enough club to cause them to make no report at all—either adverse or favorable—and got the bill through which gave to these landowners the right at least to jury trial as to what their property was worth.

I could cite many other cases, and I am sure all other Members have had the same experience. Therefore, Mr. Speaker, I believe it highly important that H. R. 6160 be enacted into law which would set up under the House Administration Committee a staff of experts, accountable to the Congress itself, to make objective reports on measures introduced if requested by the author of the bill or by one member of the committee to which the bill is referred. Also, such staff should be authorized to analyze reports from executive departments—on the request of the author of the bill or one member of the committee—on bills affecting such departments.

Mr. Speaker, in my opinion such a staff would do much to turn the operations of the legislative branch of the Government back to the Congress. I am hopeful that other Members will join in putting this measure through. For the moment I have left the size of the staff to be set up at from three to ten. The number, of course, could be changed to meet the needs that might develop. I urge the support of all Members who have had experience with the problems.

COMMITTEE ON WAYS AND MEANS

Mr. KEAN. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill H. R. 5898, together with minority views.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LYLE O. SNADER

Mr. HALLECK. Mr. Speaker, I offer a resolution (H. Res. 323) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That Lyle O. Snader, of the State of Illinois, be, and he is hereby, chosen Sergeant at Arms of the House of Representatives to serve in that capacity until another person is chosen by the House of Representatives to be and duly qualifies as Sergeant at Arms: *Provided*, That the said Lyle O. Snader shall serve as Sergeant at Arms notwithstanding his concurrent incumbency as Clerk of the House of Representatives, but for his additional duties as Sergeant at Arms he shall receive no compensation additional to that he receives as Clerk of the House of Representatives.

The resolution was agreed to, and a motion to reconsider was laid on the table.

Mr. HALLECK. Mr. Speaker, I offer a joint resolution and ask for its immediate consideration (H. J. Res. 292).

The Clerk read as follows:

Resolved, That Lyle O. Snader, of the State of Illinois, be, and he is hereby, authorized, notwithstanding the provisions of any other law, to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives until another person is chosen by the House of Representatives to be and duly qualifies as Sergeant at Arms; and while the said Lyle O. Snader is so serving the compensation received by him as Clerk of the House of Representatives shall be in full discharge for any services rendered by him to the House of Representatives during such period of concurrent service.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. Mr. Snader will present himself at the bar of the House to take the oath of office.

Mr. Snader appeared at the bar of the House and took the oath of office.

SCHOOL CONSTRUCTION IN FEDERALLY AFFECTED AREAS

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 318 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6049) to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi [Mr. COLMER], and to myself such time as I may desire.

Mr. Speaker, House Resolution 318 makes in order H. R. 6049 and provides for 1 hour of general debate under an open rule, which also provides any amendments germane to the bill may be offered and considered. H. R. 6049 is a bill from the House Committee on Education and Labor, and amends Public Law 815 of the 81st Congress so as to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities and for other purposes.

The bill was first reported from the Committee on Education and Labor, as I understand, by a unanimous vote, and later the rule was reported by the Committee on Rules by unanimous vote. H. R. 6049 provides for the extension of the present construction program for schools in the federally impacted school areas and districts for a period of not over 2 years, during which time a further study will be made of this entire problem. This measure is a very important one. It is in line with the request made by the President in his message to the Congress on this and other subjects, and I feel this rule should be adopted by the House, so the measure may be considered on its merits, after general debate.

Mr. Speaker, I yield such time as he may desire to the gentleman from Montana [Mr. D'EWART].

Mr. D'EWART. Mr. Speaker, the bills under consideration today, to improve and extend assistance to school districts affected by Federal land ownership or Federal activities, are of considerable importance to the State of Montana.

Something over 35 percent of the land area of Montana is in Federal ownership. In certain counties well over half the land is not subject to taxation because of Federal control. So long as the Federal Government continues to own this land and to keep it off the tax rolls, the counties and the State are going to have need for assistance to maintain proper schools. This is a legitimate Federal responsibility which must be recognized.

Many Montana school districts have received assistance in the operation of schools under Public Law 874. They include both those in the public land counties and those at Great Falls, Fort Peck, and other places where Federal activities have greatly increased the school load while contributing nothing to the means of supporting schools. This program must be continued, and I am happy to support H. R. 6078 for the reasons stated.

The program for Federal assistance in school construction has not been as successful in Montana as it should have been because of the arbitrary cut-off date in Public Law 815. To a large extent the problem of educating children whose parents work for the Government or who live on tax-free land, such as Indian reservations, began long before 1939 in Montana. Public Law 815 required that an increase in school load be shown for the years since 1939. This was an impossibility, for example, at Glasgow, Mont., near Fort Peck Dam. The height of Federal activity at Fort Peck Dam occurred during the construction period before 1939. No increase could be shown. Nevertheless, the people of Glasgow are educating in their high school a large number of children whose parents live on tax-free property connected with the Fort Peck project and are employed by the Bureau of Reclamation or the Corps of Engineers at that project. Federal assistance should have been available to Glasgow for enlargement of its high school a year ago. Unfortunately, it was not.

Similarly, a very real problem exists on Indian reservations in Montana. The committee heard a very graphic description of conditions at Lame Deer, Mont., on the Northern Cheyenne Indian Reservation. This is only one of the places where the large enrollment of Indian children makes it necessary to enlarge and build new schools. However, many of these districts could not meet the 1939 increase requirement of the old law.

I am glad to see that the Committee on Education and Labor has met and solved these problems by adding the new title, title IV, in the extension of Public Law 815. I urge approval of this new title, and I congratulate the committee for its solution of this problem.

The Committee on Interior and Insular Affairs, of which I am a member, has been urging that the Government turn over to the States and counties responsibilities for Indian education, health, and other programs. This is basic in our program to encourage the advancement of our Indian people. Title IV will stimulate this activity in Indian education.

Mr. COLMER. Mr. Speaker, I yield myself such time as I may desire.

Mr. Speaker, as the gentleman from Ohio [Mr. BROWN] stated, this is an open rule. It deals with the construction of school buildings in those areas that have received an impact as the result of defense activities. I think it is a very meritorious bill, and I shall not take the time of the House to discuss it, because I do not think there is any controversy about it.

Mr. Speaker, I have no requests for time.

Mr. BROWN of Ohio. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. McCONNELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6049) to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6049, with Mr. McDONOUGH in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. McCONNELL. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the House will act shortly on two bills which amend and extend Public Law 815 and Public Law 874. These two laws enacted in 1950 provide for Federal assistance to local school districts for construction and maintenance and operation expenditures. The need for aid occurs because of Federal activities arising mainly from the defense program of the Federal Government.

Congress has demonstrated by overwhelming majorities its recognition of a Federal obligation to those local areas financially affected by the acquisition of property and the influx of thousands of additional school children.

H. R. 6049 amends and extends Public Law 815, to provide a temporary program of assistance in the construction of minimum school facilities. Under the new program that cost will be approximately $155 million. Provision has been made in H. R. 6040 to take care of previous entitlements on which the Federal Government has paid nothing. The committee unanimously believes that a moral obligation exists in that respect, and therefore authorized a total of $95 million to take care of previous obligations. Included in that amount is a total of about $23 million for projects which would be incurred in the new bill. The net cost, therefore, would actually be approximately $72 million instead of $95 million, which, when added to the $155 million makes the overall cost of the bill about $227 million for the 2-year period ending June 30, 1955. If Public Law 815 were extended as is, the estimated amount would be approximately $295 million.

So you can see the committee has cut down the probable cost of construction, and at the same time have sought to make good on previous commitments for which no appropriations have been made.

Public Law 815 was enacted in 1950 primarily to deal with the Federal Government's responsibility for aiding school construction in communities that had been burdened with substantial increases in school attendance since June 30, 1939, and up to June 30, 1952, as a result of defense and related Federal activities between those dates. It established June 30, 1952, as the last date as of which applications for assistance in the construction of school facilities would be accepted. It also authorized appropriations for 1 additional year—that is, for the fiscal year ending June 30, 1953—to make Federal payments on the basis of such applications.

H. R. 6049 would authorize further Federal assistance in meeting school-construction needs in localities overburdened by school-membership increases since June 30, 1952, and up to June 30, 1954, which are attributable to new or increased defense and related Federal activities. It would also authorize school-construction assistance in other federally affected areas, principally those with large Indian populations, which have a serious federally caused school-construction problem but which have had no substantial increases in school population in recent years. Finally, the bill would authorize the making of appropriations during the current fiscal year to pay those valid entitlements of local school districts under title II of the law which have not been paid because of insufficient funds.

On the basis of extensive studies by this committee, the 81st Congress enacted Public Law 815 in September 1950. This law was specifically designed to provide Federal assistance to local communities which had incurred a backlog of school-construction requirements because of the large influx of children of families which had migrated to and remained in defense areas during and after World War II. These communities had suffered a twofold impact on their tax structure. Large areas of land and other real property had been removed from local tax rolls by Federal acquisition for defense and other activities, and at the same time large numbers of additional families moved into these communities to man Federal projects. The resulting burden of financing the construction of new school facilities was more than those communities could meet with their own local resources.

Since funds appropriated to carry out the purposes of title II of Public Law 815 have never been sufficient to pay the full entitlements under the law, it has been necessary for the Office of Education to allocate funds on the basis of a priority system which is in accordance with the relative urgency of need requirement of the law. Eligible school districts submitted on or before June 30, 1952—the final date for filing provided by existing law—valid applications requiring $388 million in Federal funds, for which about $293 million has been made available from the total appropriations of $341,500,000. Thus, there remain unpaid entitlements of some $95 million, of which the sum of $71 million represents school buildings which have not been constructed and the balance of $24 million represents reimbursement requests for schools built from local funds in advance of an allocation of Federal funds.

From the funds already made available a little over 500 school districts have received allocations of their full entitlements, approximately 200 others have received part of their entitlements, and the remaining 240 districts have not received any of their entitlements.

Information available indicates that between June 30, 1952—the end of the period covered by the existing law—and June 30, 1954, there will be an increase of over 500,000 children in the school enrollments of federally affected school districts, of which about 250,000 will be due to in-migration on account of defense activities. Approximately 230,000 of these children will be without school facilities.

This estimated increase in federally connected children during this 2-year period results from a variety of Federal defense projects. In some cases these are entirely new Federal activities, such as the new Atomic Energy Commission projects in southern Ohio and Illinois. In other cases the increase is due to expansion of existing Federal installations. In still other communities, the increase results from expansion of employment in factories or industries producing materials for defense purposes. While the housing at which the employees live in the communities last mentioned is generally taxable, the rapid expansion of defense activity causes such a large increase in school children in a short period of time that the communities are unable to absorb them into their existing school facilities or currently to finance construction of new school facilities for them.

Many of the communities receiving these new impacts of additional children are small towns or rural areas with only meager financial resources and with existing school facilities usually strained to the maximum. Moreover, most of these and the other school districts experiencing this 250,000 increase due to in-migration on account of defense and related activities will also face, over this same 2-year period, a 10 percent or greater increase in school enrollments due to increases in the birth rate during and after World War II.

A long-standing educational problem, for which the Federal Government must share responsibility but which was left largely untouched by Public Law 815, involves a number of school districts which urgently need new school facilities primarily for Indian children living on tax-exempt Indian lands and attending public schools. In several States there are relatively large numbers of Indian children in local school districts which have undertaken responsibility for their free public education but which, because of the exemption from local taxation of the land on which the Indians live, are unable to finance the schools needed to house such children.

These school districts received little or no assistance under Public Law 815. This was because that law required, as a condition to any payment, that a school district show an increase in its aggregate school attendance since 1939. These districts could not qualify because they experienced their increases as a result of Federal activities before 1939. Prior to 1939 they enrolled large numbers of Indian children living on tax-exempt Indian lands, and they have not experienced any appreciable increase in enrollments since then.

While the Federal Government, through the Bureau of Indian Affairs, has encouraged these districts to accept substantial numbers of Indian children, and has assisted them over the years in meeting some of their additional operating expenses, the Government has not—except in a few isolated instances—assisted them in meeting the cost of the additional school facilities required to house these children. There are a few other school districts with substantial numbers of children living on Federal property which sorely need, and are unable to provide, school facilities but which can show no increase in enrollment since 1939 because the Federal installation was established before that date and has not been expanded.

In all of these situations the school districts, because of the tax-exempt status of the Federal Government or because of the rapid expansion of Federal defense activity, or both, find themselves lacking in revenue sources corresponding to their school population and faced with the necessity of building new schools. The obligation of the Federal Government to provide some help to these communities, in meeting school construction needs for which it is in large measure responsible, is clear.

H. R. 6049 is designed to measure and enable the Federal Government to meet its responsibilities in the following manner.

First. As respects still unpaid entitlements under Public Law 815, the bill would extend for 1 more year the period during which appropriations may be made by Congress to pay these entitlements.

Second. As respects increases in federally connected children since June 30, 1952, caused by the recent expansions in Federal activities, the bill would authorize additional Federal school construction assistance computed in accordance with formulas much like those used in Public Law 815.

Third. As respects school construction assistance in other federally affected school districts, principally those enrolling large numbers of Indian children, the bill would authorize assistance geared to the extent of the Federal Government's responsibility and the needs of the school districts concerned.

Appropriations thus far made to pay sums to which school districts are now entitled under title II of Public Law 815 fall short by approximately $95 million of the amounts necessary to pay these entitlements in full. The period during which appropriations may be made for this purpose under existing law expired on June 30, 1953. Section 2 (e) of the bill would extend this period for 1 more fiscal year—that is, until June 30, 1954—and would limit the amount authorized to be appropriated to the $95 million estimated to be the amount due to school districts with valid entitlements still unpaid.

It was the clear and expressed intent of Congress in enacting title II of Public Law 815 to pay to all school districts which duly applied for payments, and met all the statutory requirements, the amount called for by the formulas set forth in the law. Many school districts, in reliance upon this clearly expressed congressional intent, have drawn on their own resources to go ahead with urgently needed school construction in advance of the availability of Federal appropriations—as the law in fact permitted and encouraged them to do—only to find that as a result of their initiative in meeting their school facilities needs, they were unable because of reduced priority to share in appropriations later made available. Others had already bonded themselves to capacity by constructing schools for federally connected children prior to the enactment of Public Law 815 and were entitled to reimbursement under the provisions of that law authorizing applications for reimbursement in such situations. Many still have unmet needs for new buildings as a result of recent school population increases.

The 1-year extension in the appropriation authorization will permit the Congress to meet during the coming fiscal year its still unmet obligations to these school districts. Also, to a considerable extent—$23 million of the $95 million authorized to be appropriated—the school construction that will be undertaken with the funds to be made available for paying these unpaid entitlements will reduce the amounts that otherwise would have to be paid to the same school districts on the basis of new impacts of federally connected children occurring since June 30, 1952.

Public Law 815 now has 2 titles, the first authorizing $3 million for grants to States for a nationwide school construction survey which is now in process, and the other authorizing Federal payments for school construction assistance in federally affected areas, which terminated as far as new applications for assistance were concerned on June 30, 1952. Except for the provision extending the period for paying off unpaid entitlements under title II, the proposed amendments to Public Law 815 would leave these 2 titles to be liquidated according to their terms, and would add 2 new titles—title III and title IV.

The new title II would authorize Federal payments for construction of school facilities in school districts which have experienced substantial increases during the fiscal years 1953 and 1954 in federally connected children, that is, children whose parents either work or live on tax-exempt Federal property, or both, or whose school attendance is attributable directly to increases in Federal activities in certain seriously affected defense areas. Thus, the new title III takes up, from a time standpoint, where title II of Public Law 815 as now written leaves off.

The new title III retains the basic framework of the existing title II of Public Law 815, with its objective formula approach which has worked well and which the administering Federal agency and the school districts have come to understand. The new title incorporates the basic concepts and definitions written in the present law and adds some of the regulatory procedures that have had to be adopted under the present law. The various changes and additions are based on experience in administering the provisions of Public Law 815. At the same time, extreme care has been taken to provide for the distribution of Federal funds in a way to assure the maximum amount of school facilities at the lowest possible cost to the Federal Government, and to encourage maximum local financial participation.

The new title III is in many respects similar to title II of the existing law. Like title II, it established a temporary program. Although appropriations under the new title are authorized for fiscal 1954 and fiscal 1955, it is a 1-year program. No applications for aid may be received after June 30, 1954, and aid is to be based on increases in school membership as of the end of the school year 1953–54.

The new title will write into the basic law what is substantially the existing practice in making payments under title II. As under title II, the Federal payments are made with respect to three categories of federally connected children. These three categories are (a) children who live on Federal property with a parent employed on Federal property, (b) children who either live on Federal property or live with a parent employed on Federal property, but not both; and (c) children whose school attendance otherwise results from Federal activities.

The advantages of objective formulas for determining the maximum which a local educational agency may receive—based on the number of federally connected children—will be retained in the new title III. Under title II of the existing law, a local educational agency is entitled to an amount equal to the number of federally connected children multiplied by a varying percentage—95 percent in the case of children who live on Federal property with a parent employed on Federal property, 70 percent if they either live on or live with a parent employed on Federal property, and 45 percent in the case of those whose attendance otherwise results from Federal activities—of the State average per pupil cost of constructing complete school facilities. In determining the maximum on the payments for each local agency under the new title III, similar objective formulas will be used. However, the percentage for the second category will be reduced to 60 percent.

Existing law used the word "entitlements" in connection with the amount to be paid to each local educational agency. Certain of the school districts experienced severe hardships because, in reliance on the customary meaning of this word, they undertook projects and incurred heavy obligations without realizing that after authorization legislation is enacted by the Congress, appropriations are separately voted and are sometimes not in the full amount authorized. Although the new title III does not use this word "entitlements," the committee feels strongly that the amount established for each local educational agency under the formulas contained in this new title will accurately reflect the amount for which the Federal Government is responsible as its share of the cost of construction of new school facilities and the amount which should be appropriated by the Congress.

While under the existing title II of Public Law 815 local educational agencies are entitled to a percentage of the per-pupil cost of constructing complete school facilities for the federally connected children, the unavailability of sufficient appropriations to pay all these entitlements in full has thus far required limitation of payments to the cost of providing the minimum school facilities needed for unhoused children—that is, children for whom minimum facilities are not available—in the school districts concerned. This limitation, spelled out in regulations under title II, is written into the new title III as a basic limitation on the amount of Federal aid that may be extended to any school district.

The eligibility conditions under the new title III will be more stringent than those now applicable under present law in order for a local agency to be eligible on account of any of the 3 categories of federally connected children, the number of children in any category in attendance must be not less than 15 and not less than a specified percentage—5 percent for the first 2 categories, 10 percent for the third—of all children in average daily attendance during the year involved. Under the new title, only the increase in the number of federally connected children in school membership since the school year 1951–52 will count toward eligibility, and the increase in the case of each category of federally connected children must be not less than 20 and not less than a specified percentage—5 percent for the first 2 categories and 10 percent for the third—of the local agency's school membership during the year 1951–52.

The formula for computing the maximum on the total payments to a local educational agency under the new title III differs from that used under title II for computing the maximum entitlement by providing only 60 percent of the per pupil cost of constructing minimum school facilities for the increased federally connected children in the B category, that is, children who either live on or live with a parent employed on Federal property. This reduction from the 70-percent rate now applicable will make the new title III more nearly consistent with the principle of Federal responsibility for this category of children embodied in Public Law 874, 81st Congress—providing aid to local educational agencies for maintenance and operation of schools with respect to federally connected children. This difference between the treatment provided for children who live on Federal property with a parent employed on Federal property and the treatment provided for children who either live on or live with a parent employed on Federal property is based, as it is under Public Law 874, on the assumption that on the average about half the local share of the cost of

public education comes from residential property taxes and half from taxes on other property.

Title II of Public Law 815 provided that a school district would receive an entitlement based on the number of eligible children multiplied by a specified percentage of the cost of complete school facilities. The new title III bases the school district's maximum payment on the number of federally connected children to be counted in the three categories, multiplied by the applicable percentage of the cost of minimum school facilities.

The term "minimum" school facilities used in the bill does not mean that the test to be applied will be one based on the use of inferior materials or on the provision of inadequate space for the basic school needs of the children. There is no substantive difference between minimum and complete school facilities so far as facilities for classroom, administrative, or operational purposes are concerned. The difference between these two terms comes primarily in the fact that under the term "minimum" school facilities, allowance is not made for a room which must be used exclusively as an auditorium, a gymnasium, or for some other special activity.

It should be further pointed out that the term "minimum facilities" merely insures against Federal participation in expenditures beyond those needed to conduct an adequate school program, and, hence, spreads Federal funds as far as possible to meet adequately the basic needs. Under this concept, the Federal payment to the school districts will be based on the cost of the type of facility which the average school district has in recent years been building out of its own funds.

I wish to emphasize that there is nothing in the bill which prevents a school district from using its own funds as a supplement to the Federal payment to be made for a project approved under the bill in order to build a single-purpose auditorium or gymnasium or any other special features which it desires to add to the basic unit required. We have not attempted to define the term "minimum facilities" in the law since to do so might run counter to State or local standards, and might be construed as permitting the imposition of standards by the Federal Government.

The new title III also differs from the existing practice under title II in reducing the number of federally connected children that can be counted toward Federal payments if the school district in question has experienced less than a 10-percent increase in nonfederally connected children between the school year 1951–52 and June 30, 1954. This additional requirement is designed to assure that each agency aided under the bill's amendments will have to absorb the cost of providing school facilities for what is expected to be the average increase in school attendance from June 30, 1952, to July 1, 1954, over the country as a whole.

The new title III would also differ from the existing title II by imposing two additional restrictions on payments with respect to children in the third or C category—children whose school membership is attributable to Federal activities but whose parents neither live nor work on Federal property. In the first place, it would restrict the children counted in this category to those whose membership at the schools of a local educational agency directly results from activities of the United States. Under this change, there will no longer be included in this category children whose parents are not themselves employed in the Federal activity concerned but who, as a result of the activity, come into the community to work in stores, transportation systems, municipal services, and so forth.

In the second place, the new title III would not permit any children to be counted in this category for a local educational agency unless the school district of such agency included at least part of an area found by the President to be one in which the construction, reactivation, or expansion of defense plants or military installations causes a substantial in-migration of defense workers or military personnel for whose children minimum school facilities are not available. The findings of the President under this provision with respect to any area are to be made independently of determinations made under any other law, and the fact that an area has qualified for purposes of title II of Public Law 815 is to have no effect on the determination of defense areas for the purposes of any other law.

Another difference is the inclusion, as federally connected children for purposes of the new title III, of the children of parents who work on Federal property which, though not in the same State as the school district in which the children attend school, is within reasonable commuting distance from that district. The fact that there is a State line between the school which a child attends and the Federal property on which his parent is employed does not lessen the impact on the local school agency which must provide school facilities for that child, nor does it lessen the responsibility of the Federal Government to pay its share of the cost of constructing such facilities.

Another change in the new title III is in the counting of children on a membership rather than on an average daily attendance basis. This will permit the district to count all children who will be enrolled in school in June 1954 rather than the average attendance of pupils over the full school year 1953–54. This provision is more equitable for those districts which have a constantly rising school enrollment throughout the year such as is now occurring in defense-impacted districts, and is more pertinent because it is the number of children enrolled in school for which facilities must be provided rather than the number in average daily attendance.

The bill also corrects an inequity in existing law concerning tax-exempt Federal property which is leased by the Federal Government to private commercial or other interests. In some school districts the lessee may be subject to State or local taxation on his leasehold rights, the tax in this case being very small in comparisor. with the tax that would be paid on the entire property were it privately owned. As Federal property is now defined, the existence of such a tax liability, however small, precludes the property from being considered Federal property and the children whose parents work or live on the property from being counted as federally connected for the purpose of computing Federal payments.

The bill would amend the definition of Federal property for purposes of computing payments under the new title III to include federally owned property leased from the United States, even though the lessee's interest is subject to State or local taxation.

The bill would also add a new title IV authorizing aid for areas burdened with large numbers of children residing on Federal property—principally Indian children living on tax-exempt property—which, because they could not show any substantial increase since 1939 in their federally caused school enrollments, could not be aided, or would not be adequately aided, under the law as presently written or under the new title III. Had the property on which the parents of these children resided been subject to taxation, the local educational agencies involved would have had an increased tax base to help them raise the funds necessary for an adequate school plant.

The aid provided under this new title would, however, be limited. It would be extended only in connection with the provision of minimum school facilities which the area is unable to provide itself despite reasonable efforts to do so, and would be limited to the portion of the cost of facilities reasonably attributable to the children residing on Federal property. Appropriations of $20 million in the aggregate for the fiscal years 1954 and 1955 would be authorized. No new projects could be approved for aid after June 30, 1955, although the funds appropriated would remain available in the future to pay the Federal share of the cost of projects on which commitments had already been made by that date.

The total estimated cost of the bill assuming full appropriations by the Congress over the next 2 years would be $227 million including $95 million for old entitlements.

The total estimated cost consists of the following items:

Payments to local agencies (title III)	$125,000,000
Construction of schools on Federal bases	10,000,000
Construction of school for Indian children (title IV)	20,000,000
Payment of entitlements under existing law	95,000,000
Total	250,000,000
Reduction in title III costs by payment of outstanding entitlements	23,000,000
Net total cost of H. R. 6049	227,000,000

I do not intend to take any more time right now.

My colleague, the gentleman from Pennsylvania [Mr. KEARNS] introduced H. R. 6049. I am sure that he and subsequent speakers will bring out other provisions of the bill.

Mr. Chairman, I reserve the balance of my time.

Mr. BARDEN. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, the chairman of our committee has given a very accurate description of the bill. I do not feel it is necessary to go into detail very much, in view of the fact the House has heard this subject debated on several occasions. I think it is the overwhelming wish of the House that this proposed legislation be adopted.

We have been dealing with a responsibility of the Government, and under the able leadership of the chairman [Mr. McCONNELL] the committee has worked very diligently. Attendance at the hearings and at the executive hearings was rather remarkable. Interest was exhibited on every occasion. There were no arguments, but a very thorough discussion of every single part of the bill.

The committee indicated a desire to be on the economy side. We realized that we were dealing with a problem that was brought about by the increased activities of the Federal Government and there was no other way, in many instances, to take care of that, except in the manner proposed in the bill before us.

We tried to take advantage of experience gained from operation of the last piece of legislation, which was Public Law 815, and to improve that by slight changes in language and safeguards that we saw fit to place in the bill.

The bill comes from the committee without any dissension or disagreement among its members.

I hope the House will approve this legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. McCONNELL. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. KEARNS].

Mr. KEARNS. Mr. Chairman, I am very happy to be the sponsor of this legislation as it is to be enacted by this Congress. At the same time I want to pay tribute to the committee that set up this legislation in the 81st Congress. The members of the committee, from both sides of the aisle, made an extensive survey into the problems that faced the country, so far as impacted areas were concerned, and Members of Congress may be well satisfied that this committee did a most thorough job, and the performance is certainly exemplified by the way this law has worked out in the past 2 years.

The gentleman from West Virginia [Mr. BAILEY], who was chairman of that subcommittee, and the members of that committee had nothing to go on at that time. They started from scratch. The entire formula of the whole procedure dealing with this legislation in the matter of assistance and help to impacted areas was positively a new field of exploitation. However, the work and research done by this committee and results of the operation have certainly proven that this committee did a job that makes it much easier for us now to continue the work that was established at that time. I do feel that the Members of Congress have been well informed by the information given them by the chairman of the committee, the gentleman from Pennsylvania [Mr. McCONNELL], and the ranking minority member, the gentleman from North Carolina [Mr. BARDEN]. I do want to impress upon you, however, this: That it is not the intent of the committee to advise the Congress that we should try to carry on this expensive program any longer than we feel it is absolutely necessary. We want the Federal Government to get out of this as quickly as it can and not continue it longer than is necessary.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield.

Mr. BAILEY. I think that was the sincere intention of the subcommittee and the whole committee in the hope that possibly we would not need to continue what is commonly known as Public Law 815 beyond the period provided in the legislation itself.

Mr. KEARNS. That is correct. We feel that things have gone along so well under the program established that the need for Public Law 815 will not exist after the expiration date.

I want to conclude by saying that the members of the committee feel that this is not the inauguration of a new program but the continuation of an established program that has worked well.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield.

Mr. PATTEN. I am interested particularly in the situation of the Indians and how they are affected by this bill.

Mr. KEARNS. The Indians are in this in an optional setup which will be explained later—in here for maintenance and operation.

In this bill we have not in any way affected the procedure as it stands at the present time; they will continue as they have continued. There is $20 million in here for construction.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Ohio.

Mr. JENKINS. I should like to ask the gentleman this question: Judging from his remarks I conclude that there might be some termination to this program. The condition in our section of the country is such that we are much interested in a program that would run at least for 2 or 3 years.

Down in my section in southern Ohio the Government is now building a very huge atomic-energy plant. It is costing the Government $1,200 million, and it is being built on the edge of two or three counties, and of course in a rural section. It is going to put a terrific strain on the schools of these three counties. There are no big cities in the area. Portsmouth, Ohio, with a population much less than 100,000 is the largest town. Portsmouth may be able to take care of their own schools, but all the rest of this area which comprises 3 counties will have much trouble in financing that great influx of people which has come into that community. And the number of new residents is increasing. A person who has never seen a construction like this mammoth plant cannot imagine how big it is and how many people are there now with their trailers. There are many married men with wives and children, and all crowded together. It presents a real program to find the solution of the school needs of these counties. As I have already suggested, the gentleman sees the termination of this program. Let me ask you does it apply only for 1 year, and can it be renewed?

Mr. KEARNS. I would like to advise the gentleman that his particular project came up for a great deal of discussion during consideration of the bill; and I can also further advise him that the authorities of that district when they present their needs, the provisions are supplied wherewith they will be taken care of in the event the impact continues. We hope that all means will be completed by the end of the fiscal year so far as this bill covers and that we will not need any more after that time. However, we cannot foresee what will happen after that time.

Mr. JENKINS. We will have another Congress when that time comes. Let me ask another question for information. I am an old school man, as the gentleman is, although I have been out of school for a long time.

Mr. KEARNS. So have I.

Mr. JENKINS. Through what State organization would the township and rural sections act for relief?

Mr. KEARNS. It is the general procedure that the United States Office of Education works entirely through the State chief school officer. Then they in turn with the locale, the school boards and townships that would be affected in that locale.

Mr. JENKINS. I think that would be very fine. Every State has a very fine school organization, at least we do in my State. I am sure that the school authorities in these three counties to which I refer will be alert to look after their problem. Naturally, the Federal school organization also will be cooperative. I think I can go back and tell my people that the prospects are reasonably good that they are going to be taken care of but that naturally they will have to show what they are entitled to, what the conditions are, and they will have to make their case known to the school authorities. I have assured them that I will do all I can to help, for I dare say that there is hardly as deserving a section in the whole country as is Scioto, Pike, and Jackson Counties in Ohio. Not only do they have a serious school problem, but they will have a serious public health and sanitation problem. All these serious problems come from the great influx of people who will be employed at this gigantic Government plant.

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from West Virginia.

Mr. BAILEY. I might advise the gentleman from Ohio that while the life of this construction bill is only 1 year, there is provision for making appropriations for the following year. So, really, so far as making funds available for construction is concerned, it has a life of 2 years.

Mr. JENKINS. There are about 2 or 3 thousand people employed down there now. Next year it is estimated there will be employed about 5 or 6 thousand.

This project is not to be finished for 2 or 3 years. The two big plants that are being built there to furnish power are separate and apart from the atomic-energy plant. In addition to these plants the Dow Chemical Co. is coming in there and it looks as if they will construct a plant that will cost fifty or seventy-five million dollars. So we will probably be the Ruhr Valley of America, and, naturally, we want the schoolchildren to be looked after and reasonable sanitary facilities provided. I thank the gentleman from Pennsylvania for his courtesy in granting me this time.

Mr. KEARNS. The gentleman can be assured he is amply taken care of in this legislation.

Mr. FERNANDEZ. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from New Mexico.

Mr. FERNANDEZ. I am not so sure I understand just how this bill affects the situation where we have a federally impacted condition involving the Indians. We have a large increase of Indians on the reservations. Bills were introduced in the last session of the Congress, also this session, providing for the building of schools to be operated by the States, that having been the custom heretofore. In connection with those bills, reports have been filed by the Indian Office opposing the bills on the ground that this law, when reenacted this year, would be so worded as to take care of that situation. If it does not take care of that situation, then we are up against it, because those bills cannot be passed with an adverse report stating that they will be taken care of in this bill. Now, just what is the situation?

Mr. KEARNS. I would like to inform the gentleman that the committee was quite concerned about the problem of the Indians. As a matter of fact, we held 1 whole day of hearings on that particular subject alone. The gentleman from North Carolina was present. We had the Department of Indian Affairs over here to try to correlate the thinking of what we had in mind and what they were actually doing.

The only way I can assure the gentleman anything at this time is to advise him that there is $20 million set aside in this bill which should by all means take care of the needs that we have on record now that might be needed for the construction of Indian schools.

Mr. FERNANDEZ. Well then, as I understand, this bill will provide for the construction of schools in those cases about which the gentleman is speaking.

Mr. KEARNS. That is true, and I feel that the Indian problem has received more thorough consideration than it ever has had before.

Mr. FERNANDEZ. I thank the gentleman.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. KEARNS. I yield to the gentleman from Kentucky.

Mr. GOLDEN. I would like to have the gentleman explain in more detail just what the children in category 3 include.

Mr. KEARNS. Category C is where the children are not the children of parents working at a Federal defense plant or living particularly on Federal defense property, but they are people who have migrated into a defense area, and they become, what you might consider, accessories to that locale, which is a burden, and we must provide education for them.

Mr. GOLDEN. In developing this category 3, in my district a great section of 4 or 5 counties has been flooded out by the Wolf Creek Reservoir, which is over 100 miles long, and while that may not be classified as a defense project, it has congested many, many of the country schools, in the county seats, and in other localities, where the attendance has gone up 200 and 300 percent. Would this category 3 afford relief in the condition such as that, where the Federal Government activities have caused that condition?

Mr. McCONNELL. Mr. Chairman, if the gentleman will yield, my guess would be that we have limited that under this bill. We say that the condition must result from defense activities of the Government, either carried on directly or through a contractor, and we further limit it by saying it has to be in an area which might be termed a critical area by the President, if he finds that a new defense plant or installation has been or is to be provided therein, or an existing defense plant or installation will be reactivated. I think we have limited it in such a way that that would not come under this program.

Mr. GOLDEN. This situation that I speak of was constructed entirely by the Federal Government, and it creates power that is now being used by the bomb plant.

Mr. McCONNELL. The situation the gentleman has described would, in all probability, not be included under category (C) or (3), whichever category the gentleman is referring to. That is the one where there has been an increase due to Federal activities. We have so limited it that I believe it would have to be due entirely to defense activities and the in-migration of defense workers who operate those defense plants.

Mr. GOLDEN. Would they consider those activities and the hydroelectric power that goes to the bomb plant a defense activity of the Nation?

Mr. McCONNELL. I would say not under Public Law 815. Now the Commissioner is given certain discretion in Public Law 874 where he might under certain circumstances be able to grant some relief, but not under Public Law 815 as it would apply to the problem you cite.

Mr. GOLDEN. It might come under either (A) or (B) if all the power that is used by the Federal Government goes into the bomb plant.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. BARDEN. Mr. Chairman, I yield 5 minutes to the gentleman from Alabama [Mr. ELLIOTT].

Mr. ELLIOTT. Mr. Chairman, I have asked for this time primarily to talk about what I consider to be the need, the very serious need, for an amendment to this bill. Of course, I am for the bill. I think as far as it goes it is a fine piece of legislation and is entitled to the support of every Member of this House.

When we first passed this legislation in 1950 we set out a formula and said that the Federal Government accepted certain responsibilities in areas where there had been a defense or a war impact. We said to the local communities all across America, "If you meet the requirements imposed by the formulas which the bill writes into law, then you will be entitled to Federal reimbursement or Federal moneys for the purpose of constructing schools as detailed in the bill."

If the original bill which became Public Law 815 was slanted, it was to the small communities. It provided more help to the small communities than it did to the larger ones. As a matter of fact, the larger cities were, for all practical purposes, excluded. It was a bigger help to the local communities that financed their educational activities without much reliance on the State, than it was to those States which had an integrated system whereby the State itself bore most of the responsibility for the costs of the education of its children.

All across America these communities that were affected brought in their applications and established their entitlement to Federal funds.

The State of Alabama established its entitlement to $16,600,000. The State of Alabama by the cut-off date of June 30, 1952, had used $8,900,000 and had a remaining entitlement which it had established but which it had not used of $7,531,000.

Is Alabama the only State involved? Not by any means, Mr. Chairman. Forty-three States have established their entitlements running into a total of $78 million which they have not used, and which they can never use unless we adopt the amendment which I will propose when we get to the proper stage in the consideration of this bill. I am going to read you the situation in some of these States.

The State of Colorado has $1 million to which it has established its entitlement but which it did not get by the cut-off date of June 30, 1952.

The State of California had $28 million in that situation, the State of Georgia $3,300,000, and the State of Kansas $4,348,000.

Michigan had $2 million to which it had established its entitlement but which it had not gotten when the cut-off date arrived.

The State of New York had $1 million to which it had established its entitlement but which it did not receive and under this bill cannot receive unless the bill is amended.

The State of Ohio had $2 million in the same category, money to which it had established its entitlement but which it cannot now receive unless we amend this bill.

Mr. WICKERSHAM. What about Oklahoma?

Mr. ELLIOTT. The State of Oklahoma has only $73,000 in that category. In other words, the people in Oklahoma got most of what they were entitled to.

The State of Tennessee has $1,563,000 in the same situation, to which it has established its entitlement but which it

has not received and will not receive unless we amend this bill.

Mr. GROSS. Can the gentleman give me the figure for Iowa?

Mr. ELLIOTT. The State of Iowa established its entitlement to $1,731,000. It took up $1,529,000, and it had $44,240 of entitlement left when the cutoff date of June 30, 1953 arrived.

The State of Texas established its entitlement to $11,391,000, which it never got, and which it will never get if we pass this bill without amending it.

Washington has $2,398,000 in the same category.

These are a few of the examples that I feel should be called strongly to the attention of the House.

That is not all. The Mississippi City Rural Separate School has $44,835 it has not used. The board of education, township of Ocean, N. J., established its entitlement to $156,000 which it has not used. The board of education of the city of Lawton, Okla., established its entitlement to $118,000 which it never used.

My amendment, if adopted, will provide that each local school district that has established its entitlement to these funds will have until June 30, 1954, to take up their Federal funds by building a schoolhouse or some part of a school facility.

In Columbia, S. C., we have an area in Richland County which established its entitlement to $1,122,000. It will never get that money unless the House adopts the amendment which I will propose. The State of Washington has some six school districts that are in that situation.

Mr. Chairman, even though the law specifically says that the final date for the filing of the completed application was June 30, 1952, our Federal Government does not want to be in the position, I believe, of taking a default judgment against the rural communities of America and blocking them out from receiving $78 million which they are clearly entitled to under Public Law 815, except for the fact that they did not complete their application on or before June 30, 1952.

One thing that has set America apart from all other nations has been the generosity with which it has dealt with its own people. Throughout the history of our Government it is my guess that it has extended thousands of dates in order to allow its citizens to qualify for particular benefits. Why should we suddenly assume this harsh attitude in dealing with our own people when equity, if not law, is on their side?

Mr. McCONNELL. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. Mr. Chairman, the reason for rising at this time, the reason for asking the committee's indulgence, is to explain my understanding of this bill. This question has been before you several times. My remarks may be of benefit to the new Members who have not heard the point which I would like to stress.

Before doing so, however, I would like to congratulate the subcommittee charged with these hearings on this very, very difficult question. The committee's approach was completely nonpartisan. The question is very difficult and very complex. I am a member of the Committee on Education and Labor, but I am not a member of the special subcommittee. I have done my best to wrestle with the intricacies of this problem. For the benefit of those who might be somewhat confused by the detailed technicalities of this legislation, I feel that this is a problem that should be left to experts.

The point I would like to present to this committee is that this is not "Federal aid to education," as the phrase is commonly used. This is Federal aid to school districts that have been seriously affected by activities of the Federal Government. School districts raise funds for their schools by taxation. All that the Congress is doing, at this time, is authorizing funds for use by local school districts, for school construction where the Federal Government has injured the district in question by taking away that district's taxing power. I think that if a Member votes against this bill on the ground that it is "Federal aid to education," he would be making a very serious mistake. He would be under a serious misapprehension. I, as a member of this committee, urge both sides of the aisle to support this bill as beneficial and necessary to the school children of our Nation.

Mr. BARDEN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. DOYLE].

Mr. DOYLE. Mr. Chairman, the reason I ask for this short time is to ask a couple of questions of our distinguished chairman of the committee, Mr. McCONNELL.

First, however, I want to join in the complimentary words to the committee, especially with reference to section 10 in H. R. 6078, the school maintenance bill, and section G, page 18, in H. R. 6049, the school construction bill. In both these worthy bills is the same tax provision, wherein you recognize by the language set forth, the fact that there are impacted school districts which are entitled to what we term in California "possessory interest tax credits." This is as it should be. However, my very important question is this: Why could not that section in both these bills be amended so as to provide that it would be retroactive? I have talked with one of your distinguished committee members, the gentleman from California [Mr. HOLT] about it, and also with Committee Member BAILEY, of West Virginia. Why could that not be amended so as to be retroactive? It amounts to only a few thousand dollars, comparatively, to the Federal Treasury, but in my 23d Congressional District in California, if it could be made retroactive a year, it would mean very, very much to four such districts and also to the Long Beach School District, in the 18th district which I formerly represented.

I have four schools districts in my own district which have already used up their taxing power to take care of their impacted problem. They must not be expected to assume more of what is not caused by their normal expectations.

Mr. McCONNELL. The committee considered just such a proposal. The distinguished gentleman from California [Mr. HOLT], a member of the committee, raised the question, and we seriously considered it. But we felt that the best we could do would be to make it applicable immediately on the passage of this act. If we went back to a retroactive provision, in all probability we would run into some point of order in dealing with past appropriations. For that reason we decided we had better not do it.

Mr. DOYLE. I would hope that the committee might take the chance of running into a point of order, unless it is entirely out of order, because it means so very much to impacted school districts in southern California.

Mr. McCONNELL. I realize just what it means. It has been discussed with the Parliamentarian, and the advice was just that.

I yield to the gentleman from California, a member of the committee.

Mr. HOLT. We received legal advice from the Department of Education, from the legislative counsel, and from all sources. I went into the problem thoroughly with the California school authorities. I just decided that it would not, in fact, make a proper bill, and would be subject to a point of order.

Mr. DOYLE. I wish to say this, to show the significance of this worthy provision as the committee redefines it in this bill. In one of my school districts, Bellflower, it will mean $22,000 to that impacted school district. In Compton City, another impacted school district, $32,000; to Compton Union High School District, $10,000; to Paramount School District, $61,102. Those are all important school districts in my congressional district that are impacted by reason of Federal activities. And Long Beach will save $179,000. So naturally the taxpayers there will be very happy that the committee saw fit to make this provision. I thank the committee and its staff for having cooperated so promptly in realizing the justice of redefining this praiseworthy tax provision. Both of these bills should pass.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. BARDEN. Mr. Chairman, I yield myself 1 minute to comment on the statement of the gentleman from California with reference to the retroactive feature.

The gentleman from California [Mr. HOLT], a member of the committee, went into this very thoroughly and I might say he impressed the committee with his knowledge of the situation. The committee was very sympathetic with the situations. At the same time, we ran into obstacles that it would take considerable time to discuss here, as it did in the committee. I am satisfied that if the same full discussion was had here the gentleman from California [Mr. DOYLE] would wind up with the same conclusion that the committee reached; that it was not practicable.

Mr. DOYLE. Mr. Chairman, in view of these observations on both sides of the aisle, I, of course, will not feel it expedient to offer an amendment.

Mr. BARDEN. Let me interrupt the gentleman to say that we did make this provision effective immediately instead of letting it go over until next year.

That was one of the two changes we made with reference to date, so in my opinion you get every possible consideration that you could substantially get from the bill.

Mr. DOYLE. I am not complaining; I am very complimentary to the committee; still the school districts out there do need every bit of help they can get because so many of them are federally impacted.

Mr. BARDEN. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. PERKINS].

Mr. PERKINS. Mr. Chairman, I likewise wish to compliment the distinguished chairman of the committee, the gentleman from Pennsylvania [Mr. MCCONNELL], also the gentleman from Pennsylvania [Mr. KEARNS], and the ranking minority member of the committee, the gentleman from North Carolina [Mr. BARDEN], and the other members of the committee who have made a contribution in bringing to the floor this legislation.

I rise in support of H. R. 6049, which is a continuation of Public Law 815, 81st Congress, and H. R. 6078, a continuation of Public Law 874, 81st Congress.

According to the most accurate estimates that can possibly be made, school districts in Kentucky will qualify for about $1,500,000 of Federal funds, for school construction under H. R. 6049, for the fiscal year 1954. For the fiscal years 1952 and 1953, Kentucky school districts qualified for about $3,725,000 of Federal funds for school construction under Public Law 815. Under H. R. 6049, school districts in Kentucky, as well as in the United States as a whole, will qualify for only about 50 percent of the amount of Federal payments for school construction as under Public Law 815 if it were extended without change.

The gross entitlement under section 3a and 3b of Public Law 874 for Federal payments to Kentucky school districts for the operation of schools during the school year 1952 and 1953 was $904,498.95. In the event H. R. 6078, 83d Congress, had been in effect during the school year 1952 and 1953, the gross entitlement of the same Kentucky school districts under sections 3a and 3b would have been $584,578.99, about 35 percent less than under Public Law 874.

In the Washington Post of July 7, 1953, there was an editorial entitled "Economizing on Children." Since the Senate has restored most of the cuts to the Office of Education, I still am of the opinion that the following few sentences are applicable to the legislation under consideration:

> It has been a characteristic of the American family from pioneer days to the present to give the welfare of its children precedence over every other consideration. Whatever sacrifices it may have entailed, American parents, traditionally, have seen to it that their youngsters received the best possible medical care and the best available schooling. How strange it seems, therefore, to find Congress whetting its economy ax for precisely those Federal services which do the most to advance the welfare of American children.

A few weeks ago I listened to a rehearsed program and I heard the Secretary of the Department in charge of this legislation make this statement:

> We have recently sent three pieces of legislation to the Congress. Two deal with the school situation in the United States—one for construction and the other for maintenance and operation (in so-called federally impacted school areas.)

In that same rehearsed program, I expected the Secretary to make some mention of Public Law 815 and Public Law 874, and that the pieces of legislation that she had sent Congress for enactment in effect amounted to the extension of present laws. At no time did she refer to Public Laws 815 and 874.

It has always been my pleasure since I came to Congress to take an active interest in supporting Federal aid to education legislation. In fact, Federal aid to education antedates the Constitution. This legislation under construction just goes to prove that we as a Nation are no longer composed of independent communities as was the case in the early days of this country. This legislation under consideration further bears out the fact that the welfare of the whole Nation is affected by the educational attainment of the people in the various localities throughout the Nation.

I have always thought that this Congress should go a step further, and I have made this observation on the floor of the House on more than one occasion before today, and enact a general Federal aid to education law to take care of those areas in this country where the birth rate is the highest and economic conditions are poor, and as a result, educational levels are the lowest.

I still believe that it is to the interest of the Nation as a whole that this Congress should do something toward equalizing educational opportunities in the field of general elementary and secondary education. I am wholeheartedly for this legislation and urge every Member of Congress to vote for the enactment of H. R. 6049 and H. R. 6078.

I was a member of the Committee on Education and Labor when these bills were considered in 1949 and passed in 1950. I am proud of the fact that I voted for them at that time and have watched the great amount of good they have done in these federally impacted communities throughout the United States. In my own State of Kentucky these two laws have made it possible for those school districts to provide normal school services for the children of men from all over the Nation who were sent to my State for military training. There were areas so heavily burdened by activities which the Federal Government had placed on them that they could not finance even a full year's schooling, except for the assistance received under these laws.

For example, one of the largest Army bases in the Nation is located in Hardin County, which I might say is one of the poorest districts financially in the entire Nation. It would have been impossible for the tens of thousands of families sent to Fort Knox to receive normal educational programs for their children without these two bills.

Later on, when the Federal Government decided it must have a new atomic-energy plant located in the Paducah area, these bills provided school facilities for several thousands of children of new workers that were brought into that area, and provided operating expenses so that the schools could guarantee these new families an education comparable to that received by their children in the places they had worked before coming to this area to work for the defense of the Nation. These two bills have greatly aided in the defense of the Nation, because we would not have been able to get the manpower to come to Paducah if we had not been in a position to provide adequate schools for their children.

As other members of the Committee have told you, Public Law 815 has come to an end, but the need in some areas is still present. Naturally this need is not as great as it was when the bills were originally passed, but the continued unsettled world situation, and more particularly the war in Korea, has required a continued defense buildup in some areas which demands the extension of Public Law 815 to meet these new problems.

These situations also require the extension of Public Law 874 for a 2-year period after the end of the present year. I am proud to say that I voted for the extension of these bills in the committee, and again urge every Member on this floor to vote for their extension.

I would like to point out, however, that both of these acts are more restrictive than the two bills passed in 1950 which have worked so well. In one of the bills under consideration, the school districts are required to absorb a percentage of their federally connected school enrollment without any Federal payment, and then receive Federal benefits for those remaining. There was no such requirement under the law that has just expired. In other ways, this law has also been made more restrictive than the one which it amends and continues.

I felt that I should point out to the membership the fact that these restrictions are in the bills under consideration, and I realize that there are certain situations throughout the country which perhaps eliminate the necessity for all the funds that they have been receiving under the law that expired on June 30.

It is the restrictions placed on the extension of Public Law 815 which I think go too far. Under the preceding law we told a school district that it was entitled under a specific formula to a certain amount of money for each federally connected child in the district. That formula provided for children who live on Federal property, 95 percent of the cost of constructing complete school facilities. For children who live with a parent employed on Federal property, 70 percent of the cost of constructing complete school facilities, and for other federally connected children, 45 percent of constructing complete school facilities.

This amount of money was barely enough to enable those hard-pressed school districts to build adequate schools for their large influx of children.

Now this present bill provides in its formula for children who live on Federal property, 95 percent of the cost of minimum school facilities. For school

children who live with a parent employed on Federal property, the amount has been reduced to 60 percent of the minimum school facilities. And for the third category—the children whose school education otherwise results from Federal activities—this new formula provides 45 percent of only minimum school facilities, and, in addition, the President must declare such areas an urgent school area before any school district can count children under this third category.

Mr. JENKINS. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield.

Mr. JENKINS. It will not be incumbent, of course, upon the little school district itself to make application to the President; that will all clear naturally through the State authorities and in the national school authorities here; is not that right?

Mr. PERKINS. It is the intention of the law that it be cleared through the Office of Education.

Now, I submit to the membership of this body that the change from calculating entitlements on complete school facilities to calculating entitlements on minimum school facilities, and then reduce the rate in two of the categories, is too restrictive. The funds that these school districts will receive under this restricted formula will not be enough to build school facilities to house the influx of federally-connected school children. In many cases, these counties have voted all the bonds that it is possible for them to vote under the law, and have no other resources. How can such a school district build an adequate school for the in-migrant federally-connected children if they get only 60 percent of the cost of that school?

Take the situation in southern Ohio where they are now building a new atomic energy plant. The counties in the Paducah area had the advantage of formulas calculated on the cost of complete school facilities. The impact in this Ohio area was too late to be covered by the old bill. It is my understanding that few, if any, of those children will be living on Federal property. Therefore they will be in the B category and receive 60 percent of the cost of minimum school facilities. I ask any one of you to tell me how those communities can construct normal school facilities for the several thousand expected in-migrant children when they get only 60 percent of the cost of minimum facilities for such purpose.

I have always felt, since this bill has been under consideration, that the formula would be more satisfactory if it was based on complete school facilities rather than on minimum school facilities; also would be more just and equitable. In the event the bill was changed in this particular, it would not change any other part of the bill. Such a change would not require that complete school facilities be built in these communities, or that the Federal share of the cost of these projects be based on complete school facilities. That still would remain minimum school facilities.

This change in the law would only change the basis on which the amount of the Federal allotment is computed, and is designed to give these school districts a sufficient amount of money to build minimum school facilities when the allotment is needed.

I have requested the Office of Education for an estimate in the increase in cost in the event this change is made, and have been told that the increase would be approximately $42 million.

Also, I am not in accord with the restrictions placed in the bill which extends Public Law 874. The restriction placed in that law requires a school district to absorb and deduct from its Federally connected children 2 percent of its non-Federal children and receive payment only for the remaining number. In the case of children who live with the parent who is employed on Federal property, this absorption amounts to 4 percent. This restrictive change in the present bill under consideration, we were informed in committee, would reduce the cost of the bill by approximately $8 million, would reduce the entitlement to most every school district in the Nation, and would eliminate approximately 10 percent of the school districts that are now receiving benefits under the act.

I do not believe that those school districts who have had a serious Federal impact should have to pay from their own funds without Federal help for part of these in-migrant defense-connected children from whom they get no tax income whatever. I feel that this provision in the bill under consideration is also unjust and inequitable.

This provision works a particular hardship in school districts that have moved to the countywide system of administration. In my State, outside of the independent cities, the administrative unit is the county in all cases. Thus, this absorption provision works a particular hardship on these large administrative units because an impact occurring in one part of the county must be spread over the entire county when the absorption provision is considered.

In addition, this present proposal prohibits a school district from counting toward entitlement school children who come into the area as an indirect result of Federal activities. Under the old law, all of the people who came into the Paducah area to work on the atomic energy project and to work on installations that had received a Federal contract could be counted as well as those community services personnel that were required in those communities because of the greatly expanded population. Under this change in the bill under consideration, none of these community services personnel can be counted toward entitlement under the act.

Now, I can see where a number of the Members might be reluctant to count such children as a basis for Federal payment, but an additional child in school costs just as much whether his father operates the new bus that takes workers out to the plant or is foreman of the workers at the plant. And in a large community they do not need a lot of additional barbers, bakers, grocers, and service personnel, but where a community grows several times its size, the whole character of the community has changed because of the Federal activities, and the service personnel create just as much an impact on the community as do the persons who work on the Federal property.

Payments to children under this category are made for only 2 years at the most, until they can get homes and the district can start collecting taxes from them. So I do not see why we have to put this restriction in the bill, which amounts to only a small additional amount of money.

I felt impelled to point out to the membership of the House what I considered to be defects in this legislation. I realize that we are legislating in the face of a great economy drive. However, I am of the opinion that it is false economy when we fail to properly appraise the educational needs of our country.

Mr. GOLDEN. Mr. Chairman, will the gentleman yield?

Mr. PERKINS. I yield to the gentleman from Kentucky.

Mr. GOLDEN. I am sure that the gentleman from Kentucky is familiar with the situation down in the Wolf Creek Dam district where many thousands of acres have been taken by the Federal Government and hydroelectric generating plants have been installed absolutely for defense purposes.

Mr. PERKINS. I am familiar with that situation and I want to say to my distinguished colleague that he will not receive one dime for school construction. I would think that several of your county boards of education such as Wayne, Russell, Rock Castle, Pulaski, and perhaps others would receive a little money under H. R. 6078, a bill to extend Public Law 874. But the amount the county boards of education in your district will receive will be affected by the present absorption figure of 2 percent placed in the extension bill.

Mr. McCULLOCH. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, coming from a State which has the largest Indian population of any State in the Nation, I am, of course, very much interested in the Indian situation. I believe all of us will agree that we would soon like to have the Indians enjoy the same privileges as those enjoyed by the rest of our citizens. We intend to accomplish this as soon as possible. We now should take certain concrete steps in that direction.

This bill has one provision which will have great effect on the Indian population. It is provided in this bill that any school district which children who live on tax-exempt Indian reservations attend, will now be able to receive aid under Public Law 815 as it will be amended. This will provide for aid in the construction of school facilities for the use of such pupils. Thus, more Indian children may come into a community surrounding a reservation and by association of those Indian children with other children, the day when the Indian is able to take his full place in our communities will be hastened. I think that this is a very important step. In the law amending Public Law 874 there is also a provision for administrative help

to districts attended by Indian children. I would like to utter a word of caution, however, to many of you. We have amended this law and extended it for this particular time. I think it is the sense of the committee, in fact, both sides of the aisle have so indicated, that sometime this particular type of aid must come to an end. This is aid to districts which have been Federally impacted. This is not Federal aid to education. When the impaction ends or when sufficient time has elapsed so that the school districts should be able to absorb these pupils, then the Federal Government should and will step out of this particular field. Therefore, it would be folly for any district not to prepare for that day.

Mr. BARDEN. Mr. Chairman, I yield the balance of my time to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I am sure that I shall not consume the full 5 minutes. There is no desire on my part to delay action on this bill.

May I preface my remarks on the pending legislation by saying that the objectives in Public Law 874 and Public Law 815, which this legislation is to replace, were basically sound. The administration of it by the Office of Education was excellent, and it served a very good purpose. The President has asked in his message on the state of the Union that these two pieces of legislation be extended and revised with a viewpoint of effecting some economies.

May I say to you that we did not effect all of the economies that the administration asked for, and instead of probably a 37 or 38 percent economy in the projects that have been asked for, I believe the chairman of the committee will substantiate what I am saying, that we are effecting economies in the program of probably 18 percent, maybe as high as 20 percent.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. Will the gentleman advise us what the recommendation of the committee is regarding the unpaid entitlements which died with Public Law 815?

Mr. BAILEY. The gentleman from Connecticut has asked what the position of the committee was on the unpaid entitlements. If you will recall, in pleading before the House for appropriations for this legislation, I kept reminding you that there were a certain number of school districts which received entitlements but had received no pay. There were about 240 of those districts, and that is what this item of $95 million will cover. Those districts were assured that if they filed the necessary applications and supported it with work projects, which they did, that they would be entitled to so much money, and because the Congress failed to appropriate a sufficient amount of money, they set up a priority system in the Office of Education. Those districts, which were down at the lower part of the priority list, were never reached in the distribution of appropriations by the Congress. Now I know that our committee is practically unanimous, and so far as I was concerned individually, Mr. Chairman, I took the position that I would not assist in the preparation of new legislation until the Congress had carried out its commitments to those 240 districts and made available, or made it possible by providing for appropriations by the Congress within the next year for a sufficient amount of money to take care of those entitlements.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Tennessee.

Mr. EVINS. The chairman of the committee has indicated that the amendment to be offered is not a practical one, yet the gentleman from Alabama [Mr. ELLIOTT] insists that he is going to offer an amendment. I wonder how the gentleman feels about the practicability and the feasibility of the retroactive feature.

Mr. BAILEY. The amendment to be offered by the gentleman from Alabama will not involve the question of retroactivity like the question raised by the gentleman from California [Mr. DOYLE].

The question concerned in the Alabama situation is this: They were entitled to approximately $16 million. They filed applications and got entitlements. They filed their first applications and received approximately $8 million of what their entitlements were. Then they failed to file their second project papers before the 30th of June 1952.

Mr. ELLIOTT. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman from Alabama.

Mr. ELLIOTT. I believe the gentleman does not want to leave the impression that the school officials of Alabama were negligent, as against the fact that there are $78,300,000 scattered through 40 States of the entire Union, which are in exactly the same position.

Mr. BAILEY. There are some extenuating circumstances there, because the school people got the impression, because Congress was not appropriating the full amount of money they should have appropriated, that it was useless to file those second project papers, and a lot of them did not do it.

May I say to the members of the committee that I as chairman of the subcommittee that drafted this legislation initially, had as my sole purpose, my interest in the boys and girls. This legislation is not as full as the legislation in Public Law 815 but it is good legislation, it is sound legislation, and it also provides a certain measure of economy. I recommend that each and every one of my friends who are interested in the boys and girls, and that means all of you, vote for this bill.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. BAILEY. I yield.

Mr. MILLER of Kansas. Is it not a fact that the only reason we were not able to bring in an economy measure here was on account of the expanding program?

Mr. BAILEY. To a certain extent, together with the uncertainty of what we were meeting, particularly the situation in the building program under Public Law 815 in connection with the work of the Atomic Energy Commission.

Mr. McCONNELL. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. SCHENCK].

Mr. SCHENCK. Mr. Chairman, the committee has done a great job in continuing its careful study of the problem and has brought forth a measure that will develop a realistic program of formulas. Almost every school district in the country has increased enrollments, and some are especially affected by our Federal Government impaction.

Dayton, which is the largest city in my district, the Third Congressional District of Ohio, has already spent some $20 million for school buildings. It has about $1,500,000 left, but that is not anywhere near enough to take care of this problem. The school district tax rate is already taking more than 50 percent of the rate charged on real property. Tax duplicates in one county run from as low as $3,400 per pupil to as high as $17,000 per pupil. I am told that in the State of Ohio that disparity is as high as from $2,000 to $100,000.

The State legislatures of all these States need time to work out proper solutions. We must guard against the Federal control of education, and I am sure that each of us is convinced that we must do just that. But we must also provide funds for schools to assist the schools whose problems have been made more difficult not only by this great increase in the birthrate and consequently in school enrollments but also by the great increase in school population as the result of Federal impaction in these districts.

Mr. McCONNELL. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, I want to commend the members of the House Committee on Education and Labor for their very careful consideration and for the study they have made with respect to the problems involved in the legislation we are considering today.

The purpose of the bill is primarily to deal with the Federal Government's responsibility for aiding school construction in communities that have been burdened with substantial increases in school items since 1939 and up to June 30, 1952. This burden has come about by reason of defense and other Federal activities during that period.

The bill, H. R. 6049, is designed, among other things, to measure and enable the Federal Government to meet its responsibilities in the three situations presented above.

First. As respects still unpaid entitlements under Public Law 815, the bill would extend for 1 more year the period during which appropriations may be made by Congress to pay these entitlements.

Second. As respects increases in federally connected children since June 30, 1952, caused by the recent expansions in Federal activities, the bill would authorize additional Federal school-construction assistance computed in accordance

with formulas much like those used in Public Law 815.

I represent a district that is affected by this proposed legislation. This comes about because the Fourth Congressional District of Kansas is one of the federally impacted areas of this country.

While the bill does not completely take care of all of the situations in my district as I would like to have done, nevertheless I realize that legislation of this kind must be more or less of a compromise, and I am sure, as I stated at the beginning, the members of the committee have made their best efforts to deal with a typical and complicated problem.

Mr. McCONNELL. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, in closing I want to make this statement. I want to call the attention of the committee to the fact that the two bills, the one we are considering now, H. R. 6049, and the other, H. R. 6078, which will be considered later are of a temporary nature. We admit we have a difficult situation in various parts of the country. We realize there have been inequities, and we are not sure what the permanent program should be. We feel that in respect to certain activities of the Government that there will probably be a permanent impact and that the solution may be somewhere in the direction of having the Government act as a taxpayer. But we do not know what the permanent program should be, and we thought that the most advisable approach is as has been made in these two bills, to provide legislation of a temporary nature and then take another look shortly thereafter.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

The Clerk will read the bill for amendment.

Mr. McCONNELL. Mr. Chairman, I ask unanimous consent that the reading of the bill be dispensed with, and that the bill be open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The bill is as follows:

Be it enacted, etc., That the act of September 23, 1950 (Public Law 815, 81st Cong.), is amended by adding at the end thereof the following new titles:

"TITLE III—SCHOOL CONSTRUCTION ASSISTANCE IN AREAS WITH SUBSTANTIAL INCREASES IN FEDERALLY CONNECTED SCHOOL CHILDREN

"Purpose and appropriation

"SEC. 301. The purpose of this title is to provide assistance for the construction of urgently needed minimum school facilities in school districts which, since the school year 1951–52, have had substantial increases in school membership as a result of new or increased Federal activities. There are hereby authorized to be appropriated for the fiscal year ending June 30, 1954, and the succeeding fiscal year such sums as the Congress may determine to be necessary for such purpose.

"Portion of appropriations available for payments

"SEC. 302. For each fiscal year the Commissioner shall determine the portion of the funds appropriated pursuant to section 301 which shall be available for carrying out the provisions of sections 309 and 310. The remainder of such funds shall be available for paying to local educational agencies the Federal share of the cost of projects for the construction of school facilities for which applications have been approved under section 306.

"Establishment of priorities

"SEC. 303. The Commissioner shall from time to time set dates, the last of which shall be not later than June 30, 1954, by which applications for payments under this title with respect to construction projects must be filed. If the funds appropriated under this title and remaining available on any such date for payments to local educational agencies are less than the Federal share of the cost of the projects with respect to which applications have been filed prior to such date (and for which funds under this title have not already been obligated), the Commissioner shall by regulation prescribe an order of priority, based on relative urgency of need, for approval of such applications. Only applications meeting the conditions for approval under this title (other than section 306 (b) (3)) shall be considered applications for purposes of the preceding sentence.

"Federal share for any project

"SEC. 304. Subject to section 305 (which imposes limitations on the total of the payments which may be made to any local educational agency), the Federal share of the cost of a project under this title shall be equal to such cost, but in no case to exceed the cost, in the school district of the applicant, of constructing minimum school facilities, and in no case to exceed the cost in such district of constructing minimum school facilities for the estimated number of children who will be in the membership of the schools of such agency at the close of the regular school year 1953–54 and who will otherwise be without such facilities at such time. For the purposes of the preceding sentence, the number of such children who will otherwise be without such facilities at such time shall be determined by reference to those facilities which (A) are built or under contract as of the date set by the Commissioner under section 303 for filing applications for payments from the funds out of which such Federal share is to be paid, or (B) as of the date the application for such project is approved, are included in a project for which funds have been set aside under title II or in a project the application for which has been approved under this title.

"Limitation on total payments to any local educational agency

"SEC. 305. (a) Subject to the limitations in subsections (c) and (d), the total of the payments to a local educational agency under this title may not exceed the sum of the following:

"(1) The estimated increase, since the regular school year 1951–52, in the number of children residing on Federal property with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 95 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; and

"(2) The estimated increase, since the regular school year 1951–52, in the number of children residing on Federal property, or residing with a parent employed on Federal property (situated in whole or in part in the same State as the school district of such agency or within reasonable commuting distance from such school district), multiplied by 60 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; and

"(3) The estimated increase, since the regular school year 1951–52, in the number of children whose membership results directly from activities of the United States (carried on either directly or through a contractor), multiplied by 45 percent of the average per pupil cost of constructing minimum school facilities in the State in which the school district of such agency is situated; but this paragraph (3) shall not apply unless the school district of such agency is partly or wholly situated within an area with respect to which, for the purposes of this act, the President finds: (A) that a new defense plant or installation has been or is to be provided therein, or an existing defense plant or installation therein has been or is to be reactivated or its operation substantially expanded, and (B) that substantial in-migration of defense workers or military personnel is required to carry out activities at such plant or installation, and (C) after consultation with the Commissioner, that the minimum school facilities required for the free public education of the children of such defense workers or military personnel are not available. For purposes of this paragraph, the Commissioner shall not consider as activities of the United States those activities which are carried on in connection with real property excluded from the definition of Federal property by the last sentence of paragraph (1) of section 210, but shall (if the local educational agency so elects pursuant to subsection (b)) consider as children whose membership results directly from activities of the United States children residing on Federal property or residing with a parent employed on Federal property.

In computing for any local educational agency the number of children in an increase under paragraph (1), (2), or (3), the estimated number of children described in such paragraph who will be in the membership of the schools of such agency at the close of the regular school year 1953–54 shall be compared with the estimated number of such children in the average daily membership of the schools of such agency during the regular school year 1951–52.

"(b) If two or more of the paragraphs of subsection (a) apply to a child, the local educational agency shall elect which of such paragraphs shall apply to such child.

"(c) A local educational agency shall not be eligible to have any amount included in its maximum by reason of paragraph (1), (2), or (3) of subsection (a) unless the increase in children referred to in such paragraph, prior to the application of the limitation in subsection (d), is at least 20 and is equal to at least 5 percent in the case of paragraph (1) or (2), and 10 percent in the case of paragraph (3), of the number of all children who were in the average daily membership of the schools of such agency during the regular school year 1951–52, and unless, in the case of paragraph (3), the construction of additional minimum school facilities for the number of children in such increase will, in the judgment of the Commissioner of Education, impose an undue financial burden on the taxing and borrowing authority of such agency.

"(d) If (1) the estimated number of nonfederally connected children who will be in the membership of the schools of a local educational agency at the close of the regular school year 1953–54 is less than (2) 110 percent of the number of such children who were in the average daily membership of such agency during the regular school year 1951–52, the total number of children counted for purposes of subsection (a) with respect to such agency shall be reduced by the difference between (1) and (2) hereof. For purposes of this subsection, all children in the membership of a local educational agency shall be counted as nonfederally connected children except children whose membership in the school years 1951–52 and 1953–54 was compared in computing an increase which meets the requirements of subsection (c).

"Applications

"SEC. 306. (a) No payment may be made to any local educational agency under this title except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him.

"(b) The Commissioner shall approve any application if he finds (1) that the requirements of section 305 (b) (1) have been met and that approval of the project would not result in payments in excess of those permitted by sections 304 and 305; (2) after consultation with the State and local educational agencies, that the project is not inconsistent with overall State plans for the construction of school facilities; and (3) that there are sufficient Federal funds available to pay the Federal share of the cost of such project and of all other projects for which Federal funds have not already been obligated and applications for which, under section 303, have a higher priority.

"(c) No application under this title shall be disapproved in whole or in part until the Commissioner of Education has afforded the local educational agency reasonable notice and opportunity for hearing.

"Payments

"SEC. 307. (a) Upon approving the application of any local educational agency under section 306, the Commissioner of Education shall pay to such agency an amount equal to 10 percent of the Federal share of the cost of the project. After final drawings and specifications have been approved by the Commissioner of Education and the construction contract has been entered into, the Commissioner shall, in accordance with regulations prescribed by him and at such times and in such installments as may be reasonable, pay to such agency the remainder of the Federal share of the cost of the project. Payments under this title shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office.

"(b) Any funds paid to a local educational agency under this title and not expended for the purposes for which paid shall be repaid to the Treasury of the United States.

"Additional payments

"SEC. 308. Sums appropriated pursuant to this title, other than sums appropriated for administration, shall remain available until expended. Not to exceed 10 percent of the amount so appropriated for any fiscal year (exclusive of any sums appropriated for administration) may be used by the Commissioner, under regulations prescribed by him, to make grants to local educational agencies where (1) the application of such agencies would be approved under this title but for the agencies' inability, unless aided by such grants, to finance the non-Federal share of the cost of the projects set forth in their applications, or (2) although the applications of such agencies have been approved, the projects covered by such applications could not, without such grants, be completed, because of flood, fire, or similar emergency affecting either the work on the projects or the agencies' inability to finance the non-Federal share of the cost of the projects. Such grants shall be in addition to the payments otherwise provided under this title, shall be made to those local educational agencies whose need for additional aid is the most urgent and acute, and insofar as practicable shall be made in the same manner and upon the same terms and conditions as such other payments.

"Where effect of Federal activities will be temporary

"SEC. 309. Notwithstanding the preceding provisions of this title, whenever the Commissioner determines that the membership of some or all of the children, who may be included in computing under section 305 the maximum on the total of the payments for any local educational agency, will be of temporary duration only, such membership shall not be included in computing such maximum. Instead, the Commissioner may make available to such agency such temporary school facilities as may be necessary to take care of such membership; or he may, where the local educational agency gives assurance that at least minimum school facilities will be provided for such children, pay (on such terms and conditions as he deems appropriate to carry out the purposes of this title) to such agency for use in constructing school facilities an amount equal to the amount which he estimates would be necessary to make available such temporary facilities. In no case, however, may the amount so paid exceed the cost, in the school district of such agency, of constructing minimum school facilities for such children.

"Children for whom local agencies are unable to provide education

"SEC. 310. In the case of children who, it is estimated, will reside on Federal property on June 30, 1954—

"(1) if no tax revenues of the State or any political subdivision thereof may be expended for the free public education of such children; or

"(2) if it is the judgment of the Commissioner, after he has consulted with the appropriate State educational agency, that no local educational agency is able to provide suitable free public education for such children,

the Commissioner shall make arrangements for constructing or otherwise providing the minimum school facilities necessary for the education of such children. To the maximum extent practicable school facilities provided under this section shall be comparable to minimum school facilities provided for children in comparable communities in the State. This section shall not apply (A) to children who reside on Federal property under the control of the Atomic Energy Commission, and (B) to Indian children attending federally operated Indian schools. Whenever it will be necessary for the Commissioner to provide school facilities for children residing on Federal property under this section, the membership of such children may not be included in computing under section 306 the maximum on the total of the payments for any local educational agency.

"Withholding of payments

"SEC. 311. Whenever the Commissioner of Education, after reasonable notice and opportunity for hearing to a local educational agency, finds (1) that there is a substantial failure to comply with the drawings and specifications for the project, (2) that any funds paid to a local educational agency under this title have been diverted from the purposes for which paid, or (3) that any assurance given in an application is not being or cannot be carried out, the Commissioner may forthwith notify such agency that no further payment will be made under this title with respect to such agency until there is no longer any failure to comply or the diversion or default has been corrected or, if compliance or correction is impossible, until such agency repays or arranges for the repayment of Federal moneys which have been diverted or improperly expended.

"TITLE IV—SCHOOL CONSTRUCTION ASSISTANCE IN OTHER FEDERALLY AFFECTED AREAS

"SEC. 401. (a) If the Commissioner determines with respect to any local educational agency that—

"(1) such agency is providing or, upon completion of the school facilities for which provision is made herein, will provide free public education for children who reside on Federal property, and whose membership in the schools of such agency has not formed and will not form the basis for payments under title II or III of this act, and that the total number of such children represents a substantial percentage of the total number of children for whom such agency provides free public education;

"(2) the immunity of such Federal property to taxation by such agency has created a substantial and continuing impairment of its ability to finance needed school facilities;

"(3) such agency is making a reasonable tax effort and is exercising due diligence in availing itself of State and other financial assistance available for the purpose; and

"(4) such agency does not have sufficient funds available to it from other Federal, State, and local sources to provide the minimum school facilities required for free public education in its school district,

he may provide the additional assistance necessary to enable such agency to provide such facilities, upon such terms, and in such amounts (subject to the provisions of this section) as the Commissioner may consider to be in the public interest; but such additional assistance may not exceed the portion of the cost of such facilities which the Commissioner estimates is attributable to children who reside on Federal property, and which has not been, and is not to be, recovered by the local educational agency from other sources, including payments by the United States under any other provisions of this act or any other law.

"(b) There are hereby authorized to be appropriated for the fiscal year ending June 30, 1954, and the succeeding fiscal year such sums, not to exceed $20 million in the aggregate, as may be necessary to carry out the provisions of this section. There are also authorized to be appropriated such sums as may be necessary for administration of such provisions. Amounts so appropriated, other than amounts appropriated for administration, shall remain available until expended, except that after June 30, 1955, no agreement may be made to extend assistance under this section.

"(c) No payment may be made to any local educational agency under subsection (a) except upon application therefor which is submitted through the appropriate State educational agency and is filed with the Commissioner in accordance with regulations prescribed by him, and which meets the requirements of section 305 (b) (1). In determining the order in which such applications shall be approved, the Commissioner shall consider the relative educational and financial needs of the local educational agencies which have submitted approvable applications and the nature and extent of the Federal responsibility. No payment may be made under subsection (a) unless the Commissioner finds, after consultation with the State and local educational agencies, that the project or projects with respect to which it is made are not inconsistent with overall State plans for the construction of school facilities. All determinations made by the Commissioner under this section shall be made only after consultation with the appropriate State educational agency and the local educational agency.

"(d) Amounts paid by the Commissioner to local educational agencies under subsection (a) may be paid in advance of, or by way of reimbursement for, work performed or purchases made pursuant to the agreement with the Commissioner under this title, and may be paid in such installments as the Commissioner may determine. All such payments shall be made through the disbursing facilities of the Department of the Treasury and prior to audit or settlement by the General Accounting Office. Any funds paid to a local educational agency and not expended or otherwise used for the purposes for which paid shall be repaid to the Treasury of the United States."

SEC. 2. (a) Section 205 (b) (1) (F) of such act is amended by striking out "title" and inserting "act" in lieu thereof.

(b) Section 207 (b) of such act is amended by inserting "or title III" after "this title" and inserting "or under section 311" after "this section."

(c) Section 209 (a) of such act is amended by striking out "title" and inserting "act" in lieu thereof.

(d) Section 209 (b) of such act is amended by striking out "title" and inserting "act" in lieu thereof.

(e) Section 209 (c) of such act is amended by inserting after the first sentence the following new sentence: "There are hereby authorized to be appropriated for the fiscal year ending June 30, 1954, such sums as may be necessary to carry out the provisions of this title other than sections 203 and 204; but such sums (exclusive of any sums appropriated for administration) shall not exceed $95 million in the aggregate."

(f) Section 209 (e) of such act is amended by striking out "title" each time it appears in such section and inserting "act" in lieu thereof, by striking out "June 30, 1953," and inserting "June 30, 1955" in lieu thereof, and by inserting "authorized, prior to the date of enactment of this act, for the construction of school facilities to be attended by Indian children or appropriations" immediately before clause (1) thereof.

(g) The second sentence of section 210 (1) of such act is amended to read as follows: "Such term includes real property which is owned by the United States and leased therefrom and the improvements thereon, even though the lessee's interest, or any improvement on such property, is subject to taxation by a State or a political subdivision of a State or by the District of Columbia." The last sentence of such section 210 (1) is amended by striking out "Such" and inserting in lieu thereof "Notwithstanding the foregoing provisions of this paragraph, such."

(h) Section 210 (5) of such act is amended to read as follows:

"(5) Average daily attendance at, and the membership and average daily membership of, schools shall be determined in accordance with State law or, in the absence of State law governing such a determination, in accordance with regulations of the Commissioner; except that, notwithstanding any other provision of this title, title III, or title IV, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this title the attendance of such child, and for purposes of titles III and IV the membership of such child, shall be held and considered—

"(A) if the two local educational agencies concerned so agree, and if such agreement is approved by the Commissioner, as attendance at (or membership of) a school of the local educational agency receiving such tuition payment;

"(B) in the absence of any such approved agreement, as attendance at (or membership of) a school of the local educational agency so making or contracting to make such tuition payment.

In any determination of average daily attendance at or membership of schools, children who are not provided free public education (as defined in paragraph (4)) shall not be counted."

(i) Section 210 (7) of such act is amended by inserting "or minimum" after "complete" in the first sentence thereof and by adding at the end thereof the following new sentence: "The cost of constructing minimum school facilities in the school district of a local educational agency shall be determined by the Commissioner, after consultation with the State and local educational agencies, on the basis of such information as may be contained in the application of such local educational agency and such other information as he may obtain."

(j) The last sentence of section 210 (10) of such act is amended to read: "Except as used in sections 203, 204, 309, and 310, such term does not include interests in land and off-site improvements."

(k) Section 210 (11) of such act is amended by inserting at the end thereof the following new sentence: "Whether or not school facilities are minimum school facilities shall be determined by the Commissioner, after consultation with the State and local educational agencies, in accordance with regulations prescribed by him."

(l) The second sentence of section 210 (12) of such act is amended by inserting before the period at the end thereof "or which has responsibility for the provision of such facilities."

(m) Section 210 (14) of such act is amended by inserting "Guam," after "Puerto Rico,".

SEC. 3. The amendments made by the preceding sections of this act shall become effective July 1, 1953.

Mr. ELLIOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ELLIOTT: Page 17, line 16, strike out "$95,000,000" and insert "$173,300,000"; and after line 17 insert the following: "Notwithstanding the first sentence of section 205 (a) of such act, if any local educational agency filed the first part of its application in accordance with such first sentence before July 1, 1952, such agency may file the second part of its application at any time before July 1, 1954."

Mr. ELLIOTT. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ELLIOTT. Mr. Chairman, during general debate I read about one-fifth of the list of States in the United States that are affected by my amendment. In simple terms, this amendment provides for an increased authorization of $78,300,000 so that our Government can fulfill the obligation which it assumed when it passed Public Law 815, and which it ratified when it issued entitlements to Federal funds to the school districts that had applied for the benefits of Public Law 815 and which but for an arbitrary cutoff date of June 30, 1952, undoubtedly this question would not be before us today. There are some people who say, "Well, you had a cutoff date of June 30, 1952, and your communities did not get the second part of their application in by June 30, 1952, and therefore they should be cut off." And undoubtedly if we were under the old laws of the Medes and the Persians that would be true. But here we must examine the equities. Public Law 815 was in operation less than 2 years, and each one of these communities in the 2 years was faced with the problem of making its survey. It was faced with the problem of raising the funds locally to put with the amounts awarded under Public Law 815, which in many instances necessitated additional taxation against the community and the issuance of bonds and various other things.

And that, Mr. Chairman, in the face of the word that went across the country that the chances were that the Congress would never appropriate the money to carry out those entitlements anyhow. And that word did go out across the land, as I shall prove here later by evidence which I have in my file.

But here is what happened. After the cutoff date, and on or about July 3, 1952, 3 days after the cutoff date, the Congress did appropriate $200 million to take care of the entitlements which had been established. Then these communities that had been waiting for Congress to make the necessary appropriation looked around. The cutoff date had passed and the Federal Government said, in effect, you should have known that the appropriations would have been made eventually and therefore your case is lost.

Mr. WICKERSHAM. Mr. Chairman, will the gentleman yield briefly?

Mr. ELLIOTT. I yield to the gentleman from Oklahoma.

Mr. WICKERSHAM. Unless the gentleman's amendment is agreed to, the gentleman feels that the Government would be breaking faith with these schoolchildren and these school districts?

Mr. ELLIOTT. I certainly feel so, yes. I feel so very strongly.

Of course I could not investigate this situation in 40 States, but I did ask my own State superintendent of education, the Honorable W. J. Terry, and here is what he wired me on June 30, 1953. He said:

> Alabama schools were discouraged from applying for additional funds because applications that had been filed for approximately 2 years had not been acted on because of lack of funds. Also, additional appropriation bill was not passed until last day of congressional session—

Nineteen hundred and fifty-two, a few days after the cutoff date—

> and school systems did not have time to file applications for additional appropriations. * * * Alabama still needs more than $200 million to adequately house its school population.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from Tennessee.

Mr. BAKER. If these particular communities qualify under the criteria of this act, why can they not reapply?

Mr. ELLIOTT. Because the criteria of this new bill now before us only begin to operate, generally speaking, as of July 1, 1952, as I understand it, which is the day following the cutoff date.

However, I am glad the gentleman from Tennessee brought that question up, because my amendment, although it purports to add $78,300,000 to the bill, might very well cost much less than the $78,300,000, because there may be communities in America that have made their preliminary qualifications and had their entitlement issued to them, provided they built the necessary schools, that still would not care to go forward with their application, even though given another year to do so; so, of course, this $78,300,000 would be reduced by the amount of entitlements which the qualified communities failed to take up.

In addition to that, if I understood the Office of Education, there is the possibility that by the combination of formulas, both in the old and the new bills,

this proposed additional authorization might be reduced by some $20 million to $30 million even though every qualified community might file applications taking up its entire entitlement.

I went further in this, Mr. Chairman, and talked to some of the county superintendents of education in Alabama who were involved. I was impressed in every case that there were good reasons—usually lack of local funds—which prevented the school district involved from completing its application by building the necessary school building or buildings.

In every single case, I believe, throughout the United States, we will find that there are extenuating circumstances which should not debar these small communities from at least having a little more time in which to get their house in order and raise their local funds to enable themselves to take advantage of the school construction moneys which their communities are entitled to under Public Law 815. I have proposed that they be given until June 30, 1954, though perhaps a somewhat shorter time would serve the purpose.

I believe that every Member of this Congress is conscious of the need to save money and keep the budget as nearly in balance at all times as is possible. Some of us as individuals find it necessary to cut our personal budgets to the lowest possible dollar. But, none of us would take our children out of high school in order to save a few dollars if we could avoid it. Uncle Sam is in effect taking his children out of school in order to save money if we do not adopt this amendment and give the local communities a chance to house their "unhoused" children.

We had a similar situation before this House about 2 weeks ago when we extended the Housing Act. Then there were many communities in these defense areas that were clearly entitled to help on their community facilities and their housing projects and other things, communities which as I understood at that time had filed part of their applications, but had not been able to attend to all the details. You know when Uncle Sam becomes included in one of these things there are a lot of details connected with it. First, there is site acquisition, surveying and title clearance; second, you have to hire an architect to come in and draw higher priced plans. In addition to that you must go out and raise the part of the money that the local community has to get. When all of that is accomplished you are faced with a cutoff date and lack of appropriations and maybe there is not enough money to go around; and then suddenly we are faced with the proposition of saying to these communities: "You cannot go any further because you have slept your rights away. You should have been foresighted enough to have filed your applications even though Congress had not made the necessary appropriations."

Mr. BAILEY. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to the gentleman from West Virginia who has done such a fine job of pioneering the original legislation.

Mr. BAILEY. In the applications of 240 districts amounting to $95 million, some districts in Alabama are involved. I am advised they will get $1,875,000 out of this.

Mr. ELLIOTT. Which will still leave $7,500,000 or thereabouts unpaid.

Mr. BAILEY. Those districts that did not meet the filing date of June 30, 1952.

Mr. ELLIOTT. They established their entitlements but for one good reason or another did not get into construction until the cutoff date got them.

Mr. Chairman, I hope the House will give this matter the consideration it deserves. We have 221 small communities in nearly every State of the Union that are involved in this situation.

Mr. RAINS. Mr. Chairman, will the gentleman yield?

Mr. ELLIOTT. I yield to my friend from Alabama.

Mr. RAINS. The recent Housing Act extension which this House adopted set a precedent for this amendment, for we extended the defense-housing facilities for those communities which had not filed by a certain cutoff date.

Mr. ELLIOTT. Certainly, and I want to congratulate the gentleman and his committee on the understanding and compassion with which it approached that situation which is almost identical with the proposition now before us. If we are going to be generous anywhere, I believe there is no group more deserving than these schoolchildren. There is no question here of trying to assess blame for an existing condition. These schoolchildren are blameless. They have been unhoused because of war and defense impacts on the communities involved. They have been unhoused because of the activities of their own Government. Let us not stand on a technicality and keep them unhoused. Let us adopt the amendment before us and do justice in the American tradition.

Mr. McCONNELL. Mr. Chairman, it is with regret that I rise in opposition to the amendment offered by my colleague on the committee, because personally I have a very high regard for the gentleman from Alabama. I rise with regret also because it would be wonderful if we had the money available in this country to take care of every minute situation which seems to require some help or care. But we feel that when we provide a program of $95 million to take care of those districts where their applications were in and fully approved but where they did not receive their money—we feel that when we have done that, as I say, we have made a real step forward in making good on the obligations of the Federal Government to school districts which went ahead with their plans.

This is a case of where only part of an application was supplied to the Commissioner and the July 1, 1952, date arrived and the second part of the application was not forthcoming. I do not know whether it was due to carelessness, or ignorance, or just what, or a feeling that they would not get the full amount. We do not know the reason for that. We do know, though, that if we open the door, you might say, in this one case, we could be opening it to other situations throughout the country.

I would like to call the attention of the committee to the fact that this raises the amount at a time when we are trying to work out things on a reasonable financial basis. This increases the item of $95 million to $173,300,000. It might be of interest to the committee to know also that the Department of Health, Education, and Welfare did not call for even the $95 million which we put in here for back entitlements. But the committee felt unanimously that it was a debt of honor. We felt that if we could get the $95 million included in the present bill and passed, we were making a fine gesture to show the good faith of the Government toward the districts which actually went all the way through in the matter of filing their applications and did not just merely start them.

Mr. RAINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am not too familiar with the pending bill, but to defeat the Elliott amendment strikes me as being a complete reversal of what this House did just 2 weeks ago on a matter which is not as important as are the schoolchildren. I call attention to the fact that when we passed the Defense Facilities Act about 2 weeks ago we had identically the same proposition.

Certain cities and towns, a good many of them in the Carolinas and other places, had failed to file their applications for sewers, for waterworks, and matters of that kind in federally impacted areas, the same type areas involved here. A cutoff date of February 20 was set up. As a result since that date was set up, not believing the money would be appropriated, these cities and towns in federally impacted areas did not file for defense facilities. The Banking and Currency Committee—and I am certainly not criticizing this fine committee because I compliment its work—but it was not right to cut off those communities which because of some reason, whether it was the fault of their own or not, had not filed. So in simple justice and in fairness, it seems to me, Mr. Chairman, you should not mark up as against any city or town—and I do not have any in my district, so I do not speak from that angle at all—the failure to apply when it was evident the money was not there to be allocated. So out of simple justice to those cities and towns, I contend they should be included. If we do it for sewers and for water systems, why not do it for the schoolchildren? Why make that discrimination?

Mr. BARDEN. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, it pains me greatly to oppose the amendment offered by my good friend from Alabama [Mr. ELLIOTT] who has been most diligent and alert to the situation in Alabama. He has done a grand job in presenting the matter especially when it came before the committee, we discussed it very, very thoroughly. The further we went into it the more impractical we found the solution of the problem to be.

We have gone back and approved in the bill $95 million covering projects that

had been applied for. In the application for these projects there was required not only a statement of the number of children, and so forth, but in addition to that complete plans of the buildings, specifications and so on were necessary, which was a pretty extensive proposition.

These districts had spent a tremendous amount of money doing something that they had a perfectly good right to believe they were entitled to, and doing something that the Congress intended to take care of, and still takes care of, in the bill. But now we come to the problem of the Alabama situation and it resolves itself down to this. I am not accusing Alabama officials of anything; I just want to lay the facts before the committee as they were presented to our committee. At first I thought that possibly they should not be penalized for not getting in a full request if it was an oversight and they were unaware of the date of entitlement, and so forth. But then I find this: in every single county in Alabama that had these entitlements they got a part of the funds, and you can take the list right on down. Huntsville, Ala., was entitled to $625,000. They got $625,000. Baldwin County was entitled to $410,816. They received all that money but $70,764. Now, when you read all the way down the list, you simply obliterate the reason that they overlooked it. I am satisfied it was not overlooked. It was either because they did not have the funds available or could not raise the funds to match with these funds to do a complete job, or they decided that it was not needed to the extent that they could postpone the construction.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. BARDEN. I yield to the gentleman from Alabama.

Mr. ROBERTS. The gentleman covered two situations in Alabama. There is another situation there that I would like to bring to the attention of the committee, and that is with reference to Calhoun County, where we have located the great military installation, Fort McClellan, and also the Anniston Ordnance Depot. Now, we were entitled to $1,199,000 and because of a slipup, which, if I could get the time to do, I could explain to the committee, we were only allowed $893,000, leaving us $306,000 in the hole, so to speak.

Mr. BARDEN. Well, I will say to the gentleman I do not know what kind of a slipup it was, except the gentleman's county did not file projects to cover the $306,000. The gentleman was entitled to $1,199,015 and received $893,323, which left unapplied for and unrequested $305,692. Now, I cannot conceive of them just forgetting that.

Mr. ROBERTS. Well, that is not the situation, I might say to the gentleman, and I have some evidence in a letter which indicates that the representative of the United States Office of Education advised the then superintendent, or rather discouraged the superintendent, by saying he felt there was little chance of securing any assistance under Public Law 815 and that there was little use of applying for such. This letter is dated the 3d of July 1953 and comes to me from Mr. C. F. Newell, who is the new superintendent, a man of excellent character and integrity, and I do not believe he would have made the statement unless there was some basis in fact.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(Mr. BARDEN asked and was given permission to proceed for 5 additional minutes.)

Mr. BARDEN. Let me interrupt the gentleman. Did he quote the Office of Education or did he summarize that?

Mr. ROBERTS. He simply summarized it. He said that is his information.

Mr. BARDEN. I do not think the gentleman would find that a letter went out from the office of the Commissioner making a statement of that kind. If it did, it certainly was not a proper communication, because the law on the statute books would not have warranted him making any such statement.

Mr. ROBERTS. Let me ask the distinguished gentleman a further question: We have these federally connected children there. We are glad to have them, and I might say we are going to do our part in educating them whether or not the Federal Government lives up to its responsibilities. As a matter of fact, we have passed special school taxes to our constitutional limit to do that, and we are going to continue to try to do it. But does the gentleman think that because some slip-up has been made this community should be penalized by this legislation and be denied what they thought was justly theirs, also in view of the fact that they did this building believing they would be paid these funds by the Federal Government?

Mr. BARDEN. The gentleman has presented a combination of questions there that would be rather difficult to answer, but I am sure the gentleman must recognize the fact that you must have a cutoff date when you are passing a piece of legislation for a short term of years. All right. That was done. We took care in the bill of a group that made their complete application. I must in all frankness say to the gentleman that while all of my sympathies are for the children, and this is for the education of children, at the same time public officials are acting for the people and the Government must rely upon the action of the public officials with whom it deals. I cannot conceive of these public officials just slipping up to this extent. It does not appeal to me because there was too much money involved, and they received a considerable amount of money.

This is what you are fixing to do. If my friend's amendment is adopted, and I am almost sure it will not be—I hope not, at least—you would be reaching back for $73 million to add to an appropriation of funds by this Congress, back beyond the date which the Congress fixed as the date beyond which it would not accept applications and for which funds, $73 million, there were no plans submitted.

I am very conscious of my obligations to the children and to the impacted areas, but at the same time I am thoroughly conscious of my obligation to the taxpayers. As much as I am in favor of education, I do not feel it is practical to go back beyond that date where they failed to file complete applications as required by law. I doubt very seriously if the Committee on Appropriations would back us up. The result of it might be that those who did the proper thing and a complete job would be penalized and would be cut out along with the $73 million.

I do not think you can make a case for the $73 million, as much as I am in favor of education, and I think everybody in this House knows of my feeling toward it. I know the gentleman's interest. I think those officials are dumping a rather tough job in the laps of their Congressmen. They should have written their Congressmen earlier, probably. If there was any negligence it was certainly not on your part.

Mr. ROBERTS. I am not saying this public official did not do his duty, because there was a changeover in the administration at that particular time. He was going out of business and a new superintendent or school official was in the process of being chosen during the period when that happened.

Mr. MILLER of Kansas. Mr. Chairman, I move to strike out the last word, and rise in support of the amendment.

Mr. Chairman, like most of the other Members I had not expected to talk on this subject, but I assure you I do not intend to take a great deal of time. There has been raised here an issue which I feel we cannot ignore. To me, it is a simple matter of common justice, a matter of right and wrong. Two dates appear very prominently in this discussion—June 30 and July 31. On June 30 had certain members of certain school boards filed certain applications and reports, this Government would have been legally obliged to fulfill certain obligations. But on July 1 because those gentlemen did not make those applications, and fill out certain papers and get them to certain places—on July 1 presumably there was no obligation. This obligation may I point out to my fellow Members was something that arose out of the condition which the people who were to be benefited had nothing to do with. This obligation was recognized by the Government and the date was set with no application whatever to the amount of the obligation. So that it becomes a matter of shall we take advantage of the fact that some few people have failed to do their duty and penalize the public, the men and women of the districts and their children because certain officers have failed to do their duty? Does that make the difference? Does our United States Government feel it is in a position to take advantage of a situation of that kind? It seems to me our Government is pretty much in the situation of a man once called Shylock who had the opportunity—it was written in the bond that he could take a pound of flesh. Now we can take that pound of flesh, but if we do it, we will draw a lot of blood. There is an old saying which I read somewhere that the letter killeth. June 30—that final date—that killeth

but the spirit maketh alive. It all depends my fellow Members upon the spirit with which we try to meet this obligation.

Mr. Chairman, either all of the people of the United States owe it to the people of these impacted areas to contribute to the education of the children that have been brought into their districts, or they don't owe it. If they owe it to one district, they owe it to all.

Two years ago, Congress evidently believed that the Government owed the money, or the 82d Congress would not have voted the appropriation for that purpose.

What is the situation now? The Committee on Education and Labor has gone into this matter diligently and arrived at the conclusion that whereas the people coming into these impacted areas do contribute to a degree to the cost of maintaining the schools, there is yet a great hardship placed upon the local taxpayers. They have arrived at as nearly a just estimate as is humanly possible. They have reduced the base of calculations from 100% or complete facilities to minimum facilities. They have reduced the ratio of participation from 70% to 60% of minimum. This is a reduction of roughly 70% under that provided for by the last Congress.

The committee believes that it has acted justly between the parties, that is between the United States Government and the individual school districts.

Mr. MILLER of California. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I congratulate the committee on the work it has done in bringing in this bill. Very frankly, however, I shall support the Elliott amendment because I believe it is only common justice to do so. The thing I am concerned with is the future of this type of legislation. I think it is time that we take stock of what we have been doing here in the Congress for a number of years. As long as the defense effort is going to be on, we are going to be confronted with these federally impacted school districts. To me, it is not practical to come here every 2 years to consider the extension of such a law, revamping the legislation and rechanging the formula by which we figure the amounts to which the affected school districts are entitled. They have a right to know, and should know, what their entitlement is going to be from year to year. While it is a big problem, and while I know the committee has studied it for a long time, I am hopeful and urge that they come up with permanent legislation, or legislation that will last as long as the present emergency exists.

After all, a check can always be put on the money allocated through the medium of the Committee on Appropriations. Estimates will have to be in and justifications established before the appropriations can be made and the entitlements transferred to the school districts. It is all right to talk about complying with the technicalities of a Federal law where you have a lot of people to administer the Federal law; but how about the small school districts that cannot afford a high-priced staff of accountants. The money small districts spend on the preparation of data is real to them. I know a not too wealthy district that expended $2,500 that it will not get back because of the technicality of the law, and being an impacted school district that $2,500 hurts it a great deal more than the difference between the $74 million and the amount in the gentleman from Tennessee's amendment to this bill will affect the solvency or the credit of the United States. So I hope the committee will take cognizance of what temporising means, its cost and uncertainty, and that before the 2-year period of the proposed extension expires it will have recommended to the Congress permanent legislation to meet a condition that we must all admit is not transitory.

Mr. BUSBEY. Mr. Chairman, I move to strike out the requisite number of words, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BUSBEY. Mr. Chairman, I rise in opposition to this amendment for many reasons. As a matter of fact, the only reason I am not rising in opposition to the bill itself is because the law is being extended on a temporary basis until the committee and the proper agencies of government have ample and adequate time to study the whole problem of federally impacted school districts, and particularly the formula. I believe the committee has improved the old formula considerably. I think the formula, after additional proper study, can be improved still further.

This bill goes into the relationship of the Federal Government in grants-in-aid to States. President Eisenhower has a Commission that is studying the entire field. I think it should be studied, for this reason: It may shock you to learn that 20 years ago the Federal Government was handing out approximately $200 million annually in aids to States, of one kind or another, but today the Government is handing out over $3 billion in grants-in-aid to States.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. Briefly, for a question.

Mr. BARDEN. Well, this is right down the gentleman's alley, so to speak. Yesterday we adopted a resolution in the committee requiring all of the Federal agencies now operating in the field of education to file with the Commissioner of Education, as a central depository, a record of their expenditures. I think the gentleman will be able to get a much more satisfactory picture next year, in the operation of his committee, than he was able to get this year.

Mr. BUSBEY. I thank the gentleman from North Carolina for those encouraging words, because, try as hard as I might, as chairman of the Subcommittee on Appropriations which handles this particular appropriation, we were not able to get too good a picture of it this year.

Mr. BARDEN. It took nearly 2 years of research to get a smattering of its operation, so I can sympathize with the gentleman's effort.

Mr. BUSBEY. You gentlemen realize that during the war we voted for what was known as the Lanham Act for helping these school districts that were federally impacted. If you will look at page 173 of the appropriations hearings for fiscal 1954, you will find that during the entire period of World War II, the Federal Government appropriated only $83 million for this program. But if you will look on page 163 of the same hearings, you will find that we have already appropriated, since World War II for this program, $324,062,217 including the appropriations for 1954.

The gentleman from Alabama [Mr. ELLIOTT] now has the audacity to ask by his amendment an increase of the $95 million authorized in the bill by an additional $73 million.

We have heard a great deal in debate today about the Federal Government's keeping faith with the people; keeping faith with its contracts. That argument went out of the window when the Federal Government repudiated its contract on the gold standard.

An authorization is not an appropriation. These school districts knew that. The Commissioner of Education advised all the superintendents, or the comparable officers in the various States, regarding the situation when the law was enacted.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

(By unanimous consent, Mr. BUSBEY was allowed to proceed for 2 additional minutes.)

Mr. BUSBEY. They were advised. Now they come in here and say they did not have time. They had 2 years of time, and there was no excuse for their neglect whatsoever.

I think the committee which makes the study and survey of this whole proposition should look into the full utilization of these school buildings. They are used for the most part only a comparatively few hours out of the 24. I am sure if a regular study and survey were made of the situation, it would be found they could use these school properties to better advantage and we would have an excess of school facilities for the children of this country, instead of shortages of school buildings.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. BUSBEY. I yield.

Mr. SEELY-BROWN. I would remind the gentleman that in some areas where schools were built, the schools are running three shifts a day to provide education in a limited sense for many of the children.

Mr. BUSBEY. That is an isolated case, and that may be true. The gentleman says it is true, and I accept his word for it.

But we have a bill on a general basis here for the entire United States, and there are many of these so-called federally impacted school districts that are getting assistance money out of this program that should not be entitled to it at all.

I wonder what would happen, I wonder what the Members of this House would say, if they started to remove these Federal facilities from their congres-

sional districts. Oh, yes; you would shed crocodile tears and come down here in the well of the House and cry "Don't remove that." You know why; because that installation has brought taxes manyfold over into your community; it has brought business into your community. Those are the problems that should be considered.

I hope the amendment offered by the gentleman from Alabama is defeated.

Mr. McCONNELL. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. ROBERTS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, first of all, I would like to pay tribute to my able and distinguished colleague from Alabama for the wonderful fight he has made here on this floor today not only for the schoolchildren of Alabama but for the schoolchildren of the Nation. The gentleman from Alabama is entirely unselfish in this effort because I happen to know that he does not have an impacted area in his entire district.

Charges or insinuations have been made here to the effect that the reason these funds are not going to be authorized is because some officials have failed to file applications in time. When I found out that my district was about $306,000 short in an area that had been impacted ever since World War II and was feeling a greater impact with the outbreak of the war in Korea, I inquired as to whether the applications had been filed. My city superintendent and county superintendent are capable public men. In endeavoring to get the story I wired the county superintendent and he sent me a letter dated July 3, 1953, which I would like to read to the committee:

CALHOUN COUNTY BOARD OF EDUCATION,
Anniston, Ala., July 3, 1953.

Hon. KENNETH ROBERTS,
House of Representatives,
United States Congress,
Washington, D. C.

DEAR KENNETH: I have your telegram relative to the reinstatement of funds under Public Law 815.

The actual reasons for our failure to make application for our full entitlement are these:

1. The United States Office of Education representative who made the survey and gave tentative approval for needed buildings discouraged the superintendent by saying that he felt there was little chance of securing any assistance under Public Law 815 and that there was little use of applying for such.

2. The outgoing superintendent probably felt that the slight chance of getting assistance did not justify any additional effort in the direction of preparing plans.

3. The present superintendent did not come on the job until after the deadline had passed for making application for buildings under this program.

As you probably know, our full entitlement was in the amount of $1,199,000, and the amount approved was $893,000. We, therefore, have $306,000 for which plans were never submitted.

I am not sure that this explanation quite justified our requesting you to work for us in the interest of getting money which we have not received. On the other hand, there are many unhoused children in Calhoun County, and in the interest of the boys and girls who attend our schools I would like to urge you to do everything possible to reinstate this money so that we may provide more buildings which are needed in this county.

Sincerely yours,

C. P. NEWELL,
Superintendent, Calhoun County Schools.

The city superintendent, Dr. C. P. Nelson, sent me a telegram as follows:

ANNISTON, ALA., *July 8, 1953.*

Hon. KENNETH ROBERTS,
House of Representatives:

Reply to your telegram of June 3 delayed because of absence from the city. Applications were not filed because officials discouraged board of education having low priority rating and further because construction in Anniston to meet emergency needs cancel some applications which were on file. The amount of time between appropriations and closing dates for filing applications made action almost impossible. The fundamental issue is whether or not a school system has unhoused children because of war impacts. School systems having unhoused children should be paid entitlements regardless of the technicality of whether or not an application has been filed. Your efforts to restore the amount necessary to pay entitlements in full will be appreciated.

C. P. NELSON,
Superintendent, Anniston City Schools.

I am sure that this situation must prevail in many of the other communities, cities and counties throughout this country that are entitled to these funds, and justly so, which we seek to authorize today. I am heartily in favor of the Elliott amendment. These communities should expect the Federal Government to carry out its responsibility for a situation that has been brought about not by the activities of the communities themselves but by the national defense effort, which is certainly a Federal effort.

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. MOSS].

Mr. MOSS. Mr. Chairman, the State of California does have quite a number of impacted school districts. There are some that would be affected, I am confident, by the amendment proposed by the gentleman from Alabama, which I shall support so that the Government may meet its obligations to areas adversely affected through no fault of their own.

It has been mentioned on the floor by the gentleman from Illinois that the impacted districts do not utilize fully their school buildings. I know, as a matter of fact, that in many, many sections—and it is not the exception but almost the rule in California—schools are being used 2 and 3 shifts a day. Many of our districts are renting homes and old store buildings, housing youngsters in definitely substandard conditions to help give them an education. My State has not fallen down on the job but is doing its part. A figure of some $324 million was mentioned as the amount the Federal Government has given to the States since the war. In California we made available to school districts emergency allocations of $430 million above and beyond the amount supplied through the bonding issues by the local school districts. Our problem is a critical one. We need the aid which we have been led to believe we would receive and we are entitled to receive aid on a basis of equity.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from California.

Mr. HOLIFIELD. I wish to aline myself with the remarks of the gentleman from California on this subject. I have in my own congressional district, in the eastern side of the city of Los Angeles, some of these impacted conditions. We have schools there that are run on 2 and 3 shifts. We have school districts that are bonded to the full extent allowed by the State Legislature, and they are absolutely unable to take care of this influx of defense workers' children unless we get some additional funds. It seems to me that this is a just amendment to provide these funds particularly for these schools who were unable to come in under the deadline because of technicalities and difficulties in their own districts. I compliment the gentleman and I aline myself with him.

Mr. MOSS. The gentleman is correct. I am familiar with many of the school districts in the gentleman's congressional district and they have increased their tax levy beyond the legal maximum as have many other California school districts by voluntary action of voters within the districts.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I only wish to consume a couple of minutes to say this: This is not a general Federal aid to education bill. The committee did its best to meet the responsibilities of the Government in these various localities, and at the same time used some discretion and wrote the kind of a bill we thought the House expected us to write.

Now as to the particular case the gentleman from Alabama refers to, I would like for you to get this straight: he read a letter from the school officer who took office after the other school officer went out. The present officer says that a representative of the Commissioner of Education Office told the other man so and so. That is just a little bit too much hearsay to really impress me very much.

Now then, coming to that $1,199,000. They did not have a single dollar turned down. They received $893,323 and were not refused a single dollar for which they made complete application. Now what was there to discourage their applying for the money? We cannot go back. Public Law 815 has expired. I do not think it is practical or fair for the Committee on Appropriations to go back and ask for the inclusion of that amount when complete applications were not filed, as much as I like the gentleman from Alabama and as much consideration as we gave him. The committee was opposed to it, and I now oppose it.

Mr. SMALL. Mr. Chairman, in our consideration of H. R. 6049, relating to school construction in federally impacted areas, I wish to restate the stand which I took when we were considering the Federal-aid-to-schools item in the second supplemental appropriation bill

back in February. Ordinarily I am for economy and against Federal Government interference where State prerogatives are concerned. However, in this situation, where the Federal Government causes an impacted condition in certain areas, resulting in an additional financial burden on local governments, I feel it is only fair that the Federal Government contribute toward that financial responsibility. My district is highly impacted as a result of the expansion of Federal projects and installations. We are vitally affected because of the heavy expense incurred, not only in the construction of schools, but also in the construction and maintenance of roads, maintenance of police protection, sanitary facilities, and other various facilities which are normal and necessary adjuncts to our schools. I am, therefore, in favor of and support this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. ELLIOTT].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCDONOUGH, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6049) to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes, pursuant to House Resolution 318, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. McCONNELL. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 292. Joint resolution authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and and Sergeant at Arms of the House of Representatives.

AMENDMENT OF PUBLIC LAW 874 OF THE 81ST CONGRESS

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 317 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6078) to amend Public Law 874 of the 81st Congress so as to make improvements in its provisions and extend its duration for a 2-year period, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Education and Labor, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi [Mr. COLMER].

Mr. Speaker, before I discuss this resolution, may I announce that it is the purpose of the leadership of the House to call up this rule this evening and, once the rule is adopted, lay aside the bill H. R. 6078, whose consideration is made in order by this rule, for consideration at a later time.

Mr. Speaker, this is an open rule, making in order, with 1 hour of general debate, the consideration of the bill H. R. 6078, which is a companion bill to the measure which was just passed by the House. It is a bill which would amend Public Law 874 of the 81st Congress so as to make improvements in its provisions, extend its duration for a 2-year period, and for other purposes. Public Law 874 is a law which deals with Federal aid for the operation and maintenance of the public schools in federally impacted districts.

I think all of you are very well acquainted with the present law. It has been on the statute books for some time. This bill simply extends that law, and makes some changes in the formulas and the methods under which the law is to be administered.

I understand the bill was reported unanimously by the House Committee on Labor and Education, and the resolution making consideration of the bill in order at this time was also reported unanimously by the Committee on Rules.

Mr. COLMER. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. MILLER].

Mr. MILLER of California. Mr. Speaker, I am in favor of this rule, naturally, because I know of the importance of this legislation to federally impacted school districts throughout the country. It is just and indispensable; we must have this legislation; but again I want to renew the plea I made on the bill to provide capital improvements for impacted school districts, the bill we just passed, that this legislation, along with the legislation for construction, be studied and made permanent. This matter of renewing these laws every 2 years destroys any ability of the school districts to anticipate what they are going to get from the Federal Government. We leave them in the air. It is inefficient and costly to the taxpayers for whom we all plead and talk so much about because although we may save some federal funds, our lack of action increases the cost at the local level where it is much harder to meet taxes. So I am hopeful that this is the last time, save one, for some time that we will have to come here to get authorizing legislation of this type, and I hope in the future this committee, which has done such a wonderful job in the past, will be able to recommend permanent legislation.

Mr. COLMER. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I too, want to endorse what the gentleman from California just said about this legislation. I understand that the committee placed a limitation of 2 years so that they could have a look-see at the situation at the end of that time, which I think is very well. But, at the expiration of that time, I think it would be most wise for some permanent legislation to be enacted. That reminds me that in the early stages of the preparation for the war in our defense effort, this idea of assistance to the local communities was inaugurated. It was first incorporated in the old Lanham Act as an assistance to small communities where substantial defense houses had been constructed. Some of you will recall that each year we had a fight here to get the few million dollars that were necessary to carry on this program in those areas that had suffered from the impact of defense workers or servicemen as the case might be. I am very happy that this Committee on Education and Labor has taken the necessary steps to bring about such legislation as we now have. I am very happy that Congress as a whole has recognized the necessity for it. As was pointed out in the debate on the preceding legislation, or the companion bill to this bill, which was for the construction of school facilities, this is not Federal aid to education in the sense that that term is commonly used. Neither is this socialism nor is it regimentation on the part of the Federal Government. This aid to these impacted areas is just as essential in our defense effort as are the guns and the ships and the planes and the ammunition that go into the program.

This bill is the so-called maintenance and operation bill. It furnishes the necessary assistance for the employment of teachers and for the operation of the schools. This is absolutely imperative in many of the school districts of this country.

Mr. Speaker, when an application was made for a rule on this bill before the Rules Committee, I took occasion to interrogate some members of the Committee on Education and Labor as to just how far the bill went. While I can see and realize the necessity for assistance of this type to small communities, I can-

not see the necessity for this type of assistance in the great metropolitan centers of our country; in other words, cities of the magnitude of New York, San Francisco, Los Angeles, Philadelphia, et cetera, which are perfectly capable of absorbing the impact to their school system. But when you take small communities of a few thousand population, that is not true, of course. And that was the primary objective of this legislation. I hope that it does not get out of hand, that we do not get into the general field of Federal aid to education as that term is understood.

I think this is a very good bill. I think it is an improvement over the existing legislation. I understand further, Mr. Speaker, that there is provision in the bill for facilitating the payment to these school districts so that they are paid seasonally whatever is coming to them, rather than having to borrow money to operate on, as they have in the past.

The machinery for handling this aid should be speeded up and the payments should be made promptly, and I understand there is ample provision in the bill to accomplish that purpose.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time. It is obvious that there is no substantial opposition to the legislation.

Mr. BROWN of Ohio. Mr. Speaker, I agree fully with what the gentleman from Mississippi [Mr. COLMER] has said as to the fact that this measure is not a bill for Federal aid to education; instead, it simply provides that the Federal Government shall contribute its fair share toward the support of schools in areas where the Federal Government itself has taken over much of the taxable property which would otherwise support the school districts and school operations, and also, where the Federal Government has moved large numbers of children into a school district and placed upon it responsibilities and expenses which are impossible for them to meet under the limitations of local and the State laws.

Mr. Speaker, I have no further requests for time, and I therefore move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. NELSON (at the request of Mr. SHORT), for the period July 6 to July 12, 1953, on account of committee business.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. HOSMER in three instances and to include extraneous matter.

Mr. SMITH of Wisconsin and to include extraneous matter, notwithstanding the fact that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $189.

Mr. NEAL.

Mr. PERKINS in three instances and to include extraneous matter.

Mr. MAGNUSON (at the request of Mr. METCALF).

Mr. PRICE in three instances and to include extraneous matter.

Mr. ABBITT and to include extraneous matter.

Mr. MILLER of Kansas.

Mr. HILLINGS in two instances and to include extraneous matter.

Mr. MARTIN of Iowa.

Mr. JAVITS and to include extraneous matter.

Mr. MERROW and to include a statement by Ambassador Lodge to the Committee on Foreign Affairs.

Mr. NORBLAD and to include extraneous matter.

Mr. DAVIS of Wisconsin (at the request of Mr. BYRNES of Wisconsin) and to include an editorial.

Mr. MASON to revise and extend his remarks made in the Committee and include a table.

Mr. ELLIOTT.

Mr. MCCORMACK and to include an address by Representative DEANE.

Mr. SIEMINSKI and to include extraneous matter.

Mr. ZABLOCKI and to include extraneous matter.

Mrs. PFOST and to include a letter.

Mr. DEMPSEY and to include a letter.

Mr. MULTER in two instances and to include extraneous matter.

Mr. SHEEHAN and to include extraneous matter.

Mr. MCDONOUGH.

Mr. WIER and to include an article.

Mr. KLEIN and to include extraneous matter.

Mr. HINSHAW and to include an editorial.

Mr. HALE in two instances and to include extraneous matter.

Mr. BEAMER and to include extraneous matter.

Mr. JONES of Missouri and to include telegrams and letters.

Mr. YORTY in three instances.

Mr. MCCORMACK and to include an article appearing in the New York Times, written by Arthur Krock, entitled "In the Nation."

Mr. EDMONDSON and to include certain letters.

SENATE BILLS REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2277. An act to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France; to the Committee on Armed Services.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 4623. An act to convey by quitclaim deed certain land to the State of Texas; and

H. J. Res. 292. Joint resolution authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives.

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 140. An act for the relief of John W. McBride;

S. 152. An act for the relief of Fred P. Hines;

S. 173. An act for the relief of Socorro Gerona de Castro;

S. 226. An act for the relief of Keiko Tashiro;

S. 297. An act for the relief of Dr. Arthur Tye;

S. 314. An act for the relief of Cornelius A. Navori;

S. 315. An act for the relief of Owen Lowrey;

S. 349. An act for the relief of May Ling Ng;

S. 458. An act for the relief of Angelo Gurisetti Podesta;

S. 505. An act for the relief of Rev. John T. MacMullen;

S. 604. An act for the relief of Maria Neglia and Angelo Neglia;

S. 616. An act for the relief of Dr. Albert Haas;

S. 719. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

S. 971. An act to authorize films and related material, for educational use to be transmitted through the mails at the rate provided for books;

S. 1078. An act to authorize the use of certificates by officers of the Armed Forces of the United States, in connection with certain pay and allowance accounts of military and civilian personnel;

S. 1082. An act to approve a conveyance made by the city of Charleston, S. C., to the South Carolina State Ports Authority, of real property heretofore granted to the city of Charleston by the United States of America;

S. 1262. An act for the relief of Stefanos A. Spilios, also known as Stephen A. Harrison;

S. 1422. An act to continue the effect of the statutory provisions relating to the deposit of savings for members of the Army and Air Force, and for other purposes;

S. 1529. An act to amend the act of July 28, 1942 (ch. 538, 56 Stat. 722), relating to posthumous appointments and commissions, and for other purposes;

S. 1544. An act to repeal the authority to purchase discharge from the Army, the Navy, the Air Force, and the Marine Corps;

S. 1579. An act for the relief of Mieko Kristine;

S. 1684. An act to facilitate civil-service appointment of persons who lost opportunity therefor because of service in the Armed Forces after June 30, 1950, and to provide certain benefits upon appointment;

S. 1995. An act to provide certain construction and other authority for the Military Departments in time of war or national emergency;

S. 2000. An act to authorize the retirement of non-Regular officers of the Army and Air

Force having more than 30 years' active Federal service under the same conditions presently provided for such officers having less than 30 years' service, and for other purposes; and

S. 2079. An act to provide for the use of the American National Red Cross in aid of the Armed Forces, and for other purposes.

THE LATE HONORABLE WILLIAM F. RUSSELL

The SPEAKER. The Chair recognizes the gentleman from Pennsylvania [Mr. GRAHAM].

Mr. GRAHAM. Mr. Speaker, in the absence of the dean of the Pennsylvania delegation, Hon. RICHARD M. SIMPSON, it becomes my sad duty to announce the death of our Sergeant at Arms, William F. Russell. Mr. Russell entered on his duties here as a member of our official force at the beginning of the 76th Congress. He came here with the late James Wolfenden first as minority Sergeant at Arms and then in the 80th Congress, he was appointed Sergeant at Arms. At the beginning of this Congress, again he was appointed Sergeant at Arms of the House. It so happens one of our colleagues, Hon. BENJAMIN F. JAMES served with him a number of years. I only want to say this, no more kindly, courteous and efficient man ever served in these Halls than William F. Russell. He was solicitous of the Members—of all the Members irrespective of party affiliation. I sometimes wonder if we who are so busily engrossed in our duties and responsibilities here realize and appreciate the fine courtesy and unqualified service that men such as William Russell give to us. He was always willing and anxious to be of service to Members on both sides of the aisle.

In the passing of this good man, we extend our sympathy to his family, his wife, and his children. May his soul rest in peace.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield.

Mr. WALTER. Mr. Speaker, the news just conveyed to us by the distinguished gentleman from Pennsylvania comes as a distinct shock to me. I knew Mr. Russell intimately for many years. He was a fine character devoted to public service, and I am sure we will all miss him.

Mr. JAMES. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield.

Mr. JAMES. I know the House is shocked and deeply grieved in the passing of our good friend, the Sergeant at Arms of the House, William F. Russell. Perhaps the shock and the grief comes to me with particular force because Bill Russell was not only a long-time resident of the district I have the honor to represent, but during most of his time spent in our district, he was my close personal friend. Bill Russell lived in the most populous part of our district, Upper Darby. He was a leading figure in every civic activity in that community. He was a soldier with me in the ranks, many years ago, of the Republican Party. Bill so ingratiated himself to the people of our county that in 1936 he was chosen by an overwhelming majority vote to be treasurer of Delaware County. The manner in which he served in that office and the efficiency that he brought to it was noted throughout the county.

It was one of the reasons why a bill was introduced in the legislature, though unsuccessful in passage, to give to the treasurers of the counties in Pennsylvania the right to succeed themselves. Bill did not have that right because of the prohibitions of law in the State, but he most certainly would have served in that office in a second term and then gone on to be of greater service in the county. However, he was brought down to Washington by the distinguished Congressman from our district who will be remembered by many of the older Members, Jim Wolfenden. "Bill" became known in our county, and proudly so, as our patronage in the House of Representatives of the United States. He came here in the 76th Congress as minority Sergeant at Arms and served in the 77th, 78th, and 79th Congresses in that capacity. In the 80th Congress he was made Sergeant at Arms. Then again in the 81st and 82d Congresses he was made minority Sergeant at Arms. Of course in this, the 83d session of the Congress, he again became Sergeant at Arms. I do not believe there is a single Member of this House who has not at one time or another been impressed with the ever readiness of Bill Russell to be of service to us. For my own part, I cannot remember a day when I came here in the morning and met Bill Russell when his greeting was not in these words, "Is there anything I can do for you?" He was the most friendly and most helpful man, not only here, but in my experiences with him at home, that I have ever known. I know that we shall all miss him in his passing.

Bill Russell enjoyed a splendid family life. He was a good husband and a great father. He was a most indulgent grandfather. To all the members of the fine family that he has left behind, I extend my most profound sympathy in this hour of their great bereavement, together with the hope that they may be consoled, as time passes, by pleasant memories of the happy years that he shared with them here on earth.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield to the gentleman from Ohio.

Mr. JENKINS. Mr. Speaker, the title "Sergeant at Arms" usually implies some militant connection, but it was so completely a misnomer in the life and activities of our good friend, Bill Russell. As we know, the work of the Sergeant at Arms is principally to render service to the Members of Congress. This service is not menial in any way but it is in the nature of official service. No man was better qualified by nature, by character, and by disposition to do that job than was Bill Russell. He was intelligent, dependable and very courteous. I will miss him greatly because he surely was helpful to me personally and officially.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM. I yield to the distinguished majority leader.

Mr. HALLECK. Mr. Speaker, the gentleman from Pennsylvania [Mr. JAMES] spoke of one of our departed colleagues, Jim Wolfenden. I have often thought of him. On this occasion I think of him again, because it was through him that I first met Bill Russell. Jim Wolfenden recommended Bill Russell highly and as time went on I came to know that Jim never said anything of Bill Russell that Bill Russell did not deserve. He has served us ably and well. He was a kindly gentleman and patriotic American who obviously enjoyed being here with us and working with us, as we enjoyed working with him and having him among us.

This tragic passing of a very fine friend and associate is proof once more that life is fleeting and uncertain, and death is inevitable for all of us. Yet, I think we can all again take comfort in the fact that man is here for a while, he has an opportunity to be of service, to make a contribution to his day and age, and, if he has done that, then certainly that man has no fear of death. It may well be said of Bill Russell, that his life, and his character, and all that he has done should be a comfort to those who miss him and who grieve over his passing. We shall miss him, but in missing him we shall all be better for having known him.

Mr. GRAHAM. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, the death of our very close associate, the Sergeant at Arms, Bill Russell, is trying to every Member, I know; it is particularly trying to us of the Pennsylvania delegation, a group within the House closely associated with him by reason of our residence in the State of Pennsylvania. We have been proud to have presented to the Congress Bill Russell as its Sergeant at Arms.

In Bill's death we lose a very close friend, a man eager to help each and every one of us in any particular problem.

To his family and his loved ones, to whom he has always been extremely close, I convey the deepest sympathy of each Member of the House and in particular the sympathy of the members of the Pennsylvania delegation with whom Bill met weekly, practically as a colleague. To his family we earnestly trust that our Father in Heaven may bring the solace that only He can bring through the years, in the passing of the wonderful father and husband that Bill was to them.

Mr. GRAHAM. Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MCCORMACK].

Mr. MCCORMACK. Mr. Speaker, as we all know who have served in this body, the House of Representatives is a very clannish institution. That middle aisle means nothing in our friendships and our respect for one another. As we as Members respect one another and have strong friendships that transcend political considerations, so do we of the House have a strong respect for every employee of the House of Representatives whether elected by the House or appointed. There is a very close relationship that exists between the Members of the House and all who serve us, no matter what the capacity may be, from the page boy up.

In the passing of Bill Russell each and every one of us has sustained a loss. He has risen to one of the most prominent positions in the organization of the House of Representatives through his own party; respected by his party, they honored him by nominating him as Sergeant at Arms, and then the House unanimously elected him. He was equally respected by members of the Democratic Party. Those of us who knew Bill Russell will always remember him for his sincerity, for his devotion to duty, for his sweet, smiling countenance, and particularly for his serious manner. He always impressed me as a gentleman possessed of a fine mind, possessed of nobility of character. We are all a little better off because we have known Bill Russell.

Mr. GRAHAM. Mr. Speaker, I yield to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Speaker, the sudden death of Sergeant at Arms William F. Russell has shocked me greatly and I join with other Members of the House in expressing my grief over the loss of a kind friend and an efficient and courteous official of the House of Representatives.

Those of us who hail from Pennsylvania take pardonable pride in the fact that Bill Russell was a native of the great Keystone State and we are equally proud of the high esteem in which he was held by all Members of Congress, regardless of their political affiliation.

The Sergeant at Arms of the House of Representatives holds a responsible position with many exacting duties that require qualifications far above the average. The fine reputation Bill Russell enjoyed is an indication of his nobility of character, his depth of human understanding and his ability to make and hold friends. Truly he was a public official gifted with an engaging personality that endeared him to those fortunate enough to have crossed his path on the busy highway of life.

We shall miss Bill Russell's kindly smile and the helpful attitude that he always displayed in carrying out his official duties.

Mr. GRAHAM. Mr. Speaker, I yield to the gentleman from California [Mr. JOHNSON].

Mr. JOHNSON. Mr. Speaker, it has been my privilege to have known Bill Russell for a number of years. Last summer, while we were working together at the Republican National Committee headquarters as general "handymen," I came to know him more intimately. He was always kindly, patient, and capable. No job was ever too big or too small. These undoubtedly were the principal qualities that had made him so well known as a successful man in business.

It was pleasing to me when I learned that he had been selected as our Sergeant at Arms. This line of work was one in which he had had considerable experience. He operated that office as efficiently as he would have operated a private bank. His leadership and courteous competence were reflected daily in the fine services rendered by the people in his office.

It is sad that we must lose his services and friendship so early in his life, but, since God decreed that his time for departure from this world had arrived, it is comforting for us to know that it came peacefully and quietly while he slept. He left his earthly responsibilities with a clear conscience, and I know his loved ones take great consolation in knowing that he had lived such a useful and unselfish life.

Mr. RAYBURN. Mr. Speaker, I desire to join my colleagues in mourning the passing of William Russell, Sergeant at Arms of the House.

I have known him many years and looked upon him as a personal friend. Bill was a fine public servant and splendid gentleman and good American.

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks at this point in the RECORD on the life and character of the late William F. Russell.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, William F. Russell, our late Sergeant at Arms, was always a gracious and courteous gentleman. He was a sympathetic man who never failed to console one in his or her disappointments. He was intensely fond of his family and loved to talk about them; invariably he would mention his wife, his children, and his grandchildren and their doings.

Mr. Russell was a veteran of World War I. He has had a long and important service in this House. As Sergeant at Arms he carried a heavy responsibility and he carried it well, striving to please and help the membership of this House.

It seems regrettable that it takes a loss of this nature to bring to us the realization of the great value of these faithful hard-working men upon whom we depend so much in our daily deliberations. We will miss Mr. Russell more than I can tell you.

To his wife and family go the sympathy and condolences of all of us.

Mr. AUCHINCLOSS. Mr. Speaker, there can be no question but that the House has lost a fine public servant in the death of our Sergeant at Arms, William F. Russell. His was a life of devoted service to his country and he always performed his duties and accepted his responsibilities with cheerfulness. He was a veteran of World War I, was elected minority Sergeant at Arms in the 76th Congress, and whenever the Republican Party was in the majority he served as Sergeant at Arms, the post he filled at the time of his death.

Bill Russell was a man who always wanted to be of service and he was meticulous in carrying out the wishes of those he served. He made many a friend among the Members of the House and his cheerful spirit, his zeal and fidelity, and his stanch Americanism endeared him to us all. It was a fine thing to have known Bill Russell and his passing leaves a gap which is hard to fill.

My warmest and most sincere sympathy goes to his family in this hour of their bereavement and I am sure they will take comfort in the knowledge of his useful life and the host of friends he made.

Mr. DAGUE. Mr. Speaker, I am deeply moved by the word of the untimely passing of our good friend William F. Russell, who has distinguished himself in the service of this House as its Sergeant at Arms.

Bill Russell made an art of the practice of simple courtesy, and I am sure that there is not a Member of this body who has not at some time come under the warming influence of his wholehearted generosity. We of the Pennsylvania Republican delegation will particularly miss him, since he earned and enjoyed that same confidence which we are wont to reserve only for our colleagues.

It is with heavy hearts that we mark the passing of this outstanding public servant, and it is with prayerful hearts that we implore those divine ministrations which will cure the sorrow of his beloved wife and make easier for her the way which now seems so dark ahead.

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I offer a resolution (H. Res. 324) and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That the House has heard with profound sorrow of the death of Hon. William F. Russell, Sergeant at Arms of the House.

Resolved, That as a mark of respect to his memory the Speaker appoint a committee of six Members to attend the funeral services.

Resolved, That the necessary expenses in connection with the funeral services be paid out of the contingent fund of the House.

Resolved, That the Clerk transmit a copy of these resolutions to the family of the deceased.

The SPEAKER. The Chair appoints as members of the funeral committee the following: Messrs. FENTON, GAVIN, MCCONNELL, JAMES, WALTER, and GREEN.

The Clerk will report the further resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect to the memory of the deceased the House do now adjourn.

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 5 o'clock and 16 minutes p. m.) the House, pursuant to its previous order, adjourned until tomorrow, Thursday, July 9, 1953, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

829. A letter from the Acting General Counsel, Office of the Secretary of Defense, transmitting a draft of a bill entitled, "A bill to authorize the Secretary of the Navy to transfer to the Commonwealth of Puerto Rico certain lands and improvements at the United States Naval Station, San Juan, P. R., in exchange for certain other lands"; to the Committee on Armed Services.

830. A letter from Acting Secretary of Commerce, transmitting a draft of a bill entitled "A bill to repeal the act entitled 'An act to authorize the Director of the Census to collect and publish statistics of red-cedar shingles' "; to the Committee on Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 4153. A bill to extend the benefits of certain provisions of the Reclamation Project Act of 1939 to the Arch Hurley Conservancy District, Tucumcarie reclamation project, New Mexico; with amendment (Rept. No. 715). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. Senate Joint Resolution 6. Joint resolution to provide for a continuance of civil government for the Trust Territory of the Pacific Islands; with amendment (Rept. No. 716). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 322. Resolution for consideration of H. R. 4351, a bill to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes; without amendment (Rept. No. 717). Referred to the House Calendar.

Mr. McCULLOCH: Committee on the Judiciary. House Joint Resolution 161. Joint resolution authorizing and requesting the President to designate 1953 as the 50th anniversary year of farm demonstration work; without amendment (Rept. No. 740). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 325. Resolution for consideration of H. R. 6054, a bill to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes; without amendment (Rept. No. 741). Referred to the House Calendar.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. H. R. 5741. A bill to amend section 39 of the Trading With the Enemy Act of October 6, 1917, as amended, without amendment (Rept. No. 742). Referred to the Committee of the Whole House on the State of the Union.

Mr. KEAN: Committee on Ways and Means. H. R. 5898. A bill to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective; without amendment (Rept. No. 743). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. S. 67. An act for the relief of Anastasia John Tsamisis; without amendment (Rept. No. 718). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 69. An act for the relief of Dr. Peter C. T. Kao; without amendment (Rept. No. 719). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 143. An act for the relief of Hanni Marie Matuschke; without amendment (Rept. No. 720). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 196. An act for the relief of Alejandro de la Cruz Hernandez; without amendment (Rept. No. 721). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 486. An act for the relief of Che Kil Bok; without amendment (Rept. No. 722). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 556. An act for the relief of Marinella Taletti; without amendment (Rept. No. 723). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 615. An act for the relief of Altoon Saprichian; without amendment (Rept. No. 724). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 669. An act for the relief of Helene Olga Iwasenko; without amendment (Rept. No. 725). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. S. 815. An act for the relief of Steven M. Pivnicki; without amendment (Rept. No. 726). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 684. A bill to effect entry of Kim Jung Soo to be adopted by United States citizens; with amendment (Rept. No. 727). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 726. A bill for the relief of Helga G. Jordan and her son; with amendment (Rept. No. 728). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 824. A bill for the relief of Demetrious Konstantno Papanicolaou; without amendment (Rept. No. 729). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 965. A bill for the relief of Michael Demcheshen; with amendment (Rept. No. 730). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 1148. A bill for the relief of Antonino Cangialosi (or Anthony Consola); without amendment (Rept. No. 731). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 1339. A bill for the relief of Dr. Soon Tai Ryang; with amendment (Rept. No. 732). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 1795. A bill for the relief of Helena Shostenko; without amendment (Rept. No. 733). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 2029. A bill for the relief of Rose Maria Gradelone Calicchio; with amendment (Rept. No. 734). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 2035. A bill for the relief of Mrs. Michaline Borzecka; without amendment (Rept. No. 735). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 2603. A bill for the relief of Carmela Daino Davenia; without amendment (Rept. No. 736). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 2774. A bill for the relief of Endre Szende, Zsuzsanna Szende, Katalin Szende (a minor), and Maria Szende (a minor); with amendment (Rept. No. 737). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 2785. A bill for the relief of Wera Fazio, a minor; with amendment (Rept. No. 738). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on the Judiciary. H. R. 2801. A bill for the relief of David Zorub; without amendment (Rept. No. 739). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLARDY:

H. R. 6153. A bill to provide for the release to the city of Lansing, Mich., of all of the right, title, and interest of the United States in and to certain real property heretofore conditionally granted to such city; to the Committee on Public Works.

By Mr. D'EWART:

H. R. 6154. A bill to authorize payment of salaries and expenses of officials of the Fort Peck Tribe; to the Committee on Interior and Insular Affairs.

By Mr. JACKSON:

H. R. 6155. A bill authorizing a gift of surgical equipment and expression of good will from the people of the United States to the people of the Republic of Panama; to the Committee on Foreign Affairs.

By Mrs. PFOST:

H. R. 6156. A bill to permit the free marketing of newly mined gold; to the Committee on Banking and Currency.

By Mr. RAINS:

H. R. 6157. A bill to provide for a warranty in the case of homes financed with mortgages insured or guaranteed under the National Housing Act, as amended, or the Servicemen's Readjustment Act of 1944, as amended; to the Committee on Banking and Currency.

By Mr. REES of Kansas:

H. R. 6158. A bill to amend the Classification Act of 1949, as amended; to the Committee on Post Office and Civil Service.

By Mr. MILLER of Kansas:

H. R. 6159. A bill to provide for the issuance of a special postage stamp in honor of Amelia Earhart Putnam; to the Committee on Post Office and Civil Service.

By Mr. WHITTEN:

H. R. 6160. A bill to provide the House of Representatives with a staff to make reports on proposed legislation, and objective analyses of the reports from the executive branch on proposed legislation; to the Committee on House Administration.

By Mr. CHUDOFF:

H. R. 6161. A bill to restore the jurisdiction of the district courts in certain civil actions brought against the United States; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 6162. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. FINE:

H. R. 6163. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. KLEIN:

H. R. 6164. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRETT:

H. R. 6165. A bill for the relief of Carolina Montini; to the Committee on the Judiciary.

H. R. 6166. A bill for the relief of Francesco Strati; to the Committee on the Judiciary.

By Mr. BRAY:

H. R. 6167. A bill for the relief of Orville G. Everett and Mrs. Agnes H. Everett; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 6168. A bill for the relief of Ciro Masuella; to the Committee on the Judiciary.

By Mr. KEOGH:

H. R. 6169. A bill for the relief of Tommaso Esposito; to the Committee on the Judiciary.

By Mr. KILBURN:

H. R. 6170. A bill for the relief of James (Gino) Struglia; to the Committee on the Judiciary.

By Mr. METCALF:

H. R. 6171. A bill for the relief of J. C. Eastland; to the Committee on the Judiciary.

By Mr. RILEY:

H. R. 6172. A bill for the relief of Patricia Ann Niffenegger; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

386. By the SPEAKER: Petition of the Commandant, Navy Club of the United States of America, Rockford, Ill., requesting the President of the United States and the Congress to continue the Naval Reserve at its present strength or increase it further to make up for any curtailment in the Regular Navy program, also that funds be appropriated to carry out the present or expanded program; to the Committee on Armed Services.

387. Also, petition of S. Kuyahara and 450 others, Kumamoto Junior College, Kumamoto, Japan, requesting release of the Japanese people who are serving prison terms as war criminals; to the Committee on Foreign Affairs.

SENATE

THURSDAY, JULY 9, 1953

(Legislative day of Monday, July 6, 1953)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, in times when life is somber with bitter loss and the nights are peopled with wistful longings for those who come not back; when sickening sights are held before our shocked eyes of untold thousands of our fellow beings tortured by lustful cruelty; when the tempo of these epochal days is swift and frantic with unpredictable events tumbling upon us without warning, in a world already wildly chaotic: O Thou God who art from everlasting to everlasting and to whom a thousand years are but one day, in a still moment like this may a holy hush within our spirits whisper words of courage and fortitude and fidelity. Though the road to peace in our time and for our children's children be tedious and toilsome, still lead us on following the gleam of Thy guidance with clean hands and pure hearts, worthy of the trust the Nation has committed to our keeping. In the Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 8, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on July 8, 1953, the President had approved and signed the act (S. 35) to amend the Federal Airport Act in order to provide for an extension for a limited period of the program for the repair and rehabilitation of public airports damaged by Federal agencies, and for other purposes.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5173. An act to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes; and

H. R. 6049. An act to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 1528) to authorize the exchange of lands of the Appomattox Court House National Historical Monument, Virginia, for non-Federal lands, and it was signed by the President pro tempore.

REQUEST FOR MEETING OF THE COMMITTEE ON THE JUDICIARY DURING SENATE SESSION

Mr. WATKINS. Mr. President, I ask unanimous consent that the Committee on the Judiciary may meet during the session of the Senate tomorrow.

Mr. JOHNSON of Texas. I object. I should like to state, Mr. President, that henceforth it will be the policy of the minority to object to holding committee meetings during sessions of the Senate, except in very unusual cases.

REPORT ON INCLUSION OF ESCAPE CLAUSES IN EXISTING TRADE AGREEMENTS—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 205)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying report, referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to the provisions of subsection (b) of section 6 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Congress), I hereby submit to the Congress a report on the inclusion of escape clauses in existing trade agreements.

This detailed report was prepared for me by the Interdepartmental Committee on Trade Agreements.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 9, 1953.*

(Enclosure: Report on trade agreement escape clauses.)

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour, to permit Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual 2-minute limitation on speeches.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KNOWLAND. Under the unanimous-consent agreement there is to be a morning hour under the 2-minute rule for insertions in the RECORD and transaction of routine business.

DISPOSITION OF EXECUTIVE PAPERS

The PRESIDENT pro tempore laid before the Senate a letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition, which, with the accompanying papers, was referred to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The PRESIDENT pro tempore appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the committee on the part of the Senate.

RESOLUTIONS OF VERMONT BANKERS' ASSOCIATION

Mr. FLANDERS. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, two resolutions adopted

by the Vermont Bankers' Association. The first resolution relates to the efforts now being made to stabilize the value of the dollar, and the second pertains to the United States savings-bond program.

There being no objection, the resolutions were received, appropriately referred, and ordered to be printed in the RECORD, as follows:

To the Committee on Banking and Currency:

"The members of this association, as well as all thoughtful people, are aware of the crucial times in which we are living. They are deeply conscious of the responsibility of each individual American to make freedom work not only in the United States but throughout the world. They are also aware of the courageous and far-sighted effort being made by a new national administration to put this country in a sound defensive position not only in regard to its military power but in respect to its economic strength. They are aware that the road to economic strength is not necessarily the line of least resistance or the pleasantest path: Therefore be it

"*Resolved*, That the Vermont Bankers' Association asserts its confident support of the President of the United States, the Secretary of the Treasury and their associates in the efforts now being made to stabilize the value of the dollar, to combat inflation and thereby to maintain the economy of this country on a sound and realistic base."

To the Committee on Finance:

"Whereas the vast public debt of the United States must, in the interest of a sound and balanced economy be carried increasingly by individuals, businesses and funds, apart from the commercial banking system of the country; and

"Whereas it is wise and sound and in the interest of enlightened freedom that the greatest possible number of individuals be shareholders in the finances of their Government; and

"Whereas the safety of the country requires that the public debt be thus assimilated by the people and the channels of finance so far as possible be freed for further financial effort as necessity may arise; and

"Whereas the history of free countries has tended to prove that thrift as an element of character is an essential to individual independence and good citizenship: Therefore be it

"*Resolved*, That the Vermont Bankers Association pledges an increasing support of the United States savings-bond program and an intensified effort to extend the enrollment of Vermonters in plans for periodic purchase of United States savings bonds."

REGULATION OF SALE OF NATURAL GAS AT WELLHEAD—RESOLUTION OF COMMON COUNCIL, MILWAUKEE, WIS.

Mr. WILEY. Mr. President, I have previously mentioned on the Senate floor the great fight which has been waged by the State of Wisconsin and the city of Milwaukee, in particular, to protect consumers against arbitrary and unfair natural-gas-rate gouging.

I pointed out at the time that this battle for consumer protection has been waged in the Senate as well, notably by my able crusading colleague from New Hampshire [Mr. TOBEY] who is right now heavily engaged in the people's interest in the never-ending war against crime.

I present a resolution which was forwarded to me by the Milwaukee Common Council on behalf of regulation by the Federal Power Commission of the sale of natural gas at the wellhead.

I support the sentiments of the resolution, and ask unanimous consent that it be printed at this point in the RECORD and appropriately referred to the Senate Committee on Interstate and Foreign Commerce.

There being no objection, the resolution was referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Resolution authorizing city attorney to take steps to oppose Federal bills H. R. 2120 and H. R. 2679, to amend Natural Gas Act

Whereas the Common Council of the City of Milwaukee is vitally interested in matters pertaining to the regulation of the wholesale and retail rates for natural gas; and

Whereas there are a great many consumers who are affected by the price of natural gas, including the wholesale price thereof and the price of natural gas sold at the wellhead; and

Whereas in the determination of natural-gas prices to the consumers, of which there are substantial numbers in the city of Milwaukee, it is necessary that reasonable wellhead and wholesale rates be obtained to the end that excessive charges for natural gas are not made to the consumers; and

Whereas any limitations placed upon the jurisdiction of the Federal Power Commission to regulate natural-gas rates so as to prevent or substantially restrict regulation of such rates by the Commission is not in the public interest: Now, therefore, be it

Resolved by the Common Council of the City of Milwaukee, That the city attorney be, and he hereby is, instructed and requested to take all steps required to oppose bills introduced either in the House of Representatives or in the United States Senate which would limit, restrict, or confine the jurisdiction of the Federal Power Commission to regulate the sale of natural gas at the wellhead or the wholesale rates pertaining to the sale of natural gas; and be it further

Resolved, That the city attorney be, and he hereby is, requested and authorized to take any and all steps necessary, and which he considers appropriate and effective, to oppose the following bills: H. R. 2120 and H. R. 2679, to amend the Natural Gas Act, and any other bills which may be designed to limit, restrict, or confine the jurisdiction of the Federal Power Commission to regulate the sale of natural gas at the wellhead or the wholesale rates pertaining to the sale of natural gas.

WALTER M. W. SPLAWN—RESOLUTION OF COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. TOBEY. Mr. President, at a recent executive session of the Committee on Interstate and Foreign Commerce, the committee unanimously adopted a resolution commending the distinguished public service of a splendid retiring public servant, the Honorable Walter M. W. Splawn, of the Interstate Commerce Commission.

In view of the fact that Dr. Splawn's retirement became effective as of June 30, and because of his career represents an outstanding example of devoted, selfless, and able public service, I should like to call the attention of our colleagues to the action we have taken. The sentiment expressed by the committee are well deserved by Dr. Splawn, and his outstanding record deserves the widest possible recognition.

I ask unanimous consent that the resolution be printed in the body of the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OFFERED BY SENATOR CHARLES W. TOBEY, CHAIRMAN OF THE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, FOR CONSIDERATION AND ADOPTION BY THE FULL COMMITTEE IN EXECUTIVE SESSION, JULY 7, 1953, IN COMMENDATION OF THE SERVICES AS A PUBLIC SERVANT OF THE HONORABLE WALTER MARSHALL WILLIAM SPLAWN, FORMERLY OF THE INTERSTATE COMMERCE COMMISSION

Whereas the retirement of the Honorable Walter Marshall William Splawn from membership on the Interstate Commerce Commission became effective June 30, 1953, concluding 19 years of public service as a member of this Commission; and

Whereas Dr. Splawn's contributions to the commonweal have taken many other forms during his notable career, such as professor of social sciences and dean of Baylor University, professor of economics, and later president of the University of Texas, dean of the graduate school of the American University in Washington, D. C., member of the Railroad Commission of the State of Texas, chairman of the board of arbitration between management and employees of the western railroads, a referee under the Settlement of War Claims Act, special counsel of the House Committee on Interstate and Foreign Commerce, vice chairman of the Interdepartmental Committee on Aviation, and as an author in the fields of economics and transportation; and

Whereas the results of his outstanding work in the fields of public utility regulation, especially as it concerns railroads and communications facilities, are still of great effect; and

Whereas Dr. Splawn has added greatly to the lustre of the Commission as an independent, objective, and detached agency of Government, through his devotion to his work, his mastery of the materials of that work, his scholarly approach and great integrity; and

Whereas we of this committee who have followed his career on the Commission with particular interest have long been convinced that Dr. Splawn has achieved for himself a position of great eminence in the field of public service and a deserved reputation as one of the truly outstanding members of the Interstate Commerce Commission in its long history: Now, therefore, be it

Resolved, That the Committee on Interstate and Foreign Commerce of the United States Senate express its fulsome commendation of Dr. Walter Marshall William Splawn on the occasion of his retirement from the Interstate Commerce Commission for his great contributions to the public welfare; that the committee express its deep respect for Dr. Splawn the man, for his integrity, courage, and independence, and for the masterful qualities of his mind; and that the committee wish him Godspeed and continued happiness and satisfaction in whatever he may undertake for the benefit of his fellow men.

REPORTS OF A COMMITTEE

The following reports of a committee were submitted:

By Mr. BRICKER, from the Committee on Interstate and Foreign Commerce:

S. 281. A bill to amend section 1 (17) (a), section 13 (3), and section 13 (4) of the Interstate Commerce Act in order to extend to the Interstate Commerce Commission

power to prescribe the discontinuance of certain railroad services in intrastate commerce when found to be unreasonably discriminatory against or to constitute an undue burden on interstate commerce; without amendment (Rept. No. 510).

By Mr. TOBEY, from the Committee on Interstate and Foreign Commerce:

S. 1402. A bill to amend the Air Commerce Act of 1926, as amended, to authorize navigation of foreign, nontransport, civil aircraft in the United States through reciprocity and under regulations of the Civil Aeronautics Board; with an amendment (Rept. No. 512).

H. R. 1026. A bill to amend the Public Health Service Act, with respect to the provisions of certain medical and dental treatment and hospitalization for certain officers and employees of the former Lighthouse Service and for dependents and widows of officers and employees of such Service; without amendment (Rept. No. 511).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. YOUNG:

S. 2328. A bill for the relief of August Koehler and Emilia Koehler; to the Committee on the Judiciary.

By Mr. HUNT:

S. 2329. A bill for the relief of Garabed Papanian; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 2330. A bill to provide for the use of the tribal funds of the Southern Ute Tribe of the Southern Ute Reservation, to authorize a per capita payment out of such funds, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BUSH:

S. 2331. A bill for the relief of Battista Dino Borelli and Franca Canesi Borelli; to the Committee on the Judiciary.

By Mr. BRIDGES:

S. 2332. A bill to resume the redemption of currency in gold in order to restrain further deterioration of the dollar and to curb further inflation, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. BRIDGES when he introduced the above bill, which appear under a separate heading.)

By Mr. MUNDT:

S. 2333. A bill to amend title III of the act of March 3, 1933, so as to insure that preference will be given, in the acquisition of wool and wool products by the Federal Government, to wool produced and wool products manufactured within the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. PURTELL:

S. 2334. A bill for the relief of Margaret Wei-Chin Mun; to the Committee on the Judiciary.

By Mr. MAGNUSON:

S. 2335. A bill for the relief of Hal A. Marchant; and

S. 2336. A bill for the relief of Frederick Stoof; to the Committee on the Judiciary.

By Mr. SMATHERS:

S. 2337. A bill for the relief of Jose Alvares; to the Committee on the Judiciary.

By Mr. JACKSON:

S. 2338. A bill for the relief of Madaline Margaret Smith; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2339. A bill for the relief of certain Pakistan aliens; to the Committee on the Judiciary.

RIGHT OF SELF-GOVERNMENT BY PEOPLES OF ALL NATIONS

Mr. GILLETTE. Mr. President, on Wednesday last week the Senate debated at some length the importance of an expression of United States policy in favor of independence for the Associated States comprising French Indochina. An effort to formulate this expression as an amendment to the foreign aid bill was defeated by a vote of 64 to 17. While this heavy vote was a recognition by the Senate that such legislation should not be used to impose conditions on a recipient country, particularly in its relations with other countries, it would be a grave mistake for anyone to misconstrue that vote as a true expression of the sentiments of this body with regard to colonialism.

It was this thought, I am sure, that prompted the junior Senator from Michigan to introduce his resolution on Thursday, seeking an expression of the desire of Congress to see the peoples of Cambodia, Laos, and Vietnam attain their goals of freedom, independence, and self-government.

Meanwhile, also last week, the Senate passed a resolution with respect to East Germany, expressing the conviction that "the people of East Germany are entitled to their basic, inalienable, God-given rights and freedoms for which they are now struggling."

Thus, Mr. President, within the past few days the Senate has twice taken action leading to a declaration with regard to freedom and independence for colonial peoples in one part of the world and for Communist-dominated people in another part of the world. I am persuaded that these efforts are a true reflection of the fundamental beliefs of the American people and should so be interpreted abroad. But I do not consider these efforts sufficient.

At the same time, I believe it is important to make it unmistakably clear that the Senate is concerned with freedom, independence and self-government not only for the peoples of one part of the world or another, but for all peoples everywhere who are struggling for liberty and self-determination.

In other countries behind the Iron Curtain there are at this very moment desperate struggles by oppressed peoples to liberate themselves from the yoke of foreign Communist oppression. What is happening in East Germany is being repeated in other parts of the Soviet Empire. In my judgment, the Senate of the United States should not restrict its expression of sympathy and support only to the valiant people in the eastern zone of Germany, but should declare itself with regard to all peoples suffering under Soviet domination. This is indeed incumbent on us if we are to continue in the spirit of the great Atlantic Charter.

Furthermore, the peoples of the Associated States of Cambodia, Laos, and Vietnam are not the only peoples in Asia, or in the Middle East and Africa, who today are striving to liberate themselves from foreign control and to establish independent self-government. Although the struggles of many of these other colonial or dependent peoples have fortunately not been transformed into the kind of armed conflict that is wracking Indochina, unless efforts are made to recognize the rights to freedom and self-determination of these other peoples, their present political struggle for these rights may well degenerate, under the impulsion of Communist agents, into open warfare.

Therefore, Mr. President, I am convinced that it is the responsibility of the Senate to express its sentiments with respect to all peoples, wherever they may be in the world, who are seeking independence, freedom, and the right to a government of their own choice.

I submit for appropriate reference a resolution relating to the subject matter to which I have just referred.

The resolution (S. Res. 138) submitted by Mr. GILLETTE was received and referred to the Committee on Foreign Relations, as follows:

Whereas it is the United States policy to uphold the purposes and principles of the United Nations Charter and the Declaration of Principles of the Atlantic Charter; and

Whereas one of the purposes of the United Nations Charter is "to develop friendly relations among nations based on respect for the principle of equal rights and self-determination;" and

Whereas one of the principles of the Atlantic Charter is to "respect the right of all peoples to choose the form of government under which they will live" and "to see sovereign rights and self-government restored to those who have been forcibly deprived of them;" and

Whereas there are many nations with which the United States wishes to develop friendly relations but which do not enjoy equal rights and self-determination, and many nations which do not enjoy the right to choose the form of government under which they live, or which have been forcibly deprived of their sovereign rights and self-government; and

Whereas there is clear and growing evidence of the determination of the peoples of such nations to achieve equal rights, self-determination, sovereign rights, and self-government; and

Whereas it is in the interests of the United States and of free peoples throughout the world that these peoples liberate themselves from foreign domination in order to, and in such manner as to strengthen the forces of freedom and weaken the forces of totalitarian dictatorship; and

Whereas the American people have pursued a traditional dedication to political liberty and a traditional opposition to all forms of imperialism: Now, therefore, be it

Resolved, That in reaffirming the policy of the United States to uphold the purposes and principles of the United Nations Charter and of the Atlantic Charter and to assist free peoples to retain their freedom and independence, the Senate further declares it should be the policy of this Government: (1) To respect the right of all peoples to choose the form of government under which they will live, (2) to encourage restoration of sovereign rights and self-government to those who have been forcibly deprived of them, (3) to support the aspirations for freedom and the orderly development of self-government of colonial peoples throughout the world; and (4) to assist, as soon as it may become practicable, in developing the human and material resources of such peoples.

AMENDMENT OF WHEAT MARKETING QUOTA PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938—AMENDMENT

Mr. KERR. Mr. President, on behalf of myself, and my colleague, the junior

Senator from Oklahoma [Mr. MONRONEY], I submit an amendment intended to be proposed by us, jointly, to the bill (S. 2099) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes. I ask unanimous consent that the amendment be printed in the RECORD.

The PRESIDENT pro tempore. The amendment will be received, appropriately referred, and, without objection, will be printed in the RECORD, as requested by the Senator from Oklahoma.

The amendment submitted by Mr. KERR (for himself and Mr. MONRONEY), was received, ordered to lie on the table, and to be printed in the RECORD, as follows:

On page 4, after line 24, insert the following:

"(c) By inserting in paragraph (7), immediately after the first sentence thereof, the following: A farm marketing quota on wheat shall not be applicable during the marketing year beginning in 1954 to any farm located within any area in which there has occurred during the calendar year 1953 a major disaster as determined by the President under section 2 (a) of the act entitled 'An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes,' approved September 30, 1950."

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred as indicated:

H. R. 5173. An act to provide that the excess of collections from the Federal unemployment tax over unemployment compensation administrative expenses shall be used to establish and maintain a $200 million reserve in the Federal unemployment account which will be available for advances to the States, to provide that the remainder of such excess shall be returned to the States, and for other purposes; to the Committee on Finance.

H. R. 6049. An act to amend Public Law 815, 81st Congress, to provide a temporary program of assistance in the construction of minimum school facilities in areas affected by Federal activities, and for other purposes; to the Committee on Labor and Public Welfare.

NOTICE OF PUBLIC HEARINGS ON SMALL-BUSINESS LEGISLATION

Mr. CAPEHART. Mr. President, on behalf of the Committee on Banking and Currency, I desire to give notice that public hearings will be held on H. R. 5141—Hill bill—and other bills pertaining to small-business legislation and to the termination of the Reconstruction Finance Corporation now pending before the committee.

The hearing will begin at 10 a. m. on Monday, July 13, 1953, in room 301, Senate Office Building.

NOTICE OF PUBLIC HEARINGS ON BANK HOLDING LEGISLATION

Mr. CAPEHART. Mr. President, on behalf of the Committee on Banking and Currency, I desire to give notice that public hearings will be held on S. 76 and S. 1118, to provide for the control and regulation of bank-holding companies, beginning at 10 a. m. on July 21, 1953, and continuing through July 22-23, in room 301, Senate Office Building.

All persons who desire to appear and testify at the public hearings are requested to notify Mr. Ira Dixon, chief clerk, Committee on Banking and Currency, room 301, Senate Office Building, telephone National 8-3120, extension 992, as soon as possible.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. SCHOEPPEL:

Address on conditions in the livestock industry, delivered by him on June 21, 1953, in Salina, Kans., before the National Livestock Auction Association.

By Mr. FLANDERS:

Radio address delivered by Levi P. Smith, president of Burlington, Vt., Savings Bank, on the subject of the savings bond program.

By Mr. GILLETTE:

Article entitled "The Attack on the U. N.," written by Ralph J. Bunche and published in the Progressive for June, 1953.

By Mr. WILEY:

Editorial entitled "Compromise With BRICKER" published in the Washington Post of July 9, 1953.

By Mr. THYE:

Article entitled "Ben's Post Office Stays the Same," written by Jack Wilson, published in Look magazine and reprinted in the Minneapolis Star of July 6, 1953.

By Mr. CLEMENTS:

Article entitled "GOP Forced To Postpone Its Drive for Hard Dollar," written by James Y. Newton, and published in the Washington (D. C.) Evening Star of July 7, 1953.

Editorial comment and articles from Louisville Courier-Journal, Washington Post, and New York Times, regarding a study of the work of Congress.

Article entitled "Dollar's Buying Power Hinges on Rival Aims of Agencies," written by James Y. Newton, and published in the Washington Evening Star of July 8, 1953.

By Mr. BYRD:

Article entitled "Congress Must Recover Its Control Over the Nation's Spending Power," written by Christian A. Herter, Governor of Massachusetts, and published in the Saturday Evening Post.

Article written by Jean Welke, and published in the Alexandria (Va.) Gazette of July 4, 1953, recounting the participation by Charles Parmer, Virginia's representative, in Connecticut's pageant honoring the French general, Rochambeau.

By Mr. POTTER:

Editorial entitled "Mr. Warren's Obstacle Course," from the New York Journal of Commerce of June 23, 1953, relating to the authority of the Comptroller General to review shipbuilding contracts.

By Mr. JACKSON:

Editorial regarding the Bonneville Power Administration, published in the Portland Oregonian of June 23, 1953.

Editorial regarding electric-power projects in the Pacific Northwest, published in the Seattle Times of June 15, 1953.

By Mr. MAGNUSON:

Article regarding the Hells Canyon Dam, written by Clay L. Cochran, and published in the June issue of the Rural Electrification magazine.

By Mr. HUMPHREY:

Address delivered by him at 13th national convention of Townsend Clubs of America.

Article entitled "Fitting the Facts," written by Alfred D. Stedman, and published in the St. Paul Sunday Pioneer Press.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, when the morning hour has been concluded, the Senate will have before it the unfinished business, the emergency drought legislation. When the Senate has completed action on that bill another bill on the calendar will be taken up, but I would then first propose to move that the Senate go into executive session for the consideration of the treaties that were reported on July 2, dealing with taxation and debt settlements. I would not move to take up today either the status of forces agreements or the wheat agreement. I make the statement so Senators may be advised. The Senate will hold a night session tonight.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

The PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business, which is S. 2267.

The Senate resumed the consideration of the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. GRISWOLD], as a substitute for the amendment offered by the Senator from Oklahoma [Mr. KERR].

THE AIR FORCE BUDGET

Mr. WELKER. Mr. President, before I begin my remarks, I should like to ask my colleagues not to interrupt me during the speech. I hope they will appreciate the reason for my request. It is a rather lengthy speech. Therefore, I shall decline to yield during the course of it.

Mr. President, I wish to discuss with the Senate today the proposed reductions in the Air Force budget. I want the Senate to be advised that I do not personally know the Secretary of Defense, Mr. Wilson, or his associates, Mr. Kyes and Mr. McNeil, whose names have been mentioned on the floor of the Senate many times. I desire to say—leaving the text of my speech for a moment—that the people of Idaho, and I believe the people all over the Nation, know that I respect the military leadership of our great Commander in Chief, President Eisenhower. With this preliminary statement, I wish to direct a few remarks to the ever-present question of the reduction of the Air Force budget.

Since the days before World War II, the American people—and Congress as well—have maintained an intense interest in the state of the Nation's defenses. It is altogether proper that they should do so in the light of world conditions.

For this is a world in conflict, convulsed with passion and hatred. It is a world divided into two gigantic power blocs, each with massive military machines. The old saying about "keeping your powder dry" was never more appropriate than today.

In a republic, a situation of this nature always sets the stage for the man on horseback. National strain produces, in

time, the individual or groups who seek to turn that strain to their advantage, or to the advantage of the special pleading which they support for personal or other reasons.

Our national defense dilemma—our national concern over maintaining an adequate military preparedness within a sound economy in an era of wars and rumors of wars—has been a fertile seedbed for the self-seekers, the headline hunter, the rumor monger, the calamity howler, and especially the man who can say, with some air of authority, that "the goblins will get you if you do not watch out."

I have turned my mind to this threat of our times, Mr. President, in connection with the great commotion over the size of the budget of the United States Air Force. It is a case precisely in point. I feel so deeply about it that I must express myself on the issue it raises—one which is fundamental to our system of government.

I have become disturbed—and so have a great number of people throughout the Nation, especially the people whom I have the honor in part to represent—over trends which have resulted from the pompous goosestepping of certain of our military leaders. Like spoiled children, they complain loud and long each time some civilian in authority over them dares to apply logic and sensible perspective to the huge and wasteful military processes over which they exercise almost dictatorial control.

Let me digress for a moment to say that I am not referring in particular to the Air Force. I am referring to every branch of the Military Establishment when I say that I have become very much disturbed when they send their representatives here with their pompous demands of Congress and of civilians for that which they so much desire.

Each year I have been in Washington I have heard the baleful cry, "The goblins will get you," if even so much as a question is raised about the motives, the objectives, the past, present, and future of this or that military program.

We have now reached the dangerous point where even men of the conservative press—or at least their supposedly objective reporters and editorial writers—shower with praise the lifelong militarist when he swaggers forth, with all the fanfare of television, newsreel, and press before the Congress, using the rank his Nation bestowed upon him to add luster to his arguments, charging dramatically, and with misleading evidence, that every place the new budget touches upon the billions of dollars available to his particular force will disastrously affect the security of America.

General Vandenberg—a great soldier, who served our Nation well, and served under our Commander in Chief—as I once heard the Commander in Chief say, "We went to war together"—has just gone into retirement. His recent deliberate attacks on civilian control of the American military seem to have become the accepted way for the retiring general or admiral to endear himself forever to his old school-tie fraternity. The thing to do seems to be to accuse everyone of stupidity except your own branch of the Armed Forces and, of course, admit no error on your own part.

Thus you may get an airport named after you, or some big bomber. Thus you may earn the undying gratitude and admiration of those men in your service who, as my good friend the distinguished senior Senator from Michigan [Mr. FERGUSON] said the other day, believe that you can stick feathers on a dollar bill and convert it into an Air Force wing.

Creating "wings" in this fashion, of course, makes it possible to promote fraternity brothers to the rank of general to administer this paper force. And then next year, naturally, they can return to Congress with the old disaster sermon and say they lack adequate numbers of planes, parts, bases, research funds, and so on and on, and persuade Congress to provide more dollar bills to hook feathers on.

To digress for a moment, Mr. President, I pray that we will never need 143 wings, that we will never need 70 wings. I am sure that is the feeling of every Senator. I can recall, before I came to Congress, the 80th Congress passed legislation authorizing 70 wings. What happened then? That was a time of disaster. I make that statement at this time in order to attempt to indicate that I am not directing my remarks particularly at General Vandenberg, the Air Force in which I once served, or any other particular branch of the service. I am directing my remarks at all branches of the service.

One hundred and forty-three wings, it has been pointed out, has been our goal in airpower. This new budget, it is said, by reducing the Truman budget, will prevent us from reaching that goal, and therefore places us on the brink of disaster.

Now, Mr. President, I will start right there—with this 143-wing shell game—and analyze as best I can just where we have been, where we are, and where we are headed. Perhaps I should first say, as my good friend, the junior Senator from Missouri [Mr. SYMINGTON] observed the other day, that I have not gotten this information from the Air Force.

So let us start with this hypnotic figure of 143. A stupendous point has been made of the fact that the Joint Chiefs of Staff—who, it is customarily to be inferred never make mistakes, whose rulings must be taken as law by the Secretary of Defense, the President, and the Congress—the Joint Chiefs of Staff, it is said, decided this question finally some 2 years ago, and the then Secretary of Defenses gave in to them, so did the President, and so did the Congress, it has been pointed out.

Well, this is reasonably correct.

The Joint Chiefs did so recommend. And it was approved all along the line. But there is a proviso, Mr. President, that was not mentioned.

The Joint Chiefs did not specify what should constitute a wing. They did not approve the number of aircraft that must be in any given kind of wing. They did not specify what kinds of planes the Air Force would have in these wings. It is correct, however, that they did approve the 143-wing figure.

So off we have gone into the wild blue yonder pursuing the 143, whatever this magical figure actually means under these conditions. What progress have we made since then? We have been asked to believe that we now have 106 wings. This would leave us only 37 more to get before we reach what has been called a "one-shot" Air Force.

It is implied by this remark, I must regretfully conclude—I say this facetiously, of course—that the Air Force we now have after such fantastic expense is "half-shot."

But now we run into a minor difficulty with this 106 figure. Twelve of these 106 wings—whatever a wing is—are simply on paper. Of course, they do have the generals, the colonels, and the other officers, because it is well to have positions for your friends in closed corporations of this sort. But one small detail is lacking, Mr. President, in these 12 wings. What is lacking is airplanes.

Therefore, instead of being 37 wings short of our magical 143, we are, in fact, 49 wings short in airplanes. It is comforting, Mr. President, that we are short only 37 wings in high-ranking officers.

I agree that this appears to be a somewhat critical situation. But the facts are far worse. For it is my understanding that all America would be shocked if it were really known just how few of these 94 wings are as much as two-thirds equipped with modern airplanes. The truth is that we are astonishingly—shockingly—far from our cherished 143 wings.

This is not due to lack of money. It is not due to lack of personnel. It is not due to obstruction by the United States Congress. It is because of inaccurate planning, inaccurate estimates, ineffective and inefficient management. As a result, in this program something much more precious to America has been wasted than the many hundreds of millions of dollars that have been foolishly spent. Precious time has been wasted, during which, as the Air Force says, potential enemies have been building up their own military power in the air.

Let us take a look at the record, Mr. President.

Under the Truman budget, it was estimated that the Air Force will spend $17,500,000,000 in this fiscal year. President Eisenhower's budget estimates these expenditures at $15,100,000,000. This is $2,400,000,000 less than the Air Force estimated originally. The Air Force bobs up with something like a $16-billion expenditure estimate.

These are estimates only. It will be instructive, I think, if we review the accuracy of some of these estimates for the fiscal year just ended.

In December 1951, the Air Force asked for $17.1 billions in new money for fiscal 1953. It was asserted that the Air Force would spend $24.4 billion in that fiscal year.

One month later, Mr. President, in January 1952, the President's budget document for 1953 asked for $20.7 billion for the Air Force. Its estimate of the 1953 expenditures of the Air Force was $19.7 billion. This is $4.7 billion less than the expenditure estimate one month earlier.

In May and June of 1952, 3 and 4 months later, when testifying before Congress, the Air Force reduced its estimate of 1953 expenditures to $18.9 billion—$800 million less in 3 months.

Three months went by. Then, in September 1952, the Air Force revised its expenditure estimate to $18.1 billion. In another 3 months they had discovered they would spend another $800 million less than they had thought.

Then came the Truman budget document for 1954, issued in January 1953. Therein Air Force expenditures for fiscal year 1953 were estimated at $15.4 billion—$2.7 billion less than the September estimate. Note, Mr. President, that by this time the fiscal year was already half gone.

Now, 6 months later, we find that Air Force expenditures for 1953 are estimated at $14.6 billion. This is another $800 million less than the estimate in January, half way through the fiscal year. Thus we come out now with an expenditure of almost $10 billion—or 40 percent—less than the Air Force initially estimated for the year. This is $5.1 billion—or 26 percent—less than the amount shown in Mr. Truman's printed budget document for 1953.

To get some perspective on this, we recall that since Korea the funds made available for the Air Force total over $74 billion. This consists of $58.6 billion in new appropriations, plus $3.8 billion unexpended funds carried over from fiscal year 1950 and prior years. The $11.7 billion of appropriations requested for next year by President Eisenhower are also included in this total.

Of this $74 billion, over $35.5 billion was provided for aircraft and related items, spare parts, guided missiles, and so forth. Over $4.9 billion was for other major procurement—ammunition, weapons, electronics, and spare parts for such items—and over $5.3 billion was for construction.

It is already evident, Mr. President, from last year's results how unreliable these expenditure estimates have been. Let us get it even clearer.

Take the period January 1, 1952, to June 30, 1953, a period of 18 months. For this period the expenditure goal of the Air Force was $29.1 billion. By the early part of last June, 17 months of the 18-month period had elapsed. The Air Force had then spent only $20.2 billion and, according to figures then given the Congress, it would not spend more than $21.3 billion during the entire 18-month period. Thus, the Air Force would have been short by $7.8 billion in its estimated expenditures.

There may be those, Mr. President, who consider a missed guess of $7.8 billion in 18 months to be unimportant. My appraisal of it is that it shows grossly inefficient management, a totally undependable fiscal process, or deliberate misrepresentation. It has to be one of the three.

It is important that we appreciate the significance of these figures. By the end of June the Air Force failed to expend almost $8 billion which, 18 months ago, they said would be expended to build up our airpower in a program approved by both the executive and legislative branches. Whose responsibility is it then, Mr. President, that our airpower has groaned instead of grown; that we still have a second-rate Air Force, as General Vandenberg says we have; that we have no reserves and, as I said a moment ago, have a half-shot Air Force? Whose responsibility is it, indeed? There has evidently been such shoddy mismanagement and poor staff work that we may consider ourselves fortunate to be as far along as we are. Mr. President, digressing again for a moment, I may say that I would not want my remarks to be interpreted as indicating that I am taking any personal revenge on General Vandenberg. No Member of this body can appreciate, perhaps, the gigantic tasks which confronted him and with which he had to deal. Certainly it would have been impossible for him to scrutinize every item of the budget, every item of expenditure, and every phase of his responsibility.

And now, expenditures aside for the moment, let us examine estimates of aircraft production. How have we fared in this area?

I have found that since the Korean invasion at least 10 Air Force production schedules have been approved or proposed. Not a single one of them has been met. Yet each year the civilian and military officials of the Air Force have insisted, as do some losing baseball managers, "just wait until next year."

Two years ago the Air Force's budget request for fiscal year 1952 was based on an aircraft-production schedule called the A–14, which called for 95 modern wings by June 30, 1954. Every leading official of the Air Force insisted that the production schedules presented at that time could and would be met. One year later, in justifying the 1953 budget, the Air Force presented a new production schedule called the A–16, which called for achieving 143 modern wings by June 30, 1955. The Secretary of the Air Force, at that time, admitted that actual deliveries had fallen 15 percent short of the earlier schedule during the year, but insisted that the new schedule would be met.

I think the then Under Secretary of the Air Force made the most accurate Air Force statement in recent times when he said, "In the face of this chronicle of past production difficulties, you may question whether the Air Force is justified in believing that its new production schedules can be met." But he went on to say, in effect, "Believe us this time, gentlemen. We will surely meet our schedule this time." And, of course, every one of us did believe them.

Then what happened? The record remains one of failure. There has been serious slippage from the initially approved aircraft-production schedule—the A–16 schedule—presented to Congress in support of the 143-wing program. Under this schedule the Air Force planned to get delivery of 6,781 planes between January 1952 and April 1953. Actual deliveries consisted of only 5,318 planes, a shortage of 1,463 planes, and is only 78 percent of the planes scheduled.

It is especially important to know that the slippage has been much greater in combat than noncombat planes. The Air Force actually got only 71 percent of the 3,699 fighters and bombers scheduled for delivery during that period. On the other hand, it received 87 percent of the 2,689 noncombat aircraft scheduled for delivery. The slippage in combat aircraft was more than twice as great as the slippage in noncombat types.

Mr. President, the record of continual failure to meet production schedules has continued right up to the present time. I refer to a schedule approved as late as November 1952, known as the A–19 schedule. Here we find that actual deliveries of Air Force combat aircraft have been 22 percent below schedule. It is almost fantastic to find such a great slippage during a period of only 7 months. In marked contrast to this, deliveries of noncombat aircraft have actually exceeded the schedule by 3 percent during this 7-month period.

Frankly, I am gravely disturbed by the very great slippage in deliveries of combat aircraft compared with overproduction of noncombat types. It seems to me that the Air Force should have been concentrating on getting increased deliveries of fighters and bombers, rather than of noncombat types of aircraft. That is one of the reasons why I consider it so important that the Congress support the program presented by President Eisenhower and his administration, since it proposes to put the emphasis—and our tax dollars—where they belong, namely, on increasing the deliveries of combat aircraft and improving our overall combat strength, rather than spreading our resources thinly to include activities that contribute little to our ability to fight.

So we find that the blazing guns of the Air Force, while effective in rhetoric, tend to jam when they are trained on expenditures and aircraft-production targets. Let us take a look at this firepower elsewhere.

Take personnel. A year ago former Secretary of Defense Lovett testified that the Air Force initially estimated that the 143-wing program required 1,900,000 military personnel. I find that that figure came down in stages—first to 1,700,000, then to 1,220,000, and finally to 1,061,000. Bear in mind that these are American boys we are talking about—not merely figures. What this means is that in a few months, the Air Force discovered that its requirements were wrong by 44 percent—by almost 900,000 American boys.

To proceed further with this remarkable flexibility in personnel estimates, we come first to the fact that the Air Force, a year ago, planned to reach 1,061,000 men by the end of this month. But in January 1953 the Air Force changed its estimate to 973,000—88,000 less. Their estimates now show that they will not reach 1,061,000 until June 30, 1954.

I am sure there are excellent reasons for all of these deviations—perhaps a small oversight, such as the small 900,000 overestimate on the number of men needed to man 143 wings.

An interesting sidelight is that the bands, public relations and personnel officers, officers' club personnel, and so on

and on, are more numerous in the Air Force than in any other branch of the armed services. The Air Force also maintains more personnel per patient in its hospitals than any other service. It is also interesting that the Air Force insists on assigning from 4,000 to 5,000 officers and men to an air defense station with only 25 planes. In the light of these facts, I can readily realize how crushing a blow it must be to have to reduce Air Force personnel by 2 percent under the new budget. If great care is not taken, this might even adversely affect the quality of service in the officers' clubs. Of course that would never do.

In considering personnel reduction, it is of more than passing interest to note that the Air Force has sought to take the entire reduction in pilot training. This is an Air Force choice, not by direction of the President, the Secretary of Defense, or the Joint Chiefs of Staff. The reason might possibly be that only in this way can the claim be substantiated that the reduced Air Force budget will impair our combat air power.

I personally found it stimulating when the Defense Secretary bluntly advised the Committee on Appropriations—and I was there—that he would not countenance this time-honored trick. Perhaps there is still hope that the bands, the officers' clubs, the personnel, educational and recreational specialists, and such, who infest the Air Force—and, I may say, other branches of the armed services, though not to so great an extent—can be reduced just a wee bit before we let these folks chop away at the vitals of the Air Force.

Now, Mr. President, it would be well to take a look at the base construction program and see how tightly this has come along. I think this has particular interest because after the Air Force was strafed by the committee and forced into an 180° turn from an attack on the aircraft procurement program, they zoomed back, with words blazing, charging that it was not aircraft procurement after all that is dastardly about this budget, it is the impact of the budget on base construction. Let us see about that.

The Truman budget requested $700 millions in new appropriations for Air Force construction. This has been reduced by the Eisenhower budget to $400 million as a result of Air Force recommendations on April 17, 1953. It seems that the Air Force had run into considerable trouble in getting its base program under way and in phase with other parts of its program. As of now, more than $5 billion have been made available for expenditure for Air Force construction since Korea was invaded. The new budget authorizes $400 million more. As of June 30 of this year, more than $2.6 billion of these funds had not been spent and more than $1.6 billion had not even been placed under contract.

Let us go into the history of this program for a moment.

We find that on June 18, 1952, Secretary Finletter estimated that the Air Force would obligate funds for construction purposes at approximately $250 million a month, starting in July 1952. And what happened in the first 10 months of fiscal 1953? The Air Force obligations for these purposes never got as high as $180 million. In 3 months they were below $100 million. In one month they were actually below $50 million.

At the end of June a year ago, there were almost $1.8 billion which had not been placed under contract, and the simple fact is that the Air Force was unable to justify additional funds for 1953. New appropriations at $1.2 billion were provided in the 1953 budget, however, because, of course, we are never miserly about these matters, making a total available for contracting of almost $3 billion. This was based on the Air Force plan of spending at a rate of $250 million a month, as I have mentioned. It is now estimated that approximately $1.4 billion will have been placed under contract during the fiscal year just ended—which is less than half the amount estimated by the Air Force. As a result $1.6 billion will remain available for contracting next year. This is in addition to the $400 million of new funds provided in the Eisenhower budget.

All this adds up to one simple fact—there has always been sufficient money available for Air Force construction. The only trouble has been that the Air Force crowd could not get it obligated and spent in time.

So, while the Air Force's first blitz attack has seemed so devastating it turns out that they were firing blanks—or maybe smoke shells—instead of dropping atomic bombs, and, due to faulty radar, they evidently missed the target entirely. Belatedly discovering this, another run was made on the target, and research and development were attacked, it being said by inference that the reduction here would in due course force the Air Force back to flying aircraft of the World War I Jenny type; or, as I may say facetiously, the old flapping-wing type.

Well, let us look at this alternative target.

We find that the Truman budget authorized $537 million for Air Force research and development. The Eisenhower budget calls for $475 million. This is a $62 million reduction. Now, of course, this is characterized as a diabolical move that will ultimately ground the entire Air Force. Disaster, it is said, stares us in the face.

For the fiscal year just ended—the fiscal year 1953—the Air Force forecast—I think we now have some idea about the dependability of these estimates—that it would spend $450 million for research and development. On July 1, 1953, they will have $537 million available in funds from 1953 and prior years. This added to the $475 million asked in the Eisenhower budget, will provide over $1 billion for Air Force research and development expenditures in fiscal year 1954.

At the planned rate of expenditure, this is enough to fund a high level of research and development for more than 2 years. Although I know it is always comfortable to have more money, I can see no valid reason for providing these funds for a longer period than that.

Unfortunately, Mr. President, I cannot publicly discuss this research subject in adequate detail because most of the details are highly classified military information. Nevertheless it takes no military expert to discover, from even a casual analysis of the program, that there is excessive duplication of effort involved in too many attempted alternative solutions to the same technical or military problem.

As we all know, for example, the Air Force is spending a good deal of money for the development of guided missiles. Some are being developed to do the job now being done by aircraft. At the same time additional sums are being spent to develop new aircraft for the same period of time to do the same job for which the missiles are being developed. This may be compared to a cat chasing its tail. It would be ludicrous, except that the taxpayer is providing the food for the cat at the rate of hundreds of millions of dollars annually. That does not make it as comical as it might otherwise be.

Just another comment about this austere research and development program that cannot be touched without devastating effects upon the national security. Let me give the Senate an example or two of the research projects being financed from these funds to give us a fully modern Air Force.

Here is one—"Occupation factors in determining suitability of jobs for women."

Of course, the advertisement says that you must never underestimate the power of a woman. But somehow, I doubt that pilots of the Soviet Air Force are as familiar with that advertisement as we are, and, therefore, are not likely to have it in mind as they fly their MIGs in aerial warfare against United States Air Force aircraft. This project, however, is a very necesary part of the Air Force research and development program as it is listed.

Here is another one—"Survey of Aleutian volcanoes." It may be that this was undertaken as a source for sulfurous passages for testimony before Senate committees. I have detected more than casual similarity between some observations lately on this budget and the smoke and fumes usually associated with volcanic eruptions.

Here is another project—"Determination of the principles underlying human comfort." No doubt this research is conducted in officer clubs. I can think of no more likely place to serve as a laboratory for these vital experiments.

Here is another one, Mr. President, that I am sure will strike terror into the hearts of Russian pilots—"Research on vocational interests of Air Force officers." I earnestly hope that this public revelation of this particular project will so confuse, frighten, and distress the Soviet high command that the world's disarmament efforts will at last receive Russian support in the United Nations.

I will take just one more of these tightly organized, efficient programs, leaving perhaps to some other occasion, if necessary, a more elaborate discussion of some other matters—such as the absurd rank of young officers in the Air Force. It may be necessary that we gain a better understanding of some of these matters because some have gone

to such pains to give America the impression that any reduction in the Truman-approved budget will sound the death knell of American airpower and that President Eisenhower has ignorantly or intentionally impaired our national defense. Nothing could be further from the truth.

But leaving aside these lesser matters for the moment, I will discuss the maintenance and operations programs of the Air Force.

The Truman budget asked $4.2 billion for Air Force maintenance and operations. President Eisenhower's budget asks for $3.2 billion—a reduction of $1 billion. This is a 25-percent reduction. No doubt this will so hamstring our Air Force that the Soviet Air Force can roam at will over America. So we had better get at the facts.

Our experience with the 1953 fiscal year budget will give us some criterion by which to judge this matter. We find that the Air Force budget request for maintenance and operation in 1953 was $4.4 billion. The House of Representatives, braving charges of disaster, had the temerity to reduce this $4.4 billion by $627 million. In doing this the House committee made this interesting observation:

> Through better management, better utilization of the equipment and materials on hand, more careful supervision of all the activities, a better service can be performed in the interest of the Nation. In the opinion of the committee there is scarcely an area under this appropriation request that cannot take a reduction and still perform its required operation effectively. A major portion of all civilian personnel are employed in the areas of this appropriation request and a better utilization of such civilian personnel would produce better results and at a lesser cost.

Naturally our bully boys in blue could not take this without challenge. They appealed to the Senate to restore the entire $627 million. They made noises, much like others have lately, to the effect that the reduction "would necessitate a critical slowing down in the level of Air Force activities through fiscal years 1953, 1954, and later years. Not only would the readiness of the force be affected during the fiscal year 1953, but the damage in the 1953 proficiency would extend out for many years thereafter."

I shall not take the time of the Senate to enumerate the various dire consequences predicted as a result of this $627 million reduction in maintenance and operation funds, although the record contains page after page of testimony on this matter. The fact is, the Senate remained completely unconvinced. We were, Mr. President, courageous in the face of this verbal onslaught. We stood firm, undaunted by the Air Force rocket attack. The very fact is, the Senate cut the appropriation by an additional $222 million.

So the result was that Congress took a terrible chance with the national security, braved charges of catastrophic consequences, and cut this item by $790 million. This allowed the meager sum of $3.6 billion instead of the $4.4 billion requested in the budget.

Did disaster result, Mr. President? Did this destroy the Nation's airpower as was so ominously predicted?

Actually, not only was the Air Force able to struggle along with the amount provided by Congress, but I find that it actually will have used in the fiscal year just ended only $3.2 billion of the $3.6 billion appropriated. This means that, although the Air Force actually could administer efficiently only $3.2 billion in this fiscal year, it had insisted that we would be on the verge of military collapse if anything less than the $4.4 billion in the budget was appropriated by the Congress. I assume that any parallel that exists between that action and those dire forecasts and the situation we have today is purely coincidental.

For the coming fiscal year we find that the administration has itself squeezed the wind and water out of this budget item rather than leaving the job to Congress. Of course, we are hearing the same dire warnings, the same forebodings, the same forecasts of doom that were presented last year when $1.2 billion of unnecessary funds were cut out by Congress.

What the budget now provides for this item is the same amount of funds as were actually used in the 1953 fiscal year. I earnestly hope that the forecasts will come out better in the next fiscal year than they have before in the use of these funds. Actually the previous record is so unimpressive in these matters that none of us can afford to make a sound prediction on the results likely to be achieved.

To summarize this part of my remarks, I think we can safely say that most of these estimates and forecasts have turned out to be feathers and fluff, and mismanagement seems to have delayed our armament efforts more than any budgetary reductions could have. The most regrettable aspect of the entire matter is that some of these people do display a remarkable talent in scaring the good people of our country half out of their wits every spring when the Air Force budget is under consideration.

Certainly the American people should have cause to believe that Air Force spokesmen know what they are talking about. How unfortunate it is that evidently they have not. It is a pity that these inaccuracies and management failures, and the recent distortions and attacks on civilian authority in the defense effort, have tended to reflect on this magnificent fighting force on which our national security depends to so great a degree.

I believe that, having dealt with the record, we can now take a brief look at the future. Just a word about what the new budget contemplates in the way of Air Force airpower—and what it means for the Nation's total airpower.

The Air Force and its partisans to the contrary notwithstanding—as usual—the simple fact is that the new budget and the new administration of it will produce more combat airpower in the Air Force than the Air Force was likely to attain under its own budget. The general's budget scheduled 133 wings by the end of the next fiscal year. But only 117 would have been attained, and only 100 would have been Air Force combat wings. The Eisenhower budget plans 114 Air Force wings and 7 Air National Guard and Air Reserve wings. This gives a total 121 wings in contrast to the 117 previously expected. Moreover, 102 of the Eisenhower wings will be actual combat wings. The earlier budget planned only 100 Air Force combat wings.

So the new budget will provide more wings, faster, and more combat aircraft, faster, than were ever heretofore planned.

Take the year afterward, fiscal year 1955.

The Eisenhower budget will produce 120 Air Force wings and 23 Air National Guard and Air Reserve wings, all equipped with modern fighting aircraft. This gives us that delectable 143 to which some would have all of us kneel. By contrast the Vandenberg budget schedules only 137 modern wings for this time. Only 120 of them were combat wings. No modern wings were planned for the Air National Guard and Air Force Reserve.

So in the fiscal year after this, as in this fiscal year, the combat wings will be greater, and the total number of wings will be greater, and, in addition, we will at long last, despite the protests of the old school tie fraternity, provide some long overdue modern airplanes for the Air National Guard and Air Force Reserve.

And, yet, consistent with the baleful and inaccurate observations of the past, there are those who point to the budget as a near-subversive act on the part of the President and the Secretary of Defense. In view of these previous predictions, I do not consider this reaction especially surprising. It would be surprising, however, for the Congress again to take these charges at face value, in the light of the record.

With respect to aircraft, the new budget contemplates the production of more aircraft than had been even expected. The new budget will provide in the next 18 months considerably more than 75 more aircraft than our always optimistic friends expected, at least a wing more of planes than had been previously scheduled.

So for Air Force wings and Air Force aircraft, those seeking power in the air—combat, not verbal—ought to be conceding frankly that greater progress is to be made than was likely before, instead of holding to the long-time fixation that dollars can fly. We should hold the line on the Eisenhower budget.

Taking a more rounded look at our airpower than the Air Force alone, we have to keep in mind that the Navy and Marine Corps will have almost 10,000 operational aircraft under this budget, in addition to the aircraft planned for the Air Force. To be precise, they will have 9,941 planes. If we should group these into wings on the same basis as the Air Force groups its planes into wings, this total budget would be seen as establishing something like 176 wings by July 1, 1956—instead of the fabled 143—and at this very moment, we would find that we would have 152 wings on

hand, available for national security purposes.

Moreover, we have to add to this all the aircraft which are not grouped into air wings. Outside of the wing organizations are 60 percent of all Air Force aircraft, and 6,484 of the planes now on hand in the Navy and the Marine Corps. Moreover, the Air Reserve and Air National Guard have 27 organized air wings in varying stages of readiness, the modernization of which the budget will substantially improve.

All this is exclusive of the airpower of our allies in the free world. As the President said, we are spending 60 percent of our own gigantic defense expenditures on airpower—but we make no mention of the airpower available to our friends throughout the world whose capabilities supplement and add to ours.

As against this power the current approach is to point grimly to Red airpower. It is cleverly said, instead of using the more impressive aircraft totals, that we have only a few wings—meaning Air Force wings only, of course, and excluding the rest of America's airpower and that of our allies. Then this is contrasted to some 20,000 aircraft it is said are in the Soviet Air Force. It is not said what percentage of the Russian aircraft are first-line planes, using the same standards applied by our own Air Force. There is nothing in my remarks that is secret. We heard it all testified to in open hearings before the Appropriations Committee.

Neither are American and our allies' aircraft totals placed in contrast with the Russian figure so eagerly put in the press each spring. Neither is it explained how the Air Force can with a straight face designate all of our B–29 aircraft as obsolescent or obsolete and on the other hand point tremblingly to the Soviet long-range bomber—a copy of our B–29—and say that this same airplane and its escort aircraft—which escorts we shoot down at a 10 to 1 ratio in Korea—make ours a second best Air Force—a half-shot Air Force.

It was only a little while ago, as Senators will remember, that ours was described as a "shoestring" Air Force. I have the conviction that $62.3 billion since the Korean invasion should have bought and produced quite a number of shoestrings.

Another interesting fact about the Eisenhower budget is that it makes no change in the number of interceptor wings in the Air Force's own plan—it does not reduce the funds for the radar screen program—it does not reduce the number of antiaircraft battalions scheduled—it does not reduce funds for guided missiles and new equipment—all for the aerial defense of America.

What the new budget does do is to apply—at long last—and quite understandably, over the protest of those immediately affected—reason, sound judgment, consideration of cost standards, and just plain common sense to budgetary practices that for years have been outrageously loose and inaccurate. Of course some would scream and protest. The new budget finally brings out, for all to see, just what has heretofore happened. Such a revelation never appeals to a high-ranking military officer, particularly when he is convinced that no civilian has the right to challenge his judgment.

Mr. President, I consider the Air Force position on the new budget to be absurd. I have taken the time and effort to establish the facts in this situation simply because some in and out of the Air Force, as a result of having succeeded in previous years in terrorizing the people and the Congress, evidently have finally become convinced that their branch of the Armed Forces is mightier than the President, mightier than any civilian Secretary, mightier than the Congress. After all, they have thrice whipped a past President on the same issue, so I suppose their arrogant attitude is understandable. In my judgment, their actions are tending to bolster attitudes and fixations contrary to our philosophy of government.

But they have made one great mistake. We have quite a different President. He is at once more broadgage, more experienced in military affairs than other Presidents have been, as well as being our civilian Commander in Chief.

I may say that in listening to the debates on the floor of the Senate I have heard Secretary Wilson criticized and Mr. Kyes criticized, as well as others. I am wondering, when our Supreme Commander was in England, planning the landing in Normandy, and he saw the clouds of B–17's and B–34's flying over him, whether he did not understand just a little bit about airpower. I have talked to him, and I know he is an able military man. Certainly he does not need any qualification coming from me.

Some have apparently thought they could overwhelm America's most beloved military leader in history—General Eisenhower—by using typical misrepresentation and exaggeration which have served so well in the past.

But they simply do not measure up, despite what they may think. The American people have confidence in President Eisenhower and in his military budget.

Whether they favor it or not, the Air Force is now on the brink of having a rational and businesslike program for the first time in the past 4 years.

Mr. President, I have not always gone along with the President of the United States merely because he is President. I reserve the right to act and vote in accordance with the philosophy of what is best for the country. I certainly have tried to study the subject and present it to the American people. I hope that the budget will be cut and the taxpayers of the Nation considered for a change, with the Air Force getting more popularity and more strength by virtue of the cut.

THE RECENT FLOODS IN MINNESOTA

Mr. THYE. Mr. President, some days ago I had requested the district engineer, Col. A. H. Bagnulo, to give me a summary of the recent floods in Minnesota and the measures that should be undertaken to provide adequate flood control and relief, and I have today received a communication from him detailing the situation throughout the State as a whole. I believe this gives a comprehensive picture of the situation and I ask unanimous consent that the letter from the district engineer to me, dated July 8, be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CORPS OF ENGINEERS,
UNITED STATES ARMY,
OFFICE OF THE DISTRICT ENGINEER,
ST. PAUL DISTRICT,
St. Paul, Minn., July 8, 1953.

Hon. EDWARD J. THYE,
United States Senate,
Washington, D. C.

DEAR SENATOR THYE: The following summary of the flood situation in Minnesota is furnished in compliance with your request of July 3, 1953.

As you are probably aware Minnesota and the Northwest, in general, escaped any serious floods this spring due to the below-normal fall precipitation, absence of heavy concentrations of snow cover, and the rather favorable conditions during spring breakups. However, beginning about in mid-May a definite above-normal trend in rainfall became apparent. Most significant during this period was a rainfall of about 6 inches in less than 24 hours in the vicinity of Comfrey, Minn., where many basements were flooded and streets and roads damaged due to inadequate run-off channels. Principal damage was caused in the Comfrey area although the Cottonwood River showed a sharp rise which caused some damage to the old State Highway No. 15 bridge near New Ulm. Subsequently, I advised the Brown County attorney, who inquired regarding possible Federal assistance through the Corps of Engineers to improve a drainage ditch at Comfrey, that, since the community was not located on any natural stream, the basis for Federal assistance through this office was questionable. Also, since Brown County is not included in a soil conservation district, engineering assistance through the United States Department of Agriculture, Soil Conservation Service, probably could not be expected. Therefore, he was referred to the State Department of Conservation for such assistance as that organization could provide.

On May 28 heavy rains averaging about 2 inches in 24 hours were recorded at several points in the Mississippi River headwaters area at and above Aitkin, Minn. Precipitation continued well above normal throughout June and varied from about 4.5 inches in the Winnibigoshish-Leech Lake area to 7.64 inches at Sandy Lake dam near Aitkin, Minn. Normal precipitation during June in that area is about 4 inches. On July 1 another heavy rainstorm centered near Grand Rapids where about 5 inches of rain fell in a 24-hour period, caused the flooding of numerous basements in town, and washed out several streets.

Throughout this period of above-normal precipitation the headwaters reservoirs (Winnibigoshish-Leech Lake, Pokegama, and Sandy Lake) have been operated as judiciously as possible to minimize flood losses in the agricultural area near Aitkin, Minn., and at the same time prevent undue damages to lake shore properties and resorts caused by the storage of a part of the excess runoff. Although numerous complaints have been received from resort owners and others inconvenienced by the high reservoir stages, I have personally reconnoitered the area and am convinced that the reservoirs could not have been operated to produce lower reservoir levels without causing much greater crop losses in the Aitkin area. In this connection there is inclosed a copy of a letter to Mr. R. J. Whaling of Grand Rapids in

regard to a recent resolution by the Itasca County Board relating to levels on Pokegama Reservoir. Our preliminary estimates indicate that damages to lake shore installations probably totaled about $16,000 on Pokegama and Sandy Lake Reservoirs whereas crop and related losses were about $60,000 in the Aitkin area. During this period the Mississippi River at Aitkin was held to a maximum stage of 12.6 feet (reached on May 31), only 0.6 foot above flood stage.

The flood-control project now under construction on the Mississippi River in the Aitkin area will greatly improve conditions in that area when completed and will, in turn, relieve some of the need for flood-control storage in the headwaters reservoirs. At this time the project is about 25 percent complete and, with the continued good progress, it is expected that the project may be operative by the time of spring breakup in 1955.

On May 29 heavy rains ranging up to nearly 8 inches in less than 24 hours in the Moorhead-Breckenridge-Fergus Falls area caused unusually high stages on many tributaries of the Red River of the North in that area, including the Pelican, Otter Tail, and Buffalo Rivers. One drowning was reported at Kent, Minn., when a motorist attempted to drive through a flooded underpass. Although the stage on the Red River of the North reached 23.85 feet at Fargo, N. Dak. (about 7 feet above flood stage), only minor damages (about $18,000) were reported at Moorhead. Flood losses in the Buffalo River basin east of Moorhead totaled about $235,000, primarily crop losses due to poor drainage and inadequate main channel capacities. Flood flows on the Otter Tail River in excess of downstream channel capacities were stored in the recently completed Orwell Reservoir which was filled to near maximum capacity during this flood period. Later, when it was necessary to increase the outflow from Orwell Reservoir a compensating reduction in outflow from Lake Traverse at the White Rock Dam was made so that flood stages at Wahpeton-Breckenridge were not exceeded. In general, the Orwell Reservoir served very effectively during this period in preventing overbank flooding although considerable crop damages were reported throughout the region due to slow runoff from rain-soaked fields.

Again on June 7 and 8 extremely heavy rains occurred in a 50-mile-wide strip extending northward from Jackson to New Ulm. Apparently, the storm centered generally over the Watonwan River basin (a major tributary of the Blue Earth River) with the following 24-hour rainfalls being reported: 6.00 inches at Jackson, 5.8 inches at St. James, 5.22 inches at New Ulm, and 4.5 inches at Madelia. At St. James more than a hundred volunteers worked successfully for several days to prevent the rising levels of St. James Lake from entering the community. Damages totaling about $250,000 were estimated in urban areas including about $200,000 at St. James, $25,000 at Butterfield, and the balance at Garden City, Madelia, and other small communities in the region. These damages were due primarily to inadequate capacities of storm sewers which backed up and flooded basement stocks and electrical equipment. Bridge washouts halted rail and highway traffic in the area and several thousand acres of cropland were inundated. Much of the flooding appeared to be due to slow runoff from low areas where overland flows from the unusually heavy rains collected. Damages due to the excessive storm and accompanying high river stages were preliminarily estimated in excess of $2 million. Throughout this period reconnaissance personnel from this office were in constant touch with the affected communities, furnishing technical assistance, and keeping the district office advised regarding the abilities of the communities to cope with the flood situation. The storm produced a general rise on the Minnesota River which crested at Mankato on June 10 at a stage of 18.8 feet, about 0.2 foot below flood stage.

For almost a week after the Watonwan River flood no major storms were reported but on June 15–16 heavy rains were recorded during the night extending westward from New London and Willmar to Appleton and the Lac qui Parle Dam. Maximum precipitation was reported at New London where about 7.3 inches was reported with about 4.0 inches being recorded at Paynesville, Odessa, Correll, and Appleton. Runoff in the headwaters area of the North Fork of the Crow River was heavy but damages were relatively light, being confined principally to basement flooding in New London, Paynesville, and other small communities and flooding of low-lying rural lands due in part to inadequate draining and storm runoff facilities. On June 25 a representative of this office met with a group of farmers from the Shakopee Creek headwaters area northwest of Willmar where considerable crop damage had occurred due to the high stages in the lakes and marshes of that region following the heavy rain and the lack of adequate capacity in Shakopee Creek.

Also on June 16 a separate storm centered in the upper Red River of the North basin with 24-hour amounts of 4.60 inches at Fergus Falls, 3.55 inches at Orwell Dam, and 3.46 inches at Pelican Rapids. Again, although Orwell Reservoir on the Otter Tail River was still nearly full from the previous storm at the end of May, it was possible to store enough of the runoff to hold downstream flows on the Otter Tail River within bankfull capacity. Our reconnaissance parties in that area reported little or no damage in the Otter Tail basin below the reservoir.

This storm resulted in a second rise at Fargo and Moorhead on the Red River of the North with a crest of 23 feet (6 feet over flood stage) recorded at Fargo on June 19. Damages were relatively light at Moorhead, and points farther downstream on the Red River of the North were not affected by the runoff.

On June 24 and 25 general heavy rains varying from 3 to 4 inches were recorded in the region tributary to Lac qui Parle Reservoir and the Minnesota River near Montevideo. As a result many fields in the Hawk and Shakopee Creek area in the region from Benson to Clara City, in the Spring Creek and Yellow Medicine region southwest of Granite Falls, and in the Tenmile Creek area near Boyd were flooded; Lac qui Parle Reservoir was filled to a point where the outflow had to be increased to near the inflow rate, and Minnesota River Valley croplands from the reservoir downstream to below Granite Falls were flooded. Aggravated by additional heavy rains on June 29 the Minnesota River at Montevideo reached a crest stage of 16.1 feet on June 30 (2.1 feet above flood stage), forced the evacuation of 51 persons from the low area along the Minnesota River, and caused damages in the community of about $60,000. Crop damages in the region probably will exceed $1½ million, and road and bridge damages may reach a total of about $100,000. Flood damages at Benson were estimated preliminarily at $80,000.

Throughout this flood period representatives of this office were in contact with officials of the several affected communities, and on June 30–July 1 I made a personal reconnaissance of flood conditions in the Benson-Montevideo area. On June 30 I met with Mr. Alfred I. Johnson, State representative, and several members of the Chippewa River and Shakopee Creek Flood Control Association. After a discussion of their flood problems, we visited the Benson sewage treatment plant and then toured the agricultural areas affected in that region. On June 30 I also met with Mr. R. E. Rodeberg, acting city manager of Montevideo, and Mr. H. E. Gamble, who had been appointed to head the flood emergency activities being conducted by the city. I was very favorably impressed by the organization which had been developed at Montevideo to cope with their flood problems. They were doing an excellent job. On July 1 I reconnoitered other Minnesota River mainstem communities downstream from Montevideo, stopping at Granite Falls, New Ulm, Mankato-North Mankato, St. Peter, Le Sueur, and Chaska. High flows had not affected these communities, but about 5,000 acres of low-lying agricultural lands were flooded in the valley.

At this time river stages are falling slowly at all of the recent flood-damage points in Minnesota, and it is hoped that any additional heavy rains will bypass these areas until conditions return to normal. Due to the high stages in the lakes and marshes considerable danger of further flooding still exists because even the smaller storms now cause considerable runoffs.

As you know, we have an authorized basin-wide survey on the Minnesota River Basin and, in that connection, have initiated studies of the flood and major drainage problems in most of the areas affected by the recent heavy rains. However, due to the limitations on investigations of this type during the last few years of defense effort, the survey has been restricted to interim surveys at Mankato-North Mankato and other mainstem communities. Further, information available to date indicates that it is the desire of Congress to continue the limitations on nondefense expenditures so that it appears unlikely that the flood and major drainage surveys on the Minnesota River tributaries can be resumed within the next year or two.

The foregoing is, of course, based on preliminary data presently on hand, but it should give you a general picture of the flood situation. Fortunately, the rainstorms have covered relatively small areas in the State at any one time so that the runoffs and floods, although locally serious, have not synchronized to produce a major flood on the Mississippi or lower Minnesota Rivers such as experienced during the spring periods in 1951 and 1952. Within the next few weeks we will attempt to obtain more complete data on flood losses, river stages and discharges, and other pertinent data which may be of value in any future flood studies. If you should desire any further information, please get in touch with me again and every effort will be made to furnish the additional data.

Sincerely yours,

A. H. BAGNULO,
Colonel, Corps of Engineers, District Engineer.

GOLD REDEMPTION ACT OF 1954

Mr. BRIDGES. Mr. President, when the policy committee of the Republican Party met in Chicago last July to formulate the platform on which the party proposed to stand for election, there were included in that platform two promises: First, to curb inflation and, second, to restore sound money freely convertible into gold coin. Unfortunately, prompt fulfilment of these promises was predicated on revenue estimates, prepared by the last administration, which seriously overstated the revenue.

As a result, we now face a temporary situation during which, in order to meet previously made commitments, we cannot completely fulfill the first of these promises as soon as we should like to. This also means that we cannot take immediate action on the second promise—the restoration of gold-convertible currency.

Although it is generally recognized that it is impractical to take this step at this time, it is not only practical but our moral duty to make a beginning.

At this time foreign interests have the right to convert their dollars into gold and I feel very strongly that the American people should have the same opportunity and right.

Even though we do not know the exact time this restoration can take place most advantageously, we can start the study and plan the hearings that must precede the actual fulfillment.

For this reason, I am introducing a bill to provide the basis for such study and such hearings. I send the bill to the desk.

As nearly as any living man can determine, the high cost of national defense may be with us for the rest of our lives.

Obviously, therefore, a responsible Government must face the facts, stop regarding the problem as a temporary emergency, and formulate a sound fiscal policy.

In order to get the right perspective on this problem, I shall review the net results of the national policy for the past 13 years.

As we know, one result of this policy is that the United States dollar is now worth 50 cents, compared with its 1935–39 value.

I believe that we are all agreed that what has been causing this decline must be stopped.

The cause has been attributed to high prices.

High prices have been attributed to high wages.

High wages have been attributed to high cost of living.

But the high cost of living consists of high prices; so we wind up exactly where we started, without getting nearer to the truth.

The answer lies in the question, "What is a price?"

A price is the amount a customer is willing to give up for something.

What decides how much the customer will give up?

The amount of money the customer has available to spend on that particular thing.

That brings us to one of the most stubborn facts of life, namely, that in order to have stable prices, the supply of money must not exceed the supply of goods.

During the past 13 years the money supply of the United States has more than tripled.

This means that the devil we are looking for is the inflationary money that has been injected into the economic bloodstream.

The people did not do this by bidding up the price of goods.

Businessmen did not do this by raising prices.

Labor unions did not do this by forcing up wages.

Government did it, in the first instance, by adding to the money supply faster than business could add to the supply of goods.

This money is not the money we borrowed from the people through the sale of bonds, nor is it the money that we obtained from insurance companies and savings banks; it is the money we caused to be newly created for Government use by the commercial checking banks.

The amount still in circulation today resulting from monetization of Government debt is about $45 billion.

Just as we can temporarily abuse our physical body during emergencies, we can abuse our economic body during emergencies and get away with it for a while. But we cannot get away with it forever. The emergency is over, and we now face an indefinite period during which the economy must remain on a basis of military preparedness. Whatever we do must be compatible with long-range survival.

II

Let us see what might have been had we financed Government expenses on another basis.

I should like to remind this body of an old, but almost forgotten truth, by reading a few sentences from a little primer on money which came to my attention some time ago. This particular passage is entitled "The Cost of War is Not Money," and it goes as follows:

> The economic cost of fighting a war, although measured in money, is not money: It is used up goods and services.
>
> Certain things are needed by the armed services, and because they must be taken from the people, the Nation suffers a lower scale of living.
>
> For example, in World War II, about 50 percent of the national production was purchased by Government.
>
> But taxes were not 50 percent; they were only about 30 percent, leaving the people about 70 percent of their income.
>
> If the people and the Government had been willing to face up to the real cost of war, that is, if taxes had been at the rate of 50 percent, the Nation would have been on a pay-as-you-fight basis, and there would be no war debt.
>
> This pay-as-you-fight plan would not have penalized the people, because they could have bought the same quantity and quality of goods and services with the remaining 50 percent of their incomes as they bought with the 70 percent.
>
> For Government to take away goods and services without taking away the money paid out for their production, only conceals the true cost of Government and creates unnecessary debt.

Mr. President, as will be remembered, the impact of serious inflation did not strike until after the war because of two factors: first, the people were urged to save their money until the shooting stopped; and second, there was very little to buy with the money, anyway.

We can no longer expect such extraordinary cooperation from the people. The spirit of patriotism that made the population willing to hold back their purchases until consumer production could be increased cannot be made a permanent factor. We must now face the fact that when an American worker earns some money, he wants to buy something with it.

The time to mend our ways is right now.

In 1954 we face another deficit, another increase in debt, and another increase in the service charges.

I know of no one who does not agree that sooner or later this policy must be discontinued—that not even an economy as robust and dynamic as ours can endure this abuse indefinitely.

There are many who have been willing to procrastinate, rather than face the issues. We are not the first government to have done this in time of war, but we can and we must stop.

III

Let us see who, if any, among our citizens has benefited from the 50-cent dollar.

There is no doubt that for many years the members of the Government and the administration enjoyed an extra measure of public support because the extra dollars jingling in the people's pockets were very helpful in creating the feeling of "we never had it so good."

But that day is over. The people now want sound money.

How about the farmer, the factory workers, the white-collar workers, the self-employed, the old folks, and so forth?

There can be no doubt that in its early stages inflation is fun; it is like living on a charge account. Everyone has more dollars; there is a sort of festive feeling of irresponsibility and freedom from reality. The Government is in good standing with the people because it seems to have lightened the burden of taxation.

It is not until the inevitable rise in prices has snatched away this apparent gain, that the hard facts of cheap money strike home.

The first people to feel the pinch are those living on fixed incomes. The old folks suffer most because what they thought to be a sufficient amount to live out their lives in comfort becomes a bitter pittance that must be supplemented by work or charity. We can all remember the day when $65 a month in social security was considered a pretty good pension.

Then there are the public servants—the postmen, firemen, policemen, school teachers—whose income goes up very slowly during times of inflation.

There are some people, of course, who have the power to keep abreast of the tide—such as organized labor. But even this group is getting fed up with inflation.

Regarding the benefit to the people as a whole, there was last year an interesting analysis by Dr. Ruttenberg of the CIO, in which he said:

> Despite the higher levels of employment, the real rise in total disposable personal income of the American people, measured in actual buying power, hardly exceeded 2 percent.

As we know, our traditional rate of improvement in productivity and real income has always been around 3 percent a year, a fact which indicates that perhaps we have not even maintained a normal pace, in spite of the extra billions of dollars that pass through the people's hands.

IV

There can be no doubt that, being composed of human beings, there never was a Congress or an administration that did not like the idea of being able to spend money without seeming to get it from the people. But, in all honesty, we must admit that it is a dangerous power, and in this case one which has outlived its justification.

The device we have been using—namely, deficit spending or the monetization

of public debt—was facilitated on such a large scale by taking something away from the people, and it can be corrected by giving that something back to the people. The something to which I refer to is the power of the citizen to convert his dollars into gold coin.

It seems worthwhile at this point to review briefly the technique of deficit spending and its relationship to gold.

Monetization of public debt is, of course, called "borrowing from commercial banks." Commercial banks do not loan any existing money; they create new money called "a deposit"—money that never existed until the loan was made, and that ceases to exist as soon as the loan is paid off.

When a bank makes a commercial loan to a business—that is, creates deposits representing goods being produced—the national books are what we might call "balanced" because something is being created that later on will be offered for sale, and the loan is usually repaid within a few months, as the goods are sold.

But when commercial banks lend money to the Federal Government, the money is not used to create additional goods; it is used to buy goods already created. As far as the money supply is concerned, this is like adding water to milk: the quantity is greater but the quality is lesser.

We owe to the American citizens an obligation to prevent further watering of the purchase value of their money. We must prepare to fulfill this obligation by restoring a currency that is convertible into gold coin on demand.

There is no greater index of public confidence in government than a public lack of desire to own gold. By its very nature gold is undesirable as a possession during times of monetary stability, because its ownership represents hoarding, and one cannot make any money by hoarding money.

As a result, a demand for gold shows that the people believe that the value of their dollar is about to be reduced by an improper increase in the number of dollars.

Why cannot we immediately take the step of full return to a gold-redeemable currency? The answer is to be found in the situation that exists today, a situation that is the direct result of two decades of the loose fiscal policies of the preceding administration.

During the past 6 months, the new administration has carefully studied all aspects of the problem we have inherited, and this is the situation we found:

First. Tax receipts to be expected during the present calendar year had been seriously overestimated by the preceding administration, with the result that actual receipts in the March and June quarters were $2,400 million below estimates.

Second. The defense program has been reviewed; many contracts have been canceled; and all projects that could be delayed without endangering the defense effort have been postponed. Nevertheless, the commitments previously made for armament to be delivered in the next several months are so large that spending for defense cannot be materially reduced at once.

Third. The result, as the Treasury has announced, will be a cash deficit of several billion dollars for the fiscal year; and due to slowness of receipts, there will be a temporary cash deficit of $8 to $9 billion between July 1 and December 31.

Obviously, it is our responsibility to cope with the situation in the manner best calculated to minimize the harm that otherwise might result. We must strengthen confidence in the Nation's currency and in its securities. If that is done, more present holders of United States savings bonds will be willing to retain them, thereby reducing the deficit financing that otherwise would be necessary. No one can guarantee that even the wisest policies will enable us to avoid the aftereffects of the great inflation of recent years; but by making our intentions clear, we can restore confidence in the Nation's fiscal policies and thus can lessen the problem to be solved.

v

It would be unrealistic to expect this body or any similar body not to be conscious of what might happen at the polls as a result of any new policies which might be put into effect.

There is no doubt that the American people do not want to pay higher taxes.

If, without proper explanation, taxes were to be raised in order to avoid additional monetization of public debt, there is little doubt that the voters would register a vigorous protest.

But let us consider another situation—that of having to explain to the people that taxes cannot be cut until commercial bank borrowing has ended.

It should be our plain duty to warn the people that additions to the money supply constitute a form of taxation even more onerous than direct taxes.

There are many persons who believe with entire sincerity that the truth about money and taxes is beyond the comprehension of the average man. This I do not believe. Money and taxes, when discussed at stratospheric levels, can be beyond the comprehension of almost everyone but a handful of specialists; but when discussed at a practical level, any high-school student can understand the basic principles.

Even if I should be overoptimistic about the matter of public understanding of fiscal policy, I feel that the effort is one which our conscience cannot permit us to ignore.

I am convinced that public interest in these matters can be crystallized around the issue of gold and sound money.

I therefore ask unanimous consent to introduce for appropriate reference, a bill to restore gold-coin redemption to the American people.

From the hearings on this bill can come the opportunity to reexamine publicly the deleterious effects of continuous deficit spending, and in due course to chart a fiscal course to which we can adhere with safety and morality, in spite of the economic pressures of the cold war.

Mr. President, I am convinced that once the American people understand the true nature of the problem, the Congress and the administration can expect their wholehearted support and cooperation.

The PRESIDING OFFICER (Mr. BEALL in the chair). Without objection, the bill introduced by the Senator from New Hampshire will be received and appropriately referred.

The bill (S. 2332) to resume the redemption of currency in gold in order to restrain further deterioration of the dollar and to curb further inflation, and for other purposes, was received, read twice by its title, and referred to the Committee on Banking and Currency.

REQUEST FOR COMMITTEE MEETINGS DURING SENATE SESSION

Mr. McCARRAN obtained the floor.

Mr. THYE. Mr. President, will the Senator yield that I may present a unanimous-consent request that certain committees be permitted to sit during the session of the Senate this afternoon?

Mr. McCARRAN. I yield.

Mr. THYE. Mr. President, I first ask unanimous consent that the Subcommittee on Investigations of the Committee on Government Operations be permitted to sit during the session of the Senate this afternoon.

The PRESIDING OFFICER. Is there objection?

Mr. CLEMENTS. Mr. President, reserving the right to object, I should like to inquire whether the Senator from Minnesota, now the acting majority leader, is aware of the statement made on the Senate floor earlier today by the minority leader, the Senator from Texas [Mr. JOHNSON], when he objected to a similar request of the Senator from Utah [Mr. WATKINS] in behalf of the Judiciary Committee?

Mr. THYE. No; I regret that I was not on the floor at the time, though later, after I came into the Chamber, I heard some reference to it. Therefore, I may say I am not taken by surprise. Nevertheless, certain subcommittees have scheduled hearings for this afternoon, and, while apparently a change has been suggested with respect to the practice followed heretofore of permitting committees to sit during sessions of the Senate, I believe that there are subcommittees which should be permitted to sit this afternoon. The announcement could then be made that, in the future, no similar requests will be granted. Witnesses have been called who had expected to testify this afternoon before the Committee on the District of Columbia, the Subcommittee on Minerals and Fuels of the Committee on Interior and Insular Affairs, and the Subcommittee on Investigations of the Committee on Government Operations. I think that, so far as those committees are concerned, it would create considerable confusion if they were not permitted to sit during the session of the Senate today. Therefore, I suggest that they be permitted to do so, with a warning that hereafter such consent will not be given.

Mr. CLEMENTS. Mr. President, in view of the policy position taken by the

acting majority leader earlier in the day I must object.

The PRESIDING OFFICER. Objection is heard.

REQUEST FOR COMMITTEE ON GOVERNMENT OPERATIONS TO MEET DURING SENATE SESSION

Mr. McCARTHY subsequently said: Mr. President, I request the attention of the acting minority leader to the request I am about to make. Earlier today objection was made to a unanimous-consent request that the Subcommittee on Investigations, of the Committee on Government Operations, be authorized to meet this afternoon during the session of the Senate. I think that objection was made without knowledge of the purpose of the proposed meeting of the subcommittee. The meeting will be a very important one, I believe. If we had previously known that there would be a policy of objecting to requests for authority for committees to meet during the session of the Senate today, we would not have scheduled the meeting for today.

We had asked a Mr. William Putnam Bundy to appear at the committee meeting. He is one of the top men in the Central Intelligence Agency. He holds an important position there, and is being considered as a liaison officer between the National Security Council and the Atomic Energy Commission. Of course, the National Security Council will have jurisdiction over the information program.

We consider this matter to be important because of the circumstances which have developed. We called Mr. Pforzheimer, the liaison between the CIA and Congress, and told him we wanted Mr. Bundy to appear at the meeting; and Mr. Pforzheimer indicated Mr. Bundy would appear.

Later Mr. Pforzheimer called back and told us he would have none of their men appear before any congressional committee.

I think this is the most blatant attempt to flout the authority of a congressional committee I have ever known. For that reason we wish to subpena Mr. Pforzheimer.

I may say that Mr. Bundy has suddenly disappeared from his desk. We are told that he went on leave. At about 11 o'clock this morning the Central Intelligence Agency told us suddenly they did not know where Mr. Bundy, one of their top men, had gone, but that he was believed to be on vacation. He was in his office at CIA when we called Mr. Pforzheimer to produce him. I should like to have him subpenaed for the committee meeting this afternoon.

If the minority members of the subcommittee believe we should not hold the meeting this afternoon, we shall hold it tomorrow morning.

One of the things we wish to question Mr. Bundy about is his contribution of $400 to the Alger Hiss defense fund. Mr. Bundy is now under consideration as liaison officer between the Atomic Energy Commission and the National Security Council. We are advised he gave three reasons for his contribution to the Alger Hiss defense fund. First, he said, he wanted to help his father-in-law, whose name is Dean Acheson. Second, he said he felt it was imperative that Alger Hiss be exonerated. Third, he said he felt it was important to the Democratic Party. With the last statement, I am sure some of my good friends on the other side of the aisle will disagree.

So, I now ask unanimous consent that the Subcommittee on Investigations, of the Committee on Government Operations, be authorized to meet this afternoon during the session of the Senate and to subpena this man, to ascertain whether that agency can flout the authority of the Senate, as it proposes to do.

I may say that if we had known ahead of time that the minority would object to having the subcommittee meet today during the session of the Senate, or that there would be a policy of objecting to the holding of committee meetings during the sessions of the Senate, we would not have scheduled our meeting for today.

Mr. McCLELLAN. Mr. President, will the Senator from Wisconsin yield to me?

Mr. McCARTHY. I yield.

Mr. McCLELLAN. I was not in the Chamber when the Senator from Wisconsin began his remarks. I may say also that I was not in the Chamber earlier and did not know that a request had been made for consent to have the Subcommittee on Investigations, of the Committee on Government Operations, meet this afternoon during the session of the Senate; and I did not know until later that objection had been made to the request. However, I understand that objection was made to other requests for committee meetings to be held this afternoon, during the session of the Senate; I do not believe the investigation committee was singled out in that connection.

Mr. McCARTHY. I understand our committee was not singled out.

Mr. McCLELLAN. That is my understanding.

I am not advised—I did not get the connection, as I entered the Chamber—about the Senator's earlier remarks. Will he please repeat his request and his explanation?

Mr. McCARTHY. Yes. First, I may say that all members of the subcommittee were notified that the witness at the meeting to be held this afternoon would be from the Central Intelligence Agency, and that he had a connection with the information program, and also that we wished to discuss the rules of the committee.

Mr. McCLELLAN. When was that notice given? I did not receive such a notice, except by telephone a few minutes ago.

Mr. McCARTHY. The staff was instructed to inform the members of the subcommittee at about 10 o'clock this morning.

Mr. McCLELLAN. I received a telephone message notice from my office that there would be a meeting for two purposes, first, in regard to a matter of procedure which has become controversial in the committee.

Mr. McCARTHY. That is correct.

Mr. McCLELLAN. And, second, to hear a witness. I do not know who was to be the witness.

Mr. McCARTHY. The witness is William Putnam Bundy. He is a son-in-law of Dean Acheson. Mr. Bundy contributed $400 to the Alger Hiss defense fund. He is now being considered for the post of liaison officer between the National Security Council and the Atomic Energy Commission. However, even if he were not being considered for that position, I would be interested in him because of the important position he holds in the Central Intelligence Agency.

Furthermore, Mr. Pforzheimer, who is assistant to Mr. Allen Dulles—I do not know what Mr. Pforzheimer's exact title is—notified us that Mr. Bundy would appear. We called Mr. Bundy's office, by asking for his extension telephone, and found that he was there. Later we were notified by Mr. Pforzheimer that Mr. Bundy had suddenly gone on vacation. Mr. Pforzheimer said he did not know where Mr. Bundy went, and he could not give us any idea of where he went.

The committee counsel pointed out to him that it was very unusual for an organization that is the top intelligence agency not to know where its own employees are. Later Mr. Pforzheimer called us back. We told him we wanted him to appear at the committee meeting and to explain to the committee the entire situation about the unusual vacation taken by Mr. Bundy, after we had ordered him to appear at the committee meeting, and after he had said he would appear at 3 o'clock, although later we received a telephone call to the effect that he could not appear at 3 o'clock. I told Mr. Pforzheimer it was the order of the chairman of the committee that he appear at 3 o'clock—period. Subsequently he telephoned and stated that he had discussed the matter with Mr. Allen Dulles, and that the policy of the Central Intelligence Agency is to refuse to allow any of its employees to appear before any congressional committee.

I may say, if that is true, I am sure the Senator from Arkansas will be interested in knowing whether one of the executive agencies of the Government can flout the authority of the Senate and can order its employees not to appear before congressional committees, especially when one of the employees has been a financial contributor to Alger Hiss, and has made a written statement to the effect that he thought it important that he contribute because he believed it important that Alger Hiss be exonerated.

It is for that reason that I wish to have the subcommittee meet, although it is not particularly important whether the subcommittee meet this afternoon or tomorrow morning.

I wish to explain the purpose of the proposed meeting, as well as the other purpose; namely, to go into the question of the proper procedure and rules of the subcommittee.

Mr. McCLELLAN. Mr. President, will the Senator from Wisconsin yield further to me?

Mr. McCARTHY. I am glad to yield.

Mr. McCLELLAN. I have no background information whatsoever regarding the matter about which the Senator from Wisconsin desires to interrogate the witness.

Speaking for myself, and not undertaking to speak for the minority, I may say that I shall be very glad to go into the matter to which the Senator from Wisconsin has referred. If I conclude there is justification for having those witnesses appear, I think the Senator from Wisconsin knows I will support him in securing their presence.

I understand that one purpose of the proposed meeting is to consider the issuance of a subpena for the witnesses to whom the Senator from Wisconsin has referred. Is that correct?

Mr. McCARTHY. No; I have taken the liberty of issuing a subpena for Mr. Bundy—not for Mr. Dulles—because we wish to interrogate Mr. Bundy in regard to an investigation which the subcommittee has authorized, one having to do with the Information Program.

I have not issued a subpena for Mr. Dulles, because that would concern a matter into which the subcommittee has not yet gone. I should like to obtain from the subcommittee authority to issue a subpena for Mr. Dulles, in order to have him explain whether Mr. Pforzheimer correctly quoted him. I cannot believe it is true; I cannot believe that the head of one of our most important executive agencies would take it upon himself to say, "None of our employees can be subpenaed by a congressional committee."

Mr. SYMINGTON. Mr. President, will the Senator from Wisconsin yield to me?

Mr. McCARTHY. Yes, I am glad to yield.

Mr. SYMINGTON. The distinguished Senator from Wisconsin may recall that the second ranking member of the National Security Council, who I understand is liaison between this body and the executive branch, is the Vice President, Mr. NIXON. Inasmuch as the Central Intelligence Agency supports the National Security Council, we might be able to short cut in connection with this problem, and in that way obtain the witness more quickly.

Mr. McCARTHY. I think that is an excellent suggestion.

Mr. McCLELLAN. Mr. President, if the Senator from Wisconsin will yield, in view of the situation this afternoon, when two committees are meeting, first, the Appropriations Committee, which is hearing Mr. Dulles on mutual security, and, secondly, the Subcommittee on Appropriations for the Armed Services, I may suggest that if the chairman will set the meeting for tomorrow morning, it will afford time within which he may acquaint minority Members with some of the background; following which we would probably be in a better position to cooperate with the chairman.

If the matter is set for hearing tomorrow, I suggest that it be done with the understanding that in the meeting we shall also take up the unfinished business relative to procedure. With that understanding, I should be very glad to go along with the chairman; and since it would involve a delay of only a few hours, I would respectfully request that, for the convenience of Senators, the subcommittee meet in the morning. If the chairman will make that arrangement, I think it will work out very satisfactorily.

Mr. McCARTHY. I shall be very glad to accede to the request of the very able ranking Democratic member of the committee. I think the suggestion may be well taken. Therefore, we shall set the hearing for 10:30 o'clock in the morning, if that is agreeable.

Mr. McCLELLAN. I should like to have the chairman know that, if I thought the matter was urgent, I would appeal to the leadership on this side of the aisle, or to whoever made the objection, to permit the subcommittee to sit during the session of the Senate this afternoon. But if it can conveniently be deferred until tomorrow morning, I would appreciate it, since, by reason of other duties I have to perform this afternoon, I find myself, as do many other Senators, in the position of needing to be in 3 or 4 places all at 1 time.

Mr. McCARTHY. Under the circumstances, I should like very much to have the very able Senator from Arkansas present when this matter is taken up by the subcommittee. I know the Senator is interested in the matter that is pending before the Appropriations Committee. For that reason, Mr. President, I withdraw my request for unanimous consent that the subcommittee be permitted to sit this afternoon.

The PRESIDING OFFICER. The Senator from Wisconsin withdraws his unanimous-consent request.

Mr. McCLELLAN. Mr. President, can the Senator from Wisconsin tell us now at what hour the meeting will be held tomorrow morning? I ask the question because there are other committee meetings scheduled for tomorrow.

Mr. McCARTHY. I suggest 10:30, if that is agreeable to Senators on each side of the aisle.

Mr. McCLELLAN. Ten thirty would be satisfactory.

Mr. JACKSON. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I yield.

Mr. JACKSON. Do I correctly understand that in connection with the consideration of the procedural matter tomorrow, the matter pertaining to Dr. Matthews will also be discussed?

Mr. McCARTHY. I do not know that we shall be discussing either the matter pertaining to Dr. Matthews or the matter of procedure. We have for consideration the very important question of whether the chairman, in hiring a staff member, must first get approval by the entire committee. While I feel that the chairman, himself, has authority to hire and fire, nevertheless, I want to take that matter up in committee, in order that Senators on the committee may make the decision. Personally, I feel that the chairman of the committee cannot operate intelligently and effectively unless he has control of the staff. I think the chairman alone is responsible for hiring and firing the staff members. As the Senator knows, when I took over both the Committee on Government Operations and the Subcommittee on Investigations, I followed, I think, a rather unusual procedure, one that had not been followed in the past by very many chairmen; I retained all employees who had been hired by my Democratic predecessor. I was able to do that because the Senator from Arkansas [Mr. McCLELLAN] had been chairman of the full committee, and had, as I thought, done an excellent job in selecting personnel for the committee without regard to politics.

Mr. McCLELLAN. Mr. President, will the Senator yield at that point?

Mr. McCARTHY. I yield.

Mr. McCLELLAN. I might add that I carried over most of them from a Republican administration.

Mr. McCARTHY. I think the Senator from North Carolina [Mr. HOEY], who was chairman of a subcommittee, had done a very excellent job in selecting investigators, without too much regard to their politics. For that reason, I have retained and continued practically every investigator and every employee my Democratic predecessor had hired.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. McCARTHY. If I may finish first, I shall be glad to yield then. I have felt that, in accordance with the uniform practice of committees, the chairman, except in the case of professional or prominent employees, must have the power to hire and fire. That, however, is entirely separate and apart from the case of Dr. Matthews. I may say I have been disturbed by the controversy regarding an article which Dr. Matthews wrote long before he came with the committee, an article, frankly, about which none of the Senators knew at the time. If the Senator desires, I shall be glad to discuss Dr. Matthews personally tomorrow. But I especially desire to have settled the question whether, when a member of the staff is hired, or when he is discharged, it must be done through action of the whole committee, or whether it may be done by the chairman. While I, myself, feel strongly in regard to the matter, I am willing to abide by the decision of the majority of the committee on the question. In saying that, I am speaking entirley separate and apart from the matter pertaining to Dr. Matthews.

Mr. McCLELLAN. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I yield.

Mr. MCCLELLAN. I do not want to misunderstand the Senator. Do I correctly understand that the Chairman would entertain a motion to accept the resignation of Dr. Matthews?

Mr. McCARTHY. What I have in mind for tomorrow, I may say to the Senator, is a decision of the question whether the Chairman has the power to hire and fire. That is the first question. If Senators on the committee decide that the committee has the power to hire and fire, then, of course, a motion would be in order to discharge any person, or to hire a new employee, and the matter would be one for the entire committee to act upon. But the first question is, Does the chairman make the decision, or does the committee make the

decision? I may say I would rather discuss this matter in committee, rather than take up the time of the Senate.

Mr. SYMINGTON. Mr. President, will the Senator yield for a question?

Mr. McCARTHY. I yield.

Mr. SYMINGTON. Did not the memorandum announcing the appointment of Dr. Matthews state that the appointment was subject to approval by the subcommittee?

Mr. McCARTHY. Yes; and I did that because, up to this point, I have neither hired nor fired anyone, and I have started no investigations, except by unanimous consent of the subcommittee. I hope we can continue the practice as we have followed in the past, that is, function with the least amount of politics that has been played by any committee. I think we can continue to investigate only such matters as to which there is unanimous agreement. We are to go into the question now of the authority of the chairman, and I think we should settle that question separate and apart from personal considerations.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. SYMINGTON. If Dr. Matthews was appointed subject to approval by the subcommittee, and if, as is the case, a majority of the members of the subcommittee have stated that they think his resignation should be accepted, would not the chairman agree that his resignation should be accepted tomorrow, before the subcommittee proceeds to the consideration of any further business?

Mr. McCARTHY. As I have said, I have discussed this particular matter in subcommittee, and I shall be glad to discuss it further. The first order of business is to determine whether the chairman has the power to hire and fire, or whether that power lies exclusively in the hands of the subcommittee. I shall abide by a majority vote of my subcommittee on that question. I feel that it will be difficult, if not impossible, for any chairman to function if he must obtain approval by the full subcommittee in hiring and firing with respect to every clerk and every investigator. I shall not argue with the subcommittee. If the majority of my subcommittee say "No; we want the hiring and firing to be done by a committe vote," I shall abide by their decision. Though some members of the subcommittee may disagree, and even strongly disagree, with my hiring and firing some of the employees, yet I sincerely hope that they will recognize that if and when one of them happens to be chairman of the subcommittee, he will need that power in order to conduct the affairs of the subcommittee.

Mr. SYMINGTON. Mr. President, will the Senator yield for one more question?

Mr. McCARTHY. I yield.

Mr. SYMINGTON. Will the matter pertaining to Dr. Matthews be the first order of business in the subcommittee tomorrow?

Mr. McCARTHY. Before replying to the Senator, let me make a statement in regard to Dr. Matthews.

Dr. Matthews has been accused by some persons—not by members of the subcommittee, so far as I know, but by some other writers—as being anticlergy. As I pointed out, I do not think there is a better educated Protestant layman than is Dr. Matthews. He holds a degree of bachelor of divinity from Drew University—Methodist. He holds a degree in Sacred Theology from Union Theological University. He holds a degree from the University of Vienna in Oriental Languages. He taught in the Orient for 6 years. He translated the Methodist Hymnal into the Malayan language. He is one of the most active and loyal members of the Protestant faith with whom I have been in contact. So, Mr. President, anyone who claims that Dr. Matthews is anticlergy simply does not know what he is talking about.

I realize that there are some statements in an article which he wrote months ago with which some of the members of the minority have disagreed, and I may say I think they have a right to disagree. I myself do not like the opening general statement; but I have never made a study of infiltration of communism either into the clergy or into the schools, so I am not in a position to censor something Dr. Matthews wrote 4 or 5 months ago.

It has been suggested to me—and I wish Senators would consider this before the committee meets tomorrow—that in view of the fact that Dr. Matthews has been accused of making an irresponsible statement—accused by persons who sincerely feel that his statement was untrue—he should be allowed to come before the committee and either convince the members of the committee that he was telling the truth or that he was not. I doubt the wisdom of that course, because it would result in an indirect investigation of Communist infiltration into the clergy, and one of the things I have no desire to do is to start investigating the clergy.

Mr. SYMINGTON. Mr. President, will the Senator from Wisconsin yield for another question?

Mr. McCARTHY. I am happy to yield.

Mr. SYMINGTON. Do I correctly understand that the first order of business before the committee will be to have witnesses come before the committee with reference to the Dr. Matthews matter?

Mr. McCARTHY. Not the question of Matthews, but the question of the rules of the committee, which, of course, indirectly concern Dr. Matthews.

Mr. McCLELLAN. Mr. President, I want the floor in my own right for a few moments, if I may have it at this time. I shall have to remain until I get it, because I want to make my position clear with respect to the subject matter which has just been discussed.

I shall try to be very brief. I did not know this question would be raised, but in view of what has been said I want to state my position. As the ranking member of the minority on the committee I believe the chairman of the committee will agree that I have wholeheartedly cooperated with him all the way through. I have not raised any question as to any procedure up until this time.

When the article by Dr. Matthews appeared in the magazine, which I think stated an untruth and contained statements which I think cannot be substantiated, I said it was shocking and unwarranted. I still take that position. Certainly it is a shocking statement, Mr. President, if true; and if untrue, of course, it is doubly shocking. If it is true, it may have been warranted. If it is untrue, it is unwarranted. But whether true or untrue, it is highly controversial, and, in my judgment, Dr. Matthews has made himself, even though he wrote the article before he accepted employment with the committee, a highly controversial character, and has, therefore, impaired his usefulness in the position of staff director of a committee charged with investigations which involve very sensitive issues. For that reason, Mr. President, it was my hope that the chairman of the committee would accept Dr. Matthews' resignation.

When the chairman did not accept the resignation, then the question arose as to whether the committee or a member of the committee had the authority to move to discharge him or to move that his resignation be accepted. The issue arose because the chairman of the committee took the position that he and he alone had the right to hire and to discharge employees of the committee. I most respectfully challenge that position. I cannot sit by silently and acquiesce in a position being taken which, to my mind, violates the rules of the United States Senate on an issue which has become so controversial and so vital as has this issue.

Mr. McCARTHY. Mr. President, will the Senator from Arkansas yield?

Mr. McCLELLAN. I yield.

Mr. McCARTHY. I know the Senator from Arkansas is completely sincere in the position he has taken. I have great respect for the Senator from Arkansas. He did a magnificent job as chairman of the committee when I was the ranking minority member, and he has been very helpful to the committee during all its operations.

After the Senator raised the question as to whether the chairman had the right to hire and fire, I asked the Parliamentarian and the legislative committee of the Senate to give me an opinion on that point. I hope I can have the opinion before the committee members when we meet tomorrow. I think it is a very important question.

Mr. McCLELLAN. I appreciate the chairman's having done that. I had not done it myself because I wanted to give the chairman an opportunity, if he would do so, to clarify the issue.

I base my position upon the rules of the Senate, and upon section 202 of the Reorganization Act of 1949, which is explicit in saying that employees of the regular committees of the Senate, from which the Investigations Subcommittee stems, are employed with the approval of the committee. The rule governing the full committee is that staff members and clerical members can be employed only with the approval of the committee and can be discharged only by the approval of a majority of the committee.

It is my contention that the rule and the law governing the full committee also govern the subcommittee, which is an arm of the committee.

I may say further, Mr. President, in conclusion, that if the other position is right and I am wrong, then every committee of the United States Senate, regular committees and subcommittees, can become one-man committees.

Mr. President, that is not the rule governing Senate committees. I am not interested in Mr. Matthews. I think he has destroyed his usefulness to the committee. But I am interested, Mr. President, in maintaining the integrity of the rules of the Senate. Certainly, when there is a controversial issue, I insist that the rules be followed. Sometimes we become lax about the rules. They are violated on the floor of the Senate every day. In the committee it has been generally the practice to let the chairman go ahead and employ staff members if he wanted to do so. That practice was indulged in this instance with reference to the chairman of the subcommittee. But when an employee becomes controversial, and a majority of the committee, or any one member of the committee, concludes that that employee's services should be dispensed with, I maintain that he has a right to present the question to the committee and let a majority of the committee pass upon the question.

That is the principle I am fighting for. I am not fighting primarily to discharge Matthews; I am fighting to maintain the integrity of the rules of the Senate. That is the issue.

Mr. McCARTHY. Mr. President, will the Senator yield?

Mr. McCLELLAN. I yield.

Mr. McCARTHY. I may say to the Senator from Arkansas that I do not feel too strongly about the issue. I think it should be decided. I am willing to have it decided by my committee, by a majority vote of the committee. First, I wish to get an opinion from the Parliamentarian and an opinion from the legislative counsel.

Let me make a statement, to see if I am correct in my understanding. During all the time we on this side of the aisle were the minority party, is it not correct that I, as the ranking minority member of the committee, in no way even interfered with the right of the chairman to hire and fire whomever he wanted to hire or fire?

Mr. McCLELLAN. Not at all. I say to my distinguished friend that if he will look at the minutes of the meetings of the full committee, he will observe that I never employed any member of the staff without submitting the name to the full committee for confirmation.

We who are now in the minority have indulged the Senator from Wisconsin to proceed to employ whomever he wished to employ. But a situation has arisen for which the Senator from Wisconsin is not responsible. I am certain the Senator was wholly innocent in employing Dr. Matthews. He may be all the Senator says he is and all the Senator thinks him to be. I say an unfortunate situation has developed for Dr. Matthews and for the chairman. As I see it, the usefulness of Dr. Matthews has been destroyed. Certainly he has made our work more difficult, because since Dr. Matthews has become a controversial figure, I do not believe he can any longer satisfactorily or effectively serve the committee.

I believe the only thing that remains to be done is to have the chairman announce now that he accepts the resignation of Dr. Matthews. That would end the matter.

PROPERTIES VESTED IN THE ALIEN PROPERTY CUSTODIAN

Mr. McCARRAN. Mr. President, for many months now a subcommittee of the Committee on the Judiciary has been studying the Office of the Alien Property Custodian, and the administration of the Trading With the Enemy Act. This subcommittee was formerly under the chairmanship of the late Senator from North Carolina, Mr. Smith, and, in the present Congress, has been under the chairmanship of the Senator from Illinois [Mr. DIRKSEN].

It has been my good fortune to attend a number of hearings conducted by this subcommittee, and my interest in the subject matter of the investigation has been aroused, and more than aroused.

I have been particularly interested in the situation which has been shown to exist with respect to certain large corporate properties which have been vested in the Alien Property Custodian.

There are a number of properties of this nature—million dollar corporations with widespread facilities and large payrolls.

The largest of these, of course, is General Aniline & Film Corp., which is carried on the books of the Alien Property Custodian as an $89 million property. General Aniline & Film is outstanding by virtue of the fact that it is by far the largest corporate property vested under the Trading With the Enemy Act. The next largest is Karl Lieberknecht, Inc., which is a corporate property having a book value of some $6,494,000. Next comes the Spur Distributing Co., Inc., with a book value of some $4,249,000. Other vested corporate properties have smaller book values.

Because of its very large size, General Aniline & Film is not, of course, typical of these other corporate properties which have been vested by the Alien Property Custodian. But in many respects the problems involved are similar, and the situations in which these companies find themselves are also similar in many respects.

A great deal of detail testimony about General Aniline & Film has been put into the record of the Dirksen subcommittee. Jack Frye, president of General Aniline, appeared before the subcommittee on several occasions and testified at great length, and with marked ability and knowledge of his subject.

According to the testimony, General Aniline & Film consists of three operating divisions: Ozalid, Ansco, and General Aniline Works. General Aniline Works has no sales facilities of its own; General Dyestuff is its sales outlet. Mr. Frye's testimony was that this is a holdover from the days of German ownership, and is inefficient and uneconomical.

Before 1942 General Aniline depended for many of its vital materials and services upon I. G. Farben, the German dye trust. This dependency covered many fields, including research and development, technical know-how, strategic materials, and key manpower.

According to testimony before the Dirksen subcommittee, the net worth of General Aniline has increased, during the time it has been held by the Alien Property Custodian, from $35 million to $89 million; its total assets have increased from $87 million to $139 million; its investment in plant and property has gone up from $34 million to $78 million; and its sales have increased from $46 million to $99½ million in 1952.

At the same time, the net worth of General Dyestuff Corp. has increased by 130 percent, from approximately three and a half million to approximately eight and a half million dollars.

Those figures would appear to paint a a rosy picture; but the true picture is not so rosy. The wartime expansion is over. The period during which General Aniline had a virtual monopoly in many lines has ended. Competition is becoming keen; and this particular vested asset has started to depreciate.

General Aniline and Film has necessarily lagged behind its competitors in new construction. I say necessarily, because the lag is due to two basic reasons, both arising out of Government ownership: First, lack of access to equity capital; and second, the fact that money from earnings or from borrowings could be spent only after long study and deliberation.

It should be noted that despite the limitations on equity financing, the General Aniline Works division has seen an increase in gross fixed assets of $21 million since 1942.

In 1942, General Aniline had about 3,700 United States patents and patent applications. Almost half of those have since expired or been abandoned; but since 1942 more than 4,300 new United States and foreign patents and applications have been processed by the patent department of General Aniline.

General Aniline faces several urgent needs. It must have large sums of money to correct its basic materials weaknesses, also to manufacture new chemicals such as its acetylene products, if it is to remain competitive in the industry.

The General Dyestuff Corp. must be acquired in order to bring down the cost of sales to a competitive level. Also, Ansco needs substantial funds for expansion to exploit its products, especially in the motion picture and television fields.

The money needed for all these purposes cannot be had except through equity financing in the hands of private owners. That is a major problem which must be faced.

Another problem is the difficulty, under the present situation, of attracting or retaining personnel of the caliber required in management and in the technical and sales staffs. Privately owned companies can offer such inducements as stock ownership, profit sharing, and stability as to future policies and programs. General Aniline and General Dyestuff cannot offer such inducements while they are held under Government ownership.

There is constant speculation about possible changes in management and ownership. Competitors are constantly using the present situation as a lever to help entice trained personnel away from General Aniline and its associated corporations.

It is very hard to maintain morale in the employee organization under such conditions. Salesmen have to spend a good deal of their time answering questions about the status and difficulties and future of the company. There is a continuous flow of rumor and speculation about changes stemming from Washington, and the employees are naturally affected by this.

This situation cannot help but make for instability. Since it was vested, the company has been under the jurisdiction of 6 Alien Property Custodians and 5 different Cabinet officers. General Aniline has had four presidents. Thirty-six directors have resigned from its board. ANSCO has had five different operating heads. General Aniline works has had five heads. Ozalid has had four managers. General Aniline's research program has had nine directors. More than 80 key employees, earning $10,000 a year or more, have left the company for one reason or another.

It is perfectly obvious that Government control restricts freedom of action and business arrangements. Contracts outside the normal course of business are submitted to the Office of Alien Property for approval. A great deal of time must be spent by executives in explanations of business decisions that other companies execute as a matter of course.

Especially in the past year and a half or 2 years, according to the testimony adduced before the Dirksen subcommittee, action on a number of important matters has bogged down. Of course, delay in approval of business matters works to destroy the advantage of the proposed action, on many occasions. Aggressive management is discouraged.

It is not a question of whether the company can survive these conditions; it is only a question of how long before the collapse. The only solution is eventual return to private ownership.

General Aniline and its associated companies have great potential usefulness to this country; but its potentialities in this regard can be developed only under private ownership, free of the extraordinary handicaps which now beset the organization. In a smaller degree, though in the same sense, this is true of others of the corporate properties which have been vested.

Under existing law, as a practical matter these properties cannot be sold. Legislation is urgently needed which will permit such sale. I hope that such legislation will be recommended, in the near future, by the Dirksen subcommittee.

Mr. HENDRICKSON. Mr. President, will the Senator from Nevada yield?

The PRESIDING OFFICER (Mr. BUSH in the chair). Does the Senator from Nevada yield to the Senator from New Jersey?

Mr. McCARRAN. I am happy to yield to the Senator from New Jersey.

Mr. HENDRICKSON. I am sure the distinguished Senator from Nevada is aware that I have introduced legislation designed especially to return to private ownership the property of General Aniline and its associate companies which the Senator is discussing.

Mr. McCARRAN. I am thoroughly advised of that, and I am urging action upon it.

Mr. HENDRICKSON. Mr. President, I should like to take this opportunity, while I am on my feet, to commend the able Senator from Nevada for his remarks today. I am quite aware of the situation, because the principal holdings of the General Aniline Co. and associated companies are in New Jersey, and we are very gravely concerned about the future of the company, inasmuch as in New Jersey it employs approximately 8,000 persons. Those persons are also gravely concerned, as are their unions. So, Mr. President, I should like to associate myself with the remarks of the Senator from Nevada—and urge immediate action.

Mr. McCARRAN. I thank the Senator very much. I appreciate his statement.

Mr. President, this matter was before the Judiciary Committee under my chairmanship while the able Senator from New Jersey was, as he is now, a member of the committee. I assigned the chairmanship of the subcommittee having this matter in hand to our much-beloved friend, the late Senator Smith of North Carolina. He did a marvelous job while he had the matter in hand.

I hope and I believe that the present subcommittee under the chairmanship of the Senator from Illinois [Mr. DIRKSEN] will go forward with celerity.

Mr. President, it is not uncommon for a trustee to find himself in a situation where he must sell the trust property, or some of it, in order properly to conserve the assets of the trust. Such a time has arrived with respect to General Aniline and certain other vested corporations. To permit a great organization to go constantly backward, to fall apart at the seams, as it were, while it remains under the handicap of Government ownership, will not serve the interests either of the Government or of any claimant to an interest in the vested property.

I do not know what General Aniline or Karl Lieberknecht, Inc., or Spur Distributing Co. would sell for on the market today. In the case of General Aniline, there have been estimates ranging from $60 million upward to nearly a hundred million dollars. Perhaps the best guess is closer to the lower figure, or the sales price might even be found to be substantially under $60 million, if the property should be offered for sale immediately. Whatever the figure may be, I am convinced that it is higher now than it will be 6 months from now, and will be higher 6 months from now than it will be a year from now. The same is true, I feel sure, with regard to other vested corporations.

In such a situation, expedited action seems clearly indicated. I earnestly hope that action with respect to this matter will indeed be expedited as much as possible.

The Office of the Alien Property Custodian is an institution which is liable to roll on almost perpetually unless Congress does something about it. The latest available annual report of this Office, the report for the fiscal year ended June 30, 1951, tells us that the book value of assets vested during World War I was, on June 30, 1951, more than $60,164,000. That refers to property from World War I held in the hands of the Alien Property Custodian.

Of this amount, some $57 million represented United States Treasury certificates of deposit, the value of which is contingent upon certain defaulted obligations of the German Government; but there was still more than $2 million of holdover property from World War I which had not been returned to the original owners, which had not been liquidated, and which was still being administered by the Office of the Alien Property Custodian. As of March 31 of this year, according to a statement prepared for the Dirksen subcommittee, the total amount of such assets, that is, assets vested during World War I, and still on the books of the Alien Property Custodian's Office, was still more than $2 million.

Mr. President, there must be an end to this somewhere. Without going into any question of the efficiency of the Office of the Alien Property Custodian, it can still be said, and I think without contradiction, that no one wants that office to continue forever. This is one little segment of our bureaucracy which we can get rid of. In order to get rid of it, provision will have to be made for disposing of the seized property which the Office now administers. That is another reason why I hope that legislation such as I have discussed, to permit the sale of this property, may come before the Senate and the Congress for speedy action.

Mr. DIRKSEN. Mr. President, I suppose Senators will remember that when the Office of Alien Property Custodian was created during World War I, the philosophy that underlay the seizure and management of alien property was quite different from what it is today. The theory then was that the Government seized the property and kept it in United States custody against the day when war ended, when the alien status was terminated, and the property could be returned. That was definitely the philosophy of the alien property custodianship in the days of World War I.

When World War II came along, an entirely different philosophy was followed. I am not at all certain that Congress, in either branch, was fully aware of what was going on. Some rather fine and penetrating minds had much to do with the fashioning of the new act, and the net result was that the Alien Property Act under which we operated in World War II proceeded on the theory of seizing alien assets which were available, reducing them wherever possible to cash, and making the cash available to the Government of the United States that seized the property. This was a complete departure from the philosophy that pervaded the administration of alien property in World War I.

One of the great difficulties encountered at present is due to the change of philosophy and to the provisions which have been written into the Alien Property Act, better known as the Trading With the Enemy Act, presently on the statute books. The matter has gone on for a long time. The Senator from Nevada [Mr. McCARRAN] is entirely correct in his observations. There have been a good many Custodians. It seems to me they met one another coming and going, at times. For a considerable period the Office was without a custodian. So, at long last, there came about a desire and an inclination to investigate the matter.

In 1952 a resolution was submitted in the Senate—submitted, incidentally, by the distinguished senior Senator from Wisconsin [Mr. WILEY]—calling for an investigation of activities and operations under the Trading With the Enemy Act. The resolution was referred to the Committee on the Judiciary. The chairman of the subcommittee which conducted the investigation was the late distinguished Senator from North Carolina, Mr. Smith. He did a splendid job, and filed an interim report which was substantive in nature and contained a large amount of important material, which was at once informative and useful to Members of the Senate. The resolution recited a number of matters that should be investigated.

When there was a change of administration in January of this year, I succeeded to the responsibility as chairman of the subcommittee. I certainly did not seek the position; rather I objected to and resisted every effort to make me chairman, knowing the work that would be entailed and realizing the burden I was already carrying as a Member of the Senate. Frankly, I did not relish the additional responsibilities. However, I could not say nay to the distinguished chairman of the Committee on the Judiciary, the senior Senator from North Dakota [Mr. LANGER], so I accepted the responsibility, reorganized the staff, and proceeded with the investigation substantially along the lines which had been laid down by the predecessor subcommittee.

What the Senator from Nevada says with respect to certain vested properties that have varying book values is entirely correct. As a matter of fact, I believe there are about 19 or 20 properties that can be characterized as of some major value, of which the most important are the General Aniline and film properties, involving a number of plants in New York, New Jersey, and elsewhere, with a value estimated, correctly or incorrectly, at about $100 million. That company, its plants, and all its affairs have been administered by the Government. For a long time it has been doing business under the direction of the Office of Alien Property. I share very completely and unreservedly the sentiment expressed by the Senator from Nevada that it cannot prosper under Government aegis. It can not adequately compete, either at home or abroad, so it is in the interest of the development and the grounding of a good dye industry in the United States that that property be disposed of at the earliest possible date.

But there is an additional reason for its expeditious disposal; namely, that the net proceeds derived from the sale of alien assets under existing law accrue to the fund of the War Claims Commission for the benefit of certain religious orders, civilian employees, soldiers who have been prisoners of war, and victims of inhumane treatment. In 1952 Congress added this provision to the War Claims Act, so a great many claims, running into the thousands, have been filed. Of course, they could only be paid in proportion as net proceeds were made available by the Office of Alien Property from the liquidation of whatever assets that office might hold.

At the very outset, from various increments, $150 million was advanced to the War Claims Commission. On the basis of investigations made by the staff of the committee, it has been found that probably the Office of Alien Property overcommitted itself by as much as $34 million. By that I mean that they probably committed to the War Claims Fund net proceeds which they did not actually have. So somewhere along the line, from properties yet to be liquidated, that $34 million will have to be made up. We hope that there will be an additional amount to pay the claims which have not yet been paid.

I am advised that the War Claims Commission needs about $60 million in order to liquidate the adjudicated and unadjudicated claims which are a proper lien upon that fund. By that I mean mainly claims by American prisoners of war, who, under the act of 1952, have a very proper claim to be compensated from this fund for the inhumane treatment they suffered.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. McCARRAN. Let me say that pending before the subcommittee of the Senator from Illinois at this very time is a bill authored by the Senator from New Mexico [Mr. ANDERSON], directing that $65 million, as I recall the amount be utilized for the payment of the claims referred to by the Senator from Illinois. I have conferred with various authorities and with the Senator from New Mexico. I am hopeful that the Senator from Illinois will be able to get that bill out of the committee within a reasonable time. In conference, I became convinced that instead of being $65 million the amount should be $75 million. The Senator from New Mexico has agreed that that is the correct amount.

Mr. DIRKSEN. I was about to comment on that subject, because a number of bills have been introduced in the House and in the Senate, providing that moneys be advanced out of available proceeds by the Alien Property Office for the payment of the claims which are pending. The only difficulty we encounter is that there are no net proceeds so far as we can ascertain at the moment. The books have not been too well kept. I make that statement on the basis of the investigations which we have made and the hearings which we have held. We have not been able to discover that there are actually any net proceeds or free balances which are available at the moment.

No later than yesterday I introduced a bill to appropriate out of the Federal Treasury $60 million for the payment of these claims, with the added provision that the Treasury be reimbursed as proceeds from the Office of Alien Property become available.

I wish to get to the difficulty which the committee encounters with respect to the liquidation of these vested properties, so that they may be turned over to private hands, and have an opportunity to build and become competitive in our economy.

Mr. McCARRAN. Mr. President, will the Senator further yield?

Mr. DIRKSEN. I yield.

Mr. McCARRAN. No doubt the Senator is in accord with my thought that General Aniline and Film and corporations of a similar nature operating under the supervision of the Alien Property Custodian are now on the decline. They cannot meet competition. Little by little they are becoming less valuable; and the longer the Government holds them the less valuable they will become.

Mr. DIRKSEN. I share that sentiment. As a matter of fact, for a long time I have entertained a rather deep concern that this property might deteriorate. It becomes increasingly difficult to maintain a contented working establishment and retain personnel, both at the plant level and at the sales level. Ultimately there may be some losses as a result of diminishing morale and the deterioration of the property.

That takes us back, of course, to the basic act which is presently upon the books and under which we must operate. There is a provision in the act, section 9 (a), that when the issue is joined and a claim has been asserted, the property cannot be sold until that claim has been disposed of. Today there is a claim in court against every property which the Alien Property Office now holds. That includes the General Aniline property. As a matter of fact a number of claims have been asserted, including the Swiss claims. There is pending in the Federal court for the District of Columbia at the present time a suit which involves Interhandle, the Swiss interests, the interests of General Aniline, and the interests of the Property Office. A continuance was granted, as I understand.

I thought the case had come to a decision, and that on the basis of a writ of discovery which was filed there had to be a determination by June 15. But my information—whether correct or incorrect—is that a continuance was granted, and so the matter is presently pending.

We are, therefore, somewhat powerless to dispose of these properties unless some legal, constitutional way, can be found to deal with them. That issue was first raised in the course of the last seven hearings which we held. Incidentally, other hearings have been scheduled to begin on July 20, to be almost continuous in nature, with a variety of witnesses, to consider all the bills referred to the committee which have any identity with the Trading With the Enemy Act.

Some rather able lawyers have appeared before the committee. A very considerable doubt has been expressed as to whether or not constitutionally we can

now enact legislation to sell these properties, escrow the proceeds, and let the claimants then proceed against the amount in escrow. There are claimants who are interested in the res, in the property, in the thing itself, rather than in the proceeds. They are interested in patent rights. They are interested in the possibility of conducting this kind of plant, dealing with dyestuffs, with intermediates, with drugs, and with chemicals, and making it the foundation of a very solid, established, and lucrative industry.

So one of the things with which we shall come to grips on the 20th of July will be this rather delicate constitutional question. While I am a lawyer, I do not pretend at this moment to supply the answer. There are many excellent lawyers in the Senate, some of whom, not only recently, but in other years, have expressed some doubts as to the constitutionality of legislation which would be ex post facto in nature. I sincerely hope that we can arrive at a legislative approach to deal with the problem. I do not want to see this property deteriorate. I should like to see it reposed in private hands. I think it can be integrated into the American economy, and that at long last, after many futile starts, we can really build up a dye and chemical and intermediate industry in this field that will be a credit to the country and will make it unnecessary to depend upon foreign sources in the event—God forbid—that we should be in a state of hostilities again at some time in the future.

Those are the questions which the subcommittee and the chairman of the subcommittee inherited. The senior Senator from New Jersey [Mr. SMITH] and my very esteemed friend and colleague on the Judiciary Committee, the junior Senator from New Jersey [Mr. HENDRICKSON], have introduced a bill to make possible the sale of this property. On that bill and others we shall conduct our hearings in the hope that light will be shed, and that we can submit to the Senate legislation which we can justifiably defend on the floor. I would be a little reluctant to come before this distinguished body and suggest to it that it enact legislation if I had reasonable doubts of my own as to whether or not it squared with the Constitution. The chairman would like to be satisfied on that score. If some way can be found, I can assure the Senate that the committee will not be wanting in dispatch or lacking in diligence in order to bring about this happy solution.

So I assure Members of the Senate now that all the bills for the extension of time for filing claims, for funds with which to process claims now pending before the War Claims Commission, and for the liquidation of properties which the Federal Government now holds, will be given careful consideration.

There is only one further comment which I need make, Mr. President. It is amazing how long a bureau or a function can remain alive. The Senator from Nevada is so very correct in his statement that there are claims now pending which go back to World War I. To be sure, we followed then the idea of custodianship. In the case of some of the funds related to World War I one of the problems is to identify the person who is rightly and properly entitled to the restitution of the property or money or bonds involved.

Since the philosophy of the act was changed we have had no such problem at the present moment. However, it is amazing that all these cats and dogs from a generation ago should still be upon the doorstep of the country.

We have tried first of all to cut down the size of the operations in the office. There was an office in San Francisco under the Alien Property Act. There was an office in Tokyo. There was an office in New York. There was an office in Munich. Administratively these offices will be consolidated and brought to Washington, if that has not already been done and a vestige of the personnel will remain in the Attorney General's office in New York to carry on there.

There were some seventy-odd-thousand claims, 5,000 of which were in the hands of a single attorney in California. Many of these claims amount to only $5.

Consider for a moment the Yokohoma Specie Bank. Before the war a Japanese could walk into the bank, lay down $5, and buy a certificate which would be payable in yen in Japan. When the war came that whole property was taken over. Today all those claims are pending.

Mr. President, under the law notice cannot even be served on claimants without going well in excess of the amount involved in most of the claims. Ten days ago I introduced a bill to provide for the speedy liquidation of the matter, in the hope that 75 percent of the claims could be speedily disposed of, so that we would not invite costs that are infinitely greater than the claims involved.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. McCARRAN. I may remind the Senator that, as I recall, there were last year in excess of 100 lawyers employed by the Alien Property Custodian in Washington. I do not know how many were employed in the other offices. It would seem to me that that number of lawyers would be able to find a way by which the properties could be disposed of.

Mr. DIRKSEN. I completely subscribe to that statement. The Senate will learn in due course that the chairman of the investigating committee has been most diligent and vigorous, in the hope that we may come close to a termination of the operation, because I believe it would be an affront to the efficacy of this or any other undertaking to have an office such as this languish year in and year out and maintain jobs, which are very pleasant so far as remuneration is concerned, or let an unnecessary agency live longer than absolutely necessary.

I ought to add one other point, Mr. President. In World War I days a great deal of scandal developed in connection with the alien property. There have been rumors; there have been innuendoes; there have been insinuations of one kind or another. I have stated repeatedly to the members of the subcommittee that I was not too much interested in that sort of thing. My primary interest was in lifting the Government out of this business and restoring these properties to private enterprise, so they can pick up and generate themselves into something worthwhile in our free-enterprise system.

These are problems, Mr. President, which are not of my making; they are problems I have inherited. I endeavor to do the best I can. I believe I have a rather efficient staff. It has been working on the problem early and late.

So when the hearings are held, beginning on July 20, we shall have the new Alien Property Custodian, Mr. Dallas Townsend, come before the committee. He comes from New Jersey and, in my judgment, without having known him very long, he appears to be an attorney of very marked talent, and altogether, I think, a very distinguished citizen, who will administer the job truly and well. We shall have others appear before the committee also.

Incidentally, I am asking the president of General Aniline, Mr. Frye, alluded to by the Senator from Nevada, to return for further testimony. We will probably have some of the former custodians testify also. In any event, adequate testimony will be developed, and the subcommittee always will address itself to the principal objective, namely, the lifting of the Government out of this business, for every day we are administering the Alien Property Office and for every day we have people on the roll whose compensation comes, not out of the Treasury but out of the properties themselves, it means there will be that many fewer dollars available to the veterans who fought the battles of this country, who are incarcerated in prison camps, and who were the victims of cruel and inhuman treatment, not only in the Orient but in Europe as well. I believe there rests upon us a solemn duty, which is almost sacred in nature, to make sure that we save every dollar and devote it to the purpose for which it was intended by Congress, mainly for the use of veterans.

We shall certainly not depart from the spirit of the act, but we will do everything possible to husband those resources, to make sure that they go to the places and to the people for whom they are intended.

Mr. HENDRICKSON. Mr. President, I sincerely hope that every Member of the Senate will read the record that has just been made here today by the two distinguished Senators, the Senator from Nevada [Mr. MCCARRAN] and the Senator from Illinois [Mr. DIRKSEN].

It has been my privilege to serve on the subcommittee, both under the able leadership of the late Senator Smith of North Carolina, a man whom we all loved dearly, and under the leadership of the distinguished Senator from Illinois.

I have attended many of the hearings of the subcommittee. I think I know something of the problem. I know the need in my State, where the vast majority of the holdings of General Aniline and its associates are located.

I hope that the RECORD will be read and studied. I join the distinguished Senator from Nevada in urging that the issue

be brought to the floor of the Senate in the form of a bill at the earliest possible moment. I assure the Senate, as a member of the subcommittee, that I shall exert every effort at my command toward giving the Senate an opportunity to consider the issue within a reasonably short time.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

The Senate resumed the consideration of the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDING OFFICER (Mr. BUSH in the chair). The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. GRISWOLD], in the nature of a substitute for the amendment offered by the Senator from Oklahoma [Mr. KERR], to insert a new section at the end of the bill.

Mr. GRISWOLD. Mr. President, I am speaking on behalf of the amendment to Senate bill 2267, which I have presented as a substitute for the amendment offered by the Senior Senator from Oklahoma [Mr. KERR].

My amendment directs the Secretary of Agriculture to institute a program to purchase brood cows under such rules and regulations as he may provide and at a price of not less than 10 cents per pound. The theory behind this bill is different than that behind the price support amendment offered by the Senator from Oklahoma. My amendment is intended to correct the basic problem in the cattle industry, that of an oversupply of cattle.

The Junior Senator from New Mexico [Mr. ANDERSON] stated yesterday on the floor of the Senate that we have 10 million too many cattle in the United States. My amendment approaches this problem by proposing that the Government purchase a large number of cows which are still capable of having calves. In a very short time that will remedy the basic fault.

Mr. President, I desire to point out that although we are debating a bill providing relief for the drought-stricken area of the great Southwest, yet actually the cattle problem is a national one. The movement of cattle to the market from the drought-stricken area has caused a serious decline in the price of cattle in all parts of the United States. If there were not an oversupply of cattle it is likely that the Nation could absorb the cattle which are being forced out of the drought-stricken area. The oversupply of cattle has been apparent to all students of the problem for at least 2 years.

Since the fall of 1951, there has been a steady decline in the price of cattle. In the fall of 1951, many calves sold for more than 40 cents a pound, and many yearling steers were sold to feeders for approximately 35 cents a pound.

A year later, in the fall of 1952, calves and yearling steers were selling at a price around 25 cents; and the prospects for this fall are for prices much below that.

Yearling steers are being offered today at 16 cents a pound with no takers. Cows are selling at very depressed prices.

The point I wish to make is that this is a national problem, and cattlemen in all areas of the Nation are affected by the serious price situation that has developed.

My amendment approaches the problem in a very basic way, as it directs the Secretary of Agriculture to put into effect a program which will reduce the number of cattle in the United States. It is not a price-support program involving rationing or controls, but it provides for paying a price for cows somewhat above the general market price, thus inviting their sale and bringing about their slaughter. The Secretary of Agriculture should not pay a price which will make the raising of cattle profitable at such prices. The amendment puts a floor under the present sale price of cows.

The price-support plan for wheat, corn, and cotton operates so as to invite farmers to plant more of these crops. My amendment will not have that effect.

I desire to point out that while it is undoubtedly necessary to extend some special emergency credit to cattlemen in the drought area, yet it should be understood that we are not benefiting cattlemen by extending them credit unless there is an increase in cattle values before the cattle are sold. The extension of credit may only delay the time when the cattlemen must take a loss. What the cattlemen in the drought area and throughout the Nation need is not more credit; they need a greater confidence in the future price of cattle. That will create a true basis for credit and the credit will then be forthcoming from the regular loaning agencies.

The banks of this Nation have large deposits and they are looking for good loans, but when they are fearful of the future price of cattle, and when the cattleman himself is fearful in regard to the future price of cattle, it is impossible for the cattleman to get a loan from a bank. I repeat, there is no real lack of credit; there is only a lack of confidence in the future of the cattle industry.

My amendment will correct that fault. It will bring about a decrease in the number of cattle and bring back the needed confidence, which in turn will automatically make credit available.

There may be a question as to the cost of the program I suggest. If the market price of cows remains low—and today many poor quality cows are selling for as low as 6 cents and 7 cents a pound—then the program might cost a good many million dollars, but if the program costs much, it will just that much more quickly bring about the very correction which is intended.

Mr. KERR. Mr. President, will the Senator yield?

Mr. GRISWOLD. I yield.

Mr. KERR. Did I understand the Senator from Nebraska correctly to say that today cattle are selling in Nebraska for as low as 6 and 7 cents a pound?

Mr. GRISWOLD. I believe some of them are; yes.

Mr. KERR. I thank the Senator.

Mr. GRISWOLD. If 1 million cows are purchased with an average weight of 800 pounds at 3 cents above the market, that will mean a loss to the Government of $24 a head, or $24 million. In my judgment, after a million cows were purchased, the market would strengthen, and on the purchase of the next million cows the loss would not be as great.

Candidly, I do not claim to be able to state what the cost of the program will be, as it will depend upon the price received for the meat when it is placed on the market. Today many cows are selling at from 9 cents to 11 cents a pound, but the question really facing the cattlemen is what price will be offered for these cows in October when most are sold, and they are fearful that it will go very low. As a matter of fact, no one can tell what the cost of the emergency loaning program will be, as that also will depend upon the price received for the cattle when they are placed on the market.

The Government may lose a great deal of money on the loans made. So, I point out, Mr. President, that the cost of either loan program or purchase program cannot be determined at this time. A loan program, however, tends to keep alive and even increase the number of cattle that exist in this country, while my purchase program will bring about a decrease in the number of cattle.

I point out also that my program providing for the purchase and slaughter of cows is not a continuing program. The success of such a program will automatically bring about its abolition. As the number of cattle is reduced, the program will no longer be necessary.

I say again that it involves no rationing and no controls, and I desire to point out that very little governmental machinery will be required for the establishment of such a program. Purchasing agents can be placed in each central market. Contracts can quickly be made for the processing of these cattle, and the meat can then be stored awaiting a future decision as to how and when it shall be sold or disposed of abroad.

It has been stated that the Department of Agriculture now has authority to institute a price-support program. My program is different in that it only creates a floor under the price of cows and does not go into the problem of establishing a parity price for calves, yearling steers, and all other classes of cattle.

Much has also been said on the floor of the Senate, Mr. President, as to the need for quick action if we are to do anything to save the cattle industry, especially in the drought-stricken areas of the Southwest. A loan program involves the creation of committees to study and approve the loans. It involves the checking of the loans. It involves much more machinery than is involved in the program which I present.

If speed is desired in passing a relief bill, then the Senate should take the loan program which has been presented by the committee and pass it. But if the desire is to get relief to the cattlemen of the Southwest, then my program is much more practical than is the program we have been discussing.

As a matter of fact, Mr. President, if word goes out to the cattlemen of the Nation that my program has met with the approval of the Congress, the approval of the President and the approval of the Secretary of Agriculture, it will immediately establish a basis for credit for the cattlemen in the drought-

stricken area, where the need is apparent.

If a farmer knows that a cow can be sold this fall for 10 cents a pound, a bank will be willing to make a loan, and the credit facilities will be available to the cattlemen the very day the bill becomes a law. The machinery is already set up. Banks have ample funds. They know their customers. It would require no time whatsoever to extend the needed credit.

I come back again to the statement that my program seeks a fundamental solution of the problem we are facing. It would bring a solution of the credit problem in the drought-stricken areas. It would also bring about a solution of the oversupply of cattle which exists in the Nation.

In closing, I again wish to point out that the program would bring about its own abolition. As the number of cattle was reduced, the market would automatically establish a price above that offered for cows by the Secretary of Agriculture, and bring stability to the entire industry.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. GRISWOLD. In a moment. I am about to close.

In my judgment it would be well to add this amendment to the bill. It would be well to send it to conference and permit discussion of it. I realize very well that when we are giving discretionary power to the Secretary of Agriculture, we cannot very well expect the program to be a success unless the Secretary of Agriculture himself believes in the program. I think it would be well to call specifically to his attention the need for such a program, the simplicity of the program, and the speed with which it could be placed in effect.

If the amendment is placed in the bill and goes to conference, and if the Secretary of Agriculture says, "I want nothing to do with the administration of such a program," then I think the only practical thing to do is to eliminate it from the bill which the conference committee reports.

I now yield to the Senator from Delaware.

Mr. WILLIAMS. What does the Senator from Nebraska propose that the Secretary shall do with the cows after he buys them?

Mr. GRISWOLD. Can them, process them, and then sell them or dispose of the meat on the market. It may be used in the same manner we have used other surplus foods. Provision might be made for disposition in programs abroad.

I remember that at one time the Senator from South Dakota told of the meat situation in Korea. He stated that if we were called upon to extend some kind of relief to that area, it might be well to bear in mind that the Koreans are a beef-eating people, and would be glad to have the meat made available to them. My program would give the Secretary authority to sell the meat on the market or to dispose of it in any manner he saw fit.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. GRISWOLD. I yield.

Mr. WILLIAMS. As I understand, the Secretary could dispose of the meat as he saw fit, either above or below the cost which he paid.

Mr. GRISWOLD. That is correct.

Mr. WILLIAMS. How does that differ from the Brannan plan?

Mr. GRISWOLD. I am not a student of the Brannan plan. I do not know how it was to operate.

Mr. WILLIAMS. If I understand correctly, Secretary Brannan offered a similar proposal. The Secretary of Agriculture was to buy the products at a fixed figure and dispose of them either above or below the market. The Senator's plan sounds very similar to me, except that it would be confined to cattle.

Mr. GRISWOLD. I point out to the Senator from Delaware that I am not suggesting establishing a floor under the price of all cattle. This program envisages the idea of taking out of the industry in America many brood cows, so that we shall not raise as many cattle in the future as we have raised in the past. The Brannan plan might easily lead to the planting of more wheat, more corn, more cotton, and other products which the producers might desire to sell to the Government. This is an entirely different plan, and is based upon an entirely different economic theory.

Mr. WILLIAMS. Will the Senator not agree, however, that in principle, it is the same as the Brannan plan, in that the Government would be accepting the losses? Would it not have the net effect of putting the Government in the meat business at this time?

Mr. GRISWOLD. As I pointed out to the Senate, this plan would bring about its own abolition, because as the number of cattle was reduced there would no longer be any necessity for the continuance of the plan. It does not call for raising more cattle to sell to the Government. It does provide for Government interference in this particular field, if that is the point the Senator makes.

Mr. CASE. Mr. President, will the Senator yield?

Mr. GRISWOLD. I yield.

Mr. CASE. I think the Senator from Nebraska possibly has answered the Senator from Delaware sufficiently, but there is a very profound difference between this plan and the Brannan plan. The Senator from South Dakota was not particularly a student of the Brannan plan, but his understanding of it is that it proposed, not merely as to cows, but as to whatever phase of agriculture he wanted to apply it to, that the Government step in and make up the difference between the price at which a product was sold and the price which the Secretary determined ought to be paid for the particular product.

The Senator from Nebraska is exactly correct in saying that instead of tending to put a natural end to the crisis, the Brannan plan would encourage the overproduction of the very commodity which it supported. The Senator from Nebraska has proposed a plan which is distinctly different from that, because it would be automatically self-terminating. Instead of encouraging the glut or surplus which causes the problem, it would tend to bring it to an end.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. GRISWOLD. I yield.

Mr. WILLIAMS. Is it not true that we tried a similar program with reference to pigs a few years ago under Henry Wallace's administration?

Mr. GRISWOLD. I do not know about pigs; but we do not propose to plow under any cows. We propose to convert the cows into palatable food. They will be eaten by people who need to eat meat. I see no resemblance between the two plans. In fact, I do not know much about the Wallace plan for pigs. I was not a Member of Congress at that time, and made no particular study of that program.

Mr. WILLIAMS. If I correctly understood the Senator's amendment as it was originally written, it contained an extra paragraph which, in effect, carried with it the Wallace program.

Mr. GRISWOLD. I do not believe the Senator from Delaware really read the amendment or the thought behind it.

Mr. WILLIAMS. I did not read the thought behind it; but I think it would be a rather dangerous precedent to establish, either in the cattle industry or in any other industry, as a long-range program.

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. GRISWOLD. I believe I had indicated that I would yield to the Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, I am not asking the Senator to yield to me. I am seeking recognition in my own right.

Mr. MORSE. Mr. President, will the Senator from Nebraska yield to me?

Mr. GRISWOLD. I yield.

Mr. MORSE. I think once in a while a little fun in a serious debate such as this helps us a little. I am sure the Senator from Nebraska will enjoy hearing one reason why I think there is great merit in his amendment. At the present time I am having bull trouble. My bull got out the other night, into my neighbor's herd of Holstein heifers. That is not a very good combination, when the bull is a beef bull. If the passage of this amendment would help my neighbor to save those heifers, I would give serious consideration to it. It might save me a lawsuit.

Mr. KERR obtained the floor.

Mr. AIKEN. Mr. President——

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. KERR. Mr. President, I rise to oppose the substitute offered by the Senator from Nebraska. In the first place, it comes under the classification of class legislation. I do not believe that the Senate should be unduly impressed by legislation which is so easily identifiable as class legislation.

In the second place, Mr. President, the amendment is highly discriminatory. To begin with, it discriminates against the cattlemen of the country. For the first time, to the knowledge of the Senator from Oklahoma, the Federal Government would do that which would penalize the cattleman who are engaged in buying or raising or producing male

cattle. Unless the Senator from Nebraska has some means of transforming the male of the species into female, so as to eliminate discrimination, it would seem to me that that feature of the bill alone would constitute sufficient ground for its rejection.

Furthermore, the amendment discriminates against the consumers of the country. It would seem that they would have to pay more for meat which had come from female carcasses than from male carcasses.

Then it would discriminate against the consumer in that it would create a scarcity, whereas the consumers, I am sure, would prefer an abundance. In fact, I have never seen a piece of proposed legislation offered by any Senator which was so apparently calculated to produce scarcity, as is this amendment.

Then, Mr. President, it is highly discriminatory in another feature. It discriminates against the cow.

I read the amendment put on my desk yesterday as being the one to be offered by the distinguished Senator from Nebraska. It had 2 sections, and the second section had 4 subsections. The fourth subsection reads:

> To pay to any producer of cattle with respect to each heifer spayed by such producer prior to July 1, 1954, an amount determined——

Mr. GRISWOLD. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. GRISWOLD. The Senator will find that in the substitute which I offered today, subsection 4 is not included. The Senator from Oklahoma is reading from a mimeographed sheet which he found on his desk.

Mr. KERR. That is the first statement the Senator has made, I am positive, in which he is correct.

Mr. GRISWOLD. I thank the Senator for his confidence in my integrity.

Mr. KERR. It is not the integrity of my friend from Nebraska. I not only would cast no doubt upon it, but I would publicly acknowledge my conviction in his complete integrity. I am delighted at some other features of the statement of my friend from Nebraska. It shows how much information he has obtained in such a short time about some matters. I will refer to them in a moment.

I believe the Senator from Nebraska is discriminating against his own amendment. He took out the most intriguing subparagraph of the amendment he notified Senators yesterday he was going to offer. I do not know whether it is because he has changed his basic concept as to the principle of bovine birth control, or whether he has changed his mind as to the desirability of it, either as a physical operation or an economic process.

Mr. GRISWOLD. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. GRISWOLD. I desire to apologize if I ruined the Senator's speech or humor, but I wanted the distinguished Senator to understand that this particular subject is not involved in the amendment which I offered.

Mr. KERR. I thank the Senator. I must say publicly to him that if he had ruined either my speech or my humor, he would have to do a lot more than apologize to me. Knowing him, both as to his attitude of friendship toward me and as to his limitations, I have neither anticipation nor fear that he will ruin either.

Mr. President, the adoption of the substitute offered by the Senator from Nebraska would make this part of the bill as impotent and sterile as the Senator from Nebraska has been trying to make the bovine female population of the cow country.

The fact of the matter is he would ruin both the cattle and the bill with his amendment, were it to be adopted.

I believe I heard the Senator say that cattle were now selling in Nebraska at 6 or 7 cents a pound. I asked him specifically if I correctly understood him, and as I recall, he said I had.

Mr. President, on the second day of June on the floor of the Senate a colloquy took place in which the Senator from Nebraska had a prominent role. I desire to read something that was said on that day. I am going to read what the RECORD shows took place and then I will recall to Senators what was actually said. On page 5685 of the RECORD of June 2, I read:

> Mr. GRISWOLD. I happen to be a small-business man and I deal constantly with the farmers.

He was addressing himself to the distinguished Senator from Tennessee [Mr. GORE]. He said:

> Has the Senator from Tennessee ever heard of a case such as that which was reported to me last year of a man who had a $1,000 bond for which some years ago he paid $750? He told me that he had sold 10 cows in order to buy the bond. The Government was living up to its obligation; it was paying him $1,000, but at the end of 10 years the money would buy only four cows. During that time the farmer had lost four head of cattle.

Mr. President, I was on the floor of the Senate at the time. What the distinguished Senator from Nebraska actually said was that the farmer had told him it took seven cows to buy the bond. At its maturity its proceeds would buy only three cows. But even so, let us assume that the way the RECORD has been amended is correct and that when the bond matured it would buy only four cows. That was on June 2, when the distinguished Senator from Nebraska was speaking, which is just a few weeks ago. I wonder what has happened in that time that makes it imperative that the Government put a guaranty of 10 cents a pound on those cattle.

There must have been a drastic decline. Or is it possible that the Senator from Nebraska has just been apprised of what has been going on for quite some time?

During the course of the same colloquy the Senator from Oklahoma asked the distinguished Senator from Tennessee:

> Mr. KERR. Would the Senator be surprised to know that, instead of cattle being at a price where only 3 could be bought for a thousand dollars, only yesterday in the market in Nebraska and Oklahoma cattle were selling for less than $60 a head, instead of $330 apiece. If the Senator from Nebraska does not know that, he had better go back home and find it out.
>
> Mr. GRISWOLD. Mr. President, I want to correct the RECORD.
>
> Mr. GORE. I yield for whatever correction of the RECORD the Senator wishes to make.
>
> Mr. GRISWOLD. Mr. President, I should like to state that in Nebraska we are not selling Nebraska cows for the amount to which the Senator from Oklahoma has referred.

That was the statement of the distinguished Senator from Nebraska on June 2, on the floor of the Senate. It would seem that, on the basis of his advocacy of his amendment, either he was mistaken then or that circumstances have happened since to make the conditions in Nebraska similar or identical to or worse than those described by the Senator from Oklahoma on the floor of the Senate on June 2.

I am amazed at how much the Senator from Nebraska has learned about what is going on with reference to the price of cattle, and I may say to him that I enjoyed the statements he has made about the beneficial effects of his amendment if it were adopted. He said that if a floor of 10 cents a pound were established for the price of female cattle that of itself would bring about, probably by the time a million cattle were purchased, a condition whereby but little additional support would be necessary for the price of all cattle to be above that amount.

I submit, if that is possible, the Senate should move without hesitation to bring about a condition that would be so beneficial, at such a low cost. It was with that thought in mind that I offered my amendment, believing it would require only a little actual operation of a program by which the Secretary of Agriculture was supporting the price of cattle at 90 percent of parity, until the value would be restored to a point where only limited purchases by the Government would be required.

It has been my contention that if the Secretary would spend some money in supporting the price of cattle to the producer, the price would be restored to a point where the economics of the situation would be such that a reasonable degree of prosperity would be restored to the cattle producer, and at very limited cost to the Government.

However, the Secretary has not done so, although under the law he could just as well be supporting the price of cattle to the producer. Instead of doing that, he is supporting the price of beef products to the processor. He has launched a program of purchasing 200 million pounds of processed beef. In view of the fact that he refused to do anything else, I looked upon that program in the hope that it would cause a limited part of the benefit to trickle down to the producer. But I noticed on the news ticker a few minutes ago a report by the Associated Press that illustrates the fallacy of that approach, if the purpose of the Secretary is to support the price of cattle to the producer. At the same time, Mr. President, in my judgment the news report fortifies my argument that the Secretary of Agriculture should be spending that money in a program to

support the price of cattle to the producer himself.

I read from the dispatch:

WASHINGTON, D. C.—The Government and meat processors are having difficulty getting together on a Federal beef buying program aimed at providing higher prices for cattle being forced to market in the southwestern drought area. The Agriculture Department announced 2 weeks ago a 200 million pound beef purchase program, with a buying goal of at least 10 million pounds a week for 20 weeks. Last week, only 3,621,000 pounds were purchased, and this week only, 5,250,000. Officials say buying was falling behind schedule because some processors are asking prices out of line with depressed prices being paid for cattle in the distress area.

Mr. President, it is amazing how some persons have to be knocked in the head with a sledgehammer in order that some intelligence and good information may trickle in.

What did the Secretary think would happen when he announced he would allow 200 million pounds of beef to be purchased from the processors? The distinguished senior Senator from Vermont [Mr. AIKEN] yesterday accused me of depressing the price of cattle because I have been urging the Secretary of Agriculture to pay more for cattle. That is a peculiar way to depress the price of anything, Mr. President; but this situation demonstrates the effect of the Government's buying program with reference to what is being bought.

The trouble is the processors are already making more money than they have ever made before in all their lives. The only group in the United States whose profits today are at a higher level, comparatively, than the profits of the processors of beef is the group of bankers. I wish to say that the Treasury Department is working just as hard to increase the profits of the bankers as the Secretary of Agriculture is working to increase the profits of the processors. The basic result of both programs is that, on the one hand, people have to pay higher interest rates on the money they borrow, and higher taxes to the Government, so it can pay higher interest rates; and, on the other hand, the producer of beef cattle sees the price of his product, insofar as he is concerned, either continue at the present disastrously low level or be further depressed. Perhaps the Secretary of Agriculture will realize that situation—not because of anything I have said—I would not hope for that—but as a result of the experience he is having.

I read further from the news report:

The Department said the buying program was designed to stem the trend to ruinously low prices for low-grade cattle.

It seems, Mr. President, that the Secretary of Agriculture should have spent the money to buy cattle. Processed beef was not selling at ruinously low prices. It was already selling at exorbitantly high prices, in view of what the processors had paid for it.

I read further from the news report:

Beef being bought is of the canned and hamburger styles, produced from animals of these grades.

I wish to say to the Secretary of Agriculture that he is not discriminating against the male animal products. He is not limiting his program to hamburgers made out of steers or bulls, or rather limiting it to that part of the bovine population other than steers or bulls.

I read further from the news report:

Officials had hoped that the program, coupled with the industry program to sell more beef, would (1) strengthen cattle prices in the Southwest sufficiently to encourage farmers to halt dumping the animals on markets, and (2) silence demands from some cattlemen that the Government either buy live cattle at greatly increased prices or put a price floor under them. Officials have said the Department is not equipped to buy and handle live cattle.

Mr. President, that amuses me. The product eventually gets into cans or into the form of hamburger meat or other products of the processing operation. I wonder whether the Secretary of Agriculture thinks the only way he can buy processed beef is by waiting until the processor has virtually stolen the live animal and then has charged the Government three prices for the processed portions of it. I wonder if it never occurred to the Secretary of Agriculture that he could buy the animal and have it processed for the Government's account, and in that way help keep up prices to the producer and help keep down prices to the consumer, whereas his present program is succeeding only in increasing the price received by the processor and increasing the price paid by the consumer for the processed products, with the benefit to the producer being minute and remote indeed.

I read further from the news report:

What canned beef the Department bought this week was higher priced than last.

Mr. President, the program was in effect 2 weeks, and the cost per pound went up about 8 percent.

I read further from the news report:

This week's price averaged 36.95 cents a pound, compared with 34.36 cents last week.

Mr. President, I wonder whether the Secretary would be careful to note that each animal brought the producer probably 5 cents a pound, and that the processor cleared the hide and the offal, and sold the carcass to Mr. Benson at about 4 to 5 times as much, as the farmer who produced it had received. What mockery, Mr. President. Yet, when the Senator from Oklahoma offers an amendment to put into operation a program designed to increase the price paid to the producer, who is the one who is suffering, he is ridiculed by the chairman of the Committee on Agriculture and Forestry, who for 6 months has refused even to let the Senator from Oklahoma have a hearing on a bill he introduced.

Then, Mr. President, the Senator from Oklahoma sees the distinguished Senator from Nebraska trying to subject not only the amendment of the Senator from Oklahoma but also the entire bill to a degree of sterility and impotency beyond even that of which he has calculated or indicated an understanding. I want to thank the Senator from Vermont for his comparative docility today. Yesterday, I did not know whether the Senator from Vermont was simply easily irritated or simply allergic to KERR, or whether the facts with which he was confronted astounded him or dismayed him.

Mr. President, I sincerely hope that the amendment in the nature of a substitute offered by the Senator from Nebraska will be voted down, and that the amendment of the Senator from Oklahoma will be adopted.

Mr. ANDERSON. Mr. President, I desire to speak in opposition to the amendment offered by the Senator from Nebraska. I wish to say, however, that with many statements made by the Senator from Nebraska I find myself in agreement. There are at present at least 10 million cattle too many for the safety of marketing situations in this country, and I approve that much of the amendment of the Senator from Nebraska which seeks to help in the removal of cows which are producing calf crops we cannot handle.

When he talks about the reduction of breeding herds, I think he is putting his finger on one of the most serious problems the cattlemen face; but I say to the Senator from Nebraska that I think it is a matter which should have been brought before the Committee on Agriculture and Forestry, and which we should have a chance to consider; but I do not believe it belongs in the pending bill.

I desire to say to him also that when he proposes the slaughtering of great numbers of animals by the Government of the United States, that involves a great many problems. Many years ago we had a slaughtering program operated through the Federal Emergency Relief Administration. It was my function to serve as one of the regional administrators of the Federal Emergency Relief Administration, and my particular area of responsibility was in the Southwest where the cattle-slaughtering program was in full swing. We had the extremely difficult problem of trying to decide what to do with a carcass once an animal had been slaughtered. We had to find a place where the meat could be frozen. Usually there were not such facilities where the animals had been slaughtered; and when we found a place where the meat could be frozen, we then had to find a place where it could be stored. We made use of all sorts of improper storage. If the meat began to spoil, it would then be offered to the relief clients, who would haul it off in its bad condition and use it as quickly as they could. I do not say we could have done better. I merely say to the Senator from Nebraska that it is bad business, and that when the Nation embarks upon this sort of program we ought to have it so carefully worked out that such problems as I have mentioned would not arise again.

Furthermore, there arose the problem of what to do with the hides. At that time hides, around the world, were regarded as valuable. So we had to set up and establish tanneries to try to handle the hides. I want to assure the Senator from Nebraska that I would never go through that again. I do not say the Senator contemplates that. I

am not trying to accuse him unjustly of advocating something in connection with a program he has not sponsored. I merely say to him that in connection with a cattle-slaughtering program operated by the Government of the United States in contradistinction to the normal slaughtering program operated by the ordinary packing plants, there arise tremendous problems which we ought to endeavor to meet in advance, and which I think require legislative study before taking action.

I do not say that the cattlemen have always wanted to have Government help. I can remember when they have come forward to say they did not want Government help. I can remember that they have insisted many, many times that they are rugged individuals. But today we find them split on this question.

Not too long ago, but several months ago, to be exact on the 12th day of March, a livestock advisory group which was meeting in Washington issued a release carrying its recommendation as to what might be done. That release was signed by Sam Hyatt, president of the American National Cattlemen's Association, a man from Wyoming, an extremely competent cattleman, and a very fine citizen.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. ANDERSON. I yield.

Mr. THYE. In connection with what the Senator from New Mexico just said, that the cattlemen did not want any control, I may say that only last evening in looking through the Saturday Evening Post for this week, I noticed on the editorial page an article entitled "Stockmen Want No Part of a Controlled Market," written by Edmund Christopherson. Mr. Christopherson apparently had interviewed a great many livestock people throughout the Northwest, as well as in the Southwest; and on the strength of those interviews, he wrote the editorial, which, as I say, appears in this week's Saturday Evening Post. I ask unanimous consent that the editorial be printed in the RECORD at this point in my remarks, because I think it quite important that we have all possible information on the question before us.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

STOCKMEN WANT NO PART OF A CONTROLLED MARKET

(By Edmund Christopherson)

It is heartening that in the face of still-continuing drops in the price of their one cash crop, the beef growers not only failed to shriek for the Government to bail them out but have openly declared their intention to stake their futures on the operation of a free market.

The current price slump, the cattlemen's first setback in 12 years of prosperity, began about 18 months ago. Spurred by the continued high beef prices, ranchers increased their herds and the cattle population reached an all-time high.

This increasing supply started an orderly easing of the price beef critters brought in sales rings and stockyards. It was a sort of easy, expected deflation until drought hit fairly hard in a lot of the grass-feeding areas last summer. Ranchers, left short of feed they'd normally have used to carry their stock through the winter, had to sell.

How much are the cattlemen hurting? The other day, in Montana's cattle-raising Big Hole Basin, Ralph and Clayton Huntley sold their year's production of coming 2-year-old steers, weighing a sleek 900 pounds, for 20½ cents a pound. A year before, identical beef from this same cow outfit brought them 31 cents a pound, or about $95 more per animal. From mid-February to mid-March, 1953, alone, the Department of Agriculture announced a drop of slightly more than 12 percent in the average prices of beef cattle.

Still, in spite of these facts, and intense discussion of them among the stock growers affected, not one of the more than a hundred range cattlemen's organizations favors a Federal bail-out. Never, even in the grim thirties, when prime steers sold for 4 cents a pound and the Government bought, slaughtered and buried range cows, paying three-quarters of a cent a pound for animals delivered to the slaughter point, have stockman sought Government supports. They reason that along with Federal supports they would lose control of their industry. Even though the shakedown seems rough now, stockmen are standing firm behind their statement that "we oppose imposition of specific agricultural cash subsidies—including price supports—wherever they directly or indirectly affect the cattle industry."

The only Government interest they have sought is help in developing wider markets, such as encouragement of the use of beef in the school-lunch program. They have also inaugurated a positive program for selling more beef to consumers on its merits as an essential food.

This program is succeeding, which is fortunate, for, even with prices on the drop, there has been little retrenchment in the cattle industry. Stockmen are geared to high-level production as a fundamental part of their faith in expanding markets in a growing free market.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the report of the Livestock Advisory Group, with the recommendations in full, be printed in the RECORD at this point in my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

LIVESTOCK ADVISORY GROUP RECOMMENDS END OF CONTROL LEGISLATION

A flat recommendation that Congress permit the price and wage control law to expire on April 30 and reject legislation now before it to provide standby controls or a 90-day freeze order was 1 of 7 submitted to Secretary of Agriculture Ezra Taft Benson by a livestock industry committee that concluded a 2-day meeting here today.

The 18-man committee surveyed the whole cattle picture pointing out that producers and feeders have been pinched for more than a year in a falling market for their products while costs of production have remained at high levels.

It commended the President and the Secretary for their prompt action in removing price and compulsory grading controls.

"Every possible approach to a solution of the problem was examined," according to the committee report, which continues, "including the idea of government subsidies and supports but rejected this approach as offering, at best, only a temporary relief for those now in financial difficulty. It was the committee's opinion that Government interference at this time would only further complicate the problems and delay the establishment of a sound operating program for the industry."

The committee did, however, spell out a field for Government aid in its remaining resolutions. It called for a stepped-up program of Departmental promotion through press, radio, and television to acquaint the public with the fact that beef is both plentiful and low-priced on today's market.

Members asked that the Secretary check the purchase program for the armed services; that immediate steps be taken to increase the volume of beef used in the school-lunch program both through local purchases and funds supplied by the Department under section 32.

The committee went into the export-import field and asked that the Secretary check this whole question with a view toward giving protection to the industry at this time. It urged that research to expand the use of tallow, animal fats, and hides be enlarged.

A recommendation that the Government give serious consideration to the purchase of beef to send to Korea for the feeding of the South Korean army pointed out that a better plan of nutrition will make more South Korean soliders available for armed service.

Aside from the above seven specific resolutions, the committee went on record suggesting the Department make a thorough study of all its possibilities for extending credit through existing agencies in case of extreme emergencies.

"The committee assured me," stated Secretary Benson, in commenting upon the advisory board's recommendations, "that all segments of the industry are united in a marketing program intended to provide maximum service at reduced costs in moving meat from range and feedlots to the consumers of the country."

In connection with this stepped-up promotion program, the committee recommended that the livestock industry increase its contributions to the National Livestock and Meat Board.

Concluding its work, the committee felt that the current problem is confounded and aggravated by the present rigid high price supports on basic commodities, particularly feedstuffs. It was charged that these were big factors in the present price squeeze and a recommendation was made that the whole support program be reexamined and more flexibility brought into it.

"Price support programs," said the report, "are only a part of the overall farm program and should not create more problems than they solve."

The recommendations were taken under consideration by Secretary Benson as the committee pledged itself to come any time on call. On the committee are: Sam Hyatt, president, American National Cattlemen's Association; C. B. Watson, president, Corn Belt Livestock Feeders Association; Reese Van Vranken, cattle feeder; L. M. Perton, American Stockyard Association; Robert J. Riddell, president, the National Livestock Exchange; Ray S. Paul, chairman, beef committee, American Meat Institute; Jack Rosch, president, Texas & Southwestern Cattle Raisers Association; Jay Taylor, chairman, National Livestock and Meat Board; Howard Hill, president, Iowa Farm Bureau Federation; Norris Carnes, manager, Central Cooperative Association; P. O. Wilson, manager, National Livestock Producers Association; Henry Kruse, chairman, beef committee, Western States Meat Packers Association; John Heinz, chairman, beef committee, National Independent Meat Packers Associa-

tion; Seth T. Shaw, Safeway Stores, Inc.; J. O. Brott, agricultural division, American Bankers Association; A. A. Heldridge, Independent Livestock Commission; D. C. Schaffer, president, Nebraska Stock Growers Association.

RECOMMENDATIONS

The committee first appraised the current situation and pointed out that cattle producers and feeders are experiencing severe losses due to price declines which started more than a year ago and which have become more acute since the first of the year. The members of the committee considered every possible approach to a solution of the problem including subsidies, Government supports, etc. While subsidies would offer temporary relief for those now in financial difficulty, it is the committee's opinion that this would not solve the problem but only lead to further complications and delay the establishment of a sound operating program for the industry.

The committee commends the President and the Secretary of Agriculture for their prompt action in eliminating price controls and compulsory Government grading. It offers the following suggestions:

1. That the Department of Agriculture increase its informational and promotional program by way of press, newspapers, radio, television, and all other means at its disposal in order to bring the facts about the supply and demand of beef to the attention of the consuming public.

2. The Government carefully check its program of purchases of beef for the armed services and other uses and, wherever possible, the volume of beef for such uses be increased.

3. That immediate steps be taken to increase the volume of beef used in the school-lunch program both through local purchases and through amounts supplied by the Department of Agriculture under section 32 funds.

4. That we urge the Secretary of Agriculture to check into the question of exports and imports, conferring with the Secretary of State with the idea of giving maximum protection to the industry. We especially urge that hides, tallow, and other animal fats be included in this check.

5. That research in an effort to expand the use of tallow, animal fats, and hides be expanded.

6. The committee further recommended that Congress permit the price and wage control law to expire on April 30, and that the proposed legislation now before Congress which would provide standby controls or a 90-day freeze order be rejected.

7. The committee recommended that the Government give serious consideration to the purchase of beef to send to Korea for the feeding of the South Korean Army. It is reported that a better plane of nutrition will make more South Korean soldiers available for service.

The committee assured the Secretary that all segments of the industry, including producers, feeders, market agencies, processors, and retailers are being asked to give cooperation in a program intended to provide maximum service at reduced costs in moving the product of this industry from the range and feed lots to the consumers of the country. They called to the attention of the Secretary the extensive advertising program now being carried by the retailers and processors and indicated that it would be their recommendation that such programs be continued and expanded. The committee assured the Secretary of the complete support of the National Livestock and Meat Board, an industry-supported organization, in furnishing technicians and information in support of an expanded informational program. The committee recommended that the livestock industry increase its contributions to the National Livestock and Meat Board from 25 cents to 50 cents per car.

The committee recommended that the Department of Agriculture make a study of the possibility of extending credit through existing agencies in case of extreme economic emergencies.

The committee felt that the current problem is compounded and aggravated by the present rigid high supports on basic commodities. These are big factors in the current drastic losses. The whole support program should be reexamined and more flexibility brought into it. Price-support programs are only a part of the overall farm program and should not create more problems than they solve.

We appreciate the opportunity of coming to discuss industry problems and will stand ready to come in at any time in the future at your call.

Mr. ANDERSON. Mr. President, I call attention to the fact that the names which are signed to the report of the Livestock Advisory Group are names of practical, thoroughgoing cattle people. I desire to comment on two of those names. The first is Jay Taylor, of Amarillo, Tex. Mr. Taylor is now the chairman of the National Livestock and Meat Board. When the Department of Agriculture was reorganized in 1945 to make provision for a Production and Marketing Administration, it was felt that it was necessary to find the most capable agricultural worker that could be found in the United States, to head that branch. I finally came upon the name of Jay Taylor, of Amarillo, Tex. He was a colonel in the United States Army, on duty in Europe, and a message was sent to him to try to bring him home for the purpose of assuming that great civilian responsibility. He was a person of wide experience in the livestock business. He was reported to have rejected the presidency of one of the largest banks in the State of Texas. He is well known throughout the country, and I regard him as a fine friend and adviser. Mr. President, I am saying to you that his recommendation is of interest to me.

The next is the name of Howard Hill, president of the Iowa Farm Bureau Federation. I am well acquainted with Howard Hill. I think he is as capable a Farm Bureau president as there is in the United States. He is a man of wide experience in agricultural matters. There are many names on the list, and I mention this fact because it suggests that there were steps which they felt might be taken at that time, though they apparently had no way of appreciating how serious the situation was going to be.

Mr. CASE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. CASE. Will the Senator give us a picture of what the recommendations were?

Mr. ANDERSON. I may say to the Senator from South Dakota that these recommendations were made on March 12, before the drought had become so serious as it has now become; so I would not want to say that these men could not understand what was going on in this country. They did recommend that the Department increase its informational promotion program; that the Government carefully check its purchases of beef for the armed services and other uses; that immediate steps be taken to increase the volume of beef used in the school lunch program; that the Secretary of Agriculture expand the program of exports and imports to find new uses for tallow, fats, and hides; that Congress permit the price and wage control law to expire on April 30; and that the Government give serious consideration to the purchase of beef to send to Korea.

Mr. CASE. As the Senator has pointed out, March 12 was some time ago, and much has happened since that time. Today the very fact that we are considering this proposed legislation marks the point that an emergency, in some degree, at least, has developed in the past few months, and that possibly we should consider something more in the nature of an emergency step.

Mr. ANDERSON. I agree with the Senator. I am simply trying to urge the Senate to pass without amendment the bill reported by the Committee on Agriculture and Forestry and let it go to conference and let it be signed by the President, as I am sure it will be signed.

I am willing to start meeting with the committee at any time the distinguished chairman will call a meeting, and shall be glad to try to assist. I realize that many things can change the picture overnight.

In the average beef carcass of 1,000 pounds there are 70 pounds of hide and 70 pounds of tallow. Just before World War II hides represented 7 percent of the weight and 11 percent of the value. Hides quickly dropped to about 4 percent of the value of the whole carcass, and now are much less than that.

What I wanted particularly to do this afternoon was to introduce into the RECORD some statistics which I consider important in connection with other items of agriculture relief. The first item I desire to insert is taken from a publication, 1952 issue, of the American National Cattlemen's Association. It deals with the slaughter of she-stuff, which is the very subject of the amendment offered by the Senator from Nebraska [Mr. GRISWOLD]. It shows the percentage of slaughter in the United States and it illustrates the fact that in the year 1944 and for 5 years thereafter the percentage of she-stuff slaughtered was more than 50 percent. More than half the animals slaughtered were females.

In 1945 the percentage was 50.30.
In 1946 it was 49.40 percent.
In 1947 it was 51.40 percent.
In 1948 it was 52 percent.

There we get into the matter of capital gains and other things affecting the value of cattle.

In 1949 the percentage was 42.90.
In 1950 it was 43.20.
In 1951 it was 43.80.
In the first 6 months of 1952 it was 38.50.

I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of cattle slaughtered
[Inspected slaughter in percentages]

Year	Cows and heifers	Steers	Bulls and stags
1920	47.42	49.38	3.20
1921	42.32	54.00	3.68
1922	44.01	52.24	3.75
1923	48.06	47.90	4.04
1924	49.42	46.48	4.30
1925	51.31	45.31	3.38
1926	49.73	46.88	3.39
1927	49.27	47.01	3.72
1928	50.78	45.34	3.88
1929	47.38	48.63	3.99
1930	44.38	51.84	3.78
1931	41.75	54.75	3.50
1932	42.06	54.36	3.58
1933	44.09	52.02	3.89
1934	48.67	47.89	3.44
1935	50.02	39.85	4.13
1936	52.19	43.73	4.08
1937	55.85	40.11	4.04
1938	49.70	46.23	4.07
1939	47.05	48.59	4.36
1940	45.93	49.38	4.19
1941	45.00	41.87	4.53
1942	47.41	48.74	3.85
1943	47.04	48.92	4.04
1944	52.90	42.00	5.10
1945	50.30	45.80	3.90
1946	49.40	47.00	3.60
1947	51.40	44.90	3.70
1948	52.00	44.30	3.70
1949	42.90	53.60	3.50
1950	43.20	53.00	3.80
1951	43.80	52.00	4.20
6 MONTHS—JANUARY THROUGH JUNE			
1951	41.70	55.40	2.90
1952	38.80	58.70	2.50

Mr. ANDERSON. Every cattleman who could do so was holding onto his heifers. He was putting them into his breeding herd, because there was a capital-gains provision which permitted him to take advantage of it. I simply say it has gotten us into trouble, and we should get rid of it.

Mr. CASE. The figures which the Senator is citing are certainly significant. The total program could not be understood without taking cognizance of those figures. But, in addition to the increase percentagewise in the number of cows and heifers being slaughtered during the past 3 years, it is my understanding that there has been a drop in the total number of cattle slaughtered. I think the figures in the past year show an increase. When we add that to the figures which the Senator has given, we commence to understand where the problem is.

Mr. ANDERSON. I agree with the Senator. One of the interesting things with reference to the prices of cattle is that we have built up the number of cattle very greatly. That is the next thing to which I wanted to refer. But the fact that a larger quantity of shestuff has not been slaughtered has contributed greatly to our problem, because we have been getting a calf crop amounting to from 36 million to 38 million head. We have lost perhaps 4 million head on the range, but that leaves us from 32 million to 34 million head, and when we slaughter 7 million head we are adding to our cattle population every year. I think it is significant that this change has taken place, so that steers have become the principal item of slaughter and she-stock has not been slaughtered.

Mr. BARRETT. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. BARRETT. I think the Senator from New Mexico is entirely correct in saying that we are building our cattle population beyond a safe margin, but I should like to say to him that my information is that as of the first of the year, the estimate of total slaughter for 1953 was approximately 32 million head. Since that time the Department has increased that estimate to 34½ million head. I understand that well-posted people think that the slaughter this year, because of the drought in the Southwest, will increase to over 35 million head. If that is the case, and if the estimate as to calf production of 39 million head is correct, with a 4 million loss it is entirely possible that at the end of this year we shall find that the cattle population has become stabilized.

I agree with the Senator from New Mexico that our immediate problem is going to between now and the end of the marketing season next fall. Because of the drought in the Southwest the situation confronting the cattle growers over the country has become just that much worse.

Mr. ANDERSON. I think the Senator is correct.

I have not presented the total figure for 1952. I have written in a figure of 41.8 percent. It is written in with a pen, but I think it is almost exactly right.

Yesterday the Senator from Wyoming said something which may have been regarded as a little revolutionary. He said we are not yet out of trouble; and the next figures which I shall introduce will somewhat confirm what he said. I do not think we can guess what is going to happen in the cattle business overnight, but there are figures with reference to cattle which indicate that the Senator from Wyoming may have been correct when he said the trouble is not over.

Cattle numbers in United States Jan. 1, 1953
[In thousands]

	Total all cattle	Beef cattle breakdown					Total beef cattle	Total milk cows	Cattle on feed
		2 years and over	Cows and heifers 1–2 years	Calves	Steers	Bulls			
1938	68,240	10,132	3,136	10,063	5,555	1,899	30,475	34,774	3,338
1939	66,629	9,967	3,066	10,572	5,193	1,594	30,403	35,626	3,369
1940	68,309	10,678	3,357	10,966	5,283	1,625	31,877	36,432	3,633
1941	71,755	11,366	3,799	11,413	6,119	1,685	34,372	37,383	4,055
1942	76,025	12,578	4,055	13,219	6,396	1,740	37,188	38,387	4,185
1943	81,204	15,989	4,547	13,239	7,361	1,837	40,964	40,240	4,445
1944	85,334	15,521	4,971	13,788	7,849	1,968	44,077	41,257	4,015
1945	85,872	16,456	5,049	12,871	8,339	1,999	44,724	40,849	4,411
1946	82,236	16,408	4,859	12,810	7,727	1,882	43,686	38,549	4,211
1947	80,554	16,488	4,636	12,804	7,109	1,834	42,871	37,683	4,322
1948	77,171	16,010	4,518	12,046	6,672	1,756	41,002	36,169	3,821
1949	76,830	15,919	4,657	12,033	7,270	1,681	41,560	35,270	4,549
1950	77,963	16,743	4,784	12,516	6,505	1,690	42,508	35,455	4,463
1951	82,028	18,396	5,082	14,265	6,987	1,689	46,419	35,606	4,598
1952	87,844	20,590	5,831	15,636	8,332	1,768	52,207	35,637	5,024
1953	93,696	22,506	6,358	16,979	9,074	1,900	56,817	36,879	5,536

[1] Included in other beef classifications.

If we start with the cattle numbers in the United States as of January 1, 1953, we can see they build up from 1938, when we had 65,249,000; in 1939, 66 million; in 1940, 68 million; in 1941, 71 million; in 1942, 76 million; in 1943, 81 million; in 1944, 85 million; in 1945, 85 million; in 1946, 82 million; in 1947, 80,500,000; in 1948, 77 million; in 1949, 76,830,000; in 1950, 77,963,000; in 1951, 82 million; in 1952, 87,844,000; in 1953, 93,696,000.

That would not be too rapid an increase or not too greatly accelerated an increase, if it were all confined to animals going to slaughter. But the great increase has taken place in beef cows and heifers held on the farm or ranch, because included in the 97 million figure are all the dairy animals in the United States. The number of dairy animals has been moving up, very, very slowly, as indicated by the following figures:

35,270,000 head in 1949; 35,455,000 in 1950; 35,606,000 in 1951; 35,637,000 in 1952; 36,879,000 in 1953.

So far as the dairy animal population is concerned the increase has been very slow, barely enough to supply the additional fluid milk which the country desires. Yet the numbers of beef cattle have moved up rapidly, indeed.

It is interesting to note that cows and heifers, 1-year-olds to 2-year-olds, increased from 3 million in 1939, to 6 million in 1953; but 2-year-olds and over increased from 9 million in 1939 to 22 million in 1953.

That is why I say I approve of the suggestion made by the Senator from Nebraska [Mr. GRISWOLD] as to the need to look very carefully at this problem of she stock. I have said I am opposed to his amendment, but I wish to say that the figures indicate that we had better be watching what is going on with respect to the number of cows and heifers in the United States.

I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Mr. GRISWOLD. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. GRISWOLD. I am certain the Senator from New Mexico realizes that most of the cattlemen's associations have urged a greater slaughter and a larger sale of she stock this year. Is the Senator in any way fearful that there may be a greater purchasing of cows or heifers

because they may be very cheap this fall, and there are still many people throughout the country who do not have an overpopulation on their land? If they see large numbers of nice cows being offered at $50 a head, might not there be some who would say, "There is a good bunch of stock. I remember a few years ago when they sold for $250 a head. I believe I will purchase them and keep them for a while. They are certainly bound to go to a higher price than the price at which I can buy them."

The purpose of my amendment is to try to have such stock slaughtered this year, get it out of the market, and reduce the oversupply that exists. Is the Senator fearful that there will be a large purchase of such stock because it will be cheap?

Mr. ANDERSON. I do not know exactly how to answer the question as to whether I am fearful, but when I have heard stories about a cow with a calf by her side being sold for $70, I have tried to find some at those prices. It is very hard to find them. They do not seem to be in the market. But it is a very attractive price, and it is necessary to remove some of those animals from the range.

In order to provide some additional information which I think is of interest, I ask unanimous consent to have printed at this point in the RECORD a table showing cattle in the United States on January 1, 1953, as against January 1, 1952. That figure will show that there have been sharp increases during the past year, and that there will be additional increases in the coming year. For example, the figures show a 15-percent increase in Alabama and Louisiana. In other areas, such as Texas, no increase is shown. The table shows that there has been a complete shift in the cattle population of the country. I think the information is of interest.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cattle in United States January 1, 1953 [1]

[In thousands]

	All cattle		Beef cattle	
	1953	1952	1953	1952
Alabama	1,708	1,485	936	762
Arizona	974	928	897	862
California	3,283	3,219	1,870	1,830
Colorado	2,161	2,095	1,870	1,804
Florida	1,662	1,539	1,376	1,265
Georgia	1,358	1,235	741	643
Idaho	1,227	1,126	859	764
Kansas	4,428	4,341	3,560	3,494
Louisiana	1,771	1,540	1,241	1,040
Mississippi	1,888	1,686	988	831
Montana	2,172	2,089	2,003	1,892
Nebraska	4,965	4,575	4,252	3,874
Nevada	624	589	588	555
New Mexico	1,260	1,225	1,167	1,142
North Dakota	1,742	1,598	1,111	980
Oklahoma	3,218	3,055	2,329	2,164
Oregon	1,374	1,238	995	876
South Dakota	3,062	2,826	2,479	2,248
Texas	8,853	8,853	7,201	7,251
Utah	733	679	557	510
Washington	1,052	956	626	549
Wyoming	1,201	1,144	1,118	1,055

[1] Figures shown are for States having American National Cattlemen's Association affiliation.

Mr. ANDERSON. Mr. President, the American National Cattlemen's Association, at a special meeting of its board of directors in Denver, Colo., on April 28 and 29, 1953, memorialized Congress and the Secretary of Agriculture with reference to support prices in the cattle-marketing program. I ask unanimous consent to have printed at this point in the RECORD the memorial to which I refer.

There being no objection, the memorial was ordered to be printed in the RECORD, as follows:

MEMORIAL TO THE CONGRESS AND THE SECRETARY OF AGRICULTURE ADOPTED BY THE EXECUTIVE COMMITTEE OF THE AMERICAN NATIONAL CATTLEMEN'S ASSOCIATION AT A SPECIAL MEETING HELD IN DENVER, COLO., APRIL 28–29, 1953

SUPPORT PRICES

In order to reestablish a sound agricultural economy, as a long-range program for the consideration of the Congress and the Secretary of Agriculture, we recommend the discontinuance of support prices on all agricultural commodities.

In the interim, to meet the present emergency pending accomplishment of that program, we urge immediate action by the Congress to amend the law and place support on corn and other feed grains on a flexible basis, to be determined by the Secretary of Agriculture.

CATTLE-MARKETING PROGRAM

Whereas cattle numbers are still increasing and it does not appear that the peak will be reached for 2 more years;

Therefore, in order to do everything possible to control production and hold it in line with demand at equitable prices to all, we urge heavy marketing of cows this fall, thus reducing breeding herds, and holding some steers, calves, and yearlings to delay marketing and avoid glutting the market.

Mr. ANDERSON. Mr. President, because the whole problem of agricultural prosperity is tied up with what we do with reference to the cattle population I think it might be interesting, although I do not say it is of any significance to the cattle problem, to have printed at this point in the RECORD a table showing the total estimated parity income the farmers of the United States ought to have obtained if they had received 100 percent of parity since 1910 as well as actual receipts.

The figures, as compiled by the Department of Agriculture, showing incomes to persons on farms, from farming, running over a period of 43 years, indicate that farmers should have received $192,844,000,000 if they had obtained 100 percent of parity. Actually, they received $270,733,000,000.

At times farmers do have very good years. But if Senators will take the trouble to look at the figures when they appear in the RECORD, they will observe that the years of higher than parity returns are largely, indeed almost entirely, war years, and the years of scarcity that followed wars. Therefore, when we come to a time like this, many years away from the war, we have a period of great hazard to the American farmer. All one has to do to understand what eventually is likely to happen following World War II is to look at the figures and see what happened after World War I. Farm income after World War I plunged to very low depths, and the Senate must be constantly on the alert if it is to help the farmer avoid another plunge in income of that nature.

I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Parity income and actual income to persons on farms from farming in the United States, 1910–52

[Millions of dollars]

Year	Estimated parity income	Income to persons on farms from farming
1910	4,256	4,450
1911	4,142	3,915
1912	4,284	4,335
1913	4,647	4,387
1914	4,299	4,516
1915	4,477	4,395
1916	5,205	5,055
1917	5,692	8,329
1918	4,877	9,660
1919	6,495	9,877
1920	7,619	8,368
1921	6,289	3,795
1922	6,255	4,850
1923	6,973	5,008
1924	6,687	5,560
1925	6,875	6,866
1926	7,226	6,617
1927	6,788	6,314
1928	6,883	6,687
1929	7,253	6,741
1930	6,335	5,114
1931	5,061	3,482
1932	3,785	2,285
1933	3,684	2,993
1934	4,271	3,531
1935	4,738	5,052
1936	5,397	5,361
1937	5,718	6,098
1938	5,267	5,041
1939	5,547	5,262
1940	5,993	5,477
1941	6,987	7,601
1942	8,366	11,305
1943	9,171	13,930
1944	9,264	14,039
1945	8,968	14,740
1946	9,304	16,278
1947	8,702	15,736
1948	9,170	18,867
1949	9,058	14,719
1950	9,271	15,171
1951	9,975	17,603
1952	10,771	16,735
	192,844	270,733

Mr. ANDERSON. Mr. President, I call the attention of Senators to a publication which has probably arrived at their offices today or yesterday, "Economic Indicators," for July 1953, prepared for the Joint Committee on the Economic Report by the Office of the Economic Adviser of the President. It is not my desire to have printed in the RECORD at this time the tables appearing in the report, but they indicate that farmers generally were getting above parity for a great number of years. Now prices have dropped substantially below parity. It seems to me that the fact that farm income is down ought to cause us to be very careful as to how we administer agricultural programs, and to make certain that we try to ascertain if there are devices that can be used for the help of farmers.

I should also like to place in the RECORD a table I have prepared, which is a basis for the statement I made the other day that at present there are 10 million more cattle on the range than there should be. The table shows that the population growth of the United States would permit us to have about a million and a half more cattle each year, and to absorb them by our larger appetites, assuming, of course, that income and all the other factors which have to be assumed remain the same. I know

they do not remain the same; they go up and down. Consumption varies. But if we assume that the average person is able to buy about as much meat as he has been buying, we can have a million and a half more cattle on the range each year.

From January 1950, to January 1953, the number of beef cattle should have increased from 42.5 million head to 47 million head. Actually, the number on the range increased from 42.5 million head to 57 million head. In my opinion, the 10 million extra cattle are what are causing the endless trouble.

Mr. MORSE. Mr. President, will the Senator yield at that point for a question?

Mr. ANDERSON. I yield.

Mr. MORSE. I am always interested in the base of statistical analyses, as well as the basic assumptions that go into the compilation of a statistical table. I assume that when the Senator from New Mexico says that there are 10 million more cattle than there should be, based upon the basis of the analysis he is using, he does not mean to imply that the present rate of meat consumption is the maximum rate that would be good for the American people to consume from a nutrition and dietary standpoint.

Mr. ANDERSON. I am deeply indebted to the Senator from Oregon for bringing up that question. I might have overlooked it. I wish to comment upon it.

If we should eat only the amount of beef the people of Argentina eat, we could eat ourselves out of this surplus in a very few years. We have not too many cattle for the American public if the American public would eat as much beef as should be consumed. Meat is one of our finest foods. I think it is a little short of criminal that we do not eat our way out of this surplus.

The statistics which I used are based upon our present eating habits. They are not based upon what we ought to be eating if we are to get the greatest nutritional value out of the great national asset on our ranges. We could eat up these 10 million cattle very quickly if we raised our beef consumption to a figure even close to what I think it ought to be.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. MORSE. I do not wish to enter into a prolonged discussion, because I intend to cover this subject in a week or two in one of my weekly reports when I deal with the question of surplus food. However, there are two other phases of the problem which I should like to mention in passing, for whatever comment the Senator from New Mexico may wish to make.

If I may say so without embarrassing the Senator, I have stated in many places in America that I think the Senator from New Mexico, for my money, is the greatest agricultural expert whom I know. I am always eager to have his opinion.

Does the Senator from New Mexico agree, assuming that, from a nutritional standpoint, it would be well for the health of the American people if they were to consume more meat—and I understand that is medical opinion—that their ability to do so, of course, depends upon their purchasing power; and their purchasing power depends upon the expanding of our economy, so that there may be created the necessary new wealth out of which an increased purchasing power will flow. Is that not true?

Mr. ANDERSON. That is true.

Mr. MORSE. Does the Senator agree with me, then——

Mr. ANDERSON. Let me say that that applies not only to meat.

Mr. MORSE. It applies to all consumer goods.

Mr. ANDERSON. That is the very basis of the citrus industry in Florida. There are very carefully worked out statistics which indicate that if a family is in very meager circumstances it buys flour and some of the things which are requisite to life, and then, as it gets a little more money, it acquires milk and eggs. Finally it gets some good meat. Then, about the last thing it adds to its diet is the very nutritious citrus fruit which the Senator from Florida [Mr. HOLLAND] would want me to say is very fine—and it is. That is one of the reasons why a high and expanding economy will help this country, because it does bring about the consumption of the type of foods which makes a contribution to the nutritional system which we ought to have. I regret to say that it is only when we have periods of war emergency, when everyone can find a job at a high salary, that we consume as much meat, milk, eggs, fresh vegetables, and citrus fruits as we ought to consume.

Mr. MORSE. I only make this comment in passing: In connection with citrus fruits, it is very interesting that those of us who are parents and are in the economic purchasing power class, have been known—and I am sure it is typical of all of us—to boast about when our babies first started to take orange juice, to show how they were coming along, overlooking the fact that in America there are tens of thousands of babies each year who ought to be sipping citrus fruit juice, but who cannot get it. It illustrates the point I wish to make, that it seems to me our job as statesmen in the Senate is to do those things necessary to expand our economy, instead of going along with what is developing, in my judgment, to be an economic pattern of restricting the economy.

Mr. BARRETT. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the Senator from Wyoming.

Mr. BARRETT. Mr. President, I wish to call the attention of the Senator from New Mexico to the fact that in the past 4 months the consumption of beef in this country has increased on an annual basis from 60 pounds to more than 70 pounds per person. That indicates to me that the people of America will consume the meat so long as it comes to market in an orderly manner.

I believe that the limiting factor in the consumption of meat in the past few years has been the price tag. With the reduction in the prices paid to the producers, it seems to me the packers and the retailers of the country could reduce the price to the consumers more than has been done. I am convinced that the people of the country are hungry for meat, and that they will eat us out of the bad situation confronting the industry at the present time.

But, as I stated earlier to the Senator, it seems to me that the next 3 or 4 months are going to be very critical for the cattle industry, and particularly so if a large proportion of the industry becomes panic-stricken and liquidate their herds without rhyme or reason. I believe they should ship more cows than they have in recent years.

It seems to me that if we can hold the situation down to an orderly marketing of the cattle on hand at the present time, and if the Secretary of Agriculture will carry out his program to purchase 10 billion pounds of beef every week and divert it from normal consumption, and particularly if we can move into another program of about the same type and character, which would take out of ordinary channels an additional quarter of a billion pounds of beef and use that meat in our foreign-aid program, we would be in such a position that we could see daylight by the end of this year.

Mr. ANDERSON. I agree with the Senator from Wyoming. I think it is very important that we try to find opportunities for expanding cattle slaughter. I was about to point out that slaughter had accelerated; but slaughter must accelerate somewhat more if we are not going to add to the surplus this year. If, by our planning, we will try to make possible the slaughter of from 38 million to 40 million head this year, we shall reduce our surplus a little. We shall give an indication that the cattle population is at a more stable figure, and I think we shall solve the problem which we are worrying about with reference to the cattlemen of the country.

Mr. BARRETT. Mr. President, will the Senator further yield?

Mr. ANDERSON. I yield.

Mr. BARRETT. As I have heretofore indicated, the figures, which I believe have been authenticated, lead me to believe that, if the slaughter for this year is in excess of 35 million head, and, assuming that the calf crop will be as estimated by the Department of Agriculture—around 39 million head—with the loss of 4 million of those calves, then we shall find that the total cattle population of the country will be stabilized.

Mr. ANDERSON. I agree with the Senator. I have indicated that I think the cattle population normally should increase about 1½ million a year. If, therefore, we broke even, if we had 35 million head slaughtered, and 35 million head of new cattle, with the need to expand about 1½ million, we really would be on a very stable basis, and would be in fine shape from there on out.

Mr. BARRETT. I thank the Senator. I agree with him.

Mr. ANDERSON. I think every effort should be made to slaughter as many of these cattle as possible, with particular emphasis on the female animals.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table showing cattle numbers in the United

States, and the amount needed to meet the population growth.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Cattle numbers in the United States

[Figures in millions]

Year	Total	Dairy	Range	Needed to meet population growth
January 1949	76.8	35.3	41.5	----------
January 1950	78.0	35.5	42.5	42.5
January 1951	82.0	35.6	46.4	44.0
January 1952	88.1	35.9	52.2	46.5
January 1953	93.0	36.0	57.0	47.0

Mr. ANDERSON. There are one or two other small items which I should like to cover. I see the distinguished senior Senator from Minnesota [Mr. THYE] in the Chamber.

Some people have asked why the great slaughtering of cattle has not affected the price of hogs. I think the price of hogs has stayed up very well. One of the things we should remember is that hogs on farms as of January 1, 1953, are estimated to be about 54 million, which shows a decline of 14 percent from the 64,582,000 reported on January 1, 1952.

So with all the increase there has been in cattle slaughtering, the number of hogs has dropped sufficiently for hog prices to stay firm, proving that the trouble is not with the amount of meat in the market. There is a market for plenty of beef and hogs if the prices, as the Senator from Wyoming [Mr. BARRETT] has suggested, are right.

Mr. President, there are many points to which I might have devoted my time. I did want to put some figures in the RECORD, and I did want to say that I am opposed to attaching amendments to the bill, because I am very anxious that the emergency part of the legislation shall become effective at the earliest possible date.

I do not mean by that to intimate that I condemn the suggestions for amendment made by Senators. I merely say that for the present I think we should pass the emergency legislation as it has come to the Senate and get it out of the way and try to do something for the farmers of the Nation. I think consideration should be given to the other subjects at an early date, and I shall be glad to participate in such consideration. However, I urge that the Senate pass the pending legislation now without amendment.

Mr. AIKEN. Mr. President, first let me thank the able Senator from New Mexico for the very excellent presentation of the situation which confronts us now. I am sure he has presented it in such a manner as to make it perfectly clear. As has been said by the Senator from New Mexico and the Senator from Nebraska, we do have a surplus of cattle at the present time. We believe that the very large increase in the consumption of beef, amounting in some retail outlets to 60 percent during the past 5 months, as compared with last year, may do a good deal to bring the number of cattle in line with the requirements of the country.

Nevertheless, we have a situation facing us which must be considered and dealt with during the next few months.

No doubt the amendment proposed by the Senator from Nebraska [Mr. GRISWOLD] would be effective in reducing the number of live cattle in the country. However, it would only take the cattle off the hoof and put it in the cans. In my opinion it would not in any sense of the word be a substitute for an emergency loan program, which is contemplated by the pending bill.

I am advised by the Department of Agriculture that we have today about 500 million pounds more of lower quality beef in this country than would ordinarily be sold during the rest of this year through regular marketing channels. The department is fully cognizant of the situation and of the necessity for disposing of the 500 million pounds of such beef. However, they do not want to put it in cans and on the shelves. They want to have it consumed. They are stepping up the school lunch program, and will use about 200 million pounds during the next few months in the school lunch program. They are stepping up the foreign purchase programs. But they are still likely to have more than 300 million pounds of low-grade beef such as is ordinarily used in hot dogs, sausages, and hamburgers, more than the market would ordinarily use.

On June 26, which is a little over a week ago, 25 of the top-grade marketing specialists of the United States met in Washington, at the call of Secretary Benson. They represented all the important retail outlets for food in this country. I will read a few of the names:

M. L. Toulme, executive vice president, National American Wholesale Grocers Association, New York; Mr. R. M. Keifer, secretary-manager, National Association of Retail Grocers of the United States, Chicago; John A. Logan, president, National Association of Food Chains, Washington, D. C.; Robert J. Wilson, Washington secretary, National Restaurant Association, Inc., Washington; Charles Horroworth, vice president, American Hotel Association, New York; W. F. Ziervogel, secretary-treasurer, Association of American Railroad Dining Car Officers, St. Louis; Donald Grimes, Independent Grocers' Alliance Distribution Co., Chicago, Ill.; Jerry Voorhis, executive secretary, the Cooperative League of U. S. A., Chicago.

I will not read the whole list. I ask unanimous consent that it be printed in the RECORD at this point as a part of my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

RETAIL MEAT TRADE AND INDUSTRY COMMITTEE

M. L. Toulme, executive vice president, National-American Wholesale Grocers Association, New York, N. Y.

Harold O. Smith, Jr., executive vice president, United States Wholesale Grocers Association, Inc., Washington, D. C.

Watson Rogers, president, National Food Brokers Association, Washington, D. C.

Mrs. R. M. Kiefer, secretary-manager, National Association of Retail Grocers of the United States, Chicago, Ill.

John A. Logan, president, National Association of Food Chains, Washington, D. C.

Don Parsons, executive director, Supermarket Institute, Inc., Chicago, Ill.

Norman H. Karel, executive secretary, Cooperative Food Distributors of America, Chicago, Ill.

Herbert T. Webb, president, National Voluntary Groups Institute, Chicago, Ill.

Robert J. Wilson, Washington secretary, National Restaurant Association, Inc., Washington, D. C.

Charles Horrworth, vice president, American Hotel Association, New York, N. Y.

Wesley Hardenbergh, president, American Meat Institute, Chicago, Ill.

J. F. Woglom, Jr., Coordinating Commission of the Food Industries, New York, N. Y.

R. C. Pollock, general manager, National Livestock and Meat Board, Chicago, Ill.

Andrew J. Crotty, Crotty Bros., Inc., Boston, Mass.

Dr. Paul Nystrom, president, Limited Price Variety Stores Association, New York, N. Y.

George Nepel, manager, National Association of Retail Meat and Food Dealers, Chicago, Ill.

Lewis C. Shave, advertising and merchandising manager, Nationwide Stores, Inc., Brockton, Mass.

W. F. Ziervogel, secretary-treasurer, Association of American Railroad Dining Car Officers, St. Louis, Mo.

Donald Grimes, Independent Grocers' Alliance Distributing Co., Chicago, Ill.

E. H. Martin, National Food Distributors Association, Chicago, Ill.

Arnold A. Rivin, American Hospital Association, Chicago, Ill.

Hull Bronson, executive secretary, National Industrial Stores Association, Washington, D. C.

Ray O. Harb, Red & White Corp., Chicago, Ill.

Jerry Voorhis, executive-secretary, the Cooperative League of the United States of America, Chicago, Ill.

Earl Hopping, Hopping Food Stores, Indianapolis, Ind.

Mr. AIKEN. Mr. President, what those 25 topnotch specialists met in Washington for was to devise ways and means of helping to dispose of the large surplus of beef which we have today.

They are going full speed ahead with a promotional program, and fully believe that between now and this fall they can dispose, through advertising and other means, of this surplus of 300 million pounds of low-grade beef, which will be over and above the amount normally required. They will put emphasis on getting rid of it. If they do as well with this program as they have done with some other commodities in the past, I think we may feel confident that they will be successful in the drive.

After all, it seems to me that we should give the program worked out by the marketing specialists with the Secretary of Agriculture a chance to work before we put the United States Department of Agriculture into the meat business. That would take some time. It could not be done overnight. I think we ought to give this group, which has evidenced a desire to show the country that they can move this beef, a chance to do so. In the case it does not appear to be working out within a reasonable length of time, then I am satisfied the Department of Agriculture will, if necessary, move into the market and purchase live animals. They are reluctant to do it, to go into that kind of operation.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its

clerks, announced that the House had passed a bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, in which it requested the concurrence of the Senate.

ADDITIONAL EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

The Senate resumed the consideration of the bill (S. 2267) to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

Mr. AIKEN. So, Mr. President, let us not attach amendments to the emergency loan bill. Let us give the other program a chance to work. The market has already strengthened since we have been talking about the loan program. Yesterday there was a strong market for all grades of cattle. I noticed particularly in the Chicago market that utility and commercial cows are selling for $11.75 to $14.50, and canners and cutters for $9.50 to $11.50. There is a strengthening of other grades as well.

The very fact that we are promising and intending to help out those who are in the unfortunate position of not being able to help themselves appears to be strengthening the market very rapidly. I understand in some parts of the country there has been an increase of about 3 cents a pound over the past few days in the lower grades of cattle. So let us give the Department of Agriculture a chance to work it out. It is already obtaining some results, and I think it will work out very satisfactorily indeed.

I wish to say a word about the message just received from the House of Representatives, namely, regarding the companion bill passed by the House of Representatives about an hour ago. At the proper time I shall move that the Senate proceed to consider the House bill; and if that motion is agreed to, I shall offer an amendment to strike out all after the enacting clause of the House bill, and to substitute the text of the Senate bill. In that way, time will be saved in arriving at the final legislative enactment on this subject.

Mr. GRISWOLD. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. GRISWOLD. Is it the understanding of the Senator from Vermont that the Secretary of Agriculture has authority to go into a program such as the one suggested in my amendment?

Mr. AIKEN. I am sure the Secretary has authority. I am also satisfied in my own mind—I do not state this as a promise on the part of the Secretary, because I have not talked directly to him today—that if need be, the Department of Agriculture would not hesitate to buy the live cattle. But it is reluctant to do so if the promotional campaign which the marketing outlets of the country have promised, works out in the way the Department understands it is going to work out.

Mr. GRISWOLD. I understand the Secretary has such authority under the law. My question is whether he has discretionary authority to engage in a price-support program which might include price control and rationing, or whether he could engage in a purchasing program.

Mr. AIKEN. I think the Secretary could spend $100 million on beef or live cattle alone, or could proceed in any way he chose to exercise his authority at the present time or in the near future, if need be.

Mr. GRISWOLD. I thank the Senator from Vermont.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. HOLLAND. Following the questions just asked by the distinguished Senator from Nebraska and answered by the distinguished Senator from Vermont, let me inquire if it is not a fact that the so-called section 32 funds, with which the Senator from Vermont is quite familiar—being 30 percent of the import tax as it accumulates from year to year—are available, without being earmarked for the regular price-support program, and could be used in any way to use up surpluses and to help restore impaired buying power of the agricultural producers? Is not that the very purpose of the section 32 funds, namely, to make it possible to find ways and means, other than those available through the regular price-support program, to prevent destruction of the agricultural purchasing power and to protect the economic security of the agricultural groups?

Mr. AIKEN. The Senator from Florida is entirely correct, and his remarks are very pertinent. I believe there is this restriction upon section 32 funds: that not more than 25 percent of the amount available can be spent on any one commodity. However, I understand that more than $400 million is available at the present time.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield further to me?

Mr. AIKEN. I yield.

Mr. HOLLAND. I believe that at present the law permits the funds derived from section 32 collections from year to year to accumulate to a total of $300 million, which can be carried forward from one year to the next, and that a total of $300 million was carried forward this year, and that, in addition, there will be available section 32 collections, for this year, of nearly $175 million.

It is true, is it not, that unquestionably up to 25 percent of the accumulation of $300 million and of the current section 32 collections for this year will be and is, under the law, available for use in connection with a single commodity—which in this instance is cattle or cattle products—in order to be of service to the producers and to be in the interest of the producers, so that their economic strength will not be broken down?

Mr. AIKEN. The Senator from Florida has accurately described the situation, and it is as he says it is.

Mr. BARRETT. Mr. President, will the Senator from Vermont yield to me?

Mr. AIKEN. I yield.

Mr. BARRETT. Within the last week I have had occasion to examine the figures on section 32 funds. I may say that the Senator from Florida is entirely correct. The total amount available under section 32 at the present time is $471 million. I have checked a little further, and I find that the tariff on wool imported during the last 5 years accounts for $171 million of the total of $471 million. Mr. President, it is these very same imports of wool that has been dumped on our shores and as a result has destroyed the domestic market for the wool producers of this country. Consequently, the woolgrowers of America find themselves in a mighty serious predicament today. I was mighty pleased, Mr. President, when I earned a few moments ago that the President of the United States had ordered the Tariff Commission to make an immediate study of wool imports and to determine if such imports are endangering our domestic support price program on wool. I was very pleased that the President also requested the Secretary of Agriculture to make a study of the wool situation and to make recommendations that would insure the restoration of a strong and healthy domestic wool industry.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield further to me?

Mr. AIKEN. I yield.

Mr. HOLLAND. I appreciate the remarks of the distinguished Senator from Wyoming. I say to him that although I am mindful of the plight of the woolgrowers, and although I hope they will be aided in some proper way by Congress, at the same time I believe their plight constitutes a problem which is as distinct from the problem with which we are attempting to deal by means of the pending emergency bill as are the problem dealt with by the amendment of the distinguished Senator from Oklahoma [Mr. KERR] and the problem dealt with by the amendment of the distinguished Senator from Nebraska [Mr. GRISWOLD].

I join entirely in the plea already made by the chairman of our committee, the distinguished senior Senator from Vermont [Mr. AIKEN], and by the Senator from New Mexico and other Senators, that we allow this emergency bill to be passed without encumbering it either with amendments relating to programs foreign to the troubles of the cattle producers or with amendments which constitute general policy changes on an important scale.

I call to the attention of the distinguished Senator the fact that otherwise, if we do not allow this emergency bill to pass, it seems to me we shall jeopardize, in the first instance, the committee system of the Senate because no study has been made of these important additional proposals—and I think it would be unthinkable to so jeopardize our committee system, which gives stability to our floor actions and assurance to Senators and to the public when we act upon matters of this importance; and, in the second instance, it seems to me we would then be acting with undue haste, and that probably we would jeopardize the entire agricultural price-support program, which I know is of very great importance to all Senators, regardless of the States they represent or regardless

of whether they represent producers of agricultural products; and, in the third instance, I call attention to the fact that for the first time since I have been a Member of the Senate we would depart from what has always heretofore been an invariable, though unwritten, rule of the Senate, namely, that when relief legislation of this sort is proposed and is being considered by us, in an attempt to provide prompt emergency assistance to those who are in difficulty and distress, we shall not allow our effort to be impaired and encumbered by the addition of amendments dealing with extraneous matters.

So I plead with the Senate to pass this measure promptly and unencumbered, so that the important emergency relief which is intended to be given shall be given without additional delay.

I thank the distinguished Senator from Vermont for allowing me to make this brief statement.

Mr. AIKEN. I have been glad to yield to the Senator from Florida.

Mr. CARLSON. Mr. President, I do not like to let this opportunity pass without again calling the attention of the Senate to what I believe to be the wrong method of determining parities on farm prices. I referred to this in the Senate on April 20. It seems ridiculous to think that we should take good, choice, prime cattle, and very good cannery cows for the purpose of arriving at a figure by comparison. I think it distorts the picture of the price of cattle in the minds of the consumers and psychologically affects the price of beef. It is interesting to note that even at the present time, or on June 15, in the cattle markets, parity on beef cattle was $20.70. On June 15, 1952, the parity was $21, and on June 15, 1951, it was $19.90. In that situation we have the psychological effect on the consumer. Choice beef was selling for as high as $35 and sometimes $40 per hundredweight; and, of course, it was natural for the folks who purchased beef products to say, "Well, the prices of cattle are extremely out of line."

Those of us who feed cattle, and those of us who are somewhat familiar with the cattle markets, know that at the present time it costs 30 cents a pound to produce choice beef, and the parity is $20.70. The consumption of beef has greatly increased. Therefore, I think the Committee on Agriculture and Forestry should give serious consideration to working out a formula for parity based on different grades of beef.

On grains we have a parity. There is no trouble in the case of grains, because there is not much difficulty with respect to grade and quality.

The situation with respect to hogs is not so severe, but with respect to cattle there is a peculiarly acute problem. It is my sincere hope that the Committee on Agriculture and Forestry will give some thought to this problem when it considers other programs dealing with the livestock. In view of the probable 10-million-head excess of cattle, I have no doubt that we shall have future problems in the cattle industry.

I sincerely hope the Senate will pass the bill reported by the Committee on Agriculture and Forestry, and will do so without amendments. I shall vote against the amendment of the Senator from Nebraska [Mr. GRISWOLD] and the amendment of the Senator from Oklahoma [Mr. KERR]; not that I do not think the amendments have merit, but in view of the action of the House, and in view of the urgency of the situation, I earnestly hope the Senate will pass the pending bill as reported by the Senate Committee on Agriculture and Forestry.

Mr. GRISWOLD. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield to the Senator from Nebraska.

Mr. GRISWOLD. On the subject of parity for livestock prices, I wonder whether the Senator from Kansas agrees with me that a different situation prevails in the livestock industry than that which prevails in the grain-raising industry, because the development of modern machinery and the use of modern farming methods have made it possible to raise wheat with less manpower and with less labor cost probably than was incurred by our fathers and grandfathers in raising wheat. Modern machinery and modern methods have changed the situation. On the other hand, there is definitely a very great increase in the cost of raising livestock, and I do not think the increased cost is properly reflected in the so-called parity prices which up to date have been established on livestock. I think that aspect of the situation should also be studied by the committee.

Mr. CARLSON. I thoroughly concur in the statement made by the Senator from Nebraska. The whole problem should be studied, and it is important that it be studied by the Committee on Agriculture and Forestry. It is important to the future of the great livestock industry.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to my distinguished colleague.

Mr. SCHOEPPEL. I want to say to my colleague that he has raised for determination a very important and a very necessary question. He is aware that at the time of the discussion before the Committee on Banking and Currency, when some were asking for livestock-slaughtering quotas, and the question of price differential and the grading situation with respect to beef and other meat products were being presented, the hue-and-cry was that the price of beef was far out of line with parity. The very question my colleague [Mr. CARLSON] is submitting at this time was before the Committee on Banking and Currency, and the suggestion was made at that time—it was made to my knowledge, because I remember that I was then a member of the Banking and Currency Committee—that the Committee on Agriculture and Forestry should certainly give some consideration to the very important question now raised by my colleague. I know he is on sound ground, and I know that what he suggests should be done. It would eliminate a great deal of the misunderstanding that prevails in the country as to that very serious question.

Mr. CARLSON. I appreciate very much the statement of my colleague, the senior Senator from Kansas, in regard to this important point. It involves a serious question which should be given study by the Committee on Agriculture and Forestry.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a statement on the subject of inventory losses on livestock I made on April 30, which appears on page 4208 of the CONGRESSIONAL RECORD of that date, together with an accompanying statement by Mr. A. G. Pickett, secretary of the Kansas Livestock Association; also, a letter addressed to me by Mr. Pickett under date of April 25, 1953, together with a table showing parity figures on beef-cattle prices, as of June 15, for the years 1950, 1951, 1952, and 1953.

There being no objection, the statements, letter, and table were ordered to be printed in the RECORD, as follows:

INVENTORY LOSS ON LIVESTOCK

Mr. CARLSON. Mr. President, no segment of our agricultural economy has taken a greater loss during the past 12 months than the producers of beef cattle.

The inventory loss on livestock last year was $4,700,000, and this severe loss in value not only affected the cattle producers and feeders of our Nation, but has had and will have a direct effect on our entire national economy.

Despite this heavy decline in cattle prices, the parity price shows that cattle are at or above parity price. Based on the present formula of figuring parity, this would indicate to the public that since cattle are selling above parity, they are selling at a fair price. Everyone familiar with cattle feeding knows it costs at least 30 cents a pound to feed cattle and at the present time our operators are taking a terrific loss.

At the present time parity figures are based on an average price of beef from choice cuts to canner cuts.

It occurs to me that the only satisfactory way to establish a parity price for beef would be to figure it on a grade basis. I would urge the Secretary of Agriculture to review the present method of figuring parity based on present-day costs.

Mr. A. G. Pickett, secretary of the Kansas Livestock Association, has prepared an excellent statement on beef cattle parity, and I ask unanimous consent that it be made a part of these remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

"BEEF CATTLE PARITY

"(By A. G. Pickett)

"Cattle producers have been faced with a critical price and production cost situation for the past several months. So-called cattle parity needs immediate attention. As a matter of fact, it has needed attention for some time.

"Producers, as well as the entire industry, took a terrific beating the past 3 years. Consumers were grossly misinformed in regard to cattle and beef prices. The basis for this misinformation and propaganda was the so-called beef cattle parity price. Very few people interested in the industry have concerned themselves with this problem, first because very few understand the problem and second, because a so-called price-support program has never been used in the industry. Most producers were opposed to and are still opposed to Government control and interference.

"The spread between a prime and choice grain-fed steer and a cull canner cow is so great that to set a single figure at a point between the two extremes and point to it as a fair price for cattle is ridiculous and most

damaging to the industry from a public-relations standpoint. In most grains, and even hogs, the price spread between the top and lower grades is so small that one figure can reasonably well represent a value for the commodity. Over a period of years, figures will show that on the average there hasn't been much profit in the actual feed-lot operations, but that gains put on in the feed lot have about paid for the cost of such gains. In general, the feeder's profit has been in a plus-price margin. His finished product must bring more per pound than his feeder animal cost. Using history as a guide, then, choice- and prime-fed steers should be bringing at least 30 cents a pound. In my opinion, more feeders at present are experiencing feed-lot costs above 30 cents a pound gain than are doing the job for less. On the other hand, canner cows are selling as low as 10 cents a pound. The Department of Agriculture is currently quoting approximately 21 cents a pound as cattle parity. To continually publicise such a relatively low price as being a fair price for all grades of cattle when the consumer's attention is constantly focused on the higher cattle prices and the most expensive cuts of beef coming from these cattle makes for the worst kind of public relations. Beef produced from cattle falling under this average, or I believe they refer to it as a composite price, received very little, if any, attention when we were operating under cattle ceiling prices. Beef that was always referred to, and which caused so much publicity, came from cattle that would have an actual true parity well above this average figure. Why should the Department of Agriculture continue to use such a figure that gives a completely false impression of the true situation?

"Cattle producers and producer organizations have generally endorsed the present principles adhered to by Secretary of Agriculture Benson. They have approved the program recommended by the producers' advisory committee. This committee recommended that the Government purchase American beef so long as they were purchasing commodities for distribution to various agencies and sources. Such a program cannot possibly accomplish what it is intended to accomplish as long as the purchase price must not be more than 90 percent of average parity. To be really effective, such purchases should be made from the grade of beef that is in burdensome supply. It is easy to see that if the law requires that the purchase price be held to 90 percent or less of approximately 21 cents, live-weight basis, the price of slaughter cattle will need to decrease even lower than they are at present before any beef from fed cattle could be purchased. We understand the United States Department of Agriculture recently purchased beef at less than 28 cents a pound, which would mean 14- to 15-cent cattle on foot. This took beef out of trade channels, but might even have a bearish effect on fed cattle that are currently in distress.

"Cattle parity should be figured on a grade basis

"Any figure used and purported to be a fair and equitable price for cattle must apply to specific grades of cattle. As mentioned above, this is necessary both from a public relations and consumer's educational standpoint as well as to make any Government-purchase program effective.

"I haven't had the time to figure parity on grade basis as of now but an example used back in 1951, when we were pointing out the injustice of a price rollback, will serve as an example. The Bureau of Agriculture Economics, in their publication, Agriculture Prices, dated December 29, 1950, figured out and set up the parity prices by grades as of that date. We are using these figures rather than others, too, because these are the last figures we have seen coming from the Department of Agriculture and therefore should not be questioned.

"Cattle parity by grades, December 1950

	Percent
Parity (average figure)	141
Choice and prime steers	108
Good	114
Commercial	122
Canner cows	167
Slaughter bulls	149

"The figures clearly show how ridiculous it is to point to one price as being fair to all cattle. As long as cattle parity is figured as at present, all grain fed cattle prices will appear to be too high to the uninformed or they will be so low no one can feed. In May 1951 our testimony in opposing price rollbacks using the above Government figure, showed that even the first 10 percent rollback put choice and prime steers below parity even though the price was well above the so-called parity or composite figure. Our calculations that year, assuming parity did not increase, showed that the rollback as proposed by OPS would put prime steers $3.67 below parity. The entire OPS program was based on this false parity.

"High feed price supports

"The Government at present is supporting feed grains, protein concentrates, and other feeds at high price levels. These feeds are the ones required to produce finished beef, and the least the Department should do for the beef-cattle industry is to publicise beef-cattle parity prices on a grade basis. These high feed prices are the major, feedlot costs and make for a relatively high parity price on these fed-cattle grades. The Government is holding a large amount of corn in storage now, some of it 4 years old and spoiling, at a price so high feeders cannot utilize it without taking a loss. This doesn't sound like good economics. We feel that too few have recognized the damage done by bad publicity. Most of this unfavorable advertising has been based on high cattle prices, and they always use the extreme top price for the best fed cattle and compare this figure with parity as now used. This composite or average price in reality is far from true parity for the grade and quality of cattle and beef in question.

"This present parity figure applies to stockers and feeder cattle the same as slaughter classes. Why should the Department of Agriculture establish a composite price, so-called parity, which reflects the value of even the doggiest scrub steer and then constantly point a finger at this average price as being a fair price for all producers?

"To the public, such misinformation leads the public to believe that the person producing choice quality calves and yearlings is a profiteer."

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kans., April 25, 1953.

Hon. FRANK CARLSON,
Senate Office Building,
Washington, D. C.

MY DEAR MR. CARLSON: The enclosed discussion of beef cattle parity, as presently established by the Department of Agriculture, is one thing that needs immediate attention. Why should the producer who is producing top-quality feeder cattle, or feeding cattle to top commercial grade or above, be placed in such an unfavorable position from the price standpoint? The present high support prices for feeds that make top-fed cattle will naturally make a relatively higher parity figure for these grades of cattle. Yet this completely false figure is used to place him in an unfavorable light in the eyes of the general public.

The price of fed cattle is still above present parity of approximately 21 cents. The best choice and prime steers on the Kansas City market are bringing 22½ to 23 cents, which would indicate to the public, since they are above parity, that they are selling at a fair price. It is costing, however, at least 30 cents a pound to feed these cattle, and all feeders are taking a tremendous loss on their operations.

If the Secretary of Agriculture wants to do something to help the beef cattle industry, the correction of this false parity should be of great benefit, won't cost any money, and certainly should not be controversial. With the present price for feeds, it would almost be necessary for the feeder to secure his replacements as a gift before he can realize a profit.

Very truly yours,
KANSAS LIVESTOCK ASSOCIATION,
A. G. PICKETT, *Secretary.*

Beef cattle prices (as of June 15 of the years indicated)

		Effective parity price	Average price received by farmers as percentage of parity
1950	per hundredweight	$17.30	137
1951	do	19.90	148
1952	do	21.00	125
1953	do	20.70	77

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CARLSON. I am very happy to yield.

Mr. AIKEN. I should merely like to say to the Senator from Kansas that the chairman of the Committee on Agriculture and Forestry is not satisfied with the parity yardstick, though it is much better than it used to be. In fact, under the former parity program I think prices of cattle probably would have been a third less than what they now are. I still am not satisfied with it, but we cannot abandon it until we have something that affords a better yardstick.

Mr. CARLSON. I appreciate very much the remarks of the chairman of the committee.

Mr. AIKEN. I think it is something on which we should be working continually. When we consider that the support price on soybean oil is fixed at 90 percent of parity, which amounts to approximately the same as 75 percent of parity on cottonseed oil, that, on its face, shows that as a yardstick it is far from perfect. I hope that in the future we can either improve the formula so as to make it more equitable, or find a satisfactory substitute. That is not going to be easy.

Mr. CARLSON. I certainly appreciate the remarks of the distinguished chairman of the Committee on Agriculture and Forestry, I know he takes a personal interest in this matter, and I am sure the committee will continue to study it further. It is important from the standpoint of the producers of cattle, because of the psychological effect it has upon the sale of beef to the consumers throughout the country.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. GRISWOLD], offered as a substitute for the amendment of the Senator from Oklahoma [Mr. KERR], to insert at the end of the bill a new section.

The amendment in the nature of a substitute was rejected.

The PRESIDING OFFICER. The question now is upon agreeing to the

amendment offered by the Senator from Oklahoma [Mr. KERR].

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Green	McCarthy
Anderson	Griswold	McClellan
Barrett	Hayden	Millikin
Beall	Hendrickson	Monroney
Bennett	Hennings	Morse
Bricker	Hickenlooper	Mundt
Bridges	Hill	Murray
Bush	Hoey	Neely
Butler, Md.	Holland	Pastore
Butler, Nebr.	Humphrey	Payne
Byrd	Hunt	Potter
Capehart	Jackson	Purtell
Carlson	Jenner	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kefauver	Smathers
Cordon	Kennedy	Smith, Maine
Dirksen	Kerr	Smith, N. J.
Douglas	Kilgore	Sparkman
Duff	Knowland	Stennis
Dworshak	Kuchel	Symington
Eastland	Langer	Thye
Ellender	Lehman	Tobey
Ferguson	Long	Watkins
Flanders	Magnuson	Welker
Frear	Malone	Wiley
George	Mansfield	Williams
Gillette	Martin	Young
Goldwater	Maybank	
Gore	McCarran	

Mr. SALTONSTALL. I announce that the Senator from Ohio [Mr. TAFT] is necessarily absent.

The Senator from New York [Mr. IVES] is absent by leave of the Senate, having been appointed a delegate to attend the International Labor Organization Conference at Geneva, Switzerland.

Mr. CLEMENTS. I announce that the Senator from Texas [Mr. DANIEL] and the Senator from Arkansas [Mr. FULBRIGHT] are absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present.

The question is on agreeing to the amendment proposed by the Senator from Oklahoma [Mr. KERR].

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. AIKEN. Mr. President, I ask unanimous consent to consider House bill 6054, to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The PRESIDING OFFICER. The clerk will state the bill by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

Mr. KNOWLAND. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. KNOWLAND. Is that the equivalent House bill?

Mr. AIKEN. Yes.

Mr. KNOWLAND. Is it in the same language as the Senate bill?

Mr. AIKEN. No.

Mr. KNOWLAND. Is it the purpose of the Senator to substitute the Senate bill for the House bill?

Mr. AIKEN. It is.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont?

There being no objection, the Senate proceeded to consider House bill 6054.

Mr. AIKEN. Mr. President, I move that all after the enacting clause of the House bill be stricken and that the language of Senate bill 2267, as amended, be inserted.

Mr. CASE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CASE. Has the Senate approved the text of the Senate bill?

Mr. AIKEN. It has.

Mr. CASE. What is being substituted—the Senate bill as it has been amended?

The PRESIDING OFFICER. The Senate has agreed to the committee amendments.

Mr. CASE. And the motion is to substitute the language of the Senate bill as it is presently amended?

The PRESIDING OFFICER. That is correct.

Mr. CASE. I should like to ask the Senator from Vermont a question. Does the bill include the amendment proposed by the Senator from Wyoming to insert the words "and feeders"?

Mr. AIKEN. It was not proposed, because it was agreed on the floor that the matter which was brought up by the Senator from Wyoming was covered in the bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont that all the language of the House bill after the enacting clause be stricken and that the language of the Senate bill 2267, as amended, be inserted.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. AIKEN. Mr. President, I move that the Senate insist on its amendment, request a conference with the House of Representatives thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. AIKEN, Mr. THYE, Mr. HICKENLOOPER, Mr. HOLLAND, and Mr. ANDERSON conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, the Senate bill 2267 is indefinitely postponed.

REMOVAL OF LIMITATION OF RANK AND PAY OF LEADERS OF MILITARY AND NAVAL ACADEMY BANDS

The PRESIDING OFFICER (Mr. PAYNE in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 1644) to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the director of music, the leader of the Military Academy Band, and to remove the limitation upon the pay of the leader of the United States Naval Academy Band, and to authorize the appointment of Lt. Comdr. Charles Brendler, United States Navy, to the permanent grade of commander in the Navy, which were on page 3, strike out lines 16 through 21, inclusive, and insert:

SEC. 3. The President is authorized to appoint the present leader of the United States Navy Band to the permanent commissioned grade of commander in the Navy. Such appointment pursuant to this act shall be deemed to be not in the line of the Navy or in any staff corps of the Navy.

And to amend the title so as to read: "An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the director of music, the leader of the Military Academy Band, and to remove the limitation upon the pay of the leader of the United States Naval Academy Band, and to authorize the appointment of the present leader of the United States Navy Band to the permanent grade of commander in the Navy."

Mr. SALTONSTALL. Mr. President, I wish to say that I think there is no objection to concurring in the amendment of the House of Representatives. This morning I took it up with the minority leader. The amendment is agreeable to the sponsor of the bill.

The amendment adopted by the House of Representatives deletes section 3 of the bill as passed by the Senate, and inserts a new section 3. The House amendment does not change the substance of the bill. The Senator from Wyoming [Mr. HUNT], who sponsors the bill, is agreeable to the amendment adopted by the House of Representatives.

I have examined the House amendment, and I hope the Senate will accept it.

Mr. President, I move that the Senate concur in the amendment of the House of Representatives to Senate bill 1644.

The motion was agreed to.

APPRAISAL OF THE TEXAS WATER PROBLEM

Mr. JOHNSON of Texas. Mr. President, the United States Department of the Interior, Bureau of Reclamation, area planning office, Austin, Tex., has issued an appraisal of the Texas water problem which is of the utmost importance to all the people of my State.

As I have said many times during my travels over the State during the last 14 years, water is more important to Texas than oil. Long after our valuable petroleum resources are gone, we will be heavily dependent on—and making use of—our water resources.

This study by the Bureau of Reclamation made at the request of the senior Senator from Texas makes it clear that Texas is at present utilizing only a small fraction of its potential water resources. Much hard work has been done by many of us to bring about greater use of the

waters of the Brazos and Colorado Rivers and other Texas rivers—to the lasting benefit of a large part of our population. This appraisal of the Texas water problem points the way to similar development of the water resources in our State.

The study, entitled "Water Supply and the Texas Economy, an Appraisal of the Texas Water Problem," has been made into a public document. A limited number of copies thus will be available to individuals and organizations concerned with bringing about conservation and proper distribution of the water resources of Texas.

A path has been opened that can lead to a solution of the recurring problem of water shortages in Texas. It is a path which we in Texas, for the sake of our own future, must follow.

ATTACK ON PROTESTANT CLERGYMEN BY J. B. MATTHEWS

Mr. JACKSON. Mr. President, I wish to call to the attention of the Senate an exchange of telegrams just released by the White House. The three national cochairmen of the commission on religious organization of the National Conference of Christians and Jews sent a telegram to the President of the United States a short time ago calling to his attention a statement made by Mr. J. B. Matthews. Mr. Matthews' statement included this sentence:

> The largest single group supporting the Communist apparatus in the United States is composed of Protestant clergy.

The telegram from this organization to the President went on to say:

> The sweeping attack on the loyalty of Protestant clergymen and the charge that they are the largest single group supporting the Communist apparatus is unjustified and deplorable.

In reply to this statement the President of the United States stated as follows, in the telegram just released:

> I want you to know at once that I fully share the convictions you state. The issues here are clear.
>
> Generalized and irresponsible attacks that sweepingly condemn the whole of any group of citizens are alien to America. Such attacks portray contempt for the principles of freedom and decency.
>
> And when these attacks—whatever their professed purpose be—condemn such a vast portion of the churches or clergy as to create doubt in the loyalty of all, the damage to our Nation is multiplied.
>
> If there be found any American among us, whatever his calling, guilty of treasonous action against the State, let him legally and properly be convicted and punished. This applies to every person, lay or clergy.
>
> The churches of America are citadels of our faith in individual freedom and human dignity. This faith is the living source of all our spiritual strength. And this strength is our matchless armor in the worldwide struggle against the forces of Godless tyranny and oppression.

This telegram was signed by the President of the United States. The telegram to the President of the United States was signed by Roman Catholic Msgr. John A. O'Brien, of the University of Notre Dame; Rabbi Maurice N. Eisendrath, president of the Union of American Hebrew Congregations; and Dr. John Sutherland Bonnell, pastor of the Fifth Avenue Presbyterian Church in New York.

I wish to commend and congratulate the President of the United States for this fine statement. I believe it represents the deep convictions and sentiment of every fairminded American, regardless of political persuasion. I only regret that Mr. Matthews was not dismissed last week when some of us requested his immediate resignation as the director of the staff of the Subcommittee on Investigations of the Committee on Government Operations. It was obvious to all that the committee could no longer work together cooperatively and effectively so long as he served in the position of staff director.

IMPORTS OF BLUE CHEESE

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter addressed to me by William E. Swain, of Faribault, Minn., dated July 3, 1953. The letter deals with the administration of section 22 of the Agricultural Adjustment Act. I found it to be very helpful and informative. I commend its reading to my colleagues in the Senate.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

TREASURE CAVE,
Faribault, Minn., July 3, 1953.

Hon. HUBERT H. HUMPHREY,
Senator from Minnesota,
Senate Office Building,
Washington, D. C.

DEAR HUBERT H.: With regard to your penned note on your letter of June 30, we find that on the basis of the present method of administering section 22 has provided satisfactory restrictions on imports of blue cheese, to permit us to plan production; and continue operations with some reasonable certainty that we will not be faced with the problem that confronted us in 1950, and at the approach of the termination of controls unde: section 104 of the Defense Production Act. Section 104 was temporary, but did make it possible for us to resume operations when it appeared that the low price and volume of imported blue cheese would force us to close.

The benefit under section 22 will depend on the attitude of administration. We are hopeful that the amendment such as Representative ANDRESEN proposes to section 8, H. R. 4294 will be accepted there, and that someone in the Senate will champion its support, through conference committee and on the floor.

We find it particularly interesting to note that the countries who object the most to our establishment of import controls, protest at the slightest sign that we might offer them competition in world markets, and refuse to permit imports of our dairy products into their country. They want their markets in their own country without any foreign competition, and no competition from American dairy products in other markets, plus as much of the market in the United States as they can supply.

It is very interesting to note that the Danes objected to the 3½ million pound quota set last year, and were successful in getting two increases of 15 percent to allow over 4¼ million pounds, yet the imports of blue cheese during the period June 30, 1952 to July 1, 1953, will probably be less than the original 3½ million pounds.

The case of Roquefort which was not restricted in the same period is also interesting. In 1950 the USDA records show imports of over 3½ million pounds, yet in the past year (12 months June 30, 1952, to July 1, 1953), imports of Roquefort approximate 1½ million pounds.

The inability of both Denmark and France to supply or sell the quota of blue cheese and Roquefort has probably accounted for the healthy position of the domestic producers during the period. If France supplies unlimited supply of Roquefort, and Denmark supplies a full quota we will feel the impact. I would estimate that under such circumstances 6 to 7 million pounds of blue-veined cheese would be imported. Whether they could sell such an amount on the present price differential would depend on a number of factors. We know that there was more demand for Roquefort than could be met. We do not know whether the amount of Danish supplied was the result of consumer resistance or inability to supply without jeopardizing their other markets.

Imports of blue and Roquefort could approximate 50 percent of the total market and renew the problem that faced us in 1950; however, we are confident that in such a case action would be taken in time to give the domestic producers the protection needed to stay in business.

I have reviewed only the situation as it applies to blue cheese and Roquefort. The situation on all foreign styles is probably comparable. I know that Denmark switched to swiss-type cheese and has been exporting these types to this market and selling at prices below the price of domestic swiss which has caused much pain and surplus of swiss. Some milk that went into domestic swiss is now finding its way into Cheddar and ultimately contributing to the surpluses which are now in Government warehouses, and which are depressing the world markets and causing so much concern in other dairy producing nations. New Zealand has already been loud in their communications with our State Department, and have objected to giving our surplus to needy and hungry people in Pakistan and India through religious organizations.

The blue-cheese producers have reconciled themselves to the fact that they can expect to share the market with imports, and that if imports do not exceed 33 percent of the total demand that they can operate but not expand. At present work is being done by the domestic producers to form a blue cheese commodity promotion group to encourage greater use and consumption.

We are still the object of bad press along with other producers of foreign-type cheese even though we accept 33 percent import competition. What other branch of the dairy industry can or would accept 33 percent of their domestic market being supplied by imports?

If every branch of the dairy industry could accept 5 percent to 10 percent of the market being supplied by imports, foreign countries would not be able to supply. Producers of foreign-type cheese are taking the load, and it is not conducive to growth of that branch of the industry.

We feel that it is good that the American consumer has the opportunity to taste and use foreign cheese, but we do not feel that the foreign producer should be able to take advantage of the devalued currency, and lower costs of material and labor to replace all of the market that has been developed by the domestic producer. Support prices, minimum wage, taxes, and other elements place us at a disadvantage when competing with foreign producers, particularly on price in any market. If we do not have protection in our market, and cannot sell in foreign countries we have only one alternative and that would be to reduce operations or discontinue production.

We also feel that if foreign products imported into this country contribute to sur-

plus, that they should share the proportionate cost of the program, or make possible the distribution of a proportional amount of the surplus in their respective countries. They should also make it possible for us to be able to sell our products in their countries to the same advantage that they enjoy here. That is we should be able to sell in Copenhagen on the same basis as they sell in Minneapolis, and at a comparable price differential to give their people a chance to purchase and enjoy our cheese and compare it with what is produced in their countries.

We recently cooperated by supplying our cheese to a picnic lunch where a group of foreign agricultural agents were being fed as part of a tour of the farmers seed and nursery trial ground in cooperation with the University of Minnesota and the USDA. Most of the group was from France. They recognized that they were served blue cheese and complimented their hosts by stating that the cheese must have come from one of the better French producers of blue cheese. I jokingly said that it was probably Danish blue cheese, and the response was that only a few of the best cheese plants in France could produce such a cheese, and indicated that the Danes did not produce such fine cheese, but that they did have good cheese in Denmark. Needless to say they were surprised to learn that the cheese which they were eating had been produced within a mile of where they stood. They were also complimentary of the quality of beer that was served to them and made at our local Fleck's Brewery. They also enjoyed the Beltsville white Minnesota-grown turkey, and Hormel hams.

I offer this as a sidelight to show that our cheese would be acceptable on the basis of quality, and we too might be able to capitalize on the fact that our cheese in Copenhagen would have come from another country and not the ordinary cheese which was available, and on that we could possibly build some demand if it were not for the regulations which govern the imports of Denmark and other European countries.

We have done our part, now it seems that it's time for them to reciprocate.

This has developed to a lengthy answer to a short question.

Thank you.

Kindest personal regards.

Very truly yours,

TREASURE CAVE.
WILLIAM E. SWAIM.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate, it is now proposed to call up Calendar 500, H. R. 5690, the second independent offices appropriation bill. The matter was discussed with the minority leader and with the Senator from Illinois [Mr. DOUGLAS]. It would be the purpose of the acting majority leader to move to take up the bill, have it made the unfinished business, but not to proceed with it until tomorrow.

While the bill will be temporarily laid aside, although it will not be actually laid aside on the Legislative Calendar, I shall move that the Senate go into executive session for the purpose of considering treaties or conventions under the July 2 report. There are on the Executive Calendar a number of conventions dealing with debt and tax matters, which we shall take up today. We shall not consider the wheat agreement or the status-of-forces agreements, which I believe are perhaps more controversial.

If work is completed on the conventions this evening, and it is not too late, it would then be the purpose of the acting majority leader to move that the Senate resume the consideration of legislative business, for the purpose of discussing or at least opening debate on the immunity-of-witnesses bill, which is S. 16, Calendar 153. I understand a number of amendments are to be offered. I do not know whether or not the author of the bill is prepared to accept any of them. At least, we would ascertain exactly what the situation is. If action should not be completed on the immunity bill tonight, the bill would be laid aside, and the appropriation bill would be taken up tomorrow.

There will be a session on Saturday, because the Senator from Vermont [Mr. AIKEN], the chairman of the Committee on Agriculture and Forestry, has pointed out that a deadline date must be met on the wheat-allotment bill. Because it is expected to receive certain information on Friday, which the committee wants to have prior to reporting the bill, the committee will not be prepared to report it until tomorrow. But the report will be available, and we will be ready to consider the bill on Saturday.

Mr. CARLSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. CARLSON. Can the Senator advise the Senate when we may expect to begin consideration of the International Wheat Agreement?

Mr. KNOWLAND. It is not the intention to delay consideration of that agreement. I hope it may be possible to take it up, certainly by next week at the latest. I hope the Senate can take up also, early next week, the other series of agreements, namely, the status-of-forces agreements as well as the wheat agreement.

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. KNOWLAND. I yield.

Mr. LEHMAN. In the event S. 16 is not disposed of this evening, am I to understand it will go over until the appropriation bill, to which reference has been made, shall have been disposed of?

Mr. KNOWLAND. Yes; I would expect it to go over until the appropriation bill had been disposed of. The first of next week we shall have to examine the situation again. However, the majority leader, the senior Senator from Ohio [Mr. TAFT], had agreed with the senior Senator from Nevada [Mr. MCCARRAN] that S. 16 would be called up today. The Senator from Nevada was hopeful it could be disposed of without prolonged debate. However, as the Senator from New York undoubtedly knows, the bill is controversial.

Mr. LEHMAN. I thank the Senator.

SECOND INDEPENDENT OFFICES APPROPRIATION BILL

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 500, H. R. 5690, the second independent offices appropriation bill.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. PAYNE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing the nomination of Dr. H. van Zile Hyde, of New York, to be the representative of the United States on the executive board of the World Health Organization, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. SMITH of New Jersey, from the Committee on Labor and Public Welfare:

Guy Farmer, of the District of Columbia, to be a member of the National Labor Relations Board, vice Paul M. Herzog, resigned;

Whitley P. McCoy, of Alabama, to be Federal Mediation and Conciliation Director; and

Stuart Rothman, of Minnesota, to be Solicitor for the Department of Labor.

By Mr. CAPEHART, from the Committee on Interstate and Foreign Commerce:

Eldon Claggett Upton, Jr., of Louisiana, to be a member of the Federal Maritime Board vice Albert W. Gatov.

The PRESIDING OFFICER. If there be no further reports of committees, the clerk will call the calendar.

DOUBLE TAXATION CONVENTIONS

The Legislative Clerk proceeded to read the convention, Executive I, 81st Congress, 1st session, a convention between the United States of America and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on October 28, 1948.

Mr. SMITH of New Jersey. Mr. President, there are five double taxation conventions on the Executive Calendar. Unless there is objection—and I will ask the acting majority leader if there is objection—I should like to have them taken

up together. The Committee on Foreign Relations has held hearings on all the conventions together, and is prepared to ask for their ratification en bloc, unless it is preferred to take them up separately.

Mr. KNOWLAND. I refer the Senator's inquiry to the minority leader, and also to the Senator from Iowa [Mr. GILLETTE]. The Senator from New Jersey [Mr. SMITH], who is handling the tax conventions, has made inquiry whether there is objection to considering all the tax conventions en bloc, or whether it is desired to consider them separately. Since he addressed the inquiry to me, I should say that I have no objection, because the Senator has said that all the conventions are along the same general line, and can be covered by the explanation he desires to make. However, I thought I should make this statement, because I understood the minority leader to say that the Senator from Iowa had one objection.

Mr. GILLETTE. By the tax conventions, does the Senator refer to the double taxation conventions?

Mr. SMITH of New Jersey. I think the point the Senator from Iowa desired to raise was with regard to the German debt settlement convention.

Mr. GILLETTE. I have no objection to the double taxation conventions.

Mr. KNOWLAND. I think it will be perfectly agreeable to consider the conventions in the manner suggested.

Mr. SMITH of New Jersey. I thank the majority leader.

Mr. President, the Committee on Foreign Relations has recommended that the Senate give its advice and consent to the ratification of five conventions between the United States on the one hand and Belgium and Australia on the other. These conventions are for the purpose of avoiding double taxation on incomes, on the estates of decedents, and on gifts.

I may say that we have considered a number of conventions of this nature. Mr. Stam, chief of staff of the Joint Committee on Internal Revenue Taxation, has been handling all these conventions for us. They are all of a pattern, with slight variations due to conditions in the several countries.

The pending conventions are part of a comprehensive program on the part of this Government to conclude tax conventions which will protect Americans from paying double taxes by reason of the fact that their income arises in part abroad or because of differing tax legislation applying to estates or gifts.

Since 1939 we have concluded 26 conventions and protocols with 12 different countries. From time to time during consideration of these conventions, the Senate has attached reservations to certain provisions. In this way we have been able to give guidance to the executive branch in the negotiation of conventions of this type.

For the past few years the Senator from Georgia [Mr. GEORGE] and I have been meeting in connection with these conventions and working with Mr. Stam, so we are familiar with the various changes which have been made from time to time in perfecting the formulas.

The conventions now before us were referred, as has been the custom of the Foreign Relations Committee in the past, to the staff of the Joint Committee on Internal Revenue Taxation. That staff has given the Foreign Relations Committee the benefit of its technical knowledge and good judgment. After studying these conventions, a subcommittee consisting of Senator GEORGE and myself held public hearings. All witnesses, including representatives of the International Chamber of Commerce and the National Foreign Trade Council, testified in support of these conventions. No one has opposed them and the files of the committee show no objections to them.

Mr. President, the provisions of the pending conventions closely follow the provisions of other double-tax conventions now in effect. They do not contain any provisions to which the Senate has heretofore objected.

The provisions of the conventions are discussed in the committee's report. Before concluding my remarks, however, I should like to invite your attention to the general nature of the conventions before us.

INCOME-TAX CONVENTIONS WITH BELGIUM AND AUSTRALIA

Three of the conventions before the Senate relate to income taxes. Two of these conventions are with Belgium and the third with Australia. Their purpose is to eliminate, insofar as possible, double taxation with respect to corporate or individual income. Double taxation of such income is avoided under the terms of the conventions either by exemption of the income from taxation in one of the states or by giving credit for taxes paid in the other state.

Mr. THYE. Mr. President, will the Senator yield for a question?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. THYE. One convention is with Australia. Assume that a citizen of the United States received half his income in the United States and that the other half was derived from enterprises or business activities in Australia. Would he then pay an income tax on his earnings in Australia, and be free to bring them to the United States, without being taxed in the United States on such earnings?

Mr. SMITH of New Jersey. The purpose of these conventions is to avoid double taxation. As I said a moment ago, that is done in some cases by the exemption of the income from taxation in one of the states, or by giving credit for taxes paid in the other state. We have consistently followed that pattern.

Mr. THYE. I am trying to make certain that I understand the conventions. For example, if a person were to earn $50,000 in Australia, and were compelled to pay taxes on the $50,000 in Australia, and if he received an equal amount of income in the United States, would he be free to bring his earnings from Australia, after he had paid the Australian Government the income tax imposed upon that income, to the United States and there be free from taxation on the Australian earnings?

Mr. SMITH of New Jersey. The way these conventions are drafted, for the purpose of the conventions the taxpayer must pay a tax in only one country. He would not pay a tax on the same income in two countries. There would be no doubling up.

Mr. THYE. There are those who have business interests in Australia and who reside in the United States. They are citizens of the United States. However, anually they are in Australia for a period of, say, 3 or 4 months, and they receive income from business establishments there. The question I wish to get clear in my mind is this: If such a person pays an income tax in Australia, is he then privileged to take out of Australia whatever the Australian Government allows him to take out of the country—there are certain restrictions—and bring it to the United States without being subjected to the United States Federal income tax on the earnings in Australia?

Mr. SMITH of New Jersey. I refer the Senator to article III of the convention with Australia. There are two paragraphs in that article which may cover the point which the Senator makes.

Article III, paragraph 1, reads as follows:

An Australian enterprise shall not be subject to United States tax in respect to its industrial or commercial profits unless it is engaged in trade or business in the United States through a permanent establishment in the United States. If it is so engaged, United States tax may be imposed upon the entire income of that enterprise from sources within the United States.

Paragraph 2 reads as follows:

A United States enterprise shall not be subject to Australian tax in respect of its industrial or commercial profits unless it is engaged in trade or business in Australia through a permanent establishment in Australia. If it is so engaged, Australian tax may be imposed upon the entire income of that enterprise from sources within Australia.

Mr. THYE. That is the question which I wished to have clarified. I did not quite understand the situation. If a person is doing business in both countries, but happens to be a citizen of the United States and has business interests in Australia, and if he spends, say, 2 or 3 months in Australia taking care of that business while still retaining his residence in the United States, would he be able, by paying a tax in Australia, to take the earnings from Australia and bring them to the United States, and there be free from United States Federal tax on such earnings? I am assuming that he received equal earnings in Australia and in the United States. In other words, suppose he earned $50,000 a year in Australia and $50,000 a year from his enterprises in the United States. Would he be free from tax on the earnings which he had made in Australia, and upon which he had paid a tax in Australia, when he brought those earnings to the United States? I did not quite understand that provision of the treaty, and I wanted to make it absolutely clear, because I can easily see how there might be confusion

in the case of anyone trying to determine what his tax obligation was with respect to his Australian earnings.

Mr. SMITH of New Jersey. As I recall the discussions in the committee, if I correctly understand the question of the distinguished Senator, if a tax had been paid in Australia on the income there, and such income were brought to the United States, there could be deducted from the overall Federal tax here the actual tax paid in Australia, so that there would be no doubling up.

Mr. THYE. For the taxes he paid in Australia he could get a deduction. The question I wish to have completely cleared up is, Could he take the earnings he was privileged to make in Australia and add them to his earnings in the United States, and be eligible to deduct only the portion on which he had paid a tax in Australia, but would pay a tax on the portion of the earnings he made in Australia on which he had not paid a tax? I want to be sure that I know whether he would have to declare his earnings in Australia and his earnings in the United States, and then be qualified to deduct from the total joint earnings only the amount on which he had paid taxes in Australia, or would he have to pay a tax in the United States on the total amount of joint earnings? That is the question.

Mr. SMITH of New Jersey. I think I get the point of the Senator's question. It is a technical subject. It depends on where the primary tax is paid. There might be a case of a man who would earn dividends on Australian corporations, in which case the Australian Government would deduct the tax at the source, whether he filed a return or not. The subject is somewhat complicated and it is difficult to give a straight answer that a man can do this or that. The purpose is not to save a person from paying taxes which he would normally have to pay, but to give a person credit for taxes paid in other countries.

Mr. THYE. We are all endeavoring to encourage business expansion and business operation in other countries, because in that manner we have mutual security compounded without the necessity of spending tax dollars in making possible such a business expansion in foreign countries. I wanted to make certain that we had that question cleared up, because it could be very confusing to an individual taxpayer in the United States.

I do not have it clear in my mind whether the earnings in a foreign country, even though the foreign taxes were paid on them, would be recognized as income in this country, with the taxpayer being compelled to report them as a part of his net income and to pay a tax in the United States, being allowed to deduct only the amount of the tax he had paid in the foreign country on the earnings there.

Mr. SMITH of New Jersey. He could have an income in two places. The determination of the situs would be the country in which he lived the major part of the year. That would be the basis of the tax. But the tax paid in the other country could be credited on the tax in the United States.

Mr. THYE. Then if I used the $50,000 figure earned in Australia and the $50,000 earned in the United States——

Mr. SMITH of New Jersey. Assuming that the Senator from Minnesota lived in the United States.

Mr. THYE. Yes, and that this was my home, and I was recognized as a citizen of the United States. I would then not have to declare my earnings in Australia when I made my United States report on my earnings, but I would report only on the United States income, because I had already declared my income in Australia, and I had paid a tax on that portion of my income. Therefore the earnings I had made in Australia could absolutely be kept separate from my net earnings in the United States. That was the question I wanted to have cleared up.

Mr. SMITH of New Jersey. I am not sure that I would say yes to the question whether the Senator from Minnesota would have to declare in the United States his earnings in the other country. I have myself held a few securities in Canada, for example, and I have had to make a return on those securities in Canada. I was able to deduct the tax I paid there, of course.

Mr. FLANDERS. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield.

Mr. FLANDERS. I wonder whether I could ask some questions in very condensed form. The first question is this: In the case suggested by the Senator from Minnesota, can the American import his earnings and profits into the United States tax free.

Mr. SMITH of New Jersey. No; he cannot import them tax free. He can import them with a credit for the taxes paid in the other country.

Mr. FLANDERS. The second question is this: When he imports them with the credit for the taxes paid in the other country, how is the tax credit applied? Is it applied to reducing his income by that much, or is it applied to reducing the United States tax by that much.

Mr. SMITH of New Jersey. If I am correct in my understanding, I would say that he would have to show his total income in the United States and abroad, namely, the overall total income. Then he would show the taxes paid abroad, and he would get credit for the taxes paid abroad, against the total tax figured in the United States.

Mr. FLANDERS. I suppose that would be the situation.

Mr. SMITH of New Jersey. I believe that is the correct answer. From the questions that have been asked there can be seen the importance of our having these understandings with foreign countries because there are many Americans in France—I use France only as an example, and the same situation applies to Belgium, England, and other countries—who have income derived from foreign sources. Such persons would be stuck at home for their taxes and they would be in a state of confusion. So the organizations which have been set up to protect the American taxpayers have tried to work out a formula. We worked with them and we have developed the tax conventions to cover the very kind of questions the Senator has been asking. I hope I have made it clear. It is a very complicated subject.

Mr. THYE. I fully appreciate the fact that it is complicated. It is complicated to the man who is trying to make out a tax return. That is why I asked the questions, namely, in an endeavor to clarify it from the standpoint of the accountant or the individual who is making up the tax return.

Mr. SMITH of New Jersey. I thank the Senator. I think he has made a very helpful contribution to the RECORD.

I continue with my statement.

During consideration of the income-tax convention with Belgium, the committee's attention was drawn to the provision of that convention—article X—which provides for exemption from tax of the salaries paid by one of the contracting countries to its citizens who are resident in the other contracting country. It was suggested that section 247 of the Immigration Act might be in conflict with this provision since the Immigration Act provides that aliens whose occupational status would place them in a nonimmigrant status may be required to surrender their immigrant status unless they execute a written waiver of "all rights, privileges, exemptions, and immunities under any law or any Executive order."

Since the provision of the Belgium convention was negotiated prior to the passage of the Immigration Act, since the Treasury Department told the committee that it does not expect to include such provisions in new conventions to be negotiated, and since the possible effect of any conflict between this provision of the Immigration Act and the Belgium convention would be of a very limited nature, the committee did not believe that any particular action was required with respect to this provision at this time.

ESTATE TAX CONVENTION WITH AUSTRALIA

The convention with Australia follows the same pattern as other estate tax conventions now in effect. As is true with respect to those other conventions, this convention applies only to the Federal estate tax. It has no effect upon State inheritance, estate, or succession taxes.

GIFT TAX CONVENTION WITH AUSTRALIA

This convention is the first that has been negotiated relating exclusively to gift taxes. Its fundamental objectives are the same as those of the income and estate taxes, namely, to avoid double taxation and to prevent fiscal evasion.

Mr. President, in conclusion I wish to commend the representatives of the Treasury Department and the staff of the Foreign Relations Committee for the hard work they have done in connection with negotiation of these conventions. Mr. King, of the Treasury Department, has been in charge of that work for the Department, and has been in constant

negotiation with representatives of the various countries involved, in regard to relief from the burden of double taxation.

Mr. HENDRICKSON. Mr. President, will my distinguished colleague yield to me?

The PRESIDING OFFICER (Mr. BRICKER in the chair). Does the Senator from New Jersey yield to his colleague?

Mr. SMITH of New Jersey. I am very glad to yield.

Mr. HENDRICKSON. Have the treaties been approved by the full Foreign Relations Committee?

Mr. SMITH of New Jersey. Yes. The subcommittee reported the treaties to the full committee, and the full committee approved the report of the subcommittee.

Mr. HENDRICKSON. Were they considered by the full committee and were they reported unanimously?

Mr. SMITH of New Jersey. They were.

Mr. HENDRICKSON. I thank my colleague.

Mr. SMITH of New Jersey. Mr. President, the following conventions are to be considered at this time:

Executive I, 81st Congress, 1st session, a convention between the United States of America and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on October 28, 1948.

That has been in abeyance for some time at the request of the executive branch.

Executive A, 83d Congress, 1st session, a convention between the United States of America and Belgium, signed at Washington on September 9, 1952, modifying and supplementing the convention of October 28, 1948, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

That is the convention to which I have just referred.

Executive I, 83d Congress, 1st session, a convention between the United States of America and the Commonwealth of Australia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on May 14, 1953.

Executive J, 83d Congress, 1st session, a convention between the United States of America and the Commonwealth of Australia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, signed at Washington on May 14, 1953.

Executive K, 83d Congress, 1st session, a convention between the United States of America and the Commonwealth of Australia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on gifts, signed at Washington on May 14, 1953.

Mr. President, I urge my colleagues to approve these conventions.

Mr. GEORGE. Mr. President, I merely wish to say that these conventions or treaties are in line with all similar treaties we have made. I did not hear all the statements made by the distinguished chairman of the subcommittee, the senior Senator from New Jersey [Mr. SMITH], regarding the treaties; but I believe it should be added that all witnesses who appeared in connection with the treaties agreed about them and urged that they be ratified. There were some witnesses from outside the Government, and they were finally in unanimous agreement with respect to all the treaties.

Mr. SMITH of New Jersey. I thank the Senator from Georgia for his contribution.

DOUBLE TAXATION CONVENTION WITH BELGIUM

The Senate, as in Committee of the Whole, proceeded to consider the convention Executive I (81st Cong., 1st sess.), a convention between the United States of America and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on October 28, 1948, which was read the second time, as follows:

(Executive I, 81st Cong., 1st sess., Taxation Convention With Belgium)

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND BELGIUM FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the United States of America and the Government of Belgium, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America:

Robert A. Lovett, Acting Secretary of State of the United States of America, and

The Government of Belgium:

Baron Silvercruys, Ambassador Extraordinary and Plenipotentiary of Belgium at Washington,

who, having communicated to each other their full powers, found in good and due form, have agreed upon the following Articles:

ARTICLE I

(1) The taxes which are the subject of the present Convention are:

(a) In the case of the United States: The Federal income taxes.

(b) In the case of Belgium: The income taxes, the national crisis tax, and the personal complementary tax, including all additions to these taxes.

(2) The present Convention shall apply also to any other taxes of a substantially similar character imposed by either Contracting State subsequently to the date of signature of the present Convention or by the government of any territory to which the present Convention is extended under Article XXII.

(3) In the event of appreciable changes in the fiscal laws of either of the Contracting States the competent authorities of the Contracting States will consult together.

ARTICLE II

(1) In the present Convention, unless the context otherwise requires:

(a) The term "United States" means the United States of America, and when used in a geographical sense means the States, the Territories of Alaska and of Hawaii, and the District of Columbia.

(b) The term "Belgium" when used in a geographical sense means the Kingdom of Belgium in Europe.

(c) The term "United States enterprise" means an industrial or commercial enterprise or undertaking carried on in the United States by a citizen or resident of the United States or by a corporation or other juridical person created or organized in the United States or under the laws of the United States or of any State or Territory of the United States.

(d) The term "Belgian enterprise" means an industrial or commercial enterprise or undertaking carried on in Belgium by a citizen or resident of Belgium or by a corporation or other juridical person created or organized in Belgium or under the laws of Belgium.

(e) The terms "enterprise of one of the Contracting States" and "enterprise of the other Contracting State" mean a United States enterprise or a Belgium enterprise, as the context requires.

(f) The term "permanent establishment", when used with respect to an enterprise of one of the Contracting States, means a branch, factory, mine, oil well, plantation, workshop, warehouse, installation, or other fixed place of business, but does not include an agency unless the agent has, and habitually exercises, a general authority to negotiate and conclude contracts on behalf of such enterprise or has control over a stock of merchandise from which he regularly fills orders on behalf of such enterprise. An enterprise of one of the Contracting States shall not be deemed to have a permanent establishment in the other Contracting State merely because it carries on business dealings in such other Contracting State through a bona fide commission agent or broker acting in the ordinary course of his business as such. When a corporation of one Contracting State has a subsidiary corporation which is a corporation created or organized in the other Contracting State or which is engaged in trade or business in such other Contracting State, such subsidiary corporation shall not, merely because of that fact, be deemed to be a permanent establishment of its parent corporation.

(g) The term "industrial and commercial profits" shall not include the following:

(i) Income from real property;

(ii) Income from mortgages, from public fundes, securities (including mortgage bonds), loans, deposits, and current accounts;

(iii) Dividends and other income from shares in a corporation;

(iv) Rentals or royalties arising from leasing personal property or from any interest in such property, including rentals or royalties for the use of, or for the privilege of using, patents, copyrights, secret processes and formulae, good will, trade marks, trade brands, franchises, and other like property;

(v) Profit or loss from the sale or exchange of capital assets;

(vi) Compensation for labor or personal services.

Subject to the provisions of the present Convention, the income referred to in subparagrapns (i) to (vi) shall be taxed separately or together with industrial and commercial profits in accordance with the laws of the Contracting States.

(h) The term "competent authority" or "competent authorities" means, in the case of the United States, the Commissioner of Internal Revenue or his duly authorized representative; and in the case of Belgium, the Directeur General de l'Administration des Contributions Directes or his duly authorized representative; and, in the case of any territory to which the present Convention is extended under Article XXII, the competent authority for the administration in such

territory of the taxes to which the present Convention applies.

(2) In the application of the provision of the present Convention by either of the Contracting States, any term which is not otherwise defined shall, unless the context otherwise requires, have the meaning which that term has under the laws of such Contracting State relating to the taxes which are the subject of the present Convention.

ARTICLE III

(1) An enterprise of one of the Contracting States is not subject to taxation by the other Contracting State in respect of its industrial and commercial profits except in respect of such profits allocable to its permanent establishment in such other State.

(2) However, an enterprise of one of the Contracting States is not subject to taxation by the other Contracting State if it maintains in the latter State only an establishment which confines itself to the purchasing of merchandise for the purpose of supplying establishments which such enterprise maintains in the former State.

ARTICLE IV

(1) If an enterprise of one of the Contracting States has a permanent establishment in the other Contracting State, there shall be attributed to such permanent establishment the net industrial and commercial profit which it might be expected to derive if it were an independent enterprise engaged in the same or similar activities under the same or similar conditions. Such net profit will, in principle, be determined on the basis of the separate accounts pertaining to such establishment.

(2) The competent authority of the taxing State may, when necessary, in execution of paragraph (1) of this Article, rectify the accounts produced, notably to correct errors and omissions or to reestablish the costs, prices or remuneration entered in the books at the value which would prevail between independent persons. If

(a) an establishment does not produce an accounting showing its own operations, or

(b) the accounting produced does not correspond to the normal usages of the trade in the country where the establishment is situated, or

(c) the rectifications provided for in this paragraph cannot be effected,

the competent authority of the taxing State may determine the net industrial and commercial profit by applying to the operations of the establishment such methods or formulae as may be fair and reasonable.

(3) To facilitate the determination of industrial and commercial profits which are allocable to the permanent establishment, the competent authorities of the Contracting States may consult together with a view to the adoption of uniform rules of allocation with respect to such profits.

ARTICLE V

When an enterprise of one of the Contracting States, by reason of its participation in the management or financial structure of an enterprise of the other Contracting State, makes with or imposes on the latter enterprise, in their financial or commercial relations, conditions different from those which would be made with an independent enterprise, any profits which, but for those conditions, would have accrued to one of the enterprises may be included in the taxable profits of that enterprise, subject to applicable measures of appeal.

ARTICLE VI

Income of whatever nature derived from real property shall be taxable only in the Contracting State in which the real property is situated. This Article does not apply to income derived from mortgages or bonds secured by real property.

ARTICLE VII

(1) Income which an enterprise of one of the Contracting States derives from the operation of ships or aircraft registered in that State shall be exempt from taxation in the other Contracting State.

(2) The present Convention shall not be deemed to affect the provisions of the exchange of notes between the United States and Belgium, dated January 28, 1936, providing for relief from double income taxation on shipping profits.

ARTICLE VIII

(1) The rate of United States tax on dividends derived from a United States corporation by a corporation created or organized in Belgium or under the laws of Belgium which is not engaged in trade or business in the United States through a permanent establishment therein shall not exceed five percent if the latter corporation controls, directly or indirectly, at least ninety-five percent of the entire voting power in the corporation paying the dividend, and not more than twenty-five percent of the gross income of such paying corporation is derived from interest and dividends, other than interest and dividends received from its own subsidiary corporations. Such reduction of the rate to five percent shall not apply if the relationship of the two corporation has been arranged or is maintained primarily with the intentions of securing such reduced rate.

(2) Notwithstanding the provisions of Article XXIII of this Convention the provisions of this Article may be terminated by the United States provided prior notice is given to Belgium, such termination to become effective on the first day of the fourth calendar month following the calendar month in which such notice is given.

ARTICLE IX

(1) Rentals or royalties from real property or in respect of the operation of mines, quarries or other natural resources shall be taxable only in the Contracting State in which such property, mines, quarries or other natural resources are situated. A resident of Belgium, or a corporation or other juridical person created or organized in Belgium deriving such rentals or royalties from sources within the United States may elect for any taxable year to be subject to United States tax as if such resident, corporation or entity were engaged in trade or business within the United States through a permanent establishment therein in such taxable year.

(2) Royalties derived from within one of the Contracting States by a resident or by a corporation or other entity of the other Contracting State as consideration for the right to use copyrights, patents, secret processes and formulae, trade marks and other analogous rights shall be exempt from taxation in the former State, provided such resident, corporation or other entity does not have a permanent establishment there. The term "royalties" as used in this paragraph shall be deemed to include rentals in respect of motion picture films.

ARTICLE X

(1) Wages, salaries and similar compensations, and pensions and annuities, paid by one of the Contracting States or by the political subdivisions or territories thereof to citizens of that State residing in the other State (whether or not also citizens of such other State) shall be exempt from taxation in the latter State.

(2) Private pensions and annuities derived from within one of the Contracting States and paid to individuals residing in the other Contracting State shall be exempt from taxation in the former State.

(3) The term "pensions" as used in this Article means periodic payments made in consideration for services rendered or by way of compensation for injuries received.

(4) The term "annuities" as used in this Article means a stated sum payable periodically at stated times, under an obligation to make the payments in consideration of money paid.

ARTICLE XI

(1) A resident of the United States shall be exempt from Belgian tax upon compensation for labor or personal services performed within Belgium if he falls within either of the following classifications:

(a) He is temporarily present within Belgium for a period or periods not exceeding a total of ninety days during the calendar year and the compensation received for such labor or personal services does not exceed $3,000.00 in the aggregate, or its corresponding amount, except that the provisions of this subparagraph shall not apply to remuneration of "administrateurs", "commissaires", or "liquidateurs" of, or of other individuals exercising similar functions in corporations created or organized in Belgium;

(b) He is temporarily present within Belgium for a period or periods not exceeding a total of one hundred eighty-three days during the calendar year and his compensation is received for labor or personal services performed as a worker or employee of, or under contract with, a resident of, or a corporation or other juridical person created or organized in, the United States which carries the actual burden of the remuneration.

In such cases the United States reserves the right to tax such income.

(2) A resident of Belgium shall be exempt from United States tax upon compensation for labor or personal services performed within the United States if he falls within either of the following classifications:

(a) He is temporarily present within the United States for a period or periods not exceeding a total of ninety days during the taxable year and the compensation received for such labor or personal services does not exceed $3,000.00 in the aggregate, or its corresponding amount, except that the provisions of this subparagraph shall not apply to remuneration of officers and directors of corporations created or organized in the United States;

(b) He is temporarily present within the United States for a period or periods not exceeding a total of one hundred eighty-three days during the taxable year and his compensation is received for labor or personal services performed as a worker or employee of, or under contract with, a resident of, or a corporation or other juridical person created or organized in, Belgium which carries the actual burden of the remuneration.

In such cases Belgium reserves the right to tax such income.

(3) The provisions of this Article shall have no application to the income to which Article X relates.

ARTICLE XII

(1) Notwithstanding any provisions of the present Convention (other than paragraph (1) of Article X) each of the two Contracting States, in determining the income taxes, including all surtaxes, of its citizens or residents or corporations or other juridical persons, may include in the basis upon which such taxes are imposed all items of income taxable under its own revenue laws as though this Convention had not come into effect.

(2) In accordance with the provisions of section 131 of the United States Internal Revenue Code as in effect on the day of the entry into force of the present Convention, the United States agrees to allow as a deduction from the income taxes imposed by the United States the appropriate amount of taxes paid to Belgium, whether paid directly by the taxpayer or by withholding.

(3) In order to take into account the Federal income taxes collected in the United States, Belgium agrees, in conformity with the provisions of Belgian law relating to income taxes and the national crisis tax, as in effect on the day of the entry into force of the present Convention, to reduce

(a) to one-fourth, the professional tax and the national crisis tax which affect that part of the taxable income which is derived from sources within and taxed by the United States,

(b) to a maximum of 12 percent, the tax on income from personal and real property which has its source in the United States, and

(c) in derogation of the provisions of Belgian law, to one-fourth the personal complementary tax due by citizens or residents of the United States who are also residents of Belgium, in respect of income from sources within and taxed by the United States.

ARTICLE XIII

Professors or teachers, citizens of one of the Contracting States, who, within the framework of agreements between the Contracting States or between teaching establishments in the Contracting States for the sending of professors and teachers, visit within the territory of the other Contracting State to teach, for a maximum period of two years, in a university, college, school or other teaching establishment in the territory of such other Contracting State, shall not be taxed by such other State with respect to the remuneration which they receive for such teaching.

ARTICLE XIV

Students or apprentices, citizens of one of the Contracting States, residing in the other Contracting State exclusively for purposes of study or for acquiring experience, shall not be taxable by the latter State in respect of remittances received by them from abroad for the purposes of their maintenance or studies.

ARTICLE XV

(1) The competent authorities of the Contracting States shall exchange such information (being information available under the respective taxation laws of the Contracting States) as is necessary for carrying out the provisions of the present Convention or for the prevention of fraud or the administration of statutory provisions and regulations against legal avoidance in relation to the taxes which are the subject of the present Convention.

(2) Documents and information contained therein, transmitted under the provisions of the present Convention by one of the Contracting States to the other Contracting State shall not be published, revealed or disclosed to any person except to the extent permitted under the laws of the latter State with respect to similar documents or information.

ARTICLE XVI

The competent authority of each of the Contracting States shall furnish, upon request by the competent authority of the other Contracting State, particulars relative to the application in concrete cases of the taxes of the requesting State to which the present Convention relates.

ARTICLE XVII

(1) The Contracting States undertake to lend assistance and support to each other in the collection of the taxes to which the present Convention relates, together with additions, interest, costs, and fines not being of a penal character.

(2) In the case of an application for enforcement of taxes, revenue claims of each of the Contracting States which have been finally determined may be accepted for enforcement by the other Contracting State and collected in that State in accordance with the laws applicable to the collection of its own taxes. The State to which application is made shall not be required to enforce executory measures for which there is no provision in the law of the State making the application.

(3) An application for collection shall be accompanied by such documents as are required by the laws of the State making the application to establish that the taxes have been finally determined.

(4) The assistance provided for in this Article shall not be accorded with respect to the citizens, corporations, or other entities of the State to which application is made, except as is necessary to insure that the exemption or reduced rate of tax granted under the Convention to such citizens, corporations or other entities shall not be enjoyed by persons not entitled to such benefits.

ARTICLE XVIII

(1) In no case shall the provisions of Articles XV, XVI, and XVII be construed so as to impose upon either of the Contracting States the obligation

(a) to carry out administrative measures at variance with the regulations and practice of either Contracting State, or

(b) to supply information or particulars which are not procurable under its own legislation or that of the State making the application.

(2) The State to which application is made for information or assistance shall comply as soon as possible with the request addressed to it. Nevertheless, such State may refuse to comply with the request for reasons of public policy or if compliance would involve violation of a business, industrial or trade secret. In such case it shall inform, as soon as possible, the State making the application.

ARTICLE XIX

Where a taxpayer shows proof that the action of the tax administrations of the Contracting States has resulted or will result in double taxation in his case in respect of any of the taxes to which the present Convention relates, he shall be entitled (within a period of two years from the date of the notification of the tax which has been last asserted or proposed, or of the payment of the tax if such payment has been made prior to notification) to lodge a claim with the State of which he is a citizen, or, if he is not a citizen of either of the Contracting States, with the State of which he is a resident, or, if the taxpayer is a corporation or other juridical person, with the State in which it is created or organized. Should the claim be upheld, the competent authorities of the two Contracting States shall come to an agreement with a view to equitable avoidance of the double taxation in question.

ARTICLE XX

(1) The provisions of the present Convention shall not be construed to restrict in any manner any exemption, deduction, credit or other allowance accorded by the laws of one of the Contracting States in the determination of the tax imposed by such State.

(2) Should any difficulty or doubt arise as to the interpretation or application of the present Convention, the competent authorities of the Contracting States shall settle the question by mutual agreement.

(3) Citizens or corporations or other juridical persons of one of the Contracting States within the other Contracting State shall not be subjected, as regards the taxes referred to in the present Convention, to the payment of higher taxes than are imposed upon the citizens or ccrporations or other juridical persons of such other Contracting State.

ARTICLE XXI

The competent authorities of the two Contracting States may (in the case of the United States, with the approval of the Secretary of the Treasury, and in the case of Belgium, with the approval of the Minister of Finance) prescribe regulations necessary to carry out the provisions of the present Convention. With respect to the provisions of the present Convention relating to exchange of information and mutual assistance in the collection of taxes, such authorities may, by common agreement, prescribe rules concerning matters of procedure, forms of application and replies thereto, conversion of currency, disposition of amounts collected, minimum amount subject to collection, and related matters.

ARTICLE XXII

(1) Either of the Contracting States may, at the time of exchange of instruments of ratification or thereafter while the present Convention continues in force, by a written notification of extension given to the other Contracting State through diplomatic channels, declare its desire that the operation of the present Convention, either in whole or as to such provisions thereof as may be deemed to have special application, shall extend to any of its colonies or overseas territories which imposes taxes substantially similar in character to those which are the subject of the present Convention.

(2) In the event that a notification is given by one of the Contracting States in accordance with paragraph (1) of this Article, the present Convention, or such provisions thereof as may be specified in the notification, shall apply to any territory named in such notification on and after the first day of January following the date of a written communication through diplomatic channels addressed to such Contracting State by the other Contracting State, after such action by the latter State as may be necessary in accordance with its own procedures, stating that such notification is accepted in respect of such territory. In the absence of such acceptance, none of the provisions of the present Convention shall apply to such territory.

(3) At any time after the expiration of one year from the effective date of an extension made by virtue of paragraphs (1) and (2) of this Article, either of the Contracting States may, by a written notice of termination given to the other Contracting State through diplomatic channels, terminate the application of the present Convention to any territory to which the Convention, or any of its provisions, has been extended. In that case, the present Convention, or the provisions thereof specified in the notice of termination, shall cease to be applicable to any of the territories named in such notice of termination on and after the first day of January following the expiration of a period of six months after the date of such notice; provided, however, that this shall not affect the continued application of the Convention, or any of the provisions thereof, to the United States, to Belgium, or to any territory (not named in the notice of termination) to which the Convention, or such provision thereof, applies.

(4) For the application of the present Convention to any territory to which it is extended by the United States or by Belgium, references to "the United States" or to "Belgium" or to one or the other Contracting State, as the case may be, shall be construed to refer to such territory.

(5) For the purposes of the present Convention, the Belgian Congo shall be considered to be a Belgian territory to which the provisions of this Article shall apply.

ARTICLE XXIII

(1) The present Convention shall be ratified and the instruments of ratification shall be exchanged at Washington as soon as possible.

(2) The present Convention shall become effective on the first day of January of the year in which the exchange of instruments of ratification takes place. It shall continue effective for a period of five years beginning with that date and indefinitely after that period, but may be terminated by either of the Contracting States at the end of the five-year period or at any time thereafter, provided that at least six months' prior notice of termination has been given, the termination to become effective on the first day of January following the expiration of the six-month period.

Done in duplicate, in the English and French languages, the two texts having equal authenticity, at Washington this twenty-eighth day of October, 1948.

For the Government of the United States of America:

ROBERT LOVETT [SEAL]

For the Government of Belgium:

SILVERCRUYS [SEAL]

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive I, 81st Congress, 1st session, a convention between the United States of America and Belgium for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on October 28, 1948.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

MODIFICATION OF DOUBLE TAXATION CONVENTION WITH BELGIUM

The Senate, as in Committee of the Whole, proceeded to consider the convention Executive A (83d Cong., 1st sess.), a convention between the United States of America and Belgium, signed at Washington on September 9, 1952, modifying and supplementing the convention of October 28, 1948, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, which was read the second time, as follows:

CONVENTION BETWEEN THE UNITED STATES OF AMERICA AND BELGIUM MODIFYING AND SUPPLEMENTING THE CONVENTION OF OCTOBER 28, 1948, FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the United States of America and the Government of Belgium, being desirous of modifying and supplementing in certain respects the Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Washington on October 28, 1948, have decided to conclude a supplementary Convention for that purpose and have appointed as their respective Plenipotentiaries:

The Government of the United States of America:

Dean Acheson, Secretary of State of the United States of America, and

The Government of Belgium:

Baron Silvercruys, Ambassador Extraordinary and Plenipotentiary of Belgium at Washington,

who, having communicated to one another their respective full powers, found in good and due form, have agreed as follows:

ARTICLE I

The provisions of the Convention between the United States and Belgium, signed at Washington on October 28, 1948, are hereby modified and supplemented as follows:

(a) By adding at the end of Article IV the following new paragraph:

"(4) In the determination of the net industrial and commercial profits allocable to the permanent establishment there shall be allowed as deductions all expenses, wherever incurred, insofar as they are reasonably allocable to the permanent establishment, including executive and general administrative expenses so allocable."

(b) By striking out Article VIII and inserting in lieu thereof the following:

"ARTICLE VIII

"(1) The rate of United States tax on dividends derived from sources within the United States by a resident or corporation or other entity of Belgium not having a permanent establishment within the United States shall not exceed 15 percent.

"(2) Belgium shall not impose on dividends derived from sources within Belgium by a resident or corporation or other entity of the United States not having a permanent establishment within Belgium any tax in the nature of a personal complementary tax or surtax thereon, or any tax similar to that withheld at the source on dividends under United States law in the case of nonresident aliens and foreign corporations."

(c) By inserting immediately after Article VIII the following new Article:

"ARTICLE VIIIA

"The rate of tax imposed by each of the Contracting States upon interest (on bonds, notes, debentures, or on any other form of indebtedness) derived from sources within such State by a resident or corporation or other entity of the other State not having a permanent establishment within the former State shall not exceed 15 percent."

(d) By striking from Article XII (3) (a) "one-fourth" and inserting in lieu thereof "one-fifth".

(e) By striking out Article XVII and inserting in lieu thereof the following Article:

"ARTICLE XVII

"Each of the Contracting States shall collect taxes, which are the subject of this Convention, imposed by the other Contracting State (as though such tax were a tax imposed by the former State) as will ensure that the exemption, or reduced rate of tax, as the case may be, granted under the present Convention by such other State shall not be enjoyed by persons not entitled to such benefits."

(f) By striking from paragraph (1) of Article XXIII the word "Washington" and inserting in lieu thereof "Brussels".

(g) By striking out paragraph (2) of Article XXIII and inserting in lieu thereof the following:

"(2) The present Convention shall become effective with respect to income derived in taxable years beginning on or after the first day of January of the calendar year in which the exchange of the instruments of ratification takes place, except that if such exchange takes place after the thirtieth day of September of such calendar year, Articles VIII and VIIIA and Article IX (2) shall become effective only with respect to payments made after the thirty-first day of December of such calendar year. It shall continue effective for a period of five years beginning with the first day of January of the calendar year in which such exchange takes place and indefinitely after that period, but may be terminated by either of the Contracting States at the end of the five-year period or at any time thereafter, provided that at least six months' prior notice of termination has been given, the termination to become effective on the first day of January following the expiration of the six-month period."

ARTICLE II

(1) The present supplementary Convention shall be ratified and the instruments of ratification shall be exchanged at Brussels as soon as possible.

(2) This supplementary Convention shall be regarded as an integral part of the Convention of October 28, 1948, and shall become effective and continue effective in accordance with Article XXIII of that Convention as amended by Article I (g) of this supplementary Convention and, in the event of termination of such Convention, shall terminate simultaneously with such Convention.

In witness whereof the undersigned Plenipotentiaries, being authorized thereto by their respective Governments, have signed this supplementary Convention and have affixed thereto their seals.

Done in duplicate, in English and French languages, the two texts being equally authentic, at Washington this ninth day of September, 1952.

For the Government of the United States of America:

DEAN ACHESON [SEAL]

For the Government of Belgium:

SILVERCRUYS [SEAL]

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive A, 83d Congress, 1st session, a convention between the United States of America and Belgium, signed at Washington on September 9, 1952, modifying and supplementing the convention of October 28, 1948, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

DOUBLE TAXATION CONVENTION WITH AUSTRALIA—INCOME TAXES

The Senate, as in Committee of the Whole, proceeded to consider the convention (Executive I, 82d Cong., 1st sess.), a convention between the United States of America and the Commonwealth of Australia for the avoidance of double taxation and the prevention of

fiscal evasion with respect to taxes on income, signed at Washington on May 14, 1953, which was read the second time, as follows:

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON INCOME

The Government of the United States of America and the Government of the Commonwealth of Australia, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America:

Mr. Walter Bedell Smith, Acting Secretary of State of the United States of America, and

The Government of the Commonwealth of Australia:

Sir Percy C. Spender, K. B. E., Q. C., Ambassador Extraordinary and Plenipotentiary of the Commonwealth of Australia,

who, having communicated to one another their full powers, found in good and due form, have agreed as follows:

ARTICLE I

(1) The taxes which are the subject of this Convention are—

(a) In Australia:

The Commonwealth income tax and social services contribution, including the tax at the further rates of tax payable in respect of income from property and the additional tax assessed in respect of the undistributed amount of the distributable income of a private company (hereinafter referred to as "Australian tax");

(b) In the United States:

The Federal income taxes, including surtaxes and excess profits taxes (hereinafter referred to as "United States tax").

(2) This Convention shall also apply to any other tax of a substantially similar character imposed by either Contracting State after the date of signature of this Convention.

ARTICLE II

(1) In this Convention, unless the context otherwise requires—

(a) the terms "one of the Contracting States" and "the other Contracting State" mean the United States or Australia, as the context requires;

(b) the term "Australia" means the Commonwealth of Australia and includes the Territories of Papua, New Guinea and Norfolk Islands;

(c) the term "United States" means the United States of America and when used in a geographical sense includes only the States thereof, the Territories of Alaska and Hawaii, and the District of Columbia;

(d) the term "tax" means Australian tax or United States tax, as the context requires;

(e) the terms "resident of one of the Contracting States" and "resident of the other Contracting State" mean a United States resident or an Australian resident, as the context requires;

(f) the term "Australian resident" means any person (other than a citizen of the United States or a United States corporation) who is a resident of Australia and not resident in the United States for the purposes of United States tax, but a corporation (other than a United States corporation) which is a resident of Australia shall not be deemed to be resident in the United States even though that corporation is engaged in trade or business within the United States;

(g) the term "United States resident" means any individual who is resident in the United States for the purposes of United States tax and not a resident of Australia, and any United States corporation and any partnership created or organized in or under the laws of the United States, being a corporation or partnership which is not a resident of Australia;

(h) the term "resident of Australia" has the meaning which it has under the laws of Australia relating to Australian tax;

(i) the terms "enterprise of one of the Contracting States" and "enterprise of the other Contracting State" mean a United States enterprise or an Australian enterprise, as the context requires;

(j) the term "Australian enterprise" means an industrial or commercial enterprise or undertaking carried on by an Australian resident;

(k) the term "United States enterprise" means an industrial or commercial enterprise or undertaking carried on by a United States resident;

(l) the term "company" has the meaning which it has under Australian law relating to Australian tax;

(m) the term "United States corporation" means a corporation, association or other like entity created or organized in or under the laws of the United States;

(n) the term "industrial or commercial profits" includes the profits of an industrial or commercial enterprise or undertaking but does not include income in the form of dividends, interest, rent, royalties, management charges, remuneration for personal services, or income from the operation of ships or aircraft;

(o) the term "permanent establishment" means a branch, agency, management or fixed place of business and includes a factory, workshop, mine, oilwell, office or agricultural or pastoral property, or the use or installation of substantial equipment or machinery by, for, or under contract with, an enterprise of one of the Contracting States. Where an enterprise or a resident of one of the Contracting States—

(i) carries on business dealings in the other Contracting State through a bona fide commission agent or broker acting in the ordinary course of his business as such and receiving remuneration in respect of those dealings at the rate customary in the class of business in question; or

(ii) maintains in that other State a fixed place of business exclusively for the purchase of goods or merchandise; or

(iii) has a subsidiary corporation which is engaged in trade or business in that other State, whether through a permanent establishment or otherwise; or

(iv) has an agent in that other State (other than an agent who has, and habitually exercises, a general authority to negotiate and conclude contracts on behalf of that enterprise, or regularly fills orders on its behalf from a stock of goods or merchandise located in that other State),

that enterprise or resident shall not, merely by reason thereof, be deemed to have a permanent establishment in that other State;

(p) the term "taxation authority" means, in the case of the United States, the Commissioner of Internal Revenue as authorized by the Secretary of the Treasury and, in the case of Australia, the Commissioner of Taxation or his authorized representative.

(2) In the application of the provisions of this Convention by one of the Contracting States any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that State relating to the taxes which are the subject of this Convention.

ARTICLE III

(1) An Australian enterprise shall not be subject to United States tax in respect of its industrial or commercial profits unless it is engaged in trade or business in the United States through a permanent establishment in the United States. If it is so engaged, United States tax may be imposed upon the entire income of that enterprise from sources within the United States.

(2) A United States enterprise shall not be subject to Australian tax in respect of its industrial or commercial profits unless it is engaged in trade or business in Australia through a permanent establishment in Australia. If it is so engaged, Australian tax may be imposed upon the entire income of that enterprise from sources within Australia.

(3) There shall be allowed in determining the industrial or commercial profits attributable to a permanent establishment in one of the Contracting States all expenses of a type allowed as a deduction by that State and which are reasonably attributable to the permanent establishment, including executive and general administrative expenses so attributable, except that, in the case of Australia, there shall be applied the principle underlying section 38 of the Australian Income Tax and Social Services Contribution Assessment Act 1936–1953.

(4) Where an enterprise of one of the Contracting States is engaged in trade or business in the other Contracting State through a permanent establishment in that other State, there shall be attributed to that permanent establishment the industrial or commercial profits which that enterprise might be expected to derive in that other State if it were an independent enterprise engaged in the same or similar activities and its dealings with the enterprise of which it is a permanent establishment were dealings at arm's length with that enterprise or an independent enterprise; and the profits so attributed shall be deemed to be income of that permanent establishment and shall be taxed accordingly.

(5) If the information available to the taxation authority of the Contracting State concerned is inadequate to determine the profits to be attributed to the permanent establishment, nothing in this Article shall affect the application of any law of that State in relation to the liability of the permanent establishment to pay tax on an amount determined by the exercise of a discretion or the making of an estimate by the taxation authority of that State: *Provided*, That the discretion shall be exercised or the estimate shall be made, so far as the information available to the taxation authority permits, in accordance with the principle stated in this Article.

(6) No portion of any profits arising from the sale of goods or merchandise by an enterprise of one of the Contracting States shall be attributed to a permanent establishment in the other Contracting State by reason of the mere purchase by that enterprise of the goods or merchandise within that other Contracting State.

ARTICLE IV

(1) Where—

(a) an enterprise of one of the Contracting States participates directly or indirectly in the management, control or capital of an enterprise of the other Contracting State; or

(b) the same persons participate directly or indirectly in the management, control or capital of an enterprise of one of the Contracting States and an enterprise of the other Contracting State; and

(c) in either case conditions are operative between the two enterprises in their commercial or financial relations which differ from those which might be expected to operate between independent enterprises dealing at arm's length with one another,

then, if by reason of those circumstances profits which might be expected to accrue to one of the enterprises do not accrue to

that enterprise, there may be included in the profits of that enterprise the profits which would have accrued to it if it were an independent enterprise engaged in the same or similar activities and its dealings with the other enterprise were dealings at arm's length with that enterprise or an independent enterprise.

(2) Profits included in the profits of an enterprise of one of the Contracting States under paragraph (1) of this Article shall, subject to the provisions of Article XX of this Convention, be deemed to be income of that enterprise and shall be taxed accordingly.

(3) If the information available to the taxation authority of the Contracting State concerned is inadequate to determine, for the purposes of paragraph (1) of this Article, the profits which might be expected to accrue to an enterprise, nothing in this Article shall affect the application of any law of that State in relation to the liability of that enterprise to pay tax on an amount determined by the exercise of a discretion or the making of an estimate by the taxation authority of that State: *Provided*, That the discretion shall be exercised or the estimate shall be made, so far as the information available to the taxation authority permits, in accordance with the principle stated in this Article.

ARTICLE V

(1) Profits which an Australian resident derives from operating ships or aircraft registered in Australia shall be exempt from United States tax.

(2) Profits which a citizen of the United States who is not a resident of Australia or a United States corporation which is not a resident of Australia derives from operating ships or aircraft registered under the laws of the United States shall be exempt from Australian tax.

ARTICLE VI

(1) A dividend paid to a United States resident by a United States corporation which is not a resident of Australia shall be exempt from Australian tax.

(2) A dividend paid to an Australian resident by a company which is a resident of Australia (other than a United States corporation) shall be exempt from United States tax.

ARTICLE VII

(1) The amount of Australian tax on dividends paid by a company which is a resident of Australia to a United States resident who is liable for United States tax thereon and is not engaged in trade or business in Australia through a permanent establishment in Australia shall not exceed 15 per centum of the dividend.

(2) The rate of United States tax on dividends derived from sources within the United States by an Australian resident who is liable for Australian tax thereon and is not engaged in trade or business in the United States through a permanent establishment in the United States shall not exceed 15 per centum.

ARTICLE VIII

Any additional tax assessable—

(a) in respect of the undistributed amount of the distributable income of a company which is a private company for purposes of Australian tax; or

(b) under the laws of the United States with respect to undistributed profits of corporations,

as the case may be, shall be the amount which would have been assessable if Articles VI and VII had not been included in this Convention.

ARTICLE IX

(1) An individual who is an Australian resident shall be exempt from United States tax on remuneration or other income received, in respect of personal (including professional) services performed in the United States, on or after the effective date of this Convention if—

(a) during the taxable year in which the services are performed he is present in the United States for a period or periods not exceeding in the aggregate 183 days; and

(b) the services are performed for or on behalf of an Australian resident.

(2) An individual who is a United States resident shall be exempt from Australian tax on remuneration or other income received, in respect of personal (including professional) services performed in Australia, on or after the effective date of this Convention if—

(a) during the year of income in which the services are performed he is present in Australia for a period or periods not exceeding in the aggregate 183 days; and

(b) the services are performed for or on behalf of a United States resident.

(3) In determining, for the purposes of this Article, whether a person for, or on behalf of, whom services are performed is a resident of one of the Contracting States that person shall not be considered a resident of the other Contracting State solely by reason of the fact that he is engaged in trade or business in that other State through a permanent establishment in that other State.

ARTICLE X

Royalties (not being royalties in relation to motion picture films or the reproduction by any means of images or sound produced directly or indirectly from those films) for the use, production or reproduction of, or for the privilege of using, producing or reproducing, a literary, dramatic, musical or artistic work in which copyright subsists, being royalties derived from sources within one of the Contracting States by a resident of the other Contracting State not engaged in trade or business in the former State through a permanent establishment in that State, shall be exempt from tax by the former State.

ARTICLE XI

A resident of one of the Contracting States deriving from sources within the other Contracting State—

(a) royalties in respect of the exploitation of mines, quarries or other natural resources; or

(b) rentals from real property,

may elect for any taxable year to be subject to the tax of the other State on a net basis as if that resident were engaged in trade or business within the other State through a permanent establishment in that State.

ARTICLE XII

(1) A pension (including a Government pension) and an annuity, derived from sources within one of the Contracting States by a resident of the other Contracting State, shall be exempt from tax by the former State.

(2) The term "annuity" means a stated sum payable periodically at stated times, during life or during a specified or ascertainable period of time, under an obligation to make the payments in consideration of money paid.

ARTICLE XIII

Where a professor or teacher, who is a resident of one of the Contracting States, is temporarily present in the other Contracting State for the purpose of teaching during a period not exceeding two years at a university, college, school or other educational institution in that other State, remuneration derived by him for so teaching for that period shall be exempt from tax by that other State.

ARTICLE XIV

Income derived from sources within one of the Contracting States by a religious, scientific, educational, or charitable organization of the other Contracting State shall be exempt from taxation by the State from which the income is derived if, within the meaning of the laws of that State, that organization would, if established in that State, be exempt in respect of that income, and if within the meaning of the laws of the other State it would be exempt in respect of income derived from sources within that other State.

ARTICLE XV

(1) Subject to section 131 of the United States Internal Revenue Code as in effect on the date of signature of this Convention, Australian tax shall be allowed as a credit against United States tax.

(2) Subject to any provisions of the law of Australia which may from time to time be in force and which—

(a) relate to the allowance of a credit against Australian tax of tax payable outside Australia; and

(b) do not affect the general principle of this paragraph,

United States tax payable in respect of income derived by a resident of Australia from sources in the United States shall be allowed as a credit against Australian tax payable in respect of that income.

(3) For the purposes of this Article—

(a) profits, remuneration or other income in respect of personal (including professional) services performed in one of the Contracting States shall be deemed to be income derived from sources in that State;

(b) subject to the provisions of paragraph (1) of this Article, an amount included in taxable income under Division 14 or 15 of Part III, of the Australian Income Tax and Social Services Contribution Assessment Act 1936–1953, or that Act as amended from time to time, or the corresponding provisions of a statute substituted for that Act, shall be deemed to be income derived from sources in Australia; and

(c) the terms "Australian tax" and "United States tax" do not include any tax payable in Australia or the United States which represents a penalty imposed under the law of either Contracting State relating to the taxes which are the subject of this Convention.

ARTICLE XVI

Each Contracting State shall, so far as it is practicable to do so, collect, and pay to the other Contracting State, amounts equivalent to amounts due to the other Contracting State by way of taxes which are the subject of this Convention, being amounts the collection of which is necessary in order to ensure that the benefit of exemptions from tax, or of reductions in rates of tax, provided for by this Convention is not received by persons not entitled to that benefit.

ARTICLE XVII

Where a taxpayer shows proof that the action of the taxation authority of one of the Contracting States has resulted, or is likely to result, in double taxation contrary to the provisions of this Convention, he shall be entitled to present the facts to the State of which he is a citizen or a resident, or, if the taxpayer is a corporation or other entity, to the State in which it is created or organized and, should the taxpayer's claim be deemed worthy of consideration, the taxation authority of that State shall endeavor to come to an agreement with the taxation authority of the other State with a view to avoidance of the double taxation in question.

ARTICLE XVIII

(1) The taxation authorities of the Contracting States shall exchange such information (being information available under the respective taxation laws of the Contracting States) as is necessary for carrying out the provisions of this Convention or for

the prevention of fraud or for the administration of statutory provisions against avoidance of the taxes which are the subject of this Convention.

(2) Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than those (including a Court or a reviewing authority) concerned with the assessment or collection of the taxes, which are the subject of this Convention, or the determination of appeals in relation thereto.

(3) No information shall be exchanged which would disclose any trade secret or trade process.

ARTICLE XIX

The taxation authority of each Contracting State may communicate directly with the taxation authority of the other Contracting State for the purpose of giving effect to the provisions of this Convention.

ARTICLE XX

The provisions of this Convention shall not—

(a) be construed as restricting in any manner any exemption, deduction, credit or other allowance now or hereafter accorded by the laws of one of the Contracting States in the determination of the tax payable to that State; or

(b) affect the operation of Divisions 14 and 15 of Part III of the Australian Income Tax and Social Services Contribution Assessment Act 1936–1953, or that Act as amended from time to time, relating to film business controlled abroad and insurance with non-residents, or the corresponding provisions of any statute substituted for that Act.

ARTICLE XXI

(1) This Convention shall be ratified and the instruments of ratification shall be exchanged at Canberra as soon as possible.

(2) This Convention shall become effective—

(a) in the case of United States tax, on the first day of January in the year in which the exchange of instruments of ratification takes place; and

(b) in the case of Australian tax, for the year of income commencing on the first day of July next succeeding the date upon which this Convention becomes effective in the case of United States tax.

(3) This Convention shall continue in effect indefinitely but either Contracting State may, on or before the thirtieth day of June in any year after 1955, give to the other Contracting State notice of termination and, in that event, this Convention shall cease to be effective—

(a) in the case of United States tax, on and after the first day of January next following the giving of that notice of termination; and

(b) in the case of Australian tax, for the year of income commencing on the first day of July next succeeding the date on which this Convention ceases to be effective in the case of United States tax, and for all subsequent years.

In witness whereof the above-mentioned Plenipotentiaries have signed the present Convention and have affixed thereto their seals.

Done at Washington, in duplicate, on the fourteenth day of May, one thousand nine hundred and fifty-three.

For the Government of the United States of America:

WALTER BEDELL SMITH [SEAL]

For the Government of the Commonwealth of Australia:

PERCY C SPENDER [SEAL]

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive I, 83d Congress, first session, a convention between the United States of America and the Commonwealth of Australia, signed at Washington on May 14, 1953, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

DOUBLE TAXATION CONVENTION WITH AUSTRALIA—ESTATE TAXES

The Senate, as in Committee of the Whole, proceeded to consider the convention Executive J (83d Cong., 1st sess.), a convention between the United States of America and the Commonwealth of Australia for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons, signed at Washington on May 14, 1953, which was read the second time, as follows:

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON THE ESTATES OF DECEASED PERSONS

The Government of the United States of America and the Government of the Commonwealth of Australia, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on estates of deceased persons, have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America:

Mr. Walter Bedell Smith, Acting Secretary of State of the United States of America, and

The Government of the Commonwealth of Australia:

Sir Percy C. Spender, K. B. E., Q. C., Ambassador Extraordinary and Plenipotentiary of the Commonwealth of Australia,

who, having communicated to one another their full powers, found in good and due form, have agreed as follows:

ARTICLE I

(1) The taxes which are the subject of this Convention are—

(a) In the United States: The Federal estate tax;

(b) In Australia: The Commonwealth estate duty.

(2) This Convention shall also apply to any other tax of a substantially similar character imposed by either Contracting State after the date of signature of this Convention.

ARTICLE II

(1) In this Convention, unless the context otherwise requires—

(a) the term "United States" means the United States of America and, when used in a geographical sense, includes only the States thereof, the Territories of Alaska and Hawaii and the District of Columbia;

(b) the term "Australia" means the Commonwealth of Australia and includes the Territories of Papua, New Guinea and Norfolk Island;

(c) the term "tax" means the Federal estate tax imposed by the United States, or the Commonwealth estate duty imposed by Australia, as the context requires;

(d) the term "taxation authority" means, in the case of the United States, the Commissioner of Internal Revenue as authorized by the Secretary of the Treasury and, in the case of Australia, the Commissioner of Taxation or his authorized representative;

(e) the term "territory", when used in relation to one or the other of the Contracting States, means Australia or the United States, as the context requires.

(2) In the application of the provisions of this Convention by one of the Contracting States, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that State relating to the taxes which are the subject of this Convention.

(3) For the purpose of this Convention, the question whether a decedent was a citizen, or was domiciled in any part of the territory, of one of the Contracting States at the time of his death shall be determined in accordance with the law in force in that territory.

ARTICLE III

(1) Where a person dies a citizen of the United States or domiciled in any part of the territory of either Contracting State, the situs of rights and interests, legal or equitable, in or over the classes of property specified in this paragraph shall, for the purposes of the imposition of tax upon the estate of that person by reason only of the situs of property being within the taxing State and for the purposes of the credit allowable under Article V of this Convention, be determined exclusively in accordance with the following rules:

(a) Immovable property (otherwise than by way of security) shall be deemed to be situated at the place where the land concerned is located;

(b) Tangible, movable property (otherwise than by way of security and other than property for which specific provision is hereinafter made) and bank or currency notes and other forms of currency recognized as legal tender at the place of issue shall be deemed to be situated at the place where that property or currency is located, or, if in transitu, at the place of destination;

(c) Debts (including bonds other than bonds referred to in subparagraph (d) hereof, bills of exchange and promissory notes, whether negotiable or not), secured or unsecured and whether under seal or not, excluding the forms of indebtedness for which specific provision is made elsewhere in this paragraph, shall be deemed to be situated at the place where the debtor is resident, but if the debtor, at the time of the decedent's death, has an established place of business in the State in which the decedent was domiciled and debts were incurred in carrying on the business of that establishment, the debts so incurred shall be deemed to be situated in that State;

(d) Bonds, stocks, debentures, and other debts being securities issued by any government, municipality or public authority shall be deemed to be situated at the place where that government, municipality or public authority is located;

(e) Bank accounts shall be deemed to be situated at the place where the bank or

branch thereof, at which the account was kept, is located;

(f) Moneys, payable under a policy of assurance or insurance or under an annuity contract, whether under seal or not, shall be deemed to be situated where the policy or annuity contract provides that the moneys shall be payable, or, if the policy or annuity contract does not provide where the moneys shall be payable—

(i) in the case of a company (corporation)—at the place where it is incorporated;

(ii) in any other case—at the place of residence of the person by whom the moneys are payable;

(g) A partnership shall be deemed to be situated at the place where the business of the partnership is carried on, but only to the extent of the partnership business at that place;

(h) Ships and aircraft and shares thereof shall be deemed to be situated at the place of registration of the ship or aircraft;

(i) Goodwill as a trade, business or professional asset shall be deemed to be situated at the place where the trade, business or profession to which it pertains is carried on;

(j) Patents, trade-marks and designs shall be deemed to be situated at the place where they are registered;

(k) Copyright, franchises, and rights or licenses to use any copyrighted material, patent, trade-mark or design shall be deemed to be situated at the place where the rights arising therefrom are exercisable;

(l) Rights or causes of action ex delicto surviving for the benefit of an estate of a deceased person shall be deemed to be situated at the place where such rights or causes of action arose;

(m) Judgment debts shall be deemed to be situated at the place where the judgment is originally obtained.

(2) The situs of rights or interests, legal or equitable, in or over property not specified in paragraph (1) of this Article, shall be determined in accordance with the law in force in the Contracting State imposing the tax or allowing the credit.

ARTICLE IV

(1) In determining the amount on which tax is to be computed, permitted deductions shall be allowed in accordance with the law in force in the Contracting State imposing the tax.

(2) Where, upon the death of a person, tax is imposed by one Contracting State and that person, at the time of his death, was not domiciled in any part of the territory of that State, but was a citizen or was domiciled in some part of the territory, of the other Contracting State, the State so imposing that tax—

(a) shall allow as an exemption an amount not less than an amount which bears the same proportion to any specific exemption that would have been allowed under the laws of that State if that person had been domiciled therein as the value of the property subjected to that tax bears to the value of the property which would have been subjected to that tax if that person had been so domiciled; and

(b) shall (except for the purposes of subparagraph (a) of this paragraph and except for the purposes of any proportional allowance provided for in the laws of the Contracting State imposing that tax) take no account, in determining the amount or rate of that tax, of property situated outside its territory.

ARTICLE V

(1) Where a Contracting State imposes tax by reason of a decedent's being domiciled in some part of its territory or being its citizen, that State shall allow against so much of its tax (as otherwise computed) as is attributable to property situated in the territory of the other Contracting State, a credit (not exceeding the amount of the tax so attributable) equal to so much of the tax imposed by that other Contracting State as is attributable to that property; but this paragraph shall not apply as respects so much of that property as is referred to in paragraph (2) of this Article.

(2) Where each Contracting State imposes tax by reason of a decedent's being domiciled in some part of its territory or being its citizen, each Contracting State shall allow against so much of its tax (as otherwise computed) as is attributable to property which is situated—

(a) outside the territory of each Contracting State; or

(b) in the territory of each Contracting State,

a credit which bears the same proportion to—

(c) the amount of its tax so attributable; or

(d) the amount of the other State's tax attributable to that property,

whichever is the less, as the first-mentioned amount bears to the sum of both amounts.

(3) The amount of the tax in each Contracting State attributable to any property shall be ascertained after deducting from the total amount of tax any applicable diminution or credit, other than the credit to be allowed under this Article: *Provided*, That, in case another credit for death duty is allowable with respect to the same property pursuant to any other Convention between the crediting State under this Convention and any other State, or pursuant to a law of the crediting State, the total credits shall not exceed the amount of tax of the crediting State attributable to that property computed before allowance of those credits, and in computing credit under paragraph (2) of this Article with respect to property situated outside both Contracting States any credit allowable by either Contracting State for death duty payable in the country where the property is situated shall be taken into account in ascertaining the amount of tax of that Contracting State attributable to that property. Any diminution or credit to be allowed on account of Federal gift tax or Commonwealth gifty duty paid or payable on any gift comprised in the estate is the amount remaining after deducting any credit allowed or allowable under any Convention in force between the Contracting States for the avoidance of double taxation with respect to taxes on gifts.

(4) Subject to the provisions of paragraph (3) of this Article, the amount of credit allowable by one of the Contracting States shall not be reduced as a result of the allowance of a credit for any death duty to which this Convention does not relate.

(5) A credit or refund of tax resulting from the application of this Article shall not be granted unless a claim for that credit or refund, accompanied by all the information necessary for the purpose of ascertaining the amount of the credit or refund, is made within six years from the date of the decedent's death.

(6) A refund of tax resulting from the application of this Article shall be made without payment of interest on the amount refunded.

(7) Credit against tax imposed by one of the Contracting States shall not be finally allowed for tax imposed by the other Contracting State until the latter tax (reduced by credit, if any, allowable under this Article) has been paid.

ARTICLE VI

(1) The taxation authorities of the Contracting States shall exchange such information (being information available under the Federal estate tax or the Commonwealth estate duty laws of the Contracting States) as is necessary for carying out the provisions of this Convention or for the prevention of fraud or the administration of statutory provisions against avoidance of the taxes which are the subject of this Convention.

(2) Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than those (including a Court or a reviewing authority) concerned with the assessment or collection of the taxes which are the subject of this Convention or the determination of appeals in relation thereto.

(3) No information shall be exchanged which would disclose any trade secret or trade process.

ARTICLE VII

Where an executor, administrator, trustee or beneficiary shows proof that the action of the taxation authority of one of the Contracting States has resulted, or is likely to result, in double taxation contrary to the provisions of this Convention, he shall be entitled to present the facts to his State of citizenship or domicile or, if a corporation or company, to the State in which it is created, organized or incorporated and, should the claim be deemed worthy of consideration, the taxation authority of that State shall endeavor to come to an agreement with the taxation authority of the other State with a view to avoidance of any double taxation that may be involved.

ARTICLE VIII

(1) The provisions of this Convention shall not be construed so as to deny or affect in any manner any right of diplomatic or other official representatives of either Contracting State to exemptions which they may now enjoy or which may hereafter be granted to those representatives.

(2) This Convention shall not be construed as increasing the liability of the estate of any person under the estate tax laws of the United States.

(3) Should any difficulty or doubt arise as to the interpretation or application of this Convention or its relationship to Conventions between one of the Contracting States and any other State, the taxation authorities of the Contracting States may, subject to applicable rights of appeal, settle the question by mutual agreement.

(4) The taxation authority of each Contracting State may communicate directly with the taxation authority of the other Contracting State for the purpose of giving effect to the provisions of this Convention.

ARTICLE IX

(1) This Convention shall be ratified and the instruments of ratification shall be exchanged at Canberra as soon as possible.

(2) This Convention shall come into force on the date of exchange of instruments of ratification and shall be effective only as to the estates of persons dying on or after that date.

(3) This Convention shall remain in force indefinitely but either Contracting State may on or before the 31st day of March in any calendar year after the year 1955 give the other Contracting State notice of termination, in which event the Convention shall not be effective in respect of the estates of decedents dying after the 30th day of September in the year in which that notice is given.

In witness whereof the above-mentioned Plenipotentiaries have signed the present Convention and have affixed thereto their seals.

Done at Washington, in duplicate, on the fourteenth day of May one thousand nine hundred and fifty-three.

For the Government of the United States of America:

WALTER BEDELL SMITH [SEAL]

For the Government of the Commonwealth of Australia:

PERCY C SPENDER [SEAL]

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive J, 83d Congress, first session, a convention between the United States of America and the Commonwealth of Australia, signed at Washington on May 14, 1953, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on the estates of deceased persons.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

DOUBLE TAXATION CONVENTION WITH AUSTRALIA—GIFT TAXES

The Senate, as in Committee of the Whole, proceeded to consider the convention Executive K (83d Cong., 1st sess.), a convention between the United States of America and the Commonwealth of Australia, signed at Washington on May 14, 1953, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on gifts, which was read the second time, as follows:

[Executive K, 83d Cong., 1st sess., Taxation Convention With Australia]

CONVENTION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE COMMONWEALTH OF AUSTRALIA FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION WITH RESPECT TO TAXES ON GIFTS

The Government of the United States of America and the Government of the Commonwealth of Australia, desiring to conclude a Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on gifts, have appointed for that purpose as their respective Plenipotentiaries:

The Government of the United States of America:

Mr. Walter Bedell Smith, Acting Secretary of State of the United States of America, and

The Government of the Commonwealth of Australia:

Sir Percy C. Spender, K. B. E., Q. C., Ambassador Extraordinary and Plenipotentiary of the Commonwealth of Australia,

who, having communicated to one another their full powers, found in good and due form, have agreed as follows:

ARTICLE I

(1) The taxes which are the subject of this Convention are—

(a) In the United States: The Federal gift tax;

(b) In Australia: The Commonwealth gift duty.

(2) This Convention shall also apply to any other tax of a substantially similar character imposed by either Contracting State after the date of signature of this Convention.

ARTICLE II

(1) In this Convention, unless the context otherwise requires—

(a) the term "United States" means the United States of America and, when used in a geographical sense, includes only the States thereof, the Territories of Alaska and Hawaii, and the District of Columbia;

(b) the term "Australia" means the Commonwealth of Australia and includes the Territories of Papua, New Guinea and Norfolk Island;

(c) the term "tax" means the Federal gift tax imposed by the United States, or the Commonwealth gift duty imposed by Australia, as the context requires;

(d) the term "taxation authority" means, in the case of the United States, the Commissioner of Internal Revenue as authorized by the Secretary of the Treasury and, in the case of Australia, the Commissioner of Taxation or his authorized representative;

(e) the term "territory", when used in relation to one or the other of the Contracting States, means Australia or the United States, as the context requires.

(2) In the application of the provisions of this Convention by one of the Contracting States, any term not otherwise defined shall, unless the context otherwise requires, have the meaning which it has under the laws of that State relating to the taxes which are the subject of this Convention.

(3) For the purposes of this Convention, the question whether a donor was a citizen, or was domiciled in any part of the territory, of one of the Contracting States at the time of the gift shall be determined in accordance with the law in force in that territory.

ARTICLE III

(1) Where a donor at the time of the gift was a citizen of the United States or domiciled in any part of the territory of either Contracting State, the situs at the time of the gift of rights and interests, legal or equitable, in or over the classes of property specified in this paragraph shall, for the purposes of the imposition of tax in respect of the gift by reason only of the situs of property being within the taxing State and for the purposes of the credit to be allowed under Article V of this Convention, be determined exclusively in accordance with the following rules:

(a) Immovable property (otherwise than by way of security) shall be deemed to be situated at the place where the land concerned is located;

(b) Tangible movable property (otherwise than by way of security and other than property for which specific provision is hereinafter made) and bank or currency notes and other forms of currency recognized as legal tender at the place of issue shall be deemed to be situated at the place where the property or currency is located, or, if in transitu, at the place of destination;

(c) Debts (including bonds other than bonds referred to in subparagraph (d) hereof, bills of exchange and promissory notes, whether negotiable or not), secured or unsecured and whether under seal or not, excluding the forms of indebtedness for which specific provision is made elsewhere in this paragraph, shall be deemed to be situated at the place where the debtor is resident, but if the debtor, at the time of the gift, has an established place of business in the State in which the donor is domiciled and debts where incurred in carrying on the business of that establishment, the debts so incurred shall be deemed to be situated in that State;

(d) Bonds, stocks, debentures, and other debts being securities, issued by any government, municipality or public authority shall be deemed to be situated at the place where that government, municipality or public authority is located;

(e) Bank accounts shall be deemed to be situated at the place where the bank or branch thereof, at which the account was kept, is located;

(f) Moneys, payable under a policy of assurance or insurance or under an annuity contract, whether under seal or not, shall be deemed to be situated where the policy or annuity contract provides that the moneys shall be payable or, if the policy or annuity contract does not provide where the moneys shall be payable—

(i) in the case of a company (corporation)—at the place where it is incorporated;

(ii) in any other case—at the place of residence of the person by whom the moneys are payable;

(g) A partnership shall be deemed to be situated at the place where the business of the partnership is carried on but only to the extent of the partnership business at that place;

(h) Ships and aircraft and shares thereof shall be deemed to be situated at the place of registration of the ship or aircraft;

(i) Goodwill as a trade, business or professional asset shall be deemed to be situated at the place where the trade, business or profession to which it pertains is carried on;

(j) Patents, trade marks and designs shall be deemed to be situated at the place where they are registered;

(k) Copyright, franchises, and rights or licenses to use any copyrighted material, patent, trade mark or design shall be deemed to be situated at the place where the rights arising thereform are exercisable.

(2) The situs of rights or interests, legal or equitable, in or over property not specified in paragraph (1) of this Article, shall be determined in accordance with the law in force in the Contracting State imposing the tax or allowing the credit.

ARTICLE IV

(1) In determining the amount on which tax is to be computed, permitted deductions shall be allowed in accordance with the law in force in the Contracting State imposing the tax.

(2) Where tax is imposed by one Contracting State in respect of a gift by a donor who, at the time of the gift, was not domiciled in any part of the territory of that State, but was a citizen, or was domiciled in some part of the territory, of the other Contracting State, the State so imposing that tax—

(a) shall allow as an exemption an amount not less than an amount which bears the same proportion to any specific exemption that would have been allowed under the laws of that State if that person had been domiciled therein as the value of the property subjected to that tax bears to the value of the property which would have been subjected to that tax if that person had been so domiciled; and

(b) shall (except for the purposes of subparagraph (a) of this paragraph and except for the purposes of any proportional allowance provided for in the laws of the Contracting State imposing that tax) take no account, in determining the amount or rate of that tax, of property situated outside its territory.

ARTICLE V

(1) Where a Contracting State imposes tax by reason of a donor's being domiciled in some part of its territory or being its citizen, that State shall allow against so much of its tax (as otherwise computed) as is attributable to property situated in the territory of the other Contracting State, a credit (not

exceeding the amount of the tax so attributable) equal to so much of the tax imposed by that other Contracting State as is attributable to that property; but this paragraph shall not apply as respects so much of that property as is referred to in paragraph (2) of this Article.

(2) Where each Contracting State imposes tax by reason of a donor's being domiciled in some part of its territory or being its citizen, each Contracting State shall allow against so much of its tax (as otherwise computed) as is attributable to property which is situated—

(a) outside the territory of each Contracting State; or

(b) in the territory of each Contracting State, a credit which bears the same proportion to—

(c) the amount of its tax so attributable; or

(d) the amount of the other State's tax attributable to that property,

whichever is the less, as the first-mentioned amount bears to the sum of both amounts.

(3) The amount of the tax in each Contracting State attributable to any property shall be ascertained after deducting from the total amount of tax any applicable diminution or credit, other than the credit to be allowed under this Article: *Provided*, That, in case another credit for duty on gifts is allowable with respect to the same property pursuant to any other Convention between the crediting State under this Convention and any other State, or pursuant to a law of the crediting State, the total credits shall not exceed the amount of tax of the crediting State attributable to that property computed before allowance of those credits, and in computing credit under paragraph (2) of this Article with respect to property situated outside both Contracting States any credit allowable by either Contracting State for duty on gifts payable in the country where the property is situated shall be taken into account in ascertaining the amount of tax of that Contracting State attributable to that property.

(4) A credit or refund of tax resulting from the application of this Article shall not be granted unless a claim for that credit or refund, accompanied by all the information necessary for the purpose of ascertaining the amount of the credit or refund, is made within six years from the date of the gift.

(5) A refund of tax resulting from the application of this Article shall be made without payment of interest on the amount refunded.

(6) Credit against tax imposed by one of of the Contracting States shall not be finally allowed for tax imposed by the other Contracting State until the latter tax (reduced by credit, if any, allowable under this Article) has been paid.

ARTICLE VI

(1) The taxation authorities of the Contracting States shall exchange such information (being information available under the Federal gift tax or the Commonwealth gift duty laws of the Contracting States) as is necessary for carrying out the provisions of this Convention or for the prevention of fraud or the administration of statutory provisions against avoidance of the taxes which are the subject of this Convention.

(2) Any information so exchanged shall be treated as secret and shall not be disclosed to any persons other than those (including a Court or a reviewing authority) concerned with the assessment or collection of the taxes which are the subject of this Convention or the determination of appeals in relation thereto.

(3) No information shall be exchanged which would disclose any trade secret or trade process.

ARTICLE VII

Where a donor or donee shows proof that the action of the taxation authority of one of the Contracting States has resulted, or is likely to result, in double taxation contrary to the provisions of this Convention, he shall be entitled to present the facts to his State of citizenship or domicile or, if a corporation or company, to the State in which it is created, organized or incorporated and, should the claim be deemed worthy of consideration, the taxation authority of that State shall endeavor to come to an agreement with the taxation authority of the other State with a view to avoidance of any double taxation that may be involved.

ARTICLE VIII

(1) The provisions of this Convention shall not be construed so as to deny or affect in any manner any right of diplomatic or other official representatives of either Contracting State to exemptions which they may now enjoy or which may hereafter be granted to those representatives.

(2) This Convention shall not be construed as increasing the liability of any donor under the gift tax laws of the United States.

(3) Should any difficulty or doubt arise as to the interpretation or application of this Convention or its relationship to Conventions between one of the Contracting States and any other State, the taxation authorities of the Contracting States may, subject to applicable rights of appeal, settle the question by mutual agreement.

(4) The taxation authority of each Contracting State may communicate directly with the taxation authority of the other Contracting State for the purpose of giving effect to the provisions of this Convention.

ARTICLE IX

(1) This Convention shall be ratified and the instruments of ratification shall be exchanged at Canberra as soon as possible.

(2) This Convention shall come into force on the date of exchange of instruments of ratification and shall be effective only as to gifts made on or after that date.

(3) This Convention shall remain in force indefinitely but either Contracting State may on or before the 31st day of March in any calendar year after the year 1955 give the other Contracting State notice of termination, in which event the Convention shall not be effective in respect of gifts made after the 30th day of September in the year in which that notice is given.

In witness whereof the above-mentioned Plenipotentiaries have signed the present Convention and have affixed thereto their seals.

Done at Washington, in duplicate, on the fourteenth day of May, one thousand nine hundred and fifty-three.

For the Government of the United States of America:

[SEAL] WALTER BEDELL SMITH

For the Government of the Commonwealth of Australia:

[SEAL] PERCY C SPENDER

The PRESIDING OFFICER. The convention is open to amendment. If there be no amendment to be proposed, the convention will be reported to the Senate.

The convention was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read the resolution of ratification, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive K, 83d Congress, 1st session, a convention between the United States of America and the Commonwealth of Australia, signed at Washington on May 14, 1953, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on gifts.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the convention is ratified.

AGREEMENT WITH THE FEDERAL REPUBLIC OF GERMANY ON GERMAN EXTERNAL DEBTS

Mr. WILEY. Mr. President, I desire to call up Executive D, 83d Congress, 1st session, which is set forth by title on page 2 of the executive calendar. It is an agreement on the German external debts between the United States of America and the Federal Republic of Germany. There are four agreements in this category. I now move that the Senate proceed to consider the first of the four agreements.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the agreement Executive D (83d Cong., 1st sess.), an agreement on German external debts, signed at London on February 27, 1953, by the Federal Republic of Germany, and by the United States and 17 other creditor countries, which was read the second time, as follows:

AGREEMENT ON GERMAN EXTERNAL DEBTS, LONDON, 27TH FEBRUARY, 1953

The Governments of Belgium, Canada, Ceylon, Denmark, the French Republic, Greece, Iran, Ireland, Italy, Liechtenstein, Luxembourg, Norway, Pakistan, Spain, Sweden, Switzerland, the Union of South Africa, the United Kingdom of Great Britain and Northern Ireland, the United States of America, and Yugoslavia of the one part, and The Government of the Federal Republic of Germany of the other part,

Desiring to remove obstacles to normal economic relations between the Federal Republic of Germany and other countries and thereby to make a contribution to the development of a prosperous community of nations;

Considering that, for about twenty years, payments on German external debts have not, in general, conformed to the contractual terms; that from 1939 to 1945 the existence of a state of war prevented any payments from being made with respect to many of such debts; that since 1945 such payments have been generally suspended; and that the Federal Republic of Germany desires to put an end to this situation;

Considering that France, the United Kingdom of Great Britain and Northern Ireland and the United States of America have, since 8th May, 1945, furnished to Germany economic assistance which has substantially contributed to the rebuilding of the German economy, with the effect of facilitating a resumption of payments on the German external debts;

Considering that on 6th March, 1951, an exchange of letters (copies of which are contained in Appendix A to the present Agreement) took place between the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland, the United States of America and the Government of the Federal Republic of Germany,

which constitutes the basis on which have been established the present Agreement for the settlement of German external debts (with its Annexes) and the agreements for the settlement of the debts arising out of the economic assistance furnished to Germany;

Considering that the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America set up a Commission entitled the Tripartite Commission on German Debts for the purpose of preparing for and working out, with the Government of the Federal Republic of Germany, with other interested Governments and with representatives of creditor and debtor interests, a plan for the orderly overall settlement of German external debts;

Considering that this Commission informed the representatives of the Government of the Federal Republic of Germany that the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America were prepared to make important concessions with respect to the priority of their claims for post-war economic assistance over all other foreign claims against Germany and German nationals and with respect to the total amount of these claims, on condition that a satisfactory and equitable settlement of Germany's prewar external debts was achieved;

Considering that such a settlement of German external debts could be achieved only by a single overall plan which would take into account the relative positions of the various creditor interests, the nature of various categories of claims and the general situation of the Federal Republic of Germany;

Considering that, in order to achieve this purpose, an International Conference on German External Debts, which was attended by representatives of interested Governments and of creditor and debtor interests, was held in London from 28th February, 1952, to 8th August, 1952;

Considering that these representatives made agreed recommendations as to the terms and procedures of settlement (the texts of which are reproduced as Annexes I to VI, inclusive, to the present Agreement); that these recommendations were appended to the Report of the Conference on German External Debts (the text of which is reproduced as Appendix B to the present Agreement); and that the present Agreement has been inspired by the principles and objectives set forth in the above-mentioned Report;

Considering that the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America, having found that these recommendations provide a satisfactory and equitable plan for the settlement of German external debts, have this day signed with the Government of the Federal Republic of Germany bilateral agreements for the settlement of debts arising from the post-war economic assistance furnished by these three Governments which set forth their modified rights and priorities in respect thereto:

Have agreed as follows:—

ARTICLE 1

Approval of settlement terms and procedures

The Parties to the present Agreement regard the provisions thereof and of the Annexes thereto as reasonable in the light of the general situation of the Federal Republic of Germany and as satisfactory and equitable to the interests concerned. They approve the settlement terms and procedures contained in the said Annexes.

ARTICLE 2

Implementation by the Federal Republic of Germany

The Federal Republic of Germany will enact such legislation and take such administrative action as may be necessary to give effect to the present Agreement and the Annexes thereto and will modify or repeal such legislation and administrative measures as are inconsistent therewith.

ARTICLE 3

Definitions

For the purposes of the present Agreement and of Annexes IX and X thereto only, unless the context requires otherwise—

(a) "creditor" means a person, other than the Government of the Federal Republic of Germany, to whom a debt is owing;

(b) "creditor country" means a country, other than the Federal Republic of Germany, the Government of which becomes a party to the present Agreement and includes any territories to which the present Agreement is extended under Article 37;

(c) "currency option" means a term of a contract under which a creditor has the right to require payment in any one of two or more currencies;

(d) "debt" means a debt as qualified in Article 4;

(e) "fixed," in relation to the amount of a debt, means established by agreement, by final judgment or order of a court or final decision of an arbitral body, or by operation of law;

(f) "marketable securities" means stocks, shares, bonds and debentures which were issued for public subscription or form part of an issue which is or has been dealt in on a recognised stock market;

(g) "offer of settlement," as used in relation to a bonded debt, means an offer by the debtor of terms of payment and other conditions which have been established for such debt in accordance with the present Agreement and the Annexes thereto, by negotiation between the debtor and the appropriate creditors' representative, by final judgment or order of a court or final decision of an arbitral body;

(h) "Party to the present Agreement" means any Government as to which the present Agreement has entered into force in accordance with the provisions of Article 35 or Article 36 thereof;

(i) "person" means any natural, collective or juridical person under public or private law, and any Government, including all political subdivisions, corporations under public law, including agencies and instrumentalities thereof and individuals acting on their behalf;

(j) "resides in" or "residing in" means having his ordinary residence in; a juridical person or a partnership shall be deemed to reside in the country under the laws of which it is organised or, if its head office is not in that country, in the country in which its head office is registered;

(k) "settled," in relation to a debt, means that terms of payment and other conditions have been established for such debt in accordance with the provisions of the present Agreement and the Annexes thereto, by agreement between the creditor and debtor, or, in proceedings between the creditor and debtor, by final judgment or order of a court or by final decision of an arbitral body;

(l) "settlement," in relation to a debt, means the establishment of terms of payment and other conditions in accordance with paragraph (k).

ARTICLE 4

Debts to be settled

(1) The debts to be settled under the present Agreement and the Annexes thereto are:—

(a) non-contractual pecuniary obligations the amount of which was fixed and due before 8th May, 1945;

(b) pecuniary obligations arising out of loan or credit contracts entered into before 8th May, 1945;

(c) pecuniary obligations arising out of contracts other than loan or credit contracts and due before 8th May, 1945;

(2) Provided that such debts:—

(a) are covered by Annex I to the present Agreement, or

(b) are owed by a person, whether as principal or otherwise, and whether as original debtor or as successor, who, whenever a proposal for settlement is made by the debtor or a request for settlement is made by the creditor or, where appropriate in the case of a bonded debt, a request for settlement is made by the creditors' representative under the present Agreement and the Annexes thereto, resides in the currency area of the Deutschemark West;

(3) Provided also that such debts:—

(a) are owed to the Government of a creditor country; or

(b) are owed to a person who, whenever a proposal for settlement is made by the debtor or a request for settlement is made by the creditor under the present Agreement and the Annexes thereto, resides in or is a national of a creditor country; or

(c) arise out of marketable securities payable in a creditor country.

ARTICLE 5

Claims excluded from the agreement

(1) Consideration of governmental claims against Germany arising out of the first World War shall be deferred until a final general settlement of this matter.

(2) Consideration of claims arising out of the second World War by countries which were at war with or were occupied by Germany during that war, and by nationals of such countries, against the Reich and agencies of the Reich, including costs of German occupation, credits acquired during occupation on clearing accounts and claims against the Reichskreditkassen shall be deferred until the final settlement of the problem of reparation.

(3) Consideration of claims, arising during the second World War, by countries which were not at war with or occupied by Germany during that war, and by nationals of such countries, against the Reich and agencies of the Reich, including credits acquired on clearing accounts, shall be deferred until the settlement of these claims can be considered in conjunction with the settlement of the claims specified in paragraph (2) of this Article (except in so far as they may be settled on the basis of, or in connexion with, agreements which have been signed by the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland, and the United States of America and the Government of any such country.)

(4) Claims against Germany or German nationals by countries which were, before 1st September 1939, incorporated in, or which were, on or after 1st September, 1939, allied to, the Reich, and of nationals of such countries, arising out of obligations undertaken or rights acquired between the date of incorporation (or, in the case of countries allied to the Reich, 1st September 1939) and 8th May, 1945, shall be dealt with in accordance with the provisions made or to be made in the relevant treaties. To the extent that, under the terms of such treaties, any such debts may be settled, the terms of the present Agreement shall apply.

(5) The settlement of debts owed by the City of Berlin and by public utility enterprises owned or controlled by Berlin, and situated in Berlin, shall be deferred until

such time as negotiations on the settlement of these debts are considered by the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America and by the Government of the Federal Republic of Germany and the Senate of Berlin to be practicable.

ARTICLE 6

Payment and transfer under the agreement

The Federal Republic of Germany will:—

(a) make payments and transfers, in accordance with the provisions of the present Agreement and of the Annexes thereto, on the debts for which it is liable thereunder;

(b) permit the settlement and payment, in accordance with the provisions of the present Agreement and the Annexes thereto, of debts for which any person other than the Federal Republic of Germany is liable, and make provision for the transfer of payments on such debts as are settled, under the provisions of this Agreement and the Annexes thereto.

ARTICLE 7

Payment and transfer with respect to certain obligations due after 1945

The Federal Republic of Germany will authorise payment of obligations outstanding at the date of the entry into force of the present Agreement, and authorise transfer within a reasonable time in respect of such obligations where appropriate in the light of the relevant provisions of the present Agreement and the Annexes thereto, provided that such obligations—

(a) are non-contractual pecuniary obligations which orginated before 8th May, 1945, and the amount of which was not fixed and due before that date; or

(b) are pecuniary obligations which arose out of contracts other than loan or credit contracts and which originated before 8th May, 1945, and became due on or after that day,

and provided that such obligations fulfill the conditions laid down in paragraphs (2) and (3) of Article 4.

ARTICLE 8

Prohibition of discriminatory treatment

The Federal Republic of Germany will not permit, nor will the creditor countries seek from the Federal Republic of Germany, either in the fulfillment of terms of settlement in accordance with the present Agreement and the Annexes thereto or otherwise, any discrimination or preferential treatment among the different categories of debts or as regards the currencies in which debts are to be paid or in any other respect. Differences in the treatment of different categories of debts resulting from settlement in accordance with the provisions of the present Agreement and the Annexes thereto shall not be considered discrimination or preferential treatment.

ARTICLE 9

Treatment of transfers as payments for current transactions

Transfers of interest and amortisation payments made under the present Agreement shall be treated as payments for current transactions and, where appropriate, provided for in any bilateral or multilateral arrangements relating to trade or payments between the Federal Republic of Germany and the creditor countries.

ARTICLE 10

Limitations on payment

The Federal Republic of Germany will, until the discharge or extinction of all obligations under the present Agreement and the Annexes thereto, ensure that payments will not be made in respect of obligations which, while covered by paragraphs (1) and (2) of Article 4, are owed to a Government other than that of a creditor country or to any person not residing in or a national of a creditor country and which are or were payable in a non-German currency. This provision does not apply to debts arising from marketable securities payable in a creditor country.

ARTICLE 11

Currency of payment

(1)—(a) Except as otherwise provided in the Annexes to the present Agreement, all debts without a currency option shall be paid in the currency in which they are payable under the terms of the obligation. If such debts are denominated in German currency and, under the provisions of the Annexes to the present Agreement, are to be paid in a non-German currency, they shall be paid in the currency of the country in which the creditor resides.

(b) Notwithstanding the provisions of the preceding sub-paragraph, any payments agreements from time to time in force between the Government of the Federal Republic of Germany and the Government of a creditor country shall apply to debts which, under that sub-paragraph, are to be paid to persons residing in that country in a non-German currency. However, any such payments agreements shall apply to payments on bonded debts payable in a non-German currency other than the currency of the country party to the payments agreement only if the Government of such country agrees that such payments to persons residing in its territory may be made in its own currency.

(2)—(a) The question whether payment on debts with a currency option may continue to be required in a currency other than the currency of the country in which the loan was raised or from which credit was advanced shall be determined in a manner to be agreed upon among the Governments of the Federal Republic of Germany and of the countries the currencies of which are concerned.

(b) If a currency option provides for payment of a fixed amount of an alternative currency, the creditor shall be entitled to receive, in the currency of the country in which the loan was raised or from which credit was advanced, the equivalent, at the rate of exchange current on the date payment shall fall due, of such amount of the alternative currency as would have been payable if the option had been exercised.

(c) Payments on debts with a currency option made, prior to the determination provided for in subparagraph (a) of this paragraph, in the currency of the country in which the loan was raised or from which the credit was advanced, shall not be affected by such determination.

(3) The provisions of paragraphs (1) and (2) of this Article shall not apply to debts covered by paragraphs 2 and 3 of Annex I to the present Agreement.

(4) Any payments agreements from time to time in force between the Government of the Federal Republic of Germany and the Government of a creditor country shall apply to payments on debts which are subject to the provisions of paragraphs (2) and (3) of this Article provided that these payments are due in the currency of the creditor country.

(5) In the case of debts originating in business transactions of a registered branch office of a creditor, a condition of which was that payment should be made to the country where the branch office is located, such country shall be deemed to be the creditor country within the meaning of this Article.

ARTICLE 12

Treatment of gold clauses

In the settlement and discharge of any debt denominated in a non-German currency on a gold basis or with a gold clause, the amount to be paid shall, except as specifically provided otherwise in the Annexes to the present Agreement, be computed as below:

(a) The amount to be paid on a debt which, under the terms of the obligation existing at the time of the settlement, is denominated or payable in United States dollars or Swiss francs on a gold basis or with a gold clause, shall be determined without regard to such gold basis or gold clause. Any new contract entered into by the creditor and the debtor respecting such debt shall be denominated in United States dollars or in Swiss francs without reference to the value in terms of gold of such currency and shall not contain a gold clause.

(b) The amount to be paid on a debt which, under the terms of the obligation existing at the time of the settlement, is denominated or payable in any other non-German currency on a gold basis or with a gold clause, shall be determined as follows:

(i) the equivalent in United States dollars of the nominal amount due shall be calculated at the rate of exchange on the date when the obligation was contracted or, in the case of a bonded debt, when the bonds were issued;

(ii) the dollar figure so calculated shall be converted into the currency in which the obligation is to be paid in accordance with Article 11 at the rate of exchange between the United States dollar and such currency on the date when the amount payable is due, except that if such rate of exchange is less favourable for the creditor than the rate of exchange between the United States dollar and such currency on 1st August, 1952, the conversion shall be made on the basis of the rate of exchange on 1st August, 1952.

ARTICLE 13

Rates of exchange

Wherever it is provided in the present Agreement and the Annexes thereto that an amount shall be calculated on the basis of a rate of exchange, such rate shall, except in the cases provided for in Annex III and in Article 8 of Annex IV of the present agreement, be—

(a) determined by the par values of the currencies concerned in force on the appropriate date as agreed with the International Monetary Fund under Article IV, Section 1, of the Articles of Agreement of the International Monetary Fund, or

(b) if no such par values are or were in force on the appropriate date, the rate of exchange agreed for current payments in a bilateral payments agreement between the Governments concerned or their monetary authorities; or

(c) if neither par values nor rates in bilateral payments agreements are or were in force on the appropriate date, the middle rate of exchange generally applicable for transactions ruling for cable tranfers in the currency of the country in which payment is to be made in the principal exchange market of the other country on that date, or on the last date before that date on which such rate was ruling; or

(d) if there is or was no rate of exchange as specified under (a), (b) or (c) at the appropriate date, the cross-rate of exchange resulting from the middle rates of exchange ruling for the currencies in question in the principal exchange market of a third country dealing in those currencies on that date or the last date before the said date upon which such rates were ruling.

ARTICLE 14

Certain debts expressed in German currency

(1) The Federal Republic of Germany will take similar action to that provided for in paragraph 6 of Annex I to the present Agreement with respect to any Reichsmark

debts for which it has assumed or may assume liability and which are not covered by that paragraph.

(2) I napplication of the principle of national treatment, the Federal Republic of Germany will further ensure that debts arising from Reichsmark bonds, which are not Gold mark debts with a specific foreign character, and which were owed on 21st June, 1948, to persons who on that date were nationals of or residents in a creditor country, and payment on which under legislation in the currency area of the Deutschemark West can be enforced only for a proportionate part, will be met in the same manner as similar liabilities towards persons residing in the currency area of the Deutschemark West.

(3) In the settlement of other debts payable in German currency and owed to nationals of creditor countries residing in the currency area of the Deutschemark West, the terms shall be not less favourable than those accorded to similar liabilities owed to any other persons residing in the said area.

ARTICLE 15

Acceptance by creditors

(1) Only such creditors shall be entitled to benefit under any provision of the present Agreement and the Annexes thereto, including payment thereunder, as, in the case of bonded debts for which an offer of settlement is the appropriate procedure, accept the offer, or, in the case of other debts, assent to the establishment in accordance with such provisions of terms of payment and other conditions in respect of such debts.

(2)—(a) In the case of bonded debts for which an offer of settlement is the appropriate procedure, the acceptance of the offer of settlement, within the meaning of paragraph (1) of this Article, shall be effected by submitting the old bonds or coupons—

(i) for exchange, if new bonds or coupons are issued, or

(ii) for enfacement, if the settlement terms are to be enfaced on the old bonds or coupons.

(b) The holder of a bond covered by Annex II of the present Agreement, in respect of which an offer of settlement is made, shall have a period of at least five years from the date when such offer is made to accept such offer. The debtor shall extend this period for a reasonable cause.

(3) In the case of debts, other than those referred to in paragraph (2) (a) of this Article, the assent of the creditor to the establishment of terms of payment and other conditions within the meaning of paragraph (1) of this Article shall, where no definite requirement is laid down in any Annex to the present Agreement, be considered as effected if the creditor clearly indicates his assent in any manner.

(4) A debtor shall be subject to the application of the procedures for settlement prescribed in the present Agreement and the relevant Annexes thereto in respect of a debt only when he has made a proposal for settlement, a notification of adherence of a declaration of participation in respect of such debt under the provisions of the relevant Annex to the present Agreement. Nothing in this paragraph shall, however, be deemed to affect the provisions of Article 17 of the present Agreement.

(5) In giving effect to the provisions of Article 2 of the present Agreement, the Federal Republic of Germany shall be entitled to take into account the provisions of the foregoing paragraphs of this Article.

ARTICLE 16

Discharge of debtors

Whenever a debtor has discharged his debt as settled under the terms of the present Agreement and the Annexes thereto, he shall be deemed to have thereby also discharged all his obligations in respect of such debt as it existed before the settlement, unless such obligations have been previously extinguished by agreement.

ARTICLE 17

Enforcement of creditors' rights

(1) The Federal Republic of Germany will afford the creditor the right, within the limits of the present Agreement and the Annexes thereto, to enforce through German courts and authorities—

(a) his rights with respect to a debt as they exist at the time when action is taken under this Article if the creditor and debtor do not agree on terms of settlement and the creditor declares his assent to the establishment by such courts of terms of payment and other conditions for his debt in accordance with the provisions of the present Agreement and the Annexes thereto:

(b) his rights under the terms of settlement of the debt if the debtor fails to discharge his obligations in accordance with such terms (including such rights as under the provisions of the present Agreement and the Annexes thereto may be exercised by the creditor upon the failure of the debtor to discharge such obligations), except that the creditor shall not be entitled to the transfer in non-German currency of a principal sum which becomes due as a result of such failure sooner than would have been the case if the debtor had not failed to discharge such obligations.

(2) The creditor shall not be afforded the right provided under paragraph (1) of this Article if, under the provisions of the relevant contract or the present Agreement and the Annexes thereto, the dispute is, at the time that the right provided for under paragraph (1) of this Article is sought to be exercised, exclusively cognisable by an arbitral body or by a court in a creditor country. When such exclusive jurisdiction is provided by the terms of the relevant contract, the debtor and creditor may by agreement waive such a provision and the creditor shall, thereupon, be entitled to such right.

(3)—(a) Irrespective of whether there is reciprocity between the country in which the decision is rendered and the Federal Republic of Germany, the Federal Republic of Germany will afford the creditor the right, subject to the relevant qualifications contained in paragraph (1) and to the provisions of paragraph (4) of this Article, to enforce through German courts and authorities final decisions concerning a debt rendered by courts and arbitral bodies—

(i) in a creditor country after the entry into force of the present Agreement;

(ii) in a creditor country prior to the entry into force of the present Agreement, if the debtor does not contest the debt as established by such decision.

(b) A German court, in any other proceeding respecting a debt which has been the subject of a final decision rendered by a court or arbitral body in a creditor country prior to the entry into force of the present Agreement, shall accept as proved the facts upon which such decision was based, unless the debtor introduces evidence to the contrary. In that case the creditor shall be entitled to introduce rebutting evidence including the transcript of evidence in the former proceeding. The amount of a non-contractual pecuniary obligation established by a decision of a German court in a proceeding under this paragraph shall, for the purpose of paragraph (1) (a) of Article 4 of the present Agreement, be deemed to have been fixed at the date of the final decision of the court or arbitral body in a creditor country.

(c) The Federal Republic of Germany will afford the creditor the right, subject to the relevant qualifications contained in paragraph (1) of this Article, to enforce through German courts and authorities final decisions concerning a debt rendered by courts and arbitral bodies within Germany before 8th May, 1945, or within the territory of the currency area of the Deutschemark West after 8th May, 1945.

(4) German courts may refuse to enforce a decision of a foreign court or of an arbitral body (except an arbitral body established under the provisions of the present Agreement and the Annexes thereto) under the provisions of paragraph (3) of this Article in any case in which—

(a) the court which gave the decision had no jurisdiction or the jurisdiction of the arbitral body which gave the decision was not based on the agreement of the parties concerned; or

(b) the debtor, in the proceedings in the original court or arbitral body, was not afforded an opportunity to defend the proceedings; or

(c) the enforcement of the decision would be contrary to public policy in the Federal Republic of Germany; provided that the fact that a judgment is not in harmony with the provisions of the present Agreement and the Annexes thereto shall not be deemed to make its enforcement, within the limits of the present Agreement and the Annexes thereto, contrary to public policy within the meaning of this provision.

(5) The Federal Republic of Germany will afford Bondholders' Councils or analogous bodies referred to in Annex I and creditors' representatives referred to in Article VIII of Annex II to the present Agreement the right to have established through German courts and authorities the terms of the offer of settlement in the event of the debtor (other than the Federal Republic of Germany) failing to make a proposal for settlement on his existing bonded debt in accordance with the relevant provisions of Annexes I and II to the present Agreement.

(6)—(a) A debtor who fails to make a proposal for settlement under Annex I or II to the present Agreement shall not, in any proceeding in a German court brought under paragraph (1), (3) or (5) of this Article, be entitled to the benefit of the provisions respecting hardship contained in paragraph 7 (1) (e) of Annex I or paragraph 11 of Article V of Annex II to the present Agreement. When establishing the terms of the offer of settlement or the terms of settlement for the debt, the court shall prescribe the earliest date of maturity which, under the provisions of the relevant Annex, may be applied in settling the debt. The court shall in its judgment award to the plaintiff the expenses referred to in paragraph 7 (h) of Annex I to the present Agreement or paragraph 2 of Article X of Annex II to the present Agreement, to be paid by the debtor; such expenses shall be immediately due and payable. The court shall also provide for payment by the debtor of the costs of the proceeding and of all reasonable costs and expenses incurred in such proceeding either by the creditor of a non-bonded debt, or by the Bondholders' Council or analogous body, or by the creditors' representative concerned in the case of a bonded debt.

(b) If a debtor fails to effect adherence in accordance with Clause 22 of Annex III to the present Agreement, the creditor concerned shall, in any proceeding brought under paragraph (1) or (3) of this Article, be entitled to enforce his rights in accordance with the provisions of the said Annex, but, in the case of a debt owed by German Commercial or Industrial Debtor within the meaning of the said Annex (whose debt is direct to the creditor), only after the expiration of thirty days after the first meeting of the Consultative Committee provided for in Clause 17 of the said Annex. When or-

dering payment of the debt in accordance with the said Annex, the court shall award to the creditor the costs of the proceeding and all reasonable costs and expenses incurred by him in such proceeding, to be paid by the debtor.

(c) A debtor who fails to make a declaration of participation required under Article 14 of Annex IV to the present Agreement shall not, in any proceeding in a German court brought under paragraph (1) or (3) of this Article, be entitled to the benefit of the provisions respecting hardship contained in Article 11 of that Annex. A failure based solely upon a denial of the existence of the debt shall not deprive the debtor of such benefit; provided, however, that if the Court of Law or Court of Arbitration referred to in Article 15 of Annex IV finds that such debt exists, the debtor shall not be entitled to benefit from such clause if he fails to make the required declaration within thirty days from the date of the service of the final decision of such court. In a proceeding under this sub-paragraph in which the debtor is not entitled to benefit from the hardship clause the court shall order the payment by the debtor of court costs and all reasonable fees of the plaintiff's counsel.

(7) The Federal Republic of Germany will afford the creditor the right, within the limits of the present Agreement and the Annexes thereto, to enforce through German courts and authorities his claims against a person residing in the currency area of the Deutschemark East out of property owned by such person in the currency area of the Deutschemark West if the claims arise out of obligations which meet the requirements of Article 4 of the present Agreement except as to the residence of the debtor. The right to transfer in foreign currency any sums received by the creditor shall be subject to the foreign exchange regulations from time to time in force in the currency area of the Deutschemark West.

ARTICLE 18

Periods of prescription

(1) No debtor shall be entitled to invoke against the establishment of an offer of settlement or against the settlement of a debt the expiration of a period of prescription or of a preclusive period of limitation for the assertion of any claim respecting such debt, which has not expired before 1st June, 1933, earlier than a date determined by treating the running of such respective periods as suspended from 1st June, 1933, until the expiration of eighteen months from the date on which the present Agreement and the relevant Annex thereto become applicable to such debt.

(2) Without prejudice to the provisions of paragraph 1 of this Article, periods of prescription and preclusive periods of limitation referred to in paragraph (1) which are applicable to the bonded debts specified in Sections A and B of Annex I and to those covered by Annex II to the present Agreement shall not, for the purpose of a settlement, be deemed to have expired before the respective dates on which the offer of settlement made by the debtor ceases to be open for acceptance in accordance with the provisions of paragraph 5 (b) of Annex I and of Article 15 of the present Agreement.

(3) The acceptance of an offer of settlement or an assent to a settlement by the creditor in respect of a debt in accordance with the provisions of Article 15 of the present Agreement shall effect an interruption of periods of prescription and preclusive periods of limitation for the assertion of a claim respecting such debt.

(4) The periods referred to in paragraphs (1), (2) and (3) of this Article shall not include periods for the lodging of an appeal against the decision of a court, arbitral body or an administrative authority, periods covered by Section 12, paragraph 3, of the German Law on Insurance Contracts, or periods provided by the German Laws on the Validation of Bonds.

(5) The above provisions shall apply whether the periods have been established by German or other law, by order of a court, of an arbitral body, or of an administrative authority, by contract or other legal act. The Federal Republic of Germany will ensure that they are applied in German courts even though the obligation is one which, as to its content, is governed by foreign law.

ARTICLE 19

Subsidiary agreements

(1) Agreements resulting from the negotiations provided for in—

(a) Paragraph 11 of Annex I to the present Agreement (Graeco-German Mixed Arbitral Tribunal Claims);

(b) Paragraph 15 of Annex I to the present Agreement (Liability in respect of Austrian Governmental Debts);

(c) Article 10 of Annex IV to the present Agreement (Payments into the Deutsche Verrechnungskasse);

(d) Sub-Annex to Annex IV to the present Agreement (Swiss Franc Land Charges);

shall be submitted by the Government of the Federal Republic of Germany (after its approval, where appropriate) for the approval of the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America.

(2) Each such agreement shall enter into force, and shall be treated for all purposes as an Annex to the present Agreement, when it is approved by these Governments. A notification to this effect shall be communicated to all the Parties to the present Agreement by the Government of the United Kingdom of Great Britain and Northern Ireland.

ARTICLE 20

Reich debts owing under multilateral agreements

Payments in respect of debts of the Reich or of an agency of the Reich arising out of unpaid contributions or services rendered under the terms of multilateral international agreements or of the statutes of an international organization are not prohibited by the terms of the present Agreement. The Government of the Federal Republic of Germany will, at the request of the interested creditors, enter into direct negotiations with regard to these debts.

ARTICLE 21

Renewal of annex III agreement

Annex III to the present Agreement shall be treated as including any agreement or agreements which may be entered into after the date of the present Agreement for the purpose of renewing the agreement contained in that Annex. Any such agreement may contain modifications of the provisions of Annex III but shall be designed to establish means for the restoration of normal conditions for financing the foreign trade of the Federal Republic of Germany in accordance with the general purposes of the present Agreement.

ARTICLE 22

Social insurance claims

(1) The Government of the Federal Republic of Germany will enter into negotiations with the Governments of the creditor countries concerned, with a view to the settlement of social insurance claims arising under the German laws and regulations in force prior to 8th May, 1945, in respect of any period prior to 8th May, 1945, in so far as such claims are to be considered, under the legislation of, or in accordance with undertakings given by, the Federal Republic of Germany, as its liabilities or as liabilities of social insurance institutions in the Federal territory and have not already been dealt with in an agreement with the Government of the creditor country concerned. Nothing in this paragraph is to prevent the inclusion in such agreements of provisions to the effect that any laws or regulations in force in the Federal Republic of Germany with respect to social insurance, which provide for less favourable treatment for the nationals of other countries than for German nationals, shall not be applied.

(2) The Federal Republic of Germany will provide for the settlement of, and for the transfer in respect of, claims referred to in the preceding paragraph but not covered by agreements with Governments of creditor countries, provided such claims are due to persons who are nationals of, or reside in, a creditor country from which payments on similar claims are transferable to persons who are nationals of, or reside in, the Federal Republic of Germany. Any laws or regulations in force in the Federal Republic of Germany with respect to social insurance, which provide for less favourable treatment for the nationals of other countries than for German nationals, shall not be applied if the creditor country concerned does not discriminate in respect of social insurance payments between its nationals and German nationals or between persons residing in that country and persons residing in the Federal Republic of Germany.

(3) Claims referred to in paragraph (1) of this Article arising from social insurance services which are due to persons who are nationals of, or reside in, a creditor country and are not settled under paragraph (1) or in accordance with paragraph (2) of this Article shall be settled pursuant to the provisions of Article 28 of Annex IV to the present Agreement.

ARTICLE 23

Insurance debts

(1) Where, in bilateral arrangements concluded in implementation of Article 30, paragraph (1) of Annex IV to the present Agreement, provision is made for the transfer of payments or for payment in Deutschemarks of debts arising out of insurance or reinsurance contracts or agreements of any kind, or in connexion with such contracts or agreements, such provisions shall be consistent with the provisions governing the settlement of other types of debts.

(2) Where no bilateral arrangements have been concluded by 30th June, 1953, debts arising out of insurance and reinsurance contracts shall be settled pursuant to the provisions of Article 30, paragraph (2), and Article 31 respectively of Annex IV to the present Agreement. The time-limit of 30th June, 1953, may by mutual agreement be extended. The most favorable terms contained in any of the bilateral arrangements concluded under paragraph (1) of this Article for the transfer of payments or for payment in Deutschemarks of any category of debt shall be applicable to debts in the same category owed to creditors resident in countries with which bilateral arrangements will not have been concluded.

ARTICLE 24

Application of agreement to Berlin

(1) Subject to the provisions of paragraph (2) (b) of Article 4 and of paragraph (5) of Article 5, the present Agreement shall apply to Berlin which shall, within the limits of its jurisdiction, implement undertakings corresponding to those of the Federal Republic of Germany under the present Agreement and the Annexes thereto.

(2) The present Agreement shall enter into force as to Berlin, on or after its entry into force in accordance with paragraph (2)

of Article 35, when the Government of the Federal Republic of Germany deposits with the Government of the United Kingdom of Great Britain and Northern Ireland a statement that all legal procedures in Berlin necessary for the application of the present Agreement to Berlin have been complied with.

ARTICLE 25

Action on reunification of Germany

The Parties to the present Agreement will review the present Agreement on the reunification of Germany exclusively for the purpose of—

(a) implementing the provisions of the Annexes to the present Agreement regarding adjustments to be made in respect to specific debts upon such reunification, except in so far as such provisions are to become automatically operative upon that event; and

(b) making the provisions of the present Agreement applicable to the debts of persons residing in the area reunited with the Federal Republic of Germany; and

(c) making equitable adjustments in respect of debts in the settlement of which consideration is given to the loss of or inability to use assets located in the area reunited with the Federal Republic of Germany.

ARTICLE 26

Prior agreements

Nothing in the present Agreement shall be deemed to affect the validity of any Agreement, respecting the settlement of obligations, entered into by the Government of the Federal Republic of Germany before the entry into force of the present Agreement.

ARTICLE 27

Text of agreement to prevail

In the event of any inconsistency between the provisions of the present Agreement and the provisions of any of the Annexes thereto, the provisions of the Agreement shall prevail.

ARTICLE 28

Arbitral tribunal

(1) The Arbitral Tribunal for the Agreement on German External Debts (hereinafter referred to as "the Tribunal") shall be established for the purposes hereinafter specified. The composition and organisation of the Tribunal and the rules for the exercise of its jurisdiction are contained in the Charter which is appended hereto as Annex IX.

(2) Subject to the provisions of paragraph (5) of this Article, the Tribunal shall have exclusive jurisdiction in all disputes between two or more of the Parties to the present Agreement regarding the interpretation or application of the Agreement, or the Annexes thereto, which the Parties are not able to settle by negotiation, except that any dispute respecting the interpretation or application of Article 34 of the present Agreement shall not be within the jurisdiction of the Tribunal or of any other court or tribunal. In any proceeding before the Tribunal concerning a dispute between Parties to the present Agreement, other than the Government of the Federal Republic of Germany, the said Government shall, at the request of any party to the dispute, become a party to such proceeding.

(3) The Tribunal shall have exclusive jurisdiction in proceedings concerning questions of fundamental importance for the interpretation of Annex IV to the present Agreement, referred to in the second paragraph of Article 16 of that Annex, which are submitted to it by any Party to the present Agreement. The provisions of this paragraph shall not affect the jurisdiction of the Mixed Commission as laid down in paragraph (2) of Article 31 of the present Agreement.

(4) The Tribunal shall have exclusive jurisdiction in appeals which are brought under the provisions of paragraph (7) of Article 31 of the present Agreement.

(5) Without prejudice to the provisions of paragraphs (3) and (4) of this Article, the Tribunal shall not have jurisdiction in any dispute which is concerned solely with the interpretation or application of an Annex to the present Agreement if an arbitral body established pursuant to such Annex is competent to decide the question of interpretation or application concerned. The foregoing provision shall not be deemed to limit the jurisdiction of the Tribunal in any dispute as to whether a decision of such an arbitral body is in conflict with any of the provisions of the present Agreement.

(6) Any Party to the present Agreement which is concerned in the subject-matter of a proceeding before the Tribunal shall be entitled to become a party to such proceeding.

(7) The Tribunal shall have power to decide questions as to its jurisdiction under the foregoing provisions of this Article.

(8) A decision of the Tribunal—

(a) in a proceeding under paragraph (2) of this Article shall be final and binding upon the parties to the dispute and upon any other Party to the present Agreement which becomes a party to the proceeding;

(b) in a proceeding under paragraph (3) of this Article shall be final and binding upon the party which submitted the question to the Tribunal and upon any other party which becomes a party to the proceeding;

(c) in an appeal under paragraph (4) of this Article shall be final and binding upon the party or parties to such appeal.

(9) The jurisdiction of the Tribunal shall not be affected by the failure of any party to a dispute to enter an appearance in the proceeding before the Tribunal.

(10) Any arbitral body, other than the Tribunal, established under the present Agreement or the Annexes thereto, shall, in reaching decisions respecting the interpretation or application of the present Agreement or the Annexes thereto, be bound by any relevant decision of the Tribunal.

(11) If any Party to the present Agreement so requests, the Tribunal shall render an advisory opinion regarding the interpretation or application of the present Agreement (except with respect to the interpretation or application of Article 34). Such advisory opinion shall not have binding effect.

ARTICLE 29

Arbitration of certain disputes under Annex I

(1) Only Bondholders' Councils or analogous bodies, recognized by the Governments of the countries in which they are organised as representing the bondholders of such countries (hereinafter referred to as "creditors' representatives"), on the one hand, and debtors, on the other hand, shall be entitled to be parties to proceedings before a Court of Arbitration provided for the decision of disputes falling under Section 7 (1) (g) of Annex I to the present Agreement.

(2) A Court of Arbitration described in the preceding paragraph shall, except as otherwise agreed between the parties, consist of three members appointed as follows:—

(a) one member to be appointed by the debtor;

(b) one member to be appointed by the creditors' representative concerned and, if more than one, by such creditors' representatives jointly;

(c) a third member, to act as Chairman, to be chosen by the arbitrators appointed in accordance with sub-paragraphs (a) and (b) of this paragraph. The Chairman shall be neither a German national nor a national of a country in which a creditors' representative, party to the proceeding, is organised.

(3) Within ninety days of the date on which one of the parties to the proceeding notifies the other party of the appointment of its arbitrator, such other party shall appoint its arbitrator. If such other party fails to appoint its arbitrator within the time prescribed, such arbitrator shall, upon the application of the party which has given notice as aforesaid, be appointed by the International Chamber of Commerce.

(4) If the two arbitrators fail, within thirty days of the date of the appointment of the arbitrator last appointed, to agree upon a Chairman, he shall, at the request of either of the two arbitrators, be appointed by the International Chamber of Commerce. The qualification as to nationality provided in paragraph (2) (c) of this Article shall apply to such appointment.

(5) In the event of any vacancy caused by the death, illness, withdrawal or failure of a member of a Court of Arbitration to carry out his duties, such vacancy shall be filled, in the same manner as the original appointment, within thirty days of the occurrence of such vacancy.

(6) A Court of Arbitration shall determine its own rules of procedure. In the absence of such determination, or in respect of matters not covered by such determination, the Arbitration Code of the International Chamber of Commerce shall apply.

(7) The decision of a Court of Arbitration as to the conversion which is the subject of the arbitration proceeding shall be binding on the parties to the proceeding as to the terms of the offer of settlement and creditors' representative shall recommend to the bondholders the acceptance of the offer, provided that such offer meets the other requirements laid down in Annex I to the present Agreement.

ARTICLE 30

Trustee's position in relation to Annex II and arbitration thereunder

(1) The Arbitration and Mediation Committee established pursuant to Article IX of Annex II to the present Agreement shall serve notice upon the trustee of a bonded debt to which the said Annex applies of any proceeding concerning the settlement of such debt which is pending before it. The trustee may, within twenty days after the service of such notice, become a party to such proceeding.

(2) In order to assist the trustee of a bonded debt in the discharge of any responsibilities which such trustee may have to holders of such debt, the debtor, at the time it submits to the creditors' representative any proposed offer of settlement pursuant to Article VII of Annex II to the present Agreement shall likewise submit a copy thereof to the trustee of such debt. The trustee may communicate to the debtor and to the creditors' representative any objection which it may have to the terms of the offer under negotiation, which objection shall be submitted for consideration in such negotiations.

(3) Prior to entering into any definitive agreement with the creditors' representative on the terms of the offer of settlement the debtor shall notify the trustee in writing of the terms of such offer of settlement. Within ten days after receipt of such notice the trustee shall have the right to refer to the Arbitration and Mediation Committee any objection which such trustee may have to the terms of the offer of settlement regarding any matter in respect of which, under the terms of the existing indenture, the trustee shall determine, in the exercise of its discretion, that it has responsibility to holders of such bonded debt. The Arbitra-

tion and Mediation Committee shall serve notice upon the creditors' representative and the debtor of the institution of such proceeding. The creditors' representative and the debtor may also become parties to the proceeding by entering an appearance within twenty days after the service of such notice. The jurisdiction of the Arbitration and Mediation Committee with respect to such proceeding shall not be affected by the failure of the creditors' representative or of the debtor to enter an appearance in such proceeding. If there is no reference to arbitration within the ten-day period provided for above, the debtor may enter into the proposed agreement with the creditors' representative.

(4) A decision of the Arbitration and Mediation Committee in a proceeding pursuant to paragraph (3) of this Article shall be binding upon the creditors' representative and the debtor to the same extent as is provided in the second sub-paragraph of paragraph 1 of Article IX of Annex II to the present Agreement. In any proceeding to which a trustee becomes a party pursuant to paragraph (1) or (3) of this Article, such trustee shall have the same rights as any other party thereto.

ARTICLE 31

Mixed commission for questions respecting Annex IV

(1) The composition and organization of the Mixed Commission provided for in Article 16 of Annex IV to the present Agreement and the rules for the exercise of its jurisdiction are contained in the Charter which is appended hereto as Annex X.

(2) The Mixed Commission shall have jurisdiction in—

(a) differences between a creditor and a debtor as to the interpretation of Annex IV to the present Agreement, referred to it either by a creditor and a debtor jointly, or by a creditor or a debtor whose Government states that in its opinion the question at issue is of general importance for the interpretation of the said Annex;

(b) cases referred to it under Article 16 of Annex IV to the present Agreement from a Court of Arbitration established pursuant to Article 17 of that Annex, by a Party to the present Agreement or by the said Court of Arbitration, on the ground that such cases are of fundamental importance to the interpretation of Annex IV, provided that in any case before the said Court of Arbitration which is an appeal under Article 11 of Annex IV, only the question in such case which is of fundamental importance to the interpretation of that Annex shall be referred to the Mixed Commission for decision.

(3) Any Party to the present Agreement which is concerned in the subject-matter of a proceeding before the Mixed Commission shall be entitled to become a party to such proceeding.

(4) The jurisdiction of the Mixed Commission shall not be affected by the failure of any party to a dispute to enter an appearance in the proceeding before the Mixed Commission.

(5) The Mixed Commission shall have power to decide questions as to its jurisdiction under the foregoing provisions of this Article.

(6) Subject to the provisions of paragraph (7) of this Article a decision of the Mixed Commission shall be final and binding—

(a) upon the parties to any proceeding before it;

(b) upon any party to a dispute referred to the Mixed Commission under paragraph (2) (a) of this Article;

(c) upon a Party to the present Agreement which submits a case or question for decision under paragraph (2) (b) of this Article;

(d) upon a Court of Arbitration by or from which a question is referred under paragraph (2) (b) of this Article;

(e) if a term of settlement of a debt was the subject of the proceeding, in respect of such term of settlement.

(7) A Party to the present Agreement shall be entitled to appeal from a decision of the Mixed Commission to the Tribunal within thirty days of the date of the delivery of the decision on the ground that such decision concerns a matter of general or fundamental importance. The appeal shall be brought only with respect to any matter in such decision which is asserted by the appellant to be of general or fundamental importance. When the Tribunal has rendered its decision with respect to any such matter the Mixed Commission shall take any action in connexion with the proceeding giving rise to the appeal which may be necessary to give effect to such decision.

ARTICLE 32

Courts of arbitration for disputes under Annex IV

(1) A creditor and a debtor who, pursuant to the fifth paragraph of Article 17 of Annex IV to the present Agreement, have agreed to refer a dispute to a Court of Arbitration shall each appoint an arbitrator within thirty days of the date of such agreement. If there is more than one creditor or more than one debtor the arbitrator shall be appointed by such creditors or debtors jointly. If an arbitrator is not appointed within the above time-limit, the other parties to the dispute shall be entitled to request the International Chamber of Commerce to appoint such arbitrator. The two arbitrators shall, within thirty days from the date of the appointment of the arbitrator last appointed, choose a third arbitrator to act as Chairman. If a Chairman is not chosen within such time, either party may request the International Chamber of Commerce to make the appointment.

(2)—(a) A creditor who, pursuant to the second paragraph of Article 11 of Annex IV to the present Agreement, appeals to a Court of Arbitration, shall within thirty days of service of the decision of the German court—

(i) notify the German Court which rendered the decision of such appeal;

(ii) notify the debtor of the name of the arbitrator he has appointed to sit on the Court of Arbitration.

(b) The receipt of the notice provided in sub-paragraph (a) (i) of this paragraph shall put an end to all proceedings in German courts in respect of the decision, in so far as it relates to the debt which is the subject of the appeal and such decision to this extent shall have no effect.

(c) Within thirty days of the receipt of the notice provided in subparagraph (a) (ii) of this paragraph, the debtor shall notify the creditor of the name of the arbitrator he has appointed to sit on the Court of Arbitration. If the debtor does not make such notification within the time prescribed the creditor shall be entitled to request the International Chamber of Commerce to appoint such arbitrator. A third arbitrator, to act as Chairman, shall be chosen in accordance with the procedure provided in paragraph (1) of this Article.

(d) A Court of Arbitration, which is hearing an appeal under the provisions of the second paragraph of Article 11 of Annex IV to the present Agreement, shall—

(i) sit at a place within the Federal Republic of Germany, unless the parties to the proceedings agree otherwise;

(ii) apply the principles laid down in the first paragraph of Article 11 of Annex IV to the present Agreement;

(iii) conduct such proceedings as a new trial.

(e) If, in the course of any appeal to a Court of Arbitration under the provisions of the second paragraph of Article 11 of Annex IV to the present Agreement, a question is referred to the Mixed Commission under paragraph (2) (b) of Article 31 of the present Agreement, the Court of Arbitration shall forthwith suspend the proceeding in such appeal until the final decision of the Mixed Commission respecting such question has been rendered. When such decision is rendered the Court of Arbitration shall resume the proceeding and shall take any action which may be necessary to give effect to such decision.

(3) A court of Arbitration shall, in reaching decisions respecting the interpretation of Annex IV to the present Agreement, be bound by any relevant decision of the Mixed Commission.

(4) In the event of any vacancy caused by the death, illness, withdrawal or failure of a member of a Court of Arbitration to carry out his duties, such vacancy shall be filled, in the same manner as the original appointment, within thirty days of the occurrence of such vacancy.

(5) A Court of Arbitration may determine the manner in which the costs of the proceeding, including counsel's fees, are to be borne and, in an appeal under paragraph (2) of this Article, which party shall bear the costs of the proceeding in the German Court or how such costs should be apportioned between the parties. In the absence of such determination each party to the proceeding shall bear its own costs; the costs in the Court of Arbitration and, if applicable, the costs in the German Court, shall be borne as to the one half by the creditor or creditors and as to the other half by the debtor or debtors.

(6) A proceeding pending before a Court of Arbitration may be withdrawn only with the consent of all parties thereto.

(7) Subject to the provisions of this Article and of Article 17 of Annex IV to the present Agreement, a Court of Arbitration shall determine its own rules of procedure. In the absence of such determination, or in respect of matters not covered by such determination, the Arbitration Code of the International Chamber of Commerce shall apply.

(8) The decision of a Court of Arbitration in any proceeding shall be final and binding upon the parties thereto.

ARTICLE 33

Matters arising in deconcentration proceedings

Matters of which disposition is specifically made in a plan approved, or an order or regulation issued, by the Allied High Commission or any of its subordinate agencies designated by it to act with respect to such matters, or any agency succeeding to the powers of the Allied High Commission with respect thereto, under Allied High Commission Laws No. 27 (Reorganization of German Coal and Iron and Steel Industries) and No. 35 (Dispersion of Assets of I. G. Farbenindustrie A. G.) shall not be heard by the Tribunal or by any other arbitral body established under the present Agreement and the Annexes thereto. In any such disposition the creditor and debtor, the Allied authorities and the Board of Review shall apply the provisions of the present Agreement and the Annexes thereto. Before any plan can be approved or any order or regulation issued disposing of any matter which is in dispute by reason of a question of interpretation or application of the provisions of the present Agreement or the Annexes thereto, such dispute shall be referred to and be decided by the Tribunal or other arbitral body which is competent under the present Agreement and the Annexes thereto. The competence of the Tribunal or of any other arbitral body

established under the present Agreement or the Annexes thereto with respect to matters which are not specifically disposed of under a plan, order or regulation as aforesaid or which arise by reason of events subsequent to the entry into effect of such plan, order or regulation shall not be affected by the preceding provisions of this Article.

ARTICLE 34

Consultation

In the interest of the continuing and effectual carrying out of the present Agreement and the Annexes thereto to the satisfaction of all parties concerned, and without derogating from the obligations which the Federal Republic of Germany has assumed—

(a) consultations will be held between the Parties to the present Agreement principally concerned, if the Government of the Federal Republic of Germany or the Government of any of the creditor countries holding a substantial share of the debts covered by this Agreement so requests. Any Party to the present Agreement shall have the right to participate in these consultations, and if it participates it may invite representatives of the interested creditors or debtors of its country to attend;

(b) if the consultations are concerned with a situation in which the Federal Republic of Germany finds that it is faced with difficulties in carrying out its external obligations, attention shall be given to all relevant economic, financial and monetary considerations which relate to the ability to transfer of the Federal Republic of Germany, as influenced by both internal and external factors, and which relate to the continuing fulfilment by the Federal Republic of its obligations under the present Agreement and the Annexes thereto and under the Agreements concerning post-war economic assistance. Due regard will be paid to the principles by which the Conference on German External Debts was guided, to the objectives at which it aimed and to the undertaking of the Government of the Federal Republic of Germany to do everything in its power to ensure the fulfilment of these obligations. Advice shall, if the principal consulting Parties to the present Agreement so decide, be sought from appropriate international organizations or other independent experts. A request for such advice may be made by the Federal Republic of Germany or by any of the Parties to the present Agreement principally concerned.

ARTICLE 35

Entry into force

(1) Each of the Governments signatory to the present Agreement shall, after having ratified or approved the Agreement in accordance with its constitutional requirements, deposit with the Government of the United Kingdom of Great Britain and Northern Ireland an instrument of ratification or a notification that the Agreement has been approved.

(2) The present Agreement shall enter into force immediately upon the deposit by the Government of the Federal Republic of Germany and the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America with the Government of the United Kingdom of Great Britain and Northern Ireland of the instrument of ratification or of the notification required under paragraph (1) of this Article. Such entry into force shall be effective as to all Governments signatory to the Agreement which have at that time deposited the required instrument of ratification or notification. The Government of the United Kingdom of Great Britain and Northern Ireland shall notify each of the Governments signatory to the Agreement of the date of its entry into force and of the Governments in respect of which it enters into force.

(3) The date of the entry into force of the present Agreement in respect of any signatory Government which deposits the required instrument of ratification or notification after the entry into force of the Agreement under the preceding paragraph shall be the date of such deposit. The Government of the United Kingdom of Great Britain and Northern Ireland shall notify the other signatory Governments, and any Government which has acceded to the present Agreement under Article 36, of such deposit and the date thereof.

ARTICLE 36

Accession

(1) Any Government which has been invited by the Governments of the French Republic, the United Kingdom of Great Britain and Northern Ireland and the United States of America, or by any of them, and by the Government of the Federal Republic of Germany to sign the present Agreement may either sign or accede thereto in accordance with the terms of its invitation. Any other Government which may, after the entry into force of the present Agreement, establish diplomatic relations with the Federal Republic of Germany, may accede thereto. Accession shall be accomplished by the deposit of an instrument of accession with the Government of the United Kingdom of Great Britain and Northern Ireland, which shall notify the other signatory and acceding Governments of such deposit and the date thereof.

(2) The present Agreement shall come into force for any acceding Government on the deposit of its instrument of accession, but not before it comes into force in accordance with Article 35.

ARTICLE 37

Extension of agreement to certain territories

(1) Any Government may, at the time of its signature or accession or at any time thereafter, declare by notification given to the Government of the United Kingdom of Great Britain and Northern Ireland that the present Agreement shall, as from the date specified in such notification, extend to all or any of the territories for whose international relations it is responsible.

(2) The Government of the United Kingdom of Great Britain and Northern Ireland shall inform all signatory and acceding Governments of any notification received by it under this Article.

ARTICLE 38

Reservations and qualifications

(1) Any Government which deposits an instrument of ratification or a notification of approval or an instrument of accession to the present Agreement other than in accordance with the terms of its invitation or subject to any other reservation or qualification shall not be deemed to be a Party to the Agreement until such reservation or qualification has been withdrawn or has been accepted by all the Parties thereto.

(2) Any notification given under Article 37 subject to a reservation or qualification shall not take effect until such qualification or reservation has been withdrawn or has been accepted by all the Parties to the present Agreement.

[NOTE.—The headings given to the Articles of the Agreement are for reference only and are not intended in any way to govern the construction of the Agreement.]

In witness whereof the undersigned, having been duly authorised thereto by their respective Governments, have signed the present Agreement, to which are attached Annexes I to X inclusive.

Done at London this twenty-seventh day of February, nineteen hundred and fifty-three, in three original texts, in the English, French and German languages respectively, all three texts being equally authoritative, which shall be deposited in the archives of the Government of the United Kingdom of Great Britain and Northern Ireland which shall transmit certified copies thereof to each signatory and acceding Government.

For Belgium:
OBERT DE THIEUSIES.
For Canada:
N. A. ROBERTSON.
For Ceylon:
V. COOMARASWAMY.
For Denmark:
E. REVENTLOW.
ANTHON VESTBIRK.
For the French Republic:
R. MASSIGLI.
For Greece:
LEON V. MELAS.
For Iran:
———— ————.
For Ireland:
P. H. BOLAND.
For Italy:
———— ————.
For the Principality of Liechtenstein:
W. STUCKI.
For Luxembourg:
A. J. CLASEN.
For Norway:
P. PREBENSEN.
For Pakistan:
M. A. H. ISPAHANI.
For Spain:
PRIMO DE RIVERA.
For Sweden:
GUNNAR HÄGGLÖF.
For the Swiss Confederation:
W. STUCKI.
For the Union of South Africa:
A. L. GEYER.
For the United Kingdom of Great Britain and Northern Ireland:
GEORGE RENDEL.
For the United States of America:
WARREN L. PIERSON.
For the Federative People's Republic of Yugoslavia:
JANKA PETRIĆ.
For the Federal Republic of Germany:
ABS.

Mr. WILEY. Mr. President, I desire to make a statement about the proposed agreement in regard to the German external debts.

Mr. President, in this world torn by strife, subversion, Communist intrigue and war, Western Germany is rapidly taking its place as a real bulwark against the spread of Communist influence. Her cities and towns have emerged from the ruins of World War II in a remarkable fashion. Her economic recovery has been encouragingly rapid. In fact, it has been almost phenomenal. Only the other day I talked to a gentleman who has been in the various countries of Europe. He said Germany leads all the other countries of Europe in recovery, despite the fact that she has had to take into her bosom from 3 million to 5 million expellees. Her people are responding in a positive way to the healthful influence of the democratic government that is in control of Western Germany today.

For a good many years now the Committee on Foreign Relations has consistently underlined the importance of a vigorous and free Germany in maintaining stability and peace in Europe. We want to see a strong Germany. We want to

see a Germany that is healthy from an economic point of view. And we want to see a democratic Germany that will share with other free nations the responsibility for making democracy live and flourish in the world.

Mr. President, on July 2 the Committee on Foreign Relations reported to the Senate four agreements which are designed to make it possible for Western Germany to become a full-fledged, independent member of the international financial community. The four agreements—and it is important that we distinguish between them—are as follows:

First. There is an agreement between the United States and 17 other creditor nations, on the one hand, and Germany, on the other, which sets forth the general conditions by which it will be possible for the German Government and private German individuals and corporations to pay off debts which they undertook in the 1920's and defaulted in the 1930's under the regime of Hitler. These public and private prewar debts amount to an estimated $1,637,000,000. American creditors hold approximately $546 million of these obligations.

Second. The second agreement reported by the Foreign Relations Committee is between the United States and Germany, and concerns the settlement of the claims which the United States has against Germany for the postwar assistance we have extended to that country. Since World War II, the United States has given ECA and other types of assistance to Germany in the amount of slightly over $3 billion. During this same period we have given aid to France in the amount of about $2 billion, and to the United Kingdom in the amount of about $2½ billion. The pending agreement calls for the German Government to repay to the United States about $1 billion of the $3 billion in postwar assistance. These payments are to be made over a period of 35 years, and will draw interest at the rate of 2½ percent.

Third. The third agreement before us relates to the payment by Germany of $97½ million to Americans who hold awards made by the Mixed Claims Commission for damages they suffered during the last war.

Fourth. Finally, there is an agreement between the United States and Germany which relates to the validation of German dollar bonds. At the end of the war, when the Russians entered Berlin, they took possession of unknown quantities of German dollar bonds held in Berlin. In order to prevent any of these looted bonds from finding their way into commercial channels under the terms of the pending agreements, it is necessary to establish a procedure to prevent these bonds from coming into circulation.

THE NEED FOR A SETTLEMENT

Germany is in the process of becoming one of the pillars of strength in the free world. She has reached this position largely because of the help given her by her former conquerors. But she has also reached this position because of the character of her people, their willingness to work, and the principles of freedom for which Western Germany has stood since the war.

In order for Germany to assume her rightful place among the free nations of the world, it is necessary that she reestablish her international credit which was destroyed by the financial maneuvering of Herr Schacht under the malevolent influence of Hitler. Until such time as the German Government itself assumes the debts of the former German Reich, it cannot expect to get credit in the money markets of the world. In the pending agreement, Western Germany assumes all of the obligations of the former German Reich despite the fact that the Federal Republic does not control Eastern Germany. In the pending agreement, arrangements are made so that German debtors, other than the Government itself—such as German municipalities, public utilities, and private debtors who borrowed money abroad in the 1920's—will be able to reach settlements with their creditors abroad. When this principal agreement relating to these prewar debts comes into effect—and it has already been approved by Germany, France, and Great Britain—it will be possible for the German Government and for German industry again to resort to the international money markets for loans.

As long as the United States is interested in a strong and independent Germany, capable of meeting the threat from the East, we must be willing to help her keep strong economically. I believe we can do so by ratifying the pending agreements.

THE POSTWAR SETTLEMENTS

I know there are some who feel that it is a mistake for the United States to write down its postwar claims against Germany from some $3 billion to $1 billion, as is provided in one of the agreements before the Senate. But I would point out to by colleagues that since the war, the United States, through the Marshall plan, has given billions of dollars to the countries of Western Europe to enable them to recover from the ravages of war. We did this because we knew that a strong and independent Europe was essential to the security of the United States. Of the assistance we gave to France, only 8 percent was in the form of loans—the balance was a gift. Of the aid we gave to Italy, 12 percent was in the form of loans. Of the assistance we gave to the United Kingdom, 13 percent was in the form of loans. And now, if we approve the pending agreement with Germany settling our postwar assistance of $3 billion for $1 billion, the proportion of our assistance to Germany since the war which has been in loan form will be 33 percent. I realize that in talking about Germany we are talking about a former enemy, and it is probably just that Germany should be required to repay a heavier share of the assistance we have given than countries which fought with us in World War II. But we have resolved that Germany must not be ground to her knees as after the first war. The world has learned the lesson. The Germany of today stands with us as a free nation, ready to oppose the threat of totalitarianism largely because of our equitable treatment in these postwar years.

When Chancellor Adenauer was in the United States he did not hesitate to say that the German people were most appreciative. They recognized that America was putting into operation the real Christian principles of forgetting and forgiving enemies and helping them to get back on their feet.

I believe our negotiators are to be highly commended for getting Germany to agree to such a favorable settlement of our postwar economic assistance.

Mr. President, the other agreements before the Senate are of a less important nature. They are discussed fully in the committee report, and instead of taking the time of the Senate to discuss them in any detail, I would rather mention 1 or 2 problems which came before the Foreign Relations Committee during its consideration of the pending agreements.

THE HEARINGS

The Committee on Foreign Relations held 2 days of public hearings on these agreements. Not one witness appeared in opposition to them, although there were several witnesses who objected to minor provisions in the agreements. Those objections are dealt with in the report of the committee.

Representatives of various groups of holders of German dollar bonds were heard. They had high praise for the agreements. They indicated that in their opinion the recovery of Germany would be substantially retarded if for any reason the agreements now before the Senate should not be ratified. In this connection I should like to quote the statement of one of the witnesses representing the American Bondholders Protective Association. In answer to a question as to what might happen if the pending agreements were not approved, this witness stated:

> The consequences would be * * * in the first place our aims of setting Germany on her feet would be seriously set back, and considerable confusion brought in her capacity to earn her bread and butter; * * * secondly, it would result in debt settlements made by European nations which would put us in a junior, disadvantageous position, and result in the ultimate collection of considerably less for the American creditors than is provided in this agreement.

I might add that through any delay in approving the pending agreements many bondholders would suffer severely because they would not be able to reach early settlements with their German debtors.

SPECULATION

Members of our Committee were concerned that there may have been substantial speculation among holders of these German bonds, which have been in default for the past 20 years. Witnesses were questioned closely on this point. A representative of the Securities and Exchange Commission pointed out that

trading in these securities on controlled markets had been stopped in 1941. A number of press releases issued by the Department of State were placed in the record indicating that an effort had been made to keep the general public informed of the progress of the negotiations. While I am not satisfied that as thorough an effort as possible was made, I do believe that speculation in the bonds has been kept to a minimum.

CONCLUSION

In conclusion, Mr. President, I should like to quote from a letter sent to me by Mr. Dulles on June 17. In recommending approval of the pending agreements he wrote:

> Never before has there been an effort to deal with all the debts of a major industrial and trading country. * * * The achievement of what is, in effect, a voluntary composition between Germany and its creditors reflects an effort both by debtors and creditors to reach a fair agreement and one which there is real prospect could be carried out.

Members of the Committee on Foreign Relations were consulted frequently during the negotiations. While there will undoubtedly be some creditors who will not feel that the settlements reached are as satisfactory to their claims as they might wish, I believe these creditors are in a minority. Moreover, the pending agreements do not prevent any holder of legitimate obligations from pursuing remedies outside the agreements.

As the report of the committee notes in its conclusion, the agreements before the Senate do not embody what might be described as "true justice," but they do, in the opinion of the committee, reach a settlement which is as fair and as equitable as it is possible to reach under these circumstances. I hope the Senate will approve the agreements.

Mr. SMITH of New Jersey. Mr. President, I rise to support my colleague, the chairman of the Committee on Foreign Relations, who, speaking for the committee, has urged that the Senate give its advice and consent to the four German debt agreements now pending before the Senate.

Mr. President, we all realize, I am sure, the critical fiscal situation Germany has been in since World War II, in fact, since World War I. We all realize that after World War I a number of different settlements were made, of one sort or another. We know of the Dawes plan, the Young plan, and so forth. Many of the securities issued under those plans were placed in this country and elsewhere. After World War II Germany was left in a very difficult situation. Following our victory in that war and during our occupation of Germany there were fiscal needs which we had to help take care of. The treaties with the Federal Republic of Germany should be divided into two groups: one, the pre-World War II, and the other, the post-World War II. I make that point because the pre-World War II treaties with which we are now dealing involve the various securities which were issued, and some adjustment of them. The holders of the securities were represented by groups that took care of their interests under the guidance of our State Department. An effort has been made to get a fair adjustment by scaling the bonds down, adjusting interest and so on.

The others involve direct negotiations between the United States and Germany to settle the claims which we felt we held against Germany.

This is the first time that there has been an effort on the part of a group of countries to compose their total claims against a country that has been in default on its debts. Germany, under the Hitler regime, defaulted on debts of all kinds owed to creditors inside as well as outside Germany. Then came the war and the devastation of Germany. For the first few years after the war, it was absolutely impossible for Germany to pay any of her prewar debts. Gradually, however, with the help principally of the United States, a free, democratic Germany has been built upon the ruins of Hitler Germany. Today, Germany stands as one of the bulwark's of freedom—a dam that has prevented the Red tide from flowing to the Atlantic. In recent weeks the people of eastern Germany have shown the courage that is required to blunt the sword of Soviet pentration of Western Europe.

As the result of Germany's recovery, she is today in a position to make payments on her prewar debts and to make some settlement for postwar assistance.

The agreements before us will help Germany and will help thousands of individual Americans who years ago invested their savings in various business and governmental activities in Germany. While there may be some few creditors who will not be satisfied with the terms of settlement recommended in these agreements, as my distinguished colleague stated, I would point out that these agreements do not foreclose their rights to seek direct settlements on their own.

There was one witness before the committee, the holder of bonds of a local German municipality, who told us that it was unjust that such bonds should not be taken care of in the offer of settlement. But the committee which was handling the matter felt we could recognize only German bonds payable in dollars which has been issued by the German Government, and that we could not undertake to go into the German bonds issued in German marks in the period concerned.

Germany will be helped by the approval of these agreements. She will be able again to operate as a free agent in the international financial markets. Thus German industries and public enterprises will be able to seek financial assistance abroad without seeking governmental assistance. No economic assistance is provided in this year's Mutual Security Act for Germany, except for some $15 million for special assistance to Berlin. I should hope and expect that if these agreements are approved that Germany will be able hereafter to pull her own weight economically and that it will not be necessary for the free world to give her additional economic assistance.

To the extent that the United States is relieved of this burden we will all benefit.

Moreover, the settlement of these private prewar claims will enable many Americans to collect upon German bonds which they have held since the 1920's. It is estimated that Americans hold about $546 million worth of German bonds. They will be able again to receive the payments, reduced in interest in some instances, and they will be able to trade their bonds upon the public exchanges of the world.

Mr. President, if any of my colleagues oppose the pending agreements, I would ask that they propose a concrete alternative to the agreements. Would they write off all prewar private claims? If that should be the solution proposed, do they imagine that Germany would soon again be able to reestablish its credit? I think not.

Would they propose that Germany be required to repay all of the postwar economic assistance we have provided despite the fact that other nations of Western Europe have received gifts from us of from $1 billion to $2 billion? To require Germany to pay for this postwar economic assistance in full while granting other nations of Western Europe assistance without requiring repayment would most certainly work against the interests of the free world. At this time especially, we must not revert to Morgenthau-type policies toward Germany.

Mr. President, in conclusion, I urge my colleagues to support these agreements. No one testified against them. The committee records contain no objections to the agreements. True, 1 or 2 individuals objected to certain clauses of the agreements. The committee examined these objections, but did not feel that changes in the agreements were warranted.

Western Germany must become a full partner with the West. These agreements are a step in that direction.

Mr. LEHMAN. Mr. President, will the Senator from New Jersey yield?

Mr. SMITH of New Jersey. I yield.

Mr. LEHMAN. Will the Senator advise me whether hearings have been printed in connection with these various proposed agreements?

Mr. SMITH of New Jersey. The hearings have been printed and are available to the Members of the Senate.

Mr. LEHMAN. I have no means of knowing whether these agreements are meritorious. I certainly am not prepared to say that I would be against them. On the other hand, I know so little about the proposed agreements, and I believe I am in substantially the same position as are most of the other Members of the Senate, that it seems an unwise thing to ask for action on these agreements tonight.

I want to make it clear that I have the highest respect and regard for the members of the Foreign Relations Committee, but I do feel that as to agreements as important as are these agreements—and they are highly important because they affect not only large amounts of money, but also our foreign relations—it seems

unwise to take action without giving the Members of the Senate adequate opportunity of studying the record of the hearings and in that way acquainting themselves with the situation in some detail.

I understand the report has been printed, and I am advised by the Senator from New Jersey that the hearings have now been printed, but certainly they have not been made available, to the Members of the Senate. And we are asked to approve the agreement, with an attendance of merely a handful of Senators, very few of whom are acquainted with the contents of the report or the hearings or with the reasons which have seemed sufficiently convincing to the members of the committee to persuade them to give approval to these agreements. I have the feeling that what we are doing now with reference to these agreements—these and many others—submitting them to a mere handful of Senators without any real explanation of the reasons which have motivated the Foreign Relations Committee to make its report, is very unwise. We certainly cannot claim that two-thirds of the Senate approved these, or, as a matter of fact, many other agreements which have been submitted.

I merely wish to submit my thoughts to the chairman of the committee and to the acting majority leader in the belief and in the hope that additional opportunity will be afforded the Members of the Senate to give consideration to these highly important agreements which are now proposed.

Mr. SMITH of New Jersey. I think I can explain why they have come up in this way. The executive department of the Government has been working on them for some time, and the present situation in Germany is such that it was felt that if we could move rapidly in approving the agreements it would be a great help to the entire situation. I do not think any member of the committee was in any hurry to push them through, but we felt that we should bring them up for consideration.

The executive department asked that we present them to the Senate. I think the point raised by the Senator from New York is a good point, but the previous administration had charge of the negotiations, and members of the State Department have been working with the new administration. I know that the Acheson group worked on these adjustments for years, since 1945, I might say. They have had a special group of experts studying the matter from every angle. They have had representatives in Germany, who have brought back their conclusions.

With reference to the bondholders, I wish to make it clear that the United States Government simply endeavored to protect the bondholders from any shyster work, such as attempts to get hold of the bonds by buying them for a few dollars and trying to cash them in, or trying to get them called. The Government tried to get many of the bonds validated, so that we would not be swept off our feet in this country with fake bonds. There were special bondholders' committees, approved by the Government, who worked on these matters and submitted reports.

Four or five different groups testified before the committee. We felt we had been assured of the thoroughness with which the work had been done. None of us could have gone through the mass of testimony which was available for study to determine where every bond came from, but we felt the people who were working on this matter, and who had served on bondholders' committees, were well known to all and had proper credentials.

I think the Senator from New York would be reassured if he could read the hearings and be informed as to the different individuals and groups who represented bondholders on that part of the settlement, as well as representatives of the Government, both of the Truman and the Eisenhower administrations, in bringing the arrangements between the United States and Germany to a head. The Senator's point that there should not be precipitate action is well taken. However, I believe I can assure the Senator that the committee felt it had information on which to report the agreements favorably.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed at this point in my remarks a list of press releases from the State Department, relating to the German debt settlement, and indicating that the public has been kept fully advised, beginning in 1951 and continuing through 1952 and 1953 to date.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE PRESS RELEASES RELATING TO GERMAN DEBT SETTLEMENT

1951

No. 161, March 6: Implementation of New York Decisions on Germany—Exchange of letters between German Federal Government and Allied High Commission concerning debt settlement.

No. 429, May 24: Communique on German Debts—Announces proposed procedure and principles of debt settlement; establishment of Tripartite Commission on German Debts.

No. 438, May 25: United States Representative on German Debt Commission named.

No. 509, June 13: Appointment of Mr. Hensel as consultant on German corporate dollar bonds.

No. 520, June 19: Appointment of Ambassador Pierson as United States Representative on the Debt Commission.

No. 548, June 25: Beginning of preliminary discussion at London on German debts.

No. 1082, December 11: Outcome of preliminary discussions with German delegation on postwar economic assistance claims.

1952

No. 29, January 14: Announces scheduled opening of international conference on settlement of German debts.

No. 30, January 14: Statement by Ambassador Pierson concerning debt settlement conference.

No. 152, February 27: Names United States creditor representatives at international conference on German debts.

No. 161, March 3: Formation of a private committee to represent United States holders of German corporate dollar bonds at London Debt Conference.

No. 366, May 8: Announces reconvening of debt conference and urges creditors to contact appropriate creditor representatives.

No. 497, June 24: Statement of Ambassador Pierson concerning Young and Dawes loans.

No. 627, August 8: Announcement of conclusion of London Debt Confrence and summary of final report of the conference.

No. 884, November 21: Appeal to holders of corporate dollar bonds to communicate with the United States Committee for German Corporate Dollar Bonds and announcement of beginning negotiations between the Committee and German debtors.

1953

No. 106, February 26: Statement by Tripartite Committee on German Debts concerning the signing of the intergovernmental agreement on German external debts and related agreements.

No. 107, February 26: Signing of German debt-settlements agreements; brief outline of agreements.

No. 108, February 26: Validation of German dollar bonds; text of United States-German agreement and background statement.

No. 118, March 3: Settlement of the liability of the Federal Republic of Germany in respect of Austrian external loans.

No. 119, March 3: List of countries which signed the German debt settlement agreement.

White House Press Release No. 124, April 10, 1954: Text of the President's letter to the Senate submitting the German debt-settlement agreements for advice and consent to ratification.

Mr. KNOWLAND. Mr. President, in addition, on June 6, 1953, the Committee on Foreign Relations issued the following press release:

Senator ALEXANDER WILEY, chairman of the Committee on Foreign Relations, announced today that he expects the committee to hold public hearings during the latter part of the week of June 15, 1953, on the German debt agreements.

There are now pending before the committee four agreements with the Federal Republic of Germany. One relates to the German external debts, to which the United States and 17 other creditor countries and Germany are parties. The second is an agreement between the United States and the Federal Republic regarding the settlement of postwar economic assistance provided to Germany. The third is an agreement relating to the indebtedness of Germany for awards made by the Mixed Claims Commission. The last agreement concerns the validation of German dollar bonds.

There are in the United States many people who will be benefited by a fair settlement of the German debt problem.

In view of public interest in the expeditious handling of these agreements, Senator WILEY indicated his hope that the committee will be able to take definitive action on them prior to the adjournment of Congress.

The acting majority leader during the period of last week served notice on several occasions on the floor of the Senate that the agreements would be considered this week. As a matter of fact, Senators have been on notice that the Senate would be in session tonight. A substantial number of Senators who have been attending conferences and other meetings are available. The Senator from New York is always within his right to suggest the absence of a quorum; and,

under the rules of the Senate, the Senator has a right to request the yeas and nays on the agreements. I am certain that, with the notice that has been given, Senators will be available. Those who are not presently on the floor are in their offices or are attending conferences, and are readily available.

What I am trying to make clear is that it is not a question of taking up an important matter, such as an international agreement, at the close of the day. The Senate has long been on notice that there would be evening sessions beginning now and continuing throughout the month, and that Senators would be expected to be available, as I am sure they are available, for discussion, debate, and votes.

Mr. LEHMAN. Mr. President, I wish to make it very clear that my remarks should not be taken as an indication that I will ultimately oppose any one of the agreements. I know perfectly well that the yeas and nays could be requested in connection with the vote consideration of the agreements, but the point is that I do not believe Senators, with the exception of a very few, can, with any degree of intelligence, certainty, or information, vote either yea or nay on matters with which they are still quite unfamiliar.

I realize perfectly well also that the agreements have been on the calendar for some time. But the point is that there has not been an opportunity afforded to study or even to read the hearings. Therefore, save for the report of the Committee on Foreign Relations, for which I have the highest regard, we know nothing at all with respect to the reasons which motivated the committee to make recommendations that the United States enter into these agreements with Germany.

With all my heart I hope that Germany will become a strong democratic nation. I emphasize: democratic nation. If they do show signs, as I hope they will, of becoming a truly democratic nation, I certainly shall want to help them in every way possible. But we are asked to make very great changes in our policy and very great concessions, without having the benefit of the records or of the reasons that caused the committee to make their recommendations. That is all I wish to say.

Mr. GILLETTE obtained the floor.

Mr. SMITH of New Jersey. Mr. President, will the Senator from Iowa yield for one comment?

Mr. GILLETTE. I yield for a comment.

Mr. SMITH of New Jersey. I simply wish to comment on a point made by the Senator from New York. I have in my hand a Senate document entitled "Agreements With Federal Republic of Germany. Message From the President of the United States," which contains the full text of the agreements which came to the Senate on the 10th day of April 1953, and were referred to the Committee on Foreign Relations. The message was the subject of distribution to the entire membership of the Senate, so Senators have known that the agreements were before the Senate.

I realize that the Senator from New York, as is the case with all of us, is kept busy with many matters. None of us can keep track of all these things. But ever since April 10 all the agreements have been available, and the records have been on file in the office of the Committee on Foreign Relations. Likewise, the transcripts of hearings have been available in printed form.

Mr. LEHMAN. Mr. President, will the Senator from Iowa yield for one correction?

Mr. GILLETTE. I yield.

Mr. LEHMAN. In my remarks I stated that I believed the reports had been on the calendar for a long time. My attention has been drawn to the fact that the date of the committee reports was July 2.

Mr. GILLETTE. The date of report was July 3. Saturday, the Fourth of July, and Sunday, July 5, intervened.

Mr. President, it is not with any pleasure that I rise to oppose the ratification of the agreements which are now pending. I can understand the concern of the eminent Senator from New York [Mr. LEHMAN] over his lack of information, and I can understand his statement that he does not feel confident, with the knowledge he has, in casting a vote on the pending agreements.

I venture the assertion that there are not six Members of the United States Senate who at he present time feel themselves in a position, so far as familiarity with the subject is concerned, to cast their votes on the ratification of these agreements.

There has been some suggestion with regard to speed in bringing them before the Senate, which, of course, has been denied by the chairman. However, if the facts do not show some evidence of expedition, I do not know what they do show.

These agreements were placed on the calendar on the 2d of July, and the Senate recessed over the Fourth of July. Now they are under consideration before the Senate at this time. I make this further observation without any criticism of the chairman of the Senate Foreign Relations Committee, whom I hold in high affection. I have had many occasions to admire his fairness. These agreements were voted out by the Foreign Relations Committee at an afternoon session when the Senator from Iowa who had time and time again announced himself as being against the agreements, was not present, and when the Senator from Georgia [Mr. GEORGE], who was chairman of the subcommittee which had considered the agreements, was not present.

Moreover, I have tried during the past 3 days to obtain copies of the hearings. I have been unable to obtain them. They are not before the Senate at the present time. The eminent Senator from New Jersey [Mr. SMITH] has a galley proof which he is now reading, but no other Member of the Senate has a copy. If Senators had had an opportunity to read the testimony perhaps they would have been very much interested in the following quotations from the hearings:

The CHAIRMAN. You have shown us a list as to how the German bonds were pretty well distributed throughout the United States, but the list doesn't show whether these bonds were held by individuals, banks, insurance companies, or, specifically, who held them.

Mr. RIDDLEBERGER. Senator, I think it is a fair assumption to say in the case of bonds the distribution among individuals is high. Of course, according to the statement I had earlier, we had over 21,000 reports on holders of German securities.

* * * * *

The CHAIRMAN. Since the effect of the first agreement we have before us related to German external debts is to provide for payment to prewar private investors, does that not mean that the United States Government will not get as large a settlement for its claims for postwar economic assistance as provided in the second agreement before us?

Mr. RIDDLEBERGER. I should say at the outset, Senator, that the Germans were anxious to arrive at a settlement of their prewar debts on terms acceptable to their creditors. Of course, in other words, to reestablish their credit. If we had insisted on more for the Government claims, it is doubtful whether a general settlement could have been reached.

Mr. PIERSON. If Germany was to make a settlement and was to be in a position to pay the private creditors any substantial sums, it was imperative that a reduction be made in the postwar obligations.

* * * * *

Senator GILLETTE. Does the State Department know now who holds those bonds?

Mr. RIDDLEBERGER. Mr. Chairman, I could not say, sir, that we know the holders of every bond.

Senator GILLETTE. Then, you have no such list?

Mr. RIDDLEBERGER. We have no such list?

Senator GILLETTE. Don't you know where they are?

Mr. RIDDLEBERGER. The best information that we could get, Senator, was put together in this compilation that is based primarily on Treasury sources.

Senator GILLETTE. If you do not know where they are, and where held, and in what amount, how do you know that the amounts was $546 million?

Mr. RIDDLEBERGER. We have to estimate on the basis of figures that are given to us, what we think is the situation.

Senator GILLETTE. Given to whom, by whom?

Mr. RIDDLEBERGER. By the Germans?

Senator GILLETTE. The Germans?

Mr. RIDDLEBERGER. And the trustees.

Senator GILLETTE. Don't you bother with the organizations that you set up to protect American holders, security holders? Didn't they furnish you with anything?

Mr. RIDDLEBERGER. Well, to the extent we can get information, of course we try to get it, but I cannot say that we have a list giving the present ownership of every bond, under a number of issues that is now held in the United States.

* * * * *

Senator HUMPHREY. Do I understand correctly that you have no direct information as to who the present holders of the bonds are?

Mr. RIDDLEBERGER. No; we have no complete list, Senator.

Mr. President, I should like to quote from the interrogation by my esteemed colleague [Mr. HICKENLOOPER]:

Senator HICKENLOOPER. Do you have any means of knowing how many of these bondholders who now hold these bonds were original purchasers of the bonds, or how many of them were acquired at a later time?

Mr. ROGERS. No; we have no means of knowing, with any assurance, Senator. We do have the impression, after long dealing with this matter, that it is the habit of the American bondholders to hold the bond almost indefinitely if it defaults. Our judgment is that there are something like 100,000 bondholders now holding the German securities of the type that we try to handle and help. My judgment would be that the great majority of them are perhaps not the original holders but they are the sons and daughters of original holders, and that the bonds are still in the same families.

Senator HICKENLOOPER. I am trying to get at the number who are either original holders or through inheritance or something of that kind stand in place of original holders, and how many are speculators who may have bought these bonds at a very low rate.

Mr. ROGERS. Again, I have got to give you a personal judgment, because we don't know, sir.

Senator HICKENLOOPER. Who would know?

Mr. ROGERS. Nobody. These bonds are bearer bonds. They are practically no registry bonds. They pass from hand to hand simply by delivery, and there is nothing to identify them.

That is the situation, Mr. President. That is the situation within the Foreign Relations Committee with reference to the securities. What happened? There were postwar debts owing to the Government of the United States by the Republic of Germany and to some other nations, amounting to $3.5 billion. Of that amount $3.2 billion was owed to the United States Government and the other $0.3 billion was owed to the other countries.

It is alleged, and I think correctly, that it would be very difficult indeed for Germany, just trying to reestablish herself—and we want to see her reestablish and become a going concern—to pay in full these obligations. There should be a writeoff. It was felt by those having charge of the negotiations that there should be a writeoff. But what writeoff was secured as a result of the conference? The United States of America scaled down its $3.2 billion claim to $1.2 billion. In other words, $1.2 billion was taken off the obligation and placed on the shoulders of the American taxpayers.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. GILLETTE. I yield.

Mr. DWORSHAK. Does the Senator from Iowa believe there is anything unusual about the consideration of the treaties on the basis of rushing them through without debate? The Senator will recall that in June 1947 when we had the so-called Italian Peace Treaty before us, which was recommended almost unanimously, if not unanimously, by the Committee on Foreign Relations, there was only a handful of Senators who had the courage to oppose ratification of the treaty.

The Senator will recall that the treaty demilitarized Italy and deprived her of naval craft of all kinds, most of which were given to Russia. It was only Tuesday that we passed legislation loaning Italy two submarines, showing how illogical the treaty was. Therefore it is not unusual for this very distinguished body to give only cursory and brief consideration to vitally important subjects, and then very soon after such action is taken to be confronted with the likelihood that a tragic blunder probably had been committed.

Mr. GILLETTE. I believe the criticism made by the Senator from Idaho is valid. It is unfortunately true. However, the Senator from Iowa was not going to let it happen with these treaties. I have not finished with the adjustment that was made. Great Britain's share was something like $200 million. She cut her share down 25 percent. There was a smaller amount due to the Government of France. France cut her claim down 20 percent, and the remainder was to be payable in francs. We cut off 67 percent of the obligation due the American people.

Now there are private bondholders, not only bondholders of the German Government, but bondholders and security holders of municipalities and holders of corporate bonds, running back as far as 1930 or even before 1930. Nobody knows who holds the bonds; nobody knows where the bonds are. Not one scintilla of evidence could we get as to who holds them. It was thought that there was approximately $546 million involved, and the holders would get $546 million, plus interest, scaled down from 6½ percent to 4½ percent. That is the concession that was made. That is what the Senator from Iowa objects to. He objects to hastening this matter.

I have some questions I want to have answered. I shall read them:

There are two vital sets of facts that were never supplied to the Foreign Relations Committee, despite intensive questioning by many Senators:

(a) What precisely are the outstanding issues of German prewar debts that are being paid off in this settlement?

(b) Who precisely are the holders of these bonds?

What issues of those listed in the Finance Committee tables are still outstanding? What is the face value of these issues? What was the original price paid by the investor for these outstanding issues? What scaling-down, if any, has been made on the total prewar debt, in comparison with the $2 billion or 63-percent write-off of postwar United States governmental claims? How was the figure of $547 million arrived at?

Who are the real beneficiaries in the United States of this settlement? Are any of the present holders of these bonds the same institutions which originally issued the bonds? If so, when did they regain possession of them and at what price?

Mr. President, it is rather startling to recall that a year ago last February the New York Times printed a statement under the newshead of our State Department to the effect that a conference was to be held in London for the purpose of adjusting the debts, and that it was the opinion of the attorneys of the State Department—I wish the Senator from Ohio [Mr. BRICKER] were in the Chamber—that any arrangement entered into could be in the form of an executive agreement and would not have to be sent to the United States Senate for ratification.

On February 23, 1952, I addressed a letter to the Acting Secretary of State. I have it before me, and I shall read a part of it:

FEBRUARY 23, 1952.

HON. JAMES E. WEBB,
Acting Secretary of State, Department of State, Washington, D. C.

MY DEAR SECRETARY: According to State Department press release No. 30, dated January 14, 1952, there is to be held in London on February 28 an international conference on the settlement of the external debts of the Federal German Republic, at which the United States Government and private American creditors will be represented.

There are a number of issues involved in these negotiations on which I should like to have the views of the Department of State, within the shortest possible time.

A study of State Department releases concerning steps toward settlement of the German prewar and postwar external debts (issued on March 6, May 25, June 19, and December 11, 1951, and on January 14, 1952), reveals a pattern or set of facts on which I would appreciate having the Department's further comment.

The Governments of the United States, the United Kingdom, and France have obtained from the Government of the German Federal Republic an acknowledgment of its responsibility for the external debts of the former Reich, for the most part contracted prior to the coming to power of the Nazis, and for the debts derived from postwar economic assistance given by the Allied Governments to Germany. The German Government has also granted priority to reimbursing debts of the latter category.

Mr. President, I wish to interpolate at this point to say that until the London conference we had priority for the governmental debts owed the United States. We surrendered that priority. We wrote off 67 percent. Therefore the holders of the bonds have a priority for the debt. Of course, I have no objection whatever to private American citizens being paid, but I do object strenuously to any manipulation by which we load $2 billion more on our taxpayers so that some people holding the bonds, whom no one knows at the present time, can be paid in full.

I read again from the letter:

By what authority can the United States representative on the Tripartite Commission proceed to seek international sanction for a debt settlement of this magnitude without the sanction of the United States Congress? The $2 billion reduction in Germany's postwar debt to the United States Government would represent, in effect, an additional American grant to the Bonn Government without the approval of Congress.

I am not persuaded that there exists any authority under which the Department of State or its representatives can commit this Government, by executive agreement, to such a vast scaling down of a legitimate intergovernmental debt, particularly in view of the fact that the obvious purpose of this settlement is to arrange for satisfying the claims of a small number of financial and other private creditors at public expense.

In that connection I should like to read from the report of the Committee on Foreign Relations:

Since it is likely that over the next decade the Germany economy will be able to support only limited amounts of payments to service external debts, the effect of writing down the claim of the United States Government is to make it possible thereby to service the prewar private loans. The thought was expressed in the committee—

It was expressed by the present speaker, for one—

that the effect of this writedown was to make the American taxpayer who had put up money for postwar economic assistance bear the burden of payments to private American creditors.

Representatives of the executive branch of the Government recognized that this was the case.

Those statements appear in the report of the Foreign Relations Committee itself.

Mr. President, there are in this body Members who recall the years following World War I, when there was a huge flotation in the United States of German securities—German governmental securities, German corporate securities, German municipal securities. Those securities were sold all over the United States. Perhaps some Members of the Senate had the experience at that time, if they had money available for investment, of going to their banks and finding that their bankers practically insisted that they buy some of those German bonds. The large financial centers of the United States that were floating those German securities were sending them to their correspondent banks in various parts of the country, and were urging them to sell them. I know some members of my community who were practically forced to invest in those German securities, under those circumstances.

Mr. President, I hold in my hand some interesting material in relation to this matter.

On December 11, 1931, the late Hon. Fiorello LaGuardia, then a Member of the House of Representatives from New York, placed in the CONGRESSIONAL RECORD a series of articles from the New York American concerning investments of American citizens in foreign securities. The chief purpose of these articles was to demonstrate how great the losses of American investors were as a result of heavy depreciation in foreign bonds purchased in the 1920's.

In view of the agreements pending in the Senate for the settlement of the German external debts of prewar days, I believe certain excerpts from these articles will be of value to Senators.

The third article of the New York American's series, dated November 10, 1931, shows German governmental and corporate securities offered in the United States from 1914 through 1930 totaled $1,380,637,000, of which $949,842,000 were German Government obligations, and $430,794,000 were German corporate securities.

The fourth article of the series, dated November 12, 1931, showed the depreciation in the value of the holdings of German governmental issues as follows:

Par value of offerings now whole or in part outstanding	$711,192,600
Actual cash invested by public of United States	625,239,950
Par value of outstanding issues	649,089,110
Current value of outstanding issues	277,413,160
Depreciation from par	371,675,950
Depreciation (percent)	−57

The fifth article in this series, dated November 14, 1931, deals exclusively with German securities floated in the United States, chiefly between 1924 and 1930. I ask unanimous consent that this article be printed at this point in its entirety, including the table listing all the German state issues publicly sold in the United States and outstanding at the time this article was written.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[No. 5, November 14, 1931]

(Following is fifth article in New York American survey of foreign securities sold to private investors in United States, aggregating $15,000,000,000 since 1914. Previous articles disclosed eleven hundred millions depreciation in South American "dollar bonds" held by Americans. Eight hundred million decline in European government and semigovernment securities sold to American private investors has been disclosed. Decline of 43 percent has taken place in value of 16 European countries' securities sold here. Bankers' commissions on the 15 billion foreign financing in the American market has netted them at least a billion dollars, it is estimated. This series ignores the European "war debts" to the United States Government.—EDITOR'S NOTE.)

1. Four hundred and fifty million dollars depreciation has taken place in value of German Government and semigovernment securities sold to American private investors.

2. American investment losses in German securities are the largest in any foreign nation.

3. There is outstanding today and owed to American investors more than $700,000,000 of German Government and semigovernment loans.

4. Germany has been the most prodigious European postwar borrower from the United States. Her aggregate borrowings from private investors in this country have exceeded thirteen hundred millions, almost all advanced during the period 1924–30, inclusive. Our international bankers sold these securities to American investors, thereby earning large commissions.

5. Germany for years used her American borrowings to meet her reparations debts.

6. The ogre of a possible moratorium for Germany hangs over all her obligations.

For 7 years, 1924–30, inclusive, Germany indulged in the greatest borrowing spree the world has ever witnessed.

In that period the Reich and its political divisions and German corporations marketed in the United States more than thirteen hundred million dollars of their securities.

Liberality with which American investors' funds were advanced to Germany embodied all of the ignorance and amazing lack of foresight which characterized the whole postwar foreign financing era in the United States.

As a result American investment losses in German securities are the largest in any foreign land.

FIFTY-SEVEN PERCENT DEPRECIATION

Of the $1,372 million total German financing in the United States, there still is outstanding $780 million of Government and semi-Government issues at par value.

Market value of these securities today is $329 million.

Depreciation totals $450 million, or 57 percent.

And even this enormous shrinkage is totally exclusive of losses suffered in German corporate securities floated to an aggregate above $400 million.

Successful flotation of the Dawes plan loan in the international capital markets opened the eyes of Germany to the vast possibilities for enticing foreign capital into that country. There followed then a period of foreign financing for Germany which has no duplicate in world history.

From years of absolutely no German financing in the American market there developed an amazing growth of German security sales here. The United States, then in the supposedly endless era of prosperity at home, absorbed hundreds of millions in German securities.

Germany, to her amazement, found the American money markets actually eager to secure her bonds and stocks. And Germany finally discovered some embarrassment in using these foreign funds.

For several years during the fantastic era Germany utilized the proceeds of her foreign financing, chiefly from American investors, to meet her reparations requirements.

USE OF LOANS

Furthermore, German recipients of American investors' liberality deemed it advisable to build up their industrial machinery to compete once again in the world's markets. Proceeds of loans were also used in the construction of public conveniences above and beyond necessities. Playgrounds, home developments, public parks, and similar undertakings were all financed with the inflowing foreign capital.

How freely the American market absorbed German securities is evidenced in the following table. It presents yearly totals of German Government and semi-Government securities publicly sold to American private investors:

[Thousands omitted]

Year	Government	Corporate	Total
1924	$110,000	$8,000	$118,000
1925	158,750	59,500	218,250
1926	151,138	143,108	294,245
1927	150,405	80,120	230,525
1928	186,370	106,106	292,476
1929	21,475	10,149	31,625
1.30	143,308	23,510	166,818
Total	941,846	430,793	1,372,639

The aftermath of this fantastic era of foreign lending by the American investor is chilling. Today the world is rife with ugly rumors concerning Germany's capacity to pay, her inclination to meet her obligations, and similar doubts questioning the safety of all foreign investments in Germany. And the United States investor has the biggest stake of any nation's private investors. This, of course, excludes the political and intergovernmental debts.

The dollar-and-cents story of American loans to German Government and semi-Government bodies is graphically told in the accompanying table.

(Next article in this series will deal with American private investors' losses in European corporate securities.)

German State issues publicly sold in United States and now outstanding

Borrower	Amount issued	Interest		Amount current		Current value	Depreciation from par
		Rate, percent	Issue price	Outstanding	Quotation		
Free State of Anhalt	$1,750,000	7	98¾	$1,400,000	25	$350,000	$1,050,000
Free State of Bavaria	15,000,000	6½	88½	11,250,000	35	3,937,000	7,412,000
	8,000,000	6½	92¾	7,838,000	35	2,743,000	5,094,000
Bavarian Palatinate Consolidated Cities	3,800,000	7	93¾	3,385,000	25	846,000	2,539,000
Berlin City Electric Co	15,000,000	6½	93½	14,288,000	40	5,715,000	8,572,000
	9,651,000	6½	93½	9,451,000	41	3,912,000	5,629,000
Berlin Elevated Underground R. R. Co	12,778,000	6½	90½	12,778,000	35	4,472,000	8,305,000
Brandenburg Electric Co	9,681,000	6½	94½	9,681,000	44	4,025,000	5,123,000
Brown Coal Industrial Corp	5,000,000	6	93½	4,765,000	29	1,383,000	3,383,000
City of Berlin	2,000,000	6½	93½	2,000,000	40	800,000	1,200,000
	13,000,000	6½	89	11,579,000	37	4,284,000	7,295,000
	178,000	6	75	133,000	25	33,000	100,000
	1,190,000	8	91¾	671,000	65	436,000	234,000
City of Cologne	15,000,000	6	95	14,616,000	29	4,238,000	10,477,000
German consolidated municipal loan of German savings banks and clearing-house associations	8,000,000	6½	87½	7,014,000	34	2,385,000	4,629,000
Central Bank of Agriculture	17,500,000	6	94½	16,433,000	32	5,258,000	11,174,000
	19,000,000	7	93	17,300,000	51	8,823,000	8,477,000
	18,000,000	6	95	18,385,000	50	9,192,000	9,192,000
	43,405,000	6	95½	41,130,000	49	20,153,000	20,976,000
Central Bank of German State and Provincial Banks (Inc.)	26,000,000	6	95½	24,963,000	52	12,970,000	11,992,000
	3,500,000	6	95	3,340,000	31	1,035,000	2,305,000
	10,000,000	6	95	9,275,000	33	3,060,000	6,214,000
Central German Power Co. of Magdeburg	2,430,000	6	98¼	2,430,000	89	2,162,000	267,000
Consolidated Agricultural Loan of German Provincial and Communal Banks	21,000,000	6½	97½	20,280,000	38	7,710,000	12,570,000
Consolidated Hydroelectric Works of Upper Wurttemburg	4,000,000	7	93	3,778,000	40	1,515,000	2,273,000
Consolidated Municipalities of Baden	4,500,000	7	93	4,135,000	30	1,240,000	2,894,000
Consolidated municipal loan of German savings banks	19,950,000	7	93¾	18,385,000	35	6,434,000	11,950,000
Dortmund Municipal Utilities	3,000,000	6½	91½	3,000,000	45	1,350,000	1,650,000
City of Dresden	3,750,000	7	94	3,174,000	32	1,015,000	2,158,000
City of Duisburg	3,000,000	7	98¾	2,250,000	25	562,000	1,687,000
City of Dusseldorf	1,750,000	7	93¾	1,312,500	80	1,050,000	262,500
Electric Power Corp	5,000,000	6½	87	5,000,000	38	1,900,000	3,100,000
	2,500,000	6½	87	2,500,000	38	950,000	1,550,000
East Prussian Power Co	5,000,000	6½	90½	5,000,000	35	1,750,000	3,250,000
City of Frankfort on the Main	3,500,000	6	91	3,426,000	30	1,027,000	2,398,000
	2,800,000	7	94	2,800,000	40	1,120,000	1,680,000
German Building and Land Bank	6,250,000	6½	90½	6,062,000	29	1,758,000	4,304,000
Government of Germany	5,250,000	6½	98½	5,079,000	30	1,523,000	3,555,000
	110,000,000	7	92	83,791,000	64	53,731,000	30,060,000
Hamburg Electric Co	98,250,000	5½	90	98,250,000	38	37,335,000	60,915,000
Hamburg Elevated, Underground & Street Rys. Co	4,000,000	7	93½	3,000,000	84	2,520,000	480,000
City of Hamburg	6,500,000	5½	92½	6,293,000	50	3,146,000	3,146,000
City of Hanover	10,000,000	6	91¾	10,000,000	39	3,900,000	6,100,000
City of Heidelberg	3,500,000	7	98	3,459,000	35	1,210,000	2,248,000
Province of Hanover Harz Water Works	1,500,000	7½	98½	1,401,000	32	488,000	912,000
	1,000,000	6	95	1,000,000	35	350,000	750,000
City of Leipsig	3,725,000	6½	94½	3,725,000	28	998,000	2,756,000
Leipsig Overland Power Co	3,750,000	7	94¾	3,339,000	35	1,168,000	2,170,000
Luneburg Power, Light & Waterworks (Ltd.)	2,425,000	6½	92½	2,101,000	30	630,000	1,370,000
Free State of Oldenburg	1,100,000	7	98	1,087,000	40	434,000	652,000
Manheim & Palatinate Electric Co	3,000,000	7	93½	2,403,000	45	1,081,000	1,321,000
City of Munich	2,675,000	7	96½	2,675,000	40	1,230,000	1,444,000
Municipal Bank of State of Hessen	8,700,000	7	93½	6,525,000	34	1,631,000	4,893,000
Municipal Gas & Electric of Recklinhausen	3,600,000	7	93¾	2,700,000	30	810,000	1,890,000
Nassau Land Bank	1,500,000	7	98	1,384,000	25	346,000	1,384,000
City of Nuremburg	3,000,000	6½	97½	3,000,000	45	1,350,000	1,650,000
Oberpfalz Electric Power Corp	5,000,000	6	94	4,660,000	26	1,211,000	3,448,995
Free State of Oldenburg	1,250,000	7	97½	1,077,000	35	377,000	700,000
Pomerania Electric Co	3,000,000	7	93½	2,403,000	45	1,081,000	1,321,925
Provincial Bank of Westphalia	3,500,000	6	92½	3,427,000	29	993,000	3,427,000
Free State of Prussia	3,000,000	6	97¾	3,000,000	25	750,000	2,250,000
	17,500,000	6½	95	17,500,000	35	6,125,000	11,375,000
	24,500,000	6	90½	23,078,000	35	8,077,000	15,000,000
Prussian Electric Co	4,000,000	6	91	4,000,000	30	1,210,000	2,790,000
Rhine Main Danube Corp	6,000,000	7	96	5,414,000	43	2,328,000	3,085,000
Rhine Ruhr Water Service Union	7,500,000	6	93	7,070,000	29	2,050,000	5,019,000
Rhine Westphalia Electric Power Corp	10,000,000	7	94	8,510,000	62	5,276,000	3,223,000
	10,500,000	6	93½	10,098,000	49	4,948,000	5,150,000
	14,850,000	----------	93	14,850,000	50	7,425,000	7,425,000
Saxon Public Works	12,500,000	6	94	12,168,000	49	5,962,000	6,206,000
	15,000,000	7	92	15,000,000	45	6,750,000	8,250,000
Saxon State Mortgage Institutions	11,000,000	6½	91½	10,698,000	38	4,065,000	6,633,000
	10,000,000	5	97½	10,000,000	43	4,325,000	5,675,000
	2,000,000	6	95	1,849,000	25	462,000	1,386,000
	5,000,000	7	93½	4,346,000	50	2,173,000	2,173,000
	4,000,000	6½	97	3,579,000	42	1,503,000	2,075,000
State of Bremen	11,250,000	7	94	10,019,000	45	4,508,000	5,510,000
Stettin Public Utilities	3,000,000	7	94½	2,400,000	30	720,000	1,680,000
Unterelbe Power & Light Co	4,250,000	6	93	4,097,000	34	1,392,000	2,704,000
United Industrial Corp	6,000,000	6½	97½	6,000,000	36	2,160,000	3,840,000
Vesten Electric Rys	1,750,000	7	98	1,614,000	25	403,500	1,210,000
Westphalia United Power Corp	20,000,000	6	92½	20,000,000	34	6,975,000	13,025,000
State of Wurttemberg	8,400,000	7	93¾	6,300,000	25	1,575,000	4,725,000
Total	845,088,000	----------	----------	780,226,000	----------	329,536,000	450,375,000

Current quotations of above table represent either last sale, last bid, or nominal price.

Mr. GILLETTE. Mr. President, although most of these investment houses also participated in issues managed by companies other than their own, the figures important to the Senate at this time, I believe, are those showing the various issues of German bonds and securities floated by the several syndicates, the amounts of these issues, the purchasing price, the offering price, and, where available, the profits accruing to the syndicate in question.

I ask unanimous consent that the tabulations showing these figures, which are taken from the record of the Senate Finance Committee hearings of 1931–32, be printed in the RECORD at this point.

There being no objection, the tabulations were ordered to be printed in the RECORD; they appear on the following pages.

J. P. MORGAN & CO.

The Morgan bank headed the syndicates which floated both the Dawes and Young plan bonds. Page 1264 of the Finance Committee hearings contains tabular matter relating to these two major issues of German Government bonds, the face value of which totaled $208,250,000.

Dawes and Young plan bonds floated by Morgan-headed syndicates

Date of issue	Name of government	Title of issue	Amount of issue	Issue price	Our managing commission	Original group			Total			Net profit in percent of principal amount of issue
						Our gross profit	Our share of expenses	Our net profit	Our gross profit in all groups	Our share of expenses in all groups	Our net profit in all groups	
Oct. 14, 1924	Germany	7 percent bonds due Oct. 15, 1949.	$110,000,000	92	$275,000	$165,000	----------	$165,000	$879,889.58	$14,382.80	$865,306.78	0.786
June 12, 1930	....do	5½ percent bonds due June 1, 1965.	98,250,000	90	196,500	231,870	----------	231,870	663,943.72	27,248.22	636,695.50	.648

THE NATIONAL CITY CO.

Total German issues offered by syndicates under the management of the National City Co., amounted to $354 million in the years 1925 to 1930.

German issues offered by National City Co. syndicates

Name of issue	Date offered	Amount of issue	Rate	Maturity	The Syndicate		The National City Co.	
					Total expenses	Total net profit	Net profit	Number of retail sales
GERMANY								
General Electric Co., Germany	Jan. 26, 1925	$10,000,000	7	Jan. 15, 1945	$88,769.29	$399,930.71	$222,236.83	1,125
Do	Dec. 9, 1925	10,000,000	6½	Dec. 1, 1940	36,365.75	513,634.25	292,231.43	1,352
Do	May 22, 1928	10,000,000	6	May 1, 1948	59,876.50	357,046.00	187,557.38	850
Do	June 7, 1928	5,000,000	6	May 1, 1948	----------	----------	134,803.31	504
Amer. I. G. Chemical Corp	Apr. 26, 1929	30,000,000	5½	May 1, 1949	209,460.80	990,159.20	391,099.66	2,285
Central Bank for Agriculture, Germany	Sept. 16, 1925	25,000,000	7	Sept. 15, 1950	87,280.65	1,003,999.35	354,516.58	1,531
Do	July 11, 1927	30,000,000	6	July 15, 1960	87,775.44	658,688.31	223,631.92	1,709
Do	Oct. 14, 1927	50,000,000	6	Oct. 15, 1960	71,665.67	1,291,574.33	359,279.93	2,191
Do	May 2, 1928	25,000,000	6	Apr. 15, 1938	66,797.44	715,405.06	137,740.32	1,451
Harpen Mining Corp	Feb. 11, 1929	10,000,000	6	Jan. 1, 1949	43,960.37	166,8[illegible]9.63	121,152.80	711
Ilseder Steel Corp	Apr. 29, 1926	7,500,000	7	Apr. 1, 1946	20,979.68	347,381.12	225,964.96	1,243
Do	Oct. 31, 1928	10,000,000	6	Aug. 1, 1948	79,083.22	293,303.52	117,814.89	1,830
Rhine Westphalia Electric Power Corp	Nov. 12, 1925	10,000,000	7	Nov. 1, 1950	41,228.80	416,729.53	236,521.04	1,194
Do	Aug. 10, 1927	15,000,000	6	May 1, 1952	74,473.55	411,331.45	210,788.45	1,824
Do	Sept. 26, 1928	20,000,000	6	Aug. 1, 195[illegible]	105,910.14	497,190.99	227,745.96	1,457
Do	Oct. 2, 1928	8,000,000	----------	----------	35,930.42	225,809.37	146,016.36	867
Do	Mar 20, 1930	20,000,000	6	Apr. 1, 1955	130,438.49	504,286.51	220,582.00	1,078
Do	Feb. 20, 1931	7,500,000	7	Feb. 1, 1936	----------	----------	8,205.00	75
Saxon Public Works	Feb. 3, 1925	15,000,000	7	Feb. 1, 1945	123,046.82	701,953.18	438,775.55	3,739
Do	June 30, 1926	15,000,000	6½	May 1, 1951	60,056.04	630,518.96	250,834.73	1,244
Do	July 30, 1930	10,000,000	5	July 15, 1932	33,247.82	221,577.18	68,149.87	314
Saxon State Mortgage Institution	Jan. 15, 1926	5,000,000	7	Dec. 1, 1945	13,248.19	267,435.14	150,551.16	956
Do	Nov. 22, 1926	4,000,000	6½	Dec. 1, 1946	18,127.11	180,622.89	108,015.96	790
Do	Sept. 8, 1927	2,000,000	6	Sept. 15, 1947	9,541.94	70,458.06	40,283.26	465

DILLON, READ & CO.

German governmental and corporate securities issued by syndicates headed by Dillon, Read & Co. between 1919 and 1931 totaled in face value $291,825,000, plus 17.5 reichsmarks in common shares and trust certificates. Of the dollar bonds, $76,815,000 was sold abroad, while of the reichsmarks issues, 400,000 reichsmarks worth was sold abroad. The remainder was sold in this country. Pages 502–506 of the Finance Committee hearings contain a tabulation of all foreign issues sold by syndicates headed by Dillon, Read & Co.

Foreign issues by Dillon, Read & Co., 1919–31

Date of issue	Name of issue	Issued	Outstanding, 1931	Sold abroad	Retail offering price	Syndicate price	Banking group price	Purchase price	Gross originating receipts before expenses
1925									
January	Siemens & Halske A. G. 7's, due 1928–1935	$10,000,000	$9,544,500	$1,550,000	99.00	96.50	96.00	95.00	$49,337
					96.50	93.00	92.00	91.00	
Do	August Thyssen Iron & Steel Works 7's, due 1930	12,000,000	Matured	1,300,000	98.50	95.50	94.50	93.25	65,162
February	Canadian National Rys. 4½'s, due 1930	18,000,000	Matured	----------	99¾	99.75	----------	99¼	4,866
Do	Canadian National Rys. 4½'s, due 1935	17,000,000	17,000,000	7,000,000	97¾	96¾	----------	96.25	6,670
Do	Est Ry. Co. (France) 7's, due 1954	20,000,000	Called	1,330,000	87.50	84.50	----------	82.50	119,380
Do	Republic of Poland 8's, due 1950	35,000,000	27,300,000	285,000	95.00	91.00	88.00	86.25	828,550
April	German Steel works group 1-year 7 percent notes	6,000,000	Matured	1,500,000	99.00	----------	----------	98.00	None
June	Province of Saskatchewan 4½'s, due 1945	2,250,000	2,250,000	1,511,000	96.25	95.25	----------	94.90	235
July	Province of British Columbia 4½'s, due 1950	1,000,000	1,000,000	800,000	94.00	----------	----------	94.00	None
Do	Great Consolidated Electric Power Co. of Japan 6½'s, due 1950.	13,500,000	11,883,500	55,000	86.00	83.00	82.00	80.00	172,160
October	Rudolph Karstadt (Inc.) (Germany) 7's, due 1909	3,000,000	Matured	----------	97.00	94.00	93.00	88.00	102,198
November	Municipal Bank of Hessen (Germany) 7's, due 1926–1945.	3,000,000	2,700,000	380,000	95.93	92.44	91.94	88.50	109,086
Do	Province of New Brunswick 4½'s, due 1958	2,275,000	Matured	----------	99.85	99.15	----------	98.77	3,044
December	Disconto Gesellschaft Bank, Berlin, common shares	RM7,500,000	RM7,500,000	----------	150.00	147.00	----------	137.85	74,293

Foreign issues by Dillon, Read & Co., 1919–31—Continued

Date of issue	Name of issue	Issued	Outstanding, 1931	Sold abroad	Retail offering price	Syndicate price	Banking group, price	Purchase price	Gross originating receipts before expenses
1926									
January	Rheinelbe Union Steel Works, 7's, due 1946	$25,000,000	$22,188,000	$7,175,000	94.00	90.00	88.00	87.00	$148,708
May	Agricultural Mortgage Bank of Colombia, 7's, due 1946	3,000,000	2,300,500		94.00	90.00		85.00	71,182
Do	United States of Brazil, 6½'s, due 1957. (See below)	35,000,000		7,732,000	90.00	86.50	86.00	84.00	451,355
June	City of Ottawa, 5's, due 1927–1956	672,000	520,500						None
Do	United Steel Works Corporation (Germany), 6½'s due 1951, series A	30,000,000	27,300,000	2,000,000	96.00	93.00	92.50	90.00	551,872
Do	Toronto Harbor Commission, 4½'s, due 1953	1,960,000	1,960,000	479,000	95.00	94.00		93.25	2,879
Do	Aug. Thyssen Iron & Steel Co., 6 percent notes, due 1926	5,000,000	Matured	1,600,000	99.50			99.00	4,807
Do	City of Ottawa, 5's, due 1927–1956	702,942	520,500		100.67			100.67	None
Do	United States of Brazil, 6½'s, due 1957	25,000,000	20,921,000	6,775,000	90.50	87.50	87.00	84.00	521,335
Do	Province of British Columbia, 4½'s, due 1927–1956. (See above)	6,000,000	5,370,000	3,340,000	97.17			96.043	8,274
1926									
August	Siemens & Halske A. G., 6½'s, due 1951	24,000,000	23,685,000	7,745,000	47.50	47.00		43.50	319,570
Do	Disconto Gesellschaft Bank, Berlin, trust certificates for common shares	RM10,000,000	RM10,000,000	RM400,000	147.50	143.60		138.10	96,962
November	Province of Saskatchewan, 4½'s, due 1956	2,500,000	2,500,000	2,500,000	94⅛			93.00	9,119
December	Berlin City Electric Co., 6½'s, due 1951	20,000,000	18,579,000	3,515,000	98.00	96.00	95.50	94.00	122,628
1927									
January	Batavia Petroleum Corporation (Holland), 4½'s, due 1967	25,000,000	25,000,000	650,000	96.25	95.25	93.00	94.25	82,201
Do	Province of Saskatchewan, 4½'s, due 1957	1,468,500	1,468,500		95.00			94.28	4,370
February	Republic of Bolivia, 7's, due 1958	14,000,000	14,000,000	1,695,000	98.50	96.00	93.50	90.05	503,219
April	Province of Alberta, 4½'s, due 1967	3,785,000	3,875,000	1,331,000	98.17	97.17		96.55	4,709
Do	Canadian National Railways, equipment trust 4½'s, due 1928–1942	15,000,000	11,000,000	1,065,000	98.831	98.206		98.00	2,984
Do	City of Milan (Italy), 6½'s, due 1952	30,000,000	27,409,200	5,010,000	92.00	90.00	89.50	88.50	78,276
Do	Province of Quebec, 4½'s, due 1957	4,000,000	4,000,000	1,670,000	100.00	99.75		99.19	4,180
July	United Steel Works Corporation (Germany) 6½'s, due 1951, series C	4,225,000	4,225,000	1,352,000	97.50	95.50	95.00	94.00	20,442
Do	United Steel Works Corporation 6½ per cent debentures due 1947	30,000,000	27,795,500	13,590,000	98.50	96.00	95.50	94.00	268,571
September	Province of Nova Scotia, 4½'s, due 1952	12,370,000	12,370,000	3,494,000	99.25	98.00		97.417	25,479
Do	Montreal Metropolitan Commission, 4½'s, due serial	6,037,000		2,433,000	97.75	97.00		96.20	8,242
Do	Deutsche Bank, Berlin, 6's, due 1932	25,000,000	25,000,000	8,400,000	99.50	98.00	97.50	96½/96	129,816
October	United States of Brazil, 6½'s, due 1957	41,500,000	39,990,000	5,430,000	92.50	90.50	90.00	88.00	539,308
November	City of Vancouver, 4½'s, due 1942–1967	1,135,000	1,135,000	829,000	98.54	97.77		97.27	3,865
December	Shinyetsu Electric Power Co. (Japan), 6½'s, due 1952	7,650,000	7,150,000	676,000	93.25	91.25	90.75	89.00	106,376
Do	National Transcontinental Branch Line Railway (Canada), 4½'s, due 1955	3,396,000	3,396,000	488,000	98.50	97.00	96.00	92.00	55,667
Do	Niagara Power Commission, 4's, due 1942	2,000,000	2,000,000						None
1928									
January	Province of British Columbia, 4's, due 1928	4,000,000	4,000,000	1,150,000	100.00	99¾		99.817	701
March	Gelsenkirchen Coal Mining Co. (Germany), 6's, due 1934	15,000,000	15,000,000	7,360,000	97.00	94.50	93.75	93.00	50,314
May	St. Lawrence Paper Co. (Canada), 6 percent preferred and common stock	11,140,000	11,140,000	64,500	78.00	75.00	73.00	69.00	390,810
Do	Ruhr Chemical Co. (Germany), 6's, due 1948	4,000,000	3,683,000	1,536,000	92.25	89.75	89.25	87.25	56,140
September	Republic of Bolivia, 7's, due 1969	23,000,000	23,000,000	3,325,000	97.50	95.00	94.00	93.00	255,565
November	Ruhr Gas Corp. (Germany), 6½'s, due 1953	12,000,000	12,000,000	3,136,000	94.00	91.00		90.00	27,413
December	Ruhr Housing Corp. (Germany), 6's, due 1958	4,600,000	4,544,000	850,000	92.00	89.00		89.00	None
Do	Rudolph Karstadt Corp. (Germany), 6's, due 1943	15,000,000	14,341,000	1,465,000	98.00	95.00	93.75	93.08	111,249
1929									
January	Province of British Columbia, 4½'s, due 1969	6,417,000	6,417,000	4,343,000	94.69	93.69		92.69	11,349
Do	Montreal Metropolitan Commission, 5's, due 1966	3,100,000	3,100,000	1,048,000	99.75	98.75		98.456	4,097
February	Berlin City Electric Co., 6½'s, due 1950	15,000,000	14,741,000	5,423,000	93.50	91.00	90.50	90.00	18,504
March	Ernesto Breda Co. (Italy), 7's, due 1954	5,000,000	4,895,000	800,000	96.25	93.75	91¾/91¾	91¾/91¾	65,607
June	Canadian National Railways, 5's, due 1969	60,000,000	60,000,000	34,640,000	99.75	98.50		98.1597	41,918
September	Province of British Columbia, 5's, due 1959	3,036,500	3,036,500	2,136,500	100.00	98.75		98.80	1,826
November	Province of British Columbia, 5½'s, due 1930	3,000,000	Matured		100.00	99.75		99.25	2,626
Do	Province of British Columbia, 5's, due 1931	3,000,000	Matured		100.00	99.75		99.25	2,561
1930									
February	Canadian National Railways, 5's, due 1970	18,000,000	18,000,000	4,000,000	99.50	98.75		98.08	11,664
Do	Siemens & Halske Co. (Germany), participating debentures, due 1930	14,000,000	14,000,000	3,740,000	933.00	903.00	887.50	882.50	430,990
March	Royal Dutch Co. (Holland), 4's, due 1945	40,000,000	40,000,000	9,100,000	89.50	87.50	86.75	86.00	253,449
Do	Canadian National Steamship Co., 5's, due 1955	9,400,000	9,400,000	4,700,000	100.00	99.50		99.177	6,810
April	Berlin City Electric Co., 6's, due 1955	15,000,000	15,000,000	3,698,000	90.50	88.50	88.00	86.75	101,495
July	Government of Newfoundland, 5's, due 1955	2,500,000	2,500,000	1,158,000	100.75	100.00		99.318	2,577
August	Province of British Columbia, 3½'s, due 1931	2,500,000	Matured		100.00	99⅝		99.65	848
December	Province of British Columbia, 4's, due 1932	4,015,000	4,015,000		99.62			99.50	687

Beginning on page 419 of the hearings are tabulations of foreign securities sold by syndicates headed by 3 separate houses which later were merged into 1: the Chase Securities Corp., Equitable Trust Co., and Harris, Forbes & Co. These were all absorbed into the Chase Securities Corp., an affiliate of the Chase National Bank.

CHASE SECURITIES CORP.

Syndicates under management of this house floated German securities between 1921 and 1930 in the amount of $39,400,000.

Foreign bond issues in which Chase Securities Corp. had a participation in the origination and/or management

Issue	Principal amount	Amount outstanding Dec. 15, 1931	Purpose of issue	Interest in original group	Our participation	Purchase price	Offering price	Gross spread	Profit
Germany								*Percent*	
Chemnitz, City of, 1-year 5½ percent Treasury notes, Nov. 1, 1926–Nov. 1, 1927.	$2,000,000	(1)	Additions and improvements to income-producing properties owned by the city.	Chase Securities Corporation, 42½ percent. Blair & Co. (Inc.), 42½ percent. Darmstadter Bank (Berlin), 15 percent.	$850,000	98½	99½	1.00	$2,000
Commerz-und Privat 5½ percent bonds, Nov. 1, 1927–Nov. 1, 1937.	20,000,000	$20,000,000	Financing of exporting industrial corporations.	Chase Securities Corporation, 39 percent. Blair & Co. (Inc.), 39 percent. Halsey Stuart & Co. (Inc.), 19.5 percent. Bankers Trust Co., 2.5 percent.	7,800,000	91½	94½	3.00	44,000
East Prussian Landowners, Bank of, 6 percent notes, Apr. 1, 1927–Apr. 1, 1930.	7,000,000	(1)	Granting the Landowners Association a 2-year 6 per gold mark loan, to be used for refunding purposes.	Chase Securities Corp., 48.2. Blair & Co. (Inc.), 48.2. Deutsche Bank, Berlin, 3.6 percent.	3,375,000	95¾	99¼	3.50	36,000
Hanover, City of, 5½ percent notes, Oct. 1, 1926–Oct. 1, 1927.	2,000,000	(1)	Additions and improvements to income producing properties owned by city.	Chase Securities Corp., 37½ percent. Blair & Co. (Inc.), 37½ percent. Darmstadter-Hanover, 25 percent.	750,000	98¾	99½	.75	
Wurttemberg Consolidated Municipal, 7 percent serial bonds, Nov. 1, 1925–Nov. 1, 1946, 1945.	8,400,000	5,880,000	Electric light and power plants, and other public works development.	Chase Securities Corp. 50, percent. Blair & Co. (Inc.), 50 percent.	4,200,000	89¼	96.15	6.90	99,000
Miscellaneous: Danzig Port and Waterways, 6½ percent bonds, July 1, 1927–July 1, 1952.	4,500,000	4,353,500	Enlarging harbor and construction of additions and improvements; refunding of an outstanding debt of city of Danzig.	Chase Securities Corp. 44.44. Blair & Co. (Inc.), 44.44. Bankers Trust, 11.12.	2,000,000	84½	90	5.50	17,000

[1] Retired.

EQUITABLE TRUST CO.

The Equitable Trust Co. originated and/or managed the issuance of $50 million in German securities.

Foreign bond issues in which Equitable Trust Co. had a participation in the origination and/or management

Issue	Principal amount	Amount outstanding Dec. 15, 1931	Purpose of issue	Interest in original group	Our participation	Purchase price	Offering price	Gross spread	Profit
German:								*Percent*	
Bavaria Free State of 6½ percent serial bonds Aug. 1, 1925–Aug. 1, 1926–1945.	$15,000,000	$10,500,000	Public improvements and capital acquisitions.	Equitable Trust Co., 50 percent. Harris, Forbes & Co., 50 percent.	$7,500,000	89	92.93625	3.95	$143,000
Bavaria Free State of 6½ percent sinking fund gold bonds Aug. 1, 1925–Aug. 1, 1945.	10,000,000	9,511,000	Extension of hydroelectric properties.	Equitable Trust Co., 50 percent. Harris, Forbes & Co., 50 percent.	5,000,000	87¾	92.75	5.00	99,000
Bavaria, Free State of, 1 year treasury notes June 10, 1927–June 10, 1928.	20,000,000	----------	Refunding floating indebtedness of State.	Equitable Trust Co., 50 percent. Harris, Forbes & Co., 50 percent.	10,000,000	94.15	94.9064	----------	21,000
Nuremberg, city of, 6 percent bonds Aug. 1, 1927–Aug. 1, 1952.	5,000,000	4,483,000	Improving and enlarging city-owned public works.	Equitable Trust Co., 100 percent.	5,000,000	90½	94	3.50	32,000

HARRIS, FORBES & CO.

This house originated and/or managed German issues totaling $159,700,000.

Foreign bond issues in which Harris, Forbes & Co. had a participation in the origination and/or management

Issue	Principal amount	Amount outstanding Dec. 15, 1931	Purpose of issue	Interest in origina. group	Our participation	Purchase price	Offering price	Gross spread	Profit
Germany:								*Percent*	
Duisburg, City of 7 percent serial bonds, Nov. 1, 1925–Nov. 1, 1926–1945.	$3,000,000	$2,100,000	Public works improvements.	Harris, Forbes & Co., 100 percent.	$3,000,000	[1] 89½	[2] 95.95	6.45	$90,000
East Prussian Power 6 percent bonds, June 1, 1928–June 1, 1953.	3,500,000	3,426,000	Retirement of current debt and for additions and improvements.	Harris, Forbes & Co., 75 percent. International Acceptance Bank, 25 percent.	2,525,000	88	91	3.00	10,000
Electric Power Corp. 6½ percent bonds, Mar. 1, 1925–Mar. 1, 1950 (additional issue, September 1925).	5,000,000 2,500,000	7,125,000	Development and enlargement of company's properties.	Harris, Forbes & Co., 100 percent. (Ceded at step-up: Lee Higginson, 25 percent. Brown Bros., 20 percent.)	7,500,000	79½ 82	87 87	7.50 5.00	81,000 42,000
Electric Power Corp. 6½ percent bonds, Apr. 1, 1928–Apr. 1, 1953.	5,000,000	5,000,000	----do----	Harris, Forbes & Co., 100 percent. (Same participants on step-up basis as above.)	5,000,000	95½	99½	4.00	65,000
German consolidated municipal 7 percent loan, Feb. 1, 1926–Feb. 1, 1947, (additional issue, August 1926).	15,000,000 8,000,000	19,772,000	Construction and improvement of public works.	Harris, Forbes & Co., 46⅔ percent. Lee Higginson, 23¼ percent. Guaranty Co., 13⅓ percent. Rollins, 8⅓ percent. Equitable Trust Co., 8⅓ percent. Harris, Forbes & Co., 100 percent.	10,733,333	89.4167	94¼	5.33	129,000
German consolidated municipal 6 percent loan, June 1, 1926–June 1, 1947.	17,500,000	15,850,000	----do----	Same purchase group as above at 0.125 step-up.	17,500,000	91½	94½	3.00	82,000

[1] Flat.

[2] Average.

Foreign bond issues in which Harris, Forbes & Co. had a participation in the origination and/or management—Continued

Issue	Principal amount	Amount outstanding Dec. 15, 1931	Purpose of issue	Interest in original group	Our participation	Purchase price	Offering price	Gross spread	Profit
								Percent	
Germany—Continued "Gesfurel" 6 percent debentures, June 1, 1928–June 1, 1953.	$85,000,000	$4,700,000	Development of existing properties and for investment in other electric enterprises.	Harris, Forbes & Co., 80 percent. 5 percent ceded to Disconto Bank, Berlin; Dresdner Bank, Berlin; Credit Suisse Harris Forbes (Ltd.), London.	$4,000,000	96	100	4.00	$102,000
Munich, City of, 7 percent serial bonds Aug. 1, 1925–Aug. 1, 1936-45.	8,700,000	6,090,000	Extension and improvement of public works.	Harris, Forbes & Co., 100 percent.	8,700,000	[1] 88¼	[2] 96.1125	[2] 7.8625	217,000
Pomerania Electric 6 percent bonds, May 1, 1928–May 1, 1953.	3,500,000	3,314,000	Retire floating debt and for additions and improvements.	do (Redmond and I. A. B. ceded 500M at 1 percent step-up.)	3,500,000	88	92½	4.50	55,000
Prussian Electric Co. 6 percent debenture, Feb. 1, 1929–Feb. 1, 1954.	4,000,000	3,915,000	Construction and enlargement of company's plant and other corporate purposes.	Harris, Forbes & Co., 14⅜ percent. Brown Bros., 14⅜ percent. Equitable Trust Co., 14⅜ percent. New York Trust Co., 14⅜ percent. Mendelsohn (Berlin), 14⅜ percent. International Acceptance Bank, 14⅜ percent. J. Henry Schroder, 14⅜ percent.	571,428	88½	91	2.50	2,000
Prussia, Free State of, 6½ percent bonds, Sept. 15, 1926–Sept. 15, 1951.	20,000,000	20,000,000	Electric enterprises and harbor development.	Harris, Forbes & Co., 20 percent. Brown Bros., 20 percent. Equitable Trust Co., 20 percent. New York Trust, 20 percent. Mendelsohn, 20 percent.	4,000,000	90⅞	95	4.25	92,000
Prussia, Free State of, participation certificates, May 24, 1927–Aug. 24, 1927.	5,000,000	----------	Tax anticipation certificates.	Harris, Forbes & Co., 20 percent. Same purchase group as above.	2,000,000	98.6125	100	1.3875	2,000
(Renewal) Aug. 24, 1927–Nov. 23, 1927.	5,000,000	----------	To renew above	20 percent	2,000,000	98.627	98.778	.151	
Prussia, Free State of, 6-percent bonds, Oct. 15, 1927–Oct. 15, 1952.	30,000,000	27,608,000	Improvement of agriculture and enlargement of harbors and waterways.	Harris, Forbes & Co., 14⅜ percent. Brown Bros., 14⅜ percent. Equitable Trust Co., 14⅜ percent. New York Trust Co., 14⅜ percent. Mendelsohn & Co., 14⅜ percent. International Acceptance Bank, 14⅜ percent. J. Henry Schroder, 14⅜ percent. (After cession of 500 M to Reichs Kredit.)	4,216,000	93½	96½	3.00	80,000
Silesia Electric Corp. 6½-percent bonds, Feb. 1, 1926–Feb. 1, 1946.	4,000,000	3,400,000	Reimburse company for expenditures on property additions and improvements.	Harris, Forbes & Co., 100 percent.	4,000,000	81	87⅜	6.375	98,000
Stettin Public Utilities Co. 7-percent bonds, Apr. 1, 1926–Apr. 1, 1946.	13,000,000	2,400,000	Reimburse company for expenditures made on additions and improvements.	Harris, Forbes & Co., 75 percent. Redmond, 25 percent.	2,250,000	89¾	94½	4.75	45,000
United Industrial Corp. 6 percent debentures, Dec. 1, 1925–Dec. 1, 1945.	6,000,000	5,100,000	Enlargement and extension of properties.	Harris, Forbes & Co., 80 percent Reichs Kredit Gesellschaft, 20 percent.	4,800,000	79.70	84½	4.80	72,000
United Industrial Corp. 6½ percent debentures, Nov. 1, 1926–Nov. 1, 1941.	6,000,000	5,040,000	Repayment of indebtedness and capital improvements.	Harris, Forbes & Co., 70.8 percent. Lee Higginson, 16.7 percent. Brown Bros., 12.5 percent.	4,230,000	93	97½	4.50	74,000

[1] Flat. [2] Average.

KUHN, LOEB & CO.

Opposite page 184 of part 1 of the hearings is a table showing the foreign issues headed by Kuhn, Loeb & Co., since November 11, 1918. Syndicates headed by this firm issued German securities in an amount totaling $30 million.

Foreign issues headed by Kuhn, Loeb & Co. since November 11, 1918

Date	Name of issue	Amount	Price paid	Issue price	Amount of loan retired by sinking fund, as of Jan. 1, 1932, or as of the nearest date available	Total spread	Kuhn, Loeb & Co.'s gross profit from originating and underwriting margin and participation, if any, in compensation of distributors' group
Oct. 1, 1926	State of Hamburg 20-year 6 percent gold bonds, due Oct. 1, 1946	$10,000,000	88	91¾	None.	3¾	$76,644
Oct. 22, 1927	North German Lloyd 20-year 6 percent sinking fund gold bonds, due Nov. 1, 1947	20,000,000	90	94	1,606,000	4	74,741
	Total German issues	30,000,000					

SPEYER & CO.

On pages 645–647 of the hearings appear two related tables showing the foreign issues underwritten by Speyer & Co., of New York, between 1920 and 1930. The face amount of its German issues totaled $89 million. Only the German issues enumerated in these tables are included at this point.

Foreign issues underwritten by Speyer & Co., 1920–1921

Date	Borrower	Face amount of issue	Interest rate	Date of maturity	Face amount now outstanding	Face amount paid off
			Percent			
Nov. 1, 1920	City of Berne, Switzerland	$6,000,000	8	1945	----------	$6,000,000
Dec. 8, 1920	United Rys. of Habana & Regla Warehouses (Ltd.), 1-year loan	1,250,000	9	1921	----------	1,250,000
Mar. 2, 1921	State of Sao Paulo, Brazil	10,000,000	8	1936	$4,568,000	5,432,000
June 20, 1921	Dominican Republic, 4-year loan	2,500,000	8	1925	----------	2,500,000
July 2, 1924	Kingdom of Hungary (League of Nations loan)	9,000,000	7½	1944	7,315,100	1,684,900
Nov. 5, 1924	City of Berlin, Germany, 1-year loan	3,000,000	7	1925	----------	3,000,000
Nov. 25, 1924	German State Ry. Co. credit 2-year credit ($5,000,000 reserved for Europe)	15,000,000	7	1926	----------	----------
Dec. 17, 1924	Greek Government ($5 million bonds withdrawn for sale in London) (League of Nations loan)	11,000,000	7	1964	10,361,000	639,000
Mar. 31, 1925	State of Sao Paulo, Brazil ($6,276,000 bonds sold in Europe)	15,000,000	8	1950	14,719,000	281,000
July 1, 1925	City of Berlin, Germany	15,000,000	6½	1950	12,243,500	2,756,500
July 15, 1925	Hungarian Consolidated Municipalities	10,000,000	7½	1945	8,174,000	1,826,000
Nov. 23, 1925	City of Frankfort on the Main, Germany ($1,200,000 bonds sold in Europe)	4,000,000	7	1926–45	2,800,000	1,200,000
Nov. 23, 1925	City of Dresden, Germany ($1,250,000 bonds sold in Europe)	5,000,000	7	1945	3,889,500	1,110,500
Nov. 24, 1925	Westphalia United Electric Power Corp., Germany	7,500,000	6½	1950	----------	7,500,000
Dec. 11, 1925	Hamburg-American Line	6,500,000	6½	1928–1940	4,500,000	2,000,000
Mar. 2, 1926	City of Leipzig, Germany ($1,250,000 bonds sold in Europe)	5,000,000	7	1947	4,292,000	708,000
Mar. 23, 1926	State of Sao Paulo, Brazil	7,500,000	7	1956	6,914,000	586,000
June 15, 1926	City of Budapest, Hungary, 6 months' credit	2,000,000	6⅞	1926	----------	2,000,000
Oct. 29, 1926	Hungarian Consolidated Municipalities	6,000,000	7	1946	5,264,500	735,500
Nov. 12, 1926	Berlin Electric Elevated & Underground Railways Co. ($3,000,000 bonds sold in Europe)	15,000,000	6½	1956	13,600,000	1,400,000
Dec. 22, 1926	Kingdom of Bulgaria (League of Nations loan)	4,500,000	7	1968	4,330,000	170,000
May 19, 1927	Vereinigte Glanzstoff-Fabriken A. G., Germany, 3-year loan	3,000,000	5½	1930	----------	3,000,000
Jan. 23, 1928	Westphalia United Electric Power Corp., Germany	20,000,000	6	1953	19,723,000	277,000
Jan. 31, 1928	Greek Government ($2,000,000 bonds sold in Europe) (League of Nations loan)	17,000,000	6	1968	16,646,500	353,500
July 23, 1928	State of Sao Paulo, Brazil	15,000,000	6	1968	14,698,000	302,000
Nov. 21, 1928	Kingdom of Bulgaria ($4,000,000 bonds sold in Europe) (League of Nations loan)	13,000,000	7½	1968	12,848,500	151,500
Apr. —, 1930	State of Sao Paulo, Brazil ($5,000,000 bonds sold in Europe)	35,000,000	7	1940	31,489,000	3,511,000
June 26, 1930	Greek Government, 1-year notes	7,500,000	5½	1931	7,500,000	----------
Nov. 21, 1930	Kingdom of Hungary, 1-year treasury bills	5,000,000	5¼	1931	5,000,000	----------

Date	Borrower	Original purchase price	Public subscription price	Spread	Amounts sold in other countries and currencies	Speyer & Co. profit
				Percent		
Nov. 1, 1920	City of Berne, Switzerland	94 and interest	99 and interest	5	----------	$64,155.48
Dec. 8, 1920	United Rys. of Habana & Regla Warehouses (Ltd.) 1-year loan.	----------	----------	1	----------	6,250.00
Mar. 2, 1921	State of Sao Paulo, Brazil	90 flat (90 days drafts' drawn there-against).	97½ and interest	7½	$16,909,000	91,242.73
June 20, 1921	Dominican Republic, 4-year loan	96½ and interest	100 and interest	3½	----------	27,353.00
July 2, 1924	Kingdom of Hungary (League of Nations loan)	($7,500,000, 80 flat	87½ and interest	7½	----------	----------
		($1,500,000, 84 flat	88	4	59,762,894	131,219.31
Nov. 5, 1924	City of Berlin, Germany, 1-year loan	----------	----------	½	----------	2,482.06
Nov. 25, 1924	German State Ry. Co. credit 2-year credit ($5,000,000 reserved for Europe).	----------	----------	1¼	----------	14,092.09
Dec. 17, 1924	Greek Government ($5,000,000 bonds withdrawn for sale in London) (League of Nations loan).	84¼ flat=80.07 and interest	88 and interest	7.93	48,665,000	139,758.97
Mar. 31, 1925	State of Sao Paulo, Brazil ($6,276,000 bonds sold in Europe).	92¼ and interest	99½ and interest	6¾	----------	98,849.08
July 1, 1925	City of Berlin, Germany	85½ flat=83.60 and interest	89 and interest	5.40	----------	68,382.05
July 15, 1925	Hungarian Consolidated Municipalities	82 flat=81.54 and interest	....do	7.46	----------	139,210.16
Nov. 23, 1925	City of Frankfort on the Main, Germany ($1,200,000 bonds sold in Europe).	90.60 flat=90 and interest	96¾ and interest (average)	6¾	----------	41,947.21
Do	City of Dresden, Germany ($1,250,000 bonds sold in Europe).	88½ flat=88¼ and interest	94 and interest	5¾	----------	33,406.78
Nov. 24, 1925	Westphalia United Electric Power Corp., Germany.	81 and interest	87½ and interest	6½	----------	65,203.16
Dec. 11, 1925	Hamburg-American Line	94½ flat=93.98 and interest	99.43 and interest	5.45	----------	53,681.18
Mar. 2, 1926	City of Leipzig, Germany ($1,250,000 bonds sold in Europe).	90 flat=89.42 and interest	94¾ and interest	5.33	----------	37,694.14
Mar. 23, 1926	State of Sao Paulo, Brazil	90 flat (90 day drafts drawn there-against).	96½ and interest	6½	12,166,250	55,439.50
June 15, 1926	City of Budapest, Hungary, 6 months' credit	6⅞ percent basis	6¼ percent basis	----------	----------	1,973.71
Oct. 29, 1926	Hungarian Consolidated Municipalities	89 flat=87.43 and interest	93½ and interest	6.07	----------	63,070.54
Nov. 12, 1926	Berlin Electric Elevated & Underground Railways Co. ($3,000,000 bonds sold in Europe).	90⅝ flat=89¼ and interest	94½ and interest	5¼	----------	140,523.01
Dec. 22, 1926	Kingdom of Bulgaria (League of Nations loan)	87 and interest	92 and interest	5	11,679,600	23,958.12
May 19, 1927	Vereinigte Glanzstoff-Fabriken A. G., Germany, 3-year loan.	97	98.65	1.65	----------	19,781.96
Jan. 23, 1928	Westphalia United Electric Power Corp., Germany.	88 and interest	92¾ and interest	4¾	----------	121,390.13
Jan. 31, 1928	Greek Government ($2,000,000 bonds sold in Europe) (League of Nations loan).	86 flat=85.77 and interest	91 and interest	5.23	31,978,327	123,607.57
July 23, 1928	State of Sao Paulo, Brazil	92¾ flat (90-day drafts drawn there-against)=89.92 and interest.	94½ and interest	4.58	17,032,750	51,245.76
Nov. 21, 1928	Kingdom of Bulgaria ($4,000,000 bonds sold in Europe) (League of Nations loan).	92 and interest	97 and interest	5	13,855,700	48,000.00
Apr. —, 1930	State of Sao Paulo, Brazil ($5,000,000 bonds sold in Europe).	90 flat=89.28 and interest	96 and interest	6.72	62,330,000	130,140.42
June 26, 1930	Greek Government, 1-year notes	99.73 flat=99.12 and interest	99.80 and interest	.68	7,299,750	10,170.57
Nov. 21, 1930	Kingdom of Hungary, 1-year treasury bills	5¼ percent discount less ¾ percent commission.	5¼ percent discount less ½ percent commission.	¼	10,296,230	2,417.98

LEE, HIGGINSON & CO.

Opposite page 1553 of the hearings appears a tabulation of foreign issues floated by syndicates headed by Lee, Higginson & Co., between the end of World War I and 1931. Ten of these issues were of German securities dating between 1925 and 1929, with a total face value of $65,500,000.

Foreign issues floated by Lee, Higginson & Co.

Date offered	Name of issue	Amount of issue	Amount outstanding	Cost to purchase group	Cost to public	Gross profit of Lee, Higginson & Co., as—
	GERMANY					
May 17, 1928	Brown Coal Industrial Corp. sinking fund 6½'s, 1953	$2,000,000.00	$1,867,000.00	90	93½	$43,750.00
Aug. 2, 1927	Central Bank of Germany State and Provincial Bank sinking fund, series A, 6½'s, 1953	5,000,000.00	4,394,000.00	91½	95	61,780.00
Oct. 10, 1927	Central Bank of Germany State and Provincial Bank sinking fund, series B, 6's, 1951	10,000,000.00	8,908,200.00	92	95	170,000.00
June 1, 1928	Consolidated Agriculture Loan of Germany Provincial and Commercial Bank sinking fund, series A, 6½'s, 1938	25,000,000.00	22,459,000.00	94½	97½	179,768.75
Nov. 20, 1925	Good Hope Steel & Iron Works sinking fund 7's, 1945	7,500,000.00	6,983,500.00	83	91	201,860.00
Feb. 11, 1926	do	2,500,000.00		83	92	102,210.00
Aug. 31, 1927	Hanover, Province of, series 1 6's, 1957	1,000,000.00	1,000,000.00	91⅜	95	36,250.00
Jan. 28, 1929	Hanover, Province of, series 2 6½'s, 1949	4,000,000.00	4,000,000.00	91	94½	36,208.33
Sept. 9, 1929	Leipzig City Bank, series 2 dollar notes due 1928	2,500,000.00	(1)	6½	8½	12,500.00
Oct. 5, 1925	Rhine-Main-Danube Corporation sinking fund, 7's, 1950	6,000,000.00	5,227,000.00	89½	96	158,500.00

[1] Matured.

BROWN BROS. & CO.

On page 1569 is a tabulation of German issues originated by Brown Bros. & Co. between 1919 and 1931, prior to its merging with W. A. Harriman & Co. Syndicates managed by Brown Bros. & Co. handled German securities valued at $33,500,000.

Originated and/or managed (1919–1931), Brown Bros. & Co.

	Year	Participation	Gross profit	Retired
	GERMANY			
$3,000,000, Mansfeld Mining & Smelting Co., sinking fund, mortgage gold bond, 7's, 1941	1926	$1,500,000	$79,000	
$4,000,000, Hamburg Elevated Underground and Street Rys., 1 year 5½ percent note, due 1928	1927	889,000		$4,000,000
$8,000,000, Hamburg Elevated Underground and Street Rys., 5½'s, 1938	1928	2,000,000	33,150	
$15,000,000, City of Berlin Germany, sinking fund 6 percent gold bond, 1958	1928	3,750,000	40,875	
$3,500,000, City of Hanover, Germany, 7 percent convertible gold bond, 1939	1929	1,750,000	38,750	

W. A. HARRIMAN & CO.

Page 1572 of the hearings bears a tabulation of German issues originated by W. A. Harriman & Co. between 1923 and 1928. The total face value of German issues sold by syndicates headed by this firm was $21 million.

Originated and/or managed (1923–1928), W. A. Harriman & Co. (Inc.)

	Year	Participation	Gross profit	Retired
	GERMANY			
$4,000,000 Consolidated Hydro Electric Works of Upper Wuerthenberg sinking-fund 7's, due 1945	1926	$4,000,000	$71,200	
$4,000,000 German Atlantic Cable Co., first 7's, 1945	1925	2,000,000	79,200	
$7,500,000 Good Hope Steel & Iron Works, 20-year 7 percent sinking-fund mortgage gold bonds, 1945	1926	3,750,000	167,750	
$2,500,000 Good Hope Steel & Iron Works, 20-year 7 percent sinking-fund mortgage gold bonds, 1945	1926	1,250,000	52,920	
$3,000,000 Leipzig Overland Power Co., sinking fund 6½'s, due 1946	1926	3,000,000	210,000	

THE GUARANTY CO. OF NEW YORK

On page 900 of the hearings begins a tabulation of foreign issues publicly offered by syndicates managed by the Guaranty Co. The German issues in this list had a total face value of $25 million.

Foreign issues offered by the Guaranty Co.

Issue	Date	Amount	Maturity	Cost price	Offering price	Syndicate's total expenses	Syndicate's net total profit
State of Bremen	Jan. 16, 1925	$5,000,000	1925	93.856	94.979	$20,932	$10,949
Do	Sept. 22, 1925	10,000,000	1935	89	94¾	34,331	421,918
Do	Nov. 19, 1925	5,000,000	1935	90	95¾	24,528	161,096
Hansa Steamship Line	Oct. 18, 1929	5,000,000	1939	88	93	77,772	172,227

Mr. GILLETTE. Mr. President, those securities were foisted on the people of the United States. I have personal friends who told me that they finally destroyed the German bonds they held, in view of the fact that those securities had depreciated in value to the point where they were not worth using for anything except wall paper, and scarcely were sufficiently decorative to be used for that purpose.

However, some of those German securities have been held all this time, and are still outstanding. But where are they? Who holds them today? What did they pay for them? In what amounts are they held at this time? Not a soul knows the answers to those questions, Mr. President. Yet the representatives of the State Department said that they thought, on the basis of information they received from Germany, that those securities might amount to $547 million, and so they wanted to have them paid in full, plus interest, with the interest scaled down from 6½ percent to 2½ percent. They wished to make it possible for Germany to do that, and then to write down our obligation by $2 billion.

That is the proposal that is before us. That is the proposal I cannot stomach.

Mr. President, I hold in my hand the reports of the Foreign Bondholders Protective Council, Inc. The gentlemen representing that group appeared before the committee and testified that they served without compensation, as a great public service to the holders of these bonds or to those whom they learned held these securities. There are two separate reports, one of which concludes with the following statement:

> Trading in German dollar bonds on American exchanges will be reestablished for validated German bonds as soon after ratification as possible.

Listen to this, Mr. President:

> Trading in German dollar bonds on American exchanges is expected to be established as soon after validation as practicable, for validated German bonds only.

Mr. President, the procedure for validating the German bonds is all right, but why is it necessary to proceed with this so-called agreement now?

Why cannot we wait until the holders of the bonds present them and have them validated? Then we would know something about them.

But, no, the Senate is asked to act now and to ratify the proposed agreement which is before it. The Senate is asked to take action to approve this document despite the facts which have been brought out.

Mr. President, I desire to call attention to another matter very briefly, and then I shall conclude.

On May 27, 1933, there was enacted into law, as chapter 38, title II of 48 Stat. 92, authority for the establishment of a "Corporation of Foreign Security Holders," the principal office of which was to be in the District of Columbia. Section 201 of that statute reads as follows:

> For the purpose of protecting, conserving, and advancing the interests of the holders of foreign securities in default, there is created a body corporate with the name "Corporation of Foreign Security Holders" (herein called the "Corporation"). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices in any city or cities of the United States under rules and regulations prescribed by the board of directors.

The law further provided that the Federal Trade Commission would appoint six directors and designate a chairman and vice chairman. It specified that—

> No person shall be eligible to serve as a director who within the 5 years preceding has had any interest, direct or indirect, in any corporation, company, partnership, bank, or association which has sold or offered for sale any foreign securities.

Among the powers and duties of the Corporation were "to require from trustees, financial agents, or dealers in foreign securities information relative to the original or present holders of foreign securities," and also "to take over the functions of any fiscal and paying agents of any foreign securities in default." A lengthy list of other powers and duties authorized the directors of the Corporation to take a great many steps to protect the holders of defaulted foreign securities and to obtain payment, if possible.

Thus, the act sought to give a governmental agency power to protect the interests of American citizens who held defaulted foreign bonds, and to give this protection without the interference of any banking house that had participated in the sale of such securities.

Section 211 of the law, however, provided that the subchapter creating the Corporation of Foreign Security Holders would not take effect "until the President finds that its taking effect is in the public interest and by proclamation so declares."

It is a matter of very great significance to our present consideration of these agreements that the President never did issue such a proclamation. The corporation was, therefore, never created, and that portion of the law remained a dead letter.

What happened instead, as I understand it, was that a private organization was formed by persons interested in the problem. This organization is the Foreign Bondholders Protective Council. I am informed that the origin of this private group dates back to the previous year, when the Hoover administration was still in power. As early as April 15, 1932, Acting Secretary of State William R. Castle called a meeting in the State Department to discuss formation of a private council. Among those attending were Herbert Feis, Ogden Mills, and George Rublee, of the law firm of Covington, Rublee, Acheson & Schorb.

Mr. Rublee, the originator of the idea, reported that the issuing houses of the foreign bonds in New York would be willing to finance a private council. Nothing further developed from that meeting. Immediately after Congress passed the Johnson bill, to which I have just referred, it was the bill introduced by the late Senator Hiram Johnson of California, creating a Government corporation to protect bondholders, a second meeting was called at the State Department, on October 13, 1933. The purpose of that meeting was also to discuss creation of an adequate and disinterested private organization. Subsequently, on December 18, 1933, a non-profit organization known as the Foreign Bondholders Protective Council was incorporated under Maryland law—without capital stock.

The original statement issued by this private organization—which clearly had been established with the benevolent interest of the Department of State—declared "The organization, when it comes into existence, is to be entirely independent of any private interest; it is to have no connection of any kind with the investment houses which originally issued the loans * * * its decisions will ultimately depend upon the will of those who possess the securities."

I am further informed, although I have no personal knowledge of it, that when the organization was established it was financed in amount approximating $100,000, most of which came from the issuing investment houses in New York and elsewhere. I am told that the law firm of Sullivan & Cromwell, and the law firm of Covington, Rublee, Acheson & Shorb provided the legal counsel for the creation of this council.

Records show that by December 11, 1936, a number of defaulting nations had also contributed to the upkeep of the Council. Brazil had contributed $16,130; the Dominican Republic $20,000; Costa Rica $8,166; the Province of Buenos Aires $20,000; and Germany, the largest amount $30,000.

I cite that fact, Mr. President, as another black thread, woven through the warp and woof of this plan, to force us to negotiate this type of executive agreement without submitting it to the Congress. When I sent to the State Department the letter, which I read a while ago, and asked under what authority they could give away the property of the United States under a so-called executive agreement, I received assurance from the Assistant Secretary of State, Jack McCall, that he had discussed it with the negotiators and he could give me his personal assurance that the agreements would be sent to the Senate for ratification and for consideration. They were, and they are now before us. They were before the Committee on Foreign Relations, and the hearings were held, in part; they were not completed, because the questions such as I propounded here were not answered, though they were asked by the distinguished Chairman, the Senator from Wisconsin [Mr. WILEY], they were asked by my colleague, the Senator from Iowa [Mr. HICKENLOOPER], they were asked by the Senator from Minnesota [Mr. HUMPHREY], they were asked by the Senator from North Dakota [Mr. LANGER], and they were asked by other Senators. But we did not get the answers; we do not have them now. The fact remains that these treaties are before the Senate—as treaties—for consideration. Notwithstanding the beautiful verbiage with which someone may wish to adorn this agreement, the fact remains that we have agreed to write off $2 billion of the money of the people of the United States in order to pay private investors—to Kuhn, Loeb & Co.? To Harriman & Co.? I do not know.

Nobody knows whether they hold them now or whether they paid 2 cents on the dollar for them; but their claims can be paid in full. Not a soul in the Senate or out of it can tell me today who holds those bonds, or where they are, or what amounts were paid for them, or how they were paid for, or how they got them.

It is for that reason, Mr. President, that I felt unable to let action be taken on this treaty in the Senate without presenting these matters to my fellow Senators. It has been my thought to move to recommit, but, on mature consideration, I shall not make such a motion. I have presented in my feeble way, perhaps in my incoherent way, the viewpoint I hold. I cannot vote to ratify the treaty, and I do not intend to so vote.

Mr. LANGER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. BENNETT in the chair). Does the Senator from Iowa yield to the Senator from North Dakota?

Mr. GILLETTE. I am very glad to yield to the distinguished Senator from North Dakota.

Mr. LANGER. I should like to ask the distinguished Senator from Iowa whether it is not true that in 1941 a notice was sent by the Secretary of the Treasury to those who held German bonds requesting them to advise him as to the amount.

Mr. GILLETTE. I think that is correct.

Mr. LANGER. Is it not true that in response to that notice, reports—apparently with addresses—were received by the Secretary of the Treasury, as shown in the table which I now read?

Distribution of German dollar bonds held by individuals reported in the 1943 Treasury census

	Number of reports
Alabama	73
Arizona	28
Arkansas	15
California	1,108
Colorado	197

Distribution of German dollar bonds held by individuals reported in the 1943 Treasury census—Continued

	Number of reports
Connecticut	306
Delaware	34
District of Columbia	153
Florida	293
Georgia	121
Idaho	18
Illinois	2,377
Indiana	164
Iowa	339
Kansas	138
Kentucky	217
Louisiana	173
Maine	212
Maryland	308
Massachusetts	609
Michigan	513
Minnesota	615
Mississippi	70
Missouri	1,158
Montana	61
Nebraska	303
Nevada	6
New Hampshire	46
New Jersey	1,262
New Mexico	9
New York	5,746
North Carolina	41
North Dakota	63
Ohio	587
Oklahoma	101
Oregon	235
Pennsylvania	1,548
Rhode Island	129
South Carolina	42
South Dakota	28
Tennessee	141
Texas	176
Utah	22
Vermont	67
Virginia	108
Washington	214
West Virginia	31
Wisconsin	1,076
Wyoming	27
Hawaii	7
Puerto Rico	4
Alaska	9
Other locations	128
Total	21,366

But that did not represent all the bonds, for some of the bondholders did not report them to the Secretary of the Treasury in response to his notice.

Mr. Riddleberger, when questioned by various members of the committee, said there were approximately 25,000 more; but there were in the Office of the Secretary of the Treasury the names and addresses of a very substantial number of people who held bonds.

Mr. GILLETTE. Is that as of 1943?

Mr. LANGER. That was as of 1943. The various members of the committee asked questions, and I believe the very distinguished Senator from Iowa, who was anxious to look out for the interests of the people of this country, particularly asked, as I remember—if he did not, some other member of the committee did—whether the Secretary of the Treasury or the State Department had at any time notified the bondholders that some day the bonds might be of value. According to Mr. Riddleberger, no letter was ever sent out. We therefore find a situation in which no one knows who owns the bonds, as my distinguished friend from Iowa says. Is that not true?

Mr. GILLETTE. That is true.

Mr. LANGER. And no one knows whether the holders of the bonds paid 1 penny, 5 cents, or 1 dollar for them. If the treaty is ratified, the holders of the bonds can now come forward and claim the full amount with interest; and, in my opinion, that is exactly what they are going to do. I ask my distinguished friend whether those are not substantially the facts.

Mr. GILLETTE. Those are substantially the facts, I am very glad to say to the Senator from North Dakota. If my recollection serves me correctly, when the report was made in 1941, the State Department gave it as its opinion that it represented only 10 percent of the outstanding bonds, though it showed 21,000 bondholders. Three banks could hold 75 percent of all the outstanding securities, in the sums that appear in the material I put in the RECORD, and there could still be 21,000 individual holders. There is no showing as to the amounts paid. The Securities and Exchange Commission stopped trading in these bonds, and very properly so; but now the bonds are to be paid in full at the expense of the taxpayers of the United States, including the taxpayers of the State of Iowa.

Mr. WILEY. Mr. President, I have been in conference all day, and I shall take only a few moments to speak on this issue.

There may be some persons who will profit by these agreements, but I believe the fact is clear that if we do not get Germany on her feet economically, so that she can borrow money, we shall not only not get the billion dollars, but we shall not get anything. The facts are very clear, as shown by a table in the report.

I expressed a thought in my previous comment that I believe explains a situation which should be thoroughly understood. It was the past administration which negotiated the treaties. But the agreements were not signed until 1953. So we have the action of the past administration in negotiating the treaties and the approval of the present administration by signing the treaties in February 1953.

As is shown on page 12 of the report, Belgium-Luxembourg has received $632 million in aid from the United States since the war. Of that amount, 28.9 percent was in the form of loans.

France received $2,123,000,000 from us. The loan percentage was 8.1.

Germany received $3,014,000,000. The loan percentage, if this agreement is approved, will be 33.2 percent.

Italy received $1,681,000,000. The loan percentage was 12 percent.

The Netherlands received $929 million. The loan percentage was 38.9 percent.

The United Kingdom received $2,538,000,000. The loan percentage was 13.2 percent.

In order properly to understand the matter, we must first understand who is involved.

First, the United States Government is involved. It is making a 33⅓-percent settlement with Germany, which is a pretty good settlement as compared with what we are getting back from the other governments we have helped since the war. The other governments have already approved the settlement—the United Kingdom, France, and Germany.

I listened with interest to my friend from Iowa [Mr. GILLETTE]. Any Senators who will look at page 4 of the report will find how the $546 million of prewar debts is made up. It is made up of the Dawes loan, the Young loan, and certain other loans. The total amount is $546 million.

It is possible that someone is going to get some of those bonds and is going to make some money. But the point is that if they do they have traded in them since they were taken off the stock exchange in 1941.

I have heard the argument made today that someone may make some money out of the agreement to repay these loans in the amount of $546 million. If we write down the private debts, will Germany be able to borrow any money from bankers throughout the world? Is this a time to deny Germany access to financing its own way?

Germany is one of the great nations of the world from the standpoint of demonstrating ability to come out from under difficulties. What she needs is credit. She cannot get it until these agreements are ratified.

Mr. President, I have not heard what the opposition proposes to do. I had nothing to do with the negotiation of these agreements. But the President of the United States sends it here and says that it is in the interest of America for us to take 33⅓ percent. Representatives of the bond committees say they would like to get some money back. I understand that there are some 1,300 persons in my State who bought some of the bonds. They will be glad to get some money back; they have waited a long time. But what we are doing if we approve these treaties is that in no uncertain terms we are satisfying three parties who are involved, namely, the American holders of the bonds, the Government of the United States, which wants to get its claim in shape so it can start to get back some money, 33⅓ cents on the dollar, and, Mr. President, we are also satisfying the other 17 nations who joined in negotiating one of these treaties. If we permit ourselves to go off the deep end on the theory that someone will be making a profit out of these bonds—someone who did not invest in them originally—it seems to me we are not approaching the problem in its larger rational sense. We want to do business with Germany. We want her to get credit. I believe that the President, in approving the action of the past administrator, was acting in the interest of America.

Mr. President, I ask unanimous consent that the table on pages 4 and 5 of the report, be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

II. GERMAN DEBT SETTLEMENT

Major country holdings of German prewar external debt [1]

[Principal plus accrued interest—in million dollars]

	Total	United States		United Kingdom		France		Switzerland		Other	
		Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total	Amount	Percent of total
Pre-1945 public debt:											
Debt of Federal Republic:											
Dawes loan	115.7	60.8	52	29.8	26	7.2	6	6.5	5	12.4	11
Young loan	341.6	72.1	23	69.8	20	112.8	30	16.6	5	49.3	16
Other	303.8	[2] 126.6	42	26.3	9	.2	----------	13.4	4	134.3	45
Debt of Laender municipalities	72.1	28.9	41	14.3	20	----------	----------	11.6	16	17.3	23
Pre-1945 private debt:											
Corporate bonded debt	228.8	126.4	55	44.9	20	(3)	----------	49.0	21	8.5	4
Standstill debts	137.1	34.4	25	76.3	56	----------	----------	26.4	19	----------	----------
Miscellaneous and commercial debts	471.5	98.4	21	58.1	12	17.7	4	116.5	25	180.8	38
Total	1,637.6	546.6	33	319.5	19	137.9	8	240.0	15	402.6	25

[1] Bonded debt by currency of issue, nonbonded debt by residence of creditor.
[2] Includes $97.5 million to be paid in settlement of Mixed Claim Commission awards.
[3] Negligible.

Mar. 1, 1953.

III. GERMAN PREWAR DEBTS

Terms of settlement reached at International Conference on German Debts, London, 1952

Category	Principal	Interest arrears	Future interest rate	Amortization	Maturity date
Dawes bonds:					
United States tranche	Unchanged	Recalculated at new interest rate; funded at 3 percent for 30 years; 2 percent amortization after 1957; interest 1945-52 postponed until reunification.	Reduced from 7 to 5½ percent.	3 percent beginning Apr. 1, 1958.	1969.
Other tranches	do	do	Reduced from 7 to 5 percent.	2 percent beginning Apr. 1, 1958.	1969.
Young Loan:					
United States tranche	do	Recalculated at 4½ percent; funded at 3 percent for 20 years; 1 percent amortization after 1958; interest 1945-52 postponed until reunification.	Reduced from 5½ to 3 percent.	1 percent beginning Apr. 1, 1958.	1980.
Other tranches	Principal to be computed on dollar clause basis.	do	Reduced from 5½ to 4½ percent.	do	1980.
Kreuger Match loan	do	We calculated at 4 percent; funded at 3 percent for 20 years; 1 percent amortization after 1958; interest 1945-52 postponed until reunification.	Reduced from 6 to 4 percent.	1¼ percent beginning Apr. 1, 1958.	1994.
Bonds issued or guaranteed by Laender or municipalities.	Unchanged	½ of arrears recalculated at new interest rate to be funded.	¾ of old contractual rate unless rate was less than 4 percent.	1 percent beginning Apr. 1, 1958; 20 years beginning Apr. 1, 1958.	20 years from existing maturity date.
Bonds of German corporations	do	½ of arrears to be funded	¾ of original contractual rate, with minimum of 4 percent.	1 percent beginning January 1958.	10 to 25 years from existing date.
Standstill debts	do	Arrears calculated at 4 percent to be added to principal.	In accordance current banking charges.	None except 3 percent per quarter new credits.	Can be renegotiated at end of year.
Commercial and miscellaneous debts:					
Trade debts	do.[1]	½ of arrears to be added to principal	When payable, ¾ of contractual rate with 4 percent minimum to accrue beginning Jan. 1, 1958.	On all types creditors may option for immediate payment in deutschemarks; ½ immediately, balance in 10 equal annuities.	1963.
Salaries, wages, etc	do	do	Not normally payable	5 equal annuities	1957.
Other commercial	do.[1]	do	Where payable, ¾ of contractual rate with 4 percent minimum, to accrue beginning Jan. 1, 1958.	10 equal annuities	1962.
Financial debts	do.[1]	do	¾ of contractual rate with 4 percent minimum.	3 percent beginning Jan. 1, 1958; 8 percent beginning Jan. 1, 1963; 15 percent thereafter.	1970.

[1] In case of gold clause, principal to be calculated on dollar clause basis.

Mar. 1, 1953.

Mr. WILEY. Mr. President, I understand that while I was out of the Chamber my good friend from Iowa [Mr. GILLETTE] stated that the committee voted when he and the Senator from Georgia [Mr. GEORGE] were not present. That is true I voted the proxy of the Senator from Iowa against these treaties as he requested me to do.

So it resolves itself into a very simple proposition. Someone suggested that because someone is interested in getting bondholders together to protect their interest, there is an Ethiopian in the fence. That is not true, Mr. President. Bondholders have gotten together to protect their interests for a long time. I once had a few bonds, myself, from South America. I joined a committee and paid my initial investment of $5 or $10. Eventually the bonds were paid. There is nothing wrong about bondholders' committees.

It is true that some of the banking houses in America, after the First World War, felt they could with propriety sell German bonds, and they did sell them. Some of us bought some of them. I bought some of them, but, fortunately, I got rid of mine long before they went into default. Those that went into default have been undoubtedly held, as in my State, 1300 of them, by Americans of German ancestry in Milwaukee and elsewhere. They will be pleased to know that at long last there is a chance for them to get something on those bonds.

So, Mr. President, as we look the picture over, it seems to me to be very clear that these treaties should be ratified, first, because the President of the United States sends them to the Senate; second, because the previous President negotiated them; third, because Germany wants them ratified, and finally

we want Germany to be with us in the West, strong to help and economically sound, so she can do business with us.

Fourth, the 17 other nations that have joined in the negotiations want these agreements. Fifth, I think the bondholders themselves want them. I might say there is a sixth reason: Thirty-three and a third percent looks pretty good to me as a return on our postwar assistance.

Literally billions of dollars in Russian bonds are in default. One was sent to me the other day to ascertain if there was a chance to cash it. It was one of the bonds sold by the Czar.

In a nutshell, if a delay is desired, and there is any good reason for delay, I certainly would not object. But I see no reason whatsoever for a delay. I think the evidence is clear that no one objected. It is important for the sake of the United States and for all sections of the world that the matter be handled promptly, and that Germany be allowed to proceed to face the world with the economic strength she can have once the agreement has been negotiated.

Mr. MURRAY. Mr. President, will the Senator from Wisconsin yield?

Mr. WILEY. I yield.

Mr. MURRAY. Does not the chairman of the Committee on Foreign Relations feel that in view of the fact that very few Senators now on the floor know anything about the matter, and have not had access to the hearings, it would be very unwise to attempt to complete action on the agreements at this time?

Mr. WILEY. So far as I personally am concerned, if the Senator's request is based upon a sincere belief that by reading the hearings he would be better able to judge the conditions, that is one thing. However, I have tried in the report to state what is contained in the hearings. I have said there has been no objection to the agreements, and that the President wants them approved, in order to try to stabilize conditions. Everyone seems to want the agreements. There is only a suspicion that someone has grabbed up a few bonds, expecting to benefit personally by them. That is the only objection that has been injected into the picture in an attempt to throw the agreements off the track.

However, I leave the answering of the question in the hands of the acting majority leader.

Mr. MURRAY. I do not assume Senators would be able to understand the matter any better after reading the hearings. It is what is not in the hearings that we would like to ascertain.

Mr. WILEY. So far as I personally am concerned, if any Senator says he desires time to study the hearings, and can find time to study them, I would not object, and I would not think I had a right to insist. But when the matter is based entirely upon a possibility that someone who had not paid a premium in the first place might get hold of some bonds, or that some banker might try to profit by the negotiations, that is something else.

As has been suggested, bankers are damned for almost everything. I myself was a small-town banker for many years. In many instances they are the best people in the country. They serve as confessionals, where people come to throw off their worries. I went through three depressions, and I never cost a depositor a tinker's penny. But it cost me plenty. The bankers were trying to protect their customers.

I would not be surprised if in my own State some German bankers who sold some of the bonds would be tickled to death to help the bondholders get something back, in view of the fact that the bonds were sold to individuals away back in the twenties. Undoubtedly that is the reason why priority in payment was given.

The argument was made by the Senator from Iowa [Mr. GILLETTE], that the Government should receive 100 percent. I would be tickled to death if the Government could get 100 percent. I have shown what we are getting from other countries.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. GILLETTE. Did I understand the eminent chairman to say that he would have no objection, if Senators so desired, to having the agreements recommitted?

Mr. WILEY. I did not say that. I do not think I would have authority to ask for a recommittal. However, that is the Senator's privilege, and the acting majority leader is the person who can decide the issue. As far as I am concerned, I should like to get these matters off the calendar and move on to something else. If there is any real reason for delaying action, I have not heard it. I have heard expressed only a suspicion that someone has profited who should not have profited. But that happens every day. If that is a reason for delaying action on these agreements, it would be possible to delay almost anything.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. GORE. I appreciate the eloquent and persuasive remarks of the distinguished chairman of the committee, the able senior Senator from Wisconsin. I should like the distinguished chairman to address himself to the further implication of the statement of the distinguished Senator from Iowa, that the American taxpayer, in effect, is being called upon to make good the bonds of a foreign power. I can understand how holders of bonds in the State of the Senator from Wisconsin, or in any other State, would desire to recoup money invested in German bonds. But what obligation is there on the part of taxpayers of the United States, if the implication to be drawn from the remarks of the Senator from Iowa is correct, to underwrite validation of bonds of German governments from World War I through World War II?

Mr. WILEY. I am certain that is a wrong implication. I am sure the Senator from Iowa never made any such statement.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. GILLETTE. If the hearings were available, it could be readily seen that I asked the witness from the State Department who would stand the $2 billion loss. He said the American taxpayer would have to make it up, because the obligation is one owed by the German Government to the United States. If the United States were to write it off, it would be written off to the American taxpayer as a bad-debt obligation.

Mr. WILEY. Of course, if the assertion was meant, as the Senator has now stated it, it means the United States has a claim against the German Government of more than $3 billion. That would be a claim against a government which could not pay. We have poured $3 billion into Germany since VE-day, since the shooting stopped, and have helped to reconstruct Germany. To a large extent the United States helped to put her on her feet.

All the nations of the earth that have claims against Germany have come together and worked out a method of liquidation whereby they think they can get something back.

If we reject these agreements, the United States will not get 33⅓ percent; the United States will not get anything.

How have the taxpayers paid it? The taxpayers have already put up $3 billion. We have liquidated our claims against England, France, and some other countries on a percentage basis. None of them paid up to 33⅓ percent.

So under these agreements, the United States will not be paying anything. We shall be recapturing 33⅓ percent, or $1 billion. Even if someone says we are paying it, that does not mean that we are.

If I were owed $3 billion by someone who was bankrupt, and through some arrangements I had with the person I were able to get back 33⅓ percent, or $1 billion, that would be a pretty good settlement. That is what happened in this instance. That is why the Government is recommending it. That is why the previous administration recommended it as a good settlement. But there will be a serious impact upon world conditions if we do not complete action on the agreements. If we do not get Germany back on her feet, so that she can run her own economic show, the implications will be very serious.

I do not know whether I have explained the situation satisfactorily, but the taxpayer will not pay. The taxpayer has already paid 100 precent of the $3 billion, and the taxpayer will have returned to the United States Treasury 33⅓ percent, or one-third of the $3 billion.

Mr. GORE. Mr. President, will the Senator yield?

Mr. WILEY. I yield.

Mr. GORE. I wish to thank the Senator for his able effort to supply me with a satisfactory answer. However, it appears to me that considerable conflict remains between the two able statements that have been made in the Senate this afternoon.

I join the distinguished senior Senator from Montana [Mr. MURRAY] in the hope that the vote may be postponed. I should like to read the hearings and the record.

Mr. KNOWLAND. Mr. President——

The PRESIDING OFFICER (Mr BENNETT in the chair). Does the Senator from Wisconsin yield the floor?

Mr. WILEY. I yield the floor.

Mr. KNOWLAND. Certainly the acting majority leader has no desire to press for a vote on these agreements tonight, if Senators desire time to read the reports and familiarize themselves with them overnight. I shall be glad to accede to such request. However, in view of the discussion which has taken place on the floor and the fact that we are moving toward adjournment and have to consider other treaties of importance next week, I hope Senators will be prepared to go over the reports and read the debate in the Senate today, so that we may expedite consideration of the agreements.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. GILLETTE. I doubt very much whether the hearings would be available. I have been trying to get them, and I am informed that because of the rush of work at the Government Printing Office it is very improbable that they will be ready in time for Senators to read them or study them by tomorrow. So I think it would be a very faint hope, indeed, if the vote were postponed only until tomorrow. Candidly, I feel that a better procedure would be to recommit the agreements for clarification and further study, if the chairman of the committee is willing that that be done.

Mr. KNOWLAND. Mr. President, as the acting majority leader, I would have to oppose a motion to recommit. The Committee on Foreign Relations has other business of importance. It has conducted hearings and has made its report. These agreements were negotiated not by the Foreign Relations Committee of the Senate, but by the Truman administration. The negotiations were carried on by the previous administration. Finally, the agreements were sent to the Senate by President Eisenhower. We have recited the list of public notices which were given, and the hearings which were held. The agreements have been on the calendar since July 2.

In circumstances of this kind—and I would expect the same courtesy from the other side of the aisle if the situation were reversed—I am perfectly willing that consideration of the agreements be postponed for a day or two. It may be that it should be postponed until Monday. Tomorrow we shall have an appropriation bill to consider, and on Saturday we shall have to consider legislation dealing with wheat quotas.

I have urged the clerk of the Committee on Foreign Relations to expedite, so far as possible, the printing of the hearings. I will ask him to see that a copy is sent to the office of each Member of the Senate. I shall then be prepared, probably the early part of next week—most likely by Monday—again to move an executive session for the consideration of these agreements.

In view of the request of the Senator from Montana [Mr. MURRAY], the Senator from Iowa [Mr. GILLETTE], and the Senator from Tennessee [Mr. GORE], I certainly have no desire to press for a vote on the agreements tonight. I think the request which has been made is reasonable, and should have consideration.

Mr. GILLETTE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. GILLETTE. The Senator from California has very cogently expressed the reasons why the agreements ought not to be recommitted. I agree with him. Those reasons were persuasive with me in influencing me not to make a motion to recommit. However, I did express doubt as to whether a mere postponement until tomorrow would serve the purposes of the able Senator from Montana [Mr. MURRAY], among other Senators. I should like to ask the distinguished chairman of the committee or the head of the staff if there is any probability that the hearings will be available, and if so, when?

Dr. Wilcox assures me that the hearings will be ready by tomorrow. If the distinguished acting majority leader will let the agreements go over until Monday, Senators will have ample time to study the hearings.

Mr. KNOWLAND. Mr. President, I have been informed by the clerk of the committee that the distinguished Senator from Iowa has had galley proofs for several days, but that is not a very long time, under the circumstances. Am I correct in that statement?

Mr. GILLETTE. The Senator's informant is incorrect. The Senator from Iowa has not had galley proofs. Perhaps they could be secured. The Senator from Iowa has been rather assiduous in tramping around trying to obtain copies.

Mr. KNOWLAND. The Senator is certainly entitled to copies of the hearings. I regret that my information was apparently incorrect.

I will say to the Senator that I have asked the staff of the committee to provide the distinguished Senator from Iowa and other Senators with copies of the hearings as rapidly as they can be made available. The staff members believe they will be available tomorrow. We shall certainly make every effort to expedite the furnishing of copies of the hearings. The request which has been made is reasonable, and the acting majority leader will give assurance that the agreements will not be brought up again this week. However, I shall be prepared to move an executive session at any time from Monday on.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield.

Mr. LANGER. The Senator from Wisconsin [Mr. WILEY] did an outstanding job, I believe, in connection with the German debt settlement. He is a very able lawyer, and I should like to ask him this question: With respect to the bonds which were seized by Russia, I understand that they are not to be recognized. Is that true?

Mr. WILEY. I shall explain that situation.

Mr. LANGER. As I understand, they will not be validated under any consideration. Other bonds will be validated. Does the Senator know of any way—the Senator from North Dakota does not, but the Senator from Wisconsin, being a great lawyer, may know—by which a commission could be established to determine to whom payment should be made? Suppose someone bought these bonds from our constituents for 1 cent, 5 cents, or 10 cents apiece, or some other outrageously low price. Is there any way the distinguished Senator knows of whereby payment could be refused except for the amount which was paid for them? Or would payment be made to the original buyer?

Mr. WILEY. I am assuming that the agreement referred to by the Senator was an agreement between two adult persons, and that there was no fraud. I am assuming that the transaction was open and above board. At that time there was no prohibition against such a transaction. In 1941 the bonds were taken off the stock exchange, as the Senator knows. If there was any fraud, it could be dealt with in the same way as fraud which might exist in a transaction between any two individuals. The record does not show that there was any substantial number of such transactions. But suppose there had been. That is not the big thing. The big thing is to stabilize Germany, get the $1 billion back into Uncle Sam's pocket, and satisfy the other countries in relation to their bonds, so that we can get rid of the economic mess.

Mr. LANGER. I entirely agree with the Senator. I merely wished to be certain whether he knew of any way in which we could return to the original bondholders the original amount of the bonds.

Mr. WILEY. If there was sharp dealing between two individuals, that would be one thing. If I had a diamond worth $1,000 a carat, and the Senator from North Dakota were to come to me and make some false statements about it—perhaps not amounting to fraud—and buy it for $100, I do not think there could be any relief in such a case. There may be cases like that. I fully agree with the statement that the ordinary German bondholder in my State who bought such bonds had a yen for the old country, and when the bonds were defaulted the original bondholders kept them. I think most of them will be found among the original holders.

Mr. WILLIAMS. Mr. President, I should like to ask the chairman of the committee a question in reference to the question raised by the Senator from North Dakota [Mr. LANGER]. I notice in the report that in 1943 the Treasury Department conducted a census in which it was found that there were 21,200-odd bondholders. I am wondering if it would not be possible for the Foreign Relations Committee to send out a letter to those 21,200 bondholders to find out what has happened to the bonds, and settle this question once and for all. The committee has the list broken down into various categories—so many individuals, so many corporations, and so many other types of bondholders. It has been intimated that someone on the inside has taken advantage of this list and has

bought the bonds for an insignificant amount. I think it could be determined very easily whether or not that was true. Why not follow the record back? We have a date back in 1943, when there was a record.

Mr. WILEY. I have been informed that there has not been any trading in these bonds since 1941. I read from a letter addressed to me by the Securities and Exchange Commission under date of June 15, 1953:

> At the outbreak of the war in December 1941, our national securities exchanges suspended dealings in all bonds of German and other Axis origin, and this commission, after consulting with the State and Treasury Departments, requested the cooperation of brokers and dealers in refraining from effecting transactions in these securities. The financial community has cooperated with us, and there has, therefore, been no market for German dollar bonds in the United States since December 1941.

Mr. WILLIAMS. That is correct, but according to the report, 2 years later, in 1943, the Treasury Department conducted a census of all bondholders throughout the country. It is based upon that census that we are proceeding here today. Two years after that decision was made, the census was taken, and there should be in the Treasury files a list of every bondholder as of that date.

Mr. WILEY. Mr. President, I will instruct Mr. Wilcox, who is here, to contact the Treasury Department to find out if that list is available.

Mr. CASE. Mr. President, will the Senator from California yield so that I may ask a question of the distinguished Senator from Wisconsin?

Mr. KNOWLAND. I yield.

Mr. CASE. Can the committee get any information to show what tax rate would apply if the bonds are in the hands of people who would profit to a large extent?

Mr. WILEY. I do not think that is any of our business. The Government has negotiated these treaties. If there is any thought that there will be an undue profit made by some manipulators, I suppose that is entirely up to the Internal Revenue Bureau. I believe it would be up to the Internal Revenue Bureau.

Mr. CASE. If it were true that some people had put themselves in a position to make a considerable amount of money, and did make large gains, they would be subject at least to the capital gains tax; would they not?

Mr. WILEY. That is correct. I do not think, however, the Foreign Relations Committee can go into questions of that kind.

Mr. CASE. No; but it might help give the answer to the statement that there are some people who will make an exorbitant profit, if it can be shown that there will be a recapture of a considerable amount of taxes by the Government.

Mr. FERGUSON. Mr. President, will the Senator from California yield, so that I may ask a question of the Senator from Wisconsin?

Mr. KNOWLAND. I yield.

Mr. FERGUSON. There is no question about the bonds not being Federal tax exempt? They are foreign bonds, and therefore they would not be tax exempt. Is that correct?

Mr. WILEY. They are not tax exempt.

Mr. FERGUSON. The holders would pay a tax on any profit, would they not?

Mr. WILEY. There can be no question about that.

Mr. ELLENDER. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. ELLENDER. I desire to ask a question of the Senator from Wisconsin. Much has been said during the debate to the effect that the German Government would be compelled to pay to private bondholders the face value of the bonds held by them. Are we to understand that there is in the agreement a clause which would force the German Government to pay such private bondholders?

Mr. WILEY. No; there is not.

Mr. ELLENDER. It is true, is it not, that it would be left to the German Government to bargain with the private bondholders?

Mr. WILEY. We cannot force a government, short of war. Once they have entered into an agreement there is a liquidated obligation which they hope they will be able to take care of. I do not have in mind the exact terms of all the treaties. I have been trying to work on some conference agreements since 10 o'clock this morning.

Mr. ELLENDER. The Senator from Wisconsin does not know whether there is a clause in the agreements which would force the German Government to pay the private bondholders the face value of the bonds?

Mr. WILEY. Is the Senator talking about the private bonds?

Mr. ELLENDER. I am talking about the private bonds. It has been stated on several occasions that the German Government would be forced to pay the private bondholders 4-percent interest. The Senator from Iowa [Mr. GILLETTE] mentioned it.

Mr. WILEY. I wish to read a paragraph from the report which I think will answer the question:

> This agreement, which will become effective when ratified by the Governments of the United Kingdom, the Federal Republic of Germany, the French Republic, and the United States of America, states that the parties thereto find "reasonable" the proposed terms of settlement set forth in annexes to the agreement. The debts covered are the external prewar debts of the German Government, external bonds issued or guaranteed by public bodies within the territory of the Federal Republic, and private debts as noted below, most of which are owed by West German debtors to private creditors. The agreement defers for the time being consideration of governmental claims against Germany arising out of World Wars I and II.

What it amounts to is a promise to be reasonable in taking care of the claims.

Mr. ELLENDER. There is no obligation to pay them 100 percent, is there?

Mr. WILEY. They will agree to pay in accordance with the recommended terms of settlement which the governments agree are "reasonable."

Mr. HOLLAND. Mr. President, will the Senator from California yield so that I may ask a question of the Senator from Wisconsin?

Mr. KNOWLAND. I yield for that purpose.

Mr. HOLLAND. Am I correct in my understanding that the difficulty that has come up in the committee relates wholly to the first of the four agreements, namely, the one that has to do with the agreement between the Federal Republic of Germany and the United States of America and 17 other creditor countries on Germany's external debts, and has to do with the approval of reasonable terms for the extension of the debts or the renegotiation or refixing of the debts between West Germany and private creditors in the United States?

Mr. WILEY. That is correct.

Mr. HOLLAND. Therefore it does not relate at all, does it, to agreement No. 2, which has to do with the writing down of the claims for something over $3 billion of the financial aid given by the United States to West Germany since World War II to a total of $1 billion, which is to be funded as indebtedness from the West German Republic to the United States of America?

Mr. WILEY. The treaties are related because they were negotiated at about the same time and signed at the same time. The overall effect was contemplated. Of course, they are separate agreements, if that is what the Senator has in mind.

Mr. HOLLAND. The question raised by the distinguished Senator from Iowa [Mr. GILLETTE] related entirely to private debts owed in the United States, some of it official public debt existing years ago and some of it private debt represented by obligations of private companies in West Germany which are held by investors in the United States.

Mr. WILEY. The Senator is correct.

Mr. HOLLAND. The writing down of our postwar debt of West Germany from something over $3 billion to $1 billion was not seriously questioned?

Mr. WILEY. Oh, yes; the Senator from Iowa [Mr. GILLETTE] complained about that very seriously. He said there should not be a writing down. I believe the Senator from Tennessee referred to the fact that we were furnishing money to pay debts. We furnished the money long ago. We furnished $3 billion. We want to get $1 billion of it back. We think it is a good settlement.

Mr. HOLLAND. The Senator from Wisconsin states, that instead of making a gift of $3 billion under the Marshall plan and other relief programs, we are now finding it possible to collect a part of the debt; is that correct?

Mr. WILEY. Yes; we think it is an overall settlement that is advisable to make in the interest of all the parties concerned.

Mr. HOLLAND. Under agreement 3, I note that the substance of it is that the Federal Republic of West Germany agrees to pay in excess of $97 million to various American nationals who have claims against West Germany. There is no contest or conflict in the committee about that?

Mr. WILEY. No. That has to do with the Black Tom and similar claims.

Mr. HOLLAND. Agreement No. 4 is the one that relates to the conditions

that the German dollar bonds will not be recognized unless they have been validated under the procedures that have been set up; is that correct?

Mr. WILEY. That is correct.

Mr. HOLLAND. That is not in question in the committee; is it?

Mr. WILEY. That is not in question. The purpose of the treaty is to stop the Russians from benefiting by the larceny they committed in Berlin.

Mr. HOLLAND. The executive agreement reported by the President under which the surplus property of West Germany will be liquidated at $203 million to be paid to the United States in a certain way as set forth in the report, is not in serious issue either; is that correct?

Mr. WILEY. No; there was congressional delegated authority to make that agreement.

Mr. HOLLAND. Then, Mr. President, if I correctly understand this matter, it comes down to two conflicts in the committee: First, there is a feeling on the part of some members of the committee that the $3 billion-odd of relief funds and aid advanced from the United States to West Germany since World War II should not have been scaled down to as little as $1 billion by agreement No. 2; is that correct?

Mr. WILEY. Yes. I think it is felt that the private bondholders who made investments back in the 1920's should have had their claims scaled down. It seems that there is a feeling that it would have been all right if their holdings had been scaled down, but that the Government should have obtained 100 percent on its investments. I, for one, would like to see the Government obtain 100 percent on all the money it has laid out all over the world. But I believe that under the circumstances it is advisable to proceed with the agreements or treaties, in order to be able to proceed with business on an international scale, which will not be possible unless the agreements are ratified.

Mr. HOLLAND. Mr. President, will the Senator from Wisconsin further yield to me?

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Does the Senator from Wisconsin yield further to the Senator from Florida?

Mr. WILEY. I yield.

Mr. HOLLAND. I understand that the second conflict is over the question as to whether the recommended proposal for refunding and making firm again the debts as between United States nationals and West Germany, as covered by agreement No. 1, is a fair settlement. That is the principal point of argument in the committee, is it not?

Mr. WILEY. Mr. President, the Senator from Florida has stated the matter very well indeed, and I wish to compliment him on it. He has a fine legal mind. He has cut through the maze surrounding this matter, and has stated the issue very clearly by his questions, so that the matter is now readily understandable.

Mr. HOLLAND. I thank the Senator from Wisconsin.

I should like to ask whether the reports on these two agreements were unanimous on the part of the committee.

Mr. WILEY. No. I understand that the Senator from Iowa disagrees. I further understand that two committee members were not present at the time when the committee voted to report the agreements. So the votes of those two committee members were not recorded.

Mr. HOLLAND. Who were they?

Mr. WILEY. The Senator from Michigan [Mr. FERGUSON] and the Senator from Iowa [Mr. HICKENLOOPER] were not present at the time of the taking of the vote in the committee.

However, I see the Senator from Iowa on the floor at this time, so he can inform us as to his attitude, and I shall be glad to have him do so.

Mr. HOLLAND. Some reference has been made to the attitude of the distinguished senior Senator from Georgia [Mr. GEORGE]. Will the Senator from Wisconsin state for the RECORD what his attitude was?

Mr. WILEY. The Senator from Georgia voted to report the agreements favorably.

The vote of the distinguished Senator from Iowa [Mr. GILLETTE] was recorded in opposition to all four of the agreements.

Mr. HOLLAND. He was not in opposition to only the first one or to the first two?

Mr. WILEY. No; I understand that when the Senator from Iowa left the committee room, he gave me his proxy, in writing, for the three others, as well; and his proxy was to vote "no" against all the agreements.

Mr. HOLLAND. I thank the Senator from Wisconsin.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

LONG-TERM CONTRACTS FOR ELECTRIC POWER FOR ATOMIC ENERGY PLANTS AT OAK RIDGE, PADUCAH, AND PORTSMOUTH

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business, the second independent offices appropriation bill, be temporarily laid aside, and that the Senate proceed to the consideration of House bill 4905, Calendar No 503, to amend the Atomic Energy Act of 1946, as amended, which bill is identical to Senate bill 2239, Calendar No 478, which was reported from the Joint Committee on Atomic Energy, whereas House bill 4905 was ordered to be placed on the calendar Since the House bill has already been passed by the House of Representatives, I understand that the Senator from Iowa wishes to have the Senate consider the House bill, which is identical with the Senate bill.

The PRESIDING OFFICER. The House bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 4905) to amend the Atomic Energy Act of 1946, as amended.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill (H. R. 4905) to amend the Atomic Energy Act of 1946, as amended.

Mr. HICKENLOOPER. Mr. President, House bill 4905 is identical with Senate bill 2239, as stated by the acting majority leader, the distinguished senior Senator from California [Mr. KNOWLAND]. Senate bill 2239 was reached on the call of the Consent Calendar last Monday, but objection was made at that time. The Senator from Oregon [Mr. MORSE] submitted a series of questions about the matter. The Senator from Tennessee [Mr. GORE] asked for further enlightenment. Among us, we agreed very amicably that the bill would go over, until the material they wished to have had been provided for the RECORD.

On yesterday I submitted for the RECORD categorical answers to the questions which had been submitted by the Senator from Oregon. The answers to those questions were corroborated by the Atomic Energy Commission itself.

I may say that on last Monday it was suggested that if satisfactory answers were given, we probably would request unanimous consent to have the Senate proceed to consider the bill, rather than wait until it was reached at the next call of the calendar.

Senate bill 2239 authorizes the Atomic Energy Commission to enter into cancellation-payment contracts with three suppliers of electric power for the Oak Ridge, Paducah, and Portsmouth installations of the Atomic Energy Commission. The Paducah and Portsmouth installations are new ones. The Oak Ridge installations have been enlarged. A tremendous amount of electric power will be required for these three installations in order to operate the properties. For instance, I understand they will require as much electric power as is produced in all of New England, or as much as is produced and used in New York City, or as much as is used in all the homes in the United States. Those comparisons give an idea of the magnitude of this power operation.

The Senator from Oregon is now on the floor. The answers to the questions he submitted have been placed in the RECORD; they appear in the CONGRESSIONAL RECORD of yesterday. They constitute quite a satisfactory explanation, I believe, of the various matters involved.

There has been some question because three power sources are involved, namely, the TVA; Electric Energy, Inc.; and the Ohio Valley Electric Corp.

The meat of this matter is that it has been necessary to combine these three great utility operating groups in order to produce the tremendous volume of power necessary for these installations.

The Atomic Energy Commission had a private engineering firm evaluate the situation and make a survey to determine whether the Commission should ask Congress for appropriations with which to build its own power plants, or whether it should enter into the proposed contract, which was joined in by the TVA; Electric Energy, Inc.; and the Ohio Valley Electric Corp. The proposal they made was to invest their own capital, to the extent of $1 billion—which is the cost of the plants which will be needed to supply this amount of electric energy. The private engineering company, namely, Sargent & Lundy, of Chicago, made the survey, and stated that the original capital investment and cost of operation would be approximately the same in either case, although there would be some advantage to having the TVA and the two private engineering concerns build the plants.

However, a hazard is involved. The Atomic Energy Commission is unwilling to make a firm contract for the taking of the power over a period of time sufficiently long to completely amortize the cost under good business practices.

Therefore, the Atomic Energy Commission, with the approval and consent of the Federal Power Commission—that is with the O. K. of the Federal Power Commission as to the propriety and righteousness of the contract or agreement—is proposing to enter into a termination of contracts agreement, so that if at any time within 10 years the Atomic Energy Commission decides, "We do not need this power any more" or "We do not need any longer a substantial part of this power"—for instance, if the atomic-energy program were to change, as regards its complexion and needs—"and therefore we wish to cancel our contract for power, so that it will no longer be a firm contract," then there would be provided a yardstick by which to measure the contract-cancellation damages to the TVA and to the two private groups, after they had invested the vast amount of capital required, namely, a total of $1 billion. In that way the Atomic Energy Commission would avoid the risk and hazard which would be undertaken by the three groups.

Mr. MORSE. Mr. President, will the Senator from Iowa yield to me?

Mr. HICKENLOOPER. I yield.

Mr. MORSE. Am I correct in understanding that, although the yardstick for measuring the damages is thus to be provided, it will be the same as in any other case where there might be a change in demand for power over a period of time. In other words in this instance the change might occur in such circumstances that the power which previously had been taken by the Atomic Energy Commission could be transferred from the Atomic Energy Commission to other consumers, and consumed by them, in which event there would be no damages. Under those circumstances is it not the intention that the Atomic Energy Commission would not have to pay anything?

Mr. HICKENLOOPER. That is correct. It is a matter of protecting the original capital investment, and also of protecting the Atomic Energy Commission. The advantage in the main, as I see it, is that it obviates the necessity of the AEC from assuming the risk, first, of either having to use all the power that is produced, or of having to go out on its own to find customers for it. It takes the AEC out of the electric sales business and transfers that responsibility to private groups.

I have discussed this matter with the Senator from Oregon. He is present and, of course, he can speak for himself. I am sure he told me that he feels satisfied at the moment with the explanations which have been given, and has withdrawn his objection to consideration of the bill at this time, as did the Senator from Tennessee.

Mr. BRICKER. Mr. President, will the Senator from Iowa yield?

Mr. HICKENLOOPER. I yield to the Senator from Ohio.

Mr. BRICKER. It also saves an investment by the Federal Government of approximately a billion dollars in plant construction, does it not?

Mr. HICKENLOOPER. It transfers the plant investment of $1 billion from the Government to two private enterprises and TVA. The three outfits jointly have assumed the capital investment risk. The survey showed that there would probably be a balance of some amount involved; but the Atomic Energy Commission would be relieved of the responsibility of making a large capital investment and the responsibility of disposing of the power. If they use the power for 10 years, as they probably will, they can at the end of the 10 years cancel the contracts, with no liability under any circumstances.

Mr. BRICKER. Mr. President, will the Senator yield further?

Mr. HICKENLOOPER. I yield.

Mr. BRICKER. Merely for the purpose of the record, after the study by the Joint Committee on Atomic Energy, the Senate members of that Committee concurred in the recommendation for approval of the contract and joined in the introduction of the bill. Is that correct?

Mr. HICKENLOOPER. Yes. I am quite certain the statement I am making is factually correct, although it is late and the staff of the committee did not know this bill was to come up tonight, and so they are not here with all the statistical data we should have, but I am certain there was no vote against the bill on the part of any Member who was present; and, while there might have been 2 or 3 absentees and the Joint Committee on Atomic Energy may not have been polled, I can give the Senate the assurance that after full consideration by that committee there was no objection and there was universal approval.

Mr. BRICKER. I thank the Senator.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield.

Mr. ANDERSON. I fully agree with the statement just now made by the Senator.

Mr. HICKENLOOPER. I thank the Senator, who is very much interested, and who I may say is a very attentive member of the Joint Committee on Atomic Energy.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Tennessee.

Mr. GORE. At the time the AEC expansion program was inaugurated it was my privilege to conduct the hearings of the House Appropriations Committee. At that time we went into the contract very thoroughly. A number of people asked, "Why does not the Atomic Energy Commission build its own power plants?" Other people asked, "Why must they contract with TVA for power plants? Why do they not contract entirely with a private utility?" Others asked, "Why not contract with TVA entirely?"

The Atomic Energy Commission, as the able Senator has so well said, employed outside experts to make a thorough study. They came in with a recommendation that the power load be supplied by a combination of TVA and the private concerns already named. The Atomic Energy Commission alleged, properly, that it was not a power-producing agency, that a utility system would be better equipped to construct and to operate, and in the event of a termination of the program, which is the subject of the pending legislation, those utility systems would be in a better position to use and dispose of the power. As I understand the pending bill, the immediate question has to do with the problem of financing the construction of the huge steam plants. Is that not correct?

Mr. HICKENLOOPER. Yes. I may say that in the absence of legislation of the nature of the bill the Senate is now considering, it is impossible, without the cancellation-damage contracts, to get the capital financing for these companies, because the hazard in building the plants is so great. The AEC might elect to cancel, let us say, immediately upon completion of the plant, but before any electricity is developed. At that time the AEC would have a right to say, "We have changed our minds; we do not want it." So, without cancellation-damage contracts, which at that point are substantial, but which diminish year by year for the next 10 years until they completely exhaust themselves, private companies will not undertake the work because the hazard then becomes too great. There is no sale for such an amount of electricity at the present time in that area, and they are not going to take a chance on a market being developed for it.

Mr. GORE. So I understood from studies that have been made since the bill was called on the Consent Calendar on Monday. I am now fully prepared to withdraw my objection and, moreover, to join in support of the bill.

Mr. HICKENLOOPER. The Senator from Tennessee has been very cooperative and very helpful, and I certainly appreciate his attitude. Under no circumstances do I want this bill to be passed with any substantial doubt in the mind of any Senator. I want all Senators to be assured that good business practices have been followed by the AEC, and that the Commission has had only

one thing in mind; namely, to get the best bill for the atomic energy program. They would ask for money to construct their own powerplants, if they were convinced that that course was better for the program, but they believe that the plan now proposed is better than one which would require them to furnish the capital investment. They consider that they are coming out with really an advantage. I want everyone to be satisfied of that.

Mr. ELLENDER. Mr. President, will the Senator yield.

Mr. HICKENLOOPER. I yield to the Senator from Louisiana.

Mr. ELLENDER. Could we not conclude that the enactment of the pending bill would be an inducement to private enterprise to furnish the electricity needed, rather than have the Congress vote for the construction of steam plants, as has been done in the past for TVA?

Mr. HICKENLOOPER. Yes, that is correct.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HICKENLOOPER. I yield to the Senator from Oregon.

Mr. MORSE. I desire to say, as I said yesterday on the floor of the Senate, that I appreciate the cooperation the Senator from Iowa has extended to me.

Mr. HICKENLOOPER. The Senator from Oregon is fully entitled to it.

Mr. MORSE. The Senator from Iowa has been very kind about this matter. I do not always get that kind of cooperation from my colleagues, but the Senator from Iowa always accords it to me.

I raised the questions I did last Monday, resulting in this bill's being brought up by motion rather than on a call of the Consent Calendar, because we now have in the RECORD a legislative history which I think is very much needed in connection with legislation of this kind.

Here is a piece of legislation—Mr. President, mark you well what I say—which will be used for precedential purposes in the future. I was aware of that last Monday, and I wanted the record to be as clear as the Senator from Iowa has made it, so that in the future principles which were followed in this case will be clearly understood. I am not prepared to say whether the figures involved in this bargain represent, from the Government standpoint, the best figure that should have been agreed upon. But I am satisfied the motivation is perfectly proper, and I am also satisfied that reasonable men could differ as to whether this is the best price from the Government's standpoint.

I have studied the report which the Senator from Iowa has submitted to me. I completely agree with the principles of the policy involved, and I am perfectly willing to take the judgment of the Atomic Energy Commission and of the Joint Committee on Atomic Energy when they say, as they have said, on the record, that they think the interest of the Government has been well protected.

So I accept the explanation of the Senator from Iowa.

Mr. HICKENLOOPER. I thank the Senator from Oregon. His questions were pertinent and went to the heart of the major phases of the matter, and the answers which have been carefully and fully worked out in order to meet his questions are in the RECORD, and will be very helpful.

I should like to say, further, that I am not at all competent to pass on the engineering phases of the contract but I have tremendous faith in the zeal and the integrity of the members of the Atomic Energy Commission. I have confidence and faith in the professional integrity of the private engineering firm which made its studies. I certainly assure the Senate that my colleagues on the Joint Committee on Atomic Energy are just about as tough a bunch of persons when it comes to watching the integrity of the program as I have ever seen. Certainly there is no more meticulous group of men within their line and their capabilities in safeguarding the security of the United States, financially and otherwise, than are the members of that joint committee.

So I speak with confidence when I say I believe the interest of the United States has been safeguarded as well as it possibly could be, and that this is an advantageous contract for the Atomic Energy Commission and for the people of the United States.

If there are no questions, Mr. President, I ask that the bill come to its third reading.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

The PRESIDING OFFICER. Without objection, Senate bill 2239 is indefinitely postponed.

Mr. HICKENLOOPER. I thank the majority leader for his courtesy.

IMMUNITY TO WITNESSES BEFORE EITHER HOUSE OF CONGRESS OR THEIR COMMITTEES

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar 153, Senate bill 16.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (S. 16) to amend the immunity provision relating to testimony given by witnesses before either House of Congress or their committees.

The PRESIDING OFFICER. Is there objection to the consideration of the bill? The Chair hears none.

There being no objection, the Senate proceeded to consider the bill (S. 16) to amend the immunity provision relating to testimony given by witnesses before either House of Congress or their committees, which had been reported from the Committee on the Judiciary with an amendment on page 2, at the beginning of line 11, to strike out "committee," and insert "committee", so as to make the bill read:

Be it enacted, etc., That title 18, United States Code, section 3486, is amended to read as follows:

"§ 3486. Testimony before Congress; immunity

"No witness shall be excused from testifying or from producing books, papers, and other records and documents before either House, or before any committee of either House, or before any joint committee of the two Houses of Congress on the ground, or for the reason, that the testimony or evidence, documentary or otherwise, required of him may tend to incriminate him or subject him to a penalty or forfeiture, when the record shows—

(1) in the case of proceedings before one of the Houses of Congress, that a majority of the Members present of that House, or

(2) in the case of proceedings before a committee, that two-thirds of the members of the full committee, including at least one member of each of the two political parties having the largest representation on such committee—

shall by affirmative vote have authorized that such person be granted immunity under this section with respect to the transactions, matters, or things concerning which, after he has claimed his privilege against self-incrimination, he is nevertheless compelled by direction of the presiding officer or the Chair to testify. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter, or thing concerning which after he has claimed his privilege against self-incrimination he is nevertheless so compelled to testify, or produce evidence, documentary or otherwise.

"No official paper or record required to be produced hereunder is within the said privilege.

"No person shall be exempt from prosecution or punishment for perjury or contempt committed in so testifying."

The PRESIDING OFFICER. An amendment has been proposed by the Senator from Tennessee [Mr. KEFAUVER].

Mr. McCARRAN. Mr. President, I wish to discuss the bill very briefly, and during my discussion of it I shall touch on the objections I have to the amendment of the Senator from Tennessee [Mr. KEFAUVER].

Mr. FERGUSON. Mr. President, will the Senator from Nevada yield?

Mr. McCARRAN. I yield.

Mr. FERGUSON. I should like to propose an amendment on page 2 of the bill, in line 9, to strike out "one" and insert "two", so that it will read "two members from each of the two political parties."

Mr. McCARRAN. I will accept that amendment when it is offered by the Senator from Michigan.

Mr. FERGUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. FERGUSON. May I ask what is pending?

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Tennessee.

Mr. FERGUSON. I ask unanimous consent that that amendment be temporarily laid aside so that I may offer my amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FERGUSON. Mr. President, I move in line 9, on page 2 of the bill, to strike out the word "one" and insert "two."

Mr. McCARRAN. The Senator is proposing that there shall be two members from each party?

Mr. FERGUSON. Yes.

Mr. McCARRAN. I have no objection.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Michigan.

The CHIEF CLERK. In line 9, page 2, it is proposed to strike out the word "one" and to insert the word "two."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. KNOWLAND. Mr. President, I wonder if the Senator from Nevada would object to a quorum call at this point? The Senator from Tennessee [Mr. KEFAUVER] is not in the Chamber.

Mr. McCARRAN. I do not care for a quorum call, unless the Senator wants to suggest the absence of a quorum at this time.

Mr. KNOWLAND. I think that before we vote on any of the amendments we should have a quorum call.

Mr. McCARRAN. If the Senator wants to suggest the absence of a quorum, I think he should do so now.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McCARRAN. Mr. President, in the present status of the bill, the question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER] in the nature of a substitute for the amendment offered by me. I propose to discuss the bill very briefly, and shall dwell somewhat on the amendment offered by myself, and on that offered by the Senator from Tennessee in the nature of a substitute.

Mr. President, this is a bill to make effective existing legislation with respect to the granting of immunity to witnesses before congressional committees. The present law was designed to put the Congress and its committees in a position to secure the testimony of a witness even though the witness might elect to enter a claim of privilege under the fifth amendment to the Constitution. The statute is designed to do this by extending to the witness an immunity from prosecution equally as broad as the privilege which he claims under the fifth amendment. As Senators know, the Supreme Court has held that the present statute does not accomplish its purpose because the immunity which it grants is only immunity from the use in evidence against the witness of his testimony before the Congress or its committee. The privilege under the fifth amendment, of course, is a privilege against all prosecution growing out of the offense concerning which the witness testifies.

The pending bill is designed to close that loophole, and make the existing statute effective.

The bill is not a new proposal. I first introduced the proposal in the 82d Congress on May 31, 1951, as S. 1570. It was reported from subcommittee on August 3, 1951. It was considered by the full committee on two different dates in August of 1951—the 6th and the 20th—and then on August 27, 1951, it was approved in committee on a show of hands and ordered reported favorably to the Senate. It was reported from committee the same day, the report being Senate Report 717 of the 82d Congress. The bill came up on the first subsequent calendar call, on October 1, 1951, and was passed over. It was passed over on a call of the calendar October 11, 1951, and again on January 24, 1952. On January 24, 1952, I offered substitute amendments, designed to remove objections which had been raised. Still later, on February 14, I offered a clean bill in the nature of a substitute, which I felt at the time, and still feel, represented a fair meeting of every objection which had been raised.

The bill was considered again on February 14, but passed over; and it did not come up again until July 3, 1952, and it passed the Senate on a call of the calendar, but the action of the Senate was reconsidered at the request of the then majority leadership, and the bill was subsequently passed over on reconsideration. That bill died with the 82d Congress.

I reintroduced the proposal as S. 16 of the 83d Congress on January 7, 1953. The bill was considered by the full committee on February 16, at which time the late Senator Smith requested a memorandum covering certain points. This memorandum was prepared by the staff and distributed to the committee. On February 23 the memorandum was discussed in the full committee, and it was requested that representatives of the American Bar Association be present when the committee should next consider the bill.

The next consideration of the bill was on March 16, 1953, when former Senator O'Conor and Mr. Rufus King appeared before the committee to represent the American Bar Association. These men endorsed the proposal.

On March 23 the matter came up before the full committee again, and on motion, it was agreed that the bill would be voted upon at the next meeting. On April 20, 1953, the bill was approved by a recorded vote of 12 yeas and 1 nay; and the same day the bill was reported from the full committee by Senate Report No. 153.

This bill has been discussed a number of times on the Senate floor. I made a statement about it at the time I introduced it on January 7 of 1953. The Senator from Indiana [Mr. JENNER] made a statement about the bill on April 25, 1953, on the Senate floor. On May 6, the bill came up on a calendar call and I made a statement explaining it. On that date, the Senator from Ohio [Mr. TAFT] agreed that he would let the bill come up on motion.

On May 7, 1953, the Senator from Ohio stated that the bill would be taken up the following day.

On May 8, 1953, the Senator from Ohio, on the floor of the Senate, asked me to agree that he might bring up another bill, S. 922, before he brought up S. 16, because the Senator from Virginia [Mr. ROBERTSON] was very anxious to leave the Chamber. I pointed out that I had asked permission to be absent after the following Monday—it was then Friday—and the Senator from Ohio said he saw no reason why all of the three bills pending—which included S. 16—should not be dealt with completely on that day. The Senator from Ohio then moved to bring up S. 922 and subsequently, at 2:20 p. m., moved to bring up S. 16, the bill now pending before the Senate. This bill was debated until 4:05 p. m., at which time the Senate was ready for a vote on a substitute amendment offered by the Senator from Tennessee [Mr. KEFAUVER]. However, a quorum was called for, and there was no quorum present, so all the Senate could do was adjourn, with S. 16 the unfinished business. On May 12, 1953, the Senator from Ohio moved to set aside S. 16 and bring up another bill. At that time, as I pointed out here when the calendar was called on Monday, the Senator from Ohio assured the late Senator Smith that within 2 weeks, or a reasonable time, he would move to bring the bill up again.

It is pursuant to that assurance, and the assurance given me yesterday by the acting majority leader, the Senator from California [Mr. KNOWLAND] that the bill is now before the Senate.

This bill has been carefully explained on the Senate floor on several occasions, and I believe most Senators are familiar with it. As I have pointed out on numerous occasions, this bill is particularly important in the investigation of communism. About the only way we are ever going to get to the bottom of the Communist conspiracy in this country is by securing the testimony of some of those who were themselves a part of that conspiracy.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield.

Mr. FERGUSON. The Senator has mentioned the subject of communism, and the aid which would be afforded by the bill in the investigation of that subject. The Senator from Michigan would like to say for the RECORD that he has been a member of the Judiciary Committee for 10 years, and has done some investigation of communism. He knows of no greater weapon which could be provided against subversion in the United States than this bill. I think it would be the greatest legal, constitutional weapon we could have for exposure and prosecution of subversive activities such as communism.

Mr. McCARRAN. I thank the Senator.

The most important thing is to expose the conspiracy. Punishment of individual conspirators is a secondary thing. The internal security of the country is far more concerned with halting the conspiracy for the future than it is in punishing some individual or individuals for past misdeeds. Under these circumstances, Senators can understand how important it is to have legislation which will permit committees of the Congress to demand that a witness who may have a knowledge of the details of this conspiracy tell his story in full, even at the price of giving the witness immunity from prosecution for his own part in the conspiracy.

I have told the Senate of my conviction that many witnesses who claim their privilege under the fifth amendment, when questioned with regard to communism, are improperly asserting that privilege; and my belief that if this bill passes there will be far fewer refusals to answer questions about communism, under claims of the privilege against self-incrimination; because witnesses who know that they may be required under the terms of such a statute to testify fully, notwithstanding the claim of immunity, will be very careful about exerting such a claim improperly.

I do not believe that any Member of the Senate is opposed to this bill in principle. I know that there are Senators who are anxious that the Attorney General should have an opportunity to express his views with regard to the granting of immunity in any particular case, before action is taken in the particular case. In order to meet this point of view, I have offered an amendment which would require that the Attorney General be notified at least 1 week in advance of any vote on the question of granting immunity to a witness. That would give the Attorney General plenty of time to communicate his views to the committee; and frankly, I cannot conceive of a responsible committee of the Senate or of the House of Representatives granting immunity in a case in which the Attorney General of the United States opposed it and gave reasons why such immunity should not be granted.

Mr. KEFAUVER. Mr. President, will the distinguished Senator from Nevada yield for a question?

Mr. McCARRAN. I yield.

Mr. KEFAUVER. When we suspended the consideration of the bill the last time, as I recall I had pending an amendment to require that the Attorney General be notified at least 1 week in advance of the proposed granting of immunity. The distinguished Senator from Nevada offered a motion to change the rules of the Senate to provide, as a matter of rules of the committees, that notice should be given to the Attorney General. Is that the same amendment the Senator has now pending?

Mr. McCARRAN. The amendment of the Senator from Tennessee is the pending amendment under the rule.

Mr. KEFAUVER. The Senator has just stated that he had an amendment pending.

Mr. McCARRAN. I had an amendment, but the Senator from Tennessee offered a substitute for it.

Mr. KEFAUVER. I did not understand.

Mr. McCARRAN. I had an amendment, but the Senator from Tennessee offered a substitute for it.

Mr. KEFAUVER. But does the Senator's amendment change or alter the rules of the committee?

Mr. McCARRAN. If the Senator will permit me to continue I believe I can answer him completely.

Mr. KEFAUVER. Very well.

Mr. McCARRAN. The Senator from Tennessee [Mr. KEFAUVER] has taken the view that this provision for giving notice to the Attorney General should be made a condition of the grant of immunity. My own position is that the provision for notifying the Attorney General should be made a part of the rules of the respective Houses. This is properly a procedural matter, and nothing more. If the substitute amendment offered by the Senator from Tennessee should be adopted, we might have a situation in which a witness would appear before a committee, would be required to answer under the terms of this statute, after having been assured that he would be granted immunity, would actually answer, to his detriment, and thereafter might learn that immunity had not in fact been granted to him because there had been a failure to notify the Attorney General a full week in advance of the committee's action.

I cannot see any difference, so far as notifying the Attorney General goes, whether the requirement is a matter of rules, that is, procedural, or whether it is a matter of a condition in the bill itself, that is, jurisdictional. But as every lawyer in this body will recognize, it makes a great deal of difference in the administration of this law whether the requirement for notifying the Attorney General is jurisdictional or procedural.

I believe that the amendment which I have offered adequately covers the point of notification to the Attorney General; and I hope that the amendment of the Senator from Tennessee will be defeated.

One more word should, I believe, be said at this time. Most Senators are, I think, familiar with the language used in my proposed amendment. Admittedly, this language sounds awkward. However, this is the form worked out a number of years ago between representatives of the Senate and the House on the first occasion when it was desired, in connection with a bill, to make a change in the rules but without foreclosing the right of either House to make further changes as it might see fit. This language has been used in each reorganization bill which has passed the Congress, and will be found also in the Legislative Reorganization Act.

Mr. President, I hope that the substitute amendment, offered by the Senator from Tennessee [Mr. KEFAUVER] which might make it jurisdictional and which indeed would jeopardize the whole matter, will not be adopted.

Mr. LEHMAN. Mr. President, as my colleagues know, I am not a lawyer, and the bill before us is very much a legal question regarding whose technical aspects I would not undertake to argue or dispute. There are, however, broad policy questions in connection with this bill which even a nonlawyer can easily comprehend. I consider this measure, from a pure policy aspect, a most unfortunate one, even a highly dangerous one. In my judgment it strikes at the very roots of the concept, so basic to our form of government, of the separation of powers between the legislative, executive, and judicial branches.

The function of the executive branch is very clearly to carry out the laws of the United States, to enforce them, and to prosecute those who violate them. Neither the Congress of the United States nor its committees is a law-enforcement agency. The Congress is not a body of prosecutors, despite some unfortunate tendencies which have shown themselves in recent years. It is undoubtedly the right of congressional committees to expose evil situations existing in our country and to interrogate individuals and groups of individuals who contribute to these evil situations. I know too that many witnesses have abused their rights under the Constitution. But it is neither the responsibility nor the function of the Congress to prosecute individuals for wrongdoing, or alleged wrongdoing. It is not the function of the Congress to apprehend, detain, and punish lawbreakers. That is clearly the responsibility and the function of the investigative and law-enforcement officers of the executive branch of the Government. Indeed, it is forbidden in the Constitution for Congress to pass a bill of attainder inflicting a punishment of any kind upon any particular individual.

Hence, Mr. President, it strikes me as the height of unwisdom to enact into law authorization for a committee of Congress to grant, on its own motion, immunity from prosecution to a witness appearing before a congressional committee. That seems to me, although I am not a lawyer, a clear usurpation of the executive authority. It is not only a usurpation of executive authority, it is unwise from every point of view. It would vest in Congress the unchecked power to remove from the area of Federal prosecution any number of individuals on whom the investigative agencies have compiled dossiers of evidence and against whom the prosecuting agencies were planning, or might plan in the future, to place charges.

It would enable wrongdoers to escape prosecution by volunteering to come before a congressional committee and to obtain from such committee grants of immunity from prosecution. No good which could be gained in the way of public disclosure can be balanced against the evil, both actual and potential, implicit in the pending legislation. It should not escape our notice that this bill is opposed by the Department of Justice, as a similar bill was opposed by the Department of Justice in a previous Congress.

We should recall that a law granting similar authority to congressional committees was placed upon our statute books almost a century ago, 1857. But the evils and troubles resulting from that legislation were so pronounced as to re-

quire Congress to amend it 5 years later. It would be, in my judgment, foolhardy to attempt now, in order to gain some temporary advantage for our investigating committees, to establish this unwise practice which strikes at the very root of the system of justice and of prosecution.

The bill is opposed by many of the eminent lawyers in the country—men of the most conservative inclinations in political and social questions, but unquestionably opposed to such legislation as this, which is radical in the sense that it seeks to uproot the very basis of our tripartite system of government.

Among the lawyers who have filed opinions against the bill are Mr. John W. Davis, the eminent constitutional lawyer from my own State of New York; Dean Erwin W. Griswold, of Harvard Law School; Gov. Thomas E. Dewey, who has had some experience as a prosecutor; Telford Taylor; William D. Mitchell, former Attorney General of the United States, and many others. All of these and many more lawyers have gone on record against the measure. I ask unanimous consent that the letters from eminent attorneys addressed to the Senator from West Virginia [Mr. KILGORE] be printed in the RECORD at this point in my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

STATE OF NEW YORK,
EXECUTIVE CHAMBER,
Albany, May 13, 1953.

Hon. H. M. KILGORE,
United States Senate,
Washington, D. C.

DEAR SENATOR KILGORE: I have your letter of May 6 and while I am not familiar with the details of S. 16, I recognize the gravity of the danger involved in the power to grant immunity.

It may be of interest to you that the New York State Crime Commission, which has served with distinguished leadership and notable success for the last 2 years, is recommending the adoption of procedure to prevent the granting of immunity in improper cases. The basis for the recommendation is that the granting of immunity is an extraordinary power which should in all cases be carefully restricted.

Legislation to implement these recommendations is presently in the process of preparation and is expected to be available by June 10.

My own experience as a prosecutor would lead me to concur in the crime commission's recommendations.

Sincerely yours,

THOMAS E. DEWEY.

SECURITIES AND EXCHANGE COMMISSION,
Washington, D. C., May 14, 1953.

DEAR SENATOR KILGORE: I am writing in response to your kind letter of May 7, 1953, inviting my views with respect to S. 16, which would amend the present immunity statute so as to enable committees of the Congress to obtain pertinent testimony from witnesses called before committees in exchange for grants of immunity to those witnesses.

There is little doubt in my mind as to the desirability of an immunity provision such as that contemplated by S. 16. It is a valuable investigatory weapon. However, I think it is important that proper safeguards be prescribed to prevent it from becoming the shield of criminals.

The Commission is one of a number of Government agencies whose basic legislation contains immunity provisions similar to that provided in S. 16. However, the agency exercising the power to grant immunity to witnesses in every case of which I am aware also has a full knowledge of the charges which might be brought against the witness under the statutes for violation of which immunity is sought. Thus, the agency may weigh the benefits to be derived from the testimony against the possibility that the witness may be granted absolution from certain crimes, and make an informed decision. Generally speaking, the power to grant immunity is one which is very rarely exercised and even when it is the grant of immunity is extended only to minor participants in a scheme after it has been demonstrated that their testimony is an absolute prerequisite to the successful completion of an investigation.

I believe that unless the agency which is empowered to decide whether or not to grant immunity is in possession of sufficient facts and has sufficient knowledge of the laws involved that it can predict the consequences which would flow from a particular grant of immunity, it cannot possibly use the power with sufficient wisdom to protect the public interest. While I believe that no committee of Congress would knowingly provide a haven for those who assert the privilege against self-incrimination, it seems to me that some provision should be made for effective coordination and cooperation between congressional committees and the agency of the Government entrusted with the responsibility for general law enforcement. Otherwise, inadvertent grants of immunity may have unfortunate consequences.

S. 16 would grant complete and full immunity for any "transactions, matters, or things" concerning which a person is compelled to testify after having claimed his privilege against self-incrimination. The only reference to consultation with the Attorney General to prevent the abuses which might easily flow from such a broad grant is that contained in the committee report, which states any provision for advance notice to the Attorney General "shall be by rule of the committee or the House concerned and not by statute." (P. 3.) For the reasons I have outlined, I feel that it is essential to sound Government administration, proper law enforcement, and to the utility of the provision itself, that the statute itself provide for consultation, or at least advance notice to the Attorney General, and that this question should not be left for implementation by committee rule.

I hope that my views are of some assistance to you and that you will call upon me if I can be of any additional assistance. I have no objection to your making my comments a part of the CONGRESSIONAL RECORD if you so desire.

With very best wishes and highest personal regards, I am

Sincerely yours,

DONALD C. COOK, *Chairman.*

WASHINGTON, D. C., *May 12, 1953.*

DEAR SENATOR KILGORE: I have your letter of May 6 enclosing a copy of S. 16, of the report of the Committee on the Judiciary to which the bill was referred, and Senator KEFAUVER's suggestion that the Attorney General should be consulted before any immunity be granted to a witness. You ask me to give my views on the proposed legislation.

I heartily concur with Senator KEFAUVER's suggested amendment. The granting of immunity without such consultation might well result in preventing prosecution where prosecution was called for. Senator KEFAUVER's reference to the Rosenberg case is a striking example of this. Any congressional committee, would, I should think, want to obtain the views of the Attorney General before putting the committee in the position of, in effect, pardoning a notorious criminal without knowing what it was doing. The committee is not, under the proposed amendment, bound by the Attorney General's views; and it is difficult to see why its judgment would not be benefited by having them.

The witness, under the proposed procedure, is protected from Federal prosecution, but not from any State action. I should think it extremely doubtful whether the United States could, constitutionally, even if it were deemed desirable so to do, grant a witness immunity from State prosecution. Consideration might be given, however, as to whether Congress could provide that evidence given before one of its committees, should not be used in any other trial. I do not know whether such a provision would be constitutional. I should think it might be considered.

The bill is carefully drawn, and contains an excellent provision that the immunity action must be taken by two-thirds of the members of the full committee, including at least one member of each party. This goes far to protect the witness from any arbitrary action by the committee. But further protection might well be granted the witness. It is customary in most congressional committees to give witnesses the right to counsel, but, although the rules or practice of several committees so provide, a witness has no statutory right to counsel. Why not consider adding a provision that before any witness is compelled to testify, he be given the specific right to counsel, and to cross examine any witness who may theretofore have testified against him?

I note that you say that there have been no public hearings on S. 16, and I can sense a reluctance on the part of several Senators to change so fundamentally our basic law with respect to claiming constitutional rights under the fifth amendment.

It is my sincere hope that the bill may be referred back to committee for further consideration along the lines I have suggested.

With warm personal regards, I am

Sincerely yours,

FRANCIS BIDDLE.

DAVIS, POLK, WARDWELL,
SUNDERLAND & KIENDL,
New York, N. Y., May 14, 1953.

Senator HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

MY DEAR SENATOR: I apologize for my seeming delay in answering your letter of May 6, in which you were good enough to ask my views on the bill S. 16. The delay has been due to causes beyond my control.

I have considered the bill, the committee report No. 153, and the individual views filed by Senator KEFAUVER. I think there is no doubt about the constitutionality of the bill since the immunity granted under it is sufficiently broad to protect the witness from any invasion of his rights under the fifth amendment.

In spite of the decisions cited in the committee report, there seems still to remain some doubt whether a witness may claim privilege if his testimony might tend to incriminate him under State law. The bill S. 16 does not purport in express terms to grant immunity from prosecution or penalty under State law. The language of the majority opinion in *Brown* v. *Walker* (161 U. S. 591) to the contrary notwithstanding, there may still be doubt of the power of Congress so to provide. Where the congressional inquiry is directed solely to matters of Federal concern, the question will probably not arise, for the possibility of self-incrimination under State law would be remote. (See *U. S.* v. *Murdock* (284 U. S. 141).) But you are familiar no doubt with the case of *U. S.* v. *DiCarlo* (102 F. Supp. 597). Perhaps a final solution of this phase of the problem must await further action by the court of last resort.

I have some sympathy with Senator KEFAUVER's position that before immunity against prosecution is extended to any witness the Department of Justice should have an opportunity to be heard. Perhaps my views in this particular are colored by a rather acrimonious interchange which occurred while I was in the service of the Department of Justice involving a difference of opinion between the Department and another branch of the Government in relation to the grant of immunity.

Of course, I have no objection to your making any use of my views which you may see fit.

With kindest regards,

Sincerely yours,

JOHN W. DAVIS.

LANDIS, TAYLOR & SCOLI,
May 11, 1953.

Hon. HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

DEAR SENATOR KILGORE: This will acknowledge with thanks your letter of May 7, enclosing a copy of S. 16 and Senate Report No. 153, on Senator MCCARRAN's bill for the granting of immunity to witnesses before congressional committees. I would have replied sooner, but for my absence from New York at the time your letter arrived.

Senator MCCARRAN's bill, as surely you have noted, empowers a majority of any congressional investigating committee to grant immunity. I am entirely in accord with Senator KEFAUVER's belief that the Attorney General should be brought into the picture before any such immunity is extended. Indeed, I am not sure that Senator KEFAUVER's proposed requirement of mere notification to the Attorney General goes far enough. It seems to me that, if the Attorney General is not in accord with the proposal to grant immunity to a particular witness, it would be preferable to require a vote of the House of Congress (Senate or House of Representatives, as the case may be) as a prerequisite to the grant of immunity.

I have no objection to your inserting these comments in the CONGRESSIONAL RECORD.

With all good wishes,

Sincerely yours,

TELFORD TAYLOR.

LAW SCHOOL OF HARVARD UNIVERSITY,
Cambridge, Mass., May 18, 1953.

Hon. HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

DEAR SENATOR KILGORE: I appreciate your courtesy in sending me a copy of S. 16 and requesting my views on the desirability of its enactment.

I would not favor the enactment of legislation granting immunity to witnesses before committees of the Congress in exchange for their compelled testimony, unless two additional legislative measures were taken:

(1) A provision requiring the concurrence of the Attorney General in any determination to compel the testimony and confer the immunity. This seems to me essential in order to maintain the responsibility of the Department of Justice for the administration of the criminal law.

(2) The enactment of legislation regularizing the procedure of committees of the Congress with a view to granting to witnesses additional safeguards of a procedural nature. As you know, several bills designed to achieve this purpose have been introduced.

You may feel free to use this letter in whatever way seems appropriate.

Very sincerely yours,

PAUL A. FREUND.

WASHINGTON, D. C., *May 25, 1953.*

Hon. HARLEY M. KILGORE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR: You are performing a fine public service in collecting the views of experienced members of the American bar as to the advisability of the legislation proposed in S. 16. I would think that there is no doubt that the weight of opinion is against any such legislation.

S. 16 proposes to vest authority in each House of Congress, by a majority vote, or to congressional committees, by a two-thirds vote, to grant immunity from criminal prosecution to persons who decline to testify on the ground that their testimony may incriminate them—and claim the privilege against self-incrimination conferred by the fifth amendment to the Constitution.

Recent events have demonstated that the privilege is being abused, and that all too frequently valuable information is being withheld by those who hide behind the Constitutional provision for reasons other than danger of prosecution. Apparently there is no way of ascertaining whether the claim of privilege is warranted, or whether it is made for the protection of others. If immunity from prosecution is granted the claim is no longer valid, and the witness could then be compelled to testify or be punished for contempt. The purpose of S. 16 is sound but the means employed to achieve the result are entirely wrong, and, if adopted, would probably result in serious injury to the proper administration of justice. The power to grant immunity from criminal prosecution should not be vested in a legislative body. It belongs to the officials charged with the duty and responsibility of conducting prosecutions. In the case of a Federal prosecution such power should be vested in the Attorney General of the United States. He should have authority to grant immunity from prosecution to witnesses called before congressional committees, grand juries and courts. S. 16 deals only with witnesses before congressional committees, and is silent as to witnesses before grand juries and courts, although in the latter two classes of cases the testimony sought may be of much greater importance than that before congressional committees. It is plain to anyone who has had experience in such matters that the exercise of an immunity power by congressional committees, which have and can have no responsibility for conducting prosecutions, would result in confusion, and would at least in some instances, lead to inability to punish serious offenses.

During the period when I was Solicitor General of the United States, the Justice Department proposed legislation giving the Attorney General authority to grant immunity from prosecution to those who declined to testify before grand juries or courts on the ground of self-incrimination. The Justice Department opposed the passage of legislation giving congressional committees power to grant immunity to witnesses before them. The report on S. 16 now before the Senate, shows that the Justice Department is still opposed to such legislation. Congress long ago passed an act under which it assumed such authority, but the resulting evils were so evident that the legislation was repealed. There is no reason to believe that S. 16, if enacted, would not produce similar abuses.

At the request of Senator LISTER HILL, and other interested Senators, I have prepared a brief memorandum on the subject, a copy of which I am enclosing.

With best wishes,

Sincerely yours,

PHILIP B. PERLMAN.

LASHLY, LASHLY & MILLER,
St. Louis, May 21, 1953.

Subject: S. 16, Calendar No. 153, immunity of witnesses appearing before congressional committees.

Hon. HARLEY M. KILGORE,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR KILGORE: In response to your request that I give you my views on the above numbered proposed Senate bill, let me observe in beginning that some improvement in the immunity provisions now existing is clearly indicated by recent experiences and practical requirements. The privilege extended in the fifth amendment to avoid self-incrimination lies at the heart of the Bill of Rights, and has been uniformly respected by the courts throughout our history, but it can be, and occasionally it seems that it is being made an instrument of conspiratorial concealment of facts necessary for the proper administration of justice and the maintenance of orderly government.

The repeated spectacle of subversive elements and scoff-laws generally forming lines behind the claims of self-incrimination, tends to make a public mockery of sound principles of equality and justice, and to reduce the respect for law and government so necessary for the protection of all the people. So much seems clear.

But the manner of achieving this involves principles of great fundamental importance also. While the fifth amendment ought not be permitted to degenerate into a mere instrument of escape, or a convenient cover suitable chiefly to preserve the safety of lawless persons, the immunity statutes must be designed and also operated with the greatest discrimination, so that they might not appear to sanction oppression at any time.

It will be noted that the present immunity statutes deal with matters upon which the Congress had legislated previously, in the exercise of its regulatory powers in specific fields of interstate commerce, such as the Securities and Exchange Commission, the Interstate Commerce Commission, and other instances referred to on page 12 of the McCarran committee report. The judicial foundation of these precedents might not be adequate to fully support the present measure, which is of much broader scope and application. It undoubtedly would be invoked in connection with congressional investigations not wholly or directly attributable to new legislation. It may conceivably involve bargaining between a committee of Congress, or, in some possible circumstances, between a single committee member, and a witness, concerning a matter of the greatest delicacy and importance, and under circumstances where the bargaining position of the two sides obviously would not be equal.

Because of this, and for the reasons given by Senator KEFAUVER in the views expressed separately by him accompanying the committee report, I should regard it of the utmost value to have the measure provide for appropriate notice to the Attorney General in every case where an immunity arrangement with a witness was contemplated.

With continued high regards and best wishes, let me remain,

Very sincerely yours,

JACOB M. LASHLY.

COLUMBIA UNIVERSITY,
CITY OF NEW YORK, *May 25, 1953.*

DEAR SENATOR KILGORE: I have been in the West and hence have had to delay a reply to your letter of May 7.

S. 16, in the form in which you sent it to me, seems to me extremely dangerous. Nor do I think Senator KEFAUVER's amendment goes far enough. I would require the permission of the Attorney General before a committee could give an immunity bath.

I am strengthened in this view by the provision of the bill which requires that the affirmative vote of at least one of the minority members of the committee is necessary to grant a person immunity. This directs attention to a question which I have several times discussed: viz, the lack of public and congressional confidence in the proceedings and findings of congressional committees that endeavor to peer into the dark corners. Moreover, there is the question of efficiency. I do not think that Representatives or Senators, heavily burdened by de-

mands from their constituents and by their legislative duties, can devote enough time to congressional investigations to make it certain that they are efficiently conducted.

But the inquisitorial power of Congress is one that must be preserved even though there are justifiable complaints of abuses. I, for some time, have held the view that if an investigation is necessary Congress should hand it over to an outside agency—like the Moreland commissionership in New York or a Tribunal of Inquiry, as in Great Britan.

I made these proposals in three articles in the New York Herald-Tribune, When Congress Fumbles for Facts, March 29, 30, 31, 1950 and Senator IVES had them reprinted in the CONGRESSIONAL RECORD (April 11 and 12, 1950). I made the same argument in an article for the University of Chicago Law Review, The Problem and Its Solution. The Review's spring issue of 1951 was a symposium on congressional investigations. I enclose a copy of this last mentioned article.

With high regards, I am

Yours faithfully,

LINDSAY ROGERS.

MITCHELL, CAHRON, MARSH, ANGULO, & COONEY,
New York, N. Y., May 28, 1953.

Hon. HARLEY M. KILGORE,
United States Senate,
Washington, D. C.

DEAR SENATOR: I have received your letter of May 6, with enclosures relating to S. 16, a bill to amend the immunity provisions relating to testimony given by witnesses before either House of Congress or their committees, and in respect of which you ask my views.

I confess I was surprised to learn that the present statute purporting to grant immunity to witnesses before congressional committees does not go far enough to form a basis for compelling a witness to give testimony he might refuse to give under the fifth amendment to the Constitution. Many years ago the Supreme Court of the United States held that immunity, to be adequate, must not only provide that the evidence shall not be used against the witness in a criminal prosecution, but also provide complete immunity from prosecution for or on account of any matter concerning which he testifies. The present statute relating to testimony of witnesses before any committee of either House merely provides that the evidence given by a witness shall not be used against him in a criminal prosecution. Why, in view of the decision of the Supreme Court, that immunity statute has been left all these years in its present form is hard to understand. The bill, S. 16, would cure this defect in the present statute by providing that the witness shall not be subjected to prosecution on account of any matter concerning which he is compelled to testify after claiming the privilege of the fifth amendment. So far as this aspect of the bill is concerned, it seems to be quite proper.

In another respect, however, the bill is open to criticism, in that it gives a congressional committee power to grant immunity without even any consultation with the Attorney General. It might happen that after the Attorney General has made a complete investigation and decided to prosecute a case, and fully prepared the evidence, a congressional committee might grant immunity without even knowing what the Attorney General had done or proposed to do. At the very least the suggestion of Senator KEFAUVER, to require consultation with the Attorney General, should be adopted.

My own view is that Congress should go further and provide that immunity should not be granted by a committee without the approval of the Attorney General. If you have an Attorney General of good quality—as I think you now have—I should not expect him to withhold his approval without good cause.

In his letter of March 27, 1953, to Senator LANGER the then Deputy Attorney General, William P. Rogers, said:

"The Attorney General is the chief legal officer of the Government of the United States. As such, it is his responsibility vigorously and effectively to prosecute persons who offend the criminal laws of the United States. Not only must this responsibility be coupled with an authority adequate to permit its discharge, but in addition it would seem inadvisable for others to be cloaked with an authority capable of preventing the Attorney General from fully performing his duty."

That statement impresses me as sound.

Very truly yours,

WILLIAM D. MITCHELL.

LAW SCHOOL OF HARVARD UNIVERSITY,
Cambridge, Mass., May 31, 1953.

Hon. HARLEY M. KILGORE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KILGORE: I am writing in reply to your letter of May 7, with which you sent me a copy of S. 16, and the accompanying committee report. This is a bill to authorize the granting of immunity to witnesses called to testify before either House of Congress or their committees.

It is my own view that such legislation would be unwise. I recognize the difficulty that confronts investigating agencies when testimony is refused on the ground of privilege. From the legal point of view, it seems clear that the only way to get testimony from that particular witness is to grant him immunity from prosecution. Nevertheless, the harm that may be done through the granting of immunity seems to me to outweigh the gains which might be had in most cases from requiring the witness to testify.

The power to grant immunity would undoubtedly be a useful instrument toward obtaining the testimony, in many cases. Experience with immunity statutes shows, I believe, that many witnesses are anxious to come forward in order that they may obtain immunity from prosecution. In some few cases, this may well be warranted, and in the public interest. But, in the large, it seems clearly subject to abuse. Despite the several guards provided in the present bill, the risks remain considerable, I believe, that immunity will be granted, under such a bill, in cases where it will thereafter be seriously regretted. If such a bill should be enacted, applicable to all sorts of investigations, I would anticipate that there would be episodes which would lead to public outcry, the net result of which would be that the law would, in due course, be repealed. If that is the case, it seems wiser not to enact it in the first place.

In most situations, there are other sources from which relevant testimony may be obtained. Even when immunity from prosecution is granted, there is a certain element inconsistent with our traditions in requiring a person to give testimony which reflects against himself. I recognize that there is no violation of the Constitution in doing so, where immunity is granted. Nevertheless, it seems to me to be more in harmony with our basic traditions, and better judgment, not to require any person to be his own accuser.

One way that Congress could help the present situation, I believe, would be by enacting that no answer by a witness to any question would constitute a waiver by him of his privilege under the fifth amendment. At the present time, particularly under the influence of the decision in *Rogers* v. *U. S.* (340 U. S. 367) decided February 26, 1951, many witnesses are led to refuse to answer any questions at all, or any questions which might be thought to be in the vulnerable area, because they fear that if they answer a single question, apparently harmless in itself, they will thereby have waived the privilege. Consequently, in order to protect themselves as to essential points, they refuse to answer any questions which they would be willing to answer if there was not this risk that, by answering anything, they will be held to have waived the privilege.

This situation could readily be remedied by a simple enactment by Congress that no answer given to any question should constitute a waiver of the privilege, and that a witness is free to claim the privilege at any time when he does in fact fear self-incrimination because of any previous or other testimony he may have given. I see no legal or constitutional difficulties in the way of such a statute.

With best wishes.

Very truly yours,

ERWIN N. GRISWOLD, *Dean.*

Mr. LEHMAN. Mr. President, there is another point which I should like to stress briefly. It concerns my fear concerning people who are granted rewards or immunity for the purpose of getting them to testify against other persons. In the State of New York there is no pardon board. Every appeal for pardon or commutation or reprieve goes directly to the Governor of the State. When I was governor I had 300 appeals from sentences of death. They were the hardest decisions I have ever had to make. I also had many thousands of other appeals, from persons who asked for commutation of sentences or pardons. I found very early in my career as governor that many of the district attorneys of the State had encouraged men, many of whom were serving long sentences in State prison, of 10, 20, 30, and 40 years, or even life sentences, to believe that if they gave evidence against others, the district attorneys would recommend to the Governor clemency or commutation of sentence or pardon.

I always looked with great suspicion and great fear on such requests which came to me later from the district attorneys. I looked upon them with suspicion and fear because I realized that one who was serving in prison or who was charged with the commission of a serious crime would naturally be encouraged to give testimony in order to bring himself into a safer position which would be agreeable to the district attorney or to the investigating committee before which he appeared.

During my service as governor, there came to my notice many cases of witnesses who testified against others, under the promise or the suggestion of immunity or commutation of sentence. In many cases such testimony simply did not stand up in law. I have been afraid of such procedure ever since, and I think I have been justifiably afraid of it because it is a fact that when a man is in prison or when he sees he is faced with prosecution and conviction of a serious charge, he will not hesitate to give false testimony against others, if he thinks that thereby he can gain immunity for himself.

Many of the cases to which I have referred were reversed in our appellate courts because of the questionable testimony which was given.

I believe we must take into account the two points I have sought to emphasize in the course of my remarks: First, the separation of powers in our

tripartite system of government, which is divided between executive, the judicial, and the legislative branches. Undoubtedly under the arrangement now proposed, the separation of powers will be destroyed, and the delegation of powers to the various branches will be invaded, as a result of enactment of the bill now before us. Second, the bill will encourage persons to seek to avoid the penalties of crimes by accusing others.

I believe the responsibility should be placed squarely and fairly upon the Attorney General. He is the one to decide whether a congressional committee is justified in granting immunity and whether such a grant of immunity is in the public interest.

Mr. President, I feel that the bill in its present form is unwise and dangerous and should be defeated in the interest of orderly government and the performance of effective judgment.

Mr. President, the Honorable Philip B. Perlman, former Solicitor General of the United States, has written a comprehensive memorandum on this bill, citing the legal authorities and the legal background. I ask that this memorandum be inserted in the body of the RECORD at this point in my remarks.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

MEMORANDUM BY PHILIP B. PERLMAN, FORMER SOLICITOR GENERAL OF THE UNITED STATES, ON S. 16, A BILL TO AMEND THE IMMUNITY PROVISION RELATING TO TESTIMONY GIVEN BY WITNESSES BEFORE EITHER HOUSE OF CONGRESS OR THEIR COMMITTEES

1. AS TO POLICY

It seems clear that a broader immunity statute is needed. The efforts of congressional committees to obtain information relevant to duly authorized investigations are being frustrated almost daily by the claims of privilege against self-incrimination under the fifth amendment to the Constitution. It is evident that many such claims are being successfully made by witnesses whose primary interest is the protection of others. Failure by the courts or by Congress to develop adequate procedures to determine whether such claims are sound, or are only pretenses to avoid disclosures embarrassing to the witnesses or resulting in danger of prosecution to others, has afforded protection to violators of law, and permitted their crime to continue unrevealed and unpunished.

The report (No. 153) of the Committee on the Judiciary to accompany S. 16, April 20, 1953, describes the bill and gives a résumé of the important Supreme Court decisions on issues arising under the existing Federal immunity statute relating to testimony before congressional committees. It must be conceded that the existing statute is inadequate for the purpose. The large number of those who successfully refuse to testify under a claim of privilege against self-incrimination is proof that more effective laws and procedures are needed. It is now too late, much too late, to argue that the constitutional provision has been, over the years, given a much broader interpretation than was originally intended; and that, instead of protection for the innocent, it has become in too many instances a cloak for the guilty. The rules of interpretation have been applied in so many cases and over such a long period of time as to present a situation requiring action by Congress.

However, it is not clear that S. 16 will accomplish the desired result without itself introducing evils more dangerous and serious than now exist. There does not appear to be any good reason why congressional committees, even if limited to action by two-thirds of their members, should be given and should exercise the power to grant absolute immunity from prosecution in criminal cases. The power to grant immunity from criminal prosecution should be vested in the officials responsible for the prosecution of criminal cases, and should not be handed over to investigative bodies. There is no more reason to give such power to congressional committees than there is to give such power to grand juries, and nobody has ventured to suggest the latter.

Congress has had at least one unfortunate experience in that field. As far back as 1857, nearly a century ago, it passed an act granting immunity for any act concerning which a witness would be required to testify (34th Cong., 3d sess., CONGRESSIONAL GLOBE, p. 427), but the evils and troubles resulting from that legislation were so pronounced as to prompt Congress to amend it 5 years later (37th Cong., 2d sess., CONGRESSIONAL GLOBE, p. 431; and see Eberling, Congressional Investigations, pp. 319–323). Congress should not again embark upon a course which is doomed, according to its own past experience, to failure.

The Attorney General of the United States is the official in whom the power to grant immunity should be vested. Satisfactory provision easily could be made by statute or by the rules of each House for submitting the question of immunity for a witness to the Attorney General, and such questions could be resolved without delay. The work of congressional committees could be expedited and made more fruitful without the risk of too many instances of unnecessary and improvident grants of immunity, detrimental to the proper administration of justice.

Part 2 of report 153 contains the individual views of Senator KEFAUVER, in which he expresses the view that the Attorney General should be notified before an action by way of granting immunity is taken by a congressional committee. Senator KEFAUVER'S amendment providing for such notification was defeated in committee. I would not think that such an amendment would remedy the mistaken policy of vesting authority to grant immunity in any committee, or in either House of Congress. Experience indicates that committees, once vested with authority, are prone to exercise their powers without regard to the views of others, even those who are responsible for ultimate results. For example, the successful criminal prosecution by the Department of Justice of the internal revenue collector in one of the largest cities was recently nullified because of the action of a House committee in holding hearings with attendant publicity in the district in which the subsequent trial was held. These hearings took place in spite of the objections of the Department of Justice, which had already or was about to initiate criminal proceedings. Mere advance notification to the Attorney General of a proposed grant of immunity would not assure well-considered action, since there would never be a guaranty that the committee would be guided by the views of the Attorney General. On the contrary, if congressional committees are to be free to grant immunity from prosecution, although responsibility for conducting prosecution remains in the Attorney General, there is certain to be controversy over results, or lack of results, arising from the existence of divided authority. There is every reason why the Attorney General and the congressional committees should and would cooperate to obtain the desired ends, but so long as the Attorney General must conduct criminal prosecutions, he should be unhampered in arriving at conclusions as to which persons should be prosecuted and which may be given immunity in order to develop information to be used against others.

2. SOME LEGAL QUESTIONS INVOLVED

This memorandum assumes the power of Congress to delegate to administrative or legislative officials the authority to grant immunity from criminal prosecutions. Congress has considered the subject so frequently, and has provided for immunity in so many different statutes (see list, p. 12 of Rept. No. 153) that the assumption is warranted. But it should be noted that the power to grant immunity from criminal prosecutions is not an incident of the legislative authority to conduct investigations. That is the reason a statute is required before Congress, or a congressional committee, would be authorized to grant such immunity. (*Brown* v. *Walker* (161 U. S. 591, 601); *Doyle* v. *Hofstader* (257 N. Y. 244, 177 N. Y. 489, 494).)

S. 16, as reported by the committee, does not attempt expressly to provide immunity from State prosecution, so that a claim of privilege on the ground of self-incrimination, if denied by a grant of immunity from Federal prosecution, might leave the witness open to prosecution in State courts. There is serious doubt whether Congress could validly grant immunity, or authorize any official of the Federal Government, to grant immunity from State prosecution. The Supreme Court has held that immunity against State prosecution is not essential to the validity of Federal immunity statutes. (*United States* v. *Murdock* (284 U. S. 141, 149 (1931)) and case therein cited.) It has also held that the prohibition in the fifth amendment against compulsory self-incrimination is not binding upon the States. (*Twining* v. *New Jersey* (211 U. S. 78).) And where the commission of one act is an offense against both State and Federal Governments, prosecution and punishment by both is not double jeopardy. (*United States* v. *Lanza* (260 U. S. 377).) The principal authority for the contention that Congress could grant immunity from State prosecution rests on the views stated in the majority opinion in *Brown* v. *Walker* (161 U. S. 591, 606). There the Court relied upon *Stewart* v. *Kahn* (11 Wall. 493), and similar cases, sustaining the validity of Civil War statutes extending periods of limitations for instituting actions against persons who could not be served with process because of war conditions. But there was a strong dissent, in which three Justices expressed a contrary view.

The minority opinion stated:

"As Congress cannot create State courts, nor establish the ordinary rules of property and of contracts, nor denounce penalties for crimes and offenses against the States, so it cannot prescribe rules of proceeding for the State courts."

The current trend in Congress to avoid any appearance of attempting to invade areas of State jurisdiction would probably make it difficult to obtain legislation prohibiting the States from engaging in prosecutions because of immunity granted under Federal authority, and there are, as pointed out, strong reasons why such legislation, if enacted, would be held by the courts to be invalid, despite the holding of the majority in *Brown* v. *Walker*. Any question as to the applicability to the States of the privilege to refuse to testify, granted by the fifth amendment, seems to be foreclosed. And, as the Federal Government may compel testimony by granting immunity from Federal prosecution, it could not be fairly contended that it is necessary and proper to exercise authority vested in the Federal Government under Article I of the Federal Constitution in an effort to grant immunity from State prosecution.

3. RELATED QUESTIONS

S. 16 deals with testimony before congressional committees. The problem of obtaining testimony before grand juries and courts, in many instances of much more importance to the public, is left unconsidered and untouched.

Experience has demonstrated the wisdom of authorizing the Attorney General to grant immunity to violators of lesser importance in order to obtain evidence against the leaders in criminal enterprises. Two years ago the Justice Department proposed a bill which gave the Attorney General authority to grant immunity from prosecution to a witness whose testimony was desired before a grand jury or court. That bill, S. 1747, was not reported. At the same time, the Senate Judiciary Committee considered S. 1570, reported August 27, 1951 (S. Rept. 717) which was similar to S. 16, now before the Senate. The Justice Department opposed the enactment of S. 1570, just as the Justice Department today opposes the enactment of S. 16, and for similar reasons. (See testimony of the Attorney General before Senate Special Committee To Investigate Organized Crime in Interstate Commerce, Senator KEFAUVER, chairman, March 26, 1951.)

CONCLUSION

It is recommended that the passage of S. 16 be opposed, but that consideration be given to legislation vesting authority to grant immunity from Federal prosecution, in order to obtain testimony before congressional committees, courts, and grand juries, in the Attorney General of the United States.

Mr. KEFAUVER. Mr. President, in order to present this issue squarely to the Members of the Senate, on the question of whether the Attorney General shall assent to the granting of immunity, I desire to modify my substitute amendment, which is at the desk, by adding at the end thereof the following: "and shall have assented to the granting of such immunity."

The PRESIDING OFFICER Mr. BARRETT in the chair). The amendment as modified will be stated.

The LEGISLATIVE CLERK. In lieu of the amendment of Mr. MCCARRAN, it is proposed to insert the following:

At least 1 week in advance of voting on the question of granting immunity to any witness under this act the Attorney General shall be informed of the intention to consider such question, and shall have assented to the granting of such immunity.

Mr. KEFAUVER. Mr. President, in the last Congress I introduced a bill to authorize the granting of immunity to a witness before a congressional committee or to a witness before a grand jury, provided the Attorney General had been notified and agreed thereto.

During the present session, when the question arose in the Committee on the Judiciary, feeling that perhaps the committee and also the Senate would not accept the requirement for securing the consent of the Attorney General, I offered an amendment to require that the Attorney General be notified at least 1 week in advance. That amendment was rejected by the Committee on the Judiciary.

My thought about the matter was that if the Attorney General had been notified a week in advance, and if the committee had chosen to disregard his advice in connection with granting immunity, public opinion would afford some protection against perhaps having a committee let a witness testify under such grant of immunity, and thereby destroy the Government's case against the witness, as a possible defendant.

Since that time the distinguished Senator from Nevada [Mr. MCCARRAN] has offered an amendment which would require, as a matter of procedure, that the committees give notification to the Attorney General 1 week in advance. The objection to that amendment is that either House may change its rules at any time. The Senate might have one rule for its committees and the House of Representatives might have another rule for its committees.

Therefore I believe that whatever is adopted in this regard as the procedure to be followed should be incorporated in the statute itself and should constantly be a part of the statute, so that the parties would know their rights.

I believe it would cause a great deal of confusion for the House and the Senate to change their rules on this matter from time to time, as they have a right to do. It is quite apparent to me that no immunity should be granted by a congressional committee unless the Attorney General of the United States gave his consent. After all, the Attorney General of the United States has the responsibility of prosecuting violators and of enforcing the laws of the Federal Government. Congress, being a legislative body, could not have full information about cases which might be pending in the various district courts of the United States. Congress could not be expected to have full information about connections which witnesses might have with alleged violations of criminal statutes, which violations might later lead to their indictment and prosecution.

The Federal Government, through the Attorney General, has this information. Through the FBI and other investigative sources the Attorney General of the United States would have information as to whether there was a probable case against witness X or witness Y, information which committees of the Congress could not have It seems to me that since this so closely affects the administration of our criminal laws it should not be within the province of congressional committees to grant immunity to a witness who might be guilty of a heinous crime, and thereby defeat enforcement of the laws by the Attorney General.

I know of the importance in such cases of trading immunity for the testimony and information a witness could give, but I think we must proceed on the assumption that there will be friendly and reasonable cooperation between the Attorney General and the committees of the Congress in that regard, and that the Attorney General would consent to the granting of immunity to a witness unless there were some real reason for not doing so; unless, for example, a prosecution against such witness were either pending or contemplated. The granting of immunity without the consent of the Attorney General might lead to the destruction of the Government's case against criminals who should be prosecuted.

Mr. MONRONEY. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I am very happy to yield.

Mr. MONRONEY. I am very much interested in the distinguished Senator's amendment, and particularly as it has been changed. As I read the original bill, I am fearful that it might put into the hands of a small group within a subcommittee or a full committee, not only of the United States Senate but also of the House of Representatives, complete authority to pardon any kind of heinous crime, provided it were possible to muster the votes of a majority within the committee itself. Is that not correct?

Mr. KEFAUVER. It is, of course, unthinkable that any congressional committee would ever knowingly grant a pardon to the perpetrator of a heinous crime; but the bill would grant the committees that right. A committee might be taken by surprise or, not knowing all of the facts, might fall into a trap laid by someone who wanted to pour out information to a committee in order to relieve himself of criminal responsibility. It could happen.

Mr. MONRONEY. Would it not be possible, under the pending bill, that a person who perhaps should be prosecuted for a million-dollar income tax fraud, or even, as the distinguished senior Senator from Tennessee has said, on a charge of treason, could employ a very smooth lawyer who, knowing that the Justice Department might have information which would convict the man, would arrange to have the man testify before a Senate committee without fully informing the committee of all the facts, and by that maneuver, deceiving the committee members, or the staff members who perhaps would check the story for the committee members, render it impossible, or most difficult, at least, for the Justice Department of the Government to obtain a conviction?

Mr. KEFAUVER. The Senator is entirely correct about that. It is quite true that committees may be imposed upon in that manner; and, I think we must keep in mind the fact that this applies to all committees both of the House and of the Senate. Presumably members of the Judiciary Committee and of other committees having a majority of lawyers as members, would be very careful in these matters; but the provisions would apply to any committee.

I should also like to call attention to the fact that while the bill provides there must be 12 votes in favor of granting immunity, and that both political parties must be represented on the committee, it has to do merely with the general pattern; that is, the full committee may under that sort of arrangement delegate authority to a subcommittee of even one man to grant immunity to a particular witness under certain circumstances.

Mr. MONRONEY. Mr. President, will the Senator yield for a question?

Mr. KEFAUVER. I yield.

Mr. MONRONEY. The Senator is touching on a point with which I think we must all concern ourselves.

Mr. FERGUSON. Mr. President, will the Senator from Tennessee yield?

Mr. MONRONEY. The Senator from Tennessee has yielded to me. Would the Senator from Michigan like to interject a question?

Mr. FERGUSON. Yes. The bill refers to a full committee, not to a subcommittee.

Mr. MONRONEY. That is the point I am trying to develop, I may say to the

distinguished Senator from Michigan. We all know that almost every committee, particularly committees that are working in the investigative fields, operate through subcommittees. The subcommittees are the investigative arms of the standing committees of the Congress.

We all know also from our experience both in the Senate and in the House that it is the custom, almost to the extent of being an unwritten rule, for a standing committee to rubberstamp or to approve requests made by a strong subcommittee chairman, or by his subcommittee. The full committee may be unacquainted and unfamiliar with the facts at hand. It may not have studied the case. The committee may not know the necessity for granting immunity, but the members may feel that if the subcommittee makes the request, they should grant it.

So I am fearful that the safeguards contained in the pending bill, or attempted to be included within it, and which the committee has written into it, are not so adequate as the provision the distinguished senior Senator from Tennessee wishes to have put into the bill; that is, a provision requiring a report and assent from the Justice Department, which presumably would have full knowledge of the facts connected with the crime from which a man might be attempting to cleanse himself through an immunity bath administered by a Senate committee, which would therefore estop all future prosecution for a crime, no matter how heinous.

I do not believe it is in the interest of our theory of certain justice for criminals that we take this added risk, particularly if we do not do as the distinguished Senator has suggested, namely, ask for a report and assent. We know that it is impossible even to pass through the Congress of the United States a private bill involving $500 without requesting and receiving from the Justice Department or from some other department that may be interested a report on the bill; and the report of the department to the United States Senate or to any of the committees of the Congress is one of the most important methods of influencing the Senate or a committee in arriving at a decision as to whether there has been proper investigation and study.

If we are to go into this new realm of granting immunity in order to get the kind of testimony we want, I think it must be safeguarded by an amendment of the kind offered by the distinguished Senator from Tennessee.

Mr. KEFAUVER. I thank the distinguished Senator from Oklahoma very much. The provision of the bill is, of course, that two-thirds of the members of a full committee shall, by affirmative vote, have authorized the granting of immunity. But what that means and what it envisions is that before a witness appears the matter would be discussed by the full committee, and it would be decided whether under certain circumstances the subcommittee should be authorized to grant immunity to a particular witness. Manifestly it would be impossible for the full committee, or two-thirds of the committee, to be on hand at a particular time when a particular question was asked; so that the two-thirds requirement is designed to set a general pattern of procedure to be followed by the subcommittee. But the actual granting of immunity in connection with a particular question, under the pending bill, would be or could be accomplished by one Senator sitting as a one-man subcommittee.

Mr. President, this might also subject the Senate and its committees to a great deal of criticism. If a committee of the Senate, acting in utmost good faith but without full knowledge of the facts and without having obtained the assent of the Attorney General, were to grant immunity to a desperate, infamous criminal, by allowing him to testify, the Senate of the United States or the House of Representatives, as the case might be, would be severely criticized, and, I think, with some justification; because after all it is the duty and responsibility of the Attorney General of the United States to enforce the laws.

In the report containing my individual views I undertake to set forth a hypothetical case showing what might happen if the Attorney General of the United States were not notified, and if his assent were not obtained. I use the Rosenberg spy case by way of illustration. It is set forth that, had David Greenglass been called as a witness before a congressional committee, had he been questioned, and had he given answers substantially as I shall state them in a moment, the Government's case would have been irreparably damaged. In my individual views there is set forth the following hypothetical exchange between Mr. Greenglass and members of a Senate committee:

Question (by Senator). Mr. Greenglass, did you visit and talk with certain Russian agents on a farm in New Mexico?

Mr. GREENGLASS. I refuse to answer on the grounds that my answer might incriminate me.

SENATOR. Since you have claimed your constitutional privilege, I am authorized by the committee and by law to grant you immunity from prosecution for your answer to that question. I now grant you immunity. With that knowledge, I now direct you to answer the question.

Mr. GREENGLASS. Yes; I did.

SENATOR. What did you discuss with these Russian agents?

Mr. GREENGLASS. I refuse to answer, relying upon the fifth amendment to the Constitution.

SENATOR. Since you have claimed your constitutional privilege, I am authorized by the committee and by law to grant you immunity from prosecution for your answer to that question. I now grant you that immunity. With that knowledge, I now direct you to answer the question.

Mr. GREENGLASS. I discussed with them plans for stealing and giving to the Communists certain atomic secrets.

The committee might fall into such a trap as that, not having information previous to that time. I am very sure that very few Members of the Congress had any information as to what was going on in connection with the stealing of public secrets by those people. It would have spoiled and would have nullified, I am afraid, the entire record in the atomic spy cases that were tried in New York.

There are many instances before all our congressional committees where, particularly, the Bureau of Narcotics asks that some witness not be required to testify because, if his testimony is given, it might lead to the liquidation of that particular witness, and he would be a vital witness in the prosecution of cases later on. We know that in narcotics cases the Department of Justice has had to give protection to witnesses who would later testify. If the witnesses were forced to testify, it might mean the destruction of a very important narcotics case.

I appreciate the reluctance of the Senate and of the House to allow the Department of Justice to interfere with the proceedings of the Congress in any way, but, after all, Mr. President, there is involved a question concerning the prosecution of the criminal laws of the Nation, which is a matter under the executive branch.

In the report on this bill, under date of March 27, 1953, there is a letter to the chairman of the Committee on the Judiciary, the Senator from North Dakota [Mr. LANGER], signed by Mr. William P. Rogers, Deputy Attorney General, and I think I have noticed in the press that this is the opinion of the Attorney General himself. The next to the last paragraph of the letter reads as follows:

This Department is disturbed, however, by the failure of the bill to provide that the Attorney General shall participate in the granting of any immunity to a witness before a congressional committee or before either House of the Congress. The Attorney General is the chief legal officer of the Government of the United States. As such, it is his responsibility vigorously and effectively to prosecute persons who offend the criminal laws of the United States. Not only must this responsibility be coupled with an authority adequate to permit its discharge, but in addition it would seem inadvisable for others to be cloaked with an authority capable of preventing the Attorney General from fully performing his duty.

Mr. President, I do not think Congress should or can properly take the responsibility of deciding whom the Department of Justice can or cannot prosecute before the granting of immunity. I think that would get Congress and the committees into trouble. I think it would be a usurpation of the powers and the duties of the Attorney General of the United States. I think it would lead to a defendant seeking committees before whom he could spill all the facts in the hope that he would receive immunity. I think it would lead to dozens of persons who are guilty and who are likely to be prosecuted being declared innocent or not subject to prosecution.

Mr. MONRONEY. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. MONRONEY. I should like to ask the Senator if he is aware of the fact that when the Reorganization Act was under consideration, the Senate voted blanket subpena powers to any and all Senate committees. In the House of Representatives the Speaker of the House and the Minority Leader requested the deletion of that blanket subpena power, and only by coming to the House for special permission even to subpena witnesses has the House given its assent by affirmative action of the full House.

Yet, this bill, without the provisions safeguarding it which the senior Senator from Tennessee proposed, while the subpena power would be denied to committee chairmen and subcommittee chairmen in the House, they would have power to grant immunity from future prosecution for violations of Federal law, by assembling their committees and deciding that they had a certain line of testimony they wanted to pursue.

Even though they were well intentioned in trying to grant immunity as to only one phase of one crime, perhaps, is there any way, in the cross-questioning and the cross-examination, the give-and-take of a committee investigation, to limit the testimony a witness would be giving under immunity to one particular or specific charge, or would he have an opportunity before the committee, under cross-examination, voluntarily to give information which might, in effect, clear him of an entire series of crimes against the Government?

Mr. KEFAUVER. I will say, frankly, to the Senator from Oklahoma, that I think if the answer were not responsive to the question, probably immunity would not be granted. But that raises a question on which a great deal of litigation might follow. Very frequently we ask a general question, such as "What did you discuss?" If the witness is required to answer that, there would be no way of limiting him in the matter of discussion. So that what the Senator fears might very readily happen. The witness might give out a great deal of information and go into a field which was unexpected and be granted immunity.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. MORSE. Can the Senator tell me whether Attorney General Brownell has recommended for or against the McCarran bill in its present form?

Mr. KEFAUVER. The Deputy Attorney General, Mr. Rogers—and I have seen in the press that the Attorney General made the same recommendation—recommended strongly against the bill in its present form. He indicated that the bill would be approved if the Attorney General's assent to the granting of immunity were required.

Mr. President, I think it is all the more important that the Attorney General's assent be required, because in this bill, as now presented, it is not required that the subject matter of the investigation be germane to the resolution of inquiry.

The bill does not set out affirmatively that the response must be germane to the question, and many of the fears expressed by the Senator from Oklahoma [Mr. MONRONEY] might be well founded in the granting of immunity to a dangerous criminal.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. MONRONEY. Would not the question of committee jurisdiction, which is never too ironclad, also be involved? A person might be under investigation by a committee of the Senate, then be called before another committee of either the Senate or the House, and all the efforts of the Senate committee, let us say, to build up a case and to assist in prosecution could be nullified by being misled by another committee, without full knowledge of the facts, granting immunity in the very matter about which perhaps the first committee was seeking to investigate the party.

Mr. KEFAUVER. Yes, that might possibly happen, but I think the fundamental issue is whether this is closely related to the enforcement of the laws of the Nation that the Attorney General must have a part in the consent to the granting of immunity.

Mr. President, I yield the floor.

Mr. COOPER. Mr. President, I oppose the bill. In doing so I may say that I am aware of the great interest of the distinguished senior Senator from Nevada [Mr. MCCARRAN] in this field. I must also say that I have great respect for his legal views. For 2 years I sat with the distinguished Senator from Nevada as a member of the Committee on the Judiciary, and learned to know the breadth of his legal knowledge.

The bill raises a very fundamental question, one on which arguments can be made upon either side.

I have arrived at the conclusion that I do not believe the amendments proposed by the distinguished Senator from Tennessee reach the real issue, and I have also reached the conclusion that I am against the principle of the bill for several reasons.

First, I believe there is grave doubt that the granting of immunity should be exercised at all by congressional committees. It is a grant which properly should be made by the executive or judicial branches of the Government. It is important to know what is proposed by the bill.

The fifth amendment to the Constitution provides, among other things, that—

> No person * * * shall be compelled in any criminal case to be a witness against himself.

We know that by judicial interpretation the privilege against self-incrimination has been extended to many types of judicial inquiry, and to congressional investigations, as well. Certainly the right to grant immunity has been recognized in the courts. When properly granted, the witness loses the privilege, for if there is no possibility of punishment, there is no privilege that a witness can claim against incrimination.

Frankly, I must say that I do not know that there is any definite prohibition against congressional committees granting immunity. I do not know that there is any precedent against it. In fact, there is a statute giving congressional committees the right to grant immunity, but which in the case of Counselman against Hitchcock was held to be ineffective.

The separation of powers directed by the Constitution brings to our minds certain facts that we cannot escape in considering this problem. The power to execute the laws of the land is vested in the Executive. Under the Executive, the principal officer for the enforcement of the law, is the Attorney General. The judicial power of the Government is vested in the Supreme Court and in the inferior courts. We do not find anything in the Constitution which gives to Congress, the legislative branch, any judicial power or primary power of law enforcement. It seems to me that the granting of immunity is incident to the judicial power or the power of law enforcement. Even when the Senate sits to try impeachment cases, its powers are limited. The trial of the one impeached for any crimes which might be developed from an impeachment trial could only be tried by a court after accusation, presentment, and an indictment. I think therefore that there is grave doubt whether the power which is incident to law enforcement and to the judicial trial and determination of a cause should be properly vested in a congressional committee at all.

The granting of immunity ought to be under definite safeguards. It is usually in a court of record, and under a code of procedure governing the court or quasi-judicial body granting immunity. A judge, or presiding officer, guards the interests both of the Government and of the witness. It is evident that if congressional committees do not have all these safeguards none of these incidents would be present, and none to the degree that we recognize and want in a system of justice and law. A congressional committee would not even think of imposing punishment upon an individual other than the power it has to cite for contempt. If it has no power to impose punishment, it ought not to have the power to relieve from punishment.

As I see the situation now, the power to grant immunity is not properly vested in a congressional committee, but is vested in the Executive, acting through the Attorney General, or in the courts.

The practical questions that have been raised this evening, such as the granting of immunity by a congressional committee would prevent the conviction of a witness who ought to be tried and convicted by proper authorities or that at the time of the congressional inquiry there were facts which were unknown to the Attorney General, which might later become known, and which would be ineffective because immunity had already been granted, are all practical reasons. They give a procedural argument for the amendment offered by the Senator from Tennessee, providing for notification of the Attorney General but the amendment does not reach the real question. These practical questions arise because of the very separation of powers and because the granting of immunity is not proper for a committee.

There is another objection to this bill which must be taken into account. The right of privilege against self-incrimination is a part of the Bill of Rights. It is a valuable right of protection to an individual, whether the individual be guilty or innocent. If immunity is to be granted it ought to be full immunity. The most that could be granted by a congressional committee, in my view, although it may be arguable would be immunity against subsequent prosecution in the Federal courts. It has been held that the first eight amendments to the Constitution are limitations only upon the powers of the Federal Government

and its own courts. There is grave doubt whether the immunity granted by a congressional committee would be effective in a subsequent prosecution in a State court, based upon facts brought out in the congressional hearing by questions which a witness was compelled to answer after immunity had been granted. That is the second reason upon which I base my opposition to the bill.

The first, I repeat, is that it is a proper function of the judicial and executive branches rather than the legislative branch to grant immunity.

Second, I do not believe that full immunity can be granted to an individual by action of a congressional committee.

My third reason is one of policy, but a fundamental policy. I do not believe this bill would be before us except for the fact that witnesses, most of whom are undoubtedly Communists are now coming before congressional committees who, when asked whether or not they are Communists, refuse to answer, and hide behind the fifth amendment. I agree that no loyal or good American, or innocent American, ought to be ashamed to answer that question, or ought to fail to answer it. When these witnesses do not answer it is natural that resentment should well up in us, and among our people throughout the country and we are tempted to employ methods and means which we would not adopt except for the existence of the present emergency.

I want to protect in every way possible our free system of government from without or from subversion, but I want also to protect the free structure itself. One of the greatest qualities of our system is found in the amendments which constitute our Bill of Rights for the protection of the individual. They protect the individual who may be guilty, as well as the individual who is innocent. It is the way the guaranty of individual rights from oppression can be made effective. At times those amendments turn loose the guilty. There is no question about that. But recognize that fact, we adhere to the Bill of Rights because it protects against the power of the Government itself and because they protect, at last, the innocent.

When, for reasons of expediency or emergency, we weaken these individual rights and give inordinate powers or emergency powers to any branch of our Government, it is the record of history that at last that power will be used wrongfully, or will be used unwisely, or against innocent individuals.

I do not say this with any feeling that such is the purpose or desire of any Member of this body. As I stated at the very beginning of my talk, my experience with the distinguished author of this bill was one in which I learned to recognize his great legal ability and also his love for our Government.

On fundamental ground the bill should be defeated.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Tennessee [Mr. KEFAUVER] as a substitute for the amendment proposed by the Senator from Nevada [Mr. MCCARRAN].

Mr. MCCARRAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Hayden	Millikin
Barrett	Hendrickson	Monroney
Beall	Hennings	Morse
Bennett	Hickenlooper	Mundt
Bridges	Hoey	Murray
Bush	Holland	Pastore
Butler, Md.	Humphrey	Payne
Capehart	Jackson	Potter
Case	Jenner	Purtell
Cooper	Johnson, Tex.	Robertson
Cordon	Johnston, S. C.	Russell
Douglas	Kefauver	Saltonstall
Dworshak	Kennedy	Smith, Maine
Eastland	Kerr	Smith, N. J.
Ellender	Knowland	Sparkman
Ferguson	Kuchel	Stennis
Flanders	Lehman	Symington
Frear	Magnuson	Thye
Goldwater	Malone	Welker
Gore	Martin	Wiley
Green	McCarran	Williams
Griswold	McClellan	

The VICE PRESIDENT. A quorum is present.

Mr. MCCARRAN. Mr. President, I request that the amendment of the Senator from Nevada and the amendment of the Senator from Tennessee [Mr. KEFAUVER] be read to the Senate so we may address ourselves to them.

The VICE PRESIDENT. Without objection, the clerk will read the amendments.

The legislative clerk read the amendment offered by the Senator from Nevada [Mr. MCCARRAN], as follows:

At the end of the bill it is proposed to add the following new title:

"TITLE II—CHANGES IN RULES OF SENATE AND HOUSE

"RULE-MAKING POWER OF THE SENATE AND HOUSE

"SEC. 101. The following section of this title is enacted by the Congress:

"'(a) As an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such shall be considered as part of the rules of each House, respectively; and shall supersede other rules only to the extent that they are inconsistent therewith; and

"'(b) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

"'NOTICE TO ATTORNEY GENERAL IN ADVANCE OF VOTE ON GRANTING IMMUNITY TO WITNESS

"'SEC. 102. At least 1 week before any vote on a question of granting immunity to any witness, notice shall be given to the Attorney General of the United States of the intention to consider such question.'"

The legislative clerk read the amendment offered by the Senator from Tennessee [Mr. KEFAUVER], as modified, as follows:

In lieu of the language proposed to be inserted by Mr. MCCARRAN insert the following: "At least 1 week in advance of voting on the question of granting immunity to any witness under this act the Attorney General shall be informed of the intention to consider such question, and shall have assented to the granting of such immunity."

Mr. MCCARRAN. Mr. President, with great interest I listened to the remarks of the Senator from Kentucky [Mr. COOPER]. My acquaintance with him during his membership on the Committee on the Judiciary while I was chairman of that committee caused me to have a great respect for him and for his pronouncements of law. But in this regard he has forgotten, I fear, to distinguish between a trial and proceedings before committees of Congress, in which inquiry is made for information. He forgets that we are not a prosecuting body; nor are we a trial body; nor do we sit as a trial court.

Mr. President, something must be done to prevent the abuse of the organic law. Today the organic law is being used for a purpose for which it was never intended. The purpose of the fifth amendment is to protect and to throw a safeguard around an individual. That was the purpose; that was the aim of its author; that was the intentment of the founders of our Government.

Today the fifth amendment is being used—abused, if you please, Mr. President—in an effort to protect not the individual but a philosophy or a scheme or a group to which the individual may or might or does belong.

Something must be done so that the Congress of the United States shall not be played with and toyed with and made a laughing stock by the use of a law which is sacred—as sacred as the Constitution can possibly be.

Let us get to the amendment, because I wish to deal with the amendment now pending, entirely and exclusively. The amendment offered by the Senator from Tennessee would put the executive branch of the Government squarely into the legislative branch. It would involve the executive branch in legislative proceedings. It would make the Attorney General a part of the legislative branch, because it provides that the legislative branch must proceed with his assent. Therefore the committees would be hamstrung. They could not proceed if he did not assent. If he remained silent the committees could not move. They could not function if the Attorney General had not assented.

On the other hand, the amendment offered by the senior Senator from Nevada provides that we shall give notice to the Attorney General of 1 week, and certainly within 1 week the Attorney General can advise the committee having the matter in hand as to whether or not there is anything pending, or anything which might be pending, by reason of which we should not grant the immunity. There is no committee of the Congress which would go against such advice if given by the Attorney General.

Mr. President, the trouble with some of the argument made with reference to the pending bill is that those making the argument trump up theoretical propositions, on the assumption that those who sit on committees in the Congress are fools.

Senators who sit on the Committee on the Judiciary are capable of being Attorney General of the United States. There are men who are Members of this body who are eminently capable of being the Attorney General of the United States. We have as much ability to judge whether or not some great, hideous crime is going to be submerged, or hidden, or done away with, as does the Attorney General of the United States.

The amendment offered by the Senator from Nevada is sufficient protection to anyone who has a charge against a witness who might be brought before a committee. The amendment offered by the Senator from Nevada calls upon the Attorney General, and if he wants to stop the proceedings by giving immunity, they will be stopped. If, on the other hand, he sees no reason for doing so, he can remain silent.

On the other hand, under the amendment offered by the Senator from Tennessee, unless the Attorney General grants assent, we cannot move a wheel, even to the protection of the rights of the committee.

Mr. President, this matter involves more than a mere quibbling about words. Today a conspiracy exists to destroy our Government. That fact has been established by too much evidence for anyone to deny it. That conspiracy exists here at home, just as much as it exists abroad. Shall we stand idly by, with our hands tied, and say that we can do nothing to explode this conspiracy and to protect our own Government because men toy with the sacredness of the law, and say that, "I come under the fifth amendment," when as a matter of fact perhaps they do not come under the fifth amendment at all?

Shall we say that our Government shall be driven down by a group that seeks to drive it out of existence, because the fifth amendment grants a right which is individual to a person, alone, but not to his cause or to the philosophy to which he subscribes?

When a man is asked, "Did So-and-So meet with you at a certain place and at a certain time?" shall we say that he then can use the fifth amendment to the Constitution as an excuse, and can say, "I refuse to answer because under the fifth amendment of the Constitution I might incriminate myself"?

Mr. President, the absurdity of this situation is startling. Will this body now refuse to give to its committees the right to go into this problem, that is so sacred to our Government; or shall we sit idly by, saying, "No, our committees cannot proceed by way of granting immunity"—although I say without fear of contradiction, after years of experience, that by granting such immunity we shall do more to explode this conspiracy than we could do by proceeding in any other way by which we possibly could proceed. Shall we thus stand idly by? We must not. I hope we do not, Mr. President.

Mr. FERGUSON. Mr. President, will the Senator from Nevada yield to me?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Michigan?

Mr. McCARRAN. I yield.

Mr. FERGUSON. I understand that the question is whether the amendment of the Senator from Tennessee, if agreed to, would mean that the granting of such immunity would interfere with the jurisdiction of this body in, for instance, an impeachment trial.

Mr. McCARRAN. I have not studied the amendment with that point in view.

Mr. FERGUSON. The first part of the amendment grants such immunity, does it not?

Mr. McCARRAN. Yes.

Mr. FERGUSON. Then the entire Congress could be prevented from proceeding against such a person, by reason of such grant of immunity, could it not?

Mr. McCARRAN. I think that is correct.

Mr. FERGUSON. Is it not true that Congress has bestowed upon a number of agencies the right to grant immunity?

Mr. McCARRAN. Certainly. Agency after agency of the executive branch of Government has the right, by law, to grant immunity. When a judge sitting on a bench can grant immunity to one who is under trial, is it to be said that the Senate of the United States occupying the position it does in the Government, cannot grant immunity for the purpose of getting at the truth of a question?

Mr. FERGUSON. Mr. President, will the Senator from Nevada yield further to me?

Mr. McCARRAN. I yield.

Mr. FERGUSON. Does not the Senator from Nevada think that when two-thirds of the entire body would be compelled to consent, and when two-thirds of the entire committee, including two members from each side of the aisle, would be required to consent to the granting of immunity, certainly we would have placed around the granting of immunity all the protection that should be placed around it?

Mr. McCARRAN. Let me say, in answer, that the Senator from Michigan knows from his long experience on the Judiciary Committee that this matter was studied for years and has been safeguarded in every possible way. Under the proposal we recommend, two-thirds of the entire committee would be required to consent to the granting of immunity. In addition, two members from each of the political parties would have to be included in the group of two-thirds of the committee consenting to the granting of immunity. So every safeguard would be thrown around the granting of immunity.

We knew we were dealing with a touchy question, if I may term it such. We knew we were dealing with a vital question.

Mr. BUSH. Mr. President, will the Senator from Nevada yield to me for a question?

Mr. McCARRAN. I yield.

Mr. BUSH. Let me ask whether the amendment of the Senator from Tennessee, as modified by adding the words "and shall have assented to granting of immunity," meets fully, in the view of the Senator from Nevada, the objection offered by the Attorney General, as set forth in the report?

Mr. McCARRAN. I do not know that it does. I am not certain that I have in mind the full purport of the Attorney General's objection. But I wish to direct attention to the fact that the language of the amendment of the Senator from Tennessee would, by legislation, require the Attorney General to give his assent. If he did not assent, the committee would be hamstrung. If the Attorney General remained silent, the committee would likewise be hamstrung. If he gave his assent, the committee could proceed; but if he did not give his assent or if he simply remained silent, the committee would be hamstrung.

Mr. BUSH. Is not that what the Attorney General requested in his letter to the committee?

Mr. McCARRAN. I think it is.

Mr. BUSH. In other words, he wanted to have that power of assent.

Is it the intent of the amendment of the Senator from Tennessee to give him that power of assent? Perhaps the Senator from Nevada will permit me to ask this question of the Senator from Tennessee.

Mr. McCARRAN. Certainly.

Mr. KEFAUVER. Yes, the Senator from Connecticut is correct. The Attorney General wished to have the bill provide that immunity could not be granted unless he assented, and the amendment so provides.

Mr. BUSH. If the amendment were adopted and if the Attorney General had that right, in the view of the Senator from Tennessee, the bill, as modified by the modified amendment of the Senator from Tennessee, would be entirely acceptable to the Attorney General, would it?

Mr. KEFAUVER. Mr. President, if the Senator from Nevada will permit me to answer the question——

Mr. McCARRAN. Certainly.

Mr. KEFAUVER. Let me say that my understanding is that in that case the bill would be entirely acceptable to the Attorney General.

Mr. BUSH. Is that the understanding of the Senator from Nevada also?

Mr. McCARRAN. I do not know. I cannot answer that question. I would not want to venture an answer one way or the other.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. McCARRAN. I yield to the Senator from Kentucky.

Mr. COOPER. The statement was made by the Senator from Tennessee that he believed the amendment proposed by him would meet with the Attorney General's views. I am not certain that it does. The last paragraph of the Assistant Attorney General's letter states:

> This Department is disturbed, however, by the failure of the bill to provide that the Attorney General shall participate in the granting of any immunity to a witness before a congressional committee or before either House of the Congress.

That would seem to indicate that the amendment proposed by the Senator from Tennessee would satisfy the Attorney General. But I call attention to the fact that in the last part of the paragraph this statement is made:

> The Attorney General is the chief legal officer of the Government of the United States. As such, it is his responsibility vigorously and effectively to prosecute persons who offend the criminal laws of the United States. Not only must this responsibility be coupled with an authority adequate to permit its discharge, but in addition it would seem inadvisable for others to be cloaked with an

authority capable of preventing the Attorney General from fully performing his duty.

Accordingly, the Department of Justice is unable to recommend the enactment of this bill.

This would emphasize the primary authority of the Attorney General.

A few moments ago the distinguished Senator said that failure to take this action would leave the Congress or its committees in a position in which it would be difficult to uncover the Communist conspiracy. The statement leaves the impression that there are not other arms of the Government that are engaged in the same activity. The argument I make is that this work is primarily that of the law enforcement agencies of the Government. The action which we are being asked to take, may weaken the powers of the primary and continuing law enforcement agency of the Government in this field.

Mr. McCARRAN. Let me draw the able Senator's attention to the fact that the Congress of the United States, by statute after statute, has granted to bureaus and divisions the right to accord immunity to witnesses, and they have that right and now exercise it.

Mr. COOPER. In answer, I say that all of those agencies are agencies of the executive branch of the Government, and have quasi-judicial powers. Not one of them is an agency of the legislative branch.

Mr. McCARRAN. Would the Senator say they are any more able to grant immunity or to judge whether immunity should be granted, than is the Senate of the United States?

Mr. COOPER. No, but the real question goes to the fundamental separation of the powers of government, and to the branch having the power of law enforcement, and the right to grant immunity.

Mr. CASE. Mr. President, will the Senator from Nevada yield?

Mr. McCARRAN. I yield to the Senator from South Dakota.

Mr. CASE. The junior Senator from South Dakota, like other Members of this body who are not lawyers, readily admits his limitations in discussing a question of this kind or in asking questions about it. However, I may say I was a member of the Committee on Un-American Activities in the House of Representatives along with the distinguished Vice President, at a time when a decision was made in the Smith case which seemed to destroy the value of the existing statute on immunity. I know some of us felt at the time that it made it very difficult to pursue the work of that committee.

But I think the question raised by the Senator from Kentucky is pertinent. It is not a question of the relative ability of Members of the Senate or of members of the Senate Judiciary Committee compared with the ability or fairness or judicial quality of members of the executive branch to whom the right to grant immunity has been extended. But it has to do with the separation of powers. I have a feeling that the duty of law enforcement rests with the Justice Department.

What bothers me is that in spite of my desire to make it possible for congressional committees to compel reluctant witnesses to testify by inviting them to do so under a grant of immunity, we may be to a certain extent destroying the prosecuting responsibilities of the Justice Department. If we do not adopt some such amendment as the one proposed by the Senator from Tennessee, I do not see how we can avoid impinging upon the responsibilities of the Justice Department. I should like to do as the Senator from Nevada would like to do, namely, to make it possible for us to get testimony from reluctant witnesses. But I do not see how we can do that unless the Attorney General goes along and says, "You are not destroying my case."

Mr. McCARRAN. Mr. President, I may say to the Senator that is exactly what is in my mind, that committees must notify the Department of Justice that they are about to grant immunity, or are considering the granting of immunity; that they must give him 1 week's notice. If within that time the Attorney General comes to the committee and says, "It is not advisable to grant the immunity, because of certain conditions," no committee would proceed, because it would not be advisable to do so. But if on the other hand the Attorney General remained silent, gave assurance of his cooperation, or replied telling the committee to proceed, the committee could do so. But I may say it is a procedural matter. What I am dealing with now is a matter of procedure, because by rule of both Houses the procedure could be set up whereby notice must be given to the Attorney General.

Mr. CASE. Mr. President, supposing the amendment offered by the Senator from Nevada were adopted and the committee notified the Attorney General, who came before the committee and said, "I wish you would not do this; I think you are going to injure our case. We are working up a case, and it has certain relationships, and you may destroy the possibilities of our using some of the evidence which we think we can develop from other sources; there would be some impingement upon it, so that the courts might throw it out." Or suppose the Attorney General fears that in some way the witness will seek to make it impossible to use evidence which the Attorney General might develop from other sources, and the committee were to ignore the Attorney General. Then what?

Mr. McCARRAN. I cannot imagine that a committee of the Congress would do such a thing. I make that answer keeping in mind that the committees of Congress are not seeking anything other than knowledge to assist them in their consideration of proposed legislation. The committees are not trial bodies. When someone from the executive branch comes before the committee and says, "It is not best for you to grant immunity," I cannot conceive that any committee would violate his advice and would say, "We will grant immunity anyway."

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. McCARRAN. I yield.

Mr. KEFAUVER. If no committee would grant immunity if the Attorney General were to advise against it, why should there be any objection to securing the affirmative assent from the Attorney General?

Mr. McCARRAN. Because, as I have tried to explain to the Senator from Tennessee, and as I have tried to explain to other Senators, the Senator's amendment would make it part of the law. I propose to make it a part of the procedure to be prescribed by the rules of the respective Houses. It is a procedural matter, not an administrative matter.

Mr. HOEY. Mr. President, I shall detain the Senate but a very few moments. I have great admiration for my distinguished friend, the Senator from Nevada. Ordinarily I find it in order to follow his leadership.

I am opposed to the entire bill. I believe we are going right in the face of the Constitution. The Constitution of the United States provides that no person shall be required to testify against himself. We are undertaking to say that a committee of the Congress can do what the courts cannot do. The courts can grant immunity, but they cannot force a witness to testify against himself. We are granting to a committee of the Congress the power to take away the constitutional guaranties and rights to the protection which the Constitution gives us. We are saying, "When you come before a committee and we grant you immunity, you have got to testify." The Constitution says a man does not have to do that. I do not believe Congress ought to pass a measure such as the one which is before us. I am in hearty accord with all the purposes to go after the Communists, to investigate and prosecute them, and all that, but the power of the Congress is not limited; its resources are not restricted; its hand has not been shortened; and the Congress can go about the prosecution of Communists, whether in conspiracy or individually, and can deal with them.

I do not believe we should forget the fact that the Constitution is for the protection of all the people. There are other persons besides Communists in this country. I do not believe we should confer upon any committee of the Congress the power to take away the rights which the Constitution gives to every individual and to every citizen.

How far reaching will this bill be, Mr. President? The bill provides that if immunity is granted, then no action can be taken against the man to whom immunity is granted, anywhere. It takes away from every single State the right to prosecute him for anything in connection with which he may be examined before a committee. It is not limited to the Federal Government; it is not limited to prosecution in United States courts, but it gives the right for him to have immunity from the State in which he lives and from the courts of his State. It gives him complete immunity all along the line.

Do we want to do that? Are we not sacrificing more than we are going to gain? Are we not seeking to do a thing which we can do without such a law? Is it going to be of any great advantage?

When a witness comes before a committee and is asked, "Are you a Com-

munist?" and he refuses to answer, at once he stamps himself, to begin with, as a Communist. Practically everyone would say he is a Communist, or he would deny it.

Suppose we make the witness say, "Yes, I am a Communist": what do we gain? Have we not processes of government by which we can deal with that sort of a situation? Has it come to a time when we have got to take away the constitutional right and guaranty which have been sacred through the years in order that we may undertake to focus attention on some particular part of the enforcement of the criminal law of the land?

I am speaking in all earnestness and in all seriousness, because I do not believe we should do this; I do not think it is necessary; I do not believe it will accomplish any great good. I would rather see a man refuse to answer and let him go with the stamp of public opinion indicating just what he is and the fact that he is an enemy of his Government, because that is the way the public would feel about it.

For that reason, Mr. President, I am opposed to the whole measure.

Mr. MORSE. Mr. President, I think the problem before us is an exceedingly difficult issue for any Member of this body to determine on the basis of a black or white determination. There is no doubt about the fact that the Senator from Nevada is correct when he points out that there is a dangerous conspiracy abroad in the land, which I think threatens our internal security, and there is the same conspiracy abroad in the world that threatens our external security. There is no question about the fact, Mr. President, that each one of us, I think, has an obligation, as a loyal American, to do what he can to check that conspiracy of communism both internally and externally.

But I cannot escape the conclusion expressed by the Senator from North Carolina and the conclusions contained in the argument of the Senator from Kentucky, that the proposal of the Senator from Nevada in its present form—and I shall offer an amendment to it before I close—would create the possibility of abuse. I think the time to check the possibility of abuse is before we pass such legislation as that which is proposed.

I do not think we settle the argument against the McCarran bill by raising the point of separation of powers, although separation of powers is involved. But it is not a case, in my judgment, where the executive branch has all the power and the legislative branch has none, or the legislative branch all the power and the executive branch none. It does happen that the power of investigation of the two Houses of Congress places upon the Congress in specific cases what amounts, in effect, although not so stated by the courts, to a somewhat quasi-judicial function.

The Senator from Nevada points out that in his opinion one of the errors in the logic of the Senator from Kentucky is that when we are dealing with an investigation we are not dealing with a trial. I think the Senator from Nevada is technically correct. Congressional investigations are not trials in a technically legal sense. But let us look at the result. I think the Senator from Kentucky is completely right in his argument, by analogy, because, in fact, and in effect, Mr. President, in the kind of investigations about which we are talking with respect to the application of the bill, we are dealing with the question of determining innocence or guilt. We are determining the question of innocence or guilt of the individual. We are doing it under present congressional procedures, with no mandatory procedure binding upon a congressional committee.

The Senator from Tennessee and the Senator from Oregon have argued in support of adopting mandatory procedures binding upon all committee investigations. I am not going to speak further on it except to mention it in passing, but I think we would be in a little stronger position in handling this kind of proposed legislation if we had on the books mandatory procedures for committees to follow in making investigations. But even then I would want such an amendment as I shall offer in a moment. We would be in a better position if we had some mandatory procedure binding upon committees, so that when we come to these investigations which involve the question of innocence or guilt with respect to individuals, their procedural rights within the spirit and the intent of the Bill of Rights would be protected. Such is not the case at the present time. Much of the public criticism of our congressional investigations stem from the fact that the individual has no guarantee of procedural rights in keeping with the spirit and intent of the Bill of Rights when he is hailed before a congressional investigating committee.

I do not say this, Mr. President, in criticism of any existing committee. I am talking about congressional procedure when I make these comments, separate and distinct from existing committees or individuals. If we are going to go ahead with the kind of invesigations which have increased greatly in recent years in the Congress of the United States, then fellow-Americans called before congressional committees should be protected by a mandatory procedure along some such lines as we find in the Kefauver bill or in the Morse bill. I say that because when we are dealing with the question of guilt or innocence of the individual called before a committee we are dealing with at least a quasi-judicial process.

I think that is what the Senator from Kentucky had in mind when he made his argument on this particular point.

I want to go on from there, Mr. President, because we have some obligations to the executive branch of Government in our investigatory powers in checking conspiracies. I think we have a solemn duty to see to it that we do not follow a course of action which conflicts with or interferes with the administration of criminal justice placed in the one department of Government which has the primary obligation to enforce criminal laws in this country, namely, the Department of Justice.

I quite agree with the Senator from Tennessee when he points out that if it be true, as so eloquently argued by the Senator from Nevada, that no congressional committee would think of granting immunity if an Attorney General did not want it granted, then there should be no objection to including in the bill a provision that the assent of the Attorney General must be obtained. I think it would be fair and proper to empower the Senate or the House to grant immunity by a passage of a resolution to that effect, even if the Attorney General did not assent. But I do not think the committee should have that power if the Attorney General does not assent.

I do not think it creates a situation in which the executive becomes supreme over the legislature, any more than proceeding with the bill in its present form creates a situation in which the legislature would be supreme over the executive. Here is a situation where, in the public interest, cooperation is called for. A procedure is called for that will make it possible for both of these great branches of our Government to have an opportunity to check each other, with the people themselves being protected by a procedural check that will protect the public interest, when either the executive or the legislative starts down a road of abuse.

The argument is not answered for me when it is said it is unthinkable that any congressional committees would stoop to the abuses that I say would be possible under the bill in its present form. They might. In checking over American history, we know that congressional committees, like Government departments, have in times gone by done some very abusive things. We cannot escape the fact, and I say this respectfully in reply to the argument of the Senator from Nevada, that the only thing involved here is the individual. We do not change individual rights because the individual may be one who holds an abhorrent political philosophy that we all detest, namely, communism. He is still an individual. The Founding Fathers did not say, "Under the Bill of Rights there are some crimes in respect to which we shall not grant procedural protection." The Bill of Rights was aimed to protect individuals with respect to all crimes. I think the worst crime of which a man can be guilty, even worse than the crime of murder, is the crime of disloyalty to his country. After all, in most instances a murderer is singular in his activity to one individual. But a person disloyal to his country these days is one who jeopardizes the lives of 160 million people.

Yet I do not think that tonight, after the limited debate that has been held on the bill, we should adopt a procedure that has not prevailed in the United States throughout its history. We should not proceed to adopt a procedure which, in my opinion, makes it possible for congressional committees to abuse individual rights.

I wish to make one qualification with regard to the argument made by the Senator from North Carolina [Mr. HOEY], which for the most part I think was an eloquent, convincing argument. I do not believe the McCarran bill raises

the State jurisdiction problem the Senator from North Carolina mentioned. On the other hand, I think its failure to do so puts the individual in a very difficult position, because, as I interpret the McCarran bill, he would be given immunity so far as Federal prosecution is concerned, but none so far as State prosecution is concerned.

Mr. HOEY. Mr. President, will the Senator yield?

Mr. MORSE. I am glad to yield.

Mr. HOEY. This is the language of the bill:

> But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which after he has claimed his privilege against self-incrimination he is nevertheless so compelled to testify, or produce evidence, documentary or otherwise.

That is a broad provision. It could cover everything.

Mr. MORSE. I respectfully say that I think I can hear the court say, although my hearing may be defective, that congressional power would be limited entirely to Federal jurisdiction; that Congress has no right to interfere with the power of a State court in regard to a criminal prosecution within State jurisdiction, under State law.

I think an individual might be placed in a position before a Senate committee where he would be required to testify and the court would probably say that all the committee could do would be to grant the individual immunity so far as Federal prosecution was concerned, but that immunity would not extend to State jurisdiction. If I am wrong about that, then the argument of the Senator from North Carolina has great weight. I think either way we consider this from the State jurisdiction angle it is bad. It is bad if the individual is not protected from State prosecution; I think it is bad if Congress sets itself up to judge whether immunity shall or shall not be granted in regard to State prosecution.

I may say, while I am on this point, although I cannot cite a case, because, frankly, I have not had time to go to the books——

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. MORSE. I gladly yield.

Mr. McCARRAN. I wish to read from the committee report, because I anticipated this very argument. I beg leave to read in the Senator's time. I apologize for doing so.

Mr. MORSE. No apology is necessary. I welcome the interruption. I am trying to ascertain the best solution of the problem.

Mr. McCARRAN. I read from page 7 of the report:

> It is argued in this connection that, while the witness is granted immunity from prosecution by the Federal Government, he does not obtain such immunity against prosecution in the State courts. We are unable to appreciate the force of this suggestion. It is true that the Constitution does not operate upon a witness testifying in the State courts, since we have held that the first eight amendments are limitations only upon the powers of Congress and the Federal courts, and are not applicable to the several States, except so far as the 14th amendment may have made them applicable (*Barron* v. *Baltimore* (7 Pet. 243); *Fox* v. *Ohio* (5 How. 410); *Withers* v. *Buckley* (20 How. 84); *Twitchell* v. *Commonwealth* (7 Wall. 321); *Presser* v. *Illinois* (116 U. S. 252).)

From page 8 of the report I read the following:

> We need not restate the reasons given in *Brown* v. *Walker*, both in the opinion of the Court, and in the dissenting opinion, wherein all the prior authorities were reviewed, and a conclusion reached by a majority of the Court, which fully covers the case under consideration. * * *
>
> The further suggestion that the statute offers no immunity from prosecution in the State courts was also fully considered in *Brown* v. *Walker* and held to be no answer. The converse of this was also decided in *Jack* v. *Kansas* (199 U. S. 372), namely, that the fact that an immunity granted to a witness under a State statute would not prevent a prosecution of such witness for a violation of a Federal statute, did not invalidate such statute under the 14th amendment. It was held both by this Court and by the Supreme Court of Kansas that the possibility that information given by the witness might be used under the Federal act did not operate as a reason for permitting the witness to refuse to answer, and that a danger so unsubstantial and remote did not impair the legal immunity. Indeed, if the argument were a sound one it might be carried still further and held to apply not only to State prosecutions within the same jurisdiction, but to prosecutions under the criminal laws of other States to which the witness might have subjected himself. The question has been fully considered in England, and the conclusion reached by the courts of that country that the only danger to be considered is one arising within the same jurisdiction and under the same sovereignty (*Queen* v. *Boyes*, 1 B. N. S. 311; *King of the Two Sicilies* v. *Willcox*, 7 State Trials (N. S.), 1049, 1068; *State* v. *March*, 1 Jones (N. Car.), 526; *State* v. *Thomas*, 98 N. Car. 599).

I apologize to the Senator for taking up his time, but I desired to bring out the point that this was in the report, so the Senate might have it for its consideration.

Mr. MORSE. I am glad the Senator from Nevada has made the contribution he has made in the course of my speech. I am familiar with Brown against Walker, in which there was a very strong dissent by three judges of the court. But do not forget that Brown against Walker is a case involving court-granted immunity. It does not deal with a case, which would be a novel one, of congressional committee immunity, where the immunizing body, for example, is not a judicial body but is a legislative body. I seriously question whether Brown against Walker would necessarily apply to a situation affecting a State, where the body granting immunity is a committee of Congress, not a Federal court.

Mr. McCARRAN. Mr. President, will the Senator yield for a suggestion?

Mr. MORSE. I yield.

Mr. McCARRAN. I am wondering if the Senator has in mind the fact that the power to grant immunity is now retained by many departments downtown?

Mr. MORSE. I think the Senator from Kentucky [Mr. COOPER] answered that argument very effectively when he pointed out that if they come under the executive branch of government, they are quasi-judicial in nature. And, of course, we know that under the various procedural acts applying to Government boards and commissions in most instances the Department of Justice has great procedural control over them.

Mr. McCARRAN. I take it from that answer that the Senator believes that only the executive branch can grant immunity.

Mr. MORSE. No; I do not take that position, as will be seen from the amendment which I shall offer in a moment. I do say that I think the Senator from Kentucky is on very sound ground when he points out that we are dealing with a matter which ought to be considered primarily a matter of judicial process, because it is to judicial process, in keeping with the spirit and intent of the Bill of Rights, that the citizen looks for his protection.

I mean no disrespect to the Congress. As a Member of it the last thing I would try to do would be to foul my own nest. Nevertheless, as a Member of the Congress I have the duty, it seems to me, tonight to look to the possibilities of abuse of which congressional committees could be guilty under this bill.

I think it is true that in periods of hysteria, and when strong emotional waves sweep across American public opinion, congressional committees are not so likely to stand firm in the protection of individual rights as are the men sitting in the robes, because, after all, when judges walk into the sanctum of the judicial process, under our system of separation of powers, it is their duty to protect the constitutional individual rights of the citizen. I mean no disrespect when I say that I think the individual can count upon greater protection from waves of hysteria from the judicial process than from the legislative process.

There is another point or two which I wish to make and then I shall close by offering my amendment.

I think the Senator from Kentucky is also right when he points out that there is a very important question of public policy involved in this issue, which I think also is inherent in the argument of the Senator from North Carolina [Mr. HOEY]. There is a conflict of jurisdictional claims. There is no mandatory procedure protecting individuals before congressional committees. When the Attorney General seeks to grant immunity in carrying out his law-enforcement function, he knows that he must practice before Federal judges. There is a tremendous check upon the Attorney General and his assistants on the part of the men in the robes. If he should follow a course of action in which he tried to abuse the practice of granting immunity, a Federal judge would not hesitate to take him to task. He knows it. Where is the check on us? There is none. There ought to be a check.

If we could amend the bill with some such language as I shall suggest, it might greatly improve it. I have worked out the language in rough-draft form since I have been sitting here. We might require the assent of the Attorney General, but we could place a check upon him, too. I think there is an inherent power in Congress to authorize the granting of immunity if it wishes so to exercise its legislative power. However, I think it is

important that we provide a check both upon ourselves and upon the Attorney General. We might have some such language as this:

Provided, That if the Attorney General does not assent to immunity within 10 days after being requested to do so by the committee, immunity can, nevertheless, be granted by the committee if, by resolution, the particular House of the Congress having jurisdiction over the committee, by a two-thirds vote, authorizes the granting of immunity.

Although we do not require a two-thirds vote, we require a committee to come before the Senate and offer a resolution providing for contempt proceedings against a witness who has refused, for example, to appear before the committee and testify. We place that kind of check on our committees. We do not allow our committees to cite a person for contempt without the approval of the House which has jurisdiction over the particular committee. Because I think that basic questions of individual rights are involved, I think we ought to lean over backward in favor of the old principle that it is better for the guilty to escape than for the innocent to be punished. If any committee can come before the Senate, for example, and show that although the Attorney General denied his assent to immunity, nevertheless a certain individual ought to be granted immunity, there would be no difficulty in obtaining a two-thirds vote of this body if there is a good case. I think that is a reasonable application of the system of checks.

I shall offer my amendment, if I may, under the rules of the Senate, as an amendment to the amendment of the Senator from Tennessee [Mr. KEFAUVER], because I believe that the Attorney General should be given authority in a matter such as this.

I think the Senator from Nevada [Mr. MCCARRAN] is right when he says that it is difficult to believe that any committee, if the Attorney General should object to the granting of immunity, would nevertheless grant it. But there, nevertheless, is the danger that a committee might become a runaway committee. However, there is no provision in the bill which would check such a committee. I think we are the parent body of our own committees, and that we ought to pass final judgment on the question.

Now that the Senator from Michigan [Mr. FERGUSON] has returned, I wish to make the argument which I was about to make when the Senator from Nevada [Mr. MCCARRAN] asked me to yield, which I was very happy to do.

As I said, I have not checked the cases. I have heard the argument of the Senator from Michigan. I am curbstoning, and curbstoning is always an unwise thing for lawyers to do. Nevertheless, offhand I do not share the fear of the Senator from Michigan that the amendment of the Senator from Tennessee would impair our operations as a Senate under the Constitution in impeachment cases, because of words describing trial procedures are found in the Constitution. This is one place in which congressional action authorized by the Constitution is couched in terms of a trial. The Constitution says:

The Senate shall have the sole power to try all impeachments. When sitting for that purpose, they shall be on oath or affirmation. When the President of the United States is tried, the Chief Justice shall preside: And no person shall be convicted without the concurrence of two-thirds of the Members present.

Judgment in cases of impeachment shall not extend further than to removal from office, and disqualification to hold and enjoy any office of honor, trust, or profit under the United States: but the party convicted shall nevertheless be liable and subject to indictment, trial, judgment, and punishment, according to law.

I respectfully say that even though it is a curbstone opinion—and, as a matter of intellectual curiosity, I shall start running through the impeachment cases tomorrow—I do not believe that the argument of the Senator from Michigan would be applied by the courts. I believe that when we sit here in an impeachment trial, we have the power to grant immunity. No statute is needed for that purpose. I do not believe that the passage of the Kefauver amendment would change that situation in the slightest. Note the use of the words in the Constitution "try all impeachments"; and "tried"; and "convicted"; and "judgment." These are words pertaining to a trial and a judicial process.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield in a moment.

I think it is important that we place a check upon the Attorney General, to meet the argument of the Senator from Nevada [Mr. MCCARRAN] that if he remains silent, there is nothing to be done about it. I would give him 10 days to consider the matter. If in 10 days he should send down a request that immunity not be granted, I would give the committee the right of coming before the Senate, if a Senate committee is involved, or before the House, if a House committee is involved, and making its argument in support of immunity. By a two-thirds vote of at least a quorum present and voting, if it could be demonstrated that immunity nevertheless ought to be granted my amendment would authorize it. I think such a check should be provided.

I now yield to the Senator from Michigan.

Mr. FERGUSON. I know of no inherent right of a legislative body to grant immunity, unless it existed prior to the Constitution, in the mother of parliaments, namely, the British Parliament, from which we have received many of our prerogatives. Certainly the Constitution in the fifth amendment provides that no man shall be required to testify against himself.

I judged from the language on page 2, line 4, that in the case of proceedings before one of the Houses of Congress, the Senate or the House, the majority of the Members present would have the right to grant immunity. That was why I asked the question as I did. If the Senator believes that notwithstanding the Constitution one of the Houses of Congress, namely, the Senate, sitting as a judicial body in trying an impeachment proceeding, has that right, certainly this bill would not interfere with it, but I believe that under the bill it would grant immunity.

Mr. MORSE. I respect the Senator's point of view. My only argument on it is that I do not think the Kefauver amendment, if adopted, would in any way weaken the position of Congress in an impeachment trial to do anything that it can do now without the adoption to the amendment.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KEFAUVER. I should like to make it clear that the amendment of the Senator from Tennessee is only intended to apply to granting immunity by congressional committees, not in connection with proceedings by the House or Senate. If there is any question about it I shall be very glad to have my amendment amended, so as to insert the words "by the committee" in line 3 of the amendment. If the Senator from Oregon will allow me to do so, I would like to ask that the amendment may be changed in that respect.

The VICE PRESIDENT. The Senator from Tennessee may modify his amendment.

Mr. MORSE. I send to the desk an amendment to the amendment of the Senator. First, I should like to inquire whether the amendment is in order.

The VICE PRESIDENT. An amendment to the Kefauver amendment is not in order. It would be an amendment in the third degree. The Senator from Tennessee can modify it, of course.

Mr. MCCARRAN. I cannot hear the Chair.

The VICE PRESIDENT. The Chair informs the Senator from Oregon that an amendment to the Kefauver amendment would not be in order, being an amendment in the third degree. However, the Senator from Tennessee could, if he accepted the Morse amendment, modify his own amendment accordingly.

Mr. MORSE. I make a further parliamentary inquiry. First, I should like to make clear my purpose.

Mr. MCCARRAN. May I hear the amendment of the Senator from Oregon?

Mr. MORSE. I am announcing what I will do after the Kefauver amendment is either adopted or rejected, unless the Senator from Tennessee modifies his amendment accordingly.

The VICE PRESIDENT. The Chair would inform the Senator from Oregon that he could offer a perfecting amendment to the McCarran amendment directly.

Mr. MORSE. That is what I was about to do.

The VICE PRESIDENT. Prior to action upon the Kefauver amendment.

Mr. MCCARRAN. Prior to action upon the Kefauver amendment?

Mr. MORSE. What I propose to do is to take the Kefauver amendment and make it my amendment, with this provision added:

Provided, That if the Attorney General does not assent to the immunity, within 10 days after requested by the committee, immunity can nevertheless be granted by the

committee, if by resolution of the particular House of Congress having jurisdiction over the committee said House by a two-thirds vote authorizes the granting of the immunity.

I intend, of course, that a two-thirds vote of a quorum present and voting would be sufficient to pass the resolution. That is my intention.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. KEFAUVER. If the Senator will amend his suggestion so as to make it 1 week, instead of 10 days, so as to conform that language to my amendment, I will accept the provision as an amendment to my substitute.

Mr. MORSE. One week is better. One week is a reasonable time.

The VICE PRESIDENT. The Senator from Tennessee so modifies his amendment.

Mr. KEFAUVER. I accept the Senator's amendment as an addition to the substitute.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. MORSE. I want to make my argument. Perhaps the Senator will wish to answer it.

Mr. McCARRAN. May I hear the amendment read now? I should like to hear the whole amendment. I am not speaking of the part the Senator from Oregon has added. I want to hear the whole amendment. It now includes the addenda to the Kefauver amendment. I should like to hear the whole amendment read.

Mr. MORSE. The Senator means the McCarran-Kefauver-Morse amendment?

The VICE PRESIDENT. Will the Senator from Oregon send his amendment to the desk?

Mr. MORSE. I should like to perfect it. I know we have a good clerk, but he could not possibly make out the notes I have before me. I want to keep it in front of me for my argument. It would read as follows:

At least 1 week in advance of voting on the question of granting immunity to any witness under this act, the Attorney General shall be informed of the intention to consider such question, and shall have assented to the granting of such immunity: *Provided*, That if the Attorney General does not assent to the immunity, within 1 week after requested by the committee, immunity can nevertheless be granted by the committee if by resolution of the particular House of the Congress having jurisdiction over the committee said House by a two-thirds vote, by at least a quorum being present and voting, authorizes the granting of immunity.

Mr. President, I close by saying that I think it is a reasonable solution of the problem. It gives us the power to accomplish what the Senator from Nevada has in mind and protects the principle of separation of powers which the Senator from Kentucky talked about.

It gives the Attorney General the protection that I believe he needs in case we have a runaway congressional committee someday—and that is alway a possibility—and I believe it is in keeping with the protection of the individual rights under the spirit and intent of the Bill of Rights. I sincerely hope that the Senate will adopt the McCarran-Kefauver amendment with my proviso added to it.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. FERGUSON. May I ask what the Senator has in mind? If the Attorney General objects, then immunity can be granted only by two-thirds of the body?

Mr. MORSE. By a quorum being present and voting.

Mr. FERGUSON. Of the body itself?

Mr. MORSE. That is correct.

Mr. FERGUSON. Not of the committee?

Mr. MORSE. Not of the committee, but of the House or of the Senate depending on whose committee it is. I think we should have a check on our committee, if we have a runaway committee.

Mr. McCARRAN. Mr. President, will the Senator from Oregon change his amendment to provide for a majority, instead of two-thirds? A majority is available when two-thirds is not, many times. I would say in all probability that so far as the author of the bill is concerned—and I am not the author of it, because the Committee on the Judiciary is the author of it—I would be inclined to accept it.

Mr. MORSE. I want to say to the Senator from Nevada that we have not been as far apart in our objectives as some of our remarks might seem to indicate. I am only seeking adequate checks to protect the rights of the individual. When we adopt a resolution for contempt by majority vote I believe we have a good check. I will take the suggestion of the Senator from Nevada to make it a majority vote.

Mr. FERGUSON. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. FERGUSON. Would the Senator from Oregon agree to require a yea-and-nay vote?

Mr. MORSE. Yes, I think the action should be taken by a yea-and-nay vote or by so-called roll-call vote.

Mr. BUTLER of Maryland. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. BUTLER of Maryland. Would it be required by substantive law that notice be given to the Attorney General, or would that notice be a procedural matter?

Mr. McCARRAN. Mr. President, let me say that my position all the time has been that it should be a procedural matter. If my amendment is adopted, it would be a procedural matter.

Mr. BUTLER of Maryland. That is what I asked.

Mr. MORSE. Let us provide that it be required as a matter of substantive law.

Mr. FERGUSON. Yes; it should be required by substantive law.

Mr. BUTLER of Maryland. Would the Senator from Oregon favor including a provision as to how notice be given, so that a witness could not refuse to testify on the basis that proper notice was not given? Let us provide that notice which would be airtight should be given.

Mr. McCARRAN. Any committee would wish to protect itself by giving such notice.

Mr. MORSE. Oh, yes; I think the committee would have to give such notice in writing.

Mr. McCARRAN. If we can straighten out the matter by arriving at proper language, I shall be willing to accept it.

Mr. KEFAUVER. Mr. President, I point out that the distinguished junior Senator from Oregon does not have the right to accept modifications of my amendment to the amendment of the Senator from Nevada.

Mr. MORSE. Of course I am not attempting to do so. I am simply in the process of attempting to arrive at what I think will be a conscionable compromise. We are engaged in that process here on the floor of the Senate. Of course I shall make the final offer to the Senator from Tennessee, who then can either accept or reject the proposed modification.

Mr. KEFAUVER. Very well.

Mr. MORSE. I apologize to the Senator from Tennessee if I left the impression that I was seeking to speak for him.

Mr. President, I now state the proposed compromise modification of the amendment of the Senator from Tennessee, which has been offered as a substitute for the amendment of the Senator from Nevada:

Provided, That if the Attorney General does not assent to immunity within one week after requested by the committee, immunity can nevertheless be granted by the committee if by resolution of the particular House of the Congress having jurisdiction over the committee, said House by a majority yea-and-nay vote authorizes the granting of immunity.

Mr. KEFAUVER. Mr. President, I think it important that the roll call or yea-and-nay vote provision be included. Such a modification of my amendment in the nature of a substitute for the amendment of the Senator from Nevada [Mr. McCARRAN] is satisfactory to me; I accept that modification of my amendment in the nature of a substitute for the amendment of the Senator from Nevada, as the modification has been submitted by the distinguished Senator from Oregon [Mr. MORSE].

The VICE PRESIDENT. The question is on agreeing to the modified amendment of the Senator from Tennessee, offered as a substitute for the amendment of the Senator from Nevada.

Mr. McCARRAN. Mr. President, let the record show that with the language proposed by the Senator from Oregon as a modification of the amendment of the Senator from Tennessee, I am accepting the modified amendment of the Senator from Tennessee, except that the part of my amendment requiring that it be a procedural matter that notice be given should go out or be omitted from my amendment.

Mr. MORSE. That is correct.

I think it is perfectly clear, Mr. President, that we now have a meeting of the minds.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Tennessee will state it.

Mr. KEFAUVER. Is not the pending question on agreeing to the modified amendment I have offered as a substitute for the amendment of the Senator from Nevada?

The VICE PRESIDENT. That is the understanding of the Chair.

Is the Chair to understand that the Senator from Nevada desires to accept the modified amendment of the Senator from Tennessee?

Mr. McCARRAN. I am accepting the amendment of the Senator from Tennessee, offered as a substitute for my amendment, with the modification of the language as proposed by the Senator from Oregon.

The VICE PRESIDENT. The Senator from Nevada has accepted the amendment of the Senator from Tennessee, as modified, as suggested by the Senator from Oregon.

Mr. KEFAUVER. I wish that to be clear, Mr. President.

The VICE PRESIDENT. The question now is on agreeing to the amendment of the Senator from Nevada, as modified by the amendment of the Senator from Tennessee, as modified. [Putting the question.]

The modified amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (S. 16) was ordered to be engrossed for a third reading, and was read the third time.

The VICE PRESIDENT. The bill having been read the third time, the question is, Shall it pass? [Putting the question.]

The Chair is in doubt.

Mr. FERGUSON. Mr. President, I request a division.

On a division, the bill (S. 16) was passed as follows:

Be it enacted, etc., That title 18, United States Code, section 3486, is amended to read as follows:

"§ 3486. Testimony before Congress; immunity

"No witness shall be excused from testifying or from producing books, papers, and other records and documents before either House, or before any committee of either House, or before any joint committee of the two Houses of Congress on the ground, or for the reason, that the testimony or evidence, documentary or otherwise, required of him many tend to incriminate him or subject him to a penalty or forfeiture, when the record shows—

(1) in the case of proceedings before one of the Houses of Congress, that a majority of the Members present of that House, or

(2) in the case of proceedings before a committee, that two-thirds of the members of the full committee, including at least two members of each of the two political parties having the largest representation on such committee

shall by affirmative vote have authorized that such person be granted immunity under this section with respect to the transactions, matters, or things concerning which, after he has claimed his privilege against self-incrimination, he is nevertheless compelled by direction of the presiding officer or the chair to testify. But no such witness shall be prosecuted or subjected to any penalty or forfeiture for or on account of any transaction, matter or thing concerning which after he has claimed his privilege against self-incrimination he is nevertheless so compelled to testify, or produce evidence, documentary or otherwise.

"No official paper or record required to be produced hereunder is within the said privilege.

"No person shall be exempt from prosecution or punishment for perjury or contempt committed in so testifying.

"At least 1 week in advance of voting by the committee on the question of granting immunity to any witness under this act the Attorney General shall be informed of the intention to consider such question, and shall have assented to the granting of such immunity: *Provided*, That if the Attorney General does not assent to immunity within 1 week after requested by the committee, immunity can nevertheless be granted by the committee if by resolution of the particular House of the Congress having jurisdiction over the committee, said House by a majority yea-and-nay vote authorizes the granting of immunity."

Mr. MAGNUSON. Mr. President, inasmuch as I feel very keenly about this matter, I wish the RECORD to show that if there had been a yea-and-nay vote on the question of passage of the bill, I would have voted "nay."

Mr. KERR. Mr. President, I should like to state for the RECORD that if there had been a yea-and-nay vote on the question of the passage of the bill, I would have cast an adverse or "nay" vote.

Mr. McCLELLAN. Mr. President, I desire to make the same announcement. I believe the bill is unconstitutional, and I could not have supported it.

Mr. LEHMAN. Mr. President, having spoken against the bill at considerable length and having expressed my view that the bill is an unfortunate and an unwise one, I wish to be recorded as voting against it.

Mr. JACKSON. Mr. President, in my opinion the bill is unconstitutional. If I had had an opportunity to vote against the bill, on a yea-and-nay vote, I would have done so, by voting "nay."

Mr. STENNIS. Mr. President, I should like to have the RECORD show that I am opposed to the passage of the bill.

Mr. HENNINGS. Mr. President, I should like to have the RECORD show that, on various grounds, I am opposed to the passage of the bill.

Mr. MURRAY. Mr. President, I should like to have the RECORD show that I am opposed to the passage of the bill.

Mr. COOPER. Mr. President, I wish to have the record show that if I had had an opportunity to do so, I would have voted against passage of the bill.

Mr. HAYDEN. Mr. President, I make the same statement, for the record.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. HOPE, Mr. ANDRESEN, Mr. HILL, Mr. COOLEY, and Mr. POAGE were appointed managers on the part of the House at the conference.

ADDITIONAL BILL INTRODUCED

Mr. McCARRAN, by unanimous consent, introduced a bill (S. 2340) for the relief of Alphonsus Devlin, which was read twice by its title, and referred to the Committee on the Judiciary.

ADDITIONAL MATTER PRINTED IN THE APPENDIX

On request, and by unanimous consent, additional matter was ordered to be printed in the Appendix, as follows:

By Mr. THYE:

Article entitled "Hogs Reach $26.75, Peak Since September 1948," as published in the St. Paul Pioneer Press of July 7, 1953.

RECESS

Mr. KNOWLAND. I move that the Senate now stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 10 o'clock and 38 minutes p. m.) the Senate took a recess until tomorrow, Friday, July 10, 1953, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 9 (legislative day of July 6), 1953:

WORLD HEALTH ORGANIZATION

Dr. H. van Zile Hyde, of Maryland, to be the representative of the United States of America on the executive board of the World Health Organization.

DEPARTMENT OF LABOR

Spencer Miller, Jr., of New Jersey, to be an Assistant Secretary of Labor.

Harrison Hobart, of Texas, to be an Assistant Secretary of Labor.

INTERSTATE COMMERCE COMMISSION

Howard G. Freas, of California, to be an Interstate Commerce Commissioner for the remainder of the term expiring December 31, 1959, vice William E. Lee, term expired.

COLLECTORS OF CUSTOMS

Harry D. Youse, of Indiana, to be collector of customs for customs collection district No. 40, with headquarters at Indianapolis, Ind.

Robert W. Dill, of New York, to be collector of customs for customs collection district No. 10, with headquarters at New York, N. Y.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the Coast and Geodetic Survey:

To be commissioned captain

Hubert A. Paton

To be commissioned ensign

William D. Gardner	John F. McMillan
William F. Glover	John M. Ogilvie
Allan C. Haglund	George R. Schevon
Paul Hertelendy	Edward R. Stone
Charles E. Horne	Harvey J. Weese
Leland C. Larson	Dale E. Westbrook

WITHDRAWAL

Executive nomination withdrawn from the Senate July 9 (legislative day of July 6), 1953:

WORLD HEALTH ORGANIZATION

Dr. H. van Zile Hyde, of New York, representative of the United States of America on the executive board of the World Health Organization.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 9, 1953

The House met at 11 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, in our plans and labors during this day, may we be supremely concerned about establishing a social order that reflects and incarnates Thy righteous purposes.

Wilt Thou bestow upon our minds and hearts the gift of clear vision, the optimistic outlook, and the unconquerable hope that this goal will some day be the blessed fulfillment and fruition of our noblest aspirations and desires.

May our President, our Speaker, and the Members of Congress be girded with wisdom, courage, and indomitable faith as they strive to break down all the barriers and iron curtains which impede the progress of the kingdom of righteousness and deprive mankind of the blessings of freedom.

Hear us in the name of the Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 30, 1953:

H. R. 2347. An act to permit continued exercise until 6 months after termination of the national emergency proclaimed December 16, 1950, or until such earlier date as may be established by concurrent resolution of Congress, of certain powers, relating to preferences or priorities in the transportation of traffic, under sections 1 (15) and 420 of the Interstate Commerce Act;

H. R. 5069. An act to prohibit the introduction of movement in interstate commerce of articles of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals, and for other purposes;

H. R. 2313. An act to continue the effectiveness of the act of March 27, 1942, as extended, relating to the inspection and audit of plants, books, and records of defense contractors for the duration of the national emergency proclaimed December 16, 1950, and 6 months thereafter;

H. R. 2587. An act to amend the act of January 12, 1951, as amended, to continue in effect the provisions of title II of the First War Powers Act, 1941;

H. R. 3853. An act to amend title 18, United States Code, entitled "Crimes and Criminal Procedure," with respect to continuing the effectiveness of certain statutory provisions until 6 months after the termination of the national emergency proclaimed by the President on December 16, 1950;

H. R. 4126. An act to continue the effectiveness of the act of December 2, 1942, as amended, and the act of July 28, 1945, relating to war-risk hazard and detention benefits, until July 1, 1954;

H. J. Res. 285. Joint resolution to extend the effectiveness of certain statutory provisions from July 1, 1953, to August 1, 1953; and

H. J. Res. 287. Joint resolution making temporary appropriations for the fiscal year 1954, and for other purposes.

On July 2, 1953:

H. R. 4654. An act to provide for the exemption from the Annual and Sick Leave Act of 1951 of certain officers in the executive branch of the Government, and for other purposes.

On July 6, 1953:

H. R. 3425. An act to amend the act entitled "An act to authorize the Commissioners of the District of Columbia to appoint a member of the Metropolitan Police Department or a member of the Fire Department of the District of Columbia as Director of the District Office of Civil Defense, and for other purposes," approved May 21, 1951.

On July 9, 1953:

H. J. Res. 292. Joint resolution authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives.

SPECIAL ORDER GRANTED

Mr. KERSTEN of Wisconsin asked and was given permission to address the House for 15 minutes today, following the legislative program and any special orders heretofore entered.

THE COAL INDUSTRY

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, I have asked for this time in order to call the attention of my colleagues to the fact I am introducing legislation this morning to try to relieve the deplorable situation that has developed in the coal industry of the Nation. This bill will be to encourage exports in order to ease the critical situation which exists in the domestic coal industry and to strengthen the other nations of the free world.

The bill reads as follows:

SECTION 1. The Congress hereby finds and declares—

(1) that a critical situation exists in the domestic coal industry, with a large number of mines already closed and more mines about to be closed, and with thousands of miners already out of work and thousands more faced with imminent loss of their jobs;

(2) that this critical situation has had a serious effect on those domestic railroads which are dependent on the transportation of coal for a major share of their income, and on the employees of those railroads;

(3) that the domestic coal industry cannot exist and thrive if it must depend solely on domestic markets for the sale of its product, and that it must therefore develop overseas markets for its product; and

(4) that the industrial and economic strength of the other nations of the free world can be increased (and their dependence on direct American financial aid decreased) if American coal is made available to them at prices which they can afford to pay.

SECRETARY OF COMMERCE AUTHORIZED TO PAY CERTAIN COSTS OF TRANSPORTING COAL

SEC. 2. (a) The Secretary of Commerce is hereby authorized in the manner and to the extent specified in this section, to pay the cost of the transportation by rail of anthracite or bituminous coal mined in the United States to its point of exportation.

(b) The payments authorized by this section—

(1) may be made only with respect to coal which is being exported from the United States for use outside the United States in a nation of the free world;

(2) in the case of any shipment of coal, shall not exceed the cost of shipping such coal by rail from the mine to the nearest seaport having available facilities for the loading of coal for export; and

(3) shall be made to the railroad transporting the coal.

(c) Subject to the limitations contained in this section, the Secretary of Commerce shall from time to time determine the terms and conditions under which payments will be made pursuant to this section.

(d) There are hereby authorized to be appropriated from time to time such sums, not to exceed $25 million in the aggregate, as may be necessary to carry out the purposes of this act.

Mr. Speaker, I ask that the Members of the House read the details of this legislation which I have included as part of my remarks.

LEAVE OF ABSENCE

Mr. HAND. Mr. Speaker, I ask unanimous consent to be absent for an indefinite period for urgent personal reasons.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

CALL OF THE HOUSE

Mr. BOW. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. ARENDS. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 81]

Bates	Fernandez	Moulder
Belcher	Fisher	Nelson
Bentley	Fogarty	O'Brien, Mich.
Case	Frazier	Powell
Celler	Hardy	Prouty
Cooley	Hart	Rabaut
Crosser	Hébert	Reed, Ill.
Cunningham	Hess	Rivers
Dawson, Ill.	Hoffman, Mich.	Shafer
Dingell	Kilday	Sikes
Dollifer	Lesinski	Sutton
Donovan	McVey	Wigglesworth
Durham	Machrowicz	Wilson, Calif.
Ellsworth	Meader	

The SPEAKER. On this rollcall 373 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON WAYS AND MEANS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that the Ways and Means Committee may have until midnight tonight to file a report on the bill

H. R. 5877, which is scheduled to be taken up on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PROGRAM FOR BALANCE OF THE WEEK

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have been asked as to the order in which the measures contained in the whip notice will be called today. We propose to call first the bill from the Committee on Agriculture having to do with drought relief in the southwest and to follow that with the bill concerning the development of power at Niagara. I would anticipate that these actions probably will take all of the day.

Beyond that, Mr. Speaker, I wish to announce to the Members on our side that Saturday noon, in the caucus room in the Old House Office Building, the Republican Members of the House and the Senate will tender to the President and the Vice President of the United States a luncheon which, I might say, marks the first year after the nomination of those two gentlemen on our ticket. All of the Republican Members will receive an official invitation to the luncheon, but I thought it might be well to announce it at this time so that you can make your plans accordingly.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. RAYBURN. Some of our Members are interested in a very important bill called the firecracker bill. Does the gentleman think that is likely to come up this week?

Mr. HALLECK. Let me say in response to the question asked by the gentleman that the bill has been scheduled and it will be called. However, as I have suggested, we will probably be hard put today to finish the 2 bills that I have mentioned, and it is proposed we come in at possibly 10 o'clock tomorrow—at least by 11, but as of now I would say 10 a. m.—to deal with the matter of the extension of the excess-profits tax. I do not know how much time the Committee on Rules has granted. There was a request for 6 hours, but it looks as if that will consume all of the time tomorrow. Of course, by reason of these other arrangements that have been made respecting our side, there will be no Saturday session.

REREFERENCE OF BILLS

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that the Committee on Armed Services be discharged from further consideration of the bills H. R. 6117 and S. 2078 and that the bills be referred to the Committee on Government Operations.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

SPECIAL ORDERS GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

Mr. LANE asked and was given permission to address the House for 10 minutes today, following any special orders heretofore entered.

DISASTER RELIEF

Mr. CHENOWETH. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 325 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, and all points of order against the bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Agriculture now in the bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. CHENOWETH. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. LYLE] and yield myself such time as I may require.

Mr. Speaker, this rule makes in order the consideration of H. R. 6054, a bill providing for additional emergency assistance to farmers and stockmen. The purpose of this legislation is to take care of a critical situation that exists in the southwestern section of the country, caused by a prolonged drought. The bill also provides for loans to livestock producers in every section of the country, who are in need of credit. This drought has lasted over a period of several years in certain areas. As a result many farmers and stockmen are in a distressed condition. The relief contemplated in this measure is desperately needed at this time in many sections of the Southwest.

Just recently the President of the United States under Public Law 875 of the 81st Congress designated certain counties in several States to be included in this disaster area. In this list there are 152 counties in the State of Texas, 40 counties in the State of Oklahoma, 77 counties in the State of Kansas, 7 counties in Colorado, and 26 counties in New Mexico.

Mr. Speaker, I want to make just a brief observation or two on this measure. This Congress has been very liberal in providing assistance and relief to foreign nations and to distressed people around the world. In helping others, we are prone to overlook the fact that our own people right here in the United States may occasionally be in need of assistance. Today we have the opportunity to do something for citzens of the United States, who, through no fault of their own, find themselves in an economic situation where they require our help.

I want to commend the chairman of the House Committee on Agriculture, the gentleman from Kansas [Mr. HOPE] for his prompt action in bringing this bill to the floor. I also wish to commend my colleague, the gentleman from Colorado [Mr. HILL] who, as chairman of a special subcommittee dealing with livestock problems has rendered a most valuable service. This committee made a trip to the State of Texas just last week to personally inspect conditions in the drought area. I also feel that the Secretary of Agriculture, Mr. Benson, is entitled to much credit for his prompt action in moving to provide immediate relief to these stricken areas. The Secretary has been the subject of some criticism because he has not always seen eye to eye with certain groups on agricultural problems.

Here is an instance, Mr. Speaker, where the Secretary of Agriculture has earned and deserves the gratitude of a large number of citizens in the Southwest who appreciate what he is doing to help them and for the manner in which he has responded to their appeal. Mr. Benson made a trip to the State of Texas and personally inspected these drought areas. The counties in Colorado which are included in this disaster area are in my district, so I have personal knowledge of the conditions that exist. This is a most serious and distressing situation. These farmers and stockmen face economic difficulties that they cannot overcome except for the financial assistance contained in this legislation. So I am happy to see the Committee on Agriculture bring this bill to the House. Hearings were held on Monday, only 3 days ago, which gives you an idea of the prompt attention the committee has given to this legislation.

In addition to providing emergency relief for the disaster areas, this bill also contains another very important provision for the livestock industry. I refer to the section authorizing special livestock loans to established ranchers and stockmen anywhere in the United States who are temporarily unable to obtain the necessary credit to carry on their operations. We know that cattle prices have dropped very materially. This decline started something over a year ago, and has brought great distress to the cattle producers of this country. There has been an insistent demand for Congress to take some action to assist the cattle industry. Today the Congress by the passage of this bill, is taking action to

relieve the distressed conditions among our cattlemen. In this legislation, Mr. Speaker, we are taking positive and affirmative action to provide credit for our livestock producers who are temporarily unable to obtain credit from their banks or other sources. Loans up to $50,000 can be made on the recommendation of special committees which will be designated by the Secretary of Agriculture. Any loan above that amount must have the personal approval of the Secretary. These loans can be made for a period of 3 years, and may be renewed. I feel that the establishment of credit, as provided in this bill is the greatest stimulus we can give the livestock industry at this time.

Mr. Speaker, I am not going to go into details of this bill. I did want to make these brief comments so that I might impress on the House the importance of this legislation to the people of my section of the country, and particularly to those in the disaster area, as designated by the President.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. BROOKS of Louisiana. We have had some recent experience in reference to economic disaster loans regarding cattle. Are there any provisions in this measure which will guarantee that the smaller cattlemen will be cared for in their need? The criticism has reached me that in many instances the very large cattlemen have been considerably assisted, but that the little man was left out. I wonder if there is any special provision in this measure which will help the small cattlemen.

Mr. CHENOWETH. This provision will apply to all of those engaged in the livestock industry. It applies to everyone who can qualify as an established rancher or livestock producer.

Mr. BROOKS of Louisiana. You do not think the little man will be overlooked?

Mr. CHENOWETH. Absolutely not. I mentioned that loans may be made up to the amount of $50,000, but over and above that amount they must have the approval of the Secretary of Agriculture.

Mr. HAYS of Arkansas. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. HAYS of Arkansas. I appreciate the gentleman's statement. The gentleman did not mention Arkansas. I believe the discussion will develop that Arkansas is included but it was impossible to designate the counties, but that information will be forthcoming.

Mr. CHENOWETH. I am happy to have the statement from the gentleman, I did not see Arkansas on this list, but I understand the original list will be revised, and additional counties in these States will be added as conditions warrant.

Mr. Speaker, this is an open rule providing for 1 hour of general debate to be equally divided between the chairman and the ranking minority member of the Committee on Agriculture.

The rule waives all points of order on the bill. I cannot conceive of any opposition either to the rule or the bill.

Mr. YATES. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield to the gentleman from Illinois.

Mr. YATES. Is there a maximum on any individual loan that may be made under the bill? As I read the bill, loans above $50,000 shall be approved by the Secretary. Does this mean that loans of one or two million can be approved by the Secretary?

Mr. CHENOWETH. I would say to the gentleman I do not believe any such loans are contemplated.

Mr. YATES. Are they possible under this bill?

Mr. CHENOWETH. It may be possible but not very probable. The purpose of the livestock loan provision is to help individual stockmen. I have the idea that most of the loans will be made to small ranchers and cattlemen. I cannot conceive of the committee recommending legislation which would provide for loans of that amount.

Mr. YATES. Why was not a ceiling placed in the bill?

Mr. CHENOWETH. I will have to leave that to the committee to answer. I am not familiar with the attitude of the committee on this question.

Mr. YATES. May I ask one further question?

Mr. CHENOWETH. Certainly.

Mr. YATES. Will the gentleman state whether a loan of $1,000 is possible under this bill? As I read the bill, it provides for loans of $2,500 or more.

Mr. CHENOWETH. I believe the Farmers' Home Administration can make loans in any amount. One section of the bill provides for economic disaster loans for all agricultural purposes. I am sure loans in any amount can be made by this agency, and that all groups will be taken care of. The Farmers' Home Administration will have full authority to make the small loans.

Mr. YATES. There is one other provision of the bill, on page 7, beginning in line 11, where it states:

> The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster and may waive payment in whole or in part if in his judgment circumstances so require.

Are there any other bills, within the gentleman's knowledge, for disaster relief where payments of loans may be waived?

Mr. CHENOWETH. The gentleman is referring to the section which provides for emergency assistance in furnishing feed and seed. I think the committee very wisely included this provision that the Secretary may waive the payments under conditions which in his judgment he deems sufficient. I can see no objection to this provision.

Mr. YATES. Then this section is not applicable to the drought relief?

Mr. CHENOWETH. Not the special livestock loans that we were talking about. This waiver authority applies only to feed and seed loans. The purpose of this section is to make feed and seed available to distressed farmers who might otherwise be unable to obtain the same.

Mr. BROOKS of Louisiana. Mr. Speaker, will the gentleman yield further?

Mr. CHENOWETH. I yield.

Mr. BROOKS of Louisiana. I want to thank the gentleman for his courtesy in answering these questions and the zeal with which he advocates the approval of this measure.

On page 6, line 11, it is stated:

> The loans shall bear interest at the rate of 5 percent per annum.

I am wondering if the money is being loaned by the United States and not the bankers. That is true; is it not?

Mr. CHENOWETH. Yes.

Mr. BROOKS of Louisiana. Would the gentleman feel that that interest rate should or should not exceed 5 percent or might be less than 5 percent?

Mr. CHENOWETH. The committee agreed that the rate should be 5 percent, I may say to the gentleman that undoubtedly members of the committee will discuss this interest rate during general debate. I am not prepared to explain why the committee agreed upon this rate of 5 percent, but this matter will be fully discussed during the debate.

Mr. YATES. I wonder how the gentleman would feel if we should insert the words "not to exceed 5 percent"?

Mr. CHENOWETH. The bill will be open to amendment, if the gentleman cares to offer such an amendment. I would personally see no objection to such an amendment.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. CHENOWETH. I yield.

Mr. GROSS. Just the other day the House approved an interest rate of 3 percent for those who may owe the Government money in the purchase of Government-owned synthetic-rubber plants. Why should we today fix 5 percent as the interest rate for farmers and give the purchasers of rubber plants the much more favorable rate of 3 percent?

Mr. CHENOWETH. That is a matter which will be discussed fully in general debate by the members of the committee. I am sure it is the intention to make this money available at the lowest interest rate possible.

Mr. Speaker, I yield such time as he may desire to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point and include a letter I addressed to the President of the United States, a letter addressed to the Secretary of Agriculture, a telegram addressed to Gov. Bill Donnelly, of Missouri, and a telegram from the Governor in reply to my telegram.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SHORT. Mr. Speaker, I appreciate very much the gentleman from Colorado yielding to me at this point.

A few days ago, I wrote the President of the United States, the Secretary of Agriculture, and also sent a telegram to the Governor of Missouri concerning the disastrous drought in Southern Missouri, and particularly in my own con-

gressional district. My letters to the President and to the Secretary of Agriculture, along with the telegram to Governor Donnelly as well as the Governor's telegram in reply to me follow:

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., July 6, 1953.

The Honorable DWIGHT D. EISENHOWER,
The White House,
Washington, D. C.

MY DEAR MR. PRESIDENT: Many of my constituents have written me concerning the drought and its serious effects in southwest Missouri.

Last year the drought ruined the crops, making it necessary for the farmers and stockmen to obtain private loans in order to feed their cattle and other livestock. Now they are faced with more critical devastation, their crops have not matured—but have just dried up; their notes are due at the bank; feed for their cattle is very high, and they have no money to purchase it; the price of cattle is very low. They are faced with utter ruin unless some assistance is given them.

In recent years southwest Missouri has developed into one of the leading dairying areas in the United States, and the area supplies many beef cattle to the markets. I have asked our Governor of Missouri to cooperate in urging that southwest Missouri be declared a disaster area, for the people need assistance and need it now.

I am asking Secretary of Agriculture Benson to furnish such information as may be required to confirm the information I am giving you. Only because I know how critical this situation is do I urge you to declare southwest Missouri a disaster area that assistance may be given these people under Public Law 875, 81st Congress, as amended.

With highest esteem, I am

Faithfully yours,

DEWEY SHORT,
Member of Congress.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D. C., July 6, 1953.

The Honorable EZRA TAFT BENSON,
Secretary of Agriculture,
Washington, D. C.

MY DEAR MR. SECRETARY: Enclosed is a copy of a letter I am today writing the President concerning the effects of the drought in southwest Missouri. I am also enclosing a copy of telegram I am sending Hon. Phil M. Donnelly, Governor of Missouri, on this same subject.

Recently I have forwarded your Department a number of letters from my constituents giving me information concerning the devastation wrought in my district. I have also had reports by telephone and by people who have been in Washington from southwest Missouri—all confirming the fact that assistance is greatly needed.

If you have not already furnished a report to the President with regard to the critical situation and the need for southwest Missouri to be declared a disaster area, eligible for assistance under Public Law 875, 81st Congress, as amended, I shall appreciate it very much if this can be done at an early date.

With high esteem and kind personal regards, I am

Sincerely yours,

DEWEY SHORT,
Member of Congress.

COPY OF WIRE SENT TO GOVERNOR DONNELLY

WASHINGTON, D. C., *July 6, 1953.*

Hon. PHIL M. DONNELLY,
Governor of Missouri,
Jefferson City, Mo.:

Drought has seriously affected farmers in southwest Missouri. Many were able to endure last year's losses by obtaining loans from private banks. Loans are due this year and drought is more critical. Many farmers face loss of entire investment in livestock and feed unless some assistance is given. Will appreciate your cooperation in urging the President to declare all of southwest Missouri a disaster area for Federal loans and assistance to be made available at once.

DEWEY SHORT,
Member of Congress.

COPY OF WIRE RECEIVED FROM GOVERNOR DONNELLY

JEFFERSON CITY, MO., *July 7, 1953.*

Hon. DEWEY SHORT, *Member of Congress,*
House Office Building,
Washington, D. C.:

The Missouri Emergency Drought Committee, which was appointed by me July 1 has completed a survey of drought conditions in this State and upon its recommendations I have today sent the following telegram to President Dwight D. Eisenhower.

Upon advice of Missouri Emergency Drought Committee which has surveyed current drought situation, I have today declared that the following 43 counties constitute a severe drought-stricken area, to wit: Barton, Jasper, Newton, McDonald, St. Clair, Cedar, Dade, Lawrence, Barry, Benton, Hickory, Polk, Greene, Christian, Stone, Morgan, Camden, Dallas, Laclede, Webster, Wright, Douglas, Taney, Ozark, Miller, Maries, Pulaski, Phelps, Texas, Dent, Shannon, Powell, Oregon, Iron, Reynolds, Carter, Ripley, Madison, Bollinger, Wayne, Butler, Stoddard, and Scott. Also, large portions of the following 15 counties constitute a drought-stricken area, to wit: Cass, Bates, Vernon, Johnson, Henry Pettis, Howard, Cooper, Boone, Monteau, Cole, Osage, Dunklin, Pemiscot, and New Madrid.

On behalf of Missouri agriculture, I urgently request that the above-named counties be designated as dought-disaster counties and be made eligible for Federal aid and assistance.

PHIL M. DONNELLY, *Governor.*

Mr. LYLE. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, no good man can look upon the tragedy of the parched and devastated lands of the Southwest without sorrow. But as many before us have learned, nature, like man, is at times strangely cruel and unnatural. Prolonged drought has crippled our greatest natural resource, our soil. The agricultural economy of this area has been reduced to urgent need. If we are to maintain any semblance of an agricultural economy and its related fields, then we must have an immediate transfusion of credit.

We would have no right to be before this body if our disaster were purely a local situation or if it were isolated to individuals suffering as a result of bad economics. Unfortunately, Mr. Speaker, it is quite possible or even probable that our disaster may well draw down the entire economy of the Nation for hundreds and hundreds of millions of dollars that normally flow from our areas of the Southwest into the business channels of all of America will not be forthcoming, nor will we be able, even if we manage to exist, to buy the products of the cities and the manufacturing centers of this country.

The established lending agencies, both private and governmental, so far have failed to meet the urgent need of this great area which, let it be remembered, is not relegated to Texas nor to the cattle industry. Hundreds, perhaps thousands, of row-crop farmers face bankruptcy throughout the area.

It has been said that existing law and authority would permit all of the help that is contemplated under this measure. I do not and have not found it necessary to look into this for our need is great; it is urgent. We need credit, not tomorrow but yesterday. I believe it is conservative to say that this aid is several months overdue and much of the harm cannot be corrected by this legislation. Some of it can and will be.

The language of this bill is quite broad and assistance under its terms will rest squarely upon the Secretary of Agriculture. If his wisdom and action permit the Department to operate with flexibility, with urgency, and under broad and practicable regulations, then its possibilities are unlimited. On the other hand, if he approaches the problem from a narrow, restrictive, and legalistic standpoint, or a program which is aimed purely to aid a few cattle producers, then it will irritate rather than help smooth over our unfortunate situation.

Mr. Speaker, our local efforts and facilities are at the point of exhaustion. Our banks and our local lending agencies have exhausted their resources. They are limited under their trust and the laws of the land. Certainly the banks and lending institutions in my district have endeavored in every way to stave off the necessity which now faces us of asking aid from the Federal Government. We need not pity nor charity but credit. At the present we have no place to go except here. Certainly the Members of this House will respond to our urgent need.

Mr. SAYLOR. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Pennsylvania.

Mr. SAYLOR. I have two questions. The gentleman used the expression "transfusion of credit." Is that the same as relief, or another word for it?

Mr. LYLE. We have not asked for relief and relief is not possible under this bill. Credit only is possible under this bill.

Mr. SAYLOR. Recently I read a statement that was attributed to the Governor of the great State of Texas in which he said that all that Texas wanted was to be left alone, they did not want anything from the Federal Government. Has the State of Texas changed its position because of a little trick of nature?

Mr. LYLE. Is the gentleman asking me about the State of Texas or the Governor?

Mr. SAYLOR. I want to know about the State of Texas and the Governor.

Mr. LYLE. The State of Texas has always been a great and glorious State. It has shared its resources with the rest of the Nation and fortunately has not had to ask that the rest of the Nation share its resources with Texas. And our people have not changed. They are a magnificent and an independent people. If you refuse this aid then by some way under God we will get along. No; our people have not changed. In the

face of the disaster confronting our people the Governor of Texas has somewhat changed his position on Federal aid, but I have no responsibility for the formal statements of the Governor of Texas, his present statements or his future statements.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman recall a bill brought to the House floor by the gentleman from Pennsylvania [Mr. SAYLOR] only a day or two ago providing for an estimated $2 billion in tax relief for the distilleries of Pennsylvania and elsewhere in the Nation?

Mr. LYLE. Yes; and I remember that you and I opposed the measure.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. LYLE. Mr. Speaker, I yield myself 1 additional minute.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Iowa.

Mr. JENSEN. Is there a limitation on the total amount of Government funds that may be lent under the provisions of this bill?

Mr. LYLE. No.

Mr. JENSEN. Why?

Mr. LYLE. Why is there no limitation?

Mr. JENSEN. Yes.

Mr. LYLE. There is no limitation for the reason that it is not possible at this time to anticipate the full amount that will be required to even moderately meet the urgent demand. The economic disaster resulting from drought threatens to spread throughout the Southwest, the West, and even the Midwest. Therefore it is not possible at this time to anticipate the total requirement. It will probably cost an extension of credit of as much as 150 to 200 millions.

Mr. JENSEN. I want the gentleman and the Members of the House to know that I am very much in favor of this bill, but I am a little disturbed over the fact that there is no dollar limitation. I feel that we should put a direct limitation on every single bill that is passed by the Congress. After all, we have an enormous deficit, we are running into the hole every day and certainly it appeals to me as reasonable that a limitation dollarwise should be put in this bill, a total limitation.

Mr. LYLE. Mr. Speaker, since our need at this time is credit, I would have preferred it if we could have passed a measure authorizing and directing the Federal Reserve System to extend the necessary credit through established private and public lending institutions. I think it would have been more practical, more helpful, more expeditious and certainly it would not have required additional appropriations.

The pending measure, however, appears to be our only hope at this time. In the interest of the entire Nation I urge its passage.

I am sure the Members of the House will want to read what I believe to be a splendid summary of the unhappy situation that exists in parts of my district. It was prepared for me as a public service by Mr. Grady Stiles, who is the farm and ranch editor of the Corpus Christi Caller-Times. The paper's editor, Mr. Robert Jackson, a distinguished newspaperman, was good enough to permit Mr. Stiles to do this. Mr. Stiles is not a man given to exaggeration. He is an able, conscientious, hard-working man. I am including in my remarks his summary:

Crop and rangelands in counties south of the Nueces River are in a deplorable condition as a result of the continued drought which has settled upon this area.

Thousands of acres of crops, burned and wilted, have been plowed under; pasturelands are parched and bare; and in some communities moisture was so completely absent that spring-planted seed never germinated.

In the Bishop, Luby Ranch, Concordia, Palo Alto, and Robstown communities, many farmers are facing as complete a crop failure as has ever been experienced in Nueces County. While Nueces County cotton farmers harvested 100,000 bales of cotton in 1952, estimates of this year's crop are less than 20,000 bales. At the same time, grain yields, normally more than 3,000 pounds per acre, were reduced to 400 and 500 pounds, if, indeed, a farmer harvested any grain at all. In many communities the grain crop never matured at all, and the crop was plowed under far ahead of the normal harvesting date. The same story applies to this year's flax crop. The yields in many cases were too small to justify harvesting, and the county average for flax was around 3 bushels per acre.

At the same time, dairymen and beef cattle producers are facing impossible conditions. Except in cases where spot showers were received, grazing crops such as hubam clover, oats, and sudan grass have failed; silage crops burned up; and native pastures offer no grazing at all. Both dairymen and beef producers have been forced to feed their herds high-priced commercial feeds and hay and have found it necessary to reduce their herds to the very minimum, keeping only foundation stock and high producing dairy animals.

The picture is duplicated in Kleberg, Jim Wells, Brooks, and Duval Counties. In Kleberg County, where more than 3,000 bales of cotton were ginned last year, this season's crop is not expected to exceed 500 or 600 bales. Cucumber and vegetable crops in the Vattman and Riviera communities of the county were complete failures; and this year's grain crop was less than 1 million pounds only a small fraction of the county's normal grain yield. This is the fourth year that some sections of Kleberg County have been hit by drought. The county's agricultural economy has practically reached the breaking point.

Brooks County farmers and ranchers are facing an untenable situation. This center of watermelon production was hit by a destructive hailstorm in early spring that wiped out half of the crop. This was followed by high winds and abnormally high temperatures that finished off what remained of the melon crop. Other crops, such as cotton and grain, suffered the same fate; and pasturelands, for want of rain, have become of no value for grazing. Prickly pear is furnishing about all the livestock feed available locally, and in some instances the pear is too devoid of moisture to be usable.

In Jim Wells County, where some communities are in the fourth consecutive year of drought, crop and rangeland conditions are worse than they have been in the last half century. Flax yields were cut to an uneconomic level, grazing crops never matured, grain crops were a complete failure, and comparatively little cotton will be harvested in the county. Dairymen in Jim Wells, Brooks, Kleberg, and Duval Counties have been particularly hard hit by the drought.

Spot rains have relieved conditions in some communities of Duval County, but, by and large, this county is in very much the same condition as other counties in the area. This is especially true in the farming sections, where yields have been cut to levels ranging from complete failure to only a negligible proportion of normal harvest.

While farmers and ranchers have been taking a pounding from drought, they have, at the same time, been receiving reeling blows from price trends.

Thousands of acres of onions were plowed up in Nueces and Jim Wells Counties simply because there was no market for them. When flax harvest got under way, there was no commercial market; and practically every bushel of flax produced in South Texas was put in storage in the Government loan. The same was true in the case of grain sorghums. Prices for grain sorghum on the open market dropped to as much as 50 cents below the support price for this commodity, and producers have placed a large part of the crop in the Government loan. What has happened to cattle prices is well known. Cattlemen are receiving less than half of what they received a year ago on all classes of cattle; and, because of the drought, they are being forced to flood the market with cattle, thus depressing the market further.

The economic position of farmers in the Coastal Bend is probably as precarious as it has ever been at any time since the area became one of the State's leading agricultural areas. With farm income drastically reduced, both because of the drought and because of falling prices, the stress that farmers are feeling is spreading to Main Street. Farm equipment dealers, appliance dealers, and general merchandise stores, to say nothing of banks and cooperative lending agencies, are beginning to feel the effects of the decline in farm income.

Assistance to farmers, in the form of cheaper feed prices and direct loans, will be far-reaching and will affect every phase of the Coastal Bend's economy.

The SPEAKER. The time of the gentleman from Texas has again expired.

Mr. CHENOWETH. Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. KING].

Mr. KING of Pennsylvania. Mr. Speaker, I am not exactly against this bill because I recognize it as a part and parcel of our unbounded charity to farmers. I grew up in this disaster area and most of my relatives still live within that area. I think it is an excellent place to be from and it would be good for a great many people if there were more people from there.

What really has created this thing? I want to explain really what we are doing here. We are rescuing a segment of the agricultural industry which grew up largely by Government stimulation. How is it that so many people got out there and what is the present situation? Actually, nobody has come forth with records to show that this drought condition is not in line with the history of the weather of that territory over a period of the last 50 years. We have recurrences of this sort of situation, and all of the farmers who in the early days moved into this territory fully recognized that hazard and never expected more than 2 crops out of 5. But, in the last 10 years they have been especially fortunate out there in the amount of moisture that they have had, coupled with Government support prices. Pro-

duction in this area has grown beyond any need of the country and grown beyond all justification, when normal weather circumstances out there are considered.

I just want to point out to you that here the Government is rescuing a segment of agriculture which has been over-stimulated by good luck in weather and by Government support prices, which made production very profitable. Is there any more sense in doing this than there is in rescuing the corner grocery or small retailer, which is also a segment of our society, that has been in a disastrous condition? Will you follow this logically by voting quick relief to the cucumber growers of Maryland whose crop has just recently been burned up? I just want you to understand that this is just a continuation of an unbounded attitude of charity that this Government has toward farmers. We have been guaranteeing profitable prices and now we are in the process of guaranteeing their weather.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. KING of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman recalls that a couple of days ago this House gave relief to the distillers of Pennsylvania, does he not?

Mr. KING of Pennsylvania. I did not.

Mr. GROSS. If the name of the State of Texas was changed to Afghanistan or Timbuktu, we would rush to their aid with several million dollars, and perhaps a few billion, would we not?

Mr. KING of Pennsylvania. I am not denying the fact that this Congress is overgenerous to other interests. I am only pointing out to you that in this respect we are maintaining production which is not justified by any need in this country, and one of the most wasteful things that we can do is to keep in production acreage which is not needed. You know, the soil depletion in this country comes mainly through use, and there are thousands and thousands of acres in this disaster territory in production.

Mr. LYLE. Mr. Speaker, I yield 7 minutes to the gentleman from Texas [Mr. DIES].

Mr. DIES. Mr. Speaker, as my colleague from Texas pointed out, this is a major disaster to the State of Texas, and, I presume, to the other areas affected. I had an opportunity to visit this area a few days ago and I wish that every Member of Congress could inspect it.

There is, however, a point that was raised by the gentleman from Iowa and the gentleman from Pennsylvania that I wish to discuss in connection with this, and that is the fact that every time something happens in our States immediately the Congress is called upon to provide aid. I deeply regret that my own State of Texas did not promptly assemble the legislature and make a bona fide attempt to meet this crisis.

I recognize that we have established a precedent to extend aid where disasters, floods, or acts of God beyond the control of the citizens have brought havoc and destruction to a community. I recognize, as you do, that we are compelled to extend this help in the form of credit. Yet at the same time I am convinced that we can never restore constitutional government in this country as long as the people clamor for aid from the Federal Government.

It all depends on whose ox is gored. When any segment of the population is affected, it is for Federal aid and Federal help, but in general terms they are opposed to bureaucratic and socialistic government.

I believe that what people can do for themselves no government ought to do for them. I believe that what the local government can do for the people the State government ought not to do, and what the State government can do the Federal Government should not undertake. I am frank to tell you that I think my own State of Texas, with its vast resources of oil and gas, should at least have assembled the legislature and set an example to the rest of the country that we are willing to do everything in our power to help ourselves, and that we are not going to beat a path to Washington day in and day out to get Federal funds. Our people have to come to understand that this Government is broke. It is infinitely worse off than the State of Texas. Texas is in good financial condition, but this Government has an indebtedness of $268 billion. We are rapidly approaching the limit, and I am not going to vote to increase that limit except in case of war. I want that limit to stand. If we cannot live within our means, then we ought to find out.

Here is a government that is broke, and how else can you describe our condition? You know that we are financing this enormous expenditure by the most unsound and inflationary method that any government ever adopted. We are simply instructing the Federal Reserve System to monetize the national debt, the same principle as the issuance of greenbacks. There is nothing honest in it. All history demonstrates that ultimately it will lead to havoc and destruction to this country.

Here is a government literally broke, inflating and issuing credit money, yet nearly every locality and every State in the United States is constantly demanding that we be the ones to meet every emergency. What is to keep the legislatures of Texas and Kansas and all of these other States affected from assembling and making a bona fide effort to do something about this? Then when they come to Congress they will have a consistent position.

In my State I hear people clamoring for State rights. They applaud me when I say I am opposed to the centralization of power in Washington. In general terms and in theory they subscribe to it. But when we come down to particularities, when it comes to someone else asking for aid we are against it, but the minute our farmers and our ranchers and our people get in distress we are down here just like the rest of you with our hands out asking for help.

I believe that this country cannot be preserved as a free republic until there is a vast change in the thinking of the people. I am not here to blame Congress. You are the representatives of the people, and the people get no better representation than they deserve. I have watched this House all my life and have come to the conclusion, that the average Representative will be just as good a Congressman as his constituents will permit him to be. Change has got to come in the hearts and minds and thinking of the people in our districts. They have got to recognize that the only way we can get money honestly is by taxing it or by borrowing it from the people who have it, and not from the Federal Reserve System—which does not have it. They are just simply printing greenback credit money, and we might as well turn the printing presses loose and issue money to repudiate our national debt.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. DIES. I yield.

Mr. BUSBEY. I am sure the gentleman from Texas is well aware of the fact that the handouts from the Federal Government have increased from $200 million 20 years ago to over $3 billion each year today.

Mr. DIES. And our people are leaning more and more upon the Government. They look to Washington. It has become the mecca of literally millions of people. No matter what happens, they turn to Washington and say, "Come help us out."

I shall support this measure, because there is no alternative and we have established a precedent for it and because the people are in dire need and their States have failed to act, but, I sincerely hope that the legislature of our State of Texas and the other States affected will meet and do something about this grave emergency.

Mr. CHENOWETH. Mr. Speaker, I yield 1 minute to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, the membership is congratulating the gentleman from Texas [Mr. DIES] whom we all admire for getting into the typical attitude. Before I proceed, Mr. Speaker, I will wait until I can have the attention of the gentleman from Massachusetts [Mr. MCCORMACK] and the gentleman from Ohio [Mr. BROWN] who carry on the operations of the committee of which I am the figurative chairman. I want to call the attention of the Members of the House to the fact that I do not like this attack on our constituents. You see when they do not ask for something, as was so accurately pointed out by the gentleman from Texas [Mr. DIES] we turn to and of our accord and without any suggestion from our constituents vote a pension for the Comptroller General, who is getting $17,500 a year. No doubt there will be more to follow.

Mr. LYLE. Mr. Speaker, I yield 1 minute to the gentleman from Texas [Mr. RAYBURN].

Mr. RAYBURN. Mr. Speaker, the old saying that it makes a lot of difference whose ox is gored does make a lot of sense to me, and it becomes rather amusing to me when I think it depends on whose administration is in power and which administration practices creeping socialism.

Mr. CHENOWETH. Mr. Speaker, I yield 6 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

Mr. GAVIN. Mr. Speaker, I admire the courage of my good friend, the gentleman from Texas. He really made a forceful and sound statement today. I hold no brief for either side of the House—no, not for either side. It would appear that the House thinks that Uncle Sam is a rich uncle whose taxes are inexhaustible and that you can continue to spend and spend and spend without eventually going into bankruptcy. The statutory debt limit is $275 billion, and we are rapidly reaching that point where it will be necessary to increase the statutory debt limit.

We owe $267 billion right now that eventually the American taxpayers must pay. It took a lot of courage for the gentleman from Texas [Mr. DIES], even though he said he is going to vote for the bill, to express his ideas. His ideas are sound.

It would appear that both sides of the aisle want to get from Uncle Sam about everything they can possibly extract from him, laboring under the idea that nobody has to pay the bill. That is where the fallacy is. We all have to pay the bill. The American taxpayer has to pay the bill, let no one tell you otherwise. We fool ourselves by thinking that we are getting something for nothing on hydroelectric projects, navigation projects, flood-control projects, land-reclamation projects, irrigation projects, and all of these projects that cost a lot of money.

The point that I am trying to make is that I make no exceptions on either side. When it comes to the TVA and the federally subsidized, tax-exempt, steam powerplants, when the appropriations bills are up, the South is all ready to stand behind that. Then my good friends from California and the great Northwest, Oregon and Washington, and the Dakotas have hydroelectric projects, with low rates of interest, tax-exempt, to produce cheap hydroelectric power, so when the appropriations bills come up they are behind the projects.

So those of us who are thinking along the lines expressed by the gentleman from Texas, MARTIN DIES, cannot do anything about it, because you have a setup that is just unbeatable.

Then, when you get into the agricultural programs, Commodity Credit Corporation and the subsidy programs, you have a splendid coalition on both sides. you have Kansas' wheat; Iowa's corn; and Minnesota's and Wisconsin's butter, eggs, and cheese; Nebraska's wool; California's cotton; and from Texas and Alabama, Mississippi, and Louisiana, cotton; Georgia's peanuts and cotton; and from South Carolina, North Carolina, and Virginia, tobacco; so you are all in there together.

The SPEAKER. The time of the gentleman has expired.

Mr. CHENOWETH. Mr. Speaker, I yield the gentleman 2 additional minutes.

Mr. GAVIN. So it is unbeatable. But the fallacy is in thinking that you are getting something for nothing. No matter who benefits, all the people pay the taxes to pay the bills for these programs and, eventually, remember, the American people will become aware of what is happening.

The question is whether Congress is going to come to sound, practical, realistic thinking, and stop some of this spending on these projects and programs and return to good, sound, commonsense, and get this country back on a sound basis.

It is all political expediency. Why kid ourselves about that? What it means is votes back home. You will not admit it but you all know it. You have not got the guts to stand up and fight for those principles that built a great America. Thirty or forty years ago the American people did not look for handouts and subsidies. They did not look for any help from the Government and Federal aid for every move that they made. It was unheard of and let me tell you they built a great nation. They built it soundly and they built it well, under a system of free enterprise and free economy. But today, you have all had your nose in the trough, and you like it, and you are kidding yourself because you think you are getting something for nothing. In reality, you are not. You are plunging this country deeper and deeper into debt, until ultimately we will face bankruptcy.

This great country of ours has given us what we have—freedom and the chance to make the most of our capabilities. The American system has opened the door of opportunity for everyone of us and our primary concern must be to see that that door does not close.

With the economic life of the world in today's chaotic and critical state, our situation here in America is a desperate one as we are challenged on all sides. We must keep this country on a sound financial basis; constantly on guard to keep this country a democracy and not degenerate into some sort of socialistic bureaucracy, which will eventually happen to us unless we get down to good, sound commonsense on all these spending programs.

So it is encouraging to me when the gentleman from Texas [Mr. DIES] has the courage to face the situation, although I have and there is a deep, sympathetic feeling on the part of the American people to help these cattle farmers in Texas. That is exactly what we should do for those who need and are entitled to our help.

But I would like some of the Texans to tell us about some of these cattle people. You used to get along pretty well down in Texas. I never heard much about difficulties down there, except the boll weevil.

Other than cattlemen found out there was, or they thought there was, a lot of money to be made in cattle. So instead of the old regular cattlemen in the business, professional and other people, I understand, got into the cattle business. People who ordinarily would resent anybody going into competition with their business. They thought they had a good market, never anticipating overproduction or a depressed market or a drought, which has occurred, and now they find themselves, many of them, in desperate straits and are looking to Uncle Sam to give them some aid.

I want to help the small farmer and the men who have been in the cattle business all their lives; they deserve our consideration. But to move in and bail out those who had never been in the cattle business before—pure speculation and they found that it did not work out as anticipated—I do not feel they are deserving of our help any more than anybody else who speculates and the market goes out from under. They take their loss and that is the end of it.

I would like somebody from Texas to tell us about these people who never were in the cattle business before but who have gotten into the cattle business; maybe they are responsible, along with the drought, for a lot of the difficulties that you have down there now in the cattle business.

Mr. LONG. Mr. Speaker, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. LONG. I just wonder if the gentleman can tell me, since the Republicans have been in power for 6 months: Have you had enough?

Mr. GAVIN. Have we had enough? What a question. Why, we have not even got started yet. We cannot even get into the key positions to eliminate the element that has been in there for 20 years with a philosophy of government that is contrary to our American way of life. We have not even broken through the barrier as yet. You certainly do not think that after you have been dug in for 20 years that we can come back in a few weeks and clear the atmosphere. Until we get rid of those people with that philosophy of the New Deal and Fair Deal out of the key positions we cannot make much progress. But I think we are making progress. All I say is, let us get back to good, sound commonsense.

I am sympathetic to this bill here to help the cattle raisers of Texas because, from press reports, a separate situation exists and relief should be afforded to those who need assistance. When I think of the great glories of Texas and when I hear the Texans talk of their great State, I glory in it also. It is a great State. I think the gentleman from Texas [Mr. DIES] is right: If a Texas Legislature got together, they would have been able to work out and solve the problem. They would have solved it with pride, too, because you know a Texan—well, the eyes of Texas are upon you; and when you hear them sing that song there is a spirit, an inborn traditional characteristic about a Texan that makes him distinctly individual. They are great people. I think the gentleman from Texas was right; had the Legislature of Texas taken this matter up, I doubt very much if they would ever come to Washington seeking any Federal aid. I will be glad to yield to the gentleman from Texas.

Mr. DIES. Here is the thing, the State did not meet the issue, and since they did not, we are compelled to ask for Federal aid.

Mr. GAVIN. That may be; I do not know. But you have a Democratic administration in Texas.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. GAVIN. I yield.

Mr. GROSS. Before the gentleman leaves the floor would he tell us something about the subsidized steel industry of Pennsylvania?

Mr. GAVIN. I do not know of any subsidies to the steel industry of Pennsylvania. I do know that during World War I, World War II, and the Korean war they turned in a magnificent performance. I can say to the gentleman from Iowa that it is a good thing that we had the steel industry of Pennsylvania to contribute to the great victories to bring peace and stability to a troubled world. We are all proud of the magnificent performance the steel industry of Pennsylvania turned in.

Mr. LYLE. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. WICKERSHAM].

Mr. WICKERSHAM. Mr. Speaker, I enjoyed the sermons of the gentleman from Texas [Mr. DIES] and the gentleman from Pennsylvania [Mr. GAVIN], who preceded me. They remind me of a story about a revival meeting in a country area where I used to live. The preacher was preaching against sin. All the windows and doors of the little country church were open on this hot summer night when in walked the Devil. The worshippers began rushing out the doors and jumping out the windows; all escaped except one elderly woman who was crippled with arthritis or rheumatism. She, too, was doing the best she could to get out of reach of old Satan's clutches. She found herself in a tight place. The Devil moved closer and closer to her and was just about to get her when she threw up her hands and said, "Now hold on, Mr. Satan—just wait a minute. You just stand right where you are, and let me do a little explaining. I have been coming to this church for 30 years, I have listened to long sermons, I have been a member of the Ladies' Aid Society, I have been doing missionary work, I have donated money, and I have attended all the meetings, but, confidentially, I have been on your side all the time."

I wish to reply to the gentleman from Pennsylvania [Mr. KING]. He said that he used to live in the Southwestern drought area and that he was glad he left and went to Pennsylvania. He also said the Southwest was a good place "to be from." In reply to him I should like to quote what a friend of mine said about a fellow who had left the Southwest and had gone to Pennsylvania who made a remark similar to the one made by the gentleman from Pennsylvania [Mr. KING]. He said that when he left the Southwest and went to Pennsylvania, it improved the standing of both States.

This request for loans in the drought-stricken areas is being presented by the President of the United States who hails from Kansas and Texas, a part of the great Southwest. I hail from Oklahoma, another great Southwestern State. Several weeks ago before parts of Oklahoma and Texas had been declared a disaster area, I made the following recommendations of steps that must be taken. Loans should be made on other crops such as cotton, wheat, grain-sorghum, and alfalfa, because this area has suffered for the last 14 to 36 months from a prolonged and serious drought. The Government should buy cattle on the hoof, directly from the farms and ranches, at 15.3 cents per pound—or 90 percent of parity. The farmers also need a loan program that will permit them to keep their thoroughbred cattle and livestock for foundation herds. Three-fourths of our cattle have already been sold off our farms and ranches.

All available unused space on military reservations, fish and wildlife preserves, and national parks, should be opened up to graze the cattle of drought-stricken areas of Texas, Oklahoma, New Mexico, Kansas, Colorado, Arkansas, and nearby States. Freight rates on feed—including hay; corn; cottonseed meal, cake, pellets; and soybean protein feeds—to the stricken area should be lowered and paid by the Government. The farmers also need assistance in paying the railroad or truck freight so that cattle can be moved into adequate pastures in other States, to save foundation herds.

Pastures will not be normal or adequate until April of next year. We must have assurance that the program will continue through then and until the fall of 1954. Funds for well drilling and stock ponds should be advanced to the farmers. Surplus canned beef should be made available to the aged, needy, and for certain foreign countries. Furthermore, we need to dispose of more canned meat through the school-lunch program. Larger amounts of beef on the hoof should be purchased immediately by the Secretary of Defense for the Armed Forces and placed in cold storage.

Low-grade grain, such as sorghums, corn, wheat, and feed proteins which are now in storage should be furnished the farmers of the drought-stricken areas at low rates. The Farmers' Home Administration funds should be greatly increased so that adequate loans would be readily available to provide additional feed and seed loans and operating loans. Initial loans of $7,000 to a maximum of $10,000 for a period of 5 years at 3 percent interest could them be made available.

Forty Oklahoma counties, including all 23 counties constituting my district, were included in the drought area; however, all of Oklahoma should be included. Congress should allocate additional disaster relief funds to the President. He had approximately $18.4 million a few days ago. He has previously agreed to use $8 million for this drought-stricken area. A great deal more assistance will be needed.

Blackstrap molasses should be purchased in Cuba, Puerto Rico, and other islands of the Caribbean and sent to the affected areas.

Our thinking as to cattle population limitation should be changed. It has been based on the unrealistic approach of the Bureau of Agricultural Economics, which shows cattle by numbers only. Several things have happened—the cattle have not only been shifted from the range and farming areas into the feed lots and slaughter pens, but have decreased in weight, grade, and price tremendously.

If these suggestions are promptly carried out, then cattle prices on the hoof will rise immediately and stabilize by this fall. By next fall we will begin to feel the effects of this drought and will be faced with a serious shortage of beef next year.

The Government should loosen up its tight credit policy from the Federal Reserve banks right on down the line. Congress should change the Internal Revenue Code to permit farmers to adjust their income over a 5-year period.

Before Congress adjourns we should study this situation and pass additional laws necessary to enable the Department of Agriculture, the Office of Civilian Defense, and the President to meet any disastrous conditions during the adjournment. The cattle situation affects each of us. The national income is always seven times that of the farmer—always has been and always will be. When the farmer's or the rancher's income is off—so is the national income.

Congress should listen to the advice of the little rancher and farmer instead of the voice of the "cliffdwellers and windshield farmers" in Chicago, Omaha, Kansas City, and New York, as we call them out West.

The Oklahoma delegation held a meeting with the Secretary of Agriculture, Mr. Benson; Mr. True D. Morse, Under Secretary; and Bob Farrington, Assistant Secretary, Thursday, July 2, and discussed cattle, credit, and other matters affecting farmers and ranchers and the cattle industry in general, at which time we urged immediate action.

Mr. KING of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. WICKERSHAM. I yield to the gentleman from Pennsylvania.

Mr. KING of Pennsylvania. First, does the gentleman think that the country needs to preserve all the cattle that now exists in the country?

Mr. WICKERSHAM. I wish to say that the BAE figures are unrealistic because they give the number of cattle only; they do not give the weight, grade, or the value. I may say to the gentleman from Pennsylvania that by next year there will be a shortage. This program is not just for the producers; it is for the consumers because they are the ones that need to be assured of an adequate supply of cattle. A short time ago there were price controls on all kinds of meats and limitations on the purchase of beef and there was supposedly a shortage.

Mr. KING of Pennsylvania. If the gentleman knew that, he would be a good speculator.

Mr. WICKERSHAM. I am not a speculator, but I have had many years' farming experience, and I have served 10 years in Congress, of which I served 6 years on the Agriculture Committee.

Mr. KING of Pennsylvania. I have another question: Has the gentleman seen in connection with this bill any actual data which indicates that the drought condition in Oklahoma now is any worse than it has been recurrently about every 10 years over a period of the last 50 years?

Mr. WICKERSHAM. It is usually about every 20 years. An old Republican farmer friend down there in Oklahoma told me that every time the Republicans came into power we had a terrific depression and drought.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. LYLE. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I think we ought to clear up the RECORD here in the midst of this comedy as we discuss a very sorrowful and tragic situation and say that this bill was presented not by Texans, not by Democrats, but by the Secretary of Agriculture at the request of the President of the United States. It was introduced by one of the most distinguished men in America, the gentleman from Kansas [Mr. HOPE]. It has been supported by all members of the Committee on Agriculture. It is not a gift to bail somebody out. It is not a pleasant thing to talk about. This is not a place to have comedy over it. This is not the place to discuss the economic policies of the country.

Do you want to help your fellow citizens who are suffering because of an unnatural condition of nature, or do you want to make this a farce? If you do, then you have not the kind of spirit that warrants your being rightly in the Congress of the United States.

Mr. CHELF. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Kentucky.

Mr. CHELF. May I say to the gentleman that we differed the other day, but I want to let him know that I am very much in sympathy with his program. We suffered a terrific drought in Kentucky last year. As I understand this bill, it is not a gift, it is not a handout; it is a loan and I am for you.

Mr. LYLE. Mr. Speaker, I yield 3 minutes to the gentleman from Kansas [Mr. MILLER].

Mr. MILLER of Kansas. Mr. Speaker, I notice that the State of Kansas is supposed to have 77 counties listed in this drought area that are seeking relief. I do not happen to have any of those counties in my district, so I am not speaking from a selfish standpoint nor indirectly to my constituents. However, there have been a number of statements made here today that I seriously question. If these statements are correct, if all the things that some of these gentlemen seem to stand for are correct, we should have 2 candidates for the Presidency here—1 on the Republican side and 1 on the Democratic side, and I do not need to tell you who they are.

Now, I know something about this drought area. While I do not live in it, I have traveled through it. I have gone by train and by automobile and by airplane over this area while this drought is going on, and I know that these people, through no fault of their own, are in a serious financial condition. I think that they are deserving of the consideration of the rest of the American people just as much as the people who have liquor in bond, if you please.

But, there is one thing that I wanted to call to your attention. There is one statement that was made here that I want to seriously challenge. It has been stated here that this Nation is bankrupt. I challenge that statement. This Nation is not bankrupt. Here is a piece of paper on which is stamped "One Dollar," and that is good anywhere in this world. There is no piece of paper that is better for what it states on its face than that piece of paper. That answers definitely whether or not this Nation is bankrupt. Suppose we have an indebtedness of $265 billion. I will admit it is a great indebtedness, but our income is $300 billion and is increasing. If I, as a private individual, owe $10,000 and my annual income is $10,000 or $12,000, I ask you, Am I bankrupt? No. Any good banker in this country will lend me money on my own responsibility.

Mr. Speaker, I am in favor of the passage of this bill.

Mr. POAGE. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Speaker, I am going to support this bill because I think it is a constructive attempt to meet a problem head-on. I think that is the best way to do it rather than wait around until it is too late. This situation has been going on, as some of the gentlemen have said, for a number of months; in fact, over a period of years in some parts of this area, and unless we take some kind of action right now it will soon be too late, because once these herds are depleted by starvation, it takes years to replace them. Once these farmers and ranchers are bankrupt, they are no longer part of the productive economy.

I am inclined to agree that perhaps if the State of Texas and the administration down there had made some effort to help themselves, that there might be more desire to come to their aid here, but on the other hand, in spite of some of the things you might hear from time to time, Texas is a part of the United States, and we are responsible to see that it does not become an outright disaster area for years to come.

There is just one thing I would like to correct, and that was in the speech made by the gentleman from Pennsylvania. I do not like him attributing the administration in Texas to the Democrats because, as I understand, the Governor down there is not a Democrat; at least, he did not support the Democratic ticket in the last election. So, you just take him, if you want him, as far as I am concerned, or if you do not want him, why let us turn him over to the gentleman from Texas [Mr. DIES] and let Mr. DIES defeat him for governor, and that will suit me all right.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I would certainly be glad to take him. He is a great American and has turned in a magnificent performance which has won the respect and admiration of the American people. Certainly I would be glad to take him.

Mr. HAYS of Ohio. All right, you take him, and when you revise your speech, why you correct your remarks in there where you are blaming him for not doing anything, saying he is a Democrat. You label him as a Republican so no one will be confused.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. HAYS of Ohio. I yield to the gentleman from Illinois.

Mr. MASON. Would the gentleman be willing to give us all of the Members of this House that also supported Ike in the campaign, no matter whether they come from the South or not? We would be glad to have them, because they are the real Americans.

Mr. HAYS of Ohio. I will say to the gentleman that, on that basis, I expect you will have to take me along with them, because I was looking at the RECORD yesterday and on nine key votes I supported him seven times, which on those same issues is somewhat better than twice as good as the record of the gentleman from Illinois [Mr. MASON] in supporting the President.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. POAGE. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. IKARD].

Mr. IKARD. Mr. Speaker, I have been somewhat amazed this morning at the turn this discussion has taken. We have all enjoyed the facetious remarks and the levity we have experienced here, but this is, indeed, a very serious situation. Many of you probably do not realize how bad it is.

Those of you who have been fortunate enough not to experience a drought or to live in a drought area cannot really know that it can be as spectacular as a tornado, as disastrous as a flood, and as devastating as anything that nature can concoct.

It might be well to explain that this is not exclusively a Texas drought. It is one which affects materially New Mexico, Colorado, Arkansas, Oklahoma, and Texas. The economy there is failing fast on account of this drought. It is now in its last gasp. If anything is to be done to salvage our economy, it has to be done now. In fact, I am afraid we are too late. If that great segment of our economy fails, then the rest of our economy will go down with it. It may be 6 months, it may be 12 months, but just as sure as we are here today, if the agriculture and the livestock industry of the Southwest goes bankrupt, the automobile manufacturers in Detroit, the appliance manufacturers over the country, the coal people and the clothing manufacturers, everybody else will feel it, and it will be a terrific blow.

Mr. GOLDEN. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield to the gentleman from Kentucky.

Mr. GOLDEN. Is it not a fact that the drought situation in these 6 or 7 States causes millions of cattle to be dumped on the market, that it has adversely affected livestock markets throughout the United States, and that it is a matter

that addresses itself to the whole economy of this country?

Mr. IKARD. The gentleman is absolutely correct. The runs of cattle in the Southwest have depressed markets in Virginia and Baltimore and all through the East just as much as they have those in Fort Worth and Kansas City. They also affect the markets in Omaha, St. Louis, and Chicago.

Mr. KING of Pennsylvania. Mr. Speaker, will the gentleman yield?

Mr. IKARD. I yield.

Mr. KING of Pennsylvania. Speaking in the interest of the livestock producers, after having listened to their pleas the last year, does not the gentleman think it would be a good thing for their future if about 5 million head of cattle were to be slaughtered? Even though it temporarily depresses the market, would it not put cattle producers in a much better position for the future?

Mr. IKARD. I could not subscribe in any way to a program that would bring about the useless destruction of 5 million head of livestock in this country; no.

Mr. KING of Pennsylvania. The gentleman does not believe in the law of supply and demand as a real regulator of price?

Mr. IKARD. I believe in the law of supply and demand, but I do not believe in willfully letting cattle or people or anything else starve to death.

Mr. KING of Pennsylvania. Does the gentleman know that the Government aid in the development of this territory was one of the things that upset the law of supply and demand and caused the present depressed market?

Mr. IKARD. I believe I heard the gentleman express himself as to the soil conservation program, too, that the best type of soil-conservation program was to let the farmers go broke and let the farms grow up in weeds.

Mr. KING of Pennsylvania. Does the gentleman know a more effective method of conserving soil?

Mr. CHENOWETH. Mr. Speaker, I have no further requests for time.

Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to, and a motion to reconsider was laid on the table.

INCLUSION OF ESCAPE CLAUSES IN EXISTING TRADE AGREEMENTS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 205)

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, together with the accompanying papers, referred to the Committee on Ways and Means and ordered to be printed:

To the Congress of the United States:

Pursuant to the provisions of subsection (b) of section 6 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Cong.), I hereby submit to the Congress a report on the inclusion of escape clauses in existing trade agreements.

This detailed report was prepared for me by the Interdepartmental Committee on Trade Agreements.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 9, 1953.*

(Enclosure: Report on trade agreement escape clauses.)

REPORT ON TRADE AGREEMENT ESCAPE CLAUSES (PURSUANT TO THE PROVISIONS OF SEC. 6 (B) OF THE TRADE AGREEMENTS EXTENSION ACT OF 1951)

Section 6 of the Trade Agreements Extension Act of 1951 reads as follows:

"(a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

"(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended, into conformity with the policy established in subsection (a) of this section.

"On or before January 10, 1952, and every 6 months thereafter, the President shall report to the Congress on the action taken by him under this subsection."

The reports of July 10, 1952, and January 10, 1953, referred to discussions then in progress between the Government of the United States and the Government of Ecuador with regard to the existing trade agreement, including the possibility of inserting an escape clause in the agreement. In 1952 the Government of Ecuador was informed that it would be necessary to amend the trade agreement to include an escape clause. The discussions with Ecuador are continuing.

The Trade Agreements Committee believes it is still not practicable, for the reasons given in the report on escape clauses of July 10, 1952, to approach the Governments of El Salvador, Guatemala, and Honduras with respect to the insertion of the escape clause in the trade agreements with those countries. These reasons as stated in the report of July 10, 1952, are:

"Many of the products on which the United States granted concessions in these agreements are on the free list, and none of them is likely to be produced in the United States in commercial quantities. The dutiable products on which concessions were granted by the United States are largely tropical products, imports of most of which result in no, or negligible, competition with United States producers, whereas a relatively high proportion of the concessions granted by the other countries are on products which compete with their domestic production. Furthermore, the Trade Agreements Committee was convinced that an attempt to secure the escape clause at this time would probably lead to the renegotiation of the agreements with these countries and result in a less satisfactory situation than now exists.

"Finally, it should be pointed out that all of these three agreements are already subject to unilateral termination, by the United States, on 6 months' notice, pursuant to the requirements of the Trade Agreements Act."

DISASTER RELIEF

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Kansas.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6054, with Mr. ARENDS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. HOPE. Mr. Chairman, I yield 13 minutes to the gentleman from Colorado [Mr. HILL].

Mr. HILL. Mr. Chairman, as chairman of the Subcommittee on Livestock, our committee slipped out of town—accompanied by five other members of the Committee on Agriculture—last Thursday evening. By the use of the airplane service, we were able to be in this drought territory late that night. Early Friday morning we flew over the west part of Texas, down to the Mexican border. We did not have time to get into Oklahoma, New Mexico, Arizona, Colorado, or Kansas. As an aside, let me say to the membership this afternoon, I was sorry, very sorry, indeed, to hear someone say that this was for Texas. Why, my friends, this is for the southwest part of the United States of America which is experiencing the worst drought in 75 to 100 years, and the question arises in my mind whether this drought is not increasing rather than decreasing.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. ALBERT. This bill is for cattlemen who are in economic distress anywhere in the United States.

Mr. HILL. Of course it is; that was the next step.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. WHITTEN. I wanted to raise the same point—while the report says that this is the area which is designated as a disaster area under the provisions of the bill itself, it is general in nature and would apply to any other area when the President might so designate such areas.

Mr. HILL. I will say to my good friend, the gentleman from Mississippi, that already this trip has paid its way for the cattle producers of these United States. All you have to do is to look at the market yesterday and the day before. We cannot let a certain section of this nation of ours suffer catastrophe and disaster without a direct effect on every segment of our economic life. That is how closely we are knit together. So in flying over this section we flew for about 4 hours at a height where we

could see the ground. I admit I know something about dry weather, having lived in a dry area for more than 8 years. I know a drought when I see it. I frankly confess to you that it was much worse than I had anticipated.

I made a short talk the other day and placed it in the RECORD, stating exactly what I experienced. It is even worse, in my opinion, than any type of flood, because of the fact that there is no way of knowing when the drought will be over.

Mr. JONAS of Illinois. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. JONAS of Illinois. I am sure the gentleman recalls that only a year ago or 2 years ago, when there was a great furor about a wheat famine in Yugoslavia, and we appropriated millions of dollars.

Mr. HILL. Yes.

Mr. JONAS of Illinois. We were exercised and worried about poor Yugoslavia who did not have any wheat. Now we are spending a lot of time and debate on a fundamental question that should be dear to the heart of every American.

Mr. HILL. Yes. I am sorry that anyone mentioned the idea that this is a gift. This is the first time since my service in the House that we have tried to plan our definite basic legislation for disaster. Is it not about time that we thought about disaster at home? Here was a flood on the Missouri River, in the Mississippi Basin last year. I remember flying down that river. I am sure no one found any fault with the assistance we gave to those farmers. They are willing to pay that money back, every cent of it, with interest. We should not expect a little area some 20 or 30 miles on either side of that river to assume all the debt. By helping them we help every part of this country. It is much easier to solve that sort of disaster than one in an area with a diameter of 500 miles. If the State of Arizona is included in this, and all the southeast, and northeast part of the State of New Mexico, one-third of the eastern part of Colorado, I think it is more than 500 miles. This is not a disaster affecting the State of Texas. This is not a disaster affecting the State of Oklahoma, it affects all the Southwest. It helps our entire economy. It helps the corn grower, it helps the hay grower, it helps every segment of our population in every community in this United States.

The bill does not do anything out of the ordinary and has nothing to do with giving away funds. It simply says we shall set up in this bill first a general livestock loaning proposition for disaster areas, also economic disaster loans, special livestock loans, and disaster feed and seed loans.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. Certainly, I yield.

Mr. WHITTEN. The gentleman's answer was not responsive a moment ago, at least in my judgment, to the question I was raising. While the area that has been described as a disaster area now is the area the gentleman has described, the bill itself is general in its nature, and would authorize the same type of relief in any other section of the United States that might be so designated later by the President?

Mr. HILL. Exactly. I thought I made it plain.

We could use this legislation should you have such a flood as happened in Galveston, Tex., several years ago. Why should not we pass basic legislation for disaster areas? Here we attempt to set up this basic program. It happens that it applies primarily to cattle, but it is basic legislation for any type of agriculture disaster.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. KING of Pennsylvania. I understand the Government needs to make available for this program something like $150 million, to be loaned largely to individual farmers, with occasional association loans. If $150 million is to be put into this territory without security, what percentage of it do you think the Government will lose?

Mr. HILL. I have no way of answering that question, but I can say to the gentleman frankly that the record will show that in these disaster loan areas, if you give these farmers a sufficient length of time—and stockmen too—to pay back their loans, that the real losses would be negligible.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HOPE. For the information of the gentleman from Pennsylvania I would like to call attention to the fact that under the original program of the regional Agricultural Credit Corporation beginning back in 1932 a total amount of $550,102,000 was loaned. The repayments on these loans which were made largely on livestock although they embraced other agricultural purposes—were $546,711,000 or 99.36 percent. These special livestock loans included in the bill are very similar, in fact, almost identical with the loans that were made at that time. The record of collection on those loans speaks for itself and there is no reason to believe the result will be any different this time.

Mr. HILL. And you have in addition to that the fact that these loans made to livestock growers or farmers in distress will be made by organizations already in existence, that is, the Farmers' Loan Administration that already has the organization set up practically in every county and we will not be burdened with a great overhead expense in handling these loans.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. Is it not a fact that no loan will be made to those ranchers and farmers who are able to get other credit?

Mr. HILL. Of course; that is basic in the legislation.

Mr. COLE of Missouri. If the gentleman will yield, I do not see why we should concern ourselves with the possibility of the repayment of these loans, inasmuch as we have seen fit to give away billions of dollars overseas with no hope of repayment. It is high time that we concern ourselves with the welfare of our own people for a change. This is an American bill. I am for it and I am not worried about repayment of any loan made after it becomes law.

Mr. HILL. The gentleman lives close to the Missouri River and he knows what a tragic element it is to come into the life of farm people to have their farms completely inundated with water; and he knows the task it is to recoup the losses by oneself and without outside assistance.

Mr. COLE of Missouri. The gentleman is quite right, and we have had disastrous floods repeatedly.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield briefly.

Mr. BELCHER. In addition to that, have we not bailed out industry through the Reconstruction Finance Corporation, and homeowners through the Home Owners' Loan Corporation, and people in all walks of life? This is not legislation to bail out bankers or creditors; the loans will be made only to people who have a reasonable chance of extricating themselves from the dilemma in which they find themselves.

Mr. HILL. And one of the points of this legislation is that where the banks are already financing the farmer they will have to make an agreement—that is in the report—that they will let this farmer or stockman continue on in order to come out at the end and pay off the bills he owes.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. GROSS. Does the gentleman think that India will pay back the $100-million loan?

Mr. HILL. If I want to sleep at night, I do not dare think about that.

This bill would provide a supplemental source of credit for farmers in the disaster areas. It would set up special credit machinery for livestock operators, whether in the disaster areas or not. It would make it easier to administer programs for supplying feed and seed and for giving other assistance in the States and counties declared by the President to be suffering from major disaster. So this legislation is nationwide.

Another thing, the loans and expenditures for which this bill, H. R. 6054, provides would be made from a revolving fund, just centering in one fund the financing of such disaster operations in the Agriculture Department. In other words, this revolving fund would be set up in a way so that as these loans were paid back into the revolving fund then we would have funds with which to meet other disasters; and you know we are always having disasters. I could not help but think awhile ago, when they were talking about Texas and what should be done, that the worst thing that could ever happen to this Nation would be for the rest of the country to tell Texas or any other State that had a disaster that she had to meet it entirely by herself. The States belong to the United States of America, and when California is in

trouble, or any other State, it is just as much a problem of the folks on the eastern shore of the United States or any other part. We rise, we progress, we make economic advance not as one State or one community but as an integrated union.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. As long as the Government can borrow at 2½ or 3 percent and lend it out at 5 percent, with a 99-percent chance of getting it back, is it not altogether likely that the Government will make money out of this transaction?

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, much has been said on the floor this morning in the debate on the rule and in certain of the remarks made in the beginning of the debate on the bill concerning cattlemen. There is one thing I want to call to the attention of the Members of this House and that is that the pending bill is not confined to cattlemen. A drought does not single out a man in the cattle business and bring damage on him alone. There are many small tenant farmers, small land owners, small dry land cotton farmers involved in this drought situation.

This bill is not a subsidy. It is a credit bill designed to give assistance to people in those areas that have been affected by the drought. I know there has been a lot said by many people from the cattle country that they do not need help and they do not want help; but those people were talking for themselves and not for all the people involved in this particular situation.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Texas. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The cattlemen said they did not need help in anything like normal conditions. They would not need help. There is not any group in America that has asked less of the Government than has the cattle industry.

Mr. ROGERS of Texas. That is right. They did not say they did not need help; they said they did not want help. Certainly they did not want help and they did not want to be in the position where they needed help and if it had not been for this disaster they would not be in the position where they would have asked for some assistance.

There are many things involved besides the credit provided by this bill that is going to be necessary to save the economy of this great segment of America. Public Law 875, which is the President's emergency fund, has already been brought into operation. I do not think enough funds have been provided under it to meet the need, however, I do think that President Eisenhower will come forward with more funds to meet the emergency needs that are present today.

This bill is an amendment to Public Law 38 of the 81st Congress. Wide discretionary authority was vested in the Secretary of Agriculture under Public Law 38. Now, I should like to ask the chairman of the Committee on Agriculture, the author of the present bill, a question at this time. As I understand it, and as I read it, this bill is an amendment to section 2 (a) of Public Law 38 of the 81st Congress?

Mr. HOPE. That is correct.

Mr. ROGERS of Texas. If the chairman of that committee will permit, I have one other question on the subject. Is it anticipated that this will take the place of subsection (a) (2) or is it supplementary to the discretionary powers now vested in the Secretary of Agriculture under that law?

Mr. HOPE. It is supplemental legislation, some of which is applicable only to areas which have been declared to be disaster areas under Public Law 875 of the 81st Congress. In addition to that, there are the provisions of section 2 (c) which are in effect for 2 years and which provide for special livestock loans. But this act does not in any way impair Public Law 38. It simply states that where certain situations or circumstances exist there shall be authority to make these new kinds of loans.

Mr. ROGERS of Texas. And is it not primarily designed to afford speed in getting the money o these people who are stricken in these drought areas much quicker than they have been able to get it through the local banks, through the cooperative lending agencies, or through the Farmers' Home Administration?

Mr. HOPE. That is true. That is one of the prime purposes of the legislation.

Mr. ROGERS of Texas. To go on for 1 minute; with the credit needs that are present in the drought area, I call this to your attention: Most of the moneys that have been borrowed by these farmers and these ranchers in the past that have been hit in these areas have been paid back. Most of the loans that have been made are good loans because they are made to good, sound Americans who live in Texas.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. ALBERT].

Mr. ALBERT. Mr. Chairman, I join with my colleagues on the committee, or most of them, at least, in supporting this legislation. I think briefly we should summarize the features of the bill and say it contains 3 principal parts, 1 of which deals with credit for agricultural purposes in any major disaster area so declared by the President; another provides feed and seed and other assistance in disaster areas; and the third sets up a system of supplemental credit for stock producers anywhere in the United States whose ability to get financing has been impaired by reason of economic or natural disasters.

There is no question about the need for additional credit. Mr. Chairman, the banks, the production credit associations, the Farmers' Home Administration, individual lenders, and all others engaged in the agricultural credit business in the drought-stricken areas in this country have stretched their credit to the limit. Supplemental credit to farmers and stockmen with good records is indispensable, or the entire economy of these affected areas will collapse together and, of course, as has been pointed out, if the cattle economy of this country collapses, the entire economy of the country will certainly be adversely affected at the same time.

Mr. Chairman, my principal concern here is whether we are going far enough in striking at the disastrous situation which confronts the cattle producer. I have heard from hundreds of my constituents on this question, and they uniformly agree that unless the Government takes direct, immediate, and substantial action to effect a material increase in the price of cattle, supplemental credit and additional feed will be useless. It will do no good to lend money to cattle growers if the cattle they produce will not pay out on the market.

In that connection, and with your indulgence, I would like to quote from a letter from a constituent of mine, Mr. William G. Davisson, of Ardmore, Okla., an attorney, who represents 22,000 cattle producers, a cattle producer himself, a very conservative individual, who conservatively states the position of the cattleman as follows:

> The price of grain and other products has been underwritten by the Government, which means that there has been little decline in the price of cattlefeed and no matter how low the price of cattle may drop, the cattleman is still forced to pay very high prices for his feed. Drouth conditions thoughout the Southwest have even forced the price of hay so high that the average ranchan cannot afford to buy it and feed it.

Further quoting:

> If the price of the things which the cattleman must buy are upheld by the Government, then frankly I see no other way if the cattleman is to subsist than to grant to him the same supports.
>
> I represent one group of approximately 22,000 producers of livestock and I also represent many individual ranchmen and I am extensively engaged in the livestock business myself, and it is my candid judgment that unless relief in the way of an advance in prices comes to the cattlemen before they are forced to market their cattle in the fall, approximately one-third of them will be insolvent.

Mr. Chairman, cattlemen throughout the country are wondering whether the Secretary by action or deed intends to go through with this thing until the price of cattle has been stabilized. They are fearful that unless the Secretary is willing to underwrite the price of cattle or to recommend legislation that will enable him to do so the situation will be even more disastrous before the end of the year.

I say this, therefore, Mr. Chairman, that it is the responsibility of the Congress to give to the Secretary a mandate to support the price of cattle as the only sure way of bringing us through this crisis.

Mr. HILL. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Colorado.

Mr. HILL. May I ask this question in regard to grain prices: Unless cattle prices are stabilized at a figure where the stock growers may make a profit, will the final result be on grain prices?

Mr. ALBERT. Either the Government will own most of the grain or we will have to stop the support program on feed grains.

Mr. HILL. And we will have no place to store the grain.

Mr. HOPE. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, perhaps you wonder why a Representative from the Midwest asks you to vote for a bill which directly relates to the drought situation in southwest Texas. Judging from some of the remarks made here by Representtives from Texas who are more directly affected than some of the rest of us, they do not think too highly of this legislation. They should be the first ones to be wholeheartedly in favor of the bill.

This is an emergency measure, but it also has general application to meet other emergency needs. The people of the United States throughout the years have been most generous whenever an emergency has occurred. Whenever and wherever a great tragedy has taken place the people of the United States have come to the rescue for humanitarian reasons if for nothing else.

We have been very generous with foreign nations, much too generous as far as I am concerned. I for one think it is high time we also gave a little attention to the needs of the people of the United States. That is what we are trying to do in this bill.

I visited the Southwest drought area last weekend as a member of the special livestock committee and want to give you the benefit of some of my observations.

Our subcommittee has been most interested in the cattle and livestock problem for a long, long time. Chairman HOPE set up our subcommittee early in this session. We immediately directed our effort to the particular problems which had been assigned to us for attention. One of the problems which seemed to be bothering the cattle producers and the cattle feeders of the country was the question of controls on meat. We worked hard to get rid of those controls, and we helped accomplish that very thing. The removal of controls had a very wholesome effect on the cattle industry. Then we directed our efforts toward getting the Armed Services to buy more meat. We have made a great deal of progress along that line, and the Government is today buying more meat than ever before. Then too, we directed our efforts to getting the school lunch program to absorb more surplus meat, and we are getting along well with that program. Our subcommittee also had ready an emergency credit bill to be introduced the moment it was disclosed that there was a credit squeeze on cattle paper. We were ready to introduce that kind of legislation. A survey made by the Federal Reserve bank discloses that there was no particular credit pinch at the time we prepared our bill. Now we have this emergency and we are presenting a bill which takes care of not only the situation in the Southwest, but which will also take care of other and similar emergencies throughout the country.

Five members of the livestock subcommittee made a trip to Texas over the Fourth of July holiday, when perhaps we would have much preferred to be at home with our families. We flew to Amarillo, Tex., where we met with a large group of cattlemen. They discussed their problems with us. Then we flew clear down to the Mexican border as low as safety would permit. We had a good view of the country and saw devastation everywhere. The situation is almost unbelievable. The land is about as barren and hard as the floor in the well of this House. We saw very few green spots anywhere. We saw very few cattle or other livestock. The few that we did see were gathered around wells and small watering places. I was advised later that most of the livestock had already been removed to greener pastures out of the drought area. Only where there was irrigation could we see faint glimmers of green, and that was even disappearing. We saw roads drifted shut with sand and dirt. It is my frank opinion that unless they have rain in the Southwest very soon, they are going to be confronted with a Dust Bowl problem.

We, therefore, are dealing with an emergency which needs immediate attention. I may say that the people in the Southwest are very much pleased with the action that has already been taken—the prompt action taken by this administration and Secretary Benson. They moved in with dispatch. Not only did we talk to cattlemen at Amarillo, but also conferred with a group of cattle people at Sonora. From there we drove to San Angelo where we had a luncheon with other interested people. Later in the day we flew up to Wichita Falls, where we had one of the largest and best meetings I have ever attended. I think there were some 300 cattlemen present who frankly told us about their problems.

One of the things that impressed me very much was that in spite of their adversity and in spite of the drought that has been going on there for a period of 3 years, and mind you they have not had any appreciable amount of rain for 3 years—the people displayed a most splendid attitude.

They said very frankly, "We are at our wits' end. We believe in the free-enterprise system. We believe in States rights. We want to do everything we can to help ourselves, but we cannot combat an act of God."

I think they have done everything within their power to help themselves, and that is most commendable. Reference was made to the attitude of the Legislature of the State of Texas. I do not know anything about that, but I did hear in the discussions down there that the constitution of the State of Texas prevents any legislation which would provide credit to the people of Texas. Whether that is a bar to what Texas might have done, I do not know. I do think, however, that the Texas Legislature should have come to the front and at least offered to do something. Regardless, the problem is ours now. In my judgment, it is essential that relief be afforded to the stricken area without delay. Let us not forget that the bill applies not only to this particular area, but has general application throughout the country if similar emergencies arise.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. HOEVEN. This situation in the Southewest certainly did not help the cattle market. We have had a depressed cattle market for a long time. But since the administration and Secretary Benson stepped in promptly and aggressively, it has already helped stabilize the cattle market. I am advised that the cattle market has already gone up $1.50 in the last 3 days.

Our objective is to reinstill confidence in the minds of the cattle producers and the cattle feeders of this country and we hope the bill here presented will be a step in that direction.

The very day we were in Texas we were told that some 20 carloads of corn had already reached College Station, Tex.; that some 34 carloads of wheat were on their way from Kansas City; that several carloads of oats were on their way from Chicago.

The people in southwest Texas were immensely pleased. They told us they had never seen any emergency handled with such dispatch. New confidence is in evidence which I hope will permeate throughout the length and breadth of this country, wherever cattle are produced and fed.

So we are not only taking care of the Southwest situation, but are also ready to take care of any other like emergency which may arise. The bill has nationwide application. Further, we hope passage of the bill will stabilize the cattle market, which is so highly essential at this time. Lastly, we hope to reestablish confidence among the cattle producers and cattle feeders of the country.

Mr. POAGE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. MARSHALL].

Mr. MARSHALL. Mr. Chairman, I would like to talk about the bill that we have before us. There is some question in my mind concerning the provision in the bill on page 5, line 21, which reads:

> For a period of 2 years from the effective date of this subsection loans for $2,500 or more may be made—

Then the bill goes on and states that they will be made by the Farmers' Home Administration. Since the Farmers' Home Administration may make loans up to $7,000, I wonder why that limitation of $2,500 is put in there. Is there any member of the committee who can tell me why we have a separate loan limitation in this particular bill?

Mr. AUGUST H. ANDRESEN. If the gentleman will yield to me, I raised the same question in the committee, and I suggested that the amount be $1,000 instead of $2,500. But the majority members of the committee felt that if you

were to lower the amount so it would be below $2,500 or remove the minimum, that it would make for such a multiplicity of applications for loans that could otherwise be taken care of under the regular farm home loan setup and would complicate the situation. So I did not press my amendment. It was also felt as I recollect that this would limit the loans to larger borrowers who could not get credit otherwise, and I believe there may be something to that.

Mr. MARSHALL. I want to thank my colleague, and now I would like to ask another question in connection with this same item that I think the gentleman may cover in his answer. You have set up a revolving fund. The thought that comes to my mind is that we are limited with funds for the Farmers' Home Administration.

As I understand the wording of this bill the loans that the Farmers' Home Administration makes are made out of the regular appropriation, or no great part of them is made out of this revolving fund. Since they have an excellent administrative setup based upon experience in the handling of this sort of thing I wondered why you did not make a disaster loan available to them at their regular limitations with the privilege of using the revolving fund to handle that sort of situation and then if you have a disaster come up you would always have an administrative setup readily available on the job to go to work.

Mr. HOPE. I may say to the gentleman that we do have a revolving fund now under the provisions of Public Law 38. It is not large enough to take care of a situation of this kind, and the Bureau of the Budget will be asked to submit a supplemental estimate to increase that fund; but we do have the fund now, although it is not large enough to take care of this specialized situation and other situations that might arise throughout the country.

Mr. MARSHALL. As the distinguished chairman of the Committee on Agriculture is well aware the Farmers' Home Administration has heretofore made disaster loans with, I think, a commendable record. Why not make available to them the facilities of this revolving fund for disaster purposes? I am not talking about their regular appropriation but for disaster purposes; thereby they would be ready to step in immediately and do a job.

Mr. HOPE. They have the authority which is given by Public Law 38 of the 81st Congress. Those are the funds that were left from the old RACC organization. Public Law 38 dissolved the Regional Agricultural Credit Corporation and transferred the remaining assets of the Corporation amounting to $45,500,000 into a new disaster loan revolving fund. That is the fund that is being loaned now in disaster areas by the Secretary of Agriculture. Now we are expanding this to include disaster areas which have been declared by the President under Public Law 875 and have also broadened the purpose for which the funds may be loaned. Additional funds will be made available for that purpose under this bill.

Mr. MARSHALL. I thank the distinguished gentleman. I also note on that page of the bill the gentleman is talking about that the interest rate heretofore charged on disaster loans has been 3 percent. This bill increases the rate to 5 percent.

Mr. HOPE. This bill does not fix any interest rate.

Mr. MARSHALL. It says not to exceed.

Mr. HOPE. Yes, not to exceed; that is an upper limitation.

Mr. POAGE. Mr. Chairman, I yield 1 minute to the gentleman from New Jersey [Mr. SIEMINSKI].

Mr. SIEMINSKI. Mr. Chairman, I am for this emergency relief measure to benefit the great people, cattle, and terrain of the drought-striken Southwest, and as one coming from New Jersey, a highly metropolitan area, which lives in continued periods of economic, political, and social adjustments, I think the reason is obvious.

Ever since 1609, when the *Half Moon* dropped anchor off our shore, New Jersey has served as the gateway to the Nation. People of all races and beliefs have cleared our port. Common to all, history relates, has been the desire to realize the American dream, the ability to live life fully, in self-respect, unfettered by fears, by fears to see too much, hear and know too much, talk, travel, think or do too much. Ever since 1609, in New Jersey, as later elsewhere in our Nation, a premium has existed on character and self-reliance, on wisdom and judgment, self-propelled. This, then, puts us on solid ground. We join with the great pioneer people and tradition of the heroic Southwest. Yet, somewhere along our journey, in the life of this Nation under God, our paths have separated. This bill, I think, brings home to all, the need of parallel, not divergent, pathways in quest of our dreams.

We in New Jersey, especially in the 13th Congressional District, consisting of Bayonne and a sizable portion of Jersey City, understand emergency legislation, the ability of government to serve and meet needs beyond our capacity to do so. Housing is a case in point.

Faced with opposition to public housing by sentiment largely in agricultural areas, we nonetheless persist in proclaiming its benefits as we do your right to emergency relief. We eat your food and wear your fiber, very efficiently, distribution and costwise. You enjoy a great profit on these from us. We do wish your sentiment would parallel ours in this matter of housing which we need and appreciate the better to eat your food and wear your fiber. I am sure that my constituents join in these sentiments. We are sorry for your distress and trust this relief is speedy and effective, and that you think a little more compassionately of us city folk in the future.

The second point which occasions my speaking at the moment, to stress how it takes an emergency sometimes for us to better appreciate the benefits of Federal standby agencies is this: The other day I asked a gentleman who is busy winding up the RFC, which has about a year or two to go, unless we stay the decision, whether if we took the wraps off the workings of atomic energy we could begin to propel its development in the life of America, with credit available to do so. He answered that as soon as Congress takes the wraps off atomic energy for use industrially or for power and irrigation purposes, we will have all the money available in the country at our disposal. Yet the New York Times last Tuesday states that there is hardly a venturesome penny on the scene for this purpose. I intend to submit the article as well as the above testimony, should it be needed, when we debate the RFC appropriation. Perhaps under the leadership of this administration, the RFC can be retained to serve at home, in emergency and research development needs and atomic energy, as efficiently as the Export-Import Bank has abroad.

Incidentally, bank statements appearing in Hudson County newspapers 2 days ago, reveal solvency and prosperity, the RFC notwithstanding. It will continue, I trust, even with our passage of this agriculture relief bill.

Mr. POAGE. Mr. Chairman, I yield myself 13 minutes.

Mr. Chairman, I hope that members of the Committee will recognize we are not simply dealing with one situation that has arisen and has become quite acute in one particular section of the country. We are dealing with a general disaster credit program this afternoon. This legislation relates to any and all disasters that may occur throughout the country and it includes economic as well as physical disasters.

This bill allows loans to be made as a result of an economic disaster whereas the present law has confined it to a physical disaster. That is the thing that many of the Members of this House seem to have misunderstood today.

After all, many of the people of Texas and of the Southwest can qualify under existing law for disaster loans. People in other sections of this Nation cannot qualify under existing law but some of their Representatives have come in and suggested that this bill is simply for the benefit of the people of the drought area. I repeat the fact that under the law as it stands today the people of the drought areas of Texas can get loans. I call your attention to the fact that it is the people in nondrought areas who cannot get loans under existing law. The people of all sections are suffering from this economic disaster.

In the Southwest we are suffering from two disasters. We have the same economic disasters others have and we have the worst drought that we have had in the memory of man.

Last year I talked to an old friend out in west Texas who said: "We always used to look back and consider the great drought of 1886 as the worst drought we had ever known; but now it is only the second worst drought." That was last year, and the drought is still on.

Let me give you some rainfall figures. At Stamford, Tex., which is on the eastern edge of the disaster area, the normal rainfall is 25 inches. That is not a great deal of moisture, but you can make a good crop with it, you can get good grass

with 25 inches. Remember, normal rainfall 25 inches. In 1951 it was 16 inches, in 1952 it was 13 inches, and in 1953 it has been 4 inches thus far.

When someone suggests that maybe there is always a drought in the Southwest, let me say, "Yes, they have a normal rainfall of only 25 inches." It is not as much as some other people have but it is enough to make a crop. But when you cut that rainfall half in two you have a desperate situation.

Now, there are other areas in the United States that are going to need exactly the same kind of consideration that the Southwest now needs. Some of the people are now finding, with 4 weeks and 8 weeks drought, that their crops are burning up, and they are saying "We need some help." If you are distressed with an 8-week drought, what do you suppose is happening to those who have had 3 years of drought? I gave you the figures for Stamford; that is not in the middle of the drought. I do not have the figures for the center of the drought area where they have had 4 dry years, and where their distress is even greater.

You do not have a simple matter of loss of crops, you do not simply have the necessity of sending livestock to market, you have the question of how do you continue to maintain physical life in that area when you are out of water, because much of the area depends on surface water.

I am combining the two problems—drought and ruinously low prices—because the two problems are both contained in this bill. We make provision in this bill to relieve the general economic distress that takes place all over the country. We make special provision for cattle loans that are designed to meet the needs of the distressed area.

Let me call your attention to this special cattle-loan provision for the distressed area, because a great many people have apparently misunderstood it. There is a provision in this bill that provides for cattle loans of more than $2,500 at 5 percent, and I have had half a dozen Members suggest, "Well, I want to offer an amendment to cut that interest rate to 4 percent to help the little man." My friends, you already have a 4-percent loan for the small man from the FHA. We felt where we were making these special loans to care for this special problem and making them a little larger than are usually made, that it was sound that we make the distinction in favor of the small man, and that is the way the bill reads. It favors the smaller man; it does not discriminate against him. The fact that we say that these loans start at $2,500 simply means that we are letting the little fellow who is borrowing less than $2,500 get a more advantageous loan, and we are saying that the larger operators can pay a little higher rate of interest.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from California.

Mr. HOLIFIELD. I am glad the gentleman is discussing that question. I want to ask him if the FHA has an adequate revolving fund to give the smaller farmers these loans at 4 percent, and if not, does this bill provide in any way by earmarking that the funds that will be subsequently appropriated will be allocated to the existing FHA revolving fund.

Mr. POAGE. The FHA at the present time does have enough funds as I understand it, to carry out this entire program. There are enough funds to carry on their small-loan program provided we get new funds to carry on this additional special program. The bill then authorizes additional allocation without limit to the revolving fund which can be used for both purposes, but which I would assume would be largely used for the special loans. If that is done, then you have plenty of money to take care of your small loans.

Mr. HOLIFIELD. I support the bill as the gentleman intends to support it, but I certainly would want the congressional intent of this body to show that adequate funds would be made available for the smaller man than $2,500.

Mr. POAGE. I think I may speak for the members of the committee in saying that it is the intent of the committee to make all needed funds available, both for the small FHA loans and for the special cattle loans.

Mr. HOLIFIELD. I hope the chairman of the committee will address himself to that point.

Mr. POAGE. I think I may very well say that that is the intention, that there will be adequate money both for the small operators and for the larger loans.

Mr. HOLIFIELD. Will the gentleman yield so that I can address that question to the chairman of the committee?

Mr. POAGE. I yield.

Mr. HOLIFIELD. My question, sir, is this: Will there be adequate funds subsequently appropriated to the revolving fund of the FHA to make money available for small loans to people who want less than $2,500 at the customary rate of 4 percent?

Mr. HOPE. There will be in the drought area. Loans under $2,500 are limited to disaster areas which have been declared by the President.

Mr. HOLIFIELD. Then it is the intent of the committee and the Congress that loans will be made available to people who are at the less than $2,500 level by the passage of this legislation?

Mr. HOPE. If they are in an area which has been declared a disaster area by the President under Public Law 875 of the 81st Congress.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. BROOKS of Louisiana. I think the gentleman from California has brought up a very important matter. In connection with the recent flood disaster areas, I was recently down in some of those areas and checked on some of the local farmers in reference to the handling of relief in those areas. The complaint was made there, and I think perhaps it was justified, that the little man was to some extent overlooked in the handling of these loans. I certainly know the gentleman from Texas shares the belief I have that the little man should be taken care of as well as the larger man in the handling of this type of legislation. Even though it be by administrative means, effort should be made to take care of the small man.

Mr. THOMPSON of Texas. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. THOMPSON of Texas. The gentleman knows, of course, I am very strongly on his side of this entire matter. I quite agree that the present legislation, together with the efforts of the administration, are beneficial but that they may not go far enough. It may be of interest to the Committee to know that my section of Texas is not seeking relief of any kind. We have been blessed with good rains. We have sufficient pastures to carry our stock. We are making good cotton and rice and we are in a reasonably comfortable position. However, we realize that drouths may spread and we have learned that the financial disaster which is brought about by the distress selling of cattle in the drouth areas can and does demoralize our own markets. We are interested in seeing our neighbors receive every possible and every necessary assistance.

Our greatest concern is over the future of the cattle business. If the present low prices continue, it will be very hard to make more than a bare existence out of the cattle business. We want to see the surplus of cattle in the distress areas taken off the market. We have a feeling that there will have to be some system of guaranteed loans to the banks which, of course, means a floor under the price of cattle.

Above all, we realize that this is a complete package proposition. We cannot pick out just one part of our community to bolster and relieve. We cannot and should not want to save the cattle producers without also saving the banks which have loaned them money in the past and which will have to stay with them in the future. We do not want any part of our economy to suffer for the benefit of another.

Speaking for all of these people in my district, I wish to state that I think this bill ought to pass. I commend the chairman of the Agriculture Committee, the Honorable CLIFFORD HOPE, of Kansas, for his prompt action. I also want to thank the chairman of the Livestock Subcommittee, the Honorable WILLIAM HILL, of Colorado, and the other two Republican members who accompanied us on our visit to the drought areas, the Honorable CHARLES HOEVEN, of Iowa, and the Honorable ROBERT D. HARRISON, of Nebraska, for their sympathetic interest.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Texas.

Mr. LUCAS. I think the gentleman from Texas realizes, although he has not yet said it, that the farmers and the ranchers of Texas are not asking for any handout from the Government in the way of cheap interest. They are perfectly willing to pay 5 percent if they can get the money. It is the money they need in order to cover their running ex-

penses and keep them from having to sell their basic herds.

Mr. POAGE. I think there are three things the people in the distressed areas have to have. In the first place, they have to have feed.

Mr. LUCAS. And they have to have money to buy that feed.

Mr. POAGE. They do not have the feed, physically, at the present time. The Department has announced a program which, as far as it will go, as far as it can be financed, is excellent, and I am heartily in favor of it and endorse it. That is the program of providing protein feeds at $35 and wheat at $1.10, corn at $1.00, and oats at 50 cents per bushel.

The next thing the ranchman must have is some money or credit with which to buy that feed. No matter how cheap the price may be on that feed it takes money or credit to buy. This bill attempts to give him that buying power. Frankly, I do not think this bill goes far enough. I do not want to be in the position of criticizing everything that is done because I think what is being done is helpful and I am for it. I am not criticizing but I think we are going to find that this situation is so much worse than it has been pictured that we are going to have to have even more credit than this bill provides. I think it will probably have to come in the form of guaranteed loans, that is, where the Government guarantees the loans the local lending institutions make.

Then, in the next place, there must be a Government buying program to support prices. Feed and money to buy it are of no value to the stockman unless he at least has hope that his livestock is going to be worth more after he has fed that feed to them than they are worth today. You simply cannot buy feed cheap enough to feed a 5-cent cow and make money on it. It is an impossibility. I do not care how cheap you get your feed, you cannot come out feeding a 5-cent cow. Those cows that have been selling for 5 cents in that distressed area must bring more, else the man is foolish to feed them at all, no matter how cheap the feed.

Consequently, we must have something to stabilize and raise the market, and that involves a purchase program. I think that much of the meat the Government buys must move into foreign channels. That means we must export at least part of whatever the Government buys. You have to be practical on this thing, and have the Government acquire something it can use, something that can be disposed of. I think we can dispose of this beef in a great many of the foreign nations of the world by the simple process of taking their currency in payment and using that currency to pay our bills in the 49 nations of the world in which we are today paying bills with foreign currency.

I think we have to go a great deal further than the 200 million pounds of purchases that are being talked of. The present purchase program is good as far as it goes. I am for it. But I think instead of buying 200 million pounds, we are going to have to talk in terms of $200 million or some such figure so that the Government will be in the market long enough to bring the entire market up. We do not want the Government simply to go into the market and artificially boost the market up to a fixed or artificial figure and then drop out, because then we would be worse off than ever. The market would collapse. It must be brought back to reasonable levels by sustained support.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HOPE. Mr. Chairman, I yield myself the balance of the time.

Mr. Chairman, this legislation must be considered in connection with the entire program which the administration is undertaking to meet the cattle situation as well as the situation in the drought areas. The overall situation with respect to cattle prices, has been very much complicated by the fact that in the drought areas there have been forced sales of cattle which has contributed to the decline in prices all over the country. The program to which I refer consists of four parts.

One part of it is furnishing feed in the drought areas. This feed at reduced prices is being furnished at this time in the drought areas from funds which have been advanced from the President's disaster funds. But that is only a comparatively small amount, and the legislation we are considering carries additional funds for that purpose. That is to equalize the cost of feed.

The second thing that is being undertaken is a reduction in freight rates into the drought areas. Feed will be carried into the areas under reduced freight rates and efforts are being made—I am not sure whether they have been completed or not—to provide for reduced transportation rates on cattle going out of the drought areas to areas where feed is available.

Then there is the program that has been set up to purchase canned beef and processed beef which, I think, is having a substantial effect on the market at this time. I want to call attention to the fact that as a result of this entire program, there has been a substantial recovery in cattle prices during last week and this. The overall recovery has been about $2.50 per 100 pounds, and the price is still going up. There was an advance today. Whether or not we are buying enough and whether or not the program in effect will be sufficient to sustain the advances in price, I do not know, but I think we should give the program a fair trial. I do not want to suggest that we should wait too long, but let us wait and see if it continues to bring about an advance in the prices which are being paid for cattle on the principal markets.

The fourth phase of this program is the credit phase. That, of course, is the principal part of the bill which we are considering today. There are two types of loan provided in this bill. One is under section 2b which merely expands a type of disaster loan already being made by the Farmers' Home Administration and permits it to be made not only to farmers who are suffering from the effects of drought but to farmers in a disaster area who for any reason—are in a situation where they need loans in order to maintain their normal farming operations.

Replying to the questions asked earlier by the gentleman from Minnesota [Mr. MARSHALL] a little more extensively than I had an opportunity to do then, may I say that the Farmers' Home Administration of course is authorized to make loans to farmers who are in financial distress, in all parts of the country. That is under their regular program, and if by reason of the economic situation a farmer is in distress in any part of the country, he is eligible for one of the regular Farmers' Home Administration loans. If he is in a disaster area, then he is also eligible for the loans that are authorized under this legislation. So I think there has been provision made whereby every farmer or livestock man who is in distress, can be taken care of under one of these types of loans now available.

Then there is the provision for special livestock loans, which is intended to take care of those cases which are beyond the scope of the loans which the Farmers' Home Administration usually makes. Those loans from $2,500 on up are special loans. They are not confined to a drought area. They may be made anywhere in the United States, if an established livestock producer can show he has not been able to get sufficient credit through regular channels, and that he can work himself out of his difficulties if he gets a loan.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The Clerk read as follows:

Be it enacted, etc., That section 2 of the act of April 6, 1949 (63 Stat. 43, as amended), is hereby further amended by adding these new subsections as follows:

"ECONOMIC DISASTER LOANS

"SEC. 2. (b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to make loans to farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if he finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"SPECIAL LIVESTOCK LOANS

"SEC. 2. (c) For a period of 2 years from the effective date of this act loans for $2,500 or more may be made to established ranchers or stockmen (including corporations or associations engaged in the business of financing cattle and if owned and controlled by ranchers and stockmen engaged in the business of buying and selling cattle) who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the need of the borrower but not exceeding, in the first instance, a

period of 3 years. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as is reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 percent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding $50,000 shall be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local financing institutions, livestock operators, and persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding $25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

"EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

"SEC. 2. (d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress, as amended (42 U. S. C. 1855), to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, but the Secretary may waive repayment in whole or in part if in his judgment circumstances so require. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster. The Secretary may utilize the personnel, facilities, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and may reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for administrative expenses necessary in performing such functions."

AMENDMENTS TO EXISTING PROVISIONS

The last sentence of subsection 2 (a) is renumbered as subsection 2 (e) and a comma and the word "reimbursement" shall be inserted after the word "loans" in said subsection.

The letter (a) in the last clause of subsection 2 (b) is deleted, the subsection is renumbered as subsection 2 (f), and there shall be added at the end thereof the following new sentence: "There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine."

With the following committee amendment:

Strike out all after the enacting clause and insert "That section 2 of the act of April 6, 1949 (63 Stat. 43), as amended, is hereby further amended as follows:

"(A) After the second sentence of subsection (a) add the following new subsections:

"'ECONOMIC DISASTER LOANS

"'(b) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended, to make loans to farmers and stockmen for any agricultural purpose in the area covered by the determination of the President, if the Secretary finds that an economic disaster has also caused a need for agricultural credit that cannot be met for a temporary period from commercial banks, cooperative lending agencies, the Farmers' Home Administration under its regular loan programs, or other responsible sources. The loans shall be made at such rates of interest and on such general terms as the Secretary shall prescribe for such area.

"'SPECIAL LIVESTOCK LOANS

"'(c) For a period of 2 years from the effective date of this subsection loans for $2,500 or more may be made to established ranchers or stockmen who have a good record of operations, but are unable temporarily to get the credit they need from recognized lenders and have a reasonable chance of working out of their difficulties with supplementary financing. The loans may be made on such security as the borrower has available and for the time reasonably required by the needs of the borrower but not exceeding, in the first instance, a period of 3 years, but may be renewed. The creditors of the applicant will not be asked to subordinate their indebtedness but must be willing to work with the borrower to the extent of executing standby agreements for such periods of time as are reasonably necessary to give the borrower a chance to substantially improve his situation. The loans shall bear interest at the rate of 5 percent per annum and shall be made on such other terms and conditions as the Secretary shall prescribe. The loans shall be subject to approval by a special committee appointed by the Secretary to serve for the particular area as determined by the Secretary. Loans exceeding $50,000 shall be approved by the Secretary. The committee shall consist of at least three members appointed by the Secretary from local financing institutions, livestock operators, and persons having recognized knowledge of the livestock industry. The committee shall perform such additional functions under this act, including general direction of the servicing of the loans, as the Secretary may prescribe. The members shall serve at such compensation as the Secretary shall determine not exceeding $25 for each day spent on the work of the committee and shall be entitled to receive transportation costs and per diem in accordance with standard Government travel regulations.

"'EMERGENCY ASSISTANCE IN FURNISHING FEED AND SEED

"'(d) The Secretary is authorized in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, 81st Congress (42 U. S. C. 1855), as amended, to furnish to established farmers, ranchers, or stockmen feed for livestock or seeds for planting for such period or periods of time, at reasonable prices, as the Secretary may determine. The Secretary may specify such other terms and conditions as he may determine to be required by the nature and effect of the disaster and may waive payment in whole or in part if in his judgment circumstances so require. The Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions and shall reimburse the agencies so utilized for the value of any commodities furnished which are not paid for by the farmers or ranchmen, and for costs and administrative expenses necessary in performing such functions.'

"AMENDMENTS TO EXISTING PROVISIONS

"(B) The last sentence of subsection (a) is designated as subsection (e) and a comma and the word 'reimbursement' shall be inserted after the word 'loans' where it first appears in said subsection.

"(C) The letter '(a)' in the last clause of subsection (b) is deleted, the subsection is redesignated as subsection (f), and there shall be added at the end thereof the following new sentence: 'There is hereby authorized to be appropriated to the revolving fund such additional sums as the Congress shall from time to time determine'."

Mr. ABERNETHY (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. MAHON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the Secretary of Agriculture, Mr. Benson, on invitation extended by me and others, several months ago agreed to make a speech in Lubbock, Tex., in the congressional district which I represent, on June 27. Prior to June 27 the drought condition became increasingly acute. The Secretary agreed upon our request that when he visited west Texas he would personally have a look at the drought situation. I wish in behalf of the Secretary that he made a highly favorable impression upon the people when he went to west Texas. He observed the situation firsthand and showed great interest in our problems. The people of Texas were grateful to him for his trip to Texas and for his actions at that time. He did not at the time, however, announce just what his program would be.

Of course, a really far-reaching approach must be made to this question if we are to meet it. I think halfway measures will cost us more money in the long run and get us nowhere in particular. A bold approach is preferable; a bold approach is necessary for success.

Much emphasis has been placed on the more spectacular phase of this question; that is, the plight of the cattlemen. That emphasis is fully in order, and I do not wish to minimize it. But the plight of the nonlivestock farmer in the drought-stricken area is just as serious. There are thousands of dirt farmers who do not deal extensively in cattle. I have hundreds of farmers in my district who do not even have a fence around their farms. It is important that cattle be fed; it is even more important that people be fed. We are going to have some hungry people in the drought area if adequate credit is not soon provided.

Those who think that this is just a cattle problem are far off base. I think it must be obvious to the Congress that where a farmer has had 2 years of failure and is threatened with another and will get no real income probably until the fall of 1954, he needs credit, he needs generous credit, and he needs credit in some cases without any security whatever. He needs credit for feed and seed. He needs credit for tractor fuel, for groceries, and living expenses. He needs credit to stay on the land and maintain the stability of his family in the community. I believe that if we would provide a much larger sum of money under the production and subsistence part of the Farmers' Home Administra-

tion loan program, I may say to the gentleman from Kansas [Mr. HOPE], we could take care of many of the farmers of the drought area; but it is going to take real money, and the amount provided up to date is absolutely inadequate for that purpose.

With respect to the cattle program, it does not pay to feed even low-priced feed to cattle that are practically worthless on the market. This thing cannot be met, and this crisis will not be eliminated until we put some starch into the backbone of the cattle market. For that reason I think we should go into a rather extensive cattle-buying program because I think it would stiffen the market. Even the small program already undertaken is doing that to a very limited extent, but not in an adequate way. Perhaps the announcement of a purchase program would do the job, and very few purchases would actually have to be made.

Ranchers are complaining that when you have a poor old cow on the range, just to feed her high concentrates such as cottonseed meal or cottonseed cake or some other high-protein feed does not meet the situation; some way has to be found to provide some roughage for these cattle on the farms and ranches and dairy farms. There are ranches of hundreds of acres where there is hardly a tubful of grass on the whole ranch to provide roughage for cattle. So we need a more ambitious approach to this question. Some type of hay or roughage feed to go along with the protein-feed program, it has been suggested, is absoluetly necessary.

So, while I think we all recognize that the present bill is a step in the right direction, it does not go far enough. It will help a little, but it does not adequately meet the situation. I believe when we deal with this program timidly and in piecemeal we are just going to make it cost more in the long run and extend less assistance in helping farmers and ranchers help themselves. I hope that the committee will immediately take steps to bring out a stronger bill to stop cattle-price demoralization, and give confidence and support to the farmer. We are drifting down a very dangerous road which is dangerous to the entire economy of the United States. Let us put on the brakes and reverse the trend at the earliest possible moment. It will cost us less in the long run if we do it with boldness and confidence at the moment.

Mr. ALBERT. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I take this time to make an inquiry of my chairman, for purposes of the record as to what further action the Committee on Agriculture might take on the cattle price situation. The chairman made, I think, the most significant statement from the standpoint of the cattlemen in about two sentences that has been made. To wit, if I understood him correctly, that if this program did not work out to rally the price of cattle substantially, after we have given it a short trial, we should do something else. I would like to ask my chairman in view of the fact that we are faced with prospective adjournment just how long he thinks we ought to wait and whether we ought to act if prices do not materially increase within the next week or so.

Mr. HOPE. I would say that as long as the market is advancing, and it has been advancing during the 2 weeks since this program was announced, I think we can consider that the present methods are operating successfully. If the program falters in the next couple of weeks, then we should give consideration to a further program which, in my opinion, would involve some direct purchases of livestock.

Mr. ALBERT. Does not the gentleman feel also it might be best to try to enact standby legislation prior to adjournment in view of the fact that we might be out of session for a period of 4 or 5 months or longer?

Mr. HOPE. I think we should give consideration to that matter. As far as a buying program is concerned, I am not at all sure that would require legislation. I believe it can be done under existing provisions of law. The administration, however, might welcome an expression from Congress on the subject. Let us see how this program works out. Let us give it a fair trial for a couple of weeks. If it appears something further is needed, let us decide then what should be done. I am in favor of as vigorous a program as it takes to do the job, I may say to the gentleman.

Mr. ALBERT. I thank the gentleman from Kansas. I know as does everyone interested in American agriculture that no one is more vitally concerned about the problem of adequate prices for farmers than is the gentleman from Kansas, chairman of the Committee on Agriculture.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. ALBERT. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. With reference to a price support program, may I say that an examination of title III of the Agricultural Act of 1949 will disclose that the Secretary of Agriculture does have authority to carry out such a program.

Mr. ALBERT. I think that is probably true. Whether the Congress should act, is another thing. I understand the Secretary's authority is not mandatory.

Mr. ABERNETHY. No, it is simply discretionary. The statute does not direct him to do so but it empowers him to do so.

Mr. ALBERT. I think the gentleman is correct, but, in my judgment, in view of the fact that the Secretary has not expressed either by word or deed much desire to go into a direct buying or other price support program, if the price of cattle does not rally shortly, the Congress should enact mandatory legislation.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gross: On page 6, line 11, after the word "of", strike out "3 percent" and insert "not less than 3 percent."

Mr. GROSS. Mr. Chairman, this is a very simple amendment. The members of the committee will recall that about a week or 10 days ago we had a bill before us, which was approved, to dispose of more than 20 Government-owned synthetic rubber plants, involving a great many millions of dollars. That bill came to the floor of the House with a mandatory provision for a 3 percent interest rate. Under pressure the committee accepted an amendment stating that the interest rate shall be not less than 3 percent.

If it is good business to give those who owe the Government money on the purchase of synthetic rubber plants, who are not in distress, an interest rate of 3 percent, and that is what it amounts to, then it is good business to give the farmers of the United States who are in distress a 3 percent interest rate. Nothing in my amendment would prevent the Secretary of Agriculture from fixing a 5 percent rate, but if he did fix a 5 percent interest rate when some other Government agency gave the purchasers of synthetic rubber plants a 3 percent interest rate, he would have to take that responsibility.

In the interests of fair play, the committee ought to accept this amendment. To reject this amendment is to say that what is sauce for the goose is not sauce for the gander.

I hope the amendment will be accepted.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I shall not take much time, but I want to point out that the people who will get these 5 percent loans are the larger borrowers. The provision applies to the loans above $2,500. These borrowers are paying on an average of 5 percent on the loans which they have from the banks. I do not think we want to make these loans any more attractive from the standpoint of interest than the regular commercial rate because we want to make these purely supplemental loans. We do not want to encourage people to try to get this type of loan if they can be financed otherwise.

I would like to point out what the interest rate was on loans made by the RACC beginning back in 1932 and running on up to the time when the organization ceased to function as a lending agency. Those loans were very similar to the "special livestock loans," loans that will be made under this provision. They started out with an interest rate of 7 percent. It ran until January 1, 1933, at 7 percent. At that time it was reduced to 6½ percent. In 1940, on June 1, it was reduced to 5½ percent, and that is the rate that it carried for the remainder of the time that loans were being made. Five or 5½ percent has been the going rate on practically all of the loans of this type which have been made by the Government from time to time, and I do not believe that we should reduce the amount at this time below what has been customary under such conditions.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Texas.

Mr. POAGE. The bill as now written fixes this rate at 5 percent, does it not?

Mr. HOPE. It does.

Mr. POAGE. Which, as the gentleman just explained, is in line with going rates of interest. The amendment provides that the interest rate shall not be less than 3 percent. The Secretary could fix the interest at any figure in excess of 3 percent, and in line with the sound practice you have described he would probably fix it at 5 percent. So, for all practical purposes, the proposal is to keep the interest rate at 5 percent, but to make it look as if we had passed a 3-percent bill, is it not?

Mr. HOPE. Well, I am afraid a good many people would get that impression.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Iowa.

Mr. GROSS. My amendment would not fix the interest rate at 5 percent at all. The Secretary of Agriculture could loan money at 3 percent under the provisions of my amendment. Can the gentleman tell me why this House should one day adopt a bill which provides for a 3-percent interest rate and the next day pass one to provide for a 5-percent interest rate, in both cases the money being owed to the Government?

Mr. HOPE. I am comparing this situation with other situations respecting loans of this type. The Federal Government is lending money and making loans in a good many fields these days, and if there is some reason for fixing a particular rate in one case and a reason for fixing a different rate in another case, I will depend on the circumstances of each case to explain the situation. But in comparable cases the 5-percent rate has been generally accepted, and I do believe there is an element of deception, perhaps—and I know the gentleman does not mean it that way—an element of deception in putting in here a provision that it shall not be less than 3 percent. That carries the implication that it will not be more than 3 percent, and I do not like the idea of creating that impression.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent to strike out the last word and to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, since being a Member of Congress I have had occasion to come in contact with this type of program on numerous occasions. I sat on the special committee which heard the testimony in connection with the Kansas-Missouri flood and its damages several years ago. At that time the President of the United States had in effect asked that the Congress simply give a check, up to $20,000, to the folks who had suffered damages, to the extent that they had suffered them. To my surprise some of the Republican governors of the States affected were before the committee asking that we carry out the President's request. Instead of that, this Congress, acting on the recommendation of our committee, increased the existing loan program of the Government to meet the needs out there on a loan basis. That was sound, as I see it, for several reasons. First, there is no way for the Federal Government to guarantee all of us against loss. The most that we can hope is that collectively, through the instrumentality of government, we can make available to people that suffer distress means whereby they can reestablish themselves. Having set that principle in that instance and having done it elsewhere, I think this bill is in accord with established policy. I think it is in accordance with the policy we have established.

However, here is something I would like to point out to you which is an innovation and which I think is unsound in the present bill. In what we have done heretofore we have gone through the established programs of the Government, and it has been administered by existing agencies of the Government.

The Farmers' Home Administration, under its very able Administrator, Hon. David Lasseter, who unfortunately has now left that agency, has made an excellent record through the regular organizations in the counties where they have committees, who know the people, and where they know something about "If you loan money, let's collect it," and where they know something about if you are lending the money to a man so he can reestablish himself, you can require those to whom he may be obligated to give him that chance.

Under that Administration the rate of collections has been more than 90 percent, and this is in disaster programs. It has been done by personnel you already pay, who are already employed by the Government of the United States.

What do we find here? We set up under this bill a special financial committee at $25 a day, a special committee from financial institutions, I would take it, if you read this bill. We go around the Farmers' Home Administration, who are trained in this field. Is it a case, as some have said, of trying to help those who try to help the farmer or helping the farmer first and through him those others? The first announcement made by our Secretary, and I know his intentions were good, was to buy canned beef from the canning trade. Is that relieving the farmer? Why, it looks to me like we are setting up a new agency to do a given thing which may give aid not to those that we primarily wish to extend it to.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I am glad the gentleman from Mississippi brought out the point about the committee's membership receiving $25 each a day. Of course, the gentleman knows that the Farmers' Home Administration has local committees that have an understanding of the situation, and they are serving in the local communities. They already have the experience and are set up. It is my understanding that they are paid a fee of not to exceed $8 per day. Certainly the record of the Farmers' Home Administration and the work of these advisory committees have well justified everything they have done.

Mr. WHITTEN. I thank the gentleman. I know of no Member of this Congress who knows better the actual operations of the Department of Agriculture than my friend from Minnesota. I have a little handful of stock in several banking institutions myself, and owe several others. I certainly wish to protect their solvency. But how many banks do you think are going to extend further credit if they can get their borrowers in under this program and not have to stand aside as to their existing loans? How many do you think are going to extend any further credit themselves? If you were a banker, how much of it would you do?

Not only that, but let me tell you something further. There is a supplemental appropriation bill coming before the Congress. I believe we should collectively through the instrument of Government make it possible for these people in this disaster area to get themselves back in sound financial condition. But this does not merely provide for the appropriations of funds by the Congress.

What does this bill do? It says the Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions, and he shall repay. Well, where has he any money to repay? What are you going to do when you want to borrow some money to extend the REA lines in your district, and they say, "We are sorry, we have lent those funds under this bill to people who have been borrowing money in the State of Texas." I think the intent here is good so far as I can tell. It may be that there is some intent on the part of some to bail out the lending institutions as against the farmers first, but I know that is not true of the members of this committee. I have dealt with them too long and I know their interest, including my friend, the gentleman from Kansas, chairman of this committee, is to bring about a real opportunity for these people to reestablish themselves. I say in the interest of sound operations we should follow the regular course, appropriate the necessary funds and handle it with regular personnel who are experienced in this business and who have a fine record. I say again if we are going to go into this kind of program, appropriate the funds necessary, lay it on the barrel and loan this money, but do not take such funds away from the REA or the Commodity Credit Corporation or the Forest Service or the Soil Conservation Bureau or the Production and Marketing Administration. Let us bring it up in the pending supplemental appropriations bill. This Congress will approve it. I think that would be sound business.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. HOPE. I understand the gentleman's position, of course, and the point that he makes. I will say that was discussed in the committee. I would think under some circumstances the fears the gentleman has might be well founded,

but if the gentleman will refer to the language, the language says the Secretary will reimburse the agencies from whom he takes the funds, if he takes any, to carry out this program.

Mr. WHITTEN. The gentleman will admit it would probably be a year before the Secretary through the Congress could get any appropriations to reimburse the agencies, will it not?

Mr. HOPE. I am not sure of that. It is my understanding that the Secretary is going to the Bureau of the Budget to secure funds, and that will come up in the supplemental estimate, and they will be submitted to the gentleman's committee for inclusion in one of the supplemental bills. I hope there will be sufficient funds so that it will not be necessary for any borrowing to take place in any event.

Mr. WHITTEN. But unless they get the budget estimate, and unless the Congress stays in session long enough, and unless the Committee on Appropriations backed by the Congress does appropriate additional funds, we are making it possible to take this away from the other operations insofar as they may use it, from appropriations already made by the Congress to the various agencies of the Department of Agriculture at least for a year—are they not?

Mr. HOPE. I do want to say to the gentleman that Mr. Farrington, who will be administering this program was before the committee. We interrogated him about this matter. He assured us that any funds that might be transferred or that might be used would be incidental and, of course, the funds that would be involved here would be from the Commodity Credit Corporation as they will have to be reimbursed for the feed which they now have in their stocks that they are sending out to the drought area.

Mr. WHITTEN. I would like to ask the gentleman why the committee is bypassing the Farmers' Home Administration that has been handling this program, and which has a very wonderful record in handling this program?

Mr. HOPE. I am sorry the gentleman got the impression we were doing that because we are not bypassing the Farmers' Home Administration. The Farmers Home Administration will handle all of this program except that we do have the situation in special livestock loans where it was felt there should be a little different sort of committee set up which will in the name of the Farmers' Home Adminstration approve the loan. All the work will be done by the Farmers' Home Administration, and all the funds come through the Farmers' Home Administration.

Mr. WHITTEN. It is my information in the last few days that not only this, but under the reorganization plan of the President, the disaster loan program will no longer be handled by the Farmers' Home Administration. Has the gentleman heard anything along that line?

Mr. HOPE. No, I have heard nothing along that line. Everything that I have heard would indicate the contrary, but I have not inquired along that line.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. GROSS. Does the gentleman know of any reason why under one bill we should have one interest rate, and under another bill we should have another interest rate? In other words, does the gentleman know any reason why we should make fish of one borrower and in another bill make fowl of another borrower from the Federal Government?

Mr. WHITTEN. I know of no reason for that difference. Frankly, I cannot see it. I think the gentleman is sound in saying that if we are going to have a 3-percent loan in other instances, there is nothing that keeps us from having it here. I would like to say that here again this bill sets up a new committee to run the program, three representatives of local lending institutions, at $75 per day, and since we begin to hear the rumors, that really the primary interest of some in the affected area is to bail out those who have already loaned money to the farmers in this area, I cannot agree with such provision of this bill. Certainly I hope that such people will be able to recover what they have loaned, but I cannot see the soundness of our entering into a program in the name of the farmers for that purpose.

I think the fine record of the Farmers' Home Administration, in seeing that the money goes where the Congress intends it to go and seeing that it is collected, as they have shown that it will be collected, and in handling it by their regular people without extra cost, is such that it is a poor time to go out and spend $75 extra money a day in each county or community. Truly it raises the question as to whether this administration is willing to hold down Government personnel, administrative cost, and even who it primarily desires to help. And again I know the members of the Committee on Agriculture mean to do what they say. Having had detailed contact with the operations of the present program for many years, I must express the fear that this provision is unsound, expensive, and actually lends itself to defeating the fine purpose of the committee members.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BROOKS of Louisiana. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to express my interest in the very fine statement which the chairman of the Committee on Agriculture [Mr. HOPE] just made to the House of Representatives. We have a great deal of confidence in Chairman HOPE, of Kansas. We who come from the farm areas have confidence in him.

Recently it was our pleasure to have Chairman HOPE down in Louisiana making a speech on agriculture. He made, in my judgment, a scholarly address on agriculture. At the same time, it was the type of speech that would appeal to the dirt farmer. His speech created a great deal of attention throughout the Southwest. I personally appreciate Mr. HOPE's coming to Louisiana. It was not in my district, but it meant a great deal to my people to have him there, and we were very happy to hear the fine sentiments that he reflected in his speech. I hope he will continue to give the attention which he is presently giving to the program of the cattleman, to his problems, and that he will come forth with some recommended legislation at an early date when he is satisfied that the trend of the market is not going to be satisfactory, because they do need some help.

Mr. Chairman, in speaking to the matter of the interest rate on these loans provided for on page 6 of the bill before us, I want to say this. I have had prepared, and considered offering it before my colleague, the gentleman from Iowa [Mr. GROSS], presented his amendment, an amendment which would have provided that the interest rate as set out on page 6 would be reduced from 5 percent to 4 percent. I thought, frankly, that 4 percent was the figure that should be adopted by the committee. Here is a 5-percent rate chargeable against people who, according to this bill, are in great difficulty financially, but who have a reasonable hope of working out their financial difficulties by some form of supplementary financing such as this. And yet under this bill we provide for a rate of 5 percent to be paid by those people who are on the borderline, who are just about to go under financially, but who we think can make it if we will make them this little loan. In other words, they are in great distress financially, but we can save them by a proper loan.

I think that 4 percent is the right amount for the reason that the United States Government is paying 3¼ percent for its money on the market at the present time. I cannot understand why we should want to make money, through a high interest rate, out of a man who is just about to go under, but we think we can resuscitate him and put him back in a profitable activity by making him this sort of loan. I think our loan should be set on an interest basis that will carry the loan, and not try to make any money out of those people. And yet that is exactly what this provision does in providing for 5 percent.

It provides that the United States Government shall make almost 1 percent out of the money loaned to people who are just about to go under, who are floundering, but may be saved if given the proper help. This is certainly one type of loan as to which I think the Government should forget about making money out of its own people, and handle the loan on a carrying basis, and on no other basis. I say again, the bill is one providing disaster relief, and in that type of legislation the interest rate that should be charged I think is one which will carry the loan without attempting to make any profit out of these people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken and on a division (demanded by Mr. GROSS) there were—ayes 14, noes 54.

So the amendment was rejected.

Mr. HOPE. Mr. Chairman, I am wondering if we could have some understanding about closing debate on the committee amendment and all amendments thereto. I am not trying to shut

anyone off, but there is another bill coming up.

I ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 40 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The time will be divided equally among the Members standing and will amount to approximately 3 minutes each.

Mr. JONES of Missouri. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri: On page 7, line 16, strike out all of line 16 and the first four words of line 17 and insert the following: "The Commodity Credit Corporation and the Farmers' Home Administration and the Production and Marketing Administration."

Mr. JONES of Missouri. Mr. Chairman, the extent of the area affected by the drought which includes counties in States other than those mentioned in the report, is far more widespread than many Members realize. For instance, only yesterday, the Governor of Missouri, the Honorable Phil M. Donnelly, a most conservative man, and I might add, a States-righter, appealed to President Eisenhower requesting that 43 counties in our State and parts of 15 other counties in Missouri be included in the drought-disaster area, and made subject to the relief offered by this legislation.

As an indication of the widespread nature and the seriousness of this drought in Missouri, I inserted in the RECORD yesterday, a copy of the telegram from Governor Donnelly and also a letter from Mr. John P. Kirby, of Ripley County, typical of other letters written from that section, emphasizing the seriousness of the situation.

I might also add, Mr. Chairman, that only this morning I had a letter from a friend of mine, Mr. A. T. Earls, a prominent farmer of the bootheel section of Missouri, who has rather large holdings throughout a considerable area in southeast Missouri, who writes among other things:

I am taking the opportunity of writing you in regard to the bad crop conditions in southeast Missouri, with which I know you are familiar. I have been farming in southeast Missouri for 45 years and have seen some bad conditions during that time; but I think this is the worst year that we have had. We have some fair crops in loamy lands, but a large portion of our land lies along the Little River Drainage District in Stoddard, New Madrid, Pemiscot, and Dunklin Counties. The people throughout this bad territory have failed to get anything on a large portion of their land. Some of them have planted as high as 3 or 4 times.

I think this district should be set up as a disaster area. I would appreciate your doing what you can to get this done. If something is not done, a large percentage of the farmers in this territory will be unable to meet their obligations and in many cases will be forced to sell their stock and equipment. Anything that you can do will be appreciated by me and thousands of others throughout southeast Missouri.

Now, Mr. Chairman, there are hundreds of others who would testify to the accurateness of the statement made by Mr. Earls. In another letter, from Mr. W. S. Edwards, Sr., another outstanding farmer of my section, he comments on the current situation by saying, "Unusually hot and dry—the worst year, to date, in the past 40 years, so far as crops are concerned," and Mr. Edwards should know for he has been farming there practically all of his life.

Of course I am supporting this bill, Mr. Chairman, but I do want to offer the amendment which has been reported.

At the time this bill was up for consideration in the committee I questioned the advisability of including the wording in this bill referring to emergency assistance in furnishing seed and feed. The bill states that "the Secretary may utilize the personnel, facilities, property, and funds of any agency of the United States Department of Agriculture, including Commodity Credit Corporation, for carrying out these functions, and shall reimburse the agencies so utilized, and so forth."

What has actually happened is that this is going to be administered through the Farmers Home Administration and will utilize some of the stocks of the Commodity Credit Corporation; that being the case I feel that that should be sufficient, but I have also included in this amendment that the Secretary can utilize the personnel and the facilities of the Production and Marketing Administration in addition to Commodity Credit and the Farmers Home Administration.

I think we would be setting a bad policy to say that in a program of this kind the Secretary could utilize the funds, the personnel, the facilities, the property of, for instance, the Rural Electrification Administration; and I am certain that we should not be setting a precedent of authorizing the use of those funds, although it says that they can be reimbursed later on; but it does mean that there will have to be an appropriation for that. I think the gentleman from Mississippi [Mr. WHITTEN] indicated a minute ago that since this is going to be administered by the Farmers Home Administration that this amendment should be adopted.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to my chairman, the distinguished gentleman from Kansas.

Mr. HOPE. May I say to the gentleman I do not believe there is any real need for his amendment; at the same time I do not see any serious objection to it. I do not know that funds will be used from any agencies other than what the gentleman has in mind. I do not see how they could be used in all probability. Personally, I would be willing to accept the gentleman's amendment with the understanding that when we go to conference, if we find out there is some other agency that perhaps should be included, we might agree to that in conference. This bill will have to go to conference.

Mr. JONES of Missouri. I agree to that. I think the chairman should make the statement to clarify the RECORD, that he has no idea they would use the funds of the Rural Electrification Administration in this program.

Mr. HOPE. Yes.

Mr. JONES of Missouri. I certainly do not want them to be obligated.

Mr. HOPE. I join with the gentleman. I am sure we will not use those funds.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri [Mr. JONES].

The amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, I have listened with a great deal of interest to the debate today. There has been one point that perhaps has not been emphasized enough and that is why we have the great difference in the price that the producer gets for his beef and the price that the consumer has to pay for it when he goes to market. I have spoken to several members of the great Committee on Agriculture and I know they are interested in this problem and feel we have to continue the investigation of this matter. We need to firm up the price for the producer, but, Mr. Chairman, the price is firmed up enough for the consumer. I, for one, would like to know where the profit has been going.

Mr. HERLONG. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Florida.

Mr. HERLONG. I would like to tell the gentleman that our subcommittee is engaged at this time in an investigation of the very thing he is talking about.

Mr. MATTHEWS. I thank the gentleman for his observation.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Iowa.

Mr. HOEVEN. I just want to confirm what the gentleman from Florida said, that the Livestock Subcommittee is going to give this matter attention at the first opportunity.

Mr. MATTHEWS. I thank the gentleman. As one who likes beef, I would like to be able to afford beef for myself and my little family at least once or twice a week. If we can find out some way not to firm up the price too much for the consumer and firm it up a lot more for the producer, we will have the problem partly solved.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman is making a most important statement. Investigations to find out what happens in the matter of prices as between the producer and the ultimate consumer have been a dime a dozen for the last 25 years. I hope that someday a committee of Congress with some real courage will get down to bedrock and find out what does actually happen.

Mr. MATTHEWS. I thank the gentleman for his observation.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of Texas: Page 5, line 22, strike out all of line 22 and the word "operations," in line 23 and insert the following: "ranchers and stockmen who in the opinion of the committee hereinafter provided for are capable of maintaining their operations."

Mr. ROGERS of Texas. Mr. Chairman, I pointed out earlier today in my remarks on the floor that the bill now before the House extends the authority now vested in the Secretary of Agriculture and that it is not intended to limit it.

The reason for my amendment is simply this: The language now reads that these $2,500 and up loans—that is the minimum, not the maximum—may be made to established ranchers or stockmen who have a good record of operations.

I want to tell you what that does. That is going to confine loans from $2,500 to above $50,000 to a bunch of ranchers who have been in the business a long time. We have a lot of veterans that have come back here from Korea, we have a lot of veterans who have come back from World War II, and who have gone into the cattle business, and a lot of those fellows down there in that drought area have operated for 3 years at a loss simply because they could not get their feet on the ground on account of the elements. Where are those fellows going to be? They are not established ranchers. If you look at it from the standpoint of making a profit, they do not have a good operation. They owe the banks now. Are you going to kick them out under this section? If you do, you are running the risk of kicking them clear out from under this bill, because even though it could be argued that they get their rights under the first section of the bill, under the laws of statutory construction, when you move into a field and make certain expressions about it you knock out everything else. Now you may have confined the livestock loans in this bill to special livestock loans and you are running a big risk of knocking those little fellows clear out of the picture for even a $500 loan or $1,000 loan, if you put this language in there like it is written presently in the bill. I think it should be changed to read exactly as I have said. The matter is entirely within the discretion of the committee that is set up in this bill, and certainly if you are going to trust that committee to make loans up to $50,000, you should be willing to trust them to determine whether or not a man in the cattle business is capable of maintaining a successful operation. Unless this change is made, I warn you that great injustices could result that will do damage to young people just starting out in life.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. GOLDEN].

Mr. GOLDEN. Mr. Chairman, I was very much concerned a few moments ago about the remarks made by the gentleman from Mississippi [Mr. WHITTEN] whether or not the purpose of these loans was to be for refinancing and possibly assisting the bankers in these drought-stricken areas. I would like to say for the benefit of the gentleman from Mississippi and any other Member who is justly concerned about this—and I might remark that the gentleman from Mississippi [Mr. WHITTEN] has made valuable contributions to the agriculture of this Nation—that we discussed that very problem in the committee. It was the desire and the intention of the committee that this money, by and large, should not be used for the purpose of refinancing these bank loans. We did not write that into the bill itself or spell it out, but there is a section in the report which I think clearly reveals the intent of Congress that these loans shall not be used for the purpose of refinancing. They can be used in the ordinary way to pay incidental store accounts and electric bills and assist these people who have been hard put for several months, but it certainly is not the intention of the committee, and I hope that it will not be the intention of the Members of Congress, that this money shall be used to refinance the banks in that section. I hope the gentleman from Mississippi will be satisfied with that explanation.

On the measure as a whole, we have heard some very fine and eloquent remarks about the fundamental purposes of the Government of the United States, about people taking care of themselves, and the rights of the States. We heard the very eloquent remarks of the gentleman from Texas [Mr. DIES] in which he said that he felt the people themselves on a local basis and the people on a State basis ought to meet these problems when they present themselves. I sat in this committee day in and day out and heard the evidence that revealed a major disaster that extended over 6 or 7 of these Southwestern States. It is not a matter that is confined to any one State. I think it is the function of the Federal Government, when there is a great emergency, and when the local people have exhausted every means and they cannot help themselves—I think it is the primary function of the Federal Government to afford relief to its people here in the United States. You have heard that this drought area is more than 500 miles across. Many millions of cattle and thousands of farmers and ranchers are affected. Cattle prices have broken in all the livestock markets of the United States. If the foundation herds throughout this vast area are permitted to starve to death it will constitute a major disaster and a lasting damage to the whole economy of the United States.

This bill provides for loans—not gifts—and sufficient safeguards are written in the bill to insure repayment with interest. Recently we made a gift of about $95 million of wheat to a foreign nation. No one came before our committee from the great States of the Southwest and asked us to give them anything. All they want is some credit so they can help themselves. Time, these loans, and a little rain will save this vast area, and it can go on contributing to the general strength and stability of this country.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. ROGERS].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. HARRISON].

I was one of the members of the committee to make the trip to view the disaster condition of the Great Southwest. The condition is much worse than I can describe. Not just cattle, but crops also.

Mr. HARRISON of Nebraska. Mr. Chairman, I was hopeful that we could make some consideration for those people in Texas and the rest of the drought-stricken area that is not included here in the case of cattle because we did fly over a portion of that area down there. We were told it was in the district of the gentleman from Texas [Mr. MAHON].

Those people are not cattle raisers, they are farmers, probably cotton farmers.

May I say that it was one of the most devastated areas I ever hope to see in my life. It looked as though it was a very fine farming area. It looked that way because of the fine homes we saw there, the nice houses, and the nice barns, but we saw no vegetation at all and we saw no life whatsoever. The sand looked as though it were piled up around the houses and the other buildings to a height of about 3 feet. The roads were drifted with sand and the fences were filled with sand and dirt.

I am sure the people in that part of the drought-stricken area are the very same kind of good citizens we find in every other part of the country. I am afraid this bill does not go quite far enough in helping the farmer in that area who needs help just as badly as does the person who is in the cattle business. I want to come to the aid of the person who is in the cattle business in that area, too, because I found the finest kind of citizens in that area that I ever hope to see any place, people who were trying to lift themselves by their own bootstraps.

I want to tell you how far they were going when they were trying to help themselves out of what to me was the worst situation that could occur in an area of that kind. I do not know whether or not you people who are away from the Midwest are familiar with how cattle are kept and what it takes to feed cattle, and what feed cattle do eat, but most of you have traveled at one time or another across the area of the desert and have seen desert cactuses growing. A desert cactus is a pearlike plant that grows with a great many thorns. An improvised torch is used to burn the thorns off of the plant and the cattle come along to eat this desert plant. I tell you this to indicate how far the people are going to help themselves over a disaster situation. I hope this emergency measure will pass without objection.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN].

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTEN: On page 6, line 13, after "prescribe", strike out the remainder of the paragraph and insert the following: "The program shall be administered by the Farmers' Home Administration as a part of the existing disaster-loan program."

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi [Mr. WHITTEN] in support of his amendment.

(By unanimous consent, the time allotted to Mr. WILLIAMS of Mississippi was granted to Mr. WHITTEN.)

Mr. WHITTEN. Mr. Chairman, this amendment in my opinion will provide for better administration, will prevent duplication and expense and I do not believe it is contrary to the intent of the members of this Committee. It says this additional job will be handled by the folks now handling the job. Since 1949, we have had 4 years of very splendid experience by the Farmers' Home Administration in carrying on this relief or disaster loan program. The rate of collections has been excellent. The people who are on the committees of the Farmers' Home Administration in the average county have had 4 years of experience in passing on this type of matter, and they have done such a good job, I think, that under the present circumstances, this program should be handled in the way that we have handled it up to this point. That is all my amendment does. It strikes out the provisions setting up the committee of representatives of local financial institutions as a supervisory committee at a cost of $75 per day. Having sat on the Appropriations Committee reviewing in detail the actual operations of this disaster loan program for the last 4 years, I say that one of the greatest problems they have had at the local level is to keep the local lending institutions from saddling on the Government loans that they have had outstanding and making the relief of the farmer secondary and now to set up a separate committee as the bill would do with representatives of local lending institutions would just increase that problem and would not minimize it. I say this with the friendliest feeling toward such institutions and if here we can help their borrowers it will also help them. By this amendment I merely strike out the part of the bill providing for the 3 representatives of the local lending institutions, so to speak, at $25 a day, and say that this program, too, shall be handled as a part of the present disaster loan program by the present employees of the Government, with 4 years' experience. I do not believe there is a member of the legislative committee on agriculture who will not say that Mr. Lasseter and his organization has done a very splendid job. While unfortunately he personally is no longer head of that agency, the agency has had 4 years of experience in doing the job, a good job. I say that this amendment should be adopted. It just gives back to that agency, or adds to it this enlargement of a program with which they are thoroughly familiar and on which they have done such a splendid job. I hope the Committee will go along with me on this amendment.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield.

Mr. MARSHALL. I commend the gentleman from Mississippi on the hard work he has done in the Congress in holding down the number of Federal employees and in holding down the appropriations in the Department of Agriculture to necessary and commonsense amounts. But here again we find another indication of his interest in the matter of preventing an increase in the number of Federal employees and of preventing increases in the agencies in the Department of Agriculture.

Mr. WHITTEN. I thank the gentleman. I want to say I think my amendment is in line with the intent of the legislative committee judging by what my friend, the gentleman from Colorado, and others have shown me in the statement from the department, but I think my amendment necessary to carry out that intent.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to my good friend, the gentleman from Mississippi.

Mr. ABERNETHY. Since the gentleman from Minnesota has said what he did, I just wanted to assure him it is not the intention of the legislative committee of the House Committee on Agriculture to unduly increase the number of personnel in the Government, and particularly in the Department of Agriculture. I wonder if the gentleman has examined the hearings on this question, and particularly the language in the report on page 6 with regard to the servicing and the disbursing of these particular loans.

Mr. WHITTEN. I have read the hearings presented to me by my friend the gentleman from Colorado [Mr. HILL] and the statement itself is clear as to handling the details. However, I have found here that lots of things are much better in the law as against being in a committee report. I do think my amendment is in line with what the committee intended. On the other hand, if the Farmers' Home Administration merely does the bookkeeping and carries out the detailed work as against passing on the type and provisions of the original loan and the basis and terms on which it is made, they may be, under the provisions of this bill surrendering actual control to the representatives of the local lending institutions who have outstanding loans to these farmers and who might have conflicting interests.

Mr. ABERNETHY. I respect the gentleman's views and I agree with him that the Farmers' Home Administration has done a fine job. We are all interested in the Farmers' Home Administration. In fact, this committee created the Farmers' Home Administration, but I believe if the gentleman will go back and inspect the hearings and examine the testimony which unfortunately has not been printed because there was not time for them to be printed, and just see what exactly was said by the various and sundry witnesses about the very point that the gentleman raises, I think the gentleman himself would go along with what the committee recommended. This is one instance where I sincerely and personally entertain the belief that the committee has established by this bill what is vitally necessary to the proper servicing—not servicing, but making—of these loans. That is my honest feeling.

Mr. WHITTEN. I can fully appreciate the attitude of my colleague. I know he is sincere and knows this subject. If I had sat through the hearings, I might have a different view. However, our committee does deal with the actual operations of all the laws affecting agriculture. Once each year I have reviewed in detail the actual operations of the disaster-loan program, have reported to the Congress on such operations with recommendations as to the money to be appropriated. I believe if you have something that is good, that is sound, with a proven record of successful operation, it is well to be afraid of innovation, especially where, notwithstanding the good intentions of the members of the committee, it would appear that this Committee on Loans, composed of representatives of local lending institutions, at a cost of $75 per day, supervise and handle to a considerable extent the terms and conditions of Government loans to persons in debt perhaps to the same institution. Even if you believe that such a procedure is sound, why spend the extra money for a new and additional local board at $75 per day?

Some folks here have said these particular borrowers want to borrow from the Government without having to go to a Government agency; that they had rather deal with representatives of their own local banks. As to that I do not know. Others go to the Government agency. At least I cannot see why we should spend this extra money for that reason. I hope the amendment will be adopted.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I believe it would be a great mistake to adopt the amendment which has been proposed by my distinguished friend from Mississippi [Mr. WHITTEN]. I share with him the feeling that the Farmers' Home Administration has done a splendid job, but it has been operating in a field which is completely outside of most of the loans that will be made under this provision. The title of this subsection itself indicates that because it is entitled "Special Livestock Loans." These are matters with which the Farmers' Home Administration have not been dealing. They have been making loans to small farmers. This type of loan goes up to $50,000 or more, whereas the loan limit of the Farmers' Home Administration is $7,000. It will be an entirely different type of loan. The Farmers' Home Administration will do most of the work in making these loans, but they will have the benefit of the advice and counsel of this special committee which must approve them. The Farmers' Home Administration will process the loans. They will tentatively approve them and then they must be approved by this special committee. If they are more than $50,000, they must be approved by the Secretary.

I do not believe in a situation of this kind, which is difficult at best, that we should deprive ourselves of the opportunity of getting the services of the best people we possibly can in every area to deal with these loans. Let us use the Farmers' Home Administration. In addition, let us use the brains and experience of the people in the area who are familiar with livestock loans and can give good advice on that matter.

I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. WHITTEN].

The amendment was rejected.

The CHAIRMAN. The gentleman from Montana [Mr. D'EWART] is recognized.

Mr. D'EWART. Mr. Chairman, I want to join with the others in supporting this legislation today and to express my appreciation to this committee for bringing out this bill.

My State is not suffering from drought this year. In fact, we have had excellent rains, good crops, good grain, and good grass. However, a few years ago, in the thirties, we went through 7 years of drought, one year after another, dry hot winds, crops dried up, farmers running out of seed, livestock being moved out. The families who lived there did not have enough to eat and finally they had to move out.

It is a terrible thing when a drought hits an area. There is nothing that the farmer himself can do about it. There is no way he can alleviate this situation. It is a disaster over which he has no control.

I am therefore glad to see this committee come to the relief of these people that I know from experience are suffering, not only physically but mentally and financially.

We are suffering in my State from a fall in cattle prices. It started 2 years ago and lasted up until a few days ago. We are hoping the action taken by this great committee will be helpful in livestock prices. A break in livestock prices does not compare to a drought disaster that hits a farmer, his family, his children, and the wife, and their whole way of living. When the hot winds come his crops dry up and his family goes hungry.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I think the gentleman will realize that although the drought has not hit his area, the depression in cattle prices has been brought about by the dumping of cattle from the drought areas onto the market.

Mr. D'EWART. That dumping has made the price break much worse than it would have been otherwise.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield.

Mr. EDMONDSON. Mr. Chairman, I want to join my friend in expressing thanks to the Committee on Agriculture for the nonpartisan and speedy action which they have taken in bringing before us this legislation to help meet the disaster of drought in our country.

I only hope the executive branch of our Government will move just as speedily to extend this program to areas also suffering from the effects of drought, and not yet covered by the proclamation.

In my own Second District of Oklahoma, there are widespread and disastrous effects of drought and falling cattle prices, and many farmers and cattlemen have requested that our section be included in this proclaimed area. The State's Acting Governor, the Honorable Raymond Gary, has requested inclusion of the entire State in the drought disaster zone.

We are hopeful that passage of this bill will be quickly followed by Executive action to make this program available to eastern Oklahoma.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, I cannot let this opportunity escape me to express my confidence and appreciation to the Committee on Agriculture, which has done such an excellent job in bringing this legislation before us. I take great solace in the fact that the chairman of the committee, Mr. HOPE, a really great Member of the House, has assured the House that if this legislation is not successful, other legislation will be brought before us.

There was considerable amusement during the debate on the rule about Texans asking for aid, and some people made some rather derogatory remarks about Texas. I think it would be apropos for me to tell you that even in the face of this catastrophe Texans have, characteristically, found some means of turning this dire disaster into a source of amusement. Texans, as you all know, do not scare easy.

The story goes that when Secretary Benson was down there he was looking over the property of a poor old farmer. In talking with him he tried to find something optimistic to say to him. He saw a couple of fleecy clouds up in the blue sky, and he said: "Well, there is a couple of clouds; perhaps they will bring you rain."

The old farmer looked up, squinted out of the corner of his eye, and said: "Mr. Secretary, them clouds has been going back and forth from the Gulf of Mexico for the last 4 months. They are just coming back today to get another load of sand."

Texans do not give up easily, and we do not come easily to Washington asking for help, but in this instance we think this is a national disaster and that, unless relief is granted here in the form of credit, this emergency will spread until every area of the Nation is affected, and we believe that this emergency legislation, if it can be termed such—and I consider it to be so—should be enacted immediately in order to prevent the spread of economic depression.

Again I would like to thank the chairman of the committee and the members of the committee who have done such a magnificent job in bringing this legislation before us. I hope it may be enacted soon so that we may give needed help to those who are suffering the most in the southwestern part of the United States.

Mr. MARSHALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MARSHALL: Page 5, line 21, after the words "of this subsection loans", strike out "for $2,500 or more."

Mr. MARSHALL. Mr. Chairman, I have offered this amendment because I believe that it will avoid some difficulty. Loans are made upon the availability of funds. The distinguished chairman of the Committee on Agriculture pointed out that the Farmers' Home Administration had available funds for making these loans; however, that is based upon an availability of funds, and in the distribution of funds it is often difficult to distribute those funds.

What my amendment does is to strike out the sum $2,500. This will eliminate the possibility of such a case as this happening: Where a man may come in and request a loan of $1,500 and the agency will say that there are no funds available to make a loan of $1,500 but you go over to this committee that is making this new type of disaster loan and they will lend you $2,500. That is the only alternative some of those people will have at such time. To grant a loan over and above what the applicant needs because it is the only way they can possibly grant a loan.

I would like to say in passing that we are talking about a small and large farmer, that this has very little to do with that; this is a small and a large loan that we are dealing with. You might have a rancher worth $100,000 who needs only $500 to tide him over because his credit has been extended. He would come in under this phase of loan. You may have a small farmer in the livestock business who might require $2,600. He goes to the other source.

My amendment in striking this language out has attempted to make it administratively practical to handle these loans.

I yield at this time to the distinguished chairman of the Committee on Agriculture.

Mr. HOPE. I am cognizant of what the gentleman has in mind, but I hope his amendment does not prevail because the man he is thinking about is well taken care of, not only under this legislation but under the general Farmers' Home Administration legislation.

Mr. MARSHALL. That is based upon availability of funds, is it not?

Mr. HOPE. That is true, but I have no reason to believe that funds will not be available. The special funds that will be available in the drought areas should take the load off the amount of funds to be loaned in other areas, making more funds available for that purpose.

Mr. MARSHALL. I hope my amendment will be agreed to.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Minnesota.

Mr. Chairman, I believe it would be a great mistake to adopt this amendment. This is a special loan proposition. It deals with a special situation. There is ample provision under other legislation, and in this bill for farmers in and out of disaster areas who need Farmers'

Home Administration type loans. It would very largely vitiate the purpose for which these special loans are made if we should adopt this amendment. Furthermore it would create very serious administrative difficulties.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all Members who have spoken on this bill today may have permission to revise and extend their remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. MARSHALL].

The question was taken; and on a division (demanded by Mr. MARSHALL) there were—ayes 27, noes 46.

So the amendment was rejected.

The CHAIRMAN. The question is on the committee amendment as amended.

The committee amendment as amended was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ARENDS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, pursuant to House Resolution 325, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. HAYS of Ohio. Mr. Speaker, I object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER (after counting). One hundred and seventy-six Members are present, not a quorum.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 387, nays 4, not voting 38, as follows:

[Roll No. 82]

YEAS—387

Abbitt	Andersen, H. Carl	Aspinall
Abernethy	Andresen, August H.	Auchincloss
Adair	Andrews	Ayres
Addonizio	Angell	Bailey
Albert	Arends	Baker
Alexander	Ashmore	Barden
Allen, Calif.	Auchincloss	Barrett
Allen, Ill.	Ayres	Battle
Beamer	Friedel	Madden
Becker	Fulton	Magnuson
Belcher	Gamble	Mahon
Bender	Garmatz	Mailliard
Bennett, Fla.	Gary	Marshall
Bennett, Mich.	Gathings	Martin, Iowa
Bentley	Gavin	Matthews
Benteen	Gentry	Meader
Berry	George	Merrill
Betts	Golden	Merrow
Bishop	Goodwin	Metcalf
Boggs	Gordon	Miller, Calif.
Boland	Graham	Miller, Kans.
Bolling	Grant	Miller, Md.
Bolton, Frances P.	Green	Miller, Nebr.
	Gregory	Miller, N. Y.
Bolton, Oliver P.	Gross	Mills
	Gubser	Mollohan
Bonin	Gwinn	Morano
Bonner	Hagen, Calif.	Morrison
Bosch	Hagen, Minn.	Moss
Bow	Hale	Moulder
Boykin	Haley	Multer
Bramblett	Halleck	Mumma
Bray	Hand	Murray
Brooks, La.	Harden	Neal
Brooks, Tex.	Harris	Nicholson
Brown, Ga.	Harrison, Nebr.	Norblad
Brown, Ohio	Harrison, Va.	Norrell
Brownson	Harrison, Wyo.	Oakman
Broyhill	Hart	O'Brien, Ill.
Buchanan	Harvey	O'Brien, N. Y.
Budge	Hays, Ark.	O'Hara, Ill.
Burdick	Hays, Ohio	O'Hara, Minn.
Burleson	Heller	O'Konski
Busbey	Herlong	O'Neill
Bush	Heselton	Osmers
Byrd	Hiestand	Ostertag
Byrne, Pa.	Hill	Passman
Byrnes, Wis.	Hillelson	Patman
Camp	Hoeven	Patten
Campbell	Hoffman, Ill.	Patterson
Cannon	Hoffman, Mich.	Pelly
Carlyle	Holifield	Perkins
Carnahan	Holmes	Pfost
Carrigg	Holt	Philbin
Cederberg	Holtzman	Phillips
Celler	Hope	Pilcher
Chatham	Horan	Pillion
Chelf	Hosmer	Poage
Chenoweth	Howell	Poff
Chiperfield	Hruska	Polk
Church	Hunter	Preston
Clevenger	Hyde	Price
Cole, Mo.	Ikard	Priest
Colmer	Jackson	Prouty
Condon	James	Rabaut
Coon	Jarman	Radwan
Cooper	Javits	Rains
Corbett	Jenkins	Ray
Cotton	Jensen	Rayburn
Coudert	Jonas, Ill.	Reams
Cretella	Jonas, N. C.	Reece, Tenn.
Crosser	Jones, Ala.	Rees, Kans.
Crumpacker	Jones, Mo.	Regan
Curtis, Mass.	Jones, N. C.	Rhodes, Ariz.
Curtis, Mo.	Judd	Rhodes, Pa.
Curtis, Nebr.	Karsten, Mo.	Richards
Dague	Kean	Riehlman
Davis, Ga.	Kearney	Riley
Davis, Tenn.	Kearns	Roberts
Davis, Wis.	Keating	Robeson, Va.
Dawson, Ill.	Kee	Robsion, Ky.
Dawson, Utah	Kelley, Pa.	Rodino
Deane	Kelly, N. Y.	Rogers, Colo.
Delaney	Keogh	Rogers, Fla.
Dempsey	Kilburn	Rogers, Mass.
Derounian	King, Calif.	Rogers, Tex.
Devereux	Kirwan	Rooney
D'Ewart	Klein	Roosevelt
Dies	Kluczynski	Sadlak
Dodd	Knox	St. George
Dollinger	Krueger	Saylor
Dondero	Laird	Schenck
Donohue	Landrum	Scherer
Donovan	Lane	Scott
Dorn, N. Y.	Lanham	Scrivner
Dorn, S. C.	Lantaff	Scudder
Dowdy	Latham	Secrest
Doyle	LeCompte	Seely-Brown
Eberharter	Lesinski	Selden
Edmondson	Long	Sheehan
Elliott	Lovre	Shelley
Engle	Lucas	Sheppard
Evins	Lyle	Short
Fallon	McCarthy	Shuford
Feighan	McConnell	Sieminski
Fenton	McCormack	Simpson, Ill.
Fernandez	McCulloch	Simpson, Pa.
Fine	McDonough	Small
Fino	McGregor	Smith, Kans.
Forand	McIntire	Smith, Miss.
Ford	McMillan	Smith, Va.
Forrester	Machrowicz	Smith, Wis.
Fountain	Mack, Ill.	Spence
Frelinghuysen	Mack, Wash.	Springer
Staggers	Trimble	Wheeler
Stauffer	Tuck	Whitten
Steed	Utt	Wickersham
Stringfellow	Van Pelt	Widnall
Sullivan	Van Zandt	Wier
Sutton	Velde	Williams, Miss.
Taber	Vinson	Williams, N. Y.
Talle	Vorys	Willis
Taylor	Vursell	Wilson, Tex.
Teague	Wainwright	Winstead
Thomas	Walter	Withrow
Thompson, La.	Wampler	Wolcott
Thompson, Mich.	Warburton	Yates
	Watts	Yorty
Thompson, Tex.	Weichel	Young
Thornberry	Westland	Younger
Tollefson	Wharton	Zablocki

NAYS—4

Clardy	Mason	Reed, N. Y.
King, Pa.		

NOT VOTING—38

Bates	Fisher	Morgan
Blatnik	Fogarty	Nelson
Buckley	Frazier	O'Brien, Mich.
Canfield	Granahan	Powell
Case	Hardy	Reed, Ill.
Chudoff	Hébert	Rivers
Cole, N. Y.	Hess	Shafer
Cooley	Hillings	Sikes
Cunningham	Hinshaw	Wigglesworth
Dingell	Johnson	Wilson, Calif.
Dolliver	Kersten, Wis.	Wilson, Ind.
Durham	Kilday	Wolverton
Ellsworth	McVey	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Wigglesworth with Mr. Hébert.
Mr. Bates with Mr. Cooley.
Mr. Kersten of Wisconsin with Mr. Durham.
Mr. Wolverton with Mr. Fogarty.
Mr. McVey with Mr. Powell.
Mr. Dolliver with Mr. Buckley.
Mr. Ellsworth with Mr. Sikes.
Mr. Nelson with Mr. Dingell.
Mr. Reed of Illinois with Mr. Granahan.
Mr. Wilson of Indiana with Mr. Chudoff.
Mr. Hinshaw with Mr. Morgan.
Mr. Wilson of California with Mr. Fisher.
Mr. Hillings with Mr. Blatnik.
Mr. Canfield with Mr. Hardy.
Mr. Cole of New York with Mr. Kilday.
Mr. Hess with Mr. Frazier.
Mr. Cunningham with Mr. Rivers.
Mr. Shafer with Mr. O'Brien of Michigan.

So the bill was passed.

Mr. COUDERT changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

A motion to reconsider was laid on the table.

SUBCOMMITTEE NO. 2 OF THE COMMITTEE ON THE JUDICIARY

Mr. HYDE. Mr. Speaker, I ask unanimous consent that Subcommittee No. 2 of the Committee on the Judiciary may be permitted to hold hearings for 1 hour tomorrow morning while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow morning.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXCESS-PROFITS TAX EXTENSION

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 326, Rept. No. 757), which was referred to the House Calendar, and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective. After general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, and the previous question shall be considered as ordered on the bill to final passage without intervening motion, except one motion to recommit.

GENERAL LEAVE TO EXTEND

Mr. HOPE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H. R. 6054.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

NIAGARA FALLS AND RIVER

Mr. BROWN of Ohio. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 322 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BROWN of Ohio. Mr. Speaker, I yield 30 minutes to the gentleman from Mississippi [Mr. COLMER] and yield myself such time as I may use.

Mr. Speaker, House Resolution 322 makes in order, under 2 hours of general debate, and under an open rule whereby any and all amendments can be considered, H. R. 4351. This bill, H. R. 4351, provides for the preservation of the scenic beauty of Niagara Falls and the Niagara River; would authorize the construction of certain works of improvement on that river for the purpose of generating electric power and energy, and would otherwise further the interests of national security by authorizing the prompt development of such works and improvements for power purposes.

The purpose of H. R. 4351 is to carry out the basic ideas and principles involved and set forth in a treaty which was made between the United States and Canada back in 1950. This treaty specifically provides by a reservation voted into it by the Senate of the United States, that the Congress shall determine how the provisions and purposes of the treaty shall be carried forward and implemented. The treaty not only provides that the scenic beauty of the falls shall be properly preserved, but also that plans shall be made for the diversion of the excess waters of the river and from the falls to be used for power purposes.

The bill we will have before us under this rule provides that five large privately owned, or free enterprise, power companies which now furnish electric energy to the State of New York, to New England, and to a part of Pennsylvania, and who now have power installations along the Niagara River, shall be permitted to install the additional American-owned generating facilities set forth in the treaty mentioned a moment or so ago. These private power companies, I understand, would take on the obligation of constructing these new facilities at a cost to themselves of somewhere around $400 million.

It is estimated that under this arrangement the Federal Government would receive somewhere between $9 million and $10 million a year in tax revenues from these new projects. It is also estimated that the State of New York would receive somewhere around $4,500,000 or $5 million a year in revenues from these private power projects. In addition, there will be something like $9 million a year paid, in local taxes, city, county, and school taxes, by these private power projects.

This is a very, very important measure. There is considerable controversy about it. There are those who think the Federal Government should develop the power potential involved in this legislation. There are those who believe the State of New York should, through some State power authority, or State-owned corporation, go into the power business and take over the land now owned by the private power companies along the Niagara River, and develop these projects.

Then, of course, there are those who favor this bill to permit the private power companies to make the new installations. It is my understanding that the public works committee voted 2 to 1 in favor of this bill.

The Rules Committee granted an open rule on this measure by a unanimous vote, feeling that it is a matter the House should discuss and should debate rather thoroughly. I am hoping there will be no objection to the adoption of this rule, and that we may proceed as promptly as possible to the consideration of this very very important legislation.

In conclusion may I point out that time seems to be of the essence in this matter, because if there is no development of the Niagara power potential on the American side within the very near future it will be possible for our Canadian friends to move in, where we have failed to act, and get the benefit and use of all of the flow of water, one-half of which would otherwise belong to the American people.

As someone said in the Rules Committee, the Niagara River is presumed to be a navigable stream, for you can travel down the river in a barrel. It certainly is an international river. We have a situation involved in this legislation which does not apply, as I understand, to any other power or river development in the entire country. The Niagara project provided for in this legislation would be a power project only. There is no question of recreation, or of multiple-purpose use, involved in this legislation. The only question involved is one of generating power, and at the same time preserving the scenic beauties of Niagara Falls and the Niagara River.

I ask that the rule be adopted.

Mr. COLMER. Mr. Speaker, I yield such time as he may desire to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, Dr. Frank Howard Lahey, a great surgeon, died at Boston, Mass., on June 27, 1953, from a heart attack. By his death the country has lost a very great American. He was a man of genius, who as a surgeon and a medical administrator had a worldwide influence on the thinking both of specialists and of the general public.

His distinguished career as a medical administrator is mirrored in the many posts of eminence which he came to occupy. During World War II he was chairman of the War Manpower Commission's medical procurement and assignment service. He also was one of the surgeons on the Board of Honorary Consultants to the Surgeon General of the Navy. Two Presidents singled him out for responsible service. President Franklin D. Roosevelt appointed him to a special commission to report on medical standards during World War II. President Truman named him to a committee to coordinate Government medical services.

Dr. Lahey's genius as a surgeon was expressed in his important contribution to the surgery of the thyroid gland and the digestive tract. His colleagues paid him the signal honor of dedicating a book of scientific papers to him on his 60th birthday with these words:

All men desire to be immortal but few fulfill that desire in life. Yet fame gives immortality; and to have attained immortality in 60 short years is an enviable achievement.

We of the medical profession, partakers of that fame which you have gained for us no less than for yourself, offer to you this birthday volume, in which you will find yourself reflected more often than we intend to confess. You have honored medicine, and medicine delights to honor you. This is our

birthday gift to you, our friend, adviser, and inspiration.

Yet we alone could not have made this offering. You have been a friend to man. It is fitting, therefore, that some of those to whom you have been physician, healer, and friend, should have made possible the publication of this volume.

Because of his ability as a teacher, he was a popular speaker on the medical lecture platform where he impressed everyone with the thorough grasp of his subject, the earnestness and excellence of his presentation, and the honesty with which he presented his views. His writings include many articles on surgical subjects.

In 1922 Dr. Lahey established the Lahey Clinic, which has since become known worldwide for the high caliber of its staff and its contribution to the field of surgery. Its clinic members represent many diversified interests. In keeping with Dr. Lahey's maxim that only by performing surgical operations over and over, as nearly as possible in the same way, can they be done with the greatest assurance, they have done much to develop standardized methods of operations as well as to widen operability, decrease mortality, and improve end results. Another of Dr. Lahey's maxims was, "In the hands of a good surgeon a patient doesn't die."

Finally, there was the man himself—dynamic, hard working, young looking to the very end. His entry into a room invariably raised the spirits of those within, whether they were a group of colleagues, a patient, or a patient's family. He dedicated his life to the service of the ill. His lifelong activities constituted a sustained effort to improve himself toward this end. He had the courage, steadfastness, and the humane outlook that mark a truly great and honorable man. It made no difference to him whether the sick who visited his offices were poor. He cared for all regardless of their race, creed, color, or economic circumstances. His charitable acts were unlimited.

Educated at Harvard, he received honorary degrees from Tufts College, Boston University, and Northwestern University. He later served as professor of surgery at the Harvard Medical School, and was a professor at Tufts.

Dr. Lahey died at the age of 73 at New England Baptist Hospital, where he was chief surgeon. His life ended within the shadow of its beginning at Haverhill, Mass. The medical profession has lost one of its greatest members. Massachusetts has lost a native son who brought renown to our Commonwealth. The Nation has lost a citizen who accepted with enthusiasm the broader responsibilities of his profession. The world has lost a man who was unequaled in his services to mankind.

Mr. COLMER. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Speaker, I hope I will not take my 5 minutes, but I want the RECORD to show that I cannot go along with my good friend, the gentleman from Ohio, on many of the remarks he has made concerning this rule. The questions he raises, however, I think are more properly the subject of debate when we are in the Committee of the Whole. I assume that the rule will be adopted. The gentleman from Ohio very rightly says that there are three schools of thought on this bill. There is that school which supports this bill—the so-called private enterprise bill. There is the other school which is represented and led by the Governor of my State, unsupported, I might say, by all but 1 or 2 members of his delegation here in the Congress.

Mr. McGREGOR. Mr. Speaker, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. McGREGOR. Does the gentleman support the Governor of New York on this issue?

Mr. ROOSEVELT. No, I do not support him entirely, and I will explain that in just a moment. That position calls for State development, and then the sale of the power at the bus bar, which is at the plant, to the private utilities for distribution with no safeguards whatsoever. The third position is that held by the Senator from New York, my colleague, Mr. LEHMAN, and a number of my colleagues in the House and myself. We favor ultimate ownership of the power plant by the State of New York. We do not care whether the Corps of Engineers builds it or whether the New York State Power Authority builds it, and I would like to just say for the information of my friend, the gentleman from Ohio, the New York State Power Authority is not some agency which might come into existence—it has been in existence since 1931, and in fact was the first State power authority to be created in the 48 States. It is headed by a most able gentleman, a Mr. John Burton, at this time.

So far as the construction of the project, the governor's position and my position do not differ. I do not care whether the State builds it or whether the Federal Government builds it. Our position of difference is upon the question of distribution. I feel that the Congress since 1906, and certainly the intent of the New York State Power Act has been to set up what is sometimes wrongfully called a preference—it might better be called an equalization clause. That means simply that nonprofit, municipally-owned associations and rural cooperatives have the right to obtain this power with a preference. In other words, they can get it first.

The Governor does not go along on this preference clause. He thinks the private utilities should get it all at the bus bar. That is the basic difference between us. The basic issue here is whether we are going to turn over Niagara Falls which, under the laws of the State of New York, and under the platforms of both the Republican and Democratic Parties of the State of New York, and under the preachments of every Governor of the State of New York since Theodore Roosevelt, has been recognized as the property of the citizens of the State—the question is, Is this property to be taken away from us and turned over to the private utilities—a monopoly, and in this case a five-headed monster monopoly—and then the benefits sold back to the people who will pay the taxes you refer to? I am going to take up that question in general debate. The people will pay the interest rate on the bonds and the equity stock of the corporation. Or, are the people to develop this for their own benefit and at a cheaper cost? That is the basic issue.

I oppose the rule but I assume it will pass.

The SPEAKER. The time of the gentleman has expired.

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 additional minute to the gentleman from New York that I may ask him a question.

Did I understand the gentleman to say that he approved the rule or opposed the rule?

Mr. ROOSEVELT. I oppose the rule, but I accept its immediate passage.

Mr. BROWN of Ohio. I am not sure that I understand the gentleman.

Mr. ROOSEVELT. I will vote against the rule, but——

Mr. BROWN of Ohio. But the gentleman feels that the House is going to approve it?

Mr. ROOSEVELT. I am sure the House will approve it.

Mr. YATES. Mr. Speaker, will the gentleman yield so I may ask him a question?

Mr. McCORMACK. The gentleman means that if the rule is defeated the bill will not be considered.

Mr. ROOSEVELT. I yield to the gentleman from Illinois.

Mr. YATES. Is not this bill the same in principle as the bill under which the Congress during the 1920's proposed to grant to Henry Ford the power to develop Muscle Shoals? Is not this bill exactly comparable to the one defeated by Senator Norris which proposed a giveaway of the people's resources in the Tennessee River, and which would have prevented its development for the benefit of all the people through the Tennessee Valley Authority?

Mr. ROOSEVELT. I agree with the gentleman. And I am proud to associate myself with one of the greatest Republicans of all times, Senator George Norris, and two other great Republicans, Teddy Roosevelt and Gifford Pinchot.

Mr. NEAL. Mr. Speaker, had there been any doubt in my mind as to the economic justification for private industry's claim to the development of electric power on the Niagara River, that doubt would have been completely resolved by the evidence submitted during our recent committee hearings.

Let me call attention to some cold facts, most of which were clearly shown at these hearings. Private industry pioneered the hydroelectric power development at Niagara. It was made possible by the subscription of risk capital furnished by individuals and small groups of frugal, confident citizens. It was managed by courageous men of ingenious minds, ever ready to correct mistakes and adopt new and improved methods, the persistent trial and error overcoming difficulties one by one, so that at the expense of the original investors the pattern for the development and distribu-

tion by hydroelectric power was established on the banks of the Niagara.

During these years, profits derived from this venture, controlled as they were by the Public Service regulations, limited the returns to the stockholder to a minimum, regulating the rates to the consumer in line with the standards set by the regulatory powers. Yet, during the years it returned in taxes its proportionate share of moneys to support the State of New York. I need not repeat the figures revealed by former speakers this afternoon, suffice it to say, that normal obligations to labor, consumer, State and Nation, have been consistently maintained during the years required to develop this great pattern for industrial power.

Now again, as we experienced in the development of the Tennessee Valley there comes the question as to whether the State of New York or the United States Government is entitled to the privilege of usurping from the private capital heretofore credited with the creation of a well developed plan of productive activity, the rights, the privileges and the knowledge heretofore gained through this experiment, simply to convert one of America's greatest resources into a Government operation entirely under the control of a political bureaucracy.

It is estimated that this venture will approximate $400 million in cost. Private industry is ready to do the job with money subscribed by individuals who have faith in the ability of its leaders to show a profit and return dividends. At the average rate being paid by private utilities, the stockholders' return on this investment should be at least 5 to 6 percent. This alone will return to the stockholders more than $20 million annually, to the State of New York the personal property and other taxes which may be assessed against it, to the Government of the United States any excess profits tax, together with withholding workmen's compensation, social security and unemployment taxes and all that go with these. In addition to this, we must remember that the individuals will likewise pay taxes to the Federal Government on their dividends.

It is unthinkable, with all the power stations, distribution lines and connecting facilities now existing in the State of New York, working harmoniously under the combined resources of this power system, that it should have to compete with a government or state supported project which, in order to meet the demands necessary for adequate distribution, must either create additional transmission services or pay to the utilities the cost of using their facilities.

History has shown that no government operated facility of any sort has ever been able to compete in efficiency with one operated by private industry. History likewise shows that Government operation of whatever facility it has undertaken, has in almost every instance, in the final event, resulted in complete failure.

It is certainly plain to all of us that the difference in rates between power furnished by private industry and that of Government operated agencies, is clearly defined by the difference which exists by reason of the facts that private industry pays its share of the taxes and publicly created power does not. Since experience shows clearly that Government has never, and will not be able to operate with the same efficiency that is shown in the operation by private industry, all the arguments favoring the development of Niagara power through any governmental agency falls flat.

I shall support and vote for this measure.

Mr. COLMER. Mr. Speaker, I have no further requests for time.

Mr. BROWN of Ohio. Mr. Speaker, I have no further requests for time.

I move the previous question, Mr. Speaker.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. YATES. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 153, noes 28.

So the resolution was agreed to.

Mr. DONDERO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4351, with Mr. CURTIS of Nebraska in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Michigan [Mr. DONDERO] will be recognized for 1 hour and the gentleman from Maryland [Mr. FALLON] for 1 hour.

Mr. DONDERO. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. DONDERO. Mr. Chairman, this bill presents to the House one single issue: Whether we desire to have free enterprise continued in this particular area, or whether we want to have the Federal Government or the State of New York take its place. To give you briefly a little history of this project I may say that there have been three hearings which affect it: One is 1951 in the Senate of the United States; another in 1952 before the Committee on Public Works of the House of Representatives; and now a third hearing before the full Committee on Public Works of the House together with a subcommittee of the Committee on Public Works of the Senate. In other words this year we had a joint hearing of both bodies on this particular project. I also add at this juncture that had it not been for a reservation in the treaty entered into between the United States and Canada in 1950, undoubtedly this question would have gone to the Federal Power Commission. But the Senate in its wisdom attached a provision or reservation to the Treaty of 1950 which explicitly provides that no project shall be commenced or undertaken at Niagara Falls unless specifically authorized by the Congress of the United States. Undoubtedly the Senate had in mind that the Congress of the United States should keep its hand on a project of such importance as this one.

Under the treaty between the two countries, both countries get additional water, from Niagara River and share it equally. It also expressly provides, as already stated, that if either country proceeds with the development of its share of the power and proceeds first, then the country which proceeds first shall also have the privilege of using the water power of the other nation. Canada is already proceeding. We have not done anything. If she builds her power facilities on her side of the river and we do nothing, she would have the right to use that additional power allotted to the United States under the treaty. Therefore, time is of the essence, as explained by the gentleman from Ohio [Mr. BROWN] in his remarks.

A project plan has been filed and there is no dispute about it, everybody agrees, the Army Engineers, and the State of New York, the Federal Government and the private enterprise companies who seek a license to develop the power at Niagara. That project plan has this unique feature: It provides for a storage reservoir for water. The water will be taken out of the river at night, stored in this reservoir, and used during the day in order that the scenic beauty of the falls would in no way be affected.

In addition to that, for 55 years the Niagara Mohawk Co. has been developing power at Niagara Falls. It is the first company in the history of the world to establish and create a major hydroelectric power system. They are there now. This company is 1 of the 5 that offer to develop the power which can be developed by this extra water which we receive under the treaty. Not only are they in business there at Niagara Falls but they own the land on which the new development would be built and they own the transmission lines. They have been serving the people in the State of New York well. May I say that in the two hearings before the Committee on Public Works of the House never has there been filed or lodged a single complaint with the committee that the power companies involved in this bill have not served the people of the State of New York adequately and at reasonable rates. The people are satisfied. In fact, if you will look on page 56 of the hearings you will find that the power rates in the State of New York—I anticipate that those opposed to granting a license to the five power companies are going to say that the rates are too high—are several points below the national average.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. ROOSEVELT. I think the gentleman must be in error on that because my figures show that the 100-kilowatt-hour use, which is the average monthly use——

Mr. DONDERO. Will the gentleman from New York use some of his own time if he is going into the power rates? I simply point to the hearings to show where that testimony was offered.

Mr. ROOSEVELT. May I just say that the average national rate is $3.75 as against $4.25 for New York. We are 50 cents over the national average.

Mr. DONDERO. If the 5 companies are not granted a license to develop this power, and it goes either to the State of New York or the Federal Government, both agencies admitted to our committee that if they could not make a deal or a contract with the power companies now producing electric energy at Niagara Falls they would have to build parallel competing transmission lines. Both said they would try to make a contract with the power companies to transmit this power to the people of the State of New York. I point out that such failure would cost millions of dollars to be borne by the people—and all needless expense. Then we would have a situation where 14 percent of the power used in the State of New York would be public power, the other 86 percent would be private power. What a ridiculous situation that would be if such power was transmitted over the same powerlines. The cost of constructing transmission lines is about $60,000 per mile and for the construction of underground cable it is about $400,000 per mile.

The 5 companies involved in this proposal now own and operate about 11,000 miles of transmission lines, mostly in the State of New York, and have almost 1,000 miles of underground cable. They have assets of more than $2 billion and have a complete and interconnecting grid system and are furnishing to the people of the State of New York 90 percent of all the power and electric energy used in the Empire State.

Mr. SEELY-BROWN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Connecticut.

Mr. SEELY-BROWN. I hope that the gentleman, before he concludes his remarks, will answer a question which was raised in a telegram which I received from Mr. Theodore Braaten, the general manager, City of Norwich Department of Public Utilities, in which he urges me to vote against the Dondero bill because, as he says "It would completely foreclose municipal systems from obtaining any power from this project." I wonder if the gentleman would care to comment on that statement.

Mr. DONDERO. That statement is false. If this bill is adopted and becomes law, the five companies which will generate this additional power will furnish electric energy through their grid systems not only within the State of New York, but to their interconnecting companies outside of the State of New York, particularly in New England and Pennsylvania. In that way more power becomes available not only to municipalities, but everybody else. This bill contains no preference clause. It intends to serve all of the people and not just a few of the people or select classes. That is one of the differences we have on the floor today. That statement or telegram is entirely incorrect.

Mr. SEELY-BROWN. In other words, no municipal system is going to be denied the opportunity of getting power.

Mr. DONDERO. Not in the slightest.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Ohio.

Mr. McGREGOR. I might refer the gentleman to page 5, section 4 of the bill and I quote:

> Upon the complaint of any interested State, the Federal Power Commission shall have jurisdiction, after due notice to all interested States and to the licensee and opportunity for hearing, to require the licensee to enter into reasonable and practical arrangements whereby project power will be apportioned equitably among States within economic transmission distance.

Mr. DONDERO. I think that is a complete answer.

The purpose of H. R. 4351 is to authorize a redevelopment project for the Niagara River which will preserve the scenic beauty of Niagara Falls and assure the development of hydroelectric power by private enterprise under the conditions set forth in the bill. This bill is identical to H. R. 2289, introduced by Mr. MILLER of New York, and S. 689, introduced in the Senate by Senators MARTIN of Pennsylvania and CAPEHART of Indiana.

This measure authorizes and directs the Federal Power Commission, as soon as practicable, to issue a license for the redevelopment of the water power from the Niagara River to citizens of the United States, to any association of such citizens, or to any corporation organized under the laws of any State. This purpose is to be accomplished in accordance with the project plans outlined in the report of the Bureau of Power of the Federal Power Commission. The Commission shall have authority to require such modifications of the project, not inconsistent with this bill, as it may deem advisable in accordance with the provisions of the Federal Power Act, as amended. In issuing the license, the Federal Power Commission is directed to give preference to the applicant most able to commence actual construction of the project and put it into operation promptly.

In contracting for the disposition of project power, preference shall be given to directions from the Department of Defense for supplying power to governmental installations or to industries requiring power to produce materials essential to the national security.

The bill also provides that the licensee shall pay to the United States and include in its net investment in the project the United States share of the cost of the construction of the remedial works for preservation of scenic beauty to be undertaken in accordance with article II of the 1950 treaty whenever such works are constructed by the United States.

The rights of the people in nearby States who have long been interested in this source of power are protected under section 4. This provision gives the Federal Power Commission jurisdiction to require the companies to enter into reasonable and practical arrangements whereby power from the project will be apportioned equitably among States within economic transmission distance, provided project power is not needed by the Department of Defense for purposes of defense production.

Why is this matter before the Congress instead of before the Federal Power Commission? The answer is simple.

The United States ratified the Niagara River Treaty on August 9, 1950, and in its resolution of ratification provides this reservation:

> The United States on its part expressly reserves the right to provide by act of Congress for redevelopment, for the public use and benefit, of the United States share of the waters of the Niagara River made available by the provisions of the treaty, and no project for the redevelopment of the United States share of such waters shall be undertaken until it is specifically authorized by act of Congress.

The Senate resolution of ratification makes it clear that the Senate of the United States did not want the Federal Power Commission to have jurisdiction with respect to the license for the redevelopment of the Niagara River. This reservation explicitly denies any delegation of authority by the Congress to the Commission. H. R. 4351 conforms with the Senate resolution. Any proposal that Congress delegate its responsibility to the Federal Power Commission is repugnant to this provision. Only an amendment by two-thirds vote of the Senate to this treaty reservation could alter that fact.

This measure provides that the project be constructed by private enterprise. A representative of five companies now operating in the State of New York informed the Committee on Public Works that the group is now ready to start construction immediately and put the project into operation promptly. The Niagara Mohawk Power Corp., one of the companies, already owns all of the riparian lands and all of the rights-of-way required for the redevelopment, together with the acreage required to provide for the construction of the storage reservoir. Time is important, since Canada under the Treaty of 1950, may take all of the authorized additional water until such time as the United States is ready to claim its share. Moreover, testimony indicates that early operation will relieve an impending need for expanded power facilities in the area.

Does development by private enterprise infringe upon public interest? Certainly not.

The development plan will be the same whether the project is constructed by private enterprise, the Federal Government, or the Power Authority of the State of New York. However, there is this very significant difference—the expenditure of no Federal funds will be

required if the license is granted to private enterprise but the taxpayers of the Nation will be required to furnish nearly 400 millions of tax dollars for construction and an unspecified additional number of millions of dollars for the construction of transmission lines if the Federal Government undertakes the project; also the public must lose the collection of more than $23 million in taxes annually.

To resolve the problem of redevelopment of the Niagara River, several bills have been introduced and considered in this and in the previous Congress.

These bills may be classified as representing two philosophies of government. H. R. 4351 and H. R. 2289, introduced by Mr. MILLER of New York, provide for granting of a Power Commission license to construct and operate the project within the framework of the free-enterprise system of America.

A group of five utility companies—Niagara Mohawk Power Corp., New York Electric & Gas Corp., Rochester Gas & Electric Corp., Consolidated Edison Co. of New York, Inc., and Central Hudson Gas & Electric Corp.—seeks a license under this provision. These companies would act as one entity in constructing and operating the project. They informed the Committee on Public Works that they are ready, willing, and able to undertake the job promptly and to press it to completion at the earliest possible date.

One of the companies, the Niagara Mohawk Power Corp., now owns all of the riparian lands and all of the rights-of-way required for the redevelopment, together with the acreage required to provide for the construction of the storage reservoir. As a consequence, no time will be lost in the usually lengthy process of obtaining rights-of-way. The stability and service capacity of the associated utility companies is indicated by the fact that they now have more than 90 percent of the entire generating capacity in the State of New York and their total capitalization exceeds $2¼ billion.

The private enterprise way for Niagara River is provided here. The expenditure of any Federal funds is not involved. The taxation rights of the Federal Government and the State and local governments of New York are preserved. Under this bill the associated companies will pay $23 million annually in taxes. At the present time the Niagara Mohawk Co. pays to the State of New York an annual rental of $1.9 million for the use of Niagara River water. Under H. R. 4351 the annual water rental will amount to $5 million.

The other philosophy of development is that the Government, Federal and State, would construct and operate the project. Under this method the taxpayers would pay the cost estimated at $400 million.

Since the Nation is now staggering under a huge public debt and we have just concluded a fiscal year with a deficit of more than $9 billion, the Government does not appear to be in a position to safely add to its financial burdens by $400 million.

The private group not only will construct and pay for the power phase of the project but will reimburse the Federal Government for its entire cost of the remedial works.

This is a sound business proposition that will benefit all the people, taxpayers and consumers:

First. The Federal Government will not have to expend $400 million for construction and an unspecified additional number of millions of dollars for duplicating transmission lines.

Second. The Federal, State, and local governments will collect $23 million annually from the private companies.

Third. The State of New York will collect an annual water rental of $5 million.

Fourth. In 18 years the State of New York and the Federal Government will have collected in taxes an amount approximating the cost of the project.

Fifth. The scenic beauty of Niagara Falls will have been protected without cost to the United States.

Here we have an opportunity to protect and develop a great natural resource in the interests of the people without the expenditure of Federal funds. In my judgment it is just good commonsense to adopt H. R. 4351. It will be a step toward a balanced budget and a stronger national economy.

This is not just low-cost hydroelectric power for the State of New York. It means the addition of 8,600,000,000-kilowatt-hours to our national power production.

The affiliated utility companies offering to develop the Niagara power now have approximately 11,000 miles of overhead transmission lines and 950 miles of underground cable. Their systems are interconnected with the New England Power Co., the Connecticut Power Co., the Public Service Electric & Gas Co. of New Jersey, New Jersey Power & Light Co., the Northern Pennsylvania Power Co., the Pennsylvania Electric Co., and transmission systems in other States. Under existing private utility practices the transmission systems of all companies are interconnected so that dependable widespread service may be rendered throughout the country.

Construction cost of the initial development of the Niagara River project exclusive of interest, was estimated by field engineers as $268,470,000 at April 1951 construction cost levels. That estimate was based on using an open inland canal headrace. In House Report No. 713, there is a printer's error giving this figure as $26,470,000 instead of $268,470,000. It is estimated that the use of a tunnel instead of the open canal would increase the cost by approximately $69 million. It is also estimated that the control structure and remedial works will cost approximately $17,500,000. Adding 10 percent to the above estimates to cover the increase in construction costs since April 1951, the result is a current estimate between $390 million and $400 million for the redevelopment.

The five New York companies with capitalization in excess of two and a quarter billion dollars are well qualified to undertake a project of this character and they will be rendering a valuable public service in getting the project into operation without delay. It is important that we pass H. R. 4351 as soon as possible for every month of delay means a loss of nearly $2 million in taxes and a loss of 700 million kilowatt-hours of electrical energy vitally needed in the Northeastern States and our overall defense-production program. Furthermore, under the terms of the treaty of 1950, Canada may take all of the diverted water until such time as the United States is in a position to utilize its share.

This program is sound. It will greatly benefit the people of the United States. It should be adopted.

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Alabama [Mr. JONES].

Mr. JONES of Alabama. Mr. Chairman, the reason that this bill is brought before you today is because of a rider adopted in the Senate on the treaty of 1950. This treaty was a renegotiation of a treaty entered into between the United States and Canada in 1909. Today we are not dealing with an ordinary natural resource. We are dealing with the most valuable water resource, not only in the United States, but in the North American Continent, for at this power site there will be generated over 8 million kilowatt-hours annually. In other words, it will have an installed capacity of 1,600,000 kilowatts, almost one-half the amount of power generated by some 27 dams on the Tennessee River.

Now let us examine the situation and see what is unusual about this bill. In 1906, in the Roosevelt administration, there was passed the first Reclamation Act and it provided a preference clause in the development of our water resources to be sold to the municipalities and to cooperatives, so that the people could enjoy the benefits of their great national resources.

In 1933 we wrote the same preference clause in the Tennessee Valley Authority Act. We also wrote the same provisions into the Bonneville Act, into the Southwestern Power Administration Act, into the Southeastern Power Administration Act, and all the flood-control acts that have been passed by the Congress.

In 1920 we passed the Federal Power Act, giving the preference to whom? First, to the States. They, like all other applicants, could petition the Federal Power Commission to examine their petitions and see who was best able to serve the people in the area of the situs of the current.

What takes place if we enact the Dondero bill? It means that the Federal Power Commission cannot examine the applicants and dispose of them on their merits and adjudicate the virtues of all the applicants. In addition, we violate every historical principle that has been enunciated by this Congress and accepted throughout the country for the past half century. It would leave us in this sort of position. It would mean that the rest of the 47 States would continue to come to the Federal Power Commission, yet we would deny the right of the State of New York to petition along with other applicants to acquire this power. It would also destroy the safeguards for preferential customers.

Let us examine it a little further. The estimates of the survey made in 1949 by the Federal Power Commission were that

the cost of generating power through a public institution would be 2.08 mills per kilowatt-hour. By private development it would be 5.7 mills. The testimony before the committee by the officials of the Mohawk-Niagara group was that it would be 6 mills.

You will deny the people of New York $32 million annually in savings on their electric bill if you reject this proposal. Can you imagine the difference of 4 mills on 8 million kilowatt-hours of electricity to be utilized in an area that is in distress as far as energy is concerned?

I have heard here the pleas of those who said, "Let's let the States do it." Yet the first opportunity we have to turn to State rights and give full recognition to that principle meets with strong opposition. It means that the valuable properties there belonging to the people of this Republic will be turned over to a few to profiteer.

I have heard complaints time and time again that "We in New England are having all of our industries stolen away from us because we do not have cheap power." I will help you get cheap power because we need cheap power in New England to keep that great section of this country economically well and sound. I assure you that this bill as presently drawn is the most iniquitous proposal I have ever seen since I have served here. We must not turn our backs upon the opportunity to produce hydroelectric power at a cheap rate. If we vote down this bill, there is but one thing needed and that is to strike out the rider placed on the treaty enactment of 1950. Then each party, the State of New York, the Mohawk group, can petition the Federal Power Commission and that Commission can ascertain exactly the merits of each.

In a letter transmitted to the chairman of the Public Works Committee of the other body, a copy of which letter was sent to the gentleman from Michigan [Mr. DONDERO], chairman of the House Committee on Public Works, the Assistant Director of the Budget asked that no legislation be passed, and that the Federal Power Commisison be given an opportunity to examine this case as it does all others. In spite of the pleas of the administration, and in spite of the pleas of those who objected to this on the ground of the principles involved, this bill has been reported out. It must be rejected if we are going to be constant in our policy of disposition and utilization of valuable, national assets.

In a study carried out by the Federal Power Commisison in 1949, these are the figures which they compiled in evaluating these water rights on the Niagara. It was estimated that the cost per kilowatt for public construction and use of these waters was 2 and 8/100 mills, as compared with 5 and 57/100 mills for private financing. This great disparity and difference shown in these calculations, dictate that we abandon the policy of trying to write this type of legislation which violates all the legislation on the subject that we have on the statute books at the present time. Let us abandon this attempt now, and reject this bill and brand it for what it is.

The committee by a vote of 14 to 7 voted to report this bill out. Yet, there were 12 Members who signed this minority report. I invite you to read that report, because we believe that the pertinent facts attending the consideration of this matter are worthy of your attention.

The CHAIRMAN. The time of the gentleman has expired.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. MCGREGOR].

Mr. McGREGOR. Mr. Chairman, I concur in the statement made by the distinguished chairman of the committee. In my opinion, the issues are clearly defined in this particular legislation. You are going to be given an opportunity to vote on whether or not you believe in private enterprise or bureaucratic control. I would like to discuss for a few minutes some of the statements made by my distinguished friend, and I recognize that some of those who are in opposition to this particular legislation have always been opposed, if you please, to private power in any manner, shape, or form—and you can check the record for that statement. The statement was made by my distinguished friend the gentleman from Alabama [Mr. JONES], who is a very capable Member of the Congress, that the people would have no rights if this legislation were passed. May I refer you to page 3 of the bill, line 18, section 2, and I quote:

> The Federal Power Commission is hereby authorized and directed to issue, as soon as practicable, to citizens of the United States, or to any association of such citizens, or to any corporation organized under the laws of any State, a license for the purpose of prosecuting works of improvement for redevelopment of the Niagara River.

That does not bar anyone, Mr. Chairman, from petitioning the Commission in order to develop power and it assures them of every consideration.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield to my chairman.

Mr. DONDERO. The reason the five companies have been named, their representative came before our committee, and they were the only ones who told us they were ready, able, and willing to proceed with the construction of this development if a license was granted to them.

Mr. McGREGOR. That is correct, and those companies, if you please, have been in operation in that very area for over a period of 60 years. Today those very companies, private enterprise if you please, are paying in excess of $170 million per year in local, State, and Federal taxes. Should this legislation be passed, which would give that group an opportunity to advance, because they are there, they would increase that $170 million annual taxes to $190 million or possibly $200 million.

Some say it is preferential treatment. May I explain to you why if such might be the case. On page 4, line 9 of the bill, it reads:

> In issuing a license under this act, the Commission shall give preference to the applicant most able to commence actual construction of and to put the project into operation promptly.

That is possibly the recognition of those five companies—who certainly are able and willing to develop this project—and can do so at a very early date.

The distinguished gentleman from Alabama [Mr. JONES] referred to the treaty of 1950. May I read you from that treaty? The gentleman quoted only a portion of it, if I may be so bold as to call it to your attention. I quote:

> The United States on its part expressly reserves the right to provide by act of Congress for redevelopment, for the public use, and benefit, of the United States' share of the waters of the Niagara River made available by the provisions of the treaty, and no project for redevelopment of the United States' share of such waters shall be undertaken until it is specifically authorized by act of Congress.

It has been said and will continue to be said by those who oppose private enterprise that we should strike out that particular section of the act relating to Congress retaining its power, so that the power authority of the United States would have authority to determine who is going to produce power on the Niagara River.

Mr. Chairman, at the last election, the people spoke in both political parties, in the Democratic Party as well as the Republican Party, that they wanted the rights of Congress preserved. They wanted us to continue the authority that has been vested in us by the Constitution. For that reason I certainly disagree with the opponents of this particular legislation, when they are asking us to strike out that provision which retains the rights of Congress and turn it back to the Federal Power Commission. That is the authority of this Government, if you please, and of this Congress; and let us keep it there.

As I said before, the issues are clear. You will hear shortly that the natural resources should be for the entire people of the United States. Absolutely, they should be. But does that mean that the natural resources are going to be controlled by either a State or the Federal Government? The Niagara River is a natural resource but certainly private enterprise has a right to develop those natural resources. They are not a State subsidy. If such were the case, how about the farmers back in my good State of Ohio. Their soil is a natural resource. Does that mean that the Federal Government or the State of Ohio is going to come in and develop and operate that particular farm? Of course not, Mr. Chairman; it is a right of private initiative and the right of that farmer to operate his farm and take advantage of natural resources.

Mr. DONDERO. Mr. Chairman, I do not want to interrupt the gentleman, but the Hudson River is also a national resource. However, does it follow that the boats, the barges, the ships, and the yachts that travel on that river have got to be owned by the Government?

Mr. McGREGOR. It certainly does not. My good friend, the gentleman from Washington [Mr. MACK] told us sometime ago about the salmon trade, in or near his fine district. That salmon comes from a natural resource, if you please, but I am certain that in his logic he would be the last man to main-

tain that those seamen, those ship operators should come under the jurisdiction of the State of Washington or the Federal Government.

Now I would like to clear up this situation relative to cost; and I refer you to page 55 of the hearings. My friend from New York said my chairman was in error in his statement relative to rates. All we have to go on is the testimony submitted to our committee, and on page 56, if you please, appear these statements:

The average cost per kilowatt-hour for farm service in our territories in 1952 was 2.36 cents per kilowatt-hour as compared with the national average paid by farm customers of over 3 cents.

For residential and farm customers combined, the average use by customers of the 4 upstate companies in 1952 was 2,279 kilowatt-hours as compared with the national average of 2,175 kilowatt-hours.

The cost for residential and farm service combined in 1952 in the upstate area of the 4 companies was 2.71 cents per kilowatt-hour as compared to the national average of 2.77 cents.

May I reiterate, the cost per kilowatt-hour is not an issue here because the great State of New York like every other State has a power commission and they will determine the price per kilowatt-hour regardless of who constructs it, whether it be private industry, the State of New York, or the Federal Government. But let us remember that the strength of this Nation is not dependent entirely upon aircraft and battleships; it is dependent upon our financial status as well. Here you have private enterprise paying $170 million per year in taxes. We need those taxes, Mr. Chairman, we need them more now than possibly ever before. We certainly are not going to throw money away and allow the State or Federal Government to build this project and throw away $192 million taxes per year. That is the problem with which you are faced.

We are a great Nation, Mr. Chairman, but we became a great Nation because we recognize the rights of the individual over State and local control.

Mr. JONAS of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. JONAS of North Carolina. Does not the bill provide that within a certain period of time any agency of the United States Government created for that purpose, or any agency created by the State of New York for that purpose, may take over this project?

Mr. McGREGOR. That is absolutely correct, in the year 1971—and I refer you to page 4, line 18. But to be perfectly honest I do not like that paragraph. I think that paragraph should be removed from the bill, because if private capital builds and establishes this project let us not have the sword of the Government control hanging over it all the time. I will vote to take the paragraph from the bill if given the opportunity.

Again, Mr. Chairman, if I may be pardoned for repeating, the issues are clearly defined. We have our choice between two ideas of government. The legislation before us, H. R. 4351, gives each and every Member of Congress the opportunity to tell his people whether he believes in private industry and private capital which, to my mind, has made our Nation great, or believes in Government operation and socialism. I have always taken the position that I would favor that which I thought would do the most people the most good and, in my opinion, H. R. 4351 will qualify under that rule.

There are only three things involved in this legislation: No. 1, to preserve the scenic beauty of Niagara Falls and its environment; No. 2, to further the national security; and No. 3, to assure the development of low-cost electric power by private enterprise. Questions 1 and 2, as far as I can determine, are not controversial. The scenic beauty must be maintained and greater power must be developed for the strength of our country. Mr. Chairman, the strength of our country is not entirely dependent upon the number of airplanes, guns, battleships, and armament that we have. It is dependent upon the economic and financial status of our country as well. Our Treasury is $267 billions in debt and many are fearful that it might be more unless we make arrangements for additional taxes. This legislation will bring to our Government, if it is put on our statute books, additional taxes because private enterprise and private industry will be taxed and I am reliably informed this project, if private capital builds it, will bring in in excess of $20 million a year in taxes alone. The power companies operating this now pay approximately $170 million in taxes, Federal, State, and local.

If the Government or the State of New York is allowed to build this project the Federal Government will get no taxes and the private industry that is now established and producing power and has been for many years, will practically be driven out of business because all of us know that private industry, where they have to pay taxes, cannot compete with Government ownership with no taxes. Do we want to lose the $170 million of taxes now being paid plus $20 million more? Can we afford to throw that money away? Many of us have favored public power when it was proven beyond a question of doubt that private enterprise could not establish a project that would give to the people that which they so badly needed. In this area, Mr. Chairman, private industry developed in the locality nearly 60 years ago a power project and this legislation simply would allow private industry to expand that project. A great deal has been said relative to the reservation to the treaty of 1950 and may I quote a part of this treaty, Mr. Chairman:

The United States on its part expressly reserves the right to provide by act of Congress for redevelopment, for the public use, and benefit, of the United States share of the waters of the Niagara River made available by the provisions of the treaty, and no project for redevelopment of the United States share of such waters shall be undertaken until it is specifically authorized by act of Congress.

The Senate, in its wisdom, made the reservation that Congress would retain its rights and prerogatives and would not yield those rights to the Federal Power Commission or to any other bureau. The people, some months ago, spoke in loud terms, on both political tickets, that they wanted Congress to maintain its authority and not relinquish it to any bureau or commission. The people do not want socialism or Government control. They want to give private capital, private industry, and individuals the opportunity to survive.

The question has been raised, Mr. Chairman, that this legislation gives preferential treatment to five companies and no one else would be considered as eligible for the development of this project. May I quote from page 3, line 18, section 2 of the bill:

The Federal Power Commission is hereby authorized and directed to issue, as soon as practicable, to citizens of the United States, or to any association of such citizens, or to any corporation organized under the laws of any State, a license for the purpose of prosecuting works of improvement for redevelopment of the Niagara River in substantial accordance with the project plans outlined in the Report of the Bureau of Power of the Federal Power Commission dated September 28, 1949.

This clearly demonstrates that no one is barred, Mr. Chairman, from receiving this license if they can qualify under this legislation.

May I also quote from page 4, line 9:

In issuing a license under this act, the Commission shall give preference to the applicant most able to commence actual construction of and to put the project into operation promptly.

Probably this clause has led some to believe that it is preferential legislation but, let us be fair, five of the biggest companies in the world are willing to expand a project that is now in existence at a cost of $400 million without a single penny cost to the taxpayers of these United States. Why should they not be given the opportunity to do so when we recognize that we must have the power, and we recognize that we must have the money paid in the form of taxes that these organizations will pay.

The question of rates has been raised. This question is simply to draw a cloud over the issue, because, Mr. Chairman, regardless of who builds the project, the Federal Government, the State of New York or private industry, the Power Commission of the State of New York will establish the rates. There will be no difference in rates but there will be hundreds of millions of dollars difference in taxes collected. Because if private industry does not build it there will be no Federal taxes, no State taxes, and only token local taxes.

Mr. Chairman, the argument has been set up that the State of New York should develop this power. The proposal that private industry construct and operate this project has been endorsed by the New York State Grange. It has been supported by the New York State Farm Bureau Federation and endorsed by more than 30 labor organizations including the International Brotherhood of Electrical Workers, the New York State Association of Electrical Workers and the Union of Utility Workers, all three of which have had special experience with electrical industry.

A State getting into the power business is something new and there is not

a State in these United States that operates a power project as such. There is no flood control or anything else connected with this project except power. It was shown in the testimony that the Power Authority of New York has no experience whatsoever in such a project as contemplated and certainly, Mr. Chairman, when power is so badly needed in that area it is no time for experimentation and establishing new commissions with additional authority. Private capital is willing and ready to put up their own money to develop this needed power and I say to you, let us give them an opportunity and pass this legislation today. If this bill is defeated and public enterprise triumphs in the waters of Niagara, there is no reason why it would not dominate and operate our natural resources everywhere. The soil on our farms is natural resources. Should we allow the government to operate our farms? Let us take a firm stand here today and protect our future against government control and socialism—pass this bill by an overwhelming vote—tell the people that the Congress still believes in the right of private enterprise.

Mr. FALLON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I have been interested in this project almost ever since I can remember, and I have heard over this period of years a great deal of conflicting information. So my purpose this afternoon is to analyze for you the provisions of this bill, the history of this legislation with facts and not with fancy.

First, I want to remind you that Niagara Falls belongs to the people of the State of New York and the people of the Nation. This has been the position taken by every Governor, Republican and Democrat, since 1900. It has been the position of the platforms of both parties in our State since 1900. It is written into our State law, and I quote to you as follows:

> Those parts of the Niagara and St. Lawrence Rivers within the boundaries of the State of New York are hereby declared to be natural resources of the State for the use and development of commerce and navigation in the interest of the people of this State and the United States. In order to provide for the most beneficial use of these natural resources, for the creation and development of hydroelectric power in the interest of the people in this State, * * * such natural resources, * * * waters, power, and power sites * * * owned or controlled by the people of the State, or which may be hereafter recovered by or come within their ownership, possession, and control, shall always remain inalienable to and ownership, possession, and control thereof shall always be vested in, the people of the State. (New York State Laws of 1951, ch. 146, sec. 1.)

Because of that statute I want to point out in passing that there is serious doubt as to the constitutionality of this private utility grab bill. If it is passed by the Congress and signed by the President, undoubtedly there will be a long drawn out battle in the courts over its constitutionality.

Second, I point out that those of you who support this bill on my left are flying in the face once again of the man who won an overwhelming personal, and some hoped a party, victory last November. His position as reported to your committee, Mr. Chairman, is that he feels the problems involved are so intricate that they should be settled only after thorough analysis by the Federal Power Commission.

That has been the history of the congressional position since 1920. Instead of that the Congress is taking unto itself the right to brush aside the State of New York and this long established congressional precedent.

Mr. Chairman, let us look at the 3 proposals as I analyzed them before. All 3 proposals aim to build this project under the same specifications. So there is no question what the project will look like when it is finished. It will be the same under all 3 proposals. Whether the State builds it, with my preference or without it, or whether the private utilities build it, the same amount of hydroelectric energy is going to be produced. There is agreement on that.

A question has been raised as to the cost of building this project. It will cost about $400 million. A great to do is raised over the fact that these 5 private utility companies, this monopoly, will use their own funds, instead of the taxpayers' money. Mr. Chairman, they will go to the free bond market in New York City just as will the State Power Authority go to the free bond market. Under the Lehman-Roosevelt bill we are perfectly willing to have this financed by a bond issue sold in the free bond market as Senator Lehman has testified. So there is going to be no taxpayers' money used in the construction of this project. It is going to be done with self-liquidating bonds no matter whose proposal you take.

Let us look for a moment at this question of free enterprise. Do not be misguided, Mr. Chairman. What we are doing here is to give this 5-headed monster a property that belongs to the people of New York not for the people's benefit but for the private utilities benefit. This means no competition. This country has been built on the free enterprise system, and I would be the last to deny that the hope in the future of our country is the continuance of the free enterprise system, but it is a free enterprise system based on the concept of competition, not of monopoly. There is a big difference, and under my bill you will have competition just as you have it down in the Tennessee Valley, just as you have it up in the Northwest, just as you have it in the Southwest, and that competition is what brought the rates down, and that is what is referred to as the preference clause. Competition has resulted in more cheap power for the consumer and continuing profits for both private enterprise and the publicly developed natural resources.

So, my friends, do not be misguided by this private enterprise flag-waving that is going on over here on the Republican side. What they want is private monopoly to have the complete benefit of the natural resources owned by the people.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As a matter of fact, the very provisions of the bill itself destroy the argument made by the Chairman of the Committee when he said the issue was private enterprise, because the bill says that on March 2, 1971, the Federal Government or the State government can buy it.

Mr. ROOSEVELT. That is correct.

Mr. McCORMACK. There is a contradiction there.

Mr. ROOSEVELT. That mumbo-jumbo, I will say to the gentleman from Massachusetts, was put in as a rather hopeful sop to some of us who believe in free, private enterprise, based on competition.

Mr. McGREGOR. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Ohio.

Mr. McGREGOR. Would the gentleman vote to take it out?

Mr. ROOSEVELT. I will not vote for this bill; I do not care what you do to it. I am against the grab. I am for competition. I am for more power for more people at cheaper rates.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from California.

Mr. JOHNSON. On page 4 of the bill there is a provision that says:

> In issuing a license under this act, the Commission shall give preference to the applicant most able to commence actual construction of and to put the project into operation promptly.

Does that mean if these five companies get a license, that that will foreclose anybody else, including the State of New York?

Mr. ROOSEVELT. If you read that in connection with the paragraph on page 2 at the bottom, everybody is precluded from getting a license under this bill except these five companies. There are three sections of the bill which you have to read together. They put in some mumbo-jumbo about citizens associations, and corporations, and so forth, but if you read these three together—and I am not the greatest lawyer in the world, but I am a good enough lawyer to realize that this, without actually naming these companies, is an absolute give away to these five companies.

Mr. JOHNSON. In other words, if they get the license, that ends it; nobody else can get in?

Mr. ROOSEVELT. Everybody is out, at least until 1971, and by that time, the good Lord knows what will have happened. The people of New York will have paid $32 million more for their power each year until 1971.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. Nobody contends there is any likelihood of anybody getting a license except the five companies.

Mr. ROOSEVELT. No; nobody contends otherwise.

Mr. McCORMACK. What does this language mean "project power will be

apportioned equitably among States within economic transmission distance"?

Mr. ROOSEVELT. There is some debate as to what the economic transmission distance is. Some people say it is 100 miles, some say 150 miles, some say it is further than that, if you have a grid system. I have not the time to explain that. The answer is that the adjacent States of Pennsylvania, Massachusetts, and Connecticut are in——

Mr. McCORMACK. Not all of the States. It would never hit Boston, for example.

Mr. ROOSEVELT. It is very doubtful that it would hit Boston and it is very doubtful that it would hit most of Connecticut.

Mr. DONDERO. Mr. Chairman, if the gentleman will yield, may I suggest that if Federal power is granted, or State power, Boston would not get any more power than it would get under the free enterprise system.

Mr. ROOSEVELT. That is correct, but this was in particular reference to this transmission distance.

So the cost of developing this project is not going to come out of any taxpayers' money, it is going to come out of a bond issue no matter who builds it.

Let me go into this rate question for a minute. My friend the gentleman from Ohio [Mr. McGregor] quoted from whose testimony when he talked about these cheap rates that Niagara-Mohawk is giving us in New York State? He quoted from the president of Niagara-Mohawk. I have here the analysis by the Federal Power Commission of the rates of all the States. It is very interesting. Here is a little comparison, and perhaps this one simple figure may influence my good Republican Governor, Mr. Dewey. He has a farm in Dutchess County and I have a farm in Dutchess County. Instead of paying the $3 rate the gentleman quotes which Mr. Machold told him about, Mr. Dewey and I have to pay $5.71 for 100 kilowatt-hours. That gets pretty expensive if you are in the agricultural business. And here is how it compares to the New York State average; and I might say we are very unhappy about this average, because we are almost the highest State in the Union in our average electric rate. Our average is $4.23 for 100 kilowatt-hours around the State. That compares with the national average of $3.75, which, in turn, compares with a rate in the Tennessee Valley, where there is competition, of $2.50. All of the rates are per 100 kilowatt-hours. So we in New York have to pay almost twice as much as our friends in Tennessee. Rhode Island has to pay twice. Massachusetts pays even more. New Hampshire pays more yet, and Vermont pays more. Maine pays $4.72 against Tennessee's $2.50.

You fellows from New England have been screaming about the plight of industry. One of the reasons is that you have to pay too much money for your power. If you want to vote for this bill you are going to continue these high rates because Mr. Machold, and I quote him against himself, admits that under private-utility development this power will be sold at the bus bar at 6 mills, as against 2.3 mills if State-developed or even federally developed. More than double, mind you, if the private utilities should get their hands on this people's resource, than if developed otherwise.

Mr. BENDER. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the gentleman from Ohio.

Mr. BENDER. I call the attention of my good friend to the fact that my own State of Ohio has contributed substantially to the building of the Tennessee Valley Authority and establishing——

Mr. ROOSEVELT. I cannot yield for a speech, only a quick question, five words in a question, and that is all.

Mr. BENDER. I am sorry I cannot accommodate the gentleman.

Mr. ROOSEVELT. Then I am sorry, I cannot yield further.

I now refer to a letter I wrote to the chairman of the committee with regard to these rates. He thought, during the hearings, that these five companies had been so good to the consumers of New York State that they had not increased their rates for a long, long time. I wrote him on June 11, after considerable research, because the five companies are not very happy about giving out their increases in rates, and pointed out to him that in 1951 and 1952 each of these five companies received rates which increased their gross revenues. In the case of one company it was $1,686,000, in the case of Niagara Mohawk $2,767,000, and the case of the Rochester Gas & Electric, $1,180,000.

Following is my letter to Chairman Dondero:

JUNE 11, 1953.

Hon. George A. Dondero,
Chairman, Committee on Public Works, House of Representatives.

Dear Mr. Chairman: At the time I testified with respect to the various proposals to develop the hydroelectric potential at Niagara Falls on May 15 I promised the committee that I would submit figures to substantiate my contention that everyone of the five big electric utility companies in the State of New York has demanded and received permission to increase their rates during the last 2 years.

This data was somewhat difficult to obtain and I, therefore, apologize for the delay. The statistics, however, do bear out my conclusion.

In 1951, Central Hudson Gas & Electric Corp. was granted a rate increase amounting to $1,686,000 in gross revenue. In the same year, Niagara-Mohawk Power Corp. received a rate increase amounting to $2,767,500 in gross recenues and Rochester Gas & Electric Corp. was allowed an increase in gross revenue of $1,180,000.

In 1952, Consolidated Edison received a net increase of rates which were calculated to produce $7,194,300 additional revenue, New York State Electric & Gas Corp. received an increase producing $2,427,800, Rochester Gas & Electric Corp. $1,337,000, and Niagara-Mohawk Power Corp. $615,800.

I trust this information will be helpful to you and the committee.

Sincerely yours,

Franklin D. Roosevelt, Jr.

The adoption of one of the alternative proposals to this private utility grab will not put the utility companies out of business.

The public construction of the Niagara project, and for that matter of the St. Lawrence project, will not put the private utility companies in that area out of business. The Niagara and the St. Lawrence alone cannot serve the power demand of the region. Additional power facilities are and will continue to be necessary. The Niagara redevelopment, resulting in a net maximum increase of 1,330,000 kilowatts of hydroelectric capacity plus the St. Lawrence project with a maximum 940,000 kilowatts of installed capacity, will not begin to meet the estimated additional capacity needed for the New York, New England, Pennsylvania and Ohio area. St. Lawrence and Niagara would total just slightly over 2 million kilowatts of additional capacity from which, if construction were started today, there would be no power generated for several years. This compares with an estimated increase of required capacity in that area of 6 million kilowatts by 1960. Obviously, and as I have already stated, there must be a further substantial expansion of privately owned steam power capacity. This will enable the private utility companies in the area to expand rather than require them to contract. It has been this Nation's experience that where private companies operate in competition with public power sold with a marketing preference for public agencies and cooperatives, steam power rates tend to go down also. There is no evidence that such a reduction of rates would in any way injure the five major private power companies now operating in the State of New York. The President's Water Resources Policy Commission in its 1950 report analyzed the financial record of power companies which are predominant in the area served by public power projects granting preference to municipalities and cooperatives. This report reveals that throughout the period from 1937 to 1950 these companies have consistently enjoyed satisfactory earnings and profits. Their annual rates of return have in general been above the level which regulatory commissions have considered fair and reasonable, and they compare favorably with the average for the United States as a whole. It is almost axiomatic in the utility industry, that a low-rate, load-building policy results in more stable profits for the private utility industry itself as well as for the important industries which supply electrical machinery and appliances.

The question of the preference clause and its effect in and its importance to the State of New York is very clearly set forth in the following letter which I received from Mr. Lawrence Potamkin, counsel to the National Rural Electrification Cooperatives Association:

JUNE 10, 1953.

Hon. Franklin D. Roosevelt, Jr.,
House Office Building,
Washington, D. C.

Dear Congressman: As you requested, I am submitting a brief analysis of the essential points involved in the consideration of the preference provisions of Federal power legislation. Although on particular points I relate my discussion to the situation in New York State, all of the principles and arguments involved have general application.

Before discussing questions specifically relating to the power issue, I should like to mention certain matters pertaining to the handling—and mishandling—of material on this subject.

I believe that there is a general failure to adjust the material to the type of audience that will see or hear it. I know that I myself have frequently been asked questions which clearly demonstrated that I had not handled my material properly for the type of audience involved. The best article can do more harm than good if it is presented to the wrong audience. For example, the clearest presentation of the present attack on the preference provisions, if presented to an audience that does not understand their purpose or effect, would probably produce a reaction against those provisions. For such an audience, the need is education on the preference provisions before the information about the attack.

Another error we tend to make is to assume that our audience already understands certain fundamentals. Too often I have encountered questions on the very matters that I had assumed as the basis of an article. I, therefore, feel that in dealing with the power problem it would be wise to start from scratch and assume no knowledge on the part of the audience—except, of course, in cases of specialized types of audiences. Also—and this I am especially concerned with—we do not always define our problem clearly, with the result that before long our discussion becomes entangled in what are really separate questions. For example, I believe that the principle governing the perference provisions has no relationship to the question of transmission. The problem of transmission is a later and separate problem to be discussed in connection with what is to be done to make the preference effective—but it is not related to the question of whether the peoples' distributing agencies are entitled to preference. Yet I have almost never heard any discussion on the principle of the preference provisions that did not get entangled with discussions of transmission, so that the question of the principle involved became lost in the shuffle. I shall attempt to discuss briefly some of the major questions, and to demonstrate their separateness as well as their interrelation.

THE UNDERLYING PRINCIPLES OF THE PREFERENCE PROVISIONS

As a matter of theory and principle the people, in their capacities of rural and domestic consumers, are entitled to the right of first purchase or availability of the power marketed by a public agency. I do not want to repeat here all that I have said on this point in my articles in Rural Electrification Magazine. I feel that the position espoused in those articles is definitely correct and to deny that position is to deny a fundamental concept of our form of Government, namely, that the people are the actual owners of the natural resources.

However, certain questions have been raised which I should like to discuss. The question still comes back as to the domestic and rural consumers served by commercial power companies, in the form of "aren't they also owners of the public project?" And "should they not, therefore, be entitled to benefits from that project, the same as domestic and rural consumers served by their own instrumentalities?"

Certainly all domestic and rural consumers share in the ownership of the public projects—but it does not follow that they, therefore, in whatever way they choose or is necessary, have the same rights of use of the power. Wherever we turn we find illustrations where some citizens cannot take full advantage of their rights of citizenship. In those cases those that can take advantage of their rights are, of course, permitted to do so. The fact that other citizens are not in a position to do it is no reason whatsoever for denying the rights of citizenship to those who are in a position to use them.

Let us consider again the situation where the Government decides to make public lands available for settlement. Obviously, there will be many citizens who would like to take advantage of the offer but who, for one reason or another, cannot do so. For example, they may lack even the money necessary to move to the new locality. And they may lack the know-how, the strength, etc., to clear the land and construct buildings. Suppose a land-development company were to say to the Government that if the Government would convey part of the land to it, it would develop that land, build homes and then sell or rent the properties and the land to the people. Suppose also that the only way that the Government could convey land to such a company would be by denying the applications of people who were ready, able, and willing to take title directly and develop the land themselves. Obviously, in such a case it would be very wrong for the Government to deny individual applications in order to take care of the request of the land-development company.

Now to the extent that there may be land left after the individual applications have been taken care of it would be proper for the Government to deal with the land-development company. And that is precisely the situation with the power generated at a public installation: After the peoples' instrumentalities have been taken care of the remaining power is sold to commercial power companies.

In other words, if your primary benefit is declared to be for the domestic and rural consumers, then the domestic and rural consumer who is in a position to take the power directly, through his own instrumentality, must be given the first call on the power. His is the clear-cut case where the only benefit is for himself. When, however, a commercial power company becomes involved, the first and direct benefit is to the power company itself or, if you will, to the investors in the power company. Or, if you choose, it is a joint benefit for both the power company and its consumers. But it definitely is not solely—or even primarily—for the benefit of the domestic and rural consumer.

The fact that a commercial power company will in turn sell and deliver the power to domestic and rural consumers is quite beside the point. If that is the approach to be taken, namely, that eventually domestic and rural consumers will get some benefit because the power companies will resell the power to them, and, if the power companies' cost of power is low, they can charge low retail rates—if that line of reasoning is to be followed, then why not argue that the same thing would be true if the power were turned over to industry? After all, the cost of power is an element in the cost of manufacture of any product and, if the cost of power is reduced, the price of the article can be reduced and, therefore, the individual citizen will benefit. It must be remembered that we are at all times considering the benefit to the rural and domestic consumer as such a consumer—we are thinking of the citizen in a particular situation and capacity. And as long as we do that we must follow through logically from that beginning. Therefore, to the extent that there are citizens who can derive the direct and sole benefit of this Government power they must be taken care of before any other group who will use the power for their own benefit, even though in so doing they may also benefit the domestic and rural consumer.

What I am trying to do at this point is to limit consideration of the problem to that of the principle involved. I do not say that other considerations are unimportant or irrelevant. Far from that, I am only too ready to admit that matters of principle can be carried too far and that at all times the overall problems and result must be considered. I intend to discuss the other problems, but it must be kept in mind that the other problems really concern the question of whether or not there is any compelling reason to limit a fundamental principle of our form of government. In other words, I feel that as a matter of principle the Federal preference provisions are correct. The question of whether or not they are also desirable is to be discussed separately.

THE PRACTICAL IMPORTANCE OF THE PREFERENCE PROVISIONS

One of the questions involved in the matter of the desirability of the Federal preference provisions, as distinguished from their correctness as a matter of principle, is whether those provisions are fair to the consumers served by commercial power companies. First, we must be reminded that as a matter of principle there is no question involved here of discrimination against power companies' consumers. As already pointed out, once you establish the right of the people to a certain priority, the fact that some of the people will not be in a position to take advantage of that right does not constitute discrimination against them. Instead, to deny the exercise of that right to those in a position to use it, merely because others are not in a position to use it, would be a very real discrimination against the former group. Thus, as a matter of principle, no discrimination is involved in the application of the Federal preference provisions, but the failure to apply them would operate as a very real discrimination against the consumer groups who would otherwise be able to exercise those rights.

Now, as a practical matter, experience has shown that in the operation of public power projects under the preference marketing provisions the consumers of the commercial power companies have benefited very substantially. The bulk of the power still goes to the commercial power companies because the so-called preference customers have been able to take only the smaller part of the power. In addition, practically all of the cheap power goes to the commercial power companies. In explanation of this: in almost all hydrogenerating projects there are at least two kinds of power: namely, firm and secondary. The firm power is the power that will always be available despite fluctuations in the water supply. The secondary power is the power that is available only when additional water is available for generation and, therefore, cannot be counted upon at all times. The firm power is sold at a higher rate because its availability can be guaranteed. As a general rule the so-called preference customers can buy only firm power. They have either very little generation of their own or no generation and, therefore, they must rely upon the public installation entirely. They cannot take any chances on not having the power needed by their consumers so they must contract only for the firm power.

The commercial power companies, however, with their own generating facilities are usually in a position to use the secondary power. For example, the secondary power is often so cheap that its cost is less than the actual fuel costs of the steam plants. Therefore, a commercial power company could shut down its steam plant when secondary power is available from the hydroproject and save money by buying the secondary power at a cost less than that of the coal needed to fire its boilers. Thus, as a practical matter, the commercial power companies, even under the Federal preference provisions, not only get substantial blocks of firm power from the public installations, but they also get huge amounts of secondary power at even cheaper costs.

The question, therefore, as a practical matter, is not whether the so-called preference customers should get all of the power from a public hydroinstallation, but merely whether they should get what they need when the result will be that the commercial power companies will still get the lion's share.

Now, if we were to allocate the hydropower on a pro rata basis to all the distributing agencies what would happen would be that the so-called preference customers would get only a fraction of their needs from the public project. One result of this would be that we would lose the benefit of using the sales by the preference customers as a yardstick by which to help measure the rates charged by the commercial companies. After all, if a cooperative or a municipality could get only a small part of its needs from the public project and had to buy the balance of its needs from the commercial power companies we would have no real yardstick on retail sales, because the final cost to the municipal or cooperative consumer would result from a combination of wholesale costs and not be a true reflection of what power can be sold for when it is obtained solely from a public hydroinstallation. And this yardstick has had more effect than any other factor in reducing the rates charged by commercial power companies. It is a matter of fact that the rates charged by commercial power companies in areas receiving power from a public hydroinstallation have been reduced substantially and are much lower than the rates charged by commercial power companies elsewhere. Also, despite the reduction in rates by companies operating in the hydroproject areas they have all prospered. Therefore, the yardstick furnished by these preference sales has directly benefited the domestic and rural consumers of the commercial power companies. Destroy that yardstick and you lose all of its benefits, and the consumer of the commercial power company would lose his most potent aid to lower rates.

What would the elimination of the preference provision mean to the municipalities and the cooperatives? It is very doubtful whether they would then derive any benefit from the public installations. True, they would get some insignificant amount of power at a low rate, but they would have to buy the rest of their power from the commercial power company. And the commercial power companies are entitled to a fair rate of return for the investments they have made. The commercial power companies could then be expected to increase their rates to the municipalities and the cooperatives because they could maintain that they need a certain amount of income to enable them to meet their obligations and pay their dividends. And if they must spread the cost of their obligations over a smaller number of KWH's they will have to be paid a higher amount per KWH. In other words, the benefit that the cooperative or the municipality might realise from the small amount of public hydro power it receives could be wiped out by the higher rate it would have to pay the commercial power company for the rest of the power it needs. Similarly, the municipalities that have some generation of their own could find the average KWH cost of their own generation so increased by trying to combine it with only a small amount of hydro power that they would be better off without the hydro power. In other words, removing the preference may very well have the result of denying the consumer of a cooperative or municipality any of the actual benefits of the Government hydro installation.

OBJECTIONS TO PREFERENCE PROVISIONS ARE WITHOUT REAL FOUNDATION

One of the fears expressed by opponents of the preference provisions is that the communities served by preference customers would steal industry from the areas served by commercial power companies. This is not so, for a number of reasons.

In the first place, the preference customer would not be entitled to preference treatment for the power it wants for any and all industrial uses. It is entitled to preference treatment only for such industrial sales as are needed to enable it to serve the domestic and rural consumers more cheaply. The preference provisions in the Federal statutes specifically provide that sale for industrial use shall be secondary and shall be made only for the purpose of reducing the cost to the domestic and rural consumers. That same rule applies to the distributing agency, and if the distributing agency tries to make sale for industry an important object in itself, it is not entitled to preference treatment for the power it wants for those industrial sales.

Also, as a practical matter, the managers of the hydro installation can control the matter. The preference provisions are not enough in themselves to bring the power to the preference customer. The power must be transmitted to the preference customer. It is the hydro management that makes the provisions for such transmission and it can through its control of transmission prevent abuse of the preference rights.

Thirdly, the hydro people must operate the project on an efficient basis. They must make arrangements to sell all of the power that will be available. While they should allow some leeway for normally growing loads of the preference customers they cannot be in the position of reserving unlimited amounts of power for the phenominal type of growth in the preference customers' loads which would result from industry stealing. In other words, this whole objection is basically fictitious and the fears expressed are not justified either by the principles involved or by the actual control which the marketing agency exercises.

The discussion above also disposes of the fear that a large block of power might be consumed by a preference customer to operate a municipal enterprise, such as the subway system in New York. The point is that merely because a municipality or a cooperative wants power does not automatically means that it is entitled to preference treatment for that power. The way in which the power is to be used must be considered and it must be such a way as will benefit the domestic and rural consumer as a consumer of electricity. There are three categories of such benefit: (a) actual use by the domestic or rural consumer himself in the home or on the farm; (b) a use by his distributing instrumentality which is basically the same type of use that the domestic or rural consumer could make for himself if the distributing agency would not do it. Although the point is arguable, I consider street lighting to be in this category because when a municipality lights the streets it is doing something which the individual citizens could do themselves, as domestic and rural consumers of electricity, by having outside lights at their residences; (c) such industrial use as is needed to make the rates to the domestic and rural consumers as reasonable as possible.

Another type of fear expressed is that the preference provisions might induce all the municipalities near the hydro installation to "go public." There is no factual basis for such a fear, but before discussing that it should be pointed out that as a matter of principle such a position is untenable.

If the laws of the State permit it and the people of a municipality desire it, they have every right to go municipal if they want to. It is not the function of the Power Authority or any other operating group to operate a public hydro installation so as to attempt to influence the people on this point. It would be just as wrong for the authority to adopt operating principles because they might encourage a municipality to go public as it is to argue against an operating principle on the ground it wants to discourage such action. The decision on marketing principles should be made without regard to whether it would encourage or discourage municipal ownership. What the authority in effect is saying is that even though the principle may be right it doesn't like it because of its possible encouragement toward municipal ownership. By so doing the authority adopts a policy in violation of a sound principle for the purpose of discouraging the people from exercising a right which their legislature has given them. This is an untenable position.

And, practically, it is wrong to think that the adoption of the Federal marketing principles would lead to more municipal ownership. In the northwest, for example, the coming into being of Bonneville did not cause any change to municipal ownership. After all, it is not a simple matter of private versus public ownership. The question goes much further than that. A commercial power company, by operating over a large area and being able to take advantage of a great diversity of loads and also of types of generation, can frequently produce lower cost power at the retail end even though its wholesale power costs are higher. Municipal ownership does not, per se, mean lower rates.

In the final analysis I believe we will always find that where the commercial power company is doing a good job there will be no move toward municipal ownership. But if it is doing a bad job then the people may resort to municipal ownership, but the reason will be the bad job that the commercial power company has been doing and not the cheap power that is available from the hydro installation.

These are some of the major points that occur to me at this time. If you should desire additional treatment of any of the points discussed, please let me know.

Sincerely,

LAWRENCE POTAMKIN.

Thus, briefly, I have sought to give you the facts of how the Niagara Falls is the property of the people of New York State and of our Nation; of how this bill is a vicious and selfish grab of the people's property by the private utility monopoly for their own benefit. This has been an issue of fundamental concern to the people of my State and our Nation for many decades. If you vote for this give away today, you will hear from an aroused populace tomorrow.

Mr. AUCHINCLOSS. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. AUCHINCLOSS. Mr. Chairman, this legislation is of great interest and importance to the country and deserves the serious consideration of every Member of Congress. Its importance is not only due to the fact that it provides for the development of additional much-needed electrical energy but it deviates somewhat from the policy of the Federal Government in permitting the development of this energy through private enterprise. Such a policy is entirely foreign to that which the country has been working under during the past 20 years.

The United States under a treaty with Canada dated February 27, 1950, which was ratified by the Senate on August 9, 1950, agreed that a certain portion of the water in the Niagara River above the Falls might be used in equal quantities by the two countries for the development of electrical energy, with the provision that if either the United States or Canada does not use its share of this water, the other nation may use it until

such time as the nonuser is prepared to do so. Immediately after this treaty was ratified Canada started work to bring about the utilization of its share of the water and today the construction of its facilities is well advanced. Therefore, it is necessary and expedient that the United States delay no longer in preparing to utilize its share of the water for the creation of hydroelectric power.

Various bills were introduced for this purpose and were considered by the Committee on Public Works, representing three different ideas concerning the development of hydroelectric power, and may be summed up as follows: (a) The cost to be borne by the Federal Government and the power to be distributed by it; (b) the cost to be borne by the State of New York and distributed by it, using present facilities wherever possible; and (c) the cost to be borne by 5 electrical power companies operating in New York State and at present supplying 90 to 95 percent of electrical power to consumers in that State. It is important to note that this project is not a multiple purpose proposition involving the construction of dams; it is solely for the development of electrical energy to be distributed within a 30-mile radius.

I am a believer in encouraging private enterprise wherever possible and this project presents an outstanding opportunity to do just that. Our country became great because its citizens were permitted to promote its potentialities without the interference of Government, and if private enterprise today were to receive more encouragement our country would continue to grow and become an even greater and more powerful instrument for good in the world. Private citizens, willing to take a chance, built our railroads and our telephone systems. They also developed the distributive systems of our electrical power and as these great undertakings grew and expanded, laws were enacted to curb the avarice of man for the protection of the public. This is as it should be; it is the free American way.

In recent years a new philosophy has crept into our economy which claimed that the Federal Government could do these things better and cheaper but the people failed to realize that what appeared to be cheaper was only made possible by increased general taxation. The idea has been advanced that the Federal Government should develop all natural resources and by the collecting of taxpayers' money from all parts of the country, these resources might be developed for the benefit of a comparatively small segment of the Nation. This is done in competition with private business and because the Federal Government with its powerful bureaucracies and freedom from taxes is able to sell its product more cheaply, private enterprise withers on the vine and dies. By this shriveling up of private enterprise the Government loses various taxes and is forced to find additional revenue from other sources in all parts of the country. This is not the true concept of the American way of doing things. It has a socialistic tinge about it which is entirely contrary to the fundamental principles on which our Republic was founded.

I want to say here that I recognize there are some projects which the Federal Government alone can handle because they are too vast for private enterprise and because they are in the interests of the country as a whole. I refer particularly to flood-control measures and navigation measures, but in the establishment of flood-control measures where there is an opportunity to develop electrical power, private enterprise, properly controlled, should be the distribution medium and not the Federal Government. The Federal Government should not be permitted to compete with private enterprise.

In the instance before us today we find that private industry in the form of five electric companies which have been operating for something like 80 years in New York State are prepared to pay all the costs involved in doing the necessary construction work and to distribute this power over facilities they now have or are prepared to build. I emphasize that there is no expense whatever to the Federal Government which means the American taxpayer. These companies now furnish something close to 95 percent of the entire electric energy in the State of New York and why in the name of common sense is it necessary to bring in a new agency to construct new facilities at a tremendous expense to the American taxpayers all over the country when these facilities already exist and can be had without any cost to the taxpayer. The operations and rates charged by these companies are regulated by the appropriate State commissions, and it is assumed that in the event this electrical energy is sold in other States, the rates would be controlled by the Federal Power Commission.

This in essence is what this legislation, H. R. 4351, provides, and I think it is most refreshing to have such a clear-cut example of the willingness of American businessmen to do a job for the benefit of the people without any expense to the taxpayer. I sincerely hope this legislation will pass.

Mr. DONDERO. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. MILLER], who is really the author of this bill and who lives where the project is to be built.

Mr. MILLER of New York. Mr. Chairman, in my humble judgment, the issue to be decided here today is one of the most important that will face this session of the Congress. There have been some peculiar statements made here, and unfortunately they find their way into politics. This should not be a political issue. Where I come from, the county of Niagara, the city of Niagara Falls, the boards of supervisors, the members of the common council have unanimously, Democrats and Republicans alike, voted in favor of the private enterprise bill. The gentleman from New York [Mr. ROOSEVELT] made a statement to the effect that what we should do is to send this back to the Federal Power Commission by striking out the treaty reservation. Why are we here today on this bill? I will tell you why—because the reservation was put into the Senate ratification by his good colleague and cosponsor of the Federal bill, the senior Senator from New York [Senator LEHMAN]. Why? Because without that reservation, the Federal Government had no standing under the law before the Federal Power Commission to get a license. It was with the hope and intent of making this a Federal development that these people—these very people today are saying strike out the treaty ratification and are coming before you today with these arguments. So as a consequence when now they have little hope for the Federal development, they will take any kind of development that destroys the system in my area of free and private enterprise. The people of New York, the people where I live, and where this project is to be built, are overwhelmingly in favor of private enterprise. The New York State American Federation of Labor endorses this private-enterprise bill. Over 44 other labor unions in the State of New York and elsewhere have endorsed this private-enterprise bill. I have 268 resolutions passed by different organizations in the State of New York in favor of this development by private enterprise. I do not own a single share of stock in any power company. I did not have any money when I came here, and heaven knows I do not have any money now, but I will tell you this, my area has been served well by the private enterprise utilities which operate in that area. Regardless of the figures quoted by the gentleman from New York, the figures from the Federal Power Commission in its 1952 report show that for an average 250-kilowatt-hour monthly bill submitted to a family in the city of Buffalo and Niagara Falls, the average per kilowatt hour was 2 and 1/10 cents. And in Knoxville, Tenn., it is 2 cents. So it is one-tenth of a cent more per kilowatt in my area for average residential bills, although these companies pay $170 million a year in taxes. The gentleman from New York mentioned the difference or the variance in the figures submitted by the Federal Power Commission and the price per kilowatt hour developed by the Government and that developed by private enterprise. That report will show that the only single variance, the only variance at all in the costs by private enterprise and by the Federal Government is a difference in taxes.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER of New York. I yield to the gentleman from Iowa.

Mr. JENSEN. Irrespective of the fact that private utilities in America pay on an average of 3½ mills per kilowatt-hour of power which they produce and market in local, State, and Federal taxes, which is twice as much as the Federal Government, in many instances, charges for its subsidized power.

Mr. MILLER of New York. I thank the gentleman.

In 1952 the commercial and industrial rates in western New York were 7.4 mills compared with TVA of 9.8 mills. In other words, the industrial rates in western New York are lower than TVA's industrial rates.

It is true that the average rate in New York will be higher than in most

States, but that would be so whether the Federal Government or the State of New York or private enterprise did the job because of the very peculiar and difficult problem in the city of New York, where all installation lines, transmission lines, must be underground, under thick, hard concrete and granite. The cost of servicing and the cost of transmission, particularly to apartment houses, where there are small users, is proportionately great to the number of kilowatt hours, and that factor would be the same no matter who developed it.

On the question of bureaucracy, of noncompetition or monopoly, or private enterprise, let us just look at the picture. If the State of New York developed this power under a Power Authority of the State of New York, that Authority is not even subject to the Public Service Commission in the regulation of rates in the State of New York. There is no limitation to the power of the New York State Power Authority to do anything they want, charge anything they want, hire any number of people they want. The only limitation upon their right to act is the whim of the bureaucrats in charge of the program. I claim that it should not be placed in the hands of the Government, no matter what party is in power, or in what State.

If private enterprise is allowed to develop this project, what is the real and the true picture? That is the only way you can have proper and adequate regulation and safeguards for the consumers and for all of the American people. If private enterprise develops this, in the first place, they have got to develop it exactly as the Corps of Army Engineers, acting under the Federal Power Commission, tells them to do it.

Second. They have to pay to the State of New York $5 million a year just for permission to take the waters out of the river and put them back a little ways further down undiminished, as the rental use of the water.

Third. They have to keep their books in accordance with the accounting methods set up by the Federal Power Commission.

Fourth. The Public Service Commission of the State of New York regulates the rates and gives them only a fair return on the investment, which does not include the water or any part of it but simply the investment capital which they put into it.

In addition to that, they will pay in Federal, State, and local taxes over $200 million a year.

The city of Niagara Falls, which city I represent, now receives one-third of all of its revenues, for all municipal functions, from the private utility operating in the city of Niagara Falls. I cannot tell you what a tragedy it would be if this project were not allowed to be developed in the true American way of regulated private enterprise, with all of the safeguards of the Federal Power Commission and the Public Service Commission of the State of New York which, from the beginning of our country, have been thought to be adequate and proper for the full protection of the American people in the use and development of their resources.

Mr. FALLON. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. STEED].

Mr. STEED. Mr. Chairman——

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield.

Mr. JONES of Alabama. I would like to suggest that the figures just given to us by the gentleman from the State of New York comparing rates in the New York area with TVA rates are not the same as those given by the Federal Power Commission.

I would like to point out the difference. In the TVA area in a town of 5,000 the rate per hundred kilowatts is $2.50; for 250 kilowatts, $5; and for 500 kilowatt-hours, $6.90. In Utica, N. Y., the rate for 100 kilowatts is $3.49; for 250 it is $6.69; and for 500 kilowatts it is $10.44. So it does not seem as though the rates in the State of New York are comparable with the TVA rate. I suggest that the gentleman examine those figures in the light of the Federal Power Commission report of January 1952.

Mr. STEED. Mr. Chairman, as I come here this afternoon, I am very much of the mind that seemed to exist the other day in our committee when this bill was taken up when some of those who showed a desire to discuss the bill in more detail and fairness than others were making a point of it and the remarks was made: "What is the use of discussing the bill? Everyone knows how he is going to vote; let us get on with the vote." I suspect that the opinion of most of the Members of the House is likewise pretty well made up already on this bill, so I am not here with any expectation of swaying anyone from one position to the other; but I am here because I think there are some remarks that ought to be made regarding this matter for the record. It ought to be obvious to all the Members of the House by now that this is a tremendously important matter and one that will be before the people of this country for a long time to come regardless of what we do here today.

Something has been said today about time being of the essence for action on this bill. I must disagree with the reasons given by some as to why there is such a big hurry about this matter. For what it may be worth, for those who are interested, I would like to suggest that for some days the Eisenhower administration through its Bureau of the Budget has addressed a letter to the United States Senate asking the Senate to rescind the reservation it placed in this resolution approving the treaty with Canada so that this matter automatically would go to the Federal Power Commission without any further action by Congress. It seems to me that when we pass this bill today it might create a situation under which the Senate would be more reluctant to abide by the request now pending before that body from the administration; and that might be another reason why all the hurry on this bill.

Much has been said here today about private enterprise. I am not one who thinks the roof is going to fall in if private enterprise gets some consideration in this country; as a matter of fact, I am not going to be too greatly concerned if the Congress or the Federal Power Commission or the powers that be decide to let private enterprise develop this project at Niagara, but I would feel a lot better about it in terms of the rights of the people if whoever gets this license and develops this project does it under existing laws laid down by this Congress and under which other hydropower projects now operate in this country.

It is all right to talk about private enterprise, but when you talk private enterprise as a label to cover what actually by its terms becomes private monopoly, you have another matter altogether. There is no question in my mind but what this bill as drawn does constitute private monopoly and not private enterprise.

Let us assume that the arguments made here today on behalf of private enterprise are true, let us assume that it is all to the good to place this matter in the hands of private enterprise, let us assume that the arguments made in favor of private enterprise so far as these five companies are concerned as against the other proposals in reference to this matter are all to the good, if all those things are true, why, then, are those who are so energetically pushing the cause of these five companies afraid to permit the matter to be decided on its merits by the Federal Power Commission? What would they have to lose if their case is the best, as has been argued here so well today?

In order to carry through on this idea and in order to give the House an opportunity to show whether it really wants private enterprise or not in the real sense of the word, I intend to offer an amendment when the bill is read for amendment to strike out section 6 of the bill which, in my opinion, is the worst thing in the bill. Section 6 provides that if there is anything in the Federal Power Act which conflicts with this bill that this bill is supreme. In other words, what that means is that if we pass this bill with section 6 in it we have created a special Federal Power Act applying only to Niagara in behalf of these five companies and have removed them from any conflicting regulations of the Federal Power Act which was created for the protection and benefit of the people of this country.

If seems to me if those proponents of private enterprise are acting in good faith they will accept such an amendment and permit the developers of Niagara to go along under the same rules and regulations that other developers of hydroelectric power must comply with and have been required to comply with all along, ever since we have had a Federal Power Act. In my opinion, if that section is knocked out, those who oppose this bill and those who are alarmed about private enterprise will have a lot less reason to be very much alarmed about this issue.

You may have your mind made up that this really is private enterprise, but here is a thought I would like to leave with you: If this bill contains what I think it does and what many others think it does, the time will come when the American people are going to know what it really

is and the time will come when those responsible for putting such a thing on the statute books can be held to account for it. We find a peculiar situation here. We find a Republican administration addressing itself officially to the Congress asking for something entirely different from what is proposed here and we find the proponents of this bill overwhelmingly drawn from the Republican side of the House pushing as hard and as energetically as they can to ignore the written expressed wishes of the administration.

The significance of that situation will not be lost by the American people and as this thing goes on and all these arguments we make here today become factual and easy for all to see, the consequences of those who tried lightly to claim that this bill is private enterprise will become something that they will be held to account for. As an example, reference has been made to the fact this power will be made available to other States, but if you tie the hands of the Federal Power Commission in the issuance of this license, what protection are other States going to have as they go to these five companies to get power? If you read this bill carefully, you will see that there is nothing in it that compels these five companies to do anything for any State except what the companies would like to do. So I think that taking out section 6 would eliminate any objection to that particular language in the bill.

Mr. MILLER of New York. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from New York.

Mr. MILLER of New York. Has the gentleman read section 4 on page 5 of the bill, which says:

> Upon the complaint of any interested State, the Federal Power Commission shall have jurisdiction, after due notice to all interested States and to the licensee and opportunity for hearing, to require the licensee to enter into reasonable and practical arrangements whereby project power will be apportioned equitably among States within economic transmission distance.

Mr. STEED. Yes; I read that.

Mr. MILLER of New York. That particular provision is part of the Power Act. That is the only way in which it has ever been carried out in the case of an interested State.

Mr. STEED. I read that section, but when you consider it in the light of section 6, in my opinion, it has very little meaning and no protection for any other State.

Mr. DONDERO. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the administration has been brought into this discussion. The name of the President has been mentioned. If the President of the United States has injected himself into this controversy, the chairman of this committee has never heard about it. He has never talked with me, never conferred with me, written me, or anything else.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Oklahoma.

Mr. STEED. Am I mistaken in assuming that when the Bureau of the Budget makes a written recommendation to the Congress that that is not the position of the President?

Mr. DONDERO. I anticipate the question of the gentleman. On the 14th day of May the Director of the Bureau of the Budget wrote a letter. I received that letter on the 29th of May in which the Bureau of the Budget, signed by the Director, left it to the judgment of this Congress what should be done in this matter. Later, on the 24th of June, on the very day that the committee was in executive session to take a vote on this project, a letter was handed to me signed by an Assistant Director of the Bureau of the Budget in which he suggested that because the matter was complex—undoubtedly he meant that Congress was not competent to take care of it—we should turn this project over to the Federal Power Commission, and that is all I heard about it as far as the administration is concerned.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The gentleman is not attempting to say that this is not the position of the administration with respect to this legislation, is he?

Mr. DONDERO. I am attempting to say as far as the administration is concerned, it put itself on record through the Bureau of the Budget in the letter signed by the Director, which left the matter entirely to Congress.

Mr. JONES of Alabama. The subsequent letter was dated June 24. The gentleman is as good a lawyer as I am, and he knows that the last will governs. So this is the last will of the administration.

Mr. DONDERO. I do not know who prompted him to send the letter.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from Texas.

Mr. RAYBURN. I would like to say that if the Bureau of the Budget does not speak for the administration in this administration, it is the first administration I have ever heard of when it did not.

Mr. DONDERO. I am trying to impress on the House that the letter of May 14 signed by the Director of the Budget did speak for the administration.

Mr. RAYBURN. The gentleman is certainly begging the question on that. Does the gentleman think that an Assistant Director of the Bureau of the Budget would send up a recommendation without the endorsement of the Director of the Bureau of the Budget?

Mr. DONDERO. The gentleman thinks if this is the position to be taken, that the Director of the Bureau of the Budget would sign it, and not an assistant.

Mr. RAYBURN. I have known for a long time that there was a good deal of confusion around here, but not that much.

Mr. DONDERO. I have been a witness to confusion here for over 20 years.

Mr. MILLER of New York. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. MILLER of New York. Does the chairman realize that on yesterday Mr. Nat Finney of the Buffalo Evening News, as reported in the New York Times, questioned the President on this very bill when he said:

> Mr. President, action on the Dondero-Miller bill, which will control whether there be private or New York State development of Niagara Falls, has been held up pending Governor Dewey's visit. Governor Dewey opposes the Miller bill. Do you have any position on that which you could describe at this time?

The President answered:

> Well, here was a point. In 1950, when the treaty—he believed it was 1950 when the treaty was made with Canada—Congress made a definite reservation that in this one case it reserved itself the right and the authority to say exactly how that power should be developed.

Then it went on to say that when the bill came to him, if it passed the Senate and the House, he would examine it very thoroughly and take what action he saw fit on the bill, and that he had no doubt but that the Congress had the right to make this determination by itself.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. SCUDDER], a member of the committee.

Mr. SCUDDER. Mr. Chairman, the people of the United States of America are not much different from peoples of other countries. The difference is between the form of government under which they live. If you should rob the American people of their guaranty of independence and their constitutional protection, we would soon bankrupt our civilization.

To me America is the vehicle of self-respect, it is opportunity, it holds out incentive, and it awards those who by their ability and ingenuity rise to do a better job than is expected of them. It encourages groups of people to band themselves together to do collectively that which they could not do as individuals in the improvement of their country. For this incentive, there must be a reward.

This is the basis for the forming of corporations and affords the opportunity for investment by our people. This is sometimes called the free enterprise system. They ask to be treated no differently than any individual and they pay their taxes to the local, State, and Federal Governments in support of our institutions.

Your Committee on Public Works has reported to you H. R. 4351 an American enterprise bill, and believes that all the people of our country will benefit by the construction of the improvements and the development of hydroelectric power on the Niagara River.

If there is one policy that is in thorough agreement it is that all the people in a watershed have claim to its water. The waters of the Niagara and St. Lawrence originate in several States and Provinces, is actually an international boundary and just happens to flow by the State of New York. Therefore, I can see no reason why the State of New York or its political subdivisions have any priority for the development of the project. Nor should the Federal Govern-

ment embark on the project in competition with its constituent investors.

This project is estimated to cost $337 million. If done by free enterprise in accordance with this legislation it will not cost the taxpayers one cent but, on the contrary, will broaden the tax base and make annual-tax payments of approximately $23 million. In my opinion this is just good, sound, business sense.

The Niagara River is one of the most natural and ideal sites for the development of hydropower. The Army engineers figure the benefit-to-cost ratio to be 4 to 1 on this project. No big impounding dams are involved, it means simply diverting an agreed volume of water. The low-cost power developed by this project will be integrated with the power of the companies now supplying this northeastern area of the United States.

The Utilities Commission of the State of New York has full control of power rates, and such rates are based on reasonable return on invested capital. Therefore, the low-cost power developed by this project will be reflected in rates charged consumers of all the companies who participate in this development.

The Niagara development would serve no other purpose than the production of power. It does not involve flood control, reclamation, irrigation, sanitation, or the improvement of navigation.

It was brought out conclusively in testimony at hearings on this subject extending over a period of 2 days that the industries, businessmen, and labor organizations in the Niagara area were wholeheartedly in favor of private development. Their reasons are simple and fundamentally sound in that under private development the project would be completed more quickly; it would yield tax revenue; it would prevent expenditure of public funds; and that private development is in accord with sound government.

It is gratifying to note what the present Secretary of the Interior said in a speech on April 13, and I quote:

> At no time should we, the Government, put roadblocks in the way of private enterprise in attempting to serve customers by generating and distributing hydroelectric power. * * * The Federal Government just simply does not have the money, as we taxpayers know, to do all of the job of development of hydro power.

The purpose of H. R. 4351 is to allow for private development of Niagara power by companies already operating in the area, who are able to do the job without cost to the Government, and who would do the job in a manner conforming to the desires of consumers in that and adjacent areas.

Mr. FALLON. Mr. Chairman, I yield 12 minutes to the gentleman from New Mexico [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman, as a member of the Committee on Public Works, I listened to much of the testimony on this very controversial question. To my mind, it is a question of whether the things we say during campaigns and at other times should be lived up to or not. It is a question of private enterprise against Government operation. That is what is involved here. The company that is operating the hydroelectric plant at Niagara Falls is one of the oldest power companies in America. The other four companies further downstate have also been in the business a long, long time. You heard about five-headed octopuses and various other things here in connection with these companies. In all of the hearings, there was not one criticism of the companies' rates or the service performed by these five companies—not one. We had resolutions from chambers of commerce and communications from many companies, as well as from individuals, recommending that private industry be permitted to build this plant at Niagara Falls, and that it should not be turned over to the Federal Government because the Government should not be in too many different classes of business. I agree wholeheartedly with that position. I believe in public power where private money is not available. I have worked for and have voted for rural electrification before many of you young men came to this Congress. I worked and helped in behalf of the Tennessee Valley Authority, and also for the Columbia Basin Authority in the great Northwest. This is not in any way similar to that type of project. Rural electrification users in northern New York receive power from these companies. They are not complaining. They are asking that it be continued. The labor unions who work for the companies and for other industries ask that the private companies be permitted to operate this plant.

You have heard a great deal around here about a monopoly. There is only one plant. You cannot give it to the State of New York, to the Federal Government, and to private industry at the same time. If you want to give it to the group that is most competent to operate it, you would give it to the group that have been successful companies for more than a half century.

There has been a great deal said about cheap power. Naturally, if a government operates a power station and pays no taxes, the rates should be lower than where taxes are paid. In this instance, it is definitely shown that these companies last year paid taxes of about $170 million. That is not small money, and I understand from those people with whom I have talked and who represent the administration that the Federal Treasury is sadly in need of funds. We are not going to increase the funds in the Federal Treasury by having the Federal Government put $400 million of the taxpayers' money into a project about the operation of which the Government knows nothing. The money to be spent should come from the Niagara Falls area and by companies that can pay the bills.

There has been much said about the fact that they would have to issue bonds in either case. That is true. But in the case of a company putting out bonds and interest being paid on those bonds—and they cannot be sold without bearing interest—the Federal Government participates to the full extent in that interest. There is no interest to be paid on bonds that the United States Government will put out, in my opinion.

Upstate New York probably has more electrification per family than any other part of the United States. The rural areas, the farmers, are 96 percent cared for by rural electrification generated by the Niagara and Mohawk companies. Those companies have done a great job. Do we want to stifle private power in the United States, or do we want it to go hand in hand with public power? There was great need for rural electrification, and we obtained it. Many complaints were made about it; that we were spending too much money, but I never felt that way about it. I voted last year and the year before for rural electrification; but the time has come, in my opinion, when the Federal Treasury had better be taking in money and not paying it out. Some say that great sums of money will be made by these private companies. What will happen to it? After they pay their expenses, 52 cents of every dollar—not taking into account the excess-profits tax—52 cents out of every dollar goes into the Federal Treasury. If they are doing well enough—and apparently they are going to, from what some of the opponents have said—they would declare dividends to their stockholders. And 30 percent of the stockholders' dividends will go to the Federal Treasury. When the Federal Treasury can get a proposition that returns to the Government from 70 to 75 percent of the earnings made by private capital, I say the Government had better take it. It has a good deal. And it should not be investing the taxpayers' money in projects about which it knows nothing. There has been much said here about some rider placed on the treaty with Canada, in the United States Senate—a rider, if you please. The Senate very wisely, recognizing that this was a new proposition and something that should be carefully thought out, said the Congress of the United States will pass on this, and the Congress of the United States will pass on it first.

For 20 years the Niagara and Mohawk companies have been trying to get another plant at Niagara Falls. Because of the water situation it was not deemed advisable. In 1950 it was found that certain waters could be taken out, to be equally divided between Canada and the United States.

Beauties of Niagara Falls must be retained and protected. There was a proposal about canals to take the water down to Lewiston, but the company said, "No; we will take the water down by tunnel, so that there will not be any chance of marring the scenery of Niagara Falls." That is what they propose to do. Those companies are hooked up in part with the State of Pennsylvania, and practically all of the New England States. In any emergency in any of those States, standby plants to provide additional power that may be needed by those States will be provided.

I think they have done a magnificent job. I am not one to come here and snap at the heels of those who will put some of their own money into a proposition. I hope they make some money in return. Who are these great companies that are to be feared so much by the Congress of the United States? They are the hundreds and thousands of clean decent American citizens who have taken a calculated risk investing their money in American industry. They have made

this Nation the Nation that it is, made possible the thing that we have been asking for.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. I am happy to yield to the gentleman from Michigan.

Mr. DONDERO. I think it has not been brought out that whoever gets the license to build this project, the cost of the compensatory works to preserve the scenic beauty of the falls, will be paid in full by the licensee and not by the Federal Government. The compensatory works will be built by the Army engineers.

Mr. DEMPSEY. I am happy that the gentleman has called my attention to that. The scenic beauty must be retained and protected, and whatever money it takes to do that job is provided by the operating companies; that is part of the arrangement.

In addition to that the Niagara Mohawk Co. is now paying the State of New York, $2 million a year for the temporary use of certain waters. With the additional plant they are going to pay $5 million to the State of New York to permit the company—not to take the water away from Niagara Falls—but merely for running the water through the turbines of the power company and turning it back again into the stream undiminished. The State of New York gets $5 million for that.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. DEMPSEY. For a brief question.

Mr. JONES of Alabama. Does the gentleman know whether or not the Niagara-Mohawk group will ask for tax amortization on the construction of these generating facilities?

Mr. DEMPSEY. I will say to the gentleman—you are an attorney—I have never met any of the people of the Niagara-Mohawk Co.—being the high-grade attorney that I think you are——

Mr. JONES of Alabama. I do not think that——

Mr. DEMPSEY. I am bragging on you—I would assume that you would look that up or get your information from the income-tax department.

Mr. JONES of Alabama. I do not know about the tax department——

Mr. DEMPSEY. I am not yielding further. I do not know whether they would or not, and I assume that if they did apply, the request would be rejected.

Mr. JONES of Alabama. If the gentleman will yield——

Mr. DEMPSEY. Mr. Chairman, I am not yielding further. We were very generous in giving the opponents on our side of the aisle more than half our time; nevertheless, the gentleman from New York said they should get more time. Of our hour we gave you 35 minutes. I will gladly yield for a question, but I cannot go into technicalities I know nothing about.

Nor do I believe this Congress should delegate authority to the Federal Power Commission—or any other Commission, for that matter—to make determination in matters of this kind. We would be doing that under a public-power plan. I, for one, as a Member of the Congress am not willing to do that. I believe we should retain complete and permanent control over the disposition of the natural resources that belong to the people of this Nation. That, as I understand it, is what the Constitution provides we should do. We can do it under a contract the terms of which we have to approve.

The CHAIRMAN. The time of the gentleman from New Mexico has expired.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. MACK], a member of the committee.

Mr. MACK of Washington. Mr. Chairman, I appreciate the kind comments of my friend the gentleman from Ohio [Mr. MCGREGOR] about my interest in behalf of the fishing industry and its employees, but I am not going to permit his remarks to divert me into discussing fish instead of hydroelectric power.

All sides of to this controversy agree that there is a great need for increased production of power in the New York State area. All are agreed that the project involved in this bill should be constructed at the earliest possible time in order to relieve the existing power shortage in that area. All are agreed that whoever is granted permission to build this hydroelectric power installation shall build it according to the specifications and plans of the United States Army engineers.

There are two points, however, on which we are in disagreement.

We are divided into three camps over who should be granted permission to build the project. Some hold that the Federal Government should build it; others, that the State should build, own and operate the project, while a third group holds that the private power companies should be granted the permit to build, operate, and own this power facility.

The second disagreement is over whether the Congress should grant the permit for building the project or whether the Federal Public Power Commission should continue to exercise jurisdiction over this matter as it has over all other similar undertakings of this kind during the past quarter century.

Frankness demands that I state my position as to the Federal versus State versus private power proposed for this development.

I am much opposed to the so-called Lehman-Roosevelt bill which would authorize the Federal Government to build the Niagara project. I am opposed to the Lehman-Roosevelt proposal because of unusual provisions in these bills. I need not discuss these here now but will, if one of these bills should be offered as a substitute to the present bill.

As between State versus private power company ownership and operation of this proposed project, I favor State ownership.

Under the water laws of our country, a State has right to and jurisdiction over the use of the waters in the rivers that lie within that State.

There is no dispute over the fact that New York State owns and has jurisdiction over the use of the waters in the Niagara River.

That the State does own the use of the water of this river is indicated by the fact that even now the private power company, Niagara-Mohawk Power, which has two plants on that river, is paying the State a rental of a million dollars a year for the right to use the waters that go through its present two privately owned hydroelectric plants.

If the State owns the rights for the use of the waters of this river, which it is admitted the State does, then for the Congress to grant private companies the privilege of using this water, is in effect taking property rights away from New York State which the State now owns.

This bill does that. It takes away from the people of New York State something New York State now owns. I do not believe the Congress should thus rob the State of something that belongs to the people of the State of New York.

If the State of New York had said it did not want to use this water for power generation, then I would not object to the Federal Government giving these water rights to the private power people. But the State of New York has said that it does want to use these waters for the generation of public power.

Some may dispute this. They will say that certain chambers of commerce, business operators, and some labor unions want the private power companies to have the use of these waters for power generation.

The fact, however, remains that Mr. John Burton, chairman of the New York Power Authority, appeared before our committee and asked for the State to use these waters for the generation of power. Chairman Burton is the official representative of the present New York State government. In testifying before our committee he said he spoke not only for himself but also for the present government of the State of New York. That government, the Tom Dewey administration, is the official representatives of the people of New York State. When Mr. Burton, the chairman of the New York State Power Commission, asked that the State get permission to build the Niagara power installations, he was expressing the official position of the people of New York, and the Congress should accept it as the official position of the State of New York.

No bill, such as the one now before the House, giving a license to any State, to any subdivision of any State or to any private power company for a power development has been on the floor of Congress in more than a quarter of a century. No bill of this kind is likely to come here at any time in the foreseeable future unless the present water laws of this Nation are repealed or changed.

Under the Federal Power Act of 1920, the Federal Power Commission was given authority to issue permits for power installations on all rivers. It has been issuing these permits to States, subdivisions of States and to private companies for more than 25 years. The Congress has not been issuing any permits of this kind.

Then why is this bill giving special privileges to private power companies under consideration here today?

The only reason this bill is here is that the United States and Canada, in 1950, negotiated a special treaty for the diversion of a certain amount of additional water from Niagara Falls into the Niagara River for power generation purposes, Canada to get half of this additional water and the United States half.

When the treaty of 1950 was under consideration for ratification in the Senate, the Senate, with little debate, added a rider or reservation to that treaty which read:

No project for redevelopment of the United States share of such water shall be undertaken until it be specifically authorized by act of Congress.

The Niagara River, thereby became the only river in the entire Nation, and the project involved in this bill, the only one in the Nation where the Congress took over the authority of the Federal Power Commission to determine who was to develop a project. In every other case of water use in the Nation, the Federal Power Commission makes the decision as to who will get the permit to develop a water power site. In this Niagara case, and it alone, does the Congress undertake to exercise this authority.

This Senate reservation to the treaty was not part of the treaty itself. This reservation did not appear in the text of the treaty but at the bottom of the treaty, below, not above, the signatures of those who signed the treaty.

This reservation did not relate to a matter in which both Governments were concerned but only to a matter in which the United States should and did have complete jurisdiction. Canada did not care who—the Federal Government, New York State, or private power companies—developed the American share of the water rights on the Niagara.

The Budget Director, on June 24, sent the chairmen of the Senate and House Public Works Committees a letter. As was stated by the gentleman from Texas [Mr. RAYBURN] the Budget Director was the official and recognized representative of the administration. What he said in that letter must be accepted as the official position of the present administration, the Eisenhower administration. Here is what the Budget Director said in that letter:

Since the relative merits of the differing proposals for such a large development are necessarily complex, it is the view of this office that a complete analysis is essential and can best be accomplished by removing the existing barrier to the consideration by the Federal Power Commission under the Federal Power Act of proposals for redevelopment.

In other words, I take this to mean that the administration said it wants no action upon these bills and that it wants the Federal Power Commission to make the determination as to who shall build this new hydroelectric installation on the Niagara River.

Why should not the Federal Power Commission make that determination? It is composed of a nonpartisan, semijudicial body of experts, who know the power question and who have at their disposal a large staff of qualified experts. This Commission is far better qualified to study this matter than are we of the Congress.

I believe this bill should be recommitted and that a bill should be adopted repealing the Senate reservation to the Niagara treaty of 1950. Such an action would place in the hands of the Federal Power Commission the decision as to what agency—the Federal Government, the State of New York, or the public power company—is in the best position to serve the best interests of the people of New York State and the Nation. The Power Commission then should give to the agency best qualified to serve the people the permit to build this power installation.

Mr. DONDERO. Mr. Chairman, I yield myself 1 minute.

Mr. Chairman, in answer to the gentleman from Washington [Mr. MACK], I want to read to the committee the provision in the report of the Senate committee on this reservation made in the treaty:

The committee is fully aware that the subject matter of the reservation concerns the United States constitutional process alone. It deems it important, however, that all interests in the United States should be considered, and that the implementation of the treaty shall be made by specifically authorized acts of Congress. Thus without the reservation the redevelopment for power purposes would be governed by the Federal Power Act. The committee intends by the reservation to retain that power in the hands of the Congress.

There has never been a statement made that this authority should be abrogated by the Congress and turned over to the Federal Power Commission.

Mr. FALLON. Mr. Chairman, I yield myself such time as I may desire.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from New York.

Mr. ROOSEVELT. Mr. Chairman, reference has been made to the Eisenhower press conference yesterday, and for the information of the House I think the entire statement should be read to make clear exactly what the President said:

Well, here was a point. In 1950 when the treaty—he believed it was 1950 when the treaty was made with Canada—Congress made a definite reservation that in this one case it reserved itself the right and the authority to say exactly how that power should be developed.

In the ordinary or normal case, the process would be to refer it to the Federal Power Commisison. So, here we had a case where Congress had decided that it should take unto itself this authority.

Now, he didn't question their right to do so in the first place, nor their right now to decide. For himself, he had always said that he believed that maximum local authority should be exercised in the handling of all of those problems. And he would say his own philosophy largely would be when you didn't have interstate problems—would be that the State itself should decide who and how these things should be done.

But in this case, it was a very special one. He could take no action or even express a specific opinion, he should say, until the bill was drawn, and if passed, was presented to him; and then, of course, with all his advisers, there would be an analysis of it and action taken.

That is the President's position. If you can make anything out of it, that is more than I can do.

Mr. FALLON. Mr. Chairman, I sat through the hearings on this project on several occasions, and I must say that the proponents of this particular bill were more numerous than the opponents. Of all the correspondence and testimony that was brought before the committee from the people living in this area that is to be affected, I do not think we had one opponent before the committee. As the case developed, I read in the newspapers many comments from many different sources. There, again, I got a better knowledge of this bill. I also read some comments that were detrimental to this bill being turned over to private industry, and one of them used the word "grab" in a number of instances. Their argument was that this international boundary waterline belonged to all of the people of the United States. Then, I thought to myself, how are the people of all of these United States going to benefit by this legislation? I came to the conclusion that if this bill that is before us now is passed and private enterprise is allowed to develop it, it is the only way for people in the South, the East, and the West to get their fair share out of the benefits of the Niagara River—through tax collections. I do not consider myself a private power man or a public power man because I have been on this committee since the reorganization of the House and I have voted in many instances to authorize multiple-purpose dams throughout the United States. That took care of flood control, erosion, irrigation, power, and navigation. I voted to authorize the expenditure of many millions of dollars because I thought the private interests in those sections could not do the job. Then, too, there were added benefits because it extended the economy of our country.

As the hearings progressed, when the cost of this was brought to the attention of the committee, that it would be between $350 million and $400 million, the only people who came forward and said, "We will have the money and we are ready to go ahead with the job," were these power companies that now exist in that area. As I understand, they have been operating there for some 60 years.

As to the question of benefits, it was explained that at the present time they pay upward of $170 million a year in taxes, and if this project were added the figure would be over $200 million a year. Without putting up a dollar we could join them and be a better than 50-percent partner in the great earnings of these companies. I do not know any man in this House who be given an opportunity to become a better than 50-percent partner of a company without risking $1, that is what will happen if the private power companies are allowed to develop this power.

There is another reason. I believe if we expect to pay the many appropriations we have made since the first of the year here on the floor of this House, if we expect to continue to expand flood control, soil erosion, beach erosion, aid to schools, free lunches, aid to the States

that have met this recent disaster, the drought, and all the other expenditures this Government has, we have to look around for revenue. I believe this is the first project you have been able to vote for this year that will bring in to this Government additional revenue without hurting one single person in the United States.

May I close by saying that I find myself in a very happy position to be on the side of the people who have expended their money and contributed to the economy in the greatest State in the Union. The only way we can keep it that way is to think a little more along these lines and use a little more of this philosophy.

Mr. BECKER. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from New York.

Mr. BECKER. The gentleman in his statement said that the private power companies were the only ones that came before the committee and said they were ready, able, and willing to proceed. May I refresh the gentleman's recollection by saying that Mr. John Burton, chairman of the New York State Power Authority, came before the committee and testified that they had been ready for years to proceed on the same basis.

Mr. FALLON. I am sorry I did not make myself clear. I thought the committee understood that there were two other possibilities. One was the power was to be developed by the Federal Government and the other it was to be developed by the State of New York. Of course, the Federal Government does not have any trouble getting its money, and the State of New York is pretty well off. I am talking about the private interests. There is no other private combine or groups that has the capital to go before the Federal Power Commission and ask for this permit.

Mr. ROOSEVELT. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield to the gentleman from New York.

Mr. ROOSEVELT. As I understand, the gentleman feels that the taxes will come in to Uncle Sam—and even the head of the private utilities said the taxes would amount to only nine to ten million dollars in the case of the Niagara development—and therefore it would be a good thing to have the power developed by the private utilities. Actually, who pays the taxes? The consumers of the power produced by these companies. So those consumers in New York State are going to pay more taxes through the private utility company into Uncle Sam's Treasury, and those taxes will be used all over the country. Incidentally, the taxpayers of New York State paid more than 15 percent of the cost of the construction of the Northwest power, the Southwest power, the Tennessee Valley, and now you are proposing to handicap the taxpayers of New York State once again.

Mr. FALLON. Will the gentleman from New York yield to me?

Mr. ROOSEVELT. Yes.

Mr. FALLON. This is of no benefit to my State at all. We made our contribution the same as you did to the great Northwest through an authorization of $75 million for the Columbia River just a few weeks ago and to many other projects. I am not here saying that you should not pay your part, or that the State of Maryland should not pay its part. But I say it is sound philosophy to have private enterprise do the job wherever possible, and many times on this committee I have voted for power where private enterprise could not do the job and where it was strictly for the purpose of flood control and navigation. But for hydroelectric power and hydroelectric power alone, I believe—and, of course, you can have your own belief—that wherever possible it should be given over to private industry so that they can develop it.

Mr. ROOSEVELT. Do you believe that the people should pay taxes for the development of something that they, themselves, own?

Mr. FALLON. I do not know of anybody who says that the State of New York owns the Niagara River.

Mr. ROOSEVELT. The people of this country own the Niagara River, and the State of New York has declared that to be a part of its natural resources.

Mr. FALLON. May I point out to the gentleman from New York that the only way the people from the State of Maryland can get any benefit out of Niagara is for it to be taxed through private enterprise so that they can carry some of the burden along with other taxpayers.

Mr. ROOSEVELT. So you want the people of the State of New York to pay more taxes and carry more of a burden than the people of the State of Maryland. Well, I do not agree with you.

Mr. FALLON. No; I did not say that. You are asking questions and answering them yourself. Here is what I said: that you should pay your fair share and we are willing to pay our fair share. But why should the State of Maryland, through the Federal Government and through taxes, develop the Niagara River so that you can get a cheaper rate?

Mr. ROOSEVELT. You will not be paying any taxes to develop the Niagara River. I pointed out in my remarks that this will be developed through the sale of a bond issue. No taxes will be paid for the development of the river.

Mr. FALLON. What you are saying is that public power in this country is self-liquidating.

Mr. ROOSEVELT. There is no question that Niagara is a self-liquidating proposition.

Mr. FALLON. Is the Columbia River a self-liquidating proposition?

Mr. ROOSEVELT. Yes; the Columbia is a self-liquidating proposition, too.

Mr. FALLON. When did it start to be self-liquidating?

Mr. ROOSEVELT. I cannot give you the exact figures on that because I do not happen to have them on hand, but I know that Niagara is a self-liquidating situation; otherwise the private utilities would not want to grab it.

Mr. MILLER of New York. Mr. Chairman, will the gentleman yield?

Mr. FALLON. I yield.

Mr. MILLER of New York. Is it not true that taxes which are paid are paid from the profits arising out of the creation and generation of this electricity from the tunnels and turbines, and so forth, which are put in there at the expense of the private utility and no assets such as the river itself is considered a part of the investment of the utility?

Mr. FALLON. Let me say to the gentleman from New York [Mr. MILLER], along that same line, wherever any company can operate without paying taxes, they can deliver the product cheaper.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. DONDERO. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. OAKMAN], a member of the committee.

Mr. OAKMAN. Mr. Chairman, there has been a parallel or similarity drawn between the bill H. R. 4351 and the St. Lawrence power project. I would like to point out there is no similarity between the St. Lawrence power project and this Niagara project. In the first place, they are over 250 miles apart. The Federal Power Commission alone has the right to grant a permit for the development of the St. Lawrence power project. They have seen fit, it appears, to grant it to the New York State Power Authority, which is well and proper, because this is an international joint venture to be built in conjunction with the Ontario Hydroelectric Power as the agent of the Canadian Government. This is, on the other hand, to all intents and purposes, a go-it-alone project. Canada started its portion of the work in the Niagara River 3 years ago, and they will be using our half of the water for power, while the gentleman from New York would have this bill referred to the Federal Power Commission for protracted hearings over months and months of time.

Time is of essence. I heard quite a bit of comment from the other side of the aisle last week that time is of the essence in the matter of 143 air wings; not 3 years, or 2 years, but immediately, because a real threat to our national security exists.

Does anybody believe that this country can wage war without power? Do you deny that power is needed at Niagara, and this bill, H. R. 4351, will give the power to the Nation immediately? It is the cheapest power, together with the St. Lawrence power project, left in America. But notwithstanding that, the opponents of this bill would have the people of America further subsidize the future rate payers of New York and the Northeastern States that are going to use this power, by making it impossible for the Federal Treasury to recover one sou through taxes on the project forever.

In other words, all of America is to subsidize the industries in this particular section of the country against other industries in all sections of the country.

Tomorrow there will be a bill before the House under which one industry in my State will pay 30 percent of the total for the next 6 months for the whole United States of America, yet I intend to vote for that bill because I feel it is necessary for the solvency of America.

I think, Mr. Chairman, that the will of the people is important. It has been clearly shown that the consumers in this

area, large and small, the chambers of commerce, the civic groups, the electrical industry groups, the representatives in Congress, as the gentleman from New York [Mr. ROOSEVELT] states, and as the distinguished Congressman who represents this particular district has so clearly pointed out; and, if you will, Mr. Chairman, the labor unions are for this bill.

A spokesman for the Utility Workers Union of America, CIO, pointed out that their national convention, held in Detroit on April 25, 1953, unanimously adopted a resolution which was presented as part of the testimony given to the committee. Here are some excerpts:

Whereas the national officers and local union officers of the Utility Workers Union of America, CIO, have made public pronouncements against further Government encroachment into the light and power business either on the National, State, or local level; and

Whereas the record of the conventions of 1950, 1951, and of the Utility Workers Union of America, CIO, contain full exposition of the reasons why this union is opposed to further encroachment by Government in the field of light and power; and

Whereas numerous local unions and regional councils of the Utility Workers Union of America, CIO, have also gone on record against Government operation of all kinds in the field of light and power; and * * *

No Federal agency should construct or operate, except for national defense or where private industry fails or refuses to provide adequate service, any project the sole purpose of which is the generation of electric energy.

A spokesman for the International Brotherhood of Electrical Workers, affiliated with the American Federation of Labor, in his testimony stated, in part, as follows:

The association definitely and unequivocally supports the development of electric power at and transmission from Niagara Falls by private capital. * * *

What I am presenting to these honorable committees today is what I may call a brief balance sheet, which I believe shows incontrovertibly that the Niagara power development should be placed in the hands of private capital from every viewpoint: that of net cost to the public, that of speed of development, that of favorable rates, and not least, from our point of view, that of decent wage rates and working conditions for our members.

* * * From the viewpoint of the taxpayer, State or Federal development will require an estimated $390 million of the taxpayers' money and will be largely tax free in operation. Private development will not require one nickel of the taxpayers' money and will return each year to the Federal and local governments an estimated $23 million in taxes. With the burden of taxes on workers now virtually unsupportable and with every effort being made to cut them, it would be folly to throw away this substantial tax source.

Mr. DONDERO. Mr. Chairman, I yield such time as he may desire to the gentleman from Kansas [Mr. GEORGE].

Mr. GEORGE. Mr. Chairman, as one of those who supported the proposal now on the floor to allow the private power companies of New York to develop the hydraulic power in the Niagara development, I wish to state that I was governed by the evidence submitted to our committee. This evidence showed that the five New York power companies are now serving over 90 percent of the area of the State of New York, and over 90 percent of the people of New York State. These five companies are ready and willing to invest up to the amount of $400 million in this power development.

If this development is done by private industry, the evidence showed that $9,500,000 would be paid in additional Federal taxes each year. The State of New York would collect $4,500,000 more in taxes and the local taxes paid by these companies for this development would amount to $9 million, or a total of $23 million in tax revenues to be paid by these companies each year to support our various governmental units. These 5 companies paid over $170 million in regular taxes last year. With the added taxes these companies will pay $190 million each year.

The evidence also showed that these power companies are under the regulatory bodies of New York State, which fixes rates on a formula so that the people pay on a fair and equitable basis. During the past 28 years the members of this commission who fixed these rates, have been appointed by such liberal governors as Al Smith, Franklin D. Roosevelt, Senator Lehman, and Governor Dewey. Surely these governors have seen that people of their State have not paid excessive rates fixed by the commission they have appointed and controlled.

I am for the free enterprise system which in years past has developed and made this country great. Of course, I think that monopolies should be properly supervised and controlled. Surely the State of New York has had such protection under the previous governors I have just named.

As a member of the Public Works Committee, I know that the history has been that where Federal power or State power moves in in a small way—in any way—in any State, they finally take over and stifle private initiative and private industry in whatever field the Government may engage in. The Congress is beseiged repeatedly for additional funds to carry on these experiments wherever and whenever the Government engages in competition with private industry.

For my part, I would much rather see that the Government acts as a regulatory body, protecting our business, our industry, our labor, and our people, and that free enterprise is allowed to produce within prescribed rules and regulations. If we are going to continue to have taxpayers in this country and not tax consumers, we are going to have to follow such an American system.

Mr. DONDERO. Mr. Chairman, I yield such time as he may desire to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Chairman, the bill we are debating today, it seems to me, should be passed at once. Everything argues for its immediate passage, for delay on the part of Congress will merely postpone action on the part of the Federal Power Commission in issuing a license and delay the beginning of construction by the companies.

This is a tremendous project and will make an enormous contribution to the strength and vitality of the economy of States in the Northeast. In the final analysis the companies will spend between $390 million and $400 million on the power redevelopment to provide an installed capacity of 1,300,000 kilowatts with an annual output of 8.6 billion kilowatt-hours.

As noted in the hearings, the proposed development represents an important addition to the power supply of New York State. Its potential is 15 percent of the presently installed capacity in the State. Last year the five companies that would build the project sold over 29 billion kilowatt-hours of electricity, and, in New York State as a whole, 34 billion kilowatt-hours were produced. The output of the proposed redevelopment would approximate a fourth of total production in the State last year.

It is contended by some that we should postpone action so that we can further study the question to make certain that the public interest is fully protected. Few realize the extent to which the overall operations of an electric company are regulated today to safeguard and protect the public interest. As a matter of fact, every important activity is thoroughly scrutinized to make certain that the public interest is not jeopardized. The Public Service Commission of the State of New York regulates rates upon a cost-of-service basis and operating savings are thereby passed on to the consumers. Furthermore, the Federal Power Commission also regulates wholesale interstate power rates. A major contention of those who see some advantage to the people of this country in delaying construction is that huge and monopolistic profits will result from electric-company construction and operation. This is one of those statements that has been repeated and repeated, and those who have repeated it have taken no time to analyze whether or not it conforms to the facts as they are today. Before the day of State and Federal Government regulation of the electric company operations, there was a great element of truth in the charge. In other words, 30 to 50 years ago, the charge more closely reflected the facts. Those who use this argument today, however, are simply repeating something that was true decades ago without realizing—intentionally or unintentionally—that times and situations have changed. Some of them deliberately overlook the progress that the people have made in perfecting truly democratic procedures to protect the people's interest. The charge is that the electric companies make an exorbitant profit on a God-given natural resource, which in this instance is the water and the fall in the water at Niagara. Companies, however, cannot make money on the water. They can only make a return on the capital which they must invest in construction and equipment to generate power from the water and to make that power available to people. A fair return is an essential cost factor, a factor which if destroyed

or eliminated, would be to destroy the entire free-enterprise system in this country.

Those who use the charge of huge and monopolistic profits, in addition to ignoring the fact that rates are regulated, never take into consideration the question of taxes paid by companies to Federal, State, and local governments. These taxes, of course, are used to support governmental services of all kinds for the people's benefit. In addition to taxes, the State of New York collects an annual payment for each year's use of the water of the Niagara River. Niagara-Mohawk's annual payment to the State of New York for each year's use of the waters of the Niagara River on its existing developments at the falls totals $1.9 million.

Secretary of Commerce Sinclair Weeks in a recent momentous speech emphasized the importance of keeping the return on capital in the regulated industries at fair and reasonable levels. In a speech on May 28, 1953, before the American Iron and Steel Institute, he said:

> In regulating utilities and in managing other things, it is cheaper for the public in the long run to have those that serve it well fed and strong rather than half starved and weak. There are ways of getting good service out of the strong. No one can get it out of the weak.

Those who are opposing consideration and passage of this measure would weaken essential industries and companies on the assumption that this is a way to make us strong.

If anything, we should take deliberate action to strengthen regulated industries by removing some of its shackles. For one thing, I feel certain that the provisions of this bill in section 3 (a) which would permit an agency of the State or Federal Government to take over the project after March 1971 upon not less than 2 years written notice and payment to the licensee of its net investment is an unnecessary shackle which should be removed. It seems to me the very inclusion of such a provision will merely mean that the companies would have to pay more for their money and that this would add an unnecessary burden upon the people of this area.

If it is in the public interest for the companies to build this project today and if it is in the public interest for these same companies to operate this project from now until 1971, it seems to me that private operation will be in the public interest thereafter. For these reasons I sincerely question the validity and the wisdom of this provision.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, in the consideration of this bill, we are confronted with a simple question, but yet one of great significance. The issue here is, whether the redevelopment of the power resources of the Niagara is to be done by private enterprise or by the Government, Federal or State.

Private enterprise is ready, willing, and able to undertake this project as provided in this bill. No traditional public function is involved. There is no question of flood control, navigation, irrigation, reclamation, or water sanitation involved. No great dams are to be built. This is no multiple purpose project. It is purely and simply a project to utilize the additional amounts of water made available for the generation of hydroelectric power under the terms of the treaty of 1950 with Canada. Power is not here a byproduct; it is the only product.

The question then presents itself: Who is to develop this project? Is the Federal Government to develop it? There is no Federal function involved. The question of preservation of the scenic values of the falls is amply provided for under the treaty and will be safeguarded by the International Joint Commission no matter by whom the power is developed. To allow the Federal Government to develop this project would mean, in its simplest form, that the Federal Government would be in the power business, in competition with private enterprise, with no pretext of national necessity. This, to me, is socialism; it cannot be anything else. Our people do not want more Government; they want less bureaucracy. In this connection it is worth noting that the Supreme Court in a recent decision—Roanoke Rapids case—decided in favor of private enterprise as against Federal construction of a hydro project because, as the Court said, "of the manifest reluctance of Congress to enter upon power projects having no flood control or navigational benefits." This would equally apply at Niagara. And we then ask, should the State construct the project? The answer is "No." Why not? Because there is no State agency qualified to undertake such a monumental task. The New York State Power Commission is a paper organization, established to further the cause of the St. Lawrence seaway and power project, and only recently extended to cover the Niagara. It has never built a dam, never generated or sold a kilowatt of electricity. It has no engineering or construction staff of its own to carry out the project. It owns no facilities and has no vast experience to call upon. If we were to allow the State to construct the project, it would have to call upon private contractors to carry out the project in any event.

However, a different picture is presented if this bill is passed by the Congress. Let me explain why. There are five great utility companies in the State of New York, who provide 92 percent of all the power in the State. These same companies serve a total of 14 million people scattered over 90 percent of the area of the State. These utility companies are spending over $200 million this year to increase the power supply of the State. All of these companies put together supply all of the power needs of the great industries of the Empire State in all of the metropolitan centers as well as 96 percent of the farms of the State. This figure of 96 percent is of interest compared to the TVA area where 87 percent of farms are electrified. These companies' facilities are interconnected in a vast power and distributing power generated by 110 hydroelectric and 28 steamplants with a total capacity of 6,700,000 kilowatts.

The amount of additional hydropower which can be developed at Niagara would make a 17 percent increase in the capacity of these companies. Together these companies have developed plans, in accord with the conditions contained in the treaty, and which will meet all of the conditions which have been laid down.

The most important reasons for this bill are: First, they will build the project at no cost to the taxpayer; second, private power will pay additional taxes on the finished projects; and third, they can start at once and complete the project within 3 years. Indeed they have been ready to do so for some years. Fifty years of experience and an already existing, efficiently and economically functioning plant weigh heavily among the determining factors on this question.

It is neither desirable nor necessary for Government, Federal or State, to be in the power business. To me it represents governmental encroachment. There is no occasion for a subsidy in the form of exemption from taxes in an area where private business ably and completely occupies the field at the present time; where private enterprise is seeking only expansion.

This project must be undertaken as soon as possible. Canada can, under treaty terms, utilize any of the United States share of water that we do not, and they will have completed their redevelopment by 1954 and be ready to use our share.

The question I pose for the Members of this House is this: Shall this power project be done with a tax loss to communities, the State and Federal Government, with an illusory saving to consumers? Or, by private enterprise, with a tax gain to the communities, State and Federal Government, and those who benefit to pay the fair cost of the benefits?

The answer can be found only in this bill. Private enterprise should develop this power potential, which is of great concern to not only the people of the State of New York but all of the people of this country.

I am happy to note that organized labor has come out in full support of this bill. Also, the vast majority of my constituents have urged me to give my complete support to this type of legislation, which will not only favor free enterprise over bureaucratic encroachment and indifference, but will continue to uphold and maintain the hard-won standards of American labor.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. OSTERTAG].

Mr. OSTERTAG. Mr. Chairman, one of the cigarette companies ran a very entertaining series of ads a few years ago, which showed first, some magicians' tricks, and second, how they were performed; and the catch line was, "It's fun to be fooled, but it's more fun to know the facts."

The slogan applied merely to the field of entertainment, but I sometimes wonder if the Government has not appropriated the first half of it, in the benign hope that the last half will be forgotten. In our public power projects, as in cer-

tain other areas of Government, we are fooling the people as to the true costs involved. I am confident they prefer to know the facts, and to base their decisions on the facts.

The proposal under discussion is a case in point. We are being asked to permit private enterprise to develop the unused power at Niagara Falls. The opponents of this measure insist that Government should be authorized to do the job, because, they contend, Government can do it cheaper. But there is no magic in Government operations and Government financing. Government can deliver the power cheaper to consumers, only, if it conceals some of its costs, shifts others to the backs of taxpayers who will never benefit from the project, and deprives the localities involved, of the taxes they must have, to survive. In short, it can do the job cheaper, only if it fools the public as to who pays the bill. It does not cut its costs in half any more than the magician cuts his beautiful assistant in half. It achieves the illusion simply by the use of financial mirrors.

I am convinced that the public prefers to have its business run on the basis of the facts.

What are the facts in this case?

Private enterprise has been developing hydroelectric power at Niagara Falls for 50 years. It is ready today to expand its plants there to develop the additional power potential made available through the United States-Canadian Treaty of 1950. It also stands ready to provide the remedial works necessary to preserve the scenic beauty of the falls.

Who is opposing private enterprise? The answer is the proponents of public power through the means of the Government of the United States and the government of New York State. Each would like to develop the power at Niagara, and, moreover, they are so determined in that objective that they appear ready to make common cause, if necessary, to prevent private enterprise from doing the job.

Who is for private enterprise in this undertaking?

Mr. Chairman, the people of the entire area are for the private-enterprise development. Labor is for it. Business is for it. The municipalities and political subdivisions are for it. The farmers are for it. The clubwomen and professional organizations are for it. The people are for it. They have weighed the problem. They know the facts. They do not want to see this resource taken over and run by a huge Government bureaucracy. They know that, under private enterprise, those who take the risks and pay the costs will also reap the benefits, which is as it should be. They know that, under private enterprise, the consuming public will be provided with power at fair rates. They know that, under private enterprise, consumers will be protected by the State Public Service Commission against unfair rates; that labor will receive a fair share of the fruits of its work; that the municipalities in which the power facilities operate will receive substantial and greatly needed taxes from the undertaking, and that the bond and shareholders, who assume the risks in financing the project, will also receive their rewards in taxable interest and dividends.

They know that none of these things will be true if either the State or Federal Government moves in to develop this resource.

If Niagara Falls were a vast multiple-purpose project, involving such things as irrigation, reclamation, flood control, or navigation, there might well be a legitimate basis for Government intervention. But there is only one resource to be developed at the falls, and that is power.

It certainly cannot be contended that Government should move in here because the area to be served is undeveloped and incapable of helping itself. So far from it, it is a highly favored area, economically. It includes some of the highest concentrations of industry and some of the richest dairyland in America. Both industry and agriculture are being well serviced at present by the existing privately owned power companies of the area. A total of 96 percent of the farms of New York State are electrified now, as, of course, is all of the industrial area from Buffalo to New York. Moreover, the farms use substantially more electricity per year than the national average, because, for one thing, it is cheaper electricity than the average for the United States. But both industry and agriculture need more power. They are willing to pay for it. They are not asking for a Government subsidy, which is what Government development of Niagara power would amount to.

In short, the issue here is sharp and clear-cut. We have said we want to check the needless expansion of Government. We have said that Government should concern itself only with those functions or activities which private enterprise cannot or will not undertake. We have here a hydroelectric-power project which private enterprise is ready and willing to undertake, and under conditions which will serve, the best interests of everyone concerned. We should stand by our precepts, by our faith in ourselves, and by our American way of life, and approve this bill.

Mr. DONDERO. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Chairman, I shall support this bill because it squares with the American way of doing things; that is, the traditional American way of doing things. However, I am opposed to one provision in the bill which provides that the Federal Government may acquire these dams after the lapse of about 20 years. I certainly hope that provision will be stricken from the bill. I understand an amendment will be offered to that effect; is that correct, Mr. DONDERO?

Mr. DONDERO. That is correct. I hope it will, and as far as I can speak for the committee on this side, it will be accepted.

Mr. JENSEN. Mr. Chairman, I want to point out what happens when a Federal Government becomes so powerful that it can dictate the policies of the American people. As you know, many contracts have been entered into between the Bureau of Reclamation and a number of REA cooperatives.

Mr. Chairman, an examination has recently been made of Bureau of Reclamation power contracts to determine such contracts as provided for purchase by the Bureau of the facilities of REA cooperative systems to whom the Bureau had contracted to supply power.

For example, this examination found that the contract entered into between the Bureau of Reclamation and the East River Electric Power Cooperative, Inc., on the 18th day of December 1950, predicated the delivery of power to the members of the cooperative upon the granting to the Bureau of an option to purchase the cooperatives' transmission system to wit—item 5, page 2 of contract:

5. Whereas the United States is willing to supply the power and energy requirements of the contractor's members listed in exhibit B exclusively by means of the license granted to the United States for use of the contractor's transmission lines, provided the contractor grants the United States the right at its option to purchase the contractor's transmission system.

With respect to the option, the contract provides—21 (b), page 12 of contract:

The United States at its sole option may, at any time during the life of this contract, upon giving the contractor at least six (6) months' prior written notice, purchase the contractor's electric system, consisting of those certain transmission lines, substations, and appurtenant facilities, including rights-of-way together with transportation equipment and tools used in connection therewith, which have been constructed or acquired by the contractor pursuant to article 14 hereof and which are subject to that certain mortgage between the contractor and REA, dated November 15, 1950; a copy of which is attached hereto and made a part hereof as exhibit D.

It is apparent that the Bureau has included in this contract provision for expansion of the Bureau system at its sole option.

In consequence thereof, I wrote the following letter to the Secretary of Interior and to the Administrator of REA:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., June 5, 1953.

The Honorable DOUGLAS MCKAY,
Secretary of the Interior,
Washington, D. C.

DEAR MR. SECRETARY: For the past several years I have been gravely concerned about the methods employed by the Bureau of Reclamation under the previous administration regarding contracts entered into between the Bureau and several REA cooperatives for the delivery of power from Federal hydroelectric dams.

For example the provisions written into a contract entered into between the Bureau of Reclamation and the East River Electric Power Cooperative, Inc., on December 18, 1950. In this contract the cooperative was forced to agree to the granting to the Government, at the Bureau's sole option the right to purchase the transmission and related facilities of the cooperative at the Bureau's own discretion, as a condition upon which the Government would agree to supply electric power and energy to the REA cooperative's customers.

It is unthinkable that the outgoing high official of the Bureau of Reclamation, who was delegated with the authority to dispose of power from Federal projects, by the law of the land, should use that authority to further its own ambitious dream of a federally

controlled electric power empire without regard to the rights and privileges of the citizens of an area it seeks to serve and eventually to dominate. That such action may have been taken with the acquiescence or connivance of high Washington headquarters officials of the Rural Electrification Administration, in no way detracts from the reprehensible action of the Bureau.

Of similar character is the attempt of the Southwestern Power Administration to provide for the acquisition of transmission lines through leasing contracts that are in reality contracts that provide for the installment purchase of these facilities for which Congress has not authorized or appropriated the required funds.

I hope that you will take the steps necessary to eliminate or nullify such obnoxious provision in these and any other contracts now in force and under your jurisdiction, or else by court action completely nullify such contracts, and make certain that such provisions are not incorporated in future contracts for the protection of the members of the REA cooperatives, as is their right under our American system.

I cannot and will not be a party in appropriating the taxpayer's dollars in the future for starting construction of any federally financed transmission line, or to complete any such transmission line now under construction from any Federal hydroelectric project to any electric power utility or agency, or customer, who has signed a contract which included like provisions as above mentioned, unless and until such provisions have been completely deleted from said contracts.

I trust this will be accomplished before Congress again convenes in January 1954. Knowing you as I do, I believe you will concur in my position as set forth in this letter.

Respectfully yours,

BEN F. JENSEN,
Member of Congress.

The CHAIRMAN. The clerk will read the bill for amendment.

The clerk read as follows:

Be it enacted, etc.—

FINDING AND POLICY

SECTION 1. (a) The Congress hereby finds that the United States is obligated to preserve and enhance the scenic beauty of the Niagara Falls and River.

The Congress further finds that it is necessary and desirable for the public welfare and for the security of the United States that the share of the waters of the Niagara River made available for power purposes under the treaty between the United States of America and Canada, dated February 27, 1950, and ratified by the Senate of the United States on August 9, 1950, be utilized promptly.

The Congress further finds that low-cost power is urgently required to supply among other purposes, the greatly expanded demands of the Department of Defense upon the electrometallurgical and electrochemical industries and other industries maintained in the vicinity of Niagara Falls.

The Congress further finds that utilization of the United States share of the waters of the Niagara River for the production of hydroelectric power is not an incident of the exercise of the public functions of the United States to improve navigation, flood control, reclamation, irrigation, or sanitation.

The Congress further finds that in view of the public burden of the increasing obligations of the United States, it is most desirable that development of hydroelectric projects be made by private enterprise and without recourse to public funds particularly where, as here, private enterprise is able most promptly to commence actual construction of and to put the project, as hereinafter authorized, into operation.

The Congress further finds that the Federal Power Act (49 Stat. 838), as amended, provides adequate safeguards deemed essential for the protection of broad local and national interests in navigable waters of the United States, at the same time permitting full development and utilization of water-power resources with due regard to the protection of the interest of the United States therein.

The Congress further finds that further development of any hydroelectric project at Niagara Falls requires the enactment of legislation prescribing special conditions to be incorporated in any license issued by the Federal Power Commission for such development as hereinafter provided.

(b) It is hereby declared to be the policy of the Congress (1) to preserve the scenic beauty of Niagara Falls and its environment; (2) to further the national security; and (3) to assure the development of low-cost electric power under the private enterprise system.

SEC. 2. The Federal Power Commission is hereby authorized and directed to issue, as soon as practicable, to citizens of the United States, or to any association of such citizens, or to any corporation organized under the laws of any State, a license for the purpose of prosecuting works of improvement for redevelopment of the Niagara River in substantial accordance with the project plans outlined in the report of the Bureau of Power of the Federal Power Commission dated September 28, 1949, entitled "Possibilities for Redevelopment of Niagara Falls for Power—Niagara River—New York" (such works of improvement being hereinafter referred to as the "project"). The Commission shall have authority to require such modifications of said project, not inconsistent with this act, as it may deem advisable in accordance with the provisions of the Federal Power Act, as amended. In issuing a license under this Act, the Commission shall give preference to the applicant most able to commence actual construction of and to put the project into operation promptly.

SEC. 3. Except where inconsistent with the provisions of this act, the license to be issued hereunder shall incorporate all of the provisions of the Federal Power Act, as amended, and in addition shall expressly include the following terms and conditions:

(a) Any agency of the United States as may hereafter be created for such purpose or any agency created and designated by the State of New York for such purpose may after March 2, 1971, upon not less than 2 years' written notice, take over and thereafter maintain and operate the project upon the condition that before taking possession such agency of the United States or of the State of New York shall pay to the licensee its net investment, as that term is defined in the Federal Power Act, as amended, in the project. The net investment of the licensee in the project for the purpose of this act shall be determined by the Federal Power Commission after notice and opportunity for hearing.

(b) In contracting for the disposition of project power, preference shall be given to directions from the Department of Defense for supplying power to governmental installations or to industries requiring power to produce materials essential to the national security.

(c) The licensee shall pay to the United States and include in its net investment in the project herein authorized the United States share of the cost of the construction of the remedial works to be undertaken in accordance with article II of the treaty referred to in the first section of this act whenever such remedial works are constructed by the United States.

SEC. 4. Upon the complaint of any interested State, the Federal Power Commission shall have jurisdiction, after due notice to all interested States and to the licensee an opportunity for hearing, to require the licensee to enter into reasonable and practical arrangements whereby project power will be apportioned equitably among States within economic transmission distance, subject, however, at all times to the priority in respect of project power accorded to the Department of Defense as hereinabove provided in section 3 (b).

SEC. 5. Nothing in this act shall be construed as affecting any valid existing rights under licenses heretofore issued pursuant to the provisions of the Federal Power Act (49 Stat. 838), as amended, or as now or hereafter affecting the applicability of the provisions of that act in the case of waters of the Niagara River presently authorized to be diverted for power purposes under licenses heretofore issued under that act.

SEC. 6. In the event of any conflict between the provisions of this act and the provisions of the Federal Power Act and of the license to be granted for the project herein authorized, the provisions of this act shall govern in respect of the project herein authorized.

SEC. 7. This act may be cited as the "Niagara Redevelopment Act of 1953."

Mr. DONDERO (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BECKER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BECKER: Strike out all after the enacting clause and insert in lieu thereof the following:

"That it is the policy of Congress and is hereby declared to be the intent of this act to promote interstate and foreign commerce and the national defense, and to provide for the preservation of the scenic beauty and for the public development and beneficial public use of the undeveloped water power of Niagara Falls and the Niagara River in the State of New York, in accordance with the provisions of the Niagara Redevelopment Treaty between the United States and Canada signed February 27, 1950, and ratification advised by the Senate of the United States on August 9, 1950 (Executive N, 81st Cong., 2d sess.).

"SEC. 2. (a) To implement the foregoing policy, the Federal Power Commission is hereby authorized and directed to issue a license under the Federal Power Act (49 Stat. 838), as amended, to the Power Authority of the State of New York as the accredited public agency of the State of New York upon its application to undertake the construction of all power facilities to be installed on the United States side of the Niagara River in the State of New York pursuant to the aforesaid treaty, and in substantial accordance with the project plans outlined in the report of the Bureau of Power of the Federal Power Commission, dated September 28, 1949, entitled 'Possibilities for the Redevelopment of Niagara Falls for Power—Niagara River—New York'; such plans may be modified by the Commission pursuant to the terms of the Federal Power Act or pursuant to recommendations of the Corps of Engineers, United States Army.

"(b) The licensee shall reimburse the United States Government for the United States share of the cost of works necessary to preserve and enhance the scenic beauty of Niagara Falls. The license shall incorporate all of the provisions of the Federal Power Act, as amended, and in addition shall require equitable distribution of the hydroelectric energy generated by such facilities for the benefit of the people as a whole and particularly the domestic and rural con-

sumers, to whom the power can economically be made available, through any agency, corporation, or association, public or private, engaged in the business of distribution and sale of electricity to ultimate consumers, and shall be consistent with the Power Authority Act of the State of New York and protect the interests of the United States and the States involved, allowing for making available a fair proportion of the power generated by said facilities to other States within economic transmission distance.

"Sec. 3. Nothing in this act shall be construed as diminishing or enlarging any valid existing rights under any license heretofore issued pursuant to the provisions of the Federal Power Act (49 Stat. 838), as amended, or as now or hereafter affecting the applicability of the provisions of that act in the case of waters of the Niagara River presently authorized to be diverted for power purposes under licenses heretofore issued under that act.

"Sec. 4. This act may be cited as the 'Niagara Redevelopment Act of 1953'."

Mr. BECKER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with in view of the fact that it is the same as my bill H. R. 5335 which I introduced.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BECKER. Mr. Chairman, the amendment I have just proposed is a substitute for the so-called Dondero bill. My amendment would provide that the great natural power resource of the Niagara River, on the American side, be developed and managed for all of the people of the State of New York and for the people of the United States.

We from New York, of course, have a tremendous appreciation of what it would mean to our State to have the Niagara River power potential developed as a public resource by the New York State Water Power Authority. And this is what would be achieved if my amendment were to carry.

It was my good fortune to be a member of the New York State Legislature. It was my happy privilege, also, in 1951 as a member of the New York State Assembly, to support and to vote for the establishment of the Power Authority of the State of New York, whose special obligation and concern it is to develop this great power resource.

Section 1001: Declaration of policy: Those parts of the Niagara and St. Lawrence Rivers within the boundaries of the State of New York are hereby declared to be natural resources of the State for the use and development of commerce and navigation in the interest of the people of this State and the United States. In order to provide for the most beneficial use of these natural resources for the creation and development of hydroelectric power in the interest of the people of this State, and to preserve and enhance the scenic beauty of the Niagara Falls and River, such natural resources, including the beds and waters of the said rivers as instrumentalities of commerce and navigation, and the beds, waters, power and power sites in, upon, or adjacent to or within the watersheds of the said rivers, owned or controlled by the people of the State, or which may hereafter be recovered by or come within their ownership, possession, and control, shall always remain inalienable to, and ownership, possession, and control thereof shall always be vested in, the people of the State. (Became law, March 20, 1951.)

Section 1002: Creates the Power Authority of the State of New York to effectuate and implement the declaration of policy above.

Section 1005 (5): It is to be especially noted, places on the power authority the responsibility and obligation to develop, maintain, manage, and operate this project owned or controlled by it—and I am speaking now of the Niagara River especially—so that the benefits from this project shall flow primarily and particularly to the domestic and rural consumers to whom the power can economically be made available.

It is not my purpose, in the brief remarks I am going to make, to sketch out in detail the proposal of the Power Authority of the State of New York for the development of the Niagara River power. We are on notice of what the power authority of my State is willing and anxious to do. A tremendous amount of information descriptive and explanatory of this project has been put before every Member of the Congress.

What I should like to point out—and to have the special attention and consideration of my colleagues—is the fact that the power authority bill which I introduced in the House of Representatives and which is precisely the subject of my amendment, has the complete support of my State.

My party, the Republican Party of New York, has consistently and perseveringly supported State development of the Niagara River power. The platform of the Republican Party of New York in 1932, in convention assembled, spoke out vigorously on this subject of hydro power development by the State. The platform of 1934 reiterated the principle of State power development. The platform of 1938 reemphasized this pledge. The platform of 1946 again put our party back of its historic position and in the platform of 1950 the Republican Party of New York underscored and reemphasized the principle of State development of this resource.

The New York State Legislature, under the leadership of Gov. Thomas E. Dewey, has spoken out in unequivocal terms for State development. The chairman of the Power Authority of the State of New York only a few days ago appeared before the Committee on Public Works in advocacy of State development.

The Governor of my State, Governor Dewey, has declared in and out of season for State development of this resource.

I think it fair that this be placed on the record. It indicates the earnestness and the desire, by the government of the State of New York, to initiate, develop, and manage this power resource in trust for the people.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment to the Becker substitute.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama to the substitute offered by Mr. BECKER: At page 3, line 4, after the word "require" insert "that:" delete the remainder of section 2 and insert the following in lieu thereof:

"(1) full recognition shall be given to the interests of national security as provided in section 15 of the Federal Power Act (16 U. S. C. 809);

"(2) in contracting for the disposition of project power, (A) preference shall be given to States, counties, and municipalities, including agencies or instrumentalities of any of them, and to cooperative or other organizations not organized or administered for profit but primarily for the purpose of supplying electric energy to their members as nearly as possible at cost, and to the Department of Defense, and other defense agencies, and on fair and reasonable terms to other Federal agencies and to private enterprises requiring power to fulfill defense contracts, and (B) arrangements shall be made sufficiently flexible so that the foregoing recipients of preference now or hereafter authorized by law to engage in the distribution of electric energy, may secure a reasonable share of the project power; and

"(3) in contracting for the disposition of project power, commitments shall be so made as to provide and allow for a determination of disputes as to apportionment of project power among States within economic transmission distance whereby the Governor of any State, believing that his State is or may be denied its fair share, may make complaint to the Federal Power Commission which, after due notice to all States which may have an interest in the availability of project power and opportunity to them for hearing under the Commission's Rules of Practice and Procedure, shall determine reasonable and practicable arrangements whereby and the extent to which project power shall be made available in the public interest to purchasers in States within economic transmission distance of the project: *Provided*, That such determination shall be final and binding in the operation of the project except as it may be thereafter revised in further proceedings before the Federal Power Commission as herein provided;

"(4) (A) in order to render financial assistance to those States and counties in which the agency carries on its operations and acquires properties previously subject to State and local taxes, the agency of the State of New York shall pay to such States and counties for each calendar year such amount as the agency deems fair and equitable, taking into account the State and local taxes which would be payable if such operations were carried on by private corporations, but in no event more than 10 percent or less than 5 percent of the gross proceeds derived from the sale of power by the agency for the preceding calendar year, except as hereinafter provided; and

"(B) the payment for each fiscal year shall be apportioned among such States and counties in the following manner: One-half of such payment shall be apportioned by paying to each State (including payments to counties therein) the percentage thereof which the gross proceeds of the power sales by the agency within such State during the preceding calendar year bears to the total gross proceeds from all power sales by the agency during the preceding calendar year; the remaining one-half of such payment shall be apportioned by paying to each State (including payments to counties therein) the percentage thereof which the book value of the power property held by the agency within such State at the end of the preceding calendar year bears to the total book value of all such property held by the agency on the same date. The book value of power property shall include that portion of the investment allocated or established to be allocable to power: *Provided*, That the minimum annual payment to each State (including payments to counties therein) shall not be less than an amount equal to the 2-year average of the State and local ad valorem property taxes levied against power property purchased and operated by the agency in such State. Such 2-year average shall be calculated for the last 2 tax years during which such property was privately owned and operated or such land was privately owned. The agency shall pay directly to the respective counties the 2-year average of

county ad valorem property taxes (including taxes levied by taxing districts within the respective counties) upon power property and reservoir lands allocable to power, determined as above provided, and all payments to any such county within a State shall be deducted from the payment otherwise due to such State under the provisions of this section. The determination of the agency of the amounts due hereunder to the respective States and counties shall be final."

Mr. JONES of Alabama. Mr. Chairman, the purpose of this amendment is to write into the Becker amendment the same provisions that now prevail in all general acts of similar kind and character.

The first preference clause was contained in the Reclamation Act of 1906. In that act the preference was retained for the ultimate consumers. That act was followed by an act known as the Raker Act of 1913. The Federal Water Power Act of 1920 contained the same language and the same philosophy as embraced in this amendment. The Boulder Canyon Project Act also contained the same language in substance. The Tennessee Valley Authority Act of 1933 and the Rural Electrification Act also contained this preference clause. The Bonneville Act of 1937, the Fort Peck Act, the Reclamation Act of 1939, the Water Conservation and Utilization Act of 1940, and the Flood Control Act of 1944, also contained this clause.

Mr. Chairman, we have consistently, in every type of project such as we have under discussion here today, provided a preference clause for the granting of a license in the operation of a project of this size and of this proportion. I would suggest, Mr. Chairman, that if this substitute bill is adopted containing the amendment which will preserve the Federal interest in insuring that the electricity generated at Niagara will be sold at rates that will reflect the local cost of the generation, then we will be protecting the Federal interest in these properties. It would seem to me inconsistent that we would place a preference clause in all other legislation concerning the Federal policy with respect to the sale and disposition of electricity and omit the same preference clause with respect to this project. The preference clause has proven satisfactory and successful and there is no justifiable reason to abandon it. I might say to my friend that this is a States rights proposition contained in the Becker bill.

Mr. DEMPSEY. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I am glad to yield to the gentleman.

Mr. DEMPSEY. The gentleman speaks of ratemaking. The Public Service Commission of New York State fixes the rates.

Mr. JONES of Alabama. Yes, sir; I understand that.

Mr. DEMPSEY. And if you want States' rights, then would you want the Federal Government to fix the rates in the State of New York or do you want the established authority to fix the rates?

Mr. JONES of Alabama. Of course, we have ratemaking bodies in every State.

Mr. DEMPSEY. Not such as the Public Service Commission of the State of New York.

Mr. JONES of Alabama. We have ratemaking bodies in every State, with the exception of the States of Texas and Tennessee, and I believe there is another State where the contracting parties or municipalities for the area make their individual contracts.

We have repeatedly heard today during the course of this debate that a private utility is a completely private business venture.

Certainly the term "private utility" is a misnomer. A private utility exercises a public function. It is a monopoly and in every instance operates on a franchise obtained from some government—either State, county, or municipal. Where does the private utility obtain its authority to operate? It acquires its authority from the people. It exercises it in behalf of the people and should be made accountable to the people. A private utility is not like a corner drug store nor is it like any ordinary business enterprise that we commonly accept as a private business concern. It is my earnest hope that we will not lose our sense of responsibility and turn over this great natural resource without making the private utilities accountable for the proper disposition of the energy. The people will expect no less of them. The people will expect no less from us.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

Mr. HOFFMAN of Michigan. Mr. Chairman, I object.

Mr. MILLER of New York. Mr. Chairman, I move to strike out the last word.

Mr. DONDERO. Mr. Chairman, if the gentleman will yield for a unanimous-consent request, I ask unanimous consent that all debate on the pending amendment, and all amendments thereto, close in 13 minutes with the last 3 minutes to be reserved to the committee.

Mr. ROOSEVELT. Mr. Chairman, reserving the right to object, how will the time be divided?

Mr. DONDERO. I have only asked for the last 3 minutes to be reserved to the committee, which will give each of the 2 gentlemen standing 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MILLER of New York. Mr. Chairman, I would like to address myself to the substitute amendment offered by the gentleman from New York [Mr. BECKER].

I want the Members to know that the New York State Power Authority was created by the late President, then Governor, Franklin D. Roosevelt, in the year 1931. At the time that authority was created by statute in New York, it did not include, nor did it have jurisdiction over, the Niagara River. It related exclusively and solely to the St. Lawrence River. Why? Because on the St. Lawrence River, as long as there had been white men on both sides of the river, there had been an agitation for a multiple-purpose seaway and public-power project, which no public utility would be interested in, because a compact with Canada would be necessary. It was felt that a legal status should be given to the State of New York in order to participate in the negotiations with Canada for a multiple-purpose project on the St. Lawrence, but only the St. Lawrence was under the jurisdiction of the New York State Power Authority; not the Niagara River at all. Why? Because the private utility had already been in the Niagara River for 30 years and was doing a good job and was serving the people of the State of New York very well.

Mr. FALLON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of New York. I yield to the gentleman from Maryland.

Mr. FALLON. Could the gentleman tell the committee how many transmission lines the New York Power Authority owns?

Mr. MILLER of New York. I do not have that figure at this time. It was not until 1951 that the New York State Legislature amended the State Power Authority Act to include and give New York State jurisdiction over the Niagara River.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MILLER of New York. I yield.

Mr. DONDERO. Is the State of New York now engaged in the production of electric power?

Mr. MILLER of New York. I am coming to that, Mr. Chairman. Why was it included in 1951? Because the treaty with Canada had already been consummated, providing for the extra diversion of water, and Senator LEHMAN and Congressman ROOSEVELT had already introduced their bills in the Senate and the House to provide for the development of this power by the Federal Government. My State senator and my assemblyman voted to amend the act in New York to provide jurisdiction for the State power authority over the Niagara River in 1951 only as a defense to the Federal project, and they so stated the day after they voted, 2 years ago, that they voted only to place the State of New York in a bargaining position against the Federal Government, and they never expected to use it as a defense against the extension of the private utility facilities, should the Congress ever permit them to do so.

What is the State power authority? It is composed of 5 or 6 people who never generated one kilowatt of electric energy; they do not own a mile of transmission lines; they have never been in the electrical construction business; they do not know anything about hydroelectric power. Here is a $400 million proposition. Please do not do this to the people of the State of New York. Do not turn this over to 4 or 5 people who have never had 1 single day's experience in the generation or transmission of electric power.

Now, on the amendment offered by the gentleman from Alabama [Mr. JONES].

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. MILLER of New York. I yield to the gentleman from Tennessee.

Mr. EVINS. There are 3 members of the Tennessee Valley Authority. They have not had any experience, but they are doing a splendid job.

Mr. MILLER of New York. I would not know about that, not coming from the State of Tennessee; but I do know in the State of New York.

Now, on this amendment. Only recently the Federal Power Commission found that in the State of New York there was no need for a preference clause. The utilities now serving the State of New York serve over 90 percent of all the people. Only one-tenth of 1 percent are served by cooperatives. Only about 1 percent are served by municipal powerplants. There are adequate transmission lines all over the State of New York, and it has always been the generally accepted policy that preference clauses only pertain to surplus power generated by Government funds, and it does not apply in the State of New York.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, a great deal has been made of this question of taxes, and I think we should address ourselves to some facts in this situation.

The amendment offered by my colleague, the gentleman from Alabama [Mr. JONES] perfects the substitute offered by the gentleman from New York [Mr. BECKER] in that it will direct the New York State Power Authority to make payments in lieu of taxes to the State and local governments. The only remaining question, therefore, is the question of Federal taxes. There is complete agreement that the Federal taxes involved in the Niagara project, if it is constructed and operated by the private utilities, amount to about $9,500,000. That is all that Uncle Sam is going to get out of the private utilities from the development of this Niagara power—$9,500,000.

Now, let us just look at the record of what the taxpayers have paid in subsidies in two forms to those same private utilities—and this is your taxpayers' money. First of all, in the general area of the Northeast about 40 percent of all the defense contracts since Korea have been placed. The power differential, in other words, the high cost of power in the Northeast as compared with the national average is such that in these defense contracts Uncle Sam has subsidized the private utilities of the Northeast to the tune of $180 million since Korea. In the case of one private company, Alcoa, at the Massena aluminum plant, refused to put that plant back in operation unless Uncle Sam was willing to pay the difference between the national average power rate and the excessively high private utility rate charged by 1 of these 5 companies. In the 18 months since that plant has been in operation at Massena, since October of 1951, Uncle Sam has paid—that is your taxpayers and mine have paid out—for this high power cost of the private utilities $6 million to only 1 of these 5 companies.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I am glad to yield to the gentleman.

Mr. JONES of Alabama. In addition to those payments made to those so-called private utilities, I wonder if the gentleman from New York would give us some figures on the tax amortization they have enjoyed.

Mr. ROOSEVELT. I am coming to that; I am glad the gentleman brought that up.

Since Korea the five companies that are trying to grab this people's resource have been granted tax amortization certificates for plant expansion to the tune of $325 million, which amounts to a tax writeoff of $114 million. That means that we are telling these five companies: Do not pay Uncle Sam $114 million in taxes; and you fellows are worried about $9,500,000 in taxes that will come if they develop this. Why, you have already paid them over $300 million as a taxpayers' subsidy since Korea.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. JONES of Alabama. If these companies go ahead and build this project, will we be held up for tax amortization?

Mr. ROOSEVELT. I am glad the gentleman brought that up. These five companies have been asked whether they expect to file for tax amortization certificates on the $400 million to build this project, and they have artfully ducked and dodged that question ever since it first came up a number of years ago.

If you pass this bill this administration can expect that they will file for tax amortization certificates for an additional $400 million. It means the taxpayers will pay about $150 million as an additional subsidy on tax writeoff on this project. What you are saying is that the taxpayers should now put up a total of almost half a billion dollars in tax-free money: all of this taxpayers' money on top of stealing the resource itself, which the people own. This is why I say, and the people will say when they know the facts, that this is the biggest and most flagrant grab in the Nation's history.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I rise in support of the Becker amendment.

Mr. Chairman, I believe that we are engaged here in considering substance, not form, and that none of us here will be panicked by tirades either against the Federal Government or against the private utilities. I think it has already been pointed out that we are not engaged in any fundamental question of ideology, because every public utility enjoys a franchise from some governmental entity and is a monopoly, and that we are, therefore, not dealing with free competitive enterprise in terms of the market place. It is just a question of which way the public interest will be best served by the sovereign, in this case the State of New York, retaining continuously the title to this fundamental resource or by turning the title—and I emphasize the word "title"—over to the utility companies which are bidding for it.

It is my conviction, and I believe it is keeping faith with the people of the State of New York, to take the position here that the public interest will be best served by keeping the title continuously—and I emphasize the word "title"—to this fundamental resource in the name of the people of the State of New York. That is in substance what the State plan implies, because once you get by the title about everything else remains the same if these parties are proceeding in good faith and if they really intend to go through with all of their representations of serving the public interest in the administration of this property.

Let me prove that to you. Mr. Burton, chairman of the New York Power Authority, who testified on behalf of the State of New York, said at page 211 of the testimony:

> The State will pool its power with existing private, public, and cooperative utility systems. This will be done under agreements fair and equitable to consumer and company alike. If the existing utility companies prefer not to transmit and market the power, the State is empowered to build transmission lines to load centers. State transmission of St. Lawrence and Niagara power would be wasteful, insofar as it would duplicate existing lines and would block the stronger integration of our existing utility systems.

In short, the State will own title continuously to the fundamental resource and the State will utilize that fundamental resource in the best public interest through private enterprise, through cooperatives, through municipalties, and through any agency that is necessary to give the people the full benefit of that fundamental resource. That, I think, is our fundamental objective.

The first reason I believe that we should stand against the ownership of the title to this fundamental resource by the private public utility companies is that this resource should not be alienated because it belongs to all the people. The people of the State of New York have asserted themselves on that subject and we, I believe, are morally bound to respect that assertion. The people of the State of New York say: We wish to own the title, we wish to control disposition of this power, and it is our intention, clearly expressed by the chairman of this power authority, that we will dispose of it without duplicating transmission lines, without competing with private industry, without endeavoring to have the Government run the power industry. The bill which the committee has brought in has had to include protections against the fact that some might be unfairly treated in the utilization of this fundamental power resource, and I attribute this to the fact that for 48 years the title is being alienated. If title remains continuously in the State of New York you would not need these protections and the committee itself admits that the people own this resource because they say in 48 years they shall get it back. I say, let the people keep the title now. That is the fundamental policy of the State of New York expressed time and time again since the beginning of the century. I believe we are in duty bound to respect the wishes of the people of the State of New York.

There has been a lot of talk here about the attitude of the President. Regardless of what the Bureau of the Budget

said and it is my deep conviction that it represents the attitude of the administration which favors referring this whole matter to the Federal Power Commission under the Federal Power Act, the President himself has said that the best way to develop a natural resource is in partnership between localities—the States—and the private enterprises in those States. That is just exactly what the New York State plan proposes, and that is just exactly what Mr. Burton testified to; that New York State would pool with existing private, public, and cooperative utility systems the utilization of its title to this fundamental resource which inalienably, according to the assertion of the people of the State of New York, should belong to them.

Mr. Chairman, I think we ought to respect that, and I think we ought to, therefore, adopt the Becker amendment—the New York State plan.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. DONDERO].

Mr. DONDERO. Mr. Chairman, the amendment offered by the gentleman from Alabama [Mr. JONES] intends to add to the Becker amendment the preference clause.

I just want to say to the House that Mr. John H. Burton, director of the New York Power Authority, came before our committee and frankly told the committee that if the State of New York was given the right to develop this power there would be no preference clause in their regulations. That is No. 1.

Secondly, the courts have passed upon this question before. In the District circuit court, in the Roanoke Rapids case, the court said: "The preference clause merely provides how the surplus power developed at Government projects shall be disposed of." There is no such question as surplus power in the bill before the House today, none whatever. Quite recently, in fact last May, the Federal Power Commission examiner, in proceedings on the St. Lawrence power project, practically took the same position. There is no such thing as surplus power involved here, therefore the preference clause has no place in this discussion and the amendment should be voted down.

Mr. MILLER of New York. Mr. Chairman, will the gentleman yield?

Mr. DONDERO. I yield to the gentleman from New York.

Mr. MILLER of New York. Is it not also true that this bill gives no title to the utilities, to any part of the Niagara River, and never intended, and by no stretch of the imagination does.

Mr. DONDERO. That is correct.

Mr. MILLER of New York. All it does is to give the utility the right to put tunnels and intakes into the river and to use the water temporarily and replace it in the river, and the State of New York always will have title to the river under this or any other bill.

Mr. DONDERO. Mr. Chairman, I ask that the Committee vote down the Jones amendment and also the Becker substitute amendment which turns this power over to the State of New York.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. JONES] to the substitute amendment offered by the gentleman from New York [Mr. BECKER].

The question was taken; and on a division (demanded by Mr. ROOSEVELT) there were—ayes 55, noes 128.

So the amendment was rejected.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from New York [Mr. BECKER].

The question was taken; and on a division (demanded by Mr. BECKER) there were—ayes 17, noes 136.

So the substitute amendment was rejected.

Mr. McGREGOR. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McGREGOR: On page 4, line 16, after "amended," strike out the comma and insert a period, and strike the balance of lines 16 to 25, inclusive, and lines 1 to 5, inclusive, on page 5.

Mr. McGREGOR. Mr. Chairman, due to the lateness of the hour and the fact that this amendment has been discussed a number of times during the hearings, I am not going to take my 5 minutes.

This simply strikes out the recapture clause as shown on page 4. As the bill is written, an agency of the United States Government could come into the State of New York and, if this bill passes, after March 2, 1971, make a claim on and a purchase of this particular property. I contend that if private enterprise is going ahead and develop the property and establishing a given service, certainly it should not have the threat of public ownership or Government ownership hanging over its head all the time. Let us give private ownership a chance to survive.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. STEED. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEED: On page 6, strike out all of lines 11 to 15, inclusive.

Mr. STEED. Mr. Chairman, the purpose of this amendment is to strike out section 6 of this bill. Section 6 is the section which provides that if there is any conflict between this bill and the Federal Power Act this bill prevails. In other words, this section has this effect: It repeals the Federal Power Act insofar as it applies to the Niagara River project.

This bill is designed to be in favor of private enterprise. If we are going to take that position, it seems to me that even the most ardent champion of private enterprise would be willing that this project be developed and regulated under the law of the land that Congress has created in times gone by known as the Federal Power Act, and under the regulation of the Federal Power Commission.

In my opinion, this is the real bug under the chip in this bill. There has been some talk today about this being a giveaway bill. In my opinion, the real giveaway, if there is such in this bill, is contained in section 6, because if this section stays in the bill you are in effect giving away the rights the people have under the Federal Power Act. So I say that if you are in good faith, and if you want private enterprise to operate under the laws as we now have them, surely you will agree that this section should go out of the bill.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. STEED. I yield to the gentleman from Illinois.

Mr. YATES. Is not the gentleman's amendment in accordance with the provisions of the bill itself at the top of page 3, where it is stated:

The Congress further finds that the Federal Power Act, as amended, provides adequate safeguards deemed essential for the protection of broad local and national interests in navigable waters of the United States.

So that your amendment essentially carries out that purpose as contained in the bill?

Mr. STEED. Of course, if section 6 stays in the bill that language you just read would be just so much language and would have no force or effect.

Mr. DONDERO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if the amendment of the gentleman from Oklahoma should be adopted, it would practically destroy the provision in the treaty between the United States and Canada, especially reserved by the Senate of the United States to safeguard the public interest in regard to this project that the Congress of the United States shall keep its hands on it and control over it. If this amendment is adopted, it turns the entire matter over to the Federal Power Commission and the reservation of the treaty would be completely destroyed and nullified.

Mr. Chairman, I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. STEED].

The question was taken; and on a division (demanded by Mr. STEED) there were—ayes 41, noes 109.

So the amendment was rejected.

Mr. DONDERO. Mr. Chairman, I ask unanimous consent that all debate on the bill and amendments thereto close in 15 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JONES of Alabama. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Alabama: On page 3, delete lines 1 through 7.

Mr. JONES of Alabama. Mr. Chairman, this amendment seeks to delete lines 1 through 7 on page 3. This language in the bill is offensive to the historical policy of the Government in the exercise of these licenses that are outstanding. I realize it is late, and I do not want to burden the committee any longer. It seems useless to offer perfecting amendments. I expect at the proper time to offer a motion to recommit.

Mr. PRIEST. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield.

Mr. PRIEST. The gentleman mentioned franchise. I was just wondering if there is any provision in this bill whereby the utilities that might under the terms of the bill develop this project would pay any sort of franchise or pay for a franchise privilege?

Mr. JONES of Alabama. Of course, these franchises are issued by the State governments and they do not have a Federal franchise because there is no field in which the Federal Government has authority to issue a franchise to a local or State operated corporation.

Mr. MILLER of New York. If the gentleman will yield to me to answer that question, at the present time the private utility pays to the State of New York the sum of $2 million annually for the use of the waters of the Niagara River. It is estimated that if this project is permitted to be built by private enterprise, they will pay to the State of New York a total sum of $5 million annually.

Mr. PRIEST. I thank the gentleman.

Mr. JONES of Alabama. I might say, going a little further, that if these 5 companies develop the power, the additional cost to the consumer will be approximately $32 million more than they would pay if the State of New York developed it with a preference provision written into the authority, turning over the Federal properties at Niagara to the New York State Power Authority.

Mr. DONDERO. Mr. Chairman, I rise in opposition to the amendment. What this bill does is simply to direct the Federal Power Commission to issue a license for the production of power at Niagara. In no way does it take away from the Federal Power Commission any safeguards over the navigable waters of the United States. The gentleman's amendment would take that section out of the bill and therefore weaken the hands of the Federal Government. I am opposed to the amendment.

Mr. Chairman, I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. JONES].

The amendment was rejected.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: At page 5, line 6, delete paragraph (b) and insert the following in lieu thereof:

"(b) In contracting for the disposition of project power, (A) preference shall be given to States, counties, and municipalities, including agencies or instrumentalities of any of them, and to cooperative or other organizations not organized or administered for profit but primarily for the purpose of supplying electric energy to their members as nearly as possible at cost, and to the Department of Defense, and other defense agencies, and on fair and reasonable terms to other Federal agencies and to private enterprises requiring power to fulfill defense contracts; and (B) arrangements shall be made sufficiently flexible so that the foregoing recipients of preference now or hereafter authorized by law to engage in the distribution of electric energy may secure a reasonable share of the project power."

Mr. DONDERO. Mr. Chairman, I make a point of order against the amendment that what it seeks to do is simply to put back what the House has already voted out, namely: the preference clause. The House has acted on that. I do not think the House should be called upon to vote upon the same proposition the second time.

The CHAIRMAN. Does the gentleman from New York [Mr. ROOSEVELT] wish to be heard on this point of order?

Mr. ROOSEVELT. Mr. Chairman, I do. First of all, there is considerable difference between this amendment and the previous amendment offered by the gentleman from Alabama [Mr. JONES], which ran some 2½ pages and covered 2 other topics. This amendment only covers the preference clause.

Secondly, this amendment is directed at the Dondero bill. The other broader amendment was directed at the Becker bill.

The CHAIRMAN (Mr. CURTIS of Nebraska). The Chair is prepared to rule.

The point of order is overruled.

The Chair recognizes the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, very simply, this is the traditional preference clause that the Congress has inserted in legislation for 47 years. If you reject this preference clause at this time, you are rejecting the actions of every Congress in the last 47 years, Republican and Democratic alike, and under the leadership of Republican and Democratic administrations.

If you reject this amendment at this time, you are rejecting the competitive system by which our country became strong. You are telling the private utility monopolies, "Boys, go ahead; sell to whomever you want. Charge whatever you want. The people's resources are turned over to you, lock, stock, and barrel. Grab them and get fat on them."

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield to the distinguished majority leader.

Mr. HALLECK. Since it is quite evident, at least at this stage, that this power is to be developed by private companies, as I understand it, the gentleman's amendment would require them to sell the power that they generate at cost. Does the gentleman think it is right that the power to be sold at cost and that no money be received above that to pay any sort of return on the investment involved?

Mr. ROOSEVELT. May I clarify the majority leader's understanding? Much as I respect his usual understanding of problems such as this he fails to comprehend the purpose of this amendment. It in no way removes the profit motive if the private utilities are to get it which I do not concede; it simply says that if a municipal association, a rural cooperative, or the State of New York, or any agency of the Federal Government which needs power for national defense comes to the private utilities they can get it before private companies requiring it, or anybody else requiring it. In other words, this does not remove the profit motive from the utilities at all.

Mr. HALLECK. Mr. Chairman, will the gentleman yield further?

Mr. ROOSEVELT. I yield.

Mr. HALLECK. I just read the gentleman's amendment hurriedly, but I am sure the language is there including the proposition that preference on power shall be to the municipality at as near cost as possible.

Mr. ROOSEVELT. If this bill goes through, the selling price would be regulated by the Public Service Commission. All it says is that if some municipality, rural cooperative, or Federal agency needs the power it shall get it first.

Mr. MILLER of New York. Does not that amount to discrimination in the sale of competitive power?

Mr. ROOSEVELT. No.

Mr. MILLER of New York. How could it be otherwise if you insist upon the preference clause?

Mr. ROOSEVELT. I simply point out that this does not discriminate against anybody. All it permits is competition. If you do not pass this preference clause you are telling the private utilities, the five companies: "You have the right to develop the power, and you have the right to sell the power at whatever rate you can get for it." This amendment simply provides a slight modicum of competition.

I am rather embarrassed to be in the position of having to urge some of my Republican friends to stand by the competitive private enterprise principles that have made our country great.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. ROOSEVELT. I yield.

Mr. MASON. What does the word "preference" mean?

Mr. ROOSEVELT. It really means equality of opportunity to buy.

Mr. MASON. Oh, the dictionary says it means preference; and preference means giving to certain people more advantage than you give to others.

Mr. ROOSEVELT. It means this, that the little consumer has the right now to go in and say, "Look, I want this for my rural co-op." It allows the Alcoa Co., up in Massena, if they are operating under a defense contract, to get a priority. It means simply that these nonprofit organizations, including our Defense Department, will have a prior right to get the power; and that has been the policy of Congress for 47 years.

Mr. MASON. Mr. Chairman, will the gentleman yield further?

Mr. ROOSEVELT. No; I yield back the balance of my time.

Mr. DONDERO. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman's amendment seeks to at least point out that there is no preference provision in the bill to protect the security of the United States. I want to read from subsection (b) on page 5 these words:

(b) In contracting for the disposition of project power, preference shall be given to directions from the Department of Defense for supplying power to governmental installations or to industries requiring power to produce materials essential to the national security.

The bill has a proper safeguard in it. The amendment is not necessary and I ask that the amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. ROOSEVELT].

The amendment was rejected.

The CHAIRMAN. If there are no further amendments, under the rule the Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CURTIS of Nebraska, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes, pursuant to House Resolution 322, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. JONES of Alabama. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. JONES of Alabama. I am.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion.

The Clerk read as follows:

Mr. JONES of Alabama moves to recommit the bill (H. R. 4351) to the Committee on Public Works.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. JONES of Alabama. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 130, nays 254, not voting 46, as follows:

[Roll No. 83]

YEAS—130

Abernethy	Deane	Jones, Ala.
Albert	Dollinger	Jones, Mo.
Andersen, H. Carl	Dorn, S. C.	Karsten, Mo.
	Dowdy	Kee
Angell	Doyle	Kelley, Pa.
Aspinall	Eberharter	King, Calif.
Bailey	Edmondson	Kirwan
Barrett	Elliott	Klein
Becker	Engle	Kluczynski
Blatnik	Evins	Landrum
Boland	Feighan	Lane
Bolling	Fine	Lanham
Bonner	Forand	Lesinski
Brown, Ga.	Friedel	Long
Buchanan	Gordon	McCormack
Burdick	Granahan	Machrowicz
Byrd	Green	Mack, Ill.
Byrne, Pa.	Gregory	Mack, Wash.
Canfield	Hagen, Calif.	Madden
Cannon	Hagen, Minn.	Magnuson
Carnahan	Hays, Ohio	Mahon
Celler	Heller	Marshall
Chelf	Heselton	Metcalf
Chudoff	Holmes	Miller, Calif.
Condon	Holtzman	Miller, Kans.
Cooper	Horan	Mills
Crosser	Javits	Moss
Davis, Tenn.	Johnson	Multer
Murray	Rabaut	Sutton
Norblad	Rains	Thompson, Tex.
O'Brien, Ill.	Rayburn	Thornberry
O'Hara, Ill.	Reams	Tollefson
O'Neill	Rhodes, Pa.	Trimble
Patman	Roberts	Vinson
Patten	Rogers, Tex.	Westland
Pelly	Rooney	Whitten
Perkins	Roosevelt	Wickersham
Pfost	Shelley	Wier
Pilcher	Sheppard	Willis
Poage	Smith, Miss.	Winstead
Polk	Spence	Withrow
Price	Staggers	Yates
Priest	Steed	Zablocki
Prouty	Sullivan	

NAYS—254

Abbitt	Fountain	Miller, N. Y.
Adair	Frelinghuysen	Morano
Addonizio	Fulton	Morrison
Alexander	Gamble	Mumma
Allen, Calif.	Garmatz	Neal
Allen, Ill.	Gary	Nicholson
Andresen, August H.	Gathings	Norrell
	Gavin	Oakman
Andrews	Gentry	O'Brien, N. Y.
Arends	George	O'Hara, Minn.
Ashmore	Golden	O'Konski
Auchincloss	Goodwin	Osmers
Ayres	Graham	Ostertag
Baker	Grant	Passman
Beamer	Gross	Patterson
Belcher	Gubser	Philbin
Bender	Gwinn	Phillips
Bennett, Fla.	Hale	Pillion
Bennett, Mich.	Haley	Poff
Bentley	Halleck	Radwan
Bentsen	Hand	Ray
Berry	Harden	Reece, Tenn.
Betts	Harris	Reed, N. Y.
Bishop	Harrison, Nebr.	Rees, Kans.
Bolton, Frances P.	Harrison, Va.	Rhodes, Ariz.
	Harrison, Wyo.	Riehlman
Bolton, Oliver P.	Hart	Riley
	Harvey	Robeson, Va.
Bonin	Haya, Ark.	Robsion, Ky.
Bosch	Herlong	Rodino
Bow	Hiestand	Rogers, Colo.
Boykin	Hill	Rogers, Fla.
Bramblett	Hillelson	Rogers, Mass.
Bray	Hillings	Sadlak
Brooks, La.	Hoeven	St. George
Brooks, Tex.	Hoffman, Ill.	Saylor
Brown, Ohio	Hoffman, Mich.	Schenck
Brownson	Holt	Scherer
Broyhill	Hope	Scott
Budge	Hosmer	Scrivner
Burleson	Howell	Scudder
Busbey	Hruska	Secrest
Bush	Hunter	Seely-Brown
Byrnes, Wis.	Hyde	Selden
Campbell	Ikard	Sheehan
Carlyle	Jackson	Short
Carrigg	James	Shuford
Cederberg	Jarman	Sieminski
Chatham	Jenkins	Simpson, Ill.
Chenoweth	Jensen	Simpson, Pa.
Church	Jonas, Ill.	Small
Clardy	Jonas, N. C.	Smith, Va.
Clevenger	Jones, N. C.	Smith Wis.
Cole, Mo.	Judd	Springer
Cole, N. Y.	Kean	Stauffer
Colmer	Kearney	Stringfellow
Coon	Kearns	Taber
Corbett	Keating	Talle
Cotton	Kelly, N. Y.	Taylor
Coudert	Keogh	Thomas
Cretella	Kersten, Wis.	Thompson, Mich.
Crumpacker	Kilburn	
Curtis, Mass.	King, Pa.	Tuck
Curtis, Mo.	Knox	Utt
Curtis, Nebr.	Krueger	Van Pelt
Dague	Laird	Van Zandt
Davis, Ga.	Lantaff	Velde
Davis, Wis.	Latham	Vorys
Dawson, Utah	LeCompte	Vursell
Delaney	Lovre	Wainwright
Dempsey	Lucas	Walter
Derounian	Lyle	Wampler
Devereux	McConnell	Warburton
D'Ewart	McCulloch	Watts
Dies	McDonough	Weichel
Dodd	McGregor	Wharton
Dondero	McIntire	Wheeler
Donohue	Mailliard	Widnall
Donovan	Martin, Iowa	Williams, Miss.
Dorn, N. Y.	Mason	Williams, N. Y.
Fallon	Matthews	Wilson, Tex.
Fenton	Meader	Wolcott
Fernandez	Merrill	Wolverton
Fino	Merrow	Yorty
Ford	Miller, Md.	Young
Forrester	Miller, Nebr.	Younger

NOT VOTING—46

Barden	Fogarty	Powell
Bates	Frazier	Preston
Battle	Hardy	Reed, Ill.
Boggs	Hébert	Regan
Buckley	Hess	Richards
Camp	Hinshaw	Rivers
Case	Holifield	Shafer
Chiperfield	Kilday	Sikes
Cooley	McCarthy	Smith, Kans.
Cunningham	McMillan	Teague
Dawson, Ill.	McVey	Thompson, La.
Dingell	Mollohan	Wigglesworth
Dolliver	Morgan	Wilson, Calif.
Durham	Moulder	Wilson, Ind.
Ellsworth	Nelson	
Fisher	O'Brien, Mich.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Wigglesworth with Mr. Hébert.
Mr. Bates with Mr. Boggs.
Mr. Hinshaw with Mr. Preston.
Mr. Shafer with Mr. Mollohan.
Mr. Case with Mr. Dingell.
Mr. Ellsworth with Mr. Frazier.
Mr. McVey with Mr. Sikes.
Mr. Wilson of Indiana with Mr. Durham.
Mr. Chiperfield with Mr. Cooley.
Mr. Nelson with Mr. Hardy.
Mr. Wilson of California with Mr. Teague.
Mr. Hess with Mr. Thompson of Louisiana.
Mr. Smith of Kansas with Mr. Barden.
Mr. Cunningham with Mr. Battle.
Mr. Dolliver with Holifield.
Mr. Reed of Illinois with Mr. Buckley.

Mr. JUDD changed his vote from "yea" to "nay."

Mr. BECKER changed his vote from "nay" to "yea."

Mr. VELDE changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. The question is on the passage of the bill.

Mr. RAYBURN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 262, nays 120, not voting 48, as follows:

[Roll No. 84]

YEAS—262

Abernethy	Brooks, Tex.	Dempsey
Adair	Brown, Ohio	Derounian
Addonizio	Brownson	Devereux
Alexander	Broyhill	D'Ewart
Allen, Calif.	Budge	Dies
Allen, Ill.	Burleson	Dodd
Andrews	Busbey	Dondero
Arends	Bush	Donohue
Ashmore	Byrnes, Wis.	Donovan
Auchincloss	Campbell	Dorn, N. Y.
Ayres	Carlyle	Dorn, S. C.
Baker	Carrigg	Dowdy
Beamer	Cederberg	Fallon
Becker	Chatham	Fenton
Belcher	Chenoweth	Fernandez
Bender	Church	Fino
Bennett, Fla.	Clardy	Ford
Bennett, Mich.	Clevenger	Forrester
Bentley	Cole, Mo.	Fountain
Bentsen	Cole, N. Y.	Frelinghuysen
Berry	Colmer	Friedel
Betts	Coon	Fulton
Bishop	Corbett	Gamble
Bolton, Frances P.	Cotton	Garmatz
	Coudert	Gary
Bolton, Oliver P.	Cretella	Gathings
	Crumpacker	Gavin
Bonin	Curtis, Mass.	Gentry
Bonner	Curtis, Mo.	George
Bosch	Curtis, Nebr.	Golden
Bow	Dague	Goodwin
Boykin	Davis, Ga.	Graham
Bramblett	Davis, Wis.	Grant
Bray	Dawson, Utah	Gross
Brooks, La.	Delaney	Gubser

Gwinn	Lovre	Sadlak
Hale	Lucas	St. George
Haley	Lyle	Saylor
Halleck	McConnell	Schenck
Hand	McCulloch	Scherer
Harden	McDonough	Scott
Harris	McGregor	Scrivner
Harrison, Nebr.	McIntire	Scudder
Harrison, Va.	Mahon	Secrest
Harrison, Wyo.	Mailliard	Seely-Brown
Hart	Martin, Iowa	Selden
Harvey	Mason	Sheehan
Hays, Ark.	Matthews	Short
Herlong	Meader	Shuford
Hiestand	Merrill	Sieminski
Hill	Merrow	Simpson, Ill.
Hillelson	Miller, Md.	Simpson, Pa.
Hillings	Miller, Nebr.	Small
Hoeven	Miller, N. Y.	Smith, Va.
Hoffman, Ill.	Mills	Smith, Wis.
Hoffman, Mich.	Morano	Springer
Holt	Morrison	Stringfellow
Hope	Mumma	Taber
Hosmer	Neal	Talle
Howell	Nicholson	Taylor
Hruska	Norrell	Thomas
Hunter	Oakman	Thompson, Mich.
Hyde	O'Brien, N. Y.	Tuck
Ikard	O'Hara, Minn.	Utt
Jackson	Osmers	Van Pelt
James	Ostertag	Van Zandt
Jarman	Passman	Velde
Jenkins	Patterson	Vorys
Jensen	Philbin	Vursell
Jonas, Ill.	Phillips	Wainwright
Jonas, N. C.	Pillion	Walter
Jones, N. C.	Poff	Wampler
Judd	Radwan	Warburton
Kean	Ray	Watts
Kearney	Reece, Tenn.	Weichel
Kearns	Reed, N. Y.	Wharton
Keating	Rees, Kans.	Wheeler
Kelly, N. Y.	Regan	Widnall
Keogh	Rhodes, Ariz.	Williams, Miss.
Kersten, Wis.	Richards	Williams, N. Y.
Kilburn	Riehlman	Wilson, Tex.
King, Pa.	Riley	Wolcott
Knox	Robeson, Va.	Wolverton
Krueger	Robsion, Ky.	Yorty
Laird	Rodino	Young
Landrum	Rogers, Colo.	Younger
Lantaff	Rogers, Fla.	
Latham	Rogers, Mass.	
LeCompte	Rooney	

NAYS—120

Albert	Hays, Ohio	Pelly
Andersen, H. Carl	Heller	Perkins
	Heselton	Pfost
Angell	Holmes	Pilcher
Aspinall	Holtzman	Poage
Bailey	Horan	Polk
Barrett	Javits	Price
Blatnik	Johnson	Priest
Boland	Jones, Ala.	Prouty
Bolling	Jones, Mo.	Rabaut
Brown, Ga.	Karsten, Mo.	Rains
Buchanan	Kee	Rayburn
Burdick	Kelley, Pa.	Reams
Byrd	King, Calif.	Rhodes, Pa.
Byrne, Pa.	Kirwan	Roberts
Canfield	Klein	Rogers, Tex.
Cannon	Kluczynski	Roosevelt
Carnahan	Lane	Shelley
Celler	Lanham	Sheppard
Chelf	Lesinski	Smith, Miss.
Chudoff	Long	Spence
Cooper	McCormack	Staggers
Crosser	Machrowicz	Steed
Davis, Tenn.	Mack, Ill.	Sullivan
Deane	Mack, Wash.	Sutton
Dollinger	Madden	Thompson, Tex.
Doyle	Magnuson	Thornberry
Eberharter	Marshall	Tollefson
Edmondson	Metcalf	Trimble
Elliott	Miller, Calif.	Vinson
Engle	Miller, Kans.	Westland
Evins	Moss	Whitten
Feighan	Multer	Wickersham
Fine	Murray	Wier
Forand	Norblad	Willis
Gordon	O'Brien, Ill.	Winstead
Granahan	O'Hara, Ill.	Withrow
Green	O'Konski	Yates
Gregory	O'Neill	Zablocki
Hagen, Calif.	Patman	
Hagen, Minn.	Patten	

NOT VOTING—48

Abbitt	Battle	Chiperfield
Andresen, August H.	Boggs	Condon
	Buckley	Cooley
Barden	Camp	Cunningham
Bates	Case	Dawson, Ill.
Dingell	Kilday	Rivers
Dolliver	McCarthy	Shafer
Durham	McMillan	Sikes
Ellsworth	McVey	Smith, Kans.
Fisher	Mollohan	Stauffer
Fogarty	Morgan	Teague
Frazier	Moulder	Thompson, La.
Hardy	Nelson	Wigglesworth
Hébert	O'Brien, Mich.	Wilson, Calif.
Hess	Powell	Wilson, Ind.
Hinshaw	Preston	
Holifield	Reed, Ill.	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Wigglesworth with Mr. Hébert.
Mr. Bates with Mr. Boggs.
Mr. Hess with Mr. Preston.
Mr. Shafer with Mr. Mollohan.
Mr. McVey with Mr. Dingell.
Mr. Case with Mr. Frazier.
Mr. Ellsworth with Mr. Sikes.
Mr. Nelson with Mr. Durham.
Mr. Wilson of California with Mr. Cooley.
Mr. Hinshaw with Mr. Hardy.
Mr. August H. Andresen with Mr. Teague.
Mr. Reed of Illinois with Mr. Thompson of Louisiana.
Mrs. St. George with Mr. Barden.
Mr. Chiperfield with Mr. Battle.
Mr. Cunningham with Mr. Holifield.
Mr. Wilson of Indiana with Mr. Camp.
Mr. Dolliver with Mr. Buckley.
Mr. Smith of Kansas with Mr. Powell.
Mr. Stauffer with Mr. Fogarty.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS ON H. R. 4351

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers in the engrossment of the bill H. R. 4351.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6054. An act to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes.

The message also announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. AIKEN, Mr. THYE, Mr. HICKENLOOPER, Mr. HOLLAND, and Mr. ANDERSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 1644. An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the Director of Music, the leader of the Military Academy Band, and to remove the limitation upon the pay of the leader of the United States Naval Academy Band, and to authorize the appointment of Lt. Comdr. Charles Brendler, United States Navy, to the permanent grade of commander in the Navy.

The message also announced that the Vice President has appointed Mr. CARLSON and Mr. JOHNSTON of South Carolina members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the United States Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 54–1.

EMERGENCY ASSISTANCE TO FARMERS AND STOCKMEN

Mr. HOPE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 6054) to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes, with an amendment of the Senate thereto, disagree to the Senate amendment, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kansas? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. HOPE, AUGUST H. ANDRESEN, HILL, COOLEY, and POAGE.

PERSONAL ANNOUNCEMENTS

Mr. CHUDOFF. Mr. Speaker, on rollcall No. 82 this afternoon, I did not answer to my name due to the fact that I was attending a meeting with the Assistant Secretary of Defense, the Assistant Secretary of the Army, and the Quartermaster General concerning problems of the Philadelphia Quartermaster Depot. Had I been present, I would have voted "yea."

Mr. GRANAHAN. Mr. Speaker, on rollcall No. 82 this afternoon I did not answer to my name for the same reason as the gentleman from Pennsylvania. I was attending a meeting with the Assistant Secretary of Defense, the Assistant Secretary of the Army, and the Quartermaster General concerning problems of the Philadelphia Quartermaster Depot. If I had been present, I would have voted "yea."

LEAVE OF ABSENCE

Mr. BYRD. Mr. Speaker, I ask unanimous consent that I may be granted leave of absence tomorrow because of official business.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

HOUSE RESOLUTION 306

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that House Resolution 306 be recommitted to the Committee on Rules.

The SPEAKER. Is there objection?

There was no objection.

VETERANS' ADMINISTRATION HOSPITAL APPROPRIATIONS

The SPEAKER. Under special order heretofore entered, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to extend as a part of my remarks the report of the Senate Appropriations Committee on the second independent offices appropriation bill for 1954. I think the Members would like very much to see what has been cut from the bill. Three hospitals have been cut very much, 1 in California, 1 in Topeka, and 1 in Texas.

Also, Mr. Speaker, I ask unanimous consent to include a letter from Admiral Boone, Director of the Administration, describing the cuts and the practical elimination of funds for the three hospitals.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

(The matter referred to follows:)

SECOND INDEPENDENT OFFICES APPROPRIATION BILL, 1954

Mr. SALTONSTALL, from the Committee on Appropriations, submitted the following report:

The Committee on Appropriations, to whom was referred the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes, report the same to the Senate with various amendments and present herewith information relative to the changes made.

Amount of bill as passed House	$5,284,369,664
Amount of decrease by Senate (net)	46,367,000
Amount of bill as reported to Senate	5,238,002,664
Amount of appropriations, 1953	8,642,124,460
Amount of regular and supplemental estimates, 1954	$6,455,758,664
The bill as reported to the Senate:	
Under the estimates for 1954	1,217,756,000
Under the appropriations for 1953	3,404,121,796

SUMMARY

The bill as it passed the House provided for a total appropriation of $5,284,369,664. This was a reduction of $1,171,389,000 from the estimates of $6,455,758,664.

The Senate recommends a change in only one item of appropriation, under "Hospital and domiciliary facilities" of the Veterans' Administration. Funds for construction of new hospitals are denied in the amount of $48,867,000 and funds for planning are provided instead in the amount of $2,500,000.

The bill as reported to the Senate provides for a total appropriation of $5,238,002,664, or a reduction from the estimates of $1,217,756,000.

LIMITATIONS ON TRAVEL FUNDS

The House has inserted limitations in the bill on the amounts available for expenses of travel, amounting to $7,386,865. The committee recommends increasing these limitations to a total amount of $8,411,005.

Other travel funds in the bill are limited to the budget estimate by section 102 of the general provisions.

The following tabulation shows the 1953 allowance, the estimate for 1954, the House limitation, and the Senate recommendation:

	1953	Estimate, 1954	House limitation, 1954	Senate recommendation
Atomic Energy Commission: Operating expenses	$2,509,350	$3,587,000	$2,389,130	$2,739,130
Selective Service System:[1] (See note below)				
National Administration, Planning, Training, and Records Management	78,125	120,000	80,000	80,000
State Administration, Planning, Training, and Records Servicing	230,925	350,000	200,000	200,000
National Selective Service Appeal Board	3,875	3,875	3,875	3,875
National Advisory Committee on the Selection of Doctors, Dentists, and Allied Specialists	45,000	35,000	35,000	35,000
Tennessee Valley Authority	1,648,275	2,765,532	[2] 773,000	[2] 773,000
Veterans' Administration:				
General operating expenses	2,482,573	4,013,582	2,675,720	3,200,000
Medical administration and miscellaneous operating expenses	896,832	1,130,700	753,800	856,000
Maintenance and operation of hospitals	258,201	405,000	270,000	305,000
Maintenance and operation of domiciliary facilities	2,458	4,800	3,200	4,800
Outpatient care	178,305	286,700	190,140	196,000
Maintenance and operation of supply depots	12,331	19,500	13,000	18,200
Total, travel limitations	8,046,250	12,721,689	7,386,865	8,411,005

[1] Sec. 102 exempts from budget limitations on travel "members of local draft boards." Senate amendment changes to read "uncompensated officials of local boards and appeal boards." Travel is limited to budget estimates for "Registration, classification and induction"; estimates for administrative travel for 1953, $545,900; for 1954, $582,500.

[2] Exclusive of travel for work in connection with the construction of transmission lines, dams, and steam plants.

INCREASES AND LIMITATIONS

The changes recommended by the committee in the amounts of the House bill are as follows:

Atomic Energy Commission

Plant and Equipment

In order to provide the Commission with necessary authority to purchase passenger-carrying motor vehicles only after determination is made that such vehicles cannot be obtained by transfer from other departments or agencies under the proposal of the House committee, the committee recommends that the following be added to the bill: "purchase of 526 passenger-carrying motor vehicles (of which 426 shall be for replacement) in the event adequate vehicles cannot be obtained by transfer from other departments or agencies."

It is the sense of the committee that the door should not be closed on research and development or on construction of reactors which will advance technology toward both ship propulsion and the generation of industrial power. Accordingly, the committee recommends changes in such proviso in order to remove the limitation on the number of reactors that the Commission could undertake to construct for such purpose, and requests the Commission to reprogram without such restriction.

The committee recommends, in order to allow the Commission to operate effectively under the provision requiring funds to be available for completion of a unit of a project before construction is started, that the following be added to the bill: "at the start of such construction to meet the currently estimated cost."

To allow the Commission to make alterations and improvements leading to increases in productivity or reductions in cost which were not foreseen in time for inclusion in the budget estimate, the committee recommends that the following be added to the bill, as estimated: "*Provided further*, That the foregoing proviso shall not apply to any project for the alteration, extension, or improvement of technical or production facilities unless such project includes the construction of a new building estimated to cost in excess of $100,000."

The committee is informed that access roads are urgently needed at the Pike County, Ohio, plant of the Commission; that funds for that purpose were included in the estimates for the Department of Commerce under the access roads certified as important to the national defense, but that the amount allowed in that bill as it passed the Senate is not sufficient to provide the requirements of the Commission. The committee is also informed that there is urgent need for funds for replacement roads around the Arco, Idaho, plant of the Commission, which have not as yet been certified as important to the national defense.

The committee realizes it is not good legislative technique to allow funds in one bill that have been disallowed in another bill, and emphasizes that its action in this recommendation to take care of an urgent need is not to be taken as a precedent for future action.

The committee recommends, in order to authorize the transfer of $10 million to the Bureau of Public Roads, Department of Commerce, to enable that agency, in carrying out the provisions of section 6 of the Defense Highway Act of 1941, as amended, to provide such access roads required by Commission plants in Pike County, Ohio, and at Arco, Idaho, as are certified to the Secretary of Commerce as important to the national defense pursuant to section 12 of the Federal Aid Highway Act of 1950, as amended, that the following be added to the bill: "; *Provided further*, That the Commission is authorized to transfer not to exceed $10 million to the Bureau of Public Roads, Department of Commerce, to provide for construction of access roads to the Pike County, Ohio, plant and to the Arco, Idaho, plant of the Commission."

The committee is informed that $1,800,000 would be required for replacement roads to the Arco, Idaho, plant. The balance of the $10 million would, therefore, be available for access roads to the Pike County, Ohio, plant.

In order to reinstate the transfer provision contained in the 1953 act, with an additional requirement for reporting such transfers, the committee recommends that the following be added to the bill:

"Not to exceed 5 percent of any appropriation under this head may be transferred to any other such appropriation, but no such appropriation shall be increased by more than 5 percent by any such transfers, and any such transfers shall be reported promptly to the Appropriations Committees of the House and Senate."

Selective Service System

For the purpose of clarifying the exemption from budget limitation of travel performed by members of local draft boards and appeal boards, the committee recommends the following substitute for "members of local draft boards" in the proviso of section 102 of the general provisions: "uncompensated officials of local boards and appeal boards."

Tennessee Valley Authority

The committee agrees with the disallowance by the House of $2,209,000 as an appropriation for the resource development program. Included in the total amount appropriated, however, is $230,000 for administrative and general expenses of the program.

The committee directs the Authority by the end of fiscal year 1954 to turn over to Federal, State, or local governments or public or private agencies the responsibility for continuing their respective parts of the resource development program, so that no further appropriations may be required to the Authority for that purpose. Meantime, in view of the importance of such work to the TVA area, the Authority is directed, within the funds available to it, to continue the forest resource development portion of the program at the estimated level of $354,000 for 1954.

In the limitation on funds to be available for acquiring a building for use as an administrative office of the Authority, the committee recommends that the following be stricken from the bill: "so long as the amount appropriated annually for the construction of power facilities exceeds the amount deposited annually in the Treasury for repayment of the investment of the Federal Government in the power facilities of the Authority" and that the following be inserted in lieu thereof: "until the Director of the Bureau of the Budget makes a study and report with recommendations not later than January 1, 1954, to the appropriations committees of the House and Senate on the advisability and feasibility of the acquisition of said building."

The committee also recommends that the following proviso be stricken from the bill: ": *Provided further*, That no funds available for expenditure by this agency shall be used for the payment of the salary of any employee in the District of Columbia at a rate in excess of $8,000 per annum."

The committee is informed that 64 percent of the present power capacity of TVA is in hydroelectric and 36 percent is in steam, but that upon completion of the projects now under construction and authorized in this bill, 37 percent of such enlarged capacity will be in hydroelectric and 63 percent will be in steam. The committee is also informed that while TVA is currently supplying 65 percent of the power requirements of the Atomic Energy Commission, by 1956 under steady operating conditions TVA will be supplying about 52 percent and 48 percent will be supplied by private companies.

In agreeing with the House provision for new steam facilities at John Sevier and Kingston, the committee believes a careful review should be made of this changing power situation and therefore directs the staff of the committee to gather essential facts which will enable the committee to study the matter at the next session of the Congress.

Veterans' Administration

Outpatient Care

In order to clarify the purpose of the limitation of $23 million for outpatient dental care and to distinguish between fee basis work and staff work in VA clinics, the committee recommends the insertion of the words "fee basis."

For the purpose of not precluding thousands of veterans who are entitled to dental service and should have such service from getting it, the committee recommends the deletion of the restrictive language "2 years after separation from active service" and "whichever is later" from the proviso requiring application for treatment, so that such application can be made within 1 year after enactment of the act.

In this connection, the committee recommends that the entire program of dental service to veterans be reviewed by the legislative committees of the Congress.

Compensation and Pensions

In agreeing to the reduction of $300 million below the estimate of $2,546,291,000 for compensation and pensions, the committee concurs with the statement of the House that such funds are to meet a contractual obligation of the Federal Government and if additional funds are required during the fiscal year they will be recommended. Such reduction in total funds does not mean a denial of compensation or pension to which a deserving veteran is entitled.

Readjustments Benefits

In order to clarify the proviso that the cutting off of the 4 percent gratuity on loans to veterans for the purchase or construction of homes, farms and business property by September 1, 1953, would not apply to loans previously made, the committee recommends that the following be added to the bill; "or commitments for loans made by the Veterans' Administration."

The committee also recommends that the following be added to the bill: "*Provided further*, That under any contract between a State, or any political subdivision of a State, and the Veterans' Administration providing for the furnishing of instruction in a course of institutional on-farm or other training under part VIII of Veterans Regulation Numbered 1 (a), as amended (Public Law 346, 78th Congress, as amended) liability authorized by this section by reason of payments of subsistence allowance which were illegal because of failure of the veteran or the course to comply with the applicable statutory, regulatory or contractual requirements shall not be applied to the contracting State, or political subdivision, unless the Administrator of Veterans' Affairs, after investigation, finds that an employee or representative of such State, or political subdivision, conspired with the veteran by, or was guilty of fraud or gross negligence in, falsely reporting to the Veterans' Administration that the veteran was in a proper course of training, failing to report unauthorized or excessive absences from, or interruption or discontinuance of, his course of training, or not discovering the failure of the veteran to comply with the applicable statutory, regulatory, or contractual requirements and not promptly terminating the course of training of the veteran. The provisions of this proviso shall be effective as of July 13, 1950, but shall not require repayment of any funds heretofore properly recovered by agreement of the parties to any such contract, and shall not be applicable to any other liabilities or agreements pursuant to such contract."

Transfer Provision

The committee recommends that the following be added to the paragraph authorizing not to exceed 5 percent of certain appropriations to be transferred: "but not to exceed 10 percent of the appropriation so augmented."

DECREASES

Veterans' Administration: Hospital and domiciliary facilities, $46,367,000.

The net decrease recommended by the committee results from the disallowance of $48,867,000 provided in the bill for construction of new hospitals and the substitution of $2,500,000 in the bill for planning funds for such hospitals.

The House report states these funds were intended for the following:

San Francisco, Calif., 1,000-bed NP, $23,377,000.

Topeka, Kans., 1,000-bed NP, $20,490,000.

Houston, Tex., addition or extension, 125 NP, 125 TB, $5 million.

The committee is advised that such contracts would not be awarded in fiscal year 1954, and would not be completed until fiscal year 1957 and thereafter.

Accordingly, the committee recommends the inclusion of the words "planning for," to conform to the allowance of $2,500,000 for planning funds, and that the following provisos be stricken from the bill: ": *Provided*, That no part of the foregoing appropriation shall be used to commence any major alteration, improvement, or repair unless funds are available for the completion of such work; and no funds shall be used for such work at any facility if the Veterans' Administration is reasonably certain that the installation will be abandoned in the near future: *Provided further*, That not to exceed 5.5 percent of the amounts available under this head shall be available for the employment of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 9 percent of the cost of such projects may be expended for such services."

General Provisions

Section 105. Limitation on information specialists:

In agreeing to the limitation of 26 placed by the House on the number of persons engaged in the Veterans' Administration on public relations work, the committee recommends that the following be stricken from the bill:

"SEC. 105. (a) No part of the money appropriated by this act to any department, agency, or corporation or available for expenditure by any department, agency, or corporation which is in excess of 75 percent of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1954 contemplated would be employed by such department, agency, or corporation during such fiscal year in the performance of—

"(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion-picture expert, or publicity expert designated by any similar title, or

"(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2)."

Total decreases, $46,367,000.

Amount of bill as passed House, $5,284,369,664. Less decrease by Senate, $46,367,000.

Amount of bill as reported to the Senate, $5,238,002,664.

Comparative statement of appropriations for 1953, estimates for 1954, and amounts recommended in the bill for 1954

Corporation or agency	Appropriations, 1953	Budget estimates, 1954	Recommended in House bill for 1954	Amount recommended by Senate Committee	Increase (+) or decrease (−) Senate bill compared with— Appropriations, 1953	Estimates, 1954	House bill
Atomic Energy Commission:							
Operating expenses	[1] $797,080,500	$1,156,418,000	$891,781,000	$891,781,000	+$94,700,500	−$264,637,000	
Plant and equipment	[2] 3,270,541,000	436,371,000	166,000,000	166,000,000	−3,104,541,000	−270,371,000	
Liquidation of contract authority	57,000,000				−57,000,000		
Total, Atomic Energy Commission	4,124,621,500	1,592,789,000	1,057,781,000	1,057,781,000	−3,066,840,500	−535,008,000	
Selective Service System	36,772,000	34,400,000	29,882,400	29,882,400	−6,889,600	−4,517,600	
Tennessee Valley Authority	[3] 336,027,000	254,355,000	188,371,000	188,371,000	−147,656,000	−65,984,000	
Veterans' Administration:							
Administration, medical, hospital, and domiciliary services	[4] 853,392,260	921,100,000	0	0	−853,392,260	−921,100,000	
General operating expenses	(5)	(5)	193,531,000	193,531,000	+193,531,000	+193,531,000	
Medical administration and miscellaneous operating expenses	(5)	(5)	14,870,400	14,870,400	+14,870,400	+14,870,400	
Maintenance and operation of hospitals	(5)	(5)	[6] 548,000,000	[6] 548,000,000	+548,000,000	+548,000,000	
Contract hospitalization	(5)	(5)	20,583,100	20,583,100	+20,583,100	+20,583,100	
Maintenance and operation of domiciliary facilities	(5)	(5)	24,248,200	24,248,200	+24,248,200	+24,248,200	
Outpatient care	(5)	(5)	92,677,900	92,677,900	+92,677,900	+92,677,900	
Maintenance and operation of supply depots	(5)	(5)	1,800,000	1,800,000	+1,800,000	+1,800,000	
Compensation and pensions	[7] 2,441,924,000	2,846,291,000	2,246,291,000	2,246,291,000	−195,633,000	−300,000,000	
Readjustment benefits	[8] 633,907,200	884,962,000	664,311,000	664,311,000	+30,403,800	−220,651,000	
Military and naval insurance	6,854,000	1,496,000	1,496,000	1,496,000	−5,358,100		
Hospital and domiciliary facilities	49,791,000	92,368,000	48,907,000	2,500,000	−47,291,000	−89,868,000	−$46,367,000
Hospital and domiciliary facilities (liquidation of contract authorization)	89,000,000	21,185,664	21,185,664	21,185,664	−37,814,336		
Major alterations, improvements, and repairs	5,750,000	7,344,000	0	0	−5,750,000	−7,344,000	
National service life insurance	54,672,000	[9] 45,836,000	75,000,000	75,000,000	+20,328,000	+29,164,000	
Servicemen's indemnities	[10] 10,595,000	[11] 14,604,000	18,000,000	18,000,000	+7,405,000	+3,396,000	
Veterans' miscellaneous benefits	[12] 18,567,000	25,743,000	35,743,000	35,743,000	+17,176,000		
Grants to the Republic of the Philippines	[13] 2,861,500	3,285,000	[14] 1,731,000	[14] 1,731,000	−1,130,500	−1,554,000	
Automobiles and other conveyances for disabled veterans	5,000,000				−5,000,000		
Total, Veterans' Administration	4,144,703,960	4,574,214,664	4,008,335,264	3,961,968,264	−182,735,696	−612,246,400	−46,367,000
Total, independent offices	8,642,124,460	6,455,758,664	5,284,369,664	5,238,002,664	−3,404,121,796	−1,217,756,000	−46,367,000

[1] Includes $88,004,000 contained in the Supplemental Appropriation Act, 1953.
[2] Includes $2,898,800,000 contained in the Supplemental Appropriation Act, 1953.
[3] Includes $150,000,000 contained in the Supplemental Appropriation Act, 1953.
[4] And $12,500,000 of 1952 funds continued available. Amount includes $10,000,000 contained in the Second Supplemental Appropriation Act, 1953.
[5] Consolidated in the foregoing appropriation.
[6] And in addition $7,000,000 from reimbursements for services performed for other Government agencies and individuals.
[7] Includes $237,573,000 contained in the Second Supplemental Appropriation Act, 1953.
[8] Includes $75,000,000 contained in the Second Supplemental Appropriation Act, 1953.
[9] Revised budget estimate is $75,000,000.
[10] Includes $2,000,000 contained in the Second Supplemental Appropriation Act, 1953.
[11] Revised budget estimate is $18,000,000.
[12] Includes $1,301,000 contained in the Second Supplemental Appropriation Act, 1953.
[13] Includes $1,000,000 contained in the Second Supplemental Appropriation Act, 1953.
[14] And reappropriation of $709,000 of prior year unobligated balances.

JULY 9, 1953.

Hon. EDITH NOURSE ROGERS,
Chairman, Committee on Veterans' Affairs, House of Representatives,
Washington, D. C.

DEAR MRS. ROGERS: H. R. 5690, "An act making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices for the fiscal year ending June 30, 1954, and for other purposes," as reported by the Senate Committee on Appropriations, eliminates funds for construction of a neuropsychiatric hospital in San Francisco, a replacement of the Winter General Hospital at Topeka, Kans., and additional tuberculosis and neuropsychiatric beds at the Veterans' Administration Hospital at Houston, Tex., which were included in H. R. 5690 as it passed the House of Representatives. You have requested a statement regarding the projects involved. For your information and convenience there are set forth herein pertinent facts pertaining to each project.

REPLACEMENT, VETERANS' ADMINISTRATION HOSPITAL, TOPEKA, KANS.

The Veterans' Administration is presently operating at Topeka, Kans., the former Winter General Hospital that was erected by the Army in 1943 and acquired by the Veterans' Administration in December 1945 for temporary use. The preponderance of patients in this hospital are those suffering mental disabilities and are thereby under restraint at all times. The present buildings are of nonfireproof, temporary construction with extremely high maintenance costs. Because of their condition, the continued use of these substandard structures for housing mental patients presents increasing hazards.

On October 19, 1946, the President approved the replacement of this hospital and authorized the Veterans' Administration to request an appropriation for additional land needed in connection with the replacement. Appropriations for this purpose were obtained for the fiscal year 1948, and on September 30, 1947, the President approved the acquisition of an additional 173 acres adjoining the site of the present hospital. The Veterans' Administration Hospital, Topeka, Kans., is the largest psychiatric training unit in the Veterans' Administration. Its location at Topeka enables the hospital to secure assistance from the Menninger Foundation in the training and supervision of residents in psychiatry, neurology, and other ancillary disciplines. The training of psychiatric residents is the largest program. This has been in existence since 1946, and has to date trained several hundred resident physicians in psychiatry. At the present time there are 57 residents in psychiatry in training there. There is also a training program in neurology and one in internal medicine. The other types of training consist of a program in social service, in psychology, and a rather extensive in-service training program for nurses and aides. The Veterans' Administration has also held a number of training courses in physical medicine, rehabilitation, and special services. Affiliation has been arranged with the Menninger Foundation to assist in planning, supervision, and actual training, principally in psychiatry, but also to some degree in these other training programs. This affiliation has resulted in considerable prestige to the hospital. This, in turn, has made it fairly easy to secure the sufficient number of residents and other trainees. Prior to the beginning of the Korean situation, there were always more applications for residencies than could be accepted. Even following this there have been an adequate number, which is not true of many of the other training centers. The fact of this hospital being a large training center facilitates greatly the securing of full-time personnel of the various categories, particularly full-time psychiatric staff which is most difficult to secure in many other places. It would appear from conditions as they are at present that this hospital will be able to obtain an adequate staff at all times. This training center furnishes a very necessary source for assignments of trained psychiatrists, nurses, and others to Veterans' Administration clinics and other hospitals, including those hospitals in isolated areas.

SAN FRANCISCO, CALIF.

On October 19, 1946, the President approved the recommendation of the Federal Board of Hospitalization, which provided for a 1,000-bed neuropsychiatric hospital in the San Francisco Bay area. The site at Fort Funston was acquired as a location for this hospital and necessary construction surveys, soil tests, and certain preliminary grading have already been accomplished at this location.

The construction proposed provides for some 800 beds for psychiatric veterans and approximately 200 beds for medical and surgical cases. The project is necessary to meet our hospital requirements for veterans with neurophysciatric disorders in northern California.

The situation in this area is desperate, with more than 1,400[1] mental patients now on

[1] Of this number, over 700 are on the waiting list in northern California.

the waiting list and many more who could be considered potential but because of the inability to secure admission to existing facilities are discouraged and, therefore, never apply for hospitalization. Including veteran mental patients in contract hospitals and beds for these patients in Veterans' Administration hospitals at the end of 1952, there were 344 veterans per neuropsychiatric bed for the country as a whole but 453 for California. The addition of this hospital would result in a ratio of 350 veterans per bed.

Staffing opportunities in this area are very favorable and it is not anticipated that there will be any problems with respect to recruiting sufficient staff for the operating of this facility.

HOUSTON, TEX.

An addition or extension of existing facilities at the Veterans' Administration hospital at Houston, Tex., to provide 125 neuropsychiatric beds and 125 tuberculosis beds:

There is now under construction at the Veterans' Administration hospital, Houston, Tex., a new 200-bed neuropsychiatric unit, which will come into being later this year.

When this construction is completed, total beds at the Houston hospital will be 1,110: 290 psychiatric-neurologic, 185 tuberculosis, and 635 for medical and surgical cases.

There has never been any difficulty whatsoever in obtaining the required staff for the Houston hospital and we anticipate no trouble in staffing the new 200-bed psychiatric unit, which is scheduled for early completion.

The Houston location would, therefore, be an excellent one for providing additional tuberculosis and neuropsychiatric beds, inasmuch as the patient load exists and the possibilities of staffing are the best.

Sincerely yours,

H. V. STIRLING,
Acting Administrator.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like also to announce that a subcommittee of the Committee on Veterans' Affairs is holding a hearing at 8:30 o'clock tomorrow morning on the hospitalization of veterans.

Mr. CHUDOFF. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Pennsylvania.

Mr. CHUDOFF. In that report which the lady just mentioned, are there any further cuts for the Philadelphia hospitals?

Mrs. ROGERS of Massachusetts. No cuts that I have discovered thus far. I know of the gentleman's great interest in the Philadelphia hospitals. I think the gentleman would like to read the letter from Admiral Boone. They allowed $2,500,000 for plans for three hospitals, but no more money. I have mentioned Kansas, California, and Texas for them at this time. An effort will be made in the House, if the Senate does not put the money in, to restore that money.

Mr. CHUDOFF. Are you putting Admiral Boone's letter in the RECORD?

Mrs. ROGERS of Massachusetts. Yes. Also the report of the Senate. I know the Members are interested.

Mr. ROONEY. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from New York.

Mr. ROONEY. In all sincerity, I wish to extend my congratulations to the gentlewoman from Massachusetts upon the completion of her 28 years of service during the past week. I regret I did not have an opportunity to do so on the day it occurred. The service of the gentlewoman during all these years has been very faithful.

Mrs. ROGERS of Massachusetts. I appreciate that very much. It has been a pleasure to serve with the distinguished gentleman and I assure the gentleman I could have accomplished nothing without the help of the Members of Congress. It is a great privilege to serve here in the greatest parliamentary body in the world.

MUST WE BLUNDER AND LOSE ANOTHER OPPORTUNITY?

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. LANE] is recognized for 10 minutes.

Mr. LANE. Mr. Speaker, we have suffered a defeat in Korea. We passed up many opportunities to win, because Britain and France insisted that we should not offend the aggressor—Communist Russia. India, and others, pretending to be neutral, have given aid and comfort to the common enemy. Appeasement is riding high. In spite of every fact to the contrary, the governments of too many nations are wishfully thinking and acting on the theory that it is possible to do business with Russia, forgetting that no real compromise is possible with communism, for it is dedicated to world revolution and human enslavement.

The sure instinct of most Americans resents the sell-out of Korea. We know that it will play right into the hands of the Communists who will trumpet to the world: "The United States talks loftily about freedom, but it will abandon you whenever it is politically expedient to do so."

Unfortunately, the charge will stand. So far, no matter how the apologists of appeasement try to rationalize retreat.

The better judgment of the American people has been ignored. There is not much we can do about it now. But, in return for capitulating to our allies on Korea, we have the right to insist upon a vigorous and forthright policy of pressure against the Russian Communist regime, whose weaknesses are beginning to show through the Iron Curtain that is cracking.

We can do this without military action.

Russian tanks are shooting down workers—I repeat, workers—among the restive peoples of East Germany, Czechoslovakia, and Poland. Many are starving within the Soviet "paradise." If they had twice as many tanks, planes, soldiers, or secret police they could not suppress the downtrodden people who have proven during recent weeks that they value freedom more than life. The three jumpy men in the Kremlin, afraid of each other and afraid of their slaves, know this better than anyone else.

This presents us with a wonderful opportunity to increase the strains and tensions within the Communist empire that will force it to break up or to retreat from the lands it has conquered by treachery and force.

How to do this?

Not by giving the Communists a chance to recover.

Not by providing Malenkov with life-saving prestige by recognizing him as an equal in any four-power conference.

Not by letting down the trade barriers that are exposing the failures of the Russian economic system.

Not by discouraging our oppressed friends within the Soviet slave-labor camp, which we will do if by any foolish diplomacy we give the impression of bailing out communism.

The time is ripe for a bold, imaginative, positive, foreign policy.

And of a declaration, in the name of the American people, that we want to see the people of every captive nation win their own freedom. We should offer them food and machinery to improve their own standard of living. Give them the choice to go on existing under Communist guns, or to enjoy the food and freedom and opportunity that we offer them without any strings.

Berlin, in the heart of the Communist wasteland, is the place to start this dynamic counterrevolution of helpful friendship. Stock it with food marked "Free to all who want to be free." With our surpluses this can be done easily, and at a fraction of the money we are spending for defense. By such a policy we will seize the initiative in the cold war, and win the friendship of millions in a way that guns could never accomplish.

What are we waiting for?

So that our allies can muddle again?

So that the rebellious people behind the Iron Curtain, seeing no encouraging and helpful reaction from us, will sink back into despair?

Or to permit our State Department to negotiate endlessly so that this opportunity will pass, never to be recovered?

Some leaders in the Western World, prisoners of an unreasoning fear, might protest, pointing to the lives that may be lost by revolt, but oblivious to the American lives we have already given in Korea to help others.

Lives have already been lost in East Germany and in other satellite countries because human beings dared on their own, and without the permission of our State Department to challenge Soviet armor with their desperate hunger for freedom.

Satellite soldiers and police threw away their uniforms in order to join the uprising. It is the Kremlin that is scared because it cannot handle such a situation. All the massive propaganda about the alleged "workers' paradise" has been destroyed in a day. The initiative is now with the people of the satellite nations, needing just a little encouragement from us to pour on the pressure that could be the beginning of the end for the shaky foundations of communism.

During recent years we have been falsely impressed by its superstructure. Recent events, set in motion by a few thousand unarmed people, have exposed the ferment that is ready to boil. It would not take much to make the Communist army and secret police turn on their masters to save their own necks from the wrath of a long-suffering people.

America, speak up.

Tell all the peoples of the Communist empire that we will give them every assistance short of war to help them overthrow their jailers.

Give them food now.

Solemnly promise to provide economic help once they have won their freedom.

Do not let this great opportunity for them, for us, and for the cause of liberty and peace, wither and die because we failed to move in time.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. ANGELL and to include extraneous matter.

Mr. THOMPSON of Texas and to include extraneous matter.

Mr. GORDON and to include an editorial.

Mr. WIER and to include newspaper articles from a St. Paul paper and from a Minneapolis paper.

Mr. FINE (at the request of Mr. WIER).

Mr. BOLAND and to include extraneous matter.

Mr. O'NEILL (at the request of Mr. BOLAND) and to include extraneous matter.

Mr. MCCORMACK and to include an article.

Mr. WILLIAMS of Mississippi and to include extraneous matter.

Mr. HOLT and to include extraneous matter.

Mr. SHEEHAN and to include extraneous matter.

Mr. MCDONOUGH.

Mr. OLIVER P. BOLTON and to include an article by George Gallup.

Mr. SAYLOR and to include extraneous matter.

Mr. HILLELSON and to include extraneous matter.

Mr. DORN of New York and to include extraneous matter.

Mr. WEICHEL and to include extraneous matter.

Mr. FEIGHAN and to include extraneous matter.

Mr. LANE in three instances and to include extraneous matter.

Mr. PHILBIN in three instances and to include extraneous matter.

Mr. HAYS of Arkansas and to include an address by Ambassador Lodge to the Kiwanis International Convention.

Mr. EVINS in two instances and to include an editorial and an address by the Governor of Tennessee to the Kiwanis International Convention.

Mr. PATMAN in four instances and to include certain excerpts and statements.

Mr. BLATNIK and to include an article by Dr. Klay.

Mr. HOPE to revise and extend the remarks he made in the Committee of the Whole this afternoon by including certain extraneous matter.

Mr. RADWAN.

Mr. REED of New York notwithstanding that the cost is estimated by the Public Printer to be $252.

Mr. REED of New York in two instances in each to include extraneous matter.

Mr. BOW and to include an editorial.

Mr. CRETELLA and to include a copy of a letter.

Mr. MULTER in two instances notwithstanding the cost is estimated in one instance to be $210 and in the other $193.

Mr. HELLER (at the request of Mr. ROOSEVELT) in three instances in each to include extraneous matter.

Mr. MACK of Illinois in two instances in each to include extraneous matter.

Mr. O'HARA of Illinois in three instances.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SCHERER, for July 13, 14, and 15, on account of hearings of the Committee on Un-American Activities at Albany, N. Y.

Mr. BEAMER, for July 10 and 11, on account of personal affairs.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 1528. An act to authorize the exchange of lands of the Appomattox Court House National Historical Monument, Va., for non-Federal lands.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on June 8, 1953, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 444. An act to amend the act of May 19, 1947, so as to increase the percentage of certain trust funds held by the Shoshone and Arapaho Tribes of the Wind River Reservation which is to be distributed per capita to individual members of such tribes;

H. R. 490. An act to authorize the use of the Sackets Harbor Military Cemetery for the burial of war and peacetime veterans of the Armed Forces of the United States;

H. R. 662. An act for the relief of Mr. and Mrs. Joseph W. Furstenberg;

H. R. 1532. An act to provide for the addition of certain Government lands to the Cape Hatteras National Seashore Recreational Area project, and for other purposes;

H. R. 2201. An act for the relief of Constantinous Tzortzis;

H. R. 2582. An act to amend section 12 of chapter V of the act of June 19, 1934, as amended, entitled "An act to regulate the business of life insurance in the District of Columbia";

H. R. 3411. An act to direct the Secretary of the Army to reestablish and correct the boundaries of the Quincy National Cemetery by the exchange of Government-owned lands in the Quincy-Graceland Cemetery, Quincy, Ill.;

H. R. 4779. An act to authorize the adoption of a report relating to seepage and drainage damages on the Illinois River, Ill.;

H. R. 4978. An act to repeal the act of September 30, 1950, authorizing the transfer to the State of Iowa of Fort Des Moines, Iowa;

H. R. 5527. An act to authorize the employment in a civilian position in the Office of the Secretary of Defense of Lt. Gen. Graves Blanchard Erskine, upon retirement from the United States Marine Corps, and for other purposes;

H. R. 4823. An act to convey by quitclaim deed certain land to the State of Texas; and

H. J. Res. 292. A joint resolution authorizing Lyle O. Snader temporarily to serve concurrently as Clerk and Sergeant at Arms of the House of Representatives.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 53 minutes p. m.), under its previous order, the House adjourned until tomorrow, Friday, July 10, 1953, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

831. A letter from the Acting General Counsel, Office of the Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to authorize certain construction at military and naval installations, and for other purposes"; to the Committee on Armed Services.

832. A letter from the secretary, United States Olympic Association, Princeton, N. J., transmitting a report covering the financial operations of the United States Olympic Association and the United States Olympic Committee, pursuant to Public Law 805, 81st Congress; to the Committee on the Judiciary.

833. A letter from the Archivist of the United States, transmitting a report on records proposed for disposal and lists or schedules covering records proposed for disposal by certain Government agencies; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 4024. A bill to change the name of the Appomattox Court House National Historical Monument to the "Appomattox Court House National Historical Park"; without amendment (Rept. No. 753). Referred to the House Calendar.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 3986. A bill to authorize the appropriation of additional funds to complete the International Peace Garden, North Dakota; with amendment (Rept. No. 754). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 5804. A bill to authorize the Secretary of the Interior to grant easements for rights-of-way through, over, and under the parkway land along the line of the Chesapeake and Ohio Canal, and to authorize an exchange of lands with other Federal departments and agencies, and for other purposes; without amendment (Rept. No. 755). Referred to the Committee of the Whole House on the State of the Union.

Mr. SHORT: Committee on Armed Services. S. 2277. An act to authorize the loan of two submarines to the Government of Italy and a small aircraft carrier to the Government of France; without amendment (Rept. No. 756). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 326. Resolution for consideration of H. R. 5898, a bill to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective; without amendment (Rept. No. 757). Referred to the House Calendar.

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. H. R. 356. A bill to amend the Railroad Retirement Act of 1937, as amended; with amendment (Rept. No. 758). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCULLOCH: Committee on the Judiciary. House Joint Resolution 118. Joint resolution to designate the 1st day of May in each year as Loyalty Day; with amendments (Rept. No. 759). Referred to the House Calendar.

Mr. JENKINS: Committee on Ways and Means. H. R. 5877. A bill to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes; without amendment (Rept. No. 760). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 3006. A bill for the relief of Ruth Irene Ledermann; without amendment (Rept. No. 744). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 3046. A bill for the relief of William Urban Maloney; without amendment (Rept. No. 745). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on the Judiciary. H. R. 3268. A bill for the relief of Hiroki Hollopeter; with amendment (Rept. No. 746). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 3396. A bill for the relief of Dr. Hamdi Akar; without amendment (Rept. No. 747). Referred to the Committee of the Whole House.

Mr. HILLINGS: Committee on the Judiciary. H. R. 3749. A bill for the relief of Woldemar Jaskowsky; with amendment (Rept. No. 748). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 4056. A bill for the relief of Manfred Singer; without amendment (Rept. No. 749). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 4328. A bill for the relief of Mrs. Edith D. Williamson; without amendment (Rept. No. 750). Referred to the Committee of the Whole House.

Mr. CELLER: Committee on the Judiciary. H. R. 4866. A bill for the relief of Ingrid Birgitta Maria Colwell (nee Friberg); without amendment (Rept. No. 751). Referred to the Committee of the Whole House.

Miss THOMPSON of Michigan: Committee on the Judiciary. H. R. 5486. A bill for the relief of Irene Andrews; with amendment (Rept. No. 752). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPINALL:

H. R. 6173. A bill to provide for the use of the tribal funds of the Southern Ute Tribe of the Southern Ute Reservation, to authorize a per capita payment out of such funds, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BAILEY:

H. R. 6174. A bill to encourage coal exports in order to ease the critical situation which exists in the domestic coal industry and to strengthen the other nations of the free world, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BUCKLEY:

H. R. 6175. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. GUBSER (by request):

H. R. 6176. A bill to provide for the deposit of bids by subcontractors in advance of bids by general contractors on certain Government contracts for construction of buildings; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 6177. A bill relating to the income-tax treatment of gains and losses from the involuntary conversion of real property held for 5 years or more; to the Committee on Ways and Means.

H. R. 6178. A bill relating to the income-tax treatment of gains and losses from the sale or exchange of real property which has been held for 5 years or more for rental purposes; to the Committee on Ways and Means.

By Mr. JAVITS:

H. R. 6179. A bill to authorize the coinage of $1 or 50-cent pieces to commemorate the tercentennial of the foundation of the city of New York; to the Committee on Banking and Currency.

By Mr. RODINO:

H. R. 6180. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mrs. ROGERS of Massachusetts (by request):

H. R. 6181. A bill to exclude life-insurance payments from any source in the annual income computation for death-pension purposes; to the Committee on Veterans' Affairs.

By Mr. UTT:

H. R. 6182. A bill relating to the basis, for income-tax purposes, of certain property includible in a decedent's gross estate; to the Committee on Ways and Means.

By Mr. BOGGS:

H. R. 6183. A bill to amend section 217 of the Merchant Marine Act, 1936, so as to provide that Federal departments and agencies shall not act as forwarding agents thereunder except in connection with certain shipments of munitions; to the Committee on Merchant Marine and Fisheries.

By Mr. BOLAND:

H. R. 6184. A bill to provide for uniforms for employees of the United States Government; to the Committee on Post Office and Civil Service.

By Mrs. ST. GEORGE:

H. R. 6185. A bill to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. D'EWART:

H. R. 6186. A bill to authorize the Secretary of the Interior to grant a preference right to users of withdrawn public lands for grazing purposes when the lands are restored from the withdrawal; to the Committee on Interior and Insular Affairs.

By Mr. SIEMINSKI:

H. R. 6187. A bill to provide that the Interstate Commerce Commission may determine toll charges over certain bridges and tunnels crossing State lines; to the Committee on Interstate and Foreign Commerce.

By Mr. PELLY:

H. J. Res. 293. Joint resolution permitting articles imported from foreign countries for the purpose of exhibition at the Washington State Third International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H. R. 6188. A bill for the relief of Franca Mastromarino; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H. R. 6189. A bill for the relief of Michele Miliziano and Leonard Miliziano; to the Committee on the Judiciary.

By Mr. GUBSER:

H. R. 6190. A bill for the relief of Marino and Giselda Proni; to the Committee on the Judiciary.

H. R. 6191. A bill for the relief of Ivo and Elia Monari; to the Committee on the Judiciary.

By Mr. HELLER (by request):

H. R. 6192. A bill for the relief of Mario Segman; to the Committee on the Judiciary.

By Mr. JAVITS:

H. R. 6193. A bill for the relief of George Mechial Mourkakos; to the Committee on the Judiciary.

By Mr. LESINSKI:

H. R. 6194. A bill for the relief of Mariantonia D'Alessandro, formerly Mariantonia Santavicca; to the Committee on the Judiciary.

By Mr. REECE of Tennessee:

H. R. 6195. A bill for the relief of Jamil Masri; to the Committee on the Judiciary.

By Mr. REED of Illinois:

H. R. 6196. A bill for the relief of Duncan M. Chalmers and certain other persons; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 6197. A bill for the relief of Majer Grabie, Mariasza Grabie, and Morris Towia Grabie; to the Committee on the Judiciary.

By Mr. SMALL:

H. R. 6198. A bill for the relief of Mrs. Katherine Baden Stewart; to the Committee on Foreign Affairs.

By Mr. WALTER:

H. R. 6199. A bill for the relief of Sozaburo Kujiraoka; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

388. By Mr. CANFIELD: Statement of principles adopted by the Savings' Banks Association of New Jersey at its 45th annual conference endorsing the fiscal policies of the Eisenhower administration; to the Committee on Banking and Currency.

389. Also, resolution adopted by the New Jersey State Federation of Women's Clubs urging that our country direct its emphasis from aid to trade; to the Committee on Foreign Affairs.

390. By the SPEAKER: Petition of the assistant city clerk, Los Angeles, Calif., requesting passage of H. R. 5664, which amends the mineral-leasing laws with respect to their application in the case of pipelines passing through public domain; to the Committee on Interior and Insular Affairs.

SENATE

FRIDAY, JULY 10, 1953

(Legislative day of Monday, July 6, 1953)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Hamilton P. Fox, minister, Wilson Memorial Methodist Church, Baltimore, Md., offered the following prayer:

Almighty God our Father, we would stand penitent, reverent, and receptive in Thy presence. Forgive our sins, and grant us the privilege of working together with each other and with Thee in common interests of Thy holy will. Give us, we pray, humility of spirit, clarity of vision, correctness of understanding, and fearless courage that we may both know and do that which is good. May our eyes not be dazzled by the superficial brilliance of things. May our ears not be deafened with the alluring and confusing noise of things. May we not mistake movement for advance and change for improvement. May we deeply know that the basis of civilization is spiritual, that the creative dynamic that gives purpose and value to life is the love of God. Moved by this conviction and aided by Thy continued mercy, may we serve effectively. Through Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 9, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 9, 1953:

S. 604. An act to prohibit the display of flags of international organizations or other nations in equal or superior prominence or honor to the flag of the United States except under specified circumstances, and for other purposes.

On July 10, 1953:

S. 106. An act for the establishment of a Commission on Governmental Operations; and

S. 1514. An act to establish a Commission on Intergovernmental Relations.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed a bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 1644. An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the Director of Music, the leader of the United States Military Academy Band, and to remove the limitation upon the pay of the United States Naval Academy Band, and to authorize the appointment of the present leader of the United States Navy Band to the permanent grade of commander in the Navy; and

H. R. 4905. An act to amend the Atomic Energy Act of 1946, as amended.

LEAVES OF ABSENCE

On request of Mr. CLEMENTS, and by unanimous consent, Mr. JOHNSON of Texas was excused from attendance on the session of the Senate today.

On request of Mr. CLEMENTS, and by unanimous consent, Mr. KILGORE was excused from attendance on the sessions of the Senate today, tomorrow, and next week.

On request of Mr. CLEMENTS, and by unanimous consent, Mr. KERR, Mr. LEHMAN, and Mr. SMATHERS were excused from attendance on the sessions of the Senate today and tomorrow.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MARTIN, and by unanimous consent, the Committee on Public Works was authorized to meet this afternoon during the session of the Senate.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, which were referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. SPARKMAN, from the Committee on Banking and Currency:

A. Jack Goodwin, of Alabama, to be a member of the Securities and Exchange Commission, for the remainder of the term expiring June 5, 1954, vice Donald C. Cook, resigned.

NOMINATION OF J. SINCLAIR ARMSTRONG TO BE MEMBER OF SECURITIES AND EXCHANGE COMMISSION—EXECUTIVE REPORT OF A COMMITTEE

Mr. DOUGLAS. Mr. President, the Committee on Banking and Currency unanimously approved the nomination of J. Sinclair Armstrong, of Illinois, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1958. From that committee I now report the nomination. I should like to be privileged to make a personal statement on the nomination.

The VICE PRESIDENT. The nomination will be placed on the executive calendar. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, the personal record of Mr. Armstrong is a very honorable one. He has divested himself of his interest in the law firm in which he was formerly a partner. I believe the RECORD should show that the law firm of which he was formerly a member, Isham, Lincoln & Beale, served for many years as the attorneys for the Commonwealth Edison and Public Service Co. of Northern Illinois, which were the two chief companies in the so-called utility empire of Mr. Samuel Insull. However, it is true that Mr. Armstrong joined the firm some years after Mr. Insull had passed out of the picture. So far as I can tell, he has had no connection whatever with the rather tangled financial operations of the Insull firm.

Since I do not believe in guilt by association, I joined in voting for approval of his recommendation. But I believe that that fact, which appears in the records of the Committee on Banking and Currency, should be known to the Senate.

Mr. DIRKSEN. Mr. President, I listened with interest and I appreciate the statement of my colleague the senior Senator from Illinois [Mr. DOUGLAS], with respect to the nomination of J. Sinclair Armstrong as a member of the Securities and Exchange Commission. The nomination has my approval and I was grateful for the privilege of presenting Mr. Armstrong's name to the Committee.

I may say, only for general information, that Mr. Armstrong is a young man, aged 38 years; he is a lawyer; he is a family man; he is a veteran. He has had an extraordinary amount of contact with the Securities and Exchange Commission. I stated to the Committee on Banking and Currency this morning that he has qualified probably $100 million worth of securities. I think we can be proud of the nominee, as one who is thoroughly familiar, not only with the act he must administer but also with all the proceedings involved therein. Therefore, the nomination has my unequivocal endorsement.

AGREEMENT REGARDING STATUS OF FORCES OF PARTIES TO NORTH ATLANTIC TREATY—RESERVATION

Mr. DIRKSEN. Mr. President, it is my understanding that next week the Senate will consider the treaty on the executive calendar which is identified as Executive T, 82d Congress, 2d session. It deals with the status of our forces under the North Atlantic Treaty signed at London on June 19, 1951. Some reference has been made on the floor to the treaty and to the jurisdiction of foreign courts over civilians, dependents, and soldiers who are citizens of our country. It is to that treaty that I submit a reservation intended to be proposed by me. I may say that the reservation in substance tries to effectuate to a considerable degree the basic principle involved in the so-called Bricker amendment.

The VICE PRESIDENT. The reservation will lie on the table and will be printed.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar, under the heading "New Reports."

DEPARTMENT OF LABOR

The Chief Clerk read the nomination of Stuart Rothman, of Minnesota, to be Solicitor for the Department of Labor.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL MEDIATION AND CONCILIATION SERVICE

The Chief Clerk read the nomination of Whitley P. McCoy, of Alabama, to be Federal Mediation and Conciliation Director.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

NATIONAL LABOR RELATIONS BOARD

The Chief Clerk read the nomination of Guy Farmer, of the District of Columbia, to be a member of the National Labor Relations Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

FEDERAL MARITIME BOARD

The Chief Clerk read the nomination of Eldon Claggett Upton, Jr., of Louisiana, to be a member of the Federal Maritime Board.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour, to permit Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded and that further proceedings under the quorum call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF ACT OF DECEMBER 3, 1942, RELATING TO BENEFITS FOR CERTAIN OFFICERS OF COAST AND GEODETIC SURVEY

A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend the act of December 3, 1942, relating to benefits for certain officers of the Coast and Geodetic Survey (with accompanying papers); to the Committee on Interstate and Foreign Commerce.

REPORT ON PAYMENT OF CLAIMS ARISING FROM CORRECTION OF MILITARY RECORDS

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the payment of claims arising from the correction of military or naval records, for the period July 1, 1952, through December 31, 1952 (with an accompanying report); to the Committee on the Judiciary.

LAWS ENACTED BY TWENTIETH SPECIAL SESSION OF SEVENTEENTH LEGISLATURE OF PUERTO RICO

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a certified copy of the acts of the 20th special session of the 17th Legislature of Puerto Rico (with an accompanying document); to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CAPEHART, from the Committee on Banking and Currency:

S. 2104. A bill to authorize the payment of compensation to Clarence A. Beutel, formerly Deputy Administrator of the Reconstruction Finance Corporation, for the period from September 10, 1952, through June 1, 1953; without amendment (Rept. No. 518); and

S. Res. 136. Resolution increasing the limit of expenditures by the Committee on Banking and Currency; without amendment; and, under the rule, the resolution was referred to the Committee on Rules and Administration.

By Mr. POTTER, from the Committee on Interstate and Foreign Commerce:

S. 1442. A bill to amend section 202 (e) of the Federal Power Act, with respect to the jurisdiction of the Federal Power Commission over persons and facilities engaged in the transmission or sale of electric energy to foreign countries; with amendments (Rept. No. 513).

By Mr. BARRETT, from the Committee on the District of Columbia:

H. R. 3704. A bill to provide for the incorporation, regulation, merger, consolidation, and dissolution of certain business corporations in the District of Columbia; with amendments (Rept. No. 516).

By Mr. BEALL, from the Committee on the District of Columbia:

S. 2305. A bill to promote safe driving, to eliminate the reckless and financially irresponsible driver from the highways, and to provide for the giving of security and proof of financial responsibility by persons driving or owning vehicles of a type subject to registration under the laws of the District of Columbia; with an amendment (Rept. No. 515).

By Mr. AIKEN, from the Committee on Agriculture and Forestry:

H. R. 5451. A bill to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes; with amendments (Rept. No. 520).

DEVELOPMENT AND PRODUCTION OF TUNGSTEN ORES AND CONCENTRATES—REPORT OF A COMMITTEE

Mr. MALONE. Mr. President, from the Committee on Interior and Insular Affairs, I report favorably, with amendments, the bill (H. R. 2824) to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes, and I submit a report (No. 517) thereon.

Mr. President, no new appropriation or no new authorization is included in the bill. It provides for an extension of the time for 2 years in which the law already passed can be satisfied as to the amounts of the mineral that is to be purchased. It was found that the time was too short to carry out the contracts. The purpose of the bill is to extend the time.

I ask that the bill and the report be printed in the RECORD at this point as a part of my remarks.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar, and, without objection, the bill and report will be printed in the RECORD.

The bill and report are as follows:

Be it enacted, etc., That this act may be cited as the "Domestic Minerals Program Extension Act of 1953."

DECLARATION OF POLICY

SEC. 2. It is hereby recognized that the continued dependence on overseas sources of supply for strategic or critical minerals and metals during periods of threatening world conflict or of political instability within those nations controlling the sources of supply of such materials gravely endangers the present and future economy and security of the United States. It is therefore declared to be the policy of the Congress that each department and agency of the Federal Government charged with responsibilities

concerning the discovery, development, production, and acquisition of strategic or critical minerals and metals shall undertake to decrease further and to eliminate where possible the dependency of the United States on overseas sources of supply of each such material.

SEC. 3. In accordance with the declaration of policy set forth in section 2 of this act, the termination dates of all purchase programs designed to stimulate the domestic production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates and established by regulations issued pursuant to the Defense Production Act of 1950, as amended, shall be extended an additional 2 years: *Provided*, That this section is not intended and shall not be construed to limit or restrict the regulatory agencies from extending the termination dates of these programs beyond the 2-year extension periods provided by this section or from increasing the quantity of materials that may be delivered and accepted under these programs as permitted by existing statutory authority: *Provided further*, That the extended termination date provided by this section for the columbium-tantalum purchase program shall not apply to the purchase of columbium-tantalum-bearing ores and concentrates of foreign origin.

SEC. 4. In order that those persons who produce or who plan to produce under purchase programs established pursuant to Public Law 774 (81st Cong.) and Public Law 96 (82d Cong.) may be in position to plan their investment and production with due regard to requirements, the responsible agencies controlling such purchase programs are directed to publish at the end of each calendar quarter the amounts of each of the ores and concentrates referred to in section 3 purchased in that quarter and the total amounts of each which have been purchased under the program.

[S. Rept. No. 517]

DOMESTIC TUNGSTEN PROGRAM EXTENSION ACT OF 1953

The Committee on Interior and Insular Affairs, to whom was referred the bill (H. R. 2824) to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The House Interior and Insular Affairs Committee held hearings on the measure, receiving testimony from members of the mining industry and from the excutive agencies. The Senate committee held a hearing on the need for inclusion of the minerals added by the amendment and, in addition, considered a number of communications and reports relative to the measure and the amendment.

THE AMENDMENT

On page 1, line 3, strike out all after the enacting clause, up to and including line 20 on page 2, and in lieu thereof insert the following:

"That this act may be cited as the 'Domestic Minerals Program Extension Act of 1953.'

"DECLARATION OF POLICY

"SEC. 2. It is hereby recognized that the continued dependence on overseas sources of supply for strategic or critical minerals and metals during periods of threatening world conflict, or of political instability within those nations controlling the sources of supply of such materials, gravely endangers the present and future economy and security of the United States. It is, therefore, declared to be the policy of the Congress that each department and agency of the Federal Government charged with responsibilities concerning the discovery, development, production, and acquisition of strategic or critical minerals and metals shall undertake to decrease further, and to eliminate where possible, the dependency of the United States on overseas sources of supply of each such material.

"SEC. 3. In accordance with the declaration of policy set forth in section 2 of this act, the termination dates of all purchase programs designed to stimulate the domestic production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates and established by regulations issued pursuant to the Defense Production Act of 1950, as amended, shall be extended an additional 2 years: *Provided*, That this section is not intended and shall not be construed to limit or restrict the regulatory agencies from extending the termination dates of these programs beyond the 2-year extension period provided by this section or from increasing the quantity of materials that may be delivered and accepted under these programs as permitted by existing statutory authority: *Provided further*, That the extended termination date provided by this section for the columbium-tantalum purchase program shall not apply to the purchase of columbium-tantalum-bearing ores and concentrates of foreign origin."

Amend the title so as to read: "A bill to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories, and possessions, and for other purposes."

PURPOSE OF THE MEASURE

The primary purpose of H. R. 2824, as amended, is to afford American producers of tungsten, manganese, chromite, and other strategic and critical minerals set forth in the amendment, a period of certainty in which they may make plans and investments for achievement of the production goals that have been set for them. To accomplish this purpose, the programs established under the Defense Production Act as amended are extended 2 years, or until July 1, 1958, with a proviso that this date shall not preclude the administrative agencies from extending such programs beyond July 1, 1958, or increasing the quantity of minerals obtained under them if conditions warrant.

A complete schedule of the program for each of the minerals in the bill as amended, prepared by the staff of the committee, is set forth below in this report.

No appropriation of Federal funds is called for in the measure, allocations already having been made for the minerals' programs from general defense production appropriations.

EXPLANATION OF THE AMENDMENT

As passed by the House, H. R. 2824 provided for the tungsten program only, since no hearings had been held on the other strategic and critical minerals. In the Senate, however, a measure introduced by the chairman of the Minerals and Fuels Subcommittee of the Senate Interior Committee, S. 1620, included the other strategics along with tungsten, and the subcommittee held a hearing and considered the provisions of S. 1620 along with the House bill. By unanimous vote of the subcommittee the provisions of S. 1620 were substituted for sections 1, 2, and 3 of the House bill, thus adding manganese, chromite, and the other strategics listed to tungsten.

At the same time the committee retained section 4 of H. R. 2824, which had been added in committee by the House, providing for the publication by the responsible administrative agencies of the amounts of each of the ores purchased during the previous quarter. This provision was deemed desirable in order that producers may plan their production schedules on the basis of the factual situation with respect to the programs.

NEED FOR MEASURE

All the minerals for which provision is made in H. R. 2824 as amended are vital to the security of the United States, both for defense and for peacetime industrial uses. As to tungsten, large quantities are used for purposes which require resistance to high temperatures and the corroding effects of gases. For example, tungsten is essential for production of jet-airplane engines, certain machine tools, and rock-drilling equipment.

At present, stockpile goals of metal on hand have not been achieved by half. In 1952 the United States mine output of tungsten was 1,792 tons of 60 percent WO_3. The domestic consumption was 2,268 tons. During the first quarter of 1953, United States mine output was 2,123 tons. Consumption was 2,412 tons, while imports were 6,897 tons of WO_3. A large part of our needs was formerly imported from China, but with the shutting off of that source South America, Africa, and Europe have been suppliers. Experience dictates that such sources might not be available in case of all-out war.

There is little question but that under a proper long-range congressional policy the United States can become self-sufficient in the production of this indispensable metal.

Similarly, supplies of the other metals listed are essential to our security and economic development. Manganese is necessary to the production of steel. Chromite is a steel hardener, and is used in stainless steel and as a plating on other metals where resistance to corrosion from gases or liquids is required. Mica is needed in the production of many electronic devices. Asbestos has a variety of critical uses in heat and friction insulation. Beryl is added to copper and other metals as a hardener to make them resistant to deflection and to increase their ability to withstand stresses. Columbium and tantalum have limited but highly critical uses as resistors to high temperatures.

It will be noted from the programs table set forth below that production goals for the latter minerals are small, and the total amounts of money involved not large. They are essential, however, in the uses for which they are required.

It is but factual to report that the United States could not fight a war with modern weapons without assured resources of the critical and strategic minerals for which provision is made in H. R. 2824, as amended. The peril to our national security from dependence upon oceanborne supplies in the event of active, large-scale hostilities is self-evident. Clearly it is essential to our security that domestic resources of these minerals be developed and maintained in the United States.

THE PROGRAMS

There is set forth below (a) a committee staff study showing the defense production goals for each of the strategics for which provision is made in H. R. 2824, as amended, and (b) a report from the Administrator of the General Services Administration, showing the status of the programs and the rate at which acquisitions would have to be made to attain the goals. These statistics made abundantly clear the need for this legislation.

JULY 8, 1953.

Memorandum.

To: Senator GEORGE W. MALONE.

From: George B. Holderer, mining consultant.

Subject: S. 1620—Information regarding purchase programs on the minerals mentioned in this bill.

These programs were authorized by Defense Materials Procurement Agency. In each case the program is terminated when the quantity is acquired or the date is reached, whichever comes first.

Commodity	Date of termination of purchase program	Quantity to be acquired	Price
Tungsten	July 1, 1956	3,000,000 short-ton units	$63 per unit.
Chromite	June 30, 1955	200,000 long-ton units	$110 for concentrates; $115 for lump.
Manganese	June 30, 1956	Phillipsburg, Butte, 6,000,000 long-ton units. Deming, Ariz., 6,000,000 long-ton units. Wenden, Ariz., 6,000,000 long-ton units. Carlot, national, 19,000,000 long-ton units.	$2.30 per long-ton unit.
Mica	June 30, 1955	25,000 short tons	A. Price range from $13 to $70 per pound. B. $600 per ton.
Asbestos	Oct. 1, 1955	1,500 short tons	Prices range from $400 to $1,500 per short ton.
Beryl	June 30 1955	do	$400 per short ton.
Columbium-tantalum	Dec. 31, 1956	15,000,000 pounds	$1.40 per pound, plus 100-percent bonus, containing not less than 35 percent oxide.

REPORT OF W. M. B. FREEMAN, ADMINISTRATOR, GENERAL SERVICES ADMINISTRATION, JULY 7, 1953

[Totals shown accepted under various minerals are reported as of June 26, 1953]

Tungsten: 250,043 short-ton units accepted.

Program began May 1951; ends July 1, 1956, or when 3 million units accepted. To reach objective by July 1, 1956, acceptances would have to be at rate of 600,000 units per year.

Manganese: 12,232 tons accepted.

Butte and Philipsburg, Mont., purchase depots. Depots opened November 26, 1951; ends June 30, 1956, or when 6 million units accepted. To reach objective by June 30, 1956, acceptances would have to be at rate of 1,200,000 units per year, or approximately 50,000 to 60,000 tons per year.

Deming, N. Mex.: 19,631 tons accepted.

Depot opened December 15, 1951; ends June 30, 1956, or when 6 million units accepted. To reach objective by June 30, 1956, acceptances would have to be at rate of 1,200,000 units per year or approximately 50,000 to 60,000 tons per year.

Wenden, Ariz.: 38,566 tons accepted.

Depot opened January 26, 1953; ends June 30, 1956, or when 6 million units have been accepted. To reach objective, acceptances per year would have to be at rate of 1,700,000 units per year, or approximately 70,000 tons.

Carlot program: 3,558 tons accepted.

Started July 1952; ends June 30, 1956, or when 19 million units have been accepted. To reach objective, acceptances per year would have to be at rate of 4,750,000 units per year, or approximately 118,000 tons per year.

Chromite: 29,351 tons accepted.

Grants Pass, Oreg., purchase depot. Depot opened August 6, 1951; ends June 30, 1955, or when 200,000 tons accepted. To reach objective, acceptances per year would have to be at rate of 50,000 tons.

Mica: 128,517 pounds accepted.

Depots opened July and August 1952; ends June 30, 1955, or when 25,000 short tons of hand-cobbed mica or its equivalent have been accepted. The equivalent is 2,250,000 pounds of processed mica. (This is the figure to compare to the 128,517 pounds accepted to June 20, 1953, as shown above.) To meet objective, acceptances would have to be at rate of 750,000 pounds per year.

Beryl: 92,727 pounds accepted.

Started October 1952; ends June 30, 1955, or when 1,500 short tons accepted. To meet objective, acceptances would have to be at rate of approximately 600 tons or 1,200,000 pounds per year.

Columbium-tantalum: 1,095 pounds accepted.

Started October 1952; ends December 31, 1956. The domestic program is tied in as far as objective is concerned with an international program. The total objective is 15,000,000 pounds. To reach the total objective from all sources would require a rate of acceptances from all sources of approximately 3,750,000 pounds per year.

Asbestos: 20.3 short tons accepted.

Depot at Globe, Ariz. Started October 1, 1952; ends October 1, 1955, or when acceptances reach 1,500 short tons of crude No. 1 and/or crude No. 2. To reach objective, acceptances per year would have to be at rate of 500 tons per year.

POSITION OF ADMINISTRATIVE AGENCIES

As will be noted from the reports of the administrative agencies, their stated opposition to H. R. 2824 has been based upon the need for overall extension of the Defense Production Act, rather than opposition to the programs themselves. On the night of June 30 the Senate adopted the conference report on S. 1081, which provided for such general extension, and this measure has become Public Law 95, 83d Congress. Therefore, the stated objections of the administrative agencies would now appear to have been met.

However, the need for H. R. 2824 as amended continues despite the general extension of the Defense Production Act. The general extension makes continuance of the programs for the strategic and critical minerals merely discretionary with the administrative agencies. Under it producers would not be justified in making the investment and long-range plans for achievement of the production goals required. The terms of H. R. 2824, as amended, on the other hand, make continuance of the programs mandatory and thus afford the required certainty.

REPORTS OF THE EXECUTIVE AGENCIES

The reports of the executive agencies, which are discussed above, are set forth in full:

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D. C., May 13, 1953.

Hon. A. L. MILLER,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. CHAIRMAN: Reference is made to your request for the views of the Department of Defense on H. R. 2823, 83d Congress, a bill to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories, and possessions, and for other purposes, and H. R. 2824, 83d Congress, a bill to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories and possessions, and for other purposes.

Both of these bills have as their objective the elimination or reduction of the dependency of the United States on overseas sources of supply for strategic or critical minerals and metals. They seek to attain this objective by extending for 2 years existing purchase programs being conducted by executive agencies pursuant to authority granted under title III of the Defense Production Act of 1950, as amended. H. R. 2823 covers tungsten and several other minerals and H. R. 2824 covers tungsten alone.

The Department of Defense strongly supports the objectives of these bills. While this Department does not administer the existing programs for the encouragement of domestic exploration, development, and mining of minerals, it, of course, has a direct and substantial interest in their success. The Defense Production Act of 1950, as amended, specifically title III thereof, provides a sound basis for such action as may be necessary to assure the availability, insofar as possible, or any metal or mineral essential to the manufacture of supplies and materials for the Armed Forces.

This Department believes that legislative provisions comparable in scope to title III of the Defense Production Act of 1950, as amended are necessary to provide for the mineral and metal requirements of the existing and contemplated defense production effort. As you know, the matter of extension of the Defense Production Act is now before the Congress. This Department has recommended to the Congress that the provisions of title III be continued until June 30, 1954.

The authority now contained in title III of the Defense Production Act of 1950, as amended, permits appropriate programs for all strategic and critical minerals or metals, including those dealt with by H. R. 2823 and H. R. 2824, and it is believed that the coverage and flexibility of this existing authority is better calculated to achieve the objectives sought by the 2 bills. In addition, it appears that the language of the two bills might be interpreted as intended to have the effect of mandatorily extending contracts or commitments entered into under existing programs. It is believed that the agencies administering the programs should have the power to determine the desirability of extensions in particular cases in the light of the future supply situation and the condition of stockpiles.

For the foregoing reasons the Department of Defense does not recommend that these bills be enacted into law.

In view of the urgency of this matter, this report has not been submitted to the Bureau of the Budget for advice as to the relationship of H. R. 2823 and H. R. 2824 to the program of the President.

Sincerely yours,

JOHN G. ADAMS,
Acting General Counsel.

DEFENSE MATERIALS PROCUREMENT AGENCY,
Washington D. C. March 20, 1953.

Hon. A. L. MILLER,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. MILLER: Reference is made to your letter of February 19, 1953, requesting a report on H. R. 2824.

The purpose of the bill is to encourage the discovery, development, and production of tungsten ores and concentrates in the United States, its Territories, and possessions.

Please refer to my letter of March 18 concerning H. R. 2823. The principles upon which this Agency opposes enactment of H. R. 2823 apply similarly to H. R. 2824. This bill would grant no authority which does not exist under the Defense Production Act of 1950, as amended, and, in fact, falls far short of the act in providing the authority needed in promoting the national security.

In view of the urgency of your request, it was not possible to obtain the customary budget clearance prior to the submission of this report, copy of which is being furnished to the Director of the Bureau of the Budget.

Respectfully submitted.

TOM LYON,
(For Howard I. Young, Deputy Administrator).

DEFENSE MATERIALS,
PROCUREMENT AGENCY,
Washington, D. C., March 18, 1953.

Hon. A. L. MILLER,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D. C.

DEAR MR. MILLER: Reference is made to your letter of February 19, 1953, requesting a report on H. R. 2823.

The purpose of the bill is to encourage the discovery, development, and production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates in the United States, its Territories and possessions.

This Agency concurs in the declaration of policy contained in section 2 of the bill but, in view of the information available, it would be unrealistic to assume that the United States can decrease its dependency on foreign sources of supply with respect to certain minerals covered in the bill, especially mica and columbium-tantalum.

Section 3 provides for mandatory extension of the termination dates of all purchase programs designed to stimulate the domestic production of the aforementioned minerals as established by regulations issued pursuant to the Defense Production Act of 1950, as amended, for an additional 2 years, but provides only negative authority to increase the quantities of minerals which could be purchased under the projected programs. It is believed that such a negative provision concerning authority to increase goals or quantities would render ineffective the purpose of the bill. Even if that defect were corrected by amendment some provision would have to be made for stockpiling or controlling distribution of production of minerals no longer considered to be in short supply, otherwise the unbalanced supply against demand would certainly render continued production of such minerals economically unsound with respect to the producers.

H. R. 2823 contains no authorization for the appropriation of funds and there is no existing legislation which would permit use of any funds authorized by other legislation in carrying out the purpose of this bill beyond a limited application of funds appropriated pursuant to the Stock Piling Act (50 U. S. C. 98 et seq.).

It is the view of this Agency that the authorities in title III of the Defense Production Act of 1950, as amended, provide the fundamental requirements necessary to insure, as much as it is possible to do so under the circumstances, adequate supplies of strategic materials. Even if H. R. 2823 were amended in accordance with the above observations, it still would fall far short of the Defense Production Act in providing the authority necessary to procure the means with which to meet the tests of the uncertain future. Greater authority than is contained in the act may not be needed, but less authority should not be considered. Concurrent authority under the act and this proposed legislation would be misleading to the mining industry, confusing to administer, uneconomical to all, and wholly unnecessary.

In view of the foregoing, this Agency is constrained to recommend against enactment of H. R. 2823 in anticipation of an extension of title III of the Defense Production Act of 1950, as amended.

In view of the urgency of your request, it has not been possible to obtain the customary budget clearance prior to submission of this report. A copy, however, is being sent this date to the Director of the Bureau of the Budget.

Respectfully submitted.

TOM LYON
(For Howard I. Young, Deputy Administrator).

The Committee on Interior and Insular Affairs recommends the enactment of H. R. 2824 as reported.

Mr. MALONE. Mr. President, under the congressional policy, or more exact, the absence of such a long-range policy the only incentive for mineral production of such metals in such contracts as purchase legislation.

For example, the 1952 production of tungsten was 1,792 tons of 60 percent WO_3, while the domestic consumption was 2,268 tons. The United States production during the first quarter of 1953 was 2,123 tons; the consumption was 2,412 tons, while the imports were 6,897 tons. Under proper conditions this Nation could become self-sufficient in the production of tungsten.

Mr. President, it is the unanimous report of the committee on the bill, and, as previously stated no new legislation is proposed, and no new money is involved. It is simply an extension of the time within which to carry out the contract.

PLACING OF INSCRIPTION "UNITED STATES OF AMERICA" ON CONTAINERS OF AMERICAN-MADE GOODS FOR EXPORT—REPORT OF A COMMITTEE

Mr. POTTER. Mr. President, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 1962) to require the marking of containers of American goods exported with the words "United States of America," I report in lieu thereof an original concurrent resolution, and I submit a report (No. 514) thereon.

The VICE PRESIDENT. The report will be received, and the concurrent resolution will be placed on the calendar.

The concurrent resolution (S. Con. Res. 40) favoring the placing of the inscription "United States of America" on containers of American-made goods for export, reported by Mr. POTTER, from the Committee on Interstate and Foreign Commerce, was placed on the calendar, as follows:

Whereas the products of American industry and labor are of high quality; and

Whereas such products are a proud symbol of the accomplishments of our free enterprise system and democratic way of life: Now, therefore, be it

"Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress of the United States that American-made goods should be publicized as such, and that the President should instruct the Secretary of Commerce to use the facilities of the Department of Commerce to call upon producers and merchants to affix, insofar as practicable, to the external shipping containers of all American-made goods for export the following inscription in indelible print of a suitable size: "United States of America."

CITATION OF TIMOTHY J. O'MARA FOR CONTEMPT OF SENATE—REPORT OF A COMMITTEE

Mr. TOBEY. Mr. President, from the Committee on Interstate and Foreign Commerce, I report an original resolution, citing Timothy J. O'Mara for contempt of the Senate, and I submit a report (No. 519) thereon.

The VICE PRESIDENT. The report will be received, and the resolution will be placed on the calendar.

The resolution (S. Res. 139), reported by Mr. TOBEY from the Committee on Interstate and Foreign Commerce, was placed on the calendar, as follows:

Resolved, That the President of the Senate certify the report of the Committee on Interstate and Foreign Commerce of the United States Senate as to the refusal of Timothy J. O'Mara to answer a series of questions and to produce documents and records before the said committee, together with all the facts in connection therewith, under the seal of the United States Senate, to the United States Attorney for the District of Columbia, to the end that the said Timothy J. O'Mara may be proceeded against in the manner and form provided by law.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, July 10, 1953, he presented to the President of the United States the enrolled bill (S. 1644) to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the Director of Music, the leader of the United States Military Academy Band, and to remove the limitation upon the pay of the United States Naval Academy Band, and to authorize the appointment of the present leader of the United States Navy Band to the permanent grade of commander in the Navy.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. FERGUSON (for himself and Mr. POTTER):

S. 2341. A bill to provide for the release to the city of Lansing, Mich., of all of the right, title, and interest of the United States in and to certain real property heretofore conditionally granted to such city; to the Committee on Government Operations.

By Mr. KNOWLAND (for himself and Mr. KUCHEL):

S. 2342. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the Bay of San Francisco; to the Committee on Public Works.

By Mr. BEALL:

S. 2343. A bill for the relief of Petros Demou Demetrois; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 2344. A bill to amend section 48 of the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, as amended, to permit the payment of increased fees to trustees in bankruptcy for normal administration; to the Committee on the Judiciary.

By Mr. IVES:

S. 2345. A bill for the relief of Yun Tai Miao and his wife Chao Pei Tsang Miao; to the Committee on the Judiciary.

S. 2346. A bill to authorize and direct the Secretary of the Army to convey to the St. Regis Paper Co. certain land erroneously conveyed to the United States by such company; to the Committee on Armed Services.

By Mr. BUTLER of Maryland:

S. 2347. A bill to amend chapters 4, 5, 6, and 8 of the Immigration and Nationality Act; to the Committee on the Judiciary.

By Mr. CARLSON:

S. 2348. A bill to repeal the act entitled "An act to authorize the Director of the Census to collect and publish statistics on redcedar shingles"; to the Committee on Post Office and Civil Service.

By Mr. SPARKMAN (for himself and Mr. HILL):

S. 2349. A bill to amend the Federal Old-Age and Survivors Insurance provisions of the Social-Security Act to increase from $75 to $100 per month the amount which may be earned without loss of insurance benefits; and

S. 2350. A bill to extend for 1 year the wage credits for military service under the Federal Old-Age and Survivors Insurance provisions of the Social-Security Act, and to provide for the payment of lump-sum death benefits in the case of veterans dying outside the United States who are reinterred, and for other purposes; and

S. 2351. A bill to amend the public assistance provisions of the Social-Security Act by extending for 2 years the increased Federal financial participation to the States provided in the Social-Security Act Amendments of 1952; to the Committee on Finance.

By Mr. KEFAUVER:

S. 2352. A bill for the relief of Paul Shoji Awaji (Paul Milburn Simpson);

S. 2353. A bill for the relief of Antonio Bottei and Clorimondo Mancia; and

S. 2354. A bill for the relief of Michael Thomas Rowe (Akira Yomamoto) and Richard Edward Rowe (Akira Shinoda); to the Committee on the Judiciary.

By Mr. JENNER:

S. 2355. A bill for the relief of Chin Fun Kwok; to the Committee on the Judiciary.

HOUSE BILL REFERRED

The bill (H. R. 4351) to preserve the scenic beauty of the Niagara Falls and River, to authorize the construction of certain works of improvement on that river for power purposes, and to further the interests of national security by authorizing the prompt development of such works of improvement for power purposes, was read twice by its title, and referred to the Committee on Public Works.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. HUMPHREY:

Address entitled "The Future of Social Security in America," delivered by Arthur J. Altmeyer, at the University of Minnesota, on May 12, 1953.

By Mr. CLEMENTS:

Article entitled "Hard Money Policy's Wisdom Is Target of Bitter Criticism," written by James Y. Newton and published in the Washington Evening Star of July 9, 1953.

By Mr. WILEY:

Letters in opposition to the proposed Bricker constitutional amendment from the Chancellor of the University of Pittsburgh, the dean of the department of law of the University of Virginia, the dean of the School of Law of Indiana University, and from Dr. Ralph W. Sockman, president of the Church Peace Union, enclosing resolution of the board of trustees of that organization in opposition to the Bricker amendment.

By Mr. MARTIN:

Editorial entitled "Matter of Evaluation," published in a recent issue of the Harrisburg, (Pa.) Evening News, dealing with Vice President NIXON'S recent address at Gettysburg.

Editorial from Pittsburgh Courier entitled "Senator CAPEHART Aids Housing," and article "CAPEHART Favors Fair Market Guarantees," from the Chicago Defender of June 27, 1953, relating to Senator CAPEHART'S service to the housing program.

By Mr. KEFAUVER:

Resolution written by O. R. Angelillo, of Los Angeles, Calif., on the subject What Does America Mean to Me?

Editorial entitled "Syngman Rhee Is Wrong Because There's Not Enough Like Him," written by Edward J. Meeman and published in the Memphis Press-Scimitar.

PERMISSION FOR CIVIL ACTIONS FOR RECOVERY OF CERTAIN TAXES TO BE BROUGHT IN DISTRICT COURTS WITH RIGHT OF TRIAL BY JURY

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury, which were, on page 2, strike out the entire page and to amend the title so as to read: "An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts."

Mr. McCARRAN. Mr. President, I move that the Senate disagree to the amendments of the House, ask a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McCARRAN, Mr. WATKINS, and Mr. WELKER conferees on the part of the Senate.

PURGING OF BERIA PROVIDES GREAT HISTORIC OPPORTUNITY

Mr. WILEY. Mr. President, I have released a public statement on the news from the Kremlin of the purging of Lavrenti P. Beria.

I believe that this is one of the most significant developments in recent years.

It confirms in considerable measure a statement which I made publicly at the time of the death of Josef Stalin in which I drew a parallel between the situation which existed at the time of the death of Caesar, when the Roman triumvirate began to war among itself, and the situation which I foresaw might well occur in modern Russia.

I ask unanimous consent that the text of my statement be printed at this point in the body of the CONGRESSIONAL RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR WILEY

PURGING OF BERIA PROVIDES GREAT HISTORIC OPPORTUNITY

The purging of Lavrenti Beria can be a turning point in our search for world peace if we choose to make it so.

It is another phase of the furious struggle for power which has raged inside the Kremlin, before and after Stalin's death.

Beria's vast apparatus throughout the Soviet Empire will, no doubt, now be subject to the same purge process as has occurred when other Soviet big shots have been ousted.

Beria's downfall is another demonstration that the moral laws of this universe still prevail, even when very immoral people cause them to prevail. "They that take the sword perish by the sword," and "they that dig a ditch for others fall into the ditch themselves."

Beria's ouster will cause a shockwave throughout the Soviet Union, the Iron Curtain, and throughout the vast worldwide Communist conspiracy. That shockwave will topple over vast numbers of people. It will add to the fear, the suspicion, the hatred which have always been one of the ugliest characteristics of the Soviet empire.

The latest purge provides, therefore, one of the great opportunities in postwar history.

It is an opportunity for intensification of America's psychological warfare, for exploiting the boiling internal tensions inside the Curtain.

It is an opportunity, because it will provide new hope to the enslaved peoples.

It is an opportunity because it will further demonstrate to the neutral peoples the true hideous nature of the Soviet slaughterhouse.

It is an opportunity because there will be at least a temporary vacuum in Soviet policies which we can exploit everywhere.

This moment of Soviet indirection will be a time for our strong decision—in effective policies aimed toward lasting peace.

Beria's downfall, however, should not and must not be taken as a sign that the Soviet empire is right now disintegrating. On the contrary, after the inevitable bloodbath, the controls may emerge tighter than ever.

This occasion, therefore, is no reason for us becoming smug and slashing our mutual aid budget or our military budget.

When two fighters are in the prize ring and one of them is groggy, it is no time for his opponent to start backpedaling. This is no time, therefore, for us to be backpedaling in our policies to strengthen the free-world alliance.

In any event the latest news will further demonstrate to the Big Three meeting and to all our other allies and friendly powers how ridiculous it is to appease the Soviet giant—with his now obvious feet of clay.

All in all, the news coupled with the cracks in the Kremlin's armor in East Germany, Hungary, Czechoslovakia, Poland, and within Russia itself indicate the serious weakness within. But the news does not in the slightest degree give us any right to conclude that the dominant purpose of the Kremlin to stand astride the world has been dissipated.

Even after Beria's fall, the Soviet Union does not have 1 regiment less in the 175 powerful Red Army divisions which she had yesterday, nor 1 less atomic bomb, nor 1 less airplane. Her tremendous military might remains as a great menace to the world.

And we have had no conclusive indication that the Soviets are ready to pull out of Indochina, agree to a free, united Germany, and really provide—in addition to a mere truce—a lasting, honorable, and irrevocable armistice for a united Korea. But we pray that a truce and such an armistice in Korea will come—as an indication that the world has really turned a corner.

SCREENING OF ESCAPEES FROM BEHIND THE IRON CURTAIN

Mr. WILEY. Mr. President, I have been anxiously hoping for final favorable action, in the Judiciary Committee and on the floor, on the issue of the Watkins immigration bill, S. 1917, to fulfill the President's program for emergency admission of refugees and escapees.

The days are fast running out in this first session of the 83d Congress. It would be tragic, indeed, if we were to conclude our work without passing this humanitarian bill, or if we were to pass an emasculated bill.

Our country has arrived at a turning point in history—at a great moment when, through psychological warfare, we can press our advantage.

One of the finest means to do so is to send word behind the Iron Curtain that our doors are not closed to the refugees and escapees, but rather that we are willing to welcome reasonable numbers of those who we are sure are genuine partisans of the cause of freedom.

In all the discussions of this subject reference has most often been made to the various people from the satellite states. But what of the Russian people themselves who so desperately long for freedom?

There are few sources better qualified to comment on the Russian people themselves than the Tolstoy Foundation.

Recently Alexandra Tolstoy, the foundation's president, wrote to me. She pointed out that the continued plight of the refugees in the inadequate camps which have been set up for them is one to stir the hearts of all free peoples, particularly the plight of the youngsters in their group.

I wrote back, stating that I, for one, very definitely agreed, and I further pledged my efforts on behalf of the Watkins bill. I took the occasion, however, to ask her to comment on one issue in which I know she is particularly interested, namely adequate screening of the refugees. She has now replied in detail.

The President of the United States has asked for the passage of S. 1917. I believe that there is every reason to grant his request and pass this bill. It has been debated, revised, perfected, and reviewed. Prolonged hearings have been held. The time has come for action. Let us not be unworthy of this great moment in human history.

I ask unanimous consent that the letters I have received from Countess Tolstoy, and a reply from me, and an editorial from the New York Times, be printed in the body of the RECORD at this point.

There being no objection, the letters and editorial were ordered to be printed in the RECORD, as follows:

TOLSTOY FOUNDATION, INC.,
New York, N. Y., June 30, 1953.

The Honorable ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Nearly 8 years have gone by already, and the free world has as yet been unable to solve the tragic complex of the refugee problem.

Children now 7 years old have been born and raised in prison like camps in Germany and Austria. Over 5,000 people are stranded in China and if not resettled might face death any day. About 2,000 Russian refugees are stranded in the Arab countries, and they too are far from being resettled or even safe.

When we, the free citizens of this great country, are once again preparing to celebrate our Independence Day, our thoughts involuntarily go out to all those who, after their ordeals and misfortunes, could so easily enjoy happiness and security in the United States and became useful to us all through their knowledge, sound political views, and labor.

Knowing your views and principles, dear Senator, I am taking the liberty of appealing to you at this crucial moment: Will you support bill S. 1917 and press for its introduction during the present session of Congress.

Respectfully,

ALEXANDRA TOLSTOY,
President.

JULY 1, 1953.

Madam ALEXANDRA TOLSTOY,
President, Tolstoy Foundation, Inc.,
New York, N. Y.

DEAR MADAM TOLSTOY: Thank you for your fine letter of June 30.

I shall, indeed, do everything I can to speed action on S. 1917.

I have reproduced in the CONGRESSIONAL RECORD, numerous messages from Catholic, Protestant, and other religious and lay sources on behalf of the bill and should like to reproduce your own fine statement.

Perhaps you might have an opportunity to drop me a note with regard to your particular reactions to the security problem insofar as screening of Russian escapees is concerned.

I know how deeply interested the Tolstoy Foundation is, as all patriotic Americans are, in weeding out enemy agents from the escapee group.

S. 1917, as we know, has had the tightest security safeguards placed in it, but since the point is still at issue, perhaps you might drop me a note setting forth your views.

With kindest wishes, I am.

Sincerely yours,

ALEXANDER WILEY.

TOLSTOY FOUNDATION, INC.,
New York, N. Y., July 7, 1953.

The Honorable ALEXANDER WILEY,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR WILEY: Thank you very much for your letter of July 1.

The most important factors in screening refugees are questions for administration rather than for legislation. Screening personnel should be well-versed in Soviet and Marxist dialectic, but it is very important that they should be convinced anti-Communists and anti-Marxists on the basis of knowledge rather than on that of emotional dislike.

The few pro-Communists who have been admitted to the United States have usually gained entrance through screening by improperly trained security officers or, in a very small number of cases, through officers who were, some 6 or 8 years ago, infected with Marxist doctrine or with admiration for the wartime achievements of the Red army, or the alleged social benefits of the Soviet social system. There is little danger of that at present, since the slave-labor basis of the Soviet system is now almost universally known.

Very valuable assistance may be obtained by screening authorities from the escapees themselves. It is in the interest of any genuinely anti-Communist escapee to make sure that no Soviet agent is included in his own group, and agents are usually disclosed within a short time when they are put with a group of genuine anti-Communists. Any graduate of a Soviet school has little difficulty in detecting a fellow escapee who retains his allegiance to the Communist dogma. Those who have broken decisively with Marxism and atheism have little difficulty in determining the others who cling to these notions.

There are two reasons why the escapee-refugee channel is not useful for planting Soviet agents. The first is because such agents are usually uncovered by genuine escapees or by the numerous screenings through which Soviet nationals must pass. The second is because an agent who immigrates with an escapee group has a small field of operation. He is useless among those who have escaped from communism, and he is largely suspect by the established members of the community to which he migrates.

There is no doubt but that some agents will be planted amidst any group of escapees, but the record of the 400,000 refugees brought into the United States since 1945 shows a really surprisingly small number—not even a decimal of 1 percent—of subversives who have entered this country. It should be remembered that an overwhelming percent of escapees are persons of strong religious feeling, whose world outlook is based upon high moral values and a contempt for materialistic atheism. Their choice of freedom often means the losing of every material possession, and even the breaking of close family ties. It is a moral choice, and such people are foes of communism.

Thanking you again for your letter, and with the assurance that the Tolstoy Foundation and I personally are always at your service, please believe me to be,

Very sincerely yours,

ALEXANDRA TOLSTOY.

[From the New York Times of July 10, 1953]

THE REFUGEE BILL

The administration bill to add 240,000 refugees and other necessitous immigrants to the regular quotas during the next 2 years was meeting with opposition yesterday in the Senate Judiciary Committee. Some opponents thought that our Nation of about 160 million souls could not absorb that many additional newcomers or that the wrong persons would get in. Actually, the proposed immigrants would fall into two classifications—first, those who have escaped from Iron Curtain countries; second, those coming from overcrowded Italy and, in smaller numbers, from Greece and the Netherlands. In the first case we would be receiving proven enemies of communism; in the second we would be getting good stock who have no reason to love communism and who wouldn't receive passports if they had communistic affiliations.

Opposition seems a little strange, except on the supposition that foreigners are not much good, anyhow, and that the less we see of them the better. That argument, moreover, doesn't make sense in the United States, except as it might be used by full-blooded members of the native Indian tribes.

Compromises in detail were being discussed yesterday. No one can prove that the specific number of 240,000 in 2 years is too small or too large, or that the allocations are scientifically accurate for the purpose the administration had in mind. But the principle is sound. This Nation was founded by lovers of freedom. We have room for at least a few more.

RESIGNATION OF DR. ROBERT L. JOHNSON, ADMINISTRATOR, INTERNATIONAL INFORMATION ADMINISTRATION

Mr. HENNINGS. Mr. President, on Wednesday Dr. Robert L. Johnson, retiring Administrator of the International Information Administration, issued a policy statement on the entire question of the use of books in our overseas libraries. The statement was issued with the approval of the Secretary of State. It is to be assumed, therefore, that it represents the present thinking of the State Department and that it has the approval of President Eisenhower. It is a good statement and should, I think, do much to clear the air—which would be an accomplishment in itself, even if it did no more.

But it does do more. This statement, in effect, takes the State Department

back to its position of February 3 prior to the efforts to discredit the overseas library program, which have been going on for 5 months. It is significant, I think, that the State Department, after much backing and filling, has returned to its old position with approval from the highest level—the President of the United States. This policy seems sensible. As the distinguished Senator from Arkansas [Mr. McCLELLAN] said yesterday: "Practical sense should be used in deciding what books should remain on library shelves," and that "every book should be judged on its own." I want to associate myself with his remarks of yesterday. I think that is the essence of the policy formulated by the United States Advisory Commission on Educational Exchange, and its Committee on Books Abroad composed of such distinguished Americans as Prof. Martin R. P. McGuire, of Catholic University; George P. Brett, president of the Macmillan Co.; Cass Canfield, chairman of the board of Harper & Bros.; Robert L. Crowell, president of Thomas Y. Crowell Co.; Robert B. Downes, director of libraries, University of Illinois; Morris Hadley, president of the New York Public Library; Lewis Hanke, director of the Institute of Latin American Studies at the University of Texas; and Keyes D. Metcalf, director of libraries at Harvard University.

The directive issued on February 3 dealing with the policy to be followed on the use of materials produced by controversial persons contained the statement unanimously adopted by the United States Advisory Commission on Educational Exchange, the body legally established to represent the public in advising the State Department on its overseas educational and cultural programs. This is the statement:

> The content of the book, regardless of authorship, should be the criterion which determines its availability for inclusion in United States Information Service libraries.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point the February 3 directive.

There being no objecton, the directive was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
February 3, 1953.

INFORMATION POLICY FOR USE OF MATERIALS PRODUCED BY CONTROVERSIAL PERSONS

I. PURPOSE

The purpose of this instruction is to establish criteria to govern use in the IIA program of already existing books, writings, paintings, music, pictures, films, and other output, produced or created by persons who are subjects of public controversy.

II. DISCUSSION

The question has often been raised within IIA and elsewhere of the relation of the political or idealogical controversiality of the creators of material to the use of that material in IIA programs. Clearly, authors or other creators commissioned to prepare material for IIA use need to be selected with the utmost care to assure that their products will fully serve IIA purposes. But here the problem is rather whether existing creations by controversial persons can be useful in attaining certain IIA objectives. Usefulness, therefore, is the basic consideration.

The United States Advisory Commission on Educational Exchange, the body legally established to represent the public in advising the Department on its overseas educational and cultural programs, unanimously adopted the following resolution after a prolonged study of this particular problem: "The content of the book, regardless of authorship, [should] be the criterion which determines its availability for inclusion in USIS libraries." The contrary view would argue that the Department should bar from use in its programs, without reference to the material itself, any product of an author or creator who is himself the subject or likely to become the subject of domestic controversy. There is considerable pressure to follow the latter course, though the problems involved in doing so have never been formally passed on by the Congress.

The reputation abroad of an author affects the actual utility of the material. If he is widely and favorably known abroad as a champion of democratic causes, his credibility and utility may be enhanced. Similarly, if—like Howard Fast—he is known as a Soviet-endorsed author, materials favorable to the United States in some of his works may thereby be given a special credibility among selected key audiences.

The withdrawal or obvious barring of a controversial author's work from a collection, exhibit, or the like where its absence or withdrawal will come to public attention abroad may have a seriously adverse effect on the credibility of IIA.

The problem of determining who is and who is not a controversial or potentially controversial figure presents major difficulties. It follows therefore that in order to be sure that the product is useful in attaining IIA objectives careful scrutiny must be given to the product of any person whose political orientation has been questioned.

The publications of organizations are normally issued for the specific purpose of advancing their organizational objectives. The publications of organizations on the Attorney General's list of subversive organizations may hence be assumed without further review to be subversive in intent.

III. CRITERIA

In the selection of materials, writings, art, photographs, films, etc., it should be possible, as a general rule, to draw upon the great body of resources available produced by persons whose ideological position is unquestioned. Admitting, however, that usefulness to IIA is the basic consideration governing inclusion of any materials in IIA collections, there are times when items produced by ideologically questionable persons may be advisable. In view of the great resources available to IIA, the latter action would necessarily be the exception rather than the rule.

The criteria governing that exceptional action are the following:

1. Content of the product, not authorship, will be the primary criterion. This means that other factors are to be considered.

2. Materials produced by a person whose ideologies and views are questionable or controversial will not be used unless:

(a) The material supports importantly (not incidentally) a specific IIA objective; and the converse, that is, none of the content is detrimental to the objectives of the United States Government.

(b) The material is substantially better than other material available for the purpose, that is, support of a specific objective of IIA.

(c) Failure to include the material would impair the general credibility of IIA.

3. The effectiveness of the material, judged as promoting importantly a specific IIA objective, has been weighed against the possible harm resulting from the enhanced prestige the controversial producer may acquire by virtue of the inclusion of his product in IIA operations. The balance must be clearly and strongly in favor of the effectiveness of the material.

IV. REVIEW PROCEDURE

If in the application of the above criteria any doubts are entertained by the responsible officials in IIA or in missions overseas, the items concerning which there are such doubts will be submitted to a review board.

The chief of mission is requested to name a review board of three members, of which the public affairs officer shall be one, to review all materials concerning which the public affairs officer may be in doubt, produced by ideologically questionable persons. The Review Board may be on an ad hoc or standing basis as suits the convenience of the mission.

Within IIA, a Standing Review Board is to be established, to meet, from time to time as may be required, to consist of three members to be appointed by the Administrator. All materials concerning which there is doubt within IIA may be referred to the Standing Review Board for decision.

Should the Review Board at an oversea mission not be able to resolve doubts regarding the selection and use of items produced by ideologically questionable persons, such items may be submitted to the Standing Review Board of IIA under cover of an operations memorandum marked for the attention of IIA.

For the Administrator:

W. BRADLEY CONNORS,
Assistant Administrator for Policy and Plans.

Mr. HENNINGS. Mr. President, this reaffirmed the statement made some 6 months earlier and contained in the eighth semiannual report to the Congress on educational exchange activities. This report, which set forth the Department's policy on the selection of published materials, listed among other clear and logical criteria, the usefulness and appeal in the area and to the groups to be reached.

The latest policy statement just issued by Dr. Johnson reaffirms, in turn, these earlier positions. The confusion generated in the last 5 months by some 11 directives issued to those in charge of our overseas libraries should now be dispelled. It is unfortunate that the State Department, in this period, departed from its sound and well-considered policy and undertook to readjust its program to meet each vicissitude of congressional investigations. That Dr. Johnson has publicly admitted on more than one occasion that the resulting confusion and mistakes have hurt us at home and abroad is certainly to his credit. It is also to his credit that out of the chaos which had been created, he is able to draw the positive conclusion that this is the evidence of a free people being unafraid of mistakes made in the open.

Mr. President, in order not to take up more time of the Senate, I ask unanimous consent to insert in the CONGRESSIONAL RECORD at the end of my remarks the remainder of my statement.

Mr. President, Dr. Johnson's statement on the issue of our overseas-library program is a positive policy of such far-reaching importance that I, also, ask unanimous consent to have it printed in the CONGRESSIONAL RECORD at the conclusion of my remarks. I also ask unanimous consent to have printed in the CONGRESSIONAL RECORD after Dr. Johnson's statement an editorial entitled "From Jefferson to Eisenhower"

Our country has arrived at a turning point in history—at a great moment when, through psychological warfare, we can press our advantage.

One of the finest means to do so is to send word behind the Iron Curtain that our doors are not closed to the refugees and escapees, but rather that we are willing to welcome reasonable numbers of those who we are sure are genuine partisans of the cause of freedom.

In all the discussions of this subject reference has most often been made to the various people from the satellite states. But what of the Russian people themselves who so desperately long for freedom?

There are few sources better qualified to comment on the Russian people themselves than the Tolstoy Foundation.

Recently Alexandra Tolstoy, the foundation's president, wrote to me. She pointed out that the continued plight of the refugees in the inadequate camps which have been set up for them is one to stir the hearts of all free peoples, particularly the plight of the youngsters in their group.

I wrote back, stating that I, for one, very definitely agreed, and I further pledged my efforts on behalf of the Watkins bill. I took the occasion, however, to ask her to comment on one issue in which I know she is particularly interested, namely adequate screening of the refugees. She has now replied in detail.

The President of the United States has asked for the passage of S. 1917. I believe that there is every reason to grant his request and pass this bill. It has been debated, revised, perfected, and reviewed. Prolonged hearings have been held. The time has come for action. Let us not be unworthy of this great moment in human history.

I ask unanimous consent that the letters I have received from Countess Tolstoy, and a reply from me, and an editorial from the New York Times, be printed in the body of the RECORD at this point.

There being no objection, the letters and editorial were ordered to be printed in the RECORD, as follows:

TOLSTOY FOUNDATION, INC.,
New York, N. Y., June 30, 1953.

The Honorable ALEXANDER WILEY,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Nearly 8 years have gone by already, and the free world has as yet been unable to solve the tragic complex of the refugee problem.

Children now 7 years old have been born and raised in prison like camps in Germany and Austria. Over 5,000 people are stranded in China and if not resettled might face death any day. About 2,000 Russian refugees are stranded in the Arab countries, and they too are far from being resettled or even safe.

When we, the free citizens of this great country, are once again preparing to celebrate our Independence Day, our thoughts involuntarily go out to all those who, after their ordeals and misfortunes, could so easily enjoy happiness and security in the United States and became useful to us all through their knowledge, sound political views, and labor.

Knowing your views and principles, dear Senator, I am taking the liberty of appealing to you at this crucial moment: Will you support bill S. 1917 and press for its introduction during the present session of Congress.

Respectfully,

ALEXANDRA TOLSTOY,
President.

JULY 1, 1953.

Madam ALEXANDRA TOLSTOY,
President, Tolstoy Foundation, Inc.,
New York, N. Y.

DEAR MADAM TOLSTOY: Thank you for your fine letter of June 30.

I shall, indeed, do everything I can to speed action on S. 1917.

I have reproduced in the CONGRESSIONAL RECORD, numerous messages from Catholic, Protestant, and other religious and lay sources on behalf of the bill and should like to reproduce your own fine statement.

Perhaps you might have an opportunity to drop me a note with regard to your particular reactions to the security problem insofar as screening of Russian escapees is concerned.

I know how deeply interested the Tolstoy Foundation is, as all patriotic Americans are, in weeding out enemy agents from the escapee group.

S. 1917, as we know, has had the tightest security safeguards placed in it, but since the point is still at issue, perhaps you might drop me a note setting forth your views.

With kindest wishes, I am.

Sincerely yours,

ALEXANDER WILEY.

TOLSTOY FOUNDATION, INC.,
New York, N. Y., July 7, 1953.

The Honorable ALEXANDER WILEY,
United States Senator, Senate Office Building, Washington, D. C.

DEAR SENATOR WILEY: Thank you very much for your letter of July 1.

The most important factors in screening refugees are questions for administration rather than for legislation. Screening personnel should be well-versed in Soviet and Marxist dialectic, but it is very important that they should be convinced anti-Communists and anti-Marxists on the basis of knowledge rather than on that of emotional dislike.

The few pro-Communists who have been admitted to the United States have usually gained entrance through screening by improperly trained security officers or, in a very small number of cases, through officers who were, some 6 or 8 years ago, infected with Marxist doctrine or with admiration for the wartime achievements of the Red army, or the alleged social benefits of the Soviet social system. There is little danger of that at present, since the slave-labor basis of the Soviet system is now almost universally known.

Very valuable assistance may be obtained by screening authorities from the escapees themselves. It is in the interest of any genuinely anti-Communist escapee to make sure that no Soviet agent is included in his own group, and agents are usually disclosed within a short time when they are put with a group of genuine anti-Communists. Any graduate of a Soviet school has little difficulty in detecting a fellow escapee who retains his allegiance to the Communist dogma. Those who have broken decisively with Marxism and atheism have little difficulty in determining the others who cling to these notions.

There are two reasons why the escapee-refugee channel is not useful for planting Soviet agents. The first is because such agents are usually uncovered by genuine escapees or by the numerous screenings through which Soviet nationals must pass. The second is because an agent who immigrates with an escapee group has a small field of operation. He is useless among those who have escaped from communism, and he is largely suspect by the established members of the community to which he migrates.

There is no doubt but that some agents will be planted amidst any group of escapees, but the record of the 400,000 refugees brought into the United States since 1945 shows a really surprisingly small number—not even a decimal of 1 percent—of subversives who have entered this country. It should be remembered that an overwhelming percent of escapees are persons of strong religious feeling, whose world outlook is based upon high moral values and a contempt for materialistic atheism. Their choice of freedom often means the losing of every material possession, and even the breaking of close family ties. It is a moral choice, and such people are foes of communism.

Thanking you again for your letter, and with the assurance that the Tolstoy Foundation and I personally are always at your service, please believe me to be,

Very sincerely yours,

ALEXANDRA TOLSTOY.

[From the New York Times of July 10, 1953]

THE REFUGEE BILL

The administration bill to add 240,000 refugees and other necessitous immigrants to the regular quotas during the next 2 years was meeting with opposition yesterday in the Senate Judiciary Committee. Some opponents thought that our Nation of about 160 million souls could not absorb that many additional newcomers or that the wrong persons would get in. Actually, the proposed immigrants would fall into two classifications—first, those who have escaped from Iron Curtain countries; second, those coming from overcrowded Italy and, in smaller numbers, from Greece and the Netherlands. In the first case we would be receiving proven enemies of communism; in the second we would be getting good stock who have no reason to love communism and who wouldn't receive passports if they had communistic affiliations.

Opposition seems a little strange, except on the supposition that foreigners are not much good, anyhow, and that the less we see of them the better. That argument, moreover, doesn't make sense in the United States, except as it might be used by full-blooded members of the native Indian tribes.

Compromises in detail were being discussed yesterday. No one can prove that the specific number of 240,000 in 2 years is too small or too large, or that the allocations are scientifically accurate for the purpose the administration had in mind. But the principle is sound. This Nation was founded by lovers of freedom. We have room for at least a few more.

RESIGNATION OF DR. ROBERT L. JOHNSON, ADMINISTRATOR, INTERNATIONAL INFORMATION ADMINISTRATION

Mr. HENNINGS. Mr. President, on Wednesday Dr. Robert L. Johnson, retiring Administrator of the International Information Administration, issued a policy statement on the entire question of the use of books in our overseas libraries. The statement was issued with the approval of the Secretary of State. It is to be assumed, therefore, that it represents the present thinking of the State Department and that it has the approval of President Eisenhower. It is a good statement and should, I think, do much to clear the air—which would be an accomplishment in itself, even if it did no more.

But it does do more. This statement, in effect, takes the State Department

back to its position of February 3 prior to the efforts to discredit the overseas library program, which have been going on for 5 months. It is significant, I think, that the State Department, after much backing and filling, has returned to its old position with approval from the highest level—the President of the United States. This policy seems sensible. As the distinguished Senator from Arkansas [Mr. McCLELLAN] said yesterday: "Practical sense should be used in deciding what books should remain on library shelves," and that "every book should be judged on its own." I want to associate myself with his remarks of yesterday. I think that is the essence of the policy formulated by the United States Advisory Commission on Educational Exchange, and its Committee on Books Abroad composed of such distinguished Americans as Prof. Martin R. P. McGuire, of Catholic University; George P. Brett, president of the Macmillan Co.; Cass Canfield, chairman of the board of Harper & Bros.; Robert L. Crowell, president of Thomas Y. Crowell Co.; Robert B. Downes, director of libraries, University of Illinois; Morris Hadley, president of the New York Public Library; Lewis Hanke, director of the Institute of Latin American Studies at the University of Texas; and Keyes D. Metcalf, director of libraries at Harvard University.

The directive issued on February 3 dealing with the policy to be followed on the use of materials produced by controversial persons contained the statement unanimously adopted by the United States Advisory Commission on Educational Exchange, the body legally established to represent the public in advising the State Department on its overseas educational and cultural programs. This is the statement:

> The content of the book, regardless of authorship, should be the criterion which determines its availability for inclusion in United States Information Service libraries.

I ask unanimous consent, Mr. President, to have printed in the RECORD at this point the February 3 directive.

There being no objecton, the directive was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
February 3, 1953.

INFORMATION POLICY FOR USE OF MATERIALS PRODUCED BY CONTROVERSIAL PERSONS

I. PURPOSE

The purpose of this instruction is to establish criteria to govern use in the IIA program of already existing books, writings, paintings, music, pictures, films, and other output, produced or created by persons who are subjects of public controversy.

II. DISCUSSION

The question has often been raised within IIA and elsewhere of the relation of the political or idealogical controversiality of the creators of material to the use of that material in IIA programs. Clearly, authors or other creators commissioned to prepare material for IIA use need to be selected with the utmost care to assure that their products will fully serve IIA purposes. But here the problem is rather whether existing creations by controversial persons can be useful in attaining certain IIA objectives. Usefulness, therefore, is the basic consideration.

The United States Advisory Commission on Educational Exchange, the body legally established to represent the public in advising the Department on its overseas educational and cultural programs, unanimously adopted the following resolution after a prolonged study of this particular problem: "The content of the book, regardless of authorship, [should] be the criterion which determines its availability for inclusion in USIS libraries." The contrary view would argue that the Department should bar from use in its programs, without reference to the material itself, any product of an author or creator who is himself the subject or likely to become the subject of domestic controversy. There is considerable pressure to follow the latter course, though the problems involved in doing so have never been formally passed on by the Congress.

The reputation abroad of an author affects the actual utility of the material. If he is widely and favorably known abroad as a champion of democratic causes, his credibility and utility may be enhanced. Similarly, if—like Howard Fast—he is known as a Soviet-endorsed author, materials favorable to the United States in some of his works may thereby be given a special credibility among selected key audiences.

The withdrawal or obvious barring of a controversial author's work from a collection, exhibit, or the like where its absence or withdrawal will come to public attention abroad may have a seriously adverse effect on the credibility of IIA.

The problem of determining who is and who is not a controversial or potentially controversial figure presents major difficulties. It follows therefore that in order to be sure that the product is useful in attaining IIA objectives careful scrutiny must be given to the product of any person whose political orientation has been questioned.

The publications of organizations are normally issued for the specific purpose of advancing their organizational objectives. The publications of organizations on the Attorney General's list of subversive organizations may hence be assumed without further review to be subversive in intent.

III. CRITERIA

In the selection of materials, writings, art, photographs, films, etc., it should be possible, as a general rule, to draw upon the great body of resources available produced by persons whose ideological position is unquestioned. Admitting, however, that usefulness to IIA is the basic consideration governing inclusion of any materials in IIA collections, there are times when items produced by ideologically questionable persons may be advisable. In view of the great resources available to IIA, the latter action would necessarily be the exception rather than the rule.

The criteria governing that exceptional action are the following:

1. Content of the product, not authorship, will be the primary criterion. This means that other factors are to be considered.

2. Materials produced by a person whose ideologies and views are questionable or controversial will not be used unless:

(a) The material supports importantly (not incidentally) a specific IIA objective; and the converse, that is, none of the content is detrimental to the objectives of the United States Government.

(b) The material is substantially better than other material available for the purpose, that is, support of a specific objective of IIA.

(c) Failure to include the material would impair the general credibility of IIA.

3. The effectiveness of the material, judged as promoting importantly a specific IIA objective, has been weighed against the possible harm resulting from the enhanced prestige the controversial producer may acquire by virtue of the inclusion of his product in IIA operations. The balance must be clearly and strongly in favor of the effectiveness of the material.

IV. REVIEW PROCEDURE

If in the application of the above criteria any doubts are entertained by the responsible officials in IIA or in missions overseas, the items concerning which there are such doubts will be submitted to a review board.

The chief of mission is requested to name a review board of three members, of which the public affairs officer shall be one, to review all materials concerning which the public affairs officer may be in doubt, produced by ideologically questionable persons. The Review Board may be on an ad hoc or standing basis as suits the convenience of the mission.

Within IIA, a Standing Review Board is to be established, to meet, from time to time as may be required, to consist of three members to be appointed by the Administrator. All materials concerning which there is doubt within IIA may be referred to the Standing Review Board for decision.

Should the Review Board at an oversea mission not be able to resolve doubts regarding the selection and use of items produced by ideologically questionable persons, such items may be submitted to the Standing Review Board of IIA under cover of an operations memorandum marked for the attention of IIA.

For the Administrator:

W. BRADLEY CONNORS,
Assistant Administrator for Policy and Plans.

Mr. HENNINGS. Mr. President, this reaffirmed the statement made some 6 months earlier and contained in the eighth semiannual report to the Congress on educational exchange activities. This report, which set forth the Department's policy on the selection of published materials, listed among other clear and logical criteria, the usefulness and appeal in the area and to the groups to be reached.

The latest policy statement just issued by Dr. Johnson reaffirms, in turn, these earlier positions. The confusion generated in the last 5 months by some 11 directives issued to those in charge of our overseas libraries should now be dispelled. It is unfortunate that the State Department, in this period, departed from its sound and well-considered policy and undertook to readjust its program to meet each vicissitude of congressional investigations. That Dr. Johnson has publicly admitted on more than one occasion that the resulting confusion and mistakes have hurt us at home and abroad is certainly to his credit. It is also to his credit that out of the chaos which had been created, he is able to draw the positive conclusion that this is the evidence of a free people being unafraid of mistakes made in the open.

Mr. President, in order not to take up more time of the Senate, I ask unanimous consent to insert in the CONGRESSIONAL RECORD at the end of my remarks the remainder of my statement.

Mr. President, Dr. Johnson's statement on the issue of our overseas-library program is a positive policy of such far-reaching importance that I, also, ask unanimous consent to have it printed in the CONGRESSIONAL RECORD at the conclusion of my remarks. I also ask unanimous consent to have printed in the CONGRESSIONAL RECORD after Dr. Johnson's statement an editorial entitled "From Jefferson to Eisenhower"

which appeared in the St. Louis Post-Dispatch on July 5, 1953, and brief biographical sketches of the members of the United States Advisory Commission on Educational Exchange and the Committee on Books Abroad.

The VICE PRESIDENT. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HENNINGS. Mr. President, for some time past I have been trying to get to the heart of this situation. Both in statements on the Senate floor and in letters to Secretary Dulles, I have pointed to the damage that was being done to our prestige abroad and urged a clear and positive policy to clarify our position. Last week I introduced Senate Concurrent Resolution 38 calling for the formulation of a clear and practicable policy in line with our American traditions of freedom of thought and of expression. The purposes of my resolution have been largely answered by Dr. Johnson's policy statement. I still think it is important, however, that any further directives and memoranda issued to overseas libraries to implement this general policy statement should be made public and should be available for examination and appraisal in the light of the general policy laid down by the Department. Such publicity, in view of all that has happened, would, I feel, be in the interest of better understanding and public acceptance of the principles and objectives of the entire overseas-library program.

In this connection, the report of the President's Committee on International Information Activities, portions of which have just been released by the White House, recommends that the International Information Administration should be authorized to release domestically, without request, information concerning its programs. The report points out that the Smith-Mundt Act—Public Law 402—currently enjoins the IIA from informing the American people of its activities. The provision of the law to which this apparently refers is section 1003:

> Nothing in this act shall authorize the disclosure of any information or knowledge in any case in which such disclosure (1) is prohibited by any other law of the United States, or (2) is inconsistent with the security of the United States.

I would not think that the release of information about the International Information program would violate either of these provisions. The same law, moreover, provided in section 1008 that—

> The Secretary shall submit to the Congress semiannual reports of expenditures made and activities carried on under authority of this act, inclusive of appraisals and measurements, where feasible, as to the effectiveness of the several programs in each country where conducted.

If there is a question about giving the American public information on the program, the Congress should provide clear authority through additional legislation.

I want to make one thing perfectly clear, Mr. President. In all of the confusion over this program and over the question of the removal of books from overseas libraries, no responsible person, to my knowledge, has suggested or maintained that we should stock the libraries with Communist propaganda. In fact, in one of my letters to Secretary Dulles, I made the point that such a proposal would do violence to commonsense. On the other hand, there are many books which fall into the category of controversial works—books dealing with subjects on which there is a wide divergence of respectable opinion, or books which are critical of the United States or of our policies at home or abroad. Dr. Johnson makes it quite clear in his policy statement that such books are acceptable and that we must not confuse honest controversy with conspiracy. In this connection, I would like to quote again from the Eighth Semiannual Report on Educational Exchange Activities which was transmitted to the Congress on July 15, 1952:

> In the case of publications which are critical of American political and economic matters, the Department of State believes that the inclusion of such publications is necessary if the information centers are to make available an honest balanced picture of American life and its diversified views and conflicting opinions. The users of the information centers are primarily intelligent, experienced people who have considerable influence in shaping the views and determining governmental action in their own countries. It is essential that we be honest lest we forfeit their respect. They go to the centers for precise information which will enable their countries to deal intelligently with the United States. It is important that they should be aware of the diversity of political views and opinions in the United States and of our problems. It is well for them to realize for example, that the United States has unresolved economic problems which limit the amount of foreign aid which we can give.

It is important for us to remember, Mr. President, that our overseas information program, just as our efforts for national defense and our military and economic aid to other free nations are not just negative efforts directed against communism and Communist aggression. Communism is a threat to us and to freedom-loving people everywhere because, in its very nature, it would destroy the things we hold dear—our basic freedoms guaranteed in the Constitution. So our efforts and programs have been designed and must continue to be positive. They must protect and reaffirm and strengthen our American freedoms and our position of leadership in the eyes of other free nations. Our strongest weapon in the defense of freedom is truth. If we allow ourselves to adopt the methods of the Communists or the Nazis—the techniques of half-truths, distortions, false accusations, slander, and downright lies repeated over and over again until they sound almost credible—we are not defending our freedom but destroying it and debasing our ideals.

EXHIBIT 1

[From the New York Times of July 9, 1953]

TEXT OF POLICY STATEMENT ON GOVERNMENT BOOK AND LIBRARY PROGRAM

The United States Government operates a book and library program abroad for a simple reason that can be simply put: It is the vital responsibility of the American Government to protect the good name of the American people, no less than their vital interests.

The mighty force we have been mobilizing in the defense of freedom has meaning only as people throughout the world understand and respect our purposes.

Leadership cannot assert itself through power alone. American leadership is meaningless if it isn't built upon respect for our moral purposes in the world.

This has been recognized by the American people from our earliest beginnings as an independent nation. Our Declaration of Independence speaks of a "decent respect" for the "opinions of mankind." Everything of a major nature we have done in our history has taken into account such a "decent respect" for the opinions of others.

We are concerned about the opinions of others because a free nation has the obligation in the conduct of its foreign affairs to justify its actions before the world community.

NEED FOR "BIG IDEAS"

This obligation becomes a sober mandate when so large a part of the world looks to us for responsible leadership.

Our well-being and survival as a free people today require more than big dollars and big bombs; we require big ideas.

We must not allow the Soviet to rack up cheap victories throughout the world through a campaign of lies against us—a campaign of lies that can best be demolished—I should say can only be demolished—through the counter-offensive of truth.

And when I say "counter-offensive of truth" I am not just dealing in slogans. I mean exactly that.

We in American have nothing to hide. We want the world to know us just as we are. We don't have to dress up or dress down. We don't have to put on any show of perfection. If we did no one would believe us anyway.

We can tell the full story—a story about the magical mixture of America. We can share our hopes just as we can share our honest fears—for there are hopes and fears in the world today which constitute a challenge to all free peoples everywhere.

We in America can have the privilege of talking about democracy as unfinished business. We leave to the totalitarians the necessity to boast of the complete fulfillment of their goals.

This is said by way of reaffirmation and reminder at a time when it is important to review our information program against the big and broad background of world crisis.

As long ago as 1942, a United States library was established in Mexico City. This was done under a grant from the office of the Coordinator of Inter-American Affairs. The library was operated by specialists of the American Library Association.

LIBRARIES HELPED WAR AIMS

The success of the Mexico City library led to the establishment of two other libraries in Latin America under the authority of the Coordinator of Inter-American Affairs.

Later in the war, the effectiveness of libraries and book programs in advancing the American cause led to the creation of a library service under the Office of War Information. The central purpose of this service was to make available at key spots throughout the world written materials that furthered American aims in war and peace.

As this library program developed, it became obvious that different areas represented different problems and called for different materials and different lines of emphasis. For example, the Latin American libraries required emphasis along cultural lines. As against this, the English-speaking nations were given materials designed to "develop an informed and intelligent understanding" of the activities and aims of the United States Government. The occupied areas required a special instruction and rehabilitation.

Thus, very early, the special-purpose character of these libraries became manifest. This special-purpose character remains the key to the operation of our book and library program today.

A strong chain of instructions and legislation gives binding force to this dominant character of that program.

The Manual of Operations for the Division of Libraries and Institutes issued in June 1946, by the Department of State says:

"The objective of the United States Information Libraries is to provide foreign communities throughout the world with facts and solidly documented explanations of the United States, its people, geography, culture, science, government, institutions, industries, and thinking; in short, the American scene."

RECOMMENDATIONS REVIEWED

When the 80th Congress turned to consideration of basic legislation for the overseas information program and educational exchange, the Senate set up a special subcommittee of the Foreign Relations Committee to study the matter. On the basis of field studies, this subcommittee took a broad view of the proper scope and functions of the USIS library programs. It recommended that:

"The supply of books, musical scores and recordings, periodicals, and exhibits should be increased and should cover the widest possible field.

"American textbooks in all fields should be supplied to foreign schools and universities for reference purposes.

"Subject matter of particular interest in a given country should be emphasized and sufficient books supplied to meet the demand." (Senate Rept. 855, Jan. 30, 1948.)

This subcommittee was composed of Senators H. Alexander Smith, chairman; Bourke B. Hickenlooper, Henry Cabot Lodge, Jr., Alben W. Barkley, and Carl A. Hatch, and worked in close cooperation with a subcommittee of the House Committee on Foreign Affairs consisting of Congressmen Karl E. Mundt, chairman; Lawrence H. Smith, Walter H. Judd, John Davis Lodge, Pete Jarman, Thomas S. Gordon, and Mike Mansfield.

The same Congress took the single biggest step in the determination of the American people to make their voice heard in the world. Senator H. ALEXANDER SMITH and the then Representative, now Senator KARL E. MUNDT sponsored a bill that defined, crisply, and powerfully, the need for dramatic measures to present America's case in the battle of ideas against totalitarianism.

The Senate Committee on Foreign Relations, in reporting the Smith-Mundt Act, referred to the hostile propaganda campaigns directed against democracy, human welfare, freedom, truth, and the United States, spearheaded by the Government of the Soviet Union and the Communist Parties throughout the world.

OBJECTIVES OF ACT

The committee also spoke of the need for urgent, forthright, and dynamic measures to disseminate truth.

The Smith-Mundt Act clearly defined its objectives to promote a better understanding of the United States in other countries, and to increase mutual understanding between the people of the United States and the people of other countries. Among the means to achieve these objectives the act called for an information service to disseminate abroad information about the United States, its people and policies, and an educational exchange service including the interchange in the field of education, the arts, and sciences.

Under this act, too, the library services were coordinated, integrated and expanded.

The Congress and the American people can be proud of the results of this legislation. There have been legitimate criticisms of the program in the past few years—but these criticisms must be viewed against the larger achievements of the program and the considerable difficulties involved in launching and operating a project of this size and scope.

It is important that the American people know that this program has not been operated in a vacuum.

First, the program has the continuing benefit of an official Advisory Commission on Information. This commission has maintained constant examination and appraisal of the program and reports its findings semiannually to the Congress. The present membership includes Dr. Mark A. May of Yale University; Erwin D. Canham, editor of the Christian Science Monitor; Philip D. Reed, chairman of the Board of General Electric; Ben Hibbs, editor of the Saturday Evening Post, and Justin Miller, chairman of the board and general counsel of the National Association of Radio and Television Broadcasters.

Second, the program has benefited from the recommendations of the United States Advisory Commission on Educational Exchange, which at present consists of J. L. Morrill, president, University of Minnesota, chairman; Mark Starr, educational director, International Ladies Garment Workers Union; Harold Willis Dodds, president, Princeton University; Edwin B. Reed, president, University of Wisconsin, and Martin R. P. McGuire, professor, Catholic University.

NOTES SENATE UNIT'S WORK

This Commission has established a special Subcommittee on Books Abroad, whose members are Martin R. P. McGuire, professor, Catholic University, chairman; George P. Brett, president, the Macmillan Co.; Cass Canfield, chairman of the board, Harper & Bros.; Robert L. Crowell, president, Thomas Y. Crowell Co.; Robert B. Downs, director of libraries, University of Illinois; Morris Hadley, president, New York Public Library; Lewis Hanke, director, Institute of Latin American Studies, University of Texas, and Keyes D. Metcalf, director of Libraries, Harvard University.

Third, the program has profited from a special study undertaken by a subcommittee of the Senate Committee on Foreign Relations under the chairmanship of Senator BOURKE B. HICKENLOOPER.

Other members of this subcommittee are Senators ALEXANDER WILEY, KARL E. MUNDT, WILLIAM F. KNOWLAND, J. WILLIAM FULBRIGHT, GUY M. GILLETTE, THEODORE FRANCIS GREEN, and LISTER HILL. This subcommittee has only recently completed its report.

It may be in order to review briefly the findings and recommendations of these three groups with specific reference to the book and library program.

The United States Advisory Commission on Information, in its February 20, 1953, report, reaffirmed the importance of the program and emphasized the need to tailor our materials to the specific needs of specific areas. It highlighted once again the special-purpose aspect of the job.

The United States Advisory Commission on Educational Exchange, shortly after the enactment of the Smith-Mundt Act, endorsed the statement prepared by the Division of Libraries and Institutes on the philosophy, goals, and operating principles of our overseas libraries. Again, this statement stressed the special-purpose nature of the program but also stressed the basic principle of freedom of information. It emphasized the fact that accessibility to information was an important part of the effectiveness of the program.

SELECTION CRITERIA ASKED

The June 15, 1953, report of the Hickenlooper subcommittee is a detailed study of all phases of our foreign information services. One of the recommendations of the report calls upon the Administrator to establish the specific criteria for the selection of books. As the general basis for such criteria, the subcommittee recommends that "an adequate cross-section of American literature should be provided for a better understanding of American life and culture but writings of Communists and Communists sympathizers should not be tolerated in any manner which would indicate their acceptance by the American people."

There is a workable consistency in the advice and findings of the above groups and committees concerned with the appraisal of this program.

With this guidance, we have been operating a library program involving some 2 million books at 189 centers. These libraries are doing these specific jobs:

First, they provide basic information. There is a shortage of accurate information abroad about the American people and their policies. Our detractors have capitalized on that shortage. They have been spending many millions to distort our policies and to damage the reputation of the American people.

One of the main ways we are combating this campaign is by supplying source materials about the United States that are free of any direct propaganda taint.

In short, we are opening up the books about America. These books cover a wide range of subjects. They deal with our history, our industries, our farms, our professions. They tell the story of our Founding Fathers and our great political leaders and statesmen. They tell of our great writers, our musicians, our inventors, our scientists, our great men of achievement and learning.

ASIANS PRAISE LIBRARIES

Second, our libraries provide much-needed published materials of a scientific and technical nature. We have received testimonials from many universities abroad, especially from universities in the countries of Asia and the Near East, acknowledging their debt to American books. We also have letters from public officials, from businessmen, from scientists, from doctors, and from farmers telling us of their appreciation for the substantial help they received from our libraries.

This is the kind of good will that counts. It is not only what we say to people but what we do for people that builds a solid foundation for friendship.

Third, another specific assignment for our books is to combat the notion that the American people lack a cultural background or tradition. Our libraries are well stocked not only with the ideas that made America great but with the distinguished books that are part of our literary and cultural heritage.

In this connection, we have also tried to provide something of a representative cross section of contemporary American writing. Our yardstick here is necessarily flexible. We say to other peoples, in effect: "Here is a good slice of contemporary American writing. It covers a wide range, from biographies to books on foreign affairs. These are the books America is reading and talking about. We have no hesitation in making these books available to you."

VIGILANCE RECOMMENDED

Any evaluation of the operations of our libraries in carrying out these three big jobs must take into account the overall record of performance, rather than the inclusion or exclusion of specific titles.

The book and library program is to be judged not by any single title or even group or titles but by the total use to which the libraries are put, and by the basic policies that guide the program. Similarly, any evaluation of the individual library should consider not a single incident in the news but its continuing influence in the community it serves.

It is unfair to the loyal men and women who operate these libraries to allow their contribution to be obscured by a controversy

over a few titles, no matter how objectionable these titles may be. Our overseas staffs should be judged by their effectiveness in winning friendship and respect for the American people and in advancing an understanding of our objectives as a free nation. Largely as a result of their efforts some 36 million people throughout the world last year made use of our various library services.

Let us be vigilant and critical, but let us also maintain some sense of proportion in our estimate of the libraries as a whole.

No such program can be guaranteed to be completely free of error.

But it is also one of the vital glories of a free nation that mistakes are made in the open where the wonderful balance wheel of a democratic people can come into play. So far as the rest of the world is concerned, I think we can come out of this with a real gain. The confusion and the mistakes have hurt us abroad as they have hurt us at home. But far more important than this is the evidence of a free people being unafraid of mistakes made in the open.

SUBVERSIVES KEPT OUT

With the best faith in the world, with the greatest diligence in the world, and with the finest staff in the world, it will be impossible to avoid some mistakes in the selection of books.

But we should do everything possible to maintain a constructive and affirmative atmosphere for the library program as a whole.

I believe that this, especially, is what the Congress and the American people want. They are interested in the general approach and the general soundness of a project. They want to know that they are getting their money's worth.

I think they are.

The Congress and the American people also want the unequivocal assurance that this program is not a soft spot for subversives. This is far more basic in the public mind than some isolated titles that may appear here and there on the bookshelves of our libraries.

I believe the Congress and the American people, as of this moment, can satisfy themselves on this basic issue. Whatever else I have done or failed to do in my job, I have been diligently tough in this respect.

Concerning the selection of books, this agency believes emphatically that it is not the obligation of the American Government to make available in special-purpose libraries any books that advocate directly or indirectly the destruction of our freedoms and our institutions. These libraries are in business to advance American democracy, not Communist conspiracy.

NEED IS THE YARDSTICK

But the determination as to which books are to be placed in this subversive category calls for the most careful and skilful judgment.

In eliminating books, we should be sure of our ground. We should not make the mistake of excluding as Communist or communistic all those books which contain any criticism of American policies or institutions, even though those books may criticize the same things that Communists also criticize. We don't want to create the impression that any American writer who honestly criticizes the policies of his Government is deprived of a place on our bookshelves abroad.

Basically, the yardstick for selection is the usefulness of a particular book in meeting the particularized needs of a particular area.

Our library service is able to select only a fraction of the yearly literary output of the United States. Any book that finds a place on our shelves must have a special reason for being there. Books that are not accepted are not to be regarded by their authors or publishers as being specifically excluded.

We must begin with the content of a book. We must examine its special usefulness in terms of our overseas needs. An appraisal of this usefulness cannot disregard the reputation or standing of the author.

It is conceivable that the special purpose character of our libraries may require, in special cases, the inclusion of books by Communists or Communist sympathizers if such authors may have written something which affirmatively serves the ends of democracy. There is no objection to the inclusion of such books so long as purpose is clear.

Our libraries have acquired some books by Communists or Communist sympathizers that have nothing to do with communism. Mystery stories, for example, are a highly developed form of American literature. Humor or humor anthologies are another example. Most of such books were among the thousands of volumes acquired from United States Army overstock at the end of the war or as the result of gifts. To remove or destroy these books arbitrarily would be to defeat the very purposes which brought these libraries into being.

PSYCHOLOGICAL IMPACT CITED

There is an important practical difference between deciding not to buy a book for our libraries abroad and taking it off the shelves once it is there. In principle, the criteria are the same, but the psychological impact may be quite different.

It is not meant by this to suggest that once a book gets on a shelf, its place is permanently assured. The weeding out and discarding process is a natural one for any library with only a certain amount of shelf space.

Controversial books are of course acceptable and indeed essential, if by controversy we mean honest differences of opinion honestly expressed. It goes without saying that we must not confuse honest controversy with conspiracy.

BARS ANY BOOK BURNINGS

Nothing could be more basic in a book program abroad than the need to make this distinction between controversy and conspiracy. Controversy is as American as the varied sounds in the bleachers in a ball park. The best thing our libraries abroad can do is to make known the fact that our people, politically speaking, are full of beans.

America loves controversy and indeed thrives on it. There is no reason why we need conceal this from the world. It is one of our richest assets. Let totalitarian nations advertise the fact that their people are deprived of political dissent. For our part, we can speak up and out. In a phrase, then: Controversy, yes; conspiracy, no.

But the general problem of book selection is not one which any Government agency is well qualified to do by itself. Books cover everything under the sun. A book is not merely a collection of words in a bound volume. A book is as varied as history itself, as wide ranging as the human mind which brings it to birth.

Because of this, I suggest that the responsibility for recommending the selection of books be entrusted to carefully selected advisory committees composed of persons of unimpeachable reputation who are experts in their respective fields. The staff of IIA would then select books for shipment overseas on the basis of the recommended list.

Each book is to be considered on its merits. The emphasis should be not on negative criteria but on positive criteria. The only list that should be drawn up is the recommended list.

Next, about book burnings. Under no circumstances should any book be burned, and I wish to emphasize the word "any." The burning of a book is a wicked symbolic act. There is no place for book burnings in an American library, let alone a library operated by our Government. We don't deal with ideas we dislike by imitating the totalitarian techniques we despise. The burning of a book is not an act against that book alone; it is an act against free institutions.

I have every reason to believe that the continuing book and library program will be exercised with the fullest sense of public responsibility and with the vital interests of the American people constantly in mind. As I said at the outset, the purpose of this agency is to protect the good name of the American people, and to maintain for them the goodwill they deserve.

The original mandate of Congress continues to define our basic purposes. The report of the Subcommittee on Overseas Information Programs gives us valuable new directions. And the support of the Congress and the American people as a whole will give us the encouragement we need to do the best possible job.

[From the St. Louis Post-Dispatch of July 5, 1953]

FROM JEFFERSON TO EISENHOWER

This is the season of our Nation's 177th birthday and thoughts turn happily as well as inevitably toward that tall, red-haired man of only 33 years whose quill drafted the Declaration of Independence. What, we ask ourselves, would young Thomas Jefferson think about trends today? What, for example, would he think about the "book burning" controversy?

Usually that kind of question produces profitless speculation. In the case of the Sage of Monticello and freedom for books, there need be no guesswork at all. In 1814, after 8 years in the Presidency, Jefferson wrote to a friend in France:

"I am mortified to be told that, in the United States of America, a book can become a subject of inquiry, and of criminal inquiry, too; that a question like this can be carried before a civil magistrate.

"Are we to have a censor whose imprimatur shall say what books may be sold, and what we may buy? Whose foot is to be the measure to which ours are all to be cut or stretched? It is an insult to our citizens to question whether they are rational beings.

"If DeBecourt's book is false in its facts, disprove them; if false in its reasoning, refute it. But, for God's sake, let us freely hear both sides, if we choose.

"The book is not likely to be much read if let alone, but, if persecuted, it will be generally read. Every man in the United States will think it a duty to buy a copy, in vindication of his right to buy and to read what he pleases."

Fortunately the open, unfearing view of Jefferson has been the prevailing one down through our history. The free exchange of ideas and the widespread circulation of books, magazines and newspapers have been basic in the American way of life. Indeed it is because freedom for the printed word is so deeply ingrained in our national character that the censorship of books and the blacklisting of authors in the State Department's overseas libraries have been so vigorously condemned.

Few of our leaders have stated this national charcteristic of freedom of thought better than Dwight D. Eisenhower himself. As president of Columbia University he defined the "one principle which all free universities unfailingly must defend." This is, he said, "the ideal of full freedom of inquiry and expression, the right of mankind to knowledge and the free use thereof." At Dartmouth last month the President spoke the urgent counsel "don't join the book burners" and "don't be afraid to go to the library and read any book." A week ago he told the American Library Association:

"Any who act as if freedom's defenses are to be found in suppression and suspicion and fear confess a doctrine that is alien to America. A democracy smugly disdainful of

new ideas would be a sick democracy. A democracy chronically fearful of new ideas would be a dying democracy.

"In order to fight totalitarians who exploit the ways of freedom to serve their own ends, there are zealots who—with more wrath than wisdom—would adopt a strangely unintelligent course. They would try to defend freedom by denying freedom's friends the opportunity of studying Communism in its entirety—its plausibilities, its falsities, its weaknesses."

These splendid statements are in the best American tradition. They are so much in the tradition that it is both disturbing and baffling that they are canceled in practice and even by some of the other things the President has said. For although he seems now to have forgotten saying it, the Washington correspondents recall distinctly that Mr. Eisenhower said 2 weeks ago it was all right with him if the State Department did as it pleased with books in the libraries overseas.

That the State Department has done about as it pleased is now no longer a matter of discussion. Slowly, almost painfully, the facts have been pulled out by the correspondents. Beginning February 1, less than 2 weeks after John Foster Dulles became Secretary of State, the Department began issuing directives on contents in these 188 libraries. A congressional committee heard that Mr. Dulles himself wrote the first of these. Pursuant to the 10 directives some 300 books by an uncertain number of unidentified authors have been purged. Secretary Dulles is the authority for the information that some books have even been burned.

In doing this, the State Department ignored its distinguished Advisory Committee on Books Abroad, as Wallace R. Deuel shows in his Washington dispatch on the first page of this section. As a consequence these librarians, scholars, and book publishers may resign in protest against the Eisenhower administration's failure to heed their recommendations.

All this has distorted the libraries grievously from their original purpose. That purpose has been admirably described by Robert Peel in the Christian Science Monitor:

"When United States information centers—Amerika Hauser—were started in Western Germany after World War II, they brought a great breath of fresh air to the people who for more than a decade had been stifled by authoritarianism. Inquiring Germans flocked to them, hungry for new ideas though suspicious at first of American attempts to indoctrinate them.

"What impressed them most and won a unique prestige for many of the Amerika Hauser was the diversity of views they found expressed there. Here was freedom of a sort many of the young Germans had never dreamed of.

"Unfavorable aspects of the United States were presented as well as the favorable—a clear indication to the Germans that this was more than propaganda. Books for and against world government, economic liberalism, or progressive education challenged them to independent thinking."

What was the effect of free and open libraries, with diverse points of view available on their shelves? Mr. Peel confirms the experience of other observers:

"Many Germans have borne witness to the fact that this was the most convincing proof that could have been offered of the falsity of Communist claims about the United States. This was the very air of freedom itself, and in many cases they lined up and waited patiently to get at the books, magazines, exhibits, and lectures which opened windows on a challenging new world."

Now, in a matter of some 5 months, in the administration of the President who was the first supreme commander in Germany and under whose authority many of these libraries were set up, the benefits have been seriously damaged, if not destroyed. Admiration for American belief in freedom of ideas has given way to cynicism. The disappearance of books on controversial subjects by questionable authors is all too familiar in Germany. For the Germans have not forgotten the tools of suppression that Hitler used to forge nazism.

This is the situation. What should be done to keep it from getting worse and insofar as possible to repair the damage to American prestige abroad?

First, there should be a full and frank statement by President Eisenhower which relates his fine sentiments about freedom of inquiry to the conduct of his State Department. He should unhesitatingly disavow official library censorship now that he knows what the facts are—because it is only too clear that he did not know the facts when he spoke at Dartmouth. He should say as much for Bert Andrews, Alan Barth, Walter White, Clarence K. Streit, Vera Micheles Dean, General Stilwell, Langston Hughes, the Lynds, and other proscribed authors as he said for mystery story writer Dashiell Hammett.

Second, the President should also make public the directives under which these bans have taken place. Why should the directives be withheld from the public? Why should the people not know the full facts about this important piece of public business?

As a candidate, Mr. Eisenhower pledged himself to do the people's business in the open. Yet Senator HENNINGS' repeated requests for the directives and the lists of authors have not been granted by the State Department. The Missouri Senator will serve all the Nation if he persists until the facts are released—in conformity with the administration's recent pledge of fuller public access to official information.

Third, there should be still another directive on this subject—one which restores the overseas libraries to their original purpose of presenting the American way of life, with its reliance on free exchange of ideas. As the librarians said at their annual meeting at Los Angeles, "no one could justify or would seek to justify the use of the overseas libraries to disseminate material harmful to the United States." With this the Post-Dispatch fully agrees. Funds for these libraries are limited. For practical reasons alone, subversive literature which seeks the overthrow of the United States Government is not going to get onto their shelves.

Our librarians abroad can be trusted to provide well-rounded libraries of useful books just as librarians at home are so trusted. There is no need for what the Library Association calls "elaborate, irrelevant, and offensive schemes of 'clearance' of authors." All was going well in these libraries until a pair of young troublemakers was sent abroad by a certain United States Senator. It is doubtful whether in the entire history of this country persons of less actual consequence have done more harm.

Our overseas libraries, as the American Library Association so correctly says, "do not belong to a congressional committee or to the State Department. They belong to the whole American people, who are entitled to have them express their finest ideas of responsible freedom. In no other way can the libraries effectively serve their purpose."

The recent Westchester conference of the ALA and the American Book Publishers Council staked out "a lofty claim for the value of books." It said:

"We do so because we believe that books are good, possessed of enormous variety and usefulness, worthy of cherishing and keeping free. We realize that the application of these propositions may mean the dissemination of ideas and manners of expression that are repugnant to many persons. We do not state these propositions in the comfortable belief that what people read is unimportant. We believe, rather, that what people read is deeply important; that ideas can be dangerous; but that suppression of ideas is fatal to a democratic society. Freedom itself is a dangerous way of life, but it is ours."

The noted French philosopher, Voltaire, put this thought in a few words when he said: "I disapprove of what you say, but I will defend to the death your right to say it." And the great Justice Oliver Wendell Holmes phrased what has become the golden rule of American freedom, when he said in the Rosika Schwimmer citizenship case in 1928:

"Some of her answers might excite popular prejudice, but if there is any principle of the Constitution that more imperatively calls for attachment than any other, it is the principle of free thought—not free thought for those who agree with us but freedom for the thought that we hate."

And yet the books of distinguished, thoroughly loyal authors have been purged from American libraries in an obeisance to little men with small minds.

Yes, Jefferson would be mortified.

MEMBERS OF THE UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

James L. Morrill: President of the University of Minnesota since 1945; president, University of Wyoming, 1942–45; prior to that taught at Ohio State University; appointed chairman of the Advisory Commission on Educational Exchange, 1951; past president of the Association of Land Grant Colleges.

Mark Starr: Educational director of the International Ladies Garment Workers Union since 1935; member of the board of trustees of the Institute of International Education; in 1946 labor educational consultant to SCAP in Japan; in 1945 member of the United States delegation to UNESCO Conference in London; member of the United States Advisory Commission on Educational Exchange since 1948.

Harold Willis Dodds: President of Princeton since 1933; had been associated with Princeton since 1927; before that taught at Purdue and Western Reserve; executive secretary and editor of National Municipal League from 1920 to 1928; adviser on election procedures for the Governments of Nicaragua and Cuba; member of the President's Advisory Commission on Universal Military Training, 1947, and the President's Commission on Integration of Medical Services to Veterans, 1946, and affiliated with various foundations—Rockefeller, Brookings, and Carnegie Fund for Advancement of Teaching; member of the United States Advisory Commission on Educational Exchange since 1948.

Dr. Martin R. P. McGuire: Professor of Greek and Latin at Catholic University; has been at Catholic University since 1924 and from 1937 to 1948 dean of Graduate School of Arts and Sciences; associate editor of Catholic Historical Review; member of the Board of Foreign Scholarships and advisory body on Fulbright program since 1947; member of the United States Advisory Commission on Educational Exchange since 1948 and chairman of the Committee on Books Abroad since 1952; also member of President's Commission on Higher Education, 1946 to 1948.

Edwin B. Fred: President of the University of Wisconsin; associated with the University of Wisconsin since 1913 as professor of bacteriology; dean of College of Agriculture from 1943 to 1945 and in 1945 became president of that university; member of the United States Advisory Commission on Educational Exchange and the National Science Foundation.

COMMITTEE ON BOOKS ABROAD MEMBERSHIP

Cass Canfield: With Harper & Bros. since 1924; became president in 1931 and chairman of the board of Harpers since 1945; from

1942 to 1943 with the Board of Economic Warfare in Washington; in 1944, in charge of the Division of Economic Warfare at the American Embassy in London; in 1945, Director of the Office of War Information in France.

Robert L. Crowell: Has been with Thomas Y. Crowell, book publishers, since 1931; in 1937 he became president; in 1951 was made a consultant to the State Department and made a survey of the overseas library and book program for the Secretary.

George P. Brett, Jr.: Has been with Macmillan since 1913 and president since 1931. Also a trustee of the Union Savings Bank of New York.

Robert B. Downes: Director of libraries and of the school of library service at University of Illinois since 1943; before that held same position at New York University and before that at the University of North Carolina; president of the American Library Association from 1952 to 1953; in 1948 was a special consultant on libraries to SCAP and in addition to being a member of the Commission on Overseas Libraries is a consultant on evaluation of that program to IIA.

INVESTIGATION OF THE EFFECTS OF WOOL IMPORTS ON DOMESTIC WOOL PRICE-SUPPORT PROGRAM

Mr. HUNT. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a press release by the President, dated July 9, dealing in the main with the effect of wool imports on the domestic wool price-support program.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
July 9, 1953.

The President today requested the Chairman of the Tariff Commission to institute an investigation of the effects of wool imports on the domestic wool price-support program, as authorized under section 22 of the AAA of 1933, as amended. The President asked the Tariff Commission to report its findings and recommendations as promptly as practicable to permit a decision to be made as early as possible during the 1953 wool marketing season as to whether any action is necessary.

At the same time the President today wrote the Secretary of Agriculture requesting him to supplement the Tariff Commission's investigation by a broader study of the domestic factors which have contributed to the decline in sheep numbers and wool production in the United States. The President stressed the importance of including in the results of such a study constructive suggestions which will promote the development of a sound and prosperous wool industry and at the same time permit an expanding foreign trade.

The text of the President's letter to the Honorable Edgar B. Brossard, Chairman of the United States Tariff Commission, follows:

"DEAR MR. BROSSARD: On June 25, 1953, I wrote you concerning the investigation instituted by the Commission on September 2, 1952, under section 22 of the Agricultural Adjustment Act, as amended, with respect to wool and wool tops. The Commission was directed to keep under continuous review the Department of Agriculture programs for wool and the conditions as they may develop so that it would be in a position to report to me promptly in the event such a report was requested in the future.

"I have been advised by the Secretary of Agriculture that there is reason to believe that wool of sheep subject to duty under paragraphs 1101 (a) and 1102 of the Tariff Act of 1930, carbonized wool of the sheep subject to duty under paragraph 1106 of the said act, or sheep's-wool tops subject to duty under the said paragraph 1106 are being and are practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support program for wool undertaken by this Department, or to reduce substantially the amount of products processed in the United States from domestic wool. The Department of Agriculture has had to take action to support the price of wool while at the same time there have been relatively large imports.

"The Tariff Commission is directed to institute an investigation and report its findings and recommendations as promptly as practicable to permit a decision to be made as early as possible during the 1953 wool marketing season as to whether any action is necessary under section 22.

"The Commission shall determine whether wool of sheep subject to duty under paragraphs 1101 (a) and 1102 of the Tariff Act of 1930, carbonized wool of the sheep subject to duty under paragraph 1106 of the said act, or sheep's wool tops subject to duty under the said paragraph 1106 are being or are practically certain to be imported under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the wool price support program or to reduce substantially the amount of products processed in the United States from domestic wool.

"Simultaneous with this request for an investigation under section 22, I am asking the Secretary of Agriculture to supplement the Tariff Commission's investigation by a broader study of the domestic factors which have contributed to the decline in sheep numbers and wool production in the United States. By such a study we hope to arrive at a solution of the more basic problems of the domestic wool industry, a solution that will promote the development of a sound and prosperous industry and at the same time permit an expanding foreign trade.

"I have asked the Secretary of Agriculture to submit at least a preliminary draft of the findings of such a study by the time the Tariff Commission makes its report under section 22.

"A copy of my letter to the Secretary of Agriculture relative to this investigation is attached, as well as a copy of his letter to me concerning the Tariff Commission's investigation of the wool industry under section 22.

"Sincerely,

"DWIGHT D. EISENHOWER."

The text of the President's letter to the Honorable Ezra Taft Benson, Secretary of Agriculture, follows:

"DEAR MR. SECRETARY: Today I have acted on the recommendation contained in your letter of June 30, 1953, by requesting the United States Tariff Commission to investigate the effects of wool imports on the domestic wool price-support program, as authorized under section 22 of the Agricultural Adjustment Act of 1933, as amended.

"You know my concern and reluctance with respect to any measure which tends to hinder foreign trade. I profoundly believe that the security of our country and the cause of world peace demand that we move toward freer and wider trade with friendly foreign countries. I also believe that a real and permanent solution of the long-term wool problem can be found that is consistent with the expansion of our foreign trade. Any such solution must, in the interests of the United States, depend upon progressive action on the domestic front leading toward a better product, lower costs, and broader markets.

"As a step in this direction, I believe it is desirable that this investigation by the Tariff Commission be supplemented by a broader study of the domestic factors which have contributed to the decline in sheep numbers and wool production in the United States. In this way we may be able, not only to alleviate an immediate situation, but also contribute materially to the solution of the more basic problems of the domestic wool industry. Therefore, I request that the Department of Agriculture immediately take appropriate steps to implement a comprehensive study of this type. It is important that this project not only analyze the retarding factors now at work with respect to United States wool production, but also set forth constructive suggestions which will promote the development of a sound and prosperous domestic wool industry and at the same time permit an expanding foreign trade.

"In order that this study may be of value with respect to the present situation, I request that the findings be available at least in preliminary draft by the time the Tariff Commission makes its report under section 22. When completed, the study would be submitted to the proposed Commission on Foreign Economic Policy for its consideration.

"A copy of my letter to the Chairman of the Tariff Commission requesting an investigation of the wool situation under section 22 is attached.

"Sincerely,

"DWIGHT D. EISENHOWER."

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The PRESIDING OFFICER (Mr. HENDRICKSON in the chair). The Chair lays before the Senate the unfinished business, House bill 5690, making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

Mr. SALTONSTALL. Mr. President, only one money change is called for by the amendments of the Senate Appropriations Committee. The other changes are in the language of the bill. Therefore, I believe it would be helpful to have the bill read for amendment at this time, and if there are questions regarding the amendments, I shall endeavor to answer them.

I now ask unanimous consent that the bill be read for amendment, with the committee amendments to be first considered.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will proceed to state the amendments of the committee.

The first amendment of the Committee on Appropriations was, under the heading "Atomic Energy Commission," on page 2, line 11, after the word "exceed", to strike out "$2,389,130" and insert "$2,739,130."

The amendment was agreed to.

The next amendment was, on page 4, line 2, after the word "aircraft", to insert "purchase of five hundred and twenty-six passenger-carrying motor vehicles (of which four hundred and twenty-six shall be for replacement) in the event adequate vehicles cannot be obtained by transfer from other departments or agencies"; at the beginning of line 12, strike out "a" and insert "any"; in line 14, after the word "power", to strike out "reactor" and insert "reac-

tors"; in line 18, after the word "such", to strike out "reactor" and insert reactors"; and on page 5, line 2, after the word "available", to insert "at the start of such construction to meet the currently estimated cost."

The amendment was agreed to.

The next amendment was, on page 5, line 20, after the word "budget", to insert a colon and the following additional proviso: "*Provided further*, That the foregoing proviso shall not apply to any project for the alteration, extension, or improvement of technical or production facilities unless such project includes the construction of a new building estimated to cost in excess of $100,000."

The amendment was agreed to.

The next amendment was, on page 5, line 24, after the figures "$100,000", to insert a colon and the following additional proviso: "*Provided further*, That the Commission is authorized to transfer not to exceed $10 million to the Bureau of Public Roads, Department of Commerce, to provide for construction of access roads to the Pike County, Ohio, plant and to the Arco, Idaho, plant of the Commission."

The amendment was agreed to.

The next amendment was, on page 7, after line 6, to insert:

Not to exceed 5 percent of any appropriation under this head may be transferred to any other such appropriation, but no such appropriation shall be increased by more than 5 percent by any such transfers, and any such transfers shall be reported promptly to the Appropriations Committees of the House and Senate.

The amendment was agreed to.

The next amendment was, under the heading "Tennessee Valley Authority," on page 10, line 12, after the word "Authority", to strike out "so long as the amount appropriated annually for the construction of power facilities exceeds the amount deposited annually in the Treasury for repayment of the investment of the Federal Government in the power facilities of the Authority" and insert "until the Director of the Bureau of the Budget makes a study and report with recommendations not later than January 1, 1954, to the Appropriations Committees of the House and Senate on the advisability and feasibility of the acquisition of said building"; and in line 21, after the amendment just above stated, to strike out the colon and "*Provided further*, That no funds available for expenditure by this agency shall be used for the payment of the salary of any employee in the District of Columbia at a rate in excess of $8,000 per annum."

The amendment was agreed to.

The next amendment was, under the heading "Veterans' Administration," on page 11, line 11, after the word "exceed", to strike out "$2,675,720" and insert "$3,200,000."

The amendment was agreed to.

The next amendment was, on page 12, line 11, after the word "exceed", to strike out "$753,800" and insert "$856,000."

The amendment was agreed to.

The next amendment was, on page 12, line 17, after the word "exceed", to strike out "$270,000" and insert "$305,000."

The amendment was agreed to.

The next amendment was, on page 13, line 15, after the word "exceed", to strike out "$3,200" and insert "$4,800."

The amendment was agreed to.

The next amendment was, on page 13, at the beginning of line 24, to strike out "$190,140" and insert "$196,000"; on page 14, line 2, after the word "out-patient", to insert "fee basis"; in line 6, after the word "within", to strike out "2 years after separation from active service, or"; and in line 10, after the word "act", to strike out the comma and "whichever is later."

The amendment was agreed to.

Mr. HUNT. Mr. President, I ask unanimous consent that the vote by which the committee amendment on page 14, in line 8, was agreed to be reconsidered, for I should like to have the distinguished Senator from Massachusetts explain the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALTONSTALL. Mr. President, there are two amendments in connection with dental services. There is 1 on page 14 in line 2; it is a clarifying amendment in connection with the action taken by the House of Representatives regarding the payment of dentists on a fee basis.

The second amendment is on page 14, in line 8. It is the one to which the Senator from Wyoming has directed attention. The provision adopted by the House indicated that any veteran could obtain free dental care if there were proof that his dental condition arose as a result of his service in the Armed Forces, either within 2 years after separation from the active service or 1 year after the enactment of this act, whichever was later.

The committee believed that provision was too stringent. Therefore it voted to strike out the provision with respect to 2 years after separation from active service, and to leave in the provision regarding 1 year after the enactment of this act.

As a result, if the committee amendment is adopted, when the bill becomes law, and for 1 year thereafter, any veteran who believes that his dental troubles have developed as a result of his service must certify that fact in order to obtain free dental care in the future.

Mr. HUNT. Mr. President, I thank the distinguished Senator from Massachusetts for the amendment which has been voted by the committee, for it leaves open to all the great number of veterans of World War I, the Spanish-American War, and of World War II, the possibility of securing this needed dental care, provided they make application within 1 year after the enactment of this act.

Mr. SALTONSTALL. That is correct. The amendment adopted by the Senate committee was the alternative one of the two, as offered to the committee by the Senator from Wyoming.

Mr. HUNT. I thank the Senator from Massachusetts.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment on page 14, in line 8.

The amendment was agreed to.

The PRESIDING OFFICER. The next committee amendment will be stated.

The next amendment was, on page 14, line 17, after the word "exceed", to strike out "$13,000" and insert "$18,200."

The amendment was agreed to.

The next amendment was, on page 15, line 24, after the word "date", to insert "or commitments for loans made by the Veterans' Administration"; and in line 25, after the amendment just above stated, to insert a colon and the following additional proviso: "*Provided further*, That under any contract between a State, or any political subdivision of a State, and the Veterans' Administration providing for the furnishing of instruction in a course of institutional on-farm or other training under part VIII of Veterans Regulation No. 1 (a), as amended—Public Law 346, 78th Congress, as amended—liability authorized by this section by reason of payments of subsistence allowance which were illegal because of failure of the veteran or the course to comply with the applicable statutory, regulatory, or contractual requirements shall not be applied to the contracting State, or political subdivision, unless the Administrator of Veterans' Affairs, after investigation, finds that an employee or representative of such State, or political subdivision, conspired with the veteran by, or was guilty of fraud or gross negligence in, falsely reporting to the Veterans' Administration that the veteran was in a proper course of training, failing to report unauthorized or excessive absences from, or interruption or discontinuance of, his course of training, or not discovering the failure of the veteran to comply with the applicable statutory, regulatory, or contractual requirements and not promptly terminating the course of training of the veteran. The provisions of this proviso shall be effective as of July 13, 1950, but shall not require repayment of any funds heretofore properly recovered by agreement of the parties to any such contract, and shall not be applicable to any other liabilities or agreements pursuant to such contract."

The amendment was agreed to:

The next amendment was, on page 17, line 6, after the word "for", to insert "planning for."

Mr. SALTONSTALL. Mr. President, I point out to the distinguished acting majority leader that this is the amendment about which he had a question.

Mr. KNOWLAND. Mr. President, I wish to ask some questions about the neuropsychiatric hospitals, one being at Topeka, Kansas; another at Houston; and the third at San Francisco.

The information I have from California—and I think it also applies to the situations in Kansas and Texas —is that there is very great need for, and a shortage of, neuropsychiatric hospitals and facilities.

I understand that the Senate committee has voted to strike out the language adopted by the House, on which the House had worked with considerable care. Was that done because of information coming to the attention of the subcommittee and the full committee, that the plans were not yet available and

that even if funds were provided, actual construction could not commence at this time, because of a lack of plans?

Mr. SALTONSTALL. The Senator from California has stated the situation correctly. I shall be glad to discuss the matter further for a few minutes, if the Senator from California cares to have me do so.

Mr. KNOWLAND. Yes, I should like to have the Senator from Massachusetts do so. He is a very conscientious chairman of the subcommittee, and certainly I wish to support the recommendations of the subcommittee. However, I feel most deeply about the care of those who have developed neuropsychiatric problems as a result of service to their country. Of course, sometimes it is a little difficult to determine whether such conditions are service connected. I know there is great need for, and a great shortage of, neuropsychiatric hospitals and facilities in the area on the Pacific coast, and I believe a similar situation exists elsewhere in the Nation.

Otherwise, I would have felt some obligation to submit an amendment to support the action taken by the House of Representatives; but when I explored the situation and learned that the plans were not actually available at this time, I felt that if we could be assured that the bill provided funds with which the planning could be expedited, so that when the plans were available, the Veterans' Administration, through the Bureau of the Budget, could come to Congress with specific figures on what the cost of construction would be, I would not be inclined to resist the committee's action.

Mr. SALTONSTALL. Mr. President, I think the Senator from California has stated the situation correctly, and that there will be no delay. I agree with what he has said; and I know how the Senators from Kansas feel about the matter, because they testified before the committee.

Unquestionably there is need for more neuropsychiatric hospitals. The question is how fast we can proceed, and whether we can proceed without planning.

Let me state for a moment the situation as the committee found it in regard to the three new hospitals.

Mr. SCHOEPPEL. Mr. President, will the Senator from Massachusetts yield to me at this time?

Mr. SALTONSTALL. I yield.

Mr. SCHOEPPEL. Does the Senator from Massachusetts intend to cover the situation affecting the three hospitals named in the report, and to which the distinguished acting majority leader has referred?

Mr. SALTONSTALL. I do.

Mr. SCHOEPPEL. Because I wish to concur 100 percent in the position taken by the distinguished Senator from California, the acting majority leader [Mr. KNOWLAND]. There is much concern about this matter.

I wish to ask the chairman of the subcommittee, after the conclusion of his statement, certain questions with reference to the situation.

Mr. SALTONSTALL. I shall be very happy to try to answer them.

The subcommittee, I believe, has made a very careful study. The action taken was taken advisedly, and without a thought of not ultimately building the hospitals in question, but with the idea that nothing would be gained by appropriating money for construction this year.

The situation in regard to veterans' hospitals is that at the present time there are approximately 114,000 veterans' hospital beds, and, in addition, 16,000 domiciliary beds. Ten new hospitals are to come into existence in the current fiscal year. These 10 new hospitals will have 7,657 new beds. In addition to those, there are 2,300 beds now in existing hospitals which have been shut down because of lack of funds with which to operate them.

If Congress approves the appropriation for operating hospitals now contained in the bill, that is, the amount made available by the House, there will be 7,000 new employees. With that number of new employees 2,300 beds in existing hospitals can be placed in operation, there will be approximately 4,700 employees available for the new hospitals as they come into service this year.

As I said, it is figured there is about 1 employee to a bed; to be exact, nine-tenths of 1 employee. So if 7,657 new beds are provided this year, 4,700 employees will be available to operate them.

There is at the present time available in the Veterans' Administration an estimated unobligated balance of $60 million as of June 30, 1953, for the construction of new hospitals, and there is an additional $20 million for major betterments and additions. In other words, this represents money already appropriated, which the Veterans' Administration has not been able to use because the construction has not become possible. As I have said, there are 10 new hospitals to come into existence this year.

With relation to the hospitals for Topeka, San Francisco, and Houston, the House included what they believed to be a sufficient amount with which to construct the hospitals; but the Senate committee was informed by the Veterans' Administration that it has no money with which to plan or to provide technical services for these hospitals. The Veterans' Administration tells us that in the case of the Topeka hospital, assuming that everything should go ahead without delay, the estimated time for awarding the contract would be March 1955, with completion around September 1957. In the case of the San Francisco hospital the award of the contract would be in November 1954, with completion in May 1957. In the case of the Houston hospital the contract would be awarded in May 1955, and the date of completion would be May 1957.

It will therefore be seen that in all three of these instances the contracts cannot be awarded until the next fiscal year. In the meantime, we have included in the bill an appropriation of $2,500,000, which we understand is sufficient to permit going ahead and drawing the plans for hospitals which the Veterans' Administration may consider necessary.

I may say to my distinguished colleagues that the committee has included in the bill on page 17, line 6, the words "planning for" and in line 7 the bill as passed by the House contains the words "any of the facilities." The committee felt that when the Veterans' Administration were planning hospitals they should not be confined to the planning of the three hospitals specifically, but that we should leave it open so they could use $2,500,000 with which to plan whatever hospitals they felt should have No. 1 priority.

Mr. KNOWLAND. Mr. President, I should like some assurances, if the distinguished Senator from Massachusetts can give them, that the money for planning will not be used for other purposes, but for what I feel represents a very urgent need. I refer to the neuropsychiatric hospitals, regarding which I fully agree with the Senator that, based on the information he has received from the Veterans' Administration, it would be useless to appropriate the funds now, for if the plans are not ready construction cannot be proceeded with.

But I feel that what is proposed is not satisfactory. If we were to appropriate only $2.5 million, and if that were found to be insufficient, and the Veterans' Administration should use that money for other purposes, and we would be faced again next year, when Congress reassembled, with the fact that no planning had been done for these hospitals, and it would be necessary to repeat the operation all over again. Therefore, I think it important to raise a question about this item on the floor. The bill, of course, will have to go to conference.

Mr. SALTONSTALL. That is correct.

Mr. KNOWLAND. I hope the distinguished Senator will explore with the Veterans' Administration, before it goes to conference, the question whether in their judgment they would be in a position, with $2,500,000, to proceed with the neuropsychiatric hospitals. If they would not be, with that sum, then I ask the Senator whether, under the general rules governing conferences between the Senate and the House of Representatives, if it were found necessary to add to the appropriation to make certain that that could be done, there would be sufficient flexibility in the conference so that an additional amount for planning could be included in conference to make sure that the matter would be taken care of.

Mr. SALTONSTALL. Mr. President, in reply I may say, first, that the committee was informed by the Veterans' Administration that the amount included for planning was sufficient. If it proves to be insufficient, there is plenty of leeway to increase it.

With respect to neuropsychiatric hospitals, in the report of the Veterans' Administration last year, and again in this year's report, it has been emphasized that the neuropsychiatric hospitals represent the greatest need. Therefore, it is presumed that plans would be made to increase the number of such hospitals.

Mr. KNOWLAND. I would appreciate it, too, if the Senator would direct his staff to ascertain, when conferring with representatives of the Veterans' Administration, the length of time normally

required for the development of plans. The information I received was that it required approximately 9 months to complete the planning. I would appreciate it if the Senator would direct his staff to check into that matter. I have also been told that after the plans are completed, normally about 3 months are required for the advertising of bids, the making of contracts, and so forth. So the only thing I would want the conferees to doublecheck on would be as to whether there are sufficient funds to permit expedition in the matter of planning.

Mr. SALTONSTALL. I agree with my colleague entirely, and I shall do my utmost to see that the two ideas he advances are embodied in the bill.

Mr. KNOWLAND. I thank the Senator from Massachusetts.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. In the light of the questions asked by the distinguished acting majority leader and the answers given by the distinguished Senator from Massachusetts, I obtain the impression that this item is practically equivalent to an earmarking of funds sufficient in amount to provide for the preparation of plans for the three hospitals to which reference has been made. Is that a fair statement?

Mr. SALTONSTALL. In order to clarify the matter, and to be perfectly frank with my friend, the Senator from Kansas, the committee includes provisions for the planning of hospitals. There is a sufficient amount, as I said to my colleague, the Senator from California, for the planning of the three hospitals in question. But the wording is applicable to any hospitals. In other words, it would not necessarily be restricted to the hospital at Topeka or at San Francisco. Plans could be made for a neuropsychiatric hospital somewhere else, if it were deemed advisable to have one somewhere else.

I would say, from the evidence offered by the Veterans' Administration and by the distinguished doctor from Topeka who testified, presumably—I can say only presumably—the rebuilding of the hospital at Topeka would have a very high priority. But I cannot assure the Senator of that fact.

Mr. DOUGLAS. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. As soon as I complete the discussion with the Senator from Kansas.

Mr. SCHOEPPEL. Pursuing the matter further with the distinguished Senator from Massachusetts, if planning money is available, and it is the intention to press for planning money for this type of hospital, it certainly is the feeling of the chairman of the committee, is it not, that if such a need exists it would be the intention of the committee later on to act on a request for additional funds to complete the hospitals?

Mr. SALTONSTALL. That is correct. Furthermore, I would invite the Senator's attention to the fact that the approval of the President is required. That is provided for in lines 6 and 7 on page 17 of the bill. So that plans for the selection of the site and plans for the construction of the hospital would proceed with the approval of the President. It is my recollection that there were four hospitals provided for in the bill last year by the House committee. They were eliminated by the Senate, but two of them were restored in conference. The two not put back in conference are two which are on the list this year, the one at Topeka and the one at San Francisco. So, presumably, they would have a very high priority.

Mr. SCHOEPPEL. Like the Senator from California [Mr. KNOWLAND], I was prepared to offer an amendment, but some facts and circumstances have been brought out here, namely, the lack of planning and the unavailability of plans until 2 or 3 years in the future, together with the expression by the distinguished chairman of the committee that the intention is to pursue in conference the effort to obtain sufficient funds to provide for planning of hospitals, which cause me to want to go along with the committee, if I can. But there is a very definite need for the type of treatment provided by hospitals of this kind.

Mr. SALTONSTALL. I agree with the Senator.

Mr. SCHOEPPEL. I wanted to be doubly sure that if the matter is not pressed at this time, we would not be foregoing something which, in view of the facts, we should be diligent in pursuing.

Mr. SALTONSTALL. I think we are going forward with the projects in the most practical way, and I believe the committee has provided the amounts by which they can go forward as far as if we appropriate the whole amount of money for construction this year.

Mr. CARLSON. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. CARLSON. I appreciate very much the reassuring words of the distinguished chairman of the committee regarding the hospital at Topeka. On the other hand, I think I can say with my distinguished colleague from Kansas that we are disappointed that funds are not made available for the commencement of construction of the hospital at Topeka which is so badly needed. The hospital at the present time, as I am sure the Senator heard the witnesses testify, cannot properly care for neuropsychiatric cases.

We sincerely regret that we cannot tell the veterans of the Nation that we are going to commence work on the hospital; but I appreciate very much the remarks of the Senator from Massachusetts. I fully realize that it would be useless to offer an amendment from the floor, because I want to go along with the committee, and I know of no one who is better qualified to handle this matter than is the Senator from Massachusetts.

I sincerely hope the Appropriations Committee of the Senate will assist us in securing the early commencement of the hospital which is so badly needed.

Mr. SALTONSTALL. I thank the Senator from Kansas. I think my remarks to the senior Senator from Kansas indicate my feelings on the subject.

Mr. DOUGLAS. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield.

Mr. DOUGLAS. Am I correct in inferring from the statement of the Senator from Massachusetts that the reduction from $48,867,000 to $2,500,000, in lines 12 and 13, on page 17, is, in reality, merely a postponement of the appropriation of the necessary amount and is in no sense a real saving in expenditures by the Government?

Mr. SALTONSTALL. I would answer my colleague from Illinois by stating that that is my understanding. There is a great need for neuropsychiatric hospitals. The Government is going ahead with 11 new hospitals that will come into operation in 1954, but the evidence shows that there is a strong demand and a waiting list with reference to neuropsychiatric cases, and this money would provide planning for completing such hopsitals.

Mr. DOUGLAS. Mr. President, will the Senator yield so that I may make a brief statement?

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that I may yield to the Senator from Illinois for a statement, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Illinois may proceed.

Mr. DOUGLAS. Mr. President, all of us have great respect for the Senator from Massachusetts, and it is deserved respect, but what I want to point out is that someone may take these figures to indicate great savings for the taxpayers. The Senator from Massachusetts has just frankly stated, with his characteristic honesty, that this apparent saving of approximately $46 million will ultimately be no saving at all. It represents merely a postponement of an appropriation.

I should similarly like to point out that the apparent reduction of $300 million in the field of compensation and pensions for veterans is unreal. It is a paper saving and not a real saving, because the funds for the program of compensation and pensions to veterans, as was stated in the House report, are for the purpose of meeting contractual obligations of the Federal Government. The only actual reduction in expenditures possible for this area would have to be the result of fewer claims. In view of the mounting number of claims resulting from the Korean war, my judgment is that the number of claims is going to increase greatly during the coming year. So, the failure of the committee to appropriate certain sums is not a real saving at all.

Mr. SALTONSTALL. Has the Senator completed his statement?

Mr. DOUGLAS. I have completed my statement on that point, but I should like to point out other unreal savings in the bill.

Mr. SALTONSTALL. With reference to the question of compensation and pensions, the estimate of the Veterans' Administration is the largest ever submitted by that Administration.

Three new acts passed last year—Public Law 356, Public Law 357, and Public Law 427—so that the estimates must be an educated guess at best. The Veterans' Administration states that it has sufficient money for 10 months. No one can tell the exact amount required for the full year. Both the Senate and the House committees have emphasized in their reports that it is the intention to make sure that the veterans receive their compensation, and both committees have stated that when a better estimate is provided, based on actual experience, we shall be in position to provide the money in a supplemental bill.

Mr. President, I ask unanimous consent that I may place in the RECORD at this point in my remarks a brief statement which explains what I have just stated.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COMPENSATION AND PENSIONS

VA prepared the estimate of $2,546,291,000 by using caseload and average monthly payment experience in 1952 and prior years, then added effects of 3 new acts last year.

Public Law 356, general increase in rates to most groups of veterans and their dependents.

Public Law 357, increased income limitations, which brought in new group previously excluded by excessive income.

Public Law 427, increased statutory rates for more seriously disabled groups, and authorized for first time for World War II and Korean veterans monthly rate for arrested tuberculosis and additional allowance for loss or loss of use of creative organ.

Therefore, this was the largest estimate ever submitted by VA for this item. Since World War II supplementals each year have made up the difference between regular appropriation and amount finally required to pay all compensation and pensions.

VA states they have enough in the bill for 10 months, and no one can tell exact amount to be required for year. So that, again, supplemental before next April can supply full amount needed for all approved compensation and pensions.

Rumors which have been circulated that the Senate and House committees intended to cut the actual money paid to a veteran for compensations and pensions are entirely without foundation. No veteran who is entitled to compensation and pensions will fail to get it.

Mr. DOUGLAS. Is it not true that the expenditures are controlled by law, and, therefore, the failure of the committee to appropriate does not in any sense diminish the expenditures which the Government will ultimately be called upon to make?

Mr. SALTONSTALL. That is correct.

Mr. DOUGLAS. I am very glad to have the Senator say that, because some persons who may not have his rugged quality of intellectual honesty may later use these figures to indicate great economies which have been made by this administration and by the committee.

Furthermore, I wish to point out that $165 million of the claimed reduction of $221 million in veterans' readjustment benefits is also unreal and merely involves a postponement of appropriations which will have to be made later.

Mr. SALTONSTALL. I wish to point out to the Senator from Illinois that there is an amendment in the bill that has not yet been reached, which would allow a 10 percent shifting between the various funds that are required to be paid out by law. The purpose of the amendment is to make the educated guess a little more accurate so as to avoid having to return to Congress for more money.

Mr. DOUGLAS. It is true, I think, that the committee effected real savings of approximately $56 million by the inclusion in the bill of a provision prohibiting the use of funds for payment to the lender of an amount equivalent to 4 percent of the loan made or guaranteed in connection with any loan for the purchase or construction of homes, farms, and business property. However, the $165 million of the total reduction for Veterans' Administration readjustment benefits was not a real saving, but was simply a failure to appropriate for claims that will later accrue. Is not that correct?

Mr. SALTONSTALL. The Senator states the situation correctly.

Mr. DOUGLAS. I thank the Senator.

Mr. President, I ask unanimous consent that the statement I have prepared on these three points be printed in the RECORD at this place.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNREAL REDUCTION IN SECOND INDEPENDENT OFFICES APPROPRIATIONS BILL (H. R. 5690) AS REPORTED BY SENATE APPROPRIATIONS COMMITTEE

1. Veterans' Administration, compensation, and pensions: Unreal reduction, $300 million.

Funds for this program, as stated in House report, are for the purpose of meeting contractual obligations of the Federal Government. Thus the only reductions possible would have to be a result of fewer claims. In view of mounting claims resulting from Korean hostilities, exepnditures in this area are likely to increase rather than decrease.

2. Veterans' Administration, readjustment benefits: Unreal reduction, $165 million.

Total reductions proposed in this area come to $221 million. As stated in the House report, this total is made up as follows: (a) $96 million due to a revised estimate; (b) $69 million due to carryovers; (c) $56 million representing savings by effecting changes in the program.

As in the case of pensions, expenditures for this program flow from contractual obligations, and thus savings must come from changes in the law. Thus, only the $56 million resulting from changes in the law is a real saving. The rest of the reduction, $165 million, is unreal.

3. Veterans' Administration, hospital and domiciliary facilities: Unreal reduction, $46 million.

As stated in the Senate committee report, there is no intent, by this reduction, to stop the expenditure of the total amounts passed by the House. Funds were provided to proceed with the construction of the hospital involved, and the reduction is merely a postponement of appropriating the necessary amounts.

Total unreal reductions, $511 million.

Mr. SALTONSTALL. Mr. President, in the Veterans' Administration last year, for readjustment benefits, there was an estimated unobligated balance of $65 million on June 30, 1953. I merely point that out to show how difficult it is to estimate the figures far in advance.

Mr. DOUGLAS. The only point I was making is that, when the funds represent contractual obligations, failure to appropriate does not diminish expenditures. However, I wish to say that the committee did effect a substantive economy of $56 million.

Mr. FLANDERS. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Vermont.

Mr. FLANDERS. As the bill was being read and explained by the Senator from Massachusetts, I observed that provision was made for operating expenses, which would insure that beds now unavailable would be placed in use.

Mr. SALTONSTALL. Twenty-three hundreds beds in existing hospitals have been closed because of lack of attendants. Funds are provided in the bill for 7,000 new employees, of which 2,300 would go into existing hospitals, which means practically one attendant for every bed.

Mr. FLANERS. I may say to the Senator from Massachusetts that I am interested in this item, because a certain number of beds in the hospital at White River Junction, Vt., were closed. Yet the bill expressly includes provision that a hospital or building in the Senator's own State is to be enlarged by 300 beds.

I hope the Senator, whose attention seemed to be diverted momentarily, heard what I said.

Mr. SALTONSTALL. I did.

Mr. FLANDERS. It seemed to me a ridiculous situation that beds should be closed in one hospital, while plans to enlarge another hospital, located not too far away, were being made. I wonder if any assurance can be given that in time to come a thoroughly foolish and wasteful policy, as it seems to be, will never again be undertaken.

Mr. SALTONSTALL. I cannot say that it will never again be undertaken. However, I am informed that, while closed, 2,300 beds in existing hospitals will be put into use, there still will be beds in existing hospitals that will be closed. I was not aware of that situation.

Mr. FLANDERS. Meanwhile, there are plans to build new hospitals.

Mr. SALTONSTALL. That is correct.

Mr. FLANDERS. Does the Senator from Massachusetts have any way to explain why new hospitals should be built, when those already built are not being used to their fullest extent?

Mr. SALTONSTALL. I can only say that the new hospitals are planned for localities where they are needed. We shall place in service in the coming year, if our plans carry through on time, 10 new hospitals, having 7,600 new beds. However, I am informed that 2,300 employees will move into existing hospitals.

Mr. FLANDERS. I do not know that I can get the information from the Senator, because probably he does not possess it, but is there assurance that the hospital in Vermont will be included among the hospitals whose beds will be reopened?

Mr. SALTONSTALL. I cannot give the Senator that assurance, because Dr. Boone, when he appeared before the committee, did not go into detail as to

which hospitals would be included. I shall be glad to try to secure the information for the Senator from Vermont if he desires to have me do so.

Mr. FLANDERS. I should like very much to have the Senator from Massachusetts ascertain that information for me.

Mr. SALTONSTALL. I shall be glad to do so and to write a letter to the Senator, giving him the data.

Mr. FLANDERS. I thank the Senator very much. Veterans in Vermont had access to the service and advice of one of the finest clinics in the United States, the Mary Hitchcock Clinic, at Hanover, N. H. That was closed. Yet the Government is proposing to build new hospitals, even in the State of New Hampshire, which seems to me to be rank foolishness. I hope it will not continue.

Mr. SALTONSTALL. I shall obtain for the Senator from Vermont the information he has requested.

Mr. SCHOEPPEL. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Kansas.

Mr. SCHOEPPEL. I do not wish to be repetitious in my remarks, but I may say to the Senator from Massachusetts that I have just received information which I thought I had with me at the time of my previous discussion with the Senator, and I desire to refer to it now.

In H. R. 5690, as passed by the House, the distinguished Senator knows there was included in the appropriation, under the title "Hospital and Domiciliary Facilities," an appropriation of $48,876,000. For the purpose of the record, that sum was for the construction of 1,000-bed hospitals at San Francisco, Calif., and Topeka, Kans., and for construction of a 250-bed addition to a hospital at Houston, Tex.

In reporting the bill, the Appropriations Committee of the Senate has included $2,500,000 in the appropriation item for planning purposes. That was what we were discussing awhile ago. What I was concerned about initially was the report from the subcommittee which the distinguished Senator from Massachusetts heads, Report No. 502. In that report it is not made specific that it is contemplated that funds for construction will be considered by Congress at a later date.

I know the Senator from Massachusetts cannot be positive and specific, but what I am interested in knowing is to what extent he would be willing to go to indicate briefly, in connection with the hospital program, the necessity for building the additional hospitals, so that when plans are made, appropriations can be made therefor.

I had thought that, for the purpose of clarifying the report, the committee might consider taking to conference an amendment following the amount shown on page 17, line 13, as follows:

Provided, That appropriations of additional funds to accomplish construction of facilities under such plans are hereby authorized.

Mr. SALTONSTALL. Mr. President, in reply to the Senator from Kansas, I may say that we have a letter from the Veterans' Administration dated June 30, 1953, which states that the cost of technical services, architectural, and so on, for the San Francisco hospital will be $1,035,000; for the Topeka hospital, $1,193,000.

I call to the Senator's attention the fact that these hospitals, when they are built, or when money is to be appropriated for them, must have the approval of the President. As I read this provision, what the Veterans' Administration will do is to make recommendations that it be allowed to plan, we will say, for 3 new hospitals, or 2 new hospitals and the Houston addition, and then get the approval of the President.

In the revised budget of this year, the so-called Eisenhower budget, no money was recommended for the building of these hospitals. It was left out. The House provided such an appropriation, but the Senate committee has stricken it out and provided planning money. As a member of the committee, I could not, speaking for the committee, give the Senator assurance that money for construction will be appropriated next year, because we cannot bind the Congress in the future. If the President approves the planning of these hospitals, presumably, if financial conditions are right, or the need is great, he will submit a request to the Congress in the next budget.

This is the fourth year in which the Senator from Massachusetts has been concerned with the hospital problem. He has, I hope, a reasonable understanding of it.

Mr. SCHOEPPEL. I am sure the Senator has. I thank the Senator for his appraisal of the situation. I can well understand that the program hinges on certain contingencies. However, I know that the Senator from Massachusetts is very sympathetic toward the projects which were deleted from the bill, as I am sure the majority of the membership of the committee is.

Mr. SALTONSTALL. I think all members of the committee feel the same way.

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point in the colloquy between the senior Senator from Kansas and the Senator from Massachusetts, in charge of the bill, certain telegrams and letters showing the necessity for the hospital in Kansas.

Mr. SALTONSTALL. I appreciate the courtesy of the Senator in placing this material in the RECORD.

The PRESIDING OFFICER. Is there objection?

There being no objection, the telegrams and letters were ordered to be printed in the RECORD, as follows:

TOPEKA, KANS., *July 5, 1953.*

ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.:

Please work to have funds for new VA hospital restored to budget. This psychiatric training center is vitally needed for VA hospitals throughout the country. Curtailing this item in budget is false economy. Your cooperation in behalf of our mentally-ill veterans is appreciated.

CLAIRE PERKINS.
FLOYD PERKINS.

MANHATTAN, KANS., *July 6, 1953.*

Senator ANDREW SCHOEPPEL,
United States Senate Building,
Washington, D. C.:

We urge everything possible be done to restore the Topeka VA hospital funds in the current budget. Request reply.

American Legion Post 207, Ogden, Kans.: Mike Pat Morrand, Charles J. Morrand, W. J. Dickerson, Jasper Hartung, Ralph Guyer, Ed Staten, Bill Hight, Ivan DeWitt, Harold Christopherson, Roy Stehr, Louis Brown, Bill Starchenko, Aubrey Crosby, Ray Bluthardt, Glenn Klimek, Bob Boller, Vinent Kromer, Francis Kramer, Edwin Kramer, Melvin Dovin, Garret Fraunfelder, Clifford Jensen, Marion Smith, Hiram Bumbaugh.

COFFEYVILLE, KANS., *July 6, 1953.*

Senator SCHOEPPEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: Two hundred seventy-five American Legion auxiliary members Coffeyville Unit, No. 20, wants the money restored to build the new VA hospitals. Winter VA hospital at Topeka is needed and we are counting on you to do everything possible.

Sincerely,

MRS. ELLA MILLER,
First Vice President, Coffeyville Unit, No. 20.

PRATT, KANS., *July 6, 1953.*

Senator ANDREW SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR ANDY: Regards to appropriations to vet hospitals. Members of Cedric H. Shaw Post, W. Boughner, Commander, and myself ask for every consideration for its grant.

Kindest regards.

DONALD C. LUNT.

KANSAS CITY, KANS., *July 6, 1953.*

Senators SCHOEPPEL and CARLSON,
United States Senate,
Washington, D. C.:

The membership of this post strongly urge restoration of the $48 million appropriation to provide VA hospital projects including the new Winter Hospital, Topeka, Kans., which we consider urgently needed.

AMERICAN LEGION,
ROSEDALE POST, No. 346.

GIRARD, KANS., *July 6, 1953.*

Senators SCHOEPPEL and CARLSON,
Washington, D. C.:

We, the members of the Priestly Ridley Post, No. 35, of the American Legion Auxiliary, Cherokee, Kans., urge the Senators to endorse $48,867 for three VA hospitals and not to knock it out of the VA money bill previously passed by the House.

EMMA RUPARD,
President.
DOROTHY TINS,
Secretary.

PRATT, KANS., *July 7, 1953.*

Senator ANDREW SCHOEPPEL,
United States Senate,
Washington, D. C.:

Entire membership of local American Legion Auxiliary ask that you do everything possible to restore cut in appropriations bill which will eliminate rebuilding of Winter General Hospital. If all Members of Congress would visit hospital, as you have done, they certainly would favor new building program.

MRS. R. A. FLANDERS,
Secretary.

PARSONS, KANS., *July 7, 1953.*
United States Senator ANDREW F. SCHOEPPEL,
Senate Chamber,
Washington, D. C.:

We are asking you to vote to restore the appropriation whereby the veterans' hospital at Topeka, Kans., will be built which is so badly needed at this time, and vote to override any bill cutting the veterans' benefits.

Very truly yours,
WILLIAM G. ROBERTS,
Commander, American Legion Post No. 56.

CLAY CENTER, KANS., *July 7, 1953.*
Hon. ANDREW F. SCHOEPPEL,
United States Senator,
Washington, D. C.:

The Alonzo F. Dexter Post of Clay Center, Kans., having 378 members, desires that you do all in your power to restore the VA appropriations to build a permanent hospital at Topeka, Kans. Many psychopathic veterans now being denied admission due to inadequate facilities.

WILLIAM POTENSKI,
Commander.

ELDORADO, KANS., *July 8, 1953.*
Hon. ANDREW F. SCHOEPPEL,
United States Senator,
Senate Office Building,
Washington, D. C.:

We 1,140 members of Captain Edgar Dale Post, No. 81, the American Legion, Eldorado, Kans., emphatically urge you to support the construction of VA hospital at Topeka, Kans. Please reply.

W. K. MARTIN,
Commander.

LAWRENCE, KANS., *July 8, 1953.*
ANDREW SCHOEPPEL,
Senate Office Building:

Legionnaires voted to urge both Senators to support VA budget so that money will be provided to build new VA hospital in Topeka.

ROSS F. WULFKUHLE,
Commander, Dorsey Liberty Post, No. 14.

EUDORA, KANS., *July 8, 1953.*
Hon. Senator ANDREW SCHOEPPEL:

Please urge Senate to appropriate money for Winter General Hospital.

AMERICAN LEGION AUXILIARY.

FRANKFORT, KANS., *July 8, 1953.*
Senator ANDREW F. SCHOEPPEL,
United States Senate Chamber:

Please see that money is provided to build new Winter General Veterans' Hospital at Topeka.

LEO MCMINIMMY UNIT, No. 181,
ROSE KELLY, *President.*

FRANKFORD, KANS., *July 8, 1953.*
Senator ANDREW SCHOEPPEL,
United States Senate Chamber:

Please fight for appropriation for new Winter General Veterans' Hospital at Topeka.

AMERICAN LEGION POST, No. 181,
TED KUCKELMAN, *Commander.*

WICHITA, KANS., *July 7, 1953.*
Senator ANDREW SCHOEPPEL,
Senate Office Building:

American Legion auxiliary solicits your support for restoration of funds in construction of new hospital at Topeka.

SOPHIA FORDHAM,
Department President-elect.

BONNER SPRINGS, KANS., *July 7, 1953.*
Senator ANDREW SCHOEPPEL:

Please see that money is provided for rebuilding new VA hospital at Topeka. Urgent.

AMERICAN LEGION AUXILIARY,
UNIT, No. 371.

HUTCHINSON, KANS., *July 7, 1953.*
Senator ANDREW SCHOEPPEL,
Senate:

Urge your full support to restore funds in Veterans' Administration budget for new hospital, Topeka.

GUY E. HOLT, Jr.

PRATT, KANS., *July 6, 1953.*
Senator ANDREW SCHOEPPEL,
Kansas Senator:

The American Legion of Pratt has fully endorsed the appropriation of $40,867,000 for 3 VA hospitals which was passed by the House, 1 to be built in Topeka, Kans. This bill is a necessity. Please do your best in the Senate.

WILTON BOUGHNES,
Commander, American Legion Post.

MAPLE HILL, KANS., *July 7, 1953.*
Senator ANDREW F. SCHOEPPEL,
Senate Chamber:

We urge your support of appropriations for VA hospital projects.

JAMES ELMER ROMICK POST, No. 130,
AMERICAN LEGION.

INDEPENDENCE, KANS., *July 7, 1953.*
Senator ANDREW F. SCHOEPPEL,
Senate Office Building:

Please do everything possible to see that money is provided to build a new VA hospital in Topeka, Kans.

HAROLD R. ANDREWS POST, No. 139,
THE AMERICAN LEGION.

ELLSWORTH, KANS., *July 3, 1953.*
Senator ANDREW SCHOEPPEL,
Washington, D. C.:

Please do everything in your power to replace appropriation where amount will be included in VA bill before committee. We need Topeka hospital.

ELLSWORTH POST, No. 174,
MELVIN SPARKS, *Commander.*

LEAVENWORTH, KANS., *July 4, 1953.*
Hon. ANDREW H. SCHOEPPEL,
United States Senate:

Post action requests your support to restore funds for new hospital at Topeka, Kans.

BYRON H. MEHL POST, No. 23,
AMERICAN LEGION,
KARL A. WHICKER, *Adjutant.*

FORT SCOTT, KANS., *July 3, 1953.*
Senator ANDREW SCHOEPPEL,
Senate Office Building:

Don't let vets down on Topeka hospital. Please do everything possible.

GEORGE LUTTEL.

BURLINGTON, KANS., *July 3, 1953.*
Senator ANDREW F. SCHOEPPEL,
Washington, D. C.:

We respectfully urge you to do everything possible to see that money is provided to build new hospital at Topeka. Return reply requested.

Edwin Zscheile, commander, and the following members of Congdon-Kepler Post, No. 38: M. B. Armstrong, G. W. Anderson, W. E. Anderson, D. H. Ashburn, R. C. Atter, Emil Atzback, W. N. Batdorf, Wayne Bentley, D. E. Bluejacket, L. D. Bowen, L. H. Bowman, B. L. Brownfield, Wm. A. Buckles, A. M. Burrell, H. G. Butler, Clyde Bull, A. B. Caldwell, J. C. Carney, R. M. Tearter, Vernon Cartmell, M. K. Caudell, C. M. Cellar, Thomas Cellers, Arthur Chatterton, Champ Clark, J. J. Conrad, Lee Combs, L. H. Cooksey, W. R. Cooksey, Clair Corbin, W. H. Cossairt, Earl Coulter, T. A. Coy, Landon Daggett, T. E. Deaton, F. A. Daugherty, Leo Decker, P. E. Decker, O. W. Dickason, Q. C. Demoss, J. J. Diegel, Chas. Dwight, R. A. Dwight, Floyd Ecord, L. R. Epting, R. H. Everett, B. B. Ferman, Frank Ferris, Beryl Fodge, J. F. Fischer, F. T. Forbes, M. D. Freeman, Elza Fosnight, G. E. Franklin, Leonard Freeman, James Fry, Raymond Garrett, Dale Gillespie, Lee Graham, Ray Grimn, C. A. Grennan, Frank Grose, Fred Hahn, Paul Haight, R. W. Hart, Carl Hart, F. H. Harvey, Lester Hayes, Henry Hegwald, M. W. Henley, E. E. Hemick, Andrew Hoach, Otis Hoffman, E. B. Howe, V. H. Howe, O. B. Hunt, M. F. Hogan, G. H. Hudson, W. E. Hunter, Delbert Helmer, Roy Helmer, A. D. Jacobs, Theo Judah, C. I. Irwin, John Jauernig, Donald Karr, Ray Kennard, Elmer Kepler, Irwin Klamm, Burt Knowles, Wm. Kraft, F. A. Lewis, Perry Martin, J. D. Meek, Edgar Mechnig, M. E. Merritt, R. W. Milliken, Dr. S. A. Mills, H. W. Morris, M. E. Mast, Henry Malick, Wm. G. Morris, A. D. McCallon, Dr. A. B. McConnell, Beryl McCullough, Amer McCullough, D. C. McCullough, F. L. McCullough, R. L. McCullough, S. C. McMurray, W. L. McCormick, Harold McKinstry, Dale Stulp, George Robinson Pat Wagner, William Singular, Pete Wilson.

HOLTON, KANS., *July 7, 1953.*
Senator ANDREW SCHOEPPEL,
Senate Office Building:

May L. Bair Post, American Legion, in behalf all veterans, Jackson County, Kans., requests that you support in full Senate Appropriations Committee retention of funds for the three VA hospital projects, including new Winter VA hospital, Topeka, which were deleted by Senate subcommittee from VA money bill previously passed by House.

HENRY SCHEIDEGGER,
County Treasurer.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
DEPARTMENT OF KANSAS,
July 1, 1953.

The Honorable ANDREW F. SCHOEPPEL,
Senate Office Building,
Washington, D. C.

DEAR SIR: I appreciate your kind remarks in your letter of June 16, and you may be sure that as department commander of the Veterans of Foreign Wars of Kansas, I will be calling upon you from time to time during the year. We as an organization composed entirely of overseas veterans are primarily interested in the care and rehabilitation of our disabled comrades.

I am indeed pleased to see that you are interested and recommending the building of a new VA hospital in Topeka, and hope that you will continue your support of this program. I know you realize the need for a new hospital.

With kind regards, I am

Very truly yours,
RICHARD L. TROMBLA,
Commander, VFW,
Department of Kansas.

KANSAS DEPARTMENT,
THE AMERICAN LEGION,
July 2, 1953.

Senator ANDREW F. SCHOEPPEL,
United States Senate,
Washington, D. C.

DEAR SENATOR: I noted in this morning's paper that the Senate committee conducting hearings on the veterans' appropriation bill had stricken the $20 million for construction of a permanent hospital at Topeka. The land necessary for this project was acquired many years ago and the buildings that are now in use are temporary wooden barracks type buildings which are wholly unsuitable, inadequate, and dangerous. There certainly should be no question concerning the need for a permanent NP hospital at Topeka serving the veterans of this area. I can person-

ally attest to the fact that present facilities are inadequate to take care of all veterans requiring this type care. We have made frequent surveys and there has always been a long waiting list for admittance to the Winter General Hospital.

This construction has been long delayed now and further delay will only aggravate the situation that exists. It is hoped that the appropriation of Winter General Hospital can be restored in this measure and that you will lend your support to the restoration of this appropriation.

With kindest regards, I remain,

Yours very truly,

PAUL L. AYLWARD,
Department Commander.

AMERICAN LEGION AUXILIARY,
WINFIELD UNIT, No. 10,
Winfield, Kans., July 4, 1953.

Senator ANDREW SCHOEPPEL,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: As president of the Legion Auxiliary, Winfield Unit, No. 10, Winfield, Kans., I am asking that you do everything that you can to keep the $48,867,000, which will provide for the three VA hospital projects, from being cut from the VA money bill which will be coming up next week.

We surely do need to rebuild Winter Veterans' Administration at Topeka, and I trust that you will use your influence to obtain this for our legionnaires.

Sincerely yours,

ALICE PETERSON.

ALLEN, KANS., *July 6, 1953.*

Senator ANDREW SCHOEPPEL.

DEAR SIR: I am writing to you in behalf of the American Legion auxiliary. For you to do all you can in providing money to build the new VA hospital.

Because I know what it is like to ask to get in the hospital, and have to wait your time. My brother waited for 3 weeks before he could get in the hospital.

Yours truly,

Miss MARY FRIK,
President of Unit 389.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. COOPER. I wish to invite the Senator's attention to some of the simple, plain questions which have been addressed to me by veterans' organizations and by individual veterans.

In the past few weeks I have found that veterans are concerned that in some way this administration and this Congress may limit the services which are available to them. I believe that in some instances their concern has been inspired politically. So I should like to ask these direct questions:

First, with respect to hospitals, I ask the Senator from Massachusetts if it is true that no existing hospital will be closed as a result of this appropriation bill?

Mr. SALTONSTALL. We are opening 2,300 new beds in existing hospitals, and 7,600 new beds, presumably, are coming in during the year, in new hospitals. Certain hospitals will be closed, where new hospitals take their place.

Mr. COOPER. But there will be no reduction of beds?

Mr. SALTONSTALL. No; there will be an increase of 7,600 beds.

Mr. COOPER. And there will be no stoppage of construction of hospitals where construction is now underway?

Mr. SALTONSTALL. There is available, as of July 1 of this year, $60 million in the Veterans' Administration for paying for the new hospitals, and $20 million more for betterments.

Mr. COOPER. Another subject on which I have received many letters is the availability of hospital services to veterans. Many veterans are afraid that if they do not have service-connected disabilities they will not be admitted to the use of the hospital facilities.

Mr. SALTONSTALL. Admiral Boone told the committee that every service-connected disability was immediately hospitalized, with very few exceptions, and that there was no waiting for more than 7 days in the case of any service-connected disability.

Mr. COOPER. Are hospital facilities still available for those with non-service-connected disabilities or illnesses?

Mr. SALTONSTALL. The waiting list of 24,000 cases consists entirely of non-service-connected disabilities.

Mr. COOPER. They have not been shut off?

Mr. SALTONSTALL. They have not been shut off.

Mr. COOPER. Does the change in the provisions respecting dental care deprive in any way any veteran who now has a right to dental care under the law, of the opportunity for dental treatment?

Mr. SALTONSTALL. The answer to that question is that he will not be shut off. If he applies within a year after the enactment of this act and shows in his application that his dental needs resulted from service, he will not be shut off.

Mr. COOPER. I have received other letters from veterans, whose pensions have been reduced, and who say that it has been suggested that their pensions be reduced because in some way funds are not now available, because of the action of this new Congress.

Mr. SALTONSTALL. I can assure the Senator that that is not the fact. The committee went into that question very carefully and gave every assurance to the Veterans' Administration, as the Senator from Massachusetts told the Senator from Illinois [Mr. DOUGLAS], that every pension and every benefit required by law would be paid. The Veterans' Administration says it has sufficient money for at least 10 months, and perhaps for a longer time. However, it is estimated that it has sufficient for 10 months. Congress will be in session next January. The supplementary appropriation bill this year included $235 million, and presumably the amount next year will be approximately the same.

Mr. COOPER. One item in the bill refers to readjustment benefits.

Mr. SALTONSTALL. That is one item.

Mr. COOPER. There are certain provisions and conditions in connection with the item. Do those provisos in any way deprive veterans of any benefits now available to them? I am referring to the provisos on pages 15 and 16.

Mr. SALTONSTALL. On page 15 the House made a change in the present law. Under the present law, in connection with a loan to a veteran for building a new house, he can get up to 4 percent, or not to exceed $160, paid in to the bank, and he may use that money for any purpose in connection with the house. He may use it to cut down the loan, pay the first year's interest, or in some other way.

That provision has been eliminated. However, no commitments prior to the taking effect of this act will be affected. No commitments made prior to September 1 or the date of the taking effect of this act will be affected.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 17, line 6.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment was, on page 17, line 12, to strike out "$48,867,000" and insert "$2,500,000."

The amendment was agreed to.

The next amendment was, on page 17, line 13, to strike out:

Provided, That no part of the foregoing appropriation shall be used to commence any major alteration, improvement, or repair unless funds are available for the completion of such work; and no funds shall be used for such work at any facility if the Veterans' Administration is reasonably certain that the installation will be abandoned in the near future: *Provided further*, That not to exceed 5.5 percent of the amounts available under this head shall be available for the employment of all necessary technical and clerical personnel for the preparation of plans and specifications for the projects as approved hereunder and in the supervision of the execution thereof, and for all travel expenses, field office equipment, and supplies in connection therewith, except that whenever the Veterans' Administration finds it necessary in the construction of any project to employ other Government agencies or persons outside the Federal service to perform such services not to exceed 9 percent of the cost of such projects may be expended for such services.

The amendment was agreed to.

The next amendment was, on page 20, line 17, after the word "appropriations", to insert "but not to exceed 10 percent of the appropriation so augmented."

The amendment was agreed to.

The next amendment was, under the heading "General Provisions," on page 22, line 22, after the word "by", to strike out "members of local draft boards" and insert "uncompensated officials of local boards and appeal boards."

The amendment was agreed to.

The next amendment was, on page 24, after line 12, to strike out:

SEC. 105. (a) No part of the money appropriated by this act to any department, agency, or corporation or available for expenditure by any department, agency or corporation which is in excess of 75 percent of the amount required to pay the compensation of all persons the budget estimates for personal services heretofore submitted to the Congress for the fiscal year 1954 contemplated would be employed by such department, agency, or corporation during such fiscal year in the performance of—

(1) functions performed by a person designated as an information specialist, information and editorial specialist, publications and information coordinator, press relations officer or counsel, photographer, radio expert, television expert, motion picture expert, or publicity expert, or designated by any similar title, or

(2) functions performed by persons who assist persons performing the functions described in (1) in drafting, preparing, editing, typing, duplicating, or disseminating public information publications or releases, radio or television scripts, magazine articles, photographs, motion pictures, and similar material,

shall be available to pay the compensation of persons performing the functions described in (1) or (2).

The amendment was agreed to.

The next amendment was, on page 25, line 11, to change the section number from "106" to "105."

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. SALTONSTALL. Mr. President, an amendment has been suggested by the Senator from Tennessee [Mr. KEFAUVER], on page 3, after line 20, to insert the following proviso:

Provided further, That no part of this appropriation shall be used, pending sale of housing owned by the Atomic Energy Commission or other disposition, to raise the rents or other charges of present occupants above the levels in effect June 1, 1953.

The Senator from Massachusetts is perfectly agreeable to taking this amendment to conference.

The PRESIDING OFFICER. The Chair understands that the Senator from Massachusetts offers the amendment for the Senator from Tennessee [Mr. KEFAUVER].

Mr. SALTONSTALL. I offer the amendment for the Senator from Tennessee, and am glad to take it to conference.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, for the information of the Senate—and I call this matter to the attention of the acting minority leader—and inasmuch as a number of Members have asked me about the legislative program for the remainder of today and for tomorrow—for we shall have a Saturday session—and also for the first part of next week, I should like to make a brief statement at this time. I have tried to keep the entire Senate informed as fully as possible and as far in advance as possible.

We shall continue consideration of the second independent offices appropriation bill today until we dispose of it; if necessary, we shall have a night session. Of course I have no idea how much debate there will be on the bill.

If it is possible to dispose of the second independent offices appropriation bill in sufficient time today, it will then be my purpose to move to have the Senate proceed to the consideration of Senate bill 1569, Calendar 443, relating to investigation by the Civil Service Commission of persons receiving Atomic Energy Commission fellowships. That bill will be followed by House bill 5302, Calendar 502, providing for an additional Assistant Postmaster General; and then in the order stated, Senate Resolution 127, Calendar 508, authorizing the Committee on Agriculture and Forestry to make an investigation of the importation of wheat unfit for human consumption; and Senate bill 122, Calendar 465, relating to the conveyance of certain property to the city of Rupert, Idaho; and House bill 4072, Calendar 472, relating to the disposition of certain recreational demonstration project lands in Virginia.

Following that, on tomorrow we shall have from the Committee on Agriculture and Forestry the wheat-agreement bill, which has a deadline. The chairman of the committee stated the other day, on the floor of the Senate, that the report on the bill would not be ready until today, because I think during the day the Department of Agriculture makes its estimates for the crops for the year, and the committee was waiting until that information was available, and then was to hold a meeting this afternoon.

Mr. President, I now ask unanimous consent that the committee be permitted to file its report up to midnight tonight.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KNOWLAND. Mr. President, on Saturday we shall have the wheat-allotment bill. As I have said, I have no idea how much debate there will be on the bill. I would not expect the Senate to remain in a prolonged session tomorrow; we can see what progress we make today. We might meet at 10 o'clock or 11 o'clock tomorrow morning, in order to finish, so that the Members could leave at a reasonable hour tomorrow afternoon.

Mr. GORE. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the Senator from Tennessee.

Mr. GORE. Would it be the purpose of the distinguished acting majority leader to finish the wheat-allotment bill tomorrow?

Mr. KNOWLAND. I would hope we could finish the wheat-allotment bill tomorrow. I know of no great controversy about it, although one might develop. We shall have to see how the situation develops. I have been informed that probably it will not take more than a day to dispose of that bill.

Mr. GORE. Mr. President, will the Senator from California yield further to me?

Mr. KNOWLAND. I yield.

Mr. GORE. Would it be the purpose of the acting majority leader to have the session tomorrow continue beyond 6 p. m.?

Mr. KNOWLAND. I hope we shall be able to finish before 6 p. m. In order to do so, I thought we might begin the session tomorrow at 10 o'clock in the morning. At this time I know of nothing to keep the Senate in session beyond 6 p. m. tomorrow; but I would not wish to make a fixed commitment that the session tomorrow will end at 6 p. m., because if we needed only 15 minutes or half an hour more in order to complete action on the bill, I should like to have the Senate to be in a position to do so. I think that would be the better procedure. But certainly I would have no intention of holding a long night session, as we did last night.

On Monday, pursuant to the discussions that took place on the floor of the Senate yesterday, when, at the request of a number of Senators, we laid aside the consideration of the agreement with the Federal Republic of Germany on German external debts, which is on the Executive Calendar, it is planned to take up again the consideration of the Executive Calendar, and to resume the consideration of the agreement to which I have just referred, and also to take up the international wheat agreement, as distinguished from the wheat-allotment bill.

I call the attention of the minority leader to the fact that, as I understand, Senate Joint Resolution 97, which is No. 509 on the Legislative Calendar, as distinguished from the Executive Calendar, deals with the same subject, and should be taken up at approximately the same time; though when taken up it would be in legislative session, whereas the wheat agreement would be taken up in executive session.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Kansas.

Mr. CARLSON. I wonder whether I understood the acting majority leader correctly. Did he state that the Senate would tomorrow take up the bill dealing with the wheat-acreage allotments?

Mr. KNOWLAND. That is correct.

Mr. CARLSON. I believe the distinguished acting majority leader stated that on Monday the Senate would take up the wheat-allotment bill. Is that correct?

Mr. KNOWLAND. No. I referred to the international wheat agreement. Then, though depending somewhat upon the progress made in the meantime by the Appropriations Committee, on Tuesday I should like to take up the other items on the Executive Calendar, dealing with the NATO status-of-forces agreements. By that time I shall be prepared to make a further announcement regarding the program for the remainder of the week. But I wanted to give as much advance notice to Senators as possible.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. COOPER. Mr. President, on behalf of myself, my colleagues, the senior Senator from Kentucky [Mr. CLEMENTS], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the senior Senator from Tennessee [Mr. KEFAUVER], the junior Senator from Tennessee [Mr. GORE], the senior Senator from Mississippi [Mr. EASTLAND], and the junior Senator from Mississippi [Mr. STENNIS], I offer an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 10, after line 24, it is proposed to insert the following:

Resource-development programs: $1,750,000 for resource-development programs pursuant to the Tennessee Valley Authority Act of 1933, as amended.

Mr. HILL. Mr. President, would the Senator from Kentucky like to have a quorum call before he begins his speech?

Mr. COOPER. It is agreeable to me if the Senator desires to suggest the absence of a quorum.

Mr. HILL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Gore	McCarthy
Anderson	Green	McClellan
Barrett	Griswold	Millikin
Beall	Hayden	Monroney
Bennett	Hendrickson	Morse
Bricker	Hennings	Mundt
Bridges	Hickenlooper	Murray
Bush	Hill	Neely
Butler, Md.	Hoey	Pastore
Butler, Nebr.	Holland	Payne
Byrd	Humphrey	Potter
Capehart	Hunt	Purtell
Carlson	Ives	Robertson
Case	Jackson	Russell
Chavez	Jenner	Saltonstall
Clements	Johnson, Colo.	Schoeppel
Cooper	Johnston, S. C.	Smith, Maine
Daniel	Kefauver	Smith, N. J.
Dirksen	Kennedy	Sparkman
Douglas	Knowland	Stennis
Dworshak	Kuchel	Symington
Eastland	Langer	Thye
Ellender	Long	Tobey
Ferguson	Magnuson	Watkins
Flanders	Malone	Welker
Frear	Mansfield	Wiley
George	Martin	Williams
Gillette	Maybank	Young
Goldwater	McCarran	

Mr. SALTONSTALL. I announce that the Senator from Pennsylvania [Mr. DUFF] and the Senator from Ohio [Mr. TAFT] are necessarily absent.

Mr. CLEMENTS. I announce that the Senators from Texas [Mr. DANIEL and Mr. JOHNSON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. KILGORE], the Senator from New York [Mr. LEHMAN], and the Senator from Florida [Mr. SMATHERS] are absent by leave of the Senate.

The PRESIDING OFFICER (Mr. GRISWOLD in the chair). A quorum is present.

The question is on agreeing to the amendment offered by the Senator from Kentucky for himself and other Senators.

Mr. COOPER. Mr. President, the purpose of the amendment which I have offered is to add to the appropriation for the Tennessee Valley Authority the sum of $1,750,000, to maintain the resource-development program now carried on by the Authority within the area of its jurisdiction.

On page 9 of the pending bill, in line 21, it will be noted that a total sum of $188,371,000 is appropriated for all of the purposes of the Tennessee Valley Authority. The amendment which I offer would add the sum of $1,750,000 for the specific purpose of maintaining the resource-development program. The original estimate for this program, presented to the Congress by the outgoing administration, was $2,377,000. Some months later, and after a careful study of the justification presented by the TVA, and of the estimates which had been developed by the Bureau of the Budget and President Truman before the end of his administration, the new administration and President Eisenhower presented to the Congress a revised estimate for the Tennessee Valley Authority. In the revised estimate the item of resource development was included—an appropriation in the amount of $2,209,000 for the program, a reduction of but $168,000 from the original budget estimate. The House of Representatives eliminated the entire sum. The Senate Appropriations Committee has followed the action of the House and has likewise eliminated the entire appropriation for this program. It has failed to make any additional appropriations for the program. The sum of $1,750,000 provided in the amendment which I have offered, for myself, for my colleague, Senator CLEMENTS, of Kentucky, for the Senators from Tennessee [Mr. GORE and Mr. KEFAUVER], for the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], and for the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], represents a reduction of $459,000 from the request of President Eisenhower.

It may be asked, upon what basis, upon what facts do the sponsors propose a reduction in the amount of $2,209,000 which had been fixed in the estimates of the new administration?

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. I call the Senator's attention to page 4 of the committee report, under the subhead "Tennessee Valley Authority." The Senator will note that the committee agreed with the disallowance by the House of $2,209,000, but included, as did the House, $230,000 for administrative and general expenses of the program. This was to provide for the gradual elimination of the program. But the Senate committee, in addition to what was done by the House committee, stated that TVA might spend $654,000 out of its funds otherwise available for resource development work, on the forests, because it was believed that that was important. So while we cut back $2,209,000, we stated that out of all TVA resources, including the $188 million appropriation, it could spend $654,000 for forest resource work.

Mr. COOPER. I am familiar with those provisions. I believe, however, that the committee may be in error in stating that $230,000 is to be used for administrative and general expenses of the resources program. My information is that the sum of $230,000 is to be used for administrative and general expenses in connection with a number of programs, including the resource-development program.

Mr. SALTONSTALL. I think he is incorrect in his statement. The $230,000 is specifically allocated to the resource-development program.

Mr. COOPER. I am very glad to know that. But I may say to the Senator I am familiar with the direction of the committee that $654,000 may be used by the Authority for its forest program; but I think it would depend entirely upon whether funds were available. I intend to direct my remarks to that point in just a few moments.

I was saying awhile ago, it may be asked why the sponsors of the amendment decided to reduce their request to the sum of $1,750,000 rather than the sum which had been suggested in the estimate of the new administration. I may say frankly, we have had several discussions about this matter. We agreed that, taking into account the necessary drive for economy and also the temper of the Congress, which has been demonstrated by both of the committees, we considered that this sum would be a reasonable amount to allow the Tennessee Valley Authority for the purpose of carrying out its resource-development program this year. We did not reach the figure of $1,750,000 merely by deciding upon a flat sum, but we went carefully through the items which had been presented in the justification of the TVA, and thus arrived at the figure.

I should like to say that while we are interested in the approval of the sum by the Senate, our chief interest is in the maintenance of the resource development program as an integral part of the Tennessee Valley Authority. If the amendment I offer is not adopted and if no appropriation is made by the Congress, the effect will be to eliminate and to abolish the resource development program of the Tennessee Valley Authority.

This conclusion is borne out by the report of the committee, and I now read from page 4 of that report:

The committee directs the Authority by the end of fiscal year 1954 to turn over to Federal, State, or local governments or public or private agencies the responsibility for continuing their respective parts of the resource development program, so that no further appropriations may be required to the Authority for that purpose.

The only conclusion that can be drawn from the statement I have read is that it is expected by the Appropriations Committee, and it will be the determination of the Congress, if we fail to make the appropriation, to abolish and eliminate the resource development program as a part of the TVA work.

I doubt very much that this body and the Congress, upon a careful consideration of what is being proposed, will want to do that. I believe that if it is carefully considered, Congress will maintain, as it has maintained for the past 20 years, this program as an integral and basic part of the programs of the TVA.

Mr. President, what is the resource development program of the TVA? A casual reading of the items designated in the justification presented to the Senate Committee on Appropriations by Mr. Gordon Clapp, Chairman of the Board of TVA, gives an indication of its nature. We see the items "Agricultural resource development," "Forest resource development," "Tributary watershed development," "Mineral resource and reservoir development."

I want to develop my basic theme that this program is an integral part of the

Tennessee Valley Authority program as contemplated by the original act, and that if the Congress eliminates it, it will eliminate and deny one of the original purposes of the act.

I should like to quote from the original TVA Act, Public Law No. 17, 73d Congress, approved in 1933. I believe the distinguished Senator from Alabama [Mr. HILL] was one of the authors of the act.

In the first section, indicating the purposes of the act, we find this language:

Be it enacted, etc., That, for the purpose of maintaining and operating the properties now owned by the United States in the vicinity of Muscle Shoals, Ala., in the interest of the national defense and for agricultural and industrial development—

I repeat, "for agricultural and industrial development"—

and to improve navigation in the Tennessee River and to control the destructive flood waters in the Tennessee River and Mississippi River Basins, there is hereby created a body corporate by the name of the "Tennessee Valley Authority."

In the very first section of the original act there was established, as one of the purposes of the act, agricultural and industrial development.

I read from section 22 of the act to recall the purposes which motivated those who drew the act and of which Congress must have had knowledge when it passed the act.

SEC. 22. To aid further the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin and of such adjoining territory as may be related to or materially affected by the development consequent to this act, and to provide for the general welfare of the citizens of said areas, the President is hereby authorized, by such means or methods as he may deem proper within the limits of appropriations made therefor by Congress, to make such surveys of and general plans for said Tennessee Basin and adjoining territory as may be useful to the Congress and to the several States in guiding and controlling the extent, sequence, and nature of development that may be equitably and economically advanced through the expenditure of public funds, or through the guidance or control of public authority, all for the general purpose of fostering an orderly and proper physical, economic, and social development of said areas; and the President is further authorized in making said surveys and plans to cooperate with the States affected thereby, or subdivisions or agencies of such States, or with cooperative or other organizations, and to make such studies, experiments, or demonstrations as may be necessary and suitable to that end.

In section 23 we see elaborated the general purpose of industrial and agricultural development:

SEC. 23. The President shall, from time to time, as the work provided for in the preceding section progresses, recommend to Congress such legislation as he deems proper to carry out the general purposes stated in said section, and for the especial purpose of bringing about in said Tennessee drainage basin and adjoining territory in conformity with said general purposes (1) the maximum amount of flood control; (2) the maximum development of said Tennessee River for navigation purposes; (3) the maximum generation of electric power consistent with flood control and navigation; (4) the proper use of marginal lands; (5) the proper method of reforestation of all lands in said drainage basin suitable for reforestation; and (6) the economic and social well-being of the people living in said river basin.

Mr. President, I have quoted the first section and sections 22 and 23 of the act, to recall to this body that in the initiation of the TVA program there was included as one of its major objectives the program of agricultural and industrial development. I point out that a careful reading of those sections will show that it was anticipated that it would be a program which would be decentralized, and one which would be carried out in cooperation with local governmental bodies and with private agencies.

There was another objective which was envisaged and which has been carried into operation, namely, that the program should be designed to benefit the Nation as well as the Tennessee Valley area. We have heard the charge that it is a program which is solely for the benefit of the valley area.

But those who wrote the act, those who supported it, saw—and it is specifically stated in the two sections I have read—that it would provide opportunities for study, experience, and demonstration that would be valuable to the several States. That has actually happened.

The program we are talking about, which is small in terms of total appropriations, has been one valuable to the area directly affected, to the drainage area of the Tennessee River, but also to the entire country. If it is eliminated this year—and if so, it will be finally eliminated—it will reflect the judgment of Congress that the program has no value to the Nation as a whole. There is no question that it has value to the particular area involved, so the real decision Congress would make would be that it has no value to the Nation as a whole. That is a decision I hope Congress will not make.

Although I cannot make the statement as an absolute fact, I am informed that since the act was passed, with the exception perhaps of 1 or 2 years, Congress has never failed to make an appropriation for this program. I believe that at one time there was an appropriation of $7 million. The appropriation has usually varied from approximately $2 million and at times something less than that, to $7 million.

I wish to point out to Senators on this side of the Chamber that under the Republican Congress of 1947 and 1948, the appropriation for the program in one of those years was much larger than the amount named by the amendment I offer for myself and my colleagues.

I know the Tennessee Valley Authority has been a subject of controversy. It is only natural that a program unique in its philosophy, development, and operations should be the subject of controversy. During the 20 years since its establishment, it has been brought each year under close scrutiny by committees of Congress, including the Senate and House Committee on Public Works and the Senate and House Committee on Appropriations, and by various investigating committees, and also in debate in almost every session, with questions being raised about its validity, the value of its operations, and its success.

Mr. GORE. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. GORE. I wish to substantiate the statement made a moment ago by the able and distinguished junior Senator from Kentucky. No Congress yet has failed to appropriate funds for the resource development program. During the 80th Congress it was my privilege to serve on the House Committee on Appropriations as a member of the particular subcommittee handling this item. No suggestion that I know of, was made in the 80th Congress, to eliminate the program completely. It has been a constant part of the TVA. Indeed, as the Senator has so ably said, it is an integral part of it.

Mr. COOPER. I thank the Senator from Tennessee. I was just saying that while the program has been controversial, it has been under scrutiny for 20 years. I shall not take the time of the Senate to detail all the subjects of controversy.

Mr. HILL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HILL. It is true that as such activities as the building of more dams, for instance, naturally have increased, TVA in and of itself has progressively reduced its requests for such programs, and has more and more stimulated the cost being carried by States, counties, colleges, and universities. Is not that correct?

Mr. COOPER. That is true. I shall submit some figures on that subject presently.

Among the controversial issues that have arisen in connection with TVA was of firming hydroelectric power by the construction of steam plants. Another is the provision which enables TVA to reinvest a part of its receipts. Another is the resource development program.

The point I make is that after 20 years of debate, investigation, examination, and scrutiny, there never has been a Congress that has rejected or denied any of these features of TVA. In fact, in 1938 or 1939 Congress authorized the Tennessee Valley Authority to purchase utility plants in the area. I do not plan to discuss that; I am simply using it as an example.

In the 80th Congress, in 1947 and 1948, not a single unique aspect or principle of the Tennessee Valley Authority was rejected. It was supported by appropriations. In fact, there was initiated in that Congress the idea of steam plant construction, which has become such an essential part of the program. In 1948 the Senate passed a bill authorizing steam plant construction, but the bill did not pass the House.

Mr. DIRKSEN. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. DIRKSEN. Before the Senator from Kentucky gets away from the resource item, I hope he will indulge me for a moment, before I leave the Chamber to attend a meeting of the Committee on Appropriations, to allow me to re-

fer to an editorial published in the Knoxville Journal of June 29. In its first part the editorial rather confesses a lack of hope that the steam plant and other items will be restored. Then it says:

> We continue to hope that at a minimum there will be restoration of some $600,000 asked by TVA for maintenance of its Forestry Division.

I think the editorial is very significant, because it has this further comment to make:

> If the Tennessee Valley is lucky enough to get even this restoration this year, then the State government of Tennessee, and the governments of other valley States, need to be on notice that there is no assurance that even this department of the resources development program will be continued by Congress indefinitely.

This is the significant part:

> For a good many of TVA's activities over the years there are substitutes, ready to function at a moment's notice, in already established agencies of the Federal Government. These departments have simply been held out by TVA's "keep out" signs where the Tennessee Valley was concerned.

When the editorial speaks about the other items, it is, of course, speaking of field surveys, tributary stream surveys, map service, and so on. But one item that was picked out was the item of the Forestry Division. With respect to that, the editorial says:

> There is no Federal agency which adequately duplicates the work of the TVA Forestry Division, which is the reason we say that the States in the TVA area need to get ready to take over the program which the authority has inaugurated in this field.

The subcommittee went into the field of forestry development, and in its action the full committee concurred. There is $654,000 in the bill for forestry development. That is the item alluded to in the editorial. The editorial says that is the one item which the States are not adequately equipped and tooled to carry on for a little while. But with respect to all other items, the editorial says there are substitutes that can function at a moment's notice.

That editorial was published in the largest newspaper within the Tennessee Valley Authority area, the Knoxville Journal. Certainly this newspaper has been adequately informed, over the years, as to what the TVA operation is like and what it needs. I believe it is exceedingly persuasive in connection with the action that was taken by the subcommittee, in which the full committee concurred.

Mr. COOPER. First, I must say that I can not agree—although the Senator is a member of the Appropriations Committee—that the action taken directing that money may be used for the forest program, is the same as an appropriation, because it depends upon availability of money.

The second point I make is in connection with the direction in the Committee Report that the program be taken over by other agencies. This direction can not be interpreted as anything else than direction to kill the program.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. COOPER. I yield.

Mr. KEFAUVER. The distinguished Senator from Illinois has read from an editorial in the Knoxville Journal, which supports the Forest Service program, but suggests that the States or some other agencies might take over the other services. I do not want to get into an argument about which newspapers support the Tennessee Valley Authority, or to what extent they do so. However, is not the Senator aware that almost every newspaper in the Tennessee Valley, with the exception of the Knoxville Journal, has very substantially and heartily supported the whole resource development program of the Tennessee Valley, and that the Knoxville Journal is the only newspaper which singled out the forestry part of the program to support?

Mr. COOPER. Frankly, I do not know the position of the newspapers in Tennessee. I do not live in Tennessee.

Mr. KEFAUVER. If the Senator will take my word for it, that is the situation. I think no program has had fuller support of the people, the press, and of everyone who has any connection with the TVA, than the resource development program.

Mr. COOPER. It would be natural for various sections of the area to emphasize the programs which they felt were most important to them. It may be that forestry is most important in that particular area. I do not live far from Knoxville. However, I do not believe the discussion reaches the issue about which I am speaking. I hope to develop in a few minutes the unique significance of this program and the way it differs from the usual Federal agency activity.

Mr. DIRKSEN. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. DIRKSEN. I ask unanimous consent, in connection with the interposition into the Senator's remarks, that the entire editorial to which I alluded a moment ago be printed in the RECORD at this point as a part of my remarks.

Mr. COOPER. I ask that it be printed at the conclusion of my remarks.

Mr. DIRKSEN. Very well.

The PRESIDING OFFICER. Without objection, the editorial may be printed as requested.

(See exhibit 1.)

Mr. COOPER. A few minutes ago I was saying that for 20 years this program has been confirmed by the Congress, and that it was confirmed in the 80th Congress. I should like to point out that the new administration has also confirmed in its budget estimate the programs of the Tennessee Valley Authority, including its resource development program, by placing in the budget recommendations for appropriations, and particularly for the resource development program. If the program is eliminated, it will be the responsibility of the Congress, rather than of the executive branch.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. COOPER. I yield.

Mr. KEFAUVER. Is it not true that the Director of the Budget and the President approved for resource development a much larger sum, by about $450,000 or $500,000, than is included in the amendment of the Senator from Kentucky?

Mr. COOPER. Yes. As I stated at the beginning of my remarks, the amount which we propose is $459,000 smaller than the amount proposed in the budget of President Eisenhower.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. I should like to invite the Senator's attention to certain facts. He is interested, as are the Senators from Tennessee and Alabama, in the resource development program. I am confident that there is no feeling on the part of the members of the committee, in reducing this item to $654,000, that such development in Tennessee should be eliminated.

I call the Senator's attention to the fact that in the appropriations for the United States Department of Agriculture there is to be spent in the Tennessee Valley Authority area $19,606,483 for the following purposes: Soil Conservation Service, flood prevention in upstream areas, agricultural conservation program, county committee conservation aids to farmers, Bureau of Plant Industry, Forest Service, and so forth. These activities would employ approximately 1,000 persons. In addition, for expenditure in the same TVA area, the Fish and Wildlife Service in the Department of the Interior has $128,251 to be spent for the management of resources and the investigation of resources.

I call the Senator's attention to the fact that under the TVA program which the Senator has been discussing, and with respect to which he has offered an amendment, the item for agricultural resource development is $250,000; for economic analysis of valley agriculture, $47,000; and soil survey, $53,000. The Department of Agriculture is spending $14 million for soil conservation. It seems to me that is exactly the same subject. There are appropriations for agricultural engineering, and many other activities. The committee advocates the spending of $654,000 for forest resource development. Other expenses are indicated.

The Senator from Alabama [Mr. HILL] stated that these amounts were being decreased and not increased. I call attention to the fact that these appropriations are on the increase, and that the administrative amount has been on the increase over the years 1952 and 1953. The appropriation recommended for this year in the Truman budget was $2,377,000. That was reduced to $2,209,000. The previous year it was $2,260,000, or about $100,000 less. In 1952, it was $1,880,000 or approximately $400,000 less. The amounts for administration have gone up from $183,000 to $210,000, and then to $230,000.

All the committee had in mind was that the TVA is now a working program. It is a reality. It has been there for a great many years. These developments are now being done either by local agencies, State agencies, or other regular agencies of the Federal Government. There is no effort on the part of the committee to cut out the development of forestry or agriculture in the TVA area.

Mr. COOPER. Mr. President, I respond by saying that the argument which the Senator has made points up the difference between the viewpoint I am trying to present and the viewpoint which is indicated by the action of the Appropriation Committee. It is because there is a difference in the work of other agencies of the TVA that we are asking the maintenance of this program.

The Senator has stated that funds are available to the area from the Agriculture Department, the Department of the Interior, and other departments. Of course such funds are available. Such funds or a part of them have been available every year since the TVA was authorized. When the act was passed, most of the programs referred to were then in operation. One purpose of the act, was to demonstrate the orderly development of an area embracing several States in a great river valley through the cooperation of various agencies, Federal and State municipalities, and State governments, as well as private agencies.

This is an advantage to the entire Nation. The questions that have been asked by my good friend show that if the decision is carried out we would destroy one of the purposes of the original act.

Mr. HILL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HILL. The Senator from Alabama pointed out that the requests for funds had progressively come down and had been reduced. The distinguished Senator from Massachusetts quoted from page 58 showing the figures for 1952 and 1953. The figures have not varied too much in the past 2 years, but they have been progressively decreased from the time the Tennessee Valley Authority was started. There has been a continual reduction in the amount of funds. In that connection I should like to call the attention of the Senator from Kentucky to page 59, and I should like to read this statment:

> The extent to which the region—

That is the Tennessee Valley area—

> has responded is evident in the fact the 7 valley States spent $37,786,000 of their own funds for major programs in the resource field in 1950. Their comparative expenditures for 1934 totaled only $5,595,000.

In other words, from 1934 to 1950 the States increased their funds something like sevenfold, whereas, if we go back to 1934 and examine all the figures we will find that there has been the progressive reduction in the requests and expenditures by the Tennessee Valley.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. I will say, in response to my good friend from Alabama, that the Department of Agriculture in the same year spent some $19 million, and the Interior Department spent $128,000.

Mr. HILL. Yes. I hope the Senator from Massachusetts will be on the floor when the time comes for me to make my statement. The Senator from Kentucky is making a very fine speech, and I shall seek in my own remarks to reinforce his forceful and excellent argument.

Mr. COOPER. I thank the Senator. I am certain that with his knowledge of the subject his speech will be very instructive.

As I said a moment ago the colloquy with my good friend, the distinguished Senator from Massachusetts, only serves to distinguish the two points of view and reinforces my opinion that if the amendment is refused by the Congress it will mean the destruction of one of the purposes of TVA.

We know that certain Federal programs are in effect, such as agricultural crop payments, the Soil Conservation Service, and the Extension Service. Some functions in the few counties in my State which TVA serves. These agencies operate in Tennessee, Alabama, and Mississippi and every State. Each State has its own program. Each State has its own problems. The significant point about the resource-development program is that it is designed to coordinate the acivities of the various organizations—Federal, State, and private—with the purpose of providing the country research and experimental programs, as well as demonstration of a cooperative program for an area.

Mr. HILL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HILL. As the Senator from Kentucky has well said, this program has done very much more than any other Federal program whether by the Department of Agriculture, the Department of the Interior, or any other department, to stimulate, and to encourage the States, counties, colleges, universities, local communities, and private agencies to make much greater contributions to the program. Is that not correct?

Mr. COOPER. That is undoubtedly one of the purposes of the program.

Mr. HILL. It has shifted much of the responsibility from the Federal Government, as the Senator from Kentucky has stated, to the States, counties, and communities.

Mr. COOPER. And it has had its effect not only on the area but on the whole country. We know that the TVA has attracted the attention of peoples from other countries, perhaps more than any other project in the United States. It is in fact a demonstration plant for other nations. One of the obvious values of TVA is its use as a yardstick for power rates, another is its influence on rural electrification, to the direct economic benefit of millions of people throughout the country.

These values have been demonstrated. The resource development program, which we are discussing, likewise has had its influence in other States throughout the Nation. Its research projects, its demonstration projects, and the cooperative work of local governmental bodies and local agencies, elusive to describe, have been of benefit to the whole country.

Mr. President, you may ask me to explain in what way the programs of agricultural resource, forest resource, and the other resource development programs are of value to the Nation. In the first place, the research and experimental studies in soils and forage crops, animal industry, in the whole field of forest conservation, and in the economic use of timber products, are an invaluable source of information for the National and for State Governments and for private associations throughout the country.

Federal and State programs in agriculture and in other fields are, of course, invaluable, and we support them, but they are more general in their nature and in their application. The TVA resource development program intensifies their work in a specific area. As an example, the Tennessee Valley is one of the major timber areas in the United States, and offers an unsurpassable opportunity for work in forestry resources of value to the Nation.

A third subject upon which I wish to touch briefly is the emphasis of the resource development project on decentralization and the assumption of responsibility by local governmental bodies and agencies. The TVA furnishes its technical services and its demonstration services to the universities of the area, to State and county governments, to farm organizations, and to farmers' groups, and urges them to assume responsibility for the advancement of the area.

I am informed that some 1,200 agencies, public and private, have begun work in this area since the commencement of TVA.

I am informed that at the time of the commencement of this program, approximately $8 million was being spent by local agencies for resource development in the area; and that now, due in great part to the leadership of TVA, some $44 million is being spent on resource development.

It is, of course, impossible to estimate the value of the technical services being furnished to the cooperative programs.

I return to my central question, and it is the question upon which we shall be successful or shall fail—namely, whether Congress wishes to continue one of the principal purposes of the original Tennessee Valley Act, one which has been confirmed every year since the enactment of the act, or whether this year Congress wishes to end it.

I have noted in the debates on the appropriation bills at this session, a tendency to use the authority and prestige of the White House to bolster an argument in behalf of a given appropriation item. If the item in question is included in the estimate, that fact is used as an argument for retention or restoration of the item. I do not base my case on that argument alone. I do say that the President of the United States considered the TVA program at some length. After his consideration, the revised estimates were presented to the Congress. The revised estimate included $2,209,000 for resource development. He had said previously he favored the purposes of the Tennessee Valley Authority and would support it.

It has been charged that the President has not done so. I deny the statement. I said on the floor of the Senate several days ago and I repeat that the budget which he approved and sent to the Congress is the proof of his support. His

budget recommended generous appropriations, the continued construction of 9 steam plants, 2 new steam plants, and the retention of the resource development program. His action is the proof of his interest and support.

In 1947, when I began my service upon the Senate Committee on Public Works, I did not have any settled views regarding the value of the Tennessee Valley Authority. In that committee I was able to secure a great deal of information about the operation and purposes of the TVA. I do not agree with all its operations. I think there are natural limits to its physical operations, and that is in the Tennessee Valley watershed. If it is to be preserved, the TVA authorities and the people of the area must recognize that it has limits. Furthermore, I hope the TVA authorities will take the initiative in devising ways by which it can help finance—with the authority of Congress—its own expansion and power needs within the limits of the area. The people of the area should not be made wholly dependent on appropriations of the Congress. With these reservations I am convinced that the TVA program has been of great value to the Nation. I am concerned about the possibility that this Congress may eliminate a part of the program. I say frankly that I am concerned about the possibility that my party may eliminate part of the program. The President has not eliminated it. If it is eliminated, it will be done by the Congress and, I say, reluctantly, chiefly by my own party.

Mr. President, I am under no pressure of any kind from my State to support the TVA. Its operations are limited in Kentucky, but I think it is important that it be supported. This year Congress is engaged in a necessary and prior task which has been forced upon it by the excesses of the past; I refer to the task of placing the Nation's financial affairs in order.

Mr. LANGER. Mr. President, will the Senator from Kentucky yield for a question?

The PRESIDING OFFICER. Does the Senator from Kentucky yield to the Senator from North Dakota?

Mr. COOPER. I yield.

Mr. LANGER. I desire to commend the distinguished Senator from Kentucky for offering the amendment. I think it is one of the best that has been offered, and I believe the people of the United States are overwhelmingly in support of such an amendment.

Let me say further that the distinguished Senator from Kentucky has rendered outstanding service on the floor of the Senate, and is recognized as one of the most distinguished and able Members of this body.

Mr. COOPER. I thank my good friend, the Senator from North Dakota.

Mr. President, I was saying that Congress must face the difficult fiscal problems confronting it. We must take unpopular actions in reducing expenditures because of the waste of past years and the defense necessities of the present. Progress is being made as we approved a sounder financial base. I am hopeful that my party will recognize that there are social and economic responsibilities that the people expect us to act upon. I hope our action will not be long postponed.

Mr. President, I class this project as coming within that category.

I urge that the Congress shall not take the step proposed by the Senate Appropriations Committee but that the Senate and the Congress accept our amendment, which is a reduction of estimates of the present administration. Let us give the administration the chance in its first year to determine the reasonable programs that can be worked out for TVA in the future. The TVA has the responsibility of examining itself and presenting to the administration and the Congress every fact and every plan which can be helpful in the formulation of a program for the future which can sustain its value. It ought to develop ways to help finance its power expansion program.

I urge that my colleagues not take it upon themselves, without giving the administration a chance, this year, to work out its own program—to eliminate an integral and basic part of the program of the Tennessee Valley Authority.

EXHIBIT I

[From the Knoxville Journal of June 29, 1953]

EVEN IF TVA FORESTRY CUT RESTORED, STATES MUST GET READY IN THIS FIELD

While hope appears to have to have waned that Congress is likely to do anything about the $60 million cut in TVA appropriations, including $30 million for the Fulton steam plant, we continue to hope that at a minimum there will be restoration of the some $600,000 asked by TVA for maintenance of its Forestry Division, the activities of which have been discussed here previously.

If the Tennessee Valley is lucky enough to get even this restoration this year, then the State government of Tennessee, and the governments of other valley States, need to be on notice that there is no assurance that even this department of the resources development program will be continued by Congress indefinitely. In other words, State governments are going to have to assume the responsibility, and expense, for the kind of work in reforestation and firefighting to which TVA has contributed and for which it has provided leadership.

For a good many of TVA's activities over the years there are substitutes, ready to function at a moment's notice, in already established agencies of the Federal Government. These departments have simply been held out by TVA's "keep out" signs where the Tennessee Valley was concerned.

There is no Federal agency which adequately duplicates the work of the TVA Forestry Division, which is the reason we say that the States in the TVA area need to get ready to take over the program which the Authority has inaugurated in this field. This State's forestry department has never amounted to much, for example, not because of anything wrong with the people or the activities of the few persons in the department, but because the legislature was never persuaded by any governor to provide enough money to really put on a program comparable to TVA's.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky for himself and other Senators.

Mr. HILL. Mr. President, I desire to commend and congratulate the distinguished Senator from Kentucky upon his very able and very excellent speech in behalf of the amendment. I strongly urge the adoption of his amendment.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield to me, to permit me to suggest the absence of a quorum?

Mr. HILL. Yes, if I may have unanimous consent for that purpose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SALTONSTALL. Mr. President, with the approval of the distinguished Senator from Tennessee, I ask unanimous consent that the order for a quorum call be rescinded and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Massachusetts? The Chair hears none, and it is so ordered.

Mr. HILL. Mr. President, when the quorum call was ordered, I had just expressed my commendation and congratulations to the distinguished Senator from Kentucky [Mr. COOPER] upon the very able and excellent speech he made in behalf of his amendment, which is now before the Senate. I rise in support of the amendment offered by him.

When the House voted to eliminate all the funds requested by TVA for the activities listed in its budget under "Resource development," it pronounced a death sentence on the most encouraging experiment this Nation has ever seen in this field. That sentence is now proposed to be approved by the Appropriations Committee of the Senate, with only partial commutation for a single activity suggested in the committee report. If it were to prevail, this action would strike a blow at the most effective use of the Federal dollar in this field, anywhere in the United States. If it were to prevail, this action would end the only Federal resource development program deliberately designed to shift responsibility to States and counties and communities, and to reduce progressively the burden on the Federal Treasury.

If this action stands it will be a triumph for the apostles of centralization, ultimately a victory for the "spenders," an affirmation of the principle that the Federal Government should "go it alone" in the field of resource development. So far as the Tennessee Valley is concerned, such an action would turn the clock back 20 years. Instead of a unified program under the leadership of a regional agency, dozens of competing Federal bureaus will be carrying out their independent programs and separate activities. If this action stands, it will not be long before this region, like other areas today, will be seeking complicated and expensive measures to coordinate the bureaus, to build a bridge, so to speak, from jurisdiction to jurisdiction. What is basically at issue here today is not the appropriation of about $2 million to be spent for specified activities in a region including parts of 7 States. What is basically at issue here is the survival of

a great idea and a method. The idea of the unified approach to resource development is at stake; the methods of decentralization it has developed are in jeopardy.

No one has suggested that the activities undertaken by TVA have not achieved results. No one has accused the TVA of extravagance or maladministration. I have heard no one propose that the Federal Government is to abandon its concern for the development of the minerals and the forests, the land and the water—the natural resources upon which our national strength and the prosperity of our people must be based. The central idea behind the TVA is recommended for liquidation without a word of explanation. True, the House committee report suggests that the States might carry on the programs it recommended for elimination, or that TVA itself might continue to support them out of revenues. Now the facts are that TVA could not, under the law, support these programs from its income, and that States and counties, colleges, and communities are already participating in these activities in every case. The projects chosen to be terminated are joint projects. What is now proposed is that one partner should abruptly overnight retire from participation.

The House committee report adds that the Department of Agriculture and the Department of the Interior also carry on activities in the Tennessee Valley. The inference to be drawn is that the committee would expect these Federal agencies to take up the work abandoned by TVA, an expectation echoed by a phrase in the report of the Senate committee. Is this suggested in the name of economy? Are the people of the Tennessee Valley to have no voice in this decision? Is the whole idea of regional coordination to be summarily abandoned in the Tennessee Valley?

I confess that I am baffled by this proposal to strike at the heart of the TVA. We hear a great deal about the necessity for the coordination of various Federal activities in other regions of the Nation. In the Columbia Valley and in the Missouri Valley, for example, there has been a regionwide protest against the duplication, the historic rivalries of various bureaus and departments of the Federal Government, and their relations individually and as a group to the agencies of State and local governments working in allied fields.

Mr. LANGER. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I shall be happy to yield to the distinguished Senator from North Dakota.

Mr. LANGER. Is it not true that the Missouri Valley program was almost wrecked at one time because of disagreement between the Army engineers and the State authorities?

Mr. HILL. The Senator is exactly correct. I was going to say, a little further on in my speech, that there was so much pulling and hauling, so much crossfire, so much working against each other, each trying to grab something the other was trying to grab, that the result was confusion, inaction, waste, extravagance, and the expenditure of money from which no benefits were received. I wish Senators would consider the TVA program and understand what it is all about. It is a unified development by one agency, one team, not by many different bureaus, agencies, and departments, each trying to grab off advantages, pulling and hauling against one another, and spending Government funds without results, wasting Government funds.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. HILL. Certainly.

Mr. SALTONSTALL. The Senator says we should understand the situation. I have been to the Tennessee Valley, and I have a little understanding of the operations of TVA, though probably not half so much as has the Senator from Alabama. But, in view of the fact that the TVA is a going concern—it is not a baby; it is a big going concern—it is difficult for me to understand why resource development should be any different in the Tennessee Valley area from what it is in Vermont or Massachusetts or North Dakota, so far as concerns programs which are being conducted by the Department of Agriculture without conflict, and by the Interior Department without conflict, and with good results?

Mr. HILL. Mr. President, I am delighted the Senator from Massachusetts has asked me that question. He will recall that the Flood Control Act of 1936 provided for resource development in areas all over the country outside the Tennessee Valley. The Federal Government today is putting up 88 percent of all the money expended for that purpose. In striking contrast, instead of the Federal Government putting up 88 percent of the money in the Tennessee Valley, the Tennessee Valley Authority has so encouraged and so stimulated the program there as to cause the States, the counties, and the local communities, colleges, and other agencies to carry a greater part of the cost. That is the difference; it is one difference, certainly.

Mr. SALTONSTALL. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. SALTONSTALL. Because of the excellent cooperation, the increased local interest, and the development of resources, of which I heartily approve, the Senator from Alabama would not have us withdraw from the Tennessee Valley, would he? The Senator would not have us withdraw the $19,606,483 which the Department of Agriculture has been authorized to use, would he?

Mr. HILL. The Senator is now talking about the Department of Agriculture. I do not have a breakdown of the figures, but I know the Department of Agriculture is operating in States in that area just as it is operating in States elsewhere. But there is no duplication there. If the Senator will examine into the situation I dare say he will find that most of the $19 million, if not all of it, is devoted to resource development. Under the unified leadership of TVA, in that region the States, counties, communities, and local interests are putting up far more money for resource development than is being put up in other areas of the United States for that purpose.

Mr. SALTONSTALL. Mr. President, will the Senator yield for one more question?

Mr. HILL. I yield.

Mr. SALTONSTALL. The Department of Agriculture this year is putting up $14,917,000 in the way of conservation aids to farmers.

Mr. HILL. That is true. The Government is engaged in a great conservation program. The distinguished Senator from Vermont [Mr. AIKEN] who is chairman of the Committee on Agriculture and Forestry, knows about that great program.

Mr. SALTONSTALL. That is what the Department of Agriculture is putting up to finance conservation aids to farmers. In the agriculture resource development under TVA, there is a soil conservation item of $53,000. That is only one item.

Mr. HILL. There is no conflict between those items. I feel certain the distinguished Senator from Vermont [Mr. AIKEN], the chairman of the Committee on Agriculture and Forestry, will confirm my statement that there is no conflict between those items. It does not follow that there is any conflict between them.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. HILL. I am glad to yield to my distinguished friend.

Mr. AIKEN. I agree with the Senator. I do not think the money is duplicated.

Mr. HILL. Certainly not. The Senator from Vermont is chairman of the powerful Committee on Agriculture and Forestry, and is one of the great authorities on agriculture. No man in Congress or in the United States knows more about the activities of the Department of Agriculture or the subject of soil conservation than does the distinguished senior Senator from Vermont.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HILL. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Did not a representative of the Fish and Wildlife Service testify before the House committee, in supporting the resource development fund, that there was no duplication in that activity, and that he highly supported the fish and wildlife resource work of the TVA?

Mr. HILL. The Senator from Tennessee is absolutely correct. The testimony was very direct and specific that there was no duplication whatsoever. On the contrary, instead of there being duplication, there was coordination and cooperation, which meant savings to the Treasury of the United States.

Mr. President, I was speaking about the situation in the Columbia Valley and the Missouri Valley. The Senator from Minnesota testified in fine fashion when he spoke about so many duplicating agencies, so many cross currents, so much pulling and hauling as between agencies.

Field offices have been set up by the dozen to bring these programs a little closer to the problems affected. Joint committees have been organized. Resolutions have been adopted. Confer-

ences and meetings abound. At great expense, devices have been developed which are advertised as instruments essential to coordinate the activities of the Department of Commerce, the Corps of Engineers, the Department of Agriculture, the Department of the Interior, the Bureau of Reclamation, and so on. These efforts go on interminably. I do not know how successful they are, but, so far as I know, they are approved as steps in the right direction.

Yet, while these cumbersome efforts continue in other regions, the committee proposes to eliminate the most effective coordinating agent that has ever been developed anywhere in this Nation. In the Tennesese Valley, as in no other area of the United States, Federal, State, and local agencies, and public and private organizations, are working together to promote a better system of resource use. TVA is the link that binds them all together.

Everyone knows the record of Federal activities in the resource development field prior to TVA, in the Tennessee Valley as elsewhere. One agency would be given the task of controlling the water in the river; another faced the problems of water on the land. One bureau was concerned with the fish in the waters; another with the commerce using the river as a highway. The fragmentation of Federal responsibilities in the resource development field has been the despair of citizen and legislator alike.

In the TVA act we tried to do something about the problems for one river valley. Here I speak out of personal experience, for I was a member of the committee which considered the legislation in the House, and a member of the conference which adjusted the differences between the Senate and the House. It was no accident that we created one agency to develop the river as a whole, to make all of its benefits available to the people. It was not caprice that led us to avoid the creation of interagency committees or advisory bodies to reconcile conflicting plans and points of view. It was a deliberate effort to make the agency see its job as a whole, and to fix responsibility on its management for the development of methods to achieve results.

When the TVA act was written, we did not stop with the idea of a unified development of the river, although that in itself was an innovation. The Tennessee is still the only waterway developed by one agency of Government, where dams are designed, built, and operated under a single management; where the same management is responsible for flood control, navigation, and power production, for the use of the reservoirs for recreation, and for the conservation of fish and wildlife. TVA was to be a regional resource development agency empowered to see the resources of this valley as a whole; to concern itself with the forests, the soil, and the minerals, as well as with the river. However, there was a difference, in the approach to the development of resources away from the river. Responsibility for the primary control of the river could not be divided. TVA had to undertake that job itself. But in all the other aspects of the total program, the statute encouraged, and the TVA Board adopted, a program of working through existing State and local agencies to achieve the objective of a better utilization of the resources with which nature had endowed the area.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. HILL. I will yield when I have finished one more sentence.

No other program has gone so far in enlisting the energies, the devotion, and the financial support of State and local governments, colleges, and communities, in working toward a common goal.

I now yield to the Senator from Minnesota.

Mr. HUMPHREY. I wish to say that I am deeply grateful to the Senator from Alabama for his exposition of the development of the Tennessee Valley Authority and its activities.

I think it would help a little to bring into sharp focus what the Senator from Alabama is speaking about in terms of conflict and duplication in some areas of the Nation as compared with TVA to reflect for a moment upon what has happened under the so-called Pick-Sloan plan in the development of the Missouri River, the second largest river within our continental limits. This is not to say that the developments which have taken place are not desirable, because I support them, and the Congress has supported them. But I do say that the conflicts which exist, the waste of funds and energy, and the inevitable delays which come about from conflicts between the Federal agencies and the State and local governments in the Pick-Sloan Missouri Valley development only highlight the smooth sailing and the effective administration to be found in TVA.

Mr. HILL. And the economy.

Mr. HUMPHREY. And the economy. I believe the Hoover Commission made some comments on the Pick-Sloan operation in the Missouri River Basin, and pointed out what the Senator from Alabama is saying, namely, that resource development of a basin nature in an area in a common watershed is literally impossible under the kind of arrangement which exists in the Missouri River Basin development. However, in the TVA, as the Senator points out, we are not only utilizing the Federal Government but we are going down to the high school, the college, the local county agent, and the local soil conservation district. They are all brought into the general plan, as I understand.

Mr. HILL. And more and more of the responsibility and the burden is taken off the Federal Government and imposed on the State and local governments and other agencies to which the Senator has referred.

Mr. HUMPHREY. Mr. President, will the Senator further yield?

Mr. HILL. I yield.

Mr. HUMPHREY. Is it not fair to say that in the area which has been served by the TVA the units of government—State and local—along with the vast majority of private groups, have found this kind of administration to be economically efficient and to work to the satisfaction of the needs of the community? Is not that the testimony of chambers of commerce, governors, and legislative bodies?

Mr. HILL. The Senator is absolutely correct. Such a program has stimulated the interest and enthusiasm of the people. They are eager to play their part, to carry their part of the burden, so to speak. We do not find that situation to exist anywhere else.

Mr. HUMPHREY. The Senator would be interested to know that in other parts of America, parts which I myself have had the privilege of visiting, where there have been floods, the question of relationships between Federal, State, and local governments is an ever present problem. It complicates no end the programs of flood control and proper resource development. I was in my own State 2 weeks ago. I ran into that very problem in connection with the Army engineers, the local county government, and the State government. There was an inability to work out in time, and economically, arrangements and solutions for the flood-control program they would like to have.

Mr. HILL. When such arrangements are not devised, what happens? A very natural thing happens. They come running to Washington for the Federal Government to do the whole job.

Mr. HUMPHREY. Rather than to assume their share of the responsibility.

Mr. HILL. That is true. A little later I shall give an illustration of what the Senator is describing. We have many local flood-control problems involving small creeks. If we do not work this program out in such a way that the local community, the county, and the local agencies can play their part and be encouraged, stimulated, and required to assume their share of the burden, of course, in the final analysis the burden will fall on the Federal Government.

Mr. HUMPHREY. The Senator might be interested to know that in the northern part of my State there are a series of dams and gates to hold back water in the reservoirs so as to maintain a 9-foot channel in the Mississippi River for navigation purposes. When the flood waters and the heavy rains come in the spring, the water is held back; and because it is held back as long as it is, the entire conservation program of the State Department of Conservation is upset. Some of the farm lands are flooded. There is no integration. The Army engineers have a program to maintain a 9-foot channel in the Mississippi River. In the meantime the State has a program to try to protect fish and wildlife. The Department of Agriculture has a program to try to protect the land. The various agencies do not get together.

Mr. HILL. There are a great many separate authorities with separate responsibilities.

Mr. HUMPHREY. That is correct.

Mr. HILL. Therefore, instead of an overall plan working for the best interests of everyone, there are the various agencies pulling and hauling and fighting each other, with all kinds of conflicts. Is not that true?

Mr. HUMPHREY. And they usually come to their Senator or Representative to try to have those conflicts resolved.

Mr. HILL. Yes.

Mr. HUMPHREY. I have not been home once this year without having representatives of one or the other of the groups I have mentioned come to me and say, "Can you do something about the Army engineers?"

Mr. HILL. There are many conflicts and cross purposes. Only the Federal Government can do the job.

Mr. HUMPHREY. That is correct.

Mr. HILL. What the TVA has done under its plan, and under the spirit of its law and the methods it has adopted, has been to work out these problems. The greatest possible responsibility has been placed on the local counties and communities, and the local agencies, so as to have them do the maximum part of the job, thereby effecting economies for the Federal Government.

Mr. HUMPHREY. Mr. President, will the Senator yield once more?

Mr. HILL. I am glad to yield to the Senator from Minnesota. He is making a fine contribution.

Mr. HUMPHREY. I have just visited one of the rich agricultural areas of the State of Minnesota. The Chippewa River is ordinarily only a muddy creek. Both the Chippewa River and the Shakopee River are in flood. At a time when there was a drought in the Southwest, we were having very serious floods.

I met with hundreds of farm people. I asked them "To what do you attribute the recent floods?" They attributed them to extra precipitation, because the amount of precipitation had been no greater this year than in some other years in the past, but they pointed out, for example, that the Production and Marketing Administration, in its program of tiling and drainage, had done its job of reclaiming more land by tiling and draining, draining water into ditches which were not equipped from an engineering standpoint to absorb that much extra flow of water. The PMA was doing its job, and doing it well, but the Army engineers had not been notified. The drainage district had not been notified. So there were three or four separate jurisdictions of government, all supposedly doing their jobs well, but the trouble was that when they did their jobs well there was a flood.

Mr. HILL. There was no teamwork.

Mr. HUMPHREY. There was no teamwork at all. Had a program similar to TVA been at work in this area, instead of more than 150,000 acres of the finest land in our State being under flood waters, those waters would have been properly controlled, so that the drainage would have been normal, without flooding, and the land could have been protected. Conservation of fish, wildlife, and fowl would have been promoted, and we would have had a reasonable and sensible program.

What is the solution? I have on my desk telegrams from county governments saying, "Have the Federal Government take over. We cannot do the job." As a matter of fact, the job could be taken over by the Federal, State, and local governments working together, as the Senator from Alabama is proposing. I vigorously support the program he defends, and for which he has worked so hard and with such great success.

I feel that the United States needs more TVA's. An attack against the TVA is an attack against success. For the life of me I have never been able to see why anyone should want to attack a phenomenal success in a democracy. If people want to spend their time attacking something, they ought to attack the duplication and waste which has gone on in far too many areas of our land, as the Senator has pointed out, where there is inefficiency and lack of coordination.

Mr. HILL. I thank the Senator from Minnesota for the testimony he has given with respect to conditions as he has seen them, among various duplicating and conflicting agencies. He has described the separation and division of responsibility. In the final analysis the burden all falls on the shoulders of the Federal Government.

We talk a great deal about decentralization. We all profess a great belief in decentralization. Surely we give it lip service. I, for one, strongly believe in it. Here is a program of decentralization, in contradistinction to a program operated by the Federal Government from Washington.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MURRAY. I have been listening with deep interest to the remarks of the Senator from Alabama. I know he can very easily answer the question I should like to ask him.

In view of the fact that TVA has been such a phenomenal success and is recognized in the section of the country in which it operates as a most wonderful Federal agency and one which has accomplished much for the people of that area, why is it that there is continued opposition to TVA and continued effort to discredit it and prevent it from continuing in its operations?

Mr. HILL. The Senator knows. He has thoroughly studied the whole question of resource development and regional development, and he is as familiar with the subject as I am. He knows that there are many reasons for the opposition to which he refers. Of course, one reason is the yardstick TVA provides for the production and sale of electric power. That has brought persistent and bitter opposition to TVA. It is the yardstick which TVA applies which certain private companies do not like to have in existence and do not like to have applied to their operations.

Mr. MURRAY. I visited TVA last year. I attended many meetings of the chambers of commerce, of local businessmen, and of men who have become interested in manufacturing in that locality because of the access it affords to low-cost power. I found there was not a single criticism of TVA in the entire area. The only place where I have heard criticism of it is in my section of the country, where we are attempting to develop a program which will be along the lines of TVA. There we find chambers of commerce, Rotary Clubs, and organizations of that kind being addressed by visiting orators who endeavor to convince us that it would be a bad thing for our section of the country to have a TVA system to develop our resources.

Mr. HILL. As the Senator so well knows, the people who know TVA, who live with it day after day, who see its works and its accomplishments and what it has done are enthusiastic in their support of TVA.

Mr. MURRAY. I did not hear a single criticism of it in the entire Tennessee Valley.

Mr. HILL. I am not surprised to hear it. I appreciate the Senator's making that statement. He knows that those who live with it, see it day by day, and see its work day by day are overwhelmingly enthusiastic in support of it.

Mr. HUMPHREY. Mr. President, will the Senator yield? I do not want to detain him too long.

Mr. HILL. I yield to my friend from Minnesota.

Mr. HUMPHREY. Mr. President, when I listened to the Senator from Montana interrogate the Senator from Alabama, it reminded me a bit of what I have seen with my own eyes and heard with my own ears in my own State. The opposition to TVA in my own State of Minnesota, I am sure, is much more vigorous than it is in the State of Montana. We are trying to talk in terms of some hydroelectric power from the Missouri River. The very forces in the State of Minnesota which fight against TVA have no such plan as the Senator from Alabama has outlined this afternoon; namely, to aid in flood-control work, in soil-conservation work, and in our resource development. They fight the TVA public power facilities, but completely and totally ignore the accomplishments which have been brought about in terms of administrative efficiency among State, Federal, and local governments in soil conservation, resource development, reclamation, and in a hundred and one other wonderful accomplishments.

Whether we like it or not, when we talk about TVA, we are talking not only about projects and programs, but about a symbol in American life; we are talking about whether or not the Government of the United States, working with the people of the United States, is to have the right to utilize properly God-given resources for the benefit of the whole Nation and all the people. I think that is what the struggle is about.

Mr. HILL. And whether or not in the development of our resources—a program which all of us fervently support—the local communities, the local agencies, and the counties and States will carry their share of the responsibility, and not place the whole burden on the Federal Government.

Mr. HUMPHREY. The Senator is absolutely correct. I wish again to say that were it not for the leadership we see demonstrated today that wonderful and successful program would never have been possible. It is up to us now to protect it. We must not only protect it, but, as the distinguished senior Senator from Tennessee [Mr. KEFAUVER] has stated, we must have it move ahead and have it be a success for years to come. No one can name one project

that did so much to help us in World War II. If we had listened to the private utilities there would never have been any airplanes built during World War II. If we had listened to the critics of TVA, Tennessee would have been ravaged by floods.

Mr. HILL. And we would not have had the atomic bomb.

Mr. HUMPHREY. I am sure that is true. Criticism is heaped upon this tremendous development for only one reason, and that is because of private greed. It is private greed that is at the bottom of the criticism, and the demand of some to ride herd on the American people. They will not be able to do so with my vote, I may say to the Senator from Alabama. Thank goodness we can follow his leadership.

Mr. HILL. Mr. President, let me thank the distinguished Senator from Minnesota for the very fine and able contribution he has made.

Mr. SPARKMAN. Mr. President, will my colleague yield?

Mr. HILL. I yield to my distinguished colleague.

Mr. SPARKMAN. I was interested in the comment made a few minutes ago to the effect that we might not have had the atomic bomb if it had not been for TVA. I cannot quite agree that we would not have had the airplanes; but, certainly, we would have been slowed down greatly and perhaps even crippled in the production of aluminum for airplanes, if it had not been for TVA.

Mr. HILL. Most of the aluminum from which were built the airplanes which carried destruction to Germany and to Japan, and won the great victory in World War II came out of the Tennessee Valley.

Mr. SPARKMAN. In the early stages every bit of it came out of the Tennessee Valley.

Mr. HILL. In the early stages every pound of it came from the Tennessee Valley; and even in the last stages of the war most of it came from the Tennessee Valley.

Mr. President, I well remember there was great opposition to the TVA Board's decision to work through the local agencies existing in 1933. The Tennessee Valley was a low income area then, its people enjoying only 40 percent of the national average. The valley's income is still below the national average, but the percentage stands now at 60 percent, and the valley has a sound basis for the progress its resources and its people can achieve. One of the penalties of a low-income area is that public services are bound to suffer. Technical skills cannot be employed. The State and local agencies dealing with forests and soil and minerals were few in 1933. They were understaffed, admittedly inadequate for the job they had to do in an area where forests had been denuded and land abused to support the growing population. So it was not unnatural for the experts to contend that TVA should do the job alone. It was argued that the job would be done faster if the Federal Government "went it alone."

There was a great deal of talk about eroded and wornout land when TVA began, marginal land we called it then, and the preamble of the TVA Act includes "the proper use of marginal land" as one of the purposes of its enactment. Experts in the older departments and bureaus in Washington urged TVA to buy up all the "marginal" land, to make it a public domain, to keep it out of private ownership, safe from abuse. That is of course one way of accomplishing reforestation, of protecting the soil and conserving minerals from exploitation. Senators from Western States are more familiar than I am with the problems created by large Federal land holdings.

TVA pursued a different plan. Of course, it purchased land. It purchased land in large amounts—a total of over a million acres, for the reservoirs behind the dams. But TVA rejected the advice of those who would have had it buy the million and one-half acres that sorely needed reforestation, or the even greater acreage where farmland was worn out and eroded. It started instead, and from the beginning, to work with the State experiment stations. It made contracts with them and with the extension services already existing; and through the county-agent system, it began to work with private landowners to see what could be done to restore the soil's fertility, not by Government ownership or by regulation, but simply by bringing technical advice to the farm owner and forest owner, identifying the barriers to sound utilization, and joining all interested groups, both private and public, in a series of actions to eliminate those barriers one by one. New and experimental types of fertilizer were produced by TVA at Muscle Shoals; but they were distributed, not by TVA, but by the county agents, to farmers who agreed to enter into that great test-demonstration program which spread beyond the confines of the Tennessee Valley into 36 States. This was the pioneer effort on a regionwide basis to see the farm as a whole. It is a method generally approved and now widely used by other agricultural agencies. State agricultural agencies, colleges of engineering, foresters, experts in seed and soil and crops and cattle were united in a single team.

Mr. COOPER. Mr. President, will the Senator from Alabama yield to me?

Mr. HILL. I yield to my friend, the Senator from Kentucky.

Mr. COOPER. In the last 2 or 3 days I have received a letter from Dr. Martin, of the University of Kentucky. He wrote of his concern about this program, and stated that the advice of and the program which had been worked out in cooperation with the TVA had really been the basis of the agricultural-development program of the Board which now is serving Kentucky.

Mr. HILL. That is fine. I am not surprised, but I am delighted to hear it, and I deeply appreciate that contribution by the Senator from Kentucky. He has given us a perfect illustration, from his State of Kentucky, of what I am trying to present to the Senate this afternoon.

Mr. President, when the TVA came into operation, no army of Federal employees descended on the region. TVA contributed money in the beginning, and contributed technical advice; but the new employees were employees of the counties, of the States, of associations of farmers. The new idea was that of having all the agencies work together to demonstrate what could be done by community effort.

This is the TVA idea, an idea which has mobilized more energy, illuminated more problems, and lifted more hearts than has any other program in resource development ever undertaken before. That is the idea and those are the methods we repudiate if we accept the action of the House and the recommendations of the Senate committee, and fail to adopt the amendment offered by the distinguished Senator from Kentucky. For 20 years TVA has been proceeding by this method, demonstrating to the world what can be done if all the people in all their institutions work together. If we now abruptly stop the activities selected for termination by the committee—and they will be stopped unless the amendment of the Senator from Kentucky is adopted—more than 50 contracts affecting a variety of research and demonstration projects will be affected. Every one of these contracts has two objectives: first, to remove some barrier to sound resource utilization, to the sound use of some resource that God Almighty in His infinite bounty has given to the people for their benefit, welfare, and progress; second, at the same time to assert and strengthen local responsibility and local financial support to deal with the continuing problems. These problems continue, Mr. President, just as the rain continues, just as Mother Nature never stands still. They may exist in one form today and in another form tomorrow, but we know they will continue, and will remain with us.

This program provides coordination of effort at the grassroots, right where the problem exists. This is a tested way to strengthen local institutions. This is the way to make certain that local problems will be solved locally. This program is the best insurance against insolvency the Federal Government could buy.

The committee clearly and curiously appears to limit its disapproval to the methods used by TVA. No responsible person could disapprove the objectives or the results. No committee of the Congress could take anything but pride in the accomplishments in the Tennessee Valley. The fields are green; the forests are revived; there is better opportunity for the people than there used to be. What the committee failed to understand is the importance of the method to the results. I believe the committee failed to understand that all these benefits had been achieved by the only Federal program, under which there is a deliberate effort to diminish the area of Federal control, to enlarge the scope of local responsibility, and to yield to the people concerned responsibility for the future of the resources upon whose utilization their lives are based.

Let me illustrate the TVA point of view from a paragraph in the budget justification submitted to the Appropriations Committees in support of an activity not directly affected by the cut proposed by the committee. Various Senators have raised the question of flood control, and

that is why I wish to speak now about an item with reference to flood control and some parts of the TVA budget justification.

Flood control was, of course, one of the major problems the statute directed the Board of TVA to solve. The first job was the task of controlling floods on the Tennessee itself, to protect the people and the land endangered every year, and to aid in the control of the greater flood danger on the lower Ohio and Mississippi. That primary job has been substantially completed by the construction of multipurpose structures. But local flood problems remain in the Tennessee Valley, just as they remain elsewhere. Every Member of the Senate knows what happens these days when a creek overflows its boundaries. Stricken citizens rush to Washington. Their pleas for aid come by letter, they come by telegram, and by personal solicitation. They pass their county seat, they ignore their State capital. They come to Washington. They come to Congress. And bills and resolutions are introduced to authorize surveys, to permit the Department of Agriculture to help or the Corps of Engineers, or some other Department of the Federal Government. The suffering is real. Clearly something should be done. Let me describe what TVA proposes to do about the problem. Out of the total appropriation requested for flood-control activities, it proposed to spend a small amount, $25,000, in fiscal 1954 for "local flood control activities." $25,000! It will be stricken out unless the Senate agrees to the amendment of the Senator from Kentucky. I call this a small amount of money, and it is a relatively small amount. As the distinguished Presiding Officer knows, most of these items are in terms of hundreds of millions of dollars, many times in terms of billions of dollars; so a little item of $25,000 interested me. I read it carefully and I found that the money was requested, not to contribute to the cost of a levee, a drainage ditch, or any other type of engineering work in any particular community. The money will be spent working with one of the States in the valley to help that State assume responsibility—State responsibility—for continuing expenditures in the field of local flood control. Let me quote a portion of the budget document:

> Program activities include collection and analysis of flood data; * * * and technical advice and assistance to State and local governments to encourage their assumption of responsibility for solution of local urban and rural flood-control problems.
>
> TVA has a continuing interest in local flood problems since their solution is important to the development of the valley. In the Tennessee Valley, as in other parts of the Nation, little initiative has been taken by States and cities in assuming responsibility for local flood-control problems, partly because the Federal Flood Control Act of 1936 and subsequent legislation assumes for the Federal Government the major share of financial responsibility in such problems. There is much that communities, counties, and States could and should do for themselves in these local flood situations. In many cases the construction of protective works is within the financial capability of the communities involved. The assumption by the State and the local community of joint responsibility for the construction of flood-protection works of a local nature would relieve the financial burden of the Federal Government, encourage construction of such works only when they are sound and economically justified, and increase the effectiveness of State and local zoning activities. Today in the valley none of these units of Government is organized to handle flood problems.

This is a statement of the TVA, on the subject of saving money to the Federal Government, on the subject of economy, on the subject of having the local communities bear the burden of local problems rather than have Federal agencies in Washington bear those burdens, and spend the money of the Federal Government in doing so. The statement continues:

> The 1954 estimate includes $25,000 to cover TVA's share of the initial expense of a cooperative project with one of the valley States. TVA would be prepared to help the State to secure and organize a staff and to provide technical advice and assistance to the State. The ultimate aim of the project is the creation of a State agency to plan local flood-control projects and to provide State leadership in developmental projects. The research and demonstration projects conducted under the tributary watershed program should prove valuable in helping local agencies to organize and plan effective programs.

Let me interrupt the quotation to point out that these tributary watershed projects have been eliminated by the Committee. One of the purposes of the amendment offered by the Senator from Kentucky is to restore these watershed projects, which are so necessary in the Valley. The TVA statement concludes:

> This approach to local flood problems may be successful in encouraging a new pattern of Federal-State responsibility in a field where local matters have been made a direct concern of the Federal Government and the States have been excused from a responsibility more appropriately their own. (From pp. 29–30, Budget Program, TVA, fiscal year ending June 30, 1954.)

Mr. President, that is the story. That is what we are aiming for. That is what the Senator from Kentucky is endeavoring to bring about in offering his amendment. As I said a few moments ago, under the Flood Control Act of 1936 the Federal Government bears 88 percent of the cost. What we are now seeking to do is to transfer that cost to the States, the local agencies, and the local communities where the local problems exist. That is where it belongs.

I think Congress should applaud, and not discourage, a Federal agency which is trying in that courageous and practical fashion to turn back the tide of centralization. I said that this particular activity was not directly affected by the cut proposed, except as I commented as I read that TVA's small watershed program, eliminated by the committee, was intended to be an aid in the development of State responsibility for flood control.

All over the country we hear the cry that conservation activities must be pushed back to the small watershed. In some river valleys such a program is offered as a substitute for the flood-control-multipurpose dams provide. Competing theories, rival agencies come to Congress with their requests for funds. I understand from press reports that billions of dollars will be requested by the various bureaus of the Department of Agriculture for such a nationwide program.

TVA has a small watershed program, too—a program recommended for extinction by the Committees on Appropriation. The TVA program is different. It is modest. It rests on research. It is underway. And when it proceeds from the basic research—in water runoff, in soil structure and moisture—to the stage of demonstration, then in TVA's small watershed program the responsibility is fixed on the people. From the beginning TVA makes clear that when the basic research which only skilled technicians can undertake is completed, and the demonstration is begun then the contribution of the Federal Government will progessively diminish.

I have in my hand the result of a reconnaissance survey made by TVA of one such watershed where work was proposed to begin in fiscal year 1954—a project which will be stopped unless the amendment of the distinguished Senator from Kentucky is adopted. I may say the Senator from Kentucky is joined in his amendment by his colleague, the distinguished senior Senator from Kentucky [Mr. CLEMENTS]; and, I am proud to say, by my colleague, the Senator from Alabama [Mr. SPARKMAN], and myself, along with the distinguished Senators from Tennessee and the distinguished Senator from Mississippi. We have all joined with the distinguished Senator from Kentucky in offering his amendment.

The brochure I have was prepared to present to the people, to officials of the counties and the State involved, a kind of prospectus to indicate the nature of the undertaking.

Let me read a paragraph which is found on page 2 of the report:

> Assistance and demonstration as part of a regional program can proceed only to a certain point. There are established limits to what a Federal agency may undertake for local districts. More important, there are limits to the effectiveness of aid extended in this manner. At some point, the States and the local agencies of development must take over the major responsibility. This is the best assurance that help does not become paternalistic, and demonstration lose its educational value.

Mr. President, the Senators from Kentucky, Mississippi, Tennessee, and Alabama, are urging the Senate to approve this approach to the small watershed problem. Let us hold back on a wholesale Federal approach and see what is accomplished in the Tennessee Valley by placing the responsibility on the local communities, the States, and the local agencies in connection with local problems. We know we are getting results in the Tennessee Valley.

In another watershed where the project has reached the demonstration stage, we know that the farmers in 3 years have doubled the total acreage devoted to permanent pasture, that silt in the stream has been reduced 26 percent in the summer months, and 33 percent in winter, that the farmers of one rural

community are organizing to clear a channel themselves to prevent the flooding of their lands next spring. We know that the university, the teachers in the local schools, the bankers, the farmers are working together with the technicians, solving problems which are primarily local, but which, when they are solved, will add to regional strength and to our national strength.

If this small watershed program is stopped, if this partnership between the technicians and the people is dissolved, we will deal a blow to the hope we had that this Central Government might find a way to promote soil conservation, to encourage better land use and wiser utilization of our basic resources without at the same time creating an intolerable drain on the Federal Treasury. We must not kill this pilot plant experiment in decentralization.

There may be cynics who would doubt that the fair words I have read from documents of TVA are reflected in its actual practice. There are those who do not believe that it is in the nature of any Federal agency to voluntarily and by design withdraw from responsibilities it once assumes, from activities it once initiates. To those doubters I would say we have a record to show.

Let them take a look at the record.

I can give some illustrations out of my personal knowledge. I know, for example, what TVA has done to make the recreation potential of its lakes and reservoirs an asset to the region. When the program of dam building which transferred the winding Tennessee into a series of beautiful lakes, and mountain lakes high on its tributaries were substantially completed, a new asset had been created for the region. TVA, of course, owned the land surrounding the lakes. Some of it had to be retained for purposes of flood control. All of it could have been held in public ownership forever. A TVA park system might have been developed. But TVA was committed to another practice, the practice of turning over projects to the people. A survey of all the reservoir land was undertaken with a view to identifying and releasing all the sites suitable for development as areas for recreation. In the beginning there were no State agencies prepared to take over the management of such developments, so on Norris Lake, the first reservoir to be completed, at Wilson and Pickwick, TVA developed and operated a few small parks for demonstration purposes, while its technicians worked to help the States prepare to take over. Today, on land transferred by TVA, there are over 50 State, county, and city park developments around the lakes.

They are not Federal parks. Have we ever heard of any other Government agency treating its land in that way when it could have established a great national park? They turned loose their jurisdiction, power, and authority. They did it voluntarily, of their own free will and accord.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield for a question?

Mr. HILL. I yield.

Mr. HUMPHREY. Is the Senator talking about some earthly matter, or something that occurred on some heavenly body?

Mr. HILL. To be frank with the Senator, it is not an ordinary earthly record of which I am speaking. It is very unusual; it is out of the ordinary; it is extraordinary. Not only do we have these State, county, and city park developments, but there are church camps, Boy Scout camps, YMCA camps, in all, a total of 30 group camps. The Federal Government is not operating the camps.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I should like, first, to finish this paragraph.

Seventeen hundred lake front summer residences valued at almost $8 million have been built by private owners. More than 18,000 boats are used for recreation on the lakes. In all, the value of the recreation improvements on TVA lakes and lake shores is well over $30 million, none of it provided by TVA, but all of it resulting from TVA's policy of withdrawing from control. Last year it was estimated that over $4 million in private income was received as a result of the utilization of this new asset to the region's economy.

I now yield to my distinguished friend from Tennessee.

Mr. KEFAUVER. I wanted to make clear that the record shows that all the work in connection with the leasing of land for campsites, and for agricultural purposes, and all the selling of land for attractive cottages which the Senator has described is carried on as part of the resource-development program provided for by the amendment.

Mr. HILL. The Senator is correct.

Mr. KEFAUVER. Is it not true that very substantial amounts of the funds secured by the Tennessee Valley Authority which are turned into its general fund, are derived from leases on farm lands and other property which it owns and which are operated under the resource-devlopment program?

Mr. HILL. The Senator is correct, and I thank him for his contribution.

The amendment offered by the Senator from Kentucky presents this question: Does Congress disapprove of the program of relinquishing to local agencies, public and private, and to individuals, responsibility for the utilization of this new recreation asset? Would it have preferred the establishment of a new Federal park system, with larger appropriations every year?

As I have said, TVA operates none of the recreation facilities. The modest appropriation now requested would permit the continuance of technical assistance to the public and private developers of the properties. A few technicians, a few demonstrations, and faith in the people—these are the ingredients which have resulted in the development I have summarized. This is a method Congress should approve, if Congress honestly believes in decentralization. If we honestly believe in local self-government and local responsibility, if we are opposed to any more centralization than is necessary, we should approve the amendment of the Senator from Kentucky.

Mr. HUMPHREY. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to the Senator from Minnesota for a question.

Mr. HUMPHREY. I have been very much interested in the Senator's comments about decentralization. As I understand, the Senator is pointing out that TVA has, as one of its cardinal administrative principles, the decentralization of Federal authority and a reversion to local jurisdiction.

Mr. HILL. The Senator is exactly correct. That is the spirit of the act. That has been the whole design, purpose, and policy of the TVA board.

Mr. HUMPHREY. As I understand, it has been not only the design and purpose, but it has been the practice, too.

Mr. HILL. It has been the practice which has been carried out.

Mr. HUMPHREY. The Senator has expressed some wonderment as to why those who believe in decentralization have vigorously supported TVA, rather than condemn it. Is that correct?

Mr. HILL. That is exactly correct.

Mr. HUMPHREY. I hesitate to say this, because of my great respect for the Senator from Alabama and his knowledge and great information on the subject of TVA, but has the Senator ever thought that possibly some persons who talk about decentralization really mean deenergizing, sterilizing, and literally demolishing the whole program?

Mr. HILL. The Senator is exactly correct, unless it be a program which they believe they can dominate and control, and which directly and immediately affects their own selfish interests.

Mr. HUMPHREY. The Senator has pointed out that in the TVA administration, not only is there decentralization, but also citizen participation.

Mr. HILL. That is correct.

Mr. HUMPHREY. So little special-interest groups are not able to dominate the so-called decentralization.

Mr. HILL. The Senator is exactly correct.

Mr. HUMPHREY. I have noticed that the same people who want decentralization also want domination. They try to get their "D's" together.

Mr. HILL. They do not want decentralization unless they can also dominate.

Mr. HUMPHREY. They want to have domination, as well.

Mr. HILL. That is correct.

Mr. HUMPHREY. I have been so intrigued with the Senator's wonderful exposition and explanation of the subject of the TVA that I thought it might be appropriate that Senators who have similar views should express them.

Mr. HILL. I thank the Senator from Minnesota for giving expression to his thoughts, which so well confirm and ratify what I have been trying to say this afternoon.

Let us consider the TVA method as it has been applied to the problem of developing navigation on the Tennessee. The channel was a modern river highway from Paducah to Knoxville when Kentucky and Fort Loudon Dams were completed. It was a public investment. It should be used by the people.

A few large shippers saw profit in building their own terminals, and promptly did so, but small shippers could not do that. So once again TVA gave a demonstration. Four general public-use terminals were built at Knoxville and and Chattanooga in Tennessee, and at Guntersville and Decatur in Alabama. They were operated by TVA for a preliminary demonstration period. I remember there were doubters who were certain that the initial appropriation for construction of the terminals would mean a continuing Federal responsibility for their operation. What happened? All four terminals are now in the hands of private operators. All four are successful. The terminals have contributed to the record of the 834 million ton-miles of commerce which moved on the river in 1952. They will continue to contribute. They are not affected by the cut recommended by the committee. I mentioned them for one purpose only. To demonstrate, out of my own knowledge, the good faith of TVA in its avowal of a desire to keep the Federal responsibility small, always to enlarge the participation of the people.

There was nothing in the law which required the TVA to turn over the terminals to private operators. So far as the law was concerned, TVA could have continued to operate them and have them today, but they did not do that. As soon as possible TVA turned over the terminals to private operators, with compensation, of course, to TVA for the terminals. They were not disposed of as gifts, or anything of that kind.

I could give other examples. I could tell of the part TVA played in helping the 15 valley counties of North Carolina to organize for forest-fire control. Before 1947 those counties had made no concerted effort to protect their woodlands from fire, in spite of the fact that a well-developed forest-products industry depended for survival on the forests. Before 1947 3 percent of the forest area burned annually. In that year TVA, the State, and the 15 counties entered a cooperative program of fire protection. At the end of 5 years TVA, which had contributed less than $90,000 of a total expenditure of half a million, withdrew its financial aid entirely. But the program has been effectively continued. The annual burn has been reduced from 3 to 0.22 percent, and last autumn the program paid off. All of us remember the forest fires of last October and November. While the fire hazard was as great in these counties as in the rest of the valley, only 0.56 percent of the protected area burned, a loss of less than $100,000. In neighboring east Tennessee, where no similar program had been undertaken, 20 percent of the forest land burned.

That is the way the TVA works. It leads; it provides technical advice that could never be provided by individual counties, or even States. It sparks a demonstration. Then it moves on to another problem, another area, leaving behind a stronger resource base, a better organized community, weaving it all together to make a stronger region.

Because of TVA all 7 States of the valley are better equipped today to carry out the responsibilities they are assuming. Since 1933, when TVA began this program of cooperation, more than 1,200 organizations, State and local, public and private, have been established to work in the resource-development field. More public funds are being spent in the Tennessee Valley to improve, develop, and conserve our resources than were being spent in 1934. The point I want to emphasize is this. The greatest share of the total was provided by the States in 1952, whereas in 1934 most of the money was provided by the Federal Government. Let me give the figures. The total public funds, including Federal-aid funds, expended by State agencies to build up the resource base has increased from less than $8,500,000 in 1934 to nearly $60 million in 1952. The State funds employed by these agencies has increased from less than $5,500,000 to nearly $50 million in 1952. This is the result which TVA intended, and has brought about. This is proof that, so far as the Federal Treasury is concerned, the TVA method is a method of economy, a method productive of savings to the Federal Treasury. While the States have increased their share of the total, TVA expenditures have been progressively reduced. In 1947, for these same activities, TVA received $3,950,000. This year it requested only a little more than $2 million.

Let me call attention to one more indication that TVA may have an influence on the valley unsuspected by its critics. Federal employment has not grown in the Tennessee Valley as it has in the rest of the country. In 1934 the valley's share of the Nation's total number of Federal civil employees was 3.9 percent. In 1951 it had gone down to 2.5 percent. The number of State and county employees working on the problems of resource development has increased. The staffs of the educational institutions have been enlarged. Private employment in the field has greatly expanded. But the Federal payroll in the Tennessee Valley has diminished from the standpoint of the proportion it bears to the Federal payroll in the rest of the country.

This is in spite of the fact that every man working on the construction of a TVA dam or steam plant is a Federal employee. The men who repair transmission lines, reset poles, or operate switchboards in a powerplant are Federal employees. They are temporary workers, thousands of them, but they are counted, just the same, as Federal employees. They are so counted whether their salaries are paid from funds appropriated by the Congress or from revenues received by the TVA. Yet counting all these, the valley has only 8 Federal civil employees per 1,000 population. That is two-thirds of the national average of 12. These figures come to us from the Byrd committee of the Senate.

This reduction in expenditures and in the number of Federal employees seems to me exactly the right direction for the Federal Government to take. The Federal Government has a responsibility in the field of resource development. No one denies that; but how it should go about discharging that responsibility is the issue presented by the amendment of the Senator from Kentucky [Mr. COOPER]. It can, in a desire for swift accomplishment, or in a desire for political advantage, smother the responsibility and initiative of local governments. It can pour out greater and greater appropriations each year. It can regulate and control. Or it can operate after the manner of TVA. It can give technical advice and demonstration. It can make deliberate, conscious effort to draw from the people and their local agencies and institutions the most abundant participation. It can follow the method of economy and of savings to the Federal Government, the method adopted by TVA. This is the method upon which we must pass judgment in passing judgment on the amendment offered by the Senator from Kentucky for himself, his colleague from Kentucky, and the Senators from Tennessee, Alabama, and Mississippi.

Do we want to continue this method of decentralization, this method of economy, this method of savings to the Federal Government, this method of placing more and more of the responsibility on the local communities, the local agencies, the States, counties, and other institutions? In simple words, do we want economy? The issue is as clear as that.

Mr. President, there can be and there should be but one answer, and that answer is to endorse the methods of TVA—the method of decentralization, the method of economy, the method of taking more and more of the burden off the Federal Government and the Federal Treasury. To do that we must adopt the amendment of the Senator from Kentucky, and I urge that it be adopted.

Mr. MALONE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the call.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. PAYNE in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, I have talked with the Senator from Kentucky [Mr. COOPER] and I have talked with the Senators from Alabama and the Senators from Tennessee. The Senator from Kentucky has offered an amendment proposing an appropriation of $1,750,000 for the resource development programs of the TVA. The revised budget called for $2,209,000. The House cut the item out entirely. The Senate committee recommended that $654,000 be spent for agricultural-resource improvement, but out of the funds of the TVA, without providing new funds.

I have suggested to the Senator from Kentucky and to the other distinguished Senators that it would be agreeable to the Committee on Appropriations—and I have talked to the chairman of the committee and to the Senator from Illinois, who is interested in the subject, as well as one or two other Senators—that we accept the amendment of the Senator from Kentucky, amended so as to provide $1,350,000 of new money, to be added to the appropriation bill as it came from the House; and, in addi-

tion, to provide that out of its appropriation for all purposes TVA find $500,000 for the resource-development programs. That would give them for resource development $1,350,000, plus $500,000.

We shall take the amendment to conference and shall try to persuade the House to accept the amendment in that form.

Mr. ELLENDER. Why limit to $500,000 the expenditures for reforestation activities by the TVA? Why not include that amount with the new money, and let all of it be used in any way the TVA officials may desire to use it?

Mr. SALTONSTALL. The House eliminated all funds for resource development. The Senate Appropriations Committee, in considering the amendment of the Senator from Illinois, voted to include $654,000 for forest-resource development, but to have that amount come out of the appropriation of $188 million which was voted by the House.

I now suggest—and I hope we may take to conference the amendment as thus modified—that we restore $1,350,000 of the $2,209,000, and that we include in the report a statement that $500,000, in addition to the $1,350,000, is to be spent for resource development. In other words, the TVA will have to refrain from spending the $500,000 for equipment.

Mr. ELLENDER. The Senator from Massachusetts intends that no restriction be placed upon the expenditure of the $1,350,000; is that correct?

Mr. SALTONSTALL. Yes; there would be no restriction upon it.

Mr. ELLENDER. Then why not include the $500,000 in the same category?

Mr. SALTONSTALL. It will be in the same category. But we would state in the report that we would reduce the other expenditures TVA would make by $500,000, and that TVA would spend $500,000 for resource development, plus $1,350,000.

Mr. ELLENDER. And that would not make it applicable merely to reforestation?

Mr. SALTONSTALL. That is agreeable to me. That would mean there would be $1,850,000 for resource development, rather than $2,209,000.

Mr. CHAVEZ. Mr. President, will the Senator from Massachusetts yield for a question?

Mr. SALTONSTALL. I yield.

Mr. CHAVEZ. As I understand, the modified amendment of the Senator from Kentucky would provide this amount to take care of resource development activities and to cover agriculture, forestry, mineral resources, tributary watersheds, stream pollution, fish and wildlife development, and similar activities.

I understand that the modification suggested by the Senator from Massachusetts would limit the expenditure for those activities to $1,350,000; is that correct?

Mr. SALTONSTALL. It is not quite correct. We would provide for those activities $1,850,000.

Mr. CHAVEZ. That includes the $500,000 for forestry, does it?

Mr. SALTONSTALL. That is correct.

Mr. HILL. Mr. President, let us agree on the amendment as modified.

The PRESIDING OFFICER. The Chair inquires of the Senator from Kentucky whether he accepts the proposed modification of his amendment.

Mr. COOPER. Yes, Mr. President; and I thank the distinguished Senator from Massachusetts for the statement he has made. I have talked to my associates and colleagues who are responsible for this amendment, and they are satisfied with the proposed modification.

The amount of the amendment, as modified, is approximately the same as the amount originally proposed in the amendment. Second, the amendment, as modified, will maintain the principle for which we have contended, namely, the maintenance of the resource development programs as an integral part of the TVA program. We know the conferees will fight to sustain the amendment.

The PRESIDING OFFICER. The amendment, as modified, will be stated.

The LEGISLATIVE CLERK. On page 10, after line 24, it is proposed to insert:

Resource Development Programs: $1,350,000 for Resource Development Programs pursuant to the Tennessee Valley Authority Act of 1933, as amended.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the Senator from Kentucky [Mr. COOPER] for himself and other Senators.

The amendment as modified was agreed to.

Mr. MURRAY. Mr. President, during the afternoon I have listened very carefully to the able debate concerning the TVA program and the need for preserving and extending the activities of that very important agency.

In Montana we have a very great interest in the Tennessee Valley Authority, because in our State we have great undeveloped resources that in many respects are similar to those in the valley of the Tennessee. Our resources lie in two great river basins—the Missouri and the Columbia—where there remains much undeveloped, low-cost hydroelectric power. While we have the added problem of irrigation development, many of the resources development problems which confront us parallel those which the Tennessee Valley Authority has handled so successfully.

Many of our citizens have gone to the Tennessee Valley, as I have, to see it at first hand. Several score of Montana farmers have toured and inspected TVA. Our citizens have always returned enthusiastic about TVA. They are, consequently, aware not only of the costs of this great project, but also of the tremendous benefits—the tremendous dividends—which it has returned to the Nation in dollars, in new resources development, in new industrial, agricultural, and conservation techniques, and in national security.

Although we are nearly 2,000 miles away, we have enjoyed the benefits of TVA, both directly and indirectly; and we regard it as the greatest national business investment of our times.

The people in Montana know, Mr. President, that TVA has transformed an area, once retarded economically, into a source of great national strength. Our people know that the proportion of the national tax bill paid from the Tennessee Valley area has greatly increased. I recently made inquiry about this, because of the current emphasis on sound business principles.

In 1933, before TVA, 3.4 percent of the national collections of personal income taxes came out of the 7 Tennessee Valley States. In 1951—the last year for which data is available—those 7 States paid 6.3 percent of all national personal income taxes. That was a gain of 2.9 percent in the proportion carried by the people of the area of the total personal income-tax burden. In 1951, the increased proportion amounted, in dollars, to $740 million.

Over the years that the Tennessee Valley Authority has existed, the gain it has brought about in Federal personal income-tax payments alone has offset several times over the cost of the Tennessee Valley development, but it only begins to reflect the total benefits to the Nation. Behind these income figures are new industries, new employment, new production and research, and new techniques and developments of even greater importance than dollar considerations.

We were most fortunate to have the Tennessee Valley Authority during World War II. Its power, and the electric power of the great Bonneville Power Administration made our atomic energy development possible. They made possible a rapid expansion of aluminum production and of other essential defense industries. I am told, for example, that TVA manufactured most of the elemental phosphorous required by the armed services, and that it has now helped private industries—one of them in my own area—get into that production.

All the farmers in America are grateful to the Tennessee Valley Authority for an outstanding modernization which it has quietly brought about—the development of high-concentration fertilizers which have reduced unit freight costs, unit plant-food costs and consequently the costs of maintaining the fertility of our soil. We in the West are grateful to the TVA because its technicians have helped Western private industries develop some of the first of what we hope eventually will be many modern phosphate plants in the Rocky Mountain area.

Mr. President, I can recall when the Congress was told that the power output of the Tennessee River would not be used for a century, and that the development proposed was an unwise venture, for that reason. But the power has been completely utilized. I am amazed that the same argument—so completely disproved by the TVA example—is still heard over and over, like a broken phonograph record, whenever a Federal power project anywhere is proposed. The argument is used against REA, against rural telephones and against every dam and every power facilities suggested.

The President's Materials Policy Commission, headed by Mr. William S. Paley, a well-known businessman, warned us last year that we need to install all the new power capacity that both Government and private utilities can build. We

need to expand power production 260 percent by 1975 over 1950, the Commission found.

We are right now deficient in low-cost power to meet the aluminum production goals set by the National Production Administration at the beginning of the defense preparation program. Only 800,000 tons of the desired 1 million tons additional capacity has found a power source.

A part of the 80,000 tons of capacity was installed by conscripting generating capacity in the Arkansas area for the aluminum plant, the Bull Shoals and production, which had been previously pledged to REA cooperatives.

Recently Montana lost an opportunity to have a large chrome industry locate in the State. It lost the opportunity because it was unable to furnish the power necessary for the industry. The concern involved, instead of coming to our State, went to the Tennessee Valley, where it located at Memphis, Tenn., and is now operating exclusively at that point, bringing the needed supplies of chrome across the ocean from Africa. It was a tremendous loss and a great disappointment to the people of the State of Montana.

As I have told the Senate previously, I feel very strongly that every reduction in our investment in power generating capacity at this time is unwise, whether it be in my own State or the great Tennessee Valley area, which has paid the Nation such handsome dividends.

Similarly, I think we will be selling the whole Nation short if we curtail the experimental and resources development programs of the TVA which have benefited us all.

Mr. President, on behalf of the people of Montana, who want an expanding and productive economy in this Nation—not a contraction and unemployment—I shall support adequate appropriations to keep TVA fully efficient.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed, without amendment, the bill (S. 2199) to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government.

The message also announced that the House had passed a bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, was read twice by its title, and referred to the Committee on Finance.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KEFAUVER. Mr. President, on behalf of myself, the Senators from Alabama [Mr. HILL and Mr. SPARKMAN], the Senators from Mississippi [Mr. EASTLAND and Mr. STENNIS], and my colleague, the Senator from Tennessee [Mr. GORE], I offer an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 9, in line 21, it is proposed to strike out "$188,371,000" and insert in lieu thereof "$218,371,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Tennessee offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and other Senators.

Mr. KEFAUVER obtained the floor.

Mr. GORE. Mr. President, will the Senator yield, that I may suggest the absence of a quorum?

Mr. HUMPHREY. Mr. President, will the distinguished senior Senator from Tennessee withhold his request for a moment?

Mr. GORE. I am glad to withhold the suggestion for a moment.

Mr. HUMPHREY. Mr. President, will the distinguished senior Senator from Tennessee yield to me for the purpose of asking a question or two of the chairman of the Committee on Appropriations in connection with another item, before he begins his discussion of the TVA? It will take but 2 or 3 minutes.

Mr. KEFAUVER. With the understanding that I do not lose my right to the floor, I yield to the Senator from Minnesota for that purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none. The Senator from Minnesota is recognized.

Mr. HUMPHREY. Mr. President, I understand that the chairman of the Appropriations Committee will be here shortly. He stepped out of the Senate Chamber for a moment. I desire to direct attention to the item of appropriation for the Veterans' Administration. Before I do that, I wish to thank the senior Senator from Tennessee for his courtesy. I greatly appreciate it.

Mr. SALTONSTALL entered the Chamber.

Mr. HUMPHREY. Mr. President, if I may now have the attention of the distinguished chairman of the Appropriations Committee, I may say that earlier today I mentioned privately to the distinguished Senator from Massachusetts that I had a question or two in reference to the Veterans' Administration item of medical care and hospital facilities.

Mr. SALTONSTALL. I shall be glad to answer the Senator's questions, if I can.

Mr. HUMPHREY. I have noticed, on page 9, in the breakdown in the report on the second independent offices appropriation bill a new breakdown of the total or aggregate figures. I should like to ask the Senator 1 or 2 questions. Am I correct in saying that the amount provided for the Veterans' Administration's medical-care program is approximately $56 million less than the President's revised budget?

Mr. SALTONSTALL. I would say to the Senator from Minnesota that the general operating expenses of the Veterans' Administration are divided by the House into seven new items, namely, medical administration, maintenance and operation of hospitals, contract hospitalization, maintenance and operation of domiciliary facilities, outpatient care, and maintenance and operation of supply depots. The expenditures for the fiscal year 1953 on a comparable basis were $853 million. The original Truman budget for the previous year called for $921 million. The revised budget is $851 million, and the amount in the pending bill is $895,710,000, or approximately $40 million more than was expended last year. This amount is satisfactory to the Veterans' Administration, according to Mr. Sterling and Dr. Boone.

Mr. HUMPHREY. In other words, the amount the Senate Committee on Appropriations has recommended is above the revised estimates. Is that correct? Is it above what the House asked, or is it the same?

Mr. SALTONSTALL. It is the same figure that the House appropriated, is $44 million above the revised budget, and approximately $42 million above the expenditures last year.

Mr. HUMPHREY. I thank the Senator. I desire to ask 1 or 2 other questions, so that we may have the record complete.

I have received a great number of letters, as I know every other Senator has, regarding this one item. Is it the Senator's view, as a result of his study and very careful attention to this matter, that the funds which are recommended will result in the maintenance of an equal quality and degree of service to that which has been extended during the past year?

Mr. SALTONSTALL. I think it will result in a bettter degree of service. The House increased the appropriation for hospital maintenance and operation from $497 million last year to $548 million. That will make it possible to hire 7,000 more operatives. Of these, 2,300 will be assigned to beds in existing hospitals. There are 11 new hospitals coming along during the fiscal year; 4,700 operatives are provided for those 11 hospitals, which will have approximately 7,600 beds. So next year it will be necessary to provide for additional operatives, since it takes 9 operatives to every 10 beds, or practically 1 operative to every bed. Dr. Boone has testified that, with very few exceptions, every veteran with a service-connected disability gets prompt attention, and that none are delayed more than 7 days. There is a waiting list of veterans with non-service-connected disabilities, but there always will be.

Mr. HUMPHREY. The Senator may recall that it was my privilege—should I say responsibility?—to be the chairman of a special subcommittee on veterans' medical care of the Committee on Labor and Public Welfare. I was appointed by the distinguished Senator from Montana [Mr. MURRAY]. We went into this whole medical program. Did

the appropriations subcommittee obtain any information as to whether the cooperative relationships between the Veterans' Administration and the deans' committees on medical activities are as good as they were? Is that relationship still as good as it was?

Mr. SALTONSTALL. We did not go into that question, I will say frankly to the Senator from Minnesota. I can only say that the representatives of the Veterans' Administration on the medical side felt that we had provided sufficient funds for them to give proper service.

Mr. HUMPHREY. If we should be confronted with an increased load in the hospitals, I understood the Senator to say we can always resolve that problem by a deficiency appropriation.

Mr. SALTONSTALL. If we absolutely have to; but a deficiency is not expected, I think. It may be expected in appropriations for statutory items such as pensions and veterans' benefits and that sort of thing, where specific amounts are required. The Veterans' Administration estimates that it has sufficient money for that purpose for 10 months. We have very clearly set forth in the report that if more money is needed we will grant a supplemental budget. This year we granted $235 million. There will be an estimate of approximately that figure next year. It is an educated guess because there are three new statutes this year and new veterans are coming under the law. So the best we can say is that the appropriation will probably be on the under side, but, we have allowed a 10-percent movement between the statutory accounts, if one account is running up and the other is running down.

Mr. HUMPHREY. There is some flexibility, so that there can be a transfer of funds in case of need; is that correct?

Mr. SALTONSTALL. Yes.

Mr. HUMPHREY. As I understand, there is no change of policy with reference to veterans' medical care.

Mr. SALTONSTALL. There is one change, and that is in the dental service.

Mr. HUMPHREY. It is in the outpatient dental service, is it not?

Mr. SALTONSTALL. Yes. It is placed on a fee basis, and a veteran must, within a year after the passage of the act, make application for dental service, showing that his dental disability is service-connected.

Mr. HUMPHREY. But there has been no change other than that; is that correct?

Mr. SALTONSTALL. That is correct.

Mr. HUMPHREY. One of the finest hospitals we have, in terms of medical care, is the Fort Snelling Hospital, which was one of the initiators of what we call the deans' committees to staff hospitals with universally trained technicians and physicians. I have received reports that the military is moving in and enlisting the services of many technicians and specialists. The hospital lost a pathologist. I think the Senator knows that a top-grade pathologist is very difficult to find. I hope that somewhere along the line the proper authorities will give note to the fact that veterans' medical care is priority medical care, because the large veterans' hospitals which we have opened at great cost to the people of the country cannot be properly staffed if their specialists, the heads of departments of medicine, are going to be removed and taken away, thereby leaving a hospital without a proper technical staff.

Mr. SALTONSTALL. I agree with the Senator from the bottom of my heart. That is a problem in every hospital.

Mr. HUMPHREY. I am sure the Veterans' Administration will be reviewing the whole legislative record, and I think we should express our concern about it, because we all know that if 2 or 3 key persons, who are the heads of the department of neurology or orthopedic surgery or pathology are taken, the hospital is practically demobilized.

Mr. SALTONSTALL. I realize that if men like Dr. Cushing and other great physicians are taken away from a hospital, it is a very serious matter.

Mr. HUMPHREY. I thank the Senator from Massachusetts. He has done a magnificent job.

Mr. KEFAUVER. Mr. President.

The PRESIDING OFFICER. The senior Senator from Tennessee is recognized.

Mr. GORE. Mr. President, will the Senator yield for the purpose of suggesting the absence of a quorum?

Mr. KEFAUVER. I yield.

Mr. GORE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEFAUVER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KEFAUVER. Before explaining the amendment I have offered on behalf of several other Senators and myself, I wish to pay very high tribute to the distinguished Senator from Kentucky [Mr. COOPER] and the distinguished Senator from Alabama [Mr. HILL] for the very excellent explanations they made of the value and importance of the resource development fund to the Tennessee Valley Authority and to the Nation. Also, I desire to compliment the distinguished Senator from Massachusetts [Mr. SALTONSTALL], chairman of the subcommittee, and the other members of the subcommittee with whom he conferred, upon their recognition of the importance of the continuation of the resource development program of the TVA.

The amount agreed upon in the compromise for the program is not the amount requested by the President in his budget or by the Tennessee Valley Authority, but we hope it will enable TVA to carry on the very essential work which, under the TVA Act, they are directed to do, namely, unifying river development, protecting the forests, and developing an agricultural program, so that silt will not fill the reservoirs, thus enabling them to be used to their greatest extent.

The pending amendment would provide $30 million to commence construction of the so-called Fulton steam plant, which would be constructed 30 miles north of Memphis, and which the Tennessee Valley Authority says it needs in order to prevent a power shortage of substantial nature beginning in 1956. The item was included in the budget submitted by former President Truman. It was not included in the latest budget, and it has not been included by the committee.

I hope and believe that if the Senate will consider the matter very carefully, it will agree that, in the interest of carrying out the contract between the people of the Tennessee Valley and the Federal Government, and in the interest of our own defense effort, particularly the atomic energy program, the money should be appropriated, so that construction of the steam plant can be commenced this summer.

In the first place, it should be kept in mind that 3 years are required to build a steam plant, so if the power demand in 1956 is to be met, construction will have to be started this summer. Not only will 3 years be needed in order to construct the steam plant, but orders must be placed for large furnaces, generators, and other very heavy equipment, manufactured by General Electric and other industries, which cannot be furnished in less than 3 years. I understand the Tennessee Valley Authority has been able to build hydroelectric facilities and steam plants in a shorter time than has been taken by any governmental agency or private corporation. Three years is the shortest time within which the proposed steam plant can be constructed.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. HAYDEN. I am concerned about two things. First, will there be actual need for the power 3 years from now? I understand an allegation was made in the House committee report that the Tennessee Valley Authority had consistently overestimated its demands for power. Of course, that charge has been made with respect to power generated elsewhere in the United States, but in actual effect and practice the generation of power has not kept up with demand.

What is the situation in the Tennessee Valley now, and what will be the probable situation 3 years from now?

Mr. KEFAUVER. I am very happy the distinguished Senator from Arizona has asked the question. That is the crux of the whole matter. According to testimony by private power witnesses and others, the Tennessee Valley Authority has an excellent power department. Mr. Wessenauer, who is head of the power department of TVA, is highly spoken of. Everyone says he is completely capable of estimating the needs of the Tennessee Valley.

The fact is that, based upon a 3-year estimate of the needs of the Tennessee Valley, TVA has always been on the conservative side, slightly underestimating, 3 years in advance, the amount of power that would be needed 3 years hence. Information to corroborate this statement will be found at page 94 of the hearings. Of course, in this instance, for the purpose of constructing a steam plant, the estimate must be made 3 years in advance.

For example, in 1950, TVA estimated its demand at 2,700,000 kilowatts. Actual demand was 3,200,000.

In 1951, the estimate was 2,900,000 kilowatts. Actual demand was 3,800,000 kilowatts.

In 1952, the estimate was 3,500,000 kilowatts. Actual demand was 4,200,000 kilowatts.

Based upon a 2-year estimate, as is shown in a table in the middle of page 94 of the hearings, it will be seen that the Tennessee Valley Authority has slightly underestimated the power needs. For instance, in 1947 the need was estimated at 1,800,000 kilowatts. Actual demand was 2,200,000 kilowatts.

In 1948 the estimated demand was 2,200,000 kilowatts. Actual demand was 2,500,000 kilowatts.

In 1949 the estimated need was 2,500,000 kilowatts. The actual demand was 2,700,000 kilowatts.

Based upon a 1-year estimate of demand and the need, TVA about half the time has slightly underestimated its need, and half the time has slightly overestimated its need.

The confusion in the House hearings grew out of these facts. The House misinterpreted certain figures. They took figures as to what was actually used during some years. As a matter of fact, during some years TVA has had to curtail greatly the use of power. It has been necessary to place advertisements in the newspaper giving notice of the curtailment of the use of power. There have been brownouts to enable the defense effort to have more power. They have had to let the Aluminum Co. and other defense industries have a little less power. So the amount which was used did not actually reflect the demand. It was based upon some miscalculations of that sort that the House report contained an error in its statement.

Mr. HAYDEN. The other matter which interests me is this: As the Senator knows, for a long time I have served on the subcommittee of the Senate Committee on Appropriations which handles the Interior Department appropriation bill. In that bill money is provided for the Bonneville Power Administration and for the United States Reclamation Service and its various power activities. We have made it a rule—and have followed it very consistently—that, where private enterprise could undertake the generation, and particularly the delivery, of power, it was better to let private enterprise do it if it could be done so that, so far as the consumer was concerned, he would suffer no disadvantage. That general principle was stated in the report which was submitted to the Senate this year on the Interior Department bill. The report stated:

> The committee reiterates its view that efforts should be made to secure wheeling contracts wherever possible, and that the Federal Government should build transmission lines only when such agreements cannot be negotiated at comparable costs to consumers; the only exception to this policy should be with respect to main lines for the purpose of connecting Federal hydroelectric plants.

In other words, we have preferred to have private enterprise do the work when it would do it at a cost comparable to the cost of the Government providing the facility. If the cost is far out of line, and we cannot get the private companies to come down in their wheeling charges to reasonable prices, we say, "All right; the Federal Government will have to build the line." The effect has been generally that the private power companies have been willing to do the work. In that way we have been very successful in saving the appropriation of large sums of money.

What I should like to know with respect to the Fulton steam plant is this: Is there any private power company, or group of private power companies, which would be willing to install electrical capacity to meet the needs of the Atomic Energy Commission and the communities generally in that area, so that the Federal Government need not invest $30 million in this plant?

Mr. KEFAUVER. Answering the question specifically, I will say to the Senator from Arizona that there is not.

Mr. HAYDEN. Has any effort been made to contact the private power companies in that area or adjoining areas, to see whether the power could not be transmitted to the TVA from some reasonable distance? Are any steam plants being built nearby which could be expanded to do the work?

Mr. KEFAUVER. I will say to the Senator that I recognize the importance, in connection with wheeling contracts, of not having duplicating facilities in the wheeling of power. There is this difference, in that the TVA has a territory which it serves under a contract which has been approved by Congress, or at least there is an understanding with respect to an area. But even if it were a desirable policy for the TVA to buy power from other utilities as one of its primary sources of power, the record does not show that there is any power company or group of power companies in a position to furnish the power which is needed, and which would be supplied by the Fulton steam plant.

There is testimony to this effect: The nearest utility to this plant is the Mississippi Power Co., which is in a holding company which also includes the Arkansas power companies. The operating company is the Mississippi Power & Light Co. The holding company is the Mid-South Utilities, Inc., which operates in the States of Mississippi, Arkansas, and Louisiana. Mr. Wilson, the vice president of the power company, testified. His testimony will be found at page 264. He was asked this question:

> At the present do you have any surplus power?

He answered:

> When our present production schedule is completed by the end of this year we will have some surplus power. Of course, it was built to serve our own loads and not to serve any outside loads, and of course we expect it will be available until our own loads require it.

He goes on to say, however, that if they could have a long-term contract, such as 20-year contract, they might be willing to install some kind of facilities. But there is no power company in that section which has the power available, and which has a definite offer to make with respect to power which would meet the requirements in this case.

Mr. HAYDEN. I can understand the general situation of the Tennessee Valley Authority. It is similar to a private utility; that is, there are certain territories which the utility serves, and it does not want anyone else invading its territory. It is supposed, if it is properly managed, to continue to provide power for the advancing needs of its particular territory.

The Senator referred to the territory served by the TVA, and stated that in that area there was no competition, no private industry at all. But it is not very far away from Mississippi. It is not very far away from Ohio, Arkansas, and other States. I wondered whether there was any evidence which could be produced which would indicate that it might not be necessary to construct this plant at Government expense, because power could be obtained nearby.

Mr. KEFAUVER. There has been no showing to that effect. Mr. Wilson testified that any power that was sold by the Mississippi Power Co. now, unless it had some long-term contract such as a 20-year contract, the price not being arrived at, would be subject to the needs of their own customers in their own area.

Mr. HAYDEN. Of course, there is another factor to be considered, and that is this: Could the power be bought and be transported from any station in the general area and delivered to the Tennessee Valley Authority at a price which would be comparable to the price at which it could be produced in the plant proposed to be built? It would place an undue burden upon the Tennessee Valley Authority to require it to buy power from the outside if such power would cost more than the cost of producing the power in its own area.

Mr. HILL. Mr. President, will the Senator yield?

Mr. KEFAUVER. In a moment.

As a matter of fact, there is a power shortage in most areas. The TVA buys some power from other companies. Sometimes it sells to other agencies. Quite recently, because of the lack of power, TVA has had to pay premium rates for some power, which has cut down the amount of money it has made for the United States Government.

I now yield to the Senator from Alabama.

Mr. HILL. Is it not true that neither Mr. Wilson's company, the Mississippi Power Co., nor any other company, has any dependable power at this time to sell to TVA?

Mr. KEFAUVER. That is correct.

Mr. HILL. All of them said there would have to be a 20-year contract, because they would have to build facilities to generate whatever power they might sell, if they were to sell power to TVA. Is it not true that neither Mr. Wilson nor anyone else would say what the price of such power would be?

Mr. KEFAUVER. That is absolutely true. On page 262 Mr. Wilson said:

> We cannot determine the price of this power until we know all the characteristics and other factors involved in the production and delivery of it.

So the Senator is quite correct. No firm offer has been made, and none proposed.

Mr. HILL. Is it not true that in an interview in the Nashville Tennessean a few days ago Mr. Wilson spoke of the cost or rates being some 50 percent higher than TVA now charges to its distributors who buy its power and distribute it?

Mr. KEFAUVER. That is correct, and he would sell the power.

Mr. HILL. It would be 50-percent higher.

Mr. KEFAUVER. He would propose selling to the TVA, power which, I believe, would be at a higher rate than TVA is now selling it to the city of Memphis.

Mr. HILL. It would be 50-percent higher, according to the interview in the Nashville Tennessean.

Mr. KEFAUVER. That is what he said in the interview.

Mr. MORSE. Mr. President, will the Senator yield for 2 or 3 questions bearing on the problems raised by the questions of the Senator from Arizona?

Mr. KEFAUVER. I yield.

Mr. MORSE. Am I correct in understanding that the steam plant being asked for by TVA is to serve consumers in an area now supplied with power by TVA?

Mr. KEFAUVER. That is correct; and in further answer to the question, it is to serve consumers in the area supplied by TVA, the area having been tacitly agreed upon and approved by Congress.

Mr. HILL. Mr. President, will the Senator from Tennesse yield in that connection?

Mr. KEFAUVER. I yield.

Mr. HILL. Is it not correct to say that the private power companies and TVA have scrupulously carried out their agreement?

Mr. KEFAUVER. Yes.

Mr. HILL. TVA does not seek to get into the territory of others or to extend its power? In other words, both sides, the private power companies on the one hand and TVA on the other hand, have scrupulously lived up to their agreement setting the limits of the territories for TVA?

Mr. KEFAUVER. That is correct. Mr. Barry, the president of the Alabama Power Co., and others testified that there was a good understanding between them and there had not been any effort on the part of TVA to extend its territory, and that they were both living up to the understanding or tacit agreement with reference to the territory involved.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I yield.

Mr. MORSE. Am I correct in my understanding that the amount of power to be generated by the proposed steam plant is needed to firm up the power program in that area and to supplement the power consumers will need within the next 3 or 4 years or more, and that, without TVA, they would be confronted with the choice either of having an inadequate supply of power or the necessity of bringing power in?

Mr. KEFAUVER. The Senator is right in the respect that unless the plant is built TVA will have to tell its customers, the farmers and homeowners and industries, that they can expect a power shortage in 1956, because of the power being used by the Atomic Energy Commission and other defense plants, which must be supplied.

It is not altogether correct to say that it is for the purpose of firming up the hydroelectric power. TVA would be firming up the hydroelectric power, and that would be the way it would be operated, except for the fact that in 1956 or next year, one-half of all the power produced will be used by the Atomic Energy Commission plant located in the valley, which frankly requires more power, and that fact requires them to go beyond the point of firming up the power. So it is necessary to build the steam plant to furnish the power users in the valley, plus the Atomic Energy Commission.

Mr. ELLENDER and Mr. MORSE addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. KEFAUVER. I yield first to the Senator from Louisiana; then I will yield to the Senator from Oregon.

Mr. ELLENDER. For the information of my good friend from Oregon, I will say that the record shows that next year, of the amount of power produced in the Tennessee Valley, by what is known as the TVA, 66 percent will be produced by steam and only 34 percent by hydroelectric power generation. So it is not a question of firming it up.

Mr. KEFAUVER. That is by 1956, I believe.

Mr. ELLENDER. By 1954. By 1956, 67 percent of it will be produced by steam and 33 percent by hydroelectric power.

Mr. KEFAUVER. If the Senator will deduct the amount of power used by the Atomic Energy Commission it would be on the basis where hydroelectric power is being firmed up by steam power. It is by virtue of the demand of the Government of the United States on TVA, which they would gladly comply with, that they furnish power. It enabled us to get the atomic bomb sooner than we could otherwise have got it. That is why the situation exists which the Senator from Louisiana has described. I do not believe that the people of the Tennessee Valley ought to be penalized with respect to the power being produced at the dams because such a large proportion of the power is being used for atomic-energy development.

Mr. ELLENDER. I do not believe the people of Tennessee ought to be penalized. The Senator from Tennessee heard my good friend from Montana [Mr. MURRAY] state that because there was not adequate power in his State the plant that was supposed to have been built in Montana was transferred to and built in the Tennessee Valley area.

Mr. KEFAUVER. I shall come to that later. I will discuss the transferring of plants later.

Mr. ELLENDER. I wonder whether my good friend will tell us to what extent there is on the Government the obligation he speaks of, to build the steam plant. Are we to understand that the Senator is advocating that so long as there is a power shortage in the valley the Federal Government will be bound to build steam plants to meet the power shortage? Is that what the Senator contends?

Mr. KEFAUVER. That is the historic and legislative background of the obligation of the United States Government, in my opinion.

Mr. ELLENDER. If the Senator will examine the record he will find that many of us, including myself, voted to build steam plants so long as it was necessary to firm up hydroelectric power; but beyond that I did not think the Federal Government should undertake to build such plants.

Mr. KEFAUVER. I appreciate the fact that the Senator from Louisiana has always supported the building of dams and steam plants for the purpose of firming up power. That would be the situation today, except for the fact that the Government, in its wisdom, decided that it would produce atomic energy quicker by locating the plants at Oak Ridge and Paducah. I will say that there is a contract or an agreement or an obligation on the part of the Government to have TVA furnish power to the people in the valley, because in 1939, as the Senator so well knows, TVA had some generating facilities, hydroelectric power and perhaps a steam plant—no, it did not have a steam plant then, except the one at Wilson Dam—but at that time, an agreement was reached between cities that they would buy certain distribution systems from private power companies, and between cooperatives, which would buy distribution systems from power companies out in the country, or REA cooperatives, and TVA bought transmission lines and certain generating facilities.

That contract was approved by Congress. There was also set out in that contract, or at least impliedly set forth, the area that would be served by TVA, by counties in Alabama and Mississippi and Kentucky, and certain sections in Tennessee and North Carolina. So, whether we believed in TVA in the beginning—and I want it understood that I did and have always believed in TVA and fought for it—that is the situation we are now confronted with, namely, because of the atomic energy program and other programs we will have a power shortage in the valley which will penalize the people there and place a lid on their economic development, unless the funds for the construction of the steam plant are appropriated.

Mr. ELLENDER. Mr. President, will the Senator yield further?

Mr. KEFAUVER. I yield.

Mr. ELLENDER. The question was asked as to whether private enterprise has offered to build a plant of sufficient size to furnish the energy. I refer my good friend to page 261, and the question asked by the Senator from Virginia [Mr. ROBERTSON]:

> Senator ROBERTSON. This Fulton plant will produce an estimated 450,000 kilowatts. Would your company be able to furnish by the time we could get the Fulton plant built, and in operation, the extra 50,000, or is there some other company that could come in and help out on that?

Mr. WILSON. Our company would be willing to contract to furnish the 450,000 kilowatts.

Mr. MORSE. At what price?

Mr. KEFAUVER. Yes, Mr. President; that is what Mr. Wilson said.

Mr. ELLENDER. Mr. President, he further said that the energy could be produced and sold by him as cheaply as it could be produced and sold by TVA, if allowance were made for the taxes TVA does not pay.

Mr. MORSE. That was his boast.

Mr. KEFAUVER. Of course, he said later he did not know what price he would have to charge; he said that if they tried to sell any now, it would be subject to the demand of the local people; and that if they furnished any substantial amount, they would have to have a long-term contract; and he said the price would depend upon many, many other factors, which could not be known until conditions there developed.

All we are asking is that the TVA be allowed to operate in the way any utility does. Any utility has the responsibility of estimating the power needs of its section in the years to come.

In this case the estimate must be made for the power needs in the year 1956. A utility should not have to depend upon getting power here, there, or elsewhere, and upon contracting with another utility, when it does not know the price it will have to pay. The TVA has contracts in which the price is set forth. The TVA sells the power to Memphis and to the Atomic Energy Commission. If the TVA has to pay the Mississippi Power Co. more per kilowatt for power than it sells the power for, the TVA will not be able to amortize and pay off its investment in 40 years.

Mr. ELLENDER. We would not expect the Mississippi Power Co. to compete with the TVA. The record shows that private concerns could produce power from a steam plant just as cheaply as the TVA could, provided the private concerns paid no taxes and were able to have a low interest rate, as is the case with TVA.

Mr. KEFAUVER. I think I can show—I shall do so a little later—that the Government is obtaining by far a greater return from the TVA than the Government would obtain in taxes from a comparable utility company.

Mr. ELLENDER. As I understand the Senator from Tennessee, his idea is that so long as there is a necessity for electricity within the TVA area, the Federal Government should build as many steam plants as may be necessary, in order to provide whatever electricity is needed.

Mr. KEFAUVER. I think that is the obligation of Congress, under the legislation which has been enacted.

Mr. MORSE. Mr. President, will the Senator from Tennessee yield to me?

Mr. KEFAUVER. I yield.

Mr. MORSE. Is it not true that the area for which the steam plant is requested has attracted industry and other large consumers of electric power, because of the TVA program?

Mr. KEFAUVER. The record shows that this section has built up greatly, that the power needs in the Memphis area in 1935 were a little more than 100,000 kilowatt-hours, but that now they amount to 1,350,000 kilowatt-hours. So the Senator from Oregon is correct.

Mr. MORSE. Is it not true that the steam plant which is requested would be located in an area as to which there is a general understanding that it would be served by the TVA, and not by power companies?

Mr. KEFAUVER. There is a general understanding, under the TVA contracts.

Mr. MORSE. Is it not true that the request for the steam plant is for one to be built in an area where, if private monopoly were let in—and please note that I refer to private monopoly, instead of private enterprise, because a private utility is not a private enterprise; it is a private monopoly, which is quite a different thing—then there would be created to a considerable degree what we call economic and jurisdictional disputes, which would not result in economic savings, but would result in economic waste?

Mr. KEFAUVER. That is exactly correct, and the purpose of the 1939 contract was to prevent such duplication and economic waste because of competing systems.

Mr. MORSE. Is it not true that the area for which the steam plant is requested is one which we should frankly admit is a part of a public-power program area?

Mr. KEFAUVER. That is correct. It is a part of a public-power program area; and the TVA is a very well run Govment corporation, and a very successful one.

Mr. MORSE. Is it not true that the steam plant the Senator from Tennessee is requesting would pay for itself, on a self-liquidating basis, and then would continue to pour into the Treasury of the United States profits from its operations?

Mr. KEFAUVER. I appreciate that question by the Senator from Oregon. The fact is that as of the present time the Government has approximately $555 million invested in the electrical property of the Tennessee Valley Authority. By statute, the total electrical investment must be paid back to the Government within 40 years.

As of the present time, the Tennessee Valley Authority has actually paid to the Government, in retiring its obligations, $86 million. It is ahead of schedule. In addition, $207 million has been earned by the TVA and has been put back into its system—into transmission lines and other properties, in building up the system, which has been authorized by Congress. So over a period of years, the TVA has earned, on its electrical operations, approximately 5 percent on the Government's investment in power.

Mr. MORSE. On the basis of that explanation, is it not true that if the people, through Congress, proceed to construct this steam plant, in order to work out a coordinated program with the hydroelectric power dams, as a part of the public-power program of this area of the valley, the final result of the investment will be a capital asset owned by all the people of the United States, rather than by a private monopoly?

Mr. KEFAUVER. That is certainly correct. Forty years after it is built, it will be paid for. It will then be debt-free, and will be owned by the Government of the United States.

Mr. MORSE. I should like to ask two other questions, if the Senator will permit: Is it not true that if we reject this proposal and if we take the position that private monopoly should be allowed to build a steam plant in the area on any such general noncommittal terms as those testified to by Mr. Wilson in regard to what would be the ultimate cost to the taxpayers of the United States, it would simply amount, in fact, to having a private monopoly go into a public power area and having the taxpayers of the United States build the plant for the private monopoly, because certainly it will not operate the plant at a loss, but will charge rates sufficiently high to pay for the plant and also to provide a profit, at the expense of the taxpayer?

Mr. KEFAUVER. I think the Senator from Oregon is entirely correct.

Mr. MORSE. Is it not true that when we come to consider the argument about the tax contribution of private utility monopolies, it is easy to overlook the fact that the contribution of those utilities to the Federal Treasury, through taxes, amounts to much less than the contribution to the Federal Treasury as a result of the operations of such an institution as TVA, because TVA is able to supply consumers with cheaper power, and cheaper power means more new industries and more new jobs; and more new industries and more new jobs, along with the expanding economy which they promote, result in the payment of more taxes, by many fold, than ever would be paid by the priviate utility whose operations would restrict, rather than expand, the economy?

Mr. KEFAUVER. There is no question about it.

Furthermore, when we add what the Tennessee Valley Authority pays by way of tax replacement to the States and counties—which is in the neighborhood of a little less than $4 million—to what the REA's and the city distribution systems pay—which is also in the neighborhood of $4 million—we find that the total is a great deal more than any private power company in the section ever paid, and is comparable to what a private power company engaging in the same operation would pay.

Taking into consideration the fact that TVA is earning a profit of 5 percent, which is at least 2½ percent more than the rate at which the Government can borrow money, it will be seen that that more than makes up for any possible little tax loss. It is true, as the Senator has said, that such projects build up the economy of the entire Nation.

While I am referring to tax matters, I should like to point out that back in 1933, when the TVA first came into existence, the people of the seven States in the area covered by the TVA were paying 3.4 percent of the Nation's income taxes, a very small percentage; but in 1951 the ratio had just about doubled. They were at that time paying 6.3 percent of the Nation's income taxes. Undoubtedly, that was the result of the

activities of the Tennessee Valley Authority. The people of the area were able to contribute greatly to the taxes which are used in paying the expenses of running the affairs of the Nation.

Mr. MORSE. Mr. President, I thank the Senator for his answer to my questions, because I believe it is important to have them in the RECORD for future reference.

If he will permit one final question, let me ask if the Senator is aware of the fact that the taxpayers of the United States, under the program of tax amortization, have to date contributed to the private utilities of America, in round numbers, $3 billion of plant value? Does the Senator realize that that amount has been given to private-utility monopolies gratis, for nothing, out of the pockets of the taxpayers? I may say that is why one does not find the Senator from Oregon shedding any tears over the treatment the private-utility monopoly has received from the Government.

But I join with the distinguished Senator from Tennessee in saying I am not going to be a party to letting private utilities creep into the Tennessee Valley area to take over the people's property at a tremendous profit to private monopoly. I am going to oppose the contention that TVA constitutes creeping socialism. I am going to do what I can to protect the American people from creeping monopoly.

Mr. KEFAUVER. I appreciate the observation of my friend, the Senator from Oregon. Of course, nothing would kill the Tennessee Valley Authority quicker than for it to be placed at the mercy of private utilities and be compelled to buy power at premium rates from private utilities surrounding the TVA. That would be exactly the weapon the private power companies would like to have in order to destroy TVA. They could charge high prices, and they would then be relieved of the burden of distribution. The TVA would not be able to meet its obligation to the Federal Government to pay off its indebtedness. It would not be able to operate as any other utility operates, in estimating and in supplying its own needs.

Mr. President, I have here the statement of R. B. Wilson, president of the Mississippi Power & Light Co., of Jackson, Miss., which appears at pages 260 and following of the hearings on House bill 5690. In his testimony Mr. Wilson had spoken of offers to sell power to TVA. He was asked to read from a letter he had received from Mr. Wessenauer, manager of power, Tennessee Valley Authority, Chattanooga, Tenn., in reply pointing out that there was no firm offer on Mr. Wilson's part to sell power to TVA. I ask unanimous consent to have printed in the RECORD at this point in my remarks an excerpt from the letter which appears at page 262 of the hearings.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Reverting again to price, you are unwilling to say even that you could sell firm power to TVA at a price of $1.50 per kilowatt per month, which was approximately the price you quoted for nonfirm power which we pointed out would be half again as much as the price which TVA resells the power to municipalities and cooperatives.

Inasmuch as the capacity of our existing interconnections is limited to approximately 100,000 kilowatts, all of which is usefully employed in economy interchange between our two systems, the delivery of any substantial blocks of firm power would require new generation. Your proposal would involve heavy cost of transmission. As you stated in your testimony before the House subcommittee, generating capacity should be located as close to the major load centers as practicable in order to minimize energy losses in transmission. The price at which you sell nonfirm is higher than you charge us for power you sold us last year for delivery to AEC. At a load factor of 50 percent, for example, the price would be well over 7 mills per kilowatt-hour. You expect this price to increase between now and 1956, because of the application of the fuel clause. As to the nonfirm power, we may have some use for it as a source of interim power for AEC during the coming winter. As for the firm power we would of course be willing to consider any offer you made, but an offer without a price is not an offer. Our discussion certainly suggested no basis for any hope that we could buy power from your system remotely comparable with the cost of providing power from the new stations in our own system.

Mr. KEFAUVER. Mr. President, during the hearings on the pending bill, the distinguished Senator from Louisiana recognized the burden the heavy atomic energy load had placed upon the Tennessee Valley Authority, and the injustice that might be done to the people of the TVA region if they suffered a power shortage as a result. But he advocated that the atomic energy plants themselves should have standby plants to take care of the increased load.

Mr. President, the fact with which we are faced is that it was not handled in that way. The atomic energy plants rely upon the TVA for power, and I think it is probably wise that standby plants were not built in connection with those plants, for reasons I shall state. In the first place, the atomic energy authorities have enough problems in running the atomic-energy business. They are not in the power business. If they had mammoth plants they would also have to organize a power division. The TVA is already in the power business, and has a competent group of engineers and technicians to operate the business.

In the second place, Mr. President, if the atomic energy plants were to rely for power upon their own standby plants or their own steam plants, they would have to have a much larger capacity than would otherwise be needed, in order to take care of breakdowns. In the event of the occurrence of difficulties, they would have to have some means of continuing their power supply.

In the third place, both would still be owned by the Government, 1 by the TVA, 1 by the Atomic Energy Commission.

In the fourth place, in the event one of the atomic energy plants did not need the power, I think it would be best to have it handled through an integrated system, so that the power throughout the TVA system could be used somewhere else.

The records show that the TVA has saved the Government a great deal of money by giving the Atomic Energy Commission a low rate. I think we should consider that a 1-mill increase in power sold to the Atomic Energy Commission, which in 1956 will use 50 billion kilowatt-hours, would cost the Government $50 million a year. The TVA is selling power to the Paducah atomic energy plant somewhat cheaper than the five power companies, who got together and who are furnishing about 40 percent of the energy there.

Mr. President, what will the Tennessee Valley Authority tell the people within that area in 1956, if they do not have sufficient power? Is the Congress to deny the TVA funds with which to build a steam plant, and will it require the TVA to say to its customers, "You cannot have sufficient power"?

In the city of Memphis there will definitely be a shortage, and I think it should be pointed out that Memphis is now getting its power from the new Johnsonville steam plant and from the Pickwick Dam, both of which are more than 125 miles away from the city of Memphis. Nine percent of the powerload is lost in transmission, so that it would be more economical, not only in supplying the city of Memphis, but also in meeting other needs in west Tennessee, as well as any possible additional need at the atomic energy plants in Kentucky, if funds were authorized for the steam plant.

Mr. President, I do not think there is any substantial dispute in the RECORD as to the correctness of the estimates of the TVA with respect to their power needs. The whole record shows they have been conservative in their estimates. Certainly, the engineers of the TVA are in a better position to estimate the power needs of the Valley than is someone who is not in the Valley. They have the experience of the past.

It will be found that in the record there are some of the various cities and the cooperatives who have made estimates as to what their needs in the future will be with reference to power. A very good cross section of these estimates is contained in letters in response to letters which I wrote asking that they give the Senate their estimates of needs. Their percentage of increase is greater than that estimated by the TVA, but they certainly bear out the estimate made by the TVA.

Something has been said, Mr. President, from time to time regarding charges that the Tennessee Valley Authority is pirating industries from other sections. There have been statements made to the effect that the TVA might be pirating industries from New England. That is not the policy of the TVA, and that charge is untrue. A survey showed that only 10 small industries have moved into the TVA area from some other region, with a total number of employees of less than 600. When a survey was started as to why they had moved into the TVA area, the first person who was asked the question said he wanted to get away from his mother-in-law. But in no case was the rate of TVA power the determining factor in connection with their moving.

We have developed our own industries in the Tennessee Valley region. The chemical industry and the aluminum industry were there to begin with.

Through the TVA forestry program we have one industry which will make paper, and there are other industries dealing in woodworking.

Under the agricultural program there is more grazing land. There is a large milk and cheese industry, so that we have cheese factories. The shoe business in the valley has built up. The TVA has not been taking industries from other sections.

Most of the articles which TVA has purchased, such as generators and dynamos, have come from other sections of the United States. I have here a record which shows that a very substantial amount comes from almost every State in the Union. The manufacturing of those articles furnishes employment in other States. Milking machines, radios, television sets, and other electrical apparatus bought in large amounts in the Tennessee Valley area are largely made in other sections of the United States. That has added greatly to the payrolls in other sections.

I placed in the CONGRESSIONAL RECORD on July 1 a breakdown of what the TVA itself had been buying from other States. The amount expended, as I recall, was somewhere in the neighborhood of $700 million.

Mr. President, I hope the Senate will do the right thing by the people of the Tennessee Valley who are dependent upon the TVA for electricity. The issue as to whether they would be dependent was settled a long time ago. They are now dependent, because that issue was settled and approved by the Congress itself. There will be a shortage of power in the Tennessee Valley because of the fact that atomic energy plants and other defense installations have taken so much electric power.

We are not engaged in firming up electricity because of that fact; but the TVA should not be penalized.

I hope very much that the Senate will agree to this amendment.

Mr. HILL. Mr. President, in his able address in behalf of the amendment the distinguished Senator from Tennessee said that, according to the estimates of the Tennessee Valley Authority, unless money is provided now for the construction of the plant to which reference has been made there will be a shortage in the Tennessee Valley in 1956 of approximately 156 thousand kilowatts of power.

As the Senator from Tennessee has emphasized, great steam plants can not be constructed over night. It takes 3 years from the time the building is started until there is a completed plant which will produce the necessary kilowatts of power.

So, Mr. President, if we are to have this plant and to have the power from it made available, if we are to avoid the shortage which the estimates of the TVA show we shall have in 1956, we must make available now the money for its construction.

In 1939 the Congress of the United States, in its wisdom, passed a law providing for the purchase of all facilities within the Tennessee Valley area owned and operated by private power companies. That act provided for the purchase of the Tennessee Electric Power Company. So, after the passage of the act of 1939 and the purchase of the facilities of private power companies, the only generating and distributing system in all the Tennessee Valley was the Tennessee Valley Authority. That is the situation today. The only source of power in the entire Valley region is the Tennessee Valley Authority.

As was brought out by the Senator from Tennessee, when the Act was passed in 1939 and the facilities of the private power companies were purchased by the Government, there was what might be termed a gentleman's agreement entered into between the TVA, on the one hand, and the private power companies in the adjacent areas, on the other hand. Both the power companies and the Tennessee Valley Authority have scrupulously carried out the terms of the agreement. The TVA has stayed within the territory prescribed for it in the agreement.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield for a question?

Mr. HILL. I yield.

Mr. KEFAUVER. I have before me the hearings held by the House Military Affairs Committee with reference to the 1939 act, whereby the purchase of the properties was approved. The Senator said there was a tacit agreement between the TVA and the private power utilities in reference to the TVA furnishing power in this area. According to the hearings and the report of the House Committee, the tacit agreement included also the House Military Affairs Committee, the House of Representatives, and Congress itself.

Mr. HILL. The Senator is correct. Congress was a party. It approved the agreement, and really made itself a party to it. By the action of Congress, and by the agreement, TVA became the sole generator source of power within the Tennessee Valley area. Congress intended that within that area the Tennessee Valley Authority should be the sole and only generator source of electric energy.

The people of the Tennessee Valley have looked to TVA since 1939 as their one source of electric energy, just as today TVA is the only source of electric energy in the valley. Not only do the people look to the Tennessee Valley Authority, but the TVA, acting under the direction of Congress, as provided in the act to which the Senator from Tennessee has referred, and in carrying out provisions of the act, has entered into contracts with municipalities, farmer cooperatives, and distributors of power, to meet the power needs. As we know, most of the contracts are for a period of 20 years. So by the action of Congress, the people in that region have a right to expect that the Tennessee Valley Authority will fulfill their needs for power.

Mr. KEFAUVER. Mr. President, will the Senator yield further?

Mr. HILL. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Is it not also true that cities and cooperatives distributing power have invested large sums of money in distributing systems?

Mr. HILL. Relying on the action of Congress, and on their right to obtain power from TVA, as provided by Congress, municipalities, rural cooperatives, and other distributors have made an investment of more than $400 million in distribution systems.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HILL. In a moment. I wish to emphasize the fact that the Tennessee Valley Authority has sought to decentralize the distribution of its power, just as it has sought to decentralize many of its other activities, as I brought out earlier.

For example, the Tennessee Valley Authority does not carry power to individual homes or individual farms. It has contracts with some 150 distributors. The Tennessee Valley Authority makes direct sales to a few large industries, such as the Aluminum Company of America, but that practice has grown out of a situation in which the Tennessee Valley Authority found itself when it came into the valley. However, it has contracts with some 150 local distributors of all kinds. The distributors buy power from TVA, and, in turn, distribute the power over their own lines.

I now yield to my colleague, the junior Senator from Alabama.

Mr. SPARKMAN. I did not ask my colleague to yield for this purpose, but since he has spoken about individual distributors, I naturally thought of my own home town, which was one of the last to become a distributor following enactment of the measure we have been discussing. The city paid $1,600,000 for a distributing system. Bonds were issued in the amount of $1,750,000, extending over a period of 20 or 25 years. Since that time the city has added $4 million to the distribution system. It has undertaken the distribution of power to a farming area through rural electrification, and has a 99 percent saturation in the service of the rural area. A week or so ago some 10 or 15 years ahead of time, the city paid off the last of its bonds. Consumers have been saved $7 million. A half million dollars has been paid to the city in lieu of taxes.

That is one of the 150 distribution systems which have been distributing power, and it has a right to rely on TVA to continue to furnish power to meet the needs of the normal growth of that community, as has every other community, and also the rural population.

The amount of power consumed by the rural population is no small item. Practically every area in north Alabama served by TVA has reached a saturation point of 99 percent of service in the rural areas.

Mr. HILL. I wish to thank the junior Senator from Alabama for his contribution to this debate. In that connection, I call attention to the fact that we have now moved fully into what may be called the power age. Last year municipal cooperative systems distributing TVA power required for their customers three times as much electricity as during the last year of World War II. When I speak of cooperative systems, I mean farmers' cooperatives and the REA. Homes and farms of the region were using more than five times as much

electricity as they used in the last year of World War II. From 1945 to 1953, a period of 7 years, there has been this enormous increase in the use of power.

As the junior Senator from Alabama has illustrated, his lovely home city of Huntsville did not bring TVA into existence. Congress did that. Congress gave TVA a preemption of the territory, and made it the sole and only generator source of electricity there. In the act it passed Congress said to the people in so many words, "TVA will supply power. It is to TVA that you can look. It is to TVA that you must look for your power."

Mr. SPARKMAN. Mr. President, will the Senator yield further?

Mr. HILL. I yield.

Mr. SPARKMAN. We have been hearing much about the tacit agreement. I hope the senior Senator from Tennessee will listen to what I am about to say. I am referring to the tacit agreement in the law of 1939. It is true there is no provision written into the law that says, "Thou shalt not move into this territory." However, I sat through every single minute of the House hearings. I was a Member of the House and of the Committee on Military Affairs at the time of the hearings. As a matter of fact, I introduced the bill in the House. If today we were to read those hearings, we would find there was not much of anything that was tacit, so far as the hearings were concerned. If I remember correctly, even in the law itself the territory was outlined. Twelve counties in Alabama were named individually, one by one. Birmingham and Tarrant were named.

Mr. HILL. That is correct.

Mr. SPARKMAN. North Mississippi and all of Tennessee, with the exception of a little corner in the northeastern part of the State, were named.

While it was not provided that there should be no passing from one territory to another, the territory was outlined in the law, and certainly all the testimony and debate relating to it were to the effect that TVA thereafter would serve that territory, and that private power companies would serve the other territory.

By the way, that did not come as a suggestion from TVA. Mr. Wendell Willkie was the spokesman for the private power companies. He was president of Commonwealth & Southern at that time, a holding company for various power companies in that area. He was the one who suggested the drawing of the line. I believe it will be found that he advocated that it actually be written into the law.

Mr. HILL. He was at that time president of Commonwealth & Southern, which was the holding company of private power companies in Tennessee.

Mr. SPARKMAN. Tennessee Electric Power, Mississippi Power, and Alabama Power were the three companies which were involved. The suggestion as to the division of territory was made by Mr. Willkie. It was agreed to, and thereafter, in the area which was defined in the act, we had a right to expect that when we went to TVA we would find sufficient power to meet the needs of the average community in its normal growth.

Mr. HILL. The Senator is exactly correct. Unless we provide power for the normal growth of communities there, we put an economic lid on that area. We slap a ceiling down on it. We say, "There can be no further growth." The Senator knows that there can be no further growth today without electric power.

Mr. SPARKMAN. A little earlier reference was made to the fact that Mr. Barry, who today holds a position analogous to that once held by Mr. Willkie, in that he is the head of what is now Southern Power Co., instead of Commonwealth & Southern, testified in the hearing that that agreement had been lived up to meticulously.

Mr. HILL. Yes. He testified voluntarily and of his own free will that TVA, as well as the private power companies, has scrupulously adhered to that agreement. There had been no disposition or effort in any way on the part of TVA to extend its territory, and, by the same token, the private power companies have not sought to enter into TVA's territory.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend, the distinguished junior Senator from Tennessee.

Mr. GORE. I should like to point out that there is nothing whatsoever unusual about this kind of arrangement. The distribution of electricity is essentially monopolistic in its character, because the cost of distribution is so great that duplicating retail distribution systems would be utterly uneconomic. Does the distinguished senior Senator from Alabama know of any large compact areas or any large cities in America which are supplied by competing and duplicating electrical systems?

Mr. HILL. The Senator has well stated the case. The distribution of electricity today is a monopoly.

Mr. GORE. Whether public or private.

Mr. HILL. Whether it be a private monopoly or a public monopoly, it is nevertheless a monopoly. No public service commission today would think for a minute of permitting parallel lines of two separate companies. In its very nature the operation is per se, so to speak, a monopolistic enterprise.

Mr. GORE. Is not the same true of gas distribution?

Mr. HILL. The Senator is exactly right.

Mr. GORE. Those who would condemn the TVA as being a monopoly within a given service area must, by the same measurement, condemn the Arkansas Power & Light Co. and the Idaho Power & Light Co.; indeed, they must condemn not only all electrical utility systems, but gas systems as well.

Mr. HILL. The Senator is exactly right. I thank him for bringing out that point.

What I wish to emphasize is that unless we provide funds for the generation of power by the TVA, we shall strangle this area. We shall have failed to meet the Government's obligation to provide the power needed by the area, because surely there can be no economic growth or progress unless there be more and more power. The other day I saw some figures showing that in more recent years the demand for power generally had doubled throughout the country every 10 years. The demand throughout the United States has increased in the same way it has increased in the Tennessee Valley. Unless we are to slap a ceiling on that area, we must provide this power.

Mr. GORE. Mr. President, will the Senator further yield?

Mr. HILL. I yield.

Mr. GORE. That ever-increasing demand for electricity would not indicate that the electric power industry is an unhealthy industry, would it?

Mr. HILL. Not only would it not indicate that it is an unhealthy industry, but, on the contrary, it would indicate that it is a healthy one. It would indicate a healthy condition in the country, and it would indicate the strength that is America.

Mr. GORE. And a profit.

Mr. HILL. So far as the private power companies are concerned, of course it would indicate a good profit for them. That is another thing to bear in mind when we speak of the power industry.

So far as the private power company is concerned, it is a cost-plus operation. Not only is it a cost-plus operation, but very rarely does any private power company ever try to amortize out or pay off its capital investment. It goes on year after year, with the consumers of power paying the interest rates on the capital invested, paying on the bonds and the preferred stock.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend from Tennessee.

Mr. KEFAUVER. Further substantiating the fact that Congress itself has approved the area within which people in the TVA area should look to it for power, the delineation of the territory is found in section 15 (c) of the TVA Act. That was the result of the hearings to which the Senator from Alabama [Mr. SPARKMAN] referred. A contract was made between Commonwealth & Southern and the TVA. As the Senator knows, section 15 (c) of the act provides for the issuance of bonds by the TVA in the amount of $61,500,000.

Mr. HILL. That was to buy out the Tennessee Electric Power Co. and the Southern Tennessee Power Co., which were the two private power companies still operating at that time in the Tennessee Valley.

Mr. KEFAUVER. The Senator will note that in section 15 (c), subsection 2, of the act, specific counties in Alabama, North Carolina, and Mississippi are mentioned as TVA territory.

Mr. HILL. That is correct. The counties are set forth in subsection 2 of section 15 (c). They are Jackson, Madison, Limestone, Lauderdale, Colbert, Lawrence, Morgan, Marshall, De Kalb, Cherokee, Cullman, Winston, Franklin, Marion, and Lamar Counties in northern Alabama. There are also set forth counties in northern Mississippi. The Senator is exactly correct.

Mr. SPARKMAN. In further support of the necessity for carrying out that agreement, as everyone understood when

it was written into the act, the Senator knows that following that time various communities in Alabama—and I assume that is true in other areas too—tried to get TVA service.

Mr. HILL. That is correct.

Mr. SPARKMAN. They tried to get PWA loans to build their own distribution systems or buy out distribution systerms and tie up with TVA. Without exception they were told that they could not do it because they were not in TVA territory.

Mr. HILL. That is correct. TVA territory was limited. It could not operate outside that territory; and since those communities were not in that territory, therefore they could not get the power. That is absolutely correct.

So we are dealing with a very limited area, but an area which for its power, and for meeting its power needs, is absolutely at the mercy of the Federal Government, through the TVA.

The distinguished Senator from Tennessee [Mr. KEFAUVER] in his speech referred to the TVA estimates, and I shall not impose upon the Senate to go into that question. However, I should like to have placed in the RECORD at this point a table which shows that every one of the TVA estimates from 1947 on down through 1952 which was used as the basis for the addition of any generating facility, or used as a basis for securing any funds to in any way enlarge its production of power or in any way enlarge its electrical plant, was less than what proved to be the actual demand.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE III.—*2- to 4-year advance estimates of demand on TVA system compared to actual demand and dependable capacity*

Year	Advance estimate of peak demand	Actual demand	Dependable capacity [1]	Percent reserve
	Millions of kilowatts	*Millions of kilowatts*	*Millions of kilowatts*	
1947	1.8	[2] 2.2	2.2	0
1948	2.2	[2] 2.5	2.3	−8
1949	2.5	[2] 2.7	2.7	0
1950	2.7	[2] 3.2	2.9	−9
1951	2.9	[2] 3.8	3.5	−8
1952	3.5	[2] 4.2	4.4	5

[1] Includes firm purchases.
[2] Loads curtailed.

Sources: Federal Power Commission, FPC publication: Electric Power Statistics, TVA Statement June 30, 1953.

Mr. HILL. Mr. President, I shall not read the table, but it is a fact that each estimate was less than what proved to be the actual demand.

Of course, the allegation that TVA is always overestimating its needs is as old as TVA itself. I was a member of the House Committee on Military Affairs, and I remember the opposition of the private power companies, which reiterated over and over again that we were going to provide for a great deal of power for which there would be no need, and that a great deal of surplus of power would go to waste, because there would be no purchasers for it. I recall even as late as 1935 Mr. E. A. Yates, of the Commonwealth & Southern Co.—and that is one of the companies to which we have been referring—who was one of the witnesses called by the Senate Committee on Appropriations, testified in 1935 that the area had "surplus capacity sufficient to provide for future growth for the next 6 years based on most optimistic estimates of service to rural, domestic, and industrial consumers."

In other words, they did not need anything in addition. That estimate proved all wrong. We went ahead. In spite of his estimate and his statement, we provided the money TVA said it needed, and every kilowatt of power for which we provided was needed, and every kilowatt was sold, and has brought its return to the Treasury of the United States.

The fact is that in all the 20 years TVA has been operative it has not built one plant, and it has not installed one unit in any one plant, for which there has not been a need and for which there has not been an immediate ready sale of the power generated by the facility or unit.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. GORE. Nor has there been one single year, despite the so-called unneeded construction, in which TVA has not bought power from surrounding utility companies

Mr. HILL. The Senator is absolutely right. TVA has been forced every year to buy power from surrounding utilities, because it did not have sufficient power itself to meet the need. TVA has an astounding record of accuracy in its estimates, particularly when we remember that, for instance, the Edison Electric Institute in 12 successive semi-annual surveys, made during the past 6 years, has found it necessary every time to raise its long-range forecasts. I believe all of us consider the Westinghouse Co. as one of the most reliable and one of the most efficient electrical companies in the United States. Yet we find that they made an estimate in 1947 as to the power that would be needed in this country by 1957, and more power than they estimated would be needed in 1957 was actually needed as early as 1952.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. HILL. I yield to my good friend from Tennessee.

Mr. KEFAUVER. On page 265 of the hearings there will be found a statement by Mr. Wilson, the president of the Mississippi Power & Light Co. He was asked the question as to what he thought about the power system manager of TVA, Mr. Wessenauer. He said, "I have a very high regard and high respect for him."

I quote from the testimony at page 265:

Senator HILL. Do you think he is an able power system manager?

Mr. WILSON. I have a very high regard and high respect for him.

Senator HILL. Do you think he is as capable as most power system managers in estimating power requirements?

Mr. WILSON. I think he is a very capable man; yes, sir.

Mr. HILL. The Senator from Tennessee knows that practically every witness who appeared before the committee representing private power companies was asked that same question by me, and each of the heads of the big power companies testified that way about Mr. Wessenauer's capabilities, and the fact that he was safe and sane on estimates. Is that not correct?

Mr. KEFAUVER. That is correct. I think some of the witnesses testified that a person in the Valley as capable as Mr. Wessenauer is, would be in a better position to estimate the needs of the Valley than someone else on the outside.

Mr. HILL. That was the next point I was going to make, Mr. President. The private power company officials stated that a man so capable in his estimations was better able to make estimates on his own system than would be some outsider who has no connection and no association or relation with that system. He lives with his problem every day. He is there day after day. He knows his system. He knows the needs of his system. He knows the problems of his system. Of course, he is the most qualified man to make the estimates, instead of someone from the outside, who knows nothing about the system. The doctor who examines thoroughly a patient is certainly in a much better position to diagnose the patient's ailment than one who has never seen the patient.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I am glad to yield to my friend from Tennessee.

Mr. GORE. Did not the private-power spokesmen also testify that because of the growing demands on their own facilities, as well as the growing demands on the facilities of TVA, they, the private-power companies, had annually purchased power from TVA, just as TVA had annually purchased power from them, and the relations between them from a business as well as a personal standpoint had been highly satisfactory?

Mr. HILL. They certainly did say that. And they said that that was one of the main bases for the high esteem in which they held Mr. Wessenauer. They dealt with him and came to know him, and they were in a position to pass upon his capabilities.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. HILL. I yield to my distinguished colleague.

Mr. SPARKMAN. I was just reading the hearings held in 1939 by the House Committee on Military Affairs on the act that has been referred to, and I ran across a statement by Mr. Wendell Willkie. I think that if a man knew the power industry, certainly in our area of the country, Mr. Willkie knew it. A question was asked him as to what his estimate was of the ability of TVA to furnish power to an area.

He said:

Well, sir, you see that depends. I do not want to enter into a dispute about that. No man can say exactly about those things. As I said to a group of our engineers the other day, "Every one of you has drawn power charts for me over the period of the last several years, and every one of them has been wrong." They are at most educated guesses. You may say the increase is going to be 10 percent next year and 10 percent

the year after that and 10 percent the next year. They are just using a sharp pencil. Like the old saying, "Give me two suppositions, and I will prove that I am a brother of Julius Caesar."

Mr. HILL. That was a very good way of putting it. We all know what an outstanding authority he was on power, as well as on many other subjects.

Mr. SPARKMAN. Is it not correct to say that in the present hearings some of the private-power people testified that a 10-percent margin estimation was very good?

Mr. HILL. That is correct. They certainly did.

(At this point Mr. HILL yielded to Mr. MORSE for the purpose of making a statement on the legislative program, which, by unanimous consent, was ordered to be printed at the conclusion of Mr. HILL's speech.)

Mr. HILL. Mr. President, I wish to address myself for a few minutes to the subject of steam power and hydroelectric power. As the Senator from Tennessee has pointed out, the construction of so many steam plants for the generation of electric power has been required by the power demands of the Atomic Energy Commission and the various defense industries. It might be said that the Atomic Energy Commission has a gargantuan appetite. Nothing else known to man requires so much power as does the production of atomic bombs.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield?

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). Does the Senator from Alabama yield to the Senator from Tennessee?

Mr. HILL. I yield.

Mr. KEFAUVER. I understand—and I think the information to which I shall refer has been published, and thus is not restricted—that a single one of the several plants at Oak Ridge uses more electricity than the total amount of electricity used by the entire city of Detroit, with all its industries. In that connection, we must recall that there are several plants at Oak Ridge. That illustrates the great drain made by those plants upon the production of electric energy.

Mr. HILL. Yes. As a matter of fact, I understand that one of those plants uses more electric power than the total amount used in the entire city of New York. Although Detroit and New York use tremendous amounts of electric power, yet neither one of those vast cities uses as much electric power as the amount used by only one of the units of the Atomic Energy Commission.

Mr. President, on December 31, 1950, steam-plant-generated electric power constituted 14.6 percent of all the electrical power of the TVA system. That was a very small percentage. I doubt that any great power system in the United States today has so small a percentage of steam-plant-generated electric power.

On December 31, 1951, the percentage, in the case of steam-plant-generated power, was 18.9 percent of the total amount of power of the Tennessee Valley Authority system. On December 31, 1952, it was 29.6 percent. The estimate is that on December 31, 1953, it will be 40.9 percent; on December 31, 1954, 55.2 percent; on December 31, 1955, 62.2 percent; and on December 31, 1956, 63.2 percent.

As the Senator from Tennessee has said, because of the tremendous amount of electrical energy used at Oak Ridge and at the new Paducah atomic-energy plant, the Tennessee Valley Authority is providing 62 percent of the power for the great atomic-energy plant at Paducah, whereas the private power companies are providing only approximately 38 percent. As Mr. Clapp testified before the Senate Appropriations Committee, the Atomic Energy Commission uses half of all that power.

Mr. President, in connection with the figures I have submitted regarding the use of steam plant generated electric power in connection with the Tennessee Valley Authority system, I ask unanimous consent to have printed at this point in the RECORD a brief tabulation on that subject.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Steam power on the TVA system

	Percent steam
Steam capacity (kilowatts), as of Dec. 31:	
1941, 226,920	21.3
1945, 450,400	17.8
1950, 440,050 [1]	14.6
1951, 669,050	18.9
1952, 1,341,550	29.6
1953, 2,376,550 [2]	[2] 40.9
1954, 4,311,550 [2]	[2] 55.2
1955, 5,886,550 [2]	[2] 62.2
1956, 6,291,550 [2]	[2] 63.2

[1] In this and previous year obsolete small steam units were retired.
[2] Estimated.

Mr. HILL. As we know, Mr. President, there are many other defense installations in that area—such as the aircraft center at Tullahoma, Tenn., the ordnance plant at Huntsville, Ala., and the chemical and metallurgical plants that are tied in with those defense activities. Many of those defense plants consume vast quantities of electric power. It was in the interest of the United States Government to locate the atomic-energy plants at Oak Ridge and at Paducah, not only because of geographical considerations, but also because there is an adequate supply of water there and an adequate supply of electric power. Of course, those plants use vast quantities of water, as well as vast amounts of electricity.

The United States Government has saved millions of dollars from the Tennessee Valley Authority alone. The Senator from Tennessee has pointed out that an increase of 1 mill in the rate for power would, in view of the tremendous amount of power used by the Atomic Energy Commission, cost the Federal Government $50 million. Furthermore, by establishing the plants in that area, not only was the Federal Government able to save millions of dollars on its power bill, but cheap power from the TVA plants acted as a yardstick, and resulted in the establishment of cheaper rates for the power provided by the private companies.

Mr. KEFAUVER. Mr. President, will the Senator from Alabama yield to me at this point?

Mr. HILL. I yield.

Mr. KEFAUVER. Is it not true that the low-cost electric power furnished by the TVA to the plants at Oak Ridge and Paducah has been substantially instrumental in enabling the Atomic Energy Commission to obtain a fairly low rate for electric power at Portsmouth, Ohio, with the result that the Government has been able to save a great deal of money?

Mr. HILL. There can be no doubt of that. As a result of both those factors, the Government has been able to save millions upon millions of dollars, and the savings will continue in the future.

Some persons ask why the TVA does not buy power from private power companies in the surrounding areas. Of course, one reason is that most of those companies are off to one side. Furthermore, we know the feeling of the private power companies for the TVA. To require the TVA to depend upon private power companies would be somewhat similar to putting a lamb into a cage with a lion, or putting Little Red Riding Hood in bed with the wolf. If there is one thing the private power companies would like to do, it is to destroy the TVA, because they wish to destroy the yardstick the TVA provides, which is of such great benefit to the American people.

Mr. KEFAUVER. Mr. President, can the Senator from Alabama think of any more effective way to destroy the TVA than to make it dependent upon, and at the mercy of, the private power companies?

Mr. HILL. I cannot. Earlier the Senator from Tennessee referred to the Mississippi Power Co. Of course, it is a Mississippi institution and naturally its first interest is in—as it should be—the people of the State of Mississippi. That company would therefore quite naturally give the first call on its power to the Mississippi consumers, not to the TVA.

I think we can readily realize that if an effort were made on the part of the company not to give the preference to the consumers in Mississippi, it would be found that the Mississippi Public Service Commission would intervene and would make the power company do so.

Of course, we can well appreciate that it would only be reasonable if there were power that cost more and power that cost less, their own consumers within the State of Mississippi would get the cheaper power, forcing the TVA to buy its power at a higher cost.

Much depends upon what may be called the economic location of the plants, having them located properly from a geographic standpoint so far as the power load is concerned. It is of course true that a location away off on the edge of a great area or region would not be an economic location and that a plant so situated, operating at a remote distance, would incur all kinds of additional costs, such as the additional costs resulting from losses in the transmission of power, and from the heavy additional cost of constructing transmission lines for the purpose of transmitting the power.

As the Senator from Tennessee brought out—and I think I asked him a question about it—with all the gestures about selling power to TVA, no company ever said, "We will sell power to the TVA for so much per kilowatt." No company ever offered to supply power at a definite price. Of course, an offer without a price means nothing. It is no offer at all. Price is a very essential ingredient in the making of a contract.

I call attention to the fact that a nationally known Mississippian, Mr. R. B. Wilson, has said that his price would be about 50 percent higher than the cost of power generated and sold by TVA.

Mr. President, I thought that one distinguished witness put the matter very aptly when, in reply to a question, he asked, "Why make the Tennessee Valley area a colonial region, why make it a colonial dependency, forced to subsist on the marginal high-cost power of private companies whose own consumers will hate us for milking their electrical cow through the State fence?"

No, Mr. President, to force the people of the Tennessee Valley to rely upon private power companies outside the Tennessee Valley for their power would have the effect of destroying TVA, and the people of that area would be placed entirely at the mercy of the private power companies. On the day that is done the people of the Tennessee Valley will be forced to pay a higher price for power than the price paid by consumers in the surrounding areas.

Let us not forget that the Tennessee Valley Authority has returned to the Federal Treasury 5 percent on investments made by the Government in power facilities, and that under the law as it stands today the Tennessee Valley Authority is required to pay back, over a period of 40 years, every Federal dollar that goes into the Tennessee Valley project. As I have said, that is an entirely different situation from that which pertains to the private power companies, certainly none of which, to my knowledge, has ever made an attempt to amortize its indebtedness or to pay its indebtedness. The consumers pay on those investments year after year, and no attempt is ever made to amortize them.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. HILL. I yield to the distinguished Senator from Tennessee.

Mr. KEFAUVER. Does it not seem to be a contradiction for the Congress to take the position that the TVA must return the investment it represents within 40 years and at the same time to say that the TVA must reduce its earnings by being required to buy high-priced, premium power from utilities far away from the TVA area?

Mr. HILL. That does seem to be true, for the reason that not only must the people within that area, under the law, pay back every dollar the Federal Government has invested in power facilities there but also, after every dollar has been paid back, the Federal Government will own all those facilities in fee simple. The people are paying back the investment, with 5 percent interest, with amortization of the full cost. It is a fact that the general situation within that area has been good. We have had plenty of water, and we have had cheap coal along with the abundant supply of water. A waterway has been developed to provide cheap transportation, and there have been various factors which have made it possible for the TVA to operate with economy and efficiency.

In that connection I may say that the TVA has spent outside the valley most of the money it has invested in plants, facilities, and various improvements. More than $650 million has been spent in other States of the United States, while the people of the Tennessee Valley have themselves sent out of that valley approximately $1 billion for the purchase of electrical equipment and supplies of all kinds for use in the home, on the farm, and in the industries and businesses within the valley. So, Mr. President, we are confronted with the proposition that we must provide power if we are not to put chains on the future growth and future progress of that region.

We cannot weaken that area without weakening the whole United States. A chain is no stronger than its weakest link. We cannot forget that the Tennessee Valley is the center of great production for our defense, a great arsenal for defense, a great citadel of defense, with its atomic energy production, its aluminum production, its metallurgical production, its production of many important articles which made us strong in World War II and which contributed so much to the winning of that war. The TVA stands there today, Mr. President, as a tower of strength for America, so that America may be the better able to defend herself and we may keep America free.

LEGISLATIVE PROGRAM

During the delivery of Mr. HILL's speech,

Mr. MORSE. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield to my distinguished friend from Oregon.

Mr. MORSE. Mr. President, I ask the Senator to yield with the understanding that my brief interruption will follow his remarks in the RECORD.

I should like to announce that the majority leader and I have entered into a gentleman's understanding, or cooperative arrangement, it might be called, that the Independent Party will postpone until tomorrow morning at 11:30 o'clock its weekly report for this week, in spite of the fact that today is Friday. In keeping with my great desire always to cooperate in such a matter and also in recognition of the fact that if the Senate concludes its consideration of the pending bill by 7 or 7:30 o'clock, other business will follow so that it would probably be 8 or 9 o'clock before I could begin my remarks, I think it would be unfair to the staff of the Senate, as well as to my colleagues, to make my speech tonight. So I will speak tomorrow, if convenient to the Senate—and the acting majority leader thinks it will be—at 11:30 a. m.

I wish to thank the acting majority leader for his cooperation regarding this matter.

I wish to say to the press that in view of the fact that copies of my speech were made available this afternoon to the press, although I do not expect very much comment upon it, anyway, from the press, nevertheless if any of the press decide to comment on the speech, I hope they will withhold the comments until tomorrow.

Mr. KNOWLAND. Mr. President, I appreciate the action of the Senator from Oregon.

When we complete action on the second independent offices appropriation bill, on which we have been working all day today, it is planned to consider five bills which I believe are relatively noncontroversial in character, and about which I earlier gave notice to the minority leader and also to the Senate as a whole. When we dispose of those bills, it will be my purpose to move that the Senate take a recess until 11 o'clock tomorrow morning.

On tomorrow, after a morning hour, I expect the Sentor from Oregon will have an opportunity to make his remarks.

The Republicans have a luncheon engagement tomorrow. It will take about an hour's time. Then we shall proceed with the legislative program.

ORDER FOR RECESS UNTIL 11 O'CLOCK A. M. TOMORROW

Mr. KNOWLAND. Mr. President, I ask unanimous consent that, when the Senate completes its business this evening, it take a recess until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California? The Chair hears none, and it is so ordered.

SECOND INDEPENDENT OFFICES APPROPRIATIONS, 1954

The Senate resumed the consideration of the bill (H. R. 5690) making appropriations for additional independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1954, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and other Senators.

Mr. GORE. Mr. President, my senior colleague from Tennessee, the senior Senator from Alabama, together with Senators from several States, have so thoroughly covered this subject that the door for discussion is limited for me unless I want to indulge in repetition, which I do not desire to do at this late hour.

Mr. President, just as the door for further discussion without repetition has been closed by the able debate of the day, so have many questions regarding the TVA been closed, some of them long before the junior Senator from Tennessee came to Washington even as a Member of the House of Representatives.

When I hear TVA condemned, I notice it is invariably condemned because it has been a success.

The arguments against the TVA are largely arguments that the Government of the United States should not be in the power business.

Mr. President, that is one of the doors that was closed long ago. Whether we like it or not, the Government is in the power business. We are here representing the stockholders of one of the largest and most successful integrated electric utility systems in the world.

I do not want to approach this question in any spirit of politics. I will say to the distinguished acting majority leader, for whom I have come to have an exceedingly high respect and a very warm personal regard, that I do not consider the bill before the Senate as an anti-TVA bill. In many respects the bill deals generously with the TVA and the TVA region. I do not think enough credence has been given to the estimates of the TVA officials and experts with respect to the power needs for the future, but let me point out, in fairness, that the denial of funds for the Fulton steam plant is based upon one reason only, namely, that the TVA has overestimated its future power demands.

Mr. President, I think President Eisenhower made an unfortunate, unwise statement when he referred to the TVA as "creeping socialism." Perhaps, though I do not know, he would prefer that he had not made that statement. I would prefer that he had not made it. But let the record show that, thus far, his acts toward TVA have been more generous than were his words. There is a large TVA budget now pending.

I want to discuss the subject from a businesslike standpoint, just as the distinguished Senator from Kansas, a former great Governor of that great State, would approach the problem were he on the board of directors of an electric-utility company serving this area. Indeed, are we not, so to speak, on the board of directors? How would we approach the question if TVA were a private-utility system instead of a public one and we were representing the private stockholders?

I think we have a good example which I can cite. Mr. James M. Barry, to whom reference has already been made in the debate, is chairman of the executive committee of the Southern Co., a holding company holding several electric-utility systems. On page 287 of the hearings he said:

> We are constantly seeking new customers on a sound business basis.

Let me repeat that, Mr. President. I appreciate the presence of the distinguished, able, and esteemed senior Senator from Virginia [Mr. BYRD], who is himself a very successful businessman. Let me quote to him with emphasis another successful businessman who is in the utility business. He said:

> We are constantly seeking new customers on a sound business basis.

As a small-business man I can say the same thing. That is what businessmen do in Tennessee and every other State. But here is a big business, TVA, owned by the people whom we represent. How shall we measure its expansion? How shall we conduct its business, which is owned by the people whom we represent? By this yardstick—a businesslike basis? I have heard it said that we have a businessman national administration. I suggest that this businessman national administration and this Congress treat the problems of TVA, its electrical generation and distribution problems, in a businesslike manner. We ask no more; we ask no less, we, the people, served by the TVA.

In that respect, we are in no different position from that of the people served by any other electric utility system. As I said earlier in the debate, an electric utility system is essentially monopolistic, whether privately owned or publicly owned. How and why is it that every State in the Union has a utility commission in some form? It is to regulate the competition of competing utilities, yes, but it is also intended to guarantee to people who are served by the utility systems that their legitimate needs will be served.

The TVA is not subject to the regulation of a State utility system. The people who are served by TVA submit to Congress their power needs, and, of course, they are hopeful that their growing demands will be met, just as the growing demands of people in other regions are met by an expansion of electric generating facilities.

The public debt of the Federal Government has assumed such vast proportions that its very existence acts to influence in large measure all activities in which the Government participates, and, indeed, our entire national economy. It is entirely proper that Congress, as well as the executive branch of the Government, should carefully consider the effect of any proposed expenditure upon the total of the public debt, which has now reached some 267 billions of dollars.

However, it seems to me, that there is a tendency on the part of the executive and legislative branches of the Government to oversimplify the net budgetary effect on the public debt which may result from specific appropriations.

When the Federal Government first came into existence, the scope of its fiscal activities was comparatively limited. It was found most practical for the Treasury to keep its books strictly on a cash basis. All moneys expended for whatever purpose were charged as expenditures during the fiscal year in which made. Likewise, all receipts of the Federal Government from whatever source were credited as receipts during the year in which they were received.

Today, despite the fact that the activities of our Federal Government have been so expanded as to involve the most complex fiscal transactions of any agency in the world, either public or private, we still follow basically the same accounting procedures. Our Federal budget is prepared so as to reflect total expenditures and total receipts during the particular accounting period or fiscal year. It is necessary to examine in detail the fine print in the prepared budget to determine which proposed expenditures are for normal operating expenses, as contrasted with expenditures that are made to promote projects of a more durable nature.

Private business long since has ceased keeping its accounts so as to reflect merely cash outlays and cash receipts. A careful distinction is made between operating expenditures, chargeable to the current accounting period, and capital outlays, the cost of which will be recovered or amortized over an extended period of time equal to the expected life of the particular asset being acquired. If a private business corporation during a fiscal year expends $1 million to expand its plant, its owners certainly do not consider that they have lost money if their profits during the year amount to only $500,000, thereby creating a "cash" deficit of $500,000.

Much has been said recently about operating the Federal Government on a businesslike basis. It was urged by members of the new administration when seeking office that such was one of their primary goals in the event the electorate provided them with the opportunity to do so. As a matter of fact, the present administration has been often referred to as "the business administration."

It seems to me that one of the first steps in placing our Government on a businesslike basis would be to institute such reforms in our accounting and budgetary practices as would be necessary to reflect more clearly and more accurately the present status of the Government with respect to fiscal matters and to reflect more clearly the actual results of each year's operations from a business point of view.

An analysis of Federal expenditures indicates that all such expenditures fall broadly into two general categories. The first category includes those expenditures which might appropriately be called the normal operating expenses of the Government. These include funds necessary to operate the executive, legislative, and judicial branches of the Government, the expenditures for national security, expenditures for the Veterans' Administration, interest on the public debt, and similar items.

It can easily be seen that expenditures in the foregoing category, particularly as they include the vast amounts expended for national security, constitute the bulk of the actual cash outlays made during the current period.

However, in addition to what might be called normal operating expenses, the Government annually expends substantial amounts to promote projects which are of a more permanent nature and which correspond to capital outlays by a private concern. Such capital outlays for the Federal Government may themselves be divided, roughly, into two groups. On the one hand, there are expenditures which are self-liquidating in the sense that the amount so expended will ultimately be returned directly to the Federal Government in dollars. These self-liquidating expenditures may properly be called an investment by the Federal Government in the strict sense of that word. First, I refer to investments in the nature of recoverable loans and investments in subsidiary corporations. Secondly, I refer to self-liquidating public projects such as hydroelectric dams, the cost of which is returned to the Federal Government, in whole or in part, over a period of years.

A second group of so-called capital outlays made by the Federal Government is comprised of expenditures made

for the construction of public projects which have a more or less permanent value, but whose cost is not directly refunded to the Treasury. Examples of such expenditures are those made for the construction of public highways, for navigation and flood control, for public buildings, and for grants to public bodies. Such expenditures can be said to be investments only in the sense that they add to our national wealth in the broad sense of that term. It is true that such projects contribute to an increase in national income, which results in an indirect increase in the Government's revenue through taxation. However, they cannot be considered as an investment in the sense that the cost of such projects, after construction, are amortized by direct refund to the Federal Treasury.

As I have previously indicated, the Federal budget makes no clear distinction between the two broad categories referred to above. If total expenditures during any fiscal year exceed total receipts during any fiscal year, the budget is said to be unbalanced, regardless of the nature of the expenditures made and regardless of the source of the receipts. The result is known as "deficit financing."

The concept of a double budget for the Federal Government—an expenditure and an investment budget—has been suggested or advocated for a number of years. The idea was considered rather seriously during the administration of Woodrow Wilson. In his message accompanying the budget for the fiscal year 1940, President Roosevelt discussed the various types of Federal expenditures and presented figures indicating that portion of the then existing deficit which resulted from so-called capital expenditures, both those which were self-liquidating in character and those which were investments only in the sense that they contributed to the national wealth and were durable in nature. Both prior to and since that time, numerous articles have been published by accountants and students of government pointing out both the advantages and the disadvantages of such a concept of budget accounting.

The Government of Sweden during the 1930's inaugurated a double budget system by which all capital outlays including both those which were truly investments, as well as expenditures for other projects not directly self-liquidating, such as Government housing, are segregated into a "capital budget." All items in the capital budget are financed by borrowing. For those items in the capital budget which are not truly self-liquidating projects, an amount equal to a yearly amortization charge is included in the current or "operating" budget.

The Hoover Commission in its report on budgeting and accounting recommended that "the budget estimates of all operating departments and agencies of the Government should be divided into two primary categories—current operating expenditures and capital outlay."

These two types of expenditures—

Stated the Commission—

are essentially different in character and should, therefore, be shown separately under each major function or activity of the budget.

The budget as currently presented, does, within the separate segments thereof, indicate to some extent whether a proposed expenditure is for current operations or for capital outlay, but no overall segregation on a Government-wide basis is clearly set forth.

I do not mean to suggest that a division of our budget into two or more categories will act to wipe out the public debt. Regardless of what system is used, any excess of expenditures over receipts must be financed by borrowing.

It does appear to me, however, that Congress could act much more intelligently in placing an overall limit upon Government expenditures if a clearer picture as to the nature of such proposed expenditures were presented. Perhaps some would be slower to pronounce the United States bankrupt.

Nor do I suggest or imply that the establishment of such a double budget does not present many problems. A major problem would involve the determination of what items should go into the operating budget and which should go into the capital budget. The Government of France has demonstrated that failure to control such distinctions rigidly, and failure to make allocations on a realistic basis, will only intensify the evils that a double budget system is designed to rectify. Indiscriminate inclusion of an item as a capital outlay merely because such an item could not be justified as a current expenditure is certainly fallacious. There is always a danger of an increased tendency to delay the "day of reckoning" by designating items as a capital expenditure when they should, in fact, be charged as a current operating expense.

I do suggest, however, that there would be many advantages incident to the establishment of a separate budget for items which are truly liquidating in character. Sums which are advanced by the Federal Government in the form of recoverable loans, as well as investments in subsidiary Government corporations, truly represent assets of the Federal Government, which can be liquidated for dollars to be refunded to the Federal Treasury. The same can be said for expenditures or investments in other Government projects such as those for the generation of electrical power and others, the cost of which will be restored in full by direct payment into the Federal Treasury.

If these items were segregated into what might be termed an "investment" budget, the total of such items included therein could stand on their own feet, so to speak. I believe TVA steam-generating plants should be so considered. Congress would be provided with a clearer picture of the truly business aspects of the TVA investment.

The subject is particularly applicable to the question before the Senate today. We are considering appropriations for the continued operation of the TVA. The entire amount made available to this agency could well be said to fall within the broad category of capital outlay in the sense that the expenditure of such sums will increase our national wealth and by increasing the level of economic activity of the people of my State and my region, will result indirectly in greater revenues for the Federal Government by various types of taxation. To carry the distinction further, however, and upon a somewhat more realistic basis, I should like to point out that that portion of the appropriation made available for the Tennessee Valley Authority which are allocated for power operations are entirely self-liquidating in nature and can rightfully be termed an investment in the true sense of that word. If not by this means, then by some other the TVA generating expansion must be considered as an investment instead of a current expenditure.

Some of those who oppose the appropriation of sufficient funds for the effective and economical operation of the TVA base their opposition on the ground that such expenditures should not properly be made by the Federal Government. I recognize the right of my colleagues to take such a position, nor do I doubt the sincerity of their views. I say in all seriousness, however, that the propriety of such expenditures is a matter that has previously been determined by this body.

On the other hand, many who oppose a realistic appropriation for the creation of an adequate power potential by the TVA base their opposition solely on the grounds that such expenditures cannot be made because funds may not be available therefor from current receipts of the Government. Such a philosophy and such a position ignore the fact that the people of the United States, whom we represent, do own a good, successful, profitable electric-utility system. As has been said earlier, this came about by act of Congress. Then, in 1948, while I was serving on the House Committee on Appropriations, together with the distinguished senior Senator from South Dakota [Mr. CASE], who honors me with his attention, a provision was adopted by the subcommittee of which I was a member, and with my support became law over the opposition of many ardent TVA supporters, requiring the amortization of all TVA electric generating projects in 40 years.

The act of 1948 specifically requires that all funds appropriated for power operation for TVA be refunded to the Federal Treasury within this stated period of time. Evidence presented to the hearings indicates that the schedule of payments by the TVA has not only been met, but that it has been exceeded. The power operations of this agency have been profitable to the Government in the same sense that a private concern is profitable to its owners, when its revenues exceed its expenditures, plus a charge for amortization of its fiscal assets.

Let me point out that we stand in good comparison, because when the steam plants now under construction, and for which money is being appropriated in the bill before us, are amortized they will belong to the Government of the United States, to the people whom we represent—all the people. Though they are amortized in 40 years, their earning period of life is estimated to be from 100 to 200 years. Contrast that

with the reclamation districts of the West, which I have always supported. In the case of the reclamation districts of the West, the amortization period is 40 years, but after the projects are amortized they belong to the people of the reclamation districts. Contrast that with the example of TVA.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. GORE. I am glad to yield.

Mr. KEFAUVER. I was very much interested in the suggestion of the Senator that this should be treated as a capital investment, which in its entirety will be returned to the Government with good earnings. But will not the Government be gaining something else by making this capital investment? As a result of it will not the Government gain the income from the increased business which will be developed in the Tennessee Valley area, particularly in the Memphis area, whereas if the Government does not make the investment, there will be a depressed return by virtue of the fact that there will not be sufficient power for the farmers and for industry to carry on?

Mr. GORE. I agree with the implication of the question of my distinguished colleague from Tennessee. The answer is in the affirmative. The same can be said, however, for the construction of a bridge or for the construction of highways. I was trying to draw a clearer, sharper line of demarcation. Therefore I emphasized the self-liquidating character of this particular kind of investment. I agree with the Senator that, as the region develops, the whole country benefits. Were that not true, we would not have had an accelerating national income almost since the country began.

Mr. KEFAUVER. It is certainly not going to be healthy for the country as a whole to have an enforced power shortage on the people of the Tennessee Valley in 1956.

Mr. GORE. I agree with that statement and appreciate the contribution. If we, who represent here tonight the owners of this utility system, will treat this business operation in a business-like way, and measure it by the yardstick of successful businessmen, we will supply generating capacity to meet the reasonable demands of the people who are our customers, the customers of this system, which is owned by the people whom we represent.

Mr. CASE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CASE. I should like to say that whatever the decision of the Senate may be as to the pending amendment relating to additional steam plants, the Senator from Tennessee is correct in saying that he took the leadership in seeing that the cost of such plants as were being appropriated for back in 1938 and immediately subsequent years was amortized. It certainly improved the standing of the whole Tennessee Valley project before the Congress.

However, I wish to point out, with respect to what the Senator said about reclamation projects in the West, that, while the irrigation projects generally do become the property of the districts, I do not believe the power projects in the West become the property of the local districts. Most of the power projects, of course, are developed by the Army engineers, and there is a continuous sale feature in that connection. Nevertheless, the irrigation projects do become the property of the districts.

Mr. GORE. I appreciate the distinction pointed out by my able colleague. I intended to refer, and believe I did refer, specifically to reclamation districts. I hope no one will think that I intended criticism. I was trying to exemplify what I think is a sound business proposition with respect to TVA.

The TVA dams are a part of the hillsides and mountains themselves. They will stand for perhaps centuries. Today I was happy to see the Senate—and I appreciate the generous attitude of the able Senator in charge of the bill [Mr. SALTONSTALL]—restore resource-development funds. Unless we prevent the soil from washing down from the hillsides, the reservoirs will be silted full, impairing these investments.

I should like to speak at greater length. Like my distinguished colleague, the senior Senator from Alabama [Mr. HILL], if I am given the subject of TVA I can play almost an unending tune. However, realizing the lateness of the hour, and not desiring to be repetitious, I should like to conclude my remarks by placing in the RECORD at this point a table to be found on page 37 of the House hearings, which shows how the TVA has met the requirements of amortization.

I ask unanimous consent to have the entire table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

SCHEDULE C–1.—*Repayment of investment in power program under provisions of the Government Corporations Appropriation Act, 1948*

Fiscal year	Minimum repayments required under 1948 law		1/40th of plant investment at end of previous year		Actual and budgeted payments [1]	
	Year	Total period	Year	Total period	Year	Total period
1948	$10,500,000	$10,500,000			$10,500,000	$10,500,000
1949	2,500,000	13,000,000	$8,705,981	$8,705,981	5,500,000	16,000,000
1950	2,500,000	15,500,000	8,705,981	17,411,962	5,500,000	21,500,000
1951	2,500,000	18,000,000	9,149,627	26,561,589	9,000,000	30,500,000
1952	2,500,000	20,500,000	9,733,970	36,295,559	12,000,000	42,500,000
1953	2,500,000	23,000,000	12,256,316	48,551,875	[3] 15,000,000	[3] 57,500,000
1954	2,500,000	25,500,000	[3] 18,148,125	[3] 66,700,000	[3] 20,000,000	[3] 77,500,000
1958		87,059,810				
1968		174,119,620				
1978		261,179,430				
1988		348,239,240				
1990		365,985,040				
1991		389,358,811				
1992		490,252,655				
1993		[3] 725,925,000				
1994		[3] 936,400,000				
1995		[3] 1,319,500,000				
1996		[3] 1,514,100,000				
1997		[3] 1,640,009,000				

[1] In addition to repayments under the provisions of the Government Corporations Appropriation Act, 1948, bond redemptions of $8,572,500 and other repayments of $15,059,019 were made prior to fiscal year 1948.
[2] Budgeted payments. In 1951 and 1952 budgeted payments were $6,500,000 and $9,000,000, respectively in all other years actual payments and budgeted payments were identical.
[3] Estimated.

Mr. GORE. Mr. President, I appreciate the attention of the Senate at this late hour. The estimates of future need have already been inserted in the RECORD. I shall not cite them in detail.

We come as representatives of the people of that area, seeking no alms. We do not feel that we must come hat in hand to the floor of the United States Senate. We ask only that this business, which the people whom we represent own, be allowed to conduct its affairs in the same way as a privately owned utility system would treat its service area, by supplying the legitimate needs of the area, for which the users of the service will pay. We are paying. We are willing to pay power rates sufficiently high to repay every project built in that area. If the rates presently being charged are not sufficient to do that, I say, upon my responsibility as a representative of the 3½ million of those people, that we are willing to have rates set at such levels as to make the projects amortizable within the period. We believe that is the case now.

Mr. STENNIS. Mr. President, soon after I came to the Senate, in 1947, a vote was had on the question of starting what was called the New Johnsonville steam plant in the Tennessee Valley Authority area and under the jurisdiction of TVA. There was a sincere difference of opinion on that question, and the bill was defeated by a close vote. A few months or perhaps a year afterward the bill came before the Senate again, and at that time it passed by a small vote. The plant was built.

Tonight, Mr. President, if the New Johnsonville steam plant were not in operation there would not be sufficient electricity to supply the atomic bomb and other defense plants and the other industries in that area. There would be an actual and substantial shortage of power in the Tennessee Valley area including 35 of the 82 counties of Mississippi, which are served by TVA.

It takes 3 years to build such a plant. Of course, a question of judgment is involved, a question of the judgment of the engineers and a question of our judgment, as to whether we had better go ahead and start the plant. The need is there, and there is no likelihood of its being decreased. In an expanding economy the great chances are that the need will be increased.

Since becoming a member of the Committee on Public Works I have been impressed with the fact that, although some areas, particularly the Columbia River Valley in the great Northwest, do not have any coal, gas, oil, or any of the other natural resources, they do have a power potential, which, when it is fully developed, will be 10 times that of the Tennessee Valley. The power developed in the entire Tennessee Valley will be only 10 percent of the power which the Columbia River Valley will be able to develop. The dams in that valley will be large, and very expensive to construct. It is beyond the reach of private enterprise to provide sufficient money to harness that vast power. I believe that in an orderly process it will be harnessed, and that the Federal Government, which already has expended a great deal of money on projects there, and which no doubt will expend much more, will ultimately find that it has made a splendid investment, and the money will be recouped.

The other area with which, as a member of the Committee on Public Works, I have been impressed is that of the Niagara River, a project for which will be before the committee beginning next week. We will have to make a choice. If I become convinced that the choice should be a bill providing for private enterprise alone to develop the power there, that is the bill for which I shall vote. If I become convinced, on the other hand, that the area is like that of the Columbia River Valley, and requires some State or Federal assistance, I shall vote for that kind of development.

My point is that some areas do require Federal development. The Tennessee Valley area is one of them, and with respect to it the decision has already been made, and operations have been under way for a considerable period. The private companies in 35 of the 82 counties of Mississippi have long since been bought out. So, in connection with the pending amendment, the question is whether we should now turn back.

I would say also that the steam plant provided for by the pending amendment is a normal development. Such a plant is something one would expect in fulfilling the needs of an area which it has already been decided would be developed in this manner.

I wish to mention one other point—an overall point which applies to every community in the United States—namely, that the important national value of TVA is its yardstick quality. It is the yardstick by which power rates can be determined. If we were to liquidate TVA or retard it, or if it should not function, everyone in the United States would lose a yardstick which has been beneficial to the consumers of electricity everywhere.

I believe it has been quite beneficial to the private power companies as well. I know it has been in my area. It has brought electricity rates down. The companies in my area are doing the finest business and they are making the most money they ever made in their history. I believe the TVA yardstick is one of the major factors that have brought rates down and have put electricity in reach of many more people than ever before. We have very enterprising and alert private power companies in Mississippi, and I am proud of them. They go after business and they get business, and they manufacture electricity. So I have an opportunity to make comparisons.

So, as I have said, I believe the TVA project as a whole is of tremendous value throughout the entire Nation as a yardstick. I would like to see it become a little more accurate yardstick than it is today. I believe adjustments can be made. The Senator from Tennessee referred to one that is already being made through the bill which he introduced in the House.

So I come back, Mr. President to the proposition that the decision has already been made. If there is reasonable proof that the additional plant is needed, then it is just part of the overall policy with respect to a project which is very successful, and which is already in operation, to build the plant.

Mr. SPARKMAN. Mr. President, I will take only a few minutes. I had something to say in the course of the remarks made by other Members of the Senate during this afternoon's debate on the question; but I certainly do not want the debate to come to a close without my saying something in favor of the amendment and also making a plea, along with the plea made by other Senators representing the Tennessee Valley area, that we not be left stranded there with a shortage of power, which would prevent our enjoying a normal growth. That is all we ask for. I am sure that other Senators in the course of their remarks have had something to say with reference to the type of industry that has grown up in the South, particularly in the Tennessee Valley area.

It has not been a case of drawing any industry away from other sections of the country. We often hear it said that we have drawn New England industry into the Tennessee Valley. The statement has been made—and I have known of no one to contradict it successfully—that there has not been one New England textile plant located in the TVA area since 1931. In fact, I do not believe there has been a single textile plant located in the TVA area that has not been started anew since TVA has been serving that area. The industries which have been located there since TVA has begun to operate have been industries which have been indigenous to the area. Had it not been—and this point has been made before—for the fact that the Government has required such a great part of the power we would not have to be before Congress asking for the building of the steam plant provided for in the amendment of the Senator from Tennessee [Mr. KEFAUVER].

Earlier in the day I mentioned the experience that one of the 150 distributors in the TVA area has had; and I referred to my home town of Huntsville, Ala. It was not until 1940 that Huntsville bought its electrical distribution system. Huntsville was the headquarters of the Alabama Power Co. in northern Alabama. The Alabama Power Co. was very popular there. There was never any friction between it and the people, in connection with the acquisition of the properties. Our city bought its distribution system in 1940. There was a bond issue of $1,750,000 for the acquisition of those properties. That bond issue had 20 years to run. It has just been paid off in full—in 13 years, 7 years less than the required time; and during that time the plant has been expanded to the extent of more than $4 million of extensions and improvements, and during the same period there has been paid to the city, in lieu of taxes, more than $500,000.

Furthermore, the customers have saved millions of dollars on their electric bills. I do not say that amount would necessarily have been saved on the basis of the present rates of the private power company, because, as the able Senator from Tennessee pointed out, the private companies have been able to reduce their rates because of the true yardstick that has been provided by the TVA. Mr. Lilienthal, in his book entitled "Democracy on the March," which was published a number of years ago, included a chapter devoted to that yardstick. He pointed out what a great many persons had misunderstood. He showed that the true yardstick was the demonstration of a fact that the power companies, before the time of TVA, were unwilling to admit, namely, that if the consumption of more power is made possible, more power is consumed, and therefore it is possible to lower the rates. That is the true yardstick that the TVA has demonstrated in that area.

So in the city of Huntsville, with a population of approximately 40,000, a saving of more than $7 million has been brought about as a result of lower electric rates for the consumers, while at the same time it has been possible to expand the facilities in such a way as to provide service to almost every farm home in the county—so much so, that today 99 percent of the homes in all of Madison County are serviced by the distribution system of the city of Huntsville.

This afternoon I stated that the consumption of electric power in that area had reached the saturation point. Of course that is not literally true, for there is no saturation point in respect to the consumption of electric power. At first, the extension of electric power into an area may result in nothing more than the use of electricity for electric lights; but later there will be a substantial consumption of electric power for the operation of refrigerators, ironing machines, electric ranges, and many other conveniences; and later more electric power will be used for milking machines, feed grinders, and many other devices. So there is no saturation point in respect to the consumption of electric power; its use goes on.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, a statement published in the Huntsville Times on July 1, relating the success of the Huntsville distribution system; and also an editorial pertaining to the same subject matter, published in the Huntsville Times on July 3.

There being no objection, the statement and editorial were ordered to be printed in the RECORD, as follows:

[From the Huntsville (Ala.) Times]

YOU ARE A PART OF THIS SUCCESS STORY—READ IT

Yesterday the Huntsville electric system became free of indebtedness when a total of $80,000, which was the balance due on outstanding notes, was paid at the three local banks. Two years ago, in July 1951, the final portion of the system's bonded debt, which was originally $1,750,000, was retired.

This occasion marks an important milestone in the history of the local municipally owned electric utility which began on July 19, 1940, when the city of Huntsville purchased from Alabama Power Co. the electric distribution facilities serving Madison County and entered into a contract with Tennessee Valley Authority for the purchase of its supply of electricity.

At the time of the purchase of the system in 1940 approximately 5,800 customers were receiving electric service from a total of approximately 250 miles of distribution lines. Of this total less than 1,000 customers were located in the rural areas and service was available to only 15 percent of the rural homes in the county. Since the city of Huntsville acquired the utility, the facilities of the system have been steadily expanded until today service is available from a total of more than 1,200 miles of lines to practically every home, farm, business, and industry within the service area of the city's system. As of today more than 21,500 customers are actually being served from the system.

Not only has the original debt of $1,750,000 been retired in full during the 13-year interval since acquisition (the bonds were issued to be paid in 20 years) but also all costs of expanding the system, amounting to more than $4 million have been paid out of proceeds from the system's operations.

Moreover, a total sum in excess of $500,000 has been paid into the general funds of the city of Huntsville from electric revenues as a payment in lieu of taxes to help defray the cost of local government. And finally, the electric consumers of Madison County, during the 13-year period of operation by the city of Huntsville, have saved a total estimated to be in excess of $7 million on their electric bills, based upon rates for similar service in effect at the time of acquisition.

So far as is known, Madison County, Ala. is the first and only county in this area that enjoys complete area coverage of electric service from an electric distribution system that is entirely free of debt.

In making this report to you as customers and owners of the electric system, we should like to express our deep appreciation for the trust and confidence that you have placed in us and to thank you for your cooperation, patience, and generous patronage, without which this unique and outstanding record could not have been possible. You are truly an important part of this success story.

In looking to the future as a debt-free operat' n, we have high hopes that we may be able to hasten many long-needed improvements which will strengthen our services to you and enable us to fulfill our obligation to play our proper role in making Huntsville, and Madison County a prosperous growing community. We assure you that long-range plans are constantly being made, and revised as conditions make it necessary, to be ready at all times to meet the calls for electric service as they arise.

HUNTSVILLE ELECTRIC UTILITY BOARD.

[From the Huntsville (Ala.) Times of July 3, 1953]

FINE RECORD, VALUABLE PROPERTY

The history of the Huntsville electric system is something of a fairy story.

Starting from taw on July 1, 1940, it has paid for its entire cost, $1,750,000, as well as more than $4 million of extensions and improvements.

Instead of taking 20 years to do this, as the original setup provided, only 13 years were required.

In addition, payments in lieu of taxes to the city have been more than $500,000.

Today the city has a property that is perhaps worth $5 million, without a cent of indebtedness on it.

On top of that, the Huntsville electric system is, according to the power board, the first and only one in this area with country-wide coverage that is entirely free of debt.

From 5,800 customers 13 years ago, the system now has more than 21,500; in place of 250 miles of distribution lines, it has now more than 1,200 miles.

The grid of lines that serve Madison County is so close that practically every home, if not every home, is within a mile or less of electric service.

But there is other work ahead for the electric system. There are other improvements to be made that will strengthen and improve its services and a building to be erected that will house its operations. And in this new home, for which some plans have been made, it is to be hoped that an auditorium can be included, which will meet a great need here. It is not expedient for the city to build an auditorium separately. The Sheffield system set a precedent that might be followed in including an auditorium.

The ultimate fate of the TVA is uncertain. We fervently hope that it will be permitted to go on as it has in enrichment of the valley. But if the future holds otherwise, Huntsville and Madison County will have at least a magnificent distribution system that is highly valuable and without debt or obligation.

Mr. SPARKMAN. Mr. President, in order to give more information about the remarkable growth I have mentioned—not to take care of new industries, but to take care of the normal growth of the city of Huntsville and the surrounding area; and, of course, I use Huntsville only as an example—I now ask unanimous consent to have printed at this point in the RECORD, as a part of my remarks, an article which was published in the Huntsville Times of July 3. It gives information about the plans for the next year, including plans to spend $420,000 for additions and improvements.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CITY ELECTRIC SEES $420,000 FOR EXTENSIONS—MOST OF REVENUE OVER EXPENSES TO BE SPENT TO STRENGTHEN SERVICE

The Huntsville Electric System expects to have $420,000 left over for additions and improvements to the system during fiscal year 1953–54, after $1,250,000 is spent for operating costs, $96,000 paid in lieu of taxes, and $150,000 set aside for the new building into which the organization hopes to move 4 years from now.

These in general are the principal points noted in the 1953–54 budget adopted yesterday by the electric utility board.

According to the budget figures, the board foresees another year of progress for the system despite the fact that residential construction here will be down greatly from the year which ended yesterday.

Sale of power is estimated to reach a total of 191,720,000 kilowatt-hours, as compared to 178 million last year, which will bring in revenue estimated at $2 million, as compared to $1,928,000 for fiscal 1952–53. Operating expenses also will be up during the new fiscal year—from $1,355,000 to $1,436,365, according to the budget.

This will leave the net income for the new year at $592,435, as compared to the $587,995 anticipated at the beginning of the last fiscal year. Fund requirements for this year will total $287,800—$137,800 for renewal and replacement, and $150,000 in the building fund—which will cut the net revenue down to the $420,000 that will be available for extensions and improvements.

This figure is some $40,000 less than was available for such work during fiscal 1952–53. This is accounted for by the fact that last year's fund requirements totaled only $236,000, and last year's payment in lieu of taxes amounted to only $75,000, as compared to the estimated $96,000 tax equivalent seen for the current year.

Out of the $420,000 available for extensions and improvements this year, $185,000 of the work was started last year, and work orders already have been issued for it. Included are purchase of a 2,000-kilowatt-ampere unit for the Wells Avenue substation, $52,000; convert section of line on Harvest Road to 3-phase, $4,000; purchase eight 500-kilovolt-ampere network transformers for downtown area, $57,000; purchase three recording ammeters, $500; purchase three 3,333-kilovolt-ampere units for Huntsville Manufacturing Co., $41,000; contract labor and purchase of material for rural lines, $30,500. These rural lines include half a mile west from Gurley on Highway 72, a mile and a half on Pulaski Pike, 14 miles on Merrill Mountain near Guntersville Dam.

New projects, estimated to cost $235,000, will consist primarily of strengthening existing service, such as:

Improvements at West Huntsville substation to add a 4,500-kilovolt-ampere bank, $31,000; rewind three 2,500-kilovolt-ampere transformers for use at the North Huntsville, 12,500-kilovolt substation, $22,000; put up higher capacity line to Oakwood College and Schrimsher store on Athens Pike, $18,000; rebuild 44,000-volt line from the central substation to the old North Huntsville substation, $10,000; and many others such improvements in town and the rural areas as well.

Mr. SPARKMAN. Mr. President, today we have spoken of the tacit agreement as to the territory. Time after time we have referred to the fact that our area is a sort of island, which was set up by Congress, let it be remembered; it was agreed by Congress that the service to that area would come from the TVA. I think I have proof that the private power companies not only have respected that in the past, but are respecting it most carefully today. In the Huntsville Times of July 1 there appeared an article entitled "GE, Westinghouse Hit for TVA Plant Boycott." The significant part of the article is the map which accompanies it. The shaded area on the map shows the TVA area in Tennessee, Kentucky, Virginia, North Carolina, Georgia, Alabama, and Mississippi. It shows that General Electric and Westinghouse, great companies producing electric equipment—companies which, by the way, have sold hundreds of millions of dollars' worth, and perhaps billions of dollars' worth, of equipment to TVA and to the people in the TVA area—have established in the South, since TVA came into being, 12 or 15 plants; and it is significant that not one of those plants has been established in the TVA area. A letter explaining that situation appeared; it showed that because those companies had such good customers among the private power companies which operate in the other territory, General Electric and Westinghouse felt

compelled to locate their new plants in the territory of their private power customers, and away from the TVA area.

Mr. President, not only has the TVA territory been recognized in that way, but it has really been isolated, insofar as the use of electric power is concerned. Our area needs electric power, just as every other section of the Nation needs electric power. We have only one place to which to turn for electric power, and that is to Congress, which set up the island there. Our request is only for enough power to take care of our normal needs.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD, in connection with my remarks, an article and an editorial, both dealing with this matter, which were published in the Huntsville Times.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Huntsville (Ala.) Times of July 1, 1953]

GE, WESTINGHOUSE HIT FOR TVA PLANT BOYCOTT—NORTH MISSISSIPPI CO. CHARGES AREA RINGED WITH THEIR FACTORIES

NASHVILLE, TENN.—The North Mississippi Industrial Development Association has accused two of the Nation's largest electric equipment and appliance manufacturers of boycotting the TVA power area as a location for their plants, according to the Nashville Tennessean.

These companies, the Westinghouse Corp. and the General Electric Co., have refused to locate plants in the TVA service area, the association declared, because of pressure placed upon them by private power companies.

In substantiating these charges, the association displayed a map of the Southeast, showing the TVA ringed by plants of the two companies, exhibited correspondence and cited conversations with representatives of the companies.

Similar evidence also was produced by the Mayfield, Ky., electric power board.

Spokesmen for both companies have denied they have "deliberately avoided" locating plants in TVA's power service area. They also contended they have not been pressured by the power companies.

But Senator ESTES KEFAUVER and Representative ROBERT JONES, of north Alabama, said in Washington the charges are substantiated by evidence.

"Talking about luring or pressuring industry," JONES said, "they have ringed the area with 17 or 18 new plants costing $100 million and employing 20,000 workers, all built, or being built, just outside the world's largest appliance market."

Senator KEFAUVER said:

"This is direct, conclusive evidence that TVA is not pirating any industry for the valley. We are developing our own. The pirates are the private power companies. They are forcing the two biggest beneficiaries of our billion-dollar appliance market to boycott our region economically."

The people of the TVA power service area have purchased more than a billion dollars worth of electric appliances in the past 7 years, according to TVA estimates. This makes the power service area the largest electric appliance market in the world.

Correspondence substantiating the charge that the two companies have avoided the valley has been made public by several power distributors and the Mississippi group.

The Fantus Factory Locating Service, which in early 1952 represented Westinghouse as consulting industrial location engineers, wrote the Mayfield, Ky., Chamber of Commerce, February 1, 1952:

"With reference to your letter of January 29, I was under the impression that we had told you that we were forced to give up consideration of Mayfield, since our client instructed us to pass up any territory served by TVA. This is an unusual limitation and the first time we have come across it."

The general industrial agent of the Illinois Central Railroad wrote commenting upon the same plant:

"I think we have run into a snag that is going to be hard to get off of. Westinghouse will not go into any territory exclusively served by TVA. This is due to the fact that they have a large business with privately owned power companies."

The same railroad official also wrote the Mayfield chamber:

"It seems to me, however, that the best way to handle this would be through the Fantus organization, since we are so tied in with TVA, GE, and Westinghouse that it would be pretty difficult for us to debate the subject with them.

"We can and will, of course, continue to work in the interest of Mayfield, but I think it would be wise for us to keep out of the public versus private power debate."

The Mississippi association listed the following new Westinghouse plants built to ring the TVA area in the last 10 years, all within 175 miles of the area's border:

Fairmont, W. Va., 1942, fluorescent lamps and tubing, 993 workers, cost $6 million.

Owensboro, Ky., 1947, light globes, 251 workers, cost $3 million.

Little Rock, Ark., 1948, light globes, 696 workers, cost $4 million.

Richmond, Ky., 1948, miniature lamps, 482 workers, cost $1 million.

Raleigh, N. C., 1952, meters, 2,500 workers, cost $10 million.

Reform, Ala., 1952, photoflash lamps, 300 workers, cost $1.5 million.

Vicksburg, Miss., 1952, lighting equipment, 500 to 800 workers, cost $5 million.

Hot Springs, Ark., 1952, glass, 1,000 workers, cost $6 million.

Montevallo, Ala., 1952, welding electrodes, 300 workers, cost $3 million.

New General Electric plants within this "ring" were listed as:

Jackson, Miss., 1941, fluorescent lamps, 480 workers, cost $4 million.

Goldsboro, N. C., lamp lead wires, 300 workers, cost $1.5 million.

Lexington, Ky., two plants, both started in 1947; auto lights, 350 workers, cost $2 million; glass plant, 100 workers, cost $1 million.

Owensboro, Ky., 1947, receiving tubes, 4,775 workers, cost $12 million.

Anniston, Ala., 1951, electronic tubes, 2,000 workers, cost $6 million.

Louisville, Ky., 1951, jet engine parts and general appliances, eventually up to 16,000 workers, cost of first phases, $14 million.

Asheboro, N. C., 1952, electric blankets, 300 workers, $1 million.

Rome, Ga., 1952, transformers, 1,700 workers, $15 million.

[From the Huntsville (Ala.) Times of July 1, 1953]

NO GENERAL ELECTRIC, WESTINGHOUSE PLANTS

The picture and news story on page 3 gives pretty conclusive evidence that the Nation's two largest electric manufacturers, General Electric and Westinghouse, have given the TVA area a pretty wide berth in locating new plants in the South.

At the same time, they are estimated to have sold to the TVA electrical equipment for its dams, and to TVA area residents for domestic usage, more than a billion dollars worth of their products.

The charge is that private power companies applied heavy pressure to these two companies to stay out of the TVA area with their new plants, although it would have been convenient for them to locate here. Such pressure from all the private power companies could have been very strong and very powerful.

There is concrete evidence that this coercion was applied. The general industrial agent of the Illinois Central Railroad wrote the Mayfield (Ky.) Chamber of Commerce that he could not get a Westinghouse plant located there. In part, he wrote on January 9, 1952:

"I think we have run into a snag that is going to be hard to get off of. Westinghouse will not go into any territory exclusively served by TVA. This is due to the fact that they have a large business with privately owned power companies."

And the Fantus Factory Locating Service, employed by Westinghouse to assist in finding a good site for a plant, wrote the president of the Mayfield Chamber of Commerce on February 1, 1952:

"With reference to your letter of January 29, I was under the impression we had told you that we were forced to give up consideration of Mayfield, since our client instructed us to pass up any territory served by TVA. This is an unusual limitation, and the first time we have come across it. Naturally, however, we are forced to observe our client's wishes in this matter."

The attitude of Charles E. Wilson, former president of the General Electric Co., toward TVA is publicly known. Months ago, he made a public statement in which he advocated its dismemberment and sale to the private power companies.

But the map of the TVA territory, and the ring of General Electric and Westinghouse plants that have been built in recent years in the contiguous areas of several Southern States, speak louder than any words. While they were delighted to get TVA's and TVA power consumers' business, to the tune of more than a billion dollars, they kept their plants, which costs hundreds of millions of dollars, and which employed tens of thousands of men and women, out of one of their most profitable markets.

The inference is very clear that private power companies in other States, fighting the TVA and its cheap power program, put on the pressure not to help it, or the people it serves, by locating any of their factories in this area.

Mr. SPARKMAN. Mr. President, about 10 days or 2 weeks ago the Washington Post published a most interesting, fine, and objectively written article entitled "TVA Has Salvaged a Whole Region in Two Decades." I ask unanimous consent to have the article printed at this point in the RECORD, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post of June 28, 1953]

TVA HAS SALVAGED A WHOLE REGION IN TWO DECADES

(By Aubrey Graves)

Into Washington with Franklin D. Roosevelt just 20 years ago came a group of brilliant men, both young and old, with brave plans for remaking America. The gloom and lethargy of depression, which had descended suddenly in 1929, still lingered. The time was made to order for bold men with a blueprint.

Appropriating a dream long cherished by white-thatched Senator George W. Norris, they set out to transform the wide and backward Tennessee Valley into an economic Eden.

This they proposed to do by developing the Government-owned plants at Muscle Shoals, Ala., by flood-control measures, by improving river transportation, and by developing cheap electric power.

The new President, preaching his gospel of nothing to fear except fear itself, gave

his leadership to the far-reaching adventure. He called for the formation of an independent corporation "clothed with the powers of government but possessed of the flexibility and initiative of a private enterprise."

House and Senate Members, flushed with the excitement of riding the Roosevelt coattails to victory, speeded through a bill carrying the sponsorship of Senator Norris (Republican, Nebraska) and Representative Lister Hill (Democrat, Alabama). So fanatical was acceptance of the new religion that many Congressmen started refusing even to dine with the utilities lobbyists.

REBIRTH OF A BADLANDS

The Tennessee Valley Authority, which was to be assailed by its critics as "creeping socialism" and upheld by its protagonists as "democracy on the march," was born that May. Dam building started in October.

In 1933 the Tennessee Valley area, including parts of seven States, was a major economic problem in a land of general depression. Its rivers were undeveloped; its hardwood had been overcut and largely burned. Fires against which there was little protection had ravaged the forests, which occupied 54.4 percent of the area. An annual rainfall of 52 inches in a land of row crops had eroded the soil and drained it of plant food. The valley people subsisted on a per capita income of 40 percent of the national average.

Only 3 farms in each 100 had electricity.

Considered against this background, the most apoplectic TVA opponents are obliged to admit that the Tennessee River and its tributaries have become valuable servants of the region and the Nation.

Floods are being controlled; the timber resources of the area are increasingly better managed and the soil is being revitalized. Electricity is available at less than one-half the national rate, and per capita income of the people has increased to 59 percent of the national average.

POWER WAS INCIDENTAL

Contrary to popular conception, the development of hydroelectric power was not the prime purpose of the TVA Act. Given top priority was flood control. The second objective was promotion of navigation. Power was to be generated only so far as was consistent with the first two objectives.

Two decades ago the region was subject to devastating floods. The Tennessee River, less than 2 feet deep at certain seasons, at other times became a raging torrent. Farmlands and homes had little protection. Property damage and number of lives lost ran high, and the disruption of families was annual and enormous.

Today the integrated system of 30 dams which controls the system's flow provides 12 million acre-feet of flood storage. From the beginning of the flood season in late December until its end in late March, the water level of the reservoir is kept low.

Flood protection benefits extend into the lower Ohio and Mississippi Valleys. All water from the Tennessee River can be held back for several days. In the event of a major flood on the lower Ohio, the TVA dams can reduce flood heights by at least 2 feet between Cairo, Ill., and the mouth of the Arkansas River. This actually happened in 1950 and saved thousands of acres along the lower Mississippi from flooding.

ELEVEN MILLION ANNUAL SAVING

Since 1936, when Norris Dam started operating, 21 floods which would have exceeded flood stage have been lowered by reservoir operation. The fifth, sixth, and seventh largest floods of record (those of 1946, 1947, and 1948) were controlled to the point where damages were small.

It is estimated that Chattanooga, alone, has been saved from $45 million damage since 1936. The total estimated savings from floods which have kept from developing run to $11 million a year. These estimates are TVA's.

Prior to 1933, the Tennessee River was not a dependable waterway. The limiting channel from Paducah, Ky., to Wilson Dam in Alabama was 4 feet. It was still shallower from Decatur to Chattanooga to Knoxville. TVA has created a chain of lakes which provide a channel throughout the 650-mile length of the river that will carry boats and barges drawing 9 feet of water.

In 1933, traffic on the river amounted to 33 million ton-miles a year (mostly sand and gravel dredged from one point on the river and delivered to another.) Now traffic is running at the rate of 800 million ton-miles a year and most of this is high value cargo coming from or going to points outside the valley. Grain for both dairy and beef cattle comes in from the Midwest; oil and other petrolum products from Louisiana; sulfur from Texas.

One of the most interesting sights in the river traffic is the movement of autos from Detroit, by way of Evansville, down the Ohio and into the Tennessee River. They come down in triple-decked barges, 300 autos to a barge. Landed at Guntersville, Ala., they are distributed throughout the Southeast.

The power business of TVA is paying its own way. During fiscal 1952 power operations earned $26 million—a return of 4.7 percent. For the past 5 years, earnings have averaged 5 percent.

Nine out of ten farms in the TVA area today are supplied with electricity. One and one-quarter million consumers of TVA power are using more than twice the number of kilowatt-hours per capita as are used by the Nation as a whole, at a cost of less than half the average national rate. TVA customers pay an average of 1.33 cents a kilowatt-hour; the average for the Nation is 2.77 cents.

Nearly $900 million worth of electrical appliances have been bought in the region during the past 5 years.

There are refrigerators and ranges in the kitchen. Water is carried by an electric pump instead of by the women, young and old, with the once familiar water buckets. In the barns are hay driers, small motors to grind feed, cut wood, turn small lathes. Power is curing hams, and cooling milk.

The Atomic Energy Commission at Oak Ridge, Tenn., is taking an enormous amount of power and TVA is building a large steam plant near Paducah, Ky., to supply electricity to the AEC plant under construction in that vicinity.

By 1956, TVA expects to be supplying 3.4 million kilowatts of power to Federal agencies in the region and AEC alone will use 25 billion kilowatt-hours of electricity a year.

Power is needed in increasing quantities by the region's industry. In 20 years the number of manufacturing establishments has increased by 1900 (or 35 percent).

To get the additional power needed for the expanding valley economy, TVA is building seven large steam plants. The House has just turned down a request for funds to start an eighth one, a request made by the Truman administration but not included in President Eisenhower's budget.

TVA engineers say no further large increments of power can be obtained from them until major dams have been completed. Any substantial additional blocks must come from steam plants.

Officials of TVA say that, however controversial the question of public power may be, the fact remains that the consumers in the valley are paying the entire cost of their bargain electricity, including repayment to the Government over a 40-year period of Federal funds invested in the power part of TVA.

A fourth function of TVA is development of the area's agricultural and recreational resources. The two nitrate plants built during World War I at Muscle Shoals are now producing fertilizer. They are operated as a national laboratory to develop new and concentrated fertilizers and the processes for producing them, which are available to all manufacturers.

Recreation is a major business in the valley area, with 10,000 miles of lakeshore. The tourist trade is booming. TVA built five demonstration parks on the lake in cooperation with the Civilian Conservation Corps and the National Park Service. Today there are 12 State parks and 40 local and country parks in the area.

Through TVA action, the incidence of malaria in the area, once as high as 30 percent, has been ended.

The total cost of TVA to June 30, 1953, will be just under $1.4 billion.

Mr. SPARKMAN. Mr. President, in conclusion, let me say that we are not asking for anything that will be of detriment to any other part of the country. We are paying the bill for these installations. As the distinguished junior Senator from Tennessee pointed out a few moments ago, we are paying the bill for the installations, and we are making payments to the Federal Government faster than we were supposed to make them.

The other day there occurred a colloquy on the floor of the Senate, between the able Senator from Illinois [Mr. DOUGLAS] and the able Senator from Colorado [Mr. MILLIKIN] over the question of reclamation, when the Senator from Illinois brought up the question of the interest payments. He made a powerful defense of this kind of program; he said it was multiplying our resources and was multiplying our wealth and was multiplying the revenues of the Federal Government over and over.

Certainly, Mr. President, the same is true of, and the same thing applies to, the TVA. Not only is it making wealth for the Government of the United States; not only is it paying back the cost to the United States even ahead of time; but I may say also, in all fairness, Mr. President, we are entitled to consideration as to our power needs, because it was the Congress that set aside the area and said it should be supplied by the TVA. We are looking merely for the supply of power to which we are entitled, in order that we may enjoy the same degree of normal growth that every community and every section of the country is entitled to.

Mr. SALTONSTALL. Mr. President, I shall not delay the Senate, because I know Senators are anxious to vote. I would merely say, on behalf of the committee, that I have listened with interest to Senators who have advocated the amendment, the adoption of which would start construction of the Fulton steam plant this year. The construction of that plant would call for the expenditure of $30 million this year, with an ultimate cost of $90 million.

The committee did not take the position that the Fulton plant should never be built; it simply took the position that the estimate showed that there was sufficient power within the TVA area to take care of the needs of the Government, to take care of the needs of industry, and also to take care of the gradual growth during the years 1954, 1955, and 1956. It was also shown that it would take 2 years to construct the Fulton steam plant and that it could not begin operations until 1956; so there would be ample

time to look into the situation again next year to decide whether it was necessary. We would then be that much closer to the estimates which were given to us for 1956 and 1957. We would know what the estimates were for 1953 and 1954. For that reason the committee followed the recommendation of the Budget Director in omitting the item. It also followed the House, which likewise omitted it, and the statement in the report of the committee that it should not be included in this year's budget.

For those reasons I hope that Senators, if they are interested, will examine the Senate committee hearings on the bill.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point in my remarks a letter dated July 9, 1953, from Joseph M. Dodge, Director of the Bureau of the Budget. The letter shows a surplus of power requirements in 1956.

I should also like to have printed in the RECORD at this point as part of my remarks the statement of the Defense Electric Power Administration, which shows the load based on the Truman budget and based on the revised fiscal budget. This shows, in millions of watts, a surplus of power requirements in 1952.

I should also like to have printed in the RECORD at this point in my remarks the estimate, in kilowatts, of the TVA power system's capacity, which shows the building up year by year of the new plant, with the total in 1956 of hydropower of 2,739,900 kilowatts, and of steam power a total of 6,741,550 kilowatts. Those figures include the Fulton steam plant.

The PRESIDING OFFICER. Is there objection?

There being no objection, the letter, statement, and estimate were ordered to be printed in the RECORD.

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington D. C., July 9, 1953.

Hon. LEVERETT SALTONSTALL,
Chairman, Subcommittee on Independent Offices, United States Senate Committee on Appropriations, Washington, D. C.

MY DEAR MR. CHAIRMAN: Governor Adams has asked us to furnish the information requested by you today concerning the prospective power needs in the Tennessee Valley Authority area. It is understood that you desire this information for use in connection with consideration of the Second Independent Offices Appropriation Act, 1954, and are particularly interested in the reason for the administration's decision not to include in the revised 1954 budget an estimate of appropriation for $30 million to initiate construction of a steampower plant at Fulton, Tenn.

In the preparation of the revised budget the need to provide additional generating facilities to meet the increasing power loads in the Tennessee Valley Authority power area was recognized. An analysis of all available information disclosed that continuation of work on the 35 units now under construction, as well as 1 additional unit at Kingston and 1 at John Sevier, would provide for reasonable growth in power loads of the area through calendar year 1956, including requirements for national defense and other industries, and for municipalities and cooperatives. In addition, provision was made for appropriate operating reserves.

In view of the overall budget situation confronting this administration it was not possible at this time to include funds in the Tennessee Valley Authority budget for all possible contingencies which might occur in future years.

For the reasons stated above, initiation of construction of a steam powerplant at Fulton in fiscal year 1954 does not appear to be justified. However, the estimates of power requirements in the Tennessee Valley Authority area will again be reviewed in connection with the preparation of the budget for fiscal year 1955. Appropriate action will be taken on the basis of the information then available regarding future power requirements.

We hope that this information will meet your needs.

Sincerely yours,
JOSEPH M. DODGE, *Director.*

[Included in House debate on TVA on June 17, 1953]

[In millions of watts]

Year	Estimated loads		Margin of capability above loads, based on—			
	DEPA [1]	TVA	DEPA load estimate	TVA load estimate	DEPA load estimate	TVA load estimate
			Under Truman fiscal year 1954 budget		Under revised fiscal year 1954 budget	
1952	4,430	[2] 4,121	−48	271	Same	
1953	5,452	5,450	463	465	Same	
1954	7,406	7,900	558	64	Same	
1955	8,194	8,900	1,802	1,097	1,716	1,010
1956	8,654	9,600	2,337	1,391	1,837	891

[1] DEPA states that the load estimates shown, made in March 1953, have been concurred in by representatives of the following agencies: Office of Defense Mobilization, Federal Power Commission, Munitions Board, and Defense Electric Power Administration.

[2] Actual.

TVA power system capacity in kilowatts

	TVA hydro	Cumberland hydro	Alcoa hydro	Total hydro	TVA steam	Total
In service June 30, 1953	2,472,400	441,000	351,935	3,265,335	1,836,550	5,101,885
1953 scheduled capacity additions (by months):						
August—160,000 kilowatts:						
Shawnee No. 3					135,000	
Boone No. 3	25,000					
September—18,000 kilowatts: Dale Hollow No. 3		18,000				
October—174,000 kilowatts:						
Bear Creek			9,000			
Shawnee No. 4					135,000	
Cherokee No. 4	30,000					
November—220,500 kilowatts:						
Fort Patrick Henry No. 1	18,000					
Fontana No. 3	67,500					
Kingston No. 1					135,000	
December—135,000 kilowatts: Kingston No. 2					135,000	
Total at Dec. 31, 1953	2,612,900	459,000	360,935	3,432,835	2,376,550	5,809,385
1954 scheduled capacity additions (by months):						
January—18,000 kilowatts: Fort Patrick Henry, No. 2	18,000					
March—135,000 kilowatts: Kingston No. 3					135,000	
April—135,000 kilowatts: Kingston No. 4					135,000	
May—138,500 kilowatts:						
Douglas No. 4	26,000					
Widows Creek No. 5					112,500	
July—112,500 kilowatts: Widows Creek No. 6					112,500	
August—135,000 kilowatts: Shawnee No. 5					135,000	
September—325,000 kilowatts:						
Tennessee Creek			10,000			
Kingston No. 5					180,000	
Shawnee No. 6					135,000	
October—370,000 kilowatts:						
Colbert No. 1					180,000	
Chatuge	10,000					
Kingston No. 6					180,000	
November—135,000 kilowatts: Shawnee No. 7					135,000	
December—495,000 kilowatts:						
Colbert No. 2					180,000	
Kingston No. 7					180,000	
Shawnee No. 8					135,000	
Total at Dec. 31, 1954	2,666,900	459,000	370,935	3,496,835	4,311,550	7,808,385

TVA power system capacity in kilowatts—Continued

	TVA hydro	Cumberland hydro	Alcoa hydro	Total hydro	TVA steam	Total
1955 scheduled capacity additions (by months):						
February—315,000 kilowatts:						
Shawnee No. 9					135,000	
Kingston No. 8					180,000	
March—180,000 kilowatts: Colbert No. 3					180,000	
April—135,000 kilowatts: Shawnee No. 10					135,000	
May—180,000 kilowatts: Colbert No. 4					180,000	
June—180,000 kilowatts: John Sevier No. 1					180,000	
September—180,000 kilowatts: John Sevier No. 2					180,000	
October—73,000 kilowatts:						
Hiwassee No. 2	58,000					
Nottely	15,000					
November—405,000 kilowatts:						
Gallatin No. 1					225,000	
Kingston No. 9					180,000	
Total at Dec. 31, 1955	2,739,900	[1] 459,000	370,935	[2] 3,569,835	5,886,550	[2] 9,456,385
1956 scheduled capacity additions (by months):						
January—225,000 kilowatts: Gallatin No. 2					225,000	
Subtotal at Jan. 31, 1956	2,739,900	[1] 459,000	370,935	[2] 3,569,835	6,111,550	[2] 9,681,385
March—50,000 kilowatts:						
Old Hickory No. 1 [1]		25,000				
Old Hickory No. 2 [1]		25,000				
May—192,000 kilowatts:						
John Sevier No. 3					180,000	
Cheatham No. 1 [1]		12,000				
July—25,000 kilowatts:						
Old Hickory No. 3 [1]		25,000				
September—237,000 kilowatts:						
Cheatham No. 2		12,000				
Fulton No. 1					225,000	
November—225,000 kilowatts:						
Fulton No. 2					225,000	
Total at Dec. 31, 1956	2,739,900	558,000	370,935	3,668,835	6,741,550	10,410,385
Cheatham No. 3 [2]		12,000				
Old Hickory No. 4 [2]		25,000				
Total	2,739,900	595,000	370,935	3,705,835	6,741,550	10,447,385

[1] 87,000 kilowatts of Cumberland capacity was originally scheduled for 1955; is now delayed to 1956 under the revised Corps of Engineers budget.
[2] 37,000 kilowatts of Cumberland capacity was originally scheduled for 1956; is now delayed beyond 1956 in revised Corps of Engineers budget.

Mr. SALTONSTALL. Mr. President, I hope the Senate will follow the recommendations of the full Committee on Appropriations in rejecting an amendment that would start the Fulton steam plant in the TVA system this year.

Mr. KEFAUVER. Mr. President, will the Senator yield for a question?

Mr. SALTONSTALL. I yield to the Senator from Tennessee.

Mr. KEFAUVER. I followed the hearings in the House committee and also in the Senate committee very carefully, and every statement I have heard as to the length of time that would be required to build the steam plant was to the effect that it would require 3 years. The Senator stated it would require 2 years. I wonder whether the Senator was mistaken.

Mr. SALTONSTALL. It is possible that I was in error. It would come into use in September 1956, which would be 2 years and a half.

Mr. KEFAUVER. In order to come into use by that time it would have to be started this summer.

Mr. SALTONSTALL. Yes. I may say to the Senator there is a conflict in the estimates of the cost of power, but, according to the best estimate we could obtain, those of the Electric Power Association, under the Eisenhower budget, without building the steam plant, there will still be a surplus of power in 1956. In addition to that, there are power companies that are willing to participate. No contract basis was given, but they are willing to supply a power deficiency. They could add approximately 400,000 kilowatts of additional power, whereas the Fulton steam plant would add 450,000 kilowatts. So, on every basis I can conceive, although admitting that there is a conflict in the testimony, it is possible to have another look-see a year from now without stopping industrial development of the governmental development of atomic energy in the TVA area in the calendar years 1953, 1954, 1955, and 1956.

Mr. KEFAUVER. I assume the Senator wants the TVA to make enough power to supply the TVA area. That is the attitude of the Senator from Massachusetts, is it not?

Mr. SALTONSTALL. No; it is not the attitude of the Senator from Massachusetts. The Senator from Massachusetts believes that there should be adequate power to provide for the growth of industries and of governmental activities in the area. What I tried to emphasize—and I will emphasize it again—is that——

Mr. KEFAUVER. Mr. President, if the Senator will yield——

Mr. SALTONSTALL. Let me conclude, because it is very important. I have tried to emphasize again that there is sufficient power, so far as I can see, to take care of the needs until 1956 and until the calendar year 1957. In the meantime, we can study the matter, and if we start the plant next year, it will be put into use in time to take care of the industrial growth. In the meantime, the Atomic Energy Commission, through Mr. Dean, the Chairman, has itself said that it believes the Commission will be using less power in 1956 than it is using today.

Mr. KEFAUVER. Mr. President, if the Senator from Massachusetts will yield further, I fear he did not understand my question. My question was whether the Senator, as chairman of the subcommittee, wants TVA to produce sufficient power to supply defense needs as well as the industrial, farm, and home needs of the Tennessee Valley?

Mr. SALTONSTALL. Absolutely, along with the private companies that can come in. If proper contracts cannot be obtained from private companies, that will be another matter. But there was plenty of testimony before us that that would not be the case. Mr. Wilson, of the Mississippi Power & Light Co., stated that they would make a short-term contract or a long-term contract, if they were given the opportunity.

Mr. KEFAUVER. Was the Senator not impressed with the accuracy of the TVA's estimate that their power needs are as set forth in hearings?

Mr. SALTONSTALL. As I remember, the estimates of the TVA's power needs, over the years have shown that they were overestimated between 1941 and 1953, except for 3 years, when they were underestimated. They overestimated them eight times, and underestimated them three times. I think I am correct.

Mr. KEFAUVER. If the Senator will look at the record on the 3-year basis, I think he will find that on each occasion the TVA has underestimated its need for power.

Mr. SALTONSTALL. I would be glad to find that again. I saw the record a little while ago, but now in trying to find it quickly, I cannot seem to put my finger on it. With the permission of the Senator from Tennessee, I shall be glad to place in the RECORD the 10-year record, and I ask unanimous consent that it may be included in the RECORD at this point in my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

IV. STATEMENT REGARDING TVA'S ESTIMATES OF POWER DEMANDS

In each of the last several years TVA has presented to the Congress its estimates of power demands to be expected 3 to 4 years in the future. The following table shows these estimates, which were presented when new capacity for the year in question was first under discussion.

Shown in the table for comparison with the estimates are the demands which have actually developed to date:

[Millions of kilowatts]

Year	Estimated demand	Actual demand
1950	2.7	3.2
1951	2.9	3.8
1952	3.6	4.2
1953	4.4	
1954	6.1	
1955	7.1	
1956	9.6	

In each case the demands that have developed exceeded the original long-range estimates. It is already as nearly certain as such matters can be that demands developing for the next 2 years will also exceed the estimates.

Forecasts made as far in advance are not a matter of record for the years before 1950, but a review of 2-year forecasts reported by TVA to the Federal Power Commission provide the following additional information:

[Millions of kilowatts]

Year	Estimates by TVA 2 years in advance	Actual demand
1947	1.8	2.2
1948	2.2	2.5
1949	2.5	2.7

The reason for the demands exceeding the long-range estimates is the development of more new loads—often of a vital defense character—than can be foreseen as far in advance as it is necessary to plan new power capacity for orderly, economical construction. Experience shows that for adequate service and in the interests of national security, some margin of capacity over estimated demands should be provided.

The House Committee on Appropriations has expressed the opinion that TVA has been overestimating demands and that demands in 1956 are therefore likely to fall far short of TVA's estimate. This opinion was not based on a study of the comparable previous long-range estimates which are tabulated above. Instead, it was based upon a review of short-range (1-year) forecasts, using figures obtained from the Federal Power Commission which, unfortunately, were not accurate and not correctly interpreted.

The 1-year forecasts have little bearing on the planning of new capacity, but are tabulated below, with the actual demands, because of the reference to such estimates by the House Committee on Appropriations.[1]

[1] Housing hearing on second independent offices appropriations for 1954, pt. I, pp. 222–223.

[Millions of kilowatts]

Year	Estimate by TVA 1 year in advance	Actual demand	Load as curtailed
1941	0.7	0.8	0.8
1942	1.6	1.4	1.4
1943	1.8	1.5	1.5
1944	1.8	1.6	1.6
1945	1.7	1.8	1.8
1946	1.7	2.0	2.0
1947	2.1	2.2	2.1
1948	2.3	2.5	2.4
1949	2.7	2.7	2.3
1950	2.9	3.2	3.0
1951	4.0	3.8	3.7
1952	4.9	4.2	4.1

It will be seen that, in fact, these short-range estimates, which are made after there is knowledge of most newly developing loads, have been too low or too high about equally often, as might be expected.

The actual demands for each year are shown in the table in the column following the estimate. Actual demands are rarely exactly in the amount anticipated in even shorter-range forecasts, for they are subject to uncertainties of weather, industrial conditions (including strikes, etc.), and other variable factors. Part of the necessity for a margin of capacity over estimated demands lies in the unpredictability of such factors.

When there is not ample capacity, it may not be possible to meet demands. Then loads must be curtailed. This is most readily done by the exercise of rights of curtailment reserved in contracts with the larger industrial consumers. Sometimes more drastic measures, with even more serious consequences, are necessary. There has been some curtailment of loads on the TVA system in recent years because capacity was too limited to supply all demands on a normal basis. The loads supplied after curtailment are shown in the last column of the table. These loads, which are less than the power demands by the amount of curtailment, were erroneously compared with the estimated demands in the records of the House hearings.

In summary, actual demands have exceeded TVA's short-range estimates at least as often as they have fallen short of such estimates; actual demands have consistently exceeded TVA's long-range estimates presented to the Congress in support of new generating capacity.

TENNESSEE VALLEY AUTHORITY,
June 20, 1953.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER] for himself and other Senators.

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be offered, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill (H. R. 5690) was read the third time, and passed.

Mr. SALTONSTALL. I move that the Senate insist on its amendments, request a conference with the House thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. SALTONSTALL, Mr. BRIDGES, Mr. FERGUSON, Mr. CORDON, Mr. HICKENLOOPER, Mr. MAYBANK, Mr. HILL, and Mr. ELLENDER conferees on the part of the Senate.

CHRISTIAN FAITH AS A BULWARK AGAINST COMMUNISM

Mr. BYRD. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point a statement which I have prepared.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BYRD

The chief bulwark in the world today against communism is the Christian faith as represented by our spiritual leaders. To undermine the confidence and faith of our people in these spiritual leaders will impair our most virile and effective force for preservation of Christianity and combating communism and all the evils this ideology stands for.

When the final showdown comes between communism and democracy, the unity and strength of the Christian leaders may well be the determining factor. For this reason, the blanket charge made by J. B. Matthews, the former staff director of a Senate subcommittee against the Protestant clergymen, whom he charged were "the largest single group supporting the Communist apparatus," and the further statement that "some 7,000 Protestant clergymen have been drawn during the past 17 years into the network of the Kremlin's conspiracy," are of importance, considering the position Mr. Matthews occupied until his resignation yesterday.

Thus, Mr. Matthews not only charges that large numbers of Protestant clergymen are Communists but also that at least 7,000 of them are traitors to America, in that they are in the network of the Kremlin conspiracy.

Nothing that could happen would please the Kremlin more than to destroy the faith of America in its religious leaders. Such a mass indictment tends to destroy that faith.

Mr. Matthews should give names and facts to sustain his charge or stand convicted as a cheap demagog, willing to blacken the character of his fellow Americans for his own notoriety and personal gain. If he cannot name all the 7,000 he claims are guilty and the proof thereof, then let him name whom he can.

No man in public life stands more firmly than I do in my desire to oppose communism and to oust all Communists from Government activities, but I regard such irresponsible attacks on religious leaders as going very far afield. It endangers the unity we must have to meet our problems in the dark days that may be ahead.

PROTECTION OF SMALL BUSINESS—EXTENSION OF DEFENSE PRODUCTION ACT

Mr. CLEMENTS. Mr. President, the Senate recently rejected the original conference report extending the duration of the provisions of the Defense Production Act. The action in refusing to accept this conference report was based on the inclusion of a proposal in the Defense Production Act extension which, if enacted into law, would have scuttled efforts made to give small business a fair chance in the American economy.

The decision of the majority of the Senate in refusing to accept the conference report has been seized upon by partisan critics to condemn and misrep-

resent the record and activities of some Members of the Congress. Strange as it may seem, this criticism and misrepresentation has been leveled against some of the best friends of small business enterprise. The reasons for opposition to the report of the conference committee, which would have established a Small Business Administration under the Department of Commerce, were well outlined in the Senate and House debates. Likewise, the National Federation of Independent Business vigorously opposed the establishment of a Small Business Administration as reported out by the conferees.

One of our colleagues, the junior Senator from Minnesota [Mr. HUMPHREY], has been subjected to unwarranted and unfair criticism because of his vote to reject the conference report—a vote that in truth was in support of small business, a vote concurred in by the largest small business association in the Nation. For any partisan critic to charge the Senator from Minnesota with opposition to the interest of small business is to disregard the facts and willfully distort the record.

Mr. President, I ask unanimous consent that the remainder of the statement I have prepared on this subject, together with various letters in reference to it, be printed in the RECORD.

There being no objection, the remainder of the statement and the letters were ordered to be printed in the RECORD, as follows:

REMAINDER OF STATEMENT OF SENATOR CLEMENTS

Let the record speak for itself. Here is what the Senator from Minnesota [Mr. HUMPHREY] has done for small business:

The Senator from Minnesota has been a consistent and active friend of independent business enterprise. His record is crystal clear.

He has worked for and voted for strengthening the Robinson-Patman Act, following the suggestions of independent small business groups.

He has voted to strengthen the Federal Trade Commission, in order that it might more effectively enforce the provisions of the Clayton Act.

He has worked for and voted for strengthening the Antitrust Division of the Department of Justice.

He was among the leaders in the fight against the basing-point bill.

He was cosponsor and successfully worked for passage of legislation creating the Small Defense Plants Administration.

He sponsored and obtained adoption of an amendment establishing an Assistant to the Secretary of Defense in charge of small business contracts. This office, during the defense period, was of great assistance to the smaller industries in the Defense Department's relationships with industry.

He is the originator of the so-called small business-Government conferences which were held throughout the United States, one of the first of which was at the Nicollet Hotel in Minneapolis, Minn.

His office has given priority attention to small business problems and defense contracts for Minnesota business firms, having helped hundreds of Minnesota establishments in their relationships with the Federal Government.

He was cosponsor of a section in the Defense Production Act which made available extra loan funds for small business defense plants and taconite development.

He has consistently supported the small-business loan activities of the RFC.

He has been an active member of the Senate Select Committee on Small Business, and a member of the special Subcommittee on Taxation as it relates to small business which has just recently recommended tax changes to ease the impact of Federal taxation on growth and expansion of small and medium sized businesses.

His appeal to the Senate majority leader, the Senator from Ohio [Mr. TAFT], in behalf of the Senate Select Committee on Small Business helped achieve its continuance, when it appeared in the early days of the 83d Congress that it would be abolished.

He led the fight in the United States Senate for the fair-trade bill, and had a great deal to do with convincing President Truman to sign that bill.

He sponsored the establishment of a Subcommittee on Fair Trade Practices within the confines of the Senate Committee on Small Business.

He sponsored creation of a Small Business Subcommittee on Newsprint to protect the newsprint supply of the Nation's smaller newspaper publishers, and served as chairman of that group.

He is a former small business man himself, and is still partner in an independent drugstore—confronted with many of the same problems of other small business men.

The Senator from Alabama [Mr. SPARKMAN], who for 3 years was chairman of the Senate Small Business Committee and a member of the Banking and Currency Committee, says he has always found the Senator from Minnesota [Mr. HUMPHREY] on the side of the small business man, and called him "a fine and faithful member" of his committee. Senator SPARKMAN's letter is appropriate testimony to Senator HUMPHREY's friendship for small independent business:

UNITED STATES SENATE,
July 3, 1953.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR HUBERT: I want to express my appreciation to you for your vote in behalf of small business when the conference report on the controls bill was before us several days ago.

As was well pointed out in the discussion on the Senate floor, the proposal that has come from the House of Representatives, if enacted into law, would scuttle efforts made to give small business a fair chance in the American economy.

The Small Defense Plants Administration, as you know, has been operating only a short time. It started from scratch. However, it has done a remarkable job in helping small business in this country due to the fact that it has been an independent agency responsive to the President and reporting to him without intervention of any department head or the necessity of going through any other office. The proposal that came from the House would have destroyed that independent status and would have crippled severely the effort of any man trying to administer the agency in behalf of small business.

This fact was well recognized in the statement that was sent to all Senators by one of the best small business associations of the country. I refer specifically to the Small Business Association of New England.

You may recall also that George J. Burger, Washington representative and executive manager of the National Federation of Independent Business, one of the biggest small business organizations in the United States, took a similar attitude.

Other small business organizations from all over the country expressed themselves in the same manner because they all knew that destroying the independent status of the small business agency would destroy the ability of that agency to do anything helpful to small business.

As chairman of the Small Business Committee for 3 years, I have found you always on the side of the small business man. You have been a fine and faithful member of the Small Business Committee. Your upholding small business in this latest instance is simply a continuation on your part of the interest and effort you have always exerted for small business.

The fight is not yet won. I know that you can be counted upon to stay on the side of small business.

Sincerely,

JOHN,
John Sparkman.

All real friends of small business will resent the completely unfounded partisan attempt in Minnesota to make it appear that Senator HUMPHREY has ever been against small business enterprise.

The statement of Congressman WRIGHT PATMAN, of Texas, an acknowledged leader in the fight for fair treatment for small business enterprise, again underscores Senator HUMPHREY's record of support and assistance to independent small business. Likewise, the letter which Senator HUMPHREY received from Mr. George J. Burger, of the National Federation of Independent Business, under date of July 3, 1953, states in unmistakable terms the position of independent business concerning the Small Business Administration proposal.

The letters follow:

NATIONAL FEDERATION OF INDEPENDENT BUSINESS,
July 3, 1953.

Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D. C.

MY DEAR SENATOR HUMPHREY: Of course we are concerned and disappointed, solely in the interest of small business of this Nation for whom we believe we have the authority to speak and act, that the conferees of the Banking and Currency Committees failed to report out the Small Business Administration Act with the proposed changes, all beneficial to small business, which we recommended to all Members of the Senate in our wire to them of June 19, in which we urged the conferees to correct that section of the act pertaining to the authority of the Advisory Board, consisting of the Secretary of the Treasury, the Secretary of Commerce, and the Administrator of the new agency, and our recommendation was that such authority should be vested entirely within the confines of the new administration, subject at all times to the control of Congress.

We stated our objection to that section of the bill at public hearings before the Senate Banking and Currency Committee May 27, and before the House Banking and Currency Committee May 15.

We were pleased to note that you gave serious consideration to our recommendation of June 19 and voted "No" to the establishment of the Small Business Administration as reported out by the conferees, which report included the provision to which we objected.

It is our hope and trust, in the sole interest of small business of this Nation, that you will urge the Senate Committee on Banking and Currency to report out the amended Small Business Administration Act with the desired correction, and it is our further hope that that legislation, as amended, will be voted by the Congress prior to adjournment.

Sincerely yours,

GEORGE J. BURGER,
Vice President.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., July 8, 1953.

Hon. HUBERT H. HUMPHREY,
United States Senate,
Washington, D. C.

DEAR HUBERT: I am very sorry about the unjustified and wholly unwarranted attack upon you because of your vote in favor of small business when you voted to recommit the bill providing for an extension of the Defense Production Act which did not provide sufficiently for a small business agency to take the place of the Reconstruction Finance Corporation which is now being liquidated and is slated by the Republicans to go out of existence next June 30.

The fact is there is not a Member out of the 531 Members of the House and Senate who has worked harder, more consistently, and more effectively in behalf of the little man and small business than you have worked since you have been a Member of the United States Senate. During the time that you have been here we have been compelled to fight against passage of proposals that were intended to give big business every advantage and little business no opportunity to exist; particularly, I refer to special bills under high-sounding names to "clarify" the Robinson-Patman Act. Everyone of these bills carried hidden provisions that only an alert, sincere, able Member like yourself would have detected that were intended to absolutely destroy equality of opportunity for the little man.

Only a few days ago, I heard one of the most important leaders in the United States Senate say, "HUBERT HUMPHREY is not only a sincere, conscientious person, but he is one of the ablest and best debaters in the United States Senate."

Independent business is fortunate to have a person such as yourself on the right side, and I sincerely trust that the unwarranted attack from greedy groups will receive no more attention than such attacks are entitled to receive. It is just another case of people who have a selfish ax to grind trying to cripple, harm, or retard a fine Member of Congress who is constantly working for the people and never fooled by the slick, deceitful propaganda of the clever lobbyist groups.

I want you to know, Hubert, that I am glad to be on your side and glad to be associated with you in the many fights that we have carried on shoulder to shoulder. If your record is bad, my record is bad, but the truth is you have a wonderful record in behalf of the little man, and I do not expect to have a better one.

Small business needs help now more than any time since I have been a Member of Congress during the past 25 years; the little man is in the greatest danger that he has ever been. Please do not let unfair attacks dampen your zeal because we need you now and will need you in the foreseeable future as never before.

With kindest personal regards and very best wishes, I am,

Sincerely yours,

WRIGHT PATMAN.

ADDITIONAL ASSISTANT POSTMASTER GENERAL

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of House bill 5302, Calendar No. 502.

The PRESIDING OFFICER. The clerk will state the bill by its title.

The LEGISLATIVE CLERK. The bill (H. R. 5302) to provide for an additional Assistant Postmaster General in the Post Office Department.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

Mr. ELLENDER. Mr. President, may we have an explanation of the bill? The report is not available, apparently. I should like to know, in particular, why it is necessary to have another Assistant Postmaster General.

Mr. CARLSON. Mr. President, this proposed legislation provides for the consolidation and coordination of all personnel management functions of the Post Office Department under one Assistant Postmaster General.

The coordination of personnel functions of the various bureaus under one head will provide for consistency in policy and develop a positive overall personnel program for the Post Office Department. It is the committee's firm conviction that there is a direct relationship between the size of the post-office deficit and the need for a modern and enlightened policy of personnal management administered in the top level in the Post Office Department.

There are four departments in the Post Office Department, an agency which is the second largest employer of civilian personnel in the world, second only to the Department of Defense.

There is no personnel head in the agency. There are four Assistant Postmasters General. Each one has charge of personnel. There are three major personnel sections. I know of no private business that could operate in this way. This bill has passed the House. The Postmaster General stated that, in his opinion, the enactment of the bill would save $100,000 in the first 6 months.

Mr. ELLENDER. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. ELLENDER. How many Assistant Postmasters General are there at this time?

Mr. CARLSON. There are four.

Mr. ELLENDER. This will make the fifth one?

Mr. CARLSON. That is correct.

Mr. ELLENDER. What salary is he to receive?

Mr. CARLSON. He is to receive $15,000 a year.

Mr. ELLENDER. I thank the Senator from Kansas.

The PRESIDING OFFICER. The question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

INVESTIGATION BY COMMITTEE ON AGRICULTURE AND FORESTRY OF IMPORTATION OF WHEAT

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 508, Senate Resolution 127.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 127) authorizing the Committee on Agriculture and Forestry to make an investigation of the importation of wheat unfit for human consumption.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the resolution (S. Res. 127).

Mr. KNOWLAND. Mr. President, may we have a brief explanation of the resolution? I think, in orderly procedure, the RECORD should contain an explanation.

Mr. AIKEN. Mr. President, as is well known, the Committee on Agriculture and Forestry has a $10,000 appropriation for 2 years in which to do the work prescribed in the resolution. We have not as yet spent the entire $5,000 for this year, but we have been continuously busy on the investigation, and the amount will undoubtedly be expended within the next 3 or 4 weeks. That leaves nothing with which to move in quickly and investigate matters which threaten the price-support program and the farm program generally.

I have particular reference to a scheme which has been operated during the past 3 or 4 years to import wheat, unfit for human consumption, from Canada at a low import duty, blend it with good American wheat, and then sell it, collect subsidies on it, and displace good wheat in the American market. That has done a great deal of harm generally, I believe, to our wheat price-support program.

At the present time, the Department of Justice is investigating with a view to taking action against one of the outlets of the outfit which has been primarily concerned with this activity, but, so far as I know, the company involved is going unscathed, though there is indication that it concocted a conspiracy. We believe an inexpensive investigation will expose the whole matter, prevent future actions of this kind, and be generally helpful to our farm program.

This is one instance in which we contemplate moving in to see if we cannot put a stop to such machinations which injure American agriculture. We do not know when we might want to move in quickly, but if we do, we shall have little money with which to operate, and we estimate that $15,000 will be an adequate amount. I hope we shall not have to expend it, but I assure the Senate that what money we do not absolutely have to use will be safely returned to the Treasury.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 127) was agreed to.

INVESTIGATION BY CIVIL SERVICE COMMISSION OF PERSONS RECEIVING ATOMIC ENERGY COMMISSION FELLOWSHIPS

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the

consideration of Calendar No. 443, Senate bill 1569.

The PRESIDING OFFICER. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1569) to amend the Independent Offices Appropriations Act, 1953, so as to provide for the investigation by the Civil Service Commission in lieu of the Federal Bureau of Investigation of persons receiving Atomic Energy Commission fellowships.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to the consideration of the bill, which was read, as follows:

Be it enacted, etc., That section 102 of the act of July 5, 1952 (66 Stat. 411), is amended by striking therefrom the words "Federal Bureau of Investigation" and inserting in lieu thereof the words "Civil Service Commission," and by striking the word "*Provided*" the first time it appears and inserting in lieu thereof the words "*Provided*, That in the event such investigation made by the Civil Service Commission develops any data reflecting that the individual who is the subject of the investigation is of questionable loyalty, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the Civil Service Commission for its information and appropriate action: *Provided further,*".

SEC. 2. Nothing in this act shall be construed to affect in any way the responsibility of the Federal Bureau of Investigation for the investigation of espionage, sabotage, or other subversive acts.

Mr. CARLSON. Mr. President, this proposed legislation provides for the investigation by the Civil Service Commission in lieu of the Federal Bureau of Investigation of persons receiving Atomic Energy Commission fellowships. Public Law 298, 82d Congress, relieved the Federal Bureau of Investigation of the responsibilities of conducting personnel investigations so that the Bureau might devote its complete facilities to detecting violators of Federal laws and other vital services as may be required by Congress and Executive directives.

Public Law 298 transferred to the Civil Service Commission the responsibilities for conducting personnel investigations in certain fields including the Atomic Energy Act and the Mutual Security Act of 1951.

However, section 102 of the Independent Offices Appropriation Act of 1951 provides that the Federal Bureau of Investigation shall make character and loyalty investigations of recipients of Atomic Energy Commission fellowships. That provision was not included in Public Law 298 because it was assumed that it would expire prior to the enactment of that law. But subsequent appropriation acts have perpetuated the provision.

S. 1569 would place that responsibility with the Civil Service Commission. This legislation has been requested by the Justice Department.

This legislation provides further that in the event such investigation made by the Civil Service Commission develops data reflecting that the individual who is the subject of the investigation is of questionable loyalty, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for a full field investigation.

There is nothing in this act which shall be construed to affect in any way the responsibilities of the Federal Bureau of Investigation for the investigation of espionage, sabotage, or other subversive acts.

Mr. McCARRAN. Mr. President, I offer an amendment on page 2, line 1, after the word "data", to strike out the word "reflecting" and insert in lieu thereof the words "justifying a reasonable inference."

The language of the proviso is:

That in the event such investigation made by the Civil Service Commission develops any data reflecting that the individual who is the subject of the investigation is of questionable loyalty, the Civil Service Commission shall refer the matter to the Federal Bureau of Investigation for the conduct of a full field investigation.

And so forth. My thought was that the word "reflecting" is so indefinite that it would be better to have in the bill the words "justifying a reasonable inference."

Mr. CARLSON. Mr. President, will the Senator from Nevada yield?

Mr. McCARRAN. I yield.

Mr. CARLSON. I think the amendment of the distinguished Senator from Nevada would strengthen and improve the bill. I shall be pleased to accept the amendment.

Mr. McCARRAN. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada [Mr. McCARRAN].

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill (S. 1569) was ordered to be engrossed for a third reading, read the third time, and passed.

CONVEYANCE OF CERTAIN PROPERTY TO THE CITY OF RUPERT, IDAHO

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 465, Senate bill 122.

The PRESIDING OFFICER. The clerk will state the bill by title, for the information of the Senate.

The CHIEF CLERK. A bill (S. 122) directing the conveyance of certain property to the city of Rupert, Idaho.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 122) directing the conveyance of certain property to the city of Rupert, Idaho, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 2, line 6, after the words "purpose of", to insert "and as having been made within any time limitation prescribed in"; and in line 23, after the word "minutes", to strike out "each" and insert "east", so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to convey by quitclaim deed, without consideration, to the city of Rupert, Idaho, all right, title, and interest of the United States in and to the lands described in section 2 of this act: *Provided*, That such conveyance shall be subject to the continued use, without payment of ground or other rental therefor, of the improvements and necessary land presently used for veterans' temporary housing project IDA–V–10147, for so long as they may be needed, under the contract between the city of Rupert and the United States for such project, it being understood that the rights and obligations of the United States and the city of Rupert under said contract shall not be in any way affected by such transfer: *And provided further*, That such conveyance shall be considered a purchase of said land for the purpose of, and as having been made within any time limitation prescribed in section 601 (b) of Public Law 849, 76th Congress, as amended.

SEC. 2. The lands referred to in the first section of this act are more fully described as follows:

TRACT 1

Beginning at a point which is twenty-eight and seven-tenths feet north eighty-nine degrees fifty-four minutes east and one thousand one hundred and eighty feet north no degrees six minutes west of the quarter section corner of sections 20 and 29, township 9 south, range 24 east, Boise Meridian, Idaho, thence north eighty-nine degrees fifty-four minutes east seven hundred and ten feet; thence north no degrees six minutes west one hundred and thirty-nine and eight-tenths feet; thence south eighty-nine degrees fifty-four minutes west seven hundred and ten feet; thence south no degrees six minutes east one hundred thirty-nine and eight-tenths feet to the point of beginning; containing two and twenty-eight one-hundredths acres, more or less.

TRACT 2

Beginning at a point which is one thousand one hundred seventy-nine and five-tenths feet north no degrees six minutes east and forty-three and four-tenths feet south eighty-nine degrees fifty-four minutes west of the section corner of sections 20, 21, 28, and 29, township 9 south, range 24 east, Boise Meridian, Idaho; thence south eighty-nine degrees fifty-four minutes west nine hundred and ten feet; thence north no degrees six minutes east one hundred thirty-nine and seventy-five one-hundredths feet; thence north eighty-nine degrees fifty-four minutes east nine hundred and ten feet; thence south no degrees six minutes west one hundred thirty-nine and seventy-five one-hundredths feet to the point of beginning; containing two and ninety-two one-hundredths acres, more or less.

TRACT 3

Beginning at a point which is forty feet south no degrees three minutes east and one thousand one hundred ninety-one and three-tenths feet south eighty-nine degrees fifty-four minutes west of the quarter section corner of sections 20 and 29, township 9 south, range 24 east, Boise Meridian, Idaho; thence south no degrees four minutes east two thousand five hundred seventy-nine and two-tenths feet; thence south eighty-nine degrees fifty-six minutes west seventy-five feet; thence north no degrees four minutes east two thousand five hundred seventy-nine and two-tenths feet; thence north eighty-nine degrees fifty-four minutes east seventy-five feet to the point of beginning; containing four and forty-four one-hundredths acres, more or less. The conveyance of this

tract shall be subject to the right of the Minidoka irrigation district to pump and use the water collected in the drain located on the tract, and shall be conditioned upon the release of the United States from all responsibility for the maintenance of said drain.

Mr. MORSE. Mr. President, the distinguished Senator from Idaho [Mr. DWORSHAK] and I have had a series of very cooperative conferences on this matter, and I think we are about to work out a solution mutually acceptable to us and, I believe, to the Senate. I shall be as brief as I can, and at the same time protect myself in the RECORD.

As the Senate knows, since 1946 I have tried to follow a formula which a subcommittee of the Committee on Armed Services in 1946, composed of the senior Senator from Virginia [Mr. BYRD], the senior Senator from Massachusetts [Mr. SALTONSTALL], and the junior Senator from Oregon, worked out for the disposal of military surplus property. I felt then, as Senators have heard me say before, that it was unfair to apply the formula to military property and not to other property. So during the consideration of the Unanimous Consent Calendar since 1946 I have applied to the disposal of all Federal property what has become known as the Morse formula.

Briefly, the formula requires that if the transfer of Federal property is to be for public use, the local governmental unit obtaining the property shall pay 50 percent of the appraised fair market value. If the transfer is for private use, the purchaser shall pay 100 percent.

The record is perfectly clear that since 1946 the application of the formula has resulted in savings to the taxpayers of the United States of more than $400 million, which, I may say somewhat boastfully is no small economy item for one Senator to have accomplished. In the Senate we hear much about economy, and I have tried to practice it in the application of this formula. It has not always been easy. Sometimes I have been misunderstood.

My statement applies also to a bill pertaining to Virginia, which the Senator from Virginia [Mr. BYRD] will call up shortly. There is a basis for reconciling both bills with the formula, so far as I am concerned, and I am happy to say so. My only reason for rising to discuss the bills is to protect the record as to my consistency in the matter.

On June 1, 1952, as the RECORD for that day will show, when I was unfortunately unable to return to the Senate for a calendar call, some Senators, in my absence, misinterpreted a bill on the calendar, in the sense that they felt that I was inconsistent in the application of the formula, because the particular bill happened to apply to some Oregon property.

I say again today, as I said on June 2, 1952, there is not a Member of the Senate who can cite a single instance since 1946 when I have been inconsistent in the application of the formula, whether the property involved applied to Oregon transfers or to transfers in any other State of the Union. I think I can submit as my best witness on the matter the senior Senator from Virginia [Mr. BYRD], himself, because I am certain he will recall that some years ago a bill on the Unanimous Consent Calendar proposed to transfer about one-fifth of an acre of land from the Federal Bureau of Mines property to Albany, Oreg. I had not seen it on the calendar. When the calendar was called that day, my good friend, the Senator from Virginia, walked over to me and said, "Wayne, when we get to the Oregon bill, if you would like to have me object for you, I shall be glad to do so." I said, "What is the bill?" He called it to my attention. I looked at it and said—and I am sure the Senator from Virginia will not object to this informality, because we are good friends—"Harry, when I cannot do my own objecting on Oregon property, I shall not be objecting to transfers in any other State."

I objected to that transfer. My colleague the senior Senator from Oregon [Mr. CORDON] was handling the bill on the floor of the Senate. I suggested that he accept my amendment. He said he was not in a position to do so, but, as the RECORD will show, he said he hoped his colleague would offer the amendment and that the Senate would agree to it. That is what the RECORD shows.

The interesting sequel is that when I went to Albany, Oreg., some time later, to talk to the chamber of commerce, they very good-naturedly said they were happy to get the property, were perfectly willing to pay for it, and were very glad the matter had been handled as it had been. They said they appreciated the way both Senators from Oregon had handled the transfer on that particular calendar day.

However, I wish to incorporate by reference, without having it again placed in the RECORD, because it already appears in the RECORD, the speech I made on June 2, 1952, as demonstrating my consistency, and I make the same statement tonight I did on June 2, 1952: I ask anyone to find a single instance in which I have been inconsistent in the matter.

However, Mr. President, in my judgment, after thorough study, the two bills we shall discuss tonight are bills to which the formula does not apply, and I shall take a moment now to explain why it does not apply in the case of the Rupert, Idaho, bill. I hope the Senator from Idaho will accept two small amendments and that the Senate will then agree to them.

In the Idaho case there are three small tracts of land involved. The total acreage is less than 10 acres. Rupert, Idaho, was really platted out under a public land grant back in 1906. The committee report states:

> The city of Rupert was located initially on public land which was platted and sold in connection with the development of the Minidoka project, Idaho, pursuant to the act of April 16, 1906 (34 Stat. 116). The first two tracts mentioned in the bill are a portion of the platted land designated as public reserve. The cited act provides for the ultimate donation of tracts so designated to the municipal government upon condition that they be used forever for public purposes.

So, as to these two tracts, we are dealing with an act of Congress of 1906, which leaves no room for doubt that the tracts were donated to the city of Rupert in 1906 for public purposes. The Morse formula simply cannot be applied to that situation.

There is some question as to a cloud on the title, and the clouded title ought to be cleared up by the bill. But the taxpayers of the United States are losing nothing by the transfer of the two tracts, because the transfer was, in fact, made back in 1906. It is not a question whether, if I were in the Senate in 1906, I would have agreed to the bill. The donation was made in 1906.

On one of these tracts there are some veterans' houses. The Senator from Idaho and I—I think I express his point of view; at least I express mine—are in doubt as to just what is contemplated by the bill in respect to those houses. If I correctly understand the Senator from Idaho, he thinks that the houses do not go with the property; but only to protect my record of consistency, I should like to have an understanding that, if the bill passes, it will be with the understanding that the city of Rupert will not get the houses. They belong to the taxpayers of the country. I do not know what value they have. The Senator from Idaho has supplied me with some factual information, to the effect that originally they cost only some $42,000. They were veterans' houses which were transferred from some other western city for veterans' purposes. If we can have the understanding that it is the land that we are transferring, and that the Federal Government will get at least 50 percent of the appraised fair market value of the houses, even if they are to be sold on a salvage basis, which I understand is the basis on which they will have to be sold, because they are practically nonserviceable now—if we can have that understanding, and if there can be written into the bill, on page 2, line 9, the following proviso, which is simply a repetition of the original purpose of Congress in 1946, I shall have no objection. The proviso is as follows:

Provided further, That the said lands shall be used for public purposes only.

If that proviso is inserted, I shall have no objection whatsoever to the transfer of the first two tracts, and, I shall have no objection with respect to the third tract, after I finish my explanation of it.

To repeat, as to the first two tracts, in my judgment title already is in the city of Rupert, under the act of 1906. All we are doing by this bill is removing any possibility of a cloud being on the title. We are inserting in the bill the original intention of Congress, namely, that the land shall be used for public purposes only. That is being specifically spelled out in the bill.

As to the third tract, which is a piece of property less in area than 4 acres, it is really a drainage ditch owned by the Federal Government. It is used to take

off surface water. It is a hazard to safety. The city of Rupert proposes to place a cover over it, either of concrete or some other material, so that it will not be an accident hazard, and to relieve the Federal Government of any expense in connection with the upkeep of the drainage ditch. I think obviously it is a piece of property which ought to belong to the city. It is a piece of property which ought to be maintained by the city. It is a piece of property the expense for maintaining which ought to be taken off the backs of the American taxpayers.

It illustrates the principle of de minimis, so far as any possible Federal interest is concerned. In fact—and I take a little pride in being at least a fair horse trader—I consider this to be a pretty good trade. If we can get the people of Rupert, Idaho, to take this ditch off the hands of the Federal taxpayers, so far as maintenance is concerned, I think we are getting adequate consideration, and that the formula is not in any way violated. However, I make this statement so that no one—as happened when I was absent on a prior occasion—will cite this case as involving any inconsistency with the Morse formula. It does not, if my proposed amendment is accepted. It will be completely consistent with the Morse formula.

I close the discussion of this bill by asking the Senator from Idaho [Mr. DWORSHAK] if he will agree, first, to the insertion in line 9 on page 2 of my proviso:

Provided further, That such lands shall be used for public purposes only.

I also ask if he will agree with our interpretation of the bill, that we are not giving the houses to Rupert, Idaho. We are applying the formula as to the houses. In fact, there is some doubt in our minds as to whether or not the Federal Goverment owns them entirely, and would be entitled to the entire proceeds. But in this case, because the transfer is for a public purpose, I shall be perfectly willing for Rupert, Idaho, to get the houses at 50 percent of the appraised market value, even though the value may be only salvage value. However, I do not think, on the basis of our discussion, that it is necessary to put the 50-percent clause in the bill, because the supporting documents which the Senator from Idaho has given me, plus his comments on the situation, lead me to the belief—which I think is the same as his—that there is no attempt on the part of the city of Rupert, Idaho, to get the houses. The city of Rupert, Idaho, expects the Federal Housing Administration to take care of the houses. It is only the land that it is asking for. It turns to the Federal Housing Administration to get rid of its own houses.

Is that a fair understanding?

Mr. DWORSHAK. Mr. President, I am in substantial accord with the explanation which has been made by the Senator from Oregon. I call his attention to the fact that when the bill was first presented to me the then Solicitor of the Interior Department recommended an amendment, which has been included in the bill, and from which I quote, as follows——

The PRESIDING OFFICER (Mr. MARTIN in the chair). Will the Senator from Idaho suspend for a moment so that the committee amendments may be first disposed of, followed by the amendment of the Senator from Oregon?

Mr. DWORSHAK. Certainly.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The amendments were agreed to.

The PRESIDING OFFICER. Now the amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 2, at the end of line 9, it is proposed to add the following proviso:

Provided further, That such lands shall be used for public purposes only.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MORSE. Mr. President, I should like to have the Senator from Idaho complete his statement, for the purpose of the legislative history.

Mr. DWORSHAK. Mr. President, I quote from the bill in reference to the temporary housing units, under the Lanham Act. In the bill it is specifically stated, "it being understood that the rights and obligations of the United States and the city of Rupert under said contract shall not be in any way affected by such transfer."

I think the Senator from Oregon has explained the status of the three tracts, and I agree with him. As I pointed out when the bill came up on the call of the calendar, I am absolutely sure that this measure conforms with the requirements of the formula which he has applied in the past.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

DISPOSITION OF CERTAIN LANDS BY THE COMMONWEALTH OF VIRGINIA TO THE SCHOOL BOARD OF MECKLENBURG COUNTY, VA.

Mr. FERGUSON. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 472, being House bill 4072.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H. R. 4072) relating to the disposition of certain former recreational demonstration project lands by the Commonwealth of Virginia to the School Board of Mecklenburg County, Va.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Michigan.

The motion was agreed to; and the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MORSE. Mr. President, I wish to make a brief statement regarding this bill, again in the interest of protecting my record in connection with any future bills which may come up on the same general subject.

When this bill was before the Senate the other day and I asked for time to study it—I had not had an opportunity to study it when it was first called—, the question was raised as to whether or not the Morse formula applied to transfers for educational purposes. It always has. I shall not take too long a time to put some of the evidence in the RECORD.

I wish to call attention, for the RECORD, to a colloquy of April 17, 1951, which will be found in the CONGRESSIONAL RECORD for that date, in volume 97, part 3, pages 3961 and 3962. The colloquy was between the Senator from South Dakota [Mr. CASE] and myself.

Mr. CASE. The question I should like to propound to the Senator from Oregon is this: In connection with the formula which the Senator has explained, has any modification been made of the principle in its application to educational institutions? It runs in my mind that a modification of the 50-percent requirement was made on transfers of property to educational institutions.

Mr. MORSE. I may say to the Senator from South Dakota that I know of no modification. His question raises an interesting point. It refers to a case which came before us in 1947. I recall the incident as though it was yesterday. The then Senator from Minnesota, Mr. Ball, offered a bill which sought to give a Federal fish hatchery in Minnesota to the University of Minnesota. Incidentally the University of Minnesota is my alma mater. Former Senator Ball joshed me a little about it. He said, in effect, "I do not suppose the Senator from Oregon particularly objects to his alma mater getting the fish hatchery." Mr. President, the RECORD will show that my reply was to the effect that it made no difference to me who was going to get it, for whether it was the University of Minnesota or any other body they ought to pay 50 percent of the appraised fair market value for the property. That is what happened in the case. The amendment was adopted. That is what the University of Minnesota had to pay.

Mr. President, I am going to ask for the insertion at this point in my remarks, without taking the time to read them, of other precedents, which are set forth in the table, in which I have applied the principle of the Morse formula with respect to transfers to educational institutions, including one in California. It relates to the Churntown Elementary School District of California. The property involved was eighteen one-hundredths of an acre of land, which the school district wanted. The formula was applied. I ask unanimous consent that the table may be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Transfer of Federal property to State universities and local school districts—History of bills objected to by Senator Morse on grounds of inadequate consideration

Bill No.	Public Law No.	Property involved	Proposed use of property	Consideration indicated in bill reported by Senate committee	Consideration—Resulting from Morse objection or amendment	CONGRESSIONAL RECORD citation (permanent bound volumes)
S. 2676, 80th Cong.	822	Approximately 5 acres.	Duluth Junior College of University of Minnesota for construction of faculty housing units and laboratory space.	Nothing	"50 percent of the appraised value of the property as determined by the U. S. Department of the Interior (Secretary of Interior reported that this legislation resulted in the payment to the United States of $4,500.50)."	94 CONGRESSIONAL RECORD 7942-7943 (June 12, 1948).
H. R. 164, 81st Cong.	84	10-plus acres to Churntown Elementary School District, California.	Public-school purposes	"Present valuation as fixed by Secretary of the Interior."	"50 percent of the appraised value of the property as determined by the U. S. Department of the Interior."	95 CONGRESSIONAL RECORD 4254 (Apr. 11, 1949).
H. R. 6230, 81st Cong.	412	19/100 of an acre	Part of right-of way for highway; title to be acquired by school district.	Nothing	"50 percent of the fair market value."	95 CONGRESSIONAL RECORD 14768 (Oct. 17, 1949).
H. R. 8314, 82d Cong.	-------	20-acre tract of land used as an agricultural experiment station.	Experiment station relative to production of grapes, maintained by University of California.	do	-------	98 CONGRESSIONAL RECORD 6325-6326 (June 2, 1952). 98 CONGRESSIONAL RECORD 7706-7708 (June 20, 1952). 98 CONGRESSIONAL RECORD 7817 (June 21, 1952). 98 CONGRESSIONAL RECORD 9059 (July 3, 1952).

Mr. MORSE. Mr. President, those cases dealt with bills which provided for the transfer of land in the first instance to a school district for nothing, or to a local governmental unit for nothing, for school purposes. Since 1946 the formula has been applied.

The facts in the pending case are different. We are dealing with a situation in which the grant was made to the State of Virginia, as I recall, in 1943. The grant was of a piece of property embracing approximately 40 acres of land for park and recreational and public purposes.

Mr. President, again it is immaterial whether or not, if the Senator from Oregon had been in the Senate in 1943, he would have voted for that grant without the State of Virginia paying 50 percent of the appraised fair market value.

The grant was made. Again we have a situation where there is a cloud on the title of the property. All the Federal Government has is a reversionary interest in the property. It has an interest, obviously, of little, if any, value if the land continues to be used for public purposes.

I wish to have the careful attention of the Senator from Virginia [Mr. BYRD], because if I can have an understanding with him, I will withdraw any objection I have to the pending bill, whatever my objection may be worth.

Because of the fact that the transfer has already been made, and because of the fact that I think Congress clearly expressed in the transfer that it was to be used for park and recreational and public purposes—although it did not use specifically the word "educational," I am satisfied that the intention of Congress was pretty clear—if we can have an understanding that in this case the transfer of this property is made for school purposes, with the understanding that the property will revert to the Federal Government if it is ever used for anything but public purposes, I will withdraw my objection.

I am reinforced in the position I am now taking by another factor of consideration, namely, that, even considering whatever value the reversionary interest of the Government may have, the property is going to be used to serve in part the Federal interest, too, in that it concerns Buggs Island, Va., on which there is a military installation, I understand, and the use of the property for school purposes is to serve also Federal interests as well as State interests, although the property is in the State of Virginia, which has complete control so far as educational services are concerned.

So when we grant this piece of property under the conditions I am approving, so far as my formula is concerned, we are also serving a Federal purpose, which I think is ample consideration for whatever small value the reversionary interest of the Federal Government may be in this property.

Let me make clear, so no one in the future will charge inconsistency against me, that I am withdrawing the objection only because I believe it is clear, when we read the statute of 1943 providing for the original grant, that the intent of Congress was to permit the property to be used for public purposes.

I want it also to be understood that, so far as I am concerned, if any Senator proposes a bill calling for an out-and-out grant, without any payment, of Federal property to any school district in his State, I will apply the formula, because we have jurisdiction now, whereas we do not have any retroactive jurisdiction over what was done in 1943. Congress did it that way then. Now a different policy has been adopted so far as the application of the formula is concerned.

With that explanation, Mr. President, and if I can have an understanding, so far as the legislative history is concerned, with the Senator from Virginia, that the purpose of the bill is to transfer the property for school purposes, which constitute a public purpose, and not for a private purpose, such as its use as an industrial site for a private business, or for selling it off in lots for a real-estate development, but to devote it to public purposes, so as to keep alive the reversionary interest, I have no objection.

Mr. BYRD. Mr. President, I was one of the Senators who collaborated with the Senator from Oregon in the establishment of his formula. I do not concede that the pending bill in any sense comes within the formula. The bill relates to land already owned by the State of Virginia. There is no transfer from the Federal Government under the proposed legislation. On June 6, 1942, this particular piece of property was transferred by the Federal Government to the State of Virginia for the use of public park, recreational, and conservation purposes.

A demand has developed for the construction of a high school building in Mecklenburg County, Va. It has been brought about to some extent by the fact that there is underway a Government construction project—it is not a military project—known as the Buggs Island Dam, one of the largest of such projects in the country. The construction work on the dam has brought to the locality a great many workmen, with their families, and so there has been occasioned a great need for additional school facilities.

All that the bill would do—and it originated in the House and has the approval of the Director of the Budget and the Secretary of the Interior—would be to provide that 40 acres of the conveyance which was made by the Federal Government to the State of Virginia on June 6, 1942, could be used for the purpose of the construction of the high school.

I do not know what the original transfer provided; but I assume that it provided that when in 1942 the land was transferred to the State of Virginia it would be used only for public purposes.

One of the reasons for urgency in the passage of the bill is that the county of Mecklenburg has obtained title to the property from the State of Virginia and will shortly advertise a large bond issue, in order to erect the school building on the property. Everyone knows that those who handle such bonds are very meticulous with respect to the ownership of property on which a school building is to be constructed.

The bill has the purpose of making it clear that the State of Virginia has conferred the right upon the county of Mecklenburg in Virginia to use this particular property for school purposes, although the original grant from the Federal Government to the State of Virginia confined it to public park, recreational, and conservation purposes.

There is no question of the transfer of property from the Federal Government at this time. That is what is involved in the Morse formula which I had a small part in developing and of which I have been a consistent supporter. However, there is no transfer of property by the Federal Government.

Mr. President, I hope there will be no further objection to the bill. I cannot give any assurance to the Senator from Oregon about the use of the property, except such as is contained in the grant which was made by the Federal Government to the State of Virginia in 1943, pursuant to the act of June 6, 1942. I have not looked back beyond that.

I would resist any change whatever in the bill, because it has been drawn carefully by lawyers who are familiar with such matters, and particular care has been exercised because of the prospective bond issue, by the people of Mecklenburg County, Va. Those bonds must be sold, in order that the School Board of Mecklenburg County may be able to erect a school building upon this property.

Knowing the great interest of the Senator from Oregon in education, I am sure he would not wish to deny the State of Virginia the right to use the property for that purpose. The Federal Government had nothing to do with the property, except in respect to its use for recreational purposes. Certainly educational purposes are just as important. Under this bill the land will be permitted to be used only for educational purposes.

Mr. MORSE. Mr. President, let me say, most respectfully, that I do not agree with the last statement made by the Senator from Virginia. I point out that educational purposes are not the only purposes referred to in the bill, because on page 2 of the bill we find the following statement:

> Any conditions providing for a reversion of title to the United States that may be contained in the conveyance of such lands by the United States to the Commonwealth of Virginia are hereby released as to the particular lands herein authorized to be transferred.

In other words, it is said, in effect, that although it is requested that the 40 acres be made available for the public purpose of the construction of a school, it is not desired to have the use of the land limited to school purposes.

Mr. BYRD. Mr. President, if the Senator from Oregon will yield, let me refer to the first page of the bill, which states, in part, that—

> The Commonwealth of Virginia is hereby authorized to convey to the School Board of Mecklenburg County for school, recreational, or highway-widening purposes—

And so forth. So the use is limited to that.

Mr. MORSE. That is true, and I am willing to accept that. But I am not willing to accept the provision beginning in line 3, on page 2, because it would wipe out the reversionary clause; and once that was wiped out, they could proceed to change their minds.

Mr. BYRD. Mr. President, the Senator from Oregon certainly can trust the State of Virginia, can he not? This property is not worth more than $300 or $400. I do not believe the State would violate the provision to the effect that the property may be used for school, recreational, or highway-widening purposes. No land grab is involved in this case. This land is cheap. It is not located in a populous area. The people of this area are struggling to erect a school building which is needed there very badly. I do not see why the Senator from Oregon should attempt to hold up action on the bill.

Mr. MORSE. Mr. President, if the Senator from Virginia will listen to my explanation on that point, he will see that I am being exceedingly fair, and that I am doing all I can to get the property for Virginia, to be used for school and other purposes.

Under my proposal, the act of 1942 would not be broadened. I am simply saying that I would not agree to give to the State of Virginia, without any conditions attached to it, land which in the first place was granted with a condition attached to it.

In this connection let us refer to the United States Code.

Mr. BYRD. Mr. President, the Senator from Oregon is a lawyer, and I am not. If a reversionary interest attaches to the land, will not there be some question about the title to the land, in connection with the proposed bond issue? This matter has been gone over very carefully by the lawyers in consideration of the proposed bond issue. We do not wish to have the property in such condition that the bonds cannot be sold.

Mr. MORSE. Of course there is a question of title, by reason of the fact that a reversionary interest is retained. But that is the way the property was obtained in the first place.

Mr. BYRD. Even so, is not the Senator from Oregon willing to have the county, which is not a wealthy one, issue bonds in order to be able to erect a school building for the benefit of the children of that area?

Mr. MORSE. Of course. But the Senator from Virginia is asking me to subscribe to a principle to which I cannot subscribe. For instance, another case of this sort, affecting property in the vicinity of Sacramento, Calif., where the land might be worth several million dollars, might be involved. Certainly the principle cannot be ignored in one instance and applied in another.

The proposed use of the land is not at all controlling. If bonds are proposed to be issued, in order to make it possible to erect a building for school purposes, the property can be used for that purpose, of course.

Mr. McCARRAN. Mr. President, I think the Senator from Oregon will recognize that a reversionary interest would attach under his suggestion, and undoubtedly it would cause a complication in respect to the issuance of bonds. There is no question about that, in my mind.

Mr. MORSE. But it would not prevent the floating of a bond issue.

Mr. McCARRAN. It would, to the extent that the attorneys would be confronted with a new situation, which would delay the entire matter, in my judgment.

Mr. FERGUSON. Mr. President, will the Senator from Oregon yield to me, for a question?

The PRESIDING OFFICER (Mr. MARTIN in the chair). Does the Senator from Oregon yield to the Senator from Michigan?

Mr. MORSE. I yield.

Mr. FERGUSON. Does not the Senator from Oregon feel that when the title is examined in connection with the proposed sale of bonds, if a reversionary interest were found, there would be objection on that ground?

Suppose the school building was erected and suppose an unforeseen development occurred—something which could not possibly be anticipated at this time. For instance, suppose future conditions became such that no students remained in the area, and therefore there was absolutely no use for the school building and no use for the land for any other public purpose. Certainly it would seem that in that event the bondholders would be entitled to be able to recoup whatever they could, by having the land used for industrial or other purposes. Otherwise they would lose everything they had invested.

I am satisfied that anyone who examined the title and who found a reversionary interest, would feel that he could not declare the title to be free and clear. Does not the Senator from Oregon feel that way about the matter?

It is said that at the present time the land has only a small value, and that the land would be considered along with the school building, as part of the fee simple. Therefore the improvement which will be placed on the land—a school building—would become part of the land, and would revert to the Federal Government. I do not believe the Federal Government would wish to take the building away from the bondholders under those circumstances, in view of the fact that the land is of such small value.

Mr. McCARRAN. Mr. President, I respectfully suggest that, insofar as I am concerned, I have rather admired the formula set up by the Senator from Oregon. But in this instance I would plead with him that because of the bond issue, the formula should not apply.

Mr. MORSE. Mr. President, first I wish to ask—without taking time to read

the relevant portion of the code, for it simply sets forth what the Senator from Virginia and I have pointed out as to the conditions attaching to the transfer in the first instance—to have printed at this point in the RECORD, from page 1670 of the United States Code, title 16, subsection 459r, relating to the "disposition of recreational demonstration projects," which was the original statute of 1942, under which the property was granted to the State of Virginia in the first instance, with the reversionary interest to the Federal Government; and also subsection 459t, of the same section of the code, on page 1671.

The title of the latter is "Secretary of Interior authorized to execute deeds and leases for project lands; inclusion of conditional covenants"—which is the provision which places upon the Secretary of the Interior the obligation of retaining for the benefit of the Federal Government the reversionary interest, so that if at any time the State of Virginia ceased to use the land for public purposes, the land would revert to the Federal Government.

I think those subsections of the code should be printed at this point in the RECORD, as part of my remarks, in order to show the legislative history in connection with the bill. I ask unanimous consent for that purpose Mr. President.

There being no objection, the excerpts from the code were ordered to be printed in the RECORD, as follows:

UNITED STATES CODE, TITLE 16—CONSERVATION

RECREATIONAL DEMONSTRATION PROJECTS

459r. Disposition of recreational demonstration projects.

Except as provided in section 459s of this title, the Secretary of the Interior is authorized, with the approval of the President, to convey or lease to the States or to the political subdivisions thereof, without consideration, any or all of the recreational demonstration projects and lands, improvements, and equipment comprised within such projects transferred to him by Executive Order No. 7496, dated November 14, 1936, or any parts of such projects, when in his judgment such grantees or lessees are adequately prepared to administer, operate, and maintain such project areas for public park, recreational, and conservation purposes, or he may, with the approval of the President, transfer to other Federal agencies any of the aforesaid recreational demonstration areas that may be of use to such agencies. (June 6, 1942, ch. 380, No. 1, 56 Stat. 326.)

* * * * *

459t. Secretary of the Interior authorized to execute deeds and leases for project lands; inclusion of conditional covenants.

The Secretary of the Interior is authorized to execute on behalf of the United States all necessary deeds and leases to effect the purposes of sections 459r–459t. Every such deed or lease shall contain the express condition that the grantee or lessee shall use the property exclusively for public park, recreational, and conservation purposes, and the further express condition that the United States assumes no obligation for the maintenance or operation of the property after the acceptance of such deed or during the term of such lease, and may contain such other conditions not inconsistent with such express conditions as may be agreed upon by the Secretary and the grantee or lessee: *Provided*, That the title and right to possession of any lands so conveyed or leased, together with the improvements thereon, shall revert to the United States upon a finding by the Secretary, after notice to such grantee or lessee and after an opportunity for a hearing, that the grantee or lessee has not complied with such conditions during a period of more than 3 years, which finding shall be final and conclusive, and such lands and improvements thereon, upon such reversion to the United States, shall be returned to the jurisdiction of the Department of the Interior and upon determination of the Secretary may be considered as surplus real property to be disposed of in accordance with sections 304a and 304b–304e of title 40. (June 6, 1942, ch. 380, No. 3, 56 Stat. 327.)

Mr. MORSE. Mr. President, I wish to be very frank with my colleagues. I recognize the equities of this situation, insofar as the arguments of the Senator from Virginia, the Senator from Nevada, and the Senator from Michigan are concerned. However, the fact remains that so far as the Federal Government is concerned, the value of the property is very little. The Senator from Virginia says perhaps the property has a value of $300 or $400. I think probably it is less than that.

The Senator from Virginia has been very kind to me in our discussion of this matter, as we have expressed our respective views upon it. Apparently a time factor is involved, so that even if the authorities in Virginia were willing to pay 50 percent of the appraised fair-market value of whatever small interest the Federal Government has in the property, yet if a State officer were required to take steps to make that payment, an act by the Virginia Legislature might be required.

Of course, the school board of the county wishes to proceed as quickly as possible with construction of the school. I understand that, and I sympathize with it. However, Mr. President, this bill is before the Senate on motion. For the RECORD, I am never going to make an exception to my rule, because I know the Senate too well. I have had to battle through this for this principle on too many occasions, sometimes in cases involving eighteen one-hundredths of an acre of land. It has not been easy. I am not going to make any exception. I think the language on page 2 of the bill, beginning on line 3—

Any conditions providing for a reversion of title to the United States that may be contained in the conveyance of such lands by the United States to the Commonwealth of Virginia are hereby released as to the particular lands herein authorized to be transferred—

Violates the principle for which I have been fighting over the years. I shall not accede to any request to change my position. The bill is here on motion. I suggest that the Chair put the question.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be offered, the question is on the third reading of the bill.

The bill was ordered to a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, let the RECORD show that I voted against the bill.

The PRESIDING OFFICER. The vote of the Senator from Oregon is so recorded.

AGRICULTURAL ADJUSTMENT ACT OF 1938—AMENDMENT OF WHEAT MARKETING QUOTA PROVISIONS

Mr. FERGUSON. Mr. President, I move that the Senate proceed to the consideration of House bill 5451, Calendar No. 521. I desire to make it the unfinished business.

The PRESIDING OFFICER. The clerk will state the bill by title.

The CHIEF CLERK. A bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Michigan.

The motion was agreed to, and the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with amendments.

Mr. FERGUSON. Mr. President, if there is no further business to come before the Senate tonight, I am about to move a recess.

Mr. MORSE. Mr. President, I think the understanding was clear, but I do not know that there was an out-and-out agreement. I had a discussion this afternoon with the acting majority leader, and it was my understanding that I would be recognized tomorrow following the morning hour.

The PRESIDING OFFICER (Mr. MARTIN in the chair). When the morning hour is concluded tomorrow, the Senator from Oregon will be recognized.

RECESS

Mr. FERGUSON. Pursuant to the order previously entered, I move that the Senate stand in recess until 11 o'clock, a. m., tomorrow.

The motion was agreed to; and (at 8 o'clock and 46 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Saturday, July 11, 1953, at 11 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate July 10 (legislative day of July 6), 1953:

IN THE AIR FORCE

Gen. Lauris Norstad, 25A (major general, Regular Air Force), United States Air Force, to be air deputy to the Supreme Allied Commander, Europe, with rank of general and as general in the United States Air Force, under the provisions of sections 504 and 515, Officer Personnel Act of 1947.

Maj. Gen. William Henry Tunner, 374A (brigadier general, Regular Air Force), United States Air Force, to be commander in chief, United States Air Forces in Europe, with the rank of lieutenant general and as lieutenant general in the United States Air Force, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

Maj. Gen. Donald Leander Putt, 494A (brigadier general, Regular Air Force), United States Air Force, to be commander, Air Research and Development Command,

with the rank of lieutenant general and as lieutenant general in the United States Air Force, under the provisions of sections 504 and 515 of the Officer Personnel Act of 1947.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 10 (legislative day of July 6), 1953:

DEPARTMENT OF LABOR

Stuart Rothman, of Minnesota, to be Solicitor for the Department of Labor.

FEDERAL MEDIATION CONCILIATION SERVICE

Whitley P. McCoy, of Alabama, to be Federal Mediation and Conciliation Director.

NATIONAL LABOR RELATIONS BOARD

Guy Farmer, of the District of Columbia, to be a member of the National Labor Relations Board, for the remainder of the term of 5 years expiring August 27, 1955.

FEDERAL MARITIME BOARD

Eldon Claggett Upton, Jr., of Louisiana, to be a member of the Federal Maritime Board for the term of 4 years, expiring June 30, 1957.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 10, 1953

The House met at 10 o'clock a. m.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

O Thou who hast blessed us with the priceless gift of a beautiful new day, may there be nothing in our thoughts, words, and deeds of which we shall be ashamed when the sun has set or at the eventide of life when Thou dost call us to Thyself.

Inspire us with a loftier conception of the dignity and sanctity, the meaning and mission of life and may we have a clearer vision of its glory and greatness and peacefulness when spent in being good and doing good.

Grant that on the battlefields of life, as we struggle for the sovereignty of high ideals and principles, we may never become discouraged or despair of the reality of goodness and the triumph of righteousness.

Help us to feel that it is far better and nobler to fail in the right than to succeed in the wrong.

Hear us in the name of the Captain of Our Salvation whose strength is invincible and whose kingdom of love and peace will some day be gloriously victorious. Amen.

The Journal of the proceedings of yesterday was read and approved.

AMENDING TARIFF ACT OF 1930 AND RELATED LAWS

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 327, Rept. No. 761), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means. Amendments offered by direction of the Committee on Ways and Means may be offered to any section of the bill at the conclusion of the general debate, but said amendments shall not be subject to amendment. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

SUPPLEMENTAL APPROPRIATION BILL, 1954

Mr. TABER, from the Committee on Appropriations, reported the bill (H. R. 6200, Rept. No. 762) which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. CANNON reserved all points of order on the bill.

PERMISSION TO SIT DURING SESSION OF HOUSE

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that Subcommittee No. 3 of the Armed Services Committee be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MUTUAL SECURITY ACT OF 1953

Mr. ALLEN of Illinois. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight tonight to file a conference report on the bill (H. R. 5710) to amend further the Mutual Security Act of 1951, as amended, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CALL OF THE HOUSE

Mr. ALLEN of Illinois. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 85]

Barden	Gamble	O'Neill
Bates	Gwinn	Patten
Beamer	Hagen, Minn.	Powell
Blatnik	Hardy	Reed, Ill.
Bonner	Hébert	Rivers
Buckley	Hess	Shafer
Byrd	Hinshaw	Sikes
Celler	Johnson	Tuck
Cunningham	Kilday	Whitten
Dawson, Ill.	Lucas	Wigglesworth
Dolliver	McVey	Williams, Miss.
Durham	Miller, N. Y.	Wilson, Calif.
Ellsworth	Mollohan	Wilson, Ind.
Fisher	Moulder	
Fogarty	Nelson	

The SPEAKER. Three hundred and eighty-one Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

EXCESS-PROFITS TAX EXTENSION

Mr. ALLEN of Illinois. Mr. Speaker, I call up House Resolution 326 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5898) to extend until December 31, 1953, the period wtih respect to which the excess-profits tax shall be effective. After general debate, which shall be confined to the bill, and shall continue not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, and the previous question shall be considered as ordered on the bill to final passage without intervening motion, except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Virginia [Mr. SMITH] and at this time I yield myself such time as I may require.

Mr. Speaker, early in the year the President of the United States, the membership of his entire Cabinet, his financial advisers, the Republican leadership of both the United States Senate and House of Representatives held that in order to safeguard our national security and financial stability, there should not be any reduction in individual income tax; and that the excess-profits tax should be extended until December 31 of this year.

At long last a bill for the extension for 6 months of the excess-profits tax is before us for consideration. Without question it is before us by the way of orderly procedure. The Ways and Means Committee reported this bill by a vote of 16 to 9.

On yesterday, members of the Ways and Means Committee of both the majority and the minority appeared before the Rules Committee and without exception asked for a closed rule with but one motion to recommit. The Rules

Committee has given the Ways and Means Committee the type of rule that they have requested with but one exception. They asked for 6 hours of general debate, and this rule provides but 4 hours. I believe I should mention that this is the identical type of rule that has been given in every instance on tax legislation during the 17 years that I have been a member of the Rules Committee.

Therefore, I trust that no one will take the floor and say that this is an extraordinary rule, that this is an unusual procedure, that the Rules Committee is usurping power of the standing committees, that it is attempting to tear down the foundations of our democracy, that it is trying to destroy our constitutional government.

I am pleased that the bill is before us in the way it should be, at the request of the Ways and Means Committee, under the type rule they have requested. This gives all of us the opportunity to vote as our conscience dictates.

Before the close of day, it is my sincere hope that the excess-profits tax is extended for 6 months.

When I assumed the chairmanship of the Rules Committee, I did not do so with the purpose of thwarting or hindering the program of President Eisenhower or our Republican leadership on Capitol Hill, of which I am justly proud.

There are two requisites for good leadership.

To be a leader, one must know where he is going, and he must have followers.

I know our President has these requisites, and I know JOE MARTIN, CHARLIE HALLECK, and LES ARENDS possess these requisites.

To my Republican colleagues I desire to say, in a most friendly spirit, that today we are testing our loyalty to an extremely popular President and to an equally popular House leadership.

While I readily admit that I am a novice when it comes to politics, nevertheless it appears to me that, individually and as a party, if we Republicans are to be successful in the 1954 election, our salvation lies in following Republican leadership.

To be more specific, when the 1954 primaries and elections come around, I want my people to know that I have not been fighting President Eisenhower, but that I have been playing on his team with the hope and with the expectation that we can solve the gigantic problems before us.

Like tens of millions of others, I am also a taxpayer and sincerely believe our taxes are too high and should be reduced at the earliest possible moment consistent with our national security and financial stability. I do not relish paying high taxes any more than anyone else.

The 1952 Republican platform advocates that there be "a reduction of expenditures by the elimination of waste and extravagance so that the budget will be balanced and a general tax reduction can be made." To this I fully subscribe.

During the Republican 80th Congress, 1947–48, under the congressional leadership of Senators TAFT, BRIDGES, and MILLIKIN, who were joined by Senators BYRD, GEORGE, and others; under Speaker MARTIN, Majority Leader HALLECK, Chairman TABER, of the Appropriations Committee, and others, taxes were reduced 15 percent across the board; the budget was balanced; and there was a surplus of nearly $7 billion which was used for the reduction of the national debt.

The leaders of the 80th Congress are the leaders of the present Congress. I have great confidence in them and I expect to follow their leadership.

I urge the adoption of the resolution.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Texas.

Mr. PATMAN. Would a motion to recommit with instructions be in order under this rule?

Mr. ALLEN of Illinois. That is a matter for the Speaker to decide.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, I listened with interest to the statement of the gentleman from Illinois, my beloved chairman [Mr. ALLEN], and while I disagree with him in this matter this morning, I want to say for him that he is one of the fairest chairmen I ever served under. He is forthright; he knows his duty; he undertakes to do it fearlessly, and I am proud of his stand, because I know he is doing what he thinks is the right thing to do as far as the leadership is concerned.

Now, Mr. Speaker, I am opposed to this rule and I am opposed to the bill which it proposes to make in order.

I think I should say at the beginning I feel reasonably sure, in connection with the parliamentary question propounded by the gentleman from Texas [Mr. PATMAN] that there will be an opportunity under this rule to submit a motion to recommit with or without instructions.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. I would like to corroborate the statement of the gentleman. I am very sure that that is the situation, and certainly we would not want it otherwise.

Mr. SMITH of Virginia. I thank the gentleman.

Mr. Speaker, I have long been an advocate of Government economy, a balanced budget, and a sufficient levy of taxation to accomplish that purpose. I think my record in the House is well known on that. So, on this bill, with all its ramifications before the Committee on Ways and Means, before the Committee on Rules, and before the House, I delved around for some justification for supporting it. I thought that after all that had happened, the Committee on Ways and Means would come forth with a fine argument as to why this bill should be enacted and why this tax should be continued. I thought it would be full of clear and cogent reasons for this bill. So I got the report of the majority of the committee on this bill, and when I looked at it I tried to find out where the reasons were. It is contained in about a half a page, and there is not but one pertinent section in the report as to why you should vote for this bill. So I am going to read you just a few lines that will give you the reasons of the Ways and Means Committee and the reasons of the President as to why you should support this piece of legislation. This is very brief. It says:

> Though the name suggests that only excess profits are taxed, the tax actually penalizes thrift and efficiency and hampers business expansion.

I suppose that you are expected to assume that is a good and cogent reason for supporting the bill. But the reasons go further. It says:

> Its impact is especially hard on successful small businesses which must depend on retained earnings for growth.

There is a second reason why you are urged to support this bill.

> These disadvantages of the tax are now widely recognized.

Widely recognized. Everybody knows that it is bad. Therefore, you must support it.

> I would not advocate its extension for more than a matter of months.

Now, that is not the language of the Ways and Means Committee. Those cogent reasons for voting for this bill are a quotation from the message of the President sent to Congress advocating the continuance of the tax.

So having received very little aid and comfort from the committee's report, and not being convinced by those very cogent reasons myself, I thought I would go a little further into the matter, so I looked into the hearings. I thought we ought to hear from the Secretary of the Treasury on this, and I found in the hearings that we had heard from him, and at great length. So let us see what he says about it. I will just quote briefly a few sentences. At the beginning of his remarks, the Secretary of the Treasury says:

> It should be clear from the President's statement that we disapprove in principle of so-called excess profits taxation—

"We disapprove in principle." So he asks the House to rise above principle and vote for this admittedly unfair and wholly bad bill.

> We disapprove in principle * * *. I shall not elaborate on the disadvantages and bad effects of this form of tax. They are familiar to all of us.

We all know it is bad, therefore, we are urged to vote for it.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. Of course, I yield.

Mr. HALLECK. The gentleman, I take it, is reading from the message of the President which is contained in the report. Of course, the Members can find there the reasons why the President felt that in spite of these things to which the gentleman referred, the extension of this tax is desirable.

Mr. SMITH of Virginia. Oh yes, he said it was desirable, and he enumerated these things I have read to you.

Mr. SCOTT. Mr. Speaker, would the gentleman be good enough to yield further?

Mr. SMITH of Virginia. I could not fail to yield to my colleague on the Rules Committee.

Mr. SCOTT. I do appreciate that, sir. I think the gentleman would want me to call attention to the fact that in his very entertaining summary of the reasons why and why not on this bill, he stops short of reading the actual reason stated by the President, which is in the very next sentence after the gentleman ceased quoting. The President said:

> However, under existing circumstances the extension of the present law is preferable to the increased deficit caused by its immediate expiration or to any short-term substitute tax.

I know the gentleman would want me to bring that out.

Mr. SMITH of Virginia. Oh, yes; and I realize that he said we need the money. I do not want to draw any invidious comparison, but you know if a highwayman held me up at the point of a pistol and said, "Now, give me your wallet, I know I ought not to do it. I know I ought to go to jail if I do do it, but I need the money, and I give you my solemn assurance—I give you my solemn assurance that after this one offense I promise you I will never do it to you again." But that is the situation here.

But I wanted, when I was interrupted here, to try to justify this bill on the basis of the statement of the Secretary of the Treasury. I want to read you another little extract. The Secretary of the Treasury said:

> The significant point to me from these figures is that though the tax is a very serious barrier to growth for rapidly expanding small companies, it does not affect the vast majority of companies.

Now, that is a good reason to vote for this legislation, because it only affects a few. They say it does not affect the vast majority. This is a new theory of taxation to me. It is all right to put on an unjust and unfair tax if it only cripples a few people—the vast majority are not damaged by this tax, and, therefore, it is all right to go ahead with it.

Now let us take another part. He says this:

> I want to be sure that my position on this point is clear. The present distribution of the corporate tax burden is bad because of the tax barriers to growth and the tax penalties on efficiency.

Therefore, we should vote for it.

Mr. Speaker, I quote again:

> Secretary HUMPHREY. I think the excess-profits tax very definitely tends to limit the growth of small companies.

The chairman said:

> And you also believe, do you not, that it tends to prevent business expansion and increases in the standard of living for all?

You see, it prevents increases in the standard of living.

Then Secretary Humphrey said:

> I think it does, Mr. Chairman.

Now, there is another alleged good reason why you ought to vote for this bill.

Then I will quote from his testimony with this extract from the hearings, in which the chairman says:

> I understand Senator TAFT was quoted as saying the other day that the excess-profits tax was a vicious tax. Do you agree with the Senator?

Secretary Humphrey said:

> Yes; I think I would say the same thing.

You see, it is a vicious tax. You know the old common-law theory was that a dog was entitled to one bite. If a vicious dog bit you once, it was all right, but he could not bite you twice. But here this vicious dog is going to be given two bites at the people. That certainly is a new and strange philosophy.

Then I thought I would see what somebody else said about it, and I turned to the communication from the Under Secretary of the Treasury.

Mr. HALLECK. Mr. Speaker, will the gentleman yield at this time?

Mr. SMITH of Virginia. Yes, I yield.

Mr. HALLECK. I would like to ask the gentleman if it was not the Congress under the control of his party that imposed this tax on the people in the first place; and I would like to ask him further if he does not believe that the overwhelming majority of the Members on his side are going to vote for this extension?

Mr. SMITH of Virginia. I answer both questions in the affirmative. I even voted for it, myself. It was not the first mistake I have made since I have been in Congress and it may not be the last one.

Returning to the Under Secretary; the Under Secretary said that they knew this was bad, and they tried many other things. One of the things they tried was to spread this over all corporations by an increase in the necessary amount of the normal corporate tax. He said the reason they did not do that was that this affected only a small proportion of the corporations and they did not think it was fair to spread it over all the corporations. That was a rather novel theory to me. You know, to put it in common parlance, it looked as though he were saying, "Well, we have got these sheep in the pasture all bound and hog-tied, and we have hardly sheared them. If we shear them close, and nip a little of the hide along with it, we will not need to shear any more of these sheep in the pasture."

So, notwithstanding those cogent reasons that have been given by the administration for the continuance of this tax, I have not been convinced; and, therefore, I do not expect to support the bill.

As to the rule itself, of course, last week we had here the so-called Sadlak bill. That was the fair-haired baby last week. Yesterday in the Rules Committee some of us thought that as long as there was a good deal of interest in the Sadlak proposal to increase the exemption for the small corporations, it would be all right if we approved a rule which would permit an amendment to this bill to be offered, not by just anybody at all but just by a select few. Any member of the Ways and Means Committee could offer an amendment to incorporate the provisions of the Sadlak bill. But no, the Ways and Means Committee did not want that. So the bill that was fine, and was the solution last week, is not even going to be permitted to be voted upon this week.

I thought there were 2 or 3 controversial matters in here that the committee itself could not agree upon, and that therefore this rule should contain provisions so that the House itself might pass upon those matters that were controversial in the committee and which they themselves could not adopt.

One of them was the so-called Camp amendment that would have permitted small corporations or young corporations to pick out their worst year in selecting their base for taxation, a feature which was carried in previous excess-profits tax laws. I am told that that proposed amendment was defeated in the Ways and Means Committee by a vote of only 13 to 11. If it was that close in the Ways and Means Committee, I thought perhaps it would be all right if the House were given an opportunity to see what we think about it.

Of course, we are not given much opportunity to say what we think about Ways and Means Committee bills; and that is all right. I favor a closed rule, the general closed rule, on Ways and Means bills. But there was a specific proposition in which the committee itself was divided, and in which the House was divided, and I thought that the democratic way was to give them an opportunity to vote on it. I thought the same about the Sadlak amendment; that the House ought to have the opportunity to vote whether they wanted the Sadlak amendment or did not want it.

I have always been convinced that the fair way to raise this money, instead of putting this burden on a few corporations—many of them small—the fair thing to do was just to increase the corporate tax by a sufficient amount, and put it on all corporations, spread it over the whole body of corporations. I thought such an amendment ought to be in order, to be offered by some member of the Ways and Means Committee, if they thought well enough of it to vote for it. But no, that was not made in order.

I want the Members to understand that I have to differ with my chairman on one statement that he made here, and that is that this was the usual rule. In my experience on the Rules Committee, I have never yet seen a rule where the Ways and Means Committee itself did not trust itself far enough to ask for a rule permitting the Ways and Means Committee to offer an amendment to its own bill. And yet, when that was proposed, they said they did not want it.

Mr. Speaker, I think it is a bad rule. I think it is a bad bill. I am not trying to influence anyone else, but I feel, in justification of my own position, that I ought to state how I feel about this matter.

I expect to vote against the rule and the bill.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

Mr. SCOTT. Mr. Speaker, after conferring with the author of the bill I think I could suggest one correction to the recent statement by our beloved colleague from Virginia [Mr. SMITH]. The Ways and Means Committee were not refused any request made by them for permission to offer amendments on the floor; on the contrary, the members of the Ways and

Means Committee made no request to the members of the Rules Committee for any such amendments by Members, as I understand.

Mr. KEAN. Mr. Speaker, will the gentleman yield?

Mr. SCOTT. I yield.

Mr. KEAN. We requested the Rules Committee to allow any committee amendment but not amendments by individuals.

Mr. SCOTT. Not by individuals; that is the point I wanted to make.

Mr. Speaker, 1 year ago today at Chicago we were nominating a President. We promised in our platform to balance the budget as an essential prerequisite to tax reduction. Under no other necessity could we justify the extension of an unpopular and admittedly burdensome tax. But the President has said to us in his message that even unpopular taxes must sometimes be continued for a few months. He also said:

> However, under existing circumstances, the extension of the present act is preferable to the increased deficit caused by its immediate expiration or to any short-term substitute tax.

In other words, the extension is desirable because otherwise we will have a deficit, and until we have met that deficit we cannot meet our promise to the people of this country, which we must in time meet, and which, in my opinion, we will meet, to bring about ultimate tax reduction.

The adoption of this bill is necessary for the second reason given that neither in the Ways and Means Committee nor among the membership of this House has any short-term substitute tax been proposed which would be workable and acceptable to the majority of this House. Therefore, Mr. Speaker, I ask for the adoption of the rule.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. FULTON].

Mr. SMITH of Virginia. Mr. Speaker, I, too, yield 2 minutes to the gentleman from Pennsylvania [Mr. FULTON].

The SPEAKER. The gentleman from Pennsylvania is recognized for 4 minutes.

Mr. FULTON. Mr. Speaker, I rise in support of the position of the gentleman from Virginia [Mr. SMITH].

Under the Constitution, it is this body, the lower House, that the Founding Fathers decided should have the taxing power. The taxing power does not reside in the Executive, but in this House, whose Members are elected every other year. That is one reason these Members must run every other year, because the people want to keep their hands on the taxing power.

Secondly, we should vote good taxes in this House. If it is not, if it is a bad tax, then do not vote it. That is my position. The problem in our present-day economy is that not only is the spending too high and must come down but also the taxes are likewise too high and must come down, for both individuals and corporations.

I agree with Andrew Mellon, of Pittsburgh, who said in a letter to the chairman of the Ways and Means Committee:

> The excess-profits tax is artificial and troublesome. Taxes of this extreme character are clogs upon productive business.

In fact, I am in several small companies. We will meet this next week to decide programs in view of the burden of the excess-profits tax on small expanding businesses with limited capital. Instead of expanding, we are cutting down if this tax on initiative, efficiency, and good enterprise is retained. The Westinghouse Airbrake Co. has advised me of expansions they had planned. Then they received a cablegram and then a telephone call from their president in Italy, saying, "Cut down if the excess-profits tax is continued." That means that business will see the warning given if this tax passes. That means that productive activity will be cut and once the cuts start we then take the risk of their snowballing into a real decline.

Let me tell you that we must cut governmental expenses as the logical alternative to increasing taxes, and keeping a tax which everyone admits is bad, the excess-profits tax. I have been on this floor, as you know, trying to make cuts in the current budget all this year; $300 million of cuts in foreign aid that were passed by the Foreign Affairs Committee were mine. Part of 2 amendments were mine for $30 million more cut in administrative employees abroad. Yesterday I appeared before the House Appropriations Committee asking them to cut $530 million additional from foreign spending, over what the House and the Foreign Affairs Committee had cut. That can be done without hurting the program. Many items of foreign spending this year can be put off until next, because we are in no imminent danger from Russia. We can thus work toward a balanced budget.

It was on June 22, 1941, for example, that Hitler tried to invade Russia with General Von Falkenhorst and General Von Leeb. It was too late in that year. Winter begins in Russia on October 15 and ends in March. On June 24, 1812, Napoleon crossed the Niemen River and tried to go into Russia with an army of 680,000 men. The same limitation applies to invading Russia from the west, as invading the west from Russia. There cannot before next March, April, May, or June of 1954, be any aggression by Russia. Therefore, there is not the danger of imminent aggression. Under these circumstances with the Soviets having serious satellite troubles, we do not need excessive foreign spending. The aid program can be cut, if you will simply recommend to the Appropriations Committee to adopt my recommendation of $530 million more reductions that I have worked out. The full amount of the amounts of revenue anticipated to be received through extension of the excess-profits tax for 6 months, is more than made up through my own recommendations for cuts that will in no way hurt the mutual-security program.

I went to Europe for 5 weeks this spring to get a sound basis for actions and have spent much time studying our foreign-aid program. Here is the new yacht that Queen Elizabeth in April 1953 has launched, worth $5 million, complete with swimming pool, special electric kitchens, and the latest conveniences. The yacht is a 4,000-ton, 413-foot ship, with a crew of 220 for long voyages, 120 for short ones. How can I explain to my taxpayers the British Government is hard up, and we must give them economic aid? I cannot. I show you the Financial Times of London of April 15 in reference to British current tax reductions, a whole list of them on page 4 and page 5. How can the British Government reduce personal income and corporate taxes in this fiscal year when we are told the United States Government cannot?

Here is the Canadian Government that has balanced its budget and has reduced personal income and corporate taxes. They said in April of this year:

> The increase in revenues forecast for 1953 after taking into account the proposed tax reductions amounts to $276 million over those in 1952.

Those are both corporate and income tax reductions, yet they are getting more money in taxes by giving the taxpayers a reduction. We should do the same.

Why should not the Republican Party do the same thing that it did previously in the 80th Congress, reduce taxes, reduce expenditures, and work toward a balanced budget? We will then receive more income for the Federal Treasury in the current year than we ever received, as we did under the Republican policy in the 80th Congress, which I voted for.

I promised to vote for tax reduction for individuals and corporations in my campaign last fall. I promised to vote to reduce expenditures, with responsibility chiefly in my field of Foreign Affairs Committee work. I stated I was against renewal of the excess-profits tax. I promised to work toward a balanced budget. In sincerely carrying out these against renewal of the excess-profits tax, bill which nobody in Congress defends on the merits as a good bill, or a sound tax.

Mr. SMITH of Virginia. Mr. Speaker, I yield such time as he may desire to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

GAG RULE

Mr. PATMAN. Mr. Speaker, this rule gags the Members of the House of Representatives. It is very difficult for me to make up my mind to vote for a gag rule. It is very obnoxious. At the same time, if it is the only way that a Member can cast a vote for a bill to raise revenue to keep the budget from being more unbalanced than it is, I assume it is justified.

The use of a rule like this is the way to gag the Members of the House and it has been enlarged upon too much. For instance, a bill involving taxation and revenue is a very complicated bill, much of it dependent upon expert testimony. For that reason, the Ways and Means Committee usually insists on a gag rule, and the Rules Committee usually grants a gag rule. The result is that the House of Representatives in the Committee of the Whole can talk 4 or 6 hours or a week about the bill, but no amendment

is in order. When time comes to consider the bill, it is not read under the 5-minute rule; it is just read, period. No amendments are in order. One chairman of the Rules Committee a few years ago referred to such a rule as "a very fair rule; it permits no amendments to be offered." The Members are gagged. They cannot present their views or suggestions, worthy, constructive, and helpful as they may be. So the question is voted up or down—either for or against it. In the other body, the United States Senate, Members are not gagged in that way and they always legislate after every Member has a right to present any amendment of any kind that he desires to present, and the entire body passes on it. If a record vote is properly demanded, it is obtained.

UNDEMOCRATIC

It occurs to me that the Members of the House of Representatives are allowing themselves to fall into a practice that is not only harmful to duly-elected Representatives of the people, but is to an extent undemocratic and contrary to fair rules of representative government. This is doubly bad in the case of the Committee on Ways and Means because that committee has unusual constitutional privileges that no other committee has. It is the only committee in the House or Senate that can originate revenue bills. For that reason, it seems to be more necessary that such a bill be considered freely and openly on the floor of the House. The argument that the bill is technical and is dependent upon expert testimony is easily answered by the fact that printed copies of the hearings are available, including the testimony of all the witnesses—those giving technical, expert opinions as well as others. If members of the Ways and Means Committee can understand and properly interpret what should be done after hearing this testimony, the question is, Why cannot other Members of the House do likewise? All during World War II, when the price- and wage-control bills came before the House, the Banking and Currency Committee did not ask for a closed or gag rule. We presented these bills every year under the general rules of the House which left them wide open to any amendment without any gag or closed rules of any kind whatsoever. Such a bill also required expert and technical knowledge and information to support it and the House always managed to legislate on these bills and come through without too much trouble without depriving any Member of his right or gagging him in any way.

INCREASE IN INTEREST CHARGES ON NATIONAL DEBT

I am inserting herewith as a part of my remarks estimated annual interest cost of carrying the Federal debt of present size and structure at interest levels prevailing in 1947 and today. It is as follows:

HARD MONEY—HIGH INTEREST

Estimated annual interest cost of carrying Federal debt of present size and structure at interest levels prevailing in 1947 and today

	Debt outstanding, June 30, 1953	Computed average rate, June 30, 1947	Recent and current rates, June 30, 1953	Estimated interest cost under rates prevailing June 30—	
				1947	1953
Marketable issues:	*Billions*	*Percent*	*Percent*	*Millions*	*Millions*
Bills (91-day)	$19.7	0.382	[1] 2.107	$75.3	$415.1
Certificates	15.9	.875	[2] 2.500	139.1	397.5
Notes	30.1	1.448	[3] 1.754	435.8	528.0
Bonds	81.2	2.307	[4] 3.250	1,873.3	2,639.0
Nonmarketable	76.5	2.593	[3] 2.691	1,983.6	2,058.6
Special issues	40.5	2.510	[3] 2.677	1,016.6	1,084.2
Special issues, noninterest	1.6				
Total	265.5			5,523.7	[5] 7,122.4

[1] Average rate on issue of July 2, 1953.
[2] Rate on 8-month certificate issue of July 6, 1953.
[3] Computed rates estimated from Treasury Bulletin, June 1953.
[4] Rate on latest bond issue of May 1, 1953.
[5] This is $1,600,000,000 increase on an annual basis.

WASTE OF TAXPAYERS' MONEY

An examination of this table will disclose that the pattern of interest rates that was fixed on long-term bonds recently of 3¼ percent will cost the taxpayers, when all the long-term issues are refunded on a basis that is comparable to 3¼ percent interest, approximately $800 million more per annum, just on long-term bonds, than the taxpayers would have been compelled to pay prior to the increase in rates on long-term bonds May 1, 1953. It will also be noticed that there is a considerable increase in interest charges on notes, certificates, and bills. All of these increases are not chargeable to the present administration, but the increase on long-term bonds is chargeable to this administration. As further proof that the present administration should be charged with the increase on long-term bonds, I invite your attention to the fact that the computed average return November 30, 1952, on long-term bonds was 2.320 whereas the recent return and the current return, which was established May 1, 1953, is 3.250. The estimated interest cost under rates prevailing November 30, 1952, on the $81,200,000,000 long-term bonds is $1,883,800,000 annually, whereas the rate on $81,200,000,000 long-term bonds at 3¼ percent will cost the taxpayers, on an annual basis, $2,639,000,000. It is the one increase in interest rates that the administration is definitely responsible for 100 percent; it was also unnecessary and wasteful. It is just as bad to waste taxpayers' money on interest rates as it is any other way. Here is a policy that has been set by the present administration that will cost approximately $800 million extra just on the long-term obligations. This increase has done something else; it has reduced the prices of the bonds held by individuals, trust funds, pension funds, and others, based upon a lower percentage of interest on the bonds held by them. Examining authorities throughout the country are requiring trust companies and others to charge off the costs on Government bonds by reason of reductions in the price of the bonds held by them which were used by increased interest.

FEDERAL RESERVE BOARD GUILTY

The Board of Governors of the Federal Reserve System—which I prefer to refer to as the Federal Reserve Board because it only requires 3 words instead of 8, and everyone knows who you are talking about when you say Federal Reserve Board—has been guilty of refusing to back up and support its Government in one of its greatest times of need.

The Federal Reserve System is a public institution, supported by public funds, including the Government's credit, the people's credit. It is an agency of this Government. It is ridiculous for this great agency to sit idly by and permit selfish money lenders to take advantage of the Government by unnecessarily increasing interest rates and do absolutely nothing about it.

VACANCY ON BOARD

The Federal Reserve Board is composed of 7 members—each appointed for 14 years. At this time there is a vacancy. This vacancy has continued for a long time. Under the plain letter of the law—as I interpret the law—it is mandatory on the Executive to fill a vacancy on the Board whenever a vacancy occurs. It is my hope that this vacancy will be filled soon, and I also hope that consideration is given to some person to fill the vacancy who is not definitely tied up with the banking and moneyed interests of the country.

Many occupations and professions have never been represented on the Federal Reserve Board. I doubt that a real farmer has ever been on the Board; that is, one who is engaged in agriculture for a livelihood, and I am quite sure that there has never been a representative of labor on the Board. After all, these two groups represent the people who make the country prosperous if they are able to buy, and they represent the groups who are the first to suffer under hard-money and high-interest policies. Therefore, consideration should be given to having a representative of each of these groups on the Board.

DIRECTORS OF THE FEDERAL RESERVE BANKS

Each of the 12 Federal Reserve banks has 9 directors. They are known as class A, B, C—3 each.

Under the law, class A directors are chosen by and are representative of the stockholding banks and are bankers.

The class B directors are elected by the stockholding member banks and must be actively engaged in their districts at the time of their election in commerce, agriculture, or some other industrial pursuit; also a class B director should not be an officer, director, or employee of any bank—a stockholder is not prohibited.

The class C directors are appointed by the Board of Governors of the Federal Reserve System and while such a director shall not be an officer, director, or employee or stockholder of any bank, it is very necessary under the law that he be well informed on banking business.

As of May 12, 1953, in the 12 Federal Reserve banks, the class A directors, all 36—3 in each bank—were bankers; the class B directors, 6 of them were representatives of agriculture, and 30 were of industry and commerce; of the class C directors, 7 represented agriculture; 1 the legal profession; 7 education; and 20 industry and commerce.

DIRECTORS OF BRANCHES OF FEDERAL RESERVE BANKS

There are 24 branches of the 12 Federal Reserve banks. Each bank has either 7 members or 5 members. In either case a majority of the members is appointed by the Federal Reserve bank which is controlled by a board, a majority of whom are private bankers, and a minority appointed by the Board of Governors.

As of May 12, 1953, the directors of these branch banks appointed by the Federal Reserve banks, 84 were representatives of banking, 1 of education, and 2 of industry and commerce. The minority members that were appointed by the Board of Governors, 20 of them represented agriculture; 1, the legal profession; 9, education; and 33, industry and commerce.

Congress should take another look at the Federal Reserve System and do it right away.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Texas [Mr. LYLE].

Mr. LYLE. Mr. Speaker, I begin by suggesting and emphasizing that the gentleman from Virginia [Mr. SMITH] was only trying to be helpful to you in the very splendid statement he has just finished making.

I oppose this resolution making in order the so-called excess-profits tax bill. I do so for many reasons which I deem to be sound and justified. It is customary, and rightfully so, for the House to give much weight to resolutions from the Committee on Ways and Means which involve tax legislation. That does not apply to the present proposed measure for I do not believe it may properly be said that this is a committee bill. The committee has acted at the request of the President, yes, at the insistence of the President, so we must say that this is the President's way and that the committee was simply the means by which he has forced this bill to the floor.

Need I remind you that in a very unusual procedure only a few days ago the leadership forced out of the Committee on Rules—or should I say, influenced the Committee on Rules, at least the majority, to take away from the Committee on Ways and Means, without its consent and over its most vigorous protest a bill introduced a few days before by the gentleman from Connecticut [Mr. SADLAK]. That bill, too, was a proposed extension of the excess-profits tax for 6 months. It provided, however, for changing the exemption from $25,000 to $100,000, retroactive to January 1 of this year. That resolution was not called for consideration. Instead, now we have a bill by the gentleman from New Jersey [Mr. KEAN] which is a flat extension of the excess-profits tax for 6 months. This is an entirely different approach and is not at all the bill that was introduced by the gentleman from Connecticut [Mr. SADLAK]. It comes to the floor under an unusually closed rule. True, as my distinguished chairman has said, it was a rule proposed by the gentleman from New Jersey [Mr. KEAN] for the committee. Nevertheless, I emphasize that it is not the usual rule for normally, as the gentleman from Virginia [Mr. SMITH], has told you, the rule provides that a committee may offer such amendments as it shall direct.

During all of the controversy over this type of legislation it has been repeatedly argued that the House must have a chance to work its will. I strongly favor that principle. Such arguments were made to support the action bringing forth the Sadlak bill. Such arguments are presently being offered to support the Kean bill. I tell you that it is not possible for the House to work its will under this proposed resolution. It can consider no alternate, no substitute, no amendments.

If this resolution is adopted the House will be put in a position of summarily passing upon a decision which was made by the President of the United States. The truth is that under this rule we are reduced to the position of judges in a popularity contest, a popularity contest between the very distinguished President and the distinguished chairman of the Committee on Ways and Means.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, the gentleman knows that the minority has the right to offer a motion to recommit. The gentleman is a member of the minority. If you want the Sadlak bill or any other sort of a proposition on a straight motion to recommit, that is within the province of the Members on the minority side. So, certainly, there is no different situation here than has existed time and again with respect to rules that have been before us.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Washington.

Mr. HOLMES. I would like to make it clear to the gentleman from Texas, whom I have a very high regard for, that the inference that the President forced the Committee on Ways and Means to vote this extension 16 to 9, is a very moot question. As far as I myself am concerned, the President has forced me to do nothing. I chose in relation to my own judgment, and facing the cold, real facts of the fiscal situation of this country, to support a 6-month extension of the excess-profits tax without the assistance of the President or anyone else.

Mr. LYLE. I am certain that the fine and distinguished gentleman votes his convictions.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Illinois.

Mr. MASON. I want to say this, that 12 of the 15 Republican members of the Committee on Ways and Means were polled early in this session, and they stood 12 to 3 against, and the gentleman who has just gotten through speaking was 1 of the 3, so there was no need for any pressure upon him.

Mr. LYLE. Mr. Speaker, I would not for a moment reflect upon any distinguished Member of this body, nor do I want to leave the impression that I think the President is wrong in advising the Members of Congress. That is both his right and his responsibility. What I would like to emphasize is this: Last year your party and your President and you Members went throughout the Nation and condemned before the voters this tax which you now propose to extend. Why now in honor and in fairness to the trust placed in you by the American people do you not take the responsibility forthrightly and bring to this floor an honest tax bill that you can commend to the House and to the people instead of insisting upon the extension of one that you have found it necessary to condemn, and successfully so, and one which you have asked us to swallow again? That is the point which I should like to stress.

You have known since last November that you were to have the responsibility. We have been in session 6 months. There is nothing to keep us from remaining in session another 6 months. With that in mind, would it not have been the wise course for the President to come before the Congress and recommend a Republican tax policy? Why cannot the Committee on Ways and Means consider, and why has it not considered a tax policy it can be proud of?

Do we need revenue? Of course we need revenue, and I tell you in all sincerity that I will stay here and help raise needed revenue. But I want to do it in an intelligent, straightforward manner. I do not intend to stand around and apologize with you for legislation which you have convinced me is unjustified, wrong, and unfair.

The entire record of this Republican Congress—and you must be judged upon it—is that you have reenacted, with little exception, previous Democratic measures which you have condemned. Naturally you are in an uncomfortable position, particularly on this legislation. I have not contributed to this, for I have urged time and time again that needed revenue be raised through new and better-considered legislation.

Under this resolution you will have 4 hours to excuse your uncomfortable position. You can lay the blame on the President, you can take the personal credit for it, you can lay it on the so-called Democratic mess, but you cannot intelligently escape logic that demands a different course. I would have been pleased to join you in a sound approach to needed revenue. I am denied this opportunity. It seems to me that the time is here when this Congress must stand up and with courage and forthrightness and wisdom discharge its own responsi-

bilities. We, too, along with the President, were elected by the American people. We, too, have a duty to perform. I make this statement, and you know that it is basically sound, with no intended unkindness. I make this statement because I feel a great responsibility as a United States Representative to my people and my State and my country, and I do not like, nor do I think it necessary, to be caught in the position I am in today. I do not want to be a judge in a popularity contest. I do not want to be, nor do I want you to be in a position where you are tied so that you may only say "Yes" or "No." I have too much respect for you and for myself.

If this bill passes and goes to the Senate, any Senator may offer any germane amendment. Are they more intelligent or to be better trusted? Have they more judgment than a Member of the House? I do not think so.

Several members of the Committee on Rules did their best to bring in a resolution that would have given you some intelligent choices. It was not a party effort. Nevertheless, we failed. A bill considered under this resolution gives you no choice. If you are to have one, then you must vote down this rule. I do not enjoy asking you to do that, and I have asked it very few times since I have been a member of your Committee on Rules. But if the House is to function as a legislative entity, if it is to take an independent and intelligent position, if it is to be honest with itself, then it has but one choice to vote down this resolution.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from New Jersey.

Mr. CANFIELD. Does the distinguished gentleman from Texas, my good friend, think that the President of the United States is now thwarting the will of the American people in asking this extension on the part of the Congress?

Mr. LYLE. I would not say that. I did not say that.

Mr. CANFIELD. Then why is the gentleman so concerned about what we do here today?

Mr. LYLE. I am concerned because the President and every responsible person I have read after has said that this tax was inequitable, that it was wrong, that it was unfair, that it just was not a decent tax. Now, do you want him to put his arm around me and say in the face of such statements, "You make the American people eat it for 6 more months"?

Mr. CANFIELD. The American people, I contend, want the tax extended. My letters indicate that. My letters today are chiefly from men of business, big business and small business.

Mr. LYLE. Of course they are big business, because they do not pay any tax on excess profits, and if they should, it does not seriously affect their financial structure.

The gentleman from New Jersey is a splendid Member of this body. He has contributed a great deal. He does not vote on measures by the few letters he gets on controversial legislation.

Mr. CANFIELD. Nor does the able gentleman from Texas, whom I admire very much.

Mr. LYLE. The gentleman makes up his mind on facts—that is why I honor and respect him—and not upon a few letters he might get from somebody.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. LYLE. I yield to the gentleman from Washington.

Mr. HOLMES. I do not want to embarrass the gentleman, but I am trying to clarify a fact. Does the gentleman from Texas contend that big business does not pay any of this excess-profits tax?

Mr. LYLE. No.

Mr. HOLMES. Did not the gentleman say that big business did not pay that?

Mr. LYLE. Yes, but I should not have said that without explanation. I meant that many of them do not pay taxes on excess profits.

Mr. HOLMES. As to big business, the excess profits tax on automobiles alone pays better than one-third.

Mr. LYLE. Your report says that United States Steel did not pay a dime, and neither did the Standard Oil Co. of New Jersey. I am taking the report from your committee. Too, I am told that many escape such taxes.

Mr. Speaker, this tax controversy has placed an undue hardship on my distinguished chairman, the very able gentleman from Illinois [Mr. ALLEN]. He has taken much undeserved abuse. Particularly is this so, I think, since H. R. 1 was voted out of the Committee on Ways and Means and came to the House for clearance. I think it would be in the spirit of fairness for the Committee on Ways and Means, now that they have decided they cannot cut taxes at this time, to formally request that their application for a rule on H. R. 1 be withdrawn. They should not leave undeserved pressure on the gentleman from Illinois.

I sincerely believe that the House of Representatives would take the honorable course by voting against this resolution. Then the Committee on Ways and Means would be in position to bring to the floor a commendable approach to the tax problem.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the distinguished majority leader, the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I suppose it is fair to say that facetiousness and levity always tend to lighten the burdens of service in the House of Representatives. Ordinarily, my good friend, the gentleman from Virginia [Mr. SMITH] and my good friend, the gentleman from Texas [Mr. LYLE], in times as serious as these, when we are dealing with tremendous problems at home and abroad, do not resort to levity. I trust that as we consider this very important measure, because it is an important measure, we may lay aside the levity and recognize our responsibilities. May I say parenthetically to my friends on the right, these are responsibilities which in large measure we have come to inherit since the first of the year because of certain activities that have gone on in previous years when the Government was under your control.

Mr. DINGELL. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. No, I would like to proceed for a moment.

Mr. DINGELL. Do not kick us in the teeth, Charlie, if you want this bill to go through.

Mr. HALLECK. May I say to my friend, the gentleman from Michigan, I did not yield to him and as far as I am concerned partisanship ought not to have any place in this bill.

Mr. DINGELL. Right.

Mr. HALLECK. The fact of the matter is it came out of the Committee on Ways and Means by a vote of 16 to 9 with 7 Democrats voting for it and 9 Republicans.

Mr. DINGELL. We are helping you out.

Mr. HALLECK. Well, of course you are and that is all right and I am not unappreciative of that, but let us keep it that way.

If I may make just one suggestion at this point, I do not think it came with very good grace to charge that the President dictated the action of the seven Democrats on the Committee on Ways and Means.

Mr. DINGELL. You bet he did not.

Mr. HALLECK. There is nothing unusual about this rule. Some suggestion has been made that the rule fails to carry a provision which is frequently contained in such rules, that the committee itself might offer amendments, but so far as I have been able to discover there is no inclination on the part of the committee to offer such amendments.

The gentleman from Texas made one serious observation. He did not follow it up, but he suggested perhaps we ought to defeat this rule. I do not know whether he meant to defeat the rule and the bill or what he expected to do. But, I know this, that on both sides of the aisle those of us who serve on the Committee on Rules and those of us who serve on the Committee on Ways and Means know—and this has been true since I have been here at least—this is the type of rule that has been granted on tax bills coming from the Committee on Ways and Means. So I would not anticipate that either the Democratic members of the committee, and I see my friend nodding in agreement, or the Republicans want this rule to be anything other than it is. As I attempted to point out, the gentleman from Texas would have it appear there was some indecision and some confusion because 1 day it was the Sadlak bill and 1 day it was the Kean bill. Well, if he will recall, I appeared before the Committee on Rules to ask for a rule on the Sadlak bill, and if I remember correctly he and his colleagues on his side voted against that rule. Yet, here today, they are pleading that that is the bill we ought to have. I trust that no one is going to be misled by that sort of tactics no matter how facetious it may be.

The suggestion has been made that this whole matter of taxation ought to be worked over. Let me say again, and I trust this will not step on anybody's

toes politically or in any partisan way. I think we will all agree on both sides of the aisle that for years and years now our whole tax structure has been a hodgepodge development. I think on both sides of the aisle we have hoped and expected that inequities which exist, not only with respect to the excess-profits tax but in respect to many other places in the tax structure, would be worked out; the inequities eliminated in order to make the burden fairer, make it more equitable.

It may be said to the credit of the great Ways and Means Committee that some days ago they initiated hearings to accomplish that very worthy objective, and in that accomplishment I am sure they will have the support of the administration and the support of those of us here who believe that the whole tax structure should be gone over carefully, recodified, and developed in an orderly manner.

As I say, that is what we propose to do. But the only thing that is in issue here is whether or not this temporary extension—and it is a temporary extension—should be voted, and there is no question about how that vote is going to come out. It will be about 3 to 1 when the smoke clears away. It will be a demonstration of the support of the position taken by the majority of the Ways and Means Committee and by the leadership, as pointed out by the chairman of the committee, the gentleman from Illinois [Mr. ALLEN], in both the House and the Senate, and the position taken by the administration.

Something was said about the defeat of this extension proposal being to the profit of big business. The gentleman from Texas [Mr. LYLE] normally has the facts. He spoke of how this proposed relief would not help any of the big corporations. Would it interest him to know that 40 percent of the corporations paying this excess-profits tax in 1950—and it follows on through 1951—were in the $100,000-a-year-net-income bracket or above? They paid 95 percent of the tax; 5 percent of the tax was paid by the 60 percent below $100,000.

In other words, if I may make the suggestion, there ought to be a little more light and a little less heat and a little less levity on this very important matter.

Mr. LYLE. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Texas.

Mr. LYLE. I thoroughly agree with the gentleman. I think there ought to be a little more responsibility on the party in power to bring in a tax that they can commend and not condemn.

Mr. HALLECK. We have taken up as rapidly as we could a great many of the matters that we inherited. May I say to the gentleman that on many occasions he helps, and for that I am appreciative because, after all, it is not alone the responsibility of Republicans or the Republican administration; it is the responsibility of all of us; and I do not care on which side of the aisle anyone sits.

That is the reason I say that this revision of the whole tax structure is long overdue. Instead of criticizing us for not moving in and doing the whole job in a few months, you should be commending us for making a start, and may I say again that that will be a process in which I know the able members of the Ways and Means Committee on the Democratic side will contribute.

The gentleman from Virginia [Mr. SMITH] speaks of this bill and its inequities. When the bill passed in 1950 there were just 20 stalwarts who voted against it. I just looked at the RECORD. But the ranking member of the Ways and Means Committee, the gentleman from New York [Mr. REED], offered a motion to recommit—to remove most of these inequities and hardship situations about which you presently complain. Thank God, we have an administration now that recognizes them. When that roll was called most of us on our side voted to alleviate those hardships and do away with those inequities. I voted for it. But on your side, sir, you did not vote for it.

I trust that this rule will be adopted. I will have something to say on the merits of this matter a little later on. But that is all I have to say at this moment.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mr. KEAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 5898, with Mr. MCGREGOR in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule general debate is confined to the bill and may not exceed 4 hours. It is the understanding of the Chair that the time will be equally divided and controlled by the gentleman from New Jersey [Mr. KEAN] and the gentleman from Tennessee [Mr. COOPER].

The Chair recognizes the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. KEAN. Mr. Chairman, this bill does one thing and one thing only. It extends the excess-profits tax for 6 months, without amendment, as recommended by President Eisenhower.

The House, I am sure, will hear plenty today about the evils of the excess-profits tax. I do not deny that it is a bad tax, but there are many other bad taxes now in effect.

Certainly the personal income tax which only allows a $600 exemption for dependents in spite of the fact that the cost of raising a child has increased tremendously in the past few years, is a bad tax.

Certainly it is bad to place a 20 percent excise tax on certain industries when other businesses pay but a 10 percent tax, and others pay none at all.

Certainly the present high liquor tax is a bad tax for it has been shown to encourage bootlegging.

And any tax which takes away 92 percent of all of an individual's income beyond a certain figure is a bad tax because it destroys initiative and really reduces the revenue for it prevents capital from being used for productive purposes.

The Internal Revenue Code is full of bad taxes and the Ways and Means Committee, under the leadership of Chairman REED, is now studying the whole field in the hope that Congress may remove or alleviate as many of them as possible in the tax bill which we hope to pass next winter.

Under this bill the excess-profits tax will expire next December 31 and Secretary Humphrey has pledged that he will oppose its renewal.

The chief impact of its passage will be that when certain corporations with high earnings file their tax next March they will pay an additional tax on earnings above those in their base period at a 30 percent rate for the calendar year 1953 rather than at the 15 percent rate which they would pay if this bill does not become law.

Why is it that we have the disagreeable necessity of renewing this tax for 6 months?

First, and most important, is the necessity of maintaining a sound dollar and preventing a further rise in the cost of living.

There seems to be general acknowledgment that we should not lower taxes on corporations without at the same time doing something for the individual taxpayer.

We do not want to give special favors to a little group of stockholders in corporations which are prosperous, while we do nothing for the great mass of long-suffering taxpayers.

Thus the choice which has faced us is between passing H. R. 1 now and letting the excess profits tax expire as scheduled, or postponing the expiration of this tax until the same time as the individual income tax reduction goes into effect—January 1.

Best estimates seem to be that there will unhappily still be a deficit, in spite of the administration's efforts toward economy and the passage of this bill, of $5,600,000,000 in the 1954 fiscal year.

If we did not follow the administration's proposals and we let both tax cuts take effect this month, the deficit for the fiscal year which we are just entering would probably be $8 billion.

I doubt if the most valiant efforts of Secretary Humphrey and his Treasury staff could prevent a further rise in the cost of living with such a deficit.

The second reason why we should accept the Treasury's program is that under the best financial practice this is not the psychological time to cut taxes.

To have the best effect, on maintaining a stable economy taxes should be cut

from 6 to 9 months before there is to be a sharp cut in Government spending.

Such a cut places in the hands of the public money saved from taxes which they can spend as they see fit for civilian goods.

This spending by individuals will then take up the slack caused by a reduction in spending by the Government.

Now, when is this slowing up of Government spending going to occur as a result of President Eisenhower's and the Congress' efforts toward economy?

Certainly there will be little reduction in the next 6 months, for there must be unavoidable heavy spending owing to the obligations entered into by the past Administration.

Estimates are that spending for the fiscal year 1954 will amount to $74,100,000,000—only $500 million less than was spent in fiscal 1953; this in spite of the cut in current spending of $4,500,000,000 made by the administration below the Truman estimates.

It will only be toward the end of the present fiscal year and in fiscal 1955 that the projected 10 billion cut in appropriations will show its effect in actual heavy reduction in current spending.

Certainly to add to the purchasing power of the general public just at this time when Government expenditures are at their peak would not be the soundest financial practice.

As we should lead the cut in Government spending by from 6 to 9 months in order to have the best effect, next winter seems to be the soundest time for starting to cut taxes.

If we should make these cuts now and further stimulate spending by both Government and individuals in this time of unparalled prosperity, there would be no opportunity to reduce taxes without greatly unbalancing the budget at a time when the stimulation of tax cuts is needed to keep the economy on an even keel.

The result of immediate tax cuts at this time might well be "boom and bust."

On December 31, under this bill, the excess-profits tax will die—for good and all I hope—for no one has ever been able to devise a tax which really succeeeds in taxing profits which are excessive and I doubt if anyone ever will; and it is not only the hope for those profits which the law now calls "excess" profits which impels an individual to risk his capital and use his energy in a new business enterprise? And is it not this incentive which has brought the production which has made the United States the most powerful Nation in the world and made us that Nation which has the highest standard of living in history for the average citizen.

Mr. COOPER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, there are several considerations which lead me to urge that the excess-profits tax be extended for an additional 6 months, even though I readily agree that this form of tax is not desirable under normal circumstances.

The main consideration which leads me to advocate an extension of the excess-profits tax is the fiscal stability of the Nation. The basic problem for our consideration here is our military and economic security, as well as the military and economic security of the free world. A sound currency is the heart of economic stability. We are now in a period of the highest employment and production in our history. We have not yet reached a peak in expenditures for national defense.

The simple choice with which we are faced in this period of high prosperity is an increase in the existing deficit, with the inflationary effects of such an increase, or the continuation of this tax for 6 months, which will increase our revenues by $800 million.

It is an obvious economic fact that the larger the deficit, the greater will be the inflation during this period of high prosperity. It is estimated, on the basis of the first quarter of 1953, that consumer expenditures for the full year will run at the rate of $226 billion. Simple mathematics proves that a 1-percent increase in general price levels, as they affect these consumer expenditures, will cost consumers $2.26 billion.

I am not claiming that the $800 million in revenue which will be produced by a 6-month extension of the excess-profits tax will stop inflation; however, I am saying that it is a factor which will tend to control inflation.

Not only is a large deficit anticipated for fiscal year 1954, but, according to information released the first of this month the deficit for the fiscal year 1953, is $9,400,000,000, compared to an earlier estimated deficit of $5,900,000,000. This further emphasizes the necessity for continuing the excess-profits tax for another 6 months.

Another important consideration which we must bear in mind is that to not extend the excess-profits tax will be to grant relief to corporations ahead of granting relief to individual income taxpayers. I am opposed to relieving corporations from the tax imposed on their excess profits arising out of the present emergency ahead of granting relief to individuals.

There has been some talk about alternative sources of revenue in lieu of an extension of the excess-profits tax. I can think of no fair and equitable alternative source which would be preferable to an extension of the excess-profits tax. It has been suggested that it would be preferable to increase the regular corporation-tax rates, rather than extend the excess-profits tax. I would like to point out that, of the 424,000 corporations reporting a net income in 1950—the latest year for which final figures are available—only 50,200 corporations paid an excess-profits tax. If, for instance, the normal tax on corporations were increased to make up for the loss of revenue which an extension of the excess-profits tax would bring in, it would mean that, on the basis of the 1950 figures, 374,000 corporations who paid no excess-profits tax would have their tax burden increased. A great majority of these corporations are small corporations.

I would also like to point out that, on the basis of the 1950 figures, of the 50,000 corporations paying an excess-profits tax, by far the greatest amount of this tax was paid by large, profitable corporations. Five and one-half percent, or 2,700 corporations with net incomes above one million dollars paid over three-fourths of the total excess-profits tax.

It has been said that the excess-profits tax is driving many new, small, and growing corporations out of business. There is no doubt but what the excess-profits tax is a very heavy burden on many of these corporations. I would like to point out that there is a ceiling of 18 percent on the excess-profits tax, which means that no corporation pays more than 70 percent in taxes overall; and also, in the case of new corporations, during the first 5 years of their existence, there is a ceiling on their excess-profits tax ranging from 5 to 14 percent.

I do not believe that the extension of this tax for 6 months will be as serious as some would have us believe in its effect on corporations. Even if the tax were not extended, corporations will now have to pay a 15 percent excess-profits tax rate on their excess-profits net income for 1953. An extension of the tax for 6 months would mean that these corporations would pay the tax at the rate of 30 percent rather than 15 percent. There were several witnesses who appeared before our committee during hearings on the proposal to extend the excess-profits tax for 6 months, who, while believing that this tax is an undesirable tax under normal conditions, urged that it be extended for 6 months as proposed in the pending bill, due to overriding considerations of a reduced deficit.

The Business Advisory Council of the Department of Commerce has recommended that the budget be balanced before taxes are reduced.

Although the committee had brought to its attention several suggested amendments which appeared to be meritorious, the Secretary of the Treasury informed the committee that revenue considerations dictated that the excess-profits tax be extended without amendment or modification.

I was very sympathetic to many of the pleas presented to our committee, and if the tax were being extended for a period greater than 6 months, I would not be in favor of the extension without making some of these deserving amendments. However, since under present law corporations subject to an excess-profits tax will be paying it for the year 1953, I feel that since the extension really amounts to an increase in rate only, in most cases, the revenue considerations of the Government are overriding.

To not extend the tax would mean only a moderate reduction in tax rates at the expense of sound governmental fiscal policy. The Treasury Department assured us that there would be no request for an extension beyond the 6 months. In light of considerations of high defense spending, prosperity, and employment, and the fact that to not extend this tax would mean a reduction in taxes for highly profitable corporations ahead of the reduction in taxes which are scheduled for individuals on December 31 of this year, I am supporting the requested extension. I believe the extension is necessary so that we will be in a position of providing fair,

sound, and timely tax reductions when we are not faced with an increase in the deficit of the Government. High priority should be given to a reduction in individual income taxes which will benefit all of the economy, due to the fact that such reductions will be immediately felt by placing additional income at the disposal of consumers.

So in closing I would like to emphasize the point, as I see it, it would be unfair to allow this excess-profits tax to expire now and to continue the increases of the individual income taxes until December 31 of this year. I think this extension here meets the essential elements of fairness and equity when we consider the overall tax program of the Government and the overriding necessity of making this contribution toward a reduction of the recently announced deficit of nearly $9½ billion in the Treasury of the United States.

Mr. KEAN. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS of Nebraska. Mr. Chairman, I want to talk today about the basic cause of why we are here considering this tax. We are here with this job because the Congress of the United States has lost control of the purse strings. Any effect that we have upon the money that goes out of the Treasury of the United States is distant and remote. We have lost immediate and direct control.

Congress is awakening to the fact that 67 percent of the budget of $78 billion proposed by the outgoing administration is relatively uncontrollable. In other words, the expenditures for a given year are fixed by prior appropriations and by existing legal or moral commitments which authorize activities. The uncontrollable areas in the budget are as follows:

First. Almost one-half of all estimated expenditures for the coming fiscal year consist of carryover funds previously appropriated. The executive branch began this fiscal year with $100 billion of unexpended balances. These funds are uncontrollable so far as the Congress is concerned. Money does not flow out of the Treasury when Congress passes an appropriation bill. Money flows out of the Treasury at the time the expenditure is actually made, and on that basis you have a deficit or a surplus.

The second area of uncontrollable expenditures is this. There are certain permanent appropriations, both definite and indefinite, that constitute uncontrollable expenditures. The largest item in this category is the interest on the national debt, which is over $6 billion.

Third. There are annual appropriations required that are permanent, unless there is a change in substantive law. An example of this recurring expense is the deficit in the Post Office Department.

Fourth. The next large area of relatively uncontrollable expenditures is the number of fixed charges, including contributions to trust funds, retirement payments, payments on claims, payments in conformity to judgments, and payments in conformity to treaties. Once these commitments have been made by statute or by treaty, there is little that a subsequent Congress can do about it.

Fifth. Another large area of relatively uncontrollable expenditures might be described as open-end programs. These include aid to agriculture, veterans' programs, aid to States, and so forth. For instance, the money that will flow out of the Treasury this next year to maintain agricultural supports is not subject to the control of Congress. It depends upon the weather, the volume of production, the open-market price. Those factors will determine how many dollars will have to go out of the Treasury to maintain the price level of farm products.

Likewise, the amount of money that the States raise for highway purposes determines how much the Federal Government will have to spend under that existing long-range matching law.

Congress has in the past authorized the executive branch to borrow money from the Treasury for recoverable expenditures or to finance Government corporations. Some of these ventures end up in losses and then at that point we have to make it up out of the Treasury. The committees of Congress can control the administrative expenses of Government corporations, but they cannot control the program expenses.

Sixth. There has developed the idea that there is a sort of moral obligation on the appropriating committees to provide funds for programs that are initiated and authorized by Congress, and those new programs move into the position of being uncontrollable in the years that follow. Many a time the Appropriations Committee has in granting an item for $100,000 initiated something that costs $100 million.

Expenditures are not something that can be turned off and on like a water faucet.

Now, you ask why is it that in the 80th Congress the fine work of the Appropriations Committee could cut spending and reduce taxes. I will tell you why; there are two reasons for it. Most domestic nonmilitary programs had been frozen during World War II and the momentum of uncontrollable expenditures had not got going, and your military expenditure commitments and new starts were cut way down. The 80th Congress is to be praised for moving in and reducing instead of increasing, but its task was different from the problem that we face now.

Today we face a situation where unless the legislative committees and the Appropriations Committee do something about authorizing new starts, we are in a whirlpool that we will not be able to do much about. Few people realize that the amount of money that the Government will spend in this fiscal year which began on July 1 was largely determined by decisions not made last year but made 2, 4, 5, 6, and 7 years or more ago. Let me illustrate this: Suppose a group of cities in 1950 decided to avail themselves of the Federal airport matching program; they debated it locally, they may have held a bond election, they finally decided to do it; they picked a site, they named a local board, they hired an engineer, they got their plan approved and then finally they let a contract for their airport, and perhaps in this next fiscal year money flows out of the Treasury for the first time, by reason of a decision made by Congress more than 7 years ago. The House this year denied new money for airport construction, but they still have $10,500,000 in unexpended funds and at the other end of the Capitol there is an argument going on to give them more.

This Congress has lost control of the purse strings. Only in the long range can we do something about it. The gentleman from New York [Mr. TABER], to whom this country owes much, who no doubt has done perhaps more than any other man to save us from bankruptcy by preventing hundreds of billions of dollars from going through his House, has cut appropriations by 25 percent, yet expenditures will go up 12 or 15 percent. Why? Because the only control you have left is a long-range control. The appropriation cuts made this year will reduce spending for future years, but not much in the coming year.

Now let us take a look at the dollar volume of these uncontrollable expenditures, relatively uncontrollable, I mean: $37.6 billions are expenditures from obligatory authority of prior years; $7.9 billions are expenditures under permanent and indefinite authorizations; $178 million is expenditures out of receipts from revolving and management funds; $864 million as contributions to trust funds, payment of claims and payments in conformity to treaties and international agreements; $5.2 billion as expenditures under open end and other relatively uncontrollable programs; $1.3 billion as expenditures under existing grant programs, representing commitments legally controllable, but it will take a little while to do so.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. KEAN. Mr. Chairman, I yield the gentleman 4 additional minutes.

Mr. CURTIS of Nebraska. Mr. Chairman, what can we do to regain control of the purse strings? First, the chairman of the Rules Committee can bring in a rule, a permanent rule, providing that every authorization and every initial appropriation, every new item in appropriation bills, must carry in the committee report a budget estimate of the probable expenditures for the next 5 years. You will know then whether you are committing $100,000 or several hundred million dollars. Such a reform would be a lasting monument to the distinguished gentleman from Illinois [Mr. ALLEN].

Second. The executive branch can extend their budget control down to the lower levels, into every bureau, division, section, and unit. We have 100,000 supervisors in our executive branch of Government, 95,000 of them do not know what the budget for their unit is. They should be told at the beginning of the year: Here is your budget, so much for printing, so much for salaries, so much for telegrams, so much for travel. Here it is. Your promotion and your pay increase will depend on how much you can save in your unit budget. We could then say to these supervisors: you will be rewarded for efficiency and economy—you may be fired for waste and inefficiency.

Such a plan will put an end to deficiency appropriations. This idea is not new so far as budget breakdowns are concerned. It was first presented by a writer for the Washington Daily News at some length not so long ago.

In the third place, we have to repeal some basic authorizations of Federal programs. We have more Government than our private enterprise economy can stand. It is killing business today, it will continue to kill business. Some of these programs ought to be discontinued, others should be returned to the States. We need to reexamine the basic policies of all our programs, both foreign and domestic.

Fourth. The Congress should assume the responsibility of once during the year voting on the entire budget, all of the expenditures.

Fifth. The executive branch can bring about a great reduction by a mere stretching out or slowing down the programs. If they take all programs and schedule the spending so we do in 13 months what was intended to be done in 12 months, it may save us from a deficit.

The sixth and last point is one that is most important. We must have some civil-service reform so that the heads of these departments can control them, which they cannot do at the present time. We need a reform of civil service so that there can be a genuine housecleaning. We need to get rid of the loafers, wasters, and unneeded in the bureaus. The taxpayers are entitled to an honest day's work for a day's pay. We must reduce the number of Government payrollers. How long must we wait for this reform?

The CHAIRMAN. The time of the gentleman from Nebraska has again expired.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the disinguished gentleman from New York [Mr. REED], chairman of the Ways and Means Committee.

Mr. REED of New York. Mr. Chairman, I find myself here under rather unusual circumstances. I would not want the House to misconstrue the position that I am taking. I have nothing but the finest feeling for every person in this House. But, as I say, I am here under peculiar circumstances.

When it was moved in committee to report H. R. 5898 favorably by the gentleman from Pennsylvania [Mr. SIMPSON], it was provided that the gentleman from New Jersey [Mr. KEAN], should use all the parliamentary procedure necessary to obtain its passage. I always comply with the rules. So I want to extend my thanks to the gentleman from Tennessee [Mr. COOPER], for his courtesy in extending me the time. I did not feel I should accept it from my side under that rule.

Mr. KEAN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. No, I prefer not to. I want to make the RECORD here.

I may say also, before I get into this, that something has been said here in regard to the Sadlak bill.

I have a letter here from the Secretary of the Treasury which was handed to me on July 7. It says:

> Your letters dated June 26, 1953, requesting the views and recommendations of the Treasury Department on H. R. 5898 and H. R. 5899, were received yesterday, July 6. In line with the recommendations of the President as made in his message to the Congress on May 20, the Treasury Department favors the extension of the excess profits tax as now drawn for 6 months, through December 31, 1953. H. R. 5898 accomplishes this purpose. The Department, therefore, favors this bill. H. R. 5899 would extend the excess profits tax through December 31, 1953, and increase the minimum credit from $25,000 to $100,000 for taxable years ending after June 30, 1953. If your committee decides not to report 5898 favorably, this department would offer no objection to H. R. 5899.

H. R. 5899 is the Sadlak bill. That, of course, was put to a vote and the entire membership of the Committee on Ways and Means was present. The vote was supported by just 3 men and the author of the bill. So, we are here with this bill.

Mr. Chairman, today this House is to have an opportunity to vote on one of the most important issues in its history. Technically, the question before the House is whether or not to enact H. R. 5898 which would extend the excess-profits tax until December 31, 1953. Actually, the issues involved here are those of morality against immorality, principle against political expedfericy, intelligence against unintelligence. Involved here is the question of whether this Congress is to retain its independence or abdicate to executive dictate. Involved here in a very real sense is the economic security and well-being of our citizens' future. All of these considerations demand the defeat of H. R. 5898.

My position on this score is well known. But what is, apparently, not well known, either by the majority of the Members of this House, or by the country, is the history of this legislation and of the almost unbelievable chain of events which have led up to my standing before you today to oppose the leadership of my party, which I have served in this body longer than any other Member.

Lend me your attention then while I go back to the early days of this session to a meeting of the Ways and Means Committee on February 17, 1953. On that date our committee met to decide what could and should be done to carry out the will of the people, which was so clearly demonstrated in the last election, to ease this crushing tax burden. And let me say to my friends on the other side of the aisle that I am not just referring to the Republican victory. Many of my Democratic friends are here today because they fully recognized the demands of their constituents that Federal expenditures and Federal taxes be drastically reduced.

The members of the Ways and Means Committee recognized that the first step was to make some reduction in individual income tax rates, particularly for lower income taxpayers. We recognized the necessity of balancing the budget and the difficulties which the new administration would face, initially, in cutting down on Government expenditures. But we also recognized that a small cut in individual income tax rates was necessary, not only to give tax relief, but to keep faith with the American people who had trusted us with stewardship over their affairs. Consequently, we voted in favor of H. R. 1, a bill which would make what was in reality no more than a token reduction in individual income tax rates.

The second question was what to recommend to this House concerning the expiration of the Excess Profits Tax Act on June 30, 1953. It was decided to recommend that it not be extended. After listing our reasons against extending the tax we said:

> Your committee believes that the excess-profits tax should be allowed to expire on June 30, 1953, as scheduled.

The vote on H. R. 1 and its report was 21 to 4.

The third step in our program was a general overhaul and recodification of our antiquated and disorganized Internal Revenue Code. The present code is a veritable maze of inconsistencies. Cross references are piled upon cross references, exceptions upon exceptions. The foremost tax experts in the country are baffled by many provisions of the law. The ordinary taxpayer is, at best, bewildered. It is not too much to say that the growth of our economy is, to a large extent, impeded by the uncertainties of our tax law. To work out a reasonably clear, equitable and consistent Internal Revenue Code is an enormous task. This work is now being undertaken by our staff and the staff of the Joint Committee on Internal Revenue Taxation in close cooperation with the staffs of the Treasury and the Bureau of Internal Revenue. Our committee has undertaken public hearings on 40 of the most important tax issues so that all taxpayers may have an opportunity to present their views. This mammoth revision job is immensely difficult and time-consuming. But I believe that, if it is successful, it will be one of the most constructive and useful jobs that this or any other Congress could do to help our people.

This, then, was our tax program. It was greeted with unanimous approval by all the groups interested in the field of taxation and, as far as I know, by all our taxpayers. The administration, at first, did not have a word to say against it, at least to me.

Then, gradually, it became apparent that there was some opposition to our program. Despite my conviction that the great majority of the Members of this House were anxious to fulfill their obligations to their constituents by voting for at least a small cut in individual income taxes, the distinguished chairman of the Rules Committee has refused even to schedule a meeting to consider granting H. R. 1 a rule. H. R. 1 has been bottled up in that committee since February 17, 1953.

The Ways and Means Committee having overwhelmingly recommended against the extension of the excess-profits tax, I saw no reason not to express my own convictions on the matter. On the floor of this House, in the press, on the radio, and on television I have explained during this session the reasons which compelled me to oppose this extension. Certainly, my position was well known to the administration. But the administration's program remained shrouded in a veil of mystery so thick

that it was not until the eve of the President's message to Congress on May 20, 1953, that I, or any member of our committee, had any inkling that an extension of the tax would be demanded. Following receipt of the President's message, our committee scheduled 10 days of public hearings to consider the proposal. I might say right there that there was no bill before us to consider. These hearings were held out of courtesy to the demand of the President. Of course, you all know the results.

The testimony of the witnesses, most of whom represented small businesses throughout the entire country, was a clear and compelling indictment of the tax. Of the total of 111 witnesses appearing before the committee, only 6 were in favor of the tax. I commend to the attention of the Members of this House a summary of the testimony of these witnesses which appears in the Appendix to the CONGRESSIONAL RECORD, starting on page A3822. It reveals how in specific case after case even a 6-months' extension of the tax would do serious damage to the future ability of American industry to expand and care for an increasing labor supply, would discriminate unfairly against small, new, and middle-sized businesses, would enhance the possibility of a serious economic recession, and would result in very little, if any, increase in revenue.

I might say right here there is a vital problem concerned with our free economy in this country. There are something like 600,000 to 800,000 new laborers coming into the market every year. They need jobs. They have to have jobs or else you will have a great relief program. You will have bitterness on the part of your college graduates, your high-school graduates, and all the boys and girls that are coming into the labor market. There you will have a solid core on which the Communists can work. This very thing is going to restrict the development of payrolls. I have a vital interest, and you all do, in the on-coming Americans. As we fade out of the picture, and we will, as you know, in the history of things, it is the younger element that is coming along to take over the problem of our preserving and enjoying the virtues of this Republic. That is one of the big issues.

Then there is another question, if I may interpolate here a minute. Do you realize that if we as the Congress, and if the President can say that we should enact iniquitous laws, as they are proposing, what do you think the teenagers and the others coming along with them—and we have all this crime that is going on—what are they going to say, and naturally, just as naturally as can be? "Well, what of it. What do these laws amount to anyway?" When the men at the head of the Government who make the laws say, "Well, here is an iniquitous law, but it will produce some revenue," what kind of citizens are we going to build up under those circumstances I tell you, you want to do some thinking on this proposition here today.

This, then, was the record which our committee had before it. But the word from downtown was that we should ignore the record. The Secretary of the Treasury wanted a straight extension of the tax. The only amendment he would accept was embodied in H. R. 5899, the Sadlak bill, which would raise the minimum credit under the tax to $100,000 but was extremely deficient from the technical point of view and would have discriminated viciously between fiscal year corporations on the one hand and calendar year corporations on the other. Almost unbelievable pressure was imposed on the members of the committee, and most of all on myself. The whole House knows the story of the almost hysterical atmosphere of emergency that was created, of how the members were told in plain disregard of the facts that legislative action must be completed on June 30 or all the revenue from the tax would be lost. The whole House knows how we received a summons before the Rules Committee and of how that great committee, without deliberation and in plain and open violation of the rules of the House and of every historical precedent, gave a closed rule to the Sadlak bill without, I am sure, realizing its technical deficiencies. The whole House knows how, when we were all assembled and prepared to vote on this rule, I demanded such a vote. Why was this vote not permitted by the leadership? Was it the desire to keep the rule hanging over the heads of the members of the Ways and Means Committee to insure that orders would be obeyed? My deep respect for the distinguished majority leader compels me to the contrary assumption that his refusal to allow a vote on the rule was due to a wholly warranted fear of impending defeat.

It was my hope that, after the tax expired on June 30, the committee would be allowed to consider the whole problem of the extension with due regard to all the facts in the calm and deliberate manner which is traditional with the Committee on Ways and Means. I wrote to the Secretary of the Treasury to secure information as to how the tax is affecting competing corporations of various sizes. Together with other Members, I gave thought to whether it would be desirable to incorporate certain relief provisions to eliminate some of the grossest inequities of the tax. But when the committee met last Wednesday, and the members voted to consider the excess-profits tax, there was no deliberation. The fact that the committee did not have before it the information requested from the Secretary was considered inconsequential. Relief amendments offered by several Members were not even given careful consideration. There was no discussion of any more equitable way of raising additional revenue. The decision had been made downtown that a straight extension of the excess-profits tax was what the doctor ordered and that any discussion or consideration of alternatives by your committee was, therefore, superfluous. In substance your committee was ordered to abdicate its constitutional legislative function. I must add also that the fact that most all of the members who were required to vote in favor of the extension had expressed themselves in exactly the opposite sense a few months before made this extraordinary procedure rather cruel. But it worked.

At this point, I believe I should clear up two other misconceptions concerning my position. One is that I have attempted to use my authority as chairman of the committee to defeat the bill by the expedient of not calling a meeting of the Committee on Ways and Means. This is viciously untrue. I canceled certain meetings prior to June 30 so that the committee would not have to meet in the carefully created atmosphere of crisis, fostered by misunderstandings as to the legal effect of the approaching expiration of the tax. I have also seen it alleged that I made some kind of deal with the leadership to call the committee together on July 8, 1953. I made no such deal with anyone. The Ways and Means Committee has too heavy a schedule of important legislation to have permitted the fight over the extension of the excess-profits tax to interfere for any considerable length of period with the committee's smooth functioning. Otherwise, I most certainly would not have called the committee together until the members were in a position to exercise their own judgment on the matter.

Mr. Chairman, it will be apparent from what I have just said that many members of the Committee on Ways and Means who supported H. R. 5898 did not do so willingly.

As for myself, I believe that as representatives of the people in Congress we have the duty of casting our votes as our own independent judgment demands after a thorough consideration and study of all the relevant facts. This belief is apparently shocking to some people. I noted an editorial in yesterday's Washington Post which said with reference to me and to my opposition to an extension of the excess-profits tax:

> It would be a healthy precedent if he would now resign his chairmanship in recognition of the fact that he is out of sympathy with the program of his party.

Let me say to you, Mr. Chairman, that I will vote in the future as I have in the past to repudiate any legislation which I believe to be unsound and not in the interest of the welfare of our country, and I will continue to do so irrespective of who suggests such legislation and irrespective of the amount of political pressure that is brought to bear on me personally. Let me say something further to those who say that my position is not in accordance with the program of my party. I reject the idea that the program of the Republican Party is not in accordance with its principles. There is no legislation which is more diametrically opposed to the principles of the Republican Party than the excess-profits tax. I think I have been here long enough to know what the Republican Party stands for. We went to the people last fall on our pledge to reduce taxes, to cut expenditures, and to balance the budget. I believe that we have a duty to do all three of these things and to do them now. The excess-profits tax expired by operation of law on July 1, 1953. The business community expected it to do so. When we pledged throughout the campaign to reduce taxes do you think

that they realized that we were advocating a reenactment of the excess-profits tax? The truth is that we all know that the business community had every reason to believe that the sums they had set aside for payment of the excess-profits tax could properly be committed to plant expansion, improvements, the development of new products, and the purchase of new machinery. Many of these funds have been so committed and many have already been spent. Mr. Chairman, if we take the unprecedented action of extending this tax, we are repudiating our responsibility to the business community and to those whose wages are derived from that community.

But we are doing worse than that, Mr. Chairman. If we should vote to extend the excess-profits-tax law, we would be ignoring the economic danger flags which, as almost every economist has pointed out, are already flying. Let me just mention here an article by David Lawrence which appeared in the New York Herald Tribune yesterday. Mr. Lawrence is editor of the U. S. News & World Report. He said:

> The Republicans on the House Ways and Means Committee and the Democrats who helped them to report out a bill to extend the excess-profits tax may have unwittingly voted to make the next depression the worst in American history.

Let us get down to the fundamentals of the issue which is before the House which you are asked to reenact as a perfect example of what John Marshall had in mind when he said:

> The power to tax is the power to destroy.

We know this tax is hampering small business. We know this tax is hurting expansion, development, and initiative. We know this tax is causing waste and extravagance. We know this tax is promoting inefficiency. We know this tax is creating an unfair competitive position between small and middle sized corporations and large businesses. The Secretary of the Treasury knows this. The majority of the members of the Ways and Means Committee know this. The witnesses who appeared before our committee know this. If you vote for this bill, you will be voting to adopt such a tax. The effect of such a vote at the very minimum will be to hold the economy back for at least another 12 months. And what would you gain by such a vote? You would be taking the worst sort of a gamble. Even the proponents of the bill will concede that "the so-called $800 million gain in revenue" could well be equaled, if not exceeded, by a stimulation of business due to the expiration of the tax. We all know this is a bad tax. The Secretary of the Treasury knows it is a bad tax. From a revenue standpoint, we know that the yield from the tax is dwindling. Many large corporations which paid substantial excess-profits tax in 1950 and 1951 have not reported any excess-profits tax for 1952 and will probably not report any excess-profits tax for 1953. One of the many vices of the excess-profits tax is that the large corporations are able substantially to increase their excess-profits-tax credits each year by adding to their base large retained earnings or additions to capital. New and growings corporations are unable to do this and must, therefore, continue to bear the full impact of the tax. For this reason they are never able to reach the level of their larger competitors. Our tax laws should not be used to drive small and medium-sized corporations to the wall. A bad tax can destroy our economy. A bad tax can destroy little and medium-sized businesses. A bad tax can bring on a recession. The Secretary of the Treasury and proponents of the bill admit that the excess-profits tax which they desire to re-enact is bad. And they admit that the badness in the tax cannot be eliminated. They say if you eliminate the badness in the tax you will not receive any revenue. How can we who are pledged to reduce taxes vote to reenact such a monstrosity, as the present excess-profits tax admittedly is, upon the country? I urge you to stand up and vote to reject this vicious tax.

Mr. Chairman, I believe that we should balance the budget. I believe in a balanced budget just as deeply as anyone in this House. I want to balance the budget as much as does the President or the Secretary of the Treasury. But Mr. Chairman, tax collections are at the rate of $65.2 billion, the highest in our entire history. Let me repeat that tax collections are already at the highest rate in our entire history. Why should we now raise our taxes? Why should not we instead cut our spending? Why should we have spent $14 million more in 1953 than even Mr. Truman estimated would be necessary? What's the matter with us? Can not we do better than Mr. Truman? On the last day of last month we spent $1.5 billion. During the last 3 days of last month we spent over $3 billion. This kind of spending is not the road to a balanced budget. It is the road to economic disaster. It is by cutting down on our spending that we will balance the budget and not by increasing our taxes. To reenact this tax would merely encourage the kind of reckless spending that we have had in the past and which we are all dedicated to eliminating in the future. With all my heart, I request the defeat of this bill.

Mr. Chairman, I have just one more word. This has been a hard fight. Feelings have run high. I have stood by my principles and by my guns.

I shall continue to do so. Win or lose, I will have no regrets. The Members of this House know me well enough to realize that I have harbored no bitterness toward those who have disagreed with me. I believe that on this vital issue they are terribly wrong and I am right. But disagreement among men of good will does not imply lack of mutual respect. This Congress and this administration have a great opportunity to help all our people in many ways toward a better way of life. This opportunity may never come again. I for one intend to do my part in helping make the most of it.

Mr. KEAN. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I assure you it is not by prearrangement that I have been given this opportunity to follow my distinguished chief on this discussion but it is coincidental. I am proud of that opportunity, of that designation, because I have been following him now for some time as my chairman and I have not found any fault in him. I feel that if Mr. REED's advice had been followed at the first of this session of the Congress we the Republicans would not be in this trouble that we find ourselves today. Let me outline to you just briefly what Mr. REED had in mind. When the gentleman from New York came back here to Washington at the opening of Congress he already had some plans with reference to what he thought ought to be done about taxes and how the Republicans should proceed with their tax program. He had the assistance of the best tax expert anywhere in the United States, and I refer to Mr. Colin Stam, who is the chief of staff of the Joint Committee on Taxation consisting of 5 Members of the House and 5 Members of the Senate, and is considered the best informed on tax matters around the Capitol. These two gentlemen, Mr. REED and Mr. Stam, have as much capacity to decide what is best in the tax field as anyone in this country.

Mr. REED and Mr. Stam agreed on a program, not that they were trying to force it upon anybody, but they advanced it as a suggestion. And here it is: They said in effect that our party had promised that we would reduce the personal income taxes of all the taxpayers of the country and that we would also permit the excess-profits tax to expire on June 30, 1953.

So they decided to advance this program and Mr. REED introduced H. R. 1 which provides relief for the private individual taxpayers. This would have fulfilled all the promises in this respect from a political standpoint as well as from the standpoint of simple justice and the next thing to be done was to do something to relieve corporate tax by permitting the vicious excess-profits tax to expire on June 30.

When that had been accomplished they had another big job set out for Congress to do and that was to codify the whole tax structure which has not been codified for many years. The Ways and Means Committee is working on that now. If Congress had adopted H. R. 1 back at the beginning of the session and proceeded right immediately to let it be known to the country that this excess-profits tax would be allowed to die, not reenacted again, there would have been a solidification of public sentiment which we do not have now and the lack of which we may feel later. I would have been glad to have followed the gentleman from New York [Mr. REED] with the advancement of this program. Now we find ourselves in a very uncertain position. I mean we Republicans. We are being laughed at and joked about by people who probably will want to take advantage of it in the next election in a political way. We find it difficult to explain our position as a party.

I daresay that practically all of us on both sides of the aisle are glad to get rid

of this legislation which we are now considering and hope that we might be able to finish it today. There is one thing about this legislation that has been very unusual. Never in my time of service in Congress have I seen so much cross-purpose work on the part of Republicans.

In nearly every session of Congress I see some things that impress me distinctively. I have seen something in connection with this legislation that has impressed me indelibly, and I will never forget it. In fact I don't think I have ever seen anything that impressed me as much. I am not responsible for it and the gentleman from New York [Mr. REED] is not responsible for it. Here is what I mean. I saw the Rules Committee of this House of Representatives go through a farcical parliamentary procedure about a week ago that was not ethical and that was unprecedented. Without precedent, without anything like it ever having been done in the parliamentary history of the country, the Rules Committee sought to bypass the Ways and Means Committee by taking up for consideration a bill that had never been considered by the Ways and Means Committee and which bill had only been introduced a day or two before the committee took it up for assignment to be voted on by the House.

The Rules Committee called the gentleman from New York [Mr. REED] and, I think, called every member of the Ways and Means Committee to come before the Rules Committee to consider whether the Rules Committee should put the Sadlak bill on the calendar to be immediately considered by the Congress. The Ways and Means Committee for 3 weeks had been holding hearings on the very proposal that the President had sent to the Congress by special message. The committee, Republicans and Democrats, loyally every day for about 3 weeks had been holding meetings on this subject. We heard about 120 witnesses who came from all walks of life and from all sections of the country. While we were getting ready to do something by way of deciding to permit the excess-profits law to die or to bring in a bill of some kind, the Rules Committee takes it upon itself to do what I think was little short of a farce. I think the conduct of the Rules Committee was arrogant and unprecedented. In spite of this unusual attempt to usurp authority, I want to pay my compliments to the personnel of the Rules Committee. I say that individually it ranks with the best of any committee of the House in intelligence, in patriotism, and in Republicanism. Being a member of the committee on committees, I had the pleasure of assisting in their selection. But, in spite of their ability, they did something that I maintain they had no right to do. What was the reason for this unprecedented action? I leave that to you.

On the same day that the Rules Committee called the members of the Ways Committee before it to consider giving a rule on this bill that the Ways and Means Committee had not seen, the Rules Committee granted a rule and in a day or two the House calendar showed that the rule would be called up for passage in the House and that if the rule would be adopted then the House would immediately consider that bill. On the day set for the consideration of the rule and the bill for passage, the chairman of the Rules Committee was in his accustomed place and a large membership was present because this strange procedure had been extensively advertised among the membership.

But lo and behold! The chairman of the Rules Committee, who is a fine gentleman, to the surprise of all failed to take the initiative as he usually does, but instead of that the Speaker recognized the Republican leader, Mr. HALLECK, and Mr. HALLECK took over. His role was a most unusual one but he announced that after much consideration with other leaders they had decided not to press the rule that day. He gave as his principal reason that they did not want to do anything rash or disruptive and for that reason they had called off the matter although they felt that they had the votes to carry out their previously planned program and Mr. REED thereupon challenged the majority leader to go ahead and call for a vote and thus a very unusual incident came to a close. I repeat, this was an unprecedented effort as to what the Rules Committee had the right to do.

Now then, let me talk about the bill before us today for just a minute or two. Here we are. My friends, who are interested in this bill? Who are most interested in this bill? I will tell you who they are. They are the hundreds of small manufacturers and businessmen who must pay excess-profits taxes. About 110 of them came before the committee and testified. They came from all parts of the country and represented all kinds of business. They are intelligent and interested citizens. And, how many of them testified for the extension of the excess-profits-tax law? Only 5 out of the 110. Let us see who they were. Follow me closely and get this history right, and if I am wrong I stand to be corrected.

The Secretary of the Treasury came in and testified in favor of extending this legislation, as did a gentleman from, I think, the Budget Bureau. He came in and gave us some figures. Two other gentlemen came in. I was not there when one testified. I think he was a representative of a labor organization, probably the CIO. I did not hear him. Then another man came along who represented the Americans for Democratic Action. And he seemed to be a very nice, smart gentleman. I was then presiding over the committee and I said, after he talked a little while, "Do you pay any taxes upon which the excess-profits tax is levied?" He said, "No." I said, "Do any of these organizations that you represent pay any taxes under this provision?" He said, "No." Well, of course, I did not need to say any more. And he did not need to say very much more after that, did he? No; he did not have very much more to say after that. His speech was about over with when he admitted that neither he nor any of his clients were subject to the excess-profits tax.

Now let us see who these 110 were. Someone asked us today, "Well, now, is it not true that the big fellows are not subject to this excess-profits tax? And is it not true that it is altogether a tax on the small fellows?"

While this excess-profits tax applies to some of the big-business concerns it applies mostly to the small, new business concerns. Many of the larger concerns do not pay a penny of excess-profits tax.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the gentleman from Washington.

Mr. HOLMES. I am sure the gentleman wants to include among the distinguished people before us, John Biggers, president of Libby-Owens Glass.

Mr. JENKINS. Yes; I am glad the gentleman mentioned him.

Mr. HOLMES. Sitting on the President's Advisory Committee.

Mr. JENKINS. I probably know more about him than the gentleman does, as far as that is concerned, and as I understood it, he did not come primarily to testify on this matter; he came for another purpose. But actually, he got into the discussion, and being an administration man, he was loyal to the administration. He is a fine gentleman always. There is no better man anywhere than Mr. Biggers.

Who are these big fellows that do not pay any tax?

I have a long list which do not pay any excess-profits tax. I shall give you the names of a few that you will recognize. Here is the list:

American Brake Shoe, American Can, American Cyanamid, American Telephone & Telegraph, Borden Co., Celanese Corp., Colgate-Palmolive-Peet, Commonwealth Edison, Distillers Corp., Seagram, Gulf Oil, Hudson Motor, Johns-Manville, Jones & Laughlin, Liggett & Myers, Montgomery-Ward, National Distillers, Pennsylvania Power & Light, Socony-Vacuum, Standard Oil of California, Standard Oil of New Jersey, Studebaker Corp., Texas Eastern Transmission, United States Steel.

I am not opposed to any of these big companies that do not pay any excess-profits tax. They are big because they deserve to be big. They made themselves big. Nobody wants to impute dishonesty to them. But the sad fact remains that many of them escape while most of the small concerns that have striven to be successful are taxed beyond endurance in many cases and they go out of business because of the excessive tax.

I say again, who is interested in this legislation? It is the struggling, little, prosperous business fellows. It was really pitiful in some of the cases that came before the committee. Here are three young men down South somewhere, right out of the war. They took the money they got when they got out of the war and put it together in a concern and came along and were doing well, and here came this tax. They came in to testify, and it looked as if they were going to the wall. They deserved to succeed. Another man came who was already in receivership. Practically all the whole 110 were having a tough time simply because they had worked hard and risked their money and energy

against a ruthless governmental tax. Of course, we would have had thousands more come to testify if we had asked them to come, but we did not do it.

I do not want to take up a great deal of your time but I would like to read you just a little of the testimony of one or two of these people who came. I have referred just casually to this one. Mr. SIMPSON asked this man a question, and I am giving you the question and answers:

Mr. SIMPSON. I was wondering, sir, since we all agree that the tax is no good, recognizing it is inflationary, in part is that one of your objections?

Mr. THOMSON. That is right.

Mr. SIMPSON. Why would we not accomplish the same purpose by making a cut in the budget of the $800 million, if we could make such a cut? Would that not excuse us from passing an inflationary tax for another 6 months?

Mr. THOMSON. We feel very definitely that if you had been able to cut the budget to the extent required, that the excess-profits tax should go off June 30.

Mr. SIMPSON. I want to get it specific. If we cut the budget $800 million, would you then be willing not to pass the excess-profits tax, which admittedly is inflationary?

Mr. SIMPSON. We have not had one man come before the committee who said it was a good tax.

Mr. THOMSON. I agree with you. That is part of your problem. I agree with you.

Mr. SIMPSON. That pretty well settles it in my mind. If nobody can say a good word about a tax, why do we want to extend it? Now another question: In the President's program, there is the item of old-age insurance taxes, asking for the postponement of 1 year of scheduled increases. Are you for that or against that?

Mr. THOMSON. In our statement, the full statement you have before you, we did not take a position on that.

In another place in the hearing before the committee Mr. SIMPSON makes a very clear statement during his questioning of Mr. Humphrey. Here is the statement:

Mr. SIMPSON. I have in my district an industry that employs maybe 1,500 people. They are not going to shut down. They will survive it. But those people in there are more interested in the welfare of that particular company providing jobs for them, not alone in the next 6 months but right along and expanding, I think, than you give them credit for. I cannot understand why Mr. Humphrey or anyone else objects to—in the event the tax were continued, which I hope it is not—why they object to relieving an industry making a meritorious case? You have not persuaded me.

There is one argument made in favor of this bill that is not absolutely true. I mean clearly and unqualifiedly true. That is when the Secretary of the Treasury says this law is going to save $800 million. There are a whole lot of people who do not agree with him on that. I do not agree with him on that, and we had some people to testify before us who did not agree with the Secretary of the Treasury.

The chambers of commerce quite generally were against this extension. They appreciated the unfairness of the law and apparently agreed with Mr. Humphrey, who said that the law was both an "inequity and an iniquity."

An attorney in Columbus, Ohio, who has been coming before our Ways and Means Committee for years, and who I think is the best taxman I know of next to Mr. Stam, was before us, representing whom? Not the little fellows, but the Chamber of Commerce of Ohio, which is the biggest State chamber of commerce in the Nation, I think. He also represented the Chamber of Commerce of Missouri, and the chambers of commerce of several States in the Middle West. His name is Mr. Clarence Laylin. He knows statistics and tax trends as well as anybody. He makes the positive statement that we will not lose any $800 million. We will not do it at all. It will be more like $500 million, and you can find people who say it will be three or four hundred million dollars. But anyhow, what is three or four hundred million dollars when a proposition of truth and honesty and decency is involved? That is nothing as against honesty. To unjustly tax one so as to provide money for another is unfair and dishonest.

You know that if the program of the gentleman from New York [Mr. REED] had been adopted and then followed up as it was by the gentleman from New York [Mr. TABER] with his program of reduction of appropriations, we all could have said, "We have reduced the taxes and we have reduced the expenses and we are now balancing the budget." What a fine effort the gentleman from New York [Mr. TABER] and his committee did make, cutting out $3.5 billion in one bill, and $2.5 billion in another bill, and $1.5 billion in another bill. I think we have done well in this respect.

Summing up, therefore, my colleagues, I will say that I have spent many days of hard work in trying to find out what is the right thing to do with refusal to continuing this unfair excess profits tax. I say with Mr. Humphrey, "Do not make any mistake about it, the excess profits tax is an inequity. It is an iniquity as well as an inequity." But I fail to agree with him that we must keep such an iniquitous tax on our books. I shall vote for what I know is for the best interests of the deserving American businessman.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Chairman, I shall speak very briefly. For the RECORD I do want to refer to Monday, a week ago, June 29, to that so-called victory which was heralded as such throughout the Nation by the Republican press of the Nation and attributed to the President in the White House. I am constrained to comment that it was such a great administration victory that the Republican leadership called off the fight without firing a shot because they did not have the votes, they just turned tail and retreated when they came to the battle line and ran away from the fight. They ran away from the fight, I repeat, because there were not enough votes for the proposed rule in this House at that time, and the Democrats were not going to help them put it across. So the Republican leadership pulled away from combat when we Democrats on the rule were all ready to give them a fight. If it was a victory for anybody it was DAN REED's victory and a shameful defeat for the President and for the Republicans.

Now today there will be a victory as regards the sensibleness of exacting the last dime that it is possible to get from profits gained from preparedness or rearmament expenditures, and we Democrats, in an orderly way in accord with the rules once again, are going to help fish President Eisenhower out of the soup. That is going to be largely a victory for the Democratic Party because the percentage on our side who voted to bring this bill out of committee is larger than the percentage of the Republicans, but together our action shows up very well. Out of the 25 votes in the committee, the vote was 13 to 9 for reporting the bill out favorably. The proportions as regards Democrats and Republicans are as follows: We, Democrats, out of 10 votes delivered 7 for the proposal, and the Republicans produced only 9 out of 15. I want to remind the Republicans as I did my good friend, the gentleman from Indiana [Mr. HALLECK] the distinguished majority leader of the House that we Democrats, having helped them out, as we have in many instances in this session, do not like to be kicked in the teeth for helping the President out of a bad situation. But whenever we do, it seems a common practice that whenever Republicans start talking about a proposal, instead of commending us, they ungratefully kick us in the teeth. We never did that when we were in the majority, whenever we got any assistance from the opposite side, we were grateful for it and not ungrateful. So I just want to state that clearly, this victory, whoever may claim it, is going to be due largely to the efforts of the Democrats supporting the Republican administration and there will be no personal victory for the President nor for the Republicans for that matter. It is a matter of principle with those of us who voted as we did in committee and as we are going to vote on the measure here in the House.

The President or anybody else can claim victory for and take such personal satisfaction out of today's expected result as he desires, but I insist that we Democrats are impelled to support the extension of the excess-profits tax, because of the situation which exists and because we consistently supported measures bearing upon the solvency of our country and for no other reason.

We were not whiplashed to change our minds nor did we do so because of any inducement.

The excess-profits tax should be extended for an additional 6 months and longer, if necessary. The fiscal stability of the Government demands this. Not only that, but the very reason for the imposition of the tax in 1950—that is, the accrual to corporations of excess profits due to the present emergency—still exists. Defense expenditures have still to reach their peak.

There is another very important reason why I would like to see the tax extended, and that is the deficit facing us in the fiscal year 1954. I have a very strong suspicion that the Treasury Department is going to recommend the imposition of a general sales tax, the most regressive, uneconomic, and distasteful tax that was ever devised by mind of

man. I have forewarned Secretary Humphrey that he is going to meet with my strenuous opposition in the event he recommends a general sales tax to the Congress.

There are many people who would like to see the excess-profits tax not be extended, for the one and only reason that it would give them a better chance to argue for a national sales tax for reason of a larger deficit.

An excess-profits tax, it is generally agreed, is not always an equitable tax; however, regardless of its inequities in some instances, it is designed to accomplish a basic purpose and on the whole, does accomplish this purpose. By far the larger percentage of this tax is paid by highly profitable corporations, and only about 1 corporation in 16 pays an excess-profits tax. For 1950, 50,200 out of 660,000 filing returns.

I would like to here and now remind the Republicans that had they not played politics to the hilt, and had they had more of an interest in the welfare of the country, they would not be in the very embarrassing position, after all of those wonderful promises we heard last fall, of having to in effect impose additional taxes. That is what a continuation of the excess-profits tax means.

In 1951, President Truman requested of the Congress $10 billion in additional revenue. Despite the best efforts of the Democrats in the face of Republican opposition, the Revenue Act of 1951 at the time it was passed was estimated to produce only about $5.7 billion. The difference between the request at that time and the revenue the bill was designed to raise is about 5 times what the extension of the excess-profits tax for 6 months will bring in.

I urge that this tax be extended as requested by President Eisenhower.

Mr. KEAN. Mr. Chairman, I yield 17 minutes to the gentleman from Illinois [Mr. MASON].

Mr. MASON. Mr. Chairman, I want to serve notice beforehand that I shall not yield for interruptions.

I have been warned by some of my very close friends that I should not make this speech because of physical difficulties, but I shall make it.

THE WORST TAX ON THE TAX BOOKS

Mr. Chairman, the majority of our citizens voted last fall for a change—a change of administration, a change in our "giveaway" program, a change in our foreign policy, a change in our Federal squandering habit. The majority of our citizens wanted a change, they voted for a change, and they expected a change. Did they get a change?

The Truman-Acheson team established our foreign policy. So far as anyone can determine, that foreign policy has become the Eisenhower-Dulles foreign policy. We are still being urged to give away our taxpayers' hard earned dollars—and we are doing it. We are still being urged "to spend and spend and tax and tax," and the majority of our Members seem to be willing to do it. The same old New Dealers are still occupying important policy-making positions in our Government, giving council, advice, and recommendations to the heads of our Federal departments, and Mr. Baruch still sits behind the scenes pulling the strings and running the show.

We have had a change of administration, yes, but the same old show, the same old merry-go-round still operates in Washington.

Mr. Chairman, with that as an introduction, now let us take up the proposal before us, namely, the extension of the worst tax on the tax books; a tax that has done and is doing fearful damage to our economic life and prospects, the so-called excess-profits tax.

We are told that unless this tax is extended the budget cannot or will not be balanced. We are told that the Eisenhower administration will lose control of Congress if this tax is not extended. I say that if this iniquitous tax is extended, that the budget will still be unbalanced, and the Eisenhower administration will most certainly lose control of Congress.

Mr. Chairman, why do I say this?

I know, and you know, that there are some 40 or more seats, now held by Republican Congressmen that are borderline seats, where the Congressman was elected by a very narrow majority. Will these men be reelected if they violate their campaign promises and undermine the faith and confidence their constituents placed in them? Can they count upon reelection on the ethereal popularity of President Eisenhower in the face of specific material promises broken. If I know anything about the average American voter, the answer is "No." By their records will they be judged, not by ethereal popularity of someone in the White House.

Mr. Chairman, the President in his recent tax message estimated that the deficit for next year would be $6.6 billion. He proposed as a partial cure for the situation that the excess-profits tax be extended for 6 months; that the reduction in the corporate tax rates, due next April under present law, be vetoed by legislation, and the 52-percent rate continued indefinitely, and that the increases in the excise taxes made in the 1951 tax bill, due to end April 1, be also vetoed by legislation, and present excise tax rates be extended until such time as the administration can get around to revalue and readjust all excise tax rates. In view of this request of the President, I want to ask two questions:

First. Will our leaders press for the extension of these other two taxes as they have pressed for the extension of the excess-profits tax?

Second. Are they going to guarantee a balanced budget next year?

Next year is election year, and if we extend these 2 taxes at the request of the President, as we are extending this 1 today, what will the voters think?

Mr. Chairman, what is this excess-profits tax that we are asked to extend for 6 months? Is it a wartime measure to take the profits out of war? Of course not. Many, if not most of the smaller corporations that are forced to pay it have not had any war contracts, and do not expect to get any. If a few of them have had war contracts the renegotiation law will take care of them, and squeeze all extra war profits out.

The base period for the present excess-profits tax is the period covering the years 1946, 1947, 1948, and 1949. The average profit made by a corporation during that base period is considered the standard normal profit for that corporation, and all profits that corporation makes now above that so-called normal profit is considered excess profits, subject to the excess-profits tax, which takes as high as 82 cents out of each excess-profits dollar made.

In theory the excess-profits tax is equitable and sound. In practice, however, the excess-profits tax is an unjust, unsound, and inequitable tax. It robs the new, small corporations that are struggling to establish themselves, and favors the large, well-established corporations.

Practically all large, well-established corporations, such as General Motors and Ford, made high rates of profits during the base period. Therefore, their established normal profits are so high that they now have actually little or no excess profits to pay taxes upon. On the other hand, all new or small corporations struggling to establish themselves made little or no profits during the base period; therefore, their established normal profits are either very low or nonexistent. So, nearly all the profits they make now are excess profits—over and above what they made in the base period—and subject to the heavy excess-profits tax.

Under these circumstances these corporations naturally drift into a what-is-the-use attitude. They reason about as follows, "Uncle Sam is going to take 82 cents out of every dollar I make, why struggle to make dollars for Uncle Sam? Why not carry on a heavy advertising campaign, charge the same to costs, and reap the benefit of the advertising when the excess-profits tax expires? Why not bid high for the raw materials I need? Why not have my salesmen stay at the most expensive hotels and run up excessively high expense accounts? Why object to a demand for higher wages? Eighty-two cents out of every dollar I spend that way will come out of Uncle Sam's pocket anyway, not out of mine."

Mr. Chairman, the Ways and Means Committee held 2 weeks of public hearings on the President's request for the extension of excess-profits tax. During that time 111 witnesses appeared, 105 testified against extension, and only 6 testified for extension. The testimony of every witness who testified in behalf of a small, young, struggling industry can be summarized in the statement, "Remove the shackles the excess-profits tax has placed upon us, give us a chance to expand and create new jobs, and we will pay into the Federal Treasury 5 or 6 times as many dollars next year, in regular corporate taxes, for every dollar we expect to pay if the excess-profits tax is extended for 6 months." Let me give you a concrete example.

Herbert Laube, president of Remington Co., Auburn, N. Y., said that his company, if allowed to expand as planned, would pay into the Federal Treasury next year $100,000 more in corporate taxes than they do now, and $180,000 more in

excise taxes than they do now, because of their increased output, a total of $280,000 for the Treasury in lieu of $40,000 they expect to pay in excess-profits taxes if extended.

Mr. Chairman, the testimony presented to us during those 2 weeks convinced the majority of the Ways and Means Committee that the name "excess-profits tax" is a misnomer; that under that name the Federal Government has been crucifying every small, young, struggling corporation, and favoring every large well-established corporation such as: United States Steel, Standard Oil of New Jersey, American Telephone & Telegraph Co., Union Pacific Railroad, Zenith Radio Co., Skelly Oil Co., Seaboard Air Line Railroad, Great Northern Railroad, Santa Fe Railroad, Cities Service Co., West Virginia Pulp & Paper Co., and many others that could be listed—all of which earned from $9 to $20 per share, yet none of which pay one cent of taxes on excess profits.

Is it any wonder, Mr. Chairman, that our witnesses called the excess-profits tax a variety of colorful names, not one of which was complimentary? The following are the descriptive names or designations that the witnesses used in speaking of the excess-profits tax: (a) "a job-killing tax," (b) "an antigrowth tax," (c) "a penalty tax on progress," (d) "a tax that soaks the man who works hardest," (e) "a tax that encourages waste and extravagance," (f) "a millstone tax hung around the neck of the efficient," (g) "a tax that strikes hardest upon the well-managed concern," (h) "a hangman's noose around the neck of every young, fast-growing corporation."

When Mr. Humphrey, the Secretary of the Treasury, was before us pleading for the extension of the excess-profits tax, I asked him the following questions:

First. Mr. Secretary, have you given any thought to new sources of revenue, not now taxed, as a method of making up the revenue that you will lose if the excess-profits tax dies at the end of June?

Secretary Humphrey gave no satisfactory answer.

Second. Mr. Secretary, what about selling Government-owned businesses, now competing with privately owned taxpaying businesses, such as our Government-owned powerplants, transmission lines, RFC equities, Mississippi Barge Lines, synthetic-rubber plants, and hundreds of other Government-owned businesses? According to Charles Wilson, former head of General Electric, the Government-owned powerplants and transmission lines alone could be sold for $27 billion. If Government-owned businesses were sold and the money applied to the national debt, it would, at a conservative estimate, do three things:

(a) Reduce the national debt by $30 billion.

(b) Save the Government two-thirds of a billion interest payments each year.

(c) Bring in under private ownership $1½ billion in new tax revenues each year.

Secretary Humphrey said:

I favor such a program, but it will take time.

Third. Mr. Secretary, what about taxing the untaxed, as proposed in H. R. 1559—mutual savings banks, building and loan associations, credit unions, cooperatives, and so forth, now competing with taxpaying organizations, yet paying little or no Federal tax? Our experts say that H. R. 1559 would bring in about $800 million of new revenue each year.

Secretary Humphrey replied:

We are giving that problem consideration and will report our findings next January.

Fourth. Mr. Secretary, have you explored the feasibility and the desirability of levying a national manufacturers' sales tax to make up for the loss of revenue that will take place if and when these automatic cutoffs provided for in the 1951 revenue bill take effect? Our tax experts say a 5-percent national manufacturers' sales tax would bring in about $5 billion and that it would do little or no injury to our national economy—not one-tenth as much damage as the excess-profits tax is now doing.

Secretary Humphrey said:

We are considering the pros and cons of such a tax and will report our findings next January.

Fifth. Mr. Secretary, have you considered increasing the regular corporate rate from 52 to 54 percent to make up the loss in revenue when the excess-profits tax expires on June 30? This would spread the added tax burden equitably over the 400,000 corporations instead of at present loading it upon some 40,000 corporations, most of which are small, struggling to get a foothold and to expand.

The Secretary gave no satisfactory answer.

Mr. Chairman, when we vote on the proposal before us, to extend the worst tax on the tax books; a tax that even those urging its extension admit is a terrible tax; a tax that has a very harmful effect upon our national economy; a tax that cannot be justified or defended even in wartime; then we should stop, look, and listen, because we are voting life or death to thousands of young, struggling corporations, we are preventing the expansion of these small, struggling industries, preventing the creation of new jobs for the 800,000 new workers that enter the labor field each year.

Mr. Chairman, when our leaders ask us to vote for the extension of this excess-profits tax, they are asking us in reality:

First. To crucify every small, young, struggling industry in our district.

Second. To do exactly the opposite to what we said we would do during the campaign last fall.

Third. To destroy the faith, the respect, and the confidence our constituents have placed in us.

Mr. Chairman, I personally think this is the most important vote we will be called upon to make during this session—at least from its bearing upon our chance of reelection. I know not what others may do, but as for me, I shall vote my own convictions.

Mr. MILLS. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. CAMP].

Mr. CAMP. Mr. Chairman, every Member of the House is familiar with what has occurred here in relation to this bill for the extension for a period of 6 months or until December 31, 1953, of this "iniquitous" excess-profits-tax law. I have placed quotation marks around the word "iniquitous" because that is what the President of the United States and the Secretary of the Treasury, who are advocating the extension of the provisions of this law, have called it. The only reason they give for extending this act is the unbalanced budget and the need of the Government for the revenue it brings in.

I fervently believe that in this day of high taxes, the burden should fall equally and impartially on all alike, and that there is no place in our tax law for any measure which discriminates against as many people as does this unfortunate law. The Government needs the revenue, but it does not need it as badly as that. We would not justify robbery on the ground that the robber is penniless and needs the money. Neither can we justify an unjust or iniquitous tax because of an unbalanced budget.

I yield to no Member of the body in my earnest desire to cut Federal expenditures, practice economy in the Government, and to balance the budget. Indeed we must do these very things. There must necessarily be high and burdensome taxes in order to accomplish this, but it is the duty of this Congress to assert every effort in its power to see that these heavy burdens of taxtation fall evenly and justly upon our people.

This bill which is before us today has not had the careful and expert consideration it deserves and which the great Committee on Ways and Means is really capable of giving it. You know the reason why it has not had such consideration. It would serve no useful purpose for me to relate the influences and pressures which have prevented the committee from bringing to you today an example of its usual careful and splendid work. I have been a member of the Ways and Means Committee for more than 10 years. I believe you will forgive me for speaking in a complimentary way of the usual careful work of our committee. Not only does the committee work long and arduously, but it has on its staff and among its membership some of the outstanding experts on taxation in this country. The staff of the Joint Committee on Taxation which serves this committee and the corresponding committee in the other body is composed of some of the best trained men of any committee in the Congress. They are economists and tax experts, and while I do not wish to appear as apologizing, I wish to say that I regret exceedingly that the committee has not had the time to amend the excess-profits-tax law so that it may not work so great hardships on so many new and expanding businesses in this country.

In the first place, the law is misnamed. All of us are opposed to excessive, unreal, and unconscionable profits in such a period of time as we are now experiencing. Those who do not understand the law may be under false impressions regarding it. When the Communists of this country organize one of their subtle and subversive front organization, they usually give it a highly patriotic sounding name, one that contains the words "liberty," "patriotic," or "American," thereby confusing many good people in believing it to be a patriotic organization. In just such a manner, many people are confused by the name, "excess-profits-tax law." When the Excess-Profits Tax Act of 1950 was passed, I opposed it for the reason that relief provisions of the first excess-profits tax act had been eliminated from it. Under the old law, there was a section, section 722, which provided that new corporations or those who had suffered some particular hardship such as a strike or a fire or flood might petition the Commissioner of Internal Revenue for special consideration and study of the particular case. This action prevented most of the hardships which are now complained of under the present act. It is true that when the act reached the other body some relief provisions were placed there by amendment and these were agreed to in the conference, but these agreed provisions were not sufficient and much harm and distress has resulted from this law.

Thousands of small new corporations were organized immediately after the close of the Second World War, a great majority of them by returned veterans, and these new businesses did not have a normal experience during the base period provided in the law. In fact, many of them had no base period at all, having been organized as late as 1949 and having not really begun production.

Under the Excess Profits Tax Act of 1950, income over and above a prescribed excess-profits credit is subject to an excess-profits tax. One method of computing the base of this credit is to take an average of the corporation's net income during its base period. Section 435 defines the base period as the 4 calendar years, 1946 to 1949, inclusive, and permits the corporation to eliminate whichever of the 4 years was its poorest year. Thus, in effect, corporations which commenced business prior to January 1, 1946, will have as their base for computing excess-profits tax the average earnings of their 3 best years during the 1946–49 period.

As a measure of relief for new corporations, section 445 prescribes an alternative method of computing the excess-profits credit. If a corporation commenced business after January 1, 1946, it may take as its average base period net income a return on its total assets equal to the average rate of return on total assets attained by its industry during the base period years 1946 to 1949. This rate of return is determined and published by the Secretary of the Treasury from data obtained from all the tax returns filed by members of the industry for the base period years 1946 through 1949. Section 447 (b) provides that the base period rate of return shall be obtained by aggregating the net income of all members of the industry for the 4 years and dividing the resultant sum by the aggregate of the total assets of such members for the 4 years.

Under these provisions, any corporation which commenced business in 1946 or thereafter, and which must look to the relief provisions for its excess profits credit, will have a credit equal to the industry's average experience during the 4 years, whereas existing corporations will have their credit based on the best 3 out of the 4 years. To illustrate the discrimination of this provision, the base period yearly and average rates of return in the textile manufacturing industry, as published by the Secretary of the Treasury, were as follows:

	Percent
1946	24.0
1947	23.2
1948	20.6
1949	9.5
Average	19.0

Thus a member of this industry operating throughout the base period with, say, $1 million of assets and with a rate of return equal to the average for the industry would have a base of $226,000 obtained by averaging the 3 years 1946, 1947, and 1948, as follows:

1946	$240,000
1947	232,000
1948	206,000
Total	678,000
Average	226,000

On the other hand, a new corporation starting in 1946 or later and having the same $1 million in assets would have as its base only $190,000, approximately 16 percent less than the established members of the industry. Similar discrimination will exist to a greater or lesser extent in all industries, depending upon the extent to which the poorest year in that industry fell below the average for the other 3 years.

The congressional committee reports and general legislative history of these provisions give no indication that the discriminatory consequences noted above were considered or intended by the Congress. In order to alleviate the discrimination described above, I proposed an amendment to section 447 (b) to provide for basing the industry average on the 3 best years rather than all 4 years. My amendment is embodied in H. R. 6100, which I proposed as an amendment to H. R. 5898 when the committee last met. Thirteen members of our committee of 25 voted against the amendment, but I am convinced that had the bill been considered under normal circumstances, many would have supported my amendment. Therefore I expect to file a motion to recommit this bill to the Committee on Ways and Means and that it be reported forthwith to include the amendment set forth in my bill H. R. 6100 which would give these new corporations which must take the industry average as the base-period exemption to use the average of the 3 best years of their respective industries and to eliminate the worst or less profitable one. This right has been accorded to every other industry with respect to their own base period and should not be denied the new ones.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield to the gentleman.

Mr. BROWN of Georgia. How much will the Federal Government lose under the gentleman's amendment, as compared with the amount it would lose under the Sadlak amendment?

Mr. CAMP. I did not have time to get a Treasury estimate on that. I had time only to consult those who I thought could figure it out. They told me it would be $63 million. That is a small amount. The amount involved in the Sadlak bill would have been far more than that; and the Sadlak bill would have been more discriminatory. My amendment is not discriminatory. Any new corporation that has no base period experience has the alternative of accepting the industry average. But he does not have the right to eliminate from the industry average that one bad year which the old established companies have the right to do in taking their average.

Mr. EBERHARTER. Mr. Chairman, will the gentleman yield?

Mr. CAMP. I yield to the gentleman from Pennsylvania.

Mr. EBERHARTER. As the gentleman's amendment is drawn, I understand it will not require any refund whatsoever to any corporation. In other words, it would give relief for 1953, this year.

Mr. CAMP. Yes. It begins January 1, 1953.

Mr. EBERHARTER. And would require no refund to any corporation.

Mr. CAMP. You are right. There would be no refund.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. COOPER. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CAMP. Mr. Chairman, if we renew this tax even for 6 months, we should afford people who are small and who are not able to hire a tax lawyer—we should afford them that much relief at least; and I ask the House to do that.

Mr. KEAN. Mr. Chairman, I yield 6 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Chairman, probably no Member of this House could find himself in a more unexpected position than that in which I am placed today in urging your support of the bill now before the committee. I have been opposed to excess-profits taxes many times in the past. I have helped our very distinguished chairman in his fight against the tax, and it can be truly said that I left him at what in his viewpoint was the critical moment. No one could have been more surprised than I at finding it necessary to reverse the field, and I urge the passage of this extension of the excess-profits tax. To say that I do so under pressure is correct. It was not, however, the pressure against which individual freedom cringes; it was the result of a forced realization on my part that without the extension as a practical matter we would be $800 million worse off as a Nation than with the

tax, and our chances for personal income-tax reduction next year would be gone. It was because of my serious objection to the rule which would have been before this body the first part of this week; it was the fact that I recognized that a majority of my committee wanted to consider excess-profits taxes and because I believe that perhaps two-thirds of the Members of this House desires also to vote on the issue. Further, it was because I believe that perhaps the price of $800 million is not too great a price to pay for the definite and positive commitment on the part of the President of the United States, the Secretary of the Treasury, and others, to the effect that this will be the final and permanent elimination of excess profits.

It is not easy to make a decision to reverse the field and to support this bill for which I have no love; it is at all times hard to differ with a friend and with a friend who has aided, encouraged, helped, shown confidence in, and stood by and in every respect assisted you to a position of responsibility and trust. It is doubly hard to differ with him. The distinguished chairman of our committee, the gentleman from New York, Hon. DANIEL REED, has been and I pray is such a friend of mine today in spite of our differences on this bill, differences not as to the merit of the legislation, but as to its expediency.

At great risk, a risk only I can appreciate, I took that chance; and the greatest satisfaction I have came this afternoon in the statement made by the gentleman from New York a few minutes ago that he has no animosity toward any member of his committee.

I hold no man in higher personal regard, I hold no man a better fighter to the end than I do DAN REED. I respect him in his position today; and, finally, illustrating his great character and his lack of vindictiveness, I state to this body that in the several days since our committee action on this bill he has helped me legislatively as he would have done under happier circumstances. He is a man.

Mr. Chairman, I yield back the balance of my time.

Mr. KEAN. Mr. Chairman, I yield 8 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, during the past few weeks much has been said in Congress regarding the pressure placed upon individual Republican members of the Committee on Ways and Means to persuade them to vote one way or another on the extension for 6 months of the excess-profits tax. At the beginning of my statement I want to emphasize the point that I have never been subjected to pressure of any kind by any Member of Congress or of the executive branch of our Federal Government regarding this matter. On the contrary, I have diligently sought all available information on this issue entirely on my own initiative. I have consulted many Members of Congress and members of the executive branch, and especially I have consulted with the people of the First Iowa District whom it is my privilege and responsibility to represent here in Congress. My decisions have been my own, based upon these consultations and upon my own research and analysis.

The excess-profits tax should be ended as soon as our Federal budget permits, but huge deficits make it necessary to extend this tax for 6 months or until December 31, 1953.

The fiscal year just ended brought with it a deficit of $9,300,000,000, and the deficit for the next fiscal year is estimated from $5 billion upward, notwithstanding economies and cutting of appropriations by the Eisenhower administration and by this Congress since they took control in January. Congress literally has been deprived of immediate control of the Nation's purse strings through the accumulation of $102 billion of unspent appropriations during the past few years. Most of this vast accumulation from extravagant appropriations made by the Truman administration has been fully obligated for future spending and cannot be rescinded by Congress today without impugning the integrity of our Federal Government.

This 83d Congress has made a grand record in putting the brakes on extravagant appropriations. In fact, they will have cut $10 billion from President Truman's estimate for the present fiscal year. Just as soon as the accumulated obligations of the Truman administration are paid off the reduced new appropriations will help us tremendously in balancing the budget and bringing about some measure of tax reduction.

During the years the New Deal and Fair Deal were in power the spenders and wasters were in control. They are responsible for the financial straits in which we find ourselves. They piled up our tremendous national debt, refusing during World War II to levy the pay-as-you-go taxes which would have held it down, taxes which the American people would willingly have paid. They deliberately exposed us to the dangers of inflation and cut the purchasing power of our dollar in half. Deficit spending was the accepted policy, only temporarily interrupted when the Republican 80th Congress balanced the budget for the first time in years and reduced the debt by several billions.

We Republicans are pledged to reduce expenditures, to balance the budget, and then to ease the burden of heavy taxes which all of us bear. We are making headway. Needless and wasteful spending is being slashed by this administration and by this Congress. As we go on and bring order out of the chaos which we found when we took over the Government last January we will restore financial stability to our country and end the danger of inflation.

The people of the United States want their taxes reduced, but the overwhelming majority of them do not want them reduced until it can be done without imperiling our whole national economy. The Republican Party promised economy, sound government, and lower taxes. These pledges will be kept.

During the past months much has been said regarding promises made during the course of the general election campaign of 1952. To keep the record straight in my own case, I quote herewith part of a letter dated November 13, 1952, which I received from Mr. Cy Douglas, chief of the bureau of the Associated Press at Des Moines, Iowa. Mr. Douglas wrote me as follows:

> The Associated Press is undertaking to poll all Members of the Congress on a few of the outstanding issues they will confront next session.
>
> We would greatly appreciate your cooperation in this project, which we regard as of great public value.
>
> To that end, we'd like to have your answers to the questions listed below, attributable to you if possible and preferably without use of your name if you do not want it the other way.
>
> The questions:
>
> • • • • •
>
> 3. Individual income taxes are bringing in $33½ billion. Corporation taxes nearly 25 billion and excise taxes nearly 10 billion. How much do you think can be cut from each category, if any?
>
> We'd appreciate your reply sent here as soon as possible. You have our thanks in advance for your interest.

In reply to question No. 3, I included the following statement in my letter to Mr. Douglas under date of November 18, 1952:

> 3. It is impossible to promise an immediate reduction in taxes beyond the reductions that will result from the automatic expiration of the temporary increases made in the 1951 revenues laws. Last winter estimates of Federal revenue for fiscal year 1953 ranged from $68.3 billion to 71 billion. Estimated reduction of Federal revenue because of expiration of temporary revenues provided for in the Revenue Act of 1951 is $1.8 billion in fiscal year 1953 and 7.97 billion in fiscal year 1954. Any additional tax reduction will give rise to continued deficit financing unless Federal spending is cut down far below present levels of such spending.
>
> As soon as total Federal spending can be reduced enough to permit further tax reduction without giving rise to deficits, I favor a combination of further tax reduction and reduction of our outstanding Federal indebtedness.

With the Federal deficit for fiscal 1953 increased to $9.3 billion and with a prospect of a deficit of more than $5 billion for the present fiscal year, I submit that my decision to support the 6-months extension of the excess-profits tax is not in conflict with the position I took in the 1952 campaign. It is my sincere hope that the load of outstanding obligations of the Truman administration can be met at an early date so that we can demonstrate to the people of America a sound fiscal policy combined with tax reduction.

Mr. DEANE. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and six Members are present, a quorum.

Mr. COOPER. Mr. Chairman, I yield 15 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, on June 1 of this year the Secretary of the Treasury, Mr. Humphrey, in opening the administration testimony in behalf of the extension of the excess-profits tax, made this initial statement:

> Secretary HUMPHREY. The immediate problem is the extension of the excess-profits tax for 6 months through December 31. I am here to urge this extension in spite of the

fact that I dislike the excess-profits tax and think that it is a bad tax.

Thereupon Mr. Humphrey went on to outline to the members of the committee the fiscal position facing this Government at this time. The Secretary pointed out what was well known to the members of the committee, to the members of the Committee on Appropriations, and to the Members of the House of Representatives, that for the fiscal year 1953 we were spending approximately $74 billion, and at that time our anticipated revenues were about $68 billion. Since that time we have learned that our anticipated revenues were not $68 billion, but were actually about $65 billion. So that a deficit that was estimated to be about $5.9 billion turned out to be a deficit of nine-billion-some dollars.

Then the Secretary pointed out the fact that the previous administration had asked for about $78 billion for fiscal 1954, and that using the identical tax structure now in existence, namely, a continuation of the excess-profits tax, a continuation of the existing individual income-tax structure, a continuation of the existing 52 percent corporate tax structure, and a continuation of the existing wartime excise-tax structure, our estimated revenues would be about $68 billion, leaving a deficit of about $5 billion. But if we failed to extend the excess-profits tax, which the Secretary and all who accompanied him said was bad, vicious, unjust, unfair, immoral, and wrong, our deficit would be increased by a matter of $800 million.

He did not pretend for one moment that by a 6-month extension of the excess-profits tax this Government would attain fiscal stability. He did not maintain for one second that under the program which he was advocating before that committee, his so-called sound-money policy, would actually be put into effect and that there would be an end of deficit financing in the United States of America.

What then do we really have before us today? Here is one of the outstanding Members of this body, the chairman of this great committee of ours, the Honorable DAN REED.

If I may divert for one moment, may I say that I have known the chairman of my committee well and intimately for a great many years. I have traveled about the world with him, and I know Mr. REED and his wife and his family. I say without any thought of contradiction that there is no more high-principled man in this body. I have not agreed with Mr. REED on many occasions. Some of the best fights I have had in the Ways and Means Committee have been with DAN REED, and I am sure I will have some more.

But let us really see why, let us try to analyze this thing and try to come to some conclusions on the matter of pillorying this man, of going to the unprecedented step of bypassing the Ways and Means Committee, and then taking it back to the Ways and Means Committee and saying, "This is it or else." Having done all that, and having made certain that this bill is going to pass, and it is going to pass, what is going to be the net effect of it? What is the net of doing something where the very advocates themselves will say, "What we ask you to do is wrong. The tax that we advocate is immoral. The tax that we are for is unjust, unfair, and discriminatory. But because we have to balance the budget, you have to do what your conscience tells you is wrong."

Let us see what happens after you do that. You vote today to extend the excess-profits tax. You provide, they say, $800 million in revenues. Maybe you will not. Revenues are falling off. I am sure that some of the Texas cattle growers are not going to be paying any excess-profits tax this year, and neither are a lot of farmers who had corporations on the basis of this new sound-dollar policy—the taxes will be reduced, but they will be reduced because they will not have the income to pay the taxes on—but let us see what happens. You will have voted for something you know is wrong. Will you balance the budget? Will you be establishing a sound fiscal policy? If the basis for extending the excess-profits tax for 6 months is to balance the budget, and come January 1, 1954, and the budget is $6 billion out of balance, is it not logical and should you not assume that Mr. Humphrey will come back on January 1 and say, "Well, the unbalanced budget still is not balanced and we are going to have to extend it for another 6 months, or 6 years or indefinitely?" Because if the argument is that this is wrong but you must do it for the sake of expediency and because the means justifies the end, the means do justify the end on July 10, 1953, with an unbalanced budget, and when your Secretary of the Treasury, Mr. Humphrey, and your Under Secretary of the Treasury, Mr. Folsom, in their testimony say it is going to be unbalanced yet on January 1, then is it not just as logical to extend it beyond January 1?

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. HOLMES. Would the gentleman be willing to admit that it would be helping toward balancing the budget?

Mr. BOGGS. That is an interesting question. It is a question of being asked to do something that you think is immoral when the best you can say for it is that it might help in a situation, and when you know it does not cure the situation.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. HALLECK. Is it any more immoral now than it was 2½ years ago when it was enacted and all but 20 Members of the House voted for it?

Mr. BOGGS. Yes; I think perhaps it is because we have had more experience with it and we know more about it. We have learned more about it from what you gentlemen have said about it, and some of you have convinced us about it. As you study it, it is obviously immoral. Let me show you how immoral it is. I hold in my hand "What every investor ought to know about the excess-profits tax" put out by one of these investment services.

Here is the American Telephone and Telegraph Co. Reported earnings per share for the year 1952, $10.43. Excess-profits tax paid, nothing—0.

Here is the Reynolds Tobacco Co. Reported earnings per share for the year 1952, $2.90. Excess-profits tax per share, $1.07—or about 50 percent.

Here is Liggett & Myers, making another kind of cigarette. Reported earnings per share, $5.11. Excess-profits tax per share, 0—nil—nothing.

Here is Seaboard Airline Railroads. Reported earnings per share, $20.16. Excess-profits tax paid, 0—nothing. Here is the Sperry Corp., which reported earnings of $6.75 per share. They paid an excess-profits tax of $4.48 per share, or about 75 percent.

Do you gentlemen know why they are going to vote for this tax? Because the situation we are in today is that under the law as it is now written the excess-profits tax expires on June 30, but not until January 1 does the increase on individual personal income taxes expire. Is this valid? Is it not possible to substitute a just tax?

The only businessman who came before our committee in behalf of this tax, despite all the pressure to get the United States Chamber of Commerce and the other business organizations to change their minds, was a man named McCabe. He is a toilet paper manufacturer. He used to be here on the Federal Reserve Board. I have been told that he wants to become an ambassador. He was the only one who came before the committee who was in favor of this tax. And he said it was bad.

That is why you gentlemen are voting for it. That is exactly why you are voting for it, and there is no other reason. You know you are not balancing the budget. You know you are not even trying to balance the budget. If you wanted to balance the budget you would come in here with an honest tax program saying, "We are going to spend $74 billion and we need $74 billion to balance this budget."

Are you doing it? No, sir. Why are you not doing it? Because you went all over this great United States of America—and DAN REED is right; I heard you, and I saw you on television—and you were saying, "We are going to cut out this waste and extravagance. We are going to reduce your taxes. We are going to change this policy of tax and tax and spend and spend."

Where are you now? You are confronting the realities of government. And next year, I will say to the gentleman from Indiana [Mr. HALLECK], you are going to come in here and ask us to vote for some more taxes. You have got to do it. You have no alternative. You are just finding out what it is to have to assume the responsibility for government.

Mr. HALLECK. Mr. Chairman, will the gentleman yield to me, since he has just referred to me?

Mr. BOGGS. I yield to the gentleman from Indiana.

Mr. HALLECK. Let me say, with very little help on the other side, when we wind up this year we will have cut $12 to $13 billion out of the Truman estimated requested appropriations; and if we are given a little time we will get this budget in balance, without having to raise any more taxes.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. MILLS. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. BOGGS. May I say to the gentleman that even if he does reduce appropriations by $12 billion—and I doubt that he will; the Senate has not acted yet on most of these measures—but even if he does, if he maintains the current interest rate policy, this sound money, or, as somebody has said, hard-money policy, he is going to come in here next year asking us for $10 billion to service the national debt alone.

I know it is hard medicine to take. I know it is tough to have to face the realities of government, after being on the other side for 20 years.

I am in the minority now and I find it is much easier. But I am glad to see that you are facing up to your responsibilities.

So far as I am concerned, I have as much concern about the fiscal stability of this Government as any man on this side. But I am not going to vote for a tax measure that does not balance the budget, that does not do what it is said to do, and that every man who has said anything about it says is wrong, unjust, unfair, immoral. And if it be politically wrong to vote against it, I am still against it.

I yield back the balance of my time, Mr. Chairman.

Mr. KEAN. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. Mr. Chairman, first let me very briefly state my position with regard to the extension of this tax: I am "agin" it. I voted against it in the committee in December of 1950. I voted against it on the floor of this House in December of 1950, when it was put on the statute books. I shall certainly vote against any extension of it today. I must confess to you that I will be mighty pleased when this day is over, and this particular problem is no longer confronting the Ways and Means Committee and is no longer confronting this House. I think we will all admit that there have been many unfortunate circumstances connected with it; in fact, I am inclined to believe that the importance of the tax and the importance of the revenue involved have been magnified in the last month and a half way beyond their real importance.

In spite of opposition to the bill, I must say that 6 more months of the tax is not going to kill any business, assuming, of course, that at the end of those 6 months it will be terminated; and I believe most sincerely that the Secretary of the Treasury and the President will stand by their word given to the Committee on Ways and Means and also given to the House of Representatives and the country that they will not under any circumstances ask for its extension beyond December 31. That is a happy note.

On the other hand, the revenue anticipated from its extension, $800 million, is certainly not a life or death matter to this Congress. I think that, too, has been magnified way beyond its importance. We all know that this House only 2 days ago increased an authorization for appropriations in excess of $200 million over what the administration asked for. You will recall not long ago when we were voting the extension of the Mutual Security Act the great resistance there was to any cut. Amendments were offered to cut that by at least a billion dollars and we know that that program can be cut by that much without doing any real serious injury and yet the amendments were defeated. If the money is the important aspect of this bill, then why was the administration and the leadership not more conserved on the money aspects of the appropriation bills and the authorization bills that have been before the Congress?

Mr. Chairman, there are some real important principles involved in this legislation that is before us today; in my judgment there are two fundamental principles. The first one deals with the question of who is responsible for writing tax laws. Shall it be the Congress or the Executive? The Constitution says it shall be the Congress. The Constitution further says that tax bills shall originate in the House of Representatives and the rules of the House provide that the Ways and Means Committee shall have sole jurisdiction.

We all know where and how this particular tax bill was written. I am not going into all of that. There is one aspect though, that does concern me. We on the Republican side are told that this vote on the extension of this tax will be the test of our loyalty to the President. To me that kind of argument has no place in the debate in this bill, and yet it was advanced by the Chairman of Rules Committee when presenting the rule. He said that this vote would be a test of your loyalty to the President. To me that type of argument does the President a great injustice.

It infers that the President of the United States would ask Members of Congress to vote against their good conscience and their own convictions in the matter simply because he has asked for a certain proposal. Mr. Chairman, I do not think that that is the kind of a man or that that is the kind of President we have today in President Eisenhower. I am convinced that the President believes in constiutional Government and that the President is convinced that we should stand up to our individual principles and vote our convictions and not vote on the basis of expediency. So the charge that the President expects each and every one of us, no matter what our feelings are or what our convictions are, to go along with him, does him an injustice.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Indiana.

Mr. HALLECK. May I say that I agree with the gentleman, I do not think we have that kind of a President. May I also say to the gentleman that I have talked to the President about this many times and I never heard him say that anyone should not vote his convictions if that is what he wanted to do. He did request that a meeting of the committee be called to consider this very important matter and I think he had a right to make that request.

Mr. BYRNES of Wisconsin. I was not alleging that the President was making this claim. I was saying that those who advance the argument that this is a test of loyalty to the President, those people who are making that argument are doing the President an injustice. The gentleman has stated the President's position rightly. But you heard the chairman of the Rules Committee in arguing for this rule say that this is a test of your loyalty to the President. That is the kind of argument I am referring to.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from New York.

Mr. REED of New York. To keep the record straight, we held hearings for 10½ days. One hundred and ten witnesses appeared. That was done at the request of the President. There is the record of it in print for each Member of the House to read and to draw his own conclusions as to the merits or demerits of this bill.

Mr. BYRNES of Wisconsin. Now, Mr. Chairman, I would like to discuss briefly the second principle that is involved in this bill. That is the matter of whether it is sound taxation or not, whether we are justified in enacting it into law, whether we are justified in extending it. I gave some of my reasons for opposing the tax and said I thought the tax was bad during debate in this House on December 5, 1952, and I am not going to repeat that argument at this time.

I am going to give you one example of how this tax works, then I will leave it up to you to determine whether you think that a tax that leads to these results is a tax you will put your stamp of approval on. Much of this debate has been in general terms. We say the tax is bad, it is inflationary, it is this, that, or the other thing. I would like to be specific. Here is how it works today in practice among a group of seven manufactures. They are manufacturers of cigarettes, and, incidentally, may I say that I do not have any individual companies manufacturing cigarettes in my district, so I have no interest in any of these companies one way or the other. Here are all of the cigarette manufacturers with published financial statements. Let us see what the results of this tax are when applied to seven

manufacturers all engaged in the same business. I should point out that this is not a defense agency. The profits of these companies are not derived from war work.

Here is a table showing among other things the income of these seven companies before Federal income taxes and their net earnings after Federal taxes for the year 1952:

Income before Federal taxes on income, Federal income and excess-profits taxes and net earnings for the year 1952 of 7 companies that manufacture cigarettes and publish financial statements

Company	Income before Federal taxes on income	Federal income tax	Federal excess-profits tax	Total Federal taxes on income	Percent Federal taxes of income before Federal taxes	Net earnings
W. J. Reynolds Tobacco Co	$90,045,134	$47,405,258	$10,690,484	$58,995,742	64.52	$31,949,392
The American Tobacco Co	75,468,963	39,335,000	2,065,000	41,400,000	54.86	34,068,963
Liggett & Myers Tobacco Co	44,048,526	22,869,000	[1](260,000)	22,609,000	51.31	21,448,526
Philip Morris & Co., Ltd., Inc. (year ended Mar. 31, 1953)	21,925,200	11,280,000	[1](700,000)	10,580,000	48.25	11,345,200
P. Lorillard Co	11,426,942	5,798,000	[1](72,000)	5,726,000	50.11	5,700,942
United States Tobacco Co	5,922,251	[2]2,980,000	390,000	3,370,000	56.90	2,522,251
Benson & Hedges	2,594,346	1,319,834	379,899	1,699,733	65.52	894,613

[1] Parentheses ( ) indicates credit.
[2] After $60,000 credit for Canadian tax.

You will note that R. J. Reynolds had income before taxes of $90 million. The American Tobacco Co. was the second largest, with income before taxes of $75,468,000. Let us see what happened after taxes. Remember now, Reynolds Tobacco Co. made $14,500,000 more than the American Tobacco Co. before taxes, but with excess-profits taxes what happened? After taxes the Reynolds Tobacco Co. had net earnings of approximately $32 million, but what did the American Tobacco Co. have? It had net earnings of $34 million; in other words, earning $14,500,000 less than the Reynolds Tobacco Co., the American Tobacco Co. ends up with a profit after taxes of $2 million more than the Reynolds company. Is that equitable? Is that honest? Is it a sound tax law that produces such a result? Of course not.

Here is another pertinent and interesting fact. The heaviest tax burden, in terms of percentage of income subject to tax, fell not on the company with the largest taxable income but on the company having the least taxable income. Benson and Hedges with an income of $2,500,000 paid Federal income taxes equal to 65.52 percent. The top company, Reynolds, paid 64.52 percent; American Tobacco Co. paid 54.86 percent; Liggett & Myers paid 51.31 percent; and Philip Morris paid 48.25 percent. Is that equitable? Is that honest? Is it a sound tax law that produces such a result? Of course not.

Another aspect of this picture that should be noted is that although this is not a defense industry and all of these manufacturers are engaged in the same enterprise, not all of them pay an excess profits tax. Liggett & Myers Tobacco Co. with income before Federal income taxes of $44 million paid no excess-profits tax, but, in fact, had an excess-profits tax credit of $260,000. Philip Morris & Co. with income before taxes of almost $22 million paid no excess-profits tax but had an excess-profits tax credit of $700,000. P. Lorillard Co. with income of $11,400,000 paid no excess-profits tax. The United States Tobacco Co. and Benson & Hedges with considerably less income did pay excess-profits taxes in the amounts shown in the table. Is that equitable? Is that honest? Is it a sound tax law that produces such a result? Of course, not.

I believe any reasonable person will agree that a tax law that produces results such as those I have just described has no place in the tax system of this country. It has no place in the tax law of any country that believes in justice and equity. The example that I have used covers the manufacturers of cigarettes. I am confident that an analysis of the effect of the exces-profits tax on corporations engaged in other lines of business would produce similar findings of unreasonableness and discrimination.

Mr. Chairman, I cannot put my stamp of approval on a tax bill that produces such inequities. I am not willing to admit that there are not brains enough in this House, on our committee, on our staff, on the staff of the Joint Committee on Internal Revenue Taxation, and in the Treasury Department to devise a more equitable means of raising what money may be necessary to carry on the operations of our Government. I subscribe wholeheartedly to the additional minority views as filed with the committee report. Those views are as follows:

FURTHER MINORITY VIEWS

We cannot agree to the extension of the excess-profits tax beyond its scheduled expiration date.

The courageous effort of the administration to bring the budget into balance meets with our fullest support. In view of the huge deficit in the fiscal year just ended and the probable deficit in the current fiscal year, it is obvious that revenues, and the level of taxation, must temporarily remain at a high level. We agree that the estimate of expenditures for this fiscal year makes necessary the consideration of ways and means of avoiding the loss of the revenue provided by the excess-profits tax which expired on June 30.

The desire to maintain present revenues, however, offers no excuse for perpetuating a tax which all testimony, including that at the highest level in the administration, condemns as unfair, inflationary, discriminatory, repressive, and inequitable. All tax authorities admit that this tax is not a tax on excessive profits but an arbitrary tax on growth and expansion. It is particularly burdensome to small and growing businesses. The fact that this tax is paid by less than 8 percent of the corporations of this country, in our view, is not a justification for continuing the tax; it is, instead, strong evidence of its arbitrary and discriminatory nature.

The efforts of the administration and the committee should have been directed toward preparing tax legislation which would provide the required revenue in as sound and fair a manner as human intelligence could devise. This was not done. We of the committee were not permitted to consider alternatives.

We are unwilling to admit that the combined brains and technical resources of this committee and its staff, the Treasury Department and its experts, and the staff of the Joint Committee on Internal Revenue Taxation could not devise a tax which would be shared equitably by corporate taxpayers and which would still produce the $700 to $800 million hoped for under this legislation. Certainly, by the adoption of almost any other kind of tax than the one proposed in this bill, we would be spared the moral and intellectual stigma of putting into effect a tax which we know beforehand is bad.

JOHN W. BYRNES.
THOMAS B. CURTIS.
JAMES B. UTT.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOPER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, the country is at war. National defense spending is necessarily at a high level and will be for some time. President Eisenhower has requested Congress to extend the excess-profits tax for 6 months. Whenever I reasonably can I seek to support the President and I shall support him in this instance. I shall vote to extend the excess-profits tax.

Now I should like to mention a tax matter which may appear unrelated to the present discussion. If a corporation makes no excess profits, it does not have to pay an excess-profits tax. If an individual makes no net income, he does not have to pay a personal income tax. Under the law the motion-picture theater owners and operators of our country are suffering from a very serious situation. About 50 theaters in my State have closed since April. They have to pay large sums in admission taxes even though they operate their businesses at a loss, as many of them do. Many small theater owners are faced with financial ruin.

A large segment of the membership of the House appeared before the House Ways and Means Committee some weeks ago and asked that the theater admissions tax be repealed. I think it is desperately necessary that this tax be repealed and that Congress take action. In view of the fact that so many Members of Congress have requested that such legislation be presented to the House for consideration, I would like to know from some authoritative source on the Ways and Means Committee or from the House leadership just what the situation is with respect to the theater tax legislation.

Mr. REED of New York. A bill was reported out of the Ways and Means Committee this morning removing the tax.

Mr. MAHON. The gentleman and his committee are to be commended for that.

May I ask the gentleman from New York, chairman of the House Ways and Means Committee [Mr. REED] if he feels that a rule will be provided and the House given an opportunity to vote on this bill?

Mr. REED. Do not ask me that.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. MAHON. I yield to the gentleman from Tennessee.

Mr. COOPER. Confirming the statement made by the chairman of the Ways and Means Committee, I might say to the gentleman that the bill was favorably reported this morning by a vote of 22 to 3 to remove the admissions tax on motion picture theaters.

Mr. MAHON. I think that is good news to the House. People who are operating their business at a net loss should not have to pay a heavy tax to the Government. I hope this legislation can be acted upon favorably by this Congress. My chief reason for taking the floor at this time is for the purpose of urging upon the Ways and Means Committee and the House leadership the earliest possible action on the bill to repeal the theater admissions tax.

Mr. KEAN. Mr. Chairman, I yield 6 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Chairman, I think it is important that the House should fully realize that it today is considering a tax bill without the committee to which the bill was assigned for study having adequately performed its duties. The committee report accompanying the bill makes the point very clearly. In essence, the committee report says that the Executive says he wants the bill, although it is a bad bill, because he needs the $800 million that the executive branch estimates will be gained in revenue, and the increased deficit caused by its immediate expiration is a worse danger to our economy than the extension of this tax or any short-term substitute tax.

These are pretty broad generalities the executive branch of the Government is drawing in reaching its conclusion that the excess-profits tax should be extended. They are pretty broad conclusions upon which to insist that the Ways and Means Committee should disregard its own judgment and studies and simply rubberstamp the matter to the House.

The Constitution, of course, vests the power of initiating tax legislation in the House of Representatives, and the House of Representatives in turn has entrusted this duty and responsibility to its Ways and Means Committee. There are serious questions about every one of the Executive's broad premises, and normally the House would rely on the fact that this committee would go behind these broad generalities to see if the facts and arguments support such conclusions.

First, it is a very serious question whether the anticipated revenue from extending the excess-profits tax for 6 more months will amount to $800 million. It is entirely possible, in my judgment quite probable, that we would gain more revenue by permitting the excess-profits tax to expire, because more money would be subject to the normal 52 percent corporate tax and would produce beyond $800 million in additional revenue. At least, proper procedure indicates that the House would be interested in the judgment of the Ways and Means Committee on this matter.

Secondly, the next premise of the executive is even broader and requires even greater study and judgment, and that is that the increased deficit alleged by the expiration of a bad, vicious tax is a worse danger to the economy than the tax itself. This immediately raised the question. Why is the tax bad and vicious? There are many other adjectives that the spokesmen for the executive branch of the Government have used to describe the wickedness of this tax. What constitutes a bad, vicious tax? Well, a very brief study of the tax will show that it is mainly bad and vicious because it is undermining our economy. It is causing deterioration, if you please, in our tax base. Now, how much deterioration is it causing? Is the deterioration greater than the deterioration caused by being $800 million—accepting the administration's unsubstantiated figure—further away from a balanced budget? Is not the House interested in knowing why its Committee on Ways and Means had decided contrarywise, at least when they had their own judgment to follow, and what its judgment was based upon?

The third premise, the increased deficit, is a worse danger to our economy than any short-term substitute tax and is the broadest of all the generalities on which the executive has based its conclusion. This was a pure take it or lump it statement. There was little or no attempt to discuss it let alone support it with facts or reason. I am a little shocked that the House seems not interested that its Committee on Ways and Means has not even examined this important point.

Fourth, there is even a further broader generality in the quoted statement of the executive that because the tax would continue the full year and a half at half rate even if the tax were allowed to expire, therefore, its bad effect in penalizing efficiency and in encouraging waste will continue through the year in any event. There was no attempt to support this broad conclusion or to answer the question I posed to the real author of that statement. My question was this: "Is not the viciousness of the tax the rate of the tax itself or the rate of the tax rather than the tax itself?" The answer, I think, is quite obvious. If you reduce the rate of the tax from 30 percent to 15 percent you cut the viciousness of it—if it is vicious—in more than half because as the rate rises, the damage rises not in arithmetical proportion but in geometrical proportion. On this matter too, I would have thought that the House membership would wish to have the study and views of its Committee on Ways and Means. I would pause here and earnestly beseech the membership to consider whether it wants to go ahead and pass a bill as serious as this solely upon the broad generalities imposed by the executive branch of the Government without proper study and consideration of one of its committees, or whether the better procedure would not be to recommit this bill.

I would further state that the problem of balancing a budget includes two considerations. One, we have heard a great deal about cash balance. But the other feature is equally important, the budget must be balanced based upon a realistic income, an income or tax take that does not undermine our economy. A cash balance based upon an unrealistic tax take is not a real balanced budget. So I say the administration having properly dubbed the excess-profits tax a bad tax which undermines our economy, can hardly argue that the reason for extending it is to come closer to a true balanced budget. We must just make an estimate of what our proper income may be, and then adjust our expeditures to that income. Herein lies the only real balanced budget.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. This bill, if enacted into a law, will raise approximately $800 million. It is very difficult for a Member to make up his mind, I am sure, to vote for a bill like this that is denounced by the highest officials of our Government as the most vicious tax that can be presented.

There is another consideration that disturbs me greatly in this matter. Although I want to vote for every tax bill that the administration recommends, which it believes is necessary to balance the budget, or to go in that direction, to be helpful on fiscal policy, this particular bill is very hard to vote for, especially in view of the hard-money, high-interest policy of the administration, which is permitting interest rates to go up and up, and even causing the interest rates to go up and up, to the point where our expenses of Government are increasing millions of dollars a day, apparently without any effort on the part of the administration to stop this extra cost.

There seems to be no objection to expenses being increased so long as it is for interest rates. I am inserting in the RECORD today a comparison of interest rates at the end of the fiscal year, June 30, 1947, and as of today. And the Members will discover in reading that statement that 91 day bills, back in 1947, were three-eighths of 1 percent. Now they are over 2 percent. Instead of paying $75 million a year on an annual basis for the $19.7 billion worth of bills, we are paying $415 million. And on certificates, instead of paying $139 million we are paying $397 million on an annual basis, for the same amount of money.

When the recent bond issue was put out at 3¼ percent, that set the pattern of interest rates on long-term bonds. Those bonds, at 3¼ percent, compared with the going rate before of 2.3 percent, means that the interest rate on the long-term national debt, as it is refunded on a basis not exceeding 3¼ percent, will be almost $800 million.

So we are not profiting very much by running interest rates up on long-term bonds. It will cost us $800 million a year. It will not profit us to pass a tax bill for 6 months that will only raise $800 million. The difference is that this tax bill which is declared to be so vicious and unfair, is only to last 6 months, but the

$800 million a year increase will go on for 40 years, 50 years, or 100 years.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I know the gentleman does not have time to cover the subject fully, but, briefly, what has become of the so-called hard-money policy?

Mr. PATMAN. As to the hard-money policy, they have been trying to go in reverse lately, it seems. But they are not going fast enough in reverse to make up for the damage that they have already done. This damage has already been done. Furthermore, they are pursuing the wrong method. The Federal Reserve Board could have supported Government bonds at par and helped more than lowering this reserve requirements. It would have helped everybody. We are going to be out $800 million a year extra on the long-term national debt annually from now on; whereas this bill only collects $800 million for 6 months, that is all.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Illinois.

Mr. YATES. And is this one of the things that this administration inherited from the previous administration?

Mr. PATMAN. No; it was not inherited, because as to this tax bill the previous administration set as the dead line on this tax June 30, and any extension of the tax after June 30 is the responsibility of the present administration; because the Democratic administration's tax bill has already expired.

Mr. KEAN. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, there may be honest doubt in the minds of Members of this body, even as there appears to be with leaders in the administration, as to the wisdom of making a reduction in the burden of taxes now carried by the people of America. I am sure that those who have these misgivings will readily admit that these doubts and fears are not shared by the taxpayers of the Nation. The overwhelming majority of our constituents have a different viewpoint, and each can sustain it with reason from the special angle of his own economic situation and ability to meet the demands of the tax gatherer. In addition, they recall the promises of candidates, in both parties, during the last presidential campaign. We campaigned and supported the Republican tenets of government last autumn with the oft-repeated pronouncement of our determination to ease the load for those to whom we appealed for support, and did everything we could to impress them with our sincerity of purpose. The suffrage of our party and great numbers of the opposite political persuasion talked with us and spelled out their feelings on this subject. We swung around our campaign orbits listening to these pleas here, there, and yonder; we spoke from many platforms and in many forums, and our moods came to coincide with what the people wanted. They sold us on what we as candidates were most anxious to know about, and we promised faithfully that we could and would perform in accord with their desires. They trusted us—otherwise we would not be here.

As to the personal-income tax and the excess-profits tax, the day of reckoning was set for us by the preceding administration, the first to expire by limitation at the end of this year, and the second on the 30th day of this month.

Proposals have been made to give simultaneous relief to both classes. This is desirable and must be accomplished at the earliest possible time.

In my State of West Virginia, and in those surrounding it, there is a steadily creeping paralysis in the bituminous coal industry, the proximate cause of which may be ascribed in no small measure to the policies of government adopted and carried out over a long period by the preceding administrations. Thousands of coal miners are jobless, other thousands employed only part time. The consequences go further. I doubt if there is a single coal-mining company or corporation in my State subject to an excess-profits levy. The income is insufficient to bring any of them under its provisions. A great many companies are down—they have quit. Others are in operation only by virtue of economic cutbacks for a period to permit them to survive and extend store credits to employees, hoping for more propitious times and protective measures against a ruinous competition in their markets by imports of foreign residual fuel oil.

Hundreds of other businesses and literally thousands of other wage and salary earners have had their incomes affected by the blight now spreading through the coal fields. It adversely affects the revenues of the State of West Virginia, and thus the operations of our institutions and schools, literally reaching down into counties and magisterial districts. It has been truly stated that 2 out of every 3 people in my State are affected, directly or indirectly, by this deplorable condition.

Tax relief proposed in present measures is not sufficient, but would be enough to give the people of this country an economic lift, a boost in confidence that would do more in the long pull for the fiscal betterment of governmental affairs in the Nation and a balancing of the budget than will be accomplished by a continuance of collection of either or both for the next 6 months' period.

We have been engaged in an effort to bring about some very noticeable reductions in unnecessary and wasteful spending. Much more of this fruitful labor will have to be employed here in the Nation's Capitol, as an indispensable part of a prudent beginning to attain financial sanity for a sound economic base. Once we attain it, the integrity of the dollar will come back.

A further result of doing a thoroughly proper job on the curtailment of public spending will be to reduce, at the same time, the need for more revenue than is required to get down to that pay-as-we-go basis so much to be desired. If we show consistent progress toward this end we will not have to disappoint those back home who have trusted and elected us to do the job.

Nobody wants to throw a good dollar after a bad one. No corporation or other business organization has the least desire to strike into new ventures, except with its own resources in capital. Borrowing costs in interest. Hence, those concerns coming under the excess-profits tax are handicapped by it in accumulating capital backlogs with which they can expand their businesses and plants or open and operate branches. The result is a slowing down of the wheels of industry, a general letup of enterprise and investment of risk capital.

Some of our economists have stated that about the middle of this present year a recession is due to begin. They have arrived at this conclusion from a study of industrial expansion and the apparent lag in this field of human action in America. If this should happen, part of it may come from the known fact that we are and have been financing the productive plants of foreign nations, to make them self-sufficient for self-defense, through the United Nations fiscal machinery and otherwise, the bulk of the money being furnished by Uncle Sam from revenues supplied by American taxpayers. As I have pointed out, the bituminous coal industry has already been overtaken by this prognosis, and it could happen to other domestic industries as well.

The American working force is being augmented year by year when some 800,000 young people emerge from scholastic pursuits into active competition for jobs and positions. Free private enterprise must be depended upon to absorb and make useful this tremendous addition to the productive labor force of the country. Since it takes from ten to eleven thousand dollars to finance a single job, it can be seen that a tremendous investment is required to keep employment at high levels. For this one reason, discounting all others, business and industry ought to be relieved of some of the burden of taxation so that adequate provision may be made to properly finance industrial plants and accommodate the annual accretion to the labor force.

Of course, I appreciate the fact that disabled and retired employees, provided for under the social-security system, will increase proportionately. But the trend of employment will be ever upward during the unforeseen future. However, I insist, if we hope to maintain a nonsocialistic form of government, under a reduced scale of taxation, the number of people employed in Government service cannot be maintained on the scale prevailing throughout the last two administrations.

Also, for maintenance of the social-security system, the tax drag upon productive enterprise and the wages of workers engaged therein, must be at the minimum percent possible of the gross value of such production. This premium percent can be arrived at by factors to equate work forces, retired workers, cost of living, and other indices familiar to labor and industry. The social-security system is not a reward, per se; it is only an insurance system to adequately pro-

vide for old age and retirement of those who have been but are no longer productive.

Moreover, employment is essential to the happiness and prosperity of our people. Unless we trust and protect our domestic industries to provide the tools and plants to absorb the ever-increasing supply of workers, and to exist as one of the media through which revenue can be secured to bear the cost of Government, then Government itself will resort to the pattern of Socialist action of putting money into the right hand of the citizen and then insisting upon his return of the greater part of it with the left hand. "Oh," you say, "That cannot happen here." Well, it is happening now in the outstanding Socialist government of our time. The New Zealand Government now pays 50 percent of its entire national income in welfare benefits, which means that the average citizen gives back to government in taxes one-half of his wages, or profits, or welfare checks. And believe me, in that country there are few human activities that are not regulated by government decree.

Exorbitant taxes have preceded the downfall of every nation, democratic or otherwise, since the days of ancient Greece. Unless America reverses the process she will be no exception to the rule.

I find no fault in giving needy people the supplies we ourselves are unable to use. But does it make sense to overtax and destroy the credit of American citizens for the purpose of creating in other nations the industrial capacity to produce competing merchandise in quantities and at lesser costs, and then open our markets to them and destroy our own industries and labor standards?

It is high time for us to begin reading the handwriting on the wall, strive to reverse our foreign policy and its big aid program with a view to easing our existing tax burden, and resort to measures that promise some support for our own industries and the payrolls they create.

Just a couple of weeks ago, a manufacturer in my district brought to my attention an instance affecting his concern, wherein he had submitted a bid for an item in quantity to be used in the implementation of Government produced electric power. His company was second low bidder, the lowest being a foreign concern. This latter company enjoys an advantage of getting in on the business because of a 25-percent leeway provided for by our own laws. The domestic concern in my district pays taxes, and in this way contributes to the construction of the Federal project where its products could now be used. His government should protect him and his employees.

I have lived through unemployment depressions since the days of Grover Cleveland. I have seen the morale of the American worker and businessman sink to distressingly low levels. Unless we return to a commonsense economy, balance our Federal commitments with a scale of taxation designed to preserve initiative and a fair return on investment, I can see ahead nothing other than an unemployment depression immeasurably worse than anything we have yet seen.

To what source then, I ask, can we look for revenue to sustain the Government's obligations to pensioners, unemployed citizens, and all those we have led to believe would be secure under social security?

The American people want less government. They demand reduction of taxes. By cooperative effort of the executive and legislative branches this end can be attained. Whether the much desired reductions are accomplished this year or next should not be the main consideration, since it is apparent that past commitments plus current appropriations will in any event exceed anticipated income. The national debt, after all, is our sacred obligation. Repudiation by whatever means would break the strongest tie that binds the patriotic citizen to his Government. Continued deficit spending means repudiation by inflation. It follows then that Government operations, defense spending, and mutual foreign aid must not only be brought within the limits of tax revenues, but must be so radically revised as to permit some relief from present burdensome taxes, yet provide something for debt amortization. At best it will be a long hard pull, and will require plenty of belt tightening. But the American people have never yet failed when fully informed and confronted with the plain truth. Let us hope that our leaders will successfully guide us back to the road that will lead us once more to sanity and solvency.

Mr. KEAN. Mr. Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, the short time that has been allotted to me to express myself relative to the extension of the excess-profits tax is greatly appreciated.

We the members of the Ways and Means Committee, who have jurisdiction over all tax matters before the Congress, were faced with the question of the recommendation of President Eisenhower to extend the excess-profits tax for a 6-month period. After careful consideration of the issue, which is somewhat evil, as all taxes are bad not good, and I know of no good tax, it must be remembered that a balanced budget is a must if you do not want to face the question of raising the national debt limit beyond the $275 billion limit fixed by the Congress as of today. As a Member of this Congress, I do not believe this evil should be permitted to project its ugly head and its iron claws to a position to even come close to adding an additional billion dollars to our national debt. As one Member of Congress, I have been faced with the question of compromising my personal views on the question of the extension of the excess-profits tax. This I have done without any pressure from anyone or from the administration. I might state that I have had letters from corporations back in my district, who told of how vicious and discriminatory the Excess-Profits Tax Act is, but ended their letter by saying they were willing to live with the tax for another 6 months. I commend these corporations for their broad views when they put their Nation's welfare ahead of their own desires.

Our Committee on Ways and Means had been assured by Secretary of the Treasury Humphrey, that they will not request any further extension beyond the 6-month period, and would vigorously oppose any extension after December 31, 1953. With all of these statements before me, I feel justified in the compromise of my own views which were opposed to the extension and will now support the extension of the excess-profits tax for an additional 6 months.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I think most of the Members realize that I have been a hearty supporter of the excess-profits-tax measure. When hostilities broke out in Korea in 1950 I was one of the sponsors of the proposal and I supported it at that time very strenuously. Of course at that time you will remember there was a lot of scare buying, there was a lot of inflation right in the offing, and it was considered as not only a measure to stop profiteering in time of emergency, but it was also considered as a sort of control measure to keep down inflation; and the situation at that time was much more critical in my opinion insofar as those factors are concerned than it is today.

I always thought an excess-profits-tax measure was a good measure because it sort of took the cream off the profits of those who were trying to take advantage of an emergency and rising prices, and aside from the fact that the Government annually get about $2.5 billion in revenue. I never realized quite fully, I may say frankly to the committee sitting here this afternoon, how many inequities were present in the bill; in fact I did not know very clearly that there were so many bad features, so many injustices in the bill until the Secretary of the Treasury came before us and very frankly told us how terrible this tax was; in fact, it was practically un-American to assess such an unjust, unfair, and inequitable tax, and he certainly vigorously assailed the tax. His philosophy of justification seemed to be to the effect the need of revenue was so great that any means justified the end. I am not supporting the bill on the same basis that the Secretary of the Treasury is; I am supporting the bill because I think there are some business concerns making inordinate profits because of the economic situation and the emergency. I am only sorry some amendments to the present extension bill were not carried to the committee.

The gentleman from Georgia [Mr. CAMP] offered an amendment in the committee which I thought was fair in every way, an amendment which took away some of the inordinate hardships that are apparent in the present statute and will be present unless we amend it to that extent. The proposition advanced by the gentleman from Georgia [Mr. CAMP] lost by two votes. The vote was 13 to 11. Of course, there were other considerations entering into that

vote that the worthiness and the value of the gentleman's amendment. I understand he is going to offer a motion to recommit with instructions to incorporate his amendment.

That amendment will simply give to those businesses which commenced late in the year 1945 or since, the same advantage of selecting for their base period the best 3 years; in other words, he wants to give these new businesses the same proposition of selecting a base period as is given to old established businesses, as is given to businesses that have been established prior to 1945. It is just and fair in every respect and, in my opinion, it should have been in the original bill. I hope the committee will give consideration to the amendment suggested by the gentleman from Georgia. It will take away especially the injustices in the bill that are being inflicted upon the new and smaller business concerns. His amendment cannot in any respect affect the big corporations. It will only affect the corporations that were lately established, mind you, giving the same advantage to them as is given to those businesses previously established and have a base period.

If the amendment is adopted, the measure will escape much of the criticism that is leveled at the present time at the law as it now stands.

I want to say also, Mr. Chairman, I know that politics perhaps is bound to enter into a question of this kind, and this may be just another instance where the Republican administration finds it necessary to follow the lead taken by the Democrats 3 years ago.

Mr. KEAN. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. UTT].

Mr. UTT. Mr. Chairman, it is with a deep sense of regret that I feel impelled to take the floor in opposition to a proposal of my own party, but I cannot sit idly by, without stating my position, with the profound hope that some of you will do a little soul searching, and see if your conscience will permit you to vote against your profound convictions.

I have no argument with those among you who are honestly convinced that this legislation is proper, but I do have some reservations as to those who are yielding to pressure to submerge their logical reasoning beneath sophistication. This is the primrose path to dictatorship.

You are here asked to vote for legislation under a closed rule; you have no chance to offer alleviating amendments. The experts in the Treasury cannot even give me the amount of excess-profits tax-credits allowance in 1951 and 1952, but I can tell you as a matter of record that the Standard Oil Co. of California paid excess-profits taxes in 1951 of $6,700,000 and got it all back in 1952; United States Steel paid $90 million in 1951 and paid none in 1952 and got back $15 million of what it paid in 1951; Monsanto Chemical, the largest chemical company in the world, paid $7,871,000 in 1951 and got most of it back in 1952. I could give you hundreds of such cases. That shows you that the big corporations know how to avoid it, but the little ones do not.

One point that is too generally overlooked, is that in the effort of corporations to avoid the 30 percent penalty tax, the Government not only loses the 30 percent but also the 52 percent normal and surtax so that most companies, by elimination of waste and inefficiency, would pay more money into the Treasury under the normal and surtax than they do today under the 82 percent tax.

Now I invite your attention to another facet of this matter. Can any man or woman among you return to your district and defend your position for voting for an increase of 15 percent on income of certain companies who happen to fall within an arbitrary and capricious formula? The only argument presented is that there is an 800-million tab to pick up to cover the reckless spending of an improvident Congress so that certain foreign countries now receiving foreign aid can reduce their own taxes and use our foreign counterpart funds to pay off their national debt. How stupid can we get?

History will record this as one of the darkest days for the Republican Party. Never before in history has our party proposed, sponsored, or passed such iniquitous and evil tax legislation. Where is the principle, the honesty, the integrity, the morality of the Republican Party which we prated about at campaign time? Is this the product of our warped thinking? It is a boomerang which will return with greater speed and with more deadly effect than you can now contemplate. I warn you, you cannot sow a whirlwind and harvest anything but destruction. You cannot gather grapes from thorns nor figs from thistles.

The component parts of this resolution are evil, iniquitous, immoral, arbitrary, and capricious. How then can you mix these parts together and come out with anything resembling good? Let me remind you that anytime, either in law or in equity, you can prove an arbitrary or capricious act on the part of any court, board, or commission, you can get a reversal of judgment and, if this legislation is passed, eventually public opinion will reverse you.

Yes, we just have to have the money. Let me remind you that our jails and penitentiaries are full of embezzlers and misappropriators who just had to have the money. To get it they broke the law, both legal and moral. Here we are asked to pass legislation that will legalize this taking of money which does not belong to us, so that the Collector of Internal Revenue will not have to go to jail for taking it. I recognize that this Congress has the authority to make this misappropriation legal, but I submit that this Congress, nor anybody under heaven possesses the power to make an immoral act, moral.

I ask you, where is your conscience? Where is your moral stamina, that it should be seduced by popular leadership? Remember that seduction brings forth sin, and sin when it is finished bringeth forth death. What would the great men of the past say to you? Would Lincoln, Jefferson, or Washington even suggest that you stultify yourselves to pass admittedly bad legislation? I will tell you what George Washington admonished his people to do. He said: "Strive to keep alive within your breast that celestial spark of fire called conscience." That is the essence of statesmanship.

This vote will separate the statesman from politician.

I am willing to compromise an economic principle for expediency, but as long as I am a Member of this Congress, I shall not compromise a moral principle for the sake of political expediency, so help me God.

Mr. COOPER. Mr. Chairman, I yield 4 minutes to the gentleman from Georgia [Mr. LANDRUM].

Mr. LANDRUM. Mr. Chairman, at the outset of my remarks I want to pay my personal tribute to two distinguished Members of this House, with one of whom I have neglected to become personally acquainted and friendly but, with whom I have been associated here in the House and have learned to admire and respect. I refer to the gentleman from New York, the Honorable DAN REED. I think if a freshman Member of this body needed any inspiration to make him stand alone on his own feet and think individually, independent of any pressures that might be brought to bear upon him, that would come from the stand taken by this admirable giant of a man in this House a week ago last Monday and the stand he has taken today. He is, certainly, deserving of all the tribute all of us can pay him.

The other gentleman is my distinguished friend and colleague from Georgia, the Honorable SIDNEY CAMP, who took time to so painstakingly explain to you the real viciousness of this law, the extension of which we are today debating.

Since you have already heard from him and from many others the figures that are involved in this matter, I shall talk to you about something which may sound elementary. If it does sound elementary then that is as it should be, because we need to get back to the elementary, the fundamental things.

I reside in a county in Georgia which is one of five that voted for General Eisenhower last November. Why did that county in Georgia, one of only 5 in 159, vote to unseat a Democratic President? Why did it vote in favor of General Eisenhower? Simply because you people sitting over here on this side, the Republican side of the aisle, told them from about 1936 up until last year that this Congress was gradually becoming a rubberstamp. They believed it. You made out your case. Last fall when they went to the polls they said, "We know this body up there that we have called our Congress has become a rubberstamp, so we are going to change this thing and put another administration in power." It took lots of Democratic votes in a Democratic State to take a county of north Georgia for General Eisenhower. The Democrats aided you because you promised them that you would do away with the mess in Washington.

The mess in Washington is not necessarily limited to the socalled "five percenters." It is not necessarily limited to the grafters and the individual wrongdoers. The mess in Washington, the

greatest mess in Washington, is the mess these rubberstamp Congresses have made in, among other things, letting lie upon the people such iniquitous tax measures as this tax we are discussing today. And today you, the leaders of this administration, roll over and play dead while apologizing for your action in asking for the continuation of a law you admit is viciously un-American. What greater example of rubberstamping could there be?

Those people who call themselves friends of labor say that we have to extend the excess profits tax in order to protect the laboring man from the lordly corporate interests. I tell you that you are taking away from that workingman by extending this tax the very right to work, because in my country the great majority of employment is furnished by the small corporate interests, the small businesses that employ 20, 30, 40, 50, and maybe sometimes 100. The only way they can expand their business and furnish employment to more high school and college graduates is for you to leave them their profits so that they can pour them back into the business.

I hope you will keep faith with the American people by defeating the most un-American tax measure ever devised by a United States Congress.

Mr. WHEELER. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. WHEELER. Mr. Chairman, I would like first to associate myself with the remarks just made by my colleague from Georgia [Mr. LANDRUM] in general and specifically with that which he has said regarding Mr. CAMP and Mr. REED of New York.

Mr. Chairman, after hearing all the campaign promises made last year by those who now control the legislative and executive branches of this Government, I was led to believe that I would be afforded the opportunity this year of voting for measures that provide for tax relief for the citizens of this country. Although not specifically pertinent to the measure currently under discussion, I was also led to believe that there would be a new and better approach to the problem of excessive Federal employment and that we could look forward to a new approach to the problems presented on the international front.

To date the same policy of expediency that was followed by the Truman administration in the field of foreign affairs has been adopted and followed by the present administration. This is mentioned merely to show that your presently proposed departure from the program the Republican Party presented to the American people last year insofar as taxation is concerned is not a unique deviation.

A good example of the deviation from campaign policy is found in the field of Federal employment. You said, while seeking election, that you would economize in this field and yet you perform on this promise by, just this week, passing H. R. 5228 which grants to a Federal employee a $17,500 pension with the only requirement being that he shall have served a minimum of 10 years. In this case the employee is not required to pay one cent into the Treasury as a contribution to his retirement fund. I did not vote for this bill since I heard no justification for its passage other than statement to the effect that the incumbent has done his duty and therefore should be rewarded. This, of course, left me to wonder if we have reached the place where men must be given a bonus of special consideration for doing his duty in a Federal job?

To the matter instantly under consideration, it is remarkable that, campaign promises by the Republicans to the contrary notwithstanding, you here propose to extend a tax program which has been described by even its most ardent advocates as being vicious, inequitable, unfair, unjust and immoral. The further imposition of this tax can perhaps be justified by some of my Republican colleagues by them saying that they have already, on Tuesday of this week, passed House Resolution 314 which provides the tax relief they were speaking of during the last campaign. In all fairness, I must admit that you did, without the aid of my vote, pass a tax relief measure this week by granting a 4-year deferment on tax payments due the Government by the whisky distillers of this country. Is this the kind of tax relief you were promising last year?

No, Mr. Chairman, in spite of all the apologetic argument I have heard today on this bill, I cannot support a bill which, by definition of its own sponsors, legalizes immorality. As has been so well expressed by my colleague the gentleman from Georgia [Mr. LANDRUM], who in his first session here has distinguished himself as being among the ablest and most sincere Members of this House, it is admitted that the extension of this iniquitous tax will not balance the budget but will simply provide additional money to be wasted by those who seem to have ignored the fact that the only way to balance the budget is by reducing expenditures.

I realize that the term "excess-profits tax" has been popularized in this country as that which soaks the rich and makes it unnecessary to tax the little fellow quite as much as would otherwise be necessary. Columnists, commentators, and others who have prostituted the press to propagandize the political predilections of the perpetrators of political perfidy, have popularized this tax which is now described by its advocates as being immoral.

In spite of its popularity or the popularity of those who advocate it as a matter of expediency, I shall not vote for it. If the present administration had exhausted every possibility of reducing expenditures and still found it impossible to balance the budget, I would have voted for an honest tax bill that would have increased corporate taxes across the board to a reasonable degree.

I wonder, Mr. Chairman, if the Republican Party really plans to come forward with a plan of its own during this administration which will approximate fruition of the glowing promises made to the electorate last year? To date, all the Republicans have offered is continuation and extension of the very programs that they criticized during the last campaign and which they have been criticizing for the past 20 years. This is another good example here today.

I am constrained to believe, after watching the new leadership operate for the past 6 months, that they have decided that the Democratic Party stayed in power for 20 years by following a policy of tax and tax, spend and spend, elect and elect, and that such a policy can be made to work for the Republicans. You seem to be afraid of taking any course other than that which the Democrats have proven to be successful from a practical political standpoint. It is my sincere hope that the more intrepid spirits among the Republicans can prevail on the leadership to give this country something different from that which we have had for the past 20 years.

Mr. KEAN. Mr. Chairman, I yield to the gentleman from Kansas [Mr. GEORGE] such time as he may desire.

Mr. GEORGE. Mr. Chairman, taxes are always an unpleasant subject to discuss and are even more unpleasant to pay. However, in order to keep the record straight, I think the following factual information should be given to the American people. The following facts and figures were taken from a UP story by Lyle Wilson:

When the books closed on 20 years of New Deal-Fair Deal government financing, Harry S. Truman had broken all records for collecting and spending the people's money.

He had 8 years, less 2½ months, in the White House. Truman budgeted the collection of more than $373 billion in taxes and the spending of, roughly, $400 billion. His records should stand for all time.

Franklin D. Roosevelt was not even a good second. Most of World War II spending is charged to FDR, but he laid out only $375 billion of the people's money in 12 White House years. His tax take was a mere $162,500,000,000, although it seemed to be quite a package when it was being extracted from the public's pockets.

The books closed on F. D. R. and H. S. T. at midnight June 30 when fiscal 1953 ended. The budget for fiscal 1953 was presented to Congress by Truman in January 1952. When the Republicans began to take over a year later the tax and spending pattern for fiscal 1953 was fixed.

Some effort was made by the new administration to reduce the flow of money in and out of the Treasury in the expiring fiscal year. President Eisenhower and his aides concentrated on remodeling the Truman budget for fiscal 1954.

We have not achieved enough so far to prevent another big budget deficit next June 30 when fiscal 1954 ends. The Treasury announced Wednesday that the 1953 fiscal deficit was a staggering $9,389,000,000—unmatched in any previous peacetime year. The national debt had soared to $266,071,000,000.

The Government spent $74,607,000,000—also a peacetime record. The eye-popping figure among those released by the Treasury was the 12-month tax take in fiscal 1953. The taxpayers contributed $65,218,000,000, which is the greatest sum ever extracted by the Government from the people in any previous year, peace or war.

The combined Roosevelt-Truman tax collection over 20 years to the end of fiscal 1953 was $535,500,000,000. They spent about $775 billion, which is an approach to the place where billions no longer would be big enough to describe the sum involved.

The deficit left by the 20 years of New Deal administration is $239,500,000,000, and this added to our previous debt leaves the American taxpayers owing a deficit of nearly $266 billion. These figures speak for themselves and show that this administration has inherited a deficit which will of necessity force them to levy excessive taxes for years to come.

Mr. KEAN. Mr. Chairman, I yield such time to the gentleman from Massachusetts [Mr. GOODWIN] as he may desire.

Mr. GOODWIN. Mr. Chairman, I am one of those who have felt that the excess-profits tax ought to go off the statute books on the date scheduled for its expiration; that it is an unfair and unjust tax and is an impediment to the sort of business expansion which has always been so important an element in making this country strong and prosperous. And that view has been held by a majority of the Committee on Ways and Means.

But when it appeared that the fiscal year just ending would bring the national deficit to $9.4 billion instead of an earlier estimate of $5.9 billion and that the deficit for the next fiscal year is likely to be $5 billion, I was one of the first members of the Ways and Means Committee to let it be known that I should support the recommendations of the President and vote for an extension.

Hearings are now in progress by our committee inquiring into many phases of our tax structure and I am confident that as a result we will be able to recommend to the second session of this Congress substantial changes in our tax laws which will remove many existing inequities. In the meantime, until an intensive study can be completed and our whole tax structure reviewed and amended so as to eliminate part of the tax burden on our people and provide for a more equitable distribution of the balance of the burden, I feel that those corporations which will be affected should be willing to live with this law for another 6 months and allow the Treasury to have the benefit of $800 million in revenues as a contribution toward a balanced budget and future tax reduction. And we have the assurance of Secretary of the Treasury Humphrey that no further extension of this tax will be requested.

In the interest of the financial stability of the country and the maintenance of a sound dollar, I shall vote for the extension of the excess-profits tax for 6 months in support of the fiscal program of President Eisenhower.

Mr. KEAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. COUDERT].

Mr. COUDERT. Mr. Chairman, I seldom come down to the well of the House as reluctantly as I am doing at this time. I do not enjoy differing with the President and my party leadership. However, I felt impelled from my own convictions on this subject to come down here to briefly explain why I am going to vote against this bill. Let me express at the outset, however, my great admiration and affection for my distinguished colleague, the gentleman from New York [Mr. REED], who has so courageously stood by his convictions, and shown the course which the House should be taking.

Mr. Chairman, I am against this bill not because I am opposed to a balanced budget, but because I am in favor of a balanced budget. This bill accomplishes nothing and proves nothing unless it proves that the Presidency packs a more powerful political punch than the Committee on Ways and Means. It solves nothing because it does not balance the budget. The President, in his message, announced that he anticipated a deficit in the neighborhood of $6,600,000,000. This bill, he says, will yield $800 million. Does that balance the budget? Of course not. It still leaves $5,800,000,000 of deficit. So that in substance all we are doing by extending this admittedly iniquitous tax is to pour more money—more tax money extracted from the people down a bottomless pit with no assurance whatsoever that it is going to result at any future time in a balanced budget, and a sound fiscal foundation for the United States. If this bill carried enough tax increases to promise a balanced budget in the visible future, I am rather inclined to think I would vote for it, but this proves nothing—this gets us nowhere and when we get all through voting on it and when we have increased the taxes as almost our first major act in this Congress, we will still have an enormous deficit to face—the inflationary spiral will be going steadily onward with no end in sight.

Mr. Chairman, I submit that until this Congress puts a limitation on spending, an overall limitation on spending, it will be perfectly useless to go on raising taxes because it will be pouring money down a bottomless pit with nothing to show for it in the end. I say, therefore, that we should not vote now for any more tax increases of any kind or character. We should not extend any additional taxes until we can be sure of the relationship between those taxes and a balanced budget. You cannot have that until you have a limit upon expenditures.

That is the big job for this Congress to accomplish. If we do that we may get somewhere. Only Congress can accomplish it. In a letter of May 26, to Chairman Hoffman of Government Operations Committee, the Budget Director declared that he was opposed to limiting expenditures to an amount that does not exceed revenues in any given period. As it stands today the United States is dangerously overextended militarily and economically all over the world. There is not the slightest chance of a balanced budget until we begin to reduce our commitments, until we reduce our farflung military garrisons, until we reduce the amount we spend each year for foreign military and economic aid. When we do that, when we face up to the realities of the situation, then we may ultimately have some hope of getting a balanced budget and providing a sound dollar, and protecting the people of the United States from the evils and dangers of continued inflation.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. HELLER].

Mr. HELLER. Mr. Chairman, in the debate on the rule in the early afternoon, we heard the gentleman from Virginia [Mr. SMITH] state that he looked for cogent reasons in the report why he should vote for this bill, and he could find none.

I have turned to the minority report and examined the "further minority views" filed in the House this morning for cogent reasons why negative votes should be cast on this bill, and I am afraid, Mr. Chairman, that I find none. And that is what makes a horse race.

Permit me for a moment to read 2 or 3 sentences from these minority views:

All tax authorities admit that this tax is not a tax on excessive profits but an arbitrary tax on growth and expansion.

I shall come back and comment on that in a few seconds. The next sentence:

The fact that this tax is paid by less than 8 percent of the corporations of this country, in our view is not a justification for continuing the tax; it is, instead, strong evidence of its arbitrary and discriminatory nature.

Mr. Chairman, is a general sales tax implied there? I do not know. Is that implied as a good substitute, on the theory that everybody would have to pay, no matter whom it hurts and no matter whom it gets? I ask the further question: Would a general sales tax eliminate discrimination? What is behind that statement?

Now I refer you to this statement:

When there are signs that a recession is in the offing, it is no time to increase the economic burdens.

Mr. Chairman, I heard a lot of talk this afternoon about how unfair this tax operates on some corporations but frankly I cannot get exercised over the tax problems of Reynolds Tobacco, American Telephone, Liggett & Myers, Standard Oil, and the rest of the corporations whose financial statements were read. I say, let us not shed a lot of crocodile tears for these corporations, some of which were, in my humble opinion, wrongly described as small corporations.

Let us not shed any tears over big industry and the big corporations who are compelled to pay this excess-profits tax. The time to have cried was in the last Republican administration when corporations lost over $3 billion.

Now let me give you some facts and figures about these poverty-stricken corporations who are suffering from the—and I want this to be put in quotations—from the alleged "growth" and "expansion" and from "discrimination."

Mr. Chairman, do you realize that corporation profits for the year 1952 were $39.7 billion—almost twice the average profits of $22.6 billion for the war years 1942 to 1945? Profits after taxes were about $18 billion—slightly short of double the average profits after taxes for the war years. Dividends in 1952 exceed $9 billion—about double the average for war years. Business expenditures on new manufacturing plants and equipment were about $12 billion, which is greater than in any prior year and is

about three times the figure for the year 1945.

From this would it appear, Mr. Chairman, that business must still think that the prospects for the future are pretty good. Do these figures indicate as this minority view would have us believe, that a recession is in the offing? Do you want me to cite more figures and more proof as to how badly off our corporations are? Let me just refer to one or two more important facts. The Federal Reserve index of industrial production for May 1953 was reported at 242, and that was three points higher than the highest wartime annual average of 239 attained in 1943.

I want to emphasize that though the industrial production index is higher than the wartime average, corporate profits both before and after taxes were approximately twice the wartime average. Further, the stock price index of the Securities and Exchange Commission climbed to an all-time high of 207 on January 3, 1953, as compared with a 129 average for 1949.

Do you still think we ought to repeal the excess-profits tax? Do you still think we ought to let these big corporations continue to accumulate unprecedented profits at the expense of the Nation's economic well-being? Back in 1950, the House Ways and Means Committee observed that one of the major objectives in imposing the excess-profits tax was to reach corporation profits which have been swollen by the increased tempo of our economy. That observation is just as true today as it was 2½ years ago. Through the medium of this tax we are restraining the profiteering and the greed of these corporations, and we are helping to stablize our economy. Abolish it, and you will permit a resumption of profiteering in a big and unconscionable way.

Mr. Chairman, repeal of the excess-profits tax would have an adverse effect on our efforts to reduce inflationary pressures. One way to reduce the trend toward higher prices is to make it less profitable to increase such prices. At the present time, the excess-profits tax does that for corporations subject to its provisions. If a corporation realizes that it can keep only 18 percent of whatever profit it makes from raising prices, it is going to give a little more thought to raising prices than it otherwise would. While it is true that an excess-profits tax does not completely stop price rises, it puts a real damper on them. Certainly we cannot expect labor to sit by and watch the cost of living continue to rise and corporate profits go even higher than they are now. As you know, wage hikes follow price rises rather than lead them. Repeal of the excess-profits tax would be the cue for everybody to start grabbing for everything they can get.

So, in the face of all this, and with all the earnestness at my command, I urge the Congress to continue the excess-profits tax on our statute books, at least for the next 6 months, and possibly later too. Financial common sense demands it, practical economics shows its need, the Nation's welfare will best be served by it. Eliminate this tax on excess profits and you will make possible another give-away from which only the very rich stand to benefit.

Mr. COOPER. Mr. Chairman, I yield 9 minutes to the gentleman from Florida [Mr. LANTAFF].

Mr. LANTAFF. Mr. Chairman, in the early days of this session I was under the impression that the administration was making a sincere attempt to balance the Federal budget. I was convinced at that time that it was my duty to the Nation to assist the President and the administration in balancing the budget and to go along with the extension of the excess-profits tax. However, some 2 months ago when it came to my attention what the "other hand" was doing in the administration, I determined that the administration was not sincere in its announced policy of reducing our deficit wherever possible. The distinguished gentleman from Texas [Mr. PATMAN] has pointed out to you how the new high interest rates forced on this country by this administration will cost the taxpayers, and will add to the present deficit, some $800 million a year.

On the bonds issued in May of this year the interest rate was increased from 2.3 to 3.25 percent. This added to the taxpayers' burden, if you please, $7,500,000 a year. The Public Affairs Institute recently compiled a table of increased cost to borrowers on certificates issued at the new high interest rate by the administration up until May 19 of this year. It shows that such increased interest rates on Government financing up to May 19 of this year will cost the taxpayers an additional $132 million a year. If any of us in Congress proposed adding $132 million to the appropriation for some worthy function we would be denounced as obstructing economy. Yet here today we have a bill before us seeking to impose what the administration admits is an iniquitous tax on the American small-business man. Why? So that we can finance the increased cost to the taxpayers of this new high interest policy.

Mr. LANHAM. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. I yield to the gentleman from Georgia.

Mr. LANHAM. Does the gentleman mean to say this $800 million, when it is collected, will be turned over to the big bankers?

Mr. LANTAFF. In effect that is exactly what we are doing. I thank the gentleman.

What was the reason for raising the high interest rates on Government bonds? A Treasury spokesman said that that was the lowest interest rate at which the new issue could be sold in the existing market. He said this determination was made after conferring with investment bankers and important investor groups. But the fact that this issue was over-subscribed seven times indicates that such a high interest rate was not necessary. The big New York bankers immediately raised their prime commercial rate to the Government level and this touched off an upward spiral of interest rates.

Immediately after the new issue of Government bonds was put on the market at the new high interest rate, the value of previously issued Government bonds dropped immediately to 90. The charge was made on May 10 of this year that the big New York bankers unloaded almost 70 percent of their holdings of these bonds before the price dropped.

In this connection, it is interesting to note that the Secretary of the Treasury admitted that representatives from these groups had been consulted prior to the issuance of the new high interest bonds.

How does this affect the average small-business man in America? The money made available for business expansion has practically dried up. Our banks, insurance companies and other lending institutions invest a considerable portion of their reserves in these Government securities. A recent issue of the Wall Street Journal quoted the vice president of one of our major insurance companies as saying that formerly they had raised liquid capital to handle industrial financing by selling their Government bonds. He said that if they sold their bond on today's market their entire surplus would be wiped out. That is the situation that confronts other banks and lending institutions. So we find that liquid capital for industrial expansion has practically dried up.

Let us look at the other side of the picture. The President of the United States in asking us to extend this tax stated: "Though the name suggests that only excessive profits are taxed, the tax actually penalizes thrift and efficiency and hampers business expansion. Its impact is especially hard on successful small businesses which must depend on retained earnings for growth."

So on the one hand the hard-money policy and high interest rates is slamming the door in the face of small businesses who need money for expansion. On the other hand, we are asked to impose an iniquitous tax on this same small-business man so that he cannot retain any of his earnings for possible expansion. In south Florida we have an expanding economy and numerous small businesses that will be faced with bankruptcy when caught between the pressures resultant from such policies.

But let us go a little further on the subject of higher interest. The interest rates for FHA insurance home loans was raised from 4¼ to 4½ percent. Based on last year's volume of FHA loans this will cost the home builders of America a total of more than $87 million annually. The increase in GI home loan rates from 4 to 4½ percent means that the veterans of America will lose one bedroom in every house they build next year and it will add to their burden $266 million in the next 20 years. The United States taxpayers will have to pay $20 million more next year because of the added one-half percent on the first year's interest which the Government pays for all veterans getting loans.

Mr. McCORMACK. The gentleman means $266 million a year.

Mr. LANTAFF. Over the next 20 years.

It is interesting to note this increase in the interest rate alone has brought about a 2-percent increase in the cost

of living since January. As the conservative magazine, Business Week, pointed out:

We are glad to know the brakes work, but we don't want to go through the windshield.

So we come to the extension of this act today. As I pointed out before, through this hard-money, high-interest policy, we have slammed the door to possible expansion for small business. Now we are asked to close the other door.

So, I have changed my mind about voting to extend this tax. I have come to the conclusion that if the motion prevails, to recommit with instructions, so as to provide some relief for the small-business people of America, whom the administration admits are being unduly penalized and stifled by this tax, then I would be willing to go along with the administration in order to provide extra revenue. But, I am taking this opportunity to point out the highly inconsistent position of the present administration which is saying to the small-business people of America, "It is your duty to help us cut down the deficit." Many of these small-business organizations through their chambers of commerce have responded in a truly American way and said, "All right, we will make that sacrifice to help cut down on deficit spending, because we, too, recognize we have to balance the budget." They have not been told, however, and do not know what the other hand is doing in the Treasury Department. They do not know that they will have to pay this iniquitous tax in order to pay higher interest rates to Wall Street and the New York bankers. It is interesting to note that this tax will produce just enough revenue to defray the added annual cost of paying higher interest rates.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. LANTAFF. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. Is it not true, aside from the increased interest rates on Federal obligations, that all the private institutions, lending companies, and life-insurance companies are also raising their rates just because of this rise?

Mr. LANTAFF. That is certainly true, and every credit company has done likewise. If the average American goes out to buy an icebox, a refrigerator, a radio for his home, or an automobile, he is going to pay more money for that item if he buys on credit in order to support this high-interest policy.

Mr. KEAN. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. COOPER. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. BUSBEY].

Mr. BUSBEY. I thank the gentlemen.

Mr. Chairman, everyone is familiar with the old saying, "There are two sides to every question," but I wonder if that is necessarily true. I am reminded of When Calvin Coolidge ran for President. A man, who had known him ever since his birth, traveled over the entire United States in a covered wagon in behalf of Coolidge's candidacy. In every town he passed through, this man would get out on the tail-gate of the wagon, and assure the people that his friend Cal Coolidge would not compromise with evil.

On some questions, I sincerely believe there is only one side to be considered. For me, there is only one side to consider between good and evil. For me, there is only one side to consider between right and wrong. Mr. Chairman, I believe the problem we have before us today—whether or not to extend the excess-profits tax—is as simple as that. The excess-profits tax is either right, or it is wrong. The excess-profits tax is either fair and equitable, or it is unfair and inequitable.

I personally believe this tax to be unfair and inequitable, and therefore I will vote against its extension.

A tax is either fair and equitable or unfair and inequitable, irrespective of who is President, whether he be a Democrat or a Republican.

I do not believe that the politics of any man sitting in the position of President of the United States, whether he be a Democrat or a Republican, has any bearing whatsoever upon whether a tax is fair and equitable, or unfair and inequitable. It has nothing whatsoever to do with the problem confronting us today. Nearly everyone, including the President of the United States and the Secretary of the Treasury, admits that the excess-profits tax is unfair, inequitable, vicious, and unreasonable.

In view of this situation, I personally believe it was imperative that the executive branch of the Government present to the Ways and Means Committee of the House of Representatives a tax bill which would provide additional revenue, if, in its opinion, it was needed—a bill which would be both fair and equitable—instead of asking the Congress to extend a tax which, it is so universally agreed, should not be on the books.

Mr. Chairman, at this point, I wish to pay my respects to the gentleman from New York, the Honorable DANIEL A. REED, chairman of the Ways and Means Committee of the House of Representatives. In addition to being a great American and one of the outstanding patriots of the United States, there is no one, either in the executive branch or the legislative branch of our Government, who knows as much about taxes as does the gentleman from New York [Mr. REED]. Those of us who have the honor and privilege of serving in this, the greatest legislative body in the entire world, and who have known Mr. REED intimately and have followed his work on tax matters throughout the years, have the greatest regard and highest respect for his integrity and his judgment.

Mr. REED has served his district and the people of the United States in the House of Representatives for 35 years. He has served on the Ways and Means Committee for 20 years. Through all of those 20 years, he has made a study of taxes, and is recognized as the greatest authority on this subject in Government today.

Naturally, anyone who is as independent in his thinking and voting as I am, would not be found following any leader blindly, but I believe I can sincerely come closer to following 100 percent the chairman of the Ways and Means Committee than anyone I know. But it is not my confidence in and high regard for the judgment of the gentleman from New York that places me in the position of opposing the extension of the excess-profits tax today. It is the fact that, in my honest and sincere judgment and opinion, it is wrong, and I cannot under any circumstances make myself vote for something when I sincerely believe, deep down in my heart, that it is wrong. This tax is not fair; it is not equitable. In other words, it is unjust and inequitable.

Mr. Chairman, the excess-profits tax is bad for the following reasons:

First. It encourages waste.

Second. It forces small and growing businesses into debt.

Third. It destroys the value of money.

Fourth. It weakens the ability of a business to resist economic recession.

Fifth. It slows down the introduction of new and better labor-saving machinery—eventually blocking the rise of wages.

Sixth. It limits the growth of production, both for civilian and defense purposes.

Seventh. It tends to interfere with the natural growth and improvement of the standard of living.

Eighth. It fosters monopoly—small businesses cannot reach a size to compete because they cannot use their earnings for growth.

Ninth. It ruins the whole idea of an expanding economy.

Tenth. It destroys incentive.

Eleventh. It is drying up venture capital.

Twelfth. It creates unemployment.

Thirteenth. It deprives government of just revenue.

Mr. Chairman, in my opinion, the excess-profits tax is depriving our Government of additional and much-needed revenues, due to the fact that revenue depends upon income; and increased income depends upon the ability to grow and expand, and to give employment to additional individuals.

The people who are in favor of extending the excess-profits tax use, as a reason for their position, the fact that we need the additional $800 million in revenue between July 1 and December 31 of this year. There is a possibility that these people will be disappointed, because there is evidence that the extension of the excess-profits tax will not bring in this additional money. On the other hand, if it was not extended, there is every indication that a sum greater than $800 million dollars would be received in revenue, due to the opportunity industry would have to grow and give employment to people.

Mr. Chairman, I do not see how anyone could possibly vote to extend the excess-profits tax if they would carefully read and study the testimony before the Committee on Ways and Means.

Under permission given me earlier in the House to extend and revise my remarks, I include at this point the testimony of Mr. Walter E. Ditmars, president of the Gray Manufacturing Co. of Hartford, Conn.:

STATEMENT OF WALTER E. DITMARS BEFORE THE HOUSE WAYS AND MEANS COMMITTEE

My name is Walter E. Ditmars. I am president of the Gray Manufacturing Co., formerly the Gray Telephone Pay Station Co. of Hartford, Conn.

Our company manufactures the Audograph dictation machine which I have here beside me, and also other electronic equipment based almost entirely upon our own research and development. This Audograph dictation machine is a post-World War II product.

I appear before your committee today, Mr. Chairman, to ask that you allow the excess-profits tax to expire as scheduled on June 30.

I speak with great reluctance. No one has more sympathy than I with the desire of this Congress and of the national administration to balance the budget. No one wishes more than I to avoid the inflationary pressure of excessive Government spending and a resulting unbalanced budget. I also believe no one is more willing than I, or the board of directors of our company, to accept personally and of the company our fair burden of the Nation's necessary tax load, but the very essence of our tax system is that it shall be fair, that it shall be based upon share and share alike and that it shall be nondiscriminatory.

I might also add that every American wishes taxes to produce the necessary revenue for Government without stifling the sources of income to an extent that the law of diminishing returns asserts itself.

I am here today, gentlemen, to tell you the realistic and graphic story of a corporation that has been injured—to an extent that it crippled initiative—by the excess-profits tax. We have not only been hurt in competing with other organizations in our particular industry; we have also been prevented from retaining earnings which would allow us to expand our production and provide work for more employees. This blow at expansion not only hurts thousands of taxpaying stockholders; it also strikes at labor, since anything that is detrimental to expansion is necessarily detrimental to the working men and women who would share in and benefit from such expansion.

Let me brief you on our situation and then present some detail:

Our company came out of World War II without an established peacetime business. During the war, we did not advance commercially because we were engaged in war production; a period of accomplishment, by the way, during which we were awarded the Army-Navy E three times. After the war we had to develop and produce new products, and we did. When we entered the field, our principal competitors were still selling the old-fashioned wax cylinders. As recently as a year ago, in fact, the Government was still purchasing this type of cylinder equipment. Gray spearheaded the competition and our chief competitors were forced to introduce radically redesigned equipment.

During 1946, 1947, 1948, and 1949—the years against which the excess-profits tax credit is calculated, Gray pioneered this new product (incidentally, we have not increased our selling price since 1948). During these years, other companies long established in the industry had earnings which gave them larger excess-profits tax credits. After 3 years of operating losses, from 1946 through 1948, Gray achieved a net-profit position in 1949. Since then, because of good research and a good product, our business has expanded.

The company trend is eloquently illustrated by our sales:

1946	$789,000
1947	2,713,376
1948	2,565,505
1949	3,096,744
1950	4,243,600
1951	5,848,000
1952	11,253,900

There was a corresponding operating profit-and-loss pattern during these years.

EARNINGS CHART

Net profits after taxes were realized from this growth after 1948 and until the excess-profits tax was reenacted. For example, just prior to the 1950 excess-profits-tax law, our next profit increase was from $151,800 (1949) to $400,800 (1950). As soon as excess-profits tax was reimposed, however, we found ourselves on a treadmill. Profits in 1951 were up only to $406,000 and the 1952 profits were $409,000.

In other words, our overall sales increased from less than $800,000 in 1946 to more than $11 million in 1952. Considering only the years since reenactment of excess-profits tax, the sales increase has been from $4,250,000 to $11,250,000, or an increase of 165 percent. The increase in net profits during this same 3-year period was less than 2 percent.

The question may arise in your minds as to how in the face of such excessive taxes Gray has been able to expand at all. The normal healthy way for growth companies such as ours to expand, of course, is by plowing profits back into the business. This, obviously we are unable to do to the extent necessary. Our only alternative was to borrow. In 1950 we had only a nominal insurance loan of $195,000. By 1952—the second full year of the excess-profits tax—our bank borrowings reached a record high of $895,000. We financed our Government business without any assistance from the Government.

This is the story of the Gray Manufacturing Co.'s excess-profits-tax experience:

1. Steadily increasing sales based upon our own research and development.

2. A corresponding increase in operating profits before taxes.

3. No significant increase in net profits after taxes.

It has become customary in discussing figures to use charts. I should like to show you one which illustrates the manner in which our company shared with the Government the operating profits of 1952 which were in excess of the previous year 1951.

CHART

1. The Gray Manufacturing Co. virtually doubled its business during the year 1951 to 1952. Sales increased from a gross of about $5,900,000 to more than $11,300,000. As a result, our operating profit before taxes was $232,232 greater in 1952 than the preceding year of 1951.

After we paid taxes, however, we had left only $2,916 of this $232,232. In other words, for every dollar of these additional earnings (1952 over 1951), Gray was able to retain only 1¼ cents. The Government took 98¾ cents of that dollar.

2. Now, may I turn for just a few minutes from this demonstration of the burden of the excess-profits tax to a comparison of Gray's situation with that of its two principal competitors—to illustrate the discriminatory effect of the excess-profits tax. Both of these competitors have been far longer established in the dictation machine business than we.

TABLE

This table compares Gray tax status under the present law with its principal competitors. Note that whereas these competitors paid out 57 percent and 43.7 percent, respectively, of their income before taxes, Gray was forced to pay 69.4 percent of such income, one of these competitors did $38 million worth of business last year (compared with Gray's $11 million) and yet paid only $7,000 more in total taxes.

It is incredible to me, gentlemen, that Congress should seriously consider the prolongation of a tax law which compels 1 of 3 companies in an industry to pay 69 cents out of every dollar in taxes while its 2 longer established competitors pay 57 cents and 43 cents.

Surely it was not the intention of our forefathers, any more than I am sure it is your intention, that the taxing powers should ever be used to penalize and burden industrial growth and progress.

Mr. Chairman, Gray's situation is not unique, at least among the group of growth corporations which are subjected to the excess-profits tax and, like the other growth companies, Gray is being hurt to a degree where even 6 months more of the so-called excess-profits tax will be a very serious burden.

3. The President admits the excess-profits tax is an unreasonable tax. The Senate majority leader terms it "vicious."

Mr. Webster defines the word "vicious" as "defective, faulty, imperfect, and malignant."

Apart from our own small-industry section, I would like to urge upon this committee a weighing of the relative contributions of growth companies and business-as-usual companies to a strong industrial economy.

The international situation we now face is admittedly not short range. Inevitably this country's defense will depend upon our ability to preserve our industrial leadership. In turn that leadership depends upon expansion through new productive capacity and the development of new products and manufacturing processes.

It must be recognized that the ambitious growth corporations spark our progress and prosperity by their willingness to risk capital and earnings exploiting new fields. In contrast, the business-as-usual corporations contribute nothing in this direction.

Yet it is the growth company which is hit by the excess-profits tax. Its earnings have been depressed during the arbitrary base period—the period of abnormally high expenditures and trial-and-error operations. Therefore, this base period is not a fair measure of its earning capacity.

Please bear in mind that the damaging effects of the excess-profits tax on initiative and industrial growth is of special significance in the light of foreign political dangers. The discouragement of commercial initiative is the threatening implication of the excess-profits-tax discrimination. It is the real threat to our industrial leadership and, therefore, to the announced goal of our national administration.

Various former Secretaries of the Treasury have described the excess-profits tax as "the most difficult tax to administer ever conceived," as "putting a penalty on thrift," "wasteful," "inequitable," "discouraging to new ventures and confirming old ventures in their monopolies."

Leon Henderson, the Administrator of price controls in the last war, once testified before your committee that "the accounts have been totaled up and the excess-profits tax has been found wanting."

Mr. Henderson made another very illuminating statement in his testimony. It is more enlightening in the presence of information that has been developed since. In his testimony, Mr. Henderson said, "I would say that the Nye committee was the Bible on the excess-profits tax." Thus Mr. Henderson identifies the Nye committee as the modern day parent—the Bible of this tax, which various Secretaries of the Treasury

have described as destructive of the free enterprise system.

May I recall to your attention that the general counsel of the Nye committee which fathered this vicious tax was none other than Alger Hiss, already engaged in his conspiracy of ruin for America.

And may I remind you, gentlemen, of the conclusion of the present Chief Justice of the Supreme Court who spoke feelingly as the Secretary of the Treasury in the reflection of his World War II experiences with the tax. What Mr. Vinson said in 1945 in support of the repeal of the World War II version of the excess-profits tax is fully applicable today. I commend his reasonings and authority to this committee:

"Repealing the excess-profits tax means getting out of the tax system a tax which in its present form has no place in peacetime. It is primarily a wartime control, erratic and inequitable. It is an obstacle to reconversion and expansion of business which is so necessary for a high level of employment and income. An excess-profits tax is capricious, arbitrary, and discriminatory. It encourages wasteful expenditures, penalizes initiative of enterprise and discourages new ventures. It is complex and difficult to administer. It discourages capital formation—the seed corn of our economic life."

Mr. Chairman, may I again express my regret that I have felt compelled to differ with those who propose and support extention of the excess-profits tax. My justification is that the right to protest against oppressive taxation is a patriotic right, sacred to all Americans since 1776. Beyond that, I have a duty as representative of the thousands of share owners and the hundreds of loyal employees of our company to protect the security and strength of the company with which they have cast their lot.

Mr. Chairman, several of my colleagues have informed me that, while they admit the excess-profits tax is unwarranted and should not be extended, they are going to vote for it, because they feel there will be political repercussions among their constituents; that if we do not extend it, we will be criticized for giving relief to corporations, and not to individuals.

The gentleman from Louisiana [Mr. BOGGS], earlier in the debate today, put his finger on the nub of the situation, when he said many votes would be cast for this bill for political reasons.

As for myself, I can honestly say that, in the years I have served in this great legislative body, I have never cast a political vote; and before I ever will, I will resign. It is my personal opinion that the excess-profits tax should be allowed to die at its expiration on June 30 of this year, and I also think the individual should receive a reduction in his taxes as of July 1 of this year, inasmuch as the increase in the taxes of individuals which was put through by the Democrats in the 81st Congress does not expire until December 31 of this year.

I, for one, do not fear my opponent in the coming election, or anyone else, on the question of my vote against this bill to extend the excess-profits tax, for I will not hesitate to debate anyone on this proposition at any time or any place during the coming campaign.

My slogan in the 1952 campaign was "Reduce taxes—Vote Republican," Mr. Chairman. I propose to keep my promise; I propose to do everything I can, as one Member of this body, to reduce taxes.

I sincerely hope the bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, will be defeated.

Mr. KEAN. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. AYRES].

Mr. AYRES. Mr. Chairman, in 1945 I was discharged from the Army and took my mustering-out pay and a loan from the bank and started a small business. I have been very thankful for the progress that the business has made. At the present time we have only about 50 employees, but in 1949 I was particularly happy when it looked as though I was going to make about $50,000 after taxes. The only thing I regret this year is that I will not make enough to pay an excess-profits tax.

When you hear these speeches about the injury that is being done to business because of the excess-profits tax, I wish you would consider this, that no tax from the point of view of the individual or the businessman is ever going to be equitable. When I saw I was going to make almost $50,000 after taxes, I branched out and opened a branch in Detroit. Expenditures were high. If you want to get to the root of this you can eliminate a lot of unnecessary expenditure when companies anticipate how much tax they are going to pay.

Insofar as the excess-profits tax is concerned, certainly it is inequitable. Every tax is. You cannot make everybody happy. But I for one am going to vote to extend it for the 6-months period. As I said before, the only thing I regret is that this year I will not make enough to have to pay it.

Mr. KEAN. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. OAKMAN].

Mr. OAKMAN. Mr. Chairman, as I listen to the debate on H. R. 5898, the proposal to extend for another 6 months the imposition of corporate excess profits taxes, it occurs to me that possibly many of us are laboring under some misapprehension concerning the real questions at issue.

It has been said, both here and elsewhere, that the excess-profits tax is an immoral and iniquitous tax, subversive of the best interests of the American people.

It has been said that the President of the United States, in recommending and then seeking to insist upon extension of the excess-profits tax, has exceeded his just powers under the Constitution.

It has been said further that he has tried to make the 83d Congress a "rubberstamp" Congress, in the least desirable sense of the term.

But it seems to me, Mr. Chairman, that neither the moral status of the excess-profits tax in itself, nor the possibility—which I deny—that the President has exceeded his powers, constitute the real questions now before this honorable body.

Now it seems to me that no man would attempt to defend the excess-profits tax as a fair and just tax, or as a tax well designed to serve the public interest.

The excess-profits tax is an unjust tax, insofar as it bears hardest in many instances on those least able to pay, and insofar as it gives unfair advantage to large and long-established corporations over growing small and new corporations. By reason of those injustices it is an immoral tax. These things are true, in addition to the manifest fact that the profits taxed are not excess profits in any real sense of the word.

For the most part those profits comprise funds needed by corporations for expansion correlative to our expanding economy. Money which is needed to produce more goods, both civilian and military, and to provide more jobs at higher wages for American workers.

Thus the excess-profits tax is immoral and iniquitous in an economic sense, just as our military draft system is immoral and iniquitous in a social sense.

All of us here must be aware of the fact that some boys are sent to Korea, to fight and perhaps to die, while others, who by accident of birth may be better endowed financially and/or intellectually, are given deferment to continue their education.

Granting then, Mr. Chairman, the essential immorality of any injustice, and hence the iniquity of the excess-profits tax, it seems to me nevertheless that the question now, in this respect, is one of expediency.

Sometimes, as we must admit if we are honest, an injustice over a brief period of time, when that injustice is conceded to be solely a matter of individual sacrifice for the common good, serves to forestall a far greater injustice later on.

Especially is this temporary injustice defensible when those of whom acquiescence is demanded, with few exceptions, freely concede that it is justified under the circumstances.

Certainly the sacrifices in this matter of excess-profits tax extension asked of many American corporations, over a period of only 6 months, is far less than the sacrifice asked of American boys, who sacrifice education, careers, homes, families, and often life itself, for the common good.

Certainly those corporations should be expected to accept the demand for financial sacrifice in a spirit of cooperation for the common good, no less than the spirit of cooperation displayed by the boys who go off to war.

Let me say, then, that I believe extension of the excess-profits tax for 6 months is expedient, and morally defensible, insofar as it will permit the President and the Congress a real chance to balance the Federal budget in the 1955 fiscal year.

Passage of the Kean bill is expedient, and at the same time is morally defensible, because a balanced budget in 1955—or even the definite prospect of a balanced budget in that fiscal year—will make it possible for this Congress next year to provide for a substantial reduction in those personal income taxes which now bear so heavily on so many.

It seems to me, Mr. Chairman, that if we should let the excess-profits tax expire, as of last June 30, then we shall be morally bound to grant immediate relief to the 50 million personal income taxpayers of America.

If we permit the excess-profits tax to expire, the Federal Government will lose approximately $800 million in revenue

during the second half of this calendar year.

If in addition we grant immediately the personal income-tax relief which will come about automatically next January 1, then the loss to the United States Treasury in the last half of this calendar year will reach the tremendous total of $2.5 billion.

In this connection, let me point out to you that in the present perilous state of world affairs, the American people cannot afford to indulge their desire for tax reduction until a balanced budget is assured. The Communist menace is no less today than it was even 3 years ago.

In view of these facts, it seems to me that we must act solely in the light of that necessity for maintaining the financial stability of our Government which is uppermost in the minds of all thinking Americans. Insolvency of our Government could and probably would destroy what freedom remains in the world today.

Let me remind you at this point that 56 percent of our marketable public debt either is due on demand or will fall due within the next 24 months. A balanced budget would save billions of dollars in lower interest charges over the periods during which this debt must be spread.

No, Mr. Chairman, we cannot now afford to reduce Federal taxes today. We cannot afford to imitate the folly of the British Government in reducing taxes in the face of an unbalanced budget. We must keep solvent and strong.

The best way to do it, at this particular time, I believe is to retain until December 31 those taxes which will help to assure a balanced budget in the next fiscal year.

Then, in fiscal 1955, the Federal Government can be on a pay-as-you-go basis. And should this pleasant prospect become manifest next year, then I believe this Congress should grant the personal income-tax relief which is one of the greatest needs of the American people.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, I fully recognize the inequities, injustices, and truly baneful effects of the present excess-profits tax. In normal times such a tax upon our business system, so crippling and stultifying in nature, could never be tolerated. There is grave question in my mind whether it is necessary even in emergency because it forcibly strikes me that there are other tax mechanisms available to the Congress in periods of war or stress which would secure needed revenue without placing discriminatory, onerous, repressive and wasteful burdens upon American business and the great dynamic production system which is, in truth, in our first line of defense as well as an incalulably potent weapon. At the earliest feasible moment I should favor the elimination from the statute books of this unconscionable levy which produces waste, inefficiency and stalemate in so many parts of our business structure.

I am also fully aware of the forthright position of my distinguished and beloved colleague from the great State of New York, Congressman REED, whose ability, patriotism and courage, together with his amiable personal qualities, combine to make him one of the most popular and outstanding Members of the House. He is an experienced legislator with many years of faithful, able, outstanding service in this body. I am sure that I am not alone in sentiment when I state that, while I do not always agree with him, I always give the most careful consideration to his views because I know that he invariably stands firmly by American principles and speaks from rich experience and a keen penetrating mind.

However desirable the elimination of this tax at the present time there are two primary reasons why I think it would be presently unwise.

First, before we end this tax we should make provisions for raising the revenue that would be lost to the Government by its termination. I know that there are some claims made with considerable force and probably with considerable validity that if this tax is eliminated business will get new impetus and enjoy new expansion and that the Treasury will reap resultant tax gains. I think there is much to be said for this view as a long-run proposition.

But our needs for huge funds are immediate and urgent. In my opinion they cannot be delayed, but must be met in the current year. The annual deficit may mount up to probably between nine and ten billion dollars, the prospects for the next fiscal year not much better, and the Congress should not take chances on increasing its size still further.

With staggering defense costs as well as great foreign-policy expenditures and huge unliquidated debt, the fiscal condition of the United States Treasury continues to be alarming to all those who believe in sound and basic fiscal and financial policies and practices. I wonder when the American people and their representatives in the Congress will come to the full realization that the Treasury of the United States is not an inexhaustible reservoir of money nor can it be converted into an establishment of limitless credit and debt.

While it is true that our present situation in the world appears to make huge expenditures necessary, the time must inevitably come—and it is soon—when we must clearly recognize the fact that it is not possible for a nation of 160 million people, constituted as we are, singlehandedly or with as little help as we have been getting from our allies, to underwrite and discharge the tremendous obligation of checking Communist aggression in the world and rendering costly financial support and economic aid to so many other nations.

So long as this situation obtains, so long as the Soviet threat casts its dark shadow over our land, we have little choice about raising revenues sufficient to implement our programs of self-protection and self-defense and of setting up all necessary complimentary forces, military and economic, that will secure our freedom.

There is another aspect to the elimination of the excess-profits tax at this time which gives me great concern. That lies in the fact that in ridding business, large and small, of its heavy burden, we do not propose thereby to furnish tax relief to the average American citizen, the rank and file. It seems to me that if we move to lift roughly a billion dollars from the national tax levy some substantial, sizable portion of that sum should be lifted from the backs of ordinary people as well as from the backs of those engaged in business activities who can much better afford to bear such levies, however unfortunately they may be required. In not giving tax relief to the people at a time when we are lightening the burdens on business, it strikes me beyond a doubt that we would be setting up another discriminatory situation in our tax structure which I think is unjustifiable and I could not support regardless of my strong disapproval in principle and operation of this unwise tax.

In addition to these reasons which favor the continuance of this tax until equitable adjustments can be made and adequate revenue assured, I am not unmindful at all of the strong arguments on the other side of the case. I especially deplore the manner in which this bill was previously sought to be brought to the floor of the House. I have not checked the RECORD but I am sure that, if not the first, it would have been one of the few times, apart from regular discharge petition procedure, that this method has been used to present a bill for the consideration of the House. I appreciate the time element involved and that the tax was expiring, yet I strongly feel that the great House Committee on Ways and Means with its distinguished, able and experienced leadership and membership should never have been bypassed. There were other ways available, even if a continuing resolution had to be passed, in order to secure time to reach agreement and thus recognize the prerogatives, prestige, dignity, and standing of one of the greatest committees of the House.

This bill is of course, retrospective and retroactive and there could be no question of undue haste in considering it. I believe that in view of the budgetary situation, the committee could have and should have held hearings and devised broad, general tax laws which would insure adequate revenue and at the same time permit equitable adjustment and tax relief for all even if it were minimum.

I am glad, indeed, that the leadership brought the bill to the floor in the regular way.

In the circumstances that confront the House at this moment, however, and the horns of the fiscal dilemma upon which we seem to be impaled, I am left with no alternative but to accept the situation as it is and very reluctantly and with no inconsiderable hesitancy vote to extend the excess-profits tax as proposed by the bill.

In the meantime, it is my hope that the able leadership of the House will zealously seek and soon successfully devise some appropriate measure or measures by which existing burdens, inequities, and discriminations may be dispelled and long overdue relief be extended to our belabored business groups in which the rank and file and the middle groups of the American people shall equitably share.

It is up to the Congress to provide revenues to meet every contingency facing the Nation. But it is also our duty to strive for economy, efficiency, and accountability in governmental affairs and in every way possible accord tax relief, equitable and just, to the entire American people so that they may be relieved to some extent of their very heavy burdens and so that our cherished American standards of living may not only be maintained but steadily improved.

In this perilous time, yes, at any time, the fiscal condition and stability and solvency of the Federal Treasury is and must be of paramount importance. Deficit spending, increased national debt, depreciated currency, point in but one direction—toward destructive inflation and ultimate ruinous deflation. Let this Congress keep our tax structure and our fiscal policies on a firm, sound foundation. To do otherwise is merely to add to our great problems and invite the development of dangerous forces in the American economy that will undermine our security.

The present spending rate is not encouraging, to those who forecast a balanced budget next year. On 1 day, June 30, 1953, the Government spent about $1½ billion, and during the last week of June just past, expended about $3 billion.

Much depends upon how much we have to spend next year as tribute to the worldwide Communist conspiracy. So long as conditions remain acute we must lay out enough to provide for every possible contingency, including war. We cannot gamble with the national defense. We cannot pursue huge humanitarian spending for foreign peoples and adopt a retrenching, niggardly policy toward our own people and put economy ahead of strength and national security without seriously and dangerously impairing our freedom, security, and prosperity. Sound, farsighted thinking and acting is surely an imperative in this crisis. Let this Congress embrace and practice it.

Mr. COOPER. Mr. Chairman, I yield such time as he may require to the gentleman from Massachusetts [Mr. DONOHUE].

Mr. DONOHUE. Mr. Chairman, I am going to vote to extend the excess-profits tax temporarily, and urge my colleagues to do so, because no less an authority than the President himself has declared the revenue is vitally needed to continue our national-defense program and provide against a dangerously unbalanced budget. I am also voting for it because the leadership is not permitting any alternative; it is either pass this bill or sacrifice the revenue we must have for our own self-protection.

Along with so many other Members, I very deeply regret that apparently we are not going to be afforded opportunity to vote on any other tax measures during this session. I would like very much to have had the chance to vote in favor of an overall equitable tax relief measure, about which so many grandiloquent promises were made not so long ago.

Many criticisms have been voiced here today against the excess-profits-tax measure, and it is undoubtedly true that at least the method of collecting such taxes could be much improved. There have also been some eloquent pleas made on behalf of the young struggling corporations with much of which I am in substantial agreement.

However, there has been too little said about the essential need for tax relief to our already overburdened individual citizen taxpayers, and particularly young struggling families in this country as compared to corporations.

Despite the fact that the United States Census Bureau expects the ratio of the increase in the number of new households to get smaller and smaller for the next 10 years, you can search the Internal Revenue Code and its corresponding regulations without finding any section which would give tax relief, such as that granted to beginning corporations, to newly married couples who are about to undertake their period of expansion into family life. Surely the average young married couple must struggle against great financial odds the first years of their common life. I think it would be only simple justice to extend to them, through their first struggling years, the same tax relief aid this Government grants to young corporations.

I am, and I believe most of you are, in thorough agreement that this legislative body should be at least as much concerned about helping young American parents with their growing families as we are in aiding the expansion of small business corporations. Let us not forget that the American family is now, and always will be, the fundamental economic unit in this country.

The whole confusing present tax structure is in urgent need of overhaul. I and many other Members have introduced legislation in this session in an attempt to bring some order out of the existing chaos. I earnestly hope we will be permitted to approve some helpful legislative steps in that corrective direction early in the next session. In my opinion, it should have been done in this session, and I would be willing to stay here all year long if necessary to accomplish it, because I earnestly believe the injustices growing out of this admitted tax muddle are eating away at the morale of the American taxpayers.

We have for years been manifesting great concern over the welfare of a great many other foreign countries, some of whom might well be questioned on American friendship. It is time that we pay some attention to our own tax-harassed people, and I say that time is now.

Mr. NORBLAD. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. NORBLAD. Mr. Chairman, as the author of the first, and for a long time, only excess-profits-tax continuation bill in the House, I shall certainly support the legislation before us today. It seems utterly foolish to me for the Congress to try to balance the budget and yet cut out $800 million revenue at this time. It is apparent that our revenues will not equal expenditures this year and failure to pass this bill will only make that situation worse. This legislation should be enacted.

Mr. KEAN. Mr. Chairman, I yield the balance of my time to the gentleman from Indiana [Mr. HALLECK].

Mr. COOPER. Mr. Chairman, I have no further requests for time on this side and yield the remainder of the time on this side to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, first of all I want to thank the Members in charge of the time for giving me this opportunity to say something about the matter that is before us, and, if possible, also to say something that might help toward a better understanding of this problem. Let me say that whatever I do say, I say in complete good feeling and with the utmost respect and admiration for all Members of this body. I probably do not need to say again that this whole matter has been for me a burdensome proposition since its inception. It has been difficult. There have been currents and cross currents that have affected all of us on both sides of the aisle who have had primary responsibility concerning it. I suppose that always happens when we have differing opinions as to what should be done—and that is as it should be. I find no fault or have no quarrel with that situation. As has been said before, it is never easy to levy any kind of tax on the people or to extend a tax that has heretofore been levied upon them. But particularly it is an unpleasant thing to extend a tax which so many feel is so inequitable in its application. However that may be, we have this matter before us—and before anyone has any misgivings about it, let me say I hope shortly we can bring this bill to successful passage. I might say parenthetically that in all my service here in the House of Representatives I do not think I have ever been shot at quite as much by so many of my good friends from both sides of the aisle. I have tried to take it all in good spirit because some of it has been just in fun and some of it has been serious. However it may have been, everyone has a right to speak his piece. I must say I was a little amused that the hard money proposition came into the discussion here again. I could launch into a discussion of that. Maybe we will pay a little more interest, but on everything that the Government has to buy we are going to buy it for a cheaper price even as will the consumers of this country who have seen their savings shrink in value as inflation has progressed. But that, as I say, is beside the point. I had hoped that the matter of the action before the Rules Committee might have been considered as water over the dam, and, having forgotten all of that, because certainly it was not

pleasant, we might have gone on to the consideration of this measure as it came from the Ways and Means Committee and then from the Rules Committee. I refer to it only because I want Members to vote for this measure and I do not want them to vote against it because of anything that may have happened in that regard.

Moreover, it has been said that there were no precedents for the action taken by the Rules Committee. I read some precedents to the Rules Committee when I was before them; and when we go back into the House I am going to ask unanimous consent to extend my remarks and include a ruling of Speaker Crisp and a ruling of Speaker Gillett, presenting that question squarely, in which they held that action was within the province of the Rules Committee. I mention that only because, as I say, I do not want anyone to vote against this measure because of the more recent action.

Back in 1895 a point of order was raised against a resolution proposing the consideration of a bill which had not been reported from the committee to which it had been referred. Speaker Charles F. Crisp, of Georgia, overruled the point of order and said:

> The Committee on Rules has jurisdiction to report a resolution fixing the order of business and the manner of considering a measure, even though the effect of its adoption would be to discharge a committee from a matter pending before it, thereby changing the existing rule relative to the consideration of business. It is for the House to determine whether this change in the mode of consideration should be made as recommended by the committee.

On December 9, 1920, Speaker Gillett held that the Committee on Rules may report a resolution providing for the consideration of a bill which has not yet been introduced. The resolution was agreed to by a vote of 151 to 9. During the debate Mr. James R. Mann, of Illinois, said, in part:

> It is quite within the privilege of the Committee on Rules and of the House afterward to bring in and adopt a rule providing for the consideration of a bill that has not yet been introduced. A bill does not have to be reported or even introduced. (8 Cannon's Precedents of the House of Representatives, sec. 3388.)

On June 28, 1922, Speaker Gillett held that the Committee on Rules may originate a resolution for the consideration of a bill regardless of whether the subject matter has been referred to it by the House. In the course of his ruling the Speaker referred to the Committee on Rules as "the executive organ of the majority of the House"—volume 8, Cannon's Precedents, section 3389.

Mr. Chairman, it has been alleged here by certain Members on both sides that the leadership beat a hasty retreat because they did not have the votes. If people want to think that, that is all right with me. It would not make any difference as to what will happen here. I happen to think that we did have the votes. But that proposition was not involved.

I said before the Rules Committee that it would have pleased me more to have this matter worked out in the Ways and Means Committee. I have never deviated from that position. And when I stood before the House and said to my colleagues that I was convinced that it could be worked out in the Ways and Means Committe, there was corroboration from both sides of the aisle. I meant exactly what I said. And what I said was in absolute good faith. I think it is fair to say that what has transpired since that time is proof not only of the correctness of my prediction but of the correctness of the position that we took; because it was only as a matter of last resort that we sought to do what we did.

I cannot let this go by without saying that the hearings of the committee were closed on June 13 in this matter. Days elapsed when all of these proposed amendments could have been considered. Certainly the failure of the Ways and Means Committee to meet and consider this proposition cannot be charged to the leadership. That is one thing for which we cannot be blamed. There was time, but the meeting was not called. I do not know whether it does any good to say this here or not, except perhaps to keep the record straight, but the Speaker, the leadership, and the administration asked only for a meeting of the Ways and Means Committee to consider this very important matter. Those were the suggestions. The meeting was not called. We did what we did, right or wrong; but, as I say, the matter finally was worked out as I suggested.

Reference has been made to a motion to recommit. I have been led to understand that it will be H. R. 6100 introduced by Mr. CAMP, of Georgia. I have tried as best I could to learn from informed sources what that motion to recommit would be. It might be that form of a motion to recommit, it might be a general motion to recommit, or it might conceivably be the Sadlak motion to recommit. That is entirely in the hands of the minority and I do not quarrel with them about that. I would like to say this, however, that H. R. 6100 as it is now presented would favor or help about 5 percent of the people paying an excess-profits tax, and as it is drafted might provide a great windfall or relief to many people who are paying in the highest brackets.

The Sadlak amendment would help 60 percent of the 50,000 in the lowest brackets, those who come under the $100,000 limit. And I might say this too, that all of these things are in a measure discriminatory against someone who possibly might not be given relief. All of this might well have been handled in the committee, but here we are. I read the statement that was issued by the gentleman from Tennessee [Mr. COOPER] after the meeting when he said that many inequities in the law had been pointed out.

Mr. CAMP. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Georgia.

Mr. CAMP. I have noted what the gentleman said regarding H. R. 6100. I propose to move that the provisions of H. R. 6100 be made effective as of January 1, 1953. It would involve no windfall and no payment of any sum to anybody. There would be no rebate whatsoever under it.

Mr. HALLECK. All right; then there would not be a rebate. But I take it, it would apply to old companies as well as new companies.

Mr. CAMP. It cannot apply to old companies, because old companies have their own base period experience. It applies only to companies organized after 1946 who have to rely on the industry average. It cannot apply to an old company.

Mr. HALLECK. I am glad the gentleman made that explanation. I am not however at all clear about the effect of it. It would seem that his later proposal would further diminish the effect of it; and the ultimate question, if you go into anything that is in some measure discriminatory, is: How far we should go.

Then there is always the question of what will happen to the bill in the other body.

There is one other thing that has been charged here that I just cannot let go: It has been charged by some that those of us who support this measure do it for expediency or because we are lacking in principle, because we are lacking in morality. It is charged that we are breaking faith with the American people. I do not so construe it. Certainly that does not measure my feelings in respect to the matter. I do not like it e'ther. But I just want it understood—and I think I speak for all who are going to support this measure, and I am sure it will be supported overwhelmingly—we do it by reason of the serious necessities of the situation that confronts us.

It is argued, of course, that the administration shrouded its ideas in some sort of secrecy. The message came up on May 20. Hearings were started on June 1 and concluded on June 13. I know some people who were making commitments. I know there were some suggestions made about certain taxes to be reduced and some others to be extended; but, Mr. Chairman, who then could foresee the fiscal situation in which we presently find ourselves?

It seems to me that without any regard to any position that any Member took he must face this proposition now in the light of the fiscal situation of the Government as he can now see it to be, with the appropriation bills practically behind us.

Reference has been made to speeches and to pledges. Mr. Chairman, the Republican platform—and I doubt if the opposition platform was much different—said:

> Our goal is a balanced budget, a reduced national debt, an economical administration, and a cut in taxes.

Then we pledged this, saying:

> We are for a sound economy, reduction of expenditures by the elimination of waste and extravagance so the budget will be balanced and a general tax reduction can be made.

If it is of any interest, I was chairman of the speakers bureau at the Republican headquarters in the last campaign. I think I know as well as anybody in the country what the President was saying and what our leading speakers around

the country were saying. I do not recall that any of them said that the first order of business when we get into this session of Congress shall be to reduce taxes without regard to whether or not we can balance the budget.

Cutting expenditures first certainly has been my idea; it has been the President's idea all through the campaign, and if I understand it, it is still his idea; and I think it is still the idea of the overwhelming majority of the Members of the House of Representatives. Fiscal solvency and fiscal stability? Yes; that is what we must achieve.

Reference has been made to appropriations and a charge that nothing has been accomplished in that regard. I have here a clipping from a magazine which states that House cuts in the Truman budget for 1954 are nearing $14 billion. The cuts will run twelve, thirteen, or fourteen billion dollars and, as we say out in Indiana, that is not hay. As we struggle with these appropriation bills we all know just how difficult it has been to try to bring down expenditures of Government. You might look at those figures and say: If you can cut that much off the appropriations why do you not terminate the excess-profits tax and pass H. R. 1 immediately?

As the gentleman from Nebraska so ably stated, there is a great lag between the appropriations and the spending; we are therefore caught on the horns of that dilemma and while we make these great savings, they will be reflected only next year, the year after, and the year after that, which will mean probably that in the coming year we will be $5 billion below the original spending budget.

May I say also with respect to one other thing that has been charged here about the President and the administration. They were called upon in a White House meeting where I sat to come up with their proposals about the tax situation when it became apparent we were going to have another deficit. They were asked to present them on that occasion. I have not been conscious of any undue pressure from anyone in the administration with respect to this whole matter.

Where do we find ourselves as to a fiscal position? We have wound up this year with a $9.4 billion dollar deficit, threatening us with breaking out of the ceiling on the national debt, threatening us with a continuation of the fires of inflation which we all seek to avoid. With all of the economies that we have been trying to make, and are making, it looks now as if we are faced with a deficit in the coming year of $5 billion. I do not think it is going to be that much because I have high hopes that the assurances of the people in the executive branch and in the Armed Services will come to pass that as we go through the fiscal year they will find places to save so that we can come out at the end of the year with a balanced budget.

Those who say that we ought to cut off revenue, reduce taxes now, in my opinion take an irresponsible position with respect to the fiscal solvency of the Government of the United States.

Mr. Chairman, as I say, cuts have been made. We hope to make more. I am only sorry that we could not make enough cuts for the up-coming spending year to permit this excess-profits tax to expire and to pass H. R. 1. No one would have liked that any more than I. I may say, too, I do not think anyone has struggled any more vigorously than I have or any more consistently than I have to cut down appropriations and to find ways to save so that this very desirable end may be attained.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. The cuts that have been made this year will reduce expenditures immediately but the effect of it will be 2, 3, or 4 years from now.

Mr. HALLECK. The gentleman made a very able statement about that, and I hope those who did not hear it will read it in the RECORD because the gentleman has put his finger on one of our very difficult problems.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. To what extent would the deficit have to be reduced before this administration would recommend a reduction in taxes?

Mr. HALLECK. Let me say to the gentleman from Missouri, whose friendship I am happy to have, that this administration by the very action that is proposed today will end the excess-profits tax come January 1 and the last Korea increases will come off come January 1. That is a tax reduction very definitely promised by this administration and will be carried out.

Mr. JONES of Missouri. That will be carried out without any action on anybody's part.

Mr. HALLECK. It will be carried out because there has been a lot of action here which involves cutting the cost of Government. That is the reason. If the spenders had continued to have their way, it never would come to pass.

Mr. JONES of Missouri. Just one more question. Have not some people high in your party charged that the spending has not been reduced?

Mr. HALLECK. Yes. But I cannot be responsible for that. All I can do is refer you to the record, and the records are there.

Reference has been made to the fact that this is an inequitable tax. I have had compiled a list of a lot of recognized inequitable taxes, and they all need to be straightened out, and they are going to be revised, because our great Committee on Ways and Means, with the assistance of the administration and all of us, is moving toward the redrafting, the reconsideration, the restudy of the whole field of taxation, and that is what we are driving for here. We ask only that this tax be extended on through the year, and then it will end. There will also be a reduction in the income tax for the people of the country, and at that time we propose to bring into the Congress of the United States legislation not only to do away with the inequities of the excess-profits tax, but many others as well.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Kansas.

Mr. MILLER of Kansas. During the campaign I heard a very great deal about the iniquity of this excess-profits tax. I am wondering what has happened that would make it less iniquitous now than it was a year ago.

Mr. HALLECK. I would say nothing. That is a good question, and that is as honest an answer as I can make. I need only to suggest to the gentleman that in a Democratic Congress back in 1950 I voted for this tax; I was not happy about it, but I voted for it, and I do not recall that I made any particular point of the excess-profits tax. May I say to my friend that there are only about 50,000 corporations affected by this tax. Believe me, I have solicitude for them. Some people have spoken here who, apparently, have no solicitude for them, and they would have this tax go on and on. I am not in that category. But there has been a lot of political sex appeal, may I say, heretofore, in the idea of doing away with the excess-profits tax before cutting taxes for the individual. Maybe you heard those things in the campaign. You probably were pretty busy making speeches on your side, but perhaps you took in a lot of Republican meetings. In any event, I do not recall that very many people were saying much about the excess-profits tax at that time. I assure the gentleman of the best of feeling and good humor.

Some say, as the gentleman from Louisiana said, that we cannot cut these taxes the 1st of January. I think we can, and I hope we get a lot of help to bring about that very desirable result.

In respect to this particular extension, let us not forget that 82 members of the board of directors of the National Association of Manufacturers voted to reverse their position here awhile ago as against 46 who voted to sustain it. It takes a two-thirds vote of that board of directors to change their position. They did not have quite the two-thirds, but to me it is significant of an attitude that I say is commendable on the part of business people all over this country who are adversely affected by this tax; that in the interest of the fiscal solvency of the country, in the interest of the overall good, they are willing to put up with it for another 6 months, if at the end of that time they know that that will be the end. It was not so long ago that we had here the matter of the extension once more of rent control. I have not been voting for rent control for a long time, but the situation worked around to where it seemed that a 90-day extension would be all right, so the committee voted a 90-day extension, and, so far as I have been able to discover, there was no great outcry from the landlords who felt themselves aggrieved. They have said, "That marks the end of it and we are done with it," and I think this situation comes in that same category. People have been writing to me saying, "We will make

out." Businessmen have written me saying, "This tax adversely affects me; it is going to cost me money, but I am willing to ride it out for 6 months more in order to promote the best interests of the country." I was out in my home State not so long ago and a group of businessmen waited on me to jump down my throat about the excess-profits tax. I explained what we were trying to do about the excess-profits tax. I recited what we were up against; just how tough a job it was. During this discussion, incidentally, it was very much impressed upon me that they did not want that 52 percent normal tax raised. They said, "You start getting that rate up and you never will get it back down." I think there was a lot of truth in that. But when I got through telling them about this overall situation they said, "Well, I guess it's all right. We don't like it, but we are not going to be too mad about it if you go along with it."

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Tennessee.

Mr. COOPER. I am sure that the distinguished gentleman will remember that if nothing at all is done taxes now yielding $8.5 billion will expire automatically by the 1st of next April.

Mr. HALLECK. I certainly do understand that, and I may say to the gentleman that that fact likewise is giving me very considerable concern. I only wish the situation in the world were such that we could say, "Well, we are just going to let them all expire." As of now, I do not know what we are going to do, but we will have to deal with that, I am sure the gentleman will agree with me, when we get to that point.

Mr. REED of New York. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. REED of New York. All you have to do is bring in a rule to extend them.

Mr. HALLECK. I certainly shall expect, if I may respond to that with all humility, that when those matters come along the Ways and Means Committee will deal with them and will consider them.

Mr. REED of New York. I thank the gentleman.

Mr. HALLECK. I have no reason to believe otherwise, because, let me say again, that is the way I would much rather have it handled.

In conclusion, and I have taken too much of your time, I think while there may be a little fun had here and there and a little gigging back and forth about who got us into this debt and who is going to get us out, and what are we going to do about it, there is no one of us that does not believe from the bottom of his heart the fiscal solvency of the Government of the United States is of paramount importance.

We are struggling with a most difficult problem. We have had to cut some appropriations that I did not like to vote to cut, and we are voting for taxes that we do not like to vote for, voting to extend taxes we do not like to extend; but among us and with all of us we have a responsibility to our States, our districts, yes, and to our Nation, to put first things first. That is the reason, Mr. Chairman, I hope this measure is adopted.

Mr. KERSTEN of Wisconsin. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Chairman, there is little doubt that the excess-profits tax extension creates a great hardship upon American industry at this time.

I feel, however, that relief must first be afforded to individuals on their personal income taxes.

I signed the petition to discharge H. R. 1, introduced by the gentleman from New York [Mr. REED] which would give personal income-tax relief. I feel that the administration should get behind this effort to give substantial tax relief to all persons, to individuals as well as to business, at the earliest opportunity.

Individuals, workingmen, businessmen, and everyone needs this incentive to increase the capital wealth of the United States which is threatened by the present crushing burden of taxation.

The CHAIRMAN. The time of the gentleman from Indiana has expired. All time has expired.

Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MCGREGOR, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, pursuant to House Resolution 326, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. CAMP. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CAMP. I am, Mr. Speaker, in its present form.

The SPEAKER. The gentleman qualifies. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CAMP moves that the bill (H. R. 5898) be recommitted to the Committee on Ways and Means to be reported forthwith to the House of Representatives with the following amendment: "That section 447 (b) of the Internal Revenue Code shall be amended by deleting that section and inserting in lieu thereof the following:

"'(b) Base period rate of return: The Secretary shall determine and proclaim for each industry classification in subsection (c) a rate of return (computed to the nearest thousandth) for the base period. Such base period rate of return for each industry classification shall be obtained by amounts being determined and provided under subsection (a), for the 3 years remaining after eliminating from the 4 years 1946 through 1949 the year determined under subsection (a) to have the lowest rate of return (or the highest deficit rate of return) and dividing the aggregate by the sum of the total assets (determined as provided under subsection (a)) for such 3 remaining years.'"

This amendment shall take effect January 1, 1953.

Mr. KEAN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. CAMP. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 127, nays 275, answered "present" 1, not voting 27, as follows:

[Roll No. 86]

YEAS—127

Abbitt	Fulton	Rains
Abernethy	Gentry	Reams
Alexander	Gordon	Reed, N. Y.
Andrews	Grant	Regan
Ashmore	Gregory	Richards
Aspinall	Gross	Riley
Bailey	Hagen, Calif.	Robeson, Va.
Battle	Haley	Rogers, Colo.
Bentsen	Harris	Rogers, Fla.
Bishop	Hays, Ohio	Rogers, Tex.
Blatnik	Herlong	Scherer
Boggs	Holifield	Secrest
Bolling	Ikard	Selden
Brooks, La.	Jenkins	Shelley
Brooks, Tex.	Jonas, Ill.	Shuford
Brown, Ga.	Jones, Ala.	Smith, Kans.
Buchanan	Jones, N. C.	Smith, Miss.
Burdick	Kee	Smith, Va.
Burleson	Kelley, Pa.	Smith, Wis.
Busbey	King, Calif.	Staggers
Camp	Landrum	Steed
Carlyle	Lane	Sullivan
Carnahan	Lanham	Sutton
Church	Lantaff	Teague
Clardy	Lesinski	Thomas
Cole, Mo.	Long	Thompson, La.
Colmer	Lucas	Thompson, Mich.
Crumpacker	Lyle	Thompson, Tex.
Curtis, Mo.	McCarthy	Thornberry
Davis, Ga.	McMillan	Trimble
Deane	Mason	Velde
Dempsey	Matthews	Watts
Donohue	Miller, Calif.	Wheeler
Dorn, S. C.	Miller, Kans.	Whitten
Dowdy	Murray	Wier
Doyle	Neal	Williams, Miss.
Eberharter	Norrell	Willis
Edmondson	O'Konski	Wilson, Tex.
Elliott	Passman	Winstead
Fallon	Patten	Yates
Fernandez	Pilcher	Yorty
Forrester	Poage	
Fountain	Preston	

NAYS—275

Adair	Bolton, Oliver P.	Clevenger
Addonizio	Bonin	Cole, N. Y.
Albert	Bosch	Condon
Allen, Calif.	Bow	Cooley
Allen, Ill.	Boykin	Coon
Andersen, H. Carl	Brambletт	Cooper
Andresen, August H.	Bray	Corbett
Angell	Brown, Ohio	Cotton
Arends	Brownson	Coudert
Auchincloss	Broyhill	Cretella
Ayres	Budge	Crosser
Baker	Bush	Curtis, Mass.
Barrett	Byrne, Pa.	Curtis, Nebr.
Becker	Byrnes, Wis.	Dague
Belcher	Campbell	Davis, Tenn.
Bender	Canfield	Davis, Wis.
Bennett, Fla.	Cannon	Dawson, Ill.
Bennett, Mich.	Carrigg	Dawson, Utah
Bentley	Case	Delaney
Berry	Cederberg	Denounian
Betts	Chatham	Devereux
Boland	Chelf	D'Ewart
Bolton, Frances P.	Chenoweth	Dies
	Chiperfield	Dingell
	Chudoff	Dodd
		Dollinger

Dondero	Karsten, Mo.	Pillion
Donovan	Kean	Poff
Dorn, N. Y.	Kearney	Polk
Ellsworth	Kearns	Price
Engle	Keating	Priest
Evins	Kelly, N. Y.	Prouty
Feighan	Keogh	Rabaut
Fenton	Kersten, Wis.	Radwan
Fine	Kilburn	Ray
Fino	King, Pa.	Rayburn
Forand	Kirwan	Reece, Tenn.
Ford	Klein	Rees, Kans.
Frazier	Kluczynski	Rhodes, Ariz.
Frelinghuysen	Knox	Rhodes, Pa.
Friedel	Krueger	Riehlman
Gamble	Laird	Roberts
Garmatz	Latham	Robsion, Ky.
Gary	LeCompte	Rodino
Gathings	Lovre	Rogers, Mass.
Gavin	McConnell	Rooney
George	McCormack	Roosevelt
Golden	McCulloch	Sadlak
Goodwin	McDonough	St. George
Graham	McGregor	Saylor
Granahan	McIntire	Schenck
Green	Machrowicz	Scott
Gubser	Mack, Ill.	Scrivner
Gwinn	Mack, Wash.	Scudder
Hagen, Minn.	Madden	Seely-Brown
Hale	Magnuson	Sheehan
Halleck	Mahon	Short
Hand	Mailliard	Sieminski
Harden	Marshall	Simpson, Ill.
Harrison, Nebr.	Martin, Iowa	Simpson, Pa.
Harrison, Va.	Meader	Small
Harrison, Wyo.	Merrill	Spence
Hart	Merrow	Springer
Harvey	Metcalf	Stauffer
Hays, Ark.	Miller, Md.	Stringfellow
Heller	Miller, Nebr.	Taber
Heselton	Miller, N. Y.	Talle
Hiestand	Mills	Taylor
Hill	Morano	Tollefson
Hillelson	Morgan	Tuck
Hillings	Morrison	Utt
Hinshaw	Moss	Van Pelt
Hoeven	Moulder	Van Zandt
Hoffman, Ill.	Multer	Vinson
Holmes	Mumma	Vorys
Holt	Nicholson	Vursell
Holtzman	Norblad	Wainwright
Hope	Oakman	Walter
Horan	O'Brien, Ill.	Wampler
Hosmer	O'Brien, Mich.	Warburton
Howell	O'Brien, N. Y.	Weichel
Hruska	O'Hara, Ill.	Westland
Hunter	O'Hara, Minn.	Wharton
Hyde	O'Neill	Wickersham
Jackson	Osmers	Widnall
James	Ostertag	Williams, N. Y.
Jarman	Patman	Wilson, Ind.
Javits	Patterson	Withrow
Jensen	Pelly	Wolcott
Johnson	Perkins	Wolverton
Jonas, N. C.	Pfost	Young
Jones, Mo.	Philbin	Younger
Judd	Phillips	Zablocki

ANSWERED "PRESENT"—1

Hoffman, Mich.

NOT VOTING—27

Barden	Durham	Nelson
Bates	Fisher	Powell
Beamer	Fogarty	Reed, Ill.
Bonner	Hardy	Rivers
Buckley	Hébert	Shafer
Byrd	Hess	Sheppard
Celler	Kilday	Sikes
Cunningham	McVey	Wigglesworth
Dolliver	Mollohan	Wilson, Calif.

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Barden for, with Mr. Celler against.
Mr. Hébert for, with Mr. Hardy against.
Mr. Wilson of California for, with Mr. Wigglesworth against.
Mr. Bonner for, with Mr. Hess against.
Mr. Shepard for, with Mr. Rivers against.

Until further notice:

Mr. Shafer with Mr. Durham.
Mr. McVey with Mr. Byrd.
Mr. Nelson with Mr. Mollohan.
Mr. Reed of Illinois with Mr. Buckley.
Mr. Dolliver with Mr. Powell.
Mr. Cunningham with Mr. Sikes.
Mr. Bates with Mr. Fogarty.
Mr. Beamer with Mr. Fisher.

Mr. PATTEN and Mr. SHELLEY changed their votes from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. KEAN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken, and there were—yeas 325, nays 77, not voting 28, as follows:

[Roll No. 87]

YEAS—325

Abernethy	D'Ewart	Johnson
Adair	Dies	Jonas, N. C.
Addonizio	Dingell	Jones, Ala.
Albert	Dodd	Jones, Mo.
Allen, Calif.	Dollinger	Judd
Allen, Ill.	Dondero	Karsten, Mo.
Andersen, H. Carl	Donovan	Kean
	Donohue	Kearney
Andresen, August H.	Dorn, N. Y.	Kearns
	Dowdy	Keating
Andrews	Doyle	Kee
Angell	Eberharter	Kelly, N. Y.
Arends	Edmondson	Keogh
Ashmore	Elliott	Kersten, Wis.
Aspinall	Ellsworth	Kilburn
Auchincloss	Engle	King, Calif.
Ayres	Evins	King, Pa.
Bailey	Feighan	Kirwan
Baker	Fenton	Klein
Barrett	Fernandez	Kluczynski
Battle	Fine	Knox
Becker	Fino	Krueger
Belcher	Forand	Laird
Bender	Ford	Lane
Bennett, Fla.	Fountain	Latham
Bennett, Mich.	Frazier	LeCompte
Bentsen	Frelinghuysen	Lesinski
Berry	Friedel	Lovre
Betts	Gamble	Lucas
Blatnik	Garmatz	McCarthy
Boland	Gary	McConnell
Boiling	Gathings	McCormack
Bolton, Frances P.	Gavin	McCulloch
	Gentry	McDonough
Bolton, Oliver P.	George	McIntire
	Golden	McMillan
Bonin	Goodwin	Machrowicz
Bosch	Gordon	Mack, Wash.
Bow	Graham	Madden
Boykin	Granahan	Magnuson
Brambiett	Grant	Mahon
Bray	Green	Mailliard
Brooks, Tex.	Gross	Marshall
Brownson	Gubser	Martin, Iowa
Broyhill	Gwinn	Matthews
Buchanan	Hagen, Calif.	Meader
Budge	Hagen, Minn.	Merrill
Burleson	Hale	Merrow
Bush	Haley	Metcalf
Byrne, Pa.	Halleck	Miller, Calif.
Campbell	Hand	Miller, Kans.
Canfield	Harden	Miller, Md.
Cannon	Harris	Miller, Nebr.
Carlyle	Harrison, Nebr.	Miller, N. Y.
Carnahan	Harrison, Va.	Mills
Carrigg	Harrison, Wyo.	Morano
Case	Hart	Morgan
Cederberg	Harvey	Morrison
Chatham	Hays, Ark.	Moss
Chelf	Heller	Moulder
Chenoweth	Herlong	Multer
Chudoff	Heselton	Mumma
Cole, N. Y.	Hill	Murray
Colmer	Hillelson	Neal
Condon	Hillings	Nicholson
Cooley	Hoeven	Norblad
Coon	Hoffman, Ill.	Norrell
Cooper	Holifield	Oakman
Corbett	Holmes	O'Brien, Ill.
Cotton	Holt	O'Brien, Mich.
Cretella	Holtzman	O'Brien, N. Y.
Crosser	Hope	O'Hara, Ill.
Crumpacker	Horan	O'Neill
Curtis, Mass.	Hosmer	Osmers
Curtis, Nebr.	Howell	Ostertag
Dague	Hruska	Patman
Davis, Tenn.	Hunter	Patterson
Davis, Wis.	Hyde	Pelly
Dawson, Ill.	Ikard	Perkins
Dawson, Utah	Jackson	Pfost
Delaney	James	Philbin
Derounian	Jarman	Pillion
Devereux	Javits	Poage
Poff	Scott	Van Zandt
Polk	Scrivner	Vinson
Price	Scudder	Vorys
Priest	Seely-Brown	Vursell
Prouty	Selden	Wainwright
Rabaut	Shelley	Walter
Radwan	Short	Wampler
Rains	Sieminski	Warburton
Rayburn	Simpson, Ill.	Watts
Reece, Tenn.	Simpson, Pa.	Weichel
Rees, Kans.	Smith, Miss.	Westland
Rhodes, Ariz.	Spence	Whitten
Rhodes, Pa.	Springer	Wickersham
Richards	Staggers	Widnall
Riehlman	Stauffer	Wier
Roberts	Steed	Williams, Miss.
Robsion, Ky.	Stringfellow	Williams, N. Y.
Rodino	Sullivan	Wilson, Ind.
Rogers, Colo.	Taber	Wilson, Tex.
Rogers, Fla.	Talle	Winstead
Rogers, Mass.	Taylor	Withrow
Rooney	Teague	Wolverton
Roosevelt	Thornberry	Yates
Sadlak	Tollefson	Yorty
St. George	Trimble	Young
Saylor	Tuck	Zablocki
Schenck	Van Pelt	

NAYS—77

Abbitt	Gregory	Reed, N. Y.
Alexander	Hays, Ohio	Regan
Bentley	Hiestand	Riley
Bishop	Hinshaw	Robeson, Va.
Boggs	Hoffman, Mich.	Rogers, Tex.
Brooks, La.	Jenkins	Scherer
Brown, Ga.	Jensen	Secrest
Brown, Ohio	Jonas, Ill.	Sheehan
Burdick	Jones, N. C.	Shuford
Busbey	Kelley, Pa.	Small
Byrnes, Wis.	Landrum	Smith, Kans.
Camp	Lanham	Smith, Va.
Chiperfield	Lantaff	Smith, Wis.
Church	Long	Sutton
Ciardy	Lyle	Thomas
Clevenger	McGregor	Thompson, La.
Cole, Mo.	Mason	Thompson, Mich.
Coudert	O'Hara, Minn.	
Curtis, Mo.	O'Konski	Thompson, Tex.
Davis, Ga.	Passman	Utt
Deane	Patten	Velde
Dempsey	Phillips	Wharton
Dorn, S. C.	Pilcher	Wheeler
Fallon	Preston	Willis
Forrester	Ray	Wolcott
Fulton	Reams	Younger

NOT VOTING—28

Barden	Fisher	Powell
Bates	Fogarty	Reed, Ill.
Beamer	Hardy	Rivers
Bonner	Hébert	Shafer
Buckley	Hess	Sheppard
Byrd	Kilday	Sikes
Celler	McVey	Wigglesworth
Cunningham	Mack, Ill.	Wilson, Calif.
Dolliver	Mollohan	
Durham	Nelson	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Celler for, with Mr. Barden against.
Mr. Hardy for, with Mr. Hébert against.
Mr. Wigglesworth for, with Mr. Wilson of California against.
Mr. Hess for, with Mr. Bonner against.

Until further notice:

Mr. Shafer with Mr. Byrd.
Mr. Bates with Mr. Mollohan.
Mr. Beamer with Mr. Buckley.
Mr. McVey with Mr. Powell.
Mr. Dolliver with Mr. Sheppard.
Mr. Reed of Illinois with Mr. Sikes.
Mr. Nelson with Mr. Rivers.
Mr. Cunningham with Mr. Durham.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. JENKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which

to extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 4905. An act to amend the Atomic Energy Act of 1946, as amended.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 16. An act to amend the immunity provision relating to testimony given by witnesses before either House of Congress or their committees.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 252) entitled "An act to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury"; requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McCARRAN, Mr. WATKINS, and Mr. WELKER to be the conferees on the part of the Senate.

FIVE HUNDRED MILLION FOR THE PRESIDENT TO AID THE SUFFERING PEOPLES BEHIND THE IRON CURTAIN

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, the liquidation of Beria guarantees that the Communist dictatorship which finally evolves will be a bloody regime with which no decent government can live or do business.

It is vital to the peace of the world that we assist the enslaved peoples by more than words in their heroic efforts of self-liberation.

From the time of Dwight Eisenhower's nomination just a year ago until the present, the President has shown a keen awareness of the sufferings of the peoples behind the Iron Curtain with whom many millions of Americans have a close kinship.

The President has long and consistently recognized that the solution of the world's greatest problems of danger of all-out world war III and the present international tensions lies in keeping alive the hope of freedom and the alleviation of sufferings among the peoples behind the Iron Curtain who, if abandoned, could ultimately be molded by the Communists into armies of aggression.

I am pleased to note also that within the past few days the minority whip, the gentleman from Massachusetts [Mr. MCCORMACK], has expressed his support of aid to the enslaved peoples.

This is a bipartisan issue of the gravest urgency.

I have today introduced a resolution authorizing the appropriation of $500 million to aid the peoples behind the Iron Curtain, a copy of which I wish to include in my remarks herewith:

Joint resolution authorizing an appropriation of $500 million and other sums to aid the suffering people of Communist-dominated nations and areas

Whereas fast-moving events giving hope to the forces of freedom have disclosed widespread suffering among the peoples of Communist-dominated nations and areas; and

Whereas the Congress is approaching adjournment and no one can foresee the developments of the immediate future; and

Whereas the President must have reasonably broad discretion for purposeful planning and the timely execution thereof in keeping with the urgent demands of the days in which we live in order that the Government of the United States may play its full role in attaining the common goal of peace and freedom throughout the world: Now, therefore, be it

Resolved, etc., That, in addition to the sum authorized for such purposes under section 101 (a) (1) of the Mutual Security Act of 1951, as amended, there is hereby authorized to be appropriated to the President the sum of $500 million and in addition thereto such part of the unexpended funds otherwise appropriated by the Congress for foreign aid as the President deems necessary, to be used in such manner as in the President's judgment will best assist the suffering peoples of the Communist-dominated nations and areas to secure their basic natural rights to which as human beings they are entitled and to enjoy the benefits that only the labors of free men in a free society can acquire.

CAN WE FINANCE ATOMIC ENERGY DEVELOPMENT WITHOUT RFC?

Mr. SIEMINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SIEMINSKI. Mr. Speaker, when the wraps are taken off, and atomic energy is opened up to commercial and industrial development, will there be adequate funds to finance it? Obviously, immense sums will be required to produce this power. This means only a very few, if any, independent corporations can actually develop it, if they have a mind so to do.

One wonders what effect the development of this new power will have on the production and marketing of electricity or other power. Will those in power production be inclined to develop a competitive product, or switch over?

I am disturbed as to what the future of atomic energy development may be, should the Government relinquish control or lose interest in this field. On the practical side, how can this development be financed in a free competitive way without assistance by some such institution as the RFC? In the New York Times, issue of Tuesday, July 7, 1953, an article by Harold B. Hinton from Washington states that a company "that recently advertised its ability to build an experimental nuclear power plant for anybody for $10 million—has had no takers yet."

Further light on this situation may be contained in excerpts from hearings before the Treasury Subcommittee on Appropriations, House of Representatives, during the present session, on the supplemental appropriation bill for 1954. I quote from pages 906–907, Tuesday, June 30, 1953, and include also the article from the New York Times referred to above:

LOANS FOR ATOMIC ENERGY DEVELOPMENT

Mr. SIEMINSKI. Is it possible that the RFC may be the agency private enterprise would come to, to develop atomic energy projects, once the situation is declassified, so that we can have power produced through atomic-engineering ability?

For instance, in India today, I am told, there is the fear among some, particularly on-the-ground people, that Russia is going to get into India with atomic-energy development and stimulate power, irrigation, and industrial projects of that country and replace us competitively. We, in the meantime, face the necessity of keeping atomic energy, and what it can do in civilian channels, secret on the basis that we are going to give away a vital war secret.

Now, if industry cannot get money from the banks which derive their revenues from the citizens and people in the community, even if Atomic Energy wants a loan, can you see any place it can go today to carry out its research and development other than this agency or the Export-Import Bank, which are both units of our Government?

Mr. CRAVENS. It will not need to. If you let industry participate in the atomic-energy program, as it becomes vital to us, industry will get all the money to take care of the development that it needs. And don't you have any reservations about it.

Mr. SIEMINSKI. That is good, because what puzzles me and makes me ask the question is that United States Steel, through Brazilian interests, negotiated through the Export-Import Bank a few years ago a credit of some $200 million to develop manganese in Brazil. Now Big Steel is certainly one of the biggest operators in the market; yet, it came to an agency of this committee to obtain credit to develop manganese in Brazil, and certainly we had the private resources and market to develop that.

I ask that in order to let us know and let Congress know whether some big operators can only come here. Your answer, of course, tells me no; they should not come.

Mr. CRAVENS. And should not need to. I am not familiar with the exact circumstances of the loan you refer to; outside the confines of the sovereign United States in another sovereign country is a wholly different animal than asking lenders of this country to put money in this country rather than outside it. You know what happens under foreign governments and the changes in them and so forth. In my opinion, there would be no shortage of capital or money for atomic energy development in this country in the next 30 years.

Mr. SIEMINSKI. I am glad to hear it.

[From the New York Times of July 7, 1953]

ATOM FOR INDUSTRY SPLITS THE EXPERTS—JOINT CONGRESSIONAL COMMITTEE GETS CONFLICTING TESTIMONY ON BIG OR SMALL REACTORS

(By Harold B. Hinton)

WASHINGTON, July 6.—The Joint Congressional Committee on Atomic Energy today heard experts debate the merits of approaching the production of industrial atomic power through the construction of one large experimental plant as opposed to a series of smaller ones of differing design.

Dr. Walter H. Zinn, director of the Argonne National Laboratory near Chicago, an installation owned by the Atomic Energy Commission, advised construction of a power reactor capable of producing from 75,000 to 100,000 kilowatts of electricity as the minimum size from which constructive lessons could be learned for use by private industry.

Power produced by such a reactor, he told the committee, would probably cost about 10 mills a kilowatt-hour and probably could be sold for 7 mills. Its operation, he estimated, would require an annual subsidy of $2 million or $3 million.

The committee is holding public hearings looking to possible legislative recommendations to the next session of Congress. Any extensive experimentation by private enterprise in the field of power production by nuclear fission will require amendment of the Atomic Energy Act.

COST SACRIFICE CITED

Dr. Zinn advised against the development of industrial power by the Atomic Energy Commission alone, despite what he called its good record in using reactors to further our military position.

"Many times, however, cost has been sacrificed for speed or for a guaranteed performance by a certain date," he explained. "What is needed now is experience in getting results in an area where cost is paramount. This experience the private-utility companies have."

Dr. Alvin M. Weinberg of the Oak Ridge National Laboratory, another AEC installation, agreed that private concerns should be encouraged in the development of industrial power, but added that such experiments must be considered no substitute for the Government's own effort to demonstrate the feasibility of cheap central station nuclear power.

He estimated that a large-scale plant, able to solve the engineering and other problems involved, would cost around $100 million, adding that no private enterprise would now be prepared to invest such an amount in the project.

NO TAKERS YET

A different viewpoint was expounded by Dr. Chauncey Starr, director of the atomic energy research department of North American Aviation, a company that recently advertised its ability to build an experimental nuclear powerplant for anybody for $10 million. He told the committee, in response to questions, that this company has had no takers yet.

"It is our belief," he said, "that a reactor program which would provide pilot plant experience would require approximately 5 years and have a total cost of about $10 million, including the cost of development.

"Following such a program, it would then be proper to consider the construction of a full-scale plant which could reasonably be expected to compete with the cost of power from conventional plants at that time, to construct and place in operation such a full-scale plant would require probably another 5 years."

Dr. Karl Cohen, vice president of the Walter Kidde Nuclear Laboratories, of Belleville, N. J., and John R. Menke, president of Nuclear Development Associates, of White Plains, N. Y., likewise differed with Dr. Zinn and Dr. Weinberg on the capability of private industry to develop industrial power without Government subsidy, beyond the use of the existing national laboratories and their research conclusions.

And now, Mr. Speaker, from the Evening Star of July 10 we find the following:

DAY OF ATOMIC POWER FAR OFF, TWO BIGGEST CONTRACTORS STATE

(By Thomas R. Henry)

A warning that economically feasible atomic power is a long way off has been sounded by two of the major business organizations in the field.

The warning was given in testimony before the Joint Committee on Atomic Energy yesterday by officials of General Electric Co. and Westinghouse Electric Corp., who from the first have been top contractors both of the wartime Manhattan District and later of the Atomic Energy Commission.

Both companies have built atomic submarine propulsion engines, the only application of atomic energy as a source of power yet entirely successful. Westinghouse had made considerable progress toward atomic propulsion for surface ships when the project was suspended by the Navy.

CONTRASTS WITH OTHERS

On the basis of this hard experience, the testimony from the 2 corporations, maintaining 2 of the largest scientific and engineering staffs in the world, was quite in contrast to that from representatives of corporations, chiefly in the public-utility field, whose experience has been limited practically to examining blueprints.

"I certainly would advise any company talking about risking seventy-five to one hundred million dollars of its stockholder's money to take a second look," said Charles H. Weaver, manager of Westinghouses's atomic power division, which has been chiefly involved in the naval projects.

Westinghouse, he said, would not consider putting up any of its own money in an atomic energy plant for providing industrial power. Its previous operations have been entirely financed by the Government. President Gwilym A. Price of the corporation said it actually had made a considerable sacrifice in diverting so much of its scientists and engineering manpower to atomic projects. This has kept it behind on jet engine development and on several purely civilian projects.

COST PUT AT $100 MILLION

The cost of a plant providing industrial power, it was testified, would run around $100 million at the least. Power company estimates have run from $50 million to $75 million.

In informal discussions among themselves, Westinghouse officials have said that even if the Government guaranteed 100 percent costs, the corporation would hesitate to take on the contract to build such a plant, Mr. Price said.

Still, it was testified, Westinghouse is investing $2 million in a plant to build equipment for atomic energy power stations, indicating it is not entirely pessimistic about the future.

Testimony of Dr. F. K. McCune, general manager of the atomic products division of General Electric, was little more optimistic.

Mr. McCune said the day of industrial atomic energy might be hastened by release of restricted information and Congress must balance this advantage against slower progress and greater security.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute in order to ask the gentleman from Indiana [Mr. HALLECK] what the program will be next week.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. HALLECK. Mr. Speaker, I am happy to respond to the inquiry of the distinguished minority leader. We expect to adjourn over from this evening until Monday at 12 o'clock.

Monday is District of Columbia day, but I understand there are no bills likely to be reported from that committee for consideration.

We expect to call up the bill H. R. 5877, the customs simplification bill.

A conference report on the MSA authorization (H. R. 5710) has been filed and we expect to dispose of that on Monday after the customs simplification measure is disposed of. I might say in passing it is my understanding that the conference report on the MSA authorization has been unanimously agreed to. There might be some controversy, but at the moment I do not anticipate any.

On Tuesday we have the primaries in the State of Virginia. All of the Members from Virginia expect to be down in their State at that time. We will begin general debate on the supplemental appropriation bill, then take up for final action H. R. 6078, which is the bill giving aid to federally impacted schools for maintenance and operation. If there is any record vote called for on Tuesday on that measure we will carry it over until Wednesday, in view of the situation in Virginia.

On Wednesday and for the balance of the week, first we shall continue the appropriation bill, and then we hope to call up, but not necessarily in this order, bills as follows, on which rules have been reported: H. R. 5740, factory inspection; H. R. 4353, farm credit, and H. R. 116, the fireworks bill. If rules are granted, as quickly as possible we will consider H. R. 5894, Trade Agreements Extension Act, 1953; House Joint Resolution 203, International Trade Fair; H. R. 157, having to do with excise taxes on moving picture theater admissions; H. R. 356, Railroad Retirement Act, amendments thereto; and H. R. 5406, construction of buildings for Federal agencies.

Of course, conference reports are in order at any time. I have been informed that it is expected that several of the appropriation bills that have been passed by both bodies will be gotten to conference, and we trust that conference reports will be coming in starting by the latter part of next week. We hope to call up those conference reports as rapidly as we can. If there is any additional program, I shall announce it as quickly as possible and inform the minority leader about it.

Mr. RAYBURN. I thank the gentleman.

PERSONAL ANNOUNCEMENT

Mr. SHEPPARD. Mr. Speaker, I was downtown on official business during the vote on the excess-profits tax bill. Had I been present I would have voted "aye."

COMMITTEE ON AGRICULTURE

Mr. HOPE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight tonight to file a report on H. R. 6054.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

FARM CREDIT ACT OF 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 328, Rept. No. 766), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4353) to increase farmer participation in ownership and control of the Federal Farm Credit System; to create a Federal Farm Credit Board; to abolish certain offices; to impose a franchise tax upon certain farm credit institutions; and for other purposes, and all points of order against said bill or any provisions contained in said bill are hereby waived. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following privileged resolution (H. Res. 329, Rept. No. 767) which was referred to the House Calendar, and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 5740) to amend the Federal Food, Drug, and Cosmetic Act, so as to protect the public health and welfare by providing certain authority for factory inspection, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

SPECIAL ORDER GRANTED

Mr. PINO asked and was given permission to address the House on Wednesday next for 5 minutes and on July 22 for 5 minutes following any special orders heretofore entered.

FAVORING THE GRANTING OF THE STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (H. Con. Res. 110) favoring the granting of the status of permanent residence to certain aliens.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219; 50 App. U. S. C. 1953):

A-6662121, Affen, Awigdor.
A-6652021, Affen, Estera (nee Stowatycka).
A-6652022, Affen, David.
A-6923739, Ahn, Susanna Mei Sheng.
A-7071206, Barenbaum, Sara.
A-7375587, Barsan, Vasile.
A-6886922, Bejlis, Chaim Juda.
A-7873139, Berger, William.
A-6802133, Billys, Bachelle Rottenberg.
A-7210113, Bomze, Nuchim.
A-7097848, Bruil, Wolf.
A-6986770, Bryzman, Sara.
A-7210182, Buranosky, Zora Krizan.
A-8039694, Chang, James.
A-6284272, Chang, Roland Wan-Chan.
A-8039760, Chean, Lui Cheng.
A-7288834, Chen, Casey or Kung Chin Chen.
A-7177873, Chen, Ching-Chi.
A-8057487, Chen, Thelma.
A-6358531, Cheng, Theodore.
A-6627382, Chiang, Hung-Chi, or Kiang (now Wallace Hung Chi).
A-6627377, Chiang Chu-Fang (now Sally), or Kiang.
A-6627381, Chiang, Welthy Hsien-Ya, or Kiang.
A-6403594, Chih, Tao Chung (nee Wei).
A-4363539, Cho, Ling-Chin, or Sister Margaret Cho.
A-4363586, Kiang, Tsui-Yun, or Sister Helen Kiang.
A-6851453, Chu, Sheng To.
A-7135786, Chun, Wong.
A-6975434, Chung, Ling Jai-Pao.
A-6095459, Chung, Pin Liang Mah.
A-6095462, Chung, Jung Yu Chien.
A-6095460, Chung, Mamie Yu-Yen.
A-6095455, Chung, Josephine Yu-Hsiu.
A-6095461, Chung, Charlotte Yu Jem.
A-7118724, Cohen, Sally Moshi.
A-7125302, Czukor, Jolan (Yolanda) (nee Spitzer).
A-7125303, Czukor, Sandor (Alexander).
A-7060506, Dage, William.
A-7190618, Dancziger, Hugo.
A-7915034, Danczinger, Reisel.
A-6949997, Dresdner, Lew.
A-6934998, Ellenbogen, Zoltan.
A-7415183, Fabian, Helena.
A-8150011, Fisch, Erwin.
A-8150012, Fisch, Marianna.
A-6983821, Fischer, Daniel George.
A-7136632, Fizman, Josef or Fizman.
A-7134259, Frankl, Samuel.
A-6887566, Friedman, Paula Peral (nee Paula Pearl Rosenberg).
A-7297265, Friedman, Sandor.
A-7879328, Friedman, Hajnal.
A-7879330, Friedman, Imre.
A-7879329, Friedman, Judith.
A-6903720, Ganz, Josef.
A-6868673, Ganz, Regina.
A-7222523, Hajdowski, Jan.
A-6780721, Halpert, Dennis or Denis.
A-7073886, Harb, Mufid Wazif or Mofeed Wasif Harb.
A-6903674, Hartman, Sandor.
A-7193752, Heidrich, Arnost.
A-7138195, Heidrich, Anna.
A-7138194, Heidrich, Arnost (minor).
A-6599143, Herskovits, Sonyi or Sam Herskovits.
A-6911068, Hoffman, Aranka.
A-6687019, Hrebik, Antonin.
A-7184215, Hrebik, Anna.
A-7118712, Hsieh, Han Chun.
A-6848079, Huang, Mary Feng-Ling.
A-6735277, Hwang, Edith Shu-Ai.
A-6708716, Hwang, Joseph Cen or Tzu Shang Hwang.
A-7172901, Iles, Joseph.
A-6697288, Jen, Houng Pao.
A-5772189, Jubran, George Abdallah, or George Abdallah Jubran Sarsour.
A-6363021, Juzint, Meyer, or Majer Yuzint.
A-7144082, Kaliah, Ruth (nee Ruchia Perkal).
A-7125418, Kantoras, Leiba.
A-7125419, Kantoras, Mirjam (nee Davidoff).
A-6760755, Katz, Zoltan.
A-9747388, Kejdrowski, Jozef.
A-6967272, King, James Tai-Tsun, or King Tai-Tsun.
A-6916663, King, Shin-Chien, or Sidney C. King.
A-6922677, Klein, Pinkas, or Paul Klein.
A-6868671, Klemperer, Eva Zuzana (nee Keleti).
A-6599647, Kovats, Gyorgy Nagyajtai, or George F. Tay.
A-963500, Laarents, Toomas.
A-6967339, Lee, Anna, or Ping-Li Lee.
A-7738505, Lee, Chin Yang.
A-9799719, Lepikson, Alexander.
A-6959700, Li, Hsiu Chen, or Betty Li.
A-6381292, Li, Yi-Sheng.
A-6940530, Lin, Chan.
A-6451320, Lin, Hui Ching Yen.
A-7385346, Liu, Ruby.
A-7283111, Liu, Sien Wei, or Liu Sien Wei.
A-6552720, Loh, Pei-Fang.
A-6848044, Lui, Ming Hang, or Ming Hang Lin.
A-6775574, Mach, Emil.
A-6887559, Meisels, Bernat.
A-6811811, Miciak, Bronislaw or Branislaw or Branislow or Bronslaw or Miciak Bronislaw.
A-6952323, Mincer, Jacob.
A-7197561, Mincer, Peisach, or Paul Mincer.
A-7190623, Moskovitz, Joseph.
A-6691441, Moy, Howard R., or Koon Toa Moy or Roger Hoo Moy.
A-6992561, Nudelman, Mark or Moishe.
A-6922077, Pauker, Guy Jean.
A-7457250, Pauker, Mirona (nee Cochinescu).
A-6082050, Peng, Benjamin Kun.
A-7116628, Perutz, Gertrude Dagmar Zdenka.
0300-300162, Petri, Francis or Francis Arnold Alajos Pukl.
A-7078183, Piasek, Aranka (nee Gedaljovits).
A-6997896, Pill, Maria (nee Kulikowska).
A-6621746, Ponomareff, Serge Alexandre.
A-6887574, Potashnik, Raci Tessler.
A-7184191, Prochazka, Adolf.
A-7197628, Prochazka, Helena.
A-6613322, Pyka, Zygmunt Maria.
A-6900187, Rachman, Mayer.
A-6805571, Rachman, Anna.
A-7095970, Rubint, Ferenc.
A-7095972, Rubint, Gabriella Vajdik.
A-7421668, Ruksc, Henry or Henryk Ruksa.
A-7186354, Safer, Josef.
A-6819584, Samra, Halim Abdul Nabi Jacob or Halim A. Jacob.
A-6314405, Seidler, Klara Von Csorba.
A-6314403, Seidler, Stefan Sandor or Stefan Seidler Sanders.
A-6917984, Seisa, Aron.
A-6746541, Shaya, Ezra Sasson.
A-6616705, Singer, Gustawa, or Janet Singer.
A-9777103, Sinivee, Arthur.
A-6230830, Sofer, Ibrahim Gurji Salman, or George Abraham Sofer.
A-7860462, Steen, Lubove Kotova.

A-7224950, Elgin, Ludmila.
A-6922670, Steinberg, Kalman.
A-6803920, Stoyanoff, Dimiter Pavloff.
A-6803921, Stoyanoff, Kiril Pavloff.
A-6574367, Su, Louise Yao-Hwa or Louise Tang.
A-9825172, Suttora, Matteo Natale Stefano.
0300-301009, Tcheng, En Lien.
A-7483055, Torgovitsky, Issai.
A-7197746, Torgovitsky, Polina.
A-7197747, Torgovitsky, Rita.
A-7197748, Torgovitsky, Gary.
0300-315465, Tsao, Tsen Cha.
0300-315466, Tsao, Winifred.
A-7190607, Tseu, Heng Sing.
A-6958979, Tseu, Charlotte H. Liu.
A-6877785, Wang, Li (George).
A-6694321, Weinstein, Ernest.
A-6694324, Weinstein, Eva.
A-1466910, Weng, Hsing Ching.
A-9825092, Woszczak, Josef Apoloniusz.
A-6851485, Wu, Shin Ye.
A-6899285, Yang, William Wen-Min.
A-6964626, Yu, Juliana Shan-Chuang.
A-9767540, Zawada, Maksymilian.
A-6819104, Zeller, Solomon.
A-4671679, Fou, Mary Tsai Dien, or Sister Mary Fou.
A-6467056, Metsalo, Valentin.
A-6903692, Bluth, Lenke Einhorn.
A-6852888, Feldbrand, Manci.
A-6887709, Meisels, Naftali.
A-6903748, Kaftanski, Seymour alias Szepsel Kaftanski.
A-6938007, Schwartz, Hillel Aron.
A-7290210, Estrachman, Aleksander.
A-6886824, Weiss, Josef.
A-6159671, Joles, Joel Leib.
A-6949995, Neufeld, Josef.
A-6849828, Tai, Gertrude Loe or Hsiao Tso Loe.
A-6210613, Litynski, Zygmunt Leopold or Zygmunt Litynski.
A-7383205, Iliescu, Dumitru.
A-6405961, Lin, Chi-Sun.
A-6916662, Lee, Sen Lin.
A-6887911, Szafir, Jerzy Adam.
A-6887066, Kao, Chung Chin.
A-6213486, Niedzwiecki, Millian Zdzislaw, or James Z. Millian.
A-7184219, Kocvara, Stephen.
A-7283382, Kocvara, Margaret.
A-7351111, Sutt, Mihkel.
A-6897923, Rykrova-Souckova, Milada, alias Milada Souckova.
A-6848574, Ho, Betty Lorenza Yu-Lin.
A-6624885, Tsai, Gerald, Jr.
A-6428121, Tsai, Loretta Yung.
A-6703319, Fong, Swi-Chyi alias Lloyd Swi-Chyi Fong.
A-6934995, Berger, Saje.
A-7209994, Cholewicka, Krystyna Janina.
A-9825129, Juszczak, Stefan.
A-6887560, Knoll, Solomon.
A-6897932, Kracik, Jarmila.
A-7126185, Lee, Henry Tuh-Shing.
A-6854472, Mestrovic, Petar.
A-7127950, Pales, Vitali, alias Victor Pales.
A-7115676, Rosenberg, Johan Drumer.
A-7115677, Rosenberg, Israel Drumer.
A-6804018, Simpser, Rose Rubenstein.
A-7282661, Woo, Esther Sun.
A-7595322, Yiun, Chian Hsih or Mrs. Aileen Pei.
A-6819100, Paneth, Eva Yecheved (nee Grunzweig).
A-6904775, Cajtung, Seweryn.
A-6904773, Cajtung, Masza.
A-6904774, Cajtung, Ryszard.
A-7123471, Szabo, Gustav Oliver.
A-6537568, Wei, Tsun Dah also known as Stacy Way.
A-7051379, Hu, Yun Wen also known as Eleanor Hu Way.
A-7197515, Horvath, Tibor.
A-7197516, Horvath, Agnes (nee Bocskor).
A-7056881, Akos, Lester also known as Laszlo Reiner.
A-7056882, Akos, Lilla (nee Lilla Grosz-man).
A-7372167, Akos, Thomas also known as Tamas Akos.
A-7138064, Reiner, Franciska (nee Franciska Strasser).

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FAVORING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (S. Con. Res. 33) favoring the suspension of deportation of certain aliens.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-6221621, Adame-Valenzuela, Jose.
A-8190215, Agoropulos, Demetrios or James.
A-5997454, Alexandra, Nicholas Michael De.
A-5739973, Altadonna, Maria (nee Galati).
A-6948019, Altamura, Francesco or Frank.
A-8065712, Ammirato, Teresa Vincensa.
0300-344781, Anderson, Hjoje, or George Anderson.
A-2825368, Antonio, Bernardino.
A-8155835, Antonio, Felix San.
A-7802758, Apollonio, Lucinano Antonio.
A-7049107, Amrendariz, Esteban, or Esteban Armendariz-Burciaga.
A-6467334, Arredondo, Atilano.
A-7269653, Arrendondo, Antonia Cardiel De.
A-6611467, Ary, Amin Neto.
A-9099021, Athineos, Nicholas, or Nicholaos Athlineos or Nicolas Athineos or Nicolaos Athinalos.
A-4380361, Baer, Hilda Syralia, formerly Hilda Syralja Carlson or Ellen Carlson (nee Hilda Syralia Wahlstrom).
0200-112336, Ballon, Carmelo Ricardo.
A-6108318, Barba-Garcia, Domingo.
A-5636200, Barreras, Maria Ramirez de, or Maria Ramirez-Garcia.
A-2309337, Bartelamia, Francesco.
A-6853320, Batchelor, Lilian Violet (nee Wallis).
A-3826349, Battaglia, Frank or Francesco.
A-7140060, Beadle-Esparza, Henry.
A-2790147, Bicecci, Primo.
A-4576339, Bieberneli, Barbara Anna.
A-4776181, Blackman, Clothilda Eudora or Brewster or Clothilda Blackman.
A-1245322, Bolko, Fred.
A-7762608, Bonilla, Ana Elena Rangel-Vargas (nee Ana Elena Rangel-Vargas).
A-7140110, Boulos, Hamid Michel alias Michel Boulos Macary or Hamid Antoon Boulos.
1412-1368, Borjas-Chaire, David.
A-6991902, Brettler, Isaac.
A-8190130, Brown, Lester Earl.
A-7269877, Burriesci, Lucia.
A-1185691, Calen, Reynold Sandfried, alias Reynold Sandfried Kalen or Reynold Sandfried Peterson.
A-1845143, Calomeris, Muriel Hewitt (nee Smith).
A-8117566, Campbell, Clarence E. B.
A-7491350, Candelas-Valadez, Jose Rosalio.
A-7821664, Carbone, Mario Vincenzo.
0500-43065, Cardenas, Elvia Rose or Elvia Rose Cardenas Tweedy.
1307-4991, Cardenas-Soria, Andres.
A-4872924, Casale, Umberto Di or Umberta De Casale or Albert Casale.
V-944219, Casare, Antonio alias Di Cesare.
A-6134959, Castillo, Edward or Edwardo Castillio or Eduardo Alvarado or Edward Castillo Alvarado or Enrique Alvarado-Munoz.
A-7290024, Ceniceros, Guadalupe Vasquez or Antonia Resendez Mendoza or Antonia Resendez.
A-7079672, Ceniceros, Andres Reyes.
V-684256, Cerundolo, Giovanni Nicola.
A-7627454, Chang, Mao Sheng.
A-7118570, Chao, Che Shen, alias Paul C. S. Chao.
A-7251022, Char, Wong Tick, alias Thomas C. Wong.
A-6730659, Chao, Ming-Chang.
A-6730660, Chao, Li Chiah Huang.
0502-6639, Che, Jung Kwong, alias Jung Daw.
A-1547431, Cheng, Alfonso Chao-Pong.
A-6033473, Cheng, Wen-Yu.
A-7375410, Cheng, Helen Kuomei Huang De.
A-6694113, Cheng, Chung.
A-6620721, Cheng, Yu Bei Wang.
A-8196992, Cheo, John Keaghliang or John Kongliang Cheo or Kong Liang Djou.
A-1423692, Chepanos, Stevan John, alias John Stevan.
A-8117045, Chew, Ben Poo or Chew Toon Fou.
A-9150016, Cheon, Chan, alias Chan Chong or Chin Cheong or Chan Cheong.
A-9507457, Chick, Mak.
A-7384982, Chien, Fung Soong Yuen (nee Soon Yuen Chien).
A-7368968, Chin, Yen Sheng.
A-6848625, Chin, Yuying Elaine.
A-3690660, Chong, Hee Kee, alias Hee Fook.
A-8217472, Chong, Lazaro Manuel or Lazaro Manuel Chong y Rodriguez alias Manny Chong.
A-8196193, Chong, Tom Sing alias Lam Kam or Lum Kum.
A-2964387, Chow, Eng Yee alias Eng Koon alias Henry Chow.
A-2887149, Chu, Yo Lu.
PR-901264, Chu, Yi Chiang nee Cheng.
A-6699841, Chung, Chi Lu.
A-5612164, Chung, Po or Chung Bia.
A-5821670, Cohen, Dora or Dora Alvo or Dora Perez.
A-8015421, Contento, Orfeo Luigi.
A-7098468, Cook, David Hutchison.
A-6217085, Corai, Natale Gino.
A-7828647, Corral-Castro, Juan.
A-7828624, Corral-Castro, Francisca.
A-7828782, Corral-Castro, Maria Luisa.
A-7828643, Corral, Luis, or Luis Corral-Guerra.
A-8082322, Csak, Eva Maria.
A-7149327, Cymberg, Bala (nee Kwalwasser), alias Bala Waldmann.
A-7149326, Cymberg, Chemia alias Henick Waldmann.
A-4146930, Dagnino, Giobatti.
A-2028702, Deblauwe, Ernest.
A-6253447, De Franco, Maria Cervantes alias Leonor Cervantes De Franco.
A-2021139, Dentrinos, Ioannis or John.
A-7251716, De Paulis, Giovanni alias John De Paulis.
A-7802203, De Villalon, Micaela Castaneda.
A-2145272, Di Giacomo, Nicolo.
A-4934371, Dolesal, Rudolf.
0205-24973, Douglas, Kenneth Eric, alias Douglas Jones.
0300-391152, Dousmanis, Constantinos, or Konstantinos Dousmanis or Gus Dousmanis or Costas Dousmanis.
A-7139062, Dowdall, Margherita, alias Margherita Michetti Dowdall.
A-7841865, Duarte, Isabel Maria DeCastro.
A-5097417, Dupre, Percival Edwin or Percy Dupre or Edwin Louis Gonzaque Percival Dupre.
A-2846612, Eng, Fook Shew.
A-2398935, Eng, Lon Kong or Eng Lon Kong or Charlie Lon.
A-8259414, Eng, Sam alias Joe Kee.
A-8217930, Fafalios, George Marcus.
V-1386409, Figuerredo, Alicia Roque nee Francisco Alicia Roque y Garau.

A-6362740, Fischer, Wilhelm.
A-4878205, Foca, Floravanti.
A-7469038, Fontes, Jose Da Encarnacao Coutinho.
A-9532506, Foster, Hubert Peter.
1000-21010, Fox, Edra Young.
A-7849954, Francis, Benjamin Alonzo.
A-3587567, Freeman, Louis.
A-7476444, Fren, Rosa or Rose (nee Gorra).
0303-11024, Frenlere, Marie Cecile Denise.
A-7874933, Fritz, Charles Richard.
A-8065529, Ganzag, Mary Etta.
A-6867477, Garcia, Maria Mercedes Martinez (nee Martinez y Perez de Arrilicea or Maria Mercedes or Maria Mercedes Martinez).
A-8258644, Garcia-Correa, Daniel.
A-9764987, Garifalos, James Athanasios, alias Demetrios Athanasios Garifalos.
A-4113415, Gee, Ahmed.
A-8227056, German, John.
A-4493736, Gilbert, Bella.
A-6916050, Glazel, Nelly, alias Nelly Katz Falk.
A-4868522, Godson, Maria (nee Carter).
0301-19307, Gomez, Gladys Liduvina.
A-8259041, Gonzalez de Saldana, Estanislada.
A-4428321, Goodwin, Isabell, or Isabelle Goodman.
A-3065134, Goodwin, Wilson or Wilson Goodman.
A-6207835, Gosseo, Francisco Bradley, Jr.
A-7779136, Gott, Euyen.
A-8065527, Groves, Kenneth Samuels.
A-6535495, Gracia, Carmen or Carmen Gracia-Tesan.
A-1461362, Guerin, Guerrino Mario.
A-7890016, Guillotin, Martha, nee Munro.
A-5466719, Gutierrez-Machado, Celso.
A-8091946, Guse, Sara alias Susan Guse.
0205-28429, Hall, Randall Saumel alias Randall Blackwood or Ronnie S. Hall.
0300-267277, Hall, William John or Frank William Hall alias John Hibbert.
0608-7617, Hansen, Adele Catherine.
0300-124141, Harrison, Charles Aston alias Aston Eric Wilmott.
A-5390609, Hasslacher, Brosl or Ambrose (Ameros) Hasslacher.
A-6825209, Haszprunar, Ingrid Angela.
A-4085987, Heinrich, Martin.
A-3771075, Heinrich, Sally.
A-7025385, Heinrich, Edeman Howard.
A-4640134, Hem, Wang Gum or Gum Hem Wang.
A-8217659, Henriksen, Hans.
A-7128926, Ho, Ngok or Se Kam Tjoeng.
A-8217655, Holoszyc, Leon alias Hippolit Molla.
A-5387327, Hong, Richard Y (Yu-Sick), or Richard Hong or Ko In Shoko or Yung Sick Hong.
A-4689978, Hong, Soon Kamp Lee or Rosalind Lee Hong.
A-6634818, Huber, Reinhard.
A-6634817, Huber, Helmur Othmar.
A-7957331, Hynes, Hanyo, alias Harry Hynes.
A-9948024, Iaquilino, Nicholas or Nicola.
A-2426562, Ichioka, Kunio.
A-2428900, Ichioka, Sei.
A-7609990, Inamoto, Noboru.
A-5967144, Jensen, Knud Borge Johannes or Carl Jensen.
A-9517349, Jew, Bue or Chai Piu.
0300-376482, Johnson, Lawrence Cardwell, or James Lawrence Johnson.
A-4766816, Jones, Robert Stuart Hamilton.
A-6999671, Jordan, Leon George A.
A-7178538, Jordan, Margaretha Emelie.
A- 2929552, Kaimakliotes, Costas, alias Costas Pavlides.
A-8065995, Kan, Poo, alias Chan Shuck Gun.
A-7768047, Kao, Tin-Tsong.
A-6626115, Kao, Siu Lin (nee Siu Lin).
A-2454621, Kataingris, Antonios Panagiotis.
1010-1096, Kennedy, William Thomas.
A-8117477, Klein, Lillian.
A-4960814, Koberg, Louise Sophie Marie Schmidt De Wall (nee Fisher).
A-5667730, Robert, Wilhelm Heinrich or William Henry Koberg.
A-5708445, Koepnick, Bert August or Bert Gust Gwinn.
A-5127521, Kolefsky, John George.
A-6968056, Kongsgaard, Sverre.
1000-18581, Kongsgaard, Dagrun.
A-9764588, Kontos, Michael, or Makis Kontos.
A-7094784, Koppl, Klaus.
A-6457489, Kopelowitz, Aaron, alias Aaron David Kopelowitz.
A-8015749, Krawczyk, Ryszard, Metody.
A-1787978, Kuchta, Stanislaw.
A-8217894, Kuon, Tom Wing or Hon Wing Guen.
A-7276639, Kyriacou, Anna (nee Philippou).
V-904271, Laconsay, Maxima Castillo or Maxima Valentin Castillo.
A-9748126, Ladeira, Joaquin Gomes.
A-3752542, Lang, Dong Yep.
A-5661848, Langer, Herman Ernst Heinrich.
A-6087757, Lawler, Bertha Carrillo or Berta Jimenez or Berta Carrillo Jimenez.
0300-391327, Lee, Hee or Hay Lee.
A-5080000, Lee, Nam Bow alias Lee Mum Bo alias Mam Bo Lee alias Moy Yu.
PR-905357, Lee, Richard Tuh Yu.
A-4844400, Lee, Julie Tse Chung (nee Julie Tse Fung Chang).
A-5101303, Lee, Sing Ah, or Sing A. Lee.
0300-368549, Lee, Yeu Shing, alias James Lee.
A-8217625, Leija-Luna, Andres.
A-8217608, Leija, Teresa Tobias De.
A-3686691, Leontis, John E., alias Ioannis Kyriakou Leontis.
A-7086438, Lepre, Rudolph.
A-9645333, Leung, Sai Goon, alias Yeong Yin.
A-5350140, Levasseur, Joseph Hector.
A-3443867, Limatola, Michele.
A-7450229, Lin, Andrew Damon or Andrew (Ta-Wen) Lin.
A-7858080, Linderman, Alice H., or Alice Hosana Linderman.
A-9744743, Lindo, Carlton Sheridan Raphael.
A-1856670, Ling, George Huie.
A-9695119, Lio, Mao Lin or Lio Mao Lin.
A-2314197, Lombardino, Rosalia (nee Fermo).
1409-10795, Lopez, Francisco Soria.
1409-13949, Cisneros, Emma Soria.
1409-13950, Cisneros, Consuelo Soria.
A-8217395, Lopez-Jauregui, Cayetano.
A-4657553, Lotito, Joseph.
A-4130839, Louvis, Panagiotis Efstathiou.
A-8106465, Luen, Liu Chiu alias Li Chiu Luen Chao alias Patricia Chao.
A-6171861, Mandaat, Jose Ricardo nee Garcia y Roca or Richard Mandatt.
A-3430277, Marian, Ruth.
A-7469336, Markham, George Clifford or George C. Malcolm.
A-7392084, Martinez-De Lira, Felipe.
1409-13161, Matamoros, Agustin Lopez.
A-3995282, Matsuno, Tamaki.
A-3995271, Matsuno, Mitoshi.
V-937570, Mastrovincenzo, Francesco.
A-5400246, Mayon, Tom alias Cemen Marinsky or Samuel May.
A-6751966, McKen, Keith Neville.
A-6737232, McKenzie, Basil Levy.
A-6848715, McHugh, Bethsaida Villacorta (nee Bethsaida Sequerra Villacorta).
A-3352223, Mendonis, Andreas or Andrew.
0800-81367, Merriles, Nancy Hain (nee Seva).
A-8027842, Miguelucci, Alfredo.
A-8196104, Millin, Jack.
A-2702490, Minarovich, Anton, or Anton Minarovic.
A-5545968, Mitchell, Herbert Louis.
A-5610286, Miura, Kansiti.
A-9741459, M'Latamou, Day.
A-6017358, M'Latamou, Thelma Helen Monica (nee Thompson).
A-9726931, Mobijohn, William Edmond.
A-6794935, Mohsenin, Nezam.
A-2707818, Monaco, Damiano.
0206/10811, Moore, Dolores Marie Simonne (nee Dubois).
0807/5064, Mpras, Stefan[illegible]s.
A-6861361, Munilla, Jose Antonio, or Jose Antonio Munilla y Razoqui.
A-8217730, Murillo-Nava, Porfirio.
A-5620271, Nakawatase, Hideyoshi, or Fred Nakawatase.
A-3843055, Nansheng, Yee, alias Yen Nansheng.
A-5673345, Napier, Evelyn Russell.
A-8196619, Naranjo de Rodriguez, Mercedes.
A-6985709, Nardone, Ernesto.
A-7287924, Natal-Hernandez, Jesus.
A-7112185, Navarro-Arevalo, Juan, or Juan Arevalo-Navarro.
A-4725297, Nees, Polly, or Polly Nitskanasckaea or Nitshanasckaes, or Mrs. Barney Sayet.
0300-398363, Ng, Kim Chow, alias John Moy, or Jung Moy Oi.
A-7962481, Ng, Woon Nan, alias Stanley Wu.
A-1814044, Nicolaou, Mihael Hristov.
A-4163218, Niserakes, Panagiotis Peter, or Paraviotes Peter Niserakes.
A-2436381, Noriega, Loreto.
A-3860278, Novak, Betty.
0807/5419, Obregon-Villanueva, Juan.
0807/5418, Obregon, Maria Josefa De.
A-4784371, Ohlsen, Carl Siegfried, or Karl Ohlsen.
A-7809130, O'Rourke, Samuel Lester.
1614-2509, Orozco-Ramirez, Rafael.
1409-14589, Ortega-Madrigal, Amador.
1409-14588, Mejia de Ortega, Paula.
1409-14589, Ortega-Mejia, Florentina.
1409-14589, Ortega-Mejia, Zeferino.
1409-14589, Ortega-Mejia, Delfino.
1409-14589, Ortega-Mejia, Espedito.
A-6815337, Osoria-Chavez, Roberto or Roberto Osoria.
A-9098103, Osman, Ismail Bin or Smaile Osman.
A-9948030, Ottaviano, Vincenzo Francesco or Francis.
0300-374395, Palmer, Audrey George alias Ralph Aiken.
A-6447035, Palomo, Purifico Ymzon.
A-9740959, Pantelarcs, Isidoros.
A-4292400, Pearce, Enrique Raymundo or Henry Ray Pearce.
V-1256195, Pelle, Ertedore.
A-1058084, Peloponissios, John, alias John Pelos.
1300-110154, Petrini, Erminio.
A-4866990, Pignato, Vincenza, or Vincenza Bonifazio (nee Cingari).
A-3854221, Pizzolato, Edonide alias Edonite Pizzalato, alias Giovanni Lamberti alias Pizzolato Edonide.
A-3985871, Pomaro, Emmanuela Zarcone or Nelly Pomaro or Nelly Zarcone Pomaro.
A-6459325, Pop, Eugen V. or Eugene Valeri Pope.
A-5108394, Poulos, Anastasios George.
A-7821688, Progin, Vera (nee Marichich).
A-4125361, Puccinelli, Aldo.
A-8090442, Queich, Cecil O.
A-8090416, Quintana-Serna, Alvaro or Alvaro Quintana or Alvaro Quintana-Cerda or Alvaro Quintana-Gamez.
A-6617905, Quiroga-Escamilla, Ruben or Ruben Quiroga.
A-6145931, Riddle, Dominga Faustino.
A-7809154, Rocha-Almanza, Jose Guadalupe.
V-514323, Rodriguez, Orlando Hoed.
V-671918, Rojas, Francisco Ramon Taveras Y or Francisco Ramon Taveras.
A-2170341, Roknich, Gajo or Guy Roknich alias Stevan Rokrich or Stevan Roknick or "Steve."
A-3479491, Romney, Eileen.
A-6685494, Rosenstein, David Leopold.
A-9711299, Rospel, Michel.
A-5438808, Rosseland, Sverre.
A-3427526, Roy, Joseph Louis Noe.
A-3427120, Roy, Yolande Viola Hermine Stella.

A-6151061, Rusich, Enrico alias Henry Rusich.
A-7119165, Sackenreuther, Annemarie.
A-7135354, Sackenreuther, Marie Luise.
A-7890508, Saguinsin, Jose formerly Jose Cano Perez.
A-5653311, Salo, Paul or Paul Hirvisalo.
A-3488792, Samilpa-Galderon, Abraham or Abraham C. Samilpa.
0300-355982, Samuels, Eric Edward.
A-6522009, Sanchez, Gloria Telles de, alias Neomi Lopez.
A-6755334, Schaeffer, Joan Isabelle (nee Campbell).
A-9802679, Schintu, Giuseppe.
A-5679752, Schnell, Otto Albert, alias Peter Gynt.
A-4128227, Sciabassi, Giovanni Bautist, or John Sciabassi, or Joe Volpati.
A-7886711, Segura, Raul Soto.
A-7377006, Seltzer, Gertrudes De Castro.
0300-400996, Shand, Hubert Benjamin.
A-8217365, Shanner, Arthy, alias Ernest Shanner.
A-4948552, Sheard, Frederick.
A-6022003, Sheem, Cheong or Sin, alias George Cheong Sheem.
0501-19631, Shou-Chin, Wang, or Shou-Chin Wong.
A-9687822, Shun, Lo.
A-7982684, Silber, Julius.
T-679024, Silva, Ursula Czaika.
A-7711213, Simor, Ferenc, alias Francesco Simor or Francis Simor.
A-8117052, Sinclair, Vincent Leslie, alias Byron Summerville.
0300-358313, Smith, Gilbert, or James Smith.
A-4861034, Soto, Castor Gonzalez.
A-7125250, Spitz, Sidonia.
A-7463059, Stoddard, Nicole Marguerite (nee Dumas).
A-6879794, Stahl, Ragnar Leonard.
A-7381386, Stanescu, George Vasili, or Gheorge Stanescu.
A-9116435, Stanisik, Nikola.
A-4825899, Steeves, James Herman.
A-7383860, Stein, Ruth, alias Ruchel Mintzer (nee Marcus).
A-9061063, Sun, Lee King, alias Lee King San or Lee King Sam.
A-2765685, Svon, Sung, alias Svon Pan Dang or Pan Dang Svon.
A-9539446, Teixeira, Manuel Jesus, or Manuel De Jesus Teixeira.
A-5211831, Thomas, Joseph Anthony Paul, alias Joseph Bugeja.
A-7203124, Tiberi, Oliviero.
A-7049645, Torrez-Lopez, Jose or Jose Torres.
A-9532703, Tsalas, Vasilios.
A-7414990, Tsao, Eugene You-Chen.
A-2097037, Tsao, Lian Shu.
A-5716966, Tsukano, Yoshi (nee Yosi Suziki).
A-1181773, Ullah, Rham, alias Raymon Allie or Rahim Ullah.
A-2860557, Uzep, William Michael or Vasilios Mikel Uzep or William Uzep or Vasili Michail Uzepchuk.
A-8117463, Valdes, Rene Elio Sosa Y alias Rene E. Sosa.
A-7999434, Valdivia-Contreras, Marcos or Marcos Valdivia or Jose Marcos Valdivia.
A-6330784, Vasquez, Angelina or Angelina Ibanez y Valle.
A-1466270, Vasquez-Gonzales, Luis or Luis Vasquez or Luis G. Vasquez.
V-1325973, Vavala Maria Antonia (nee Bruni).
A-1811661, Vega, Sara Santos De alias Sara Santos De La Torre or Sara Santos or Sara Vega.
A-4667666, Vidotto, Francesco or Frank.
A-6628402, Walker, Eileen Mary formerly Palese (nee Tierney).
A-5615114, Walker, Frederick Sylvester.
A-7244879, Weiss, Aron.
A-9656098, Wenas, Hendrik Frederik.
A-5908014, Westerhausen, Egon.
A-9567604, Wilkins, Fernando Dudley.
A-6843461, Williams, Daisy Tsung-Fuh Shen.
A-9560242, Wing, Chan or Chin Wing.
A-7445145, Wong, Check Kwong.
A-6694216, Wong, King Fong.
A-8190315, Wong, Kwai Mon alias Mon Wong.
A-6769036, Wong, Mary nee Mary Yu.
A-6741150, Wood, George Cyril.
V-638132, Wopinsky, Chaim.
A-6921101, Wong, Sophia Chang.
A-5430300, Yamaguchi, Ritei.
A-6962991, Yanes, Virgina nee Ruamero.
A-8039464, Ybarra-Torrez, Francisco.
A-8039465, Ybarra, Fidela Beserra de.
A-5615440, Yerouchalmi, Hadji Hay alias Hay Yerouchaomi alias Yerusalmi.
A-7995817, Yook, Lew alias Song Chong or Fong Chong.
A-5113904, Yuen, Char, alias Charles Yuen or Yuen Char or Chas Yuen.
A-6399897, Zabadlija, Dragutin, alias Charles Antonio Zabadilja.
A-4298702, Zarnas, George, alias George Tsarnas.
A-8258704, Acevedo-Cadena, Elisa.
A-4368836, Adachi, Seiko.
A-8155739, Adame-Armendariz, Rodolfo.
A-8017245, Alcaraz-Suarez, Benito.
A-9765590, Ali Eshad or Eshed Ali.
A-7130824, Alvarado, Jose Trinidad.
A-7130825, Alvarado, Petronilo.
A-7130826, Alvarado, Maria.
A-7130835, Alvarado, Magdaleno.
A-7073993, Amarant, Adolf.
A-7828720, Amato, Guiseppe.
A-8065711, Angel- Moreno, Jesus.
A-4942513, Antepara, Carlos Eduardo.
A-6888061, Arana-Cortez, Vicente.
A-7415103, Arnold, Brigitt.
A-4790700, Arpadjian, Garabed, or Charles Howard.
A-7376143, Arrindell, Albertha Yvonne Maria.
A-5510011, Arrojado, Americo or Raul De Matos Correia.
A-5502280, Atalla, Mohamad Mousa.
A-7127027, Azua, Uvaldo Aguilar.
A-6646302, Bacoka, Ante or Anton.
A-6704088, Baptiste, Ronald Philip.
A-9821935, Batista, Jose Pereira.
A-3049737, Beekman, Josephus Antonius Maria.
V-797591, Beekman, Olga.
A-8217393, Bella, Victoria Lopez.
A-8021083, Berardi, Giuseppe.
V-246025, Bernstein, Alberto Selig.
A-2583044, Bero, Joseph or Joe or Josef.
A-6989533, Best, Edward Parry or Edward Brathwaite.
A-7841971, Bijlaard, Tine.
A-1356326, Bio, Matheos Bin.
A-7450949, Block, Robert Christian.
A-5960615, Blumenthal, Anneliese, or Anneliese Gaertner Blumenthal.
A-5411877, Blythe, Herbert Edwin, or Roy Williams De Valliere.
A-6805612, Boczko, Murray or Mosuko Boczko.
A-6427870, Bodiya, Naser Georges.
A-1432184, Bohonowsky, Anton or Anthony or Bohanowsky or Anton or Anthony.
A-6420772, Boom, Abraham.
A-4374602, Borghese, Adele Ritoli.
A-3329912, Bosnos, George Constantino.
A-5870495, Bosnos, Catalia Cano de.
A-7450116, Bowen, Herbert Alfred.
A-1939646, Bradshaw, George Robert.
0300-287204, Brandl, Elisabeth.
A-9810494, Braun, Erwin or Erwin Kwiram.
0300-393922, Broderick, Reynold Alexander or Leslie Broderick or George Graham.
A-1260534, Brown, Jexblake Wilston.
A-9333977, Bruers, Victor Martin.
A-5674622, Buse, Emil Carl, or Rudolf Brandt.
A-8010673, Bustamante, Jose Guadalupe.
A-9667775, Calabrese, Joseph Rosolino or Guiseppe Calabrese.
A-5432733, Callsten, Olga Kaarina.
A-5061044, Callsten, Sulo Richard.
0300-400100, Calvera, Carlos Raul.
A-7821711, Calves, Martinez Antonio.
A-6720283, Calvo, Alberto Alfonso or Luis Charbonier or Antonio Alfonso.
A-7243319, Calvo-Camacho, Francisco.
A-2160560, Campbell, Amos.
1500/48037, Campos-Rodriguez, Manuel.
A-8117589, Carrasco-Carillo, Tomas or Tomas Carrasco or Thomas Carasco.
A-8190399, Carvounis, Ioannis or John Carvounis or John Karvounis.
A-5311928, Casaas, Fanny (nee Fanny Rocheminor) or Fannie or Fanny Casaas; Casson; Cassus; Kasnas.
A-8117056, Castano, Pedro, or Pedro Manuel Andres Castano Vasquez.
V-941728, Cavaliero, Isacco or Isaac Davide or John David Cavalieros.
A-9948100, Cenatiempo, Raffaele.
A-7358650, Cereceres, Francisco.
A-7358651, Cereceres, Ismael.
A-7358652, Cereceres, Fiorentino.
A-7358653, Cereceres, Rosa.
A-4762715, Cerniglia, Hattie (nee Poriles).
A-9765781, Cesare, Pasquale Scotto Di or Pasquale Scotto.
A-3697945, Challenor, Ivan A. or Ivan Lincoln Herlis or Arthur Clarke.
A-6620935, Chang, Juliet Marie.
A-6620875, Chang, David.
A-9516818, Chin, Tai On or Wan Dai or Chin Hing.
A-8117870, Chong, Jew or Lee You Chong.
A-8227966, Christie, James Murray or Murray James Christie.
A-6739345, Chu, Louise Jen-Cheng Wong or Louise Jen-Cheng Wong.
A-6702204, Chu, Daniel Ta-Kung, or Ta-Kung Chu.
0300-392393, Chueng, Shui Ming.
0300-391029, Chun, Leong or Hong Chun Leong.
A-2796084, Chung, Ng Yee or Jimmy Lee or Eng Yee Chung or Lim Way.
A-8196989, Clarke, Roy Hubert Wycliffe.
A-3063192, Cobos, Mary nee Rodriguez or Maria Arza Rodriguez.
A-7962541, Cojulun, Gregorio Pac or Gregory Cojulun.
A-8217475, Cona, Carmelo.
A-6823376, Correya, Thereza Clemente y.
A-5022180, Cosenza, Mario or Morris Cosenza.
A-5250787, Cuenin, Frieda Bertha.
A-4120165, Damonte, Nicholas or Nicola M.
A-7178299, Deangelis, Giuseppe or Joseph Deangelis.
A-5537737, Delise, Olimpio August.
0400/43811, Denis, Anna Marie.
A-6922660, Deutsch, Herman.
A-7898976, Dickerson, Violet Agatha.
0300-291760, Domingo, Vincent George.
0300-187983, Donizetti, Ermenegilda.
A-5129633, Dorochenko, Victor George, or Victor D. Harper.
A-8190140, Dovidio, Damiano or Dan Dovidio.
0300-368223, Duncan, Walter Samuel or Walter Brown or Joseph Newbold.
A-8217709, Dunner, Lloyd Bertram.
A-6706397, Duvoi, Alfred Wolfgang formerly Naxer.
A-6174596, Eloquin, Georges Joseph Francois.
A-6562844, Escobar-Segura, Salome or Segura Segura-Escobedo or Jose Hernandez.
A-8190288, Espinoza-Garza, Gregorio or Gregorio Espinosa.
1300-110452, Espinoza-Orozco, Jesus.
A-3178028, Esposito, Raimondo.
A-9765180, Estrada, Reginald Nicholas or Reginald Lewis Ronald.
A-8217928, Ete, Usoro Akapan or Usoro Akapan Ette or Rufus Akapan.
0300-274709, Evancho, Mercedes nee Ruiz Ortiz or Mercedes Nunes.
A-9948137, Facchini, Vincent or Vincenso.
A-6327320, Falco, Leopold G.
A-8089178, Fazio, Vittorio Di.
A-5346294, Fink, Anna (nee Davidesko), or Davidetzki or Anna Finkelstein.
A-9659395, Flamos, Elefterios Kyriakos.

A-6080906, Flores, Eliseo Ramirez.
A-8039390, Flores, Mariano.
A-3897904, Fong, Lai or Lai Chung Ming.
A-4957821, Franco, Maria de Jesus Perida.
A-8031109, Franklin, Carol Doreen.
A-7450071, Fraser, Ferdinand Edward.
A-4090068, Freeman, Pedro Francisco or Pete Freeman or Piet Vriend or Pedro Francisco Vrience.
A-2647389, Friese, Henry.
A-8155946, Fucilli, Michele or Michael.
A-2755094T, Gabrera, Vincent.
V-745091, Galimitakis, Zoe Jean (nee Statharakis).
A-7879647, Galindo-Mercado, Maximo.
A-7394440, Garcia, Jose Garcia.
A-4881873, Garcia, Maria Oseguera de or Maria Oseguera or Muggie Rodrigues or Maria Gonzales.
A-2292622, Garcia-Zapata, Vincent.
A-2810022, Garcia, Rosa Rodriguez De.
A-8078951, Garza-Valdovinos, Genaro.
A-8078896, Garza, Victoria Medina De.
A-9825902, Giannisis, Elias George.
0300-377833, Gittens, Lionel Victor, or Lionel Victor Brown.
A-8217871, Gold, Harold.
A-7383278, Goldfeld, Yosef Lejwa.
A-8227746, Gonzalez, Isabelo Lopez.
A-5053481, Grazioso, Francesco or Frank Grazioso or Francesco Grazioso.
A-7962035, Gryz, Jan.
A-6400094, Gudgeon, Patricia or Patricia Josephine Smiley.
A-8217767, Guerra-Negrete, Maximiano.
A-4562561, Halvorsen, Otto.
A-3831642, Hanos, Lorentzo or Louis Hanos.
A-8217333, Harker, Aramis Alencon or John Constantine Harvey.
A-6071011, Harrison, Priscilla (nee Garnet).
A-8196253, Harvey, John Richard.
A-8117195, Hernandez, Manuela Lopez de.
1502/5807, Hernandez-Lopez, Tomas Jose.
A-6645153, Heyka, Antoni.
A-5396839, Hing, Hoo or Hing Hoo.
A-7284958, Hoff, Johanna (nee Steigler).
A-7898797, Hogikyan, Dr. Azat.
A-7178530, Hollander, Vilma Kahan (nee Vilma Kahan).
A-9653679, Holligan, George Everton.
A-9015519, Hsu, Man Goon or Man Kwong Hsu or Hsu Man Kwong.
0300-295669, Hunte, Clement Dacosta or Jones.
A-7395055, Ih, Yung Hsiang.
A-4066077, Inone, Helene.
A-4511992, Inoue, Kakutaro.
A-7802345, Jallorina, Maria Laura Monge de.
A-5172480, James, Margaret Henrietta or Margaret James or Mrs. Octov Jensen or Margaret Henrietta Bailey.
A-5585382, Jamrow, Hildegarde Paula (nee Hildegarde Paula Willman).
A-8031383, Joe, Chin, or Joe Chin.
A-8196046, Josaphat, Max.
A-9765868, Juriaco, Antonio.
A-9139414, Kalafatidis, Savas or Savas Kalifitadis or Callifatif or Kalafidis.
A-7821463, Khouri, Youssif Maroun El.
A-4750733, Kuzele, Tomo.
A-9767546, Katsafados, Elias (Louis).
A-3444187T, Keppler, Simon or Koppler.
A-4891791T, Keppler, Vera (nee Erny).
A-9740960, Kontovaakis, Nicholas or Nick Kontos.
A-4059728, Kamakaris, Petros Emanuel.
0300-317676, Kormadis, Ioannis or John Calos.
A-2900662, Kovar, Emilia or Emily (nee Skultety).
0300-371925, Kramer, Klara or Ida Kamennegorsky.
0300-388873, Kon, Ng or Ing Kon.
0300-316350, Khachadurian, Kevorak.
0300-316351, Khachadurian, Alis.
A-3396920, Kalavresos, Elias Antoniou, or Louis Anthony Callas.
A-7690535, Kish, Joseph or Kesh.
A-1847265, Kwan, Hin or Lee Chong Sing.
A-4871165, Kunisch, Albert Adalbert.
A-9235895, Kwan, Cheung.
A-9948164, Lacenere, Donato.
A-7983479, Lam, Mon King or Mon King Lum.
A-5841876, Larsen, Fred.
A-5543362, Lau, Ah Chun or Lok Shi.
A-5534962, Lebovits, Rita (nee Rita Cassell), or Rita Lebois.
A-8117357, Lee, Kenneth Leo or Kock Lieng Lee.
A-6858819, Leer, Hans Jorg.
A-3704017, Leino, Karl Aran.
A-8190525, Leon, Raymon.
0301-18626, Leone, Philip or Filippo.
A-4602830, Leung, Solomon Wency or Hum Ho Leung.
A-4946208, Leung, Ann Hsi or Yu Tsung Hsi.
A-4258615, Levy, Solomon, or Levi or Bohar Eskinazi or Samuel Beher.
A-4700038, Levy, Alice or Levi or Maria Lozano.
0301-19481, Lewis, Wentworth H.
A-3626381, Li, Te Chuan.
A-5877234, Lindberg, Lasse Valdemar.
A-9317810, Ling, Chang Chung.
A-6576392, Lis, Josif.
A-4948579, Lisciani, Massimo.
A-7983442, Livingston, Constantine Premara.
0300-353139, Lopez, Isabelmaria Lorenzo Rosales de or Isabel Maria Lopez.
A-4159680, Lopez, Justo.
A-2345306, Lopez, Luis Alberto.
A-7863337, Lopez, Teodora Rojo De or Teodora Rojo-Lopez or Teodora Lopez Rojo.
A-8196118, Lorenzo, Juan or Juan Gualberto Lorenzo-Marti.
A-7083991, Lua-Garcia, Memesio, or Arturo Lua.
0301-18615, Macaluso, Calogero.
A-5651088, Mackie, Otto Jalmar or Otto Maki or Otto Jalmar Lehtimaki or Markie.
A-8217361, Maio, Frank De or Francesco Saverio De Maio.
A-5061512, Manetti, Angelo.
A-6933888, Mangassarian, Babgen.
A-6933887, Mangassarian, Katharine.
A-7476768, Markub, Sigrid Carmen or Sigrid Carmen Salong.
A-7999525, Marron-Escamilla, Ramon.
A-7999524, Marron, Ana Maria Perez de.
A-9543572, Marthinson, Sten Olai or Sten Olie Marthinson or Sten Marthenson, or Sten Olai Marthinsen or Stein Olai Marthinson.
A-7115062, Matthews, Josephine or Josephine Cossin or Josephine Verstappen or Josephine Cossin Matthews.
A-6490505, Maya, Alberto.
A-0945645, McCree, Cerilia (or Cerilia) McDavid.
A-4416648, McInerney, John.
A-8221498, Medal, Daisy Auxiliadora.
A-8217626, Mejia, George Lucas, or George Lucas.
A-9825399, Meldon, Maurice William.
A-7999557, Mezzo, Giovanni Reimondo, or John Mezzo.
A-7061843, Michopoulos, John Efthimios or John E. Michopoulos.
A-7073665, Miller, Micheline Claire Lotode.
A-5301236, Mincin, Balduino.
A-7138066, Mlotek, Abraham.
A-6598356, Moncada, Julian Manrique.
A-6646327, Mong, Ma.
A-8258614, Montalvo, Herminia Garcia De.
1607-19816, Montes, Etelvina Revuelta de.
A-8217345, Moralties, Stamatios.
A-7010559, Moy, Helen or Moy Toy Goon.
A-7070190, Moy, Joe Gee or Joe You or Chow You or Joe Hong.
A-5063159, Mrwik, Hugo Ludwig.
A-6145741, Munjee, Amanulla Dostmahamed.
A-5441764, Munroe, Elkanah Adolphus or Elkanah Munroe or Manuel Rowe.
A-8057186, Nassar, Muharib Said.
A-6851993, Navarro, Raul Uribe, or Marcelino Caudillo.
A-3473201, Neverow, Vasaili Arsenievich.
A-2782956, Ng, Suey Sing or Ng Suey Sing or Chy Yem.
A-8190050, Nunez, Hugo.
A-5691346, Akuda, Tsutomo Tom.
A-8196956, Olivas, Maria Luisa (nee Flores).
A-4983601, Olsen, Louis Frederick.
0300-379624, Orto, Mario Dell'.
A-3546054, Otero, Constante Soto or Constante Soto.
1610-8619, Pacheco, Lucina Morales de.
1610-8649, Pacheco-Morales, Dimeteria.
1610-8650, Pacheco-Morales, Miguel.
A-5429753, Panico, Vincenzo.
A-3900463, Panovich, Ante Ivan.
A-1127543, Pantazaras, Nicholaos or Nicolaos Pantas.
A-8031507, Pappagallo, Michele or Mike Pappagallo.
A-4069092, Parisi, Carmine.
A-8065688, Parochoguk, Aniela or Nellie (nee Murawa).
0300-288335, Pasara, Markijol.
V-347102, Passarelli, Giovanni, or John Maria Passarelli.
A-6019937, Peddie, Ira or Astanley Moulton.
A-6440144, Pedersen, Leif Helmich.
A-2606439, Penna, Clementina.
A-3386203, Penna, Vera Florence or Vera Penna.
A-8117775, Perez, Francisca Perez De.
A-8193584, Perez-Perez, Guadalupe.
A-8190653, Perez-Perez, Micaela.
A-8196994, Pipinou, Georgios or George Pipinou or Gerogio Pipino.
0300-384513, Pioussas, Stamos.
A-9654368, Poo, Wong Zee or Wong Yu Po.
A-8196605, Poy, Yip.
A-7821689, Progan, Francois.
A-8196005, Puertas, Alberto.
A-8117777, Pulito, Vincenzo.
A-4431783, Quock, Quong.
A-7927611, Rabain, Roger McNeil.
A-7061877, Rafanelli, Ignazio.
A-7061878, Rafanelli, Marta.
A-7061879, Rafanelli, Giuseppe.
A-7061880, Rafanelli, Beatrice.
A-5623908, Ramirez, Maria Luisa Ramirez de or Maria Luisa Ramirez-Garcia.
0612/32186, Ramires, Shirley or Soledad Ramirez.
A-5829841, Ramirez-Leal, Pedro or Pedro Ramirez or Peter Ramirez or Pete Ramirez.
A-3676667, Rando, Domenico.
A-4548907, Ressel, Karl Paul.
1600-100370, Reynolds, Leslie Augustus or Albert Clark.
A-6829095, Rezk, Aki Abi.
A-3785002, Richman, Rose.
A-5587154, Ridao, Francisco.
A-6887295, Riley, Maria Geertruide Mulders.
A-9948060, Rinde, Olaf.
1607-19907, Rodriguez-Cardenas, Andres.
A-7821923, Roges, Tomas Abbott.
A-1773723, Romano, Vincenzo.
A-8196356, Romero, Daniel Ona or Daniel Romero Ona.
1300-114148, Romero, Juana Ayala or Juana Ayala-Garcia.
0800-66358, Roselli, Salminia (nee Spaccapatelli).
A-4711903, Rosenbaum, Isidor.
A-5422558, Ross, Solomon or Solomon Goldstein.
A-5861952, Ross, Polly or Polly Goldstein (nee Pescea Gayman).
A-3970377, Roy, Cyril De or Cyril Randolph De Roy.
A-4392813, Sacco, Michael or Michelarcangelo Sacco.
A-9005859, Salleh, Janit Ben.
A-2405311, Salong, Peter.
A-5063753, Sanchez-Arvizu, Urbano, or Orlando Sanches.
0300-309462, Santalo, Oscar Rosendo, or Oscar Rosendo Santalo y Rosello.
A-5280796, Schiappacasse, Remo Santo, or Remo Schiappacasse.
A-5296733, Schimmelpenning, Hans.

A-4764146, Schneider, Celia, or Celina Schneider (nee Klein).
A-1783056, Seidl, Josef.
A-7828405, Serra, Florida, or Florida Giusti.
A-3308929, Shiu, Yip, or Ip Shui.
A-3084235, Silasuvan, Choon.
A-1155627, Sing, William, or Sing Ah Sing.
A-5121914, Smith, Ida Constantia.
0616-2598, Smith, Joshua Charlsworth.
A-5006133, Smith, Lionel Osborn, or Leo Osborn Smith.
0300-401766, Smith, Milton De Costa, or Sam Small.
V-1391980, Soljanich, Ante.
A-5766951, Sorensen, Ansgar Izar.
A-7373448, Sorensen, Joan Bjorvik (nee Joan Bergljot Bjorvik).
A-7092437, Soria-Vaca, Gilberto, or Gilberto Soria-Baca.
A-6522332, Stamos, Despina Rocha, or Lena Stamos.
0300-332909, Stephens, Kenneth Roy.
0300-389957, Stephenson, Paschal Joseph, or Joscelyn Blake or Paschal Joseph Stevens.
A-5327682, Stiller, Alfons Heinrich.
A-3497128, Stoeckel, Elisabeth.
A-9028353, Storm, Meindert.
0300-378298, Sueiro, Jose.
0300-391512, Suey, Low.
A-5168205, Sullivan, Timothy.
A-9831068, Surian, Giuseppe.
A-8091849, Tai, Mai or Mar Tai or Mar Lai or Ma Tai.
A-5094538, Tatakis, Constantino or Gus Tatakis.
A-8031069, Tateosian, Virginia A. (nee Virginia Arakelian), or Mariana Magarian.
A-2437138, Thomas, Frederick.
A-5466752, Thomen, Luz Trinidad, or Luz Rosa or Luz Moller.
A-6044211, Rosa, Julius or Julio C. de la Rosa.
A-7009921, Tirpak, Ladislav, or Ladislaw or Leslie John.
A-1821749, Tojo, Dr. Hiromi.
A-6233157, Tong, Ho, or Ho Toong or Tong Ho.
A-8196902, Tong, Kong, or Gong Tung.
A-6584966, Torchia, Anna Maria.
A-6887041, Trindade, Fernando das Neves.
A-7983073, Tsolakis, Charles, or Ysidore Tsolakis.
A-6703215, Tsui, Yat Wah.
A-7632193, Tung, Kung Liang.
A-5618462, Tyrrel, Winnifred, formerly Manning May Drinkwater, or Edith Jack.
A-8155994, Vajao, Jorge Batista Goncalves, or George Vajao.
A-8155987, Vidal-Solomon, Marta.
A-2980010, Vikse, Torkel.
A-6392746, Villarejo, Ardenio or Ardenio Villarejo y Mendoza.
A-4850988, Volarich, Joseph Anton, or Josit Anton Volaric.
A-5412653, Vollrath, Elizabeth Forsythe or Elizabeth Blanchard Forsythe or Betty Vollrath.
A-2863669, Wagner, Margaret Anna formerly Gerhardt (nee Hess).
A-5674112, Wah, Cheung.
0300-399352, Wah, Leong.
A-9103476, Walppu, Atte Severi or Valppu.
A-6958544, Wang, Percy Hung-Fan formerly Wang Hung-Fan.
A-6965659, Wang, Lydia Shui-Chih Yu formerly Yu Shui-Chih.
A-7991576, Weber, Frederick Richard formerly Reginald Victor Brophy.
V-1522250, Weir, Socorro L. (nee Socorro Larrazabal).
A-7606416, Wen, Alfred Yueh Hsiung.
A-6505399, Wen, Alma Pui-Hang To.
A-8189464, Wey, Jaw Sean.
0300-345930, Wilson, Henry Headley Casablanca.
V-63633, Witter, Oswald, formerly Oswald Aston Witter Kong or Oswald Aston Kong.
A-4585718, Wolfson, Gisela (nee Klein).
A-7014937, Wolfson, Montagu Peter.
A-9235814, Wong Mook Fong or Song Lin or Wong Lam.
A-6961607, Woodson, Anthony John.
A-5827609, Wowscik, Guido Victor or Guido Victor Hartman.
A-6954159, Wright, Bertram Jefferson.
A-8196438, Wyle, Robert Patterson.
A-9518779, Yan, Chong or Chong Hsein or Hsein.
A-4034583, Yan, Lui or Lui Choy Chun or Louis Yan or Lewis Yan.
A-6610837, Yaqub, Adil Mohamed or Yacub.
0300-395267, Yoo, Chan or Chan Soo.
A-1902496, Yorsten, Charlotte Elizabeth (nee Estabrook).
A-3487089, Yunek, Benjamin.
A-4658105, Yunek, Eva or Eva Comtz.
A-7135629, Zandieh, Fakhreseman Matinraza or Fakre Zandieh.
A-1413605, Zolezzi, Bartolomeo or Bartolomes.
A-4535152, Zuelich, Pio C.
A-7053503, Agrapides, Constantina (nee Nicolis).
A-7983324, Amador, Francisco Pelavo Conejo.
A-6243420, Amarant, Oswald Leon.
A-8155741, Andersen, Leis.
A-4457505, Anderson, Carl Tolver Robert or Robert Anderson.
A-7178606, Badalamente, Rosalia formerly Bozzo nee Vitale.
A-6427869, Bahosky, Bernard Razzouk.
A-9529854, Bardho, Spiro Largo or Mike Bardho or Mihallaq (Llago) Bardhi (Bardo).
A-3640452, Barkovic, Antonio or Anthony Barkovich or Tony Bartrovich.
A-9503940, Basfield, Edward Richard.
A-3945652, Bauhuber, Ludwig.
A-8190138, Beckett, Peter.
A-7868215, Bejar, Luis or Luis Vejar Ogalla.
A-6953462, Berkowitz, Signoru Bella (nee Signoru Bella Cohen).
A-7921652, Bernardi, Remo.
A-7695373, Bienwald, Gabriele (or Gabrielle) (nee Boehm).
0302-2565, Black, Elfriede Renner (nee Schulte).
0300-12212, Boen, Hie Lo or Louie Boen.
A-8227368, Bonelli, Anita Christalia.
A-7137132, Bones, Elba Mercedes (nee Troncoso Gaton).
A-7992867, Bonhomme, Jean Ernest alias John Green.
A-8217191, Borgogna, Vincenzo.
A-4847952, Brandon, Robert Jules.
A-6666976, Breuer, Joseph or Josef Breuer.
A-6653295, Breuer, Berta (nee Falk).
A-2367712, Brooke, Paul Peter.
A-6771867, Broomfield, Archibald Henry.
A-6161325, Brown, Joseph Zeachariah.
0300-390556, Bue, Lee Wah or Henry Lee.
A-7377262, Burflend, Else Alfrida (nee Olsen).
A-4790717, Burnash, Patrick Michael.
0300-392539, Burns, Hildebran Patrick.
A-4726161, Burrows, Walter Byron alias Walter Fallis.
A-2385281, Carrillo, Charles, or Carlos Cecilio Des Lazaro.
A-7193763, Carter, Clarence.
A-8196987, Castro, Guido Jorge Cordova Y, or Guido Jorge Cordova.
A-9643957, Chan, Chuen.
A-7427663, Chee, You Park.
0900/45577, Chen, Pang, alias Hammond P. Chen.
A-6847985, Chen, Catherine Chi (nee Chi Lu).
A-7890080, Chen, Samuel Shin Tsai, or Shih Tsai Chen.
A-1690081, Chen, Wen Hsien Wan.
A-6190104, Cheng, Chu.
A-3785016, Cherry, Bertha, or Bertha Richman.
A-9687709, Cheung, Nagu.
A-7222804, Chi, Hilary Shou Yu.
A-1497379, Chiang, Yao.
A-3247210, Chien, Charles C. F., alias Chi Foong Chien.
A-4226280, Chin, Yuen Hing, or Chin Yuen Hing.
A-5928232, Ching, Tong Kin.
A-9647405, Chong, Yew Chor or Chong Yew Chor, alias Lam Kwai.
A-7463786, Chow, Fu now Mrs. Biau Yang.
A-8227009, Choy, Johnnie, or Choy Fook.
0300-400856, Choy, Sam Seng, alias Choy Shing.
A-2847260, Christodoulou, Christo or John Christ.
A-3824561, Chung, Suey.
A-3081998, Clark, Enos.
A-8196990, Clarke, Vincent Harvey alias Harvey Alexander Clarke.
A-5829028, Claxton, Ellen Rebecca (nee Hyndman).
A-8190212, Claxton, William Henry.
A-8217879, Coppola, Vincenzo alias Vincent Coppola.
A-6262160, Costopoulos, Assimina or Assimini.
A-1997501, Couto, John Barallobre.
A-7566590, Cruikshank, George Mair.
A-9002422, Dagris, Ernest.
99587/615, Damjanovich, Jovo.
V-855195, D'Andre, Patrick Olivier alias Krause.
V-74533, Dang, Florence Eudora, alias Florencia Eudora Low or Florencia Eudora Chong or Mrs. Domingo Chee Chong.
0300-172061, Davy, Renal.
0935/8297, De Hernandez, Guadalupe Lopez.
A-7873852, De Lara, Manuele De La Luz Mejia.
A-6302151, De Luzuriaga, Eusebio Ruiz.
A-6920852, Dembitzer, Manes.
A-5995975, De Vasquez, Carmen Montes De Oca.
A-1364034, Diamantis, Nicholas or Nicholaos John.
A-8227207, Diaz, Albert Rosario.
A-8463876, Diaz, Lydia Rodriguez (nee Lydia Rodriquez).
A-4360119, Dodson, Mabel Katherine (nee Bell).
A-5355800, Dong, Kee Yeow or Dong Kee Yow or Lew Fook.
A-3642027, Dung, Lee or Dung Lee.
0300-812417, Dunn, Noel Ostwald.
A-5951521, Echevarria, Leoncio Bilbao.
A-8217937, Edwards, Allan Reginald.
0300-411002, Elliott, Arthur Alexander, alias Isaac Bent.
A-9634783, Errico, Victor, or Vittorio Errico.
A-4899224, Esposito, Vincenzo.
A-8217920, Esposito, Vincenzo.
A-8039451, Falcone, Rita Maria.
A-1959355, Fang, Henry Ping.
A-8091089, Farn, Mario, or Tang Yet Farm.
0300/398022, Fat, Lai.
A-5928433, Fat, Lam.
A-9769862, Feito, Mario Caunedo.
A-8217914, Fernandez, Pedro, or Fernandes.
A-7742208, Fernandez y Gonzalez, Agapito.
A-7702895, Fernandez, Rosalie Boto Y Rodriguez De.
A-9715354, Figuredo, Domingo Acosta, alias Domingo Acosta.
A-5109517, Fischer, Albert Robert.
A-9759379, Flamos, Loukas.
A-7809038, Fong, Ah Kew.
A-5069854, Forlini, Michael, or Michele.
A-3127329, Forti, Attilio Joseph.
A-3438691, Fortin, Joseph Albert.
A-7491804, Frassetto, Roberto.
A-4007800, Freed, Alys (nee Bould), formerly Alys Bramen.
A-6720914, Friesner, Rudolf Dawid or Rudolf David Friesner.
A-8199103, Frost (or Froes), Molly Marie or Mary.
0300-387670, Fugmann-Christensen, Gert alias Gerd Fugmann-Christensen or George Schulz.
A-8155800, Gallegos-Chavez, Juan.
A-4390578, Garcia, Alejandro.
A-6711962, Garcia-Rivera, Jose or Joe Garcia.
A-6610761, Goltia, Hilda or Hilda Victoria Alveraz.
A-6321362, Gonzales, Francisco Javier alias Frank Gonzales.

A-6710320, Goodson, Joyce (nee Shal).
A-6084943, Gorostisa, Rusbio Ramos alias Chevo Ramos.
A-1980095, Grazia, Joseph Di or Giuseppe De Grazia.
A-3724379, Greco, Joseph.
A-7765863, Gronfeldt, Arne.
A-2064314, Guntveit, Severin L.
A-6048171, Gutierrez-Torres, Pedro.
A-6948179, Gutierrez, Enedina Fuentes de.
A-4538751, Hanchar, Adam, or Damian Hanczar, alias Joe Charny.
0300/135158, Hastings, Patrick Joseph.
A-2545032, Healy, Patrick.
A-7196342, Hernandez, Hortensia alias Hortensia Martino Garcia.
A-5138199, Hernandez, John Jose.
1415-3624, Hess, Frederick Cecil alias Jose Hargrave.
A-2914257, Hewitt, George Lorenso.
A-7229253, Hinkson, Thelma Elise (nee Moore).
A-3168618, Ho, Louie On.
A-7247405, Hong, Lee Shew or Albert Chung.
V-49222, Hong, Wha Sook alias Wha Sook Lee Hong.
A-6304585, Hwang, Yung-Yuan.
A-7995035, Hwang, Bertha Samtoy.
0501-19176, Iwanade, Isao, alias Nicholas G. Johansen.
0501-19177, Iwanade, Kaoru, alias Eric R. Johansen.
0501-19178, Tanahashi, Fumio, alias Warren S. Johansen.
A-7389308, Jaffee, Israel Morris alias Morris Jaffee
T-829929, James, Emanuel or Arthur James.
A-1614160, Johansen, Karen (nee Karen Johansen).
A-3790521, Jon, Sophie.
A-2690546, Kallimanis, Spyros alias Spirpos Kalpinanis.
A-9777413, Kavurias, Nicolaos or Kavorias.
A-7391998, Kerner, Salomon.
A-3339512, Kitover, Anna.
A-1802099, Koehler, Emil or Emil Heinrich August Johan Koehler or John Wagner.
A-7125416, Konter, Ida Hannah (nee Swinbelis).
A-9544670, Krokos, Leonidas.
A-6248606, Kuun, Arvid Valentine.
A-9682619, Kwai, Sue Gee, or Sung Ah Fat.
A-4763012, Kwok, Gun Bew, or Kwok Bew or Ng Hoong.
A-5561212, Ladendorf, Martha Marie.
A-3079091, Lai, Chong or Joey Chong.
A-4129276, Lai, William T. or Lai Poy.
A-6131442, Lango, Pablo Perez.
A-8217624, Lavorante, Ciro.
A-7287913, Ledesma, Genovevo or Genovevo Ledesma-Acosta.
A-6383423, Lee, Kam Tseung.
A-3810786, Leo, Ying.
A-8091886, Leong, Wone alias Sam Wong alias Wone Sam.
0612/32090, Libby, George Patrick.
A-4436810, Liebowits, Alexander.
A-4188058, Lipman, Ida.
A-9606324, Lo, Ven Sing alias Lo Ven Sing alias Lowe Sing.
A-6093214, Locario, Daniel Emanuel.
A-7978964, Lopez-Quintero, Jesus.
V-369763, Loy, Suey or Sue Fong.
A-7419010, Lozano, Edgardo Manuel.
A-7991564, Lubrano, Mario, alias Nunzio Lubrano.
A-7954014 (1), Ludwig, Gisele.
A-7954014 (2), Hagenfeld, Margarete, alias Margarete Hagenfeld Clark.
A-5524360, Mahkonen, Saimi Aline, or Saimi A. Mahkonen.
A-3652154, Mailloux, Luctenda Marie Laura (nee Dube).
A-7630539, Manning, Samuel Lawrence.
A-7654630, Manning, Melitta (nee Shottnegg-Zinsenfels).
A-7654320, Manning, Raymond.
A-8106446, Mar, Benny or Mar Ben.
A-9948021, Martin, Manuel Pena alias Manuel Pena.
A-3234708, Mavris, Panagiotis alias Peter J. Mavis.
A-8031315, May, Cheng or Cheng Mee or Cheng Moy.
A-8227428, Medina, Doroteo Soria.
A-4447029, Melchionna, Generoso alias Genaro Melchiorna.
A-6343686, Mergemekes, Anastasia or Anastasia George Dadakis.
A-5239447, Miguel, Alberto.
A-5800050, Millen, Alexander.
A-7184156, Minikes, Mayer or Major.
A-8282641, Minino, Ramon alias Ramon Casamanes.
A-3759616, Minutolo, Lorenzo.
A-5819018, Mitchell, Mary Elizabeth or Mary Elizabeth James or Mary Elizabeth Dennis or Mary Elizabeth Bailey or Mary Martin.
A-4117504, Mon, Lee alias Henry Chung.
A-3004666, Montello, Gennaro.
A-9741364, Moon, Kan.
0303-4221, Moreili, Valentine Elizabeth.
A-5645955, Moreno, Antonio or Tony Moreno.
A-8276975, Morton, Edith Elva Godsoe (nee Gilbert).
A-9634740, Mugnone, Oreste or Oreste Mugnone Barattolo.
A-2795373, Mui, Jak Lim or Sang Moy.
A-7174718, Nemeth, Margit.
A-5566678, Newmann, Henry Hugo.
A-8196958, O'Halloran, Thomas Patrick.
A-6926004, Ontiveros-Ortega, Jose.
A-4569250, Org, Amalia, or Amalia Schirmer.
A-4859638, Palmeri, Francesco, alias Francesco Palmier alias Alberto Sinna.
A-7174732, Palomo, Eufrosina Vergara (nee Mallari).
A-7457678, Panis, Ricardo Manalaysay.
A-3962253, Papadopoulos, George.
A-6054276, Penn, Enid Louise.
A-8082568, Penn, Muriel Naomi.
A-4399239, Penoucos Y Lopez, Daniel.
A-7190923, Perlmutter, Herbert.
A-1021915, Peters, Johannes Lambertus Adrianus.
A-7040402, Peterson, William James.
A-4200579, Petrolekas, John or John Lekas.
A-3919810, Phillips, Frederick Robert.
A-8117792, Pinson, Lillian May formerly Clarke formerly Myers (nee Fielding).
A-7962068, Psarianos, Stylianos.
A-5585140, Raffaelli, Gino.
A-5947381, Reyes, Ofelia Candia y, or Ofelia Candia.
A-8227500, Richardson, Wilfred.
A-6454232, Ricketts, Allen Donald, or Allen Donald, or Allen D. Reeves, or Sidney Wallace.
A-3164583, Rivera, Victor.
A-4849421, Robinson, Nina Yankowsky, or Fatima Nina Robinson, or Nina Stevens.
A-4533146, Rommel, Johannes Max Gustav.
A-4344936, Rosenfield, Leah.
A-4726943, Rosenfield, Louis.
A-3014463, Rovira, John, or John Rovira Pamier, or Juan Rovira Pamies, or John Revero.
V-8722310, Ruber, Peter.
0300-371492, Ruber, Michael.
A-5017702, Ruchan, Dotty (nee Dvora Hillman).
A-6535802, Ruiz-Gaitan, Hilario.
A-6686125, Ruiz-Nino, Antonio, or Antonio Ruiz.
A-9048023, Ruiz, Manuel Vazquez.
A-7135781, Salkow, Maria, or Maria Begona Oru or Iturregui.
0300-387313, Salmon, Leonard Alexander, alias Leslie Chaplain.
A-1170953, Sandro, Alexander Ilych Petroff Von.
A-5911507, Santo, Joaquin Joao.
A-8117469, Sciancalepore, Marino, or Mario Sciancalepore.
A-3577905, Sen, Lo, or Sin or Sem or Low Sen.
A-7128160, Shapiro, Irving, alias Izak Szapiro.
0300-371940, Shaw, John Samuel, or Samuel Shaw or John Brown.
A-7967100, Shen, Chun Kang, alias John C. K. Shen.
A-4247408, Shing, Low.
A-3864397, Shiro, Yasukichi.
A-9679228, Shui, Chin, or Chen Sui.
A-8106893, Sibli, Ahmed, alias Manua Sulin or Manue Sulin.
A-3443073, Silva, Antonio, alias Antonio da Silva alias Sebolo.
A-8227170, Sing, Chen.
A-2799307, Sing, Lee.
A-4908852, Siniscalchi, Matteo.
A-3448309, Sjogren, Toini Rauha (nee Arvonen).
A-9511726, Sjokvist, Torsten Stellan.
A-2873073, Smalic, Krezan, or Chris Smolich.
A-1427476, Soares, Reginald, or Reginald Suarez.
A-1063822, Sorensen, Robert.
A-7463136, Spadafino, Rosa (Rosetta) (nee Reiggiero).
A-4090847, Stefanatos, Jerry C. or Gerasimos C. Stefanatos.
A-8227418, Stelatos, Gerasimos.
A-7809394, Stephens, Maria.
A-9155925, Storelli, Vito.
A-3096932, Suey, Sing or Shing Sun.
A-4037183, Sun, Wong Yat alias Sun Wong.
A-7828753, Sunn, Mimi (nee Mei-Ta Chang).
PR-901185, See, Mai-Wai Yuen Tsung.
A-8190958, Tabiada, Nina Cabrera.
A-5547492, Tegeder, Ernest or Ernst.
A-9543938, Teles, Enrique or Henrique Teles.
A-3252195, Terilli, Mary Josephine alias Mary Josephine Machado alias Mary Josephine Frisello (nee Mary Josephine Tenna).
A-7995800, Terrazzer, Lucio.
A-7287048, Thompson, Frederick Oliver.
A-2710048, Toth, Stephen.
A-7370989, Tratner, Israel.
A-9757037, Tricoglou, Michael or Trikoglou.
A-393*366, Tsung, Chin Gay, or Gay Tsung Chin.
A-5636163, Ukmar, John or Giovanni.
A-9757109, Vadala, Domenico.
A-8190840, Valdes, Manuel Ortaga.
A-1287393, Vasilaros, Demetrios or James Vasilaros or Jim Vasalis or Patakos.
A-9749169, Ventoso, Jesus.
A-9770967, Verde, Salvatore or Salvatore John Balente.
A-9669401, Viera, Victoriano.
A-9667780, Viso, Giacomo.
A-5063187, Vito, Tony alias Antonio Tancredi.
A-3256713, Wah, Yuen alias Wah Yuen.
083-7844, Wals, Rafael.
A-7223138, Weinberger, Bernard.
A-5713960, White, Elizabeth.
0300-346988, Wong, Hing or Wong Bow.
A-3609664, Wong, James alias Chong Yong Wong.
0646/1110, Wong, Kwai Jimmy.
A-7779637, Wong, Man-Shun.
A-3562308, Wong, Florence Kit-Wah Kwan.
A-3096901, Wong, Sak Sing.
A-2502349, Wong, Sing Fuh.
A-6855642, Woo, Yu Tsung (nee Dzung).
A-3538384, Yee, Moo.
A-9655340, Yen, Mo alias Haw Kau.
A-4223060, Ying, Wong or Mok Him.
A-7182617, York, Au alias Tan Wan Au.
A-4128110, Young, Chan Kow alias Kow Chin or Chan Kow.
A-9705072, Yow, Yuen or John Yaun or Yow Yuen or Yen Yow.
A-8117851, Yuen, Yip or Yip Ying.
A-9543441, Yun, Yip alias Soo Kun.
A-4765722, Zamboca, Albert.
A-7910571, Zamora Y Gonzalez, Armando Eulalio.
A-3270583, Chuen, Ho Wing, or Ho Ming Ngem or Jose Herrera.
A-7967432, Galvan-Rivera, Antonio.
A-1640445, Hernandez De Aguilar, Maria De Jesus.
A-1247540, Hernandez-Hernandez, Jesus.
A-7967337, Hernandez-Hernandez, Marciano Emilio or Emilio Hernandez.

A-6131180, Lopez-Lopez, Ignacio or George Casillo or Jorge Castillo.
A-4132634, Petito, Guiseppe.
A-6763324, Sanchez-Hernandez, Luis or Luis Hernandez or Luis Sanchez.
A-8090430, Tavares, Maria Guadalupe Caus De or Ester Guadalupe Caus De Tavares or Guadalupe Caus.
A-7351084, Williams, Leon Emanuel or Raymond Williams.
A-3921090, Wong, Ling or George William.
1010-1082, Arendt, Alfred William Peter.
A-5588769, Aresta, Joao Maria Silva.
A-7476679, Edgar, Sidney Ellis.
A-7128768, Fenakel, Nikolas, or Niklos.
A-7980352, Osle-Aloma, Fausto, or Fausto Oslo.
A-7980303, Osle, Irida Rodriguez or Irida Osle (nee Irida Rodriguez Diaz).
A-6921151, Xerizotis, Constantin or Gust Zotas.
A-4332793, Carr, Annie Mary or Nan Carr or Annie Mary Thorgersen.
A-6984629, Halmschlager, Elfriede Elizabeth or Norcross.
A-5121683, Hsun, Hsiang, Nyi or Nyi Husan-Hsin and Henry Nyi.
T-2072747, Islas-Casillas, Canute Jesus.
A-2684180, Islas, Antonia Gomez de.
A-3066112, Marinidis, Constantine Marino or Constantine Marino Marinides.
0300-371589, Prieto, Maria Concepcion Panton (nee Conchan Rivas).
A-5003003, Rieck, John.
A-6984672, Shek, John Liensheng.
A-6620894, Shieh, Benea or Sih Benea.
V-1358915, Smollar, Waltraut Wiederhold.
A-6117532, Billinis, Costas Alex.
A-9555659, Vukic, Ante.
A-7286952, Schniewind, Paul Werner Konrad.
A-7073776, Schniewind, Maria Friederike Fernande.
A-2911254, Matarela, Maurice or Mike Matarela.

With the following committee amendments:

Strike out the matter as it appears on page 10, line 2.

Strike out the matter as it appears on page 10, lines 6 and 7, and insert in lieu thereof "A-5667730, Koberg, Wilhelm Heinrich or William Henry Koberg."

Strike out the matter as it appears on page 22, line 15, and insert in lieu thereof "A-5870495, Bosnos, Catalina Cano de."

Strike out the matter as it appears on page 25, line 1, and insert in lieu thereof "A-6823376, Correia, Thereza Clemente y."

Strike out the matter as it appears on page 34, line 14.

Strike out the matter as it appears on page 35, line 14.

Strike out the matter as it appears on page 37, line 24.

Strike out the matter as it appears on page 40, lines 1 and 2, and insert in lieu thereof "A-1302496, Yorston, Charlotte Elizabeth (nee Estabrook)."

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

FAVORING THE SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent for the immediate consideration of the concurrent resolution (S. Con. Res. 26) favoring the suspension of deportation of certain aliens.

The Clerk read the title of the concurrent resolution.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

V-906583, Addad, Encarnacion Javier.
A-5351162, Alava, Moises.
A-6495336, Alfonso, Daniel Rafael Ortiz.
A-7773135, Arguello De Martinez, Amelia.
A-7418113, Armas, Jose or Armas Jose Noguera.
A-7270837, Atkinson, Vance Loval alias Vance Alistaire Bowman.
A-5357364, Bley, Ernst Ferdinand Max.
A-5980513, Brown, William Nicholas.
A-9825258, Carabelos, Francisco Acebedo.
V-996015, Castaneda, Dilia or Dilia Molena-Suarez.
PR-0949374, Chin, Boon Lup.
V-13540, Chu, Chih-Li or Ou Yang Chiyen Chu (nee Ou Yang Chiyen).
V-778424, Chu, Ou Yang Chiyen (nee Ou Yang Chiyen).
A-5801960, Davis, Jack Joseph Alexander.
A-2455219, Dionisos, Nikolaos or Dennis Stefanatos.
A-1935083, Duffy, Thomas Henry.
A-8015744, Eleftheriades, Athena.
A-7602216, Endsley, Susana Tolnay (nee Susana Haydu).
0300-398278 Enriquez, Carmel Leone alias Charles Enriquez alias Carmel Leone.
A-7469670, Feola, Luigi.
A-6859115, Fernandez, Jose.
A-4864705, Gero, Ethel.
A-7178249, Giannoni, Alana (nee Questa).
A-5350150, Gobell, Margarite Maria.
A-4631051, Golt, Leah Black.
A-3291421, Hagen, Arnt Hauen.
A-8189326, Ham, Wilhelmina Frances.
A-4143853, Heredia, Maria.
A-6849831, Hsu, Shih-Yi.
A-6849832, Hsu, Maria.
A-4734859, Jensen, Arne K.
0502-6312, Jesus, Guadalupe Moreno or Vavina Moreno.
A-5240427, Johnson, John or John G. Johnson or Ioannis Ioannou.
A-1472046, Kariofilis, Andrew.
0300-330330, Kelly, Joslyn Samuel.
A-1052477, Kiehm, Isaac Sungbaik or Sung Ho or Isaac Sunbaik Kiehm or Kim Sung Ho.
A-3079069, Klueh, Jacob or Jacob Clue or Jacob Kluh.
A-2182411, Kosmitas, Manuel Nicholas.
A-7476650, Koutroulis, Rena (nee Rena Theodorou Tsiricoglou).
0300-395430, Kum, Wat or Wat Kam.
A-1124711, Kyprianos, Themistocles J. or Kyprianos or Themis John or Tain Themistocles.
A-6207836, Lampe, Rosa Bradley Lampe (nee Goseco).
A-6161800, Laurence, Lloyd Archibald Barrington or Lawrence.
V-944016, Maliozzi, Rosario alias Ronny Maliozzi.
A-7821725, Margarit, Primo.
A-6552873, Matos, Ramon Armando.
A-9825468, Mauricio, Jose Amador.
A-3016875, Mayo, Louis or Liezer alias Antonio L. Maya.
A-6428748, Montana, Manuel Francisco Matalobos.
A-5554344, Morin, Albert Bertie.
A-7849300, Navarro-Ochoa, Salvador.
A-9634769, Nellini, Nunzio Anthony.
A-3290755, Ngai, Kai Kin.
0300-375748, Phillips, Herbert Washington.
A-6526130, Puig, Orlando.
A-8015534, Quintana y Maestre, Claudio Damian.
A-5617399, Raschke, Ralph John or Rudolph Johann Rachke.
0300-363696, Reid, Gladstone Ewart.
A-3150934, Reid, Martin L. alias Martin Luther Reid, alias Martin Williams.
A-8196776, Rosa-Atilano, Sara De La or Sara De La Rosa or Sarah De La Rosa.
A-8196771, Rosa-Atilano, Noemi De La or Noemi De La Rosa or Maime De La Rosa or Noami A. De La Rosa.
A-7270954, Rose, Percival or John Percival McNamee or John P. McNamee.
A-8017132, Rubio-Rojas, Bernardio or Jose Almazan-Rojas.
A-8117683, Sanchez De Juarez, Maria Casilda.
A-7049705, Sanchez, Maria Vicenta.
A-9574680, Sarkan, Jasnon or Sarkon Jasnon.
V-657458, Sassoon, Albertine Yakub.
A-6062948, Stagner, Trinidad Villamil.
A-4377113, Stewart, Ada nee Foster alias Ada Cunningham.
A-7394006, Story, Maria (nee Janzen).
A-8090420, Tavares, Ignacio.
A-1406295, Thomas, Leslie Daniel or Robert Jackson.
A-6843514, Tong, Chi Yin.
A-7263680, Tong, Man Fung alias Man Fung Ng.
A-7809508, Torres de Rodriguez, Alicia.
A-7056033, Waje, Oscar or Uscher Waje.
A-7250478, Waldman, Feia.
A-7125350, Weiss, Eisig.
A-7125351, Weiss, Hedwig.
A-1289484, Wesierski, Erwin Gotthelf.
A-1654416, Winbert, Henry Raymond.
A-1091682, Yavorsky, Olga or Olga Snatchko-Yavorsky.
A-7962234, Yi-Armenta, Juan.
A-4839075, Aleman, Leonardo or Leonardo Contreras or Leonardo Armendariz.
A-8190243, Amador-Silva, Juan.
A-7858186, Asimenios, Spirios.
A-7828572, Avala, Ezequiel Ambrosio Sano y Perez or Ezequiel Perez.
A-7849301, Perez, Margarieta (nee Margarieta Pantoja y Perez).
A-1190865T, Ayriss, Alfred Richard.
A-5670996T, Baker, David or David Bubis.
A-3029157, Baldaeus, Johanna Margarete (nee Gerdes).
A-4714630, Baronachi, George or George Baronaki or Baronacki or George Barone or Baroni or Barony or George Carmina.
0300-372033, Barton, Richard.
0300-390961, Baxevanakes, Theodore or Theodore Vaxevanakes.
A-6936176, Beltran, Salvador.
A-6546813, Najera, Jovita.
A-4394441, Benetato, Evangelo Panagi.
A-1619498, Blewitt, Harry William or Harry William Lewis.
V-1421202, Boros, Abraham.
A-8111564T, Boyd, Arthur Ariel or Ariel Boyd.
A-5662881T, Bressant, Albert.
V-904212, Brown, Rita Tercias, Jr.
A-3760481, Burgundy, Theresa Anna or Theresa A. Burgundy.
A-5332660, Busse, Clara (nee Sage).
A-8196978, Buswell, Hilda Susana.
V-930881, Candy, Brun Arthur.
A-4907020, Carballo-Corbeira, Francisco.
A-7286249, Cordona, Raquel or Raquel Cardona De Leanos.
A-7415714, Carey, Vincent Andrew.
A-5614526T, Cedillo-Castellija, Mucio.
A-8021736, Chae, Wu Young.
A-6843497, Chang, Catherine Margaret or Jui Hsien Chang.
A-9689538, Chapman, Henry Theodore or Henry Chapman.
A-8190886, Charleswell, Pedrito Francisco.
A-7060229, Chi, Nai Chun.
A-7995684T, Cortez-Sanchez, Enrique or Henry Cortez.
A-6546686, Curbelo, Irene (nee Irene Fernandez y Martinez).
A-5535822, De Avalos, Consuelo Perez.
A-6989401, De Berthoty, Paul Charles or Paul Berthoty Murray.

A-8117436, De Cardenas, Socorro Mora-Gonzalez.
A-7387451, De La Chapelle, Gisele Magyar.
A-7387452, De La Chapelle, Alain.
A-7387453, De La Chapelle, Philippe.
A-4729227, Delan, Imre or James Delaney.
0300-282896, De Mondoza, Olga Gomez Hurtado or Olga Gonzales.
A-8017495T, De Neria, Maria De Jesus Lizarraga.
A-9500497, De Ridder, Robert.
A-7017694T, Dick, Lynston Alain or Lynston Allen Dick.
T-734650, Dieguez, Siddharta Isidro Iglesias or Isidro Iglesias.
A-5389244, Di Miceli, Lucia.
A-7203450, Di Santolo, Giuseppe or Joseph Scotto.
A-4780062, Elina, Aune or Anne Salonen or Anne Elina Maniec or Nisniec or Anne Namiec.
1400-19459, Esquibel-Rodriguez, Gilberto.
1400-19456, Esquibel, Maria Del Refugio Zaragosa De.
0300-326779, Ferrentino, Antonio.
A-7445276T, Foo, Wong.
A-2262481, Fountoulis, Andrew George or Andrew Fundulis.
V-1597569, Fuchs, Sara (nee Izak).
A-8117623, Gallardo-Rico, Cliserio.
1607-21056, Garcia-Azumulco, Luis.
A-2386905, Geldis, Pangiotis or Pete Geldis.
A-4381306, Geller, Sara.
A-5151810T, Gero, Elsie.
A-5998311, Gibson, Charles Gladstone or Charlie or Gladstone Gibson.
A-7792917, Gimel, Marie-Antoinette de Pradines.
A-8091944, Giovine, Nicola.
A-5868210T, Glyptis, Constantinos Peter or Costas P. Glyptis.
A-6728726, Gomez, Jose Maria.
A-4122145, Goudjamanis, Georgios Nicholaos.
A-4294913, Gross, Anna nee Chava Guchowitzki.
A-5004303, Gross, Morris or Moishe Gruttz or Morris David Gross.
A-5497815, Guirincich, Umberto.
A-8021973, Gumbs, Freeman Augustus.
A-5747207, Haardt-Ascarelli, Yvonne.
A-1883046, Harris, Frank Wilbert.
A-6816867, Harris, Roderick.
A-7995700T, Hernandez-Servin, Avelina.
A-7995701T, Hernandez-Servin, Goyeta.
V-185719, Hillmann, Max.
A-5666849, Hoxian, Anthony.
A-6709342T, Hsu, William.
A-9516613, Hvidsten, Henry.
A-8217286, Iribarren, Jorge Manuel Porta Balbona y.
A-6386947, Jacobsohn, Peter Mortan Ralph.
A-7374719, James, Agatha (nee Walker) or Violet Edwards.
A-3907712, Jepperson, Harold J.
0300-345134, Jones, Jeanne Gabrielle Manine (nee Manine Auroux).
0600-9806, Jones, Linda Diane.
A-4719467T, Kalle, Hans.
A-3534539, Karstens, Alfred Alarich Emiel Karstens or Alfred Alarich Amil Karstens.
A-2958660, Kerkhoven, Peter Johannes.
A-6047902, Kin, Lam Suey.
A-3633166T, Koutelis, Demetrios M.
A-5969693, Kuderian, John Zarmaven.
0300-408399, Kwong, Yeung, or Ip Sui Yeung Kwong.
V-1045014, La Form, Mary Patricia or Mary Patricia Burrel.
A-8057355, Lake, Ann Louisa.
A-9804944, Larsson, Frithjof Bjarne.
A-7427954, Leavitt, Antoinette Van Barrdswijk.
A-5146820, LeClerc, Joseph Ernest Aime.
A-5271708, Ledee, Joseph V.
A-7963013T, Lee, Quon.
0300-403287, Lipiatos, Thomas or Athanasios Lipiatos.
0300-357028, Lombardo, Sergio George.
A-3968784T, Lopez, Guillermo.
PR-928811, Loukas, Paul, or Pavlos Spiros.
A-8117555, Luchetta, Cesare Guadenzio.
0300-371264, Lum, Larry Yee, or Lum Ying.
A-7769192, Magalee, Ralph Edward.
A-9799758T, Magalit, Metelo Teodosio.
A-6220806, Mihael Edanthia.
V-916949, Mirambeau, Lucien.
0400/43244, Moore, Lolita, or Lolita Daneo.
A-8117704, Moses, Joyce Violet.
A-6357992, Moukios, Evdokia.
A-7297182, Munguia-Mercado, Jose.
A-6425318, Murua, Luis.
A-6991892, Murua, Maria.
A-6991890, Murua, Victoria.
A-6991891, Murua, Junior, Luis.
A-6457168, Nercessian, Nishen Leon, or Nishan Leon Nercessian.
A-8190553, Nesbitt, Calvin William.
A-6105255, Nieto-Angeles, Jose.
A-8065045, Nieto, Carmen Montoya De.
A-9609859, Nieuwendam, Arnold Emile, or Arnold Emile Sallons.
0300-36215, Nin, Fon Fock, or Fung Quon.
A-6859156, Oei, Jacqueline.
A-6859155, Oei, Ing Bian.
A-7828467, Oliver, Ellen Charlotte Marcelle (nee Treyvoux).
A-7041660T, Olsen, June, or June Marie Aliett Kirkerod.
A-8190834, Orfanos, Dimitrios or James.
A-5977611, Oyakawa, Yoshiharu.
A-6153199, Oyakawa, Oto.
A-6153196, Oyakawa, Kenichi Augusto.
A-6153197, Oyakawa, Keiji Louis.
A-6153198, Oyakawa, Mitsuko Yolanda.
A-3526749, Palassolo, Vito.
A-7123597, Pappas, Philareti, or Filareti J. Nee Siotkas.
A-5816122, Patrick, Malia.
A-7978869, Perez, Angelina Chagollan.
A-2096451, Piceno-Mencaca, Procopio.
A-8190940, Piceno, Cristina Garcia De.
A-6373131, Pinero, Carlos Manuel, or Carlos Manuel Pinero Martinez, or Carlos Manuel Martinez Pinero.
A-4301728T, Polito, Paolo, or Paul Polito.
A-2578820, Pomili, Pasquale.
A-5290375, Porto, Luis, or Norberto Rodriguez.
A-7286271, Pozo, Louis Alvarez, or Juan Louis Alvarez or Louis Alvarez or Louis Allvery Pozo.
V-1384064, Prats, Ana Josefa Martinez Garriga.
A-6673871, Prieto, Nicolas Enrique Godinez.
A-2976728, Radovnikovich, Frank or Frano Andrijin Radovnikovic or Frank Radovinikovich or Frank Radonovich.
A-6874492T, Ramos, Arnulfo Mario.
A-6344236, Rietwyk, August Hendrik.
A-8196266, Rivera-Garcia, Santos.
A-8190086, Roca, Gualberto Alvarada y.
A-3111262, Rodriguez, Antonio.
A-2854602, Rood, Dramen Hassman or Dramen H. or Dramen Hassmen Roop or Hassmen Roop or Abulrahmen Bin Hassan.
A-2795865, Salice, Elena (nee Roscio).
A-7011270, Salice, Enrico or Henry Salice.
A-7022363, Salort, Anthony or Antonio Giner Lort.
A-7841669, Sanchez-Sustaita, Vicente or Vincente San chez.
A-7841513, Sanchez-Rodriguez, Ernestina or Ernestina Sanchez.
A-7841514, Sanchez-Rodriguez, Maria Felix or Maria Felix Sanchez.
A-7445010T, Sanders, Fejga (Fijga) (nee Kemelgor).
A-2021061, Sang, Chow Kang or Sang Chow Kang.
V-760308, Sauer, Wilhelm or William Sauer or William Otero.
0300-372883, Seid, Lum or Henry Lum Seid.
A-3871576, Selby, Harry William or Harry Selvy.
A-4953854T, Seo, Uneo or Joseph Uneo Seo.
A-5415125, Shavulsky, Nathan.
A-4413030, Shea, Bridget.
A-2310593, Shimada, Shigeo.
1409-13669, Silva-Torres, Sabino.
1409-13763, Silva, Trinidad Leal De.
56197/124, Simms-Lee, Henry Alan John.
A-4480944, Simonsen, John Gunnar or Gunnar Johan Simonsen.
A-8001531, Smith, Suzanne Julie Puyoulet.
A-8217004, So, Pak Tsun.
A-7140326T, Soto-Ruiz, Jose.
A-9635374, Spanos, Sotiros or Sotiros M. Spanos.
A-2506260, Stein, Alma (nee Sudmal) formerly Alma Sudmal Pontag.
A-4876338, Stoianovich, Michael L. or Michael Lazary or Mial Lazo or Mike Louis.
A-7984780T, Suarez, Horacio Antonio Villazon Suarez.
A-6345014, Suchos, Plouheria.
0300-317261, Sze, Chao Yu.
A-8196090, Thomas, Christophena Albertha.
A-8010552, Thomas, Ellis or Elice Thomas.
A-3777089, Torres, Servando.
A-7088000, Turco, Francesco or Frank Turco.
A-3500895, Ullah, Turab Ali or Turab Ali.
A-3569664, Van Syckel, Lucille Lillian (nee Richards) alias Grisch.
0300-368552, Wai, Chan or Wai Chan or Hang Pai.
A-8216993, Walker, Verna Taylor or Verna Taylor.
A-4449814, Watanabe, Hideo or Jerry Watanabe.
A-7197691, Weisz, Wilhelm.
A-8031328, Whitehead, Charles Stanley.
A-8217018, Willem, Raquel (nee Rawuel Mandado y Bertot or Raquel Saran Mandado Bertot).
A-5378360, Williamson, Ferdinand Daniel or Fred Williams.
0300-304807, Wilson, Asten or Harold Wright.
0300-329044, Wilson, Noel Fitzgerald.
A-8190382, Yates, Caroline Albertha.
A-6451015, Yiakas, Dimos or Dimosthenis Yiakas.
A-3988781, Young, Wong or Yung.
A-9511298, Yuk, Lum or John Lum.
A-3449483, Zauner, Kaspar.
A-3448841, Zauner, Margareta.
A-4441834, Ziegler, Hulda.
A-4389112, Ziotou, Anna.
A-5818593, Ziegler, Alfred.
A-1180216, Ahmed, Saleh.
A-7828568, Alfonso-Rodriguez, Bernardino Perfecto or Perfecto A. Rodrigues.
A-7264768, Altamore, Giuseppe.
A-6361667, Alvanou, Helen or Eleni (nee Boutis).
A-9777070, Anderson, Donald John.
0300-370078, Anderson, Mike or Goldburn Gilroy Myett.
A-1666972, Aranda-Gonzalez, Jose.
A-8117291, Avalos-Jimenez, Alberto.
A-7897663, Ballard, Vera Agnes.
A-7841042, Barcelo, Francisco Diaz or Francisco Barcalo Diaz.
A-6025280, Basoglu, Muzafer Sherif alias Muzafer Sherif.
A-7287689, Benjamin, Simon.
A-8117673, Berrardini, Ubaldo.
0300-400085, Birthwright, Clinton Vinston.
A-3964171, Blair, Jessie (nee Stuart).
A-2323018, Bleier, Kain.
A-8117076, Bo, Cheong.
A-9765789, Bratsafolis, Anthony Nicholas.
A-7890485, Breda, Johannes.
A-6923152, Breit, Ester formerly Esteva Tugetman.
A-2828375, Butwell, James Robert.
A-2817959, Calelides, Hercules alias Heraklis Kalalides.
0300-349691, Cardoso, Elena Haydee or Elena Haydee Blanco de Cardoso.
A-6841554, Carillo Duran, Miguel.
A-4688113, Cascallar, Angel Vilas.
A-7354835, Cheng, Shau Hing or Shau Hing Chung or Shau Hing How.
A-9149343, Chenko, Basil Michalt.
A-6965555, Chiodo, Egildo or Egildo Ilario Chiodo.
A-7748713, Choy-Renteria, Olga Maria or Olga Maria Choy.
0300-274606, Ciriello, Esther Martha.

0300/320882, Clark, Ascon George alias Christopher Williams.
A-2538682, Clark, Cora Lavinia or Cora Lavinia Sanford or Cora Lavinia Farr.
A-6064528, Contreras-Brambila, Jose.
1300-85758, Cruz, Guadalupe Aguirre.
1300-80619, Cruz, Felipa M.
A-4665122, Curry, Elease Maud.
A-5551709, Czaikowsky, Wilhelm Johann alias Will Muller.
A-6001076, Davoli, Luigi Giovanni Francesco.
0300-352588, De Serra, Esther Filomena Loza y Perez or Esther Serra alias Maria Tapia.
A-7270806, Diaz-Rosa, Eleazar Manuel.
V-581691, Dimitratos, Helen (nee Modona).
A-7005827, Dishington, Norma or Norma Therese Marie Dishington.
A-4530884, Dolgoruki, Igor Edgar Youry Oleaha alias Edgar Sanders alias Dino Valencay Sagan Sanders.
A-2018018, Dollah, Din Bin alias Ben Din Collah or Dan Dola.
A-6967050, Driver, Aloo Shavaksha (nee Jhavbala).
A-8150089, Eason, Collette Maud (nee Gillis).
0300-349077, Edwards, Ralph Leopold alias Charles Douglas.
A-7201491, Ekloff, Helene.
A-4380202, Ellsworth, Michael Hall.
A-7941846, Eng, Irene Chi Che Wong.
A-7369941, Erickson, Edith Sylvia.
A-2837555, Farias, Eduardo Bousas.
0300-378170, Fee, Ging alias Lai Hong.
A-7365716, Feiger, Armin.
0300-310172, Feiger, Freda.
A-9636794, Fernandez, Domingo Augusto.
A-8031130, Fernandez-Alvarez Jose or Jose Fernandez.
A-1121693, Ferreira y Silva, Maximo alias Ferreira Silva alias Maximino Ferreira.
A-2614918, Figueiredo, Joaquim.
A-7296476, Finuliar, Trinidad Bariaan.
A-6495521, Fisher, Joyce Lilian.
A-7127285, Flores-Cortes, Bernardo.
A-7372139, De Flores, Juana Gomez.
1000-20686, Flores-Gomez, Rodolfo.
1000-20758, Flores-Gomez, Bernardo.
0300-282607, Fong, Eng Long alias Henry Sang.
A-7856139, Francis, Emelie Yvonne.
A-7856137, Francis, Fitzroy.
A-3305670, Franco, Jose Mendez.
A-4235122, Frischer, Ada.
A-7070234, Galanis, George.
A-8190689, Garcia, Jorge Lopez y or George Lopez.
A-6008175, Geiger, Kurt.
A-5537060, Geneen, Maurice.
A-3175346, Giamonetis, Theodore or Theodoros Giamonitis.
A-6273219, Goddard, Francis Frederick alias Pat O'Malley.
A-1312976, Godlewska, Bertha or Bessie.
A-9717078, Gonzales, Pedro Pablo alias Pedro Rodriguez.
A-6903695, Gottheil, Zelman.
A-7272973, Gottheil, Fanny.
A-6213634, Gregorio, Francisco.
A-4341002, Gross, Alexander.
A-8106997, Guerrero, Olera, Pedro.
1400-11237, Gutierrez-Hernandez, Ramon.
A-6766822, Guzman, Salvador-Munoz.
1511-2285, Hernandez-Garcia, Juana.
A-1409804, Hewitt, Lulu Mae (nee Ferguson).
A-2489222, Higa, Shimatsu.
A-1991795, Himer, Nick or Miklos Himer.
A-7423239, Hinds, Wilfred Lawson or Wilfred Loshington Edwards.
A-7982763, Hsu, Huai Yun.
A-7982764, Hsu, Fong, Chinn.
0300-371865, Hung, Ho Tak.
A-7267731, Hunt, Maisie.
A-3518330, Hyland, Bridget Bridie.
A-6870028, Jackson, Harriet Joy.
A-7264247, Jackson, Naomi Constantino (nee Naomi Constantino Flores).
A-7190746, Jacobsen, Borghild Tvede.
A-7984808, Jensen, Vagn Aage.
A-4313072, Jeu, Ng Ngit alias Mrs. Jiu Nai Jeu.
A-1538226, Joe, May Ying.
A-3566436, Joe, Yung Chu.
0300-400200, Jon, Peter or Panayotis Ioannou or Peter Jones.
A-371947, Jung, Pay Yop or Loo Pun.
A-3784606, Kadri, Zia or Ziauddin Mustafahasan Quadri.
A-6373338, Kahn, Carmen Sameniego.
A-2819443, Karfola, Bangora.
A-6669590, Kefalides, Nicolaos A. or Nicolaos Kefalides.
A-1095043, Ken, Wong. Leu.
A-6401472, King, Marcelle Espinoza.
A-7962006, Kohler, Alfred Richard alias Frederick Gelien.
A-6667186, Kohne, Richard Edward.
A-6527744, Kohne, Gabrielle Henriette.
A-4285830, Koike, Mantaro.
A-3965580, Koike, Kumi.
A-9710029, Kontizas, Artemis or Artemis Kontijas.
A-3850128, Krasnoff, Rose.
A-6948452, Sharfman, Leonard.
99339-399, Sharfman, Sol.
A-9765406, Leblond, Marcel Alain.
A-5966325, Ledee, Joseph Andre.
A-7903361, Lee, Richard Dooban.
A-6534038, Lefkovits, Jonas.
A-6527377, Lefkovits, Judith (nee Kalisch).
0616-2501, Liburd, Terrence Mansfield.
A-4899061, Liem, Chang Mo or Chang Moo Lin or Paul Chang Lien or Paul Chang Mo Liem.
V-1437080, Ligato, Giuseppe Antonio or Joseph Ligato.
A-5989709, Little, Robert Bell.
A-6851214, Lopez-Martinez, Adrian.
A-7984760, Louie, Harry Fong.
0300-399981, Lozano, Serafin.
0300/385104, Lozano, Elvira Calderon Grenas.
A-7821665, Lucchino, Domenico.
A-6827833, Luna, Catalina.
A-7070750, Luna, Luz.
A-7070749, Luna, Manuel.
A-7070751, Luna, Julio.
0300-361410, Madonis, Antonis Parashou alias Antonis P. Mantonis.
V-940879, Manstretta, Paolina Borra.
A-1306605, Marshall, John Fitzherbert.
A-7890490, Martinez, Ramon Antonio.
0300-397000, McFarlane, Dudley Vincent.
A-4574593, McNaughton, Mildred Grace.
0300-366289, McPherson, Cyril George alias Edgar Broogs.
A-7483086, Medina-Magdaleno, Luis.
A-7483457, Mendez, Jesus or Jesus Mendez-Nava.
1500-42049, Mendez, Maria Socorro.
A-6792313, Mendez, Serapio.
A-6698962, Mendez, Guadalupe Carrasco De.
A-8155914, Mendoza-Pedrosa, Maria or Maria Vasquez-Pedrosa or Maria Fuentes-Vasquez.
A-7264772, Merino, Sofia (nee Sofia Amadora Nevarro-Mon).
A-3141598, Meyer, Constance Cornelia Josepha Maria Arts or Constance Cornelia Maria Tan Arts or Constance Arts Meyer.
A-7858093, Mezen, James Anthony.
A-7228639, Mirza, Rio Nusservan.
0300-396092, Mon, Lau.
0300-319594, Moo, James Loo.
A-3063075, Moran, Joseph Patrick.
A-7978999, Mossaides, Panayiotios or Paul Mossaides.
A-7450472, Moschitto, Anna Marie (nee Cipriano).
A-3696256, Mustach, Mate.
A-8217099, Nacarano, Gaspare Gregorio.
0607-4473, Nunez-Diaz, Maria.
1614-2492, Nunez-Urrutia, Jesus.
A-5154606, Okada, Benzo Joe.
V-593626, Pacheco, Jesusita Ernestina (nee Dominguez).
A-7978870, Park, Chu.
A-8057107, Pao, Chao Rah.
A-8057106, Chao, Ah Vong (nee Vong Chen).
0300/390910, Pao, Sung Zau alias Zau Pao Sung or Sung Ziang Pao or John Pao.
A-7821635, Papazian, Haiguhi (nee Ogretmeroglu).
A-7483057, Pell, Irene, formerly Irene Pelstrooeoff Pell.
A-4051661, Penn, Christian Emanuel.
A-3157868, Perri, Filomena Maria Lucia (nee Mirabelli).
A-2896787, Pfeffer, August.
A-7028517, Pickering, Jens Wallace.
A-1097945, Pickett, Evelyn Gladys.
A-6850820, Pineda, Ibrahim Gaspur.
0300-351012, Pitter, Walter Benjamin.
0300-179367, Porter, Isaac N. alias Isaac Nathaniel Porter.
0300-394294, Posada, Raul Rodriguez alias Raul Rodrigues Pasada.
A-8196008, Prado-Lopez, Jose alias Jose L. Prado alias Jose Lopez-Prado.
A-7295465, Pratt, Helen Theresa.
A-8106451, Proper, Leendert Gerardus.
A-5574215, Randall, Jack alias Johann Bernhard Rebel.
0300-341660, Rano, Margret McInnes.
A-6438220, Reid, Graces or Graciela Reid (nee Grace Marcano) alias Anna Josefina Reid.
A-1360809, Rizick, Kalem Gibreen.
A-5686334, Robinson, Ellen Alberta alias Ella A. Robinson.
A-5987812, Rodriquez, Mildred Irene.
A-9208604, Romero, Gonzalo or Gonzalo Romero Leira.
A-6409880, Romero, Rodolfo Rolando.
0300-386479, Romero-Goytortua, Xavier or Xavier Romero.
A-4497910, Rosenbluth, Leah or Lena or Laah or Laja.
A-2387169, Rovira, Pedro.
0300-353762, Rowe, Cleveland alias Vincent Jones.
A-5061796, Rowell, Alice alias Alice Rowell McCann.
A-5890659, Rozovsky, Isajah or Isajar Rozauskas or Isajus Isjar or Isajan Rozauskas Rozovsky or Isajus Rosovsky-Rozauskas or Isajah Rozovski.
1300-111893, Rubalcava, Pedro Serna.
A-7980346, Ruiz-Torres, Jesus.
A-7978809, Ruiz-Morales, Ynes.
1500/42385, Ruiz-Morales, Andrea.
1608-2695, Santillano-Cardoza, Pedro alias Pedro Armijo.
A-9765475, Scala, Vincenzo di.
V-140840, Scott, Carmen Waul alias Carmen Waul Buchanan.
A-7980311, Shong, Lee Ting.
0300-K-151181, Simon, Lillian (nee Plitzmaker) or Cary Wang Simon.
A-5819337, Simone, Michael.
A-7243039, Sin-Tzu, Weng.
A-6962961, Weng, Josephine alias Josephine Evelyn Tok Ying Hsi alias Josephine Tok Ying.
A-7392120, Solis-Flores, Ricardo.
A-1743230, Solomon, Saul.
A-8015532, Spadone, Vito.
A-3413793, Spina, Alfio.
A-2174586, Spyrotos, Christoforos.
A-6774560, Smith, Donald Bentley.
A-3831680, Stanley, Leo.
A-6747129, Stokes, Horace Murray.
V-233736, Suarez-Caballero, Victor Manuel.
A-2586553, Sum, Pon Sing or Sing Sum Pon alias Gene Pon alias Pon Sing.
A-7027829, Taam, Jennie.
A-3863317, Taam, May Chan.
PR-005064, Tei, Si Hung.
0300-397884, Tjomstol, Steinar Salve alias Steinar Tjomstol.
A-4203423, Tom, Kwok Tung or Tom Kwok Tung.
A-7760501, Trott, Gwen Marie Allen.
A-1384273, Vasilakis, Michael or Mihael Vasilakis or Mike Vasilakis.
A-8190002, Vasquez, Rafael Soto.
A-9005902, Vekris, Antonios Nikitas.
A-7672806, Venturas, Panaghis John.
A-5239736, Vigil, Jose.
0300-261462, Vitiello, Alfonso.

A-0745021, Votting, Victor.
A-5879392, Vukusich, Stipan or Stepan Vukusich.
A-7879892, Wang, Ching Hsien.
A-7879893, Chin, Pan Ju or Ju Chin Pan Wang.
A-4563530, Weller, Susan Jenny or Zuzanna Swirska.
A-6019345, Wells, Anita or Anita Pitcherlie or Anita Remus or Anita Ames.
A-6847842, Wong, Wing Hee.
A-6967591, Wong, Tseng Sui Hsu.
0300-381027, Yau, Chan Choi or Chan Wing.
A-7390674, Yee, Tom Gong alias Hum Gim Wong alias James Wong Tom.
A-9549850, Zambrano, Jesus Ramon.
A-7091233, Zaton, Oscar.
A-7450940, Totoricaguena, Juana Bengoechea.
A-5445391T, Kiritsis, Demetrios Spiros.
A-8217543, Aarsheim, Svein Ole.
A-5572833, Aceves-Garcia, Francisco or Frank Ramirez Aceves.
0300-319326, Agramonte, Raul Colarte or Raul Colarte.
A-5264103, Albano, Enrico.
A-7821701, Alfonso, Andres Olympia Pena y or Andres O. Pena.
A-7821720, Aliano, Joseph.
A-9519099, Almasmary, Ahmed Kassim or Ahmed Gasin or Ahmed Kassiam or Mohamed Messeri or Ahmed Kasson or Mohamed Masser.
A-7886446, Almeida, Raul Arencibia.
A-3234213, Alvo, Jennie nee Eugenia Perez or Jennie Peres.
A-3752311, Amada, Francisco or Frank.
A-6740066, Anastassiades, Athanassios.
A-0125797, Apoitelescu, Stefan.
A-7463938, Arditi, Albert Abraham.
A-7463939, Arditi, Dona Bella.
A-9095165, Arias, Bernard or Ben or Beeny Crias.
A-6396215, Asgarzadeh, Kamal.
A-6530299, Asgarzadeh, Safieh (nee Safieh Damerli Seyedi).
A-7828607, Attias, Henri or Henry Attias.
A-8106471, Avelar-Macias, Jose or Jose Maria Avelar-Macias.
A-4770231, Azioni, Giuseppe or Giuseppe Albertini.
1614-2473, Baez, Rodriguez, Leobardo.
A-4797125, Baird, Francis or Frank Blair or John William Blair.
A-1568544, Bakee, Said Bin or Syed Baker.
A-7531578, Bane, Joseph Vejnavowicz or Joseph Vejnevoricz or Bane or Banevowitch or Banevovitch.
A-7418107, Baracchini, Ennio.
A-9099270, Baresic, Mijo.
A-1341944, Baricevich, Jack or Giacomo or Jacob.
A-2753795, Baruch, Morris or Barouch or George Kyringis or Kiryakis.
A-8155931, Basile, Moris or Maurice.
A-6264000, Behie, William Lewis.
A-4802354, Bellotti, Allessandro Angelo.
A-4795562, Benfanti, Vincenzo.
A-3602079, Benzel, Hazel Pearl (nee Rew).
A-1646977, Berchten-Breiter, Hans Carl.
A-1644022, Berchten-Breiter, Irene Dolores (nee Lewis).
A-6927309, Berger, Katalin.
A-3420085, Bianco, Emanuele Esposito.
A-2179140, Billi, Lino or Luiz Loyecchio or Lugi Lovecchio or Luigi Louvecchio.
A-6074422, Bingham, Alfred Augustus or Aeria Jackson.
A-5344393, Blache-Fraser, Elaine Stella.
A-2922815, Bless, Miguel Juan.
A-7127238, Boller, Peter Joseph.
A-7463456, Bove, Salvatore.
A-5436776, Bow, Ho or Ho Bo.
A-3430522, Brohman, Charles.
A-5117437, Bulens, Rosalie Josephine.
A-4700152, Burns, John Arthur or John Arthur Brown.
A-6920730, Butler, Stanley.
V-529772, Cacioli, Rizieri or Richard.
A-6562400, Calatayud-Ramos, Primitivo or Roberto Ramos.
A-8057431, Camaioni, Pietro.
A-9209025, Carballo, Benito or Benito Carballo Entenza.
1400-20999, Cardenas-Garcia, Concepcion or Concha.
1400-21000, Cardenas, Salud.
1614-2476, Cardenas-Solorio, Jose.
A-1019863, Carlson, Hilmer.
A-8117580, Cascone, Ulisses.
A-9776729, Casimiro, Antonio.
0200/105002, Cassen, Aleksandra Olga (nee Stasiulyte).
A-6827543, Castelbianco, Dario.
0300-378790, Castillo, Santos Matthew.
A-4825222, Catanzaro, Damiano.
A-7135205, Catz, Frans James.
A-8117647, Caudillo, Cruz Maria or de Caudillo formerly Milan (nee Garcia).
A-C445661, Chai, Chang Kai.
A-8117251, Chan, Man Wei or Chan Nan Wai or Chan Kim.
A-6444637, Chang, Albert Chiang or Chiang Chang.
A-6703483, Chang, Lita Won or Lita Li Tang Wu.
A-6445663, Chang, Lin Chung-Ching or Chung Ching Lin Chang or Jean Chang.
0300-391522, Chang, Wan or Tom Jun Yue.
A-6877746, Chao, Gloria nee Gloria Ya Tsung Kung.
A-7137813, Chavez, Domingo.
A-7137814, Chavez, Eusebia Concepcion.
A-7604800, Chen, Chi Tsai.
A-6846740, Cheney, John Nelson.
A-8106130, Chin, Wee Kay or Sam Lee.
A-9678208, Chin, Mong Loong or Chan Yok.
A-9512589, Ching, Lee.
A-8106954, Chiu, Hin or Chiu Hin.
A-7174220, Choo, Anna Emielie Luise (nee Anna Emielie Luise Tuebben Hoffman).
A-8190304, Christopher, Dianna.
A-9663396, Cho, Chin or Cho Chin.
A-9235843, Choy, Hong Hing.
0300-332219, Chung, Tom Fun.
A-2054924, Cingiryan, Vasken or Changrian.
A-4907014, Civelli, Vincent or Chivelly.
A-7991828, Claxton, Clairstine Albertha.
A-1002404, Cliotis, Christos.
A-7142284, Cohen, Lulu or Lulu Salman Shamoun.
A-4603130, Callop, Mary.
A-3412537, Combojinopoulos, Alexandre or Alex Combojinot.
A-7863794, Costa, Natale or Nick Costa.
A-6205396, Costas, Anna Chris or Anna Glagou or Mrs. Christ Costas.
A-7356331, Courville, Blanche Maud nee Hills formerly Pugsley.
A-5401497, Dan, Lee Sing.
0400/46338, Danner, Geraldine.
A-6978280, Davis, Lillian Ann.
A-1880159, De Aguilar, Colia Duron.
A-7821687, De Calves, Ondina San Martin.
A-7094839, De Delgado, Ana Ovidia Ruiz.
V-28458, Dedes, Sophia (nee Dedogiou).
A-7060580, Dell, Edmondo.
A-7921563, De Luevano, Catalina Cortes.
A-8057228, De Monte, Lorenzo.
A-8190775, Demou, Michael Kyriakos.
A-5700352, De Munos, Guadalupe Juarez or Guadalupe Juarez.
1600/101062, De Munoz, Sara Castillo.
A-7417236, De Oca, Pascual Eduardo Calderin Montes or Pascual Eduardo Calderin.
A-9029229, De Oliveira, Antonio.
A-3266302, De Ramirez, Andrea Castro.
A-7350499, De Ramirez, Estefana Rodrigues, or Maria Estefana Rodrigues De Ramirez or Ester Rodrigues De Ramirez or Esteia Rodrigues De Ramirez or Ester Rodrigues-Belmares.
A-7351002, Ramirez-Mesa, Felipe.
A-4446607, Derkacs, Stanislaw or Stanley.
A-3391293, Derkacs, Zofja or Sophia.
0300-350929, De Torres, Antonia Marrero.
A-8106946, De Tovar, Cristina Orosco or Caritina Orosco de Tovar (nee Cristina Orosco-Flores).
A-1259020, De Vergara, Paula Nunez.
V-450159, De Verna, Eugenia Gonzalez nee Eugenia Gonzales y Calvadilla.
A-6480573, De Vita, Bianca Margarita nee Castaneda.
A-7828771, Diaz, Juan Francisco Romeirio y.
A-8217650, Diaz-Hector, Candido.
A-5896087, Di Benardi, Anthony Vincent or Antonio Bernardo.
A-5154193, Di Marzo, Vincenzo or Vincent Di Marzo.
A-2797145, Din, Lee or Dim Lee.
A-5345938, Dorner, Anton John or Tony Dorner.
A-4559829, Doros, George.
A-5417595, Doros, Elizabeth Dissig.
A-3619522, Dos Santos, Antonio Anna.
A-9593234, Downs, John Ephriam.
A-4178838, Dwyer, Lilla Frances.
A-1811033, Eggers, Rose (nee McShane).
A-7267842, Elefteriades, Sofia.
A-7915539, Ellis, John Lessle.
A-7244882, Erlachtegerecht, Leon.
A-4799525, Errante, Bruno.
A-2382184, Fadief, Fannie K.
A-5390487, Fels, August.
A-9544613, Piripis, Miltiadis or Milton Piripis.
A-4476840, Fischer, Max Richard.
A-3811692, Foley, John Frederick.
A-9703827, Fong, Mar Hing or Mah Hing Fong.
A-4044697, Fontanot, John.
0300-388781, Ford, Jonathan or John Ford.
A-8190850, Fraser, Constantia Augusta.
A-8190851, Fraser, Delphine.
A-7299590, Freund, Berta (nee Rosenfeld).
A-8217887, Fun, Wong.
A-7391233, Gabriel, Maurice or Maurice Gabriel Klaib or Maurice Charles Klaib.
A-5351967, Gaetzschmann, Otto Friederich.
A-8078963, Galindo-Garcia, Ruben.
A-3839884, Gang, Lee Hing.
A-6199443, Garciga, Felix Maria De La Caridad Cabrera.
0400/44222, Garrison, Alexander Heaven.
A-2074361, Gaubert, Martha Block or Matti Block.
0300-283401, Gaulle, Reginald Alexander or Gaul or Bobbie Gaul or Clyde Payne.
A-2503994, Geismar, Sophie (nee Sophie Lichtenstein).
A-7277878, George, Daisy Chaffoo or Daisy R. Chaffoo George.
A-6989777, Gesnador, Juan Villacis.
A-8190705, Get, Hor Fung.
A-5374063, Gianu, Periklis Savas or Pangiotis Koliosas.
A-2185145, Giordano, Carmelo.
A-7476357, Giurco, Mario.
A-7978783, Goldberg, Arnold or Arnold Gould.
A-9661924, Golonka, Stefan.
A-6109367, Gomez-Urquieta, Gregorio or Gregorio U. Gomez.
A-7186652, Gong, William or Gong Dick.
A-5004314, Gontan, Jesse.
0300-400826, Gonzalez, Joe S. or Jose Salvador Gonzalez or Joseph Salvador Gonzalez.
A-6720889, Gonzalez-Aguilar, Luis.
A-6720892, Gonzalez, Teresa (nee Castro).
V-222801, Graci, Giuseppe.
A-1375005, Gravel, Marie Simone (nee St. Pierre).
A-7356591, Gray, Alice Frances or Alice Frances Baksh.
A-8217656, Gregory, Clifford A.
A-4603579, Groene, Johannes Heinrich or John H. Groene.
A-7134582, Gross, Chaim Sandor.
A-9006087, Grzan, Sime.
A-7127114, Guajardo-Chavez, Juan.
1400-13965, Guajardo-Rodriguez, Baldomero.
1400-13966, Guajardo-Rodriguez, Isabel.
A-4556039, Haarburg, Catherine or Catherine Turrie Warnock.
A-7439316, Haidostian, Berj Havhanness.
A-2760255, Hallas, James John or Demetrios John Hallas or Dimitrios Hallas.
A-3543183, Hamarat, Metin Recep.
A-5175018, Harailton, Harry Joseph.

0300-379495, Hatim, Mohammed.
A-3391578, Hecht, Gertrude Johanna Krone or Gertrude Johanna Krone or Charlotte Schmidt.
A-5509961, Helou, Carlos Samson.
A-6240559, Henry, Liliane or Liliane Lesperance.
A-6091676, Hernandez-Jimenez, Pedro or Pedro-Guillermo Hernandez.
A-6858941, Hernandez-Rodriguez, Oscar.
A-4581067, Hirte, Hermann Friederich or Herman Frederick Hirte.
A-9767542, Hofman, Gerrit Cells.
A-7934136, Hovanesslan, Mary or Marieta or Martha or Sedrakian.
A-6848576, Huang, Wei Yip.
A-7249139, Huffaker, Vilma Gerda Gutta Anna or Vilma Gerda Gutta Anna Jacobsen.
A-3207903, Hylton, Norman Ellis.
0300-1323, Ingegnieros, Salvatore.
A-2775861, Ives, Percy Alfred.
A-4442483, Jacobs, Rose or Rose Stotsky.
A-5869322, Jensen, Harold Emil.
A-2548958, Jensen, Niels Kristan.
A-7137160, Jimenez, Abelino or Avelino Jimenez-Ruiz or Luis Minor.
A-8217062, Jimenez-Calveira, Jose Miguel or Jose Jimenez.
A-7476524, John, Klaus Gunther Fritz Helmut.
0300-316152, Jones, Neil Royes.
A-8102964, Jordan, Joyce Corrine.
A-3263656, Jorgensen, Rasmus Peter.
A-0299964, Jrimia, John or Hon Irimia.
1502/5804, Jukich, Rudy.
A-6522981, Kalimerakis, George Michael.
A-5610020, Kaminsky, Andreas or Andrew Delger.
A-9738918, Kampetis, Demetrios Anastasios or Kambitsis or James A. Kampetis or Kambitsis or Kamptis or Demetros Kamptis.
A-4409082, Karlson, John or Johannes or Johan Karlson.
A-3394112, Kaufman, Ida or Ida Greenberg.
A-7178603, Kaulins, Brigita.
A-8217387, Kayias, Michael.
A-7205845, Kee, Chin Dew or Kee Dew Chin or Edward Chin.
A-7985972, Kelley, Stella Alice.
A-5536541, King, Wong.
A-3472848, Kirppu, Anna Wilhelmina.
A-6843550, Klein, Samuel or Tibor Schwarz.
A-7445005, Kilnner, Jutta Klara.
A-9105645, Kornilakis, Antonios.
A-6874460, Kostas, Evangelia.
A-9658128, Kovacic, Frane or Frank.
A-4343241, Kristal, Celia or Cyna Krysztal or Celia Krysztal.
A-9134271, Kritikos, Nick or Nickolaos Kritikos.
A-5364272, Kuran, Ivan or John Kuran or John Gradick.
A-8039416, Kwan, Ho or Kwan Ho.
A-4997549, Laidlaw, Dorothy Muriel Dickerson.
A-7770700, Lakshmansingh, Charles Gordon.
A5630883, Lancos, John or John Billan or Lancon.
A-2454767, Landry, Gladys Leotha.
A-2558506, Lauh, Ts-Sung Ernest.
A-1250216, Layton, William Valentine Osborn.
A-8117228, Lee, Dep or Lee Dep or Robert Edward Lee.
A-8091837, Lee, Hong Took or Took Lee or Lee Cho or Frankie Lee.
A-9658661, Lee, Wealin or Lung Wai Ng.
A-9518783, Lee, Wong Yuen or Yuen Wong or Wong Yuen.
A-3422682, Legaros, Demetrios Michael.
A-3147881, Lehto, John Vilhelm.
A-5647277, Leinwand, Shirley (nee Barron).
0300-273629, Leitl, Waltraud or Waltrud Leitl Berger.
0300-273629, Leitl, Siegbert or Siegbert Leitl Berger.
A-9669104, Leiva, Hector Munoz.
A-9039218, Lekkas, Vassilios or Bill Lekkas.
A-2870947, Leong, Ng or Bennie Wu.
A-3505792, Leong, Sai Yee or Leong Chow or Charlie Leong.
A-2539031, Letsch, John Peter.
A-4100420, Leung, Sue Jean Ng or Sue Jean Ng or Shee Ng.
A-6369904, Lehem, Matilde Saadi.
A-6369903, Lehem, Fortuna Fiorette.
A-6778342, Lilling, Etela or Esther Lilling or Etela Liling.
0300-390027, Lin, Ling Kin or George Kin Lin.
A-7783797, Ling, Annabelle or Perseus Annabelle Ling.
A-9236183, Ling, Lai Soon.
A-5277343, Linke, Paul Erwin.
56080/728, Lianos, Leontios.
0900-9558, Loo, Fook.
A-3223760, Lopez, Antonio Garcia or David Espineira.
0400/43033, Lorier, Andries or Andrew Lewis.
A-9610761, Los Santos, Jose Tomas De.
A-7849999, Low, Yen or Low Yen or Lou Yit or Yit Lou.
A-9670514, Lozado, Leodegario B.
A-6728288, Lazaroff, Tsvetco.
A-6728287, Lazaroff, Helen.
V-930198, Luchs, Harry Alfred.
A-7983478, Lum, Lee or John Lee or Howard Lee.
0300-322428, Lumley, Edward Nathony.
A-9610959, Luna-Castedo, Jose.
A-4092852, Lupu, Eulalia.
A-5229324, Lupu, Vasile or Fred Walters.
A-4378291, MacFarlan, Vida Gladys Anna.
A-7127670, Maffei, Giovanni Francesco.
A-6372044, Maidenbaum, Samuel or Samuel Magdenbaum or Josef Rutbowsky.
A-7295988, Maki, Anna-Liisa (nee Makela).
A-1656063, Makrinos, Michael Markou.
A-6984613, Maldonado, Maria L. (nee Maria Luisa Pereyra).
A-7423299, Maiz, Samuel.
A-7532523, Mandel, Hans or Hans Jean Mandel or Johann Mandel.
A-4647064, Mandel, Phyllis Barlow (nee Jackson).
A-6684063, Mandelbaum, Moses or Moses David Mandelbaum.
56130/475, Manis, Michael Chirst or Mike Mennis or Michael Manis or Michel Mennis or Mike Manis or Maki Manis.
A-9799932, Manzon, Mario Ramones.
A-4663175, Marsaja, Giuseppe.
A-8039404, Martinez, Eugenio or Eugene.
V-1386263, Martinez, Josefa (nee Josefa Rafaela Cazanas Monserrat).
A-8117312, Martinez, Melecio.
0300-400819, Martis, John Ernesto or Johan Ernesto Martis.
A-3839982, Mas, Damian Garcias y or Damian Garcias.
A-5583405, Matsumoto, Hitoshi or Chojiro Sumi or Jack Chojiro Sumi.
A-7962105, Maxwell, Leonard Fritz or Arnold Maxwell.
A-6353677, Mazon, Celebi Robert.
0300-317834, McCourty, John.
A-1172608, McKim, Olive Kate.
A-4533605, McLellan, John or John Ronald McLellan.
A-5811780, McLoughlin, Isabella (nee Isabella Cronan).
A-4840442, Medovay, Moisha or Morris or Maurice.
A-7809924, Medrono, Junior, Luis Montes.
A-5638060, Mellon, Wilhelmina Lydia.
A-6395514, Mestril Renee (nee Casanova).
A-7915584, Metcalf, Henriette.
A-4775134, Miku, John or Frank Kartush.
A-7279393, Ming, Barbara Luke.
A-8217370, Modonas, Antonios.
A-4395808, Mombacher, Karl Ewald.
A-4404968, Mon, Frank or Mon Suey or Johnny Wah.
A-3080499, Mondiak, Sawa Yaroslaw.
A-9652327, Monkarl, Hassen S. or Hassan El Sayed Menkar or Hasson Monkal.
A-7483020, Montanaro, Gioacchino.
A-7708871, Montrand, Juana Cortes.
A-9235829, Mook, Lam Sang or Yee Lee.
A-9186568, Moons, Victor.
1614-2523, Morales-Avila, Gabriel.
A-2785847, Moretti, Dominick or Mario Moretti or Dominick Marchetti.
A-3780349, Moroch, Simeon.
A-7415906, Mortuza, Golam or Mohamed Ghulam Murtaza.
A-8196975, Mouquinho, Sofia (nee Sofia Jiminez Chavez).
56293/75, Mueller, Carl Josef Peter.
A-5852754, Mui, Phaik-Sim L.
A-4198250, Muller, Heinrich Arthur or Henry Arthur Miller.
A-7632413, Mulley, Anne Jane.
A-5061857, Munoz, Eduardo Castaneda or Eduard Castaneda or Eduard Castaneda Munoz.
A-6480923, Naiman, Moshe or Mozek Najman.
A-8190550, Nass, Goldie.
A-9777365, Navarro, Raymundo or Raymundo Navarro Carrol.
A-6661862, Nevison, Herbert Peter.
A-9684288, Ng, You Lin or Yau Ng or You Ng.
A-8021518, Ngar, Chow See or Chow Pang or Pang Joe or Joe Pang.
A-6991831, Nicholson, Catherine (nee Byrne).
A-6339681, Nieto, Jose Galvan or Joseph Nieto Galvan or Jose Nieto Galvan.
A-4399792, Noutsopoulos, Spiros.
A-2895330, Novack, Jean or Zalata Nowik or Jennie Novack.
A-6697615, Nuzzolese, Hendrika Jacoba (nee Van Eyck).
A-9736412, Olsen, Einar Gran or Einar Olsen.
A-9632371, Olsen, Hans.
A-3795185, Orabona, Giuseppe.
A-5415875, Ordorica, Marcelino Vidaurraza-ga or Marcilino Vidaurraznga.
A-4090007, Orlich, Nikola Vincent or Nick Orlich.
A-3269038, Osman, Hassan or Hasan Hajee Eoner or Omer Hassan Hagi or Agi Omer Hassen or Victor Barbere or Barbarie or Barbari or Abdi Ibrahim.
A-2437142, Otero, Jose Gomez or Jose Gomez Otero Leon.
A-3858415, Padia, Ksenia.
1607-30724, Palacios-Valadez, Roberto.
1600-61919, Panagopoulos, John or John Nick Pappas.
A-1734692, Paoli, Roberto Giovanni or Roberto G. Paoli or Roberto Roberto Paoli or Giovanni Paoli.
A-5597731, Papa, Bertha.
A-6041457, Papazoglou, Dimitrios Emanuel or Papasoglou.
A-7351113, Parron, Maria De Los Nieves or Maria P. Pena.
A-3242578, Passerini, Luigi.
A-5710647, Pataca, Abilio or Joaquim Rodrigues.
A-9025769, Pavich, Frank.
A-7362401, Pena-Romero, Eduardo or Ruben Alcarez-Hervey.
A-7362398, Pena, Aurora Ortiz De or Aurora Ortiz-Perez.
A-8189589, Pender, Bridie Christina.
A-7809783, Pereda, Yolanda Mazar now Yolanda Marty.
A-8190202, Pereira, Luis or Luis Masa Pereira.
A-1422071, Perez, Jose Dominguez or Joseph Dominguez.
A-7137532, Perez-Hernandez, Deise.
A-7137799, Perez, Narcisa Estrella De La Osa y.
A-8031572, Pesa, Vicko Ante.
A-5812613, Pezold, Frederick Emil.
A-7607092, Pian, Richard or Hsueh-Jui Pian.
A-6845073, Pian, Mabel or Mei-Po Lou Pian (nee Lou).
A-8106450, Picut Diaz; Guido Hilario or Guido Hilario Picot or John Avalos or John Gomez.
A-1417963, Piller, Karin or Kaarin Wirgo Piller.
A-3547803, Pina, Antonio Jose or Pinna or Pinno.

A-6943646, Polemis, Leonidas.
A-6943647, Polemis, Afrodite (nee Dracos).
A-3746468, Poon, Tung or Poon Tung.
A-7389917, Profenna, Francesca or Frances Profenna or Francesca or M. Francesca Cancro.
A-4494274, Rodriquez, Elsa.
0300-306921, Roggio, Santo.
0300-366595, Roper, Ivan Leopold or Leeman Searchwell.
A-5444219, Roque, Jose Goncalves.
A-7450649, Roros, Kostas.
0300-384515, Rosini, Vice.
A-6374484, Rothenberg, Izak or Jack.
A-7886727, Roumeliotis, Nicholas.
A-5659856, Rowlands, Timothy Bowen.
0300-329560, Rumsey, May Eleanor.
A-7365678, Ruse, Gloria Roberts.
A-3488023, Ryan, Margaret Bertha (nee Hartlieb).
A-8015066, Safyurtlu, Mahmut Iskender.
A-7197328, Safyurtlu, Gulnar (nee Assadulah or Ecadullah).
A-5067777, Sarkkinen, Jenny Karia.
0400/31312, Sauro, Federico or Federico Sauro Costaglioia.
A-7197579, Sawchuk, Anna.
A-5357504, Schidlowski, Alice Tamm or Ursula Tamm Schidlowski.
A-5800237, Schurmann, Milda (nee Eglit).
A-4188409, Schwarz, Carl or Karol Szwarc or Karl Schartz.
A-6470510, Psiakis, Andrew Nicholas.
A-4136692, Pugliese, Angela (nee Stucci).
0300-360526, Quan, Lee Kee.
0300-22633, Quoey, Lui or Liu Quoey or Liu Kwai or Liu Kai or Liu Kway or Lu Kai.
A-6690175, Rabinowitz, Dina (nee Zaidman).
A-3489648, Raisanen, Aino Alfrida (nee Vaukonen).
A-7978824, Ramos, Manuel.
A-5429295, Ramos-Perez, Francisco.
A-6794977, Rana, Sudhir Narasinha.
A-6978239, Rankines, Ekhanah Jacob.
A-4710554, Rea, Raffaele or Ralph Rea.
V-49852, Refele, Hans Rainer.
0600-9062, Reid, Desmond James.
A-4544532, Reid, John Joseph or Timothy Lynch.
A-7247079, Reyes, Ramon Joaquin.
A-6787035, Rincon-Chavoya, George or Jorge Chavoya-Rincon.
A-5242833, Ripley, William Charles.
A-7427811, Riviecclo, Michele.
A-6468159, Roberts, Constance Faith Alimo.
A-5754409, Robertson, Henry Alexander.
A-6031537, Robinson, Vernal.
A-7415654, Rodriguez, Teresa (nee Perez Digon).
A-4569064, Rodriguez-Rodriguez, Martin.
A-6190318, Scott, Lydia Nicholas.
A-7036039, Serna, Elvira Tarin or Elvira Tarin.
A-2376219, Shabov, Joseph or Mohamed Ben Ali Shabov.
A-4348253, Sherson, Beulah Dolly or Beulah Dolly Levine or Bulah Dolly Steinberg.
A-6897682, Shults, Maria Magdalena.
A-3907008, Simmons, William Leopold.
A-5964236, Smith, Herta Jacobi.
1600-81336, Smith, Otto or Otto Oertwig or Otto Ertwig.
A-4852710, Smolinski, Bernice.
A-4041242T, Soon, Mark or Mark Lee or Mark Kee Watt.
A-4495580, Sossoff, Basile.
A-1987981, Spring, Adolph or Adolf Spring or Joe Spring.
A-6701887, Stafford, Andre Cochelin.
A-7848443, Stagner, Frank Harcourt.
A-7848444, Stagner, Lawrence or Lawrence Robert Stagner.
A-5706336, Stammer, Willy.
A-7439086, Stamos, Anna.
A-5117686, Stamos, Catherine Belle (nee Bremner).
A-2209189, Stellatos, Ioannis.
A-6921109, Stephenson, Margaret Gertrude or Marguerite Gertrude Stephens.
A-6427747, Stern, Silviu Alexander.
A-6819614, Stewart, Harold Irving.
A-8150947, Stilidiotis, Evangelos Theodoros or Angelo Still.
A-7200143, Stover, Maxine Mae.
A-3013601, Stowe, Sam.
0300-367947, Strauss, Anita.
A-5313730, Strobbia, Comenick Jerome or Domenico Girolano Strobbia.
A-9631170, Sulich, Giuseppe or Joseph Sulich.
A-7197301, Sulskis, Gertrud Hildegard (nee Leutheuser).
A-9643958, Sum, Lai or Sun.
0300-396883, Sun, Chang or Wong Fook.
0300-350251, Symonette, Melvin Paul or Lewill Winter.
A-5987060, Szekely, Anthony.
A-6268911, Szekely, Julia Balla.
A-8196040, Tai, Lee Yung or Lee Yung or Lee Tai.
A-9558587, Tang, Ah Chang.
A-5635994, Taylor, Cyril or Frank Earle Williams.
A-4385475, Thaller, Fay (nee Paige Lerner).
A-090311, Thomas, Beatriz or Beatrice (nee Camargo).
0300-343058, Thompson, Eric Houston.
A-3000014, Thompson, Mary or Mary Bowe.
A-6012782, Thompson, Kenneth Leon.
A-4451777, Tim, Chan Fook or Fook Tim Chan.
0300-367904, Timis, John or John Tennas.
A-5206663, Tjostolfsen, Nils T.
55942/81, Tomczak, Mieczslaw.
A-4351818, Topel, Jacob Isaac or Jacob Isaac Toppel or Jacob Toppel.
0803-7941, Torres, Enedina Alvarez.
0803-2304, Torres, Geronimo.
A-6053045, Torres-Carpio, Rogerio Alejandro or Rogerio Alejandro.
A-1826148, Tortora, Louis.
A-6794304, Tron, Gustavo Giovanni.
A-9131621, Tsalapinas, Evangelos.
0300-319834, Tsalapinas, Theodoros.
PR-905787, Tso, Eugene or Hai Chang Tso.
A-4273825, Tubel, John.
A-9701949, Tung, Anders Pedersen.
A-7418478, Tuya, Maria Luz Martinez.
A-7122599, Tyrnaeur, Lily.
A-6953320, Tyrnauer, Abraham.
0300-394567, Usher, Albert Winston or Michael Blake or Winston Churchill Usher.
A-6404710, Utianski, or Elia Yapko or Elia Utkanski or Alec Utianski.
A-6404709, Utianski, Mina or Mina Utkanski or Mina Muler.
A-3958915, Valmas, Charalambos M. or Harry Valmas or Harry Michael Valmas or Haralambos Michalis.
A-6671782, Vara-Brito, Alfonso.
A-6068390, Vargas, Candido Perez.
A-2104687, Vargas, Maria.
A-3019971, Vasard, Richard Martin or Richard Martin Hamme.
A-7240133, Vasquez-Gonzales, Candido.
A-5248496, Vastakis, Spiridon Eleftherios or Spiros Eleftherios Vastakis or Spiros Vastakis.
A-7469880, Ventimiglia, Giovanni.
A-6650151, Vicuma-Salazar, Gregorio.
A-8155988, Vidles, Theresa.
A-3967357, Visco, Philomene Marie or Stasse or Cys.
0300-400829, Vitoratos, Stefanos or Stephen Vitoratos.
A-2975221, Vorraso, Giuseppa Scannelli.
A-7197669, Voz, Monique or Monique Constance Emma Antoinette Voz.
A-9650936, Wai, Young Fook.
A-7387700, Walzel, Klaus Dieter.
A-1202259, Wang, Chao Chen.
A-9559989T, Wassberg, Thorsten Reinhold.
A-1738461, Watt, Eileen (nee Currant).
A-8217490, Westby, Evan Lewis.
A-7828998, Wetzel, Renate.
A-9666428, Wha, Ling Shao or Shao Wha Ling.
A-5883735, Williams, Charlotte Rebecca or Lottie Williams.
0300-342896, Wing, Eng or Wing Suey Eng.
A-8091895, Wing, Ho Chee or Robert Ho or Wing Ho.
A-9510255, Wing, Jung or Ah Wah or John Wing.
A-9635004, Wong, Hing or Tony Hing Wong or Wong Hing.
A-7130365, Wong, Leong or Yep.
A-8057698, Wong, Norman Seek Moon.
A-4019434, Wood, Louie or Silverio Ladesma.
A-7184189, Yadgaroff, Isaac Ishak.
A-8091896, Yeung, Qai Bock.
A-3188372, You, Chong Mik or Don Chong.
A-8010508, Young, David or Young Fook.
A-8039117, Young, Yee.
0200-102062, Yuen, Chin or George Chin.
A-6794191, Zablocki, Joana (nee Abraham).
A-5386018, Zadorozny, William or Basil Zadorozny.
1103-13434, Zamarripa-Castilla, Indalecio.
1103-13435, Zamarripa, Ascencion (Chona) Barrera de.
A-4889407, Zavou, Costas Christodoulous or Costas C. Zavou or Castaes Zavou.
A-3487902, Zeller, Kurt Robert.
A-2881677, Zichichi, Natale.
A-4966223, Zonoff, Andrew Neketo.
A-4195390, Zuber, Harry Isaac.
A-6032990, Farmanfarma, Ali Dad.
A-9782946, Fook, Haw aka Victor Haw or Victor Haw Fook.
A-7722282, Storper, Gertrude K.
A-4646325, Wang, Niah-Tzu alias Wang Nian.
A-7632265, Wang, Mabel U. alias U. Taiyang.
A-5223151, Pai, Ei Whan alias Edward Whan Pai.
A-5669956, Yen, John Teng-Chien or Teng-Chien Yen or John T. C. Yen.
0300-312179, Kulukundis, Eugenie (nee Diacakis).

With the following committee amendments:

Strike out the matter as it appears on page 8, line 23, and insert in lieu thereof "A-2386905, Geidis, Panagiotis or Pete Geidis."

Strike out the matter as it appears on page 10, line 1.

Strike out the matter as it appears on page 17, line 5, and insert in lieu thereof "A-6841554, Carrillo-Duran, Miguel."

Strike out the matter as it appears on page 20, line 5, and insert in lieu thereof "A-8106997, Guerrero-Olvera, Pedro."

Strike out the matter as it appears on page 28, line 21, and insert in lieu thereof "A-9125797, Apostelescu, Stefan."

Strike out the matter as it appears on page 31, lines 14 and 15.

Strike out the matter as it appears on page 32, line 14, and insert in lieu thereof "A-4603130, Collop, Mary."

Strike out the matter as it appears on page 33, line 2, and insert in lieu thereof "A-1880159, De Aguilar, Celia Duron."

Strike out the matter as it appears on page 33, line 7, and insert in lieu thereof "A-7060580, Dell, Edmondo."

Strike out the matter as it appears on page 46, lines 17 and 18.

Strike out the matter as it appears on page 49, line 17, and insert in lieu thereof "A-6701887, Stafford, Andree Cochelin."

The committee amendments were agreed to.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

LANHAM WAR HOUSING ACT

Mr. DONDERO. Mr. Speaker, I ask unanimous consent that the Committee on Public Works be discharged from the further consideration of the bill (H. R. 6130) to permit a first preference for

former owners of certain dwellings being sold under Lanham War Housing Act, and that the bill be referred to the Committee on Banking and Currency.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

USE OF CERTAIN FEDERAL EQUIPMENT BY STATES DURING MAJOR DISASTERS

Mr. DONDERO. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2199) to allow States during major disasters to use or distribute certain surplus equipment and supplies of the Federal Government.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. McGREGOR. Mr. Speaker, reserving the right to object, I should like to have this bill explained. It has never been heard before our committee. I can find no hearing on it in the Senate. There is one word in there about which I raise a question, "donate." I do not know what authority the Federal Government has to donate any equipment to the States. I would be in favor of leasing or lending it, but I raise a question about the word "donate."

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. McGREGOR. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I think the word "donate" under the circumstances is appropriate. We donate to colleges and hospitals surplus goods that can be used by them. I suppose the word "donate" is used in the sense of a gift.

Mr. McGREGOR. It is my understanding that this has to do with road equipment. I do not know anything about it. We had no hearings on this, but I was told a moment ago that it had to do with road equipment. Then, of course, the question arose in my mind, what business does the Federal Government have donating road equipment.

Mr. McCORMACK. This has to do with surplus material. It has nothing to do with anything that a Government agency might be able to use. This is material that has been declared to be surplus. The bill would apply not only to the States of New England but to Michigan or any other State. I believe it is the purpose of the bill to try to brush aside certain technicalities in order to get quickly the result that we all want. There is precedent for this in other organic laws with reference to giving surplus materials to colleges or hospitals. That bill came out of the Committee on Government Operations several years ago.

Mr. DONDERO. The way this bill has been explained to me, the purpose of it is simply to expedite the getting of material and equipment or surplus items which are needed in a disaster area rather than going through the State and having the State send it to any particular community. The purpose of this is to have it come directly from the Federal Government.

Mr. McGREGOR. If I can inquire again. This bill provides that the materials shall go from the Federal Government to the States. The Federal Government donates or loans to the States. My distinguished chairman left the inference that the Federal Government was going to loan or donate directly to the local political subdivisions. Is that right?

Mr. DONDERO. It is simply a method of expediting the getting of materials to disaster areas. That is the way I understand the bill.

Mr. McCORMACK. Might I say the gentleman from Massachusetts [Mr. DONOHUE] represents the Worcester district which was terribly visited by a disaster, as well as the district of the gentleman from Massachusetts [Mr. PHILBIN]. I think a small part of the Speaker's district was unfortunately visited and also the district of the gentleman from Massachusetts [Mr. HESELTON]. I believe also the district of the gentlewoman from Massachusetts [Mrs. ROGERS] was visited.

Mrs. ROGERS of Massachusetts. My district was not visited. But I did visit the areas of other Members and they certainly need help if any of our people ever did need help.

Mr. McCORMACK. The gentleman from Massachusetts [Mr. DONOHUE] introduced a similar or companion bill in the House. This bill has passed the Senate already, so quick action will get it to the White House. The bill is really the Saltonstall-Kennedy-Donohue bill.

Mr. McGREGOR. I am certain the distinguished gentleman from Massachusetts understands I do not want to object to the consideration of this bill, but I do raise the question of how the Federal Government can donate or loan to a political subdivision any materials. It is my understanding under existing law that we loan it to the States and they are responsible and the State, in turn, lend it to the local communities.

Mr. DONOHUE. Mr. Speaker, will the gentleman yield?

Mr. McGREGOR. I yield.

Mr. DONOHUE. In answer to the inquiry of the gentleman from Ohio [Mr. McGREGOR] may I refer you to Public Law 875. There is provision in that law permitting the Federal Government not only to lend but also to give or to grant such materials to the States. Under existing law there is no provision which will be of help to individuals. We have been informed that throughout the the country there is warehouse after warehouse filled with surplus material that is of no use to the Government. There are furnishings of all kinds such as dressers, dishes, and that sort of thing which could be used in refurnishing the homes of the disaster victims, and this bill would enable the Federal civil defense agency, through a State representative, to distribute that surplus material which is of no value or use to the Government to these individuals.

Mr. McGREGOR. Do I understand that the State agency is going to distribute it to the local political subdivision or to the individuals?

Mr. DONOHUE. No, it goes through a State representative. It is requested, let us say, by a municipality through the State representative, undoubtedly through the governor's office, and they in turn make the request to the Federal civil defense agency.

Mr. McGREGOR. But it is not the Federal Government distributing surplus material, or what not, to any particular town; it must go through some State agency?

Mr. DONOHUE. That is right. Eventually it will come to a city or a town and they, through their representative, will see that it is given to the needy victims of disasters.

Mrs. FRANCES P. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. McGREGOR. I yield to the gentlewoman from Ohio.

Mrs. FRANCES P. BOLTON. That means, then, that Cleveland, which was very hard hit by a tornado, may apply to the State for some of this surplus property?

Mr. DONOHUE. That is exactly right.

Mr. McGREGOR. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 3 of the act entitled "An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes," approved September 30, 1950 (64 Stat. 1109), as amended, is amended by striking out clause (c) and inserting in lieu thereof the following:

"(c) by donating or lending equipment and supplies, determined under then existing law to be surplus to the needs and responsibilities of the Federal Government, to States for use or distribution by them for the purpose of the act, including the restoration of public facilities damaged or destroyed in such major disaster and essential rehabilitation of individuals in need as the result of such major disaster."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DONOHUE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Speaker, because it is a matter of emergency and vitally affects the immediate interests of my constituents, this morning I requested my distinguished colleague from Michigan, the chairman of the House Public Works Committee, to ask the members of his committee to approve the substitution of S. 2199 for my own bill, H. R. 5826, a bill to authorize the President to donate surplus Federal property to individuals in a major disaster area.

Following the major tornado disaster which occurred on June 9, 1953, in my home city of Worcester and surrounding central Massachusetts communities, I held repeated conferences with the officials of the RFC, the Housing and Home Finance Agency, the Farmers' Home Administration, and the Civil De-

fense Administration, which are the Government agencies, other than the Red Cross, that can render Federal aid in these disaster situations. I urged them to do everything they could in promptly bringing help to our people and communities who suffered so greatly from this terrible freak of nature, and they are doing everything they can within their limited power.

In talking with all these representatives, however, I was amazed to find that, while under existing legislation they can assist States and municipalities in the emergency restoration of public facilities, they considered themselves without authority to grant any direct aid to homeless victims of a "major disaster area." Their opinion was that present laws did not, at least by implication, permit them to do so. Few persons seem to realize that whatever Federal money may be sent into a disaster area, including grants from the President's disaster fund, such funds can now only be used for the emergency repair of local public works and the general welfare. In other words, although we can and do, here in this House, freely give money and supplies to unfortunate people all over the world, there appears to be no legislative authority by which any agency of this Government can directly and concretely aid American taxpayers who have lost virtually all they owned in these terrible tornado and other freak-of-nature disasters.

There are, in my central Massachusetts area alone, hundreds of American families who have lost their homes and all their furnishings with, unfortunately, little, if any, insurance recovery. They must still meet the mortgage interest payments on a demolished home, they have practically no financial resources now but the father's weekly pay, and their credit rating, under the circumstances, is extremely uncertain. They must start their lives all over again from nothing, and it seems to me that this Government should and can properly help them to begin anew just by donating articles they vitally need out of Federal surplus property that is now lying around uselessly in warehouses. By surplus property I mean any household furnishings such as tableware, chairs, tables, bureau dressers, cots, mattresses, and other available household items so essential to renewal of normal family living conditions.

The purpose of my bill was to remove any doubt in the minds of the Civil Defense officials that they or the President have the power to authorize the direct distribution by donation of Government surplus property to homeless major disaster victims who are in vital need of it.

Subsequently I requested Senators SALTONSTALL and KENNEDY to introduce companion measures in the Senate, which they did, and that was passed by the Senate recently and is now here before us for substitution for my original bill. I greatly appreciate the wholehearted cooperation of both of our Massachusetts Senators in this matter.

The amended version of the Senate bill channels the surplus property through the States, and thus conforms to our past practices in this matter. However, there is one change through which local governments are eliminated from the supervision of the distribution of the surplus property involved. This provision, if more time was available should, in my opinion, be most carefully scrutinized and evaluated. I very much fear the elimination of the local government participation will inevitably lead to unintended and hampering delay in prompt distribution of the needed supplies to homeless victims. They would certainly appear to be in a better position to accurately determine the needs of the disaster victims within their own area and could more accurately check to insure that no illegal divergence of the surplus property occurred. However, these matters can perhaps be taken care of in the future. The main thing is to get the surplus property to the tornado disaster victims in the shortest time possible.

Therefore, I urge all my colleagues here to unanimously accept and approve the essential principle embodied in this bill and which I originally offered. That principle is merely to extend to American taxpayers, victims of a major disaster, the same generosity this Government exhibits toward unfortunate people in foreign lands, and to which our own citizens have a preeminent claim.

I desire to again express my thanks to both Massachusetts Senators for their cooperation in this matter and also to my distinguished colleague and Speaker, the gentleman from Massachusetts, for permitting this most important measure to be considered today. We are also deeply indebted to our other distinguished gentleman from Massachusetts, the minority whip, as well as every other single member of the Massachusetts delegation who worked so hard with me to get this legislation approved.

Mr. HESELTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. HESELTON. Mr. Speaker, I am very glad that this bill has come to the House for what I am certain will be prompt and unanimous approval. While it will apply generally, I know that it will be of particular significance to that part of Massachusetts which was affected by the recent tornado.

Although the tornado itself first struck in Petersham, which is in the First District, fortunately, the damage there was not excessive compared to other areas in Massachusetts, and particularly in the neighboring Fourth District, represented by my colleague [Mr. DONOHUE]. The passage of this bill, which was introduced in the Senate by the two Senators from Massachusetts, and which is quite similar in purpose and effect to a bill introduced here by my colleague [Mr. DONOHUE], will be of considerable potential value in assisting in the necessary repair of the damage caused by the tornado. I know that it will be appreciated, not only by those directly affected but by all the people of Massachusetts who have consistently supported the traditional American responsibility for assistance whenever disaster visited other parts of this country and the world. I want to commend the committee and the leadership who have made it possible for us to complete action on this important measure now without any delay. Obviously, the sooner this kind of relief can reach those who need it the more valuable it is.

Mr. GOODWIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. GOODWIN. Mr. Speaker, I am glad to associate myself with my colleagues Massachusetts in urging prompt approval of this bill. Although my own district fortunately escaped the tornado of June 9, 1953, other sections of the State were visited by the disaster which struck so suddenly with such distressing loss to so many people. Hardest hit of all was the Fourth District represented by my colleague [Mr. DONOHUE], and I commend him for his prompt action in introducing the bill for which the Senate bill has been substituted. I also commend the committee for so expeditiously bringing this remedial legislation before the House and the Speaker and the leadership for their effective cooperation. When disaster strikes it comes with sudden swiftness and the correspondingly prompt and effective relief afforded by this legislation is richly deserved by Congressman DONOHUE, who has been so diligent and untiring in the interests of the stricken people in his district.

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, I sincerely hope the House will give its immediate consent to Congressman DONOHUE'S bill for which the Senate bill is substituted.

This bill will render much needed aid and assistance to the tornado victims of Worcester County where great loss of life, loss and devastation of property occurred. The situation is urgent and the relief provided by this bill will be of great benefit.

Most of the afflicted area struck by this terrible natural holocaust is located in Congressman DONOHUE'S district and my own district has been affected to a considerable extent.

This great disaster points up the startling gaps in the Federal relief programs and we have learned to our sorrow that many of the programs set up to help disaster victims do not help to the extent we had intended and believed in this House.

These programs must be revised and perfected in line with pending legislation introduced by the gentleman from Massachusetts, Congressman DONOHUE, and myself, and I hope that the House will make a substantial and significant start in this important matter by unanimously passing this bill.

I commend my esteemed colleague the gentleman from Massachusetts, Congressman DONOHUE, for his untiring and most effective work in these matters, in which I have been privileged to join. I am thankful to the Speaker, the leadership, and the committee for their inspiring cooperation.

FEDERAL GOVERNMENT GIVES 1 PERCENT TO "HELP" TORNADO-WRECKED MASSACHUSETTS COMMUNITIES

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, the unprecedented tornado which struck Worcester, Mass., and surrounding communities on June 9, 1953, killed many and left thousands homeless.

Property damage is in excess of $50 million.

This represents a total loss in many cases, because there was no insurance coverage for this type of destruction, which is as rare in Massachusetts as a volcanic eruption in Texas.

On June 11 the President declared the Worcester region to be a major disaster area. On June 14 the President approved the expenditure of $500,000 out of the $18 million available toward rehabilitation and emergency repair under Public Law 875, 81st Congress.

"Token" is the word to describe the help received so far from the Federal Government. As soon as news of the disaster was pushed from the front pages the responsibility for further aid was forgotten, even though it will be at least 6 months before the emergency is over.

There is much dissatisfaction up our way concerning the parsimonious assistance given by the Federal Government toward the relief of the disaster victims. Not since the floods of 1936 and the hurricane of 1938 has Massachusetts experienced such devastation.

The Commonwealth of Massachusetts immediately appropriated $5 million to reimburse cities and towns for tornado expenditures. The Red Cross raised its original allocation of $100,000 to $250,000. Large sums have been contributed separately by the people of the State to provide additional assistance. All these, taken together, still fall far short of the goal.

The Federal Civil Defense Administration has provided 280 home trailers—through the Housing and Home Finance Agency—to serve as temporary housing. The people of Worcester and vicinity are grateful for the assistance given via these and other measures, but so much more remains to be done.

If you could go to Worcester and see the people picking up the matchwood—all that remains of their homes—and trying to salvage a few useful things out of the wreckage that is almost complete, you, too, would be ashamed of the Federal Government's indifference to their plight.

The Boston Post, in an editorial on June 27, 1953, commented, in part, as follows:

> If the job can be done with a minimum of Federal assistance, it will be done, even though the Federal Government has a moral obligation to help the stricken area. It seems rather plain that the tornado crisis in Massachusetts got a brush-off from the administration.
>
> Last year Massachusetts paid almost $2 billion into the Internal Revenue Bureau. Its total return in Federal grants of all kinds was $107,631,000, a very modest sum compared to the handouts to some of the southern States. All that Massachusetts folks need to know is whether their tornado contributions are deductible. They can take it from there.

Small wonder that the editorial has a cynical tone.

In the light of the billions that are being appropriated for foreign aid, there should be room for a little more than 1 percent help for those of our own citizens who have lost all that they have worked for and saved through the years. We speak or putting the people of Europe on their feet again, but how about doing the same, at a trifling cost, for Americans who are the victims of a disaster that also kills, and ruins, right here in the United States?

The entire delegation from Massachusetts in the United States House of Representatives, under date of June 29, addressed a resolution to the President, requesting that he set aside sums out of the disaster-relief fund at his disposal, and in the substantial amount needed, for relief of the hard-hit Worcester area.

As there is no indication that this request will be approved, and in view of the great rehabilitation problem confronting our disaster area, I have introduced a similar bill to compensate for the deficiency.

TESTIMONY OF AMERICAN MEDICAL ASSOCIATION BEFORE HOUSE VETERANS COMMITTEE

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I should like to make the announcement, that the American Medical Association is appearing before our Subcommittee on Hospitals of the Veterans' Affairs Committee, on Monday at 10 o'clock. They have been very active in trying to prevent the hospitalization of some non-service-connected veterans, and they have a right to be heard. The committee is hearing their case on Monday. I know the Members of the House are extremely interested in seeing that the rights of the veterans to hospitalization are not liquidated.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next at 12 noon.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday may be dispensed with.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

MUTUAL SECURITY ACT OF 1953—CONFERENCE REPORT

Mr. CHIPERFIELD submitted a conference report and statement on the bill H. R. 5710.

AID TO PEOPLE BEHIND THE IRON CURTAIN

Mr. KERSTEN of Wisconsin. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. KERSTEN of Wisconsin. Mr. Speaker, I wish to call attention to the fact that ever since his nomination a year ago, President Eisenhower has been keenly concerned with the sufferings of the people behind the Iron Curtain. I believe herein lies the solution of the great ills that beset the world—attention to these sufferings. I noted the remarks of the gentleman from Massachusetts [Mr. MCCORMACK]—and I commend him for them—on aid to the people behind the Iron Curtain; their desire for freedom, their basic God-given rights. These are the things that we of the free world must be concerned with.

Today I introduced a resolution to provide for an authorization of $500 million to be given to the President to be used in his very wide discretion to aid these people who are suffering, to get them to begin to go back on the path to security, to their God-given rights and freedom to which they as human beings are entitled.

I think this is the direction to the solution of all of our basic problems; once we can join hands with them we can then rid the world of the Communist conspiracy that is causing all these great evils.

Mr. MCCORMACK. Mr. Speaker, will the gentleman yield?

Mr. KERSTEN of Wisconsin. I yield to the gentleman from Massachusetts.

Mr. MCCORMACK. I think this is an excellent opportunity for us to capitalize and to exploit the feelings of the people behind the Iron Curtain, not only in our own national interest, but in the interest of the great, long-range result that we all have in mind, a future world peace.

There are persons behind the Iron Curtain who are willing to die for their liberty. I saw a picture of two young men with their arms upraised, apparently throwing a stone at an armored Soviet tank. That shows what the desire for

liberty means. There are countless millions of people behind the Iron Curtain who want to be free men and free women, who want a little freedom, who want some of the fruits of their efforts, who want to enjoy the sacredness of their family life, the same as all of us do, at least to some extent.

These are God-given rights.

When I saw those pictures and I read of what was happening, I knew that that was the outward manifestation of something that comes to us all through the natural law of God.

There is so much we can do; mere words are not enough; we have got to take action helping them with food and other ways. I am for it. We should cooperate in every way possible in trying to take advantage of the opportunity that exists because I think we have the greatest opportunity that has been presented during the past 5 years, since the termination of World War II. I am very happy to listen to the gentleman's remarks and to note the resolution he introduced.

I made the suggestion to a newspaperman when he asked me about it. I said: "We have got to take action." He said: "What kind of action, McCORMACK, would you take?" I said: "I would give the President two hundred million, three hundred million, or even five hundred million, as a blanket fund which he could use in the national interest of the United States."

I would have no hesitancy in giving to the President of the United States, no matter whether he be a Democrat or a Republican, a fund to use in the national interest of our country for things of that kind, because I know he will use it for the best interest of our country. This is a time for something more than words; this is the time for action to keep alive that spirit behind the Iron Curtain rather than bring about disillusionment and disappointment. This is one of the actions which I think would be very helpful. It certainly will put the Communist leaders on notice; it will give hope to the millions behind the Iron Curtain. Not only this, but there are also other things we can do and that we should do, but now is the time, the opportunity presents itself now, and we ought to take advantage of it.

Mr. KERSTEN of Wisconsin. I agree with the gentleman. I think it is a bipartisan matter of the greatest urgency, and I am glad to recall that the President has consistently been concerned with the plight of these people.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 16. An act to amend the immunity provision relating to testimony given by witnesses before either House of Congress or their committees; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 4905. An act to amend the Atomic Energy Act of 1946, as amended.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1644. An act to amend the act of May 27, 1940 (54 Stat. 223), as amended, and the act of February 14, 1931 (46 Stat. 1111), to remove the limitation upon the rank of the Director of Music, the leader of the United States Military Academy Band, and to remove the limitation upon the pay of the United States Naval Academy Band, and to authorize the appointment of the present leader of the United States Navy Band to the permanent grade of commander in the Navy.

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H. R. 1528. An act to authorize the exchange of lands of the Appomattox Court House National Historical Monument, Virginia, for non-Federal lands; and

H. R. 4905. An act to amend the Atomic Energy Act of 1946, as amended.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks was granted to:

Mr. DORN of New York and to include extraneous matter.

Mr. SMITH of Wisconsin in five instances, in each to include extraneous matter.

Mr. BUSBEY to extend the remarks he expects to make in the Committee of the Whole today and to include extraneous matter.

Mr. BONIN and to include an editorial.

Mr. DAGUE.

Mr. HELLER in three instances, in each to include extraneous matter.

Mr. SHEEHAN and to include extraneous matter.

Mr. GORDON and to include a telegram.

Mr. ZABLOCKI in two instances and to include extraneous matter.

Mr. EVINS and to include an address made by the Governor of Tennessee at the International Kiwanis Convention, notwithstanding it exceeds the limit and is estimated by the Public Printer to cost $196.

Mr. REES of Kansas and to include extraneous matter.

Mr. BAKER and to include an article.

Mr. JENKINS the remarks he made today in Committee and to include extraneous matter.

Mrs. HARDEN in two instances, to include in one an article appearing in Time magazine, and in the other a preliminary report by the Federal Civil Defense Administration.

Mr. BOW and to include extraneous matter.

Mr. BONIN and Mr. ROONEY.

Mr. WOLVERTON in three instances and to include extraneous matter.

Mr. VURSELL and to include a radio broadcast.

Mr. HALLECK and Mr. BYRNES of Wisconsin to revise and extend their remarks made in Committee and to include extraneous matter.

Mr. PRICE in two instances and to include extraneous matter in each.

Mr. POWELL (at the request of Mr. MCCORMACK) and to include extraneous matter.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 2 minutes p. m.) the House, pursuant to its previous order, adjourned until Monday, July 13, 1953, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

834. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 12, 1952, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Cold Spring Inlet (Cape May Harbor), N. J., with a view to shore protection authorized by the River and Harbor Act approved on July 24, 1946 (H. Doc. No. 206); to the Committee on Public Works and ordered to be printed with 12 illustrations.

835. A letter from the Secretary of Agriculture, transmitting a draft of a bill entitled, "A bill to amend the act of June 29, 1935 (the Bankhead-Jones Act), as amended, to strengthen the conduct of research of the Department of Agriculture"; to the Committee on Agriculture.

836. A letter from the Chairman, Federal Communications Commission, transmitting a report on backlog of pending applications and hearing cases in the Federal Communications Commission as of May 31, 1953, pursuant to section 5 (e) of the Communications Act as amended July 16, 1952, by Public Law 554; to the Committee on Interstate and Foreign Commerce.

837. A letter from the Assistant Secretary of the Interior, transmitting a certified copy of the acts of the 20th special session of the 17th Legislature of Puerto Rico, also containing acts of the first special session of the first legislature held under the new Constitution of the Commonwealth of Puerto Rico, pursuant to the provisions of section 23 of the Organic Act of Puerto Rico; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 327. Resolution for consideration of H. R. 5877, a bill to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes; without amendment (Rept. No. 761). Referred to the House Calendar.

Mr. TABER: Committee on Appropriations. H. R. 6200. A bill making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes; without amendment (Rept. No. 762). Referred to the

Committee of the Whole House on the State of the Union.

Mr. TABER: Committee on Appropriations. House Joint Resolution 294. Joint resolution continuing the availability of appropriations for the Small Defense Plants Administration for the month of July 1953, and for other purposes; without amendment (Rept. No. 763). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 5664. A bill to amend the mineral leasing laws with respect to their application in the case of pipelines passing through the public domain; with amendment (Rept. No. 764). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 157. A bill to provide that the tax on admissions shall not apply to admissions to a moving-picture theater; with amendment (Rept. No. 765). Referred to the Committee of the Whole House on the State of the Union.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 328. Resolution for consideration of H. R. 4353, a bill to increase farmer participation in ownership and control of the Federal Farm Credit System; to create a Federal Farm Credit Board; to abolish certain offices; to impose a franchise tax upon certain farm credit institutions; and for other purposes; without amendment (Rept. No. 766). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 329. Resolution for consideration of H. R. 5740, a bill to amend the Federal Food, Drug, and Cosmetic Act, so as to protect the public health and welfare by providing certain authority for factory inspection, and for other purposes; without amendment (Rept. No. 767). Referred to the House Calendar.

Mr. JUDD: Committee on Foreign Affairs. House Concurrent Resolution 129. Concurrent resolution expressing the sense of the Congress that the Chinese Communists are not entitled to and should not be recognized to represent China in the United Nations; without amendment (Rept. No. 768). Referred to the House Calendar.

Mr. HOPE: Committee of conference. H. R. 6054. A bill to amend the act of April 6, 1949, to provide for additional emergency assistance to farmers and stockmen, and for other purposes (Rept. No. 769). Ordered to be printed.

Mr. CHIPERFIELD: Committee of conference. H. R. 5710. A bill to amend further the Mutual Security Act of 1951, as amended, and for other purposes (Rept. No. 770). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. TABER:

H. R. 6200. A bill making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes; to the Committee on Appropriations.

By Mr. MAILLIARD:

H. R. 6201. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. YOUNGER:

H. R. 6202. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. SHELLEY:

H. R. 6203. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. MILLER of California:

H. R. 6204. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. ALLEN of California:

H. R. 6205. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. CONDON:

H. R. 6206. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. SCUDDER:

H. R. 6207. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. GUBSER:

H. R. 6208. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. JOHNSON:

H. R. 6209. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. ENGLE:

H. R. 6210. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. MOSS:

H. R. 6211. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. HUNTER:

H. R. 6212. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. BRAMBLETT:

H. R. 6213. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. HAGEN of California:

H. R. 6214. A bill authorizing the State of California to collect tolls for the use of certain highway crossings across the bay of San Francisco; to the Committee on Public Works.

By Mr. ADDONIZIO:

H. R. 6215. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. ASPINALL:

H. R. 6216. A bill relating to mining claims located on land with respect to which a permit or lease has been issued, or an application or offer for permit or lease has been made, under the mineral leasing laws, or known to be valuable for minerals subject to disposition under the mineral leasing laws, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DAWSON of Utah:

H. R. 6217. A bill relating to mining claims located on land with respect to which a permit or lease has been issued, or an application or offer for permit or lease has been made, under the mineral leasing laws, or known to be valuable for minerals subject to disposition under the mineral leasing laws, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. EDMONDSON:

H. R. 6218. A bill to extend the period of restriction and of tax exemption of lands of certain members of the Five Civilized Tribes; to the Committee on Interior and Insular Affairs.

By Mr. LECOMPTE (by request):

H. R. 6219. A bill to regulate commerce among the several States and with foreign nations, to regulate supply of crops and to thereby guard against famine and destitution in any part of the United States and its possessions and in other nations, to promote orderly marketing of crops, to insure against unduly depressive price levels, and to establish a board and corporations for such purposes; to the Committee on Agriculture.

By Mr. STRINGFELLOW:

H. R. 6220. A bill relating to mining claims located on land with respect to which a permit or lease has been issued, or an application or offer for permit or lease has been made, under the mineral leasing laws, or known to be valuable for minerals subject to disposition under the mineral leasing laws, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARRETT:

H. R. 6221. A bill to assist in preventing defective construction of housing aided under Federal Housing Administration and Veterans' Administration programs; to the Committee on Banking and Currency.

By Mr. GREEN:

H. R. 6222. A bill authorizing the modification of the existing project for navigation on the Delaware River, Pa., N. J., and Del.; to the Committee on Public Works.

By Mr. JOHNSON:

H. R. 6223. A bill to amend section 87 of the National Defense Act of June 3, 1916, as amended (32 U. S. C. 47), to relieve the States from pecuniary liability for property lost, damaged, or destroyed through unavoidable causes and to authorize the States to be relieved from accountability in any case except where it shall appear that the loss, damage, or destruction of the property was due to carelessness or negligence or could have been avoided by the exercise of reasonable care; to the Committee on Armed Services.

H. R. 6224. A bill to amend section 61 of the National Defense Act of June 3, 1916, as amended (32 U. S. C. 194), to permit the States to organize military forces or cadres thereof, other than as parts of their National Guards; to the Committee on Armed Services.

By Mr. KEATING (by request):

H. R. 6225. A bill to amend title 17 of the United States Code entitled "Copyrights" to provide for a statute of limitations with respect to civil actions; to the Committee on the Judiciary.

By Mr. SCOTT (by request):

H. R. 6226. A bill to restore the jurisdiction of the district courts in certain civil actions brought against the United States; to the Committee on the Judiciary.

By Mr. BERRY:

H. R. 6227. A bill to promote the economic recovery of the Ogiala Sioux Indians and better utilization of the resources of the Pine Ridge Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 6228. A bill to declare that the United States holds certain lands in trust for the Ogiala Sioux Tribe of the Pine Ridge Reser-

vation in the State of South Dakota; to the Committee on Interior and Insular Affairs.

By Mr. METCALF:

H. R. 6229. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. REECE of Tennessee:

H. R. 6230. A bill to resume the redemption of currency in gold in order to restrain further deterioration of the dollar and to curb further inflation, and for other purposes; to the Committee on Banking and Currency.

By Mr. WAMPLER:

H. R. 6231. A bill to provide for the payment of compensation to disabled veterans who are 65 years of age or older and who are suffering from non-service-connected disabilities; to the Committee on Veterans' Affairs.

By Mr. TABER:

H. J. Res. 294. Joint resolution continuing the availability of appropriations for the Small Defense Plants Administration for the month of July 1953, and for other purposes; to the Committee on Appropriations.

By Mr. DODD:

H. J. Res. 295. Joint resolution designating June 26 of each year as National Baseball Day; to the Committee on the Judiciary.

By Mr. KERSTEN of Wisconsin:

H. J. Res. 296. Joint resolution authorizing an appropriation of $500 million and other sums to aid the suffering people of Communist-dominated nations and areas; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By Mr. GOODWIN: Memorial of the Massachusetts Legislature to Congress to enact into law the principles of the Furcolo Federal scholarship plan; to the Committee on Education and Labor.

Also, memorial of the Massachusetts Legislature to the Congress of the United States to enact legislation liberalizing certain provisions of the law relating to immigration; to the Committee on the Judiciary.

Also, memorial of the Massachusetts Legislature to Congress in favor of the issuance of a commemorative stamp for Samuel Osgood; to the Committee on Post Office and Civil Service.

By Mr. HESELTON: Resolutions of the Massachusetts State Senate memorializing the Congress of the United States to enact legislation liberalizing certain provisions of the law relating to immigration; to the Committee on the Judiciary.

Also, resolutions of the General Court of Massachusetts memorializing Congress in favor of the issuance of a commemorative stamp for Samuel Osgood; to the Committee on Post Office and Civil Service.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BATTLE:

H. R. 6232. A bill for the relief of the Birmingham Iron Works, Inc.; to the Committee on the Judiciary.

By Mr. BENDER:

H. R. 6233. A bill for the relief of Youssef Nemer; to the Committee on the Judiciary.

By Mr. BRAMBLETT:

H. R. 6234. A bill for the relief of Michael Christopher Bennett; to the Committee on the Judiciary.

By Mr. DONOVAN:

H. R. 6235. A bill for the relief of Imre and Margareta Seykell; to the Committee on the Judiciary.

H. R. 6236. A bill for the relief of Joseph Berke; to the Committee on the Judiciary.

H. R. 6237. A bill for the relief of Dr. Beni Horvath; to the Committee on the Judiciary.

By Mr. EDMONDSON:

H. R. 6238. A bill for the relief of Russell Earnest and L. E. Lewis; to the Committee on the Judiciary.

By Mr. KILBURN:

H. R. 6239. A bill for the relief of Spyrangelos Vagelatos; to the Committee on the Judiciary.

H. R. 6240. A bill for the relief of Georgios Vagelatos; to the Committee on the Judiciary.

By Mr. LANTAFF:

H. R. 6241. A bill for the relief of Jose Alvarez; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 6242. A bill for the relief of the West Coast Meat Co.; to the Committee on the Judiciary.

By Mr. MORANO:

H. R. 6243. A bill for the relief of Eloyse Gillian; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 6244. A bill for the relief of Hong Yun Pyo; to the Committee on the Judiciary.

By Mr. MULTER:

H. R. 6245. A bill for the relief of Giuseppe Pierino; to the Committee on the Judiciary.

By Mr. ROBSION of Kentucky:

H. R. 6246. A bill for the relief of Kyu Lee; to the Committee on the Judiciary.

By Mr. ROOSEVELT:

H. R. 6247. A bill for the relief of Anthony Benito Estella, Natividad Estella, Virginia Araceli Estella and Antonio Juan Estella; to the Committee on the Judiciary.

By Mr. SCUDDER:

H. R. 6248. A bill for the relief of Eleanore Hauser; to the Committee on the Judiciary.

By Mr. THOMAS:

H. R. 6249. A bill for the relief of Gusto Razo Martinez, Mrs. Carmine Cortez de Razo, and their minor children, Juan Razo Cortez, Cecilia Razo Cortez, and Maria Elena Razo Cortez; to the Committee on the Judiciary.

SENATE

SATURDAY, JULY 11, 1953

(Legislative day of Monday, July 6, 1953)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Spirit, by whose word man goeth forth to his work and to his labor until the evening: Through all the terror and tumult of these tragic days may we discern the shining path which is leading upward to the city of God.

Set our feet with steadfast purpose, day by day, upon the ascending trail of righteous duty and selfless service. As servants of the Nation, in times that try men's souls, may all uncleanness be burned from our hearts, error purged from our minds, and our will be lost in Thine. In spite of suspicions, animosities, disappointments, and disillusionments which plague the councils of men, gird our hearts to seek peace and pursue it, that the sadly sundered family of Thy children may at last be bound by golden cords of understanding and fellowship around the feet of the one God. In the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Friday, July 10, 1953, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had agreed to the following concurrent resolutions, each with amendments, in which it requested the concurrence of the Senate:

S. Con. Res. 26. Concurrent resolution favoring the suspension of deportation of certain aliens; and

S. Con. Res. 33. Concurrent resolution favoring the suspension of deportation of certain aliens.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 110) favoring the granting of the status of permanent residence to certain aliens, in which it requested the concurrence of the Senate.

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business, for action on nominations under the heading "New Reports."

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The VICE PRESIDENT. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar, under the heading "New Reports."

SECURITIES AND EXCHANGE COMMISSION

The Chief Clerk read the nomination of A. Jack Goodwin, of Alabama, to be a member of the Securities and Exchange Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of J. Sinclair Armstrong, of Illinois, to be a member of the Securities and Exchange Commission.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. KNOWLAND. I ask that the President be immediately notified of the confirmation of these nominations.

The VICE PRESIDENT. Without objection, the President will be notified forthwith of the confirmation of the nominations.

LEGISLATIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following the quorum call there may be the customary morning hour, to permit Senators to introduce bills and joint resolutions, to make insertions in the RECORD, and to transact other routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KNOWLAND. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded, and that further proceedings under the call be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

AMENDMENT OF BANKHEAD-JONES ACT, RELATING TO STRENGTHENING THE CONDUCT OF RESEARCH, DEPARTMENT OF AGRICULTURE

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the act of June 29, 1935 (the Bankhead-Jones Act), as amended, to strengthen the conduct of research of the Department of Agriculture (with an accompanying paper); to the Committee on Agriculture and Forestry.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES IN FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of May 31, 1953 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Council of the City of Los Angeles, Calif., favoring the enactment of the bill (H. R. 5664) to amend the mineral leasing laws with respect to their application in the case of pipelines passing through the public domain; to the Committee on Interior and Insular Affairs.

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Labor and Public Welfare:

"Resolutions memorializing Congress to enact into law the principles of the Purcolo Federal scholarship plan

"Whereas the National Manpower Council has just completed a 2-year survey of the Nation's manpower and has filed its report with the President of the United States; and its major conclusion was that there is an acute shortage of doctors, teachers, engineers, chemists, scientists and others who have had the benefit of higher education; and

"Whereas the National Manpower Council reported that said shortages not only will become increasingly acute but are already undermining the defense effort and impairing the civilian economy; and

"Whereas the National Manpower Council has recommended that some way be found to enable more high school students to go on to higher education, even if they are unable to pay for it; and

"Whereas State Treasurer and Receiver-General Foster Purcolo has proposed that the Congress of the United States enact the Purcolo Federal scholarship plan as the best remedy to solve the situation; and

"Whereas the Purcolo Federal scholarship plan provides for loans by the Federal Government to scholastically qualified high school students who should go on to higher education, but who are unable to pay for it; and

"Whereas the Purcolo Federal scholarship plan, without costing the Federal Government any money, does enable many high school students to go on to higher education when they would be unable to do so in the absence of the Purcolo Federal scholarship plan; and

"Whereas the Purcolo Federal scholarship plan does not in anyway change our educational system or in anyway affect the courses of study or teaching methods of colleges and universities, but merely enables more students to attend such institutions without any control or interference by the Federal Government; and

"Whereas State Treasurer and Receiver-General Foster Purcolo has just returned from Washington, D. C., where he outlined his plan in detail to President Eisenhower and to congressional leaders: Be it therefore

"*Resolved*, That the House of Representatives of the General Court of Massachusetts memorialize the Congress of the United States and recommend that the main objectives, features, and principles of the Purcolo Federal scholarship plan should be enacted into law by the Congress of the United States; and be it further

"*Resolved*, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each branch of Congress, and to the members thereof from this Commonwealth."

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on the Judiciary:

"Resolutions memorializing the Congress of the United States to enact legislation liberalizing certain provisions of the law relating to immigration

"Whereas certain provisions of the immigration laws relating to quotas have long been recognized as inadequate; and

"Whereas it has been the announced policy of the present administration in Washington to alleviate the situation, with special regard for the problem of overpopulation in Italy and certain other countries; and

"Whereas there is now pending before Congress the Watkins bill, so-called, which, if enacted into law, would liberalize the laws relative to quotas and would especially aid in solving one of the most pressing problems of Italy and other countries by permitting an increased number of persons of foreign birth to enter the United States on above-quota visas; and

"Whereas it is greatly to the advantage of the United States to receive immigrants from these countries, many of whom have attained places of high prominence in the industrial, educational, military, political, and spiritual life of our country: Now, therefore, be it

"*Resolved*, That the Massachusetts Senate hereby urges the Congress of the United States to enact the Watkins bill, so-called, into law for the purposes for which it was designed; and be it further

"*Resolved*, That copies of these resolutions be forwarded by the secretary of the Commonwealth to the President, and to the Members of the Congress from this Commonwealth."

(The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on the Judiciary.)

By Mr. SALTONSTALL (for himself and Mr. KENNEDY):

Resolutions of the General Court of the Commonwealth of Massachusetts; to the Committee on Post Office and Civil Service:

"Resolutions memorializing Congress in favor of the issuance of a commemorative stamp for Samuel Osgood

"Whereas Samuel Osgood, born on February 15, 1748, in the North Parish of Andover, in that area now North Andover, in the county of Essex, Commonwealth of Massachusetts, brought great fame and honor to his native community, to his county, State, and Nation by virtue of being the first Postmaster General under the Constitution of the United States of America; and

"Whereas said Samuel Osgood was captain of a company of Minute Men at the Battle of Lexington; an aide to Gen. Artemus Ward, who turned command of the Continental Army over to Gen. George Washington, at Cambridge, Mass.; was named to the Provincial Congress of Massachusetts Bay Colony at the age of 26 years; was a delegate to the Massachusetts Constitutional Convention; was elected first senator from Essex County under the constitution of the Commonwealth of Massachusetts, which constitution was framed by that convention and later adopted; was appointed chairman of a committee to procure and forward weekly supplies from Massachusetts to the Continental Army; was the delegate from Massachusetts to the Congress of the Confederation; was appointed first Commissioner of the Treasury under said Confederation; and

"Whereas he was a great personal friend of Gen. George Washington, who spent the period before and after his first inauguration as President of the United States of

America as guest in the home of the said Samuel Osgood: Therefore be it now

"Resolved, That the General Court of Massachusetts in recognition of the great service rendered to his town, his county, and his country, by the said Samuel Osgood, hereby petitions the Congress and the Postmaster General of the United States of America that a commemorative or memorial stamp be issued in recognition of the valiant service rendered by the said Samuel Osgood; and be it further

"Resolved, That copies of these resolutions be transmitted by the secretary of the Commonwealth, to the presiding officer of each branch of Congress, to the Members thereof from this Commonwealth, and to the Postmaster General of the United States."

The VICE PRESIDENT laid before the Senate resolutions of the General Court of the Commonwealth of Massachusetts, identical with the foregoing, which were referred to the Committee on Post Office and Civil Service.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MORSE:

S. 2356. A bill for the relief of Deborah Todd (Roberta Kisa Matsubara); to the Committee on the Judiciary.

By Mr. JOHNSTON of South Carolina:

S. 2357. A bill for the relief of Panayiotis Mickel Mavroyiannis; to the Committee on the Judiciary.

By Mr. JOHNSON of Colorado:

S. 2358. A bill to authorize the Secretary of Agriculture to construct certain works of improvement for runoff and waterflow retardation, and soil-erosion prevention, on the watershed of the Kiowa, Bijou, and Box Elder Creeks in Colorado; to the Committee on Agriculture and Forestry.

S. 2359. A bill for the relief of Tei Yotsumoto; to the Committee on the Judiciary.

By Mr. BUTLER of Nebraska:

S. J. Res. 98. Joint resolution authorizing and directing the Secretary of the Interior to liquidate the Puerto Rico Reconstruction Administration; to the Committee on Interior and Insular Affairs.

By Mr. IVES:

S. J. Res. 99. Joint resolution creating a committee to assist in the celebration of the 200th anniversary of the Congress of 1754, held at Albany, N. Y., on June 24 of that year; to the Committee on the Judiciary.

EXTENSION OF EXCISE-PROFITS TAX—AMENDMENT

Mr. WILLIAMS submitted an amendment intended to be proposed by him to the bill (H. R. 5898) to extend until December 31, 1953, the period with respect to which the excess-profits tax shall be effective, which was referred to the Committee on Finance, and ordered to be printed.

ISSUANCE OF SPECIAL QUOTA IMMIGRANT VISAS TO CERTAIN ESCAPEES—AMENDMENTS

Mr. FERGUSON. Mr. President, I submit amendments intended to be proposed by me to the bill (S. 1917) to authorize the issuance of 240,000 special quota immigrant visas to certain escapees, German expellees, and nationals of Italy, Greece, and the Netherlands, and for other purposes. I request that the amendments be referred to the Committee on the Judiciary, where the bill is at the present time.

I am a cosponsor of Senate bill 1917. Previously I had introduced a very similar bill.

In 1950 an amendment was made to the Displaced Persons Act providing for 18,000 visas to Polish veterans in exile, under exactly the same terms as I have proposed in these amendments to Senate bill 1917. Those veterans were unable to come into the United States by the time the law expired, on December 31, 1951. One of the reasons why 7,000 of these Polish veterans were still in Britain and unable to come to the United States was that they could not be processed in time by the American authorities. There was a question of the British allowing them the amount of money necessary for transportation.

It is the purpose of these amendments to permit, under Senate bill 1917, these identical people who were authorized to come in by a law of Congress passed back in 1950, to enter the United States.

Mr. KNOWLAND. Mr. President, will the Senator yield?

Mr. FERGUSON. I yield.

Mr. KNOWLAND. Are these primarily anti-Communist Poles of General Anders' army, who served in World War II?

Mr. FERGUSON. That is who they are. They are anti-Communists. They served in the Allied cause, and were members of the Anders army. Congress had enacted a law permitting them to come to the United States; but, because they could not be processed, they were not allowed to come because of the expiration of the law. I believe it is only fair and right that they be given a place in the bill, so that under the new legislation they may come to this country.

The VICE PRESIDENT. The amendments will be received and printed, and will be referred to the Committee on the Judiciary, as requested by the Senator from Michigan.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 110) favoring the granting of the status of permanent residence to certain aliens, was referred to the Committee on the Judiciary, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219; 50 App. U. S. C. 1953):

A-6662121, Affen, Awigdor.
A-6652021, Affen, Estera (nee Stowatycka).
A-6652022, Affen, David.
A-6923739, Ahn, Susanna Mei Sheng.
A-7071208, Barenbaum, Sara.
A-7375587, Barsan, Vasile.
A-6886922, Bejlis, Chaim Juda.
A-7873139, Berger, William.
A-6802133, Billys, Rachelle Rottenberg.
A-7210113, Bomze, Nuchim.
A-7097848, Brull, Wolf.
A-6698770, Bryzman, Sara.
A-7210182, Buranosky, Zora Krizan.
A-8039694, Chang, James.
A-6284272, Chang, Roland Wan-Chan.
A-8039760, Chean, Lui Cheng.
A-7288834, Chen, Casey or Kung Chin Chen.
A-7177873, Chen, Ching-Chi.
A-8057487, Chen, Thelma.
A-6358531, Cheng, Theodore.
A-6627382, Chiang, Hung-Chi, or Kiang (now Wallace Hung Chi).
A-6627377, Chiang, Chu-Fang (now Sally), or Kiang.
A-6627381, Chiang, Welthy Hsien-Ya, or Kiang.
A-6403594, Chih, Tao Chung (nee Wei).
A-4363539, Cho, Ling-Chin, or Sister Margaret Cho.
A-4363536, Kiang, Tsui-Yun, or Sister Helen Kiang.
A-6851453, Chu, Sheng, To.
A-7135786, Chun, Wong.
A-6975434, Chung, Ling Jai-Pao.
A-6095459, Chung, Pin Liang Mah.
A-6095462, Chung, Jung Yu Chien.
A-6095460, Chung, Mamie Yu-Yen.
A-6095455, Chung, Josephine Yu-Hsiu.
A-6095461, Chung, Charlotte Yu Jem.
A-7118724, Cohen, Sally Moshi.
A-7125302, Czuker, Jolan (Yolanda) (nee Spitzer).
A-7125303, Czukor, Sandor (Alexander).
A-7060506, Dage William.
A-7190618, Dancziger, Hugo.
A-7915034, Danczieger, Reisel.
A-6949997, Dresdner, Lew.
A-6934996, Ellenbogen, Zoltan.
A-7415153, Fabian, Helena.
A-8150011, Fisch, Erwin.
A-8150012, Fisch, Marianna.
A-6983821, Fischer, Daniel George.
A-7136632, Fizman, Josef or Fiszman.
A-7134259, Frankl, Samuel.
A-6887566, Friedman, Paula Peral (nee Paula Pearl Rosenberg).
A-7297265, Friedman, Sandor.
A-7879328, Friedman, Hajnal.
A-7879330, Friedman, Imre.
A-7879329, Friedman, Judith.
A-6903720, Ganz, Josef.
A-6868673, Ganz, Regina.
A-7222523, Hajdowski, Jan.
A-6780721, Halpert, Deanis or Denis.
A-7073886, Harb, Mufid Wasif or Mofeed Wasif Harb.
A-6903674, Hartman, Sandor.
A-7193752, Heidrich, Arnost.
A-7138195, Heidrich, Anna.
A-7138194, Heidrich, Arnost (minor).
A-6599143, Herskovits, Sonyi or Sam Herskovits.
A-6911058, Hoffman, Aranka.
A-6687019, Hrebik, Antonin.
A-7184215, Hrebik, Anna.
A-7118712, Hsieh, Han Chun.
A-6848079, Huang, Mary Feng-Ling.
A-6735277, Hwang, Edith Shu-Ai.
A-6708716, Hwang, Joseph Cen or Tzu Shang Hwang.
A-7172901, Iles, Joseph.
A-6697288, Jen, Houng Pao.
A-5772189, Jubran, George Abdallah or George Abdallah Jubran Sarsour.
A-6363021, Juzint, Meyer, or Majer Yuzint.
A-7144082, Kalish, Ruth (nee Ruchia Perkal).
A-7125418, Kantoras, Leiba.
A-7125419, Kantoras, Mirjam (nee Davidoff).
A-6760755, Katz, Zoltan.
A-9747388 Kejdrowski, Josef.
A-6967272, King, James Tai-Tsun, or King Tai-Tsun.
A-6916663, King, Shin-Chien, or Sidney C. King.
A-6922677, Klein, Pinkas, or Paul Klein.
A-6868671, Klemperer, Eva Zuzana (nee Keleti).
A-6599647, Kovats, Gyorgy Nagyajtai, or George K. Tay.
A-9635007, Laarents, Toomas.

A-6967339, Lee, Anna, or Ping-Li Lee.
A-7738505, Lee, Chin Yang.
A-9799719, Lepikson, Alexander.
A-6959700, Li, Hsiu Chen, or Betty Li.
A-6381292, Li, Yi-Sheng.
A-6940530, Lin, Chan.
A-6451320, Lin, Hui Ching Yen.
A-7385346, Liu, Ruby.
A-7283111, Liu, Sien Wei, or Liu Sien Wei.
A-6552720, Leh, Pei-Fang.
A-6846044, Lui, Ming Hang, or Ming Hang Lin.
A-6775574, Mach, Emil.
A-6887559, Meisels, Bernat.
A-6811811, Miciak, Bronislaw or Branislaw or Branislow or Bronslaw or Miciak Bronislaw..
A-6952323, Mincer, Jacob.
A-7197561, Mincer, Pelsach, or Paul Mincer.
A-7190623, Moskovitz, Joseph.
A-6691441, Moy, Howard R., or Koon Toa Moy or Roger Hoo Moy.
A-6992561, Nudelman, Mark or Moishe.
A-6922077, Pauker, Guy Jean.
A-7457250, Pauker, Mirona (nee Cochinescu).
A-8082050, Peng, Benjamin Kun.
A-7118628, Perutz, Gertrude Dagmar Zdenka.
0300-300162, Petri, Francis or Francis Arnold Alajos Pukl.
A-7078183, Piasek, Aranka (nee Gedaljovits).
A-6997896, Pili, Maria (nee Kulikowska).
A-6621746, Ponomareff, Serge Alexandre.
A-6887574, Potashnik, Raci Tessler.
A-7184191, Prochazka, Adolf.
A-7197628, Prochazka, Helena.
A-6613322, Pyka, Zygmunt Maria.
A-6800187, Rachman, Mayer.
A-6805571, Rachman, Anna.
A-7095970, Rubint, Ferenc.
A-7095972, Rubint, Gabriella Vajdik.
A-7421668, Ruksc, Henry, or Henryk Ruksz.
A-7186354, Safer, Josef.
A-6819584, Samra, Halim Abdul Nabi Jacob or Halim A. Jacob.
A-6314405, Seidler, Klara Von Csorba.
A-6314403, Seidler, Stefan Sandor, or Stefan Seidler Sanders.
A-6917984, Seiss, Aron.
A-6746541, Shaya, Ezra Sasson.
A-6616705, Singer, Gustawa, or Janet Singer.
A-9777103, Sinivee, Arthur.
A-6230830, Sofer, Ibrahim Gurji Saiman, or George Abraham Sofer.
A-7860462, Steen, Lubove Kotova.
A-7224950, Elgin, Ludmila.
A-6922670, Steinberg, Kalman.
A-6803920, Stoyanoff, Dimiter Pavloff.
A-6803921, Stoyanoff, Kiril Pavloff.
A-6574367, Su, Louise Yao-Hwa or Louise Tang.
A-9825172, Suttora, Matteo Natale Stefano.
0300-301009, Tcheng, En Lien.
A-7483055, Torgovitsky, Issai.
A-7197746, Torgovitsky, Polina.
A-7197747, Torgovitsky, Rita.
A-7197748, Torgovitsky, Gary.
0300-315465, Tsao, Tsen Cha.
0300-315466, Tsao, Winifred.
A-7190607, Tseu, Heng Sing.
A-6958979, Tseu, Charlotte H. Liu.
A-6877785, Wang, Li (George).
A-6694321, Weinstein, Ernest.
A-6694324, Weinstein, Eva.
A-1466910, Weng, Hsing Ching.
A-9825092, Woszczak, Josef Apoloniusz.
A-6851485, Wu, Shin Ye.
A-6899285, Yang, William Wen-Min.
A-6964626, Yu, Juliana Shan-Chuang.
A-9767540, Zawada, Maksymilian.
A-6819104, Zeller, Solomon.
A-4671679, Fou, Mary Tsai Dien, or Sister Mary Fou.
A-6467056, Metsalo, Valentin.
A-6903692, Bluth, Lenke Einhorn.
A-6852888, Feldbrand, Manci.
A-6887709, Meisels, Naftali.
A-6903748, Kaftanski, Seymour, alias Szepsel Kaftanski.
A-6938007, Schwartz, Hillel Aron.
A-7290210, Sztrachman, Aleksander.
A-6886824, Weiss, Josef.
A-6159671, Joles, Joel Leib.
A-6949995, Neufeld, Josef.
A-6849828, Tai, Gertrude Loe or Hsiao Tso Loe.
A-6210613, Litynski, Zygmunt Leopold or Zygmunt Litynski.
A-7383205, Il'escu, Dumitru.
A-6405961, Lin, Chi-Sun.
A-6916662, Lee Sen Lin.
A-6887911, Szafir, Jerzy Adam.
A-6887066, Kao, Chung Chin.
A-6213486, Niedzwiecki, Millian Zdzislaw, or James Z Millian.
A-7184219, Kocvara, Stephen.
A-7283382, Kocvara, Margaret.
A-7351111, Sutt, Mihkel.
A-6897923, Rykrova-Souckova, Milada, alias Milada Souckova.
A-6848574, Ho, Betty Lorenza Yu-Lin.
A-6624885, Tsai, Gerald, Jr.
A-6428121, Tsai, Loretta Yung.
A-6703319, Fong, Swi-Chyi alias Lloyd Swi-Chyi Fong.
A-6934095, Berger, Saje.
A-7209994, Cholewicka, Krystyna Janina.
A-9625129, Juszczak, Stefan.
A-6887560, Knoll, Solomon.
A-6897932, Kracik, Jarmila.
A-7126185, Lee, Henry Tuh-Shing.
A-6854472, Mestrovic, Petar.
A-7127950, Pales, Vitali, alias Victor Pales.
A-7115676, Rosenberg, Johan Drumer.
A-7115677, Rosenberg, Israel Drumer.
A-6804018, Simpser, Rose Rubenstein.
A-7282661, Woo, Esther Sun.
A-7595322, Yiun, Chian Hsih or Mrs. Aileen Pei.
A-6819100, Paneth, Eva Yecheved (nee Grunzweig).
A-6904775, Cajtung, Seweryn.
A-6904773, Cajtung, Masza.
A-6904774, Cajtung, Ryszard.
A-7123471, Szabo, Gustav Oliver.
A-6537568, Wei, Tsun Dah also known as Stacy Way.
A-7051379, Hu, Yun Wen also known as Eleanor Hu Way.
A-7197515, Horvath, Tibor.
A-7197516, Horvath, Agnes (nee Bocskor).
A-7056881, Akos, Lester also known as Laszlo Reiner.
A-7056882, Akos, Lilla (nee Lilla Grosz-man).
A-7372167, Akos, Thomas also known as Tamas Akos.
A-7138064, Reiner, Franciska (nee Franciska Strasser).

NOTICE OF CONSIDERATION OF NOMINATION OF MISS FRANCES E. WILLIS TO BE AMBASSADOR TO SWITZERLAND

Mr. KNOWLAND. Mr. President, the White House sent to the Senate today the nomination of Miss Frances E. Willis, of California, a Foreign Service officer of class 1, to be Ambassador of the United States to Switzerland. Notice is given that the Committee on Foreign Relations will consider the nomination after 6 days have expired, in accordance with the committee rule.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorial, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. KUCHEL:

Address delivered by Senator GOLDWATER on July 4, 1953, at Forest Hills, N. Y.

By Mr. MARTIN:

Excerpt from an address delivered by him at the 34th annual encampment, Department of Pennsylvania, Veterans of Foreign Wars, at the Bellevue Stratford Hotel, Philadelphia, Pa., July 9, 1953.

By Mr. SPARKMAN:

Address by Albert Balink and letters from former President Truman and President Eisenhower regarding the William the Silent award.

Address delivered by Hugh G. Grant, former United States minister to Albania and Thailand, at the Kiwanis Club of Birmingham, Ala., on July 7, 1953, on the subject It's Time for Uncle Sam To Face Some Realities on the International Front.

LEGISLATIVE PROGRAM

Mr. KNOWLAND. Mr. President, I wish to invite the attention of the Senate to the fact that the hearings on the status of forces agreements under the North Atlantic Treaty, the hearings on the International Wheat Agreement, and the hearings on the German debt settlement—all of which agreements or treaties are on the Executive Calendar—have now been printed and, I understand, are available to all Senators, and have been sent to the office of each Senator. Since we intend to take up those treaties or agreements next Monday and Tuesday, I call this fact to the attention of each Senator and, in particular, to the attention of the minority leader, so that all Senators who desire to study these matters over the weekend, before the agreements or treaties are brought up, will have ample notice.

Mr. AIKEN. Mr. President, will the Senator from California yield?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from California yield to the Senator from Vermont?

Mr. KNOWLAND. I yield.

Mr. AIKEN. Let me inquire when the the Senator from California contemplates having the International Wheat Agreement brought up. I ask this question for the reason that the American delegation is about to leave for London. Of course, a sugar conference is to be held there, so the delegation would have to go, anyway. However, I believe that Tuesday is the last day for filing the credentials of delegates who will participate in the meeting on the International Wheat Agreement.

Mr. KNOWLAND. I have scheduled the International Wheat Agreement as the first business for Monday. It will be followed by the German debt settlement agreement. On Tuesday, I hope the Senate will take up the status of forces agreements. Also on Tuesday we probably shall have the conference report on the mutual-aid bill, which has been reported unanimously by the conferees; and I understand the House is to act on the conference report on Monday.

Mr. AIKEN. Then do I correctly understand that it is the purpose of the acting majority leader to have the Sen-

ate take up the International Wheat Agreement on Monday, and to continue with it until action on it has been completed?

Mr. KNOWLAND. That is correct.

Mr. AIKEN. In view of the fact that Tuesday is the last day on which the American delegates can file their credentials, it would be rather embarrassing to have the International Wheat Agreement passed on by the Senate after the time for the filing of credentials had expired.

Mr. KNOWLAND. Yes. That is why I have given notice to this effect.

In connection with that agreement, I call attention to Senate Joint Resolution 97, Calendar 509, a joint resolution to amend the International Wheat Agreement Act of 1949. That joint resolution also was reported from the Foreign Relations Committee, and I understand it is to be taken up immediately following our consideration of the International Wheat Agreement, and probably on the same day. I have been informed that the two are tied together, so to speak.

Mr. AIKEN. I assume that the proposed amendment to the International Wheat Agreement Act is in the form of a reservation, is it not? I do not know how an international agreement could be amended otherwise.

Mr. KNOWLAND. If the Senator from Vermont will obtain copies of the joint resolution and of the committee report on it, he will see how those measures are tied in.

Mr. AIKEN. I am glad the Senator from California has called my attention to this matter.

Mr. KNOWLAND. Mr. President, for the information of the Senate, I now state that we plan on having the Senate meet each day next week, and possibly to have the sessions begin at either 10 or 11 o'clock a. m., as the legislative situation may require, or possibly at noon. I hope all Senators will be on notice that during the entire period of next week it may be necessary for the Senate to hold evening sessions. I hope it will not be necessary for the evening sessions to run too late into the evenings, but I wish all Senators to have as much advance notice as possible.

REPORT OF REPRESENTATIVE OF THE INDEPENDENT PARTY

Mr. MORSE. Mr. President, as I announced yesterday, the Independent Party postponed its usual Friday report until this morning. It did so for various reasons, but chiefly for the accommodation of my colleagues in the Senate, and particularly the staff of the Senate, because had the report been made yesterday, we would have been in session at a much later hour than we were, and in my judgment it would have been exceedingly unfair to members of the staff. After all, my colleagues can go their way and read the report, if they care to, in the RECORD, but members of the staff must remain on the job and work while the Senate is in session.

TRIBUTE TO MEMBERS OF THE SENATE STAFF

Mr. President, having made those comments about the staff, I wish to take this opportunity of paying what I think is a very deserved commendation to the members of the Senate staff, including the pages, for the very efficient and cooperative service which they have rendered the Senate during this session of the Senate, as they have in past sessions.

OFFICIAL REPORTERS OF DEBATES—JAMES W. MURPHY

I wish particularly to commend the work of the Official Reporters of Debates under the competent leadership and direction of James W. Murphy. I have just talked with one of the Official Reporters. I asked him when Mr. Murphy first took up his duties on the Hill, and he said it was in 1896.

It seems to me that we too frequently forget the real public service that is performed on the Hill by these great career servants of the Congress who remain on the job for many years after most of us have walked across the stage of public service and gone our way.

Here we have an example of a great servant who, day in and day out, month in and month out, and year after year, has been serving the Senate and the American people as the head of this very efficient corps on which we are so dependent, the Official Reporters of Debates of the Senate.

On this subject I know that I can speak for all my colleagues. As a Member of the Senate I am very much pleased, at the beginning of my report today, to express my very sincere thanks—and I am sure those of all my colleagues—for the helpful and efficient service which we have received from Mr. Murphy and his group of Official Reporters of Debates in this session, as in past sessions.

HELLS CANYON DAM

Mr. President, I have a series of items to take up today in this report. I shall refer to some of the minor ones first, although each one is important in its own right.

I ask unanimous consent to have printed in the RECORD as a part of my remarks at this point a letter which I received from the master of the Oregon State Grange, enclosing a resolution adopted by that organization, and that the letter and resolution be appropriately referred.

There being no objection, the letter and resolution were referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD as follows:

OREGON STATE GRANGE,
Portland, Oreg., June 26, 1953.

Senator WAYNE MORSE,
Senate Office Building,
Washington, D. C.

DEAR SENATOR MORSE: The Oregon State Grange in session June 8 to 12, 1953, adopted the enclosed resolution.

We hope that you will give this matter your very earnest consideration.

Sincerely yours,

ELMER MCCLURE,
Master, Oregon State Grange.

HELLS CANYON DAM

Whereas the daily papers have announced that Interior Secretary Douglas McKay has withdrawn his opposition to the construction of the Oxbow Dam in the Snake River by the Idaho Power & Light Co.; and

Whereas in completing the Northwest power program, it is necessary to construct various flood-control dams in the upper reaches of the Columbia and Snake Rivers to firm the power in all dams downstream; and

Whereas the Hells Canyon Dam, with a storage capacity of 4 million acre-feet, is one of the best sites for flood control in the Northwest: Now, therefore, be it

Resolved, That Oregon State Grange go on record as favoring the construction of Hells Canyon Dam by the United States Government, and that copies of this resolution be sent to our State delegation in Congress, to Secretary of Interior McKay, and to the Federal Power Commission.

STATUTORY RECOGNITION OF FEDERAL EMPLOYEE UNIONS

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a resolution and a covering letter which I have received from the Oregon State Federation of Labor, on the subject of statutory recognition of Federal employee unions.

There being no objection, the letter and resolution were ordered to be printed in the RECORD, as follows:

We are enclosing copies of resolutions in compliance with instructions of the 51st annual convention of the Oregon State Federation of Labor held in the city of Coos Bay, Oreg., June 15–19, 1953.

OREGON STATE FEDERATION OF LABOR.

RESOLUTION 48

Whereas no union is fully effective unless it is recognized by its employer; and

Whereas the Federal Government is the world's largest employer and does not recognize by statute any of the several employee organizations representing its employees; and

Whereas this need for recognition is well known in Congress, and two bills H. R. 172 and H. R. 644 have been introduced in the Congress to provide by statute recognition of Federal employee groups: Therefore, be it

Resolved, That the 1953 convention of the Oregon State Federation of Labor endorse H. R. 172 and H. R. 644, extending statutory recognition to unions representing Federal employee groups, and request the Oregon State congressional delegations to support this legislation.

THE ADMINISTRATION'S NATURAL RESOURCES PROGRAM—ARTICLE FROM LONDON (ONTARIO) FREE PRESS

Mr. MORSE. Mr. President, one of the most penetrating columns I have read recently, by way of an evaluation of the Eisenhower administration's program in the field of natural resources, was published in the London (Ontario) Free Press of June 30, 1953, written by Stephen L. Debalta, Washington correspondent of the London Free Press. Although I shall ask to have the entire column incorporated in the RECORD as a part of my remarks, I wish to read a paragraph or two, and make a few comments on those paragraphs. Mr. Debalta says in his column:

The seeming readiness of the administration to hand on a platter the Nation's natural resources to exploiting utilities

monopolists was made quite clear by President Eisenhower himself when he recently offered the Tennessee Valley project as an example of "creeping socialism." The millions of farmers and small industrialists enjoying the benefits of cheaper electric power thanks to the TVA (Tennessee Valley Authority) will certainly wonder whether the President, in his fatherly solicitude for the little fellow, prefers the galloping profiteering of the privately owned utilities monopolies to the creeping socialism of Government subsidized public powerplants which supply current at reasonable rates. Our Canadian friends may also question the administration's sincerity in backing the St. Lawrence seaway project and the associated electric-power development which by the same token may be labeled as the products of "creeping socialism."

Senator MORSE's denunciation of the Government's partiality toward the great financial combines, which crush competition and exploit ruthlessly the consumer in the field of public power, will arrest nationwide attention because it reveals an attempt to move back the clock of our economic and social progress at least 25 years. The fight against corruption of politics by big business was really initiated 50 years ago by Republican President Theodore Roosevelt who dissolved Northern Securities Corp. and other powerful combines for violating antitrust laws, obtained the Elkins law forbidding rebates to favored corporations and, in general, injected more ethical principles in the unbridled growth of American financial and industrial resources.

Again these powers got loose under Harding, Coolidge, and Hoover only to be disciplined by Franklin Roosevelt and Truman. President Eisenhower, little prepared by his lifelong military career for the gigantic task of coping with the complex problem of regulating the development of the world's richest country, found it more expedient to entrust the executive branch of the Government into the hands of big-business magnates.

At first it looked like an innocent experiment to administer the country in the same manner as a large, successful corporation is run. Despite a token opposition against the appointment as members of the Cabinet of heads of gigantic financial and industrial trusts who control about 90 percent of the $65 billion worth of contracts given out by the Defense Department alone, high officials of the General Motors, General Electric, and other industrial and financial moguls have been invited by President Eisenhower to become members of his immediate family. The change in our economic orientation is becoming more apparent every day, a change designedly more beneficial to the few than to the great masses of the Nation.

Mr. President, I ask unanimous consent that the entire article be printed in the RECORD at this point, as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WASHINGTON DIARY—MORSE VERSUS EISENHOWER

(By Stephen L. Debalta)

WASHINGTON.—The perusal of the CONGRESSIONAL RECORD, a bulky 200-page densely printed volume, published daily by the United States Government, is often surprisingly rewarding despite the well-known drabness of verbatim minutes of parliamentary proceedings.

The journal of June 22, for instance, contains a 20-page speech by Senator WAYNE MORSE, from Oregon, on the administration's crusade against public power. This address, labeled by the Senator as "the Independent Party's report to the people," is worthy of wide publicity not only because of its meaty contents, its impeccable literary elegance, and its inevitable impact on the public mind, but because it is a crystal clear expose of the highly restrictive economic philosophy of the Eisenhower administration.

Stripped of its partisan trimmings, MORSE's arraignment of the administration's "big grab" program is echoing the intimate fears of the vast majority of our people that before it is too late the natural wealth of the Nation will be gobbled up by the band of greedy monopolists whom the late President Teddy Roosevelt, a Republican, called "the malefactors of great wealth."

The give-away of the offshore oil lands is cynically viewed as the fulfillment of an election campaign pledge, which for the first time in the memory of the present generation has brought traditionally Democratic States under the Republican banner. However, according to Senator MORSE, elected as a Republican and one of the President's most ardent pioneer backers, the depredatory policies, fostered by the Government for the benefit of the multibillion-dollar monopoly combines, will not stop there.

The seeming readiness of the administration to hand on a platter the Nation's natural resources, to exploiting utilities monopolists, was made quite clear by President Eisenhower himself when he recently offered the Tennessee Valley project as an example of "creeping socialism." The millions of farmers and small industrialists enjoying the benefits of cheaper electric power, thanks to the TVA (Tennessee Valley Authority) will certainly wonder whether the President, in his fatherly solicitude for the little fellow, prefers the galloping profiteering of the privately owned utilities monopolies to the creeping socialism of Government-subsidized public-power plants which supply current at reasonable rates. Our Canadian friends may also question the administration's sincerity in backing the St. Lawrence Seaway project and the associated electric-power development which by the same token may be labeled as the products of creeping socialism.

Senator MORSE's denunciation of the Government's partiality toward the great financial combines, which crush competition and exploit ruthlessly the consumer in the field of public power, will arrest nationwide attention, because it reveals an attempt to move back the clock of our economic and social progress at least 25 years. The fight against corruption of politics by big business was really initiated 50 years ago by Republican President Theodore Roosevelt, who dissolved Northern Securities Corp. and other powerful combines for violating antitrust laws, obtained the Elkins law forbidding rebates to favored corporations, and, in general, injected more ethical principles in the unbridled growth of American financial and industrial resources.

Again these powers got loose under Harding, Coolidge, and Hoover only to be disciplined by Franklin Roosevelt and Truman. President Eisenhower, little prepared by his lifelong military career for the gigantic task of coping with the complex problem of regulating the development of the world's richcountry, found it more expedient to entrust the executive branch of the Government into the hands of big business magnates.

At first it looked like an innocent experiment to administer the country in the same manner as a large, successful corporation is run. Despite a token opposition against the appointment as members of the Cabinet of heads of gigantic financial and industrial trusts who control about 90 percent of the $65 billion worth of contracts given out by the Defense Department alone, high officials of the General Motors, General Electric, and other industrial and financial moguls have been invited by President Eisenhower to become members of his immediate family. The change in our economic orientation is becoming more apparent every day, a change designedly more beneficial to the few than to the great masses of the Nation.

Already the cost of living, according to the latest Government statistics, has climbed to an all-time high, belying the fallacious promises of the administration that the bighearted producers of food and commodities will reduce the scale of their profits after being freed of strangling Government controls. The excess-profits tax is being scuttled despite the platonic protests of the President. Oldtime protectionists are riding high again, trying to slam our doors to foreign trade. Close observers of the economic scene, on the other hand, are timidly whispering that unmistakable signs of a "faint" shrinkage of our erstwhile booming prosperity is becoming more and more perceptible.

Such are the outlines of a situation which will become more articulate as we are nearing the preelection period of 1954, a few months hence. At this early date it would be sheer temerity to attempt a prediction, but the future of the Eisenhower administration, hanging on the flimsy thread of a one-vote majority in the Senate, is certainly at stake.

HELLS CANYON DAM

Mr. MORSE. Mr. President, as a part of my weekly report of the Independent Party to the country, I have been calling the attention of the Senate for many weeks past to the fact that in the Pacific Northwest there is rising opposition to the position taken by the Eisenhower opposition in connection with the withdrawal of the Government from the hearings on the petition of the Idaho Power Co. for permission to build a dam at Oxbow. If the petition is granted by the Federal Power Commission, it will mean the end for all time of the possibility of building a great multipurpose dam in Hells Canyon. I did my best, as did many other proponents of the Hells Canyon Dam site, to stop the Eisenhower administration from making what may very well prove to be one of its major economic mistakes.

Mr. President, the people of the Pacific Northwest in increasing numbers are beginning to recognize what the position of the Eisenhower administration on the Hells Canyon Dam really means to them. They are beginning to realize that what the Eisenhower administration is doing, in fact, is denying to future generations of boys and girls the maximum potential kilowatt power of the Snake River. They are beginning to realize that in our generation we have no right for any reason to follow a course of action in the handling of the Nation's natural resources which will deny to future generations of American boys and girls their full heritage in the economic wealth in the rivers and streams of the United States. Yet that is what is being done. In my major speech this morning I shall go into that subject at some length.

At this time I call the attention of the Eisenhower administration to the fact that the program being followed by the Secretary of the Interior in connection with the handling of power resources is causing increasing opposition in the Pacific Northwest.

As some evidence of it, I ask unanimous consent to have printed in the RECORD, as a part of my remarks, a petition sent to me, which bears the signa-

tures of many people in the Pacific Northwest. The heading reads:

PETITION TO THE CONGRESS OF THE UNITED STATES RE HELLS CANYON

We, the undersigned, petition the Congress of the United States to appropriate funds for building a multipurpose dam on the Snake River in Hells Canyon for the purpose of increasing national strength and the general welfare of all the people of the United States.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

PETITION TO THE CONGRESS OF THE UNITED STATES RE HELLS CANYON

We, the undersigned, petition the Congress of the United States to appropriate funds for building a multi-purpose dam on the Snake River in Hells Canyon for the purpose of increasing national strength and the general welfare of all the people of the United States:

Merle J. Spears, W. A. Hutchison, W. A. Ingerson, G. R. Williams, James H. Watson, E. M. Hickson, E. L. Hall, R. R. Furman, Paul I. Frazier, C. Peterson, C. C. Cowlwell, N. A. Davis, J. R. Mortier, O. G. Swalberg, J. N. Feih, F. M. Childers, R. E. Campbell, Kenneth L. Crumford, L. R. Edwards, Herman Stein, N. C. Scott, LeRoy Keagle, John Condit, J. H. Barstow, W. G. MacGregor, B. H. Nelson, Carrie Nelson, L. E. Ingram, Donald A. Hanson, Malcolm C. Andrews, Richard B. Kennedy, Roy M. Bell, R. G. Blomberg, Robert E. Bradford, Forest Ferris, Melvin Barber, Emma Bradford, Clifford Draper, Elmer George, Hannah White, Mrs. John D. Larson, John R. Olson, Mrs. J. N. Baker, G. L. Gilmore, Mrs. Josephine Gilmore, Arthur C. Spencer, Walter S. Lovely, Adus Payne, W. R. Gekeler, Milo W. Stewart, Harry U. Mehille, Allen M. Clark, Edward Hodson, George Cooper, S. A. Robertson, E. F. Heffling, Mrs. Wm. Walton, William Q. Walton, W. E. Adler, Royal Young, Edgar Denton, C. R. Baldwin.

Jill Patman, Enterprise, Oreg.; R. D. Lyman, Edna Malone, Lorene Malone, Mrs. E. O. Looker, Bessie Hunter, Otto Hunter, Grace E. Anderson, John M. Anderson, Mrs. Everett Gilmore, Minnie Lyman, Shirley J. Spears, Allen Parker, J. O. Brinn, Bessie Brinn, Fred Spencer, Irene Kennedy, Everett E. Gilmore, Carrie M. Patterson, Thomas Gary Rose, Marion Spencer, C. A. Brinn, Charles Robert Butler, La Grande, Oreg.; Ray Wilhelm, Elgin, Oreg.; Grace Butler, Mrs. Earl Holmes, J. A. Denming, Lillie Denming, Irene Isbell, Joseph J. Conner, Stanley Arnoldus, F. D. Hagey, H. Davis, C. L. Harrington, H. R. King, Wm. Wiese, W. W. Gartner, William W. Gooderham, G. T. Roe, Howard P. Fisk, B. Swann, Howard F. Richardson, La Grande, Oreg.; Merle L. Newcomb, Pendleton, Oreg.; Harold L. Bishop, Jim Clark, Paul C. Bull, George W. McClure, Jimmy L. Beickel, W. E. Saunders, Harry Carter, C. A. Brown, Charles J. Kozan, C. H. Springer, W. S. Shansel, R. J. Patterson, D. L. Hutchison, E. P. Herron, La Grande, Oreg.; K. M. Lundgren, Hermiston, Oreg.; M. D. Hiatt, La Grande, Oreg.; S. Haligarth, Imbler, Oreg.

E. B. Woodward, La Grande, Oreg.; J. D. Fitzgerald, Summerville, Oreg.; P. W. DeBoie, Ed Thurston, P. O. Delaney, G. W. Driskell, W. P. Landers, W. W. Beichel, C. W. Broyles, Jesse L. Hoggatt, La Grande, Oreg.; Vernel Cunningham, Cove, Oreg.; L. D. Draper, J. W. Feik, M. N. Stoddard, I. L. Hungerford, O. W. Phillips, La Grande, Oreg.; L. R. White, Union, Oreg.; C. E. Rayburn, C. M. Boyd, V. D. Bramer, Lowell E. Fihn, C. E. O'Neall, E. P. Thompson, Donald M. Lean, J. R. Halladay, Roy Pohrman, Don Chandler, Elmo Clegg, Harry Trimble, G. W. DeBoie, G. A. Raff, H. W. Belden, John W. Anher, Lyle E. Fihn, La Grande, Oreg.; L. D. Harris, Union, Oreg.; K. E. Pratt, John Ward, C. C. Jones, Carl Gelson, L. E. Waltz, Wayne Gooderham, Harold Beaton, I. G. Hanlen, Howard Grove, W. G. Ditzler, E. E. Johnson, E. Neer, C. L. Harrison, O. P. Sailer, C. D. Wilson, N. Nelson, H. D. Pratt, H. Festes, A. C. Hubbard, L. J. Robbs, J. D. Larson, H. M. Bradshaw, Rex W. Wall, William Zeigler, D. E. Strand, La Grande, Oreg.

H. F. Hilary, C. C. Ellis, C. W. Schooler, L. G. Riggs, K. R. Brown, George W. Hungerford, Oscar A. Ackley, Robert E. Jordan, L. L. Goold, V. R. Weir, Owen Allen, Loyd Briggs, R. C. Morris, L. G. McMahan, Glen H. May, C. Bertsik, C. R. Shewnmaker, G. E. Lyon, A. C. Gulden, F. Q. DeVaney, E. R. Payne, F. D. Sherman, L. L. Morris, F. W. Weatherspoon, L. F. Green, J. J. Schouner, Chas. P. Hoehne, E. G. Marlin, A. Johnston, C. O. Anderson, Ward Van Dolch, C. E. Abrahamson, E. L. Root, D. C. Toat, L. E. Wissler, R. E. McCoy, M. C. Alexander, R. E. Conklin, William Page, Floyd Bradshaw, L. H. Booker, T. J. Franklin, F. Oken, W. B. Evans, H. Johansen, R. H. McCloy, E. R. Bedingfield, I. W. Godfrey, Dave Rose, R. L. Williams, L. L. Hamblin, Gordon Spray, G. W. Jones, Corwin Beeny, M. R. Tate, R. C. Snider, La Grande, Oreg.; L. J. Helton, Hermiston, Oreg.; R. M. Allstott, A. H. Burford, G. M. Griggs, La Grande, Oreg.

W. F. Zeigler, E. Morgan, N. C. Mathis, Jess C. Johnson, S. G. Coleman, E. E. De Bole, Chas. C. Clark, Ralph De Bole, C. H. Butler, Thomas W. Booker, L. M. Zimmer, La Grande, Oreg.; Frank Torris, Huntington, Oreg.; T. F. Rosenberger, I. H. Harsin, T. E. Strand, T. R. Strand, H. E. Weatherman, Orvel R. Elliott, Vance I. James, J. B. Turner, A. W. Lilly, Arthur Ladd, E. C. Courtney, G. D. Moffit, Forrest Richey, M. R. Thieb, G. L. Evans, A. A. Antles, I G. Watson, Fred R. Gehring, H. H. Lange, H. A. Dotson, T. E. Roudebush, R. S. Pelser, N. H. Koe, C. C. Tower, G. L. Kaup, H. W. Haskins, Edward E. Ball, G. J. Larsen, C. C. Lester, B. Chrusoski, H. K. Hickey, M. R. Cross, T. R. Pipes, C. N. Nice, V. L. Boylen, Chas. R. Thompson, R. L. Alford, J. W. Mullikin, C. E. Worthington, Arthur W. Wall, C. F. Knouse, G. D. Cooper, M. L. Dodge, G. E. Folsom, S. C. Hamblen, J. M. Denny, Lloyd Bickford, C. J. Wheeler, William H. Gooderham, Set Roe, Howard P. Fink, B. L. Swort, Howard P. Richardson, La Grange, Oreg.; Merle L. Newcomb, Pendleton, Oreg.; Harold L. Buckel, Jim Clark, Robert W. Abbott, Paul C. Bull, Jimmie L. Beickel, George W. McClure, W. E. Saunders, Hamp Carter, Melvin S. Roe, Ray H. White, Charles J. Korzan, C. A. Brown, W. S. Shinsel, Jay S. Reeder, Jr., P. J. Simonus, R. J. Patterson, F. M. Childers, E. R. Smith, E. L. Wait, D. L. Hutchison, F. D. Hagey, E. F. Herron, M. D. Rogers, W. A. Ingerson, La Grande, Oreg.

W. P. Landers, C. W. Broyles, A. L. Alford, Jesse L. Hoggatt, La Grande, Oreg.; Vernal Cunningham, Cove, Oreg.; L. D. Draper, J. W. Feik, M. N. Stoddard, O. L. Hungerford, O. W. Phillips, C. E. Rayburn, La Grande, Oreg.; L. R. White, Union, Oreg.; C. M. Boyd, V. D. Bramer, Lowell E. Fuhn, E. P. Thompson, Donald McLean, J. R. Holladay, Roy Pohrman, Bob Proffitt, Don Chandler, Elmo Clegg, Harry Trumble, Stanley Arnoldus, G. W. DuBoie, H. Davies, C. L. Harrington, H. R. King, W. W. Gantnen, William Wiese, Oscar F. Ackley, Robert E. Jordan, Glen H. May, L. L. Goold, V. R. Weir, Owen Allen, Loyd Briggs, R. C. Morris, L. G. McMahan, C. Bertuck, C. E. Sheumaker, H. R. Voetberg, E. E. Lyon, A. C. Gulden, E. R. Payne, F. D. Sherman, R. L. Norris, F. W. Weatherspoon, L. F. Greer, Chester W. Drummond, R. P. Jordan, J. J. Schaunes, Charles P. Hvehue, C. O. Anderson, E. B. Woodward, La Grande, Oreg.; J. D. Fitzgerald, Summerville, Oreg.; P. W. DuBoie, E. L. Thurston, G. W. Driskell, W. W. Beickel, C. E. Worthington, R. E. Conklin, William Page, Floyd Bradshaw, T. H. Booker, T. J. Franklin, F. Akers, W. B. Evans, H. Johansen, R. H. McClag, C. R. Bedingfield, T. W. Godfrey, Dave Rose, R. L. Williams, L. L. Hamblin, Gordon Spray, H. W. Jones, Corwin Beery, C. E. Hammond, M. R. Tate, B. C. Sindes, L. F. Helton, R. M. Allitott, A H. Burford, L. M. Griggs, H. F. Hilary, C. C Ellis, C. W. Schoohs, L. G. Riggs, George W. Hungerford, La Grande, Oreg.

Carl Gilson, L. E. Waltz, C. E. O'Neall, Wayne Gooderham, Harold Beaton, A. Johnston, I. G. Hanlen, W. G. Ditzler, E. E. Johnson, Howard Grove, E. Neer, C. L. Harrison, O. P. Sailer, C. D. Wilson, N. Nelson, H. D. Pratt, H. Fester, A. C. Hubbard, L. J. Robbs, J. D. Larson, Wm. Biegler, T. E. Strand, Ward Van Dolah, Earl H. Carpenter, C. E. Abrahamson, E. L. Root, D. C. Taal, L. E. Westler, R. E. McCoy, M. S. Alexander, H. H. Lange, H. A. Dotson, T. E. Rondebush, K. S. Pelser, C. F. Knouse, G. D. Cooper, M. L. Dodge, H. W. Haskins, Edward Ebell, G. J. Larsen, C. C. Lester, B. Chrusoskie, H. K. Hickey, M. R. Cross, T. R. Pipes, C. N. Nice, V. L. Boylen, Charles R. Thompson, G. E. Folsom, J. M. Denny, Loyd Bickford, W. F. Ziegler, E. Morgan, R. G. Mathis, S. G. Coleman, C. J. Wheeler, S. C. Hamblen, Jess C. Johnson, Thomas W. Booker, Chas. C. Clark, J. H. Gore, G. R. Williams, M. D. Hiatt, S. Haligarth, James H. Watson, E. M. Hickox, E. L. Hall, H. N. Wood, R. L. Komegay, R. R. Furman, La Grande, Oreg.; Paul Frazier, Pendleton, Oreg.; J. H. Abbott, H. A. Courtney, E. F. Potter, D. L. Carlsen, C. Peterson, N. A. Davis, C. C. Coulwell, J. R. Mortiel, C. G. Swalberg, J. N. Feik, C. L. Conaway, J. C. Wagoner, G. E. Campbell, Kenneth L. Crawford, La Grande, Oreg.; J. M. Ghean, Portland, Oreg.; L. R. Edwards, La Grande, Oreg.

Ralph De Bole, C. H. Butler, L. M. Zimmerle, Frank Torris, T. Rosenberger, I. H. Harsin, T. E. Strand, T. R. Strand, H. E. Weatherman, Vance I. James, J. B. Turner, A. W. Lilly, E. C. Courtney, G. D. Moffit, Forrest Rickey, M. R. Thielen, G. L. Evans, A. A. Antles, G. L. Kamp, I. G. Watson, G. A. Raff, Fred R. Gehring, H. W. Belden, John W. Archer, Lyle E. Finn, La Grande, Oreg.; L. D. Harris, Union, Oreg.; K. E. Pratt, John Ward, E. G. Marlin, C. C. Jones, Lee Palmer, Enterprise, Oreg.; R. D. Lyman, Edna Malone, Lorene Malone, Mrs. E. O. Looker, Bessie Hunter, Otto Hunter, Grace E. Anderson, John M. Anderson, Mrs. Everett Gilmore, Minnie Lyman, Shirley J. Spears, J. O. Brinn, Allen Parker, Bessie Brinn, Fred Spears, Irene Kennedy, Everett E. Gilmore, Carrie M. Patterson, Thomas Gary Rose, Marion Spencer, C. A. Brinn, Charles Robert Butler, Grace Butler, Mrs. Earl Holmes, J. A. Denning, Lillie Denning, Irma Isbelle, Roland W. Shaw, La Grande, Oreg.

R. G. Blomberg, La Grande, Oreg.; Robert E. Bradford, William Q. Walton, Union, Oreg.; Forest Ferris, La Grande, Oreg.; Melvin Barber, Enterprise, Oreg.; Emma Bradford, Clifford Draper, Elmer George, Hannah White, Mrs. John D. Larson, John R. Olson, Mrs. J. N. Baker, G. L. Gilmore, Mrs. Josephine Gilmore, Arthur C. Spencer, Walter S. Lovely, Odin Payne, Milo W. Stewart, W. R. Gekeler, Harry V. Nuhilla, Allen M. Clark, Edward G. Hudson, S. A. Robertson, La Grande, Oreg.; Mrs. William Walton, Union, Oreg.; W. E. Adler, Royal Young, La Grande, Oreg.; Edgar Pynton, Union Oreg.; Lloyd Reed, C. R. Baldwin, Herman Stein, N. A. Scott, LeRoy Keoyle, John Condit, J. H. Barstow, W. G. MacGregor, B. H. Nelson, Carrie Nelson, L. E. Ingram, Donald A. Hanson, Malcolmn C. Andrews, B. H. Stone, La Grande, Oreg.; Richard B. Kennedy, Portland, Oreg.; J. E. Klein, La Grande, Oreg.; Roy M. Bell, Cove, Oreg.; John E. Travis, Gerald L. Huidwell, United States Navy, John R. Gray, Mrs. Elton Muilenburg, Elton Muilenburg, La Grande, Oreg.

Mr. MORSE. Mr. President, I have a petition also from the Baker district, Pomona Grange, James B. King, master, Richland, Oreg. It is dated May 25, 1953. It is headed:

We, the undersigned members of Baker district, Pomona Grange, feel very strongly that Douglas McKay, in his position as Secretary of the Interior, has sold out the Northwest in his stand on the Hells Canyon Dam issue. We feel that with you, Representative COON, and Representative FROST doing as you have, that all is not lost.

I ask unanimous consent that the petition be printed in the RECORD at this point as a part of my remarks.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

BAKER DISTRICT, POMONA GRANGE,
Richland, Oreg., May 25, 1953.

Senator MORSE,
Washington, D. C.

DEAR SIR: We the undersigned members of Baker District, Pomona Grange, feel very strongly that Douglas McKay in his position as Secretary of Interior, has sold out the Northwest in his stand on the Hells Canyon Dam issue. We feel that with you, Representative COON and Representative FROST, doing as you have, that all is not lost.

James B. King, Erma G. King, May Knight, Mae Fosterling, Roy Knight, John H. King, M. H. Alderson, Nellie King, Lydia Alderson, Mildred Williams, Mabel Chandler, Lloyd Chandler, Florence Thompson, Virgil Weir, Catherine E. Ashby, Edith P. Weir, Eli J. Stancise, Mary Skooras, Alma G. Allen, Mary Skooras, Gust Skooras, Fred Thompson, Robert H. Williams, Sr., Elva Williams, Grace M. Halley, Ronald L. Halley, Echo Hewitt, Luceil (Ashby) Jones, Ethel Wirth, C. E. Jones, Berth Wirth, M. E. Gullett, W. M. Stalt.

Velma Ghrist, Opal J. Ghrist, Given Ghrist, W. S. Ghrist, Guy Ghrist, Ralph Ghrist, R. W. Marlow, Sam Ghrist, Etta Colvard, Hildreth Jacobs, Lucy Cook, Florence Ritter, Walter B. Cook, W. B. Colvard, C. L. Jacobs, Ralph H. Jacobs, Leland Ritter, Barbara Colvard, Helen Jacobs, R. E. Bunch, Lucy M. Love, Walter J. Love, Robert B. Colvard, Fred W. Ringer, J. W. Comett, Bethel Robinson, Sid Robinson, Arlvine Cornell, Richard Baggerly, Elwyn Johnson, Bonnie Baggerly, Vernon Johnson, Clarice Johnson, George Johnson, Barbara Ringer, Barbara Hunt, Leta Johnson, Louise McGowen, Prescott Toby, Charlotte Rohner, Fred J. Schuetz, Alvin Westenskow, Nellie M. Irby, Besse Westenskow, Lila E. Schuetz, Merrit Waltz, Glen J. Morin, Edith Morin, J. B. Turner, Ossie Turner, Norman L. McCullough, Lois Smith, Mrs. Ken Fisher, Guy Smith, Lowell Chandler, Adele Chandler, Albert Fisher, Emma Fisher.

Mr. MORSE. In one of my reports a few weeks ago I said I would keep the Senate advised as to the number of post cards I received in connection with what I then announced was a post-card campaign on the part of the little people of the Pacific Northwest, particularly in my State, and in the States of Washington and Idaho, in connection with the Eisenhower program with respect to Hells Canyon Dam. On June 22 I reported that 2,725 cards had been received. I now report that to date 3,368 cards have been received, plus a great many letters.

STREAM POLLUTION

Mr. President, the next item I wish to introduce as a part of my report to the American people, as the representative of the Independent Party, deals with a story which appeared in the Washington Star night before last. The heading of the story is "United States Fails Its Responsibility in Pollution Fight, Group Says." I wish to read one paragraph from it:

The Interstate Commission on the Potomac River Basin charged today that the Federal Government has failed in its responsibility to correct pollution in Washington area streams.

It goes on to discuss the stream pollution problem. It is along the line of the discussion of the subject by the representative of the Independent Party in his report of last Monday. I merely wished to add that comment by way of reinforcement of the position I took a week ago and of the position taken by the Interstate Commission as set forth in the Washington Star story, which I ask to have printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES FAILS ITS RESPONSIBILITY IN POLLUTION FIGHT, GROUP SAYS

The Interstate Commission on the Potomac River Basin charged today that the Federal Government has failed in its responsibility to correct pollution in Washington area streams.

Meeting here today, the Commission said a three-man study committee, appointed last year, has found that the rivers in the District area are continuing to degrade despite abatement programs.

The Commission said that expanding population and lack of funds have prevented adequate pollution abatement facilities being constructed.

The Commission said the Federal Government should be expected to assume responsibility in corrective measures in the nearby areas, as well as in the District.

CITES FEDERAL OBLIGATION

It pointed out that Federal installations in neighboring areas contribute to the pollution load. Since the Government pays no taxes in these jurisdictions, the Commission said, it rightfully could be expected to assist in financing abatement facilities.

Asserting that the Federal Government has recognized the need for pollution abatement on a national scale, the Commission said it has failed to meet its commitments in Washington.

"The Washington area should become a model for the entire country," the Commission said, "and the Government should assume its full responsibility in seeing that the District of Columbia take the lead in pollution abatement work."

The Commission noted that plans have been made for abatement facilities in the Washington area, but construction of these facilities has been slowed because of lack of funds.

David V. Auld, District Director of Sanitary Engineering, said funds for additional abatement facilities are included in a $335 million public works program now before the Budget Bureau.

Mr. Auld explained that $70 million of the total funds would be used for sanitary and storm sewers and abatement facilities in the District.

He said that if these funds are allowed Washington, by 1959 would provide 100 percent cooperation in pollution abatement in the metropolitan area.

He said this would mean the correction of overloaded lines, such as the Rock Creek line which broke last year, and the addition of secondary treatment facilities at the Blue Plains sewage disposal plant.

WOULD CUT POLLUTION

Completion of these projects would provide up to 92 percent removal of the pollution load into the Potomac River, Mr. Auld said.

Mr. Auld pointed out that funds for the work proposed in the District must be approved by Congress.

Earlier this week, Senators HUMPHREY, Democrat, of Minnesota, and MORSE, Independent, of Oregon, said the Government had failed to lead the way in pollution control in the Washington area. They said that instead of setting a good example, the Government had set a bad example of pollution control.

The Commission announced the following changes in membership:

J. R. Hoffert, Pennsylvania health department chief engineer, replaces Gard Knox, former Commission chairman, as member from Pennsylvania.

John Rockwell replaces former State senator George Williams as Commissioner from West Virginia.

Mr. Auld replaces the late Harold A. Kemp as Commissioner from the District.

Oliver Gasch, member from the District, resigned.

Mr. Gasch, former District corporation counsel, has become assistant United States attorney for the District of Columbia. He will continue to serve as Commission counsel.

Mr. MORSE. Mr. President, there is no question about the facts. There is no denying the fact that the pollution of the Potomac River, which affects the metropolitan area of Washington, is a national disgrace. There is no denying the fact that it is, all day and all night, a potential health hazard.

Last Monday in my speech I referred to the condition of the Potomac River during the hot periods in the summer months. The Potomac ought to be one of the most beautiful and scenic rivers in America. My comment elicited some interest on the part of a very responsible official of the District of Columbia. He came to see me and talked about the situation. He asked if I would like to take a little boat ride some day, as far as Mount Vernon, and he said, "If you want to bring along 2 or 3 of your colleagues, I would be very happy to have them joint the party."

In reply to his invitation I said, "Most certainly, I want to go along and see for myself."

He said, "Senator, not only see, but smell for yourself."

The official described to me the shocking conditions of pollution at various points on the Potomac River between here and Mount Vernon. So that I will know whereof I speak, and not report only hearsay evidence, I shall try to take the trip within the next 10 days. At a later date I shall make a report to the Senate, as a member of the District of Columbia Committee, to which I have been assigned by the Senate. I repeat that we have a clear duty of setting an example to the rest of the country, so that other municipalities and communities may follow our model, by bringing to an end the pollution in this area.

Of course in this area the problem is made more difficult because of the fact

that three jurisdictions, namely, Virginia, Maryland, and the District of Columbia, come into contact with each other. The very distinguished presiding officer, the junior Senator from Maine [Mr. PAYNE], who is a colleague of mine on the Committee on the District of Columbia, remembers that even as recently as yesterday we discussed, in part, this program. I thought the Senator from Maine made very enlightening contributions to that discussion.

Of course interstate compacts are difficult to work out, Mr. President. They create a number of complications. Yet I believe we have a chance to establish a model for another course of action which might well be followed in cases where relationships between Federal and local jurisdictions are involved. Some 2 or 3 years ago the Senate heard me discuss the question of administration, in the more arid areas of the Nation, of Government projects, such as great multipurpose dams, as to which I suggested we should try to work out compacts between the States and the Federal Government.

I have always held to the point of view that the compact clause of the Constitution is not limited in operation to compacts between and among the States. It is my view that a compact can also be entered into between and among the States and the Federal Government in the case of particular projects in the administration of which both the Federal Government and the States have an interest.

For example, Mr. President, in my section of the country, where there is a scarcity, rather than abundance, of water, I believe the Columbia basin should be administered, not through a CVA, but through a compact involving agreements between and among the States and the Federal Government. I believe the problem is one of administration.

As I said in a speech I made approximately 3 years ago, at which time I explained my opposition to creating for the Columbia River Basin an organization similar to the TVA, I do not believe the Columbia River Basin is an area in which a duplicate of the TVA should be established. I shall not now go into great detail regarding that matter. I refer to it now only to illustrate the point I wish to make in connection with the question of having a compact entered into between the District of Columbia, Maryland, and Virginia, concerning the stream pollution problem to which I referred a moment or two ago.

Having mentioned the subject of compacts in respect to the administration of dams on the Nation's rivers generally, and in the Columbia River Basin, in particular, I repeat that in my section of the Nation the general overall problem is one of a scarcity of water. That is the problem which is confronted in the Northwestern and Western States. Any research at all into the field of water law will disclose that in the Northwestern and Western States the water law is quite different in many respects from what it is in an area where the problem is one of abundance of water—for instance, an area such as the Tennessee Valley. The rights of the States in regard to water are quite different, on the basis of what was granted to the States at the time when they entered the Union.

In the Tennessee Valley there is an abundance of water. I believe the great experiment which has been tried there has proved beyond a possibility of doubt its soundness for that area, and I believe it is quite possible that a similar program will also be highly desirable for the Missouri Basin. But, in my judgment, a more preferable program could be worked out for the Columbia Basin, by way of the compact approach which I discussed in the speech I made approximately 3 years ago.

I mention that today only to illustrate my point that I believe it would be advisable to approach the problem of stream pollution of the Potomac River by means of a compact between the District of Columbia, Virginia, and Maryland. However, controversial it may be and however difficult to handle, I insist that public policy calls for such a solution. I insist that sound public interest calls for it.

Mr. President, as I was saying, it will undoubtedly be difficult to work out satisfactory compacts on mutual problems which are of concern to the governments of Maryland, Virginia, and of the District of Columbia and which particularly affect the metropolitan area of Washington, D. C. But the difficulties should not deter us, if we are convinced, as we should be, that the public good would be served thereby. It is a tremendous economic waste for towns and cities within the immediate environs of Washington, D. C., to be providing, for example, their independent sewage-disposal plants, when a combined sewage-disposal plant would result not only in better pollution control, but also in greater savings. As I stated at the meeting of the District of Columbia Committee yesterday, a District of Columbia official who had talked to me since my speech of last Monday, in which I discussed the pollution problem, told me that one of the neighboring Virginia towns had floated a bond issue for the construction of a sewage-treatment plant—notice I did not say a sewage-"disposal" plant—which will cost it several million dollars. I intend to investigate to ascertain whether the facts support his statement to me, as I think they will, since I am convinced that he, as an official, would not make a statement to a member of the committee claiming something to be a fact, if in truth it were not a fact. His statement was that the town concerned could have saved probably as much as $2 million had it been willing to enter into an arrangement with the District of Columbia whereby a sewage-disposal pipe could be run under the Potomac River to connect with the Washington, D. C., plant, and had it been willing to share the cost on a reasonable engineering-determined, pro rata basis, under a proper agreement. But he continued, "Not only would there have been a saving, to date, of probably a minimum of $2 million"—which is "chickenfeed"—"but, it would have put us in a position where, by concerted action, we would have been able to do a better job in the disposal of sewage." That is because, when the Virginia town gets through building its own plant, it will not have a sewage-disposal plant at all, but merely a plant which will give the sewage primary treatment.

Of course primary treatment does not end the danger of pollution. Primary treatment of sewage removes the danger of pollution by from one-third to one-half, and one-half is the high figure. What is being done now in the District, as he advised me, is to treat sewage to the extent of about 33 percent, whereas it ought to be treated at least up to 85 percent in order to remove any hazard to health.

I desire to emphasize the next point, Mr. President, because I was very much interested in a newspaper story on my Monday speech, in which a District engineer is reported as saying that the District now has in the planning stage a sewage-treatment program which will be completed by 1964. The average person reading that statement would say, "Well, that is the answer to the Senator from Oregon—we are going to get all of this done by 1964." Of course, from now to 1964 is a long time to continue to impose upon the people of the Washington area the pollution of the Potomac River. But what was not pointed out in the story is that when the engineers get through with their program in 1964, there still will not be a sewage-disposal program in the District of Columbia, there still will not be a program to treat sewage to the degree it ought to be treated in order to remove the health hazard. In other words, it is a makeshift program.

Mr. President, there are certain things I am at a loss to understand, and one of the things I cannot understand, I am frank to say—and I do not think anyone can convince me, because no fact can be advanced to justify a contrary contention—is why in the case of the District of Columbia, the Congress should not adopt a sewage-disposal program to dispose of sewage not on the basis of 60 percent treatment or 70 percent treatment, but on a basis which would result in so liquefying the sewage and so treating it that when the liquid goes into the Potomac River it does not constitute a health hazard.

I think we have the duty to do that, and we owe an obligation to set an outstanding example in the Nation's Capital. We have the responsibility of cooperating with the nearby towns of Maryland and Virginia. I simply refuse to believe that, once the citizens of Maryland and the citizens of Virginia come to realize that the Federal Government is desirous of cooperating with them and of contributing an adequate share of Federal funds for the treatment of sewage so that the Potomac River will not be the flowing cesspool it now is, they, through their legislatures and their city councils, will agree to work out the principles of a compact approach to this

matter, such as I discussed in the District of Columbia Committee yesterday.

I have said there are some things I cannot understand, and that there are certain practices followed in our society of which I cannot approve. One of them is the shortsightedness exhibited in respect to protecting the health of the American people. I think of that as a matter of first importance from the humanitarian standpoint. I believe that one of the tests of whether a government truly represents its people is the determination of whether it places human values always in the position of first importance, and places materialistic values in a position of second importance. It is my philosophy, for which I offer no apology, that material values should always give way to human values.

One of the great human values, which I shall discuss as an economic value in a moment, is the health of the American people. Certainly, in comparison with the rest of the world, we are a remarkable people in respect to what we have done to protect the health of the population of our country. But I am never interested in a comparison of that kind. I am merely interested in the argument, by way of rebuttal, "Well, look at the people in country X, Y, or Z." That is not good enough for me. The question in which I am primarily interested is, Have we done all we can and should do from the standpoint of protecting the welfare of our people? The answer is, no, we simply have not.

There are still uncharted health projects for us to encompass. Much is needed to be done in order to give greater protection to the health of the American people. I am taking a few moments this morning, before beginning my major speech, to discuss the obligation of our Government to set an example by ending stream pollution in the District of Columbia, and, as I said earlier, also to set an example for all the States in the working out of the principles of a fair compact with the States of Virginia and Maryland in order to bring to an end the pollution of the Potomac River. I hope I shall live long enough to see boys and girls of Virginia and Maryland and the District of Columbia enjoying the waters of the Potomac River as one of the great swimming places of America, as the engineers tell me it could become if there were a prohibition against the dumping of human filth into the Potomac River.

Why, Mr. President, the Government official to whom I have referred told me the other day, when he invited me to take a boat trip with him down the Potomac River, that within sight of the Washington Monument, within sight of the dome above this great Capitol there are settlements along the Potomac, which I shall not mention lest someone may think I am trying to embarrass some particular neighborhood, which are dropping raw sewage into the Potomac River with no treatment at all. That illustrates what I said the other day about sweeping the dirt under the rug. That is not good housekeeping; it is not good protection of the health of the people of the country.

So today, Mr. President, I plead with those who read my remarks—because if they are going to be heeded they will have to be read—I plead with Members of the Senate to rise to what I think is a clear moral obligation to follow a course of action which will end pollution of the streams in this area. It will cost money, of course.

That causes me to make a brief comment on the economic value of public health. I said I was interested in it primarily from the standpoint of its human value, but I also want to say that one of the greatest sources of economic wealth of the people and of the country is good health. When an epidemic rages, Mr. President, we spend tens upon tens of thousands of dollars, sometimes running into millions of dollars, to check it. Yet the health authorities will tell us that in connection with some epidemics the cost of the epidemic would have been less had a complete perfected sewage disposal plant been provided.

The American people too frequently do not get the information and the facts about the causes of waves of bad health. They do not realize that sometimes the cause and the cost can be traced to dereliction of duty on the part of their representatives in local, State, and Federal governments.

What about the cost, Mr. President?

We could appropriate millions of dollars needed to build a sewage-disposal plant on a compact basis that would take care of the whole metropolitan area of Washington, D. C., including towns in Virginia and Maryland that may be dumping into the Potomac River their raw sewage or that which is treated to such a low percentage that it is a great hazard to the public health. If we should spend a few million dollars for such a plant, we would be making one of the soundest investments of the taxpayers' dollars that can be made. We would be returning in value to the taxpayers many times the cost of the plant.

In matters affecting the public welfare, where we can demonstrate on the record that the general welfare will be promoted, we are simply carrying out a responsibility of representative government when we provide the necessary means to bring that about.

Do not talk to me, Mr. President, about the cost of that kind of a project. Do not talk to me about the cost of helping to protect the health and the lives of our fellow citizens, because it is a duty, irrespective of cost. By failure to cut out the fat, duplications, and unnecessary expenditures, Congress wastes each year, hundreds of millions of dollars over and above the cost of the projects for which I am fighting on the floor of the Senate. There is not a Senator who will ever get to first base with me in any argument based upon cost, when he talks to me about the cost of a project that will protect human values, while, on the other hand, he sits on the floor of the Senate and votes for appropriations which involve hundreds of millions of dollars of waste.

I did not write the Long-Morse report merely for a writing exercise, Mr. President. I wrote the Long-Morse report in cooperation with the distinguished Senator from Louisiana [Mr. LONG], because I know of my own knowledge that there are hundreds of millions of dollars of waste in the military budget. Anyone who can see, read, and study can find it for himself, as did the Senator from Louisiana and the Senator from Oregon, in the 30,000-mile inspection trip we took last fall, plus some 18 months working with the Senator from Mississippi [Mr. STENNIS] on a subcommittee of the Armed Services Committee, checking into the cost of installations at various military establishments.

I always have voted and I shall continue to vote for any military appropriation necessary to protect the defense of my country, but I shall not vote for waste. The Pentagon Building reeks with waste—I started to say, with economic rape of the American people. The big-business men have not helped the situation, Mr. President. All they are doing is trying to concentrate on a few powerful American corporations. That is what they are doing. The small-business men of America are taking a rooking from this administration in the field of defense contracts. The only way the Secretary of Defense can think is in terms of big-business control. If we will examine the record we shall find that what the Secretary of Defense is doing is concentrating military contracts in the hands of big corporations, and the small-business men are going to wake up pretty soon to what a few of us warned them about before last November.

But that is another question which I shall discuss in some little detail before I finish my speech, Mr. President. It is not going to be a short report of the Independent Party, let me assure you.

Mr. President, I desire to thank the Senator from West Virginia [Mr. NEELY] and the two Senators from New Mexico [Mr. CHAVEZ and Mr. ANDERSON] for the great courtesy they have extended to me. In fact, I consider it a great honor to have the attention of those three distinguished Democrats. I am trying to find a Republican on the floor of the Senate.

Mr. CHAVEZ. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. CHAVEZ. I desire to apologize to the Senator, but I had to take a matter up with my colleague.

Mr. MORSE. I am only thanking the Senator from New Mexico for being present. The Senator from New Mexico is incapable of showing lack of respect. The Senator from New Mexico belongs to that little band of liberals in the Senate of the United States who have been fighting to protect human values and placing them above materialism, selfishness, and greed.

Mr. CHAVEZ. I was interested in the statement the Senator made a few moments ago with reference to those who complain about making an appropriation that has to do with safeguarding human life, that has to do with humanity, but never complain about the millions and millions of dollars which are wasted.

Mr. MORSE. There is no question about it; that is the record.

Mr. CHAVEZ. Only this week the Senate passed a humanitarian measure on behalf of the people of the United States, the bill making appropriations for public health, education, and child welfare. It annoyed me, just as it did the Senator from Oregon, to hear Senators expressing worry about the expense of providing for cancer research and research into the causes of heart ailments.

Mr. MORSE. What needs to be pointed out is that the segment of our population that should be protected, from the standpoint of human values, does not have a well-financed lobby. There is no oil lobby protecting them; there is no private utility lobby protecting them. Does the Senator from New Mexico think it is only a matter of chance that the private utilities of the United States, for example, have obtained thus far, in round numbers, $3 billion in a tax-amortization plan? The average citizen does not stop to realize what a tax-amortization plan really means.

What a tax-amortization plan, to the tune of more than $3 billion, means to the private utilities of the United States is that the little people of America are handing to them on a silver platter, as a gift, private utility plants to the value of $3 billion. It is nice if one can get away with it. It is good if one can have an administration that will let him get away with it. But the representative of the Independent Party intends to fight it so long as he stays in the United States Senate.

It is a grand political steal. It is grand larceny against the American people. That is language the people ought to be able to understand. I cannot be any more plain or blunt than that. I say today to the American people that I think a $3 billion gift to the private utilities of the United States, in the form of a tax-amortization plan, cannot be justified. The American people should be going ahead with the building of such great multipurpose dams as Hells Canyon, for example. They should not be amortizing the tax structure of private monopolies which are not private enterprises at all. Yet the Eisenhower administration talks about private enterprise in the form of private utilities. There is not a private utility in the United States that is a private enterprise. It is a monopoly. As a matter of Government policy, it has been necessary for decades to regulate private utilities because, if they were not regulated, they would exploit the consumers. That is the record of private utilities.

If I should seem to be a little emphatic, it is only because the time has come during the present administration when some one should dare to stand on the floor of the Senate and tell the little people of America, "You are being taken for an economic ride; but, so far as you little people are concerned, it is not in a Cadillac."

Mr. CHAVEZ. Mr. President, if I may make an observation, with the permission of the Senator from Oregon, I wish to affirm that he is correct in what he is saying. I have gone through the stern realities of that particular matter. I had a little political trouble in my own State last fall. Why should the gas interests of Texas, the oil interests of Texas, or the oil interests of Pennsylvania, be concerned about who should come to the United States Senate from New Mexico? One need only to look at the report of contributions made to the other side in my contest to cause him to wonder why the oil and gas producers should be interested.

I am just a little fellow. I am a United States Senator from New Mexico through the grace, the kindness, and the help of the people of my State. I repeat, why should the oil producers of Texas, the gas producers of Texas, or the oil producers of Pennsylvania be interested in who comes to the United States Senate from New Mexico?

When we come to a consideration of the human side of the picture, the Senator from Oregon is correct. We appropriate yearly millions and millions of dollars to control diseases of cattle, hogs, and poultry. That is as it should be, for American housewives and all American citizens are entitled to wholesome meat. But when it comes to doing something for the babies of the country, or doing something to provide for cancer research in the future, and also at the moment——

Mr. MORSE. There is the same argument: it costs too much.

Mr. CHAVEZ. The Senator is correct. The same is true of proposals for the treatment of mental illness. It is simply too bad that the remedial work cannot be done. I am glad the Senator from Oregon is speaking as he is today.

Mr. MORSE. I thank the Senator from New Mexico. I close this portion of my report by saying that, in my opinion, a clear obligation rests upon Congress to proceed to work out the problem of pollution control in the metropolitan area of Washington in every way possible, including the compact approach, because I believe a compact could be worked out with Maryland and Virginia, once the citizens of those States came to understand all the facts.

THE CADILLAC HIT-AND-RUN CRUSADE

Mr. President, I ask unanimous consent to have printed at this point in my remarks, as an introduction to my major speech of the day, a poem entitled "Give 'Em, or Ode to the Republican Administration," written by C. R. Dowler, which sets out, I think, with poetic justice, some criticisms of the giveaway program of the Eisenhower administration in respect to the people's rights and the people's property. I think it is a fitting poem to use as an introduction to the major subject I wish to discuss today.

There being no objection, the poem was ordered to be printed in the RECORD, as follows:

GIVE 'EM, OR ODE TO THE REPUBLICAN ADMINISTRATION

Give 'em the rivers, give 'em the lakes, give 'em the power the rivers make.
Give 'em the forests, give 'em the parks, for their own private use when going on larks.
Give 'em the steel mills, one by one, and as for rubber, it's as good as done.
Give 'em the oil that's under the sea; they want it now, as soon as can be.
Give 'em the post office, give 'em the stamps, give 'em the postmen, who walk on their vamps.
Give 'em the A-bomb, give 'em the H; they've had only bread, now they're hungry for cake.
So Congress will frost it, and cut it in eight; they all will be waiting, not one will be late.

—*C. R. Dowler.*

Mr. MORSE. Mr. President, the title of my main speech today is "The Cadillac Hit-and-Run Crusade."

In my weekly reports to the American people, I have discussed the Cadillac crusade under a variety of topics. The last report was entitled "The Cadillac Crusade Power Program," in which I pointed out that in my judgment, so far as the little people of the United States are concerned, the Cadillac crusade is in reverse, because it is not a crusade for the benefit of the little people; it is a crusade for the benefit of American big business; it is a crusade for exploiting economic waste. To speak figuratively, it is really a crusade in the form of a galloping monopolistic control over the natural resources of America.

I wish to discuss this Cadillac hit-and-run crusade in connection with a hearing which is being held these days by the Federal Power Commission.

On Tuesday, July 7, the Federal Power Commission opened hearings on the Idaho Power Co. applications for three small dams on the Snake River which would usurp the site of Hells Canyon Dam.

The hearing opened without a necessary party—an official Government intervenor representing the public interest. No—on May 5—in the giveaway spirit created by Senate passage that day of the tidelands oil bill, the Secretary of the Interior announced withdrawal of his Department from the case.

The Secretary, instead of taking action to assure full development of the water resources of the Columbia Basin, the keystone of which is the proposed Federal Hells Canyon Dam, drove the air-conditioned Cadillac crusade at breakneck speed against the national interest.

The Secretary, with the applause of the administration, thereupon calmly drove off in overdrive.

The public in the Northwest and throughout the Nation are beginning to recognize the Secretary's action for what it is—a hit and run attack upon the public interest and economic future of the Northwest, and the general welfare of the American people.

On July 7, as the Federal Power Commission hearings opened, Secretary McKay issued a press release captioned in capital letters, "Stipulations Urged as Safeguards in Snake River Development Plan." It consists of nine points which the Secretary recommends be included in any license to be issued to Idaho Power Co. for the low-dam plan.

The caption on the release should not mislead the public about its contents.

While the recommendations are unobjectionable, they simply do not deal with the basic problem of full development of the vast natural resources of the Snake River. They are pretty puny.

Having practically decapitated the plan for full development of the Snake by his hit and run tactics, the Secretary has come back to the scene of the accident offering the victim a band-aid.

FOSSILS AND FLOOD VICTIMS

The Secretary seems in his statement to be interested in fossils, but I raise the question, "Fossils or flood victims—which, Mr. Secretary?"

The Secretary's stirring recommendations to the Federal Power Commission are:

1. To provide for the salvage of archeological values through some qualified institution.

The Smithsonian Institution has surveyed the area and estimated the salvage cost at $12,000, which it is recommended be paid by the applicant.

This is most commendable. I certainly think we ought to continue our archeological research and historic studies into the origin of man; but I say, Mr. Secretary, let us pay attention also to the living. What is proposed for the victims of future floods which Hells Canyon with its 4 million acre-feet of water storage would check more effectively than the power company plan with one-fourth that storage?

What was the Secretary's answer when he tried to alibi and justify withdrawing as the people's representative in the Oxbow hearings, when he tried to fool the people into believing that if he participated in those hearings, as has the Department of the Interior for years gone by in respect to similar hearings, he would be there as special pleader. My reply to him then and now is that the people were entitled to a pleader for their interests at the Oxbow hearings. My reply to the Secretary is that the people have a stake and an interest in the Oxbow hearings, and they have a right to turn to their Government to represent them at the hearings.

The Secretary of the Interior betrayed the public trust which he owed to the people of the country when he announced that he would not participate in the hearings. The vast quantity of Government facts, data, and information accumulated over the years by the Department of the Interior and its Reclamation engineers, and by the Army and its Army engineers, should have been presented in the Oxbow hearings by the Secretary of the Interior or by the Solicitor of the Department. Why was that not done? I assert on the floor today, without any fear of successful contradiction, that there is only one major reason why the Secretary of the Interior is not participating in those hearings, despite the fact that his files are full of data, engineering information, and factual material against the Oxbow site and for the Hells Canyon Dam site. The reason is that it is a part of the game the Eisenhower administration is playing, and the American people had better wake up and recognize the kind of runaround the President and his entourage are giving the American people in connection with their natural resources. The Secretary of the Interior is not participating in that hearing, I assert today, because he could not participate in it and not defend the Cotton report. What does the Cotton report do? The Cotton report was prepared by an engineer recognized by all authorities in the field of water rights. It was prepared by a man preeminent as an engineer in the whole field of water engineering.

On point after point after point after point the Cotton report rejects the Idaho Power Co.'s program as inferior to the Hells Canyon Dam program.

To the American people the Independent Party says today, "The Eisenhower administration is concealing from you, in incident after incident, facts which you ought to have. It is failing to point up to you the facts you ought to know in the field of natural resources. The Eisenhower administration is serving as the administration for the private utilities, but not for the American people."

My proof is voluminous, but I cite today the Cotton report as one exhibit. I say to the Secretary of the Interior, "Come on, bring out of your files the data which the research of your own engineers over the years has developed. Give them to the American people by putting them in the record of the hearings now being held on Oxbow. Stop talking about being a special pleader. Start, Mr. Secretary, living up to your obligation to represent the public interest rather than the interests of the private utilities."

Do not forget, Mr. President, that when the Secretary first set forth his alibi and rationalization for withdrawing from the Oxbow hearing, he said, of course, with regard to floods, that they are "infrequent." There is a historic pattern. Mr. President, if you will for a moment figuratively look at the record of the floods in the Columbia Basin, they can be graphed. They come with a remarkably historic rhythm. They come periodically, and they came even before the large population increase swept into the Columbia Basin, even before thousands of acres of irrigated lands were developed, and that whole area became dotted at night with the lights in the homes of happy farm families. Those "infrequent" floods—to use the language of the Secretary of the Interior—are costly to American lives and costly to farm property. I say again to the Secretary of the Interior, as I said the other day on the floor of the Senate, "Go into that area and tell the farmers living in constant peril of floods in the Columbia Basin that because the floods do not happen every month or every year or every week you, as Secretary of the Interior, have any justification for walking out on the Oxbow hearing." In my judgment, that action most likely will result in granting to the Idaho Power Co., the right to build the Oxbow Dam, and thus destroy for all time the Hells Canyon Dam site and deny to the people of the Columbia River Basin the maximum flood control that is possible to develop through Hells Canyon Dam. "Read, Mr. Secretary, the reports of your own engineers. Read the Cotton report. Read the reports of the Army engineers. Uniformly, Mr. Secretary, they point out to you that Hells Canyon Dam is needed for flood control."

Mr. President, it is shocking and unconscionable to have a Secretary of the Interior who will talk about floods in the Columbia Basin as being infrequent, and using that statement as a justification for not giving his support and urging the support of the Eisenhower administration for the maximum development of the flood-control system of the multi-purpose dams recommended by the Army engineers and by the Reclamation engineers.

I say to him, "When that next flood happens, go to the mothers and fathers of any of the babies that are drowned, and try to justify to them your failure to give support to the greatest site for flood control on the Snake River, Hells Canyon Dam. Justify to those bereaved parents your shocking and unconscionable course of action."

Mr. President, the people of the Pacific Northwest will answer this administration. Mark my words. They will answer this administration for its Cadillac hit-and-run crusade in this whole matter of developing the natural resources of the Columbia Basin, including the potential flood-control dam.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. ANDERSON. Of course, I am happy that I joined with the junior Senator from Oregon in the introduction of the bill dealing with Hells Canyon Dam. While floods are infrequent, I was thinking of the words of one of our great Presidents, Woodrow Wilson. He was speaking of the infrequency of floods in human affairs, when he said:

The great tides of the world do not give notice that they are going to rise and run; they rise in their majesty and overwhelming might, and those who stand in the way are overwhelmed.

That happens in human relations, as I am sure the junior Senator from Oregon realizes, and I am also sure he realizes that it also happens when rivers get out of hand.

Many of us have been worrying about floods along the Rio Grande. Some of us have had sandbags ready in case a flood came on a certain day. Perhaps it did not come on that day, but the day does come when the flood arrives. Then it is too late.

I am very happy the junior Senator from Oregon has tried to make sure that, although the flood may be infrequent, it shall not in that area take its toll in human life and destruction of property.

Mr. MORSE. Mr. President, I thank the Senator from New Mexico from the bottom of my heart for what he has just said for the RECORD. The quotation he gave is phrased in terms of great spiritual human values.

Mr. President, a man cannot read such great writing as the Senator from New

Mexico has just quoted without feeling it in his heart and without recognizing his public responsibility.

Mr. President, certainly it is no excuse, as I have said, for the Eisenhower administration to favor the Oxbow Dam site—and I point out that the Oxbow Dam site has a much smaller flood-control potential than does the Hells Canyon Dam site—on the ground that floods in the Columbia River Basin are infrequent. I have made the point that when floods come in that basin they are devastating. Over the years they will do more damage to property—as the engineers predict—than the cost of a dam such as the Hells Canyon Dam. After all, Mr. President, who among us wishes to attempt to place a money value on one baby that may be drowned?

If it be true—and I assert it is, and I cite as my authorities the Reclamation engineers and the Army engineers—that the Hells Canyon Dam would reduce the danger of loss of life, I thereby give the unanswerable answer to the Eisenhower administration. If the construction of Hells Canyon Dam would reduce the danger of loss of life, a refusal to build the dam cannot be justified by any argument based on its cost.

Of course, on the question of cost there is not a scintilla of evidence to support the position of the Eisenhower administration in regard to Hells Canyon Dam, anyway, because here again there is no disputing the fact that the Hells Canyon Dam would be self-liquidating and over the years would pour into the Federal Treasury many times its cost. Not only that, Mr. President, but when we think, on the one hand, of the great impetus to the development of true private enterprise which would result from the construction of the Hells Canyon Dam because of the cheap public power which would flow therefrom, and, on the other hand, of the greatly reduced incentive to private enterprise which would result from the construction of the Oxbow Dam, we again must admit that the argument is all in favor of the construction of Hells Canyon Dam. It is in favor of it from a materialistic standpoint, and also, in terms of taxation, from the standpoint of the great increase in tax revenue which would flow from the enlarged private-enterprise program which would be developed from a multipurpose dam, but which would not be developed from a low-head dam.

Let me say again, in passing, that the people of my section of the country are beginning to recognize the scarecrows of the Eisenhower administration. They are beginning to recognize as a scarecrow the emotional slogan of "creeping socialism." I understand there is a possibility that the President of the United States may be in the Pacific Northwest in the near future. If he goes there, I think it would be a good lesson for him to walk down the main streets of the towns in the economic environment of Bonneville or Grand Coulee, and find out how many of the merchants there will tell him that they feel like creeping Socialists because of the fact that the cheap power generated by the people's dams has enabled them to establish businesses.

Mr. President, I receive a great many letters from small-business men, as well as some letters from big-business men. The small-business men of the United States are waking up and are beginning to see that strengthening private monopoly in the Nation does not strengthen private enterprise. They are beginning to realize that supporting an electric power program which means that the consumers of electricity must pay tribute to the private utility, is not strengthening private enterprise or private business in the economic environment of a dam. The Eisenhower administration will discover that, if not sooner in 1954, at the voting booths of the United States.

So I say that so far as the flood-control position of the Secretary of the Interior is concerned, I think he should pay more attention to the living.

What is proposed under his programs for the potential victims of future floods, which Hells Canyon Dam, with its 4 million acre-feet of storage, would check more effectively than could be done by the Idaho Power Co.'s Oxbow plant, with one-fourth that storage, is to deny to them and the future generations in the Pacific Northwest the full protection to which they are entitled from floods.

WATER DEPLETION WITHOUT WIDESPREAD IRRIGATION

Mr. President, what about water depletion without widespread irrigation?

The Secretary of the Interior recommends:

> 2. To provide protection for present and future upstream consumptive uses of water.
>
> The Idaho Power Co. has already recognized this principle in its application to the State of Idaho for a right to appropriate Snake River water for the three power plants and the stipulation would simply be a means of assuring that the principle is carried out in the safeguarding of future upstream depletion for irrigation development.

Of course, the Secretary said he did not want to be a special pleader; at least, that is what he said when he walked out on Hells Canyon Dam on May 5. But he is scrupulous to point out that the Idaho Power Co. plan would protect upstream water rights and use for irrigation. Mr. President, that is not special pleading; I say it is direct representation of the Idaho Power Co.

To a great extent upstream depletion for irrigation becomes academic without power revenues from Hells Canyon to defray the substantial costs of irrigation in Idaho, as provided in the Hells Canyon Dam bill.

It is all very well to reserve upstream water for irrigation on paper, but paper will not put water onto the land. If no comprehensive and feasible irrigation project is undertaken—and none will be without Hells Canyon Dam—that "reserved" water will flow downstream unused.

Has the Secretary at any time stated that Senate bill 1664, the Hells Canyon Dam bill, introduced on April 16, 1953, would completely protect upstream water rights by statute—not merely by a statement of the kind made by the company, which has a talent for changing its plans, positions, and proposals? In case there is a doubt let me assure the Senate that the Secretary of the Interior has made no such statement.

Rather, despite his professed neutrality of May 5, he said on June 1, before the chamber of commerce:

> In my opinion, the Idaho Power Co. should build those three dams.

With President Eisenhower's approval, he has set about to do everything in his power to make sure the company can snatch up the Snake River for its own purposes, to the exclusion of Hells Canyon Dam and the interests of the general public.

I say there must be a power pool.

The next two recommendations also sound fine. They call for interconnection of the Idaho Power Co. plan dams with the Northwest power pool, integration of water-flows with existing basin facilities, and a time limit upon completion of the company plan.

It sounds fine. As I said of an earlier McKay statement on the draft Bonneville-private utility contract, a propaganda document is notable for what is left unsaid and only half disclosed.

It will not take a full-dress speech to demonstrate that the propcsals advanced by the Secretary do not hold water. A few points will indicate this.

The very fact that the stipulations are proposed highlights the deficiency of the Idaho Power Co. plan. So far as the company's applications for licenses show, there are no provisions for such interconnection and coordination.

There are at least two gimmicks to the recommendation for "the use of such power as the new facilities might develop which would be surplus to the Idaho Power Co.'s own needs for disposal through the Northwest power pool if the Federal Power Commission investigations indicate that such surplus power can be offered at a marketable rate."

First. The Idaho Power Co. does not now serve the Northwest power pool area.

Second. The surplus power probably cannot be offered at a marketable rate because the company rates require some 35 percent for coverage; that is, simply stated, to get the kind of return it is used to, the Idaho Power Co. power would have to be purchased dear and sold cheap by Bonneville. In fact it would have to be sold at a loss. To the power company? Not on your life, Mr. President, sold at a loss to Bonneville, and it would be sold at a loss to the American taxpayers. That is the scheme. It is a scheme to line the pockets of the private utilities by taking the people's wealth out of the people's pockets. A better description of the power program of the Eisenhower administration could not, in my opinion, be given.

MINK FOR MAINE STOCKHOLDERS

Mr. President, let us look for a moment, now at the mink for Maine stockholders.

The five remaining recommendations deal with relatively small payments and inexpensive arrangements for the protection of fish and wildlife. These proposals are standard for just about all kinds of dams licensed by the Federal Power Commission.

It is amusing that among the wildlife to be protected—according to the Secretary—are mink. Under the company plan it might just as well be provided that the mink should be reserved for Idaho Power Co. stockholders and directors. They are the only ones in the area who will be able to afford them—and they surely will need them in the cold regions of Maine where they live, and where the corporation to which I have referred came into being.

Again I say to the people of Oregon and Idaho, do not be fooled by the Eisenhower administration as to who is going to benefit from any Idaho Power Co. program. It will not be the people in the Pacific Northwest who will benefit, it will be the eastern stockholders of a Maine corporation.

I intend to continue to fight to emancipate the Pacific Northwest from its status as a financial colony of the East. I think it is time that we develop our own natural-resource wealth for the benefit of our people and, in that way, for the benefit of the entire country. The full potentiality ought to be developed. I am not going to give support to a program which seeks to permit a Maine corporation to skim the cream, so to speak, off the power potential of the Snake River. Rather, I am going to take the position—and I shall continue to fight as Norris did before me, for our power-development programs—that the power resources of the streams should be developed by the people, for the people, through their Government. I am going to continue to oppose giving to private monopoly the wealth of the American people in the streams of the country.

Therefore, I say, let it be completely clear that the Federal Hells Canyon Dam would not imperil fish and wildlife in the Snake River or the Hells Canyon areas. Indeed, it is the one site—Mr. President, mark you well my words—it is the one major remaining site for a multipurpose dam as to which there is general agreement among those people interested in wildlife and in fishing that the dam would not damage the fishing industry.

But, Mr. President, we see how the political propagandists work. The political-soap salesmanship of the Eisenhower administration is put forth in an effort to sell to the American people, on false representations, the idea that there are sites other than Hells Canyon, such as Nez Perce and on the Clearwater or Salmon River. As sites they are not so good in their own right, Mr. President, except for the reason I shall state, and they are sites which the Eisenhower administration knows encounter the militant opposition of the wildlife and the fishing interests. So it is said to me by way of answer, "The Hells Canyon Dam site is not the only site for a multiple-purpose dam to be built. Nez Perce and the sites on the Clearwater or Salmon River are available." But they do not tell in their propaganda the kind of opposition that would be encountered if an operation were to be undertaken at Nez Perce or at the sites on the Clearwater or Salmon River. One making such a proposal would have on his neck, so to speak, all those interested in wildlife and game, as well as those interested in fishing and the recreationists. That is not true in the case of Hells Canyon. Mark my word, Mr. President, Hells Canyon is separate and distinct from the fishing problem.

Engineers still agree that it is the best site from an engineering standpoint. I say that one of the prime factors in favor of Hells Canyon is that it is one of the few sites left adaptable to a large multipurpose project which would not interfere with the fish runs so important to the economy of the Pacific Northwest.

These routine, suggested stipulations, urged as safeguards in Snake River development, would be laughable if the walkout of the administration and McKay were not so serious and threatening to the Northwest and the economy and defense potential of our Nation.

EFFECTS OF NONINTERVENTION IN THE OXBOW CASE

Mr. President, what are some of the effects of nonintervention in the Oxbow case?

The company's original Oxbow application was filed in June 1947. In August of that year the then Secretary of Interior declared the Department's opposition to the application.

For 6 years, engineers and attorneys in the Interior Department and the Bureau of Reclamation and the Bonneville Power Administration have been studying the relative merits of the Government and company plans.

The Department has made exhaustive technical studies relating to power, hydrology, irrigation, and their feasibility. It has thereby developed a corps of experts whose learning and talents cannot be duplicated or replaced in a short time.

Some of these departmental studies have been boiled down into documents and public testimony. But these data are not adequate for the purposes of the Federal Power Commission hearings which just opened.

As I pointed out in my Senate speech of May 27, it was only last November that the company formally submitted the three-dam proposal upon which the hearings are now being held. Department studies of that "plan" are not public, so far as I am advised.

It is true that the Federal Power Act requires the Commission to inquire into the merits of conflicting contentions and to act to protect the public interest.

In legal contemplation, a licensing proceeding such as that now before the Federal Power Commission is a nonadversary one. As a practical matter, that is not the case.

Any attorney who has prepared a similar case for hearing knows that the case must be tried as if it were a lawsuit.

With the best will in the world—and that does not always exist—a board or commission does not have the same driving incentives for searching examination of contentions and evidence. How many times have I sat on a board of arbitration or government panel and been impressed by the plausibility of arguments and data presented by a party only to have it torn to shreds by an opposing party? Nor is it only a question of motivation. Experience and intimacy with the subject matter are indispensable if a true record is to be made. The nonadversary nature of these proceedings is a legal fiction.

In order for effective presentation of the case for Hells Canyon Dam to be made, the lawyers and engineers of Interior, Reclamation, and Bonneville must participate actively.

Even if the engineers appear on request of the Commission, they cannot question themselves. There must be attorneys who have lived with the case as the Interior attorneys have done. Such legal service is needed.

But, by his action of May 5, the Secretary of Interior has pulled the rug out from under the case for Hells Canyon.

We do not expect an umpire, however he may desire to see a close game, to decide when a pitcher is to go into the box or who is to hit in the clean-up spot.

The Commission is to hear the case. We cannot expect it to put on the case for the people in connection with Hells Canyon.

The very purpose of the hearing is to air conflicting contentions and test claims and evidence by counterevidence and cross-examination.

With what are we confronted, Mr. President? The Army engineers, the Reclamation engineers, the lawyers of the Department of the Interior are in the showers. They should be in the hearing room. They ought to be presenting in legal fashion the data to which I have referred which is found in the files of the Department of the Interior. They ought to be presenting the testimony of Mr. Cotton, following the strictest and most thorough examination, the position of that great expert in water engineering. They ought to be presenting the results of the examinations of engineer after engineer testifying in behalf of the people's interest in Hells Canyon Dam. But they are in the showers. The Secretary of the Interior, on May 5, sent them to the showers. We have a marked-card game being played at the hearing.

One team has been pulled out of the game. The regulars have been sent to the showers. The burden has been shifted to a group of intervenors almost overnight.

So I say let us examine what position they are in—and what chance the public has for a full presentation of the case for Hells Canyon and against the Idaho Power Co. scheme.

THE NEW SPEEDUP

Let us discuss it for a moment under the heading of the new speedup.

This case was started by the company's one-dam Oxbow application on June 24,

1947. Opposition developed and the then Secretary of Interior protested the plan in August of that year.

At the company's request, the application was not processed. Not until December 1950—more than 3 years later—did the company renew its application, still for only one dam.

Another year and a half elapsed before the Commission ordered field hearings on May 27, 1952. The Department of Interior perfected its intervention.

Hearings opened in July 1952, went on for 3 days, and were adjourned to November 17, 1952.

It was in November 1952 that the company amended its application to show that its ultimate plans called for a three-dam plan. It did not apply for more than one, but put the three-dam carrot on the stick. Further adjournments were granted on the request of the company and the FPC staff, not by the Department of the Interior.

Do not forget, Mr. President, that when I am giving the historic record of the past hearings, I am talking about a record in which both teams played in the game, represented by the attorneys for the company and the attorneys for the Government. I am talking about hearings in which the Commission was given the benefit of argument by Government counsel pertaining to what Government counsel believed was the public interest in the issue before the hearing. We do not have that now. I want you to notice, Mr. President, as I proceed to describe what is happening at the hearing, in regard to postponements.

The Federal Power Commission has not hesitated to grant postponements for further preparation when the company's attorneys have wanted such postponements, but when the Government was ready to proceed, I think, Mr. President, you will be surprised and shocked to discover what the attitude of the Commission in the hearing has already been shown to be. Some farmer, labor, and small business groups, with no help from the Government at all, went before the Commission the other day to point out the new conditions which confront them. They had no help from the Department of the Interior, and no Government counsel to assist them with reference to changes in the program of the company. They are now asking for a 90-day stay so they can have time to prepare. Mr. President, in most police court cases in America a lawyer can get adequate time, through postponement, in order to prepare. I say to the people of the Pacific Northwest that thus far in the hearings the farmers, the labor groups, and the consumer groups, who are doing the best they can without the help of their Government, because their Government walked out on the hearing, have been rebuffed, so far as their motion for postponement in order to allow time to prepare is concerned. Who wants to stand up and say it is fair? It is not fair. In my judgment, the Federal Power Commission already, on the record, has placed itself in an indefensible procedural position. The farmers, the labor groups, and the consumer groups are entitled to the time necessary to prepare for the case.

Mr. President, I disclose no secret when I say that the withdrawal of the Secretary of the Interior from this case on May 5, thereby pulling the rug out from under the farmer groups, the labor groups, and the consumer groups, who were, of course, depending on the Department of the Interior to present the public facts and to represent the public interest in respect to this case, was a terrible injustice on the part of the Eisenhower administration in connection with the hearing, as disclosed by the fact that to date, at least, the Federal Power Commission has not granted these groups time in which to prepare. They are only now in the process of organizing their support of Hells Canyon Dam.

Let us be frank about the matter. These groups have the right as they have had the right in the past, to rely upon the Department of the Interior to help prepare the people's case in support of Hells Canyon, because the primary interest in Hells Canyon happens to be the people's interest, the public interest, the general welfare.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MURRAY. I understand the Department of the Interior has spent hundreds of thousands of dollars preparing for the hearing. What will become of the material that has been developed?

Mr. MORSE. Only time will tell. I thank the Senator for his inquiry. As I said earlier in my speech, there is now only one place for that material to be presented, and that is in the record of the case, and not by introduction as an exhibit. That material ought to be presented for the record of the case through examination by counsel of witnesses on the stand.

The Federal Power Commission in the Oxbow hearing has already put the farmers, the labor groups, and the consumer groups, who are fighting for Hells Canyon, at a tremendous disadvantage. I shall keep my eye on the Federal Power Commission in its handling of the case, because, let me tell them today, I suspect them, just as I suspect any tribunal that starts out on a course of unfair procedure. The farmer groups, the labor groups, and the consumer groups involved in the case simply do not have any funds. They are up against the bankroll of the public utilities of the United States, because the Idaho Power Co. is not the only company interested in the case.

The private utilities of the United States have their eyes on the case. The private utilities know it is a bellwether case. They know in a very real sense that as the aid of the Eisenhower administration goes in the Oxbow case, so it will go with respect to some other petitions which will be dropped into the hopper very quickly.

I am pleading today for the farmers of the Pacific Northwest, for the labor groups of the Pacific Northwest, for the small-business men of the Pacific Northwest, so that they may have time, time, precious time, to prepare their case, now that they are not going to have the aid of Government counsel. If they do not get the time, their failure to obtain it will be some proof of the justification of my suspicion.

So I say further adjournments beyond those of November 1952 were granted at the request of counsel for the company and at the request of the staff of the Federal Power Commission.

Then the new Secretary of the Interior got into the act. He asked for two delays in order to study the situation. On May 5 he withdrew the Department's intervention on the ground that he did not want that Government agency to be a special pleader. I have already discussed what I consider to be the complete phoniness of that argument.

If the position of the new Secretary of the Interior was one of principle, he could have made his announcement on January 21, when he was sworn in. But it takes time to gather material for a skillful alibi, which is what the May 5 announcement was.

The timing of the withdrawal is also fascinating. Until April 17, Commission Chairman Buchanan was serving under a recess appointment submitted to the Senate on January 9, 1953. On April 17, Eisenhower withdrew his designation.

On April 13, Eisenhower nominated Jerome Kuykendall for Buchanan's place. Who is Kuykendall? He was the public utility commissioner of the State of Washington, appointed by Governor Langlie, a bona fide crusader against public power generally, and Hells Canyon specifically. The Eisenhower administration took him right out of the Langlie entourage. Eisenhower made him head of the Federal Power Commission, which is now conducting the hearing, and is already denying to the farmers, the labor groups, and the consumer groups of the Pacific Northwest a request for postponement in order to have time to prepare. Eisenhower took a man whose known attitude is against public power. Need one say more? The implications are clear.

Now the Federal Power Commission "team" was ready. After the appointment of Kuykendall, McKay, who still had until May 25 to announce his position, withdrew on May 5.

On May 6 the Idaho Power Co. held a corporate meeting in Maine. It informed the Commission that at that meeting the company was authorized to file for the full three-dam plan. More of that in a moment.

The supporters of Hells Canyon in the Northwest were then left as the only parties advocating Hells Canyon and opposing the company's plan for partial development of the Snake River. The Hells Canyon Development Association and the Idaho-Oregon Hells Canyon Association represented a strong grassroots movement fighting for the Federal project.

There are several other Northwest groups which have long advocated Hells Canyon. Among them are the Grange, the Farmers' Union, the A. F. of L. and

CIO, State councils, power consumer groups, businessmen's associations, co-ops, and PUD's. Except for the latter, these grassroots organizations do not have resident engineers or full-time lawyers learned in the electric-power field. They had understandably relied upon the Government experts to present the full case for Hells Canyon. Now, they were not only on their own; they were without access to the material developed by Interior, Reclamation, and Bonneville.

They acted with expedition to form the National Hells Canyon Association, Inc., which has a combined membership of some 1 million residents of the Northwest. Because of certain legal requirements, the organization was not perfected until late June. On June 22 they hired a law firm to represent them.

Mr. President, I want to be very frank about another fact in this matter. Although their membership comprises a great many people, it is a loose membership. They do not have a treasury of any substantial amount. They have not been able to pay for counsel during the past months when counsel should have been working on the case. They have very able counsel, but counsel simply have not had the time to prepare. Counsel have been thrown into this case at a very late hour. I say that, in the interest of fair procedure, it is only right and equitable that these organizations of farmers, labor organizations, and consumer groups be granted a stay in these proceedings, so that their counsel can prepare to try the case through witnesses in support of the public interest. For the first time in this case, however, the Federal Power Commission has been in a hurry. It has denied the petition for a stay.

In early June some of these member groups requested the Federal Power Commission to grant a 90-day recess to permit preparation for the hearing. Measured against the 6 years which Interior, the Federal Power Commission staff, and the Idaho Power Co. had to prepare, that was little enough.

For the first time in this case the Federal Power Commission was in a hurry and denied the application.

The advocates of Hells Canyon are starting out with several strikes against them.

What has dictated this speedup? Why all the hurry?

SERIOUS QUESTION OF DUE PROCESS

A full and fair hearing is endangered by this mad rush. It was only in May that Idaho Power Co. filed formal applications for the 2d and 3d dams in the 3-dam scheme.

The Federal Power Commission apparently has caught the Cadillac fever. It has become addicted to speed. Let the pedestrians beware.

The Hells Canyon Association's attorney objected that the company applications do not conform to the Commission's own published regulations.

For example, the regulations require submission with the application of the applicant's minutes authorizing the filing. Have they been submitted? Apparently not. The association attorney objected to the receipt by the Commission examiner of the applications because of this defect—nonconformity to the Commission rules.

This is what the Commission's attorney said only 3 days ago in opposition to that objection:

But today, as a matter of practice, it really would not be practical to go into the detail or require the detail that the rules do specify. I will admit they should be changed, and I think they will, and we have proposed that quite a while ago. But it is a very burdensome problem to get them changed.

Note the significance of that, Mr. President. Do not stop the speeding crusade in reverse against the public interest in connection with Hells Canyon by any argument that procedural rights are being violated by the Commission, because "it really would not be practical" says an attorney for the Commission, to follow the rules of the Commission.

As a lawyer, that makes me stand aghast. A Commission promulgates its rules. What does that mean? To the legal profession it means that that is the way to proceed before the Commission. Counsel representing the farmers, the workers, and the consumers of the Pacific Northwest come before the Commission and point out that the rules have not been followed in connection with the petition of the Idaho Power Co. The Commission's attorney tells them, speaking of the Commission's own rules:

But today, as a matter of practice, it really would not be practical to go into the detail or require the detail that the rules do specify.

The Commission's attorney says:

I will admit they should be changed, and I think they will, and we have proposed that quite a while ago. But it is a very burdensome problem to get them changed.

How can we have government by law under such a procedure as that announced by the attorney for the Federal Power Commission? What protection do the American people have under a government by law in many litigations? Rules of procedure. Why do we require by statute that commissions promulgate rules of procedure? Because we, the Congress, recognize that it is essential to the perpetuation of a system of government by law. The rules should be followed until they are changed. Certainly when counsel for the farmers pointed out that the rules had not been followed, that was further proof that the motion to postpone the hearings for 90 days should have been granted, until the procedure could be perfected.

The Hells Canyon Association attorney replied to counsel for the Commission:

To our knowledge, there have been no amendments to the rules which I have read. The Commission, in our opinion, is bound by those rules in these administrative proceedings.

The presiding examiner replied:

Of course, that is true. But, Mr. Davidson, as a practical matter you realize that the Administrative Procedure Act made some very important changes in the ways that rules may be promulgated by agencies of the Government, and it has become a very involved process to even make minor changes in rules as they come along. So, in order to avoid all of those long proceedings, we sometimes have to live with some of these unrealistic rules, and that has been done, I think, in certainly some of these cases.

I am shocked again. In fact, Mr. President, my resistance to shock has grown with great remarkability as I have watched the Eisenhower administration in operation. We, the Congress, passed the Administrative Procedure Act. We, the Congress, laid down the requirement for the promulgation of rules; and we, the Congress, should resent the statement of this Commission attorney which I have just read, which, in effect, is a criticism of the Congress, and which, in effect, says that the Commission is going to circumvent the Congress. If the Commission has a case to prove that we ought to change the requirements of the Administrative Procedure Act, let them submit it. If they can show me that the act should be amended—and I would not be surprised if it should be amended—I offer my services here today in the introduction of a bill.

Mr. President, let me tell you that until they change the rules in accordance with the law I will not sanction their exercising arbitrary and capricious discretion by laying aside the rules and placing a member of the bar representing the farmers and labor groups and consumers of the Pacific Northwest at the obvious disadvantage in which he has been placed at the hearing already under way.

Mr. President, administrative flexibility is a fine thing, but administrative flexibility which takes the form of arbitrary discretion is a dangerous thing. That is why my colleagues have heard me, time and time again, fight on the floor of the Senate, for 8 years, against procedures or proposed procedures in legislation pending before the Senate which would vest in administrative officers arbitrary discretion. I opposed it under the Democrats. I am just as opposed to it under the Republicans. The danger of it is a weakening of government by law and a substitution therefor of government by arbitrary discretion exercised by mere human beings.

The Administrative Procedure Act requires the publication of rules of procedure as does the Federal Power Act. The former specifically provides:

SEC. 3. (a) * * * No person shall in any manner be required to resort to organization or procedure not so published.

PROCEDURE CONTROLS DUE PROCESS

Mr. President, I wish to discuss for a moment procedures and their relation to due process. As a lawyer, I say that making up rules as one goes along is not due process. I say that under the Administrative Procedure Act, when parties are called before a commission for a hearing on a controversial issue, such as the one now before the Federal Power Commission, it is not due process to make up the rules as the case proceeds, because that constitutes making up rules by way of discretion, against which no check has been provided. Mr.

President, when rules are published as required by the Administrative Procedure Act, the members of the legal profession have the right to rely upon the published rules. It is my understanding that already to date in the hearing the Commission is not following its published rules.

The legal proposition that procedure affects, if not controls, one's substantive rights is so widely recognized that it has become a lawyer's cliché. A lawyer protects the substantive rights of his client by the procedure of the tribunal before which he is trying the case. The right to rely upon the procedure being followed is as precious a right of the client and of the lawyer as the right to a bill of particulars on an indictment in advance of a trial, because the rules with respect to an indictment are but procedural safeguards of the substantive rights of a defendant.

After all, the published rules of administrative tribunals such as the Federal Power Commission are but directives, procedurally speaking, of the substantive rights of the parties that come before the Commission for hearing. I say to the Federal Power Commission today: "You ought to lean over backward in support of due process rather than follow a course of action in this hearing that gives rise to reasonable doubt as to whether or not you are protecting the due process right of these farmers and workers and consumers, who now, without the aid of the Department of the Interior, are standing before the Federal Power Commission pleading the public interest in the Hells Canyon Dam controversy, and without the advantage, as witnesses, of the Army engineers and the Reclamation engineers for examination and cross-examination, and without the advantage of the contents of the files of the Department of the Interior and Army engineers, stuffed full with evidence in support of the Hells Canyon Dam program, as preferable to the Idaho Power Co. program."

Since my election to the Senate, I have fought consistently for appropriate procedural safeguards in administrative proceedings. In this present case, which is of unparalleled public importance, there is a real question whether the Commission is operating in conformity with the Administrative Procedure Act and the Federal Power Act.

The apparent reason for it seems to be the speedup. They want to get the issue out from under the spotlight of public attention. They want to get it over with quickly. They want to give away the Snake River to the Idaho Power Co. as quickly as they can. It is a part of the Eisenhower administration's giveaway program. That is why we have the Cadillac crusade speedup. But the public interests, Mr. President, will be run over if we do not get some policemen out on the political highway in a hurry.

Not only has the intervening National Hells Canyon Association been rushed to hearing, but apparently the Idaho Power Co. applications have been given a quick O. K. as to form.

The administration is setting new track records for speed. It is sad indeed that the expedition has been shown only for official acts of such dubious merit.

RESIGNATIONS FROM SUBCOMMITTEE ON GOVERNMENT OPERATIONS

Mr. President, the Eisenhower administration has had much to say from the political rostrums about spiritual values. I completely agree with every pronouncement of the Eisenhower administration to date on spiritual values, including the great pronouncement of the President of the United States yesterday in regard to religious values and principles.

I have always said that when the Eisenhower administration proposes anything, recommends anything, or does anything which I believe to be in the public interest, I will be on the floor of the Senate strengthening the hand of the administration, and supporting it as vigorously as I shall oppose it when I think it is working against the public interest.

I am sad that for the most part during this session of Congress I have had to be on the floor of the Senate opposing the Eisenhower administration, because it has given me so little to support from the standpoint of the welfare of the American people. But for the great pronouncement of President Eisenhower yesterday, which after all, when we reduce it to the true meaning, is a great defense of the constitutional principle of freedom of religion in this country, I commend him, as I commend the three Democratic Senators who resigned from the subcommittee yesterday. In my judgment, there was no other course of action they could follow, if we are to protect the rights of Members of the Senate to fair treatment in committees.

I did not intend, until the Senator from New Mexico raised the point, to bring up the subject for discussion. I shall comment on it very briefly.

For 8 years, before the Senate this year kicked me off the Armed Services Committee—in my judgment against my rights, and in violation of my 8 years of seniority in the Senate—I served on the Committee on Armed Services, under the very able chairmanship of the following chairmen: Walsh, of Massachusetts; Tydings, of Maryland; Gurney, of South Dakota; and Russell, of Georgia. In those 8 years not a partisan act, to my knowledge, was ever taken by the Armed Services Committee; and in those 8 years, Mr. President, under each of the chairmen, the committee acted by majority vote in connection with every appointment to the staff of those committees. It was made clear by every chairman of the committee during the 8 years of my service on the Armed Services Committee that the principle of majority rule prevailed. That, probably as much as, if not more than, any other one factor explains why during the 8 years of my service on the Armed Services Committee I never saw the head of partisanship rear itself once.

That is why I congratulate the Democrats who yesterday resigned from the subcommittee, for in my judgment, if there is any doubt about what the rights of members of committees are, the Senate itself should now change its rule, so as to make clear that in the appointment of committee staff members, chairmen of committees shall not have dictatorial powers to hire or fire at will, but both the hiring and the firing shall be done by majority consensus of opinion of the committees. If that is not done, I believe the danger of abuse will be created. As I have said so often, I believe we have the duty of following procedures which check the possibility of abuse.

Mr. President, next Friday I shall give the next in a series of speeches on the whole issue of public power versus private monopoly exploitation of the public interest, and also cover a couple of subjects I intended to cover today, but which, out of a spirit of cooperation with the distinguished acting majority leader, the Senator from California [Mr. KNOWLAND], and his desire to move as rapidly as possible this afternoon with the pending business of the Senate, I shall forego giving today.

I shall forego giving two more speeches I have prepared to give and thought I would give today. One deals with the great issue of home rule for the District of Columbia, with particular attention being paid to keeping faith with democratic processes in the District, through my proposal for the election of a mayor. The second speech deals with some of the practices of the Civil Aeronautics Board, which I believe need to be brought under surveillance, so the public can be aware of some of the practices of the Board.

I wish to say to the Senator from California that it is a pleasure for me to cooperate with him in postponing those speeches, so that today he can proceed with the business of the Senate, because the interval will give me more time to add to the material for those speeches. I wish to obtain additional material on several subtopics of each of them, and I shall have that material ready by next Friday.

NOMINATION OF PAUL F. LARRAZOLO, OF NEW MEXICO

Mr. CHAVEZ. Mr. President, I am very happy today because of a nomination which has been made by the President of the United States. The nomination to which I refer is an outstanding one. Other nominations which the President has made may have been as good, but certainly none has been better.

Today I am very happy that the President has seen fit to nominate Paul F. Larrazolo, of New Mexico, to be United States attorney for the district of New Mexico.

I have known this young man ever since his infancy. I rise today not only to express my pleasure at the nomination but also to point out that the life of Mr. Larrazolo and the life of his father are outstanding proof of the benefits and opportunities of life in the United States of America.

Mr. Larrazolo's father was born in old Mexico. As a child he was brought to

New Mexico. He was then an orphan and was placed in charge of the Catholic archbishop at Santa Fe. He was put through school, eventually went to college, then became an attorney, was district attorney of El Paso, Tex., and later came to New Mexico, where he was elected Governor of the State. In addition, from December 7, 1928, to March 3, 1929, he occupied a seat on the Republican side of this Chamber, as a Senator of the United States.

For practically all my life I have known the Larrazolo family—the father, the mother, and the children.

I recall that since I have been a Member of the Senate, Paul Larrazolo, the nominee to be United States attorney for the district of New Mexico, made his way through school by working here in the city of Washington. He graduated from Georgetown University law school. Thereafter he returned to New Mexico.

Notwithstanding that, I know he is a Republican, I wish to express my great admiration of him, for he is decent and honest, a fine lawyer, the son of a fine father, a fine family man, and will make a fine United States attorney for New Mexico.

Mr. President, I believe I can speak for the people of New Mexico and certainly for the rank and file. Therefore, in speaking in their behalf, as well as in my own behalf, I desire to thank the President of the United States for sending to the Senate, for consideration, the nomination of Paul F. Larrazolo.

WHEAT MARKETING QUOTA PROVISIONS OF THE AGRICULTURAL ADJUSTMENT ACT OF 1938

The Senate resumed the consideration of the bill (H. R. 5451) to amend the wheat marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and for other purposes.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GOLDWATER in the chair). The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Griswold	McCarthy
Anderson	Hayden	McClellan
Barrett	Hendrickson	Millikin
Bennett	Hennings	Morse
Bush	Hickenlooper	Mundt
Butler, Nebr.	Hill	Murray
Capehart	Hoey	Neely
Carlson	Holland	Payne
Case	Hunt	Potter
Chavez	Ives	Purtell
Clements	Jackson	Russell
Cooper	Jenner	Saltonstall
Cordon	Johnson, Colo.	Schoeppel
Dirksen	Johnson, Tex.	Smathers
Duff	Johnston, S. C.	Smith, Maine
Dworshak	Kefauver	Smith, N. J.
Eastland	Knowland	Sparkman
Ellender	Kuchel	Stennis
Ferguson	Langer	Thye
Flanders	Long	Tobey
George	Magnuson	Watkins
Gillette	Malone	Welker
Goldwater	Mansfield	Williams
Gore	Martin	Young
Green	McCarran	

Mr. SALTONSTALL. I announce that the Senator from Maryland [Mr. BEALL], the Senator from Ohio [Mr. BRICKER], the Senator from Maryland [Mr. BUTLER], and the Senator from Ohio [Mr. TAFT] are necessarily absent.

The Senator from New Hampshire [Mr. BRIDGES] and the Senator from Wisconsin [Mr. WILEY] are absent on official business.

Mr. CLEMENTS. I announce that the Senators from Virginia [Mr. BYRD and Mr. ROBERTSON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Delaware [Mr. FREAR], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Massachusetts [Mr. KENNEDY], the Senator from South Carolina [Mr. MAYBANK], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

The Senator from Texas [Mr. DANIEL], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oklahoma [Mr. KERR], the Senator from West Virginia [Mr. KILGORE], and the Senator from New York [Mr. LEHMAN] are absent by leave of the Senate.

The PRESIDING OFFICER. A quorum is present.

The clerk will state the first committee amendment to House bill 5451.

The first amendment was, on page 2, line 21, after "SEC. 2.", to strike out "Section 335 (d) of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the words 'two hundred' and inserting in lieu thereof the figure '400'." and insert "Section 339 of the Agricultural Adjustment Act of 1938, as amended (53 Stat. 55), is repealed."

Mr. CASE. Mr. President, I should like to address a question to the chairman of the Committee on Agriculture and Forestry [Mr. AIKEN].

Did the committee give any consideration to making the acreage 20 acres, rather than 15 or 25 acres?

Mr. AIKEN. The committee did consider changing the exemption to 25 acres, and then to 20 acres, but finally decided to keep the present 15 acres exemption, which was thought would be the best for all concerned. The House approved a 25-acre exemption. They raised the exemption from 15 to 25 acres, and from 200 bushels to 400 bushels.

Mr. CASE. I suppose it would be somewhat theoretical as to what the effect would be if the change were made.

Mr. AIKEN. No one knows for sure.

Mr. CASE. But, thinking in terms of the practical operations of individual farmers, it occurred to me that 20 acres might be a happier figure than either 15 or 25 acres. I express the hope that when the bill goes to conference it can be studied further. It will be in conference, will it not?

Mr. AIKEN. It was the intention of the chairman not to request a conference, but if the House should request a conference, we would grant the request and the conferees should meet as speedily as possible so that we can meet the deadline of next Wednesday.

I may say that the original purpose of raising the acreage exemption figure from 15 to 25 acres and from 200 to 400 bushels was to make as certain as would be possible that the wheat farmers would vote to accept acreage allotments and marketing quotas next year.

There was some fear expressed in the States of the West, which are predominantly wheat States, that the wheat growers of the eastern States who produce wheat in rotation with other crops might not be willing to accept quotas. Personally, I think their fears are groundless, because it is my opinion that wheat quotas will be voted by eastern growers as well as by western growers.

Then this problem arises: If we increase the exemption from 15 to 25 acres, are we encouraging the exempt grower actually to raise his acreage, and if he does so, any increase he might make between 15 and 25 acres would almost certainly come out of the larger wheat producers eventually, because there would be no other place from which an eventual adjustment in production could come.

I might add there has been a considerable change in sentiment in regard to the amendment. There has been an increasing belief that the small wheat growers would vote for quotas even though they produce wheat on only from 15 to 18 acres.

Mr. CASE. The matter is so hypothetical that we cannot tell what the net effect will be. But it occurs to me that, taking in the case of the man on what might be called a family-size farm, wheat produced on 15 acres is pretty small amount compared to the entire wheat crop, but it becomes an important element in making a living for the family. Twenty acres is not much, to be sure, but I think it would be weighted a little bit in favor of the small farmer to make it 20 acres rather than 15 acres.

Mr. AIKEN. I can give the Senator some figures which have been furnished by the Department of Agriculture, showing what percentage of the wheat growers would be eligible to vote under the different acreage exemptions.

If we leave the law as it is and exempt from voting and also from penalties, the growers who plant to wheat less than 15 acres, 51.6 percent of the wheat growers would be ineligible to vote.

If we raise the amount to 20 acres, 58.1 percent of the wheat growers would be ineligible to vote.

If we raise it to 25 acres, 64.8 percent of the wheat growers would be ineligible to vote on whether they want quotas. Although they would be exempt from penalties, they would be subject to acreage allotments regardless of how many acres they plant to wheat, whether it be 4 acres or 24 acres. Nevertheless, if they did not keep within their allotments, they would not be eligible for price supports. We know the small grower's price is pretty much fixed by what the industry as a whole receives. If the entire wheat industry were supported, it could be that thousands of small growers would elect to increase their acreages from 15 to 24 acres and take their chances on the market. If they did that, the additional reduction

in acres would simply come out of the wheat belt eventually.

Mr. CASE. It probably would.

Mr. AIKEN. That has happened in the case of tobacco, as the Senator recalls, and we had to cut down on the acreage of the larger tobacco growers to such an extent that we finally got a wave of protests from them.

Mr. CASE. It probably would come out of the acreages of the larger wheat farmers. There are a great many large wheat farmers in the Dakotas. But I am thinking of the problem of the tenant farmer and renter, the man with a relatively small farm. Acreage becomes pretty important to him from the standpoint of making ends meet.

What is the difference in numbers of farmers between the 15- and 20-acre exemption, if the Senator has that figure? On the basis of the figures given in the committee report, it is between 1 million plus and 2 million plus. I suppose it would be approximately 500,000 farmers.

Mr. JOHNSON of Colorado. Mr. President, will the Senator permit me to inject a question on that point?

Mr. AIKEN. Let me answer the Senator from South Dakota first.

The last year in which we had acreage allotments was 1950. At that time there were 1,036,098 farmers producing not over 15 acres of wheat out of a total of 2,066,589. Approximately half the farms were planting 15 acres or less.

I now yield to the Senator from Colorado.

Mr. JOHNSON of Colorado. On that point, the Senator from Vermont has stated it in percentage of the number of farms. Does he have any information as to the number of bushels of wheat? He has mentioned 64 percent of the farms. How much of the wheat crop, in percentage, would that amount to?

Mr. AIKEN. I have the percentages on that point.

It is shown that 12.2 percent of the crop was produced on farms planting less than 15 acres of wheat; 16.4 percent was produced on farms having not over 20 acres in wheat; 20.5 percent of the total crop—this is on a 5-year average—was produced on farms planting 25 acres or less. Approximately 80 percent of the wheat of the country is produced on farms where more than 25 acres of wheat are grown.

I think that percentage would hold fairly true today, although these figures are based on the 1950 acreage allotment.

Mr. CASE. Mr. President, will the Senator from Vermont yield further?

Mr. AIKEN. I yield.

Mr. CASE. In other words, it would mean that approximately 4 percent of the crop would be represented by increasing the acreage to 20 acres instead of 15 acres?

Mr. AIKEN. Approximately 4.2 percent of the crop would be affected, using the 1950 acreage allotment as a base. As I say, I think those figures hold fairly true today.

I certainly wish someone could have told the committee what the effect of changing the production exemptions would be, but no one seemed to know.

Mr. CASE. What appeals to me is that there are two viewpoints to consider, possibly three. The first is the effect upon the voting. The second is the amount of wheat to be taken away from the larger wheat growers if the acreage to be exempted should be increased. The third viewpoint, and I believe it is possibly the most important, is the effect upon the income of family-size farms. From an economic standpoint, the effect upon family-size farms of exempting 15 acres will possibly be the most severe.

Mr. AIKEN. Yes; and there is also the problem of the effect upon the whole program if 20 percent of the total crop and nearly two-thirds of the total number of producers are left outside the program.

Mr. CASE. The Senator from Vermont is speaking of 20 percent of the national production grown on farms producing 25 acres or less of wheat. I was not suggesting that. I had reference to 20 acres. If the increase were from 200 to 300 bushels, that would mean 100 bushels more per farm. After all, 300 bushels multiplied by the price of wheat per bushel is an important factor for the small farmer. It is not so important from the standpoint of the total economy.

Mr. AIKEN. I think we might take into consideration the fact that the reason that less than 25 acres of wheat are grown on these farms is because it is grown in rotation with other crops. I wish I could tell the Senator from South Dakota what would happen under any of these hypothetical circumstances, but I cannot.

Mr. CASE. As we have both agreed, the matter is in the realm of uncertainty. It is not possible even to try to deal with a suggested exemption in the case of individual farmers, with whom I am somewhat familiar.

I simply wish to suggest to the Senator from Vermont, who is chairman of the committee, that if the bill goes to conference, and if the House does not accept the Senate amendment striking out the change in limitations, the conference might then consider splitting the difference and making the quantity exemption 300 bushels and the acreage exemption 20 acres.

Mr. AIKEN. If the bill goes to conference, I have not the slightest doubt that the change suggested by the Senator from South Dakota will be considered. It is inevitable that it will be considered.

I cannot quite go along with the theory that the small wheat grower is more likely to vote against quotas than is the one who raises perhaps 18, 20, acres, or more of wheat.

Mr. CASE. I do not want the RECORD to indicate that I thought voting was the major consideration. I do not think it is the major consideration.

Mr. AIKEN. I think that is what prompted the amendment in the first place.

Mr. CASE. That may be, but my feeling is that the primary consideration ought to be the economic condition of the farmer.

Mr. AIKEN. It is said that if the acreage limitation were left at 15 acres, Ohio could outvote Kansas. I have not checked on that, but I presume it is true. However, with the wheat situation as it is today, I cannot conceive of Ohio wanting to outvote Kansas.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. HOLLAND. I suggest that perhaps the most serious effect of upping the exempt acreage has not been mentioned by the Senator from South Dakota. Farmers now producing 15 acres or less would have a chance to go up to 20 or 25 acres, or to whatever the increased acreage might be.

I call the attention of the distinguished Senator to the fact that more than a million wheat farmers, a little more than half the entire number, are now producing 15 acres or less. If the exempt acreage goes up to 20 acres, there is a possibility that more than 5 million acres would be added from that source alone. I do not mean that each of the farmers would step up his wheat acreage to 20 acres, but it is at least a possibility. If the acreage were stepped up to a minimum of 25 acres, there would be a possibility of stepping up the entire acreage by more than 10 million acres.

Of course, a temptation would be offered to every one of the legally exempt farmers to plant more than he has planted heretofore. He could plant up to the limit which is exempt.

It occurred to me that perhaps this would be the most serious implication in the whole matter, if a change were to be made upward in the exemption of acreage.

Mr. CASE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CASE. The Senator from Florida has touched on precisely the point I wish to make. I should like to make it from the positive point of view that the stepup with respect to small-sized farms may mean the difference between making a living and not making a living. Wheat cannot be raised without a certain amount of investment. When less than 15 acres is grown, it is probably economically impractical, if a farmer is to have modern machinery. Exactly where the dividing line should be I am not certain. A great many farmers who rent a quarter section or a half section of land use a certain number of acres as pasture and plant a certain number to crops. If they were limited to 15 acres, a hardship would be worked. If they could go over that, wheat growing would be made economical.

Mr. HOLLAND. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. HOLLAND. I suggest to the Senator from South Dakota that the best answer is that the very large number of wheat farmers, more than half the entire number, have not seen fit to increase their acreage above 15 acres, even though there has been no limitation at

all, and even though they have had a very generous price-support program on which to rely. So it would appear that perhaps there is no necessity for increasing the acreage in wheat to that particular point.

Mr. AIKEN. The incentive in recent years apparently has resulted in an increase in the number of small fields of wheat, as one can easily ascertain by driving through Maryland, Pennsylvania, and Delaware. I would not assume that raising the limitation to 25 acres would mean that every farmer raising under 15 acres now would promptly raise his acreage to 25 acres. If he did, it would mean an increase of ten or fifteen million acres in the Nation. However, I think it is entirely possible that a sufficient number would increase their acreage so that there would be 2 million or 3 million additional acres planted to wheat, thereby increasing the surplus, which perhaps would defeat the purpose of the quota program.

Mr. CASE. Mr. President, will the Senator yield again?

Mr. AIKEN. I yield.

Mr. CASE. To compare what will happen in the immediate future with what has happened in past years is a little misleading, because many farmers in the West have been placing the emphasis upon cattle during the past few years. If the economic picture for cattle and for some of the other crops is changed, the incentive for going into wheat growing, if there is a price-support program, may be different from what it has been during the last 5 years.

Mr. AIKEN. Nevertheless, we are experiencing an increase in grain crops, particularly in some southern States, as in the Carolinas, where planting of cotton has been abandoned and the land is being used for the production of wheat and other crops.

Mr. THYE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield to the Senator from Minnesota.

Mr. THYE. In reply to the remarks of the Senator from South Dakota, I may say that a producer of wheat may possibly be producing oats, barley, and rye. Therefore he would have his harvesting equipment. If he were not growing wheat he would be growing oats. So, from the standpoint of the effect upon the individual so far as his machinery needs are not concerned, I do not believe there is a problem in connection with that type of farming operations.

I recognize that we are faced with this condition: In the past 5, 6, or even 10 years, a great number of farmers who normally have grown wheat abandoned wheat production entirely and undertook to raise soy beans, because there were no restrictions on soybeans, and that was a very profitable crop to grow because of the great need for oil. Other farmers grew corn and oats because they wanted feed crops, for the reason that livestock prices were good.

But, in view of the decline in beef prices, and the restrictions imposed on corn acreage, we shall find a great number of farmers who will endeavor to resume wheat growing simply because they are denied the right to grow corn.

I could take Senators into communities with which I am familiar, and point to the wheat acreage that was grown when there were acreage quotas, 10 or 12 years ago. Not an acre of wheat has been produced there for the past 12 years, simply because there were no restrictions on corn. But if we impose corn acreage allotments—which I know we shall have to do—and in the event there should be restrictions on soybeans, such a farmer will go right back into wheat production. If we allow too high an exempt wheat acreage, we shall defeat what we are endeavoring to accomplish by voting wheat quotas with respect to the big commercial operators, because we deny certain wheatgrowers a certain number of acres of wheat. However, the little fellow, who is denied a certain acreage in corn comes along, and he puts those same acres into wheat. Those acres may produce 25 or 30 bushels to the acre, whereas the national average may be around 18 or 15. Then we shall have immediately taken up all the slack in wheat production which we thought we were obtaining by voting certain restrictions on the big commercial wheatgrowers.

We cannot escape that fact. I should like to stand here and say, "Allow the producer 25 acres unrestricted." That would please the producers in the Midwest, in such States as Wisconsin, Minnesota, Iowa, and even Michigan and Illinois, where certain farmers may not have grown an acre of wheat in the past 12 years.

If a restriction were placed on their corn, they would look around for some other type of crop. They would say, "Wheat is it." They could plant 25 acres without being in violation of any regulations; and if 25 acres were planted to wheat on very many farms in Indiana, Illinois, Wisconsin, and Minnesota—farms that have not had an acre of wheat for the past 12 years—whatever restrictions we have imposed on Kansas, Oklahoma, and Dakota producers would be absolutely defeated, and we would come up with the same total number of bushels of wheat we have today as a surplus problem.

I am speaking now against what many producers in the Midwestern States want, namely, as high an acreage as possible for wheat, because then they would have something to plant if they were denied corn acreage.

I think we must examine this question very carefully. I do not want to impose a hardship on my own producers, but I do not want to defeat the program by allowing too high an unrestricted wheat acreage, knowing what the ultimate effect would be.

Mr. CASE. Mr. President, will the Senator yield for one further observation?

Mr. AIKEN. Yes; and after I yield to the Senator from South Dakota I wish to make a very brief explanation as to why this legislation happens to be before the Senate today.

I now yield to the Senator from South Dakota.

Mr. CASE. The Senator from South Dakota did not argue for the 25-acre limitation, or the change to 400 bushels, but suggested that a golden mean might be 20 acres and 300 bushels.

Mr. AIKEN. I understand that the Senator from South Dakota urges the committee to consider very carefully the matter of acreage exemption, with a view possibly to increasing it to 20 acres, thereby reaching a figure between the 25 acreas fixed by the House and the 15 acres suggested by the Senate Committee on Agriculture and Forestry.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. YOUNG. In order to keep the record straight, as I understand the law, no farmer could plant 25 acres or 15 acres and get price support, unless he had a wheat-acreage allotment. He would be exempt from quotas, but he could not plant, 5, 10, or any other number of acres and obtain price support on his production, unless he had a wheat-acreage allotment for that number of acres.

Mr. AIKEN. That is right. He could not plant more than his acreage allotment, which might be under 15 acres and get price support on his wheat.

Mr. President, I should like to state briefly how this proposed legislation happens to be before the Senate today.

Whenever the total supply of wheat in this country exceeds by more than 20 percent, the amount needed for domestic consumption, plus the amount of estimated exports, plus 15 percent thereof as a reserve for carryover, the Secretary of Agriculture is required to proclaim marketing quotas for wheat.

On June 30 the Secretary, in compliance with the law, proclaimed marketing quotas would be in effect for the 1954 crop.

On the 1st of July this year, June 30 being the end of the marketing year for wheat, the carryover of wheat was about 580 million bushels, according to the best estimate now available. The crop report issued yesterday by the Department of Agriculture places production of this year's crop at 1,174,708,000 bushels. Imports during the marketing year which began this month are estimated at 5 million bushels, making a total supply for the current marketing year of over 1,759,000,000 bushels.

Domestic disappearance during the current marketing year is estimated at 690 million bushels, and exports may take another 315 million bushels, making the total consumption and exports for the current marketing year 1,005,000,000 bushels.

Deducting this from our total supply of 1,759,000,000 bushels, we see that the carryover on July 1, 1954 is likely to be in excess of 750 million bushels. This would represent more than a year's domestic consumption, and an increase of 170 million bushels over the carryover on the first of this month.

In the face of this supply situation it has become imperative that production be reduced if farmers are to receive a

fair price in the market place, and on June 30, in accordance with the law, the Secretary of Agriculture proclaimed marketing quotas for the 1954 crop of wheat. On the basis of the figures then available, the total supply for the 1953–54 marketing year appeared to be 148 percent of the normal supply. The crop report issued yesterday showed an increase of 42 million bushels over the crop report available to the Secretary on June 30.

It would appear that before marketing quotas for wheat can be put into effect on a fair and workable basis some revision of the law will be necessary if we are not to have economic trouble among wheat producers. The supply situation has reached such proportions that an acreage reduction sufficient to bring the supply down to normal in a single year might cause serious injury to the country's agricultural plant. Under the existing law the minimum national acreage allotment is 55 million acres. I doubt if that would bring the supply of wheat down to the normal supply in 1 year. Nevertheless, that is the minimum allotment which the Secretary can establish.

Mr. President, I might add that if the present law stands and the Secretary of Agriculture is required to reduce the crop of wheat to 55 million acres, it would represent more than a 30-percent decrease from the amount which was planted for this crop year. The committee felt that the effect of a 30-percent reduction in the acreage of this important crop in 1 year might have economic repercussions on a good many wheat farmers.

The pending bill, H. R. 5451, with the committee's amendments, is designed to remove the inequities in the existing law, modify it to reflect the changes which have occurred since quotas were last effective, and provide for a minimum national acreage allotment for 1954 only of 61 million acres, in lieu of the present minimum of 55 million acres.

We have differed with the House bill in that respect. The House bill provides for a minimum national acreage allotment of 66 million acres in 1954. However, there has been an increase in the estimated size of the current crop since they fixed the minimum at 66 million acres. In fact, the Senate bill, as introduced, called for a minimum allotment of 62 million acres. In view of the crop estimate, which was released at 3 o'clock yesterday afternoon, the committee felt that a reduction to 61 million acres would be advisable for the 1954 crop.

The acreage allotment of 61 million acres would represent a reduction of 17½ million acres from the 78,553,000 acres seeded to wheat for the 1953 crop, but a decrease of only 6 million acres from the amount which is expected to be harvested this year.

We have had a very large abandonment of planted wheat acreage this year. It is estimated that 18 percent of the winter wheat planted has been abandoned, as compared with the average for the past 10 years of 12 percent. That is the only reason we are not faced with a heavier carryover than what we actually have today.

It appears that next July we will have a carryover of about 750 million bushels of wheat. That carryover must be reduced not only for the good of the wheat farmer and the wheat program in the United States, but it must be reduced because this huge amount of surplus wheat that hangs over the market can seriously depress if not demoralize the world market for wheat.

We have already subsidized exportation of wheat under the wheat agreement, in the amount of $600 million during the past 4 years. If we do not make a substantial reduction in the production of wheat, we will have one of two problems facing us—either a drastic reduction or abandonment of the wheat support program, or an increase in the subsidy on exports, which is already so high that there is considerable complaint.

I hope the Senate will agree to reduce the 1954 crop to 61 million acres. In fact, probably it would have been better if we had made it 60 million, or perhaps even 58 million acres. However, the chairman, for one, did not have the heart to go along with such strong medicine, even though in the long run it would have been better to do so. I believe we should have 2 or 3 years' time to work out of our predicament. Perhaps I should say it is a fortunate predicament to have such a heavy surplus of this commodity. If we tried to get out of it in 1 year it would be bound to create a great deal of hardship on many thousands of families who depend upon their wheat crop for their living. On the other hand, we are going from trouble into more trouble if we do not take steps which will result in getting us back to normal conditions ultimately.

Mr. YOUNG. Mr. President, I do not believe our wheat supply situation is too gloomy, particularly with reference to our surplus situation. It is true that we have had some sizable costs in the export of wheat. The International Wheat Agreement price of $2.05 a bushel is too high, I believe.

I think we were very unwise in not setting the price at $2 a bushel and thus bringing Great Britain into the agreement. Wheat at $2.05 a bushel, when winter wheat is selling at $1.65 a bushel, means that the United States Government could make a profit on its export of wheat, if it went into the cash market and bought wheat there, as it should.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. AIKEN. The United States Government cannot buy that wheat at $1.65 a bushel, can it? It is obligated to pay $2.21 a bushel, as I understand the situation.

Mr. YOUNG. Not from the American farmer. It could buy the wheat in the open market. If the Government does not have authority to do so, it should get the authority. That would stabilize the cash price and make possible a far lower cost in supporting the price of wheat.

I am not in agreement with the committee's action in reducing the wheat acreage to 61 million acres. Although the crop forecast of July 10 estimated an increased yield of about 40 or 60 million bushels, that is not the whole story. Because of the tense international situation we would not want to reduce our supplies down to what might be called a normal supply of wheat. We are faced with a drought in the Southwest, and it is spreading. It could cause us real trouble in the future. We have had abnormally high yields of grain for the past 10 years. They have been higher than at any other time. We have had better weather conditions than we normally have. In the spring wheat area at the present time we have the earliest infestation of a new and very dangerous type of rust, known as 15 B. It is a far more dangerous type of rust than we have had in all our history.

The July 10 report is dated July 10. However, the findings were determined as of July 1. The next 2 or 3 weeks will determine whether we will have as big a spring wheat crop as is estimated—which would be the second highest in our history—or a very small one. During the years I have farmed, I have burned up thousands of acres of wheat that had looked very good just 2 weeks before it was harvested. The rust would eat up the stems and thus destroy the crop. So I put a match to the crop and burned it all off.

Mr. President, our present wheat acreage is 78,553,000 acres. The committee bill would give us 61 million acres. That is a cut of 22 percent. When we figure the 10-year average of abandonment of the wheat crop and deduct that from the 61 million acres, we have a total wheat crop for next year of 54,300,000 acres.

Mr. President, you can figure it any way you wish, but with our normal domestic needs, plus expected exports of 315 million bushels—and we ought to export much more—we will have a lower carryover next year.

That calculation is made under the most favorable crop conditions which we have had in the wheat area for years and years.

A drought is long overdue, and, of course, I hope it may never come. There are other crop producing problems facing us, too. We ought not to worry quite so much about surpluses, but find a way of taking care of them, and be thankful to God that we have them. The more we complain about surpluses, through the Department of Agriculture, and other sources, the more the price goes down, the more foreign countries are inclined to wait another month or longer to make purchases, and the more we increase our problem.

With the understanding with the chairman of the committee that we shall have a conference with the House on the bill, I shall not offer an amendment to increase the acreage allowed under the bill, which is 61 million acres. I think it would have been better if we had provided for 63 million or 64 million acres, but I believe that point can be ironed out in conference with the

House of Representatives. Sixty-one million acres is just too low.

The House Committee on Agriculture has 33 members, and the entire House has 435 Members. Each one of them must stand for election every 2 years, and each Member of the House usually serves on only one committee. The members of the House Committee on Agriculture make extensive studies of farm problems. I believe they are able to study those problems somewhat more thoroughly than are the members of the Senate Committee on Agriculture and Forestry, inasmuch as Senators serve on 2 or 3 committees.

I believe the House Committee on Agriculture was virtually unanimous in reporting their bill with 66 million acres, and I think the views of the members of that committee should receive consideration.

So I believe that in conference with the House of Representatives it will be possible to work out a good bill.

Mr. MUNDT. Mr. President, will the Senator from North Dakota yield to me?

Mr. YOUNG. I yield.

Mr. MUNDT. I should like to associate myself with the statement which has been made by the Senator from North Dakota [Mr. YOUNG]. I wish to say that I associated myself with him in the committee, at the time when we supported a somewhat larger figure than 61 million acres, and I share with him the hope that in conference the figure now carried in the bill may be increased.

I do not believe the problem of controlling surpluses is to be solved by dealing with it solely on the production side. The pending bill represents a step toward taking action with our agricultural commodity surpluses on the production side; but before this session of Congress ends, I hope Congress will undertake to do something about surpluses on the use or disposition side—something realistic, something which will enable our government to make use of these large surpluses in terms of purchasing power, as, for example, by sending them abroad as token payments for noncompetitive critical and strategic materials which we need badly for our defense program.

Mr. THYE. Mr. President, if the Senator from North Dakota will yield, I should like to state that I am in support of the statement the Senator from South Dakota is making. The President's action yesterday in making available $15 million worth of food to Eastern Germany may have a greater effect than the expenditure of many hundreds of millions of dollars for our national-defense program. By making our surplus food available to people of other lands, who are hungry and in dire need, we accomplish more, in terms of effect upon the hearts and minds of those people, than we could ever accomplish by means of defense preparations.

Mr. MUNDT. That is correct.

Mr. THYE. Therefore, I am 100 percent in agreement with what the Senator from South Dakota is advocating, because the use of cold dollars or cannon or bombs will not enable us to win the minds and hearts of men; but we can succeed in winning the hearts and minds of men if we give them food when they are hungry or give them clothing when they are suffering from cold. That is the most important step that can be taken by Congress during the remaining weeks of this session.

Mr. MUNDT. The Senator from Minnesota is entirely correct, and I thank him for his contribution.

Mr. President, I associate myself very strongly and very definitely with the President's most constructive statement of yesterday. Not only is it important that we win friends abroad, but in the cold war in which we are engaged, it is important that our agricultural surpluses be used in such a way as to alleviate suffering. It is also important for us to remember that every commodity or product has a value to someone. It can be used for procurement, as a token payment. With it we can purchase some of the things we need.

It is important that consistent attention at high levels be paid to the problem of disposing of these agricultural surpluses.

In connection with the President's message of last week, in which he made a suggestion accompanied by a rather indefinite bill, concerning a program for utilizing our surplus agricultural commodities by making them available to foreign countries, I have already asked the staff of the Senate Committee on Agriculture and Forestry to prepare a proposed amendment in the form of an additional title, to the President's suggested bill. So, at the time when we vote on the President's suggestion, as represented by the bill, we shall be able to vote, I hope, upon a proposal to use in commercial activities and in commercial manners the agricultural surpluses we have.

I believe there is merit in the President's suggestion, but I believe it should be limited and defined. In my opinion we should specify the extent to which the President's proposed gift program can be used. Furthermore, I should like to see included in the bill a separate title which will make it possible to use agricultural surpluses to pay for commodities we need, and at the same time to place such surpluses in the hands of the persons who need them.

I wish to associate myself completely with the very constructive statement made by the Senator from North Dakota.

I desire to call the attention of the Congress and, indeed of all the people of the United States, to the fact that in connection with the pending measure we are speaking of planted acres. Regardless of whether the figure decided upon is 66 million or 61 million, we are speaking in terms of acres which are planted. Over a period of 10 years, there is an average loss of 10 percent between the number of acres planted and the number of acres harvested. In short, if 66 million acres are planted, the number of acres harvested, based upon the 10-year average loss, will be only 60 million; and if 61 million acres are planted, on the same basis the number of acres harvested will be possibly less than 55 million. We should keep that situation in mind, for it is quite obvious that during that 10-year period, there were some years in which the loss or shrinkage was greater than 10 percent.

The Senator from North Dakota and I are very happily aware that year after year after year in our section of the country there has been good growing weather, abundant moisture, and fine crops—in an area which not so very many years ago had consecutive years of drought. If the severe drought now visiting the Southwest should extend to an even larger area and should become more general in the next growing year, we might then indeed be happy if we had established a larger goal—for instance, 66 million acres—for in that case we might find ourselves harvesting perhaps only 45 million or 50 million acres.

We should not gamble too speculatively with the consistent average of shrinkage between acres planted and acres harvested. We should keep in mind that nothing but our own lethargy and our own inactivity and our own lack of imagination and vision prevent us from disposing of the surpluses we now have, by a process of purchasing for Americans things they badly need, and which we should be very happy to receive.

Mr. YOUNG. Mr. President, I thank the Senator very much.

The agricultural commodity surplus problem has been with us a long time. It is a nonpolitical problem. The Committee on Agriculture and Forestry is composed of very sincere members, who do not decide matters along party lines. Those of us who serve on the committee have constantly been trying to solve the problem of the agricultural price depressing commodity surpluses.

We recall that in the 1930's, beef was selling for about $2.50 a hundred; hogs were selling for about $1.50 a hundred; oats were selling for 6 cents a bushel; at one time the price of barley fell as low as 1 cent a bushel, in my State; and wheat sold for about 30 cents a bushel. But still millions of the people could not buy those commodities. I think the reason was that we permitted agricultural commodity prices to drop in 1928, and following that there occurred one of the worst depressions this country has ever experienced.

I, for one, do not believe we can afford to permit the prices of our agricultural commodities to drop, because I believe they are the key to our entire national economy. Nearly half the people of the United States live on farms or in small towns or in cities of less than 2,500 population. To those people, agricultural income means everything. They have a tremendous purchasing power for the good of the entire Nation. Even in some of the larger cities, such as Des Moines or Sioux City, with populations of 80,000 or 90,000, where there is practically no manufacturing, agricultural income is practically the only new income those people have.

We will never solve the agricultural surplus problem if we reduce wheat

acreage 30 percent and cotton acreage 10 or 15 percent and if we make a corresponding reduction in corn acreage. The result would simply be to increase the pressure of surpluses in the case of other crops. There would be a natural shift to other crops in connection with which we already have surplus problems.

If we are to have surpluses, I do not know of any commodities in which it is better to have them than wheat—which is the staff of life and is eaten all over the world—and cotton and corn. Those commodities can be stored, and their production can be controlled, and there is a worldwide demand for them.

Mr. AIKEN. Mr. President, will the Senator from North Dakota yield to me?

Mr. YOUNG. I am glad to yield.

Mr. AIKEN. I wish to make two statements. First, let me say that sometime next week, at a date which will be stated either later today or in time for the morning newspapers, I plan to have the Committee on Agriculture and Forestry consider the President's request for authority to use surplus agricultural commodities to relieve famine around the world and to promote international good will.

The other point upon which I should like to make a statement is that some time ago it appeared to me that a minimum national acreage allotment of 66 million acres in 1954, as approved by the House, would be fairly reasonable; but since we first began to consider a 66-million-acre allotment we have received two crop estimates. The one issued in June indicated an increase of 92 million bushels over the May estimate in the production of wheat this year. The crop report which came out yesterday indicated an increase of 42 million bushels more, making a total increase in the anticipated crop over the past 2 months of 134 million bushels. This represents the production of about 9 million acres, based on the 10-year average of 15 bushels to the acre, or of about 7 million acres based on the yield of the crops for 1952 and 1953. I think we have been getting about 18 bushels to the acre this year.

That has caused me to revise the proposed minimum national acreage allotment downward in realization that we may have to take a little more drastic cut this year than what we had hoped would have to be made. I do not want it to become necessary for the country to subsidize wheat production at $1 a bushel. It is entirely possible that the price on the world market will go to $1.50 unless the Congress takes steps to reduce our own production sufficiently so that the surplus will diminish instead of increase constantly.

This year there was a very heavy abandonment of land planted to winter wheat, an abandonment of 18 percent, which is far above the average. Much of it, of course, was within the drought area. Had there been a normal abandonment, we would probably have been confronted with another 100 million or 150 million bushels which would have been added to the surplus facing us today. I think we should not consider too lightly the effect of what we do on the world market price of wheat.

Mr. LANGER. Mr. President, will my colleague yield?

Mr. YOUNG. I yield to the senior Senator from North Dakota.

Mr. LANGER. Mr. President, I wish to compliment my distinguished colleague, the junior Senator from North Dakota, upon the very able statement he has made regarding the pending bill. There are few Members of the Senate who are better informed on the entire subject of wheat than is he.

The Senator mentioned the drought. During that period the Senator, who is a farmer himself, served on various committees in the State that were continually studying and investigating the wheat situation. The distinguished Senator was formerly a member of the Senate of the State of North Dakota, which also dealt with the problem. I know that if the pending bill is passed, no matter what figure we arrive at, whether it be 61 million or 63,500,000, my distinguished friend and colleague and myself will be in North Dakota urging the people to vote in favor of the referendum, and my opinion is that it will be overwhelmingly adopted.

Mr. YOUNG. I thank my colleague very much for his statement. We have worked very closely together for years on farm problems. If I may merely add a brief statement, I shall then yield the floor.

One reason for our having stepped up our agricultural production, making more food available for human consumption, is that within the past 20 years we have almost completed the transition from horse or mule farming to mechanized farming. On January 1, 1930, we had 19,124,000 head of horses and mules. As of this year, there are about 5 million head, or about 14 million fewer horses and mules.

It requires about as much to feed a horse or a mule that is working as it does to feed a cow. The reduction of approximately 14 million head of horses and mules has meant the release of millions of additional acres to produce food for human consumption. The transition from horse to mechanized farming is about completed; so we will not have many additional acres thus made available to produce surplus wheat and other crops for human consumption.

Mr. CAPEHART. Mr. President, I shall take only a very few moments. I merely wish to say that I have been in close touch with the raising of food crops for 56 years, having been born on a farm and having operated my own farm continually; and when I say "operated" I do not mean that I lease or rent it. I actually operate it myself and pay the monthly bills. So, when I speak on this subject, I think I know whereof I speak.

I believe the first thing we, as Americans, must realize is that if we are to have price supports, there will be years in which it will be necessary to have acreage allocations in effect. That is as evident as it is that we are sitting in the Senate, and I think that we, in the Congress, as well as the people generally, should realize it. I repeat, if we are to have price supports, there will be periods when it will be necessary to have acreage allocations.

Another thing which we in the Congress must recognize, and which all the people should recognize, particularly the city folks, is that surpluses are good, not bad. The weaknesses of our support program are, in my personal opinion, the weaknesses of our farm program, namely, that we have not encouraged the farmers themselves to provide sufficient storage capacity to enable them to store upon their own farms the grain and other agricultural commodities they produce from year to year, in order that they might take advantage of the support prices.

Too many farmers have too limited storage facilities. Therefore, when they harvest their crops of corn, wheat, or soybeans they find it necessary to market them immediately. I think what the Congress ought to do is to help the farmers create additional storage facilities.

Another thing which we should do, in my opinion, is educate the American people, including ourselves, to the fact that surpluses are desirable. There is a large surplus of gold, but no one thinks anything about it. I believe that a surplus is fundamentally an inventory, no more and no less. At the moment the inventory of new automobiles in the hands of factories, and wholesalers and retailers, probably represents about $3 billion. I do not have the figures on the surplus or inventory of goods in manufacturing, wholesale and retail hands, but it runs into billions and billions of dollars. So we ought to educate ourselves and all of the American people to the fact that surpluses are a good thing, not a bad thing, and that huge surpluses ought not to force down the prices to the farmers. I repeat, a surplus is a good thing. We do not find the prices of automobiles going down at this moment merely because there is on hand an inventory of $3 billion worth of new automobiles.

Another thing I wish to say in respect to the pending measure is that I have no better plan to suggest than the one proposed by the able chairman and members of the Committee on Agriculture and Forestry. Therefore I shall vote for the pending bill. I should like also to say, in the most friendly way and with the most force I can possibly muster, to the Committee on Agriculture of the House, to the Committee on Agriculture and Forestry of the Senate, to all the Members of the Congress, to the President of the United States, and to all those in the present administration, that we dare not let farm prices go much lower than they are at present or there will be a depression in America. The prosperity of the Nation depends upon the prosperity of the farmer.

What is the farmer's income? It is the price he receives for each item of his production, each unit, meaning a bushel of wheat, or a bushel of corn, or a pound of beef, or a pound of pork, multiplied by the number of bushels or the number of pounds he has. That is the source of

the money with which he must conduct his business.

Mr. President, I am able to stand here and state as a farmer who pays the monthly bills, not as a city farmer in the sense that I rent the land to someone else to farm, that today farm costs are increasing and prices for farm products are falling.

Mr. THYE. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. THYE. Mr. President, what the able and distinguished Senator from Indiana has said is an absolutely true statement of fact. Very few persons fully understand or appreciate the situation. Many consumers still have the idea that, because of the price-support legislation on the statute books, the producer is a very important person who is receiving more attention and more support from Congress than is any other person in the United States.

To illustrate how the costs to the producer have risen, let me say that I placed an order for a thousand-bushel steel granary last Saturday when I was in Minnesota. The dealer sent me a letter saying, "I cannot make delivery for the price which I quoted you."

The price on a thousand-bushel steel granary was $343.65.

He said, "The price has gone up since I received the last quotation from the manufacturer. The price is now $37 higher than the last quotation. Furthermore, I cannot obtain delivery for at least 2 weeks, and possibly 3 weeks."

The harvest is about ready to commence, and if that granary cannot be delivered within the next 3 weeks, the harvest will be practically over in that area.

So, Mr. President, what the Senator from Indiana has stated is true. We do not half understand the fact that the farmer today is operating on a declining price. Consider the price of beef. There is only one rosy picture in the entire farm situation, and that is with reference to pork. In the category of agricultural products pork is the only commodity the price of which has gone up in the past 14 months. The other prices have been sliding downward.

Beef prices must be raised because they are far too low as compared with other prices in the national economy.

So, Mr. President, I commend the able and distinguished Senator from Indiana [Mr. CAPEHART] for having made these very intelligent remarks relative to what the farmer is faced with because of increasing costs in his operations, whether they involve repairs, fuel, oil for his tractors, or new machinery. They are all higher than they were a year ago.

Mr. CAPEHART. Mr. President, I desire to say to the President of the United States, to the members of his administration, and to Members of Congress—and I am not trying to frighten anyone and I am not saying it in a spirit of knowing all there is to be known—that if farm prices in the United States continue to go down, down, down, and the prices of things the farmer must buy continue to go up, or even if they do not go up, but stay as they are, we shall have a depression in America which will equal that which occurred some 20 years ago.

I again say—and I say it in the most friendly spirit—that we had better pay a great deal of attention to this problem, because if we do not, it will get away from us, and, if it does, no one will gain.

Parity is the price which the farmer should receive for what he sells in proportion to the price of that which he buys. I do not think anyone can successfully operate a farm if he has to pay 100 percent more for that which he buys and is forced to sell that which he produces for 50 or 60 or 75 percent less. As a farmer, I know I cannot do that. I pay bills every day on my farm, and I have been paying them for years.

Mr. President, I do not know that I have contributed anything of importance to the debate today. What I should like to see us do, if we possibly can, is to sell to the city folks and the businessmen of America the idea that their best customers are the farmers and small-town people who depend upon the farms for their income. If we let them down we are going to be in trouble, and when we get into trouble, as we learned in the past, the Democrats get hurt as well as the Republicans, and the Republicans get hurt the same as the Democrats. I am pleading with the agricultural committees of the House and Senate, and with the President of the United States. My opinion is that the biggest problem facing us today is falling farm prices.

Mr. SPARKMAN. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. I am impressed by what the Senator has said and by the absolute logic of his position. I recall many times in the past hearing the able Senator make reference to the ratio between farm income and national income.

Mr. CAPEHART. The ratio is one to seven.

Mr. SPARKMAN. Yes. I wonder if the Senator saw a few days ago the Georgia Farmers' Market Bulletin, a copy of which was sent to each one of us by Mr. Tom Linder, agricultural commissioner of Georgia, in which he discusses the problem under the heading of "Farm Income Controls Jobs, Wages, and Salaries of More Than 60 Million Workers in the United States of America." He gives statistics over a long term of years which bear out exactly the statement which the able Senator from Indiana has made.

I wonder if the Senator would have any objection to my asking unanimous consent to have the article printed in the RECORD at this point?

Mr. CAPEHART. I should be delighted to have it made a part of the RECORD.

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FARM INCOME CONTROLS JOBS, WAGES, AND SALARIES OF MORE THAN 60 MILLION WORKERS IN THE UNITED STATES OF AMERICA

(By Tom Linder)

The combined incomes of the American people are seven times as many dollars as the farm income. This is a natural economic law and cannot be changed. If you are interested in a good income for yourself, you are equally interested in a farmer receiving fair prices. Read carefully the following and I believe you will be convinced.

I have before me Statistical Abstract of the United States for 1952 and back numbers issued by the United States Department of Commerce, Bureau of the Census, Washington, D. C.

According to the official record, on page 255 the national income is given for the years 1945–1950 inclusive. The total national income for the 6 years, exclusive of undivided profits, totaled $1,240,565,000,000. For the 6 years there was an item of $68,064,000,000 undivided profits. This gave a total national income for the 6 years of $1,308,629,000,000.

The national income is seven times the farm income. Stated in the reverse order, the farm income is one-seventh of the national income. If we take one-seventh of the national income for the 6 years, we should have the farm income for the same 6 years.

FARM INCOME

On page 572 of the same Government report for 1952 we find the farm income for the same 6 years, namely 1945–1950 inclusive, totaled $185,390,000,000. When we multiply the farm income by seven we arrive at the figure $1,297,730,000,000. The difference between the total national income for the 6 years and seven times the farm income for the 6 years is only $10,899,000,000. The difference between the total national income and seven times the farm income is less than 1 percent. To state it another way, seven times the farm income for the 6 years amounts to 99 percent of the total national income for the same 6 years.

OVER THE YEARS IT HAS BEEN THE SAME

For 10 years I have been calling attention to this fact in various articles in the Market Bulletin. Some of the seed sown have fallen on stony ground. Others fell among briers and thistles. Some fell on good ground.

In the issue of the Market Bulletin for November 8, 1944, I have a tabulation of national and farm income for the years 1921–38, inclusive. For that 18-year period the national income amounted to $1,192,600 million. Seven times the farm income for the same 18 years amounted to $1,194,200 million, or almost exactly the same amount of money as the national income.

FACTORY PAYROLLS

In that article I also called attention to the fact that factory payrolls in the United States and farm income are almost identical. During the 18-year period farm income was $170,600 million and factory payrolls were $162,900 million. For the 18 years agriculture income plus factory payrolls were consistently almost 25 percent of the national income.

COMPARISON FOR 1950

On page 757 of the same Statistical Abstract for 1952, we find that all production workers in the major industry group received wages totaling $34,565 million, while the farm income for the same year was $33,232 million.

LARGE MAIL-ORDER HOUSES AND SOME OTHER BUSINESSES KNOW THAT NATIONAL INCOME IS CONTROLLED BY FARM INCOME

In other articles I have called attention to the fact that some of the largest merchants in the United States base their buying for future sales on the farm income. Their rule is very simple. They take the indicated farm income 12 months in advance and multiply it by 7 to determine the national income. Sixty percent of all income finally finds its way into the merchandise mart. Sixty percent of the indicated national income is the amount of money that merchants will handle. It, therefore, follows that the percentage of increase or decrease in national income will be the percentage in increase or decrease of sales in the individual establishment. Some big houses have been doing this for years and they have been the more successful merchants in the country.

TO COMPLAIN ABOUT A FARMER GETTING HIGH PRICES IS TO COMPLAIN ABOUT GETTING A HIGH WAGE OR SALARY YOURSELF—TO WISH FOR LOWER PRICES FOR THE FARMER IS TO WISH FOR LOWER WAGES OR SALARY FOR YOURSELF

This law of the national income being 7 times the farm income is a simple, natural law. The farmer produces raw materials. Our entire national economy is based on the production and use of raw materials. If we include all raw materials the same rule will hold, except that the ratio for all raw materials will be about 5 to 1 instead of 7 to 1.

All raw material producers taken together constitute a very large part of the market for finished products and processed products. Prices of finished and processed products are finally determined by the income of the consumers, including the producers of the raw materials. If the prices of finished products are raised out of line with prices of raw materials, the public cannot consume all the finished products and business begins to slow down and the national income begins to go down.

Of course, economists can get off into many details and get lost in the woods, but if you stick to these fundamental, simple facts they are so plain that "he who runs may read."

Year by year comparisons will show discrepancies because there is a time element involved from raw material to final consumption. Nevertheless, if any group of several years is taken together the time element is largely removed. The greater number of years used, the less discrepancy will be found.

I am sending a copy of this article to the President, Secretary of Agriculture, and to each Member of the Senate and House in Washington, because some of them are already familiar with this natural law but to some, perhaps, it will be new.

Mr. YOUNG. Mr. President, will the Senator from Indiana yield?

Mr. CAPEHART. I yield.

Mr. YOUNG. I wonder if the Senator would like to have inserted in the RECORD at this point figures which I have obtained from the Department of Agriculture and the Department of Commerce showing that since 1929 the national income has been almost exactly seven times the farm income.

Mr. CAPEHART. I should like to have the figures made a part of the RECORD.

Mr. YOUNG. Mr. President, I ask unanimous consent that a table containing the figures to which I have referred be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Gross farm income	National income
	Billions	*Billions*
1929	$13.832	$87.4
1930	11.420	75.0
1931	8.378	58.9
1932	6.400	41.7
1933	6.919	39.6
1934	8.019	48.6
1935	9.012	56.8
1936	10.349	64.7
1937	10.849	73.6
1938	9.591	67.4
1939	9.663	72.5
1940	10.196	81.3
1941	13.163	103.8
1942	17.942	137.1
1943	22.225	169.7
1944	23.337	183.8
1945	24.581	182.7
1946	28.195	180.3
1947	33.688	198.7
1948	34.263	223.5
1949	31.578	216.3
1950	31.803	239.2
1951	36.445	277.6
1952	36.982	291.2
Total	448.830	3,171.4

Average turn of gross farm income: 7.06.

Source of data: Agricultural income—Bureau of Agricultural Economics, U. S. Department of Agriculture; national income—Survey of Current Business, U. S. Department of Commerce.

Mr. CAPEHART. Mr. President, before I take my seat I should like to say that we should make certain, if it is humanly possible, that we do not permit farm prices to continue to go down, down, down, because if we do, God help all of us.

Mr. ANDERSON. Mr. President, I have listened with great interest to the statement of the distinguished Senator from Indiana. He has suggested that we must be careful not to let farm prices go down, down, down. It is not too difficult to find out what makes farm prices go down, down, down. It is surpluses. I tried to point out a few days ago that a surplus of 10 million cattle is causing trouble in the cattle market. If we want to know what has happened this year to the wheat business which makes the farmer take from 50 to 60 cents less than the support price, it is because there is a surplus of from 500 million to 600 million bushels.

Until we deal courageously with this problem, we shall continue to see prices go down, down, down.

Let us look at some figures. Why is it that the Secretary of Agriculture knows that he must put marketing quotas on wheat during the season of 1954? I am taking these figures partly from a Government publication known as the Wheat Situation, which was released on June 25, 1953, and partly from the figures of the Crop Reporting Board, which came out yesterday, July 10.

To begin with, the Secretary of Agriculture has to make two computations on wheat. First of all, he must decide whether to apply marketing quotas, and if he decides to do so, he must then decide what acreage allotment shall be made to farmers.

So I use two different sets of figures. They are not identical, but I think they are both important.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table, even though I hold it in my hand while I talk about it.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Wheat, 1953

(Data from BAE crop report, July 1, 1953)

[Million bushels]

MARKETING QUOTA, NORMAL (DEMAND)	
Supply:	
Domestic (1952–53)	670
Exports (1953–54)	315
	985
15 percent carryover	148
Normal	1,133
20 percent marketing quota	227
Total (supply)	1,360
Supply:	
Estimated carryover, July 1, 1953	580
Estimated production, 1953	1,174
Imports	5
Total supply	1,759
ACREAGE ALLOTMENT, NORMAL YEARS	
10-year adjusted average consumption:	
Domestic	715
Export	360
	1,075
30 percent	323
	1,398
Less carryover indicated as of July 1, 1954	774
Production needed	624
Average yield (bushel)	15
1953 indicated [1] allotment	41.6

[1] If 190 million bushels are deducted for feed and seed, the production needed would only be 434 million bushels, which at 15 bushels per acre could be produced on 27 million acres.

Present law 55 million-acre minimum is too high by 13.4 million acres.

Mr. ANDERSON. Mr. President, in the first place, in calculating market quotas, we start with the factor of disappearance. We calculate the amount of wheat that disappears from the market in a year. Last year 670 million bushels disappeared for domestic use. That figure is of some interest, because a newspaper article which I read in, I think, the Chicago Tribune said that we do not need to produce a bushel of wheat in the United States in 1954, because there is already sufficient wheat to take care of all requirements. That statement is absolutely true. There could be a 100-percent wheat-crop failure, and still there would be enough wheat to take care of our domestic requirements.

In addition, the Secretary of Agriculture is required to estimate and add exports. In the year 1953–54 the exports were estimated to be 315 million bushels.

Then the Secretary is required to add a 15-percent carryover, or 148 million bushels. That makes a normal supply of 1,133,000,000 bushels.

As a factor of safety, the Secretary is required to add 20 percent to that

amount, so that there will surely be enough wheat in this country. That produces a total figure of 1,360,000,000 bushels.

Against that, he must ascertain how much wheat there is in the country. As of July 1, 1953, the estimated carryover is 580 million bushels.

According to the outside cover of the Crop Production Release, dated July 10, 3 p. m., which was yesterday, and also according to figures on page 11, the estimated production will be 1,174,000,000 bushels of wheat. Imports are expected to be 5 million bushels. Actually, we have been importing more than that from Canada by calling it wheat unfit for human consumption, but we think perhaps that leak has been plugged up. So our total supply is 1,759,000,000 bushels.

What will the demand be?

All that possibly could be required, with the carryover and the safety factor, is 1,310,000,000 bushels. So there can be no doubt in the mind of anyone that the Secretary of Agriculture, under the law, will be required to impose marketing quotas next year, since supply far exceeds demand.

When he imposes marketing quotas he switches over and follows another section of the law. He begins to determine how he will allot the wheat acres among the several States. First, he takes the 10-year adjusted average consumption—not last year's consumption, but the 10-year figure. In this particular instance the 10-year figure is high, because it includes not only the war years but also postwar years, when employment was high, earnings were high, and, therefore, purchases were high.

He must use as the domestic consumption figure 715 million bushels. Bear in mind that last year it was 670 million bushels. But he must use 715 million bushels in his calculations. In other words, he arbitrarily adds 45 million bushels more than he estimates the consumption next year will be because of the requirements of the law.

Then he must add the 10-year figure for exports. We all know that exports during the years following the war were extremely high. Therefore, he must add 360 million bushels for exports. No one believes the United States will export 360 million bushels, not even if we find other places like Pakistan. A few days ago the Senate passed a bill to give 30 million or 40 million bushels of wheat to Pakistan, in the hope that the surplus might be reduced a little. Yet in 10 days a new crop report shows that the amount of the crop has gone up 42 million bushels. In other words, we cannot give away our wheat as fast as it grows. So we estimate our exports next year at 360 million bushels, but we know they will not exceed 300 million bushels.

Adding those figures together, we get 1,075,000,000. Under the law, the Secretary is required to set aside 30 percent of that amount as a factor of safety, so that the American market will never run so short of wheat that proper housekeeping cannot be done with the wheat; in other words, that there will be enough on hand to be shipped to the mills in orderly fashion and for orderly processing into flour.

Accordingly we add 30 percent of the total amount, which is 323 million bushels.

We learned in the years when we were trying desperately to ship wheat to European countries that we could get by with a carryover of 83 million bushels. We tried to go down to 150 million bushels. We scraped to get down to 125 million bushels. Finally, in those days, the Secretary of Agriculture went down to 83 million bushels. As Secretary of Agriculture at the time, I did not enjoy that. But we did go down to 83 million bushels.

When we put down as a reserve factor 323 million bushels, surely we have put aside enough as a factor of safety. We could go to about 100 million bushels or 150 million bushels. In fact, legislation which came from the House of Representatives at one time carried a rider providing that the Secretary of Agriculture could never export wheat to such an extent that the domestic supply went below 150 million bushels. Everyone agreed that surely that was a safe figure. The amendment was not agreed to and the exports carried our supply 50 million bushels below that.

Then the carryover must be subtracted from that figure. The carryover estimated on July 1, 1954, is 774 million bushels. Subtract that carryover from total requirements of 1,398,000,000 bushels, and we find that the production needed in 1954 is 624 million bushels of wheat.

The average yield in 1952 was slightly in excess of 20 bushels for every harvested acre. The average yield this year will be somewhere in the neighborhood of 18 bushels for every harvested acre. But in this calculation we must use planted—not harvested acres. Therefore, we use the adjusted figure of 15 bushels to the acre, and to get 624 million bushels, we need only plant 41.6 million acres.

Think of it: it takes only 41.6 million acres of wheat to produce all the wheat this country itself uses, all the wheat this country can be expected to export, the 45 million bushels more estimated for domestic use than we are going to use, the 50 million bushels more estimated for export than we are going to export, and 300 million bushels as a factor of safety. All that can be obtained from 41.6 million acres.

If Senators want to know what will drive down the price of wheat in 1954, it will be the planting of 20 million or 30 million additional acres of wheat more than we need. The American farmer need not be misled. As I stand here, I am looking at the distinguished senior senator from Kentucky [Mr. CLEMENTS]. Kentucky raises a large tobacco crop. The Senator from Kentucky and I know what happens to tobacco when too much of it is produced. The finest agricultural programs in the United States have been those dealing with tobacco, because farmers in the Carolinas, Virginia, Kentucky, and other States, have so calculated their requirements and the requirements of the United States that they do not call upon the Treasury of the United States to handle all their surpluses. As a result, their prices are good. So long as that condition continues, we shall have a prosperous agriculture in the tobacco areas.

I was about to say to the distinguished senior Senator from Louisiana [Mr. ELLENDER] that the rice situation is not in bad shape. The rice farmers have kept production pretty well in line. Whenever farmers work with the Department of Agriculture and watch their production their prices are good. But any time we allow 7 million bales of cotton, a billion bushels of corn, and 600 million or 700 million bushels of wheat to hang over the market, the American farmer knows what he will get. He will get reduced prices. We do the American farmer no favor when we give him extremely large acreages for his products and then say to him, "We are so sorry. You did not provide storage. We can only give you 72 percent of parity as a support price for your wheat."

Why should the American farmer be expected to develop tremendous storage capacities? The distinguished junior Senator from Kansas [Mr. CARLSON] was before the Agriculture Committee when we were discussing the question of wheat quotas. He and his very able and distinguished colleague from Kansas [Mr. SCHOEPPEL] realize that in part the trouble of the wheat farmers was due to the fact that there were no marketing quotas on wheat last year.

I read into the RECORD figures that indicated the need for wheat marketing quotas for 1952 just as the figures indicate such a need for 1953.

Why should the American farmer, when he has not been compelled to plant under acreage limitations be told, "It is your fault that you did not find storage," or "it is the fault of some other agency that did not find the storage for you."

I think the fault very definitely lies with the Congress when we say to the farmer that he may produce wheat beyond what can be consumed and beyond what can be stored.

Mr. CASE. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. Let me finish one thought, and I shall be happy to yield.

The present law, which establishes 55 million acres of wheat as a minimum, provides 13.4 million more acres of wheat than we need. We know it. That acreage, producing 15 bushels to the acre, is bound to give us nearly 200 million bushels more than we need, which will be added to the 323 million bushels which we regard as a factor of safety. We add 200 million bushels, so that we can have 550 million bushels or 600 million bushels of wheat hanging over the market and driving down the price of wheat for the American farmer.

The law says—and I do not blame the Secretary of Agriculture if he does not administer this section of the law; I think it may be a mistake to have it on the books—that he must deduct also the amount used for feed and seed. That amount is going to be 190 million bushels.

If we deduct that amount, the amount needed to be produced in 1954 is only 434 million bushels; and, at 15 bushels to the acre, all the wheat we need to plant is 27 million acres. If we plant 55 million acres, we are planting 28 million acres more than we know we are going to need. Therefore, every bushel of wheat produced on that huge acreage hangs over the market and drives down the farmer's price.

I recognize what would happen to the economy of the country if we suddenly started to mark down the wheat acreage to 27 million acres. I realize what would happen to the economy of the country if we tried to put it at only 41.6 million acres. That is why I have been willing to go along with the committee on a figure which I think is 6 million acres too high. The figure in this bill is 61 million acres. I would greatly prefer 55 million acres, which I think is the proper figure.

I do not like to hear it suggested that when the bill goes to conference everything will be ironed out smooth. I think Senators should know that if a bill comes back here for 64 million, 65 million, or 66 million acres, the kindest thing any Senator can do for his farmers is to vote down such a conference report and refuse to have anything to do with a settlement which would mean that we would hang another 100 million bushels of wheat around the necks of the farmers, and then say, "If prices go down we may have a depression."

I am not trying to be critical of the Senator from Indiana [Mr. CAPEHART]. He was as right as he could be when he said that if agricultural prices continued to slump we could have a depression. We learned that in 1921. We learned it in 1928 and have seen it year after year after year. But why do we have to find it out over and over and over again? Can we not profit by our experiences? Why do we not try to hold supplies at a reasonable figure, so that we do not have to try to find out afterward what caused the depression?

That is all I hope the Senate will do.

I thank the Senator from South Dakota for indulging me. I now yield to him.

Mr. CASE. Mr. President, it is not indulgence. It is always a privilege to listen to the Senator from New Mexico speak from his knowledge and experience on questions of this kind.

However, the Senator from New Mexico submitted considerable evidence to support the thesis that we should have had wheat quotas and acreage allotments last year. It necessarily follows from that that if we had had them we probably would not have had such a large carryover, and our problem today would not be quite so acute. Why did we not have quotas last year?

Mr. ANDERSON. The proper person to whom that question should be addressed is the person who decided that we would not have them last year. The answer which was given was that there was an emergency in Korea. Our officials did not know how far the war would spread. Therefore there was a national emergency which required us to set aside wheat quotas. I was one of those who believed that it should not have been done last year.

The junior Senator from Kansas [Mr. CARLSON], who raised the question in his testimony, heard me speak with frankness on this point. I am not trying to conceal the fact that I think there should have been quotas last year, but I do not believe that the failure of someone to impose wheat quotas, or rather, I should say, the fact that someone decided, as a matter of judgment, that we should not have wheat quotas last year, removes from us in any way the responsibility to see to it that the acreage planted in 1954 does not further bankrupt the farmers of the Nation.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. FERGUSON. Can the Senator from New Mexico tell us whether or not, under the law, the Secretary was authorized to avoid putting quotas in effect last year?

Mr. ANDERSON. Yes; he was.

Mr. FERGUSON. Is it purely a discretionary matter?

Mr. ANDERSON. I do not wish to read the law to the Senator unless he desires to have me do so. I merely say to him that the Secretary of Agriculture, when he comes to apply these quotas, shall look at the set of figures which I have used and reach a decision.

Mr. FERGUSON. Do the figures show that he should have imposed quotas?

Mr. ANDERSON. Perhaps I should place the figures in the RECORD.

Mr. FERGUSON. I think that would be well.

Mr. ANDERSON. The figures for last year are something of this nature:

First of all, the Secretary must figure whether he is required to establish quotas. To do that he starts, again, with supply. The domestic requirements were expected to be 715 million bushels. Exports were estimated at 375 million bushels. They did not reach that amount, but that was all right. He had to take the best estimate he could get at that time, and the best estimate he could get was 375 million bushels, which resulted in a total demand of 1,090,000,000 bushels.

To that he must add a 15-percent carryover, which became 163 million bushels, or a total of 1,253,000,000 bushels.

To that he must add the 20 percent factor of safety which I mentioned a moment ago. That runs 251 million bushels, or a grand total of demand of 1,504,000,000. Then the Secretary of Agriculture is required to estimate supply. First he takes the carryover, which as of July 1, 1952, was 248 million bushels—think of it. We jumped from 248 million bushels to 600 million bushels or 700 million bushels, and then we wonder what caused wheat prices to go down.

As I say, as of July 1, 1952, the carryover was 248 million bushels. The established production for 1952 was 1,326,000,000 bushels. Imports were estimated at 30 million bushels, or a total visible supply of 1,604,000,000 bushels. That happened to be just 100 million bushels more than he needed. Therefore, wheat quotas were called for.

Under section 371 (b), the Secretary may make a determination that the national emergency is such that, even though quotas are called for, he may set them aside. I have asked the Department to furnish me with a table showing how that decision was reached. I have a letter from the Department which I have placed in the record in the wheat hearing. I think all those who were present will recognize that it is not too convincing. Nevertheless it was a matter of determination and judgment. I am not trying to question the judgment of the person doing it. I merely say that it was a mistake; that we should have had wheat quotas on the 1953 crop. We would have saved the farmers of the country billions of dollars in the long run, because they would not have had to go through these violent adjustments, which no one regrets more than I do.

I do not criticize the distinguished Senators from North Dakota or the able Senators from Kansas, great wheat-producing States, for trying to prevent the economy of their States from being wrecked. They are doing the right thing. I only say that, if we get these figures too high, those States will continue to be wrecked year after year after year by the quanty of wheat which hangs over the market.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. CARLSON. Would not the distinguished Senator from New Mexico agree with me that, had we had a reasonable reduction in wheat acreage allotments last year we would not have this bill before the Senate today?

Mr. ANDERSON. Yes. I should say that we would probably not have it, and I believe we would not have it.

The Department of Agriculture asked that 72 million acres of wheat be planted in 1953. It felt that the farmers would accept that goal, and that they would plant only 72 million acres. But the crop production figures on page 11 of the July 10 report show that the acreage of wheat seeded in the fall of 1952 and in the spring of 1953 was 78,553,000 acres, which exceeded the amount seeded in the fall of 1951 and in the spring of 1952.

So we exceeded what was indicated when we should have cut it down to about 65 million acres. The Department set a goal of 72 million acres, but the farmers responded with 78 million acres.

When that happens we naturally hear stories of wheat being stored on the ground, wheat being stored in city streets, the failure of the price support system to work, losses to the Federal Treasury, and bills which suggest that wheat be given away.

Mr. President, wheat is a fine food. It is something farmers are proud to produce. It is something that should be sold. It is not something we should give away. Any time we produce an agricultural commodity and say the only

thing we can do with it is to give it away we degrade the product and destroy the farm program.

Mr. SCHOEPPEL. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield to the very fine Senator from Kansas.

Mr. SCHOEPPEL. I thank the Senator from New Mexico. The distinguished Senator from New Mexico said a moment ago that the Department fixed a goal of 72 million acres, and the farmers responded by making or preparing for a wheat-seeding crop of 78 million acres.

Mr. ANDERSON. Seventy-eight million five hundred and fifty-three thousand acres.

Mr. SCHOEPPEL. Does the Senator from New Mexico agree with me that that was a pretty large jump, and that probably the reason for some of the increase was the anticipation on the part of many farmers that acreage allotments would be in the making and that probably it would be to some advantage to them to have the greatest acreage they could possibly have, in order to use it as a base. Is that not part of the whole picture?

Mr. ANDERSON. Yes. There is no question about it. I agree fully with the distinguished Senator from Kansas. Any time it comes to making a tight decision that could be handled either way, and we say, "Well, we will put it off," or "We will do it next year," the tendency in everyone's heart is to say, "I will get myself set for next year. I will plant as much as I possibly can. When I have planted as much as I possibly can maybe they will pass some relief legislation providing that a farmer shall not be trimmed down more than 25 percent of his last year's planting. If so, I will be right back where I was before."

I believe that happened. I do not blame the farmer for its happening. I say if the Department of Agriculture had courageously put quotas on when it should have put them on, we would have had 6½ million acres, probably actually 12 million acres less, and perhaps even 15 million acres less.

That would mean that we would have 225 to 250 million bushels of wheat less on the market. We would not be trying to find a storage place for it, and the farmer probably would have received as much for 250 million bushels less wheat as he will get for his very much larger production. All over the land farmers will be penalized because they do not have storage facilities.

Mr. SCHOEPPEL. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield further.

Mr. SCHOEPPEL. If the Senator from New Mexico will indulge me further, I know what he has just said is absolutely correct. As the Senator knows, my colleague from Kansas [Mr. CARLSON] and I represent one of the greatest wheat-producing States in the country.

Mr. ANDERSON. The biggest one of all.

Mr. SCHOEPPEL. It is not easy for us on the floor of the Senate to indicate or to have to come to the realization, much less make a decision, on a matter of great importance to our State which means that wheat acreages must be cut and thousands of our agricultural people must reduce their wheat acreages. We realize that some cuts must be made, and that we must take some cuts, but I connot agree to go as low as many would like to go. We must give the Secretary of Agriculture the right, in a limited way, in the best interest of the wheat industry itself, to require reductions that are fair and reasonable when we have such commandingly large surpluses piling up, which, if continued, will add to our difficulties and plague us. We must be forthright and practical. This bill is a step in the right direction. As has been pointed out it should have been passed last year, but we are confronted with the future, not with what is in the past.

Mr. ANDERSON. The Senator should not say that we must give the Secretary that right. He has that obligation. I went to the American Farm Bureau Federation meeting in Seattle last December, and I said to them, "The Department of Agriculture must make the announcement that we must establish wheat quotas next year."

It was obvious what would be needed and it was obvious what we must do.

I am saying it in the finest spirit to the Senate when I say that the Secretary should follow out what the law says and not heed importunities to leave off quotas for next year.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. The fact is, is it not, that the wheat farmer overplanted the goal by 6½ million acres because he was secure in the knowledge that there would be no penalty imposed upon him? Furthermore, had the Secretary felt that 72 million acres or less was the amount which was required, he could have insured compliance with that goal by imposing acreage allotments and quotas, as required by law. I almost said as permitted by law.

Mr. ANDERSON. As required by law.

Mr. AIKEN. As required by law. Marketing quotas were required by law as soon as the Secretary found an oversupply of wheat existed.

What he found was an emergency to exist in reverse, so far as wheat is concerned. However, the farmers were reassured. We all heard reports a year ago that farmers were advised to pay little attention to the goals; that there would be no penalty imposed on them if they exceeded them.

Mr. ANDERSON. I will read what the law provides. I believe we should look at the law because it illustrates how carefully we tried to make sure that the policy is not just one of whim. I am quoting from section 371 (b) of the Agricultural Adjustment Act, which is found on page 70 of the Compilation of Agricultural Acts issued by the Department of Agriculture as of January 1, 1953:

If the Secretary has reason to believe that, because of a national emergency or because of a material increase in export demand, any national marketing quota—

The export demand is going down, not up—

should be increased or terminated, he shall cause an immediate investigation to be made to determine whether the increase or termination is necessary in order to effectuate the declared policy of this act or to meet such emergency or increase in export demand.

I have tried hard to find what investigation was made. I am not sure what investigation was made. Apparently 2 or 3 people in the Department were asked their opinion and that was the end of it. If anyone can find what investigation was made, I will be indebted to him.

The provision further says:

If, on the basis of such investigation, the Secretary finds that such increase or termination is necessary, he shall immediately proclaim such findings (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota shall be increased or shall terminate, as the case may be.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I should like to substantiate what the Senator has stated. In the committee hearings, it will be recalled, we were unable to determine if an investigation had been made; and, if so, by whom. So far as I could find out the decision to declare an emergency was reached in the Secretary's office. Even the officials themselves could not say that they had made an adequate investigation.

Mr. ANDERSON. I would be very glad to submit for the RECORD a letter dated June 10, 1953, which was in response to my letter of May 14, relative to the decision of the Department not to establish marketing quotas and acreage allotments for the 1953 wheat crop. I ask unanimous consent to have the letter printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C. June 12, 1953.

Hon. CLINTON P. ANDERSON,
United States Senate.

DEAR SENATOR ANDERSON: This is in reply to your letter of May 14 relative to the Department's decision not to establish farm acreage allotments for the 1953 wheat crop.

The records of the Department indicate that prior to issuing the proclamation dispensing with marketing quotas and acreage allotments on the 1953 crop of wheat, the Production and Marketing Administration made a comprehensive study of the supplies and requirements of wheat for the 1952–53 and 1953–54 marketing years. This study indicated that the imposition of marketing quotas and acreage allotments would have resulted in a national wheat acreage allotment for 1953 of 65.5 million acres which would have been about 6.5 million acres below the indicated acreage needed to produce an amount of wheat adequate to meet estimated domestic and export requirements in 1953–54 and to maintain a relatively large reserve of carry-over supplies for meeting unforeseen emergencies. The 72 million acres of wheat determined as needed in 1953 represented an acreage which was from 3.5 to

5 million acres below the range of wheat acreages recommended by State agricultural mobilization committees under the 1953 production goals program.

The records also indicate that at the time the proclamation was issued, exports of wheat were being maintained at a relatively high level and that there was an apparent need for maintaining reserve supplies of wheat sufficiently large to meet unpredictable situations arising from a continuation of hostilities in Korea and unsettled political conditions elsewhere in the world.

The supply and requirement figures used in determining the wheat acreage needed in 1953 were determined by a departmental supply estimates committee which is composed of specialists from various agencies of the department whose activities are in the field of either production or utilization of wheat.

The records also contain a statement of economic justification which was submitted in support of the proclamation, including the accompanying memoranda from the Production and Marketing Administration and the Office of the Solicitor of the Department. These records can be made available for inspection by you or your representative, if you so desire.

Your interest in the production adjustment programs for wheat is appreciated, and if I can be of further service to you please feel free to call upon me.

Sincerely yours,

CARL D. MORSE,
Acting Secretary.

Mr. CARLSON. Mr. President, the Senator from New Mexico has called attention to the fact that last year the goal was 72 million acres, but the farmers planted 78,553,000 acres. I wish to say that Kansas is not responsible for that increase. As a matter of fact, in Kansas in 1952 our farmers planted 15,600,000 acres; and in 1953, 15,068,000.

Mr. ANDERSON. I am glad to have the Senator from Kansas clear his State of responsibility in that connection; but it was not my purpose to single out any State or to pick on any particular State by saying, that the people of that State planted more than they should have.

My purpose was merely to say that whenever we fail to compel the farmer to reduce his plantings to a reasonable amount, he eventually pays for our failure. We should reduce this figure to a reasonable and proper one.

Mr. President, I have spoken this afternoon because soon, after we have dealt with wheat, we shall deal with corn, cotton, tobacco, and many other commodities.

The corn situation is such that I believe it deserves a moment of our attention at this time. I merely say that the corn production for this year is tremendous; this year's corn crop will be one of the great corn crops of all time. The crop production report—I had some other figures which might have been used, but this one will do—indicates that as of July 1, 1953—this figure was released yesterday afternoon—the anticipated corn crop is 3,336,501,000 bushels. Last year's crop was 30 million bushels below that. The 10-year average is 300 million bushels below that. The corn storage facilities all over the country are crowded. The corn farmers will be faced with the problem of what to do with their crop. Since the storage facilities are jammed, why are not the feed lots in Iowa filled with livestock, including livestock from the Texas ranges and some of the livestock from Oklahoma that we have recently heard so much about? Why are not the farmers in that area putting such livestock into their feed lots? The answer is that they are not putting that livestock into their feed lots because those farmers are not stupid. After all, why should a farmer feed corn to a steer in his feed lot and take a chance on the market price of the steer, when he can sell the corn to the Government for more money than the amount which would come to him as a result of feeding the steer? Why should the farmer take that chance?

So long as there is a surplus of livestock, the farmer will continue to produce corn for the Treasury, and not for the trade. Until we arrange these farm programs in such a way that the farmer produces for the trade, and not for the Treasury, we do the farmer no service, but on the contrary we wreck him as rapidly as we can.

Mr. YOUNG. Mr. President, will the Senator from New Mexico yield to me, to permit me to ask several questions?

Mr. ANDERSON. I yield.

Mr. YOUNG. Is it not true that this year the Department of Agriculture asked the farmers to increase their corn crops?

Mr. ANDERSON. That is true. I wish to say to the Senator from North Dakota that my attitude on this matter has not changed for years. The first thing I did when I was privileged to enter the United States Senate was to see if we could try to establish a decent cotton-acreage program, for the benefit of the Cotton Belt. Every Senator I approached on that matter participated in it, and every State to which I appealed participated in it. Other groups were working on that program long before I did; I am not trying to take credit for what was done.

But I say the cotton-producing States of the United States, by cooperation and by give-and-take, finally were able to have a decent law passed, with the result that cotton quotas were established on a better basis.

If we had failed to use the cotton quotas when the need for them came in 1950, I would have criticized the Department of Agriculture.

I say now that I do not attempt to justify or explain the failure of the Department of Agriculture to impose corn quotas last year, nor do I attempt to excuse the fact that the Department of Agriculture asked the corn farmers to increase production when no increased production was needed. The Senator from North Dakota is completely correct.

Mr. YOUNG. Mr. President, will the Senator from New Mexico yield once more to me?

Mr. ANDERSON. I yield.

Mr. YOUNG. About a year ago the hog producers were in price trouble. I received many letters, even some from the State of Iowa, requesting lower prices on corn. However, if there had been lower prices on corn last year, the result would have been to accelerate the production of hogs, with the result that now there would be a great surplus; and in the same way there would have been an accelerated feeding and production of cattle, so that at this time there would be an even greater surplus of cattle.

Mr. ANDERSON. I am not certain about that situation. Any time the corn-hog ratio goes above 12.8 at Chicago or 13.7 Corn Belt, we begin to change the whole hog-production figure. But the present situation is, as the senior Senator from Minnesota so well pointed out at the hearings the other day, that even while cattle prices are tumbling, hog prices are at almost an all-time high. I believe the distinguished Senator from Minnesota said they were $26.75 last week.

Mr. THYE. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I am glad to yield.

Mr. THYE. Last week the price of hogs was $26.75—the highest since the calendar year 1948.

Mr. ANDERSON. That is correct. Hog prices are up, at a time when there is a tremendous amount of beef on the market. What is the reason for it? There is a shortage of hog production. Why is there a shortage of hog production? It is because the farmer would prefer to sell his corn to the Treasury, rather than use it for feeding hogs, for in the latter instance he would be faced with the possibility that the price of hogs would decline.

Mr. BARRETT. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. BARRETT. I quite agree with the statement made by the junior Senator from New Mexico. It seems to me that the present support price on corn results in lowering the price that can economically be paid for feeder cattle. Under the loan program the farmer can get $1.58 a bushel, and so the corn that is fed to steers in our section of the country costs about $3 a hundred. If a feeder buys a 700-pound steer and wishes to put 300 pounds on the steer in order to finish it off for the market, he must feed the steer for a period of about 150 days, feeding about 20 pounds of corn a day, taking a total of about 3,000 pounds of corn to put on the 300 pounds of weight. The corn would cost $90. The farmer has other expenses in connection with the feeding operation, and he also must pay the shipping cost, and he must take into consideration the possibility of a little death loss. In addition, he must make a profit.

Mr. ANDERSON. He must also pay the labor cost.

Mr. BARRETT. Of course, the Senator is entirely correct. The end result of the entire operation is that the price of corn is fixed, the farmer's labor costs are fixed, the farmer's transportation costs are fixed, and the price the farmer will receive for the finished product at the market place is fixed. The market at the present time for a finished 1,000-pound steer is 21 cents a hundred. The feeder knows that he will get $210 for his

steer when he ships it to slaughter. He knows that the corn will cost $90 and that labor, shipping, and other costs, with $15 for a little profit, that his costs will total about $115 so he is limited in the amount he can pay the grower of about $95 roughtly, about 14 cents per pound. So the only "give" to the entire operation is the price the feeder will pay to the grower or producer of the feeder steer.

Thus we in the mountain west find ourselves in a predicament. The feeders will be coming to the growers this fall and say to them, "We have to buy these feeder steers at a mighty low price if we are going to make any money." They will probably say that they will leave their corn in the bin if they do not get the steers at their price. The end result probably will be that the producers will be forced to take from 14 to 15 cents a pound for the feeder steers and that price is much less than the cost of production so it appears to me, Mr. President, that the growers will take the jolt.

Mr. ANDERSON. I thank the distinguished Senator from Wyoming for that contribution. I agree with him completely. I say to him that the situation is one in which the man who seems to be paying right now is the man in our western area who is crying for help. He knows what the situation has done to him.

Until we deal with some of these problems, he will continue to know what is happening to him.

This brings up the question of flexibility of price supports, as opposed to price fixing—a matter which I hope we shall discuss at great length before this session ends. But the problem of the cattle producer cannot be handled with the present rigidity we have in our price supports.

Mr. BARRETT. Mr. President, if the distinguished Senator from New Mexico will yield further, let me say there is another alternative if rigid price supports on corn are continued. The Commodity Credit Corporation could take some of its old corn in the stockpile and crack it and sell it to the feeders at a discount of 30 or 40 percent and if that were done the feeder would be in a position to pay the growers 16 or 17 cents per hundred for the feeder steers and take less for his finished steer in the marketplace and still be ahead.

If that were done, there would not necessarily be a loss to the people of the country as a whole, since the consumers would get better and cheaper meat than otherwise.

Mr. ANDERSON. Mr. President, I agree with the Senator. I think we shall discuss some of those questions at a subsequent date. I did not want to talk as long as I have talked today. I merely intended to call the attention of the Senate to the fact that we do the farmer, particularly the wheat farmer, no great favor when we give him a large acreage allotment that only helps to add to the carryover of wheat, and makes certain that the only customer for his wheat will be the Treasurer of the United States. Some day we are going to have to realize that our farm programs do not work when the Treasurer of the United States is the chief purchaser. I hope we shall hold the acreage figure in this bill down to such a point that the wheat program will work.

The Senators from Kansas and North Dakota know that I have reluctantly gone along with the committee in its figure of 61 million acres. I imagine that the distinguished junior Senator from North Dakota, and probably also the senior Senator, and I know that both of the Senators from Kansas, would like to see a higher acreage figure used, because their problem is a very difficult one. I am suggesting to Senators, however, that they do not form a conviction that the conference report is going to provide a large increase in 1954 wheat acreage, because the wheat quota must be proclaimed by next Wednesday, and there certainly ought to be the toughest kind of a fight before we ever permit an amount of acreage provided for in this bill which would, in my opinion, further disturb the wheat market of the United States.

Mr. CARLSON. Mr. President, it may not be wise for me to speak on this subject after the remarks of the distinguished Senator from New Mexico, who has studied the wheat allotment acreage problem for many years. I appreciate the Senator's kindness, and his interest in the problem within the Wheat Belt, manifested by his having accepted the figure of 61 million acres included in the pending bill.

The citizens of Kansas have a very vital interest in this piece of legislation. Kansas has one-fifth of the wheat acreage of the Nation. We produce one-fourth of the winter wheat. If the proposal that is now being considered were adopted, it would seriously cut the production in our State, and it would work hardship to many of our wheat producers.

I may say that for a 10-year period the average wheat acreage in Kansas has been approximately 15 million acres. If the suggestion to make the total 55 million acres were followed, as provided in the existing law, and which, of course, is not covered in the pending bill, it would give Kansas 10,624,599 acres, or a reduction of 33⅓ percent. If we followed the suggestion of 61 million acres, as provided in the pending bill, Kansas would have 11,783,646 acres. That also represents a very great reduction, a reduction of more than 20 percent. If we followed the proposal of 62 million acres, as provided in the bill introduced by the chairman of the Committee on Agriculture and Forestry, Kansas would have an allotment of 11,976,820 acres, a reduction of more than 3 million acres. If the figure of 66 million acres is taken, that being the figure in the House bill, Kansas would be permitted to plant 12,749,518 acres, a reduction of approximately 20 percent.

I wish that Senators would keep in mind the fact that when we ask our wheatgrowers in Kansas to make a 20-percent reduction, it works some economic hardships on persons who have to deal with the problems involved. The costs are going to be the same, or there may possibly be an increase, as mentioned by the distinguished Senator from Minnesota [Mr. THYE].

Let us assume that we were to ask the automobile industry to cut back its production 20 percent. People would be thrown out of employment, and it would have a very serious effect upon the economy of certain sections of the country. That would be true particularly with respect to industries engaged in the manufacture of refrigerators and similar items. Yet by the pending bill, if we adopt the Senate proposal, we shall be asking our wheatgrowers to cut production back 20 percent, or a little more. It seems to me that that would be a very serious reduction to ask them to make at this time. Therefore, I sincerely urge that when the bill goes to conference consideration be given to increasing the acreage allotments.

I think I should mention also the fact that I have been in touch with the Department of Agriculture in regard to this problem, and the Department has made certain estimates based on the two bills which were introduced, the Senate bill, which provided sixty-two million by way of acreage allotments, and the House bill, which provided sixty-six million.

The administrative and accounting work connected with notifying the States and counties of the allotment acreages would be a real problem. If the Senate proposal of an allotment of 61 million acres were approved, it would mean that the Department of Agriculture would have to make a new start with respect to the accounting process, and that would take considerable time. They must promptly communicate the acreage allotments to the counties and to individual farmers.

For the reasons stated I therefore sincerely hope that serious consideration will be given to the problem of determining whether the figure shall be 61 million, 62 million, or 66 million. Someone may say, "Oh, well, they can get busy and revise the figures." That is true, but the quotas must be set by July 15, and the allotments must be made by August 14. It presents a real problem to the farmer. In my opinion, a great deal of work will be involved in carrying out the program. When the farmers are asked to cut back their acreage 20 percent, I am of the opinion that many of them will not vote for it on that basis.

In fairness, I may say that in many States a two-thirds vote would be required. The farmers will not be asked to vote on this question on a majority basis; a two-thirds vote will be required in order to carry the acreage allotments. Therefore, I would ask that the Senate be as generous as possible in working out the increased acreage allotments for the farmers. We are appealing to the committee to see whether it will be possible in conference somehow to increase the acreage allotments, in order to assist the farmers; so that they certainly will not be required to make a 20 percent reduction or more this year.

It has been stated that there is a surplus, and that is true; but there has also been a great drought in the wheat-producing section of the Nation. The farmers in the State of Kansas last year produced 308 million bushels of wheat. This year, according to the figures issued yesterday by the Department, the production is estimated at 130 million—about a third of the crop, or a little more than a third. A similar situation exists in Oklahoma and Texas. Texas is a great wheat-producing State. In fact, the reductions in Texas and Oklahoma would be very much greater in total volume than in Kansas. I therefore appeal to the members of the Senate Committee on Agriculture and Forestry who will be on the conference committee to keep in mind what I have said when they begin to work out an adjustment between the Senate and House.

Mr. President, I appreciate very much the committee's having reported the pending bill. I think it important that we begin to make plans to overcome the great surplus production of wheat. I am one of those who believe that if we are to solve the problem by means of guaranteed prices or with price supports there must go with it an adjustment of acreage. But at this time we are caught in a difficult situation, because of the condition mentioned by the distinguished Senator from New Mexico. We did not have quotas last year, and we planted a larger acreage than we should have. It is therefore rather difficulty to solve the problem. It should be kept in mind that, had we not had this legislation before the Senate, and had the allotment of 55 million acres been in effect, the reduction would have been 30 percent. I do not think we can ask the farmer in this country to cut his production 30 percent in 1 year. In fact, we cannot afford to do it.

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point two letters which I wrote to Hon. Walter Huard, Grand Forks, N. Dak., dealing with the entire problem which is now under consideration.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HON. WALTER HUARD,
Grand Forks, N. Dak.:

This acknowledges your letter of April 29, 1953, concerning the 1954 wheat acreage-allotment and marketing-quota program of the United States Department of Agriculture. You state that you have been since 1948 following practices recommended by the Soil Conservation Services consisting of strip cropping, contour farming, and a rotation of summer fallow and wheat, and that you are fearful that the USDA will again base wheat acreage allotments on previous wheat acreage rather than total cropland available for wheat. You state that the acreage cut which you would likely be required to take if allotments are based on past wheat acreage would nearly put you out of business.

As you probably know, wheat acreage allotments and marketing quotas are provided for under the Agricultural Adjustment Act of 1938, as amended. The Secretary of Agriculture is required by law to proclaim a national acreage allotment designed to supply enough wheat for our consumption and export needs plus a carryover allowance. That allotment is apportioned to States and counties under the act on the basis of wheat production during the preceding 10 years (and diversion from wheat under agricultural adjustment and conservation programs in the years of the 10-year period in which programs were in effect), with adjustments for abnormal weather conditions and trends in acreage, and, in the case for county allotments, for the promotion of soil-conservation practices.

The law provides that the county allotment is to be apportioned to farms on the basis of the four factors of tillable acres (i. e., cropland), crop-rotation practices, type of soil, and topography. The law does not prescribe how the factors are to be applied nor the weight which shall be given to each factor. In past programs the Department has given primary consideration to the wheat-production history on the farm during the previous 3 or 4 years, with adjustments to reflect such factors as type of soil and topography, in arriving at a "usual acreage" for the farm. A reduction factor, based on the size of the county allotment, is applied to the usual acreage to arrive at the allotment. It is understood that the allotment procedure for 1954 will be similar, but a "base acreage" rather than a "usual acreage" will be established and more weight will be given to the suitability of the land for wheat production. The county committees will have considerable discretion to adjust historical acreages which are considered excessive or otherwise not typical for 1954.

It should be borne in mind that a marketing-quota program is restrictive and imposes a penalty on those who do not comply. The legal basis for such a program is the regulation of marketing of the commodity. It could not be used as a means of requiring farmers to carry out good conservation farming without possibly running afoul of the decision of the Supreme Court of the United States in which it was held that the control of agricultural production is a matter reserved to the States. Accordingly, under such a program farm acreage allotments and marketing quotas must bear a direct relationship to the farm's fair share of the market. Past production history, with adjustments prescribed in the regulations, is considered to be an accurate indication of the farm's production for market.

"THE DEPARTMENT OF AGRICULTURE TAKES THE POSITION THAT"

As applied to your farm, it does not appear that the cut in acreage under the Department's proposed program would be unfair to you in comparison with other farms in your community, since the good farming practices you are following are calculated to increase the yield and protect your soil sufficiently to offset the smaller acreage.

Under present law and regulation will acreage allotment be strictly determined on history? Is there enough flexibility in law and regulation so that total cropland rotation and conservation plans, as indicated in the attached will be taken into consideration?

I would appreciate very much, information on the question raised in the attached letter, because inquiries of this type are coming to us daily from many sources.

WILLIAM LANGER.

HON. WALTER HUARD,
Grand Forks, N. Dak.

DEAR MR. HUARD: This will acknowledge and thank you for your letter of recent date relative to the 1954 wheat-acreage allotments.

As you probably know, wheat-acreage allotments and marketing quotas are provided for under the Agricultural Adjustment Act of 1938, as amended. The Secretary of Agriculture is required by law to proclaim a national acreage allotment designed to supply enough wheat for our consumption and export needs plus a carryover allowance. That allotment is apportioned to States and counties under the act on the basis of wheat production during the preceding 10 years (and diversion from wheat under agricultural adjustment and conservation programs in the years of the 10-year period in which programs were in effect), with adjustments for abnormal weather conditions and trends in acreage, and, in the case for county allotments, for the promotion of soil-conservation practices.

The law provides that the county allotment is to be apportioned to farms on the basis of the four factors of tillable acres (i. e., cropland), crop-rotation practices, type of soil, and topography. The law does not prescribe how the factors are to be applied nor the weight which shall be given to each factor. In past programs the Department has given primary consideration to the wheat production history on the farm during the previous 3 or 4 years, with adjustments to reflect such factors as type of soil and topography, in arriving at a usual acreage for the farm. A reduction factor, based on the size of the county allotment, is applied to the usual acreage allotment for 1954. It is understood that the allotment procedure for 1954 will be similar, but a base acreage rather than a usual acreage will be established and more weight will be given to the suitability of the land for wheat production. The county committees will have considerable discretion to adjust historical acreages which are considered excessive or otherwise not typical for 1954.

It should be borne in mind that a marketing-quota program is restrictive and imposes a penalty on these who do not comply. The legal basis for such a program is the regulation of marketing of the commodity. It could not be used as a means of requiring farmers to carry out good conservation farming without possibly running afoul of the decision of the Supreme Court of the United States in which it was held that the control of agricultural production is a matter reserved to the States. Accordingly, under such a program farm acreage allotments and marketing quotas must bear a direct relationship to the farm's share of the market. Past production history, with adjustments prescribed in the regulations, is considered to be an accurate indication of the farm's production for market.

It certainly was a pleasure for me to receive your views on this matter and should you have any further questions, do not hesitate to let me know.

With my very kindest regards and hoping you are well and happy, I am,

Sincerely,

WILLIAM LANGER.

The PRESIDING OFFICER. The question is on agreeing to the first committee amendment.

Mr. AIKEN. Mr. President, may I invite attention to page 2 of the bill, line 7? I will read lines 6 and 7: "coming into the production of wheat during the 10 calendar years immediately preceding the calendar year in which the national acreage allotment is proclaimed."

The Department of Agriculture, which participated in drawing this bill, states that the words "immediately preceding" do not express what was intended; that in order to make the act reasonable administratively the words "immediately preceding" should be stricken out and the words "ending with" should be inserted. That would mean that the year 1953 would be included. The reason

given is that under the law they are required to calculate the acreage planted in 1953 in determining allocations to each farm, and that if they have a different basis for determining the allocation of the reserve to each county, there may be some counties that will not come out correctly. I have been asked that we so amend the bill by striking out, on page 2, line 7, the words "immediately preceding" and inserting in lieu thereof the words "ending with".

I ask unanimous consent that I may offer that amendment, Mr. President.

Mr. SCHOEPPEL. Mr. President, will the Senator from Vermont yield?

Mr. AIKEN. I yield.

Mr. SCHOEPPEL. Was not that the matter which was drawn to the attention of the members of the committee yesterday in our session?

Mr. AIKEN. That was brought to our attention and I am frank to say that, being submitted to us with little explanation accompanying it, the chairman of the committee did not know exactly what it meant or what the effect would be. I am satisfied, however, that the language probably should be changed so that allocations to the counties would take into account the basis on which farm allotments are allocated. I do not think many counties would be affected; I do not know how many. The Department seems to feel that it might get into difficulties administratively if it allocated the national reserve to counties on the basis of the years ending with 1952, and to the farm on a basis including the year 1953.

Mr. SCHOEPPEL. That throws a different light on it from that which I understood yesterday. I will say quite frankly that yesterday I opposed any change because I was under a different impression than that which is now indicated by the chairman of the committee.

Mr. AIKEN. The Senator from Kansas had the same understanding, or lack of understanding, that the Senator from Vermont had. There was no adequate explanation accompanying the request for the change. But I now understand that the Department wants to make allocation of the reserve to the counties on a basis which will include the years considered when making allocations to the farms. I think the amendment is proper. If the matter goes to conference and the House does not accept the amendment, it can be thoroughly considered. But I feel that it is all right.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Vermont that he may offer his amendment. The Chair hears none, and the question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question is now on agreeing to the first committee amendment which has been stated.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was, at the top of page 3, to strike out:

SEC. 3. Public Law 74, 77th Congress (55 Stat. 203), as amended, is amended as follows:

(a) By striking out in the second sentence of paragraph (2) the language "shall be 50 percent of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the act and this resolution." and inserting in lieu thereof the language "on wheat shall be 45 percent of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested."

(b) By striking out in paragraph (7) the word "fifteen" wherever it appears therein and inserting in lieu thereof the figure "25."

And insert:

SEC. 3. Public Law 74, 77th Congress (55 Stat. 203), as amended, is amended by striking out in the second sentence of paragraph (2) the language "shall be 50 percent of the basic rate of the loan on the commodity for cooperators for such marketing year under section 302 of the act and this resolution." and inserting in lieu thereof the language "on wheat shall be 45 percent of the parity price per bushel of wheat as of May 1 of the calendar year in which the crop is harvested."

The amendment was agreed to.

The next amendment was, on page 3, line 25, after the word "than", to strike out "sixty-six" and insert "sixty-one."

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CARLSON. Mr. President, on behalf of the senior Senator from Oklahoma [Mr. KERR], the junior Senator from Oklahoma [Mr. MONRONEY] and myself, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Kansas.

The LEGISLATIVE CLERK. On page 4, after line 2, it is proposed to insert the following:

A farm-marketing quota on wheat shall not be applicable during the marketing year beginning in 1954 to any farm located within any area in which there has occurred during the calendar year 1953 a major disaster as determined by the President under section 2 (a) of the act entitled "An act to authorize Federal assistance to States and local governments in major disasters, and for other purposes," approved September 30, 1950.

Mr. CARLSON. Mr. President, this amendment has been printed and is on the desks of Senators. The amendment is very simple.

It exempts from the 1954 acreage allotments that portion of the country which has been declared a disaster emergency relief area by the President of the United States. There is nothing permanent about the amendment. Its intention is to relieve the cattle-feed situation in the drouth area.

Day before yesterday, we passed, as did the House, an emergency-relief measure which provides for additional emergency assistance to farmers and stockmen in the emergency-disaster area. This amendment would afford further relief to the stockmen in that area.

It is a normal procedure in the Southwest for farmers to plant their wheat at a time when there is adequate moisture in the soil to sprout and bring up the grain and, as soon as it has progressed to a point where it is possible, cattle are turned on the wheat for pasture. Most of our farmers use their planted wheat for pasture well into the winter and, in case of an open winter, up until spring.

If the present drouth situation persists, the wheat will not be planted, but in case of light rains throughout the drought area after the middle of August, wheat will be planted for the dual purpose of providing pasture for livestock and in the hopes of a harvest in July.

We have discussed this afternoon the effect of the drought on wheat production in the past year, and I should like to invite the attention of the Senate to certain facts.

In the counties which have now been declared an emergency drought area there were 24 million acres planted in the crop year 1953. Six million acres of this wheat never were harvested due to the drought. That which was harvested made an average yield of 9 bushels per acre. This is 60 percent of the average yield for this portion of the country. Assuming ideal weather conditions, it is estimated that no more than 24 million acres will be planted to wheat. Even with relief of acreage allotment provisions and with the wheat prospects such as they are, it is reasonable to assume that these acres will not yield more than 10 bushels of wheat.

Mr. President, in the Dust Bowl area, with the soil blowing, there are serious soil problems which make living conditions very difficult. My amendment would help to get feed into that area and where it is so badly needed, would in the end save the Government millions of dollars.

Mr. CAPEHART. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. CAPEHART. No one has shown greater sympathy than I with farmers who lose crops. I have been through that myself, and I know exactly what the Senator is talking about, but it seems to me that rye makes a better cover-crop than does wheat. There is nothing to prevent farmers from using any acreage they may want to use for planting to rye, which is a much better cover crop, as I have said, and a much better pasture crop, than is wheat. At least, that is true in Indiana.

Mr. CARLSON. The distinguished Senator from Indiana is, no doubt, a good farmer, but if we follow the advice he has just suggested, farmers will harvest the rye. I am told by farmers in Minnesota and in other sections that there is a surplus of rye. If we let them plant the land to wheat, they will have to destroy the wheat before the next harvest to get the acreage into production. The farmers could plant rye, of course.

Mr. AIKEN. Mr. President, will the Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. AIKEN. Can the Senator imagine the public reaction to planting wheat and then destroying it? Does not the Senator think there would be a little resentment?

Mr. CARLSON. No; I think there would be no resentment, certainly not among the people in that area. If the Senator lived in the section of the country where there are dust conditions he would better understand the situation. We should do everything we can to tie down the ground. The farmers who are getting a little moisture plant sorghum, which is the first crop they can plant. We need to do something about it at this time.

Mr. YOUNG. I certainly have every sympathy with the problems of farmers in the Senator's area. Once the land begins to blow, it is difficult to tie it down again. But exactly the same problem existed in many counties in North Dakota last year and in years previous. Last year many counties produced very little wheat. There are other crops that could be planted to tie down the land. Probably they would not produce as good pasture as wheat would. However, I think that if the Senate accepted the amendment, a very bad precedent would be set, and reaction among farmers would be bad. I can imagine the problem that would be encountered to try to get farmers to plow their crops under if they happened to have a good crop year. With wheat standing nice and high, producing perhaps 20 or 30 bushels to the acre, there would be a bad reaction if an attempt were made to get the farmers to plow it under. There is nothing a farmer hates worse than to destroy a crop.

Mr. CARLSON. The area of which I speak is a summer-fallow area. We are used to keeping our ground idle for a year at a time. Fifty percent of our acreage is in summer fallow.

Something has been said about planting other crops. We have the machinery to plant wheat. We could plant rye, but we do not have the machnery to handle it as well as wheat can be handled. We do not have machinery with which to plant a large number of other crops.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. CARLSON. I am glad to yield.

Mr. ANDERSON. I am very sympathetic with what the Senator from Kansas is saying, because under his amendment there would be no wheat quotas in my State in 1954. Every acre in my State now growing wheat would be exempt. However, I believe that a step in the right direction was taken when the Secretary of Agriculture announced that in those areas he would allow the planting of wheat for purposes of cover crops and grazing, provided the crops were not harvested.

I think it is dangerous to leave the matter wide open. I realize the problem the people in the State of the Senator from North Dakota face. Their acreage will not be cut as much as I think it ought to be cut, and the Senator knows that. But if the quota of the farmers of North Dakota is cut heavily, and in my State, because of the drought, farmers are allowed to go scot free and plant every acre of ground with wheat, whether there is a history of wheat or not, then I think the Senator has a right to complain, and his people have a right to complain. It would be very nice for me personally to have the Senator's amendment adopted, but I am quite well satisfied with what the Secretary of Agriculture has already said—namely, that to prevent our land from blowing, we may plant wheat as a cover crop.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. CAPEHART. Under the law, a farmer could plant as many acres in wheat as he desired to plant, provided he planted it for pasture or plowed it under.

Let us say the quota was 100 acres of wheat, and a farmer had 400 acres. He could plant the entire 400 acres in wheat, pasture 200 acres of it, plow under 100 acres, and harvest 100 acres. There is nothing in the law to prevent a farmer from doing that.

Mr. CARLSON. No, but it should be made certain that farmers are protected, so there can be no question about it.

Mr. CAPEHART. I do not believe there could be any question about it, under the law.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CARLSON. I yield to the Senator from Vermont.

Mr. AIKEN. I simply wish to say that I am inclined to believe the situation described by the junior Senator from Kansas [Mr. CARLSON] may be covered by the definition of wheat acreage in paragraph (k) (1), as follows:

"Wheat acreage" means (i) any acreage seeded to wheat, excluding wheat mixtures in the wheat mixture counties and excluding wheat acreage used as green manure, cover crop, or hay in green manure, cover crop, and hay counties, and (ii) any acreage of volunteer wheat which reaches maturity.

I also believe the Secreatary of Agriculture has authority to declare cover crop counties.

Mr. CARLSON. I appreciate having that information from the distinguished chairman of the committee. I want to do what I think the statement the Senator has just read seeks to accomplish.

Mr. AIKEN. I think this statement is correct. I do not guarantee it. I think it right that the situation the Senator has described should be covered.

Mr. SCHOEPPEL. Mr. President, will the junior Senator from Kansas yield?

Mr. CARLSON. I yield.

Mr. SCHOEPPEL. The Senator knows, as I do, that the main problem in many of the so-called drought areas, including parts of Kansas, is the ground blowing badly, as the distinguished junior Senator from Kansas has pointed out. I wonder if all Senators who are listening to the discussion understand that a cover crop such as wheat will be the difference between a large amount of land blowing badly and a large amount of land remaining in suitable condition for the planting of crops in another year. The wheat planted on this acreage can be grazed off, thereby reducing some of the very detrimental public reaction mentioned by the junior Senator from North Dakota [Mr. YOUNG]. It is very important that we consider this amendment or in some other way provide for a suitable safe cover crop on much of this land.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CARLSON. I yield.

Mr. AIKEN. I read a moment ago from regulations pertaining to farm-acreage allotments for the 1954 crop of wheat. I did not make that clear. I believe the Secretary of Agriculture has a right to determine the cover crop counties.

Mr. CARLSON. I appreciate very much the statement by the Senator from Vermont, and I hope the Secretary will act accordingly.

Mr. AIKEN. I believe that the land can be used for a cover crop without its being included as wheat acreage.

Mr. CARLSON. I definitely know the Government would be saved large sums of money in the control of soil, and living conditions, which are most undesirable in some areas at present, could be improved by preventing the blowing of the soil.

Pasture for livestock, which has been badly reduced, would be furnished.

Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the directors of the Kansas Livestock Association in Wichita on Tuesday, July 7, urging this type of legislation.

I also ask unanimous consent to have printed in the RECORD a statement from the Clark County agriculture mobilization committee, with respect to the same type of legislation and proposed amendment. It is typical of others I have received.

I further ask unanimous consent to have printed in the RECORD a letter I have received from Herbert Rudd, of Tribune, Kans., which is one of many I have received in regard to this program.

Finally, I ask unanimous consent to have printed in the RECORD a table with respect to production, planting, and harvesting in drought areas.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

At a meeting of the directors of the Kansas Livestock Association in Wichita, Kans., on Tuesday, July 7, they unanimously adopted a resolution requesting the Department of Agriculture for permission for seeding of wheat in the drought stricken areas in excess of acreage allotments if and when the allotments are imposed.

The resolution further stated that "This would afford additional feed for stockmen and prevent wind erosion on the acreage not included in allotments."

UNITED STATES DEPARTMENT OF AGRICULTURE, PRODUCTION AND MARKETING ADMINISTRATION,
Ashland, Kans., July 7, 1953.

To: FRANK CARLSON, Senator, United States Senate, Washington, D. C.

From: Clark County Agricultural Mobilization Committee.

Subject: Request that wheat producers be permitted to plant a full acreage this fall if the acreage allotment program is placed in effect.

The Clark County Mobilization Committee met Friday evening, July 3, 1953, with 16

members present to discuss the drought situation. Due to the shortage of feed, the wind erosion problem, the prospect of a considerable number of crop acres being without cover this fall and winter, and not enough other crop seeds suitable for seeding as a cover crop or to be used in a mixture available for fall seeding this year in this area, the following motion was made and carried unanimously:

Motion stated: The Clark County Agricultural Mobilization Committee send to the Secretary of Agriculture, Senators, and Representatives of State of Kansas, State PMA Committee, and State Mobilization Committee the following recommendation—

Requested that the law be amended so a producer may seed layout land to wheat and designate the acres at seeding time and these designated wheat acres used as a cover and feed crop to be disposed of so they will not be cut for grain for the harvest of 1954 and such acres be disposed of by May 15, 1954.

Due to the present moisture conditions, and no prospect for feed in this county it is very important that every possible consideration be given to the above recommendation.

Members present and organization represented: Del Randall, farm bureau; M. N. Rankin, PMA; Harry Thompson, PMA; Henry Degnan, PMA; Charles Greene, extension; Bennie Bird, extension, county agent, E. M. Pyle III, NFLA; Virgil Mull, NFLA; Vernon McMinimy, PCA; Wendell McMinimy, REA; John York, SCD; Leo Brown, SCD; Albert Bray, WS; Kenneth Salyer, PMA secretary.

Sincerely yours,

M. N. RANKIN,
Chairman, Clark County Agricultural Mobilization Committee.

TRIBUNE, KANS., *July 5, 1953.*

FRANK CARLSON,
United States Senate,
Washington, D. C.

DEAR SIR: I am writing in regard to the proposed acreage reduction for our 1953 wheat seeding for 1954 harvest.

Because of our practice of preparing the seed bed in April or May, and also because of weather conditions at wheat seeding time and spring planting time, many farmers have many acres of land over and above the acreage allotment that are a blowing hazard. I wish every Member of Congress and all the Department of Agriculture could have been in western Kansas or the Oklahoma and Texas Panhandles the past 2 weeks.

I think that regardless of the carryover situation and proposed marketing quotas, we should drill all this unprotected ground to wheat if the planting conditions are right at seeding time. The proper care of the land and the living conditions of the people in this country surely warrant such a program.

In our opinion, the support price of these crops could be much lower, but first and all the time we should get a crop on our open land if we get favorable conditions at seeding time.

Respectfully,

HERBERT RUDD.

	Drought areas		
	Kansas	Oklahoma	Texas
1953			
Production....bushels..	93, 523, 000	62, 536, 000	21, 681, 000
Planted.....acres..	12, 609, 000	6, 656, 000	5, 423, 000
Harvested.....do....	10, 004, 000	5, 622, 000	2, 559, 000
1948-52 (AVERAGE)			
Production....bushels..	171, 498, 000	72, 192, 000	44, 101, 000
Planted.....acres..	13, 244, 000	6, 808, 000	6, 103, 000
Harvested.....do....	11, 272, 000	5, 453, 000	3, 885, 000

Mr. CARLSON. Mr. President, in view of the statement made by the distinguished Senator from Vermont [Mr. AIKEN], chairman of the Committee on Agriculture and Forestry, I have reason to believe that the Secretary of Agriculture, by direction, is authorized to do what is proposed by my amendment, in the disaster county areas of the Nation. Therefore, I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

ORDER OF BUSINESS

Mr. KNOWLAND. Mr. President, it is my purpose to move that the Senate now recess. There will be no further business or proposed legislation considered tonight. It is proposed that when the Senate recesses, it recess until Monday at 12 o'clock noon. However, I shall be glad to yield to Senators for the purpose of making insertions in the RECORD.

Mr. SPARKMAN rose.

Mr. KNOWLAND. I yield to the Senator from Alabama.

IRREGULAR AIR CARRIERS

Mr. SPARKMAN. Mr. President, I had intended to speak to the Senate this afternoon with respect to a matter that is quite pressing. However, I shall not detain the Senate more than a few minutes, and shall then have printed in the RECORD the statement I had planned to make.

For about 2 years the Senate Committee on Small Business has been greatly interested in trying to preserve a very valuable asset of our transportation system. I refer to the irregular air carriers of the Nation. Recently the Small Business Committee held hearings with particular reference to certain regulations under which the Civil Aeronautics Board is acting at present, and under which it proposes to take away a certificate from North American Airlines, which is a group of airlines representing about four different carriers.

Recently the chairman of the Small Business Committee wrote a letter to the Civil Aeronautics Board suggesting that action revoking the certificate of the North American Airlines be held up until the Small Business Committee could complete its hearings and make a report, and until the general study which the board is making into the whole question of certification of nonscheduled airlines could be completed.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a copy of the letter from the chairman of the Senate Small Business Committee, the Senator from Minnesota [Mr. THYE], dated June 9, 1953, and addressed to the Chairman of the Civil Aeronautics Board regarding this matter.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SENATE SMALL BUSINESS COMMITTEE,
June 9, 1953.

Hon. OSWALD RYAN,
Chairman, Civil Aeronautics Board,
Washington, D. C.

MY DEAR MR. CHAIRMAN: As you know, our committee is currently studying the testimony developed during the recent hearings on the problems of the irregular air carriers. We expect to have a report on this matter ready for presentation to the Senate within a few weeks.

In order to avoid any prejudicial actions, I would like to request that the Board defer any further steps in the processing of economic enforcement proceedings until after our report has been submitted and the Board has had a chance to consider it. I believe that this would provide for a more orderly handling of the problem.

With best wishes.

Sincerely yours,

EDWARD J. THYE, *Chairman.*

Mr. SPARKMAN. The Board, in spite of that request from the chairman of our committee, has proceeded with its action against these airlines. A temporary injunction was obtained, and the argument will be held in court on Monday, as to whether or not the injunction should be made permanent.

I have prepared some remarks which I had intended to deliver on this subject. Because of the lateness of the hour I shall not detain the Senate longer, but I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks the statement to which I have referred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SPARKMAN

The Civil Aeronautics Board is at the present time pursuing a series of enforcement cases in the form of six separate proceedings, the purpose of which is the revocation of the operating authority of various scheduled carriers.

The purpose of these enforcement proceedings is to revoke the operating authority of the following carriers whom I shall name, along with the number of revenue passenger miles which these carriers flew in 1952:

	Docket No.	1952 passenger-miles
Robin Air Lines, Inc., North Continent Airlines	5475	4, 813, 000
Caribbean American Lines	5657	63, 618, 000
Air America, Inc.	5766	42, 886, 000
Aero Finance Corp.	5779	27, 046, 000
Twentieth Century Air Lines Inc.	6000	66, 782, 000
Trans American Airways, Inc.	6000	40, 376, 000
Trans National Airlines, Inc.	6000	53, 621, 000
Hemisphere Air Transport	6000	71, 534, 000
Peninsular Air Transport	4084	28, 130, 000

It will be noted that these carriers flew a total of 398,806,000 revenue passenger-miles. This represents approximately 50 percent of the total number of revenue passenger-miles flown in common carrier civilian service by the entire nonscheduled industry.

These carriers are the largest, most reliable, and most experienced enterprises among the independent air carriers. They receive no subsidy and they have never received any subsidy. They have a fine record of safety.

In every respect these carriers represent the leaders of the independent noncertificated civil aviation companies in the United States. They are all charged with the same offense. It seems that they are all guilty in the eyes of the Civil Aeronautics Board of flying too frequently, too regularly, and, in some instances, conducting their business in a manner similar to that of the certificated carriers in regard to honoring passenger tickets among each other. By way of illustration, I should like to point out that if you were to call American Airlines today for passage to New York and they were unable to provide you with adequate service, they will be glad to sell you passage on Eastern Airlines. This is a perfectly proper and honored relationship among certificated carriers. However, if one nonscheduled carrier conducts this type of arrangement with another nonscheduled carrier, this is regarded as an offense sufficiently grave to warrant their forfeiting their operating authority.

It strikes me as particularly significant that these carriers, the successful ones, ones who have demonstrated their efficiency and their ability to serve the public convenience and necessity, are just the ones singled out by the Civil Aeronautics Board for punishment. If it was the premeditated intention of the Civil Aeronautics Board to wipe out the independent air carriers with a minimum of effort, no better way could be devised than the proceedings which the Board is now undertaking. I, for one, cannot sanction the flouting of the regulations of any regulatory agency. I feel that the rules of an agency have a special sanctity and should be honored by their observance. I feel that the rules of any agency must first be honored by those who promulgate those rules—in the sense that every rule must be drawn in the spirit of what is best for the public interest and what can be regarded as a formal statement of how to proceed equitably and fairly.

The regulations which the Civil Aeronautics Board is invoking in the current proceedings are regulations which fail to meet the test of consistency, fairness, and public interest. The regulations have been challenged time and again in recent hearings conducted by the Senate Small Business Committee in the course of which it was shockingly revealed that these regulations had a premeditated motive designed to deprive one segment of the aviation industry, namely, the non-scheduled independent carrier, of any economic possibility of survival. Mr. President, I am not making this charge against the economic regulations of the Civil Aeronautics Board, but I am saying that a great deal of evidence has been presented before committees of Congress indicating that prejudice and favoritism played an important part in the drawing of these regulations, and that bias and malice have been factors in the manner in which these regulations have been employed. I am not in a position to evaluate these regulations, but I am in a position to say without fear of contradiction that a great deal of evidence has been amassed which warrants a thorough and impartial scrutiny of the economic regulations of the Civil Aeronautics Board and of the Board's administration of these regulations. That such an inquiry is justified and necessary, no reasonable man can deny. I think that the proof of this contention is best borne out by the fact that the Senate Select Committee on Small Business, through its able chairman, Senator THYE, has recently completed a most industrious inquiry into this problem of the economic regulations of the Civil Aeronautics Board as they might pertain to possible discrimination and unfair restraint against the independent air carriers. This committe is now in the process of preparing its report, in which it will, I trust, come forth with a fair evaluation of these regulations and also chart a course of action whereby the valuable assets of the independent air carriers can be given some proper and legal relationship to the entire civil aviation industry of the country. This report has not yet been submitted to the Congress, as it is even now in the process of preparation.

But did the fact that an important and distinguished committee of the Senate is in the process of making a study of this problem check the Civil Aeronautics Board in its swift appointment as executioner of small business in aviation? No; it did not. The Board has completely and blithely overlooked the fact that a Senate committee was in the process of preparation of such a report. The Board indicates that it will continue on its set course of disqualifying and liquidating the new enterprises of an industry which it is constitutionally charged with preserving. But I must cite an even more shocking inconsistency in the Board's action. Since September of 1951 the Civil Aeronautics Board has been conducting an inquiry into the proper role of the large irregular carriers. This proceeding, to which all of the independent air carriers are party, is known as Docket No. 5132. The order instituting this investigation stated that it "appears to be desirable to institute a general investigation to obtain further and current economic and other information concerning noncertificated operations, in order that the Board may determine its future policy with respect to large irregular carriers and irregular transport carriers." This inquiry was launched by the Civil Aeronautics Board the 21st day of September 1951. It was launched for the deliberate purpose of discovering what the future of all of the irregular aviation industry should be. It was to provide the blueprint whereby it would be possible "to promote the regulation of air transportation in such a manner as to recognize and reserve the inherent advantages in such transportation." The language which the Board uttered on the occasion of the opening of this investigation indicated a sincere desire to give America a new and dynamic type of civil aviation hitherto unknown under the administration of the present Civil Aeronautics Act. This inquiry being conducted by the Civil Aeronautics Board is still in progress. It has been going on for many months and by next September the inquiry will be 2 years old, and, I am informed, still far short of completion.

It is clear that one of the basic missions of this Civil Aeronautics proceeding, Docket No. 5132, is to determine exactly how valid or invalid may be the current economic regulations of the Board. In other words, the regulations which are currently being invoked in an attempt to deprive the major independent carriers of their operating authority are the very regulations which the Civil Aeronautics Board is itself scrutinizing in its lengthy inquiry. This would appear to me to be the most damaging kind of illogic, where a quasi-judicial body condemns out of one side of its mouth the violations of certain regulations whose validity it is busily questioning out of the other side of its mouth.

I would like to be advised by the more learned members of this body if they can cite any precedent where an agency of the Government embarked upon the execution of an individual or a company which is charged with a transgression against regulations which this same agency was at that very time in the process of examining critically with a view to discarding or reshaping those regulations. We must bear in mind that the Civil Aeronautics Board is not seeking to punish, curb, or warn the carriers in the current enforcement proceedings. The Board is seeking to revoke their operating authority and thereby wipe them out of the sky as air carriers. If the Civil Aeronautics Board proceeds with the current enforcement actions, it is making a mockery out of its own inquiry. If these carriers are deprived of their operating authority, any recommendations or solutions which the Civil Aeronautics Board may come forth with will be in the nature of a postmortem. There is no such thing as temporarily suspending a business; there is nothing deader than a small business which has been temporarily killed. More important, if the Civil Aeronautics Board proceeds with its present enforcement actions it would utterly nullify the labors of Congress and show a complete contempt for the Senate Small Business Committee which has already invested so much effort in this problem. It was the understanding of many Members of Congress that the purpose of the Civil Aeronautics inquiry and of the hearings that have been held in the House and Senate was to find a solution whereby both the assets of the large certificated carriers and of the smaller noncertificated carriers could be preserved to the benefit of our national air transportation industry. If these enforcement proceedings with their obvious purpose should continue, they will create at this time an atmosphere so acrimonious and bitter that they will make any solution doubtful of attainment. I do not think that any small-business men should be subjected to the kind of costs involved in some of the CAB proceedings, to say nothing of the cost to the Government, particularly if there is likelihood that either the Congress or the Civil Aeronautics Board or both are likely to completely revise these regulations. Therefore, Mr. President, I assert that the Civil Aeronautics Board's current economic revocation actions against the major carriers are entirely out of order, are inconsistent with sound procedures, in violation of any spirit of fair play, and definitely detrimental to the orderly expansion of our civil aviation industry.

Most fairminded men will agree that it is hardly the American way to first deprive a man of life, limb, or property on technical grounds and then go through hollow and meaningless motions to determine his future. I submit, Mr. President, that the issue here is whether the Civil Aeronautics Board be permitted to liquidate the only hope we have of any new enterprise ever entering into civil aviation. I, for one, assert that it is the duty of Congress and particularly of the Committees on Interstate and Foreign Commerce and the Committees on Small Business of both Houses to see that this matter is carefully reviewed, and that no steps are taken by the Civil Aeronautics Board which will do irreparable damage to the valuable new enterprises. These nonsubsidized independents have already taught the older, grandfather companies how to run an airline without refueling from the Public Treasury.

As early as 1949, various nonscheduled carriers had pointed out in pleadings before the Board that the Board's economic regulations of that industry appeared to be designed to make it economically impossible for those carriers to operate in any way at all. It was suggested that the regulations appeared to have been made with the idea in the Board's mind of compelling carriers to violate the regulations. The further thought followed that it was the Board's purpose after compelling such violations to revoke these carriers' operating authority. This has continued to be the understanding of the nonscheduled industry over the years. This view of the industry appears to be supported by a statistical analysis submitted in the hearings before the Senate Select Committee on Small Business in 1951 which showed that some 90 percent of the operations of the nonscheduled carriers were thought by the Board to be in violation of its regulations. Actual proof of this attitude and of this program on the part of the Board came forth amazingly enough in the recent hearings

before the Senate Select Committee on Small Business earlier this year. An intra-Board memorandum which had never previously come to light was introduced in the record of those hearings. I will take the time to read a few quotes from this memorandum which was prepared by Mr. Louis B. Goodkind, then Acting Chief of the Board's Economic Bureau; a memorandum on the basis of which the Board adopted new and more stringent regulations applicable to the nonscheduled air-carrier industry. Many of these regulations adopt wording from this memorandum practically verbatim. In this memorandum Mr. Goodkind, speaking for the Board's Economic Bureau, makes the following observation:

"Our experience to date convinces us that, with few exceptions, it is necessary for carriers operating large aircraft to routinize their operations; that a fixed base operation of the type which we believe section 292.1 was originally intended to cover is not generally feasible for them, but they must more and more confine their operations between certain points to build up a clientele and insure themselves of adequate load factors and a balanced directional flow. The need for route operations by large carriers is further emphasized by purely operational factors—that is, considerations of maintenance, overhaul, fueling, crew change, etc. It is in the latter respect that the analogy between irregular carriers and tramp steamers breaks down, for it is necessary in the case of the former to make careful provision for their frequent overhauls and maintenance checks, crew changes, etc. Generally speaking, this cannot be successfully accomplished economically except on route operations."

It was thus recognized in September 1948 that route type operations by nonscheduled carriers operating large transport aircraft were essential to economic survival. Knowing this, the Board has taken the position that route type operations are forbidden under its nonscheduled air carrier regulations.

The Goodkind memorandum contains the following additional statements which clearly indicate that it was the Board's intention to make it impossible for nonscheduled carriers to operate:

"It is conceded that there are certain limited and special services which can be conducted by large aircraft on a truly nonscheduled, irregular basis. These are the true fixed base operations such as conducted by Paul Mantz in carrying movie crews to and from location. It is believed unwise, however, to keep the door open to such few operators and thus provide entry for a host of undesirables."

After referring to certain alternative recommendations made to the Board Mr. Goodkind states:

"Either procedure has the advantage of affording a means for ultimately terminating the operations of this group of carriers."

At another point in the memorandum he states:

"A second reason in favor of either proposal is that it should not lay the Board open to criticism of stamping out without due process these carriers which they have permitted to come into being."

Referring to the two methods which he had recommended, Mr. Goodkind continued:

"Accordingly termination of such carriers' letters of registration would appear a natural and fair conclusion."

Probably never in the history of any administrative agency have regulations ever been adopted for the purported purpose of regulating any segment of private enterprise which were deliberately designed by the administrative agency to compel operators to violate the law in order to enable the agency to carry out its planned program of labeling all operators "willful violators" and on that basis revoking their operating authority. I might point out that this program of the Board, a program of annihilation of a segment of industry which the Small Business Committee found to be a great natural asset, has been opposed not only by two separate committees of this Congress but by the Government of Puerto Rico, the Government of Alaska, the Antitrust Division of the Department of Justice, the Post Office Department, the Alaska Development Board, the city of Chicago, and other officials normally entitled by our Government to every proper and reasonable consideration.

Mr. President, in view of the unprecedented nature of this memorandum and the even more unprecedented action of the Civil Aeronautics Board in adopting the recommendations contained in this memorandum virtually point by point and word for word, I respectfully request that my remarks be extended to include a copy of this memorandum for the record.

GOODKIND MEMO

(The attached memorandum was prepared in 1948 by the Chief of the Civil Aeronautics Board's Bureau of Economic Regulations, Louis W. Goodkind. It was subsequently followed by the CAB as a master plan to eliminate the Nation's independent airlines by bureaucratic edict. It is interesting to note that Goodkind was selected to set up the CAB's large irregular air carrier investigation which was launched in September 1951, ostensibly to determine the need for independent airline services. At that time Goodkind was Assistant Director of the Bureau of Air Operations. Under normal CAB procedure the Bureau counsel would have been placed in charge of setting up the investigation. Goodkind is now employed in the State Department.)

CIVIL AERONAUTICS BOARD MEMORANDUM

SEPTEMBER 16, 1948.

To: The Board.

From: Chief, Bureau of Economic Regulations.

Subject: Revision of section 292.1.

In connection with recent staff consideration as to the need for further revision of section 292.1, the Accounting and Rates Division has compiled certain statistical data taken from the first reports under section 292.1 (e) filed by irregular air carriers as of August 2, 1948. The more significant data are summarized as follows:

	Large carriers, quarter ending Mar. 31, 1948	Small carriers, calendar year 1947
Gross revenue, flights for hire..	[1] $3,180,572	[2] $515,30
Revenue passenger-miles.....	[3] 16,825,506	[4] 11,713,20
Under letter of registration.	13,116,206	.....
Alleged noncommon carriage.....	3,709,302	.....
Revenue cargo ton-miles.....	[5] 8,197,065	287
Under letter of registration.	7,103,131	.....
Alleged noncommon carriage.....	1,093,934	.....

[1] Twenty-two carriers reported this figure. Figures for 3 carriers reporting on semiannual basis prorated to a quarterly basis.

[2] Thirty-three carriers reporting. Figures for less than calendar year reported by 3 carriers were prorated to cover entire year.

[3] Twenty-nine carriers reporting.

[4] Thirty-three carriers reporting. One carrier, Paul G. Hervath, reported 7,481,340 for 9¼-month period. Another, Terra Marine Air Service, 2,430,000 for 8-month period. We are not familiar with these operations but there is reason to doubt the validity of these figures.

The scattering of reports filed since August 2 is insufficient to warrant revision of the figures. Unfortunately, only 32 large irregular carriers and 44 small irregular carriers had reports filed as of that date, and in many instances even these reports are incomplete. Such filings represent, in the case of the large carriers, less than one-third of those holding letters of registration and in the case of the small carriers less than 3 percent of the total.

The large carriers represented are not a good cross section either from the standpoint of passenger or cargo operations, inasmuch as the large transcontinental and United States-San Juan passenger operators are not included, whereas most of the large cargo carriers are included. The point is that we cannot get a good proration of the passenger miles or cargo ton-miles to cover all large carriers by multiplying the reported figures by the ratio which the reporting carriers bear to all large carriers holding effective letters.[1]

Meager as the figures are, they appear sufficient to bear out our belief that the small carriers continue to perform a negligible amount of business in comparison with the large ones and that a perpetuation of the present small degree of regulation over the small carriers should not have any serious effect on the total air-transportation picture.

It is apparent, however, that the large irregular carriers have grown more or less free of Board auspices to become a definite and recognizable factor in air transportation. The seeming widespread abuses of the act practiced by many such carriers and the effect of such on the industry have been pointed up in previous memoranda from the general counsel; the staff is, therefore, generally agreed as to the desirability of finding means of bringing this phase of air transportation under more positive control within the near future.

It is believed this could be effected by keying the duration of their authority, that is, letters of registration, to Board action on either (1) the carriers' pending certificate applications under 401 or (2) their pending applications for special exemption under 416. Depending on which procedure was adopted, the appropriate application could be required to be filed within specified time limits. Either procedure has the advantage of affording a means for ultimately terminating the operations of this group of carriers.

Our experience to date convinces us that, with few exceptions, it is necessary for carriers operating large aircraft to routinize their operations; that a fixed base operation of the type which we believe section 292.1 was originally intended to cover is not generally feasible for them, but they must more and more confine their operations between certain points to build up a clientele and insure themselves of adequate load factors and a balanced directional flow. The need for route operations by large carriers is further emphasized by purely operational factors—that is, considerations of maintenance, overhaul, fueling, crew change, etc. It is in the latter respect that the analogy between irregular carriers and tramp steamers breaks down, for it is necessary in the case of the former to make careful provision for their frequent overhauls and maintenance checks, crew changes, etc. Generally speaking, this cannot be successfully accomplished economically except on route operations.

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[1] The 22 large carriers reporting gross revenue from flights for hire grossed $3,180,572 for the first quarter of 1948. This number of carriers represents just one-fifth of the large carriers holding effective letters of registration. If we multiply this figure by 5 for a projection as to what all carriers would do, we have $15,541,716, or an annual total of $62,166,864. We are not in a position at this time to evaluate the fairness of such a projection.

Once a carrier is involved in route operations it is encroaching on the field which the act is believed to have reserved to certificated carriers and is no longer providing the casual, unpredictable call and demand service which 292.1 was designed to accommodate and which the certificated carriers are not particularly well adapted to handle. It is instead catering to a more or less steady, predictable, and measurable public demand and should be subject to the requirements of section 401 of the act. Furthermore, we do not believe it necessary to enlarge on the fact that the determination of what constitutes regularity has been and undoubtedly always will be an extremely difficult problem and possibly not susceptible of satisfactory solution.

It is conceded that there are certain limited and special services which can be conducted by large aircraft on a truly nonscheduled, irregular basis. These are the true fixed base operations such as conducted by Paul Mantz in carrying movie crews to and from location. It is believed unwise, however, to keep the door open to such few operators and thus provide entry for a host of undesirables.

A second reason in favor of either proposal is that it should not lay the Board open to criticism of stamping out, without due process, these carriers which they have permitted to come into being. If, after consideration of either a 401 or a 416 application, the Board determines that it cannot make the statutory findings to permit authorization of the proposed service, it is difficult to see how the carrier or the public at large could expect the Board to perpetuate the service; accordingly, termination of such carriers' letters of registration would appear a natural and fair conclusion. If, on the other hand, some of the carriers are providing a needed public service they should be certificated, or exempted from the requirement of a certificate, and the experience which they have gained in performing their past operations would be of tremendous benefit to them in carrying on under their new authority.

Third, either method gives the Board a good measure of control over the life of the carriers, in that it can delay or hasten action on the pending applications as it deems necessary. So far as 401 applications are concerned, the biggest trouble spots for irregular carrier operations are being covered in area proceedings now underway; namely, United States-San Juan and United States-Alaska. A third such proceeding to cover the transcontinental operators would appear to take care of the remaining troublesome area, so that we could expect within the not too distant future to bring the situation under control and reestablish the transportation system under 401, or by specific exemption therefrom.

In an accompanying memorandum, the Bureau of Law recommends following the procedure of processing immeditaely applications for special exemption under section 416, rather than the certificate applications under section 401. Whichever procedure is adopted, it will be necessary to "live with these carriers" for yet some time. Experience in administering the presently effective regulation indicates the need for certain revisions. Suggestions along these lines are set out below.

There has been some discussion of the difficulties created by irregular carriers from the standpoint of diplomatic and international relations, in their performance of foreign point to foreign point operations outside the Board's jurisdiction. Aside from the international complications involved, we believe there is an economic argument for preventing irregular carriers from performing such operations. In permitting these carriers to engage in foreign air transportation, it is believed the Board desired to encourage the development of such transportation and to supplement the service provided by the certificated carriers. However, in the case of several carriers operating to foreign points, the United States foreign operations are only supplemental to their larger foreign point to foreign point operations. For instance, Trans-Caribbean Air Cargo Lines, which theoretically should be developing and promoting United States foreign cargo carriage, is to some degree using this authorization merely to help fill their planes on eastbound flights returning from heavily loaded and remunerative westbound passenger flights operating foreign point to foreign point—that is, they operate from Greece, Italy, or France to one or more South American countries with large loads of emigrants and then return to Europe via the United States, picking up such incidental cargo loads as they can. Our regulation is thus being used to foster operations outside our jurisdiction and over which we have no direct control, and not to develop United States foreign commerce as the prime objective.

On the other hand, of course, the development of American enterprise abroad is generally deemed a desirable objective. Whether this is the type of such enterprise to be encouraged and, if so, if this is the proper means of encouragement; and what the extent of the Board's jurisdiction in the matter may be—all are problems which the Board may wish to pass on at this time.

By amendment of section 292.1 effective August 6, 1948, issuance of letters of registration to large irregular carriers was suspended. However, presently effective paragraph (b) (2), reclassification, provides that each large and each small irregular carrier shall comply with the requirements applicable to its respective class until such carrier has been notified of its reclassification pursuant to application therefor specifying the number of aircraft units and type of each which it is proposed to utilize pursuant to such reclassification.

If the amendment of August 6 is to be made completely effective it would seem necessary to amend the reclassification paragraph to suspend reclassifications of small carriers to large. The staff is of the opinion this could and should be done immediately without prior circulation for comment.

EXEMPTIONS

Section 404 (a): Large irregular carriers are presently subject to this section only insofar as it requires air carriers to provide safe service, equipment, and facilities in connection with air transportation, but it is believed these carriers should also be required to establish, observe, and enforce just and reasonable individual and joint rates, fares, and charges and just and reasonable classifications, rules, regulations, and practices. This additional requirement seems desirable in view of the indicated tendency of the large carriers to indulge in rate wars.

Sections 408, 409, and 412: It is believed that large irregular carriers should be subjected outright to each of the above sections of the act and that the provisos now incorporated in 292.1 which generally make exception where two or more irregular carriers are involved, should be stricken. In administering these sections of the act, experience indicates that the Board has unnecessarily handicapped itself and placed beyond its control the arrangements in which it often has a direct interest. The present arrangement has made possible certain joint arrangements and collusions between irregular carriers which are undesirable. The proposed freight-forwarder regulation makes no exceptions in this regard and no strong reason appears for granting exceptions in the case of the irregular carriers.

It is recommended that the small irregular carriers be extended the same exemptions and privileges as at present.

Letters of registration: The treatment accorded this subject in proposed section 292.6 appears generally adaptable for 292.1. However, since letters will be issued only to small irregular carriers, it is believed that with one exception the presently effective arrangements for applications and issuance will suffice, since they have proven satisfactory so far as small carriers are concerned. As an enforcement measure, it is thought necessary to make provision against successor companies owned or controlled by persons previously involved in violations applicable to small as well as large irregular carriers.

LOUIS W. GOODKIND.

FINANCING OF THE DISTRESSED LIVESTOCK INDUSTRY

Mr. SCHOEPPEL. Mr. President, on July 7, at Wichita, Kans., at a meeting of the Kansas Livestock Association, that association made reference to the emergency legislation recently enacted by the Congress making funds available for direct loans and other relief measures, which would be helpful in the livestock industry, especially in the drought areas.

I have received a letter from Mr. A. G. Pickett, secretary of the Kansas Livestock Association, which I desire to have printed in the RECORD at this point as a part of my remarks. The secretary of the association has indicated in this communication the attitude of the officials and members of the Kansas Livestock Association toward the measures recently taken.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

KANSAS LIVESTOCK ASSOCIATION,
Topeka, Kans., July 9, 1953.

Hon. ANDREW F. SCHOEPPEL,
Senate Office Building,
Washington, D. C.

DEAR SENATOR SCHOEPPEL: Officials and members of the Kansas Livestock Association, in a meeting at Wichita, Kans., Tuesday, July 7, were unanimous in their support of legislation necessary to make emergency funds available immediately for direct loans and to refinance or guarantee adequate margin in existing loans; also the extension of additional credit for feed loans to livestock producers in the drought area. Some loans should also be available for those in financial distress due to depreciated cattle values.

The association further recommended that these loans be kept in the regular existing credit channels and be administered locally insofar as possible.

The association approved the Department's plan to distribute Government-owned feed at reduced prices to producers in drought areas and urge this feed be made available immediately.

The association voted to commend the Department of Agriculture for their beef purchase program and urge this program be expanded.

Yours truly,

KANSAS LIVESTOCK ASSOCIATION,
A. G. PICKETT, *Secretary.*

RECESS TO MONDAY

Mr. KNOWLAND. I move that the Senate now stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 17 minutes p. m.) the Senate took a recess until Monday, July 13, 1953, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 11 (legislative day of July 6), 1953:

DIPLOMATIC AND FOREIGN SERVICE

Miss Frances E. Willis, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

DEPARTMENT OF AGRICULTURE

The following-named persons to be Assistant Secretaries of Agriculture:

John H. Davis, of Virginia.

Romeo E. Short, of Arkansas.

UNITED STATES ATTORNEYS

Simon S. Cohen, of Connecticut, to be United States attorney for the District of Connecticut, vice Adrian W. Maher, resigned.

Jack Chapler Brown, of Indiana, to be United States attorney for the southern district of Indiana, vice Marshall E. Hanley, resigning.

Krest Cyr, of Montana, to be United States attorney for the district of Montana, vice Dalton T. Pierson, resigned.

T. Fitzhugh Wilson, of Louisiana, to be United States attorney for the western district of Louisiana, vice William J. Flenniken, resigning.

Paul P. Larrazolo, of New Mexico, to be United States attorney for the district of New Mexico, vice Maurice Sanchez, resigning.

UNITED STATES MARSHAL

Richard Beal Kidd, of Arkansas, to be United States marshal for the eastern district of Arkansas, vice Noble V. Miller, resigning.

Roy McKinney Amos, of Indiana, to be United States marshal for the northern district of Indiana, vice Eugene J. Pajakowski, resigning.

Harry Jennings, of Michigan, to be United States marshal for the western district of Michigan, vice Edwin D. Bolger, retired.

George A. Colbath, of New Hampshire, to be United States marshal for the district of New Hampshire, vice Alphonse Roy, term expiring.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 11 (legislative day of July 6), 1953:

SECURITIES AND EXCHANGE COMMISSION

A. Jack Goodwin, of Alabama, to be a member of the Securities and Exchange Commission for the remainder of the term expiring June 5, 1954.

J. Sinclair Armstrong, of Illinois, to be a member of the Securities and Exchange Commission for the term expiring June 5, 1955.